Well Health (TSX:WELL): A Top TSX Stock That Can Double Your Wealth in 2021

Description

Well Health (TSX:WELL) has been one of the top performers on the **TSX** in 2020. The stock has surged close to 400% year-to-date and is up an astounding 6,760% since its initial public offering (IPO) back in 2016. As the second wave of the pandemic sweeps over North America, Well Health is well-positioned to move higher in the upcoming months.

The company has gone on an acquisition spree, building a moat that will be hard to beat and creating an army of products to take on older rivals in its market. The company operates in the primary healthcare space in Canada and the U.S. As companies struggled to get going, Well Health's business boomed. People couldn't physically get to a doctor's office and they made full use of Well Health's online facilities.

Well Health's focus on acquisitions

The company realized it was the perfect time to acquire companies that would ensure its business model wouldn't falter once the pandemic was brought under control. Here's a look at the acquisitions made by Well Health starting the third quarter of 2020.

The company acquired cybersecurity services firm Cycura for around $2.55 million. In the past 12 months, Cycura's Services Division has generated revenues of more than $1.7 million at an EBITDA of 10.7%.

Well Health acquired a strategic stake in Circle Medical in September. I have written about it before and what it implies for the company. The acquisition gave it access to 35 states south of the border.

It acquired 13 healthcare clinics in British Columbia that more than tripled the number of clinics owned and operated by Well Health to 19. The company says this serves over 600,000 patient visits a year, and is expected to add more than $19 million in revenue and close to $1.2 million in EBITDA over the next 12 months.

On November 1, Well Health completed the acquisition of DoctorCare, a billing and back-office service provider to doctors. It bought the company for $11 million. DoctorCare currently has an annualized revenue run-rate of approximately $3.5 million.

Well Health also acquired a majority stake (51%) in Easy Allied, a mobile integrated care provider in the fields of physiotherapy, occupational therapy, kinesiology, and clinical counseling. Well paid $1.1 million for this stake. Easy Allied’s current annualized run-rate is approximately $1 million.

In November, Well acquired 100% of INSIG for $22.1 million, a virtual care platform currently supporting over 2,800 healthcare practitioners with approximately 200,000 virtual care appointments served in the last 90 days. Well Health owned 40% of INSIG prior to picking up the balance 60% stake.

Well Health already operates its own telehealth program called VirtualClinic+. INISG’s acquisition will add $6.5 million in annual telehealth revenues after the elimination of intercompany revenues.

Sales were up 50% in Q3

Each of these acquisitions adds different value to Well Health. The company is coming off a great third quarter in 2020 where it reported revenues of $12.2 million compared to $8.18 million in the same period in 2019, an increase of 50%. It is sitting on cash worth $100 million and has no debt having converted all outstanding debentures to common stock.

Well Health is currently trading at $7.55 and analysts have a 12-month price target of $9.71 for the stock. However, given that the company is forecast to increase sales from $32.8 million in 2019 to $89.2 million in 2021 it might crush analyst target estimates to trade at a significantly higher price.

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