

6/3/2024

# Canada: Rec Trends Thru May

Cannabis Sector Equity Research



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## Summary

Key points,

- The StatCan data points to significant deceleration in Canada's rec market in 1Q24, although the Hifyre scanner data projects a rebound in April and May.
- Regarding sales trends for the top 5 LPs, YTD sales (Jan-May as per Hifyre) are up double-digits for Village Farms, OGI, and Cronos, and down for Decibel and Tilray.
- Between the #6 to #14 LPs, we see a robust growth pace for Motif, Cannara Biotech, and Ayurcann (Rubicon is also up).
- Re formats, vape and pre-rolls continue to take share from flower, while edibles sales are down yoy.
- When comparing 1Q22 with 1Q24, the three segment leaders posted impressive share gains: Village Farms from 10% to 16% in flower; Decibel from 5% to 14% in pre-rolls; Motif from 3% to 20% in vape.

## Market Growth Deceleration

The official data (StatCan) points to significant deceleration in the Canadian rec market.

- StatCan has reported sales through March, and the data shows rec sales only increased 2% yoy in 1Q24; this after 11% yoy growth in 4Q23, and average growth of 15% for the Jan-Sep 2023 period (CY23 +14%; CY22 +17%; CY21 +48%).
- In total, rec sales in CY23 were C\$5,163Mn and medical were C\$400Mn (i.e., med was 7% of the total Canadian market of C\$5.56Bn). In total per capita terms (med+rec) this is equivalent to US\$105 (C\$142). So, even after 5.5 years since the legalization of rec, total per capita (med+rec) remains well below states in the US where rec/med is legal: MI >US\$300; above US\$200 CO, MA, MO, NV, OR; above US\$150 AZ, IL, MD, WA. Note: CA is at US\$130.
- Hifyre is pointing to +7% yoy rec market growth for April and +10% for May. If Hifyre is right, that would imply a strong rebound after meek growth in 1Q24. But we note Hifyre had pointed to +9.5% yoy growth for 1Q24 before the StatCan data had come out for 1Q24.

### Growth Trends by LPs

The top 5 players in May (1-mo) were Tilray 10%, Village Farms 8.6%, OGI 6.58%, Decibel 5.7%, and Cronos 5.1%. There were five more players between 2-5%, in order: Auxly, Motif, Cannara Biotech, Canopy Growth, and Weed Me.

During the Mar-May period (when the market grew 8.6% yoy, as per Hifyre), Tilray sales fell 17% yoy; Village Farms grew 41%; OGI +24%; Decibel -12%; Cronos +34%.

Re the top 5, if we look at 3-month total rec market share trends, in the May qtr (Mar-May),

- Tilray had 10.3% share vs. 11.1% in 1Q24, 12.1% in 4Q23, and 13.6% in 1Q23
- Village Farms had 8.6% share in the May qtr vs. 8.1% in 1Q24, 6.8% in 4Q23, and 7.2% in 1Q23.
- OGI had 6.9% in the May qtr vs. 7.3% in 1Q24, 6.8% in 4Q23 and 6.5% in 1Q23.
- Decibel had 5.7% in the May qtr vs. 6% in 1Q24, 6.7% in 4Q23, and 6.6% in 1Q23.
- Cronos had 5.3% in the May qtr vs. 5.4% in 1Q24, 5% in 4Q23, and 4.5% in 1Q23.

Table 1: Top LP Trends

	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2024 Mar	2024 Apr	2024 May
<b>Market Share %</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Tilray	17.6%	16.1%	15.1%	14.4%	13.6%	13.4%	13.2%	12.1%	11.1%	10.6%	10.4%	10.0%
Village Farms	6.5%	6.1%	6.4%	8.2%	7.2%	6.3%	6.3%	6.8%	8.1%	8.7%	8.5%	8.6%
Organigram	7.2%	7.3%	7.5%	7.7%	7.8%	7.8%	7.8%	7.5%	7.2%	7.3%	7.0%	6.5%
Decibel	3.7%	3.9%	4.0%	4.2%	4.3%	4.4%	4.5%	4.8%	5.3%	5.9%	5.5%	5.7%
Cronos	4.0%	4.0%	4.0%	3.9%	3.9%	3.9%	3.9%	3.8%	3.7%	5.4%	5.4%	5.1%
Auxly	6.7%	6.1%	5.7%	5.4%	5.3%	5.0%	4.6%	4.5%	4.6%	4.8%	4.5%	4.6%
Motif Labs	0.8%	0.9%	1.1%	1.4%	1.6%	1.8%	2.1%	2.4%	2.6%	4.4%	4.6%	4.5%
Cannara Biotech	0.1%	0.2%	0.2%	0.3%	0.4%	0.4%	0.5%	0.8%	1.1%	3.0%	2.9%	3.0%
Canopy Growth	7.7%	7.6%	7.4%	7.0%	6.7%	6.3%	6.2%	5.9%	5.6%	2.5%	2.6%	2.7%
Weed Me	2.5%	2.6%	2.8%	3.2%	3.1%	3.0%	2.7%	2.5%	2.5%	2.4%	2.3%	2.3%
SNDL	3.7%	3.7%	3.9%	3.3%	3.3%	3.0%	2.4%	2.1%	2.0%	1.8%	1.8%	1.8%
Aurora	2.6%	2.2%	2.1%	1.9%	1.8%	1.7%	1.7%	1.8%	2.1%	1.8%	1.7%	1.7%
Ayurcann	0.2%	0.2%	0.3%	0.3%	0.3%	0.3%	0.3%	0.4%	0.4%	1.8%	1.9%	1.7%
Rubicon	1.3%	1.8%	2.1%	1.8%	1.7%	1.8%	1.8%	1.8%	1.7%	1.6%	1.7%	1.9%
Others	35.5%	37.2%	37.3%	37.0%	39.1%	40.8%	41.9%	42.8%	41.9%	38.0%	39.1%	40.0%
<b>3mo yoy growth %</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Tilray	-30%	-27%	-30%	-19%	-11%	-6%	2%	-6%	-11%	-11%	-13%	-17%
Village Farms	49%	10%	9%	132%	27%	17%	14%	-8%	23%	23%	32%	41%
Organigram	124%	69%	33%	10%	3%	-10%	1%	15%	23%	23%	26%	24%
Decibel	77%	96%	101%	121%	104%	97%	88%	28%	1%	1%	-6%	-12%
Cronos	68%	74%	21%	2%	27%	26%	35%	49%	32%	32%	36%	34%
Auxly	122%	32%	-8%	-25%	-10%	2%	14%	4%	-3%	-3%	-4%	-2%
Motif Labs	33663%	2323%	1055%	863%	419%	237%	160%	94%	42%	42%	31%	23%
Cannara Biotech	na	na	6125%	2700%	1856%	606%	486%	106%	81%	81%	75%	64%
Canopy Growth	-31%	-33%	-31%	-35%	-31%	-30%	-27%	-35%	-39%	-39%	-40%	-36%
Weed Me	161%	137%	74%	61%	44%	32%	14%	-11%	-11%	-11%	-12%	-15%
SNDL	34%	36%	41%	19%	4%	-8%	-28%	-28%	-35%	-35%	-36%	-37%
Aurora	-50%	-51%	-49%	-11%	21%	64%	47%	-4%	-22%	-22%	-28%	-31%
Ayurcann	na	na	11680%	582%	384%	361%	454%	295%	123%	123%	94%	71%
Rubicon	86%	166%	93%	42%	48%	9%	0%	12%	9%	9%	10%	12%
Others	154%	120%	78%	48%	64%	67%	71%	39%	90%	90%	108%	110%

Source: Hifyre; Z&A calculations

## Growth Trends by Formats

Key trends,

- The 3-month data thru May shows flower remains the largest category, accounting for 37% of sales, followed by pre-rolls 31%, vape 16%, concentrates 5%, edibles 5%, beverages 2%, and oils 2%. Compared with the US market, pre-roll over indexes in Canada, while vape under indexes.
- For context, flower was 41% of sales in 1Q23 (1Q22 48%; 1Q21 57%); pre-rolls 27% (22%; 17%); vape 16% (15%; 14%); edibles 6% (6%; 4%); concentrates 5% (5%; 3%).
- Compared with the total ~9% yoy growth estimated by Hifyre for the Mar-May period, three categories outperformed: pre-rolls +14%, vape +13%, drinks 10%. Concentrates grew in line with the market at 9%. The “laggards”: oils +8%, topicals +6%; flower +2%, edibles -7%.

## Key Players in Flower, Pre-rolls, Vape

VFF leads in flower, Decibel in Pre-rolls, and Motif in vape.

Table 2: Key Players by Formats

	1Q22	1Q23	1Q24		1Q22	1Q23	1Q24		1Q22	1Q23	1Q24
<b>Flower share</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>Pre-Roll share</b>				<b>Vape share</b>			
Village Farms International	9.9%	13.5%	16.0%	Decibel Cannabis Company	5.0%	13.0%	14.2%	Motif Labs	3.2%	15.3%	20.0%
Tilray	13.5%	14.9%	13.4%	Tilray	23.7%	14.4%	11.0%	Auxly Cannabis Group	19.1%	10.6%	10.4%
Organigram	10.1%	8.6%	8.9%	Organigram	4.6%	3.4%	6.6%	Decibel Cannabis Company	12.8%	16.5%	9.2%
Cronos	5.1%	5.2%	6.5%	Village Farms International	4.5%	3.5%	4.7%	Cronos	2.1%	4.5%	8.0%
Auxly Cannabis Group	5.0%	5.6%	4.0%	Weed Me	6.2%	6.7%	4.4%	Tilray	17.0%	9.3%	6.2%
Canopy Growth Corporation	7.1%	4.2%	3.3%	Auxly Cannabis Group	3.3%	2.9%	3.6%	Bzam Cannabis	9.9%	6.9%	6.2%
Sundial	4.3%	4.2%	3.0%	Motif Labs	0.0%	1.3%	2.6%	Ayurcann Inc.	1.5%	4.8%	5.5%
Rubicon Organics	1.5%	2.0%	2.8%	Cronos	2.2%	2.5%	2.5%	Cannara Biotech	0.0%	0.4%	4.0%
Bzam Cannabis	6.7%	6.7%	2.7%	Cannara Biotech	0.1%	1.5%	2.5%	Adastra Labs Inc.	0.0%	2.2%	3.9%
Canadian Clinical Cannabinoids	0.2%	0.2%	2.5%	Canopy Growth Corporation	8.5%	3.7%	2.3%	Weed Me	3.8%	1.4%	2.9%
Aurora Cannabis	2.6%	2.7%	2.4%	Rubicon Organics	1.9%	2.4%	2.3%	Heritage	0.0%	0.0%	2.8%
Cannara Biotech	0.1%	2.2%	2.3%	Ayurcann Inc.	0.0%	0.0%	2.2%	Jc Green Cannabis Inc	0.1%	1.1%	1.6%

Source: Hifyre; Z&A calculations

Re key trends,

- **Flower:** Village Farms has been the biggest gainer in the flower category, going from 10% share in 1Q22 to 16% in 1Q24. Other gainers included Cronos, Rubicon, CCC, and Cannara Biotech. Over that 2-year period, several companies lost share (OGI 2.2pt; CGC 3.8pt; BZAM proforma 4pt). Tilray and Aurora were mostly stable.
- **Pre-rolls:** On a proforma basis (inc. HEXO and Redecan), the biggest segment share loser in pre-rolls has been Tilray, with share down to 11% in 1Q24 from ~24% in 1Q22. Canopy also dropped (-6pt over 2yr). During those two years, Decibel went from 5% to 14%



(mostly focused on infused joints, a segment where it has nearly 50% share). Other companies gaining include OGI, Motif, Cannara Biotech, and Ayurcann.

- Vape: Motif Labs has been the biggest gainer in this segment, going from 3% segment share in 1Q22 to 20% now (the company has gained by focusing on larger formats and AIOs). Other companies gaining over the two years include Cronos, Ayurcann, Cannara Biotech, Adastr, Heritage, and Jc Green. On the other hand, Auxly is down from 19% to 10%, and Tilray also shed share (17% to 6%). Decibel has been more inconsistent, gaining in 1Q23 yoy, but now down since then.

**Note: These recent reports of our go deeper into specific category trends.**

4/8: [Primer on Canadian LPs](#)

2/13: [Canada Infused Pre-Rolls](#)

2/6: [Deep Dive into Canadian Vape Trends](#)

Table 3: Companies mentioned in this report

Company name	Ticker	Ticker	Rating	Company name	Ticker	Rating
<b>US MSOs</b>				<b>Canada LPs</b>		
4Front Ventures		FFNTF	Not rated	Aurora Cannabis	ACB	not rated
Acreage Holdings		ACRDF	Not rated	Auxly Cannabis Group	CBWTF	not rated
Ascend Wellness		AAWH	Not rated	Avant Brands	AVTBF	not rated
AYR Wellness		AYRWF	Not rated	BZAM	BZAMF	not rated
Columbia Care		CCHWF	Not rated	Cannara Biotech	LOVFF	not rated
Cresco Labs		CRLBF	Not rated	Canopy Growth Corporation	CGC	not rated
Curaleaf Holdings		CURLF	Not rated	Cronos Group	CRON	not rated
GlassHouse Brands		GLASF	Not rated	Decibel Cannabis Co	DBCCF	Overweight
Gold Flora		GRAM	Overweight	Organigram Holdings	OGI	not rated
Greenlane Holdings		GNLN	Not rated	Rubicon Organics	ROMJF	not rated
Green Thumb Industries		GTBIF	Overweight	SNDL	SNDL	not rated
Grown Rogue		GRUSF	Not rated	Tilray Brands	TLRY	not rated
Jushi Holdings		JUSHF	Overweight	Village Farms Intl	VFF	Overweight
MariMed		MRMD	Overweight	<b>Other</b>		
Planet 13 Holdings		PLNHF	Overweight	Chicago Atlantic REFC	REFI	Overweight
Schwazze		SHWZ	Not rated	Intercure	INCR	Not rated
StateHouse Holdings Inc		STHZF	Neutral	Irwin Naturals	IWINF	Not rated
TerrAscend		TSNDF	Not rated	Leafly	LFLY	Not rated
Tilt Holdings		TLLTF	Overweight	New Lake Capital Partners	NLCP	Overweight
Trulieve Cannabis		TCNNF	Not rated	Smooere International	SMORF	Not rated
Verano Holdings		VRNOF	Overweight	Springbig	SBIG	Not rated
Vext Science, Inc.		VEXTF	Not rated	WM Technology	MAPS	Neutral

Source: Z&amp;A



# Appendix I: Valuation Comps

Zuanic & Associates

Exhibit 1: Canada LPs Valuation Multiples

Multiples 31-May-24	Z&A Spot EV / Sales			Z&A Spot EV / EBITDA			Financial Net Debt				Broadly Defined Net Debt			
							Sales		EBITDA		Sales		EBITDA	
	Current	2024	2025	Current	2024	2025	Current	CY24	Current	CY24	Current	CY24	Current	CY24
Aurora Cannabis Inc.	1.7x	1.4x	1.1x	25.6x	9.8x	7.7x	na	na	na	na	0.1x	0.1x	1.7x	0.7x
Auxly Cannabis Group Inc.	0.8x	na	na	9.3x	na	na	-0.1x	na	-1.6x	na	-0.3x	na	-3.5x	na
Avant Brands Inc	1.9x	na	na	-37.2x	na	na	-0.4x	na	7.6x	na	-0.9x	na	18.0x	na
BZAM Ltd	0.6x	na	na	5.5x	na	na	-0.3x	na	-3.1x	na	-0.5x	na	-4.6x	na
Cannara Biotech	0.6x	na	na	2.2x	na	na	-0.6x	na	-2.2x	na	-0.6x	na	-2.2x	na
Canopy Growth Corporation	1.9x	2.1x	2.0x	-16.6x	-65.2x	-206.3x	-1.4x	-1.5x	11.8x	46.6x	-1.2x	-1.3x	10.5x	41.4x
Cronos Group Inc	1.7x	1.5x	1.1x	-0.7x	-4.4x	-11.6x	na	na	na	na	9.2x	8.2x	-3.8x	-23.8x
Decibel Cannabis Company Inc	0.6x	0.7x	0.6x	3.3x	3.3x	2.5x	-0.3x	-0.4x	-1.8x	-1.9x	-0.3x	-0.4x	-1.8x	-1.8x
High Tide, Inc.	0.6x	0.5x	0.5x	16.3x	7.3x	5.4x	0.0x	0.0x	-0.7x	-0.3x	0.0x	0.0x	-0.9x	-0.4x
Nova Cannabis Inc	0.3x	0.3x	0.2x	3.1x	2.9x	2.2x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-0.4x	-0.3x
OrganiGram Holdings Inc	1.1x	1.0x	0.9x	-9.4x	80.8x	16.8x	na	na	na	na	0.5x	0.5x	-4.3x	36.5x
Rubicon Organics, Inc.	0.8x	na	na	5.9x	na	na	-0.1x	na	-0.6x	na	-0.1x	na	-0.6x	na
SNDL Inc.	0.7x	0.7x	0.6x	47.1x	25.9x	na	na	na	na	na	0.2x	0.2x	12.7x	7.0x
Tilray Brands, Inc.	2.2x	2.0x	1.8x	42.2x	19.5x	12.7x	-0.2x	-0.2x	-4.1x	-1.9x	-0.3x	-0.3x	-6.0x	-2.8x
Village Farms International, Inc.	0.6x	0.5x	0.5x	-63.8x	13.0x	8.2x	-0.1x	-0.1x	7.0x	-1.4x	-0.1x	-0.1x	7.4x	-1.5x

Source: FactSet, Z&A estimates, and company reports



Exhibit 2: MSOs EV Calculations

C\$Mn 31-May-24	Z&A Spot EV	C\$ price	mn shares	mn deriv	Total Mkt Cap	Financial net debt	Net leases	ST income tax liab.	Conting Cons.	ITM deriv inflow	Total BDND	Pref Stock Min Int
Aurora Cannabis Inc.	446	8.47	54.5	1.6	476	89	-48	0	-11	0	30	
Auxly Cannabis Group Inc.	85	0.04	1,250.3	249.9	53	-15	-17	0	0	0	-32	
Avant Brands Inc	36	0.07	258.3	3.4	19	-7	-10	0	0	0	-18	
BZAM Ltd	53	0.05	180.8	0.2	9	-31	-14	0	0	0	-45	
Cannara Biotech	46	0.77	0.0	0.0	0	-45	0	-1	0	0	-46	
Canopy Growth Corporation	596	11.67	9.1	9.6	218	-426	0	0	0	48	-378	
Cronos Group Inc	214	3.54	382.0	7.8	1,381	1,169	-2	0	0	0	1,167	
Decibel Cannabis Company Inc	67	0.07	409.0	15.8	30	-38	1	0	0	0	-37	
High Tide, Inc.	276	3.45	75.1	0.5	260	-12	-4	0	0	0	-16	
Nova Cannabis Inc	80	1.23	57.2	0.0	71	-1	-8	0	0	0	-9	
OrganiGram Holdings Inc	160	2.34	94.5	5.0	233	72	0	0	0	0	72	
Rubicon Organics, Inc.	31	0.46	56.2	4.1	28	-3	0	0	0	0	-3	
SNDL Inc.	655	3.04	263.2	10.9	832	217	-40	0	0	0	177	
Tilray Brands, Inc.	2,330	2.46	799.0	0.0	1,967	-224	-85	0	-19	0	-328	34
Village Farms International, Inc.	228	1.63	110.2	0.0	179	-25	-1	0	0	0	-26	22

Source: FactSet, Z&A estimates, and company reports

## Exhibit 3: MSOs Valuation Multiples

US\$Mn 31-May-24	Z&A Spot EV / Sales			Z&A Spot EV / EBITDA			Financial Net Debt				Broadly Defined Net Debt				
	2023	2024	2025	2023	2024	2025	Sales		EBITDA		Sales		EBITDA		
							CY24	Current	CY24	Current	CY24	Current	CY24	Current	
<b>US MSOs</b>	<b>2.0x</b>	<b>1.8x</b>	<b>1.5x</b>	<b>12.0x</b>	<b>13.1x</b>	<b>7.6x</b>									
Acreage Holdings	0.4x	1.2x	na	3.0x	6.3x	na	-0.8x	-0.9x	-4.2x	-8.1x	-1.0x	-1.1x	-4.9x	-9.5x	
Ascend Wellness	1.4x	1.2x	1.1x	6.7x	5.6x	4.9x	-0.4x	-0.4x	-1.9x	-2.0x	-0.8x	-0.8x	-3.7x	-4.0x	
Ayr Wellness	1.4x	1.3x	1.2x	5.8x	5.4x	4.6x	-0.8x	-0.8x	-3.1x	-3.4x	-0.7x	-0.7x	-2.7x	-3.0x	
Cannabist Co	0.9x	0.9x	0.8x	6.4x	6.1x	4.3x	-0.5x	-0.5x	-3.8x	-3.3x	-0.7x	-0.7x	-4.7x	-4.2x	
Consortium	1.3x	na	na	3.7x	na	na	na	na	na	na	na	na	na	na	
Cresco Labs	1.9x	1.9x	1.8x	8.3x	7.0x	6.6x	-0.6x	-0.5x	-2.0x	-2.1x	-0.8x	-0.8x	-2.9x	-3.0x	
Curaleaf	3.5x	3.3x	3.1x	15.4x	13.8x	11.9x	-0.5x	-0.5x	-2.0x	-3.2x	-0.8x	-0.8x	-3.3x	-5.3x	
4Front Ventures	2.3x	2.6x	na	22.6x	13.9x	na	-0.9x	-0.9x	-4.8x	-5.7x	-1.5x	-1.5x	-8.2x	-9.7x	
Glass House	4.7x	3.5x	na	31.1x	14.8x	na	-0.1x	na	-0.5x	na	-0.3x	-0.4x	-1.5x	-1.8x	
Gold Flora	1.1x	1.0x	0.9x	na	18.0x	4.9x	na	-0.2x	na	na	na	-0.6x	na	na	
Goodness Growth	1.0x	0.9x	na	5.1x	4.0x	na	-0.5x	-0.5x	-2.3x	-1.8x	-0.6x	-0.6x	-2.7x	-2.1x	
Green Thumb	2.8x	2.7x	2.5x	9.1x	8.5x	8.0x	-0.1x	-0.1x	-0.4x	-0.4x	-0.2x	-0.2x	-0.6x	-0.6x	
Grown Rogue	4.8x	na	na	20.6x	na	na	na	na	na	na	na	na	na	na	
iAnthus	1.7x	na	na	na	na	na	na	-0.8x	na	-7.5x	na	-0.9x	na	-8.0x	
Jushi	1.5x	1.5x	1.4x	10.2x	7.5x	6.5x	-0.7x	-0.7x	-3.2x	-8.4x	-1.1x	-1.1x	-5.3x	-13.9x	
MariMed	1.2x	1.1x	0.8x	7.0x	6.9x	4.2x	-0.3x	-0.3x	-2.1x	-2.2x	-0.4x	-0.5x	-2.8x	-2.9x	
Planet 13	1.9x	1.5x	1.1x	-3.8x	17.7x	6.8x	0.1x	0.1x	0.9x	10.4x	0.0x	-0.1x	-0.6x	-6.6x	
Schwazze	1.4x	1.4x	na	4.4x	5.8x	na	-0.8x	-0.7x	-3.4x	-2.4x	-0.9x	-0.8x	-3.9x	-2.8x	
StateHouse	1.9x	na	na	na	na	na	na	-1.1x	na	-57.5x	na	-1.8x	na	-92.6x	
TerrAscend	2.6x	2.4x	2.2x	12.0x	11.6x	10.0x	-0.6x	-0.5x	-2.6x	-1.9x	-0.8x	-0.7x	-3.6x	-2.7x	
TILT	0.7x	0.8x	0.7x	56.8x	87.3x	20.4x	-0.4x	-0.3x	-41.9x	-6.7x	-0.7x	-0.6x	-76.4x	-12.1x	
Trulieve	2.2x	2.1x	2.0x	7.7x	6.8x	6.6x	-0.5x	-0.5x	-1.5x	-1.7x	-0.5x	-0.6x	-1.7x	-2.1x	
Verano	2.1x	2.2x	2.0x	6.6x	7.0x	6.3x	-0.3x	-0.3x	-0.9x	-0.8x	-0.6x	-0.5x	-1.8x	-1.5x	
Vext	2.2x	1.9x	na	13.7x	7.8x	na	-0.9x	-1.1x	-3.6x	-8.1x	-0.9x	-1.1x	-3.6x	-8.1x	

1) By "current", we mean the latest reported qtr annualized; 2) Multiples calculated using FactSet consensus (when available) for 2023, 2024, and 2025

3) As there are no consensus estimates for Consortium, Grown Rogue, iAnthus, and StateHouse, we take "current" sales for each of them

Source: FactSet, Z&A estimates, and company reports

Exhibit 4: MSOs EV Calculations

US\$m	FactSet	Z&A	US\$	mn	mn	Total	Financial	Net	Income	Conting	ITM deriv	Total	Pref Stock
31-May-24	Spot EV	Spot EV	price	shares	deriv	Mkt Cap	net debt	leases	tax liab.	Cons.	inflow	BDND	Min Int
<b>US MSOs</b>													
Acreage Holdings	254	319	0.41	139.9	29.7	69	-214	-2	-34			-250	
Ascend Wellness	722	711	1.07	211.5	13.3	241	-238	-134	-99			-470	
Ayr Wellness	727	658	2.22	114.0	31.1	322	-382	5	-13	0	55	-336	
Cannabist Co	611	443	0.24	429.3		102	-272	-23	-45	0		-340	
Cansortium	140	131	0.16	298.3	6.3	50	-49	-7	-26			-81	
Cresco Labs	1,187	1,436	1.91	436.9	8.2	850	-415	-54	-111	-6		-586	
Curaleaf	3,975	4,696	4.64	738.1	7.9	3,461	-672	-18	-345	-81		-1,115	119
4Front Ventures	289	227	0.10	916.2	20.2	94	-79	-8	-40	-6	0	-134	
Glass House	526	763	7.80	75.7	3.2	615	-26	0	-21	-29		-76	72
Gold Flora	130	143	0.21	287.6	0.2	60	-32	-33	-13	-4		-82	
Goodness Growth	136	87	0.65	45.3		29	-50	-8				-58	
Green Thumb	2,801	2,978	11.40	236.1	7.1	2,772	-147	-23	-11	-33	9	-206	
Grown Rogue	75	122	0.71	170.8		121	4	-3	0	0		0	
iAnthus	128	283	0.02	6,510.5		128	-146	-9				-155	
Jushi	390	416	0.61	196.6	1.1	121	-179	1	-117			-295	
MariMed	165	172	0.21	379.6	5.7	83	-53	-1	-16			-70	19
Planet 13	136	188	0.56	321.8	0.3	182	10	-6	-5	-5		-6	
Schwazze	206	237	0.46	171.3		78	-138	-3	-18	0		-159	
StateHouse	145	194	0.02	255.6	141.0	8	-114	-13	-39	-24	7	-184	2
TerrAscend	672	823	1.54	351.2	15.3	564	-186	-7	-59	-6		-258	
TILT	119	117	0.04	384.8	10.9	15	-56	-43	-3			-102	
Trulieve	1,786	2,490	9.78	186.0	3.3	1,851	-537	-16	-81	-4		-639	
Verano	1,810	2,007	4.19	343.5	9.8	1,480	-271	-4	-248	-4		-527	
Vext	56	76	0.19	217.5	0.4	41	-35	0				-35	

Source: FactSet, Z&A estimates, and company reports

Exhibit 5: Performance

31-May-24	Stock Performance		
Ticker	Last 30d	Last 90d	Last 12mo
<b>US MSOs</b>			
AAWH	-15%	-26%	37%
ACRDF	10%	115%	-9%
AYRWF	-13%	6%	151%
CBSTF	-25%	-36%	-50%
CNTMF	-18%	-18%	105%
CRLBF	-11%	12%	15%
CURLF	-18%	-4%	69%
CXXIF	-17%	-12%	19%
FFNTF	8%	2%	-38%
GLASF	-17%	12%	119%
GRAMF	-12%	-34%	33%
GDNSF	34%	81%	279%
GRUSF	0%	42%	438%
GTBIF	-14%	-13%	54%
ITHUF	7%	-9%	10%
JUSHF	-15%	-18%	35%
LOWLF	-26%	-59%	-81%
MRMD	-29%	-22%	-48%
PLNH	-12%	-25%	-2%
SHWZ	-30%	-62%	-54%
STHZF	-38%	-59%	-56%
TCNNF	-18%	-6%	140%
TLTFF	19%	-1%	-16%
TSNDF	-13%	-13%	-2%
VEXTF	-15%	-14%	-7%
VRNOF	-17%	-17%	44%

Stock Performance			
Ticker	Last 30d	Last 90d	Last 12mo
<b>Canadian LPs</b>			
ACB	-16%	95%	23%
AVTBF	-15%	-36%	-52%
BZAMF	143%	21%	-80%
CBWTF	-34%	108%	148%
CGC	-25%	166%	2%
CRON	-4%	28%	49%
DBCCF	-42%	-35%	-44%
ETRGF	21%	48%	-29%
HITI	15%	43%	97%
LOVFF	-5%	-22%	-31%
NVACF	-10%	-34%	102%
OGI	-11%	-21%	10%
ROMJF	25%	4%	24%
SNDL	0%	61%	53%
TLRY	-11%	4%	6%
VFF	-11%	57%	106%
<b>Cannabis - International</b>			
CLVR	108%	10%	-20%
IMCC	-49%	-25%	-57%
INCR	0%	100%	42%
LGPPF	na	na	na
PCLOF	10%	24%	50%
<b>Tech</b>			
LFLY	-50%	-49%	-73%
SBIG	16%	29%	-43%
MAPS	-20%	5%	10%

Stock Performance			
Ticker	Last 30d	Last 90d	Last 12mo
<b>MJ Fincos</b>			
AFCG	-2%	2%	0%
CNPOF	37%	46%	47%
IIPR	2%	10%	65%
NLCP	-3%	17%	53%
PW	44%	17%	-64%
SHFS	-9%	-20%	44%
SSIC	2%	12%	37%
REFI	-1%	-4%	6%
<b>Pix &amp; Shovel</b>			
AGFY	-4%	-52%	-93%
GRWG	3%	15%	-31%
HYFM	-11%	-14%	-13%
SMG	2%	4%	10%
UGRO	-27%	-39%	6%
<b>Vape parts</b>			
GNLN	-19%	13%	-83%
ISPR	30%	-32%	-16%
SMORF	28%	56%	9%
TLLTF	19%	-1%	-16%
<b>Index</b>			
S&P 500	5%	3%	25%
S&P 477	3%	4%	9%
Nasdaq	-1%	4%	7%
MSOS ETF	-16%	-10%	49%
YOLO ETF	-8%	3%	45%

Source: FactSet and company reports



# Appendix II: Bio and Disclaimers

Zuanic & Associates



## Analyst Bio

Pablo Zuanic is a well-known and highly rated equity analyst following the cannabis and psychedelics sector. Over the past four years he launched coverage of over 35 companies (MSOs, LPs, CBD, ancillary, psychedelics), kept close track of sectoral trends, and followed the reform process in the US and elsewhere. His firm Zuanic & Associates publishes equity research on the cannabis and psychedelics sectors, both from a macro/sectoral level in a thematic manner, as well as specific reports on listed stocks. The research service is aimed at institutional investors and corporations. The firm is also available for short term consulting and research advisory projects ([www.zuanicassociates.com](http://www.zuanicassociates.com)). At various points in his career, Pablo was II ranked and called as expert witness in industry investigations. He has a deep global background having covered stocks over the past 20 years in the US, Europe, Latin America, and Asia, across consumer sub sectors. Prior employers include JP Morgan, Barings, and Cantor Fitzgerald. An MBA graduate of Harvard Business School, he started his career as a management consultant, which brings a strategic mindset to his approach to equity research. Pablo can be contacted at [pablo.zuanic@zuanicgroup.com](mailto:pablo.zuanic@zuanicgroup.com).



## Disclosures and Disclaimers

**About the firm:** Zuanic & Associates is a domestic limited liability company (LLC) registered in the state of New Jersey. The company's registered address is Five Greentree Centre, 525 Route 73, N Suite 104, Marlton, New Jersey 08053, USA. Pablo Zuanic is the registered agent. The firm publishes equity research on selected stocks in the cannabis and psychedelics sector, as well as thematic macro industry notes. The firm also provides consulting and advisory services. Potential conflicts of interest are duly reflected in the respective specific company reports.

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