



Is Mitel a Buy?

Description

Mitel (TSX:MNW) (NASDAQ:MITL) is a global provider of unified communications and collaboration software, solutions, and services.

It has had quite an eventful past few months, including its offer to purchase Canadian rival **Aastra Technologies** (TSX:AAH). The \$392 million deal, [announced](#) back in November, has finally been approved by Aastra shareholders by a 99% vote on January 9, 2014.

This acquisition will give Mitel a major boost in European markets and a huge advantage when it comes to research and development. It will also cement its position in the Canadian market and strengthen it against competitors such as **Cisco**.

Bonus: Aastra buys Telepro

Just before the closing of the merger, Aastra purchased Swedish communication software provider Telepro for an undisclosed amount. Telepro has grown over the past few years to 90,000 active users spread over 16 European service providers, including Sweden's two largest providers.

Telepro will fit very nicely into Aastra's more European-focused portfolio and acts as a nice bonus to new corporate owner Mitel.

Sasktel deal

Mitel has also come to an agreement with Sasktel to provide its "MiVoice Office" platform across the province. MiVoice Office is described as an "out-of-the-box communications platform" and is designed for companies ranging from 2 to 250 employees. This is a major opportunity for Mitel to pick up a bunch of clients very quickly, because 98% of Saskatchewan companies have 50 employees or less.

#1 in market share

Before the Aastra deal was completed, Mitel claimed the top spot in market share in Canada, according to independent analyst firm MZA Ltd. This came about in the third quarter of 2013 when it

claimed 33% of the IP extensions market in Canada.

Foolish bottom line

Since the November merger announcement, Mitel and Aastra shares have surged to 52-week highs and have held their ground.

The combination of these two companies creates a major player in the communications sector, and the new entity can boast the highest market share in Canada, the UK and Western Europe.

It looks like good things are in store for Mitel and investors should continue to profit from the growing cloud provider.

CATEGORY

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Author

cameronconway

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