This $30 Growth Stock Has Over 100% Upside From Here!

Description

Growth stocks are a proven way to make rapid gains in your portfolio. The list includes many of the best-performing stocks in history.

If you want to own stocks with 100% upside, pay close attention.

This growth stock is ready

For years, **Canada Goose Holdings** (TSX:GOOS)(NYSE:GOOS) stock crushed the market. The company went public in 2017 at $23 per share. Less than two years later, shares surpassed the $90 mark. Investors *tripled* their money.

Then the coronavirus hit. Retail stocks were crushed. Canada Goose lost more than 70% of its value.

But that's the thing with growth stocks: the returns can be lumpy. Just look at **Shopify Inc**. Shares fell from $25 to $1,250 over the past five years, but on several occasions, the stock suffered huge drops. Shares fell by the double digits *twice* this year alone.

If you're willing to take a little risk, there's a good chance that Canada Goose can *double* your money over the next 12 months.

The story here is simple. When Canada Goose went public, sales were dominated by Canada and the United States. Its true growth, however, was abroad.

For example, China is the largest luxury market in the world. Its consumer base is perfect for Canada Goose's $1,000 branded jackets. But in 2017, the company barely had a presence there; management aimed to change that.

In recent years, management opened several flagship stores in Chinese cities. Sales started to skyrocket. International revenue grew by 61% in 2019. U.S. and Canada, meanwhile, grew by lessthan 30%. This domestic growth stock was proving its international potential.

The coronavirus put a pause on the international expansion. Consumer spending has fallen off a cliff. Foot traffic at retail locations is at an all-time low.

The stock's valuation went from 150 times earnings to just 30 times earnings. If conditions normalize just a bit, there should be at least 100% upside from here.

Time to buy?

There's no doubt that Canada Goose stock is cheap, with shares trading at 22 times forward earnings.

For a growth stock that was compounding earnings at double-digit rates before the pandemic hit, this is a bargain price tag — especially given that the company surprised the market in June by posting a *profit*. Revenue was down just 10% year over year, coming in at $141 million, a full $10 million above expectations.

Analysts are starting to take notice.

"Management is controlling the controllables and continues to enhance and prioritize the sanctity of the brand despite the difficult retail environment," said Susquehanna analyst Sam Poser.

The fact is that Canada Goose will return to its glory days as a reliable growth stock. Its brand has a multi-decade history. More than 5% of all Canadians own one of its jackets. Even the first Canadian to ever summit Everest donned its gear.

The opportunity in China isn't going anywhere — it's just been delayed by a year or two. International sales currently comprise one-third of sales, but over the coming years, they could more than *double* the size of the company.

If past growth rates return, expect the valuation multiple to jump quickly. Even if they returned to *half* the historical average, shares would have 100% upside.

While it will take some patience for this story to play out, this is one of the most attractive growth stocks on the market today.

CATEGORY

1. Coronavirus
2. Investing

TICKERS GLOBAL

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

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Sharewise
6. Yahoo CA

Category

1. Coronavirus
2. Investing

Date
2025/08/26
Date Created
2020/06/25
Author
rvanzo