



## Buy Alert: 2 Marijuana Stocks That Could Double Your Investment In 2021

### Description

For the last decade, big tech has dominated discussions within the investment community, and for good reason. Shares of **Apple**, **Facebook**, **Amazon**, **Microsoft**, and **Alphabet** have easily crushed the broader markets since the financial crisis of 2008-09.

Even amid the pandemic, these tech heavyweights are primarily responsible for the market recovery since March 2020. The big tech companies were expected to grow at an enviable rate and they have not disappointed investors.

However, when it comes to investing in growth stocks, cannabis companies are not far behind. The marijuana industry has been hit by valuation concerns, high tax rates, low profitability, and a slew of other structural issues in the last two years. But there is a good chance that the pot stocks have bottomed out and may move higher in 2021.

Here we look at two such cannabis giants that can easily double your money in 2021.

### Green Thumb Industries

The first cannabis company on the list is **Green Thumb Industries** ([CNSX:GTII](#)), a multistate operator in the U.S. Green Thumb has 49 operational dispensaries in 12 states south of the border. It has focused its expansion efforts in its home state of Illinois, which legalized recreational cannabis in January 2020.

Shares of Green Thumb Industries have returned 69% in 2020 and are well poised to move higher in 2021 and beyond. The company's huge presence in Illinois and its growing market share in the [tourist-heavy state](#) of Nevada will be the primary drivers of top-line growth.

These two states might also generate US\$1 billion in annual sales by 2024 which means Green Thumb's growth story remains intact. Green Thumb generates over 65% of sales from higher-margin derivatives products, allowing the firm to consistently post a positive EBITDA and net income at a time when peers are burning cash at an alarming rate.

## Charlotte's Web Holdings

**Charlotte's Web Holdings** ([TSX:CWEB](#)) investors have lost over 50% year-to-date. The stock has in fact lost 86% [in market value since August 2019](#). In the June quarter, Charlotte's sales were down 13.6% year-over-year at US\$21.6 million. Its DTC or online sales accounted for 72% of sales and rose by a healthy 33.6% year-over-year. However, the company's lower in-store sales and foot traffic due to the pandemic resulted in a revenue decline for the June quarter.

Another matter of concern for investors was Charlotte's widening losses that stood at US\$14.4 million in Q2 compared to a net income of US\$2.2 million in the prior-year period. The company's administrative expenses were in fact as much as its revenue which has contributed to the stock's less than impressive performance in 2020.

However, Charlotte's expects revenue growth to gain pace in the second half of 2020 as customers return to stores, resulting in higher traffic. Further, the shift in shopping trends will continue to increase its DTC sales in the next several quarters.

Charlotte's reported a healthy gross margin of 64.8% in Q2m which means it has enough room to focus on cost optimization and improve the bottom line. Analysts tracking the stock expect sales to increase by just 3.1% to US\$97.5 million in 2020.

However, Wall Street expects sales to touch \$146 million in 2021, which will also increase its adjusted net income to \$0.04 per share, compared to a net loss of \$0.3 per share in 2020.

### CATEGORY

1. Cannabis Stocks
2. Investing

### TICKERS GLOBAL

1. CNSX:GTII (Green Thumb Industries)
2. TSX:CWEB (Charlotte's Web Holdings, Inc.)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

**Category**

1. Cannabis Stocks
2. Investing

**Date**

2025/08/14

**Date Created**

2020/10/15

**Author**

araghunath

default watermark

default watermark