

Aphria Inc. (TSX:APH) Stock Is up 30% Over the Past Month: Is it Still a Buy in September?

Description

Aphria (TSX:APH) stock rose 12.03% on August 29. Shares have surged 30% over the past month but are still down over 20% in 2018 so far.

Earlier this month, when Aphria stock fell below \$9, I'd [discussed whether the stock could climb back over the \\$20 mark](#) with recreational legalization looming. At the time, I was skeptical that Aphria could put together a run at its previous all-time highs but still recommended it as an attractive speculative buy. Of course, this was before the \$5 billion investment from **Constellation Brands** that launched a new rally for cannabis stocks. The stock sits at \$16.30 as of this writing.

Back in July, I'd also discussed why Aphria was an [enticing option](#) for those seeking big potential growth and value. Should investors still be eager to jump into Aphria stock as we look ahead to September? Let's take a quick look at what has been a very busy August.

Aphria kicked off August with the release of its fiscal 2018 fourth-quarter and full-year results. Revenue doubled from \$5.7 million in Q4 2017 to \$12 million in the last quarter of fiscal 2018. For the full year, revenue rose from \$20.4 million to \$36.9 million. Aphria has long boasted low production costs and reported that its cash costs to produce dried cannabis per gram fell \$0.01 quarter over quarter to \$0.95. Its annual production capacity was reported at 255,000 with the first sale expected in January 2019.

Like other producers, Aphria also made a number of positive steps forward in securing distribution and supply agreements. On August 8, the company announced that it signed a Manufacturer's Representative agreement with Vancouver-based licensed producer We Grow Ltd. This allowed Aphria to become We Grow's exclusive sales representative across Canada.

On August 21, Aphria announced that it had entered a supply agreement with the Ontario Cannabis Store (OSC). **Canopy Growth**, **Aurora Cannabis**, and a number of other licensed producers were also granted supply agreements. Recreational cannabis will be legalized on October 17, but Ontario will not move forward on wholesale retail until April 2019. This means that all legal recreational sales will be done through the OSC online store.

Finally, on August 27, Aphria announced that it had entered a supply agreement with the Nova Scotia Liquor Corporation. It will provide cannabis and cannabis derivative products in Nova Scotia's market starting on October 17. This represented the eighth such supply agreement for Aphria after securing deals with Ontario, British Columbia, Alberta, Manitoba, Quebec, New Brunswick, and Yukon.

Is Aphria a buy today?

Even after its recent surge, it is hard not to like Aphria at its current price. Shares have only just recovered to levels before a late January and early February dip that sunk cannabis stocks. Aphria has jumped ahead of its peers with its low-cost production and has secured promising supply agreements.

The company is one of the few sure bets in this young industry ahead of the October 17th roll-out date.

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