



2 Marijuana Companies That Are Looking Beyond Canada

Description

Last year, legalization was all the rage in the marijuana industry. This year, international expansion seems to be the name of the game.

With more and more jurisdictions opening their doors to legal cannabis, there are huge export markets up for grabs. And now, even smaller marijuana companies are getting in on the action.

Historically, the large-cap licensed producers (LPs) like **Canopy Growth** ([TSX:WEED](#))([NYSE:CGC](#)) and **Aurora Cannabis** always had an eye on exports. Today, we're also seeing companies with market caps in the millions starting to set their sights abroad. Legalization was a huge one-time boost for Canadian cannabis growers, but as it fades into the rear-view mirror, the revenue growth it generated will likely decelerate. Going forward, then, cannabis companies that expand internationally will have better growth prospects than their domestic-market-oriented peers.

The following are two marijuana stocks that are beginning to stand out in this regard.

Organigram Holdings

Organigram Holdings ([TSX:OGI](#))([NASDAQ:OGI](#)) is a medium-cap cannabis company that's worth about \$682 million.

It's one of the most profitable marijuana companies, having posted [positive net and operating income](#) in two of the past three years.

Small-cap marijuana companies have always had a bit of an advantage in profitability in that they don't need to invest as much in huge facilities to reach export markets.

Organigram, however, seems to be moving in a global direction. The company has acquired an international presence by buying two companies: Alpha-Cannabis Germany and Eviana. Both ownership stakes are non-controlling and the deals involved other partners, but Organigram owns a significant amount of both companies. Alpha-Cannabis Germany provides medical cannabis to the

German market while Eviana harvests hemp in Serbia.

The company is also investing \$15 million in what it calls an “industry-leading” cannabis-infused chocolate product, which it says it will export to other countries.

Canopy Growth

Canopy Growth has long been one of the [biggest cannabis exporters in Canada](#). In 2019, that’s still true, but now the company’s presence is even bigger than it was last year.

In the summer of 2018, when the \$5 billion **Constellation Brands** deal was announced, then-CEO Bruce Linton said that Canopy would use the money to establish a market-leading position in the 11 international markets it operates in. It was an ambitious goal.

So far, there is no data on whether Canopy is the “market leader” in the 11 foreign countries it operated in at the time. What is clear is that it has since opened up a lot of other export markets. According to a January Ottawa Citizen report, Canopy had operations in 15 countries, whether through exports or ownership in local companies. That makes it one of the most international cannabis companies. While the company’s aggressive pursuit of global market share has certainly contributed to its ongoing losses, there’s no doubt that the investments could pay off over the long term — especially if adult-use cannabis legalization takes off in other countries.

CATEGORY

1. Cannabis Stocks
2. Investing

POST TAG

1. Cannabis

TICKERS GLOBAL

1. NASDAQ:CGC (Canopy Growth)
2. NASDAQ:OGI (OrganiGram)
3. TSX:OGI (OrganiGram)
4. TSX:WEED (Canopy Growth)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Cannabis Stocks

2. Investing

Tags

1. Cannabis

Date

2025/08/21

Date Created

2019/11/02

Author

andrewbutton

default watermark

default watermark