



# The Impact of COVID-19 on Wholesale Cannabis

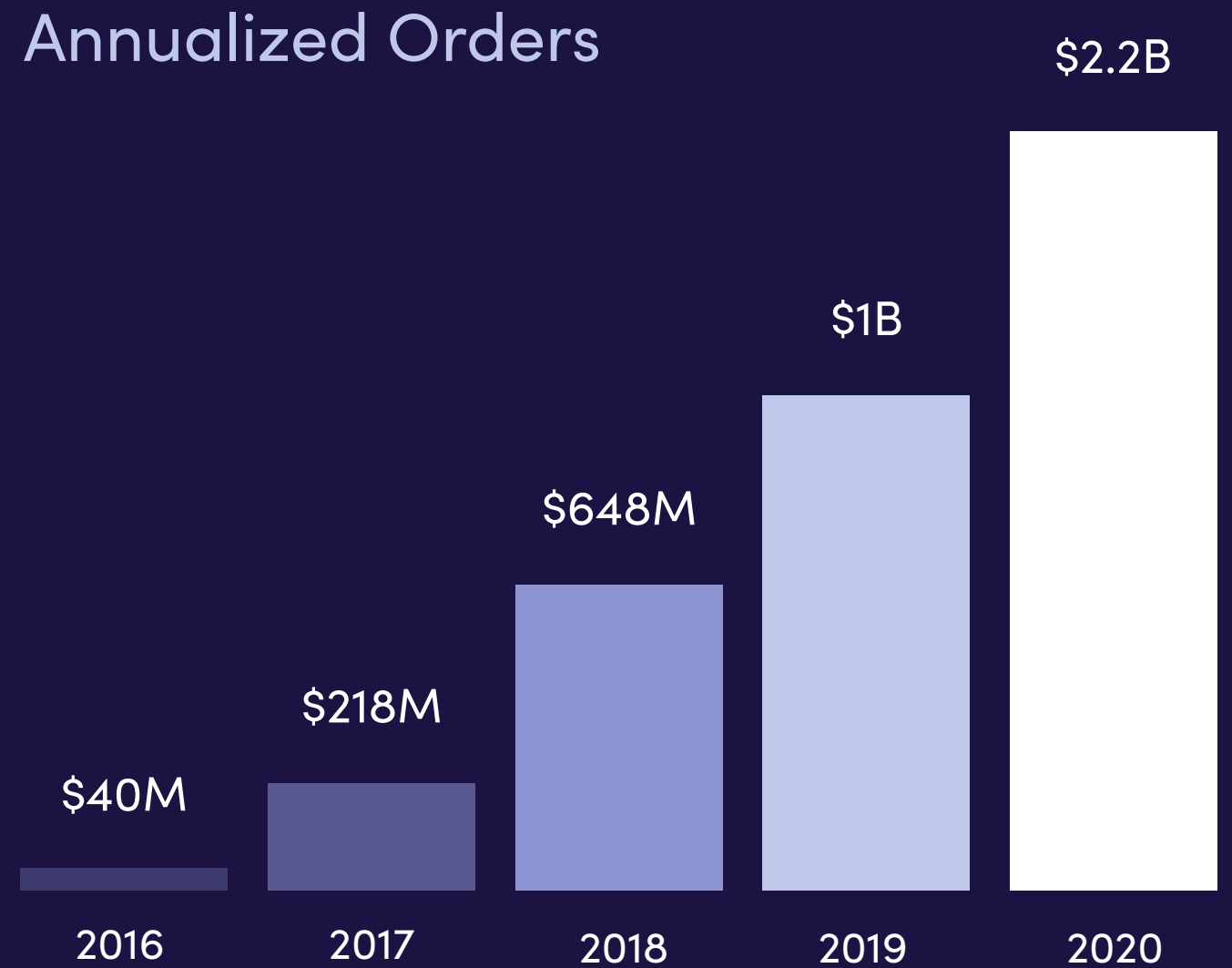
Claire Moloney  
Director of Operations,  
Marketplace



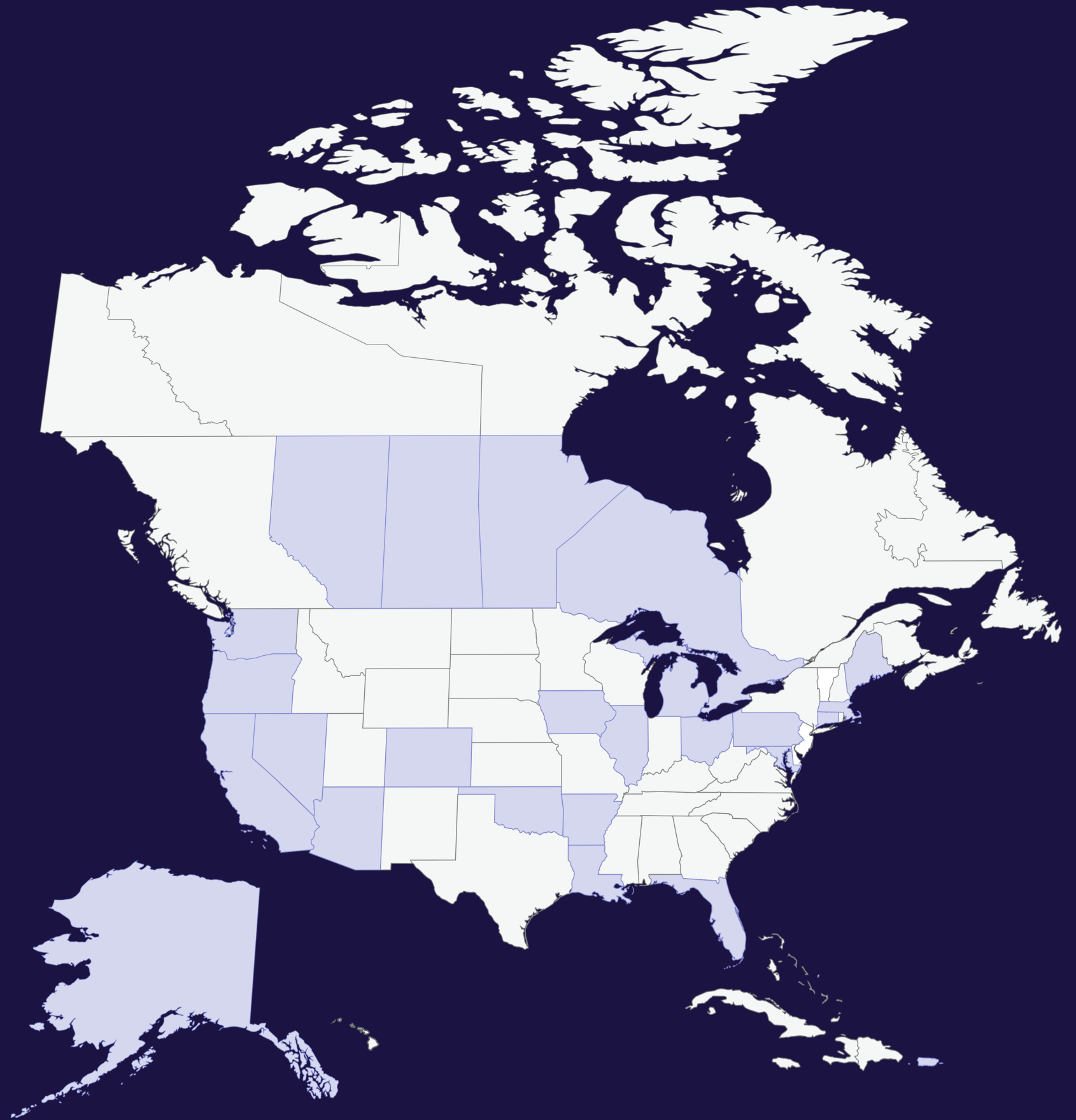
# The Cannabis Industry's Wholesale Marketplace

**1,500+** brands

**4,700+** retailers

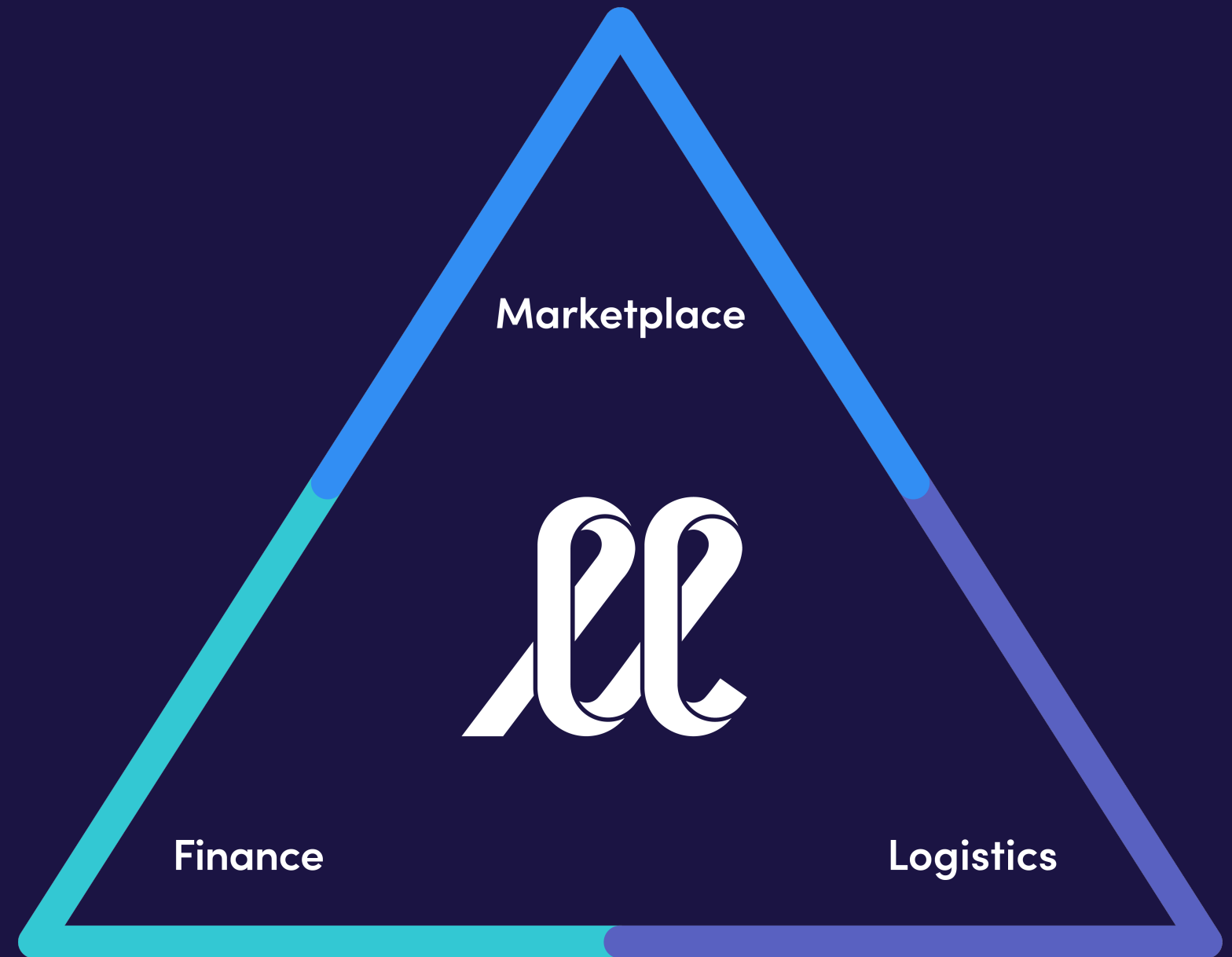


# 25 Territories in North America



# Streamlining the Entire Supply Chain

The LeafLink Triangle



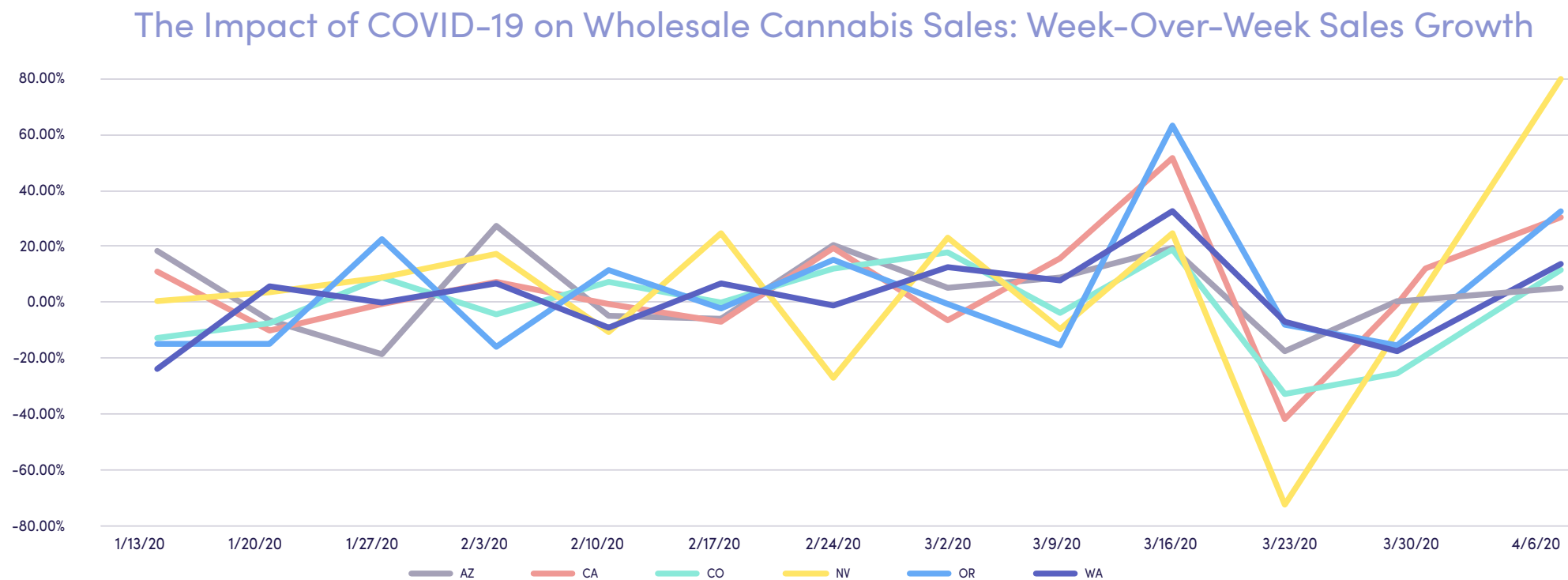
# The Impact of COVID-19 on Wholesale

How have stay-at-home orders affected cannabis?

# Overall Impact

During the week of 3/16, we saw a major stock up event. This was followed by a return to the norm, and then 4.20 fueled growth.

- **Week of 3/16:**  
+36% WoW increase
- **Week of 3/23:**  
-30% WoW decrease
- **Week of 3/30:**  
-5.5% WoW decrease
- **Week of 4/6:**  
+17% WoW increase



# Product Impact

What are retailers stocking during COVID-19?

Packaged Flower

**+2.6%**

market share

Gummies

**+1.5%**

market share

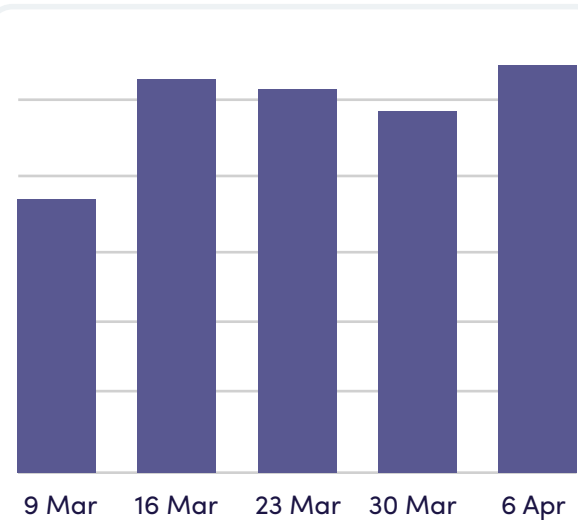
Disposable Cartridges

**+1.3%**

market share

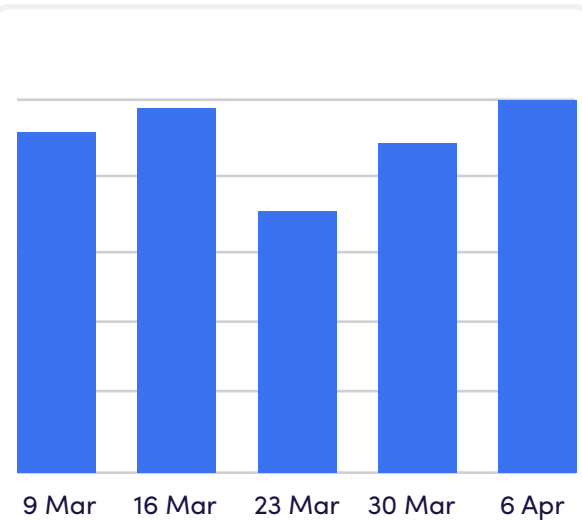
# Market Impact

How are GMV impacts being felt across different markets?



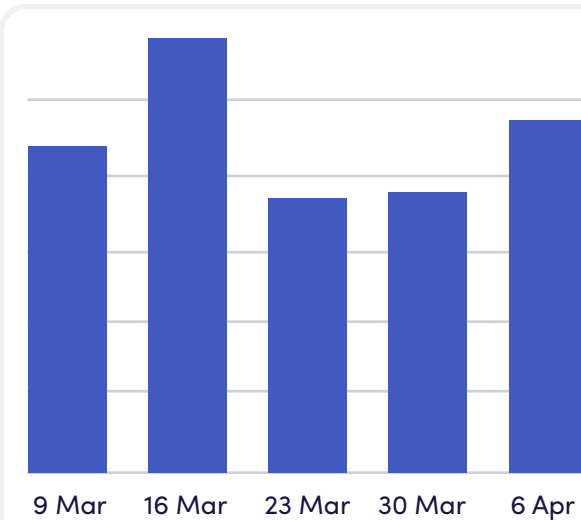
## Oklahoma

Early Growth  
Medical  
since 2018  
**Essential**



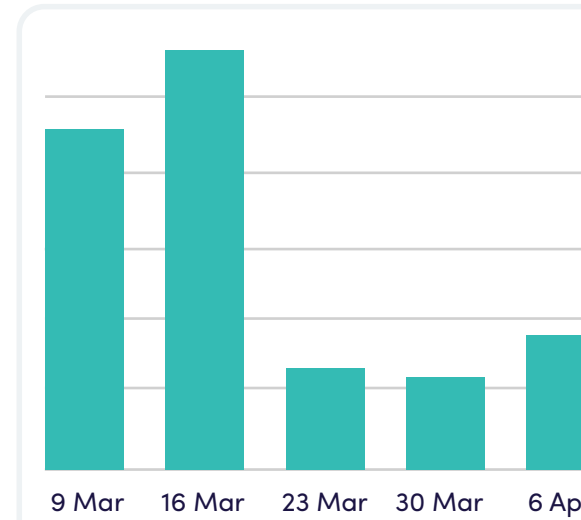
## Michigan

Expansion  
Recreational  
since 2019  
**Essential**



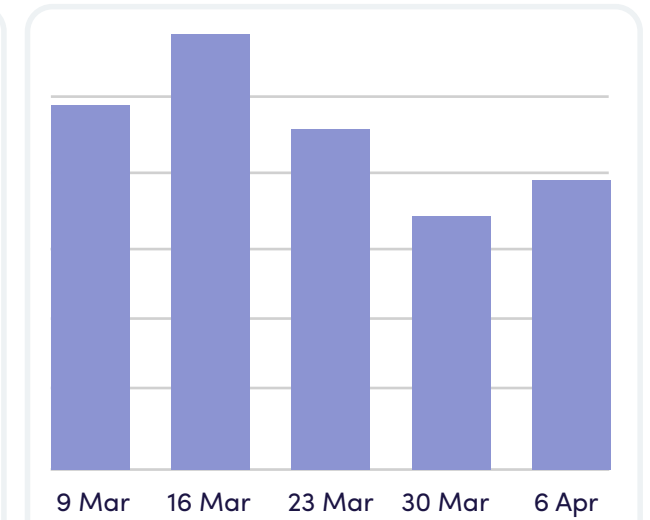
## California

Expansion  
Recreational  
since 2018  
**Essential**



## Nevada

Expansion  
Recreational  
since 2018  
**Delivery-Only**



## Colorado

Mature  
Recreational  
since 2014  
**Essential**



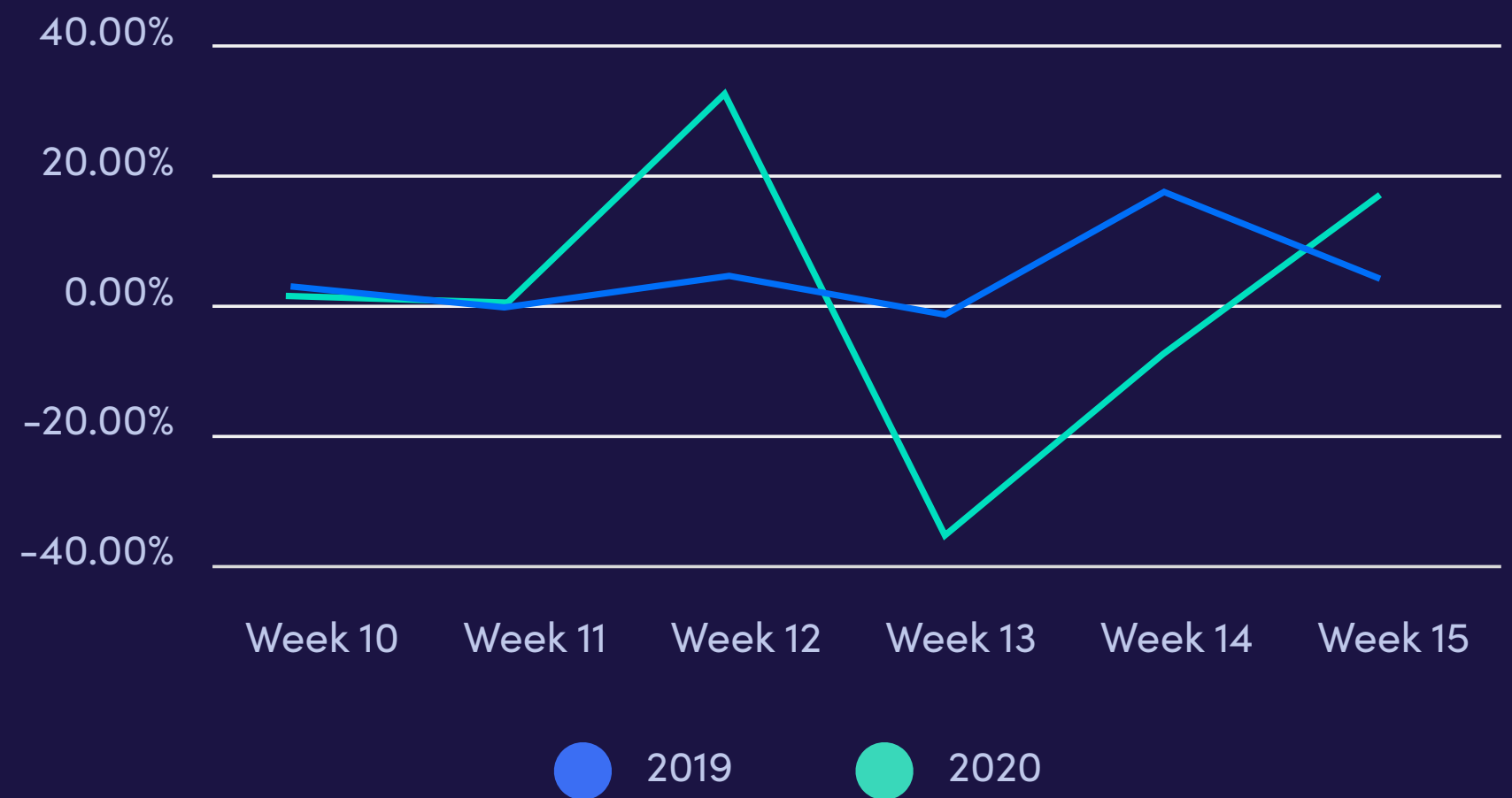
# 4.20, Past and Present

What can we expect to see this month given COVID-19?

# Comparing 2019 and 2020

- Most popular category 2019: Cartridges, 32% market share
- Most popular category 2020: Flower, 29% market share

## WOW Sales Growth 2019 vs 2020





Thank You!

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# Covid-19 Impact on Consumer Trends in Cannabis

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APRIL 2020

**Liz Connors**  
Director of Analytics

headset.io

# Headset services



Real-time competitive intelligence for the cannabis industry. Monitor the competitive landscape, identify opportunities, and stay ahead of industry trends as never before.



Retail data intelligence for retailers and dispensaries to stay ahead of trends and discover opportunities like never before. Real-time dashboards on your Sales, Inventory, Vendors, Products and Budtenders.

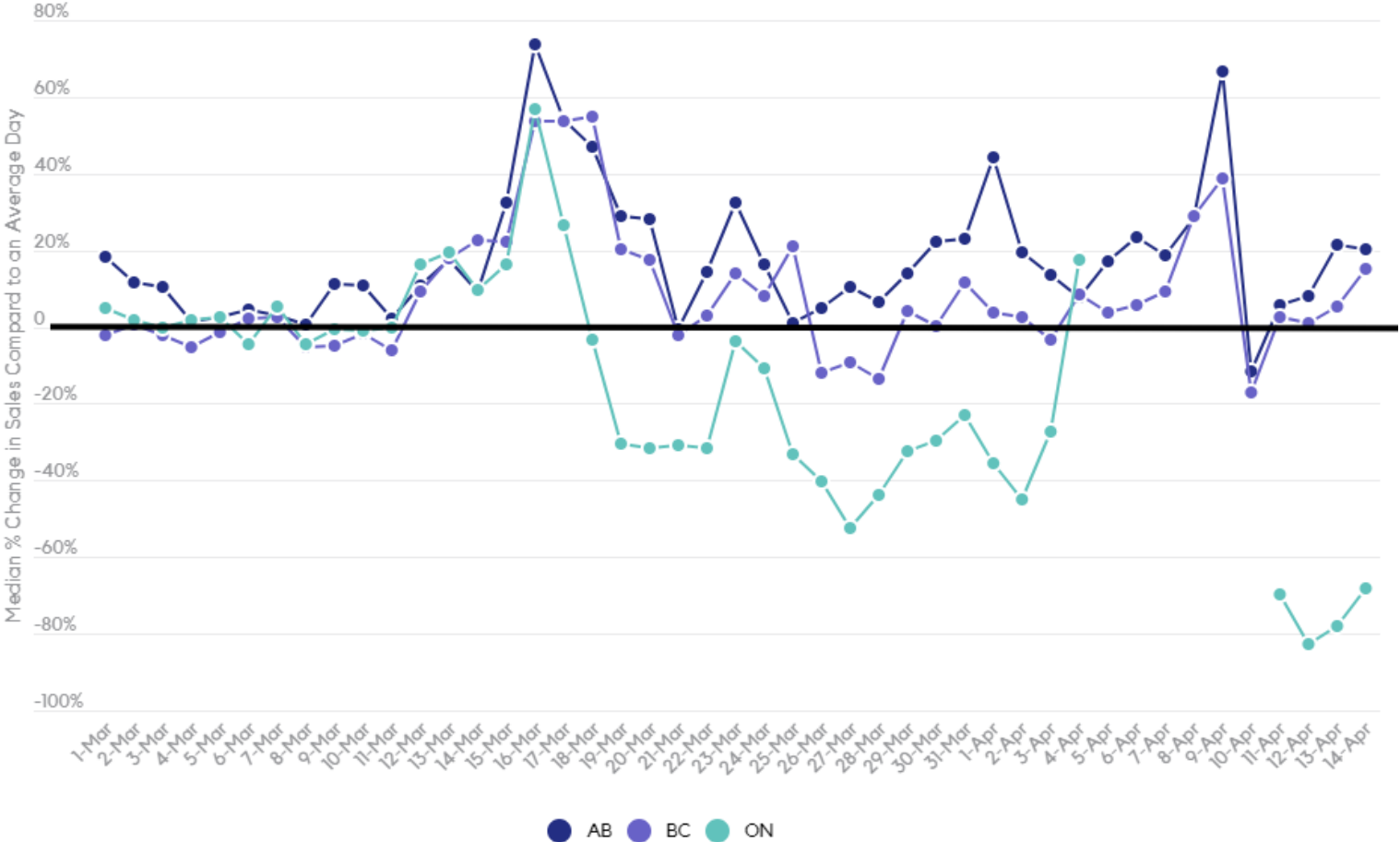


Vendor-Retailer Intelligence. The connection to a collaborative relationship. Limit out-of-stock events, ensure optimal inventory levels and enhance forecasting abilities.

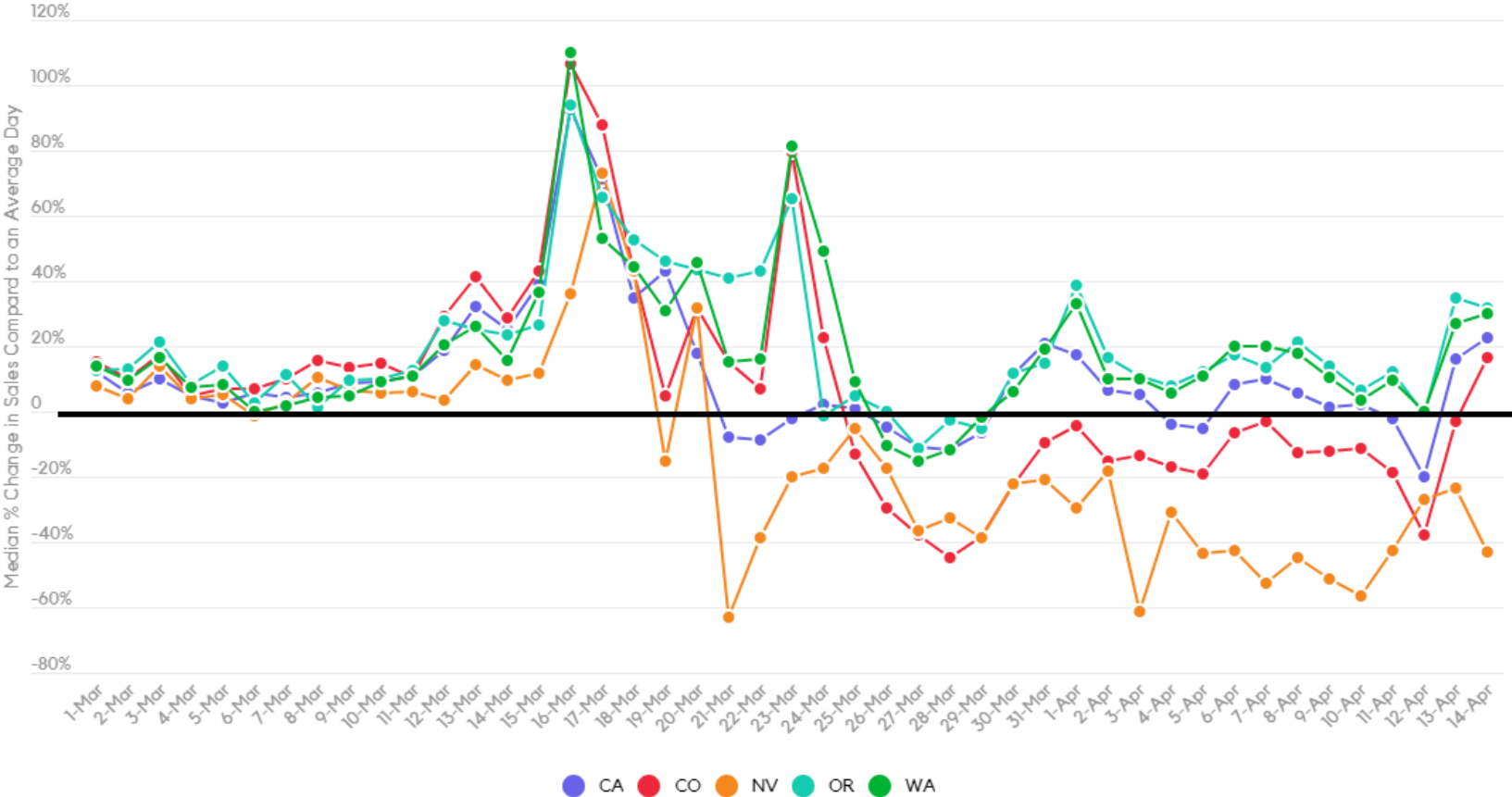
# COVID-19 Impact on Cannabis Retail Sales and Consumer Trends



# Daily Sales Volume Changes (Canada)



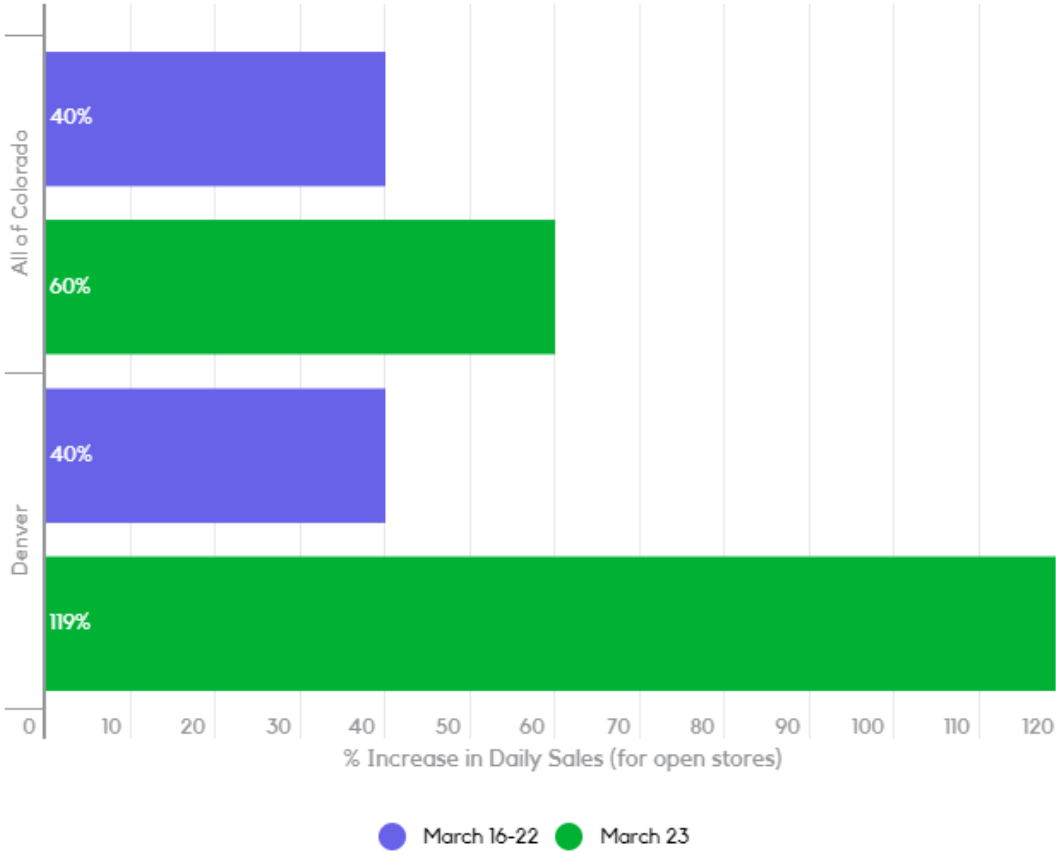
# Daily Sales Volume Changes (US)





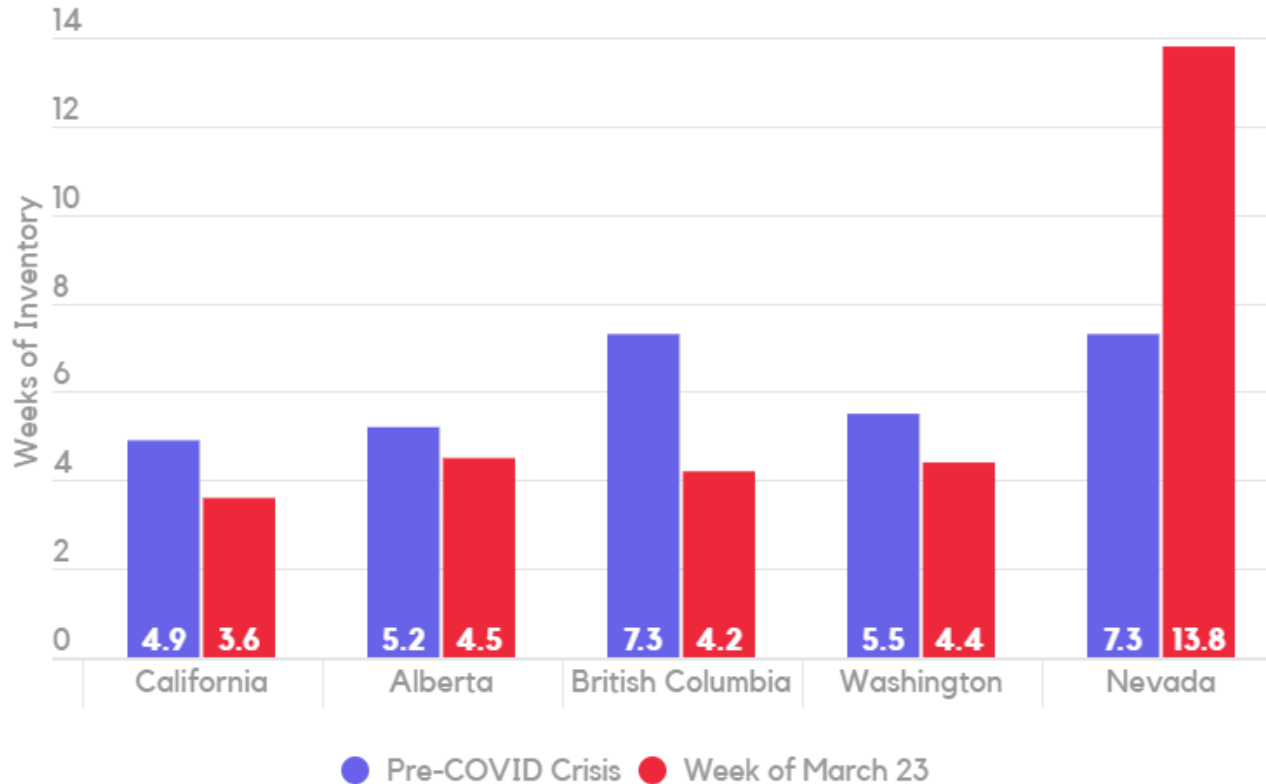
# Denver vs. Rest of Colorado

Stock-up purchases appear to be driven by state/local changes in cannabis laws – Denver originally stated Adult Use Cannabis stores would not be essential and would close on March 24

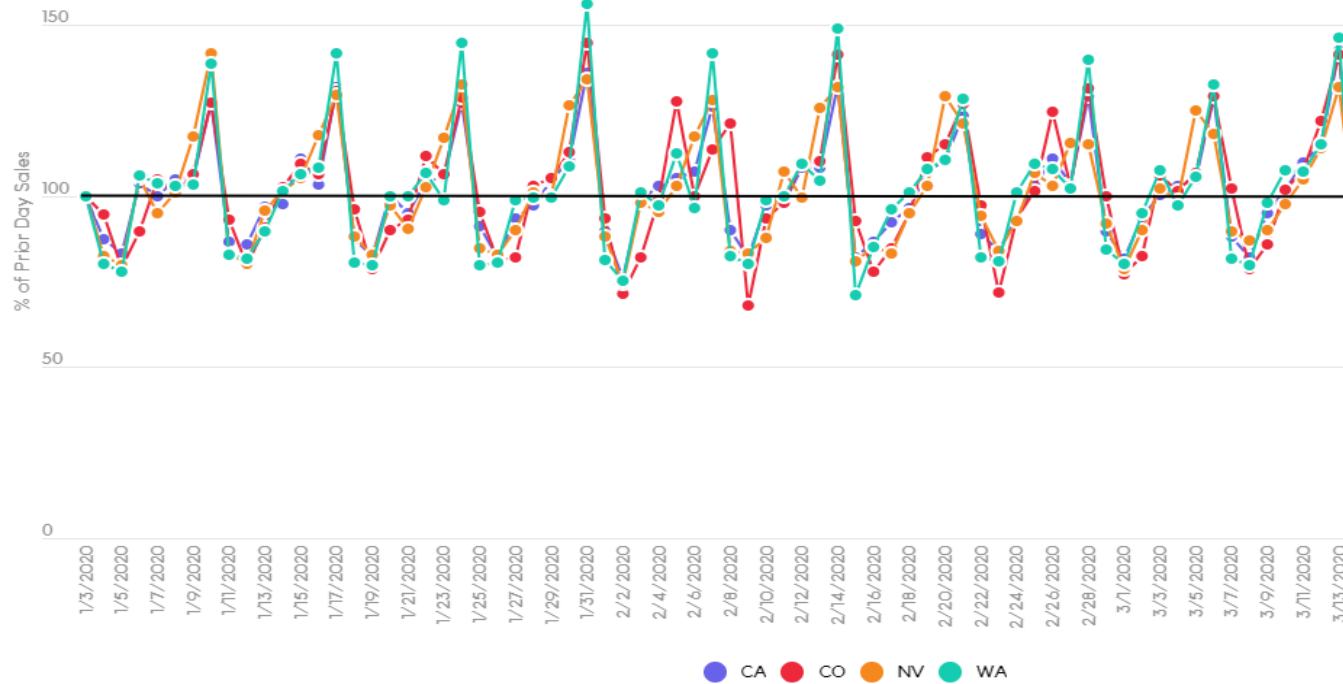


# Surges in Sales = Declines in Inventory

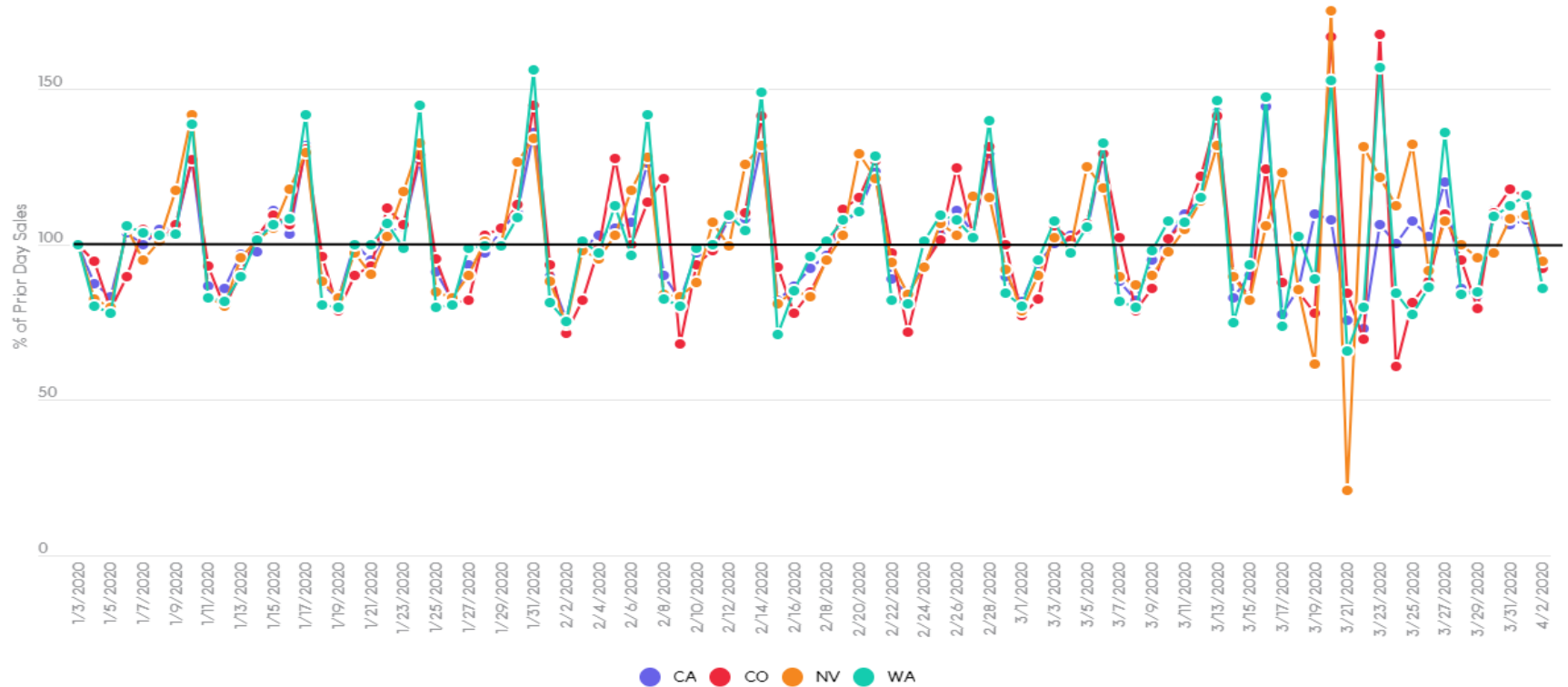
Average Weeks of Inventory Carry by Market



# Weekly Sales Trends in Cannabis

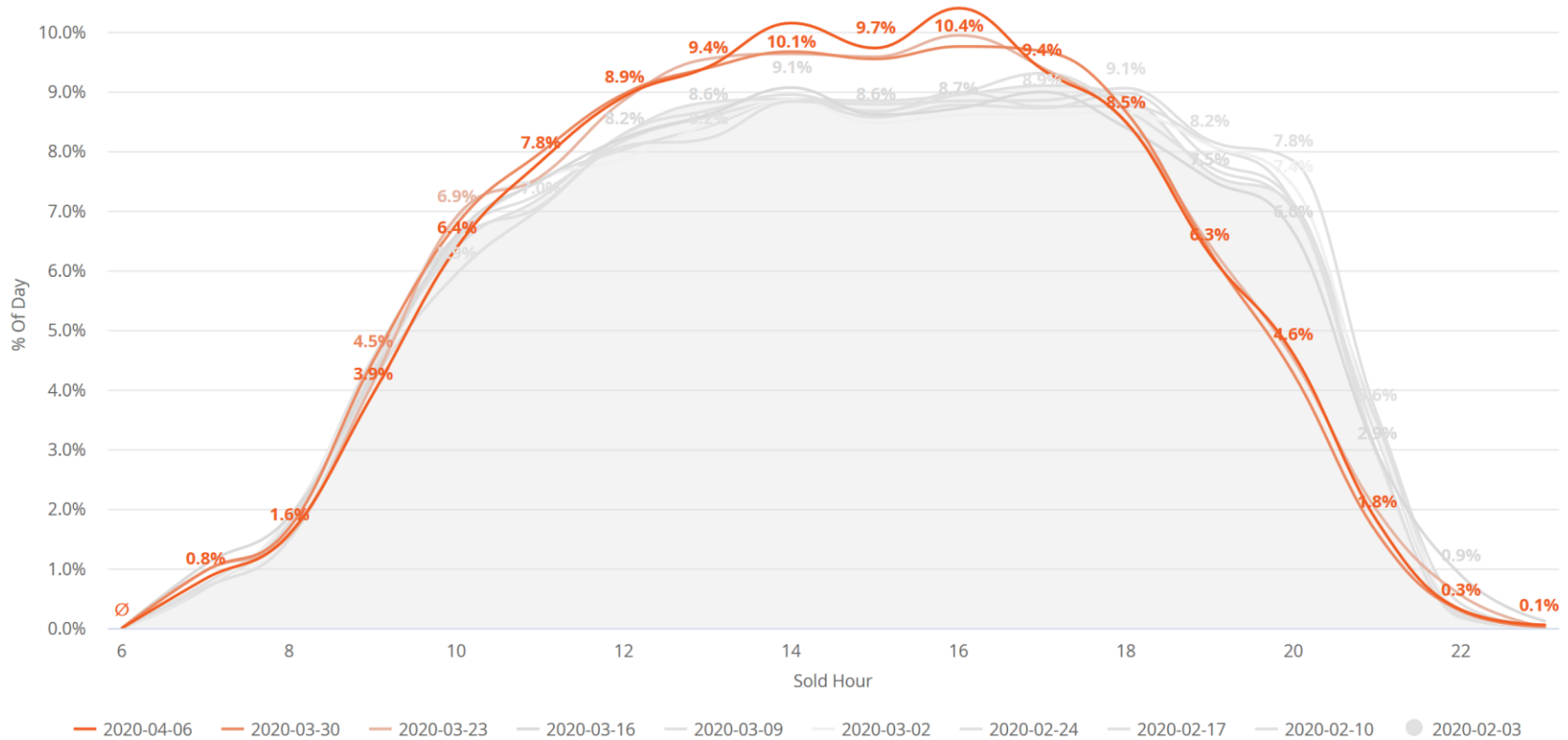


# Weekly Sales Trends in Cannabis



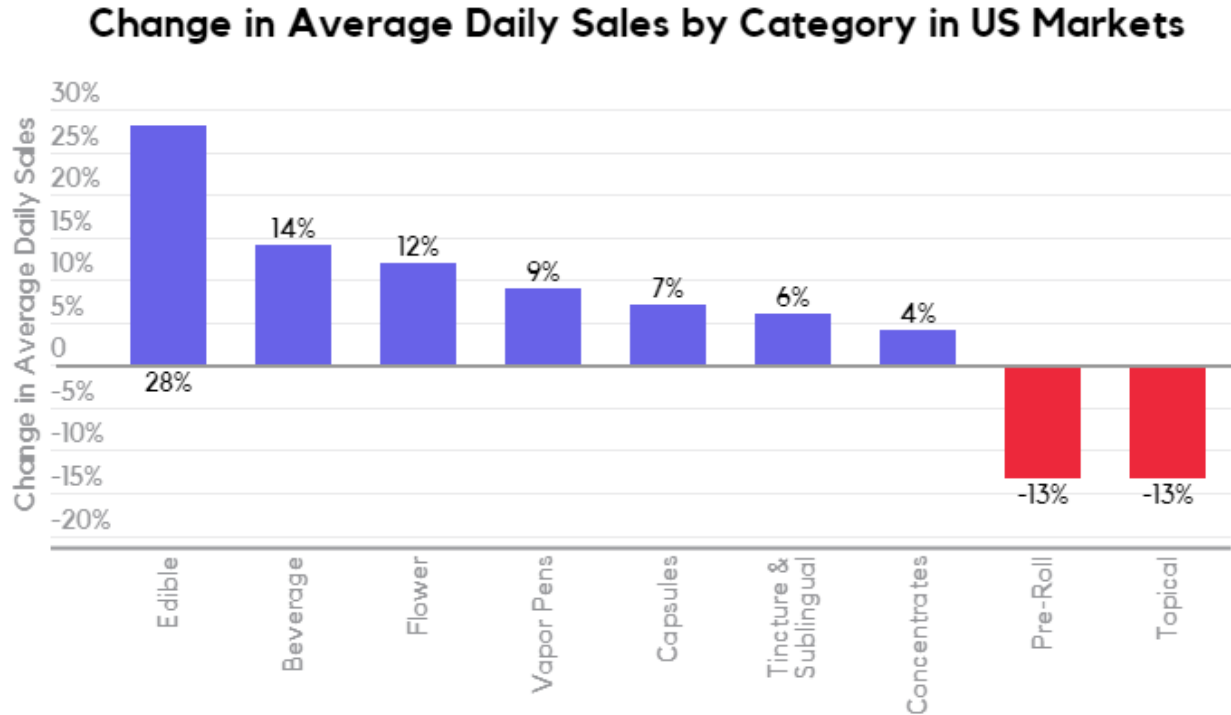
I cannot stress enough how historic this trend pattern change is, and that March and April (at a minimum) of 2020 will forever be a footnote in the data, requiring forecasters for YEARS to come to exclude and adjust this data as they attempt to decipher trends

# Time of Day for Purchases Has Shifted



Consumers shifted purchases to earlier in the day. On weekdays we see that sales between 10am and 5pm have grown.

# Product Share is Shifting

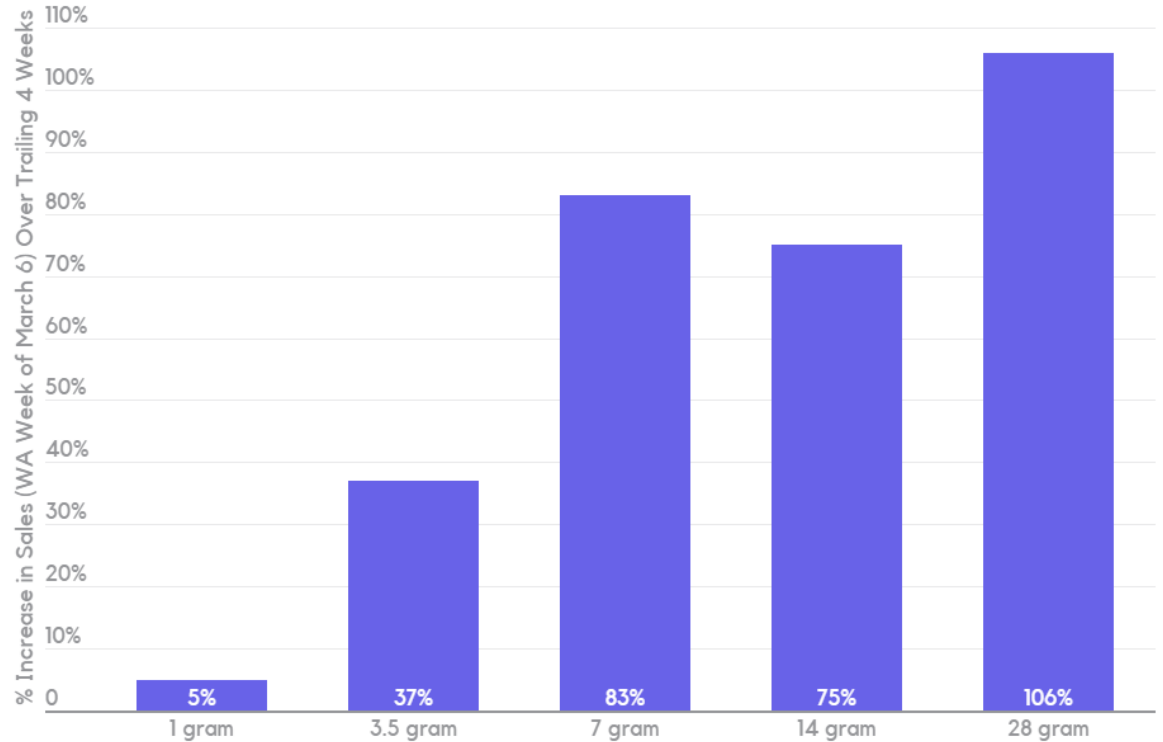


Topicals and Pre-Rolls did not experience the same level of growth during the last 2 weeks of March.



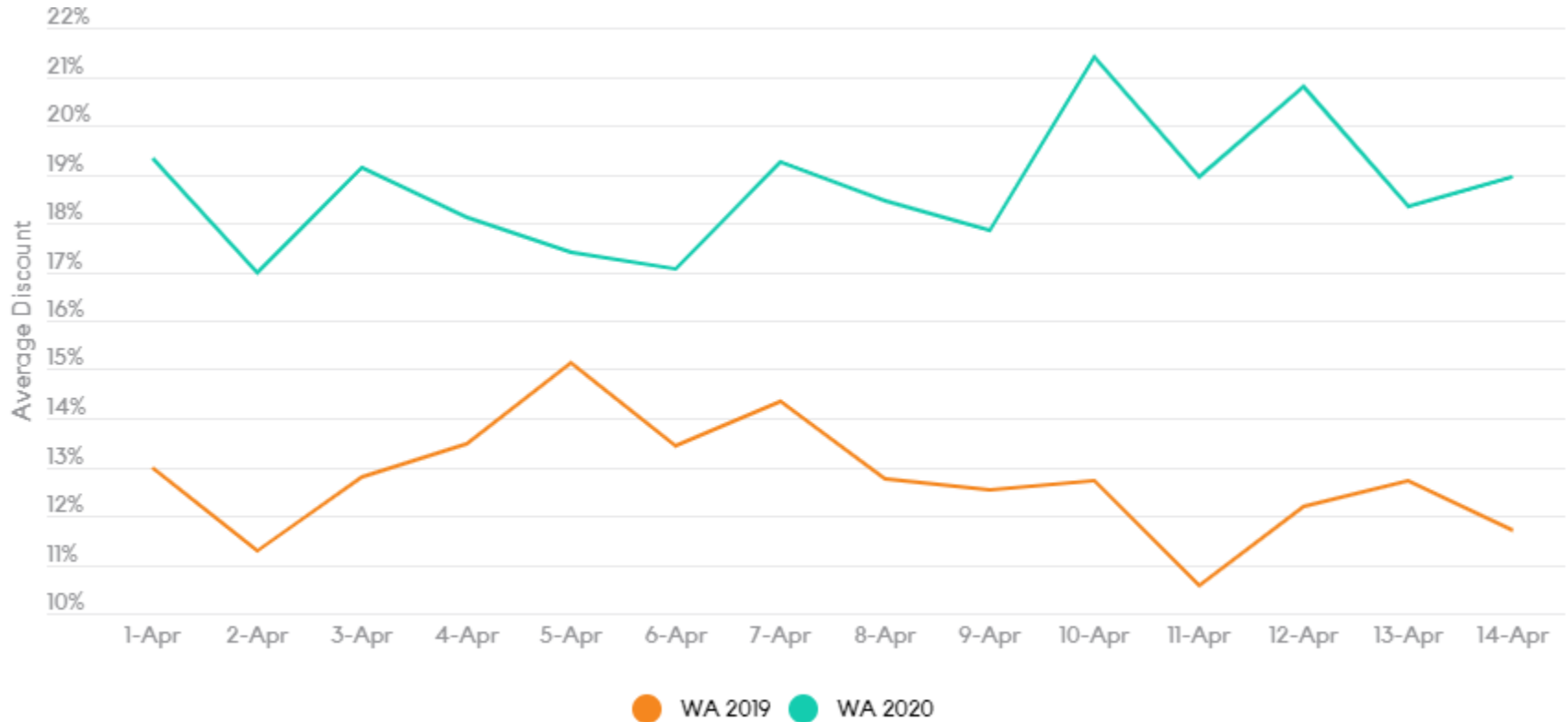


# Package Preference is Shifting



In WA we saw sales of larger packages grow the most as consumers stocked up on products.

# Is 4/20 Coming Early This Year?



On most days in April 2020, discounts in WA were 18% to 21%. On 4/10 average discounts in Washington came in at 21% close to the discount level on 4/20/2019 (24%).



# Headset Resources

Headset [blog](#) with frequent updates on Covid-19 impact on sales

The screenshot shows a blog post from the Headset website. The header includes the Headset logo and the text "TEAM HEADSET MARCH 17, 2020". The main content features a date stamp "March 25, 2020 11:35am" and a bar chart comparing daily sales for March 16 and March 23. The chart shows a significant increase in sales on March 23, with the bar for March 23 being much longer than the bar for March 16.

**\*Updated daily at 12:00 PM PST\***

As COVID-19 continues to spread across the world, affecting businesses along the way, we are all watching for information on how this pandemic will impact our organizations.

At Headset our mission is to help cannabis operators succeed through data, and we are in a unique position to share as much information as possible to all of the frontline operators in our industry as soon as we uncover it on a daily basis. Please be well and stay safe - the entire Headset staff.

Want to dive further into all this information? Tune into our webinar tomorrow, **Thursday 3/26 at 11AM PST. Registration is free!**

**March 25, 2020 11:35am**

Interested to see what those long lines at Denver cannabis shops on Monday caused? (other than a reversal of the mayor's decision to close rec cannabis stores?)

General fears have been driving stock-up behaviors throughout the month of March in all states. From March 16 to March 22 we saw the average store in Colorado receiving about 40% higher sales volumes than an average week. The potential closure of recreational cannabis stores in Denver on Monday led to surges in purchases. On March 23rd the median store saw a 60% increase in sales compared to an average Monday. This was especially apparent in Denver where increases to an average of 120% their normal levels (so the median store saw more than double their normal sales volume) on Monday.

Category	March 16	March 23
SALES	~100%	~120%
SALES	~100%	~120%
SALES	~100%	~120%
SALES	~100%	~120%

Headset [Insights Pulse](#) with free market data in WA, CA, CO, NV, AB, BC, ON

The screenshot shows the Headset Insights Pulse website. The header includes the Headset logo and the text "COVID-19 IMPACT Learn more about how the Coronavirus is impacting the cannabis industry". The main content features a headline "Don't miss a beat with Insights Pulse" and a call to action "Sign Up and Monitor the Market". Below the headline, there is a section titled "How does it all work?" which explains that Headset pulls data directly from cannabis retailer point-of-sales and uses it to power projections of the entire legal market. The bottom section is titled "Insights Pulse empowers you to answer questions like:" and lists a question: "What is the size of a market and how fast is it growing?".

**COVID-19 IMPACT** Learn more about how the Coronavirus is impacting the cannabis industry

## Don't miss a beat with Insights Pulse

Insights Pulse provides you with a new way to maintain a high-level read on legal cannabis. With access to Headset's powerful Insights, you can now compare markets in real-time and get data in context at the category-level, all for free.

[Sign Up and Monitor the Market](#)

### How does it all work?

Headset pulls data directly from cannabis retailer point-of-sales and uses it to power projections of the entire legal market. With Insights Pulse, you'll be able to determine which categories are selling the best, what prices look like and more, all in real-time.

### Insights Pulse empowers you to answer questions like:

- What is the size of a market and how fast is it growing?



# Thank You!

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