



Telus Stock: Should You Invest in February 2023?

Description

Investor sentiment around the Canadian telecom sector has ebbed and flowed over the past year. On the one hand, this sector is a defensive one, which should bode well for investor demand in times of uncertainty. On the other hand, bond-like proxies such as **Telus** ([TSX:T](#)) stock are taking a hit from more attractive fixed-income opportunities in the bond world.

Telus stock continues to provide long-term growth at a reasonable price, with a consistent and rising [dividend yield](#). Indeed, finding a stock that yields 5.2% and is expected to grow at around 3.6% per year for the next five years (according to compounded annual growth rate estimates) isn't as easy as one might think. Further, zooming out on the stock chart of this top Canadian telecom player, investors can see why this company has been worth buying on any sort of downtrend and holding for the very long-term.

Here's more on why I think February 2023 is a great time to consider adding exposure to Telus stock.

Is 2023 going to be the year for Telus stock?

One of the big catalysts investors are watching with Telus is its broadband rollout. The company is estimated to have already installed roughly 90% of its footprint. This will allow the 5G provider to dramatically reduce its capital intensity throughout the year, increasing its ability to explore acquisitions, strengthen its balance sheet, or increase its dividend further.

I think Telus stock is a great way to play the rollout of 5G across the nation. While the company's focus is on Western Canada, there's plenty of growth potential long-term, as it completes its fiber-to-home infrastructure program.

Strong fourth-quarter results

For the fourth quarter of 2022, TELUS declared impressive operational and financial results. It was their best fourth-quarter ever, with total mobile and fixed customer growth of 301,000, up 29,000 from

the previous year, driven by robust demand for their top-tier product portfolio of Mobility and Fixed Broadband services. Consolidated operational revenues and other income reached \$5.1 billion, a 3.8% rise over the same time last year.

Telus significantly increased its dividend from the previous year's payment on January 3 to \$0.3511 per share. Based on this payment, the company's dividend yield comes in at 5.2%, which is pretty darn good.

Bottom line

Telus has strong future growth prospects, which support the continuation of a solid dividend payment track record. Over the long term, I think this is a stock worthy of adding to any portfolio in February. And if it drops more, buying the dip has proven to be a successful strategy with this company for decades. I don't expect that to change.

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chrismacdonald

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