



## 2 Canadian Stocks That Could See Explosive Growth in 2021

### Description

Investors are keenly observing the market and identifying well-positioned stocks for a breakout, if not an explosive growth in 2021. If you were to base it on analysts' forecasts, a company selling natural health products and a cannabis producer are screaming buys.

**Jamieson Wellness** ([TSX:JWEL](#)) and **Canopy Growth** ([TSX:WEED](#))(NYSE:CGC) are among the stocks showing up in investors' radars. The former was a top performer in the pandemic, while the latter is [slowly gaining momentum](#). This year could be the banner year for both.

### Health is wealth

Jamieson Wellness delivered a 45.86% total return in 2020 as the demand for natural health products increased significantly due to the health crisis. Analysts recommend a buy rating and forecast the stock to further soar by 38.43 from \$36.12 to \$50 in the next 12 months. The forecast is not surprising given the impressive financial results in the nine months ending September 30, 2020.

Total revenue and earnings from operations increased by 17.2% and 16.3% versus the same period in 2019. Jamieson Wellness President and CEO Mark Hornick said there was strong growth across all segments. The company will report its full-year 2020 results on February 25, 2021, although it expects annual growth of between 14.5% and 16.0%.

Throughout 2020, consumer response to coronavirus was unprecedented. Jamieson Wellness benefited from the high demand for immunity and general health supplements. I expect the trend to continue in 2021 due to the COVID-19 variants.

### Weed is back

Weed stocks are [back in the limelight](#) following the Biden-Harris tandem's victory in the 2020 U.S. elections. Canopy Growth is up 68.26% year to date, and analysts forecast the price to soar to \$75 in the next 12 months. Excitement is building on optimism that the Biden administration will pave the way

to legalize marijuana at the federal level.

In 2020, Canopy Growth reported \$399 million in net revenue or a 76% growth versus full-year 2019. Net loss, however, was \$1.3 billion. Still, its CEO David Klein remains positive. The industry leader expects to see profits by the second half of 2022. Over the next 12 to 18 months, costs should be \$200 million lower.

Canopy Growth will enter the U.S. market this year, although its Martha Stewart CBD products line is already outselling 94% of all United States. CBD brands only four months after launching. Owen Bennett, an equity analyst at Jefferies Group, shared the information.

On the medium-term financial term targets, Canopy Growth estimates compound annual revenue to rise between 40% and 50% from fiscal years 2022 to 2024. By fiscal years 2023 and 2024, the company should have achieved positive operating cash flow and positive free cash flow. While the goal is to cement its industry-leading position, the competition will be stiff.

The merger of **Aphria** and **Tilray** will produce a cannabis powerhouse that can dominate the markets in North America and Europe as well. Canopy Growth's partnership with beverage giant **Constellation Brands** is its competitive advantage in the U.S.

## Divergent growth paths

Jamieson Wellness will capitalize on the high demand for natural products. The prospects for Canopy Growth are good, but it depends on the federal legalization of marijuana in the U.S. Between the two, Jamieson Wellness stands a better chance of explosive growth in 2021.

### CATEGORY

1. Cannabis Stocks
2. Investing

### TICKERS GLOBAL

1. NASDAQ:CGC (Canopy Growth)
2. TSX:JWEL (Jamieson Wellness Inc.)
3. TSX:WEED (Canopy Growth)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

### Category

1. Cannabis Stocks
2. Investing

**Date**

2025/08/23

**Date Created**

2021/02/19

**Author**

cliew

default watermark

default watermark