



These 3 TSX Stocks Popped Yesterday: Should You Buy?

Description

Although the vaccine against COVID-19 is inching closer to reality, the rising COVID-19 cases weighted on the investors' sentiments, with the **S&P/TSX Composite Index** remaining flat on Thursday. However, the following three stocks witnessed a spurt in their stock prices. Let's look at the reasons behind the surge.

CloudMD Software & Services

Yesterday, **CloudMD Software & Services** (TSX:DOC), which focuses on providing virtual healthcare solutions, [announced](#) the completion of the previously announced acquisition of Re:Function Health Group, which owns and operates eight clinics. Re:Function had generated revenue of \$5.8 million in the January ending fiscal year, while its adjusted EBITDA margin stood at 19%.

The acquisition is immediately accretive to CloudMD. So, the acquisition drove CloudMD's stock price to a high of \$2.59 before closing at \$2.57, representing a rise of 15.8% from its previous day's closing.

With around 376 clinics and 3,000 licensed practitioners, CloudMD has close to three million registered patients. In the first two quarters of this year, its top line increased 170% to \$5.85 million. Meanwhile, the company is yet to become profitable. Since going public in June, the company has returned over 265%.

Meanwhile, I believe the rally has more legs, given its healthy growth potential. The demand for the CloudMD's services could rise even in the post-pandemic due to its convenience and accessibility. MarketsandMarkets projects the telehealth market to grow at a CAGR of 16.9% to reach \$55.6 billion by 2025.

Facedrive

Yesterday, **Facedrive** (TSXV:FD) announced to migrate its contact-tracing platform, TraceSCAN, to **Microsoft** Azure, which would allow businesses worldwide to access TraceSCAN's contact-tracing

wearable solution. Speaking on the collaboration, Sayan Navaratnam, chairman and CEO of Facedrive, stated, "Microsoft Azure and the Microsoft Partner Network provides us with a great launchpad for our growth and expansion plans globally." The announcement led Facedrive's stock price to rise 9.6% yesterday.

Meanwhile, Facedrive, the ride-hailing company, has recently ventured into other businesses, such as e-commerce, food delivery, and healthcare businesses. The company's stock price has been highly volatile. After reaching a high of \$28 in July, it currently trades at \$15.59. Despite the fall, the company's returns for this year stands at an astonishing 588%. Meanwhile, given its strong growth potential, I am still bullish on Facedrive.

WELL Health Technologies

Yesterday, **WELL Health Technologies** ([TSX:WELL](#)) provided updates on its business acceleration, new COVID-19 testing programs, and a pipeline of acquisitions. The company announced to have partnered with a national laboratory to support patients who intend to get COVID-19 testing.

WELL Health also added that its recent acquisition, Circle Medical, has witnessed substantial growth, with its current month-to-date revenue rising over 40% from its previous month. The company has projected that Circle Medical could deliver over \$10 million of revenue per annum under the current rate.

Further, the company added that it had completed four acquisitions in the last few weeks, which could contribute \$38 million to the company's annual revenue. The company's management also stated that its pipeline of new acquisitions looks strong with 10 signed letters of intent. Meanwhile, the company is well positioned to complete these acquisitions, with its liquidity standing at \$100 million.

These announcements led WELL Health's stock price to rise 6%. Meanwhile, the company's returns for this year stands at over 356%. However, given its strong growth potential and healthy balance sheet, [I expect WELL Health stock to rise further](#).

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSX:WELL (WELL Health Technologies Corp.)
2. TSXV:STER (Facedrive Inc.)

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