



3 Profit-Driven Marijuana Stocks

Description

The cannabis industry is going through a tough phase right now. These companies are entering a point where investors are over the initial excitement and want to start seeing results. Those results mean profit, and the problem is, each company has its own strategy as to achieving profit. While some companies might produce a profit much sooner than peers, others might take longer but could also earn much more profit.

So, while profit might seem like a good thing at this point (and it definitely is), it's not everything an investor should consider. Let's take a look at three companies that could achieve profit sooner as opposed to later and whether these stocks are worth your investment.

Aphria

Aphria (TSX:APHA)(NYSE:APHA) finally had [some good news](#) after months of scandal plagued the company and its share price. The cannabis producer holds the top three spot among cannabis producers when looking at how much it can produce and recently shocked investors by being the first of the top 10 to post a profit.

That profit came from its acquisition of German medical cannabis distributor CC Pharma. While the initial cost set the company back, clearly, it's already paying off, and on an international scale, as CC Pharma is active in nine other countries with legalized medical cannabis. The company now expects sales to rise by 189% in fiscal 2020 and expects net revenue of \$700 million in that same time.

While I believe Aphria is here to stay, it's likely to stay in a top three position as well as the company can still only produce 255,000 kilograms per year, well below the top two cannabis producers. Still, it's a great long-term bet that will likely continue to see profit sooner than its peers.

Hexo

Another company likely coming into some profitable cash is **Hexo** ([TSX:HEXO](#))(NYSE:HEXO), and this

will mainly come from the legalization of consumables and derivatives later this year. By December, some Hexo products could be hitting the shelves across Canada, and with these products is the potential for some highly lucrative profits.

After all, Hexo partnered with **Molson Coors Canada**, and the pair have been working on cannabis-infused beverages for some time now. While it's still unclear how successful the products might be, the buzz around them should at least provide an initial boost in overall sales for Hexo. Beyond beverages, Hexo even wants to find ways to create "ingredients for food," infusing cannabis into even everyday items you'd find at the grocery store. So, apparently this is only the beginning.

With consumables on the table, analysts project sales to rise by 1,110% in fiscal 2019 and 452% in 2020, with an anticipated \$400 million in revenue for 2020.

Aurora Cannabis

Finally, we have **Aurora Cannabis** ([TSX:ACB](#))([NYSE:ACB](#)), a company that really needs to produce a profit if it's going to win back the shareholders whose shares were diluted by the company, and that could continue, as the [company burns through cash](#). But if you're willing to wait, this company looks to be on the verge of producing a profit, even by 2020 or 2021.

That's because this company has a solid top two, if not number one, spot among cannabis producers in terms of production capacity. By June 2020, Aurora should be able to produce 625,000 kilograms of marijuana per year, with 700,000 kilograms expected by the end of 2020. Couple that with the company's incredibly cheap \$1.92 cost per gram per sale, with a goal of \$1, and you have a company that will skyrocket once sales start soaring.

In the next couple years, investors should see incredible growth from this company. After all, its 25,000-30,000 kilograms sold in its recent quarter is only 20% of its full potential, and once it's reached that point, it will go global to bring in even more pot profits. While the company expects revenue of \$267 million for 2019, it also anticipates \$721 million in 2020 and \$1.268 billion in 2021.

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