



## 3 Reasons Canopy Growth Corp. and Aurora Cannabis Inc. Could Double in Value

### Description

Cannabis stocks have been red hot with provinces moving forward on policies regarding distribution and sale for recreational use. Recreational cannabis is projected to grow to a \$6 billion industry by 2021, but it is not just excitement that is driving these stocks. Some of the best Canadian companies are making huge moves to prepare for the mad dash that is sure to follow legalization in the summer of 2018.

### Both companies are accelerating international expansion

**Aurora Cannabis Inc.** ([TSX:ACB](#)) released its fourth-quarter and full-financial-year results on September 26. It posted \$5.9 million in revenues in the fourth quarter compared to \$1.2 million the previous year. Its international expansion paid off in 2017, as it posted 7.1% of revenues from sales of dried cannabis and cannabis oils in Germany.

Aurora also finalized the acquisition of the largest German distributor of cannabis, Pedanios GmbH. This provides a gateway into the European market and hundreds of millions of potential consumers.

**Canopy Growth Corp.** ([TSX:WEED](#)) also moved into the international market, as it partnered with Danish Cannabis ApS to form a firm that will capitalize from the country's upcoming legalization set to launch January 1, 2018.

### Rapid and successful preparations for 2018 recreational rollout

Canopy made a big splash in September when it announced a Memorandum of Understanding with the New Brunswick provincial government. In it, Canopy agreed to supply the government body with 4,000,000 grams of cannabis and cannabis derivative products in 2018 with an expected retail value of \$40 million.

Aurora Cannabis announced a supply agreement with Namaste Technologies Inc. on September 28 that will allow Aurora to offer vaporizers through its mobile app and online store. The company is also moving to appeal to a home grower consumer base that is likely to expand with each household

permitted to grow four plants for personal consumption. Aurora announced the launch of the Aurora Envoy on October 5 — a live plant transporter for consumers who choose to grow at home.

### **Solid financials and exciting acquisitions**

Aurora Cannabis posted a record August 2017 in which it saw gross sales exceeding 328,322 grams and over \$3.1 million in revenues from the sale of medical cannabis. The Aurora Sky facility at the Edmonton International Airport, expected to be the largest cannabis production facility in Canada, is slated for completion in mid-2018. At peak, it will produce over 100,000 kilograms of cannabis annually.

Aurora Cannabis stock has increased 11% since its initial public offering on July 24, 2017. At its current price, this is my top cannabis stock right now — one that could easily double or triple by the time recreational cannabis rolls out in 2018.

On September 28, Canopy announced that it signed a definitive licence agreement for Skinvisible Pharmaceuticals, Inc. formulas. Skinvisible plans to develop hemp-based products that will be sold by Canopy. Valens GroWorks signed a craft cannabis agreement with Canopy that will allow access to its Kelowna-grown products.

Canopy stock has increased 36.5% in 2017 and 136% year over year. As the largest producer in Canada with a massive inventory, the company is as ready as any cannabis producer for the summer 2018 rush.

### **CATEGORY**

1. Investing

### **TICKERS GLOBAL**

1. TSX:ACB (Aurora Cannabis)
2. TSX:WEED (Canopy Growth)

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