



Ag Growth Announces Fourth Quarter and Annual 2016 Results;
Declares Dividends

Winnipeg, MB, March 15, 2017 – Ag Growth International Inc. (TSX: AFN) (“AGI”, the “Company”, “we” or “our”) today announced its financial results for the three and twelve month periods ended December 31, 2016, and declared dividends for March 2017, April 2017 and May 2017.

Overview of Results

(thousands of dollars)	Year Ended December 31	
	2016	2015
Trade sales ⁽¹⁾	546,616	438,910
Adjusted EBITDA ⁽¹⁾	100,429	73,337
Adjusted EBITDA % ⁽²⁾	18.4%	16.7%
Profit (loss)	19,306	(25,229)
Diluted profit (loss) per share	\$1.29	\$(1.81)
Adjusted profit ⁽¹⁾⁽³⁾	36,545	32,490
Diluted adjusted profit per share ⁽¹⁾⁽³⁾	\$2.44	\$2.33

- (1) See “Non-IFRS Measures”.
- (2) Adjusted EBITDA as a percentage of Trade Sales.
- (3) See “Diluted profit (per share) and Diluted adjusted profit (per share)” below.

Trade sales and adjusted EBITDA were at record levels in 2016 as AGI continued to diversify its geographic and end market exposure through strategic acquisitions in Canada, the U.S., Brazil and Europe. AGI’s increased market presence in North America and offshore allowed the Company to benefit from an active Canadian Farm market, robust North American demand for Commercial grain handling equipment and strong demand for grain storage in EMEA. Adjusted EBITDA from divisions acquired in 2015 and 2016 was \$39.1 million (2015 - \$8.4 million). Excluding acquisitions, AGI’s adjusted EBITDA decreased 6% as strength in the North American Commercial market was offset by a soft U.S. Farm market and lower international Commercial project sales. Profit and profit per share increased significantly over 2015 due largely to the higher adjusted EBITDA, a smaller loss on foreign exchange and a \$9.2 million unrealized gain on the Company’s equity compensation swap.

“We had a busy fourth quarter at AGI with record sales and adjusted EBITDA and a significant acquisition with Yargus Manufacturing joining the AGI family.” said Tim Close, President and CEO of AGI. “These results cap off a full year of similar themes as we grew full year sales by 25% and adjusted EBITDA by 37%. We have an outstanding group of people at AGI who are passionate about our business and helping our customers. We want to thank everyone on the AGI team for an outstanding 2016 and our shareholders for their continued support.”

Diluted profit (per share) and Diluted adjusted profit (per share)

A reconciliation of profit and diluted adjusted profit per share to adjusted profit and adjusted diluted profit per share is below.

(thousands of dollars)	Year Ended December 31	
	2016	2015
Profit (loss) as reported	19,306	(25,229)
Diluted profit (loss) per share as reported	1.29	(1.81)
Loss on foreign exchange	14,070	31,322
Assets under review	(353)	15,509
Asset Impairment	7,839	0
Allowance for net Receivables	682	2,280
M&A expenses	3,018	5,405
Contingent consideration expense	1,307	0
Gain on financial instruments	(9,210)	0
Loss on sale of PP&E	(114)	3,203
Adjusted profit ⁽¹⁾	<u>36,545</u>	<u>32,490</u>
Diluted adjusted profit per share ⁽¹⁾	<u>2.44</u>	<u>2.33</u>

(1) See “Non-IFRS Measures”

OUTLOOK

AGI’s North American Farm business is comprised primarily of portable grain handling equipment and Westeel’s storage business. The Farm market in Canada was very strong in 2016, as Canadian farmers benefited from a favourable crop mix, the positive economics of a weak Canadian dollar and a large crop. In general, market participants expect strength in the Canadian Farm market to continue in 2017. The Farm market in the U.S., however, has experienced weakness in 2015 and 2016 as a significant drop in corn and soybean prices, without an immediate corresponding decrease in input costs, resulted in a severe reduction in farmer net income. In total, AGI’s North American Farm sales decreased for the second consecutive year in 2016. However, early signs of a recovery in demand appear to be forming. In the first two months of fiscal 2017 new orders have increased

over 30% compared to the prior year and current order backlogs are significantly higher than at the same time in 2016. While it is too early in the crop year to confidently predict higher demand for Farm equipment in 2017, management is cautiously optimistic that recent activity is an indicator of a modest improvement in the North American Farm sector.

AGI's Commercial business is comprised primarily of high capacity grain handling and conditioning equipment, larger diameter storage bins and the design, supply and installation of fertilizer distribution sites. The demand environment for AGI's North American Commercial business remains positive due to the longer-term trend towards higher crop volumes, the drive towards improved efficiencies in a mature market, the dissolution of the Canadian Wheat Board and the evolution of retail fertilizer distribution. Entering 2017, AGI's North American backlog for Commercial equipment was higher than at the same time in 2016, however it is expected first quarter sales may be constrained due to project timing. In general, management anticipates continued strong demand for North American Commercial equipment in 2017.

Offshore, the commercial infrastructure in many grain producing and importing countries remains vastly underinvested resulting in significant global opportunities for AGI's Commercial business. In 2017 management anticipates an increase in large international project sales compared to the prior year as delayed customer commitments come to fruition. In addition, management expects another strong contribution from its Italian subsidiaries Frame and PTM as backlogs remain high and quoting activity in EMEA and elsewhere remains robust. Our international project backlog is well above 2016 levels and we anticipate that variance will grow as customers commit to larger project sales. Overall, management anticipates a significant increase in international sales compared to the prior year.

AGI completed several acquisitions in 2016 and the inclusion of a full twelve months of results from NuVision (acquired April 2016), Mitchell (July 2016) and Yargus (November 2016) in 2017 is expected to increase EBITDA compared to the prior year. In addition, management believes the combination of these entities has created a market leading fertilizer platform and accordingly expects to organically grow sales for each of these businesses.

AGI also acquired Brazilian-based Entringer in March 2016 and soon after commenced construction of a new production facility to house both Entringer products and many of AGI's North American product lines. Management anticipates the new facility will be in limited production in the second quarter of 2017 and will be fully commissioned in the second half of the year. In 2017, the Company will continue to focus on growing its Farm and Commercial business in Brazil while at the same time transferring product knowledge from North America to Brazil and investing in people to prepare for future growth. On balance, management anticipates adjusted EBITDA in Brazil will be slightly positive in 2017.

Demand in 2017 will be influenced by, among other factors, weather patterns, crop conditions and the timing of harvest and conditions during harvest. Changes in global macroeconomic factors as well as sociopolitical factors in certain local or regional markets and the availability of credit and export credit agency support in offshore markets also may influence sales, primarily of Commercial grain handling and storage products. Consistent with prior periods, Commercial sales are subject to the timing of customer commitment and delivery considerations. AGI's financial results are impacted by the rate of exchange between the Canadian and U.S. dollars and a weaker Canadian dollar relative to its U.S. counterpart positively impacts profit and adjusted EBITDA. The Company has mitigated its exposure to higher input costs through procurement of steel at lower prices, sales price increases and limiting the length of time commercial quotes remain valid. However, AGI's results in 2017 may be impacted by higher steel prices.

On balance, based on current conditions, management anticipates sales and adjusted EBITDA in 2017 will exceed 2016 results. Inclusion of a full twelve months of results from the 2016 acquisitions of NuVision, Mitchell and Yargus, and anticipated synergies derived from the creation of a market leading fertilizer platform, are expected to significantly contribute to sales and EBITDA in 2017. Positive conditions in Canada are expected to lead to robust demand for portable handling, aeration and storage equipment. In the U.S., management anticipates a modest increase in demand for Farm equipment as market conditions incrementally improve and farmers replace older equipment. Finally, international sales are expected to benefit from a higher opening backlog and increased large project sales.

Dividends

AGI today announced the declaration of cash dividends of \$0.20 per common share for the months of March 2017, April 2017 and May 2017. The dividends are eligible dividends for Canadian income tax purposes. AGI's current annualized cash dividend rate is \$2.40 per share.

The table below sets forth the scheduled payable and record dates:

Monthly dividend	Payable date	Record date
March 2017	April 14, 2017	March 31, 2017
April 2017	May 15, 2017	April 28, 2017
May 2017	June 15, 2017	May 31, 2017

MD&A and Financial Statements

AGI's financial statements and MD&A for the three and twelve-month periods ended December 31, 2016 can be obtained at <http://media3.marketwire.com/docs/1088850.pdf> and will also be available electronically on SEDAR (www.sedar.com) and on AGI's website (www.aggrowth.com).

Conference Call

Management will hold a conference call on Wednesday, March 15, 2017, at 9:00 a.m. EST to discuss its results for the three and twelve month periods ended December 31, 2016. To participate in the conference call, please dial 1-800-377-0758 or for local access dial 416-340-2216. An audio replay of the call will be available for seven days. To access the audio replay, please dial 1-800-408-3053 or for local access dial 905-694-9451. Please quote passcode 4476658 for the audio replay.

Company Profile

Ag Growth International Inc. is a leading manufacturer of portable and stationary grain handling, storage and conditioning equipment, including augers, belt conveyors, grain storage bins, grain handling accessories, grain aeration equipment and grain drying systems. AGI has manufacturing facilities in Canada, the United States, Italy, Brazil, and the United Kingdom, and distributes its products globally.

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NON-IFRS MEASURES

In analyzing our results, we supplement our use of financial measures that are calculated and presented in accordance with International Financial Reporting Standards ("IFRS"), with a number of non-IFRS financial measures including "EBITDA", "Adjusted EBITDA", "gross margin", "funds from operations", "payout ratio", "trade sales", "adjusted profit", and "diluted adjusted profit per share". A non-IFRS financial measure is a numerical measure of a company's historical performance, financial position or cash flow that excludes (includes) amounts, or is subject to adjustments that have the effect of excluding (including) amounts, that are included (excluded) in the most directly comparable measures calculated and presented in accordance with IFRS. Non-IFRS financial measures are not standardized; therefore, it may not be possible to compare these financial measures with other companies' non-IFRS financial measures having the same or similar businesses. 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.

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

In this press release, we discuss certain of the non-IFRS 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.

Management believes that the Company's financial results may provide a more complete understanding of factors and trends affecting our business and be more meaningful to management, investors, analysts and other interested parties when certain aspects of our financial results are adjusted for the gain (loss) on foreign exchange and other operating expenses and income. These measurements are non-IFRS measurements. Management uses the non-IFRS adjusted financial results and non-IFRS financial measures to measure and evaluate the performance of the business and when discussing results with the Board of Directors, analysts, investors, banks and other interested parties.

References to "EBITDA" are to profit before income taxes, finance costs, depreciation, amortization and impairment charges related to discontinued operations. References to "adjusted EBITDA" are to EBITDA before the Company's gain or loss on foreign exchange, gains or losses on the sale of property, plant & equipment, non-cash share based compensation expenses, gains or losses on financial instruments and expenses related to corporate acquisition activity. Adjusted EBITDA excludes the results of former AGI divisions Applegate and Mepu as the previously announced strategic review of these assets has resulted in their sale in 2016. Management believes

that, in addition to profit or loss, EBITDA and adjusted EBITDA are useful supplemental measures in evaluating the Company's performance. Management cautions investors that EBITDA and 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.

References to "trade sales" are to sales net of the gain or loss on foreign exchange. Management cautions investors that trade sales should not replace sales as an indicator of performance. Trade sales exclude the results of former AGI divisions Applegate and Mepu as the previously announced strategic review of these assets has resulted in their sale in 2016.

References to "adjusted profit" and "diluted adjusted profit per share" are to profit for the period and diluted profit per share for the period adjusted for losses on foreign exchange, transaction costs, certain items considered by management to be unusual and non-recurring in nature and the gain (loss) on sale of property, plant and equipment.

See also our Management's Discussion and Analysis for the three and twelve-month periods ended December 31, 2016. Which includes a reconciliation of certain of these non-IFRS measures to corresponding IFRS financial measures.

FORWARD-LOOKING INFORMATION

This news release contains forward-looking information within the meaning of applicable securities laws that reflects our expectations regarding the future growth, results of operations, performance, business prospects, and opportunities of the Company. Forward-looking information may contain such words as "anticipate", "believe", "continue", "could", "expect", "intend", "plan", "will" or similar expressions suggesting future conditions or events. In particular, the forward looking information in this news release includes information relating to our business and strategy, including our outlook for our financial and operating performance including our expectations for sales and adjusted EBITDA industry demand and market conditions. Such forward-looking information reflects our current beliefs and are based on information currently available to us, including certain key expectations and assumptions concerning anticipated grain production in our market areas, contributions from recent acquisitions, financial performance, business prospects, strategies, product pricing, regulatory developments, political events, tax laws, the sufficiency of budgeted capital expenditures in carrying out planned activities, currency exchange rates and the cost of materials, labour and services. 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, including changes in international, national and local macroeconomic and business conditions, weather patterns, crop planting, crop yields, crop conditions, the timing of harvest and conditions during harvest, seasonality, industry cyclicality, volatility of production costs, agricultural commodity prices, the cost and availability of capital, currency exchange rates, the availability of credit for customers, competition and AGI's failure to achieve the expected benefits of its recent acquisitions. These and other risks and uncertainties are described under "Risks and Uncertainties" and "Forward-Looking Information" in our most recently filed Management's Discussion and Analysis and Annual Information Form. 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 these forward-looking information and we undertake no obligation to update such information except as expressly required by law.