



BUY ALERT: These High-Growth TSX Pot Stocks Are on Sale

Description

The uncertain economic conditions have made investing tough, especially for young investors looking to build a retirement portfolio. The pandemic-led crisis has disrupted almost all the sectors and forced many companies to scale back or shut down their operations.

While many continue to struggle for their survival, few others have shown promise with a significant recovery in their stock prices. Despite the recent bull run, few **TSX** stocks are still trading low and have the potential to generate stellar returns in the long term.

Take the example of these two TSX pot stocks **Hexo** ([TSX:HEXO](#))(NYSE:HEXO) and **Neptune Wellness Solutions** ([TSX:NEPT](#))(NASDAQ:NEPT). Shares of both companies have been battered badly over the past year. Meanwhile, the broader market sell-off in March further weighed on their stocks. Both these stocks showed a strong recovery in the recent past, yet they are trading dirt-cheap prices, providing a solid entry point for investors with a long-term mindset.

Hexo

As I've [said earlier](#), I see a significant growth opportunity in this cannabis stock. Hexo stock is trading under \$1 and has declined over 54% year to date.

Despite structural issues plaguing the industry, Hexo has performed well. The company's focus on growing revenues, driving down costs, and expansion of market share bodes well for future growth.

Investors should note that Hexo has received full licensing for its Belleville facility, which is likely to bolster its production capacity and help in expanding its product portfolio.

Hexo's Original Stash brand is performing exceptionally and is competing well with the black market products, thanks to its smart packaging and value pricing. Besides, the successful launch of Hash and other new products should further support its sales and margins in the long run.

Hexo remains optimistic and expects its growing market share and cost reduction initiatives to support

its goal of achieving a positive adjusted EBITDA in the first half of fiscal 2021. While things are improving for Hexo, investors shouldn't miss the opportunity of buying it low.

Neptune Wellness Solutions

Neptune Wellness is a diversified health and wellness company, which has shown remarkable growth in the marijuana space. The company's cannabis segment has been driving its overall revenues, and the company expects the momentum to sustain in the quarters ahead.

In the most recent quarter, revenues from the cannabis segment grew around 43% on a sequential basis. Meanwhile, Neptune Wellness remains optimistic and expects to report 300-400% year over year growth in its top line for the first quarter of fiscal 2021, driven primarily by the sustained momentum in the cannabis segment.

Neptune Wellness has been growing its production and sales capacity, adding new avenues for growth. Moreover, it has recently obtained a sales license from Health Canada, which would help expand its proprietary cannabis brands nationwide and boost its revenue growth rate.

Though Neptune is not profitable yet, its focus on driving revenues, production expansion, low-cost supply-chain infrastructure, and operating efficiency should help in generating positive EBITDA in the future.

At the current price levels, Neptune stock looks an attractive investment for young investors for their retirement portfolio.

CATEGORY

1. Cannabis Stocks
2. Coronavirus

TICKERS GLOBAL

1. NASDAQ:HEXO (HEXO Corp.)
2. OTC:NEPT.F (Neptune Wellness Solutions)
3. TSX:HEXO (HEXO Corp.)
4. TSX:NEPT (Neptune Wellness Solutions)

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