ORIGIN MERCHANT PARTNERS

AG FLASH

Agriculture Industry Flash

Wednesday, February 19th, 2020

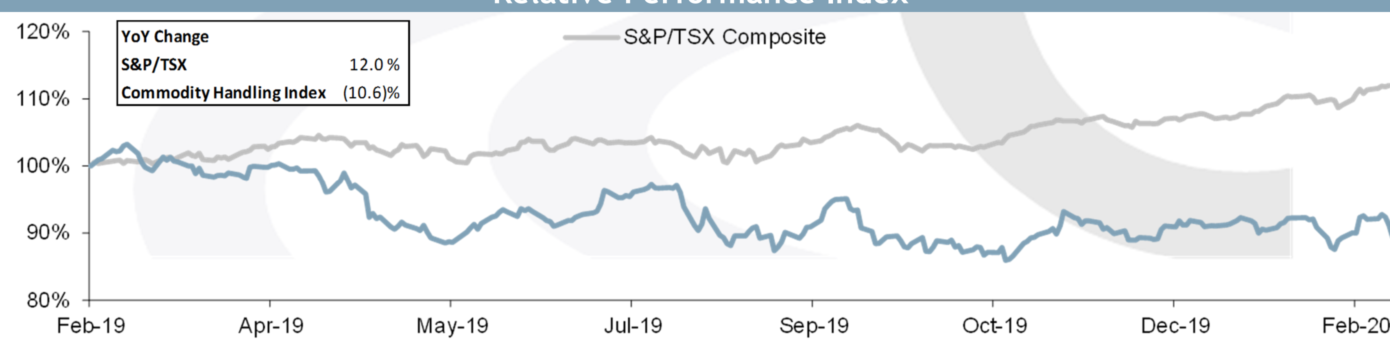



Commodity Handling

News Scan

- On February 7th, **The Scoular Company (Scoular)** announced the sale of its edible bean business to Michigan-based **Cooperative Elevator**. The divestiture includes two of Scoular's processing plants in Manitoba and two facilities in the Mindak region of the US. Cooperative Elevator originates, processes and packages high-quality bean products for sale in the US. The acquisition will allow Cooperative Elevator to expand its market presence in Canada while allowing Scoular to focus on its other core segments. Financial terms were not disclosed
- On February 7th, **The United Grain Corp. (UGC)** announced the acquisition of two grain storage facilities from **Scoular**. UGC reported that the new facilities, located in Oregon and Idaho, will complement the company's Vancouver facility and strengthen its supply chain, in addition to stimulating crop markets in the surrounding region. Financial terms were not disclosed
- On February 5th, **Ardent Mills** announced the acquisition of **Andean Naturals'** quinoa sourcing, cleaning and packaging operations for an undisclosed amount. The acquired operations are located in California and will be folded into the company's specialty grain and plant-based ingredients business unit. CEO Daniel Dye of Ardent Mills stated that the transaction will allow the company to meet increasing consumer demand for high-quality grain products and other plant—based ingredients, further supporting its commitment to plant-based innovation.
- On January 30th, **Sodrugestvo Group S.A. (Sodrugestvo)**, a Luxemburg-based agro-industrial group, announced the closing of a US$90 million financing from **The European Bank for Reconstruction and Development (EBRD)**. Sodrugestvo operates the largest soybean processing complex in Europe and has a strong presence in Eastern Europe. The financing will alleviate working capital and CAPEX strains facing Sodrugestvo's Turkey operations in an effort to develop its Turkish facilities into a leading soybean processor, which EBRD expects will strengthen agricultural markets and economic development in the surrounding region

Relative Performance Index



Key Indicators

All Figures in USD millions unless indicated

	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2020E	2021E	2020E	2021E	Price	52Wk High
ADM	24,923	32,928	8.0x	7.6x	13.5x	12.3x	(2.6)%	(5.1)%
Bunge Limited	7,681	15,864	10.7x	10.0x	14.3x	12.2x	1.1 %	(9.1)%
Graincorp Limited	1,299	2,087	11.0x	9.1x	nmf	19.7x	(2.5)%	(12.7)%
The Andersons, Inc	673	1,936	6.4x	6.0x	12.5x	11.0x	(14.9)%	(45.6)%
Ceres Global Ag	86	151	na	na	na	na	(2.1)%	(23.8)%
Mean			**9.0x**	**8.2x**	**13.4x**	**13.8x**	**(4.2)%**	**(19.3)%**

1 "Commodity Handling Index" is composed of equally weighted market prices for: ADM, Bunge, Graincorp, The Andersons, and Ceres

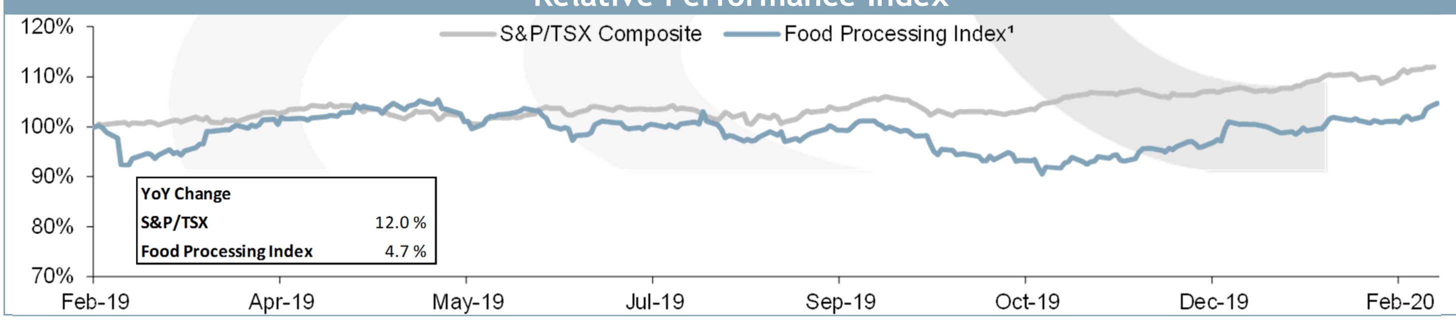



Food Processing

News Scan

- On February 18th, **Bunge Ltd. (Bunge)** offered to buy two soybean processing facilities in Brazil from **Imcopa**, a Brazilian soy processing company with operations across Europe. Bunge reportedly offered to pay US$12 million for the facilities in addition to assuming nearly US$230 million of debt relating the assets. The transaction is expected to reinforce Bunge's position as Brazil's top oilseeds processor
- On February 18th, **Dairy Farmers of America (DFA)** announced it had reached an agreement to acquire a substantial portion of **Dean Foods' (Dean)** assets and business. The transaction will include 44 of Dean's facilities, direct store delivery system, and other corporate assets for a base purchase price of US$425 million. Negotiations between the two parties have been occurring since Dean filed for Chapter 11 bankruptcy protection in November of 2019, largely driven by a challenging environment from continuing declines in fluid milk consumption
- On February 13th, **Buhler Group (Buhler)** announced a strategic partnership with **Givaudan** to accelerate global market access to food industry start-ups. The two Swiss companies will work to build an innovation centre in Zurich, which will support start-up companies and entrepreneurs in the development of food solutions that are safe, affordable, nutritious and scalable on a global level. This is the latest announcement following a series of collaborations between Buhler and Givaudan
- On February 11th, **PepsiCo** received conditional approval from South Africa's Competition Commission for its proposed merger with **Pioneer Food Group Ltd. (Pioneer)**, a large South African producer and distributor of packaged food and beverages. PepsiCo entered into an agreement to acquire Pioneer Foods in July 2019 for approximately US$1.7 billion. The approval was granted with several conditions including a moratorium on transaction-related layoffs, an investment in South Africa's agricultural sector and an equity transfer of US$108 million to the government's Black Economic Empowerment initiative. The transaction is still subject to final approval from the South African Competition Tribunal, which is expected in Q1 2020
- On February 4th, **Tate & Lyle** announced a strategic partnership and an investment in **Zymtronix**, a US biotech company that offers a unique enzyme immobilization platform designed to improve biocatalytic reactions. The partnership will allow Tate & Lyle to increase production capacity of certain ingredients and improve cost efficiency with the use of Zymtronix's platform. The investment will be used primarily to support continued research and development of Zymtronix's technology. Financial terms were not disclosed

Relative Performance Index



Key Indicators

All Figures in USD millions unless indicated	Market Cap	TEV	TEV/EBITDA 2020E	TEV/EBITDA 2021E	Price/Earnings 2020E	Price/Earnings 2021E	Week Δ Price	Δ Price 52Wk High
George Weston Limited	12,802	32,387	7.5x	7.4x	14.2x	13.0x	1.9 %	(3.0)%
ConAgra Foods, Inc.	15,914	26,384	12.2x	11.6x	15.2x	13.7x	1.9 %	(8.1)%
Ingredion Incorporated	6,504	8,324	8.7x	8.4x	14.2x	13.4x	8.5 %	(2.2)%
Tate & Lyle plc	4,830	5,394	8.1x	7.8x	15.5x	14.0x	(0.3)%	(3.2)%
Premium Brands	2,897	3,870	14.5x	13.2x	25.2x	21.3x	3.9 %	(0.2)%
Maple Leaf Foods Inc.	2,426	2,939	10.7x	7.9x	30.9x	19.9x	1.0 %	(26.4)%
SunOpta Inc.	236	917	17.3x	na	neg	nmf	(8.2)%	(43.8)%
Rogers Sugar	422	692	9.8x	9.3x	13.6x	13.1x	9.6 %	(12.7)%
Mean			**11.1x**	**9.4x**	**18.4x**	**15.5x**	**2.3 %**	**(12.4)%**

1 "Food Processing Index" is composed of equally weighted market prices for: George Weston, ConAgra, Ingredion, Tate & Lyle, Premium Brands, Maple Leaf Foods, SunOpta, Rogers Sugar.

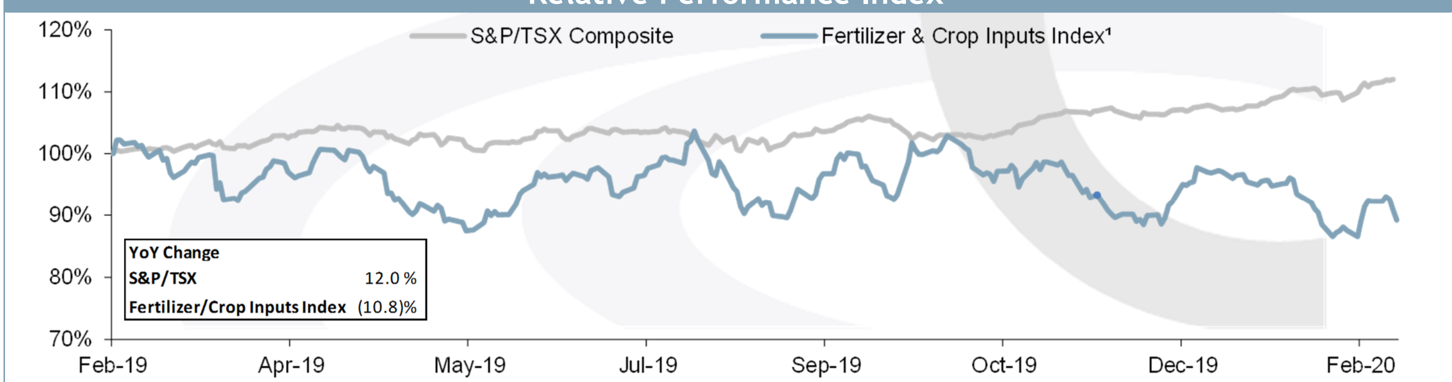



FERTILIZERS AND CROP INPUTS

News Scan

- On February 12th, **Petrobras** commenced the opportunity disclosure stage regarding the sale of its equity stake in its nitrogen fertilizer project, UFN-III, located in Brazil. The company had previously been in negotiations with Russian mineral fertilizer producer **Acron Group (Acron)** in 2018 regarding a potential sale of the unit, but no agreement was made. This divestiture is part of Petrobras' divestment program outlined for 2020 to 2024, in which it expects to divest up to US$30 billion of its assets
- On February 7th, **Bayer AG (Bayer)** filed an appeal with the California First District Court of Appeal to reverse a verdict that found the company's Roundup herbicide product responsible for causing cancer and the related US$86 million penalty. Bayer cited the US Environmental Protection Agency's consistent findings that glyphosate, a core ingredient in Roundup, is safe for human use in the appeal. The company acquired Roundup through its acquisition of **The Monsanto Company (Monsanto)** in 2018 and has since faced three juries over Roundup-related lawsuits, most recently in May 2019
- On February 5th, **Gensource Potash Corp (Gensource)** announced **HELM AG (HELM)** as the off-taker for its Tugaske potash project in Saskatchewan. Gensource announced it had completed a non-binding memorandum of understanding (MoU) for the sale of 100% of the production from Tugaske for 10 years, renewable thereafter. Mike Ferguson, CEO of Gensource, expressed the benefits that HELM's significant existing US consumer base and infrastructure, terminals and storage facilities will bring. The agreement is expected to be finalized in Q1 2020
- On January 28th, **The Mosaic Company (Mosaic)** announced it intends to keep its Colonsay potash mine idled for the foreseeable future. The mine will be placed in maintenance mode, employing minimal staff and allowing for resumption of operations when needed to meet consumer demands. Management stated that the idling will result in approximately US$530 million of non-cash charges for asset write-offs and cash severance charges in Q4 2020

Relative Performance Index



Key Indicators

All Figures in USD millions unless indicate	Market Cap	TEV	TEV/EBITDA 2020E	TEV/EBITDA 2021E	Price/Earnings 2020E	Price/Earnings 2021E	Week Δ Price	Δ Price 52Wk High
Nutrien Ltd.	31,275	43,492	10.4x	9.2x	23.6x	18.3x	(7.2)%	(25.8)%
CF Industries Holdings, Inc.	8,297	14,969	9.3x	8.6x	19.0x	15.0x	(9.3)%	(30.6)%
Yara International ASA	10,910	14,714	6.0x	5.6x	12.0x	10.5x	5.3 %	(10.9)%
The Mosaic Company	6,912	11,188	6.5x	5.4x	17.3x	11.2x	(10.2)%	(44.7)%
Nufarm Ltd.	1,481	2,320	9.0x	7.7x	17.2x	17.9x	0.5 %	(15.3)%
Mean			**8.3x**	**7.3x**	**17.8x**	**14.6x**	**(4.2)%**	**(25.4)%**

1 "Fertilizers and Crop Inputs Index" is composed of equally weighted market prices for: Nutrien, CF Industries, Yara, Mosaic, Nufarm and Input Capital.

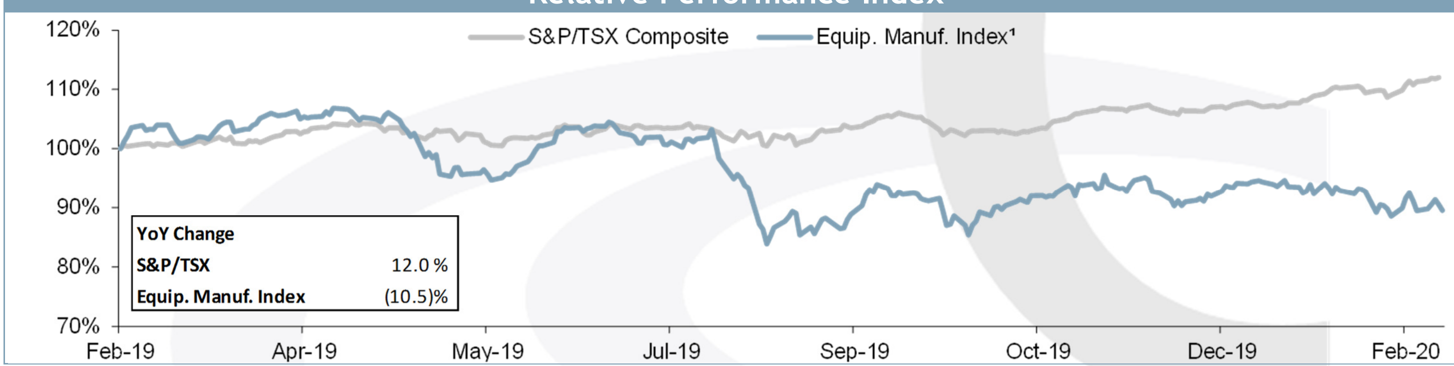



Equipment Manufacturers and Services

News Scan

- On February 14th, **The Canadian National Railway Co. (CN)** announced temporary closure of operations in Eastern Canada, which have been comprised by blockades in support of **Wet'suwet'en Heredity Chiefs**, a political organization representing the Wet'suwet'en people of British Columbia. The shutdown includes stopping all trans-continental train routes and is in response to the BC government's judicial review for the 5-year extension for the Coastal Gas Link's fracked gas pipeline
- On February 11th, **Titan Machinery (Titan)** announced the acquisition of the assets of **HorizonWest** for an undisclosed amount. HorizonWest is a dealer for Case IH construction and agricultural equipment in Nebraska and Wyoming, which recently decided to sell its operations following to the retirement of its founding partner. The acquisition will add three dealerships to Titan's existing locations, increasing its total number of US-based locations to 77. The transaction is expected to close in May 2020
- On February 5th, Western Canadian **New Holland** dealer **Robertson Implements (Robertson)**, announced the acquisition of four dealerships from **Moody's Equipment LP**. The acquired dealerships increase Robertson's footprint to 11 locations and represents an expansion into Saskatchewan
- On February 3rd, three Nebraska-based John Deere dealerships, **Green Line Equipment**, **Stutheit Implement** and **Plains Equipment Group** announced a merger into the newly formed **AKRS Equipment Solutions (AKRS)**. The transaction combines each dealership's resources, expertise and clientele, which AKRS intends to leverage in providing leading service, support and product solutions to the agricultural community in Nebraska. Financial terms were not disclosed

Relative Performance Index



Key Indicators

All Figures in USD millions unless indicate	Market Cap	TEV	TEV/EBITDA 2020E	TEV/EBITDA 2021E	Price/Earnings 2020E	Price/Earnings 2021E	Week Δ Price	Δ Price 52Wk High
Deere & Company	52,910	56,956	12.3x	14.0x	17.0x	16.0x	(0.5)%	(6.9)%
AGCO Corporation	5,042	6,968	7.6x	7.1x	13.1x	11.5x	(3.4)%	(18.0)%
Ag Growth International Inc.	652	1,270	9.8x	9.1x	15.9x	14.4x	(1.7)%	(26.6)%
Cervus Equipment Corporation	101	204	5.7x	6.0x	20.8x	10.1x	(1.1)%	(37.0)%
Rocky Mountain Dealerships In	94	144	8.3x	5.9x	19.5x	11.1x	(4.4)%	(34.3)%
Mean			**8.7x**	**8.4x**	**17.3x**	**12.6x**	**(2.2)%**	**(24.5)%**

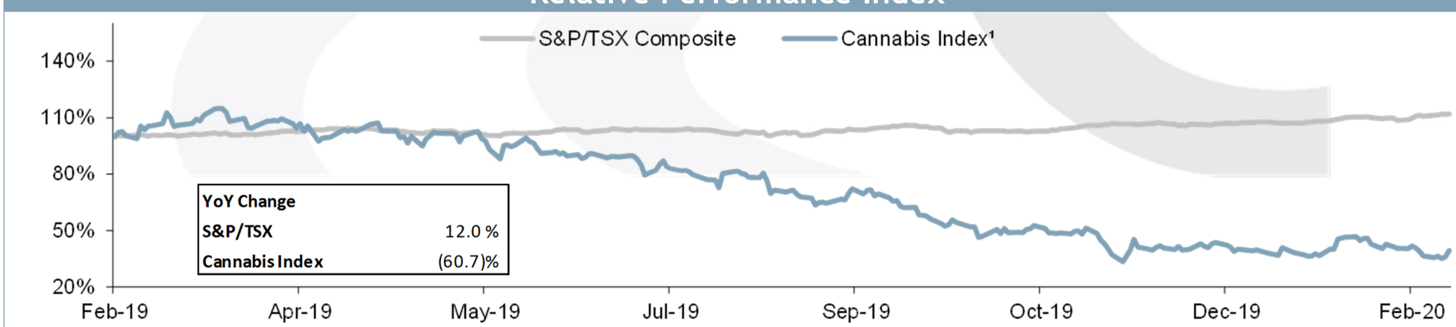
1 "Equip. Manuf. Index" is composed of equally weighted market prices for: Deere & Co., AGCO, Ag Growth Intl., Rocky Mountain Dealerships and Cervus.

Cannabis and Hemp

News Scan

- On February 13th, **Invictus MD Strategies Corp. (Invictus)** announced that the Supreme Court of British Columbia granted the company creditor protection under the Companies' Creditors Arrangement Act. Invictus filed the application in an effort to stabilize its business, address liquidity issues and pursue strategic alternatives. Under the order, all creditors are stayed from enforcing against Invictus, including its secured lender **ATB Financial** which has incurred C$10.6 million relating to financing arrangements with Invictus
- On February 12th, **Abacus Health Products (Abacus)** announced it had acquired **Harmony Health's (Harmony Health)** brand of topical CBD products, including lotions and pain relief gels, in a cash-and-stock deal worth US$5.5 million. As a result of the acquisition, Abacus' retail footprint will increase to approximately 12,000 locations countrywide
- On February 6th, **KushCo Holdings, Inc. (KushCo)** announced the pricing for its registered direct offering of 10,000,000 units for an aggregate amount of US$16 million. Each unit was offered at US$1.60 per unit and contains one share of common stock and one warrant to purchase half a share of common stock at US$2.00 per share. KushCo intends to use the net proceeds for working capital and general corporate purposes. The transaction is expected to close mid-February
- On February 6th, **GenCanna Global USA, Inc. (GenCanna)** filed for Chapter 11 bankruptcy with the US Bankruptcy Court in Kentucky. GenCanna is a vertically integrated agriculture-technology company specializing in the production of CBD-rich hemp. The filing enables GenCanna to continue to operate without interruption to customers, vendors, partners and employees while undergoing a reorganization that may involve a refinancing or sale
- On February 5th, **Sun Kissed Industries (Sun Kissed)** announced the closing of its acquisition of **Hakuna Supply (Hakuna)**. Hakuna is a US producer of CBD products including beverages, gummies and hemp flower, which are marketed in 20 states. Carl Grant, CEO of Maine based Sun Kissed, expressed the platform and access that Hakuna will provide to the global CBD products market stage in a major way. Financial terms were not disclosed
- On February 4th, **EcoGen Laboratories (EcoGen)** announced the closing of a US$40 million private placement. EcoGen, a Colorado-based manufacturer and supplier of hemp-based specialty products and ingredients, and intends to utilize the funds to consolidate select operations in a new headquarters, while also continuing to operate its greenhouse facility and 300-acre farm

Relative Performance Index



Key Indicators

All Figures in USD millions unless indicate	Market Cap	TEV	TEV/Revenue 2020E	TEV/Revenue 2021E	TEV/EBITDA 2020E	TEV/EBITDA 2021E	Week Δ Price	Δ Price 52Wk High
Canopy Growth Corporation	7,905	6,078	12.5x	7.2x	neg	nmf	6.5 %	(57.8)%
Aurora Cannabis Inc.	1,816	2,091	8.3x	5.9x	neg	47.2x	(22.7)%	(84.9)%
Aphria Inc.	1,148	903	1.9x	1.6x	15.5x	9.3x	(2.2)%	(59.9)%
Cronos Group Inc.	2,549	1,219	10.3x	4.3x	neg	24.1x	3.7 %	(70.3)%
Tilray, Inc.	1,748	2,077	6.6x	4.5x	neg	64.6x	(2.2)%	(79.1)%
OrganiGram Holdings Inc.	437	471	4.5x	2.9x	18.0x	9.7x	12.3 %	(68.6)%
Mean			**7.3x**	**4.4x**	**16.7x**	**30.9x**	**(0.8)%**	**(70.1)%**

1 "Cannabis Index" is composed of equally weighted market prices for: Canopy Growth, Aurora Cannabis, Aphria, Cronos, Tilray and OrganiGram.

Additional News and Agriculture Commodities Update

News Scan

- On February 18th, Australia's chief commodity forecaster further decreased **The Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES)** forecast production of 15.85 million tonnes to 15.17 million tonnes. If realized, this will be the lowest production in 12 years, since the 2007-08 harvest season, and will be 2.3 million tonnes lower than the prior year. Australia has consistently been a top wheat exporter, however, the country has seen production decline significantly from its three straight drought years
- On February 14th, **The Jacobsen**, a provider of organic non-GMO grain prices, announced a projected decline in the U.S.'s supply of organic soybeans due to slowing imports. In contrast, The Jacobsen projected an increase in organic corn imports; a divergence that the firm continues to see in the future. The Jacobsen expects organic soybean imports from India, the largest exporter to the U.S. to decline by 10% during 2019-20 due to a poor harvest
- On February 12th, **The Lansing Trade Group (Lansing)**, a grain and energy products trading company, filed a lawsuit against four US railroads, claiming collective action to increase transportation and shipping rates. In the lawsuit, Lansing alleges conspiracy among the defendants to apply and enforce a rail fuel surcharge on Lansing's clients, which resulted in a rate increase. Lansing claims the increase was achieved through collective action as the named companies controlled 90% of rail traffic in the region
- On February 11th, **The US Department of Agriculture (USDA)** released its monthly World Agricultural Supply & Demand Estimates report. The carryover forecast for US wheat on June 1st, 2020 was 940 million bushels, down 2.6% from the USDA's January forecast due to a 25 million bushel increase in exports reflecting growing competition in international markets. The carryover of US soybeans on September 1st, 2020 was 425 million bushels, down 11% from January due to increasing exports to China
  - On February 10th, the **USDA** released data that showed aggregate US wheat flour production was down 1.1% in 2019 at 422.3 million cwts, compared to 426.9 million cwts in 2018. US production of whole wheat flower similarly decreased by 6% in 2019 at 21.0 million cwts, compared to 22.3 million cwts in 2018. Supporting data showed that US wheat flour mills operated at an average of 83.2% of six-day capacity, down from 84.7% in the prior year
- On February 7th, **Grain Farmers of Ontario (GFO)** withdrew its membership from **Grain Growers of Canada (GGC)**, a national policy organization. GFO cited ineffective support for soybean producers affected by trade tensions between the US and China as reason for the departure. GFO represents more than 25,000 farmers in Ontario
- On February 5th, **Canadian Pacific (CP)** announced that it moved 2.09 million tonnes of Canadian grain and grain products in January 2020, breaking the previous year's record by 200,000 tonnes. CP's 8,500 foot high efficiency unit train model and new high-efficiency hopper cars are significant factors in the record breaking year

Commodities Futures as of February 19th, 2020

Commodities Futures	Price Unit	Latest Price (US$)	Month to Date	Year to Date
Corn (CBOT)	$ per bu.	$3.82	0.86 %	(2.43)%
Wheat (CBOT)	$ per bu.	$5.42	(2.52)%	(3.35)%
Oats (CBOT)	$ per bu.	$2.96	(1.42)%	(0.67)%
Rough Rice (CBOT)	$ per cwt.	$13.57	-	3.08 %
Rapeseed (Canola) (ICE)	CAD per T	$468.70	3.58 %	(2.35)%
Ethanol (CBOT)	$ per gal.	$1.36	0.30 %	(0.95)%




Recent Earnings News

Company	EPS YoY Change	Comments	Analyst Consensus	Premium to Current
Food Processing				
Kellogg Company	(266.9%)	Kellogg reported a 17.8% drop in year over year operating profit in its 2018-19 full-year results, after three consecutive years of net sales growth. According to Kellogg, the company's full-year operating profit fell to US$1.4 billion from US$1.7 billion in 2017-18, as the business was impacted by the absence of results from its divested businesses and higher one-time charges. Kellogg divested several businesses in 2019, as it aimed to refocus on its core operations. The most significant divestiture was the sale of its cookies business to Ferrero Group for approximately US$1.3 billion. However, Kellogg achieved its primary objective of net sales growth, reporting net sales of US$13.6 billion for the full year, a 0.2% increase compared to last year's annual results	US$66.24	(2.2%)
Mondelez International, Inc.	(10.7%)	Mondelēz International delivered organic net revenue growth of 4.1% for FY19 due to strong performance in emerging markets. The owner of Cadbury and Oreo recorded net revenue of US$25.9 billion in 2019. Net earnings attributable to the company increased to US$3.9 billion from US$3.4 billion in 2018. The company's Asia, Middle East and Africa unit increased revenue by 5.3% last year, driven by double-digit growth in India and high single-digit growth in China. Gross profit declined by US$15 million primarily due to unfavorable currency impacts. The Coronavirus outbreak, which has impacted the Company's operations. Chinese authorities have asked Mondelēz to keep two of its factories closed in the country for ten days to reduce the risk of infection	US$62.57	4.8%
The Kraft Heinz Company	(101.4%)	The Kraft Heinz Company (Kraft Heinz) reported net sales of US$6.5 billion for FY 2019, down 5.1% versus the year prior, including a negative 2.3% impact from divertures and an 0.6% impact from currency fluctuations. Organic net sales decreased 2.2% compared to the year prior. This is in conjunction with a rise in pricing, as pricing rose 2.0% versus the year prior, with higher pricing in all business segments except for Canada. Volume decreased 4.2% versus the year prior, driven primarily by declines in the United States, which offset the growth in Canada and EMNA (Europe, Middle-East and North Africa). The current period included approximately US$453 million of non-cash impairment charges to lower the carrying amount of goodwill in the Company's Australia & New Zealand, as well as Latin America Exports businesses, as well as non-cash impairment charges of approximately US$213 million to lower the carrying amount of the Maxwell House trademark. Adjusted EBITDA decreased 6.6% versus the year prior to US$1.6 billion, including an unfavorable 1.3% impact from currency exchange rates and a negative 1.5% impact from divestitures. Excluding these factors, growth in the United States and EMEA was more than offset by higher supply chain costs in remaining markets, higher general corporate expenses, and lower pricing versus the prior year in Canada. Adjusted EPS decreased 14.3% to US$0.72, reflecting lower Adjusted EBITDA, a higher effective tax rate, and higher stock-based compensation versus the prior year period	US$30.50	13.5%
Ingredion Incorporated	18.3%	Ingredion Incorporated, a global provider of ingredient solutions to diversified industries, reported results for Q4 and FY 2019. Net sales we reported at US$1.5 billion, 1.0% below from the year prior. Operating expenses have increased from the prior year, reported at US$170 million, 8.0% increase from the prior year. Net income increased by 16.0% to US4109 million, from US$94 million the year prior. The higher raw materials costs incurred by the company were offset by the positive developments in their price mix offering. Specifically, net corn cost in Australia increased and the continued impact of trade disputes have resulted in increased input costs and lower sales. North America operating income increases were driven by favorable price mix; South America operating income increases were driven by improved price mix and higher volumes; Asia-Pacific and EMEA operating incomes are expected to modestly increase driven by higher volumes and improved price mix; an adjusted effective tax rate range of approximately 26.0 - 27.0%; and continued mid to high single digit specialty ingredients net sales growth	US$103.17	6.0%




Recent Earnings News

Company	EPS YoY Change	Comments	Analyst Consensus	Premium to Current
Equipment Manufacturers & Services				
AGCO Corporation	(193.2%)	AGCO, a manufacturer and distributor of agricultural equipment and solutions, has reported net sales of approximately US$2.5 billion for the fourth quarter of 2019, a decrease of approximately 3.0% compared to the fourth quarter of 2018. Net sales for the full year of 2019 were approximately US$9 billion, representing a 3.3% decrease from 2018. The company generated approximately US$696 million in cash flow from operations and approximately US$423 million in free cash flow in fiscal 2019	US$76.67	14.8%
CNH Industrial N.V.	(55.6%)	CNH Industrial N.V. reported Q4 and FY2019 results, stating consolidated revenues of US$28.1 billion for the full year 2019, down 6% compared to 2018. Net sales of the Industrial Activities segment, CNH's core business unit, were US$26.1 billion for the year, down 6% compared to the prior year. The drop is attributed primarily to the difficult operating conditions in the wider agriculture sector, stemming from poor harvests, lack of favourable government programs, and trade tension between major end markets, including the United States and China. However, net income for the year increased to US$1.5 billion, an increase of 32% from US$1.1 in 2018	US$11.16	17.1%
Fertilizers & Crop Inputs				
Nutrien Ltd.	(116.7%)	Nutrien reported fourth quarter and year-end results for fiscal year 2019. The company posted a net loss of US$48 million in Q4, down from net earnings of US$3.2 billion in Q4 2018, and adjusted loss per share of US$0.09. On an annual basis, the company reported net earnings of US$992 million, down 72% from US$3,604 million in 2018, and adjusted earnings per share of US$2.17. The company attributed the lower results to a temporary slow down in global fertilizer demand and aggregate charges of US$126 million relating to acquisitions and impairments. Adjusted EBITDA increased by 2% to US$4.0 billion in 2019, compared to US$3.9 billion in 2018, due to several strategic acquisitions as well as Nutrien's growing retail business. Full-year 2020 adjusted net earnings per share and adjusted EBITDA guidance is US$1.90 to US$2.60 per share and US$3.8 billion to US$4.3 billion, respectively	US$58.99	43.3%
EuroChem	n/a	EuroChem Group AG reported consolidated annual sales of US$6.2 billion for 2019, 11% higher year over year, primarily as a result of a 7% increase in sales volumes and a more favourable price environment in the first six months of the year. The full-year performance took EuroChem Group EBITDA to US$1.6 billion, 2% above 2018 levels. EBITDA growth was driven primarily by sales improvements and the positive effects of foreign exchange rates. Notwithstanding the challenging environment in 2019, EBITDA margin was down by only 2% year over year. 2019 proved challenging for the fertilizers sector due to difficult weather conditions that impacted the application season and led to stocks increase for various products in China, India and Brazil	n/a	n/a
Yara International ASA	27.4%	Yara International ASA reported fourth quarter and year-end results for fiscal 2019. Net income for the quarter after non-controlling interests was US$199 million (US$0.73 per share), compared with US$157 million (US$0.58 per share) a year earlier. Q4 FY19 EBITDA excluding special items was US$525 million, up from US$424 million a year earlier, mainly reflecting higher commercial margins, improved product mix and lower energy cost, more than offsetting the impact from lower commodity prices. Additionally, the improved results are part of a wider strategy by Yara to focus in the near-term on improving returns through strict capital allocation and driving operational excellence. The Yara improvement programme targets 4.2 million additional tonnes of production by 2023 compared with 2018, in addition to fixed cost savings and improvements within energy efficiency, variable cost and operating capital	US$44.39	10.2%




Recent Earnings News

Company	EPS YoY Change	Comments	Analyst Consensus	Premium to Current
Cannabis				
Liberty Health Sciences Inc.	nmf	Liberty Health Sciences reported Q3 FY20 results, with consolidated net sales for the quarter at C$16 million, compared with C$3 million for Q3 FY19. YTD net sales for FY 2020 stand at just over C$32 million, compared with under C$7 million during the same period of the prior year. The significant year over year increase in revenue was driven by the Company's opening of new dispensaries and delivery locations, as well as experiencing an increase in same store sales volume, and an uptick in the registered patient base for medical marijuana use in Florida. Liberty has opened 23 dispensaries to date throughout Florida, with 19 dispensaries opened in the quarter alone and an additional 10 agreements signed. The Company expanded its product offerings by announcing the G Pen product line in all of its dispensaries	n/a	n/a
Aurora Cannabis Inc.	381.1%	Aurora Cannabis announced earnings for Q2 FY2020. Net revenue was reported at just under C$67 million, excluding provisions of C$111 million. Specifically, net cannabis revenue, excluding provisions, was reported at C$63 million, in-line with management guidance. Aurora reported a cash production cost of C$0.88 per gram sold. This was backed by the company launching its Cannabis 2.0 produce line across Canada, and growing their consumer cannabis revenue at 11% compared to the prior quarter. reduction volume in fiscal Q2 was 30,691 kilograms, in-line with previous expectations as Aurora realigned its cultivation strategy to produce a greater amount of higher value and higher potency strains. Subsequent to the quarter end, the Company made several decisions designed to strategically transform its operations and provide financial flexibility in response to a changing market and regulatory environment, while supporting its long-term growth: A CEO succession plan and expansion of the Board of Directors were announced. Executive Chairman Michael Singer was appointed Interim CEO, effective February 6, 2020 while a search for a permanent successor is underway. Two new Independent Directors joined the Board for a total of 10 directors, including 7 Independents. Aurora announced a comprehensive transformation plan to significantly reduce the Company's expense base, rationalize capital expenditures, and better align its balance sheet with current market conditions. Aurora secured credit facility amendments that remove EBITDA ratio covenants, providing much needed financial flexibility	C$0.33	(83.8%)
Canopy Growth Corporation	(7.9%)	Canopy Growth Corporation (Canopy) reported Q3 FY2020 results. Net revenues increased 62.0% over Q2 FY2020, or 13.0% excluding the impact of portfolio restructuring charges. Gross Recreational B2B revenue increased 8.0% over prior quarter due, in part, to over 140 stores becoming active in the quarter and higher sales of premium dried flower and pre-roll joints. Additionally, acquired businesses including Storz & Bickel and This Works also performed well, contributing to organic growth this quarter. Gross margin before fair value impacts was 34.0%. Gross margin performance in quarter benefited from lower period costs due to higher facility utilization. Total operating expenses decreased 14.0% versus Q2 FY2020 primarily due to a C$20 million reduction in G&A expenses and over C$31 million lower stock-based compensation versus the prior quarter. Adjusted EBITDA loss of C$92 million, a C$64 million narrower loss versus Q2 FY2020 driven by higher sales, improved gross margins and lower operating expenses. Cumulatively, this leaves Canopy with a gross cash balance of C$2.3 billion, down from C$2.7 billion in Q2 FY2020, reflecting the EBITDA loss, capital investments and M&A	C$3.36	(C$0.89)

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