



11/18/2024

WM Technology (MAPS)

Company Update

Sales	FY22a	FY23a	FY24e	Prev	FY25e	Prev	FY26e	Prev
1Q	57.5	46.4	44.4 A	44.4	47.4	45.6	53.4	53.1
2Q	58.3	48.4	45.9 A	45.9	49.8	49.7	55.3	55.6
3Q	50.5	46.7	46.6 E	44.9	50.2	50.9	57.1	58.0
4Q	<u>49.3</u>	<u>46.5</u>	<u>46.1</u> E	<u>44.6</u>	<u>51.1</u>	<u>51.8</u>	<u>58.2</u>	59.3
FY	215.5	188.0	182.9 E	179.8	198.5	198.0	223.9	226.0
EBITDA	FY22a	FY23a	FY24e	Prev	FY25e	Prev	FY26e	Prev
1Q	-1.0	7.1	9.6 A	9.6	9.2	8.2	11.1	11.3
2Q	-0.6	10.2	10.1 A	10.1	9.6	9.3	11.3	11.6
3Q	-9.6	10.7	11.3 E	7.3	9.7	9.8	11.7	12.1
4Q	<u>1.5</u>	<u>8.9</u>	<u>7.7</u> E	<u>7.4</u>	<u>10.4</u>	<u>10.8</u>	<u>11.9</u>	12.4
FY	-9.6	36.9	38.7 E	34.4	38.9	38.1	46.0	47.4

Share price (\$)	1.06	<u>Perf.</u>	<u>MAPS</u>	<u>MSOS ETF</u>	<u>NASDAQ</u>	Stance:	Neutral
Share count (mn)	172.0	30d	14%	-30%	8%		no price target
Market Cap (\$Mn)	182	90d	-1%	-35%	14%		FY=Dec
Ticker	MAPS	1yr	22%	-24%	49%		



\$Mn	FY24	FY25	FY26
Projected EV	230.9	204.2	170.9
EV/Sales	1.3x	1.0x	0.8x
EV/EBITDA	6.0x	5.2x	3.7x

	FY24	FY25	FY26
Net debt/Sales	na	na	na
Net debt/EBITDA	na	na	na
Free Cash Flow	22.4	27.2	33.9
Net cash (debt)	49.7	76.9	110.7

Consensus	FY24	FY25	FY26
Sales	na	na	na
EBITDA	na	na	na
Guidance CY24:	na	na	na

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Company Update

With co-founder Doug Francis now appointed CEO on a permanent basis (not interim), MAPS is a more focused organization, and profitability and cash flow trends are already showing the fruits of this strategy (OCF has more than doubled YTD). The company is debt free, and with \$45Mn in cash it has flexibility to selectively (and prudently) rely on M&A to pursue its growth strategy. Since 3Q results were released after the close on 11/12 (and management gave big picture comments on its growth strategy), the stock is up almost 50%, decoupling from the cannabis group (granted, all this on low volume: \$0.7Mn traded per day in the last 30 days on average). We will keep the Neutral rating (yes, we missed the recent rally) and wait for more color on the implementation and timing of the company's new growth initiatives. But as we said back in August, there are good reasons to be more constructive. See [Initiation of Coverage report](#).

Growth strategy and outlook. Guidance calls for 4Q24 sales of \$46Mn (stable seq) and EBITDA of \$7Mn (implying EBITDA margins of 15% vs. 24% in 3Q24). The company has already made great strides around cost controls, managing receivables, and minimizing cash burn. We would expect more investment in 2025 in sales and marketing and product development, so, in the medium term, MAPS will aim for “only” ~20% EBITDA margins. All that said, management is starting to communicate its growth strategy (building the blocks for a long-term strategy, even preparing for a fully federally legal market when a wider array of features could be offered), and explained the potential for both horizontal and vertical expansion in the medium term:

- Horizontal: Adding to the marketplace a) cannabis paraphernalia, b) seeds for home growing, and c) enter the hemp segment (depending on how regulations evolve). The latter may involve helping the direct order flow from brands and manufacturers, as well potentially reaching smoke shops, although the focus will be more upstream and brand focused. We believe brands like 3CHI and Urb, to name a few, as well as the growing HDD9 drinks segment, would value the Weedmaps platform (at this stage, it is unclear to us how traditional cannabis dispensaries would react). Given the more focused and disciplined growth approach, in our interpretation, international is not a growth priority for now (this could change depending on rec regulations overseas).
- Vertical: Management is not sharing much in this regard, but the belief is that the MAPS platform could do more with brands and wholesale (the bulk of MAPS clients at present are dispensaries). We assume this could mean becoming more involved with the delivery and supply chain parts of the industry. With \$45Mn cash on the B/S, MAPS is well placed to make acquisitions, even though management is well aware of the mixed results of the prior “growth at all costs M&A strategy”. In this regard, we would expect M&A to revolve more around marketplace solutions rather than SaaS.
- Context: Seeking growth in emerging markets (states), especially the more competitive ones, is a key piece of the company strategy. But in our interpretation, there is more focus



on “fixing” the company’s core markets and getting more yield from them (relative to market GMV).

About 3Q24 (Sep qtr)

- Sales of \$46.6Mn were up 1% seq (flat yoy) vs. guidance of \$44Mn. Contrary to the typical seasonal dip between 3Q and 2Q (4/20), revenues were up in CA and MI (two of the MAPS core markets, together with CO).
- As per the 10-Q, listing revenues (featured and deals) were down 8% yoy (-11% YTD) and are now 63% of the rev mix, while revenues from SaaS solutions were up 25% (+19% YTD) and are now 29% of the mix. Other ad solutions fell 4% (8% of the mix). *Note: EV/Sales multiples for SaaS stocks are 2.6x greater than for marketplace stocks.*
- Average monthly paying clients were up 1% qoq (to 5,100) and average monthly revenue per paying client was flat (\$3,043).
- Adj EBITDA of \$11.3Mn was above guidance of \$7Mn; EBITDA margins of 24% (vs. 22% in 1H24) represent record levels for MAPS, but some of the savings were more temporary in nature (need to hire a new CTO).
- YTD (Jan-Sep), advertising is up 40bp (to 6.1%) and product development is stable at 20.7%.
- So, operating leverage and cash opex savings (ex-advertising and PD) are driving the gains in profitability. Recurring cash G&A (ex items and stock-based comp) is down 100bp yoy for Jan-Sep to 29%, and sales & marketing ex ad spend is down 380bp YTD to 16.1%.
- Operating cash flow for Jan-Sep 2024 was \$27.3Mn compared with \$12.4Mn for Jan-Sep 2023 (and -\$11.6Mn for CY22).
- The balance sheet is strong: MAPS has no financial debt; cash was up \$4Mn seq to \$45Mn; receivables are down to 14 days vs 28 in 2Q23; bad debt is now normalized at 1%.

Valuation

- *Stock performance:* MAPS had been down with the cannabis group prior to the release of 3Q24 earnings, peaking back in early April (like the rest of the group) and declining 45% to \$0.72 by the close of 11/12 (during that time, the MSOS ETF fell 55%, while NASDAQ was up 30%). But since then, the stock has decoupled after positive 3Q earnings as well as encouraging outlook commentary. Since the close of 11/12, MAPS is up ~50% (vs. +5% for the MSOS ETF and a flat NASDAQ).
- *Valuation:* With the stock at \$1.06, we calculate a spot EV of \$236Mn (\$180Mn market cap, net cash of \$45Mn, net leases of \$15Mn, and minority interest of \$85Mn). For market cap purposes we take 167.5mn shares (A class 97.4mn, V 55.5mn, P 14.7mn) and 2.8mn in RSUs. On annualized 3Q24 trends, this is 1.3x sales and 5.2x EBITDA (8.4x taking 4Q24

guidance). On average, non-MJ marketplace stocks trade at 2.7x (see appendix), ecom enablement platforms 4.5x, and vertical SaaS stocks at 7.2x.

- *Upside:* We assign investment ratings but do not set price targets (given sector volatility). Still, we note the MAPS discount to marketplace stocks is narrowing. Back in Jan'24 when we launched, the stock was at 0.6x 1yF sales vs. 2.9x for marketplace stocks compared with 1.1x vs. 2.7x now. Our estimates do not factor growth from the new vertical and horizontal initiatives yet and are based mainly on the evolution of GMV in the company's key markets. But even taking 1x sales on our CY26 estimates, MAPS could be up 80% by YE25, and up 3x if taking 2x.

Table 1: MJ Stock Universe

Company name	Ticker	Ticker	Rating
US MSOs			
4Front Ventures		FFNTF	Not rated
Acreage Holdings		ACRDF	will cover
Ascend Wellness		AAWH	Not rated
AYR Wellness		AYRWF	Not rated
Cannabist		CCHWF	Not rated
Cansortium		CNTMF	will cover
Cresco Labs		CRLBF	Overweight
Curaleaf Holdings		CURLF	will cover
GlassHouse Brands		GLASF	Not rated
Gold Flora		GRAM	Overweight
Goodness Growth		GDNSF	Not rated
Green Thumb Industries		GTBIF	Overweight
Grown Rogue		GRUSF	Not rated
Jushi Holdings		JUSHF	Overweight
MarilMed		MRMD	Overweight
Planet 13 Holdings		PLNHF	Overweight
Schwazze		SHWZ	Not rated
StateHouse Holdings Inc		STHZF	Neutral
TerrAscend		TSNDF	Not rated
TILT Holdings		TLLTF	Neutral
Trulieve Cannabis		TCNNF	will cover
Verano Holdings		VRNOF	Overweight
Vext Science, Inc.		VEXTF	Overweight
Tech			
Leafly		LFLY	Not rated
Springbig		SBIG	Not rated
WM Technology		MAPS	Neutral

Company name	Ticker	Rating
Canada LPs		
Aurora Cannabis	ACB	Neutral
Auxly Cannabis Group	CBWTF	not rated
Avant Brands	AVTBF	not rated
Avicanna	AVCN	will cover
BZAM	BZAMF	not rated
Cannara Biotech	LOVFF	not rated
Canopy Growth Corporation	CGC	will cover
Cronos Group	CRON	not rated
Decibel Cannabis Co	DBCCF	Overweight
Organigram Holdings	OGI	will cover
Rubicon Organics	ROMJF	not rated
SNDL	SNDL	not rated
Tilray Brands	TLRY	Neutral
Village Farms Intl	VFF	Overweight
Finance Companies		
AFC Gamma	AFCG	Overweight
Chicago Atlantic REFC	REFI	Overweight
Innovative Industrial Properties	IIPR	will cover
New Lake Capital Partners	NLCP	Overweight
RIV Capital	CNPOF	not rated
SHF Holdings	SHFS	not rated
Silver Spike Inv Corp	SSIC	will cover
Other		
Intercure	INCR	Overweight
LFTD Partners Inc.	LIFD	Overweight
Ispire Technology	ISPR	will cover
Smoores International	SMORF	will cover

Source: company reports, FactSet, Z&A estimates



Appendix I: Company Financials

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WM Technology: Company Update

Exhibit 1: Financial highlights

US\$ Mn	Dec 2022	Dec 2023	Mar 1Q24	Jun 2Q24	Sep 3Q24	Dec 4Q24e	Dec 2024e	Mar 1Q25e	Jun 2Q25e	Sep 3Q25e	Dec 4Q25e	Dec 2025e	Dec 2026e
REVENUES													
Reported sales	215.5	188.0	44.4	45.9	46.6	46.1	182.9	47.4	49.8	50.2	51.1	198.5	223.9
qoq ch %	na	na	-4%	3%	1%	-1%	na	3%	5%	1%	2%	na	na
yoy ch %	12%	-13%	-4%	-5%	0%	-1%	-3%	7%	8%	8%	11%	9%	13%
Guidance						46.0	na	na	na	na	na	na	na
Consensus Sales						na	na	na	na	na	na	na	na
Profit margins													
Gross profit	200.1	175.5	42.1	43.7	44.4	43.8	173.9	45.0	47.3	47.7	48.5	188.6	212.7
as % of sales	92.9%	93.3%	94.8%	95.1%	95.3%	95.0%	95.1%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Op exp	-265.4	-169.5	-38.3	-42.4	-39.2	-39.7	-159.6	-39.3	-41.3	-41.7	-42.0	-164.3	-184.0
as % of sales	-123.2%	-90.2%	-86.3%	-92.4%	-84.1%	-86.0%	-87.2%	-82.9%	-82.9%	-83.1%	-82.2%	-82.8%	-82.2%
EBIT	-65.3	5.9	3.8	1.2	5.2	4.1	14.3	5.7	6.0	6.0	6.5	24.3	28.7
as % of sales	-30.3%	3.2%	8.5%	2.7%	11.2%	9.0%	7.8%	12.1%	12.1%	11.9%	12.8%	12.2%	12.8%
adj EBITDA	-9.6	36.9	9.6	10.1	11.3	7.7	38.7	9.2	9.6	9.7	10.4	38.9	46.0
as % of sales	-4.5%	19.6%	21.6%	22.0%	24.3%	16.8%	21.2%	19.5%	19.3%	19.3%	20.3%	19.6%	20.5%
Guidance adj EBITDA						7.0	na	na	na	na	na	na	na
as % of sales						15%	na	na	na	na	na	na	na
Consensus adj EBITDA						na	na	na	na	na	na	na	na
as % of sales						na	na	na	na	na	na	na	na
EPS													
Pre tax income	96.4	-15.6	2.0	1.2	5.3	4.4	14.8	6.1	6.3	6.3	6.9	25.7	30.8
Tax rate assumption	220.3%	36.7%	37.0%	42.1%	37.6%	15.0%	26.5%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Net income	-116.0	-9.9	1.2	0.7	3.3	3.7	10.8	5.2	5.4	5.4	5.9	21.8	26.2
Share count diluted (mn)	85.0	93.2	96.0	97.3	97.8	97.8	97.2	97.8	97.8	97.8	97.8	97.8	97.8
EPS	-1.36	-0.11	0.01	0.01	0.03	0.04	0.11	0.05	0.06	0.05	0.06	0.22	0.27
Consensus EPS					na	na	na	na	na	na	na	na	na
BS & CF highlights													
Operating cash flow	-11.6	22.9	7.4	12.7	7.2	6.1	33.4	7.9	8.4	8.1	8.8	33.2	39.9
(-) Capex	16.1	11.9	4.5	2.6	2.4	1.5	11.0	1.5	1.5	1.5	1.5	6.0	6.0
Free cash flow	-27.7	11.1	2.9	10.1	4.9	4.6	22.4	6.4	6.9	6.6	7.3	27.2	33.9
Ending net cash (debt)	28.6	34.4	35.7	41.3	45.0	49.7	49.7	56.1	63.0	69.6	76.9	76.9	110.7
Net debt/Sales	na	na	na	na	na	na	na	na	na	na	na	na	na
Net debt/EBITDA	na	na	na	na	na	na	na	na	na	na	na	na	na
Equity	13.4	16.4	20.8	24.5	29.5	33.3	33.3	38.5	43.8	49.2	55.1	55.1	81.3

Source: Z&A estimates, company reports

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WM Technology: Company Update

Exhibit 2: Sales and Cost Metrics

	Dec 2022	Dec 2023	Mar 1Q24	Jun 2Q24	Sep 3Q24	Dec 4Q24e	Dec 2024e	Mar 1Q25e	Jun 2Q25e	Sep 3Q25e	Dec 4Q25e	Dec 2025e	Dec 2026e
SALES METRICS													
Total sales (US\$ Mn)	215.5	188.0	44.4	45.9	46.6	46.1	182.9	47.4	49.8	50.2	51.1	198.5	223.9
qoq ch %	na	na	-4%	3%	1%	-1%	na	3%	5%	1%	2%	na	na
yoy ch %	12%	-13%	-4%	-5%	0%	-1%	-3%	7%	8%	8%	11%	9%	13%
Key metrics													
avg monthly revenue per pay	3,307	2,911	2,997	3,033	3,043	3,073	3,037	2,976	2,976	2,976	3,006	2,983	2,931
avg monthly paying clients	5,457	5,420	4,937	5,045	5,100	5,000	5,021	5,311	5,577	5,626	5,663	5,544	6,366
MAUs (000s)	na	na	na	na	na	na	na	na	na	na	na	na	na
US sales seq ch % metrics													
total US sales	12%	-13%	-4%	3%	1%	-1%	-3%	3%	5%	1%	2%	9%	13%
avg mo rev per paying client	-11%	-12%	-3%	1%	0%	1%	4%	-2%	0%	0%	1%	-2%	-2%
avg mo paying clients	26%	-1%	-2%	2%	1%	-2%	-7%	6%	5%	1%	1%	10%	15%
COST METRICS													
Cost of Revenues	15,407	12,527	2,302	2,245	2,182	2,305	9,034	2,371	2,489	2,511	2,553	9,925	11,196
as % of sales	7.1%	6.7%	5.2%	4.9%	4.7%	5.0%	4.9%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Recurring cash opex (\$000s)													
sales and marketing ex ad sp	68,224	35,273	7,134	7,269	7,671	6,685	28,759	5,927	6,224	6,279	5,873	24,302	25,752
as % of sales	31.7%	18.8%	16.1%	15.8%	16.5%	14.5%	15.7%	12.5%	12.5%	12.5%	11.5%	12.2%	11.5%
ad spend	14,400	11,800	2,500	3,800	2,000	3,919	12,219	4,030	4,232	4,270	4,341	16,872	19,034
as % of sales	6.7%	6.3%	5.6%	8.3%	4.3%	8.5%	6.7%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%
product development	50,520	36,001	9,229	9,642	9,484	9,221	37,576	9,483	9,958	10,046	10,213	39,700	44,786
as % of sales	23.4%	19.2%	20.8%	21.0%	20.4%	20.0%	20.5%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
recurring cash G&A ex stock	93,385	57,604	13,214	12,757	13,721	16,500	56,192	16,595	17,426	17,580	17,873	69,475	78,375
as % of sales	43.3%	30.6%	29.8%	27.8%	29.5%	35.8%	30.7%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%

Source: Z&A estimates, company reports

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WM Technology: Company Update

Exhibit 3: Sales Projections

\$Mn	2021	2022	2023	1Q24	2Q24	3Q24	4Q24e	2024e	1Q25e	2Q25e	3Q25e	4Q25e	2025e	2026e
Market sizes	25,035	25,711	28,499	7,353	7,587	7,812	7,847	30,599	8,069	8,337	8,644	8,788	33,838	36,856
California	5,780	5,393	5,177	1,222	1,294	1,264	1,245	5,025	1,251	1,324	1,294	1,274	5,143	5,262
CO/MI/OK	4,963	4,843	5,287	1,328	1,382	1,465	1,385	5,559	1,439	1,476	1,513	1,485	5,913	6,144
rest	14,291	15,475	18,036	4,804	4,911	5,083	5,217	20,015	5,378	5,537	5,838	6,029	22,782	25,450
TAM	1,314	1,350	1,496	386	398	410	412	1,606	424	438	454	461	1,777	1,935
California	303	283	272	64	68	66	65	264	66	69	68	67	270	276
CO/MI/OK	261	254	278	70	73	77	73	292	76	78	79	78	310	323
rest	750	812	947	252	258	267	274	1,051	282	291	306	317	1,196	1,336
MAPS TAM penetration	15%	16%	13%	11%	12%	11%	11%	11%	11%	11%	11%	11%	11%	12%
California	39%	44%	40.3%	39.4%	38.5%	40.0%	40.0%	39.5%	40.0%	40.0%	40.0%	40.0%	40.0%	39.2%
CO/MI/OK	22%	25%	20.3%	19.1%	19.0%	18.2%	18.8%	18.7%	19.0%	19.0%	19.0%	19.0%	19.0%	21.4%
rest	2.0%	3.2%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.4%	2.5%	2.6%	3.0%	2.6%	3.5%
Company sales	193.1	215.5	188.0	44.4	45.9	46.6	46.1	182.9	47.4	49.8	50.2	51.1	198.5	223.9
California	119.9	125.2	109.5	25.3	26.2	26.5	26.1	104.1	26.3	27.8	27.2	26.8	108.0	108.4
CO/MI/OK	57.9	64.7	56.4	13.3	13.8	14.0	13.7	54.7	14.4	14.7	15.1	14.8	59.0	69.0
rest	15.3	25.6	22.1	5.8	6.0	6.1	6.3	24.1	6.8	7.3	8.0	9.5	31.5	46.6

Source: Z&A estimates, company reports

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WM Technology: Company Update

Exhibit 4: Cash Flow Statement

US\$ 000s	Dec 2022	Dec 2023	Mar 1Q24	Jun 2Q24	Sep 3Q24	Dec 4Q24e	Dec 2024e	Mar 1Q25e	Jun 2Q25e	Sep 3Q25e	Dec 4Q25e	Dec 2025e	Dec 2026e
Net earnings	-82,651	-15,727	1,959	1,194	5,318	3,711	12,182	5,200	5,388	5,375	5,862	21,826	26,187
(+) D&A	11,498	12,133	2,937	3,187	3,517	3,370	13,011	3,129	3,249	3,369	3,489	13,235	15,143
Cash earnings	-71,153	-3,594	4,896	4,381	8,835	7,081	25,193	8,329	8,637	8,744	9,351	35,061	41,330
(-) Working capital changes	-1,504	-14,164	-2,236	4,345	-4,289	-948	-3,128	-444	-193	-660	-552	-1,849	-1,478
(-) Other operating flows	61,036	40,686	4,742	3,926	2,675	0	11,343	0	0	0	0	0	0
Operating cash flow	-11,621	22,928	7,402	12,652	7,221	6,133	33,408	7,885	8,444	8,084	8,799	33,212	39,852
(-) net capex	-16,055	-11,871	-4,540	-2,600	-2,359	-1,500	-10,999	-1,500	-1,500	-1,500	-1,500	-6,000	-6,000
Free cash flow	-27,676	11,057	2,862	10,052	4,862	4,633	22,409	6,385	6,944	6,584	7,299	27,212	33,852
(-) acquisitions	-713	0	0	0	0	0	0	0	0	0	0	0	0
(-) distribution to members	-2,448	-4,218	-1,589	-5,950	-7,250	0	-14,789	0	0	0	0	0	0
(+) other	-8,357	-1,072	94	12,587	19,710	0	32,391	0	0	0	0	0	0
(+) share issuance/ biz combination	0	0	0	0	0	0	0	0	0	0	0	0	0
(+) share repurchases	0	0	0	0	0	0	0	0	0	0	0	0	0
(-) stock options/warrants	0	0	0	0	0	0	0	0	0	0	0	0	0
Change in net	-39,194	5,767	1,367	16,689	17,322	4,633	15,326	6,385	6,944	6,584	7,299	27,212	33,852
Ending net (debt)	28,583	34,350	35,717	41,292	45,043	49,676	49,676	56,061	63,005	69,589	76,888	76,888	110,740
Cash/inv/sec	28,583	34,350	35,717	41,292	45,043	49,776	49,776	56,161	63,105	69,689	76,988	76,988	110,840
Gross debts/loans/bonds	0	0	0	0	0	100	100	100	100	100	100	100	100

Source: Z&A estimates, company reports

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Exhibit 5: Valuation and Price Scenarios Using Forward EV Estimates (not the same as spot EV)

US\$ Mn	Dec 2022	Dec 2023	Mar 1Q24	Jun 2Q24	Sep 3Q24	Dec 4Q24e	Dec 2024e	Dec 2025e	Dec 2026e
Current valuation									
Total EV (US\$Mn)	262	251	249	241	236	231	231	204	171
Market cap	182	182	182	182	180	180	180	180	180
Share price (US\$)	1.06	1.06	1.06	1.06	1.06	1.06	1.06	1.06	1.06
FD share count (Mn)	172.0	172.0	172.0	172.0	170.4	170.4	170.4	170.4	170.4
common shares	167.5	167.5	167.5	167.5	167.5	167.5	167.5	167.5	167.5
derivatives in the money	4.5	4.5	4.5	4.5	2.8	2.8	2.8	2.8	2.8
Broadly defined net cash (deb	21	17	19	25	30	34	34	61	94
net financial debt (proforma	29	34	36	41	45	50	50	77	111
leases, net	-8	-17	-17	-16	-15	-15	-15	-16	-17
warrant/derivatives inflow	0	0	0	0	0	0	0	0	0
Minority Interest	101	87	86	85	85	85	85	85	85
Multiples (Z&A estimates)									
PE		-9.9x	20.4x	35.8x	7.7x	7.0x	9.5x	4.7x	3.9x
EV/Sales		1.3x	1.4x	1.3x	1.3x	1.3x	1.3x	1.0x	0.8x
EV/EBITDA		6.8x	6.5x	6.0x	5.2x	7.5x	6.0x	5.2x	3.7x
Price scenarios									
							by Dec'24	by Dec'25	upside
1.0x							1.52	1.87	77%
1.5x							2.11	2.52	139%
2.0x							2.69	3.18	202%
2.5x							3.27	3.84	264%
3.0x							3.85	4.50	326%

Source: Z&A estimates, company reports



Appendix II: Valuation Comps

Exhibit 6: Valuation Comps – Tech comps

			11/18/24	US\$ Mn								
			Price	Mkt	Ent	EV/Sales	EV/EBITDA	1-year Forward Consensus			EBITDA	Net Debt
Company	Ticker	Listing	US\$	Cap	Value	1yF	1yF	Sales	EBITDA	EPS	mgn %	to EBITDA
Vertical SaaS						7.2x	18.6x					
Veeva	VEEV	NYSE	213.83	34,482	30,510	10.3x	25.0x	2,969	1,222	6.71	41%	3.3x
Appfolio	APPF	NASDAQ	228.75	4,975	4,808	5.3x	17.8x	913	271	5.36	30%	0.6x
Chegg	CHGG	NYSE	1.72	177	465	0.9x	3.4x	536	135	0.70	25%	-2.1x
Aspen	AZPN	NASDAQ	246.11	15,567	15,428	12.6x	28.2x	1,227	546	7.79	45%	0.3x
Marketplace						2.7x	10.2x					
Fiverr	FVRR	NYSE	28.88	1,116	1,160	2.8x	13.5x	416	86	2.62	21%	-0.5x
GoodRx	GDRX	NASDAQ	4.29	396	435	0.5x	1.6x	825	276	0.40	33%	-0.1x
Match	MTCH	NASDAQ	30.47	8,192	11,280	3.1x	8.5x	3,615	1,334	2.26	37%	-2.3x
Etsy	ETSY	NASDAQ	50.78	6,046	7,331	2.5x	9.2x	2,889	798	2.55	28%	-1.6x
Zillow	Z	NASDAQ	72.59	12,475	11,494	4.6x	18.1x	2,499	634	1.75	25%	1.5x
Ecommerce enablement platforms						4.5x	27.5x	0.2x 0.6x				
BigCommerce	BIGC	NASDAQ	5.97	456	535	1.5x	18.0x	348	30	0.28	9%	-2.7x
Shopify	SHOP	NYSE	106.33	128,374	124,516	11.8x	63.5x	10,569	1,960	1.47	19%	2.0x
Zoominfo	ZI	NASDAQ	9.76	3,754	4,558	3.8x	9.7x	1,187	471	0.93	40%	-1.7x
Lightspeed	LSPD	NYSE	17.69	2,716	2,016	1.6x	28.2x	1,228	72	0.52	6%	9.8x
Hubspot	HUBS	NYSE	671.64	33,883	33,282	11.3x	52.7x	2,956	632	9.01	21%	1.0x
Sprout Social	SPT	NASDAQ	28.69	1,413	1,388	3.0x	28.5x	459	49	0.68	11%	0.5x
Digital Turbine	APPS	NASDAQ	1.25	128	484	1.0x	6.2x	505	78	0.22	15%	-4.6x
Medallia	MDLA	NYSE	na	na	na	na	na	na	na	na	na	na
Square	SQ	NYSE	88.24	49,000	46,845	1.8x	13.0x	26,693	3,606	4.32	14%	0.6x
Canabis Tech						-0.6x	130.0x					
WM Holdings	MAPS	NASDAQ	1.06	182	209	1.1x	5.6x	195	38	0.18	19%	1.6x
Leafly	LFLY	NASDAQ	1.59	66	66	2.0x	293.7x	34	0	-2.33	1%	0.0x
Akerna	KERN	NASDAQ	0.68	21	21	na	na	na	na	na	na	na
Springbig	SBIG	US OTC	0.07	4	-181	-4.7x	90.7x	38	-2		-5%	-92.5x
Other												
Porch Group	PRCH	NASDAQ	2.75	267	373	0.9x	18.2x	423	21	-0.73	5%	-5.2x
eBay	EBAY	NASDAQ	61.35	31,715	30,928	2.9x	9.3x	10,606	3,342	5.20	32%	0.2x
Angi	ANGI	NASDAQ	1.81	148	350	0.3x	2.4x	1,103	144	0.04	13%	-1.4x
Yelp	YELP	NYSE	35.79	2,465	2,106	1.4x	5.9x	1,469	360	2.31	24%	1.0x
Chewy	CHWY	NYSE	31.58	4,197	3,620	0.3x	5.6x	12,197	642	0.56	5%	0.9x
Wayfair	W	NYSE	39.22	3,626	6,475	0.5x	12.3x	12,038	525	0.75	4%	-5.4x
Wix	WIX	NASDAQ	178.73	10,218	10,250	5.2x	21.5x	1,977	477	6.95	24%	-0.1x
DoorDash	DASH	NASDAQ	172.57	64,884	61,328	4.9x	24.1x	12,431	2,547	1.76	20%	1.4x
Uber Technologies	UBER	NYSE	68.85	142,588	148,206	3.0x	17.8x	49,763	8,324	2.30	17%	-0.7x
Cardlytics	CDLX	NASDAQ	3.38	134	308	1.1x	-1034.7x	276	0	-1.78	0%	584.6x

Note: The MAPS valuation above is shown for comp purposes, but we prefer to use out MAPS EV methodology

Source: FactSet and company reports

Exhibit 7: Valuation Comps – US MSOs

US\$Mn 18-Nov-24	Z&A Spot EV / Sales			Z&A Spot EV / EBITDA			Financial Net Debt				Broadly Defined Net Debt			
							Sales		EBITDA		Sales		EBITDA	
	Current	CY24e	CY25e	Current	CY24e	CY25e	CY24	Current	CY24	Current	CY24	Current	CY24	Current
US MSOs	1.7x	1.6x	1.3x	8.4x	9.5x	10.7x								
Acreage Holdings	2.1x	1.3x	na	135.1x	6.6x	na	-1.0x	-1.6x	-5.1x	-104.8x	-1.2x	-2.0x	-6.3x	-129.2x
Ascend Wellness	1.1x	1.1x	1.1x	6.2x	5.6x	5.0x	-0.4x	-0.4x	-2.2x	-2.4x	-0.9x	-0.9x	-4.6x	-5.1x
Ayr Wellness	0.9x	0.9x	0.9x	3.5x	4.0x	3.5x	-0.8x	-0.8x	-3.3x	-3.0x	-0.7x	-0.7x	-2.9x	-2.6x
Cannabist Co	0.9x	0.9x	0.9x	7.3x	7.1x	5.4x	-0.6x	-0.6x	-4.4x	-4.5x	-0.8x	-0.8x	-6.2x	-6.4x
Consortium	1.1x	na	na	3.9x	na	na	na	na	na	na	na	na	na	na
Cresco Labs	1.5x	1.5x	1.5x	5.2x	5.2x	5.3x	-0.5x	-0.5x	-1.8x	-1.8x	-0.7x	-0.7x	-2.3x	-2.3x
Curaleaf	2.2x	2.1x	2.0x	9.5x	9.6x	7.9x	-0.5x	-0.5x	-2.3x	-2.3x	-0.9x	-0.9x	-3.8x	-3.8x
4Front Ventures	2.1x	na	na	7.9x	na	na	na	-1.0x	na	-3.8x	na	-1.7x	na	-6.5x
Glass House	3.1x	4.0x	na	9.7x	22.4x	na	-0.1x	na	-0.7x	na	-0.3x	-0.2x	-1.7x	-0.8x
Gold Flora	1.0x	1.0x	0.8x	12.1x	29.6x	7.6x	na	-0.3x	na	na	na	-0.9x	na	na
Goodness Growth	1.8x	1.9x	na	-106.3x	7.6x	na	-0.5x	-0.5x	-2.1x	29.1x	-0.9x	-0.9x	-3.7x	51.1x
Green Thumb	2.1x	2.2x	2.1x	6.9x	6.8x	6.9x	-0.1x	-0.1x	-0.2x	-0.2x	-0.1x	-0.1x	-0.4x	-0.4x
Grown Rogue	3.8x	na	na	5.1x	na	na	na	na	na	na	na	na	na	na
iAnthus	1.1x	na	na	5.5x	na	na	na	-0.9x	na	-4.4x	na	-0.9x	na	-4.5x
Jushi	1.6x	1.5x	1.3x	9.4x	7.4x	6.3x	-0.6x	-0.7x	-3.1x	-4.0x	-1.2x	-1.2x	-5.8x	-7.4x
MariMed	1.0x	1.0x	0.8x	8.6x	8.0x	4.7x	-0.4x	-0.4x	-3.3x	-3.5x	-0.5x	-0.5x	-4.2x	-4.5x
Planet 13	1.2x	1.2x	0.9x	29.7x	16.4x	5.7x	0.2x	0.1x	2.0x	3.7x	-0.1x	-0.1x	-0.8x	-1.5x
Schwazze	1.1x	1.1x	na	8.1x	5.3x	na	-0.9x	-0.9x	-4.1x	na	-1.1x	-1.1x	-5.1x	na
StateHouse	1.9x	na	na	19.7x	na	na	na	-1.1x	na	-11.2x	na	-1.8x	na	-18.9x
TerrAscend	2.1x	2.1x	2.0x	11.5x	10.5x	9.5x	-0.6x	-0.6x	-2.9x	-3.1x	-1.0x	-1.0x	-5.2x	-5.7x
TILT	1.0x	0.9x	0.7x	-17.7x	na	73.2x	-0.5x	-0.6x	15.1x	9.9x	-0.9x	-1.0x	26.3x	17.3x
Trulieve	1.7x	1.6x	1.6x	5.0x	4.8x	4.9x	-0.3x	-0.3x	-0.7x	-0.8x	-0.6x	-0.6x	-1.8x	-1.8x
Verano	1.5x	1.4x	1.4x	4.9x	4.8x	4.4x	-0.4x	-0.4x	-1.3x	-1.4x	-0.7x	-0.8x	-2.4x	-2.5x
Vext	1.8x	1.8x	na	10.1x	8.9x	na	-0.9x	-0.9x	-4.3x	-4.9x	-0.9x	-0.9x	-4.3x	-4.9x

1) We take FactSet consensus estimates for CY24e and CY25e multiples

2) By "current", we mean the latest reported qtr annualized

Source: FactSet and company reports

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Exhibit 8: Stock Performance

18-Nov-24	Stock Performance		
	Last	Last	Last
Ticker	30d	90d	12mo
US MSOs			
Ascend	-40%	-61%	-60%
Ayr	-60%	-63%	-61%
Cannabist	-48%	-64%	-68%
Cansortium	-43%	-36%	-30%
Cresco	-16%	-34%	-20%
Curaleaf	-28%	-33%	-36%
4Front	-40%	-41%	-84%
GlassHouse	-11%	-21%	60%
Gold Flora	-47%	-47%	-58%
Vireo Growth	0%	-32%	113%
Grown Rogue	6%	16%	153%
Green Thumb	-9%	-15%	4%
iAnthus	-39%	-62%	-73%
Jushi	-17%	-38%	-43%
MariMed	-10%	-37%	-50%
Planet13	-22%	-31%	-46%
Schwazze	0%	-39%	-82%
StateHouse	##N/A	-51%	-33%
Trulieve	-46%	-36%	23%
TerrAscend	-25%	-48%	-41%
Vext	-3%	-24%	-42%
Verano	-49%	-60%	-60%

	Stock Performance		
	Last	Last	Last
Ticker	30d	90d	12mo
Canadian LPs			
Aurora	-25%	-40%	-10%
Avant	-34%	-58%	-86%
Auxly	-15%	-15%	109%
Cannara	-8%	-20%	-36%
Canopy	-12%	-47%	-30%
Cronos	-5%	-17%	9%
Decibel	20%	-11%	-59%
Entourage	-31%	-25%	-52%
High Tide	4%	27%	106%
Nova	2%	0%	149%
OGI	-16%	-29%	25%
Rubicon	-6%	-20%	-19%
SNDL	-2%	-12%	37%
Tilray	-17%	-33%	-25%
VFF	-16%	-32%	3%
CBD			
CVSI	-9%	-24%	41%
CWEB	9%	-2%	-38%
LFID	-14%	-28%	-68%
International			
InterCure	-18%	-24%	41%
PharmaCielo	-36%	53%	169%

	Stock Performance		
	Last	Last	Last
Ticker	30d	90d	12mo
MJ Fincos			
AFCG	-7%	-2%	-13%
CNPOF	-26%	-9%	16%
IIPR	-23%	-12%	33%
NLCP	-5%	-6%	44%
SHFS	-31%	-48%	-47%
LIEN	-1%	13%	41%
REFI	0%	2%	5%
Tech			
LFLY	-23%	-20%	-73%
SBIG	-17%	-30%	-50%
MAPS	14%	-1%	22%
Vape parts			
GNLN	-56%	-82%	-67%
ISPR	-5%	-16%	-49%
SMORF	3%	3%	51%
TLLTF	-43%	-68%	-81%
Index			
S&P 500	1%	6%	31%
S&P 477	-2%	1%	18%
Nasdaq	8%	14%	49%
MSOS ETF	-30%	-35%	-24%
YOLO ETF	-17%	-23%	-3%

Source: FactSet and company reports



Appendix III: Bio and Disclaimers



Analyst Bio

Pablo Zuanic is a well-known and highly rated equity analyst following the broader cannabinoids (THC cannabis, hemp derivatives, CBD) and consumer sectors. Over the past six years he has launched coverage of over 40 companies in the US, Canada, and overseas; plant-touching as well as service providers (tech; finance); and has also worked with several private companies. He follows closely the reform process in the US, Canada, Germany, Australia, and elsewhere, and relies on a fundamental and data-driven approach to keep track of sectoral trends. His firm Zuanic & Associates publishes equity research, both from a macro/sectoral level in a thematic manner, as well as on listed stocks. The research service is aimed at institutional investors, corporations, and regulators. The firm is also available for short-term consulting and research advisory projects. Approaching the third year since its inception, the firm has collaborated with over 25 companies (in North America and overseas; plant touching and service providers; public and private), both on an on-going basis as well for specific projects. At various points in his career, Pablo Zuanic was ranked in the Institutional Investor magazine surveys and was 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. *He can be contacted via the company's portal www.zuanicassociates.com; via email at pablo.zuanic@zuanicgroup.com; or via X @420Odysseus.*



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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