



M&A Plays of the Day: Rogers Buys Pivot Data Centers

Description

While we don't believe in paying too much attention to buyout rumors and speculating on potential takeover targets, Fools should definitely try to keep up with M&A news that is officially announced — just in case it's material to our investing thesis.

What: Canadian communications and media company **Rogers Communications** (TSX: RCI.B, NYSE:RCI) announced on Monday that it is acquiring Pivot Data Centers (operates three colocation facilities in Calgary and Edmonton) for \$155 million and Granite Networks (provides cloud hosting services to business and government clients in Eastern Ontario and Western Quebec) for \$6.25 million.

So what: The pair of acquisitions, combined Rogers' buy of BLACKIRON Data earlier this year, should help strengthen the company's position in the fast-growing data centre and hosting services business. While the total purchase is a relatively small one for giant Rogers, it's yet another sign that management is particularly focused on increasing share in the data center space.

Now what: Given the rapidly growing demand for mobile content and cloud services, I'd expect the purchases to pay off relatively soon. "The addition of two high quality and growing data centre operations will enable Rogers Business Solutions to expand the availability of its reliable, and leading-edge data services," [said](#) BLACKIRON President AJ Byers. "Both organizations will enhance Rogers Business Solutions BLACKIRON Data offering as customers in key markets will now have access to expanded data capacity, managed and cloud service offerings." More importantly, with Rogers shares still down about 15% from its 52-week highs, there might be some upside available to play that data center trend.

Canada has yielded its fair share of great companies. But unsuspecting Canadian investors could get ambushed by a glaring weakness in their portfolios. One basic investing principle holds the key to a rock-solid portfolio ... and it starts with our neighbors to the south, America.

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Fool contributor Brian Pacampara doesn't own shares in any companies mentioned. The Motley Fool doesn't own shares in any of the companies mentioned.

CATEGORY

1. Investing

TICKERS GLOBAL

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2. TSX:RCI.B (Rogers Communications Inc.)

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