



3 Ways BCE and Rogers Shareholders Stand to Benefit from the Toronto Raptors Win

Description

In case you didn't catch the news, the Toronto Raptors clinched the franchise's first ever NBA championship last Thursday in Oakland against the defending champion Golden State Warriors.

Originally founded by Canadian businessman John Bitove Jr. back in the early 1990s, the Raptors were then acquired by two of Canada's largest media and communications conglomerates, **BCE Inc.** ([TSX:BCE](#))([NYSE:BCE](#)) and **Rogers Communications Inc.** ([TSX:RCI.B](#))([NYSE:RCI](#)) at the start of the current decade for proceeds just north of \$1 billion.

Here's how Canada's two largest telecom companies – and their respective shareholders — can expect to benefit from the team's latest championship win.

Toronto's NBA franchise should get a significant lift to its already impressive valuation

Make no mistake: BCE and Rogers, through their joint stake in MLSE, were already doing well on their billion-dollar-plus investment eight years ago, but thanks to the Raptors' first NBA league win, shareholders can probably expect a significant boost to those returns thanks to last Thursday night's win in Oakland.

The latest report to come out from *Forbes* this past February pegged the value of the Raptors franchise at US\$1.7 billion, making it the eleventh most valuable of any in the NBA.

That's US\$200 million more than what *Forbes* valued the Toronto Maple Leafs in the same report.

Winning helps drive the values of professional sports franchises more than anything.

Raptors fans – and shareholders – shouldn't be surprised at all to see their team crack the list of the NBA's ten most valuable franchises by this time next year.

BCE's and Rogers TV and merchandise revenues should also be getting a boost

Raptor's mania caught the country by storm in the weeks leading up to the team's first ever championship win, setting all-time nationwide records for television viewing audiences, including over 15.7 million viewers tuning at some point to catch a glimpse of the series-clinching game six.

It's no coincidence that MLSE's joint owners, BCE and Rogers, also happen to jointly own the television and radio broadcast rights for the team's regular season and playoff games.

The opportunity to own synergistically both the content and the rights to distribute that content across a variety of platforms is after all a big part of the reason why the two long-time industry rivals were so willing to partner up on the MLSE deal in the first place nearly a decade ago.

While there are certainly no guarantees, larger viewing audiences for this year's post-season run should go a long way in helping the Raptors, its broadcast partners, its owners and its shareholders ink larger television, radio and merchandising deals the next time those contracts are due up for renewal.

Foolish bottom line

With the impending rollout of Canada's [5G networks](#) just around the corner, companies such as BCE and Rogers are more in need than ever of in-demand content to stream over user's wireless devices and networks.

Because of the live nature of sports and sporting events, broadcast rights for professional sports leagues become more valuable than ever as a result.

Thanks to the tremendous surge in both the Raptors – and basketball's – popularity across Canada this spring, shareholders with an interest in the BCE and Rogers franchises may soon discover that the [Canadian sports pie](#) has just gotten that much bigger.

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