This 100-Year-Old Growth Stock Is Still Misunderstood!

Description

It's a good idea to keep things boring this year, with the tides turning against growth and back in favour of the value plays. When it comes to boring but profitable companies, it's tough to stack up against top vitamin, mineral, and supplements (VMS) maker **Jamieson Wellness** (TSX:JWEL).

Jamieson has been in the business for 100 years and continues to go strong. The stock, which went public on the TSX Index just a few years ago, has entered the next phase of its growth story. With new product offerings and the ambition to expand internationally, the 100-year-old firm isn't about to pull the brakes anytime soon.

If anything, Jamieson has shown that it's more than capable of adapting to the times. Whether that means betting big on protein supplements or exploring vitamin gummies, the company has not lost touch with its evolving consumer base. Over the long haul, the health-consciousness trend should continue to benefit quality VMS players like Jamieson.

Indeed, VMS is a competitive market. But Jamieson's brand has done a remarkable job of keeping rivals at bay. Simply put, VMS products require a seal of quality that other brands simply cannot stack up against.

Over the past two years, it's been a pretty sluggish ride for shares of JWEL. The stock is down around 22% from its November 2020 high. At 27.9 times trailing price to earnings (P/E), Jamieson is not a cheap stock. Given its recession resilience and promising growth profile, though, it's arguable that Jamieson should be worth north of 30 times P/E. Many consumer staple stocks with less-promising growth rates trade at such a multiple.

Jamieson Wellness: Making moves amid market volatility

Recently, the company made a move to accelerate its efforts to grow its presence in the Chinese market. The firm acquired assets from a Chinese distribution partner which could help the firm bolster sales, as it takes steps to increase brand awareness. Jamieson is a Canadian brand that could grow to become one of the strongest foreign brands in the Chinese market. The distribution move, I believe, is a low-risk way to ramp up on its international growth.

Amid the rocky market, Jamieson also acquired Nutrawise (the firm behind the youtheory brand) in a deal worth $265 million. Indeed, youtheory is a high-quality supplements brand that seems to fit well with Jamieson's impressive lineup.

With a strong balance sheet and an appetite for making deals, count me as unsurprised if Jamieson can continue taking advantage of the pullback in broader markets.

Jamieson stock: Full speed ahead?

A recession looms, but don't count on Jamieson to see its sales sink. The company raised its guidance back in August, with EPS (earnings per share) that could grow by as much as 21%. That's impressive growth that's unlikely to be derailed by an economic slowdown.

Sure, cheap private-label brands have helped inflation-hit consumers save money. But when it comes to the vitamin aisle, I don't think consumers are willing to skimp — not when their health is on the line.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:JWEL (Jamieson Wellness Inc.)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. joefrenette
2. kduncombe

Category

1. Investing

Date
2025/09/29
Date Created

2022/11/18
Author
joefrenette