



## Aurora Cannabis (TSX:ACB) About to Get Transformed

### Description

Marijuana producer and aggressive growth stock **Aurora Cannabis** ([TSX:ACB](#))(NYSE:ACB) has been in the news lately over its recent connected actions towards strategic partnerships since engaging a professional investment manager, its latest lodging of a \$750 million shelf prospectus, and the latest personnel hire, which indicate a serious commitment to business transformation.

The company had lagged behind in forming strategic partnerships with the major players in the alcohol, tobacco, or pharmaceuticals sectors and any other related industries after the rumoured **Coca Cola** deal did not materialize. **Canopy Growth** received a \$5 billion investment from **Constellation Brands**, **Cronos Group** received a \$2.4 billion injection from **Altria Group**, while **Tilray** and **HEXO** each signed on strategic partners.

Aurora is now on a serious drive to quickly address the partnership issue. The company signed on multi-billion-dollar hedge fund manager Nelson Peltz as a strategic advisor in March. The connected deal maker could be very instrumental in negotiating accretive partnerships for the company, and a new hire has been availed who will assist him.

### Enter the shrewd investment banker

The company has just hired a former investment banker on a full-time basis.

On Thursday, April 4, the company appointed a former managing director of BMO Capital Markets, Mr Carey Squires, as executive vice president, Corporate Development and Strategy in a bid to support strategic initiatives.

The new position will report directly to the executive chair and will “focus on global growth and partnership strategies” and investor development.

Interestingly, the new hire had been a trusted advisor to the company on a several other strategic deals and he comes with deep global investment banking experience. His new employer may greatly benefit from his networks of strategic contacts as it goes on another aggressive growth spate anchored

on global partnerships.

I am just wondering how the investment banker's working week will be like as a full-time employee of a cannabis firm, tasked with "sourcing potential accretive opportunities in the global cannabis industry and negotiating favourable business transactions," but the new role may generate a significant number of new strategic alliances for the firm if successfully executed.

## A brilliant low-cost expansion strategy replay?

Most impressive and unique is the company's propensity to hire and internalize the best people and teams for its aggressive growth endeavours.

During the productive facility build-out stage when every licensed producer was making frantic efforts to increase productive capacity, the company decided to acquire a global greenhouse design firm Larssen to create its ALPS subsidiary. The transaction saved a lot of cash for engineering consultancy and project management fees and was [very strategically accretive, too](#).

As investor focus has shifted to strategic alliances and partnerships now, the company has hired and internalized the best brains for investment deal negotiation and structuring, and may save on paying hefty cash finder's fees and consultancy fees.

The company may pay the new executive much less cash than what outside consultants will have charged and offer him more in stock-based compensation while tapping into his rich networks in the investment industry. The result may be very similar to the Larssen acquisition.

Larssen engineers were critical in **Green Organic Dutchman** and Denmark strategic deals, and the company is on track to becoming a producer of 570,000 kilograms of marijuana per annum.

I'm curious just how many partnerships the company targets to establish through Peltz and Squires for it to rule the global marijuana industry. This could mean a good number of them, and the deals may significantly transform Aurora into the great marijuana stock investors desire.

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