



1 Powerful Canadian Brand You've Never Considered Investing in

Description

It's usually a good idea to invest in brands you know and love. There are plenty of iconic Canadian brands, and most of them have been fantastic investments over the long-term. Strong brands give a business the competitive edge and usually lead to greater margins and increased long-term profitability. Warren Buffett invests in brands that he loves. Just think of **The Coca Cola Co.** ([NYSE:KO](#)) and the massive gains he has accumulated throughout the decades!

Brands are really important, and they're not considered in traditional valuation metrics such as price-to-book multiples. Even though a stock may seem expensive according to such metrics, strong brands deserve hefty premiums.

Here's a business with a strong brand that recently had its IPO.

Jamieson Wellness Inc. ([TSX:JWEL](#)) is a strong brand whose products are in the medicine cabinets of many Canadian households across the nation. Shares of Jamieson are ~20% higher than the IPO price, as investors buy into the company's long-term growth plan.

Sure, vitamins and supplements are a simple business. It may even be boring, but that's exactly the kinds of stock that you should be investing in over the long term. Warren Buffett loves simple businesses because it's easier to predict future earnings and visualize where the company will be in a decade from now. While the general public buys into speculative high-flying hype stocks with questionable valuations, you can own shares of a wonderful easy-to-understand business with promising growth prospects.

Jamieson is a clear market leader in Canada when it comes to the vitamins, minerals, and supplements (VMS) industry. The company controls nearly 21% of the Canadian VMS market, and it's looking to increase its dominance in the years ahead. In addition, Jamieson has ambitious global expansion plans. Some analysts believe that such expansion initiatives will drive ~15% of growth through 2019 thanks to new product releases across various international markets. Jamieson has a promising new product pipeline, which will be a driver of growth for many years down the road.

Bottom line

Jamieson is in the simple slow-growth business of VMS, but that doesn't mean the company is out of growth prospects. Growth will come from new products and expansion into international markets — some of which already know and love the Jamieson brand. Approximately 92% of revenues come from Canada, so there's a huge open door to expand at the international level. I believe Jamieson is a top-notch stock to own for investors looking for a company with a strong brand and promising growth prospects.

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CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:KO (The Coca-Cola Company)
2. TSX:JWEL (Jamieson Wellness Inc.)

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