



12/3/2024

Village Farms International (VFF)

Company update: Overweight

US\$Mn								
Sales	CY23a	CY24e	Prev	CY25e	Prev	CY26e	Prev	CY27e
1Q	64.7	78.1 A	78.1	77.1	78.1	81.1	82.3	87.9
2Q	77.2	92.2 A	92.2	90.4	92.5	94.8	97.0	101.6
3Q	69.5	83.4 A	82.0	90.6	86.1	95.3	90.9	102.8
4Q	74.2	81.9 E	82.1	84.8	81.9	87.7	86.2	83.6
FY	285.6	335.6 E	334.4	342.8	338.6	358.9	356.4	375.8
EBITDA	CY23a	CY24e	Prev	CY25e	Prev	CY26e	Prev	CY27e
1Q	0.5	3.6 A	3.6	5.8	5.8	7.5	7.5	8.7
2Q	4.5	-3.6 A	-3.6	-1.2	-0.9	7.0	7.4	8.2
3Q	3.2	5.3 A	3.6	8.6	6.8	9.2	9.6	10.7
4Q	-0.7	4.0 E	3.8	6.9	5.7	9.4	8.3	9.1
FY	7.6	9.4 E	7.4	20.1	17.4	33.1	32.8	36.7

Share price (US\$)	0.80	Perf.	VFF	YOLO ETF	S&P500	Stance:	Overweight
Share count (mn)	110.2	30d	-10%	-16%	4%		no price target
Market Cap (US\$Mn)	88	90d	-23%	-14%	7%		FY=Dec
Ticker	VFF	1yr	1%	-7%	32%		



\$Mn	CY24	CY25	CY26
Projected EV	117	109	90
EV/Sales	0.3x	0.3x	0.3x
EV/EBITDA	12.5x	5.4x	2.7x

	FY24	CY25	CY26
Net debt/Sales	0.0x	0.0x	na
Net debt/EBITDA	-1.7x	-0.4x	na
Free Cash Flow	4.3	7.9	18.3
Net (debt) cash	-16.0	-8.1	10.2

Consensus	FY24	CY25	CY26
Sales	333.7	347.4	388.5
EBITDA	8.2	21.7	29.8
Guidance CY24:	n/a		

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Company Update

Note: Village Farms is the only cannabis company anointed by the DEA as one of the 25 DPs (“designated participants”) in the ALJ Hearing for the rescheduling of cannabis to Schedule 3. The company is represented by high profile attorney Shane Pennington (from Porter Wright).

Outlook and other forward commentary.

- **Temporary sales disruptions in 2H, but normalizing.** Strong demand in 1H (shipments) led to stock outs in some cases, impacting 3Q sales, and this issue will only normalize by 1Q25, according to management. The latest Hifyre data for Nov still shows softer domestic rec sales for VFF (see below). All in the context of a softer Canadian rec market (slowing demand). That said, VFF is ramping up innovation.
- **Recent innovation.** Besides launching new flower strains and expanding SKUs for the milled flower line (under Super Toast), VFF is expanding in all-in-one vape (Super Toast AIO) and now has launched a new line of infused pre-rolls (a new twax blunt called “The Canna Czar, presented by Soar). See our recent reports on [vape AIOs](#) and [infused pre-rolls](#) (including our [3Q macro update](#)).
- **Domestic pricing trends.** Ex one off items, branded sales margins are back to the 30-40% range, and VFF has managed to increase prices for some branded SKUs. Strong demand for B2B (partly being reshipped overseas) has seen prices move up ~20% in that segment, so although B2B carries lower margin than branded, B2B margins are up. Management estimates that overseas demand (Germany) has boosted the B2B segment and calculates about a third of its “domestic” B2B sales are reexported by various traders/LPs (it says two VFF strains are among the top performers in Germany).
- **Product allocation: Canada vs. International.** VFF is also focused on growing overseas (with sales to Germany, Australia, and UK up 2x yoy) and will allocate Canadian production output based on ROI (it has no plans to expand domestic capacity by converting the remainder of its BC tomato greenhouses). Yes, pricing trends in Canada are stabilizing (improving in some cases) and VFF continues to innovate, but it also recognizes the more attractive economics of international shipments.
- **B2B vs. branded, globally.** From a strategic point of view, VFF will prioritize the branded domestic cannabis business and international. In this sense, it will sell less into the B2B market for domestic purposes, allocating more output to its suite of domestic brands (value, mainstream, premium), and will gradually take more control of its international route to market over time. We would not rule out a minority investment in, say, Germany, as it has in Australia.



- **Holland:** Cultivation has begun, and sales should start by 1Q25. See our deep dive report on the VFF upside from the [Dutch Pilot program](#).
- **Management view.** For greater strategic color, see our recent Zoom call with VFF senior management ([link](#)).

Read from the Hifyre data for Oct/Nov. Rec market growth improved seq, with Oct/Nov up 6.7% yoy vs. +4% yoy growth in 3Q24 and +5.2% in 2Q24 (+8% in 1Q24; +14.4% in CY23). However, growth decelerated for VFF to +1% in Oct/Nov vs. +21% in 3Q24. Re the other top 10 players (in order based on Nov month share): Tilray -21% vs. -23%; OGI +13% vs. +16%; Auxly +33% vs. +19%; Motif +10 vs. +1%; Cronos +4% vs. +20%; Decibel -23% vs. -25%; Cannara +67% vs. 41%; Weed Med +23% vs. -3%; Canopy -21% vs. -34%. Nov market shares (for the month): Tilray 9.1%; OGI 7.0%; VFF 6.2%; Auxly 5.6%; Motif 5.3%; Cronos 5.1%; Decibel 4.7%; Cannara 4.0%; Weed Me 2.9%; Canopy 2.3%.

Stock not being credit for what has been accomplished (via a gradual long-term approach). We believe the stock valuation partly suffers from the exposure to the produce business, in the sense of what we would call a “complexity discount” (how to value the volatile produce business?). That said, VFF should get credit for its methodic/gradual approach to cannabis. In the domestic market over the years it has gone from mostly B2B to branded, and it is now a consistent top 3 player. Also, VFF is certainly more than just a domestic producer, with an expanding export business (>C\$15Mn annually, if we take one third of B2B), investments overseas (Holland, Australia), and room to take more control of its route to market overseas. VFF also has US optionality (in hemp via CBDistillery and to federal legalization via its TX produce greenhouses).

Valuation. At US\$0.80 per share (the stock is down only 10% in the last 30 days vs. -16% for the LP group and -33% for the MSOS ETF), we calculate an EV of US\$120Mn (112mn shares; net debt of \$19Mn; \$10Mn in redeemable non-controlling interest; \$1Mn in leases net of right of use assets). So, taking the spot EV of US\$120Mn, VFF trades at 0.4x consolidated current sales estimates (0.3x our CY25 numbers), and 5.6x EBITDA (5.4x on our CY25 numbers). If we strip out produce at \$30Mn (5x normalized EBITDA of \$6Mn), US CBD at 1x sales (\$20Mn), and value the Texas greenhouses at \$50Mn, that would mean the cannabis unit is valued at US\$19Mn, or 0.1x our CY25 sales estimate for the cannabis unit (ACB and TLRY are above 1x consolidated sales) and 3x EBITDA. We realize questions about the value and upside optionality of the non-cannabis assets are subject to debate, but that should not take away from the argument of attractive hidden value in VFF shares. Net, investors can buy a leading cannabis producer (one with a sustainable and disciplined financial model, the lowest production costs, and international optionality) at a compelling valuation – and one that is NASDAQ listed.

Table 1: Companies mentioned in this report.

Company name	Ticker	Ticker	Rating
US MSOs			
4Front Ventures		FFNTF	not rated
Acreage Holdings		ACRDF	not rated
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		GDNF	not rated
Green Thumb Industries		GTBIF	Overweight
Grown Rogue		GRUSF	not rated
Jushi Holdings		JUSHF	Overweight
MariMed		MRMD	Overweight
Planet 13 Holdings		PLNHF	Overweight
Schwazze		SHWZ	will cover
StateHouse Holdings Inc		STHZF	not rated
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

Source: Z&A

Company name	Ticker	Rating
Canada LPs		
Aurora Cannabis	ACB	Neutral
Auxly Cannabis Group	CBWTF	will cover
Avant Brands	AVTBF	will cover
Avicanna	AVCN	not rated
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	not rated
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 BDC	LIEN	will cover
Chicago Atlantic REFC	REFI	Overweight
Innovative Industrial Properties	IIPR	not rated
New Lake Capital Partners	NLCP	Overweight
RIV Capital	CNPOF	not rated
SHF Holdings	SHFS	not rated
Other		
Intercure	INCR	not rated
LFTD Partners Inc.	LIFD	Overweight
Ispire Technology	ISPR	will cover
Smoores International	SMORF	will cover



Appendix I: Company Financials

3 December 2024

Village Farms International: Company Update

Exhibit 1: Consolidated Highlights

US\$Mn	CY22	CY23	1Q24	2Q24	3Q24	4Q24e	CY24e	1Q25e	2Q25e	3Q25e	4Q25e	CY25e	CY26e	CY27e
Proforma consolidated sales	293.6	285.6	78.1	92.2	83.4	81.9	335.6	77.1	90.4	90.6	84.8	342.8	358.9	375.8
qoq ch %	na	na	5%	18%	-10%	-2%	na	-6%	17%	0%	-6%	na	na	na
yoy ch %	10%	-3%	21%	19%	20%	10%	17%	-1%	-2%	9%	3%	2%	5%	5%
guidance		na					na					na	na	na
consensus						81.8	333.7	80.3	91.4	86.9	87.6	347.4	388.5	na
Profit margins														
Gross profit after FV adj	27.5	49.4	15.5	9.2	15.7	15.0	55.5	16.5	10.6	20.1	17.9	65.1	80.0	85.6
as % of sales	9.4%	17.3%	19.9%	10.0%	18.8%	18.3%	16.5%	21.3%	11.7%	22.2%	21.1%	19.0%	22.3%	22.8%
Op exp	72.3	65.5	16.4	19.7	16.5	16.3	68.8	16.0	17.1	16.8	16.4	66.2	68.5	70.9
as % of sales	24.6%	22.9%	21.0%	21.3%	19.8%	19.8%	20.5%	20.7%	18.9%	18.6%	19.3%	19.3%	19.1%	18.9%
EBIT	-44.8	-16.1	-0.9	-10.4	-0.8	-1.2	-13.4	0.5	-6.5	3.3	1.5	-1.2	11.5	14.7
as % of sales	-15.2%	-5.6%	-1.1%	-11.3%	-1.0%	-1.5%	-4.0%	0.6%	-7.2%	3.7%	1.8%	-0.3%	3.2%	3.9%
Adj EBITDA	-21.3	7.6	3.6	-3.6	5.3	4.0	9.4	5.8	-1.2	8.6	6.9	20.1	33.1	36.7
as % of sales	-7.3%	2.7%	4.6%	-3.9%	6.4%	4.9%	2.8%	7.5%	-1.4%	9.5%	8.1%	5.9%	9.2%	9.8%
consensus						3.5	8.2	4.1	3.4	6.5	7.4	21.7	29.8	na
as % of sales						4.3%	2.5%	5.1%	3.7%	7.4%	8.4%	6.2%	7.7%	na
EPS														
Pre tax income	-96.7	-27.4	-2.4	-23.3	-0.7	-1.9	-28.2	-0.1	-7.2	2.6	0.9	-3.8	9.2	12.7
Tax rate assumption	-4.8%	-16.3%	-13.6%	-1.1%	-14.3%	20.0%	-1.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Net income	-101.4	-31.8	-2.7	-23.6	-0.8	-1.5	-28.5	-0.1	-5.7	2.1	0.7	-3.0	7.3	10.1
Share count (FD) Mn	89.1	108.7	110.2	111.0	111.9	111.9	111.3	111.9	111.9	111.9	111.9	111.9	111.9	111.9
EPS	-1.13	-0.29	-0.03	-0.21	-0.01	-0.01	-0.26	0.00	-0.05	0.02	0.01	-0.03	0.06	0.09
consensus						-0.02	-0.27	-0.01	-0.02	0.00	0.01	-0.01	0.02	na
BS & CF highlights														
Operating cash flow	-19.9	5.3	-0.1	-7.0	17.0	4.3	14.3	7.8	-8.6	7.1	9.2	15.5	26.2	33.6
(-) Capex	-14.3	-6.5	-1.9	-3.0	-3.3	-1.8	-9.9	-1.7	-2.0	-2.0	-1.9	-7.5	-7.9	-8.3
Free cash flow	-34.2	-1.2	-1.9	-10.0	13.7	2.5	4.3	6.1	-10.6	5.1	7.4	7.9	18.3	25.4
Ending net cash (debt)	-39.3	-16.8	-18.4	-18.8	-18.6	-16.0	-16.0	-10.0	-20.6	-15.5	-8.1	-8.1	10.2	35.5
Net debt/Sales	-0.1x	-0.1x	-0.1x	-0.1x	-0.1x	0.0x	0.0x	0.0x	-0.1x	0.0x	0.0x	0.0x	0.0x	0.1x
Net debt/EBITDA	1.8x	-2.2x	-1.3x	1.3x	-0.9x	-1.0x	-1.7x	-0.4x	4.2x	-0.4x	-0.3x	-0.4x	0.3x	1.0x
Equity	303.1	302.6	296.2	275.2	274.4	272.7	272.7	272.4	266.6	268.5	269.1	269.1	275.9	285.7

Source: Z&A estimates, company reports

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Village Farms International: Company Update

Exhibit 2: Divisional Split

US\$Mn	CY22	CY23	1Q24	2Q24	3Q24	4Q24e	CY24e	1Q25e	2Q25e	3Q25e	4Q25e	CY25e	CY26e	CY27e
Sales	293.6	285.6	78.1	92.2	83.4	81.9	335.6	77.1	90.4	90.6	84.8	342.8	358.9	375.8
Produce	160.3	151.2	36.1	47.0	42.8	38.6	164.5	36.5	47.5	43.2	39.0	166.1	167.8	169.5
Cannabis	109.9	114.0	37.4	40.7	36.5	39.4	154.0	36.6	38.9	43.4	41.7	160.6	174.7	189.7
Energy	0.1	0.0	0.0	0.1	0.2	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
US CBD	23.3	20.3	4.5	4.3	3.9	4.0	16.7	4.0	4.0	4.0	4.0	16.0	16.4	16.7
Gross Margin	9.4%	17.3%	19.9%	10.0%	18.8%	18.3%	16.5%	21.3%	11.7%	22.2%	21.1%	19.0%	22.3%	22.8%
Produce	-10.8%	0.1%	9.2%	-8.9%	8.1%	4.0%	2.5%	9.3%	-8.8%	8.2%	4.1%	2.6%	5.4%	5.4%
Cannabis	26.7%	31.5%	25.4%	26.3%	26.3%	30.0%	27.0%	31.0%	32.0%	33.0%	35.0%	32.8%	35.0%	35.0%
Energy	na	na	na	na	na	na	na	na	na	na	na	na	na	na
US CBD	67.2%	65.6%	59.4%	61.2%	63.4%	60.0%	60.9%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%
EBITDA	-21.3	7.6	3.6	-3.6	5.3	4.0	9.4	5.8	-1.2	8.6	6.9	20.1	33.1	36.7
Produce	-24.4	0.5	2.0	-6.4	2.3	1.2	-0.8	3.2	-5.0	2.9	1.2	2.3	7.0	7.1
Cannabis	13.1	14.8	4.1	4.8	4.8	7.0	20.6	6.5	7.7	9.5	9.8	33.5	40.5	44.3
Energy	-0.3	-0.2	0.0	0.1	0.3	0.0	0.3	0.0	0.0	0.0	0.0	-0.1	-0.1	-0.1
US CBD	0.2	0.9	-0.6	-0.2	-0.2	-0.6	-1.6	-0.6	-0.6	-0.6	-0.5	-2.2	-2.0	-1.8
Corporate	-10.0	-8.4	-1.9	-1.8	-1.9	-3.5	-9.2	-3.3	-3.2	-3.2	-3.6	-13.4	-12.3	-12.8
EBITDA margin	-7.3%	2.7%	4.6%	-3.9%	6.4%	4.9%	2.8%	7.5%	-1.4%	9.5%	8.1%	5.9%	9.2%	9.8%
Produce	-15.2%	0.3%	5.6%	-13.5%	5.5%	3.1%	-0.5%	8.7%	-10.6%	6.8%	3.2%	1.4%	4.2%	4.2%
Cannabis	11.9%	12.9%	10.9%	11.8%	13.0%	17.8%	13.4%	17.9%	19.7%	22.0%	23.5%	20.9%	23.2%	23.3%
Energy	na	na	na	na	na	na	na	na	na	na	na	na	na	na
US CBD	1.0%	4.2%	-13.6%	-5.6%	-4.0%	-14.9%	-9.6%	-14.5%	-14.1%	-13.7%	-13.3%	-13.9%	-12.4%	-10.9%
Corp as % of total sales	-3.4%	-2.9%	-2.4%	-2.0%	-2.3%	-4.3%	-2.7%	-4.3%	-3.6%	-3.6%	-4.3%	-3.9%	-3.4%	-3.4%

Source: Z&A estimates, company reports

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Village Farms International: Company Update

Exhibit 3: Cannabis Projections

US\$m	CY22	CY23	1Q24	2Q24	3Q24	4Q24e	CY24e	1Q25e	2Q25e	3Q25e	4Q25e	CY25e	CY26e	CY27e
Sales	107.2	112.0	37.0	40.3	40.5	39.4	157.2	36.6	38.9	43.4	41.7	160.6	174.7	189.7
Canada cannabis	103.4	107.4	35.5	38.8	39.2	37.9	151.4	35.1	37.3	41.7	40.0	154.2	166.8	180.1
<i>branded</i>	85.5	91.9	29.0	30.5	32.6	32.0	124.2	29.7	31.6	35.4	34.0	130.7	142.4	154.7
<i>bulk</i>	17.8	15.5	6.5	8.3	6.5	5.9	27.2	5.4	5.7	6.3	6.0	23.5	24.4	25.4
International	3.9	4.6	1.5	1.5	1.4	1.4	5.8	1.5	1.6	1.7	1.7	6.5	7.9	9.5
Cannabis P&L														
Sales	107.2	112.0	37.0	40.3	40.5	39.4	157.2	36.6	38.9	43.4	41.7	160.6	174.7	189.7
qoq ch %	na	na	17%	9%	1%	-3%	na	-7%	6%	11%	-4%	na	na	na
yoy ch %	11%	4%	47%	44%	44%	25%	40%	-1%	-3%	7%	6%	2%	9%	9%
Gross profit	29.4	35.9	9.5	10.7	9.6	11.8	41.6	11.4	12.5	14.3	14.6	52.7	61.1	66.4
as % of sales	27.4%	32.1%	25.7%	26.6%	23.7%	30.0%	26.5%	31.0%	32.0%	33.0%	35.0%	32.8%	35.0%	35.0%
EBIT	-2.2	4.5	2.1	1.7	1.6	4.3	9.7	3.9	5.0	6.8	7.1	22.7	29.6	33.1
as % of sales	-2.1%	4.0%	5.6%	4.2%	3.9%	10.9%	6.1%	10.5%	12.7%	15.7%	17.0%	14.1%	16.9%	17.5%
EBITDA	13.1	14.8	4.1	4.8	4.8	7.0	20.6	6.5	7.7	9.5	9.8	33.5	40.5	44.3
as % of sales	12.2%	13.2%	11.0%	12.0%	11.7%	17.8%	13.1%	17.9%	19.7%	22.0%	23.5%	20.9%	23.2%	23.3%
Branded rec assumptions														
Canada rec market (C\$m)	4,518	5,163	1,196	1,258	1,391	1,370	5,214	1,255	1,321	1,460	1,386	5,423	5,640	5,865
Canada rec market (US\$m)	3,470	3,826	887	919	1,020	994	3,820	911	959	1,060	1,006	3,936	4,094	4,283
wholesale adj for 0.4x factor	1,388	1,531	355	368	408	398	1,528	365	383	424	402	1,575	1,637	1,713
PSF branded sales US\$m	85.5	91.9	29.0	30.5	32.6	32.0	124.2	29.7	31.6	35.4	34.0	130.7	142.4	154.7
in C\$m	112.2	124.0	39.1	41.8	44.5	44.4	169.7	41.2	43.8	49.1	47.1	181.2	197.5	214.5
share %	6.2%	6.0%	8.2%	8.3%	8.0%	8.0%	8.1%	8.1%	8.2%	8.3%	8.4%	8.3%	8.7%	9.0%
(*) in practice, this may be more in the low/mid 30s.														

Source: Z&A estimates, Hifyre, StatCan, company reports

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Village Farms International: Company Update

Exhibit 4: Cash Flow

US\$ 000s														
SUMMARY CASH FLOW	CY22	CY23	1Q24	2Q24	3Q24	4Q24e	CY24e	1Q25e	2Q25e	3Q25e	4Q25e	CY25e	CY26e	CY27e
Net earnings	-101,146	-31,798	-2,852	-23,549	-820	-1,666	-28,887	-252	-5,875	1,977	576	-3,574	6,839	9,703
(+) D&A	13,054	15,926	4,558	4,840	5,109	5,273	19,780	5,275	5,297	5,323	5,349	21,244	21,553	21,974
Cash earnings	-88,092	-15,872	1,706	-18,709	4,289	3,608	-9,106	5,023	-578	7,300	5,925	17,671	28,392	31,677
(-) Working capital changes	-2,246	-2,088	-3,290	-3,109	11,701	851	6,153	2,881	-7,904	-105	3,454	-1,674	-1,717	2,394
(-) Other operating flows	70,449	23,275	1,534	14,799	1,015	-142	17,206	-139	-136	-133	-130	-539	-491	-440
Net operating cash flow	-19,889	5,315	-50	-7,019	17,005	4,316	14,252	7,764	-8,618	7,061	9,249	15,457	26,185	33,630
(-) net capex	-14,292	-6,518	-1,876	-3,003	-3,268	-1,803	-9,950	-1,696	-1,989	-1,993	-1,865	-7,542	-7,895	-8,269
Free cash flow	-34,181	-1,203	-1,926	-10,022	13,737	2,514	4,303	6,069	-10,607	5,068	7,385	7,915	18,290	25,362
(-) acquisitions	-5,873	0	0	-3,096	-80	0	0	0	0	0	0	0	0	0
(-) divestitures	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(+) other	4,778	-1,099	295	12,754	-13,452	0	-403	0	0	0	0	0	0	0
(+) share issuance/repurchases	6,692	24,772	0	0	0	0	0	0	0	0	0	0	0	0
(-) stock options/warrants	192	83	0	0	0	0	0	0	0	0	0	0	0	0
Change in net	-28,392	22,553	-1,631	-364	205	2,514	724	6,069	-10,607	5,068	7,385	7,915	18,290	25,362
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending net (debt)	-39,320	-16,767	-18,398	-18,762	-18,557	-16,043	-16,043	-9,974	-20,581	-15,513	-8,128	-8,128	10,162	35,524
Cash/inv/sec	21,676	35,291	31,685	29,657	28,696	30,061	30,061	35,625	26,403	31,489	38,269	38,269	56,860	81,802
Gross debts/loans/bonds	60,996	52,058	50,083	48,419	47,253	46,104	46,104	45,600	46,984	47,002	46,397	46,397	46,698	46,279
Net debt / Sales	-0.1x	-0.1x	-0.1x	-0.1x	-0.1x	0.0x	0.0x	0.0x	-0.1x	0.0x	0.0x	0.0x	0.0x	0.1x
Net debt / Adj EBITDA	1.1x	-2.2x	-1.3x	1.3x	-0.9x	-1.0x	-1.7x	-0.4x	4.2x	-0.4x	-0.3x	-0.4x	0.3x	1.0x

Source: Z&A estimates, company reports



Appendix II: Valuation Comps

3 December 2024

Village Farms International: Company Update

Exhibit 5: Canada LPs - Valuation Multiples (consolidated multiples)

Multiples 3-Dec-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	1.3x	1.3x	1.2x	10.2x	12.5x	8.3x	na	na	na	na	0.0x	na	-0.4x	na
Auxly Cannabis Group	0.5x	na	na	2.8x	na	na	-0.4x	na	-2.0x	na	-0.5x	na	-2.8x	na
Avant Brads	0.5x	na	na	1.7x	na	na	-0.1x	na	-0.4x	na	-0.4x	na	-1.2x	na
BZAM	0.3x	na	na	3.4x	na	na	-0.2x	na	-2.4x	na	-0.3x	na	-3.4x	na
Cannara Biotech	0.9x	na	na	6.7x	na	na	0.0x	na	0.0x	na	0.0x	na	0.0x	na
Canopy Growth	4.1x	3.7x	3.4x	-48.5x	-56.9x	2487.2x	-1.3x	-1.2x	15.3x	17.9x	-1.3x	-1.2x	15.3x	17.9x
Cronos Group	-2.4x	-2.2x	-1.8x	6.1x	7.5x	87.1x	na	na	na	na	7.8x	7.0x	-19.5x	-24.0x
Decibel Cannabis	0.8x	0.8x	0.6x	4.5x	4.1x	2.9x	-0.4x	-0.4x	-2.1x	-1.9x	-0.4x	-0.4x	-2.1x	-1.9x
Nova Cannabis	0.4x	na	na	12.1x	na	na	0.0x	na	-0.1x	na	0.0x	na	-0.9x	na
Organigram Holdings	0.9x	na	na	-13.0x	na	na	na	na	na	na	0.5x	na	-7.4x	na
Rubicon Organics	0.5x	na	na	7.0x	na	na	0.0x	na	-0.4x	na	0.0x	na	-0.4x	na
SNDL	0.6x	0.6x	0.6x	15.2x	398.5x	na	na	na	na	na	0.2x	0.2x	4.4x	116.3x
Tilray Brands	1.1x	1.0x	1.0x	10.6x	13.7x	10.1x	0.0x	0.0x	-0.3x	-0.4x	-0.1x	-0.1x	-0.9x	-1.2x
Village Farms International	0.2x	0.3x	0.3x	-6.3x	10.8x	4.1x	0.0x	0.0x	1.0x	-1.6x	0.0x	0.0x	1.0x	-1.7x

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

3 December 2024

Village Farms International: Company Update

Exhibit 6: Canada LPs - EV Calculations

C\$Mn 3-Dec-24	FactSet Spot EV	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 BOND	Pref Stock Min Int
Aurora Cannabis	331	414	6.39	54.9	1.2	358	27	-43		0		-16	40
Auxly Cannabis Group	168	58	0.04	0.0	0.0	0	-41	-15		-2		-58	
Avant Brads	135	18	0.49	10.5	0.3	5	-5	-8				-13	
BZAM	112	45	0.00	180.8	0.2	0	-31	-14				-45	
Cannara Biotech	85	74	0.82	90.0	0.0	74	0	0	0			0	
Canopy Growth	na	1,024	5.27	131.6	1.5	701	-323					-323	
Cronos Group	-48	-367	2.89	274.6	6.3	812	1,181	-2				1,179	
Decibel Cannabis	63	71	0.06	581.9	16.3	38	-34	0				-33	
Nova Cannabis	1	119	1.77	62.1		110	-1	-8				-9	
Organigram Holdings	140	140	2.12	103.8	0.0	220	80		0			80	
Rubicon Organics	26	24	0.38	56.2	4.3	23	-1	0				-1	
SNDL	457	586	2.70	264.3	16.2	758	209	-38				171	
Tilray Brands	1,232	1,320	1.87	628.9	0.0	1,173	-42	-49		-21		-112	35
Village Farms International	145	124	1.11	80.3		89	-19	-1				-19	15

Source: FactSet and company reports

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Village Farms International: Company Update

Exhibit 7: Stock Performance

3-Dec-24			
	Stock Performance		
	Last	Last	Last
Ticker	30d	90d	12mo
US MSOs			
Ascend	-55%	-60%	-72%
Ayr	-70%	-60%	-70%
Cannabist	-50%	-53%	-69%
Consortium	-30%	-23%	9%
Cresco	-22%	-26%	-32%
Curaleaf	-34%	-33%	-45%
4Front	-30%	-44%	-76%
GlassHouse	-10%	-18%	45%
Gold Flora	-55%	-63%	-70%
Vireo Growth	-13%	-23%	55%
Grown Rogue	1%	8%	148%
Green Thumb	-7%	-4%	-11%
iAnthus	-57%	-72%	-87%
Jushi	-29%	-33%	-47%
MariMed	-12%	-23%	-52%
Planet13	-29%	-29%	-45%
Schwazze	-9%	-9%	-82%
StateHouse	WN/A	-42%	-1%
Trulieve	-49%	-32%	7%
TerrAscend	-27%	-37%	-53%
Vext	-3%	-23%	-32%
Verano	-56%	-57%	-67%

	Stock Performance		
	Last	Last	Last
Ticker	30d	90d	12mo
Canadian LPs			
Aurora	-19%	-25%	0%
Avant	-45%	-63%	-89%
Auxly	-6%	-13%	97%
Cannara	11%	19%	-8%
Canopy	-24%	-27%	-32%
Cronos	-2%	-8%	3%
Decibel	-6%	-6%	-52%
Entourage	8%	-14%	-23%
High Tide	21%	70%	128%
Nova	0%	-1%	143%
OIGI	-15%	-18%	19%
Rubicon	2%	-21%	-35%
SNOL	-9%	-2%	36%
Tilray	-21%	-22%	-26%
VFF	-10%	-23%	1%
CBD			
CVSI	-17%	-24%	7%
CWEB	-8%	-17%	-37%
LFID	-17%	19%	-77%
International			
InterCure	-25%	-24%	7%
PharmaCielo	-9%	55%	170%

	Stock Performance		
	Last	Last	Last
Ticker	30d	90d	12mo
MJ Fincos			
AFCG	-2%	-6%	-14%
CNPOF	-37%	-17%	24%
IIPR	-16%	-11%	35%
NLCP	-1%	-5%	43%
SHFS	13%	-27%	-36%
LIEN	-1%	12%	35%
REFI	5%	1%	4%
Tech			
LFLY	-20%	-23%	-72%
SBIG	0%	-3%	-46%
MAPS	70%	36%	62%
Vape parts			
GNLN	-40%	-66%	-71%
ISPR	3%	-15%	-41%
SMORF	16%	16%	64%
TLLTF	-35%	-57%	-74%
Index			
S&P 500	4%	7%	32%
S&P 477	4%	2%	21%
Nasdaq	9%	14%	47%
MSOS ETF	-33%	-29%	-34%
YOLO ETF	-16%	-14%	-7%

Source: FactSet



Appendix III: Bio and Disclaimers



Analyst Bio

Pablo Zuanic is a well-known and highly rated equity analyst following the cannabis and psychedelics sector. Over the past five years he launched coverage of over 40 companies in the US, Canada, and overseas (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. 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 Zuanic can be contacted via the company's portal www.zuanicassociates.com; via email 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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