



## Shaw Communications Inc. Is Acquiring Wind Mobile

### Description

**Shaw Communications Inc.** ([TSX:SJR.B](#))([NYSE:SJR](#)) is a diversified communications and media company. The Calgary-based company announced this week that the company will be purchasing **Wind Mobile**. The deal is pending regulatory approvals and is unlikely to be completed until well into 2016.

Shareholders of Shaw will be particularly pleased with this announcement and what it means for the company going forward. Let's take a look at what this deal means for your portfolio.

### Shaw finally gets a mobile division

The acquisition of Wind is significant for Shaw first and foremost because the company will now have a complete bundle of services to offer, in line with other competitors such as **BCE Inc.**, **Rogers Communications Inc.**, and **Telus Corporation**.

This isn't the first time that Shaw has attempted to move into the wireless space. Back in 2011 the company started the process of introducing a mobile network, only to sell the acquired spectrum to Rogers two years later.

With a slew of changes to wireless competition that went into effect in 2011, the market is more favourable for smaller carriers than before, which could help Shaw push forward and expand.

### Wind Mobile offers the right mix for Shaw

Toronto-based Wind mobile, with 940,000 subscribers in Alberta, British Columbia and Ontario, is the fourth-largest carrier in the country. The company is well known for being a true alternative to the Big Three that consumers love to hate. This mindset could turn out very well for Shaw.

One of the unique factors of Wind mobile that drew consumer praise and clientele was the no-contract conditions and lower-priced service that the Big Three could not (or chose not to) match. Shaw realizes this and does not plan to alter the low-cost packages or pricing model.

What Shaw does bring to Wind's network is much-needed financial muscle. The carrier is wildly popular but lacks the financing to expand service beyond what is currently offered in the three provinces that Wind currently serves.

### **True wireless competition**

With Shaw at the helm, the network and services can be expanded into other areas of the country where Shaw already has a presence. By building Wind's network, Shaw will effectively become a true competitor to the Big Three wireless carriers in the country.

Wind had just secured \$425 million in financing to upgrade the network to LTE from the current 3G speeds. Shaw noted that the company is still committed to this, noting that LTE will be available by the end of 2017.

The competition that this acquisition will bring is exactly what the market needs. The larger carriers are entrenched in pricing models that consumers loathe, and the lack of a real alternative has always been needed. Wind was that true alternative, but it lacked the financial capacity to become a nationwide player.

With Shaw at the helm, this will change, and assuming the company sticks to the popular packages and pricing models that Wind has laid out, consumers will flock to the company in droves.

### **CATEGORY**

1. Investing

### **TICKERS GLOBAL**

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2. TSX:SJR.B (Shaw Communications)

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