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Canada: 4Q24 Hifyre Trends

Cannabis Sector Equity Research



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Summary

Key points,

- After mid-teens growth both in CY23 and CY22, Canada's market decelerated in CY24 (0-1%, per StatCan, to +6% per Hifyre). That said, on a more positive note, flower retail prices bottomed in late 2023 and are now near C\$5 per gram (US\$3.70), and pricing in the B2B market is up due to the pull of the overseas markets. Industry consolidation will also help.
- The Motif deal catapulted OGI to the #1 position (12% total rec market share), with Tilray >9%, and Village Farms >6%, in 4Q24. At the segment level, Tilray recouped its #1 place in flower and OGI is now #1 in vape and pre-rolls (via Motif). *Note: In Canada, flower and pre-rolls each are 35% of the rec market, followed by vape with 17%.*
- Challenges in the domestic rec market over the years (deflation, excise tax load, tiered-system, government-run wholesale) have led some of the larger LPs to "pivot", and focus more on rec margins than just on rec market share points. ACB and CGC did so a few years back, and TLRY now is also doing so to some extent.
- We note that of the top 3 companies in Canadian rec, Tilray is the least dependent on that market, given its international MMJ business and revenues from non-MJ products (beer, hemp, pharma distribution). Relatively speaking, VFF also has less exposure to rec than OGI given its MJ B2B sales (and, soon, more from international given its Dutch venture – [see report](#)), US CBD, and produce. That, said, following its investment in Sanity Group and new export contracts, OGI also expects to grow overseas in MMJ.
- The detailed analysis presented in this report notwithstanding, in our opinion, investor sentiment on the NASDAQ-listed Canadian LPs is now more driven by how they are "angling" for US exposure (under the assumption of potential positive reform changes there) as well as for international growth, and less so by their Canadian domestic rec performance (still relevant, of course, but lower in the hierarchy).

Market Growth: StatCan vs. Hifyre

The official data (StatCan) point to significant deceleration in Canada's rec market, to minimal growth for CY24, while Hifyre shows continued growth (+6% for CY24) but at a slower pace.

- StatCan has reported sales through October, and the data shows rec sales up 1.2% year-to-date thru October, compared with 15.2% growth for Jan-Oct 2023 (CY22 +17%; CY21 +48%). Per StatCan, sales for 1Q24 were up 1 % yoy, down 1% for 2Q, and flat for 3Q24. The Oct month was up 2% yoy.
- Hifyre, on the other hand, shows 5.9% growth year-to-date thru Oct, with acceleration in 4Q resulting in total CY24 sales growth of +6.3%. Indeed, per Hifyre, total market yoy sales growth was +8% in 1Q24, +5% in 2Q24, +5% in 3Q24, and +8% in 4Q24.

- In the past, Hifyre would correct its own historical data to match that of StatCan, but now it claims the sample size at StatCan has been reduced, which may make the StatCan data less accurate and reliable. So, while StatCan points to 0% yoy growth in 3Q24, Hifyre has +5%. This 5pt gap in 3Q24 compares with 6pt in 2Q24, and 7pt in 1Q24.
- If we assume zero growth for CY24 (using StatCan data thru Oct), this would mean a rec market of C\$5.2Bn (medical is ~C\$400Mn) for CY24 (C\$5.53Bn if we go by Hifyre). In total per capita terms (med+rec), taking the StatCan number, this is equivalent to US\$100 (C\$136), taking the population at 41.3mn. So, after almost six years since the legalization of rec (10/17/18), total per capita (med+rec) remains well below states in the US where rec/med is legal: MI >US\$300; above US\$200 CO, MA, MO, NV, OR; above US\$150 AZ, IL, MD, WA. Note: CA is at US\$130.

Growth Trends by LPs

According to Hifyre, the companies with >5% total rec market share in 4Q24 were Organigram with 12.0% (including 3.3pt from Motif on a proforma basis); Tilray with 9.2%; Village Farms with 6.2%; Auxly with 5.6%; and Cronos with 5.1%. There were five more players with shares between 2% to 5% (Decibel 4.7%, Cannara Biotech 4.2%, Weed Me 2.8%, Canopy Growth 2.5%, and Rubicon 2.1%). Note: see [here](#) our review of Tilray's Nov qtr results released on 1/10.

Table 1: Top Canadian LP Trends in the Domestic Rec Market

	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	2024 Jul	2024 Aug	2024 Sep	2024 Oct	2024 Nov	2024 Dec
Market Share %	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Tilray	14.4%	13.6%	13.4%	13.2%	12.1%	11.1%	10.3%	9.8%	9.2%	10.4%	9.5%	9.3%	9.2%	9.1%	9.4%
Village Farms	8.2%	7.2%	6.3%	6.3%	6.8%	8.0%	8.4%	7.3%	6.2%	8.0%	7.1%	6.8%	6.4%	6.2%	6.0%
Organigram	9.5%	9.9%	10.2%	11.3%	11.5%	11.7%	11.5%	11.9%	12.0%	11.6%	11.9%	12.2%	12.0%	12.2%	11.9%
Decibel	5.9%	6.5%	7.2%	7.2%	6.7%	6.0%	5.5%	5.2%	4.7%	5.3%	5.3%	4.9%	4.8%	4.6%	4.6%
Cronos	3.9%	4.4%	4.3%	4.5%	5.2%	5.4%	5.2%	5.2%	5.1%	5.2%	5.4%	5.1%	5.0%	5.1%	5.0%
Auxly	4.8%	5.2%	4.8%	4.5%	4.4%	4.6%	4.5%	5.1%	5.6%	4.8%	5.3%	5.3%	5.4%	5.5%	5.9%
Cannara Biotech	1.5%	1.8%	2.0%	2.5%	2.7%	2.9%	3.0%	3.4%	4.2%	3.1%	3.3%	3.9%	4.3%	4.1%	4.1%
Canopy Growth	5.1%	4.6%	4.3%	3.8%	2.9%	2.6%	2.5%	2.4%	2.5%	2.4%	2.5%	2.3%	2.3%	2.3%	2.7%
Weed Me	3.2%	3.1%	3.0%	2.7%	2.5%	2.5%	2.3%	2.5%	2.8%	2.4%	2.6%	2.6%	2.8%	2.9%	2.8%
SNDL	3.3%	3.3%	3.1%	2.4%	2.1%	2.0%	1.8%	1.8%	1.7%	1.7%	1.8%	1.8%	1.7%	1.6%	1.6%
Aurora	2.4%	2.7%	2.7%	2.1%	2.0%	1.9%	1.8%	1.5%	1.7%	1.5%	1.5%	1.6%	1.7%	1.7%	1.7%
Ayurcann	0.5%	0.9%	1.2%	1.6%	1.8%	1.8%	1.7%	1.8%	1.7%	1.8%	1.8%	1.8%	1.8%	1.8%	1.6%
Rubicon	1.8%	1.7%	1.8%	1.8%	1.8%	1.7%	1.8%	1.9%	2.1%	1.9%	1.9%	2.0%	2.0%	2.1%	2.1%
Others	32.9%	31.6%	31.6%	31.4%	32.7%	33.3%	35.1%	35.6%	37.3%	35.3%	35.7%	35.8%	35.7%	35.4%	40.5%
3mo yoy growth %	13.4%	14.8%	13.5%	17.2%	12.3%	8.0%	5.2%	4.6%	7.7%	4.9%	4.5%	4.6%	5.6%	6.4%	7.7%
Tilray	-19%	-11%	-5%	3%	-5%	-12%	-19%	-23%	-18%	-19%	-21%	-23%	-24%	-22%	-18%
Village Farms	132%	27%	17%	14%	-8%	21%	40%	22%	-1%	43%	34%	22%	10%	4%	-1%
Organigram	55%	43%	27%	34%	37%	28%	19%	10%	12%	15%	11%	10%	10%	12%	12%
Decibel	119%	104%	97%	88%	28%	0%	-19%	-25%	-25%	-22%	-24%	-25%	-25%	-25%	-25%
Cronos	1%	27%	26%	35%	49%	31%	27%	21%	4%	25%	25%	21%	14%	7%	4%
Auxly	-25%	-10%	1%	14%	4%	-4%	-2%	20%	38%	5%	12%	20%	27%	31%	38%
Cannara Biotech	2701%	1882%	604%	485%	106%	76%	54%	43%	69%	46%	42%	43%	52%	66%	69%
Canopy Growth	-36%	-32%	-30%	-28%	-36%	-39%	-38%	-34%	-10%	-38%	-36%	-34%	-26%	-24%	-10%
Weed Me	62%	45%	33%	14%	-12%	-12%	-19%	-2%	22%	-18%	-11%	-2%	10%	17%	22%
SNDL	18%	4%	-7%	-27%	-27%	-36%	-38%	-23%	-16%	-34%	-29%	-23%	-20%	-19%	-16%
Aurora	-11%	21%	64%	47%	-4%	-23%	-33%	-24%	-11%	-31%	-29%	-24%	-16%	-13%	-11%
Ayurcann	580%	376%	352%	451%	297%	121%	55%	19%	6%	33%	26%	19%	15%	10%	6%
Rubicon	41%	48%	8%	0%	12%	7%	7%	11%	27%	6%	9%	11%	14%	19%	27%
Others	13%	-83%	-72%	-72%	-61%	662%	564%	676%	399%	553%	624%	676%	632%	448%	399%

Source: Hifyre; Z&A calculations



Key highlights,

- \$ sales growth: Re those with >5% share, during 4Q24 (when the market grew ~8% yoy, as per Hifyre), OGI grew 12% proforma (including Motif in the base and in the latest qtr, with Motif down and OGI ex Motif up), Tilray sales fell 18% yoy, Village Farms -1%, Auxly +38%, and Cronos +4% (for those between 2-5% share: Decibel -25%; Cannara +69%; Weed Me +22%; Canopy -10%, Rubicon +27%).
- Dec share trends: For the top 5, if we look at the Dec month vs. 4Q and 3Q, we see a general decrease. OGI proforma (inc. Motif) remains steady (Dec 11.9% share vs. 4Q 12.0% and 3Q 11.9%). Tilray is gaining, with 9.4% Dec month share vs. 9.2% and 9.8% resp.; VFF is at 6.0% vs. 6.2% and 7.3%, resp.; Auxly in Dec was at 5.9% vs. 5.6% and 5.1%, resp.; Cronos Dec share was at 5.0% vs. 5.1% and 5.2%. Of those between 2-5% total share, Dec share for Decibel was 4.6% (down vs. 4Q and 3Q); Cannara 4.1% (steady); Weed Me 2.8% (steady); Canopy Growth 2.7% (up); and Rubicon 2.1% (steady).
- We realize consolidated CPG industries typically show 2-3 companies with combined 70-80% share, while in Canada the top 3 have less than 28% share combined. Still, Canada rec is more concentrated than most US states (at a total market level).

Growth Trends by Formats

Key trends,

- During 4Q24, and as in 3Q24, pre-rolls and flower each accounted for 35% of industry sales (pre-rolls caught up with flower last quarter); vape is 17% of the market, followed by concentrates and edibles at 5% each, and beverages and oils each with 2%.
- For context, flower was 37% of sales in 4Q23 (4Q22 41%; 4Q21 49%); pre-rolls 31% (28%; 26%); vape 17% (16%; 14%); edibles 5% (6%; 5%); concentrates 5% (5%; 4%).
- Compared with the total 8% yoy market growth estimated by Hifyre for 4Q24, among the categories accounting for 2% or more of the market, two categories outperformed: pre-rolls +19% and vape +10%. On the other hand, concentrates fell 7% and oils -14%. Re the rest, beverages +6%, edibles +3%, flower +1%.

Key Players in Flower, Pre-rolls, Vape

OGI on the back of the Motif deal is now #1 in vape and pre-rolls, while Tilray recouped its #1 position in flower. Re market concentration, we note the top 3 players had >46% share in vape, ~38% share in flower, and <25% in pre-rolls, during 4Q24.

Flower segment,

- Four companies had >5% flower segment share in 4Q24 (all as per Hifyre scans). Tilray recouped the #1 position in flower, and led with 13.3% share in 4Q24 (vs. 12.8% in 3Q24).

and 13.7% in 4Q23). Village Farms had 12.9%, down from recent quarters (15%; 14.3%). Organigram had 11.6% share (10.8%; 9.0%); Cronos 5.9% (6.1%; 6.7%); and Auxly 5.8% (4.6%; 3.9%). So, trends wise, Tilray, OGI, and Auxly, have all gained.

- There were seven LPs with 2-5% flower share in 4Q24: Canopy 3.5%, Cannara 3.0%, CCC 2.7%, Sundial 2.3%, ACL 2.3%, Rubicon 2.1%, and BZAM with 2%.
- Average flower prices in 4Q24 were C\$4.88/gram compared with C\$5.00 in 3Q24 and C\$4.91 in 4Q23. Retail flower have mostly stabilized over the past year. However, this varies by operator.
- For VFF ex Quebec, average flower retail prices were C\$4.05 in 4Q24 vs. C\$4.06 in 3Q24 and in 4Q23); Tilray's 4Q24 C\$3.83/gram (C\$4.05; C\$3.91); OGI \$4.48 (C\$4.43; C\$4.26); Cronos C\$4.69 (C\$4.51; C\$4.37); Auxly C\$4.08 (C\$4.05; C\$3.99).
- Other interesting nuggets per Hifyre for the flower segment: Quebec province accounted for 40% of VFF's total flower retail sales in 4Q24 vs. 30% in 4Q23; outside QC, 43% of Pure Sunfarms sales came from the Pure Sunfarms brand (C\$4.88 avg price) and 33% from The Original Fraser Valley line (C\$3.19) vs. 50% and 38% a year ago respectively. Three brands accounted for the bulk of Tilray's flower sales (Good Supply 41%; Redecan 22%; Bake Sale 14%; avg prices for these brands respectively were C\$2.81, C\$5.51, C\$3.45). At OGI, Shred accounted for 43% of its total flower sales in 4Q24 (avg price C\$4.10.), followed by Big Bag O'Buds at 40% (C\$4.69), and Holy Mountain 11% (C\$3.93).

Pre-rolls,

- Five companies had >5% segment share in 4Q24. OGI including Motif had 8.8% share in 4Q24 (3Q24 9.4% proforma; 4Q23 8.9%), followed by Decibel 8.3% (9.8%; 15.1%), Tilray 7.6% (8.1%; 12.8%), Cannara 6.5% (4.0%; 2.3%), and VFF 5.1% (5.4%; 3.8%). If we compare these top 4 with segment share as of 4Q22: Tilray proforma was at 17.5% in 4Q22, Decibel 10.5%, OGI proforma 4.5%, VFF 4.4%, and Cannara 1.2%). There were seven companies between 2-5% share in 4Q24: Weed Me had 4.9%, BZAM 4.6%, Auxly 3.7%, Cronos 2.9%, Mera 2.2%, Stigma Grow 2.2%, and Canopy 2%.
- Re category structure, in 4Q24 joints accounted for 50% of sales, infused joints for 25% (31% if we include infused blunts and "variety infused pre-rolled"), pre-rolled 15%, and other categories for 4%. Infused joints seemed to have peaked segment share wise (27% in 4Q23, and 33% including all infused varieties), while pre-rolled has gained (6% in 4Q23), taking share from joints (57% in 4Q23 vs. 50% now).
- Company mix by subsegment varies. For example, of the top 3: infused joints accounted for 92% of Decibel total pre-roll sales in 4Q24 (88% in 4Q23); at Tilray joints were 70% of sales (infused joints and pre-rolled were 11% each); at OGI proforma, the mix was more balanced, with infused joints 38%, joints 26%, pre-rolled 13%, and infused blunts 10% (Motif drove all pre-roll sales from infused products).

- Decibel's market share in the infused joint segment was 30% in 4Q24, down from 35% in 3Q24 and 49% in 4Q23 (share peaked at 57% in 2Q23). OGI proforma is now at 13% (13.2% in 3Q24; 9.6% in 4Q23). BZAM (inc. Final Bell/Jeeter) was at 9.3% in 4Q24 (9.6% in 3Q24 and 4% in 4Q23).

Vape,

- There were five companies with >5% segment share in 4Q24. OGI (all from Motif Labs) had 22.2% share (3Q24 20.6%; 4Q23 21.6%), followed by Auxly 13.1% (12.9%; 8.4%), Decibel 9.1% (9.7%; 10.5%), Cronos 6.4% (7.3%; 6.8%), and Ayurcann 6.3% (6.2%; 5.7%). Back in 1Q24, Tilray and BZAM were top 5 and 6 with 6.3% and 6.2% share, respectively, but their respective vape share has fallen to 3.8% and 1.3%.
- Outside those with >5% share, in 4Q24 there were six companies between 2-5% share (Tilray 3.8%, Heritage 3.8%, Weed Me 3.8%, Cannara 3.8%, Adastra 3%, Mera 2.1%).
- Re the category itself, in 4Q24 65% of sales came from 510 cartridges (1ml 40%, 1.20ml 14%, rest 11%) compared with 77% in 4Q23; disposables 23% (1ml 10%) vs. 12%; live resin 510 carts 10% (1m 10%) vs. 8%; closed loop systems have not made much inroads and only accounted for 1% of total vape sales in 4Q24 (2% in 4Q23).
- OGI (per the Motif deal) over-indexes in big formats; 61% of its total vape sales in 4Q24 came from 1ml and 1.2ml 510 carts (510 carts were in total 78% of its vape sales; with disposables 19%, and close loop 2%).

Table 2: Stocks mentioned in this report

Company name	Ticker	Ticker	Rating
US MSOs			
4Front Ventures		FFNTF	not rated
Ascend Wellness		AAWH	will cover
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
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
TerrAscend		TSNDF	not rated
TILT Holdings		TLLTF	Neutral
Trulieve Cannabis		TCNNF	not rated
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	will cover
Chicago Atlantic REAF		REFI	Overweight
Innovative Industrial Properties		IIPR	not rated
New Lake Capital Partners		NLCP	Overweight
SHF Holdings		SHFS	not rated
Canada LPs			
Aurora Cannabis		ACB	Neutral
Auxly Cannabis Group		CBWTF	will cover
Avant Brands		AVTBF	will cover
Avicanna		AVCN	not rated
Ayurcann Holdings		AYURF	will cover
Cannara Biotech		LOVFF	not rated
Canopy Growth Corporation		CGC	will cover
Cronos Group		CRON	not rated
Decibel Cannabis Co		DBCCF	Overweight
Organigram Holdings		OGI	will cover
Rubicon Organics		ROMJF	not rated
SNDL		SNDL	not rated
Tilray Brands		TLRY	Neutral
Village Farms Intl		VFF	Overweight
Other			
Agrify		AGFY	not rated
Cannapresso		TBD	not rated
Cantourage AG		HIGH:FF	not rated
Flora Growth		FLGC	not rated
Grow Generation		GRWG	not rated
Intercure		INCR	not rated
Ispire Technology		ISPR	will cover
Leafly		LFLY	not rated
LFTD Partners Inc.		LIFD	Overweight
Smoores International		SMORF	will cover
Springbig		SBIG	not rated
Urban-gro		UGRO	not rated
WM Technology		MAPS	Neutral

Source: Z&A ratings



Appendix I: Valuation Comps

Exhibit 1: Canadian LPs Valuation Multiples

Multiples 10-Jan-25	Z&A Spot EV / Sales			Z&A Spot EV / EBITDA			Financial Net Debt				Broadly Defined Net Debt			
	Current	2024	2025	Current	2024	2025	Sales		EBITDA		Sales		EBITDA	
	Current	2024	2025	Current	2024	2025	Current	CY24	Current	CY24	Current	CY24	Current	CY24
Aurora Cannabis	1.2x	1.2x	1.1x	9.4x	11.6x	8.1x	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	0.6x	na	na	2.0x	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	6.6x	na	na	0.0x	na	0.0x	na	0.0x	na	0.0x	na
Canopy Growth	3.1x	2.8x	2.6x	-36.6x	-46.8x	381.3x	-1.3x	-1.2x	15.3x	19.5x	-1.3x	-1.2x	15.3x	19.5x
Cronos Group	-2.8x	-2.5x	-2.1x	7.1x	9.2x	-345.9x	na	na	na	na	7.8x	6.9x	-19.7x	-25.6x
Decibel Cannabis	0.9x	0.8x	0.6x	4.8x	4.5x	3.2x	-0.4x	-0.4x	-2.1x	-2.0x	-0.4x	-0.4x	-2.1x	-1.9x
Organigram Holdings	1.0x	na	na	-83.7x	na	na	na	na	na	na	1.1x	na	-95.7x	na
Rubicon Organics	0.5x	na	na	7.3x	na	na	0.0x	na	-0.4x	na	0.0x	na	-0.4x	na
SNDL	0.6x	0.6x	0.6x	14.4x	383.8x	na	na	na	na	na	0.2x	0.2x	4.4x	118.3x
Tilray Brands	1.5x	1.4x	1.3x	8.8x	18.5x	13.8x	-0.1x	-0.1x	-0.4x	-0.8x	-0.1x	-0.1x	-0.8x	-1.7x
Village Farms International	0.3x	0.3x	0.3x	1.1x	10.5x	4.4x	-0.1x	-0.1x	-0.2x	-2.2x	-0.1x	-0.1x	-0.2x	-2.3x

1) We take FactSet consensus estimates for CY24e and CY25e multiples; 2) By "current", we mean the latest reported qtr annualized

Source: FactSet, company reports, and Z&A estimates

13 January 2025

Canada: 4Q24 Domestic Recreational MJ Market Trends

Exhibit 2: Canadian LPs EV Calculations

C\$Mn 10-Jan-25	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	298	382	5.81	54.9	1.2	326	27	-43		0		-16	40
Auxly Cannabis Group	181	58	0.05	0.0	0.0	0	-41	-15		-2		-58	
Avant Brads	213	22	0.79	10.5	0.3	9	-5	-8				-13	
BZAM	112	45	0.00	180.8	0.2	0	-31	-14				-45	
Cannara Biotech	85	73	0.81	90.0	0.0	73	0	0	0			0	
Canopy Growth	na	773	3.38	131.6	1.5	450	-323					-323	
Cronos Group	-103	-426	2.75	271.8	6.3	765	1,193	-2				1,191	
Decibel Cannabis	67	76	0.07	576.7	16.3	43	-34	0				-33	
Organigram Holdings	155	155	2.19	133.6	17.7	332	177		0			177	
Rubicon Organics	27	25	0.39	56.2	4.3	24	-1	0				-1	
SNDL	429	555	2.59	264.3	16.2	726	209	-38				171	
Tilray Brands	1,655	1,793	1.72	903.3	26.1	1,595	-74	-68		-21		-163	35
Village Farms International	141	127	1.07	79.4		85	-26	-1				-27	15

Source: FactSet, company reports, and Z&A estimates

Exhibit 3: US MSO Valuation Multiples

US\$Mn 10-Jan-25	Z&A Spot EV / Sales			Z&A Spot EV / EBITDA			Financial Net Debt				Broadly Defined Net Debt			
							Sales		EBITDA		Sales		EBITDA	
	Current	CY24e	CY25e	Current	CY24e	CY25e	CY24	Current	CY24	Current	CY24	Current	CY24	Current
US MSOs	1.5x	1.4x	1.2x	6.8x	6.3x	5.2x								
Ascend Wellness	1.1x	1.1x	1.0x	6.0x	5.5x	5.0x	-0.4x	-0.4x	-2.2x	-2.4x	-0.9x	-0.9x	-4.6x	-5.1x
Ayr Wellness	0.8x	0.8x	0.8x	3.6x	3.5x	3.3x	-0.8x	-0.8x	-3.4x	-3.4x	-0.7x	-0.7x	-2.9x	-2.9x
Cannabist Co	0.9x	0.9x	0.9x	7.0x	6.8x	5.2x	-0.6x	-0.6x	-4.4x	-4.5x	-0.8x	-0.8x	-6.2x	-6.4x
Consortium	1.1x	1.1x	na	4.0x	4.0x	na	na	na	na	na	na	na	na	na
Cresco Labs	1.4x	1.4x	1.4x	4.8x	4.9x	5.1x	-0.5x	-0.5x	-1.8x	-1.8x	-0.8x	-0.8x	-2.8x	-2.7x
Curaleaf	1.8x	1.8x	1.6x	7.8x	7.8x	6.5x	-0.5x	-0.5x	-2.3x	-2.3x	-0.9x	-0.9x	-3.8x	-3.8x
4Front Ventures	1.9x	1.9x	na	7.0x	7.0x	na	na	-1.0x	na	-3.8x	na	-1.7x	na	-6.5x
Glass House	2.4x	3.2x	na	7.6x	17.8x	na	-0.1x	na	-0.7x	na	-0.3x	-0.2x	-1.8x	-0.8x
Gold Flora	1.0x	1.0x	0.8x	11.7x	54.3x	7.3x	na	-0.3x	na	na	na	-0.9x	na	na
Goodness Growth	2.2x	2.2x	na	-125.1x	9.0x	na	-0.5x	-0.5x	-2.1x	29.1x	-0.9x	-0.9x	-3.7x	51.1x
Green Thumb	1.7x	1.7x	1.6x	5.4x	5.3x	5.4x	-0.1x	-0.1x	-0.2x	-0.2x	-0.1x	-0.1x	-0.4x	-0.4x
Grown Rogue	3.3x	3.3x	na	4.5x	4.5x	na	na	na	na	na	na	na	na	na
iAnthus	1.2x	1.2x	na	9.4x	9.4x	na	na	-1.0x	na	-7.3x	na	-1.0x	na	-7.5x
Jushi	1.5x	1.4x	1.3x	8.8x	7.3x	6.1x	-0.6x	-0.7x	-3.3x	-4.0x	-1.2x	-1.2x	-6.1x	-7.4x
MariMed	0.9x	0.9x	0.8x	7.9x	7.5x	4.6x	-0.4x	-0.4x	-3.3x	-3.5x	-0.5x	-0.5x	-4.2x	-4.5x
Planet 13	1.0x	1.1x	na	24.6x	26.9x	na	0.2x	0.1x	4.0x	3.7x	-0.1x	-0.1x	-1.7x	-1.5x
Schwazze	1.1x	1.1x	na	7.8x	5.2x	na	-0.9x	-0.9x	-4.2x	na	-1.1x	-1.1x	-5.2x	na
TerrAscend	1.7x	1.7x	1.7x	9.4x	8.8x	8.4x	-0.6x	-0.6x	-2.9x	-3.1x	-1.0x	-1.0x	-5.3x	-5.7x
TILT	1.0x	0.9x	1.0x	-17.6x	-17.6x	87.3x	-0.5x	-0.6x	13.0x	9.9x	-0.9x	-1.0x	22.7x	17.3x
Trulieve	1.4x	1.4x	1.3x	4.3x	4.1x	4.1x	-0.3x	-0.3x	-0.7x	-0.8x	-0.6x	-0.6x	-1.8x	-1.8x
Verano	1.2x	1.2x	1.2x	4.2x	4.1x	3.9x	-0.4x	-0.4x	-1.3x	-1.4x	-0.7x	-0.8x	-2.5x	-2.5x
Vext	1.8x	1.8x	na	5.5x	7.2x	na	-0.9x	-0.9x	-3.6x	-2.8x	-0.9x	-0.9x	-3.6x	-2.7x

1) We take FactSet consensus estimates for CY24e and CY25e multiples; 2) By "current", we mean the latest reported qtr annualized

Source: FactSet, company reports, and Z&A estimates

13 January 2025

Canada: 4Q24 Domestic Recreational MJ Market Trends

Exhibit 4: US MSOs EV Calculations

US\$Mn 10-Jan-25	FactSet Spot EV	Z&A Spot EV	US\$ price	mn shares	mn deriv	Total Mkt Cap	Financial net debt	Net leases	Income tax liab.	Conting Cons.	ITM deriv inflow	Total BDND	Pref Stock Min Int
US MSOs													
Ascend Wellness	588	608	0.42	214.5	13.3	96	-241	-134	-137			-512	
Ayr Wellness	615	378	0.46	114.0	31.1	67	-359	4	-11	0	55	-311	
Cannabist Co	542	415	0.07	472.7	8.2	35	-269	-26	-86			-380	
Cansortium	140	123	0.09	304.9	5.6	27	-59	-9	-29			-97	
Cresco Labs	879	989	0.95	441.0	8.9	428	-365	-56	-130	-10		-561	
Curaleaf	1,926	2,358	1.44	743.8	11.2	1,086	-678	-24	-389	-56		-1,146	126
4Front Ventures	231	145	0.01	915.2	3.8	11	-79	-8	-40	-6	0	-134	
Glass House	401	623	5.79	81.0	3.5	489	-25	0	-4	-32		-61	72
Gold Flora	130	130	0.03	287.7	0.1	7	-40	-34	-44	-4		-123	
Goodness Growth	125	218	0.55	230.3	4.1	129	-51	-10	-29			-89	
Green Thumb	1,947	1,932	7.33	236.2	9.3	1,799	-82	-28	-23	0	0	-133	
Grown Rogue	75	89	0.63	143.5		90	5	-2	-2			1	
iAnthus	39	200	0.01	6,615.3		39	-156	-5				-161	
Jushi	328	363	0.30	196.7	0.0	58	-165	-1	-139			-305	
MariMed	128	148	0.12	381.3	6.7	45	-66	-1	-17			-83	19
Planet 13	92	128	0.37	325.2	0.3	120	19	-7	-16	-5		-8	
Schwazze	173	187	0.01	80.2		1	-151	-2	-33	0		-186	
TerrAscend	394	517	0.58	355.8	3.1	206	-172	-5	-128	-4		-310	
TILT	108	111	0.01	390.6	4.4	2	-62	-44	-2			-108	
Trulieve	1,004	1,636	4.89	186.0	3.3	926	-300	-21	-384	-5		-710	
Verano	770	1,077	1.17	356.9	8.6	427	-355	-6	-285	-4		-651	
Vext	47	63	0.13	245.5	3.4	32	-32	1				-31	

Source: FactSet, company reports, and Z&A estimates

13 January 2025

Canada: 4Q24 Domestic Recreational MJ Market Trends

Exhibit 5: Stock Performance

10-Jan-25	Stock Performance		
	Last	Last	Last
Ticker	30d	90d	12mo
US MSOs			
Ascend	-10%	-46%	-65%
Ayr	-16%	-75%	-79%
Cannabist	-22%	-64%	-85%
Consortium	-4%	-48%	-10%
Cresco	-12%	-42%	-45%
Curaleaf	-19%	-51%	-67%
4Front	-45%	-77%	-89%
GlassHouse	-12%	-34%	12%
Gold Flora	-22%	-69%	-88%
Vireo Growth	67%	17%	117%
Grown Rogue	-9%	-10%	102%
Green Thumb	-14%	-29%	-35%
iAnthus	-22%	-44%	-77%
Jushi	-10%	-41%	-49%
MariMed	-10%	-21%	-59%
Planet13	-3%	-35%	-53%
Schwazze	-90%	-91%	-99%
StateHouse	na	na	-50%
Trulieve	-9%	-58%	-17%
TerrAscend	-24%	-51%	-68%
Vext	-11%	-14%	-42%
Verano	-18%	-63%	-76%

	Stock Performance		
	Last	Last	Last
Ticker	30d	90d	12mo
Canadian LPs			
Aurora	-8%	-23%	-11%
Avant	37%	-26%	-83%
Auxly	30%	28%	180%
Cannara	13%	33%	-5%
Canopy	-34%	-40%	-48%
Cronos	-3%	-7%	-6%
Decibel	8%	28%	-52%
Entourage	-33%	-37%	-40%
High Tide	-13%	38%	79%
Nova	MN/A	MN/A	MN/A
OGI	-1%	-6%	14%
Rubicon	1%	-9%	-26%
SNDL	-3%	-4%	17%
Tilray	-7%	-23%	-42%
VFF	-4%	-13%	-4%
CBD			
CVSI	-5%	-22%	-4%
CWEB	5%	-6%	-40%
LFID	-13%	-44%	-78%
International			
InterCure	18%	-22%	-4%
PharmaCielo	-32%	32%	117%

	Stock Performance		
	Last	Last	Last
Ticker	30d	90d	12mo
MJ Fincos			
AFCG	-13%	-14%	-30%
CNPOF	-20%	-42%	-10%
IIPR	-41%	-51%	-32%
NLCP	-12%	-12%	2%
SHFS	-11%	-24%	-74%
LIEN	-10%	-11%	36%
REFI	-7%	-3%	-4%
Tech			
LFLY	18%	-21%	-68%
SBIG	-6%	-11%	-37%
MAPS	1%	60%	62%
Vape parts			
GNLN	-6%	-65%	-74%
ISPR	-23%	-30%	-61%
SMORF	-7%	8%	83%
TLLTF	-37%	-52%	-78%
Index			
S&P 500	-4%	1%	22%
S&P 477	-6%	-4%	8%
Nasdaq	-5%	5%	34%
MSOS ETF	-15%	-49%	-53%
YOLO ETF	-9%	-24%	-27%

Source: FactSet



Appendix II: 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.



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 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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