



3 Pot Stocks That Could Outsell Aurora Cannabis (TSX:ACB) in 2020

Description

The last month has been incredibly interesting for cannabis investors, to say the least. While some pot producers out there were able to actually post a profit for once, others were still swamped with debt, with seemingly no end in sight.

As the cannabis industry is still in its infancy, there are some coming out ahead in the short term, but over the long haul there are certainly going to be fewer that will come out on top. I still believe one of those latter companies will be **Aurora Cannabis** ([TSX:ACB](#))(NYSE:ACB).

Aurora is setting itself up for a global takeover of the marijuana industry. The company is already at the top of the heap when it comes to production, currently shelling out 150,000 kilograms of marijuana per year. By June of 2020, Aurora expects to produce 625,000 kilograms per year. By the end of 2020, that number could hit 700,000 kilograms.

However, it isn't a secret that Aurora has been [diluting shareholder funds](#) to fund all of these growth projects. Therefore, profit is likely not going to be seen by investors for quite a few years. Though, when it hits, it should likely hit hard, as the company also produces pot for the lowest cost in the industry with a goal of \$1 cost per gram per sale.

But for those investors who are a bit more impatient, or who are simply want to make some quick cash and get out of this new industry, there are certainly a few other stocks to consider.

Curaleaf

Curaleaf Holdings ([CNSX:CURA](#)) has quickly become a name cannabis investors are starting to pay attention to. The company has made a series of acquisitions throughout the United States, setting itself up to be a major pot producer and seller should marijuana be legalized in the country. Curaleaf looks to be just getting started, as it even just sold off six real estate assets for US\$28.3 million to cover further expansion, and recently completed the acquisition of a cannabis business in Arizona.

Curaleaf isn't just in set up mode but in seller mode. The company has focused on cannabidiol (CBD)

products, but as legalization potentially looms, Curaleaf has the most operational dispensaries in the U.S. When its deal with **Grassroots** is complete, it will have access to 19 states and 68 open locations. By the end of 2020, the company expects to have US\$1.25 billion in sales.

Canopy Growth

Despite a horrible loss that has plagued **Canopy Growth** ([TSX:WEED](#))(NYSE:CGC), the company still expects that it will hit profit before Aurora. While Canopy reported a loss of \$1.28 billion recently, by the end of 2020, Canopy expects to have made \$1 billion revenue. Given that it still has a lot of [cash on hand](#), that means this debt should be paid off relatively quickly if the company is correct in its assumptions.

What makes this look plausible is that Canopy looks to be completing its set-up process and is now in the process of production. In its most recent report, it hit record production levels, outperforming any other cannabis company. When all of its operating facilities are performing at full capacity, the company will have five million square feet of production available and 5.6 million square feet of cultivation licensed by Health Canada. Not only should Canopy pay off its debts, but it should actually generate \$521 million in sales. While Canopy thinks profit could be three to five years away, these numbers look to be growing fast.

Aphria

Finally, we have **Aphria** (TSX:APHA)(NYSE:APHA), the first with the good news of profit this year. After some heated scandals over the last year, Aphria has remained in the number three spot in terms of production capacity. And then, during its latest report, it was actually able to show a profit after acquiring German medical cannabis and pharmaceutical distributor CC Pharma.

Germany is a mega win for pot producers, and Aphria is one of only three that has the right to cultivate in the country. This shows the company will be a strong international presence going forward. But whereas other companies are looking to the CBD and hemp market, Aphria is one of the few sticking close to recreational and medicinal cannabis, making partnerships with vape companies ahead of derivatives legalization. By fiscal 2020, analysts expect the company to have made \$695.3 million in profit.

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1. CNSX:CURA (Curaleaf Holdings, Inc.)
2. NASDAQ:ACB (Aurora Cannabis)
3. NASDAQ:CGC (Canopy Growth)

4. TSX:ACB (Aurora Cannabis)
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