



## 3 Stocks I'm Buying Till I'm Blue in the Face

### Description

Besides energy and commodities, nearly every sector has dropped this year. The [S&P/TSX Composite Index](#) is down 4.5% year to date. That masks the utter destruction in sectors such as technology and consumer retail. Many of these stocks have lost half their value or more this year, which signifies a deep [bear market](#).

This is precisely the time for some bargain hunting. Here are the top three stocks I'm buying till I'm blue in the face.

### WELL Health

I first bought **WELL Health** ([TSX:WELL](#)) in early 2020. Since then, a lot has changed, but one thing remains the same: WELL's attractiveness as an investment.

Over the past two years, the company has raised capital from noteworthy investors, including billionaire Li Ka Shing. These funds have been used to add new services (such as telehealth) and expand to new locations (such as the U.S.)

The stock has surged nearly every year since it was listed in 2016. However, 2022 was different. It's down 42% year to date. Investors seem really reluctant to invest in a small-cap stock that's still seen as a tech beneficiary of the pandemic. I've been buying more on the bet that this company is much more than that.

I believe digitizing healthcare in the developed world, particularly in North America, is incredibly enticing. It's a trillion-dollar opportunity in the U.S. alone, where WELL Health has seen triple-digit gains. However, private healthcare tech also has potential in Canada where major provinces like Alberta and Ontario are moving towards healthcare privatization.

Meanwhile, the stock is undervalued. It's trading at just six to seven times EBITDA (earnings before interest, taxes, depreciation, and amortization) and just 1.2 times revenue. That's why I'm snapping up much more.

## Constellation Software

**Constellation Software** ([TSX:CSU](#)) is my other top pick. I started accumulating this stock earlier in 2022. After all, this stock is rarely on discount. I simply couldn't resist.

Constellation has lost 9.4% of its value year to date. That's more than double the loss of the benchmark index. The enterprise tech giant is another victim of the ongoing tech selloff this year. However, it's nothing like its money-losing consumer tech peers. Instead, half the company's revenue is generated from government contracts, and cash flow has been positive for decades.

Constellation's key growth driver — acquisitions — have been ramped up this year. That's why I expect the company to achieve higher growth and profits in 2023 and beyond. Right now, it's still undervalued, in my opinion.

## MDA

Space tech stock **MDA** ([TSX:MDA](#)) is an unlikely candidate on this list. In the midst of inflation and rising interest rates, the budget for rockets and satellites is far from certain. However, two key events prompted me to add exposure to this stock in 2022.

Firstly, the latest iPhone included Emergency SOS via Satellite technology. The system operates on a constellation of satellites that are being manufactured by MDA. The contract to supply 17 new satellites for the service by 2025 is worth US\$327 million (CA\$444 million) and is already funded 95%.

Secondly, NASA successfully launched the first Artemis mission to the moon this month. So far, it's meeting all its targets. MDA is under contract to develop Canadarm 3 for the Artemis II mission that follows.

These two events indicate that the space tech industry is already mature. The long lead times for these projects make them somewhat immune to short-term economic cycles. In other words, MDA should experience growth in 2023 even if the economy craters. That's why I'm buying more.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. TSX:CSU (Constellation Software Inc.)
2. TSX:WELL (WELL Health Technologies Corp.)
3. TSXV:TOI (Topicus.Com Inc.)

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