2 Unstoppable Growth Stocks You Could Buy With Less Than $40

Description

Key points

- **NorthWest Healthcare Property REIT** (TSX:NWH.UN) proved it can continue generating revenue, even in the face of a pandemic, and it's expanding to boot.
- **HLS Therapeutics** (TSX:HLS) is a prime choice for post pandemic, backed by **Pfizer** for its Vascepa drug.

The **S&P/TSX Composite Index** continues to go through a bit of a correction. This all comes down to the new Omicron variant of COVID-19 sweeping the world. There are still a lot of question marks, but not when it comes to healthcare stocks. These have become unstoppable growth stocks, many that trade below $20.

Today, we're going to look at two of these growth stocks that I would consider a steal in today's market. Each offers strong valuations, stable growth, and revenue that will come in even during the face of a pandemic.

NorthWest Healthcare

NorthWest Healthcare proved its worth in the beginning of the pandemic. It was one of the few REITs in the world that could keep its doors open. That's from a diverse, worldwide portfolio in every area of healthcare properties. And from hospitals to office buildings, all of these lease agreements were renewed thanks to low interest rates.

NorthWest now boasts 14.1-year average lease agreements around the world, and it has taken on numerous acquisitions from properties to large healthcare REITs. This has led to its net asset value increasing 11% year over year.

The $3 billion company continues to expand, and that includes its revenue and payout ratio. It's one of the growth stocks boasting a solid dividend yield, now at 5.91%. Shares are up 6% year to date, with an incredibly cheap price-to-earnings ratio of 6.94. This company continues to grow rapidly, so investors should continue to look forward to solid growth in both shares and dividend for years.

HLS Therapeutics

Just because the Omicron variant continues doesn't mean you should ignore the potential growth of healthcare companies outside COVID-19 and the Omicron variant. That would include HLS Therapeutics, a pharmaceutical company that, similar to NorthWest, focuses on acquisitions. Specifically, it looks at products in the central nervous system and cardiovascular markets. However, its main product, Clozaril, is an antipsychotic in the treatment of schizophrenia.

Yet investors should be excited about the growth opportunity surrounding its Vascepa prescription growth. Even with COVID-19 disruptions, prescriptions increased by 30% year over year, with revenue up 33%. Furthermore, Pfizer announced an agreement to promote Vascepa through its investment program.

As for its total revenue, this increased 15% year over year, and adjusted EBITDA was up 53%. The company smashed expectations, with a loss of $0.08 compared to estimates of losing $0.14 per share. HLS is expected to continue climbing as the pandemic eases, with many believing the company will outperform. In fact, its $15 share price could more than double within the year, according to analysts. Further, you have a 1.34% dividend yield to look forward to, and shares are down 12% year to date for a bonus jump-in point.

Foolish takeaway

Healthcare companies are solid growth stocks for the next year. The problem is, many have yet to prove their growth power. So, if you're a long-term investor who's confident the pandemic will end — and it will — today offers a substantial deal. You can pick up each for a discount, a dividend yield, and the potential to more than double in the next year and beyond.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:HLS (HLS Therapeutics Inc.)
2. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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