



Canada's Top Growth Stocks Under \$2

Description

Investors are attracted to stocks with low share prices. You can purchase a significantly higher number of shares if the stock price is low. Here we look at two such Canadian growth stocks that are trading below \$2 and might be an attractive buy at the current price.

Well Health Technologies

Shares of **Well Health Technologies** ([TSX:WELL](#)) are trading at \$1.9. Well Health is a Canada-based company that operates primary healthcare facilities and an EMR (emergency medical records) business. It provides SaaS (software-as-a-service) EMR services to doctors across Canada.

According to analyst estimates, Well Health is expected to increase sales by a staggering 303% year over year to \$32 million in 2019, up from \$7.95 million in 2020. Sales are estimated to touch \$44.1 million in 2020 and \$58.4 million in 2021.

This growth will give a boost to the company bottom-line as well. Analysts expect company EBITDA to improve from -\$1.81 million in 2019 to \$1.05 million in 2020 and \$3.9 million in 2021.

The stock has a market cap to forward 2020 sales ratio of five — a bargain considering the company's growth metrics and rising profit margins.

Well Health went public on April 1 2016 and closed trading at \$0.11 that day. Its shares have returned over 1,600% since then. If you had invested \$1,000 in this penny stock IPO, [it would have been worth](#) about \$16,000 today.

Well Health is now the third-largest medical records provider in Canada. The company is focusing on consolidating and modernizing clinical and digital assets in Canada's healthcare segment. Analysts tracking Well Health have a 12-month average target price of \$2.4, indicating an upside potential of 27%.

Hamilton Thorne

Shares of **Hamilton Thorne** (TSXV:HTL) are trading at \$1.32 at writing. The company is engaged in the development, manufacture and sales of precision laser devices and advanced image analysis systems for living cell applications in the fertility, stem cell and developmental biology research markets. Hamilton Thorne is [one of the leading companies](#) in the ART (Assisted Reproductive Technology) space.

The company is valued at \$165 million in terms of market cap, and shares have gained close to 29% in the last year. In the last five years, shares have returned 277% easily outpacing the broader market. This growth has been supported by a stellar increase in the company's financial metrics.

In the December quarter, it reported sales of \$10.8 million, up 34% year over year. EBITDA grew 27% year over year to \$2.2 million. In 2019, sales rose 21% to \$35.3 million, while adjusted EBITDA grew 14.6% to \$7.1 million.

The company is banking on huge wins in the United States and the United Kingdom to boost top-line growth in 2020. It is also eyeing growth via acquisitions to gain traction and drive sales higher.

Analysts expect company sales to reach \$44.1 million in 2020 and \$45.6 million in 2021. Comparatively, EBITDA might rise to \$8.66 million in 2020 and \$9.5 million in 2021.

In the last five years, the company's revenue has risen at an annual rate of 31%, while EBITDA has risen by 71% annually in this period.

CATEGORY

1. Investing

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1. TSX:HTL (Hamilton Thorne)
2. TSX:WELL (WELL Health Technologies Corp.)

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