



Can Jamieson Wellness Inc. Increase the Health of Your Portfolio?

Description

One of the newer companies on the TSX is **Jamieson Wellness Inc.** ([TSX:JWEL](#)), a Canadian company that develops and manufactures vitamins and natural health products. Jamieson just released its third-quarter results, which we'll take a look at in a moment.

Can this stock boost the health of your portfolio?

We'll start with a little company history.

Jamieson completed its IPO on July 7, 2017, with its stock price set at \$15.75 per share. The stock has done well since, with a steadily increasing price. It now trades in the \$20 range.

Even though the company just went public, it's certainly not new. It first came on the scene in 1922. Jamieson vitamins have been stocking our store shelves for decades. I'm sure we've all seen the familiar green logo when we trek through the pharmacy.

Third-quarter results

Third-quarter revenue was \$80.1 million — a 44% increase over the third quarter 2016. This result was in line with analyst expectations. Jamieson's adjusted earnings per share were \$0.22. The results included costs of taking the company public, which totaled \$2.6 million.

How the stock looks

Jamieson's profit number sits in negative territory, which is not something that comforts investors. This number is below the industry average, so Jamieson has some work to do. Because the stock is so new, it doesn't have a lot of the numbers we usually discuss, such as a trailing P/E ratio. So, we are doing a lot of estimating right now.

Analyst consensus seems to be that earnings will improve over the next couple of years and hit \$1.07 by 2019. They also expect the stock to trade around the \$22 mark over the next year. Time will tell if this consensus is correct.

What does look good are prospects for the industry. The supplement industry doesn't look like it's going anywhere soon, especially since many people are looking for quick health fixes. Jamieson also launched a new product this year, Cold Fighter, which came out in time for cold and flu season. We will see if this helps the company's results over the next quarter.

Investor takeaway

This stock is doing well since its launch, but I'd feel a lot better if the profit numbers were in positive territory. If you believe the stock will continue its upward trajectory, it might make a good fit for your portfolio.

You can also read about some of this year's other IPOs, such as [Roots Corp. \(TSX:ROOT\)](#) or [Freshii Inc. \(TSX:FRII\)](#). Those reviews might make you feel more optimistic about Jamieson.

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Date

2025/07/07

Date Created

2017/11/15

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