



## \$15,000 Invested in Aurora (TSX:ACB) IPO Is Worth a Surprising Amount Today

### Description

The cannabis industry saw too much activity in a very short amount of time — companies rising and falling in mere months. The sector made many people very rich — at least the ones that pulled out of the market on time. But for many who remained invested, things didn't go as well as they planned, especially the ones that invested in **Aurora Cannabis** ([TSX:ACB](#))(NYSE:ACB).

The company started off as one of the largest players in the game, but now it's struggling to stay afloat.

### \$15,000 investment at IPO

IPOs are where many savvy investors truly make it. If you know the business and market well enough and put your money in the right company, the chances are that you will increase your capital manifold in a matter of years.

In a way, Aurora had three IPOs. The first was in October 2016, when Aurora opened for trade in the **TSX Venture Exchange**. The second was in July 2017, when the company graduated to TSX. The third was when Aurora crossed borders for IPO and started trading on the **NYSE**. But let's stick to the Canadian ones.

On its first Venture Exchange IPO, the company closed at \$1.78 per share. If you had invested \$15,000 in it at that time, you would be sitting on around \$17,350 right now, a not-so-flattering 15% growth in over three years. And the lucky ones who sold it at its peak value of \$15 per share, would have increased their capital nearly 8.4 times.

Things look even bleaker if we pick the second IPO. Aurora closed on \$2.73 per share on its first day of trading in TSX. \$15,000 invested on that day would be worth about \$11,300 today. That's a significant depreciation in the capital.

### How are things looking now for Aurora?

For investors who have hitched their wagons with Aurora for better or worse, how are things looking now? Currently, Aurora is trading at \$2.06 per share.

The market value of the company is steadily declining since March 2019. The company's former founder and CEO Terry Booth recently stepped down, and the company announced drastic layoffs and aggressive financial restructuring.

What these things will mean for the company's future and the investor is yet to be seen. But the overall performance of the sector and Aurora's own dismal records might prevent a rush of new investors for quite some time.

But the fact remains that Aurora is still one of the market leaders in terms of production capacity and owns significant assets. If the wave of marijuana derivatives and global expansion hits Aurora the right way, it might still sail ahead.

## Foolish takeaway

For investors [who are still tethered](#) to Aurora, the aggressive changes and restructuring the company is going through might bring glad tidings.

And investors who are looking to buy a stock with great potential when it's dirt cheap might be better off waiting to see how the changes take effect.

### CATEGORY

1. Cannabis Stocks
2. Investing

### TICKERS GLOBAL

1. NASDAQ:ACB (Aurora Cannabis)
2. TSX:ACB (Aurora Cannabis)

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