



This \$400 Million Pot Stock Can Go to \$2 Billion

Description

Molson Coors Canada Inc. ([TSX:TPX.B](#))([NYSE:TAP](#)) is one of the most popular brands in Canada. Its market cap exceeds \$10 billion, giving it plenty of liquidity to pursue long-term [growth](#) opportunities. If you look closely, it's clear that Molson is about to send shares of one pot stock *soaring*.

It's important to note that Molson hasn't entered the marijuana industry directly. Instead, it partnered with an existing producer to co-create and co-market cannabis-infused products. It's a match made in heaven. Molson can focus on its core business, but still maintain exposure to skyrocketing demand for cannabis.

The marijuana company that Molson partnered with isn't well known. In fact, this pot stock's market cap is 95% *smaller* than Molson's. That valuation should change rapidly once the first products are introduced. It's not hard to see the market cap rising *five times* higher, surpassing the \$2 billion mark.

This is a limited-time opportunity to buy a high-growth stock at a bargain price.

This partnership is real

In 2019, Molson partnered with **Hexo Corp.** ([TSX:HEXO](#))(NYSE:HEXO) with the goal of co-launching CBD-infused beverages. Afterwards, the two companies would collaborate on THC-infused drinks. The pairing was a perfect match.

For years, Molson faced sluggish demand for big-brand beer. The market has been ceding market share to craft producers, as well as other forms of imbibing like alcoholic seltzers and marijuana. The company *needed* to find another growth market to tap.

Hexo, meanwhile, was never set on being just another pot stock. While the competition focused on growing production, Hexo opted to secure long-term partnerships. The business is specifically built for outside entities to co-create products. Each company only has to invest in what they do best, leaving the rest to the partner.

At the time of the deal, Hexo was worth more than \$1 billion. Then the pot stock bear market of 2019 hit. Every producer was crushed. Despite its valuable partnership with Molson, Hexo shares never recovered. Today, they're still trading near all-time lows, pegging the entire business value at just \$400 million.

Bet on this pot stock?

The market has forgotten about the Molson-Hexo partnership, but you shouldn't. This year, we got news that the joint venture is headed for big things.

"Molson Coors and Hexo have formed a joint venture to explore opportunities for non-alcohol hemp-derived CBD beverages in Colorado: part of Molson Coors' strategy to grow beyond the beer aisle," [reports Beverage Daily](#).

This is an *expansion* to the earlier deal, which only covered Canada. As Molson grows in the U.S., it's now clear that it will bring this pot stock along for the ride.

"Molson Coors and Hexo have already built a great partnership in Canada that we believe will produce some of the best adult non-alcohol beverage brands in the Canadian market," noted Hexo's CEO in a press release.

Importantly, both the U.S. and Canada ventures will launch their first products *this year*. It's an opportunity that the market clearly isn't pricing in.

If you want to bet on high-growth pot stocks, Hexo should top your list.

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1. Cannabis

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