

## Is Aurora Cannabis Inc. (TSX:ACB) Stock Still Oversold?

### Description

Marijuana stocks are enjoying a new rally and investors who stayed on the sidelines through the downturn at the end of 2018 are wondering which [pot stocks](#) might be the best buys right now.

Let's take a look at **Aurora Cannabis** ([TSX:ACB](#))(NYSE:ACB) to see if it deserves to be in your [portfolio](#) today.

### Acquisitions

Aurora Cannabis has been one of the more aggressive players in the Canadian marijuana market. The company made two major acquisitions in 2018 that consolidated the space and launched Aurora Cannabis into the big leagues among other large players such as **Canopy Growth** and **Tilray**.

The deals, which included the \$2.5 billion takeover of MedReleaf in July and the \$1.1 billion purchase of CanniMed in January, gave Aurora important production capacity and broader geographic coverage for both the Canadian medical marijuana market and the recently launched recreational market.

Aurora is continuing to grow in 2019. The company just announced a \$175 million agreement to acquire Whistler Medical Marijuana. The deal adds production facilities in British Columbia, as well as a portfolio of premium products.

### Overseas

Aurora also has its sights on a number of international opportunities, including Europe. The company is building a one million square foot greenhouse in Denmark with operations in Germany to serve the growing European medical marijuana market.

### Diversified businesses

Aurora's portfolio of companies includes investments in areas where cannabis products are expected to expand. The company has a 25% interest in **Alcanna**, the largest private sector alcohol retailer in Canada.

In the cosmetics segment, Aurora has a partnership with Envio Beauty to develop and market hemp seed oil and CBD-based lifestyle products.

The medical opportunities are also in the company's sights. Aurora has a small ownership position in CTT Pharmaceuticals, which provides innovative drug delivery systems for pain treatment.

Finally, the sale of cannabis edibles is expected to be legalized in Canada at some point in 2019. Aurora has a majority interest in Hempco Food and Fiber, a hemp-based food company with more than a decade of experience in the sector.

## Should you buy?

Aurora Cannabis currently trades at \$9.60 per share, giving the company a market capitalization of about \$9.6 billion. This provides management with the financial clout to continue to grow, and it wouldn't be a surprise to see Aurora take a run at **Aphria** or **HEXO** in 2019.

HEXO, in particular, might be an attractive target, as it would give Aurora a stronger presence in Quebec and also put it in a leadership position in the infused-drinks segment through the Truss partnership with **Molson Coors Canada**.

The stock is up significantly in the past week, but still sits well below the \$15 peak it reached last year. I wouldn't back up the truck, but Aurora might be an interesting pick today for investors who expect the marijuana sector to take off in the coming years.

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