



1 Top Canadian Stock to Buy in November 2021

Description

The Canadian stock market continued to inch up in October, as the **TSX Composite** benchmark posted a fresh record high near 21,312 on October 26. The ongoing market rally may continue in the coming months with the help of rising commodity prices and largely stronger-than-expected Q3 earnings. In contrast, some concerning factors, like the ongoing supply chain disruptions, could take a toll on investors' sentiments. That's why it could be the right time for Canadian investors to buy [stocks with strong fundamentals](#) that don't look overvalued at the moment. In this article, I'll highlight one such amazing Canadian stock that I find worth buying as we move on to November.

One Canadian stock to buy in November

As we're heading into the holiday season in the post-pandemic world, and shoppers are willing to spend more money, buying a Canadian retailers' stock could be a great idea. That's why I find **Aritzia** ([TSX:ATZ](#)) stock really appealing at the moment.

It's a Vancouver-based apparel designer and retailer with a market cap of \$5.6 billion. The company has [posted](#) outstanding financial growth in the recent quarters after facing pandemic-related challenges last year.

In its fiscal year 2021 ended in February, Aritzia's total revenue fell by 12.6% YoY (year over year) to \$857.3 million. However, the company's sales started to recover fast since the May 2021 quarter. During the May quarter, ATZ's total sales rose by 124% YoY to \$246.9 million. To compare it with its pre-pandemic levels, it was 27% higher than its May 2019 quarter sales. Its outstanding revenue growth continued in the August quarter, as the company reported a 75% YoY increase.

Fast-expanding profitability

Aritzia's recent solid growth trends are not just limited to its sales. Its profit margins have also expanded at a fast pace lately. In the August quarter, the company reported an adjusted net profit margin of 12.7%. It was significantly higher than its net profit margin of 8.2% in the previous quarter,

3% in the fiscal year 2021, and 9.9% in the fiscal year 2020.

Its strong results and expanding profitability are the reasons why ATZ stock climbed more than 20% in October.

Why Aritzia stock is worth buying now

Last year, when the global pandemic-related shutdowns forced Aritzia to shut most of its retail stores, it focused on improving its e-commerce business. These efforts are now helping the company grow even at a fast pace this year.

While its home market sales remain strong, its business growth in the U.S. market has also been impressive in recent quarters. Overall, increasing sales momentum across all its key geographies and channels is the key reason why it posted strong business growth in the last couple of quarters.

Aritzia's efforts to expand its business internationally and its growing e-commerce segment could continue to boost its long-term financial growth prospects. Also, I expect its financial growth to accelerate further in the upcoming holiday season. That's why you may want to add ATZ stock to your portfolio right now before it's too late.

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Date

2025/08/14

Date Created

2021/10/29

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