

Cannabis Industry

Case Study

Mandate

Beacon was engaged by a popular retail Cannabis culture shop, [The Friendly Stranger](#), located in Toronto's eclectic Queen Street West neighbourhood. The business specialized in selling smoking pipes, vaporizers and other cannabis-related paraphernalia. The owners, at the time, were approached by a private equity firm focused on creating an ecosystem within its portfolio investments that would help fuel growth and innovation in the cannabis industry. Due to Beacon's expertise in business valuation, we were engaged in an advisory capacity to provide an assessment of the business' fair market value.

Implementation

Beacon began by carefully assessing the medical and recreational cannabis industry in Canada. We assessed the macroeconomic and regulatory environment impacting the cannabis space. Our client had agile relationships with several suppliers, cultivators and experienced professionals in the cannabis space. In addition, the business' reputational goodwill effectively positioned it to become one of Canada's largest independent cannabis retailers post-legalization. Beacon realized the business' growth potential and factored this growth into our valuation assumptions. Throughout the valuation process, we were closely involved with our clients and made sure we developed a deep understanding of the business and its operations.

Outcome

As an independent third party advisor, Beacon was able to provide an unbiased fair-market value assessment to our clients. In addition, due to our large network of industry professionals, Beacon assisted the business in finding legal counsel to assist with the transaction process. Due to Beacon's involvement, [the business was successfully acquired](#) by Green Acre Capital. The end result was an addition to [Beacon's family of satisfied clients](#).