



Intertape Polymer Stock Explodes 77% on Acquisition Announcement

Description

Intertape Polymer Group ([TSX:ITP](#)) shares exploded upwards 77% on Tuesday after the company announced it would be acquired by Clearlake Capital.

What happened?

Intertape stock soared up 77% after Clearlake Capital Group announced it would purchase the company for a whopping US\$2.6 billion. This would include all the company's debt as well. Under the deal, Clearlake will pay \$40.50 per share in cash. As of writing, even after the upward momentum shares trade at \$39.30 per share.

The deal is a substantial premium to the 30-day volume weighted average trading price for Intertape stock. Shares of the company were down 16% year to date before the deal was announced Tuesday.

So what?

Despite the lagging share price, Intertape stock has been doing quite well. The company beat out earnings estimates for the last four consecutive quarters. And in the last quarter, revenue increased by 23% year over year. That's why I had suggested it might have been one of the companies that [doubled in March](#).

The deal provides the "next great step" in evolving Clearlake's business for the packaging and e-commerce ecosystems, stated Greg Yull, president and chief executive officer of Intertape stock. "Clearlake provides us the operational and financial resources to accelerate our acquisition strategy, as well as organic growth opportunities such as investing in product innovation, sustainability, and market expansion," he said.

Now what?

So, what does that expansion look like? Intertape stock wishes to expand its e-commerce segment even further, reaching a diverse set of end markets. These financial resources provide the company with the ability to expand to these growth markets and create an even more global business.

Shares of Intertape stock were up 76% as of writing on Tuesday, trading at 24.7 times earnings. It also offers a [dividend](#) yield of 3.89%. Earnings are due Mar. 15, when the stock may indeed climb further.

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