



3 Top Canadian Healthcare Stocks for Growth Investors

Description

With an ageing population, a continent facing the possibility of recession, an industry making cutting-edge breakthroughs, one might think that an investment in health care is a no-brainer. Let's take a look at three innovative stocks on the TSX that will give investors with a broad financial horizon a mix of defensive characteristics, capital gains, and dividends.

IMV

A biopharmaceutical company with a focus on clinical-stage cancer therapy and other immunotherapies, **IMV** ([TSX:IMV](#))(NASDAQ:IMV) is committed to developing drugs that allow extended exposure of antigens to the human immune system. It's one of the [top pharma stocks on the TSX](#), and it's trading near a 52-week low. While value investors may wish to wait for the knife to finish falling, there's an opportunity to catch a tailwind should positive drug trial data materialize.

This stock has had a rough time of it lately but remains a solid play if you like beaten-up healthcare tickers. Snatching up shares in a stock that company insiders have been buying is almost always a smart play, as it indicates that there's confidence in a price climb. With IMV's position in the market lending a degree of defensiveness to your investment, you could be looking at a wide profit margin in a solidly recession-proof sector.

While it doesn't pay a dividend, IMV stock has gained 200% in the last two years and could continue to grow as new immunotherapies are made more effective, more applicable, and more easily available to patients. Given that IMV's patented system fills a key niche in modern medicine, there's a lot of possibility for growth here.

Savaria

When it comes to overlooked healthcare stocks, personal mobility is an excellent investment idea if you're looking for a recession-ready sector to harden up your dividend portfolio. **Savaria** ([TSX:SIS](#)) [is the wide-moat option in this space](#) and pays a decent dividend yield of 3.38% at today's knocked-

down price of \$12.43. Revenue grew by 55% with adjusted EBITDA clearing 30% in a first quarter that should have growth investors salivating.

The stair-lift maker is active in a range of markets, manufacturing home elevators, wheelchair lifts, and other innovative adaptations for people with mobility challenges. The solutions available come under the trident of Accessibility, Adapted Vehicles, and Span. The latter segment covers therapeutics such as pressure management devices and support surfaces, while the adapted vehicles section covers van conversions.

Zymeworks

Touted as a growth stock in the healthcare space, Vancouver-headquartered biotech company **Zymeworks** ([TSX:ZYME](#))(NYSE:ZYME) rocketed on favourable clinical data this year. Growing 71.75% in the past year, Zymeworks is focused on innovative cancer treatments such as alternatives to hormone therapy and chemotherapy. When it held its IPO in May 2017, it was the largest domestic debut from a biotech company in over 10 years.

In other words, Zymeworks is a big deal and a solid buy for a healthcare investor looking for stocks with a lot of growth potential. An award-winning company in a niche sector, long-term investors seeking a canny capital gains play should consider stacking shares this cancer-focused biotech wunderkind.

The bottom line

With two cancer-treatment companies and a wide-moat mobility solutions business on the table, growth investors looking to make some smart money in a recession-hardy sector have some inviting options in this trio of stocks. Given their different approaches, both Zymeworks and IMV could be held without worrying too much about overexposure, while Savaria would make for a complementary passive-income investment.

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1. Editor's Choice

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1. NASDAQ:ZYME (Zymeworks)
2. OTC:IMVI.F (Imv)
3. TSX:IMV (Imv)
4. TSX:SIS (Savaria Corporation)

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