



Is Canopy Growth Stock a Buy in December 2022?

Description

Canopy Growth ([TSX:WEED](#)) has received some attention over the last few months, with a few headlines bringing the share price higher. In fact, shares soared by 80% between October and November, before falling back.

Even after the climb, shares of Canopy Growth stock are still down by about 70% year to date. That's even more when you consider all-time highs. Yet with all this renewed attention to the industry, is Canopy Growth stock a buy in December 2022?

What's been happening

In October, headlines started exploding when President Joe Biden stated he would pardon those who received a criminal charge for simple marijuana possession, and urged states to do the same. This was a major step towards what the administration hoped to achieve on election: marijuana decriminalization.

This positive sign looked like enough for Canopy Growth stock to move forward with its plan for United States domination. The company announced it would go through with its 100% ownership of Acreage, expanding its U.S. operations significantly.

This caused the share spike we saw back in October. Yet, then shares dropped back once again. So what happened?

Oh, right, earnings

While it was great to see the company move forward with the Acreage plan, it still didn't solve the earnings problem. Canopy Growth stock has been chipping away at its losses, which are significant. It has closed operations, and focused on its non-marijuana business ventures, such as BioSteel, to move towards profitability.

This has been the main focus of the last few years, but it's still a work in progress. During the most recent earnings report, Canopy Growth stock announced revenue growth of 7% year over year, with a 299% net revenue increase from BioSteel. The company also divested some Canadian retail operations, to bring in \$70 to \$100 million in savings. The loss now stands at \$232 million.

What investors should think

Canopy Growth stock has been improving its debt. The new Acreage operations will also certainly help bring in cash flow. Further, more states than ever plan to allow the recreational use of [cannabis](#). However, there is still more work to be done.

As we head into a potential recession, it could very well be that Canopy Growth stock gets worse before it gets better. If you're willing to wait a while (and I do mean a *while*), then by all means get into the cannabis industry. It's set to continue climbing, and Canopy Growth stock could honestly end up being the biggest cannabis producer in the world over the next decade.

However, that doesn't mean there would not be risks along the way. And I'll be honest, I do *not* think you should sink a bunch of cash into this stock. It's far too risky, and should an emergency come up where you need the dough, you could be out of luck.

So, bottom line, Canopy Growth stock is a great opportunity if you're looking for a small stake you could drip feed into. However, if you think it's about to [get you rich](#) in the months to come, I'd certainly think again.

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