AGI Announces Second Quarter 2023 Results; Record Quarterly Adjusted EBITDA and Increased Full Year Guidance

Winnipeg, MB, August 10, 2023 – Ag Growth International Inc. (TSX: AFN) ("AGI", the "Company", "we" or "our") today announced its financial results for the three-months ended June 30, 2023.

Second Quarter 2023 Highlights

- Sales of $390 million were consistent on a year-over-year ('YOY') basis
- Adjusted EBITDA[1] increased 33% to $88 million on a YOY basis; a record quarter for AGI
- Adjusted EBITDA margin %[2] of 22.6% vs 16.9% on a YOY basis
- Net debt leverage ratio[2] of 3.3x at June 30, 2023 vs 3.6x at March 31, 2023 and 4.8x at June 30, 2022
- Subsequent to the quarter, the Company announced an agreement with the impacted customer to resolve the Bin Incident from September 2020 and will reflect an additional $15.6 million pre-tax charge in the second quarter financial statements; cash settlement of the total $55.1 million accrual is expected in the third quarter of 2023

Outlook

- Management is raising full year 2023 Adjusted EBITDA guidance to be at least $290 million[1], up from our previous guidance of at least $265 million
- Full year 2023 Adjusted EBITDA margin % guidance of at least 18.0%
- Order book[3] continues to be strong and is up 3% YOY as of June 30, 2023

"Our strong second quarter margin performance highlights the progress and pace of many of our operational excellence initiatives," noted Paul Householder, President & CEO of AGI. "A clear focus on manufacturing efficiency, centralized procurement, structured pricing programs, workforce optimization and many other operational excellence initiatives, are yielding clear benefits in terms of margin expansion. We anticipate the benefits of these efforts to be sustained through the rest of 2023 and into 2024. Our previously stated target of full-year Adjusted EBITDA margin % of 17% is well in-hand and we are now targeting at least 18%, representing a full 200 basis point increase over 2022. In addition to good sales momentum through the first half of the year and a significant order book, our operational excellence initiatives and margin strength have led us to raise full year Adjusted EBITDA guidance to at least $290 million for 2023."

"The second quarter again showed progress on our most important balance sheet priorities," added Jim Rudyk, CFO of AGI. "Our efforts to optimize our net working capital position continues to progress, improving as a percentage of sales and along other key metrics we track internally. Our leverage position also improved with a notable decrease in debt levels compared to the second quarter of last year and a modest reduction sequentially. Our net debt leverage ratio now sits at 3.3x, down from 4.8x year-over-year and 3.6x sequentially, and again affirms we are on the right track to meet our stated objective of approximately a 3.0x ratio by the end of 2023, even after the cash settlement for the Bin Incident is made."

[1] Historical or forward-looking non-IFRS financial measure. See "Non-IFRS and Other Financial Measures".
- Second quarter 2023 profit before income taxes of $18.1 million vs second quarter 2022 loss before income taxes of $2.3 million.
- Full year 2022 Adjusted EBITDA was $234.7 million.

[2] Non-IFRS ratio. See "Non-IFRS and Other Financial Measures".
[3] Supplementary financial measure. See "Non-IFRS and Other Financial Measures".

SUMMARY OF SECOND QUARTER 2023 RESULTS

[thousands of dollars]	2023 $	2022 $	Change $	Change %
			Three-months ended June 30	
Sales [1]				
Farm	233,438	226,612	6,826	3%
Commercial	156,831	163,331	(6,500)	(4%)
Total	**390,269**	**389,943**	**326**	**0%**

[thousands of dollars]	2023 $	2022 $	Change $	Change %
			Three-months ended June 30	
Adjusted EBITDA [1] [2]				
Farm	70,086	51,250	18,836	37%
Commercial	28,939	23,785	5,154	22%
Other [3]	(10,851)	(8,959)	(1,892)	21%
Total	**88,174**	**66,076**	**22,098**	**33%**

	2023 %	2022 %	Change basis points	Change %
			Three-months ended June 30	
Adjusted EBITDA % [1] [2]				
Farm	30.0%	22.6%	741 bps	33%
Commercial	18.5%	14.6%	389 bps	27%
Other [3]	(2.8%)	(2.3%)	(48) bps	21%
Consolidated	**22.6%**	**16.9%**	**565 bps**	**33%**

[thousands of dollars]	2023 $	2022 $	Change $	Change %
			Three-months ended June 30	
Canada	102,836	100,330	2,506	2%
U.S.	171,431	181,359	(9,928)	(5%)
International				
EMEA	28,470	30,278	(1,808)	(6%)
Asia Pacific	34,013	31,958	2,055	6%
South America	53,519	46,018	7,501	16%
Total International	116,002	108,254	7,748	7%
Total Sales	**390,269**	**389,943**	**326**	**0%**

[1] See "BASIS OF PRESENTATION".
[2] Non-IFRS financial measure or non-IFRS ratio. See "Non-IFRS and Other Financial Measures".
[3] 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 sales since it does not generate sales without the segments.

Farm Segment

Farm segment sales and Adjusted EBITDA grew by 3% and 37% YOY, respectively, continuing the momentum from Q1. Sales remain strong in Canada and stable in the U.S., driven by well-executed growth strategies and product innovation. Growth in North America was complemented by positive contributions from international regions, particularly in Asia Pacific. Farm segment Adjusted EBITDA margin % increased to 30.0% from 22.6% 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 rise with the overall order book up 27%[4]. The Farm order book in Canada increased 77% as demand fully recovers from the 2021 drought impact which impacted demand throughout 2022. In the U.S., the Farm order book increased an additional 3% over a historically high backlog for Q2 set in 2022. This growth was achieved despite some customers who delayed order commitments late in the quarter as they await greater visibility to overall farming conditions across the U.S. Midwest.

Commercial Segment

Commercial segment Q2 sales decreased 4% and Adjusted EBITDA increased by 22% YOY. Sales were impacted due to the cyclical nature of large commercial projects in North America and continued softness in the food platform, offset by a pick-up in demand internationally. Internationally, Commercial sales increased 14% driven by strong demand for AGI products and systems across South America. Demand for rice milling solutions in India continues to be a strong growth contributor with sales increasing 17%. 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 18.5% from 14.6% YOY. Looking ahead, the overall Commercial segment order book decreased 10%, largely attributable to the ongoing reset within the food platform as well some softness in the fertilizer market, while the broader overall pipeline of grain handling and storage projects remains strong with many large and attractive projects coming to market.

OUTLOOK

Our record Q2 Adjusted EBITDA continues to demonstrate the strength of our balanced and diversified business strategy. This strategy has enabled us to capitalize on demand from a wide variety of products, regions, and customers. In addition to our sales and business mix diversification strategies, we have layered-in significant operational excellence initiatives to help strengthen margins across AGI.

As a result, we are raising our full year guidance for 2023 Adjusted EBITDA to be at least $290 million and with Adjusted EBITDA margin % of at least 18%.

Order book

The following tables presents YOY changes in the Company's order book[1]:

	Region			
	Canada	**United States**	**International**	**Overall**
Segments	**%**	**%**	**%**	**%**
Farm	77%	3%	17%	27%
Commercial	(30%)	(12%)	(5%)	(10%)
Overall	**39%**	**(4%)**	**(3%)**	**3%**

The following table presents YOY changes in the Company's international order book[1] segmented by region:

	EMEA[2]	**Asia Pacific[2]**	**South America[2]**
Farm and Commercial Segments [1]	**%**	**%**	**%**
International by region	**2%**	**3%**	**(14%)**

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

[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.

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 June 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 Friday, August 11, 2023, at 8:00am EDT to discuss the Company's results for the three-months ending June 30, 2023. To participate in the conference call, please dial 1-800-319-4610 if joining from Canada or the U.S. and 1-604-638-5340 internationally. 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 0293 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.

For More Information Contact:

Investor Relations
Andrew Jacklin
1-437-335-1630
investor-relations@aggrowth.com

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.

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”, “sales by operating segment” and “sales 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 on financial instruments, M&A recovery or expenses, transaction, transitional and other costs, net gain or loss on the sale of property, plant & equipment, non-cash expenses related to the sale of inventory that acquisition accounting required be recorded at a value higher than manufacturing cost and impairment. 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” 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 period, 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 sales. 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.

"Sales by Operating Segment" and "Sales by Geography": The sales information presented under "Sales by Operating Segment" and "Sales by Geography" are supplementary financial measures used to present the Company's sales 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 June 30, 2023, March 31 31, 2023, and June 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 June 30		Six-months ended June 30	
	2023	**2022**	**2023**	**2022**
[thousands of dollars]	**$**	**$**	**$**	**$**
Profit (loss) before income taxes	18,068	(2,262)	39,694	18,328
Finance costs	18,337	16,182	36,018	27,675
Depreciation and amortization	16,431	19,186	32,471	38,583
Loss (gain) on foreign exchange [1]	(6,533)	12,365	(9,150)	1,637
Share-based compensation [2]	2,038	2,897	6,306	5,615
Loss (gain) on financial instruments [3]	8,184	9,435	(5,020)	755
Mergers and acquisition expense (recovery) [4]	—	(27)	50	667
Transaction, transitional and other costs [5]	8,795	7,614	12,674	13,211
Net loss on disposal of property, plant and equipment [6]	12	382	211	296
Equipment rework [7]	4,900	—	4,900	—
Remediation [7]	15,608	—	15,608	—
Accounts receivable reserve for RUK	1,733	—	1,733	—
Fair value of inventory from acquisition [8]	—	304	—	609
Impairment charge [9]	601	—	791	23
Adjusted EBITDA [10]	**88,174**	**66,076**	**136,286**	**107,399**

[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 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] 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 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 sales concessions related to previous sales contracts.

[7] Includes legal expense, legal provision, the net impact of sales 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 June 30, 2023
	Farm	**Commercial**	**Other [12]**	**Total**
[thousands of dollars]	**$**	**$**	**$**	**$**
Profit (loss) before income taxes	62,764	19,777	(64,473)	**18,068**
Finance costs	—	—	18,337	**18,337**
Depreciation and amortization [1]	6,724	7,425	2,282	**16,431**
Gain on foreign exchange [2]	—	—	(6,533)	**(6,533)**
Share-based compensation [3]	—	—	2,038	**2,038**
Loss on financial instruments [4]	—	—	8,184	**8,184**
Transaction, transitional and other costs [6]	—	—	8,795	**8,795**
Net (gain) loss on disposal of property, plant and equipment [1][7]	(1)	2	11	**12**
Equipment rework [8]	—	—	4,900	**4,900**
Remediation [8]	—	—	15,608	**15,608**
Accounts receivable reserve for RUK	—	1,733	—	**1,733**
Impairment charge [10]	599	2	—	**601**
Adjusted EBITDA [11]	**70,086**	**28,939**	**(10,851)**	**88,174**

				Three-months ended June 30, 2022
	Farm	**Commercial**	**Other [12]**	**Total**
[thousands of dollars]	**$**	**$**	**$**	**$**
Profit (loss) before income taxes	41,642	13,524	(57,428)	**(2,262)**
Finance costs	—	—	16,182	**16,182**
Depreciation and amortization [1]	9,670	9,513	3	**19,186**
Loss on foreign exchange [2]	—	—	12,365	**12,365**
Share-based compensation [3]	—	—	2,897	**2,897**
Loss on financial instruments [4]	—	—	9,435	**9,435**
Mergers and acquisition recovery [5]	—	—	(27)	**(27)**
Transaction, transitional and other costs [6]	—	—	7,614	**7,614**
Net gain on disposal of property, plant and equipment [1]	(62)	444	—	**382**
Fair value of inventory from acquisition [9]	—	304	—	**304**
Adjusted EBITDA [11]	**51,250**	**23,785**	**(8,959)**	**66,076**

[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 contingent consideration and 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] 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.
[12] 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 June 30, 2023 and 2022

	Last twelve months June 30,	
	2023	**2022**
[thousands of dollars]	**$**	**$**
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 a 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]	Q2/22 30-Jun-22	Q1/23 31-Mar-23	Q2/23 30-Jun-23
Long Term Debt	534,846	468,857	463,239
Convertible Unsecured Subordinated Debentures	180,406	185,168	186,771
Senior Unsecured Subordinated Debentures	251,795	253,239	253,736
Leases	35,046	40,872	41,164
Less: Cash & Cash Equivalents	55,201	72,852	70,683
Net Debt	**946,892**	**875,284**	**874,227**

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 organic growth prospects; our expectation that our operational excellence initiatives will be sustained through the rest of 2023 and into 2024; our expectation that we are on track to meet our net debt leverage objective by the end of 2023; our outlook for our financial and operating performance in fiscal 2023, 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 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 this press release and in our most recently filed Annual Information Form, all of which are available under the Company's profile on SEDAR [www.sedar.com]. 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, revenues 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 provision for remediation related to the bin collapse incident disclosed herein 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 June 30, 2023 and the benefits of operational excellence initiatives including the effective management of input costs through centralized procurement strategies and manufacturing efficiencies as well as SG&A reduction initiatives. To the extent such estimates constitute financial outlooks, they were approved by management on August 10, 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.