



The Single-Best Pot Stock to Buy in November 2022

Description

Most investors are on the lookout for stocks that can deliver exponential returns and generate outsized gains over time. While this may seem like a sound strategy, it is extremely difficult to execute. The best way to derive market-beating returns is to buy shares of companies that are part of rapidly expanding addressable markets. One such sector is cannabis, which is forecast to grow at an enviable pace in the upcoming decade.

A report from Grand View Research estimates the global cannabis market to grow by 25% annually from US\$17.8 billion in 2021 to over US\$135 billion in 2030. The U.S. cannabis market is forecast to grow by 15% annually in this period.

As countries in the Americas and the European Union are looking to legalize cannabis, stocks such as **Green Thumb Industries** ([CNSX:GTII](#)) should deliver stellar returns to long-term investors. While Canadian marijuana stocks have grossly underperformed broader indices due to industry-wide issues, pot stocks south of the border are in much better shape.

For example, Canadian cannabis producers are wrestling with high inventory levels, massive losses, shareholder dilution, and much more. Comparatively, marijuana companies in the U.S., including Green Thumb, are reporting consistent profits and are equipped with a much stronger balance sheet.

Moreover, Green Thumb and several other U.S.-based pot stocks are listed on the CNSX, allowing Canadians to gain exposure to a rapidly growing industry.

The bull case for Green Thumb Industries

One of the largest [pot stocks](#) in the world, Green Thumb is valued at a [market cap](#) of US\$3.2 billion. Green Thumb is a cannabis consumer packaged goods company and retailer. It manufactures and distributes a wide portfolio of branded cannabis products while operating national retail marijuana stores called RISE.

Green Thumb is headquartered in Illinois and has 17 manufacturing facilities and 77 retail locations in

15 states in the United States. Founded in 2014, Green Thumb increased sales from US\$62.49 million in 2018 to US\$893.56 million in 2021. This massive expansion in top line has allowed the company to report an operating income of US\$214.8 million last year, compared to a loss of US\$23.8 million in 2018.

In the quarter that ended in September, Green Thumb increased sales by 12% year over year to US\$261 million, while in the first nine months of the year, top-line growth stood at US\$758 million, rising 17% compared to the year-ago period. Its GAAP net income stood at US\$10 million, or \$0.04 per share, indicating a ninth consecutive quarter of profitability.

Analysts expect Green Thumb sales to surpass US\$1 billion in 2022 and rise by 11.9% to US\$1.13 billion in 2023. So, GTII stock is priced at three times forward sales and 42.5 times forward earnings, which is not too steep for a company growing at a consistent pace.

What's next for this billion-dollar pot stock?

While cannabis is still illegal at the federal level in the United States, last month, President Joe Biden announced that the government is looking to pardon marijuana possession convictions, which is a significant step towards decriminalization of cannabis. The U.S. is also looking to remove cannabis from its list of Schedule I drugs.

Green Thumb stock is down 65% from all-time highs and is well positioned to deliver promising gains to investors in the next 10 years. Its leadership position, wide economic moat, reasonable valuation, and strong balance sheet make GTII stock a top cannabis bet right now.

CATEGORY

1. Cannabis Stocks
2. Investing

TICKERS GLOBAL

1. CNSX:GTII (Green Thumb Industries)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. araghunath

2. kduncombe

Category

1. Cannabis Stocks
2. Investing

Date

2025/08/12

Date Created

2022/11/14

Author

araghunath

default watermark

default watermark