

Could Aurora Cannabis Inc. Be Replicating Canopy Growth Corp.'s Every Investment Move?

Description

There could be a striking resemblance between how **Aurora Cannabis Inc.** (TSXV:ACB) has been growing its international presence to how industry leader **Canopy Growth Corp.** ([TSX:WEED](#)) has executed its international expansion programs over the past several months.

The fight for dominance in the marijuana industry has been greatly intensifying over the few years, and Aurora, as an underdog, could be right on the master's heel, going big on each and every one of Canopy's targeted markets, including Germany and Australia, and now it's even into hemp.

Canopy obtained a 15% stake in **AusCann Group Limited** of Australia back in May 2016 through a strategic partnership, enabling the company to make an entry into the emerging Australian market. Aurora replied with a 19.9% investment in **Cann Group Limited**, the first licensed producer in Australia, in March 2017.

Canopy then made a \$7 million acquisition of MedCann GmbH Pharma and Nutraceuticals (MedCann) in December 2016. MedCann was already distributing Canopy's Tweed products in Germany.

In response, Aurora made some loud noise late May when it announced an almost \$20.9 million acquisition of leading Germany medial cannabis distributor Pedanios GmbH.

While Canopy acquired a distributor of its Tweed products, Aurora is not yet known to be exporting any product to Germany.

The only international expansion route that Aurora has attempted, but has been very quiet about, is in the United States. Aurora made an April 2015 announcement that it was partnering with AJR Builders Group LLP in creating Australis Holdings LLP and would construct a growing facility in Washington.

Canopy hasn't shown serious intent to enter the U.S. yet, and Aurora could have abandoned plans too, while **Aphria Inc.** is going ahead with its plans in the south.

Could it be just coincidence that Aurora happens to find itself growing into international territories where Canopy has already established some presence, while abandoning those that Canopy has shown no interest in?

Aurora is going all out to challenge the local market leader in every front, whether it be local or international.

Aurora's latest investment is in **Hempco Food and Fiber Inc** (TSX:HEMP).

Canopy got into hemp when it acquired Mettrum Health Corp., which has a significant hemp business. There is growth in the hemp line, and Aurora targeted a 50.1% stake in one of the world's leading

hemp producers.

Which of Canopy's international territories is left for Aurora to invade now? Chile and Brazil?

Investor takeaway

Aurora is likely going after market leader Canopy Growth Corp. in a direct confrontational attack. The underdog has raised \$75 million that is earmarked for international expansion.

Only \$20.9 million has been spent so far, and we still have another +\$50 million to be deployed. If my thesis is true, then we could see Aurora following Canopy into Chile and Brazil any time soon.

However, it's also possible that Aurora may revive U.S. expansion plans, as it has been silent on the developments for a while.

Let's just wait and see. Aurora will come out with a new announcement soon.

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Author

brianparadza

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