

The Valens Company

09:53 21 Nov 2019

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.

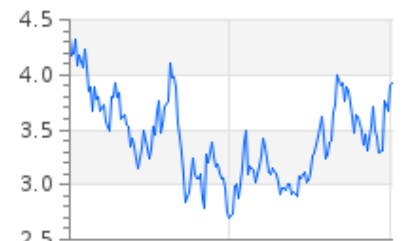
Valens recently announced that construction had begun on its recently acquired adjoining facility in Kelowna, a move that the Mackie analysts wrote would "significantly increase" the company's footprint.

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

52 week	High	Low
	4.1	2.95

Sector: Cannabis

Website: 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

Contact Uttara Choudhury at uttara@proactiveinvestors.com

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

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.

In exchange for publishing services rendered by the Company on behalf of The Valens Company named herein, including the promotion by the Company of The Valens Company in any Content on the Site, the Company receives from said issuer annual aggregate cash compensation in the amount up to Twenty Five Thousand dollars (\$25,000).