



## Why Tilray Stock Soared on Monday

### Description

**Tilray** ([TSX:TLRY](#))([NASDAQ:TLRY](#)) shares climbed 20% almost immediately after market open. The largest cannabis company in the world released its quarterly earnings report, announcing yet another profitable quarter.

### What happened?

Tilray saw revenue spike in its latest quarter, seeing net income reach US\$6 million, as it continues to take over the market share of cannabis. This result compared to a net loss of US\$89 million the year before. Revenue was up 20% year over year to US\$155 million, with US\$58.8 million coming from its cannabis [business](#).

Tilray also used the opportunity to announce it will start using Tilray Brands as its new parent company name. This will help it on its evolution from a cannabis producer to global consumer packaged goods company. This comes as the company continues to expand across Europe and is looking forward to German legalization in the near future.

“Looking at performance highlights across key markets, we maintained our #1 cannabis market share position in Canada — despite market saturation and related competitive challenges — on the strength of our brands and adept pricing and marketing adjustments,” said Irwin D. Simon, Tilray’s chairman and CEO. “In Germany — Europe’s largest and most profitable medical cannabis market — our nearly 20% share leads the market. We believe this, coupled with our infrastructure, will also allow us to capture the adult-use market as legalization accelerates under the new coalition government.”

### So what?

Tilray seems to be the rose among the thorns when it comes to cannabis companies. Daily lows continue to dominate when it comes to marijuana producers, and yet Tilray seems to have found a way to become profitable and bring shares back up.

After its merge with Aphria, Tilray now boasts the position of world's largest cannabis producer in terms of sales. It seems to have taken another quarter to focus on cost cuts, which helped lead to the surprise profit for the quarter.

But the news doesn't just affect Tilray. The cannabis market has been in free fall, as market volatility continues in the stock market. Investors worried about inflation and the pandemic continue to drop anything with risk, and that includes cannabis stocks. Yet the news from Tilray helped bring [shares up](#) slightly.

## Now what?

Does that mean you should buy cannabis stocks in bulk? Maybe not. The market is still very risky, and the pandemic absolutely will continue to hinder production. But Tilray is still a great option for those wanting to get in as the market rebounds. On the **Nasdaq**, Tilray is expected to double in share price by Wall Street analysts. Given its performance this morning, it could be there quite soon.

And the main success seen from Tilray comes from its diversification. CEO Simon adjusted pricing of products and plans to do this continuously in order to hold onto the market share. It continues to maintain the number one cannabis market share in Canada and Germany and bring in savings through Aphria synergies. This provides a strong option for those seeking long-term returns from a cannabis company.

Shares of Tilray trade at \$9.75 as of writing, [down](#) 50% in the last year and 12% in the last month.

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**Date**

2025/08/15

**Date Created**

2022/01/10

**Author**

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