



How Air Canada Stock (TSX:AC) Made Millionaires in 2020

Description

Air Canada ([TSX:AC](#)) continues to be one of the most searched items on the **TSX** today. Motley Fool investors and Canadian investors, in general, continue to watch Air Canada stock for signs of life. After burning through millions of dollars daily, the stock still continues to remain down despite some positive news with vaccination rates climbing.

However, over the last year, Air Canada stock continues to trade around \$25 per share. That's been getting on the nerves of investors to be sure. Especially as it seems every other industry is on the rebound, sending the TSX today to all-time highs.

Yet even though it seems impossible, Air Canada stock has made [millionaires](#) since the crash. While those millionaires have also had to be patient, it's something to ponder when considering Air Canada stock as a potential purchase.

First, let's look at growth

There has indeed been growth in Air Canada stock, though not much. Shares of the company reached all-time highs of \$50 per share before the [pandemic crash](#) in March 2020. At that point, shares crashed by 67% to \$15.75. And while other companies rebounded, Air Canada stock remained stagnant.

For months shares continued to trade around that \$15 mark. It was clear many were wondering at that time how the company could possibly change its course or adjust with airlines grounded. But there were some investors that realized this was merely a temporary situation.

Not all good news, as we know

Some of the growth that's happened during these last two years has hurt more than helped. There was the \$5.9 billion bailout, though this was more helpful to the employees and customers, as well as the economy. Shareholders remained on the hook with Air Canada unable to cut jobs. This included starting up routes that the company wasn't really able to handle quite yet.

Plus there was lockdown after lockdown weighing on the company. The government wanted one thing (planes in the air) while Air Canada stock wanted another (to salvage what little cash it had). So how could [investors](#) possibly have made millions during the last year or so?

Thinking long term

There were several reasons investors looked at Air Canada stock and bought it a year ago. Again, seeing a temporary situation, investors were rewarded through quarterly updates, slowing of cash burn, and more recently pent-up demand. This is especially true with the holidays ahead. So while the next quarter will likely be more positive, it's the fourth quarter that Motley Fool investors should really watch on the TSX today.

Furthermore, Air Canada stock was able to slow down that cash burn and therefore hold on to the bailout money. And it's this responsible spending that long-term investors can still look forward to.

Those buying the stock back in 2020 knew would happen. Shares of Air Canada stock have climbed 46% since then. If someone had purchased 43,478 shares then, those shares would be worth \$1,000,000 today. Of course, that would have cost \$684,778.50 back then.

Could you still make millions?

At this point, Motley Fool investors can still try and make millionaire status by investing in Air Canada stock. In fact, the company may very well increase to \$50 per share once more. While it may take a few years, it will rebound eventually.

If you were to buy 20,000 shares today, that would turn into \$1,000,000 by the time it turned to \$50 per share. That would cost \$460,000 at this point. So again, it's a significant investment, but it's certainly possible! And frankly, there aren't as many Canadian stocks out there that offer as stable a chance at this amount of growth.

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Date

2025/08/20

Date Created

2021/11/01

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