



Why Aurora Cannabis (TSX:ACB) Is in Danger of Falling Behind its Peers

Description

As competition in the industry continues to rise, there's a very real risk that **Aurora Cannabis Inc** ([TSX:ACB](#))(NYSE:ACB) will not be one of the top pot stocks anymore. Long seen as the main rival of **Canopy Growth Corp** ([TSX:WEED](#))(NYSE:CGC), Aurora is doing very little to justify that position.

With U.S. cannabis companies starting to show significant sales growth south of the border and Canopy Growth already making moves to expand there as well, Aurora could see tougher times ahead.

Is the company ready for edibles?

Although Aurora has brought on some key [personnel](#) into the mix to help find opportunities in the market, it's no guarantee that it will have anything to show for those hirings. Meanwhile, Canopy Growth has had a deal in place with **Constellation Brands** for a long time, and we've seen that partnership grow as well.

With the edibles market being less than six months away from launching, Aurora doesn't have a deal in place with a big beverage maker to suggest it's going to be in a good position to compete with Canopy Growth and other companies when beverage sales become legal.

While the company could certainly go at it on its own, it would be putting itself at a big disadvantage given that other pot companies have secured deals with big beer makers in the hopes of gaining an advantage and not having to start from square one.

This week, we even saw **Sproutly Canada** announce a deal with Moosehead Breweries. And while Moosehead may not be a big public company, it's been producing drinks for over a century and it has the knowledge, skills and expertise that can help Sproutly gain a good footing in the market.

Aurora, however, has yet to secure a deal with any beverage maker, big or small. And with time running out, there's a very real possibility that the company will be flat footed come October and that its rivals could be well ahead and better prepared for that new segment when it opens for business.

Investors could end up going elsewhere

If Aurora wants to be one of the market leaders in the industry and trade at significant multiples to sales, it's going to need to do something soon. The name of the game in the cannabis industry is growth and the perception of what is coming down the pipe for a company.

If other companies are able to demonstrate their value better than Aurora can, then investors will ditch the stock and go elsewhere.

In the past month, Aurora's share price has been flat, while Canopy Growth has skyrocketed around 20% thanks to news that the company had made a tentative deal in the U.S. [Even though it's not a guarantee to go through at this point](#), Canopy Growth has at least been taking steps to add value for shareholders.

Aurora, meanwhile, has continued to stand pat while its peers have been the ones making the big moves lately.

If Aurora doesn't do something soon, the stock could be at risk for a big correction as investors may opt for better growth opportunities.

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