



## Why Roots Has Jumped 14% in the Last Week

### Description

**Roots** ([TSX:ROOT](#)) continues to climb higher, with shares jumping 14% in the last week alone for Canada's retail brand. The company saw recent movement after a **TD** Securities analyst added the retailer to its Action List Buy category.

### What happened?

TD Securities analyst Brian Morrison recently [upgraded](#) Roots from a Buy to an Action List Buy in his estimation. Morrison also upped his target price for Roots to \$5 per share. And yet, his isn't the highest; the highest target price sits at \$6 per share by **National Bank** Financial.

It's causing some to look at Roots once more. The retailer stated it was quite prepared for the coming [holiday](#) season during its last earnings report. Should that prove true, there could be a significant bounce back in the stock, that may already be underway.

### So what?

But how long can that last? According to these analysts, potentially indefinitely. Roots has strong bullish evidence for the near- and long-term future, planning ahead, even in the midst of supply-chain demands.

During the last earnings report, shares climbed, as the company reported [sales](#) up 4.6% year over year to \$76.3 million. Further, it saw double-digit growth through its direct-to-consumer segment. The company also reduced promotional days, as supply and demand worsened. Roots then increased adjusted EBITDA to \$19.2 million, an increase even from 2019 levels.

### Now what?

It could be the time to get in on Roots before it heads towards long-term gains. There isn't an analyst

weighing in on this company as of writing that expects it to rise anywhere under \$4 per share. That alone would represent a potential upside of 14%.

The company trades at just 8.87 times earnings and is up an incredible 56% in the last year alone. So, that 14% seems to look like just a drop in the bucket for this Canadian household name.

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