AGI Announces Record Third Quarter Revenue and Sustained Uptick in Margin Performance; Full Year Outlook for Adjusted EBITDA Margins Increased

Winnipeg, MB, November 7, 2023 – Ag Growth International Inc. (TSX: AFN) ("AGI", the "Company", "we" or "our") today announced its financial results for the three-months ended September 30, 2023.

Third Quarter 2023 Highlights

- Revenue[1] of $410 million increased by 2% on a year-over-year ('YOY') basis; 5% sequentially from Q2 2023
- Adjusted EBITDA[2] of $85 million increased by 11% on a YOY basis
- Adjusted EBITDA margin %[3] increased by roughly 165 basis points to 20.6% from 19.0% on a YOY basis
- Net debt leverage ratio[3] of 3.2x at September 30, 2023 vs 4.1x at September 30, 2022 or 3.3x at June 30, 2023

Nine Months Year-To-Date 2023 Highlights

- Revenue[1] of $1,147 million increased by 6% on a YOY basis
- Adjusted EBITDA[2] of $221 million increased by 20% on a YOY basis
- Adjusted EBITDA margin % [3] increased by roughly 230 basis points to 19.2% from 16.9% on a YOY basis

Outlook

- Management is reiterating full year 2023 Adjusted EBITDA guidance to be at least $290 million[1]
- Full year 2023 Adjusted EBITDA margin %[2] guidance is increased to be at least 18.5%, up from 18.0% prior
- Order book[4] continues to be strong and is up 3% YOY as of September 30, 2023

"Our third quarter performance again delivered strong margins and continued progress against our stated strategic priorities," noted Paul Householder, President & CEO of AGI. "Our company-wide operational excellence initiatives gained additional traction and have steadily translated into a clear positive trend in our margin performance. As our new business management processes become further ingrained in our teams and culture, we expect this new level of margin performance to be sustained and expanded upon over the long-term. As a result, we have again raised our full year Adjusted EBITDA margin guidance to 18.5% from 18.0%, up notably from our originally stated 2023 objective of 17.0%. Heading into the fourth quarter and early 2024, we are committed to complementing our new margin levels with continued revenue growth which will unlock significant value for all stakeholders."

"Our sustained focus on balance sheet priorities continued to deliver solid progress in the quarter," added Jim Rudyk, CFO of AGI. "Our net debt leverage ratio again notched downward, now at 3.2x which decreased from 4.1x year-over-year and 3.3x quarter-over-quarter. In addition, our working capital metrics continue to make significant improvements across the organization, particularly with regard to inventory levels. As progress on inventory is solidified, we can turn our collective attention to other elements of working capital for a similar program of sustained focus and improvement."

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[1] See "BASIS OF PRESENTATION".

[2] Historical or forward-looking non-IFRS financial measure. See "Non-IFRS and Other Financial Measures".
  - Third quarter 2023 profit before income taxes of $35.8 million vs third quarter 2022 profit before income taxes of $12.9 million.
  - Nine months ended September 30, 2023 profit before income taxes of $75.5 million vs nine months ended September 30, 2022 profit before income taxes of $31.2 million.
  - Full year 2022 Adjusted EBITDA was $234.7 million.

[3] Historical or forward-looking non-IFRS ratio. See "Non-IFRS and Other Financial Measures".

[4] Supplementary financial measure. See "Non-IFRS and Other Financial Measures".

SUMMARY OF THIRD QUARTER 2023 RESULTS

Revenue by Operating Segment	Three-months ended September 30			
	2023	2022	Change	Change
[thousands of dollars except percentages]	$	$	$	%
Revenue [1] [2]				
Farm	227,276	219,663	7,613	3%
Commercial	182,791	182,411	380	0%
Total	**410,067**	**402,074**	**7,993**	**2%**

	Three-months ended September 30			
	2023	2022	Change	Change
[thousands of dollars except percentages]	$	$	$	%
Adjusted EBITDA [2] [3]				
Farm	61,923	50,637	11,286	22%
Commercial	34,352	32,473	1,879	6%
Other [4]	(11,743)	(6,823)	(4,920)	72%
Total	**84,532**	**76,287**	**8,245**	**11%**

	Three-months ended September 30			
	2023	2022	Change	Change
	%	%	basis points	%
Adjusted EBITDA Margin % [2] [3]				
Farm	27.2%	23.1%	419 bps	18%
Commercial	18.8%	17.8%	99 bps	6%
Other [4]	(2.9%)	(1.7%)	(117) bps	69%
Consolidated	**20.6%**	**19.0%**	**164 bps**	**9%**

Revenue by Geography [1] [2]	Three-months ended September 30			
	2023	2022	Change	Change
[thousands of dollars except percentages]	$	$	$	%
Canada	85,797	88,585	(2,788)	(3%)
U.S.	184,481	187,815	(3,334)	(2%)
International				
EMEA	26,838	27,673	(835)	(3%)
Asia Pacific	44,195	43,981	214	0%
South America	68,756	54,020	14,736	27%
Total International	139,789	125,674	14,115	11%
Total Revenue	**410,067**	**402,074**	**7,993**	**2%**

[1] Supplementary financial measure. See "Non-IFRS and Other Financial Measures".
[2] See “BASIS OF PRESENTATION”.
[3] Non-IFRS financial measure or non-IFRS ratio. See "Non-IFRS and Other Financial Measures".
[4] Included in Other is the corporate office, which is not a reportable segment, and which provides finance, treasury, legal, human resources and other administrative support to the segments. The Adjusted EBITDA Margin % for Other is calculated based on total revenue since it does not generate revenue without the segments.

Farm Segment

Farm segment revenue and Adjusted EBITDA grew by 3% and 22% YOY, respectively, continuing the favourable trends from the first half of the year. Growth in the Farm segment was supported by activity in our international regions, with an all-time record result in Brazil. Demand in North America was stable with revenue in Canada driven by resilient portable equipment demand as well as higher U.S. revenues of permanent equipment. Farm segment Adjusted EBITDA margin % increased to 27.2% from 23.1% YOY, primarily on the benefits of operational excellence initiatives targeted at manufacturing efficiency, a favourable mix of portable equipment, and progress made in the Digital reorganization. Looking ahead, Farm segment demand continues to increase with the overall order book up 22% as significant strength in demand for portable equipment in Canada was offset by some softness in the U.S. and internationally. In the U.S. and internationally, a robust pipeline of potential projects provides optimism for the end of 2023 and early 2024 results.

Commercial Segment

Commercial segment revenue was flat and Adjusted EBITDA increased by 6% YOY. Similar to the Farm segment, strength in international regions, particularly Brazil, helped to generate the result. In North America, the Commercial segment was able to generate strong results from grain-related project work, though these results were tempered by the ongoing turnaround of the Food platform. Internationally, Commercial revenue was driven by our Brazilian operation which posted a particularly strong quarter. Similar to the Farm segment, the Company's operational excellence initiatives including effective management of manufacturing expenses contributed to the Adjusted EBITDA margin % increase to 18.8% from 17.8% YOY. Looking ahead, the overall Commercial segment order book decreased 4%, largely attributable to the ongoing reset within the Food platform, recent execution of large projects, and softness in the fertilizer market. However, the broader overall pipeline of grain handling and storage projects remains strong which, in addition to our diversified and resilient overall business model, provides optimism for our results heading into 2024.

OUTLOOK

Our third quarter results continue to demonstrate the strength of our balanced and diversified business strategy. In addition to our revenue and business mix diversification strategies, we have layered-in significant operational excellence initiatives to help strengthen margins across AGI. As a result, we are reiterating our full year guidance for 2023 Adjusted EBITDA to be at least $290 million and increasing our full year guidance for Adjusted EBITDA margin % to be at least 18.5%, up from 18.0% previously.

Order book

The following table presents YOY changes in the Company's order book as at September 30, 2023[1]:

	Region			
	Canada	**United States**	**International**	**Overall**
Segments	**%**	**%**	**%**	**%**
Farm	129%	(6%)	(50%)	22%
Commercial	(30%)	(14%)	4%	(4%)
Overall	63%	(11%)	(3%)	3%

The following table presents YOY changes in the Company's international order book[1] segmented by region as at September 30, 2023:

	EMEA[2]	**Asia Pacific[2]**	**South America[2]**
Farm and Commercial Segments [1]	**%**	**%**	**%**
International by region	17%	(1%)	(21%)

[1] Supplementary financial measure. See "Non-IFRS and Other Financial Measures".
[2] "EMEA" is composed of Europe, Middle East and Africa. "Asia Pacific" is composed of Southeast Asia, Australia, India and the rest of the world (other than Canada, the United States, EMEA and South America). "South America" is composed of Brazil and the rest of Latin America.

Director Resignation

The Company also announced that Claudia Roessler has resigned as a Director of the Company. "On behalf of our management and Board of Directors I want to thank Claudia for her significant contributions to AGI and wish her the best in her current and future endeavors," said Janet Giesselman, Chair of the Board. "With her extensive digital and ag-technologies knowledge and international experience, Claudia brought valuable insight and perspectives to the Board and provided important input on AGI's developing digital strategy". Claudia Roessler joined the Board of Directors in March 2020 and has served as a valuable member of the Environmental, Health, and Safety Committee (formerly the Environmental, Health, Safety, and Sustainability Committee).

MD&A and Financial Statements

AGI's unaudited interim condensed consolidated financial statements ("consolidated financial statements") and management's discussion and analysis (the "MD&A") for the three-months ended September 30, 2023 can be obtained electronically on SEDAR+ (www.sedarplus.ca) and on AGI's website (www.aggrowth.com).

Conference Call

AGI management will hold a conference call on Wednesday, November 8, 2023, at 8:00am ET to discuss the Company's results for the three-months ending September 30, 2023. To participate in the conference call, please pre-register by clicking on the AGI Q3 2023 Conference Call Registration Link and following the instructions. Dial-in details will be provided on-screen and by email in the form of a calendar booking. Registration will remain open until the call has concluded. An audio replay of the call will be available for seven days. To access the audio replay, please dial 1-800-319-6413 if calling from Canada or the U.S. and 1-604-638-9010 internationally. Please quote passcode 0442 for the audio replay.

AGI Company Profile

AGI is a provider of the equipment and solutions required to support the efficient storage, transport, and processing of food globally. AGI has manufacturing facilities in Canada, the United States, Brazil, India, France, and Italy and distributes its product worldwide.

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Further information can be found in the disclosure documents filed by AGI with the securities regulatory authorities, available at www.sedarplus.ca and on AGI's website www.aggrowth.com.

BASIS OF PRESENTATION

On December 29, 2022, the Company announced that it would be reorganizing its Digital business to better reflect changes in its operations and management structure. As a result of this change, the Company has identified its reportable segments as Farm and Commercial, each of which are supported by the corporate office. The previously identified Digital segment is now included within the Farm segment, and the Food platform which was a sub-segment of the Commercial segment is now amalgamated into the Commercial segment. These segments are strategic business units that offer specific products and services to their respective markets. Certain corporate overheads are allocated to each segment based on revenue as well as applicable cost drivers. Taxes and certain other expenses are managed at a consolidated level and are not allocated to the reportable operating segments. Financial information for the comparative period has been restated to reflect the new presentation. During the three-month period ended September 30, 2023, AGI replaced the term "sales" with "revenue"; however there has been no change to the underlying calculation. Revenue is the sale of goods primarily recognized at a point in time when the Company satisfies a performance obligation and control of the goods is transferred from AGI to its customer. Revenue from contracts with customers is recognized at an amount that reflects the consideration to which the Company is entitled to in exchange for those goods.

NON-IFRS AND OTHER FINANCIAL MEASURES

This press release makes reference to certain specified financial measures, including non-IFRS financial measures, non-IFRS ratios and supplementary financial measures. Management uses these financial measures for purposes of comparison to prior periods and development of future projections and earnings growth prospects. This information is also used by management to measure the profitability of ongoing operations and in analyzing our business performance and trends. These specified financial measures are not recognized measures under International Financial Reporting Standards ("IFRS"), do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement our financial information reported under IFRS by providing further understanding of our results of operations from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS.

We use the following (i) non-IFRS financial measures: “adjusted earnings before interest, taxes, depreciation, and amortization (“Adjusted EBITDA”)” and "net debt"; (ii) non-IFRS ratios: “Adjusted EBITDA margin %” and “net debt leverage ratio”; and (iii) supplementary financial measures: “order book”, “revenue by operating segment” and “revenue by geography”; to provide supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS financial measures. Management also uses non-IFRS financial measures, non-IFRS ratios and supplementary financial measures in order to prepare annual operating budgets and to determine components of management compensation. We strongly encourage investors to review our consolidated financial statements and publicly filed reports in their entirety and not to rely on any single financial measure or ratio.

We use these specified financial measures in addition to, and in conjunction with, results presented in accordance with IFRS. These specified financial measures reflect an additional way of viewing aspects of our operations that, when viewed with our IFRS results and, in the case of non-IFRS financial measures, the accompanying reconciliations to the most directly comparable IFRS financial measures, may provide a more complete understanding of factors and trends affecting our business.

In this press release, we discuss the specified financial measures, including the reasons that we believe that these measures provide useful information regarding our financial condition, results of operations, cash flows and financial position, as applicable, and, to the extent material, the additional purposes, if any, for which these measures are used. Reconciliations of non-IFRS financial measures to the most directly comparable IFRS financial measures are contained in this press release.

The following is a list of non-IFRS financial measures, non-IFRS ratios and supplementary financial measures that are referenced throughout this press release:

“Adjusted EBITDA” is defined as profit (loss) before income taxes before finance costs, depreciation and amortization, gain or loss on foreign exchange, non-cash share -based compensation expenses, gain or loss on financial instruments, M&A recovery or expenses, transaction, transitional and other costs, net gain or loss on the sale of property, plant & equipment, equipment rework, remediation, accounts receivable reserve for the conflict between Russia and Ukraine, non-cash expenses related to the sale of inventory that acquisition accounting required be recorded at a value higher than manufacturing cost and impairment charge. Adjusted EBITDA is a non-IFRS financial measure and its most directly comparable financial measure that is disclosed in our consolidated financial statements is profit (loss) before income taxes. Management believes Adjusted EBITDA is a useful measure to assess the performance and cash flow of the Company as it excludes the effects of interest, taxes, depreciation, amortization and expenses that management believes are not reflective of the Company’s underlying business performance. Management cautions investors that Adjusted EBITDA should not replace profit or loss as indicators of performance, or cash flows from operating, investing, and financing activities as a measure of the Company’s liquidity and cash flows. [See “Profit (loss) before income taxes and Adjusted EBITDA”, "Reconciliation of Adjusted EBITDA to profit (loss) before income taxes for the years ended December 31, 2022 and 2021" and “Profit (loss) before income taxes and Adjusted EBITDA by Segment” below for the reconciliation of Adjusted EBITDA to profit (loss) before income taxes for the current periods, the year ended December 31, 2022, and the comparative periods]. Adjusted EBITDA guidance is a forward-looking non-IFRS financial measure. We do not provide a reconciliation of such forward-looking measure to the most directly comparable financial measure calculated and presented in accordance with IFRS due to unknown variables and the uncertainty related to future results. These unknown variables may include unpredictable transactions of significant value that may be inherently difficult to determine without unreasonable efforts. Guidance for Adjusted EBITDA is calculated in the same manner as described above for historical Adjusted EBITDA, as applicable.

“Adjusted EBITDA margin %” is defined as Adjusted EBITDA divided by revenue. Adjusted EBITDA margin % is a non-IFRS ratio because one of its components, Adjusted EBITDA, is a non-IFRS financial measure. Management believes Adjusted EBITDA margin % is a useful measure to assess the performance and cash flow of the Company.

“Order book” is defined as the total value of committed sales orders that have not yet been fulfilled that: (a) have a high certainty of being performed as a result of the existence of a purchase order, an executed contract or work order specifying job scope, value and timing; or (b) has been awarded to the Company or its divisions, as evidenced by an executed binding letter of intent or agreement, describing the general job scope, value and timing of such work, and where the finalization of a formal contract in respect of such work is reasonably assured. Order book is a supplementary financial measure. AGI previously used the term "backlogs" instead of "order book", however there has been no change to the definition or underlying calculation.

"Revenue by Operating Segment" and "Revenue by Geography": The revenue information presented under "Revenue by Operating Segment" and "Revenue by Geography" are supplementary financial measures used to present the Company's revenue by segment and geography.

“Net Debt Leverage Ratio” is a non-IFRS ratio and is defined as net debt divided by Adjusted EBITDA for the last twelve month ("LTM") period. Net debt leverage ratio is a non-IFRS ratio because its components, net debt and Adjusted EBITDA, are non-IFRS financial measures. Management believes net debt leverage ratio is a useful measure to assess AGI’s leverage position.

“Net Debt” is a non-IFRS financial measure and its most directly comparable financial measure that is disclosed in our consolidated financial statements is long-term debt. Net debt is defined as the sum of long-term debt, convertible unsecured subordinated debentures, senior unsecured subordinated debentures, and lease liabilities less cash and cash equivalents. Management believes that net debt is a useful measure to evaluate AGI's capital structure and to provide a measurement of AGI's total indebtedness. See "Net Debt" below for a reconciliation of long-term debt to net debt as at September 30, 2023, June 30, 2023, and September 30, 2022.

Profit (loss) before income taxes and Adjusted EBITDA

The following table reconciles profit (loss) before income taxes to Adjusted EBITDA.

	Three-months ended September 30		**Nine-months ended September 30**	
	2023	**2022**	**2023**	**2022**
[thousands of dollars]	**$**	**$**	**$**	**$**
Profit before income taxes	35,844	12.885	75,538	31,213
Finance costs	19,353	16,195	55,371	43,870
Depreciation and amortization	16,603	19,338	49,074	57,921
Loss (gain) on foreign exchange [1]	6,269	9,515	(2,881)	11,152
Share-based compensation [2]	3,057	5,095	9,363	10,710
Gain on financial instruments [3]	(1,466)	(2,173)	(6,486)	(1,418)
Mergers and acquisition expense (recovery) [4]	—	(786)	50	(119)
Transaction, transitional and other costs [5]	3,475	15,695	16,149	28,906
Net loss on disposal of property, plant and equipment [6]	89	56	300	352
Equipment rework [7]	—	—	4,900	—
Remediation [7]	—	—	15,608	—
Accounts receivable reserve for the conflict between Russian and Ukraine ("RUK")	—	—	1,733	—
Fair value of inventory from acquisition [8]	—	—	—	609
Impairment charge [9]	1,308	467	2,099	490
Adjusted EBITDA [10]	**84,532**	**76,287**	**220,818**	**183,686**

[1] See “Note 10[e] - Other expenses (income)” in our consolidated financial statements.

[2] The Company’s share-based compensation expense pertains to our equity incentive award plan (“EIAP”) and directors’ deferred compensation plan (“DDCP”). See “Note 9 – Share-based compensation plans” in our consolidated financial statements.

[3] See “Equity swap” in our MD&A and consolidated financial statements.

[4] Transaction (recoveries) costs associated with completed and ongoing mergers and acquisitions activities.

[5] Includes legal expense, legal provision, transitional costs related to reorganizations and other acquisition related transition costs, as well as the accretion and other movement in amounts due to vendors.

[6] Includes loss (gain) on settlement of lease liabilities and includes assets held for sale. See “Note 5 – Assets held for sale” in our consolidated financial statements.

[7] See “Remediation costs and equipment rework” in our MD&A and consolidated financial statements.

[8] Non-cash expenses related to the sale of inventory that acquisition accounting required be recorded at a value higher than manufacturing cost.

[9] Impairment charge related to property, plant, and equipment, intangible assets, and assets held for sale. See “Note 5 – Assets held for sale" in our consolidated financial statements.

[10] This is a non-IFRS measure and is used throughout this press release. See “NON-IFRS and OTHER FINANCIAL MEASURES” for more information on each non-IFRS measure.

RECONCILIATION OF ADJUSTED EBITDA TO PROFIT (LOSS) BEFORE INCOME TAXES FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

The following table reconciles profit (loss) before income taxes to Adjusted EBITDA for the years ended December 31, 2022 and 2021:

	Year ended December 31	
[thousands of dollars]	**2022** **$**	**2021** **$**
Profit (loss) before income taxes	**(45,313)**	**9,383**
Finance costs	61,067	43,599
Depreciation and amortization	76,945	62,049
Share of associate's net loss [1]	—	1,077
Revaluation gains [1]	—	(6,778)
Loss on foreign exchange [2]	8,941	2,992
Share-based compensation [3]	15,620	8,551
Gain on financial instruments [4]	(9,629)	(1,382)
Mergers and acquisition expense (recovery) [5]	(144)	3,035
Change in estimate on variable considerations [6]	—	11,400
Transaction, transitional and other costs [7]	44,301	12,058
Net loss on disposal of property, plant and equipment	339	23
Loss (gain) on settlement of lease liability	1	(17)
Equipment rework [8]	6,100	10,000
Remediation [8]	—	16,100
Foreign exchange reclassification on disposal of foreign operation	—	(898)
Fair value of inventory from acquisition [9]	609	—
Impairment charge [10]	75,846	5,074
Adjusted EBITDA [11]	**234,683**	**176,266**

[1] See “Share of associate's net loss and revaluation gains” in our MD&A and consolidated financial statements for the year ended December 31, 2022 (“2022 Statements”).

[2] See “Note 26 [e] - Other expenses (income)” in our 2022 Statements.

[3] The Company’s share-based compensation expense pertains to our equity incentive award plan (“EIAP”) and directors’ deferred compensation plan (“DDCP”). See “Note 25 – Share-based compensation plans” in our 2022 Statements.

[4] See “Equity swap” in our 2022 Statements.

[5] Transaction (recoveries) costs associated with completed and ongoing mergers and acquisitions activities.

[6] The result of a change in management estimate on variable considerations for a one-time revenue concessions related to previous revenue contracts.

[7] Includes legal expense, legal provision, the net impact of revenue reversal as a result of the Russia-Ukraine conflict, transitional costs related to the Digital segment reorganization, restructuring and other acquisition related transition costs, as well as the accretion and other movement in contingent consideration and amounts due to vendors.

[8] See “Remediation costs and equipment rework” in our 2022 Statements.

[9] Non-cash expenses related to the sale of inventory that acquisition accounting required be recorded at a value higher than manufacturing cost.

[10] Impairment charge is a result of impairment charges related to the reorganization of the Company’s Digital segment and write-down in property, plant and equipment. See “Note 12 - Property, plant and equipment”, “Note 13 - Right-of-use assets”, “Note 14 – Goodwill”, “Note 15 – Intangible assets” and “Note 16 – Impairment testing” in our 2022 Statements.

[11] This is a non-IFRS measure and is used throughout this press release. See “NON-IFRS and OTHER FINANCIAL MEASURES” for more information on each non-IFRS measure.

Profit (loss) before income taxes and Adjusted EBITDA by Segment

				Three-months ended September 30, 2023
	Farm	Commercial	Other [11]	Total
[thousands of dollars]	$	$	$	$
Profit (loss) before income taxes	53,879	26,841	(44,876)	**35,844**
Finance costs	—	—	19,353	**19,353**
Depreciation and amortization [1]	6,659	7,512	2,432	**16,603**
Loss on foreign exchange [2]	—	—	6,269	**6,269**
Share-based compensation [3]	—	—	3,057	**3,057**
Gain on financial instruments [4]	—	—	(1,466)	**(1,466)**
Transaction, transitional and other costs [6]	—	—	3,475	**3,475**
Net loss on disposal of property, plant and equipment [1][7]	75	1	13	**89**
Impairment charge [9]	1,310	(2)	—	**1,308**
Adjusted EBITDA [10]	**61,923**	**34,352**	**(11,743)**	**84,532**

				Three-months ended September 30, 2022
	Farm	Commercial	Other [11]	Total
[thousands of dollars]	$	$	$	$
Profit (loss) before income taxes	39,980	23,274	(50,369)	**12,885**
Finance costs	—	—	16,195	**16,195**
Depreciation and amortization [1]	10,692	8,641	5	**19,338**
Loss on foreign exchange [2]	—	—	9,515	**9,515**
Share-based compensation [3]	—	—	5,095	**5,095**
Gain on financial instruments [4]	—	—	(2,173)	**(2,173)**
Mergers and acquisition recovery [5]	—	—	(786)	**(786)**
Transaction, transitional and other costs [6]	—	—	15,695	**15,695**
Net loss (gain) on disposal of property, plant and equipment [1]	(35)	91	—	**56**
Impairment charge [9]	—	467	—	**467**
Adjusted EBITDA [10]	**50,637**	**32,473**	**(6,823)**	**76,287**

[1] Allocated based on the segment of the underlying asset's cash generating unit ("CGU").
[2] See "Note 10 [e] – Other expenses (income)" in our consolidated financial statements.
[3] The Company's share-based compensation expense pertains to our EIAP and DDCP. See "Note 9 – Share-based compensation plans" in our consolidated financial statements.
[4] See "Equity swap" in our MD&A and consolidated financial statements.
[5] Transaction (recoveries) costs associated with completed and ongoing mergers and acquisitions activities.
[6] Includes legal expense, legal provision, transitional costs related to reorganizations and other acquisition related transition costs, as well as the accretion and other movement in amounts due to vendors.
[7] Includes loss (gain) on settlement of lease liabilities and includes assets held for sale. See "Note 5 – Assets held for sale" in our consolidated financial statements.
[8] See "Remediation costs and equipment rework" in our MD&A and consolidated financial statements.
[9] Impairment charge related to property, plant, and equipment, intangible assets, and assets held for sale. See "Note 5 – Assets held for sale" in our consolidated financial statements.
[10] This is a non-IFRS measure and is used throughout this MD&A. See "NON-IFRS AND OTHER FINANCIAL MEASURES" for more information on each non-IFRS measure.

[11] Included in Other is the corporate office, which is not a reportable segment, and which provides finance, treasury, legal, human resources and other administrative support to the segments.

Profit (loss) before income taxes and Adjusted EBITDA for the LTM Periods Ending September 30, 2023 and 2022 and June 30, 2023 and 2022

	Last twelve months September 30,	
	2023	2022
[thousands of dollars]	$	$
Profit (loss) before income taxes	(988)	9,512
Finance costs	72,568	55,818
Depreciation and amortization	68,098	74,295
Loss (gain) on foreign exchange [1]	(5,092)	11,363
Share-based compensation [2]	14,273	13,263
Loss (gain) on financial instruments [3]	(14,697)	(3,347)
Mergers and acquisition expense (recovery) [4]	25	843
Transaction, transitional and other costs [5]	31,544	33,671
Change in estimate on variable consideration [6]	—	11,400
Net loss on disposal of property, plant and equipment [7]	288	264
Equipment rework [8]	11,000	10,000
Remediation [8]	15,608	8,600
Accounts receivable reserve for RUK	1,733	—
Fair value of inventory from acquisition [9]	—	609
Impairment charge [10]	77,455	2,048
Adjusted EBITDA [11]	**271,815**	**228,339**

[1] See “Note 10[e] - Other expenses (income)” in our consolidated financial statements.
[2] The Company’s share-based compensation expense pertains to our EIAP and DDCP. See “Note 9 – Share-based compensation plans” in our consolidated financial statements.
[3] See “Equity swap” in our MD&A and consolidated financial statements.
[4] Transaction (recoveries) costs associated with completed and ongoing mergers and acquisitions activities.
[5] Includes legal expense, legal provision, transitional costs related to reorganizations and other acquisition related transition costs, as well as the accretion and other movement in contingent consideration and amounts due to vendors.
[6] The result of a change in management estimate on variable considerations for a one-time revenue concessions related to previous revenue contracts.
[7] Includes loss (gain) on settlement of lease liabilities and includes assets held for sale. See “Note 5 – Assets held for sale” in our consolidated financial statements.
[8] See “Remediation costs and equipment rework” in our consolidated financial statements and 2022 Statements.
[9] Non-cash expenses related to the sale of inventory that acquisition accounting required be recorded at a value higher than manufacturing cost.
[10] Impairment charge related to property, plant, and equipment, intangible assets, and assets held for sale. See “Note 5 – Assets held for sale” in our consolidated financial statements.
[11] This is a non-IFRS measure and is used throughout this MD&A. See “NON-IFRS AND OTHER FINANCIAL MEASURES” for more information on each non-IFRS measure.

[thousands of dollars]	Last twelve months June 30, 2023 $	2022 $
Profit (loss) before income taxes	(23,947)	(6,602)
Finance costs	69,410	50,627
Depreciation and amortization	70,833	71,468
Loss (gain) on foreign exchange [1]	(1,846)	9,487
Share-based compensation [2]	16,311	10,323
Loss (gain) on financial instruments [3]	(15,404)	6,671
Mergers and acquisition expense (recovery) [4]	(761)	1,681
Transaction, transitional and other costs [5]	43,764	19,700
Change in estimate on variable consideration [6]	—	11,400
Net loss on disposal of property, plant and equipment [7]	255	185
Equipment rework [8]	11,000	10,000
Remediation [8]	15,608	8,600
Accounts receivable reserve for RUK	1,733	—
Foreign exchange reclassification on disposal of foreign operation	—	(898)
Fair value of inventory from acquisition [9]	—	609
Impairment charge [10]	76,614	5,097
Adjusted EBITDA [11]	**263,570**	**198,348**

[1] See "Note 10[e] - Other expenses (income)" in our consolidated financial statements.
[2] The Company's share-based compensation expense pertains to our equity incentive award plan ("EIAP") and directors' deferred compensation plan ("DDCP"). See "Note 9 – Share-based compensation plans" in our consolidated financial statements.
[3] See "Equity swap" in our MD&A and consolidated financial statements.
[4] Transaction (recoveries) costs associated with completed and ongoing mergers and acquisitions activities.
[5] Includes legal expense, legal provision, transitional costs related to reorganizations and other acquisition related transition costs, as well as the accretion and other movement in contingent consideration and amounts due to vendors.
[6] The result of a change in management estimate on variable considerations for one-time sales concessions related to previous sales contracts.
[7] Includes loss (gain) on settlement of lease liabilities and includes assets held for sale. See "Note 5 – Assets held for sale" in our consolidated financial statements.
[8] See "Remediation costs and equipment rework" in our consolidated financial statements and 2022 Statements.
[9] Non-cash expenses related to the sale of inventory that acquisition accounting required be recorded at a value higher than manufacturing cost.
[10] Impairment charge related to assets held for sale. See "Note 5 – Assets held for sale" in our consolidated financial statements.
[11] This is a non-IFRS measure and is used throughout this MD&A. See "NON-IFRS AND OTHER FINANCIAL MEASURES" for more information on each non-IFRS measure.

Net Debt

[thousands of dollars]	Q3/22 30-Sept-22	Q2/23 30-Jun-23	Q3/23 30-Sept-23
Long Term Debt	504,466	463,239	481,310
Convertible Unsecured Subordinated Debentures	181,929	186,771	188,403
Senior Unsecured Subordinated Debentures	252,269	253,736	254,242
Leases	37,338	41,164	42,344
Less: Cash & Cash Equivalents	42,384	70,683	90,352
Net Debt	**933,618**	**874,227**	**875,947**

FORWARD-LOOKING INFORMATION

This press release contains forward-looking statements and information [collectively, "forward-looking information"] within the meaning of applicable securities laws that reflect our expectations regarding the future growth, results of operations, performance, business prospects, and opportunities of the Company. All information and statements contained herein that are not clearly historical in nature constitute forward-looking information, and the words “anticipate”, “estimate”, “believe”, “continue”, “could”, “expects”, “intend”, "trend", “plans”, “will”, “may” or similar expressions suggesting future conditions or events or the negative of these terms are generally intended to identify forward-looking information. Forward-looking information involves known or unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. In addition, this press release may contain forward-looking information attributed to third party industry sources. Undue reliance should not be placed on forward-looking information, as there can be no assurance that the plans, intentions or expectations upon which it is based will occur. In particular, the forward-looking information in this press release includes information relating to: our belief that there is a clear positive trend in our margin performance; our expectation that this new level of margin performance will be sustained and expanded upon over the long-term; that we are committed to complementing our new margin levels with continued revenue growth which will unlock significant value for all stakeholders; our belief that Farm segment demand continues to increase; our belief that in the U.S. and internationally, a robust pipeline of potential projects provides optimism for the end of 2023 and early 2024 results in the Farm segment; our belief that the broader overall pipeline of grain handling and storage projects remains strong in the Commercial segment which, in addition to our diversified and resilient overall business model, provides optimism for our results heading into 2024; our outlook for our financial and operating performance in fiscal 2023 and 2024, including by segment, product type and geographic region, and including our expectations for our future financial results (including our forecast for full year 2023 Adjusted EBITDA and Adjusted EBITDA margin %), industry demand, market conditions, and industry and market trends; our business strategies and strategic priorities; and the long-term fundamentals and growth drivers of our business.

Such forward-looking information reflects our current beliefs and is based on information currently available to us, including certain key expectations and assumptions concerning: anticipated crop yields and production in our market areas; the financial and operating attributes of acquired businesses and the anticipated future performance thereof; the value of acquired businesses and assets and the liabilities assumed (and indemnities provided) by AGI in connection therewith; anticipated financial performance; future debt levels; business prospects and strategies, including the success of our operational excellence initiatives; product and input pricing; the scope, nature, timing and cost of re-supplying certain equipment and re-completing certain work that has previously been supplied or completed pursuant to warranty obligations or otherwise; regulatory developments; tax laws; the sufficiency of budgeted capital expenditures in carrying out planned activities; currency exchange rates, inflation rates and interest rates; the cost of materials, labour and services and the impact of inflation rates and/or supply chain disruptions and/or labour activity thereon; the impact of competition; the general stability of the economic and regulatory environment in which the Company operates; the timely receipt of any required regulatory and third party approvals; the ability of the Company to obtain and retain qualified staff and services in a timely and cost efficient manner; the amount and timing of the dividends that we expect to pay; the ability of the Company to obtain financing on acceptable terms; the regulatory framework in the jurisdictions in which the Company operates; the ability of the Company to successfully market its products and services; and that the COVID-19 pandemic will not have a material impact on our business, operations, and financial results going forward. Forward-looking information involves significant risks and uncertainties. A number of factors could cause actual results to differ materially from results discussed in the forward-looking information. These risks and uncertainties are described under “Risks and Uncertainties” in the MD&A and in our most recently filed Annual Information Form, all of which are available under the Company's profile on SEDAR+ [www.sedarplus.ca]. These factors should be considered carefully, and readers should not place undue reliance on the Company’s forward-looking information. We cannot assure readers that actual results will be consistent with this forward-looking information. Further, AGI cannot guarantee that the anticipated revenue from its order book will be realized or, if realized, will result in profits or Adjusted EBITDA. Delays, cancellations and scope adjustments occur from time-to-time with respect to contracts reflected in AGI’s order book, which can adversely affect the revenue and profit that AGI actually receives from its order book. Readers are further cautioned that the preparation of financial statements in accordance with IFRS requires management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenue and expenses and the disclosure of contingent liabilities. These estimates may change, having either a negative or positive effect on profit, as further information becomes available and as the economic environment changes. Without limitation of the foregoing, the provisions for remediation and equipment rework disclosed in our MD&A required significant estimates and judgments about the scope, nature, timing and cost of work that will be required. It is based on management’s assumptions and estimates at the current date and is subject to revision in the future as further information becomes available to the Company. The forward-looking information contained herein is expressly qualified in its entirety by this cautionary statement. The forward-looking information included in this press release is made as of the date of this press release and AGI undertakes no obligation to publicly update such forward-looking information to reflect new information, subsequent events or otherwise unless so required by applicable securities laws.

FINANCIAL OUTLOOKS

Also included in this press release are estimates of AGI’s 2023 Adjusted EBITDA and Adjusted EBITDA margin %, which are based on, among other things, the various assumptions disclosed in this press release including under "Forward-Looking Information" and including our assumptions regarding the Adjusted EBITDA contribution that AGI anticipates receiving from revenue growth in 2023 in part as a result of the 3% YOY increase in AGI's order books at September 30, 2023 and the benefits of operational excellence initiatives including the effective management of input costs through centralized procurement strategies, third-party outsourcing, manufacturing efficiencies and improved product quality as well as SG&A reduction initiatives and workforce optimization initiatives. To the extent such estimates constitute financial outlooks, they were approved by management on November 7, 2023, and are included to provide readers with an understanding of AGI's anticipated 2023 Adjusted EBITDA and Adjusted EBITDA margin % based on the assumptions described herein and readers are cautioned that the information may not be appropriate for other purposes.