



1 Cannabis Stock That Could Still Make You Rich

Description

There are many cannabis companies out there going through a pretty significant setback at the moment. While some cannabis companies are posting their first profits, others are posting more and more losses. While I'm a believer that if you're investing in a larger company, these are merely growing pains, there are still a few cannabis companies out there that offer investors away to make significant returns within a short period of time.

One such company is **Aleafia Health** (TSX:ALEF). Looking at its share price, Aleafia offers investors an incredibly cheap way to get in on the cannabis industry. But this company offers a lot more than a cheap share price. Most recently, the company posted quarterly results that had investors drooling. The company had major [revenue growth](#) in the quarter, leading management to believe by the next quarter the company will actually be able to post a profit for the first time.

That's revenue growth came from two sources. First of all, there was an increase in recurring revenue from patients needing medicinal marijuana both at home and abroad in Australia. A lot of this came from the company's acquisition of Emblem, a medicinal marijuana provider that gave Aleafia access to a number of countries it did not have prior to the acquisition. It led the company to its largest sale yet at \$1,000,000, and access to 138,000 kilograms of marijuana per year.

Then there was the incredible increase in its production capacity. The cannabis company quadrupled the size of its Port Perry Outdoor Grow Facility to 1.1 million square feet of cultivation space. The new space cost about \$1.2 million, and with \$58 million in cash on hand, this proved to be a minor hurdle. Between the acquisition of Emblem and this major increase in production, Aleafia has likely shot itself up into the top 10 marijuana producers in the country.

So, while analysts predicted the company wouldn't be posting a profit until sometime in 2020, this news has sent that prediction much closer in time. While it's true that a significant jump might still be on the horizon given that the cannabis industry is down and a recession is looming closer, I would still consider now a great opportunity to buy even a small stake of this stock.

In fact, with a share price below \$1, that leaves very few ways for the share price to go but up over the

next few months to a year. Over the next 12 months, analysts predict the stock could [even triple](#) to \$3 per share. With a share price at \$0.92 as of writing, that means a \$5,000 investment would be worth \$16,305 in only a year!

Not to say that bet isn't without risk, as again this stock is part of the risky cannabis industry. However, as I mentioned, I don't see Aleafia going much lower, and neither do many analysts. So, with that in mind, this could be an easy way to turn rags to riches for investors willing to do some extra research and hold their breath for the next 12 months.

CATEGORY

1. Cannabis Stocks
2. Investing

POST TAG

1. Cannabis
2. Editor's Choice

TICKERS GLOBAL

1. TSX:AH (Aleafia Health)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Cannabis Stocks
2. Investing

Tags

1. Cannabis
2. Editor's Choice

Date

2025/08/21

Date Created

2019/09/27

Author

alegawolfe

default watermark

default watermark