



## Agriculture Industry Flash

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Tuesday, April 21<sup>st</sup>, 2020

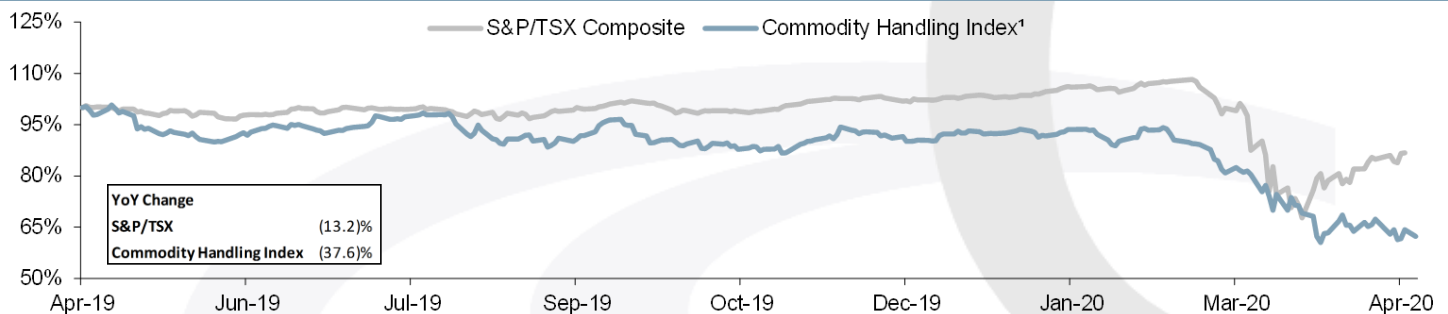


## COMMODITY HANDLING

### News Scan

- On April 20<sup>th</sup>, **Aurora Cooperative Elevator Co. (Aurora Cooperative)** announced the closing of its purchase of the remaining 74% ownership interest in **Pacific Aurora, LLC (Pacific Aurora)** for approximately US\$53 million. Aurora Elevator has held a minority position in Pacific Aurora since December 2016. The transaction includes two ethanol facilities, each with production capacity of 145 million gallons, and a grain elevator with storage capacity of 4.1 million bushels
- On April 14<sup>th</sup>, **Bunge Limited (Bunge)** announced the launch of Vector, a technological solution enabling freight scheduling via mobile application. Since beta implementation in January 2020, the application has recorded more than 23,000 downloads and 18,000 profile registrations, forecasted to already be responsible for over 45% of the total cargo handled by Bunge by road. A key differentiator of the application is it provides automatic confirmation, guaranteeing the load to the driver and minimizing exposure of professionals; thus reducing physical contact
- On April 3<sup>rd</sup>, **Consolidated Grain and Barge Co. (CGB)**, a US-based grain transportation company, announced the acquisition of the food-grade soybean division of **Quality Technology International, Inc. (QTI)**. The new division will trade, ship and sell specialty food soybeans via containers to Japan, and domestically for processing and resale to Japanese food manufacturers. The acquisition enables CGB to continue market development activities as the company expands into non-GMO, specialty and organic markets. Financial terms were not disclosed

### 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	20,249	29,602	7.3x	6.8x	11.4x	10.1x	(3.3)%	(23.0)%
Bunge Limited	5,527	11,837	7.8x	7.3x	10.4x	9.0x	(4.8)%	(34.8)%
Graincorp Limited	505	1,254	8.2x	6.7x	21.6x	10.5x	3.3 %	(62.9)%
The Andersons, Inc	486	2,014	7.0x	6.4x	42.3x	13.1x	(16.6)%	(55.7)%
Ceres Global Ag	82	142	na	na	na	na	(13.1)%	(37.7)%
Mean			7.6x	6.8x	21.4x	10.7x	(6.9)%	(42.8)%

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

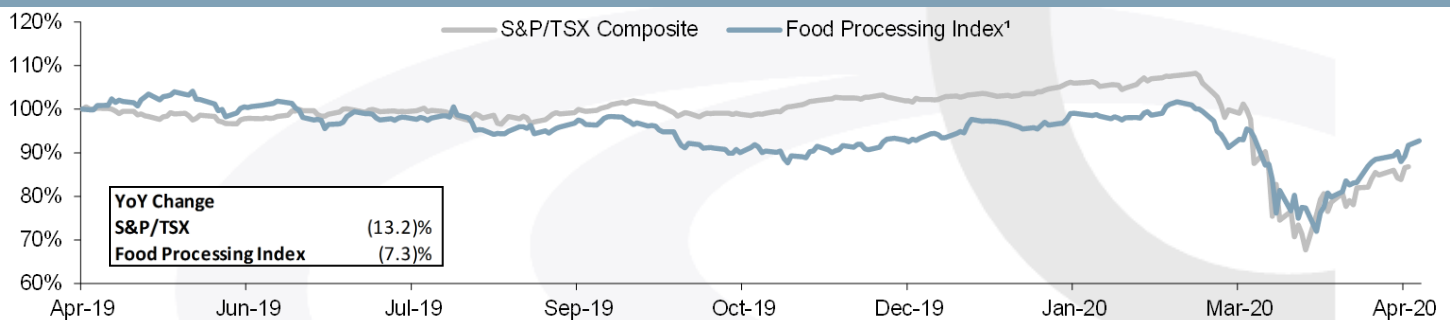


## FOOD PROCESSING

### News Scan

- On April 20<sup>th</sup>, **Hormel Foods Corp. (Hormel)** announced it has temporarily closed two manufacturing plants Alma, Kansas and Rochelle, Illinois due to COVID-19 concerns. One employee at the Alma plant tested positive for the virus, while the Rochelle plant closed as a precaution due to spreading in the local community. Management has stated that employees will receive base pay and retain benefits during the pause in production, which is expected to resume in 14 days
- On April 17<sup>th</sup>, **Meiji** announced the acquisition of a 25% stake in **AustAsia Investment Holdings (AustAsia)** for US\$254 million. Meiji, a company engaged in the milk and yogurt business, aims to expand its presence in the Chinese dairy industry. **Japfa**, AustAsia's parent company, plans to use the proceeds to repay a US\$253 million term loan facility, improving its balance sheet position and key leverage ratios
- On April 16<sup>th</sup>, **Gousto**, a UK-based meal kit company, received £33 million in a funding round led by **Perwyn**, **BGC**, and **MMC Ventures**, to support the company's growth strategy. Gousto has seen an accelerated increase in need for meal kits and recipe boxes, as many consumers are now opting to purchase groceries online for the first time. The funds will be specifically used to increase the company's workforce, fulfillment capabilities, and distribution facilities
- On April 9<sup>th</sup>, **Ingredion Inc. (Ingredion)** announced the acquisition of a 75% stake in **PureCircle Inc. (PureCircle)** for approximately £185 million in cash consideration. PureCircle, a renowned supplier of stevia, a plant-based sweetener, is expected to complement Ingredion's go-to-market strategy and formulation expertise, driving top-line growth. Upon deal completion, Ingredion plans to provide PureCircle with US\$130 million in equity funding to repay outstanding debt

### Relative Performance Index



### Key Indicators

All Figures in USD millions unless indicated

	Market Cap	TEV	TEV/EBITDA		Price/Earnings		Week Δ Price	Δ Price 52Wk High
			2020E	2021E	2020E	2021E		
George Weston Limited	11,554	32,761	7.9x	7.7x	14.2x	13.3x	2.0 %	(7.1)%
ConAgra Foods, Inc.	16,502	26,887	11.5x	12.1x	14.4x	14.2x	4.4 %	(4.8)%
Ingredion Incorporated	5,417	7,206	7.8x	7.5x	12.3x	11.7x	(1.6)%	(18.8)%
Tate & Lyle plc	3,997	4,536	7.1x	7.0x	14.1x	12.3x	0.0 %	(15.1)%
Premium Brands	2,287	3,246	14.7x	12.7x	27.0x	20.9x	4.8 %	(16.3)%
Maple Leaf Foods Inc.	2,271	2,792	10.2x	8.7x	29.3x	23.1x	6.3 %	(27.5)%
SunOpta Inc.	208	859	11.9x	10.1x	neg	neg	27.7 %	(47.6)%
Rogers Sugar	344	598	8.4x	8.4x	11.8x	11.3x	1.3 %	(24.6)%
<b>Mean</b>			<b>9.9x</b>	<b>9.3x</b>	<b>17.6x</b>	<b>15.2x</b>	<b>5.6 %</b>	<b>(20.2)%</b>

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.

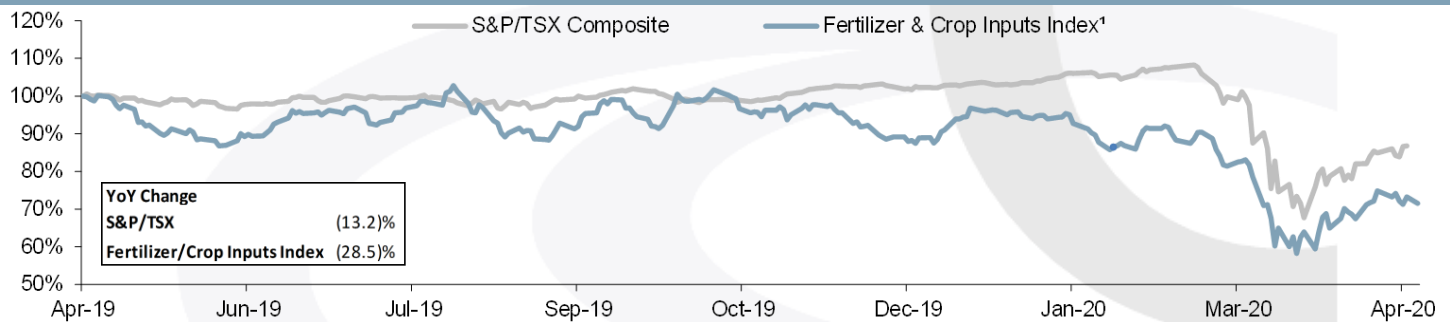


## FERTILIZERS AND CROP INPUTS

### News Scan

- On April 17<sup>th</sup>, **Salt Lake Potash Ltd. (SO4)** announced that it has received binding commitments for a private placement from institutional investors for gross proceeds of A\$20 million. Under the agreement, SO4 will issue approximately 58.8 million common shares at a price of A\$0.34 per share, with the proceeds intended to enable SO4 to continue delivering its Lake Way Project on schedule
- On April 14<sup>th</sup>, **Nutrien Ltd. (Nutrien)** announced its plans to acquire Brazil-based **Tec Agro Group (Tec Agro)**, a leading ag retail with 500 employees, annual revenue of approximately US\$200 million and one of the largest branded soybean seed businesses in Brazil, Sementes Goiás. The transaction is said to be a strong fit with Nutrien's previous acquisitions, enabling the company to provide whole farm solutions to Brazilian customers. Financial terms were not disclosed
- On April 14<sup>th</sup>, **Australian Potash Ltd. (APC)** announced the signing of its second binding term-sheet with **Migao International (Singapore) Pte Ltd (Migao)**, a subsidiary of **Migao Corporation**, for the sale of 50,000 tpy of APC's K-Brite™ sulfate of potash (SOP) over the next 10 years. Under the agreement, Migao will obtain exclusive distribution rights to K-Brite™ in China. Total offtake under binding term-sheet agreements is now 70,000 tpy, nearly 50% of the expected 150,000 tpy of SOP to be produced at APC's Lake Wells Sulfate of Potash Project
- On April 1<sup>st</sup>, **Nufarm Ltd. (Nufarm)** announced the closing of the sale of its South American businesses to **Sumitomo Chemical Company Ltd. (Sumitomo)**, a leading Japanese chemical manufacturer, for approximately US\$650 million. The transaction included Nufarm's crop protection and seed treatment operations in Brazil, Argentina, Colombia and Chile

### Relative Performance Index



### Key Indicators

All Figures in USD millions unless indicated

Market	Cap	TEV	TEV/EBITDA		Price/Earnings		Δ Price	
			2020E	2021E	2020E	2021E	Week Δ Price	52Wk High
Nutrien Ltd.	28,793	39,515	9.9x	9.1x	24.9x	20.2x	(1.7)%	(30.9)%
CF Industries Holdings, Inc.	5,890	12,612	8.4x	7.9x	16.2x	13.1x	(11.2)%	(50.0)%
Yara International ASA	9,203	13,007	5.3x	4.8x	10.5x	9.0x	1.2 %	(16.7)%
The Mosaic Company	4,222	8,729	6.1x	4.7x	39.3x	11.3x	(14.1)%	(59.3)%
Nufarm Ltd.	1,168	2,481	7.7x	6.8x	18.3x	19.3x	(2.2)%	(30.5)%
<b>Mean</b>			<b>7.5x</b>	<b>6.7x</b>	<b>21.8x</b>	<b>14.6x</b>	<b>(5.6)%</b>	<b>(37.5)%</b>

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



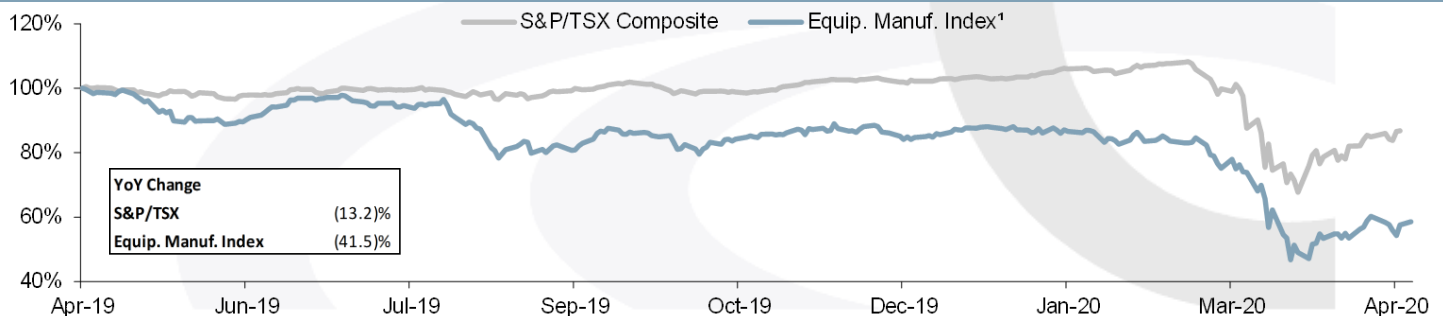


## EQUIPMENT MANUFACTURERS AND SERVICES

### News Scan

- On April 16<sup>th</sup>, **Kubota Corp. (Kubota)**, a Japanese producer of industrial and agricultural machinery, announced a strategic investment in **FarmX Inc. (FarmX)**, a US-based startup that offers an AI platform to manage and automate irrigation, minimize crop stress and maximize yield. With the investment, Kubota aims to reinforce its development of platforms for realizing precision farming and contribute to the enhancement of efficiency and profitability of farm management in the US
- On April 15<sup>th</sup>, **AgEagle Aerial Systems Inc. (AgEagle)**, a US provider of technologically advanced commercial drones and aerial data collection and analytics solutions, announced the receipt of follow-on purchase orders to manufacture commercial drones for package delivery. The order was placed by a major ecommerce company (undisclosed) and represents significant revenue for the company, as well as important market diversification outside of agricultural customers
- On April 9<sup>th</sup>, **Deere & Co. (Deere)** announced it has begun producing upwards of 200,000 protective face shields at the John Deere Seeding Group facility in Moline, Illinois to help combat the spread of COVID-19. The announcement comes shortly after **Massey Ferguson**, a subsidiary of **AGCO Corporation (AGCO)**, announced that it has also begun producing protective face shields at its manufacturing facility in Beauvais, France to help combat the spread of COVID-19. Both companies intend to distribute the protective equipment to healthcare workers and local communities
- On April 2<sup>nd</sup>, **Clean Seed Capital Group (Clean Seed)**, a Canadian producer of planting and seeding equipment and technology, announced the closing of a private placement from **AMVAC Chemical Corp. (AMVAC)**, a subsidiary of **American Vanguard Corp.**, for gross proceeds of US\$2.5 million. Under the agreement, Clean Seed issued 6.25 million common shares at a price of US\$0.40 per share, with the proceeds intended to be used for developing new technology and general working capital

### Relative Performance Index



### Key Indicators

All Figures in USD millions unless indicated

	Market		TEV/EBITDA		Price/Earnings		Δ Price	
	Cap	TEV	2020E	2021E	2020E	2021E	Week Δ Price	52Wk High
Deere & Company	43,060	46,847	9.1x	9.0x	14.4x	12.6x	(5.8)%	(24.6)%
AGCO Corporation	3,690	4,965	7.7x	5.9x	16.7x	11.5x	(5.6)%	(39.6)%
Ag Growth International Inc.	282	828	7.2x	5.3x	17.0x	7.9x	17.5 %	(60.3)%
Cervus Equipment Corporation	67	161	4.8x	3.8x	33.4x	7.8x	(7.9)%	(56.2)%
Rocky Mountain Dealerships Inc.	57	106	7.0x	5.0x	25.0x	8.1x	(1.0)%	(57.1)%
<b>Mean</b>			<b>7.2x</b>	<b>5.8x</b>	<b>21.3x</b>	<b>9.6x</b>	<b>(0.6)%</b>	<b>(47.6)%</b>

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

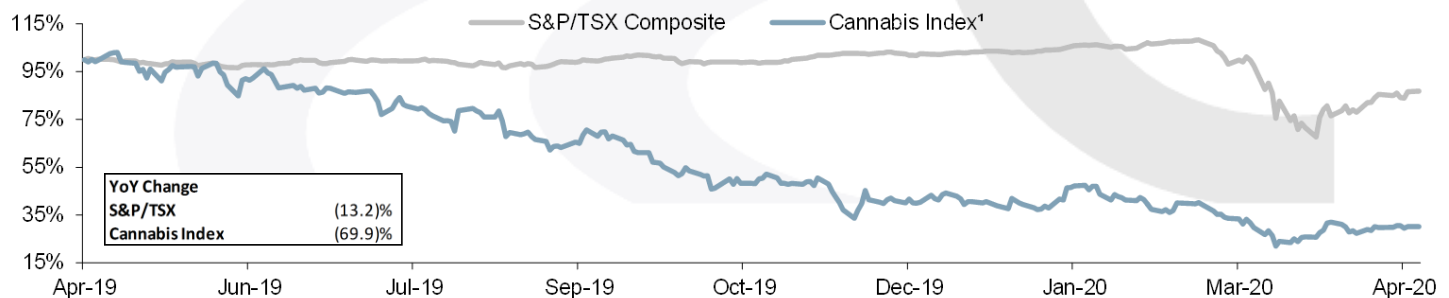


## CANNABIS AND HEMP

### News Scan

- On April 16<sup>th</sup>, **Canopy Growth Corp. (Canopy Growth)** announced several changes to its global operations in an effort to lower cost structure and reduce cash burn. The company plans to exit its operations in South Africa and Lesotho, shut down its indoor facility in Saskatchewan, and cease its cultivation operations in Colombia as well as its farming operations in New York. The company expects to incur a pre-tax charge of C\$700 - C\$800 million for its fourth quarter of 2020, ended March 31<sup>st</sup>, in relation to these changes as well as the closure of two BC facilities previously announced in March
- On April 16<sup>th</sup>, **Greenbits** announced it had raised US\$23 million in its Series B financing round. As the nation's largest cannabis retail platform, Greenbits has over 1,200 retail locations including medical dispensaries and adult-use retailers across 13 states. The proceeds from the latest financing round, led by **Tiger Global Management** and **Casa Verde**, will be used to accelerate sales, marketing, and product development while continuing expansion to new geographic markets
- On April 14<sup>th</sup>, **Clever Leaves International Inc. (Clever Leaves)** announced the closing of its Series E financing at US\$14 million. Clever Leaves is a leading multi-national operation (MNO) and licensed producer of pharmaceutical-grade medical cannabis and hemp extracts. The proceeds from the capital raised will primarily be used to continue commercialization of products, withstand market headwinds, and continue international expansion into key markets such as Portugal and Colombia
- On April 8<sup>th</sup>, **HEXO Corp. (HEXO)**, a leading consumer packaged goods cannabis company, announced the pricing of its previously announced underwritten public offering at a price of C\$0.77 per Unit. With total gross proceeds of approximately C\$40 million, HEXO expects to use the net proceeds from the offering for working capital and key general corporate purposes
- On April 2<sup>nd</sup>, **Innovative Industrial Properties Inc. (IIP)** announced the acquisition of a property in Massachusetts, comprising 199,000 square feet of industrial space, for US\$26.8 million. IIP is the only real estate company on the NYSE that focuses on the regulated US cannabis industry. This acquisition will enhance IIP's business model of partnering with experienced medical-use cannabis operators and providing a source of capital through lease-back transactions of their real-estate assets

### Relative Performance Index



### Key Indicators

All Figures in USD millions unless indicated

	Market Cap	TEV	TEV/Revenue		TEV/EBITDA		Week Δ	Δ Price
			2020E	2021E	2020E	2021E	Price	52Wk High
Canopy Growth Corporation	5,332	4,051	9.7x	5.9x	neg	neg	5.0 %	(69.8)%
Aurora Cannabis Inc.	953	1,196	5.3x	3.8x	neg	32.1x	(16.4)%	(91.9)%
Aphria Inc.	917	686	1.6x	1.3x	21.3x	10.3x	9.0 %	(54.7)%
Cronos Group Inc.	3,003	1,696	23.8x	9.4x	neg	neg	6.4 %	(63.8)%
Tilray, Inc.	752	1,123	4.7x	3.1x	neg	neg	(0.3)%	(87.5)%
OrganiGram Holdings Inc.	273	303	3.8x	2.3x	42.2x	9.0x	(14.0)%	(80.4)%
<b>Mean</b>			<b>8.1x</b>	<b>4.3x</b>	<b>31.8x</b>	<b>17.1x</b>	<b>(1.7)%</b>	<b>(74.7)%</b>

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



## SECTOR FOCUS: COVID-19 AND THE FOOD SERVICE INDUSTRY

*Foodservice sales in Canada grew by 5.1% to nearly \$90 billion in 2018, and increased an additional 3.7% in 2019 to \$93.1 billion, with predictions that annual sales would pass C\$100 billion in 2021*

Today, coronavirus has shut the entire Food Service industry in Canada, with the exception of takeout and delivery. Drawing on deep experience in the sector, we consider how the pandemic could reshape the industry as we move towards a re-opening of our economy



### PERRY CAICCO | SENIOR ADVISOR, ORIGIN MERCHANT PARTNERS

#### Introduction

- Perry Caicco has more than 30 years of retail and consumer services experience, both as a business leader in industry, and as a top-ranked Retail and Consumer equities analyst at CIBC World Markets. Perry is currently an independent investor, business owner in the food services sector, and advisor. He is a sought after speaker, commentator and writer on North American consumer topics, with a special interest in supermarkets and food systems, and has served on the Advisory Committee, Canadian Agricultural Policy Institute; the Board of Directors, Dare Foods Canada, and on the Advisory Board, Grocery Business Media

## PERRY'S INSIGHTS

### A Financial Crisis for Independent Operators

- The Food Service industry is one of the three or four hardest hit industries during this pandemic. But unlike other hard-hit sectors, Food Service consists of about 60% independent and/or family operators. The remainder - large corporate chains - will typically have a huge advantage in surviving the crisis, with stronger balance sheets, access to capital and leverage with stakeholders such as suppliers and landlords
- To the extent there is a massive fallout in the industry, (and the Canadian Restaurant Association estimates that at least 30% will close if there is no industry-specific support soon), most of that impact will likely be felt by the independent and family segment. This is a severe crisis for these operators and their hundreds of thousands of employees, despite yeoman efforts to quickly switch to take-out and delivery models

### How long will it last?

- The Canada Emergency Response Benefit runs until Oct 3, 2020, suggesting that the federal government expects some measure of activity restrictions to last at least that long. In Toronto, permits for special events are on hold until June 30. Cancellations include Pride (a huge tourism event) and other event-based tourism for the summer. And while even the experts will not stipulate a re-open date for full-service restaurants, late summer or even early fall is within the realm of possibility
- In addition, even as COVID-19 infection rates decline and current measures are eased, it is unlikely that everything will re-open on a specific date, at full capacity. As COVID-19 spreads easily on close contact, tight gatherings, such as those in full-service restaurants, are natural potential hotspots. As a result, in order to mitigate the risk of re-infection, we believe that a SLOW re-open of the food service industry is likely

(Continued on next page)





### How does this look?

- A slow re-opening looks like everything we had before, but with much less human density. Physical densities will have to drop and large gatherings - music festivals, sports crowds, parades, parties - will, at least in the short term, be prohibited. When bars and restaurants do re-open, they will likely face capacity restrictions, in the realm of half their current fire code capacity. More generally, we will work, learn and congregate in smaller pods in order to reduce the risk of another mass infection. The size of these pods will increase slowly if infection rates remain low, effective treatments and a vaccine are developed, and as we build herd immunity
- In this slow re-opening phase, a sudden rise in the infection rate could trigger another quick and severe shutdown

### What does this mean for the Canadian Food Service industry?

- **Delivery is here to stay** → the crisis has driven a surge in business for companies like UberEats, Door Dash, Foodora and other meal delivery services. While the rate of delivery and take-out may fall from COVID-19 heights, it's likely to settle well above pre-crisis levels
- **People have learned to cook at home** → the shift back to supermarket shopping will require restaurants to create offerings and ambience that are impossible to duplicate at home. Restaurants might tap into the "eat at home" shift by entering the meal kit business, leveraging their brand to help customers duplicate restaurant meals at home
- **Capacity restrictions may be a problem for many months** → Venues dependent on maxing out seat capacity will need to introduce faster rotations, patios and again more dependency on takeout and delivery. Where possible, fixed costs will have to be reduced
- **Cleaning standards will be elevated** → an added cost, probably in perpetuity
- **New landlord relationships** → as restaurants delay rent payments in order to maintain cash, landlords will have to choose their level of support. Landlords facing tight windows between rent payments and mortgage payments will look upstream to banks. Since there will not be easy replacements for food service tenants, landlords will face difficult decisions to support or cut ties with restaurant tenants

### Looking to the Future

- The total Food Service industry will likely continue its decline for a period following the lifting of COVID-19 restrictions, due to the recession, the rise of home cooking, capacity limits and lower unit counts. As we have seen time after time, however, a strong economy and growing employment tends to shift Food Service back into the spotlight. We expect that, over the long-term, the independent models that have been hardest hit will re-emerge. However, when customers begin shifting back to the Food Service industry, it will, at least for the medium-term, be a radically-changed landscape



Perry's full report is available on Origin Merchant Partner's website via the following link:  
<https://lnkd.in/gB3Gyi2>





## ADDITIONAL NEWS AND AGRICULTURE COMMODITIES UPDATE

### News Scan

- On April 17<sup>th</sup>, **US President Donald Trump** announced a US\$19 billion relief program to help US farmers cope with the impact of the COVID-19 pandemic, including US\$16 billion in direct payments to farmers and ranchers and mass purchases of produce, meat and other products. The **United States Department of Agriculture (USDA)** also released a statement outlining a near-term purchase of US\$3 billion of fresh produce, dairy and meat products, as well as ongoing monthly purchases of US\$100 million of these products to be distributed to food banks, churches and aid groups
- On April 17<sup>th</sup>, **Reuters** reported forecasts for Germany's 2020 crop. Wheat crop is forecast to decrease by 1.4% to 22.7 million tonnes in 2020, while winter rapeseed production is expected to increase by 18.4% to 3.3 million tonnes due to a poor crop last summer. Germany's corn crop is expected to increase by 11.8% to 4.1 million tonnes, due to an increase in planted area and yield improvements
  - On April 16<sup>th</sup>, **Reuters** reported that Ukraine's grain exports for the 2019-2020 season are up 21.3% compared to the same period last year. Exports have reached 48.1 million tonnes for the season to date, including 18.3 million tonnes of wheat, 24.6 million tonnes of corn and 4.5 million tonnes of barley
- On April 14<sup>th</sup>, **Canadian Food Inspection Agency** announced C\$20 million in funding from **The Government of Canada** to support critical food inspection activities to help ensure that Canadians will have continued access to safe and high-quality food. The funding will enable the CFIA to hire, train and equip additional staff to conduct critical inspection activities, and work closely with industry and trading partners to minimize supply disruptions during the COVID-19 pandemic
- On April 14<sup>th</sup>, **Reuters** reported that China's soybean imports decreased by 13% in March compared to the same period in 2019, due to heavy rainfall and related transportation issues in Brazil's supply chain, as well as declining demand due to COVID-19
- On April 13<sup>th</sup>, **Canadian Cattlemen's Association (CCA)**, in partnership with other industry groups, released a statement addressed to the government outlining its recommendations for implementing a set-aside program in an effort to manage COVID-19 within the industry. CCA's recommendation outlines re-building the set-aside framework developed in the BSE era as necessary action to address the current reduction in packing capacity. The objective of the program is to delay the marketing of cattle when processing capacity isn't available, and to encourage farmers to hold cattle on maintenance rations until packing capacity resumes to normal levels
  - CCA's recommendation precedes the announcement on April 20<sup>th</sup> that **Cargill, Inc. (Cargill)** is temporarily halting operations at its meat-processing plant in High River, Alberta after one employee died from the virus and hundreds of people connected to the facility were confirmed to be infected. Cargill is one of several North American meat processing facilities that have recently suspended operations in relation to COVID-19
- On April 6<sup>th</sup>, **Farm Credit Canada (FCC)** released a report that showed the average value of Canadian farmland rose by 5.2% in 2019 compared to 2018, representing the smallest year-over-year increase since 2010

### Commodities Futures as of April 21<sup>st</sup>, 2020

Commodities Futures	Price Unit	Latest Price (US\$)	Month to Date	Year to Date
Corn (CBOT)	\$ per bu.	\$3.29	(1.64)%	(15.90)%
Wheat (CBOT)	\$ per bu.	\$5.34	(3.00)%	(4.73)%
Oats (CBOT)	\$ per bu.	\$2.72	4.51 %	(8.72)%
Rough Rice (CBOT)	\$ per cwt.	\$14.50	3.13 %	10.14 %
Rapeseed (Canola) (ICE)	CAD per T	\$463.60	(2.13)%	(3.42)%
Ethanol (CBOT)	\$ per gal.	\$0.99	18.78 %	(27.57)%



## Recent Earnings News

Company	EPS YoY Change	Comments	Analyst Consensus	Premium to Current
<b>Food Processing</b>				
Lamb Weston Holdings, Inc.	(20.0%)	Lamb Weston reported Q3 FY2020 results, with net sales just over US\$937 million, up 1% from the same period last year. Sales volumes were flat as growth in the Foodservice segment was partially offset by a decline in the Global segment. The primary cause for the near flat growth trajectory was the timing of sales of customized products and higher-margin limited time offerings coming offline, as well as the initial effects of the COVID-19 pandemic on restaurant traffic in China. Adjusted EBITDA was reported at US\$227 million, down 10% from the prior year	C\$57.00	(4.9%)
<b>Equipment Manufacturers &amp; Services</b>				
Ag Growth International Inc.	54.2%	Ag Growth International (AGI) reported mixed Q4 FY2019 results, impacted by strong demand for portable grain handling and drying equipment, solid performance in India and significant improvements in results in Brazil. These were offset by a wet and late US harvest, continuation of the weak macro environment and the postponement of several commercial projects in Canada. Adjusted EBITDA was over C\$23 million, a decrease from C\$28 million in the prior year. Adjusted EBITDA as a percentage of sales in AGI's seasonally weak Q4 decreased to 10% in 2019 from 13% in the prior year due to the investment in AGI SureTrack, poor growing conditions in the US and negative trade disruption impacts	C\$35.57	67.5%
Lindsay Corporation	nmf	Lindsay Corporation, a global manufacturer and distributor of irrigation equipment and related infrastructure and technology, reported Q2 FY 2020 results. Revenues for Q2 FY 2020 were US\$114 million, an increase of 4% compared to US\$109 million for the same period last year. Net earnings for the quarter were less than US\$6 million, compared with a net loss of more than US\$3 million for Q2 of the prior year. North American irrigation revenues (the most significant market) were US\$66 million, an increase of more than 14% compared to the prior year. The increase resulted primarily from high sales of replacement parts, increased irrigation equipment unit volumes and higher revenue from engineering project services	US\$93.75	2.5%



## Recent Earnings News

Company	EPS YoY Change	Comments	Analyst Consensus	Premium to Current
<b>Cannabis &amp; Hemp</b>				
OrganiGram Holdings Inc.	15.7%	<p>Organigram Holdings Inc., parent company of Organigram Inc., a licensed cannabis producer, announced Q2 FY2020 results. The company reported net revenues of C\$23 million, down from C\$27 million in Q2 FY2019 and C\$25 million the prior quarter.</p> <p>During the quarter, adult-use recreational net revenue grew 16% to C\$15 million from under C\$13 million the prior quarter. Adjusted EBITDA was reported as a loss of over C\$1 million, a decrease from C\$13 million in Q2 FY2019. The negative results were attributed to lower recreational flower and oil sales volumes in Q2 FY2019, along with the realization of a lower net selling price from increased competition and evolving consumer preferences</p>	C\$4.78	116.3%
Aphria Inc.	nmf	<p>Aphria Inc. announced Q3 FY 2020 results, against the backdrop of COVID-19 impacting consumer cannabis preferences. Gross revenue for adult-use cannabis was just under C\$45 million in the third quarter, an increase of 54% from the prior quarter and the 5th consecutive quarter of growth. Total net revenue stood at over C\$144 million, an increase of 96% from the same period last year and a 20% increase from the prior quarter, attributed to higher net sales to provincial control boards, wider adoption for the adult-use market and an increase in the average retail selling price of adult-use recreational cannabis. Adjusted EBITDA from cannabis operations of C\$6 million represented a 78% increase from the prior quarter</p>	C\$7.58	50.7%

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