



3 Marijuana Stock IPOs That Could Be Worth Billions

Description

It's been almost a year since marijuana was legalized nationwide, and there's been pandemonium in the industry. After Health Canada began investigating **CannTrust Holdings** (TSX:TRST)(NYSE:CTST) for unlicensed cultivation, the small-cap producer suspended all sales, sending shock waves across the entire sector. CannTrust had previously been one of the few consistently profitable weed companies in both net and operating terms, making its current troubles a blow to an industry that is facing increasing heat for mounting losses and poor cost control.

With the Health Canada investigation still ongoing, now would be a poor time to invest in CannTrust stock. And with costs spiraling out of control, the large-cap producers are also probably out — at least until future income statements reveal better news.

However, despite all of the above, it may not be too late to invest in marijuana stocks. Because for all of the drama plaguing the established companies in the industry, there are new upstarts that promise to shake things up. Many of these new companies resemble the established weed stocks in their early days and could have serious upside. The following are three whose IPOs could be worth billions.

Akerna

Akerna ([NASDAQ:KERN](#)) is a marijuana tech company that came about through the merger of MJ Freeway and MTech Acquisition Corp. It develops inventory management, grow site management, and tracking solutions for the marijuana industry. As a tech company that does not deal in marijuana directly, it's insulated from the regulatory problems currently plaguing companies like CannTrust.

Shortly after its IPO, Akerna stock shot up 224% in a single day, before receding on **Canopy Growth's** disastrous earnings news. Still, the stock is up 35% year to date. If it reached its peak June valuation again, it would be worth nearly a billion dollars.

Breath of Life International

Breath of Life is an Israeli marijuana company that is set to IPO this month. It has over 370,000 square metres of production space and aims to get up to total production capacity of [870,000 kilograms per year](#). These are impressive figures, and Breath of Life's management aims to support them by raising \$150 million in a TSX IPO. Only 15% of the company's shares will be sold in the IPO, so it values the whole enterprise at around \$1 billion.

Cannalife

Cannalife is a small marijuana producer that has long been rumored to be eyeing a 2019 IPO. The company is well known for its unique line of cannabis products, which include topical skin creams, balms, and body rubs. The company recently had to suspend sales of some of its products, as Health Canada hasn't yet approved the sale of topical cannabis creams. However, the company has extensive contacts in the U.S. and may be able to thrive in the medical marijuana market, even as its products face regulatory hurdles at home.

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