



## Canopy Growth Corp. Continues to Grow

### Description

One thing I absolutely love about the market is when a company sees massive long-term opportunity and leaps towards it.

**Canopy Growth Corp.** ([TSX:WEED](#)) is a perfect example of this.

After Canopy's market cap propelled to upwards of \$2 billion last fall, Canopy embarked on several masterstroke deals that have strengthened its position in the market and positioned it well for further growth.

Canopy's acquisition of German distributor Medcann late last year was a strategic move that opened Canopy to the German market, where importing medical marijuana is permitted, but growing is still prohibited.

Another deal was the acquisition of Mettrum, which also transpired last year. Mettrum was a competitor to Canopy, and that deal resulted in Canopy realizing significant gains in the growing space and product offerings; the result of that deal was that Canopy can now count nearly half of all medical marijuana patients in Canada as customers.

### An online store for all brands, and the seed for the future

One of the latest opportunities announced by Canopy is set to launch over the next few weeks. Across Canopy's growing number of brands, customers are currently only able to purchase products from each of the individual store websites.

A new online marketplace that Canopy is preparing to launch will allow customers to purchase any of the company's brands from a single website. This makes perfect sense from a product-selling perspective, and, amazingly, there is currently no such website to purchase multiple brands.

Canopy plans to eventually decommission the existing storefronts for each of the individual brands, opting to use this new consolidated storefront for all sales. Canopy's already commanding hold on the market could become iron tight if it were to have the largest (if not the only) online marketplace for

multiple brands of marijuana.

Another intriguing aspect of this latest move by Canopy is the immense long-term potential that this marketplace could hold, especially once legalization is finally addressed.

That timing is key; while Ottawa plans to have a federal law relating to legalization in place by next Canada Day, there's still corresponding legislation needed at the provincial level to deal with anything Ottawa won't explicitly lay out, such a pricing.

In other words, complete legalization, and the benefits it presents for Canopy's online marketplace, may still be well over a year or more out.

### **Is Canopy a good investment?**

Canopy presents a huge opportunity to investors and to the marketplace itself. The opportunity has often been compared to investing in liquor companies at the end of prohibition.

There is an argument to be made that some of that potential is already priced in to the stock. Keep in mind that in the last quarter Canopy brought in under \$10 million in revenue. That alone puts the current market cap of \$1.61 billion into question.

In my opinion, Canopy remains a great investment over the long term, but the stock may be too expensive at current levels for some.

### **CATEGORY**

1. Investing

### **POST TAG**

1. Editor's Choice

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1. TSX:WEED (Canopy Growth)

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