



3 Pot Stocks With Outrageous Sales

Description

The legalization of recreational marijuana in Canada last October has created quite a bit of excitement in the industry. The legal marijuana industry has already been growing at a rapid pace in the United States.

Ever since business for legal weed opened up in Canada, the likes of **Canopy Growth** ([TSX:WEED](#))(NYSE:CGC), **Aurora Cannabis** ([TSX:ACB](#))(NYSE:ACB) and **Aphria** (TSX:APHA)(NYSE:APHA) have created a flurry of activity in the marijuana industry. Stocks soared to incredible heights in 2019.

At this point, investing in marijuana stocks might be the very thing you may be considering to diversify your portfolio. The best way to start is with the most prominent players in the market. Canopy, Aurora and Aphria have been exhibiting some amazing sales, and I will outline why it is a good idea to invest in these stocks right now.

The biggest pot stocks right now

In the stock market, you can always expect a dark horse to come in and challenge for the top spots. However, it is still more likely for the early movers to establish a firm foothold in this burgeoning industry.

Ever since the legalization of marijuana, all three companies have made early investments. The investments will help boost cannabis production to meet the rising demand in the North American markets.

The top pot stock right now – Canopy Growth

By mid-February of 2019, the largest cannabis producer in the world in terms of its market cap, Canopy Growth reported that it had amassed a behemoth figure of almost \$98 million in gross sales during the fiscal third quarter. Today, pot-related companies either lean toward medicinal or recreational use.

Canopy is the one company that leaned toward the recreational side of the marijuana market during the first fiscal quarter since adult-use marijuana was legalized in Canada. During this time, Canopy's gross sales of \$71.6 million accounted for 80% of the total cannabis-related revenue.

Canopy's great start was due to several advantages the company had over its peers. The most significant benefit was the \$4 billion in equity investment from **Constellation Brands**. Canopy generated gross revenue of \$103.4 million in Q1 2020.

The revenue is a 299% increase from Q1 2019, putting Canopy's massive success into perspective. With an \$11.12 billion market cap, Canopy easily retains a top spot moving forward and is hitting [massive buy signals](#).

The second-biggest pot company in terms of revenue

Aurora is expected to release its year-end results around mid-September. The company has given investors an update of what to expect by announcing current performance and what Aurora's expectations are by the end of the year.

After a tumultuous few months, the company issued [warnings](#) stating that it would miss expectations this year, but things have been different this time around. Aurora has said that it expects to produce results that were better than its initial anticipation.

Aurora's Q4 2019 net revenue is touted to be somewhere between \$100 million to \$107 million, is a stratospheric increase in sales generated a year ago, with the figures at a meager \$19.1 million.

For the fiscal year, Aurora expects its revenue after the excise to reach a range of \$249 million to \$256 million. The full-year earnings for 2018 were \$55 million.

Third but not so far behind

Aphria reported excellent Q4 2019 earnings results earlier this month after its shares saw a considerable boost in the stock market. The Q4 2019 earnings came as a breath of fresh air for the cannabis sector.

The cannabis producer reported that its net revenue rose by 75% year over year with \$128.6 million in the fourth quarter. Aphria revenue for adult use cannabis increased by 158% with \$18.5 million and Aphria ended the quarter with a solid balance sheet and liquidity.

The company expects net revenue between \$650 million to \$700 million in the fiscal year 2020. Aphria also announced that it would be on track with its annual production capacity of 255,000 kilograms once all of the facilities are fully licensed and running.

Moving forward, Canopy, Aurora and Aphria are all expected to continue great results, and the outlook is generally very positive for all of them. The success of all three companies will cause a subsequent boost to the entire industry – and we'll likely see other marijuana stocks follow suit.

CATEGORY

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TICKERS GLOBAL

1. NASDAQ:ACB (Aurora Cannabis)
2. NASDAQ:CGC (Canopy Growth)
3. TSX:ACB (Aurora Cannabis)
4. TSX:WEED (Canopy Growth)

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