



## Forget Amazon: This Stock Is Even Better

### Description

**Amazon.com** ([NASDAQ:AMZN](#)) is one of the [greatest](#) stocks of all time. It attained a \$1 trillion market cap in less than two decades.

To understand how good the company is at making money, just compare it to a brick-and-mortar peer like **Walmart**. If you'd invested \$5,000 in WMT stock in 1997, you'd have \$35,000 today. But if you put that capital into AMZN stock, you'd have an astounding \$8.5 million fortune.

Here's the bad news: Amazon's biggest days of growth are behind it. After all, it's hard to double in size as a \$1 trillion firm. That would require creating an *additional* \$1 trillion in [value](#). Good luck.

But that doesn't mean there isn't money to be made. In fact, some companies are minting fortunes by working directly with the e-commerce retailer. These businesses are much smaller in comparison, but the upside is much larger.

It's time to forget Amazon and buy the stocks making money off its success.

### Check out this stock

**Cargojet** ([TSX:CJT](#)) is a \$2.2 billion firm that achieved its own exhilarating success. Long-term shareholders are quite pleased. In 2011, the stock was priced at \$9. Today, shares are above \$140. That's a return of *15 times* in under a decade.

Few companies grow this fast. What's the secret?

As its name suggests, CargoJet is an airline. But you can't fly with it. Only your packages are allowed onboard. They're not staying for too long, either, as CargoJet specializes in rapid delivery. It's the largest overnight shipper in Canada. Actually, it *dominates* the market, with greater reach and speed than any competitor.

With shipping today, speed is the name of the game. Amazon Prime members, for example,

ubiquitously expect free two-day delivery. And it's no secret that the company hopes to advance that to one-day delivery for most items.

If Amazon wants to achieve this level of speed in Canada, it either has to build its own network of planes or work directly with CargoJet. There are no viable alternatives. Given the cost and time involved in replicating CargoJet's infrastructure, Amazon chose the smart path of partnering with CargoJet.

## Ditch Amazon?

Do you want to know how much Amazon needs CargoJet? Last August, the company directly purchased a large chunk of CJT stock. The first purchase tranche will give Amazon a 9.9% stake, but warrants and milestones could push that ownership level even higher.

"Cargojet has been a key player in our Canadian middle mile operations for several years," noted Adam Baker, vice president global transportation at Amazon. "We're thrilled to build a longer-term relationship that will allow us to provide even faster service to Amazon customers in Canada."

E-commerce in Canada represents 7.6% of all retail sales. In the U.S., that figure is 11.4%. In the U.K., it's 20.8%. CargoJet is perfectly positioned to benefit, as Canada catches up to the rest of the world. More importantly, it can provide what digital retailers really want: speed.

CargoJet isn't cheap at 190 times earnings. That likely seems like a ridiculous premium for an airline company. But CargoJet doesn't just own a bunch of planes. It stands in the way of Amazon and Canada's e-commerce market. The market rightfully recognizes that this is an *extremely* valuable position to be in.

### CATEGORY

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