1 Growth Stock Every Canadian Investor Should Consider Right Now

Description

It can be hard to find the right growth stock on the **TSX** today. There are what seem to be endless opportunities. The problem is, not all of them will grow out of today's poor economic environment.

Airlines in particular have been a long waiting game for Motley Fool investors searching for growth stocks. Yet there is one in particular that I would pick up today and hold forever. That company is **Cargojet** (TSX:CJT). Here's why.

Stable income

Cargojet stock has been growing steadily as a growth stock thanks to its stable space within the cargo sector. The company continues to be hired out by larger companies on long-term contracts to provide shipping of products. These products so far have been shipped across North America. Yet the company has been growing its operations at a steady clip.

Recently, it opened up a few new locations and added several new aircrafts to its fleet. This is at a time when supply demand leaves companies scrambling for cargo space, and Cargojet stock is able to fuel that need.

Even with the market the way it is, inflation rising, and consumers pulling back, e-commerce is here to stay. And Cargojet stock has a firm handle on being a part of this future. That's solidified with partnerships that include companies such as **Amazon**.

Attractive entry

Right now, analysts believe the company offers an attractive entry point for those seeking a deal on Cargojet stock. Shares hit their all-time highs back in November 2020. Since then, shares climbed and dipped, until falling by about 30% year to date last week.

Yet on June 20, there was a boost in share price of more than 10%. This came after analysts began to weigh in on the growth stock and its future potential. One such analysts believes the company will outperform, and its valuation has "never been as attractive" as it is today.

The partnership with Amazon, Canada Post, and others have allowed the company to grow at a strong pace. It's going to spend $1 billion in growth capital expenditure over the next four years, supported by these contracts. Now, it trades at valuable fundamentals not seen since before the pandemic.

What kind of value?

Cargojet stock currently trades at a debt-to-equity (D/E) ratio of 0.59 over the last year. Even in the last quarter, it had a D/E of just 0.64. That means it has more than enough to cover its debt should something go wrong. Furthermore, shares remain down by about 25% as of writing.

Motley Fool investors should narrow their focus and look at Cargojet stock for the future potential it offers thanks to long-term contracts. Come what may, stagflation or recessions or otherwise, these contracts will continue to see cash come in. And that includes the recent DHL contract.

Bottom line

Air cargo remains a market that is completely undersupplied. So, this is like getting in on the ground floor or major action over the next few decades. You will have immunity from the market from its long-term businesses, and significant growth opportunities both in share price and the business. While 2022 may still be a soft year, long-term investors should buy up the stock to see major growth in the decade to come.

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