



Next Week Is Going to Be an Earnings Bonanza: Here Are 3 Things to Look Out For

Description

How time flies. It's only February, and it's almost been four months since cannabis was legalized nationwide. Since October 17, we've already seen one marijuana producer release earnings that included months of legal cannabis sales. But so far, the big players, **Canopy Growth Corp** ([TSX:WEED](#))(NYSE:CGC) and **Aurora Cannabis Inc** ([TSX:ACB](#))(NYSE:ACB) have yet to do so.

That all changes next week.

In just a few days, both Canopy and Aurora will be releasing quarterly reports that reflect almost three full months of legal recreational pot sales. These reports will give investors their first solid indication of how legalization is playing out for the nation's biggest cannabis producers and whether it has been enough to make these companies consistently profitable.

The quarterly reports coming out in the days ahead may be the most important of the year. Here are three things to keep an eye out for as earnings start to roll in.

Cannabis stocks: loss or profit?

Marijuana stocks have been revenue growth champions, with some growing sales as much as [260% year over year](#) in recent quarters. However, they have not been so hot in terms of profit, with Canopy in particular having posted a massive \$330 million loss in Q2. The big question on everyone's mind is whether such losses can be reversed. Although it's normal for young companies to run losses, it's concerning that in some cases they're increasing more than tenfold year on year. When Canopy releases its earnings in a few days, we'll have a solid indication as to whether increased revenue from legal pot will be enough to buck the trend.

Aurora vs Canopy: who will generate more revenue?

Another big cannabis story to keep an eye on is sales volume. Although Canopy is still the biggest pot stock by market cap, Aurora actually eclipsed it in terms of revenue in its most recent quarter. [Industry experts](#) still think that Canopy is positioned to be the "global titan" of cannabis. But with Aurora rapidly

closing in on revenue and already way ahead on net income, could that be set to change? Next week we'll find out.

Shopify Inc ([TSX:SHOP](#))([NYSE:SHOP](#)): will revenue growth accelerate or decelerate?

It's not only cannabis stocks that are set to release major quarterly reports next week. The nation's trendiest tech company will be doing so as well.

Shopify is one of the fastest-growing companies in Canada, having grown revenue by 58% year-over-year in its most recent quarter. That's impressive growth, but it's down from more than 60% in previous quarters. Decelerating revenue growth has been cited as a major concern for Shopify, especially considered alongside the company's rising costs. On Tuesday we'll find out whether the company has been able to get its revenue growth back to 60%+ territory. Encouraging results from Black Friday and legalization week provide reason for optimism.

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1. Investing
2. Tech Stocks

TICKERS GLOBAL

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2. NASDAQ:CGC (Canopy Growth)
3. NYSE:SHOP (Shopify Inc.)
4. TSX:ACB (Aurora Cannabis)
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