



2 Healthcare Stocks to Buy Right Now

Description

For those investors that are looking for a real growth industry, look no further.

Society is facing a rapidly [aging population](#), and as the baby boomers are now between the ages of 54 and 72 years old, we continue to see big demand in products and services for this stage of life.

According to census numbers, the percentage of Canadians that are above the age of 65 is fast approaching 20%. This number has been steadily rising and just five years ago was closer to 15%.

Here I present to you two very different ways to get exposure to the very lucrative healthcare sector.

One is a [high-yield dividend](#) stock; the other is a stock that offers huge upside and growth.

Northwest Healthcare Properties REIT ([TSX:NWH.UN](#))

Northwest currently has a dividend yield of 6.9%, and with many growth opportunities ahead, we can expect continued success from this investment.

Northwest offers a high-quality global, diversified portfolio of healthcare real estate properties located throughout Canada, Brazil, Germany, Australia, and New Zealand. Northwest addresses the aging population not only in Canada, but in selected countries worldwide.

Healthcare properties generally have stable occupancies and long-term leases, which make the underlying REIT a defensive one that is attractive for long-term investors.

Bausch Health Companies ([TSX:BHC](#))([NYSE:BHC](#))

Formerly known as Valeant Pharmaceuticals, Bausch Health Companies has come a long way.

It has learned from past mistakes, and, as part of the strategy going forward, debt reduction has taken centre stage.

And while the debt level of \$25 billion remains extremely elevated, it has been reduced by

approximately \$7 billion since 2016, which is evidence of the right shift in strategy.

Revenue is still falling, as asset sales and loss of exclusivity are negatively affecting the company's business, and while earnings are also falling, the stock trades at a price-to-earnings multiple of 8.8 times this year's expected earnings and 8.6 times next year's expected earnings, so clearly, not much is baked in to the stock.

Recent results that have come in significantly higher than expectations point to the possibility that investor expectations are due to rise along with the stock.

The first half of this year saw the company posting earnings that far surpassed expectations, signaling that maybe investor expectations have sunk too low.

And as visibility becomes clearer and clearer, my confidence in the company grows.

In closing, while there are clearly some promising signs from Bausch, many risks remain, including the possibility of an equity raise to get a handle on the debt situation and fast forward the company's recovery plan.

Yet, this stock is a high-risk/high-reward stock that is worth at least following closely for the right moment to establish positions.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BHC (Bausch Health Companies Inc.)
2. TSX:BHC (Bausch Health Companies Inc.)
3. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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Date

2025/08/20

Date Created

2018/08/12

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