



## Canadians: Here's the 1 COVID-19 Stock You Need to Own

### Description

North American markets fell steeply in the late winter and early spring in response to fears surrounding the COVID-19 pandemic. At the time, no one could have predicted the economic destabilization that would result from the outbreak of this virus. North American governments have wrestled with solutions, and social spending has skyrocketed as millions of jobs have been lost.

Today, I want to look at one stock that has thrived during the pandemic. With a vaccine still many months away, this stock can still act as both a vehicle for growth and as a defensive option.

### Why this stock has thrived during the COVID-19 pandemic

The stock in question is **VieMed Healthcare** ([TSX:VMD](#))([NASDAQ:VMD](#)). VieMed provides in-home medical equipment and healthcare solutions to patients in the United States. The company has gained traction as a supplier of ventilators. Before the pandemic, it had heralded one study that praised its progress in providing in-home care to patients with respiratory illnesses.

Shares of [VieMed have increased 77%](#) in 2020 as of close on July 20. Back in June, I'd explained how explosive the stock had been since falling to a 52-week low in the middle of March. The company boosted its guidance in the face of the COVID-19 pandemic ahead of its first-quarter 2020 results.

In Q1 2020, VieMed reported revenue growth of 31% from the prior year to \$23.8 million. Revenues in the quarter included \$1 million in product sales directly related to the COVID-19 pandemic. The company's active ventilator patient base increased 25% year over year, while net income soared 117% to \$4.2 million. Better yet, VieMed projected that the COVID-19 pandemic would result in roughly \$20 million in product sales going forward in 2020.

### Can VieMed continue its impressive run?

The momentum for VieMed stock has slowed somewhat to kick off the summer. Its shares have dropped 7.5% month over month at the time of this writing. There are growing concerns over the high

valuations in the current market, including from some of the [biggest names in the investing world](#).

Still, there is a lot to like about VieMed at this stage in 2020. There are few companies that have managed to thrive during the COVID-19 crisis. On June 18, VieMed announced that it expected to join the broad-market **Russell 3000 Index** at the end of 2020. There is still significant demand for the company's resources during this time of crisis. The momentum for the stock may have slowed, but it still offers solid value right now.

## Should you buy the stock today?

VieMed stock last possessed a price-to-earnings (P/E) ratio of 39. However, its P/E ratio still sits at a favourable value level compared to the industry average. The company also boasts a fantastic balance sheet.

This healthcare company looked like an attractive addition before the COVID-19 pandemic changed the world. The crisis has managed to boost product sales and enhance interest in VieMed's promising in-care home model. Shares are taking a breather in July, but I still love VieMed for the long term.

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