WELL Health (TSX:WELL) Stock: Too Late to Get In?

Description

You know something is special about **WELL Health Technologies** (TSX:WELL) stock when one of the richest men on earth started investing in the company since it was a penny stock.

Many Canadian investors may not have heard of Sir Li Ka-shing, a Hong Kong business magnate, investor, and philanthropist. According to *Forbes*, he was the 35th richest person on the planet as of March 18. He and his venture capital firm, which invests in disruptive/tech start-ups, began investing in WELL Health at $0.33 per share in May 2018.

The initial investment was only $5.2 million, which doesn't seem much for a billionaire with a current net worth of about US$28.9 billion. However, since then, he has continued to add to his stake.

As recently as September, through a private placement, he acquired even more WELL Health shares — worth an investment of about $23 million. In a little more than a month since the latest addition to his stake, the stock has appreciated more than 70%!

Still not convinced about WELL Health stock?

WELL Health was only founded in 2010 and just graduated from the TSX Venture to the **TSX** at the start of this year. When it comes to investing in a fast-growing, young company, the people leading it are key.

The company is led by an experienced management team. Something to highlight is that the founder and CEO, Hamed Shahbazi, previously founded TIO Network that was acquired by **PayPal** in 2017. Other key roles at WELL Health, including the CFO, COO, strategic partners and marketing, and HR, also came from Tio Network.

Just last month, the omni-channel digital health company launched apps.health, a descriptive name for a marketplace and innovation hub that connects healthcare professionals with apps (i.e., solutions) that integrate securely and seamlessly with a clinic's electronic medical record software.

Currently, apps.health features about 20 digital health applications, relating to telehealth, online patient booking, referral handling, and AI workflow automation to help enhance clinical efficiency. WELL Health estimates that the number of solutions will more than triple by mid-2021.

WELL Health stock: Too late to invest?

WELL Health has taken the acquisitive approach in growing the company and building scale. It now owns and operates 20 healthcare clinics and serves 2,000 medical clinics and 10,000 general practitioners.

WELL Health's three-year revenue growth rate was north of 386%. Last year, its revenue increased more than 200% (propelled by acquisitions), making it one of the fastest-growing companies on the TSX.

Its latest acquisition of Cycura, paid in all cash of $2.55 million, in August strengthens its cybersecurity division and is expected to be immediately accretive with double-digit EBITDA margins.

The company still has about $22 million in cash and can therefore pounce on fitting acquisitions to further propel its business.

Given WELL Health's mission to modernize the Canadian healthcare industry by digitizing it — and that the industry really hasn't changed much for decades, the company has plenty of integration to do with a long growth runway.

If you like what the company is doing and are interested in investing, consider building a position in the stock over time. The stock has been overbought for some time, so in the near term, there may be limited upside. However, there should be much price appreciation for long-term investors as the company continues to transform the healthcare sector.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSX:WELL (WELL Health Technologies Corp.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Investing
2. Tech Stocks

Date
2025/08/23
Date Created
2020/10/15
Author
kayng