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Top 3 2nd-Year Stocks to Pick Up in January

Description

Canadian initial public offerings (IPOs) generated $5.1 billion in proceeds in 2017, including 13 in the fourth quarter that totaled $1.7 billion. There were 38 issues in total in 2017, and activity is expected to pick up in 2018. Analysts expect IPO activity to be driven by industrial, alternative energy, and base metals sectors throughout the year.

We will be keeping an eye on some of the more interesting IPOs in 2018. However, today we are going to look at my top three picks that are running on the TSX for the second year.

Canada Goose Holdings Inc. (TSX:GOOS)(NYSE:GOOS)

Canada Goose made its debut on March 16, 2017. The company raised $340 million on its first trading day. Since its debut price of $17, the stock has climbed over 135% as of close on January 8.

I'd recently chosen Canada Goose as my top stock for December. The stock rose 14% over the course of the month. In the fiscal 2018 second quarter, Canada Goose saw its revenue jump 34.7% and its direct-to-consumer revenue almost quadruple, as its e-commerce business continued to show impressive growth. Adjusted EBITDA also increased 37.3% to $46.4 million.

Canada Post was forced to hire 3,000 additional staff during the 2017 holiday shopping season, as package volume surged with the increase in online shopping. Black Friday and Cyber Monday sales in the United States and Canada also beat previous records, with mobile sales exceeding $2 billion. Investors should be betting on companies with strong e-commerce business, and Canada Goose stands tall among its retail competitors.

Jamieson Wellness Inc. (TSX:JWEL)

Jamieson made its debut on the TSX on July 7, 2017. Shares have jumped 35% from its IPO price of $15.75. The stock dropped 2.58% on January 8, but there is plenty of reason for optimism looking ahead.

The dietary supplements market is expected to reach almost $280 billion by 2024. This represents compound annual growth of about 9.5% year over year. Jamieson leadership has been vocal about its intention to bank on this industry growth as well as the rising interest in supplements for the growing older demographics.

In the third quarter, Jamieson saw its revenue rise 45% to $80.1 million. Adjusted EBITDA soared 42.9% to $16.1 million and adjusted net income climbed 210.1% to $7.8 million. The company last announced a quarterly dividend of $0.08 per share, representing a 1.4% dividend yield. Jamieson continues to be a very attractive long-term buy and hold.

Freshii Inc. (TSX:FRII)

Freshii made its TSX debut on January 31, 2017. The stock has dropped 35% from its IPO price of $11.50 as of close on January 8. In October, Freshii was still reeling from setbacks chiefly due to its expansion issues in the U.S. and United Kingdom.

However, expansion hiccups are relatively common for young companies. It experienced same-store sales growth of 5.1% in the third quarter and expects to increase its store total to between 730 and 760 by the end of 2019. Priced at $7.40 as of close on January 8, Freshii is a worthy bet to bounce back in 2018.

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2. TSX:FRII (Freshii)
3. TSX:GOOS (Canada Goose)
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