



This Cannabis Stock Is Poised to Double This Year

Description

Curaleaf Holdings (TSXV:CURA) is the largest cannabis player in the U.S. While that might be enough to entice investors to get in on this stock, given pending legalization, there's a lot more to this story.

Indeed, I think Curaleaf's due for continued outperformance this year. Let's dive into why I think there's tonnes of upside for this stock right now.

Unparalleled market presence and strong earnings

As of today, Curaleaf has the highest market share in the U.S. cannabis sector. The company's got a vertically-integrated business model, with operations in 23 states. I's built what is an effective and successful vertical integrated business model. This spans from the cultivation, processing and distribution of its core products. Moreover, Curaleaf is one of the most dominant wholesalers of cannabis in almost all its markets.

As per the latest [earnings report](#), this company's revenue now stands at \$230.3 million. This represents a staggering 205% year-over-year increase. Additionally, the company has grown profitably. Its margin has grown to an impressive 48%.

Projections are that the U.S. cannabis market will continue to grow at a sky-high rate over the coming years. For those with the positioning to take advantage of this growth, that's a good thing. Curaleaf is well-positioned in this regard, and remains my top pick in this space for this reason.

New acquisition deal provides ample scope for future expansion

Curaleaf is the largest player in the U.S. market right now. However, the company is set to become one of the largest cannabis players in the world with its upcoming acquisition. Recently, it announced a

deal worth \$286 million to take over the Europe-based cannabis company, **Emmac Life Sciences**. By completing this acquisition, it will enter the cannabis market in eight different countries in Europe. These markets include Germany, Spain and Italy.

Moreover, it is believed that in the following years, more countries in the EU will decriminalize recreational cannabis. Indeed, this acquisition will serve as a stepping stone for future expansion of its operations, especially in the eastern part of the continent. Various markets which may open up include Croatia, Ukraine and Poland.

Emmac's Portugal-based cannabis facility is set to raise its yearly cultivation capacity to 10 tons by next year to fulfill the increasing demand following this acquisition. That's a lot of cannabis, and indicates there's plenty of room for Curaleaf to play in this sandbox.

Bottom line

Curaleaf's market positioning is excellent, as is the company's aggressive acquisition-based growth strategy. Indeed, there are few comparable Canadian cannabis companies out there today.

For those seeking a long-term holding in the cannabis space, this would be my top choice.

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