



Agriculture Industry Flash

Tuesday, February 16th, 2021



FOOD & AG LEADER SERIES

With the unique challenges of 2020 in the rear-view mirror, we look ahead to the opportunities and hurdles of a new year in our Food & Ag Leaders Series. Tapping into our relationships across the Food and Ag sector, we speak with industry leaders who share their perspectives on what 2021 will bring, and how they are innovating and problem solving in a rapidly evolving sector. In this issue, Bruno Keller, President of Kraft Heinz Canada, and John Pigott, CEO of Club Coffee share their insights.

Andrew Muirhead, Principal
andrew.muirhead@origincapital.com

KraftHeinz

Kraft Heinz is one of the world's largest food and beverage companies, with a portfolio that is a diverse mix of iconic and emerging brands



BRUNO KELLER, PRESIDENT, KRAFT HEINZ CANADA

Food & Ag Leader Interview Series - Kraft Heinz

OMP: How did you and your team adapt to the pandemic related challenges?

BK: In the early part of the pandemic, consumers started to demand more and more of their familiar, comfort foods on grocers' shelves. To address this change, we adapted by streamlining the portfolio, prioritizing high demand products, and accelerating production as much as we could for products like *Kraft Dinner*, *Kraft Peanut Butter*, *Philadelphia Cream Cheese*, *Heinz Beans* and *Classico Pasta Sauces*, all of which saw a spike in demand. In moments of need, consumers and retailers go to brands like ours that they know and trust; this became evident as we gained market share in more than 70% of our categories.

We also prioritized our people, ensuring they felt safe. We led the way in implementing face shields, masks, plexiglass and sanitation protocols – the FHCP¹, our industry trade group – looked to us as a benchmark. As a result of our focus on health and safety, we had no shutdowns. And because our Canadian factory makes most of what we sell in Canada, we were able to step up and meet consumer demand.

1. Food Health & Consumer Products of Canada



BRUNO KELLER, PRESIDENT, KRAFT HEINZ CANADA

KraftHeinz

Food & Ag Leader Interview Series - Kraft Heinz

OMP: *What do you expect will drive growth for Kraft Heinz Canada in 2021?*

BK: We are taking the momentum we have now to build the future. For example, in 2020, we introduced a *Kraft* Hazelnut Spread using the best characteristics of our peanut butter, which was up against a competitor that had more than 90% market share. We launched the product in April, and were at 20% market share by year end – the most successful launch in years at Kraft Heinz.

In 2021, we will accelerate our innovation, and link it to our understanding of consumer habits and preferences. There is a study that says after 60 days of doing something, it becomes a habit, which is one reason people will continue to cook and eat at home over the longer term. Our new product launches address this trend and other consumer preferences that we believe are here to stay. For example, we're introducing new products in the lunch and dinner categories that are plant-based and non-GMO, as consumers choose more healthy, environmentally sustainable food options to enjoy at home. We've also recently introduced returnable ketchup bottles and compostable coffee pods, in keeping with our own sustainability principles as well as addressing consumer preferences.

OMP: *What about the food service side of the business?*

BK: While foodservice sales have declined, in line with the industry trend, the shift to takeout and delivery also presented an opportunity. To better understand the experiences of our foodservice customers in the new reality, and to test recipes in real time with customers, we launched Kitchen 57, a Kraft Heinz Canada restaurant built on the ghost kitchen model, currently with two locations in Ontario and one in Quebec. We believe consumers will keep looking for convenience, and ghost kitchens and food delivery at home are here to stay.

OMP: *Do you have any last take-aways for us, in light of the challenges we continue to face in 2021?*

BK: Whatever the industry, it's critical for employees to feel they have a clear purpose. Just before COVID hit, we launched our "North Star" program, which was focused on exactly that issue. While there are four pillars to the program, the key tenet is that our team is here to "spark happiness at every Canadian table." When COVID came, we knew our North Star, and those principles brought us together, kept us agile, and ready and willing to tackle the challenges in order to feed Canadians in this time of need.



FOOD & AG LEADER SERIES



Club Coffee is a leading Canadian roaster and supplier of coffee



JOHN PIGOTT, CEO, CLUB COFFEE

Food & Ag Leader Interview Series - Club Coffee

OMP: *Can you describe your experience through 2020? Club Coffee's and yours, as CEO?*

John Pigott: I've never managed anything like this through my 40+ year career – the fluidity of it and more recently, the fatigue that hit most senior management in many businesses from just dealing with the stress of the past months. We kept the plants open throughout the pandemic, which took a massive effort: making sure our people felt safe, mentally and physically, so that they would come to work. As one employee said to me, *“work is a refuge, I feel safe here.”*

On the business side of things, we saw the dynamics in the food business change so rapidly: for example, the way people buy food (multi-channels vs. just visiting the grocery store), and the blurring of food service and groceries. In the early days of the pandemic, consumer pantry stocking drove a surge in demand, and we had to quickly adapt. But that surge was short lived - demand subsequently dropped off, then balanced out in late fall. We are, however, now seeing demand surge again.

OMP: *You've seen consumers move to online grocery orders, and engage periodically in pantry stocking. How about a shift to value-driven buying?*

JP: Not yet. CERB and other government programs seem to have cushioned the impact on consumer behaviour in that respect, but I believe this shift to value is yet to come. Consumers did, however, want to buy much larger packages through 2020, because they didn't want to shop as often. We sold substantially more big boxes in 2020 than ever before.

OMP: *It's been a challenging year all around. Are there any other particular issues that Club Coffee and the food industry are facing?*

JP: A shortage of labour. This was an issue for the food industry before COVID, but it's worse now, and for skilled workers in particular. The industry pays good and fair wages, but there is generally not enough labour in this country. Most of us in the industry depend on first generation Canadian immigrants for our work force – in our case, this tends to be a skilled group –but without the usual immigration during COVID, we lost our safety valve.

The long term solution to this is that we have to automate more, but in the short term, there were plants in the food industry that could not staff up to their demand.



JOHN PIGGOT, CEO, CLUB COFFEE

Food & Ag Leader Interview Series - Club Coffee

OMP: *Have there been experiences from 2020 that will impact your business in 2021 (and beyond)?*

JP: The old wisdom of our industry was that companies would see a trend coming, and then adjust. But by the summer of 2020, we recognized that we had to think differently. We were in a revolution – as mentioned, food industry dynamics were shifting so rapidly - and we had two choices: either hunker down and wait it out or be bold. We decided to be bold and treat the disruption as an opportunity.

OMP: *Can you elaborate on your bold response?*

JP: With the accelerated shift to online ordering, we made a significant investment in ecommerce. While this is not the dominant part of our business, our ecommerce channel is now doing much better than expected.

But as for our really bold move, we're not ready to disclose details. I will tell you that we chose to invest heavily in technology, including interesting new packaging opportunities, that we believe will deliver what the consumer wants. In investing in and implementing this, we will be leading the way in the North American market.

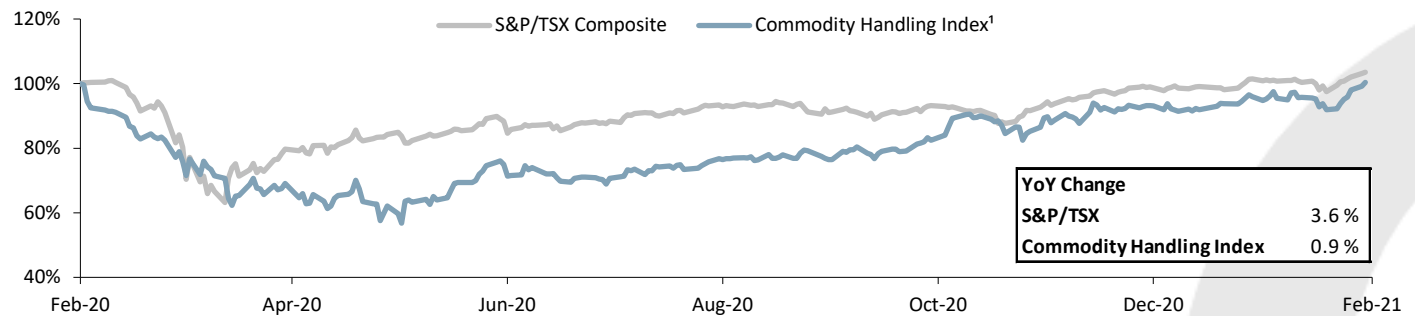


COMMODITY HANDLING

News Scan

- On February 16th, **Glencore**, a global leading diversified natural resource company, reported preliminary fiscal year 2020 earnings with EBITDA of US\$11.6 billion, flat YoY. The **Viterra** agricultural business contributed US\$211million to net earnings, up from \$58 million in 2019
- On February 16th, it was reported that Abu Dhabi's state-owned **Abu Dhabi Developmental Holding Company (ADQ)** has lined up financing of US\$1 billion to back its acquisition of a 45% stake in global commodities trader **Louis Dreyfus Company**. The acquisition was announced by ADQ in November, and would be the first outside investment in the family-owned commodity merchant's 169 year history
- On February 10th, **Bunge**, a US agricultural commodities trader, reported strong Q4 and fiscal year 2020 earnings with adjusted EBIT of US\$583 million and US\$1.8 billion respectively, up 60% and 52%, driven by volume growth in all segments excluding edible oils, as well as strong export demand, higher oilseed crush and elevation margins in North America, and logistics improvement initiatives
- On February 10th, **Bell & Evans**, a US poultry producer, completed an agreement with **Cargill** to secure its organic grain and increase organic domestic grain supply. This initiative will work to changeover 50,000 acres of corn and soybeans to certified organic production over the next five years

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	30,312	38,122	10.0x	8.7x	15.8x	14.1x	7.9 %	(0.4)%
Bunge Limited	10,535	18,994	9.5x	10.7x	11.0x	13.9x	12.1 %	(0.3)%
The Andersons, Inc	868	2,208	10.2x	7.7x	nmf	19.5x	14.4 %	(2.7)%
United Malt Group Limited	932	1,137	9.5x	9.3x	19.6x	19.2x	0.8 %	(23.5)%
Graincorp Limited	826	1,192	10.2x	6.5x	neg	18.0x	8.1 %	(50.8)%
Ceres Global Ag	100	173	na	na	na	na	8.7 %	(1.7)%
Mean			9.9x	8.6x	15.4x	16.9x	8.7 %	(13.2)%

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

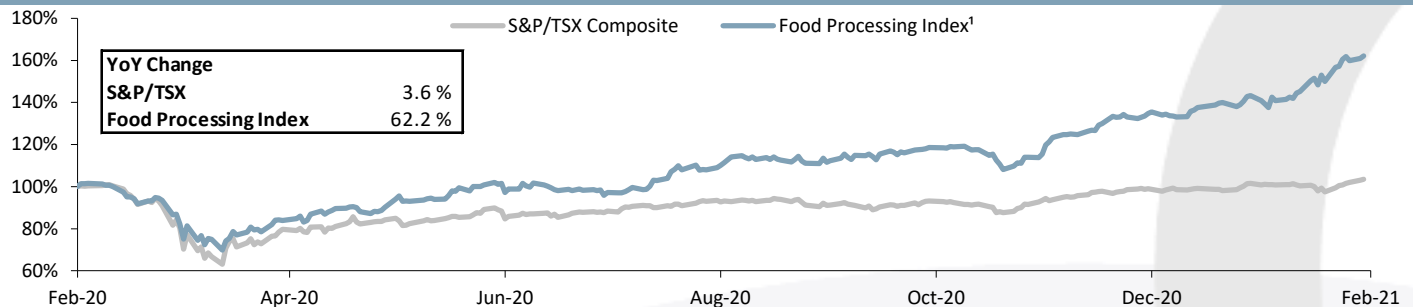


FOOD PROCESSING

News Scan

- On February 11th, **Kraft-Heinz (Kraft)**, a leading global food and beverage company, announced an agreement to sell brands under Kraft's **Planters** division to packaged food peer **Hormel Foods (Hormel)** for US\$3.4 billion. This acquisition enables Kraft to sharpen its focus on its other brands and Hormel to diversify its portfolio of consumer-packaged brands
- On February 10th, **Tate & Lyle PLC (Tate & Lyle)**, a global supplier of food and beverage ingredients to industrial markets, completed its acquisition of **Chaodde Modified Starch Co. Ltd.**, a tapioca food starch manufacturer in Thailand. The acquisition will allow Tate & Lyle to offer a broader range of tapioca-based systems as products
- On February 5th, **Chobani**, a leading US Greek yogurt company, announced it will be considering an IPO with an anticipated valuation of between US\$7 billion and US\$10 billion. This issuance would provide Chobani funding to continue its expansion into new categories such as plant-based products and ready-to-drink coffee
- On February 3rd, **Champlain Financial Corporation (Champlain)** and **Fondacation** acquired leading Canadian frozen Chinese food brand, **Wong Wing Foods Inc (Wong Wing)**, from **McCain Foods Canada**. This partnership will allow for Wong Wing to expand its presence in the North American market
- On February 1st, wholly owned subsidiary of **Manulife Investment Management (Manulife)**, **Hancock Natural Resource Group**, acquired Chilean based fruit production and packing company, **David Del Curto (DDC)**. This acquisition will diversify Manulife's portfolio, and give DDC access to new resources and agricultural experience
- On February 1st, the world's largest pasta producer, **Barilla**, acquired Canadian dry pasta maker **Catelli** for US\$130 million. The acquisition will accelerate Barilla's growth in the North American market as it gains three Catelli brands and a Montreal production plant. This follows Barilla's announcement of plans to invest €1 billion in Italy between 2020-2024, in initiatives including pasta production and acquisitions

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		
Saputo Inc.	11,785	14,677	13.3x	11.5x	24.9x	19.2x	10.0%	(9.7)%
Ingredion Incorporated	5,838	7,643	9.1x	8.2x	14.6x	13.1x	17.2%	(12.5)%
Tate & Lyle plc	4,708	5,191	7.3x	7.3x	13.8x	12.1x	3.8%	(9.4)%
Premium Brands	3,728	4,652	18.9x	14.3x	36.6x	25.6x	1.3%	(0.3)%
Maple Leaf Foods Inc.	2,420	3,067	10.0x	8.7x	27.4x	21.3x	(1.5)%	(18.9)%
SunOpta Inc.	1,419	2,137	23.6x	34.3x	na	nmf	2.8%	(3.6)%
Rogers Sugar	429	715	9.5x	8.9x	14.7x	11.7x	(4.7)%	(9.8)%
High Liner Foods Incorporated	403	712	8.2x	8.0x	12.8x	11.8x	6.6%	(4.0)%
Mean			12.5x	12.6x	20.7x	16.4x	4.4%	(8.5)%

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

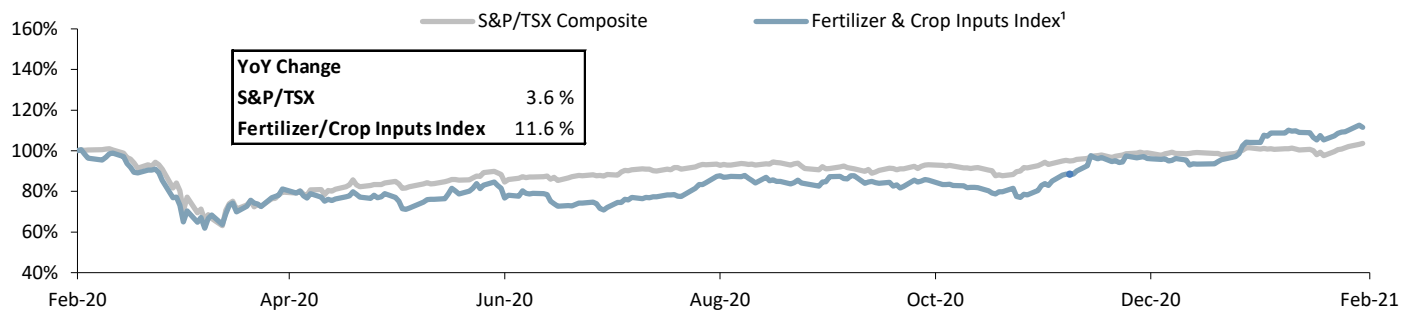


FERTILIZERS AND CROP INPUTS

News Scan

- On February 8th, **Dangote Fertilizer Plant**, a US\$2.5 billion plant in Nigeria, announced it will commence operations in Q1 of 2021. This plant is expected to produce 3 million metric tonnes of urea per annum
- On February 4th, **Borealis**, a leading global provider of advanced and circular polyolefin solutions, announced its decision to begin divesting its nitrogen business. This news follows prior announcements by Borealis regarding the company's search for partners to strengthen its business

Relative Performance Index



Key Indicators

All Figures in USD millions unless indicated

	Market		TEV/EBITDA		Price/Earnings		Week Δ Price	Δ Price 52Wk High
	Cap	TEV	2020E	2021E	2020E	2021E		
Nutrien Ltd.	39,533	51,797	14.2x	12.4x	39.8x	30.2x	8.6 %	(1.4)%
CF Industries Holdings, Inc.	9,410	15,821	11.8x	10.9x	36.0x	27.4x	2.4 %	(6.4)%
Yara International ASA	12,916	15,256	6.8x	6.4x	15.8x	13.3x	3.9 %	(3.4)%
The Mosaic Company	10,607	14,738	9.5x	6.9x	nmf	17.5x	4.2 %	(4.6)%
Nufarm Ltd.	1,412	2,076	6.5x	7.3x	nmf	31.8x	(1.4)%	(20.9)%
Mean			9.8x	8.8x	30.5x	24.0x	3.5 %	(7.3)%

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

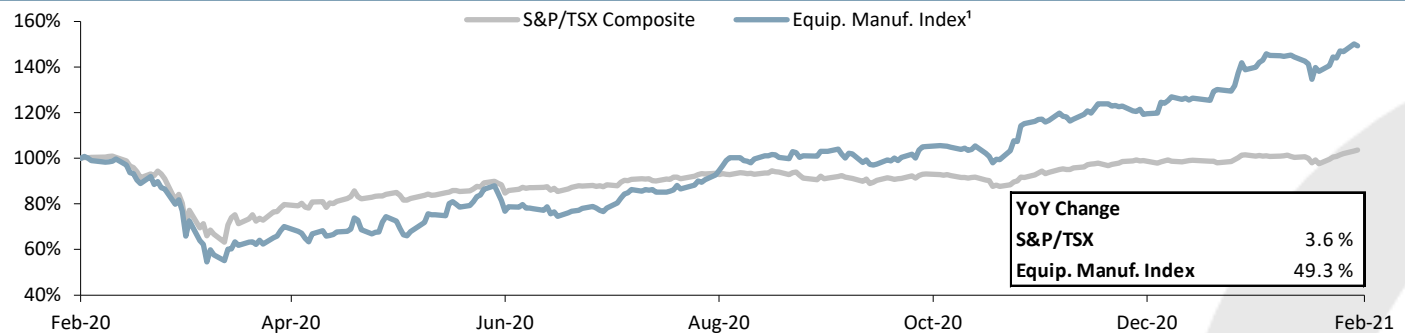


EQUIPMENT AND TECHNOLOGY

News Scan

- On February 5th, **Peak Rock Capital**, a Texas based private equity firm, acquired European food packaging manufacturing firm, **AMB**. This acquisition positions AMB to pursue further geographical and consumer expansion, product innovation and potential add-on acquisitions
- On February 4th, **Pairwise**, a startup leveraging the gene-editing technology, CRISPR, on fruits and vegetables, raised US\$90 million in a series B funding round. Pairwise is using CRISPR to alter the DNA of certain fruits and vegetables to make them easier to eat on the go, (i.e. removing the pit from a cherry)
- On February 1st, animal nutrition company, **EW Nutrition**, acquired **Novus International's** Feed Quality and Pigments business. Through this acquisition, EW Nutrition will gain ownership of multiple brands in areas including eubiotics, mineral solutions and enzyme solutions, as well as a production facility in Spain
- On February 1st, agriculture commodity streaming company, **Input Capital Corp. (Input Capital)**, acquired **SRG Security Resource Group Inc. (SRG)**, a cyber security and protective security services provider, for C\$19.9 million. Input Capital plans to support SRG's growth organically and via acquisition in the Canadian security sector

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	99,146	140,084	24.9x	20.6x	34.4x	23.0x	7.9%	(0.9)%	
AGCO Corporation	9,110	10,596	12.0x	9.4x	23.5x	16.8x	6.1%	(2.6)%	
Ag Growth International Inc.	585	1,258	10.8x	9.6x	14.5x	16.4x	7.5%	(16.4)%	
Cervus Equipment Corporation	156	304	6.5x	6.3x	10.9x	10.0x	3.3%	(4.8)%	
Mean			13.6x	11.5x	20.8x	16.6x	6.2%	(6.2)%	

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

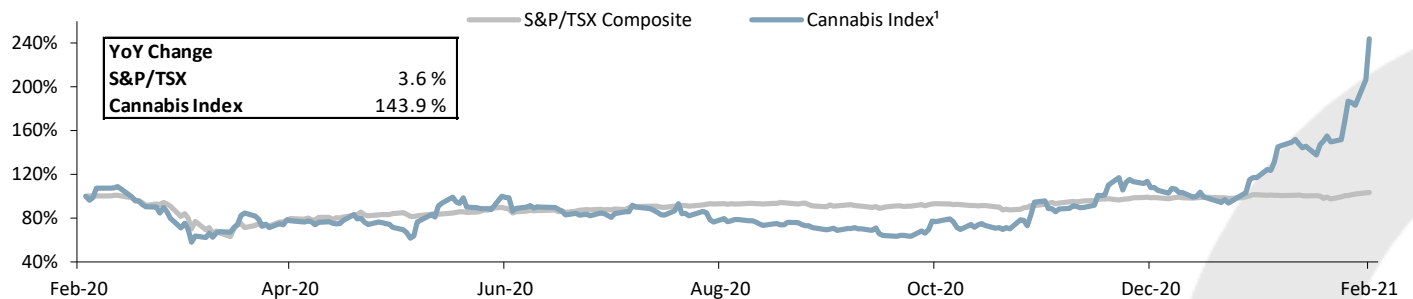


CANNABIS AND HEMP

News Scan

- On February 10th, **Jushi Holdings (Jushi)**, a vertically integrated cannabis operator, announced details of its C\$65 million offering, at C\$10.00 per unit. The company plans to use the proceeds for potential strategic transactions to pursue the expansion of Jushi's facilities
 - On February 12th, Jushi announced the closing of the offering including the full exercise of the over-allotment option granted to underwriters, for gross proceeds of C\$74.5 million
- On February 3rd, **IM Cannabis (IMC)**, a premium medical cannabis brand with operations in Israel, announced it will acquire **Trichome Financial**, a Toronto-based specialty finance company focused exclusively on the global cannabis industry. IMC will gain a Canadian indoor facility through the acquisition, which will benefit the company as Israel's demand for indoor-grown products increases
- On February 3rd, **Jazz Pharmaceuticals (Jazz)**, a global biopharmaceutical company, announced it will acquire **GW Pharmaceuticals**, a leader in developing, manufacturing and commercializing novel, regulatory approved therapeutics, for total consideration of US\$7.2 billion. This acquisition will allow Jazz to broaden its portfolio of products by adding a cannabinoid platform and an innovative pipeline

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	19,668	20,064	49.8x	33.1x	neg	neg	(8.2)%	(28.6)%
Cronos Group Inc.	7,122	6,359	nmf	53.7x	neg	nmf	(4.9)%	(22.5)%
Aphria Inc.	8,332	8,575	18.3x	13.6x	neg	nmf	(10.8)%	(47.3)%
Aurora Cannabis Inc.	3,727	4,037	18.0x	15.7x	neg	neg	(16.5)%	(44.2)%
Tilray, Inc.	10,114	12,118	58.0x	41.6x	neg	nmf	(3.6)%	(56.7)%
OrganiGram Holdings Inc.	1,394	1,452	22.5x	17.8x	neg	neg	13.4%	(40.6)%
Mean			33.3x	29.2x	na	na	(5.1)%	(40.0)%

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 February 11th, it was reported that global demand for canola pushed the price of Canadian oilseed to approximately C\$16 per bushel, a level not seen in more than a decade
- On February 9th, the **United States Farmers and Ranchers in Action** published a report examining how innovations in finance and technology can be applied to accelerate the adoption of climate-smart practices, which could reduce greenhouse gas emissions caused by US agriculture by 61% before 2025
- On February 9th, the **US Department of Agriculture (USDA)** increased its forecast for China's 2020-2021 corn imports to 24 million tonnes, up 37% compared to last month's prediction. China's wheat import forecast was also increased to 5.4 million tonnes for the 2020-2021 year as price spread continues to support stronger feed use of wheat and spur imports
- On February 8th, **Cargill**, the world's largest agricultural commodities trader, announced the company is scouting for deals to access the US\$400 billion global fish market as fish consumption is growing at a faster pace than any other protein
- On February 8th, Chicago soybean futures rose, while corn prices increased close to a seven-and-a-half-year high, and wheat rose for a second consecutive session. Expectations of record Chinese soybean and corn imports are anticipated to keep prices on an upward trend
- On February 8th, Russia announced plans to implement a floating permanent wheat tax that will take effect starting on June 2nd. The tax will equal 70% of the difference between export price and US\$200 per tonne. This tax is in response to Putin's fears about Russia's increasing food price inflation
- On February 8th, **Canadian Pacific Railway Ltd.** recorded moving a record 2.22 million metric tonnes of Canadian grain and grain products in January, a 6% increase from its previous record in January 2020. **Canadian National Railway Co.** also reported historical results, ahead of its January 2019 record of 2.33 million metric tonnes, at 2.95 million metric tonnes
- On February 4th, **Soy Canada** reported that Canadian soybean growers wanting to export their products into the European feed market may soon be required to obtain a sustainability certification to do so, as the EU leans towards requiring proof of sustainable production for imported soybeans
- On February 4th, the Canadian government and province of Nova Scotia strategically invested over C\$44 million in the fish and seafood sector through the Atlantic Fisheries Fund. This investment allocates money to a growing market and will help the sector continue to be prosperous as it adapts to consumer trends

Commodities Futures as of February 16th, 2021

Commodities Futures	Price Unit	Latest Price (US\$)	Month to Date	Year to Date
Corn (CBOT)	\$ per bu.	\$3.80	(30.95)%	(21.50)%
Wheat (CBOT)	\$ per bu.	\$5.42	(14.98)%	(15.58)%
Oats (CBOT)	\$ per bu.	\$2.99	(14.44)%	(15.94)%
Rough Rice (CBOT)	\$ per cwt.	\$13.61	4.45 %	6.92 %
Rapeseed (Canola) (ICE)	CAD per T	\$468.60	(28.72)%	(26.29)%
Ethanol (CBOT)	\$ per gal.	\$1.34	(23.38)%	(9.76)%



Recent Earnings News

Company	EPS YoY Change	Comments	Analyst Consensus	Premium to Current
Commodity Handling				
Bunge Limited	nmf	Bunge reported strong Q4 and fiscal year 2020 earnings with adjusted EBIT of US\$583 million and US\$1.8 billion, up 60% and 52% respectively, driven by volume growth all segments excluding edible oils, as well as strong export demand, higher oilseed crush and elevation margins in North America, and logistics improvement initiatives. Bunge's outlook for 2021 is positive amid a favourable market environment and an ongoing shift towards a global approach to industrial teams in effort to improve efficiency	US\$82.33	5.6%
Food Processing				
Ingredion Incorporated	(5.1%)	Ingredion Incorporated reported Q4 2020 results with net sales of US\$1.6 billion, up 3% YoY. Net sales were flat in North America, up 6% in South America and EMEA, and up 8% in Asia Pacific YoY, driven by improvements in volume. Operating income was reported at US\$163 million, down 4% YoY due to acquisition, integration costs and restructuring costs related to implementing the company's Cost Smart program	US\$93.67	7.6%
Kellogg Company	(38.8%)	Kellogg Company reported Q4 and fiscal year end 2020 results with net sales of US\$3.5 billion and US\$13.8 billion, up 7.5% and 1.4% YoY respectively. Net sales growth was led by Kellogg's frozen foods segment in both Q4 and the year, growing 12.2% YoY in Q4, and 9.6% YoY in the fiscal year. Kellogg also reported operating profit of US\$1.7 billion, up 25.7%, driven by productivity initiatives which improved margins, and sales volume growth. The company expects to continue their balanced growth between top line, margins, and bottom line in 2021	US\$66.47	15.8%
The Kraft Heinz Company	nmf	Kraft Heinz reported Q4 and fiscal year end 2020 results with net sales of US\$7 billion and US\$26 billion, up 6.2% and 1.1% YoY respectively. Kraft's US segment led growth in both Q4 and the year, with a 7.6% increase in net sales in the fiscal year, offset by a decline in Canadian sales of 12.8%. Kraft reported net income of US\$1 billion for Q4, and US\$356 million for the fiscal year, following a loss in Q2 caused by non-cash goodwill impairment losses in certain reporting units and intangible assets	US\$37.94	7.2%
The Hershey Company	(40.6%)	The Hershey Company reported Q4 and fiscal year end 2020 results with net sales of US\$2 billion and US\$8 billion, up 5.7% and 2.0% YoY respectively. Hershey saw improvement in North America and some of its international markets including India and AEMEA, which were partially offset by foreign currency exchange headwinds. Gross margin was flat YoY at 44.0% for Q4 and 45.4% for 2020, and net income was reported as US\$291.4 million for Q4 and US\$1.3 billion for 2020, up 41.8% and 11.9% respectively	US\$160.00	5.7%
PepsiCo, Inc.	(5.6%)	PepsiCo reported Q4 and fiscal year end results with net revenue of US\$23 billion and US\$70 billion, up 8.8% and 4.8% YoY respectively. Revenue growth in Q4 was largely attributed to PepsiCo's AMEA segment, up 62.0% YoY, while the Asia Pacific, Australia, and New Zealand; and AMEA segments led in fiscal year growth, producing revenue increases of 18.0% and 25.3% respectively as the company went on an acquisition spree. The company also topped quarterly earnings estimates, delivering diluted EPS of US\$1.47, up 1.4% YoY, and delivered diluted EPS of US\$0.11 for the year after recovering from a net loss in 2019	US\$152.10	13.6%



Recent Earnings News Continued

Company	EPS YoY Change	Comments	Analyst Consensus	Premium to Current
Equipment and Technology				
CNH Industrial N.V.	(59.3%)	CNH Industrial reported Q4 and fiscal year end 2020 results with net sales of US\$8 billion and US\$24 billion, up 12% and down 7% YoY respectively. The increase in Q4 net sales was driven by higher volumes and price realization in agriculture and commercial and specialty vehicles, while full year net sales were down due to high channel inventories at the start of the year. Net income for the quarter was reported as US\$187 million, up 55.8% YoY due to operating performance of industrial segments, while net income for the year was negative US\$438 million, driven by lower Q1 and Q2 operating performance caused by COVID-19	US\$16.44	11.1%
AGCO Corporation	nmf	AGCO reported Q4 and fiscal year end 2020 results with net sales of US\$2.7 billion and US\$9.1 billion, up 8.1% and 1.2% YoY respectively. South American net sales were supported by strong crop production and favourable exchange rates growth in Brazil and Argentina, resulting in YoY growth of 21.1% in Q4 and 8.9% in 2020. AGCO also saw a 13.7% improvement in European and Middle Eastern Sales in Q4. Net income was reported at US\$135 million for Q4, and US\$420 million for the fiscal year, reflecting sales growth and margin expansion across all business segments	US\$132.88	12.0%
Fertilizers & Crop Inputs				
Yara International ASA	(26.2%)	Yara International reported Q4 and fiscal year end 2020 results with revenue and other income of US\$2.9 billion and US\$11.7 billion, down 3.4% YoY, driven by lower commodity prices and offset by improved deliveries. EBITDA, excluding special items, was US\$511 million for Q4, and US\$2.2 billion for the fiscal year, down 2.7% and flat respectively due to negative portfolio effects in the quarter and higher energy costs.	US\$50.30	1.8%
Cannabis and Hemp				
Aurora Cannabis Inc.	87.7%	Aurora Cannabis reported Q2 2021 results with net revenue of C\$70 million, up 11% YoY, driven largely by a growing international presence in Israel and Europe, and medical cannabis sales of C\$39 million, up 42% YoY. Adjusted gross margin on consumer cannabis decreased 5% from Q2 2020 to 27%, driven by a 38% YoY decrease in overall average net selling price per gram to C\$2.97. The company also reported an adjusted EBITDA loss of C\$17 million, down from a C\$70 million adjusted EBITDA loss in Q2 2020	C\$14.28	(9.6%)
Canopy Growth Corporation	nmf	Canopy Growth reported Q3 2021 results with revenue of C\$153 million, up 23% YoY. This growth was reported as the company released their line of Martha Stewart CBD products, SurityPro CBD products for dogs, and Quatreau CBD beverages, which quickly became the top ready to drink CBD beverage brand. Canopy Growth also narrowed their adjusted EBITDA loss to C\$68 million during the quarter, down 26% YoY, and announced expectations to achieve positive adjusted EBITDA during the second half of fiscal year 2022	C\$49.96	(2.3%)

Origin Merchant Partners

220 Bay Street, Suite 1500
P.O. Box 23, Toronto, Ontario
M5J 2W4

OMP Agri-food Team:

Andrew Muirhead

Principal
T: 416-800-0697
andrew.muirhead
@originmerchant.com

Jim Osler

Principal
T: 416-800-0784
jim.osler
@originmerchant.com

Rob Penteliuk

Principal
T: 416-800-1780
rob.penteliuk
@originmerchant.com