



Why Well Health Stock (TSX:WELL) Is Up 34%

Description

Well Health Technologies Corp. ([TSX:WELL](#)) stock is a top stock to buy right now, as this omni-channel digital health company is changing Canadian healthcare. It is a change that has been sorely needed for many years, and the pandemic has brought this need front and centre.

So let's take a look at why Well Health stock is up 34% in the last three months.

A tech stock rallying as digital healthcare demand continues to grow

The primary healthcare system is one of the last big industries that has yet to digitize. According to Well Health reports, the Canadian primary care industry is a \$250 billion industry. Physician spending accounts for approximately 15.4%. The industry is plagued by underinvestment, fragmentation and a lack of technology.

Well Health has a fast growing digital portfolio of healthcare assets. It has 2,000 clinics, over 10,000 supported general practitioners, and over 15 million registered patients. The company's clinic portfolio is also becoming more and more sizable. It has 19 wholly-owned clinics and approximately 180 doctors at these clinics.

Strong third quarter results lifts Well Health stock

Well Health's most recent results show a business that is continuing its momentum. This can be seen in the quarter's sharp 50% rise in revenue. It can also be seen in the improvement in gross margins to over 41%.

For investors looking to get into this name, there's much more where that came from. So far in the fourth quarter, Well Health has seen steady growth in both in-clinic patient visits as well as virtual care consultations. The digitization trend in healthcare has arrived — and it's not going away any time soon.

In the last few months, Well Health has [continued to grow with a number of key acquisitions](#). These acquisitions have diversified Well Health's business as well as increased its market share and reach. For example, Well Health acquired DoctorCare, which provides billing and back office services for doctors. It is just one example of the many acquisitions that Well Health has recently made.

Well Health stock: backed by a strong balance sheet

[Having a strong balance sheet with little debt is key for a company that is growing via acquisitions](#), like Well Health is. As of the end of the third quarter, Well Health had no debt on its balance sheet. And subsequent to the third quarter close, the company issued 12 million shares at \$6.75. Various members of the Well Health management team bought into this issue. This is always a good sign. When management has its own personal skin in the game, it brings their own interests even more in line with shareholder interests.

Motley Fool: the bottom line

Well Health stock is a healthcare tech stock that has been an outperformer in the market. This is not a surprise, as Well Health's business is very well suited to the times. The healthcare sector has been one of the last industries to make the switch to the digital world. And this is still in the beginning stages.

As a result of the digitization of healthcare, patient care is improving and primary care offices are becoming more efficient. Well Health stock is up 34% in the last month and 350% year-to-date.

CATEGORY

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