



WestJet Airlines Ltd. Is a Great Stock to Buy at a Discount

Description

In the current economy there are few companies that are faring well. To say that the market has been a roller coaster for much of 2015 would be an understatement.

In the case of **WestJet Airlines Ltd.** (TSX:WJA), the company posted record-breaking results in the most recent quarter, yet the company remains down considerably year-to-date.

Here's a look at why WestJet is a really good buy for investors right now.

Strong results

In the most recent quarter, WestJet surpassed analysts' expectations and posted a net profit of \$101.8 million. This was nearly double what was reported in the same quarter for the prior year. Operating profit of \$195 million represented a 26% increase over the same quarter in the previous year.

Analysts expected net earnings of \$0.75 per share, which was surpassed as the company posted \$0.82 per share, an impressive 95% increase over the same quarter last year. The company even pays a quarterly dividend of \$0.14 per share for a yield of 2.75%, something that the competition does not offer.

Most importantly, in case you aren't counting, WestJet has now posted an amazing 42 consecutive quarters with results in the black.

Expansion to new markets

The company has hyped up a slew of new routes recently, but what has travelers and investors most excited are the new international routes. This is the company's first foray into the lucrative Trans-Atlantic market, where the airliner can charge additional fees around luggage and services.

The company plans to keep fare prices lower than the competition but will charge increased fees to passengers over an assortment of services, such as fees for a first bagged checked, meal services, headsets, and exit-row seating.

New wide-body Boeing 767 jets will be used for new routes to London's Gatwick airport starting in 2016.

A welcome breath of fresh air

One thing I really like about WestJet is the sense of corporate social responsibility that the airline adheres to, both to customers and to employees. The company recently showcased a viral video depicting WestJet employees conducting random acts of kindness in time for the holidays. These included a trip to Disneyland for a family that recently lost a member to cancer, a trip to Hawaii for a veteran injured in Afghanistan, and distributing meals and blankets to the homeless.

Any company can do these acts, and I'm sure that many do. What puts WestJet ahead of the crowd is that its actual employees are the ones doing the acts of kindness, and they appear genuinely happy giving back to the community.

That video has amassed over 1.3 million views so far, a number that is growing by the day. As a past customer of WestJet, this make me feel good about the company. I'm more likely to buy an airfare from them in the future, even if it is a little higher than the competition. As an investor, I would be remiss if I didn't realize the immense social benefit that actions like these make on the market for procuring new customers. As the old saying goes, a happy customer is a returning customer.

WestJet currently trades for just over \$20, representing a whopping 38% decrease in the share price year-to-date. This price is not really reflective of how good the airline has been performing when reporting earnings, so this should be considered a discount price that will not last.

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