



Warren Buffett: Buy Stocks in This Sector Right Now!

Description

Warren Buffett has made some surprising moves in the face of the COVID-19 pandemic. Earlier this week, I'd discussed his decision to [reduce his stake](#) in **Barrick Gold**, one of the largest gold producers in the world. Today, I want to target a sector that Warren Buffett made a big play on in the third quarter: healthcare. This is a space that I'd suggested investors get in on when 2020 first kicked off. The COVID-19 pandemic has put a well-deserved spotlight on this explosive sector.

Warren Buffett: Why he's pouring into healthcare

Interestingly, Warren Buffett has not been a big proponent of Big Pharma stocks in previous years. Like his flip on gold, he switched gears in the third quarter. **Berkshire Hathaway** added to its stake in top pharmaceuticals like **Merck**, **Pfizer**, and **Bristol Myers Squibb**. The Oracle of Omaha is looking to win big from the vaccine race currently underway.

Canada does not have a horse in the lucrative vaccine race, but it does have some [very promising stocks](#) in the healthcare sector.

Two healthcare dividend stocks I love right now

Savaria Corporation ([TSX:SIS](#)) is a Laval-based company that designs, engineers, and manufactures products for personal mobility in Canada and around the world. Earlier this year, Grand View Research projected that the global personal mobility market would achieve a CAGR of 6.5% from 2020 through 2027.

It will be fuelled by the growth of aging populations across the developed world. Shares of Savaria have climbed 3.3% so far this year.

In Q3 2020, the company saw adjusted EBITDA increase 8.1% year-over-year to \$16.9 million. Adjusted net earnings per share rose 6.2% to \$0.17. Warren Buffett is also a proponent of value investing. Savaria stock offers a solid price-to-earnings ratio of 25 and a price-to-book value of 2.5. It

boasts a monthly dividend of \$0.04 per share, representing a 3.4% yield.

Andlauer Healthcare ([TSX:AND](#)) is a Vaughan-based company that provides a platform of customized third-party logistics (3PL) and specialized transportation solutions for the healthcare sector in Canada. This stock offers exposure to healthcare and the exciting supply chain management tech space. Andlauer stock has increased 94% in 2020.

The company released its third quarter 2020 results on November 10. Revenue rose 7% year-over-year to \$75.8 million and operating income increased 16.3% to \$13.2 million. In the year-to-date period, Andlauer has achieved EBITDA growth of 7.8% to \$56.9 million.

Emulate Warren Buffett and snag this healthcare-focused REIT

Warren Buffett does not own a lot of REITs other than **STORE Capital**. However, **NorthWest Healthcare Properties REIT** ([TSX:NWH.UN](#)) is a healthcare-focused REIT that checks some Buffett-approved boxes. It provides shareholders exposure to top healthcare real estate around the world. Shares of Northwest Healthcare have increased 7.4% in 2020 so far.

In Q3 2020, its net operating income climbed 3.4% to \$72.2 million. Portfolio occupancy remained stable at 97.2%. It proved to be a great defensive stock to own during this crisis. Shares of Northwest Healthcare possess an attractive P/E ratio of 14 and a P/B value of 1.4. Best of all, it offers a monthly dividend of \$0.067 per share. That represents a very strong 6.5% yield.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:AND (Andlauer Healthcare Group Inc.)
2. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
3. TSX:SIS (Savaria Corporation)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Investing

Date

2025/07/04

Date Created

2020/11/26
Author
aocallaghan

default watermark

default watermark