



Think the COVID-19 Pandemic Will Last Through 2023? Here's a Stock That Should Be Worth More

Description

Many health experts think that a safe and effective vaccine will be widely available for broad distribution within a year or so. At this juncture, it seems as though most investors are betting on a ready-to-go coronavirus vaccine in the third quarter of 2021, with a K-shaped economic [recovery](#) to follow.

Although it's unpleasant to think about, what will happen if the [COVID-19 pandemic](#) goes into 2022 and beyond? What if the vaccine timeline keeps getting pushed back, and we find ourselves in yet another wave in the winter of 2023? That's a horrifying thought that we all hope is unrealistic. And although such a scenario is improbable through the eyes of most folks on the Street today, investors shouldn't rule out the bear-case scenario and its devastating impact on the world economy and your portfolio.

Few things are more unpredictable than biology. While the world is working together on a safe and effective vaccine, it's still really hard to tell when one will be ready to be administered or how effective it will be at propelling us out of this pandemic. Now, it's good to be optimistic, with COVID-hit plays that could correct to the upside on the advent of a safe and effective vaccine. But it's also wise to have a "Plan B" if things take a turn for the worst.

Channel Warren Buffett: Be ready for *anything*

Warren Buffett has been busy de-risking his portfolio all year. And I'm sure he'd agree that it's better to hope for the best while expecting the worst than the other way around. With fresh stakes in gold miners and grocers, it may seem as though the Oracle of Omaha is gearing up for the worst economic depression, the likes of which the world has never seen. Heck, Buffett's sombre note during the 2020 **Berkshire Hathaway** virtual meeting may have been an implicit warning to investors who've grown complacent, with assumptions that the pandemic will be over by some specified date.

To be a great investor, you've got to be like Buffett and acknowledge what you don't know. Nobody

knows when this pandemic will end nor what the longer-term consequences will be. As such, a wise investor needs to mitigate such risks brought forth by COVID-19, so they're not putting themselves in a position to get in trouble should exogenous contingent events not go the way an investor expects.

Now, I'm not trying to scare you. By expecting the worst and selling your stocks for cash and gold, you could be leaving a tonne of profit on the table if things turn out better than you're expecting. The key is to be positioned to profit, regardless of what you (or anyone else) think(s) will happen next with the pandemic.

Goodfood for bad times

That's why I'm a huge fan of the barbell portfolio, with high-upside COVID-hit plays weighing down one end. And resilient stocks should be worth more in a prolonged "new normal" like **Goodfood Market** ([TSX:FOOD](#)), which has been on a tear lately.

Canadian meal kit delivery kingpin Goodfood has soared an unprecedented 420% since its March depths. In the face of a second wave of potential lockdowns, the demand for meal kit delivery services will remain absurdly high, thanks to the substitution effect that will see consumers order groceries online to avoid frequent trips to the crowded grocery store.

Many investors have questioned the inherent value of such services under normalized conditions. While the value under normal circumstances is up for debate, there's no question that such value to consumers is considerably higher during these unprecedented times.

Once the pandemic ends and a vaccine is administered to the masses, Goodfood stock is likely to witness many subscribers hitting the pause button. And the stock could be due for a steep pullback. Until then, Goodfood stock is likely going much higher, driven by further waves of COVID-19 and vaccine roadblocks.

Foolish takeaway

Despite the recent pandemic-tailwind-driven run, Goodfood stock is still cheap at just 2.6 times sales. As the company does its part to help Canadians hunker down for the winter, I suspect shares could be headed to \$20, and its market cap could move past the \$1 billion mark.

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