



7/23/2025

Canopy Growth

Company Update: Neutral

C\$ Mn									
Sales	FY23a	FY24a	FY25a	FY26e	Prev	FY27e	Prev	FY28e	Prev
1Q	106	109	66	64	66	68	72	74	77
2Q	105	70	63	68	73	72	78	78	84
3Q	104	79	75	73	78	77	84	78	84
4Q	88	40	65	69	74	74	80	80	87
FY	403	297	269	275	291	292	314	310	332
EBITDA	FY23a	FY24a	FY25a	FY26e	Prev	FY27e	Prev	FY28e	Prev
1Q	-79	-23	-5	-8	-5	1	6	11	11
2Q	-56	-12	-6	-8	-4	5	6	13	13
3Q	-50	-9	-3	-2	-1	6	6	14	15
4Q	-24	-15	-9	-1	-1	9	6	14	15
FY	-209	-59	-24	-18	-11	21	24	51	54

Share price (C\$)	\$1.53	Perf.	CGC	YOLO ETF	S&P500	Stance:	Neutral
Share count (mn)	211.6	30d	-13%	17%	5%		no price target
Market Cap (US\$Mn)	325	90d	-6%	22%	19%		FY = Mar
Ticker	WEED.TO	1yr	-84%	-37%	14%		



\$Mn	FY26e	FY27e	FY28e
Projected EV	552	575	248
EV/Sales	2.0x	2.0x	0.8x
EV/EBITDA	-30.2x	27.4x	4.9x
	FY26e	FY27e	FY28e
Net debt/Sales	0.8x	0.9x	0.8x
Net debt/EBITDA	na	11.9x	4.9x
Free Cash Flow	-57	22.3	34.4
Net (debt) cash	-228	-251	-248
Consensus	FY26e	FY27e	FY26
Sales	276	304	na
EBITDA	-13	10	na
Guidance:	n/a	n/a	n/a

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Company Update

Together with a group of sell-side analysts, we recently met with CEO Luc Mongeau in Toronto. We are well impressed with how quickly, during his six-month tenure, CEO Mongeau has steered CGC into a significantly more focused organization, cuts costs and reduced layers of management, and has already started to show margin accretive top line improvements. Global medical cannabis (MMJ) is without a doubt the strategic priority. Of course, the other units (domestic rec, S&B, Canopy-USA) remain relevant parts of the overall business. We remain Neutral for now (partly on debt leverage and execution risk) but believe the stock will deserve at some point a fresh look. Also, when adjusting for the US assets, CGC trades in line with the likes of ACB/TLRY near 1x EV/Sales. We expect the company to report fiscal 1Q26 (Jun) next month. Note: All \$ numbers are in C\$ unless noted otherwise.

Highlights from Meeting with CEO Luc Mongeau

Revised priorities, resource allocation, and cost savings. CGC has “the right elements to create a winning company”. Financially, the focus is on fixing the P&L and cost structure (consultants from Deloitte have identified \$20Mn in cost savings; layers of management have been). Resources are being reallocated to near-term strategic priorities (global MMJ being #1). Per CEO Mongeau, the company “needed more focus and prioritization”; CGC has “the right assets, but they need to be deployed better”.

International MMJ. CGC aims to be a leader in global medical cannabis (including in the domestic Canadian MMJ market). Europe is a big focus.

- Supply has been the biggest constraint to growth (the “main issue was availability”), as some of the company’s top-quality products had been allocated to Canadian rec. So, although CGC will maintain an asset light approach, the goal is for more of the medical business to be sourced internally (at present, total global sales rec/med are about 50% outsourced and 50% produced internally). The company’s flower sells well overseas, but only when available. The company’s Kincardine facility (3hrs from Toronto, on the shore of Lake Huron) has been EU-GMP certified since Oct 2023 and is now going through a revamp (it has 26 grow rooms).
- With the focus on the supply chain, proper allocation, and efficiencies, we do not expect CGC for the time being to make investments in route-to-market assets (see ACB in Australia via the acquisition of MedReleaf Australia). It will continue to rely on strategic distribution partners (Avextra in Germany; Montu in Australia), which “do a good job selling the company’s products”. For example, in Germany CGC has packaging, GMP processing, and distribution capabilities, via an agreement with Avextra Pharma (which also has cultivation in Portugal), from which it supplies distributors, such as Cansativa. CGC’s Andrew Bevan now heads the international medical cannabis business and is also actively engaged with doctors.



Domestic MMJ. It sees room to grow in the Canadian medical market (despite the overall MMJ market shrinking since 2018 with the legalization of rec), on the back of its well-established assets and infrastructure (Apollo cannabis clinics; the Spectrum Therapeutics online pharmacy; the Smith Falls logistics center). Given the DTC nature of this business, the margins and \$ spreads are much higher on a per gram basis than in rec. By reporting directly to CEO Mongeau, Canadian med is “no longer in the shadow of rec”.

Domestic rec. As it allocates more own production to the global med business, it may rely more on 3rd party sourcing for the domestic rec business (it has done so to absorb the recent growth in Claybourne infused pre-rolls). But to be clear, while rec may seem a secondary part of the strategy, CEO Mongeau recognizes the rec business brings scale (and it also benefits from innovation being faster). But rec must have the right focus; profit margins are key, whether by brand and or formats; as part of a portfolio clean up, it has cut over 35% of SKUs.

- We understand key areas of focus will include infused pre-rolls, mainstream flower, and AIO vapes. CGC will focus on segments where it has a key advantage or is able to “build superiority” (say, crystal diamonds in infused pre-rolls) or has technical capabilities (faster machine-fill). For some time now, CGC has no longer sought to be in every category (or every price point), and this effort has been intensified under CEO Mongeau.
- With fewer SKUs, value-added innovation, and improved service levels, CGC will be in a better position to negotiate with retailers and the boards. Also, the organization is now more agile (two layers of management in the rec business were eliminated), and this has allowed CEO Mongeau to be directly involved in discussions with the boards and major retailers. In the near term, management sees ON as the biggest opportunity (CGC has increased engagement with OCS), where it has a distribution cost advantage vs. other LPs.

Storz & Bickel. At S&B, there is more rigor on procurement and better innovation (expected for fiscal 2H26), and by appealing to a wider audience. S&B will expand beyond just flower vaporizing (it could also vaporize concentrates and others forms of cannabis). S&B provides a totally different experience vs. smoking a joint, according to management, which is ideal for medical patients (it can offer a consistent experience; it a rather precise device). Overall, this is a stable category, growing at 3-4% per annum. S&B complements well trends for global MMJ growth.

Canopy USA. In our interpretation, without significant reform changes, Canopy-USA is less of a near term strategic priority. Brooks Jorgensen (ex-Kiva) was hired in Jan’25 as CEO to run this business, which includes MSO Acreage Holdings, Wana Edibles, and Jetty Extracts (see our [report](#)). Per prior disclosure, we understand Acreage Holdings is in negotiations with creditors to restructure its debt. Although earlier this year CGC acquired C-USA debt from mortgage REIT AFCG, we are doubtful it will acquire more debt as it would not fit with its near strategy in terms of resource allocation. As mentioned before, the focus is more on the potential “wins in front of them” (i.e., the surge in European sales is margin accretive now; while US growth is more of a long-term story, pending federal level reform).



Balance sheet. On the debt front, CGC now has more flexibility, per management (it has paid down \$100Mn of company debt). It extended term loan maturities to Sep 2027; the convertible debt is not due until 2029. The at the market equity facility is more to fund growth opportunities, than for debt reduction. With projections for positive EBITDA and cash flow, CGC should be in a position to bring down debt organically at some point. M&A deals that are EBITDA and cash flow accretive can also help bring down the company's debt ratios. All this said, net debt of C\$173Mn is about 65% of consolidated sales (EBITDA and cash flow are still negative).

Reminder on outlook (and reporting changes)

- There were no new forward guidance comments, other than what was given at the time of the Mar qtr call (on 5/30/25). Given the uncertain macro global outlook, discretionary spending is down, and this has impacted S&B, with the business expected to be down in the first fiscal half (and June qtr down seq). It expects growth in international driven by Germany, with Poland starting to stabilize (but Australia still down). Also, organizational changes and allocation of more own product to international, should drive sales growth over time.
- Per Hifyre, at retail, CGC rec sales increased +22% qoq in the June qtr (and up 52% yoy), after +41% qoq in the March qtr. Claybourne infused pre-rolls have been a big driver of growth. In 2Q25, pre-rolls accounted for 49% of sales vs. 23% in 2Q24 (flower for 31% vs. 49%). Pre-rolls accounted for 95% of the company's total absolute \$ yoy growth in 2Q25, per Hifyre. Infused pre-roll varieties are now 78% of CGC's total pre-roll sales vs. 12% in 2Q24.
- Reporting changes: Before, Australian revenues included S&B Australia, but now this will be reported under S&B global sales. On an annualized basis, this was about \$8Mn. In FY25 March, S&B reported sales of \$73Mn, so proforma these would have been around \$81Mn. On the other hand, international MMJ sales were reported \$40Mn, so they would have been \$32Mn.
- See our [most recent CGC note](#) for more background.

Valuation

At C\$1.53 (US\$1.12), CGC shares are down 8% in the last 90 days compared with +17% for the YOLO ETF (CGC fell almost 30% in the days following the fiscal 4Q print on 5/30). On and off reform news flow from the US has also has a bearing on the stock (it is the most liquid path for day-traders betting on US reg news flow). All this said, the valuation is above the peer group. We calculate an EV of C\$499Mn (211.5mn shares plus RSUs; net debt of C\$173Mn), or 1.9x annualized March qtr sales compared with ~1x for the likes of Aurora/Tilray. The valuation is seemingly reach but we think it reflects CGC's more direct US optionality vs. peers, and the fact the US assets are not consolidated. If we factor the value of the 17% equity stake in TerrAscend (C\$35Mn) in the EV, and we include C-USA annualized sales of ~C\$250Mn, the adjusted proforma EV/Sales would be 0.9x. True, CGC remains more levered than peers so equity dilution risk remains an issue. We maintain

our Neutral, but we will keep a close eye on company progress under the stewardship of CEO Mongeau.

Table 1: Companies mentioned in this report

Company name	Ticker	Ticker	Rating
US MSOs			
4Front Ventures		FFNTF	not rated
Ascend Wellness		AAWH	not rated
AYR Wellness		AYRWF	not rated
Cannabist		CCHWF	not rated
Cansortium		CNTMF	not rated
Cresco Labs		CRLBF	Overweight
Curaleaf Holdings		CURLF	will cover
GlassHouse Brands		GLASF	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	not rated
TerrAscend		TSNDF	not rated
TILT Holdings		TLLTF	Neutral
Trulieve Cannabis		TCNNF	will cover
Verano Holdings		VRNOF	Overweight
Vext Science, Inc.		VEXTF	Overweight
Vireo Growth		VREOF	will cover
Finance (MJ) Companies			
AFC Gamma		AFCG	Overweight
Chicago Atlantic BDC		LIEN	Overweight
Chicago Atlantic REAF		REFI	Overweight
Innovative Industrial Properties		IIPR	not rated
New Lake Capital Partners		NLCP	Overweight
SHF Holdings		SHFS	not rated

Company name	Ticker	Rating
Canada LPs		
Aurora Cannabis	ACB	Neutral
Auxly Cannabis Group	CBWTF	not rated
Avant Brands	AVTBF	not rated
Avicanna	AVCN	not rated
Ayurcann Holdings	AYURF	not rated
Cannara Biotech	LOVFF	not rated
Canopy Growth Corporation	CGC	Neutral
Cronos Group	CRON	not rated
Decibel Cannabis Co	DBCCF	Overweight
Organigram Holdings	OGI	not rated
Rubicon Organics	ROMJF	Overweight
SNDL	SNDL	not rated
Tilray Brands	TLRY	Neutral
Village Farms Intl	VFF	Overweight
Other		
Canify AG	TBD	private
Cantourage AG	HIGH:FF	not rated
Flora Growth	FLGC	not rated
Grow Generation	GRWG	not rated
IM Cannabis	IMCC	not rated
Intercure	INCR	Overweight
Ispire Technology	ISPR	will cover
Leafly	LFLY	not rated
LFTD Partners Inc.	LIFD	Overweight
Smoores International	SMORF	will cover
Urban-gro	UGRO	not rated
WM Technology	MAPS	Neutral

Source: Z&A



Appendix I: Company Financials

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Canopy Growth: Meeting CEO Luc Mongeau

Exhibit 1: CGC Consolidated Financial Highlights

C\$ Mn	Mar FY23	Mar'24 FY24	Jun'24 1Q25	Sep'24 2Q25	Dec'24 3Q25	Mar'25 4Q25	Mar'25 FY25	Jun'25 1Q26e	Sep'25 2Q26e	Dec'25 3Q26e	Mar'25 4Q26e	Mar'25 FY26e	Mar'25 FY27e	Mar'25 FY28e
Sales	402.9	297.1	66.2	63.0	74.8	65.0	269.0	64.4	67.8	73.2	69.4	274.8	291.6	309.8
qoq ch %	na	na	64%	-5%	19%	-13%	na	-1%	5%	8%	-5%	na	na	na
yoy ch %	-21%	-26%	-39%	-9%	-5%	61%	-9%	-3%	8%	-2%	7%	2%	6%	6%
guidance consensus								65.1	66.7	74.1	70.0	275.9	303.7	na
Profit margins														
Gross profit before FV adj	-104.1	80.9	23.0	21.8	24.1	10.5	79.5	15.0	18.1	23.1	21.8	78.0	102.7	118.7
as % of sales	-25.8%	27.2%	34.8%	34.7%	32.2%	16.2%	29.6%	23.2%	26.7%	31.5%	31.5%	28.4%	35.2%	38.3%
Op exp	2,744.2	309.6	52.1	67.8	47.9	28.8	196.7	35.2	38.4	37.7	35.5	146.7	131.1	117.6
as % of sales	681%	104%	79%	108%	64%	44%	73%	55%	57%	51%	51%	53%	45%	38%
EBIT	-2,848.3	-228.7	-29.1	-45.9	-23.8	-18.3	-117.1	-20.3	-20.3	-14.6	-13.6	-68.8	-28.4	1.1
as % of sales	-707%	-77%	-44%	-73%	-32%	-28%	-44%	-31%	-30%	-20%	-20%	-25%	-10%	0%
adj EBITDA	-208.6	-58.9	-5.3	-5.5	-3.5	-9.2	-23.5	-7.9	-7.8	-1.7	-1.0	-18.3	21.0	51.1
as % of sales	-52%	-20%	-8%	-9%	-5%	-14%	-9%	-12%	-11%	-2%	-1%	-7%	7%	16%
consensus adj EBITDA								-7.0	-5.3	-1.4	0.5	-13.4	9.9	na
as % of sales								-11%	-8%	-2%	1%	-5%	3%	na
EPS														
Pre tax income	-3,304	-471	-121	-213	-219	-37	-591	-32	-32	-27	-26	-116	-77	-48
Tax rate assumption	-0.1%	2.6%	5.1%	0.1%	0.1%	0.9%	1.2%	-2.0%	-2.0%	-2.0%	-2.0%	-2.0%	-2.0%	-2.0%
Net income	-3,268	-657	-127	-214	-220	-38	-598	-31	-32	-26	-25	-114	-76	-47
Share count (FD) Mn	463.7	74.8	79.2	86.8	110.3	153.8	107.6	153.8	153.8	153.8	153.8	153.8	153.8	153.8
EPS	-7.05	-8.79	-1.60	-2.46	-1.99	-0.25	-5.56	-0.20	-0.20	-0.17	-0.16	-0.74	-0.49	-0.30
consensus EPS								-0.22	-0.21	-0.18	-0.17	-0.79	-0.53	0.00
BS & CF highlights														
Operating cash flow	-558	-282	-52	-54	-27	-33	-166	-21	-26	-6	1	-51	-17	9
(-) Capex	-9	-3	-4	-3	-1	-3	-11	-1	-1	-1	-1	-5	-6	-6
Free cash flow	-567	-285	-56	-56	-28	-36	-177	-23	-27	-7	0	-57	-23	3
Ending net cash (debt)	-524	-394	-366	-323	-263	-173	-173	-194	-221	-228	-228	-228	-251	-248
LTM EBITDA	-209	-59	-41	-35	-29	-24	-24	-26	-28	-27	-18	-18	21	51
Net Debt/Sales	1.3x	1.3x	1.4x	1.3x	0.9x	0.7x	0.6x	0.8x	0.8x	0.8x	0.8x	0.8x	0.9x	0.8x
Net debt/EBITDA	na	na	na	na	na	na	na	na	na	na	na	na	11.9x	4.9x
Equity	758	500	533	510	591	487	487	458	426	400	375	375	300	253

Source: Z&A estimates, company reports

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Canopy Growth: Meeting CEO Luc Mongeau

Exhibit 2: CGC Consolidated Divisional Split

C\$ Mn	Mar FY23	Mar'24 FY24	Jun'24 1Q25	Sep'24 2Q25	Dec'24 3Q25	Mar'25 4Q25	Mar'25 FY25	Jun'25 1Q26e	Sep'25 2Q26e	Dec'25 3Q26e	Mar'25 4Q26e	Mar'25 FY26e	Mar'25 FY27e	Mar'25 FY28e
Sales	309.1	301.3	66.2	63.0	74.8	65.0	269.0	64.4	67.8	73.2	69.4	274.8	291.6	309.8
Global cannabis	201.8	199.2	47.8	47.1	52.8	47.9	195.6	49.2	51.1	52.4	50.6	203.4	216.7	231.1
Canada	162.9	157.9	37.7	37.1	40.7	40.4	155.9	41.6	43.2	44.1	41.9	170.8	177.1	183.0
rec	107.1	96.5	18.9	18.4	21.2	20.4	78.8	21.7	22.9	23.9	22.2	90.7	103.3	115.0
med	55.8	61.3	18.8	18.7	19.6	20.0	77.0	19.9	20.3	20.3	19.7	80.1	73.8	68.0
International	38.9	41.3	10.1	10.1	12.0	7.6	39.7	7.6	7.9	8.3	8.7	32.5	39.6	48.1
Storz & Bickel	107.2	102.1	18.5	15.9	22.0	17.1	73.4	15.2	16.6	20.8	18.7	71.4	75.0	78.7
Segment Gross Profit	-72.5	71.7	23.0	21.8	24.1	10.5	79.5	15.0	18.1	23.1	21.8	78.0	102.7	118.7
Canada cannabis	-95.3	24.9	12.1	12.0	10.2	2.3	36.5	6.2	8.6	11.0	10.5	36.4	54.5	64.1
International cannabis	-3.3	16.7	3.6	4.7	4.9	1.9	15.2	2.6	2.8	3.3	3.5	12.2	16.7	21.6
Storz & Bickel	26.1	30.1	7.3	5.1	9.0	6.3	27.8	6.1	6.7	8.7	7.9	29.3	31.5	33.1
As % of sales	-23.5%	23.8%	34.8%	34.7%	32.2%	16.2%	29.6%	23.2%	26.7%	31.5%	31.5%	28.4%	35.2%	38.3%
Canada cannabis	-58.5%	15.8%	32.1%	32.2%	25.0%	5.7%	23.4%	15.0%	20.0%	25.0%	25.0%	21.3%	30.8%	35.0%
International cannabis	-8.5%	40.4%	36.0%	47.1%	41.0%	25.5%	38.3%	35.0%	35.0%	40.0%	40.0%	37.6%	42.1%	45.0%
Storz & Bickel	24.3%	29.5%	39.6%	32.5%	40.8%	37.0%	37.8%	40.0%	40.0%	42.0%	42.0%	41.1%	42.0%	42.0%

Source: Z&A estimates, company reports

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Canopy Growth: Meeting CEO Luc Mongeau

Exhibit 3: CGC Consolidated Cash Flow Projections

C\$Mn	Mar	Mar	Jun	Sep	Dec	Mar	Mar	Jun'25	Sep'25	Dec'25	Mar'26	Mar'26	Mar'27	Mar'28
SUMMARY CASH FLOW	FY23	FY24	1Q25	2Q25	3Q25	4Q25	FY25	1Q26e	2Q26e	3Q26e	4Q26e	FY26e	FY27e	FY28e
Net earnings	-3,309,546	-483,682	-127,138	-128,293	-127,206	-221,501	-604,138	-31,262	-31,516	-26,003	-25,116	-113,896	-75,502	-46,751
(+) D&A	84,517	53,868	11,030	10,307	10,303	11,467	43,107	9,155	9,170	9,187	9,204	36,716	34,877	34,470
Cash earnings	-3,225,029	-429,814	-116,108	-117,986	-116,903	-210,034	-561,031	-22,107	-22,345	-16,816	-15,911	-77,180	-40,624	-12,281
(-) Working capital changes	0	0	0	0	0	0	0	667	-3,459	11,181	17,403	25,793	23,323	21,553
(-) Other operating flows	2,667,483	147,864	64,328	64,134	89,937	176,882	395,281	0	0	0	0	0	0	0
Operating cash flow	-557,546	-281,950	-51,780	-53,852	-26,966	-33,152	-165,750	-21,440	-25,804	-5,636	1,492	-51,388	-17,302	9,272
(-) net capex	-9,217	-3,449	-3,920	-2,589	-1,215	-3,089	-10,813	-1,288	-1,355	-1,465	-1,387	-5,495	-5,833	-6,196
Free cash flow	-566,763	-285,399	-55,700	-56,441	-28,181	-36,241	-176,563	-22,727	-27,159	-7,101	104	-56,883	-23,134	3,076
(-) acquisitions	-21,384	-8,252	21,121	6,968	-395	-58	-467	0	0	0	0	0	0	0
(-) divestitures	28,541	153,097	4,926	-6,962	0	0	-2,036	0	0	0	0	0	0	0
(+) other	163,332	190,002	3,543	6,642	-29,535	-2,478	6,275	0	0	0	0	0	0	0
(+) share issuance	1,049	81,063	53,854	84,622	117,513	129,402	385,391	1,735	0	0	0	1,735	0	0
(-) stock options/warrants	281	0	0	8,566	0	0	8,566	0	0	0	0	0	0	0
Change in net	-394,944	130,511	27,744	43,395	59,402	90,625	221,166	-20,992	-27,159	-7,101	104	-55,148	-23,134	3,076
Ending net (debt)	-524,279	-393,768	-366,024	-322,629	-263,227	-172,602	-172,602	-193,594	-220,753	-227,854	-227,750	-227,750	-250,884	-247,809
Cash/inv/sec	782,602	203,461	194,922	231,221	178,344	131,467	131,467	111,217	84,058	76,957	77,061	77,061	53,927	57,002
Gross debts/loans/bonds	1,306,881	597,229	560,946	553,850	441,571	304,069	304,069	304,811	304,811	304,811	304,811	304,811	304,811	304,811

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



Appendix II: Valuation Comps

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Canopy Growth: Meeting CEO Luc Mongeau

Exhibit 4: Canada LPs - Valuation Multiples (consolidated multiples)

Multiples 19-Jul-25	Z&A Spot EV / Sales			Z&A Spot EV / EBITDA			Financial Net Debt				Stock Performance		
	Current	2025	2026	Current	2025	2026	to Sales		to EBITDA		30-day	90-day	1-year
							Current	CY25	Current	CY25			
Aurora Cannabis	0.9x	0.9x	0.8x	5.2x	5.4x	4.2x	na	na	na	na	-3%	2%	-21%
Auxly Cannabis Group	2.1x	na	na	9.1x	na	na	-0.4x	na	-2.0x	na	74%	77%	300%
Avant Brands	0.7x	na	na	3.5x	na	na	-0.2x	na	-0.8x	na	-6%	-28%	-62%
Cannara Biotech	1.4x	na	na	5.3x	na	na	-0.4x	na	-1.5x	na	-3%	-11%	80%
Canopy Growth	1.9x	1.8x	1.6x	-13.3x	-36.7x	na	-0.7x	-0.6x	4.7x	12.9x	-16%	-8%	-85%
Cronos Group	-2.2x	-2.0x	na	-31.2x	-272.4x	na	na	na	na	na	5%	14%	-14%
Decibel Cannabis	1.1x	0.8x	0.7x	6.8x	4.3x	3.3x	-0.4x	-0.3x	-2.4x	-1.5x	63%	64%	102%
Organigram Holdings	1.0x	1.1x	0.9x	27.5x	13.3x	8.3x	na	s	na	na	10%	36%	-10%
Rubicon Organics	0.7x	0.6x	0.5x	12.0x	10.7x	3.4x	0.0x	na	-0.7x	na	8%	-2%	-5%
SNDL	0.5x	0.4x	0.4x	44.0x	na	na	na	na	na	na	21%	10%	-26%
Tilray Brands	1.0x	0.8x	0.8x	19.7x	10.3x	9.1x	0.0x	0.0x	-0.8x	-0.4x	62%	38%	-66%
Village Farms International	0.6x	0.8x	0.9x	590.6x	12.2x	5.4x	-0.1x	-0.1x	-89.7x	-1.9x	23%	130%	24%

1) We take FactSet consensus estimates for CY25e and CY26e (or our estimates if there is no consensus); 2) By "current", we mean the latest reported qtr annualized; 3) several LPs have net cash

Source: FactSet and company reports

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Exhibit 5: Canada LPs - EV Calculations

Multiples 23-Jul-25	Z&A Spot EV / Sales			Z&A Spot EV / EBITDA			Financial Net Debt				Stock Performance		
	Current	2025	2026	Current	2025	2026	to Sales		to EBITDA		30-day	90-day	1-year
							Current	CY25	Current	CY25			
Aurora Cannabis	0.9x	0.9x	0.8x	5.4x	5.6x	4.4x	na	na	na	na	0%	6%	-18%
Auxly Cannabis Group	2.2x	na	na	9.5x	na	na	-0.4x	na	-2.0x	na	84%	87%	323%
Avant Brands	0.7x	na	na	3.4x	na	na	-0.2x	na	-0.8x	na	-10%	-31%	-63%
Cannara Biotech	1.4x	na	na	5.3x	na	na	-0.4x	na	-1.5x	na	-3%	-11%	80%
Canopy Growth	1.9x	1.8x	1.6x	-13.5x	-37.4x	na	-0.7x	-0.6x	4.7x	12.9x	-13%	-6%	-84%
Cronos Group	-2.1x	-1.9x	na	-28.9x	-252.1x	na	na	na	na	na	9%	18%	-11%
Decibel Cannabis	1.0x	0.8x	0.6x	6.3x	4.0x	3.1x	-0.4x	-0.3x	-2.4x	-1.5x	45%	46%	80%
Organigram Holdings	1.0x	1.1x	0.9x	27.7x	13.4x	8.4x	na	s	na	na	11%	36%	-10%
Rubicon Organics	0.7x	0.6x	0.5x	12.1x	10.8x	3.4x	0.0x	na	-0.7x	na	9%	-2%	-4%
SNDL	0.5x	0.4x	0.4x	45.8x	na	na	na	na	na	na	24%	13%	-25%
Tilray Brands	1.0x	0.9x	0.8x	21.2x	11.1x	9.8x	0.0x	0.0x	-0.8x	-0.4x	76%	50%	-63%
Village Farms International	0.6x	0.8x	0.9x	608.0x	12.5x	5.5x	-0.1x	-0.1x	-89.7x	-1.9x	28%	138%	29%

1) We take FactSet consensus estimates for CY25e and CY26e (or our estimates if there is no consensus); 2) By "current", we mean the latest reported qtr annualized; 3) several LPs have net cash

Source: FactSet and company reports

Exhibit 6: US MSOs - Valuation Multiples (consolidated multiples)

US\$Mn 23-Jul-25	Z&A Spot EV / Sales			Z&A Spot EV / EBITDA			NET DEBT RATIOS				BROADER DEFINITION OF NET DEBT			
							Net Debt/Sales		Net Debt/EBITDA		BDND/Sales		BDND/EBITDA	
	Current	CY25e	CY26e	Current	CY25e	CY26e	Current	CY25	Current	CY25	Current	CY25	Current	CY25
US MSOs	1.7x	1.1x	0.9x	7.5x	3.7x	4.5x								
Ascend Wellness	1.2x	1.2x	1.1x	5.8x	5.5x	5.0x	-0.5x	-0.4x	-2.2x	-2.0x	-1.1x	-1.0x	-5.0x	-4.7x
Ayr Wellness	7.0x	1.6x	1.6x	26.7x	8.1x	7.6x	-5.2x	-1.2x	-19.9x	-6.0x	-6.7x	-1.6x	-25.8x	-7.8x
Cannabist Co	1.2x	1.3x	1.3x	13.1x	12.6x	8.9x	-0.8x	-0.9x	-8.6x	-8.2x	-1.1x	-1.2x	-12.0x	-11.6x
Consortium	1.4x	na	na	4.7x	na	na	-0.4x	na	-1.3x	na	-0.9x	na	-3.3x	na
Cresco Labs	1.3x	1.3x	1.2x	6.0x	5.8x	5.2x	-0.5x	-0.5x	-2.2x	-2.2x	-0.9x	-0.9x	-4.1x	-4.0x
Curaleaf	1.9x	1.8x	1.7x	8.9x	8.2x	7.1x	-0.5x	-0.5x	-2.5x	-2.3x	-1.0x	-0.9x	-4.6x	-4.3x
4Front Ventures	1.9x	na	na	12.3x	na	na	-1.1x	na	-7.1x	na	-1.9x	na	-12.3x	na
Glass House	3.3x	2.7x	2.1x	7.8x	14.0x	8.9x	-0.2x	-0.1x	-0.4x	-0.7x	-0.2x	-0.1x	-0.4x	-0.7x
Vireo Growth (pf)	1.5x	1.4x	1.0x	5.1x	5.3x	3.4x	0.0x	na	-0.1x	na	-0.2x	na	-0.7x	na
Green Thumb	1.4x	1.4x	1.3x	4.5x	4.5x	4.2x	0.0x	0.0x	-0.1x	-0.1x	-0.1x	-0.1x	-0.3x	-0.3x
Grown Rogue	1.9x	na	na	2.7x	na	na	0.2x	na	0.3x	na	0.0x	na	0.1x	na
iAnthus	1.3x	na	na	15.2x	na	na	-1.0x	na	-12.3x	na	-1.1x	na	-12.7x	na
Jushi	1.6x	1.6x	1.4x	10.5x	9.4x	7.5x	-0.7x	-0.6x	-4.3x	-3.9x	-1.3x	-1.2x	-8.4x	-7.4x
MariMed	1.0x	0.9x	0.8x	14.8x	7.5x	4.8x	-0.4x	-0.4x	-6.5x	-3.3x	-0.6x	-0.6x	-9.0x	-4.6x
Planet 13	0.8x	0.8x	0.7x	na	-23.9x	6.8x	0.1x	0.1x	na	-2.0x	-0.2x	-0.2x	na	6.3x
TerrAscend	1.6x	1.5x	1.4x	7.3x	7.1x	6.0x	-0.6x	-0.6x	-2.8x	-2.7x	-1.1x	-1.0x	-5.0x	-4.8x
TILT	1.4x	na	na	-32.4x	na	na	-0.8x	na	18.7x	na	-1.4x	na	31.6x	na
Trulieve	1.4x	1.4x	1.4x	3.9x	4.1x	4.2x	-0.2x	-0.2x	-0.7x	-0.7x	-0.7x	-0.7x	-1.9x	-2.0x
Verano	1.0x	1.0x	1.0x	4.0x	3.7x	3.4x	-0.4x	-0.4x	-1.5x	-1.4x	-0.8x	-0.8x	-3.1x	-2.8x
Vext	0.4x	1.1x	0.8x	1.7x	4.0x	2.0x	-0.2x	-0.6x	-0.8x	-2.0x	-0.2x	-0.6x	-0.8x	-2.0x

1) Current is based on the latest reported qtr annualized (Sales and EBITDA); 2) We take FactSet consensus estimates for CY25e and CY26e multiples, if available.

Source: FactSet and company reports

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Exhibit 7: US MSOs - EV Calculations

US\$Mn	FactSet	Z&A	US\$	mn	mn	Total	Financial	Net	Income	Conting	ITM deriv	Total	Pref Stock
23-Jul-25	Spot EV	Spot EV	price	shares	deriv	Mkt Cap	net debt	leases	tax liab.	Cons.	inflow	BDND	Min Int
US MSOs													
Ascend Wellness	574	627	0.40	205.2	13.3	86	-233	-133	-174			-541	
Ayr Wellness	610	725	0.21	116.2	3.4	25	-541	-20	-139	0		-699	
Cannabist Co	481	436	0.08	472.7	8.2	37	-284	-26	-89			-399	
Cansortium	140	142	0.07	627.0	3.2	43	-39	-11	-49			-99	
Cresco Labs	703	867	0.62	436.9	0.0	269	-320	-56	-212	-10		-598	
Curaleaf	1,769	2,316	1.24	877.1	21.3	1,114	-654	-45	-464	-39		-1,202	
4Front Ventures	223	140	0.00	915.2	3.8	0	-81	-11	-42	-5	0	-139	
Glass House	429	600	5.68	82.1	2.9	483	-29	0	-2	0		-31	86
Vireo Growth (pf)	149	494	0.45	949.3	12.7	428	-8		-60		2	-66	
Green Thumb	1,606	1,544	5.91	235.9	7.7	1,439	-42	-31	-33	0	0	-105	
Grown Rogue	75	57	0.41	143.5		58	5	-2	-2			1	
iAnthus	31	194	0.00	6,745.7	0.0	32	-158	-4				-162	
Jushi	336	414	0.43	196.7	0.0	85	-171	-3	-155			-329	
MariMed	142	151	0.11	389.2	11.1	44	-67	-1	-25			-93	15
Planet 13	97	88	0.20	325.4	0.3	65	8	-10	-21			-23	
Schwazze	172	186	0.00	80.2		0	-151	-2	-33	0		-186	
TerrAscend	334	448	0.40	356.2	1.5	142	-171	-6	-126	-3		-306	
TILT	128	126	0.01	391.3	0.7	3	-73	-47	-3			-123	
Trulieve	1,263	1,695	4.40	191.1	7.6	874	-289	-25	-501	-6		-820	
Verano	647	880	0.59	359.7	6.3	216	-336	-8	-319	-1		-664	
Vext	57	63	0.13	247.4	0.2	31	-31	0				-31	

Source: FactSet and company reports

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Exhibit 8: Stock Performance

23-Jul-25	Stock Performance		
	Last	Last	Last
Ticker	30d	90d	12mo
US MSOs			
Ascend	36%	23%	-56%
Ayr	-11%	24%	-90%
Cannabist	48%	87%	-64%
Cansortium	41%	25%	-51%
Cresco	28%	-8%	-64%
Curaleaf	50%	27%	-71%
4Front	-40%	-81%	-100%
GlassHouse	9%	5%	-19%
Gold Flora	na	na	-71%
Grown Rogue	16%	-1%	-31%
Green Thumb	18%	6%	-50%
iAnthus	0%	-37%	-74%
Jushi	48%	35%	-27%
MariMed	58%	10%	-35%
Planet13	6%	-13%	-59%
Schwazze	na	na	-98%
StateHouse	na	na	67%
Trulieve	22%	14%	-58%
TerrAscend	58%	39%	-70%
Verano	11%	-16%	-86%
Vext	35%	41%	-27%
Vireo Growth	13%	15%	-5%
International			
InterCure	5%	37%	-29%
PharmaCielo	-14%	36%	114%

	Stock Performance		
	Last	Last	Last
Ticker	30d	90d	12mo
Canadian LPs			
Aurora	0%	6%	-18%
Avant	-10%	-31%	-63%
Audly	84%	87%	323%
Ayurcann	14%	18%	-55%
Cannara	-3%	-11%	80%
Canopy	-13%	-6%	-84%
Cronos	9%	18%	-11%
Decibel	45%	46%	80%
Entourage	na	na	na
High Tide	9%	3%	31%
OGI	11%	36%	-10%
Rubicon	9%	-2%	-4%
SNDL	24%	13%	-25%
Tilray	76%	50%	-63%
VFF	28%	138%	29%
Tech			
LFLY	-13%	-29%	-92%
SBIG	-27%	-6%	-66%
MAPS	-10%	-8%	-2%
Vape parts			
GNLN	-50%	-98%	-100%
ISPR	19%	2%	-57%
SMORF	0%	0%	2%
TLTf	61%	-1%	-59%

	Stock Performance		
	Last	Last	Last
Ticker	30d	90d	12mo
MJ Fincos			
AFCG	-2%	-11%	-52%
IIPR	-10%	2%	-56%
NLCP	-6%	-3%	-27%
SHFS	57%	59%	-74%
LIEN	4%	-1%	-13%
REFI	-7%	-4%	-17%
Pix & Shovel			
AGFY	16%	45%	476%
GRWG	-7%	17%	-57%
HYFM	14%	78%	-38%
SMG	10%	28%	0%
UGRO	10%	-33%	-75%
CBD			
CVSI	25%	37%	-29%
CWEB	-9%	2%	-45%
LFID	-18%	-22%	-48%
Index			
S&P 500	5%	19%	14%
S&P 477	1%	-1%	6%
Nasdaq	3%	24%	43%
MSOS ETF	30%	11%	-63%
YOLO ETF	17%	22%	-37%
Simple Group Averages			
Large Canada LPs	23%	43%	-30%
Tier 1 MSOs	26%	4%	-66%

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, Canada, Germany, Australia, 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 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. Now, more than a 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 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 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 971 US Highway 202 N, Ste A, Branchburg, New Jersey 08876, 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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Disclosure: Zuanic & Associates offers advisory and research services, and it also organizes investor events and conferences. The firm is often engaged by various operators in the cannabis industry (both plant touching companies and those providing services, private and public, in North America and overseas) on an ongoing or ad hoc basis. The company discussed in this report is a paying customer of the services provided by the firm.

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