



## These 2 Marijuana Stocks Could Eclipse Canopy Growth (TSX:WEED) Very Soon

### Description

**Canopy Growth Corp** ([TSX:WEED](#))(NYSE:CGC) is [going through some tough times](#). After reaching a peak closing price of \$69.90 in April, the stock embarked on a major bear trend, which saw it fall to \$52.87 on Monday.

The sell-off correlated with two developments: a May selloff that affected almost all markets worldwide, and a Q4 report that showed a loss of over \$300 million. Given that Canopy kept falling after stocks rebounded in May, it's likely that the Q4 loss was the main factor behind its tanking share price.

To be sure, Canopy is still growing sales at a lightning pace. In its most recent quarter, revenue was up 312% year-over-year. However, it's evident that Canopy is experiencing some growing pains that could allow a competitor to overtake its position as the #1 pot stock. The following are the two best contenders.

### Aurora Cannabis

**Aurora Cannabis Inc** ([TSX:ACB](#))(NYSE:ACB) is the second biggest marijuana producer by revenue and market cap, with \$75 million in sales in its most recent quarter. The company actually beat Canopy on revenue a few quarters ago, although Canopy quickly reclaimed the top spot.

Aurora is seeing strong sales growth in all segments of its business, including adult-use sales. The fact that the company is doing well with recreational pot two quarters post-legalization is a good sign, because certain other producers [saw recreational sales slow](#) in the second quarter of legal sales.

Apart from that, Canadian medical is up 8% while international medical is up 40%. Not a single segment of Aurora's business didn't grow in its most recent quarter.

### Aphria Inc

Next up we have **Aphria Inc** (TSX:APHA)(NYSE:APHA), the fastest-growing of the large cap

marijuana stocks. In its most recent quarter, Aphria grew revenue at 617% year over year, bringing it to \$73.5 in total. This puts Aphria's sales just a hair short of Aurora's, but that's not the most interesting thing about Aphria's growth.

What's really interesting is that the company's revenue shot up 250% quarter over quarter. This is a feat that, if repeated, would be more than enough to put Aphria past Canopy's Q4 revenue.

Granted, Aphria's 250% one quarter jump likely won't happen again. But at this point, the difference between Canopy's revenue and Aphria's is just \$21.5 million. Even if Aphria grows at 30% in its next quarter, it will surpass where Canopy was at in its most recent one.

Of course, Canopy is likely to see some growth as well, so that may not be enough for Aphria to overtake it. Still, it's easy to see that Canopy's spot at the top of the cannabis throne isn't as secure as it seems at first glance.

## Foolish takeaway

For the longest time, analysts have been calling for Canopy Growth to remain the #1 marijuana stock. Now, however, its competitors are starting to close the gap. We've already seen one quarter where Aurora stole the show. Eventually, we may see one of Canopy's competitors get to the top—and stay there.

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### Date

2025/08/26

### Date Created

2019/07/04

### Author

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