



## This Is My Favourite Millionaire-Maker Stock

### Description

Everyone wants to buy stocks that rise in value—and many do just that. But what everyone *really* wants is a millionaire-maker stock. Over time, these stocks can turn a few thousand dollars into several million. It can take years, or even decades, but long-term investors are heavily rewarded for their patience.

There's one millionaire-maker stock that's been silently enriching shareholders for nearly a decade. A \$10,000 investment in 2011 would be worth more than \$100,000 today. Notice that this result doesn't yet reach the \$1 million mark. That's because there's plenty of upside to go. This stock could double or triple yet again over the coming years.

What is this mystery stock? Meet **Cargojet Inc** ([TSX:CJT](#)).

### Market dominance

Cargojet's market cap is now up to \$1.25 billion. For an air transport company, that's peanuts. **FedEx Corporation** and **United Parcel Service, Inc.** have valuations of more than \$50 billion.

Notably, Cargojet doesn't compete directly with those industry giants. In fact, behemoths like FedEx and UPS often partner with Cargojet in order to send their goods throughout Canada. That's how dominant Cargojet is in its home market of Canada—not even FedEx or UPS can compete.

Today, Cargojet has more than 1,200 employees and handles more than 1,300,000 pounds of cargo per year. In just 10 years, it's become Canada's number one cargo airline and the only operator that can service the entire country with overnight capabilities. The company serves all 16 major airports in Canada, coast-to-coast.

Due to the fragmented nature of Canada's population, as well as country-specific rules and regulations, larger competitors find it easier to simply pay Cargojet to ship their goods rather than enter the Canadian market directly, which resulted in a symbiotic relationship that accrues market share and pricing power to Cargojet.

## This stock is ready

Shares of Cargojet are up more than 1,000% since going public. Looking at the fundamentals, there should be plenty more room to grow. Where will this growth come from? "While Canada's economy isn't growing too quickly, the rise of online sales has contributed to sustained earnings growth," I [wrote](#) recently. E-commerce has fuelled Cargojet's growth for years—and this growth engine should keep running for another decade or more.

Today, less than 10% of retail goods in Canada are purchased online. This figure should increase by 10% or more annually through at least 2025. As Cargojet dominates the Canadian shipping market, this growth should directly benefit its shareholders.

How much higher could shares go? Over the last four quarters, Cargojet has generated sales of \$455 million. With a market cap of \$1.25 billion, shares trade at 2.75 trailing sales. In 2020, analysts expect sales to reach \$535 million. Assuming the same sales valuation multiple, shares have 18% upside over the next 12 months.

Long-term, I anticipate sales growth to range between 10-15% annually. At that rate, shares could feasibly double within five years. While this is no longer a get-rich-quick stock, it should pivot into a decade-long out-performer with ease.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:CJT (Cargojet Inc.)

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