



Today's Top Buy: Telus Corporation

Description

For investors who are looking for both income and stability, you've come to the right place.

Telus ([TSX:T](#))([NYSE:TU](#)) has been one of my [top picks](#) for some time. Not much has changed on this front. In this article, I'm going to discuss why investors should be optimistic on this [5G play](#) right now. Indeed, the growth potential of this company is a key driving force behind its excellent fundamentals and dividend yield.

Let's dive into the numbers and why investors might want to consider jumping aboard now.

Telus: Strong fundamentals and a generous dividend yield

Any company with a 4.9% dividend in this low interest rate environment should raise the eyebrows of income investors. Indeed, for a company of Telus's quality, that's an obscenely high yield right now.

Indeed, from an income standpoint, Telus stands out as a great pick right now. The company has provided guidance it intends to increase its dividend at a yearly rate of 7-10% within the following year. In February, the company's board of directors announced that shareholders would get a quarterly dividend of \$0.3112 per share on April 1 this year.

This dividend hike shouldn't be surprising to long-term investors holding this cash flow-generating machine. However, it's always a good feeling to get that confirmation.

Besides having a dividend yield of nearly 5%, this company also has a proven business model. It generates a significant amount of earnings from its conventional internet and cable operations. I believe that some of its subsidiaries, like Telus Health and Telus Agriculture Solutions, will play a vital role in the company's future growth. Its diverse operations are what set it apart from the other players in this sector.

Undoubtedly, this company's peers are some of the leading network equipment providers in Canada. Indeed, investors have their choice when to telecom offerings in Canada. Nevertheless, Telus's

prudent management team and strategic foresight keeps it a step ahead of the rest. In February, this company completed the IPO of its subsidiary, **Telus International**. This has created a tremendous amount of shareholder value for investors in Telus stock.

Bottom line

I'm not the only one bullish on Telus.

Analysts believe that the increase in Telus's valuation of late in recent times is not a true reflection of the value it provides to its shareholders. Indeed, this company has immense potential owing to its significant 5G exposure and control over promising growth platforms. Furthermore, analysts believe that the forward-looking approach of Telus's efficient management team has placed Telus in a strong position for sustainable long-term growth in different sectors, like agriculture and healthcare.

Enough said.

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