



Valuation & Financial Advisory | Investment Banking

**INDUSTRY UPDATE | CANNABIS
Q4 2025**

Key Trends

- **Federal Rescheduling of Marijuana:** President Trump signed a long-awaited executive order directing federal agencies to fast-track reclassifying marijuana from Schedule I to Schedule III, acknowledging its medical use and reducing regulatory barriers.
- **Growth in Value and Alternative Product Categories:** Consumers remain highly price-sensitive, driving increased demand for value brands, pre-rolls, beverages, and minor cannabinoids (where permitted), while premium segments continue to lag. Investors are mirroring this behavior, placing greater emphasis on backing value-oriented brands with resilient demand.

Market Overview

- The 2025 cannabis **market is shifting** from speculative investment to operational discipline, profitability, and consolidation, with investors focusing on sustainable earnings.
- Tilray Brands and Aurora Cannabis **posted strong 2025** results, with Tilray recording one of its highest-ever EBITDA figures and Aurora achieving record revenues despite a mixed outlook.

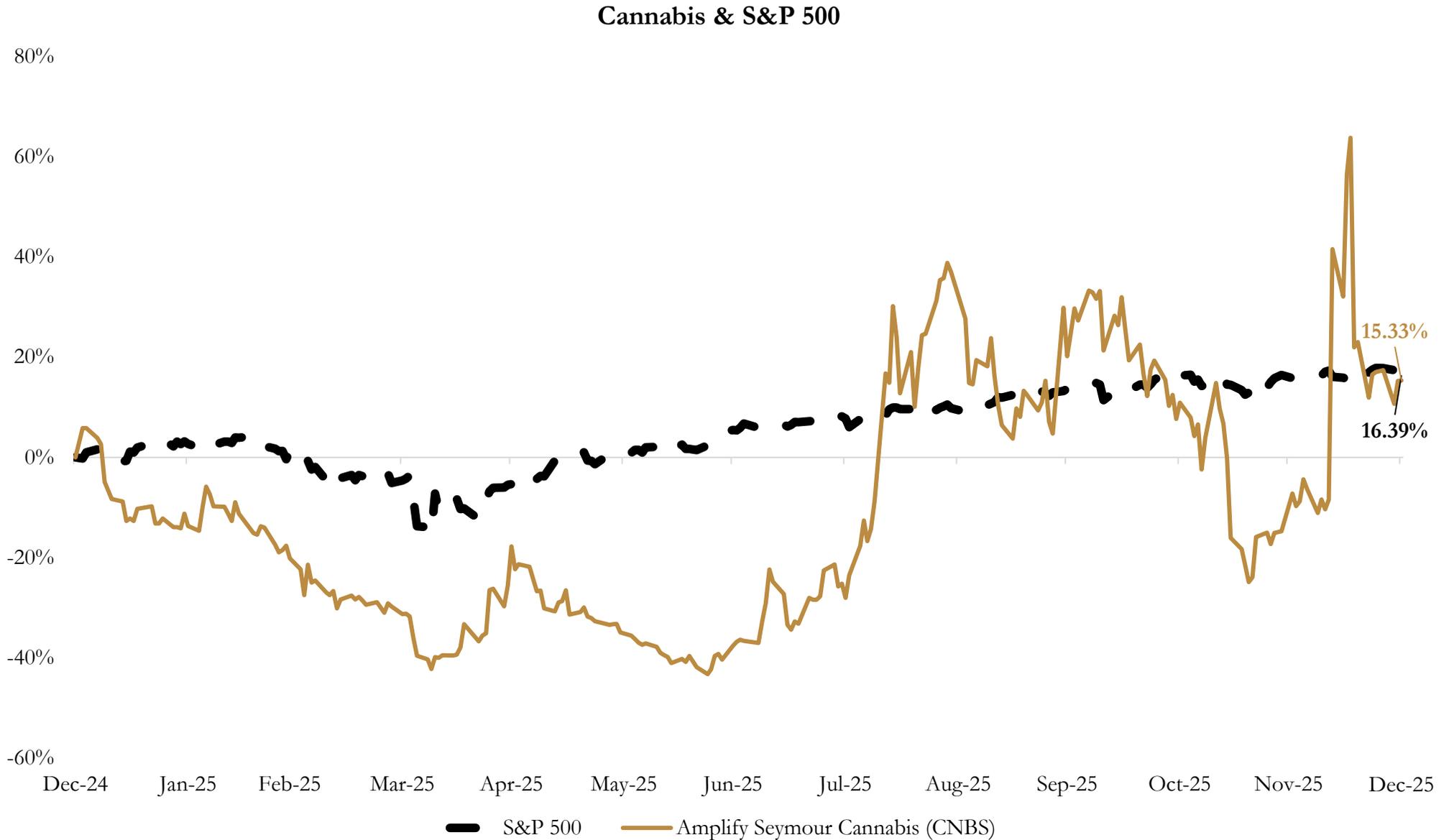
State Legalization

- Organizers in **Florida** have filed a 2026 ballot proposal after a 2024 legalization measure narrowly fell short, receiving 56% of the vote against the 60% required.
- In late 2025, **Pennsylvania** saw a decline in medical marijuana participation as neighboring states expanded recreational access, prompting lawmakers to consider reforms such as a Cannabis Control Board, while full legalization remains contested.

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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 | Valuation Metrics | | | | | Financial Metrics | | | |
|--------------------------------|--------|-------------------|-------------------|-------------------|-------------------|------------------|-------------------|------------|----------------|---------------|
| | | TEV | Price at 12/31/25 | % of 52 Week High | TEV / LTM Revenue | TEV / LTM EBITDA | LTM Revenue | LTM EBITDA | Revenue Growth | EBITDA Margin |
| Cannabis | | | | | | | | | | |
| Curaleaf Holdings, Inc. | CURA | \$3,096 | \$2.49 | 48.9% | 2.4x | 13.5x | \$1,276 | \$229 | -6.0% | 18.0% |
| Green Thumb Industries Inc. | GTHI | \$2,162 | \$8.04 | 76.6% | 1.9x | 7.3x | \$1,158 | \$294 | 3.3% | 25.4% |
| Trulieve Cannabis Corp. | TRUL | \$1,807 | \$8.69 | 72.8% | 1.5x | 6.0x | \$1,189 | \$301 | 1.4% | 25.3% |
| Tilray Brands, Inc. | TLRY | \$1,049 | \$9.03 | N/A | 1.3x | 45.3x | \$837 | \$23 | 1.0% | 2.8% |
| Verano Holdings Corp. | VRNO | \$953 | \$1.26 | N/A | 1.1x | 4.5x | \$833 | \$210 | -7.2% | 25.2% |
| Cresco Labs Inc. | CL | \$901 | \$1.21 | 53.2% | 1.4x | 6.8x | \$662 | \$133 | -9.8% | 20.1% |
| Ascend Wellness Holdings, Inc. | AAWH | \$658 | \$0.73 | 60.4% | 1.3x | 14.0x | \$516 | \$47 | -8.8% | 9.1% |
| Canopy Growth Corporation | WEED | \$425 | \$1.14 | 35.4% | 2.1x | -43.1x | \$200 | -\$10 | -0.7% | -4.9% |
| SNDL Inc. | SNDL | \$360 | \$1.66 | 57.4% | 0.5x | -33.0x | \$683 | -\$11 | 4.4% | -1.6% |
| Aurora Cannabis Inc. | ACB | \$280 | \$4.21 | 58.3% | 1.1x | -117.2x | \$264 | -\$2 | 23.9% | -0.9% |
| Organigram Global Inc. | OGI | \$258 | \$1.68 | 74.8% | 1.4x | 472.3x | \$186 | \$1 | 0.0% | 0.3% |
| WM Technology, Inc. | MAPS | \$133 | \$0.83 | 53.9% | 0.7x | 5.2x | \$179 | \$25 | -2.2% | 14.2% |
| MariMed Inc. | MRMD | \$129 | \$0.09 | 40.9% | 0.8x | 10.1x | \$157 | \$13 | -0.2% | 8.1% |
| Planet 13 Holdings Inc. | PLTH | \$104 | \$0.20 | 38.4% | 1.0x | -5.7x | \$108 | -\$18 | -0.6% | -16.9% |

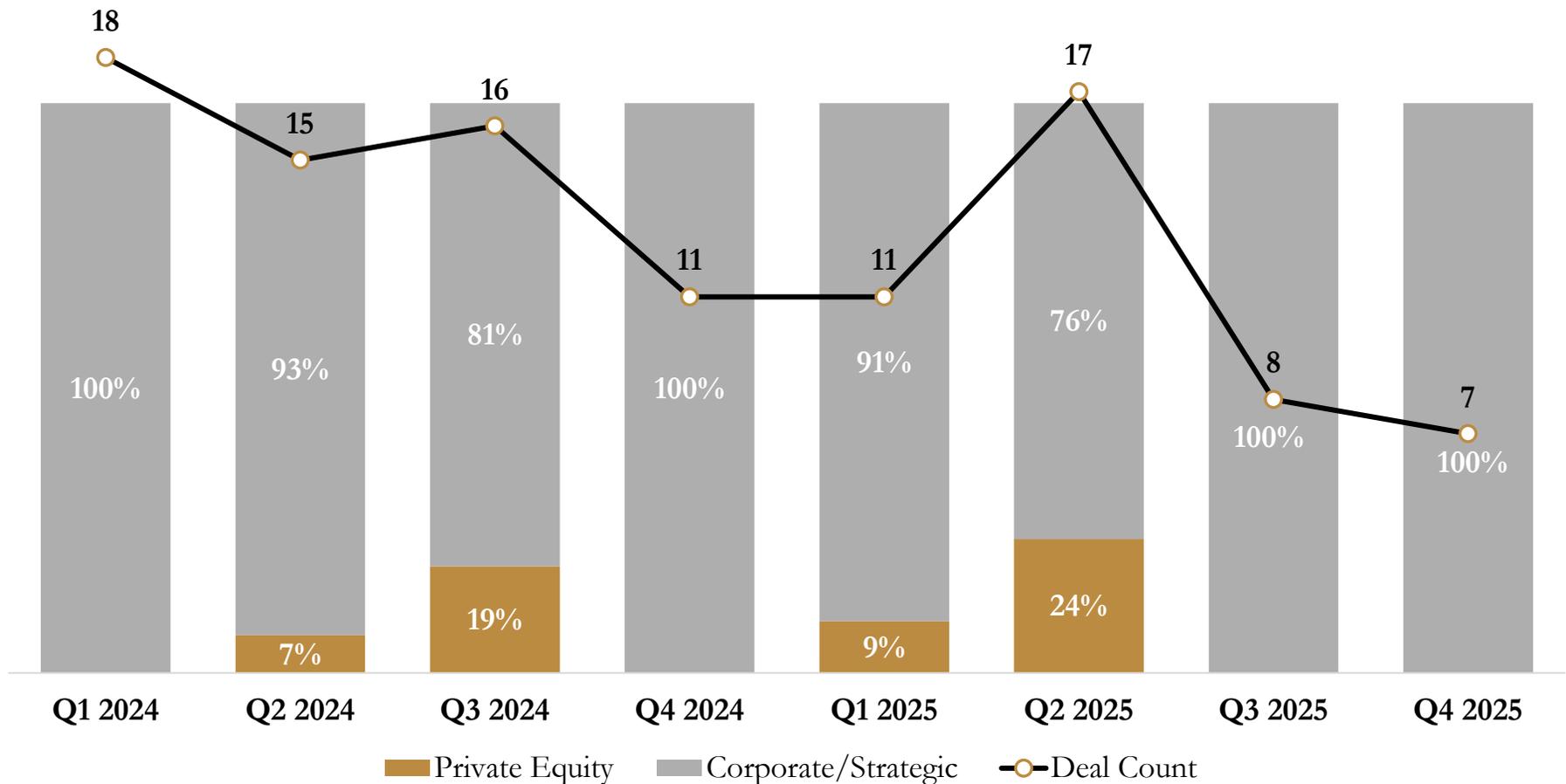
Source: Capital IQ

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M&A Trends

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

The Cannabis M&A market remained subdued in Q4 2025, with total transactions falling to seven (7) – the lowest level in the past two (2) years. Corporate and strategic buyers continued to dominate, accounting for all of activity. Despite sporadic interest from financial investors, deal flow has been constrained by ongoing federal inaction on SAFE Banking legislation and persistent state-level pricing volatility. Oversupply, uneven consumer demand, and regulatory uncertainty continue to pressure profitability and deter larger-scale consolidation across the sector.



Source: PitchBook

Note: Transaction data reflects completed U.S. transactions involving Strategic M&A, PE-backed Companies, and Buyout/LBO platform transactions

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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 |
| Oct-24 | Certain assets of Greenpeak Industries Inc. | Tropics LP | \$109 |
| 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 |
| Oct-24 | Dasera, Inc. | Netskope, Inc. | \$21 |
| Jul-24 | Tahoe Hydroponics Company, LLC/NV Green, Inc. | Ayr Wellness Inc. | \$17 |
| Dec-25 | Pennsylvania Operations of FLUENT Corp. | Hive Holdings, Inc. | \$13 |
| Jun-25 | The Headquarters Group, Inc. | THC Therapeutics, Inc. | \$11 |
| Nov-25 | Exousia Ai, Inc. | LAMY | \$11 |
| May-25 | Assets of Ratio Cannabis LLC | Ohio Dispensing 1, LLC | \$10 |
| Aug-25 | Columbia Care Pennsylvania LLC | N/A | \$10 |
| Mar-25 | Sounding Board Labs, Inc. | BTS Group AB (publ) | \$9 |
| Jun-25 | High Times and its associated assets | N/A | \$4 |
| Jun-25 | Trans-High Corporations | N/A | \$4 |
| Jul-25 | ST Holdings Group, LLC. | THC Therapeutics, Inc. | \$3 |
| 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 |
| Feb-25 | United Beverage Distribution Inc | Flora Growth Corp. | \$2 |
| Jul-25 | J Street Capital Partners, LLC | CFN Enterprises Inc. | \$2 |
| Jun-25 | Nevada Medical Group, LLC | Vegas Brazil LLC | \$2 |
| Aug-25 | Substantially all the assets of Commonwealth Alternative Care Inc. | In Good Health, Inc. | \$2 |
| Mar-25 | Additional Eight Oil Interest in West Texas Permian Basin | Mentor Capital, Inc. | \$1 |
| Sep-25 | GreenBud, LLC | Standard Wellness Holdings, LLC | \$1 |
| Oct-24 | Quantum Hydrogen, Inc. | Oscillate plc | \$1 |
| Dec-25 | Municipal Packaging, LLC | JohnsByrne Company | NA |

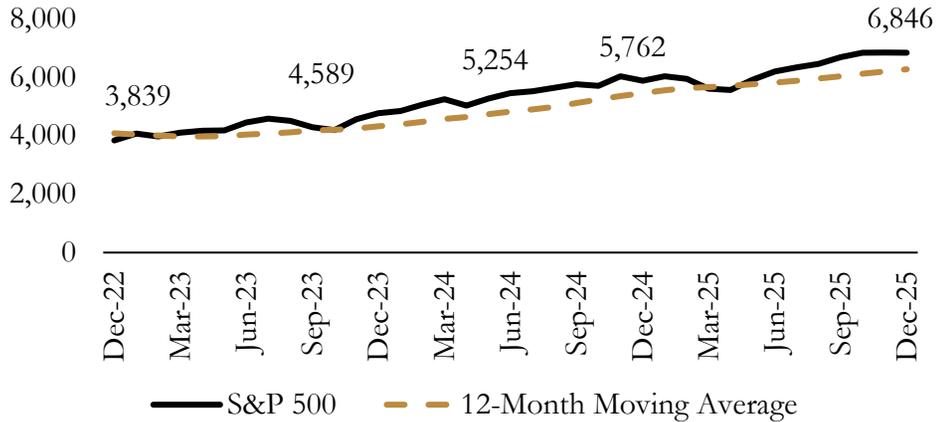
Source: Capital IQ

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Macroeconomic Environment

Macroeconomic Indicators

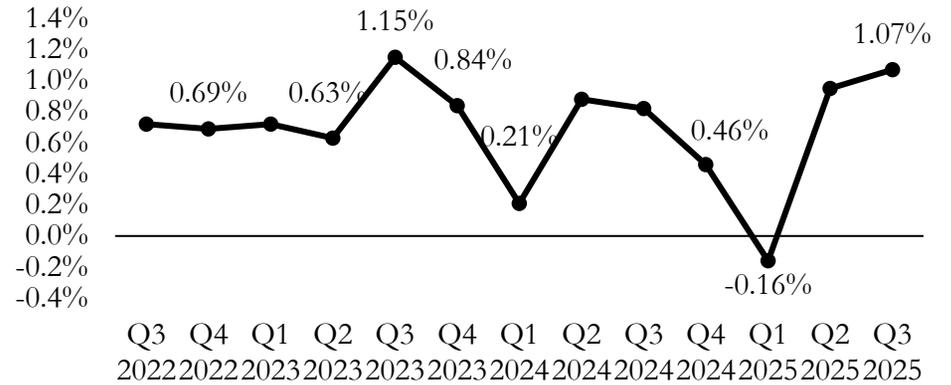
S&P 500



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

Real GDP Growth

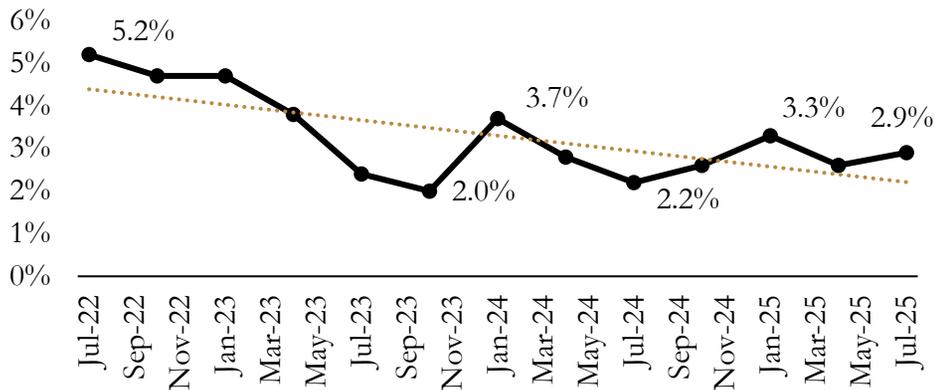
Gross Domestic Product



Tracks inflation-adjusted economic output, typically reported quarterly.

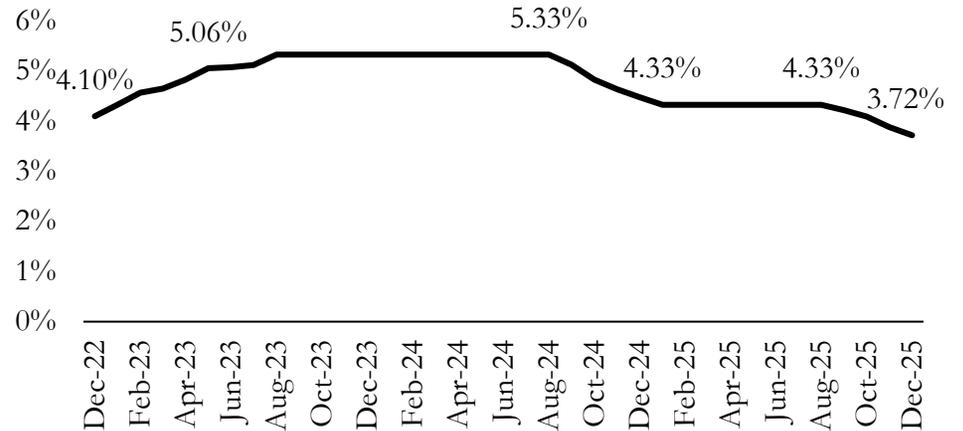
Core PCE

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.

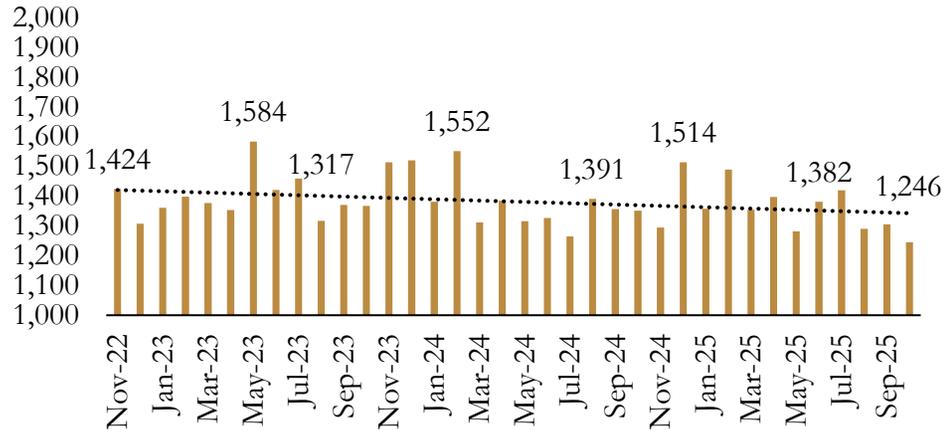
Source: Capital IQ, St. Louis Fed – FRED Economic Data

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Macroeconomic Environment

Macroeconomic Indicators (Cont.)

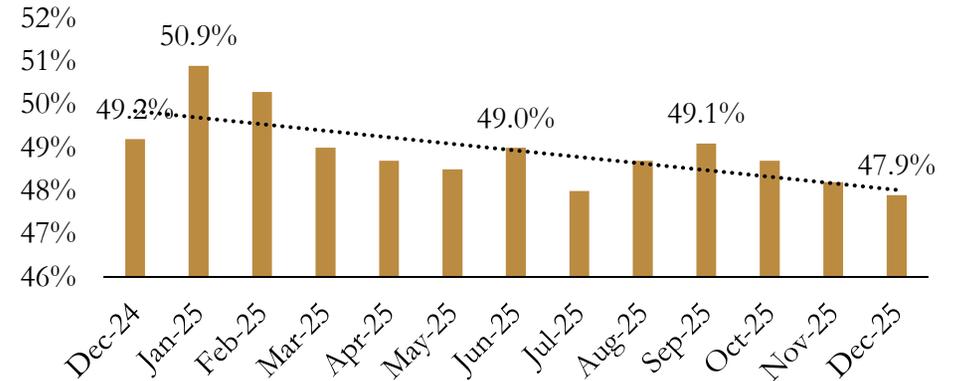
New Privately-Owned Housing Units Started¹



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

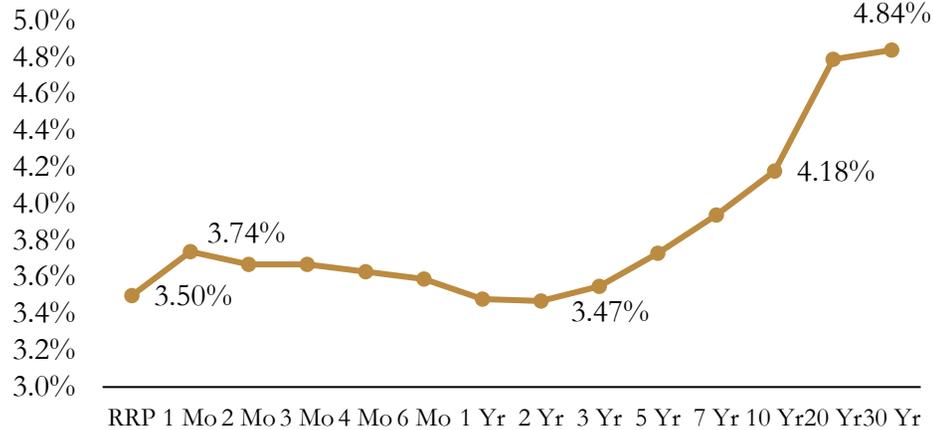
Manufacturing PMI

Purchasing Manager's Index



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

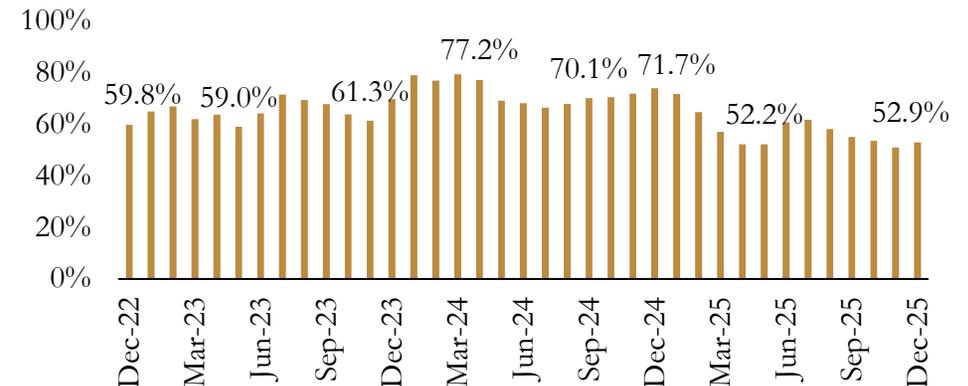
Treasury Par Yield Curve Rates



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

Consumer Sentiment

From the University of Michigan



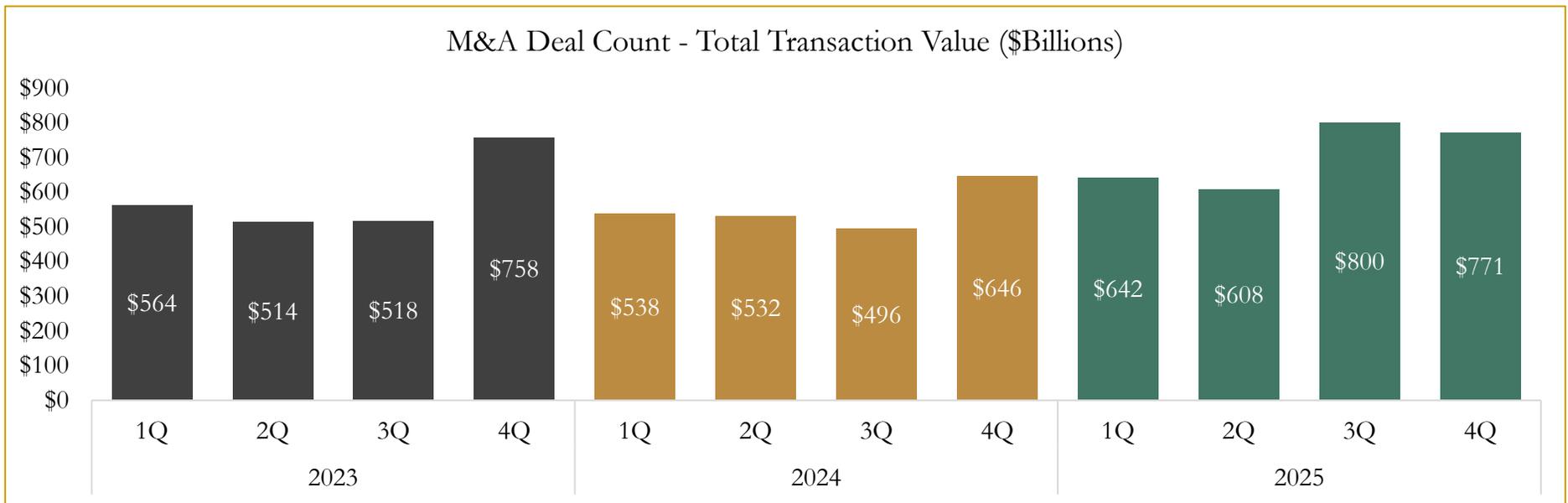
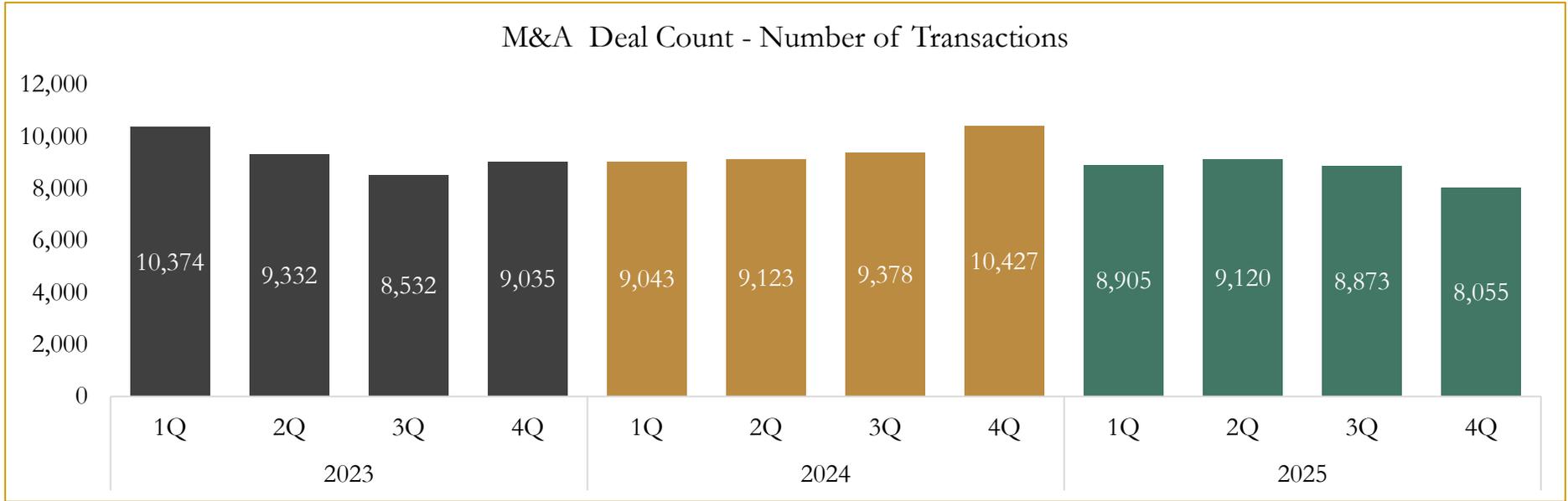
Measures consumer confidence in the economy based on monthly survey data.

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

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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.

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 and Transaction Advisory (i.e., Fairness Opinions) 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

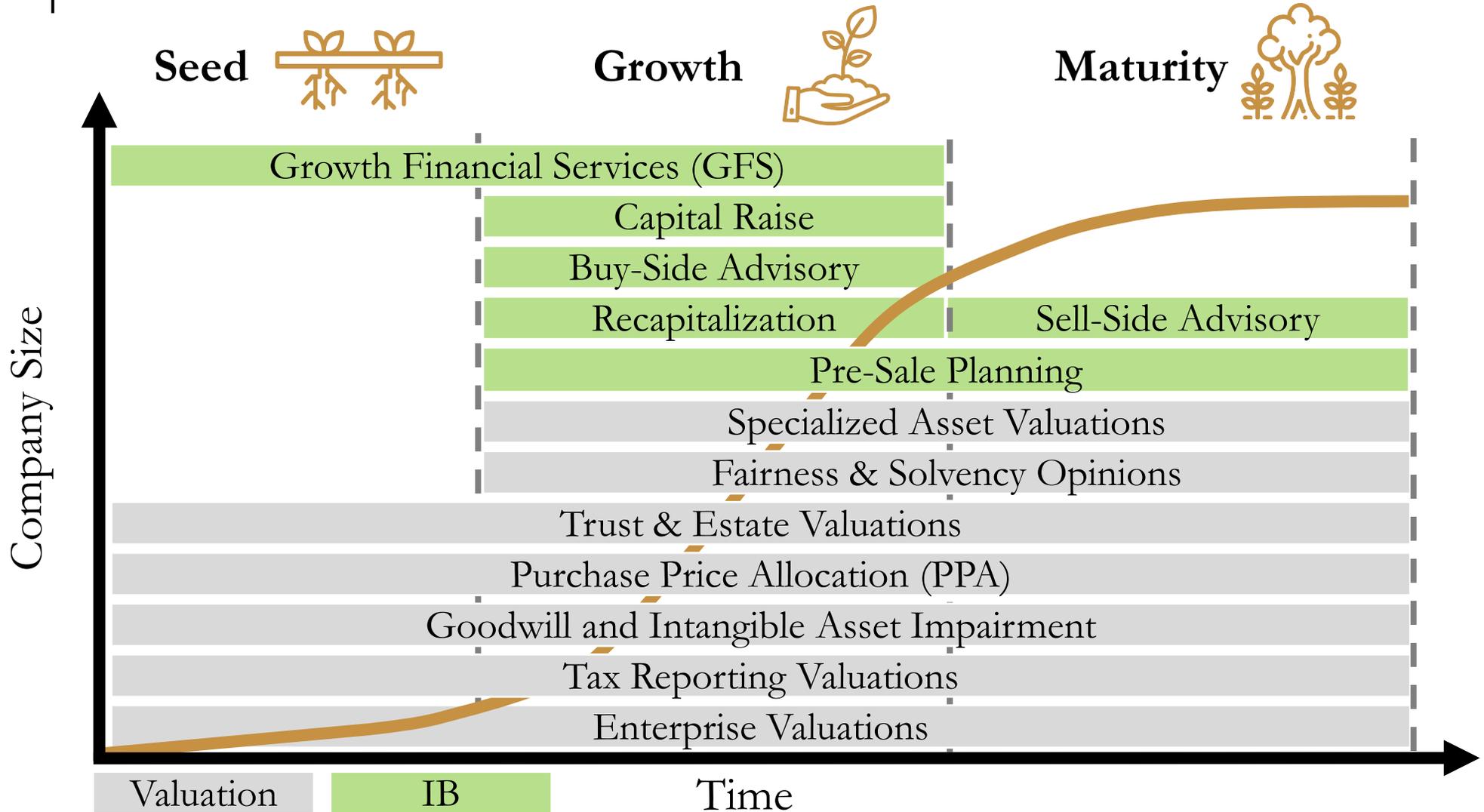


Cleveland, OH

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Houlihan Capital

About Us (Cont.)



For questions or inquiries regarding our services, please contact:

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