THE GLOBE AND MAIL

IS THE COASTAL GASLINK PIPELINE A SAVIOUR OR SCOURGE?

TMX GROUP'S QUEST TO MAKE CANADA'S CAPITAL MARKETS GREAT AGAIN

MEET THE SCRAPPY STARTUP TAKING ON BIG BANANA

BCE BOSS MIRKO BIBIC ON HOW TO FIX CANADIAN TELECOM

REPORT ON BUSINESS

KEEP CALM AND GROW ON

CANADA'S TOP GROWING COMPANIES

No. 17

Cannabis producer **PURE SUNFARMS** CEO Mandesh Dosanjh

OCTOBER 2022

Contents

COVER SHOT EXCLUSIVELY FOR REPORT ON BUSINESS MAGAZINE BY JIMMY JEONG; RIGHT HALLIE ARDEN

Editor's Note

PHOTOGRAPH STEPH MARTYNIUK

What's in a name?

My 13-year-old son's brain is a repository of random facts, and recently he hit me with this one, about the world's largest rodent: Sometime around the 17th century, clergymen in Venezuela sent an appeal to the Catholic Church, describing an animal that lived in water and tasted like fish. Might the Vatican designate this creature a *piscis* so it could be eaten during Lent, when meat is typically forbidden? The Church complied, and henceforth the capybara—essentially a giant rat—was considered a fish.

I was reminded of the capybara caper when I read Paul Christopher Webster's story on the hotly contested, vastly over-budget Coastal GasLink pipeline now being pushed through the mountains of British Columbia ("Moving mountains," page 68). In it, he mentions the fact that the European Union voted in July to deem natural gas a "green" energy source (with caveats). It struck me as odd, natural gas being a fossil fuel, after all, and the stated aim of the EU's green taxonomy being to "boost green investments and prevent 'greenwashing.'"

Natural gas is indeed *greener*—it emits nearly 60% less carbon dioxide than coal, according to the U.S. Energy Information Administration. And replacing coal as an energy source is certainly an admirable goal. The International Energy Agency says burning the stuff currently accounts for roughly one-third of electricity generation globally and two-thirds in China. In the EU, it had been sitting around 20%—until Russia turned off its natural gas taps. Now coal use is creeping back up amid an energy crisis that won't be resolved any time soon.

The EU acknowledges natural gas isn't a long-term solution as it works toward fulfilling its promise of going carbon-neutral by 2050. But it will be a crucial part of the energy transition, and there are plenty of calls for Canada to be the one to meet growing demand. As a recent report by the Public Policy Forum think tank notes, Canada's natural gas is among the cleanest in the world in terms of carbon content. "While developing Canadian gas would put upward pressure on our own national climate targets," reads the report, "it could also contribute to lowering global emissions."

That's true, to a point. And viewed from a purely financial perspective—at least in the mid term—investing $50 billion-plus (so far) in the Coastal GasLink pipeline and its eventual destination, Canada's first liquefied natural gas refinery, in Kitimat, B.C.—might make sense. But let's not forget, a capybara is not a fish, no matter how convenient it might have been to call it one. And natural gas isn't a green energy source. It's a fossil fuel. If we have any intention of meeting our climate commitments—net zero by 2050—let's just call it what it is.

/Dawn Calleja

Send feedback to robmagletters@globeandmail.com

REPORT ON BUSINESS
THE GLOBE AND MAIL

October 2022, Volume 39, No. 1

Editorial
Editor **DAWN CALLEJA**
Senior Editor JOHN DALY
Editors-at-Large JOE CASTALDO, JASON KIRBY, TAMAR SATOV
Copy Editor SUSAN NERBERG
Research MARTHA BEACH, CATHERINE DOWLING, LUCY UPRICHARD, ALLAN TONG

Art
Art Director **DOMENIC MACRI**
Associate Art Director BRENNAN HIGGINBOTHAM
Director of Photography CLARE VANDER MEERSCH

Contributors
LIZA AGRBA, TREVOR COLE, FIONA COLLIE, ROSEMARY COUNTER, JOHN LORINC, ALEX MLYNEK, NICOLAS VAN PRAET, JAIME WEINMAN, SHIRLEY WON

Advertising
Chief Revenue Officer
ANDREW SAUNDERS
Managing Director, Creative Studios and Ad Innovation
TRACY DAY
Senior Manager, Special Products
ANDREA D'ANDRADE
Product Manager
RYAN HYSTEAD

Production
Vice President, Print Operations
SALLY PIRRI
Production Co-ordinator
ISABELLE CABRAL

Publisher
PHILLIP CRAWLEY
Editor-in-Chief, *The Globe and Mail*
DAVID WALMSLEY
Managing Director, Business and Financial Products
GARTH THOMAS
Editor, Report on Business
GARY SALEWICZ

Report on Business magazine is published 7 times a year by The Globe and Mail Inc., 351 King Street E., Toronto M5A 0N1. Telephone 416-585-5000. Letters to the Editor: robmagletters@globeandmail.com.

Indexed in the Canadian Periodical Index.

Advertising Offices
Head Office, The Globe and Mail, 351 King Street E., Toronto M5A 0N1
Telephone 416-585-5111 or toll-free 1-866-999-9237
Branch Offices
Montreal 514-982-3050
Vancouver 604-685-0308
Calgary 403-245-4987
Email: advertising@globeandmail.com

United States and countries outside of North America: AJR Media Group, 212-426-5932, ajrmediagroup@globeandmail.com

Publications mail registration No. 7418. The publisher accepts no responsibility for unsolicited manuscripts, transparencies or other material. Printed in Canada by Transcontinental Printing Inc.
Report on Business magazine is electronically available through subscription to Factiva.com from Factiva, at factiva.com/factiva or 416-306-2003.

tgam.ca/r

Have feedback? Email us at robmagletters@globeandmail.com or tweet us @robmagca

Bring down the house

John Lorinc's Big Idea column on whether the principal-residence exemption should be removed spurred a heated debate.

Either extend the exemption to all capital gains, or get rid of it and offset it with a cut to income tax. Of course, that will never happen, because this is Canada, and the 70% who already own homes are morally entitled to a retirement windfall at everyone else's expense. **—JohnsonB1537**

Maybe there should be a lifetime capital gains exemption from housing. It could start at $1 million and go up with inflation. It would reduce the friction house flippers bring to the market and allow middle-class homeowners to benefit from untaxed capital gains. **—jaybe**

If the PRE is not cancelled, renters should be able to deduct their rent from their incomes and put as much money in a TFSA as housing increases per year. **—would-be buyer**

John, your idea may make some sense, but don't run for office on it. It may be a short career. **—Pause Button**

Steely resolve

Joe Castaldo wrote about Samuel, Son & Co., a family company that seamlessly transitioned to non-family management.

This is a fine example of why family businesses can be more successful than public companies. They can take the long view. When Maple Leaf had a crisis, the CEO was able to direct the response and ultimately replace all the aging facilities, a decision a public company might not have made. On the other hand, Eaton's is an example of the three-generation curse. It had everything in place to be a giant in the online shopping era. Unfortunately, the third generation had no concept of management. **—B.S.H.**

Space invaders

Jason Kirby wrote about Telesat's big bet on internet via low-Earth-orbit satellite, pitting it against Elon Musk's Starlink.

I spent 30 years in telecom and now live in the forests of northern Ontario. I have used Starlink for seven months with only one 10-minute disruption. It is so far ahead that no one will catch up. It looks like Telesat is going to be another satellite casualty. **—Marko_K**

Whoopee, just what the world needs—more satellites whizzing around Earth, interfering with astronomy and space missions! **—bwana4swahili**

Canada's Top Growing Companies

At Energy Transportation Group, success starts from within

Energy Transportation Group founders Michael Cinquino and Shawn Girard.

Shawn Girard learned as a teenager that treating people with respect and having integrity are key to building and sustaining a successful business. It's an experience he saw first-hand while working alongside his father in the parking lot business, and then later for his best friend Michael Cinquino's dad, who owned a trucking company.

So when Mr. Cinquino and Mr. Girard decided to start their transportation and logistics services company, Montreal-based Energy Transportation Group, having integrity was their guiding principle.

"One of the reasons why we even opened Energy Transportation Group is because we would have full control over how we do business, and our promise to each other was to always do business the right way, which is being honest, committed, and reliable," says Mr. Girard, the company's chief executive officer. Mr. Cinquino is president.

To remain true to those values, Mr. Girard says the company is careful about its growth, ensuring that it provides the high level of service he says Energy Transportation Group is known for in its industry.

"We don't bite off more than we can chew because service is the No. 1 priority for us," he says. "We have great relationships because we ensure our growth is calculated."

The founders take pride in helping their 150-plus employees reach their potential and grow in their careers. In addition, the company prioritizes the promotion of talent from within its ranks and fosters a culture of integrity, passion and commitment.

"Our people are what built this business, so keeping that culture true to what Michael and I believe are our core values is really important," Mr. Girard says.

The company's stated mission is "to provide a great environment for our people to thrive and create the best client and partner experiences in our industry."

Energy Transportation Group's focus on its employees, customers and partners has been a winning strategy. Mr. Girard says the business has grown by an average of 50 per cent each year in the past several years, which includes expanding from Montreal to various locations across Canada as well as into the U.S. and soon into Mexico.

Despite the international expansion, Energy Transportation Group's founders remain committed to being part of their community in Montreal. The company is a long-time supporter of local youth sports teams and helps to raise money for cancer research alongside other charitable organizations.

After 15 years in business together, Mr. Girard and Mr. Cinquino are proud of what they've achieved, but perhaps even more so of how they achieved it – by following in their fathers' footsteps.

"Michael and I have been best friends since we were seven years old," Mr. Girard says. "Together, we want a company where everyone feels like they're taken care of and respected."

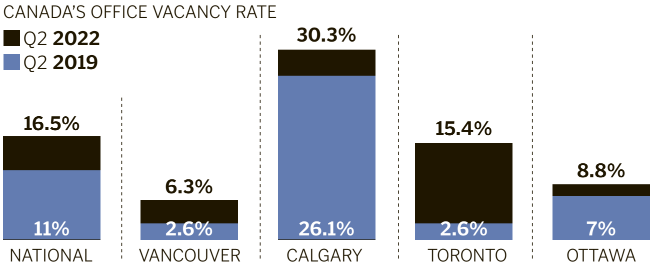
10/22

NEW RULES

Baby, come back

Nearly three years into the pandemic, employers are still trying to lure workers back to the office. But survey after survey suggests many of them would rather stay put at home. If you're a boss sitting alone in millions of dollars worth of corporate real estate, here's some advice.

OFFICE SPACE

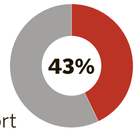


GOING DUTCH

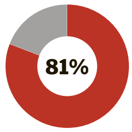
The Netherlands is the first country to make work flexibility a legal right; employers must consider requests to WFH, so long as the profession allows it

IF THAT'S MOVIN' UP, I'M MOVIN' OUT

Office workers who will likely look for a new gig if they're forced back to the office full time, according to Amazon's Business Return to Office Report



White-collar workers who cite hybrid work as a top factor when looking for a new job, from a 2022 survey by flexible office provider IWG



CENTRAL PERKS

13.5% of Canadian job postings for 2022 that mentioned WFH, compared with 12% in 2021 and roughly 2% in 2019, according to ZipRecruiter

DON'T BE LIKE ELON NO. 723

*"Anyone who wishes to do remote work must be in the office for a minimum (and I mean *minimum*) of 40 hours per week or depart Tesla"*

CAN WE WORKSHOP THIS?

T. W. A. T.

Acronym given to workers who come into the office on Tuesdays, Wednesdays and Thursdays, opting to work remotely on Mondays and Fridays

SWEET SPOT

1 to 2

Optimal days spent in the office, according to a Harvard Business School survey. Workers had higher productivity, better work-life balance and lower isolation than those who spent more or less time at the office

DO give your employees plenty of notice if you want them back in person. After 2.5-plus years, returning to work IRL represents a major upheaval. Workers need time to rearrange their lives accordingly

DON'T expect office workers to come back full time—60% of employees prefer a hybrid work option, according to commercial real estate firm JLL

DO ensure your workspace is safe. No one's getting COVID-19 from the communal kettle. Instead, invest in proper air filtration and have workers mask up, particularly during virulent waves

DON'T go full hot-desking mode. If there's a way to let workers have a regular spot to stash some gear, do it—they'll be more inclined to come in if they don't have to lug in a career's worth of paperwork each day

DO be flexible. Plenty of employers are willing to let their staff WFH permanently. Amid a tight labour market, forcing workers to return to the office could be a deal-breaker. Proceed with caution

ILLUSTRATIONS JESS HANNIGAN; (MUSK) ALY SONG/ REUTERS

THE EXCHANGE

Step into the ring

Mirko Bibic took over the top job at BCE Inc. at a time of unprecedented upheaval. And that was even before COVID-19, the Rogers Communications outage and, of course, l'affaire LaFlamme

BY TREVOR COLE

It's a strange quirk of history that more than a few CEOs took the reins of their companies in the winter of 2020, just before the start of the COVID-19 pandemic. Most of them managed their way through the crisis. BCE Inc.'s Mirko Bibic went a step further. A rising force at the company since taking over its regulatory brief in 2004, he saw the pandemic as an opportunity. Having helped his predecessor, George Cope, plan the company's shift to fibre-optic transmission, he accelerated it, launching an unprecedented capital-spending program. By the end of 2022, BCE will have spent $14 billion over three years—$5 billion this year alone—to hasten its fibre rollout and increase its 5G wireless reach. No Canadian telco has ever spent so much so quickly. And Bibic, who splits his time between Toronto and Montreal, managed all that without any of the internal drama that seems to plague its major competitor, Rogers Communications. That is, until the dismissal of CTV's news anchor embroiled BCE subsidiary Bell Media in an explosive controversy he seems loath to discuss. We spoke in late August at BCE's Toronto office.

Bell Media is under the umbrella of BCE. I need to ask you about what happened with Lisa LaFlamme. What went wrong?

I won't comment on that. **(1)**

You're not going to comment at all?

No. I won't comment, because we have an independent review afoot, and that, right now, is the primary focus.

Do you agree it's a black eye?

Won't comment.

Okay, let's talk about your competitor. What was your response on July 8, when you found out about the major Rogers outage?

It was a bit of a roller-coaster day. When I first found out, it was fairly early in the morning. I thought, *Okay, good to know. Outages happen.* Then a little bit later on, I'm told this is a bigger one than normal. So I reached out to my counterpart to ask if there was anything we could do to help. 'Cause this is what we do. We have a culture, among industry players in Canada, of helping each other when networks go down. So that was the first reaction. Over a couple of hours.

What larger impact will that event have on the industry?

I think it's too narrow to focus just on the event. We can't let the incident take away from where we are in Canada with communications networks. We have the benefit of globally leading networks by most, if not all, measures. It's a privileged position to be in. And these networks are, frankly, the backbone of the economy. The backbone of innovation in the future. The incident you're talking about is actually evidence of it. So, what we need to focus on as a country is, how do we leverage these networks to make sure this country gets ahead of others when it comes to technology innovation, adoption and therefore growing the economy?

How do you think the Rogers-Shaw merger will affect the industry, and you?

We'll see. I'm not gonna comment on the merger itself, per se, 'cause it's not my file.

It is your file to respond to competitors.

To be ready, yeah.

Your major competitor is getting bigger, so what do you do?

What we're doing is not a reaction to the merger. We're gonna continue to be focused on our plan. Since I became CEO, and since the pandemic, we have invested more. Built more, better wireless networks, better fibre networks, to more communities—urban, suburban and rural. At the beginning of 2020, we had no 5G networks. Now we're going to have 80% of the country covered with Bell 5G networks **(2)**. By the end of this year, we will have made our fibre

1. More than a week after LaFlamme announced she was out at CTV News, Bibic wrote a post on LinkedIn, part of which reads: "The narrative has been that Lisa's age, gender or grey hair played into the decision. I am satisfied that this is not the case and wanted to make sure you heard it from me."

2. BCE began its 5G rollout in June 2020. It projects that it will reach 80% coverage of Canada's population by the end of 2022.

PHOTOGRAPHS ANTHONY GEBREHIWOT

internet services available to two million additional locations. And we've invested in more resiliency and security. So that's what we've done.

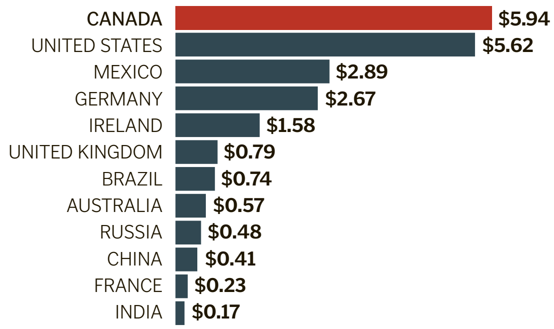
You chose to spend harder and faster when COVID hit. Why?

I chose to lean in, while others pulled back. Because it comes back to what we're trying to accomplish. We've modernized some of our objectives. Now our objective is advancing how Canadians connect with each other in the world. It's important, right? Because it's what you anchor yourself to when you develop your strategy and your communication to your entire team—50,000 people. For 142 years, we've been connecting Canadians to each other and to everywhere else in the world. So, in the middle of COVID, everyone was online. The networks could have been crushed under the weight of the usage. We invested $200 million more than we had budgeted in 2020 because of the unforeseen event, to make sure that Canadians could continue to use their services. That was at the beginning. Then you're in this, and you realize there's so many people who need to be working from home and aren't connected with high-speed broadband. So, we decided as we entered 2021 that we were gonna go faster and harder with 5G and with fibre-internet construction.

What is physically required to install a 5G network? What are you changing? What are you building?

You gotta overlay. We already have a lot of wireless infrastructure. We can use that existing infrastructure, but you gotta swap out the radios—from 4G to 5G. There's some gear in the core, in the guts of the network, that you also have to swap out. You've got to fibreize—build fibre to every one of your cell sites. Think of all those towers, in every single corner of the country. And then you gotta buy spectrum. Some of this is software, some of this is hardware, some of this is good old-fashioned construction.

AVERAGE COST FOR 1 GB OF DATA (US$)



SOURCE: CABLE.CO.UK

3. Wireless metrics for Q2 2022:

BCE
Average revenue per unit (ARPU) growth:
3.8%

Rogers
ARPU growth:
5.7%

Bell postpaid net additions:
83,000

Rogers postpaid net additions:
122,000

Bell postpaid churn:
0.8%

Rogers postpaid churn:
0.68%

4. As of the second quarter of 2022, ARPU was $59.54 for Bell versus $58.83 for Rogers.

5. Huawei supplied radio access network equipment for Bell's 4G network. Nokia and Ericsson (which were also 4G suppliers) became Bell's primary suppliers of 5G tech.

What happens when somebody comes out with 6G?

Do the same thing we did with 5G. You swap out the equipment. You might need more spectrum, depending on what spectrum the 6G will work on. You might need to densify the network to handle the capacity, which means more towers. It's an endless cycle. That's why it's such a capital-intensive industry. And the cycles, now, are short. The gap between 2G and 3G was 20 years. And then 3G to 4G was a good 10 years. And all of a sudden, now we're in 5G, and we're already talking about 6G. And every single time, you have to make these massive investments. Small population, massive country.

In your second quarter, BCE added fewer broadband customers than Rogers. Apparently that's the first time that's happened since you began building your fibre network.

The numbers you're probably referring to are consolidated numbers across our entire footprint. In areas where we don't have fibre, our network is not as good as it needs to be, which is why we're building fibre. So, we're losing internet customers where we don't have fibre, and we're gaining a significant number of customers where we do have fibre.

Are you lagging behind Rogers when it comes to wireless? I have three numbers here in wireless metrics where BCE was not as good as Rogers in Q2. (3)

This was the first quarter in a while where they had a larger ARPU growth than we did. If you look at the absolute number, though, I think we're still higher. (4) On the net adds, they did have the largest number of net adds in the quarter. And then, we all have multiple brands, right? We have prepaid, we have flanker brands. And then there's the premium brand. We're the leader on the premium brand. Which is where we want to be. The principal proposition of Bell is, come to the Bell brand for the best 5G experience.

China's Huawei was a major 5G equipment supplier. How much of a setback for you was the banning of that company?

We saw that one coming. That had been discussed for quite a while. Actually, one of the first major decisions, if not the first major decision that I made as CEO back in February of 2020, was to indicate that we were going to shift away from Huawei, which was the principal vendor of ours for 4G, to two other vendors. (5)

You've said that if inflation continues to be a factor, you will take the necessary steps to manage your costs. What costs will you target?

I'll give you some examples. Our fibre network is better than our old copper network. So, when we build fibre into a community and no longer have to rely on copper, right away our service and support costs are 40% less. The faster we go on fibre, the better our costs will be. Then when we have fibre, we can allow customers to install themselves. The more customers we connect, the more homes we pass, the bigger ability we have to enable self-install. That reduces our costs. Real estate: We're in a hybrid work model. Over a long period of time, we will be rationalizing our real estate footprint. That's gonna lower our costs. We've also significantly upgraded our ability to sell online. As consumers get more and more comfortable transacting with us online, that reduces our costs.

You've managed BCE through a

bunch of different acquisitions and regulatory battles. What's the key to getting your way with the government?
That's not the objective. For years—and decades before I joined the industry, by the way—Canada has always had a policy of encouraging investment in telecom, so that we could have multiple networks competing against each other. It's what we call facilities-based competition. That's the jargon in the industry. Consistently, over that time, successive governments have used facilities-based competition as their baseline policy. So, the objective is always to try to ensure that even though there's technological disruption or competitive disruption or new governments or new flavours of policy, that all those things remain anchored to facilities-based competition. That's what we try to advocate for.
The government prefers a four-part oligopoly.
In wireless, the policy since around 2007-'08 has been to have four wireless carriers in every region, operating on their own networks. That's a facilities-based competition. That is to encourage all players to continue investing in their networks.
What's the potential impact of a competitor like Elon Musk's Starlink, offering satellite broadband and fixed wireless?
By the way, that's facilities-based competition. That is a competitor investing in its own facilities. In this case, it's building the satellites, launching them, offering their own low-Earth-orbit network. We've never been against competition. But we think the right form of competition is from those players that build their own networks and compete against us. That would be a good example. In terms of your specific question, a low-Earth-orbit satellite broadband provider does fill an important niche. It provides high-speed broadband in the most remote parts of the country, where it will take us a very long time, potentially, to get there with fibre.
You don't see Starlink being competitive in an urban environment?
Fibre is vastly better. Capacity, upload speed, download speed—vastly better.
What does Canada's telecom landscape look like in five years?
From a Bell perspective, in five years, we will have well over nine million locations passed (6) with fibre. We'll still have a million locations passed with wireless home internet. We'll have 95% 5G-plus coverage, probably. Probably thinking about 6G. In terms of the connectedness of the country, what I really hope is, well before five years from now, we will have shifted the public policy focus from not only talking about price, quality and coverage, to serious discussions about how to use these networks. How do we encourage more investment in networks, more technology adoption by large and particularly by small businesses? More R&D investment by domestic and global players. Because if you want to invent something, in the metaverse or whatever it is, come here. Because we can give you the best network experience in order to make your inventions work. That's what I hope we've accomplished, well before five years from now.
You grew up a Habs fan. What's it like to be involved with Maple Leaf Sports & Entertainment? Who do you cheer for?
I cheer for both of them. Like my predecessor would say—you gotta learn from your predecessors and your mentors—perfectly hedged.

This interview has been edited and condensed.

6. In telco terminology, the houses or "locations" on a street where fibre-optic cable has been laid are considered to have been "passed" by that cable, enabling them to connect to it.

Trevor Cole is the author of five books, including the novel Practical Jean, *which won the Stephen Leacock Medal for Humour.*

ILLUSTRATION JEAN-FRANÇOIS MARTIN

BIG IDEA

Survival of the biggest

Forget "synergies"—it's time for Canada to create competition policies that actually benefit consumers

Call it Canada's summer of discontent. Air travel sucked. The supermarket chains were gouging. Gas prices went crazy. And then, like a sour cherry on top of the sundae, Rogers managed to unlearn the meaning of "reliable service" with an outage that begat a torrent of outrage, and likely added more fuel to the federal Competition Bureau's objection to the company's $26-billion merger with Shaw Communications.

With all the obvious caveats about the macro context—global inflation, malfunctioning supply chains, war, pestilence, etc.—some of Canada's most heavily concentrated sectors were wallowing around in the midst of this mess, prompting many consumers to wonder (and not for the first time) how we became the land of corporate oligopolies.

The answer is chock-a-block with excuses, some of them valid: small population, large geography; a general consensus, validated after the 2008 credit crisis, that a concentrated and heavily regulated banking sector is more stable than the alternative; and Bay Street's insistence that size does, indeed, matter for firms aiming to compete in the global big leagues.

Still, critics of the status quo argue that Canada's mealy-mouthed competition policies have allowed creeping consolidation, discouraged new entrants and hiked prices for consumers in core sectors, like cellphone service. Those voices, interestingly, include Matthew Boswell, Canada's competition commissioner, who bluntly enumerated the shortcomings of Canada's 37-year-old legal framework in advance of a promised parliamentary review scheduled to begin this fall. "We need to have a debate in Canada about what our competition law should look like in the 21st century," he said in a speech last year, noting that the country's competition rules are a complete outlier among our major trading partners.

Canada's Competition Act, written before laptops and smartphones and browsers, reflects the very 1980s neo-liberal ethos of unfettered markets and the growing belief among many economists that the anti-trust laws of the early 20th century no longer mattered. It relies on commissioning complicated economic studies of markets to determine whether mergers prevent or weaken competition. The thing is, it doesn't necessarily matter if mergers bring higher prices, evidence of abuse of dominance or reduced competition: Our rules allow mergers to proceed if they yield efficiencies, meaning higher profits.

"The core problem is Canada's so-called efficiencies defence for mergers, contained in Section 96 of the Competition Act," noted economist Robin Shaban, co-founder and principal at consulting firm Vivic Research, in a Globe and Mail opinion piece last year on the proposed Rogers-Shaw merger. "If a merger creates a significant amount of cost savings, it is legal under Canadian law, even if it hurts consumers." In other words, if the Rogers-Shaw union creates $1 billion a year in "synergies," as the companies claim, there may be little the Competition Bureau can do to take serious action against the deal.

Another shortcoming of our superannuated Competition Act is that it's especially ill-suited to tech and data-driven markets, with their easily distorted platform economies and monopolistic tendencies. Shaban and other pundits delve into this conundrum in a 122-page study that Vivic published earlier this year. "What really matters in our increasingly digital society is the (potential) ability of data on the firm's ability to do harm," concludes the report, which calls on

Canada's Top Growing Companies

It's time for a new type of internship and Riipen is innovating student-business collaboration

Riipen's CEO and co-founder Dana Stephenson

Students need work experience, and companies need fresh ideas, some extra help on occasion and a reliable talent pipeline. So, why not bring the two sides together?

It's a common-sense idea that won a pitch competition at the University of Victoria's Peter B. Gustavson School of Business and launched five years ago as Vancouver-based Riipen.

The platform is a marketplace for work-integrated learning (WIL), where students and organizations come together to collaborate on real-world projects.

"In the classroom, you do a ton of projects, but most of the time they're fictitious, made up by professors or out of a textbook and recycled every year," says Dana Stephenson, Riipen's co-founder and chief executive officer.

"We thought, 'wouldn't it benefit everyone so much more if these projects in the classrooms were actually done on real organizations to help solve real business challenges in our community and around the world?'"

Faculty members loved the idea but didn't have the resources to develop it, Mr. Stephenson says. Businesses were also interested but didn't have the time, staff or infrastructure to make it happen.

Mr. Stephenson launched the company in March 2017 alongside co-founders Jordan Ell and Dave Savory to make WIL more accessible to all. Since then, Riipen has grown into an ecosystem of more than 420 active higher education institutions globally, primarily in Canada but also in the United States, the United Kingdom, Europe, Australia and Africa. Revenue growth from 2018 to 2021 hit close to 600 per cent, in parallel with the growing market demand from educators and employers alike.

Its roster of employers has now grown to more than 23,000 – including large Fortune 500 companies such as Shopify Inc. and IBM Corp, but also thousands of small- and medium-sized businesses and non-profits that previously lacked the resources to tap into more traditional co-op or internship opportunities.

To date, Riipen has delivered more than 145,000 work-integrated learning experiences through its marketplace model, half in the last 12 months alone.

The first major milestone was a $735,000 partnership with the Ontario government to create stronger collaborations between universities and industry, bringing in 12 schools and 400 companies to provide 7,600 student experiences – an unheard-of goal at the time. Today, Riipen has more than 40 schools and 4,000 companies in Ontario, resulting in 57,000 total student experiences.

The company then partnered with RBC Future Launch to fund pilots at 30 schools across the country, delivering 27,000 student experiences in three years. A partnership with the Business and Higher Education Roundtable introduced 12,000 student experiences, 1,212 new employers and 61 new schools into the Canadian WIL ecosystem.

Riipen has also developed shorter cycle training programs like the $5.5-million Energy to Digital Growth Education and Upskilling Project (EDGE UP), led by Calgary Economic Development with funding from the Future Skills Centre to help displaced mid-career oil and gas workers transition their skills to the tech industry.

Funded in part by the Government of Canada's Innovative Work-Integrated Learning (I-WIL) initiative, Riipen's latest Level UP program has matched over 10,000 students from 100 institutions across Canada with paid, short-term, remote internships with thousands of businesses. Students are paid directly through Riipen to simplify the subsidy process for employers. The program has just been renewed for another two years with triple the funding and opportunities.

The goal from the start has been to address the skills shortage and engage the student population, Mr. Stephenson says.

"We believe education is one of the best pathways to help eliminate underemployment and close the skills gap; that everyone can be successful and gain the careers that will help them live fulfilling lives."

US$360 BILLION Amount disengaged, crummy managers cost the U.S. economy each year according to a Gallup State of the American Manager report (2015)

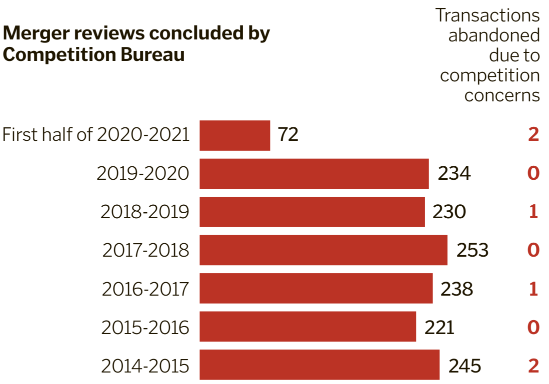
Ottawa to enact a "rules-based" competition law that clearly specifies the conditions that must be met for a merger to be approved. "When consumers are trading their digital data in exchange for a product or service, the harms are broader than just price."

Amazon, for example, has a well-documented tendency to favour its own products on its online marketplace, an abuse-of-dominance tactic also used by Google in its search services. In response, competition regulators in both the European Union and the United States are implementing substantial fines and operating restrictions to keep digital titans like Google in check.

Last year, for example, the Biden administration signalled its intention to step up enforcement activities to push back against anti-competitive consolidation in agriculture, pharmaceuticals and tech; so-called anti-trust czar Lina Khan, who heads the U.S. Federal Trade Commission, is a champion for consumers. And a recent ruling by the European Commission restricted Google's access to biometric user data gathered by activity tracker Fitbit, which the search giant acquired in 2019 for US$2.1 billion. The conditions prevent Google from accessing individual users' Fitbit health profiles for the purposes of targeting them with personalized ads.

It's worth noting that the EC, which also has robust privacy laws, imposed these conditions even though both companies are American. Meanwhile in Canada, the Competition Bureau has begun investigating Google and Amazon, but it has never levied fines or imposed any significant restrictions. "Canada is increasingly out of step with other jurisdictions," says Vass Bednar, co-author of the Vivic study and executive director of McMaster University's graduate public policy program. "Everyone else is looking at Amazon this way. Why not Canada?"

Merger reviews concluded by Competition Bureau



She says Canada's approach has persisted not just because Ottawa policymakers continue to hew to an outdated laissez-faire philosophy. The laws, and the record of judicial decisions made by the Competition Tribunal, also reflect the influence of a small community of competition law experts with long-standing connections to corporate Canada.

There was also a resource issue, which the federal government finally acknowledged in its 2022 budget, with a five-year, $96-million funding infusion that Boswell says will build a new "digital enforcement and investigation" unit. Still, the Competition Bureau's mergers branch continues to limp along on filing fees, even though, as Boswell points out, the investigations of proposed takeovers have become increasingly complicated and time-consuming, and sometimes produce utterly frustrating results.

Case in point: The Bureau sought an injunction to prevent the 2021 merger of two oil and gas waste management firms in Western Canada—Secure and Tervita—that its market analysis showed would create geographic monopolies in some regions and drive up prices. The Competition Tribunal, however, rejected the injunction, and the merger went ahead.

"The tribunal allowed a transaction to proceed that it concluded would likely cause irreparable harm to the public interest and competition," Boswell said last year. "Yet, this transaction was allowed to proceed prior to the hearing of all of the evidence on the application."

The ruling, he added, "crystallizes" the case for far-ranging reforms.

The paradox of competition policy is that consumers generally know when they're being hosed. In an Ipsos Reid poll this past December, for example, 88% of Canadians surveyed said there should be more competition in consumer markets to drive down prices, encourage more choice and enable startups to gain a foothold. Yet competition law itself is the province of experts steeped in legal arcana—concepts like "substantial loss or prevention of competition" tests, or the differences between a Section 92 application and Section 104 application.

Bednar and Shaban claim that a rules-based system—with clear market-share thresholds and guidelines that directly address the Looking Glass world of platform markets—is the only way Canadians can extricate themselves from the grip of sanctioned oligopolies or tech giants that know they can operate in Canada with impunity.

Will a summer of outages, staggering gas prices and cancelled flights finally push Canadians to demand change? "I really hope so," says Shaban. "It's been corporate representation steering the ship. But we need workers at the table. We need consumers at the table. We need small and mid-size enterprises at the table. We need a diversity of stakeholders that are shaping this [reform]. If we can have that, then I think there's an inflection point." **/John Lorinc**

Big Idea is produced with the support of our advisory panel

DeGroote SCHOOL OF BUSINESS EDUCATION WITH PURPOSE | McMaster University

Dr. Elkafi Hassini, *Associate Dean, DeGroote School of Business*
Oanh Kasperski, *Director, Marketing and Community Engagement*

Canada's Top Growing Companies

Betting on a bright future helps Dorr Capital achieve 'exceptional' growth

Brian Dorr, president and CEO of Dorr Capital and RealAlt Investments, on one of the many construction sites of his home development partners. He is hands-on in all parts of the business.

Brian Dorr has a knack for connecting the economic dots to foresee where future opportunities lie.

While on vacation in the summer of 2007, he read about a large French bank defaulting on credit swaps. He thought to himself, "that's going to be bad." Months later, in 2008, came the global financial crisis and the impetus that led to the start of Toronto-based Dorr Capital – a unique commercial real estate mortgage finance company that focuses on lending to developers to buy and develop land, as well as syndicating mortgages.

Before 2008, banks were big lenders to land developers and were involved with mortgage syndication. But due to the regulations that emerged from the credit crisis, banks pulled back from that business, leaving a gap for companies like Dorr Capital to fill.

"That was the raison d'être for Dorr Capital," says Mr. Dorr, the company's founder, president, and chief executive officer. "That became the first real need for what we are doing."

Much of his career has been about land: Mr. Dorr has worked for several large Canadian institutional investors financing the purchase of land for development in the residential, commercial and infrastructure sectors.

"I've literally worked for every government organization that has anything to do with housing," he says.

But Mr. Dorr started to feel he was giving more than he was learning at these major institutions and driving much of their businesses.

"I said to myself, 'I guess I should just have the courage to try this on my own.'"

After 12 years in business, he says Dorr Capital has seen "exceptional" growth.

Revenue rose by nearly 80 per cent in 2021 compared to 2020. Last year, the size of loans grew by 40 per cent and its average loan size was nearly $19-million, with larger deals nearing $200-million. Total loan volume since inception is more than $2-billion. The company has 12 employees, with plans to double its head count the next five years.

Mr. Dorr would also like to expand nationally but says there's still significant business in his home province, including in many smaller cities.

More recently, Mr. Dorr saw the opportunity to offer average investors the chance to benefit from the development of the multi-unit residential housing boom in Ontario and launched mortgage fund trust RealAlt Investments in 2021. The current monthly stream of interest cash flow to its investors has resulted in returns of about 1 per cent per month, or about 12 per cent annualized.

In the next five years, Mr. Dorr expects RealAlt's assets under management to grow to $300-million, particularly as investment networks start offering the fund to clients.

The future for both ventures looks bright, says Mr. Dorr, who believes the market will be held up long term by the ongoing shortage of homes driven by changing demographics and as Canada welcomes more immigrants in the coming years.

"It'll be a great opportunity for a very long time."

WHAT YOU CAN LEARN FROM...

The 1972 Summit Series

This September marked 50 years since the eight-game Summit Series between the Soviet national hockey team and some of Canada's top NHL players. The series—which Canada won at the last minute on left winger Paul Henderson's goal—taught Canada some hard lessons that remain relevant beyond sports. **/Jaime Weinman**

1 Successful products are good politics

In his recent book *Ice War Diplomat*, Gary J. Smith says one of the reasons he and other diplomats entered into negotiations for the series with the Soviets is that "the decline of our hockey capability had serious international consequences" for our reputation. When Canada makes something good, it boosts the entire country's international standing. The inverse is also true.

2 ASSUME THE BEST OF YOUR COMPETITORS

Team Canada won just one of the first four games played in Canada. One reason for this is the Canadian scouts had seen one bad game from the Soviet goalie, Vladislav Tretiak, and assumed he was no threat. The Canadians were caught off guard by how good he and the other Soviet players turned out to be. If your people insist you're looking at an easy win, you might need new people.

3 Adapt or die

In 1972, it was still common for North American athletes to spend the summer doing other jobs, and Team Canada was stunned by the Russians' superior conditioning and organization—a byproduct of year-round training. After that, the traditionally individualistic, laissez-faire style of Canadian hockey would forever be modified to make room for the more efficient European ethos. In a globalized world, there's not much room for different regions to do things their own way, especially if that way is inferior.

4 Keep it classy

A common complaint from the Canadians was that the refs gave fewer penalties to the Russians, who were quieter and less abrasive than their pugnacious rivals—epitomized by Bobby Clarke, who slashed the ankle of Russian centre Valeri Kharlamov in Game 6. To this day, questions swirl about whether Clarke took out Kharlamov on purpose and whether the Canadians would've won had the Soviets' star player not been injured. Bad behaviour or a win-at-all-costs attitude might give you a short-term boost but could harm your reputation over the long term.

5 National pride sells

Canadians don't have a reputation for hyper-patriotism like Americans do, but when they saw Team Canada go up against their biggest Cold War enemy and win, it became a nationwide sensation. The seminal series has been commemorated with plenty of merch over the years (including a T-shirt with the tag line "The Thrill of a Lifetime") and countless documentaries, the latest of which, a four-hour CBC docuseries called *Summit 72*, is slated for this fall. The takeaway: There's money to be made from Canadians' untapped desire to win.

ASK AN EXPERT

I'm down to two excellent candidates for our new hire. How do I choose?

First, some perspective: "This is a good problem to have," says Scott Bonneau, VP of global talent attraction at job-search website Indeed. That said, two great fits can make choosing feel impossible. But don't gamble on intuition. "We think a lot about culture fit, but consider culture *add*," says Bonneau. What differentiates the candidates? Look for characteristics you don't already have on staff. A few examples: empathy, creativity and engagement. Bonneau bristles at calling these "soft skills," which implies they're nice to have but not critical. "They absolutely are," he says. Still torn? "Think about where the organization is headed." If you're entering a period of rapid expansion, the best candidate is the one who thrives on uncertainty; if you're coming off a high-growth period, go with the detail-oriented one. "If you're still equally excited about both, go with your gut," says Bonneau. But don't write off the runner-up. "Keep that relationship warm in case it doesn't work out with your first pick or another job opens up." Ultimately hiring both is a good solution to your very good problem. **/Rosemary Counter**

PHOTOGRAPH MELCHIOR DIGIACOMO; ILLUSTRATION JOE MCKENDRY

Canada's Top Growing Companies

The 'meteoric' growth story behind marketing firm Republix

Republix co-founder and CEO Thomas Le Maguer.

It didn't take long for Thomas Le Maguer to realize he was in the wrong business.

When he quit his job as vice-president of sales for a large investment firm at the age of 24, it was with the intention to start his own brokerage company. Though he had a strong group of initial investors, for the first year and a half, the business wasn't getting much traction and was about to fail. To promote the brokerage business, he started creating and distributing educational content to his investor base. This idea earned $17,864 in two weeks.

Recognizing the opportunity that had presented itself, Mr. Le Maguer began working as an independent marketing consultant and ultimately founded an agency. However, even after hiring staff and building his team, it was clear that one agency couldn't manage the depth and breadth of expertise and tactics needed to properly service its customers.

"I told myself, 'if the marketing industry is this fragmented, there has to be a better way,'" he says.

After speaking with Nikola Leger, his chief operating officer at the time, the two decided to create a company that would bring together the best agencies, "each with their own core genius, and build a company that can truly provide best-in-class services across the entire customer journey," Mr. Le Maguer says.

In 2019, Republix was founded to provide best-in-class growth and marketing services for fast-growing businesses of all sizes. Its services cover the entire marketing ecosystem, from web and app development, to branding as well as digital marketing and lead generation.

"We've been incredibly focused for the last three years on how to bring all those capabilities in-house by acquiring and partnering with the right agencies," Mr. Le Maguer says. "We are at the stage now where we are able to deliver really great results for our clients in the most predictable way possible."

Each customer is assigned a dedicated account manager and strategist who can help the business access a wide range of resources in-house and through a growing number of strategic partners.

"We help our customers grow, with one point of contact, and provide them with all the services they need to scale in one spot," Mr. Le Maguer says.

The company currently has more than 1,000 customers, ranging from small businesses with less than 10 employees to some of the fastest growing companies in the world – all of which are able to access Republix's nine fully owned, award-winning agencies and 155 in-house employees to help fuel their growth. Republix expects to bring in as much as $40-million in revenues this year, up from $23-million in 2021.

Mr. Le Maguer says the goal is to keep growing the company, but to also ensure that it's sustainable.

"We actually had to slow down this year to continue to lay infrastructure so we can grow explosively next year," he adds. "And then our next target becomes $100-million plus."

Republix's success to date is largely due to its strategy of building a company that houses under one roof all of the growth-related tools and resources that Mr. Le Maguer wished he had access to as a younger entrepreneur.

The married father of 5 boys is excited for the future: "Everything businesses need from a growth standpoint – from brand positioning to digital ads, all the way through to custom sales programs — we can be the place for all of it," he says.

How foreign direct investment keeps STEM talent in Canada

For decades, Canadian employers and government leaders have grappled with 'brain drain,' a term used to describe talent leaving the country for higher wages or better opportunities.

The phrase took on a new meaning during the pandemic, when remote work made it easier for people to leave the economy without leaving the country, especially those with a background in STEM (science, technology, engineering and mathematics). These workers are in high demand, especially in sectors working on finding solutions to climate change. But Canadian companies have a powerful (if under-the-radar) tool to keep skilled workers: foreign direct investment (FDI).

When foreign companies invest in local businesses or they set up shop within our borders, they're not just benefitting the Canadian economy and encouraging innovation—they're helping retain talented workers. According to Statistics Canada numbers, more than 80 per cent of STEM graduates choose to stay in Canada to work after graduation.

Now, some of the global firms making those hires—such as Siemens, A Thinking Ape and Toyota—are sharing why Canadian talent is so valuable.

Siemens Canada values diverse perspectives of new grads

Siemens Canada has hired more than 150 students in various STEM fields since 2015, according to Faisal Kazi, president and CEO of Siemens. These students came from institutions across Canada, including McMaster University, Toronto Metropolitan University, the University of Alberta, Mohawk College, Ontario Tech University, Humber College, the University of Waterloo, and the Northern Alberta Institute of Technology.

Canadian institutions equip STEM students with "a good foundation of problem solving, critical thinking, innovation and creativity, (and) well-developed skills on teamwork and adaptability," Kazi explains. This makes them well-suited to understanding interdependent systems and their related ecosystems, as well as innovating on them — such as making them more sustainable.

"In addition, Canada's talent is diverse and is an aggregation of world views enabled through the eyes of multi-generational Canadians, first-generation Canadians, immigrants and First Nations people," he adds. "All these perspectives and life experiences are highly valued at Siemens."

The company is so dedicated to hiring Canadian talent that when the pandemic disrupted the ability of new graduates to find work, Siemens launched a career program called Experience@Siemens to provide them with up to a year of work experience, business exposure and mentorship.

Access to a wider pool of talent helps A Thinking Ape level up

Kenshi Arasaki, CEO of video-game company A Thinking Ape, echoes Kazi's point about FDI enabling companies to hire — and benefit from — a well-educated and diverse pool of talent. In 2020, Sweden-based Embracer Group acquired A Thinking Ape and invested $132-million in the company. This investment not only created 90 new jobs in Vancouver, where A Thinking Ape is based, it also helps take its projects to the next level, since Arasaki and his team now have access to a wider network of talent within Embracer, who have expertise in many fields.

"When you have gaming, you have to have many disciplines come together, you need design, engineering and creative art to come together in meaningful ways to produce something that might become a cultural artifact — and that's really hard. To do hard things, you need really great people," Arasaki explains. "Being acquired has enabled us now to have access to hundreds of peers in the gaming group who have knowledge and expertise worldwide that we can tap into to increase our rate of learning."

Toyota's partnership with the University of Waterloo is a pipeline to full-time work

Toyota employs 8,500 workers across its facilities in Cambridge and Woodstock, Ont. Through its partnership with the University of Waterloo, Toyota also hires many of the school's undergraduate students for co-op placements and its graduate students for full-time positions, according to Ross McKenzie, managing director of the university's Waterloo Centre for Automotive Research.

"That [partnership] forms an excellent talent pipeline for us. [The students] get to learn about manufacturing and we get to understand their capability," says Frank Voss, president of Toyota Canada. "They are a key part of our recruiting strategy when we're looking for engineering and science backgrounds."

In addition to its partnership with the University of Waterloo, Toyota also supports Actua, Canada's largest STEM youth outreach network. Earlier this year, the Toyota Canada Foundation announced an additional investment of $1-million over four years to help Actua engage "more girls and young women, Indigenous and Black youth, and youth living with disabilities in STEM," according to the foundation's treasurer, Leslie Miller.

"It's encouraging to see that companies are investing in Canada," says Justina Mendoza, a senior manager at Toyota Canada who graduated from the University of Waterloo. "They're seeing the talented workforce we have to offer in Canada."

In turn, Canadians benefit from global companies' expertise, helping to spur innovation and growth in some critical fields.

Recent grads don't have to move to a big city to find good jobs

The job opportunities created by FDI aren't limited to big cities. In 2021, Norway-based Elkem Metals built a biocarbon plant in Chicoutimi, Que., a $26-million investment in the region's economy. The new plant will produce biocarbon briquettes, a renewable alternative to metallurgical coal, which is a necessary ingredient in steel- and iron-making, but also a major emitter of greenhouse gases.

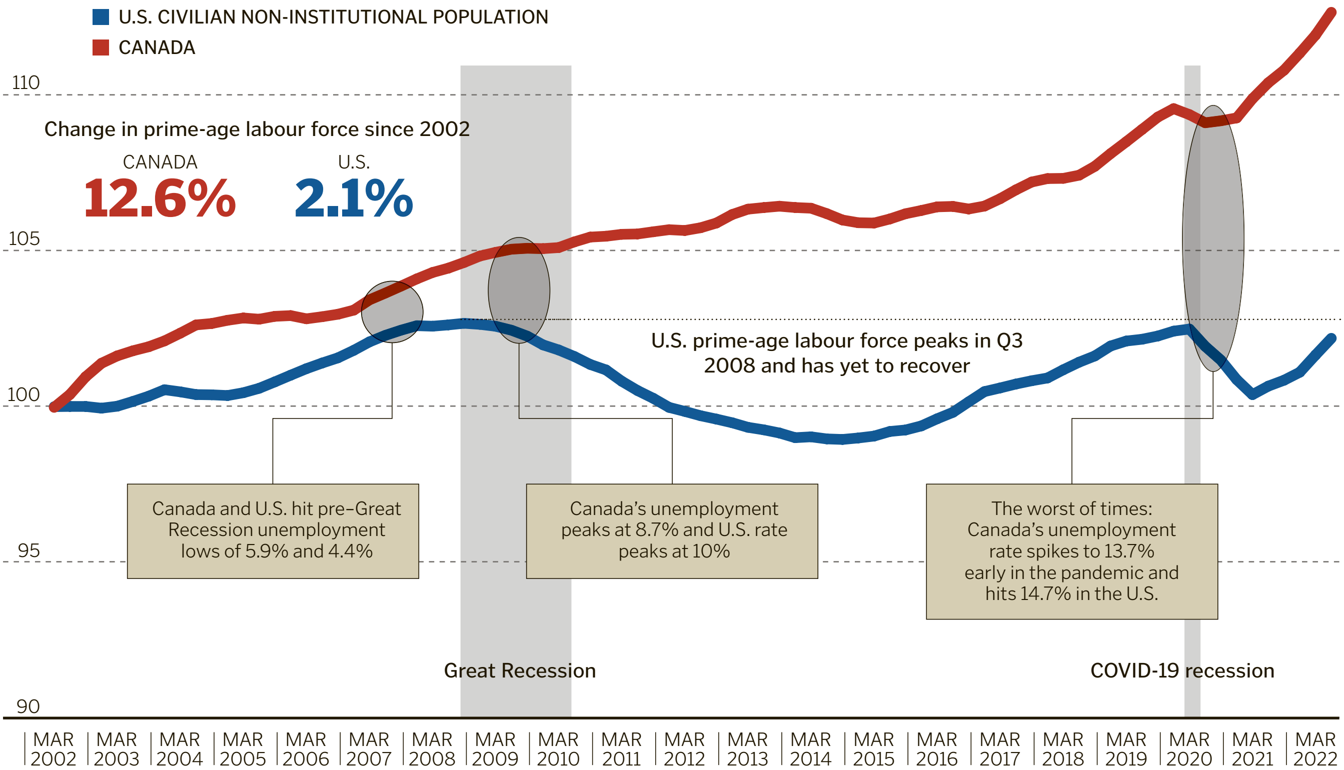
The company's presence in Chicoutimi has created 115 jobs. François Simard a research and development scientist, is one of the beneficiaries. "I rarely saw scientific and research and development positions in Chicoutimi," says Simard, who works as a Research and Development Scientist. "This investment is essential for the pursuit of my career. It is what created my position and allows me to fulfill myself as a researcher."

U.S. medical technology company Sekisui Diagnostics is headquartered in Prince Edward Island. "Canada as a whole has a diverse talent pool. Especially Prince Edward Island. We have a large bioscience sector here," says Eugene Howatt, who works as Sekisui Diagnostics' plant manager.

Howatt says the company's workforce has increased 33 per cent since 2011. Sekisui doesn't just attract local talent, it draws skilled workers "from an international level," according to Joan Turner Adams, business development officer at Innovation PEI. This allows the company to remain competitive and it helps drive the island's economy, she says.

“It was absolute pandemonium. I had never even stepped onto a trading room floor before”
—Economist **David Rosenberg**, whose first day as a junior economist at Scotiabank was 35 years ago this month, on Oct. 19, 1987—a.k.a. Black Monday

Working-age labour force growth
Index of labour force population, aged 25 to 54, 100 = Q1 2002



SOURCE U.S. BUREAU OF LABOR STATISTICS

DECODER

LABOUR PAINS

By the most popular barometer of the Canadian and U.S. job markets, both countries have enjoyed the best of times of late. Canada’s unemployment rate fell below 5% over the summer, the lowest rate since Statistics Canada began tracking the metric using current methodology, while south of the border the rate fell to 3.6% for only the second time since 1969. The only other time was right before the pandemic hit.

But there’s one large and widening difference between the two: Millions of prime-working-age Americans—those aged 25 to 54—are missing from the labour force, even as that same cohort in Canada continues to grow. Over the past decade, Canada’s prime-age labour force has grown nearly 13%, whereas the U.S. labour force is up just 2.1%, having yet to even fully recover from the shocks of the Great Recession and COVID-19 recession.

Labour force participation is critical to growth. In the absence of higher productivity, a stalled or shrinking labour force is like attaching a speed limiter to your economy.

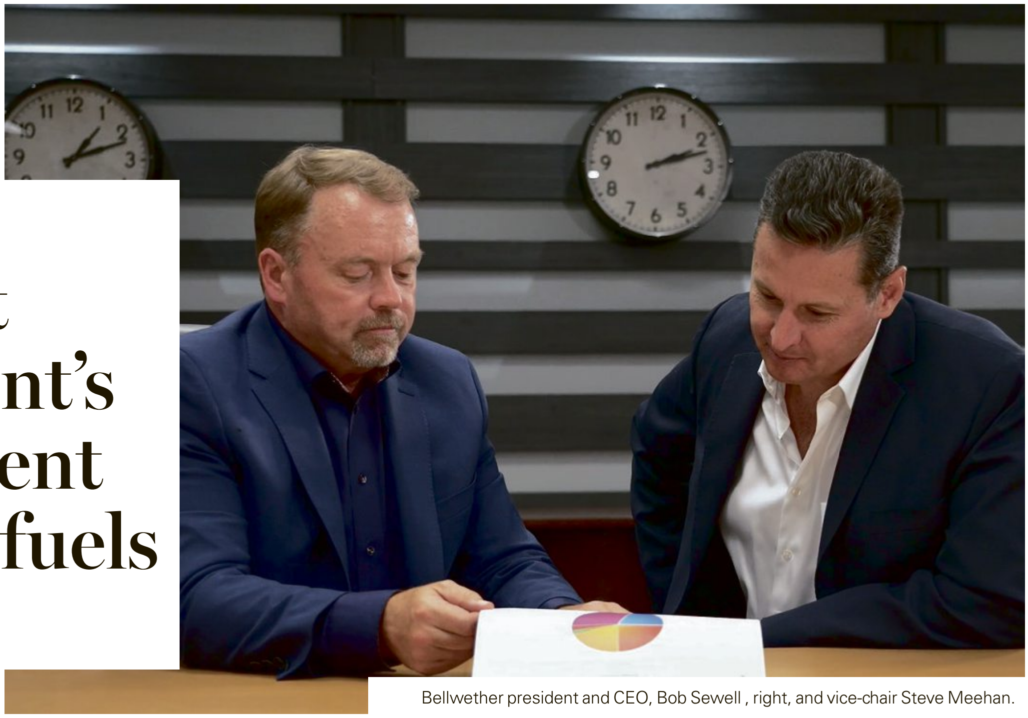
The gap is, in part, due to Canada’s more rapid overall population growth. For instance, in the second quarter of 2022, Canada’s population grew 1.3% versus 0.3% in the U.S., where net international immigration has been falling since 2016 and hit its lowest level in decades in 2021. As Americans age out of their prime working years, the U.S. lacks newcomers to replace them.

But America’s shrinking prime-age labour force is being driven by even more intractable problems. The labour force participation rate among men in that age group has been on the decline for decades—from 97% in 1960 to 88% now—particularly among those with low education levels as technology and offshoring reduce options for low-skilled workers. While women between the ages of 25 and 54 entering the labour force offset the decline among men, the Great Recession reversed that trend, too, with women’s participation only recently returning to the same level it was in 2008.

As the COVID recovery continues, there have been hopeful signs in recent months that prime-age workers are finally re-entering the labour force. America badly needs that trend to hold. **/Jason Kirby**

Canada's Top Growing Companies

Bellwether Investment Management's focus on client experience fuels its growth



Bellwether president and CEO, Bob Sewell , right, and vice-chair Steve Meehan.

Heading a team of 270 portfolio managers and staff for a major bank with the largest investment counsel in Canada, Bob Sewell missed dealing directly with clients. And he saw that many investors needed more comprehensive financial planning.

When he founded Bellwether Investment Management Inc. in Oakville, Ont., Mr. Sewell set about to change all that.

"I decided it was time to do something on my own, without the bureaucracy and complexity of a big financial institution," recalls Mr. Sewell, who created the discretionary portfolio management firm in 2009 – "smack in the middle of a financial crisis" – and immediately saw the difference he could make in people's lives. In 2011, he was joined by Steve Meehan, who had been co-founder and chief executive officer of Investment Planning Counsel.

Mr. Sewell, Bellwether's president and CEO and Mr. Meehan, its vice-chair, have built a company that today has more than $2-billion in assets under management, offices in 16 locations and a network of advisers across Canada. Bellwether continues to build its presence in British Columbia and Eastern Canada and plans to venture into the U.S., focusing on the sunbelt states of Florida, Texas and Arizona, where Canadians have interests.

Its expansion strategy includes organic growth, finding clients through referrals and a burgeoning digital-marketing presence, and it has acquired portfolio-management shops across Canada. It's also growing through what Mr. Sewell calls adviser transitions, "where we recruit an adviser with an existing client base from another firm to join us, and we transition them fully into the strategy and processes that we offer."

Mr. Sewell continues to manage a client base while leading a dynamic staff of 70 who share his passion for connecting with investors. Core to managing family wealth is people's need for income, Mr. Sewell observes.

"Often, they'll say, 'I've accumulated this wealth, and it's more than I ever thought I would have.' But then it's about, 'How do I preserve it, grow it prudently and generate a reasonable income to support myself in the future?'"

He feels "soup-to-nuts" financial planning is overwhelming for people. He believes it's best to focus on issues like planning for retirement or financing children's education and then "end up with something that gives them a comprehensive plan."

Bellwether practices a conservative style of management. "In markets like we've been experiencing this year, our clients are generating significant income, but with far less volatility," he says. "Clients aren't experiencing the 20 per cent-type losses you're seeing in the broader markets."

The company's biggest hurdle is finding staff to support its growth. "We're constantly on the lookout for quality people."

Capital is another critical need for a company expanding north of 50 per cent each year. Bellwether provides financing for needs such as overhead and acquisitions through Lorne Park Capital Partners Inc., a public company in which he and Mr. Meehan are majority shareholders.

Bellwether's vision "is to be a truly national, independent option to the banks," allowing families to be served personally and locally, Mr. Sewell says.

"It's a very high-trust environment and a very high-trust relationship." He believes investors are looking for a strong brand and the "sleep-at-night factor" that comes from working with a company that's been around a long time, where they're "not a number", but a valued partner.

FOR YOUR CONSIDERATION

PET VALU HOLDINGS LTD.
MARKHAM, ONT.

REVENUE (2021)	$776 MILLION
PROFIT (2021)	$98.8 MILLION
14-MONTH SHARE PRICE GAIN	26.4%
P/E RATIO (TRAILING)	24

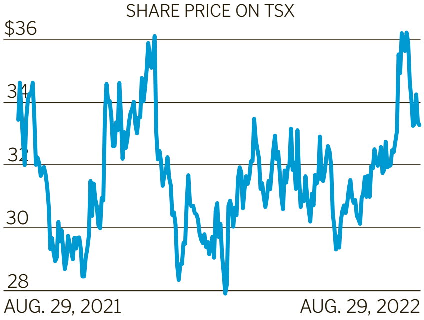
Watching your fur pal snoozing in a corner, you may not realize pet-supply retailing roared into higher gear during the pandemic. And as Pet Valu CEO Richard Maltsberger explains, his company is now No. 1 in Canada, yet still has plenty of room to grow.

Over the past three years, Pet Valu's market share has surged to 18%. It has deftly skated past PetSmart and Walmart, which both have double-digit market share, and several big and small retailers in single digits, including supermarkets and the Mondou and Ren's Pets chains.

Maltsberger says two big factors are fuelling growth. First, since early 2020, "we've seen more than three million pet adoptions across Canada," bringing the total population to more than 25 million. Second, pet-companion owners are getting, well, sappier. Maltsberger says Pet Valu targets the "devoted pet lover" for whom a pet is a family member. In the case of food, that means "frozen, raw, gently cooked and gently baked, much like the organic and other trends that you see in people food."

Backing up Pet Valu's strategy are hard numbers. The company had 633 outlets across Canada at the end of 2021, about two-thirds franchises, and is aiming to reach more than 1,200 over the next 15 to 20 years. Maltsberger, an MBA from Missouri who's been CEO since 2018, says the target came from "a nationwide machine-learning optimization algorithm," based on demographic, cellphone and other data, that identifies opportunities.

PET VALU HOLDINGS LTD.
SHARE PRICE ON TSX



In the past, some growth was by acquisition, including buying the 66-store Chico chain earlier this year to establish Pet Valu in Quebec. But now Pet Valu is a coast-to-coast business. Future growth will largely come from opening 35 to 45 new outlets this year, and about the same in future—almost all franchises—and by improving logistics and in-store sales.

To that end, there's an automation push. "When I got here, we were still using clipboards in the warehouse. And our loyalty program was on paper cards under the cash registers," Maltsberger says.

Financially, the pandemic was also a boon. Pet Valu had been wholly owned by Atlanta-based Roark Capital Group, but it completed a $316-million IPO on the Toronto Stock Exchange in June 2021. Roark also sold some Pet Valu shares last year but still owns 62%.

The IPO proceeds helped Pet Valu nearly halve its long-term debt, which is now $342 million. "We're one of the really good investment stories where you actually have a high-growth top- and bottom-line company, with a solid balance sheet and self-funded growth," Maltsberger says. **/John Daly**

FOMO INVESTING

5 things we learned from Robert Karwel

If you've tried to buy a new or used vehicle recently, you'll have noticed that prices have gone way up and availability has gone way down. Is the market returning to the old normal after the upheavals of the COVID-19 pandemic, a new normal—or something else? **/JD**

1. Karwel is senior manager, power information network for Canada at J.D. Power. But as he says, "We don't need rocket scientists to tell us it's a tough time to buy a car." The average transaction price of a new vehicle has cracked $40,000 and is now about $48,000. On average, it takes just 22 days on a dealer lot for one to sell, versus more than 60 days pre-pandemic.

2. Before COVID-19, sales incentives averaged about $6,000 per vehicle. Now, they're about $2,500—interest-rate relief, not cash. "A customer's best bet is probably walking into a dealer and maybe partaking of a small incentive to wait for the factory to build the car," Karwel says. Even then, "you're going to end up paying within 2% of list price."

3. Supply-chain disruptions will continue. The computer-chip shortage made headlines, but Karwel says autos truly are a global product, and other snafus arise. "There was a foam shortage last year for making seats. Certain metals are getting more difficult to acquire." Plus, there are logistical issues, like getting containers unloaded in North America and sent back overseas.

4. Thinking of buying an electric vehicle? Pure EV sales (not counting hybrids) are about 2% of the total for all vehicles in Canada. That doesn't include Tesla. It sells direct, not through franchised dealers, which supply sales data to J.D. Power. Karwel estimates Tesla has another 1.5% to 2%. "This is a very slow train that's leaving the station," he says.

5. All the same, Tesla has a stock market value of more than US$850 billion, versus only about US$60 billion each for Ford and General Motors. What gives? "I don't think it links back to reality," Karwel says. Ford, for example, has had the No. 1 selling model in North America for more than 40 years—its F-series pickups. "It's a printing press for money," he says.

PHOTOGRAPH ISTOCK

Canada's Top Growing Companies

A straightforward approach is the key to success at Harvest Portfolios

Harvest Portfolios Group chief executive officer Michael Kovacs

Harvest Portfolios Group chief executive officer Michael Kovacs believes that investing doesn't need to be complicated to be successful.

Keeping it simple has been his approach since he founded investment fund company Harvest Portfolios Group in 2009, which issued its first exchange-traded funds as Harvest ETFs in 2016.

His investment company's focus is inspired by iconic investor Warren Buffett, who is known for his no-frills investment style.

"It's about keeping it simple, focusing on long-term growth, on great businesses, great companies and holding on to them for the long term," Mr. Kovacs says.

Harvest's philosophy is garnering attention. The independent firm's assets under management (AUM) have grown from nearly $1-billion at the end of 2020 to more than $2.4-billion at the end of June 2022.

"We've hit that inflection point where we have started to grow very quickly – we are one of those 10-year overnight success stories," he quips.

At current growth rates, the firm is expected to reach $5-billion in AUM by the end of 2024.

In mid-2022, Harvest was fifth on the list of firms in terms of ETF inflows, just behind some of Canada's largest ETF companies such as RBC iShares and Bank of Montreal, according to National Bank of Canada data. In June, as many companies saw funds flow out of their ETFs, Harvest pulled in $131-million for a total of $703-million of inflows for the first half of the year.

"We've been growing through these volatile markets," Mr. Kovacs says. "That's a testament to what we're doing."

The company also continues to launch new ETF products. In June, it introduced its Canadian Equity Income Leaders ETF, which invests in 30 of Canada's top large-cap companies and also uses a covered-call strategy.

Harvest is always "fine-tuning" its portfolio, Mr. Kovacs says. The company had 17 ETFs in its product portfolio as of mid-July, with more on the way.

"We are considering a number of products that are in the pipe for later this year and next year," he adds.

Mr. Kovacs cites a few ETFs he's most proud of, including Harvest's largest, the Harvest Healthcare Leaders Income ETF, an equity income ETF with more than $1-billion in AUM.

Two other top ETFs include the Harvest Brand Leaders Plus Income ETF, and the Harvest Tech Achievers Growth & Income ETF.

"Both have the potential to be billion-dollar products," he says.

Another popular product is the Harvest Diversified Monthly Income ETF, which appeals to income-seeking retirees.

All these ETFs share a straightforward objective, a transparent portfolio of leading companies, and a track record of delivering income for investors.

Harvest "runs a tight ship," says Mr. Kovacs, with profits growing at a double-digit rate, no debt and 30 employees, with staff numbers potentially rising by 20 per cent over the coming years.

"You have to be patient and you have to stick with it for the long term, because you're always going get volatility like we're seeing right now," he explains. "But at the end of the day, if you own quality, valuations will come back."

SMART MONEY

KIM SHANNON

FOUNDER, CO-CHIEF INVESTMENT OFFICER AND PORTFOLIO MANAGER, SIONNA INVESTMENT MANAGERS

Value manager Kim Shannon is seeing light at the end of the tunnel. Growth stocks, particularly tech plays, seemed headed to the moon for more than a decade, but many have come crashing back to Earth. Now, her bargain stocks are getting more love amid sharp swings spurred by inflation and recession fears. Shannon oversees a team that runs about $1.7 billion in Canadian equity assets, including the Sionna Canadian Equity Fund, which trounced the S&P/TSX Composite Total Return Index over the past year. We asked the 64-year-old portfolio manager why she's cautiously upbeat on energy stocks and finds Canadian Tire attractive.

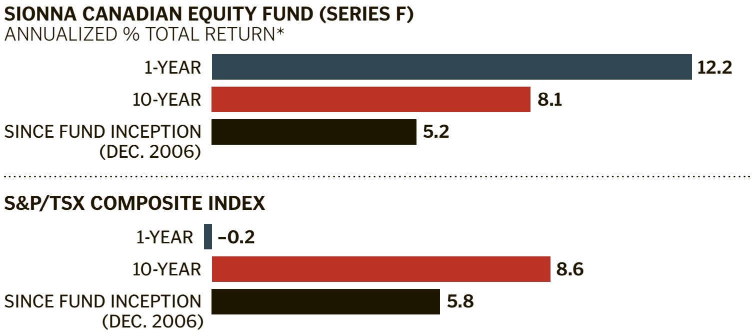
Value stocks have been wallflowers for a dozen years. How did you manage through this drought?
It's been frustrating—absolutely. Our firm's talent is in value investing, and we never changed our stripes. I also feel that you need to play value differently in Canada or in deeply cyclical markets than in a broader market like the United States. We sometimes own stocks that wouldn't exhibit deep value but would be the cheapest name in a sector. It was the lowest interest rates in financial-market history going back 800 years that made growth stocks more attractive and pulled in speculators. But we knew value would come back. U.S. growth stocks, for instance, handily outperformed value in the 1930s, but then value outpaced growth from 1941 to 1951 by an annualized 13%.

What is your outlook for the Canadian market?
This is an opportune time. It is extraordinarily cheap with a better dividend yield relative to the U.S. market and the MSCI World Index. Historically, Canada also tends to outperform the benchmark when inflation is north of 4%, which it is now. It has bigger weights in energy and materials than many markets. In an inflationary environment, commodity prices tend to rise with the cost of living.

High-flying energy stocks were hurt this summer by falling oil prices and recession worries. How do you see this sector?
We are cautiously bullish on energy stocks. In a sector considered risky, we will temper our bets. But energy companies are incredibly well capitalized because their cash flows lately have been quite strong. They are paying down debt and not spending on expensive drilling projects. And oil demand continues to grow while supply has been shrinking. Suncor, one of our bigger holdings, is more of a turnaround situation. It has been under pressure by an activist investor to improve its game and its safety record. We also like Arc Resources, a diversified energy company and Canada's largest condensate producer. We own TC Energy and Pembina Pipeline, too. Pipelines are contractual businesses, have good yields and are more steady-Eddie players.

Many retailers are struggling, but your fund owns Canadian Tire, which sells everything from auto parts to housewares, and owns brands like Sport Chek and Mark's. What's the attraction?
Canadian Tire shares ran up during the COVID-19 pandemic because it saw increased revenues, but the stock has weakened because the market believes it will be more challenged to sustain sales. In the late spring, we acquired this stock, which is cheap compared to where it has traded historically. We think the management team is quite strong and responsive to the current environment. Because the retailer sources lots of goods overseas and foresaw potential supply-chain issues, it chartered its own cargo ships to ensure delivery of goods. Canadian Tire also has a strong loyalty rewards program, and its locations are convenient to most Canadians. It's also rare to find a store where both men and women are willing to shop.

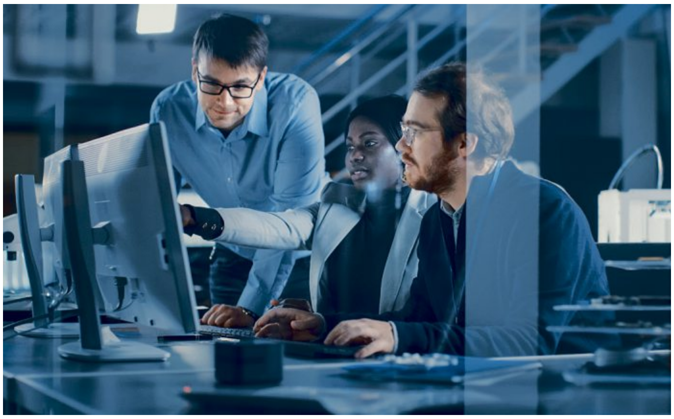
Why do you have a small position in gold royalty and streaming giant Franco-Nevada? Is this a value play?
Gold mining is a tough sector to invest in because it tends to trade at rich multiples. But it has been a significant weighting in the Canadian benchmark at times, so I can't ignore it. We picked up Franco-Nevada a couple of years ago because of concerns about quantitative easing impacting inflation, and it was a less risky way to play the gold commodity. Our team was concerned about rising mining costs, but a royalty play is mostly collecting on the profits of the business. **/Shirley Won**



* RETURNS TO JULY 31, 2022; SOURCE SIONNA INVESTMENT MANAGERS

PHOTOGRAPH HALLIE ARDEN

Where to turn when your company needs to solve its technology pain points



If you recently bought a house in Ontario or British Columbia, there's a good chance your lawyer used a product from Dye & Durham. The Canadian cloud-based software company works in the legal, financial and real-estate industries, and has acquired 30 businesses of varying sizes since inception.

Dye & Durham has clients in Canada, the United Kingdom, Ireland and Australia, and in the past two years its employee count has increased to 1,500 from 150. John Sulja, the company's chief information officer, says he wouldn't be surprised if that number continues to grow significantly in the next few years.

Any company experiencing growth at that pace would be challenged to keep up with demand for dependable and secure client information, and for products to perform tasks such as transactions and due diligence. To meet the moment and prepare for the future, Mr. Sulja turned to Kyndryl Canada.

"Kyndryl understands what mission-critical systems are, and they drive up the level of resiliency and security, meaning clients know they can rely on the delivery of our platforms to be safe and consistent," Mr. Sulja says.

Building on more than 30 years of experience, and with new-found independence, Kyndryl is Canada's leading technology services provider.

"While the Kyndryl name is new, in Canada you can't process a banking transaction, book a flight or consume electricity without the underlying support of Kyndryl's services," says Xerxes Cooper, president of Kyndryl Canada. "We design, build, manage and modernize the mission-critical technology systems that our clients depend on every day."

Kyndryl has experienced significant growth since November 2021. As an independent company, it has increased its Canadian employee base by more than 30 per cent, building capabilities to help address the demand for skills in Canada. In the fall of 2021, Kyndryl announced the creation of a Cloud Innovation Centre in Montreal, which will add 500 new technical jobs in Canada.

When investing in IT, a lot of companies are hard pressed to figure out where to start, and how to smartly deploy resources to fix their pain points. Kyndryl takes a collaborative approach.

"We meet our clients where they are in their transformation journey, quickly understand their business goals, and then co-create transformative solutions together," says Mr. Cooper. "To do this, we bring our ecosystem of strategic partners, including Microsoft, AWS and Google, and our team of skilled consultants with expertise in integrating, designing and operating complex systems."

During the pandemic, Kyndryl saw a dramatic increase in the demand for this unique approach. "If you speak with anyone in the digital sphere, they'll tell you that they had to deliver five to ten years of transformation in one to two years. Canadian organizations needed our focused and dedicated approach more than ever," Mr. Cooper says.

Disruptive technologies such as cloud, data and AI can help businesses achieve operational excellence today, and prepare for the opportunities of tomorrow. But many Canadian businesses are struggling with digital transformation.

According to a CEO survey from PwC released earlier this year, just 40 per cent of Canadian CEOs reported that their organization includes automation and digital goals in their long-term corporate strategies, compared with 54 per cent of global respondents.

The PwC survey also noted that some Canadian organizations haven't achieved the desired results because they lack sharper, more deliberate approaches to change. That's where a partner such as Kyndryl comes in.

"Technological advances in cloud, data and AI have allowed companies to become far more innovative and responsive to their customers' needs, but these are complex systems. We help our clients reach their goals with our expertise in technology integration across partners and platforms to bring the innovation to life," Mr. Cooper says.

For Dye & Durham, Kyndryl assigned experts in innovation, automation, networking and security. That has allowed Mr. Sulja and his team to focus on their business operations and what matters most to their clients while maintaining their growth trajectory through future acquisitions.

The Kyndryl partnership has proven to be essential to Dye & Durham's success. "Without them, we couldn't continue to grow at this rate," Mr. Sulja added.

Getting the transformation journey right

These days, technology transformation is critical to growth and to meeting customer demands. Here's how two Kyndryl Canada clients describe what success means to them.

"National Bank's culture of agility and collaboration plays a key role in our ability to adapt and perform in a rapidly changing environment. Our investments in technology and our digital transformation aim to meet clients' evolving needs and enhance their experience. We will also continue to seek out innovative solutions to further optimize our processes. The Bank's mission is to put people first – that's why our clients are and will remain central to all our decisions."

– Julie Lévesque,
executive vice president technology and operations,
National Bank of Canada

"Founded in 1846, Laurentian Bank is no stranger to transformation. Today, part of our customer-first strategy is to deliver value early by leveraging an agile approach and iteratively release solutions, such as our reimagined VISA experience, streamlined digital onboarding, and the rollout of our new public website. Our digital-first technology roadmap accelerates our ability to bring these capabilities to market allowing us to 'see beyond numbers' for growth."

– Beel Yaqub,
executive vice president,
chief information technology officer,
Laurentian Bank of Canada

Canada's Top Growing Companies

Meet 430 businesses that will give you expansion envy

PHOTOGRAPH GALIT RODIN

Welcome to the fourth annual Report on Business ranking of Canada's Top Growing Companies. Among the 430 businesses on the list, there are four purveyors of cannabis, 12 logistics providers, four companies catering to fur babies and one that specializes in satisfying your craving for ramen. But whether they're based in Vancouver or tiny Tara, Ont., have five employees or 7,500, one thing unites them: They've all managed to grow through some of the most tumultuous years on record.

Steve Ranson—CEO of HomeEquity Bank, the largest provider of reverse mortgages in Canada

No. 1

Orion Construction

Langley, B.C.

Josh Gaglardi's construction firm found a niche perfectly suited to the pandemic era. Now a lack of available land is pushing it skyward—literally

BY JOE CASTALDO | PHOTOGRAPH BY KAMIL BIALOUS

Not long ago, Josh Gaglardi got a call from the company that supplies his building firm, Orion Construction, with glass. Input costs were going up, the supplier explained, and there was no choice but to raise prices—by 40%. Gaglardi, like most anyone who builds stuff these days, had begrudgingly grown used to such news. Steel, concrete, rebar and just about everything else is more expensive than it was a couple of years ago. At least, Gaglardi could tell himself, the light industrial projects that are Orion's specialty don't require much glass.

Rampant inflation marks a new test for his four-year-old company. Until now, Orion has grown rapidly—more than 12,000% in the past three years—thanks to the niche Gaglardi spotted, not to mention good timing. The next phase of its growth might not be so straightforward.

Based in Langley, B.C., Orion bills itself as a one-stop shop. It helps clients find land for such industrial buildings as warehouses and distribution centres, assists with permitting, spearheads design and manages the construction process. "There wasn't really anybody doing that as a contractor in our market," says Gaglardi, 34. "By building out that team and that tailored solution, we've had a lot of success."

As any local prospective homebuyer knows, there's not a lot of land in the Lower Mainland. That's particularly vexing for companies that need industrial space, where plots might not even be zoned for such applications. Demand for warehouses and distribution centres is intense owing to the rise of e-commerce and consumers' expectations for fast delivery, all the more so during the pandemic. But the industrial market in the Greater Vancouver Area is experiencing record-low vacancy rates: A recent report from Colliers pegged it at 0.4%. Rents, meanwhile, surged 20.2% in the past year.

Industrial projects can be complex, partly because of local regulations and potential rezoning requirements. "The general contractors just weren't keeping up, in my mind," Gaglardi says. He started Orion to fill the gap, getting involved with clients earlier in the planning process and shepherding developments to the end. Since 2018, Orion has built about 1.5 million square feet of real estate, including a distribution centre for a tools and hardware importer in Chilliwack, and a warehouse for steel manufacturing equipment in Abbotsford. Another 1.5 million square feet is under construction, with a few million more in the permitting process, Gaglardi says.

By now you're probably wondering about his last name, and the answer is: Yes, *those* Gaglardis. He's the nephew of Bob Gaglardi, the B.C. business magnate and founder of Northland Properties, which owns dozens of hotels and restaurants, a couple of resorts, and the Dallas Stars NHL team.

While all four of Bob's children hold leadership positions at Northland, Gaglardi says he always wanted to leave the fold. At 13, he was put to work pushing brooms on construction sites and later worked summers at Northland-owned restaurants such as Denny's and Moxies. After graduating from the

University of British Columbia with a degree in economics, Gaglardi joined Northland's construction division, working on restaurant, hotel and condo developments. At 24, he left to join a smaller firm specializing in industrial and commercial construction, and founded Orion a few years later. "It'd be really easy to be complacent and have a very comfortable job, but I have a different vision for my life," he says.

Indeed, there's nothing comfortable about the double-digit cost increases common in the construction industry today, and there's not much Orion can do about it, except for one thing. Early last year, Gaglardi started offering clients the option to pre-purchase materials—insulation, pipe, steel studs, drywall and so on—before costs rise further, and storing them until needed. So when Gaglardi got that call about the price of glass increasing, Orion ordered a couple million dollars' worth. Allowing clients to hedge their bets on inflation has worked out so far, he says. "We purchase exactly what's needed for the project. There's very little waste."

The lack of available land is also prompting Orion to change its approach. Residential developers have long known to build up when space is at a premium, and industrial developers are starting to do the same, fabricating multistorey warehouses with long truck ramps to the second floor. It's a relatively new concept in Canada (it's more common in Asia), and Orion has one multistorey project in the application process. Putting one warehouse on top of another is naturally more difficult. The structure must be extremely strong to deal with the added weight and, around Vancouver, it has to be able to withstand earthquakes, too.

Orion's pipeline is full at the moment, Gaglardi says, and the company is taking steps to diversify. Orion recently broke ground on its first development in the B.C. Interior and is looking at expanding to Alberta. It also launched what it calls a tenant improvement division to construct office space within its buildings. "Every time we build a base structure, we want to be in there building offices for the users," Gaglardi says.

So, while inflation may be clouding the future, Gaglardi still has a few options left to ensure Orion's growth record continues.

No. 17

Pure Sunfarms

Delta, B.C.

Even as the cannabis sector gets hammered, Mandesh Dosanjh's strategy of doing one thing really well is paying off

BY CHRISTINA FRANGOU | PHOTOGRAPH BY JIMMY JEONG

In the spring of 2018, Mandesh Dosanjh's phone started to ring. Recruiters were calling on behalf of cannabis companies, asking if he was interested in joining their executive ranks.

Dosanjh, then 37, was an obvious choice for anyone looking to make a profit in the country's newest industry. An industrial engineer by training, Dosanjh had helped Loblaws bring Joe Fresh to Canada in 2006 and, later, led day-to-day operations at Vancouver-

based Aritzia, where he helped build the Canadian retailer's e-commerce platform. After moving back to Ontario, he joined the Liquor Control Board of Ontario as a senior vice-president and helped roll out the Ontario Cannabis Store, the province's only legal online seller, in the year leading up to Canada's legalization of recreational weed.

Dosanjh knew how to build a brand, and he understood Canada's complex new cannabis regulations as well as anyone. There was only one problem: He wasn't keen on jumping into a brand new—and very crowded—industry with an uncertain future. "What I saw in the cannabis space was everybody trying to be all things"—producers, retailers and scientists—at once, he says. "They wanted to put cannabis on the moon and send it every which way to each corner of the Earth."

He didn't think that approach was going to work. Dosanjh believed young companies needed to focus on doing one thing exceptionally well. But that concentration is hard to maintain when an industry is on fire, as was the case for cannabis in the spring of 2018. "You've got to have discipline and rigour," says Dosanjh. He didn't see those qualities in companies racing to get in on the Canadian green rush.

Then, in mid-summer, he got another call, and this one was different. Michael DeGiglio, CEO of U.S.-based Village

Farms International, was looking for someone to head up Pure Sunfarms, a joint venture started in June 2017 between Village Farms and Emerald Health Therapeutics, a Canadian medicinal cannabis grower.

The Pure Sunfarms team was already clearing out beefsteak tomato plants from a Village Farms greenhouse in Delta, B.C., and planting cannabis in their place. The company was a latecomer to Canada's legal marijuana scene; Bill C-45, the Cannabis Act, had received Royal Assent in June and would come into force in October 2018, but Pure Sunfarms' first retail cannabis sales were still more than a year away. That was fine with DeGiglio, who had no desire to be the first company selling recreational cannabis in Canada. He thought it was more important to develop a business model that could withstand the bumps sure to be ahead in the industry, and he believed Dosanjh, even though he'd never been a CEO, was the person to lead the way. "We didn't feel you could just take somebody from the software industry or the wine industry and put them in cannabis. Mandesh had all the credentials," says DeGiglio.

So far, he's been right. The pair's go-slow-and-grow strategy has paid off. In an industry where many businesses are going up in smoke, Pure Sunfarms stands out. The TSX Cannabis Index is down roughly 70% over the past year, and Canopy Growth—once the country's highest-flying producer—has shed billions in market capitalization; the company lost $2.1 billion in the first quarter of fiscal 2023. Meanwhile, Pure Sunfarms posted revenue growth of 2,320% over the past three years. The company doesn't release profit figures but says it has delivered 15 consecutive quarters of positive adjusted EBITDA (earnings before interest, taxes, depreciation and amortization). In June, BMO analyst Tamy Chen gave Village Farms International, which now wholly owns Pure Sunfarms, an outperform rating—the only firm to earn the classification among the 10 cannabis companies she tracks.

Nawan Butt, portfolio manager at Purpose Investments, says other Canadian cannabis producers spread themselves too thin early on, flush with money in a fledgling industry. Pure Sunfarms went a different direction and kept a tight focus on being a low-cost, large-scale producer with a narrow product line and single brand, he says. "Broadly speaking, we think Pure Sunfarms is one of the only places in Canada that identified a strategy that could potentially work in a market that is destined to be an oligopoly. It stuck to that strategy—and made it work."

Dosanjh wasn't thrilled with the thought of moving to B.C. He and his wife were expecting their second child. They lived in Toronto's Queen West neighbourhood, just a block away from his brother and not far from where he'd grown up. Dosanjh, whose parents immigrated to Canada in the late 1970s from Punjab via the United Kingdom, is close to his family. He'd even followed his older sibling into engineering at the University of Toronto. Growing up in the city, he'd been exposed to pot. Working in the industry was another thing entirely, however.

No one knew anything about what weed consumers would be looking for when recreational cannabis sales opened up. Canadian users had never purchased the stuff legally before. There were no answers to vital questions like, How big is the market? Who are the consumers? What products do they want? In the grocery industry, data exists for nearly every scenario, says Dosanjh. When stores lower the price of ketchup by 10%, staff have a pretty good idea of what'll happen with bun and mustard sales. Legal cannabis, by comparison, was a guessing game.

The Pure Sunfarms model as proposed by DeGiglio was an interesting one, Dosanjh thought. Cannabis grown in a greenhouse didn't have a stellar reputation compared to buds from high-tech indoor facilities, where every variable is controlled. Greenhouses are subject to some of Mother Nature's whims: The temperature and humidity outside can lead to inconsistent quality inside. But there were three huge advantages to DeGiglio's plan for Pure Sunfarms. Greenhouses are affordable to operate and require far less energy compared to an indoor operation; Village Farms already owned three massive greenhouses in Delta, and they were staffed by expert growers who knew the climate, buildings and local suppliers; and DeGiglio was an established leader in the high-tech greenhouse business.

Florida-based DeGiglio had been a U.S. naval aviator. While still with the Navy, he founded Agro Dynamics in 1984 and brought new hydroponic greenhouse technologies to North America. Five years later, he started Village Farms International, focusing first on roses and then moving onto produce after a change in U.S. regulations opened the domestic flower market to imports. With profit margins shrinking for produce, one of the longest-operating greenhouse growers in North America had turned his attention to weed.

The move to cannabis "was fraught with risk," Dosanjh says. "But I actually saw it as the biggest opportunity when you've got a guy like Mike DeGiglio, who's had to recreate his business twice—fresh-cut flowers and produce—with big government changes."

To his mind, the most important factor for any company in the early stages of this new industry was an ability to grow weed. "You have to own cultivation in the short and medium term," he says. "Where it goes in 20, 30, 50 years, who knows? But, right now, to build a brand to be No. 1, you're going to have to have cultivation."

Pure Sunfarms' headquarters are set in a sunlit, converted farmhouse, a mere 40-minute drive from downtown Vancouver. About 500 metres from the house and behind a secured gateway sits the first of three gleaming greenhouses, together taking up nearly 4.8 million square feet of space. Two of the greenhouses—at 1.1 million square feet each—underwent an $85-million conversion beginning in 2018 to optimize growing conditions for cannabis. One is now entirely dedicated to pot, and a second is partly operational and may fully open in 2023, depending on market demand.

Cannabis is a finicky plant compared to tomatoes. You can grow tomatoes in one massive space, acres and acres of them. Tomatoes used to arrive at the Village Farms greenhouse ready to thrive—pretty much add water, fertilizer and light, along with a diligent pest-control regimen, explains Rob Baldwin, vice-president of cultivation and greenhouse operations at Pure Sunfarms. Baldwin had been chief grower and manager of the tomato operation under Village Farms. At the company's Christmas party in 2017, DeGiglio asked Baldwin if he knew anything about growing weed. "Yeah, I know a thing or two about it," responded Baldwin, who'd studied horticulture after high school because he wanted to grow cannabis. But the illegal industry turned out not to be his thing, and he'd gone over to tomatoes until DeGiglio announced the switch.

In the beefsteak world, you can stick to one kind of plant for years—there isn't high customer demand for change. In 17 years of growing tomatoes, Baldwin changed the variety only four times. Cannabis, though, needs much more babying. Pure Sunfarms needs to be constantly exploring different genetics, and Baldwin is growing around 100 kinds at any given time. The plants are separated into different rows based on genetics and different rooms based on age; the amount of daylight they require varies depending on how far along they are in development. And so, an expansive and expensive system of lights and blackout screens was added, along with sensors that hang from the ceiling to collect data on the plants as they develop.

To walk through the greenhouse is a journey through the lifecycle of a cannabis plant, with 2,800 mother plants being kept in the nursery. From these, Baldwin takes cuts that are replanted and replanted again as they grow. As the plants get taller and fatter, they're moved from one room to the next. Outside each room, signs announce the age and genetics of the plants inside, along with instructions in English and Punjabi. Most of the greenhouse and production workforce are people who have immigrated to Canada from Punjab, like Dosanjh's parents. (The company also employs about 40 temporary foreign workers from Mexico.)

In the 23 drying rooms, giant bouquets of leafy green goodness cover every inch of wall space, from ceiling to floor. When asked the value of the plants in one room, Dosanjh quickly does the math on his phone: 12,000 plants, worth a total of $3 million to $4 million. "Three, four years ago, we'd be thrown in jail if we had this much weed," Dosanjh later points out. All in, the company has capacity to produce 112,500 kilograms of dried flower annually, and that will rise to 150,000 kilograms when the second greenhouse is fully operational.

> "What I saw was everybody trying to be all things. They wanted to put cannabis on the moon and send it to each corner of the Earth"

A key lesson Dosanjh learned from working in the grocery, fashion and alcohol businesses is that branding matters. People are "constantly making decisions on what coffee to buy, what car to buy, what bottle of wine will go with dinner, what cool restaurant to go to," he says. They tend to prefer well-known brands they trust, the kind of items they're proud to offer to guests, he adds. In most industries, producers can foster that desire through advertising. But advertising is off-limits to cannabis producers.

Dosanjh felt that, in lieu of advertising, Pure Sunfarms could rely on one piece of lore that pretty much every Canadian of pot-smoking age knows—the country's best bud comes from British Columbia. B.C. bud was an iconic brand long before legalization, thanks to the province's rich soil and heavy rainfall, and it has developed a worldwide reputation as potent and wonderful.

The Pure Sunfarms team seized on that legacy as part of its own story: The company grows B.C. bud, tended by expert greenhouse growers and "legacy farmers" (the post-legalization term for people who used to have illegal grow-ops). "Nobody can replicate that story the way we can, given our history and 30 years of greenhouse growing," says Dosanjh.

Today, Pure Sunfarms employs almost 800 people, including 460 contracted greenhouse and production team members. They've kept their focus on cultivation, with dried flower accounting for more than 70% of sales in Canada. And it has consistently produced the top-selling strain of dried flower in Canada. Its Pink Kush strain alone has close to 4% of market share, more than double the second-best-selling flower in the country. In July, the company made a rare move to expand its brand portfolio into a lower price tier with the launch of the Original Fraser Valley Weed Co.

Analysts point to Pure Sunfarms' capital discipline as another factor in its success. The company didn't pursue major acquisitions in the first two years or substantially broaden its product line. It made only two major moves: In November 2020, Village Farms bought out Emerald Health's share of Pure Sunfarms, making the cannabis producer a wholly owned subsidiary. One year later, Village Farms acquired Quebec-based ROSE LifeScience, a vertically integrated branded cannabis producer. This gives Pure Sunfarms a stronghold in Quebec, home to 15% of Canadian retail cannabis sales, which reached a record $376 million in May 2022.

But there are big challenges ahead. Canadian cannabis companies are dogged by regulatory requirements, including an excise tax of $1 per gram for the wholesale price of flower, regardless of price. The tax has become increasingly problematic in a world where cannabis prices are falling, weed being the rare product bucking inflation trends, due in large part to a glut of product on the market. Compared to other leaders in the Canadian cannabis space, Dosanjh has been less heavy-handed in his criticism of the excise tax. He says his dispassionate attitude about the tax reflects his realism; he doesn't expect governments to reduce taxes easily. Instead, he's focused his efforts on lobbying for changes that would cut back on operational inefficiencies: eliminating the need for child-resistant packaging on flower, increasing the limit of THC in edibles (Canada's limit is 10 mg, one-tenth of what's allowed in several U.S. states) and getting rid of provincial excise stamps for cannabis products. Right now, every province requires an excise stamp, which adds another level of bureaucracy when shipping out pallets stacked with bags of cannabis. Dosanjh has also not been shy about calling out improprieties in the industry. In 2021, BNN Bloomberg reported that Pure Sunfarms submitted a complaint to Health Canada's Cannabis Compliance Directorate, fingering a competitor for inaccurately labelling the potency level on products.

The big question now for the CEO of Canada's fastest growing cannabis company is the same one it's always been: What's going to happen next? Many analysts are looking at international markets, saying Pure Sunfarms has potential to disrupt the industry if recreational cannabis markets open up outside of the country. So far, Pure Sunfarms' forays outside of Canada have been in the medical realm, with shipments already delivered to Australia and expected to go to Israel and Germany in the future. In March 2022, the company received a European Union GMP certification, giving it a green light to export cannabis to Europe. Currently, the German government is considering legalizing recreational cannabis, a move that would make it the world's largest potential market for legal cannabis and may put pressure on other European countries to follow suit. And if more U.S. states open their doors to recreational cannabis, Village Farms could be a major player, with its multiple greenhouses in Texas and expertise from Pure Sunfarms.

It's hard to predict the future, especially in an industry where a three-year business plan doesn't mean "a whole heck of a lot," says Dosanjh. But he's certain about one thing: There's still tremendous change to come in Canadian cannabis. "I know that's about to happen, and it's not going to surprise me. But I feel comforted in what we're building and how we're doing it."

No. 261

Equifruit

Montreal

How Jennie Coleman's small distribution company is taking on Big Banana (and ensuring farmers get paid fairly)

BY DEBORAH AARTS | PHOTOGRAPH BY KARENE-ISABELLE JEAN-BAPTISTE

Mikey the Monkey's face is frozen in serene rictus as he sways gently over the produce department. His job, as an animatronic character at the Farm Boy grocery chain, is to capture the attention of the condo dwellers and crunchy middle-class parents who enter the west Toronto store this Mikey calls home; to inject a bit of calculated whimsy into their shopping experience and, ultimately, to push product. "Look here," Mikey beckons. "Here's

something you should buy." Below him are dozens of bunches of Chiquita bananas, 79 cents a pound.

Across the aisle, amid the scrappier fare of the organic kiosk, a different gambit is at play. There, too, sits a pile of bananas, indistinguishable from the Chiquitas next door save for two things: the price, $1.29 a pound, and an inch-wide band that surrounds each bunch. The colours on the band catch your attention first, each a rainbow of Instagram-friendly mint, lavender and cornflower blue. There's a small Fairtrade logo and some bold, sans-serif type: "The only banana to reverse aging," reads one. "The only banana to binge-watch," reads another. Next to each, a stylized illustration of a talking banana connects the random claim to the importance of paying farmers, ending with the imperative, "This is the only banana you should buy." Beside that is a QR code that, when scanned, redirects to an Instagram account whose recent posts include a still of Charlton Heston as Moses holding tablets altered to read "Thou shall not exploit banana farmers" and "Seriously, it's really uncool, man."

It's a lot of information for a busy shopper to take in as she powers through her grocery list. Most people see the price and walk on by. But some stop. Some read the copy on the band. And some decide to pay a bit more.

This is the work of Equifruit, a 10-person Montreal company that imports and markets Fairtrade bananas. "We earn our keep by getting bananas from point A to point B," explains Jennie Coleman, Equifruit's president. "But what really drives us is the idea that we can change the banana industry. We're trying to deliver a new, and sustainable, business model."

Equifruit promises guilt-free bananas, produced by better-paid farmers in safe and green conditions. These are attributes most modern consumers support, at least nominally. They're also traits of increasing appeal to grocery chains, especially those facing greater environmental, social and governance (ESG) scrutiny. Today, Farm Boy and its sister brand Sobeys carry Equifruit, as do Costco, Lufa Farms, and a raft of specialty and independent grocers. Last year, Longo's, which operates 36 stores in the Greater Toronto Area, made a landmark decision to stock only Equifruit bananas. This has sparked admirable growth for the company—revenue grew by 139% between 2018 and 2021.

Equifruit is subverting one of the most established rules of food retail by getting folks to stop and think during what is typically a thoughtless decision. But as food prices surge and recession looms, the company's MO will be put to the test: How the heck do you convince anyone to pay more for bananas?

As a food product, bananas are pretty perfect. They taste great. They're nutritious. They travel well, come wrapped in free and compostable natural packaging, and—unlike almost any other fruit—when they get to the spotty side of ripe, they can achieve glorious reincarnation in bread form. It's easy to get why they're the most popular fruit in Canada, with a typical Canuck chomping more than 15 kilograms per year.

Bananas are cheap, typically half the cost of apples, and somehow they're getting cheaper: Even when adjusted for inflation, the average retail price of bananas dropped by more than 25% from 1995 to 2021. Apples, meanwhile, increased by more than 35%.

The price factor helps to illustrate why, as a food business, bananas have some baggage. The economic history of the banana is singular and complex, with decades of geopolitical maneuvering and corporate consolidation culminating in (among other things) an expectation among consumers that a fruit grown thousands of kilometres away should sell for next to nothing. That comes at a cost: The banana industry has been extensively criticized for its unsafe work conditions, damage to ecosystem viability and its reliance on the exploitation of labour, including, sometimes, that of children. While the three major players in the banana industry—Dole, Chiquita Brands International and Fresh Del Monte Produce—have made progress in cleaning up their supply chains, many critics feel there's still considerable work to be done. "The banana industry is deeply flawed and has been since its inception," says Coleman. "It was basically founded on paying nothing for land through political machinations in Central and South America, and very, very little for labour, with no environmental oversight at all."

For Equifruit, correcting this comes down to farm-gate economics—when farmers earn a living income, better labour and environmental performance tend to follow. It sources from co-ops in Ecuador and Peru, and from smaller farms in Colombia, Mexico and Nicaragua. And its business model has fair wages for workers built in. Plus, for every 40-pound box sold, an additional US$1 Fairtrade social premium goes back to the community in which it was grown to reinvest in things like safe working conditions and sustainable production tactics. Equifruit's contributions totalled US$428,000 in 2021.

Most people support such initiatives in principle; in practice, the connection can be lost. "It's hard to get people to sympathize with farmers they don't know, especially when those farmers are far away," says Sylvain Charlebois, a professor of food distribution and policy at Dalhousie University. "And it's tougher to get people to engage in the cause when inflation is at 10%, when budget-wise, they're struggling. They'll hear: 'We're trying to make sure that farmers get a fair share of the pie.' And they'll say: 'Okay, but why is it my problem as a consumer?'"

Coleman might seem an unlikely general in this battle. In conversation, she is inquisitive and warm, with a vibe that's more book club than boardroom. (When she mentions her master's degree in library and information sciences, it tracks.) But talking to her for a few minutes quickly establishes that nothing about this woman should be underestimated.

Curiosity took Coleman to Namibia, fresh out of university, where she hustled to build a library of 5,000 books for students. Grit powered her through her corporate career, including a decade of progressive leadership at Bombardier around the world. And, when juggling a packed work itinerary with the needs of her three small children (one of whom is profoundly disabled) became too much, courage motivated her to pivot into entrepreneurship. An unconventional ad in the Sunbelt Business Brokers directory caught her eye: For sale, one small business with high ethical standards, suitable for someone looking for flexible work hours. She met with a business broker who—after some mutual gut-checks—put forward an opportunity to purchase a modest Fairtrade fruit import business (then known as Equicosta) from its mother-daughter founders. After years dealing in high-tech engineering, the simplicity of bananas appealed. "I had social justice roots early in my career, and I was attracted to the Fairtrade values," Coleman says. "It felt like a lovely match." The deal closed in December 2013.

The first year was rough; the business had been operating at subsistence levels, and navigating the opaque relationships and old-school mentalities of the produce business proved a steep learning curve. "I did wonder if I'd taken all our savings and flushed them down the toilet," Coleman recalls. "But the wonderful thing about buying a business is that processes are already in place. It's up to you to improve them. It might be someone else's baby, but it's your job to make it grow and to increase its value."

Coleman hired Kim Chackal, a sales and marketing pro who quickly became her right hand. Together, they worked to strengthen relationships with retailers. They gradually extricated the business from some "really toxic" longstanding dealings with distributors who traded in sexist or regressive behaviour. (The company started applying a "no jerks" policy to any partnership in 2017.) The business stabilized and started to grow.

Then came COVID-19, which overnight quashed the trade shows and client visits that comprised the company's business development efforts. This created an unexpected opportunity to pay some attention to Equifruit as a brand. "Our challenge is getting people to think differently about how they buy their bananas. That's really our job," Coleman says. "At first, we thought we'd use the quiet time to rebuild our website. Then we thought, What if we were to do something bolder?"

In the spring of 2020, Equifruit started working with TUX Creative, an agency based in Montreal and L.A. that, in Coleman's words, "just got us." The goal was to develop a comprehensive brand identity that would catch people's attention and make them feel good about choosing Fairtrade—not guilted into it—with none of the earnestness

Even when adjusted for inflation, the average retail price of bananas dropped by more than 25% from 1995 to 2021. Apples, meanwhile, increased by more than 35%

or condescension commonly favoured in crunchier product categories. "We decided to live at the intersection of doing good and having fun," says Stacy Gagnidze, TUX's lead brand strategist on the project. Hence a website that opens with a screen of cartoon bananas. Hence a label with the claim "The only bananas sharks eat." Hence produce boxes that could double as decor in a Gen Z influencer's loft.

Every iteration of the brand—website, packaging, even the little sticker on each piece of fruit—is meant to pique curiosity and direct the audience to learn more. It's gimmicky, yes, but not a gimmick. "If somebody's having a bit of a laugh, you've opened the door to follow up with perhaps a more difficult message," says Coleman. Once people are informed, she contends, "they're more likely to say, 'This doesn't cost me a whole lot more. I can afford this. And this will have positive consequences on the supply chain.'"

Before going live, the team shopped the rebrand around to retailers. Not all approved—one executive said the bold design, and the implication that other bananas were unethical, made him sick to his stomach. But some, including the team at Longo's, loved it.

Longo's had been working with Equifruit for a few years, gradually introducing Fairtrade bananas into its produce mix—first organic, then conventional. The response was so consistently positive that by the time Equifruit unveiled its rebrand, Longo's—which was preparing to launch its inaugural sustainability report—was ready to go all in. In the spring of 2021, it became the first retailer in North America to offer only Fairtrade bananas. Throughout the transition, strong messaging helped to dampen the sticker shock, says Mimmo Franzone, the chain's vice-president of merchandising. "We needed to communicate to guests 'Yeah, you were buying 69-cent bananas, and yeah, you're now buying 99-cent bananas. But this is why we're doing this, and this is how we're giving back,'" Franzone says. "We had a bold plan. Equifruit had a bold marketing approach. It lined up perfectly."

More than a year after switching exclusively to Equifruit, banana sales at Longo's haven't decreased a pound. Shoppers have noticed the change, Franzone says, but they're not unhappy about it; of the thousands of customer comments that followed the transition to Fairtrade, only two were complaints.

Even with its recent growth, Equifruit still occupies a niche. Only about 2% of bananas in Canada are Fairtrade, compared to one-third in the U.K. and more than half in Switzerland. Increasing that market share will require scale, and Equifruit is chasing it. The company is working to partner with new grocery banners and to deepen its relationships with existing ones. U.S. expansion is an immediate priority; introducing other Fairtrade fruits, like mangoes, is on the radar, though not an imminent concern when there's more banana turf to win.

Coleman likes to say that the company's ultimate mission is "global Fairtrade domination"—a moonshot as valuable as any. But given the realities of the market, does she really think Equifruit can usurp Big Banana?

"Of course it's an ambitious goal! We know what we're trying to change is so big, it's almost ridiculous," she says. "Maybe this year, we'll accomplish 0.0001% of that goal. That's still more than if we hadn't done anything.

"If we don't think big, we'll never change the small things. And so we go forward in good faith." One boldly brandished banana at a time.

No.

404

HomeEquity Bank

Toronto

Steve Ranson has been proselytizing reverse mortgages for two decades. Now they're finally having their moment, thanks to demographics

BY TAMAR SATOV | PHOTOGRAPH BY GALIT RODIN

If your first reaction to the concept of a reverse mortgage is skepticism, Steve Ranson—CEO of HomeEquity Bank, the largest provider of reverse mortgages in Canada—was once in your shoes. More than 25 years ago, as head of Scotia Capital's securitization group, he met company founder William Turner while pitching him on business. "I remember going into that meeting thinking, *What a dumb idea. Who would want this?*" recalls 64-year-old Ranson, an accountant by training.

To the uninitiated, reverse mortgages—which allow homeowners aged 55 or older to access some of the equity in their properties, but at higher interest rates than conventional mortgages or secured lines of credit, meaning the interest charges are greater over the life of the loan—can be something of a head-scratcher. But by the end of the meeting, Ranson was a convert. "At the core, this is an incredible product," he

says. "You don't have to make any payments, you can stay in your home as long as you want and retain ownership, you have complete flexibility."

He's been proselytizing reverse mortgages to Canadians pretty much ever since. Nine months after that meeting, Ranson joined the company as CFO, became president a year later and in 2000 replaced Turner as CEO. In that time, he has led the company from its roots as Canadian Home Income Plan Corp. (those of a certain vintage likely remember the firm's stilted TV ads) through the public offering of Home Equity Income Trust in 2002, and the subsequent creation of HomeEquity Bank in October 2009. He's seen it grow from $36 million in annual reverse mortgage originations to more than $1 billion in 2021, and a total portfolio of $5.4 billion in reverse-mortgage loans. Last year, HomeEquity Bank's revenue was $271.7 million—up 63% since 2018.

The COVID-19 pandemic undoubtedly played a role in that surge. Older homeowners who may have previously been getting ready to downsize to a condo or transition to long-term care decided there was no place like home for avoiding exposure to the virus. At the same time, investment portfolios became volatile while property values skyrocketed, leading many to try to access the equity in their homes.

Conventional mortgages and home

equity lines of credit (HELOCs) are often out of reach to retired Canadians, as their incomes may not be high enough to qualify. But reverse mortgages aren't, because the borrower doesn't have to make interest payments as long as they live in the home. The accrued interest (and principal debt) is due only when owners sell the home or die, and you can never owe more than the home's market value, which makes the product attractive to those with cash-flow issues.

But even without the COVID component, reverse mortgages are poised to become increasingly popular. The reason? Demographics. According to 2021 census data, one-third of Canada's population—more than 12 million people—is now aged 55 or older. About three-quarters of them are homeowners and, according to a 2020 survey by the National Institute of Ageing, at least 91% plan to live in their homes as long as possible. Longevity is another factor; at age 65, the average Canadian can expect to live for another 20 years, so their retirement savings need to last longer. Also, just 4.4 million Canadians are covered by a defined-benefit pension plan, and 79% of those 55-plus surveyed last year said their retirement savings and government benefits won't be enough to see them through old age.

Downsizing—the traditional way for retirees to free up home equity—is proving too costly in many regions where moving expenses, land transfer taxes and condo fees eat into a sale's proceeds. Rents, too, are becoming unaffordable. For many retirees, a reverse mortgage is the clear solution. "I always say I was 20 years too early on the demographics," says Ranson.

Originally from Beaconsfield, a Montreal suburb, Ranson left his hometown in 1976 to pursue a commerce degree at the University of Toronto. Following in the footsteps of his father, he became a chartered accountant, and audited a wide variety of companies—everything from industrial equipment manufacturers to insurance companies—at KPMG precursor Peat Marwick Mitchell. "I got a window into business with a broad perspective and learned different ways of approaching things," he says. "But in audit, you look at stuff that's already happened. I wanted to be a part of what was going to happen."

He decided to switch to financial services, landing various treasury and finance roles in banking, and eventually specializing in securitization, which lead to his position at Scotia Capital Markets and that fateful meeting with William Turner.

Ranson still relishes being in the room where it happens. "I like that HomeEquity Bank is a smaller company where I can effect change relatively quickly," he says—but there's more to Ranson than simply getting things done.

During the pandemic, for example, employees called thousands of elderly clients isolated at home, just to check in (it was dubbed Operation Warm Hug). Ranson focused on customers over age 90. "It was a lot of fun," he says. Were any nonagenarians surprised to hear from the CEO? "I didn't tell them who I was. It wasn't about me."

Staff will also tell you Ranson is a shameless jokester, relying on his ultra-dry sense of humour to pull off legendary April Fool's pranks. After HomeEquity became a Schedule 1 chartered bank in 2009, he announced it would begin mandatory drug testing. And the April after Justin Trudeau ousted Stephen Harper, Ranson proclaimed the former prime minster would become the bank's next spokesperson.

This year, after a pause in the antics because of the pandemic, Ranson announced a new hybrid work arrangement where employees work together at one another's homes. "To make this project even more exciting, we are going to assign employees to each other with an emphasis on pairing employees who live far apart, work in different departments and don't know each other," the e-mail read, with pitch-perfect earnestness. "As CEO, you can't take yourself too seriously," says Ranson. "To be a leader, it's not enough to have great vision. You also need some levity," says vice-president of marketing and sales Yvonne Ziomecki-Fisher. In her mind, Ranson possesses both.

Others finally seem to be catching on. After 30 years of being the sole provider of reverse mortgages in Canada (the big banks have never been interested, in part because the market is small potatoes compared to the larger consumer banking sector, but also because they aren't keen to issue loans in which borrowers don't make any payments for years, or even decades) Equitable Bank entered the market in 2018 and has captured a 5% share, and fintech Bloom launched (in Ontario only) about a year ago.

In July, a Morningstar commentary proclaimed "potential for strong growth" in Canada's reverse mortgage market, given that our penetration rate lags behind some other developed economies. (The United Kingdom, for example, has a penetration rate twice Canada's.) That same month, the Ontario Teachers' Pension Plan Board finalized its acquisition of HOMEQ Corp., HomeEquity Bank's parent company, putting a stamp of approval on the firm and reverse mortgages.

"We view that acquisition positively," says Shokhrukh Temurov, vice-president of North American financial institutions at DBRS Morningstar, adding that the bank's previous owner, Birch Hill Equity Partners Management Inc., was happy. But as a private equity firm, it had to sell to deliver returns to its partners. "From Teachers' perspective, they don't have such a constraint."

But Teachers isn't HomeEquity's only major champion. In May, financial planner and media guru Pattie Lovett-Reid became the bank's first chief financial commentator. It's a shocking about-face, given that she told consumers for years to avoid reverse mortgages unless they had absolutely no other option. But after she wrote a particularly negative piece in 2019, Ziomecki-Fisher asked her to meet.

They went to a Starbucks and before their coffees were cold, Lovett-Reid was worried she'd made a mistake and asked for a follow-up meeting. She later issued a *mea culpa* with a blog post entitled, "It's time to reverse your thinking on reverse mortgages," arguing it could be "the product of choice for seniors who want to stay in their home and pay off debt, help out a family member, eliminate mortgage payments and receive money tax-free (not interest-free)."

And for the past several years, both CARP (formerly the Canadian Association of Retired Persons) and the

Royal Canadian Legion have endorsed HomeEquity for their members. Celebrated Canadian actress Jayne Eastwood and four-time men's world figure skating champion Kurt Browning star in TV ads, while Peter Mansbridge has interviewed Ranson and Ziomecki-Fisher in a series of marketing videos.

"This is a product category that's been around for a long time, and in the early years of its existence there were many misapprehensions about it that HomeEquity Bank had to overcome," says David Cravit, CARP's chief membership and marketing officer. CARP itself had to become more familiar with it before adding it to the more than 100 products and services offered to CARP's 330,000 members. "Individual circumstances may make it suitable or not, and we advocate they do their due diligence, but we think it's a viable product with options that are worth looking into," he says.

Ranson agrees reverse mortgages aren't for everyone. "No product is," he says. "Not everybody should have a credit card or a HELOC." HomeEquity insists clients obtain independent legal advice before they sign on.

Detractors warn that compound interest charges on a reverse mortgage can quickly eat up a home's remaining equity. The math, however, often proves otherwise. For one, there's a limit on how much home equity owners can borrow based on their age, location and type of property, and they cannot hold any other debt against the home. (The maximum loan-to-value ratio at HomeEquity bank is 55%, but only for the eldest clients; the average client borrows just 30%.) So, while interest charges on a reverse mortgage will snowball over time, appreciation on the home should offset that—particularly during periods when interest rates are low and property values soar, like in 2020 and 2021.

With interest rates rising and home prices softening, the numbers may now be less favourable for homeowners. If property values were to collapse, it's possible HomeEquity Bank would not recover the full debt when a homeowner settles up, because of the bank's guarantee that borrowers can never owe more than the home is worth. But HomeEquity mitigates that risk through its low loan-to-value ratios.

Nearly 80% of Canadians 55-plus surveyed last year said their retirement savings and government benefits won't be enough to see them through old age

Owners, too, can alleviate the effect of higher interest rates by forgoing a large lump sum loan upfront and instead taking small amounts monthly, like a HELOC, which can help them minimize the interest accruing. "The advantage that a reverse mortgage has over a HELOC is that it's not callable," says David Field, a certified financial planner based in Mississauga who specializes in retirement planning. "The bank can recall a HELOC at any time. If your debt keeps mounting, they might get worried and ask you to repay it all."

While he generally recommends clients first draw evenly from their registered and non-registered retirement savings, he views reverse mortgages as an important part of his toolkit as a retirement planner. For example, if one spouse dies early in retirement, the surviving spouse will lose some of their Canada Pension Plan payment and will be down to one Old Age Security benefit. They'll also lose one of the most advantageous tax-saving measures available to seniors: pension sharing. "In that situation, a reverse mortgage can be a good option because it provides additional income without tax consequences," says Field.

But HomeEquity Bank's clientele is far more diverse than that, using reverse mortgages to pay off debt, assist adult children looking to buy their own homes, and finance purchases that help borrowers live in line with their values.

Take retired couple Rachel Corbett and Martha Hunt, both in their early 60s, who took out a reverse mortgage in January, borrowing 22% of the value of their $500,000 home in Marmora, Ont. Between Hunt's defined benefit pension (she was a high school teacher) and an annuity Corbett purchased (she was a self-employed sport arbitrator) and their collective CPP, they have decent retirement income—especially since both still work part-time. But they wanted extra money to replace their roof so they could install solar panels, as well as purchase an electric vehicle. "It was important to us to make a strong statement and a green commitment for our kids and grandkids," Corbett says.

With a five-year fixed interest rate of 5.84%, they'll accrue about $37,000 in compound interest on the $110,000 loan by the end of the term. But the home would have to appreciate by only 1.5% annually to offset that amount. Even if the value of their home decreases over the long term, Corbett isn't worried. "We could sell the home and still walk away with a bunch of cash," she says. (There are hefty mortgage prepayment fees if owners sell the home within the first three years, but those fees go down significantly after that, and are waived entirely after 10 years or upon the owners' death. Prepayment fees are also reduced by 50% if the owners are moving into long-term care.) They also own two cottages, worth about $800,000 each, which their adult children would prefer to inherit over the home or cash.

For his part, Field isn't entirely comfortable with a reverse mortgage if, say, a relatively young client seems to have lower-cost options. "They have some guaranteed income sources and might have been able to use the cottages as collateral on a loan or mortgage," he says. At the same time, he thinks it's irresponsible for financial planners and homeowners to disregard reverse mortgages as an option. "I'd be distressed if these products went away."

That should be music to Ranson's ears. "The conversation I had with William all those years ago made me appreciate the things the product can do, and I've had the same conversation with many others explaining the unique benefits. We try to help people manage their money and stay in their homes," he says. "It's been a tremendous journey over the past 25 years."

How Canada's Top Growing Companies turn good ideas into successful products

IN DEMAND

PHOTOGRAPHS BY JUSTIN POULSEN

15

Surgically Clean Air

Mississauga

3-year revenue growth
2,368%

Few businesses had a name better suited to the pandemic era than Surgically Clean Air, which sells portable indoor air purification machines. When it was founded in 2010 by Marshal Sterio and Douglas Eaton (joined soon after by Mark Clawsey), the original SARS epidemic had already shown how easily viruses could spread indoors. So they developed what's called "a multistage filtration system"—instead of relying on just one method of cleaning air, the units combine a high-efficiency particulate air filter and a charcoal filter, which trap airborne particles, and use ultraviolet light to render those particles inactive. The company estimates its filters can remove 99.9% of pathogens and other particles from indoor air.

As the name implies, Surgically Clean Air was originally focused on medical settings—more than 55,000 of them, many of them dental offices—where owners had an interest in preventing the spread of germs long before COVID-19. But since the pandemic began, its focus has broadened to include businesses, educational settings, residential buildings, public bathrooms and any other space where lots of people have to breathe one another's air. It recently opened a second headquarters in Europe to serve overseas clients.

Now the company is targeting the broader public by exploring the marketing possibilities of R&D. "We have a doctor in-house who's on board with all the compliance and regulations, and has input on the testing that needs to be done for the filters," says global director of marketing Payal Raj. "Then we take all the information and use it in our messaging." As more people go back to the office, the company knows that even after the pandemic ends, we'll still want our indoor air to be, as the saying goes, surgically clean. **/Jaime Weinman**


AUTO
2
3

118

Ace Beverage Group

Toronto

3-year revenue growth
400%

Mike Wagman remembers the moment he concluded the Canadian popularity of beer had turned flat. The CEO of Ace Beverage Group says it was around 2018, when the company was largely centered on its Ace Hill craft beer brand. Ace sponsored a hockey league for police officers in Toronto, and one day, the cops asked if the company had any vodka sodas instead of beer that they could drink in their locker room after the game. "That was kind of a watershed moment," Wagman recalls. "Traditionally, you would think of those guys as the typical beer consumer. And they were looking to balance their consumption with these kinds of healthier beverage choices."

The beer-league experience confirmed data from the Liquor Control Board of Ontario that showed consumers were shifting from traditional categories like beer, wine and spirits into a new category of lower-carb, ready-to-drink beverages. Think spirit-based seltzers, minus the sugar. Wagman and his team ploughed all their efforts in the new direction, and they haven't looked back.

Ace now has six brands, including the popular Cottage Springs, and Bobby Margarita, a new line launched with NHL hockey commentator Bob McKenzie. The company's strategy: make products that taste better than the ones offered by leading brands, while making them healthier, too.

Wagman is hesitant when asked if the company will hit its $60-million revenue target for this year, saying there are "so many factors" affecting the industry and the company's own results. But he's playing the long game and sees plenty of runway. "The thesis is if you can develop products that are familiar to customers and refreshing and high in demand over a long period of time, but you can deliver it with a better nutritional profile...then that can allow you to scale. And that's kind of what's been working for us." **/Nicolas VanPraet**

128

Herbaland

Richmond, B.C.

3-year revenue growth
371%

Many immigrant entrepreneurs start their own businesses out of necessity. For Aisha Yang and Musharaf Syed, it was all about freedom. Exhausted running between two full-time jobs and daycare, they wanted to give their three children more attention and claim a better work-life balance for themselves. So they decided they'd become their own bosses, building something from scratch that combined Yang's marketing experience with Syed's nutraceutical and engineering savvy. The result was Herbaland, now Canada's largest manufacturer of nutritional gummies. "The company started literally in our kitchen at the table," says Yang. "I still have that table—I keep it as a memory."

These aren't the super-sweet, run-of-the-mill gelatin gummies of your childhood. Herbaland specializes in sugar-free, plant-based gummies that can be consumed by anyone regardless of age, religious background or dietary restrictions. In addition to vitamin gummies, the company also makes supplements like vegan collagen boosters, along with snack gummies (including a lemon-and-black-tea-flavoured mushroom blend).

The company—which sells its products in 40 countries—lost its outside manufacturer early on, forcing Yang and Syed to buy their own machine and figure out how to make gummies in-house. After about two months, they had a good process, Syed says. In addition to manufacturing, the company also does its own R&D. Almost its entire staff are immigrants, with about 20 couples among them.

Yang says she never expected things to work out as well as they have and estimates total revenue will soon hit nine figures. The gummy maker has ballooned in size in the past five years and today makes more than 70 million bottles and pouches of gummies annually, with seven manufacturing lines across three facilities. The company recently bought more land to add another 150,000-square-foot building, and plans to double production capacity by the end of 2025. **/NVP**

312

Pelican Sport

Laval, Que.

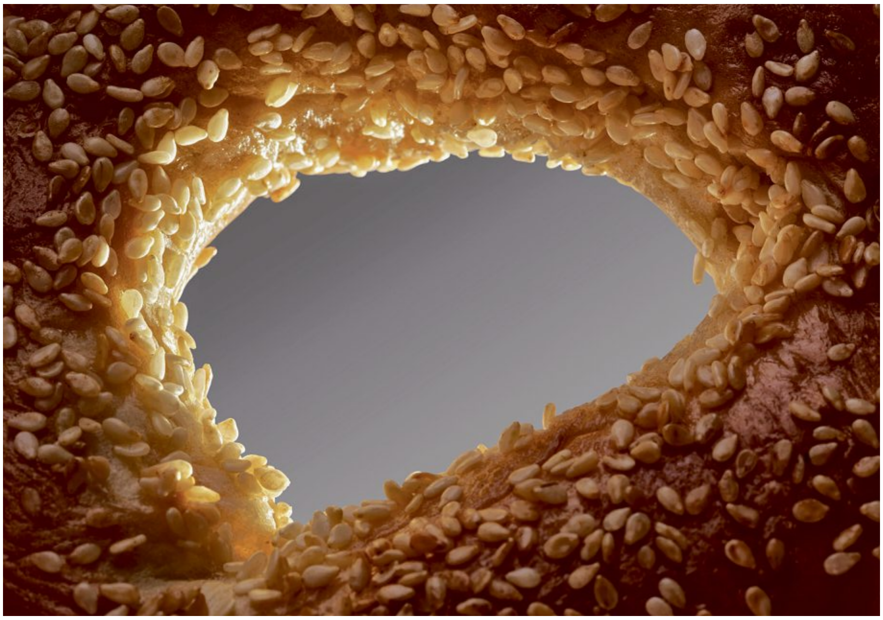
3-year revenue growth
105%

If your idea of a good time includes paddling down a river or canoeing on a crystal-clear lake, you're probably already familiar with Pelican. Founded in 1968, the manufacturer of kayaks, paddleboards, canoes and pedalboards is a huge name in outdoor adventuring. Since 2019, it has consolidated its position internationally and tripled annual sales. But despite acquisitions driving its recent growth, innovation is still the heart of the Pelican brand.

Founder Gérard Élie introduced the world's first plastic pedalboat in 1970 and the first plastic canoe a year later. The business was relatively small until the mid-1990s, when Élie's sons took over and built a 200,000-square-foot factory in Laval. Now the firm has more than 1,100 employees in three centres across North America. Meanwhile, its proprietary RAM-X material, used to construct ultradurable yet lightweight boats, has become an industry benchmark. "The brand wasn't built with great marketing or ad dollars. Pelican was built on its products," says CEO Danick Lavoie. "But we also needed to consolidate the industry." To that end, it has bought three companies since 2019: South Carolina kayak maker Confluence Outdoor, California-based inflatable-kayak brand Advanced Elements, and GSI Outdoors, which makes outdoor cooking and hydration products.

Amid all this growth, Pelican was dealing with COVID-19—a double-edged sword. Stir-crazy people flocked to the outdoors, spurring huge demand for equipment. But supply-chain issues and labour shortages bottlenecked sales. "It was tough, but once the supply chain opened up and we resumed our usual operations, we were able to leverage our inventory," says Lavoie. "And people were more willing than ever to buy online, so we did very well from an organic growth standpoint."

The majority of Pelican's market share is in North America, especially the U.S.; fewer than 10% of sales are overseas. But the company is vying for European and Asian markets. "Between innovation, diversification, consolidation and digital transformation," says Lavoie, "we were able to generate tremendous growth." **/Liza Agrba**



378

Kettlemans Bagels

Ottawa

3-year revenue growth
74%

Nearly three decades ago, Craig Buckley found himself working as an entrepreneur in the nation's capital, but longing for a bagel the likes of which could only be found in his hometown of Montreal. Sick of commuting back and forth to stock up on his favourite carb, Buckley decided to make his own. Since "Buckley's Bagels" didn't sound overly appetizing, the founder looked to lesser-known bagel history for inspiration: The chain is named after the worker whose job in a traditional bakery was to take the rolled bagels to the kettle for boiling.

In August 1993, the flagship Kettlemans Bagels opened its doors in Ottawa's Glebe neighbourhood, and devotees have flocked there ever since for what many consider the city's best bagels. They're hand-rolled with high-protein flour, as per the traditional method, then boiled in water infused with honey, giving them a touch of sweetness, and cooked in a wood-burning oven. The entire process is visible to customers, and Buckley says the "no-wall" idea single-handedly transformed Kettlemans from a bagel shop to an *experience*—one worth paying for.

Slowly but surely, Buckley expanded from its classic bagel-and-cream-cheese roots to include 14 varieties (chocolate bagel, anyone?), along with sandwiches like smoked meat (a nod to Buckley's Montreal roots) and cubanos. In 2016, Amer Wahab was hired as director of operations to scale up the company without losing its best-little-corner-bagel-shop vibe, complete with exposed brick, counter-height stools and signature string lights hanging from the ceiling. "We wanted every Kettlemans you walk into to feel like the original, but with official procedures and checklists, consistent operating practices and training guides in place," he says. He accomplished that mission; today, 575 employees at seven Ontario locations—including three more in Ottawa, two in Toronto and one in Whitby—bake 9,000 bagels each per day, 24-7, 365 days a year.

Even with expansion going strong, Kettlemans continues to experiment. Sales are about 90% retail, but the company also does catering and offers reward points through its online app. As it modernizes, however, it's simultaneously doubling down on tradition: The beloved chain will get back to its roots when it opens its very first location in Montreal. **/Rosemary Counter**

1–50

Canada's Top Growing Companies 2022 listed by three-year revenue growth

2022 RANK	COMPANY	DESCRIPTION	3-YEAR REVENUE GROWTH (%)	2021 REVENUE	EM-PLOY-EES	HEADQUARTERS
1	**Orion Construction Ltd.**	Full-service contractor for light industrial and commercial developments	**12,371**	$75M - $100M	36	Langley, B.C.
2	**Power Staffing Solutions**	Specializes in staffing and recruiting in IT and health care	**10,406**	$10M - $25M	319	Toronto
3	**DealMaker**	Capital-raising SaaS platform provider	**9,544**	$10M - $25M	118	Toronto
4	**BioRender**	Web application specializing in science data and presentations	**7,426**	$10M - $25M	86	Toronto
5	**Banyan Group of Cos. Ltd.**	Provides construction services	**5,463**	$25M - $50M	76	Victoria
6	**Mistplay Inc.**	Operates loyalty programs for players of mobile video games	**4,707**	$50M - $75M	101	Montreal
7	**Ethos Automation Inc.**	Provides automated machines, automated manufacturing and prototyping	**3,253**	$2M - $5M	20	Brantford, Ont.
8	**Odyssey Trust Co.**	Original equipment manufacturer	**2,916**	$10M - $25M	100	Calgary
9	**Flourish Pancakes**	Produces a protein pancake mix available in Canada and the U.S.	**2,651**	$5M - $10M	9	Concord, Ont.
10	**Thornhill Medical**	Develops technology used in emergency, mobile and remote health care	**2,567**	$75M - $100M	67	Toronto
11	**Clue**	Offers data strategy and tech services for advertising programs	**2,550**	$10M - $25M	32	Toronto
12	**Clutch**	Provides an online marketplace for purchasing and financing used cars	**2,511**	$75M - $100M	323	Toronto
13	**Marble**	API platform offering patient-authorized health data	**2,402**	$5M - $10M*	130	Toronto
14	**Partake Brewing**	Manufactures non-alcoholic craft beer	**2,402**	$10M - $25M	30	Calgary
15	**Surgically Clean Air Inc.**	Supplies air purifiers for commercial, industrial and residential use	**2,368**	$75M - $100M	70	Mississauga
16	**Musth Corp.**	Creates user-friendly trading tools	**2,331**	$2M - $5M	14	Toronto
17	**Pure Sunfarms Corp.**	Online retailer and wholesaler of recreational cannabis	**2,320**	$100M - $250M	775	Delta, B.C.
18	**AltaML**	Develops AI-enabled solutions for businesses	**2,309**	$10M - $25M	142	Edmonton
19	**Mission**	Operating platform and market network for independent software builders	**2,207**	$5M - $10M	21	Montreal
20	**Trust Science**	Provides AI-powered credit scoring	**2,144**	$2M - $5M*	45	Edmonton
21	**High Tide Inc.**	Manufactures and distributes cannabis and cannabis accessories	**1,970**	$100M - $250M	1,100	Calgary
22	**Knight Therapeutics Inc.**	Develops specialty pharmaceuticals in Canada and Latin America	**1,850**	$225M - $250M	675	Montreal
23	**CarePros**	Offers care services for children and youth with special needs	**1,787**	$5M - $10M	146	Edmonton
24	**Republix Platform Technologies Inc.**	Marketing and growth services to B2B SaaS and B2C e-commerce businesses	**1,748**	$10M - $25M	147	Toronto
25	**Irwin**	Provides investor relations software	**1,684**	$2M - $5M	100	Toronto
26	**Field Safe Solutions**	Connects employees through workplace safety software	**1,682**	$2M - $5M	50	Calgary
27	**Deveron Corp.**	Helps agribusiness and farmers collect and analyze data	**1,618**	$5M - $10M	125	Toronto
28	**Noibu**	Software platform offering error monitoring services for e-commerce	**1,614**	$2M - $5M	65	Ottawa
29	**Dialogue Health Technologies Inc.**	Provides telemedicine services to clients' employees and families	**1,596**	$50M - $75M	1,100	Montreal
30	**Black & White Zebra Industries Inc.**	Digital media publishing company specializing in B2B companies	**1,593**	$10M - $25M	38	Vancouver
31	**Silk & Snow Inc.**	Sells sustainable mattresses through e-commerce and retail	**1,534**	$10M - $25M	37	Toronto
32	**Lantern Capital**	Offers financing services for leasing and financing new and used equipment	**1,492**	$2M - $5M	35	Mississauga
33	**Consumer Genius Inc.**	Platform that connects consumers with rates and financial products	**1,488**	$10M - $25M	19	Calgary
34	**EMERGE Commerce Ltd.**	Acquires and operates niche e-commerce websites	**1,468**	$50M - $75M	120	Toronto
35	**Ahava Digital Group**	Helps businesses build relationships with women consumers	**1,454**	>$1B*	557	Kitchener, Ont.
36	**Blockthrough**	Helps publishers navigate ad-blocking software	**1,359**	$10M - $25M	46	Toronto
37	**Eat Routes Inc.**	Wholesaler of health, wellness and beauty products	**1,351**	$25M - $50M	17	Mississauga
38	**OTBx Air**	Offers drone photography and videography services	**1,314**	$2M - $5M	90	Oakville, Ont.
39	**Polysleep**	Sells locally made mattresses online and in stores	**1,303**	$10M - $25M	10	Montreal
40	**Omy Cosmetics**	Provides customized skin care via AI tools	**1,283**	$2M - $5M	26	Quebec City
41	**Smile CDR Inc.**	Provides technology services for the health care industry	**1,112**	$10M - $25M	400	Toronto
42	**Callia Inc.**	Delivers flowers across Canada	**1,104**	$5M - $10M	175	Winnipeg
43	**Klue Labs Inc.**	Provides competitive intelligence software for enterprise sales teams	**1,075**	$10M - $25M	200	Vancouver
44	**Aventura Marketing Inc.**	Direct sales and marketing agency	**995**	$2M - $5M	52	Edmonton
45	**Vention**	Cloud-based platform to design and build automated equipment	**964**	$10M - $25M	273	Montreal
46	**Tru Earth Environmental Products Inc.**	Produces eco-friendly laundry detergent strips	**944**	$25M - $50M	71	Port Moody, B.C.
47	**headversity**	Operates a mental wellness app for workplaces	**939**	$2M - $5M	48	Calgary
48	**Forma.ai**	Provides a compensation platform to incentivize sales professionals	**935**	$2M - $5M	132	Toronto
49	**League Inc.**	Powers digital health care platforms	**931**	$25M - $50M*	660	Toronto
50	**Grey Jay Sales & Distribution Ltd.**	Wholesaler of Ontario-made and Canadian food and beverages	**925**	$5M - $10M	15	Huntsville, Ont.

51–100

2022 RANK	COMPANY	DESCRIPTION	3-YEAR REVENUE GROWTH (%)	2021 REVENUE	EM-PLOY-EES	HEADQUARTERS
51	**Luxton Construction Inc.**	General contractor specializing in public works projects	899	$10M - $25M	55	Delta, B.C.
52	**Zensurance**	Operates a tech-driven commercial insurance brokerage	895	$5M - $10M	200	Toronto
53	**StackAdapt**	Operates a programmatic digital advertising platform	870	$100M - $250M*	543	Toronto
54	**Ubiweb Media Inc.**	Subscription-based digital marketing agency	849	$2M - $5M	60	Brossard, Que.
55	**Wavo.me Inc.**	Marketing and analytics service provider to the music industry	849	$25M - $50M	125	Montreal
56	**Launchpad Technologies Inc.**	Helps businesses with software integration and workflow automation	829	$2M - $5M	66	Vancouver
57	**Underknown Corp.**	Media company specializing in creating short-form web series	800	$5M - $10M	200	Toronto
58	**Later**	Operates a social media marketing and analysis platform	790	$25M - $50M	200	Vancouver
59	**Ada Support Inc.**	Develops automated customer-service chatbots	764	$25M - $50M	450	Toronto
60	**Martal Group**	A lead generation and sales agency serving B2B tech companies	761	$2M - $5M	70	Oakville, Ont.
61	**foodiepages**	Creates gift boxes and corporate gifts featuring small businesses	761	$2M - $5M	5	Toronto
62	**hungerhub Canada Inc.**	Offers food delivery to offices and workplaces	744	$5M - $10M	148	Toronto
63	**AlayaCare**	Creates software used by home health care agencies	740	$25M - $50M	790	Montreal
64	**Delta 9 Cannabis Inc.**	Sells wholesale and retail medical, recreational and pod cannabis	723	$50M - $75M	400	Winnipeg
65	**All Value Inc.**	Offers IT services and consulting to commercial and enterprise companies	707	$5M - $10M	4	Thornhill, Ont.
66	**Upfeat Media Inc.**	Helps publishers integrate analytics and affiliate technologies	688	$10M - $25M	67	Winnipeg
67	**Furnishr**	Offers furnishing and interior design services	684	$2M - $5M	15	Toronto
68	**Complete Energy Solutions Ltd.**	Specializes in HVAC and energy management	651	$25M - $50M	126	Mississauga
69	**Traction Guest**	Offers cloud-based visitor management services for businesses	648	$5M - $10M	94	Burnaby, B.C.
70	**Billyard Insurance Group Inc.**	Provides family and business insurance brokerage services	644	$25M - $50M	750	Welland, Ont.
71	**Forge Recruitment Inc.**	Recruitment firm specializing in legal, accounting and finance sectors	637	$2M - $5M	26	Toronto
72	**Chickapea**	Makes organic pasta made of chickpeas and lentils	629	$5M - $10M	20	Collingwood, Ont.
73	**Novalex**	Combines business law with pro bono legal services	618	$5M - $10M	45	Montreal
74	**Trisura Group Ltd.**	Insurer focused on surety, risk solutions, corporate insurance and reinsurance	614	>$1B	248	Toronto
75	**Marlin Spring**	Acquires, develops and manages residential properties	609	$250M - $500M	650	Toronto
76	**Humi Inc.**	Provides all-in-one human resources software platform for businesses	607	$2M - $5M	135	Toronto
77	**Mainmicro Technologies Corp.**	Resells IT-related hardware, software and services	601	$2M - $5M	25	Montreal
78	**SWTCH Energy Inc.**	Offers end-to-end EV charging and energy management solutions	596	$2M - $5M	35	Toronto
79	**Riipen Networks Inc.**	An experiential education platform to connect academia and business	594	$5M - $10M	80	Vancouver
80	**ESW Building Services Inc.**	Commercial and residential maintenance company	593	$5M - $10M	50	Mississauga
81	**Tidal Migrations**	Helps firms migrate their IT systems and data to the cloud	582	$2M - $5M	24	Toronto
82	**Nexapp Technologies Inc.**	Offers IT consulting and services	563	$5M - $10M	72	Quebec CIty
83	**VOSKER**	Designs autonomous devices that assist with remote-area monitoring	560	$100M - $250M	378	Victoriaville, Que.
84	**Wellington Group of Cos.**	Provides transportation and logistics throughout North America	556	$100M - $250M	251	Puslinch, Ont.
85	**The Influence Agency Inc.**	Digital marketing agency specializing in influencer marketing programs	543	$5M - $10M	68	Toronto
86	**Fresh Prep Foods Inc.**	Delivers meals in British Columbia	543	$25M - $50M	500	Vancouver
87	**Thinkific Labs Inc.**	Develops software to create, market and sell online courses	536	$25M - $50M*	406	Vancouver
88	**Cinchy**	Offers data collaboration software	516	$2M - $5M	52	Toronto
89	**Daylight Automation Inc.**	Helps organizations collect and analyze data	516	$2M - $5M	96	Toronto
90	**Thinkingbox Media & Design Inc.**	Provides digital and experiential advertising services	511	$10M - $25M	151	Vancouver
91	**Acuva Technology**	Provides UV-LED-based water purification systems	506	$2M - $5M	50	Burnaby, B.C.
92	**Rewind Software Inc.**	Provides data protection software for small and mid-size businesses	505	$5M - $10M*	135	Ottawa
93	**Carbon60**	Provides managed cloud services for mid-market and enterprise firms	499	$25M - $50M	192	Richmond Hill, Ont.
94	**Valsoft Corp. Inc.**	Acquires and grows niche software businesses	498	$100M - $250M*	1,800	Montreal
95	**CMI Financial Group**	Offers lending and wealth management services	490	$10M - $25M	92	Mississauga
96	**MRKTBOX Inc.**	Delivers locally grown produce via restaurants and online subscriptions	490	$2M - $5M	35	Hamilton, Ont.
97	**Maerospace Corp.**	Offers solutions and predictive analytics to the maritime market	487	$2M - $5M	26	Waterloo, Ont.
98	**Periphery Digital Inc.**	Provides marketing services in English and Chinese	481	$5M - $10M	29	Vancouver
99	**Rentsync**	Provides marketing software and services for rental properties	480	$10M - $25M	106	St. Catharines, Ont.
100	**Stites Consulting Inc.**	Project management consulting company	470	$2M - $5M	20	Kamloops, B.C.

*COMPANY REPORTS IN U.S. DOLLARS

101–150

2022 RANK	COMPANY	DESCRIPTION	3-YEAR REVENUE GROWTH (%)	2021 REVENUE	EM-PLOY-EES	HEADQUARTERS
101	**Cronos Group**	Global cannabinoid company	**462**	$50M - $75M*	650	Toronto
102	**Genuine Tea Inc.**	Wholesaler of ethically sourced whole-leaf tea	**461**	$2M - $5M	6	Toronto
103	**Ace of Decks**	Turnkey deck construction services	**457**	$2M - $5M	29	Beaconsfield, Que.
104	**Inflector Environmental Services**	Offers building abatement, remediation, demolition and related services	**457**	$100M - $250M	351	Greely, Ont.
105	**AI Express Transport Inc.**	Provides trucking and logistics	**440**	$10M - $25M	100	Lachine, Que.
106	**Wizmo Solutions Inc.**	Offers logistics services for e-commerce retailers and distributors	**433**	$10M - $25M	50	Mississauga
107	**DOZR**	Provides construction equipment rentals	**432**	$10M - $25M	67	Kitchener, Ont.
108	**Solar Panda Corp.**	Sells off-grid solar kits on pay-as-you-go model to homes in rurual Kenya	**430**	$10M - $25M*	310	Toronto
109	**LOC International**	Manufactures and distributes products for the hotel industry	**422**	$10M - $25M	18	Longueuil, Que.
110	**Olsa Tools**	Manufactures and sells professional hand tools and tool organizers	**417**	$10M - $25M	15	Nisku, Alta.
111	**My Baskets**	Creates corporate gift baskets	**414**	$2M - $5M	16	Thornhill, Ont.
112	**Knak**	Aids companies building landing pages and email marketing	**413**	$2M - $5M	68	Ottawa
113	**Cortland Credit Group Inc.**	Manages investments and runs a credit-based income fund	**408**	$10M - $25M	28	Toronto
114	**Ziestech Distributors Inc.**	Supplies networking, telecom, computing and other IT hardware	**408**	$5M - $10M	12	Saint-Laurent, Que.
115	**eSSENTIAL Accessibility Inc.**	Improves organizations' digital accessibility for people with disabilities	**401**	$10M - $25M	180	Toronto
116	**K2 Group**	Acquires and grows hospitality, petroleum and real estate brands	**401**	$25M - $50M	356	Toronto
117	**This Is J Inc.**	Designs and sells Canadian-made sleepwear and loungewear	**401**	$2M - $5M	12	Toronto
118	**Ace Beverage Group**	Makes beers, wines and mixed alcoholic beverages	**400**	$25M - $50M	82	Toronto
119	**iRestify Inc.**	Tech-based solution servicing property managers	**391**	$2M - $5M	327	Toronto
120	**Safex Transport**	Provides trucking logistics and other transportation solutions	**391**	$25M - $50M	200	Vaudreuil-Dorion, Que.
121	**Coconut Software Corp.**	Creates scheduling and customer engagement software	**387**	$5M - $10M	107	Saskatoon
122	**Petal Solutions Inc.**	Health care tech company specializing in real-time care orchestration	**384**	$10M - $25M	288	Quebec City
123	**Parity Inc.**	Develops software to analyze and manage energy use in residential buildings	**379**	$2M - $5M	18	Toronto
124	**The Unscented Co.**	Sells unscented and refillable home and body-care products	**375**	$5M - $10M	15	Montreal
125	**The Logistics Factory Ltd.**	Provides freight forwarding solutions and logistics consulting for SMEs	**375**	$10M - $25M	9	Richmond Hill, Ont.
126	**Jobber**	Provides business management software for small home-service businesses	**372**	$100M - $250M	553	Edmonton
127	**Shipfusion**	Provides retail fulfillment solutions for e-commerce companies	**372**	$25M - $50M	250	Toronto
128	**Herbaland Naturals Inc.**	Manufactures natural nutraceutical gummies	**371**	$25M - $50M	225	Richmond, B.C.
129	**Apply Digital**	Designs digital platforms and apps	**361**	$25M - $50M	300	Vancouver
130	**Talent.com**	Operates a job-search website active in many international markets	**358**	$100M - $250M	400	Montreal
131	**Loans Canada**	Online loan comparison platform	**352**	$2M - $5M	10	Montreal
132	**Novarc Technologies Inc.**	Designs and sells collaborative robots for industrial applications	**351**	$5M - $10M	65	North Vancouver
133	**Canadian Down and Feather Co. Inc.**	Manufactures and sells down, feather and alternative bedding products	**349**	$10M - $25M	58	Toronto
134	**Modern Golf Ltd.**	Provides custom golf club fittings and golf coaching, lessons and practice plans	**343**	$10M - $25M	40	Mississauga
135	**Crakmedia**	Marketing company specializing in multimedia and e-commerce	**343**	$100M - $250M*	165	Quebec City
136	**ContactMonkey Inc.**	Internal communications software platform	**341**	$2M - $5M	45	Toronto
137	**Food Cycle Science Corp.**	Creates kitchen products to recycle food waste	**336**	$10M - $25M	28	Ottawa
138	**CanadaWheels.ca**	Operates an online marketplace for automotive wheels, tires and parts	**336**	$10M - $25M	30	Ottawa
139	**Open Farm Inc.**	Manufactures premium pet foods	**332**	$50M - $75M	74	Toronto
140	**VanHack Technologies Inc.**	Provides recruiting services for companies seeking technology workers	**329**	$5M - $10M	97	Vancouver
141	**Miss To Mrs Wedding Gifts Inc.**	Offers bridal subscription boxes	**328**	$10M - $25M	53	Toronto
142	**The TPH Group Inc.**	Specializes in residential and commercial painting and coating applications	**328**	$2M - $5M	20	Toronto
143	**Quinn & Partners Inc.**	Consults on corporate sustainability and ESG	**322**	$5M - $10M	35	Toronto
144	**MonetizeMore**	Supplies advertising technology for online publishers	**321**	$10M - $25M*	220	White Rock, B.C.
145	**Blue J Legal Inc.**	Provides AI-powered software to predict tax and employment law outcomes	**320**	$2M - $5M	71	Toronto
146	**LPI Mechanical Inc.**	Provides design/build, HVAC and plumbing services	**320**	$50M - $75M	130	Brampton, Ont.
147	**Cargo Country Group**	Provides trucking and logistics services	**314**	$50M - $75M	200	Mississauga
148	**Crafty Ramen**	Operates ramen restaurants and sells meal kits online and in stores	**309**	$2M - $5M	55	Kitchener, Ont.
149	**My Construction Supply Corp.**	Makes and distributes concrete accessories, fasteners and building products	**307**	$10M - $25M*	20	Brantford, Ont.
150	**Artemis Canada Inc.**	Provides executive search services for the tech industry	**304**	$2M - $5M	11	Waterloo, Ont.

151–200

2022 RANK	COMPANY	DESCRIPTION	3-YEAR REVENUE GROWTH (%)	2021 REVENUE	EM-PLOY-EES	HEADQUARTERS
151	**Right at Home Canada**	Offers in-home care for physically and cognitively challenged individuals	**301**	$25M - $50M	1,500	Burlington, Ont.
152	**Groupe Konex Inc.**	Wholesaler/distributor to grocers, pharmacies, convenience stores, gas stations	**301**	$2M - $5M	18	Shawinigan, Que.
153	**Vive Crop Protection**	Develops and manufactures crop protection products	**293**	$10M - $25M	50	Mississauga
154	**SGH Logistics**	Operates trucking and logistical support across North America	**292**	$5M - $10M	5	Saint-Laurent, Que.
155	**Agendrix**	Produces employee management software	**291**	$2M - $5M	40	Sherbrooke, Que.
156	**Peter Lucas Project Management**	Recruitment and staffing company specializing in the mining industry	**291**	$5M - $10M	47	Saskatoon
157	**Lightspeed Commerce Inc.**	Provides omnichannel retail tech platforms	**288**	$100M - $250M*	3,000	Montreal
158	**Keynote Search**	Provides executive staffing and recruiting services	**286**	$5M - $10M	22	Ottawa
159	**FundThrough Inc.**	Runs a digital platform for businesses to manage invoices and cash flow	**285**	$10M - $25M	95	Toronto
160	**Vantage Logistics Services Inc.**	Provides transportation services, specializing in paper products	**285**	$25M - $50M	250	Dorval, Que.
161	**Jayne's Luxury Rentals**	Rents luxury vacation properties in Ontario	**282**	$10M - $25M	35	Port Carling, Ont.
162	**Zedcor Inc.**	Offers tech-based security system services	**278**	$10M - $25M	67	Calgary
163	**Paystone**	Provides payment, loyalty and gift-card solutions to merchants	**276**	$25M - $50M	200	London, Ont.
164	**RAM Engineering Ltd.**	Provides project and construction management	**276**	$10M - $25M	95	Vancouver
165	**Clir Renewables Inc.**	Produces software for renewable energy projects	**274**	$2M - $5M	121	Vancouver
166	**Think On Inc.**	Provides cloud infrastructure and data management services	**273**	$25M - $50M	148	Toronto
167	**William Wright Commercial Real Estate**	Commercial real estate brokerage	**273**	$5M - $10M	42	Vancouver
168	**SmartProgram Inc.**	Offers vehicle protection services in Western Canada	**271**	$5M - $10M	20	Edmonton
169	**Loopio Inc.**	Creates software to help businesses better respond to RFPs	**268**	$25M - $50M	236	Toronto
170	**Levio conseils Inc.**	Consults businesses on technology and organizational management	**265**	$100M - $250M	1,725	Quebec City
171	**True North Mortgage Inc.**	Provides mortgage brokerage and lending services	**263**	$25M - $50M	195	Calgary
172	**East Side Games Ltd.**	Develops video games for mobile devices	**262**	$75M - $100M	191	Vancouver
173	**William Thomas Digital Inc.**	Provides digital marketing and customer relations services	**261**	$5M - $10M	60	Toronto
174	**7shifts Inc.**	Team management tool for restaurant industry	**261**	$10M - $25M*	282	Saskatoon
175	**Greenbrain Inc.**	Designs and delivers energy-efficiency programs	**260**	$5M - $10M	20	Richmond Hill, Ont.
176	**Smash + Tess**	Sells everyday apparel for women	**260**	$25M - $50M	50	Richmond, B.C.
177	**Lü Interactive Playground**	Creates immersive and interactive audiovisual spaces for grades K–12	**259**	$5M - $10M	40	Quebec City
178	**Wasp Manufacturing Ltd.**	Manufactures and distributes wildfire suppression products	**254**	$2M - $5M	11	Kelowna, B.C.
179	**LifeSpeak Inc.**	Online platform for mental health and well-being	**247**	$10M - $25M	101	Toronto
180	**DC Donut Bakery**	Commercial bakery specializing in artisanal and hand-crafted doughnuts	**244**	$5M - $10M	125	Mississauga
181	**Gear re-Store Inc.**	Services the after-market of technical outerwear	**243**	$2M - $5M	45	Calgary
182	**Dorr Capital Corp.**	Commercial brokerage, advisory and loan servicing company	**240**	$5M - $10M	12	Toronto
183	**The Point Gallery and Step N' Sort**	Manufactures and distributes trash and recycling receptacles	**237**	$5M - $10M	15	Thornhill, Ont.
184	**Freightera Logistics Inc.**	Manages an online marketplace for freight rates	**237**	$10M - $25M	62	Vancouver
185	**Osedea Inc.**	Delivers AI, web, mobile and other digital solutions	**234**	$5M - $10M	70	Montreal
186	**Auvik Networks Inc.**	Develops network monitoring and management software used by IT firms	**232**	$25M - $50M*	230	Waterloo, Ont.
187	**Bonfire Interactive Ltd.**	Provides software designed for procurement professionals	**230**	$10M - $25M*	117	Kitchener, Ont.
188	**Martello Technologies Group Inc.**	Develops digital experience monitoring technology	**230**	$10M - $25M	117	Kanata, Ont.
189	**Innovative Vision Marketing Inc.**	Marketing technology firm specializing in contact-centre outsourcing	**229**	$10M - $25M	700	Richmond Hill, Ont.
190	**Waste Solutions Canada Inc.**	Offers waste management and recycling solutions to organizations	**228**	$10M - $25M	65	London, Ont.
191	**Borrowell Inc.**	Provides online personal finance education and tools	**227**	$10M - $25M	165	Toronto
192	**DLS Technology Corp.**	Offers technological systems design, support and services	**227**	$10M - $25M	55	Ottawa
193	**Oakwyn Realty Ltd.**	Brokers real estate for home buyers and investors	**226**	$100M - $250M	570	Vancouver
194	**Q4 Inc.**	Provides software, analytics and other services to facilitate investor relations	**220**	$50M - $75M*	620	Toronto
195	**Neighbourly Pharmacy Inc.**	Acquires, opens and operates independent pharmacies across Canada	**220**	$250M - $500M	3,533	Toronto
196	**Article**	Sells modern furniture direct to consumers	**218**	$250M - $500M*	1,300	Vancouver
197	**Dragon Industrial Services Ltd.**	Contractor specializing in refractory installations and stack maintenance	**217**	$2M - $5M	50	Nisku, Alta.
198	**Carson Exports**	Sells used cars to consumers and exports vehicles to U.S. dealers	**216**	$250M - $500M	54	Dartmouth, N.S.
199	**KRB Lawyers Inc.**	Offers business law services	**215**	$10M - $25M	90	Montreal
200	**Search Realty Corp.**	Brokers residential real estate	**214**	$10M - $25M	325	Mississauga

*COMPANY REPORTS IN U.S. DOLLARS

201–250

2022 RANK	COMPANY	DESCRIPTION	3-YEAR REVENUE GROWTH (%)	2021 REVENUE	EM-PLOY-EES	HEADQUARTERS
201	**Victoria Emerson**	Sells jewellery direct to consumers	211	$10M - $25M	5	Toronto
202	**Chrono Aviation Inc.**	Runs a charter airline and provides related services	210	$50M - $75M	280	Quebec City
203	**Bloom Search Marketing Inc.**	Provides digital marketing services for businesses	210	$10M - $25M	80	Montreal
204	**Blackline Safety Corp.**	Develops technology used to monitor worker safety	206	$50M - $75M	580	Calgary
205	**ThoughtExchange**	Creates software to crowdsource answers to questions in real time	205	$10M - $25M	214	Rossland, B.C.
206	**Goalcast**	Publishes motivational and inspirational digital content	202	$5M - $10M	150	Montreal
207	**Prodigy Education Inc.**	Makes a video game that teaches math to kids and offers online tutoring	202	$50M - $75M	417	Oakville, Ont.
208	**PharmAchieve Group**	Offers prep courses for the Pharmacy Examining Board of Canada	201	$2M - $5M	200	Toronto
209	**Masontops Inc.**	Develops, sells and markets consumer packaged goods	199	$10M - $25M*	4	Toronto
210	**Sampford Advisors Inc.**	Advises on mergers and acquisitions for tech companies	199	$5M - $10M	8	Ottawa
211	**Country Chic Paint Ltd.**	Produces paints and tools for interiors	199	$5M - $10M	15	Duncan, B.C.
212	**KASE Insurance Inc.**	Commercial insurance brokerage	198	$2M - $5M	28	Toronto
213	**Fleet Optics Inc.**	Offers final-mile delivery software, analytics and transportation	196	$50M - $75M	620	Mississauga
214	**Tank Traders**	Operates a propane barbecue tank exchange program	194	$50M - $75M	400	LaSalle, Man.
215	**Zoocasa Realty Inc.**	Offers a suite of real estate services for buyers, sellers and renters	193	$10M - $25M	180	Toronto
216	**Clearhouse LLP CPAs**	Provides accounting services	193	$5M - $10M	48	Mississauga
217	**Print Geek Inc.**	Manufacturers and delivers print-on-demand products for e-commerce companies	192	$5M - $10M	50	Woodbridge, Ont.
218	**Black-Hart Construction Inc.**	General contractor and project management firm	190	$2M - $5M	10	Oakville
219	**Oona**	Wellness clinic specializing in perinatal health and education	188	$2M - $5M	98	Toronto
220	**Altus Assessments Inc.**	Creates tools to evaluate individuals for professionalism and people skills	186	$10M - $25M	448	Toronto
221	**Dexterra Group Inc.**	Provides services for infrastructure	185	$500M - $750M	7,500	Mississauga
222	**Big Country Raw Ltd.**	Manufactures and distributes raw pet food and supplements	185	$25M - $50M	147	Smithville, Ont.
223	**Beniva Consulting Group Inc.**	Helps large organizations optimize their IT costs	184	$10M - $25M	85	Calgary
224	**Introspect Test Technology Inc.**	Designs and manufactures test and measurement equipment	182	$10M - $25M	32	Montreal
225	**Sampler**	Helps brands deliver product samples to consumers	175	$5M - $10M	46	Toronto
226	**Jumpfactor Inc.**	Provides digital marketing and lead generation services	175	$5M - $10M	65	Toronto
227	**Harmonic Machine Inc.**	Offers machining supply chain services	173	$10M - $25M	140	Chilliwack, B.C.
228	**E.B. Box Co.**	Manufactures custom boxes and standard folding carton boxes	173	$10M - $25M	76	Richmond Hill, Ont.
229	**Ferroque Systems Inc.**	IT solutions for digital workspaces, remote access, cloud infrastructure, etc.	173	$2M - $5M	30	Mississauga
230	**Rush Ventures Online Marketing**	Online marketing agency	171	$2M - $5M	30	Toronto
231	**Premier Cloud Inc.**	Delivers cloud services and solutions	170	$5M - $10M	22	Victoria
232	**ConnectCPA LLP**	Offers online accounting and bookkeeping services for businesses	168	$2M - $5M	80	Toronto
233	**KFI Inc.**	Manufactures Indian cooking sauces, pastes and drinks	168	$10M - $25M	40	Mississauga
234	**Toast Studio Inc.**	Runs a digital content agency and produces television programming	167	$5M - $10M	50	Montreal
235	**SGR Trucklines**	Transport company specializing in food-grade and dangerous-goods shipments	167	$5M - $10M	45	Brampton, Ont.
236	**Kinex Media Inc.**	Offers web design, development, e-commerce and digital marketing services	166	$2M - $5M	60	Mississauga
237	**PUSH Media Inc.**	Provides digital advertising services	166	$5M - $10M	30	Toronto
238	**3S Lighting Solutions**	Manufactures architectural lighting systems and media facades	163	$10M - $25M	132	Pickering, Ont.
239	**Genuine Comfort**	Distributes AC equipment for residiential and hospitality markets	162	$5M - $10M	12	Winnipeg
240	**DistantJob**	Recruitment agency for global IT talent	161	$5M - $10M	120	Montreal
241	**Mappedin Inc.**	Creates mapping software for indoor spaces	158	$5M - $10M	75	Waterloo, Ont.
242	**Lorne Park Capital Partners Inc.**	A network of investment management and wealth advisory firms	158	$25M - $50M	50	Oakville, Ont.
243	**Assurance Home Care Inc.**	Provides home care services	157	$2M - $5M	125	Ottawa
244	**Regan Real Estate**	Provides real estate services for homeowners and investors	156	$10M - $25M	35	Mississauga
245	**Hi-Performance Distributors**	Distributes hobby products to retailers across Canada	156	$10M - $25M	21	Langley, B.C.
246	**iFathom Corp.**	IT staffing company	154	$10M - $25M	240	Ottawa
247	**Coffrages Synergy Formwork**	Construction company that provides formwork services	152	$100M - $250M	1,425	Lavaltrie, Que.
248	**MOBIA Technology Innovations**	Consults on information and telecom technology for businesses	152	$100M - $250M	600	Dartmouth, N.S.
249	**Platform Insurance Management Inc.**	Brokers insurance for clients in construction and real estate	151	$10M - $25M	80	Toronto
250	**Affinity Group Inc.**	Offers IT recruiting and consulting services	149	$25M - $50M	400	Vancouver

251–300

2022 RANK	COMPANY	DESCRIPTION	3-YEAR REVENUE GROWTH (%)	2021 REVENUE	EM-PLOY-EES	HEADQUARTERS
251	**Walter Craft Caesar**	Makes Caesar mixes, garnishes and pre-made cocktails	149	$2M - $5M	5	Vancouver
252	**Napkyn Analytics**	Consults on data management and analysis	148	$10M - $25M	25	Ottawa
253	**SolutionStack**	Provides IT hardware, software, consulting and managed services	148	$25M - $50M	20	Vaughan, Ont.
254	**Lumen5 Technologies Ltd.**	Creates tech that helps businesses produce video content	147	$5M - $10M	45	Vancouver
255	**Gauvreau Accounting Tax Law Advisory**	Provides accounting, taxation, bookkeeping and virtual CFO services	146	$2M - $5M	48	Peterborough, Ont.
256	**ETRO Construction Ltd.**	Provides residential construction management and general contracting	144	$50M - $75M	70	Burnaby, B.C.
257	**HostedBizz Inc.**	Provides cloud infrastructure services	144	$10M - $25M	39	Ottawa
258	**Softlanding Solutions Inc.**	Provides IT services to businesses and organizations	141	$10M - $25M	100	Vancouver
259	**Amar Transport Inc.**	Provides trucking services throughout Ontario, Quebec and the U.S.	139	$25M - $50M	220	Kleinburg, Ont.
260	**EZ Snap Innovations Inc.**	Offers patented fastener system for custom-fit exterior shades	139	$2M - $5M	4	Coldstream, B.C.
261	**Equifruit Inc.**	Imports and distributes fair-trade bananas	139	$10M - $25M	10	Montreal
262	**OVC Assurance**	Brokers automative, home and business insurance	138	$5M - $10M	70	Sainte-Julie, Que.
263	**Fencecore Solutions Inc.**	Offers IT services and consulting for businesses	136	$10M - $25M	40	Montreal
264	**seoplus+**	Delivers marketing campaigns to small and mid-size businesses	136	$2M - $5M	46	Ottawa
265	**Canada Pooch Ltd.**	Produces pet apparel and accessories	135	$10M - $25M	40	Toronto
266	**Fleece Factory Inc.**	Manufacturer and wholesaler of fleece apparel	133	$10M - $25M	20	Montreal
267	**Harvest Portfolios Group Inc.**	Creates and manages investment funds and ETFs for retail investors	132	$10M - $25M	28	Oakville, Ont.
268	**Revenue Management Labs**	Helps businesses set pricing and manage revenues	131	$2M - $5M	17	Toronto
269	**Baskits Inc.**	Designs, manufactures and delivers gift baskets	131	$10M - $25M	100	Toronto
270	**Kuzco Lighting Inc.**	Designs and manufactures minimalist lighting	130	$50M - $75M	167	Surrey, B.C.
271	**Energy Transportation Group**	Offers freight shipping services	127	$100M - $250M	150	LaSalle, Que.
272	**Mobials Inc.**	Offers tech, data and services to help consumers buy vehicles	127	$5M - $10M	90	London, Ont.
273	**Dr HVAC Ltd.**	Installation and maintenance services for heating and cooling systems	127	$2M - $5M	25	Brampton, Ont.
274	**Ratehub Inc.**	Operates digital properties to help Canadians manage personal finances	127	$25M - $50M	215	Toronto
275	**Ritestart Ltd.**	Delivers institutional, commercial and industrial construction	125	$10M - $25M	36	Burlington, Ont.
276	**Blackbird Interactive Inc.**	Develops interactive video games	123	$25M - $50M	333	Vancouver
277	**TextNow Inc.**	Offers ad-supported, free-for-users phone service	123	$100M - $250M*	216	Waterloo, Ont.
278	**CPOS Inc.**	Provides payment processing and merchant services	123	$2M - $5M	57	Ottawa
279	**Adbloom Inc.**	Creates partnerships between content creators and advertisers	122	$2M - $5M	10	Toronto
280	**LeddarTech Inc.**	Provides sensing tech for driver assistance systems and autonomous driving	121	$5M - $10M	218	Quebec City
281	**R2i Inc.**	Provides specialized IT support, managed services and staffing	121	$10M - $25M	42	Anjou, Que.
282	**Roelands Plant Farms**	Propagates vegetable seedlings for commercial greenhouses and consumers	120	$10M - $25M	190	Lambton Shores, Ont.
283	**Carte Financial Group**	Investment and insurance dealer offering suppport to advisors	120	$10M - $25M	697	Mississauga
284	**Top Hat**	Provides technology to help educators facilitate coursework	120	$50M - $75M*	449	Toronto
285	**Student Works Management Program**	Student-run home services focused on painting and window cleaning	119	$5M - $10M	100	Markham, Ont.
286	**Cayman Marshall International Realty**	Provides real estate services focusing on Muskoka and Port Carling, Ont.	118	$10M - $25M	50	Huntsville, Ont.
287	**Caliber Communications Inc.**	Provides remote security video monitoring and reporting services	118	$5M - $10M	85	Stoney Creek, Ont.
288	**Titanium Transportation Group Inc.**	Offers truck transportation and brokers logistics services	116	$250M - $500M	1,100	Bolton, Ont.
289	**KBD Insurance Inc.**	Brokers business, automotive and home insurance	116	$2M - $5M	35	Dorval, Que.
290	**Tire Butler**	Mobile tire sales and services company	116	$2M - $5M	15	Toronto
291	**Clear Blue Technologies International**	Manufactures communications equipment	116	$5M - $10M	53	Toronto
292	**JMIR Publications Ltd.**	Publishes medical research journals	115	$10M - $25M	97	Toronto
293	**Unite Communications Corp.**	Supplies telecommunications to businesses	115	$2M - $5M	15	Markham, Ont.
294	**NutraChamps Inc.**	Sells nutritional supplements	115	$25M - $50M	18	Toronto
295	**Bold Canine Inc.**	Manufactures raw frozen pet food	115	$5M - $10M	75	Erin, Ont.
296	**Transport Dsquare**	Provides container transportation services	115	$10M - $25M	131	Montreal
297	**Social Nature**	Online network specializing in natural products	115	$2M - $5M	38	Vancouver
298	**Homepro Pest Control Inc.**	Provides pest control services for residential and commercial clients	114	$2M - $5M	50	Markham, Ont.
299	**Sinobec Trading Inc.**	Co-ordinates international trading of metals	113	$100M - $250M	300	Saint-Laurent, Que.
300	**Icentia Inc.**	Manufactures medical testing devices	113	$5M - $10M	125	Quebec City

* COMPANY REPORTS IN U.S. DOLLARS

301–350

2022 RANK	COMPANY	DESCRIPTION	3-YEAR REVENUE GROWTH (%)	2021 REVENUE	EM-PLOY-EES	HEADQUARTERS
301	**Ylaw**	Offers legal services, specializing in family law	113	$2M - $5M	31	Vancouver
302	**Caravel Law Professional Corp.**	Provides legal services to Canadian companies	113	$10M - $25M	99	Toronto
303	**Creos Expert-Conseils Inc.**	Provides temporary interactive installations	112	$2M - $5M	30	Saint-Bruno-de-Montarville, Que.
304	**LabX Media Group Canada Inc.**	Creates content for scientists and lab workers	112	$25M - $50M	250	Midland, Ont.
305	**Mountain Sports Distribution**	Offers wholesale powersports parts and accessories	110	$10M - $25M	23	Golden, B.C.
306	**Copperleaf Technologies Inc.**	Provides decision analytics for managing critical infrastructure	109	$50M - $75M	451	Vancouver
307	**EastPoint Engineering Ltd.**	Provides engineering, architecture and project management services	108	$10M - $25M	115	Halifax
308	**mform Construction Group Inc.**	Offers construction and project management for commercial interiors	108	$75M - $100M	83	Toronto
309	**Carly Rian Group**	Business management consulting firm	106	$5M - $10M	40	Toronto
310	**TDot Performance Ltd.**	Retails automotive parts and accessories	106	$25M - $50M	42	Toronto
311	**Nova Leap Health Corp.**	Provides home health care services to seniors in Canada and the U.S.	105	$10M - $25M*	900	Halifax
312	**Pelican International Inc.**	Designs and manufactures outdoor products	105	$100M - $250M	1,061	Laval, Que.
313	**Mapleview Agri Ltd.**	Manufactures milk replacements for calves, goat kids and lambs	105	$10M - $25M	19	Palmerston, Ont.
314	**Skyline Group of Cos.**	Invests in real estate and manages properties	105	$75M - $100M	1,079	Guelph, Ont.
315	**CompTrak**	Operates compensation management software	104	$2M - $5M	44	Aurora, Ont.
316	**People Corp.**	Provides group benefit, retirement, wellness and HR solutions	104	$250M - $500M	1,800	Winnipeg
317	**Transource Freightways Ltd.**	Offers freight logistics services	103	$50M - $75M	360	Delta, B.C.
318	**DG Global Inc.**	Exports agricultural commodities	102	$500M - $750M	28	Toronto
319	**Techify Inc.**	Provides computer support and services to businesses and non-profits	101	$5M - $10M	22	Toronto
320	**Encircle Inc.**	Makes property insurance software for carriers, adjusters and contractors	101	$2M - $5M*	64	Kitchener, Ont.
321	**Flexiti Financial Inc.**	Facilitates point-of-sale loans for retail consumers	100	$50M - $75M	400	Toronto
322	**A.D. Hennick & Associates Inc.**	Sells excess inventory and distressed assets	99	$2M - $5M	6	Toronto
323	**505-Junk**	Junk removal company	99	$2M - $5M	30	Richmond, B.C.
324	**Withinus Natural Health Inc.**	Provides natural health products	99	$5M - $10M	15	Vancouver
325	**The Poirier Group Inc.**	Management consulting firm specializing in strategy execution	98	$10M - $25M	45	Toronto
326	**O'Doughs**	Manufactures gluten-free, vegan and allergen-friendly baked goods	98	$10M - $25M	100	Toronto
327	**Insight Psychological Inc.**	Offers psychological assessments and counselling	98	$2M - $5M	61	Edmonton
328	**Just Quality International Inc.**	Supplies frozen fruits and vegetables to the U.S. and Canada	98	$75M - $100M	30	Toronto
329	**Think Research Corp.**	Offers data and digital tools for health care clinicians	97	$25M - $50M**	569	Toronto
330	**IDENTOS Inc.**	Designs and develops digital identity and access technology	97	$2M - $5M	53	Toronto
331	**Surex**	Brokers home, auto and business insurance online	96	$10M - $25M	195	Magrath, Ont.
332	**Art & Science**	Offers digital marketing consulting and services	96	$5M - $10M	50	Toronto
333	**MaxSold Inc.**	Facilitates online estate and downsizing auctions	96	$10M - $25M	400	Kingston, Ont.
334	**Northern Commerce Inc.**	Operates an agency specializing in digital transformation	96	$10M - $25M	195	London, Ont.
335	**High Strength Plates & Profiles Inc.**	Processes steel plates into steel parts	94	$75M - $100M	97	Mississauga
336	**Wyse Meter Solutions Inc.**	Develops tools to manage the utility consumption of buildings	93	$25M - $50M	120	Concord, Ont.
337	**WebSan Solutions Inc.**	Delivers IT consulting and solutions	92	$5M - $10M	45	Toronto
338	**Mactrans Logistics Inc.**	Supplies third-party logistics services across North America	92	$25M - $50M	30	Vaughan, Ont.
339	**Pliteq Inc.**	Makes recycled rubber building products for commercial sound control	92	$50M - $75M	275	Vaughan, Ont.
340	**HME Home Health Ltd.**	Sells, rents and services pediatric and senior medical products	91	$10M - $25M	105	Richmond, B.C.
341	**Jablonski Electric, Plumbing & Heating**	Provides plumbing, heating and eletrical services	91	$2M - $5M	19	St. Jean Baptiste, Man.
342	**Britespan Building Systems Inc.**	Designs, engineers and manufactures prefabricated fabric structures	90	$25M - $50M	128	Wingham, Ont.
343	**TalentSphere Staffing Solutions Inc.**	Provides recruitment solutions	90	$2M - $5M	35	Richmond Hill, Ont.
344	**2% Realty**	Offers low-commission real estate services in Western Canada and Ontario	90	$10M - $25M	481	Calgary
345	**Echelon Wealth Partners**	Offers wealth management and facilitates capital market transactions	90	$100M - $250M	238	Toronto
346	**Favuzzi International Inc.**	Develops, manufactures and distributes fine food products	89	$10M - $25M	35	Montreal
347	**MDOS Consulting Inc.**	Provides cybersecurity consulting to businesses and government	87	$5M - $10M	42	Ottawa
348	**HostPapa Inc.**	Supplies web hosting and cloud services for small and mid-size businesses	87	$25M - $50M	260	Burlington, Ont.
349	**The Moresby Group**	Offers supply-chain support services	86	$5M - $10M	10	Toronto
350	**Clariti Cloud Inc.**	Develops SaaS for local and state governments	85	$5M - $10M	68	Vancouver

**2021 revenue numbers are different from publicly available records due to a change in the company's year-end in 2020

351–400

2022 RANK	COMPANY	DESCRIPTION	3-YEAR REVENUE GROWTH (%)	2021 REVENUE	EM-PLOY-EES	HEADQUARTERS
351	**Lawn Troopers Inc.**	Provides residential and commercial lawn care services	**85**	$2M - $5M	65	Caledon, Ont.
352	**Hardwoods Distribution Inc.**	Wholesale distributor of architectural building products	**85**	>$1B*	3,000	Langley, B.C.
353	**BFL Canada**	Insurance brokerage and consulting services firm	**84**	$250M - $500M	1,287	Montreal
354	**Vendasta Technologies Inc.**	Runs a platform that lets clients develop digital properties	**84**	$50M - $75M	606	Saskatoon
355	**Auction Transport Services Inc.**	Transports new and used vehicles	**83**	$5M - $10M	24	Moncton
356	**All Inclusive Marketing Inc.**	Digital performance and marketing agency	**83**	$2M - $5M	36	Vancouver
357	**Lim Geomatics Inc.**	Operates geospatial and remote-sensing technology for forests	**82**	$2M - $5M	31	Ottawa
358	**Diff Agency**	Builds custom themes, apps and system integrations for e-commerce	**82**	$10M - $25M	110	Montreal
359	**Architech**	Builds custom digital platforms for enterprise use	**82**	$10M - $25M	141	Toronto
360	**Mitch Insurance**	Full-service insurance brokerage	**81**	$5M - $10M	100	Whitby, Ont.
361	**Dynamic Manufacturing Solutions Inc.**	Provides tech and services for improving operational efficiencies	**80**	$10M - $25M	51	Edmonton
362	**Cesium Telecom Inc.**	Wireless product and accessories distributor	**80**	$50M - $75M	88	Montreal
363	**Urban Blueprint**	Designs, builds and renovates urban residential spaces	**79**	$2M - $5M	15	Toronto
364	**Geotab Inc.**	Develops telematics solutions used in fleet management	**79**	$250M - $500M*	2,428	Oakville, Ont.
365	**PointClickCare**	Develops and sells technology and software for care providers	**79**	$250M - $500M*	1,800	Mississauga
366	**55Rush Inc.**	Performance marketing agency	**79**	$5M - $10M	22	Toronto
367	**Damotech Inc.**	Manufactures safety equipment for industrial storage racks	**78**	$25M - $50M	103	Boisbriand, Que.
368	**DSMA**	Facilitates mergers and acquisitions for auto dealers	**78**	$10M - $25M	45	Markham, Ont.
369	**Toc Toc Communications Inc.**	Provides communications, marketing and ad services for health care	**78**	$5M - $10M	50	Montreal
370	**Archon Systems Inc.**	Develops inventory software for small and mid-size businesses	**78**	$2M - $5M	55	Toronto
371	**Ehrenburg Homes Ltd.**	Residential construction and new home sales	**77**	$25M - $50M	31	Saskatoon
372	**Simpli Home**	Sells home furnishings	**77**	$50M - $75M*	105	Concord, Ont.
373	**Fuelled Familly of Cos.**	Provides a marketplace for oil and gas equipment and inventory tools	**76**	$10M - $25M	11	Calgary
374	**Keeran Networks**	Provides IT services and support	**75**	$2M - $5M	27	Edmonton
375	**D2C Media Inc.**	Helps auto dealers improve their digital presence	**75**	$25M - $50M	88	Montreal
376	**AcuityAds Inc.**	Develops technology used by marketers to manage digital advertising	**74**	$100M - $250M	209	Toronto
377	**Organika Health Products Inc.**	Manufactures natural health and beauty products	**74**	$25M - $50M	131	Richmond, B.C.
378	**Kettlemans Bagel Co.**	Retails and caters Montreal-style bagels and sandwiches	**74**	$10M - $25M	492	Kanata, Ont.
379	**Global Relay Communications Inc.**	Provides a cloud system to manage data and communications	**73**	$100M - $250M	1,032	Vancouver
380	**Equium Group**	Develops, manages, markets and leases real estate properties	**73**	$5M - $10M	51	Calgary
381	**Cooper Equipment Rentals Ltd.**	Rents construction and industrial equipment	**73**	$100M - $250M	800	Mississauga
382	**KnightsbridgeFX**	Offers currency exchange services	**73**	$10M - $25M	30	Toronto
383	**Underdog Studio Ltd.**	Produces and manages digital marketing initiatives	**73**	$2M - $5M	15	Toronto
384	**Marcon Metalfab Inc.**	Supplies steel and rubber components for highway bridges	**72**	$25M - $50M	194	Delta, B.C.
385	**BCV Asset Managment Inc.**	Manages investment portfolios for individuals and institutions	**72**	$25M - $50M	51	Winnipeg
386	**DashThis**	Marketing reporting software	**71**	$5M - $10M	31	Quebec City
387	**PiiComm Inc.**	Develops network infrastructure, software and apps	**71**	$10M - $25M	85	Plantagenet, Ont.
388	**Operatic Agency Inc.**	Operates a digital brand experience agency	**70**	$5M - $10M	65	Hamilton, Ont.
389	**Giatec Scientific Inc.**	Develops mobile technology used in construction materials	**70**	$5M - $10M	89	Nepean, Ont.
390	**Live Patrol Inc.**	Provides security through live video monitoring	**70**	$5M - $10M	65	Mississauga
391	**ImageX Media Inc.**	Operates a technology and web agency	**69**	$5M - $10M	90	Vancouver
392	**Calhoun Super Structure Ltd.**	Full-service manufacturing company specializing in fabric structures	**69**	$10M - $25M	50	Tara, Ont.
393	**FR Rentals Ltd.**	Rents heavy and light-duty equipment, and sells and services Bobcat products	**69**	$5M - $10M	21	Cranbrook, B.C.
394	**Gentai Capital Corp.**	Provides specialized asset management services	**68**	$10M - $25M	30	Richmond, B.C.
395	**Nucleom Inc.**	Offers testing services for natural resource and energy clients	**67**	$25M - $50M	200	Quebec City
396	**Pure Staffing Solutions Inc.**	Places skilled-trades, engineering and operations talent with employers	**67**	$2M - $5M	85	Toronto
397	**Empowered Startups Ltd.**	Incubates and trains startups	**67**	$10M - $25M	24	Vancouver
398	**Rayacom Inc.**	Offers full-service print, signs and packaging services	**66**	$10M - $25M	150	Edmonton
399	**FYidoctors**	Eye care provider with 300 clinics in Canada and California	**65**	$250M - $500M	3,400	Calgary
400	**Rescue 7 Inc.**	Provides health and safety services, training and products	**65**	$10M - $25M	120	Markham, Ont.

*COMPANY REPORTS IN U.S. DOLLARS

401–430

2022 RANK	COMPANY	DESCRIPTION	3-YEAR REVENUE GROWTH (%)	2021 REVENUE	EM-PLOY-EES	HEADQUARTERS
401	**The Evolve Agency Group**	Offers marketing and advertising services for business and consumer clients	**65**	\$10M - \$25M	88	Burlington, Ont.
402	**Radicle Group Inc.**	Provides a software and data platform that generates carbon credits	**65**	\$25M - \$50M	115	Calgary
403	**SysGen Solutions Group**	Manages IT services for small and mid-size organizations	**64**	\$10M - \$25M	103	Calgary
404	**HomeEquity Bank**	Provides reverse mortgages	**63**	\$250M - \$500M	264	Toronto
405	**goeasy Ltd.**	Provides non-prime leasing and lending services	**63**	\$750M - \$1B	2,300	Mississauga
406	**STEMCELL Technologies**	Develops specialty cell technology and educational resources for scientists	**63**	\$250M - \$500M	1,852	Vancouver
407	**AXSource Infotech Inc.**	Manages and implements IT systems used in industrial applications	**62**	\$2M - \$5M	52	Oakville, Ont.
408	**ITI Inc.**	Provides IT services and consulting	**61**	\$100M - \$250M	416	Quebec City
409	**Isaac Operations Ltd.**	Delivers management consulting focused on performance improvement	**61**	\$10M - \$25M	77	Toronto
410	**Monkhouse Law Employment Lawyers**	Law firm specializing in employment litigation	**60**	\$2M - \$5M	30	Toronto
411	**Jonluca Enterprises Inc.**	Distributes natural and organic food products	**60**	\$50M - \$75M	85	Vaughan, Ont.
412	**Cambium Inc.**	Provides engineering, quality verification and building sciences services	**59**	\$10M - \$25M	145	Peterborough, Ont.
413	**Constant International Inc.**	Formulates and manufactures specialty chemicals	**59**	\$10M - \$25M	44	LaSalle, Que.
414	**Electrimat**	Distributes electrical materials to contractors and industrial clients	**57**	\$50M - \$75M	100	Brossard, Que.
415	**Sweets from the Earth**	Manufactures vegan baked goods	**57**	\$10M - \$25M	49	Toronto
416	**RBR Ltd.**	Develops water measurement instrumentation	**57**	\$10M - \$25M	100	Ottawa
417	**Scribendi Inc.**	Operates an online editing and proofreading platform	**56**	\$10M - \$25M	550	Chatham-Kent, Ont.
418	**ASTRAPAC**	Manufactures folding cartons and distributes packaging supplies	**56**	\$10M - \$25M	35	Markham, Ont.
419	**Fuze HR Solutions Inc.**	Offers recruiting and staffing services	**55**	\$50M - \$75M	110	Montreal
420	**Digital nGenuity Consulting Ltd.**	Offers managed IT services for businesses	**55**	\$2M - \$5M	31	Dartmouth, N.S.
421	**Engage People Inc.**	Tech provider specializing in loyalty programs	**54**	\$100M - \$250M	135	Markham, Ont.
422	**Neovation Corp.**	Learning solutions company offering software and services	**54**	\$5M - \$10M	75	Winnipeg
423	**ROCK Networks**	Provides end-to-end communications via wireless and broadband	**54**	\$10M - \$25M	40	Dartmouth, N.S.
424	**NamSys Inc.**	Designs software to help banks and others manage currency and coins	**53**	\$2M - \$5M	16	Toronto
425	**Big Bang ERP Inc.**	Provides cloud-based applications	**53**	\$10M - \$25M	150	Montreal
426	**Candybox Marketing Inc.**	Provides digital marketing services	**53**	\$2M - \$5M	37	Mississauga
427	**Fabrik8**	Offers shared workspace	**52**	\$2M - \$5M	30	Montreal
428	**Inovatec Systems Corp.**	Provides software for the automotive finance industry	**52**	\$10M - \$25M	176	Burnaby, B.C.
429	**Impact Recruitment**	Provides recruitment and staffing services across Canada	**51**	\$5M - \$10M	103	Vancouver
430	**Pine Cliff Energy Ltd.**	Natural gas exploration and production company	**51**	\$100M - \$250M	120	Calgary

Methodology

Launched in 2019 by The Globe and Mail, the Canada's Top Growing Companies program ranks participating private and public Canadian businesses on three-year revenue growth. This is a voluntary program. We accepted entries from businesses through to May 2022.

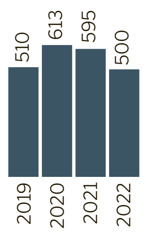
Applicant companies had to submit a ballot, complete a full application survey and supply supporting financial documentation to our research team for both 2018 and 2021. We evaluated companies based on the most recent fiscal year for which financial statements were available. In some cases, companies were evaluated on calendar years instead of fiscal.

In order to qualify, a company had to have at least \$2 million in annual sales in its most recent fiscal year. Companies had to be for-profit, Canadian-run, headquartered in Canada and independent.

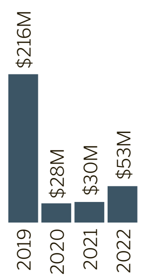
Franchisors were ranked on corporate revenue only, not system-wide sales. All revenue figures are in Canadian dollars, unless otherwise indicated.

Research was conducted by Fiona Collie, Sharon Joseph and Rasha Rehman. To learn more about the program or to apply for the 2023 ranking, please visit tgam.ca/TopGrowing.

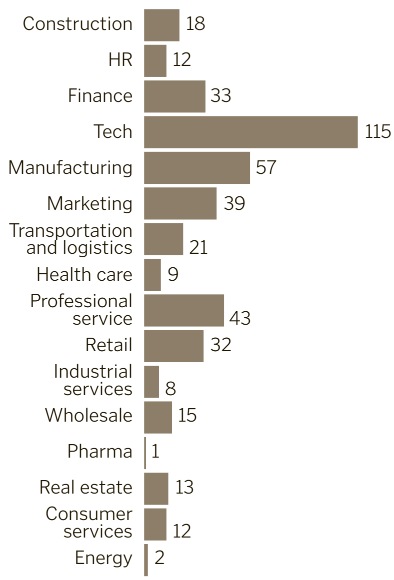
Average three-year % growth



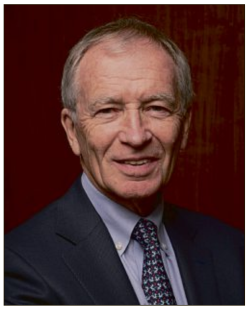
Average revenue



2022 industry breakdown



Congratulations to these recent appointees



Phillip Crawley, Publisher & CEO of The Globe and Mail, extends best wishes to the following individuals who were recently featured in the Report on Business Section of The Globe and Mail newspaper. Congratulations on your new appointments.

Phillip Crawley

Helen Angus
to CEO
AMS Healthcare

Marie-Josée Martin
to Board of Directors
Assuris

Veronique Dorval
to COO
BDC

Sandra Odendahl
to Senior VP and Head, Sustainability and Diversity
BDC

Bruno Suppa
to CEO
BDO Canada LLP

Nicholas Olteanu
to CEO
Bioflex

Pierre Cherki
to Board of Directors
Cadillac Fairview

Jeff Jacobson
to Board of Directors
Cadillac Fairview

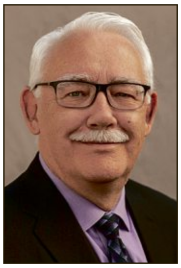
Craig Bascombe
to CEO
Canadian Bank Note Company

Alexander Caudarella
to CEO
Canadian Centre on Substance Use and Addiction

Dr. Janet Lynn Tomkins, DDS
to President
Canadian Dental Association

Bernard Lord
to Chair of the Board of Directors
Canadian Life and Health Insurance Association

Dr. Jean-Hugues Brossard
to President
Canadian Medical Protective Association



Gary Bosgoed
to Board of Directors
Capital Power

Casey Coates
to Head of Commercial Banking, Canada
Citi

Dr. Gina Parvaneh Cody, Ph.D.
to Board of Directors
EllisDon Corporation

Saad Rafi
to Board of Directors
EllisDon Corporation

Lisa Crutchfield
to Board of Directors
Fortis Inc.

Diane Kazarian
to Board of Directors
Gibson Energy Inc.

Jonathan Tétrault
to Board of Directors
goeasy Ltd.

Dave Revell
to Board of Directors
Gore Mutual Insurance Company

OCTOBER 2022

THE GLOBE AND MAIL

To make arrangements for an Appointment Notice, please call **1-800-387-9012** or email **advertising@globeandmail.com**
View all appointment notices online at **www.globeandmail.com/appointments**

Recent Appointees


Heather Masterson
to Board Chair
Insurance Bureau of Canada


Carmele N. Peter, Q.C.
to Board of Directors
James Richardson & Sons, Limited


Heather Piercy
to VP, Legal, Regulatory and General Counsel
Kingston Midstream Limited


Candace Laing
to Senior VP & Chief Human Resources Officer
Nutrien


Ken Seitz
to President, CEO and Board of Directors
Nutrien


Elizabeth D. Wilson
to Board of Directors
Power Corporation of Canada


Michelle Bourgeois
to Alliances Leader
PwC Canada


Kevin Chan
to Chief Inclusion & Diversity Officer
PwC Canada


Adam Crutchfield
to National Internal Firm Services Leader
PwC Canada


Chris Dulny
to Chief Digital, Data & Innovation Officer
PwC Canada


Sabrina Fitzgerald
to National Leader for Private Clients
PwC Canada


Kate Furber
to Vice-Chair and Managing Partner, BC Region
PwC Canada


Shelley Gilberg
to Canadian Platforms Leader
PwC Canada


Michelle Gronning
to National Consulting Leader
PwC Canada


Jennifer Johnson
to Strategy & Transformation Leader
PwC Canada


Nadia King
to CFO
PwC Canada


Dean Landry
to National Tax Leader
PwC Canada


Deirdre MacLeod
to Chief Legal Counsel
PwC Canada


Neil Manji
to Markets Leader of Public Company Audits
PwC Canada


Nicolas Marcoux
to CEO
PwC Canada


Domenic Marino
to National Deals Leader
PwC Canada

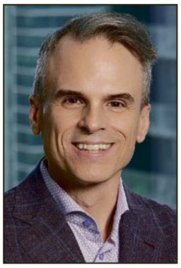

Anita McOuat
to National Assurance Leader
PwC Canada


Saj Nair
to Managed Services Leader
PwC Canada


Andrew Paterson
to Markets Leader, Managed Accounts
PwC Canada


Michael Paterson
to Chief Risk & Resilience Officer
PwC Canada


Lana Paton
to Vice-Chair & Managing Partner, GTA & SWO Region
PwC Canada


Nochane Rousseau
to Vice-Chair and Managing Partner, Quebec & Eastern Canada Region
PwC Canada


Alaina Tennison
to National Managing Partner, People & Partnership
PwC Canada

THE GLOBE AND MAIL

Recent Appointees

Reynold Tetzlaff
to Vice-Chair and Managing Partner Alberta & Prairies Region
PwC Canada

Matthew Wetmore
to National Managing Partner, Clients & Markets
PwC Canada

Tara Armstrong, CFA
to Partner
Southlea Group

Alex Pattillo
to Partner
Southlea Group

Ryan Resch, ICD.D
to Senior Partner
Southlea Group

Amanda Voegeli, CFA
to President & Managing Partner
Southlea Group

Nancy Tower
to Board of Directors
TD Bank Group

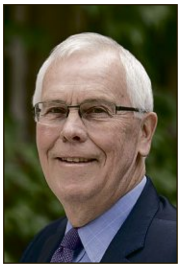
Carolyn Rogers
to Board of Directors
Toronto Centre

Christian Dandeneau
to Advisory Board, Magnet
Toronto Metropolitan University

Dr. Frederic Dimanche
to Advisory Board, Magnet
Toronto Metropolitan University

Dr. Marketa Evans
to Advisory Board, Magnet
Toronto Metropolitan University

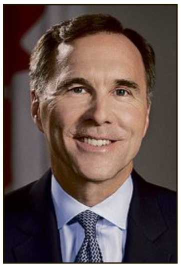
Jean-Pierre Giroux
to Advisory Board, Magnet
Toronto Metropolitan University



Paul Jenkins
to Advisory Board, Magnet
Toronto Metropolitan University

Dr. Alex (Sandy) MacDonald
to Advisory Board, Magnet
Toronto Metropolitan University

Dr. Matthew Mendelsohn
to Advisory Board, Magnet
Toronto Metropolitan University



The Honourable Bill Morneau
to Chair Advisory Board, Magnet
Toronto Metropolitan University

Janice Price
to Advisory Board, Magnet
Toronto Metropolitan University

Nobina Robinson
to Advisory Board, Magnet
Toronto Metropolitan University

Norm Sabapathy
to Advisory Board, Magnet
Toronto Metropolitan University

Mohit Talwar
to Advisory Board, Magnet
Toronto Metropolitan University

Dr. Anna Triandafyllidou
to Advisory Board, Magnet
Toronto Metropolitan University

Dr. Laurie Waye
to Vice-Chair Advisory Board, Magnet
Toronto Metropolitan University

Andrew Williams
to Advisory Board, Magnet
Toronto Metropolitan University

Steve Sommerfeld
to CFO
Tundra Oil & Gas

Janet Ecker
to Chair of the Governing Council
University of Toronto

Anna Kennedy
to Vice-Chair of the Governing Council
University of Toronto

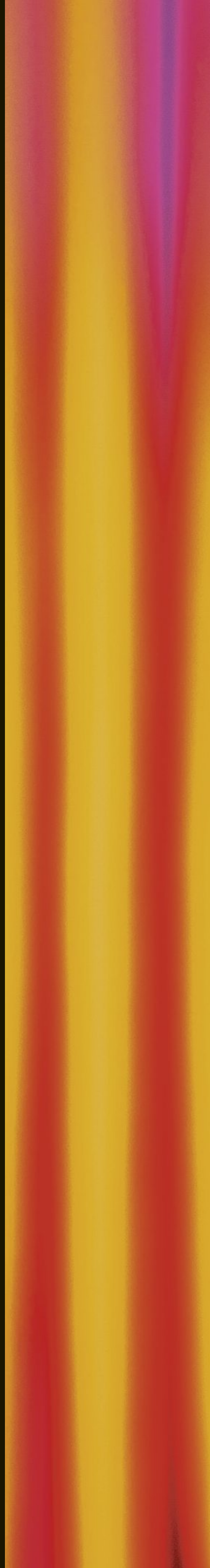
Chris Couture, FCPA
to Board of Directors
Wawanesa Mutual Insurance

MR. FIX-IT

WHEN JOHN McKENZIE TOOK OVER TMX GROUP IN EARLY 2020, HIS FIRST JOB WAS TO REPAIR A BROKEN CULTURE. NOW HE'S GOT A NEW MISSION: MAKING CANADA'S CAPITAL MARKETS GREAT AGAIN

BY JASON KIRBY

PHOTOGRAPHS BY KATE DOCKERAY



Maybe it's the wine talking. John McKenzie clearly has something on his mind. Yet each time he edges closer to sharing it, he pulls back. "I'm not sure if I want to use these words, whether they should come out of my mouth or not."

We're at Grape Witches, a specialty wine shop and venue on Toronto's fashionable Dundas St. West, imbibing a sampling of organic and biodynamic wines from around the world. Moments earlier, McKenzie had made a surprising admission. "I'm not very Bay Street," uttered the man who oversees the plumbing upon which vast swaths of Canada's capital markets operate. McKenzie is the CEO of TMX Group, which owns the Toronto Stock Exchange, the Venture Exchange, the Montreal derivatives exchange, and the clearing houses that process millions of equity and derivatives trades each day, among other assets.

The venue is the TMX's choosing. Around the company, McKenzie is known for his fondness for unique and hard-to-find wines. During the lockdown, he sent three bottles to everyone on his leadership team for a virtual wine tasting, and over the summer he and his wife, Rebecca, toured wineries in two regions of Italy for his 50th birthday, including a stay at a winery in Tuscany he settled on by pointing to the label on one of the bottles he owned. "Behind these bottles of wine is a unique family business that's got its own story to tell," says McKenzie, who considers himself "a consumer, not a collector," though it's a distinction only someone whose pandemic project was to build a wine rack under the stairs for his hundred or so bottles might make.

All of which is to say the wine tasting wasn't a ploy to get the mild-mannered McKenzie to open up. But when pressed to reconcile his claim of not being "very Bay Street" with his status as Bay Street's chief plumber, his hesitancy gives way.

It's not just that McKenzie has never lived in Toronto—he grew up and lives in Burlington, a bedroom community to the west, and takes satisfaction in playing softball three nights a week with people "who have no idea what I do every day." The distinction runs much deeper. "There's a legacy Bay Street culture that came out of the old brokerage and bond market culture," he says. "It's eat what you kill, all for yourself, and very self-driven as opposed to collective-driven, and not the culture we're trying to create at TMX." The culture *he's* trying to create.

Like those wine bottles, TMX Group has a story McKenzie is eager to tell. It goes something like this: While the company's vintage dates back 170 years to the original "association of brokers" that formed the Toronto exchange, the current iteration of TMX Group as a publicly traded company emerged 10 years ago this fall, when a group of flag-waving Canadian banks, brokerages, pension funds and insurers operating as Maple Group won control of the business after fending off a merger between TMX and the United Kingdom's London Stock Exchange Group (LSE).

The protectionist counteroffensive left TMX with a hodgepodge of businesses and still heavily dependent on making money from the fees it got for listing company shares and equity trading. Under former CEO Lou Eccleston, an American import hired in 2014, TMX embarked on an ambitious plan to streamline its operations, and charted a new growth strategy focused on building a data and analytics business, providing more services to listed companies and expanding its global reach. Under Eccleston's watch, the company made its most transformative acquisition in years when it bought London-based Trayport, an energy trading software firm, for

$930 million in 2017.

Today, TMX's $1 billion in annual revenue is far more diverse, with equities trading accounting for less than one-quarter (down from 42% in 2012) and its data and analytics business—with its more steady, recurring revenue stream—making up 35%. Trayport alone grew sales by 10% last year. When one part of the business faces problems (like, say, a global panic around war and inflation that dries up new listings), the company has other legs to stand on.

But the Eccleston era also became marred by mistrust, resentment and what some employees described as a toxic work environment. His early retirement in January 2020 paved the way for McKenzie, the company's chief financial officer and a TMX veteran, to eventually take control.

Today McKenzie has reinvigorated the company's culture—employee engagement levels have jumped from a lowly 50% in 2018 to 74% last year and rising—while pushing ahead with his predecessor's plan to make TMX a bigger player on the world stage and draw more of its sales from recurring revenue streams in the data analytics space.

Yet he has also envisioned a larger purpose for TMX Group, positioning it as a champion for public capital markets and an advocate for a long-term economic growth agenda from Ottawa. "This is not to critique Americans, but our previous two CEOs were both Americans who were less interested in this company being an engine of the Canadian economy," says McKenzie.

It's lofty stuff, and the company has already won accolades from First Nations business groups for its efforts to close the financing gap faced by Indigenous entrepreneurs and scored some early victories in reducing the regulatory burden on public companies.

Still, this is the stock market we're talking about, and some investors in TMX (ticker symbol: X) are starting to show signs of impatience. For the past two years, analysts and shareholders have peppered McKenzie with a recurring question: When will he do another big acquisition in the data analytics space? And while McKenzie is adamant he won't be pushed into a deal unless it makes sense, the question isn't going away.

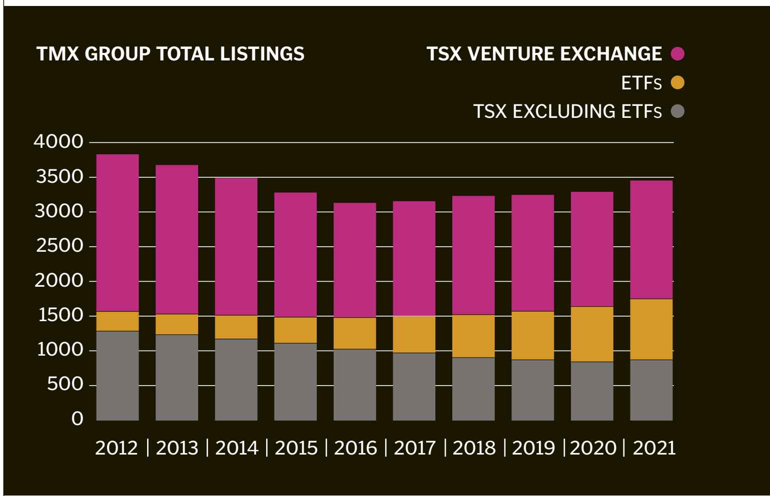
So while McKenzie sets out to make Canada's capital markets great again, many eyes are on when he'll make TMX Group a big acquirer again.

On Feb. 27, 2020, as global markets tumbled on fears about the mysterious new coronavirus sweeping the world, McKenzie was in Miami for a day of investor meetings. Early in the afternoon, his phone rang: The Toronto Stock Exchange's trading system had failed. Panicked clients were unable to enter or modify orders even as other major markets experienced their biggest one-day declines ever. As the company's crisis management team swung into action and McKenzie rushed back to Toronto, the decision was made to shut it all down. One by one, TMX hit the off switch on each of its markets: TSX Alpha at 1:51 p.m., TSX and TSX Venture at 1:54 and the Montreal Exchange at 1:59.

Shortly after, McKenzie's phone rang again. It was then-finance minister Bill Morneau, demanding to know whether the market would reopen on time the next day. "That date, Feb. 27, is tattooed on me," says McKenzie.

At that point, McKenzie had been on the job as interim CEO for just five weeks. It had already been a tumultuous period for him, both privately and professionally. Nearly a year earlier, his 16-year-old son Jacob was diagnosed with osteosarcoma, a type of bone cancer, which required chemotherapy and surgery at McMaster University Hospital in Hamilton and Toronto's SickKids over the following eight months. It meant long stretches for McKenzie and his wife at their son's hospital bedside, and he credits Eccleston with giving him the flexibility he needed to take care of his family.

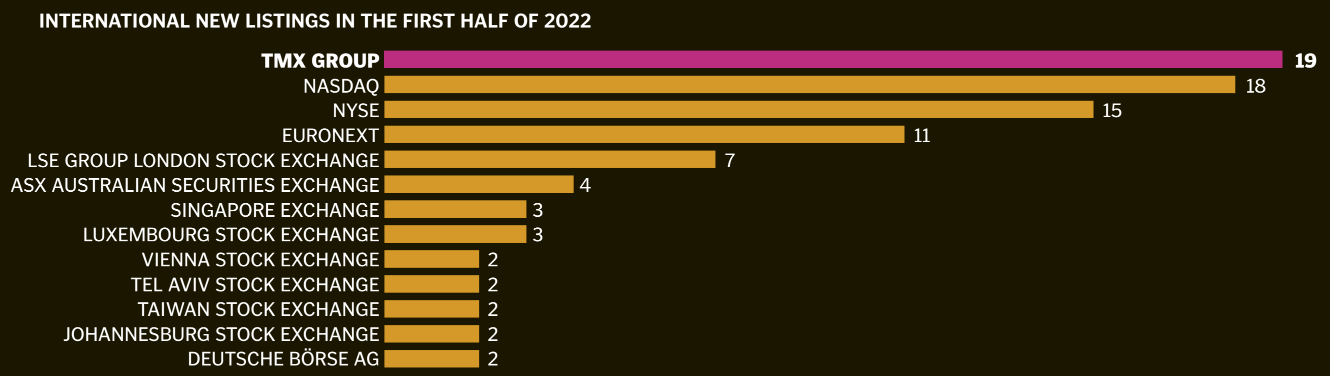
For McKenzie, his work as CFO became "a safe distraction" from the stress in his personal life—a strategy he would later deploy company-wide during the pandemic. But by the end of 2019, TMX was providing its own set of troubles. In late November, U.S. news site Business Insider published an investigation of billionaire Michael Bloomberg's financial data firm Bloomberg



LP, where Eccleston worked in the 1990s. Citing court records, it raised allegations of sexual harassment against Eccleston related to his time at Bloomberg. An internal investigation launched by TMX's board of directors found "no evidence that Mr. Eccleston engaged in sexual harassment or sexual misconduct," but as The Globe and Mail reported, nearly two dozen employees had complained that Eccleston bullied, belittled and embarrassed them.

Jacob had just wrapped up the bulk of his surgeries when McKenzie received a phone call from TMX board chair Chuck Winograd informing him of Eccleston's pending early retirement and asking if he'd step in as interim CEO. McKenzie, who started at the TSX the month after it demutualized and became a for-profit company in 2000, eventually got the top job after an eight-month review of internal and external candidates

And with that, McKenzie was thrust into crisis as the apologetic public face of the company's trading-systems failure that February, which the company blamed on a 225% single-day surge in orders compared to the average of the previous few months. In the year that followed, McKenzie says the company invested "eight figures" to boost



its trading-system capacity and resilience.

What money couldn't easily fix, however, was the culture of mistrust he says had taken root at TMX. So, with the pandemic raging and lockdowns upending people's lives, he embraced the lesson he'd learned during his son's illness to "make work the thing people don't have to worry about in their lives." That meant shifting to remote work, adopting regular communications with staff and providing stipends so employees could upgrade their home offices. His first executive hire was Cindy Bush as head of human resources, whom he poached from movie theatre chain Cineplex. "People can smell a faker, and John is very authentic, so when he says something, people know he means it and he's going to do it," says Bush, who notes the words "visible" and "accessible" appeared 12 times in the description for her position.

That approach comes across in other ways, too. For our first interview, McKenzie asked to meet in a boardroom at the company's headquarters in Toronto instead of his own office—his predecessor's office—which he dislikes because it's isolated from other employees. Once he gets the budget approval to tear it down, he wants it replaced with a glass-walled space featuring a round table to facilitate an equal exchange of ideas.

As for that wine tasting, McKenzie wasn't finished when he revealed his discomfort with Bay Street's legacy attitudes. After another brief hesitation, he went further. "This language is, well, I'll use it anyway—the unwritten rule we've built into our senior hiring strategy is a 'no-asshole policy,'" he says. "I don't want great talent if it's going to be disruptive to other people."

If that was code for no more Eccleston types, it's also accepted that most of the changes the former CEO enacted in terms of strategy and structure remain central to current growth plans. "This wasn't a matter of John having to come in and completely do away with everything," says Luc Fortin, CEO of the company's Montreal derivatives exchange and head of global trading at TMX. "The core was solid, so how do you take what you have and amplify it? And that's exactly what we've done."

It's a viewpoint shared by analysts. "Eccleston reorganized the company from having a lot of tentacles in different places, and that let them focus on key growth areas," says Jaeme Gloyn, an analyst with National Bank Financial. "They had a good strategy in place, so why overhaul it?"

The company has pushed to make its business more global, with an ultimate target of generating more than half its revenue internationally, compared to around 30% today. It had already expanded the trading hours of its Montreal derivatives exchange to include Europe. Last year, it extended that to encompass traders in Asia, too. Now the exchange operates 20.5 hours a day.

TMX has also doubled down on international outreach for the TSX Venture Exchange, its platform for small companies that don't qualify for a TSX listing to raise public capital. While born out of the ignominious roots of the Vancouver Stock Exchange, a plaything for mining-company shills that Forbes once famously dubbed the "scam capital of the world," today's Venture exchange is deeply integrated into the TMX's ecosystem: Over the past decade, roughly 700 companies have graduated from Venture to the TSX, and roughly one-fifth of the companies on the S&P/TSX Composite Index started life on Venture.

Between the TSX and Venture exchanges, the company has built a pipeline of 1,600 companies that might go public at some point, with half of those outside of Canada. "We've put people on the ground around the world, in Chicago, California, Dallas, Brazil, Israel and the U.K., and those people are selling Venture around the world," says Loui Anastasopoulos, CEO of the TSX and head of capital formation, adding TMX was among the top three exchanges in the world for international new listings last year.

TMX executives even talk cryptically about expanding the company's equity presence into the U.S., though they're shy on details. "The Canadian banks have made significant investments south of the border, and we have a right to accompany them," says Fortin. "Why wouldn't we go into the U.S. in a bigger fashion?" Could that mean operating an equity exchange in the U.S.? "We're open-minded," says McKenzie, though anything the company does there has to be complementary, not competitive, to what the TMX has built in Canada.

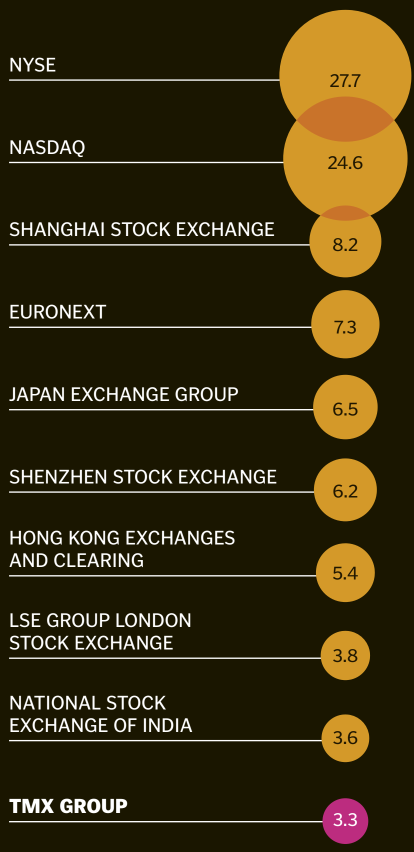
While TMX looks outward for growth, it's facing increased competitive pressures on its home turf. Last November, Cboe Global Markets acquired NEO Exchange, an upstart rival launched in 2015. It was Cboe's second acquisition in Canada in under two years, after the company acquired Toronto-based MATCHNow and its dark-pool trading platform in August 2020. With a market capitalization of $16.5 billion, Cboe is more than twice the size of TMX Group ($7.3 billion), seemingly making it a potent threat to the Canadian company's domestic exchange and trading operations.

If McKenzie and other TMX execs are worried, they don't show it. McKenzie points to the extreme but short-lived negative reaction investors had to Nasdaq Inc.'s purchase of Chi-X Canada, an alternative trading platform, in early 2016. Over the span of a week, TMX shares shed one-quarter of their value on fears the U.S. exchange giant would crush its Canadian rival, but TMX made back those losses within three months. Since then, Nasdaq has been relatively quiet on the Canadian front. "Just because you're from the U.S. and you hang your shingle here, that doesn't win you any business," says McKenzie.

Besides, he adds, having a well-funded global player like Cboe in the picture means "the listing standards of NEO will be brought up to the level we would expect." In the stock exchange world, those are fighting words. So, too, is McKenzie's assertion that Cboe and NEO received an unfair advantage from regulators because certain legacy rules around board structures that apply to TMX don't apply to Cboe.

NEO CEO Jos Schmitt scoffs at both assertions. "It's a recurring theme from TMX," he says. "What they're ignoring is they have extreme control over the Canadian market, and the market-power abuse we see from their side is much more impactful than any constraints imposed on them." He points to both the TMX's control of the Canadian Derivatives Clearing Corp., the main clearinghouse for equity-traded derivatives, and the lock the TSX has on the country's premier benchmark index, the S&P/TSX Composite. While neither are likely to change, Schmitt says NEO now has several products coming to market that "really leverage the global capabilities of Cboe outside of Canada" that will help it take on TMX.

TOP 10 EXCHANGES BY MARKET CAP OF LISTED COMPANIES IN 2021
(US$ TRILLIONS)



It's no secret that being a public company these days isn't what it used to be. There's the market obsession with short-term results that CEOs love to gripe about. But selling shares to the public also entails an ever-expanding gauntlet of regulatory filings, a shifting target for environmental, social and governance (ESG) disclosures, and at times hostile treatment from politicians that privately owned companies seem to avoid.

So, it's no wonder exchanges around the world have seen the number of public companies dwindle over the past two decades, especially as an abundance of private equity and venture capital funding provides an alternative to the IPO route. While TMX executives eagerly point out its exchanges have bucked that trend over the past five years, this is due to new Venture listings. The main TSX board has seen listed companies fall from 1,287 in 2012 to 872 earlier this year.

Which goes a long way to explaining McKenzie's increasingly assertive stance as an advocate for public companies under the rallying cry, "We make markets better and empower bold ideas."

TMX held its first-ever Hill day last fall in Ottawa, and McKenzie and David Clarke, the company's first head of government affairs, are set to meet cabinet ministers, parliamentarians and staffers again this November. TMX lobbied successfully to have small public companies exempt from new rules on the taxation of employee stock options, matching the treatment for Canadian-controlled private corporations. And early in the pandemic, McKenzie rallied against rules that barred public companies from accessing government supports fully available to private businesses.

"We need to make sure being public isn't such a burden that companies aren't going to use the public vehicle to raise capital," says McKenzie, who grows exasperated as he ticks off measures that put public companies at a disadvantage. Why, for instance, are small Venture-listed companies required to report quarterly instead of bi-annual results? Why are government supports for R&D among small companies more lucrative if they remain private? And why, on files like clean tech and clean energy, is there opposition to measures like flow-through share regimes that would encourage investment? McKenzie knows the answer to that last one. "In the bureaucracy there's resistance, because when you do things through tax measures, you're seen as helping rich people make more money," he says, "but really you're helping people put their capital into Canadian companies."

At the same time, McKenzie has made it a mission to put TMX Group at the centre of the political battle for Canada's economic future, inserting himself into the last federal election with a call for a long-term growth plan from Ottawa. "From the energy companies we've talked to, they're not financing an expansion because they don't believe the government is actually there to support expansion," he says. "Canada is getting a reputation for being a difficult place to build things, and even if you get an approval, it doesn't mean you keep an approval. All that is anathema to capital coming here, because capital is looking for certainty. That's something we have to find a way to fix."

It would be gullible to think McKenzie is being magnanimous in his advocacy. A lowered burden for public companies could lead to more new listings, which translates into greater trading volume, which in turn begets data it can monetize. Likewise, a federal government that's more accommodating to investment would spur new financings and all the fees that come with that. That doesn't mean there can't be victories on both sides.

McKenzie's work with Indigenous business leaders is a case in point. When a proposal last year from the Atkinson Foundation called on TMX Group to adopt a resolution on Indigenous inclusion and reconciliation—which was overwhelmingly supported by shareholders—the CEO threw himself into the file. "There are virtually no Indigenous companies on the TSX, even though Indigenous people are the fastest-growing entrepreneurial class in the country," he says.

When Tabatha Bull, CEO of the Canadian Council for Aboriginal Business, suggested investors might find it useful if the TMX identified which companies are certified as part of its Progressive Aboriginal Relations (PAR) program, he added them to the drop-down menu of the TMX Money investor page, which draws more than two million unique views each month.

And here's where McKenzie the advocate meets McKenzie the CEO: "I can see potentially making an index around that list, so you can track if they outperform other sectors. And if I can build an index on it, I can build an ETF so people can invest based on PAR principles, and that creates opportunities for capital to go to companies that are either Indigenous-led or have good Indigenous records."

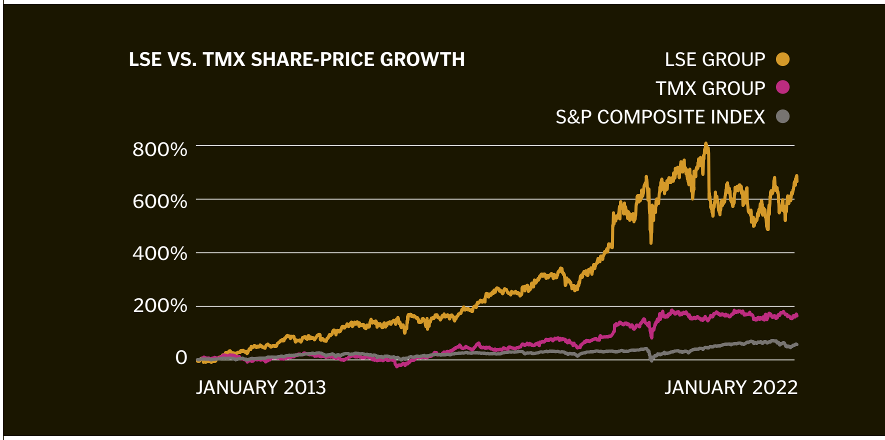
McKenzie is now looking at the barriers that prevent Indigenous companies from going public. To that end, his team is testing the waters on a dual-class-style share structure designed to allow Indigenous businesses to go public while preserving Indigenous ownership. Which, of course, could create a bounty of new listing opportunities.

"I've been really impressed with the TMX," says Bull. "But we all know the leader of the organization really sets the tone, and I think that's why they've made such progress."

When McKenzie pops up on screen for a video interview, his left hand is in a cast. A few nights earlier, during a softball game, he broke his thumb trying to catch a sinking line drive to the outfield. If there's a metaphor in there, it doesn't relate to TMX's most recent results for the second quarter—revenues were up 17%, to $286 million, from the previous year, while net income rose 19% to $92 million, ahead of analyst estimates.

Not everyone is thrilled with the pace of change at the company. "Am I impressed with John McKenzie as CEO? Not really," says Barry Schwartz, chief investment officer of Baskin Wealth Management, which manages about $50 million in TMX Group shares. "I just don't see any sense of urgency. They've been thumb-sucking on buying more data companies." While Nasdaq and the LSE have been snapping up data providers, garnering higher valuation multiples, TMX has mostly been on the sidelines. Its largest acquisition lately was a $165-million deal in 2021 to buy AST Investor Services, a trust company, which didn't exactly ignite investor enthusiasm. (As of late August, TMX shares traded for around 18 times earnings, compared to 32 times for Nasdaq and 57 times for the LSE.) "Let's be a little less Canadian and a lot more U.S. in our actions," says Schwartz.

McKenzie says he's ready to do a big deal, but only when the right one presents itself. "There's a danger in falling into the trap of needing to do a deal just because you need to do a deal," he says. The company has at least $1 billion in debt capacity it can tap, and last December TMX filed a $2-billion shelf prospectus allowing it to raise new equity. "That gives us the capacity not just to do another Trayport but something even bigger," he says.



It hasn't helped that valuations for tech-related companies got wildly stretched these past few years, though the recent correction has brought multiples back down to Earth, says National Bank analyst Gloyn. "On the one hand, you can say it's disappointing that no transaction has materialized, but this is a management team that is very disciplined and is going to allocate capital with the shareholders' best interests in mind."

McKenzie clearly has potential targets in mind. When asked what gaps he sees in TMX's data offering, he points to the ability of Nasdaq and the LSE to create their own benchmark indexes. At present, TMX relies on S&P Global when it wants to create a new one. McKenzie would like to be able to create smaller niche indexes in-house, like a Venture 50 index. He even envisions a time when self-directed investors will be able to create their own custom weighted indexes that they can trade against in their brokerage accounts. To that end, he's intrigued by companies in the crypto data space that have built their own indexing capabilities to see if the technology is transferable to other assets like fixed income, equities and commodities.

McKenzie calls this "the art of the possible"—a phrase he uses often. How successful he is at converting some of those possibilities into reality will go a long way in shaping what TMX Group looks like in the years to come.

ARE YOU READY TO
WRITE *YOUR* STORY?

MOVING MOUNTAINS

THE COASTAL GASLINK NATURAL GAS PIPELINE IS AN $11.2-BILLION FEAT OF ENGINEERING. THE BIGGER CHALLENGE IS PROVING ITS BENEFITS OUTWEIGH THE COSTS

BY PAUL CHRISTOPHER WEBSTER

PHOTOGRAPHS BY KRISTOPHER GRUNERT

FROM THE VALLEY BELOW

the pipeline crews up on the mountainside above are seldom visible through the clouds. Today, though, it's brilliantly clear in the coastal mountains of northwest British Columbia. High in the alpine icefields, tiny specks of yellow are faintly identifiable as earth-moving machines digging the path for one of the most ambitious—and embattled—infrastructure projects in Canadian history.

For Carlos Pardo, construction manager on the toughest section of the $11.2-billion, 670-kilometre Coastal GasLink pipeline that will connect the natural gas fields of eastern B.C. to the Pacific coast, it's a rare sunny day. "It's not often I get the chance to actually see what we're up against," he murmurs as he scans the icefields above. "It really doesn't get any more extreme than this."

Pardo is under enormous pressure to get the pipeline—now more than two-thirds complete—through the mountains to a $40-billion liquefied natural gas (LNG) plant under construction in the coastal city of Kitimat. The work has acquired a heightened sense of urgency since the Russian invasion of Ukraine this past February led to a serious decrease in natural gas coming out of Russia—and a 116% increase in prices over the past year.

But getting the pipeline—which is being assembled from 10-tonne, 60-foot sections of four-foot-wide pipe—through these mountains is an almost superhuman challenge. "In some places here, the pipeline runs upward almost vertically," Pardo explains. His section includes 22 mountain slopes that warrant alpine classifications. "Along one stretch, it's a 1.4-kilometre black-level ski run with a 700-metre change in elevation," he adds. "We had to build a cable crane and gondola system to get the workers and pipe pieces up the longest stretch. This is an epic project."

Pardo got his start in the pipeline business in Colombia, where the challenge of laying pipe through the Andes was compounded by fears of an attack by armed guerillas. Mercifully, here in these mountains, violence—beyond the ever-present threat of a bear attack—is not an issue.

But the pipeline Pardo and his team are struggling to build *has* inspired violence at other stops along the route. Environmental activists adamantly oppose the project both because it will eventually transport five billion cubic feet of natural gas each day at a time when the world's scientists agree we need to stop burning fossil fuels, but also for the potential destruction of otherwise pristine territory.

In Houston, B.C., millions of dollars in equipment were destroyed this past February, and at times large numbers of police have been pitted against protesters at blockade sites along the pipeline's path, like in Wet'suwet'en, where hereditary chiefs oppose the project even though the community's elected leaders have joined 19 other First Nations in signing agreements with the pipeline's builder and minority owner, TC Energy.

Despite high prices and the fact that just about everyone these days is desperate to gain access to Canada's copious natural gas, the CGL project faces forbidding economic obstacles. Riding in the back seat of Pardo's pickup truck, Kent Wilfur—TC Energy's vice-president of project delivery for the CGL pipeline—describes the ongoing boom in Canadian pipeline construction with a mix of astonishment and wariness. In 31 years in the industry, says Wilfur, "I've never seen it as busy as this." As the company pushes through northern B.C., Wilfur says, TC Energy is also implementing what it describes as a $10-billion upgrade to its Nova Gas Transmission Line in northeastern B.C. and Alberta, which connects to the main line through central Canada and the United States (where its Keystone XL project was recently scrapped). Meanwhile, the twinning of the federally owned TMX oil pipeline between Alberta and the Pacific coast is also underway at an estimated cost of $21 billion.

From Wilfur's perch as the TC Energy executive responsible for getting CGL built, what all this pipeline fever amounts to is a worrying scarcity of labour and equipment (compounded by pandemic-related shutdowns) that are propelling sharply rising costs for, well, just about everything. Ask him about the price of building in this high mountain route called Icy Pass—where crews from a nearby base camp are scrambling under Pardo's supervision to get the most treacherous stretches in place before winter hits—and you'll get a quiet chuckle. "Let's just say it's very expensive," he admits.

A more precise acknowledgement of just how expensive came in late July, when TC Energy revised its original $6.6-billion estimate upward to $11.2 billion. But it gave no indication of where all that new money would come from; nor did its partners, New York–based investment giant KKR, the National Pension Service of Korea and AIMCo, the entity that manages Alberta's government pension funds, which collectively bought 65% of the project in 2019.

Suffice to say Wilfur and his team face enormous challenges as they inch their way toward Kitimat. Eventually, the consortium hopes to ship all that LNG to thirsty nations in Asia and beyond—which, the company insists somewhat incongruously, could actually help lower total global greenhouse gas emissions, not raise them.

With global energy consumption growing insatiably, says TC Energy's CEO, François Poirier, "it's our responsibility to transition to lower emissions." And Canadian natural gas, he adds, is among the cleanest in the world, making LNG "the fuel of choice" for nations looking to transition away from coal and oil. "We've always felt the long-term prospects for LNG are really good, and North America is incredibly well-placed to meet global demand."

Whether you buy into that argument or not, the CGL pipeline, together with the Kitimat LNG plant, amount to the single biggest Canadian infrastructure investment gamble since the construction of the St. Lawrence Seaway in the 1950s and the transcontinental railroads in the 1880s. Overcoming all the obstacles—political, social, environmental—has become a high-wire juggling act for everyone involved.

But for Carlos Pardo, the focus today is on making the best of a spell of glorious June weather that's allowing snow-clearing operations and rock blasting in Icy Pass. While the sun still shines, he aims to make significant progress. "Winter will be back soon enough," Pardo muses with an anxious glance aloft to where the giant excavators on the snow-covered mountainsides look like ants moving at a glacial pace. "Actually, it's winter year-round in a lot of places up there."

IN KEEPING WITH the spectacular engineering ambitions on display at Icy Pass, 50 kilometres westward down the CGL pipeline corridor, the largest private investment in Canadian history is transforming the small coastal city of Kitimat, population 8,000.

In the town's harbour, a massive concrete dome the size of a sports stadium is taking shape beneath a forest of cranes and scaffolding. The facility is nestled between the coastal mountains and the ocean, and adjacent to an aluminum plant that transformed

◀ **Section 8 of the pipeline route includes 22 mountain slopes that warrant alpine classifications**

▶ **Carlos Pardo (left), the man responsible for Section 8 of the pipeline, and Kent Wilfur, the TC Energy executive in charge of the project**

this Indigenous fishing village into an industrial boomtown in the 1950s. Some 5,000 workers are involved in building what will be Canada's first LNG plant. When the facility is finished, gas brought through the CGL pipeline from eastern B.C.'s extensive gas fields will be cooled to -162°C and turned into liquid form—reducing its volume 600-fold—for export to Asia in specialized ships. Funded by LNG Canada, a consortium of Shell, Petronas, Mitsubishi, PetroChina and Korea Gas, the plant is expected to begin shipping LNG westward by 2025 or 2026.

LNG Canada boasts that the Kitimat plant will put Canada on the global map of LNG-exporting countries. And while environmentalists argue the timing couldn't be worse for Canada to be expediting another major source of global greenhouse gas emissions (albeit one with CO_2 emissions that are roughly half that of coal), from a purely commercial perspective at least, this Herculean engineering and investment effort seems serendipitous.

Whether seen through a long- or short-term historical lens, huge infrastructure investments like this are the kind of bets bankers have always favoured in Canada—all the way back to the building of the railroads through these very same mountains. The numbers behind Canada's LNG infrastructure gambit are a banker's delight. Over the past decade, according to the International Energy Agency (IEA), natural gas accounted for almost one-third of the growth in total global energy demand. And the IEA forecasts this increase will continue. Short-term trends for gas are even more expansive. "Russia's invasion of Ukraine has exacerbated the tightening supply of natural gas underway since mid-2021, further pushing up prices for consumers," the IEA reports, while predicting European purchases of Russian gas will drop by more than 55% from 2021 levels by 2025.

North America, says the IEA, is expected to play an outsized role in replacing Russian exports to Europe (where, incidentally, natural gas was recently reclassified in the mid term as a "green" energy source even as the EU strives toward net zero by 2050). Earlier this year, the U.S. became the world's leading LNG exporter.

Canada's imminent arrival as an LNG exporter to Asian markets seems destined, in this context, for commercial success. According to IEA forecasts, the Asia-Pacific region will account for half of all global consumption growth between 2021 and 2025. China, thanks to expanding industrial production and continuing efforts to switch from coal to natural gas, will be the single biggest contributor to consumption growth in Asia, accounting for more than 75% of its forecasted increase in gas demand.

In Ottawa, forecasters at the Canada Energy Regulator (CER), the federal agency that regulates pipelines, foresee B.C. overtaking Alberta in gas production by 2028. Under existing national energy and environmental policies, CER predicts Canadian natural gas production will grow 40% by 2050. Under a scenario in which environmental policies drive down the consumption and production of carbon-emitting fuels including natural gas, domestic consumption cuts will be fully offset by a forecasted 270% increase in LNG exports—possibly from a new facility on the Atlantic coast, in addition to the Kitimat plant—between 2026 and 2039.

For TC Energy, which owns a sprawling system of gas pipelines across much of Canada and the U.S., as well as a chunk of the Bruce Nuclear Generating Station in Ontario, the push for Canadian LNG exports to new markets in Asia represents a giant hedge. Faced with potentially significant declines in future Canadian gas usage, Ottawa expects LNG exports to keep the Canadian gas business growing for decades.

This future for the gas industry obviously won't please Canadian environmentalists hoping to see meaningful reductions in Canadian fossil fuel production and consumption. A tough fight to hold Canada accountable for its carbon exports—not just for domestic emissions—is well underway.

That fight, argues Dave Sawyer, principal economist for the Ottawa-based Canadian Climate Institute, a think tank that advises the federal and provincial governments on achieving net-zero goals, will best be won through carbon pricing. "Once we've built in carbon pricing, the market will determine how buyers respond," Sawyer says, with the expectation being that sales in Canada will fall as consumers switch to truly green energy sources. "Canadian producers will have to absorb carbon pricing on their balance sheets, cutting into profits, when they sell natural gas internationally. The question will then be whether Canadian natural gas exports can compete with heavy carbon pricing in a net-zero world."

If Canada is indeed set to be a major overseas gas exporter, there's a possible silver lining of sorts, Sawyer adds. As the IEA emphasizes, the increasing use of natural gas in Asia is eroding the use of coal, a far more pernicious environmental threat than gas. Predictably, TC Energy is quick to agree on this point, arguing that Canadian gas exports to Asia through Kitimat could "potentially" reduce global GHG emissions by 60 million to 90 million tonnes per year.

◀ Each 60-foot section of pipe weighs 10 tonnes and measures four feet across

▶ Ellis Ross, during a rare day off from his duties as a B.C. MLA, on the beach in Kitamaat Village. Below, the community's new sports facility

STANDING ON the beach in Kitamaat Village, the hamlet that's home to the Haisla First Nation, Ellis Ross dumps out a bag containing half a dozen salmon heads. He's spent a good part of the day cleaning and fileting fish for smoking in a shed behind his house, which fronts on the village soccer field. Before turning back to check on the smoking process, he scans across the water toward the massive dome of the LNG Canada plant rising in the industrial maze alongside Kitimat Harbour. "This time we got it right," he muses. "We finally got a much fairer deal."

That statement is the culmination of a long journey for Ross, who started his working life beachcombing and running a water taxi before becoming a councillor for the Haisla First Nation in 2003 and chief councillor eight years later. In 2017, Ross won the provincial Skeena riding, which includes Kitimat. He served briefly as minister of natural resources for the B.C. Liberals before the NDP took power. These days, he's the opposition critic for energy and LNG.

Ross's baptism in politics started in 2004, when the Haisla—whose territorial lands and waters include the town of Kitimat and its harbour—went up against a pulp and paper mill that was polluting the local water and damaging the Haisla fishery. The Haisla signed an environmental agreement, says Ross, but the company never cleaned up, and eventually it closed its local operation. But the experience gave the Haisla a shot of confidence. "Before that," he says, "the government and corporations would listen to our complaints and know there would be no consequences."

Since then, Ross has helped hammer out numerous agreements wringing concessions from the pulp and paper, aluminum and energy companies that feed on cheap electricity from the nearby Kemano hydro dam. Historically, all these companies made minimal efforts to address Indigenous exclusion and severe poverty—let alone the fact that they operate on Indigenous territorial lands. Ross's fights have largely been over employment, and he says he took a tough approach: "I wasn't satisfied with vague agreements and promises. I wanted to see real numbers, real percentages and real proof."

These tactics proved highly effective when LNG Canada proposed building the Kitimat plant in 2015. Not long before company officials came knocking, the Haisla had successfully helped lead a fight against Enbridge Inc.'s Northern Gateway bitumen pipeline, which would have resulted in intensive tanker traffic through their traditional waters—and brought tremendous wealth. Learning from Enbridge's mistakes, LNG Canada realized its success would depend on working collaboratively with Indigenous communities.

The deal between LNG Canada and the Haisla promises employment for band members and guarantees royalty payments to the band's government. On a walking tour around the village to see its new school, band office, sports facilities and housing, Ross argues these benefits have already been appreciable. "We've gone from being one of the poorest bands in B.C. to being one of the wealthiest," he emphasizes. The Haisla are now vigorously pursuing co-ownership of their own LNG facility, he adds. "Without a doubt," he says, "we've turned things around."

While the CGL pipeline runs across the territorial lands and waters of dozens of First Nations, only the Haisla can boast direct benefits on the scale their agreement with LNG Canada represents. Behind TC Energy's claim that the CGL project will generate $1.4 billion in economic activity for Indigenous and local businesses, few of the communities along the pipeline route can expect much more than a scattershot of short-term construction jobs alongside injections of cash for bands that have signed agreements with the company.

Glenn Bennett, chief of the Kitselas First Nation in Terrace, B.C., takes a measured view of the project's pros and cons. Amid the short-term boom in Terrace, and with the construction of a large base camp about 40 minutes from town that services pipeline workers in the mountains, Bennett has done his best to promote Indigenous employment and economic development. Even so, he clearly mourns the project's environmental impacts. "The pipeline in one section near here follows the route of one of my late father's traplines," he says, "and it leaves a big footprint. It disturbs wildlife and the environment."

The boom in Terrace has, in many respects, made life more difficult for the members of the Kitselas people, Bennett reflects. "The cost of living is much higher now. Rents have gone sky-high, and house costs are approaching $1 million." Still, Bennett doesn't diminish the value of the Impact Benefits Agreement the Kitselas negotiated with TC Energy. "It's helping to pay for our new community centre. Right now, we have to rent a gym. And we desperately need a detox centre. These things don't come cheap."

But Bennett, whose 23-year-old daughter is a labourer on the CGL project, is disappointed with the job opportunities created for the Kitselas. "We don't want the low-paying jobs like security and janitorial and housekeeping. But that's what our people are being put into. We want the trades jobs. I think we kinda missed the boat there."

For now, though, Bennett continues to think his support for the project was the right decision. He's mindful that some First Nations, including the Wet'suwet'en to the east of Terrace, have been riven by internal struggle between community members who very publicly and determinedly oppose the project, and those who support it with equal conviction. "In this day and age, you have to be supportive," Bennett muses while acknowledging that the dilemma facing the Wet'suwet'en and other Indigenous communities is based on deep concerns about environmental impacts and further erosion of territorial control. "These projects don't come along that often," Bennett gently observes. "You have to try to find a balance. We're not going anywhere."

At some of the protest sites—especially the one near Houston, where millions of dollars in equipment was destroyed and pipeline workers put at risk last February—the tension has been extreme, notes Kai Nagata, communications director for Dogwood, a Victoria-based political action group. (No arrests were made in that case, but other land defenders and anti-pipeline activists have been arrested.)

Nagata, who lives near Hazelton, B.C., in a region where several other gas pipelines are now in discussion, says he views the extensive police and private security operations in support of the gas industry as "an armed occupation" of the traditional territories of the Gitxsan and Wet'suwet'en.

As part of its "Beyond Gas" campaign, Dogwood successfully pressured the B.C. government to roll back an estimated $1.2 billion in annual subsidies for natural gas fracking in northeastern B.C. However, Nagata argues the gas industry has "spectacular" ambitions for new drilling and pipelines in the province's north. He points to the 2021 B.C. Supreme Court ruling that sides with the Blueberry River First Nation. As the ruling notes, the constant approval of energy projects is akin to a "death by a thousand cuts" that has reached a "tipping point" where industrial activity has infringed on Blueberry's treaty rights.

Opposition to B.C.'s gas fracking and pipeline boom has solidified the longtime alliance between environmentalists and Indigenous activists, and has brought to the foreground divisions between modern elected Indigenous leaders and traditional non-elected ones in many communities, Nagata says.

Of the more than 30 Indigenous entities consulted by Coastal GasLink, all 20 along the project route with elected leaderships have signed agreements with TC Energy. But the CGL project, and the plans for more of its kind in northern B.C., continue to generate intensifying objections regarding the environmental harms, contribution to global carbon emissions and routing through unceded Indigenous territories.

This past March, TC Energy and its partners in the CGL took a telling step toward possibly cultivating greater Indigenous buy-in by announcing the signing of option agreements to sell a 10% equity interest in the pipeline to Indigenous communities across the project corridor. That move—whether it results in a firm Indigenous ownership stake or not—signals the terrain is shifting for resource companies working on Indigenous territories in Canada.

"For years we have watched industry and governments generate revenues from the operations of their projects, while we live with the impacts," Justin Napoleon, chief of the Saulteau First Nations, said at the time. "This investment in Coastal GasLink will finally start to shift the landscape, aligning industry and Indigenous peoples' interests."

◀ **Across the Kitimat River is LNG Canada's natural gas storage tank, which will be one of the largest in the world, at 225,000 cubic metres**

FOR THE SMALL cities of Terrace and Kitimat, Coastal GasLink and LNG Canada are spurring booms on a scale not seen since the building of Canada's first national railway in the 1880s and the Alcan complex 70-odd years later.

Return tickets for the 100-minute flight from Vancouver to Terrace, which serves as the main transportation and supply hub for the region, have run as high as $1,100. Hotel rooms and rental cars in the city—a once-sleepy railway town that straddles the Skeena River 240 kilometres east of Prince Rupert—are highly priced and highly coveted.

Kitimat mayor Phil Germuth describes the arrival of CGL and LNG Canada with glee. "We're on the world map all of a sudden," he enthuses. Two new hotels have been quickly built, he says, alongside a new swimming pool for the community. "Industry pays 70% to 80% of our tax revenues," he crows. And the boom's good for local hockey, too. "We're a town of 8,500 people with two covered ice surfaces," Germuth beams.

When Enbridge's Northern Gateway pipeline was put to a local plebiscite, it drew just 42% support. LNG Canada's proposal never went to a vote, but Germuth believes the community stands behind it. "I think people could see that LNG has a huge future here as a job creator, unlike Enbridge," he says, before throwing in the claim that because Kitimat's heavy industries are largely powered by access to hydroelectric power, "the LNG we'll produce here will have the lowest carbon footprint on Earth."

Nor does the mayor overlook the centrality of local Indigenous buy-in for the project. "LNG Canada deserves huge credit for bringing the Haisla First Nation and the District of Kitimat governments together," he says. "There's a lot of people out there who would like to kill this project. But not here in Kitimat. There are very few people here who oppose LNG. Very few."

So will Germuth's dream of a new dawn for Kitimat—which was once the ultimate company town when it was carved from the Haisla's traditional lands by Alcan 70 years ago—come to pass? And will it be the export locomotive for a new lease on life for Canada's natural gas industry?

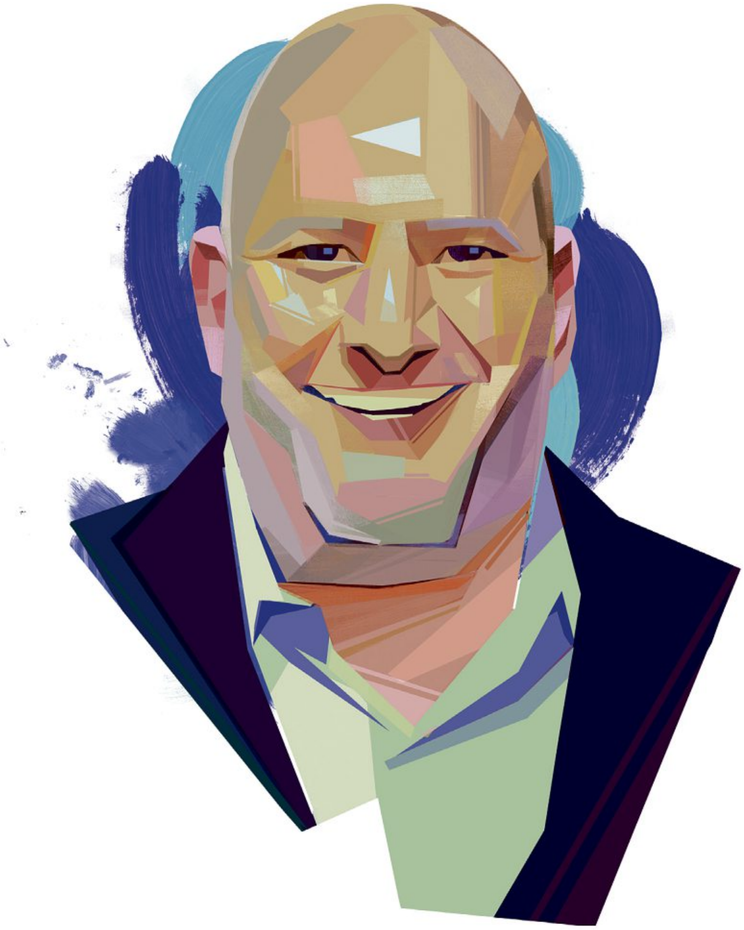
The answer to that question right now rests largely in the hands of Carlos Pardo, the man in charge of Section 8 of the CGL pipeline. Getting it through the mountains and down to Kitimat by the end of next year is possibly the toughest job in the country right now.

Exactly how tricky Pardo's job is becomes clear on a gondola ride up the side of the mountain near a place called Cable Crane Hill. Built by the Austrian company LCS Cable Cranes, systems of its type have been built for pipeline construction projects in many of the most daunting mountain ranges on Earth, from Austria to Brazil to Mexico and New Zealand.

The gondola's control room is in a custom trailer perched on the edge of a cliff in a setting oddly reminiscent of the cabin in Charlie Chaplin's *The Gold Rush*. Austrian native Matthias Mähr, one of the mechanics tasked with running the system, has travelled with it around the world. Asked to rank the Canadian project's mountaineering ambitions in comparison with what he's seen elsewhere, Mähr is emphatic. "It's No. 2," he declaims. "Behind ours in Austria."

But Mähr's assessment doesn't sit right with Mel Johnson, VP of engineering and construction for CGL, who happens to be on hand. "So, how big was your pipe size in Austria?" Johnson asks with a twinkle in his eye.

Sure enough, the Canadian pipe proves to be bigger.



The brands that aren't good for the world aren't going to be here in 20 years

Slow fashionista

Canada Goose's CEO, **Dani Reiss**, on why his made-in-Canada brand is sustainable by nature

We've always seen sustainability as a moral obligation, and it has been a foundational part of our DNA for six decades. Our products are designed to last a lifetime—our business model is the antithesis of fast fashion. So we are almost implicitly sustainable. Our products are made in Canada, and we're very transparent with how and where we source materials. But we're living in a time when it's imperative we more than double down on that. COVID-19 galvanized things for us. It gave us the time to realize that business has to lead this change. And we've encapsulated that with our Humanature platform, whose purpose is to keep the planet cold and the people on it warm.

We've made a lot of aggressive commitments under this platform. We've committed to net-zero emissions by 2025. We're certified under the Responsible Down Standard. We stopped buying fur last year, and we're going to cease manufacturing with it this year. We also committed to having 100% sustainable packaging by 2025, and we're almost 60% toward that goal. And we're eliminating single-use plastics in our facilities. We're leaning into this further than we ever have. The brands that aren't good for the world won't be here in 20 years because people won't buy their products.

1 MILLION
Metres of fabric Canada Goose has donated to northern communities

90%
Portion of Canada Goose fibres that will be sustainable by 2025

Change is a constant at Canada Goose. We started as a really small company, and we've grown into a much larger publicly traded one. This past year, we crossed $1 billion in revenue. I don't think there are a lot of companies with that kind of revenue in Canada that also manufacture in Canada. That decision really turned us into a luxury brand. If we had decided not to stay in Canada, I'm not even sure we'd be a company today. The argument back then was a lot of people were leaving because nobody cared about made-in-Canada, and they couldn't compete on price anymore. We decided people *did* care, because the overseas people really gravitated toward it. They saw us as a luxury brand. We decided that if we could stay made-in-Canada for five years, while everybody else left, then in five years we'd be the only ones left making products in Canada in our category. That was a major strategic decision that paid off—because it ended up being true.

This was important for so many reasons. No. 1, it's authentic, and authenticity is one of our core values—Canada Goose parkas need to be made in Canada. People who buy them feel like they own a piece of the country. And from a very small footprint, we've been able to grow one of the largest manufacturing infrastructures of this kind in Canada, to a point where we employ more than 20% of the cut-and-sew industry in the country. We helped revitalize an industry that was dying and create meaningful job opportunities for Canadians. And thanks to staying in Canada, we were largely immune to supply-chain challenges in the time of COVID.

What people get wrong about us is thinking we're only a parka brand. The second thing they get wrong is thinking that because we're functional, we're not a luxury brand. But we're like a Land Rover, which is both. Our product is designed to work in the harshest climates in the world. And function pushed far enough becomes luxury. **/Interview by Alex Mlynek**

ILLUSTRATION KYLE SCOTT


salesforce
WOW
your customers
in any industy
with Customer 360.
It's like magic, only better. Unite your marketing, sales, commerce, service, and IT teams with the world's #1 CRM – Salesforce Customer 360. Learn how a shared customer view helps teams make customers happy every time.
salesforce.com/360