



3 Top Canadian Pharma Stocks for Ambitious Investors

Description

Specialty drug companies offering a lot of upside are finding favour with growth investors, but how high can these stocks climb, and are they good value for money? Let's take a look at three of the most exciting pharma stocks on the TSX and see how they're performing.

Aurinia Pharmaceuticals

A biopharmaceutical company with a bright future, **Aurinia** (TSX:AUP)([NASDAQ:AUPH](#)) has long been talked up by pundits as a focal point for growth investors looking for niche medical exposure. Aurinia is in the business of trialing a novel drug called voclosporin, an immune system suppressant with a number of uses from dry eye to kidney inflammation. With its second-quarter report due out tomorrow, it's worth reviewing the stock's stats ahead of a potential investment.

A possibly [gravity-defying share price](#) marks Aurinia out as a clear target for serious growth investors. Its one-year returns of 21.5% compares favourably with the Canadian biotech industry average of 4.6%, while looking further back, five-year returns of 93.8% are suitably high, especially when one considers that the industry has returned only 14.3% for the same half-decade.

Viemed Healthcare

With one-year returns of 127.3%, **Viemed** ([TSX:VMD](#)) is one of the top-performance pharma stocks to get invested in if a quick turnaround is your goal when it comes to capital gains. While it hasn't got the stolid balance sheet or exciting future outlook of Aurinia, for a short-term play designed to bring in quick cash, [Viemed should be on a momentum investor's wish list](#).

A high-octane specialty pharma stock with some key quality indicators, Viemed is a developer of novel treatments for sufferers of breathing-related complaints, such as chronic respiratory conditions and sleep apnea and patients being treated for neuromuscular conditions. High returns in a niche market are the name of the game in biopharma investing, and Viemed ticks all the boxes.

Zymeworks

Zymeworks ([TSX:ZYME](#))(NYSE:ZYME) is a good play for value, with a price-to-book that undercuts the average for a biotech stock. A mixed Q2 just saw Zymeworks's EPS miss by a hair's breadth, though its revenue beat is certainly encouraging, especially if investors are holding for the long term. Perhaps even more encouraging, though, is Zymeworks's deal-making strategy: The cancer treatment company has buddied up with eight major pharma businesses.

Promising lab data could see Zymework's best hope, a drug called ZW25, add serious upside to the company's share price in coming years. In the meantime, a collaboration with another business in the cancer treatment space, **BeiGene**, will help open territories in Oceania and Asia. A sturdy balance sheet and industry-normal value make the stock a low-stress play for upside in the biopharma space.

The bottom line

The three stocks listed here are diverse enough to be held concurrently in a single capital gains portfolio, though a low-risk investor may not want to put too many of their eggs in the same basket. For long-term upside, Aurinia could be the best bet here with its mix of upward momentum and reasonable value, though Viemed and Zymeworks also display steep upside potential.

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TICKERS GLOBAL

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2. NASDAQ:ZYME (Zymeworks)
3. TSX:VMD (Viemed Healthcare)

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