



## Is Sierra Wireless, Inc. Still the Technology Company to Buy?

### Description

The Internet of Things (IoT) is a huge multi-trillion dollar market, of which **Sierra Wireless, Inc.** ([TSX:SW](#)) ([NASDAQ:SWIR](#)) is positioned to be one of the forerunners, both in hardware and software.

The IoT is the concept that everyday devices around us are interconnected to each other and the web. The devices feed information and updates, making our lives easier.

It could be your car notifying your dealership's service department that service is needed and scheduling your appointment after checking your calendar. It could also be your alarm clock telling your coffee machine to start brewing a fresh pot when you finally stop hitting snooze.

Here's a quick look at what Sierra has done recently and if the company is still considered a good investment.

### How is Sierra doing?

Sierra currently trades at US\$16.73. Year-to-date the stock is down by over 20%, and over the course of a full 12 months the stock is down by nearly 65%.

In the most recent quarter the company recorded a US\$383,000 loss. Analysts had been calling for revenues to come in near US\$149 million, whereas the company reported earnings of only US\$144.8 million. Non-GAAP earnings per share came in at US\$0.08.

On an annual basis, revenues came in at US\$607.8 million, showing only a small loss of US\$2.7 million, or US\$0.08 per share.

Sierra is now forecasting revenue for the current quarter to come in between US\$135 million and US\$145 million and full-year earnings of US\$0.60-0.90 per share on revenues of US\$630-670 million.

Despite the losses, Sierra has been working on bringing the company's IoT vision forward through a number of new product announcements and acquisitions.

Sierra recently announced a new connectivity service using new smart-sim-card technology. The new sim will automatically select the best network based on coverage in the current location. The solution also offers device-to-cloud connections, which will allow for multi-regional, multi-operator IoT deployments.

Products such as this new sim-card technology help simplify IoT deployments and save time and money. With a prediction that there will be over 25 billion devices connected to the Internet over the next decade, the importance of technologies like this will greatly accelerate that vision and provide revenues for the company.

Sierra is a mixed investment. The losses that the company has sustained are more about the overall market not being IoT ready rather than Sierra not performing well.

The company has made progress on a number of fronts, and the new product offerings are in line with the company's IoT vision. As encouraging as the new products are, the truth is that Sierra has missed estimates for four consecutive quarters, and that is an area of concern for investors.

In my opinion, Sierra remains a great investment option for long-term growth for those investors that have diversified their portfolios and can withstand the risk that the company presents in the short term.

#### **CATEGORY**

1. Investing
2. Tech Stocks

#### **TICKERS GLOBAL**

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

#### **Category**

1. Investing
2. Tech Stocks

#### **Date**

2025/08/23

#### **Date Created**

2016/02/22

#### **Author**

dafxentiou

default watermark