



BOOM! This Super Healthcare Stock Is up Over 200% in 3 Months

Description

Coming into 2020, Canadian investors should have already had their eyes on the healthcare sector. Technology stocks roared in the previous decade, but the healthcare space was not far behind. Investors who are on the hunt for growth should still look to target promising healthcare stocks. Aging demographics and advances in medicine will drive growth for years and decades to come.

Today, I want to look at one healthcare stock that has soared in the spring. **VieMed Healthcare** ([TSX:VMD](#))([NASDAQ:VMD](#)) provides in-home durable medical equipment and healthcare solutions to patients in the United States. Its shares have climbed 222% over the past three months as of close on June 15.

A recent report from *ResearchAndMarkets* projected that the global home healthcare market would be worth US\$515.6 billion by 2027. This would represent a CAGR of 7.9% over the forecast period. The growth in in-home healthcare is promising news for VieMed. However, the COVID-19 pandemic has also been a massive driver for the stock in 2020.

How the COVID-19 pandemic propelled this healthcare stock

In late March, I'd discussed why VieMed was in a great position to [aid in the fight against COVID-19](#). At the time, U.S. states and municipalities were scrambling for ventilators, as officials expected a surge in hospital ICU visits. VieMed is a leader in the homecare ventilation market. This means that it was uniquely suited to provide help in this crisis. The healthcare stock has surged in the wake of the crisis.

The economic consequences of the COVID-19 pandemic have been widespread. However, VieMed managed to continue its momentum from 2019 when it achieved record results. In early April, the company raised its first-quarter guidance. On May 4, VieMed reported net revenues of \$23.8 million — up 31% from the prior year. Moreover, its active ventilator patient base grew 25% over Q1 2019. Adjusted EBITDA surged 76% year over year to \$7.9 million.

For the second quarter, VieMed projected that it will generate net revenues between \$42 and \$44 million. Meanwhile, it expects roughly \$20 million of product sales related to the COVID-19 pandemic.

So, should investors bet on this healthcare stock rising even higher as the year presses on?

Can VieMed climb even higher?

VieMed appears to be on track for another strong quarter. The COVID-19 pandemic has resulted in a surge in sales. Officials will be forced to contend with the virus until a vaccine is produced. The lockdown experiment may or may not be revisited, but investors should continue to bet on companies like VieMed.

Back in late April, I'd discussed how investors could [turn \\$20,000 into \\$1 million](#) over the course of a decade. The explosive potential of a healthcare stock like VieMed was one of the reasons I'd targeted in that article. Shares of VieMed sank below the \$4 mark in March and closed at \$12.99 on June 15. Investors who'd bought the dip have been rewarded handsomely.

VieMed boasts a fantastic balance sheet and promising growth potential. This is a healthcare stock worth holding onto for the long term.

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