
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported) February 28, 2023

GREEN THUMB INDUSTRIES INC.
(Exact name of registrant as specified in its charter)

British Columbia
(State or Other Jurisdiction
of Incorporation)

000-56132
(Commission
File Number)

98-1437430
(IRS Employer
Identification No.)

325 West Huron Street, Suite 700
Chicago, Illinois 60654
(Address of principal executive offices including zip code)

(312) 563-5600
(Registrant's telephone number including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of exchange on which registered
N/A		

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01. Regulation FD Disclosure

On February 28, 2023, Green Thumb Industries Inc. issued a press release announcing its financial results for the quarter and year ended December 31, 2022, a copy of which is attached as Exhibit 99.1.

In accordance with General Instruction B.2 of Form 8-K, the information in this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits:

99.1 [Press release dated February 28, 2023](#)

104 Cover Page Interactive Data File (embedded within the inline XRBL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

GREEN THUMB INDUSTRIES INC.

Date: February 28, 2023

/s/ Mathew Faulkner

Mathew Faulkner

Chief Financial Officer



Green Thumb Industries Reports Fourth Quarter and Full Year 2022 Results

CHICAGO and VANCOUVER, British Columbia, February 28, 2023 (GLOBE NEWSWIRE) — Green Thumb Industries Inc. (“Green Thumb,” or the “Company”) (CSE: GTII) (OTCQX: GTBIF), a leading national cannabis consumer packaged goods company and owner of RISE Dispensaries, today reported its financial results for the fourth quarter and full year ended December 31, 2022. Financial results are reported in accordance with U.S. generally accepted accounting principles (“GAAP”) and all currency is in U.S. dollars.

Highlights for the fourth quarter ended December 31, 2022:

- Revenue of \$259 million increased 6% year-over-year and decreased 1% sequentially.
- Cash flow from operations of \$70 million.
- Cash at quarter end totaled \$178 million.
- GAAP net loss of (\$51 million) or (\$0.22) per basic and diluted share.
- Adjusted net income of \$12 million or adjusted basic and diluted earnings per share of \$0.05, excluding non-cash impairment charges.
- Adjusted Operating EBITDA of \$81 million or 31% of revenue.

Highlights for the year ended December 31, 2022:

- Revenue of \$1 billion increased 14% over the prior year.
- Cash flow from operations of \$159 million.
- GAAP net income of \$12 million or \$0.05 per basic and diluted share.
- Adjusted net income of \$75 million or adjusted basic and diluted earnings per share of \$0.32, excluding non-cash impairment charges recognized in the fourth quarter.
- Adjusted Operating EBITDA of \$311 million or 31% of revenue.
- Strong balance sheet and disciplined capital allocation to support continued future growth.

See definitions and reconciliation of non-GAAP measures elsewhere in this release.

Management Commentary

“In 2022, Green Thumb reached \$1 billion in annual revenue while delivering over \$300 million in Adjusted Operating EBITDA. Our team continued to execute on our mission by building authentic brands that resonate with consumers. As a federally illegal business with limited access to capital, we remain focused on our cash position, while consistently paying interest and taxes on time. The lack of progress regarding cannabis regulation from our elected officials in Congress is mind-numbing. The crippling tax burden continues to hurt new operators by greatly reducing their prospects for a profitable and sustainable cannabis business,” said Green Thumb Founder, Chairman and Chief Executive Officer Ben Kovler.

“While there is notable price compression in the market right now, units sold continues to climb, up 28% year-over-year according to BDSA, indicating that demand for cannabis products remains strong. I am confident that Green Thumb has the

right team, the right brands, and the right operational setup to navigate the middle innings of this industry and beyond. Equally important, Green Thumb had \$178 million in cash at year end, which is a \$31 million increase over last quarter, and we delivered \$159 million in cash flow from operations for the year. This financial strength provides for both optionality and durability going forward.”

Fourth Quarter and Full Year 2022 Financial Overview

Total revenue for the fourth quarter 2022 was \$259.3 million, up 6.4% from \$243.6 million for the fourth quarter 2021. For the full year 2022, total revenue increased 13.9% to \$1.0 billion. Revenue growth in the fourth quarter was primarily driven by the legalization of adult-use sales in New Jersey, which began on April 21, 2022, as well as revenue generated from acquisitions made throughout 2021.

Overall retail revenue increased 14.2% versus the fourth quarter of 2021 and 24.1% for the full year 2022. Fourth quarter 2022 comparable sales (stores open at least 12 months) increased 3.4% versus prior year on a base of 65 stores. Consumer Packaged Goods gross revenue increased 1.7% versus the fourth quarter of 2021 and 6.0% for the full year 2022.

Gross profit for the fourth quarter 2022 was \$124.0 million or 47.8% of revenue compared to \$128.6 million or 52.8% of revenue for the fourth quarter 2021. For the full year, gross margin was \$504.0 million or 49.5% of revenue versus \$491.9 million or 55.1% in 2021. The decline in gross margin percentage was primarily driven by price compression.

Total selling, general and administrative expenses for the fourth quarter were \$80.0 million or 30.9% of revenue, compared to \$74.3 million or 30.5% of revenue for the fourth quarter 2021. Total selling, general and administrative expenses for the full year 2022 were \$294.4 million or 28.9% of revenue, an increase from \$277.1 million or 31.0% of revenue in the prior year. During the fourth quarter 2022, the Company also recorded a non-cash impairment charge of \$88.5 million related to its Nevada business. This consisted of two charges: a \$57.4 million goodwill impairment charge and a \$31.1 million write off of the Essence tradename intangible.

Total other expense was \$14.1 million for the fourth quarter 2022, primarily reflecting interest expense associated with the Company’s senior secured notes, as well as various fair value adjustments associated with the Company’s existing investment portfolio. Total other expense for the full year was \$12.6 million.

Net loss attributable to the Company for the fourth quarter 2022 was (\$51.2 million) or (\$0.22) per basic and diluted share, compared to net income of \$22.8 million, or \$0.10 per basic and diluted share in the prior year. Net income for the full year 2022 was \$12.0 million or \$0.05 per basic and diluted share. Excluding the non-cash impairment charges of \$88.5 million, adjusted net income for the fourth quarter and full year 2022 was \$12 million and \$75 million, or adjusted basic and diluted earnings per share of \$0.05 and \$0.32, respectively.

EBITDA for the fourth quarter 2022 was (\$19.6 million) or (7.5%) of revenue compared to \$75.6 million or 31.0% of revenue for the fourth quarter 2021. EBITDA for the full year 2022 was \$217.7 million, or 21.4% of revenue. Adjusted Operating EBITDA for the fourth quarter 2022, which excluded non-cash stock-based compensation, other non-operating costs, and impairment charges, was \$81.2 million or 31.3% of revenue as compared to \$76.0 million or 31.2% of revenue for the fourth quarter 2021. Adjusted Operating EBITDA for the full year was \$311.5 million or 30.6% of revenue, compared to \$307.8 million or 34.5% of revenue last year.

For additional information on these non-GAAP financial measures, see below under “Non-GAAP Financial Information.”

Balance Sheet and Liquidity

As of December 31, 2022, current assets were \$351.4 million, including cash and cash equivalents of \$177.7 million. Total debt outstanding was \$275.7 million.

Total basic and diluted weighted average shares outstanding for the three months ended December 31, 2022 were 237.2 million.

On July 14, 2022, Green Thumb announced it exercised its right to extend the maturity date of its senior non-brokered debt by one year, from April 30, 2024 to April 30, 2025. The Company’s senior secured notes (the “Notes”), which have a total principal amount of approximately \$250 million, bear interest at a rate of 7.0% per annum that is paid quarterly. The extended maturity date did not involve any amendments to the Notes or any additional consideration to the existing lenders.

Green Thumb in the Community

Since 2021, Green Thumb has donated more than \$3.5 million to organizations nationwide through grants, retail giving programs, cannabis education scholarships, and efforts to increase voter participation in support of cannabis policy reform. This includes contributions of \$1.5 million made through the Company’s Good Green brand to nonprofit organizations that are enacting real, positive change in Black and Brown communities disproportionately affected by the War on Drugs.

On November 29, 2022, the Company announced its third round of grants to four nonprofits through its Good Green grant program. Each organization selected encompasses one or more of Good Green’s core pillars: education, employment and expungement. The four recipients: The Petey Green Program, Minority Cannabis Academy, CEIC Corp (DBA Cannabis Equity IL Coalition) and Nolef Turns, Inc. received unrestricted grants of \$50,000 each to help advance their organization’s mission. Additional information is available at www.good.green.

Non-GAAP Financial Information

This press release includes certain non-GAAP financial measures as defined by the U.S. Securities and Exchange Commission (“SEC”). Reconciliations of these non-GAAP financial measures to the most directly comparable financial measure calculated and presented in accordance with GAAP are included in the financial schedules attached to this press release. This information should be considered as supplemental in nature and not as a substitute for, or superior to, any measure of performance prepared in accordance with GAAP.

Definitions

EBITDA: Earnings before interest, taxes, depreciation and amortization and is a measurement of financial performance without having to factor in financing decisions, accounting decisions or tax environments.

Adjusted Operating EBITDA: Earnings before interest, taxes, depreciation, and amortization, adjusted for other income, non-cash share based compensation, one-time transaction related expenses, or other non-operating costs.

Adjusted Net Income: Net income attributable to Green Thumb Industries Inc., adjusted for non-cash goodwill impairment charges, write-off of trade name intangible assets and income tax benefits related to these charges.

Conference Call and Webcast

Green Thumb will host a conference call on Tuesday, February 28, 2023 at 5:00 pm ET to discuss its fourth quarter and full year 2022 financial results for the year ended December 31, 2022. The conference call may be accessed by dialing 844-883-3895 (Toll-Free) or 412-317-5797 (International). A live audio webcast of the call will also be available on the Investor Relations section of Green Thumb's website at <https://investors.gtigrows.com> and will be archived for replay.

About Green Thumb Industries:

Green Thumb Industries Inc. ("Green Thumb"), a national cannabis consumer packaged goods company and retailer, promotes well-being through the power of cannabis while giving back to the communities in which it serves. Green Thumb manufactures and distributes a portfolio of branded cannabis products including &Shine, Beboe, Dogwalkers, Doctor Solomon's, Good Green, incredibles and RYTHM. The company also owns and operates rapidly growing national retail cannabis stores called RISE. Headquartered in Chicago, Illinois, Green Thumb has 18 manufacturing facilities, 77 open retail locations and operations across 15 U.S. markets. Established in 2014, Green Thumb employs approximately 3,800 people and serves millions of patients and customers each year. The company was named to Crain's Chicago Business Fast 50 list in 2021 and 2022 and a Best Workplace by MG Retailer magazine in 2018, 2019 and 2021. More information is available at www.GTIgrows.com.

Cautionary Note Regarding Forward-Looking Information

This press release contains statements that we believe are, or may be considered to be, "forward-looking statements." All statements other than statements of historical fact included in this document regarding the prospects of our industry or our prospects, plans, financial position or business strategy may constitute forward-looking statements. In addition, forward-looking statements generally can be identified by the use of forward-looking words such as "may," "will," "expect," "intend," "estimate," "foresee," "opportunity," "project," "potential," "risk," "anticipate," "believe," "plan," "forecast," "continue," "suggests" or "could" or the negative of these terms or variations of them or similar terms or expressions of similar meaning. Furthermore, forward-looking statements may be included in various filings that we make with the Securities and Exchange Commission (the "SEC"), or oral statements made by or with the approval of one of our authorized executive officers. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot assure you that these expectations will prove to be correct. These forward-looking statements are subject to certain known and unknown risks and uncertainties, as well as assumptions that could cause actual results to differ materially from those reflected in these forward-looking statements. These known and unknown risks include, without limitation: cannabis remains illegal under U.S. federal law, and enforcement of cannabis laws could change; the Company may be subject to action by the U.S. federal government;

state regulation of cannabis is uncertain; the Company may not be able to obtain or maintain necessary permits and authorizations; the Company may be subject to heightened scrutiny by Canadian regulatory authorities; the Company may face limitations on ownership of cannabis licenses; the Company may become subject to U.S. Food and Drug Administration or the U.S. Bureau of Alcohol, Tobacco and Firearms; cannabis businesses are subject to applicable anti-money laundering laws and regulations and have restricted access to banking and other financial services; the Company may face difficulties acquiring additional financing; the Company faces intense competition; the Company faces competition from unregulated products; the Company is dependent on the popularity and consumer acceptance of our brand portfolio; the Company lacks access to U.S. bankruptcy protections; the Company operates in a highly regulated sector and may not always succeed in complying fully with applicable regulatory requirements in all jurisdictions where it carries on business; the Company has limited trademark protections; the Company may face difficulties in enforcing its contracts; cannabis businesses are subject to unfavorable tax treatment; cannabis businesses may be subject to civil asset forfeiture; the Company is subject to proceeds of crime statutes; the Company faces exposure to fraudulent or illegal activity; the Company's use of joint ventures may expose it to risks associated with jointly owned investments; the Company faces risks due to industry immaturity or limited comparable, competitive or established industry best practices; the Company faces risks related to its products; the Company's business is subject to the risks inherent in agricultural operations; the Company faces risks related to its information technology systems and potential cyber-attacks and security breaches; the Company relies on third-party software providers for numerous capabilities we depend upon to operate, and a disruption of one or more of these systems could adversely affect our business; the Company faces an inherent risk of product liability and similar claims; the Company's products may be subject to product recalls; the Company may face unfavorable publicity or consumer perception; the Company's voting control is concentrated; the Company's capital structure and voting control may cause unpredictability; and sales of substantial amounts of the Subordinate Voting Shares by our shareholders in the public market may have an adverse effect on the market price of the Subordinate Voting Shares. Further information on these and other potential factors that could affect the Company's business and financial condition and the results of operations are included in the "Risk Factors" section of the Company's Annual Report on Form 10-K for the year ended December 31, 2021 and forthcoming Annual Report on Form 10-K for the year ended December 31, 2022, and elsewhere in the Company's filings with the SEC, which are available on the SEC's website or at <https://investors.gtigrows.com>. Readers are cautioned not to place undue reliance on any forward-looking statements contained in this document, which reflect management's opinions only as of the date hereof. Except as required by law, we undertake no obligation to revise or publicly release the results of any revision to any forward-looking statements. You are advised, however, to consult any additional disclosures we make in our reports to the SEC. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements contained in this document.

Investor Contact:

Andy Grossman
EVP, Capital Markets & Investor Relations
InvestorRelations@gtigrows.com
310-622-8257

Media Contact:

MATTIO Communications
GTI@mattio.com

Green Thumb Industries Inc.**Highlights from Unaudited Consolidated Statements of Operations****For the Three and Twelve Months Ended December 31, 2022 and 2021***(Amounts Expressed in Thousands of United States Dollars, Except Share and Per Share Amounts)*

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
Revenues, net of discounts	\$ 259,270	\$ 243,580	\$ 1,017,375	\$ 893,560
Cost of Goods Sold, net	(135,285)	(114,946)	(513,412)	(401,631)
Gross Profit	<u>123,985</u>	<u>128,634</u>	<u>503,963</u>	<u>491,929</u>
Expenses:				
Selling, General, and Administrative	79,994	74,250	294,396	277,087
Impairment of Goodwill and Intangible Assets	88,503	—	88,503	—
Total Expenses	<u>168,497</u>	<u>74,250</u>	<u>382,899</u>	<u>277,087</u>
Income (Loss) From Operations	<u>(44,512)</u>	<u>54,384</u>	<u>121,064</u>	<u>214,842</u>
Other Income (Expense):				
Other Income (Expense), net	(10,434)	872	4,499	10,677
Interest Income, net	1,461	758	4,070	1,432
Interest Expense, net	(5,088)	(5,557)	(21,201)	(21,976)
Total Other Income (Expense)	<u>(14,061)</u>	<u>(3,927)</u>	<u>(12,632)</u>	<u>(9,867)</u>
Income (Loss) Before Provision for Income Taxes And Non-Controlling Interest	<u>(58,573)</u>	<u>50,457</u>	<u>108,432</u>	<u>204,975</u>
Provision For Income Taxes	<u>(7,663)</u>	<u>26,409</u>	<u>94,777</u>	<u>124,612</u>
Net Income (Loss) Before Non-Controlling Interest	<u>(50,910)</u>	<u>24,048</u>	<u>13,655</u>	<u>80,363</u>
Net Income Attributable To Non-Controlling Interest	<u>317</u>	<u>1,242</u>	<u>1,677</u>	<u>4,927</u>
Net Income (Loss) Attributable To Green Thumb Industries Inc.	<u>\$ (51,227)</u>	<u>\$ 22,806</u>	<u>\$ 11,978</u>	<u>\$ 75,436</u>
Net Income (Loss) per share - basic	<u>\$ (0.22)</u>	<u>\$ 0.10</u>	<u>\$ 0.05</u>	<u>\$ 0.34</u>
Net Income (Loss) per share - diluted	<u>\$ (0.22)</u>	<u>\$ 0.10</u>	<u>\$ 0.05</u>	<u>\$ 0.33</u>
Weighted average number of shares outstanding - basic	<u>237,208,543</u>	<u>230,916,901</u>	<u>236,713,056</u>	<u>223,192,326</u>
Weighted average number of shares outstanding - diluted	<u>237,208,543</u>	<u>233,927,531</u>	<u>238,080,030</u>	<u>226,758,882</u>

Green Thumb Industries Inc.

Highlights from the Unaudited Consolidated Balance Sheet

(Amounts Expressed in Thousands of United States Dollars)

	December 31, 2022
Cash and Cash Equivalents	\$ 177,682
Other Current Assets	173,669
Property and Equipment, Net	557,873
Right of Use Assets, Net	242,357
Intangible Assets, Net	589,519
Goodwill	589,691
Other Long-term Assets	102,737
Total Assets	<u>\$ 2,433,528</u>
Total Current Liabilities	\$ 146,571
Notes Payable, Net of Current Portion and Debt Discount	274,631
Lease Liability, Net of Current Portion	249,281
Other long-Term Liabilities	97,613
Total Equity	<u>1,665,432</u>
Total Liabilities and Equity	<u>\$ 2,433,528</u>

