



## Is Sierra Wireless, Inc. a Buy After Rising More Than 20%?

### Description

**Sierra Wireless, Inc.** ([TSX:SW](#))([NASDAQ:SWIR](#)) has seen its share price rise more than 20% in the last two weeks of November. In the previous five months, the stock had declined more than 37%. This could be a sign that the share price has reached a support level, and it could be the start of its ascent.

Even though the company had a [strong Q3](#), that wasn't enough to send the stock price up. This latest push in price could be a sign that some big investors are finally warming up to Sierra's valuation, and that could be a great opportunity to buy the stock before it starts to take off.

Although it has risen 20% recently, prior to a [big drop in August](#), the stock had strong support at over \$33 a share, which suggests there could still be a lot of upside left in price.

### Why the stock has plenty of growth left

Sierra is in the emerging Internet of Things (IoT) industry, which connects hardware devices to the cloud; a big example is automobiles and self-driving software. The company already has a big partner in **Volkswagen**. The car manufacturer selected Sierra to help integrate its Car-Net system into its automobiles, which will provide connectivity for features like remote vehicle access, diagnostics, maintenance, and other internet-based options.

Self-driving software will push a lot of demand in the industry, but as we continue to see more items connected to the cloud, there will be even more potential for companies like Sierra to grow.

Although the stock has been on a bit of decline until recently, year to date the stock has risen ~40%. If the company can continue to build on its strong growth (in the last quarter it saw sales rise 13%), then there's no reason to expect that the stock won't continue to rise.

The company has also done a good job of managing its financials with three of the last four quarters being in the black, and the only one that wasn't posted a small loss of just \$210,000. At a price-to-book ratio of just 2.4, Sierra is also not expensively priced compared to other stocks in its industry.

## Why Sierra is a good buy today

The company has many good things going for it, and, unfortunately, that hasn't resulted in the price starting to take off until now. There weren't any recent press releases or significant news that came out about the company to suggest a big change has taken place. The company was always a good buy, but now the stock is getting a lot more attention given its recent price movement and the interest of some big investors.

Despite fundamental indicators saying that the stock is a good buy, sometimes it needs a bit of a push from the technical side to get things moving, and that's what we are seeing here. The stock could be a great buy today, and investors shouldn't be concerned about the recent surge taking away potential profits, because the stock has been so badly beaten in recent months.

## CATEGORY

1. Investing
2. Tech Stocks

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