



## 4 Catalysts That Could Send Aurora Cannabis Inc. (TSX:ACB) Skyrocketing

### Description

**Aurora Cannabis** ([TSX:ACB](#))(NYSE:ACB) has been my favourite cannabis play for quite some time now. Not only does the name get less attention than front runner **Canopy Growth** with its eccentric CEO Bruce Linton, who's seemingly always in the spotlight of the financial media, but Aurora has a number of catalysts that could propel the stock much higher than any of its peers in the space over the next year or so.

Let's have a closer look at the three catalysts that I believe will allow Aurora to get a big boost over its pot peers in the years ahead.

### Innovation is in Aurora's veins

Is it just me or is Aurora out-innovating its peers?

A lot of exciting innovations have gone largely under the radar over the past year, and although they're probably material over the long run, the market has seemed to focus its attention of other shorter-term related stories, mostly those impacting the broader industry.

One of the most significant innovations that caught my attention was Aurora Cloud (no, Aurora's not getting into cloud computing!), Aurora's high-potency CBD oil cartridges that were meant to be vaped with a highly convenient vape system.

The only thing hotter than the CBD market, which is expected to grow to US\$2.1 billion by 2020, is vaping, a trend that has picked up a ton of traction over the years thanks to its major added health benefits over smoking.

As the first licensed producer to have a vape-ready consumer product to be approved by Health Canada, I see significant upside for Aurora, as it capitalizes on a market that I believe is highly underrated by analysts. It's not just being first to the market with lock-and-load CBD vapables; I believe the technological innovation behind the products could be a source of early differentiation.

With THC/CBD blended cartridges likely coming up next, I think the Aurora Cloud will be a widely-copied innovation that'll send Aurora stock to the clouds.

## Three letters: C.B.D.

With the Hempco Food and Fiber acquisition in the bag, Aurora has a heck of a positioning in the CBD market.

While any producer could extract CBD from its hemp, I believe the unique talents and expertise within the sub-industry will prove to be invaluable for the company as more research is done on CBD and its therapeutic properties.

So, it's not so much about the quantity of CBD that Aurora has the potential to produce. It's about the *quality* — quality that separates the company from the pack.

## Aurora's medicinal advantage

As you've probably noticed, Aurora's scooped up mainly medicinal-focused competitors.

CanniMed Therapeutics and MedReleaf were two very expensive scoop-ups made over a year ago, and while investors were quick to punish Aurora for the premium prices paid to bag both companies, I noted that the premium would be less meaningful over time, as the industry matured and the real value of the talent at the two companies became more apparent over time.

As the marijuana market heads toward equilibrium levels, pot firms will need a way to differentiate themselves from the pack to gain an economic profit. That's where Aurora has the advantage. While branding, promos, celebrity endorsements, and the like are off limits, for now, Aurora can differentiate itself through its "medicinal advantage."

With some of the best medicinal marijuana talents in the industry, the company has the ability to conduct R&D like nobody's business. I suspect that a significant chunk of change will be spent on the production of patented and branded products: think exclusive strains of marijuana that are optimized for specific ailments with enough research and clinical data to get the thumbs up from Health Canada.

## Fully-loaded, massive-scale greenhouses will rake in the green

Aurora is producing tons of weed with its massive Aurora Sky and Aurora Sun production facilities. Not only is the scale of the facilities impressive, but there's tech being implemented to improve efficiencies and yield per plant.

It's as much about quality as it is about quantity, and as the company replicates its greenhouse strategy, I expect Aurora will call the shots with some of the lowest production costs in the industry.

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