



## These Tech Stocks Are Growing up to 138% Despite the Recession

### Description

It should come as no surprise that some sectors of the economy are immune to the business cycle. These industries are in a phase of secular growth, which means growth is so strong that it can withstand recessions.

The ongoing economic crisis is the perfect time to test this theory. Canada's inflation rate is 7% right now while the economy is expected to grow just 1.6% this year and 0.7% next year. The expected drop in oil and home prices could further degrade the economic outlook.

As a consequence, every segment of the stock market is underperforming. Growth stocks have lost more than half their value this year, while even oil stocks have lost a third of their value since June. There isn't much to be optimistic about right now.

However, two sectors of the economy are still thriving: health and space tech. Here's a closer look at investment opportunities in both these sectors.

### Health technology

Demand for medical attention is detached from the economy. That's why hospitals, clinics, and pharmaceutical companies don't see a dip in sales during recessions. I believe the same applies to healthcare [technology](#). Clinics and medical practitioners should adopt digital data management tools and software at a steady pace regardless of economic conditions.

This seems to be reflected in the financial reports of **WELL Health Technologies** ([TSX:WELL](#)). The company saw quarterly revenue rise 127% year over year. It also swung from a net loss last year to an adjusted net income this quarter.

WELL Health continues to see further growth ahead. Management expects revenue to exceed \$550 million this year, while its market value is just \$713 million. That's a price-to-sales ratio of 1.29.

Growth stocks with triple-digit sales expansion and robust margins deserve a [higher valuation](#). That's

why I believe WELL Health should be on every growth investor's radar.

## Space technology

The commercial space industry is hitting hyperdrive just as the global economy sags. NASA changed the trajectory of an asteroid for the first time this week. Soon, the agency will launch its first moon mission called Artemis I. Meanwhile, Elon Musk's constellation of satellites has brought internet access to Ukraine and Iran during their respective conflicts.

The space economy is growing rapidly, which puts Canadian space tech company **MDA** ([TSX:MDA](#)) in a favourable spot. The company's backlog of orders has surged 138% this year to \$1.5 billion. Meanwhile, management expects annual revenue to exceed \$600 million in 2022.

Part of that revenue backlog is for satellites that will power the Emergency SOS feature on the latest iPhone 14. This recent contract is another sign that MDA is at the forefront of a secular growth trend.

Investors seeking a way to make money despite the pandemic should add this niche stock to their watch list.

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