



## 1 Cheap Canadian Stock to Buy Hand Over Fist Now

### Description

After the recent [stock market selloff](#), it's not very difficult for investors to find some [cheap stocks](#). But not all cheap stocks have the potential to yield outstanding returns in the long run. That's why investors must pay attention to the company's fundamentals and financial outlook before including it in their portfolios. In this article, I'll highlight one of the best cheap stocks in Canada I find worth buying right now.

### BCE Inc stock

The shares of **BCE Inc.** ([TSX:BCE](#))([NYSE:BCE](#)) have seen a 12% value erosion in the last four months despite its strong financial growth trends and fundamentals — making the stock look cheap to buy now. After losing nearly 10% of its value in 2020 due to the Covid-related setbacks, BCE stock jumped by 21% in 2021.

The largest Canadian communications company currently has a market cap of about \$58.8 billion as its stock trades at \$64.43 per share, with a 2.1% year-to-date loss. In 2021, nearly 52% of BCE's total revenue came from the Bell wireline segment, while its Bell wireless segment accounted for nearly 38%.

### Strong financial growth trends

Last week, BCE [announced](#) its largely stronger-than-expected second-quarter results. During the quarter, the company's total revenue rose by 2.9% YoY (year-over-year) to \$5.9 billion as it continued to post strong momentum in wireless and service revenue growth. Meanwhile, the company's retail internet net activations rose by nearly 28% YoY as it also remains on the path to deliver about 900,000 new fibre locations in the ongoing year. BCE's adjusted earnings in Q2 rose by 4.8% from a year ago to \$0.87 per share — exceeding analysts' expectation of \$0.84 per share.

## Spending money to achieve higher growth

In 2022, BCE expects its capital expenditures to be around \$5 billion to expand its network of fiber-to-the-home and 5G wireless core networks — marking the highest ever amount invested by a Canadian telecom provider in a single year. By the end of 2022, the company's total capital expenditure is likely to reach \$14 billion since 2020.

While this expenditure figure looks huge at first, these investments are likely to help BCE accelerate its market expansion and customer acquisitions in the coming years. The company expects its new investments to also boost the capacity of its infrastructure and ensure resiliency.

At a time when many large tech companies across North America are witnessing a series of layoffs, BCE is hiring more talent to help it speed up its business expansion efforts. By the end of the year, the telecommunication company plans to hire more than 1,000 team members across Canada with high-tech skills.

## Strong dividends

Besides these positive fundamental factors, BCE's attractive dividends make it one of the best cheap Canadian stocks to consider right now. It currently offers an annual 5.7% dividend yield and distributes its dividends on a quarterly basis.

Given its well-proven business model, robust balance sheet, and strengthening cash flows, you can expect BCE to continue paying solid dividends, which could become a source of reliable passive income for Canadian investors.

### CATEGORY

1. Dividend Stocks
2. Investing

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