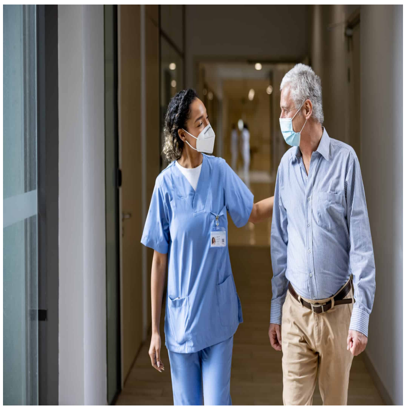

Here’s Why I’m Buying the Dip in WELL Health (TSX:WELL) Today

Description

WELL Health Technologies (TSX:WELL) is a Vancouver-based company that operates as a practitioner-focused digital health company in North America and around the world. Today, I want to discuss why I’m looking to snatch up this exciting healthcare stock in the middle of September. Let’s jump in.

This top healthcare stock has struggled in 2022

Shares of WELL Health were up marginally in mid-morning trading on September 14. However, the stock has plunged 34% so far in 2022. Its shares have plunged 55% in the year-over-year period.

The broader health care sector has been hit hard by volatility in the second half of this year. Indeed, the **S&P/TSX Capped Health Care Index** has failed to recover from the losses it incurred in the spring of 2022. Regardless, WELL Health is still worth targeting for investors who are on the hunt for growth.

WELL Health attracted positive attention during the COVID-19 pandemic, as the telehealth space experienced huge growth. Telehealth involves the use of digital information and communication technologies to access healthcare services remotely. Fortune Business Insights recently projected that the global telehealth market would reach US$636 billion by 2028. That would represent a compound annual growth rate (CAGR) of 32% over the forecast period dating back to 2020. This is a market that Canadians should look to seek exposure to in the months ahead.

Should investors be encouraged by WELL Health’s recent earnings report?

This company unveiled its second-quarter (Q2) fiscal 2022 earnings on August 11. It achieved record quarterly revenues of $140 million — up 127% from the prior year. This was primarily driven by its aggressive acquisition strategy as well as strong organic growth. Meanwhile, it posted omni-channel Patient Services revenue growth of 88% to $92.8 million. Virtual Services revenue surged 281% to

$47.5 million.

Total omni-channel patient visits rose to 833,819 in the second quarter of 2022. That is up 109% year over year. MyHealth posted 179,880 diagnostic visits in Q2 2022, and Wisp completed 152,398 asynchronous patient consultations. In mid-July, WELL Health formed a new business unit called WELL Health Canadian Clinics. It aims to consolidate Canadian outpatient clinic businesses into a hybrid care model that will integrate brick-and-mortar and digital services.

WELL Health reported adjusted gross profit of $75.5 million in the second quarter of fiscal 2022. That was up a whopping 150% from the prior year's adjusted gross profit of $30.2 million.

The company provided its outlook for the remainder of the fiscal 2022 year in its most recent quarter. WELL Health bolstered its guidance for annual revenue to rise above $550 million. It has increased its revenue guidance for three straight quarters. Meanwhile, it projects adjusted EBITDA (earnings before interest, taxes, depreciation, and amortization) of roughly $100 million.

WELL Health: Why I'm snatching up this stock right now

Shares of WELL Health are trading in very favourable value territory at the time of this writing. I'm looking to snatch up this healthcare stock, as it is also on track for strong revenue and earnings growth going forward.

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