



2 Recent Canadian IPOs to Add to Your Watch List

Description

Initial Public Offerings (IPOs) tend to offer a lot of excitement to investors looking to generate significant wealth growth by getting in on the stocks early. Canadian IPOs did not offer much in terms of substantial growth this year for several reasons. The supply chain issues, continuing uncertainty due to the pandemic, and various short squeezes have made it difficult to identify IPOs with strong upside potential.

While not many IPOs gained much traction this year, it doesn't mean you can't find companies that can make you a wealthier investor in the long run. If you are learning [how to start investing](#), choosing the right IPO could help you get an excellent start to your stock market investing career.

Today, I will discuss two newly listed **TSX** stocks that had their IPOs earlier this year to help you determine whether the companies could be worth adding to your portfolio.

Pet Valu Holdings

Pet Valu Holdings ([TSX:PET](#)) is the perfect stock pick if you are a pet lover and you love investing in companies that align with your values. Pet Valu had its IPO in June 2021, and the company has delivered stellar returns on the stock market since it began trading on the TSX. The pet industry has plenty of room for growth, and the rising hopes of moving into a post-pandemic era could provide a significant boost to the industry.

The stock surged by over 30% between June 24 and August 13 but has since declined. At writing, Pet Valu stock is trading for \$29.95 per share, down by 14.43% from its August 2021 peak. The decline came in after a strong quarterly performance. The downturn came likely due to supply chain issues and investors being worried about the future of the stock amid the problems.

However, the company's management maintains its 2021 outlook of \$730 million in revenues and an adjusted EBITDA of \$158 million. The stock could be a strong long-term investment for investors, especially after the recent pullback.

Neighborly Pharmacy

Neighborly Pharmacy ([TSX:NBLY](#)) had its IPO in May 2021, quickly becoming a breakout stock by July 2021. Analysts have raised their expectations for the company and believe it can outperform the market. Much of the growth for the company came through its strategic acquisitions strategy that has helped it achieve excellent EBITDA growth.

The company might be new on the stock market, but it is run by a seasoned professional from the pharmaceutical industry. The company is run by Chris Gardner, the former vice president of Shoppers Drug Mart. Neighborly Pharmacy has a strong balance sheet, and the company reported that its revenues were up by 58% in its last quarter.

At writing, the stock is trading for \$33.01 per share, and it is close to its all-time high from the start of September. It could be the right time to buy its shares before it begins [soaring on the stock market](#).

Foolish takeaway

Not all new IPOs turn out to become [multi-baggers](#) for investors looking for significant wealth growth through capital gains. It is important to understand the underlying business, the potential it has in the stock market, and whether the industry conditions could be favourable in the long run to provide you with significant returns on your investment.

Neighborly Pharmacy stock could be a viable stock to add to your portfolio right now as the market recovers from a broader pullback. Pet Valu Holdings stock could also be worth having on your radar if not adding it to your portfolio right now.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:NBLY (Neighbourly Pharmacy Inc.)
2. TSX:PET (Pet Valu Holdings Ltd.)

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