TFSA Investors: 2 Growth Stocks That Can Turn $6,000 Into $15,000 by 2025

Description

Growth stocks have experienced a massive decline in the last three months due to a variety of reasons that include the possibility of multiple interest rate hikes and steep valuations. But if you look at historical trends, every market crash offers investors an opportunity to buy quality businesses at a cheaper valuation.

Here, we look at two growth stocks in **WELL Health** (TSX:WELL) and **Teladoc Health** (NYSE:TDOC) that should be up for consideration as part of your TFSA portfolio right now. The contribution room for your TFSA stands at $6,000 for 2022. The registered account is ideal to hold growth stocks over the long term as any withdrawals from the TFSA are exempt from Canada Revenue Agency taxes.

WELL Health Technologies

Valued at a market cap of $857 million, WELL Health stock is down 57% from all-time highs. Despite the pullback, the stock has returned over 4,000% to investors since its IPO in 2016. The health-tech company has increased sales from $5.89 million in 2018 to $50.24 million in 2020.

Now, WELL Health stated it expects to announce record financial performance in Q4 of 2021 with an annualized revenue run-rate of more than $450 million and an annualized operating adjusted EBITDA run-rate of almost $100 million. Additionally, its total number of omni-channel patient visits in Q4 more than doubled year over year to 692,913.

A key reason for the company's stellar top-line growth is its focus on accretive acquisitions. It acquired entities such as Circle Medical and Wisp in 2021 that will drive revenue higher in the upcoming quarters. Further, WELL is also on track to deliver US$43 million in free cash flow in 2021.

Analysts tracking WELL Health expect sales to touch $298 million in 2021 and rise by 63.4% to $488 million in 2022. So, WELL stock is trading at a forward price to sales multiple of less than two times which is really cheap.

Bay Street has a 12-month average price target of $11.2 for WELL stock, which is 170% above its current trading price.

Teladoc Health

Shares of Teladoc Health have declined by 77% from all-time highs, valuing the company at a market cap of US$10.8 billion. The COVID-19 pandemic increased demand for Teladoc's suite of services at an accelerated pace, allowing it to almost double its sales. However, investors must also note that Teladoc increased sales at an annual rate of 74% in seven years prior to the pandemic.

There are some concerns over Teladoc's ability to grow revenue in a post-pandemic world. But, in Q3 of 2021, online visits on the Teladoc platform rose by 37% year over year. Further, a report from Allied Market Research has estimated the global telehealth industry to touch US$430 billion by 2030, indicating annual growth rates of 25%.

Teladoc aims to grow sales at an annual rate of between 25% and 30% through 2024, allowing it to touch US$4 billion in sales by end of the forecast period.

At the current price, TDOC stock is valued at a forward price to sales multiple of four, which is quite reasonable. Wall Street expects TDOC stock to gain over 100% in the next 12-months to trade around US$141 per share.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:TDOC (Teladoc Health Inc.)
2. TSX:WELL (WELL Health Technologies Corp.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. araghunath
2. jguest

Category

1. Investing
2. Tech Stocks

Date
2025/06/29
Date Created
2022/01/29
Author
araghunath