3 Reasons Why WELL Stock Is a Better Buy Than Air Canada or Cineplex

Description

Three of the most popular stocks among Canadian investors these days are **WELL Health Technologies** (TSX:WELL), **Cineplex** (TSX:CGX), and **Air Canada** (TSX:AC). And while Air Canada and Cineplex stock are popular for their recovery potential, WELL Health is a much different story.

WELL Health is one of the best Canadian growth stocks you can buy today. It offers years of long-term growth potential, especially with all the impressive acquisitions it's made in the last few years.

So while Air Canada and Cineplex may look appealing, I think there's no question WELL Health stock is the better long-term investment. Here are three reasons why.

Growth stocks typically offer more potential than value stocks

Buying a stock for years of growth potential is completely different than buying stocks for recovery potential. WELL Health offers investors growth potential right now, as well as for decades.

Air Canada and Cineplex could be good investments. But you are investing in their recovery in the short term.

Once they recover, you have to find a new investment trading below fair value. Furthermore, investors are hoping that these stocks can recover before they lose more value. If they can't recover quickly enough they will lose enough value that these prices today are the new fair value.

Air Canada investors especially have to worry about this. Before the pandemic, the stock was worth upwards of $50 a share. And in just over a year, it's already lost at least $20 in fair value from its share price. Going forward, Air Canada stock faces larger headwinds than Cineplex stock too.

And it could take years to get the whole world vaccinated, which could mean the virus continues to mutate and more booster shots are needed.

Cineplex is in much better shape, especially if Canada can continue to handle the pandemic well.

However, it too faces headwinds and uncertainty over future shutdowns or capacity restrictions.

Meanwhile, not only is WELL Health not seeing headwinds, the pandemic has actually created some major tailwinds.

WELL has more industry tailwinds than Air Canada or Cineplex stock

Besides the fact that its business offers more potential as an investment, the Canadian healthcare industry is also one of the best growth industries there is.

Because Canada's healthcare is publicly funded, the industry hasn't been as incentivized in the past to innovate compared to our neighbours to the south.

Having a private healthcare industry has its drawbacks in some ways. But the increased competition generally leads to more innovation as companies try to differentiate and offer a better service for the customer.

This has left a major opportunity for WELL stock, which is why there is so much growth potential in Canadian healthcare.

Meanwhile, Air Canada and Cineplex stocks are impacted severely every time there is a shutdown. As hard as it is to recover already, the uncertainty makes it nearly impossible for these companies to turn a profit.

Another catalyst WELL has is that the pandemic has not only reminded all of us how important the healthcare industry is but it's also forced more people to use telehealth services.

So while shutdowns hurt Cineplex and Air Canada, they tend to impact WELL positively.

WELL stock has far more long-term growth potential

The last reason why WELL is a better investment than Air Canada or Cineplex stocks today is due to its long-term growth potential.

Not only is the Canadian healthcare industry in need of a tonne of innovation, but most of WELL's business is digital, which can scale extremely quickly.

On the other hand, Cineplex stock is in an extremely mature industry. The company will likely have to continue to diversify its operations to find more growth in the long run.

Air Canada stock has more potential to grow its operations after the pandemic is over. However, the industry is already well penetrated, and Air Canada faces stiff competition both domestically and abroad.

Not only does WELL stock offer more growth potential during the pandemic than Air Canada or Cineplex, but it also offers far more potential long-term.

So if you’re trying to decide which stock is the best to buy now, I think WELL is the easy winner.

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