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US MSOs Preview for 2Q25

Cannabis Sector Equity Research



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Thoughts Ahead of 2Q25 MSO Earnings

Summary: Most “MSO states” saw mid-single digit sales growth qoq in 2Q25, which in theory should bode well for the 2Q25 earnings season. But deflation remains a key issue, with double digit yoy price declines in most states (FL -25%). Also, revenue per store dilution is a problem in states where the store count has grown well ahead of the underlying markets. These last two issues increase credit risk for net wholesalers, so MSOs have reined in their sales to 3rd party retailers (resulting in lower reported sales). As we show here, net debt is also a concern for several MSOs. All in, ex regulatory changes at the federal level, we would be very selective in stock picking among MSOs (we show here links to our various company reports). In fact, some of the Canadian LPs with great export potential could be better choices (the brighter outlook there is leading to a wave of new capacity expansions in the LP group). True, the US MSO landscape could change radically if campaign promises are delivered by the Trump administration, albeit the scenarios could vary widely, in our view (rescheduling only? legalizing medical cannabis at the federal level with more FDA oversight? descheduling, leaving it to the states to decide interstate trade?). Yes, we are also focused on potential state regulatory unlocks ([Delaware](#) began rec on 8/1), although the news flow on that front is volatile (it remains unclear when MN will greenlight med incumbents Green Thumb and Vireo Growth; VA may flip to rec before PA, in our view; a new FL ballot by Nov 2026 remains in question).

In terms of the latest trends,

- Growth Trends:** Most MSO markets were up in seq terms (partly on seasonality and 420 promos) in 2Q25. Based on the official data (or Headset when no official data is available yet), NJ +2%, CT +4%, IL +5%, MA +5%, PA +5%, MD +6%, OH +6%, NY +18%. The exceptions were AZ -10%, FL -3%, and NV -1%. Of these 11 markets, in yoy terms, in three sales fell double digits, with NV -14%, AZ -13%, and FL -12%; MA -1%; CT and IL were flat; MD and PA were both up 5%; NJ +7%; OH +120%; NY +130%. *Note: we data for several other markets, such as CA, CO, MI, MO, NM, but they are much less relevant to the MSO group.*
- Pricing:** Deflation is an issue across the board. Per Headset, flower retail prices fell 19% in AZ to \$3.07/gram (-16% qoq); IL -17% yoy to \$6.35 (-7% qoq); MA -19% yoy to \$3.89 (-7% qoq); MD -10% yoy to \$7.50 (-5% qoq); NJ -28% yoy to \$8.07 (-9% qoq); NV -18% yoy to \$4.27 (-7% qoq); NY -15% yoy to \$8.19 (-7% qoq); OH -2% yoy to \$6.42 (-1% qoq). Per the official state data source, flower pricing in PA fell -3% yoy to \$7.65 (flat qoq), and it fell 19% yoy in CT (-6% qoq) on average (across all formats). In the case of FL, if we cross the OMMU volume data with Headset \$ sales, we estimate price/mix fell 25% yoy (across all formats) and fell 10% qoq. *Note: On the summary, we did not highlight the double digit yoy price decline in NJ and NY, as prices there still remain well above other states.*
- Revenue per store.** The growth in the # of stores has been well ahead of underlying market growth in some states, resulting in hefty revenue per store dilution, weakening retailer economics. Between 2Q22 and 2Q25, AZ went from 131 store to 170, but there has been

little change in the past year (2Q24 168; 1Q25 169); IL went from 110 in 2Q22 to 261 now (1Q25 242; 2Q24 221); see our [IL report](#) for more details. In MA 414 stores have begun operations vs. 368 a year ago; in NJ there are 147 stores vs. 106 a year ago. In OH there are 158 stores now vs. 92 two years ago and 124 one year ago. NY is now at 409 vs. 134 one year ago. CT is now at 71 (>2x yoy). FLA had 725 stores at end of 2Q25 (1Q25 712; 2Q24 655). PA has expanded stores more slowly; it now has 193 dispensaries in operation vs. 184 a year ago, and 178 2y ago. MD (101) and NV (104) are the exceptions, with the store count unchanged in yoy terms. All this said, in terms of rev/store pa, there is great disparity across these states (annualizing the latest qtr): MD \$11.1Mn; PA \$10M; IL \$7.8Mn NJ \$7.5Mn; NV \$7.0Mn; AZ \$6.8Mn; OH \$6.3Mn; MA \$4.2Mn; CT \$4.1Mn; NY \$2.4Mn; FL \$2.3Mn.

- Impact on MSO wholesale revenue. Due to weaker retailer economics, MSOs are now more cautious on expanding their wholesale operations. Also, due to price competition, they tend to allocate a greater proportion of their production to own stores (to capture more margin). Both have the effect of reducing net wholesale revenue (add to that price deflation).
- Debt levels: As we have seen with the case of AYR (and Cannabist to some extent too), minority equity shareholders can be significantly diluted as companies restructure debt (and issue warrants or other equity-linked instruments) and or divest assets. Per the 1Q financials, ex tax debt, of the tier 1 MSOs, in terms of financial net debt to 1Q annualized sales, Curaleaf was at 53%; Cresco 48%, Verano 40%, Trulieve 24%, and Green Thumb 4%. If we factor tax debt, net leases, and contingent consideration, Verano's leverage was 79%; Trulieve 70%; Curaleaf 69%; Cresco 59%; Green Thumb 9%. Per the latest reported data, the MSOs with the most leverage were AYR (before the recent asset sale) at 360% (534% taking our broader definition of net debt), Acreage 165% (203%), before the acquisition by Canopy USA; 4Front 91% (170%); Cannabist 81% (138%); TILT 80% (317%). Re other MSOs, in terms of financial net debt to sales, Jushi was at 67% (see our [report](#) re PA upside); [Vext](#) 63%; TerrAscend 56%; Ascend 46%; [MariMed](#) 44%; Fluent 36%; GlassHouse 17%. [Planet 13](#) is in a net cash position. We note Gold's Flora net to financial debt to sales was "only" 31%, but broadly defined net debt was 120%. Vireo Growth recently refinanced its debt and is much stronger position after an equity raise last year (see [our report](#)).

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	will cover
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		VEXTF	Overweight
Vireo Growth		VREOF	Overweight
Finance (MJ) Companies			
AFC Gamma		AFCG	Neutral
Chicago Atlantic BDC		LIEN	Overweight
Chicago Atlantic REAF		REFI	Overweight
Innovative Industrial Properties		IIPR	will cover
New Lake Capital Partners		NLCP	Overweight
SHF Holdings		SHFS	not rated

Source: Z&A

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



Appendix I: Valuation Comps

Exhibit 1: US MSOs Valuation Multiples

US\$Mn 04-Aug-25	Z&A Spot EV / Sales			Z&A Spot EV / EBITDA			NET DEBT RATIOS				BROADER DEFINITION OF NET DEBT			
	Current	CY25e	CY26e	Current	CY25e	CY26e	Net Debt/Sales		Net Debt/EBITDA		BDND/Sales		BDND/EBITDA	
							Current	CY25	Current	CY25	Current	CY25	Current	CY25
US MSOs	1.8x	1.1x	0.9x	9.2x	3.4x	4.2x								
Ascend Wellness	1.2x	1.2x	1.1x	5.8x	5.5x	5.0x	-0.5x	-0.4x	-2.2x	-2.1x	-1.1x	-1.0x	-5.0x	-4.8x
Cannabist Co	1.3x	1.3x	1.3x	13.2x	12.7x	8.9x	-0.8x	-0.9x	-8.6x	-8.2x	-1.1x	-1.2x	-12.0x	-11.6x
Consortium	1.3x	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	5.9x	5.2x	-0.5x	-0.5x	-2.2x	-2.2x	-0.9x	-0.9x	-4.1x	-4.0x
Curaleaf	2.0x	1.9x	1.8x	9.5x	9.0x	7.8x	-0.5x	-0.5x	-2.5x	-2.4x	-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	2.6x	2.1x	33.5x	13.7x	8.8x	-0.2x	-0.1x	-1.6x	-0.7x	-0.2x	-0.1x	-1.7x	-0.7x
Vireo Growth (pf)	1.8x	1.7x	1.3x	6.5x	6.7x	4.3x	0.0x	na	-0.1x	na	-0.2x	na	-0.7x	na
Green Thumb	1.6x	1.5x	1.4x	5.1x	5.1x	4.7x	0.0x	0.0x	-0.1x	-0.1x	-0.1x	-0.1x	-0.3x	-0.3x
Grown Rogue	1.8x	na	na	2.6x	na	na	0.2x	na	0.3x	na	0.0x	na	0.1x	na
iAnthus	1.3x	na	na	15.4x	na	na	-1.0x	na	-12.3x	na	-1.1x	na	-12.7x	na
Jushi	1.7x	1.7x	1.5x	11.4x	10.1x	8.1x	-0.7x	-0.6x	-4.3x	-3.9x	-1.3x	-1.2x	-8.4x	-7.4x
MariMed	1.0x	0.9x	0.8x	14.3x	7.2x	4.7x	-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	-24.2x	6.9x	0.1x	0.1x	na	-2.0x	-0.2x	-0.2x	na	6.3x
TerrAscend	1.6x	1.6x	1.5x	7.5x	7.3x	6.2x	-0.6x	-0.6x	-2.8x	-2.7x	-1.1x	-1.0x	-5.0x	-4.8x
TILT	1.4x	na	na	-32.3x	na	na	-0.8x	na	18.7x	na	-1.4x	na	31.6x	na
Trulieve	1.5x	1.5x	1.4x	4.0x	4.2x	4.3x	-0.2x	-0.2x	-0.7x	-0.7x	-0.7x	-0.7x	-1.9x	-2.0x
Verano	1.1x	1.1x	1.0x	4.2x	3.8x	3.6x	-0.4x	-0.4x	-1.5x	-1.4x	-0.8x	-0.8x	-3.1x	-2.8x
Vext	1.4x	1.2x	0.8x	5.0x	4.2x	1.8x	-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, Z&A estimates, and company reports

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US MSOs: State of the Markets in 2Q25

Exhibit 2: US MSOs EV Calculations

US\$Mn 4-Aug-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	573	626	0.39	205.2	13.3	85	-233	-133	-174			-541	86
Cannabist Co	483	439	0.08	472.7	8.2	40	-284	-26	-89			-399	
Consortium	140	141	0.07	627.0	3.2	42	-39	-11	-49			-99	
Cresco Labs	704	869	0.62	436.9	0.0	271	-320	-56	-212	-10		-598	
Curaleaf	1,889	2,481	1.42	877.1	21.3	1,278	-654	-45	-464	-39		-1,202	
4Front Ventures	223	139	0.00	915.2	3.8	0	-81	-11	-42	-5	0	-139	
Glass House	420	589	5.55	82.1	2.9	472	-29	0	-2	0		-31	
Vireo Growth (pf)	193	621	0.58	949.3	12.7	556	-8		-60		2	-66	
Green Thumb	1,784	1,750	6.75	235.9	7.7	1,644	-42	-31	-33	0	0	-105	
Grown Rogue	75	54	0.39	143.5		56	5	-2	-2			1	
iAnthus	34	197	0.01	6,745.7	0.0	34	-158	-4				-162	15
Jushi	370	447	0.60	196.7	0.0	118	-171	-3	-155			-329	
MariMed	137	146	0.10	389.2	11.1	39	-67	-1	-25			-93	
Planet 13	98	90	0.20	325.4	0.3	66	8	-10	-21			-23	
Schwazze	174	188	0.02	80.2		2	-151	-2	-33	0		-186	
TerrAscend	344	460	0.43	356.2	1.5	154	-171	-6	-126	-3		-306	
TILT	128	126	0.01	391.3	0.7	3	-73	-47	-3			-123	
Trulieve	1,313	1,754	4.70	191.1	7.6	934	-289	-25	-501	-6		-820	
Verano	672	906	0.66	359.7	6.3	241	-336	-8	-319	-1		-664	
Vext	62	67	0.15	247.6	0.2	38	-29	0				-29	

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

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US MSOs: State of the Markets in 2Q25

Exhibit 3: Performance

4-Aug-25			
Stock Performance			
Ticker	Last 30d	Last 90d	Last 12mo
US MSOs			
Ascend	13%	-11%	-64%
Ayr	-99%	-100%	-100%
Cannabist	72%	8%	-66%
Consortium	39%	24%	-43%
Cresco	21%	-31%	-61%
Curaleaf	71%	48%	-63%
4Front	-90%	-97%	-100%
GlassHouse	-19%	-19%	-33%
Gold Flora	na	na	-71%
Grown Rogue	5%	-19%	-34%
Green Thumb	22%	4%	-40%
iAnthus	10%	18%	-69%
Jushi	98%	54%	13%
MariMed	14%	-10%	-43%
Planet13	10%	-32%	-54%
Schwazze	na	na	-90%
StateHouse	na	na	1400%
Trulieve	22%	0%	-53%
TerrAscend	53%	9%	-69%
Verano	31%	-20%	-83%
Vext	15%	62%	-15%
Vireo Growth	31%	30%	24%
International			
InterCure	-3%	36%	-28%
PharmaCielo	-2%	27%	112%

Stock Performance			
Ticker	Last 30d	Last 90d	Last 12mo
Canadian LPs			
Aurora	0%	-7%	-26%
Avant	-17%	-31%	-61%
Auxly	25%	60%	302%
Ayurcann	-1%	3%	-59%
Cannara	-16%	-14%	86%
Canopy	-12%	-21%	-84%
Cronos	-3%	6%	-17%
Decibel	14%	27%	44%
Entourage	na	na	na
High Tide	-7%	-10%	19%
OGI	-4%	16%	-15%
Rubicon	1%	-4%	2%
SNDL	32%	19%	-25%
Tilray	17%	25%	-71%
VFF	24%	116%	39%
Tech			
LFLY	-36%	6%	-92%
SBIG	-15%	-41%	-65%
MAPS	3%	-27%	-9%
Vape parts			
GNLN	1%	-50%	-100%
ISPR	-8%	-9%	-64%
SMORF	0%	0%	2%
TLTTF	9%	-20%	-65%

Stock Performance			
Ticker	Last 30d	Last 90d	Last 12mo
MJ Fincos			
AFCG	-8%	-25%	-50%
IIPR	-10%	-8%	-58%
NLCP	-1%	-2%	-27%
SHFS	18%	-19%	-80%
LIEN	0%	-2%	-14%
REFI	-9%	-13%	-18%
Pix & Shovel			
AGFY	9%	10%	491%
GRWG	-2%	-22%	-55%
HYFM	16%	24%	-33%
SMG	-10%	14%	-18%
UGRO	30%	-8%	-70%
CBD			
CVSI	-3%	36%	-28%
CWEB	-8%	1%	-44%
LFID	-23%	-16%	-64%
Index			
S&P 500	0%	10%	15%
S&P 477	-3%	-2%	4%
Nasdaq	6%	22%	41%
MSOS ETF	27%	3%	-58%
YOLO ETF	15%	13%	-35%
Simple Group Averages			
Large Canada LF	9%	25%	-33%
Tier 1 MSOs	34%	0%	-60%

Source: FactSet and company reports



Appendix II: Bio and Disclaimers



Analyst Bio

Pablo Zuanic is a well-known and highly rated equity analyst following the broader cannabinoids (THC cannabis, hemp derivatives, CBD) and consumer sectors. Over the past six years he has launched coverage of over 40 companies in the US, Canada, and overseas; plant-touching as well as service providers (tech; finance); and has also worked with several private companies. He follows closely the reform process in the US, Canada, Germany, Australia, and elsewhere, and relies on a fundamental and data-driven approach to keep track of sectoral trends. His firm Zuanic & Associates publishes equity research, both from a macro/sectoral level in a thematic manner, as well as on listed stocks. The research service is aimed at institutional investors, corporations, and regulators. The firm is also available for short-term consulting and research advisory projects. Approaching the third 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 ranked in the Institutional Investor magazine surveys and was 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. *He 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

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