

# Aurora Cannabis Inc

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## Aurora 'takes a step forward' in cannabis race by adding Peltz as advisor, says Melius Research

Analysts at Melius Research said Aurora Cannabis Inc (NYSE:ACB) has taken "a step forward" in the cannabis race by appointing longtime activist investor Nelson Peltz as a strategic advisor.

The addition of Peltz to the Aurora team represents one of the largest endorsements of the nascent cannabis industry.

"Aurora's announcement is both a validation of the potential in cannabis, and also adds expertise to what we see as a core need in the cannabis industry; building alliances and reach quickly," wrote Melius Research analysts Rob Wertheimer and Marissa Schlueter in a report Wednesday.

**READ: Melius Research initiates coverage of cannabis sector, says it will 'disrupt the beverage industry'**

"For perspective, Nelson Peltz has been successful and exceptional investor in the consumer space both as a founder of Triun Partners and before, with deep ties to the consumer world," they added.

Peltz, who founded and serves as CEO of New York-based Triun Partners, has over the decades commanded respect across Wall Street for his investing prowess. Triun's portfolio and past investments include Dr Pepper Snapple Group, Wendys Co (NASDAQ:WEN), Kraft, Mondelez International (NASDAQ:MDLZ).

Peltz's Triun acquired Snapple from Quaker Oats back in 1997 and successfully revived the brand.

Melius recently initiated coverage of the cannabis sector with an Overweight rating on Aurora Cannabis and a C\$17 price target. The firm said Aurora was its top pick citing upside from potential alliances, early scale in production and global reach.

"Our thesis includes the view that this race needs to be run quickly, and we favor Aurora shares for that reason," wrote the analysts. "Legalization in the US will come, but will be a mixed blessing, as Canadian leaders need to turn that early position into something more meaningful before the wave of funding in the US comes and potentially swamps them."

### Budding market cannabis trends

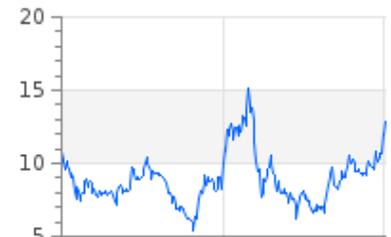
The Melius report suggests the cannabis market can grow to US\$100 billion in the Americas and Europe without further progress on legalization, which nonetheless remains likely.

That market estimate builds up from consumer surveys, pricing studies in legal and black markets, frequency of medical conditions addressable by cannabis across the US and EU member countries, and state-by-state and country-by-country legal frameworks.

**Price:** C\$13.26

**Market Cap:** C\$13415.81M

### 1 Year Share Price Graph



March 2018 September 2018 March 2019

### Share Information

**Code:** ACB

**Listing:** TSX

**52 week High Low**  
C\$16.24 C\$5.29

**Sector:** Cannabis

**Website:** auroramj.com

### Company Synopsis:

*A community minded medical cannabis company based in Vancouver, British Columbia.*

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Despite its not fully-legal status in the US more than 100 companies raised venture capital/private money in 2018 in the US, in more than 120 separate deals, according to Melius Research.

"For perspective, the number of companies raising private money in Canada was about 20, lower than the US by a typical margin despite a more favorable legal environment," wrote the analysts.

Five years ago, about 40 US companies raised money for cannabis, and a couple of years before that, effectively zero.

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