

Ag & Vet Weekly



Monday January 25 - Friday January 29, 2021

All the news on ASX-listed agriculture and veterinary companies

- * **ASX DOWN, AVW-44 EVEN: CANN GLOBAL UP 12.5%; BUBS DOWN 13%**
- * **BEGA COMPLETES \$534m LION ACQUISITION**
- * **SYNLAIT INCREASES BASE MILK PRICE 12.5% TO \$6.73/kgMS**
- * **TASFOODS 9 MONTHS RECEIPTS UP 36% TO \$67m**
- * **BUBS H1 RECEIPTS DOWN 13% TO \$23m**
- * **CLEAN SEAS H1 RECEIPTS DOWN 18% TO \$20m**
- * **FOOD REVOLUTION H1 RECEIPTS UP 6% TO \$17m, REVENUE \$21m**
- * **ELIXINOL RECEIPTS DOWN 57% TO \$14m**
- * **REGENEUS H1 RECEIPTS, MILESTONE \$7.7m**
- * **MURRAY COD H1 RECEIPTS UP 99% TO \$3.5m**
- * **CRESO RECEIPTS UP 32% TO \$3.7m**
- * **WIDE OPEN H1 RECEIPTS UP 262% TO \$1.6m**
- * **PHARMAUST H1 RECEIPTS DOWN 27% TO \$1.3m**
- * **CANN GLOBAL H1 RECEIPTS UP 85% TO \$1.1m**
- * **MORGAN STANLEY TAKES 5% OF A2 MILK**
- * **MITSUBISHI, MORGAN STANLEY TAKE 7.45% OF A2 MILK**
- * **SCOBIE DICKINSON WARD TAKES 12% OF TERRAGEN**
- * **ELDERS APPOINTS RAELENE MURPHY DIRECTOR**
- * **SELECT HARVEST TO LOSE DIRECTOR MICHAEL CARROLL**

MARKET REPORT

The Australian stock market fell 0.64 percent on Friday January 29, 2021, with the ASX200 down 42.3 points to 6,607.4 points.

Seventeen of the AVW-44 stocks were up, 17 fell, eight traded unchanged and two were untraded.

Cann Global was the best, up 0.1 cents or 12.5 percent to 0.9 cents, with 137.6 million shares traded.

AP Hemp climbed 6.7 percent; Murray Cod and Palla Pharma were up more than five percent; Seafarms was up 3.5 percent; Anatara, Nufarm and Terragen rose more than two percent; Bega, Clean Seas, Clover, Elders, Fonterra, Next Science and Select Harvest were up more than one percent; with A2 and Apiam up by less than one percent.

Bubs led the falls, down 10 cents or 13.4 percent to 64.5 cents, with 11.2 million shares traded.

Both MGC and Tasfoods lost 7.1 percent; Opyl shed 6.7 percent; Althea, Cannpal and Elixinol were down more than five percent; Avecho, Ecofibre and THC fell more than four percent; Cann Group, Nanollose and Ridley were down more than three percent; Wide Open Agriculture shed 2.55 percent; Huon was down 1.6 percent; with Costa and Synlait down by less than one percent.

BEGA CHEESE

Bega says it has completed the \$534 million acquisition of Sydney-based Lion Dairy & Drinks.

In November 2020, Bega said it would buy Lion Dairy & Drinks for \$534 million, partly funded by a placement and a non-renounceable one-for-4.5 rights offer at \$4.60 a share, which raised \$401 million (AVW: Nov 23, Dec 18, 2020).

This week, Bega executive chair Barry Irvin said the acquisition would double the “size of the company with revenue of \$3 billion and [would] bring together great brands including Bega Cheese, Vegemite, Dare, Farmers Union, Dairy Farmers, Yoplait, B Honey, Big M, Masters, Juice Brothers and Berri”.

Bega was up nine cents or 1.6 percent to \$5.60 with 817,328 shares traded.

SYNLAIT MILK

Synlait says it has increased its forecast base milk price for the 2020 to 2021 season from \$NZ6.40 (\$A5.98) to \$NZ7.20 (\$A6.73) per kilogram of milk solids.

Synlait said the increase was due to the rise “in dairy commodity prices over recent months and the company’s view that commodity prices will remain around current levels for the remainder of the milk season”.

Synlait national milk supply manager David Williams said that “despite the wider global uncertainty, dairy commodity prices have remained robust and a higher forecast base milk price will be welcomed by our Synlait farmer suppliers”.

Synlait fell three cents or 0.7 percent to \$4.47.

TASFOODS

Tasfoods says receipts from customers for the nine months to December 31, 2020, increased 36.0 percent to \$67,342,000 compared to the prior corresponding period. Tasfoods said receipts from sales of its dairy and poultry products for the three months to December 31, 2020 rose 11.4 percent to \$17,631,000, with the increase in sales partly due to the acquisition of Betta Milk in July 2019.

Tasfoods said it had cash and cash equivalents of \$7,244,000 at December 31, 2020 compared to \$1,442,000 at December 31, 2019.

Tasfoods fell one cent or 7.1 percent to 13 cents.

BUBS AUSTRALIA

Bubs says that receipts from customers for the six months to December 31, 2020 fell 12.7 percent to \$22,696,000 compared to the previous corresponding period.

Bubs said receipts from sales of its goat milk products for the three months to December 31, 2020 were down 0.1 percent to \$13,307,000.

The company said it had cash and cash equivalents of \$40,210,000 at December 31, 2020 compared to \$39,130,000 at December 31, 2019.

Bubs fell 10 cents or 13.4 percent to 64.5 cents with 11.2 million shares traded.

CLEAN SEAS SEAFOOD

Clean Seas says that receipts from customers for the six months to December 31, 2020 fell 17.9 percent to \$20,179,000.

Clean Seas said receipts from sales of its Yellowtail Kingfish for the three months to December 31, 2020 were down 10.1 percent to \$11,331,000.

The company said it had cash and cash equivalents of \$9,317,000 at December 31, 2020 compared to \$9,343,000 in at December 31, 2019.

Clean Seas was up 1.5 cents or 1.8 percent to 83 cents.

FOOD REVOLUTION GROUP

Food Revolution says its customer receipts for the six months to December 31, 2020 were up 5.55 percent to \$16,987,000, with revenue of \$20.7 million.

Food Revolution said receipts from sales of its juice beverages and food additives for the three months December 31, 2020 were \$9,424,000, with revenue for the period up 9.8 percent to \$11.1 million, with cash and cash equivalents of \$2,937,000 at December 31, 2020 compared to \$1,596,196 in at December 31, 2019.

Food Revolution was unchanged at 3.4 cents with 3.7 million shares traded.

ELIXINOL GLOBAL

Elixinol says its receipts from customers for the year to December 31, 2020 fell 57.4 percent to \$14,095,000.

Elixinol said receipts from its hemp and cannabidiol (CBD)-based products, including its Good Mood 10mg CBD dietary supplement gummies in the three months to December 31, 2020 were down 51.3 percent to \$3,265,000.

Elixinol said it had cash and cash equivalents of \$27,743,000 at December 31, 2020 compared to \$20,373,000 at December 31, 2019.

Elixinol fell one cent or 5.4 percent to 17.5 cents with 5.95 million shares traded.

REGENEUS

Regeneus says it has customer receipts for the six months to December 31, 2020 of \$7,659,000, including a \$6.9 million in milestone payments for its Progenza OA.

Last year, Regeneus says it had received \$1.3 million and \$5.6 million in separate milestone payments from Tokyo's Kyocera as part of a \$26.4 million agreement for its stem cell platform Progenza OA for knee osteoarthritis (BD: Aug 11, 28, Oct 29, 2020).

Today, the company said receipts for the three months to December 31, 2020 were \$6,360,000.

Regeneus said it had cash and cash equivalents of \$4,095,000 at December 31, 2020 compared to \$818,000 at December 31, 2019.

Regeneus was unchanged at 12 cents.

MURRAY COD AUSTRALIA

Murray Cod says customer receipts for the six months to December 31, 2020 were up 98.5 percent to \$3,528,000 compared to the previous corresponding period.

Murray Cod said receipts from sales of its farmed Murray cod for the three months to December 31, 2020 rose 119.1 percent to \$2,333,000.

Last year, Murray Cod said it had acquired "fully operational and staffed" Murray Cod hatchery and 75-acre property in Euberta, New South Wales for \$6.5 million which would increase its Murray cod fingerlings production capacity "by a factor of 2.5 times" (AVW: Mar 20, May 1, 2020).

The company said it had cash and cash equivalents of \$3,563,000 at December 31, 2020 compared to \$14,536,000 at December 31, 2019.

Murray Cod was up one cent or 5.6 percent to 19 cents.

CRESO PHARMA

Creso says customer receipts for the year to December 31, 2020 were up 32.4 percent to \$3,752,000 compared to the previous corresponding period.

Creso said sales of its marijuana-based products and food supplements for the three months to December 31, 2020 were down 48.2 percent to \$709,000.

The company said it had cash and cash equivalents of \$6,004,000 at December 31, 2020 compared to \$2,812,000 at December 31, 2019.

Creso was unchanged at 19.5 cents with 18.6 million shares traded.

WIDE OPEN AGRICULTURE

Wide Open says customer receipts for the six months to December 31, 2020 were up 262.0 percent to \$1,609,000 compared to the previous corresponding period.

Wide Open said customer receipts for the three months to December 31, 2020 rose 214.2 percent to \$889,000, primarily from sales of its Dirty Clean Food branded regenerative food and beverage products.

The company said it had cash and cash equivalents of \$14,310,000 at December 31, 2020 compared to \$2,291,644 at December 31, 2019.

Wide Open fell two cents or 2.55 percent to 76.5 cents.

PHARMAUST

Pharmaust says receipts from customers for the six months to December 31, 2020 fell 26.8 percent to \$1,321,000, compared to the previous corresponding period.

Pharmaust said that receipts, primarily from its Epichem medicinal chemistry division, for the three months to December 31 were down 22.7 percent to \$549,000.

The company said it had cash and cash equivalents of \$3,610,000 at December 31, 2020 compared to \$2,922,000 at December 31, 2019.

Pharmaust was unchanged at 10.5 cents with 3.4 million shares traded.

CANN GLOBAL

Cann Global says receipts from customers for the six months to December 31, 2020 were up 85.3 percent to \$1,084,000 compared to the previous corresponding period.

Cann Global said receipts from sales of its hemp seed products and food additives for the three months to December 31, 2020 were up 109.2 percent to \$636,000.

The company said it had cash and cash equivalents of \$12,401,000 at December 31, 2020 compared to \$6,607,000 at December 31, 2019.

Cann Global rose 0.1 cents or 12.5 percent to 0.9 cents with 137.6 million shares traded.

A2 MILK

New York's Morgan Stanley says it has become a substantial shareholder in A2 Milk with 37,173,201 shares or 5.006 percent of the company.

Morgan Stanley said it bought, borrowed and swapped shares between September 9, 2020 and January 20, 2021 in more than 400 separate transactions.

Morgan Stanley said its shares were held by HSBC Custody Nominees, HSBC Nominees, Citibank Nominees, Morgan Stanley Wealth Management Australia, BNP Paribas Nominees and DTC through e-trade.

A2 Milk was up five cents or 0.5 percent to \$10.70 with 5.1 million shares traded.

THE A2 MILK COMPANY

Tokyo's Mitsubishi UFJ Financial Group says it has increased its substantial shareholding in A2 Milk from 55,351,133 shares (7.454%) to 63,311,131 shares (8.526%).

Mitsubishi said that, with Morgan Stanley, it bought and sold shares between November 6, 2020 and January 20, 2021, disclosing more than 200 pages of trades.

TERRAGEN HOLDINGS

Scobie Dickinson Ward says he has increased its substantial shareholding in Terragen from 18,271,742 shares (9.78%) to 22,890,553 shares (12.06%).

The Dunedin, New Zealand-based Mr Dickinson Ward said he bought shares between December 15, 2020 and January 22, 2021 with the single largest purchase 2,000,000 shares for \$822,639 or 41.13 cents a share

Mr Dickinson Ward said his shares were held by Forsyth Barr Custodians.

Terragen was up one cent or 2.5 percent to 41 cents.

ELDERS

Elders says it has appointed Raelene Murphy as a non-executive director, effective from January 28, 2020.

Last year, Elders said non-executive director Michael Carroll had resigned and would be replaced “in due course” (AVW: Jul 3, 2020).

Today, the company said Ms Murphy was currently a director at Bega Cheese, Integral Diagnostics and Altium and was previously a director at Clean Seas Seafood, Service Stream and Tassal Group.

Elders said Ms Murphy held a Bachelor of Business from Victoria’s University of Ballarat. Elders was up 19 cents or 1.8 percent to \$10.64 cents with 824,113 shares traded.

SELECT HARVESTS

Select Harvests says non-executive director Michael Carroll will not seek re-election and retire at the February 2021 annual general meeting.

Select Harvests said Mr Carroll was appointed a director on March 31, 2009.

The company said its board charter included “an expectation that non-executive directors not serve more than four terms or 12 years” to preserve its independence.

Select Harvests was up nine cents or 1.8 percent to \$5.21 with 424,121 shares traded.