



## Should You Buy Aurora Cannabis (TSX:ACB) Ahead of Earnings?

### Description

**Aurora Cannabis** ([TSX:ACB](#))(NYSE:ACB) has scheduled a call for May 15 to discuss its latest quarterly results. The company is likely going to post record revenues and show a significant year-over-year increase yet again. The big question, however, is whether investors would be better off buying today or waiting until after the results to purchase the stock. Let's take a look at how Aurora has done in the past as well as what might be different this coming quarter.

### The stock is up even despite a disastrous Q2

Back in February, Aurora released its [quarterly results](#), which showed the company incurring a significant \$240 million loss. Not only that, but prior to the earnings the company issued a warning that it was going to miss its sales targets for the quarter — [by a lot](#). And although the company dropped in value the days following the release of the results, the stock has gone on to rally since then.

Ultimately, we know that marijuana stocks in Canada aren't likely to turn a profit, especially not as a result of their day-to-day operations. And so when Aurora or any other marijuana stock posts a loss, it's just not that big of a deal for cannabis investors, since it's often excused as being related to growth. Instead, it's been sales growth that has been the key in assessing the value of a pot stock, as well its long-term potential. If both of those are good, then the stock could be in good shape.

In Aurora's case, last quarter the company issued a big warning before earnings. The mere absence of that for Q3 might suggest that it isn't anticipating as big of a letdown for investors, and that alone is a good sign. There's nothing like a big sales miss to spook cannabis investors. And with this coming quarter including a full three months of recreational sales, it's likely going to be a great quarter for Aurora.

### Could we finally see news related to a beverage partnership?

The release of earnings is usually a good time for companies to announce any big news since investors are already keeping a close eye on the company. And Aurora is one of the more notable

marijuana companies that hasn't secured a significant deal with a company from another industry. If Aurora doesn't announce anything now, it's not going to look good with the edibles market set to be legalized in just five months' time.

We know that the company has been investing in personnel to help uncover acquisition and growth opportunities, but we haven't seen anything tangible from the company on that front recently. It's difficult to speculate on news, but it's something I always keep a close eye on when it comes to Aurora. If the company wants to be one of the top pot stocks, it's going to have to be a big player when it comes to beverages, and right now, without a big partner, it isn't looking like it will be.

Bottom line

With Aurora's stock struggling in the past month and the company not waving any flags ahead of earnings, the stock might be a good buy before the company releases its earnings. Not only are we likely to see record sales, but there's also the off-chance that maybe it could get a boost if it announces anything related to acquisitions.

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