



Better Buy: Aurora Cannabis (TSX:ACB) or Hive Blockchain Technologies (TSXV:HIVE)?

Description

Cannabis and cryptocurrency are two of the biggest emerging industries this year. After last year's \$5 billion **Canopy Growth Corp** deal and this year's Bitcoin comeback, both sectors are attracting speculative interest and making headlines around the world.

Right now, crypto appears to be the hotter of the two, as marijuana stocks have been tanking after a series of disappointing quarterly reports. However, in these volatile industries, things can change on a moment's notice, and you never know who will be making investors rich in a year's time.

It's in this environment that **Aurora Cannabis Inc** ([TSX:ACB](#))(NYSE:ACB) and **Hive Blockchain Technologies** ([TSXV:HIVE](#)) find themselves. Each of these companies is happily situated in one of 2019's "hype" industries, and both of them have, at various points, made investors wealthy.

Although neither company is up dramatically this year, both have had periods of enormous growth, which could resume if market trends are favourable. If you're still not sure whether to invest in cannabis or crypto, the following side-by-side comparison of two of those industry giants could help you make up your mind.

Aurora Cannabis

Aurora is the second-biggest marijuana stock by revenue and market cap. At the time of this writing, it had a \$9 billion market cap and \$65 million in quarterly net sales. Aurora's stock is up 25% this year, but down 33% from its peak price in March.

In its most recent quarter, Aurora posted a large net loss of \$158 million, which sent its shares into free-fall. However, the quarter was not without its encouraging news. Consumer and medical sales were up 37% and 8%, respectively, while international sales were up 40%.

Overall revenue growth was 367% year over year, which is practically unheard of for non-marijuana
TSX

stocks. Finally, while the stock is expensive relative to sales, it trades at only two times book value, so it isn't as pricey as some weed stocks out there.

Hive Blockchain Technologies

Hive Blockchain Technologies is a company that focuses on [cryptocurrency mining and blockchain investments](#). The company actively mines cryptocurrency to sell it at a profit, allowing it to make money off crypto without directly paying for coins.

Thanks to its investments in cool, environmentally controlled data centers, it is able to mine cryptocurrency at a low cost, which makes it a convenient play for those who are interested in mining but worried about the energy costs. The company's Iceland data centre boasts year-round mild temperatures, which helps keep cooling costs low. Compared to Aurora, its stock is cheap, trading at four times sales and 1.7 times book value.

Foolish takeaway

I'm not the biggest fan of marijuana stocks or cryptocurrency, but if I had to invest in one, I'd probably go with a weed stock like Aurora. Although Aurora's [price-to-sales ratio is unbelievably high](#), its revenue growth is close to 400% year over year, so it could eventually be a reasonable buy.

Hive Blockchain is definitely cheaper at the moment, but its mining operations are extremely vulnerable to cryptocurrency prices—a huge drop-off in the price of ETH or BTC, for example, could send its shares into a free-fall.

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1. Cannabis Stocks
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Date

2025/07/05

Date Created

2019/07/15

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