Forget BlackBerry and GME: WELL Health Stock Is All Set to Soar!

Description

The last few trading sessions have seen shares of fundamentally weak companies such as **BlackBerry**, **GameStop**, and several others gain momentum on the back of a short squeeze initiated by retail traders. Another TSX stock with a rising short-interest ratio is **WELL Health Technologies** (TSX:WELL). However, WELL Health differs from companies such as the ones mentioned above, as it is part of a rapidly expanding market, allowing it to grow revenue and earnings at a fast clip.

It has a strong balance sheet and robust financials. But WELL stock has been a hot topic of discussion for the past month after analysts noted the potential for a short squeeze. Now, this potential has only gotten greater after the announcement of the company's acquisition of MyHealth and a planned U.S. IPO.

WELL Health continues to focus on accretive acquisitions

WELL is one of the companies on the cutting edge of the digital health revolution. It is a leading disruptor with its unique approach to patient care. Further, its industry-leading telehealth platform is designed to positively impact millions of lives.

WELL has been gaining momentum with an impressive list of acquisitions this year. These include major additions such as WELL's $373 million acquisition of CRH Medical on April 22, 2021, which marks its latest entry into the U.S. market. With this acquisition, WELL now owns a company that supports thousands of physicians in all lower 48 U.S. states.

Of course, WELL was already one of Canada's largest healthcare clinic operators. But now, the company has genuinely positioned itself to become the most prominent digital healthcare disruptor in all of North America.

On its latest earnings call, WELL Health's management announced it has engaged law firm Fenwick & West as it is considering a U.S. IPO by September to list on the NASDAQ. Fenwick has represented big-ticket clients such as **Amazon**, **Cisco**, and, most recently, **Coinbase**.

What's next for investors?

WELL is perfectly poised for another six to nine months of outperformance, similar to mid-2019 and 2020. Its capital strategy and acquisition deals were structured perfectly. When WELL acquired CRH medical, for example, **JP Morgan** extended their line of credit.

The stock is up over 6,000% since its IPO. It means investors who would have purchased $1,000 worth of WELL stock just after it went public would have seen their investment balloon to almost $65,000 today. The ongoing pandemic accelerated the demand for telehealth services, and this trend is likely to gain pace in the upcoming decade. Further, WELL Health is part of a recession-proof industry and is poised to generate steady revenue and cash flows across business cycles.

The company has managed to deliver positive adjusted EBITDA for two consecutive quarters and is expected to post an adjusted net income in 2022. The growing demand for telehealth services coupled with ongoing accretive acquisitions, cost optimization, reasonable valuations, and improving profit margins make WELL one of the most underrated stocks on the TSX.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSX:WELL (WELL Health Technologies Corp.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Investing
2. Tech Stocks

Date
2025/07/22
Date Created
2021/06/07
Author
araghunath