Buy This TSX Stock Deal (Before Everyone Else Does)

Description

If you've been paying attention to the market this year, you know that there are countless **TSX** stocks that have gone on sale and offer great value for long-term investors. The majority of stocks on the market have lost value this year.

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With that being said, though, you can't just buy any stock because it looks cheap. A lot of stocks have fallen in price in this environment. Many companies are being impacted by a myriad of factors, whether by lower revenue, higher costs, or both.

This is leading to the expectations that many companies will have lower earnings in the coming quarters, which helps justify why so many TSX stocks have sold off.

However, not every company is being impacted and seeing lower revenue or profitability. **WELL Health Technologies** (TSX:WELL) is the perfect example.

Although it has continued to sell off all year and is trading ultra-cheap, it has consistently grown its revenue throughout the year. So much so that it's had to adjust its guidance for revenue and earnings before interest, taxes, depreciation and amortization (EBITDA) higher on numerous occasions.

Therefore, although there looks to be tonnes of bargains in this market, investors should be selective with the stocks they're buying.

And considering how impressive WELL's performance has been, how much potential it has going forward and where it trades today, it's one of the best TSX stocks to buy before everyone else does.

WELL's revenue continues to grow

Although many stocks are being impacted in this environment, what WELL has going for it is that it operates in the healthcare space, a sector that's highly defensive.

Furthermore, WELL is a tech stock that owns telehealth apps and other digital health businesses. As more consumers turn to telehealth, it's a rapidly growing business.

At the start of the year, WELL's guidance suggested it would earn roughly $500 million in sales this year. After the third quarter, WELL just increased its guidance again. Management now expects the stock to bring in over $550 million in sales this year.

The average analyst estimate for WELL's revenue for the full year is revenue growth of 87% from 2021. Furthermore, it should continue growing revenue by over 15% in 2023 and more than 10% in 2024.

Moreover, on top of its consistent sales growth, the stock's margins have also remained strong, and it's expected to continue increasing its EBITDA. Therefore, not only does WELL's business look impressive, but with the TSX stock continuing to trade at ultra-cheap levels, it's one of the best stocks to buy now.

While WELL trades at bargain basement prices, it's one of the best TSX stocks to buy

With WELL's stock price selling off at the same time that its revenue has continued to increase all year, the stock now looks incredibly undervalued.

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As of Monday's close, WELL stock had an enterprise value (EV)-to-revenue ratio of just 1.7 times. That's the lowest it has ever been. In fact, its average EV-to-sales ratio over the last three years is more than three times higher, trading at 6.1 times revenue.

Even the stock's EV-to-EBITDA ratio is low, considering it's a rapidly growing tech stock. Today it has a forward EV-to-EBITDA ratio of 9.2 times, down from over 15 times at the start of the year.

So, it's no surprise that as WELL has continued to post impressive earnings, its average analyst target price has remained high. Meanwhile, many other TSX stocks have seen their target prices fall throughout the year.

Right now, the eight analysts who cover the stock all rate it a buy. Furthermore, the average analyst target price of $8.76 is a more than 200% premium from its current market price.

Therefore, if you're looking to buy some of the best TSX stocks in this market while they're ultra-cheap, WELL is a stock you'll certainly want to buy before everyone else does.

CATEGORY

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2. Tech Stocks

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