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Jack Hardin, Associate**Current**

Rating	Overweight(Vol)
Target Price	\$20.00
Price:	\$15.20
Fully Diluted Shares Out (mil.):	17.98
52-Week High:	\$17.72
52-Week Low:	\$11.77
Market Cap (mil.):	\$273.3
Fiscal Year End:	Oct
Average Daily Volume:	38,504
Float:	90.8%
Debt/Cap:	19.5%
Cash/Shr:	\$0.63
Dividend/Yield:	\$0.30/2.0%
Book Value/Shr:	\$10.24

EPS	2022A	2023E	2024E
Jan	(\$0.38)A	\$0.84A	(\$0.10)
Apr	\$0.08A	(\$0.10)A	\$0.04
Jul	\$0.39A	(\$0.07)A	\$0.40
Oct	(\$0.16)A	(\$0.17)	(\$0.20)
FY	(\$0.04)A	\$0.53	\$0.13
P/E	NM	28.7x	NM

Oper. EPS	2022A	2023E	2024E
Jan	(\$0.38)A	(\$0.53)A	(\$0.10)
Apr	\$0.10A	\$0.21A	\$0.04
Jul	\$0.41A	\$0.02A	\$0.40
Oct	(\$0.32)A	(\$0.17)	(\$0.20)
FY	(\$0.18)A	(\$0.47)	\$0.12
P/E	NM	NM	NM

Rev. \$184.6M \$179.5M \$178.8M

Limoneira is an agribusiness and real estate development company based in Santa Paula, California. The company is one of the largest growers and marketers of lemons and avocados in the U.S. Additionally, the company grows oranges and a variety of other specialty crops.

Limoneira Company

LMNR – NASDAQ

Overweight (Volatile)

Reason for Report: Company Update

First Look: LMNR To Pursue Strategic Alternatives**INVESTMENT CONCLUSION:**

This morning Limoneira issued a press release announcing that the board of directors and the management team have commenced a process to explore strategic alternatives in order to maximize value for shareholders. We've talked for some time about the progress already being made by the team in asset monetization, balance sheet deleveraging and strategic reorientation to a more asset light model. Additionally, the company has notable assets of value that can further be monetized included water rights and non-essential real estate. We agree that shares don't currently reflect the value of the business, and we think this is a positive update for shareholders. We have an **Overweight(Vol.)** rating and think our \$20 price target is likely a minimum recognition of the value embedded in this business as a pursuit of strategic alternatives is commenced.

See important disclosures and analyst certification on pages 2 - 3 of this report. To access current disclosures for other Stephens Inc. covered companies, clients may refer to <https://stephens2.bluematrix.com/sellside/Disclosures.action>.

APPENDIX A

ANALYST CERTIFICATION

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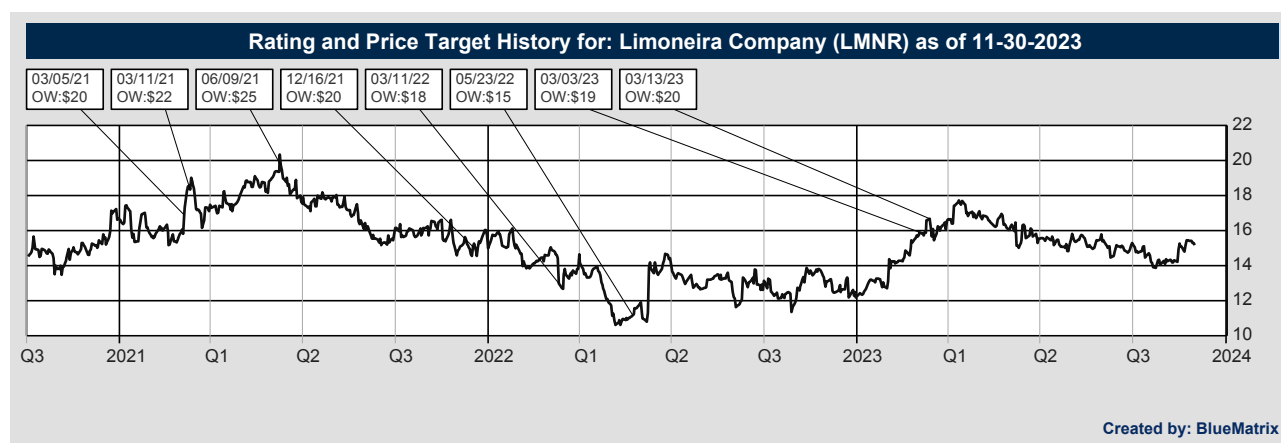
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The research analyst principally responsible for preparation of this report has received compensation that is based on the firm's overall revenue which includes investment banking revenue.

Stephens Inc. maintains a market in the common stock of Limoneira Company as of the date of this report and may act as principal in these transactions.

Limoneira Company is or has been a client of Stephens Inc. for non-investment banking securities related services within the past 12 months.

Stephens Inc. expects to receive or intends to seek compensation for investment banking services from Limoneira Company in the next three months.



Valuation Methodology for Limoneira Company

We value LMNR on a P/E ratio and may at times value the Company on an EV/EBITDA basis.

Risks to Achievement of Target Price for Limoneira Company

- Adverse Weather Conditions. Limoneira's operations are vulnerable to adverse weather conditions such as windstorms, floods, extreme hot/cold temperatures, and the effects of climate change. Unfavorable growing conditions can reduce both crop size and quality. Note, recently the Company has been negatively impacted by damage to citrus and avocado orchards from the impact of frost and freeze.
- Seasonal Variability. Limoneira's earnings may be affected by seasonal factors including seasonal supply/demand dynamics, production during crucial harvest periods, and the timing of ripening and perishability.
- Commodity-Driven Business. Similar to most of our coverage universe, Limoneira is subject to supply/demand imbalances, which could lead to higher or lower prices for its products. Excess supplies can cause price competition within the industry, while adverse weather affects could lead to supply disruptions. In addition, fresh produce is highly perishable and generally is brought to market and sold soon after harvest. Items such as avocados, oranges, and citrus must be sold more quickly, while lemons can be held in cold storage for longer periods of time.
- Currency & International Trade. Limoneira has international operations which span across many countries. Changes in quotas, tariffs, and import laws could potentially disrupt supply/demand dynamics and ultimately lead to higher or lower prices for the Company's products. In past periods of U.S. dollar strength, international customers were forced to find alternative sources of fruit due to the high cost.
- Disruption in Calavo's Business. LMNR sells 100% of the Company's avocados to Calavo and depends on Calavo's willingness and ability to market/sell avocados to customers. We would note that Calavo sources its avocados from many different growers and LMNR has no control over which growers they will choose and/or the quantity of orders placed.

Ratings Definitions

OVERWEIGHT (O) - The stock's total return is expected to be greater than the total return of the company's industry sector, on a risk-adjusted basis, over the next 12 months. EQUAL-WEIGHT (E) - The stock's total return is expected to be equivalent to the total return of the company's industry sector, on a risk-adjusted basis, over the next 12 months. UNDERWEIGHT (U) - The stock's total return is expected to be less than the total return of the company's industry sector, on a risk-adjusted basis, over the next 12 months. VOLATILE

(V) - The stock's price volatility is potentially higher than that of the company's industry sector. The company stock ratings may reflect the analyst's subjective assessment of risk factors that could impact the company's business.

Distribution of Stephens Inc. Ratings

Rating	Count	Percent	IB Serv./Past 12 Mos.	
			Count	Percent
BUY [OW]	249	56.59	26	10.44
HOLD [EW]	186	42.27	19	10.22
SELL [UW]	5	1.14	0	0.00

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