Canadian Investors: 3 Healthcare Stocks That Are Screaming Buys

Description

There aren't that many healthcare stocks on this side of the border, but there are two that stand out to me as screaming buys at this juncture. So, if you're a Canadian investor who's bullish on healthcare stocks, which tend to hold their own in both good times and bad, then consider buying and holding the following:

Jamieson Wellness

Jamieson Wellness (TSX:JWEL) is one of the best boring stocks on the TSX Index. The nearly 100-year-old maker of vitamins, minerals, and supplements (or VMS for short) sports a meagre 1.3% dividend yield. But don't let the boring nature of the commoditized VMS industry or the firm's age fool you; Jamieson is very much a growth company. The company went live on the TSX Index around four years ago, raising more than enough capital to pursue what could be its greatest leg of growth yet.

Investors should not discount the power of an iconic, nearly century-old brand. The green-capped products are the epitome of quality in Canada. As the firm looks to leverage its brand power while creating new products, most notably protein supplements, which appease the millennial cohort, I'd look for Jamieson stock to outpace the broader TSX over the next decade and beyond.

With its sights set here in Canada and China, where Jamieson is also one of the better-known foreign brands, I think the stock is worthy of its lofty 38.8 times earnings multiple. Although I'd much prefer waiting for a larger pullback, I certainly wouldn't be against recommending the stock while it's fresh off a 14% correction.

Bausch Health Companies

Bausch Health Companies (TSX:BHC)(NYSE:BHC), formerly known as Valeant Pharmaceuticals, is one of few pharmaceutical companies that's gained popularity on this side of the border. The company plans to spin off its Bausch + Lomb eye business at some point down the road — a move that should unlock considerable value for long-term shareholders. While the spin-off may still be many months away, I think investors should accumulate shares, as the firm continues chipping away at the mountain of debt piled up during its infamous Valeant days.

As of the latest quarter (Q1), the company paid off $200 million worth of debt, with a similar amount to be paid in the next quarter. CEO Joseph Papa has done an incredible job of turning the ship around and improving the balance sheet. At just 1.3 times sales, I find Bausch to be an incredible bargain in the healthcare space and would encourage contrarians to add to a position on any meaningful dips moving forward.

NorthWest Health Care Properties REIT

NorthWest Health Care Properties REIT (TSX:NWH.UN) sports a colossal 6.2% yield at the time of writing. Shares of the healthcare real estate play have fully recovered from the COVID-19 meltdown last year and are unlikely to surge much higher from these levels. That said, the main attraction to the name is the handsome payout, which is very well covered.

For those unfamiliar with the name, it operates over 180 healthcare rental properties, including clinics and hospitals.

Moreover, the healthcare property REIT's juicy distribution is a great way to combat rising inflation. While the name may be in for an uneventful next few years, I still think it would be a mistake to sleep on the 6.2% yield, especially if you're an older investor looking for the perfect blend of income, safety, and predictability.

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1. NYSE:BHC (Bausch Health Companies Inc.)
2. TSX:BHC (Bausch Health Companies Inc.)
3. TSX:JWEL (Jamieson Wellness Inc.)
4. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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