



Here's Why Canopy Growth Corp. Is the Only Cannabis Stock You'll Ever Want to Own

Description

Canopy Growth Corp. ([TSX:WEED](#)), in my opinion, is [the best marijuana stock to own over the long haul](#), mostly due to management's abilities in forming numerous important relationships early in the game, while still being able to ramp up production efforts, promote branding, and think many years ahead.

Canopy's largest competitors, **Aurora Cannabis Inc.** ([TSX:ACB](#)) and **Aphria Inc.** (TSX:APH), have reported impeccable efficiency results thus far, which make for a more compelling option for near-term investors, but I think investors should stick with Canopy if they're in it for the long term.

Why Canopy will continue to lead the pack after legalization day

As the marijuana industry matures over the next five years, I believe Canopy will be head and shoulders above its peers thanks to its aggressive spending habits early in the game, which will likely give it a larger edge in the long term.

Take the numerous partnerships that Canopy has made with various international firms; these are initiatives that won't pay off overnight, but it's important to note that Canopy is laying a foundation for massive growth over the extremely long term, as marijuana eventually becomes less taboo across the globe.

Near-term uncertainty for long-term dominance? Sounds like a fair trade

Sure, Canopy doesn't have the best efficiency results right now, and profitability has lagged most of its peers, but this isn't going to be the case forever. Canopy CEO Bruce Linton has stated on numerous occasions in televised interviews on *BNN* that he expects the company to get into the green in the latter part of 2018.

Mr. Linton's commentary on Canopy's near-term forecast was rather vague, however, as he claimed there were still a tonne of uncertainties that'd most likely make near-term forecasts nothing more than a shot in the dark.

Mr. Linton could have fueled more euphoria by making bolder claims to exacerbate investor euphoria, but he appears to be more concerned about the long-term fundamentals of the business and igniting growth instead of focusing on near-term stock performance, as the general public shifts their focus towards legalization day and the best-gearred stocks to own for the near term.

A management team that's focused on winning over the long term

While profitability matters, even before nationwide legalization, I think the best strategy would be to sacrifice near-term performance to leverage every opportunity available early to maximize growth once the recreational cannabis market is in full force.

It's definitely an extremely aggressive strategy, but then again, the entire marijuana industry is high risk anyways, so if you truly believe in the emergence of pot stocks, you're best off going for a full measure rather than a half measure, since all marijuana stocks will crumble in the event of a catastrophic industry-wide development.

Bottom line

Fellow Fool contributor Chris MacDonald recently highlighted in his piece that [Bruce Linton deserves to be the CEO of the year](#). Aside from the stock's outstanding ~87% return over the past year, Linton seems to possess many traits that could make him the face of the marijuana industry over the long haul.

I was skeptical over Canopy's sub-par numbers compared to its peers at first, but after a series of very impressive deals, it's apparent that Linton and company are capable of pulling bunnies out of hats on a consistent basis. Just consider the **Constellation Brands, Inc.** deal, which I think is a huge vote of confidence from a well-respected blue-chip name that likely sees Canopy's management as something special.

When considering any investment, management is key. In a nascent industry like cannabis, the importance of management is exponentially more important. With Canopy, you're getting a management team that I believe is more than capable, and I believe investors will eventually reap the rewards over the long term, as Canopy increases the gap between itself and its competitors.

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