



Why Canada Goose's Stock Popped This Past Week

Description

On Thursday, shares of **Canada Goose** ([TSX:GOOS](#))([NYSE:GOOS](#)) popped more than 22%. This massive increase deserves some consideration. Let's dive into what drove this massive spike this week.

Earnings much better than expected

Canada Goose reported its earnings on Thursday, and this bump reflected positive sentiment which has been seen across the retail sector lately.

The company reported a massive spike in its e-commerce business of 39%. This increase helped the company to actually beat last year's revenue numbers by 5%. Given how deep we are into the pandemic, these numbers have excited many investors. It appears the Canada Goose brand is not only strong, but rather looks more like a durable competitive advantage right now. Any company with a growing "moat" appears to be getting a lot of love from investors these days.

International growth a key catalyst as well

In addition to the impressive growth this company has shown on a year-over-year basis, there's another catalyst investors have their eye on — namely, international growth.

Canada goose has been aggressive in expanding operations in Asia, particularly China. International sales growth remained robust this quarter. Massive direct sales growth in China of more than 40% has increased investor expectations on this stock, and rightly so. In fact, even outside of China (and also excluding North America), the company reported sales growth of 30%. These are growth numbers coming primarily from Europe.

Thus, it appears Canada Goose has grown into an international brand. The larger this company's market share grows in global markets, the bigger the moat and long-term opportunity for investors. Indeed, I think this is a very attractive stock today.

Insiders have a tremendous amount of skin in the game

As I've stated in a recent piece, I really like how Canada Goose [insiders own such a high percentage](#) of this company. Skin in the game is a big deal for investors. Personally, I like to see companies that I invest in with management teams such as the one at Canada Goose. This is a company where its leaders are putting their money where their mouths are. That's generally a good thing for all parties involved, particularly investors.

Bottom line

There are retail companies — and then there are companies that manage a world-class brand. It appears Canada Goose has migrated its business into the latter category.

I see this company's brand as a key differentiating factor that deserves the praise it's received from the market of late. This is certainly not a cheap retail stock by any stretch of the imagination. However, this is a company that deserves this multiple at present.

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