



Profitable Aphria (TSX:APHA) Stock Earnings Take Centre Stage

Description

Cannabis stocks have been going through a beating lately. Luckily for **Aphria** (TSX:APHA)(NYSE:APHA) shareholders, things may be turning around. The stock jumped nicely by about 20% this morning after reporting its second profitable earnings.

Net revenue came in at \$126.1 million last quarter, an increase of 849% over the prior-year quarter. Moreover, Aphria sold 5,969-kilogram equivalents of inventory, up from 5,574 kilograms from the previous quarter. These are fantastic results, and demand is soaring for the stock.

Canopy Growth (TSX:WEED)(NYSE:CGC) also made two market-moving announcements this morning. Canopy Growth leadership has a habit of [hijacking the earnings](#) spotlight from its competitors. In August, Canopy Growth made two game-changing announcements the same morning that the **Cronos Group** reported its second-quarter earnings.

Canopy also rose modestly in price today, albeit not as much as Aphria. The struggling marijuana stock has lost over half its value in the past six months. Cannabis speculators began driving the stock price up on Canopy Growth at the end of 2017, creating a bubble. The stock has been in correction territory this year.

Canopy Growth sells stake in AusCann

Canopy Growth sold all its shares in the Australian cannabis company, **AusCann Group**, for \$6.3 million at \$0.15 per share. Before the sale, Canopy Growth owned a 13.2% interest in AusCann.

Canopy Growth CEO Mark Zekulin released the following statement regarding the sale:

“The decision to divest our position in AusCann, which we obtained three years ago in exchange for the support provided, will allow us to sharpen our focus on our wholly-owned operations in the market while continuing to collaborate with our partners at AusCann.”

The new CEO remains optimistic about the Australian cannabis industry and wants to retain the

relationship they built with AusCann while directing that capital to higher value use.

Mark Zekulin replaced the founder and prior CEO Bruce Linton this year when **Constellation Brands** fired him, disappointing many loyal shareholders.

Canopy Growth acquires Beckley Canopy Therapeutics

Beckley Canopy is a global CBD research firm now wholly owned by Canopy Growth. The acquisition includes the joint commercial venture Spectrum Biomedical UK.

Canopy Growth hopes that the acquisition will increase the competitiveness of the clinical research divisions in Europe and the United Kingdom.

Shareholders should expect Canopy Growth to gain some organizational efficiency from the transition. Multiple departments performing similar functions run the risk of duplicating work, burdening the company with unnecessary costs.

Foolish takeaway

After a brutal year for cannabis stocks, Canadian investors are overdue for a turnaround in the industry. Aphria earnings shed a lot of optimism on this quarter's earnings season and high expectations for its **TSX** peers.

You can also expect Canopy Growth to continue fighting for the limelight when its competitors report earnings.

Cannabis is about to take off for the [still-undervalued stocks](#) like Aphria. Canadians who still haven't invested in this newly legal industry should start researching their options.

New industries like cannabis have the highest growth prospects on the **Toronto Stock Exchange**. Canadian savers should be looking to invest in tomorrow's cannabis leaders. Because Aphria is still only \$5.36 per share at the time of writing, it is one of the best cannabis stocks in which to purchase shares.

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