



Canada Goose (TSX:GOOS) Is the Best Stock Pick of the Decade

Description

Canada Goose Holdings ([TSX:GOOS](#))([NYSE:GOOS](#)) is a high-growth stock experiencing short-term volatility. This has created a limited-time buying opportunity for an investment that could pay off big over the next decade and beyond. If you're looking to buy growth at a discount, this is [your chance](#).

For years, Canada Goose had been growing profits and sales by more than 30% per year. In some years, growth surpassed 50%. Yet its long-term growth hinged on a single region: Asia.

The coronavirus pandemic has put a large damper on Asian growth prospects. But make no mistake: consumption in Asia will continue to surge following the crisis. China, for example, is already the largest luxury market in the world — a perfect match for Canada Goose's \$1,000 branded jackets.

Near-term growth [headwinds](#) have forced shares lower by nearly 70%. If you want to buy a high-growth stock that you can hold for a decade or more, pay close attention.

Canada Goose is a unique brand

Retail is known for boom-and-bust cycles. Brands that are on top one year may go broke the next.

When buying a retail stock, you want to make sure that the company has built something that can't be replicated easily. A new jacket style, for example, can be copied. Prices can be undercut. But a long and impressive history can't be reproduced as quickly, if at all.

Canada Goose is a perfect example. Founded in 1957 by Sam Tick, the company immediately gained a reputation for quality. The first Canadian to ever summit Mount Everest donned the company's gear. Its expedition parkas were specifically designed for scientists in Antarctica.

Over decades, Canada Goose has grown from a small warehouse in Toronto to one of the largest businesses in the country. Today, more than 5% of all Canadians own one of its jackets. Nearly 90% of customers plan to buy another Canada Goose product for their next winter jacket. That's a remarkable level of brand trust and loyalty, especially considering the jackets can cost more than \$1,000 each.

Put simply, this is a special company. It has a 50-year history of creating high-quality winter products that consumers know and love. This business has already outlasted several economic shocks. The current challenges won't be enough to stop its long-term growth.

Is now the time to buy?

High-growth stocks rarely go on sale. That's what makes the current situation a time-sensitive opportunity. For years, Canada Goose stock traded at 100 times trailing earnings. Today, shares trade at 23 times earnings. If you're willing to buy-and-hold through the current pandemic, the rewards could be huge.

As mentioned, China is the largest luxury market in the world. Yet Canada Goose has only just begun its growth efforts there. Last year, sales in this region surged by more than 60%. Analysts expected the company to double or even triple in size based on Asian growth alone.

The coronavirus challenge has eliminated any near-term opportunity. But importantly, all the pieces are still in place for the company to grow once conditions normalize. Its storied brand history isn't going anywhere, allowing the company to wait out the storm.

Now trading at a 70% discount to its typical valuation, this stock could triple in price simply through a return to normalcy. Over the coming decade, Asian growth opportunities could contribute *another* triple. This has all the makings of a lucrative opportunity. All you need is patience.

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