3 Canadian Stocks CRUSHING Wall Street's Expectations

Description

Over the past month, a number of Canadian companies have released earnings that beat Wall Street expectations. From cannabis companies to tech firms, Canadian stocks that beat the street have street have varied enormously, but they all share one thing in common: they're earning more than anyone dreamed possible. In this article, I will review three Canadian stocks that beat analyst estimates in their most recent quarter.

Canopy Growth

Canopy Growth (TSX:WEED)(NYSE:CGC) is one stock you might be surprised to see on this list. The cannabis sector hasn't been doing great since legalization hit in 2018. Legalization did provide these companies with a substantial revenue boost, but their losses only grew. In many cases, the losses grew more than sales did. Canopy was one of the companies that couldn't hack the profit equation for the most part. Shortly after its stock fell in late 2018, the company's biggest investor, **Constellation Brands**, publicly said that it wasn't impressed with Canopy's performance. For the most part, Canopy's performance hasn't been impressive since then. It did, however, manage to crank out $392 million in net income in its most recent quarter, which blew past analyst estimates.

Shopify

Shopify (TSX:SHOP)(NYSE:SHOP) is a stock you probably *won't* be surprised to see on this list. The company has been beating on earnings consistently since COVID-19 hit the scene in 2020, and its most recent quarter was no exception. In it, the company delivered $1.1 billion in revenue, $620 million in gross profit, $139 million in operating income, $879 million in GAAP net income, and $284 million in adjusted net income. The GAAP net income included some large unrealized gains on investments, so the adjusted figure is probably more reliable. Still, even with that lower number, we've still got a 26% net margin. That's not bad for a company that was not profitable as recently as 2019.

Lightspeed

Lightspeed POS (TSX:LSPD)(NYSE:LSPD) is another Canadian tech company that is beating the pants off of Wall Street's expectations. In its most recent quarter, it posted $115 million in revenue — up an incredible 220% year over year. Unlike Shopify, it wasn't profitable, but its adjusted net loss as a percentage of revenue got smaller. This suggests that the company is slowly inching closer and closer to profitability.

If Lightspeed isn't quite profitable yet, you can forgive it. It only went public in 2019 and is using the money it raised to gobble up market share in the highly competitive POS and e-commerce industries. Lightspeed has a lot of similarities with Shopify in its early days — not the least being stellar growth. In a best-case scenario, Lightspeed could deliver returns similar to Shopify's as well. Already, it has risen 500% post-IPO. If it keeps posting earnings beats like the one it did in Q1, then it may have further to run. Can it match Shopify's 5,200% return? That's hard to say with any certainty. But the company's first two years on the stock market have definitely been good ones.

CATEGORY

1. Cannabis Stocks
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:CGC (Canopy Growth)
2. NYSE:LSPD (Lightspeed Commerce)
3. NYSE:SHOP (Shopify Inc.)
4. TSX:LSPD (Lightspeed Commerce)
5. TSX:SHOP (Shopify Inc.)
6. TSX:WEED (Canopy Growth)

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