



## Will 2022 Be the Year of Cargojet's (TSX:CJT) Recovery?

### Description

As Canada's premier cargo airline, **Cargojet** ([TSX:CJT](#)) enjoyed several years of consistent growth. Between 2011 and 2020 (before the crash), the stock grew about 1,300%, and the progress has mostly been quite streamlined. However, the pandemic and the post-pandemic recovery-fueled growth seems to have imbalanced the upward pattern of this once-coveted stock.

The stock displayed one of the swiftest recoveries outside the gold stocks and tech sector and was already trading at its pre-pandemic peak by April 2020. It grew 180% (from its lowest point during the crash) to its 2020 peak, but things have been going downhill ever since.

If 2022 will be the year the [stock recovers](#) and start trading at its pre-pandemic pace, it might be a good time to buy now.

### The cargo airline

Cargojet offers quite impressive numbers. It has a fleet of 28 planes (four different types, all Boeings), flies over 71 routes (both domestic and international, especially the U.S.), and moves about 1.3 million pounds of cargo each night.

It takes about 15,000 flight legs each year, and over 98.5% of its flights land on time (thanks to being all cargo), which makes it a reliable partner for e-commerce companies like **Amazon**. The cargo airline flies two of Amazon's planes as well.

The financial numbers are just as impressive. The company has been steadily growing its revenue, though the gross profits have taken a hit in the last two quarters.

Cargojet also pays dividends and has been growing its payouts at a decent pace since 2017. It paused raising dividends by 2020, but even taking that into account, the airline raised its payouts by 35% in the last five years. However, the yield of 0.65% is not nearly enough reason to consider investing in the stock.

## Cargojet 2022 prospects

Cargojet stock *has* reached below the level it would have been if it weren't for the pandemic, which successfully marks the end of the "normalization" phase of the stock. But it's still having trouble "taking off" and has fallen about 28.5% in the last 12 months.

One thing that might be hindering Cargojet's [full recovery](#) would be its overvaluation, which, technically, is not nearly as bad as it was in its glory days. And you might consider waiting for the stock to fall further and become more attractively valued. But the pace at which the international and Canadian e-commerce market is growing, the stock will eventually start moving up again.

And buying before the trend establishes would be the smart thing to do, even if the value is higher than a desirable level.

## Foolish takeaway

Cargojet is a powerful [growth stock](#) that just had two bad years, but if the third "year" is the charm, this is the year you should keep an eye on Cargojet. Buying now might not be a good idea, as the stock is still sliding, but you may want to keep some funds aside in order to buy Cargojet as soon as the right opportunity arrives.

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