Canadians: 2 Cheap Healthcare Stocks to Own in Your TFSA Forever

Description

Health care is a sector that has rivaled technology with its propensity to excite the investing world. According to a recent report from ResearchAndMarkets, the global healthcare market reached a value of $8.45 trillion in 2018. It projects that this market will reach $11.9 trillion by 2022. This would represent a CAGR of 8.9% over the forecast period.

In previous articles, I'd discussed why the Tax-Free Savings Account is such an effective growth vehicle. Healthcare stocks make a great target for investors who are hungry for potentially massive long-term growth.

The coronavirus outbreak has stirred global panic, and markets have been pummeled in the final week of February. Healthcare stocks have not been spared, but the fears surrounding this outbreak also illustrate just how crucial the development of this sector is going forward. Today, I want to look at two healthcare-linked stocks that would make a terrific hold in a TFSA to start this decade.

Savaria

Canada and most of the developed world are facing rapidly expanding senior citizen populations. Aging demographics will have an enormous impact on the healthcare sector. **Savaria** (TSX:SIS) is a stock I've been bullish on for some time now. This company designs, engineers, and manufactures products for personal mobility in Canada, the United States, and countries around the world.

Shares of Savaria have plunged 10% over the past week at the time of this writing. The stock has struggled over the past year — falling 5% as of close on February 26 — but it has been a high performer over the past decade. A Reports and Data forecast released in 2019 projected that the personal mobility devices market would reach $12.4 billion by 2026, which would represent a CAGR of 6.7% over the forecast period.

Savaria stock last possessed a P/E ratio of 26 and a P/B value of 2.3, which sits below the industry average. The company is moving forward with an excellent balance sheet. Shares last had an RSI of 26, which puts Savaria in technically oversold territory. Better yet, Savaria offers a monthly dividend of

$0.0383 per share. This represents a 3.7% yield.

CRH Medical

CRH Medical (TSX:CRH) is a Vancouver-based company that, through its subsidiaries, provides anesthesiology services to gastroenterologists in the United States. Its shares had plunged 10.7% over the past week as of close on February 26. However, the stock was still up 16% year over year.

Investors can expect to see its fourth-quarter and full-year results for 2019 in March. In the third quarter, total revenue rose 5.9% year over year to $30.4 million, and adjusted operating EBITDA increased 42.9% to $13.1 million. In the year-to-date period, total adjusted operating EBITDA climbed to $39.4 million compared to $38.8 million in the first nine months of 2018.

This company boasts solid growth potential as we look ahead. A report from Grand View Research recently projected that the gastrointestinal therapeutics market would register a CAGR of 6.6% from 2018 through 2025. CRH Medical stock is in favourable value territory compared to its industry peers, as it currently possesses a price-to-book value of 3.4. Investors should keep an eye on its stock, as it is trending towards technically oversold territory at the time of this writing.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:SIS (Savaria Corporation)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

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Date
2025/08/26
Date Created
2020/02/29
Author
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