



Jamieson Wellness Inc.: Here's What You Need to Know About Canada's Hottest New IPO

Description

Canadian IPO investors finally have something to get excited about this summer with **Jamieson Wellness Inc.** ([TSX:JWEL](#)) making its debut on the TSX last Friday, July 7, 2017. Shares surged 9.84% on the first day of trading as many IPO-hungry investors piled in to the stock. According to BNN, Jamieson Wellness is valued at around \$628 million.

Jamieson specializes in the manufacture and distribution of vitamins, minerals, and other natural health supplements. As a Canadian, you're probably familiar with the Jamieson brand, even if you don't take daily vitamins. You've probably seen Jamieson products at the health section of the grocery store. You know, the ones with the recognizable green cap and the leaf logo.

Jamieson has been around for almost 100 years; why go public now?

The company has been preparing to go public for quite some time now with a five-year expansion plan in place. Baby Boomers around the world are getting older, and they're going to need more vitamins and minerals to live a healthy lifestyle. Mark Hornick, president and CEO of Jamieson, said, "There is a global health and wellness mega-trend that is going on that affects everyone, no matter which country you're in."

The Canadian vitamin and multivitamin industry was worth \$431.7 million last year, according to research firm Euromonitor. Jamieson currently controls about a quarter of Canada's vitamin market, but it's not stopping there. The company plans to increase sales in Canada over the next few years while expanding to international markets.

Jamieson is a top five foreign brand in China, but expansion plans are being blocked

Despite being a small-cap Canadian company, Jamieson is actually a "top five foreign brand in China," according to Mr. Hornick. The company has a lot of room to run in China, but distribution plans have been dampened because of Chinese regulations. Over the next few years, it's quite possible that the Chinese government may ease off on regulations that have been blocking Jamieson from really

thriving in the country.

If China did ease off sometime over the next few years, then Jamieson could really start to take off since the brand is already popular with the Chinese people. Don't get your hopes up though, because as of right now we can only speculate on this Chinese expansion plan.

There's no question that China is a huge market for growth, but even if you disregard it, Jamieson still has many growth prospects in other areas around the globe.

Bottom line

IPO investing is a risky proposition since ridiculous amounts of volatility are expected to stick around in the first few months of a company becoming public. The vitamin industry sounds like a very boring place to invest, but usually these are the best kinds of businesses to invest in.

If you're looking to play the aging Baby Boomer generation, then Jamieson is a great play, but be cautious if you're a first timer in the IPO game as the hype is usually at a high in the first few weeks of trading.

Personally, I'd wait until the dust settles before even thinking about initiating a position.

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