If Virtual Health Care Is the Future, Then This TSX Stock Is a Screaming Buy

Description

The telemedicine sector is red hot right now. Indeed, the innovation this sector provides has been necessary as a result of the pandemic.

However, for those banking on the long term, this sector could be a great one to invest in right now. Pandemic-friendly stocks are selling off right now. For those who believe in a telemedicine-oriented future, now's the time to buy.

One of the newer entrants onto the TSX, **Dialogue Health** (TSX:CARE) is an intriguing option in this space. Here's more on what this company does and why I think it's an interesting pick today.

High demand driving growth

The pandemic resulted in a surge in patient demand for telemedicine solutions. Many doctors' offices simply wouldn't let patients come in for various reasons. Being able to treat non-acute medical issues via a virtual modality is something that has become second nature to many healthcare providers and patients of late.

It wasn't always this way. The healthcare sector is one that hasn't changed much over the past century. It's a sector that's traditionally been difficult to innovate in. Companies like Dialogue Health are re-shaping this argument.

Surging demand and regulatory requirements combined to provide the perfect tailwind for Dialogue to go public. Since going public, this stock has waned, trading nearly 40% below its all-time high. This comes despite rather bullish numbers released by the company of late.

Dialogue's virtual platform features a lucid user interface and a well-organized architecture. Thesehave been instrumental in expanding this company's large customer base. This is a 24/7 multi servicehub with more than 2,000 direct customers and 50,000 customers via its various partnerships.Dialogue links individuals with over 500 multifaceted healthcare providers across a number of clinicalspecialties in primary and mental health care.

Analysts are bullish on Dialogue

After Dialogue became listed on the TSX on March 30, David Newman, an analyst at Desjardins Securities, initiated coverage of the company. He's bullish on this stock owing to different factors, which he pointed out in his recent research report.

These include Dialogue's excellent position in the virtual care space, and the company's focus on the B2B market, which is currently poised for disruption. This company has an ideal business model, which has ensured a high customer-retention rate. Moreover, Dialogue has displayed strong revenue generation consistently.

Furthermore, Dialogue's advanced platform is one that's highly scalable. With an efficient management team steering the ship, many expect this company to produce some impressive growth long-term. This growth could potentially be supplemented by additional M&A activity over the medium term.

Bottom line

Undoubtedly, there appears to be a tonne of upside for Dialogue, as it continues to implement its effective strategy to build its one-of-a-kind Integrated Health Platform. It certainly has the potential to grow its operations and extend its offering to new locations via strategic acquisitions.

I believe that Dialogue is well positioned to disrupt a sector that many believed as impossible to penetrate. Accordingly, this company represents the innovation of the future.

Indeed, that's something every long-term investor can get behind.

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