



Buy Alert: 3 Pot Stocks That Can Double Again in 2021!

Description

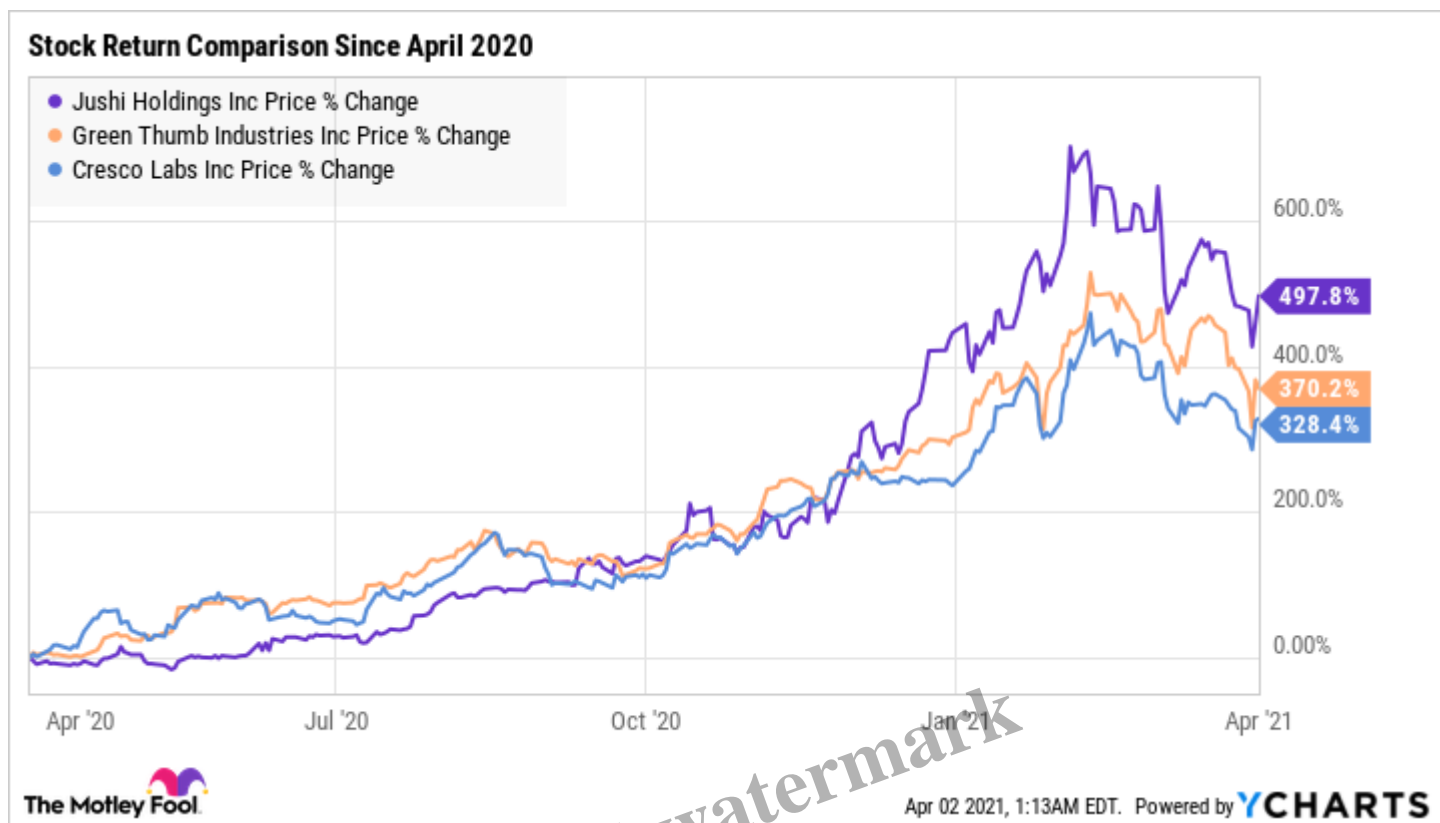
In the last year, pot stocks south of the border have crushed broader market returns. Stocks such as **Green Thumb Industries** ([CNSX:GTII](#)), **Cresco Labs** ([CNSX:CL](#)) and **Jushi Holdings** (OTCMKTS:JUSHF) have returned 370%, 328%, and 498%, respectively, in the last 12 months, as seen in the below chart.

While Canadian marijuana producers are grappling with massive losses and decelerating revenue growth, the above-mentioned companies are on the cusp of profitability. The legalization of cannabis at the federal level in the U.S. is expected to be a massive tailwind for pot producers.

Let's see why these three stocks might continue to outperform in 2021 as well.

Green Thumb Industries

In the fourth quarter of 2020, Green Thumb Industries reported revenue of \$177.2 million, indicating year-over-year growth of 134% compared to revenue of \$75.8 million in the prior-year period.



JUSH data by YCharts.

It reported a GAAP net income of \$22.5 million, or \$0.11 per share, compared to a net loss of \$14.1 million, or \$0.07 per share, in Q4 of 2019. Comparatively, analysts expected Green Thumb to report sales of \$167.2 million and earnings of \$0.06 per share in the December quarter.

It generated an adjusted EBITDA of \$65.4 million, which was up 23% sequentially and 374% higher than the prior-year period. Green Thumb reported a positive operating cash flow in each of the four quarters, as its operating expenses rose by just 14% year over year.

One of the key drivers of [top-line growth](#) for GTII was the opening of 11 retail cannabis stores in the last year and it ended Q4 with 51 stores in 10 states.

Cresco Labs

Cresco Labs disclosed its Q4 results last month and reported revenue of \$162.3 million, which was a 300% increase compared to Q4 of 2019. It was the company's best-performing quarter to date in terms of revenue. However, this stellar growth in sales did not translate into profits, as Cresco's net loss stood at \$24.4 million.

In Q3 of 2020, Cresco reported a net profit of \$4.9 million while in Q4 of 2019, its net loss was significantly higher at \$45.2 million. Comparatively, analysts expected Cresco to report sales of \$161.4 million and earnings of \$0.02 per share in Q4.

Its adjusted EBITDA rose from just \$2.9 million in the prior-year period to \$50 million in the December

quarter. The cannabis multi-state operator ended the year with a cash balance of \$136.3 million.

One of the major drivers of Cresco's revenue growth was its acquisition of Origin House that was completed in January 2020.

Jushi Holdings

This cannabis and hemp company [engages in the cultivation and distribution](#) of medical and adult-use marijuana products. Jushi Holdings is focused on creating a portfolio of cannabis and hemp-derived assets in several states in the U.S.

Last month, Jushi opened its 17th retail cannabis store. It now has 11 stores in Pennsylvania, which is one of the fastest-growing pot markets in the country.

In the March quarter, Jushi has forecast revenue to grow by 365% to \$40 million. In 2021, it expects revenue between \$205 million and \$255 million compared to sales of \$80.6 million in 2020.

CATEGORY

1. Cannabis Stocks
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1. Editor's Choice

TICKERS GLOBAL

1. CNSX:CL (Cresco Labs Inc.)
2. CNSX:GTII (Green Thumb Industries)

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