



Key Takeaways

Key Trends

- **Political:** The cannabis industry faces uncertainty under the Trump administration, with potential federal reforms such as the SAFER Banking Act and the STATES 2.0 Act gaining attention. State-level initiatives continue to evolve, with New York's focus on equity and sustainability contrasting with Virginia's political challenges.
- Market Dynamics: The industry is experiencing consolidation, with a decline in active licenses and an increase in new applications, particularly in states like New York and New Jersey. Consumer demand remains strong, especially for wellness and low-THC products, driving investment in dispensary expansion and product innovation.

Market Overview

- M&A activity in the cannabis space continues to be subdued in Q1 2025, recording the lowest transaction count in the past two (2) years.
- The macroeconomic environment remains uncertain, with ongoing turbulence in financial markets. As **consumers tighten discretionary spending**, the cannabis industry has felt the impact, particularly in more price-sensitive segments

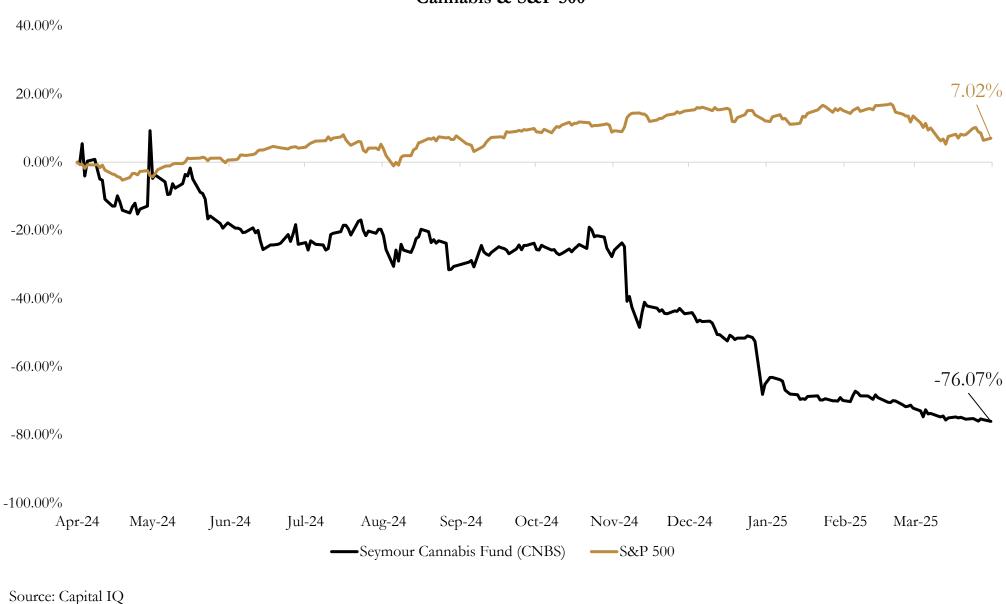
State Legalization

- Kentucky launched its medical cannabis program in January 2025, while Ohio began recreational cannabis sales in August 2024.
- The governors of Pennsylvania, Hawaii, New Hampshire, and Wisconsin have signaled potential movement towards the legalization of recreational cannabis in the near future.
- Florida's 2024 ballot initiative to legalize recreational cannabis use failed to pass.

Sources: Business of Cannabis, Mondaq, The Marijuana Herald

Public Market Performance Sector ETF vs. S&P 500





Public Market Performance Key Financial and Valuation Metrics for Large Industry Operators

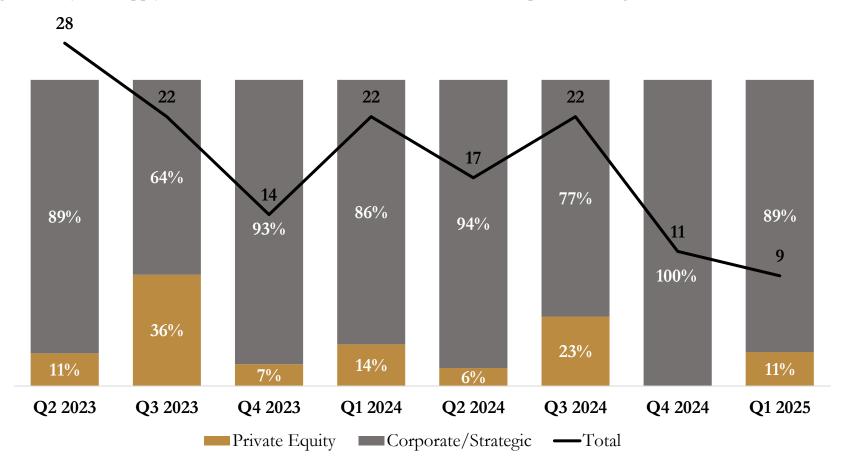
(USD in millions, except per share data)

	Financial Metrics					Valuation Metrics			
Company Name	Price at 03/31/25	% of 52 Week High	TEV	LTM Revenue	LTM EBITDA	Revenue Growth	EBITDA Margin	TEV / LTM Revenue	TEV / LTM EBITDA
Cannabis									
Trulieve Cannabis Corp.	\$3.81	27.3%	\$11,219	\$1,187	\$251	3.9%	21.2%	9.5x	44.7x
Green Thumb Industries Inc.	\$5.82	38.9%	\$1,636	\$1,141	\$312	5.5%	27.3%	1.4x	5.3x
Cresco Labs Inc.	\$0.72	28.8%	\$671	\$716	\$171	-5.3%	23.9%	0.9x	3.9x
Canopy Growth Corporation	\$0.93	6.5%	\$505	\$192	-\$35	-5.4%	-18.3%	2.6x	-14.4x
Tilray Brands, Inc.	\$0.66	22.1%	\$501	\$827	\$32	11.2%	3.9%	0.6x	15.6x
Aurora Cannabis Inc.	\$4.38	49.0%	\$309	\$223	\$43	20.7%	19.2%	1.4x	7.2x
SNDL Inc.	\$1.41	48.1%	\$286	\$645	-\$7	1.3%	-1.1%	0.4x	-41.3x
Organigram Global Inc.	\$1.02	46.5%	\$202	\$135	-\$4	0.0%	-3.1%	1.5x	-48.1x
WM Technology, Inc.	\$1.13	68.5%	\$162	\$185	\$27	-0.7%	14.8%	0.9x	5.9x
Planet 13 Holdings Inc.	\$0.24	31.5%	\$124	\$122	-\$4	3.8%	7.8%	0.8x	10.0x
MariMed Inc.	\$0.09	27.6%	\$123	\$158	\$12	26.0%	-3.1%	1.0x	-33.4x

Source: Capital IQ

M&A TrendsQuarterly M&A Volume (Strategic vs. Private Equity)

The strategic landscape in the cannabis sector remains dominated by corporate and strategic acquirers through 2023 and into 2025, representing nearly all transactions. Deal volume has been highly volatile and declined over the past two quarters, with Q1 2025 marking the lowest number of transactions in the dataset. The industry continues to face significant headwinds, including the lack of federal SAFE Banking legislation, which restricts access to financial services, and volatile state-level pricing driven by oversupply and uneven demand—both of which continue to pressure margins.



Source: PitchBook

M&A TrendsRecent M&A Transactions

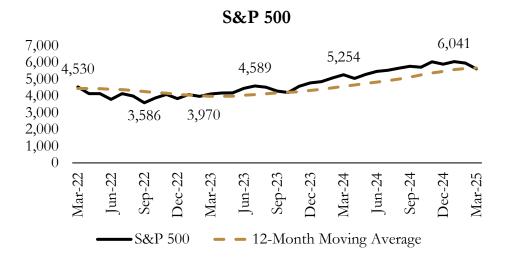
(USD in millions)

Close Date	Target	Acquirer	Implied TEV
Jan-25	Gynesonics, Inc.	Hologic, Inc.	\$341
Oct-24	Mountain High Products, LLC	Canopy USA, LLC	\$298
Dec-24	Acreage Holdings, Inc.	Canopy USA, LLC	\$251
Aug-24	Columbia Care Eastern Virginia LLC	Verano Holdings Corp.	\$91
May-24	VidaCann Ltd.	Planet 13 Holdings Inc.	\$64
Apr-24	Zef Scientific Inc.	Shimadzu Scientific Instruments, Inc.	\$44
Feb-25	Three dispensaries and two processing in Arizona of iAnthus Capital	Pitchfork Enterprises, LLC	\$37
Sep-24	Terrapin Beer Co/Atwater Brewing Co./Hop Valley Brewing Co/Revolver	Tilray Brands, Inc.	\$18
Jul-24	Tahoe Hydroponics Company, LLC/NV Green, Inc.	Ayr Wellness Inc.	\$17
Apr-23	Deseret Wellness, LLC	Curaleaf Holdings, Inc.	\$17
Mar-23	Portfolio of Properties in California	Medical Investor Holdings LLC	\$16
Aug-24	203 Organix, L.L.C.	Verano Holdings Corp.	\$10
May-24	Property located in Los Angeles, California	N/A	\$9
May-24	Planet 13 Florida, Inc.	SGW FL Enterprises, LLC	\$9
Apr-23	Certain assets of Hypur Inc.	POSaBIT Systems Corporation	\$8
Oct-24	23,000 square feet Industrial Property in Maryland	Innovative Industrial Properties, Inc.	\$6
Aug-24	Salubrious Wellness Clinic, Inc.	Verano Holdings Corp.	\$5
Apr-24	Our Community Wellness & Compassionate Care Center, Inc.	MariMed Inc.	\$5
Nov-24	14 Cannabist dispensaries in Florida & cultivation & manufacturing facilities	Shango Holdings Inc.; The Mint Cannabis	\$5
May-24	58,500 square-foot industrial property in East Hartford, Connecticut	NewLake Capital Partners, Inc.	\$4
Jun-24	Substantially all of the assets related to the operations of retail cannabis	Silver State Relief LLC	\$4
Apr-24	Allgreens Dispensary, LLC	MariMed Inc.	\$3
Mar-25	15,000 square feet of cannabis cultivation property in Oklahoma	UC Asset, LP	\$3
Sep-24	Certain Massachusetts assets of Mayflower Medicinals Inc	N/A	\$3
Feb-25	United Beverage Distribution Inc	Flora Growth Corp.	\$2
Nov-24	Black Oak Gallery	VLPS, LLC	\$2
Jun-23	THC Essentials assets of SoRSE Technology Corporation	Pascal Biosciences Inc. (nka:Nevis Brands Inc.)	\$2
Oct-24	Quantum Hydrogen, Inc.	Oscillate plc	\$1
Nov-24	Blüm San Leandro	VLPS, LLC	\$1

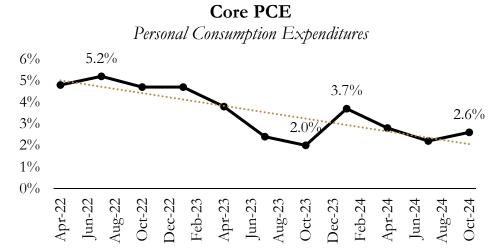
Source: Capital IQ

Macroeconomic Environment

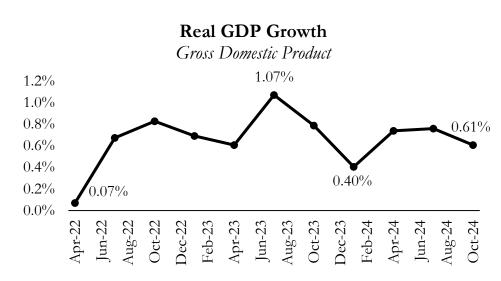
Macroeconomic Indicators



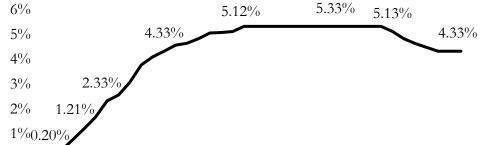
A leading equity index tracking the performance of 500 large U.S. companies.



A key inflation gauge that tracks consumer spending, excluding volatile food and energy prices.



Tracks inflation-adjusted economic output, typically reported quarterly.



Federal Funds Rate

The Fed's benchmark interest rate that influences borrowing costs throughout the economy.

0%

Sep-22

Nov-22

Jan-23

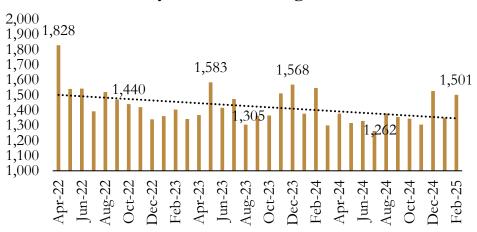
Mar-23
May-23
Jul-23
Sep-23
Nov-23
Jan-24
Mar-24
Jul-24

Source: Capital IQ, St. Louis Fed – FRED Economic Data, Institute for Supply Management

Macroeconomic Environment

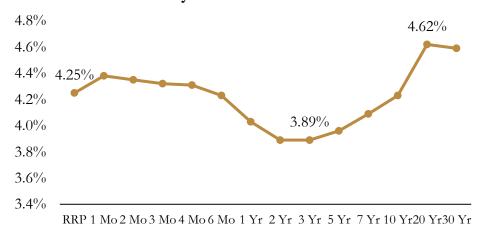
Macroeconomic Indicators (Cont.)

New Privately-Owned Housing Units Started¹



Measures the number of new residential construction projects begun each month.

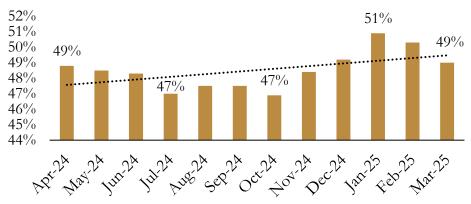
Treasury Par Yield Curve Rates



Displays yields across Treasury maturities, reflecting market expectations for future interest rates.

Manufacturing PMI

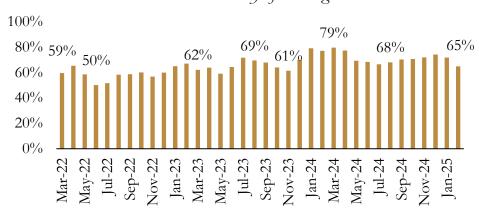
Purchasing Manager's Index



A monthly survey signaling manufacturing sector activity; readings above 50 indicate expansion.

Consumer Sentiment

From the University of Michigan



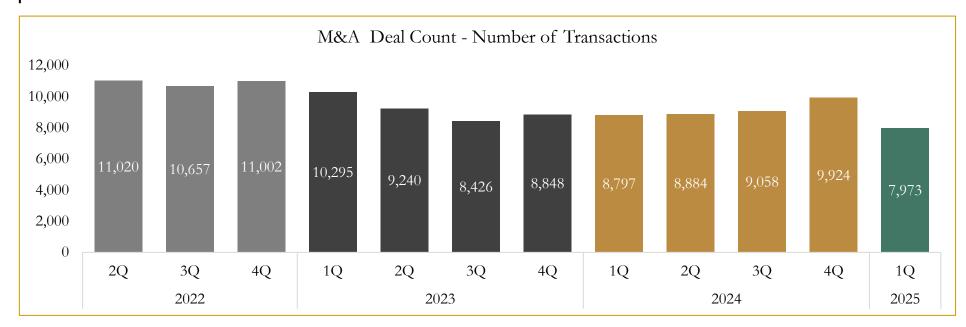
Measures consumer confidence in the economy based on monthly survey data.

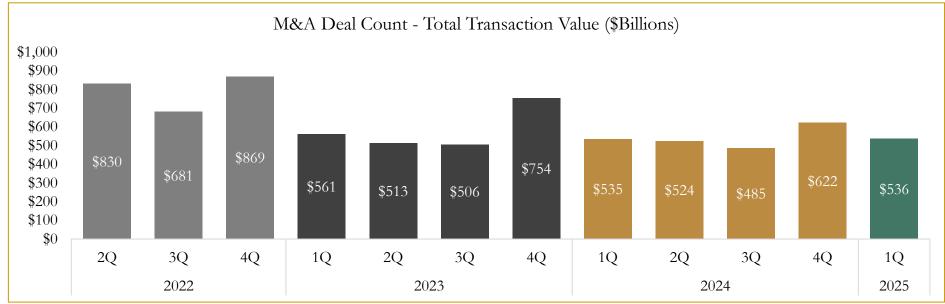
Source: St. Louis Fed – FRED Economic Data ¹Figures in Thousands

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Macroeconomic Environment

Total M&A Volume (Past Three (3) Years)





Source: Capital IQ; Data derived from M&A activity over the past three years.

Houlihan Capital

About Us

Company Overview

- Founded in 1996, Houlihan Capital is an employeeowned valuation and investment banking firm.
- As a member of FINRA and SIPC, our team of 40+ professionals are committed to the highest levels of quality and professionalism.

Divisions & Core Offerings

- Valuation & Financial Advisory Portfolio Valuations for Funds, with an industry specialization in cryptocurrency.
- Investment Banking M&A Advisory for Founders and Family-Owned businesses in the lower middle market.

Houlihan Capital Locations



Chicago, IL



Cleveland, OH

For questions or inquiries regarding our services, please contact:

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