



## Agriculture Industry Flash

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Monday, May 25<sup>th</sup>, 2020

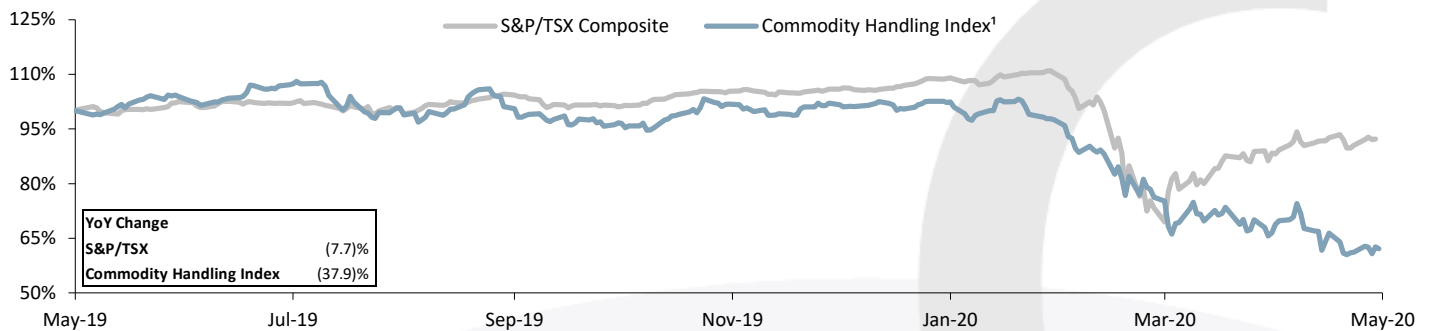


## COMMODITY HANDLING

### News Scan

- On May 20<sup>th</sup>, **Bunge** announced that it has acquired two soy crushing plants from **Impoca Food Ingredients B.V (Impoca)**, a Brazilian soybean refiner, for US\$9.2 million. The offer, made under a reorganisation plan by creditors in 2017 as part of Impoca's bankruptcy proceedings, also entailed Bunge assuming US\$180 million in debt related to the assets. The acquisition is part of Bunge's strategy to strengthen its position in the Brazilian oilseed crushing and refining facilities sector
- On May 13<sup>th</sup>, **The Andersons Inc. (Andersons)** announced it has resumed production in five of its ethanol plants in Albion, Michigan and Denison, Iowa. Andersons shut down five ethanol plants earlier in March, but a recent increase in demand for gasoline has enabled the Company to operate its plants at 50% capacity

### 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		
ADM	19,653	28,744	7.8x	6.8x	12.5x	10.7x	3.6 %	(25.0)%
Bunge Limited	5,029	11,228	8.4x	7.1x	12.8x	8.8x	1.8 %	(40.7)%
The Andersons, Inc	388	2,089	8.9x	6.7x	neg	10.3x	(2.3)%	(63.5)%
Graincorp Limited	599	1,358	13.9x	10.1x	20.3x	18.0x	9.3 %	(55.7)%
Ceres Global Ag	51	112	na	na	na	na	(3.3)%	(51.8)%
<b>Mean</b>			<b>9.8x</b>	<b>7.7x</b>	<b>15.2x</b>	<b>11.9x</b>	<b>1.8 %</b>	<b>(47.4)%</b>

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

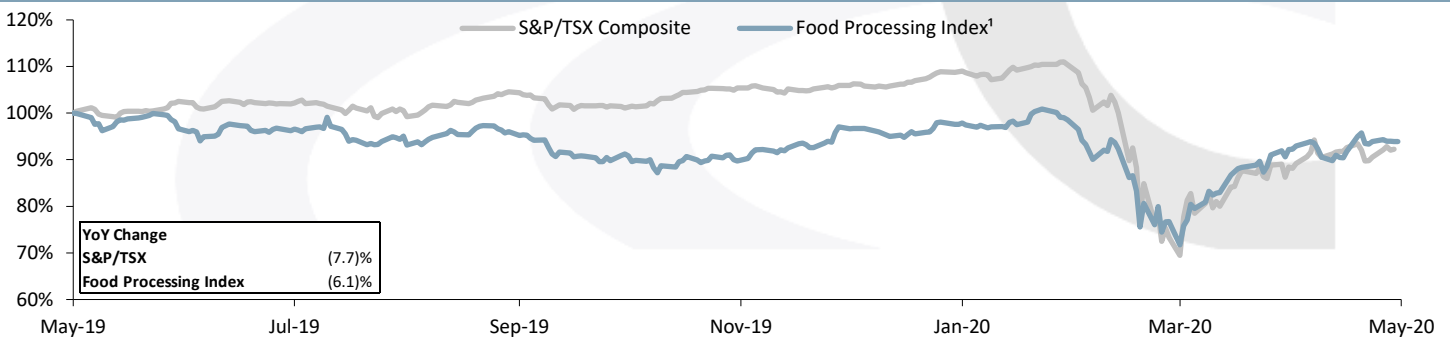


## FOOD PROCESSING

### News Scan

- On May 22<sup>nd</sup>, the **Dairy Farmers of America (DFA)** announced an anti-trust federal lawsuit had been filed against its US\$433 million acquisition of **Dean Foods**. The complaint, filed by the **Maryland and Virginia Milk Producers Cooperative Association** and the **Food Lion** grocery chain, claims DFA's acquisition will monopolize the dairy supply chain resulting in higher prices for consumers and will compel independent dairy farmers to either run out of business or join the DFA
- On May 18<sup>th</sup>, **Tata Consumer Products Ltd. (Tata)** announced that it has acquired **PepsiCo's** stake in **NourishCo Beverages Ltd. (NourishCo)**, for an undisclosed amount. NourishCo was a 50:50 joint venture between Tata and PepsiCo focused on building brands in the healthy beverage space in India. The acquisition is in line with Tata's strategy of strengthening its position in the liquid refreshment beverages space in India and widening its overall portfolio in the food and beverage sector
- On May 13<sup>th</sup>, **Blendtek Ingredients Inc. (Blendtek)**, a Canada-based ingredient solutions company, announced that it has acquired **Tri-Blend Bakery Mixes Inc (Tri-Blend)**, a Canadian manufacturer of commercial bakery mixes, for an undisclosed amount. The acquisition enhances Blendtek's blending capabilities and positions the company as a full-service partner, providing formulation and product design to strategic sourcing, manufacturing, and packaging
- On May 13<sup>th</sup>, **Aryzta**, a Swiss baked goods manufacturer, announced it is conducting a review of all strategic and financial options available, to maximise value for its stakeholders. This follows a May 4<sup>th</sup> announcement of cost-saving measures, including halting operations at eight baking plants in North America and Europe because of reduced demand
- On May 8<sup>th</sup>, **Ingredion** announced the pricing of US\$600 million of 2.9% senior notes due 2030 and US\$400 million of 3.9% senior notes due 2050, for an aggregate principal amount of US\$1 billion. Ingredion intends to use the proceeds to repay all or a portion of the outstanding indebtedness under their revolving credit facility and their 4.625% senior notes due 2020, and to use any remaining amount of net proceeds for general corporate purposes

### 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	10,501	30,747	7.7x	7.4x	13.8x	12.5x	(1.5)%	(15.7)%
ConAgra Foods, Inc.	15,918	26,294	11.4x	11.8x	13.9x	13.7x	(3.4)%	(8.2)%
Ingredion Incorporated	5,327	7,204	8.2x	7.6x	12.9x	11.6x	1.8%	(20.1)%
Tate & Lyle plc	3,613	4,156	7.0x	6.9x	13.7x	11.9x	1.1%	(21.5)%
Premium Brands	2,307	3,368	16.5x	13.3x	33.6x	21.9x	3.8%	(15.7)%
Maple Leaf Foods Inc.	2,244	2,923	11.2x	8.9x	30.8x	21.4x	(1.4)%	(28.5)%
SunOpta Inc.	325	957	12.9x	11.8x	neg	neg	2.1%	(15.2)%
Rogers Sugar	350	622	9.3x	8.9x	13.7x	11.7x	3.0%	(23.1)%
<b>Mean</b>			<b>10.5x</b>	<b>9.6x</b>	<b>18.9x</b>	<b>14.9x</b>	<b>0.7%</b>	<b>(18.5)%</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.

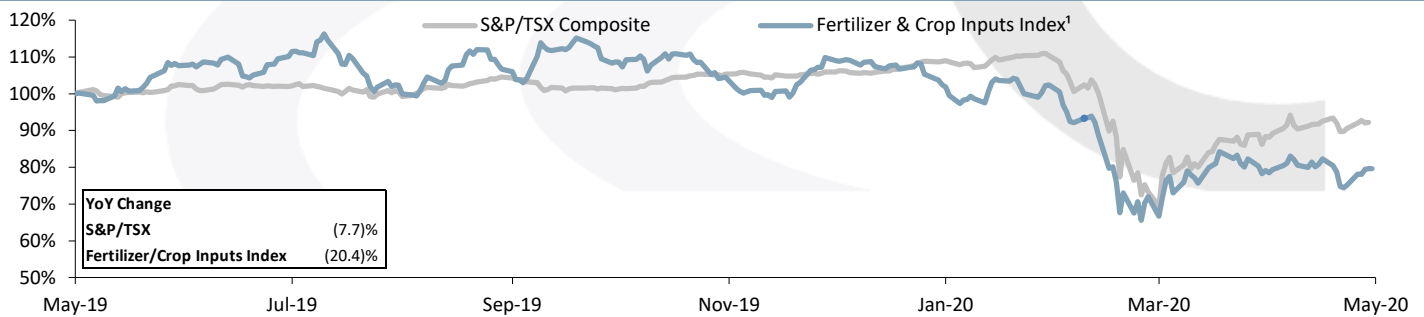


## FERTILIZERS AND CROP INPUTS

### News Scan

- On May 22<sup>nd</sup>, **Kalium Lakes Ltd. (Kalium)** announced it is raising A\$61 million to fund the completion of its Beyondie sulfate of potash project in western Australia. The project is currently 40% complete, with a A\$12 million commitment from **Greenstone Resources** and A\$6 million from the company's board and senior management
- On May 19<sup>th</sup>, **Sound Agriculture Co. (Sound)**, announced it has completed a Series C round led by S2G Ventures and including existing investors **Cultivian Sandbox Ventures LP**, **Fall Line Capital LLC**, **Cavallo Ventures** and **Syngenta Ventures Pte. Ltd.**, raising US\$22 million. Sound intends to use the proceeds to accelerate the development of its novel bio-inspire plant traits and chemistries, as well as new business development efforts across food and agriculture
- On May 18<sup>th</sup>, **Israel Chemicals Limited (ICL)** announced the signing of a potash supply contract with **Indian Potash Limited (IPL)** to supply 410,000 tonnes of potash, at a price of US\$50 per tonne, which is below the previous contract price but in line with recent prices in India. The contract is part of a five-year supply agreement signed by both companies in 2018 and includes the option for an additional 30,000 tonnes to be supplied through December 2020
  - On May 11<sup>th</sup>, **ICL** announced it has signed several potash supply contracts with Chinese customers to supply 910,000 tonnes of potash, at a price of US\$70 per tonne. The contract is part of a three-year supply agreement signed in 2018 and includes the option for an additional 490,000 tonnes to be supplied by the end of 2020
- On May 13<sup>th</sup>, **Nutrien** announced the pricing of US\$500 million of 1.9% senior notes due 2023, US\$500 million of 2.95% senior notes due 2030 and US\$500 million of 3.95% senior notes due 2050, for an aggregate principal amount of US\$1.5 billion. Nutrien intends to use the proceeds to finance its capital expenditures, fund recent growth initiatives and general corporate purposes. The notes will be unsecured and rank pari-passu with Nutrien's existing senior unsecured debt
- On May 12<sup>th</sup>, **Canadian Potash Exporters Ltd. (Canpotex)** announced the signing of a potash supply contract with IPL for the remainder of 2020, at a price of US\$230 per tonne. Canpotex also agreed to supply contracts with its some of its existing customers in China for potash shipments up to the end of October 2020

### 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		
Nutrien Ltd.	26,203	38,378	10.1x	9.1x	26.2x	20.3x	3.9 %	(37.1)%
Yara International ASA	8,758	12,560	4.9x	4.6x	9.8x	8.3x	5.0 %	(23.5)%
CF Industries Holdings, Inc.	5,899	12,530	8.6x	8.4x	18.6x	16.7x	12.0 %	(50.0)%
The Mosaic Company	4,381	9,284	7.4x	5.4x	nmf	14.5x	11.2 %	(56.0)%
Nufarm Ltd.	1,298	2,641	7.9x	7.2x	19.9x	21.0x	5.9 %	(24.5)%
<b>Mean</b>			<b>7.8x</b>	<b>6.9x</b>	<b>18.6x</b>	<b>16.2x</b>	<b>7.6 %</b>	<b>(38.2)%</b>

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



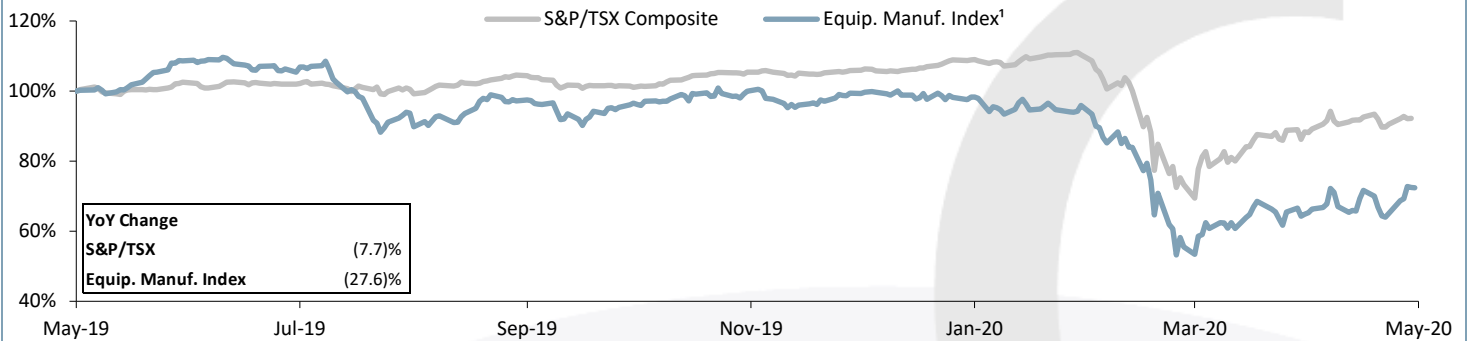


## EQUIPMENT MANUFACTURERS AND SERVICES

### News Scan

- On May 14<sup>th</sup>, **The Buhler Group AG (Buhler)** announced a joint venture in Wuxi, China with **Premier Tech Inc. (Premier)** for bulk food packaging. With the joint venture, both companies aim to develop new cost-effective packaging solutions leveraging Premier's bagging expertise. The joint venture will focus on serving the food and feed markets in China and other markets
  - On May 12<sup>th</sup>, **Buhler** announced that it is increasing production at its Willmar, Minnesota facility to optimise operations in the country. With this, Buhler hopes to increase efficiency and reduce overhead costs by reducing excess manufacturing capacity across the company. Buhler cited the unpredictability of the agriculture commodities market and fluctuations in the exchange rate as rationale for the decision

### 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
Deere & Company	44,631	48,461	9.5x	9.3x	14.9x	13.1x	9.4 %	(21.8)%
AGCO Corporation	3,825	5,572	9.2x	6.7x	21.6x	12.3x	7.2 %	(37.2)%
Ag Growth International Inc.	355	956	8.1x	6.3x	15.4x	10.4x	3.5 %	(51.3)%
Cervus Equipment Corporation	80	174	5.1x	4.1x	25.4x	8.5x	16.4 %	(46.8)%
Rocky Mountain Dealerships Inc.	60	108	8.5x	5.4x	neg	10.3x	0.7 %	(55.3)%
<b>Mean</b>			<b>8.1x</b>	<b>6.4x</b>	<b>19.3x</b>	<b>10.9x</b>	<b>7.5 %</b>	<b>(42.5)%</b>

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

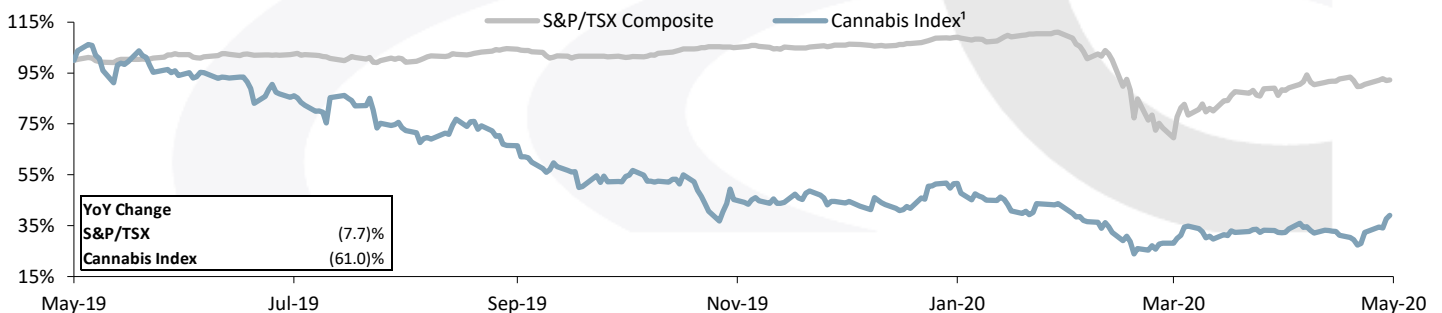


## CANNABIS AND HEMP

### News Scan

- On May 21<sup>st</sup>, **Aurora Cannabis (Aurora)** announced it has reached an agreement to acquire **Reliva** for US\$40 million in Aurora common stock, with a potential earn-out of up to US\$45 million payable in Aurora shares or cash. Reliva, a leader in the sale of hemp-derived cannabidiol (CBD) products in the US, provides for a strategic entry into the US market with top-ranked brands sold in over 20,000 retail locations across the US
- On May 19<sup>th</sup>, **Trichome Financial (Trichome)** announced it has acquired **James E. Wagner Cultivation Corp. (JWC)**, after being confirmed as the successful bidder in JWC's CCAA restructuring process. The business and assets of JWC are being purchased for approximately C\$13 million, being the value of Trichome's pre-filing secured claim of C\$7.5 million plus the estimated amount of the outstanding debtor-in-possession financing upon closing. JWC has 114,000 sq. ft. of licensed indoor capacity and annual cultivation capacity of approximately 7,000 kilograms/year of premium cannabis
- On May 19<sup>th</sup>, **TerrAscend Corp. (TerrAscend)** announced a non-brokered private placement of approximately US\$30 million, receiving initial investor commitments totalling US\$28 million, including a US\$20 million order from existing investor **JW Asset Management (JW)**. TerrAscend intends to use the proceeds from the offering to fund US expansion strategies, working capital, and capital expenditures
- On May 12<sup>th</sup>, **GrowFlow**, a Los-Angeles based company providing software to businesses in the cannabis and hemp industry, announced the closing of US\$8.4 million in growth financing. The financing round was led by software-focused growth equity fund **TVC Capital**, with **Bull & Bear Fund** and two individual angel investors rounding out the group
- On May 12<sup>th</sup>, **Innovative Industrial Partners (IIP)** announced it has acquired property in southern California, comprising 70,000 sq. ft. of industrial space for US\$17.5 million, and subsequently entered into a long-term lease with **Kings Garden**, a high-quality developer of cannabis products. As of mid-May, IIP has invested roughly \$740 million in marijuana-related properties

### Relative Performance Index



### Key Indicators

All Figures in USD millions unless indicated

	Market Cap	TEV	TEV/Revenue		TEV/EBITDA		Price	Δ Price 52Wk High
			2020E	2021E	2020E	2021E		
Canopy Growth Corporation	6,776	5,492	13.1x	8.0x	neg	neg	42.0 %	(56.0)%
Aurora Cannabis Inc.	1,625	2,925	12.3x	9.3x	neg	nmf	171.2 %	(83.7)%
Cronos Group Inc.	3,251	2,143	32.5x	14.5x	neg	neg	36.3 %	(60.6)%
Tilray, Inc.	1,281	1,717	7.1x	4.7x	neg	nmf	42.7 %	(79.9)%
Aphria Inc.	1,057	811	1.9x	1.5x	24.7x	12.2x	31.9 %	(47.1)%
OrganiGram Holdings Inc.	289	316	3.9x	2.5x	48.8x	9.8x	40.0 %	(78.2)%
<b>Mean</b>			<b>11.8x</b>	<b>6.7x</b>	<b>36.7x</b>	<b>11.0x</b>	<b>60.7 %</b>	<b>(67.6)%</b>

<sup>1</sup> "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 May 22<sup>nd</sup>, the **Chinese government** announced it is developing a response plan to ensure food security amid the COVID-19 pandemic. China plans to keep total crop acreage and grain output stable through the rest of 2020, give more rewards to major grain producing countries, and raise the minimum purchase price of rice
  - On May 21<sup>st</sup>, the **Chinese government** announced plans to start selling corn from its state reserves beginning May 28<sup>th</sup> to address the tightening of grain supplies. China will offer to sell 4 million tonnes of corn, all from its northeastern corn belt
- On May 20<sup>th</sup>, **US President Donald Trump** announced that the US, in an attempt to aid US ranchers affected by the COVID-19 crisis, should consider terminating trade deals under which it imports cattle. Currently, the US imports cattle from Mexico and Canada under the terms of Trump's new renegotiated North American trade pact
  - On May 20<sup>th</sup>, **US President Donald Trump** announced that he is urging the US justice department to investigate antitrust allegations made against the meat-packing industry. President Trump cited the drop in prices that slaughterhouses pay farmers for animals against the rise in meat prices as his reasoning behind the request
- On May 19<sup>th</sup>, the **US federal government**, announced US farmers that grow crops, like corn and soybeans, will receive coronavirus assistance payments on either half of their 2019 production or the production they had on hand as of January 15<sup>th</sup>, 2020. The payments are set at US\$0.45 per bushel for soybeans, US\$0.32 per bushel for corn and US\$0.18 per bushel for hard red spring wheat
- On May 18<sup>th</sup>, the **Chinese government** announced it will be imposing a 73.6% anti-dumping tariff and a 6.9% anti-subsidy tariff on Australian barley imports beginning May 19<sup>th</sup>, which will remain in place for five years. China cited damage to its domestic industry from imports that were against trade rules as the rationale behind the decision
- On May 15<sup>th</sup>, **Paterson Grain** shipped **Canadian Pacific's** largest-ever grain train, consisting of 167 new high-capacity hopper cars, from its Foothills Terminal in Bowden, AB to its Alliance Grain Terminal in Vancouver, BC. The journey took less than four days and involved loading 16,313 tonnes of grain in less than 14 hours using Paterson's new third generation grain terminals
- On May 15<sup>th</sup>, the **Canadian federal government** announced it has partnered with **Calgary-based Forage Capital Inc.** to create a C\$100 million fund to assist the agricultural sector as it recovers from the COVID-19 pandemic. **Farm Credit Canada** is the sole investor in the fund. The funds will be available to all primary producers, agri-tech firms, manufacturers, packers, and distributors. Applicants can receive a maximum of C\$10 million
- On May 13<sup>th</sup>, the **Good Food Institute (GFI)** released two studies that reported US\$930 million was invested in companies which produce alternative protein products during Q1 of CY2020, an 11% YoY increase. 80% of this quarter's total was invested in plant-based protein producers with the rest in cell-based meat companies. A durable and increasing consumer interest in alternative proteins is seen as the driving force behind the record level of investments
- On May 7<sup>th</sup>, the **Canadian Cattlemen's Association (CCA)** announced that producers are likely to face problems from a backlog of slaughter-ready cattle as they increase their rate of cattle processing. Plants have been forced to take protective measures, which include reducing workforces, that have resulted in slower line speeds. The CCA indicated that funding from the federal and Alberta governments will help, but further changes to business risk management are needed

### Commodities Futures as of May 22<sup>nd</sup>, 2020

Commodities Futures	Price Unit	Latest Price (US\$)	Month to Date	Year to Date
Corn (CBOT)	\$ per bu.	\$3.18	(0.16)%	(18.77)%
Wheat (CBOT)	\$ per bu.	\$5.09	(1.50)%	(9.19)%
Oats (CBOT)	\$ per bu.	\$3.24	13.01 %	8.56 %
Rough Rice (CBOT)	\$ per cwt.	\$16.05	8.63 %	21.96 %
Rapeseed (Canola) (ICE)	CAD per T	\$463.50	(0.58)%	(3.44)%
Ethanol (CBOT)	\$ per gal.	\$1.08	6.65 %	(21.59)%





## Recent Earnings News

Company	EPS YoY Change	Comments	Analyst Consensus	Premium to Current
<b>Commodity Handling</b>				
Bunge Limited	nmf	Bunge reported Q1 FY2020 results, with an adjusted EPS of (US\$1.34) compared to US\$0.36 from the same period in 2019. EBIT was down US\$311 million from the same period in 2019 to (US\$165) million. Higher processing margins in the agribusiness segment were largely to blame, driven by mark-to-market losses on soymeal future contracts	US\$61.00	72.4%
The Andersons, Inc.	167.1%	The Andersons reported Q1 FY2020 results, with sales down 6% YoY to US\$1.8 billion. Higher volumes of corn oil and distillers grains through the merger with Marathon Petroleum were offset by lower demand and volumes in the other segments. Adjusted EBITDA for the quarter declined to US\$15 million from US\$41 million in the same period in 2019, driven by a decline in the depreciation of corn basis in the trade group and lack of demand in the ethanol segment	US\$15.00	24.5%
GrainCorp Limited	nmf	GrainCorp reported H1 FY2020 results, with revenues of A\$1.9 billion, a 3% YoY increase. Revenues in the agribusiness segment increased, driven by strong results from feeds, fats, and oils with continued demand for liquid feeds, tallow and used cooking oil. A strong recovery of oilseed crush margins and higher plant utilization in the process segment resulted in an EBITDA of A\$183 million versus A\$27 million from H1 FY2019	A\$4.36	8.7%
<b>Food Processing</b>				
George Weston Limited	nmf	George Weston reported Q1 FY2020 results, with revenues of C\$12.3 billion versus C\$11.1 billion for Q1 FY2019. Sales for Weston Foods were the primary driver, which increased 19% YoY to C\$535 million, driven by a greater sales volume from the COVID-19 pandemic and positive pricing increases. Adjusted EBITDA for the quarter was C\$1.3 billion, a 13% YoY increase, driven by favourable impacts from the consolidation of franchises in the Loblaws segment and productivity improvements in the Weston Foods segment	C\$119.86	24.8%
Ingredion Incorporated	(25.0%)	Ingredion reported Q1 FY2020 results, with net sales of US\$1.5 billion, up 0.5% YoY. Net sales in South America increased by 4% YoY to US\$237 million, primarily driven by improved price and product mix and increased volumes, offset by lower net sales in Asia-Pacific. Operating income was US\$153 million, down 5% from Q1 FY2019. Asset closures and restructuring costs related to Cost Smart caused the decline, which was partially offset by an improved price mix in the South America and EMEA segments	US\$96.40	21.2%
Tate & Lyle plc	14.8%	Tate & Lyle reported FY2020 results, with revenues of £2.9 billion, a 2% YoY constant currency increase. Revenues for food and beverage solutions increased by 5% YoY, driven by strong demand for beverage, dairy and bakery in the North American market. Adjusted operating income was reported at £331 million, up 5% YoY on a constant currency basis, driven by a focus on cost management across all segments but partially offset by increases in central costs related to the company's COVID-19 response	£6.92	8.7%
Premium Brands Holdings Corporation	9.9%	Premium Brands Holdings reported Q1 FY2020 results, with revenues of C\$935 million, a 20% YoY increase. Revenues for the premium food distribution segment increased by 27% YoY, driven by leveraging the expanded capacity of its Montreal facility, and a growth strategy centered around a new distribution and custom cutting operation in the Greater Toronto Area. Adjusted EBITDA was C\$64 million, up C\$4 million from the Q1 FY2019. The increase was driven by lower commodity prices and operating efficiencies from improvement initiatives, but offset by additional overhead costs associated with new and expanded facilities	C\$89.05	2.9%
SunOpta Inc.	(96.1%)	SunOpta reported Q1 FY2020 results, with a 10% YoY increase in revenues at US\$335 million. The plant-based foods and beverages segment increased by 31% YoY, driven largely by higher volumes of aseptic beverages, broth offerings, and ingredient extraction. Adjusted EBITDA, excluding disposed operations, was up 119% YoY at US\$24 million. Higher plant utilization in plant-based foods and beverages and productivity-driven cost savings across all segments drove this increase	n/a	n/a





## Recent Earnings News

Company	EPS YoY Change	Comments	Analysts Consensus	Premium to Current
<b>Food Processing (Continued)</b>				
Rogers Sugar Inc.	(87.8%)	Rogers Sugar reported Q2 FY2020 results, with revenues of C\$199 million, a 5% YoY increase. Revenues for maple products increased by C\$5 million YoY, largely driven by an increase in demand from the COVID-19 pandemic and growth from large customers. Adjusted EBITDA for the quarter totaled C\$17 million, a 0.3% YoY decline, caused by increased distribution costs for the sugar segment and increased labour costs to meet higher production levels	C\$4.85	2.3%
<b>Fertilizers &amp; Crop Inputs</b>				
Nutrien Ltd.	nmf	Nutrien reported Q1 FY2020 results with a net loss of US\$35 million and adjusted EBITDA of US\$508 million. Potash and Nitrogen EBITDA in the quarter were 38% and 14% lower, respectively, from the same period in 2019 due to lower net realized selling prices. Retail EBITDA increased by US\$37 million in Q1 2020 compared to the same period in 2019 due to strong business performance in the US and Australia, including organic and inorganic related growth	US\$47.49	44.7%
CF Industries Holdings, Inc.	(22.5%)	CF Industries reported Q1 2020 results, with net earnings of US\$68 million, similar to the same period in 2019. Average selling prices were lower than Q1 FY2019, primarily driven by increased global supply availability as lower global energy costs drove higher global operating rates. EBITDA was US\$314 million, a 4% increase over Q1 FY2019. The increase in EBITDA reflects lower realized natural gas and maintenance costs	US\$35.24	27.7%
The Mosaic Company	nmf	The Mosaic Company reported Q1 2020 results, with a net loss of US\$203 million, including US\$295 million of non-cash foreign currency losses. Sales volumes in all three businesses in the quarter were higher than the same period in 2019, as the company continues to make progress towards its 2021 targets. Unrestricted cash totaled \$1.1 billion as of March, as the company accessed credit facilities and managed working capital to ensure financial flexibility during the current period of market volatility	US\$17.29	49.5%
<b>Equipment Manufacturers &amp; Services</b>				
Deere & Company	(40.1%)	Deere and Company reported Q2 FY2020 results. Equipment net sales were US\$8.2 billion, a 20% YoY decline, driven by lower shipment volumes. A lower shipment volume component in sales mix drove operating profit down 22% YoY to US\$794 million. The operating profit margin was also down at 13% compared to 14% from the same period in 2019	US\$167.45	19.0%
Ag Growth International Inc.	nmf	Ag Growth International reported Q1 FY2020 results, with trade sales of C\$289 million, a 6% YoY increase. International trade sales increased 42% YoY, driven by a higher backlog and higher demand in Brazil. Trade sales in Canada decreased 12% from the same period in 2019, the result of lower farms sales in storage and conditioning and lower commercial sales. Adjusted EBITDA was C\$25.6 million, down 16% YoY, due to lower commercial margins and increased salary and wages expenses	C\$36.93	28.9%
Cervus Equipment Corporation	nmf	Cervus Equipment reported Q1 FY2020 results, with revenues of C\$257 million, a 9% YoY increase. Growth was driven primarily by new agriculture equipment sales as customers accelerated planned purchases to avoid price increases and greater demand for transportation equipment in preparation for the summer construction season. Reduced demand due to the collapse of oil prices decreased industrial equipment sales, offsetting the increase in agriculture equipment	C\$7.38	5.2%
<b>Cannabis &amp; Hemp</b>				
Aurora Cannabis Inc.	nmf	Aurora Cannabis reported Q3 FY2020 results, with net revenues of C\$75 million, representing an 18% YoY increase. Medical cannabis net revenue, both Canadian and international, showed healthy growth of 14% YoY. Consumer Cannabis net revenue increased, driven by higher volumes through the company's new Daily Special value brand. The company reported adjusted EBITDA of C\$51 million, compared to an C\$80 million loss in Q3 FY2019, reflecting a C\$19.7 million decrease in SG&A expenses	C\$17.97	(20.1%)



## Recent Earnings News

Company	EPS YoY Change	Comments	Analyst Consensus	Premium to Current
<b>Cannabis &amp; Hemp (Continued)</b>				
Cronos Group Inc.	(39.3%)	Cronos Group reported Q1 FY2020 results, with net revenues of US\$8.4 million, a 181% YoY increase. The launch of vaporizers in the Canadian market and strong financial performance from the Redwood acquisition were main drivers of this growth. The company reported an operating loss of US\$45 million compared to a loss of US\$10 million from the same period in 2019. Cronos recorded an inventory write-down of US\$8 million on dried cannabis and cannabis extracts due to an oversupply in the Canadian market, which contributed to the larger loss	US\$8.75	31.7%
Tilray, Inc.	nmf	Tilray reported Q1 FY2020 results, with revenues of US\$52 million compared to US\$23 million in Q1 FY2019. Revenue growth was driven by higher sales in the cannabis adult-use segment and the full quarter inclusion of the Manitoba Harvest acquisition, compared to a partial quarter in 2019. Adjusted EBITDA was at a loss of US\$20 million compared to a loss of US\$15 million from Q1 FY2019, reflecting increases in operating expenses related to continued growth in the cannabis sector	US\$9.73	(5.2%)
Village Farms International, Inc.	(39.1%)	Village Farms reported Q1 FY2020 results. Pure Sunfarms' sales for the period was C\$21.5 million, up 25% YoY, driven by the launch of new large-format offerings and supply contracts with the Saskatchewan Liquor and Gaming Authority. Adjusted EBITDA increased to C\$6.7 million, the fifth consecutive period of positive adjusted EBITDA. The all-in cost of cultivation was C\$0.88 per gram, 36% lower than the previous quarter and remains the lowest in the industry	C\$15.75	205.2%

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