



## This Biotech Stock Could Offer Big Growth – Even During a Recession

### Description

For most long-term investors, the search for [growth](#) is always on. Finding the best technology company or biotech stock to generate this growth can be quite a fulfilling task.

In previous years, this has certainly been true. This past bull market provided the biotech sector with a number of catalysts to drive valuation expansion and overall top-line growth in many cases.

This year, the outlook is much dimmer for most in the [biotech sector](#). Excitement around pandemic-related catalysts has dissipated. Investors are focusing on profitability over revenue growth potential. And there's the potential that many of these early-stage companies won't make it. That's too much risk for most investors in this market.

That said, there is one biotech stock I think is worth a buy right now. Here's why **Knight Therapeutics** ([TSX:GUD](#)) should be on investors' watch lists right now.

### Strong results make this biotech stock hard to ignore

Knight Therapeutics' most recent Q2 financial results were quite promising. Like many biotech plays, Knight is not in the black in terms of bottom line earnings. That said, this is a company that's flirting with profitability and one I think will get to a strong place in the near-term.

That said, it's this company's top-line results that has given investors so much hope. The company posted revenue growth of 15%, with gross margins of 51% for the previous quarter. On a price-sales basis, this stock is now trading around 2.3 times, with a price-book of around 0.75 times. Indeed, those are some attractive valuation metrics for this company that's seeing impressive growth.

This growth has been driven by each of Knight's key therapeutic categories, with the impact of the company's acquisition of Exelon® and the lifting of COVID-19 restrictions also contributing to strong results.

## Assuming commercial activities and re-launching Exelon in Brazil

On May 26 last year, Knight Therapeutics completed the acquisition of the exclusive rights to market, sell and manufacture Exelon® in Latin America and Canada, and the exclusive license to use the Exelon trademark and intellectual property from Novartis within those regions.

After a successful transfer of its marketing authorization, the company is re-launching Exelon® in Brazil. Accordingly, the Brazilian affiliate of Knight Therapeutics, United Medical Ltda., recently assumed full commercial activities for Exelon®.

Exelon® is a vital therapeutic option for those suffering from Alzheimer's. Accordingly, the company aims to engage with the Alzheimer's Brazilian community to support caregivers and patients affected by the disease.

### Bottom line

Alzheimer's is indeed an increasing problem in Brazil and globally. By 2030, the number of Alzheimer's patients and those suffering from other dementias will likely double. This underscores the requirement for treatments like Exelon®. Undoubtedly, Knight Therapeutics is set to benefit from plenty of positive developments in the near future.

This drug, the company's strong fundamentals, and its pathway to growth all speak of an undervalued biotech stock that's worth a buy right now. For long-term growth investors, this is one to keep on the watch list at the very least.

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