



Why a Canadian Agriculture Stock You've Never Heard of Could More Than Double in a Year

Description

Returns of 100% or more aren't surprising anymore for energy stocks. The favourable commodity pricing environment has helped oil & gas companies maintain their [bull run](#) in 2022. However, a Canadian agriculture stock that is outside the consciousness of most investors has performed like an energy stock.

At only \$5.77 per share, **Verde Agritech** ([TSX:NPK](#)) has outperformed the red-hot energy sector at +106.07% versus 60.12%. Moreover, the trailing one-year price return and overall gain in 3.01 years are 213.59% and 1,182.22%, respectively. Based on market analysts' buy recommendations, the stock price could more than double in a year. Their 12-month average price target is \$15.35 (+166%).

Brief overview

Verde Agritech is a \$301.39 million real-world technology development company. Its primary purpose is to improve the health of all people and the planet by improving soil diversity. The agri-firm operates in Brazil and supplies salinity and chloride-free potassium specialty fertilizers to farmers. Moreover, the price is the same as conventional fertilizers.

The production occurs in the Cerrado Verde Project, which is in the center of Brazil's largest agricultural market. Management's goal is to protect soil biodiversity by reducing the usage of potassium chloride potassium fertilizers.

This nature-driven technology company offers a unique combination of micro-organisms and minerals to protect crops. Verde Agritech's unique technologies enable the production of the best solutions for crop nutrition, crop protection, soil improvement, and increased sustainability.

The lead products are Kforte and BaKS. Kforte is a multinational brand in Brazil and is the source of potassium, silicon, magnesium, and nutrients of progressive release. BaKS combines Kforte with three nutrients of customers' choice depending on the needs of specific crops.

Bio Revolution, the newest technology, incorporates micro-organisms to fertilizers. Kforte has the distinction of being the first fertilizer on Earth to use Bio Revolution. Verde Agritech has a pending application for patent protection of the said technology.

Soaring profits

Soaring profits this year aren't exclusive to companies in the energy industry. In the nine months ended September 30, 2022, Verde Agritech's net profit of \$19.11 million represents a 1,063% increase from last year. In the third quarter (Q3) of 2022, revenue and net profit climbed 156% and 103% year over year to \$27.27 million and \$6.45 million, respectively.

Notably, the quarter's EBITDA (earnings before interest, taxes, depreciation, and amortization) rose 123% to \$8.17 million versus Q3 2021. Cristiano Veloso, Verde Agritech's founder, president and chief executive officer, said, "The growth experienced throughout Q3 2022 reflects yet again the market's growing demand for our product."

Veloso lamented turning down so many orders or not fulfilling some due to operational constraints. Nevertheless, he expects Verde Agritech to continue its growth trajectory and deliver an improving bottom line with the commissioning of its second production plant.

Plant 2 began operations in Q3 2022, and the initial 1.2 million TPY (throughput yield) total production capacity should increase to three million TPY in Q4 2022.

Top-performing growth stock

Verde Agritech, a [high-growth stock](#), has rewarded investors with considerable gains in the last two years: it gained 102% in 2020 and 237% in 2021. You can still take a position this year-end for an off-the-chart returns next year.

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