



## 1 Top Canadian Digital Healthcare Play to Buy Right Now

### Description

One of the key [growth](#) areas investors have focused on of late is innovative tech in difficult-to-innovate sectors. Indeed, [digital healthcare play CloudMD Software \(TSXV:DOC\)](#) has come into focus for many investors recently. This is a company with tremendous potential upside in digitizing the healthcare sector. Indeed, the growth runway with this stock is impressive, and investors have taken note.

Currently, shares of CloudMD are approximately 400% higher than their 52-week lows. This isn't an accident. Investors are pricing in the benefits CloudMD provides to healthcare providers moving forward.

Let's take a look at why CloudMD may have more room to run from here.

### Pandemic boost helpful, but long-term growth runway long

As with many companies that saw their business boom during the pandemic, CloudMD's focus on providing online healthcare solutions to providers and patients saw a rapid uptick in business. Indeed, this is one of those rare companies that outperformed when others were stagnating this past year.

However, concerns about how long the company's growth runway is from here persist. Indeed, as with other stocks that ran during the pandemic, questions about how the company's valuation is today relative to its long-term prospects remain. Should the world truly go back to "normal," perhaps there's little room for a CloudMD to continue to innovate.

I think such a view is near-sighted. The providers and patients who used the CloudMD platform during the pandemic likely see a lot of value in continuing to do so. Being able to do virtual consultations, virtual diagnostics, and avoiding travel to and from a healthcare facility provided benefits that are likely to outlast the pandemic.

The company's recent revenue-growth rate of more than 100% may not be sustainable. But I have a feeling this is a company that will continue to grow fast. The company's successful fusion of AI-

supported digital healthcare technology and physical healthcare clinics likely represents the future of healthcare. Accordingly, I think more capital will flow into such stocks over time.

## Bottom Line

CloudMD's valuation is certainly high, and that's a risk investors should consider. However, I think the company's underlying business model provides a strong thesis for investors to consider this stock as a long-term holding.

Picking up shares of innovative companies like these on dips is the best way for long-term investors to create significant portfolio value. Accordingly, at these elevated valuation levels, investors may want to ease into a position in DOC stock.

Over time, I have no doubt this stock will continue to perform very well. Over the near term, there may be some volatility. Accordingly, investors should act appropriately with sizing such a position according to one's risk-tolerance level.

### CATEGORY

1. Investing
2. Tech Stocks

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1. TSXV:DOC (CloudMD Software & Services Inc.)

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