



## How BCE Inc. Entering the Home Security Market Holds Massive Opportunity

### Description

The field that separates Canada's telecoms appears to be thinning out more than previously thought. Canada's Big Three telecoms are often colloquially clumped together by a single name — RoBeUs — which implies that the three companies offer similar services (and in some ways, they treat and bill their customers similarly, too).

**BCE Inc.** ([TSX:BCE](#))([NYSE:BCE](#)) and **Rogers Communications Inc.** ([TSX:RCI.B](#))([NYSE:RCI](#)) in particular have branched out over the years into other areas of investments, acquiring sizable media empires in the process that cover everything from competing TV and radio stations to investments in professional sports teams and arenas. Rogers has proven incredibly successful in that expansion and recently reported some of the company's [best growth](#) figures in over eight years.

One area that Rogers has long been ahead of the competition was in the connected home space. As the proliferation of smart devices continues to penetrate the market, offering smart devices and monitoring services to subscribers has become a natural extension for the telecoms, especially as the service runs on their existing internet connection for an added fee to subscribers.

BCE appears to finally be making an approach on that sector. A deal was announced late on Monday to acquire **AlarmForce Industries Inc.** (TSX:AF) for a reported \$166 million.

The \$16-per-share offer represents a +70% premium on where AlarmForce's shares closed on Monday.

AlarmForce is one of the largest home-security companies in Canada, offering over 100,000 customers monitoring and intrusion-detection services that span everything from carbon monoxide to smoke and flood detection.

The deal is still subject to both shareholder and regulatory approvals, with an expected close date to be somewhere in January.

**Is this a good deal for BCE?**

BCE has long been considered one of the best income investments on the market, providing an impressive and stable dividend that has steadily increased over the years.

Critics of BCE have often cited anemic growth opportunities and high debt as reasons to be cautious about investing in the company, but BCE continues to defy those critics, remaining a [great investment opportunity](#).

This deal is a natural extension for BCE and holds significant growth potential for the company. The most obvious benefit of this deal is that BCE's huge customer base across the country immediately becomes a prospect list for AlarmForce, which could ultimately end up being bundled or offered at a reduced rate.

The deal could also be seen as defensive for BCE, as subscribers of BCE may be more inclined to get AlarmForce service rather than the Rogers's Smart Home Monitoring Solution, and the same could be said of current AlarmForce subscribers considering a new telecom provider.

In short, this is a massive opportunity for BCE to gain new customers, add a new revenue stream, and continue to provide growth and dividends to shareholders.

## CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:RCI (Rogers Communications Inc.)
3. TSX:BCE (BCE Inc.)
4. TSX:RCI.B (Rogers Communications Inc.)

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