



3 Reasons the Future Is Bright for Sierra Wireless, Inc.

Description

Sierra Wireless, Inc. ([TSX:SW](#))([Nasdaq:SWIR](#)) has a history of steady growth and consistently beats quarterly earnings estimates, but shares have recently started to dip in price. Is this a red flag or an opportunity?

Here are three reasons why the future looks bright for Sierra Wireless.

1. Philips CityTouch

This partnership with Philips has the potential to redefine how we run our cities. The CityTouch system is currently being tested in London and Prague in a pre-series run. The system would control all the lighting in a city and could instantly tell a central command center which lights are in need of repair, which areas need the most light and at what times based on population, and could optimize the energy used on lighting a city to lower energy costs and light pollution.

If this takes off, with Sierra Wireless components in it, the benefits for Sierra Wireless could be huge.

2. Verizon 4G LTE compatibility

The AirPrime EM7345 embedded wireless module just became certified for the Verizon 4G LTE system. As this is the largest network in the United States, and 97% of Americans have access to it, this could dramatically increase the machine-to-machine (M2M) capabilities of many devices.

Being integrated with Verizon's network isn't only an advantage for tablets and laptops, it can also be used for smartphones or any device where being thin is an advantage. This removes the need to be connected to wi-fi in order to do anything. As this is expanded, applications for these chips could be found all over the Internet of Things.

3. The Internet of Things is still growing

The Internet of Things is an industry growing at an alarming rate. Some estimates indicate that as an industry by 2019 it will be double the size of the smartphone, PC, tablet, wearable device, and

connected car industries combined. **Goldman Sachs** estimates that the proliferation of the Internet of Things has brought the costs of processing down 60% over the last 10 years.

The ability to collect data remotely, and connect different devices with each other and with companies, has enormous implications for optimizing efficiency in business. As this market grows, more innovative applications for M2M devices and software are turning up, which means more opportunities are being brought to Sierra Wireless.

Sierra Wireless technology is in everything from your Nespresso coffee machine to automated scrolling billboards to the San Jose Police Department. Peugeot Citroën uses Sierra Wireless M2M devices to find out how its cars are running and discover any design flaws that may arise so that those issues can be directly relayed to manufacturers. The Seattle Fire Department uses Sierra Wireless InMotion to keep voice, video, and data communications open on multiple networks, eliminating the old radio system that was used. Now they can upgrade without having to overhaul their whole system, and the communications have been extended to their vehicles.

The bottom line? The uses for this technology are showing up in places you would never expect, and the industry is only gaining momentum. Sierra Wireless investors should see their shares gaining momentum as well.

CATEGORY

1. Investing
2. Tech Stocks

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1. NASDAQ:SWIR (Sierra Wireless)
2. TSX:SW (Sierra Wireless)

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