



Stock Deep Dive: WELL Health Technologies (TSX:WELL)

Description

The telehealth industry is a very exciting space to watch. Because of the pandemic, these stocks have skyrocketed in 2020. If you were lucky enough to hold shares of these companies through the climb, your portfolio should be much larger than it was at the start of the year. **WELL Health Technologies** ([TSX:WELL](#)) is my favourite telehealth company in Canada. In this article, I will provide all the information you need to know about this company.

It all starts with great management

At the start of a company's life, its success will rely heavily on the execution of its management team. Luckily for WELL Health, its management has a great track record when it comes to building a successful company.

WELL Health's Chairman and Chief Executive Officer [Hamed Shahbazi](#) has more than 20 years of business experience. He founded TIO Networks in 1997. The company grew to become a multi-channel payment solution provider, that specialized in bill payments and other financial services.

In 2017, the company was acquired by **PayPal** for \$304 million. Through this experience, Hamed was able to gain experience in growing via mergers and acquisitions. This is a strategy he has employed with WELL Health.

Telehealth is one of the most promising areas to invest in today

If anything, the pandemic has benefited companies that work in the telehealth space. Companies such as **Teladoc** and **Livongo** have seen their share prices go to the moon since the initial outbreaks of the COVID-19 pandemic. In Canada, WELL Health and **CloudMD** have seen very respectable gains as well. With this in mind, it is completely reasonable for investors to wonder how much more growth remains in this industry.

Currently, the global telehealth market is estimated to be valued at \$25.4 billion USD. There are

forecasts that project this market to grow to US\$55.6 billion by 2025. This represents a compound annual growth rate (CAGR) of 16.9% during that period.

WELL Health poses a very [interesting investment option](#) because it aims to tackle the telehealth industry using a two-pronged approach. The company has been acquiring clinics and digital assets into its portfolio. In addition to the wholly owned clinics, WELL Health provides SaaS-based software and support to a network of 2,000 clinics across Canada. As of October 2020, the company's reach accounts for more than 15 million patients.

This industry doesn't come without risks

As always, investors need to be wary of any possible risks that may arise with companies that they hold in their portfolio. Although the telehealth industry may be a hot area at the moment, this means that there is a plethora of companies that are vying for market share. In the United States, **Amwell** is the latest company to make an initial public offering (IPO) in hopes of hitting it big. In Canada, market giants like **Telus** are also taking aim at the telehealth industry.

Foolish takeaway

WELL Health Technologies is one of my favourite growth companies in Canada. It has a very experienced management team, led by a CEO that has a lot of experience in the world of mergers and acquisitions.

WELL Health is also approaching the telehealth industry two different ways, which gives the company optionality within its services. Growth-oriented investors should definitely take a long look at this company if they are interested in multiples of return on their investment.

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Date

2025/09/28

Date Created

2020/11/06

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