



Here's My Top TSX Stock for the Rest of 2021

Description

My [top stock pick](#) for the month of August 2021 was **Real Matters**. I'd targeted this stock due to its exposure to the burgeoning real estate market in North America. Today, I want to zero in on another TSX stock that may hold even more promise for the rest of 2021 and beyond. That TSX stock is **Jamieson Wellness** ([TSX:JWEL](#)). Let's jump in.

This market has seen its growth accelerate during the COVID-19 pandemic

Jamieson Wellness is a Toronto-based company that develops, manufactures, distributes, and sells natural health products in Canada and around the world. Health conscientiousness has surged during the COVID-19 pandemic. Indeed, this was already on the increase, as the developed world is facing aging demographics. This was one of the trends Jamieson's leadership pointed to when it debuted on the TSX in 2017.

This February, Grand View Research released a report on the future of the global dietary supplements market. It estimated that the market was value at \$140 billion by the end of 2020. Moreover, it projected that it would deliver a CAGR of 8.6% from 2021 through 2028. North American consumers have played a huge role in powering growth in this space.

The report also pointed to surging demand for immunity-boosting supplements in the face of the COVID-19 pandemic. This exciting market should spur investors to look at TSX stocks like Jamieson.

Here's why I'm targeting this TSX stock in August and beyond

Last year, I'd [suggested](#) that this TSX stock had just scratched the surface of its potential. Its shares would climb to an all-time high by the fall of 2020. However, the stock has dropped 5.8% in 2021 as of close on August 17.

The company released its second-quarter 2021 results on August 6. Jamieson reported revenue growth of 18.6% to \$110 million. It was bolstered by Jamieson Brands revenue growth of 10.9%. This, in turn, powered adjusted EBITDA and adjusted net earnings growth of 17.6% and 21.8%, respectively. Jamieson reiterated that demand experienced what should be a lasting improvement due to the COVID-19 pandemic.

Jamieson's international branded business experienced growth of 21.6% on a constant-currency basis. Moreover, gross profit margin in its Jamieson Brands segment climbed 70 basis points to 41.8%. Earnings from operations increased 50% to \$16.0 million. Better yet, it boosted its quarterly dividend by 20% to \$0.15 per share. That represents a modest 1.7% yield.

These earnings spurred Jamieson to boost its financial outlook for 2021. It now expects revenue in the range of \$435 million to \$445 million. This would represent annual growth between 7.8% to 10.2%. It narrowed its adjusted EBITDA guidance on the positive end. Moreover, it now projects adjusted diluted earnings per share between \$1.27 to \$1.32.

Shares of this TSX stock last had a price-to-earnings ratio of 31. This puts Jamieson in [favourable value territory](#) relative to its industry peers. Canadian investors should look to snatch up this TSX stock for the long haul, as it rides the growth of a red-hot supplements industry.

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Date

2025/07/29

Date Created

2021/08/18

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aocallaghan

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