



7 Best Companies to Invest in Smartphones

Investors have plenty of reasons to get charged up.

By [Lou Carlozo](#), Contributor | May 23, 2017, at 10:02 a.m.

The first mobile phones in the 1970s weren't all that much smaller (or lighter) than a 10-pound dumbbell. Now palm sized and pencil thin, today's [smartphones](#) take up a lot less room in your pocket, which is a good thing if you want to fill it with capital gains instead.

Parts suppliers, telecoms and the companies behind the world's most recognized brands all stand to do well as the market continues to expand, most recently into [China](#) and India.

But who stands to make the most money? The answer is you – if you know which investments to speed dial. Here, we look at smartphone-related stocks that have that certain ring to them.

Jabil Circuit (ticker: [JBL](#)). Already one of the world's largest contract electronics manufacturing services companies, Jabil has expanded its offerings to include logistics, supply-chain management and return and repair services.

"Jabil benefits from broad industry tailwinds such as mobility, cloud and big data," says K.C. Ma, director of the George Investments Institute at Stetson University in DeLand, Florida.

Up roughly 60 percent from a year ago, JBL also stands to gain big in the next tech wave.

"The Internet of Things should provide further growth opportunities for Jabil," Ma says.

Facebook (FB). "Arguably, Facebook is one of the biggest winners of the smartphone revolution," says Jennifer Necir, senior financial analyst at Apriem Advisors in Irvine, California.

Four of [Facebook's brands](#) are highest ranked for most active user accounts worldwide.

"Facebook has 1.9 billion, WhatsApp and Facebook Messenger each have 1.2 billion, and Instagram has 600 million," Necir says. Thanks to them, "Facebook had a stellar revenue growth fueled by mobile advertising. As of the first quarter of 2017, mobile ad revenue, which makes up 85 percent of total revenue, grew 58 percent."

Ceragon Networks (CRNT). You could say this Tel Aviv-based company is getting hot as a microwave. Ceragon develops and sells microwave transmission equipment used primarily by mobile telecom service providers – and in the first quarter of 2017, its revenue grew 27 percent versus the same period a year earlier.

"Ceragon has customers on every continent except Antarctica," Randall says, calling the company "a play on the continued growth of mobile telephony and the need to transmit ever-larger amounts of data – as in video – to mobile devices throughout the world."

Qualcomm (QCOM). You don't have to know what the wireless technology acronyms CDMA and OFDMA stand for – only that they mean CASH for Qualcomm, which holds key patents in these areas.

"Qualcomm is the clear market leader in wireless chips, with a leading market share position in 4G LTE chipsets and relationships with every prominent smartphone maker," Ma says.

What's more, Qualcomm collects income on most 3G and 4G handsets sold, since it holds essential patents in these networks. This gives entirely new meaning to the term "pay phone."

Apple (AAPL). To be sure, [Apple](#) has given up its mantle as a tech innovator and now leans on a legacy product line.

But if you're going to rest on laurels, it pays to have green ones worth nearly \$810 billion – a market cap that makes Apple the world's most valuable company.

With 45 percent of the [U.S. smartphone market](#), Apple's share is 60 percent higher than its nearest rival, Samsung. And perhaps, just perhaps, the highly anticipated iPhone 8 will put some sizzle back into the product line that revolutionized the market.

Samsung. The [Samsung Galaxy Note 7](#) turned into a debacle of epic proportions, sparking a \$5.3 billion recall that also cost the Korean company in terms of public trust.

But there's nothing like a bright, shiny new object to make people forget: the button-less, waterproof Galaxy S8 smartphone.

While that phone earns raves, "Samsung obtained 8,500 U.S. patents in 2016, the most of any company operating in the U.S.," Ma says. "First-quarter profits for 2017 were the best since 2013 due to solid earnings from its memory chip segment."

Deutsche Telekom. Don't let the name "Deutsche" fool you: Beyond Germany, this company has operations in more than a dozen countries – including the U.S.

"Deutsche Telekom owns 67 percent of T-Mobile, worth \$36 billion," says Barry Randall, a technology portfolio manager on Covestor with offices in Boston and London.

That T-Mobile stake makes up roughly 40 percent of Deutsche Telekom's market capitalization of \$92 billion. It's also helped drive profits: "Deutsche Telekom's revenue grew 6 percent year-over-year in the first quarter of 2017," Randall says.

Faster-growing markets in Europe also played a role.



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