Is Well Health Stock a Buy in February 2023?

Description

WELL Health Technologies (TSX:WELL) came to the attention of Canadians during the pandemic. The tech stock reached astounding heights, as it continued to support the need for virtual healthcare. Yet when pandemic restrictions came to an end, so too did the rise of WELL Health stock.

Yet today, shares are *so* low that it perhaps has many questioning whether the company offers value now. Let's look at whether investors should consider buying WELL Health stock in February.

Continuing to climb

While shares aren't climbing, the company's revenue certainly is. WELL Health stock didn't let a slumping share price stop it from continuing its expansion. It's now the largest outpatient clinic in Canada and has its sights set on the United States.

Several acquisitions have brought in even more record revenue for the virtual healthcare company. During the company's latest earnings report, WELL Health stock reported record quarterly revenue at $145.8 million. This was a 47% growth year over year and driven by organic growth.

That last point is important, as WELL Health stock has been acquiring a lot lately. Yet that organic growth shows its acquisitions were definitely strong ones over the last few years, and it's managed to bring on more clients in the process.

The company also achieved record adjusted earnings before interest, taxes, depreciation, and amortization (EBITDA) at $27.5 million, another increase at 23% year over year. Such solid earnings led the company to increase its guidance for 2022 to exceed $565 million, up from $550 million previously announced.

What now?

There really hasn't been any new information coming from the company or analysts, for that matter, since the company announced earnings. What's more, we haven't heard about the company's next earnings report either. So, it could be a while before we see more movement from WELL Health stock.

Yet that's exactly why it's a buy today. All is quiet, which means you can sneak in before investors start wondering about whether they should be buying the stock once news comes down from on high.

And let me be clear: there is certainly room to run. The company expects to reach guidance of $700 million in 2023, and we'll see during its full-year report how close it comes to that $565 million as well. But virtual healthcare is only in the beginning of its growth phase. And WELL Health stock has a huge piece of that pie.

Bottom line

With management expecting huge things this year and next, and virtual healthcare only in its infancy, I'd say that WELL Health stock is a great option to buy in February. It currently trades up a whopping 26% in the last month alone, though it is still down by 21% in the last year. So, you can gain that positive momentum in the short term and latch onto significant growth in the years to come.

In fact, shares have already increased 2,218% since coming on the market. That's a compound annual growth rate (CAGR) of 75% as of writing! And honestly, given its low share price at $3.60 as of writing, that could certainly be achieved in the near future.

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