



## This Millennial Stock Could Skyrocket Into the Stratosphere in 2021

### Description

**Aritzia** ([TSX:ATZ](#)) is a growthy mid-cap that doesn't get nearly enough [respect](#) from investors. Shares of the woman's clothing retailer imploded back in the February-March sell-off, only to come roaring back, recovering almost all of the ground lost in the unforgiving market crash of 2020.

With Aritzia stock within 4% of breaking past its all-time high at around \$26, investors may wish to add the stock to their radars before it has a chance to breakout in a move that could have the potential to be abrupt.

What has me so bullish on Aritzia?

### An incredible omnichannel presence

First, the company is in the process of perfecting its omnichannel presence. Amid the pandemic, Aritzia's e-commerce business did a considerable amount of the heavy lifting, as mall traffic fell during the worst of the first wave. With provinces on the verge of lockdown, malls could be shuttered in full once again, and Aritzia will need to rely on its digital platform to meet the needs of its loyal fanbase.

Once the pandemic ends (possibly in 2021), Aritzia will be back to firing on all cylinders, both off and online. With one of the best in-store experiences in the Canadian retail scene, I suspect Aritzia could see its top- and bottom line really start to take off, as shoppers reluctant to order articles of clothing online return (ordering clothes online can be a pretty risky proposition for some!) to the shopping mall once it's safe to do so.

### A likely beneficiary of a post-pandemic spending boom

Second, a potential post-pandemic discretionary spending boom, which I outlined in a prior piece, could serve as a massive boon for the demand for discretionary goods like pricy articles of clothing. As the pandemic ends and the Canadian economy heals from this crisis, consumer sentiment is likely to increase alongside the demand for wants, as opposed to needs.

## The U.S. expansion could have the potential to be a profound success

Third, the firm's ambitious expansion will pick up where it left off before the horrific pandemic struck. The U.S. expansion has shown some evidence of success. As Aritzia continues spreading its wings across the U.S. market, count me as unsurprised if Aritzia's U.S. business outshines its Canadian one.

With brand equity likely developing at a rampant rate, the growth potential behind the firm's U.S. expansion should not be discounted by investors.

When it comes to bringing fashion into new markets, there are very real risks, as we witnessed in the case of **Roots** and its bumpy foray south of the border. That said, I think that Aritzia's offerings have more international appeal thanks to Aritzia's past marketing campaigns and the fact that [Meghan Markle](#) is a known fan of Aritzia's products.

## Foolish takeaway

Aritzia could be on the verge of a massive breakout going into the new year. While the stock has enjoyed a massive run out of its March depths, I don't think Aritzia shares are about to slowdown anytime soon with all the potential catalysts up ahead. At just 3.2 times sales, ATZ stock is one of the cheaper ways to punch your ticket to next-level growth.

If the economy can heal from the COVID crisis in 2021, Aritzia could be well on its way to \$35.

### CATEGORY

1. Coronavirus
2. Investing

### TICKERS GLOBAL

1. TSX:ATZ (Aritzia Inc.)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise

7. Yahoo CA

**Category**

1. Coronavirus
2. Investing

**Date**

2025/08/27

**Date Created**

2020/12/23

**Author**

joefrenette

default watermark

default watermark