



## Has Aurora (TSX:ACB) Finally Passed Canopy Growth (TSX:WEED) as the Cannabis Industry Leader?

### Description

For many cannabis investors, the goal is to own the industry leader, as it is sure to reward you with great profits down the road.

The cannabis industry is one that's finding its feet slowly, but when it's established, it has the chance to bring great profits to participating companies, especially to those that lead the industry.

Since day one, **Canopy Growth** ([TSX:WEED](#))(NYSE:CGC) has been the pinnacle of the industry. It was the first company to hit a number of milestones, including being publicly listed on a securities exchange.

Now though, as Canopy has lagged behind some of its competitors recently, has **Aurora Cannabis** ([TSX:ACB](#))(NYSE:ACB) finally caught up and passed it as the cannabis industry leader?

### Aurora

Aurora has always been one of the top companies in the cannabis industry. It's been chasing down Canopy for top spot.

While both companies have similar strategies, they each have their respective differences. Aurora has really been pushing its international growth, with sales in 25 different countries, making it the market leader for medical cannabis in Europe and Latin America.

It's made 17 total acquisitions since 2016, which it has integrated into its existing operations well and used the synergies to improve its growth potential.

Its fourth-quarter fiscal 2019 earnings were very impressive with net revenue up more than 50% over the third quarter and the volume of cannabis sold up almost 100%.

[Aurora](#) has worked hard to chase down Canopy, but it now realizes it needs to prioritize profitability, as

that's what investors are interested in.

Its strategy for profitability includes plans to drive down costs and give itself some wiggle room for what it sees as inevitable margin compression in the future.

In addition, it has been investing heavily in R&D to give itself flexibility while building its brand names to try and charge a premium for its products down the road.

The stock has come down by roughly 65% since its peak earlier this year in March, making it a steal at today's prices.

## Canopy

Canopy, as mentioned before, has been the industry leader for a number of reasons, but mostly because it has been the one company to achieve a number of firsts in the industry.

This has given it a major early mover advantage and has positioned it to dominate the recreational, medical, and international markets.

It now has more than 110 patents and operations in 12 countries on five different continents around the world.

It's also been working hard to develop its retail store network building out its Tweed-branded stores as well as its iconic Tokyo Smoke stores.

These stores are critical to gaining an advantage in the recreational market and are part of the reason why Canopy has an estimated 25% market share in the Canadian recreational market.

On top of all the growth it's seeing from recreational and international sales, it is also working hard to develop its Cannabis 2.0 products.

The future has never been brighter for Canopy, and with its stock being sold off by more than 60% since the beginning of May, this could be the best time to invest, because it's extremely undervalued and the perfect [contrarian](#) pick.

## Bottom line

It's clear that the cannabis industry has had a huge sell off, but this could be seen as a positive, as most speculators have now exited the industry. This makes it a great time for long-term investors to step in and hold the stocks until they reach their fair-value potential.

While Canopy continues to lead the industry, Aurora has closed the gap, and it will be interesting to see how they fare over the next 12 months. For investors trying to decide one over the other though, I would give the slight edge to Canopy, though you can't go wrong investing in either company.

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## Date

2025/08/21

## Date Created

2019/11/04

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