



## This Security Stock Had an Excellent 2nd Quarter: Is it Time to Buy?

### Description

Are you looking for a stock that produces stellar results with continued revenue growth? Here's one that deserves some of your attention.

**Avigilon Corp.** (TSX:AVO) is a Vancouver-based security solutions and business intelligence provider. It “designs, manufactures and markets video surveillance and access control software and equipment.”

The company released second-quarter results on August 9. Revenue increased from \$85.7 million in Q2 2016 to \$99.4 million in 2017 — an increase of 16% that outpaced the industry growth rate by 10%. Avigilon recorded a gross profit of \$51.1 million, compared to \$43 million last year. It also reported diluted adjusted earnings per share of \$0.21 compared to \$0.06 in Q2 2016. Over the last three years, Avigilon's revenue has grown at an average of 26.87% annually, meaning its current results aren't an outlier.

Avigilon also introduced some interesting new products this year, including a new presence detector with “impulse radar technology to help detect people even if they have stopped moving or are hidden.”

The company has a net profit of 3.56%. This may seem low, but it is among the most effective in its industry at turning revenue into profit. Two competitors to compare it to are **Sierra Wireless, Inc.** ([TSX:SW](#))([NASDAQ:SWIR](#)), which has a current net profit of 3.13%, and **Baylin Technologies Inc.** ([TSX:BYL](#)), which has a negative current net profit of -7.63%.

Avigilon's current results mean it is trading near its 52-week high of \$17.30 per share, so it's not on sale at the moment. Industry analysts expect it to trade near \$20 per share over the course of the next year. If they are right, there is still room for this stock to grow.

Avigilon doesn't pay dividends, choosing instead to reinvest profits back into the company. If you are looking for some income to go with your possible growth, look elsewhere.

### Investor takeaway

There is an awful lot to like about this stock right now, and security is one of those industries that

always seems to be needed. If Avigilon stays on top of product development and keeps producing solid results, this is a company that you may wish to buy and hold for a while.

## CATEGORY

1. Investing
2. Tech Stocks

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