



2 Stocks to Watch This Week

Description

There could be some big movements on the TSX this coming week. Earnings season may technically be over, but there are two big-name Canadian companies that will report their earnings in the coming days.

Aurora Cannabis

The first stock to watch is **Aurora Cannabis** ([TSX:ACB](#))(NYSE:ACB). The Alberta-based cannabis company has its all-important year-end financials scheduled to come out on Tuesday, September 22. Shares of Aurora are down over 70% in 2020, as the stock has continued to struggle this year after falling 59% in 2019. Challenges with growing sales, staying out of the red, and questions circulating the company's [financial health](#) are just some of the reasons the stock has been a dud for much of the past two years.

One of the big changes in Q4 is that the company will have a new CEO handling analysts' questions on the earnings call. Earlier this month, Aurora announced that Miguel Martin will be taking over as the company's new CEO. Since Terry Booth resigned in February, Executive Chairman Michael Singer has been filling in as the interim CEO.

Investors already have an idea of what to expect for the quarter. The company released preliminary numbers and said that its net revenue for the quarter will come in between \$70 million and \$72 million. That's down from the \$76 million that Aurora reported in Q3; it'll also be well under the \$99 million that it reported a year ago.

The bottom line likely won't be much improved either, as Aurora's pushed back its goal of positive adjusted EBITDA from Q1 of fiscal 2021 to Q2. However, the company did say that its brought down its selling, general, and administrative (SG&A) costs down to range of \$60 million and \$65 million — in Q2, SG&A costs were over \$100 million.

In Q3, Aurora incurred a net loss of \$137 million. With sales looking to be down from the previous period, the company is going to need to see a big improvement in its bottom line; otherwise, there

could be another big selloff on the way.

BlackBerry

BlackBerry ([TSX:BB](#))([NYSE:BB](#)) is another struggling Canadian stock that reports its earnings this week. Shares of BlackBerry are down a more modest 25% this year, but that's still a far cry from the TSX, which is down just 5%.

The tech company is going to release its second-quarter results on Thursday, September 24. It's coming off a disappointing first quarter where it failed to meet analyst expectations, as sales of US\$206 million were down 16.6% year over year. Analysts were expecting sales to come in at US\$214.1 million. The company also incurred a net loss of US\$636 million, as impairment charges of US\$594 million weighed heavily on its bottom line.

It was the fifth quarter in a row where BlackBerry has incurred a loss. The period was a tough one and went up until the end of May, with the last two months impacted by lockdowns. This coming quarter will not have the same obstacles, and so investors will be looking for some [stronger numbers](#) for Q2. The stock's been in the red for most of September, as it desperately needs a strong quarter to turn things around.

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