2 Stocks That Are Poised for Huge Increases This Year

Description

Investors in search of superior, if not extraordinary returns should consider growth stocks **WELL Health Technologies** (TSX:WELL) and **Kinaxis** (TSX:KXS). Market analysts recommend a strong buy rating for both. Their respective businesses should prosper in the economic recovery phase. Thus, the two stocks are well positioned for considerable increases in 2021.

Digital health modernization

WELL targets to modernize Canada's under-digitized primary healthcare system. Since operational challenges are ever increasing, especially in the pandemic environment, the need is pressing.

This $1.49 billion company from Vancouver doubles as a primary healthcare operator and technology innovator. Management's goal is to combine professional healthcare expertise with technology to empower physicians and patients better. It should result in improved experiences and health outcomes.

On July 15, 2021, WELL became the country's largest outpatient medical clinic owner-operator. Its acquisition of MyHealth Partners Inc. made it the leading multi-disciplinary telehealth service provider. MyHealth is a leading primary care, specialty care, telehealth services, and accredited diagnostic health services provider.

The foundational acquisition was worth $206 million. WELL's chairman and CEO Hamed Shahbazi said the acquisition offers financial shareholder value and supports its value system. In the first half of 2021, WELL made eight strategic acquisitions, including a comprehensive omnichannel practice management platform and a start-up fertility clinic.

The Q1 2021 (quarter ended March 31, 2021) results lend credence to the bullish sentiment on the healthcare stock. WELL reported record revenue during the quarter — 150% year-over-year growth. At the current share price of $7.30, the trailing one-year price return is 96.24% Analysts forecast a 61% return potential to $11.77 in the next 12 months.

Great value stock

Kinaxis trades at a discount (-8.38% year to date) following an 80% total return in 2020. Analysts' price targets in the next 12 months are $195.39 (average) and $228.50 (maximum). The current share price is $165.22.

This $4.49 billion company from Ottawa provides cloud-based subscription software for supply chain operations that are local and international. Its lead cloud-based Software-as-a-Service (Saas) platform is RapidResponse. Clients such as **Proctor & Gamble**, **Ford**, and **Honeywell** take control of their integrated business planning and digital supply chain by using the said SaaS platform.

While revenue in Q1 2021 (quarter ended March 31, 2021) rose 9% versus Q1 202, Kinaxis reported a net loss of US$1.5 million. In the same period last year, the company posted US$5.58 million in net income. Still, its president and CEO, John Sicard, was pleased with the first-quarter results.

Management continues to experience COVID-related delays, although Sicard said the environment for booking new business had shown continued signs of improvement. Kinaxis hopes typical business and market conditions return soon. It can achieve between 23% and 25% in annual SaaS revenue growth in the mid-term. From 2021 to 2023 and later, Kinaxis has a total backlog of US$384 million. These are the revenues it expects to recognize in the future.

Vital services

WELL Health Technologies and Kinaxis should attract growth investors, given their potential astronomical returns. Modernization of the healthcare system and uninterrupted supply chain operations are the vital services they bring to the table. Expect the businesses to show further improvement, as Canada puts the emergency crisis behind it. The stocks' breakouts should follow to prove analysts' predictions accurate.

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