



3 Marijuana Stocks That Beat Canopy Growth Corp (TSX:WEED) to Profitability

Description

In Q3, **Canopy Growth Corp** ([TSX:WEED](#))(NYSE:CGC) hit a major milestone by achieving \$74 million in net income. Although it was not the company's first profitable quarter, it was the first time it achieved profits that were high as a percentage of revenue. The quarter was seen as a watershed moment for the company, cementing its status as the king of the cannabis castle.

Canopy's Q3 earnings showcased a business moving closer and closer to consistent profits. Although the company posted an operating loss in the quarter, the loss was down from the prior quarter, indicating that Canopy is inching toward both net and operating profitability.

Pivotal as last quarter was for Canopy, it was not the first time a cannabis producer posted a sizable profit. In fact, not only have other cannabis companies posted positive net income and diluted EPS before, but many of them got there much quicker than Canopy did. The following are three marijuana stocks with consistent profitability track records that beat Canopy to the punch.

CannTrust Holdings (TSX:TRST)(NYSE:TRST)

CannTrust is easily one of the most profitable cannabis companies on the TSX right now. In all of its past four quarters, it has had positive net AND [operating income](#), making it one of the first cannabis companies to hit this milestone. Of course, this isn't hard to explain. CannTrust is not a very large cannabis producer, and isn't making the massive investments in global infrastructure that a Canopy (for example) is. In the long run, this could hurt its gains. But for now, its lean operations make it one of the cheapest marijuana stocks around.

Aphria Inc (TSX:APHA)(NYSE:APHA)

Aphria may be one of the most controversial marijuana stocks in the world. Faced with short attacks, lawsuits and hostile takeover bids, it's been a magnet for drama. However, this hasn't stopped it from being profitable: the company has had positive net income in three of the past four years and three of the past four quarters. In its most recent quarter, Aphria had about \$54 million in net income—in prior

quarters, it posted positive operating income as well.

Organigram Holdings ([TSX:OGI](#))

Organigram Holdings is one of the smaller TSX cannabis stocks, but it punches above its weight in terms of profitability. In its most recent quarter, it posted \$12.7 million in sales, up 287% from the same quarter a year before. On top of those sales, the company earned \$29 million in net income. However, it's important to note that Organigram's results for that quarter included a \$49 million fair value adjustment that drove the earnings figure higher than it would otherwise be. Even taking that out of the equation, however, the company still had \$2.9 million in free cash flow—an incredible achievement for any company in the cannabis space.

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