

# The Valens Company

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## Valens GroWorks Corp earns Buy recommendation from Power Growth Investor

Analysts at investor publication Power Growth Investor assigned a Buy recommendation for the first time to Valens GroWorks Corp (CVE:VGW) (OTCMKTS:VGWCF), saying the British Columbia-based vertically integrated provider of extraction products and services company was a "good bet."

"The industry is still something of a Wild West, so investors must be choosy when looking into prospective winners," said Power Growth Investor, which was formerly known as Stock Pickers Digest.

### READ: Valens GroWorks' profitable 3Q earns Buy rating: Mackie

"Valens is a good bet because it processes marijuana from third party producers and turns it into resins, oils and other highly saleable extracts. This means that Valens can profit regardless of which cannabis growers rise to the top of the market," it added.

The publication added that the extraction company's current customers include big-name growers such as Canopy Growth, Tilray and Hexo.

Power Growth Investor said Valens is a Buy for "aggressive investors who want exposure to the marijuana industry."

After a profitable fiscal third quarter, Valens GroWorks also earned itself a Buy rating and a C\$8 price target from Mackie Research Corp.

The extraction company posted net income of C\$5.9 million during the quarter on revenue of C\$16.5 million, an 87% increase over the second quarter and a 641% increase over the first quarter of 2019.

The numbers significantly beat Mackie's expectations of C\$13.3 million in revenue and C\$0.01 per share.

Valens' profit of C\$0.05 per share marked a big turnaround for the company from when it suffered a loss of \$0.10 per share in the second quarter of 2019.

Mackie analysts Greg McLeish and Jack Keating wrote that the cannabis firm had "strong sales momentum" going into the back half of the year.

Valens processed 26,625 kg of dried cannabis and hemp biomass in 3Q 2019, a 212% increase over 2Q 2019, the analysts wrote.

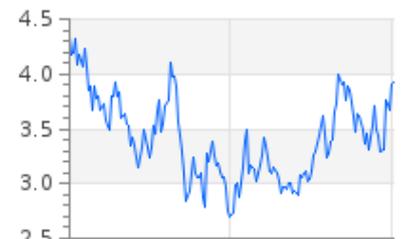
Valens recently announced that construction had begun on its recently acquired adjoining facility in Kelowna, a move that the Mackie analysts wrote would "significantly increase" the company's footprint.

The new purpose-built facility is anticipated to be completed in the first half of 2020, bringing Valens' extraction capacity to over 1 million kilograms per annum.

**Price:** 3.93

**Market Cap:** \$493.23 m

### 1 Year Share Price Graph



July 2019    October 2019    February 2020

### Share Information

**Code:** VLNS

**Listing:** TSX-V

<b>52 week</b>	<b>High</b>	<b>Low</b>
	4.1	2.95

**Sector:** Cannabis

**Website:** [thevalenscompany.com](http://thevalenscompany.com)

### Company Synopsis:

*The Valens Company is a multi-licensed, vertically-integrated cannabis company focused on being the partner of choice for leading Canadian and international cannabis brands by providing best-in-class, proprietary services including CO2, ethanol, hydrocarbon, solvent-less and terpene extraction, analytical testing, formulation and white-label product development.*

[action@proactiveinvestors.com](mailto:action@proactiveinvestors.com)

Contact Uttara Choudhury at [uttara@proactiveinvestors.com](mailto:uttara@proactiveinvestors.com)

Follow her on Twitter: [@UttaraProactive](https://twitter.com/UttaraProactive)

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