



Could Investing in Aritzia Stock Help Make You a Millionaire?

Description

If you're saving your hard-earned money to put to work for you in the stock market, the aim is certainly to grow your wealth. The stock market has offered investors plenty of opportunities in the past and will continue to give investors the opportunity to make millions by buying high-quality stocks like **Aritzia** ([TSX:ATZ](#)).

However, as we've also seen, if you're not careful, too speculative, or can't manage your emotions, the stock market can also cause you to lose large sums of money.

This is why, although buying high-quality stocks is crucial, it's equally as important to have a long-term mindset, exercise patience, and know how to manage your emotions.

With that being said, let's look at why Aritzia is the type of stock that can help make you a millionaire and how you have to invest in order to give yourself the best possible environment to grow your capital.

Focus on quality, not on price

We all know that in order to be successful when investing our money, we need to buy low and sell high. But investors can do that in a variety of ways.

The common mistake for investors is to look for the cheapest stocks on the market or ones that used to trade at high prices and now trade ultra-low. The thinking is that these stocks have to recover eventually. However, that's not always the case.

You're much better off finding a high-quality stock that can grow rapidly and consistently. And although looking at the chart today it might look high, the idea is that in five, 10, or even 20 years from now, after the stock has continued to expand its business, the price today will have actually been quite low compared to where it ends up.

One of [Warren Buffett's](#) most famous quotes says, "It's far better to buy a wonderful company at a fair price than a fair company at a wonderful price."

This is why investing in stocks that are like Aritzia gives you the best chance of becoming a millionaire. And although you don't want to overpay for these stocks, and the price is somewhat important, it's much more essential to find a high-quality company to own for years rather than just a cheap one.

Why is Aritzia stock one of the best companies to buy?

It's important to look for stocks like Aritzia that have an impressive track record of growth but, more importantly, a tonne of potential going forward. Aritzia also has many other impressive qualities, such as the fact that it's vertically integrated and has strong margins. Therefore, investors know it's a high-quality stock.

Furthermore, as would be expected from the highest-quality stocks, it continues to perform well in this environment, despite the fact that the goods it sells are mostly discretionary. It weathered the pandemic extremely well and has shown it can use the increasing popularity of e-commerce to its advantage.

So, investors know that Aritzia has the potential to continue growing its business for years. Not only can it continue to expand across the U.S., where it has a lot fewer of its boutiques, despite a much larger population than Canada, but for years now, it's been growing at an incredible pace.

Over the last five years, including through the pandemic, when many retail companies were impacted, Aritzia has managed to grow its sales at a [compound annual growth rate](#) (CAGR) upwards of 17.5%. Furthermore, over that stretch, it's increased its gross profit at a CAGR of roughly 20%, thanks to constantly improving margins.

That impressive growth of its operations has led to Aritzia stock earning investors a total return of over 285% or a CAGR of 31% in just the last five years. That's almost certainly a better return than buying a stock just because it's cheap, and you hope it can rally back to fair value.

Therefore, if you want to grow your capital as efficiently as possible and have dreams of becoming a millionaire, it's essential to buy the highest-quality growth stocks like Aritzia and hold them for years to come.

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Date

2025/07/19

Date Created

2022/12/14

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