



3 Undervalued IT Stocks That Will See Massive Growth Next Year

Description

It's definitely not 2000 any more. The dot-com bubble has burst, and there are so many offshoots of this strong industry that it can be hard to know where to start.

It can make you almost dizzy to look at the stocks available within the Internet of Things (IT) arena. But there are a few strong stocks that are massively undervalued right now that investors should consider adding to their portfolio. After all, the bubble may have burst, but the internet isn't going anywhere.

Solium Capital

Solium Capital Inc (TSX:SUM) is a software-as-a-service technology that manages share plan administration and equity transactions for more than 3,000 clients across the world. The Calgary-based tech company has had some [strong growth over the last 10 years](#), with even more in its future.

In that time, Solium has decreased its debt to almost zero. In the last quarter, revenue increased by 38% to \$28.3 million, yet shares have gone down as of late. Shares are currently trading at about \$11.75, with analysts putting a fair value estimate at about \$13.34.

Yet analysts are also unsure about the immediate future of this tech company. While it remains strong and steady financially, as it has found a niche with proven results, investors aren't excited by the stock. This creates a good buying opportunity for investors looking to hold onto a stock for the long-term and see a slow and steady rise.

Sierra Wireless

Sierra Wireless Inc ([TSX:SW](#))(NASDAQ:SW) is the heavy hitter of the IT industry. The wireless broadband modem maker has surpassed earnings per share (EPS) estimates three times in the last four quarters, surprising investors and analysts alike.

Yet the company warns that growth [will likely decrease](#) at the end of the year. This partly stems from the trade war between China and the United States, which sent shares falling about 15% after Q3 results were reported.

But I think it's fair to say that this company's share price is reflective of the volatile market as a whole, and the trade war is definitely not helping any. The market potential for a modern maker will only increase over the next few years, and significantly at that. As new technologies and faster wireless increase, Sierra will be at the head of those looking to profit.

Shares are trading at \$18.50 at writing, but analysts believe it's worth more like \$24.41, making it an ideal time to buy this stock at a 32% discount.

Information Services

Information Services Corp (TSX:ISV) manages information, public data and records for companies worldwide. The company already boasts a number of contracts, but is set to expand even further, as it has signed on to a number of partnerships that will see revenue growth continue throughout 2019 as they are implemented.

The past year has been a strong one for ISV, with revenue growth reaching \$30.2 million in Q3, compared to \$23.9 million the same time last year. Earnings before interest, taxes, depreciation and amortization (EBITDA) were also impressive at \$11.6 million, almost doubling last year's results.

Analysts expect the stock to jump to prices of \$20 to \$22 per share by the end of 2019. With the stock sitting at just under \$15 a share, that puts it at a discount of nearly 50%! It also offers a nice dividend yield of 5.26% at the time of writing this article, giving you some cash in the pocket as you watch the stock rise.

CATEGORY

1. Investing
2. Tech Stocks

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Date

2025/07/02

Date Created

2018/12/22

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