



3 Healthcare Stocks With Long Growth Runways

Description

The healthcare sector has performed poorly in recent years, including the COVID year in 2020. Surprisingly, as of this writing, it outperforms all sectors with its 11.95% year-to-date gain.

A reversal of fortune might be on the horizon, especially for [growth stocks](#) like **Bausch Health Companies** ([TSX:BHC](#)), **Andlauer Healthcare Group** ([TSX:AND](#)), and **Neighbourly Pharmacy** ([TSX:NBL](#)).

Extensive product pipeline

Bausch Health develops, manufactures, and markets a range of products in dermatology, gastroenterology, hepatology, neurology, and international pharmaceuticals. It offers a broad range of branded and generic pharmaceuticals, including over-the-counter (OTC) products. Moreover, the global reach extends from North America to several geographic regions.

Current investors delight in the stock's strong start in 2023 and the 19.53% advance to \$10.06 from year-end 2022. Market analysts' high price target in 12 months is \$18.76 — an 86.5% return potential.

The \$3.67 billion diversified pharmaceutical company derives health revenues from five segments. According to management, the product pipeline and portfolio expansion reflect Bausch's commitment to developing innovative products that can help improve people's lives.

Specialized services

Andlauer Healthcare Group, or AHG, flies under the radar, but it deserves attention following the impressive financial results after three quarters in 2022. Also, at \$47.20 per share (-0.32% year to date), this healthcare stock pays a modest 0.59% dividend. Based on market analysts' forecasts, the price could climb to as high as \$60 in 12 months.

In the nine months that ended September 30, 2022, total revenue and net income jumped 57.2% and

53.2% year over year to \$482.65 million and \$56.45 million, respectively. The top- and bottom-line growth in the third quarter of 2022 were 58.3% and 55.9%. Notably, ground transportation reported the most significant percentage increases in revenue and income.

Its chief executive officer (CEO) Michael Andlauer said, “Our strong growth in revenue and profitability in the quarter and year-to-date reflects the significant impact of our recent acquisitions in both our healthcare logistics and specialized transportation segments.” The full-year 2022 results will come soon, although Andlauer expects to report solid earnings momentum and a strong balance sheet.

AHG takes pride in its robust platform of customized third-party logistics and specialized transportation solutions for the healthcare sector. The \$1.97 billion growth-oriented supply chain management company plans to seize further opportunities to expand its North American platform and build value for stakeholders.

Healthcare first

Neighbourly Pharmacy is about community pharmacies and a “healthcare first” strategy that drives performance. The \$1.03 billion company desires to be the leader in community healthcare and is on track to achieve that objective. It’s now Canada’s largest and fastest-growing network of independent pharmacies.

Management entered into two binding agreements in October 2022 to acquire eight community pharmacies. The locations of the pharmacies are primarily in smaller, underserved markets, favouring Neighbourly. Apart from generating the bulk of revenues from prescription sales, the competition is less intense.

Neighbourly is also a [dividend payer](#). At \$23.30 per share (-0.38% year to date), the dividend yield is 0.77%.

Long growth runways

Bausch Health, Andlauer Healthcare, and Neighbourly Pharmacy have one common denominator: a long growth runway. The companies have catalysts that should propel their stock prices higher in the near term.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:AND (Andlauer Healthcare Group Inc.)
2. TSX:BHC (Bausch Health Companies Inc.)
3. TSX:NBLY (Neighbourly Pharmacy Inc.)

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