

Flying high

Delta 9 Cannabis ranks 7th out of 448 on this year's list of Canada's Top Growing Companies

By: [Martin Cash](#)



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Arbuthnot inside an early model of the company's Grow Pod, which is a modular, scalable cannabis production unit built from repurposed shipping containers. Delta 9 has sold \$15 million worth of Grow Pods.

Delta 9 Cannabis has ranked seventh out of 448 companies listed on this year's Report on Business ranking of Canada's Top Growing Companies.

The ranking, which comes out today, measures three years of revenue and over that time the Winnipeg integrated cannabis company's revenue grew by 5,413 per cent.

As a public company, Delta 9 releases its financial results every three months, so John Arbuthnot, Delta 9's co-founder and CEO, was well aware of the kind of solid growth it was generating.

"But we were surprised," he said. "We were thrilled to be on the list and in the top 10. We pride ourselves in being a Manitoba-based company and any time a Manitoba company can be positioned in the top 10 it is something to celebrate."

Delta 9 was one of the first group of 13 companies to become a licensed producer of medical marijuana back in 2013. It hit \$1 million in revenue in 2017 and in 2020 it was up over \$52 million.

It now employs about 400 people, 350 of them in Manitoba. (The company now has five stores in Alberta and Saskatchewan.)

When recreational use of cannabis was legalized, the company decided early on that it would become fully integrated — producing cannabis and selling it to other retailers, operating its own retail stores as well as manufacturing and selling growing equipment and providing consulting to other producers.

The model has been very successful. Not only is it the seventh fastest-growing company in the country, it is also one of only a handful of Canadian cannabis companies to be profitable.

Last quarter was its seventh consecutive profitable quarter (not counting non-cash accounting items).



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John Arbuthnot, CEO of Delta 9 Cannabis, says he was “thrilled to be on the list and in the top 10.”

This week, the company opened its 16th store on Pembina Highway south of Bishop Grandin Boulevard. Arbuthnot said Delta 9 is well on its way to having 20 stores by the end of the year. The stores average \$3 million-plus in revenue, outperforming its peers.

It also recently partnered with an indoor farming technology broker to intensify sales of its proprietary Grow Pod, its modular, scalable and stackable production units built from repurposed shipping containers.

The company has already sold \$15 million of the units. The closure of the border to the U.S. slowed the growth of sales of Grow Pods but with the border now opening, the company is already shipping Grow Pods for projects in Montana and Illinois.

As well as the company has been performing, its share price has languished almost since the day it went public in September 2018.

While it is a source of frustration, Arbuthnot said it is something the entire sector has been dealing with.

He said, "Our job is to get out there and tell the story to get the share price to reflect the value we have created."

To that end, it recently hired a veteran Bay Street professional to a new senior vice-president position at the company as head of strategy, corporate development and capital markets.

Getting the profile of landing on the top 10 of such a noticed national ranking can't hurt.

"It's time now for us to build out and really push the capital markets profile for the company," he said.