



This Growth Stock Could Make You a Millionaire

Description

Earnings season is a very exciting time for investors. Companies report their performance over the past three months and often see big moves up or down, as investors react to the news. This morning, **The Very Good Food Company** (CNSX:VERY) reported its Q3 results. The company is [the market leader](#), in Canada when it comes to meat alternative products. Do its numbers reflect its strong position in this market? In this article, I will discuss everything you need to know.

Very Good Food's quarterly results

The company reported about \$1.4 million in revenue this past quarter. That represents a 26.6% increase over its Q2 revenues and, even more impressive, a 322% increase year over year. In terms of production volume sold, Very Good Food managed to sell 126,293 lb over this three-month period. That is a 37.2% increase over its Q2 volume. This shows a growing demand in the company's products and supports the claim that this growth stock continues to grab market share in this industry.

Very Good Food's balance sheet is also becoming more attractive, as the company continues to grow. Its gross margin was reported to have increased to 39.2% year to date. This compares to the company's 28.7% gross margin over the same period in 2019. This shows that Very Good Food has been able to become more efficient as its operations have expanded. The company's outstanding debt has also been reduced to \$40,000, while holding cash position of more than \$8 million.

It is important to note that Very Good Food is still unprofitable at this time. The company reported an adjusted EBITDA loss of \$0.04 per common share. In terms of its net losses, the company reported a loss of about \$4.5 million, or \$0.06 per common share.

What's next for Very Good Food?

Very Good Food continues to prioritize its growth. One way the company intends on seeing further growth is by establishing new production facilities. In August, Very Good Food announced its new [California production facility](#). The facility is located close to a recently announced logistics provider and

near its key suppliers. This will allow the company to develop its products directly in the United States and will allow for lower costs upon the commencement of its international expansion.

Very Good Food has also recently launched new products such as Very Good Pepperoni and Very Good Dog. The company reported that both have been well received and complement Very Good Food's existing portfolio of products. It intends to continue launching new offerings in the future.

Foolish takeaway

Very Good Food has seen an incredible run this year. At the time of this writing, Very Good Food stock has increased about 470% since its IPO in June. The global alternative meat market is forecasted to grow at a compound annual growth rate of 12.0% over the next five years.

At a market cap below \$350 million, this company is certainly just at the beginning of its growth story. If Very Good Food is able to continue its disciplined capital-allocation practices and maintain this impressive growth rate, investors may see an incredible return over that time.

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