



Air Canada Stock: 3 Reasons to up Your Stake Today

Description

Air Canada ([TSX:AC](#)) has been one for the record books when it comes to [patience](#). Motley Fool investors who bought Air Canada stock on the major dip after the market crash are still waiting to see some gains. Worse still, shares of the stock remained around \$25 for almost a year, before the Omicron variant sent shares down again.

But don't give up now! As Warren Buffett says, be fearful when others are greedy and greedy when others are fearful. The recent dip means you may want to even *up* your stake — not sell it all away. And here are three reasons why.

Safety measures

Air Canada stock launched the Travel Ready Hub a few months back, and it's made travel questions quite simple during the pandemic. But the holidays could impact challenges with the new Omicron variant, especially in the United States, which sees flights from all over the world.

Given this, Air Canada stock released a number of new improvements to meet entry requirements with an open U.S. border. Air Canada purchased an "ample supply of antigen test kits" to meet U.S. entry requirements. It can be purchased online and taken up to a day before you leave. Furthermore, results and proof-of-vaccination status can be loaded online before travel to allow for a contactless experience.

Making things as easy and seamless as possible during the [pandemic](#) will certainly help consumers decide whether they can travel safely during the holidays. But there are other ways Air Canada stock is bringing in revenue.

New Aeroplan card

Air Canada stock launched a new **Chase** Aeroplan card, with a launch offer of two welcome flight reward certificates "worth up to 100,000 points and Aeroplan 25K Elite status," according to a statement. During regular purchases, the card will give you three times the points, plus 500 points for

every \$2,000 spent.

Not only can you use your Aeroplan points for travel, but the new card will also have a “pay-yourself-back” feature, where you can also use the points to purchase travel-related items, such as car rentals and hotels. The entire goal is to get U.S. travelers back in the air and coming to travel spots where Air Canada stock is based. U.S. travelers are a huge revenue stream for Air Canada stock, so featuring anything that can get them travelling again is good news.

Financing back on track

Some of the best news came recently when Air Canada stock announced it returned the rest of its government aid package. Instead, the company refinanced for \$7.1 billion. This will be paid back on a longer-term basis, putting the company’s finances back in its own hands.

This came after Air Canada stock nearly tripled revenue year over year. Furthermore, it will no longer be reporting on net cash burn in the future, as seating capacity continues to increase. In fact, bookings are now back at 2019 levels.

Bottom line

It cannot be denied; Air Canada stock still has a long way to go. Also, the Omicron variant certainly throws a wrench in its plans for a full recovery. That being said, it looks like further variants will simply mean that an annual vaccine will be required, just like other vaccinations. Once herd immunity is reached, Air Canada stock will return to its normal growth. In fact, it may see a boost from travelers now able to travel with ease.

That makes today’s share price a steal of a deal. Shares are now almost exactly where they were a year ago and down 30% from 52-week highs. You can pick it up for about \$21.50 at the time of writing.

CATEGORY

1. Coronavirus
2. Investing

TICKERS GLOBAL

1. TSX:AC (Air Canada)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. alegatewolf
2. kduncombe

Category

1. Coronavirus
2. Investing

Date

2025/08/15

Date Created

2021/12/06

Author

alegatewolf

default watermark

default watermark