



## Forget Aurora (TSX:ACB): This Weed Stock Can Go Bonanza

### Description

**Aurora Cannabis** ([TSX:ACB](#))(NYSE:ACB) will likely release its quarterly performance results in September. With edibles soon to be legalized in the country, there are potentially [positive signs](#) for the company in terms of its revenue numbers. Aurora is expected to retain one of the top spots in Canada's cannabis industry.

While the prospects for the company in terms of sales revenue look good, you should know that Aurora still might not lead to a good investment for you today. While the sales may increase, the company is not likely to make improvements in its cash flow.

Aurora could face restrictions on what it can and cannot do, while also taking care of the interest charges on its debt. The company's alternative to that would be issuing more shares. That spells bad news for existing investors, since the dilution will keep the share prices from increasing in value.

Things are still looking up for weed stocks, but you might want to consider something other than Aurora if you're going to make the most of your investments. Perhaps consider the little-known **Green Organic Dutchman Holdings** (TSX:TGOD).

## The state of affairs for Green Organic

Green Organic is a mid-tier player in the Canadian marijuana industry that has massive potential for high returns. TGOD wants to establish itself as a leader in the cannabis industry for premium quality organic cannabis products. It has a unique vision, which is concise and can help the company carve out a niche within an increasingly crowded industry.

Green Organic is an international medical and adult-use cannabis enterprise that operates in Canada, Europe, the Caribbean, and Latin America. The company released its Q2 2019 earnings in August, which show positive signs. Green Organic achieved revenues of \$2.9 million, a 20% increase over the prior quarter derived mainly from Europe.

While TGOD experienced a net loss of \$16.6 million for Q2 2019, the management continues to keep a

disciplined approach towards investing in its operational costs to prepare the company for commercializing its products in Canada and international markets.

Its entry into a multi-year agreement with **Neptune Wellness Solutions** for extraction, formulation, and packaging services presents favourable news for the company. Green Organic will retain exclusivity in the packaging, extraction, and formulation of certified organic products in the Canadian market as part of this deal with Neptune.

## Is Green Organic a better alternative to Aurora?

The price of TGOD stands at \$3.18 at the time of writing — less than half of Aurora at \$7.68. With a lower price and higher potential for growth, I would say that Green Organic is a better weed stock to consider investing in compared to Aurora, which may well be overvalued right now.

Green Organic is aiming to [become a market leader](#) in premium and organic cannabis and is well on the way of achieving it. Despite recent setbacks, the company offers interesting play for cannabis investors who want to capitalize on the burgeoning weed industry but do not want to go down a well-trodden path.

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