

TELUS Corporation

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TELUS Corp downgraded by Canaccord

TELUS Corp (TSE:T) has been downgraded by Canaccord Genuity and booted from its 'focus list' after Friday's earnings update.

Its recommendation goes to 'hold' from 'buy' with the share price homing in on the broker's price target of C\$46 a share. TELUS stock is currently changing hands for C\$44.57.

At issue is the communications giant's decision to increase the capital investment, which may impact its ability to increase the dividend payment at its current rate of around 10%.

The results themselves were robust, given the current market conditions, according analyst Aravinda Galappathige, who pointed to low churn from the wireless arm as the 'highlight' of second quarter numbers.

The big miss was free cash flow, which came in around C\$100mln below consensus at C\$300mln.

Underlying earnings (EBITDA), excluding restructuring and other one-off costs, increased by 5.1% cent to C\$1.1bn in the three months to June 30 on revenues of C\$3.1bn.

"Given the backdrop of Business segment headwinds due to a weak economy and short-term wireless pressure due to the double cohort, we consider the results an overall solid achievement," said Canaccord's Galappathige.

Price: 24.3

Market Cap: \$30.91 billion

1 Year Share Price Graph



June 2019 November 2019 May 2020

Share Information

Code: T

Listing: TSX NYSE

52 week High Low
27.74 18.545

Sector: Telecoms

Website: www.telus.com

Company Synopsis:

TELUS Corporation is a telecommunications company, providing a range of telecommunications products and services. The Company is the incumbent telecommunications service provider in Western Canada.

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