



1/31/2024

Planet 13 Holdings (PLNH)

Company update

Sales	FY21a	FY22a	FY23e	Prev	FY24e	Prev	FY25e	Prev
1Q	23.8	25.7	24.9		24.5	34.3	40.0	40.6
2Q	32.8	28.4	25.8		35.8	36.8	41.4	42.1
3Q	33.0	25.6	24.8		37.7	38.6	40.8	41.5
4Q	<u>29.9</u>	<u>24.8</u>	<u>24.3</u>	<u>24.6</u>	<u>39.2</u>	<u>40.4</u>	<u>40.8</u>	<u>41.4</u>
FY	119.5	104.6	99.8	100.1	137.2	150.1	162.9	165.6
EBITDA	FY21a	FY22a	FY23e	Prev	FY24e	Prev	FY25e	Prev
1Q	6.0	2.6	0.7		1.1	2.5	6.0	6.1
2Q	6.4	1.3	-0.6		1.8	3.6	6.9	6.2
3Q	2.6	0.4	0.2		3.6	4.4	7.7	6.3
4Q	<u>1.9</u>	<u>-0.8</u>	<u>0.2</u>	<u>0.1</u>	<u>5.2</u>	<u>5.3</u>	<u>7.7</u>	<u>6.3</u>
FY	16.9	3.5	0.5	-42.7	11.7	15.7	28.3	24.9
Share price (\$)	0.76	Perf.	PLNH	MSOS	S&P500	Stance: Overweight		
Share count (mn)	302.9	30d	19%	35%	3%	no price target		
Market Cap (\$Mn)	231	90d	16%	69%	17%	FY=Dec		
Ticker	PLNH	1yr	-15%	47%	21%			

Key Highlights:

- We attach our updated estimates to reflect the \$22Mn in cash lost (see inside). Also, we now expect the VidaCann deal in FL to close by 4/1/24 vs. 1/1/24 before.
- Company management is positive about the company outlook, following various additions to the Las Vegas superstore, a new store in IL, and the FL expansion.
- Only Trulieve and Cansortium have more FL exposure (PLNH >30% proforma).
- On a proforma basis, PLNH trades at 1.6x sales vs. 2.2x for the group average.

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Company Update

We stay Overweight,

- We attach our updated estimates to reflect the \$22Mn in cash lost (as per the company's recent disclosure and financial restatement, although we note \$3.4Mn of the \$22Mn have been recovered as part of a settlement with Casa Verde), and our expectation for the VidaCann deal in FL to close by 4/1/24 vs. 1/1/24 before.
- PLNH still has one the strongest balance sheets in the space, and management is positive about the outlook and says PLNH is in "a strong position to move forward with the plans discussed" (add-ons to the Las Vegas superstore, a new store in IL, and FL expansion).
- The stock has gone from trading in line with the MSO group average to a discount (1.6x proforma vs. 2.2x for the MSO average; almost a 30% discount), and it is down 10% since the unfortunate "El Capitan news flow" broke on 11/17/23 vs. +36% for the MSOS ETF in that time.
- We will stay Overweight (despite the questions raised regarding cash stewardship) as we do not think the valuation captures the various growth initiatives and FL rec optionality (only Trulieve and Consortium have more FL exposure than PLNH with >30% proforma).
- See our recent [initiation report](#) for an in-depth analysis of the stock.

Florida

For modelling purposes, we now assume the VidaCann deal will close on 4/1/24. The process to divest PLNH's existing FL license (\$9Mn proceeds) took longer than management expected. While there is no firm date on closing (the regulator must approve both transactions – i.e., the license divestiture and the acquisition of VidaCann), management believes it should happen within the next 60 days. Once the deal closes, PLNH will issue 78.5mn shares and pay \$9Mn in cash/notes. PLNH shares are now at \$0.76 compared with \$0.51 before the deal was announced in late August (the 60% run up in the stock is in line with the +67% gain in the MSOS ETF in that time).

PLNH plans for VidaCann. PLNH will upgrade VidaCann's greenhouse facility and produce more premium quality flower. It will also add four more stores before end of the year. Further expansion will depend on the outlook/timing for rec sales. The FL Supreme Court must first approve a ballot initiative (conventional wisdom expects a decision by April, but our understanding is there is no such deadline) and then 60% of voters must approve rec (and then the legislature is supposed to design the regs for the rec program; sales could start as early as 7/1/25 as per some estimates). Governor DeSantis recently said he expects the ballot measure to be approved by the Court. With rec, the company would add another ~10 "neighborhood stores and a superstore (the first phase of the Las Vegas store had a cost of \$10Mn; similar for the Santa Ana superstore).

From \$55Mn to \$9Mn. We realize PLNH had paid \$55Mn for the Harvest Health paper license in FL back in Oct 2021, but since then the market has changed significantly, with more licenses issued and more stores. As per OMMU, there were 377 stores at the end of Oct'21 and 13 licensees with 3 or more stores. As per the 1/26/24 OMMU report, there are now 618 stores and 19 licensees with 3+ stores, and there are another 22 licenses on the pipeline. As per our surveys, average flower prices per gram are about \$8.50 compared with \$12.50 back in 2021. Also, back in 2021 the “demand side” was fueled by greater availability of funding.

How to think about the VidaCann franchise. In terms of stores, VidaCann (26) has the 9th largest network in the state (Trulieve 131, Verano 74, Ayr 63, Curaleaf 61, Surterra 45, Green Dragon 37, Consortium 34, Cresco 33). As per our estimates, these stores underperform the FL med market.

- As per disclosure back in Oct, we estimate VidaCann sales for CY22 at about \$35Mn. With an average of 25 stores (it began '22 with 24 stores and ended with 26), that meant about \$1.4Mn in annual sales per store. The company did not add any stores in CY23, but flower volumes were up 60% and extracts +7%, as per OMMU. Factoring deflation, we estimate company sales were up 15-20% in CY23 - taking the mid-point that would mean sales of \$41Mn, or about \$1.58Mn per store.
- If the Headset \$ FL market numbers are correct (CY22 \$1.71Bn and \$1.86Bn), that would mean average revenue per store of \$3.82Mn in CY22 and \$3.25Mn in CY23 for the state on average (448 and 572 average stores for each year, respectively).
- Verano disclosed sales of \$56Mn in FL for 3Q23, which implies about \$3Mn rev/store on an average count of 70 stores. Consortium reported \$25.3Mn in sales for 3Q23 (33 stores in FL, 3 in PA), and we estimate FL average annualized rev/store of \$2.5Mn for them.
- If we take OMMU volume data, average flower volume sold per store in 4Q23 was 2,326 oz, with Trulieve at 4,013 oz per store and the rest at 1,866 (VidaCann did 945). In non-flower, the market average was 7.06mn mg per store with Trulieve at 11.72mn and the rest at 5.78mn (VidaCann 2.82mn).

On the FL upside. If indeed VidaCann is at a >\$40Mn annual run rate (CY23), and we then factor the company's expansion plan, plus FL going rec (a 2-3x lift potentially), this market could quickly become a larger contributor to PLNH sales than its home state of NV (\$80Mn annual run rate). Note: Our estimate that FL will be >30% of PLNH sales by end of CY24 assumed only FL as a med market.

Nevada

Management describes market conditions as “bad and very challenging”, with several operators now insolvent or up for sale. On a 12-month rolling basis thru end of 3Q23, NV market sales were down 8% (Clark county -9%); Headset data had flower prices down 7% yoy for 3Q23. Still, PLNH is doing better than most, according to management, holding on to its 9% market share in NV. The superstore recently opened a consumption lounge, and this will soon be followed by the grand



hallway event plaza, a tattoo parlor, and a cannabis museum. These new add-ons are expected to bring in more tourist traffic and increase \$ customer spend; also, the add-ons likely cater to different types of consumer segments, which should also help traffic and revenue.

- In 3Q23, the PLNH NV operation posted sales of \$20Mn (superstore \$14Mn; Medizin store \$2.2Mn; delivery and curbside \$1.9Mn; wholesale \$2.2Mn). In total, sales were down 3% yoy, in the context of the Clark county market being down 9%. The retail component was down 5% while wholesale was up.
- We expect the NV market to further consolidate and would not be surprised to see PLNH acquire other stores. We believe this remains part of the PLNH vision despite the \$22Mn in cash lost.
- Also, we have a more constructive read of the NV market, in the context of the western US. After consistent yoy declines, cannabis sales seem to be stabilizing with 3Q23 sales down only 1% yoy and Oct monthly sales up 2% yoy. All this as per the official state data.
- Retail prices for flower (as per Headset) of \$6.07, are down 4% seq and -7% yoy, but remain well above all western states (2x on average). We calculate retailer flower spreads of \$2.75/gram (CA \$2.52; CO \$1.83; AZ \$1.72).
- Visitor volumes to Las Vegas (as per LVCA) were flat yoy in 4Q23 (after +1% in 3Q23 and +2% in 2Q23), but economics have improved, with rev per available room (+17% yoy last 3mo) and gross casino revenue up (+7%).

Illinois and California

The Waukegan IL store (11 miles from the WI border; 1hr drive from Milwaukee) opened in Dec (“soft launch”). About half of the consumer traffic at the store is from out of state, according to PLNH management. The store faces limited competition from nearby dispensaries. We estimate IL stores on average are doing >\$12Mn in sales/year now. We model \$14Mn for this store in annual sales exiting CY24. In CA, we understand trends at the Santa Ana store have begun to stabilize, with PLNH now increasing marketing spend to drive traffic. Importantly, the Santa Ana store has an outdoor “plaza area” where it can host “smoking events” (something than nearby stores may not be able to emulate given their smaller size). As per the latest disclosure, the Santa Ana superstore is doing ~\$8Mn in annual sales (and CA wholesale is at an \$11Mn annual run rate).

Last, but Not Least: The Missing \$22Mn in Cash

PLNH will restate financials for CY21, CY22, and for the three quarters reported for CY23, due to “the believed misappropriation of approximately \$22Mn of the company’s funds held by El Capitan Advisors, Inc. as disclosed in the news release issued by the company on 1/23/24. El Capitan is an investment advisor registered with the Securities and Exchange Commission that was engaged by the Company on 6/20/21 for cash management services.” For modelling purposes, we have made the adjustment only from 4Q23.



As per the company's 1/23/24 [press release](#), of the \$22Mn PLNH says it has recovered \$3.4Mn as a result of a partial settlement with Casa Verde Capital, and should be able to recover another \$2.1Mn, temporarily held in Orange County CA Sheriff Department (that said, we note the financial restatement was made for the \$22Mn). The remaining \$16.5Mn will depend on litigation and other actions.

How do we think about all this? News of the \$22Mn in cash lost (equivalent to \$0.10 per share) broke on 11/17/23 when the stock was at \$0.85. PLNH closed on 1/30/24 at \$0.76. PLNH is down 10% in that period, while the MSOS ETF is up 37%. We could say the share price already reflects the cash lost. That said, we do not rule out future shareholder lawsuits and higher costs related to the legal efforts to recover part of the cash lost. All that said, the company should be able to fund its near-term expansion plans (mostly in FL; the IL store and the Las Vegas superstore add-ons are already funded), while still maintaining one of the least levered balance sheets in the space.

The Bigger Picture

PLNH's various growth initiatives (LV superstore expansion; FL expansion via a transformative deal; new IL store) should lead to >60% cumulative top line growth by CY25 in a context of the share count increasing >30% from VidaCann (i.e., accretive growth). The stock now trades at a discount to the peer group vs. in line back in early Nov. At 1.6x proforma EV/Sales vs. 2.2x for the group average. The stock valuation does not capture the company's unique and scalable superstore concept (in the vision of management, if a city can support a major sports team, the company should be able to open a superstore there, in line with local cannabis regulations) or its Florida rec optionality. As per our math, only Trulieve (>60%) and Consortium (>90%) have more (proforma) exposure than VidaCann (Verano and AYR ~20%); Trulieve is now at 2.4x CY23 sales. Furthermore, share price upside could also come from industry consolidation.

Proforma valuation. At \$0.76, we calculate a proforma EV of \$249Mn. Our EV takes the proforma share count (303mn including RSUs; current share price \$0.76) and the B/S impact assuming the VidaCann deal closing (\$9Mn cash and 78.5mn shares); we also reflect the recent legal settlement with the "SDC Parties" (related to the Next Green Wave deal in CA) for \$1.2Mn (1mn shares and \$300K in cash) and the \$22Mn in cash lost. That EV we apply on a proforma sales run rate of \$156Mn (exiting CY24) for a proforma multiple of 1.6x. True, in the near term, we see little room for re-rating of the valuation multiple, given execution risk (opening the IL store, turning around Santa Ana), as well as integration risk (absorbing 26 medical stores in FL). That said, the growth outlook is attractive, and should allow the stock to outperform the peer group taking a 12-18month view. We remain Overweight.

Table 1: Companies mentioned in this report.

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

Note: others mentioned are either brands or private companies

Source: Z&A



Appendix I: Company Financials

31 January 2024

Planet 13 Holdings: Company update

Exhibit 1: Financial highlights

US\$ Mn	Dec CY21	Dec CY22	Mar 1Q23	Jun 2Q23	Sep 3Q23	Dec 4Q23e	Dec CY23e	Mar 1Q24e	Jun 2Q24e	Sep 3Q24e	Dec 4Q24e	Dec CY24e	Dec CY25e	Dec CY26e
P&L metrics														
Sales	119.5	104.6	24.9	25.8	24.8	24.3	99.8	24.5	35.8	37.7	39.2	137.2	159.6	166.7
qoq ch %	na	na	0%	4%	-4%	-2%	na	1%	46%	5%	4%	na	na	na
yoy ch %	70%	-12%	-3%	-9%	-3%	-2%	-5%	-2%	38%	52%	61%	37%	16%	4%
Gross profit	66.0	48.0	10.9	11.9	11.1	10.7	44.5	11.0	16.8	18.1	19.6	65.6	80.6	86.7
Total SGA	-73.8	-96.7	-15.3	-15.4	-55.1	-13.5	-99.2	-12.8	-18.0	-18.2	-18.2	-67.2	-67.5	-63.8
Operating income	-7.8	-48.8	-4.4	-3.5	-44.0	-2.8	-54.7	-1.8	-1.2	-0.1	1.5	-1.6	13.1	22.8
Net interest expense	0.0	0.5	0.3	0.3	0.3	0.0	0.9	0.0	-0.1	-0.2	-0.2	-0.5	-0.5	-0.1
Profit before tax	-6.0	-40.2	-4.0	-1.5	-43.6	-25.0	-74.1	-1.8	-1.3	-0.3	1.3	-2.1	12.6	22.8
Adj EBITDA	16.9	3.5	0.7	-0.6	0.2	0.2	-42.6	1.1	1.8	3.6	5.2	11.7	28.3	38.8
Net profit	-19.5	-49.0	-6.3	-4.4	-46.0	-27.2	-83.8	-4.0	-4.7	-4.0	-2.6	-15.3	-3.5	5.4
EPS	-0.10	-0.23	-0.03	-0.02	-0.21	-0.12	-0.38	-0.02	-0.02	-0.02	-0.01	-0.07	-0.02	0.02
AFD share count (mn)	195.1	216.6	221.1	221.8	222.1	222.1	221.8	222.1	222.1	222.1	222.1	222.1	222.1	222.1
Gross margins	55.2%	45.9%	43.7%	46.0%	44.7%	44.0%	44.6%	45.0%	47.0%	48.0%	50.0%	47.8%	50.5%	52.0%
SGA/sales	-61.8%	-92.5%	-61.5%	-59.6%	-222.2%	-55.3%	-99.4%	-52.3%	-50.3%	-48.3%	-46.3%	-49.0%	-42.3%	-38.3%
Operating margin	-6.6%	-46.6%	-17.8%	-13.6%	-177.5%	-11.3%	-54.8%	-7.3%	-3.3%	-0.3%	3.7%	-1.2%	8.2%	13.7%
Net int exp/sales	0.0%	0.4%	1.2%	1.2%	1.1%	0.1%	0.9%	0.0%	-0.3%	-0.6%	-0.4%	-0.4%	-0.3%	0.0%
EBITDA margin	14.1%	3.3%	2.7%	-2.3%	0.9%	0.7%	-42.6%	4.7%	4.9%	9.6%	13.2%	8.5%	17.8%	23.3%
FactSet consensus														
Sales						25.0	101.8	35.5	37.8	39.2	41.1	158.8	165.6	na
EBITDA						1.2	5.7	2.4	3.5	4.4	5.3	18.7	24.9	na
as % of sales						4.6%	5.6%	6.8%	9.3%	11.2%	12.9%	11.8%	15.0%	na
BS & CF highlights														
OCF/Sales	-0.3%	3.6%	-20.8%	-6.0%	-7.0%	-94.0%	-31.4%	-8.9%	-15.8%	2.6%	7.0%	-3.0%	8.0%	13.4%
Capex/Sales	-21.7%	-15.9%	-14.7%	-1.6%	-8.0%	-1.6%	-6.5%	-2.0%	-1.4%	-1.3%	-1.3%	-1.5%	-3.8%	-6.0%
Net debt to Sales	0.5x	0.5x	0.4x	0.4x	0.4x	0.1x	0.1x	0.1x	0.0x	0.0x	0.0x	0.0x	0.0x	0.1x
Net debt to EBITDA	3.6x	14.7x	15.4x	-16.9x	39.0x	19.2x	-0.3x	2.2x	-0.7x	-0.3x	-0.1x	0.1x	0.2x	0.5x
Income tax paid	13.0	7.9	3.0	0.0	na	na	na	na	na	na	na	na	na	na

Source: Z&A estimates, company reports

31 January 2024

Planet 13 Holdings: Company update

Exhibit 2: Cash Flow

US\$ 000s	Dec	Dec	Mar	Jun	Sep	Dec	Dec	Mar	Jun	Sep	Dec	Dec	Dec	Dec
SUMMARY CASH FLOW	CY21	CY22	1Q23	2Q23	3Q23	4Q23e	CY23e	1Q24e	2Q24e	3Q24e	4Q24e	CY24e	CY25e	CY26e
Net earnings	-19,461	-48,980	-6,304	-4,349	-45,981	-27,168	-83,803	-4,002	-4,662	-3,953	-2,642	-15,259	-3,490	5,444
(+) D&A	7,213	11,259	3,260	2,918	3,007	2,922	12,106	2,932	2,944	3,729	3,742	13,346	15,241	15,991
Cash earnings	-12,248	-37,722	-3,044	-1,432	-42,974	-24,247	-71,697	-1,070	-1,718	-224	1,100	-1,913	11,752	21,435
(-) Working capital changes	-4,589	8,274	-3,098	3,093	4	1,386	1,386	-1,117	-3,920	1,223	1,648	-2,166	999	890
(-) Other operating flows	16,457	33,250	972	-3,217	41,224	0	38,979	0	0	0	0	0	0	0
Operating cash flow	-380	3,802	-5,170	-1,555	-1,746	-22,860	-31,331	-2,188	-5,638	999	2,748	-4,079	12,750	22,325
(-) net capex	-25,910	-16,675	-3,653	-417	-1,972	-400	-6,443	-500	-500	-500	-500	-2,000	-6,000	-10,000
Free cash flow	-26,290	-12,873	-8,824	-1,973	-3,718	-23,260	-37,775	-2,688	-6,138	499	2,248	-6,079	6,750	12,325
(-) acquisitions	0	1,479	-866	0	0	0	-866	0	-68,660	0	0	-68,660	0	0
(-) divestitures	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(+) other	-59,155	1,020	0	-227	24	0	-203	0	0	0	0	0	0	0
(+) share issuance	53,853	0	0	0	0	0	0	0	59,660	0	0	59,660	0	0
(-) stock options/warrants	14,180	1,142	0	0	0	0	0	0	0	0	0	0	0	0
Change in net	-17,412	-9,232	-9,690	-2,200	-3,694	-23,260	-38,843	-2,688	-15,138	499	2,248	-15,079	6,750	12,325
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending net (debt)	60,705	51,473	41,783	39,584	35,890	12,629	12,629	9,942	-5,196	-4,697	-2,450	-2,450	4,301	16,626
Cash/inv/sec	61,589	52,357	42,667	40,468	36,774	13,629	13,629	10,942	1,000	1,000	1,000	1,000	5,301	17,626
Gross debts/loans/bonds	884	884	884	884	884	1,000	1,000	1,000	6,196	5,697	3,450	3,450	1,000	1,000

Source: Z&A estimates, company reports

31 January 2024

Planet 13 Holdings: Company update

Exhibit 3: Cannabis sales projections

US\$ 000s	Dec CY22	Mar 1Q23	Jun 2Q23	Sep 3Q23	Dec 4Q23e	Dec CY23e	Mar 1Q24e	Jun 2Q24e	Sep 3Q24e	Dec 4Q24e	Dec CY24e	Dec CY25e	Dec CY26e
Consolidated sales	104,574	24,915	25,833	24,788	24,310	99,846	24,510	35,766	37,707	39,246	137,228	159,625	166,694
retail	89,848	20,353	21,360	20,423	20,127	82,263	20,406	31,426	33,407	35,003	120,242	142,879	149,528
wholesale (net)	16,888	4,562	4,473	4,365	4,183	17,583	4,103	4,340	4,300	4,243	16,986	16,747	17,166
Consolidated sales	104,540	24,919	25,902	24,132	24,310	99,263	24,510	35,766	37,707	39,246	137,228	159,625	166,694
IL	0	0	0	0	250	250	750	1,750	2,750	3,500	8,750	12,000	12,000
retail	0	0	0	0	250	250	750	1,750	2,750	3,500	8,750	12,000	12,000
wholesale	0	0	0	0	0	0	0	0	0	0	0	0	0
FL	0	0	0	0	0	0	0	9,108	10,291	11,228	30,627	45,551	49,852
retail	0	0	0	0	0	0	0	9,108	10,291	11,228	30,627	45,551	49,852
wholesale	0	0	0	0	0	0	0	0	0	0	0	0	0
CA	18,439	4,888	5,048	4,717	4,651	19,304	4,471	4,594	4,488	4,543	18,095	19,298	19,743
retail	9,916	2,455	2,512	2,118	2,232	9,318	2,082	2,070	2,023	2,116	8,291	9,263	9,476
wholesale	8,522	2,432	2,536	2,599	2,418	9,986	2,388	2,523	2,465	2,427	9,804	10,035	10,266
NV	86,101	20,032	20,853	19,414	19,409	79,709	19,289	20,314	20,177	19,976	79,756	82,776	85,100
retail	77,755	17,900	18,882	17,760	17,645	72,186	17,574	18,497	18,343	18,160	72,574	76,064	78,200
wholesale	8,347	2,132	1,971	1,654	1,764	7,522	1,715	1,817	1,834	1,816	7,182	6,712	6,900
Market size assumptions US\$Mn													
IL	1,907	467	484	498	511	1,960	499	511	521	533	2,064	2,159	2,259
FL	1,740	437	471	484	484	1,877	485	492	490	488	1,956	1,959	1,994
CA	5,383	1,280	1,335	1,253	1,240	5,108	1,225	1,294	1,264	1,245	5,028	5,146	5,265
NV	882	213	213	210	208	844	212	220	216	214	861	895	920

Source: Z&A estimates, company reports

Exhibit 4: Market growth assumptions

US\$ Mn	CY19	CY20	CY21	CY22	1Q23	2Q23	3Q23	4Q23e	CY23e	1Q24e	2Q24e	3Q24e	4Q24e	CY24e	CY25e	CY26e	CY27e	rec began
Total	11,910	18,365	24,916	25,736	6,676	7,130	7,392	7,345	28,543	7,409	7,714	7,806	7,857	30,785	34,403	36,955	39,395	
rec		11,507	15,960	16,559	4,216	4,499	4,757	4,721	18,193	4,734	4,986	5,060	5,088	19,867	22,085	24,239	26,222	
med		6,858	8,956	9,177	2,460	2,631	2,635	2,624	10,350	2,675	2,728	2,746	2,769	10,918	12,318	12,716	13,173	
Total (med/rec)	11,910	18,365	24,916	25,736	6,676	7,130	7,392	7,345	28,543	7,409	7,714	7,806	7,857	30,785	34,403	36,955	39,395	
AZ	841	801	1,359	1,413	353	349	324	328	1,354	347	343	323	328	1,342	1,342	1,345	1,350	Jan'21
CA	2,803	4,705	5,779	5,383	1,280	1,335	1,253	1,240	5,108	1,225	1,294	1,264	1,245	5,028	5,146	5,265	5,383	Oct'16
CO	1,748	2,191	2,229	1,769	394	389	398	357	1,537	356	365	373	368	1,462	1,507	1,555	1,603	Jan'14
CT	84	117	150	150	57	68	74	78	277	79	83	86	89	336	397	470	544	Jan'23
FLA	506	842	1,456	1,740	437	471	484	484	1,877	485	492	490	488	1,956	1,959	1,994	2,029	med
GA		0	1	16	9	12	13	15	49	21	27	29	32	109	136	156	157	med
IL	251	1,035	1,776	1,907	467	484	498	511	1,960	499	511	521	533	2,064	2,159	2,259	2,365	Jan'20
MA	677	962	1,644	1,755	425	449	471	460	1,806	448	471	475	484	1,878	1,911	1,945	1,979	Nov'18
MD	252	453	551	509	118	123	270	276	787	277	278	280	286	1,121	1,237	1,437	1,691	Jul'23
ME	9	16	93	171	48	55	66	59	229	58	66	79	70	272	324	387	462	Oct'20
MI	289	985	1,793	2,294	642	754	830	803	3,029	814	880	918	898	3,509	3,870	4,099	4,189	Dec'19
MN	20	20	25	36	12	17	18	19	66	19	20	21	21	80	266	448	619	Jan'25
MO	20	21	210	390	266	363	360	349	1,338	354	367	379	386	1,486	1,612	1,728	1,853	Feb'23
NH	10	13	17	20	6	6	6	6	24	7	7	7	7	27	30	34	37	med
NJ	95	196	217	555	179	193	206	217	796	218	226	233	242	919	1,000	1,093	1,195	Apr'22
NM	119	119	119	358	130	140	143	144	556	145	147	150	152	594	617	647	679	Apr'22
NV	702	780	1,042	882	213	213	210	208	844	212	220	216	214	861	895	920	946	Jul'17
NY	173	200	250	265	77	92	121	141	431	148	162	182	230	722	1,242	1,631	1,783	Dec'22
OH	56	223	379	467	120	119	118	125	482	128	132	135	139	534	1,167	1,653	2,330	Jan'25
OK	428	831	941	780	182	189	178	178	728	179	185	175	175	714	714	724	735	med
OR	840	1,111	1,184	994	231	242	244	237	955	236	247	249	242	974	993	1,013	1,034	Oct'15
PA	290	745	1,395	1,469	373	383	398	398	1,552	371	372	372	373	1,488	1,499	1,510	1,521	med
RI	40	47	44	52	37	45	50	51	182	51	51	50	50	202	212	221	231	Dec'22
VA	0	10	27	100	37	40	43	47	167	52	62	71	71	256	296	511	728	Jan'26
VT	5	6	8	9	3	3	3	3	11	3	3	3	3	12	14	15	17	May'22
WA	1,200	1,280	1,422	1,294	304	313	325	318	1,259	305	314	327	319	1,265	1,272	1,278	1,284	Jul'14
WV	0	0	0	26	15	17	17	18	66	19	20	22	23	84	101	118	135	med
Other states	452	655	804	932	261	267	270	276	1,073	353	369	375	391	1,488	2,486	2,501	2,515	

Source: Z&A estimates, Headset, state official data

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Planet 13 Holdings: Company update

Exhibit 5: Forward EV calculations and forward multiples as per our methodology

US\$ Mn	Jun 2Q23	Sep 3Q23	Dec 4Q23e	Dec CY23e	Dec CY24e	Dec CY25e	Dec CY26e	
EV calculation for val purposes	219.8	225.5	248.6	248.6	265.7	259.0	246.9	
Market cap (\$Mn)	231.3	231.3	231.3	231.3	231.3	231.3	231.3	
Share price (US\$)	0.76	0.76	0.76	0.76	0.76	0.76	0.76	x
Share count used for val purposes (proforma)	302.9	302.9	302.9	302.9	302.9	302.9	302.9	
common shares (proforma)	301.7	301.7	301.7	301.7	301.7	301.7	301.7	x
RSUs and derivatives in the money	1.2	1.2	1.2	1.2	1.2	1.2	1.2	x
Broadly defined net debt (\$Mn)	11.5	5.8	-17.3	-17.3	-34.3	-27.7	-15.5	
financial net cash (debt)	39.6	35.9	12.6	12.6	-2.4	4.3	16.6	x
gross leases	-27.3	-27.2	-27.1	-27.1	-27.4	-27.4	-27.5	x
short-term income taxes	-0.8	-2.9	-2.8	-2.8	-4.5	-4.5	-4.7	x
contingent	0.0	0.0	0.0	0.0	0.0	0.0	0.0	x
warrant inflow								x
Valuation Multiples	1yF			CY23	CY24	CY25	CY26	
EV/Sales	2.2x			2.5x	1.9	1.6	1.5	
EV/EBITDA	8.4x			-5.8x	22.7x	9.1x	6.4x	
Price scenarios					<i>by Dec'23</i>	<i>by Dec'24</i>	<i>by Dec'25</i>	upside
EV/Sales of				1.0x	0.34	0.44	0.50	-35%
EV/Sales of				1.5x	0.57	0.70	0.77	1%
EV/Sales of				1.8x	0.70	0.86	0.94	23%
EV/Sales of				3.0x	1.25	1.49	1.60	109%
EV/Sales of				5.0x	2.15	2.54	2.70	254%
EV/Sales of				7.2x	3.15	3.70	3.91	412%
EV/EBITDA of				5.0x	0.08	0.38	0.59	-23%
EV/EBITDA of				7.3x	0.17	0.59	0.89	16%
EV/EBITDA of				8.0x	0.20	0.66	0.97	28%
EV/EBITDA of				10.0x	0.27	0.84	1.23	61%
EV/EBITDA of				15.0x	0.47	1.31	1.87	145%

Note: PP = peer premium

Source: Z&A estimates, company reports



Appendix II: MSO Valuation Comps

Exhibit 6: Valuation Multiples Comps – MSOs

US\$Mn 30-Jan-24	Z&A Spot EV / Sales			Z&A Spot EV / EBITDA			Financial Net Debt				Broadly Defined Net Debt			
							Sales		EBITDA		Sales		EBITDA	
	2023	2024	2025	2023	2024	2025	CY24	Current	CY24	Current	CY24	Current	CY24	Current
US MSOs	2.2x	2.0x	1.9x	10.9x	8.9x	8.1x								
Acreage Holdings	1.3x	1.1x	na	9.2x	5.9x	na	-0.8x	-0.9x	-4.2x	-3.7x	-1.0x	-1.2x	-5.3x	-4.6x
Ascend Wellness	1.7x	1.5x	1.5x	8.6x	7.3x	6.3x	-0.4x	-0.4x	-2.0x	-2.1x	-1.0x	-1.0x	-4.7x	-4.8x
Ayr Wellness	2.0x	1.9x	1.7x	8.3x	7.3x	6.5x	-0.8x	-0.9x	-3.2x	-3.7x	-1.3x	-1.4x	-5.1x	-5.7x
Cannabist Co	1.5x	1.4x	1.3x	9.9x	7.5x	6.1x	-0.5x	-0.5x	-2.7x	-3.3x	-1.0x	-1.1x	-5.5x	-6.9x
Cresco Labs	2.2x	2.2x	2.1x	10.3x	9.1x	8.6x	-0.6x	-0.5x	-2.3x	-2.1x	-0.9x	-0.9x	-3.8x	-3.6x
Curaleaf	4.0x	3.8x	3.5x	18.0x	15.3x	12.3x	-0.5x	-0.5x	-1.9x	-2.2x	-1.0x	-1.0x	-3.9x	-4.6x
4Front Ventures	3.0x	2.7x	na	26.8x	12.9x	na	-0.7x	-1.0x	-3.5x	-6.9x	-2.1x	-3.0x	-10.3x	-20.1x
Glass House	3.9x	2.9x	na	24.5x	10.5x	na	-0.1x	na	-0.4x	na	-0.4x	-0.4x	-1.5x	-2.0x
Gold Flora	1.2x	1.1x	na	na	na	na	na	-0.1x	na	na	na	-0.5x	na	na
Goodness Growth	1.2x	1.1x	na	4.9x	4.6x	na	-0.5x	-0.5x	-2.1x	-1.8x	-0.6x	-0.6x	-2.6x	-2.1x
Green Thumb	3.5x	3.3x	3.1x	11.8x	11.2x	9.9x	-0.1x	-0.1x	-0.5x	-0.5x	-0.3x	-0.3x	-1.2x	-1.2x
iAnthus	2.1x	na	na	na	na	na	na	-0.8x	na	-7.5x	na	-1.1x	na	-9.3x
Jushi	1.6x	1.6x	1.5x	10.6x	7.9x	7.3x	-0.7x	-0.7x	-3.4x	-4.7x	-1.0x	-1.1x	-5.3x	-7.3x
MariMed	1.4x	1.2x	1.1x	8.1x	5.7x	4.4x	-0.2x	-0.2x	-1.0x	-1.6x	-0.4x	-0.4x	-1.7x	-2.7x
Planet 13	na	1.5x	1.5x	-13.8x	13.1x	10.1x	0.1x	0.1x	0.5x	10.8x	-0.1x	-0.2x	-1.0x	-21.0x
Schwazze	2.3x	2.0x	na	6.8x	4.9x	na	-0.9x	-0.9x	-2.1x	-3.1x	-1.1x	-1.2x	-2.7x	-3.9x
StateHouse	2.0x	na	na	na	na	na	na	-1.1x	na	-57.5x	na	-1.8x	na	-92.6x
TerrAscend	3.3x	2.8x	2.5x	14.7x	11.4x	9.2x	-0.5x	-0.5x	-2.0x	-1.9x	-0.8x	-0.8x	-3.2x	-3.1x
TILT	0.7x	0.7x	0.6x	20.5x	12.2x	8.2x	-0.3x	-0.3x	-5.1x	-5.7x	-0.6x	-0.6x	-11.0x	-12.3x
Trulieve	2.4x	2.4x	2.3x	8.6x	8.5x	8.2x	-0.5x	-0.5x	-1.7x	-1.7x	-0.7x	-0.7x	-2.6x	-2.6x
Verano	3.0x	2.8x	2.7x	9.1x	8.7x	8.2x	-0.3x	-0.3x	-0.9x	-0.8x	-0.6x	-0.7x	-2.0x	-1.8x
Vext	2.1x	1.3x	na	10.6x	5.3x	na	-0.6x	-1.1x	-2.4x	-8.1x	-0.6x	-1.1x	-2.5x	-8.3x

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

3) As there are no CY23 sales consensus estimates for Gold Flora, iAnthus, and StateHouse, we take "current" sales for each of them

Source: FactSet and company reports

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Planet 13 Holdings: Company update

Exhibit 7: EV calculation - MSOs

US\$Mn	FactSet	Z&A	US\$	mn	mn	Total	Financial	Net	ST income	Conting	ITM deriv	Total	Pref Stock
30-Jan-24	Spot EV	Spot EV	price	shares	deriv	Mkt Cap	net debt	leases	tax liab.	Cons.	inflow	BDND	Min Int
US MSOs													
Acreage Holdings	222	297	0.19	138.1	6.7	28	-214	-21	-34			-269	
Ascend Wellness	756	882	1.42	206.7	13.3	312	-244	-266	-60			-570	
Ayr Wellness	785	934	3.45	76.6	5.0	282	-417	-158	-78	0		-653	
Cannabist Co	707	769	0.48	428.9		206	-272	-246	-45	0		-563	
Cresco Labs	1,159	1,671	2.17	436.5	8.2	965	-415	-174	-111	-6		-706	
Curaleaf	4,242	5,414	5.22	741.9	8.4	3,917	-672	-281	-345	-81		-1,378	119
4Front Ventures	296	349	0.11	648.6		71	-95	-141	-41	0		-278	
Glass House	391	626	5.95	75.3	3.2	467	-26	-11	-21	-29		-87	72
Gold Flora	8	159	0.35	288.3	0.3	101	-16	-32	-5	-5		-58	
Goodness Growth	162	107	0.44	108.7		47	-50	-11				-60	
Green Thumb	3,099	3,696	13.24	236.6	13.7	3,314	-162	-262	-16	-33	90	-382	
iAnthus	176	360	0.03	6,510.5		179	-146	-36				-181	
Jushi	439	429	0.73	196.6	1.1	145	-184	3	-4	-99		-284	
MariMed	143	215	0.34	376.1	5.5	131	-38	-13	-14			-65	19
Planet 13	143	251	0.76	301.7	1.2	231	10	-27	-2			-19	
Schwazze	170	411	1.10	171.3		188	-176	-28	-18	0		-222	
StateHouse	152	204	0.05	255.6	141.0	18	-114	-13	-39	-24	7	-184	2
TerrAscend	762	1,072	2.10	351.2	15.3	770	-186	-51	-59	-6		-303	
TILT	113	122	0.03	381.5	5.0	12	-51	-58	-1			-110	
Trulieve	1,823	2,637	9.73	186.0	3.3	1,842	-537	-173	-81	-4		-796	
Verano	2,387	2,773	6.04	343.4	9.8	2,133	-292	-95	-251	-2		-640	
Vext	52	76	0.27	149.8	0.4	40	-35	-1				-36	

Source: FactSet and company reports

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Planet 13 Holdings: Company update

Exhibit 8: Forward estimates - MSOs

US\$Mn Company name	FACTSET CONSENSUS					ZUANIC & ASSOCIATES ESTIMATES					Z&A vs. CONSENSUS			
	Revenues		Adj EBITDA		margin	Revenues		Adj EBITDA		margin	Revenues		Adj EBITDA	
	2024	2025	2024	2025	2024	2024	2025	2024	2025	2024	2024	2025	2024	2025
US MSOs														
Acreage Holdings	259	na	51	na	19.6%			not covered yet						
Ascend Wellness	576	589	121	139	21.1%			not covered yet						
Ayr Wellness	505	537	128	144	25.4%			not covered yet						
Cannabist Co	548	605	102	126	18.6%			not covered yet						
Cresco Labs	753	810	184	195	24.5%			not covered yet						
Curaleaf	1,412	1,559	353	441	25.0%			not covered yet						
4Front Ventures	131	na	27	na	20.6%			not covered yet						
Glass House	214	na	60	na	27.9%			not covered yet						
Gold Flora	145	na	4	na	na	155	199	9	34	5.9%	7%	na	144%	na
Goodness Growth	102	na	24	na	23.2%			not covered yet						
Green Thumb	1,108	1,209	329	372	29.7%	1,063	1,225	330	378	31.0%	-4%	1%	0%	2%
iAnthus	na	na	na	na	na			not covered yet						
Jushi	275	284	54	59	19.6%			not covered yet						
MariMed	175	202	38	49	21.6%	179	218	40	52	22.5%	2%	8%	7%	6%
Planet 13	164	163	19	25	11.6%	137	160	12	28	8.5%	-17%	-2%	-39%	14%
Schwazze	203	235	83	84	41.0%			not covered yet						
StateHouse	na	na	na	na	na	105	114	10	14	9.2%	na	na	na	na
TerrAscend	379	421	94	117	24.9%			not covered yet						
TILT	182	204	10	15	5.5%	182	207	11	16	5.8%	0%	2%	5%	9%
Trulieve	1,113	1,157	312	323	28.0%			not covered yet						
Verano	988	1,037	318	339	32.2%	957	997	313	328	32.7%	-3%	-4%	-2%	-3%
Vext	59	61	14	20	24.4%			not covered yet						

Source: FactSet and company reports

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Planet 13 Holdings: Company update

Exhibit 9: Stock Performance

30-Jan-24	<u>Stock Performance</u>		
	Last	Last	Last
Ticker	30d	90d	12mo
US MSOs			
FFNTF	11%	-45%	-51%
ACRDF	-24%	-38%	-81%
AAWH	42%	53%	9%
AYRWF	91%	165%	167%
CXXIF	54%	46%	66%
CBSTF	7%	22%	-26%
CRLBF	60%	70%	22%
CURLF	29%	79%	39%
GLASF	26%	53%	181%
GRAMF	119%	221%	30%
GDNSF	82%	129%	164%
GTBIF	17%	59%	76%
ITHUF	3%	13%	29%
JUSHF	60%	55%	13%
LOWLF	10%	-27%	-75%
MRMD	25%	5%	-17%
PLNH	19%	16%	-15%
RWBYF	na	na	na
SHWZ	80%	83%	-26%
STHZF	112%	96%	-44%
TSNDF	29%	30%	68%
GNRS	na	na	na
TLLTF	35%	-8%	-51%
TCNNF	87%	116%	50%
VRNOF	35%	79%	112%
VEXTF	25%	33%	49%

	<u>Stock Performance</u>		
	Last	Last	Last
Ticker	30d	90d	12mo
Canada			
ALEAF	na	na	-71%
ACB	-17%	-10%	-61%
CBWTF	30%	7%	-36%
AVTBF	-5%	-6%	-44%
BZAMF	-1%	-5%	-69%
CGC	-6%	-15%	-84%
CRON	-4%	10%	-20%
DBCCF	2%	3%	-8%
ETRGF	-7%	-38%	-57%
HITI	14%	28%	9%
NVACF	27%	75%	29%
OGI	24%	55%	-56%
ROMJF	1%	35%	-47%
SNDL	-18%	-7%	-41%
TLRY	-17%	6%	-41%
VFF	15%	21%	-11%
YOLO ETF	23%	42%	5%
CBD, CPG, Pharma, International			
CWBHF	-7%	-26%	-66%
CLVR	29%	23%	-81%
CVSI	4%	-2%	-8%
TPB	-3%	27%	12%
IMCC	-20%	-40%	-79%
INCR	-7%	19%	-68%
ISPR	-9%	39%	#N/A

	<u>Stock Performance</u>		
	Last	Last	Last
Ticker	30d	90d	12mo
Service Providers			
AFCG	-1%	12%	-24%
AGFY	-47%	-49%	-94%
REFI	0%	15%	5%
IIPR	-5%	34%	10%
NLCP	3%	31%	-6%
PW	-6%	-12%	-86%
RIV	5%	18%	-5%
SHFS	-26%	53%	19%
SSIC	-9%	-18%	-22%
LFLY	-2%	-24%	-61%
SBIG	-19%	2%	-86%
MAPS	16%	-24%	-36%
GNLN	-6%	-10%	-89%
GRWG	-3%	20%	-47%
HYFM	11%	2%	-45%
SMG	-10%	29%	-14%
UGRO	23%	27%	-52%
CBD, CPG, Pharma, International			
LGPPF	#N/A	#N/A	#N/A
PCLOF	10%	3%	-27%
SMORF	-22%	-16%	-60%
JAZZ	2%	-1%	-19%
Index			
S&P 500	3%	17%	21%
MSOS ETF	35%	69%	47%

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



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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