

## 2 Potential “Pot Dealer” Stocks That May See Sales Skyrocket as Cannabis Consumption Takes Off

### Description

If you're like me, you're hesitant to invest a single dime in the blazing hot marijuana market at these frothy levels. Whether you're turned off by the risk of losing your entire principal in a crash, the excessive levels of volatility, or a potential lifetime ban from entering the U.S. from just holding a marijuana investment, the reality is that there's a lot to lose. And, depending on your risk appetite, the sleepless nights may not be worth the price of an “opportunity” that's more akin to a lottery ticket.

Whatever your reasons are for avoiding marijuana stocks, know that there are safer ways to play the nationwide legalization of cannabis. Such alternative, indirect marijuana plays won't require you to continually monitor your holdings at every minute of the day to ensure your principal hasn't gone up in a poof of smoke either.

While cannabis producers like Canopy Growth may offer the most upside over a short period, I believe prudent investors who have no desire to gamble would be far better off putting their money in the potential marijuana distributors of the future to get slightly amplified long-term returns without the added risks from a pure cannabis producer.

Without further ado, here are three potential “pot dealer” plays that investors ought to own before they're active in the red-hot marijuana market:

#### **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#))

There's no question that Shopify is an absurdly expensive stock with a price-to-sales multiple that's near 20. The e-commerce company, which caters primarily to small- and medium-sized business (SMB), has been on an incredible run since its IPO, and although the stock ain't cheap, the company looks like a bargain when compared to the likes of today's overheated marijuana names.

As a Canadian-grown company, Shopify may be the [go-to option](#) for most (if not all) cannabis producers who want to bring weed to the direct-to-consumer (DTC) market without an intermediary.

Shopify has been granted the right to run online cannabis sales in various provinces. Big licensed producers (LPs) will sell their dried marijuana on Shopify, and as regulators become more relaxed, we could see mom-and-pop producers starting their online stores as well. By then, Shopify will probably have add-on features explicitly catered to marijuana stores.

Over the next few years, Shopify will not only have the home court advantage, but it'll have a competitive edge and may become “the” online cannabis store provider for producers in markets beyond Canada.

#### **Alimentation Couche Tard** (TSX:ATD.B)

If you're looking for a value play on marijuana distribution, look no further than Couche Tard, a stock that's so cheap, it's a strong buy, even if it doesn't gain the right to sell cannabis at its Canadian convenience stores.

Couche Tard has expressed interest in selling marijuana for a considerable amount of time now. And for Canadians who don't want their weed delivered in the mail, convenience stores are an obvious and more convenient option. For cannabis smokers, eaters, or drinkers, Couche Tard could be the [one-stop shop](#) for both cannabis, cannabis edibles, cannabis-infused beverages, and munchies.

The company has already proven it's an efficient gatekeeper for age-restricted products. Couche Tard already sells cigarettes, and I think it's just a matter of time before it sells various strains of weed, and cannabis-infused products as well. Such cannabis items will provide a sustained long-term jolt to Canadian same-store sales growth, and as new products are developed, I think Couche Tard could be a severely undervalued gem that's hiding in plain sight.

### **Foolish takeaway**

If you're an investor who buys to hold, consider Shopify and Couche Tard as promising distributor plays on marijuana. Although Couche Tard doesn't have anything in writing yet, I think it's just a matter of time before the company's the go-to physical location for cannabis users who want their weed immediately.

Stay hungry. Stay Foolish.

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