

December 21, 2018

Davies Tops the List of Firms in Cannabis M&A Deals

An [article](#) published this week on IPO Edge and Yahoo Finance on the booming cannabis M&A market has called Davies the “go-to firm for cannabis,” leading all other law firms by a wide margin for M&A deals in the cannabis space.

According to Dealogic, Davies topped the list of firms for cannabis M&A deals in 2017-2018, commanding an impressive 41% market share. The article notes that in 2018, Davies worked on all three of the largest M&A transactions, which included Constellation’s \$3.9-billion investment in Canopy Growth, Aurora Cannabis’s \$2.5 billion acquisition of MedReleaf, and Altria’s \$1.8-billion investment in Cronos.

Davies partner [Patricia Olasker](#), whose expertise includes cannabis law, discusses the evolution of the nascent industry and shares her predictions for what lies ahead. She explains that while the early days were defined by simple consolidation, “the current and future wave is a diversification and/or defensive play by players outside the industry – beverage companies, tobacco companies, pharmaceutical companies.” In addition, now that cannabis company valuations are coming down and the effect of mediocre management and poor governance is being exposed, she expects shareholder activism will likely follow.

With the passage of the U.S. Farm Bill on December 20, 2018, Patricia believes we can “expect to see Canadian licensed producers put in motion robust M&A and investment strategies in the U.S. hemp-derived CBD market, with an eye towards the eventual relaxation of cannabis laws many expect to follow.”