



Aurora Cannabis Inc. (TSX:ACB) Stock Falls Below \$8: Here Is Why You Should Buy the Dip

Description

Aurora Cannabis Inc. ([TSX:ACB](#)) fell 1.12% to close at \$7.97 on July 17. Shares are now down 16% in 2018 so far.

Aurora has had its fair share of skeptics in 2018 as the company has committed to an [aggressive expansion](#), inking the two largest acquisitions in the history of the industry. The pessimism has not been warranted so far, as Aurora has managed to execute its vision with efficiency as we look ahead to full legalization of recreational cannabis use in October. The stock surged to the double digits after the federal government finally sealed the deal on legalization, but has since retreated as we covered at the beginning of this article.

So, is Aurora a bargain or could it still bite investors with lofty expectations? Let's take a look.

On July 16, Aurora announced that it had selected the e-commerce giant **Shopify Inc.** ([TSX:SHOP](#))([NYSE:SHOP](#)) to run its global online platform. Shopify will assist the current Aurora team in transitioning its current e-commerce site into a Shopify platform. In its press release, Aurora leadership pointed out that one of the key factors in this choice was Shopify's ability to seamlessly scale its online operations in order to remain competitive in domestic and global markets.

Aurora has managed to post solid numbers relative to its competitors as it has continued its expansion. It released its fiscal 2018 third-quarter results back in May. Aurora sold 16.5% more grams of cannabis from Q2 fiscal 2018, and this number soared 107.2% year over year. Active registered patients climbed 110.8% quarter-over-quarter and almost 250% from the prior year. These numbers powered an over 200% spike in year-over-year revenues to \$16.1 million.

Shopify is not the only big name that has given Aurora a vote of confidence. **Bank of Montreal**, which has stood out as the first bank to actively pursue domestic cannabis investments on a large scale, agreed to loan Aurora up to \$250 million in traditional debt in June. This will provide Aurora with ample liquidity without having to issue equity in the near term.

Aurora is well positioned to become a big player in Western Canada. The Edmonton-based company has committed to supplying 25,000 kilograms of cannabis to Alberta's retail market in the first six months following legalization. Edmonton also serves as the base for its Aurora Sky plant, the 800,000 square foot facility that's projected to produce 8,000 kilograms or more per month by January 2019.

Alberta has garnered [due praise](#) from industry experts and enthusiasts as it has handed over control of distribution and sales to the private sector. Aurora will continue to host the bulk of its activities in its home province, giving investors even more reason for optimism as we look ahead to legalization.

Aurora stock is an attractive buy after falling by the double digits over the past week. The company may have overpaid for its top two acquisitions, but its leadership has proven that it is capable and in the midst of executing a solid vision that should see it emerge as a top global producer.

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