



Agriculture Industry Flash

Monday, November 9th, 2020

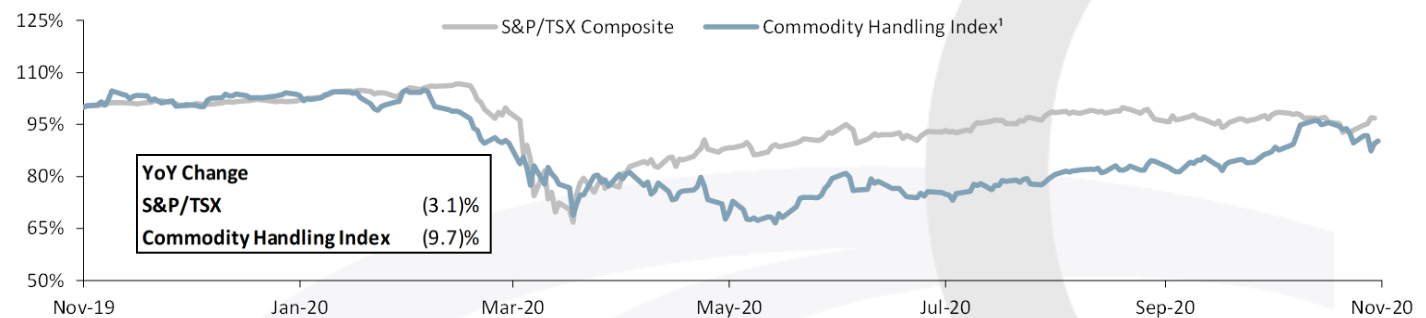


COMMODITY HANDLING

News Scan

- On November 4th, **Bunge Loders Croklaan**, a subsidiary of **Bunge**, agreed to sell its refinery in the Netherlands to **Neste Corp.**, an oil refining and marketing company, for €258 million in cash, excluding working capital. Bunge will continue operating the facility by leasing it back from Neste in a phased transition through to 2024. Bunge will use the proceeds to reinvest in its asset footprint, in order to expand its portfolio of multi-oil refined products and achieve greater operational flexibility
- On October 29th, **North Dakota Mill and Elevator Association (North Dakota Mill)**, the largest and only state-owned flour mill in the US, announced plans to expand the mill's daily capacity by 11,000 cwts per day. The project, which is expected to cost US\$23.5 million, includes adding a 6,000 cwt durum mill and a 4,000 cwt spring wheat mill, and will increase the mill's total capacity to 60,500 cwts per day
- On October 26th, **Anchor Ingredients Co., LLC (Anchor)**, a US-based supplier of premium ingredients for the food and pet food industries, announced the acquisition of the barley business and related assets from **Dakota Dry Bean, Inc.**, for an undisclosed amount. The assets, which are located in Minnesota, are capable of pearling and milling barley into premium ingredients. The acquisition is expected to bolster Anchor's processing capacity and facilitate growth in its key markets

Relative Performance Index



Key Indicators

All Figures in USD millions unless indicated

Market	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2020E	2021E	2020E	2021E	Price	52Wk High
ADM	26,857	34,576	9.1x	8.1x	14.2x	13.4x	(3.3)%	(7.3)%
Bunge Limited	8,032	16,416	8.5x	9.1x	8.8x	10.7x	(1.3)%	(4.9)%
The Andersons, Inc	587	1,916	8.8x	6.5x	nmf	12.5x	(17.3)%	(29.9)%
Graincorp Limited	652	1,498	14.1x	10.6x	neg	18.7x	7.7%	(56.7)%
United Malt Group Limited	908	1,330	13.5x	11.6x	25.3x	19.8x	4.1%	(18.1)%
Ceres Global Ag	87	138	na	na	na	na	2.8%	(15.9)%
Mean			10.8x	9.2x	16.1x	15.0x	(1.2)%	(22.1)%

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

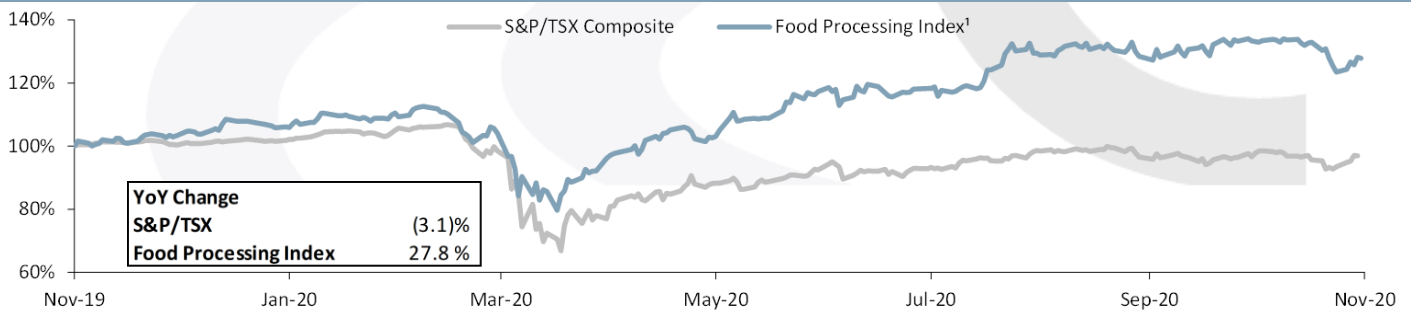


FOOD PROCESSING

News Scan

- On November 5th, **Kerry**, a leading food and nutrition company, announced it will acquire **Bio-K Plus International**, a Canadian probiotics company, for an undisclosed amount. The acquisition comes amidst growing consumer demand for functional food, beverage and supplement products, as Kerry continues to expand its market leadership position in the probiotics market following the acquisitions of immune health brand, **Wellmune**, in 2015, and probiotic ingredient, **GanadenBC30**, in 2017
- On November 3rd, **Coca-Cola European Partners plc (CCEP)** announced it will acquire **Coca-Cola Amatil Limited (CCL)**, a bottler and distributor of non-alcoholic ready-to-drink beverages in the Asia Pacific region, for ~A\$9.3 billion. The transaction, which represents a 23% premium to CCL's 1-week VWAP and implies an EV/EBITDA multiple of 10.9x to CCL's FY2019 EBITDA, would double CCEP's consumer reach and drive growth through geographic diversification and scale
- On November 1st, **Ingredion Inc.**, a global provider of food and beverage manufacturing ingredient solutions, agreed to acquire the remaining ownership in **Verdient Foods**, a plant-based protein foods manufacturing joint-venture, for an undisclosed amount. Ingredion has invested over US\$200 million in the last 2 years into building a leadership position in consumer-preferred plant-based proteins, and this transaction will further accelerate its sales growth and expand its manufacturing capabilities
- On October 28th, **Tate & Lyle**, a UK-based global provider of food and beverage ingredients, announced that it has agreed to acquire 85% of **Chaodee Modified Starch Co., Ltd. (CMS)**, a Thailand-based tapioca ingredient manufacturer in Thailand, for an undisclosed amount. The acquisition expands Tate & Lyle's presence in specialty tapioca-based ingredients and enables the company to offer a broad range of tapioca-based solutions to meet changing consumer preferences
- On October 27th, **True North Seafood**, the processing division of **Cooke Inc.**, acquired **Mariner Seafood**, a fresh and frozen seafood company, for an undisclosed amount. Mariner is capable of processing over 8,000 tons of seafood product across its processing facilities, amassing 46,000 sq. ft., which will support Cooke's continued growth as a global seafood leader
- On October 26th, **Archer Daniels Midland (ADM)** and **Marfrig**, a beef producer, received regulatory approval for its plant-based food products joint venture, **PlantPlus Foods**. As part of the agreement, Marfrig will own 70% and be responsible for production and distribution, and ADM will own 30% and supply technical expertise and a variety of plant-based ingredients. The two companies share a vision of offering a fulsome portfolio of sustainable, plant-based foods across the western hemisphere

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	11,658	31,024	7.6x	7.0x	15.7x	13.1x	4.8%	(11.3)%
ConAgra Foods, Inc.	17,621	27,039	10.9x	11.8x	13.6x	14.8x	1.6%	(8.3)%
Ingredion Incorporated	4,639	6,435	7.6x	7.1x	11.6x	10.8x	(3.3)%	(30.4)%
Tate & Lyle plc	3,941	4,401	6.7x	6.6x	12.1x	12.2x	7.1%	(20.4)%
Premium Brands	3,138	4,037	16.9x	12.6x	34.3x	23.6x	5.7%	(3.3)%
Maple Leaf Foods Inc.	2,373	3,004	9.9x	8.7x	26.9x	20.8x	3.2%	(18.3)%
SunOpta Inc.	635	1,282	14.2x	12.7x	neg	49.2x	0.7%	(12.4)%
Rogers Sugar	376	657	9.0x	8.4x	15.5x	11.4x	(2.1)%	(13.2)%
Mean			10.4x	9.4x	18.6x	19.5x	2.2%	(14.7)%

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.

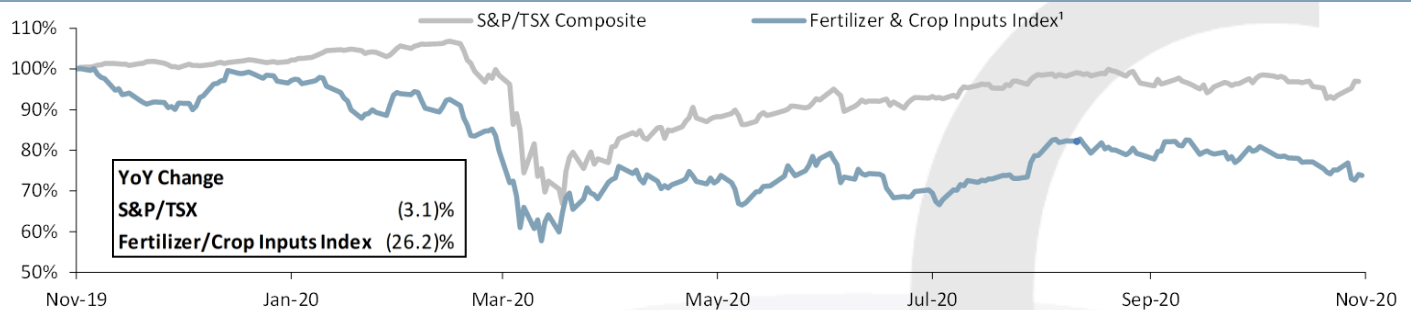


FERTILIZERS AND CROP INPUTS

News Scan

- On October 29th, **CF Industries**, a leading manufacturer of hydrogen and nitrogen products, announced it will invest in several projects over the next decade to work towards supporting a global hydrogen and clean fuel economy. The projects include a green ammonia project in the Donaldsonville Nitrogen Complex and various carbon abatement projects to reduce the ammonia production in its development process. CF Industries will tie executive compensation directly to its environmental goals to drive a 25% reduction in CO₂ emissions by 2030, and net-zero emissions by 2050
- On October 26th, **ICL Group**, a global specialty minerals and chemicals company, announced it has entered into a definitive agreement to acquire **Fertiláqua Participações S.A.**, a Brazilian specialty plant nutrition company, for approximately US\$120 million. The transaction will expand ICL's portfolio of specialty plant nutrition products, accelerate growth in the company's crop nutrition business and enhance its customer base and presence in Brazil

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.	29,544	42,143	11.7x	10.5x	30.1x	24.3x	(4.8)%	(21.3)%
Yara International ASA	10,039	12,379	5.6x	5.3x	12.0x	10.8x	3.3 %	(13.4)%
CF Industries Holdings, Inc.	5,846	12,219	9.3x	9.0x	21.8x	20.2x	2.1 %	(44.1)%
The Mosaic Company	6,403	10,499	7.0x	5.5x	43.3x	14.0x	(7.7)%	(23.9)%
Nufarm Ltd.	974	1,478	6.4x	5.4x	neg	22.7x	(0.3)%	(45.5)%
Mean			8.0x	7.1x	26.8x	18.4x	(1.5)%	(29.6)%

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

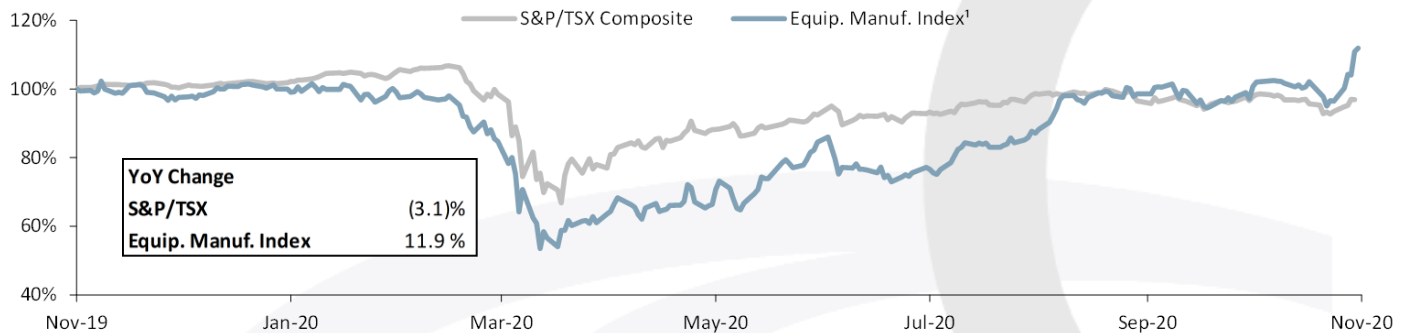


EQUIPMENT AND TECHNOLOGY

News Scan

- On November 2nd, **Rocky Mountain Dealerships (RME)**, the largest Canadian dealer of agricultural equipment brands, including Case CE and Case IH, with 36 branches in Western Canada, announced it will be taken private by members of RME management for US\$7.00 per share in cash, representing an enterprise value of US\$188 million. The purchase price represents a 26.8% premium to RME's closing share price on October 30th, and a 25.8% premium to the 20-day VWAP. The transaction was unanimously recommended by the special committee to the board, and will be taken to a shareholder vote in December
- On October 29th, **CNH Industrial N.V.** announced that it has completed its acquisition of a minority stake in **Zasso Group AG**, a Switzerland-based provider of non-chemical weed and invasive plant management solutions, for an undisclosed amount. The transaction strengthens CNH's product portfolio of **AGXTEND**, the company's tech startup accelerator, and enhances synergies to facilitate the launch of new products
- On October 29th, **Benson Hill**, a provider of a machine learning powered food innovation engine, closed a US\$150 million Series D funding round led by **Wheatsheaf Group** and **GV**. Benson Hill will use the funds to accelerate the deployment of its platform technology, expand its supply chain and scale the commercialization of its products

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		
Deere & Company	77,604	82,696	19.6x	15.0x	34.3x	23.8x	8.6 %	(1.1)%
AGCO Corporation	6,792	8,213	9.1x	8.1x	17.6x	15.3x	17.4 %	(0.9)%
Ag Growth International Inc.	387	1,053	9.9x	7.9x	14.3x	10.0x	2.7 %	(44.0)%
Cervus Equipment Corporation	127	189	4.6x	4.4x	9.1x	10.1x	30.9 %	0.0 %
Rocky Mountain Dealerships Inc.	103	150	7.3x	6.3x	18.6x	13.1x	34.6 %	(0.6)%
Mean			10.1x	8.3x	18.8x	14.5x	18.9 %	(9.3)%

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

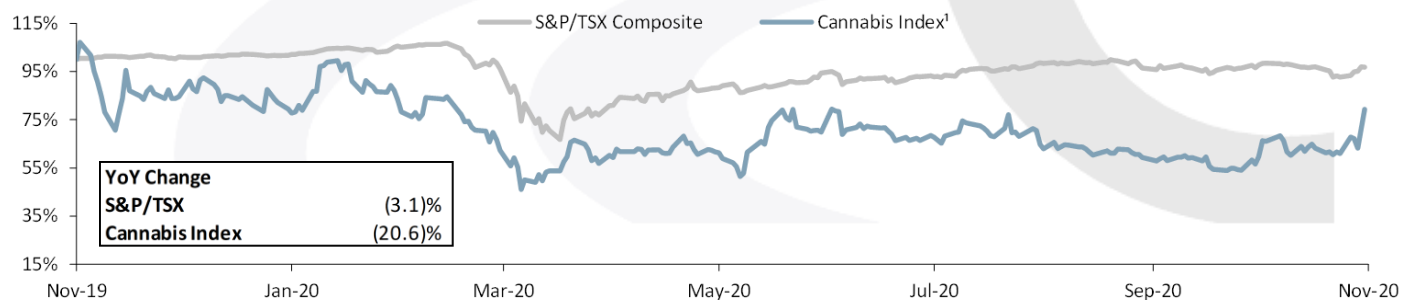


CANNABIS AND HEMP

News Scan

- On November 6th, Canadian and US cannabis stocks capped off a very strong week amidst the US election results and recent state legalization efforts, with companies such as **Aurora Cannabis**, **Tilray**, and **Canopy Growth** rising 56%, 23%, and 11%, respectively, during the day. Additionally, **AdvisorShares Pure US Cannabis ETF**, which is solely composed of US cannabis companies, including multi-state operators, rose 12% during the week
 - On November 3rd, Arizona, Montana, New Jersey and South Dakota voted to legalize adult-use cannabis, and Mississippi and South Dakota voted to legalize medical-use cannabis
- On November 5th, **Aphria**, a leading global cannabis company, announced it will acquire **SweetWater Brewing Company**, an independent craft brewer in the US, for US\$300 million. The purchase price represents valuation multiples of 4.5x revenue and 13.6x adjusted EBITDA, based on CY2019 figures of US\$66.6 million and US\$22.1 million, respectively. The acquisition establishes infrastructure for Aphria in the US, which will accelerate its entry into the US cannabis market
- On November 2nd, **Fire & Flower Holdings**, a leading adult-use cannabis retailer, announced it will acquire **Friendly Stranger Holdings**, an owner and operator of 11 licensed cannabis retail stores in Ontario for an undisclosed amount. This is a transformative acquisition for Fire & Flower, giving the company a leading position in the Ontario cannabis market, and will bring some of Ontario's longest established Cannabis brands into the company's portfolio
- On November 2nd, **GrowGeneration Corp. (GrowGen)**, a chain of specialty hydroponic and organic garden centers, signed an agreement to acquire **GrowBiz**, a 5-store chain of hydroponic garden centers in the US, for an undisclosed amount. The acquisition is expected to bring US\$50 million of revenue into the company, and expand the company's presence in California
- On October 30th, **PharmHouse Inc.**, an Ontario cannabis producer, announced it has initiated a sale and investment solicitation process for all or part of the assets of the business. The potential transaction will include the sale of components of PharmHouse's property and business, or a restructuring of the business. The process follows the company's announcement on September 15th, in which it was granted CCAA protection by the Ontario Superior Court of Justice

Relative Performance Index



Key Indicators

All Figures in USD millions unless indicated

	Market Cap	TEV	TEV/Revenue		TEV/EBITDA		Week Δ Price	Δ Price 52Wk High
			2020E	2021E	2020E	2021E		
Canopy Growth Corporation	8,734	7,822	20.7x	15.0x	neg	neg	22.3 %	(9.7)%
Cronos Group Inc.	3,498	2,423	43.7x	20.3x	neg	neg	32.7 %	(16.4)%
Tilray, Inc.	1,435	1,843	8.2x	5.3x	neg	nmf	61.3 %	(59.5)%
Aurora Cannabis Inc.	1,572	1,837	8.3x	6.6x	neg	nmf	134.4 %	(78.8)%
Aphria Inc.	1,590	1,624	3.5x	2.9x	nmf	22.8x	20.1 %	(13.6)%
OrganiGram Holdings Inc.	323	350	5.3x	3.3x	neg	22.8x	32.5 %	(55.9)%
Mean			14.9x	8.9x	na	22.8x	50.6 %	(39.0)%

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 November 4th, it was announced that the **Technology Innovation and Emissions Reduction (TIER)** system as well as **Enbridge Gas** will each contribute C\$10 million to the construction of a C\$45 million clean energy and organic fertilizer facility in Alberta. The facility will be the first in the world to use a technology called **BioRefinex** thermal hydrolysis, and is expected to cut nearly 40,000 tonnes of emissions each year
- On November 3rd, **Canadian Pacific (CP)** announced that it set a new record for shipping Canadian grain products by exceeding 3 million tonnes moved in October. CP achieved this through continued investment into its grain fleet, including placing 3,300 new hopper cars, which carry 15% more grain volume and 10% more weight, since 2018
- On November 1st, data from the **US Department of Agriculture (USDA)** reported that whole wheat flour production for Q3 2020 was 4.9 million cwts, as production begins to recover from the COVID-19 pandemic. This represents an 11% decrease compared to Q3 2019, but a 10% increase over last quarter, which was the lowest production quarter since the USDA started tracking the data. The data also showed that YTD production was 15.3 million cwts and LTM production was 21.2 million cwts, down 6% and 3% from the same periods last year, respectively
- On October 29th, the **International Grains Council (IGC)** lowered its 2020-2021 estimates for world grain production by 1 million tonnes, due to a monthly reduction in maize output prospects. Overall, the IGC's revised estimate of 2.3 billion tonnes of grain production for the period represents an increase of 40 million tonnes over last year's estimates
- On October 29th, it was announced that Southern Alberta sugar beet growers are on track to harvest one of the best crops that they have harvested in the last 5 years. Reports are indicating yields between 28 and 29 tonnes per acre, with sugar content above 20%, both of which exceed historical averages. During the year, **Rogers Sugar** contracted 30,000 acres of beets from growers, which is expected to yield between 125,000 and 130,000 tonnes of sugar
- On October 27th, **Alberta Agriculture and Forestry** reported that 90.2% of crops in the province were off the field as of October 6th, which is 41.8% higher than last year's figure. The higher volume of harvest was due to unexpected climate conditions during the month of September, which had very low levels of precipitation and above average temperatures in most crop regions in the province
 - On October 27th, the report detailed the wheat, canola, barley, oats and field peas yield for all 5 crop regions. Southern Alberta was a clear leader, with average yields 40% higher than the 5-year average, whereas, the Northwestern region underperformed with yields 25% below the 5-year average

Commodities Futures as of November 6th, 2020

Commodities Futures	Price Unit	Latest Price (US\$)	Month to Date	Year to Date
Corn (CBOT)	\$ per bu.	\$4.07	2.33 %	3.90 %
Wheat (CBOT)	\$ per bu.	\$6.02	(0.91)%	7.45 %
Oats (CBOT)	\$ per bu.	\$3.01	2.74 %	0.84 %
Rough Rice (CBOT)	\$ per cwt.	\$12.42	0.98 %	(5.66)%
Rapeseed (Canola) (ICE)	CAD per T	\$545.90	0.02 %	13.73 %
Ethanol (CBOT)	\$ per gal.	\$1.36	(2.16)%	(0.80)%



Recent Earnings News

Company	EPS YoY Change	Comments	Analyst Consensus	Premium to Current
Commodity Handling				
Archer-Daniels-Midland Company	(44.4%)	ADM reported Q3 2020 results with revenues of US\$15.1 billion, down 10% YoY from Q3 2019. Ag services and oilseeds revenues were reported at US\$11.5 billion, down 9% YoY, citing the slower pace of Brazilian farmer selling as compared to the first half of the year. Carbohydrate solutions revenues were reported at US\$2.1 billion, down 20% YoY, due to reduced demand for sweetener and flour from the food service sector. Operating profit was US\$904 million, up 19% YoY, driven by strong execution relating to North American industry export margins and volumes as well as balanced ethanol industry supply and demand	US\$53.36	11.4%
Bunge Limited	117.5%	Bunge reported Q3 2020 results with net sales of US\$10.2 billion, down 2% YoY from Q3 2019. Net sales in the edible oil products division were US\$2.4 billion, up 5% YoY, driven by improved demand in food processor and consumer retail channels. Core segment EBIT was reported at US\$420 million for the quarter, up 108% YoY, mainly driven by strong execution and performance in the agribusiness division. Gross profit was US\$602.0 million, representing a gross margin of 6%, a significant improvement over the gross loss incurred during the same quarter last year	US\$69.67	19.1%
The Andersons, Inc.	(76.9%)	The Andersons reported Q3 2020 results, with sales of US\$1.9 billion, down 3% YoY. Despite minor revenue decline amidst the pandemic, The Andersons improved pretax income in its trade, ethanol and plant nutrients segments due to commodity merchandising and stronger margins through its operations. The Andersons were successful in continuing to integrate its trade and ethanol segments, which is being modeled after the success experienced by Lansing Trade Group in the prior year. The company reported an adjusted net loss attributable to The Andersons of US\$2.4 million, which is relatively flat compared to the same quarter last year	US\$24.00	27.1%
Food Processing				
Tate & Lyle plc	2.2%	Tate & Lyle reported half-year FY2021 results with revenues of £1.4 billion, down 4% YoY compared to the same period in FY2020. Revenues in the food and beverage solutions segment were £475 million, up 1% YoY, driven by stronger demand for packaged and shelf-stable foods for consumption in-home and partially offset by decreased demand for food and drink ingredients consumed out-of-home. Revenues in the primary products segment were £842 million, down 7% YoY, due to lower volumes of sweetener and industrial starch in North America. Diluted EPS for the period was £0.32, up 9% YoY, citing favourable foreign exchange impacts and a lower effective tax rate	£7.01	7.5%
Ingredion Incorporated	(7.5%)	Ingredion reported Q3 2020 results with net sales of US\$1.5 billion, down 5% YoY from Q3 2019, driven by negative foreign exchange impacts in South America and sales volume declines in North America. Net sales in North America were US\$928 million, down 6% YoY, due to the negative impact from COVID-19 on away-from-home consumption as well as unfavourable mix in the US and Canada. Operating income was reported at US\$153 million, down 7% YoY, attributable to lower sales volumes in North America and the inclusion of PureCircle results following the transaction closing in July	US\$92.33	29.5%
Maple Leaf Foods Inc.	389.3%	Maple Leaf reported Q3 2020 results with sales of C\$1.1 billion, up 6% YoY, driven by the company's meat and plant protein groups. Sales in the meat protein group were C\$1.0 billion, up 6% YoY, fueled by increased demand in North American retail channels which offset lower foodservice volumes. Plant-based protein sales were C\$51 million, up 9% YoY, driven by expanded distribution of new products and increased volumes of the group's existing portfolio. Adjusted EBITDA was reported at C\$83 million, representing an 8% margin and an increase of 55% YoY, due to a favourable product and channel mix as well as export growth in Asian markets	C\$34.13	35.3%



Recent Earnings News

Company	EPS YoY Change	Comments	Analyst Consensus	Premium to Current
Food Processing				
Premium Brands Holdings Corporation	24.0%	Premium Brands reported Q3 2020 results with revenues of C\$1.1 billion, up 14% YoY from Q3 2019. Revenues in the specialty foods segment were C\$710 million, up 65% YoY, driven by organic volume growth of 10% and net selling price inflation that the company implemented in response to higher pork and beef input commodity cost. Revenues in the premium food distribution segment were C\$391 million, up 36% YoY, driven by organic volume growth of 8% as well as business acquisitions. Adjusted EBITDA was reported at C\$93.5 million, up 11% YoY, attributable to the company's growth initiatives and partially offset by negative impacts from COVID-19	C\$106.44	5.5%
SunOpta Inc.	(80.8%)	SunOpta reported Q3 2020 with revenues of C\$315 million, up 6% YoY from Q3 2019. Revenues in the global ingredients segment were C\$123 million, up 9% YoY, driven by higher volumes in certain organic ingredient categories and premium juice products. Revenues in the plant-based food and beverages segment were C\$99 million, up 8% YoY, due to higher volumes of aseptic beverages, broth offerings, and ingredient extraction, partially offset by negative impacts from COVID-19 on sales volumes of plant-based beverage products to foodservice customers. Adjusted EBITDA was reported at C\$23 million, up 130% YoY, due to increased sales, pricing, favourable sales mix and higher yields in the fruit-based food and beverages segment	US\$10.00	37.9%
CNH Industrial N.V.	(248.9%)	CNH Industrial reported Q3 2020 results, with net sales of industrial activities of US\$6.1 billion, up 4% YoY. This was primarily driven by growth in its agriculture segment of 11%. CNH has seen a general improvement in market demand as COVID-19 restrictions ease up, but remains uncertain of future impacts on its operations and end consumers. Adjusted EBIT for its agriculture segment was US\$274.0 million, representing a margin of 10%, up 4% YoY, compared to the construction and vehicles segments which showed adjusted EBIT losses, declining significantly from Q3 2019. During the quarter, CNH issued US\$600 million of debt, bringing its available liquidity to US\$13.2 billion at the end of the quarter, and issued US\$500 million of debt subsequent to the quarter-end	US\$8.69	(4.8%)
The Kraft Heinz Company	(33.7%)	Kraft Heinz reported Q3 2020 results, with net sales of US\$6.4 billion, up 6% YoY. Revenue in Canada declined 2% YoY, offset by a 4% increase in its international segment and a 7% increase in the US, despite struggling foodservice sales due to the COVID-19 pandemic and exiting the McCafé licensing agreement. Net income attributable to common shareholders was US\$597 million, down 34% YoY, largely driven by charges related to the pending sale of part of its cheese business. In September, Kraft Heinz agreed to sell certain assets in its global cheese businesses for ~US\$3.3 billion, and it is not currently known if the company will recognize a gain or loss from the sale upon closing	US\$36.53	15.2%
Mondelez International, Inc.	(20.4%)	Mondelez International reported Q3 2020 results, with net revenue growth of 5% to US\$6.7 billion, 4% of which is organic growth. Revenue growth was supported by continued high levels of demand in developing markets, as well as improvement in emerging markets to offset the 17% decline in Latin America. Gross profit rose US\$276 million, representing a margin improvement of 2% YoY, due to mark-to-market gains from currency and commodity derivatives. Mondelez has had very strong cash flow since the start of the year, with increases in operating cash flow and free cash flow of 21% and 42% YoY, respectively	US\$63.25	13.7%
Kellogg Company	40.3%	The Kellogg Company reported Q3 2020 results, with net sales of US\$3.4 billion, up 2% YoY, and organic net sales of US\$3.5 billion, up 5% YoY. Sales growth was led by Kellogg's emerging markets and better-than-category consumption growth in its major developed markets. Kellogg reported diluted EPS of US\$1.01, up 40% YoY, and adjusted diluted EPS declined 12% YoY, due to US tax reform. Kellogg performed better than it had expected amidst the COVID-19 pandemic, and has increased its financial outlook for its FY2020 results	US\$71.52	11.2%



Recent Earnings News

Company	EPS YoY Change	Comments	Analyst Consensus	Premium to Current
Food Processing				
The Hershey Company	(12.8%)	The Hershey Company reported Q3 2020 results, with net sales of US\$2.2 billion, up 4% YoY. Gross margin was 49%, up 5% YoY, reflective of higher derivative mark-to-market commodity gains, which were partially offset by unfavourable commodities and increased warehouse costs. Hershey also saw improvement in its international markets, retail locations and foodservice business despite major setbacks amidst the COVID-19 pandemic. Net earnings rose to US\$447.3 million, up 39% YoY, instilling confidence in the management team to deliver strong FY2020 results and remain well positioned to head into the following fiscal year	US\$151.33	4.7%
Fertilizers & Crop Inputs				
Nutrien Ltd.	nmf	Nutrien reported Q3 2020 results, with sales of US\$4.2 billion, up 1% YoY. The company experienced higher sales volumes for both its potash and nitrogen segments, but both segments were affected by lower net realized selling prices, which drove an adjusted EBITDA decline of 19% and 21% YoY, respectively. Nutrien recorded a net loss of US\$587 million, or US\$1.03 diluted loss per share, primarily driven by a non-cash impairment of US\$823 million for its phosphate assets due to a less favourable long-term price outlook and expected global supply challenges	US\$48.54	20.2%
The Mosaic Company	(82.5%)	Mosaic Company reported Q3 2020 results, with net sales of US\$2.4 billion, down 14% YoY. Total sales volumes were up 3% YoY, largely due to a 17% increase in Mosaic's fertilizer segment, offset by a 6% decline in phosphate sales volumes and a 2% decline in potash sales volumes. The average selling price for potash also dropped 6%, unlike the other two segments, resulting in a revenue decline during the quarter. Gross profit was US\$355.1 million, representing a 15% gross margin, up 5% YoY. Mosaic continued to cut operational costs during the quarter and remains on track to exceed its cost structure transformation target of US\$50 million for the full year	US\$22.41	30.5%
CF Industries Holdings, Inc.	(145.1%)	CF Industries reported Q3 2020 results, with net sales of US\$847 million, down 18% YoY. This is attributed to CF lowering its average selling prices for the quarter due to increased global supply availability, while sales volumes remained relatively flat. This also contributed to a decline in gross margin across all segments, from 22% to 10% YoY. CF achieved adjusted EBITDA of US\$204 million, down 42% YoY, due to the company's weaker sales performance despite improvements in its operational expenses. Net loss attributable to common stockholders was US\$28 million, or US\$0.13 per share, down 143% from positive earnings in Q3 2019	US\$37.10	35.7%
OCI N.V.	(111.6%)	OCI N.V. reported Q3 2020 results, with revenue of US\$751.9 million, up 19% YoY. OCI-produced volumes sold increased 30% YoY to 2.8 million tons, largely driven by significant increases in its nitrogen and methanol segments, up 29% and 34%, respectively, as well as by rising spot prices. Gross profit was US\$80.4 million, up 415% YoY, resulting in a gross margin of 11%, a significant improvement from 3% in the same quarter last year. OCI recently completed a US\$1.2 billion equivalent refinancing of its 2023 senior secured notes, allowing it to maintain a strong liquidity position with expected cash interest savings exceeding US\$23.0 million per annum	US\$19.08	50.1%
Equipment Manufacturing				
AGCO Corporation	nmf	AGCO Corporation reported Q3 2020 results, with US\$2.5 billion of net sales, up 18.4% YoY. The company improved its North and South American sales for both tractors and combines, but experienced a decline in sales for tractors and combines in Western Europe, reflecting increased global demand for farm equipment in North and South America, offset by a decline in Europe. Harvests are progressing ahead of schedule and global crop production is on track for a record year, giving the company improved full-year guidance for net sales and EPS	US\$97.33	7.4%



Recent Earnings News

Company	EPS YoY Change	Comments	Analyst Consensus	Premium to Current
Equipment Manufacturing				
Cervus Equipment Corporation	nmf	Cervus Equipment reported Q3 2020 results, with C\$356.2 million in revenue, up 12% YoY. Revenue growth was comprised of a 17% increase in agriculture revenue and a 6% increase in transportation revenue, partially offset by a 21% decrease in industrial revenue. The company reported net income of C\$8 million, or C\$0.57 basic EPS, excluding C\$5 million of CEWS, representing a significant improvement over a C\$0.10 loss per basic share for the same quarter last year. Cervus also repurchased C\$2.1 million shares, during the quarter, and declared a C\$0.015 dividend per share at the end of September	C\$10.88	5.8%
Rocky Mountain Dealerships Inc.	nmf	Rocky Mountain Dealerships reported Q3 2020 results, with C\$201 million in sales, up 9.2% YoY. The company's revenue growth was driven by improved sales in all segments. Gross margin improved 50 basis points to 15% due to stronger used equipment and parts and service margins. Cost reduction efforts implemented in the last year drove a reduction in overall operating expenses as well. Adjusted diluted EPS increased to C\$0.24, a significant improvement over its diluted loss per share of C\$0.01 for the same period last year	C\$6.67	(4.1%)
Cannabis & Hemp				
Cronos Group Inc.	(52.4%)	Cronos Group reported Q3 2020 results, with net revenue of US\$11.4 million, up 104% YoY, reflecting growth in both its US and rest of world segments. This was primarily driven by robust growth in CBD product sales through its Redwood acquisition and growth in the Israeli medical cannabis market, despite strategic price reductions on various products and non-recurring wholesale revenue from the Canadian market in Q3 2019. Cronos recorded an operating loss of US\$41.2 million for the quarter, which is US\$10.5 million more than the loss incurred in Q3 2019. This was due to increased share-based payments in relation to the Redwood acquisition as well as increased costs related to marketing and R&D spending	US\$6.32	(2.5%)
HEXO Corp.	173.0%	HEXO reported FY2020 and Q4 results, with sales revenue of C\$110.1 million and C\$36.1 million, up 86% and 76% YoY, respectively. HEXO's historic revenue figures were primarily driven by the company's cannabis vapes, and adult-use cannabis beverage products, as well as nearly doubling wholesale revenue to C\$655.0 million from the previous quarter. HEXO achieved an adjusted EBITDA loss of C\$3.3 million, representing a 21% improvement over the previous quarter. HEXO raised ~C\$90 million through 2 public offerings in the past quarter for working capital and other general corporate purposes, improving its cash balance by 95% to C\$184.0 million	C\$0.96	1.5%

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