



5 Things to Know About Telus Stock in November 2022

Description

Telus ([TSX:T](#)) is one of Canada's most popular dividend stocks. With a 4.77% dividend yield, it pays out a lot of income to investors. A stock's dividend yield is its dividend divided by its price. It tells you what percentage of your investment you get back each year. With a 4.77% dividend yield, you get back \$4,770 per year on each \$100,000 invested. That's already a decent income supplement, and with Telus, there's a chance of the dividend growing over time.

T's median dividend-growth rate is 8.85% long term; if the historical trajectory continues, then you could see your 4.77% yield become 9.54% in just a few years. There is no guarantee of a stock performing well, though.

In this article I will explore five things you need to know before buying Telus stock in 2022.

Telus is growing

One thing you might surprised to hear about Telus is that its business is growing this year. Telecom stocks were notoriously poor performers during the pandemic — not only in the stock market but also as businesses. For example, **Rogers's** earnings declined in 2020, as sports were cancelled. This year, telecoms (at least Telus) are doing better. For example, in the previous quarter, Telus did \$4.4 billion in revenue (up 7.1%) and \$498 million in profit (up 45%). Growth has returned, and Telus is looking much better than it did last year.

Interest rates are rising

On a somewhat less positive note for Telus, we have the fact that interest rates are rising this year. The Bank of Canada has raised rates several times in 2022, and it has more hikes planned. Interest rate hikes are bad for telecoms like Telus, because these businesses are very expensive to run. In its most recent quarter, Telus had \$3.6 billion in operating expenses. That's a lot of money, and often, telecoms have to borrow to keep up with these costs. As a result, their businesses are sensitive to interest rates.

Telus has a relatively high level of customer satisfaction

One positive for Telus is that it enjoys a high level of customer satisfaction. According to a Survey by [Canada's Most Respected](#), Telus ranked number one for customer satisfaction among telecom companies. This isn't surprising. In areas dominated by Rogers and **BCE**, it's quite common to hear people complain about their telecom provider. Such complaints are less common with Telus, which apparently runs a tight ship.

Telus uses Ericsson and Nokia for 5G infrastructure

Another positive for Telus is the fact that it uses **Ericsson** and **Nokia** for [5G components](#). This is a pretty big advantage because the main alternative to these providers, **Huawei**, has been banned from many Canadian institutions. For example, the military recently banned the use of Huawei components on its networks. Other such moves are expected, and Telus is ahead of the curve as one of the few telcos that has never partnered with Huawei.

Telus is giving Canadians incentives to switch

A final thing to know about Telus is that it is offering Canadians incentives to switch over to its services. Currently, it has a \$100 promotion running for Canadians who choose to buy its services. This point may be a positive or a negative, depending on how you look at it. Many telecoms offer incentives like Telus's \$100 bonus, so it's not that unique, but when combined with Telus's high customer satisfaction ratings, it may have an effect.

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