Got $3,000? 3 Growth Stocks to Double Up on While They're Insanely Cheap

Description

The TSX has been shaky for most of this year but isn't lacking in buying opportunities. Canadians with $3,000 to invest can take advantage and buy three growth stocks trading at insanely cheap prices.

Healthcare is the worst-performing sector, although **Medical Facilities** (TSX:DR) and **WELL Health Technologies** (TSX:WELL) have long growth runways. In the red-hot energy sector, **Athabasca Oil** (TSX:ATH) is a potential multi-bagger because of its unstoppable momentum. You can allocate $1,000 in each stock before they become too expensive.

Aligned with two major industry growth drivers

Medical Facilities is surprisingly beating the broader market year to date. At $11.14 per share, the gain is 22.06% versus the TSX's -11.03%. The healthcare stock also pays a decent 3% dividend. Management commits to increasing operating cash flows to support its monthly dividend and provide a stable, secure income for shareholders.

The $327.68 million company from Toronto owns and operates highly rated, high-quality specialty facilities in the United States. The diverse portfolio includes four specialty hospitals where it has controlling interests. It has one ambulatory surgery centre in California.

You would be investing in a unique business model, because physician owners (surgeons and specialists) are actively running the operations. Medical Facilities also allow non-owner physicians to practice at its facilities. Its president and chief executive officer Robert O. Horrar said, management will continue to take a balanced approach to the business, notwithstanding the future uncertainty over COVID-19 and cost pressures.

In the second quarter (Q2) of 2022, facility service revenue increased 4.7% to $102.2 million versus Q2 2021 due to the 5.6% year-over-year growth in surgical case volumes. Net income for the quarter climbed 87.6% to $22.24 million compared to the same quarter last year. According to management, the aging population and outpatient procedures are major growth drivers for Medical Facilities.

TSX30 winners

Athabasca Oil and WELL Health made it to the TSX30 List for 2022 (rank 19 and 20, respectively). Both stocks are new entries in the fourth edition of the program that showcases the 30 top-performing stocks over a three-year period.

The healthcare stock underperforms year to date (-37.88%), but at $3.05 per share, the gain in 3.01 years was 116.31%. However, at only $2.28 per share, the trailing one-year price return of the energy stock is 145.16%.

WELL Health boasts an innovative practitioner enablement platform with virtual care and digital patient engagement capabilities. It also provides Electronic Medical Records, Revenue Cycle Management, and data protection services. Currently, the $691.54 million digital healthcare company owns and operates the largest network of outpatient medical clinics in Canada.

Athabasca develops thermal and light oil assets in Western Canadian Sedimentary Basin. The competitive advantage of this $1.24 billion energy company is its low-decline, oil-weighted, long-life asset base.

Because of the favourable pricing environment, it amassed $34 million in free cash flow (FCF) in Q2 2022. For the full year 2022, Athabasca projects FCF to reach $220 million and expects the cash flow expansion to continue through 2023.

Screaming buys

Medical Facilities, WELL Health, and Athabasca Oil are screaming buys in Q4 2022. You can double up on all three growth stocks while you can still afford to buy them.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:ATH (Athabasca Oil Corporation)
2. TSX:DR (Medical Facilities Corporation)
3. TSX:WELL (WELL Health Technologies Corp.)

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