COVID-19 Pandemic 2021: The 2 Best Healthcare Stocks to Own

Description

The COVID-19 pandemic has disrupted nearly every aspect of our lives for over a year. In April, Ontario's leadership revealed that it would once again enter a lockdown in response to a third wave of rising COVID-19 cases. Reports today suggest that the province will also move forward with a stay-at-home order. Canada has seen vaccine deliveries improve in the early spring, with millions set to be available by the beginning of the summer. However, citizens will be forced to stomach more harsh conditions in the near term. Today, I want to look at two healthcare stocks that are poised to gain on the back of the lingering pandemic.

The increase in telehealth services has bolstered this stock

Telehealth is the use of digital information and communication technologies to access healthcare services remotely. These services have seen a massive increase in usage over the course of the pandemic. This has led to record revenues for companies that operate in this space.

WELL Health Technologies (TSX:WELL) is a Vancouver-based company that owns and operates a portfolio of primary healthcare facilities in Canada and the United States. Its shares have dropped 3.4% in 2021 as of early afternoon trading on April 7. However, the healthcare stock has soared 385% from the prior year.

The company released its fourth-quarter and full-year 2020 results on March 18. WELL Health achieved positive adjusted EBITDA for the first time in the fourth quarter of $0.77 million. Meanwhile, the company reported another quarter of record revenue, rising 75% year over year to $17.2 million. It has gained promising access to the United States market with its recent acquisition of **CRH Medical**.

Investors should consider buying the dip in this promising healthcare stock in early 2021. Telehealth is here to stay even after this pandemic subsides. WELL Health has established itself as a leader in this space.

Another healthcare stock that has benefited from the pandemic effect

In the summer of 2020, I'd suggested that **VieMed Healthcare** (TSX:VMD)(NASDAQ:VMD) was the perfect stock to own during the COVID-19 pandemic. This company provides in-home durable medical equipment and post-acute respiratory healthcare services to its clients. Its expertise and role as a ventilator supplier proved to be essential when the pandemic hit.

Shares of VieMed have climbed 30% so far this year. This healthcare stock has surged over 80% compared to the same period in 2020. The company unveiled its final batch of 2020 results in March. Net revenues for the full year rose to $131 million compared to $80.2 million in the prior year. Meanwhile, net income nearly quadrupled to $31.5 million — up from $8.52 million in 2019. Adjusted EBITDA increased 70% to $9.5 million in the fourth quarter. It jumped 117% to $41.3 million for the full year.

VieMed expects that first-quarter 2021 revenues will be bolstered approximately $2.3 million to $3.3 million related to the COVID-19 pandemic. Shares of this healthcare stock possess a favourable price-to-earnings ratio of 13. VieMed has thrived during the pandemic and looks poised to continue this trend to start 2021.

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