Canada Goose Holdings Inc. or Canadian Tire Corporation Limited: Which Is the Better Buy?

Description

Looking to add a Canadian company to your portfolio? Let's take a look at two iconic Canadian brands to see which might be a better fit for you.

Canadian Tire Corporation Limited (TSX:CTC.A), founded in 1922, is a Canadian-wide retailer best known for selling sporting goods, automotive parts, and home goods. It operates 500 retail locations across the country. The retailer claims that 90% of Canadians live within 15 minutes of a Canadian Tire store.

If you are looking for a stock with some income, Canadian Tire pays a quarterly dividend of $0.65 per share for an annual dividend of $2.60 per share. Its yield is only 1.09%, which isn't high. However, Canadian Tire has a history of increasing its payouts. The dividend has steadily moved up from $0.50 per share in 2014.

What have Canadian Tire's recent results looked like? Its net income grew 37.69% year over year to $1.24 per share in the last quarter—among the strongest performers in its industry. However, its revenue growth over the last three years has averaged 2.47%, much lower than the industry average of 8.50%. Its current net profit sits at 5.98%.

Canadian Tire is not a cheap stock. It currently trades at $239 per share. Over the last year, its stock has traded between $174 and $242 per share, so it is trading close to its 52-week high right now. Canadian Tire is not a bargain at the moment.

Canada Goose Holdings Inc. (TSX:GOOS)(NYSE:GOOS), founded in 1957 as Metro Sportswear Ltd., is a designer, manufacturer and distributor of premium outerwear. Canada Goose is probably best known for its warm, down-filled parkas.

Canada Goose does not pay dividends to its investors, so this is not the stock for you if you are looking for both income and growth.

What have Canada Goose's recent results looked like? Its net income declined by 242.76% year over year to a loss of $0.29 per share in the last quarter. That number looks bad, but it's still among the strongest results when you look at Canada Goose's closest competitors. And on the bright side, its revenue growth over the last three years has averaged 38.47% annually, better than the industry average of 32.40%. Its net profit currently sits at 5.36%, similar to that of Canadian Tire.

Canada Goose is a much cheaper stock than Canadian Tire. It currently trades at $24.28 per share. Over the last year, its stock has traded between $20.32 and $32.80 per share, so it is trading closer to its 52-week low right now.

Investor takeaway

So, which stock is for you? That depends. If you want some income from a company with a long history, Canadian Tire is the better bet for you. But if you want a cheaper stock with better revenue-growth numbers, consider adding Canada Goose to your Foolish portfolio.

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