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Morning Need to Know

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CANADIAN ANALYSTS' CALLS

GDI Integrated Facility Services Inc. (TSX:GDI). iA Capital Markets analyst Neil Linsdell raised his target price on the janitorial services stock to \$58 per share from \$50, while maintaining his “Buy” rating, pointing to its “dominant” market position and “solid” performance while expecting increased demand for cleaning services and enhanced air quality systems for the foreseeable future.

“We believe that the COVID-19 situation will continue to drive increased demand for janitorial services in both Canada and the U.S., which combined represent approximately 60 per cent of

GDI's revenue and 80 per cent of EBITDA," he said.

"As both Canada and the U.S. ease restrictions, and allow for more normal routines but with enhanced precautions, we expect mostly normalized business levels, but with extra cleaning services layered on top. We see the current spike in specialized services eventually ceding to a steadier, but still more thorough, cleaning regiment. We also expect a significant lift in Technical Services as many buildings focus on air quality and better and more customizable control systems, and still require maintenance regardless of the number of tenants."

Descartes Systems Group Inc. (TSX:DSG). Laurentian Bank Securities analyst Nick Agostino upgraded the stock to "Buy" from "Hold," while increasing his target price to US\$67 per share from US\$61, seeing it poised to rebound from the pandemic-related economic slowdowns quicker than previously anticipated.

"We had modelled accelerated organic growth in-line with the expected re-opening of economies, however that acceleration has happened one quarter earlier than expected," the analyst wrote.

“The short-term elevated organic growth rate, however, is still in-line with our one-year outlook. We believe the delivery of EBITDA margin at the 40-per-cent mark is proving to be increasingly sustainable, despite DSG’s conservative approach. We welcome the increasing openness for the company to be more active on the M&A front, as it remains a key component of the company’s strategy. Improving macro-environment data points are also encouraging.”



U.S. ANALYSTS' CALLS

Accolade, Inc. (NASDAQ:ACCD). Piper Sandler analyst Jeff Garro has an “Overweight” rating and a target price of \$60 per share on the personalized health and benefits solutions provider after closing its acquisition of 2nd.MD.

Mr. Garro said he expects 2nd.MD to contribute \$46M in fiscal year 2022 revenue, up about 28% year-over-year and accretive to Accolade's 25%-plus long-term revenue growth rate.

The analyst also sees a long growth runway for Accolade as it helps untangle the complexities in healthcare and creates savings for employer clients and better outcomes for employee members.

Mr. Cooper Group Inc. (NASDAQ:COOP). Wedbush analyst Henry Coffey boosted his price target on the home loan service provider to \$43 per share from \$34, while keeping an “Outperform” rating on the stock, to reflect the benefit of what should be a \$3.5T mortgage market in 2021, as well as the expected contribution from emerging business opportunities activity.

He wrote that as this second item wanes, he would expect to see it offset by rising levels of contribution from the servicing business.



STOCKS THAT MAY MOVE

Parkland Corporation (TSX:PKI) said it will increase its annual dividend by C\$0.02 per share even as the Company's Q4 earnings fell to \$53 million from \$176

million a year earlier, as COVID-19 lock downs eroded fuel sales.

Algonquin Power & Utilities Corp. (TSX:AQN) reported Q4 revenue that rose 12% to US\$492.4 million, while its adjusted earnings for the period climbed 23% to US\$127.0 million.

MARKETS

S&P/TSX and U.S. equity futures are pointing to a higher open Friday following a stronger-than-expected February jobs report in the U.S.

CURRENCIES

The Canadian dollar is down 0.26 at 0.7868 (U.S.).

COMMODITIES

West Texas Intermediate crude oil rose 2.5% at \$65.44.

Gold slipped 0.4% to \$1,694.10 an ounce.

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