



## Canada Goose (TSX:GOOS) Could Soar to New Heights in 2021

### Description

Don't look now, but **Canada Goose Holdings** ([TSX:GOOS](#))([NYSE:GOOS](#)) is back. The high-flying luxury parka maker skyrocketed 22% on the back of an [incredible](#) blowout earnings report that saw e-commerce sales surge 39%.

In many [prior pieces](#), I highlighted Canada Goose stock as one of my top Canadian ways to play a post-pandemic discretionary spending boom. The Goose's latest earnings beat, I believe, is a sign that the boom in discretionary spending has begun ahead of the pandemic's end. While there's still no telling when COVID-19 will finally be conquered, the handful of safe and effective vaccines has given consumer confidence a slight shot in the arm.

### Still the best way to play the post-COVID world

As employment rates normalize in the post-pandemic world, the boom could become even more pronounced and wouldn't at all be surprised if GOOS stock were to make a move towards its all-time highs just north of the \$90 mark, suggesting just over 66% worth of upside potential.

While I am bullish on a post-pandemic spending spree, investors should be mindful of the risks that still exist with the luxury parka maker, most notably of a potential worsening of this "double-dip" recession.

Moreover, mutated variants of coronavirus could potentially affect the efficacy results of vaccines currently being rolled out. If such a worst-case scenario were to happen, Canada Goose stock could easily fall back into tailspin mode. As unlikely as such a bearish scenario is, I would not rule it out with an overweight position if your portfolio isn't effectively balancing the risks brought forth by the pandemic.

Sure, the light at the end of the tunnel (sustained economic recovery) is now in sight. But there's still no telling just how far off the light is, as I've noted in many prior pieces.

### One of the most powerful brands and growth profiles out there

Prior to the pandemic, the Canada Goose brand was gaining significant traction. Once the world economy heals from the crisis, I believe Canada Goose will be right back on the growth track.

The incredible managers at Canada Goose know how to execute like few others in the business. The company has an incredible omni-channel presence and a powerful brand that, I believe, will make it profoundly successful as it continues to expand at the international level.

International growth is the biggest reason to be a buyer of shares today.

As fellow Fool contributor Chris MacDonald noted in his prior piece, Canada Goose is quickly becoming a powerful brand on the international stage.

“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,” wrote MacDonald.

I couldn’t agree more. The company’s brand power is accelerating, and with that, its ability to command hefty margins on its luxury goods. While shares are not cheap at over 89 times trailing earnings and 7.3 times sales, the growthy firm is capable of substantial earnings and sales compression in the post-pandemic world. As such, I view the stock as cheap relative to its promising growth profile and would encourage investors to nibble on shares en route to the post-COVID world.

Never underestimate the power behind a good brand and a magnificent management team.

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