



Why WPT Industrial (TSX:WIR.UN) Jumped 16% Overnight!

Description

What happened?

Shares of **WPT Industrial REIT** (TSX:WIR.UN) soared during early morning trading on August 9. Investors were greeted on Monday morning with the news that the light industrial property REIT would be acquired by **Blackstone** ([NYSE:BX](#)) in a US\$3.1 billion transaction.

The news sent shares of both companies climbing. WPT Industrial shares were already up 37% in the last year, and Blackstone by 125%. While the news sent WPT Industrial shares up, Blackstone remained relatively stable from the [acquisition news](#).

So what?

It's really no wonder that WPT Industrial became a target of acquisition. Since coming on the market, WPT Industrial latched onto the e-commerce boom. Its light industrial properties allow e-commerce giants to store and ship products around the world. The company holds 110 properties across the United States, recently investing in a joint venture that added 13 properties valued at \$370 million.

This came during yet another strong [earnings report](#). The company collected 99.8% of billed rent for the quarter, and funds from operations (FFO) rose by 62% year over year. Whether the pandemic continues or not, WPT Industrial didn't look like it would be shrinking its revenue any time soon. E-commerce should continue thriving in the next decade and beyond, so it's clear why a company like Blackstone would be interested.

Now what?

Blackstone purchased WPT Industrial at US\$22 per share, valued at US\$3.1 billion, and will assume the company's debt. The share price is where investors should really zero in, as this is a 17.1% premium to where the stock closed on the TSX on August 6. It's also a 19.5% premium compared to

the last 30 days of trading.

The company expects the transaction to close by the fourth quarter of 2021. WPT Industrial will deliver second-quarter earnings on August 11 — so this Wednesday. This news coupled with another strong quarter could allow the company to reach that premium price tag. If Motley Fool investors are looking for a stock to watch, this most definitely would be one I would consider for a quick jump around earnings on top of the recent movement. And you can still get in on a strong [dividend yield](#) of 4.05% while you're at it.

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