



This 5G Play Just Got a Lot Bigger

Description

5G technology is undoubtedly a major catalyst for the telecommunications sector. However, picking a 5G horse in this race is the real dilemma many investors are faced with right now, so [investors in 5G, read on!](#)

In my view, telecom companies need to formulate and implement a coast-to-coast strategy to make the most of the 5G rollout. **Rogers Communications Inc.** ([TSX:RCI.B](#))([NYSE:RCI](#)) has recently strengthened its position by expanding its footprint. Indeed, this is one of the key reasons I like this stock right now.

Let's look at the company's [recent deal](#) to acquire **Shaw Communications Inc.** ([TSX:SJR.B](#))([NYSE:SJR.B](#)) and why it's such a big deal for investors.

\$8.4 billion takeover bid for Cogeco group expires

Rogers collaborated with **Altice USA** to acquire **Cogeco**, a Montreal-based telecommunications company. However, the Audet family controlling the company rebuffed their hostile takeover bid. Although Rogers and Altice increased the offer, the family stood firm, and this deal did not materialize. As the bid worth \$8.4 billion expired, Rogers revealed that it'll still be considering the expansion of operations in Quebec.

According to a statement released on September 2, 2020, Rogers holds 41% of the subordinate voting shares in Cogeco. Furthermore, this company holds 33% of the subordinate voting shares in Cogeco Communications.

Although the Audet family rejected the bid to takeover Cogeco, there's a lot of speculation pending that something could still be in the works by the Rogers' management team.

Shaw acquisition is a big deal for 5G investors

However, the big news of late is that Rogers is set to take over its Calgary-based rival, Shaw.

Shaw CEO Bradley Shaw revealed that the company would require a substantial amount of funds to upgrade to 5G. He accepted the fact that it would not be possible for Shaw to fund multi-billion-dollar investments. Hence, Shaw has finally accepted a takeover bid worth \$20.4 billion from Rogers.

Indeed, this will transform the Canadian telecommunications sector. Furthermore, this deal will make Rogers the best 5G player in Canada as it will have ample scope to expand its operations in Western Canada. This acquisition is a part of a strategy formulated by Joe Natale, CEO of Rogers. He intends on creating a coast-to-coast platform by taking over all telecom businesses of its customers (over wireless 5G, etc.).

Rogers aims to roll out 5G network in four provinces by spending \$2.5 billion if the acquisition deal materializes. Moreover, the company is set to invest another \$3 billion to upgrade its networks to 5G in the West.

As two of the leading telecommunication companies are set to merge, I believe there's nothing but positive for growth investors.

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2. NYSE:SJR (Shaw Communications Inc.)
3. TSX:RCI.B (Rogers Communications Inc.)
4. TSX:SJR.B (Shaw Communications)

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