



5 Things to Know About BCE Stock

Description

BCE ([TSX:BCE](#)) is one of the most popular dividend stocks in Canada. According to **TD Waterhouse**, it is the eighth most owned stock on their platform, right behind **Apple**. Investors may have good reasons for holding BCE, too. The Canadian telecommunications sector is a notoriously well-protected industry, so much so that some say it gains at the expense of the consumer. The [Canadian Radio-television and Telecommunications Commission](#) has put so many regulations on telecoms that it's very difficult for foreign firms to enter the space. The result is a handful of telecom players that don't have to worry about too much competition.

The idea of betting on telco monopolies may not be romantic, but there's no denying that it produces big dividends. BCE has a 6.13% dividend yield, which means that you get \$6,130 per year in dividend income on a \$100,000 position. On top of that, BCE has grown its dividend by 5.4% per year over the last four years. If this dividend income intrigues you, read on, because I'll be sharing five things you need to know about BCE stock before you invest in it.

BCE is not just a telco

Most people think of BCE as a telco, but it's also a media company. It owns CTV Globemedia, the CTV Television Network, and 15% of the *Globe and Mail*. Advertising revenue from media properties can be unstable, but these businesses add some operational diversification into BCE's mix.

BCE is investing in 5G

Like most Canadian telcos, BCE is [investing in 5G](#), a new data transfer standard that will make cellular downloads faster. Recently BCE said that its 5G network was on track to cover 70% of the population by the end of the year. Its network was rated "best in Canada" by Global Wireless Solutions.

BCE is relatively free from controversy

Canadian telecoms can be controversial. Earlier this year, **Rogers** stock dipped after it suffered a massive outage that knocked out customers' services. **Telus** has taken heat for doing business with the controversial Chinese equipment maker Huawei. BCE avoided both of those controversies, keeping its brand largely intact.

You might be using BCE without realizing it

If your cell phone is on a "Virgin Mobile" plan, you might be surprised to learn that you're actually doing business with BCE. Virgin Plus is wholly owned by BCE, and all Virgin cell phones in Canada operate on Bell Infrastructure.

BCE was almost taken private

A final thing to note about BCE is that it was almost taken private once. In 2007, a deal was in the works for BCE to be acquired by the Ontario Teachers' Pension Plan. The deal would have Ontario Teachers owning 52% of BCE, and various private companies owning the rest. Ultimately, the deal to take BCE private fell through, but the Teachers' Pension Plan did scoop up a big stake in the company. This fact is relevant to investors, because it shows that BCE has many eager institutional buyers, who may offer to buy it out at a premium price at some point in the future.

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