

The Top 3 Medical Devices Stocks to Buy Now

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If you are looking for a sector in the market that has been delivering strong performance this quarter, is not tied to the booms and busts of economic cycles, and has plenty of room to grow over the years, the medical devices sector deserves your attention. These are companies seamlessly combining technology and healthcare to improve the way that patients are treated, and there are certainly plenty of intriguing players to choose from in the industry.

With an aging global population and healthcare in the spotlight following the pandemic, the growth catalysts for [medical devices stocks](#) are certainly appealing. There's also a lot of earnings upside for these companies going forward as many of them had to deal with supply chain constraints and a reduction in elective medical procedures last year. All of this adds up to fantastic investment opportunities in the sector, which is why we've put together a list of the top 3 medical devices stocks to buy now. Let's take a further look below.

Bio-Rad Laboratories (NYSE: BIO)

This medical devices stock is quietly outperforming the S&P 500 this year and is up over 36% year-to-date, which is a good

indicator of the company's quality. Bio-Rad Laboratories is a leading provider of life science tools and services with a diverse customer base including pharmaceutical companies, academia, industrial research organizations, government, food producers, and testing laboratories. The company's business is broken down into two main segments, clinical diagnostics, and life sciences.

Clinical diagnostics includes over 3,000 products that cover more than 300 different clinical tests and delivers strong recurring revenue for the company. The life sciences segment includes products that are primarily used to separate and identify proteins, nucleic acids, and bacteria in a laboratory, which means this company is at the forefront of innovation in healthcare. Both of these business segments should benefit from tons of global healthcare spending going forward, and investors should also be attracted to the company's 37% stake in German pharmaceuticals and lab equipment provider Sartorius AG, which added \$1 billion to Bio-Rad's net income last quarter.

Thermo Fisher Scientific ([NYSE: TMO](#))

Another top pick for the medical devices sector is Thermo Fisher Scientific, a leading developer, manufacturer, and provider of analytical instruments and complex services for life sciences, drug discovery, and industrial applications. This is the perfect example of a company that actually benefitted from the COVID-19 pandemic, as Thermo Fisher has developed a multitude of testing solutions including instruments, test kits, and reagents to support the global response to the pandemic. The company generated \$1.9 billion in Q2 revenue related to the COVID-19 pandemic response, which will likely decline a bit going forward but is still a very impressive figure that confirms just how important this

company has been in helping the world get back to normal.

Thanks to this company's steady operating cash flow and industry-leading position in almost all of its products, Thermo Fisher can reinvest plenty of capital into developing new products and making smart acquisitions. There's also a lot to like about the company's Q2 earnings, which included a revenue increase of 34% year-over-year and an adjusted EPS increase of 44% year-over-year. The bottom line is that [Thermo Fisher](#) provides medical devices to some of the biggest pharmaceutical companies, hospitals, universities, and government agencies in the world and has a long history of successful innovation, which definitely makes it a top pick in the sector.

This is one of the market leaders in medical devices and a company that is absolutely worth adding to long-term portfolios, particularly when you consider the fact that Medtronic is a dividend aristocrat that has increased its annual payment for the last 44 consecutive years. Medtronic develops and manufactures therapeutic medical devices for chronic diseases, which means that this company's products have the potential to save lives and improve treatment for individuals around the world. With devices that are used to treat cardiac issues, neurological conditions, and diabetes, Medtronic has a diverse portfolio of dominant products that consistently generate reliable sales.

The company just delivered very strong Q1 financial results that included revenue of \$8.0 billion, up 23% year-over-year, and sales growth in all four of the company's primary business segments. [Medtronic](#) also raised its fiscal year 2022 guidance, which is another positive sign that the company is recovering quickly from pandemic-related issues. With several potentially lucrative new product launches to monitor including a robotic-assisted surgery platform called Hugo and a renal denervation program called Micra AV, this is clearly a medical devices stock with immense upside potential.

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