

Bloomberg Intelligence

Aritzia Long-Term Drivers

Read Research Report: Aritzia Equity Research



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1. Aritzia's US Store Expansion, Social Marketing May Fuel Growth

(Bloomberg Intelligence) -- Aritzia's US store footprint could triple over the next several years from 48 currently, with 100 locations identified as meeting its standards. As recent boutique openings exceed hurdle rates and new e-commerce marketing takes hold, sales and margin expansion may top expectations. The company's model of selling mostly at full price -- we estimate that it makes up 80% of sales -- distinguishes Aritzia in a US market loaded with promotions. Only Lululemon takes a similar tack, which is likely a big factor in its 27% Ebitda margin.

Aritzia's 2027 target for a 19% Ebitda margin can be exceeded by 100-200 bps as the company begins to market online, since the fast growing US e-commerce business is more profitable than in-store. (06/11/24)

Bloomberg Interactive Calculator (Click to Open)

Aritzia Inc ATZ CN				
Bloomberg Interactive Calculator Vs 2.0				
Aritzia Inc				
	2023	2024	2025	2026
Key Drivers				
Total Revenue				
Canada	1,075	1,106	1,182	1,258
Y/Y Change	31.3%	2.9%	6.9%	6.4%
Consensus- Y/Y Growth			6.9%	6.4%
United States	1,121	1,226	1,407	1,651
Y/Y Change	65.8%	9.4%	14.7%	17.3%
Consensus- Y/Y Growth			14.7%	17.3%
Key Financial Metrics				
Total Revenue	2,196	2,332	2,590	2,909
Consensus			2,594	2,961
Operating Margin	13.1%	6.8%	11.3%	13.0%
Consensus			11.5%	14.0%
Adjusted EBITDA Margin	16.0%	9.3%	13.7%	15.6%
Consensus			14.0%	15.7%
Diluted EPS	1.63	0.69	1.85	2.09
Consensus			1.71	2.37
Source: Bloomberg Interactive Calculator, Bloomberg Intelligence				
				Bloomberg Intelligence

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