



1 TSX Healthcare Stock Turned \$10,000 Into \$50,000 Since its IPO in December 2017

Description

Viemed Healthcare ([TSX:VMD](#))([NASDAQ:VMD](#)), is a home medical equipment supplier that specializes in providing respiratory services to patients. It also provides equipment for neuromuscular diseases, home sleep testing kits, treatment for sleep apnea as well as chronic obstructive pulmonary disease (COPD). The company currently operates in 24 states in the United States. Statistically, around 25 million Americans are reported to be suffering from COPD, which happens to be the third-largest killer after cancer and congestive heart failure, and Viemed operates in this space.

Massive returns

Viemed Healthcare is one of the many healthcare stocks that saw a major surge during the COVID-19 pandemic. Its shares closed at \$7.41 on April 6, 2020, and are currently trading at \$12.96, gaining almost 75% in the last year.

However, it would be unfair to say that the pandemic is responsible for Viemed's great returns. The stock has been a star performer for some time now. The stock closed at \$2.40 after it went public and has delivered returns of almost 440% in a little over three years. A \$10,000 investment in Viemed stock soon after its IPO would be worth \$52,000 today.

Viemed [recently reported record numbers](#) for its fourth quarter of 2020. Net revenue for the company's core business in Q4 rose 22% to \$26.1 million. Its adjusted EBITDA for Q4 also jumped by a massive 70% to \$9.5 million compared to 2019.

Net revenue for the whole of 2020 was \$131.3 million. Revenue from COVID-19 related activities at \$34.4 million was a major contributor to the company's top and bottom lines. Net income for 2020 came in at \$31.5 million compared to \$8.5 million in 2019. Viemed Healthcare had \$31 million in cash at the end of 2020 and long-term debt was \$6.6 million.

What's next for Viemed investors?

The company says it has carried this momentum into 2021. Total revenue for the first quarter of 2021 is estimated to be approximately \$27.8 million to \$29.8 million.

Viemed is looking at opportunities in areas related to the COVID-19 pandemic. According to their CEO Casey Hoyt, "The pandemic has posed more tailwinds than headwinds for us, and that has resulted in a record year for Viemed."

Along with its core rental business, the company intends on growth via strategic partnerships, accretive acquisition opportunities as well as organic growth, such as supplying source equipment and PPE kits which it hopes will help contribute to Viemed's expansion in 2021.

Viemed acquired remote patient monitor VeruStat in December, and the numbers from this acquisition should start clocking in in 2021. Viemed says VeruStat's internally developed PEP will result in better patient compliance as well as help to optimize labour and workflow, allowing the company to add new adjacencies to its core respiratory business. Through this investment, the company has ventured into the healthcare technology sector and will get a new revenue source added to its physician source.

Viemed is also fellow Fool Robin Brown's pick in this month's [Top TSX Stocks Picks for April 2021](#). Keeping the company's steady growth into consideration, an investment in Viemed Health Care might be a good decision, as it readies itself to report numbers for Q1 of 2021.

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