



Value Investors: 1 High-Growth Stock to Buy Now

Description

Cargojet ([TSX:CJT](#)) is Canada's [leading provider of time-sensitive overnight premium air cargo services](#) and carries over 25 million pounds of cargo weekly. Cargojet operates a large network across North America and utilizes a modern fleet of aircraft. It carries approximately 90% of Canada's domestic air cargo volume.

Cargojet has a unique position in an industry benefiting from positive economic tailwinds, including the rapid growth of e-commerce. Another key factor in the success of Cargojet lies in the company's long-standing customer relationships and long-term contracts since approximately 75% of domestic volumes are under contract.

Track record of accretive acquisitions

Cargojet provides service to over 400 customers that comprises of Canada's major courier companies, retailers, freight forwarders, manufacturers, specialty shippers and international airlines. The company has a successful track record of completing accretive acquisitions and strategic partnerships and the pursuit of such future opportunities continues to be a core component of Cargojet's overall growth strategy.

Cargojet focus on a strategy to [develop opportunities](#) in both the domestic and global markets, while improving margins through optimization of fleet, network, and operational controls. Cargojet offers the company's overnight air cargo service between 14 major cities across Canada.

Overflow traffic is regularly sold to ensure maximum space and revenue capture. Within the company's overnight network, Cargojet also provides domestic air cargo services for a number of international airlines between points in Canada that connect such airlines' gateways to Canada. This revenue helps to support lower demand legs and provides a revenue opportunity with little incremental cost, as Cargojet provides domestic capacity to these international airlines through the company's existing, regularly scheduled flight network.

International air cargo services

Cargojet operates an international route operating between Newark, New Jersey, U.S., and Hamilton, Bermuda. This provides a five-day-per-week air cargo service for multiple customers and is patterned after the domestic business that Cargojet has built in Canada. Customer contracts contain minimum daily revenue guarantees and the ability to pass through increases in fuel costs.

Dedicated aircraft charter services

To further enhance revenues, Cargojet offers a specialty charter service typically in the daytime and on weekends. The charter business targets livestock shipments, military equipment movements, emergency relief supplies, and virtually any large shipments requiring immediate delivery across North America, Mexico, South America, the Caribbean, and Europe. Aircraft charters are typically priced inclusive of all costs of operating the flight, including fuel, navigation fees, cargo handling, and all other commercial activities.

Excellent customer relationships

A key factor in the success of Cargojet lies in the company's long-standing customer relationships and long-term contracts with the company's customer base. Cargojet provides services to over 400 customers that comprise of Canada's major courier companies, retailers, freight forwarders, manufacturers, specialty shippers, and international airlines.

Cargojet continues to focus on a strategy to develop opportunities in both the domestic and global markets, while improving margins through optimization of fleet, network, and operational controls. Cargojet also handles the time-sensitive shipment needs of customers, including pharmaceutical, perishable, and chemical companies. Cargojet's 10-largest customers accounted for approximately 75% of revenues in 2020 and 80% of revenues in 2019.

CATEGORY

1. Investing

POST TAG

1. canada

TICKERS GLOBAL

1. TSX:CJT (Cargojet Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn

4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Investing

Tags

1. canada

Date

2025/08/26

Date Created

2021/04/11

Author

nikhilwaterloo

default watermark

default watermark