



Aurora Cannabis Inc.'s Share Price Could Skyrocket in the Near Future

Description

Cannabis stocks are hot right now. There is a rush towards companies that produce and sell cannabis, following the news that the Liberal government is going to legalize the use of marijuana in mid-2018.

You've got many companies to choose from if you want to join the green rush, but one of them has a huge potential, despite not being the most popular. I'm talking about **Aurora Cannabis Inc.** (TSXV:ACB), a company that produces and distributes medical marijuana.

This marijuana producer wants to become a leader in the medical marijuana market as well as make the most of the legalization of marijuana for adult customers.

Strong patient growth rate

In May 2017, Aurora reported its financial results for the quarter ended March 31, 2017. For the third quarter 2017, revenue jumped to \$5.2 million compared to \$0.2 million for the same quarter a year ago. A higher revenue per patient and an increased number of patients led the 33% jump in revenue over the previous quarter. The firm's current sales pace exceeds \$2 million per month.

Following a remarkable patient growth rate for the first year of Aurora's commercial activities, demand continues to exceed available supply. The company was able to meet demand with the steadily surging production capacity by managing pro-actively new registrations in the third quarter 2017. As the capacity increases and more items become accessible, patient acquisition should continue to grow steadily.

Aurora Sky

Aurora wants to protect its place as a premium supplier in the fast-growing medical marijuana market as well as position itself for the soon-to-be legalized recreational market.

The cannabis producer is looking to achieve those goals by pursuing an aggressive growth and expansion plan. It is looking to expand nationally as well as globally. It is making sustained investments in technology, partnerships, innovation, sales and marketing, and customer service.

Building the world's most advanced production facility is part of this growth plan. The greenhouse will be called "Aurora Sky" and will be located at the Edmonton International Airport. The 800,000-square-foot Aurora Sky cannabis-production facility will have the capacity to produce more than 100,000 kilograms of cannabis every year.

The cost of this project is going to be in the range of \$110 million, and production is expected to start by the end of 2017. The hybrid greenhouse facility should be ready by July 1, 2018, in time for Canada Day celebrations and for the projected start of adult customer sales.

Aurora drops

The marijuana grower is positioning itself to stand out in the already crowded marijuana market by partnering with **Radiant Technologies Inc.** to extract cannabis oils more efficiently. Aurora started sales of ingestible cannabis oils called Aurora Drops last spring.

Neil Maruoka, analyst at **Canaccord Genuity**, believes that if the process developed by both companies operates on a large scale, Aurora would gain a competitive advantage for making oils. Oil extracts get better margins than cannabis, which could sustain its income and profits in the event of a decline in marijuana prices.

The two companies agreed to negotiate an exclusive development and commercialization agreement. Aurora has already invested \$2 million in Radiant in the form of a convertible debenture.

Since cannabis oil is selling very well, Aurora expects it to be a key contributor to revenues, allowing the company to get a considerable share in this fast-growing division of the cannabis market.

It looks to me that Aurora Cannabis is trying its best to be innovative and stand out from its peers. I wouldn't be surprised to see its share price skyrocket in the next 12 months, so I think it's time to load up on this promising stock.

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