



## Sick of Hearing About Canada Goose Holdings Inc.? Try This Clothing Company Instead

### Description

Ever since the **Canada Goose Holdings Inc.** ([TSX:GOOS](#))([NYSE:GOOS](#)) IPO, we've spent a lot of time talking about the stock — so much so that it may feel at times like it's Canada's only clothing company. While it is a good stock, you might be interested in hearing about other industry players. Here's another clothing manufacturer that deserves your attention.

**Gildan Activewear Inc.** ([TSX:GIL](#))([NYSE:GIL](#)), first started in Montreal as Harley Inc. in 1946. It is now a Canadian-American company that manufactures activewear, underwear and socks. It's a company that's doing well.

### Gildan Activewear by the numbers

On August 3, the company released its second-quarter results. Consolidated net sales were \$715.4 million, up \$26.5 million from the same quarter in 2016. Net income grew by 18.97% year over year to \$0.48 per share. The company boasts a healthy net profit of 14.16%. By comparison, Canada Goose has a net profit margin of 5.67%. Gildan Activewear has one of the best profit numbers in the industry. Its return on equity is a solid 18.38%. It's trailing P/E ratio seems high at 18.73, but that's good for the industry. Canada Goose has a much higher trailing P/E at 152.13. (Remember, you are usually looking for a lower P/E ratio.)

If you are interested in income, the stock pays a dividend. Its current yield sits at 1.24%. It pays a quarterly dividend of US\$0.0935 per share for an annual payout rate of \$0.374 per share. This isn't terribly high, but the payout amount and yield have gone up for the past two years, which is an encouraging trend.

Gildan Activewear currently trades closer to its 52-week high than its low in the \$38 per share range. Its 52-week high was \$42.18. It is a more expensive stock than Canada Goose, which currently trades around the \$21 mark. Analysts expect Gildan's stock to trade around the \$40 mark over the next year. If they are right, there is only room for a little growth.

## Bottom line

Canada Goose has been getting all the attention lately, but Gildan Activewear has been around for a long time and produces solid numbers. If you are looking to add a clothing manufacturer to your Foolish portfolio, consider making it Gildan Activewear.

## CATEGORY

1. Investing

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1. NYSE:GIL (Gildan Activewear Inc.)
2. NYSE:GOOS (Canada Goose)
3. TSX:GIL (Gildan Activewear Inc.)
4. TSX:GOOS (Canada Goose)

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sportelance

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