

Industry Update
Cannabis
Q2 2025

Key Trends

- **Market Saturation Leads to Price Compression:** Wholesale prices continue to disappoint across mature U.S. markets – late Q2 saw the U.S. Cannabis Spot Index dip below \$1,000/lb amid surplus inventory. Operators are pivoting toward edibles, extracts, and supply agreements to protect margins.
- **New York Emerges as Growth Powerhouse:** New York's legal cannabis market is projected to hit \$1.5 billion in 2025, thanks to over 340 licensed dispensaries and ongoing enforcement against illegal sellers. New store openings and equity-focused licensing policies are fueling this growth.

Market Overview

- M&A activity in the cannabis space **ticked up** in Q2 2025, recording the highest transaction count in the past three (3) quarters.
- Ongoing economic volatility and cautious consumer spending continue to pressure the cannabis sector. Growth has **slowed** in price-sensitive segments, prompting operators to focus on differentiation, loyalty, and low-cost products.

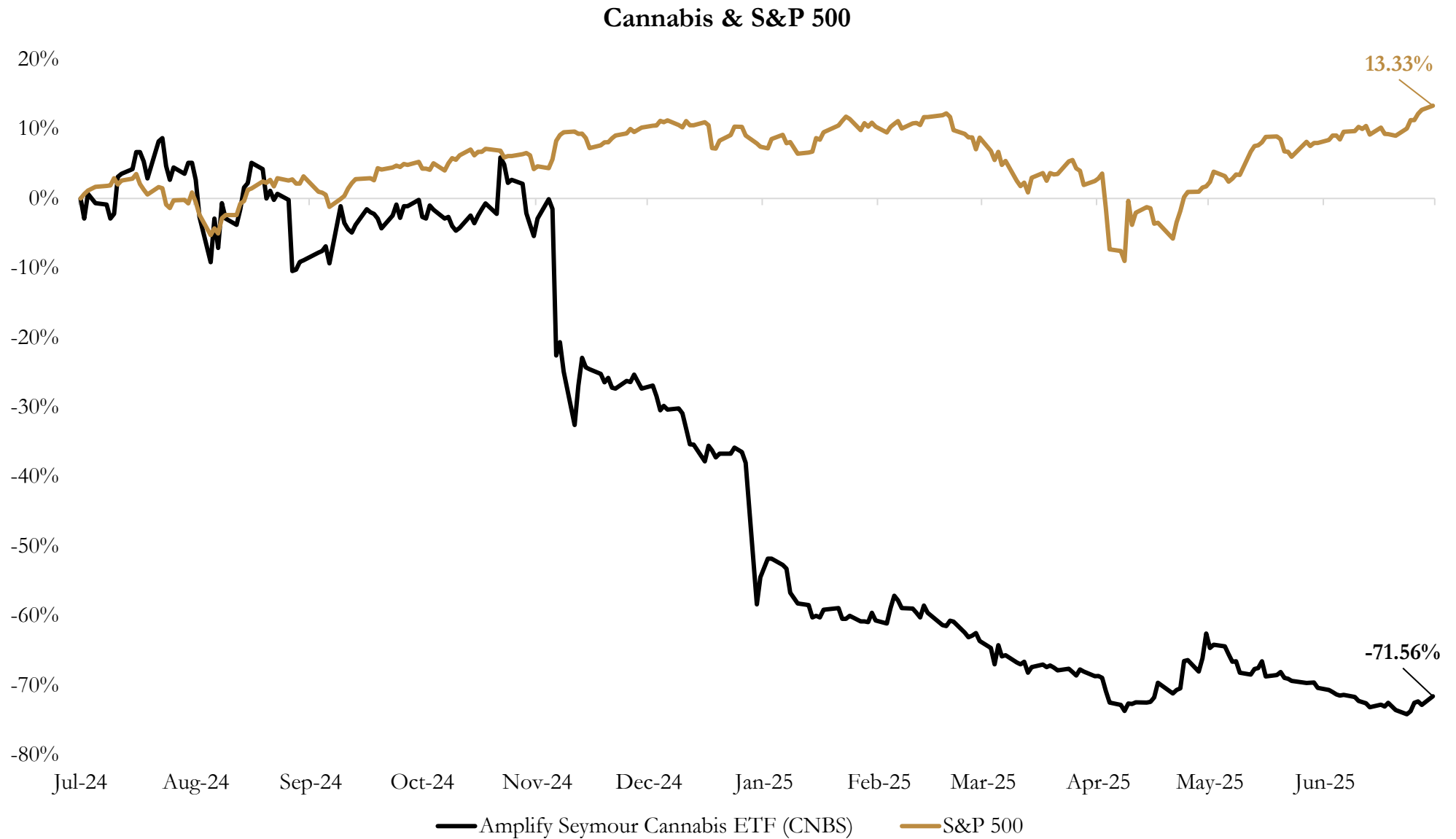
State Legalization

- Minnesota is set to **launch adult-use** cannabis in 2025, with proposed regulations currently under review and licensure expected soon.
- Pennsylvania is advancing legislation: the House passed a recreational legalization bill in May 2025, and the Senate is debating next steps, with projected tax revenue **exceeding** \$500 million.

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Public Market Performance

Sector ETF vs. S&P 500



Source: Capital IQ

2 Public Market Performance

Key Financial and Valuation Metrics for Large Industry Operators

(USD in millions, except per share data)

Company Name	Ticker	Financial Metrics					Valuation Metrics			
		Price at 06/30/25	% of 52 Week High	TEV	LTM Revenue	LTM EBITDA	Revenue Growth	EBITDA Margin	TEV / LTM Revenue	TEV / LTM EBITDA
Cannabis										
Curaleaf Holdings, Inc.	CURA	\$0.84	18.9%	\$1,888	\$1,314	\$246	-2.9%	18.7%	1.4x	7.7x
Green Thumb Industries Inc.	GTHI	\$5.46	44.4%	\$1,692	\$1,141	\$312	5.5%	27.3%	1.5x	5.4x
Trulieve Cannabis Corp.	TRUL	\$3.78	27.2%	\$1,368	\$1,187	\$251	3.9%	21.2%	1.2x	5.4x
Tilray Brands, Inc.	TLRY	\$0.41	19.3%	\$751	\$827	\$32	11.2%	3.9%	0.9x	23.5x
Cresco Labs Inc.	CL	\$0.51	25.1%	\$636	\$697	\$153	-6.7%	21.9%	0.9x	4.2x
Canopy Growth Corporation	WEED	\$1.23	14.1%	\$394	\$187	-\$15	-9.5%	-7.9%	2.1x	-26.6x
SNDL Inc.	SNDL	\$1.21	50.4%	\$314	\$645	-\$7	1.3%	-1.1%	0.5x	-45.4x
Aurora Cannabis Inc.	ACB	\$4.22	58.2%	\$262	\$239	\$21	27.3%	8.9%	1.1x	12.3x
Organigram Global Inc.	OGI	\$1.35	64.8%	\$216	\$135	-\$4	0.0%	-3.1%	1.6x	-51.3x
WM Technology, Inc.	MAPS	\$0.90	54.3%	\$150	\$185	\$27	-0.7%	14.8%	0.8x	5.5x
MariMed Inc.	MRMD	\$0.07	23.8%	\$133	\$158	\$12	3.8%	7.8%	0.8x	10.8x
Planet 13 Holdings Inc.	PLTH	\$0.19	27.4%	\$117	\$122	-\$4	26.0%	-3.1%	1.0x	-31.5x

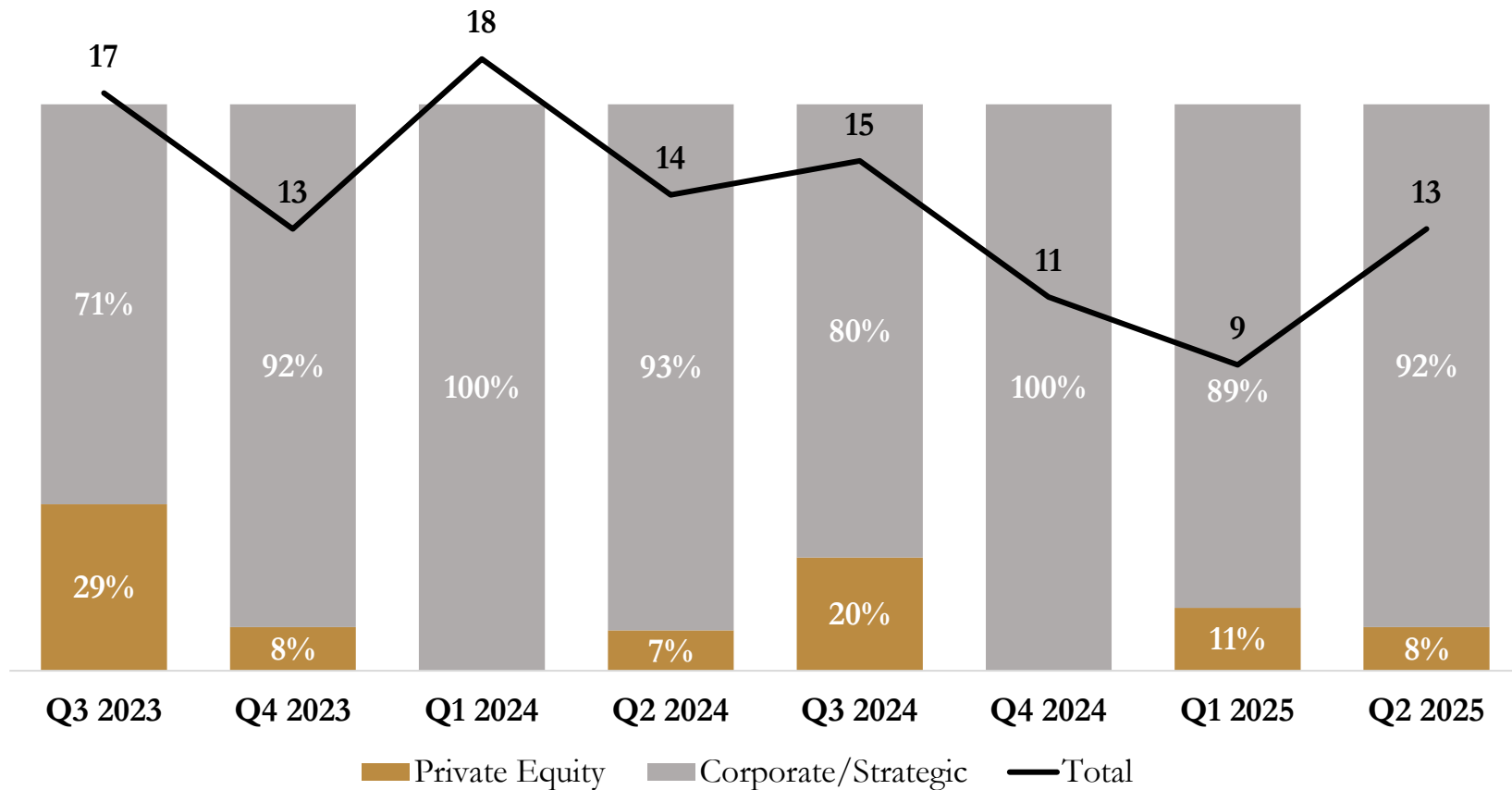
Source: Capital IQ

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M&A Trends

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

The strategic landscape in the cannabis sector has remained dominated by corporate and strategic acquirers since 2023 and into Q2 2025, accounting for nearly all transactions. Deal volume has been highly volatile and in decline since early 2024, with Q1 2025 marking the lowest number of transactions in the dataset. Q2 2025 saw a slight uptick in activity. The industry continues to face significant headwinds, including the absence of federal SAFE Banking legislation, which restricts access to financial services, as well as volatile state-level pricing driven by oversupply and uneven demand. Both factors continue to put pressure on margins.



Source: PitchBook

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M&A Trends

Recent 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
Oct-24	Certain assets of Greenpeak Industries Inc.	Tropics LP	\$109
Aug-24	Columbia Care Eastern Virginia LLC	Verano Holdings Corp.	\$91
Jun-25	New Growth Horizon, LLC	Vireo Growth Inc.	\$73
Jun-25	Deep Roots Harvest, Inc.	Vireo Growth Inc.	\$64
May-25	Certain Assets and Operations of the Fresh Produce Segment of Village	Vanguard Food LP	\$40
Feb-25	Three dispensaries and two processing in Arizona of iAnthus Capital	Pitchfork Enterprises, LLC	\$37
May-25	WholesomeCo Cannabis	Vireo Growth Inc.	\$34
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
Jun-25	The Headquarters Group, Inc.	THC Therapeutics, Inc.	\$11
May-25	Assets of Ratio Cannabis LLC	Ohio Dispensing 1, LLC	\$10
Aug-24	203 Organix, L.L.C.	Verano Holdings Corp.	\$10
Apr-25	Property in Michigan	N/A	\$9
Mar-25	Sounding Board Labs, Inc.	BTS Group AB (publ)	\$9
Feb-25	22,000 square foot Maryland Property	Innovative Industrial Properties, Inc.	\$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
Nov-24	14 Cannabist dispensaries in Florida & cultivation & manufacturing facilities	Shango Holdings Inc.; The Mint Cannabis	\$5
Jun-25	High Times and its associated assets	N/A	\$4
Jun-25	Trans-High Corporations	N/A	\$4
Jun-25	Cannabis beverage business of Jones Soda Co	MJ Reg Disrupters LLC	\$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-25	Nevada Medical Group, LLC	Vegas Brazil LLC	\$2

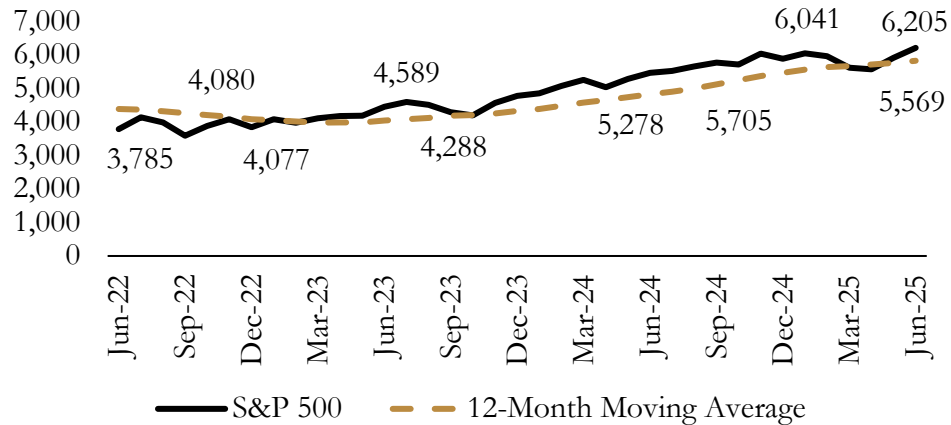
Source: Capital IQ

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Macroeconomic Environment

Macroeconomic Indicators

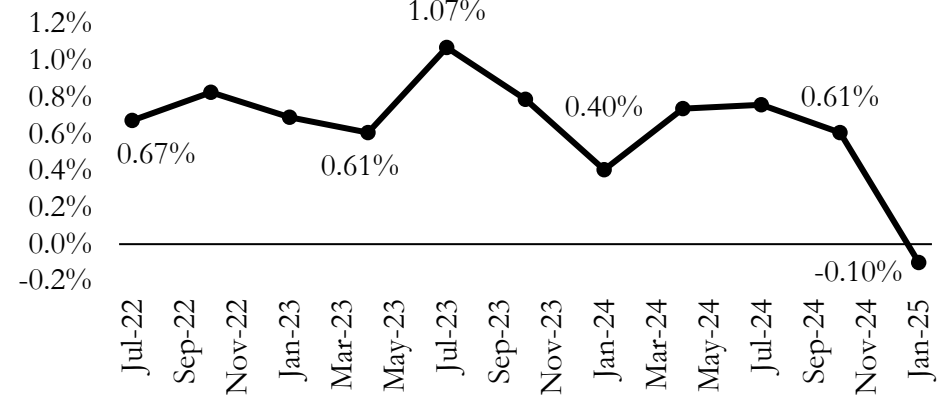
S&P 500



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

Real GDP Growth

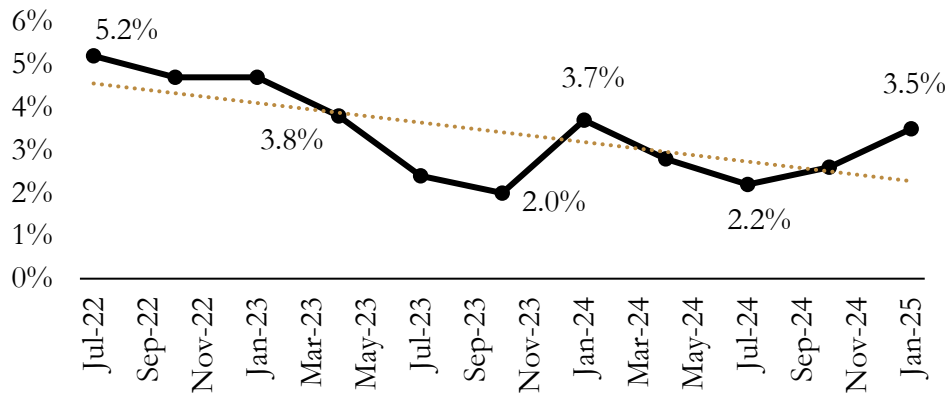
Gross Domestic Product



Tracks inflation-adjusted economic output, typically reported quarterly.

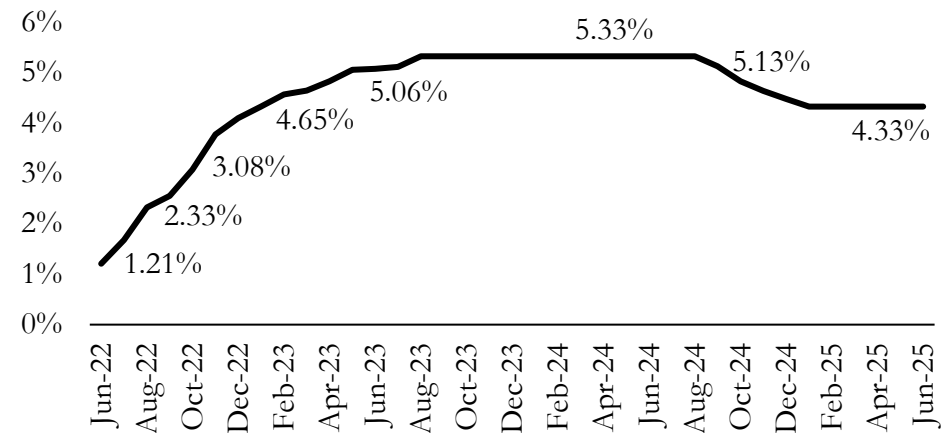
Core PCE

Personal Consumption Expenditures



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

Federal Funds Rate



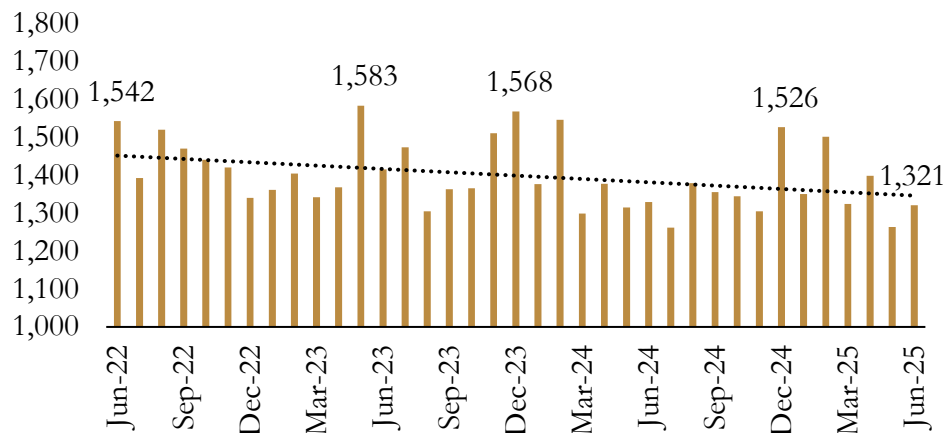
The Fed's benchmark interest rate that influences borrowing costs throughout the economy.

Source: Capital IQ, St. Louis Fed – FRED Economic Data

Macroeconomic Environment

Macroeconomic Indicators (Cont.)

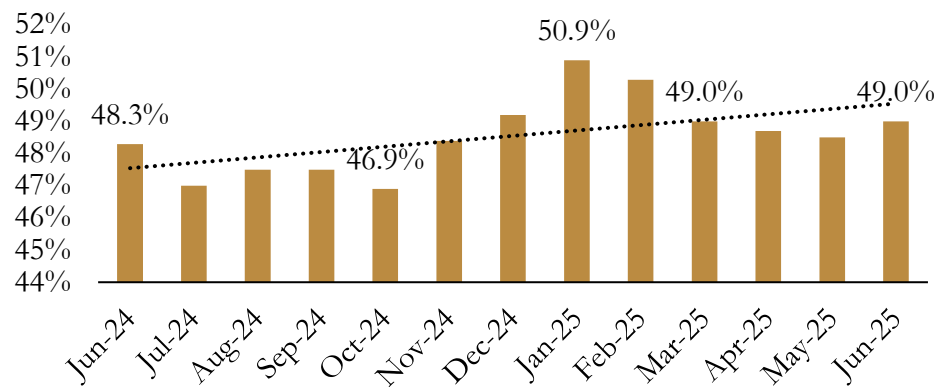
New Privately-Owned Housing Units Started¹



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

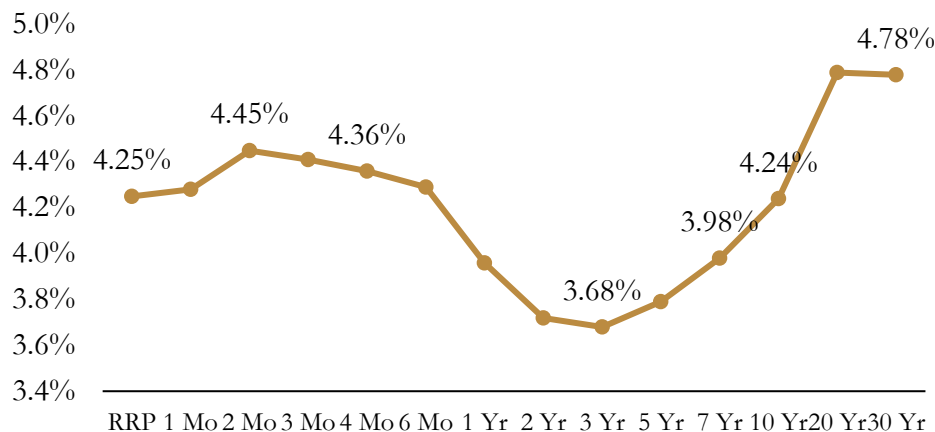
Manufacturing PMI

Purchasing Manager's Index



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

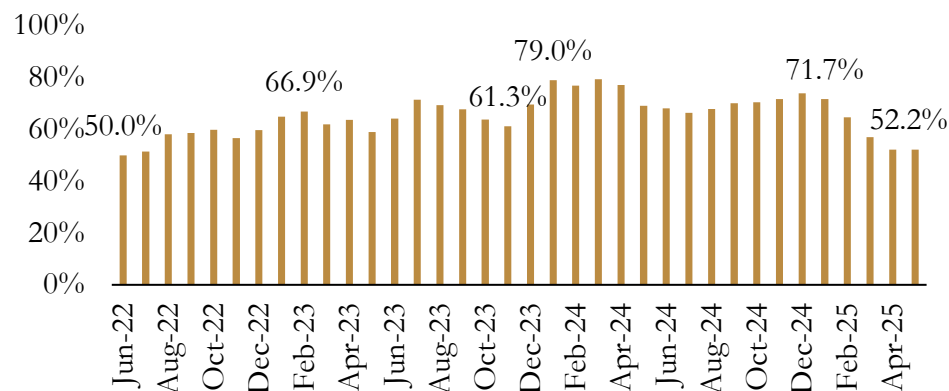
Treasury Par Yield Curve Rates



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

Consumer Sentiment

From the University of Michigan

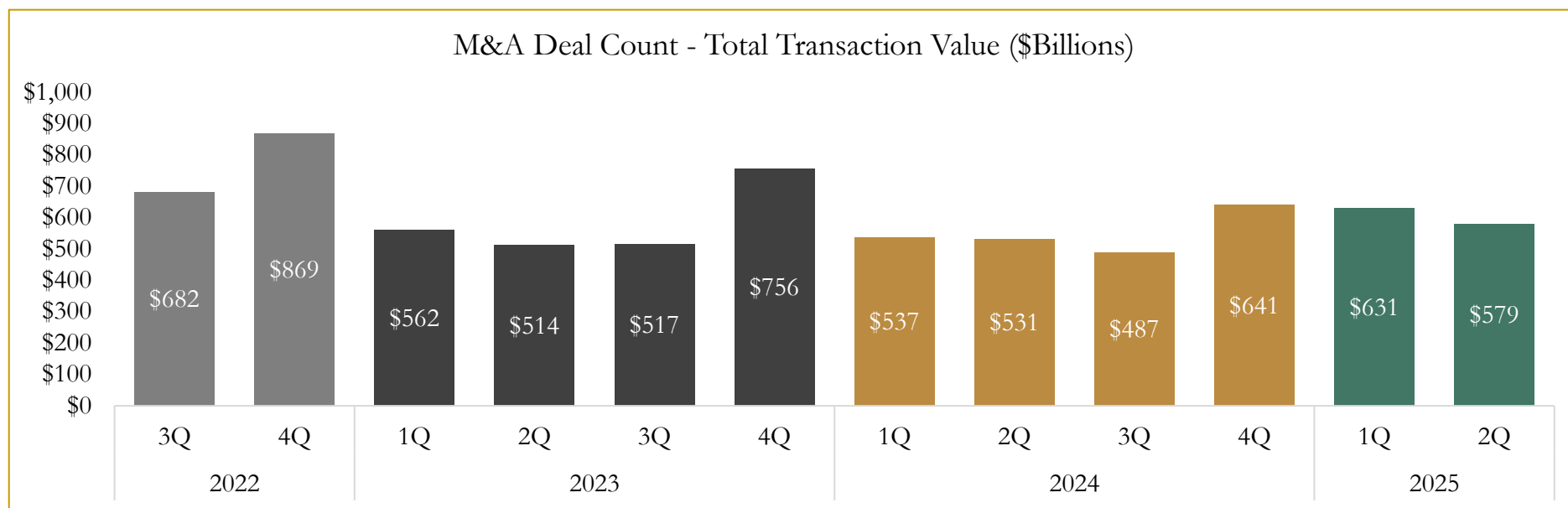
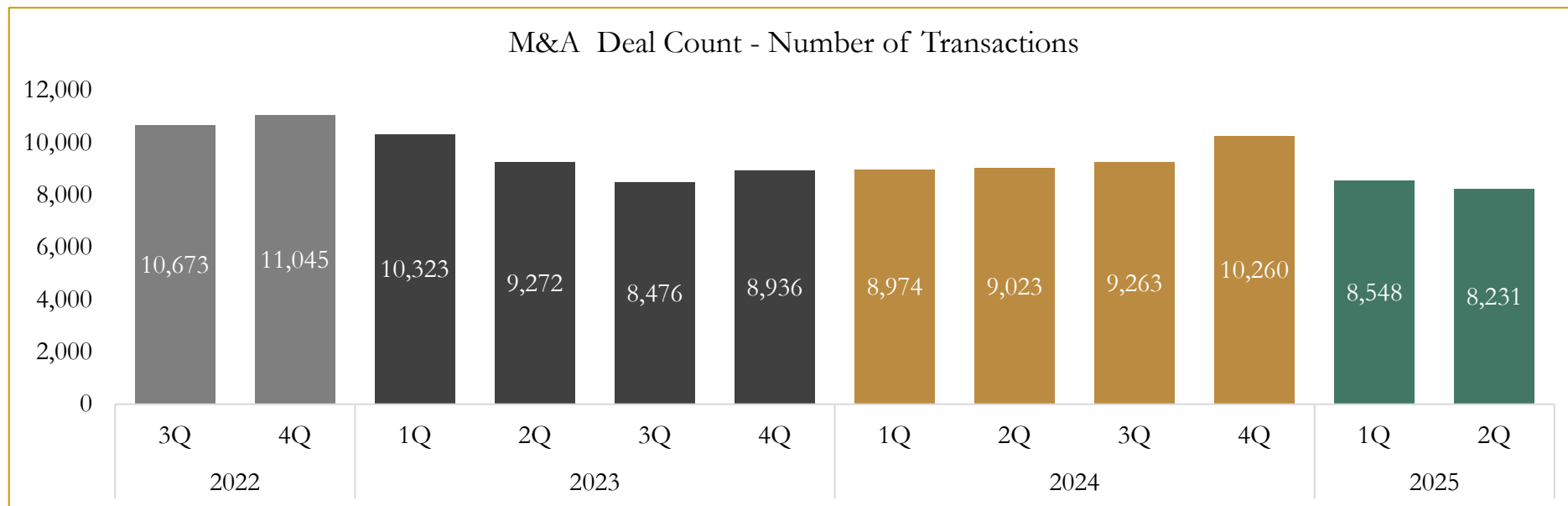


Measures consumer confidence in the economy based on monthly survey data.

Source: St. Louis Fed – FRED Economic Data, Institute for Supply Management, ¹Figures in Thousands

Macroeconomic Environment

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



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

Company Overview

- Founded in 1996, Houlihan Capital is an employee-owned 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

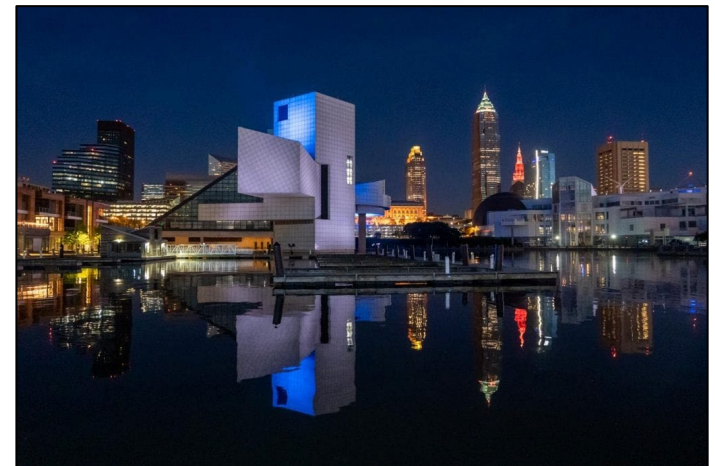
Divisions & Core Offerings

- 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

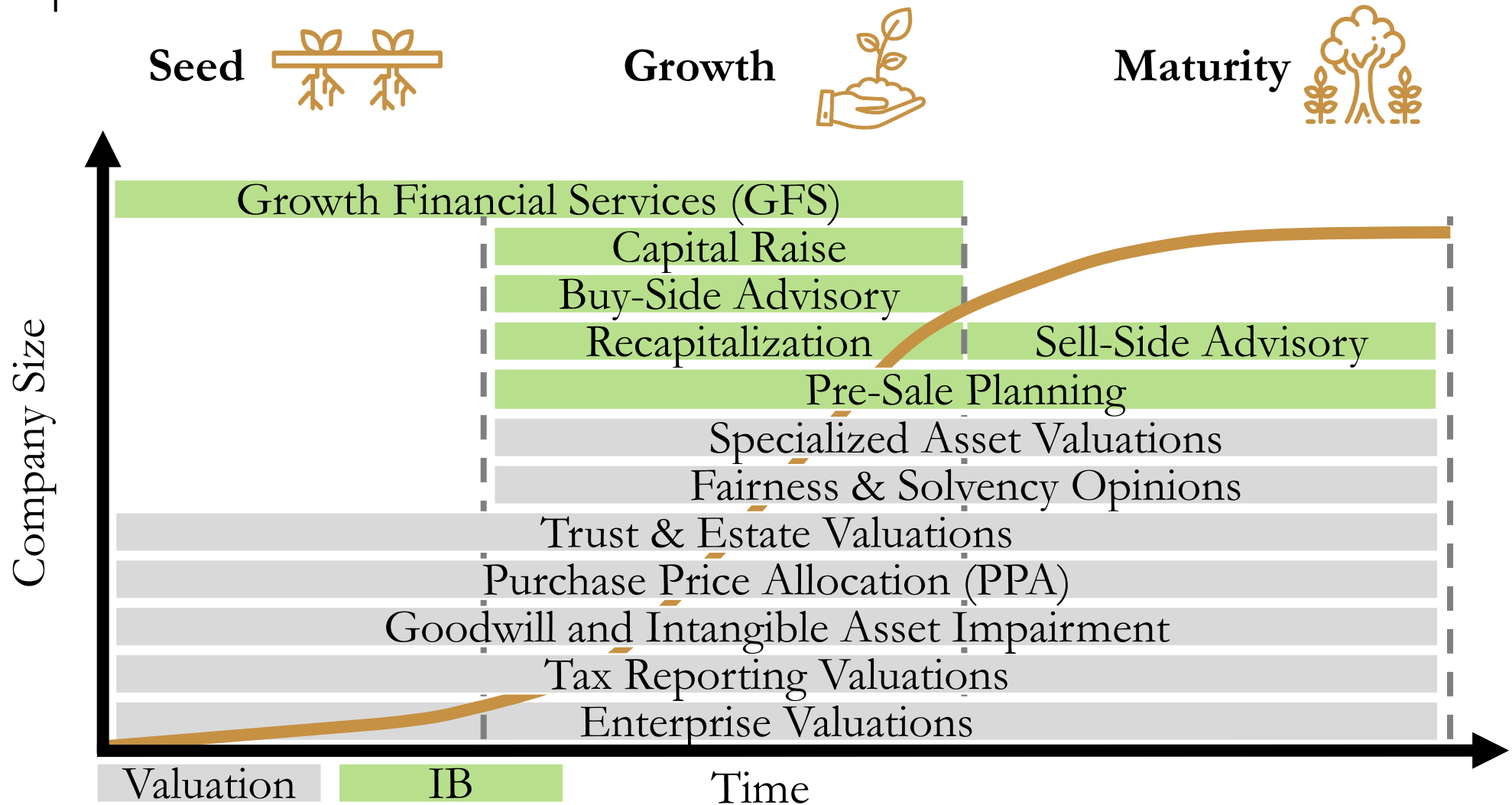
Houlihan Capital Locations



Chicago, IL



Cleveland, OH



For questions or inquiries regarding our services, please contact:

info@houlihancapital.com