

PyroGenesis Canada Inc.

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PyroGenesis Canada CEO says 2020 has the potential to be "a barn burner" as company has backlog of \$30.27M in contracts

PyroGenesis Canada Inc (CVE:PYP) (OTCQB:PYRNF) CEO Photis Peter Pascali told investors that 2020 has the potential to be "a barn burner" as the high-tech company has a significant backlog of nearly \$30.27 million in signed contracts as the group posted 2019 results.

For the fiscal year ended December 31, 2019, the company which designs, manufactures and commercializes advanced plasma processes, posted revenue of \$4.8 million, a decrease of 4% compared to \$5,03 million recorded in fiscal year 2018.

"The irony of issuing these 2019 financials knowing full well what has transpired since December 31, 2019, has not been lost on the writer, as I hope it will not be lost on the reader as well. These statements definitely do not represent the current state of affairs at the company," said Pascali in the statement accompanying the numbers.

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"Given recent events, and the structuring that took place in 2019, the company is undeniably well positioned to execute on, and build upon, the backlog of signed contracts which currently stands in excess of \$30 million. With the eagerly anticipated US Navy contract in hand backlog of signed contracts will be in excess of \$40 million. 2020 has the potential to be a barn burner by almost any yardstick," he added.

PyroGenesis narrowed its adjusted earnings before interest, taxes, depreciation, and amortization (EBITDA) loss in 2019 to \$4.5 million, compared to an adjusted EBITDA loss of \$6.2 million a year earlier. It also improved its year-over-year gross margin to 27%, an increase of 5% from 22.1% a year earlier.

The company incurred \$851,512 of R&D costs on internal projects in 2019, a decrease of 5% compared to \$892,045 in 2018, primarily due to an increase in investment tax credits and government grants.

"To date, in 2020 we have not only received significant payments under existing contracts, but have retired the \$3 million convertible debenture in full, bought back approximately 1.2 million shares, increased our investment in HPQ, and further benefited from early conversions of warrants maturing in 2021 of over \$2 million," said Pascali.

"Of note, as of December 31, 2019 we have approximately \$10 of in-the-money warrants and options expiring in 2020 and 2021 alone. The Company also has over \$50 million in tax loss carryforwards (roughly evenly distributed between federal and provincial tax regimes) which is not reflected as an asset on the balance sheet," he added.

The company said that if 2019 was the year that saw the appropriate "personnel and infrastructure being put in place"

Price: 3.58

Market Cap: \$551.56 m

1 Year Share Price Graph



Share Information

Code: PYP

Listing: TSX-V

52 week High Low
6.43 0.19

Sector: Manufacturing & engineering

Website: www.pyrogenesis.com

Company Synopsis:

PyroGenesis Canada Inc. (TSX-V: PYP • OTCQB: PYRNF • FRA: 8PY), a high-tech company, is the world leader in the design, manufacture and commercialization of advanced plasma processes.

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while building on the success of 2018, then 2020 is "without a doubt the year that the long awaited breakout, which began in the second half of 2019, takes place."

To date during 2020, PyroGenesis noted that it has received significant payments under a "multi-million-dollar contract" with DROSRITE International.

The Canadian company harnesses the unique properties of thermal plasma to melt and transform metal, carry out high temperature chemical reactions and convert waste into energy. Its team is comprised of experienced engineers, scientists and technicians working out of its Montreal office and a 3,800-square-metre manufacturing facility.

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