Celebrate Canada Day With These 2 Top Canadian Stocks!

Description

It's Canada Day today! For this occasion, I present you two Canadian stocks that may interest you depending on whether you're more focused on growth or on value.

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Canada Goose Holdings Inc. (TSX:GOOS)(NYSE:GOOS)

If you're more interested by growth stocks, you should consider Canada Goose Holdings. This company is growing and expanding fast and so is its share price, which has soared 173% over one year.

Since going public in March 2017, Canada Goose has beaten expectations on both the top and bottom lines each quarter.

The company's last quarter was impressive, beating expectations by a wide margin.

Canada Goose's revenue jumped 144% in the fourth quarter to $124.9 million, beating estimates of 74.6 million. Direct-to-consumer revenue jumped to $95 million driven by the opening of four new stores and eight e-commerce sites during the last year. Gross margin expanded from 54.4% to 62.7%.

The company reported a net income of $8.1 million ($0.07 per share) in the fourth quarter, compared to a loss of $23.4 million ($0.23 per share) a year earlier.

The luxury parka maker posted an adjusted profit of $0.09 per share, up from a loss of $0.15 a year ago, thereby beating the estimates of a loss of $0.08 per share.

Canada Goose's fiscal 2018 revenue rose 46% to $591.2 million, while its net income increased 345% to $96.1 million, as compared to fiscal 2017.

The high-end coat maker issued a bullish long-term growth forecast. An annual revenue growth of 20% and an annual EPS growth of 25% is expected over the next three years. The company plans to open two stores in China this fall, as well as three new retail stores in North America before the winter.

This fast growth and expansion means that Canada Goose's stock should keep flying high in the coming years.

Air Canada (TSX:AC)(TSX:AC.B)

If you're a value investor, you should be interested in Air Canada's stock. Indeed, the stock is very cheap. Its current P/E is only 3.1, which is much lower than its five-year average P/E of 27.3. The share price is down by 18% since the beginning of the year.

Air Canada's earnings have been negatively impacted during the last quarter by rising fuel costs due to the increase in oil prices.

The airline's net loss widened to $170 million in the first quarter from $13 million a year earlier.

Things improved on an adjusted basis: Air Canada lost $52 million ($0.19 per share) compared with an adjusted loss of $63 million ($0.23 per share) a year ago. This loss was smaller than the $0.44 loss expected by analysts.

Operating revenue for the quarter totalled $4.07 billion, up from $3.64 billion, boosted by increased capacity and passenger traffic.

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To better compete with ultra low-cost carriers, Air Canada will expand the domestic offerings of its Rouge discount brand this summer. The airline will also launch a new loyalty program in 2020, which should help to attract more foreign investors.

While earnings are expected to decrease by 32% this year, this won't last. Indeed, earnings are expected to grow by 39.4% next year and at an annual rate of 19% for the next five years. The P/E-to-growth (PEG) is only 0.44, which means that Air Canada is undervalued relative to its growth.

It's time to buy the dip in Air Canada's stock before it takes off.

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