

Canopy Growth Corporation

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Buds & Duds: Canopy Growth's earnings beat estimates, sending pot stocks flying

Cannabis stocks flew higher into the weekend after major pot company Canopy Growth Corp surprised analysts with robust revenue growth during its third quarter.

The North American Marijuana Index, which tracks the top cannabis stocks in the US and Canada, jumped 3.5% at 100.7 points. Elsewhere, the Horizons Marijuana Life Sciences Index ETF grew 4% at C\$8.53, while the OTCQX Cannabis index gained 3.8% to 415.7 points.

Buds

Canopy Growth Corp (TSE:WEED) (NYSE:CGC) saw a huge gain after posting strong quarterly results that topped analyst estimates while narrowing its loss.

The cannabis giant's sales came in at C\$124 million, a 62% increase from the same period a year ago, and shrunk its EBITDA loss to C\$92 million.

Analysts polled by Bloomberg expected net revenue of \$105 million and an EBITDA loss of \$110 million.

Canopy attributed the revenue increase to over 140 pot stores opening their doors after the rollout of cannabis retail in Ontario was marred with snags when marijuana first became legal in October 2018.

Shares of Canopy shot up 14.3% in Toronto at C\$29.57 and 13.8% in New York at C\$22.21.

Investors felt the glow from Canopy's results and sent shares of other major companies higher across the board, including big gainers HEXO Corp (TSE:HEXO) (NYSE:HEXO), up 15.5% in Toronto and 15.7% in New York; Tilray Inc (NASDAQ:TLRY), up 5.3%, and Aphria Inc (TSE:APHA) (NYSE:APHA), which was up 5.1% in Toronto and 3.6% in New York.

Also moving higher was 1933 Industries Inc (CSE:TGIF) (OTCMKTS:TGIFF) after announcing that its first harvest of commercial cannabis from California is underway and it has also started distributing California-compliant full spectrum Canna Hemp products to dispensaries in the Golden State.

In a statement, the company said the harvest marks the California debut of AMA and Blonde cannabis products.

Following the news, shares rose 12% to C\$0.19 apiece in Canada and 10% to US\$0.14 in New York.

Duds

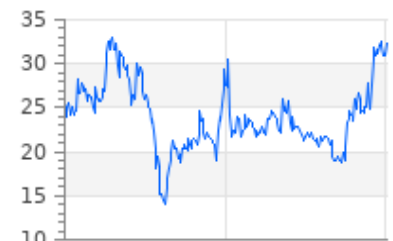
Not all pot companies shared the love on Friday.

Canopy's sister company Canopy Rivers Inc (TSE:RIV) (OTCMKTS:CNPOF) sank 3.4% at C\$1.15 and 1.6% over the

Price: 34.99

Market Cap: \$13.03 billion

1 Year Share Price Graph



November 2019 May 2020 November 20

Share Information

Code: WEED

Listing: TSX

52 week High Low
36.14 12.96

Sector: Cannabis

Website: canopygrowth.com

Company Synopsis:

Our vision is to be the number one cannabis company in the world. From product and process innovation to market execution and everything in between, we are driven by a passion for leadership, a commitment to drive the industry forward, and above all else, providing medical and recreational cannabis consumers the best possible experience.

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counter at US\$0.88 after swinging to a loss in its 3Q 2020 results posted on Friday.

The venture capital arm of Canopy Growth posted a net loss of C\$2.7 million, or C\$0.01 per share, for the three months ending Dec. 31, compared with a net income of C\$1.4 million, or C\$0.01 per share a year prior.

It also withdrew its full-year guidance due to uncertainty created in the industry from unanticipated licensing delays, "reformed views" on the ramp-up time for large-scale cannabis greenhouses, and a broad decline in wholesale cannabis prices.

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