



## Cargojet (TSX:CJT) Stock Earnings: What to Watch on Monday

### Description

### Key points

- Analysts expect **Cargojet** ([TSX:CJT](#)) stock to grow 21% quarter over quarter in earnings per share, but growth has slowed.
- While the pandemic fueled e-commerce in the short term, if it lasts much longer, it could prove harmful to Cargojet stock.

Cargojet will report its third-quarter earnings prior to market opening on Monday, Nov. 1. A conference call that morning will follow to [discuss](#) the results. The cargo airline will have Motley Fool investors interested in whether it can keep up earnings momentum.

### Earnings

The Canadian cargo company have earnings per share slated to grow 21% quarter over quarter, after a loss the year before. Cargojet stock saw peak share pricing in August 2020 with e-commerce on the rise and has slowly been reaching those levels again. Revenue growth was solid, though last quarter there was a decrease compared to 2020 revenue of 12%. Adjusted EBITDA reached \$67.4 million down 16% year over year.

For the next quarter, analysts predict revenue of \$197 million and earnings per share of \$1.59. This would be a growth in revenue of 5% year over year. But the \$3.39 billion company remains optimistic that further growth can be maintained.

“We are encouraged to see rising vaccination rates in Canada and the gradual re-opening of the economy. One of the newest macro trends we are observing is *Hybrid*. Be it return to office or shopping habits; we are seeing consumers adopt a hybrid approach to many aspects of their lives. Even after the economies re-open, we expect consumers to maintain e-commerce in their shopping mix for a vast array of products, setting a new higher baseline for volumes to grow from,” said Dr. Ajay Virmani, president & CEO.

## Growth

Cargojet stock remains so optimistic because during the pandemic, consumers became used to items being delivered almost immediately. Its **Amazon** partnership, made before the pandemic, has been especially fruitful. With the need for fast delivery, Cargojet stock has remained practically a necessity in this new world of ours.

And so, it wasn't a surprise earlier this year when Cargojet increased its partnership with Amazon to include two Amazon aircrafts. It increased the number of destinations as well.

This growth strategy continued back in August, when Cargojet stock announced the completion of a minority investment of 25% in 21Air. Its air cargo services will help Cargojet stock grow its international strategy, creating more footprints and revenue opportunities.

## Guidance

Last quarter, Cargojet stock reiterated that it can't provide guidance based on the pandemic. While, in the short term, the pandemic was good for e-commerce, in the long term, this may not be the case. Supply chain issues have also become a worry, and with the holidays coming up, Cargojet stock will have to have all hands on deck.

Regardless, Motley Fool investors will want to watch Cargojet stock closely when it releases earnings before the market on Monday. There could be a major boost if it manages to rebound after a summer with fewer restrictions. But the reverse is also true.

It could be instead that Cargojet will need to continue growing through acquisitions and investments. And it may not have the cash on hand to achieve this. Analysts predict an upside [potential](#) of 28% a year from now.

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