



Invest in the Internet of Things With These Companies

Description

The Internet of Things, or IoT, is perceived by many as the next revolutionary shift in technology. IoT is the concept of our everyday devices connected to the internet and to each other, providing information, updates, and performing mundane tasks that ultimately improve our lives.

Examples of how the IoT can be adopted into our lives are virtually endless. For example, rather than your car just displaying a “check engine” light, it could notify you and your dealership of the issue and even schedule the service appointment for you after checking with your smartphone calendar.

Your car could also notify your kitchen to keep dinner warm in the oven if there’s traffic on the way home. Or your alarm clock could tell your coffee maker to start brewing a pot because you’ve finally stopped hitting snooze.

As sci-fi as these examples sound, these are all real scenarios that are already possible thanks to smart devices. Here are some of the companies behind this revolution and why they represent a great opportunity for your portfolio.

Sierra Wireless, Inc.

Sierra Wireless, Inc. ([TSX:SW](#))([NASDAQ:SWIR](#)) is a pure-play IoT company that is focused on building the embedded hardware and software required for devices to establish connectivity. Sierra offers these solutions from 2G connections all the way through 4G LTE and advanced LTE connections and is already actively testing 5G connectivity.

Sierra has been undergoing a transformation over the past few years; the company has emerged as the market leader for both embedded modules and gateway solutions. With industry pundits estimating that over 50 billion devices could be interconnected within the next decade, the potential for Sierra is immense, particularly over the long term.

Some of that potential is already starting to emerge. Sierra recently signed agreements with automotive manufacturers in China and Russia which could create subsequent deals in other countries. The significance to the automotive sector is huge; manufacturers are finally putting

connectivity functionality into vehicles, making them smart.

While the company has transitioned towards becoming an IoT pure play, results over the last few quarters have come just short of expectations, leading to a drop in the stock price. Investors looking over the long term may see this as an opportunity to buy the stock at a discount.

Telus Corporation

Telus Corporation ([TSX:T](#))([NYSE:TU](#)) is third-largest telecom in the country, but it is also a pioneer in the IoT space.

Telus was one of the first companies to offer an IoT marketplace for businesses, and it continues to expand the number of services and solutions offered to customers across a broad range of categories ranging from intrusion detection security and asset tracking to digital signage and mobile form processing solutions.

Telus's movement into the IoT extends beyond smart devices and into the healthcare field, where Telus is the largest healthcare IT provider in the country. The shift across the board to electronic medical and health records has massive long-term potential for companies in the healthcare/IT space, and Telus is in prime position to capitalize on that.

In addition to being an IoT leader, Telus is also one of the best dividend stocks in the market, paying out a quarterly dividend in the amount of \$0.48 per share for a yield of 4.47%.

Telus currently trades just shy of \$43 and has a P/E of 18.18.

CATEGORY

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