



What to Expect From the Upcoming Dialogue IPO

Description

The telemedicine space is booming right now.

Vancouver-based **Well Health Technologies** has provided investors with a [near five-bagger](#) over the past year. Other U.S. players like **Teladoc** have similarly seen impressive stock price appreciation.

Accordingly, investors are eyeing what could be a highly sought-after IPO in Canada. It's expected that Montreal-based Dialogue Health Technologies Inc. will go public shortly.

Similar to its aforementioned peers, the company operates in the telemedicine space. Dialogue designs specialized software solutions for telemedicine visits. The offerings include a mobile-based application that links doctors and patients.

Indeed, there's higher demand than ever for this type of innovation in the healthcare sector, especially in light of the recent pandemic. However, investors seem to be bullish on the potential for a transformative, structural change to a traditional in-person industry. Indeed, the tentacles of technology are far-reaching today.

So, let's look at what the IPO details are, and why investors are getting excited right now.

Dialogue IPO significantly oversubscribed

Having a vastly oversubscribed IPO is a good thing. Indeed, in Dialogue's case, investors appear willing to line up around the block for these shares.

The company had to increase its initial public offering to \$12 a share. This comes after receiving an overwhelming response from investors during the company's marketing period.

Dialogue set out with an initial offering range between \$9 and \$12 a share. The amount the company wanted to raise was \$100 million, and it received orders encompassing \$1 billion. Indeed, any IPO that is 10 times oversubscribed is a hot one. Thus, there's some speculation this IPO could open much

higher upon the open of public trading. Dialogue has a consortium of big Canadian banks leading the deal and looks to be ready to hit the market soon.

Should investors buy in?

As of right now, Dialogue's oversubscribed IPO looks like it could be the best-performing one in Canada in a while — at least, based on the initial data put forward.

Dialogue's red herring prospectus reveals that the company has experienced a substantial amount of growth due to the ongoing pandemic. In 2020, this company's online health service segment generated revenue of \$29 million. This represented a three-fold increase from \$10 million the year prior. It now provides this service to 2.5 million Canadians via four top Canadian group insurers.

This company is engaged in the provision of occupational health and safety services. Furthermore, it purchased an employee-assistance-program seller based in Canada. These two takeovers have been instrumental in strengthening Dialogue's top line. In 2020, Dialogue's annual recurring revenue stood at \$60 million at the beginning of this year.

Indeed, these acquisitions have been a major boost for the company's long-term top line. Furthermore, following the acquisitions, it appears that there's ample growth on the horizon.

As far as IPOs go, this is one I'll have my eye on. I would highly recommend investors add this stock to their watch list, if they're not anticipating getting in early.

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