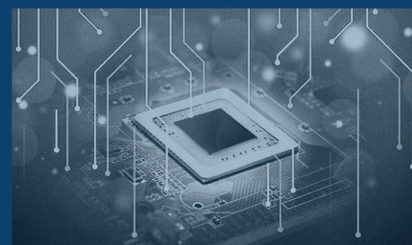
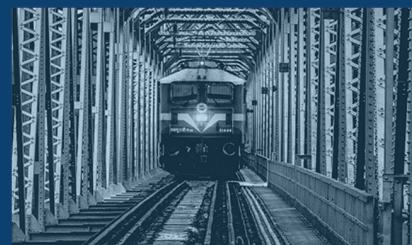


APRIL 2019

# —2019—

## INSTITUTIONAL INVESTOR CONFERENCE **RECAP**



LAURENTIAN BANK  
SECURITIES



## Institutional Investor Conference Recap

On April 3rd & 4th, 2019, LBS hosted its sixth Annual Institutional Investor Conference in Montreal. Attendance was exceptionally strong with approximately 340 people attending and included presentations from ~50 corporate issuers. We believe that the strong attendance at the conference is indicative of continued interest in our product, following strong performances in previous years, making it a top ranked conference in Canada.

Presentations included traditional group presentations, panel discussions, reverse roadshows, as well as approximately 440 one-on-one meetings between corporate issuers and institutional investors. Below is a list of tours and corporate presentations that took place:

<div> <div>6<sup>th</sup> ANNUAL INSTITUTIONAL INVESTOR CONFERENCE</div> <div>LAURENTIAN BANK SECURITIES</div> <div>SCHEDULE OF EVENTS</div> <div>APRIL 3-4<sup>TH</sup></div> <div>OMNI HOTEL MONT-ROYAL 1050 SHERBROOKE STREET W. MONTREAL, QUEBEC H3A 2R6</div> </div>			
WEDNESDAY, APRIL 3 <sup>RD</sup> , 2019 - REVERSE ROAD SHOW			
Start Time	Plant Tours	Start Time	Plant Tours
8:00 - 9:30	Sleep Country Canada Holdings Inc. Stewart Schaefer, President of Dormez-vous (visit a Dormez-Vous store in Laval)	12:15 - 2:00	Recipe Unlimited Richard Scofield, President St-Hubert Restaurants (visit a St-Hubert restaurant in St-Thérèse)
10:15 - 12:00	Canopy Growth Corp. Tim Saunders, CFO (visit the Vert Mirabel facility, joint venture with Les Semences Stéphane Bertrand)	2:45 - 4:15	Allied Properties Hugh Clark Executive VP, Development (visit the Nordesc property in Griffintown)
THURSDAY, APRIL 4 <sup>TH</sup> , 2019 - CONFERENCE			
ROOM	PIERRE DE COUBERTIN	SALON DES SAISONS	SALON PRINTEMPS
7:00 - 8:00 / REGISTRATION & BREAKFAST			
8:00	Sienna Senior Living Lois Cormack, CEO	Boyd Group IF Brock Bulbuck, CEO	People Corporation Laurie Goldberg, CEO
8:45	TRANSPORTATION PANEL Cargojet Inc. / Jamie Porteous, Chief Commercial Officer Descartes System Group Inc. / Allan Brett, CFO TFI International Inc. / David Saperstein, CFO	Transcontinental Donald LeCavalier, CFO	Currency Exchange International Randolph Pinna, President & CEO
9:30	INFRASTRUCTURE & DESIGN PANEL IBI Group Inc. / Scott Stewart, CEO Stantec Inc. / Gord Johnston, President & CEO WSP Global Inc. / Bruno Roy, CFO	Richards Packaging Gerry Glynn, CEO	Morneau Shepell Stephen Liptrap, CEO
10:10			
10:15 - 10:30 / BREAK			
10:35	BEVERAGE INDUSTRY PANEL Andrew Peller Limited / Randy Powell, President Brick Brewing / George Croft, President & CEO	Kinaxis Inc. Rick Wadsworth, VP Investor Relations	APARTMENTS REIT PANEL BSR REIT / John Bailey, CEO InterRent REIT / Curt Millar, CFO Killam REIT / Phil Fraser, CEO Laurentian Bank Securities / Sebastien Lavoie, Chief Economist
11:15			
11:20	CANADIAN RESTAURANT INDUSTRY PANEL A&W Revenue Royalties IF / Don Leslie, CFO Boston Pizza Royalties IF / Jordan Holm, President Recipe Unlimited / Frank Hennessey, President & CEO SIR Royalty IF / Peter Fowler, CEO	Exchange Income Corporation Mike Pyle, President & CEO	
12:00			
LUNCH SPEAKER: Sherri M. Altshuler, Partner, Aird & Berlis "The New Cannabis Era: Impacts Across Industries"			
12:15			
1:35	CANNABIS PANEL: "Growing with the Global Market" Aurora Cannabis Inc. / Rob Kelly, Director Investor Relations Green Organic Dutchman Holdings Ltd. / Brian Athaide, CEO Radient Technologies Inc. / Denis Taschuk, President & CEO	Sleep Country Canada Holdings Inc. David Friesema, CEO	TECSYS Inc. Peter Brereton, President & CEO
2:15			
2:20	CANNABIS PANEL: "Beverages, Edibles and the Next Wave of Consumer Products" Canopy Growth Corp. / Tim Saunders, CFO HEXO Corp. / Brett Vye, CEO Truss Beverages	K-Bro Linen Linda McCurdy, President & CEO	5N Plus Inc. Arjan Roshan, President & CEO
3:00			
3:05 - 3:20 / BREAK			
3:25	CANNABIS PANEL: "Operating in a Heightened Regulatory Environment" TheraCann International Corp. / Jason Warnock, CEO WeedMD Inc. / Keith Merker, CEO Willow BioPharma Inc. / Joseph Tucker, Executive Chairman	DIRTT Environmental Kevin O'Meara, President & CEO	AGRICULTURE EQUIPMENT PANEL Cervus Equipment Corp. / Graham Drake, CEO Rocky Mountain Dealerships / Garrett Gaden, President & CEO
4:05			
4:10	COMMERCIAL REIT PANEL BTB REIT / Michel Leonard, CEO Plaza REIT / Michael Zakuta, CEO & Trustee PRO REIT / Jim Beckerleg, CEO		
4:50			
5:00 - 7:00 / COCKTAIL			
Available for 1x1s only: CCL Industries Inc. / Geoff Martin, President & CEO is available on Wednesday, April 3, 2019 IPL Plastics / Pat Dalton, CFO is available on Thursday, April 4, 2019 Laurentian Bank of Canada / François Laurin, EVP & CFO is available on Thursday, April 4, 2019 Savaria Corporation / Sébastien Bourassa, OVP & President China & Nick Rimbart VP Corporate Development is available on Thursday, April 4,			

We would like to thank all those who participated and we look forward to hosting our next conference in early April 2020.

Cameron Baker, CFA M.IM.  
Head of Equities and Syndication





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*All prices are as of April 8, 2019 close, unless otherwise stated.*





## CANNABIS





## Company Profile

Aurora Cannabis (Aurora) is involved in the production and distribution of medical cannabis in Canada and internationally. It is headquartered in Edmonton, Alberta and is active in 24 countries across five continents. Through its high tech, large scale facilities, the company is planning a significant increase in production capacity. It has a strong presence in the medical segment through various acquisitions and stands as one of the largest cannabis players (by footprint and production capacity) in the world.

## Market and Company Data

Ticker	ACB-T; ACB-N		Shares O/S (M)	1,013.1
Rating	N/A		Market Cap (M)	\$12,147
Risk	N/A		Float O/S (M)	970.9
Price	\$11.99		Float Value (M)	\$11,641
1-Yr Target	N/A		Avg Daily Volume (K)	32,687
Yield	0.0%		Enterprise Value (M)	\$12,338
1-Yr ROR	N/A		Control Blocks:	Mgmt & Dir
52 Wk High-Low	\$5.10 - \$16.24		Voting	
Valuation	N/A		Equity	3%
Year End	June		Debt/Cap	7%
			Next Reporting	May-19

Sales (\$M)	Q1	Q2	Q3	Q4	Annual	EV/Sales
F2018	\$8.2 A	\$11.7 A	\$16.1 A	\$19.1 A	\$55.2 A	0.2x
F2019	\$29.7 A	\$59.4 A			\$337.0	36.6x

Adj. EBITDA (\$M)	Q1	Q2	Q3	Q4	Annual	EV/EBITDA
F2018	(\$6) A	(\$17) A	(\$27) A	(\$42) A	(\$31) A	n.m
F2019	(\$83) A	(\$74) A			(\$81)	n.m

Source: Company reports; Thomson Eikon.

## Aurora Cannabis Inc. (ACB-T; ACB-N)

Rating: **Suspended** – Target: **N/A**; Price: **\$11.99**

Equity Research Department

We summarize key points from Aurora's participation in our Cannabis Panel: Growing with the Global Market.

- **Rapid expansion isn't slowing.** Global expansion for legal cannabis has been happening at a rapid pace with 32 countries having legalized medical use and many more advancing new regulations. Aurora operates in 24 countries and is looking to expand as new markets open.
- **GMP certification is a key global standard.** Aurora has two facilities that are currently Good Manufacturing Practice (GMP) certified, with two others going through the certification process. All of their facilities have either been purpose-built or retrofitted to meet GMP standards.
- **In assessing acquisitions vs. partnerships,** Aurora listed several key advantages of having an experienced local partner. Speed to market is the first key advantage, along with a partner having local knowledge of the regulatory, political and business environment. Two of Aurora's most recent expansion markets, Mexico and Portugal, have been through partnership deals.

## Company Profile

Canopy Growth (Canopy) was the first cannabis company in North America to go public in April 2014 and first to trade on the NYSE (May/18). It started off as Tweed Marijuana and has grown to the largest cannabis company, globally, through a long list of acquisitions, partnerships and investments. Constellation Brands (STZ-US) has invested over U\$4B in the company, taking a 38% stake with options to further increase ownership. Canopy operates multiple brands focused on the recreational, medical and retail markets.

## Market and Company Data

Ticker	WEED-T; CGC-N		Shares O/S (M)	343.7
Rating	N/A		Market Cap (M)	\$19,557
Risk	N/A		Float O/S (M)	343.7
Price	\$56.90		Float Value (M)	\$19,557
1-Yr Target	N/A		Avg Daily Volume (K)	3,225.9
Yield	0.0%		Enterprise Value (M)	\$15,628
1-Yr ROR	N/A		Control Blocks:	Mgmt & Dir
52 Wk High-Low	\$23.88 - \$76.68		Voting	
Valuation	N/A		Equity	
Year End	March		Debt/Cap	10%
			Next Reporting	Jun-19

Sales (\$M)	Q1	Q2	Q3	Q4	Annual	EV/Sales
F2018	\$16 A	\$18 A	\$22 A	\$23 A	\$78 A	200.5x
F2019	\$26 A	\$23 A	\$83 A			

Adj. EBITDA (\$M)	Q1	Q2	Q3	Q4	Annual	EV/EBITDA
F2018	(\$8) A	(\$12) A	(\$25) A	(\$44) A	(\$88) A	n.m.
F2019	(\$53) A	(\$161) A	(\$139) A			n.m.

Source: Company reports; Thomson Eikon.

## Canopy Growth Corporation (WEED-T; CGC-N)

Rating: **Suspended** – Target: **N/A**; Price: **\$56.90**

Equity Research Department

We summarize key points from Canopy's participation in our Cannabis Panel: Beverages, Edibles and the Next Wave of Consumer Products.

- **First mover advantage.** Canopy has committed significant resources to product development, consumer studies and manufacturing processes. Through its partnership with Constellation, Canopy has had access to specialists in all areas of R&D and has spent a significant amount of time addressing the key issues of formulation. The vast majority of Canadian LPs haven't invested the time or resources needed to properly design an infused beverage.
- **Products will be based on consumer demand.** The majority of beverages in the U.S. have been sweet, high dose offerings in opaque packaging. This has largely been a result of producers being unable to infuse a near tasteless and water compatible product. Canopy will have an initial range of product formats that will be lower dosage, offer a variety of 'effects' or highs, and be low calorie. Consumer studies and formulation will give it latitude to adjust to consumer tastes.
- **Regulation welcome.** Canopy is happy to see regulators take a proactive role. A positive consumer experience is important to all in the sector and Canopy believes its experience gives it a competitive advantage in working within the regulations.





## Company Profile

The Green Organic Dutchman (TGOD) has the goal of becoming the largest organic brand in all markets it serves. TGOD has been focused on medical patients as it expands its production of certified organic cannabis in hybrid greenhouse facilities in Canada. Undergoing a large increase to production capacity, TGOD is expected to enter the Canadian recreational cannabis market shortly. Its international footprint includes strategic partnerships in Europe, Latin America and the Caribbean.

## Market and Company Data

Ticker	TGOD-T	Shares O/S (M)	271.4
Rating	N/A	Market Cap (M)	\$1,164
Risk	N/A	Float O/S (M)	237.5
Price	\$4.29	Float Value (M)	\$1,019
1-Yr Target	N/A	Avg Daily Volume (K)	5,085.1
Yield	0.0%	Enterprise Value (M)	\$952.0
1-Yr ROR	N/A	Control Blocks:	Mgmt & Dir
52 Wk High-Low	\$9.64 - \$2.06	Voting	
Valuation	N/A	Equity	
Year End	December	Debt/Cap	0%
		Next Reporting	Jun-19

Sales (\$M)	Q1	Q2	Q3	Q4	Annual	EV/Sales
F2018	\$0.0 A	\$0.0 A	\$0.0 A	\$1.9 A	\$1.9 A	506.6x
Adj. EBITDA (\$M)	Q1	Q2	Q3	Q4	Annual	EV/EBITDA
F2018	(\$7.5) A	(\$8.7) A	(\$10.1) A	(\$18.6) A	(\$44.8) A	n.m

Source: Company reports; Thomson Eikon.

## The Green Organic Dutchman Holdings Ltd. (TGOD-T)

Rating: **Not Rated** – Target: **N/A**; Price: **\$4.29**

We summarize key points from The Green Organic Dutchman's participation in our Cannabis Panel: Growing with the Global Market.

- **A premium organic brand requires premium production.** With a commitment to a certified organic brand, TGOD looks to have production in each region it is operating in. As a further step to ensuring quality and consistency, the company looks to have production redundancy in each region.
- **Partners offer an ability to diversify.** While TGOD sees the advantages of local knowledge and speed to market, partners also allow the company to focus on innovation. Local partners are able to focus on growing while still having access to TGOD's cultivation experience. This allows the company to direct its attention to product development and higher value segments.
- **Global cannabis brands have value despite the varied regulatory regimes and consumer bases.** TGOD has tested its brand with consumers in numerous global markets and has found that the Green Organic Dutchman is both recognized and understood. Large Canadian LPs are likely to leverage the first mover advantage in creating brand awareness across legal markets.

## Company Profile

HEXO, formerly known as Hydropothecary, is a large licensed producer with cultivation focused in its home province of Quebec. Currently holding the largest supply agreement for the province (SQDC), HEXO is expanding into additional provincial markets. The company recently announced plans to acquire Ontario-based Newstrike, adding a fourth production campus and increasing distribution to a total of eight provinces. HEXO has formed a JV with Molson Coors, Truss, to develop infused beverages and is exploring other partnerships in additional consumer segments.

## Market and Company Data

Ticker	HEXO-T; HEXO-N	Shares O/S (M)	210.4
Rating	N/A	Market Cap (M)	\$1,835
Risk	N/A	Float O/S (M)	193.5
Price	\$8.72	Float Value (M)	\$1,687
1-Yr Target	N/A	Avg Daily Volume (K)	3,541.8
Yield	0.0%	Enterprise Value (M)	\$1,669.4
1-Yr ROR	N/A	Control Blocks:	Mgmt & Dir
52 Wk High-Low	\$3.33 - \$9.70	Voting	
Valuation	N/A	Equity	10%
Year End	July	Debt/Cap	0%
		Next Reporting	Jun-19

Sales (\$M)	Q1	Q2	Q3	Q4	Annual	EV/Sales
F2018	\$1.1 A	\$1.2 A	\$1.2 A	\$1.4 A	\$4.9 A	338.4x
F2019	\$5.6 A	\$13.4 A				
Adj. EBITDA (\$M)	Q1	Q2	Q3	Q4	Annual	EV/EBITDA
F2018	(\$3.0) A	(\$4.4) A	(\$4.2) A	(\$9.3) A	(\$21.5) A	n.m
F2019	(\$18.5) A	(\$11.0) A				

Source: Company reports; Thomson Eikon.

## HEXO Corp. (HEXO-T; HEXO-N)

Rating: **Suspended** – Target: **N/A**; Price: **\$8.72**

*Equity Research Department*

We summarize key points from HEXO's participation in our Cannabis Panel: Beverages, Edibles and the Next Wave of Consumer Products.

- **Beverage will be a key category.** The beverage market has massive potential as a new category and disruptor. Product formats will be broad and capable of addressing multiple consumer segments, ranging from infused seltzer waters to single serve mixed drinks.
- **Innovation drives product.** Recent product offerings have been driven by innovation and have allowed HEXO to be first to market with several unique products.
- **Partnerships will be the focus for product development.** HEXO will look to partner with other category leaders to work on edibles, cosmetics and other health and wellness products. Utilizing its centre of excellence, HEXO has a fully licensed facility to collaborate with established CPG companies on ancillary cannabis products. The JV with MolsonCoors is an example of how HEXO is looking to leverage its existing cannabis strength with Fortune 500 companies.





## Company Profile

Radient Technologies is an experienced extraction and purification company that is now applying its proprietary processes to cannabis and hemp. Its patented Microwave Assisted Processing (MAP™) Technology is a closed loop extraction process offering superior purity and yields. Radient recently received its processing license from Health Canada and has already begun expanding its Edmonton facility. The company has a strategic partnership with Aurora and is located in close proximity to their Aurora Sky. A facility is also being constructed in Germany to service the European market.

## Market and Company Data

Ticker	RTI-V	Shares O/S (M)	265.6
Rating	N/A	Market Cap (M)	\$268
Risk	N/A	Float O/S (M)	208.8
Price	\$1.01	Float Value (M)	\$211
1-Yr Target	N/A	Avg Daily Volume (K)	736.9
Yield	0.0%	Enterprise Value (M)	\$245.9
1-Yr ROR	N/A	Control Blocks:	Aurora
52 Wk High-Low	\$1.50 - \$0.60	Voting	
Valuation	N/A	Equity	14%
Year End	March	Debt/Cap	8%
		Next Reporting	Jul-19

Sales (\$M)						
	Q1	Q2	Q3	Q4	Annual	EV/Sales
F2018	\$0.1 A	\$0.1 A	\$0.2 A	\$0.0 A	\$0.3 A	742.5x
Adj. EBITDA (\$M)						
	Q1	Q2	Q3	Q4	Annual	EV/EBITDA
F2018	(\$2.2) A	(\$2.8) A	(\$3.0) A	(\$4.5) A	(\$12.5) A	n.m

Source: Company reports; Thomson Eikon.

## Radient Technologies Inc. (RTI-V)

Rating: **Not Rated** – Target: **N/A**; Price: **\$1.01**

We summarize key points from Radient's participation in our Cannabis Panel: Growing with the Global Market.

- **Europe presents a unique opportunity for CBD.** Radient noted that the E.U. already has in place regulations governing CBD as an ingredient in food products. With a long history in formulations and a management team with a long history of CPG experience, Radient believes it is well positioned to be a key supplier of high quality CBD formulations at scale.
- **Global markets are likely to emulate Canada and the U.S. where extraction is done by specialized companies.** Emerging markets are currently operating with vertically integrated operations where producers are handling extraction internally. This is likely a result of small initial volumes as markets open and a lack of experienced extraction operators. As export markets open, an operator with a GMP facility has the ability to take foreign biomass and produce a high grade product, packaged with the preferred country of origin.
- **The sleeping giant.** Asia has largely been ignored in the race to expand, but could be a unique market for extraction. Asian governments have been liberalizing policies and big tobacco has a major presence. These factors could combine to create the perfect scenario for RTI.

## Company Profile

Founded in 2004, TheraCann International Benchmark Corporation offers a one-stop, full-service solution for the international cannabis marketplace. TheraCann provides business, technology and industry experts who apply advanced technology and help clients design, build and run their cannabis businesses. With nearly 3.5 million square feet of cannabis operations under management and the successful launch of ground-breaking Enterprise Resource Planning (ERP) software, Aeroponic cultivation systems and patented genetic tracking and diversion prevention systems, TheraCann provides cannabis-related businesses with solutions to fit their regulatory requirements.

## TheraCann International Benchmark Corporation (Private)

Rating: **Not Rated** – Target: **N/A**; Price: **N/A**

- We are currently **RESTRICTED** on TheraCann.





## Company Profile

WeedMD Inc. is a vertically-integrated cannabis producer with two Ontario facilities: an indoor facility in Aylmer and a hybrid greenhouse and outdoor facility located in Strathroy, Ontario. The Company currently has 136,000 sq. ft. of licensed production space and is expected to have a total footprint of more than 550,000 sq. ft. of indoor and greenhouse production in addition to more than 100 acres of outdoor cultivation space, online. WeedMD has a multi-channelled distribution strategy that includes selling directly to medical patients, strategic relationships across the seniors' market and supply agreements with Shoppers Drug Mart as well as six provincial distribution agencies.

## Market and Company Data

Ticker	WMD-V	Shares O/S (M)	113.9
Rating	N/A	Market Cap (M)	\$225
Risk	N/A	Float O/S (M)	103.5
Price	\$1.98	Float Value (M)	\$205
1-Yr Target	N/A	Avg Daily Volume (K)	760.3
Yield	0.0%	Enterprise Value (M)	\$189.4
1-Yr ROR	N/A	Control Blocks:	Mgmt & Dir
52 Wk High-Low	\$0.99 - \$2.49	Voting	
Valuation	N/A	Equity	
Year End	December	Debt/Cap	3%
		Next Reporting	Jun-19

Sales (\$M)	Q1	Q2	Q3	Q4	Annual	EV/Sales
F2017	\$0.0 A	\$0.2 A	\$0.4 A	\$0.9 A	\$1.5 A	130.6x
F2018	\$1.1 A	\$2.1 A	\$2.0 A			

Adj. EBITDA (\$M)	Q1	Q2	Q3	Q4	Annual	EV/EBITDA
F2017	(\$1.0) A	(\$3.4) A	(\$0.5) A	(\$1.6) A	(\$21.5) A	n.m
F2018	(\$1.1) A	(\$2.1) A	(\$1.5) A			

## Company Profile

Willow Biosciences is a Calgary biotechnology company focused on the development of biosynthetically-derived cannabinoids through yeast. Willow is the combination of two teams: one focused on researching biosynthesis of phytocannabinoids and the other making key discoveries in plant genomics. The team has already had success in effectively, commercially scaling thebaine—an opioid—using yeast, and will use a similar process to increase the scalability of biosynthetically-derived cannabinoids for the pharmaceutical industry.

## WeedMD Inc. (WMD-V)

Rating: **Not Rated** – Target: **N/A**; Price: **\$1.98**

- **Expansion to outdoor.** On April 1st, WeedMD announced a concurrent \$39M secured debt financing, and the purchase of 98-acres in Strathroy, which hosts its greenhouse operations and 50-acres of land earmarked for outdoor cultivation. As of April 10th, WeedMD expects to produce over 150,000 kgs of cannabis by 2020 with options to add further acres in the future.
- **Superior quality, strong execution.** Despite its production size and market cap, WeedMD has been one of the leaders in Canadian cannabis growth. Its strong execution, crop consistency and product quality has allowed it to meet increasing demand from provinces, increase wholesale prices and also to sell directly to other Canadian LPs.
- **Capital disciplined, value-focused.** Apart from its credit facility, which added \$15M in non-dilutive liquidity, WeedMD has avoided raising funds in the market. Despite this, WeedMD has been able to build partnerships that offer long-term optionality and new distribution platforms. Its partnerships with Pita Pit to launch retail franchises, Phivida to create cannabis beverages, and genetics company Blockstrain, have allowed the company to create unique business opportunities with minimal initial capital investments. WMD also plans to convert a large portion of its future flower production to higher margin oils/distillate products, which it will extract and formulate on-site.

## Willow Biopharma Inc. (Private)

Rating: **Not Rated** – Target: **N/A**; Price: **N/A**

- **What are biosynthetic cannabinoids?** Biosynthesis is a long established practice in the pharmaceutical industry which has allowed scientists to create organically-derived molecules, in labs. Biosynthesis simulates the organic chemical creation of complex molecules and offers repeatable processes that create consistent, pure forms of the desired molecule. If successful, Willow will produce both CBD and other rare cannabinoids using yeast and produce more cost effective, consistent and purified product.
- **Biosynthetic cost profile.** Based on its own research, Willow believes current plant-derived CBD extracted at pharmaceutical grades, costs an average of US\$15,000/kg. Rare cannabinoids can reach costs of US\$100,000/kg. If successful, Willow hopes to reduce its API product to US\$1,000/kg. Willow already successfully increased the yields in biosynthetically-derived thebaine by 10,000x.
- **Begins trading April 15<sup>th</sup>.** Through a non-brokered private placement, Willow recently completed a \$28.5M recapitalization and listing via a CSE shell, Makena Resources Inc. The transaction combines BioCan and Epimeron and exchanges its shares for 857,142,858 Makena shares. Shareholders are set to meet Friday, April 12, when it is expected that the company name will change to Willow Biosciences Inc. and start trading under the ticker "WLLW", on Monday, April 15.







## CONSUMER PRODUCTS & SPECIAL SITUATIONS





## Company Profile

A&W Revenue Royalties Income Fund earns a royalty stream based on the system sales of the 934 A&W restaurants included in the fund's royalty pool. A&W is a hamburger quick-service restaurant and is 99% operated by franchisees.

## Market and Company Data

Ticker	AW.UN-T	FD Shares O/S (M)	16.8
Rating	Hold	Market Cap (M)	\$652.8
Risk	Medium	Float O/S (M)	12.5
Price	\$38.95	Float Value (M)	\$487.1
1-Yr Target	\$38.00	Avg Daily Volume (k)	14.0
Dividend	1.7640	Enterprise Value (M)	\$708.1
Yield	4.5%	Control Blocks:	
1-Yr ROR	2.1%	Mgmt & Dir	29.2%
52 Wk High-Low	\$39.40-\$30.11	Debt/EBITDA	1.4x
Valuation	5% yield target	Next Reporting	Apr-19
Year End	Dec. 31		

### Distributable Cash per Unit

	Q1	Q2	Q3	Q4	Annual	P/DCF
2017	\$0.33 A	\$0.38 A	\$0.42 A	\$0.51 A	\$1.64 A	23.7x
2018	\$0.34 A	\$0.42 A	\$0.50 A	\$0.61 A	\$1.87 A	20.9x
2019E	\$0.36	\$0.43	\$0.49	\$0.61	\$1.88	20.7x
25020E	\$0.37	\$0.44	\$0.50	\$0.64	\$1.95	20.0x

### EBITDA (M\$)

	Q1	Q2	Q3	Q4	Annual	EV/EBITDA
2017	\$7.1 A	\$8.1 A	\$8.8 A	\$11.0 A	\$35.0 A	20.2x
2018	\$7.7 A	\$9.1 A	\$10.4 A	\$13.0 A	\$40.2 A	17.6x
2019E	\$8.4	\$9.9	\$11.2	\$14.0	\$43.5	16.3x
2020E	\$8.9	\$10.6	\$12.0	\$15.3	\$46.8	15.1x

Source: Company reports; Thomson; Bloomberg; LBS estimates.

## A&W Revenue Royalties Income Fund (AW.UN-T)

Rating: **Hold** – Target: **\$38.00**; Price: **\$38.95**

*Elizabeth Johnston, Consumer Products & Special Situations Analyst*

We summarize key points from A&W's participation in our Restaurant Industry Panel discussion.

- **Labour availability remains challenged in Canada**, with Quebec specifically highlighted as a challenging region. Recall that Quebec and Ontario have been focus regions for new restaurant development.
- **Delivery channel providing sales lift**. A&W has partnered with UberEats to offer delivery in Canada, and this has had a positive impact on sales growth.
- The “**Better ingredients**” campaign (which began in 2013) has driven strong organic growth over this period, and the recent introduction of the Beyond Meat meatless burger patty represents the next iteration of this campaign. A&W has historically provided options for non-beef eaters, in an effort to provide options to more customers.

## Company Profile

Andrew Peller is Canada's second largest producer and marketer of wines with a 15% market share in English Canada. It is engaged in the production, bottling and marketing of wines and spirits. It also imports wines from around the world and produces wine kits for the home winemaking market. It has wineries in British Columbia and Ontario and has products that service the premium, ultra-premium, and value market segments.

## Market and Company Data

Ticker	ADWA-T	Shares O/S (M)	44
Rating	N/A	Market Cap (M)	\$584
Risk	N/A	Float O/S (M)	30
Price	\$13.21	Float Value (M)	\$400
1-Yr Target	N/A	Avg Daily Volume (K)	37
Yield	1.6%	Enterprise Value (M)	\$750
1-Yr ROR	N/A	Control Blocks:	Mgmt & Dir
52 Wk High-Low	\$18.50-\$11.64	Voting	67%
Year End	March	Equity	33%
Net debt / cap	41%	Next Reporting	Jun-19

EPS (FD, Class A)	Q1	Q2	Q3	Q4	Annual	P/E
F2017	\$0.21 A	\$0.18 A	\$0.20 A	\$0.05 A	\$0.64 A	20.6x
F2018	\$0.20 A	\$0.23 A	\$0.29 A	(\$0.02) A	\$0.70 A	18.9x
F2019	\$0.23 A	\$0.24 A	\$0.18 A			
EBIT A (\$M)	Q1	Q2	Q3	Q4	Annual	EV/EBIT A
F2017	\$14.8 A	\$12.6 A	\$11.9 A	\$5.9 A	\$45.1 A	16.6x
F2018	\$14.5 A	\$16.9 A	\$20.2 A	\$5.7 A	\$57.2 A	13.1x
F2019	\$17.9 A	\$18.2 A	\$15.6 A			

Source: Company reports; Thomson Elkon.

## Andrew Peller Limited (ADW.A-T)

Rating: **Suspended** – Target: **N/A**; Price: **\$13.21**

*Equity Research Department*

We summarize key points from Andrew Peller's participation in our Beverage Industry Panel discussion.

- **Changing tastes driving growth in craft beer, wine**. Relatively speaking, domestic wine consumption is a newcomer versus domestic beer consumption (compared to more mature markets; BC is more advanced than the rest of Canada). Shifting demographics (i.e. millennials) are driving the demand.
- **Grocery provides opportunity to grow the brand**. ADW believes there is value in brand development as it helps to lower any intimidation factor and build loyalty amongst consumers. ADW has 102 stores in Ontario, and eight in B.C. (most of which are within grocery stores).
- **Challenges in the industry: taxation, regulation**. A meaningful part of the cost to the consumer is in the form of taxes. The industry needs to work with the government to ensure fair treatment.





## Company Profile

Boston Pizza Royalties Income Fund earns a royalty stream based on the franchise system sales of the 396 Boston Pizza restaurants included in the fund's royalty pool. Boston Pizza is a moderately priced dual casual dining restaurant/sports-bar concept. 98% of restaurant units are franchised.

## Market and Company Data

Ticker	BPF.UN-T	FD Shares O/S (M)	24.8
Rating	Hold	Market Cap (M)	\$424.6
Risk	Medium	Float O/S (M)	21.9
Price	\$17.12	Float Value (M)	\$374.7
1-Yr Target	\$17.50	Avg Daily Volume (k)	50.0
Dividend	\$1.38	Enterprise Value (M)	\$510.2
Yield	8.1%	Control Blocks:	
1-Yr ROR	10%	BP International	13%
52 Wk High-Low	\$21.13-\$13.82	Net Debt/EBITDA	2x
Valuation	7.75% target yield	Next Reporting	May-19
Year End	Dec. 31		

DCPU	Q1	Q2	Q3	Q4	Annual	P/DCF
2017	\$0.31	A \$0.35	A \$0.39	A \$0.33	A \$1.35	A 12.6x
2018	\$0.31	A \$0.33	A \$0.36	A \$0.33	A \$1.34	A 12.8x
2019E	\$0.33	\$0.33	\$0.35	\$0.32	\$1.33	12.9x
2020E	\$0.33	\$0.34	\$0.36	\$0.32	\$1.36	12.6x

EBITDA (\$)	Q1	Q2	Q3	Q4	Annual	EV/EBITDA
2017	\$10.4	A \$10.9	A \$11.5	A \$10.8	A \$43.5	A 11.7x
2018	\$10.6	A \$11.2	A \$11.7	A \$11.0	A \$44.4	A 11.5x
2019E	\$10.6	\$11.2	\$11.8	\$11.1	\$44.8	11.4x
2020E	\$10.9	\$11.6	\$12.2	\$11.5	\$46.2	11.0x

Source: Company reports; Thomson; Bloomberg; LBS estimates.

## Boston Pizza Royalties IF (BPF.UN-T)

Rating: **Hold** – Target: **\$17.50**; Price: **\$17.12**

Elizabeth Johnston, Consumer Products & Special Situations Analyst

We summarize key points from Boston Pizza's participation in our Restaurant Industry Panel discussion.

- **Off-premise/delivery an important sales channel.** Boston Pizza has historically invested heavily in off-premise, which includes their myBP mobile application and recently revamped website. In mid-2018, Boston Pizza launched the partnership with SkiptheDishes which has a national platform. This partnership has created the opportunity to reach more customers and provides an incremental sales opportunity.
- **Ongoing investment in menu innovation.** Boston Pizza has offerings that are more aligned with wellness trends (i.e. cauliflower crust pizza; non-dairy cheeses). However, most visits are driven by indulgence.
- **Franchisee reinvestment in the business.** Franchisees spend a portion of sales on advertising, both nationally and locally. Restaurant renovations take place every ~7 years, and these costs are borne by the franchisee. Keeping the restaurants up-to-date helps drive sales and generally provides a sales lift, upon reopening.

## Company Profile

Boyd Group is the largest corporate-owned multi-location operator in North America's \$30-40B collision repair industry, with 129 locations in Canada and 482 in the United States. Boyd currently operates three brands as well as an auto glass repair referral network. Repair services are offered to commercial and individual vehicle owners, and focus heavily on insurance repair claims.

## Market and Company Data

Ticker	BYD.UN-T	FD Shares O/S (M)	20.2
Rating	Buy	Market Cap (fd) (M)	\$3,007
Risk	Medium	Float O/S (M)	18.9
Price	\$148.77	Float Value (M)	\$2,808
1-Yr Target	\$160.00	Avg Daily Volume (k)	65
Dividend	\$0.54	Enterprise Value (M)	\$3,260
1-Yr ROR	8%	Control Blocks:	
52 Wk High-Low	\$150.70-\$102.59	Mgmt. % Dir	3%
Valuation	14x 2020E EBITDA	Net Debt/EBITDA	1.3x
BVPS	\$28.26	Next Reporting	May-19
Year End	Dec. 31		

Adjusted EPU FD	Q1	Q2	Q3	Q4	Annual	P/E
2016	\$0.70	A \$0.76	A \$0.71	A \$0.71	A \$2.95	A 50.5x
2017	\$0.71	A \$0.83	A \$0.67	A \$0.91	A \$3.12	A 47.6x
2018	\$1.03	A \$1.08	A \$1.04	A \$1.18	A \$4.29	A 34.7x
2019E	\$1.17	\$1.30	\$1.24	\$1.47	\$5.18	28.7x
2020E					\$5.90	25.2x

Adjusted EBITDA (\$M)	Q1	Q2	Q3	Q4	Annual	EV/EBITDA
2016	\$29.5	A \$30.5	A \$31.6	A \$32.6	A \$124.3	A 26.2x
2017	\$32.8	A \$35.5	A \$35.6	A \$41.8	A \$145.6	A 22.4x
2018	\$42.1	A \$42.5	A \$41.2	A \$47.6	A \$173.4	A 18.8x
2019E	\$48.9	\$52.6	\$51.0	\$58.2	\$210.7	15.5x
2020E					\$236.9	13.8x

Source: Company reports; Thomson; Bloomberg; LBS estimates.

## Boyd Group Income Fund (BYD.UN-T)

Rating: **Buy** – Target: **\$160.00**; Price: **\$148.77**

Elizabeth Johnston, Consumer Products & Special Situations Analyst

- **Collision repair industry still highly fragmented; consolidation ongoing.** The industry remains highly fragmented, with over 65% of shops owned by independent operators. Boyd remains well-positioned to continue to grow through acquisition (both single shops and multi-shop locations), given their leverage of 1.3x at the end of 2018 (comfort in 2x range; could go higher in short-term).
- **Technician shortage remains a constraint on growth, but early signs of progress.** In early 2018, Boyd invested in an enhanced benefits program, to help attract and retain technicians. Boyd has indicated that the program is helping on both these items and that their "same store technician count" is up. While the shortage of technicians has been a headwind on growth for multiple quarters, the shortage is more acute now, given low unemployment levels.
- **Opportunity to expand EBITDA margin, over time.** EBITDA margin has improved over the last three years from 8.7% in 2015, to 9.3% in 2018. Given that SSSG is the strongest driver of margin expansion, as the company continues to grow we should expect additional improvement. Furthermore, EBITDA margin in 2018 was negatively impacted by ~30bps relating to the additional benefits program (therefore, a 10% EBITDA margin is achievable).





## Company Profile

Brick Brewing is the fourth largest brewery in Ontario and is Ontario's largest Canadian-owned brewery. It produces, sells, markets and distributes bottled, canned and craft premium beer under a variety of different brands and under different price point categories. Its new Kitchener facility is state-of-the-art and can perform primary packaging, warehousing and distribution. The company is involved in co-packing as well.

## Market and Company Data

Ticker	BRB-T	Shares O/S (M)	35.3
Rating	N/A	Market Cap (M)	\$141
Risk	N/A	Float O/S (M)	19.4
Price	\$3.99	Float Value (M)	\$77
1-Yr Target	N/A	Avg Daily Volume (K)	16.2
Yield	2.5%	Enterprise Value (M)	\$154
1-Yr ROR	N/A	Control Blocks:	Mgmt & Dir
52 Wk High-Low	\$4.52 - \$2.52	Voting	45%
BVPS	N/A	Equity	45%
Year End	31-Jan	Next Reporting	Apr-19

EPS (FD)	Q1	Q2	Q3	Q4	Annual	P/E
F2018	\$0.02 A	\$0.03 A	\$0.01 A	\$0.01 A	\$0.07 A	57.0x
F2019	(\$0.01) A	\$0.04 A	\$0.03 A			

EBITDA (\$)	Q1	Q2	Q3	Q4	Annual	EV/EBITDA
F2018	\$2.1 A	\$2.6 A	\$1.7 A	\$1.8 A	\$9.8 A	15.7x
F2019	\$1.1 A	\$3.3 A	\$2.8 A			

Source: Company reports; Bloomberg; LBS estimates.

## Brick Brewing Co. Ltd. (BRB-T)

Rating: **Suspended** – Target: **N/A**; Price: **\$3.99**

*Equity Research Department*

We summarize key points from Brick Brewing's participation in our Beverage Industry Panel discussion.

- **Changing tastes, demographics, driving growth in craft beer.** Craft beer volumes have grown in the context of flattish beer sales. Craft beer represents a growing market and has an ~8% market share in Ontario (and growing each year). Furthermore, craft brewers are guaranteed shelf space at beer stores in Ontario (guaranteed 20%) and Brick is grandfathered as a craft brewer.
- **Grocery a growing channel for Brick.** Grocery currently represents 3% of sales (F2018) but over time, could become their largest channel (in 2015, Ontario legalized the sale of beer in grocery stores). The grocery channel represents ~450 stores in Ontario and Brick has its products listed in 95% of locations.
- **Brick stepping into Cannabis Infused Beverages (CIBs).** Brick has applied for research and processing licences and they are on track with their application. The company plans to invest \$12.6M to expand their facilities, which will include a new warehouse to provide segregation for the production of CIBs (in compliance with Health Canada requirements for CIB). They are currently looking for a partner for the CIB business.

## Company Profile

CCL Industries is a global specialty packaging company with four business segments: (1) CCL; (2) Avery; (3) Checkpoint; and (4) Innovia (specialty films). CCL operates 154 manufacturing facilities in 36 countries and has over 20,000 employees.

## Market and Company Data

Ticker *	CCL.B-T	FD Shares O/S (M)	178.0
Rating	Buy	Market Cap (M)	\$9,753
Risk	Medium	Float O/S (M)	170.9
Price	\$54.79	Float Value (M)	\$9,362
1-Yr Target	\$71.00	Avg Daily Volume (k)	650
Dividend	\$0.68	Enterprise Value (M)	\$11,655
1-Yr ROR	30.8%	Control Blocks:	
52 Wk High-Low	\$67.74-\$47.32	1281228 Ontario Inc.	17%
Valuation	12.5x 2020E EBITDA		
BVPS	\$15.19	Net Debt/EBITDA	1.9x
Year End	Dec 31	Next Reporting	Apr-19

Adjusted EPS (FD)	Q1	Q2	Q3	Q4	Annual	P/E
2017	\$0.56 A	\$0.67 A	\$0.60 A	\$0.81 A	\$2.64 A	20.8x
2018	\$0.68 A	\$0.69 A	\$0.66 A	\$0.67 A	\$2.71 A	20.2x
2019E	\$0.72	\$0.75	\$0.71	\$0.74	\$2.92	18.8x
2020E	\$0.79	\$0.81	\$0.77	\$0.80	\$3.16	17.3x

Adjusted EBITDA (\$M)	Q1	Q2	Q3	Q4	Annual	P/E
2017	\$211.4 A	\$248.4 A	\$240.1 A	\$259.0 A	\$958.9 A	12.2x
2018	\$249.1 A	\$255.0 A	\$246.7 A	\$244.2 A	\$995 A	11.7x
2019E	\$264.4	\$266.0	\$254.3	\$261.4	\$1,046	11.1x
2020E	\$277	\$278	\$266	\$274	\$1,096	10.6x

\* Represents primary ticker; Voting shares trade under the ticker CCL.A-T  
Source: Company reports; Thomson; Bloomberg; LBS estimates.

## CCL Industries Inc. (CCL.B-T)

Rating: **Buy** – Target: **\$71.00**; Price: **\$54.79**

*Elizabeth Johnston, Consumer Products & Special Situations Analyst*

- **Elevated purchase price multiples keeping CCL on the sidelines; M&A remains part of growth strategy.** CCL tends to transact at purchase price/EBITDA multiples in the range of 4-7x (which compares favourably to their LTM EV/EBITDA multiple of ~11.5x). With leverage at ~2x at the end of 2018 (and forecasted to reduce to 1.5x by the end of 2019), we expect the company to remain active but expect it to focus on smaller tuck-ins and debt repayment in 2019.
- **Innovia segment remains in focus.** Treofan (acquired in March 2018; part of Innovia segment) will be bringing on a new line in Q2/19 which should benefit top line sales, though this will be a margin headwind as the line gets fully up and running (likely two quarters). In terms of resin pricing, the stabilization of prices at the end of 2018 is generally positive as we head into 2019.







## Company Profile

DIRTT Environmental Solutions is a manufacturer of customizable prefabricated building interiors, created with its proprietary ICE software product and distributed through a network of 104 Distribution Partners who employ approximately 550 direct sales representatives in eight countries. DIRTT has four manufacturing facilities in Alberta, British Columbia, Arizona and Georgia.

## Market and Company Data

Ticker	DRT-T	FD Shares O/S (M)	92.4
Rating	Buy	Market Cap (M)	\$845.9
Risk	High	Float O/S (M)	84.7
Price	\$9.15	Float Value (M)	\$774.6
1-Yr Target	\$10.00	Avg Daily Volume (k)	250
Dividend	n/a	Enterprise Value (M)	\$780.7
Yield	n/a	Ownership:	
1-Yr ROR	9%	Mgmt and Directors	4%
52 Wk High-Low	\$7.93-\$4.39		
Valuation	9x 2020E EBITDA	Debt/EBITDA	nm
Year End	Dec. 31	Next Reporting	May-19

EPS (FD)							
	Q1	Q2	Q3	Q4	Annual		P/E
2016	\$0.00	A (\$0.02)	A \$0.04	A \$0.05	A \$0.08	A	114.4x
2017	(\$0.02)	A (\$0.03)	A \$0.05	A (\$0.08)	A (\$0.08)	A	nm
2018	\$0.04	A \$0.01	A (\$0.05)	A \$0.04	A \$0.03	A	282.2x
2019E	\$0.04	\$0.05	\$0.12	\$0.10	\$0.31		30.0x
2020E					\$0.50		18.3x
Adjusted EBITDA (\$M)							
	Q1	Q2	Q3	Q4	Annual		EV/EBITDA
2016	\$4.6	A \$4.4	A \$11.1	A \$11.2	A \$31.2	A	25.0x
2017	\$4.0	A \$2.1	A \$10.8	A (\$1.0)	A \$15.9	A	49.2x
2018	\$12.7	A \$8.2	A \$17.8	A \$17.5	A \$56.2	A	13.9x
2019E	\$13.2	\$10.4	\$19.8	\$16.5	\$59.8		13.0x
2020E					\$80.2		9.7x

Source: Company reports; Thomson; Bloomberg; LBS estimates.

## DIRTT Environmental Solutions (DRT-T)

Rating: **Buy** – Target: **\$10.00**; Price: **\$9.15**

Elizabeth Johnston, Consumer Products & Special Situations Analyst

- **Large addressable market of up to US\$150B in North America.** DIRTT's solution is a fully customizable proprietary product, with price and schedule certainty, offering a clean installation with reduced waste (given the custom prefabrication). Given DIRTT's revenue of \$356M in 2018, this market is largely untapped and there remains ample opportunity to grow the top line.
- **Profitability improved in 2018; demonstrates potential.** In 2018, EBITDA margin improved to 15.7% (+250% increase in EBITDA dollars; 22% increase in revenue) from 5.4% in 2017. With a more structured and disciplined approach to SG&A, DIRTT has demonstrated potential for fixed cost leverage within the business model.
- **U.S. listing planned for 2019.** Additionally, a formal long-term strategic plan is expected to be released in late Q3/19. This plan is expected to include details on its capex and capital allocation strategy.

## Company Profile

IPL Plastics is a manufacturer of plastic packaging with three segments: Consumer Packaging Solutions, Large Format Packaging & Environmental Solutions, and Returnable Packaging Solutions. Approximately 50% of revenue comes from the U.S. with 25% from the U.K. & Ireland, 15% from Canada and the balance, internationally.

## Market and Company Data

Ticker	IPLP-T	Shares O/S (M)	53.6
Rating	Buy	FD Shares O/S (M)	55.9
Risk	High	Market Cap (M)	C\$598
Price	C\$10.70	Avg Daily Volume (k)	n/a
1-Yr Target	C\$18.00	Enterprise Value (M)	US\$670
Dividend	n/a	Ownership:	
Yield	n/a	CDPQ	28%
1-Yr ROR	68.2%	FTSQ	6%
52 Wk High-Low	\$13.50-\$8.06	Management	4%
Valuation	9x 2020E EV/EBITDA	Net Debt/EBITDA*	3.5x
Year End	December	Next Reporting	May-19

Adjusted EPS (FD)							
	Q1	Q2	Q3	Q4	Annual		P/E
2017	\$0.11	A -	-	-	\$0.14	A	76.4x
2018	\$0.18	A \$0.16	A \$0.19	A \$0.11	A \$0.63	A	13.1x
2019E	\$0.06	\$0.18	\$0.17	\$0.16	\$0.57		14.5x
2020E					\$0.69		12.0x
Adjusted EBITDA (US\$M)							
	Q1	Q2	Q3	Q4	Annual		EV/EBITDA
2017	\$14.6	A -	-	-	\$80.1	A	8.4x
2018	\$17.1	A \$22.8	A \$20.5	A \$17.7	A \$78.1	A	8.6x
2019E	\$17.8	\$27.4	\$26.8	\$25.6	\$97.5		6.9x
2020E					\$107.0		6.3x

Figures in italics are pre-IPO. Amounts in USD. \*PF Loomans acquisition.  
Source: Company reports; Thomson; Bloomberg; LBS.

## IPL Plastics Inc. (IPLP-T)

Rating: **Buy** – Target: **\$18.00**; Price: **\$10.70**

Elizabeth Johnston, Consumer Products & Special Situations Analyst

- **Resin price moderation anticipated to positively impact IPLP heading into 2019.** Overall, resin-related price changes were a -1.8% y/y headwind on EBITDA margin in 2018. Note that the timing of the pass-through varies by segment.
- **RPS sales delayed, revenue pushed out.** In 2019, lower agriculture bin volumes and shipment delays within automotive are expected to weigh on overall sales (the company expects EBITDA to be at least flat y/y). Looking ahead, the company has begun initiatives to adjust for the lower volume, as well as pursue new customers within Automotive (which was not previously part of the short-term plan).
- **Strategic acquisition of Loomans; potential for longer-term benefits.** The acquisition provides complementary operations and there is longer-term potential for expansion of the operations in their existing market segment (consumer products). The in-house tooling will be able to serve IPL's CPS segment, with the ability to service and produce their molds (potential margin benefit over time). In the near-term, the priority will be the integration of the acquisition.





## Company Profile

K-Bro is the largest owner and operator of laundry and linen processing facilities in Canada. The company provides a range of services to healthcare institutions, hotels and other commercial accounts that include the processing, management and distribution of general linen and operating room linen. The company has nearly 1,800 employees and operates nine laundry and linen processing facilities in most major centers across Canada, along with the recently acquired Fishers Laundry, in the UK (seven facilities).

## Market and Company Data

<b>Ticker</b>	KBL-T	<b>FD Shares O/S (M)*</b>	10.6
<b>Rating</b>	Buy	<b>Market Cap (M)</b>	\$400.2
<b>Risk</b>	Medium	<b>Float O/S (M)</b>	10.3
<b>Price</b>	\$37.67	<b>Float Value (M)</b>	\$386.3
<b>1-Yr Target</b>	\$42.00	<b>Avg Daily Volume (k)</b>	25.0
<b>Dividend</b>	\$1.20	<b>Enterprise Value (M)</b>	\$470.4
<b>1-Yr ROR</b>	15%	<b>Control Blocks:</b>	
<b>52 Wk High-Low</b>	\$40.00-\$32.00	<i>Mgmt &amp; Dir</i>	3.5%
<b>Valuation</b>	11x 2020E EBITDA	<b>Net Debt/ LTM EBITDA</b>	2.4x
<b>BVPS</b>	\$18.70	<b>Next Reporting</b>	May-19
<b>Year End</b>	Dec. 31		

Adjusted EPS (FD)							
	Q1	Q2	Q3	Q4	Annual		P/E
2016	\$0.32	A \$0.42	A \$0.43	A \$0.27	A \$1.44	A	26.2x
2017	\$0.16	A \$0.26	A \$0.36	A \$0.16	A \$0.93	A	40.4x
2018	\$0.06	A \$0.25	A \$0.18	A \$0.10	A \$0.58	A	64.9x
2019E	\$0.08	\$0.35	\$0.40	\$0.19	\$1.12		33.5x
2020E					\$1.59		23.7x

Adjusted EBITDA (\$M)							
	Q1	Q2	Q3	Q4	Annual		EV/EBITDA
2016	\$6.8	A \$7.5	A \$7.5	A \$6.4	A \$28.2	A	16.7x
2017	\$4.8	A \$6.7	A \$8.1	A \$7.3	A \$24.0	A	19.6x
2018	\$6.2	A \$8.5	A \$8.3	A \$6.6	A \$29.6	A	15.9x
2019E	\$6.8	\$10.2	\$11.7	\$8.8	\$37.5		12.6x
2020E					\$44.5		10.6x

\*Pro-forma acquisition of Fishers.  
Source: Company reports; Thomson; Bloomberg; LBS estimates.

## K-Bro Linen Inc. (KBL-T)

Rating: **Buy** – Target: **\$42.00**; Price: **\$37.67**

*Elizabeth Johnston, Consumer Products & Special Situations Analyst*

- **Higher labour costs remain a challenge.** Labour costs have been a meaningful headwind on margin, not only in terms of ongoing labour, but also as a result of transition costs. While the transition in Vancouver is effectively complete, higher wage rates continue to weigh on margin, though this is expected to ease in H2/19 (in part relating to price increases).
- **Large capex program complete; positioned for growth in key markets.** With new plants in Toronto (\$37M) and Vancouver (\$55M; new plant + refurbishment of second plant), K-Bro is positioned to more aggressively bid on new contracts and operate more efficiently. Over time, K-Bro believes they can add another \$5-7M in new wins, which would increase capacity utilization to ~70% (from ~50%, now). In Vancouver, the investment was required given they were operating over capacity and are now down to a single shift (50% capacity).
- **M&A part of strategy.** With to the acquisition of Fishers, K-Bro now has a presence in Canada and the U.K. (Scotland). We expect the company to remain opportunistic in terms of M&A and maintain a conservative balance sheet. With net debt/EBITDA of 2.4x at Q4/18, we would anticipate debt repayment to be a focus.

## Company Profile

Recipe Unlimited is a multi-banner full-service restaurant company with 18 banners in operation (including The Keg). Approximately 82% of its 1,382 units are franchised (includes The Keg), with ~55% of restaurants located in Ontario. Their two largest banners by location count are Swiss Chalet (212) and Harvey's (292). In 2018, Recipe had system sales of \$3.4B.

## Market and Company Data

<b>Ticker</b>	RECP-T	<b>FD Shares O/S (M)</b>	64.4
<b>Rating</b>	Buy	<b>Market Cap (M)</b>	\$1,691
<b>Risk</b>	High	<b>Float O/S (M)</b>	28.6
<b>Price</b>	\$26.25	<b>Float Value (M)</b>	\$749.8
<b>1-Yr Target</b>	\$32.50	<b>Avg Daily Volume (k)</b>	35
<b>Dividend</b>	\$0.45	<b>Enterprise Value (M)</b>	\$2,211
<b>Yield</b>	1.71%	<b>Equity Ownership:</b>	
<b>1-Yr ROR</b>	25.5%	<i>Fairfax:</i>	43%
<b>52 Wk High-Low</b>	\$31.49-\$23.57	<i>Phelan Family:</i>	23%
<b>Valuation</b>	10x 2020E EBITDA	<b>Net Debt/EBITDA</b>	1.7x
<b>Year End</b>	Dec. 31	<b>Next Reporting</b>	May-19

Adj. EPS (FD)							
	Q1	Q2	Q3	Q4	Annual		P/E
2017	\$0.41	A \$0.42	A \$0.46	A \$0.59	A \$1.88	A	14.0x
2018	\$0.41	A \$0.30	A \$0.49	A \$0.54	A \$1.74	A	15.0x
2019E	\$0.37	\$0.40	\$0.40	\$0.49	\$1.67		15.8x
2020E	\$0.39	\$0.41	\$0.41	\$0.51	\$1.72		15.3x

Adj EBITDA (M)							
	Q1	Q2	Q3	Q4	Annual		EV/EBITDA
2017	\$42.9	A \$41.6	A \$48.0	A \$58.5	A \$195.5	A	11.3x
2018	\$47.4	A \$55.2	A \$52.4	A \$64.5	A \$219.6	A	10.1x
2019E	\$54.4	\$56.8	\$56.7	\$64.7	\$232.7		9.5x
2020E	\$55.6	\$58.0	\$58.0	\$66.3	\$238.0		9.3x

Source: Company reports; Thomson; Bloomberg; LBS estimates.

## Recipe Unlimited Corporation (RECP-T)

Rating: **Buy** – Target: **\$32.50**; Price: **\$26.25**

*Elizabeth Johnston, Consumer Products & Special Situations Analyst*

We summarize key points from Recipe's participation in our Restaurant Industry Panel discussion and the Conference Reverse Roadshow.

- **On April 3<sup>rd</sup>, we visited a St-Hubert restaurant in the Montreal region as part of our Conference Reverse Roadshow event,** where we heard from members of the St-Hubert team regarding the history of the brand as well as how the brand fits into the Recipe portfolio.
- **In terms of labour,** diligent hiring remains important as does strong training practices. Technology can provide support for training and help bring new employees up-to-speed more quickly.
- **Off-premise/delivery.** Recipe continues to learn and develop the delivery channel; two of Recipe's brands already have meaningful experience with this channel (Swiss Chalet and St-Hubert). The company continues to invest and develop their delivery channel and improve their execution.
- **Renovations offer opportunity to refresh the whole restaurant.** The company sees a renovation as an opportunity to rejuvenate and retrain, in addition to updating the look of the restaurant. Post-renovation, the goal is to maintain the higher sales level; not just have a one-time sales lift.





## Company Profile

Richards Packaging is the largest packaging distributor in Canada and the third largest in North America. With distribution of over 5,000 products and a wide customer base of ~14,000, Richards derives 90% of revenues from distribution and 10% from manufacturing (plastic containers). Richards' main customers consist of small- and medium-sized regional premium product manufacturers.

## Market and Company Data

Ticker	RPI.UN-T	FD Shares O/S (M)	12
Rating	N/A	Market Cap (M)	\$451
Risk	N/A	Float O/S (M)	74
Price	\$38.60	Float Value (M)	\$2,851
1-Yr Target	N/A	Avg Daily Volume (k)	15
Dividend	\$1.32	Enterprise Value (M)	\$473
Yield	3.4%	Mgmt & Insiders:	
1-Yr ROR	N/A	Gerry Glynn, CEO	20%
52 Wk H/L	\$40.88-\$30.99	Net Debt/EBITDA	
Year End	December	Next Reporting	May-19

Adj. EPS FD	Q1	Q2	Q3	Q4	Annual	P/E
2017	\$0.37	A \$0.25	A \$0.44	A \$0.36	A \$1.42	A 27.1x
2018	\$0.52	A \$0.22	A \$0.47	A \$0.85	A \$2.06	A 18.7x

EBITDA (\$M)	Q1	Q2	Q3	Q4	Annual	EV/EBITDA
2017	\$9.7	A \$10.6	A \$9.9	A \$10.4	A \$40.6	A 11.7x
2018	\$10.8	A \$11.7	A \$11.9	A \$11.6	A \$46.0	A 10.3x

Source: Company reports; Thomson Eikon.

## Richards Packaging Income Fund (RPI.UN-T)

Rating: **Not Rated** – Target: **N/A**; Price: **\$38.60**

- **Revenue growth opportunity.** Healthcare and cosmetics are growing faster than the legacy food and beverage clients and this is higher margin business (given the type of packaging; more high end). Distribution remains the core business, with limited manufacturing used as a sales tool.
- **M&A a part of the strategy; company remains discerning.** Richards views M&A opportunities in three groups: Healthcare, Cosmetics, and Internet Platform. Within Healthcare, a key part of an acquisition would be the cross-selling opportunity, utilizing existing relationships. Within Cosmetics, a regional player (in a new region) would be of interest. As of Q4/18, Richards had leverage (net debt/EBITDA) of 0.5x, with comfort as high as 2.75x (implies an additional \$100M in debt).
- **The company's distribution model benefits profitability.** The company is largely insulated from potential negative impact of price increases, as all costs are passed along to the customer.

## Company Profile

SIR Royalty IF earns a royalty stream based on the system sales of the 597 restaurants included in the fund's royalty pool. The largest restaurant concept in the royalty pool is Jack Astor's, which contributes ~75% of system sales.

## Market and Company Data

Ticker	SRV.UN-T	FD Shares O/S (M)	10.6
Rating	Hold	Market Cap (M)	\$170.7
Risk	High	Float O/S (M)	8.4
Price	\$16.12	Float Value (M)	\$135.0
1-Yr Target	\$14.75	Avg Daily Volume (k)	15
Dividend	\$1.26	Enterprise Value (M)	\$170.7
Yield	7.8%	Control Blocks:	
1-Yr ROR	-1%	SIR Corp.	20.9%
52 Wk High-Low	\$16.18-\$13.15	Debt/EBITDA	0x
Valuation	8.5% target yield	Next Reporting	May-19
Year End	Dec. 31		

DCPU	Q1	Q2	Q3	Q4	Annual	P/DCF
2017	\$0.28	A \$0.32	A \$0.31	A \$0.28	A \$1.18	A 13.7x
2018	\$0.29	A \$0.34	A \$0.34	A \$0.26	A \$1.23	A 13.1x
2019E	\$0.30	\$0.34	\$0.34	\$0.31	\$1.29	12.5x
2020E	\$0.30	\$0.35	\$0.35	\$0.31	\$1.31	12.3x

EBITDA (\$	Q1	Q2	Q3	Q4	Annual	EV/EBITDA
2017	\$3.9	A \$4.4	A \$4.4	A \$4.1	A \$16.8	A 10.2x
2018	\$4.0	A \$4.6	A \$4.6	A \$4.3	A \$17.5	A 9.7x
2019E	\$4.3	\$4.9	\$4.9	\$4.5	\$18.6	9.2x
2020E	\$4.3	\$5.0	\$5.0	\$4.6	\$19.0	9.0x

Source: Company reports; Thomson; Bloomberg; LBS estimates.

## SIR Royalty Income Fund (SRV.UN-T)

Rating: **Hold** – Target: **\$14.75**; Price: **\$16.12**

*Elizabeth Johnston, Consumer Products & Special Situations Analyst*

We summarize key points from SIR's participation in our Restaurant Industry Panel discussion.

- **Technology supports the restaurant experience.** One of the ways that SIR uses technology is with tablets tableside. This allows the server to spend more time with the guest and support a better overall restaurant experience.
- **Off-premise/delivery a growth channel; but not without challenges.** SIR has partnered with SkiptheDishes to provide delivery for its restaurants (previously had no delivery channel). However, a delivery is not equal to an in-restaurant visit as there is no alcohol as part of the overall cheque (therefore, potential lower cheque when delivered). Restaurants must remain relevant and attractive in terms of the overall experience, to continue to attract guests.
- **Customer traffic has been under pressure.** This is, in part, coming from the delivery channel, but the company also believes it to be the result of higher menu prices (higher minimum wages put upward pressure on menu items).







## Company Profile

Sleep Country Canada Holdings (SCCH) is a specialty retailer, selling mattresses and sleep accessories with 264 corporate stores (and 16 distribution centres) across Canada. The company operates two brands: Sleep Country and Dormez-vous? (Quebec).

## Market and Company Data

Ticker	ZZZ-T	Shares O/S (M)	37.1
Rating	Buy	FD Shares O/S (M)	38.1
Risk	Medium	Market Cap (M)	\$722
Price	\$18.96	Float O/S (M)	35.5
1-Yr Target	\$32.00	Float Value (M)	\$673
Dividend	\$0.74	Avg Daily Volume (k)	115
Yield	3.9%	Enterprise Value (M)	\$863
1-Yr ROR	73%	Ownership:	
52 Wk High-Low	\$36.57-\$18.79	Mgmt and Directors:	4%
Valuation	10x 2020E EV/EBITDA	Net Debt/EBITDA	1.3x
Year End	December	Next Reporting	May-19

Adjusted EPS (FD)							
	Q1	Q2	Q3	Q4	Annual		P/E
2016	\$0.19	A \$0.26	A \$0.56	A \$0.30	A \$1.31	A	14.5x
2017	\$0.27	A \$0.29	A \$0.62	A \$0.39	A \$1.57	A	12.1x
2018	\$0.29	A \$0.35	A \$0.66	A \$0.39	A \$1.69	A	11.2x
2019E	\$0.28	A \$0.34	A \$0.65	A \$0.47	A \$1.74	A	10.9x
2020E	\$0.30	A \$0.36	A \$0.70	A \$0.50	A \$1.86	A	10.2x

Operating EBITDA (\$M)							
	Q1	Q2	Q3	Q4	Annual		EV/EBITDA
2016	\$14.4	A \$17.9	A \$33.6	A \$19.1	A \$85.0	A	10.1x
2017	\$18.2	A \$20.2	A \$35.8	A \$24.6	A \$98.8	A	8.7x
2018	\$19.3	A \$22.9	A \$37.7	A \$25.9	A \$105.0	A	8.2x
2019E	\$20.7	A \$23.9	A \$40.2	A \$30.6	A \$115.5	A	7.5x
2020E	\$22.2	A \$25.5	A \$42.8	A \$32.7	A \$123.2	A	7.0x

Source: Company reports; Thomson; Bloomberg; LBS.

## Sleep Country Canada Holdings Inc. (ZZZ-T)

Rating: **Buy** – Target: **\$32.00**; Price: **\$18.96**

*Elizabeth Johnston, Consumer Products & Special Situations Analyst*

- **New store openings an important component to growth.** While the company opened 17 locations in 2018, new openings are impacted by real estate availability. Going forward, Sleep Country plans to open 8-12 locations. Mall stores are a relatively recent addition (there are seven opened) and have performed well.
- **Endy acquisition complementary.** With an estimated 8% of mattress sales in Canada made online, Sleep Country will develop their omni-channel offering which includes Endy (operated independently) and their internally developed Bloom offering. Over time, Sleep Country believes that online sales could reach 20% of the market (the level seen in more mature markets; U.S. is over 10%).
- **Renovation activity ongoing; provides lift in sales.** Sleep Country plans to renovate 25-30 stores in 2019 (no change vs. historical pace; ~60% of stores have the updated look). These renovations update the store and put a greater emphasis on the accessories offering. Renovations cost \$325k per store, though the company is currently testing a lower priced \$180k renovation. Post-renovation, renovated stores have a sales lift in the 100-200bps range.

## Company Profile

Transcontinental Inc. is a flexible packaging manufacturer, Canada's largest printer and a specialty media publisher. It has been operating for 40 years, and has over 9,000 employees. As of F2018, the revenue was split between packaging (38%), printing (57%) and media (5%). Pro-forma the Coveris acquisition, packaging represents ~52% of revenue.

## Market and Company Data

Ticker	TCL.A-T	FD Shares O/S (M)	88
Rating	N/A	Market Cap (M)	\$1,437
Risk	N/A	Float O/S (M)	74
Price	\$16.40	Float Value (M)	\$1,211
1-Yr Target	N/A	Avg Daily Volume (k)	450
Dividend	\$0.88	Enterprise Value (M)	\$2,857
Yield	5.4%	Mgmt & Insiders:	
1-Yr ROR	N/A	Rémi Marcoux:	14%
52 Wk H/L	\$32.89-\$19.77	Includes 12.5M Class B	
Year End	October	Net Debt/EBITDA	3.5x
		Next Reporting	Jun-19

Adj. EPS	Q1	Q2	Q3	Q4	Annual	P/E
F2017	\$0.53	A \$0.55	A \$0.65	A \$0.88	A \$2.61	A 6.3x
F2018	\$0.63	A \$0.58	A \$0.59	A \$1.06	A \$2.86	A 5.7x
F2019	\$0.52	A				

EBITDA (\$M)	Q1	Q2	Q3	Q4	Annual	EV/EBITDA
F2017	\$87.9	A \$90.1	A \$95.4	A \$123.3	A \$396.7	A 7.2x
F2018	\$91.0	A \$89.7	A \$116.5	A \$162.2	A \$459.4	A 6.2x
F2019	\$108.1	A				

Source: Company reports; Thomson Eikon.

## Transcontinental Inc. (TCL.A-T)

Rating: **Not Rated** – Target: **N/A**; Price: **\$16.40**

- **Growing flexible plastic packaging segment.** Transcontinental is repositioning itself as a flexible plastic packaging manufacturer, utilizing the cash flow generated from the legacy printing business.
- **Coveris acquisition in April 2018 created platform for growth.** The near-term focus is on the integration of this business, which includes an internal reorganization as well as working through contract renewals. TCL is anticipating \$20M in synergies from this acquisition, which should come from procurement (\$10M) and the sharing of best practices and integration (\$10M).
- **Additional M&A part of long-term growth.** The company will look to grow through M&A, opportunistically (fragmented U.S. industry represents an opportunity). In the near-term, the focus is on the integration of Coveris. With leverage currently at 2.7x (net debt/EBITDA), focus is on deleveraging to a target of 2x.







## DIVERSIFIED AGRICULTURE



**Company Profile**

Cervus acquires and manages authorized agricultural, industrial and transportation equipment dealerships with interests in 62 dealerships in Western Canada, New Zealand and Australia. The primary equipment brands represented by Cervus include John Deere agricultural equipment; Clark, JLG, Sellick and Doosan material handling equipment; and Peterbilt transportation equipment.

**Market and Company Data**

Ticker	CERV-T	Shares O/S (M)	15.5
Rating	N/A	Market Cap (M)	\$206
Risk	N/A	Float O/S (M)	11.3
Price	\$13.25	Float Value (M)	\$150
1-Yr Target	NA	Avg Daily Volume (K)	7.3
Yield	2.1%	Enterprise Value (M)	\$245.4
1-Yr ROR	Na	Control Blocks:	Mgmt & Dir
52 Wk High-Low	\$15.05 - \$11.61	Voting	27%
Valuation	N/A	Equity	27%
Year End	31-Dec	Next Reporting	Jun-19

EPS (FD, ex-FX, gains)							P/E
	Q1	Q2	Q3	Q4	Annual		
2017	(\$0.10) A	\$0.46 A	\$0.55 A	\$0.24 A	\$1.32 A		10.3x
2018	\$0.00 A	\$0.58 A	\$0.74 A	\$0.35 A	\$1.67 A		7.9x

EBITDA (\$M, ex-X, gains)							EV/EBITDA
	Q1	Q2	Q3	Q4	Annual		
2017	\$4.1 A	\$17.5 A	\$18.7 A	\$13.8 A	\$52.5 A		4.7x
2018	\$5.1 A	\$19.4 A	\$21.3 A	\$13.4 A	\$59.2 A		4.1x

Source: Company reports; Bloomberg; LBS estimates.

**Cervus Equipment Corp. (CERV-T)**

Rating: **Suspended** – Target: **N/A**; Price: **\$13.25**

*Equity Research Department*

- **Cautious macro outlook in light of industry headwinds.** Farmer sentiment in Canada is generally positive and farmer balance sheets remain healthy following ~5 years of very strong farm incomes. Nevertheless, several headwinds were cited, including tariffs on steel and other commodities, as well as USD/CAD FX pressure which, combined with product improvements, has translated to increased pricing on new agriculture equipment (~50% higher vs. five years ago). With these factors in mind, management has noted a demand shift toward used equipment sales, including among large farms which are the traditional buyers of new equipment. The upside of this shift is increased demand for high-margin parts and services sales.
- **Transportation segment remains strong.** CERV notes ongoing strength in its Ontario transportation business, with new truck sales being driven by a replacement cycle in conjunction with strong growth in freight demand, as opposed to fleet expansion.
- **M&A update.** The company sees broad acquisition opportunities within Canada and Australia in Agriculture, as well as in its Industrial and Transportation segments. Agriculture dealer multiples remain higher in Canada than the U.S. owing to stronger farm fundamentals. CERV's balance sheet is supportive of M&A with net debt to EBITDA under 1x and debt to total cap under 20%.

**Company Profile**

Rocky Mountain is one of Canada's largest independent dealers of CNH equipment including Case Construction, Case IH Agriculture and New Holland equipment. The company owns and operates over 40 full-service dealership branches across the Canadian Prairie provinces, through which they sell and service new and used agriculture and construction equipment.

**Market and Company Data**

Ticker	RME-T	Shares O/S (M)	19.5
Rating	N/A	Market Cap (M)	\$182.2
Risk	N/A	Float O/S (M)	15.2
Price	\$9.35	Float Value (M)	\$142.1
1-Yr Target	N/A	Avg Daily Volume (K)	6.4
Yield	5.2%	Enterprise Value (M)	\$208.9
1-Yr ROR	N/A	Control Blocks:	Mgmt & Dir
52 Wk High-Low	\$12.59 - \$8.19	Voting	22%
Valuation	N/A	Equity	22%
Year End	31-Dec	Next Reporting	May-19

Adjusted EPS (FD)							P/E
	Q1	Q2	Q3	Q4	Annual		
2017	\$0.04 A	\$0.29 A	\$0.44 A	\$0.39 A	\$1.16 A		8.0x
2018	\$0.01 A	\$0.32 A	\$0.29 A	\$0.33 A	\$0.95 A		9.8x

Adjusted EBITDA (\$M)							EV/EBITDA
	Q1	Q2	Q3	Q4	Annual		
2017	\$3.3 A	\$10.0 A	\$14.1 A	\$12.8 A	\$40.2 A		5.2x
2018	\$2.3 A	\$11.0 A	\$10.2 A	\$11.3 A	\$34.8 A		6.0x

Source: Company reports; Bloomberg; LBS estimates.

**Rocky Mountain Dealerships Inc. (RME-T)**

Rating: **Suspended** – Target: **N/A**; Price: **\$9.35**

*Equity Research Department*

- **Neutral outlook for 2019 given headwinds.** Following a strong performance in 2018, 2019 is expected to be relatively flat with headwinds including steel and aluminum tariffs, FX uncertainty and trade tensions (China having recently halted Canadian imports of canola). Canadian agriculture boasts the ability to rotate among various crops, creating a mechanism to overcome canola pressures via substitution to other cash crops. Customer health remains positive, with farm cash receipts near 5-year highs and balance sheets remaining strong. A flat outlook for new equipment sales in 2019 presents opportunities for RME to sell used equipment and grow its higher-margin parts and services revenue; though technician sourcing in low-population centres remains a constraint.
- **M&A and 5-year plan update.** RME sees opportunities to acquire within Western Canada and continues to examine the U.S. market, citing more attractive valuations; though this is a product of declining farm incomes and challenging conditions for dealers, necessitating selectivity. With net debt to EBITDA under 1x, the company's balance sheet is supportive of M&A. RME expects acquisitions to aid in the achievement of its 5-year plan (annual targets of \$1.5B of revenue and \$40M of EBITDA by 2023), and it remains confident in attaining these objectives.





## DIVERSIFIED TECHNOLOGY



## Company Profile

Following a transformational acquisition of MCP Group, Montreal-based 5N Plus Inc. has become a fully integrated primary/secondary leading refiner of commercial and ultra-high purity metals and compounds used in the pharmaceutical, electronic, industrial and solar markets.

## Market and Company Data

Ticker	VNP-T	Shares-basic O/S (M)	84.6
Rating	Buy	Shares-FD O/S (M)	90.0
Risk	High	Market Cap (US\$M)	\$231.4
Price	\$3.64	Float O/S (M)	50.2
1-Yr Target	\$4.25	Avg Daily Volume (K)	67.5
Yield	0.0%	Enterprise Value (US\$M)	\$253.5
1-Yr ROR	16.8%	Cash (US\$M)	\$26.7
52 Wk High-Low	\$3.83 - \$2.65	Net Debt (US\$M)	\$22.0
Valuation	7.5x 2020 EV/EBITDA	Ownership	
Year End	Dec. 31	Manag. & Dir.	3%
Next Reporting	May-19	Institutional	52%
		Net Debt/Total Cap	16%

EPS (FD, US\$)							P/E
	Q1	Q2	Q3	Q4	Annual		
F2017A	\$0.01	A \$0.07	A \$0.03	A \$0.06	A \$0.18		15.6x
F2018A	\$0.04	A \$0.05	A \$0.05	A \$0.06	A \$0.20		13.4x
F2019E	\$0.05	\$0.06	\$0.05	\$0.04	\$0.19		14.2x
F2020E					\$0.22		12.6x

EBITDA (US\$ M)							EV/EBITDA
	Q1	Q2	Q3	Q4	Annual		
F2017A	\$6.6	A \$9.2	A \$7.0	A \$6.9	A \$29.7		8.5x
F2018A	\$7.9	A \$9.0	A \$8.6	A \$6.9	A \$32.4		7.8x
F2019E	\$9.1	\$10.0	\$9.3	\$7.7	\$36.1		7.0x
F2020E					\$39.7		6.4x

Source: Company reports; Bloomberg; LBS estimates.

## 5N Plus Inc. (VNP-T)

Rating: **Buy** – Target: **\$4.25**; Price: **\$3.64**

Nick Agostino, Diversified Technology Analyst

- **Target 17% ROCE by 2021.** VNP confirmed it remains on track to reach 17% ROCE as part of its 5N21 strategic plan. Key drivers to achieve target include penetration into: 1) high purity additives; 2) engineered semiconductor materials; and, 3) micropowders. VNP ended 2018 at 15% ROCE. The company also reconfirmed its guidance for US\$45M in EBITDA in 2021 (ex. M&A) despite a 'staging' year in 2019; however, the order book is full for 2019.
- **Downstream revenue opportunities to drive ROCE.** By 2021 VNP expects its: 1) high-purity additive target market to be US\$70-100M, with its share rising from 0% to 10-15%; 2) engineered semiconductor materials target market to be US\$160-250M, with its share increasing from 5% to 10-12%; and, 3) micropowders target market to grow to US\$30-50M, with share rising from 0% to 12-16%. Based on mid-points, VNP expects a 5-fold increase in downstream opportunities from ~US\$8M currently to US\$40M by 2021 (at high margin potential).
- **Beyond 2021.** VNP highlighted further growth that extends beyond its current strategic plan, coming from: medical imaging, satellite IoT (nine constellations planned with VNP customer, OneWeb), and electronic packaging. In the case of the latter two markets, VNP believes only one other competitor exists in each segment, capable of meeting market requirements.

## Company Profile

Descartes offers a complete SaaS platform serving logistics-intensive industries. Its solutions help businesses optimize and automate various processes, including the planning, routing, scheduling and tracking of deliveries; order tracking, invoicing, auditing, payment, filing of customs and security documents for cross-border trade, and other logistics processes. DSG serves over 20k customers in ~160 countries.

## Market and Company Data

Ticker	DSG-T; DSGX-O	Shares-basic O/S (M)	77.2
Rating	Hold	Shares-FD O/S (M)	79.0
Risk	High	Market Cap (US\$M)	\$3,013
Price (US\$)	\$39.05	Float O/S (M)	75.8
1-Yr Target (US\$)	\$35.00	Avg Daily Volume (K)	93.9
Yield	0.0%	Enterprise Value (US\$M)	\$3,252
1-Yr ROR	-10.4%	Cash (US\$M)	\$27.3
52 Wk High-Low (US\$)	\$39.15 - \$25.19	Net Debt (US\$M)	\$239.2
Valuation	75/25 23x F2021 EBITDA/ DCF	Ownership	
Year End	Jan-31	Manag., Dir. & Insiders	1.7%
Next Reporting	Jun-19	Institutional/Retail	98.3%
		Net Debt/Total Cap	30.1%

Sales (US\$M)							EV/Sales
	Q1	Q2	Q3	Q4	Annual		
2017A	\$48.9	A \$50.5	A \$51.5	A \$52.8	A \$203.8		16.0x
2018A	\$54.5	A \$57.3	A \$62.0	A \$63.6	A \$237.4		13.7x
2019A	\$67.0	A \$67.1	A \$70.0	A \$71.0	A \$275.2		11.8x
2020E	\$78.0	\$81.4	\$84.9	\$85.1	\$329.4		9.9x
2021E					\$352.5		9.2x

EBITDA (US\$M)							EV/EBITDA
	Q1	Q2	Q3	Q4	Annual		
2017A	\$16.6	A \$16.9	A \$17.8	A \$18.5	A \$69.8		46.6x
2018A	\$19.0	A \$19.7	A \$20.6	A \$21.1	A \$80.3		40.5x
2019A	\$22.1	A \$22.8	A \$24.0	A \$24.8	A \$93.7		34.7x
2020E	\$27.7	\$29.4	\$31.0	\$30.6	\$118.7		27.4x
2021E					\$133.5		24.4x

Source: Company reports; Bloomberg; LBS estimates.

## The Descartes Systems Group Inc. (DSG-T; DSGX-O)

Rating: **Hold** – Target: **US\$35.00**; Price: **\$39.05**

Nick Agostino, Diversified Technology Analyst

- **Freight data strengthening following muted activity.** DSG sees a lot of freight data. The company agreed with market data (Cass Index) suggesting strong freight movement into the U.S. in 2018 ahead of proposed Chinese tariffs, with a tapering flow starting 2019 as warehouse inventories began to pile up. DSG noted that while January and February were muted in terms of freight movement/transaction, it saw a meaningful pick-up in activity in March. The company noted its recurring revenue model and constant win activity help smooth these monthly fluctuations.
- **Emerging technologies have a role in logistics.** Driving its innovation roadmap, DSG sees AI as playing a key role in logistics with autonomous vehicles helping increase industry safety. On the flipside, it believes both drones and blockchain have a limited role to play in logistics, as they are too expensive to operate. E-commerce is said to be driving much of the emerging technologies.
- **M&A to benefit from network effect.** In assessing buy vs. build, DSG sees cross-selling opportunities from leveraging US\$3-4M revenue targets through its 20k customer network, as a low risk/reasonable return proposition. DSG is willing to pay 8-10x EBITDA for technology and higher for recurring sales; and, seeks a 5-7 year payback. Leverage stands at 2.2x with 3x a ceiling.







## Company Profile

Kinaxis Inc. is a supplier of cloud-based subscription software, RapidResponse®, which provides end-to-end visibility, planning, and co-ordination of supply chain networks. The company is headquartered in Ottawa, ON, with satellite/virtual offices in Chicago, Tokyo, Hong Kong and Eindhoven. As of 2018, Kinaxis derives 68% of its revenues from the U.S., 30% from abroad, and the balance from Canada.

## Market and Company Data

<b>Ticker</b>	KXS-T	<b>Shares-basic O/S (M)</b>	27.0
<b>Rating</b>	Buy	<b>Shares-FD O/S (M)</b>	29.1
<b>Risk</b>	High	<b>Market Cap (US\$M)</b>	\$1,593.0
<b>Price</b>	\$78.60	<b>Float O/S (M)</b>	19.1
<b>1-Yr Target</b>	\$100.00	<b>Avg Daily Volume (K)</b>	103.4
<b>Yield</b>	0.0%	<b>Enterprise Value (US\$M)</b>	\$1,414.1
<b>1-Yr ROR</b>	27.2%	<b>Cash (US\$M)</b>	\$181.5
<b>52 Wk High-Low</b>	\$100.68 - \$60.01	<b>Net Debt (US\$M)</b>	-\$179.0
<b>Valuation</b>	9x 2020 EV/Sales	<b>Ownership</b>	
<b>Year End</b>	Dec-31	<b>Manag. &amp; Dir.</b>	29.2%
<b>Next Reporting</b>	May-19	<b>Institutional</b>	41.3%
		<b>Net Debt/Total Cap</b>	n/a

Sales (US\$M)							
	Q1	Q2	Q3	Q4	Annual	EV/Sales	
2016A	\$27.0	A \$28.7	A \$29.9	A \$30.3	A \$116.0	12.2x	
2017A	\$32.5	A \$32.9	A \$33.5	A \$34.4	A \$133.3	10.6x	
2018A	\$36.8	A \$39.0	A \$36.6	A \$38.3	A \$150.7	9.4x	
2019E	\$46.0	\$43.2	\$43.8	\$52.2	\$185.2	7.6x	
2020E					\$214.0	6.6x	

EBITDA (US\$M)							
	Q1	Q2	Q3	Q4	Annual	EV/EBITDA	
2016A	\$8.0	A \$7.3	A \$6.8	A \$6.4	A \$28.5	49.6x	
2017A	\$8.5	A \$9.6	A \$10.8	A \$11.2	A \$40.1	35.3x	
2018A	\$12.5	A \$11.2	A \$9.5	A \$8.5	A \$41.7	33.9x	
2019E	\$11.9	\$9.8	\$10.0	\$15.5	\$47.2	29.9x	
2020E					\$56.7	24.9x	

\* 2018 and beyond based on IFRS15/16 accounting standards.  
Source: Company reports; Bloomberg; CapIQ; LBS estimates.

## Kinaxis Inc. (KXS-T)

Rating: **Buy** – Target: **\$100.00**; Price: **\$78.60**

Nick Agostino, Diversified Technology Analyst

- **Opportunity to increase the TAM.** The current TAM stands at 2k companies based on six targeted verticals (hi-tech, aerospace, industrial, life sciences, automotive and CPG). Opportunities exist to increase the TAM to 5k by entering new verticals over time. This comes by leveraging beachheads to decide if they add value in the sector and includes adding clients with <\$1B in sales (as in the past).
- **2019 R&D increased to widen the competitive gap.** This investment includes more spending on ML (phase 2) in an ongoing effort to make RapidResponse a true platform onto which clients can write code to add their proprietary layer of customization. Using ML, one client(s) noted ~50% of their lead times were off by a factor of ~30%; this realization was a notable benefit to inventory and working capital.
- **Strong revenue visibility to begin the year.** While KXS typically has forward sales visibility of 80% at the start of a new year, for 2019 the year began with visibility at 84% (as a function of SaaS backlog). The higher visibility provides increased comfort in meeting 2019 guidance. The new CRO has also implemented separate hunting and farming sales teams as a means to foster top-line growth.

## Company Profile

Savaria Corporation offers a product line to assist the mobility-challenged, targeting commercial/residential markets in North America and around the world. Operations are divided into three reporting segments: Accessibility (lifts), Adapted Vehicles (van conversions) and Span (medical products). SIS operates a network of 500 retailers and employs ~1,300 people.

## Market and Company Data

<b>Ticker</b>	SIS-T	<b>Shares-basic O/S (M)</b>	45.0
<b>Rating</b>	Restricted	<b>Shares-FD O/S (M)</b>	45.0
<b>Risk</b>	Restricted	<b>Market Cap (M)</b>	\$593.2
<b>Price</b>	\$13.18	<b>Float O/S (M)</b>	30.1
<b>1-Yr Target</b>	Restricted	<b>Avg Daily Volume (K)</b>	188.5
<b>Yield</b>	3.2%	<b>Enterprise Value (M)</b>	\$688.4
<b>1-Yr ROR</b>	Restricted	<b>Cash (M)</b>	\$11.4
<b>52 Wk High-Low</b>	\$20.95 - \$11.41	<b>Net Debt (M)</b>	\$95.2
<b>Valuation</b>	Restricted	<b>Ownership</b>	
<b>Year End</b>	Dec-31	<b>Manag. &amp; Dir.</b>	33.2%
<b>Next Reporting</b>	May-19	<b>Institutional</b>	33.2%
		<b>Net Debt/Total Cap</b>	32.4%

EPS (FD)							
	Q1	Q2	Q3	Q4	Annual	P/E	
2016A	\$0.08	A \$0.10	A \$0.10	A \$0.10	A \$0.37	35.3x	
2017A	\$0.09	A \$0.11	A \$0.13	A \$0.21	A \$0.55	24.1x	
2018A	\$0.10	A \$0.12	A \$0.12	A \$0.13	A \$0.48	27.6x	
2019E	n/a	n/a	n/a	n/a	n/a	n/a	
2020E					n/a	n/a	

EBITDA (M)							
	Q1	Q2	Q3	Q4	Annual	EV/EBITDA	
2016A	\$4.1	A \$5.2	A \$5.7	A \$5.8	A \$20.8	33.1x	
2017A	\$5.2	A \$6.7	A \$9.6	A \$9.6	A \$31.1	22.1x	
2018A	\$7.9	A \$10.1	A \$9.7	A \$13.1	A \$40.8	16.9x	
2019E	n/a	n/a	n/a	n/a	n/a	n/a	
2020E					n/a	n/a	

Source: Company reports; Bloomberg; LBS estimates.

## Savaria Corporation (SIS-T)

Rating: **Restricted** – Target: **Restricted**; Price: **\$13.18**

Nick Agostino, Diversified Technology Analyst

- We are currently **RESTRICTED** on Savaria.





## Company Profile

TECSYS Inc. develops, markets and sells, enterprise-wide supply chain management (SCM) software for distribution, warehousing, and transportation logistics, targeting both the North American and European markets. The company employs ~450 people with +1,200 customers globally.

## Market and Company Data

<b>Ticker</b>	TCS-T		<b>Shares-basic O/S (M)</b>		13.1	
<b>Rating</b>	Buy		<b>Shares-FD O/S (M)</b>		13.1	
<b>Risk</b>	High		<b>Market Cap (M)</b>		\$183.2	
<b>Price</b>	\$14.00		<b>Float O/S (M)</b>		9.0	
<b>1-Yr Target</b>	\$17.00		<b>Avg Daily Volume (K)</b>		4.8	
<b>Yield</b>	1.6%		<b>Enterprise Value (M)</b>		\$186.2	
<b>1-Yr ROR</b>	23.0%		<b>Cash (M)</b>		\$10.0	
<b>52 Wk High-Low</b>	\$17.50 - \$10.30		<b>Net Debt (M)</b>		\$3.0	
<b>Valuation</b>	2.5x F2020 EV/Sales		<b>Ownership</b>			
<b>Year End</b>	Apr-30		<b>Manag. &amp; Dir.</b>		31.1%	
<b>Next Reporting</b>	Jul-19		<b>Institutional</b>		38.1%	
			<b>Net Debt/Total Cap</b>		n/a	

Sales (FD)									
	Q1		Q2		Q3		Q4	Annual	P/E
2017A	\$16.1	A	\$16.5	A	\$17.4	A	\$18.4	A \$68.4	2.7x
2018A	\$16.5	A	\$18.1	A	\$17.2	A	\$18.9	A \$70.7	2.6x
2019E	\$16.3	A	\$18.2	A	\$18.8	A	\$22.4	\$75.7	2.5x
2020E								\$90.2	2.1x

EBITDA (M)									
	Q1		Q2		Q3		Q4	Annual EV/EBITDA	
2017A	\$0.8	A	\$1.7	A	\$2.0	A	\$2.5	A \$7.0	26.6x
2018A	\$0.7	A	\$2.2	A	\$1.4	A	\$2.3	A \$6.6	28.2x
2019E	\$0.5	A	\$1.8	A	(\$0.1)	A	\$0.9	\$3.1	61.0x
2020E								\$5.2	35.6x

Source: Company reports; Bloomberg; LBS estimates.

## TECSYS Inc. (TCS-T)

Rating: **Buy** – Target: **\$17.00**; Price: **\$14.00**

Nick Agostino, *Diversified Technology Analyst*

- **Healthy markets; lots of growth.** TCS sees the e-commerce market as a 10-20 year hotspot, driving its decision to acquire OrderDynamics to enter the Retail market. Concurrently, it is benefitting from a resurgence in Healthcare, with bookings up 32% YTD following flat growth due to uncertainty around the Affordable Care Act. Despite winning all 35 IDN contracts awarded, penetration remains low at 12% of targeted IDNs with only 17% of base account market penetrated.
- **SaaS sales shift ~1-year drag on sales.** With perpetual licenses ~10% of total sales, as TCS moves increasingly to a SaaS model the shift is estimated to have a \$3-4M (or 4%) drag on Year 1 sales and a \$1M drag on Year 2. With TCS guiding to 8-12% organic growth, on an adjusted basis (for the SaaS drag) we view this as 12-16%. The increasing involvement of larger SIs, including through partnerships with Workday, should benefit longer-term margins and sales growth.
- **Looking out five years, the 'what next?'** The company is looking to become more global in nature. TCS is targeting both organic and M&A growth in Europe, looking for bolt-on acquisitions within the North American healthcare market (similar to Logi-D in the past), and aiming to grow within the APAC market, in part by leveraging OrderDynamic's existing presence in Australia.



## FINANCIAL SERVICES



## Company Profile

Currency Exchange International, Corp. (CXI) is a provider of foreign currency banknote and related services to wholesale clients (financial institutions and non-financial corporations) through its Exchange Bank of Canada subsidiary; as well as to retail clients (through wholly-owned retail outlets and affiliate relationships) in North America.

## Market and Company Data

Ticker	CXI-T	Shares-Basic O/S (M)	6.4
Rating	N/A	Shares-FD O/S (M)	6.5
Risk	N/A	Market Cap (M)	\$155.9
Price	\$24.36	Float O/S (M)	4.1
1-Yr Target	N/A	Avg Daily Volume (K)	0.4
Yield	0.0%	Enterprise Value (M)	\$130.9
1-Yr ROR	N/A	Next Reporting	Jun-19
52 Wk High-Low	\$31.77 - \$22.50	Ownership	
Valuation	N/A	Manag. & Dir.	22.4%
Year End	Oct-31	Institutional	9.4%

EBITDA (\$US M)	Q1	Q2	Q3	Q4	Annual	EV/EBITDA
F2016	\$0.9	A \$1.2	A \$2.6	A \$2.2	A \$6.9	14.6x
F2017	\$0.3	A \$1.4	A \$3.6	A \$2.6	A \$7.9	12.7x
F2018	\$1.8	A \$1.1	A \$3.5	A \$1.7	A \$8.1	12.4x

EPS (\$US)	Q1	Q2	Q3	Q4	Annual	P/E
F2016	\$0.05	A \$0.08	A \$0.23	A \$0.22	A \$0.58	32.3x
F2017	(\$0.01)	A \$0.10	A \$0.31	A \$0.21	A \$0.61	30.7x
F2018	\$0.05	A \$0.08	A \$0.37	A \$0.16	A \$0.67	28.0x

Source: Company reports; Bloomberg, Thomson Eikon; LBS.

## Currency Exchange International Corp. (CXI-T)

Rating: **Suspended** – Target: **N/A**; Price: **\$24.36**

Equity Research Department

- We are currently **RESTRICTED** on Currency Exchange International Corp.

## Company Profile

Morneau Shepell is a provider of human resource outsourcing and consulting services, based in Toronto, Canada. The Company specializes in employee and family assistance programs (EFAP) for public and private organizations, and offers retirement and benefit plan administration, among other services. Morneau Shepell serves ~24,000 clients and has over 4,500 employees across North America.

## Market and Company Data

Ticker	MSI-T	Shares-Basic O/S (M)	64.2
Rating	Hold	Shares-FD O/S (M)	64.8
Risk	Medium	Market Cap (M)	\$1,773
Price	\$27.61	Float O/S (M)	53.1
1-Yr Target	\$28.50	Avg Daily Volume (K)	108.5
Yield	2.8%	Enterprise Value (M)	\$2,239
1-Yr ROR	6.0%	Cash (M)	\$2.9
52 Wk High-Low	\$29.17 - \$23.64	Net Debt (M)	\$466.6
Valuation	12.5x 2020E EV/EBITDA	Ownership	
Year End	Dec	Mgmt & Dir.	2.1%
Next Reporting	Jun-19	Institutional	42.1%

Revenue (M)	Q1	Q2	Q3	Q4	Annual	EV/Rev.
F2016	\$149.1	A \$149.3	A \$144.6	A \$149.1	A \$592.1	3.8x
F2017	\$156.6	A \$159.2	A \$152.5	A \$156.8	A \$625.1	3.6x
F2018	\$167.5	A \$171.2	A \$182.8	A \$200.8	A \$722.3	3.1x
F2019E	\$208.1	\$209.8	\$211.1	\$211.6	\$840.5	2.7x

EBITDA (M)	Q1	Q2	Q3	Q4	Annual	EV/EBITDA
F2016	\$28.8	A \$29.5	A \$27.2	A \$26.7	A \$112.3	19.9x
F2017	\$31.3	A \$31.3	A \$28.3	A \$27.5	A \$118.4	18.7x
F2018	\$33.6	A \$33.7	A \$34.0	A \$35.7	A \$137.0	16.1x
F2019E	\$36.9	\$38.8	\$42.6	\$44.2	\$162.4	13.8x

Source: Company reports, Thomson Eikon, Bloomberg, LBS.

## Morneau Shepell Inc. (MSI-T)

Rating: **Hold** – Target: **\$28.50**; Price: **\$27.61**

Chris Martino, Special Situations Analyst

- **U.S. and International-driven growth opportunities.** In addition to single-digit growth in Canada, where the company has a well-established presence, MSI continues to see double-digit growth in the U.S. and globally, through share expansion in under-penetrated markets. Recently-won contracts with Prudential Retirement (the largest client in MSI's history, with further expansion opportunity), and an unnamed multi-national tech company (with MSI's contract starting in the UK and subsequently scaling globally) are prime examples.
- **Lifeworks integration is on track.** MSI continues to work through the first phase of client conversions to its core Lifeworks platform with positive initial feedback and, in its own experience onboarding its 5,000 employees, has seen increased engagement levels (75% of employees generating ~800 daily platform uses). Integration work is on track (\$10M of in-year synergies by YE2019; \$15M thereafter) with staff structuring largely complete. Subsequent work focused on the attainment of 3<sup>rd</sup> party provider scale benefits and harmonization of back-end software and systems.
- **MSI has done an admirable job driving margin improvement** in what remains a staff-heavy business. We see EBITDA margins moving into the 20%+ range post the conclusion of Lifeworks integration and an efficiency-seeking transformation project at the corporate level. We note IFRS 16 could bias EBITDA upward in F'19.







## Company Profile

People Corporation offers group benefits, group retirement, pension advisory and HR consulting services to small- and medium-size enterprises across Canada and has begun targeting larger enterprises. The Company has broadly expanded its distribution and service offerings through M&A, creating a platform for organic growth from existing customers and acquired companies.

## Market and Company Data

<b>Ticker</b>	PEO-V				<b>Shares-Basic O/S (M)</b>	60.6
<b>Rating</b>	Buy				<b>Shares-FD O/S (M)</b>	64.3
<b>Risk</b>	High				<b>Market Cap (M)</b>	\$464
<b>Price</b>	\$7.65				<b>Float O/S (M)</b>	49.5
<b>1-Yr Target</b>	\$9.75				<b>Avg Daily Volume (K)</b>	45.0
<b>Yield</b>	0.0%				<b>Enterprise Value (M)</b>	\$483
<b>1-Yr ROR</b>	27.5%				<b>Cash (M)</b>	\$16
<b>52 Wk High-Low</b>	\$8.52 - \$6.18				<b>Net Debt (M)</b>	\$19
<b>Valuation</b>	13x F2020E EBITDA (cap-adj)				<b>Ownership</b>	
<b>Year End</b>	Aug-31				<b>Manag. &amp; Dir.</b>	18%
<b>Next Reporting</b>	Apr-19				<b>Institutional</b>	28%

<b>Revenue (M)</b>	<b>Q1</b>		<b>Q2</b>		<b>Q3</b>		<b>Q4</b>		<b>Annual</b>	<b>EV/Rev.</b>
<b>F2016</b>	\$16.3	A	\$18.3	A	\$20.2	A	\$24.9	A	\$79.8	6.0x
<b>F2017</b>	\$23.3	A	\$25.6	A	\$28.0	A	\$28.9	A	\$105.8	4.6x
<b>F2018</b>	\$28.5	A	\$32.5	A	\$33.3	A	\$36.3	A	\$130.5	3.7x
<b>F2019E</b>	\$36.3	A	\$38.9		\$40.4		\$40.2		\$155.7	3.1x
<b>F2020E</b>									\$170.3	2.8x

<b>EBITDA (M)</b>	<b>Q1</b>		<b>Q2</b>		<b>Q3</b>		<b>Q4</b>		<b>Annual</b>	<b>EV/EBITDA</b>
<b>F2016</b>	\$3.7	A	\$4.2	A	\$4.2	A	\$3.8	A	\$14.1	34.2x
<b>F2017</b>	\$3.7	A	\$5.2	A	\$5.4	A	\$5.7	A	\$20.1	24.0x
<b>F2018</b>	\$5.4	A	\$7.0	A	\$7.4	A	\$7.7	A	\$27.5	17.5x
<b>F2019E</b>	\$7.4	A	\$7.9		\$8.8		\$9.0		\$32.6	14.8x
<b>F2020E</b>									\$36.7	13.2x

Source: Company reports, Thomson, Bloomberg, LBS.

## People Corporation (PEO-V)

Rating: **Buy** – Target: **\$9.75**; Price: **\$7.65**

Chris Martino, *Special Situations Analyst*

- **Through active M&A and above-industry organic growth**, the company continues to scale and is well-diversified with nearly 10,000 corporate clients in multiple verticals, generating >\$1.5B in premiums and serving ~\$10B in pension assets under administration. The company highlighted the highly recurring recession-resistant, inflation-proof nature of its revenue. Industry dynamics favouring scale continue to work in PEO's favour, driving consolidation of smaller competitors.
- **The M&A pipeline is robust** with management seeing more deals than ever in the past 12-18 months. However, selectivity has been important in light of elevated benefit brokerage multiples being driven by U.S. competitor, Hub International's, recent bidding activity in the Canadian market. PEO's M&A to date has seen 17 of its 18 acquisitions grow in revenue, with target companies' growth doubling one year post-acquisition, on average. PEO sees runway for 300-400% top line growth over 4-5 years: 60% via M&A and 40% organic.
- **Transformation initiative should drive margin accretion.** Over the next few years, PEO plans to re-brand its acquired subsidiaries under the People Corporation banner, consolidate its TPA back-end, and gradually acquire its remaining vendors' retained economic interest (contracted at the original transaction multiples, ~6.5x on average).





## REAL ESTATE





## Company Profile

Allied is a leading owner, manager and developer of Class-I office space in Canada's major cities. It owns 140 rental properties (~13MMSF) in seven Canadian cities, with Toronto and Montreal accounting for 80% of the space.

## Market and Company Data

Ticker	AP.UN-T	Units O/S (M)	104
Rating	NA	Market Cap (M)	\$5,028
Risk	NA	Debt (M)	\$1,958
Price	\$48.32	Enterprise Value (M)	\$6,986
1-Yr Target	NA	Avg. Daily Volume (K)	98
Dividend	\$1.60	2018 AFFO Payout Ratio	89%
Div. Yield	3.3%	Debt to GBV	29%
1-Yr ROR	NA	NAV (consensus)	\$43.65
52 Wk High-Low	\$49.64-40.37	Cap Rate	NA
Year End	Dec-31	Price / NAV	111%
Next Reporting	May-'19		
Valuation	NA		

Funds From Operations (FFO) per Unit						
	Q1	Q2	Q3	Q4	Annual	P/FFO
2017A	\$0.53 A	\$0.54 A	\$0.54 A	\$0.53 A	\$2.13	22.7x
2018A	\$0.54 A	\$0.47 A	\$0.55 A	\$0.54 A	\$2.09	23.2x
Adjusted Funds From Operations (AFFO) per Unit						
	Q1	Q2	Q3	Q4	Annual	P/AFFO
2017A	\$0.40 A	\$0.40 A	\$0.38 A	\$0.41 A	\$1.59	30.4x
2018A	\$0.44 A	\$0.45 A	\$0.47 A	\$0.43 A	\$1.79	26.9x

All figures in CAD dollars unless specified otherwise

## Allied Properties Real Estate Investment Trust (AP.U-T)

Rating: **Not Rated** – Target: **N/A**; Price: **\$48.32**

- **Allied is one of the favorites of the Canadian REIT sector for the right reasons:** unique strategy, well located properties, a reputed management team, and a strong balance sheet.
- **Le Nordelec property tour.** We toured Allied's Le Nordelec property, located in the Griffintown area of downtown Montreal. As one of the largest Class-I office buildings in Canada (862KSF), Nordelec was acquired by Allied in 2016 from Elad. This property is a good case study of what an owner with a vision can do. Allied has not only increased the GLA of the building by 38KSF, but also increased the occupancy rate from 73% to 97%, over this period. Allied has transformed many parts of the building to make it an attractive home for knowledge-based industries.

## Company Profile

BSR REIT owns and operates a portfolio of 48 apartment properties (~10,500 suites) located in the Sunbelt region of the United States.

## Market and Company Data

Ticker	HOM.U-T	Units O/S (M)	40
Rating	Buy	Market Cap (M)	\$386
Risk	Medium	Debt (M)	\$471
Price	\$9.71	Enterprise Value (M)	\$857
1-Yr Target	\$11.00	Avg. Daily Volume (K)	36
Dividend	\$0.50	2019E AFFO Payout Ratio	86%
Div. Yield	5.2%	2019 Debt to EBITDA	8.9x
1-Yr ROR	18.4%	Debt to GBV	49%
52 Wk Hi-Lo	\$9.90-7.12	NAV	\$11.40
Year End	Dec-31	Cap Rate	6.4%
Next Reporting	May-'19	Price / NAV	85%
Valuation	15% Premium to NAV, 5-yr DCF		

Funds From Operations (FFO) per Unit						
	Q1	Q2	Q3	Q4	Annual	P/FFO
2018A	NA	NA	\$0.19 A	\$0.19 A	\$0.38 A	25.3x
2019E	\$0.20	\$0.19	\$0.20	\$0.21	\$0.80	12.1x
2020E	\$0.21	\$0.20	\$0.21	\$0.21	\$0.83	11.7x
Adjusted Funds From Operations (AFFO) per Unit						
	Q1	Q2	Q3	Q4	Annual	P/AFFO
2018A	NA	NA	\$0.13 A	\$0.13 A	\$0.26 A	36.7x
2019E	\$0.14	\$0.14	\$0.15	\$0.15	\$0.58	16.8x
2020E	\$0.15	\$0.15	\$0.16	\$0.16	\$0.62	15.6x

All figures in US dollars unless specified otherwise

## BSR REIT (HOM.U-T)

Rating: **Buy** – Target: **US\$11.00**; Price: **US\$9.71**

*Yashwant Sankpal, REIT Analyst*

- **On the road, telling its story.** This year, HOM has been quite active in terms of marketing, explaining to investors why it has become a public company and detailing its growth opportunities. Before our conference, HOM spent one week meeting with investors in Western Canada.
- **Not going to issue equity at dilutive prices.** While the current depressed stock price is not allowing the REIT to grow its portfolio quickly, HOM is being disciplined and using debt and asset sales to fund its growth, albeit at a slower pace. HOM is planning to sell some properties in markets where the REIT doesn't have enough scale or where rental fundamentals are stagnant. HOM has executed letters of intent for the sale of four such properties.
- **Key risks worrying management.** A levered consumer, a changing demographic profile of its tenant base (i.e. millennials) and volatile interest rates are some of the key risks faced by HOM's business. Competition from higher-end new supply is not a major concern for HOM's portfolio.





## Company Profile

BTB real estate investment trust owns 70+ Office, Retail and Industrial properties (5.5 million square feet) with a focus on primary and secondary markets in Quebec and Eastern Ontario.

## Market and Company Data

<b>Ticker</b>	BTB.UN-T	<b>Units O/S (M)</b>	56
<b>Rating</b>	Hold	<b>Market Cap (M)</b>	\$267
<b>Risk</b>	Medium	<b>Debt (M)</b>	\$536
<b>Price</b>	\$4.78	<b>Enterprise Value (M)</b>	\$803
<b>1-Yr Target</b>	\$4.50	<b>Avg. Daily Volume (K)</b>	116
<b>Dividend</b>	\$0.42	<b>2019 AFFO Payout Ratio</b>	126%
<b>Div. Yield</b>	8.8%	<b>2019 Debt to EBITDA</b>	12.0x
<b>1-Yr ROR</b>	2.9%	<b>Debt to GBV</b>	63%
<b>52 Wk High-Low</b>	\$4.94-4.03	<b>NAV</b>	\$4.35
<b>Year End</b>	Dec-31	<b>Cap Rate</b>	7.0%
<b>Next Reporting</b>	Jun-'19	<b>Price / NAV</b>	110%
<b>Valuation</b>	10% Premium to NAV, 5-yr DCF		

Funds From Operations (FFO) per Unit						
	Q1	Q2	Q3	Q4	Annual	P/FFO
2017A	\$0.11 A	\$0.11 A	\$0.11 A	\$0.10 A	\$0.44	11.0x
2018A	\$0.12 A	\$0.11 A	\$0.13 A	\$0.09 A	\$0.44	10.9x
2019E	\$0.10	\$0.10	\$0.10	\$0.10	\$0.41	11.8x
2020E	\$0.11	\$0.11	\$0.10	\$0.10	\$0.42	11.4x

Adjusted Funds From Operations (AFFO) per Unit						
	Q1	Q2	Q3	Q4	Annual	P/AFFO
2017A	\$0.09 A	\$0.09 A	\$0.09 A	\$0.08 A	\$0.35	13.5x
2018A	\$0.10 A	\$0.09 A	\$0.10 A	\$0.07 A	\$0.36	13.2x
2019E	\$0.08	\$0.08	\$0.09	\$0.09	\$0.33	14.4x
2020E	\$0.09	\$0.09	\$0.09	\$0.09	\$0.35	13.8x

All figures in Canadian dollars unless specified otherwise

## BTB REIT (BTB.UN-T)

Rating: **Hold** – Target: **\$4.50**; Price: **\$4.78**

*Yashwant Sankpal, REIT Analyst*

- **Strategic repositioning complete; ready for cash flow growth.** BTB has more or less completed its strategic plan of recycling capital from smaller markets into its three key markets: Montreal, Quebec City and Ottawa. In 2019, BTB expects to stay focused on increasing the occupancy rate of its existing portfolio, grow SS-NOI, and make occasional opportunistic purchases in its core markets. These efforts should allow BTB to grow its FFO/unit and cover its distributions in the long-term.
- **Focus on creating long term value.** Retail is a viable asset class in the long term and BTB will continue to invest in retail assets opportunistically.
- **Key risks worrying management.** Interest rates and tenant bankruptcies are the key risks that worry BTB's management. Management expects BTB's payout ratio to continue to improve in 2019 as it acquires more properties on an accretive basis.

## Company Profile

InterRent is a growth-oriented REIT focused in Ontario and Quebec and owns ~9,300 suites. The National Capital Region accounts for 27% of the suites, followed by Hamilton/Niagara (19%) and Montreal (18%).

## Market and Company Data

<b>Ticker</b>	IIP.UN-T	<b>Units O/S (M)</b>	109
<b>Rating</b>	Buy	<b>Market Cap (M)</b>	\$1,542
<b>Risk</b>	Medium	<b>Debt (M)</b>	\$823
<b>Price</b>	\$14.09	<b>Enterprise Value (M)</b>	\$2,365
<b>1-Yr Target</b>	\$15.50	<b>Avg. Daily Volume (K)</b>	343
<b>Dividend</b>	\$0.29	<b>AFFO Payout Ratio</b>	73%
<b>Div. Yield</b>	2.1%	<b>2019 Debt to EBITDA</b>	11.0x
<b>1-Yr ROR</b>	12.1%	<b>Debt to GBV</b>	39%
<b>52 Wk High-Low</b>	\$14.79-9.92	<b>NAV</b>	\$12.40
<b>Year End</b>	Dec-31	<b>Cap Rate</b>	4.6%
<b>Next Reporting</b>	May-'19	<b>Price / NAV</b>	114%
<b>Valuation</b>	20% Premium to NAV, 5-yr DCF		

Funds From Operations (FFO) per Unit						
	Q1	Q2	Q3	Q4	Annual	P/FFO
2017A	\$0.09 A	\$0.10 A	\$0.12 A	\$0.11 A	\$0.42 A	33.3x
2018A	\$0.10 A	\$0.11 A	\$0.12 A	\$0.11 A	\$0.45 A	31.6x
2019E	\$0.10	\$0.12	\$0.13	\$0.13	\$0.47	30.1x
2020E	\$0.11	\$0.12	\$0.13	\$0.13	\$0.50	28.2x

Adjusted Funds From Operations (AFFO) per Unit						
	Q1	Q2	Q3	Q4	Annual	P/AFFO
2017A	\$0.07 A	\$0.08 A	\$0.10 A	\$0.09 A	\$0.33 A	42.6x
2018A	\$0.08 A	\$0.09 A	\$0.10 A	\$0.09 A	\$0.37 A	38.5x
2019E	\$0.08	\$0.10	\$0.11	\$0.11	\$0.39	35.7x
2020E	\$0.09	\$0.11	\$0.11	\$0.11	\$0.43	33.0x

All figures in Canadian dollars unless specified otherwise

## InterRent REIT (IIP.UN-T)

Rating: **Buy** – Target: **\$15.50**; Price: **\$14.09**

*Yashwant Sankpal, REIT Analyst*

- **More room for cash flow growth.** IIP has enjoyed a significant unit price increase over the last few years, thanks to its superior FFO/unit growth. IIP prides itself on being an operations company and tries to optimize its cash flow growth by using every available venue in its operations.
- **Asset repositioning remains a core strategy.** While IIP has recently begun investing in a few green field development projects and land holdings, acquiring and repositioning assets that are not performing well will continue to be IIP's core strategy. Recall that as of Q4/18, approximately 1/3 of IIP's suites are non-repositioned and generating annual NOI per suite that is approximately 20% below that of a repositioned suite.
- **Key risks worrying management.** Regulatory changes remain the key risk worrying IIP's management. Government interventions in the rental market or the housing market can have adverse effects on IIP's cash flow and stock price. Rising interest rates are another concerning factor.







## Company Profile

Killam is one of Canada's largest residential landlords, owning, operating, managing and developing a \$2.8 billion portfolio of apartments (15,000+ suites) and manufactured home community (5,300+ sites) properties.

## Market and Company Data

<b>Ticker</b>	KMP.UN-T	<b>Units O/S (M)</b>	90
<b>Rating</b>	Hold	<b>Market Cap (M)</b>	\$1,752
<b>Risk</b>	Medium	<b>Debt (M)</b>	\$1,406
<b>Price</b>	\$19.24	<b>Enterprise Value (M)</b>	\$3,158
<b>1-Yr Target</b>	\$18.25	<b>Avg. Daily Volume (K)</b>	231
<b>Dividend</b>	\$0.66	<b>2019 AFFO Payout Ratio</b>	84%
<b>Div. Yield</b>	3.4%	<b>2019 Debt to EBITDA</b>	10.8x
<b>1-Yr ROR</b>	-1.7%	<b>Debt to GBV</b>	49%
<b>52 Wk High-Low</b>	\$19.60-13.79	<b>NAV</b>	\$15.60
<b>Year End</b>	Dec-31	<b>Cap Rate</b>	5.3%
<b>Next Reporting</b>	May-19	<b>Price / NAV</b>	123%
<b>Valuation</b>	15% Premium to NAV, 5-yr DCF		

Funds From Operations (FFO) per Unit						
	Q1	Q2	Q3	Q4	Annual	P/FFO
<b>2018A</b>	\$0.20 A	\$0.25 A	\$0.26 A	\$0.23 A	\$0.93 A	20.6x
<b>2019E</b>	\$0.21	\$0.25	\$0.27	\$0.24	\$0.97	19.9x
<b>2020E</b>	\$0.21	\$0.26	\$0.28	\$0.25	\$1.01	19.1x

Adjusted Funds From Operations (AFFO) per Unit						
	Q1	Q2	Q3	Q4	Annual	P/AFFO
<b>2018A</b>	\$0.15 A	\$0.20 A	\$0.21 A	\$0.18 A	\$0.74 A	25.8x
<b>2019E</b>	\$0.16	\$0.21	\$0.22	\$0.19	\$0.78	24.6x
<b>2020E</b>	\$0.16	\$0.22	\$0.24	\$0.21	\$0.82	23.5x

All figures in Canadian dollars unless specified otherwise

## Killam Apartment REIT (KMP.UN-T)

Rating: **Hold** – Target: **\$18.25**; Price: **\$19.24**

*Yashwant Sankpal, REIT Analyst*

- **Steady cash flow growth.** KMP continues to report steady results thanks to strong rental fundamentals in its core markets and its focus on operational efficiency and suite renovation. These factors should allow KMP to generate steady FFO/unit growth in the near- to medium-term.
- **Focus on margin improvement using technology and green initiatives.** Killam has been an early adapter of technology in its properties; roughly 30% of Killam's suites are relatively new with modern design and system features. Now it is investing in a new CRM for its operating platform and expects that this new system will transform how it runs its operations, starting from leasing to maintenance.
- **Key risks worrying management.** KMP's management is worried that recent above average rental rate increases generated in Ontario and Atlantic Canada could create a negative backlash from tenants and the government. Population growth and interest rates are other factors that KMP's management worries about.

## Company Profile

Plaza is a developer and owner of retail properties, primarily in Atlantic Canada, Quebec, and Ontario. PLZ owns a portfolio of 287 properties comprised of 8.2MMSF.

## Market and Company Data

<b>Ticker</b>	PLZ.UN-T	<b>Units O/S (M)</b>	103
<b>Rating</b>	NA	<b>Market Cap (M)</b>	\$434
<b>Risk</b>	NA	<b>Debt (M)</b>	\$580
<b>Price</b>	\$4.19	<b>Enterprise Value (M)</b>	\$1,014
<b>1-Yr Target</b>	NA	<b>Avg. Daily Volume (K)</b>	82
<b>Dividend</b>	\$0.28	<b>2018 AFFO Payout Ratio</b>	96%
<b>Div. Yield</b>	6.7%	<b>Debt to GBV</b>	55%
<b>1-Yr ROR</b>	NA	<b>NAV (consensus)</b>	\$4.52
<b>52 Wk High-Low</b>	\$3.68-4.40	<b>Cap Rate</b>	NA
<b>Year End</b>	Dec-31	<b>Price / NAV</b>	93%
<b>Next Reporting</b>	May-19		
<b>Valuation</b>	NA		

Funds From Operations (FFO) per Unit						
	Q1	Q2	Q3	Q4	Annual	P/FFO
<b>2017A</b>	\$0.08 A	\$0.09 A	\$0.09 A	\$0.08 A	\$0.35	12.1x
<b>2018A</b>	\$0.08 A	\$0.08 A	\$0.09 A	\$0.08 A	\$0.33	12.8x

Adjusted Funds From Operations (AFFO) per Unit						
	Q1	Q2	Q3	Q4	Annual	P/AFFO
<b>2017A</b>	\$0.08 A	\$0.09 A	\$0.08 A	\$0.08 A	\$0.32	13.0x
<b>2018A</b>	\$0.07 A	\$0.07 A	\$0.08 A	\$0.07 A	\$0.29	14.3x

All figures in CAD dollars unless specified otherwise

## Plaza Retail REIT (PLZ.UN-T)

Rating: **Not Rated** – Target: **N/A**; Price: **\$4.19**

- **Compounder.** Plaza REIT is run by an entrepreneurial and aligned management team and has been creating value for its unitholders since it went public in 1999 (FFO/unit CAGR of 7%). Plaza focuses on growing its business through value-add developments and redevelopments. Its properties are primarily leased to national retailers, with a focus on retailers in the consumer staples market segment. Plaza has increased its distribution every year since it began paying distributions in November 2002.
- **Retail landscape will continue to evolve.** The Canadian retail landscape has evolved quite a bit over the last few years and will continue to evolve rapidly in the coming years due to various reasons, including ecommerce, the changing consumer taste, how retailers are reorganizing themselves and foreign retailers entering Canada. There will be a lot of challenges and opportunities and Plaza is well positioned to capitalize on these opportunities.
- **Key risks worrying management.** Execution of its development projects, interest costs and tenant bankruptcies are the key risks faced by PLZ's management.





## Company Profile

PRV real estate investment trust owns 70+ retail, office, industrial, and mixed-use properties (3.7 million square feet), with a focus on primary and secondary markets in Eastern Canadian provinces.

## Market and Company Data

<b>Ticker</b>	PRV.UN-T	<b>Units O/S (M)</b>	94
<b>Rating</b>	Buy	<b>Market Cap (M)</b>	\$217
<b>Risk</b>	Medium	<b>Debt (M)</b>	\$296
<b>Price</b>	\$2.30	<b>Enterprise Value (M)</b>	\$513
<b>1-Yr Target</b>	\$2.45	<b>Avg. Daily Volume (K)</b>	111
<b>Dividend</b>	\$0.21	<b>2019 AFFO Payout Ratio</b>	111%
<b>Div. Yield</b>	9.1%	<b>2019 Debt to EBITDA</b>	10.0x
<b>1-Yr ROR</b>	15.7%	<b>Debt to GBV</b>	59%
<b>52 Wk High-Low</b>	\$2.45-1.80	<b>NAV</b>	\$2.25
<b>Year End</b>	Dec-31	<b>Cap Rate</b>	6.8%
<b>Next Reporting</b>	May-'19	<b>Price / NAV</b>	102%
<b>Valuation</b>	10% Premium to NAV, 5-yr DCF		

Funds From Operations (FFO) per Unit						
	Q1	Q2	Q3	Q4	Annual	P/FFO
2017A	\$0.05 A	\$0.05 A	\$0.04 A	\$0.04 A	\$0.17 A	13.4x
2018A	\$0.03 A	\$0.03 A	\$0.04 A	\$0.04 A	\$0.15 A	15.2x
2019E	\$0.05	\$0.05	\$0.05	\$0.05	\$0.21	10.7x
2020E	\$0.05	\$0.05	\$0.05	\$0.05	\$0.22	10.6x
Adjusted Funds From Operations (AFFO) per Unit						
	Q1	Q2	Q3	Q4	Annual	P/AFFO
2017A	\$0.04 A	\$0.04 A	\$0.03 A	\$0.03 A	\$0.15 A	15.8x
2018A	\$0.04 A	\$0.03 A	\$0.04 A	\$0.03 A	\$0.14 A	15.9x
2019E	\$0.05	\$0.05	\$0.05	\$0.05	\$0.19	12.2x
2020E	\$0.05	\$0.05	\$0.05	\$0.05	\$0.19	12.1x

All figures in CAD dollars unless specified otherwise

## PRO REIT (PRV.UN-T)

Rating: **Buy** – Target: **\$2.45**; Price: **\$2.30**

*Yashwant Sankpal, REIT Analyst*

- **Ready for next stage of growth.** With its asset and property management platforms fully internal, and the graduation to the TSX, PROREIT is ready to start a new growth cycle. With an internal platform, future acquisitions should generate meaningful accretion to FFO/unit and help the REIT cover the gap between its distribution rate and AFFO/unit.
- **Third-party acquisitions will be a key focus.** Management expects to remain active on the acquisition front in 2019. The company is looking to acquire Industrial and Office assets in the secondary markets of Ottawa, Winnipeg, and Southern Ontario.
- **Key risks worrying management.** Tenant sustainability, diversification of portfolio and accessibility to capital and the cost of that capital, are some of the key risks that worry management.

## Company Profile

Sienna Senior Living inc. is one of Canada's largest owners and operators of Seniors' Living facilities, currently owning 70+ properties comprising 10,000 beds across Ontario and BC.

## Market and Company Data

<b>Ticker</b>	SIA-T	<b>Shares O/S (M)</b>	66
<b>Rating</b>	Hold	<b>Market Cap (M)</b>	\$1,239
<b>Risk</b>	Medium	<b>Debt (M)</b>	\$1,016
<b>Price</b>	\$18.75	<b>Enterprise Value (M)</b>	\$2,255
<b>1-Yr Target</b>	\$19.00	<b>Avg. Daily Volume (K)</b>	172
<b>Dividend</b>	\$0.92	<b>2019 AFFO Payout Ratio</b>	64%
<b>Div. Yield</b>	4.9%	<b>Debt to GBV</b>	48%
<b>1-Yr ROR</b>	6.2%	<b>2019 Debt to EBITDA</b>	6.8x
<b>52 Wk Hi-Lo</b>	\$19.03-15.44	<b>NAV</b>	\$18.00
<b>Year End</b>	Dec-31	<b>Cap Rate</b>	7.3%
<b>Next Reporting</b>	May-'19	<b>Price / NAV</b>	104%
<b>Valuation</b>	1.10x NAV, 5-yr DCF		

Operating Funds From Operations (OFFO)						
	Q1	Q2	Q3	Q4	Annual	P/FFO
2018A	\$0.31 A	\$0.37 A	\$0.36 A	\$0.35 A	\$1.40	13.4x
2019E	\$0.33	\$0.36	\$0.37	\$0.35	\$1.41	13.3x
2020E	\$0.34	\$0.38	\$0.39	\$0.36	\$1.47	12.8x
Adjusted Funds From Operations (AFFO)						
	Q1	Q2	Q3	Q4	Annual	P/AFFO
2018A	\$0.33	\$0.38	\$0.36	\$0.33	\$1.41	13.3x
2019E	\$0.33	\$0.37	\$0.37	\$0.35	\$1.42	13.2x
2020E	\$0.34	\$0.38	\$0.39	\$0.37	\$1.48	12.6x

All figures in Canadian dollars unless specified otherwise

## Sienna Senior Living Inc. (SIA-T)

Rating: **Hold** – Target: **\$19.00**; Price: **\$18.75**

*Yashwant Sankpal, REIT Analyst*

- **Steady cash flow, improving balance sheet:** SIA continues to manage its portfolio in an excellent manner, with the integration of the BayBridge portfolio progressing well. In fact, SIA is now open to look at new RH opportunities in order to increase the proportion of its RH NOI to 50% from the current 44%. We believe this asset mix should allow SIA to improve its FFO/share growth further.
- **Have RH and LTC cap rates changed in oversupplied markets?** While some pockets of Ontario (Ottawa, Durham region, Waterloo, etc.) are seeing excess supply, cap rates in these markets have not moved up or down. Buyers, however, are not willing to pay for vacancy.
- **Expect regular dividend increases:** Sienna increased its dividend for the first time in 2018, since going public in 2010. Based on management's positive outlook, investors could expect to see regular dividend increases in the future.
- **Rising development charges affecting the economics of Class C redevelopment projects.** SIA was another company at the conference that expressed concerns about rising development charges in Ontario and how they are affecting SIA's projections of its Class C redevelopment program. Development charges in some markets of Ontario have gone up by 30% over the last five years.





## TRANSPORTATION & INFRASTRUCTURE





## Company Profile

Cargojet is Canada's leading provider of time-sensitive overnight air cargo services and carries over 1,300,000 pounds of cargo each business night.

## Market and Company Data

Ticker	CJT-T	Shares O/S (M)	13.1
Rating	Restricted	Market Cap (M)	\$1,036
Risk	Restricted	Float O/S (M)	11.3
Price	\$78.98	Float Value (M)	\$896.2
1-Yr Target	Restricted	Avg Daily Volume (K)	78.6
Dividend	\$0.85	Enterprise Value (M)*	\$1,441
Yield (%)	1.1%	Control Blocks:	
1-Yr ROR	Restricted	Manag & Dir	13%
52 Wk High-Low	\$88.59 - \$60.83		
BVPS	\$11.21	Net Debt/Cap	73%
Valuation	Restricted	Next Reporting	May-19
Year End	31-Dec		

Adjusted EPS								
	Q1		Q2		Q3		Q4	Annual
2016A	\$0.43	A	\$0.36	A	\$0.45	A	\$0.09	A \$0.24
2017A	\$0.24	A	\$0.35	A	\$0.42	A	\$0.83	A \$1.84
2018A	\$0.34	A	\$0.35	A	\$0.35	A	\$0.47	A \$1.50
2019E	n/a		n/a		n/a		n/a	n/a
2020E							n/a	n/a
Adjusted EBITDA (\$M)								
	Q1		Q2		Q3		Q4	Annual
2016A	\$17.4	A	\$22.5	A	\$25.3	A	\$27.9	A \$93.1
2017A	\$22.3	A	\$24.6	A	\$25.4	A	\$37.2	A \$109.5
2018A	\$27.5	A	\$28.8	A	\$31.5	A	\$40.2	A \$128.0
2019E	n/a		n/a		n/a		n/a	n/a
2020E							n/a	n/a

Source: Company reports; Bloomberg; LBS.

## CargoJet Inc. (CJT-T)

Rating: **Restricted** – Target: **Restricted**; Price: **\$78.98**

Nauman Satti, Associate

Mona Nazir, Transportation & Infrastructure Analyst

- We are currently **RESTRICTED** on Cargojet.

## Company Profile

Exchange Income Corporation's principal activity is to invest in profitable, well-established companies with strong cash flows operating in niche markets in Canada and the U.S. It focuses on acquisition opportunities in the industrial products and transportation sectors. It operates two segments: Aerospace & Airline, and Manufacturing.

## Market and Company Data

Ticker	EIF-T	Shares O/S (M)	32.9
Rating	Buy	Market Cap (M)	\$1,138
Risk	Medium	Float O/S (M)	29.7
Price	\$34.59	Float Value (M)	\$1,026.1
1-Yr Target	\$45.50	Avg Daily Volume (K)	78.6
Dividend	\$2.19	Enterprise Value (M)*	\$2,088
Yield (%)	6.3%	Control Blocks:	
1-Yr ROR	37.9%	Manag & Dir	10%
52 Wk High-Low	\$35.75 - \$25.58		
BVPS	\$17.07	Net Debt/Cap	62%
Valuation	7x EV/EBITDA (2020)	Next Reporting	May-19
Year End	31-Dec		

Adjusted EPS								
	Q1		Q2		Q3		Q4	Annual
2016A	\$0.44	A	\$0.74	A	\$0.81	A	\$0.58	A \$2.56
2017A	\$0.25	A	\$0.77	A	\$0.84	A	\$0.72	A \$2.58
2018A	\$0.41	A	\$0.80	A	\$0.94	A	\$0.79	A \$2.94
2019E	\$0.52	E	\$1.05	E	\$1.22	E	\$1.00	E \$3.78
2020E							\$4.32	8.0 x
Adjusted EBITDA (\$M)								
	Q1		Q2		Q3		Q4	Annual
2016A	\$44.3	A	\$56.9	A	\$60.0	A	\$51.3	A \$212.6
2017A	\$43.3	A	\$70.1	A	\$72.0	A	\$63.3	A \$248.7
2018A	\$54.0	A	\$75.1	A	\$79.2	A	\$69.5	A \$277.8
2019E	\$63.7	E	\$85.0	E	\$92.3	E	\$83.6	E \$324.6
2020E							\$350.1	6.0 x

Source: Company reports; Bloomberg; LBS.

## Exchange Income Fund Corp. (EIF-T)

Rating: **Buy** – Target: **\$45.50**; Price: **\$34.59**

Nauman Satti, Associate

Mona Nazir, Transportation & Infrastructure Analyst

- **Another campus for Moncton.** Exchange's latest acquisition of Moncton Flight College is seeing a healthy demand and the school will be opening its third campus. The new campus will allow the students to train under different weather conditions. The school offers a competitive advantage with its semester-based system, which allows the pilots and students to gain valuable "flying hours".
- **Force Multiplier opportunity + R1 demand remains decent.** Force Multiplier has now received all the required regulatory approvals and the company anticipates the aircraft will be used by different government authorities. After-market industry for aircraft parts remains decent alongside growing demand for aircraft leases. Furthermore, the JV with SkyWest provides an opportunity to service a large airline with over 450 aircraft.
- **Quest expansion remains on track + M&A outlook in Canada remains strong.** Quest expansion via its new 330,000 sq. ft. facility in Dallas remains on track and the expansion should more than double the current capacity. The estimated capex for the new facility should remain under the initial limit of \$20M, despite the FX headwinds. The M&A landscape in Canada remains robust but the valuations in the U.S appear to be stretched, based on management's outlook.







## Company Profile

IBI is a leading, international, multi-disciplinary provider of a broad range of professional services focused on the physical development of cities. The company has over 2,900 employees, globally. IBI focuses on four main segments of development: Urban Land, Facilities, Transportation and Systems.

## Market and Company Data

Ticker	IBG-T	Shares O/S* (M)	37.5
Rating	Buy	Market Cap* (M)	\$187.1
Risk	Medium	Float O/S (M)	22.5
Price	\$4.99	Float Value (M)	\$112.3
1-Yr Target	\$8.00	Avg Daily Volume (K)	12.3
Dividend	\$0.00	Enterprise Value (M)	\$294.4
Yield (%)	0.0%	Control Blocks:	
1-Yr ROR	60.2%	Manag & Dir	40%
52 Wk High-Low	\$8.23 - \$3.67		
BVPS	\$0.81	Net Debt/Cap	78%
Valuation	14.0x P/E (2020)	Next Reporting	May-19
Year End	31-Dec		

Adjusted EPS *	Q1	Q2	Q3	Q4	Annual	P/E
2017	\$0.10	A \$0.13	A \$0.15	A \$0.09	A \$0.48	10.4x
2018	\$0.11	A \$0.08	A \$0.13	A \$0.06	A \$0.38	13.3x
2019	\$0.12	\$0.12	\$0.14	\$0.10	\$0.49	10.1x
2020					\$0.57	8.7x

Adjusted EBITDA (\$M)	Q1	Q2	Q3	Q4	Annual	EV/EBITDA
2017	10.1	A 11.8	A 11.1	A 7.6	A 40.6	7.3x
2018	9.1	A 9.1	A 10.2	A 8.2	A 36.6	8.1x
2019	9.9	10.3	11.1	9.2	40.4	7.3x
2020					42.5	6.9x

Note: Market cap. assumes Class B partnership units (vs. 31.2M common s/o)  
EPS based on 31.2M shares.  
Source: Company reports; Bloomberg; LBS.

## IBI Group Inc. (IBG-T)

Rating: **Buy** – Target: **\$8.00**; Price: **\$4.99**

Nauman Satti, Associate

Mona Nazir, Transportation & Infrastructure Analyst

- **Technology to improve margin profile.** IBI has gradually increased its focus on the Technology (Intelligence) segment which offers a higher margin as compared to its Buildings and Infrastructure segments. Intelligence's current operating profit margins are at 16.3% and management expects the margins to reach 20% by 2020. Similarly, IBI expects the Intelligence segment will contribute 20% of total revenue by 2020, up from the current 18% level. The company is expected to have new product launches in 2019, which will include application & services in the traveler information space.
- **Public sector exposure provides risk mitigation.** Like most E&C companies, IBI undertakes projects in both the private and public sectors. The projects on the public sector are relatively less risky and provide overall risk diversification benefits to the company.
- **Growth outlook remains intact with 12 months of backlog.** IBI believes that the macro trends are supportive of the company's positive outlook. Continuation of urbanization should increase the demand for new buildings and services in the cities.

## Company Profile

Stantec provides professional consulting services in planning, engineering, architecture, interior design, landscape architecture, surveying, environmental sciences, project management, and project economics for infrastructure and facilities projects. Stantec has 22,000 employees operating in more than 380 offices in North America, Europe, Asia, South America and Africa.

## Market and Company Data

Ticker	STN-T	Shares O/S (M)	114.5
Rating	Buy	Market Cap (M)	\$3,719
Risk	Medium	Float O/S (M)	113.3
Price	\$32.48	Float Value (M)	\$3,678
1-Yr Target	\$40.00	Avg Daily Volume (K)	179.0
Dividend	\$0.58	Enterprise Value (M)	\$4,542
Yield (%)	1.8%	Control Blocks:	
1-Yr ROR	24.9%	Manag & Dir	1.1%
52 Wk High-Low	\$35.04 - \$29.03		
BVPS	\$16.75	Net Debt/Cap	39%
Valuation	17.75x P/E (2020)	Next Reporting	May-19
Year End	31-Dec		

Adjusted EPS (FD)	Q1	Q2	Q3	Q4	Annual	P/E
2016A	\$0.40	A \$0.37	A \$0.55	A \$0.35	A \$1.69	19.3x
2017A	\$0.40	A \$0.51	A \$0.54	A \$0.32	A \$1.77	18.4x
2018A*	\$0.42	A \$0.41	A \$0.44	A \$0.40	A \$1.82	17.9x
2019E	\$0.47	E \$0.60	E \$0.58	E \$0.40	E \$2.04	15.9x
2020E					\$2.25	14.4x

Adjusted EBITDA (\$M)	Q1	Q2	Q3	Q4	Annual	EV/EBITDA
2016A	70.2	A 84.6	A 113.6	A 84.0	A 352.3	12.9x
2017A	89.9	A 103.5	A 106.9	A 63.1	A 363.5	12.5x
2018A*	90.4	A 94.4	A 99.9	A 84.2	A 392.5	11.6x
2019E	105.4	E 119.4	E 118.7	E 91.7	E 435.3	10.4x
2020E					456.6	9.9x

\* Note: Q4/18, F2019 and F2020 are based on continuing operations  
Source: Company reports; Bloomberg; LBS.

## Stantec Inc. (STN-T)

Rating: **Buy** – Target: **\$40.00**; Price: **\$32.48**

Nauman Satti, Associate

Mona Nazir, Transportation & Infrastructure Analyst

- **Strong backlog in all geographies.** STN's backlog continues to remain strong and the company sees no signs of softness in any of its geographies. The company anticipates a steady growth to continue from infrastructure spending. Management anticipates organic net revenue growth in the low- to mid-single digit range; amid a long-term target of 15% net revenue CAGR.
- **A robust M&A pipeline.** Stantec will continue its acquisitive strategy in 2019 and believes the pipeline of opportunities remains strong. The company had undertaken seven strategic acquisitions in 2018 and sees multiple M&A opportunities, going forward. North America, Australia and New Zealand are some of the attractive geographies for acquisitions.
- **Investment gap persists.** Infrastructure spending needs will continue to grow as public infrastructure is improved. Average age of bridges is reaching close to 80 years in the U.S. Similarly, there are other public sector infrastructure (roads, buildings) that require replacement, overhaul or redevelopment. The investment gap is likely to persist in the coming years because of the increasing need for infrastructure projects.





## Company Profile

TFI International is a leader in the North American transportation and logistics industry with annual revenues of ~\$4 billion. The company manages a large network of wholly-owned subsidiaries across Canada and the United States.

## Market and Company Data

Ticker	TFII-T	Shares O/S (M)	90.8
Rating	Buy	Market Cap (M)	\$3,824
Risk	Medium	Float O/S (M)	86.1
Price	\$42.11	Float Value (M)	\$3,626
1-Yr Target	\$51.00	Avg Daily Volume (K)	294.1
Dividend	\$0.96	Enterprise Value (M)	\$5,421
Yield (%)	2.3%	Control Blocks:	
1-Yr ROR	23.4%	Manag & Dir	5.2%
52 Wk High-Low	\$49.00-\$31.87	Net Debt/Cap	50%
Valuation	8.5x EV/EBITDA (2020)	BVPS	\$17.37
Year End	Dec. 31	Next Reporting	May-19

### Adjusted EPS (FD)

	Q1	Q2	Q3	Q4	Annual	P/E
2017A	\$0.35	A \$0.68	A \$0.53	A \$0.60	A \$2.08	20.3 x
2018A	\$0.56	A \$0.99	A \$1.04	A \$0.96	A \$3.54	11.9 x
2019E	\$0.82	E \$1.02	E \$0.96	E \$0.98	E \$3.79	10.7 x
2020E	\$0.92	E \$1.05	E \$0.98	E \$0.96	E \$3.92	10.4 x

### Adjusted EBITDA (\$M)

	Q1	Q2	Q3	Q4	Annual	EV/EBITDA
2017A	107.6	A 144.2	A 128.2	A 131.0	A 511.0	10.6 x
2018A	129.0	A 184.4	A 187.2	A 176.0	A 676.6	8.0 x
2019E	165.0	E 189.1	E 180.6	E 180.1	E 714.8	7.6 x
2020E	174.4	E 189.6	E 179.6	E 178.1	E 721.8	7.5 x

Source: Company reports; Bloomberg; LBS.

## TFI International Inc. (TFII-T)

Rating: **Buy** – Target: **\$51.00**; Price: **\$42.11**

Nauman Satti, Associate

Mona Nazir, Transportation & Infrastructure Analyst

- **Operational safety driven by technology.** Apart from generating operational efficiencies from the use of technologies such as electronic logging devices and platooning, technology is also improving the safety of drivers. Forward facing cameras are installed in all their vehicles, which records all travel and helps reduce insurance costs.
- **E-commerce growth remains robust.** E-commerce growth has remained in the range of ~15-16% over the last 5-7 years; and it now contributes ~10% of total revenue. TFI has purposefully avoided business from the largest e-commerce company in the U.S, as it did not offer attractive margins. Overall, management remains positive on the potential growth opportunities that e-commerce has to offer.
- **Buyer of choice in the M&A landscape.** The outlook for M&A activity remains attractive with a sufficient pipeline of opportunities. The company remains patient in its approach, with focus on valuation. TFI has the ability to drive savings after the close of an acquisition by reducing the costs relating to procurement, fuel and insurance.

## Company Profile

WSP Global is a leading Canadian engineering services firm providing private and public sector clients with a comprehensive and diversified range of professional consulting services through all execution phases of a project, including planning, design, construction and maintenance.

## Market and Company Data

Ticker	WSP-T	Shares O/S (M)	104.4
Rating	Buy	Market Cap (M)	\$7,602
Risk	Medium	Float O/S (M)	64.3
Price	\$72.82	Float Value (M)	\$4,679
1-Yr Target	\$82.50	Avg Daily Volume (K)	160.1
Dividend	\$1.50	Enterprise Value (M)	\$8,850
Yield (%)	2.1%	Control Blocks:	
1-Yr ROR	15.4%	Manag & Dir	1%
52 Wk High-Low	\$75.42 - \$56.09	CPPIB & CDP	38%
BVPS	\$31.23	Net Debt/Cap	27%
Valuation	21x P/E (2020)	Next Reporting	May-19
Year End	31-Dec		

### Adjusted EPS (FD)

	Q1	Q2	Q3	Q4	Annual	P/E
2016A	\$0.33	A \$0.56	A \$0.66	A \$0.68	A \$2.22	32.7x
2017A	\$0.49	A \$0.64	A \$0.77	A \$0.54	A \$2.44	29.8x
2018A	\$0.53	A \$0.78	A \$0.95	A \$0.58	A \$2.83	25.7x
2019E	\$0.68	\$0.98	\$1.14	\$0.82	\$3.61	20.2x
2020E					\$3.93	18.5x

### Adjusted EBITDA (\$M)

	Q1	Q2	Q3	Q4	Annual	EV/EBITDA
2016A	91.5	A 125.0	A 147.2	A 135.3	A 499.0	17.7x
2017A	114.5	A 140.3	A 160.4	A 140.0	A 555.2	15.9x
2018A	133.5	A 169.5	A 187.5	A 169.0	A 659.5	13.4x
2019E	165.2	205.9	225.5	180.6	777.1	11.4x
2020E					824.3	10.7x

Source: Company reports; Bloomberg; LBS.

## WSP Global Inc. (WSP-T)

Rating: **Buy** – Target: **\$82.50**; Price: **\$72.82**

Nauman Satti, Associate

Mona Nazir, Transportation & Infrastructure Analyst

- **No signs of softness.** The backlog for WSP continues to remain strong and management does not see any softness or a slowdown in 2019. However, in case of any softness in the future, management expects to benefit from M&A activity as it utilizes its strong balance sheet. Despite the cloud of uncertainty surrounding Brexit, WSP's UK operations continue to perform well.
- **Comfortable exposure in emerging markets.** WSP's operations are geographically diversified and the company wants to limit its exposure to the emerging markets to 10%. This allows the company to reap the benefits of high growth markets, while diversifying against the challenging political and business landscape of the emerging markets.
- **Funding gap remains, albeit a recent uptick.** Despite higher spending for infrastructure projects, an investment gap still remains, given the growing demand for upgrading old infrastructure alongside the need for newer projects. Apart from the investment gap, it is also important to develop community support for large projects that are undertaken.





## Appendix I – Coverage Universe

Coverage	Ticker	Rating	Risk Rating	Mkt Cap (\$M)	Price	Target	Div. Yield	1-Yr RoR
<b>Nick Agostino, MBA, CFA, P.Eng. – Diversified Technology</b>								
5N Plus Inc.	VNP-T	Buy	High	\$306	\$3.64	\$4.25	na	16%
BSM Technologies	GPS-T	Hold	High	\$110	\$1.37	\$1.40	na	2%
The Descartes Systems Group Inc.	DSG-T	Hold	High	US\$3,006	US\$39.01	US\$35.00	na	-11%
Kinaxis Inc.	KXS-T	Buy	High	\$2,050	\$78.60	\$100.00	na	28%
Mediagrip Interactive Technologies Inc.	MDF-T	Buy	High	\$146	\$9.81	\$12.00	4.0%	24%
Savaria Corporation	SIS-T	Restricted	Restricted	\$597	\$13.18	Restricted	3.2%	Restricted
Solium Capital	SUM-T	Tender	High	\$1,078	\$19.10	\$19.15	na	-27%
TECSYS Inc.	TCS-T	Buy	High	\$183	\$14.00	\$17.00	1.6%	23%
TSO3 Inc.	TOS-T	Spec. Buy	High	\$37	\$0.40	\$0.80	na	111%
<b>Barry Allan, MBA – Mining</b>								
Americas Silver Corporation.	USA-T	Buy	High	\$162	\$2.30	\$5.40	na	135%
Balmoral Resources Ltd.	BAR-T	Buy	High	\$17	\$0.13	\$0.75	na	525%
Detour Gold Corp.	DGC-T	Buy	High	\$2,248	\$12.79	\$20.00	na	57%
Eastmain Resources Inc.	ER-T	Restricted	Restricted	\$30	\$0.14	Restricted	na	Restricted
Jaguar Mining Inc.	JAG-T	Spec Buy	High	\$39	\$0.12	\$0.35	na	180%
Marathon Gold Corporation	MOZ-T	Buy	High	\$144	\$0.90	\$2.50	na	169%
TMAC Resources Inc.	TMR-T	Buy	High	\$494	\$4.40	\$8.50	na	96%
Wesdome Gold Mines	WDO-T	Buy	High	\$636	\$4.71	\$6.25	na	32%
<b>Ryan Hanley – Mining</b>								
Alamos Gold Inc.	AGI-T	Buy	High	\$2,646	\$6.70	\$9.00	0.8%	32%
Argonaut Gold Inc.	AR-T	Buy	High	\$316	\$1.78	\$2.75	na	51%
Ascendant Resources Inc.	ASND-T	Buy	High	\$40	\$0.52	\$1.25	na	140%
New Gold Inc.	NGI-T	Hold	High	\$691	\$1.20	\$1.20	na	-4%
Rubicon Minerals Corp.	RMX-T	Buy	High	\$74	\$1.13	\$2.50	na	122%
Superior Gold Inc.	SGI-T	Buy	High	\$48	\$0.49	\$1.25	na	153%
<b>Elizabeth Johnston, CFA – Consumer Products &amp; Special Situations</b>								
A&W Revenue Royalties Income Fund	AW.UN-T	Hold	Medium	\$487	\$38.95	\$38.00	4.5%	2%
Boston Pizza Royalties Income Fund	BPF.UN-T	Hold	Medium	\$373	\$17.12	\$17.50	8.0%	10%
Boyd Group Income Fund	BYD.UN-T	Buy	Medium	\$2,956	\$148.77	\$160.00	0.4%	7%
CCL Industries Inc.	CCL.B-T	Buy	Medium	\$9,756	\$54.79	\$71.00	1.2%	30%
DIRTT Environmental Solutions	DRT-T	Buy	High	\$771	\$9.15	\$10.00	na	10%
Freshii Inc.	FRIT-T	Hold	High	\$57	\$2.17	\$3.00	na	40%
IPL Plastics Inc.	IPLP-T	Buy	High	\$546	\$10.70	\$18.00	na	72%
K-Bro Linen Inc.	KBL-T	Buy	Medium	\$398	\$37.67	\$42.00	3.2%	2%
Keg Royalties Income Fund	KEG.UN-T	Buy	Medium	\$199	\$17.56	\$23.00	6.5%	38%
MTY Food Group Inc.	MTY-T	Hold	High	\$1,464	\$58.15	\$60.00	1.1%	12%
Recipe Unlimited Corporation	RECP-T	Buy	High	\$1,608	\$26.25	\$32.50	1.7%	26%
SIR Royalty Income Fund	SRV.UN-T	Hold	High	\$135	\$16.12	\$14.75	7.8%	-1%
Sleep Country Canada Holdings Inc.	ZZZ-T	Buy	Medium	\$703	\$18.96	\$32.00	3.9%	72%
Uni-Select Inc.	UNS-T	Hold	Medium	\$664	\$15.66	\$15.50	2.3%	0%
<b>Todd Kepler, CFA – Oil &amp; Gas</b>								
Baytex Energy Corp.	BTE-T	Buy	High	\$1,395	\$2.51	\$5.25	na	102%
Birchcliff Energy Ltd.	BIR-T	Buy	High	\$984	\$3.72	\$6.00	2.8%	62%
Crew Energy Inc.	CR-T	Buy	High	\$183	\$1.21	\$2.00	na	70%
InPlay Oil Corp.	IPO-T	Buy	High	\$73	\$1.08	\$2.75	na	114%
Paramount Resources Ltd.	POU-T	Buy	High	\$1,078	\$8.28	\$12.50	na	46%
Pieridae Energy Limited	PEA-T	Spec. Buy	High	\$144	\$1.90	\$8.50	na	336%
Surge Energy Inc.	SGY-T	Buy	High	\$445	\$1.44	\$2.25	7.0%	46%
Tamarack Valley Energy Ltd.	TVE-T	Buy	High	\$613	\$2.71	\$5.50	na	94%
TORC Oil & Gas Ltd.	TOG-T	Buy	High	\$1,063	\$4.90	\$7.50	5.5%	61%
Whitecap Resources Inc.	WCP-T	Buy	High	\$2,182	\$5.28	\$10.00	6.2%	89%
Yangarra Resources Ltd.	YGR-T	Buy	High	\$290	\$3.42	\$5.75	0.0%	60%
<b>Chris Martino, CFA – Special Situations</b>								
Momeau Shepell Inc.	MSI-T	Hold	Medium	\$1,773	\$27.61	\$28.50	2.8%	7%
People Corporation	PEO-T	Buy	High	\$463	\$7.65	\$9.75	na	28%
<b>Mona Nazir, MBA – Transportation &amp; Infrastructure</b>								
CargoJet Inc.	CJT-T	Restricted	Restricted	\$1,063	\$78.98	Restricted	1.2%	Restricted
Exchange Income Corp.	EIF-T	Buy	Medium	\$1,085	\$34.59	\$45.50	6.4%	39%
Hydro One Ltd.	H-T	Hold	Low	\$12,413	\$20.83	\$21.00	4.4%	4%
Heroux Devtek Inc.	HRX-T	Buy	Medium	\$598	\$16.53	\$16.00	na	-3%
IBI Group Inc.	IBG-T	Buy	Medium	\$155	\$4.99	\$8.00	na	58%
SNC-Lavalin Group Inc.	SNC-T	Hold	Medium	\$5,944	\$33.86	\$39.00	1.2%	14%
Stantec Inc.	STN-T	Buy	Medium	\$3,632	\$32.48	\$40.00	1.8%	26%
Stella-Jones Inc.	SJ-T	Buy	Medium	\$3,168	\$45.82	\$52.00	1.2%	15%
Transat A.T. Inc.	TRZ-T	Buy	High	\$191	\$5.10	\$7.50	na	47%
TFI International Inc.	TFI-T	Buy	Medium	\$3,557	\$42.11	\$51.00	2.3%	23%
WSP Global Inc.	WSP-T	Buy	High	\$7,629	\$72.82	\$82.50	2.1%	18%
<b>Yashwant Sankpal, MBA – REITs</b>								
Boardwalk REIT	BEI.UN	Buy	Medium	\$1,862	\$40.30	\$56.00	2.5%	42%
BSR REIT	HOM.U	Buy	Medium	US\$390	US\$9.71	\$11.00	5.1%	18%
BTB REIT	BTB.UN-T	Hold	Medium	\$265	\$4.78	\$4.50	8.8%	3%
InterRent REIT	IIP.UN	Buy	Medium	\$1,497	\$14.09	\$15.50	na	9%
Killam Apartment REIT	KMP.UN	Hold	Medium	\$1,757	\$19.24	\$18.25	3.4%	-2%
Mainstreet Equity Corp.	MEQ-T	Buy	Medium	\$426	\$48.50	\$55.00	na	13%
Morguard North American REIT	MRG.UN	Buy	Medium	\$616	\$18.25	\$21.00	na	16%
Northview REIT	NVU.UN	Hold	Medium	\$1,594	\$28.47	\$28.50	5.7%	6%
PROREIT	PRV.UN-V	Buy	Medium	\$199	\$2.32	\$2.45	na	7%
Pure Multi-Family REIT LP	RUF.UN-V	Buy	Medium	US\$545	US\$6.88	\$7.15	5.5%	9%
Sienna Senior Living Inc.	SIA-T	Hold	Medium	\$1,240	\$18.75	\$19.00	4.9%	7%
<b>Jonathan Tempore, MBA – Oil &amp; Gas</b>								
Pipestone Energy Corp.	PIPE-V	Buy	High	\$379	\$2.00	\$3.25	na	63%
Southern Energy Corp.	SOU-V	Spec. Buy	High	\$32	\$0.16	\$0.25	na	79%

Source: Thomson Eikon; LBS estimates.

Pricing as of April 8, 2019.







## Appendix II – Disclosures

Company		Ticker	Disclosures*
5N Plus Inc.	Nick Agostino (Diversified Technology)	VNP-T	U
A&W Revenue Royalties Income Fund	Elizabeth Johnston (Consumer Products & Special Situations)	AW.UN-T	V
Allied Properties Real Estate Investment Trust	N/A	AP.U-T	N/A
Alamos Gold Inc.	Ryan Hanley (Mining)	AGI-T	V, P
Americas Silver Corporation.	Barry Allan (Mining)	USA-T	N/A
Andrew Peller Ltd.	N/A	ADWA-T	N/A
Argonaut Gold Inc.	Ryan Hanley (Mining)	AR-T	V, P
Ascendant Resources Inc.	Ryan Hanley (Mining)	ASND-T	V, P
Aurora Cannabis Inc.	N/A	ACB-T	N/A
Balmoral Resources Ltd.	Barry Allan (Mining)	BAR-T	N/A
Baytex Energy Corp.	Todd Kepler (Oil & Gas)	BTE-T	V
Birchcliff Energy Ltd.	Todd Kepler (Oil & Gas)	BIR-T	V
Boardwalk REIT	Yashwant Sankpal (REITs)	BELUN	V
Boston Pizza Royalties Income Fund	Elizabeth Johnston (Consumer Products & Special Situations)	BPF.UN-T	V
Boyd Group Income Fund	Elizabeth Johnston (Consumer Products & Special Situations)	BYD.UN-T	N/A
Brick Brewing Co. Ltd.	N/A	BRB-T	N/A
BSM Technologies	Nick Agostino (Diversified Technology)	GPS-T	N/A
BSR REIT	Yashwant Sankpal (REITs)	HOM.U	N/A
BTB REIT	Yashwant Sankpal (REITs)	BTB.UN-T	U
CargoJet Inc.	Mona Nazir (Transportation & Infrastructure)	CJT-T	U, V
Canopy Growth Corporation	N/A	WEED-T	N/A
CCL Industries Inc.	Elizabeth Johnston (Consumer Products & Special Situations)	CCL.B-T	U, V
Cervus Equipment Corp.	N/A	CERV	N/A
Crew Energy Inc.	Todd Kepler (Oil & Gas)	CR-T	V
Currency Exchange International Corp.	N/A	CXI-T	N/A
Detour Gold Corp.	Barry Allan (Mining)	DGC-T	V, P
DIRTT Environmental Solutions	Elizabeth Johnston (Consumer Products & Special Situations)	DRT-T	V
Eastmain Resources Inc.	Barry Allan (Mining)	ER-T	U, V, P
Exchange Income Corp.	Mona Nazir (Transportation & Infrastructure)	EIF-T	U, V
Freshii Inc.	Elizabeth Johnston (Consumer Products & Special Situations)	FRIT-T	V
Heroux Devtek Inc.	Mona Nazir (Transportation & Infrastructure)	HRX-T	V
HEXO Corp.	N/A	HEXO-T	U
Hydro One Ltd.	Mona Nazir (Transportation & Infrastructure)	H-T	U
IBI Group Inc.	Mona Nazir (Transportation & Infrastructure)	IBC-T	V
InPlay Oil Corp.	Todd Kepler (Oil & Gas)	IPO-T	V
InterRent REIT	Yashwant Sankpal (REITs)	IIP.UN	V
IPL Plastics Inc.	Elizabeth Johnston (Consumer Products & Special Situations)	IPLP-T	U, V
Jaguar Mining Inc.	Barry Allan (Mining)	JAG-T	N/A
K-Bro Linen Inc.	Elizabeth Johnston (Consumer Products & Special Situations)	KBL-T	U, V
Keg Royalties Income Fund	Elizabeth Johnston (Consumer Products & Special Situations)	KEG.UN-T	N/A
Laurentian Bank of Canada	N/A	LB-T	U
Killam REIT	Yashwant Sankpal (REITs)	KMP.UN	V
Kinaxis Inc.	Nick Agostino (Diversified Technology)	KXS-T	N/A
Marathon Gold Corporation	Barry Allan (Mining)	MOZ-T	N/A
Mediagrit Interactive Technologies Inc.	Nick Agostino (Diversified Technology)	MDF-T	N/A
Mainstreet Equity Corp.	Yashwant Sankpal (REITs)	MEQ-T	A, V
Morguard North American REIT	Yashwant Sankpal (REITs)	MKG.UN	V
Morneau Shepell Inc.	Chris Martino (Special Situations)	MSI-T	V
MTY Food Group Inc.	Elizabeth Johnston (Consumer Products & Special Situations)	MTY-T	V
New Gold Inc.	Ryan Hanley (Mining)	NGD-T	V, P
Northview REIT	Yashwant Sankpal (REITs)	NVU.UN	V
Paramount Resources Ltd.	Todd Kepler (Oil & Gas)	POU-T	V
People Corporation	Chris Martino (Special Situations)	PEO-V	U
Plenidae Energy Limited	Todd Kepler (Oil & Gas)	PEA-V	U
Pipestone Energy Corp.	Jonathan Tempore (Oil & Gas)	PIPE-V	V
Plaza Retail REIT	N/A	PLZ.U-T	N/A
PROREIT	Yashwant Sankpal (REITs)	PRV.UN-V	U
Pure Multi-Family REIT LP	Yashwant Sankpal (REITs)	RUF.UN-V	U
Radiant Technologies Inc.	N/A	RTI-V	U
Recipe Unlimited Corporation	Elizabeth Johnston (Consumer Products & Special Situations)	RECP-T	V
Richards Packaging Income Fund	N/A	RPLU-T	N/A
Rocky Mountain Dealerships Inc.	N/A	RMM-T	N/A
Rubicon Minerals Corp.	Ryan Hanley (Mining)	RMX-T	U, V
Savaria Corporation	Nick Agostino (Diversified Technology)	SIS-T	U, V
Sienna Senior Living Inc.	Yashwant Sankpal (REITs)	SIA-T	U, V
SIR Royalty Income Fund	Elizabeth Johnston (Consumer Products & Special Situations)	SRV.UN-T	N/A
Sleep Country Canada Holdings Inc.	Elizabeth Johnston (Consumer Products & Special Situations)	ZZZ-T	V
SNC-Lavalin Group Inc.	Mona Nazir (Transportation & Infrastructure)	SNC-T	N/A
Solium Capital	Nick Agostino (Diversified Technology)	SUM-T	U
Stantec Inc.	Mona Nazir (Transportation & Infrastructure)	STN-T	N/A
Stella-Jones Inc.	Mona Nazir (Transportation & Infrastructure)	SJ-T	U
Southern Energy Corp.	Jonathan Tempore (Oil & Gas)	SOU-V	A, L, U, V
Superior Gold Inc.	Ryan Hanley (Mining)	SGI-V	N/A
Surge Energy Inc.	Todd Kepler (Oil & Gas)	SGY-T	V
Tamarack Valley Energy Ltd.	Todd Kepler (Oil & Gas)	TVE-T	V
TECSYS Inc.	Nick Agostino (Diversified Technology)	TCS-T	U, V
TFI International Inc.	Mona Nazir (Transportation & Infrastructure)	TFIT-T	N/A
The Descartes Systems Group Inc.	Nick Agostino (Diversified Technology)	DSG-T	V
The Green Organic Dutchman Holdings Ltd.	N/A	TGOD-T	N/A
TheraCann International Benchmark Corporation	N/A	N/A	N/A
TMAC Resources Inc.	Barry Allan (Mining)	TMR-T	N/A
TORC Oil & Gas Ltd.	Todd Kepler (Oil & Gas)	TOG-T	V
Transat A.T. Inc.	Mona Nazir (Transportation & Infrastructure)	TRZ-T	N/A
Transcontinental Inc.	N/A	TCL.A-T	N/A
TSO3 Inc.	Nick Agostino (Diversified Technology)	TOS-T	U, V
Uni-Select Inc.	Elizabeth Johnston (Consumer Products & Special Situations)	UNS-T	V
WeedMD Inc.	N/A	WMD-V	N/A
Wesdome Gold Mines	Barry Allan (Mining)	WDO-T	V, P
Whitecap Resources Inc.	Todd Kepler (Oil & Gas)	WCP-T	U, V
Willow Biopharma Inc.	N/A	N/A	N/A
WSP Global Inc.	Mona Nazir (Transportation & Infrastructure)	WSP-T	U
Yangarra Resources Ltd.	Todd Kepler (Oil & Gas)	YGR-T	V







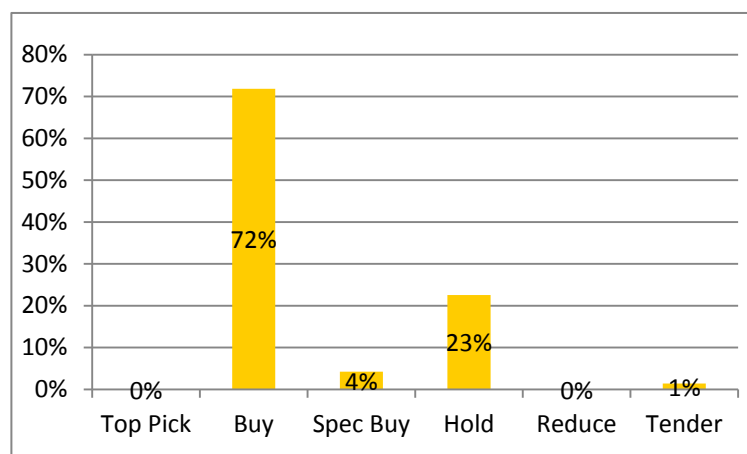
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Source: Laurentian Bank Securities

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	<b>High</b>	High financial/operational risk, low predictability of financial performance, high stock volatility.

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