



3 Marijuana Companies Canopy Growth Corp. Investors Should Worry About

Description

In the Canadian medicinal (and eventually recreational) marijuana industry, **Canopy Growth Corp.** (TSX:CGC) stands heads and shoulders above the competition in terms of market capitalization. The company's current market capitalization is over \$1 billion—the first Canadian marijuana company to eclipse the mark.

That said, Canopy Growth Corp. was also the first Canadian medicinal marijuana producer to be listed on the TSX, and the company's recent stock price run may be partially attributed to this factor alone. I'll be looking at other Canadian medicinal marijuana companies with varying market positions that are currently threatening to eat away at some of the projected market share Canopy Growth Corp. is banking on.

While Canopy Growth Corp. shareholders will be focused on the road ahead, sometimes it's important to take a peek back at the other companies running the same race. So let's do that.

Aurora Cannabis Inc.

Aurora Cannabis Inc. is not a small player in the medicinal marijuana industry. With a market capitalization of \$638 million, the Alberta-based company has grown its sales 20% month over month and has a large Canadian subscription base.

In September, Aurora bought CanvasRx, the largest medical marijuana patient outreach service in Canada. The company is positioning themselves as the "cleanest and safest" marijuana available on the market. Currently, it appears that Aurora poses potentially the biggest threat to Canopy Growth Corp. in the Canadian market in the near term.

OrganiGram Holdings Inc.

OrganiGram is a New Brunswick-based producer of medicinal marijuana with a market capitalization of \$235 million. The company has recently announced an exclusive production and distribution agreement with a large Colorado dispensary chain. This agreement is expected to grow the company's revenues substantially in the U.S., which is important to note since OrganiGram is one of the first

Canadian marijuana companies to take a real stab at the U.S. market.

Aphria Inc.

With a market capitalization of \$216 million, Aphria Inc. is the smaller of the main competitors, but it's a company with massive potential upside. The company has recently announced a \$25 million expansion of its greenhouse capacity, moving from 100,000 square feet to 300,000 square feet, meaning a jump in production capacity from 5,500 kilograms to 18,000 kilograms per year.

As a fully licensed producer, Aphria has the potential to continue to consume market share and grow rapidly, just as Canopy Growth Corp. has done recently.

Other competitors

Many other smaller competitors exist in this space; they are closing financing rounds (or have already closed financing rounds) and are moving into production. The large jump in the share prices of market-leading firms in the medical marijuana space has led to an influx of producers lining up, ready to take a piece of the pie for themselves.

The question is, how ready is Canopy Growth Corp. for the challenges these competitors will provide in the near term?

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:WEED (Canopy Growth)

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Date

2025/08/06

Date Created

2016/12/17

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