



This Non-Cannabis Stock Has a Lot of the Upside Without the Risk

Description

It seems that just about everyone wants to jump aboard pot stocks and take advantage of the growth that's happening in the industry and the sky-high expectations that are projected for the future. Whether fantasy becomes reality is debatable, but one thing that isn't uncertain is the level of risk involved.

Aurora Cannabis ([TSX:ACB](#)) is a good example of that, as the stock has soared in the past year and trades at a high multiple to its sales, all on the promise of high growth in the future. That has led to a bit of a roller-coaster ride that many investors would have rather done without.

However, there are other ways for investors to take advantage of the hype in the industry without taking on the risk, including investing in companies that plan to stock cannabis in their stores.

One company that has not been shy of this is **Alimentation Couche-Tard** (TSX:ATD.B), which recently re-asserted its desire to be involved with the emerging industry. In an interview with *BNN Bloomberg*, CEO Brian Hannasch stated that the company didn't want to wait around: "This is a train that's gathering momentum and the chances are it's going to be more readily available 10 years from now than it is today."

This isn't the [first time](#) we've heard that the company was looking to take advantage of the booming pot industry. However, one of the big hurdles is going to be legality. While Couche-Tard has a big presence in North America and around the world, pot still has a long ways to go in terms of having the same types of opportunities.

Pot is going to be legal in Canada in less than a month's time, but not every province is going to allow private retailers to sell cannabis, opting instead for government-run stores. In many cases, municipalities can also make their own rules regarding the distribution of pot, which can run counter to even what the provinces have set out to do.

The complexity in this new industry is going to make it a bit of a headache for companies looking to sell pot, and so it will be a challenge trying to gauge just how many stores would be able to carry cannabis.

What this means for investors

Although Couche-Tard did well in its [most recent quarter](#), those strong growth rates may be difficult to sustain. However, that's where adding cannabis into the mix could not only keep the growth going, but send it soaring past prior-year figures.

Love it or hate it, cannabis is going to inject a lot of money into the economy, and Couche-Tard is simply making sure it doesn't miss the boat. A quick look at Aurora Cannabis stock over the past year can show you that the hype and excitement in the industry is real and shouldn't be ignored.

While pot stocks present a lot of risk and volatility, Couche-Tard has been able to provide investors with a lot of stability and could be a great way to piggyback on the success of cannabis.

Over the past five years, Couche-Tard stock has risen by more than 200%, and while it has only grown by 9% in the last year, getting involved with cannabis could certainly improve those returns.

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