



Sierra Wireless, Inc. Just Hit a New 52-Week Low: Is Now the Time to Buy?

Description

Sierra Wireless, Inc. ([TSX:SW](#))([NASDAQ:SWIR](#)) has dropped more than 30% in the past six months and is down nearly 20% in just the last month. Its descent started [back in August](#), when a disappointing earnings result coupled with the company's acquisition of Numerex failed to win over support from investors. However, things haven't gotten any better since then.

The company recently released its Q4 results, which again failed to impress investors and sent the stock over a cliff. While Sierra was able to grow its top line by more than 12%, it still finished in the red for the second time in the past four quarters as expenses climbed more than 30% from a year ago.

Sierra also offered a warning in its guidance for Q1, stating, "We expect the first quarter of 2018 to be impacted by some unusual and mainly non-recurring items, including higher one-time costs related to a Numerex network upgrade and customer migration and tight component supply constraining revenue and adding to cost of goods."

The poor bottom line coupled with a weak outlook for Q1 has sent the stock on a decline. However, [given the poor performance in the markets lately](#), it's hard to tell how much of the decline was due to the market and how much was a result of the company's performance.

The stock offers a lot of value at \$20

The recent drop in price has made the stock a bit more attractive to value investors looking to secure a deal for a growth stock with a great deal of potential. At a price-to-book ratio of just 1.5 and the stock trading at 27 times its earnings, it's an attractive value for a tech stock.

The share price recently hit a new 52-week low, and it could be a great time to lock in a good price for a stock that may have found its bottom. Sierra's stock has generally seen stock support ~\$24, and it should have a lot of upside for investors who can get the stock at \$20 or less.

Long-term potential makes the stock attractive for growth investors

Not only does the stock offer a lot of value at its current price, but given the growing trend of devices

being connected to the digital world, the Internet of Things industry is starting to take off, which gives Sierra a lot of potential to expand and increase its top line in the years to come.

Why Sierra is a good buy today

Sierra's stock is struggling now, but investors shouldn't count it out in the long term. The company is involved in an emerging industry that's going to continue to grow over the years, which should create many opportunities for Sierra.

With self-driving cars emerging and other technologies taking centre stage, many companies will be looking for ways to connect their products to the digital world; this offers opportunities for companies like Sierra to help bridge that gap.

It may be a scary time to put money into a stock that hasn't shown much momentum, but the fundamentals for the company are strong, which should give investors some confidence in the stock over the long run.

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djagielski

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