



Ranking the Top 3 Cannabis Companies Today

Description

The cannabis industry is going topsy turvy again. It seems we're back to square one. I've made some fine-tuning to come up with the ranking of the top three cannabis companies.

Third best

I view **Aphria Inc.** (TSX:APHA)(NYSE:APHA) as the third best. The current price is \$8.12 and is down by 39.5% from early April when the stock zoomed to \$13.43. However, I see every retreat as a buying opportunity and good entry point into the cannabis world.

A few months back, the company said the goal is to hit \$1 billion sales. I thought the boast was too ambitious. But today that figure is possible in the coming years. Also, Aphria was plagued by negative publicity during those times.

Everything is all water under the bridge now. The company even changed the logo to signify the evolution from medical cannabis licensed producer to a global industry leader. Aurora is growing cannabis under natural sunlight in a state-of-the-art greenhouse facility.

Aphria has a competitive advantage because the company can expand and produce high-quality cannabis at scale but at lower costs. Eventually, the 255,000 kilograms peak annual production capacity will be reached. Aphria will get a bigger slice of the market in 10 countries in five continents.

The company is already turning in profits, although very minimal; the prediction of a 220% price increase is plausible. And at a price below \$10 at writing, I can wait patiently for the harvest come.

Down to second

I've always ranked **Canopy Growth** ([TSX:WEED](#))(NYSE:CGC) at the top of the heap. Sadly, the firing of the founder and CEO sent the wrong signal. If the investor partner unceremoniously dispatches the head, it tells me that the grandiose plans are not happening.

But I also understand the frustration if a US\$1.4 billion investment is on the line. WEED has been trending downward prior to the removal of Bruce Linton, a well-known executive and a trailblazer in the cannabis industry.

There's an [image problem](#) now with Canopy Growth, which is why it's down to second best. The current price of \$44.58 could tank to \$39.28. the price at the start of this year. The decision to get rid of the CEO and hire a permanent replacement may be for the best.

However, it could also be for the worse. Canopy Growth might take a direction different from where Linton originally intended to bring the company.

The top bet

The cannabis company with the largest production capacity will be the [ultimate winner](#) in the rapidly growing industry. **Aurora Cannabis** ([TSX:ACB](#))(NYSE:ACB) has yet to partner with a wealthy corporate partner. Canopy Growth has one but the unthinkable happened.

Aurora's 20% market share in the medical and recreational use markets will increase when the annual run-rate output of 655,000 kilograms is met by mid-2020. Aurora can also expand with the coming of the edibles and other cannabis-infused products with higher profit margins.

The stock is not taking a beating as much as the Canopy shares. Nevertheless, the chances of Aurora flying really high very soon are better.

CATEGORY

1. Cannabis Stocks
2. Investing

TICKERS GLOBAL

1. NASDAQ:ACB (Aurora Cannabis)
2. NASDAQ:CGC (Canopy Growth)
3. TSX:ACB (Aurora Cannabis)
4. TSX:WEED (Canopy Growth)

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