



## 1 Lesser-Known Weed Stock Could Blow Past Aurora (TSX:ACB) in 2020

### Description

2019 hasn't been kind to cannabis companies in the country. Marijuana giants such as **Aurora Cannabis** and **Canopy Growth** have seen its stock values plummet as a result of slow growth and several legal hurdles preventing the expansion of the cannabis industry.

Stock values have been down by nearly 40% since the start of the year, and down by more than 60% off its mid-year highs. Investors are rightly frustrated, and many financial pundits are calling off investing in the industry for now.

However, there are a few cannabis companies that are [bucking the trend](#) and racking in massive revenue. With the market at a low at right now, **Valens Groworks** (TSXV:VGW) is a potentially lucrative investment option.

### An up and coming giant

Valens Groworks is well positioned to become a market leader within the global cannabis industry. Unlike other cannabis companies, Valens Groworks has pursued a strategy of acquiring a more diverse portfolio of products.

It is not focusing on marijuana products for recreational use but is also manufacturing more high-end products for the nutraceutical and medical industry. Demand for nutraceutical cannabis products has seen the fastest growth in the medical cannabis industry.

However, the most vital part of this company's growth has been data. Valens Groworks is going above and beyond its competitors by setting the gold standard for cannabis research and testing methodologies.

By providing reliable insights on the accuracy, consistency, and potency of its cannabis ingredients and products, the company has managed to better navigate through the stringent regulations that have swamped the growth momentum of other cannabis companies.

## Expanding past research

However, the company is aiming to expand its domain of research services. Last year, it launched its subsidiary, Valens Labs. The subsidiary provides commercial research and testing services to clients for not just cannabinoid products but also metals, residual solvents, pesticides, mold, and terpenes.

The latest income report shows revenue of \$27.5 million. And the company hasn't shied away from reinvesting its revenue in pursuing even more aggressive growth.

The company has been expanding its supply chain vertically. It is acquiring land and licences for the cultivation and processing of cannabis as well as its distribution.

Just recently, it acquired Pommies Cider Co., one of the leading Ontario-based beverage companies accelerating the company's entry into the rapidly growing \$2 billion beverages and edibles market in Canada.

To further solidify its presence in the market, Valens has also entered an exclusive agreement with Tarukino Holdings for the production and distribution of its proprietary emulsion technology called S?RSE™ as well as the manufacturing, selling, and distribution of Tarukino's branded products to the Canadian market.

## Foolish takeaway

With a diversified portfolio, rapid growth, as well as a strategy of utilizing its assets beyond just cannabis products, Valens Groworks proves to be potentially a safe and high-yielding investment. With a price/book ratio (MRQ) of 3.17 and a forward P/E of seven as of right now, its stock is a relative bargain and promise [high returns in the next few years](#).

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. TSX:VLNS (Valens)

### PARTNER-FEEDS

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

### Category

1. Investing

**Date**

2025/06/29

**Date Created**

2019/12/07

**Author**

adamothonman

default watermark

default watermark