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Morning Need to Know

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Written & curated by the Capital Ideas Media team



CANADIAN ANALYSTS' CALLS

WELL Health Technologies Corp. (TSX:WELL). Stifel GMP analyst Justin Keywood increased his target price on the healthcare tech company to \$13.50 per share from \$10.00, while keeping a “Buy” rating on the stock, saying the run isn't done as WELL still has a wide pipeline for M&A with 10 near-term LOIs and an expected Tier 1 US exchange listing to act as catalysts.

“WELL has created a unique business model with what would be seven distinct verticals with CRH and a technology focus. Each of WELL’s current verticals could exceed \$100 million in sales or \$600 million in

total and CRH would add C\$175 million, setting up for still a long run-way of growth. Importantly, we see management's track record of success, both at WELL and prior ventures as reducing execution risk and leading to our conviction," he said.

Morneau Shepell Inc. (TSX:MSI). BMO Nesbitt Burns analyst Étienne Ricard initiated coverage on the provider of technology-enabled HR services with an "Outperform" rating and \$37 per share target price.

"Morneau Shepell offers a long-term, mid-single-digit organic growth profile, downside protection in the form of highly recurring revenue streams and upside potential from opportunistic acquisitions," the analyst wrote.

"We anticipate the upcoming year to be rich in financial performance improvements, with rising free cash flow generation and declining leverage."



U.S. ANALYSTS' CALLS

Twilio Inc. (NYSE:TWLO). Piper Sandler analyst Brent Bracelin raised his price target on cloud communications platform to \$550 per share from \$475, while maintaining an “Overweight” rating on the stock, calling the Company a “digital darling.”

“Accelerating growth reinforces our bullish view on the 3-5 year growth prospects and confidence in the Segment combination as having 'game-changing' potential,” Mr. Bracelin said.

Ultra Clean Holdings, Inc.

(NASDAQ:UCTT). Needham analyst Quinn Bolton boosted his price target on the semiconductor services company to \$55 per share from \$43, while keeping a “Buy” rating on the stock, saying that management anticipates strong order trends to continue through the first half of FY 2021.

He wrote that Ultra Clean's gross margins should improve this year on tailwinds from the close of the Ham-Let acquisition and the production ramp of its new Malaysia production facility.



STOCKS THAT MAY MOVE

Magna International Inc. (TSX:MG) reported better-than-expected Q4 financial results, as its adjusted diluted earnings per share for the period surged 101% to \$2.83. The auto parts giant also announced an 8% increase in its quarterly dividend to \$0.43 per share.

Western Forest Products Inc. (TSX:WEF) said it will reinstate its quarterly dividend of \$0.01 per share payable on March 12, 2021 to shareholders of record as at the close of business on February 26.

MARKETS

S&P/TSX and U.S. equity futures are pointing to a higher open Friday on vaccine hopes and optimism over a U.S. stimulus plan.

CURRENCIES

The Canadian dollar is up 0.37 at 0.7924 (U.S.).

COMMODITIES

West Texas Intermediate crude oil fell 1.8% at \$59.45.

Gold slipped 0.2% to \$1,771.20 an ounce.

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