



Why Avigilon Corp. Soared 18.32% on Friday

Description

What?

Security solutions provider **Avigilon Corp.** (TSX:AVO) watched its stock soar 18.32% in Friday's trading session following the announcement that it has entered a definitive agreement to be acquired by **Motorola Solutions Inc.** ([NYSE:MSI](#)) for approximately US\$1 billion, including debt.

So what?

The deal values Avigilon at approximately \$27 per share, which is exactly where its stock closed on Friday, and this can be attributed to the fact that this is an all-cash transaction.

Commenting on the transaction, Motorola Solutions's chairman and CEO, Greg Brown, stated the following:

"This acquisition will bring Avigilon's advanced video surveillance and analytics platform to the rapidly evolving public safety workflow, while also expanding our portfolio with new products and technologies for commercial customers ... Video can play a powerful role in creating safer cities and thriving businesses. It can serve as highly efficient 'eyes and ears' for monitoring a given location, and advanced video analytics can proactively alert officials to a perimeter breach or quickly find a person who left behind an object of interest."

Motorola Solutions noted that it has "sufficient capital resources, including cash on hand and available commercial credit facilities, to complete the transaction," and it expects it to close by the end of the second quarter of 2018.

Now what?

Avigilon was one of the [top-performing security](#) stocks in 2017, soaring more than 64% over the course of the year thanks to record financial performance, and I think it was gearing up for another record performance in 2018, so this was a perfectly timed acquisition by Motorola Solutions that will surely

accelerate its growth going forward.

If you are a current shareholder of Avigilon, I think you should chalk this up as a win and sell your position, because the stock is trading at the exact acquisition price, and there does not appear to be another company interested in making a better offer. That being said, if you're looking for another great investment in the security and technology space, I [think BlackBerry Ltd. \(TSX:BB\)\(NYSE:BB\)](#) represents an intriguing opportunity today.

CATEGORY

1. Investing
2. Tech Stocks

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