



## 2 Canadian Healthcare Stocks That Are All-Stars in the Making

### Description

Most investors would agree that healthcare is one of the best sectors to find Canadian stocks to invest in, as there are several high-quality opportunities.

Whether it's a real estate stock that owns medical office buildings and hospitals, a pharmaceutical company with explosive growth, or even a digital healthcare company bringing innovation to the sector, it's one of the best places to put your money.

Furthermore, you can find investments that are highly defensive or growth companies with incredible long-term potential.

So, if you're looking for high-quality Canadian stocks, the healthcare sector is a great place to start, and these two healthcare stocks are all-stars in the making.

### A high-potential pharmaceutical stock

If you're an investor looking for a high-quality growth stock offering excellent risk to reward, you might want to consider **BELLUS Health** ([TSX:BLU](#))([NASDAQ:BLU](#)).

BELLUS Health is a clinical-stage pharmaceutical company that's developing therapeutics for refractory chronic cough (RCC) and chronic pruritus associated with atopic dermatitis. In the United States alone, it's estimated that roughly nine million patients are suffering from RCC, making this a massive opportunity.

The up-and-coming Canadian healthcare stock already has promising drug trials underway for its BLU-5937 product. And just weeks ago, the healthcare stock announced that the initial findings were positive, which sent the [share price soaring](#).

What's even more promising is that the side effects seem to be minimal so far, which is what other pharmaceutical competitors who have been developing a P2X3 antagonist have been struggling to achieve.

BELLUS expects top-line results of the second phase in both its trials to be released by December 2021. But already, the healthcare stock has caught a lot of attention and even has a unanimous buy rating from the five analysts who cover it.

So, if you're looking for a high-quality Canadian healthcare stock with massive growth potential, BELLUS Health is a top stock to consider.

## A top healthcare tech stock

In addition to BELLUS, **WELL Health Technologies** ([TSX:WELL](#)) is another high-quality [growth stock](#) to own long term. WELL has been growing rapidly by acquisition for some time, building an impressive portfolio of healthcare assets.

What's most promising about WELL, in my opinion, is that in addition to all the high-quality digital healthcare assets it's buying, it's also been expanding its portfolio of physical clinics.

This diversification is key, and it has helped the Canadian healthcare stock to grow its revenue rapidly, which only adds to the cash flow it has to spend on acquiring new businesses.

With all the acquisitions it's made this year, the company is in an excellent position for long-term growth, and its pro forma annualized revenue run rate is now almost \$400 million. And with an expected adjusted EBITDA margin of 25%, WELL Health's pro forma annualized adjusted EBITDA is roughly \$100 million.

That's impressive growth if you consider that WELL Health's total revenue was only \$30 million just two years ago. This rapid growth shows why the stock offers so much potential today, and like BELLUS Health, it's an analyst favourite.

All four analysts covering it also have it rated a buy, and the average target price sits at a more than 60% premium to its current market price.

So, if you're looking for a high-quality Canadian healthcare stock to buy and hold long term, WELL is one of the best opportunities for investors to consider today.

### CATEGORY

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2. Stocks for Beginners

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2. TSX:BLU (Bellus Health)
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