2 of the Best Canadian Stocks to Buy This Summer

Description

Summer has officially started on June 20. If you're looking to make money with stocks this summer, **Aritzia** (TSX:ATZ) and **Boralex** (TSX:BLX) are two of the best Canadian stocks to buy.

Let's look at each of these stocks in more detail.

Aritzia

Aritzia is a Vancouver-based womenswear brand. It designs and sells clothing and accessories for women throughout North America.

The company recently released good results for the first quarter of fiscal 2021, which revealed a significant acceleration in activity in the United States. Dresses and denim were hot sellers for the quarter. While net sales fell 2.9% to $267.5 million in the fourth quarter, it showed strong growth in its e-commerce revenue of 81%. The company successfully opened seven new stores and repositioned three existing stores in promising real estate locations.

Aritzia is one of the best Canadian stocks to buy this summer, as the company is well positioned to make a comeback following a wider reopening in Canada.

The company's decision to improve its existing omnichannel and e-commerce capabilities has paid off. Aritzia stock has risen at a time when many other retailers are struggling to stay open. And with a growing product pipeline and strategic expansion underway, Aritzia looks to be a solid choice for the long term in this environment.

Unlike its retail counterparts, Aritzia is actually looking to strengthen its presence in the United States this year. The company is betting on an impressive reopening thesis, planning to open six to eight new stores by the end of the year. This growing footprint means the company's management team is about as optimistic as any investor about the state of the future.

Boralex

Faced with the rapidity of change, Boralex is fundamentally reviewing its development objectives and strategies. The United States is becoming its main target market, and solar production its main driver of growth in the years to come.

Patrick Decostre, president and CEO of Boralex, said that the revival of the wind industry in Quebec, the election of Joe Biden in the United States, and the acceleration of the drive for the energy transition in Europe have changed the situation considerably and that the company had to adjust.

By 2025, it plans to double its installed capacity (from 2.2 to 4.4 GW) and double it again over the next five years. If all goes as it sees fit, its fleet will thus represent between 10 and 12 GW of power in 2030.

Boralex predicts that this growth will come mainly from the United States. The latter is currently responsible for only 12% of its revenues compared to 48% for Canada and 42% for France.

In 2030, Boralex would like 45% of its revenues to come from the United States compared to 25% in France and 15% in Canada.

By 2030, according to Boralex's new plans, solar will represent 45% of the total installed capacity of its portfolio or the equivalent of wind energy.

Boralex aims to achieve adjusted earnings of $800 to $850 million by 2025, as well as discretionary cash flows of $240 to $260 million, representing annual growth of 9-15%.

Management plans to maintain its quarterly dividend per share at $0.165 and has committed to reinvesting between 50% and 70% of its future cash in the growth of the business. Boralex is a top ESG stock to buy for the long term.

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