

Zacks Small-Cap Research

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High Tide Inc.

(HITI-NASDAQ)

HITI: F3Q25 Earnings Review – Powerful Quarterly Results from Both Financial and Strategic Perspectives

In USD, HITI reported net income of \$0.6 million, or \$0.01 per share for F3Q25, meaningfully above our (\$0.01) estimate. The high-quality EPS beat reflected higher revenues and operating income, as well as more favorable non-operating trends. Raising our F2025 (Oct) and F2026 EPS estimates from (\$0.07)/\$0.09 to (\$0.03)/\$0.12. As a result of our higher earnings outlook, we are taking up our DCF-derived price target by \$1.00 to \$7.00.

OUTLOOK

Key F3Q25 takeaways include: 1) ongoing retail outperformance can be tied to more potent economics, with Canna Cabana stores generated more than 2x the revenue per store average for peers, as well as best-in-class sales per square foot metrics; 2) Cabana Club loyalty program memberships exceeded 2.15 million, up nearly 40% over the LTM, with 115,000+ recurring/high-margin revenue-generating ELITE members, up more 2x over the last year; and 3) the company maintains ample liquidity and steady free cash flow to fund organic growth, with management guiding to the upper end of the prior 20-30 new store openings target for C2025 and reiterating the company's long-term goal of operating 300+ locations across Canada.

Current Price (09/15/25) **\$3.68**
Valuation **\$7.00**

SUMMARY DATA

52-Week High **\$3.69**
52-Week Low **\$1.64**
One-Year Return (%) **65.02**
Beta **0.98**
Average Daily Volume (sh) **629,600**

Shares Outstanding (mil) **89**
Market Capitalization (\$mil) **\$326**
Short Interest Ratio (days) **1**
Institutional Ownership (%) **7**
Insider Ownership (%) **13**

Annual Cash Dividend **\$0.00**
Dividend Yield (%) **0.00**

5-Yr. Historical Growth Rates
Sales (%) **43.4**
Earnings Per Share (%) **N/A**
Dividend (%) **N/A**

P/E using TTM EPS **N/A**
P/E using 2025 Estimate **N/A**
P/E using 2026 Estimate **30.7**

Risk Level **Above Average**
Type of Stock **Small-Blend**
Industry **Medical - Products**

ZACKS ESTIMATES

Revenue

(in millions of \$)

	Q1 (Jan)	Q2 (Apr)	Q3 (Jul)	Q4 (Oct)	Year (Oct)
2023	88 A	87 A	94 A	92 A	361 A
2024	96 A	91 A	95 A	99 A	376 A
2025	98 A	100 A	108 A	116 E	428 E
2026					600 E

Price/Sales Ratio (Industry = 2.5x)

	Q1 (Jan)	Q2 (Apr)	Q3 (Jul)	Q4 (Oct)	Year (Oct)
2023	-\$0.04 A	-\$0.02 A	-\$0.04 A	-\$0.31 A	-\$0.40 A
2024	-\$0.00 A	\$0.00 A	\$0.01 A	-\$0.01 A	\$0.00 A
2025	-\$0.02 A	-\$0.03 A	\$0.01 A	\$0.01 E	-\$0.03 E
2026					\$0.12 E

Quarterly revenues/EPS may not equal annual revenues/EPS due to rounding.

F3Q25 EARNINGS REVIEW

After the markets closed on 9/15/25, High Tide reported F3Q25 (Jul) earnings results. For the quarter, HITI reported net income of \$0.6 million, or \$0.01 per share compared to our (\$0.01) estimate. The high-quality beat reflected higher-than-anticipated revenue and operating income, as well as more favorable non-operating income (Exhibit 1). Focusing on the top line, HITI generated \$108.3 million of revenue in F3Q25, or ahead our \$107.7 million forecast, and at the high end of management's preannounced guidance range. Strong year-over-year and sequential quarter growth primarily reflected accelerating sales of cannabis and CBD products, with same-store sales growth of 7.4% for the quarter – the highest level in the past two years. After factoring in cost of sales of \$79.3 million, gross profit totaled \$29.0 million for F3Q25 – consistent with management's \$28 million to \$29 million guidance range and representing a gross margin of 26.8%, up 110 bps on a sequential quarter basis.

In aggregate, HITI's operating expenses totaled \$26.3 million in F3Q25, up from \$23.4 million in F3Q24, but below our \$26.8 million forecast. Much of the favorable variance related to lower compensation and advertising and promotion expenses. Excluding non-cash transaction and acquisition costs and share-based compensation, Adjusted EBITDA came in at \$7.7 million (7.1% margin) for F3Q25, up from \$6.9 million in the year-ago quarter.

Turning to the balance sheet, cash and cash equivalents totaled C\$63.8 million as of July 31, 2025, up from C\$34.7 million as of April 30, 2025, with much of the step up related to the recent Cronos convertible debt offering. Looking ahead, management maintains ample liquidity (along with accelerating free cash flows) to fund ongoing new store openings and capitalize on accretive M&A opportunities should they arise.

Exhibit 1: F3Q25 GAAP Actual vs. Estimates
High Tide Inc.
(\$ thousands)

	F3Q25		Change	
	Actual	Estimate	\$	%
<u>Revenue</u>				
Cannabis and CBD products	95,452	94,651	801	0.8%
Consumption accessories	4,155	4,733	(578)	-12.2%
Data analytics, advertising and other revenue	8,668	8,365	303	3.6%
Total Revenue	108,275	107,749	525	0.5%
Cost of Sales	(79,276)	(79,260)	(16)	0.0%
Gross Profit	28,999	28,489	510	1.8%
<u>Expenses</u>				
Salaries, wages and benefits	(13,228)	(13,449)	221	-1.6%
Share-based compensation	(596)	(977)	381	-39.0%
General and administration	(4,791)	(4,510)	(281)	6.2%
Professional fees	(1,664)	(1,321)	(343)	26.0%
Advertising and promotion	(428)	(805)	377	-46.8%
Depreciation and amortization	(4,398)	(4,598)	200	-4.3%
Interest and bank charges	(1,189)	(1,130)	(59)	5.2%
Total Expenses	(26,294)	(26,791)	496	-1.9%
Operating Income/(Loss)	2,705	1,698	1,006	59.2%
Gain on extinguishment of financial liability	0	0	0	NM
Loss on revaluation of marketable securities	0	0	0	NM
Finance and other costs	(1,936)	(2,603)	667	-25.6%
Gain on revaluation of put option liability	0	0	0	NM
(Loss) gain on foreign exchange	(87)	0	(87)	NM
Other loss	1	0	1	NM
FV change in derivative liability	(31)	0	(31)	NM
Gain (loss) on debentures	0	0	0	NM
Pre-Tax Income/(Loss)	652	(904)	1,556	-172.1%
Income tax (expense) recovery	(50)	(15)	(35)	234.8%
Deferred income tax recovery	0	0	0	NM
Net Income/(Loss)	602	(919)	1,521	-165.5%
Earnings per share, diluted	\$0.01	(\$0.01)	0	-165.3%
Weighted average shares outstanding, basic	81,316	81,138	178	0.2%
Weighted average shares outstanding, diluted	88,578		88,578	NM

Source: Company Reports and Zacks Small Cap Research estimates and calculations.

KEY TAKEAWAYS

Following our review of F3Q25 results, we highlight the following key takeaways:

- 1. Strong/improving store economics:** At present, High Tide operates 207 provincially-authorized Canna Cabana stores across Alberta, Ontario, Saskatchewan, Manitoba, and British Columbia. As previously disclosed, F3Q25 same store sales (SSS) were up 7.4% on a year-over-year basis representing the highest growth rate over the last eight quarters. Longer term, SSS increased 137% between October 2021 and June 2025, while the competition was down 2% on average. Much of the outperformance can be tied to more potent store economics. Indeed, for the three months ended June 30, 2025, Canna Cabana stores generated more than double the revenue per store average for peers across the five provinces in which HITI operates on an annualized basis, while maintaining elevated gross/EBITDA margins reflecting minimal shrink rates and prudent inventory management. Put another way, Canna Cabana stores reported annualized retail sales per square of \$1,735 during F3Q25, up 5%+ on a sequential quarter basis and well ahead of peers and other “blue-chip”/high-performing retailers including Walmart (WMT) and Target (TGT) – boding well for an upward revaluation for HITI shares, we believe.
- 2. Cabana Club growth keeps chugging along:** A key growth driver for HITI remains the company's Cabana Club loyalty program (launched in 2021), under which members benefit from discounted prices on cannabis products and exclusive access to consumption accessories. As of 7/31/25, memberships in Canada exceeded 2.15 million, up nearly 40% over the last 12 months and 13% on a sequential quarter basis, with the company on track to sign up 2.5 million members over time. Moreover, the Cabana Club program recently went global, and currently maintains nearly 6.15 million members worldwide. While the base program remains free to join, the company introduced ELITE in late 2022, with members paying an annual fee of C\$35 (up from the initial C\$30 level reflecting strong demand) for greater discounts on products and delivery services, as well as access to exclusive flash sales and limited editions. ELITE memberships in Canada crossed 115,000 as of the end of July, up more 2x over the last year and 19% for F3Q25. From a financial perspective, ELITE members typically generate higher-dollar receipts with greater frequency, with related membership fees providing a growing source of recurring/high-margin revenues.
- 3. Evolving capital story:** At a high level, High Tide's strong balance sheet remains a key differentiating factor relative to most other U.S.-based cannabis operators that typically struggle to source capital to fund growth due to regulatory restrictions, with highly-dilutive financings often the only course of action. The company's debt profile remains generally favorable, with long-dated maturities including the recent Cronos convertible debt offering and the Remexian loan. Furthermore, the company maintains ample liquidity and steady free cash flow (\$5.6 million in F3Q25 bringing the cumulative total to \$27+ million over the last two years) to fund organic growth, with management guiding to the upper end of the prior 20-30 new store openings target for calendar 2025 and reiterating the company's long-term goal of operating 300+ locations across Canada.

RAISING EPS ESTIMATES

Our updated model calls for EPS of (\$0.03) for F2025 followed by \$0.12 in F2026 (compared to our previous \$0.09 forecast) reflecting full-year accretion from Remexian and ongoing organic growth. Our higher F2026 outlook primarily reflects more favorable revenue and margin outlooks, partially offset by higher share count assumptions given the inflection in net income.

Looking ahead, our model calls for a sharp step up in revenues following the recent closing of the Remexian investment, with strong growth in F2026 and beyond. More specifically, we forecast total revenues to rise from \$376 million in F2024 to \$428 million in F2025 and \$600 million in F2026. Our optimism primarily reflects continued organic growth (rising same-store sales and ongoing market share gains), a broader retail store footprint, with the company's store count likely approaching 300 over the next several years, and accelerating Remexian contributions (once processing issues in Portugal normalize).

Focusing on Adjusted EBITDA, which excludes transaction costs, other non-recurring items, and stock-based compensation expenses, we forecast a step up in related growth in F2026 fueled in part by rising margins. Beyond strong revenue growth, key drivers likely include steady gross margins, rising economies of scale, particularly as it relates to incremental headcount needs, ongoing expense management/resource optimization, and accelerating growth across higher-margin initiatives (white label and ELITE memberships).

RAISING OUR PRICE TARGET TO \$7.00

Turning to valuation, we are taking up our DCF-derived price target by \$1.00 to \$7.00 reflecting our higher earnings outlook. Stepping back, absolute/relative performance of most U.S.-based cannabis company stocks remains inextricably linked to the prevailing narrative around potential regulatory reform in the U.S. In contrast, we look for HITI's strong/improving fundamental story to increasingly resonate with (generalist) investors, thereby driving a material upward revaluation for the stock regardless of the regulatory backdrop. Furthermore, should favorable regulatory reform materialize (particularly as it relates to federal rescheduling here in the U.S.), we would expect management to bring the company's unique discount club model south of the border in relatively short order (likely via an acquisition/investment) assuming HITI shares remain eligible to list on the Nasdaq.

As a crosscheck, we track peer valuation multiples to corroborate our DCF-based price target. To be sure, while apples-to-apples comparisons for cannabis stocks remain challenging given varying regulatory backdrops and growth prospects across countries/states/provinces, not to mention diverging capital, liquidity, and profitability profiles, HITI continues to trade at a discount to most U.S.- and Canadian-based cannabis companies based on Enterprise Value (EV)-to-EBITDA multiples despite what we would argue are well-defined competitive advantages around scale, growth, profitability, and balance sheet metrics, as well as a more favorable regulatory backdrop. In our minds, cannabis companies with steeper growth trajectories, higher revenue throughput, elevated margins, and stronger balance sheets warrant premium valuations, thereby suggesting meaningful upside for HITI assuming a more appropriate multiple. Taking it a step further, we would argue a more relevant comp group for HITI remains "blue-chip"/high-performing retailers, irrespective of the underlying sales mix. In spite of higher sales per square foot metrics relative to best-in-class retailers, HITI shares still trade at a fraction of the EV/EBITDA multiples most leading retail stocks command. While we recognize most companies on the list are significantly larger and more mature, with considerable infrastructure, resource, and financial advantages, HITI maintains a sizeable lead in terms of projected growth. As such, we see even greater upside potential should HITI shares trade at a comparable (let alone a premium) multiple relative to high-performing retailers.

INVESTMENT THESIS

High Tide is the largest cannabis retailer in Canada operating 200+ stores across Alberta, Ontario, Saskatchewan, British Columbia, and Manitoba. Beyond traditional bricks-and-mortar cannabis stores in Canada (branded Canna Cabana), the company markets Cannabidiol (CBD) and consumption accessories online across Canada, the U.S., the United Kingdom, and Europe. Earlier this month, HITI closed the acquisition of a 51% ownership stake in Remexian Pharma GmbH, a leading low-cost medical cannabis importer/wholesaler in Germany, one of the highest-growth markets in the world, with much of the accelerating demand satisfied through imported cannabis from Canada.

Our investment thesis revolves around:

1. **More favorable regulatory landscape north of the border:** Unlike here in the U.S. where the sale of cannabis remains illegal at the federal level, the Cannabis Act and the Cannabis Regulations in 2018 allow for and govern the cultivation/production, processing, retail sale, and distribution of cannabis for both medical and recreational use across Canada. Following the legalization of recreational-use cannabis, Canada has grown into a C\$5.5 billion market, with a majority of sales (~C\$4.5 billion in May 2025) coming from the five provinces in which High Tide maintains operations.

Turning to the U.S., while HITI's bricks and mortar cannabis sales remain confined to Canada at present, we would expect management to turn their sights south of the border should a more favorable regulatory backdrop emerge. While the prospect of cannabis rescheduling in the U.S. remains decidedly uncertain, a positive ruling likely represents a powerful upward revaluation catalyst for cannabis stocks reflecting multiple financial/tax benefits for publicly-traded companies.

2. **Plenty of growth levers to pull:** We look for a powerful step up in HITI's earnings power reflecting the recent majority equity investment in Remexian in Germany, in addition to a number of compelling growth catalysts including: a) strong/sustained Same-Store Sales (SSS) growth; b) ongoing retail store expansion, with management reiterating the company's goal of adding 20-30 new stores this year; c) further step ups in the number of Cabana Club/ELITE loyalty program memberships; d) market shares continuing to roll up to diversified/scale-enabled players; and e) increasingly leveraging white labeling opportunities to further build out the house-branded product portfolio.
3. **Transitioning into a global player:** HITI recently closed the acquisition of a 51% ownership stake in Remexian Pharma GmbH, a leading low-cost medical cannabis importer/wholesaler in Germany. Stepping back, Germany remains amongst the highest-growth markets in the world, particularly following the enactment of the Consumer Cannabis Act in April 2024, which legalized cannabis for medical use. Much of the accelerating demand continues to be satisfied through imported cannabis, particularly from Canada. A key rationale for the transaction was the powerful opportunity to increasingly leverage HITI's procurement expertise and LP network/relationships in Canada to drive accelerating imports/sales in Germany. As such, we see substantial potential for related revenue/EBITDA growth, as HITI increasingly pushes Canadian-supplied cannabis (sourced at lower prices) through Remexian's broad distribution network in Germany.
4. **Building earnings power:** We project a favorable inflection in net income next year, with further growth expected in F2027 and beyond as the business continues to scale. Key modeling inputs include accelerating revenue growth reflecting continued organic growth, a broader retail store footprint, and accelerating Remexian contributions, combined with rising margins on the back of building economies of scale, ongoing expense management/resource optimization, and accelerating growth across higher-margin initiatives.
5. **Balance sheet strength:** To be sure, High Tide's strong balance sheet remains a key differentiating factor relative to most other U.S.-based cannabis operators that typically struggle to source capital to fund growth due to regulatory restrictions, with highly-dilutive financings often the only course of action. Put another way, the company maintains ample liquidity and steady free cash flow to fund organic growth initiatives and capitalize on accelerating consolidation trends across the industry should the right opportunities arise. Turning to the liabilities side, High Tide's debt profile remains generally favorable, with long-dated maturities.

INVESTMENT RISKS

- 1. Regulatory uncertainty:** While the distribution and sale of medical and adult-use cannabis, cannabis products, and cannabis accessories is permitted at the Federal level in Canada via legally mandated licenses under the Cannabis Act of 2018, High Tide's business operations along with the company's domestic expansion efforts could be meaningfully impacted by adverse regulatory changes. Furthermore, the company must adhere to inconsistent laws and regulations governing the sale and distribution of cannabis products across the five provinces in which HITI maintains retail locations. Stepping back, any initiatives to enter the U.S. market would require considerable time, resources, and infrastructure to conform related operations to the shifting regulatory framework. At present, the U.S. cannabis regulatory landscape remains challenging characterized by ongoing bans at the federal level, a patchwork of differing rules and regulations across states, and continual competition from the black market.
- 2. Rising competition:** The cannabis industry remains highly fragmented, with 3,600+ (and counting) licensed recreational cannabis retail stores across Canada (along with the unregulated illicit market). As such, competition remains fierce, with market shares rolling up to companies that can increasingly leverage high-quality supply, diversified/innovative product sets, broader retail distribution, more cost-effective marketing initiatives, and improving operational efficiencies. While HITI remains amongst the largest cannabis retailers across the provinces in which the company operates, select competitors, particularly scale-enabled, vertically-integrated operators and government wholesalers, may be able to leverage greater financial resources, broader customer relationships, and/or longer operating histories.
- 3. Wholesale pricing volatility:** One of the byproducts of rising competition and oversupply has been pricing pressure, with the price of cannabis directly impacting HITI's revenues, gross profits, and earnings. Furthermore, wholesale pricing remains highly influenced by cultivation conditions, inflationary pressures, the macroeconomic backdrop, shifting demand trends, and/or regulatory changes, with any disruptions in the supply chain likely impairing HITI's economics. That said, wholesale pricing trends in Canada have stabilized more recently, and as a low-cost retailer, HITI is less dependent on pricing to drive revenue growth.
- 4. Reliance on Licensed Producers/government wholesalers:** HITI sales remain dependent on sourcing high-quality cannabis and related products from LPs in a cost-effective manner via government wholesalers. Moreover, proficient supply chain management involves promptly meeting shifting demand trends to minimize related carrying costs. As such, any material disruptions in the cultivation of cannabis products and/or related economics for LPs (including rising costs or less favorable contract terms) could have an adverse effect on HITI's business.
- 5. M&A integration/financing:** Over the years, HITI has completed a number of acquisitions to enhance/extend the company's footprint. All transactions carry meaningful execution and operational risks, particularly assuming accounting/finance, human resources, legal, and other back-office functions are consolidated post-acquisition. Looking ahead, management remains focused on potentially capitalizing on incremental M&A opportunities (at attractive valuations). That said, shareholders likely risk dilution, assuming prospective deals are at least partially financed with equity.

PROJECTED INCOME STATEMENT (CDN)

High Tide Inc.
(CDN in thousands)

	Quarterly								Annual				Y/Y Growth		
	F1Q24	F2Q24	F3Q24	F4Q24	F1Q25	F2Q25	F3Q25	F4Q25E	F2023	F2024	F2025E	F2026E	F2024	F2025E	F2026E
	Jan-24	Apr-24	Jul-24	Oct-24	Jan-25	Apr-25	Jul-25	Oct-25	Oct-23	Oct-24	Oct-25	Oct-26	Oct-24	Oct-25	Oct-26
Revenue															
Cannabis and CBD products	108,908	107,959	115,667	120,258	123,619	120,051	131,963	142,292	416,512	452,792	517,925	751,671	9%	14%	45%
Consumption accessories	11,378	7,323	6,972	7,128	7,544	6,415	5,744	5,457	43,744	32,801	25,160	22,700	-25%	-23%	-10%
Data analytics, advertising and other revenue	7,782	8,977	9,046	10,908	11,298	11,338	11,983	12,223	27,413	36,713	46,842	52,802	34%	28%	13%
Total Revenue	128,068	124,259	131,685	138,294	142,461	137,804	149,690	159,971	487,669	522,306	589,926	827,173	7%	13%	40%
Cost of Sales	(92,074)	(88,960)	(96,231)	(102,539)	(107,021)	(102,333)	(109,599)	(116,807)	(356,355)	(379,804)	(435,760)	(599,844)	NM	NM	NM
Gross Profit	35,994	35,299	35,454	35,755	35,440	35,471	40,091	43,165	131,314	142,502	154,167	227,329	9%	8%	47%
Expenses															
Salaries, wages and benefits	(15,903)	(15,429)	(16,667)	(17,083)	(17,581)	(17,476)	(18,288)	(19,224)	(56,798)	(65,082)	(72,569)	(96,095)	NM	NM	NM
Share-based compensation	(795)	(549)	(881)	(750)	(1,175)	(1,250)	(824)	(881)	(5,034)	(2,975)	(4,130)	(4,553)	NM	NM	NM
General and administration	(5,606)	(5,559)	(4,815)	(5,856)	(6,563)	(5,768)	(6,623)	(7,078)	(26,888)	(21,836)	(26,032)	(36,598)	NM	NM	NM
Professional fees	(2,071)	(1,995)	(1,749)	(1,919)	(1,809)	(1,690)	(2,301)	(2,459)	(8,350)	(7,734)	(8,259)	(12,715)	NM	NM	NM
Advertising and promotion	(822)	(1,154)	(1,178)	(1,012)	(912)	(1,030)	(592)	(633)	(4,144)	(4,166)	(3,167)	(3,271)	NM	NM	NM
Depreciation and amortization	(6,848)	(7,505)	(5,678)	(5,362)	(5,847)	(5,880)	(6,080)	(6,498)	(32,761)	(25,393)	(24,305)	(33,598)	NM	NM	NM
Impairment loss net of recovery			(4,964)				0	0	(34,265)	(4,964)	0	0	NM	NM	NM
Interest and bank charges	(1,157)	(1,121)	(1,431)	(1,640)	(1,486)	(1,445)	(1,644)	(2,202)	(4,499)	(5,349)	(6,777)	(11,153)	NM	NM	NM
Total Expenses	(33,202)	(33,312)	(32,399)	(38,586)	(35,373)	(34,539)	(36,352)	(38,973)	(172,739)	(137,499)	(145,237)	(197,983)	NM	NM	NM
Operating Income/(Loss)	2,792	1,987	3,055	(2,831)	67	932	3,739	4,191	(41,425)	5,003	8,929	29,347	NM	78%	229%
Gain on extinguishment of financial liability	(235)	314		0	0	0	0	0	0	79	0	0	NM	-100%	NM
Gain on extinguishment of put option liability			885				0	0	0	885	0	0	NM	-100%	NM
Loss on revaluation of marketable securities	(77)	0	(12)	0	0	0	0	0	40	(89)	0	0	-323%	NM	NM
Finance and other costs	(2,258)	(3,026)	(1,693)	(3,081)	(2,731)	(3,566)	(2,676)	(3,138)	(9,727)	(10,058)	(12,111)	(9,248)	NM	NM	NM
Gain on revaluation of put option liability	300	110	159	88	0	0	0	0	1,932	657	0	0	-66%	-100%	NM
(Loss) gain on foreign exchange	(5)	5	(19)	(5)	13	(114)	(120)	0	134	(24)	(221)	0	-118%	NM	NM
Other loss	0	(337)	6	(11)	0	(42)	1	0	(55)	(342)	(41)	0	NM	NM	NM
FV change in derivative liability							(43)	0		0	(43)	0	NM	NM	NM
Gain (loss) on debentures	(755)	240	0	0	0	0	0	0	505	(515)	0	0	-202%	NM	NM
Pre-Tax Income/(Loss)	(238)	(707)	1,496	(4,955)	(2,651)	(2,790)	901	1,053	(48,596)	(4,404)	(3,487)	20,099	NM	NM	NM
Income tax (expense) recovery	(241)	236	(303)	(293)	(38)	(46)	(69)	(213)	922	(601)	(366)	(4,071)	-165%	NM	NM
Deferred income tax recovery	474	642	(368)	446	0	0	0	0	6,722	1,194	0	0	-82%	-100%	NM
Net Income/(Loss)	(5)	171	825	(4,802)	(2,689)	(2,836)	832	840	(40,952)	(3,811)	(3,853)	16,028	NM	NM	NM
Translation difference on foreign subsidiary	(737)	1,169	100	1,059	881	(1,044)	100	0	2,027	1,591	(63)	0	-22%	-104%	NM
Net comprehensive gain/(loss)	(742)	1,340	925	(3,743)	(1,808)	(3,880)	932	840	(38,925)	(2,220)	(3,916)	16,028	NM	NM	NM
Earnings per share, diluted	(\$0.00)	\$0.00	\$0.01	(\$0.06)	(\$0.03)	(\$0.04)	\$0.01	\$0.01	(\$0.55)	(\$0.05)	(\$0.05)	\$0.17	NM	NM	NM
Weighted average shares outstanding, basic	78,150	78,981	80,390	80,707	80,875	80,936	81,316	85,429	74,329	79,557	82,139	85,856	7%	3%	5%
Weighted average shares outstanding, diluted			81,096				88,578	92,691				93,118	NM	NM	NM
Net (loss) Income	(5)	171	825	(4,802)	(2,689)	(2,836)	832	840	(40,952)	(3,811)	(3,853)	16,028	NM	NM	NM
Income/deferred tax recovery (expense)	(233)	(878)	671	(153)	38	46	69	213	(7,644)	(593)	366	4,071	NM	NM	1012%
Accretion and interest	1,743	1,712	1,681	2,308	2,101	1,950	1,795	2,240	7,136	7,444	8,086	9,248	4%	9%	14%
Depreciation and amortization	6,848	7,505	5,678	5,362	5,847	5,880	6,080	6,498	32,761	25,393	24,305	33,598	-22%	-4%	38%
EBITDA	8,353	8,510	8,855	2,715	5,297	5,040	8,776	9,790	(8,699)	28,433	28,903	62,944	NM	2%	118%
Foreign exchange loss (gain)	5	(5)	19	5	(13)	114	120	0	(134)	24	221	0	NM	821%	-100%
Transaction and acquisition costs	515	1,314	12	773	630	1,616	881	899	2,591	2,614	4,026	0	1%	54%	-100%
Loss (gain) revaluation of put option liability	(300)	(110)	(159)	(88)	0	0	0	0	(1,932)	(657)	0	0	NM	NM	NM
Other loss (gain)	0	337	(6)	11	0	42	(1)	0	55	342	41	0	522%	-88%	-100%
Loss (gain) on extinguishment of debenture	0	0	0	(885)	0	0	0	0	0	(885)	0	0	NM	NM	NM
Impairment loss	0	0	0	4,964	0	0	0	0	34,265	4,964	0	0	-86%	-100%	NM
Share-based compensation	795	549	881	750	1,175	1,250	824	881	5,034	2,975	4,130	4,553	-41%	39%	10%
Loss (gain) on revaluation of marketable securities	77	0	12	0	0	0	0	0	(40)	89	0	0	NM	-100%	NM
Loss (gain) on revaluation of debenture	755	(240)	0	0	0	0	0	0	(505)	515	0	0	NM	-100%	NM
Loss (gain) on extinguishment of financial liability	235	(314)	0	0	0	0	0	0	0	(79)	0	0	NM	NM	NM
Adjusted EBITDA	10,435	10,041	9,614	8,245	7,089	8,062	10,600	11,569	30,635	38,335	37,320	67,498	25%	-3%	81%

Net (loss) Income	(5)	171	825	(4,802)	(2,689)	(2,836)	832	840	(40,952)	(3,811)	(3,853)	16,028	NM	NM	NM
Income/deferred tax recovery (expense)	(233)	(878)	671	(153)	38	46	69	213	(7,644)	(593)	366	4,071	NM	NM	1012%
Accretion and interest	1,743	1,712	1,681	2,308	2,101	1,950	1,795	2,240	7,136	7,444	8,086	9,248	4%	9%	14%
Depreciation and amortization	6,848	7,505	5,678	5,362	5,847	5,880	6,080	6,498	32,761	25,393	24,305	33,598	-22%	-4%	38%
EBITDA	8,353	8,510	8,855	2,715	5,297	5,040	8,776	9,790	(8,699)	28,433	28,903	62,944	NM	2%	118%
Foreign exchange loss (gain)	5	(5)	19	5	(13)	114	120	0	(134)	24	221	0	NM	821%	-100%
Transaction and acquisition costs	515	1,314	12	773	630	1,616	881	899	2,591	2,614	4,026	0	1%	54%	-100%
Loss (gain) revaluation of put option liability	(300)	(110)	(159)	(88)	0	0	0	0	(1,932)	(657)	0	0	NM	NM	NM
Other loss (gain)	0	337	(6)	11	0	42	(1)	0	55	342	41	0	522%	-88%	-100%
Loss (gain) on extinguishment of debenture	0	0	0	(885)	0	0	0	0	0	(885)	0	0	NM	NM	NM
Impairment loss	0	0	0	4,964	0	0	0	0	34,265	4,964	0	0	-86%	-100%	NM
Share-based compensation	795	549	881	750	1,175	1,250	824	881	5,034	2,975	4,130	4,553	-41%	39%	10%
Loss (gain) on revaluation of marketable securities	77	0	12	0	0	0	0	0	(40)	89	0	0	NM	-100%	NM
Loss (gain) on revaluation of debenture	755	(240)	0	0	0	0	0	0	(505)	515	0	0	NM	-100%	NM
Loss (gain) on extinguishment of financial liability	235	(314)	0	0	0	0	0	0	0	(79)	0	0	NM	NM	NM
Adjusted EBITDA	10,435	10,041	9,614	8,245	7,089	8,062	10,600	11,569	30,635	38,335	37,320	67,498	25%	-3%	81%

Source: Company reports and Zacks SCR estimates and calculations.

PROJECTED INCOME STATEMENT (USD)

High Tide Inc.
(\$ thousands)

	Quarterly								Annual				Y/Y Growth		
	F1Q24	F2Q24	F3Q24	F4Q24	F1Q25	F2Q25	F3Q25	F4Q25E	F2023	F2024	F2025E	F2026E	F2024	F2025E	F2026E
	Jan-24	Apr-24	Jul-24	Oct-24	Jan-25	Apr-25	Jul-25	Oct-25	Oct-23	Oct-24	Oct-25	Oct-26	Oct-24	Oct-25	Oct-26
Revenue															
Cannabis and CBD products	81,262	78,992	83,514	86,467	85,296	86,824	95,452	103,282	301,187	325,562	375,934	545,599	8%	15%	45%
Consumption accessories	8,490	5,358	5,034	5,125	5,205	4,639	4,155	3,961	31,632	23,584	18,262	16,477	-25%	-23%	-10%
Data analytics, advertising and other revenue	5,807	6,568	6,531	7,843	7,795	8,200	8,668	8,872	19,823	26,397	34,000	38,326	33%	29%	13%
Total Revenue	95,559	90,919	95,079	99,435	98,296	99,663	108,275	116,115	352,642	375,544	428,196	600,402	6%	14%	40%
Cost of Sales	(68,702)	(65,091)	(69,481)	(73,727)	(73,843)	(74,010)	(79,276)	(84,784)	(257,687)	(273,083)	(316,295)	(435,395)	NM	NM	NM
Gross Profit	26,857	25,828	25,599	25,708	24,453	25,653	28,999	31,331	94,956	102,460	111,901	165,007	8%	9%	47%
Expenses															
Salaries, wages and benefits	(11,866)	(11,289)	(12,034)	(12,283)	(12,131)	(12,639)	(13,228)	(13,954)	(41,072)	(46,795)	(52,674)	(69,750)	NM	NM	NM
Share-based compensation	(593)	(402)	(636)	(539)	(811)	(904)	(596)	(639)	(3,640)	(2,139)	(2,997)	(3,305)	NM	NM	NM
General and administration	(4,183)	(4,067)	(3,477)	(4,211)	(4,528)	(4,172)	(4,791)	(5,137)	(19,443)	(15,700)	(18,895)	(26,565)	NM	NM	NM
Professional fees	(1,545)	(1,460)	(1,263)	(1,380)	(1,248)	(1,222)	(1,664)	(1,785)	(6,038)	(5,561)	(5,995)	(9,229)	NM	NM	NM
Advertising and promotion	(613)	(844)	(851)	(728)	(629)	(745)	(428)	(459)	(2,997)	(2,995)	(2,299)	(2,374)	NM	NM	NM
Depreciation and amortization	(5,110)	(5,491)	(4,100)	(3,855)	(4,034)	(4,253)	(4,398)	(4,716)	(23,690)	(18,258)	(17,641)	(24,387)	NM	NM	NM
Impairment loss net of recovery	0	0	0	(3,569)	0	0	0	0	(24,778)	(3,569)	0	0	NM	NM	NM
Interest and bank charges	(863)	(820)	(1,033)	(1,179)	(1,025)	(1,045)	(1,189)	(1,598)	(3,253)	(3,846)	(4,919)	(8,095)	NM	NM	NM
Total Expenses	(24,774)	(24,374)	(23,393)	(27,744)	(24,407)	(24,979)	(26,294)	(28,289)	(124,911)	(98,863)	(105,420)	(143,705)	NM	NM	NM
Operating Income/(Loss)	2,083	1,454	2,206	(2,036)	46	674	2,705	3,042	(29,955)	3,597	6,481	21,301	NM	80%	229%
Gain on extinguishment of financial liability	(175)	230	0	0	0	0	0	0	0	57	0	0	NM	-100%	NM
Gain on extinguishment of put option liability	0	0	0	636	0	0	0	0	0	636	0	0	NM	-100%	NM
Loss on revaluation of marketable securities	(57)	0	(9)	0	0	0	0	0	29	(64)	0	0	-321%	NM	NM
Finance and other costs	(1,685)	(2,214)	(1,222)	(2,215)	(1,884)	(2,579)	(1,936)	(2,278)	(7,034)	(7,232)	(8,791)	(6,713)	NM	NM	NM
Gain on revaluation of put option liability	224	80	115	63	0	0	0	0	1,397	472	0	0	-66%	-100%	NM
(Loss) gain on foreign exchange	(4)	4	(14)	(4)	9	(82)	(87)	0	97	(17)	(160)	0	-118%	NM	NM
Other loss	0	(247)	4	(8)	0	(30)	1	0	(40)	(246)	(30)	0	NM	NM	NM
FV change in derivative liability	0	0	0	0	0	0	(31)	0	0	0	(31)	0	NM	NM	NM
Gain (loss) on debentures	(563)	176	0	0	0	0	0	0	365	(370)	0	0	-201%	NM	NM
Pre-Tax Income/(Loss)	(178)	(517)	1,080	(3,563)	(1,829)	(2,018)	652	764	(35,141)	(3,167)	(2,531)	14,589	NM	NM	NM
Income tax (expense) recovery	(180)	173	(219)	(211)	(26)	(33)	(50)	(155)	667	(432)	(266)	(2,955)	-165%	NM	NM
Deferred income tax recovery	354	470	(266)	321	0	0	0	0	4,861	858	0	0	-82%	-100%	NM
Net Income/(Loss)	(4)	125	596	(3,453)	(1,855)	(2,051)	602	609	(29,613)	(2,740)	(2,797)	11,634	NM	NM	NM
Translation difference on foreign subsidiary	(550)	855	72	761	608	(755)	72	0	1,466	1,144	(46)	0	-22%	-104%	NM
Net comprehensive gain/(loss)	(554)	980	668	(2,691)	(1,247)	(2,806)	674	609	(28,147)	(1,596)	(2,843)	11,634	NM	NM	NM
Earnings per share, diluted	(\$0.00)	\$0.00	\$0.01	(\$0.04)	(\$0.02)	(\$0.03)	\$0.01	\$0.01	(\$0.40)	(\$0.03)	(\$0.03)	\$0.12	NM	NM	NM
Weighted average shares outstanding, basic	78,150	78,981	80,390	80,707	80,875	80,936	81,316	85,429	74,329	79,557	82,139	85,856	7%	3%	5%
Weighted average shares outstanding, diluted			81,096				88,578	92,691				93,118	NM	NM	NM
Net (loss) Income	(4)	125	596	(3,453)	(1,855)	(2,051)	602	609	(29,613)	(2,740)	(2,797)	11,634	NM	NM	NM
Income/deferred tax recovery (expense)	(174)	(642)	484	(110)	26	33	50	155	(5,528)	(426)	266	2,955	NM	NM	1012%
Accretion and interest	1,301	1,253	1,214	1,659	1,450	1,410	1,298	1,626	5,160	5,352	5,869	6,713	4%	10%	14%
Depreciation and amortization	5,110	5,491	4,100	3,855	4,034	4,253	4,398	4,716	23,690	18,258	17,641	24,387	-23%	-3%	38%
EBITDA	6,233	6,227	6,394	1,952	3,655	3,645	6,348	7,106	(6,290)	20,444	20,979	45,688	NM	3%	118%
Foreign exchange loss (gain)	4	(4)	14	4	(9)	82	87	0	(97)	17	160	0	NM	830%	-100%
Transaction and acquisition costs	384	961	9	556	435	1,169	637	652	1,874	1,879	2,922	0	0%	55%	-100%
Loss (gain) revaluation of put option liability	(224)	(80)	(115)	(63)	0	0	0	0	(1,397)	(472)	0	0	NM	NM	NM
Other loss (gain)	0	247	(4)	8	0	30	(1)	0	40	246	30	0	518%	-88%	-100%
Loss (gain) on extinguishment of debenture	0	0	0	(636)	0	0	0	0	0	(636)	0	0	NM	NM	NM
Impairment loss	0	0	0	3,569	0	0	0	0	24,778	3,569	0	0	-86%	-100%	NM
Share-based compensation	593	402	636	539	811	904	596	639	3,640	2,139	2,997	3,305	-41%	40%	10%
Loss (gain) on revaluation of marketable securities	57	0	9	0	0	0	0	0	(29)	64	0	0	NM	-100%	NM
Loss (gain) on revaluation of debenture	563	(176)	0	0	0	0	0	0	(365)	370	0	0	NM	-100%	NM
Loss (gain) on extinguishment of financial liability	175	(230)	0	0	0	0	0	0	0	(57)	0	0	NM	NM	NM
Adjusted EBITDA	7,786	7,347	6,942	5,928	4,891	5,831	7,667	8,397	22,153	27,563	27,089	48,993	24%	-2%	81%

Source: Company reports and Zacks SCR estimates and calculations.

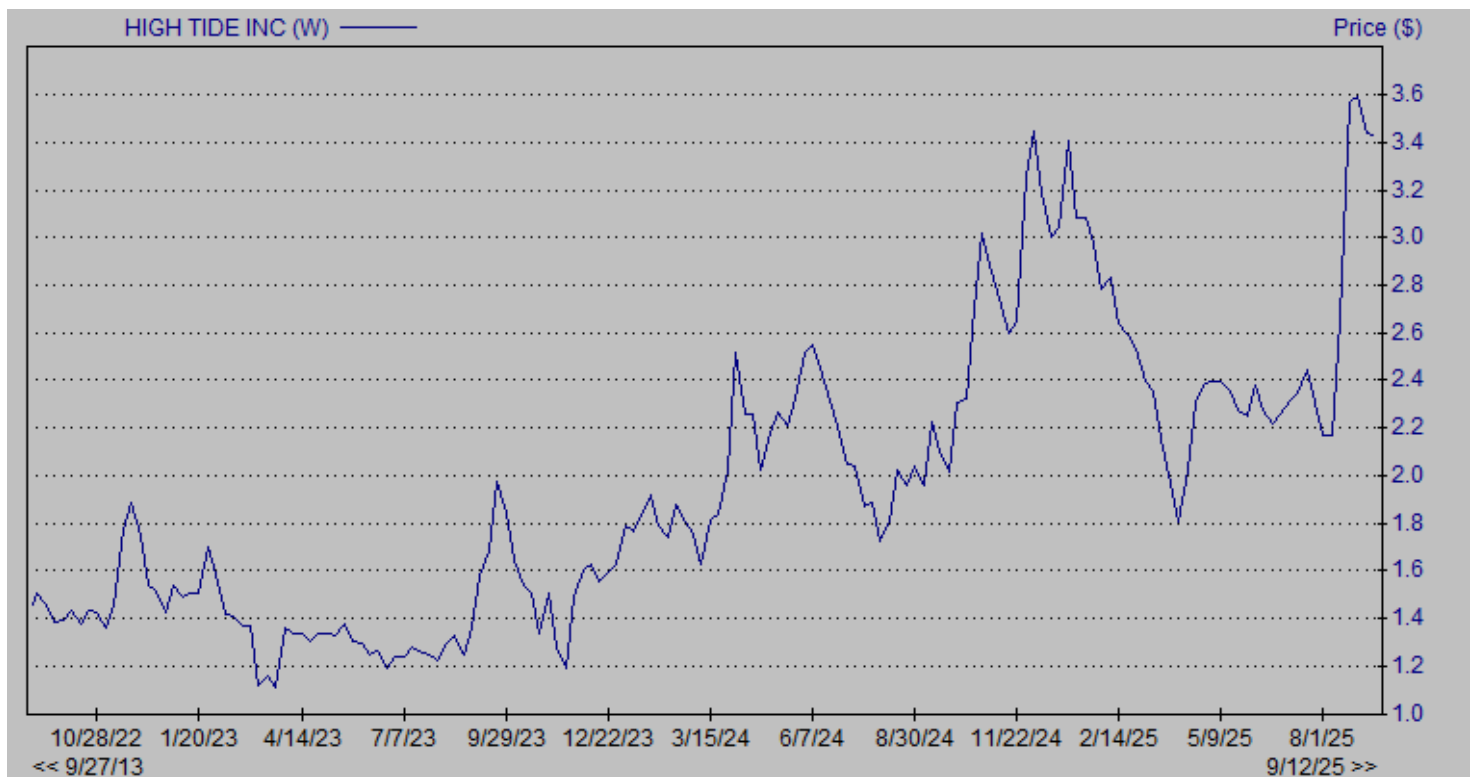
PROJECTED BALANCE SHEET (CDN)

High Tide Inc.
(CDN in thousands)

	Quarterly								Annual				Y/Y Growth		
	F1Q24	F2Q24	F3Q24	F4Q24	F1Q25	F2Q25	F3Q25	F4Q25E	F2023	F2024	F2025E	F2026E	F2024	F2025E	F2026E
	Jan-24	Apr-24	Jul-24	Oct-24	Jan-25	Apr-25	Jul-25	Oct-25	Oct-23	Oct-24	Oct-25	Oct-26	Oct-24	Oct-25	Oct-26
<u>Assets</u>															
Current Assets:															
Cash and cash equivalents	28,685	34,540	35,254	47,267	33,341	34,692	63,809	52,048	30,121	47,267	52,048	54,130	57%	10%	4%
Marketable securities	63	725	712	712	712	303	64	65	141	712	65	71	405%	-91%	8%
Trade and other receivables	4,476	4,104	2,637	3,308	3,463	2,752	3,551	3,622	7,573	3,308	3,622	3,912	-56%	9%	8%
Inventory	25,444	28,115	29,068	29,338	30,397	28,226	31,258	31,883	25,974	29,338	31,883	34,434	13%	9%	8%
Prepaid expenses and deposits	6,614	4,895	8,001	5,164	5,819	8,062	4,920	5,018	4,836	5,164	5,018	5,420	7%	-3%	8%
Total Current Assets	65,282	72,379	75,672	85,789	73,732	74,035	103,602	92,637	68,645	85,789	92,637	97,966	25%	8%	6%
Non-Current Assets:															
Property and equipment	27,142	27,208	28,040	27,471	28,173	28,496	28,539	29,110	27,321	27,471	29,110	31,439	1%	6%	8%
Right-of-use assets	33,342	34,521	35,099	36,525	37,661	35,565	35,563	36,274	30,643	36,525	36,274	39,176	19%	-1%	8%
Long term prepaid expenses and deposits	2,102	2,206	2,311	3,607	3,630	3,325	3,225	3,290	3,307	3,607	3,290	3,553	9%	-9%	8%
Intangible assets and goodwill	99,440	98,148	97,339	92,816	92,467	90,559	89,460	87,671	103,485	92,816	87,671	80,657	-10%	-6%	-8%
Total Non-Current Assets	162,026	162,083	162,789	160,419	161,931	157,945	156,787	156,344	164,756	160,419	156,344	154,825	-3%	-3%	-1%
Total Assets	227,308	234,462	238,461	246,208	235,663	231,980	260,389	248,981	233,401	246,208	248,981	252,790	5%	1%	2%
<u>Liabilities</u>															
Current Liabilities:															
Accounts payables and accrued liabilities	16,141	21,193	20,597	22,150	21,893	22,112	21,829	22,047	20,902	22,150	22,047	22,929	6%	0%	4%
Income tax payable				1,659		1,691	1,603	1,603		1,659	1,603	1,603	NM	-3%	0%
Deferred revenue	1,625	2,024	2,303	1,990	1,838	2,552	5,931	5,931	1,361	1,990	5,931	5,931	46%	198%	0%
Interest bearing loans and borrowings	15,364	14,565	13,744	12,891	11,997	11,052	10,087	9,885	16,141	12,891	9,885	9,094	-20%	-23%	-8%
Current portion of notes payable	12,592	14,223	14,230	13,974	724	279	0	0	136	13,974	0	0	10175%	-100%	NM
Convertible debentures	918	890					0	0	8,708	0		0	-100%	NM	NM
Current portion of lease liabilities	7,771	7,797	8,242	8,816	9,376	9,502	9,746	9,843	7,214	8,816	9,843	10,237	22%	12%	4%
Put option/derivative liability	3,375	1,130	973				6,863	6,863	3,675	0		6,863	-100%	NM	NM
Total Current Liabilities	57,786	61,822	60,089	61,480	45,828	47,188	56,059	56,173	58,137	61,480	49,310	56,658	6%	-20%	15%
Non-Current Liabilities:															
Notes payable	77	361	55	65	68	66	66	12,465	12,508	65	12,465	12,465	-99%	19077%	0%
Lease liabilities	28,589	29,791	30,155	31,391	32,328	30,307	30,252	30,555	27,823	31,391	30,555	31,777	13%	-3%	4%
Deferred tax liability	761	279	519	284	285	292	290	293	1,267	284	293	305	-78%	3%	4%
Secured Debentures	0	0	0	7,476	12,054	12,214	12,308	12,431	0	7,476	12,431	12,928	NM	66%	4%
Convertible Debt							17,923	17,565				16,159	NM	NM	NM
Total Non-Current Liabilities	29,427	30,431	30,729	39,216	44,735	42,879	60,839	73,308	41,598	39,216	55,744	73,634	-6%	42%	32%
Total Liabilities	87,213	92,253	90,818	100,696	90,563	90,067	116,898	129,481	99,735	100,696	105,054	130,292	1%	4%	24%
Total Shareholders' Equity	140,095	142,209	147,643	145,512	145,100	141,913	143,491	119,500	133,666	145,512	143,928	122,498	9%	-1%	-15%
Total Liabilities & Shareholders' Equity	227,308	234,462	238,461	246,208	235,663	231,980	260,389	248,981	233,401	246,208	248,981	252,790	5%	1%	2%

Source: Company reports and Zacks SCR estimates and calculations.

HISTORICAL STOCK PRICE



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