



## Could Aurora Cannabis Inc (TSX:ACB) Reach Higher With Cannabis-Infused Beverages?

### Description

It's been another strong week for **Aurora Cannabis Inc** ([TSX:ACB](#)). After a rally that saw the company rise 20% to \$12.27, and news that the company was planning a U.S. listing, Aurora investors found themselves sitting pretty. But now there could be even better news on the horizon.

One of the hottest topics in the cannabis space at the moment is cannabis-infused beverages. Alcoholic beverage makers, whose sales are flatlining, are eager to ride the wave of cannabis profits with drinkable cannabis products. This requires that the beer makers find a supplier, so it's no surprise that cannabis companies like **Canopy Growth Corp** and **Hexo Corp** have [scored sizable deals](#) with alcohol vendors.

Recently there has been speculation as to whether Aurora is working on a drink partnership itself. While Aurora executives were quick to say that no such deal has been reached, that doesn't mean there haven't been talks.

In this article I'm going to explore the chances that Aurora has been working on a beverage partnership and look at how that could benefit investors if that's the case. I'll start with the story that kicked everything off.

### Aurora in talks with soft drink company?

Speculation that Aurora may be working on a beverage comes from a recent report by BNN Bloomberg. The report, which said Aurora was [in talks](#) with **The Coca-Cola Company** ([NYSE:KO](#)), was widely shared and commented on by market pundits.

Aurora representatives quickly dismissed the idea that the company had signed a beverage deal. However, they added that they *do* engage in "exploratory talks" with beverage makers from time to time. So while we can't know for certain that Aurora is in talks with Coca-Cola, we do know that they've been talking to beverage makers.

This makes it fairly likely that Aurora will eventually be involved in making cannabis drinks, as

beverage makers are eager to pursue partnerships with cannabis suppliers for this purpose.

### **Rationale for making a cannabis drink**

There are many good reasons for beverage makers and cannabis companies to partner up. For beverage makers, such products may reinvigorate sales that have been sluggish for years. For cannabis makers, they may increase sales through lucrative supply contracts.

It's well known that **Constellation Brands Inc** invested \$5 billion into **Canopy Growth Corp**, in large part because the former was interested in developing cannabis-infused drinks.

It's possible that a similar deal could lead to a similar cash windfall for Aurora, which could then be used to fund future growth.

### **Who stands to benefit?**

The big question about cannabis-infused drinks is who stands to benefit. For beverage makers, there's the potential for a whole new product category. For cannabis makers, there are lucrative supply contracts and partnership deals up for grabs.

It appears that this emerging new product category could be mutually beneficial for everybody involved. If that's the case, Aurora may have a rosy future ahead of it.

### **CATEGORY**

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