



## You Won't Believe How Much \$1,000 Invested in Canopy Growth (TSX:WEED) Stock in 2014 Is Worth Today

### Description

It's no secret that cannabis investors have had a tough 15 months due to the sell-off in pot stocks coupled with issues relating to the COVID-19 pandemic. However, for early investors, the marijuana industry has still created massive wealth. In the last few years, Canada's cannabis stocks including **Canopy Growth** ([TSX:WEED](#))(NYSE:CGC) have generated multi-fold returns despite the ongoing bear market.

Canopy Growth stock was a penny stock back in 2014. It was trading at \$0.03 per share in January 2014 and has since risen to \$22 per share, indicating returns of a staggering 73,300%. This means if you invested \$1,000 in Canopy Growth stock in 2014, the investment would have ballooned to \$73,300.

This also means Canopy Growth investors would have returned a monumental 250,000% between January 2014 and September 2018, when the stock touched a record high. So, your \$1,000 investment in Canopy stock would be worth \$2.5 million at its peak valuation.

Canopy Growth has been one of the top stocks in recent years due to its focus on growth and expansion as well as the legalization of recreational marijuana in Canada. For example, Canopy Growth invested \$500 million in 2019 toward its hemp production in Idaho. This production facility can easily be converted for growing marijuana products once they are legalized at the Federal level in the U.S.

On the flip side, Canopy Growth stock is also trading 70% below its record high. But past returns don't matter much for prospective investors. What they would like to know is whether Canopy Growth remains a good bet for the upcoming decade.

### Canopy Growth is part of a rapidly expanding market

While Canopy Growth is a pot leader, it's also grappling with a number of structural issues. According to company management, marijuana is still not accepted as a retail product and is viewed with

skepticism. This continues to impact demand for licensed producers.

The other issues plaguing pot stocks include a thriving black market and the slow rollout of retail stores in Canadian provinces. But it's not all doom and gloom for marijuana investors.

During the [company's recent investor call](#), Canopy Growth has forecast the global cannabis market to reach \$70 billion by 2023. In case marijuana is legalized at the federal level, south of the border, the total addressable market in the U.S. is estimated at \$60 billion.

Canopy Growth is already eying expansion in the highly lucrative U.S. market. It plans to launch 40 CBD products there and leverage its positions as a leader in this space.

Canopy Growth is also taking multiple approaches to tackle the above-mentioned problems. The company is backed by beverage heavyweight **Constellation Brands** that has a 38% stake in Canopy Growth. The pot giant is focused on introducing cannabis-infused alcohol products to consumers.

Canopy claims to have shipped over 500,000 beverage drinks since its recent launch. It is also developing products such as vapes and gels to expand its Cannabis 2.0 product portfolio.

Further, Canopy Growth embarked on a cost reduction journey and shut down operations in several markets in the last few months. This will [improve profit margins](#) and lower cash burn, ensuring long-term sustainability.

## The Foolish takeaway

Can Canopy Growth replicate its humongous returns? The short answer is *no*. But there are several tailwinds that will drive the stock higher in the upcoming decade. Such tailwinds include the possibility of marijuana legalization in the U.S., an expanding international and domestic pot market, and the company's focus to improve profitability.

The marijuana market is still at a nascent stage of growth. Canopy is one of the largest pot stocks with a huge market presence and is well poised to outperform markets in the upcoming decade.

### CATEGORY

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2. Investing

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