



## Pot Stock Round-Up: 4 of the Best Cannabis-Related Companies

### Description

TSX index investors looking for [high-growth stocks](#) to buy now for capital gains are still eyeing Canadian cannabis stocks as well as those tangentially connected with them. But do these stocks still offer high growth or is the industry holding its breath? Let's take a look at four of the most popular pure-play and cannabis-related stocks, starting with an industry outsider that joined the party last year to great fanfare.

### Molson Coors Canada ([TSX:TPX.B](#))([NYSE:TAP](#))

Selling at around 34 times its future cash flow value, [Molson Coors Canada](#) has been a much sought-after stock since it announced last year that it was joining forces with Canada's newest and arguably most exciting breakout industry.

Down 1.56% in the last five days at the time of writing, Molson Coors Canada's share price has been generally falling since October 2016 — not to far away from the disappointment that was legalization. High debt at 223.5% of net worth and overvaluation (see a high P/E of 245.1) make for a stock with a very distinctive spread of stats; however, what potential investors may want to focus on is the possibility of upside once the industry stabilizes as well as a dividend yield of 2.46%.

### Aphria ([TSX:APHA](#))([NYSE:APHA](#))

Down 5.34% in the last five days, what's sometimes seen as one of the healthiest cannabis stocks on the TSX index, Aphria saw a one-year past earnings growth of 251.7% that beat a five-year average of 89.5%. With a low debt level of 3.1% of net worth, it's a good choice for the more casual investor with a low appetite for risk.

While some cannabis stocks have seen their multiples rocket, Aphria boasts reasonable ratios, from a P/E of 31.8 to a P/B of 1.8. Meanwhile, its outlook is lower than those of some more steeply valued stocks, with a 17.1% expected annual growth in earnings on the way over the next couple of years.

## Shopify ([TSX:SHOP](#))([NYSE:SHOP](#))

On a tear since Christmas, Shopify is one of the most popular tech stocks on tech TSX index and offers a low-exposure cannabis play at the same time. While negative one- and five-year past earnings growth rates aren't unheard of in a cannabis-related stock, the fact that it's debt-free should go some way to allay investor fears, while a 24.3% expected annual growth in earnings beats Aphria's outlook by a few percentage points.

## Tilray ([NASDAQ:TLRY](#))

Down 11.96% in the last five days at the time of writing, shareholder returns for Tilray have been negative to the tune of -27.9% over the last 90-day period, compared to the U.S. market, which is up 4% for the same duration. The NASDAQ's superstar cannabis stock remains a positive ticker, though, with an annual expected 95.3% growth in earnings that beats the other stocks listed here.

## The bottom line

Despite its high P/E ratio, Molson Coors Canada is valued attractively in terms of its real-world assets, with a P/B of 0.4. Shopify insiders have only sold shares in the last three months and in significant quantities, while a P/B of 10 signifies distinct overvaluation. Tilray's momentum and balance sheet give the TSX index, meanwhile, with a P/B of 34.7 and low debt at 9.7% of net worth.

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1. Cannabis Stocks
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1. Cannabis
2. Editor's Choice

### TICKERS GLOBAL

1. NASDAQ:TLRY (Tilray)
2. NYSE:SHOP (Shopify Inc.)
3. NYSE:TAP (Molson Coors Beverage Company)
4. TSX:SHOP (Shopify Inc.)
5. TSX:TPX.B (Molson Coors Canada Inc.)

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