



Up 178% Overnight, Should Investors Buy Valens (TSX:VLNS) Stock?

Description

Valens ([TSX:VLNS](#)) shares soared 178% in early-morning trading on Nov. 18 after the company commenced a three-to-one stock split. This came after meeting requirements to list on the Nasdaq. Shares of Valens stock went from \$1.78 to \$5.28 overnight from the stock split.

What happened?

The stock split is another step towards the listing on the Nasdaq for Valens stock. The cannabis provider has now met the requirements that could see the company listed on the Nasdaq before the end of the year.

“This announcement represents a milestone towards the listing of Valens’s common shares on Nasdaq,” said Tyler Robson, CEO of The Valens Company. “With the recent progress in our application, paired with the share consolidation to meet minimum listing requirements, Valens expects to commence trading on Nasdaq before the end of 2021.”

The jump comes also as Robson received a Canada’s “Top 40 Under 40” award. Beyond his “team player” attitude, Robson led four major acquisitions. This included that of LYF Technologies, Verse Cannabis, Citizen Stash, and Green Roads in Florida.

This last acquisition marks Valens stock entry into the United States. And with more rumours coming out that federal legalization could happen sooner as opposed to later, Valens stock could be a strong entry point — especially as other cannabis stocks [crash](#) around it.

So what?

With only one acquisition in the last year aimed at the U.S., should investors really get excited about federal legalization and Valens stock? In short: yes. The cannabis stock also announced its on the way to having a Nasdaq listing. This could boost the share price even higher with access to the U.S. and could mean further U.S. acquisitions in the future.

Furthermore, we can't ignore that other cannabis [company](#) CEOs simply did not make the cut on the "40 Under 40" list. In a time when cannabis companies are struggling to make ends meet, Valens stock seems to be the odd one out.

Of course, the nominees are chosen on more than the numbers, including sustainability and market leadership. However, investors can't ignore Valens stock's finances. The company saw gross revenue rise 32.7% year over year during its third quarter, with provincial sales up 20% compared to the second quarter.

It also closed its Citizen Stash acquisition. And according to Valens, the "strategic acquisition of Citizen Stash expected to propel Valens's asset-light entry into the flower and pre-roll segments, the two largest categories in the Canadian cannabis market currently accounting for over 70% of retail sales."

Now what?

Valens stock ended the quarter with about \$31 million on the books. This while other cannabis stocks try and make a profit. The acquisitions of late may be just the tip of the iceberg, as the company continues to bring in more cash.

Analysts have been touting Valens stock as undervalued for a while, marking it worth around \$4 per share, while it traded around \$1. During the latest earnings report, analysts bumped it even higher thanks to acquisitions and entry into the U.S.

Sales should continue to accelerate thanks to the acquisitions into full year 2022, according to analysts. Further, there is an entry into Quebec, a manufacturing agreement, and full-quarter acquisition sales to look forward to.

So, yes, even with Valens stock entering a stock split, according to analysts, it's still a [buy](#). The company has remained responsible and focused on shareholder interests in growing sales at a steady pace.

Shares currently trade at \$5 as of writing, up 137% year to date. Furthermore, analysts give it a potential upside of 131% for the next year! That could be even higher taking the recent split into consideration.

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