

TOP MARIJUANA STOCKS TO WATCH FOR

– ARIHANT JAIN (ANALYST)

With medical as well as recreational use of cannabis being legally permitted in nineteen states, two territories and one district of the U.S., the total revenue of the U.S. cannabis industry skyrocketed by 35% to a total of \$24.6 billion in the year 2021, according to Leafly, an online marijuana marketplace. Moreover, the global legal marijuana market is expected to grow at a compound annual growth rate (CAGR) of 25.5% from 2022 to 2030 to reach \$102.2 billion by

2030, as per a report of Grand View Research, a San Francisco-based research firm.

The bloom is off the bud for some investors, but many other investors and analysts see high potential in this high-risk, high-growth industry. On the same lines, here is our analysis of some of the prominent marijuana stocks, which have been handpicked on the basis of their performance and whose growth has been anticipated to be boosted in the cannabis industry.

GrowGeneration (GRWG):

GrowGeneration is the largest supplier of hydroponics equipment in the U.S. operating 62 retail centres in 13 states of the U.S. GrowGeneration is also involved in operating organic specialty gardening retail outlets. It offers plant nutrition, farming soils, crops, advanced lighting technology, hydroponic and aquaponic equipment, and more. Currently carrying a Zacks Rank #4 (Sell), the company reported a net loss of \$5.18 million, representing a noteworthy decline as compared to the net income of \$6.18 million in the corresponding period of 2021. Moreover, its net sales fell by 9.17% year-on-year to \$81.78 million in the first quarter of 2022 amid an oversupply of cannabis paired with weaker demand across the industry. However, the company's long-term growth prospects remain strong.

Intra-firm comparative analysis of the company for the last two fiscal years implies that the company managed to expand its total revenue for the fiscal year 2021 by 118.49% year-on-year to \$422.49 million and extended its net income for the fiscal year 2021 by 139.98% year-on-year to \$12.79 million. Furthermore, the company expanded its total revenue for the fiscal year 2020 by 142.51% year-on-year to \$193.37 million and extended its net income for the fiscal year 2020 by 303.06% year-on-year to \$5.33 million.

With a market capitalization of \$249.66 million, the company is targeting the states of Missouri, Illinois, Arizona, Pennsylvania, New York and New Jersey for new markets. Moreover, the company has managed a high P/E ratio of 167.01, implying GrowGeneration to be one of the fastest-growing companies, with an anticipated positive future performance of the company.

[Purchase the report to read full report](#)

