



Marc Cohodes - Short Call On Concordia International From 20...

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SPEAKERS

host, Marc

 **host** 00:00
The long game of a short seller. That's where we go to now with Marc Cohodes. He's a 30 year veteran of the other side of the market, as the short side with considerable experience in the Canadian equity market over the years as well. He's still short stocks for himself and his family alone. He's in San Francisco to discuss his philosophy. Marc, nice to see you.

 **Marc** 00:22
How are you doing, Francis?

 **host** 00:24
I'm great. Thank you very much. I had a whole series of things I wanted to start with. But I have to start with this tweet that Amber khamar sent out this morning. It comes from the Concordia Annual General Meeting. And I think it's directed very specifically at you. If you're a chicken farmer, your chickens will come home to roost. This comes from Mark Thompson, the CEO of Concordia, and just as background, you are a chicken farmer at this point in your life, you do a lot of other things. But you do have chickens. What's your response to Mr. Thompson?

M

Marc 01:01

Oh, I love that, Francis. Thank thank God, we're starting this off. Because I would say hot. One of the things I always try to do is, I bet the jockey and not the horse. And one thing I look at is I look at career failures, and the management of Concordia, their past, their past gig was at something called biovail, which I was short a long time ago, which was a complete and utter fraud. So, Thompson has a history of nonsense. When he was at biovail, he started up a company called tremble, pharmaceuticals, I last quoted that it 18 cents. And for a guy who pays himself \$9 million US a year. And as leveraged as he is, he should focus a little more on running his business and a little less on me.

H

host 01:57

Let's turn to some of the controversies around you first, and then we'll get to the Concordia and your short playbook as well. But there has been some allegations that you and other short sellers have been involved in what some people call short and distort on Concordia. But also on Nobelist health. Is that true?

M

Marc 02:18

Well, I don't, I don't even know the symbol of nobelist health. And in terms of short and distort on Concordia, I have a Twitter account at all their line eggs. I've always called Concordia, the poor man's Valley and I'm here today- I don't hide from anyone. I'm not scared of anyone. I would love to talk to the regulators and people who are interested in pharmacy pricing. And I will talk about how Concordia gouges the US consumer and especially the consumer over in the UK. So there's no short and distort with me, I've never been accused of such. I'm- I'm here. I don't hide. I don't use pseudonyms. And, you know, my life has been threatened, I think three times. My son who's disabled his life's been threatened once. And this is what you get for speaking out against complete and utter nonsense and frauds.

H

host 03:25

And let's not let's move back to your short thesis, we're just looking at the Concordia short position which hasn't budged despite the fact that the company is looking at strategic options. But let's just stick with Concordia though a couple of issues in particular. What do you think about the creation of the committee at Concordia, to look at strategic options in the reviews? Or the rumors? Excuse me last week that black- stone was interested in making an offer?



Marc 03:54

Well, I don't think Blackstone is interested in making an offer. I think Concordia is desperate for money. They're desperate to get their stock up. I think someone from Concordia or a shareholder of Concordia leaked this information to Bloomberg. I think at the end of the day, they're probably going to have to sell that prefer they talked about to raise money because I think their cash flows will come up short. And and basically, something that really turns me on and I'm attracted to are failed over leveraged roll ups, run by very, very weak operators. And that's exactly what Concordia is. They've overpaid for assets. After they buy these assets, they've raised prices. I've done some analysis and I'm and I'll be very happy to share it with BNN and your viewers that the kegger the compound annual growth rate of Concordia drugs in the US is up 58.8%



host 04:56

and we're talking we're talking drug prices is what we're talking



Marc 04:59

Yea, we're talking about drugs- prices were talking about. They hauled Pearson And Shiller and Ackman's ass into Congress or the senate the other day, scolding them about price gouging. And it's exactly what Concordia does in the US-



host 05:13

Yea, Mark. Some people argue, though, that they have just brought prices up to levels at which other competitive products are already at.



Marc 05:23

The- see that's, that's, that's what they'll say. I'm very happy to furnish you with the prices and everyone can look at them. Everyone can come to their own conclusions. And whatever the market decides the market decides. The market's a court of public opinion, it's not a court of law. And the evidence that I have shows Concordia as a price gouger both in the US and the UK. And they're so highly leveraged, they decided to take a valiant copycat model. And when valiant stock was going up, it was very, very, very convenient for Concordia to call themselves the next valiant. That's what they did in their presentations. And they even went as far as to say some of the executives worked at valiant. Well, they never did. No, there's a guy named McCreary or something like that, and he worked at biovail. There's no record in his LinkedIn that he ever worked at valiant, and yet they all

claim valiant success. When valiant goes up. When valiant goes down. They want nothing to do with valiant



host 06:30

Marc, I'm going to interrupt you because we are going to take a quick break. We're going to come back with more because I know that Concordia is a hot button with you but I also want to talk about Canadian housing the other hot button. We'll be back with Mark Cohodes after this quick break