3 Retail Stocks That Are Better Than Canada Goose Holdings Inc (TSX:GOOS)

Description

Canadian luxury apparel brand **Goose Holdings Inc** (TSX:GOOS)(NYSE:GOOS) reported its fourth-quarter and year-end results last month, and for the most part the results were very encouraging.

Total sales were up over 40% year over year, adjusted EBITDA margin expanded by 240 points, and for the first time ever, sales generated from the company's Rest of World segment were in line (34.5%) with those generated from its domestic Canadian market (35.3%).

Yet as good as those results were, GOOS stock plunged more than 30% in the trading session following the earnings release as the market responded to fears of slowing growth in certain of the businesses operating segments, including its direct-to-consumer channel.

Now, the GOOS stock's valuation is obviously going to look a lot better following the drop than it did prior to, but even notwithstanding, here are three TSX retail stocks:

Alimentation Couche-Tard Inc (TSX:ATD.A)(TSX:ATD.B) meanwhile, has very quietly become the largest company in Canada, and in case the name doesn't ring a bell, you're probably not alone.

As Couche-Tard's CEO Brian Hannasch said during the company's investor day in January, "We're the largest $50-billion company nobody's ever heard of."

While it may not be much of a household name yet, many readers will probably be familiar with the "Circle K" branded convenience stores and gas stations scattered across the country.

Much of its success has stemmed from acquiring smaller competitors, then improving its operating metrics to justify the return on investment.

Meanwhile, the convenience store market remains largely fragmented in the United States, and ATD is reportedly also looking into opportunities in Asia and Europe as well.

Unlike Canada Goose, **Canadian Tire Corporation Limited** (TSX:CTC) has been part of theCanadian fabric for over 95 years.

During that time, CTC's been able to leverage its strengths to add other retail businesses to its portfolio, including the likes of Marks, Sport Chek, and, most recently, Helly Hansen.

The company's first quarter was a good one, including its 20th consecutive quarter of growth; it's hoping to build off that momentum in Q2, traditionally the company's second most important quarter of the fiscal year.

As well, CTC shares are currently paying investors a 3.05% annual dividend yield.

Dollarama Inc (TSX:DOL) reported top-line sales growth of 13% in the fourth quarter, and 8.6% sales growth for the full year ended February 3, 2019.

Canada's leading discount retailer continues to add more stores to its existing brick-and-mortar network, bringing the total now to 1,225 stores up from 1,160 stores a year prior.

Yet looking deeper into the numbers, most of the company's current growth is coming from the net addition of new physical locations, while same-store sales growth continues to present a much more modest story, up just 2.6% in the fourth quarter and 2.7% for the fiscal year ended 2019.

Unfortunately, DOL will one day find it tough to find viable new opportunities to expand its retail footprint, potentially slowing its growth considerably.

Yet it's also a business with a certain amount of "moatiness" to it — a quality that value investors like Warren Buffett have often pointed to as a reliable indicator of long-term investment performance.

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