



This Small 5G Player Could Be Attractive Today

Description

The [race to 5G supremacy](#) is on.

Canada's major telecom players are ramping up spending to meet future consumer demand. These upgrades are essential for the long-term competitiveness of Canada's 5G network — so much so, the government is stepping in to support specific players.

Indeed, many investors may focus their attention on the largest Canadian telecom players for this reason. However, here's a smaller company with some intriguing upside to the 5G secular growth catalyst today.

Federal funding to set up industrial infrastructure

Ontario-based **Redline Communications** ([TSX:RDL](#)) is a company many investors may not have heard of. However, this is a company on the Canadian government's radar.

Redline recently received a federal grant worth \$14 million for its 5G infrastructure projects. This grant from the Strategic Innovation Fund hopes to spur innovation and help accelerate the development of industrial 5G infrastructure in Canada.

Specifically, these funds will support a \$39.5 million project to design high-speed wireless networks for mission-critical sectors like energy, utilities, and mining sectors. This project is expected to create at least 111 jobs and 13 co-op jobs in the country.

As IoT data-driven operations become the norm, Redline is stepping up to meet this demand. The company's developing an extremely reliable wireless network for industrial customers. Accordingly, Redline investors are banking on the company's first-of-its-kind i5G platform which is critical to these users.

The fact that the government is invested in this technology provides credence to Redline's offering. Investors seem to like this news, as shares have risen materially in recent weeks. Currently, Redline

shares are up nearly 40% year to date, at the time of writing.

Small players coming into focus

Given the recent mega-deal between **Rogers Communications** and **Shaw Communications**, [competition-related concerns](#) have been brought up as key headwinds to innovation in the Canadian telecom space.

Enter smaller players like Redline.

With the government's support in this recent grant, investors in such players are hopeful smaller Canadian 5G plays will be given a level playing field to grow. Redline is still a micro-cap company with a market capitalization of only \$11 million. However, investors banking on some sort of competition-creation by the Canadian government might want to give this stock a look.

Bottom line

Redline remains a highly speculative pick in Canada's 5G sector.

However, I think the company's an intriguing way to play this space. The long-term growth 5G provides should create a marketplace big enough for smaller competitors to grow. Additionally, Redline's industrial niche is one investors may want exposure to.

Accordingly, this is a stock that's on my watch list right now.

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