BUY ALERT: Why I'm Buying This Top TSX Stock on the Dip

Description

Jamieson Wellness (TSX:JWEL) is a Toronto-based company that develops, manufactures, distributes, and sells natural health products in Canada and around the world. It debuted on the TSX back in July 2017. Then president and CEO Mark Hornick was confident that global growth would be key for the new TSX stock over the long term. Moreover, it was well positioned to benefit from an aging population in Canada and across the developed world.

Today, I want to discuss what spurred Jamieson's steep decline over the past month. Is this TSX stock still worth getting excited about ahead of the 2021 summer season? Let's jump in.

Why this top TSX stock has plunged in the late spring

Shares of Jamieson have plunged 11% month over month as of close on June 17. This pushed the TSX stock into the red over the past year. I'd suggested that investors should snag this stock in early April.

In February, Mark Hornick announced that he would retire as president and CEO of Jamieson. Mike Pilato moved into the role of president and CEO effective June 1, 2021. A change in leadership can sometimes spook investors, which could explain the continued dip. Moreover, the TSX stock has experienced significant insider selling in recent weeks.

The company released its first-quarter 2021 results on May 5. Revenue rose 16% from the prior year to $98.3 million. Meanwhile, adjusted EBITDA jumped 11% to $18.5 million. Jamieson's international branded business delivered 55% growth. This has been a huge source of strength for the company since its IPO. It maintained its fiscal outlook for 2021, projecting revenue between $421 million and $438 million.

Jamieson's future still looks bright

The nutrition and dietary supplements market have posted strong growth over the past decade. This is one of the strongest cases for investing in this TSX stock. Jamieson has established a strong footprint in domestic and global markets. Moreover, the COVID-19 pandemic has bolstered health conscientiousness. Sales of nutrition and dietary supplements products could see a boost in the years ahead.

In a spring 2021 research report, Facts & Factors projected that the dietary/nutritional supplements market would grow to $306 billion by 2026. This would represent a CAGR of 9% from 2019 to 2026. Grand View Research released a report in February that predicted a CAGR of 8.6% from 2021 to 2028. It expected the market to hit over $270 billion by the end of the projected period.

Canada and the developed world are wrestling with an aging population. This has driven interest in dietary and nutritional supplements, especially in the face of a deadly pandemic. Investors eager to get in on this trend should look hard at this TSX stock.

Should you buy the dip in this TSX stock?

Shares of Jamieson last had a price-to-earnings ratio of 34. That puts it in favourable value territory compared to industry peers. Moreover, it possesses an RSI of 23 at the time of this writing. This TSX stock is technically oversold and looks like a screaming buy right now.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:JWEL (Jamieson Wellness Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Investing

Date
2025/07/19
Date Created
2021/06/20
Author
aocallaghan