Well Health Stock Could Continue to Soar Post-Pandemic

Description

One of the top growth areas of the market during the pandemic has been the virtual healthcare market. Indeed, investors in **Well Health Technologies** (TSX:WELL) have done very well for themselves over the past five years. Shares of Well Health stock are up from around $0.10 per share to more than $7 per share at the time of writing. Those are some pretty impressive gains.

However, over the past year, Well Health stock has pretty much traded sideways. It appears investors are looking through the pandemic to what could be a new normal. How inclusive this new normal is to virtual healthcare providers remains to be seen.

Herein lies the question most investors are asking. Can Well Health stock continue to rise over the long term, or was this a one-hit wonder?

Here's why I think this rally may not be over yet.

Analysts give Well Health stock a thumbs-up

First, I think it's important to take a look at what the experts think about Well Health stock. In this regard, it appears the future looks bright for this stock.

Analysts point to a number of factors that are bullish for Well Health. The fact that this company offers a range of physical and digital offerings is bullish for long-term investors worried about diminished revenue from the company's virtual segment. Well Health has been diversifying its exposure and looks stronger as a result. Over the long term, this provides a moat relative to other pure-play stocks in this sector.

Additionally, the various acquisitions and strategic moves made by Well Health could amount to more than US$400 million in revenue annually going forward, according to analysts. With a market cap of around US$1.2 billion, that's a price-to-sales ratio around three. For a growth stock like this, that'sreally not bad. In fact, that's a reasonable valuation given the growth potential Well Health stockprovides.

Should the Delta variant provide a surge in coronavirus cases, and healthcare providers rely more heavily on their virtual offerings, Well Health should benefit in such an environment. Additionally, healthcare providers are now using virtual healthcare solutions to differentiate their offerings and as a marketing tool to attract new members. Until this changes, it's likely Well Health's services will remain in high demand, at least over the near to medium term.

Bottom line

Well Health is an excellent growth stock I'm considering right now. Sure, this is a stock that has somewhat flatlined of late. However, a few quarters of solid revenue growth, and this picture could change.

I like the direction the company is moving with its diversification moves. I also think the COVID pandemic isn't done yet. Accordingly, investors looking for some defensive growth ought to consider Well Health stock today. It's one of the cheaper growth options in the market right now, with rather impressive upside.

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chrismacdonald