



## Is This Pot Stock a Hotter Buy Than Aurora Cannabis Inc (TSX:ACB)?

### Description

If you're looking to invest in cannabis, finding a stock with a lot of upside is going to be a challenge. On the TSX, stocks like **Aurora Cannabis Inc** ([TSX:ACB](#)) and **Canopy Growth Corp** offer a lot of growth potential, but they trade at very big multiples relative to their sales and might just be too expensive.

However, there are options for investors who fear they may have missed the boat. In particular, one stock has performed very well recently, and that's **MedMen Enterprises Inc** ([CNSX:MMEN](#)), which trades on the Canadian Securities Exchange. In the past three months, the stock has soared more than 50% and it's still a [fairly new stock](#) on the exchange.

The U.S.-based company isn't able to list on the TSX due to the legal issues surrounding marijuana in the U.S., so it has had to opt for the less restrictive CNSX. The company, which tries to follow the **Apple** store model for its cannabis products, has become very popular in the U.S., with 14 dispensaries spanning multiple states.

Last week, MedMen's brand got even stronger as it acquired PharmaCann, a medical marijuana company with 10 locations in the U.S. in an all-stock deal valued at US\$682 million. This will allow MedMen to expand its presence into the Midwest, particularly Michigan, which is set to vote on recreational marijuana next month and could be one of the newest states to legalize pot.

MedMen CEO Adam Bierman highlighted how big of a deal this is not only for the companies, but the industry as well, stating, "This would not have been possible even two years ago and is a testament to how far both the industry and these two companies have evolved."

### Why MedMen could offer investors more upside than Aurora

Aurora has been one of Canada's top cannabis stocks for good reason: it has made some big acquisitions in the past year and could potentially be on the heels of a [huge deal](#) with soft drink giant **The Coca-Cola Co**. There are many reasons to be excited about the stock's future, as the industry is still taking off. As Aurora is a major player, it will command significant market share.

The problem, however, is that cannabis stocks in Canada have been rising for a long time now, and a

lot of those expectations for future growth are already priced into share prices.

A stock like MedMen, particularly with its latest acquisition, has the opportunity to expand quicker and doesn't have to wait for the U.S. market to become available to it. Not being listed on the TSX is actually at an advantage in that it can expand strategically via acquisition into various U.S. states and grow organically.

With MedMen also on the Canadian Securities Exchange, it will reach fewer investors with less opportunity for its stock to reach the obscene prices of many other pot stocks. Over the long term, MedMen's stock could offer investors great returns as the industry continues to evolve.

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1. Investing

## TICKERS GLOBAL

1. TSX:ACB (Aurora Cannabis)

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