



## Is Theratechnologies Inc. (TSX:TH) the Healthiest High-Growth Pharma Stock on the TSX?

### Description

Looking for high-growth stock can be a full-time job in itself. Finding stocks that qualify as high-growth, but that also have healthy assets to back it up can be even harder.

One of the best ways to be sure that your high-growth stock will deliver the goods is to take a look at its market share. While most companies have a lot of competitors, every now then you will come across a stock that seemingly has none.

Let's delve into the factors that might make today's high-growth stock with a squeaky-clean balance sheet a buy.

### Say hello to one of the top pharma stocks on the TSX

**Theratechnologies Inc.** ([TSX:TH](#)) is a specialist pharmaceutical stock in the HIV patient industry. While other stock markets have competitors in this field, Theratechnologies has the monopoly on the TSX index. With solutions for comfortable ageing and quality of life for HIV patients that are largely unmet, Theratechnologies is what you might call a pure-play pharma stock.

It's also a [hungry stock with a canny management strategy](#). Through its distributors, Theratechnologies has extended its reach across Europe, Israel, Norway, Switzerland, and Russia, as well as making recent inroads in Mexico and Brazil. Offering solutions for drug-resistant HIV sufferers, it's involved with the development of a novel drug called Ibalizumab. Its main income is from the sales and distribution of its number one product: an abdominal fat reducing drug called EGRIFTA. A market-cornering drug, it has applications beyond HIV patients and can be used to treat forms of diabetes.

Insider investment is a bullish sign in general, and Theratechnologies has seen a rise in insider buying over the last nine months, further adding to the analysis that this stock is worth buying. However, with an overvalued share price of \$13.41 compared to its projected future cash flow value of \$0.99, value investors may be left scratching their heads.

## A cheap stock with a very comfortable future

With under 30 employees and no debt, Theratechnologies qualifies as one of the [healthiest high-growth stocks on the TSX](#). It has a very low level of unsold physical assets, and as such, it looks more than able to deliver on its high growth. Where risk does come into play is its reliance on distributor RxCrossroads, based in the U.S., and its price, which may be overdue for correction. Indeed, the latter may already be happening, as its recent share price spike seems to be declining.

That said, its expected annual growth in earnings is phenomenal. At a massive 105.3%, Theratechnologies could multiply your investment literally a hundredfold. It goes without saying that this beats the expected annual growth of the TSX index by a huge margin, so you can see why analysts are saying that this stock is a strong buy.

## The bottom line

Never mind the overvalued share price – this stock is a potential gold mine. Theratechnologies is one of those rare stocks that can seriously multiply your investment. Given that its market is largely untapped — it meets medical needs that no other stock on the TSX is involved with — this stock automatically has the monopoly. All told, it looks like a strong buy from here.

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