



Aritzia vs. Canada Goose: Which Stock Is the Better Buy?

Description

The holiday shopping season is fast approaching, which should inspire investors to look at stocks that rely on increased activity during this period. Unfortunately, this holiday season will bring about challenges the likes of which shoppers have not seen in a long time. Indeed, ongoing global supply chain issues may make it difficult to acquire specific items in the weeks ahead. These include products like appliances, toys, and handbags. **Aritzia** ([TSX:ATZ](#)) and **Canada Goose** ([TSX:GOOS](#)) ([NYSE:GOOS](#)) are two clothing retailers that rely on a big holiday shopping season. Today, I want to discuss which stock looks like the better buy right now. Let's jump in.

Why Aritzia stock has surged in October

Aritzia is a Vancouver-based company that designs and sells apparels and accessories for women in Canada and the United States. Shares of this clothing retailer have [climbed 96%](#) in 2021 as of close on October 20. The stock has spiked 12% over the past week. This time last year, I'd [suggested](#) that investors should look to scoop up Aritzia stock. Investors who jumped on the stock a year ago would have more than doubled their money had they held until now.

The company released its second-quarter fiscal 2022 results on October 13. It reported net revenue of \$350 million in the quarter — up 74% from the previous year. Aritzia was powered by strong momentum across all regions and channels. The company posted a huge quarter in the United States. Meanwhile, Aritzia's e-commerce revenue rose 49%. Its boutiques delivered comparable sales growth of 60%, rising above pre-pandemic levels.

By all accounts, Aritzia has returned to form and then some after battling the COVID-19 pandemic. Better yet, the company boasts a fantastic balance sheet and is on track for promising earnings growth going forward.

Can new offerings propel Canada Goose stock in 2021 and beyond?

Canada Goose is a top designer, manufacturer, and seller of performance luxury apparel. The clothing stock has returned to form after hitting a rough patch in 2019 and 2020. It has not returned to the all-time high it reached in late 2018. The stock was hit hard after Canada-China tensions erupted after the arrest of Huawei executive Meng Wanzhou. Fortunately, that geopolitical spat was finally resolved in late September.

Despite the controversy, Canada Goose has posted strong sales in China. This is a promising trend ahead of the 2022 Winter Olympics. In Q1 fiscal 2022, the company delivered global e-commerce revenue growth of 80%. Meanwhile, its direct-to-consumer (DTC) revenue growth soared 188% in Mainland China. Moreover, the company maintained its fiscal 2022 outlook.

Investors and consumers alike can look forward to Canada Goose's footwear rollout in November. It has had solid success by branching out beyond its core winter line in previous quarters. Canada Goose stock is trading in favourable territory in comparison to its industry peers.

Which stock is the better buy?

Back in February, I'd discussed why I had [fallen back in love](#) with Canada Goose stock. There is a lot to like about its performance in the face of a challenging environment. However, Aritzia has gone above and beyond over the past year. The stock still looks like the stronger addition ahead of the holiday shopping season.

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aocallaghan

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