Top 3 Fashion Stocks to Buy Before July Ends

Despite several macro challenges, the fashion industry is poised to stay resilient and find growth opportunities in shifting consumer patterns, evolving fashion trends, and rapid technological adoption. Hence, top fashion stocks Hugo Boss (BOSSY), Weyco (WEYS), and J.Jill (JILL) could be ideal investments before the month ends. Continue reading….

With shifting consumer patterns worldwide, constant technological advancements, and changing fashion trends, the fashion industry's growth prospects look bright. Given the industry's tailwinds, it could be wise to invest in fundamentally sound fashion stocks Hugo Boss AG (BOSSY), Weyco Group, Inc. (WEYS), and J.Jill, Inc. (JILL) this month for solid returns.

Despite weathering a challenging climate due to macroeconomic headwinds, including inflation, rising interest rates, and an economic downturn, the fashion industry continues to find numerous growth opportunities in shifting consumer patterns, channel and digital marketing strategies, and evolving manufacturing approaches.

According to Statista, revenue in the Fashion market is expected to reach $768.70 billion in 2023. Furthermore, revenue is estimated to grow at a CAGR of 9.5%, resulting in a projected market volume of $1.10 trillion by 2027.

The luxury industry will likely outperform the rest of the fashion industry as wealthy shoppers continue to travel and spend globally. According to McKinsey's analysis of fashion forecasts, the luxury sector is anticipated to grow between 5-10% this year, driven by solid momentum in China (expected to grow between 9 and 14%) and in the United States (projected

to rise between 5-10%).

As per a report by IMARC Group, the global luxury fashion market is expected to reach $294.70 billion by 2028, growing at a CAGR of 3.6%.

Strong demand for luxury goods, including clothing items, footwear, and bags, owing to the rising standards of living worldwide, increasing desire for exclusivity and uniqueness, and the enhanced influence of social media and digital platforms should bolster the luxury fashion industry’s growth.

In addition, growing technology adoption has been reshaping the fashion industry. Several fashion designers and brands are increasingly embracing digital technologies to push the limits of manufacturing, marketing, and wearability as customers’ lives become intertwined with the digital world.

Technological advancements, from artificial intelligence (AI), the Internet of Things (IoT), 3D printing, and novel fabrics to the surge in e-commerce, are propelling the fashion industry’s expansion. Moreover, the fashion and retail industry holds limitless potential as the metaverse allows brands to engage consumers with innovative online experiences and immersive digital spaces.

As the industry’s growth prospects look promising, investors could consider buying robust fashion stocks BOSSY, WEYS, and JILL before July ends.

Let’s take a closer look at the fundamentals of these stocks.

Hugo Boss AG (BOSSY)

Headquartered in Metzingen, Germany, BOSSY provides clothes, shoes, and accessories for men and women globally. Also, the company offers licensed products consisting of fragrances, eyewear, watches, children’s fashion, and dog-related accessories.

In June, BOSSY attracted an investment of more than €15 million ($16.81 million) by Metyis, a multinational provider of solutions in big data, digital commerce, marketing & design, and advisory services.

“The HUGO BOSS Digital Campus is a key milestone on our journey to become the leading premium tech-driven fashion platform worldwide. In partnership with Metyis, we will increase our digital and data analytics capabilities and tap into the power of data, thereby enhancing the competitiveness and efficiency of our business activities”, said Daniel Grieder, CEO of BOSSY.

Also, following the successful brand refresh last year, on May 8, BOSSY announced expanding its portfolio with HUGO Blue, a new line under the HUGO brand. Set to launch with a summer collection in 2024, HUGO BLUE is primarily dedicated to denim and will follow the brand’s easy and unconventional look. This new launch is expected to boost the company’s profitability and growth.

As a result of the solid financial performance during the first quarter of 2023, BOSSY raised its top-and-bottom-line outlook for the current fiscal year. The company now expects Group sales for the full year to increase by about 10% to a level of €4 billion ($4.48 billion), higher than the prior guidance of an increase at a mid-single-digit percentage rate.

Also, BOSSY’s EBIT in 2023 is now anticipated to grow within a range of 10% to 20% to between €370 million ($414.55 million) and €400 million ($448.16 million), compared to the previous guidance of growth within a range of 5% to 12% to between €350 million ($392.14 million) and €375 million ($420.15 million).

BOSSY’s trailing-12-month gross profit margin of 61.71% is 75.4% higher than the industry average of 35.19%. Also, the stock’s trailing-12-month net income margin of 5.73% is 36.5% higher than the industry average of 4.20%.

BOSSY sales increased by 25.3% year-over-year to €968 million ($1.08 billion) in the first quarter that ended March 31, 2023. Its gross profit rose 24.8% from the year-ago value to €594 million ($665.52 million). The company's EBITDA came in at €141 million ($157.98 million), up 21.6% year-over-year.

In addition, net income attributable to equity holders of the parent company and EPS grew 45.8% and 42.9% year-over-year to €35 million ($39.21 million) and €0.50, respectively.

Analysts expect BOSSY's revenue for the fiscal year (ending December 2023) to increase 18.7% year-over-year to $4.59 billion. Also, the company's revenue for the fiscal year 2024 is expected to grow 8.7% year-over-year to $4.98 billion. Additionally, it topped the consensus revenue estimates in each of the trailing four quarters.

Shares of BOSSY have gained 32.9% in the past six months and 42.4% over the past year and to close the trading session at $16.44.

BOSSY's strong outlook is reflected in its POWR Ratings. The stock has an overall rating of A, which translates to a Strong Buy in our proprietary rating system. The POWR Ratings assess stocks by 118 different factors, each with its own weighting.

BOSSY has an A grade for Growth and Stability. The stock also has a B grade for Quality. It is ranked first among 66 stocks in the Fashion & Luxury industry.

Click here to see the additional ratings of BOSSY for Growth and Stability.

Weyco Group, Inc. (WEYS)

WEYS designs and distributes footwear for men, women, and children in the United States, Canada, Europe, Asia, and South Africa. It provides mid-priced leather dress shoes, casual footwear, outdoor boots, and sandals under different brands.

The company operates through two segments, North American Wholesale Operations; and North American Retail Operations.

On May 2, WEYS' Board of Directors declared a cash dividend of $0.25 per share to all shareholders of record on May 26, paid on June 30, 2023. This represents a 4% increase from the previous quarterly dividend of $0.24 per share. The company's annual dividend of $1 per share translates to a 3.72% yield on prevailing prices. In addition, its four-year average dividend yield is 4.31%.

In terms of the trailing-12-month gross profit margin, WEYS' 42.74% is 21.4% higher than the 35.19% industry average. Likewise, the stock's trailing-12-month EBIT and net income margins of 12.35% and 9.23% are significantly higher than the respective industry averages of 7.33% and 4.20%.

WEYS' consolidated net sales increased 6.1% year-over-year to $86.29 million for the first quarter ended March 31, 2023. Its consolidated gross earnings grew 27.6% over the year-ago value to $37.16 million. The company's operating earnings were a record $10.40 million, an increase of 92.6% from the prior year's quarter.

Furthermore, the company's net earnings increased 83.7% year-over-year to $7.45 million. Also, its earnings per share were $0.78, up 85.7% from the previous-year period.

The stock has gained 3.8% over the past six months and 23.9% year-to-date to close the last trading session at $26.89.

WEYS' POWR Ratings reflect its solid fundamentals and promising growth outlook. The stock has an overall rating of A, which translates to a Strong Buy in our proprietary rating system.

WEYS has a B grade for Growth, Sentiment, and Value. In the Fashion & Luxury industry, it is ranked #2 of 66 stocks.

Beyond what we stated above, we also have WEYS' ratings for Momentum, Stability, and Quality. Get all WEYS ratings here.

J.Jill, Inc. (JILL)

JILL operates as an omnichannel retailer of women's apparel in the United States. It provides casual wear, athletic wear, loungewear, footwear, and accessories such as scarves and jewelry. The company markets its products through retail stores, an online platform, and catalogs.

On June 26, JILL announced that it had been added to the broad-market Russell 3000® Index as part of the 2023 Russell indexes annual reconstitution.

"We believe our inclusion in the index will increase awareness within the investment community and provide opportunity to expand our shareholder base. This milestone is a testament to the great progress we have made in executing our disciplined operating model and positioning J.Jill for long-term profitable growth," said Claire Spofford, JILL's President and CEO.

On May 11, the company completed the refinancing of its Asset-Based Revolving Credit Facility (ABL). The new facility comprises a $40 million revolving credit facility maturing in May 2028. With this recent refinancing, JILL would strengthen its balance sheet by extending the maturities of its ABL and Term Loan facilities and improving its financial flexibility.

JILL's trailing-12-month gross profit margin of 69.14% is 96.5% higher than the 35.19% industry average. In addition, its 17.49% trailing-12-month EBITDA margin is 60.8% higher than the industry average of 10.88%. Moreover, the stock's 98.56% trailing-12-month levered FCF margin is 132.3% higher than the industry average of 3.69%.

For the first quarter that ended April 29, 2023, JILL's adjusted income from operations increased 6.9% year-over-year

to $25.39 million. Its adjusted EBITDA grew marginally from the prior-year quarter to $31.86 million. The company ended the first quarter of 2023 with $27.90 million in cash and $34.20 million of total availability under its revolving credit agreement.

Analysts expect JILL's revenue and EPS for the fourth quarter (ending January 2023) to increase 4.3% and 309.1% year-over-year to $153.60 million and $0.45, respectively. Moreover, the company surpassed its consensus EPS estimates in all four trailing quarters, which is impressive.

In addition, the consensus revenue and EPS estimate of $612.90 million and $3.05 for the fiscal year (ending January 2025) indicate an improvement of 2.5% and 13.4% year-over-year, respectively.

Over the past year, JILL's shares have gained 16.8% to close the last trading session at $20.52.

JILL's POWR Ratings reflect bright prospects. The stock has an overall rating of B, which translates to a Buy in our proprietary rating system.

JILL has an A grade for Sentiment and Quality. It also has a B grade for Value. The stock is ranked #3 in the same industry.

For additional ratings of JILL for Growth, Momentum, and Stability, click here.

43 Year Investment Pro Shares Top Picks

Steve Reitmeister is best known for his timely market outlooks & unique trading plans to stay on the right side of the market action. Click below to get his latest insights…

Steve Reitmeister's Trading Plan & Top Picks >

BOSSY shares were unchanged in premarket trading Thursday. Year-to-date, BOSSY has gained 40.88%, versus a 19.68% rise in the benchmark S&P 500 index during the same period.

About the Author: Mangeet Kaur Bouns

Mangeet’s keen interest in the stock market led her to become an investment researcher and financial journalist. Using her fundamental approach to analyzing stocks, Mangeet’s looks to

help retail investors understand the underlying factors before making investment decisions.

More…

The post **Top 3 Fashion Stocks to Buy Before July Ends** appeared first on **StockNews.com**

https://www.entrepreneur.com/finance/top-3-fashion-stocks-to-buy-before-july-ends/456153