



## 2 Top Cannabis Stocks to Buy for the Long Haul

### Description

Canadian [cannabis stocks](#), including **Aurora Cannabis** and **Canopy Growth**, have burnt significant investor wealth in the last four years. While Canada legalized marijuana at the federal level, most cannabis producers are wrestling with structural issues plaguing this sector that include the slow rollout of retail stores, rising competition, a thriving black market, lower than expected demand, oversupply of cannabis products, mounting losses, and much more.

However, cannabis producers south of the border are much more efficient and are delivering consistent profits. There is a good chance for recreational cannabis to be legalized in the [U.S.](#) at the federal level, providing companies with easier access to funding and thereby fueling their rapid expansion plans.

Let's take a look at two top cannabis stocks you can buy and hold for the long-term.

### Green Thumb Industries

A multi-state operator equipped with a diverse portfolio of cannabis products, **Green Thumb Industries** ([CNSX:GTII](#)) is among the largest marijuana stocks in the world. Green Thumb sells recreational as well as medical marijuana products ranging from pre-rolls to vapes. A key driver of top-line growth for Green Thumb and its peers is the rapid expansion of the cannabis edibles market, which is forecast to touch almost US\$200 billion by 2030, up from US\$20.5 billion in 2021.

With retail locations in several multi-billion-dollar states such as Nevada, New York, and Illinois, Green Thumb has increased its sales from US\$62.49 million in 2018 to US\$893.6 million in 2021. Sales are on track to surpass US\$1 billion in 2022.

Further, despite an inflationary environment, Green Thumb is forecast to expand the bottom line to \$0.6 per share in 2023, up from \$0.44 per share in 2021. Valued at 27 times forward earnings, Green Thumb stock is trading at a discount of 100% to average price target estimates.

## Cresco Labs

Another cannabis heavyweight, **Cresco Labs** ([CNSX:CL](#)) is a vertically integrated cannabis company that operates in the U.S. Similar to Green Thumb, Cresco Labs has also gained massive traction as several states have legalized marijuana for recreational consumption in the last two years.

Cresco Labs has a portfolio of popular cannabis brands that are sold across the company's 53 dispensaries and retail locations.

The company recently announced the acquisition of Columbia Care, a fast-growing cannabis producer with 130 retail stores in more than 12 markets. The acquisition should be highly accretive to Cresco, given Columbia Care reported revenue of US\$525 million in the last 12 months. Comparatively, Cresco's sales in the last four quarters are close to US\$866 million.

Once the acquisition is complete, Cresco will have the second-largest cannabis footprint in the U.S. and gain access to over 70% of the total addressable market in the country. The combined entity will also make Cresco the largest multi-state cannabis operator in terms of sales.

In Q2, Cresco Labs reported a 4% growth in sales, and the top line is forecast to surpass \$1.5 billion in 2023, especially if the above-mentioned deal is closed by the end of this year.

Valued at less than two times forward sales, Cresco Labs stock is trading at an attractive multiple. In fact, analysts expect shares to surge over 150% in the next 12 months.

### CATEGORY

1. Cannabis Stocks
2. Investing

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