



This Superb Cannabis Stock Is All You'll Ever Need

Description

The cannabis industry has had an interesting year so far. The industry expected to boom after Canada's legalization of recreational marijuana, and the pot industry caught everybody by surprise. As legalization was underway last year, investors flocked to cannabis company stocks, and they skyrocketed.

Early investors became rich in a matter of months, and things looked brighter than ever — until they weren't.

The share prices of pot stocks increased, but almost all of the substantial pot companies are still struggling to maintain profitability. The most promising pot producers underperformed, and the CannTrust scandal rattled the industry.

Pot stock prices declined by 50%. While the skepticism of the industry being another dot-com bubble is not true, pot stocks have indeed struggled over the past several months. The last few months have been crucial for the industry. The performances of companies during this time show us which cannabis stocks will be able to compete and which ones might fail.

Aphria (TSX:APHA)(NYSE:APHA) is quickly becoming a favourite among marijuana investors. The current opinion on Aphria is a massive difference, because some argued that Aphria stock was [worth \\$0](#) just last year. At \$7.55 per share while I write this, I think that Aphria is a pot stock you should consider adding to your portfolio.

Aphria is not coming slow

The legalization of adult-use marijuana in Canada was a critical factor in the rise of Aphria as an affluent part of the weed industry. In the latest quarter, Aphria's revenue grew to an impressive \$18.5 million — an increase of almost 160% from Q4 2018. More than 60% of Aphria's total revenue came from the recreational marijuana market in Canada.

The current share price, in my opinion, is possibly a heavily discounted price for Aphria. As an investor,

you need to look at the performance of the company.

Aphria is among the most profitable pot companies in the industry. A cost-conscious pot producer, the company is catering to the industry while cutting down on production costs.

Aphria continues to report profitable operations. Let us take a look at Marigold Projects. Marigold is a subsidiary, 49% owned by Aphria. The subsidiary opened a retail store on the five-acre marijuana farm of the company. The retail shop includes a smoking lounge for customers. As small a move as it may seem, it makes Aphria appear more attractive to customers.

The cost of goods Aphria sells is at an industry low of \$2.35 per gram. The company's sales keep on growing with the rising demand. Both of these factors mean Aphria is becoming increasingly profitable. The import-export regulations on recreational marijuana in Canada are not making it easy for pot producers to get the right demand/supply balance.

Pot producers need to compete with each other in production efficiency to come out on top, and Aphria is beating all of the competitors.

Foolish takeaway

It is difficult to accurately predict how good the outlook for the pot industry will be in the future, or where Aphria will stand in the long run. What I can say with confidence about Aphria is that the pot company is well positioned to grow even further. Aphria experienced [massive setbacks](#) last year, but the company has come a very long way since.

While I feel a little adventurous in expressing my opinion so blatantly, but I think that Aphria could be the only cannabis stock you will ever need.

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