



## Investors Should Buy Sierra Wireless Inc. for IoT Exposure

### Description

In my opinion, there are three technologies that are going to absolutely blow it out of the water over the next 5-10 years. The first is 3D printing, which is already well on its way. The second is decentralized distributed ledgers, otherwise known as the blockchain. This is what bitcoin is all about. The final one that investors need to keep their eye on is the Internet of Things (IoT).

IoT is basically the idea that everything from your car to your refrigerator to your thermostat should be connected to the Internet. With a simple app on your phone, you should be able to preheat your oven, get an alert that you're out of milk, and have the temperature in the house set perfectly before you even get home.

But it's not just consumer benefits that IoT has. With this technology, you'll be able to take your blood pressure, pulse, temperature, and other basic tests for your doctor, so that he can analyze the data at his office without you needing to go in.

All of this data, though, will require a significant amount of security. The last thing you want is your personal information, such as health documents, to be easily taken by hackers. And once something is connected to the Internet, it is available for hack.

**Sierra Wireless Inc.** ([TSX:SW](#))([NASDAQ:SWIR](#)) is one of Canada's top tech companies that is trying to take a significant chunk of the IoT market place. The former CEO of **Cisco**, John Chambers, said that IoT products will be a US\$2 trillion market by 2020. Further, the entire IoT universe will add an additional US\$19 trillion to global GDP.

What Sierra is looking to do is act as the central nervous system for all of these connected devices. Having devices talk to each other is one thing; having a network that is secure, stable, and can transmit the data with ease is what will make or break the sector.

Machine-to-machine (M2M) communication is key for IoT to succeed. Because of this, Sierra has been acquiring companies that support that specific use. It recently bought Wireless Maingate because of the company's M2M connectivity service.

## Should you buy?

All told, Sierra Wireless is a play on the future of IoT. If you look at the numbers today, you may be concerned about the company; however, if you think about it long term, Sierra has a chance to become a juggernaut in a US\$19 trillion market.

What is good for investors is that the stock is down from a high of \$55 in January to right around \$34 now. This gives it an attractive price for investors.

The fundamental question, though, is this: if you had the chance to go back and buy **Google, Apple,** or **Microsoft**, would you? If so, you may want to consider buying Sierra Wireless. IoT could be the Internet's next great thing and there will be money to be made.

## CATEGORY

1. Investing
2. Tech Stocks

## TICKERS GLOBAL

1. NASDAQ:SWIR (Sierra Wireless)
2. TSX:SW (Sierra Wireless)

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