



Is This the Next Big Cannabis IPO?

Description

Global competition in the cannabis industry is starting to heat up. One company out of Alberta looks to be a big player on that stage. Sundial Growers has operations in Canada and the U.K. and has some ambitious goals for the future, including a listing on the NASDAQ.

This week, the company announced its plans for an IPO on the U.S. exchange. It could be a great opportunity for investors to invest in what could be the next big global cannabis brand.

Why Sundial could rival some of the top cannabis companies

Although Sundial isn't a big company today, that could soon change as it recently acquired Bridge Farms Group out of the U.K., which will be key to its international growth.

Bridge Farms expects to have 3.5 million square feet of space to grow cannabis by the end of next year. However, that may just be the start, as Sundial CEO Torsten Kuenzlen stated that "expedient global expansion requires a combination of organic growth and strategic acquisitions."

With competition in the industry becoming fiercer and companies already having staked out positions in key parts of the world, Sundial isn't looking at the slow-and-steady approach, but instead is definitely going to be more aggressive in its plans.

The company, however, is taking on two different strategies. In Canada, where it has two operations in Alberta and a third being built in B.C., the company will focus on premium inhalable products.

With the legalization of edibles being around the corner and vaping being very popular in the U.S., it's a segment of the market that could be significant.

In its U.K. operations, which will include Bridge Farms and three other locations, Sundial will focus primarily at producing high volumes while trying to be a low-cost producer as well.

It could be a great way to tap into strategic segments and various types of customers. And the

company's attention to detail could give it a big advantage in the industry, as one of the ways that Sundial ensures high-quality crops is by using computers to monitor several different variables.

Could now be a great opportunity for a new competitor?

Canopy Growth Corp ([TSX:WEED](#))(NYSE:CGC) and other cannabis producers have been venturing into global markets in an effort to dominate other parts of the world while they wait for legalization to take place in the U.S.

However, the passing of the farm bill has seen Canopy Growth focus more on the hemp market recently, which could leave a door open for Sundial to grab some market share outside North American.

Ever since Canopy Growth got rid of its co-CEO [Bruce Linton](#) and other [scandals](#) weighing down the industry, investors could be looking for viable alternatives. That's why for Sundial, it's perhaps the perfect time to get into the market and offer investors a new option.

Canopy Growth and other companies have already fallen short of investor expectations in the past, and as long as Sundial can deliver on its promises, it could have a good chance of being able to steal away investors.

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