DO NOT DELAY: 2 Must-Own Health-Related Stocks in 2022

Description

COVID's Omicron variant is the primary reason the TSX didn't have a Santa Claus rally in late December 2021. The index bounced back after Christmas Day then slid triple digits to close lower at 21,222.80 on year-end. Nonetheless, it was a good year for stock investors, given the overall return of 21.74% compared to 2.17% in 2020.

Uncertainty will continue in 2022, as the pandemic lingers due to Omicron. However, market strategists are upbeat about the prospects this year. **BMO** Capital Markets Chief Investment Strategist Brian Belski said that because Canadian equities trade relatively cheap compared to U.S. stocks, they are attractive value plays.

For individual stocks, **Savaria** (TSX:SIS) and **WELL Health Technologies** (TSX:WELL) should be on top of investors' buy lists in 2022. Their growth runways are long, especially in an extended health crisis. The stocks' breakout is a strong possibility.

Global powerhouse

The full-year 2021 financial results of Savaria aren't out yet, but the business performance after three quarters is very encouraging. This $1.24 billion company is a global leader in the accessibility industry. It boasts a comprehensive product line, whether home or commercial use, for elderly folks and physically challenged individuals.

Savaria is now a global powerhouse in accessibility solutions following its purchase of Handicare Group in early 2021. The impact of the strategic acquisition was immediate. In Q3 2021, revenue went up 99% to $180.8 million versus Q3 2020. Management said the significant increase was mainly due to the acquisition of Handicare.

In the nine months ended September 30, 2021, revenue and net earnings growth compared to the same period in 2020 were 78.65% and 8.06%, respectively. During the third quarter, the revenue growths of the Accessibility (+97.9%), Patient Handling (+100.5%), and Adapted Vehicles (+110%) segments versus Q3 2020 were mighty impressive.

Savaria is also a good hedge against inflation, because it pays dividends. The stock's total return in 2021 was 35.89%. Its current share price is $19.16, while the dividend yield is a decent 2.16%. Note that this industrial stock is among the few monthly dividend payers on the TSX.

Organic growth opportunities

WELL Health trades at a discount, so investors have a great bargain deal in January 2022. As of December 31, 2021, the share price is $4.91, or 39.01% cheaper than a year ago. However, market analysts recommend a buy rating for the healthcare stock. They see a return potential of 140.94% to $11.83% in 12 months.

The $1.01 billion company plays a critical role in advancing digital health modernization in Canada. Its innovative practitioner-enablement platform offers comprehensive end-to-end practice management tools that includes virtual care and digital patient engagement capabilities. WELL also provides electronic medical records software, revenue cycle management, and data protection services.

In Q3 2021, WELL's revenue increased 710.8% to $99.29 million versus Q3 2020 — a quarterly record. Its net loss reduced by 26.23% to $10.4 million compared to the same period in 2020. The plan of Canada's largest outpatient medical clinic operator is to pursue more opportunities that will generate incremental organic growth for years to come.

Strong buys

Savaria and WELL Health are certified strong buys in 2022 for their massive growth potential.

CATEGORY

1. Dividend Stocks
2. Investing

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2. TSX:WELL (WELL Health Technologies Corp.)

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