



Buy This 1 Weed Stock Instead of Aurora Cannabis (TSX:ACB)

Description

Aurora Cannabis Inc ([TSX:ACB](#))(NYSE:ACB) has long been one of Canada's most popular weed stocks. Second only to **Canopy Growth** by revenue and market cap, it's a major producer with a lot of weight to throw around. In its most recent quarter, the company [grew its revenue by 305%](#)—an impressive feat given that it was already one of the largest marijuana producers a year prior.

However, ACB is facing some issues that may make it a poor bet going forward. In addition to being one of the more expensive marijuana stocks by sales and book value, it's also running ever-larger losses from operations. Granted, most weed producers are in the same boat. But for Aurora, the combination of a nosebleed valuation *and* mounting losses is becoming hard to ignore.

Fortunately, if you're looking to invest in marijuana, there's another option out there. A previously small player that's rapidly growing and is now within striking distance of Aurora's revenue. This company grew its sales by a blistering 617% year over year in its most recent quarter, and its acquisitions are starting to pay off.

The name of the company? **Aphria Inc** (TSX:APHA)(NYSE:APHA).

About Aphria

Aphria is a marijuana producer with a strong focus on the medical side of the cannabis industry. Unlike Canopy and Aurora, however, it hasn't fared overly well with recreational cannabis, with a [35% decline in recreational sales](#) in its most recent quarter. But what the company missed on recreational, it more than made up for in medical: the company saw a 64% increase in medical cannabis produced in the nine months ended February 28th.

Additionally, the company added about \$50 million in new distribution revenue from its subsidiaries CC Pharma and ABH, which serves to demonstrate that Aphria's acquisition strategy actually is paying off, contrary to the claims of short-seller research reports stating that the company was spending exorbitant amounts of money on virtually nothing.

One of the cheapest weed stocks

One of the most interesting things about Aphria is that despite being one of the fastest-growing weed stocks, it's also one of the cheapest. To an extent, this is to be expected: marijuana is a hype-driven industry, and Aphria just doesn't get the kind of press as that of Canopy or Aurora. However, it's still incredible just how cheap this stock is compared to some of its peers.

In an industry where price-to-sales ratios in the high 60s are common, Aphria trades at about 19 times sales and only 1.3 times book value. Granted, that price-to-sales ratio is high for most stocks; however, it's low compared to other marijuana stocks.

In addition, Aphria has managed to eke out profits in past quarters, a milestone that its larger competitors were slow to reach. These and other factors make Aphria one of the most dependable weed stocks out there.

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