



2 Marijuana Stocks Better Than Aurora Cannabis

Description

While markets were trading near record highs at the end of 2021, several Canadian marijuana stocks, such as **Aurora Cannabis** ([TSX:ACB](#))(NYSE:ACB), underperformed broader indices. At the time of writing, ACB stock is down 94% from all-time highs, burning [massive investor wealth](#) in the process.

Aurora Cannabis outlined a business transformation plan in 2020 to reduce manufacturing capacity and lower its cost structure. However, in this period, the cannabis producer has derived cost savings of just \$60 million while its operating loss in the last 12 months is close to \$270 million. Comparatively, its net loss is much higher at \$604.1 million in the last four quarters.

Further, the Canadian marijuana market continues to expand, but Aurora Cannabis saw its quarterly revenue shrink by almost 2% in the last three years.

In order to offset its cash-burn rates, Aurora Cannabis raised equity capital multiple times in the last three years, which accelerated shareholder dilution. The company also disclosed it will exit the recreational marijuana market to focus on the higher-margin medical marijuana segment.

Given its market cap of \$1.02 billion, ACB stock is valued at a forward price-to-fiscal-2022-sales multiple of 4.3 times, which is quite expensive for a loss-making entity with weak fundamentals. Let's take a look at two marijuana stocks better than Aurora Cannabis.

Green Thumb Industries

One of the largest cannabis companies in the world, **Green Thumb Industries** ([CNSX:GTII](#)) operates 75 dispensaries with licences to open 114 more retail locations in 14 markets south of the border.

As most states are likely to legalize the consumption of recreational marijuana in the U.S., Green Thumb is well poised to take advantage of a rapidly expanding addressable market. In the third quarter of 2021, the company reported revenue of US\$233.7 million — an increase of 49% year over year.

It also reported a net income of US\$20.8 million, which was Green Thumb's fifth consecutive quarter of

profitability. In the year-ago period, its net income stood at US\$9 million.

Green Thumb ended 2019 with 40 stores and has almost doubled in size in the last two years. It opened 15 new stores in 2021 that allowed it to increase revenue as well as profits at an enviable pace.

Jushi Holdings

A small-cap cannabis stock valued at [a market cap](#) of \$945 million, **Jushi Holdings** (CNSX:JUSH) is down 57% from all-time highs. The company more than doubled its sales to US\$54 million in Q3 of 2021, while adjusted EBITDA surged higher by 129% year over year to US\$6.4 million.

Jushi ended Q3 with 26 operating dispensaries in six U.S. states. Its acquisition of NuLeaf will also provide Jushi with additional stores in Nevada — one of the largest cannabis markets in the country.

In Q3, close to 80% of total sales were derived from the online channel where the average cart size stood at US\$122. Jushi confirmed its [online conversion rate](#) stood at 14%, which is much higher than the 3% figure for e-commerce.

Analysts tracking Jushi stock have a 12-month average price target of US\$6.91 per share, which is 87% above its current trading price.

CATEGORY

1. Cannabis Stocks
2. Investing

TICKERS GLOBAL

1. CNSX:GTII (Green Thumb Industries)
2. NASDAQ:ACB (Aurora Cannabis)
3. TSX:ACB (Aurora Cannabis)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. araghunath
2. kduncombe

Category

1. Cannabis Stocks
2. Investing

Date

2025/08/13

Date Created

2022/02/24

Author

araghunath

default watermark

default watermark