
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2024

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to



Commission file number 000-56132

GREEN THUMB INDUSTRIES INC.

(Exact name of registrant as specified in its charter)

British Columbia
(State or other jurisdiction of
incorporation or organization)

98-1437430
(I.R.S. employer
identification no.)

**325 West Huron Street,
Suite 700 Chicago, Illinois**
(Address of principal executive offices)

60654
(zip code)

Registrant's telephone number, including area code - (312) 471-6720

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

Subordinate Voting Shares

Multiple Voting Shares

Super Voting Shares

(Title of each Class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

As of November 1, 2024 there were 212,043,394 shares of the registrant's Subordinate Voting Shares, 37,623 shares of the registrant's Multiple Voting Shares and 206,690 shares of the registrant's Super Voting Shares outstanding.

ITEM 2. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

This management discussion and analysis (“MD&A”) of the financial condition and results of operations of Green Thumb Industries Inc. (the “Company” or “Green Thumb”) is for the three and nine months ended September 30, 2024 and 2023. It is supplemental to, and should be read in conjunction with, the Company’s unaudited interim condensed consolidated financial statements as of September 30, 2024 and the consolidated financial statements for the year ended December 31, 2023 included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023 filed with the U.S. Securities and Exchange Commission (“SEC”) on February 29, 2024 (the “2023 Form 10-K”) and the accompanying notes for each respective period. The Company’s financial statements are prepared in accordance with accounting principles generally accepted in the United States (“GAAP”). Financial information presented in this MD&A is presented in United States dollars (“\$” or “US\$”), unless otherwise indicated.

This MD&A contains certain “forward-looking statements” and certain “forward-looking information” as defined under applicable United States securities laws. Please refer to the discussion of forward-looking statements and information set out under the heading “Disclosure Regarding Forward-Looking Statements,” identified in the “Risks and Uncertainties” section of this MD&A and in Part I, Item 1A, “Risk Factors of the 2023 Form 10-K.” As a result of many factors, the Company’s actual results may differ materially from those anticipated in these forward-looking statements and information.

OVERVIEW OF THE COMPANY

Established in 2014 and headquartered in Chicago, Illinois, Green Thumb, a national cannabis consumer packaged goods company and retailer, promotes well-being through the power of cannabis while being committed to community and sustainable, profitable growth. As of September 30, 2024, Green Thumb has operations in fourteen U.S. markets, employs approximately 4,800 people and serves millions of patients and customers annually.

Green Thumb’s core business is manufacturing, distributing and marketing a portfolio of cannabis consumer packaged goods brands (which we refer to as our Consumer Packaged Goods business), including &Shine, Beboe, Dogwalkers, Doctor Solomon’s, Good Green, incredibles and RYTHM. The Company distributes and markets these products primarily to third-party licensed retail cannabis stores across the United States as well as to Green Thumb-owned retail stores (which we refer to as our Retail business).

The Company’s Consumer Packaged Goods portfolio is primarily generated from plant material that Green Thumb grows and processes itself, which we use to produce our consumer packaged goods in twenty manufacturing facilities. This portfolio consists of cannabis product categories, including flower, pre-rolls, concentrates, vape, capsules, tinctures, edibles, topicals, as well as other cannabis-related products across a range of stock keeping units (“SKUs”) (none of which product categories are individually material to the Company).

Green Thumb owns and operates a national cannabis retail chain called RISE Dispensaries that provides relationship-centric retail experiences aimed to deliver a superior level of customer service through high-engagement consumer interaction, a consultative, transparent and education-forward selling approach and a consistently available assortment of cannabis products. In addition, Green Thumb owns Retail stores under other names, primarily where naming is subject to licensing or similar restrictions. The income from Green Thumb’s Retail business is primarily derived from the sale of cannabis-related products, which includes the sale of Green Thumb produced products as well as those produced by third parties, with an immaterial (under 10%) portion of this income resulting from the sale of other merchandise (such as t-shirts and accessories for cannabis use). The RISE Dispensaries currently are located in all fourteen of the states in which we operate. As of September 30, 2024, the Company had 98 open and operating Retail locations. The Company’s new store opening plans will remain fluid depending on market conditions, obtaining local licensing, construction and other permissions and subject to the Company’s capital allocation plans.

Results of Operations – Consolidated

The following table sets forth the Company's selected consolidated financial results for the periods, and as of the dates, indicated. The (i) unaudited interim condensed consolidated statements of operations for the three and nine months ended September 30, 2024 and 2023 and (ii) unaudited interim condensed consolidated balance sheets as of September 30, 2024 and December 31, 2023 have been derived from, and should be read in conjunction with, the unaudited interim condensed consolidated financial statements and accompanying notes presented in Item 1 of this quarterly report on Form 10-Q.

The Company's unaudited interim condensed consolidated financial statements have been prepared in accordance with GAAP and on a going-concern basis that contemplates continuity of operations and realization of assets and liquidation of liabilities in the ordinary course of business.

	Three Months Ended September 30,		Nine Months Ended September 30,		QTD Change		YTD Change	
	2024	2023	2024	2023	\$	%	\$	%
	(in thousands, except share and per share amounts)							
Revenues, Net of Discounts	\$ 286,865	\$ 275,398	\$ 842,818	\$ 776,322	\$ 11,467	4%	\$ 66,496	9%
Cost of Goods Sold	(139,274)	(141,592)	(399,778)	(392,515)	(2,318)	(2)%	7,263	2%
Gross Profit	147,591	133,806	443,040	383,807	13,785	10%	59,233	15%
Expenses:								
Selling, General, and Administrative	104,967	84,779	275,725	249,515	20,188	24%	26,210	11%
Total Expenses	104,967	84,779	275,725	249,515	20,188	24%	26,210	11%
Income From Operations	42,624	49,027	167,315	134,292	(6,403)	(13)%	33,023	25%
Total Other Expense	(2,921)	(3,694)	(11,298)	(6,463)	(773)	(21)%	4,835	75%
Income Before Provision for Income Taxes And Non-Controlling Interest	39,703	45,333	156,017	127,829	(5,630)	(12)%	28,188	22%
Provision for Income Taxes	30,922	34,526	94,970	93,927	(3,604)	(10)%	1,043	1%
Net Income Before Non-Controlling Interest	8,781	10,807	61,047	33,902	(2,026)	(19)%	27,145	80%
Net Income Attributable to Non-Controlling Interest	165	295	643	851	(130)	(44)%	(208)	(24)%
Net Income Attributable To Green Thumb Industries Inc.	\$ 8,616	\$ 10,512	\$ 60,404	\$ 33,051	\$ (1,896)	(18)%	\$ 27,353	83%
Net Income Per Share - Basic	\$ 0.04	\$ 0.05	\$ 0.26	\$ 0.14	\$ (0.01)	(20)%	\$ 0.12	86%
Net Income Per Share - Diluted	\$ 0.04	\$ 0.05	\$ 0.26	\$ 0.14	\$ (0.01)	(20)%	\$ 0.12	86%
Weighted Average Number of Shares Outstanding – Basic	236,303,348	239,459,783	236,821,181	238,248,852				
Weighted Average Number of Shares Outstanding – Diluted	238,295,887	240,289,959	239,934,521	239,827,112				

	September 30, 2024		December 31, 2023	
	(in thousands)			
Total Assets	\$	2,514,872	\$	2,490,057
Long-Term Liabilities	\$	579,482	\$	660,751

Three Months Ended September 30, 2024 Compared to the Three Months Ended September 30, 2023

Revenues, net of Discounts

Revenues, net of discounts for the three months ended September 30, 2024 was \$286,865 thousand, up 4% from \$275,398 thousand for the three months ended September 30, 2023. Key performance drivers for the period included the expansion of the adult-use market in New York and Maryland, legalization of adult-use sales in Ohio, which began on August 6, 2024, and revenue generated from new retail stores, partially offset by price compression and increased competition in certain markets.

The Company generated revenue from 98 Retail stores during the quarter compared to 85 in the same quarter of the prior year. Retail revenues made up 72% of total revenues during the three months ended September 30, 2024 as compared to 75% during the three months ended September 30, 2023. Since September 30, 2023, the Company has opened twelve new Retail stores in Florida and two new Retail stores in New York. The Company also disposed of one Retail store in Massachusetts.

Consumer Packaged Goods revenues made up 28% of total revenues during the three months ended September 30, 2024 as compared to 25% during the three months ended September 30, 2023.

Cost of Goods Sold

Cost of goods sold are derived from retail purchases made by the Company from its third-party licensed producers operating within our state markets and costs related to the internal cultivation and production of cannabis. Cost of goods sold for the three months ended September 30, 2024 was \$139,274 thousand, down 2% from \$141,592 thousand for the three months ended September 30, 2023. The decrease was driven by operational leverage from the Company's Consumer Packaged Goods business and an increase in Retail sales of Green Thumb-produced products.

Gross Profit

Gross profit for the three months ended September 30, 2024 was \$147,591 thousand, representing a gross margin on the sale of branded cannabis flower and processed and packaged products including concentrates, edibles, topicals and other cannabis products, of 51%. This is compared to gross profit for the three months ended September 30, 2023 of \$133,806 thousand, or a 49% gross margin. The increase in gross profit (dollars) was directly attributable to the revenue increase as described above. The increase in gross margin (percent) was primarily driven by operational leverage from the Company's Consumer Packaged Goods business, as described above, and lower costs associated with the purchase of Retail inventory.

Total Expenses

Total expenses for the three months ended September 30, 2024 were \$104,967 thousand, or 37% of revenues, net of discounts, an increase of \$20,188 thousand compared to the same period in the prior year. Total expenses for the three months ended September 30, 2023 were \$84,779 thousand or 31% of revenues, net of discounts. The increase in total expenses was attributable to increased costs associated with ongoing claims and litigation and increased costs associated with the opening and operation of new Retail stores as described above.

Total Other Income (Expense)

Total other income (expense) for the three months ended September 30, 2024 was \$(2,921) thousand, a favorable change of \$773 thousand, primarily due to favorable fair value adjustments on the Company's warrant liability during the three months ended September 30, 2024, as compared to the three months ended September 30, 2023.

Income Before Provision for Income Taxes and Non-Controlling Interest

Income before provision for income taxes and non-controlling interest for the three months ended September 30, 2024 was \$39,703 thousand, a decrease of \$5,630 thousand compared to the three months ended September 30, 2023.

As presented under the heading "Non-GAAP Measures" below, after adjusting for non-cash equity incentive compensation of \$8,349 thousand and \$7,215 thousand in the three months ended September 30, 2024 and 2023, respectively, and other nonoperating expenses of \$9,727 thousand and \$1,119 thousand in three months ended September 30, 2024 and 2023, respectively, adjusted earnings before interest, depreciation, and amortization ("Adjusted EBITDA") was \$89,192 thousand and \$82,989 thousand, respectively.

Provision for Income Taxes

Income tax expense is recognized based on the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year-end. For the three months ended September 30, 2024, federal and state income tax expense totaled \$30,922 thousand compared to expense of \$34,526 thousand for the three months ended September 30, 2023.

Nine Months Ended September 30, 2024 Compared to the Nine Months Ended September 30, 2023

Revenues, net of Discounts

Revenues, net of discounts for the nine months ended September 30, 2024 was \$842,818 thousand, an increase of 9% from \$776,322 for the nine months ended September 30, 2023. The increase in revenue was largely due to expansion of adult-use market in Maryland, growth in Consumer Packaged Goods revenues in New York and New Jersey, legalization of adult-use sales in Ohio, as well as revenue generated from new retail stores opened in the current period, partially offset by price compression and increased competition in certain markets.

The Company generated revenue from 98 retail stores during the period compared to 85 in the same period of the prior year. Since September 30, 2023, the Company has opened twelve new Retail stores in Florida and two new Retail stores in New York. The Company also disposed of one Retail store in Massachusetts.

Cost of Goods Sold

Cost of goods sold are derived from retail purchases made by the Company from its third-party licensed producers operating within our state markets and costs related to the internal cultivation and production of cannabis. Cost of goods sold for the nine months ended September 30, 2024 was \$399,778 thousand, an increase of 2% from \$392,515 thousand for the nine months ended September 30, 2023, driven by increased volume from the launch of adult-use sales in Maryland as described above, and new retail store openings since September 30, 2023 in Florida and New York.

Gross Profit

Gross profit for the nine months ended September 30, 2024 was \$443,040 thousand, representing a gross margin on the sale of branded cannabis flower and processed and packaged products including concentrates, edibles, topicals and other cannabis products, of 53%. This is compared to gross profit for the nine months ended September 30, 2023 of \$383,807 thousand or a 49% gross margin. The increase in gross profit (dollars) was directly attributable to the revenue increase as described above, while the increase in gross margin (percent) was primarily driven by operational leverage from the Company's CPG business, as described above, and lower costs associated with the purchase of Retail inventory.

Total Expenses

Total expenses for the nine months ended September 30, 2024 were \$275,725 thousand or 33% of revenues, net of discounts, an increase of \$26,210 thousand over the same period in the prior year. Total expenses for the nine months ended September 30, 2023 were \$249,515 thousand or 32% of revenues, net of discounts. The increase in total expenses was attributable to increased costs associated with ongoing claims and litigation and increased costs associated with the opening and operation of new Retail stores as described above. The increase in total expenses was partially offset by favorable fair value adjustments associated with the Company's contingent consideration arrangements recorded during the nine months ended September 30, 2024.

Total Other Income (Expense)

Total other income (expense) for the nine months ended September 30, 2024 was \$(11,298) thousand, an unfavorable change of \$4,835 thousand over the same period in the prior year, primarily due to a decrease in capitalized interest during the nine months ended September 30, 2024.

Income Before Provision for Income Taxes and Non-Controlling Interest

Income before provision for income taxes and non-controlling interest for the nine months ended September 30, 2024 was \$156,017 thousand, an increase of \$28,188 thousand compared to the nine months ended September 30, 2023.

As presented under the heading "Non-GAAP Measures" below, after adjusting for non-cash equity incentive compensation of \$23,705 thousand and \$20,835 thousand, and other nonoperating (income) expenses, of \$(1,736) thousand and \$6,549 thousand in the nine months ended September 30, 2024 and 2023, respectively, Adjusted EBITDA was \$273,536 thousand and \$235,039 thousand, respectively.

Provision for Income Taxes

Income tax expense is recognized based on the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year-end. For the nine months ended September 30, 2024, federal and state income tax expense totaled \$94,970 thousand compared to expense of \$93,927 thousand for the nine months ended September 30, 2023.

Results of Operations by Segment

The following table summarizes revenues, net of discounts by segment for the three and nine months ended September 30, 2024 and 2023:

	Three Months Ended September 30,		QTD Change	
	2024	2023	\$	%
	(in thousands)		Increase (Decrease)	
Retail	\$ 206,124	\$ 205,441	\$ 683	0%
Consumer Packaged Goods	165,500	150,425	15,075	10%
Intersegment Eliminations	(84,759)	(80,468)	4,291	5%
Total Revenues, Net of Discounts	\$ 286,865	\$ 275,398	\$ 11,467	4%

	Nine Months Ended September 30,		2024 vs. 2023	
	2024	2023	\$ Change	% Change
	(in thousands)		Increase (Decrease)	
Retail	\$ 614,558	\$ 582,363	\$ 32,195	6%
Consumer Packaged Goods	471,735	412,096	59,639	14%
Intersegment Eliminations	(243,475)	(218,137)	25,338	12%
Total Revenues, Net of Discounts	\$ 842,818	\$ 776,322	\$ 66,496	9%

Three Months Ended September 30, 2024 Compared with the Three Months Ended September 30, 2023

Revenues, net of discounts, for the Retail segment were \$206,124 thousand, an increase of \$683 thousand, compared to the three months ended September 30, 2023. The increase in Retail revenues, net of discounts, was primarily driven by the expansion of the adult-use market in New York and Maryland, legalization of adult-use sales in Ohio and revenue generated from new retail stores, primarily offset by price compression and increased competition in certain markets.

Revenues, net of discounts, for the Consumer Packaged Goods segment were \$165,500 thousand, an increase of \$15,075 thousand or 10%, compared to the three months ended September 30, 2023. The increase in Consumer Packaged Goods revenues, net of discounts, was primarily driven by the increased production due to the completion of various construction projects in late 2023.

Intersegment eliminations associated with the Consumer Packaged Goods segment were \$(84,759) thousand, an increase of \$4,291 thousand or 5% compared to the three months ended September 30, 2023. The increase in intersegment eliminations was driven by increased intercompany sales, primarily to Company-owned Retail stores in Florida, New York and Pennsylvania. Consumer Packaged Goods revenues, net of intersegment eliminations, made up 28% of total revenues during the three months ended September 30, 2024 as compared to 25% during the three months ended September 30, 2023.

Due to the vertically integrated nature of the business, the Company reviews its revenue at the Retail and Consumer Packaged Goods level while reviewing its operating results on a consolidated basis.

Nine Months Ended September 30, 2024 Compared with the Nine Months Ended September 30, 2023

Revenues, net of discounts for the Retail segment were \$614,558, an increase of \$32,195 or 6%, compared to the nine months ended September 30, 2023. The increase in Retail revenues, net of discounts, was primarily driven by the legalization of adult-use sales in Maryland, continued growth in existing markets, as well as revenue generated from new retail stores opened in the current period, partially offset by price compression and increased competition in certain markets.

Revenues, net of discounts, for the Consumer Packaged Goods segment were \$471,735 thousand, an increase of \$59,639 thousand or 14%, compared to the nine months ended September 30, 2023. The increase in Consumer Packaged Goods revenues was primarily driven by the expansion of adult-use sales in Maryland, New York, New Jersey and Ohio, as described above, as well as increased production associated with the completion of various construction projects in 2023.

Intersegment eliminations associated with the Consumer Packaged Goods segment were \$243,475 thousand, an increase of \$25,338 thousand or 12% compared to the nine months ended September 30, 2023. The increase in intersegment eliminations was driven by increased intercompany sales to Company-owned retail stores primarily in Maryland, Pennsylvania, and New York. Consumer Packaged Goods revenues, net of intersegment eliminations, made up 27% of total revenues during the nine months ended September 30, 2024 as compared to 25% during the nine months ended September 30, 2023.

Due to the vertically integrated nature of the business, the Company reviews its revenue at the Retail and Consumer Packaged Goods level while reviewing its operating results on a consolidated basis.

Drivers of Results of Operations

Revenue

The Company derives its revenue from two revenue streams: a Consumer Packaged Goods business in which it manufactures, sells and distributes its portfolio of Consumer Packaged Goods brands including &Shine, Beboe, Dogwalkers, Dr. Solomon's, Good Green, incredibles, and RYTHM, primarily to third-party customers; and a Retail business in which it sells finished goods sourced primarily from third-party cannabis manufacturers in addition to the Company's own Consumer Packaged Goods products direct to the end consumer in its Retail stores, as well as direct-to-consumer delivery where permitted by state law.

For the three and nine months ended September 30, 2024, revenue was contributed from Retail and Consumer Packaged Goods sales across California, Connecticut, Florida, Illinois, Maryland, Massachusetts, Minnesota, Nevada, New Jersey, New York, Ohio, Pennsylvania, Rhode Island and Virginia.

Gross Profit

Gross profit is revenue less cost of goods sold. Cost of goods sold includes the costs directly attributable to product sales and includes amounts paid for finished goods, such as flower, edibles, and concentrates, as well as packaging and other supplies, fees for services and processing, and allocated overhead which includes allocations of rent, utilities and related costs. Cannabis costs are affected by various state regulations that limit the sourcing and procurement of cannabis product, which may create fluctuations in gross profit over comparative periods as the regulatory environment changes. Gross margin measures our gross profit as a percentage of revenue.

During the three and nine months ended September 30, 2024, the Company continued to be focused on creating sustainable, profitable growth of the Company's business within its current markets while considering strategic acquisition and partnership opportunities.

Total Expenses

Total expenses other than the cost of goods sold consist of selling costs to support customer relationships and marketing and branding activities. It also includes a significant investment in the corporate infrastructure required to support the Company's ongoing business.

Retail selling costs generally correlate to revenue. As new locations begin operations, these locations generally experience higher selling costs as a percentage of revenue compared to more established locations, which experience a more constant rate of selling costs. As a percentage of sales, the Company expects selling costs to remain constant in the more established locations and increase in the newer locations as business continues to grow.

General and administrative expenses also include costs incurred at the Company's corporate offices, primarily related to back office personnel costs, including salaries, incentive compensation, benefits, stock-based compensation and other professional service costs, and fair value adjustments on the Company's contingent consideration arrangements. The Company expects to continue to invest considerably in this area to support the business by attracting and retaining top-tier talent. Furthermore, the Company anticipates an increase in stock-based compensation expenses related to recruiting and hiring talent, along with legal and professional fees associated with being a publicly traded company in Canada and registered with the SEC.

Provision for Income Taxes

The Company is subject to income taxes in the jurisdictions in which it operates and, consequently, income tax expense is a function of the allocation of taxable income by jurisdiction and the various activities that impact the timing of taxable events. As the Company operates in the federally illegal cannabis industry, it is subject to the limitations of the U.S. Internal Revenue Code of 1986, as amended ("IRC") Section 280E, under which taxpayers are only allowed to deduct expenses directly related to sales of product. This results in permanent differences between ordinary and necessary business expenses deemed non-allowable under IRC Section 280E and a higher effective tax rate than most industries. Therefore, the effective tax rate can be highly variable and may not necessarily correlate to pre-tax income or loss.

Non-GAAP Measures

EBITDA, and Adjusted EBITDA are non-GAAP measures and do not have standardized definitions under GAAP. The following information provides reconciliations of the supplemental non-GAAP financial measures, presented herein to the most directly comparable financial measures calculated and presented in accordance with GAAP. The Company has provided the non-GAAP financial measures, which are not calculated or presented in accordance with GAAP, as supplemental information and in addition to the financial measures that are calculated and presented in accordance with GAAP. These supplemental non-GAAP financial measures are presented because management has evaluated the financial results both including and excluding the adjusted items and believe that the supplemental non-GAAP financial measures presented provide additional perspective and insights when analyzing the core operating performance of the business. These supplemental non-GAAP financial measures should not be considered superior to, as a substitute for or as an alternative to, and should be considered in conjunction with, the GAAP financial measures presented.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(in thousands)		(in thousands)	
Net Income Before Non-Controlling Interest	\$ 8,781	\$ 10,807	\$ 61,047	\$ 33,902
Interest Income, net	(2,665)	(1,576)	(7,082)	(4,838)
Interest Expense, net	5,296	4,639	18,791	11,324
Provision for Income Taxes	30,922	34,526	94,970	93,927
Total Other Expense (Income)	290	631	(411)	(23)
Depreciation and Amortization	28,492	25,628	84,252	73,363
Earnings before interest, taxes, depreciation and amortization (EBITDA) (non-GAAP measure)	\$ 71,116	\$ 74,655	\$ 251,567	\$ 207,655
Stock-based Compensation, Non-cash	8,349	7,215	23,705	20,835
Acquisition, Transaction and Other Non-operating Costs (Income)	9,727	1,119	(1,736)	6,549
Adjusted EBITDA (Non-GAAP Measure)	\$ 89,192	\$ 82,989	\$ 273,536	\$ 235,039

Liquidity, Financing Activities During the Period, and Capital Resources

As of September 30, 2024, and December 31, 2023 the Company had total current liabilities of \$160,669 thousand and \$126,050 thousand, respectively, and cash and cash equivalents of \$173,641 thousand and \$161,634 thousand, respectively, to meet its current obligations. The Company had working capital of \$231,205 thousand as of September 30, 2024, an increase of \$14,493 thousand as compared to December 31, 2023. This increase in working capital was primarily driven by an increase in inventory.

The Company generates cash from its operations and deploys its capital reserves to acquire and develop assets capable of producing additional revenues and earnings over both the immediate and long term. Capital reserves are primarily being utilized for capital expenditures, facility improvements, strategic investment opportunities, product development and marketing, as well as customer, supplier, and investor and industry relations.

The Company takes a cautious approach in allocating its capital to maximize its returns while ensuring appropriate liquidity. Given the current uncertainty of the future economic environment, the Company has taken additional measures in monitoring and deploying its capital to minimize the negative impact on its current operations and expansion plans.

Cash Flows

Cash Provided by (Used in) Operating, Investing and Financing Activities

Net cash provided by (used in) operating, investing and financing activities for the nine months ended September 30, 2024 and 2023 were as follows:

	Nine Months Ended September 30,	
	2024	2023
	(in thousands)	
Net Cash Provided by Operating Activities	\$ 151,845	\$ 153,872
Net Cash Used in Investing Activities	\$ (53,435)	\$ (187,444)
Net Cash Used in Financing Activities	\$ (86,403)	\$ (7,268)

Off-Balance Sheet Arrangements

As of September 30, 2024, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Changes in or Adoption of Accounting Practices

Refer to the discussion of recently adopted/issued accounting pronouncements under Part I, Item 1, Notes to Unaudited Interim Condensed Consolidated Financial Statements, Note 1—Overview and Basis of Presentation.

Critical Accounting Policies and Significant Judgments and Estimates

There were no material changes to our critical accounting policies and estimates from the information provided in “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” included in our 2023 Form 10-K.