



## Why Well Health (TSX:WELL) Stock Is a Long-Term Winner

### Description

The pandemic has disrupted companies across sectors. While some sectors, like oil, have taken a solid beating, so much so that demand for oil might never recover to its pre-COVID level, we have also seen new opportunities. Companies that were barely a blip on anyone's radar are now must-haves in everyone's portfolio.

**WELL Health Tech** ([TSX:WELL](#)), is one such company that provides a simple service. It runs primary healthcare centres and maintains electronic medical records (EMR) for clinics. When the pandemic caused everyone to stay home, WELL launched VirtualClinic+.

People were not falling ill with COVID-19, but they had to meet their physicians for other ailments. No one wanted to visit a hospital or a healthcare provider physically. WELL took the waiting room out of the equation. It connected patients and doctors over the video, phone, and secure messaging.

WELL ramped up quickly, and its healthcare assets now include 19 owned clinics with around 180 doctors. Its EMR business covers over 2,000 clinics and supports more than 10,000 general practitioners and over 15 million registered patients. VirtualClinic+ can support over 1,000 appointments a day.

### Well Health has kept an eye on the future

Well Health believes that the world will move to a hybrid primary healthcare system. In its quarterly report, it said, "Going forward, Well anticipates that physicians will be operating in a hybrid model of seeing patients in-clinic as well as using telehealth ... In this scenario, physicians aren't required to be in the office as much; therefore, each clinic can support more physicians than before."

WELL is one of the first movers in this space, as the healthcare business goes virtual. Recently, [retail giant Loblaw announced](#) a \$75 million investment in virtual healthcare. Its subsidiary Shoppers Drug Mart will invest \$75 million in Maple Corporation, a virtual care provider in Canada for a "material minority stake."

WELL has also made a strategic investment in San Francisco-based primary health and telecare provider firm Circle Medical for \$14.3 million. This will give WELL access to over 200 million people across 35 states in the U.S. who can use its facilities. It's a great play that allowed WELL to grow its business in the expanding North American telehealth market.

As healthcare centres get additional data on patients, they will be able to offer them more services and customizations. WELL stock has gained over 300% in 2020 alone and 5,500% in fewer than five years. As the second wave of the pandemic hits, demand for its virtual offerings will only go up.

[I had written](#) about WELL earlier this month and had cautioned investors that they should brace for a short-term fall in prices. The stock was trading at \$6.47. It went up to \$7.25 and has fallen to its current price of \$6.25. WELL is a player in an emerging sector in Canada and it seems like it is making the right moves.

## CATEGORY

1. Investing
2. Tech Stocks

## TICKERS GLOBAL

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## Author

araghunath

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