



Cannabis Investors: 2 Stocks That Could Dominate Retail

Description

It's getting close to the one-year mark since cannabis has been legalized, and a lot has changed since then. The excitement in the industry has definitely cooled with many stocks struggling over the past few months. However, that doesn't mean that good returns can't still be made.

With supply issues improving and more pot shops up and running, the next big opportunity could be in cannabis retail stocks. **Fire & Flower Holdings** ([TSX:FAF](#)) has dozens of locations spanning five provinces where it sells cannabis products. The company has been adding licences and locations to its portfolio and could become one of the bigger retail brands in the industry.

Earlier this month, the company announced that convenience store operator **Alimentation Couche-Tard** was making a [strategic investment in Fire & Flower](#) and could result in the convenience store giant taking a controlling interest. It's a move that should give investors some added confidence in knowing that Fire & Flower will be able to tap into the experience of a big-name retailer to help it navigate a rapidly growing cannabis retail market.

When it comes to cannabis, investors are looking for any safety or assurances that they can get, and partnering with Couche-Tard certainly gives Fire & Flower a big advantage and better odds of success in the industry. In its most recent quarterly results, the cannabis company generated \$10 million in sales, and it's likely just the beginning in terms of what it can achieve, especially as it continues to scale its business.

Curaleaf Holdings ([CNSX:CURA](#)) is an option for investors that are looking on the other side of the border, in the burgeoning U.S. market that continues to get bigger and bigger with every state that goes to legalize cannabis. With 11 that have legalized already and likely more to come, we could be seeing a lot more opportunities in the near future, especially for a large multi-state operator like Curaleaf.

The company is continuing to grow its brand by adding more stores and [acquiring companies](#) in a strategic effort to expand across the country and establish itself as the industry leader. With sales of US\$28 million in its most recent quarterly results, the company has achieved significant growth in just

the past year, with revenues being nearly five times what they were before.

However, when counting its acquisitions, Curaleaf's pro-forma revenue for the quarter would have come in at US\$75 million, helping to put into perspective just how much bigger the company will be when its existing deals will be completed, assuming, of course, that no issues come up along the way.

Bottom line

While it may be dangerous to invest in some pot stocks today, Curaleaf and Fire & Flower present some intriguing opportunities for investors. As the companies continue building their retail positions in their respective countries, we could see their share values rise over the course of the coming years.

Both are positioned well for success and the best is likely still to come.

CATEGORY

1. Cannabis Stocks
2. Investing

POST TAG

1. Cannabis
2. Editor's Choice

TICKERS GLOBAL

1. CNSX:CURA (Curaleaf Holdings, Inc.)
2. TSX:FAF (Fire & Flower)

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