

# CANNABIS INVESTOR

## Cheat Sheet

Determine what cannabis activity best suits your goals, timelines, and resources

### Cultivation

#### Pros

- Good facilities and a customer base will produce revenue on a schedule
- High profit margins compared to COGS if successful harvest
- Many cultivation options (i.e. outdoors, mixed light, indoor)

#### Cons

- High initial cost
- Long product entry to market
- Supply vs demand pricing unless branded

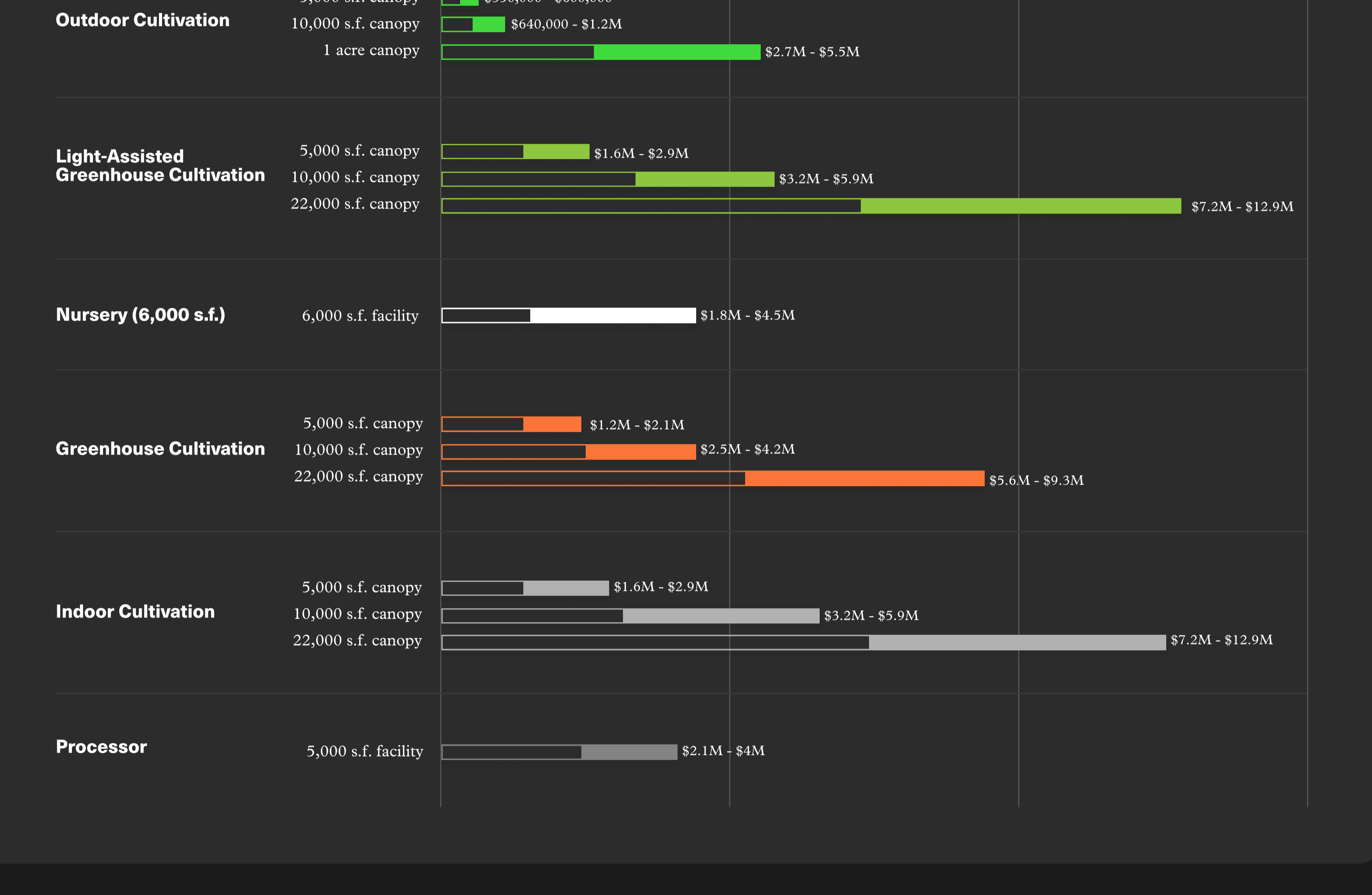
#### Costs

- Property \$500,000 - \$5,000,000
- Buildout \$500,000 - \$10,000,000
- Applications & Fees \$100,000 - \$250,000
- Starting Operations \$250,000 - \$2,000,000

#### Challenges

- Neighbors
- Qualified staff
- Property characteristics (i.e. slopes, access, infrastructure, water)
- Consistent product quantity and quality

#### Annual Revenue (Millions)



### Manufacturing

#### Pros

- Assembly line business model maximized through innovation and efficiency
- High profit margins compared to COGS if good input material
- Many manufacturing options and specialties

#### Cons

- High initial cost
- Good facility and workflow design crucial for success
- Supply vs. demand pricing unless branded

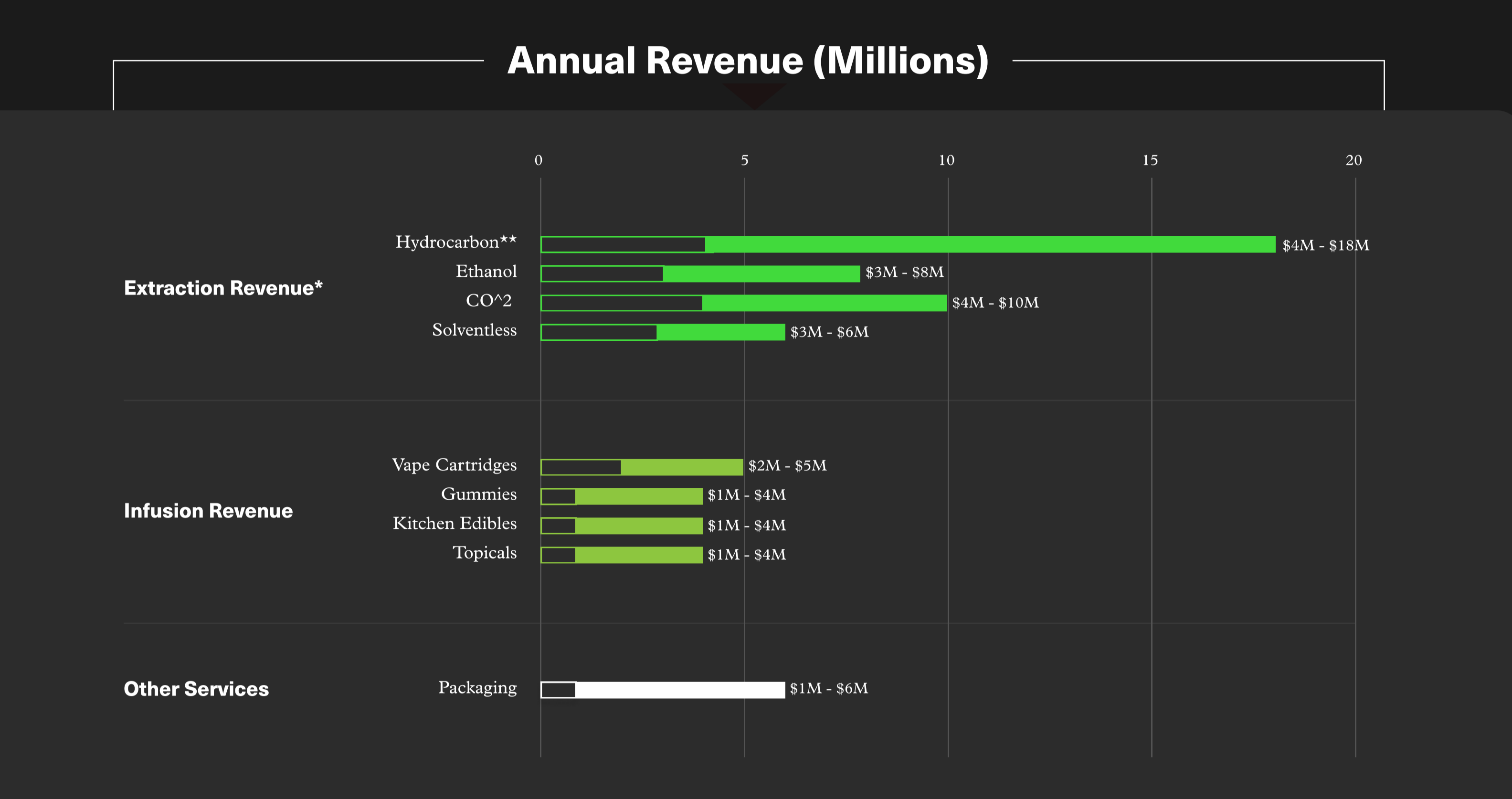
#### Costs

- 12 - Month Lease \$100,000 - \$400,000
- Buildout \$50,000 - \$5,000,000
- Applications & Fees \$100,000 - \$250,000
- Starting Operations \$250,000 - \$1,000,000

#### Challenges

- Neighbors
- Qualified staff
- Facility requirements (i.e. power, HVAC, storage space)
- Consistent product quantity and quality

#### Annual Revenue (Millions)



\*Dependent on sales acumen & capacity limits of machine, schedule, staffing

\*\*At the high end, you'd be a state leader in sales

### Distribution

#### Pros

- Variety of business models (i.e. branding, service, bulk, end-of-mile)
- Lower entry costs compared to producers
- Most obtainable, available, and least controversial cannabis license

#### Cons

- More competitive due to lower cost of entry
- Must manage both supplier and customer timelines
- Least valuable unless branded

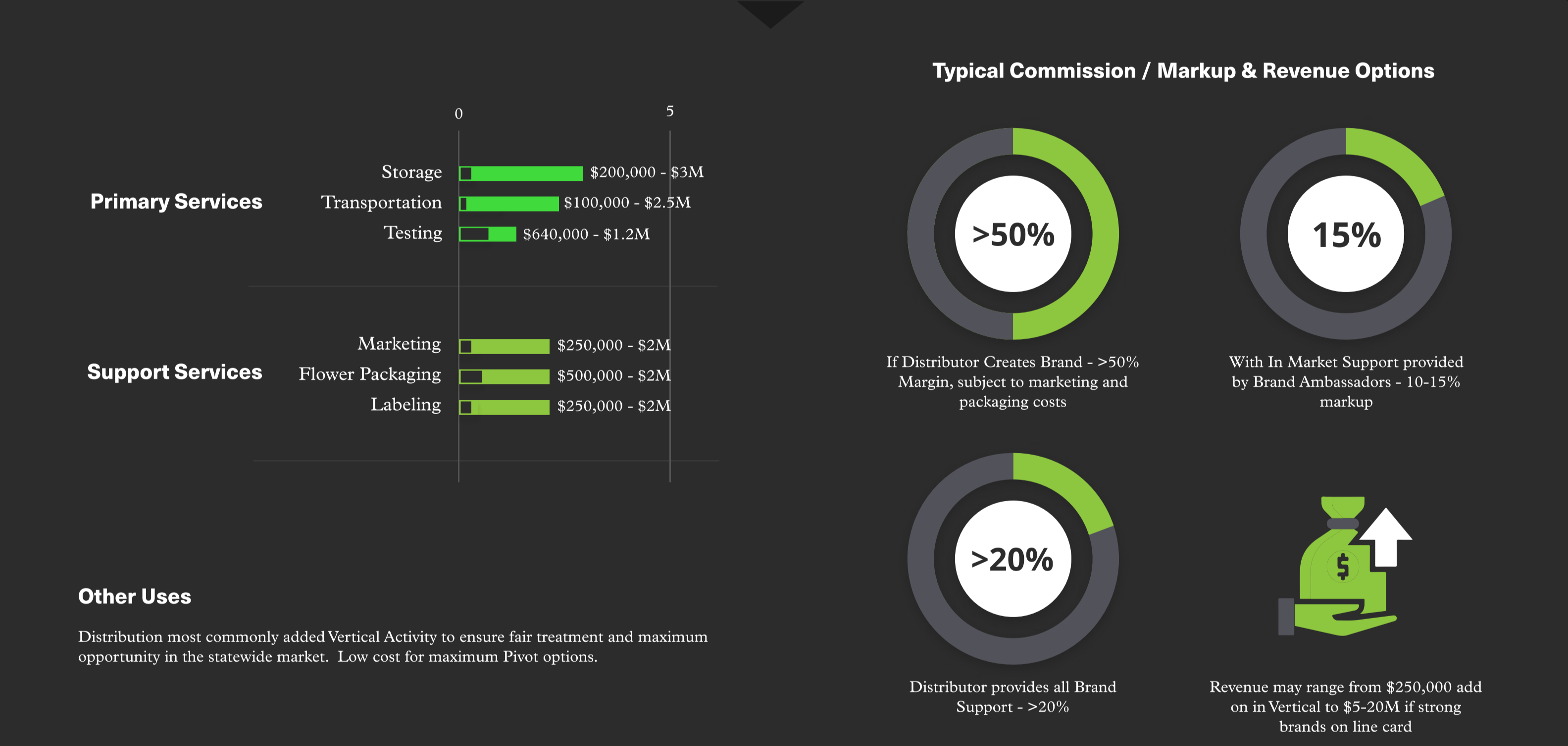
#### Costs

- 12 - Month Lease \$75,000 - \$400,000
- Buildout \$50,000 - \$200,000
- Applications & Fees \$50,000 - \$150,000
- Starting Operations \$150,000 - \$500,000

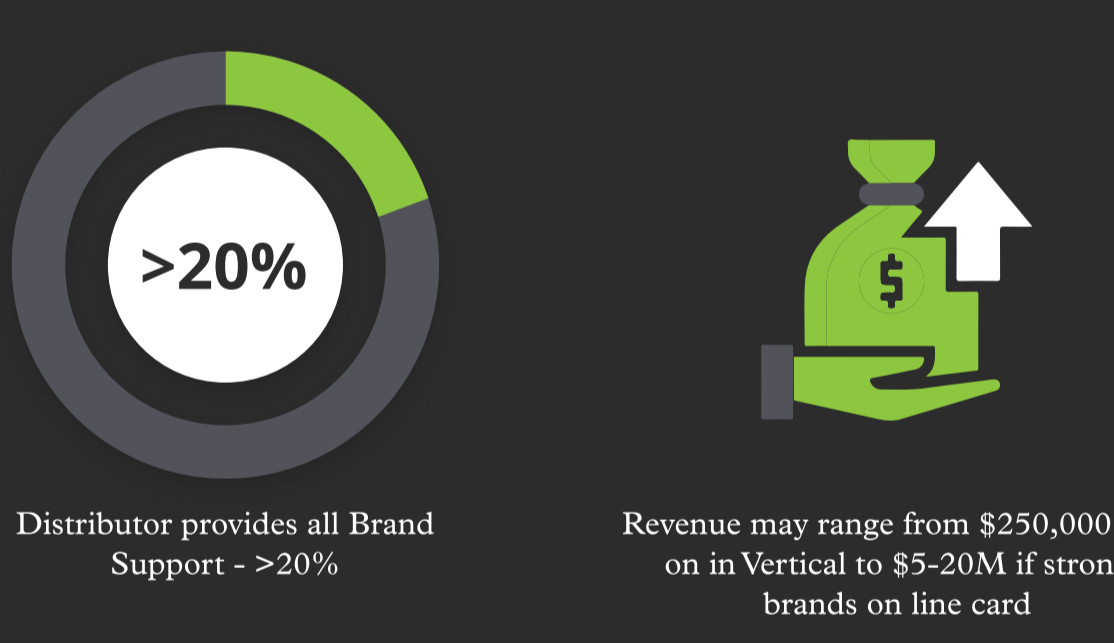
#### Challenges

- Neighbors
- Consistent product availability
- Facility requirements (i.e. power, HVAC, storage space)
- Customer service

#### Annual Revenue



#### Typical Commission / Markup & Revenue Options



### Retail

#### Pros

- Potentially the least expensive cannabis license category
- Can be very valuable, especially storefront
- Delivers, when allowed, is easily scalable

#### Cons

- Storefront permits & licenses usually very limited and competitive
- Approvals more politically controversial
- Difficult to turn a profit due to federal tax code 280c

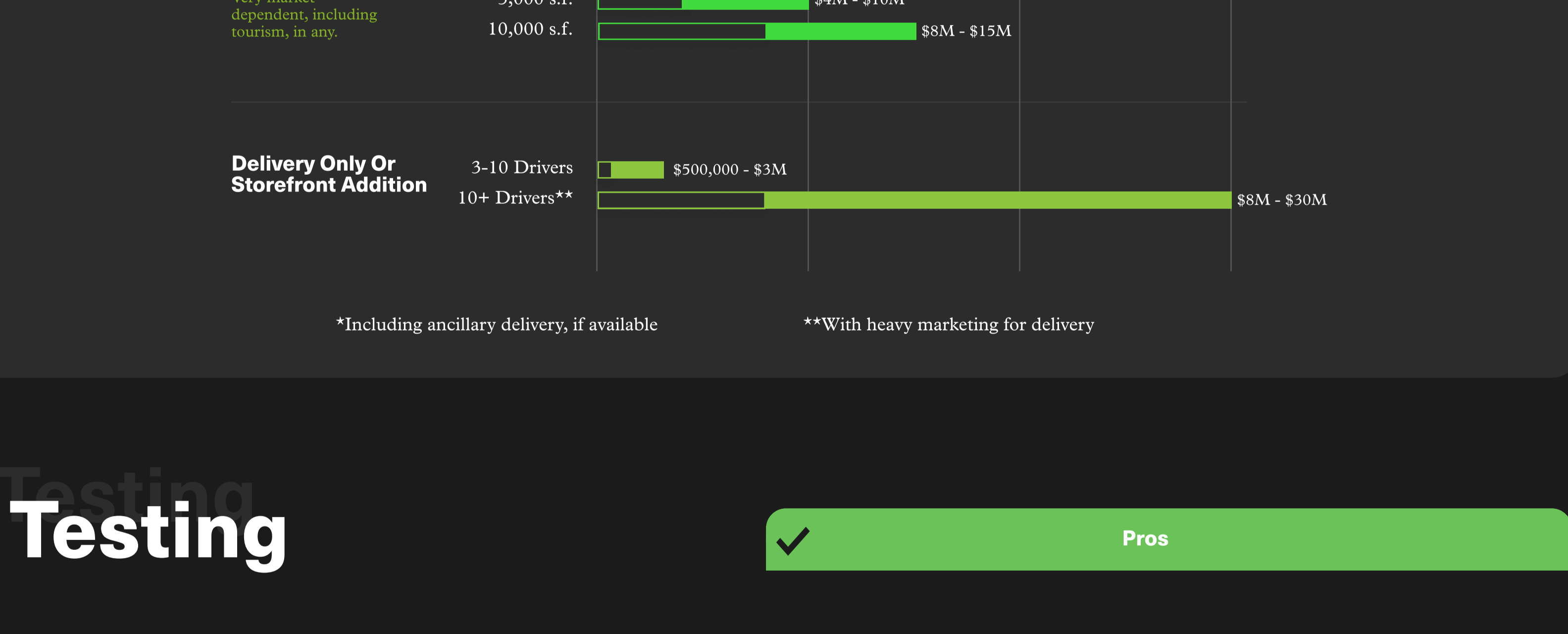
#### Costs

- 12 to 24 Month Lease \$200,000 - \$400,000
- Buildout \$150,000 - \$1,000,000
- Applications & Fees \$100,000 - \$150,000
- Starting Operations \$100,000 - \$250,000

#### Challenges

- Neighbors
- Consistent product availability
- Facility Requirements (i.e. lab, buildout)
- Customer service

#### Annual Revenue (Millions)



\*Including ancillary delivery, if available

\*\*With heavy marketing for delivery

### Testing

#### Pros

- Required for all products
- Easiest local approval
- High barrier to entry means less competition

#### Cons

- Expensive buildout
- Difficult licensing process
- Requires science experts to operate

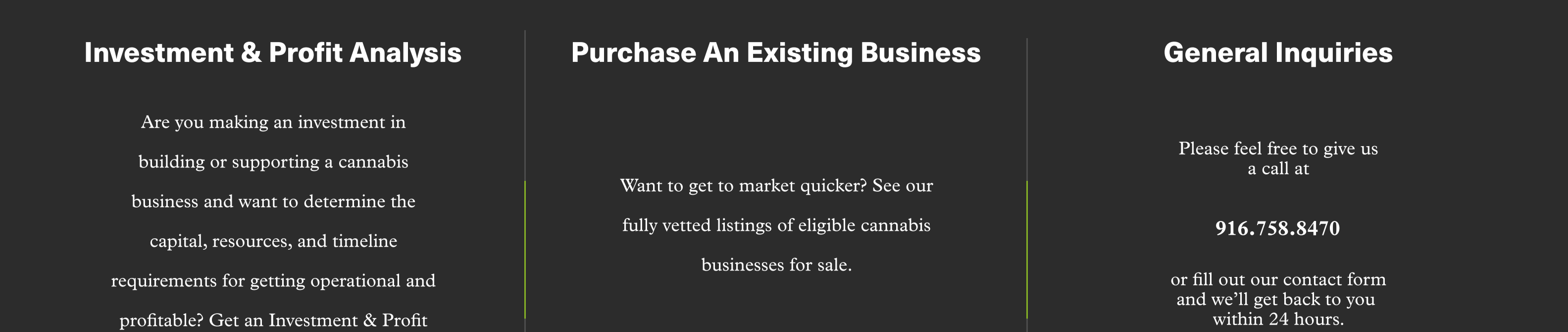
#### Costs

- 12 - Month Lease \$200,000 - \$400,000
- Buildout \$3,000,000 - \$10,000,000
- Applications & Fees \$200,000 - \$400,000
- Starting Operations \$1,000,000 - \$4,000,000

#### Challenges

- Facility Requirements (i.e. lab buildout)
- Enforcement of testing regulations
- Availability of qualified staff
- Customer service

#### Annual Revenue



## HOW TO MOVE FORWARD

#### Investment & Profit Analysis

Are you making an investment in building or supporting a cannabis business and want to determine the capital, resources, and timeline requirements for getting operational and profitable? Get an Investment & Profit Analysis today.

[Get An Investment & Profit Analysis](#)

#### Purchase An Existing Business

Want to get to market quicker? See our fully vetted listings of eligible cannabis businesses for sale.

[See Listings](#)

#### General Inquiries

Please feel free to give us a call at **916.758.8470** or fill out our contact form and we'll get back to you within 24 hours.

[Contact](#)