



This TSX Stock Is Good for Health and Wealth

Description

Few **TSX** stocks are unscathed by the broader market selloff amid COVID-19 outbreak. One such stock is **Jamieson Wellness** ([TSX:JWEL](#)), which has been resilient and continued to grow so far this year.

Jamieson Wellness stock has been a consistent performer [rising 30.1% year-to-date](#). Moreover, it's up about 75% in one year, and 94% in the last five years.

What's fuelling growth?

Jamieson Wellness is a leading manufacturer and distributor of high-quality health and wellness products. The company offers branded vitamins, minerals and supplements (VMS), which continue to witness increased consumer demand.

The stellar growth in Jamieson Wellness stock reflects the company's exceptional financial performance over the past several years. Jamieson Wellness's revenues have grown at a CAGR of 7.4% over the past 20 years, which is encouraging. Moreover, its top-line growth rate accelerated in the recent past and increased at CAGR of 11.6% over the last four years.

Strong revenues and operating leverage have helped Jamieson Wellness to post higher adjusted EBITDA and expand margins consistently. The company's adjusted EBITDA has increased at a CAGR of 17.5% since 2016. Meanwhile, earnings from operations clocked growth in the low-to-mid teens.

In the [most recent quarter](#), Jamieson Wellness's revenues jumped 16.5% year over year, reflecting strong growth in its namesake brands and increased demand due to the COVID-19 outbreak. Adjusted EBITDA rose 15.2%, while adjusted net income recorded 20.6% year over year growth.

Well-positioned to grow further

Jamieson Wellness has multiple catalysts that could drive its stock higher over the long run. The first among them is the favourable industry trend. The North American VMS industry is estimated to grow at a CAGR of 3.1% and reach US\$35 billion by 2022. Growing focus on healthy living, ageing population,

and increase in disposable income will continue to drive demand for its products.

Jamieson Wellness, being the leading VMS brand in Canada, remains well positioned to gain from favourable industry trends, its strong brand affinity and product innovation.

The company's international business is emerging as the key growth engine. Jamieson Wellness's international business has been growing at a brisk pace thanks to the rapid expansion and increase in distribution partnership. The international segment has grown at a CAGR of 26.5% since 2014 and 2018. Moreover, it increased by 25.1% in 2019. As for 2020, the company forecasts 25% to 35% growth.

Jamieson Wellness is expected to gain significantly from its expansion in China and the U.S. The company got approval for its 21 products in mainland China and maintains the leadership position among the international VMS brands. Meanwhile, the company is on track to launch the Jamieson brand on Amazon.com for the U.S. market. Both China and the U.S. markets offer huge growth opportunities in the long term.

The expected increase in volumes and operating leverage are likely to support margin expansion, and, in turn, its payouts. Jamieson Wellness has consistently increased its quarterly dividends in the past four years and currently offers a dividend yield of 1.3%.

Bottom line

Jamieson Wellness stock is in a sweet spot and is poised to grow in the long run. Sustained demand, product innovation and geographical expansion indicate that Jamieson Wellness stock should do well in the coming years.

Moreover, investors shouldn't bother about the company's high valuation. Thanks to its terrific growth rate, Jamieson Wellness's premium valuation is warranted.

CATEGORY

1. Coronavirus

TICKERS GLOBAL

1. TSX:JWEL (Jamieson Wellness Inc.)

PARTNER-FEEDS

1. Business Insider
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