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Morning Need to Know

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Written & curated by the Capital Ideas Media team



CANADIAN ANALYSTS' CALLS

Park Lawn Corporation (TSX:PLC). RBC Dominion Securities analyst Irene Nattel initiated coverage on the funeral home operator with an “Outperform” rating and a \$36 per share target price, as she sees a “credible” plan to achieve and even exceed its EBITDA run-rate target of \$100 million by the end of 2022 through both M&A and organic growth.

“Our EBITDA target multiple of 13.5 times reflects: i) industry-leading EBITDA CAGR 17 per cent over our forecast horizon, ii) improving risk profile underpinned by a diversified base of business across North America and economic moat attributes, most

notably relative exposure to cemetery services where significant barriers to entry exist, and iii) shift from equity-funded M&A to self-funding for all but sizeable transactions,” she said.

Copper Mountain Mining Corporation (TSX:CMMC). Industrial Alliance Securities analyst George Topping upgraded the miner to “Strong Buy” from “Buy,” declaring it’s “good timing for more copper.”

“Copper Mountain has high torque to copper as the stock has risen 41 per cent (copper prices up 14 per cent) over the last month,” the analyst wrote.

“The low-cost, low-risk expansion plan will add significantly to the scale, increasing copper and gold production by 40 per cent. Copper-focused mining companies are scarce such that funds flow into the sector, made popular by copper’s irreplaceable role in ‘green’ initiatives, will drive share prices higher.”



U.S. ANALYSTS' CALLS

Cloudflare, Inc. (NYSE:NET). KeyBanc Capital Markets analyst Alex Kurtz initiated coverage on the stock with an “Overweight” rating and a price target of \$87 per share, saying the Company is beginning “a multi-year campaign to reinvent core Infrastructure as a Service” and its platform could over time address a market size of \$69 billion.

“We expect Cloudflare will be approaching \$424M in revenue in CY20 (+48% y/y) and on pace to top \$800M in ARR by 4Q22 driven to date by building a scalable global network that can enable G2Ks to quickly deploy Firewalls/DNS/DDoS servers as a Service and Load-Balancing as a Service (these products have helped drive customer count from 35K in CY16 to 103K in our 4Q20 estimate),” Mr. Kurtz said.

FedEx Corp. (NYSE:FDX). Barclays upgraded the stock to “Overweight” from “Equal Weight,” as the brokerage firm still sees growth opportunities for FedEx even as higher costs chip away at its bottom line.

“Nonetheless, our focus is on future potential. We see an abundance of growth opportunities given the

acceleration of eCommerce market adoption during the pandemic coupled with FedEx's Ground network that provides the lowest cost final mile delivery of the large private US operators.”



STOCKS THAT MAY MOVE

Lightspeed POS Inc. (TSX:LSPD) announced that it has acquired restaurant management cloud-software company Upserve Inc in a cash-and-stock transaction valued at \$430 million. The deal is expected to contribute more than \$40 million in annual revenue to Lightspeed.

CareRx Corporation (TSX:CRRX) said it has entered into a new, multi-year pharmacy services agreement with an Ontario-based seniors home operator, which will add approximately 1,100 new retirement and long-term care residents.

MARKETS

S&P/TSX and U.S. equity futures are pointing to a lower open Wednesday even as the UK approved a

rollout of the Pfizer vaccine next week.

CURRENCIES

The Canadian dollar is down 0.10 at 0.7721 (U.S.).

COMMODITIES

West Texas Intermediate crude oil fell 0.5% at \$44.31.

Gold gained 0.4% to \$1,825.50 an ounce.

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