

Kush Supply Co

19:59 26 Nov 2018

KushCo Holdings reports quarterly revenue at \$20 million; revenue rises 177%

Cannabis packaging company KushCo Holdings Inc (OTCQB:KSHB) reported its earnings Monday, boosting its revenue 177% year-over-year to \$52.1 million.

The California-based company said its net loss, including \$1.0 million in depreciation expense, was \$23.9 million in selling, general and administrative expenses, and \$1.6 million in provisions for income tax, was approximately \$10.2 million compared to net income of \$69,000 in fiscal 2017.

KushCo sells packaging, containers, and other ancillary products for the cannabis industry.

READ: Kush Supply Co appoints new chief financial officer as it scales up operations

"We are exceptionally pleased with the financial results we achieved during the fiscal year with revenues of \$52.1 million, representing 177% growth compared to approximately \$18.8 million in fiscal 2017," said chairman and chief executive officer, Nick Kovacevich.

KushCo is the parent company of industry leaders such as Kush Supply Co., Kush Energy, The Hybrid Creative, and Koletto Packaging Solutions, which provide a range of services and products for a variety of industries including the regulated cannabis and CBD industries.

"Our strong revenue growth was the result of dramatic growth in our most critical markets, with growing customer numbers, an increasingly diversified offering and expanded facility capabilities."

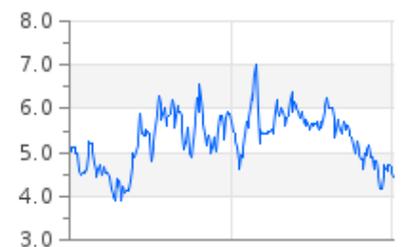
The company said gross margins were 24.2%, compared with 35.2% in the prior year period, and primarily related to the year-end inventory adjustments of C\$2.8 million.

"As the industry continues to develop, we have transformed our business model, now operating a diverse group of business units that are transformative leaders across several categories. Our dramatic expansion of services has enabled us to enter new markets and reach a wider customer base. This drove a number of positive trends within the business in 2018, including strong growth in customer numbers, increased spending per customer, increased product consumption and the continued investment in geographic expansion and broader product offerings," said Kovacevich.

"To support this growth, we have implemented several initiatives designed to improve efficiencies and to establish, build and refine stronger, scalable and sustainable processes. These steps are expected to set us up to continue to effectively capitalize on the continued growth of the industry, and we hope to achieve between \$110 million and \$120 million in topline revenue during fiscal year 2019," concluded Kovacevich.

Price: US\$4.44

1 Year Share Price Graph



June 2018 December 2018 June 2019

Share Information

Code: KSHB

Listing: OTCMKTS

52 week High Low
\$7.20 \$3.88

Sector: Cannabis

Website: www.kushbottles.com

Company Synopsis:

Kush Supply Co. (OTCQB: KSHB) is a dynamic sales platform that provides unique products and services for both businesses and consumers in the cannabis industry. Founded in 2010 as a packaging and supplies company for dispensaries and growers, Kush Supply Co.

Author:

Proactive Investors Ltd

+44 (0)207 989 0813

action@proactiveinvestors.com

Shares of KushCo closed at \$5.20 on Monday.

Contact Katie Lewis at katie@proactiveinvestors.com
Follow her on Twitter @kelewis

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

Proactive Investors is a publisher and is not registered with or authorised by the Financial Conduct Authority (FCA). You understand and agree that no content published constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value or suitability of any particular security, portfolio of securities, transaction, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including company related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.