



3 Healthcare Stocks That Are Too Cheap to Ignore

Description

As we move past the halfway mark in November 2022 and inch closer to the year's end, the Canadian stock market continues its roller coaster of a year. As of this writing, the **S&P/TSX Composite Index** is down by 10% from its 52-week high after an upward trend over the last week.

The Canadian benchmark's recent movement suggests it might be a good time to allocate some investment capital to assets that can grow your wealth.

The healthcare industry saw a rapid rise amid the pandemic, fueled by the frenzy created by the global health crisis. 2022 has painted a different picture for healthcare stocks. As the world slowly moved into a post-pandemic era, the economic pressure from inflation and rising interest rates began taking a toll on equity markets.

The broader market weakness has presented an opportunity to invest in high-quality healthcare stock at discounted valuations.

Today, I will discuss three such stocks you can consider adding to your portfolio.

NorthWest Healthcare Properties REIT

NorthWest Healthcare Properties REIT ([TSX:NWH.UN](#)) is a \$2.73 billion market capitalization real estate investment trust that primarily engages in the healthcare industry. The trust owns a growing portfolio of diversified, high-quality [real estate](#) assets it rents to healthcare organizations.

With a majority of its portfolio focused in Canada and Europe, NWH REIT's revenue streams are essentially backed by solid tenants with the liquidity to continue generating rental income for the trust.

NWH REIT boasts a 97% occupancy rate and has leases averaging 14.1 years, making its cash flows safe and secure. As of this writing, the REIT trades for \$11.31 per unit, down by 21.56%, and boasts a juicy 7.07% yield. It can be an excellent addition to your portfolio at current levels.

WELL Health Technologies

WELL Health Technologies ([TSX:WELL](#)) is where the healthcare sector intersects with the [tech industry](#). Tech stocks and healthcare stocks surged amid the stay-at-home orders. WELL Health stock found itself in a unique position to leverage the demand for virtual healthcare services.

Telehealth was already a growing trend, but the pandemic accelerated its adoption, allowing companies like WELL Health to benefit from the boom.

Its growth momentum waned as the first vaccine was approved, and the tech sector meltdown pushed its share prices down further. However, WELL Health Technologies did not do anything as a business to warrant the downturn. It is a solid business and the largest outpatient clinic in the country.

Its growing presence across the border in the U.S. means it has significant growth potential. As of this writing, WELL Health Tech stock trades for \$3.13 per share, down by 56% from its 52-week high and too cheap to ignore for your portfolio.

Bausch Health Companies

Bausch Health Companies ([TSX:BHC](#)) is the riskiest of the three healthcare stocks but a notable mention to consider. The \$3.58 billion market capitalization specialty pharmaceutical company is headquartered in Laval. It develops, manufactures, and markets pharmaceutical products for various health issues.

The company's been facing issues for several years due to legal disputes but has recently come out of the situation. It has broken off its **Bausch & Lomb** segment to become a separate company, allowing the company to focus on what lies ahead. The current downturn might continue weighing on the stock, but it could explode to newer heights once things settle down.

As of this writing, BHC stock trades for \$9.82 per share. Down by almost 73% from its 52-week high, it is a risky asset to buy but can deliver stellar returns if all works out in its favour in the coming weeks and months.

Foolish takeaway

Remember, not all healthcare-related stocks are a bargain right now. It is essential to conduct your due diligence to find and invest in high-quality companies that are likelier to deliver substantial long-term returns.

NorthWest Healthcare Properties REIT, WELL Health Technologies stock, and Bausch Health Companies stock are three assets that can be ideal additions to your portfolio for this purpose.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:BHC (Bausch Health Companies Inc.)
2. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
3. TSX:WELL (WELL Health Technologies Corp.)

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