2 TSX Stocks Worth Adding to Your TFSA Account

Description

Pfizer's and **Moderna's** recent announcements on their vaccines' effectiveness in preventing the spreading of COVID-19 have been encouraging. The hope of the vaccine has led to a fall in work-from-home stocks, which had witnessed strong upward momentum in the last eight months. However, I believe the demand for the following two **TSX** companies' services could thrive even in the post-pandemic world. So, long-term investors could utilize the correction to accumulate these stocks for greater returns.

WELL Health Technologies

Last week, **WELL Health Technologies** (TSX:WELL) reported its third-quarter results. Its top line grew 50% year over year, driven by its acquisitions in the previous four quarters and the contribution from telehealth related revenue. The company's acquisitions are accretive, as its gross margins expanded from 35.2% to 41.2%. Its adjusted EBITDA losses also improved from $512,076 to $153,488.

Meanwhile, the company's management has stated that without the expenses related to the marketing and promotion programs of the VirtualClinic+ telehealth program and the "apps.health" marketplace, the company's adjusted EBITDA could have been positive.

Subsequent to the third quarter, WELL Health Technologies has continued its expansion initiatives. It has completed the acquisitions of DoctorCare, Easy Allied Health, Insig Corporation, Source 44, and Circle Medical Technologies. Given the convenience and accessibility, I expect the demand for telehealth services to thrive even in the post-pandemic world. So, Circle Medical Technologies's acquisition could be significant, as it provides WELL Health Technologies access to telehealth services in 35 states in the U.S.

With over $100 million of cash and no debt at the end of the third quarter, its balance sheet looks healthy. Further, the company is also well-positioned to complete the pipeline of potential acquisition opportunities. So, the company's growth prospects look healthy.

Goodfood Market

An online grocery and meal kit delivery company, **Goodfood Market** (TSX:FOOD), has benefited from the pandemic-infused lockdown. In its recently reported third quarter, its top-line grew 85%, driven by growth in customer base, higher average order value due to its expanded product offerings, and strong order rates.

The company's gross margin improved from 26.7% to 32.8%. The lower incentives and credits, the decline in food expenses as a percentage of revenue, improvement in operational efficiencies, investment in automation, and increased density among the delivery zones led to a rise in its gross margin.

Its adjusted EBITDA margin also increased from 11.6% to 16%, mainly due to improved gross margin and decline in selling, general, and administrative expenses as a percentage of revenue.

With the online grocery industry being one of the world's fastest-growing industries, Goodfood Market's outlook looks healthy. The company is also investing in target marketing campaigns, expanding its production capabilities through new facilities, increasing its product offering, and expanding its national platform to increase its market share. Given its increasing addressable market, expanding customer base, and growth initiatives, I am bullish on Goodfood Markets.

Bottom line

Amid the recent selloff in the work-from-home stocks, WELL Health Technologies and Goodfood Market have witnessed significant erosion of their stock values. The companies are currently trading at around 16% and 21% lower from their 52-week highs, respectively. So, investors who have not exhausted their Tax-Free Savings Account (TFSA) room for this year could add these stocks into their TSFA account for superior returns.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSX:FOOD (Goodfood Market)
2. 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
2020/11/17
Author
rnanjapla