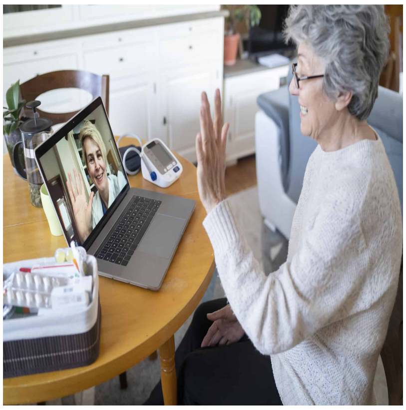

Should You Invest in Well Health Stock Right Now?

Description

WELL Health Technologies (TSX:WELL) is a story that shouldn't be missed. The once-great healthcare tech stock soared into prominence during the pandemic. We all saw the rise of virtual healthcare companies such as this one, where we couldn't really go wrong.

Yet apparently, we could, with companies including WELL Health stock dropping into oblivion after soaring to all-time highs. Now that it's near 52-week lows, investors are likely wondering if it is a good time to buy WELL Health stock.

The bull case

WELL Health stock certainly has a lot going for it when you look at its earnings reports. The company continues to post record after record in its earnings and doesn't show any signs of slowing down. Plus, it's been a merger and acquisition powerhouse, buying up telehealth companies across North America.

WELL Health stock is in fact now the largest outpatient clinic in Canada and looks like it's eyeing the United States next. This looks potentially achievable if earnings are any indication. The company's recent earnings report included record quarterly revenue at $145.8 million, a 47% year-over-year increase, and mainly from organic growth.

Furthermore, it saw its virtual services unit grow by 75% compared to last year and increased its guidance to this year as well. It now expects to exceed $565 million, up from $550 million the quarter before. This was yet another consecutive quarter where the company increased guidance.

The bear view

There is, of course, another side to this story. We've seen in many instances the plague of the companies that grow too fast, too soon. They expand without the balance sheet to support them. Then everything comes crashing down. And there is some merit to this in the case of WELL Health stock, though not completely.

Many worried that after the end of pandemic restrictions, patients would return to in-person consultants when it came to their healthcare. And that has happened, it's true, but certainly not as much as investors may have feared. Still, this could be a slow process that many see could eventually come to fruition in the case of WELL Health stock.

Plus, it's a tech stock, and unless it continues to innovate and innovate some more, investors may feel there is only so much the company can do. In *this* case, there is certainly a limit to how high WELL Health stock can climb.

Bottom line

In my view, I look to what analysts believe the future has in store for WELL Health stock. And in this case, the future is bright. Although analysts did, in fact, downgrade the price targets given the economic downturn, overall, they believed the stock to be a superior choice.

After solid third-quarter results and earnings before interest, taxes, depreciation, and amortization that beat out consensus estimates, analysts believe strong growth with happen once more. In fact, shares could double or even triple in the next year, if analysts are to be believed.

The biggest factor to me, however, is the company's debts. Here, that's where WELL Health stock looks solid. As of writing it would take just 46.35% of equity to pay off all its debts. So, with growth in the future in every respect, and a solid balance sheet with debt under control, I believe WELL Health stock to be a strong buy today.

CATEGORY

1. Investing
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