

hello everyone and welcome back to another video in today's video i just want to update you all with some of the key major developments that happened with some of the stocks that we talk about here on the channel all right so to start off the video let's talk about how mexico just passed a bill to legalize cannabis recreationally this will make mexico the largest country on the planet to fully legalize cannabis further down in this article it actually says why this is a big deal with a population of nearly 130 million people mexico would become the largest country in the world to legalize cannabis at the national level by comparison the other two countries that have already taken the step canada 37.6 million and uruguay 3.4 million have a combined population that adds up to less than a third of mexico's so mexico's population is 130 million people and again they just passed a bill to legalize cannabis recreationally now people are expecting this to put a lot of pressure on biden because think about it the united states of america is now sandwiched in between canada and mexico and both of these countries have now fully legalized cannabis at the recreational level so again people are speculating that this is going to put a lot of pressure on biden to essentially fill the gap and try and push more to cannabis legalization in the united states now personally i do not believe that joe biden is going to legalize cannabis recreationally i mean he has said he is not for that and he wants to leave recreational cannabis legalization up to the individual states however joel biden has said that he is in full support of legalizing cannabis for medicinal use on the federal level which means that this may push joe biden to getting more serious about getting this done

and i think that we are going to see
this happen relatively soon
but moving on there was another pretty
huge development in the overall cannabis
space this week so this article right
here says
organic gram stock surges as uk tobacco
giant
buys 20 percent stake for 221
million dollars for those of you who do
not know organic gram is a canadian lp
or essentially a canadian cannabis
producer
and a uk tobacco giant bought a 20 stake
which essentially valued organogram at
over 1
billion dollars british american tobacco
is an 84
billion dollar company and this is just
a massive tobacco company and really
what this shows me is that tobacco and
alcohol companies are looking to enter
the cannabis space
and i strongly believe that once
cannabis is decriminalized in the united
states
and once companies like true leaf can
get off of the otc
that we are going to see more
institutional investments into these
cannabis companies
and i also think that this is going to
happen quite regularly
so again once we see cannabis
decriminalization in the united states
i think that we are going to see a lot
of investments into these u.s
cannabis companies so yeah those were
the two major developments that happened
across the overall cannabis industry
but now let's move on and talk about
truly specific news because this is my
largest holding currently
and i love talking about the stock the
first thing that i want to talk about is
how trueleaf opened their 81st
and 82nd dispensary nationwide
so essentially what this means is that
true leaf now has 82 dispensaries open
across the united states and this is as
of march 3rd
2021 and i believe that these were their
most recent expansions
so again as it currently sits true leaf

has 82
dispensaries open across the u.s now why
this is important is because in 2020
true leaf brought in at 9 million
average sales volume
per location so essentially on average
every single one of their dispensaries
brought in 9
million of annual revenue so if we take
out the calculator we can figure out how
much revenue truly
should be producing on an annualized
basis now so again we found out that
they have 82 dispensaries open across
the united states now
and we can see that from their investor
presentation on
average one dispensary brings in nine
million dollars annually
so we can times their number of
dispensaries open now by nine million
dollars
and this tells me that if this nine
million dollar average sales can hold up
then the company is now producing about
738
million dollars on an annualized basis
this right here
is incredible and as true leaf continues
opening up more and more dispensaries
both in florida
and around the united states then their
annualized revenue should only
increase as they continue expanding and
if we head down to page 21
of their investor presentation we can
see that their ebitda margins are
expected to be 44 to 46 percent right
now
so if true leaf is currently producing
about 738 million
on an annualized basis then we can times
this by 0.44 which is essentially 44
percent
and this tells me that true leave could
be producing about 324 million dollars
of positive ebitda
currently at its current state this is
a lot of ebitda i mean let's go and take
a look at
true leaves current valuation so today
they are selling for about 5.736 billion
dollars
so let's enter this into the calculator

very quickly and now let's divide the valuation by the positive ebitda that the company could be producing right now this ultimately tells me that true leave could be selling for a price to ebitda of about 17.66 right now which is not overvalued by any means like i think that true leave is actually a very fairly valued company right now especially given how much growth they are seeing now the reason that i also focus on ebitda with u.s cannabis companies is because of something called 280e which essentially means that u.s cannabis companies are paying a boat load of taxes until the u.s cannabis reform comes and they get rid of this bill to aid cannabis companies down in the us are going to be paying a lot of taxes and actually here's a clip of what kim rivers the ceo of true leave has to say about this yeah like so we're taxed we're taxed a significantly higher rate to answer your question so last year you know we we paid approximately 70 million dollars in taxes and federal taxes we would have paid 40 million dollars less had had we been taxed so you're illegal but you actually gave the federal government 70 million so i know that the moderator of that video kind of cut her off but what she was saying is essentially that truly paid an additional 40 million dollars of income tax just because of 280e which also means that if u.s cannabis companies were taxed as regular businesses in the united states that truly would have actually generated 40 million dollars more in net income and positive cash flow so again until the cannabis reform comes and cannabis companies can get away from 280e then i focus on ebitda because cannabis companies are paying ridiculously high tax rates and i think that this is going to change and you all just heard from kim rivers

once this does change then true leave is going to be generating an additional 40 million dollars in net income and positive cash flow

i just think that there is so much momentum in the global cannabis space and i think that the us cannabis companies valuations are not reflecting all of the future growth potential that there currently is so yes true leaf is currently my largest position and i'm going to continue adding to this position every single time i get paid and every time my cash position goes above 20 percent i am going to be looking to deploy some capital into true leaf i just think that this is such a strong company with so much future potential

even with a 5.7 billion dollar valuation but now let's move on to the second stock that i want to talk about and this is canadian

solar recently on march 10th canadian solar posted

this news update and that says canadian solar sells japanese solar projects for 283

million dollars this was a massive sale for the company

further down on this article it also says canadian solar's presence in japan has accelerated significantly over the past years this

is evident as the company has recently surpassed 1 billion dollars of asset sales in the japanese

solar market and this is really what i wanted to point out because canadian solar is

executing across the global stage right now and they have officially surpassed over 1

billion dollars of asset sales in japan alone

now this news comes just a couple months after canadian solar sold a 300 megawatt project in california and further down in this article it says

notably expected to be one of the largest integrated solar plus storage projects in the united states the slate project has the capacity to generate sufficient

low cost clean energy power to
approximately 126 000
california homes so again canadian solar
is executing on the global stage
they just completed one of the largest
solar plus storage projects in the
united states
and they just surpassed over 1 billion
dollars in asset sales in japan canadian
solar
just seems like they're doing really
well across the entire world right now
and this recent sell-off that the stock
has seen i do think is a little bit
unjustified and i think that the
fundamentals of canadian solar are
remaining
very very strong they also report
earnings on march
18th which is less than a week away now
and i'm really excited to see how the
company is performing i'm going to be
going through their earnings for my
discord community
and i'm i'm hoping it's really good but
honestly this is a 2.7 billion dollar
global leader in the solar industry so i
think that they're very
fairly valued at this current market cap
and again i just can't wait to see what
their earnings are going to look like on
march 18th
all right now the last stock that i want
to talk about is green lane renewables
and this is a renewable natural gas
stock that i talked about
quite a while ago on my channel this is
also a smaller cap stock with a
valuation of only 266 million dollars at
the time of recording this video
however green lane is one of the global
leaders in the renewable natural gas
space and they are seeing a ton
of growth right now but they're also
still unprofitable so i do consider this
more of a speculative investment of mine
now the reason that i want to talk about
green lane is because they just reported
their fourth
quarter earnings results and they were
actually pretty good
further down in their earnings report it
says the company delivers record revenue
in q4 2020

up 167 from q4
2019 along with continued sales order
backlog expansion
fiscal year 2020 revenue up over 100
percent
and sets its sites on further rapid
growth in 2021
so again year over year for the fourth
quarter they saw a revenue growth of 167
that is just insane so let's go over the
fourth quarter highlights as well
this says record revenue of 8.8 million
dollars
again an increase of 167 percent over
the 3.3 million reported in the fourth
quarter of 2019.
their gross margin for the quarter was
also 2.4 million or
27 percent of revenue now i'm not gonna
lie to anyone
this is a pretty small gross margin like
a gross margin of 27 percent does not
give you much room to become a
profitable business
we can also see that here with their
positive adjusted ebitda of only 200
000 so they don't even have positive
ebitda of a million dollars or anything
like that
they're not really that profitable at
all even on an ebitda basis
we can also see that their net loss was
reported at 1.2 million dollars so the
company is not yet profitable
however they are seeing a record sales
order backlog of 45.7 million dollars at
the end of the year which was an
increase of over 180 percent
from december 31st 2019 so their sales
order backlog
is continuing to grow and this should
help the sales continue growing
throughout the year of 2021.
they also have a sales pipeline valued
at over 720 million dollars
at the end of 2020. so their sales
pipeline is continuing to grow as well
but ultimately this is still an
unprofitable business
and that is why i'm treating it as more
speculative we can also see that the
valuation once again is 266 million
dollars and they're doing about 35
million dollars in annualized revenue

based on their q4 results
so this is quite an expensive company
but if we scroll down on yahoo finance
we can see that in the first quarter of
2020 they were doing 2.93 million
dollars in revenue
and again by the fourth quarter they did
8.8
million dollars and this growth that the
company is seeing
is just in the last four quarters so
they increased their revenue by over 100
percent
in just the last four quarters alone so
they're seeing massive
amounts of growth right now and
ultimately the valuation is definitely
reflecting this growth
again this is not a cheap company by any
means so i'm gonna be following the
company and i am going to be holding my
shares i am not currently looking to
build my position
unless the valuation continues coming
down because ultimately i do believe
that the stock is still
quite expensive especially considering
that they're not yet profitable
and their gross margin is only 27
so even though the revenue is growing
very very nicely right now
the company is still a long way from
becoming profitable and
cash flow positive so paying a price to
sales ratio of like eight to nine i
think is
pretty expensive so yeah i'm gonna be
holding i'm not looking to add to my
position yet
and i do think that the earnings were
pretty good i mean the revenue i was not
expecting the revenue to grow that much
in the fourth quarter i gotta be honest
and i'm hoping that this revenue growth
can continue on throughout 2021 but that
is pretty much going to wrap up the
video everyone i just wanted to make a
quick video updating you all with some
of the recent
news and highlights that came out with
some of the stocks that we talk about on
the channel
as always if you enjoyed the video then
please remember to leave a like on it

really helps on my channel and i really
appreciate it
if by chance you're new here and you
want to stick around and stay up to date
with the stock market and some of the
specific stocks in my portfolio then
consider subscribing as well
but with all that being said thank you
all so much for watching and i really
hope to see you all again
in my next video