



6/3/2025

# Canopy Growth

Company Update: Neutral

C\$ Mn	FY24a	FY25a	Prev	FY26e	Prev	FY27e	Prev	FY28e	Prev
<b>Sales</b>									
1Q	109	66	66	66	69	72	75	77	na
2Q	70	63	63	73	69	78	75	84	na
3Q	79	75	75	78	75	84	80	84	na
4Q	<u>40</u>	<u>65</u>	<u>68</u>	<u>74</u>	<u>74</u>	<u>80</u>	<u>81</u>	<u>87</u>	na
FY	297	269	272	291	287	314	311	331	na
<b>EBITDA</b>									
1Q	-23	-5	-5	-7	-5	1	6	11	na
2Q	-12	-6	-6	-6	-4	5	6	13	na
3Q	-9	-3	-3	0	-1	6	6	15	na
4Q	<u>-15</u>	<u>-9</u>	<u>-8</u>	<u>1</u>	<u>-1</u>	<u>9</u>	<u>6</u>	<u>15</u>	na
FY	-59	-24	-22	-12	-11	21	24	54	na

<b>Share price (C\$)</b>	\$1.66	<b>Perf.</b>	<b>CGC</b>	<b>YOLO ETF</b>	<b>S&amp;P500</b>	<b>Stance:</b>	<b>Neutral</b>
Share count (mn)	211.6	30d	-12%	-5%	7%		no price target
Market Cap (US\$m)	352	90d	-13%	-9%	0%		FY = Mar
Ticker	WEED.TO	1yr	-86%	-49%	13%		



\$Mn	FY26e	FY27e	FY28e
Projected EV	578	600	242
EV/Sales	2.0x	1.9x	0.7x
EV/EBITDA	-47.7x	28.0x	4.5x
	FY26e	FY27e	FY28e
Net debt/Sales	0.8x	0.8x	0.7x
Net debt/EBITDA	na	11.6x	4.5x
Free Cash Flow	-55	22.3	34.4
Net (debt) cash	-226	-249	-242
Consensus	FY26e	FY27e	FY26
Sales	279	293	na
EBITDA	-7	9	na
<b>Guidance:</b>	n/a	n/a	n/a

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## Updated Views

*We rate Canopy Growth (NASDAQ: CGC) Neutral. We attach our updated estimates and views post March qtr results (out on Fri 5/30). All \$ numbers are in C\$ unless noted otherwise.*

**About the Mar'25 qtr.** Instead of starting with sales and margins, here we reverse the order and focus first on the share count, B/S, and cash flow.

- During FY25 (ending Mar'25), CGC raised \$386Mn in equity. However, during that time, net debt only fell from \$394Mn to \$173Mn due to negative free cash flow of -\$177Mn (capex was \$11Mn). That said, 4Q25 (Mar) FCF of -\$36Mn is an improvement vs. the average of -\$61Mn for the prior seven quarters.
- The share count as of 3/31/25 was 210.1mn (211.5mn as of 5/28/25), ~2x vs. 117.4mn at the end of March 2024. Per management, the debt paydowns, while dilutive, are helping CGC bring down the net interest expense load (net interest for the Mar'25 qtr was -\$13Mn vs. -\$19Mn in the Mar'24 qtr).
- Debt remains high (-\$173Mn or close to 0.7x sales), especially in the context of negative EBITDA and FCF. Management expects to reach positive EBITDA in the coming quarters. In fact, adj EBITDA of -\$9Mn was a significant improvement vs. over \$80Mn in negative EBITDA on average for the prior seven quarters (all this despite lower gross margins). CGC may also rely on its at the market (ATM) equity facility (>US\$173Mn left) to further bring down debt.
- Like other LPs, CGC is now more focused on profitable top line growth. So, the decline in sales should be seen in that context, partly. Net revenues of \$65Mn in the Mar'25 qtr were down 11% yoy (LFL) and -13% qoq. The domestic rec/med businesses was mostly stable (rec -4% qoq to \$20.4Mn; med up 2% to \$20Mn), but international (weakness in Poland, Australia) and S&B were down. These last two business units have higher margin, so this caused a negative effect for the qtr (besides a qoq drop in gross margins across all units).

### Outlook commentary.

- Totals sales should be flat to up slightly in the June qtr (with S&B a headwind), with gross and EBITDA margins improving.
- New CEO Luc Mongeau believes CGC has “the ingredients to be a winner in domestic and international cannabis” and grow the S&B vaporizer business. Greater focus, an optimal structure, and better “cross functionalization” should help CGC garner positive EBITDA in the coming qtrs, and later positive FCF. For example, the medical cannabis business (MMJ)



now operates as one single structure; about a third of the lowest performing SKUs in rec have been cut; will cut \$20Mn in opex in the next 12-18 months.

- In terms of growth initiatives, in domestic rec it recently launched all-in-one vapes (under the Tweed and 7Acres brands) and the entry into infused pre-rolls (Claybourne) is deemed successful. It will also launch a new S&B device in the back half of this fiscal year (but sales are seen down for fiscal 1H). At C-USA (fully operational; stream-lined ops), the goal is to leverage the brands and footprint to grow. Besides cost savings, the mix benefits should drive gross margin expansion. A more consistent supply chain is expected to help boost international revenues.

**On C-USA.** These businesses at the CGC level will be reported at fair value on the B/S, but P&L metrics will not be consolidated. The fair value for these assets as of 3/31/25 was booked at \$180Mn (\$145Mn in the form of a loan).

- The reported numbers for CY24 (Note 13 from the FY25 end Mar'25) are not very helpful, as the Wana, Jetty, and Acreage deals, all closed at different times starting in May 2024 (in the case of Acreage on 12/9/24). So, although Note 13 says "8 months", it is not really 8 months of total CUSA, but 8mo for the deal that closed first.
- Based on 10-Qs filed by Acreage thru Sep'24, we know its reported sales for Jan-Sep 2024 were down 27% yoy (and gross profits -57%). Adj EBITDA margin for the period was 3.6% vs. 14.1% for Jan-Sep 2023. For context, Acreage reported sales of \$223Mn for CY23.
- Management said on a proforma basis for CY24, C-USA revenues were around \$215Mn vs. \$300Mn for the prior year, with the bulk of the decline driven by weakness at Acreage. Financial pressures have also translated to vendor issues and limited investments, with the company not able to tap on all revenue opportunities (especially in NJ and NY). All this in the context of macro industry challenges, including the slow ramp of OH rec sales).
- Per the press release, "Acreage is currently in default under its credit agreement dated as of 9/13/24. The lenders have agreed to forbear exercising any remedies with respect to such default until 6/1/25, while the parties discuss potential solutions, including a potential debt extension". Among the alternative, we assume CGC could buy some of the debt, as it did with a mortgage REIT last year.

**Valuation.** CGC shares fell 20% on Fri 5/30 post the 4Q print, and another 8% on 6/2, mostly due to dilution concerns (future ATM usage plus other capital raising efforts), that may be somewhat overdone. CGC shares are down 13% in the last 90 days, compared with flat for the large cap LP group (S&P500 0%). 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 that said, the valuation is now above the peer group. We calculate an EV of C\$527Mn (211.5mn shares at C\$1.66 plus



RSUs; net debt of C\$173Mn), or 2x annualized March qtr sales compared with ~1.5x for the likes of Aurora, Auxly, Cannara, and well below 1x for the rest of the Canadian LP group (Cronos trades at -2.4x). The valuation is seemingly reach but we think it reflects CGC's more direct US optionality vs. peers. All that said, while we recognize the company's progress on FCF and EBITDA, we prefer to remain sidelined for now given current challenges at C-USA, lack of visibility on US reform, and debt leverage.

Table 1: 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	Neutral
Ascend Wellness		AAWH	not rated	Auxly Cannabis Group	CBWTF	not rated
AYR Wellness		AYRWF	not rated	Avant Brands	AVTBF	not rated
Cannabist		CCHWF	not rated	Avicanna	AVCN	not rated
Cansortium		CNTMF	not rated	Ayurcann Holdings	AYURF	not rated
Cresco Labs		CRLBF	Overweight	Cannara Biotech	LOVFF	not rated
Curaleaf Holdings		CURLF	will cover	Canopy Growth Corporation	CGC	Neutral
GlassHouse Brands		GLASF	not rated	Cronos Group	CRON	not rated
Green Thumb Industries		GTBIF	Overweight	Decibel Cannabis Co	DBCCF	Overweight
Grown Rogue		GRUSF	not rated	Organigram Holdings	OGI	not rated
Jushi Holdings		JUSHF	Overweight	Rubicon Organics	ROMJF	Overweight
MariMed		MRMD	Overweight	SNDL	SNDL	not rated
Planet 13 Holdings		PLNHF	Overweight	Tilray Brands	TLRY	Neutral
Schwazze		SHWZ	not rated	Village Farms Intl	VFF	Overweight
TerrAscend		TSNDF	not rated	<b>Other</b>		
TILT Holdings		TLLTF	Neutral	Canify AG	TBD	private
Trulieve Cannabis		TCNNF	will cover	Cantourage AG	HIGH:FF	not rated
Verano Holdings		VRNOF	Overweight	Flora Growth	FLGC	not rated
Vext Science, Inc.		VEXTF	Overweight	Grow Generation	GRWG	not rated
Vireo Growth		VREOF	will cover	IM Cannabis	IMCC	not rated
<b>Finance (MJ) Companies</b>				Intercure	INCR	Overweight
AFC Gamma		AFCG	Overweight	Ispire Technology	ISPR	will cover
Chicago Atlantic BDC		LIEN	Overweight	Leafly	LFLY	not rated
Chicago Atlantic REAF		REFI	Overweight	LFTD Partners Inc.	LIFD	Overweight
Innovative Industrial Properties		IIPR	not rated	Smoores International	SMORF	will cover
New Lake Capital Partners		NLCP	Overweight	Urban-gro	UGRO	not rated
SHF Holdings		SHFS	not rated	WM Technology	MAPS	Neutral

Source: Z&A



# Appendix I: Company Financials

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 1Q26e	Sep 2Q26e	Dec 3Q26e	Mar 4Q26e	Mar FY26e	Mar FY27e	Mar FY28e
<b>Sales</b>	402.9	297.1	66.2	63.0	74.8	65.0	269.0	65.8	73.0	78.1	74.4	291.3	314.0	331.3
qoq ch %	na	na	64%	-5%	19%	-13%	na	1%	11%	7%	-5%	na	na	na
yoy ch %	-21%	-26%	-39%	-9%	-5%	61%	-9%	-1%	16%	4%	14%	8%	8%	6%
<i>guidance</i>														
<i>consensus</i>						65.0	269.0	66.5	66.6	73.5	69.2	279.1	292.8	na
<b>Profit margins</b>														
Gross profit before FV adj	-104.1	80.9	23.0	21.8	24.1	10.5	79.5	15.5	19.8	25.0	23.8	84.2	112.0	128.9
as % of sales	-25.8%	27.2%	34.8%	34.7%	32.2%	16.2%	29.6%	23.5%	27.1%	32.1%	32.1%	28.9%	35.7%	38.9%
Op exp	2,744.2	309.6	52.1	67.8	47.9	28.8	196.7	35.3	38.6	37.9	35.7	147.6	141.1	125.7
as % of sales	681%	104%	79%	108%	64%	44%	73%	54%	53%	49%	48%	51%	45%	38%
EBIT	-2,848.3	-228.7	-29.1	-45.9	-23.8	-18.3	-117.1	-19.8	-18.8	-12.9	-11.9	-63.4	-29.2	3.2
as % of sales	-707%	-77%	-44%	-73%	-32%	-28%	-44%	-30%	-26%	-16%	-16%	-22%	-9%	1%
adj EBITDA	-208.6	-58.9	-5.3	-5.5	-3.5	-9.2	-23.5	-7.4	-6.0	0.2	1.0	-12.1	21.4	54.3
as % of sales	-52%	-20%	-8%	-9%	-5%	-14%	-9%	-11%	-8%	0%	1%	-4%	7%	16%
<i>consensus adj EBITDA</i>						-9.2	-23.5	-6.0	-4.0	-2.3	1.9	-7.4	9.1	na
<i>as % of sales</i>						-14%	-9%	-9%	-6%	-3%	3%	-3%	3%	na
<b>EPS</b>														
Pre tax income	-3,304	-471	-121	-213	-219	-37	-591	-31	-31	-25	-24	-111	-78	-46
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	-30	-24	-23	-109	-76	-45
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	-0.16	-0.15	-0.71	-0.50	-0.29
<i>consensus EPS</i>						-1.43	-5.56	-0.21	-0.20	-0.18	-0.17	-0.55	-0.52	0.00
<b>BS &amp; CF highlights</b>														
Operating cash flow	-558	-282	-52	-54	-27	-33	-166	-22	-28	-2	4	-49	-16	13
(-) Capex	-9	-3	-4	-3	-1	-3	-11	-1	-1	-2	-1	-6	-6	-7
Free cash flow	-567	-285	-56	-56	-28	-36	-177	-24	-30	-4	3	-55	-23	7
Ending net cash (debt)	-524	-394	-366	-323	-263	-173	-173	-195	-224	-228	-226	-226	-249	-242
LTM EBITDA	-209	-59	-41	-35	-29	-24	-24	-26	-26	-22	-12	-12	21	54
Net Debt/Sales	1.3x	1.3x	1.4x	1.3x	0.9x	0.7x	0.6x	0.7x	0.8x	0.7x	0.8x	0.8x	0.8x	0.7x
Net debt/EBITDA	na	na	na	na	na	na	na	na	na	na	na	na	11.6x	4.5x
Equity	758	500	533	510	591	487	487	458	428	404	380	380	304	260

Source: Z&A estimates, company reports

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 1Q26e	Sep 2Q26e	Dec 3Q26e	Mar 4Q26e	Mar FY26e	Mar FY27e	Mar FY28e
<b>Sales</b>	<b>309.1</b>	<b>301.3</b>	<b>66.2</b>	<b>63.0</b>	<b>74.8</b>	<b>65.0</b>	<b>269.0</b>	<b>65.8</b>	<b>73.0</b>	<b>78.1</b>	<b>74.4</b>	<b>291.3</b>	<b>314.0</b>	<b>331.3</b>
Global cannabis	201.8	199.2	47.8	47.1	52.8	47.9	195.6	52.2	56.3	57.3	55.6	221.4	240.7	254.3
Canada	162.9	157.9	37.7	37.1	40.7	40.4	155.9	41.2	43.8	44.1	41.9	171.0	178.3	178.5
rec	107.1	96.5	18.9	18.4	21.2	20.4	78.8	21.7	24.3	24.6	22.7	93.3	106.4	111.9
med	55.8	61.3	18.8	18.7	19.6	20.0	77.0	19.5	19.5	19.5	19.2	77.7	71.9	66.6
International	38.9	41.3	10.1	10.1	12.0	7.6	39.7	11.0	12.5	13.1	13.8	50.4	62.4	75.8
Storz & Bickel	107.2	102.1	18.5	15.9	22.0	17.1	73.4	13.7	16.6	20.8	18.7	69.9	73.3	77.0
<b>Segment Gross Profit</b>	<b>-72.5</b>	<b>71.7</b>	<b>23.0</b>	<b>21.8</b>	<b>24.1</b>	<b>10.5</b>	<b>79.5</b>	<b>15.5</b>	<b>19.8</b>	<b>25.0</b>	<b>23.8</b>	<b>84.2</b>	<b>112.0</b>	<b>128.9</b>
Canada cannabis	-95.3	24.9	12.1	12.0	10.2	2.3	36.5	6.2	8.8	11.0	10.5	36.4	54.9	62.5
International cannabis	-3.3	16.7	3.6	4.7	4.9	1.9	15.2	3.9	4.4	5.3	5.5	19.0	26.3	34.1
Storz & Bickel	26.1	30.1	7.3	5.1	9.0	6.3	27.8	5.5	6.7	8.7	7.9	28.7	30.8	32.3
<b>As % of sales</b>	<b>-23.5%</b>	<b>23.8%</b>	<b>34.8%</b>	<b>34.7%</b>	<b>32.2%</b>	<b>16.2%</b>	<b>29.6%</b>	<b>23.5%</b>	<b>27.1%</b>	<b>32.1%</b>	<b>32.1%</b>	<b>28.9%</b>	<b>35.7%</b>	<b>38.9%</b>
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%	37.7%	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

Exhibit 3: CGC Consolidated Cash Flow Projections

C\$Mn	Mar	Mar	Jun	Sep	Dec	Mar	Mar	Jun	Sep	Dec	Mar	Mar	Mar	Mar
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	-30,823	-30,092	-24,368	-23,390	-108,673	-76,167	-44,595
(+) D&A	84,517	53,868	11,030	10,307	10,303	11,467	43,107	9,155	9,171	9,188	9,207	36,721	34,900	34,513
<b>Cash earnings</b>	<b>-3,225,029</b>	<b>-429,814</b>	<b>-116,108</b>	<b>-117,986</b>	<b>-116,903</b>	<b>-210,034</b>	<b>-561,031</b>	<b>-21,668</b>	<b>-20,921</b>	<b>-15,180</b>	<b>-14,184</b>	<b>-71,952</b>	<b>-41,266</b>	<b>-10,082</b>
(-) Working capital changes	0	0	0	0	0	0	0	-822	-7,325	12,710	18,294	22,858	24,826	23,325
(-) 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
<b>Operating cash flow</b>	<b>-557,546</b>	<b>-281,950</b>	<b>-51,780</b>	<b>-53,852</b>	<b>-26,966</b>	<b>-33,152</b>	<b>-165,750</b>	<b>-22,489</b>	<b>-28,246</b>	<b>-2,470</b>	<b>4,111</b>	<b>-49,094</b>	<b>-16,440</b>	<b>13,242</b>
(-) net capex	-9,217	-3,449	-3,920	-2,589	-1,215	-3,089	-10,813	-1,317	-1,460	-1,561	-1,487	-5,825	-6,280	-6,626
<b>Free cash flow</b>	<b>-566,763</b>	<b>-285,399</b>	<b>-55,700</b>	<b>-56,441</b>	<b>-28,181</b>	<b>-36,241</b>	<b>-176,563</b>	<b>-23,806</b>	<b>-29,706</b>	<b>-4,031</b>	<b>2,624</b>	<b>-54,919</b>	<b>-22,720</b>	<b>6,616</b>
(-) 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
<b>Change in net</b>	<b>-394,944</b>	<b>130,511</b>	<b>27,744</b>	<b>43,395</b>	<b>59,402</b>	<b>90,625</b>	<b>221,166</b>	<b>-22,071</b>	<b>-29,706</b>	<b>-4,031</b>	<b>2,624</b>	<b>-53,184</b>	<b>-22,720</b>	<b>6,616</b>
<b>Ending net (debt)</b>	<b>-524,279</b>	<b>-393,768</b>	<b>-366,024</b>	<b>-322,629</b>	<b>-263,227</b>	<b>-172,602</b>	<b>-172,602</b>	<b>-194,673</b>	<b>-224,379</b>	<b>-228,410</b>	<b>-225,786</b>	<b>-225,786</b>	<b>-248,506</b>	<b>-241,890</b>
Cash/inv/sec	782,602	203,461	194,922	231,221	178,344	131,467	131,467	110,138	80,432	76,401	79,025	79,025	56,305	62,921
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

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

Multiples 2-Jun-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	1.3x	1.2x	1.1x	7.2x	6.8x	6.0x	na	na	na	na	12%	2%	-15%
Auxly Cannabis Group	1.5x	na	na	6.5x	na	na	-0.4x	na	-2.0x	na	0%	0%	121%
Avant Brands	0.7x	na	na	3.6x	na	na	-0.2x	na	-0.8x	na	-12%	-27%	-63%
Cannara Biotech	1.4x	na	na	5.4x	na	na	-0.4x	na	-1.5x	na	-15%	-10%	63%
Canopy Growth	2.0x	1.9x	1.8x	-14.2x	-71.3x	na	-0.7x	-0.6x	4.7x	23.4x	-12%	-13%	-86%
Cronos Group	-2.4x	-2.3x	-2.1x	-34.2x	-133.0x	na	na	na	na	na	2%	-6%	-23%
Decibel Cannabis	0.9x	0.6x	0.5x	5.3x	3.3x	2.6x	-0.4x	-0.3x	-2.4x	-1.5x	-4%	-3%	-10%
Organigram Holdings	0.9x	0.9x	0.8x	24.5x	12.0x	7.4x	na	s	na	na	13%	14%	-23%
Rubicon Organics	0.6x	0.6x	0.4x	10.6x	9.5x	3.0x	0.0x	na	-0.7x	na	-14%	8%	-6%
SNDL	0.3x	0.3x	0.3x	32.3x	16.2x	na	na	na	na	na	-15%	-21%	-42%
Tilray Brands	0.7x	0.5x	0.5x	13.6x	6.7x	5.5x	0.0x	0.0x	-0.8x	-0.4x	-16%	-45%	-77%
Village Farms International	0.6x	0.6x	0.7x	550.7x	11.0x	5.2x	-0.1x	-0.1x	-89.7x	-1.8x	65%	69%	3%

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

Source: FactSet and company reports

Exhibit 5: Canada LPs - EV Calculations

C\$Mn 2-Jun-25	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	443	7.16	54.9	1.2	402	51	-43	0	-10	0	-2	39
Auxly Cannabis Group	193	0.08	1,285.7	133.4	118	-59	-14	0	-2	0	-75	
Avant Brands	25	0.82	10.6	0.2	9	-6	-10	0	0	0	-16	
Cannara Biotech	152	1.20	90.0	0.0	108	-43	0	-1	0	0	-44	
Canopy Growth	527	1.66	211.5	1.4	354	-173	0	0	0	0	-173	
Cronos Group	-449	2.64	278.0	0.0	734	1,185	-2	0	0	0	1,183	
Decibel Cannabis	73	0.07	576.9	7.7	40	-33	0	0	0	0	-33	
Organigram Holdings	192	1.80	133.8	19.3	276	83	0	0	0	0	83	
Rubicon Organics	31	0.39	67.0	6.3	29	-2	0	0	0	0	-2	
SNDL	276	1.75	263.0	12.4	481	242	-37	0	0	0	205	
Tilray Brands	676	0.56	1,006.2	26.1	578	-39	-71	0	-21	0	-131	-33
Village Farms International	245	1.66	112.3	0.7	188	-40	-4	0	0	0	-44	13

Source: FactSet and company reports

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

US\$m	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		
	02-Jun-25	Current	CY25e	CY26e	Current	CY25e	CY26e	Current	CY25	Current	CY25	Current	CY25	Current	CY25
<b>US MSOs</b>	<b>1.4x</b>	<b>1.1x</b>	<b>0.9x</b>	<b>6.6x</b>	<b>6.1x</b>	<b>4.3x</b>									
Ascend Wellness	1.1x	1.1x	1.0x	5.4x	5.1x	4.6x	-0.5x	-0.5x	-2.2x	-2.1x	-1.0x	-1.0x	-4.7x	-4.5x	
Ayr Wellness	2.2x	1.2x	1.2x	8.1x	5.9x	5.4x	-1.6x	-0.9x	-6.0x	-4.3x	-2.2x	-1.2x	-7.9x	-5.7x	
Cannabist Co	1.2x	1.2x	1.2x	12.2x	11.2x	8.3x	-0.8x	-0.8x	-8.1x	-7.4x	-1.1x	-1.1x	-11.5x	-10.5x	
Cansortium	1.1x	na	na	3.7x	na	na	-0.6x	na	-2.0x	na	-0.9x	na	-3.2x	na	
Cresco Labs	1.3x	1.3x	1.2x	6.0x	5.7x	5.0x	-0.5x	-0.5x	-2.2x	-2.1x	-0.9x	-0.9x	-4.1x	-3.9x	
Curaleaf	1.6x	1.5x	1.4x	7.4x	6.8x	6.0x	-0.5x	-0.5x	-2.6x	-2.4x	-0.9x	-0.9x	-4.5x	-4.2x	
4Front Ventures	1.9x	na	na	12.3x	na	na	-1.1x	na	-7.1x	na	-1.9x	na	-12.3x	na	
Glass House	3.1x	3.0x	2.4x	19.0x	15.8x	10.1x	-0.1x	-0.1x	-0.6x	-0.5x	-0.3x	-0.3x	-1.8x	-1.5x	
Vireo Growth (pf)	1.3x	1.2x	0.9x	4.5x	4.7x	3.0x	0.0x	na	-0.1x	na	-0.2x	na	-0.7x	na	
Green Thumb	1.3x	1.2x	1.2x	4.2x	4.1x	3.8x	0.0x	0.0x	-0.1x	-0.1x	-0.1x	-0.1x	-0.3x	-0.3x	
Grown Rogue	1.6x	na	na	2.3x	na	na	0.2x	na	0.3x	na	0.0x	na	0.1x	na	
iAnthus	1.1x	na	na	6.6x	na	na	-0.9x	na	-5.1x	na	-0.9x	na	-5.4x	na	
Jushi	1.5x	1.5x	1.3x	7.4x	8.8x	7.1x	-0.7x	-0.6x	-3.3x	-3.9x	-1.3x	-1.2x	-6.3x	-7.4x	
MariMed	0.9x	0.8x	0.8x	13.4x	6.8x	4.5x	-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	27.4x	7.2x	0.1x	0.1x	na	2.6x	-0.2x	-0.2x	na	-6.4x	
TerrAscend	1.5x	1.5x	1.4x	7.1x	6.8x	5.9x	-0.6x	-0.6x	-2.8x	-2.7x	-1.1x	-1.1x	-5.1x	-4.9x	
TILT	1.4x	na	na	-32.1x	na	na	-0.8x	na	18.7x	na	-1.4x	na	31.6x	na	
Trulieve	1.4x	1.4x	1.3x	3.7x	3.9x	4.0x	-0.2x	-0.2x	-0.7x	-0.7x	-0.7x	-0.7x	-1.9x	-2.0x	
Verano	1.1x	1.0x	1.0x	4.1x	3.7x	3.5x	-0.4x	-0.4x	-1.5x	-1.4x	-0.8x	-0.8x	-3.1x	-2.8x	
Vext	1.1x	0.9x	0.7x	3.8x	3.2x	1.3x	-0.6x	-0.5x	-2.2x	-1.8x	-0.6x	-0.5x	-2.2x	-1.8x	

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

Exhibit 7: US MSOs - EV Calculations

US\$m	FactSet	Z&A	US\$	mn	mn	Total	Financial	Net	Income	Conting	ITM deriv	Total	Pref Stock
2-Jun-25	Spot EV	Spot EV	price	shares	deriv	Mkt Cap	net debt	leases	tax liab.	Cons.	inflow	BDND	Min Int
<b>US MSOs</b>													
Ascend Wellness	559	585	0.32	214.5	13.3	73	-241	-134	-137			-512	
Ayr Wellness	597	534	0.10	116.2	3.4	12	-394	-5	-123	0	0	-522	
Cannabist Co	469	405	0.05	472.7	8.2	25	-269	-26	-86			-380	
Cansortium	140	112	0.05	304.9	5.6	16	-59	-9	-29			-97	
Cresco Labs	694	867	0.59	443.9	13.7	270	-320	-56	-212	-10		-598	
Curaleaf	1,498	1,935	0.83	750.1	11.0	630	-670	-46	-416	-41		-1,173	132
4Front Ventures	223	139	0.00	915.2	3.8	0	-81	-11	-42	-5	0	-139	
Glass House	447	679	5.94	82.1	6.9	528	-21	0	-23	-20		-65	86
Vireo Growth (pf)	130	430	0.39	924.9	12.7	365	-8		-60		2	-66	
Green Thumb	1,499	1,421	5.40	235.9	7.7	1,315	-42	-31	-33	0	0	-105	
Grown Rogue	75	49	0.35	143.5		50	5	-2	-2			1	
iAnthus	37	201	0.01	6,745.7	0.3	37	-157	-7				-164	
Jushi	312	389	0.31	196.7	0.0	60	-171	-3	-155			-329	
MariMed	129	138	0.08	389.2	11.1	30	-67	-1	-25			-93	15
Planet 13	103	94	0.22	325.4	0.3	72	9	-10	-21			-22	
Schwazze	174	188	0.02	80.2		2	-151	-2	-33	0		-186	
TerrAscend	319	434	0.35	356.7	3.1	124	-172	-5	-128	-4		-310	
TILT	127	125	0.00	391.3	0.7	2	-73	-47	-3			-123	
Trulieve	1,212	1,635	4.10	191.1	7.6	814	-289	-25	-501	-6		-820	
Verano	661	895	0.63	359.7	6.3	230	-336	-8	-319	-1		-664	
Vext	50	51	0.09	247.6	0.2	22	-29	0				-29	

Source: FactSet and company reports

Exhibit 8: Stock Performance

2-Jun-25	Stock Performance		
Ticker	Last 30d	Last 90d	Last 12mo
<b>US MSOs</b>			
Ascend	-29%	-17%	-69%
Ayr	-63%	-70%	-95%
Cannabist	-36%	-12%	-79%
Cansortium	-17%	-17%	-71%
Cresco	-40%	-33%	-68%
Curaleaf	-23%	-37%	-82%
4Front	-95%	-100%	-100%
GlassHouse	-16%	8%	-24%
Gold Flora	na	50%	-81%
Grown Rogue	-29%	-42%	-54%
Green Thumb	-18%	-22%	-52%
iAnthus	17%	-23%	-72%
Jushi	-26%	-2%	-49%
MariMed	-29%	-33%	-65%
Planet13	-29%	-31%	-62%
Schwazze	na	na	-96%
StateHouse	na	na	-25%
Trulieve	-17%	-4%	-58%
TerrAscend	-21%	-31%	-78%
Verano	-30%	-26%	-85%
Vext	-5%	-18%	-49%
Vireo Growth	-5%	-7%	-40%
<b>International</b>			
InterCure	1%	-22%	-61%
PharmaCielo	-30%	7%	133%

	Stock Performance		
Ticker	Last 30d	Last 90d	Last 12mo
<b>Canadian LPs</b>			
Aurora	12%	2%	-15%
Avant	-12%	-27%	-63%
Audly	0%	0%	121%
Ayurcann	3%	-13%	-47%
Cannara	-15%	-10%	63%
Canopy	-12%	-13%	-86%
Cronos	2%	-6%	-23%
Decibel	-4%	-3%	-10%
Entourage	na	na	na
High Tide	-5%	-10%	-8%
OGI	13%	14%	-23%
Rubicon	-14%	8%	-6%
SNDL	-15%	-21%	-42%
Tilray	-16%	-45%	-77%
VFF	65%	69%	3%
<b>Tech</b>			
LFLY	-19%	-21%	-89%
SBIG	27%	-13%	-56%
MAPS	-21%	-22%	6%
<b>Vape parts</b>			
GNLN	-46%	-99%	-100%
ISPR	-9%	-47%	-65%
SMORF	0%	2%	14%
TLTIF	-37%	-53%	-88%

	Stock Performance		
Ticker	Last 30d	Last 90d	Last 12mo
<b>MJ Fincos</b>			
AFCG	-7%	-40%	-56%
IIPR	0%	-25%	-49%
NLCP	0%	-9%	-24%
SHFS	-26%	-61%	-81%
LIEN	-1%	-15%	-9%
REFI	-1%	-11%	-7%
<b>Pix &amp; Shovel</b>			
AGFY	79%	38%	495%
GRWG	-9%	-7%	-58%
HYFM	37%	-28%	-54%
SMG	14%	-2%	-14%
UGRO	-25%	-59%	-77%
<b>CBD</b>			
CVSI	-12%	-22%	-61%
CWEB	8%	-1%	-42%
LFID	38%	-48%	-58%
<b>Index</b>			
S&P 500	7%	0%	13%
S&P 477	2%	0%	13%
Nasdaq	10%	1%	42%
MSOS ETF	-23%	-21%	-69%
YOLO ETF	-5%	-9%	-49%
<b>Simple Group Averages</b>			
Large Canada LPs	8%	0%	-44%
Tier 1 MSOs	-26%	-24%	-69%

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](http://www.zuanicassociates.com); via email at [pablo.zuanic@zuanicgroup.com](mailto:pablo.zuanic@zuanicgroup.com); or via X @420Odysseus.*



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