Here's How Much You Would Have Made If You'd Bought Canada Goose (TSX:GOOS) IPO

Description

It's hard to believe that it's been less than three years since **Canada Goose Holdings Inc** (TSX:GOOS)(NYSE:GOOS) began trading on the **TSX**. The stock has already made quite a reputation for being a great growth investment in such a short amount of time.

Its popular jackets have become a bit of a status symbol and are known for their high quality. Despite the high price tags, the company's strong sales results have proven that there is a big market for them.

And with a growing direct-to-consumer (DTC) market that helps reach customers worldwide, the company has been able to produce strong sales numbers outside of just one or two seasons. Although it may not have been an obvious choice for investors to buy up the IPO, those that did have earned some great returns.

On March 16, 2017 , the stock opened at a price of $23.86. Last week, the stock would close at well over double that, at just over $57 a share. Life-to-date returns are now around 140%.

However, investors who sold the stock before the fall in price that occurred this past December could have seen even greater returns, as the share price peaked at more than $95. Either way, IPO buyers likely made out very well for buying shares of Canada Goose stock.

And it was definitely not an easy decision to make as it was at a time when the retail industry was already struggling, so the idea of selling a high-ticket item may not have looked like it was going to be a recipe for success.

But Canada Goose defied those odds as it has proven that there is a lot of demand for its products and the brand has become highly coveted among consumers.

Buying IPOs is still a risky decision

While Canada Goose has been one of best IPOs on the **TSX i**n recent years, investors shouldn't assume that will always be the case. There are no shortage of stocks that fail to get any attention and whose shares remain thinly traded.

It can be difficult to predict which stocks will bust and which ones won't. However, the risk involved is part of the reason that significant returns can be achieved by buying an IPO. Conservative investors will likely wait until the company has established a strong track record before buying the stock, and when that happens, the price could take off, benefiting early investors who have hung on to the stock until then. Strong returns from an IPO aren't limited to just day one and sometimes it can take months or years before it pays off.

What we can learn from Canada Goose's success

One of things that likely made Canada Goose a popular stock and what helped its strong sales growth over the years is the story behind the company. Its focus on hand-crafted clothing and its made in Canada status has certainly endeared it to customers seeking quality instead of just focusing on price. The branding likely played as big of a role in the company's success, if not more so, than its actual products.

The good news for investors is that there's still plenty of room for Canada Goose to continue growing, and it could still prove to be a great buy today.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:GOOS (Canada Goose)
2. TSX:GOOS (Canada Goose)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Investing

Date
2025/08/21
Date Created
2019/07/16
Author
djagielski