Forget About Aurora Cannabis (TSX:ACB) Stock: This Proven Stock Is Heading Higher Right Now

Description

Many investors get excited about the growth potential of marijuana stocks like **Aurora Cannabis** stock. Indeed, it has outperformed the market by appreciating about 40% in the last 12 months. However, the stock trades at a high price-to-sales ratio of close to 66. And it's anyone's guess if it can continue heading higher.

A new development for a proven growth stock

Here's a growth stock that analysts believe has no downside risk (only upside potential). **Biosyent** (TSXV:RX) stock is trading about 5% higher after it announced a meaningful development for its business yesterday — Health Canada has approved a new drug for which Biosyent has exclusive distribution rights in Canada.

That is, the drug is new to Canada but not to other countries. It has been approved and marketed in Europe for more than 30 years, and it has been approved and marketed in other countries.

As the press release stated, "Tibella [is] indicated for the short-term treatment of vasomotor symptoms due to estrogen deficiency in postmenopausal women."

Tibella complements and enhances Biosyent's existing portfolio of women's health products in the company's Community and Women's Health Business segment, which already consists of oral iron supplements (FeraMAX 150 and FeraMAX Powder), and sodium hyaluronate suppositories (RepaGyn and Proktis-M). IQVIA estimates that the sub-segment of the women's health market that Tibella belongs in has a market value of about $200 million.

Biosyent's track record

Biosyent is a proven growth stock. From 2013 to 2018, it has increased its revenue by 2.8 times (more than 22% per year) to $21.5 million and diluted earnings per share by three times (more than 60% per year). It has also maintained a high return on equity of 23% or greater. From 2014 to 2018, Biosyent's EBITDA climbed more than 14% per year to $7.4 million.

While growing responsibly and profitability, Biosyent has kept the balance sheet clean with no debt and full of cash. The company's cash and cash equivalents nearly quadrupled to $16.8 million from 2015 to 2018.

Upside potential

At $8 per share, as of writing, Biosyent trades at about 20.5 times 2018 earnings and a forward price-to-earnings ratio of about 19.1.

Buyers of Biosyent stock today can be well rewarded. **Thomson Reuters** has a 12-month mean target of $10 per share on the stock, which represents near-term upside potential of 25%.

Foolish takeaway

Biosyent has a primary focus in Canada and is a proven profitable business that sources, acquires or in-licenses innovative pharmaceutical products, which are proven safe and effective to improve the lives of patients.

Despite the pop, the healthcare stock still looks like a good value today and can be an excellent addition to a diversified portfolio with [a focus on growth](#).

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