

# Will Sierra Wireless (TSX:SW) Be the Premium Internet of Things Stock?

## Description

The shares of Sierra Wireless' ([TSX:SW](#))(NYSE:SWIR), Canada's acknowledged leader in the Internet of Things sector, have been stale of late. Ever since the heavy trading and 17.99% decline last November 9, the stock price is just coasting along at \$21 thereabouts. Does it mean that investors have lost connection?

The decline mentioned above happened a day after Sierra Wireless reported third-quarter net loss and nine months overall net loss (ended September 30). The knee-jerk reaction was understandable. Or maybe the speculators freaked out. But the more serious investors in this perceived sunshine industry are smart enough to hold on to the stock.

## Who is panicking?

Perhaps it would be better to analyze at the situation from a micro perspective. Zero in on the three major business segments and find out how each one performed. If you simply look at the third-quarter percentage growth in revenue vis-à-vis the same period last year, Sierra Wireless is making progress.

Here's a recap of how the business segments fared out individually in terms of revenue. For OEM solutions, it grew 7.6%. Enterprise Solutions saw a 22% increase. IoT services registered the biggest growth at 172.8%.

On the expense side, Research & Development and Sales & Marketing accounted for 64.7% of the total. The heavy spending in both areas is defensible. It hints that Sierra Wireless is leaving no stone unturned. Without a doubt, [the company is preparing to break new grounds](#) and assume the IoT leadership role.

## A portent of things to come

The Internet of Things ecosystem is expanding but the importance of the evolving technology is unraveling rapidly. Although the industry is still fragmented, there is steady growth.

Experts are projecting the explosive growth will come soon, and by 2025, the market would be worth a trillion dollars. The biggest hindrance to the industry's progress is the absence of a unified framework. A central shared platform is the key if the IoT industry is to achieve its full potential.

Among the industries that will experience heavy growth from a smarter technology are healthcare, retail, and supply chain. The way people conduct their business and personal affairs will change. Industries such as agriculture, insurance, telecommunications, and transportation are also expected to use IoT technology.

## A treasure chest of opportunities

Rather than feel anxious, investors should be exuberant. Yes, Sierra Wireless is ideal for long-term

investors. But in exchange, there's going to be a treasure chest of opportunities coming.

Sierra Wireless was listed together with IoT stalwarts IBM ([NYSE:IBM](#)) and AT&T ([NYSE:T](#)) as the players that are in the best position to capture a bigger share of the fast-growing market. For one, the company is already the top cellular module vendor in the world.

More wireless connectivity solutions and technologies are in the pipeline. What people are seeing now is but a glimpse of the [awesome potentials](#). If you're on the same page, you'll have to agree that Sierra Wireless is the soon-to-be premium IoT stock.

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