



## 420 Investors: 2 Cannabis Stocks for Value Investors

### Description

It's been tough to be a marijuana investor with shares of many cannabis stocks [shedding half of their value](#) in just a few months.

The industry hype has died down once again, and the recent sell-off, I believe, has become overextended, opening a window of [opportunity](#) for value-conscious investors who would rather buy on dips than chase momentum.

This piece will look into two attractively valued pot stocks that complement each other nicely, making for a somewhat diversified marijuana starter pack for those value-conscious investors who have shunned the sector entirely but have since become more willing to scavenge the wreckage after the latest downturn.

Without further ado, here are the stocks.

### Canopy Growth

It shouldn't come as a surprise to see **Canopy Growth** ([TSX:WEED](#))(NYSE:CGC) on this list. The stock has suffered the most damage amid the recent pot sell-off thanks in part to excessive investor pessimism over profitability concerns and the recent ousting of its likeable ex-CEO Bruce Linton.

Canopy is a recreational marijuana kingpin, with approximately 70% of sales coming from recreational users. The company has a stellar brand portfolio, which includes Tweed, Tokyo Smoke, and DNA Genetics; Tweed is starting to become a household name, despite stringent regulations on packaging, marketing, and all the sort.

If Health Canada were to lift its ban on aggressive brand-differentiation efforts, Canopy would be head and shoulders above its competition in the space. The company would be able to unleash Snoop Dogg, and Canopy's brands would essentially become the Marlboro of its industry.

While strict branding (or lack of branding) rules are unlikely to go away anytime soon, I'm still a raging

bull on the company, which continues to expand its international footprint while doubling down on topicals, edibles, drinkables, and all the like.

For the meantime, I see triple-digit sales growth over the near term and very high double-digit growth over the extremely long term. The company may have suffered a margin setback, but in time, the company will likely be very profitable. And those who have a long-term mindset will be the ones that'll make a killing.

The opportunity in the weed space is far from over. So, now would be an excellent time to place a contrarian bet while others fret over decaying margins and a lack of profit.

## Fire & Flower Holdings

**Fire & Flower Holdings** ([TSX:FAF](#)) is a cannabis retailer that recently graduated to the TSX index after encouraging news that convenience store kingpin **Alimentation Couche-Tard** (TSX:ATD.B) had taken a minority stake in the company with the option to make it a majority stake in the future.

For those unfamiliar with the name, it's a small Edmonton-based retailer of cannabis and cannabis products with some pretty-looking brick-and-mortar stores alongside a promising Hifyre e-commerce platform. While Fire & Flower stock may have come from out of nowhere, I believe that managers at Couche-Tard are pointing investors towards what could be the best cannabis retail play out there.

Couche-Tard doesn't take moonshot bets. It's a growth king that undergoes a ridiculous amount of due diligence prior to every investment decision. And although the Fire & Flower deal mostly flew under the radar of most investors (it's a smaller-scale acquisition for Couche-Tard), I ultimately believe that it could grow to become one of the most meaningful acquisitions in the company's history.

Fire & Flower has the capital it needs to bolster its online platform and potentially undergo a brick-and-mortar retail expansion for the ages.

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### CATEGORY

1. Cannabis Stocks
2. Investing

### TICKERS GLOBAL

1. NASDAQ:CGC (Canopy Growth)
2. TSX:FAF (Fire & Flower)
3. TSX:WEED (Canopy Growth)

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