



## Canadian Tire Corporation Limited Is a Screaming Buy After Impressive Earnings

### Description

The retail sector was hit hard over the past year and a half, and many retailers are on their knees right now. Many investors have completely avoided the retail space, but there is one great Canadian company that is thriving while its peers are struggling.

**Canadian Tire Corporation Limited** ([TSX:CTC.A](#)) is a fantastic Canadian company that is head-and-shoulders above anyone else in the retail scene. The management team made a big bet on technological initiatives to drive traffic to its brick-and-mortar stores, and there's no doubt the initiatives paid off as same-store sales have been going through the roof.

In the most recent quarter, same-store sales at Canadian Tire stores grew by a whopping 8.1%. Mark's Work Warehouse saw same-store sales growth of 10.6% and FGL Sports, the owner of Sport Chek, reported same-store sales growth of 5.1%. What's even more amazing is the fact that other retailers are seeing same-store sales fall off a cliff. Canadian Tire has been able to rise above the headwinds experienced in the brick-and-mortar retail sector to deliver fantastic growth for investors.

It's clear that the management team knows how to adapt to a changing retail environment, and they will continue to adapt going forward as the landscape continuously changes. The company has over 30 other customer-satisfaction initiatives under development that are expected to boost store traffic and same-store sales over the next few years.

As the brilliant investor Warren Buffett used to say, "...only when the tide goes out do you discover who's been swimming naked." A lot of swimmers in the retail ocean were swimming naked, but not Canadian Tire; the company knew the tides would turn, and it was ready.

Many retailers have shied away from the use of technology. Retail is meant to be a simple business, and the use of technology complicates many aspects of the business — not to mention that it's an expensive investment that may or may not pay off. We're moving into a digital age, and retail stores will need to adapt or they'll be left for dead. The management team at Canadian Tire knew this, and they went all-in with their investments in technology.

Canadian Tire reinvented the retail store. It is a model of perfection in the retail space, and I believe

many other retailers will soon realize that they need to become like Canadian Tire to survive. Canadian Tire's management team thought years ahead, and that's a huge reason why the company is thriving today, while other Canadian retailers, like **Hudson's Bay Co.**, are falling into the abyss.

Going forward, we can expect more innovative initiatives being put in place. These initiatives will propel the stock of Canadian Tire into the atmosphere for many years to come.

## CATEGORY

1. Investing

## TICKERS GLOBAL

1. TSX:CTC.A (Canadian Tire Corporation, Limited)

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1. Investing

## Date

2025/09/11

## Date Created

2017/02/20

## Author

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