WELL Stock: The Safe Stock Investors Can't Afford to Ignore

Description

WELL Health Technologies (TSX:WELL) has gotten a bad wrap over the past few years. WELL stock originally soared in the early days of the pandemic. As a telehealth provider, it was one of the companies that proved invaluable during stay-at-home orders.

However, when a vaccine became available, and tech stocks started to fall, WELL stock fell as well. But was the drop really deserving?

In short: No

WELL stock fell because its in the tech industry, a new company on the stock market, and a pandemic stock. That's it. In short, there is no tangible reason why the company should have been dropped the way it was.

So after climbing 1,843% between January 2019 and February 2021, shares started plummeting. As of writing, WELL stock is down 68% from those all-time highs. Sure, it's still a new stock, and it definitely got a push during the pandemic, but overall it's still a strong company. Let's look at why.

Strength in numbers

One way you can see the value of WELL stock is by looking at its earnings reports. Not only are earnings still strong for the company, they continue to report record-setting earnings quarter after quarter.

Most recently, WELL stock reported a 127% increase in revenue year over year to $140.3 million. It achieved adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) of $26.4 million, and net income of $17.2 million compared to a loss the year before.

What's more, the company increased its annual revenue guidance for the third straight quarter. It now expects revenue to exceed $550 million, up from $525 million. WELL should therefore generate about

$100 million in adjusted EBITDA.

Fundamentally strong

So the company is growing rapidly, both in profit and market presence. Management continues to raise guidance, and WELL now spans from Canada into the United States. And yet it's *still* so incredibly valuable at today's prices!

WELL stock offers a price-to-book ratio of just 0.96 as of writing. Further, it has a solid balance sheet, with just 47.9% of its equity needed to pay off all its debts. That's *after* this major share drop!

Economists continue to drool over the stock, and its long-term potential. Telehealth is here to stay, and continues to expand. WELL stock meanwhile is now Canada's largest outpatient clinic! So that puts it at the top of the list when it comes to future potential for growth in this space.

Bottom line

WELL stock is an incredibly valuable stock to pick up right now. It offers stability, has a solid balance sheet, continues to grow both organically and through acquisitions, and trades at a low price. In fact, within a year from now this stock could *double* your returns.

How do I know? Consider if WELL shares were to return to 52-week highs, when they traded at $7.18. Right now, shares are only at $2.96. That's a potential upside of 143%! Even if you have only a little cash on hand, WELL stock fits into practically any portfolio. Especially for those willing to wait a year to see this company make a major turnaround.

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