



Growth Opportunity: Is Your Portfolio Ready for 5G?

Description

One of the catchphrases that we've been hearing more of over the past few years is IoT, or Internet of Things. This is the concept that an everyday device can be connected to the internet and other devices, feeding information with the purpose of accomplishing some mundane task. The end goal here is to make our lives easier, simpler, and more connected, and an endless array of use cases now exist today for IoT devices that were considered science fiction just a few years ago.

Some real-world examples include a smart recipe board that will identify ingredients in your pantry, add anything missing to a shared grocery list, and even turn on your oven. Here's my personal favourite: your car could check the local weather forecast and send you a message if there's snow or rain coming and a window is open.

Sierra Wireless ([TSX:SW](#))([NASDAQ:SWIR](#)) is one of the leading developers in the world of the embedded modules and gateways necessary for those devices to connect to the internet. In fact, chances are that you've already submitted or received data using Sierra hardware at some point today, even if you haven't realized it, as the company's modems have been included in over 160 million devices around the world in the past two decades.

As impressive as that sounds, we're about to see even more stellar growth within the next few months, which is a key reason why investors considering the stock should take advantage of the current weakness in the market and buy Sierra now.

5G is coming. Is your portfolio ready?

One of the most widely anticipated advancements in years is inching towards a release later this year — 5G. As the new standard for mobile communications, 5G (fifth-generation) wireless is promising massive improvements over current 4G networks in terms of capacity, speed, efficiency, and latency. In other words, 5G networks will let your smart device connect quicker and send more information to more devices while not running down your battery so quickly.

The first smartphones carrying 5G radios are set to hit the market later this year; expect a flurry of new

IoT devices and options to emerge shortly thereafter to take advantage of those new capabilities.

Beyond that lucrative IoT market, Sierra has yet another lucrative segment of the market carved out, which is in the automotive sector. Automobile manufacturers are increasingly adding connectivity options to their line-ups, catering to a bevy of new technologies and interactive features. By way of example, industry pundits pegged the number of connected automobiles on the market at 30 million last year, and that number is only going to grow.

To that end, Sierra is already working with several prominent automotive manufacturers to install 4G LTE embedded modules into new vehicles, and Sierra's IoT technology is also heavily involved in the connected car space.

Final thoughts

I've long viewed Sierra as an incredible long-term option, and that position hasn't changed. If anything, the recent pullback in the market we've seen over the past few weeks has made Sierra even more attractive for investors that are looking for long-term gains and can handle short-term volatility.

In short, 5G, IoT, and connected auto solutions are going to [change everything](#) around us in the next few years, and Sierra is at the forefront of that movement. The stock may not appeal to income-seeking investors, as Sierra doesn't [offer a dividend](#), but if you want growth and can wait, Sierra may just be what your portfolio needs.

Buy it and forget about it.

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