



## Canopy Growth Corp (TSX:WEED) Eyes Global Growth

### Description

It's almost September, and **Canopy Growth** ([TSX:WEED](#))(NYSE:CGC) stock is still blazing hot. Trading in the \$58 range, it's [up a heady 83%](#) in just a few weeks. The question is, can it go higher?

To answer that, it helps to look at what the company's CEO Bruce Linton has to say.

Linton has long been an outspoken marijuana advocate. On June 20, after legalization was announced, he published a jubilant-sounding news release on Canopy's website, thanking public officials for making it happen. The release confidently asserted that legalization would herald a new "chapter of growth" for Canopy. Since then, Mr. Linton has continued to be optimistic about his company's prospects — not just in Canada but abroad.

### International expansion plans

It's looking like international expansion will be a huge part of Canopy's growth strategy. While legalization will no doubt increase Canopy's customer base, the company is betting even bigger on global sales. Canopy is set to receive a [\\$4.5 billion cash injection](#) from its recent deal with **Constellation Brands**. That's a lot of money to play with, and Linton has hinted that much of it will be spent on global expansion.

"Constellation has been working with us for about a year," Linton said in a recent interview. "What the deal does is, is we're going to be way, way ahead. And we're going to spend that money to be around the globe."

This is solid proof that Canopy will be working with Constellation to develop internationally. But what will this international expansion look like?

### Growth in international markets

Linton has hinted that Canopy seeks to dominate foreign markets. He was recently quoted as saying, "[the deal] means that we can go from where we are now, which is the leader in Canada but we're active in 11 other countries, to just deploy this cash and be number one in all those countries." In

other words, Linton intends to take the Constellation cash and spend it on increasing market share in the 11 countries Canopy does business in. This is a sound strategy; as Jack Welch says, it's best for a company to be #1 or #2 in any given market it operates in.

### **New international markets**

Another possibility is that Canopy could break into new international markets. Exporting to foreign countries is a resource-intensive process. Cannabis in particular is a product with a limited shelf life, so it needs to be shipped quickly and stored in special facilities. With the \$4.5 billion Canopy is set to receive from Constellation, the company could invest in building infrastructure in foreign countries. This could help it to enter these markets fewer logistical headaches and regulatory issues.

### **Bottom line**

It's been a wild year for Canopy Growth stock. It's nearly doubled in just a few weeks, and there's no end in sight. Legalization is set to bring a whole new category of customers to Canopy's market, while the Constellation deal will increase the company's international presence dramatically.

Can Canopy keep up the hot returns?

There's no doubt in my mind.

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