



These 2 Value Stocks Are Potential Millionaire Makers

Description

The price of a stock does not necessarily reflect the value of the company that issues it. Some firms have the potential to increase their earnings exponentially but are, for whatever reason, flying under the radar. Finding such companies is no easy task, and investors' bets on undervalued stocks often backfire.

Still, some companies are better candidates than others. Today, let's look at two companies with the potential to achieve significant capital appreciation in the long-run: **Sierra Wireless** ([TSX:SW](#)) ([NASDAQ:SWIR](#)), and **Fairfax India Holdings Corporation** ([TSX:FIH.U](#)).

A growing industry

Sierra Wireless is a tech company that manufactures wireless embedded modules. The company's clients range from healthcare providers to energy producers. One of Sierra's best growth engine, though, is the fact that the modules it manufactures are used within the Internet of Things (IoT) networks. The IoT connects wireless compatible devices of all types, which allows for machine to machine interactions.

The IoT sector is set to grow substantially as more and more machines become connected. It isn't difficult to see why it is set to become even more popular. IoT setups automate various tasks, which allows customers to focus on more important things. Sierra fully recognizes the potential of this technology, and is currently well positioned to cash in on this growing industry.

Sierra has been increasing IoT services revenue recently — growth fueled partly by acquisitions. Over the past two years, the company's quarterly IoT revenue has soared by more than 200%. As the demand for IoT increases — and Sierra continues to acquire a larger share of the market by way of acquisitions — the company's stock price could reach new heights.

The “Canadian Warren Buffet” at it again

Prem Watsa is the founder of **Fairfax Financial Holdings Corporation** ([TSX:FFH](#)), a company that provides insurance services through its subsidiaries and has had tremendous success over the years.

Since it first went public in the mid-80s, Fairfax Financial has been able to achieve an annual growth rate in book value per share of 19.5%, which is [comparable](#) to that of Warren Buffet's **Berkshire Hathaway** over the same period. As a result, Prem Watsa earned the title of the "Canadian Warren Buffet."

In 2014, Prem Watsa founded yet another venture: Fairfax India Holding. This company's goal is to achieve long-term capital appreciation by making strategic acquisitions and investments in the Indian region. India is widely considered one of the most important emerging markets in the world. Thus, this region offers enormous growth potential. Under the guidance of a man who with a strong track record in the relevant expertise, strategic investments in the Indian economy could yield substantial returns.

There isn't a whole lot of financial information to dig up to properly analyze Fairfax India, but the little we have so far is promising. Between 2015 and 2017, the company's income soared by more than 800%, while net earnings and earnings per share climbed by 1005% and 700%, respectively. The company's investments have grown by 169% over the same period. While this is still a small sample size, if Fairfax India can keep up anything close to this much growth, the company's share price could skyrocket in the future.

The bottom line

Sierra Wireless holds a strong position in an industry with long-term growth potential, and Fairfax India focuses on investments in one of the world's largest emerging economies. Both companies are potential millionaire makers, and both deserve to be on your radar.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NASDAQ:SWIR (Sierra Wireless)
2. TSX:FFH (Fairfax Financial Holdings Limited)
3. TSX:FIH.U (FAIRFAX INDIA HOLDINGS CORPORATION USD)
4. TSX:SW (Sierra Wireless)

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