



This TSX Growth Stock Is Up 25% in 2020

Description

Over the past couple of months, we have seen a major divergence in **TSX** stocks. Consumer discretionary and other TSX growth stocks such as hospitality have lagged, while defensive investments and blue chips have fared better.

Some stocks, such as **Shopify**, have even seen a major increase in business due to the shutdown of the economy across Canada.

One stock in the health and wellness industry that has performed exceptionally well throughout this crisis is **Jamieson Wellness Inc** ([TSX:JWEL](#)).

Jamieson Wellness is a \$1.3 billion company today and a top long-term investment for Canadians.

The company has the leading consumer health brand in Canada and has been growing it on a global scale. Founded in 1922, the company is nearly 100 years old and has leveraged its track record and expertise to grow to the impressive business it is today.

In-house manufacturing and efficient logistics make its operations highly scalable. That scale, coupled with its explosive growth, is what makes it such a top TSX stock to buy today.

Demonstrated growth stock

From 1990 to 2019, its revenue grew at a compounded annual growth rate (CAGR) of 7.4%. In recent years that has accelerated up to a CAGR of 8.9% from 2013 to 2019.

Meanwhile, as the company grows its revenues, its margins continue to increase, highlighting the strong scale that it has. From 2016 to 2019, the company expanded its margins by a whopping 320 basis points.

The significant increase in revenue and growth in its margins is increasing the company's cash flow considerably, which has allowed Jamieson to raise the dividend in the last few years.

The TSX growth stock has now increased the dividend for three straight years, albeit is keeping the dividend at a modest payout ratio to retain more cash and continue to grow the business.

Incredible branding

What Jamieson is so good at and what makes it such a great long-term investment is its impeccable branding. Currently, roughly 40% of Canadian households have at least one Jamieson-branded product.

This gives it incredible consumer loyalty and is the reason it has so much domestic market share. Now this top TSX growth stock is taking that growth international.

Although all its segments are growing, its international segment is what's giving the company most of its growth. From 2014 to 2019, Jamieson grew its international sales at an incredible CAGR of 26.3%.

Long-term growth stock potential

On top of its international growth and the potential for M&A, another long-term catalyst is all the secular tailwinds, the health and wellness industry have.

In addition to a growing global health and wellness trend, factors such as an aging population and a consumer with more access to knowledge; vitamins, and other health and wellness products will see natural growth for years to come.

This gives [Jamieson](#) even more momentum. As well being an exceptional TSX growth stock within its industry, the entire industry has growth potential for years, vastly improving Jamieson's long-term outlook.

Bottom line

As of Tuesday's close, the stock was trading just under \$33 and less than 5% off its [all-time high](#). Jamieson's valuation continues to grow in comparison to its historical price. However, despite that, there could be more upside in the shares from here.

Investors are looking for well-run companies that are being minimally impacted by the crisis, and Jamieson presents just such an opportunity. Plus, with its incredible branding and strong consumer trust, this could be a significant opportunity for Jamieson to grab market share, and continue its long runway of growth from here.

Although I don't see downward pressure in the shares, the stock could still be susceptible to market risk. If that proves to be the case and the stock were to pull back during a bear market, I'd use the opportunity to buy some shares of this incredible TSX growth stock.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:JWEL (Jamieson Wellness Inc.)

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