



Is Aphria (TSX:APHA) About to Topple Aurora Cannabis (TSX:ACB)?

Description

It seemed like for months that **Canopy Growth** was the only cannabis stock worth mentioning in the business world. Every quarterly earnings report in the cannabis sector always linked back to Canopy and its performances. That is, until last week when things changed.

That's because **Aurora Cannabis** ([TSX:ACB](#))(NYSE:ACB) became big news by [signing a deal with Nelson Peltz](#), a billionaire who will be advising the company in making more strategic deals with partners.

The deal sent Aurora's stock up about 10.5%, but since the news broke the stock has continued its upward trend, reaching a peak of 25.5% growth since Peltz's announcement.

But is Aurora the only cannabis company that could see a further boost in its future?

Along comes Aphria

Back in the early days of the new year, **Aphria** (TSX:APHA)(NYSE:APHA) also sent cannabis stocks soaring after reporting a solid earnings report, with analysts expecting something far less impressive than the \$54 million in net income the company reported. Its next earnings date is just around the corner in mid-April. So, should investors be looking to this cannabis company for the next stock pop?

Let's look at where Aphria sits right now. The company recently reported that [Health Canada granted Aphria a licence amendment](#) that permits it to start production in its 800,000-square-foot facility as part of its Part IV and Part V expansion. This puts it in a prime position to go global and reach its target production of 255,000 kilograms by the end of 2019.

It's this prospect of growth that should really excite potential investors. Once the company amps up production with these expansion projects, the stock should finally see some more upward motion. As of right now, the stock remains undervalued at its current price of about \$13.50 per share, according to analysts. Instead, they put its worth closer to \$15.

If production really gets going, investors could see the stock rise, and quickly. By the end of 2019, analysts are predicting it could jump as high as \$25 a share. If you put that in perspective, that means you could turn a \$5,000 investment into more than \$9,000 by the end of this year!

Of course, all of this isn't a sure thing. Nothing in the stock market is. But Aphria definitely has a chance to make some big moves in the near future. And with historical earnings remaining positive in the last few quarters, investors should be able to expect more good things coming their way from this company.

What about Aurora?

Did you miss the boat on Aurora Cannabis? Personally, I don't think so. The news of Nelson Peltz is only the first step for this company. I think investors can expect some announcements in the future that could make them very excited. Also, as my American colleague Keith Speights pointed out, Peltz will receive nearly 20 million stock options from the company at \$10.34 per share. That alone would make him want the stock to do well, but he also will receive those options on a faster time table if the stock should start to soar!

So, while I'd wait for the hype around Aurora to calm down and the stock to dip a bit before buying again, at this point, I'd still choose it over Aphria. The company does have a potentially exciting future, but Aurora's just looks a bit more solid.

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