# Here’s Why I Just Bought WELL Health Stock

## Description

**WELL Health Technologies** (TSX:WELL) continues to be one of those stocks that have fallen far below the price it should be at on the **TSX** today. WELL Health stock currently trades down 40% year to date, and even further since all-time highs.



Even still, I’m buying more today. And will likely continue in the future. Here’s why.

## Strong start

WELL Health stock started off super strong when it came onto the market a few years back. The momentum continued during the pandemic. With the world under stay-at-home orders, the tech company provided an easy way to seek medical help from home.

WELL’s telehealth operations then expanded even further. Users could connect with all types of medical specialists from psychologists and nurses to occupational therapists and specialists. In fact, WELL Health eventually became the largest outpatient clinic in Canada, and started expanding into the United States.

## An unfortunate fall

Two problems then arose for WELL Health stock. First, the company saw its shares drop because it was connected to the pandemic. When a vaccine came out, people believed there would soon be a return to normal. And that return would mean no longer needing telehealth, at least like we did before.

But WELL Health is also a tech stock. This put it directly in this stock-dropping category as well, as investors took their cash out of growth stocks ahead of a potential downturn. And that downturn came, and hasn’t stopped since.

As mentioned, shares are now down 40% year to date. Since all-time highs, it’s even worse. WELL Health stock maxed out at about $9 per share. So from those levels, shares are now down about 67%

as of writing.

## So why'd I buy?

When it comes to investing, I'm of the belief that I should absolutely be buying companies that I want to hold for decades. In this case, I certainly don't want to invest in companies that I believe are going to yoyo all over the place. And from the surface, WELL Health stock may look like that.

However, investors need to dig a bit deeper to see why WELL Health stock is such a good buy. In particular, look at the company's fundamentals along with its earnings reports. Here, you'll see why WELL Health stock is a huge deal at these levels.

During its latest earnings report, WELL Health stock increased its annual revenue guidance for the third consecutive quarter to $550 million. It achieved record revenue at $140.3 million, up 127% year over year. Further, its earnings before interest, taxes, depreciation and amortization (EBITDA) also hit a record $26.4 million.

So I ask you. Does this seem like a company that's struggling with the return to "normalcy" after the pandemic? Does it seem like a tech stock struggling to stay afloat? Cleary not.



## A major deal today

Taken together, WELL Health stock offers a huge deal for investors. It trades at just 1 times book value, and would only need 47.9% of its equity to cover all its debts. Shares have come down far below fair value, and indeed could double in the next year, according to economists.

So yes, I'll certainly continue to pick up this stock and hold long term. No matter what category WELL Health stock is placed into.

**CATEGORY**

1. Coronavirus
2. Investing

**TICKERS GLOBAL**

1. TSX:WELL (WELL Health Technologies Corp.)

**PARTNER-FEEDS**

1. Business Insider
2. Flipboard
3. Koyfin
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5. Newscred
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