



## Investors Looking Long Term Should Consider Sierra Wireless, Inc.

### Description

Sometimes investors focus so much on the short term that they can't see just how much potential a company has. On the other hand, if other investors don't see the long-term potential of a company, then that just provides buying opportunities for us "amateur" investors.

**Sierra Wireless, Inc.** ([TSX:SW](#))([NASDAQ:SWIR](#)) has been having a pretty rough time quarter to quarter, but if we think about its potential over the next five years, present-day prices seem insignificant.

Sierra Wireless is a pure-play Internet of Things (IoT) company, which in the coming years has the potential to be a monstrous industry.

Imagine a world where your alarm clock is connected to your coffee pot and the shower. You turn off the alarm, which sends a signal to your shower to turn it on. You turn off the shower, which sends a signal to your coffee machine to brew a cup of coffee. When you put the last bit of milk into your coffee, the refrigerator automatically orders more. That's the IoT.

Consider the following ... According to research firm Gartner, it believes that there will be 25 billion devices connected to the Internet, which will result in incremental revenue of US\$300 billion. **Cisco** believes that there will be 50 billion devices by 2020, and by 2024 incremental revenue will reach US\$19 trillion. Research firm IDC believes that spending will reach US\$1.7 trillion by 2020.

And this is where Sierra comes into the mix. It is exceptional at creating really tiny embedded wireless modules. In essence, these are little routers that allow for data to be transmitted from device to device. Remember my example above? Your alarm, shower, coffee pot, and refrigerator would all need these wireless modules to be able to connect to each other.

But Sierra is not just hardware. Its runs a cloud computing division and owns software for data analytics. One of the chief concerns about the IoT is that hackers will have many more points of entry to steal your information. By running this cloud computing division, Sierra will be able to safeguard the transfer of data from point A to point B.

Here's the thing about Sierra.

Management doesn't believe that it will have the best year, which sent many investors running when that guidance was made. However, if you're not looking at stocks for short-term holds, but instead want to buy pieces of great companies that are top providers in their space, you really can't go wrong with Sierra Wireless.

The IoT is just starting to heat up; getting in now rather than when it's already hot will maximize the likelihood that you'll get a significant return on investment.

## CATEGORY

1. Investing
2. Tech Stocks

## TICKERS GLOBAL

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

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