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Calyxt hits 5 times revenue growth in 2Q results as plant sales expand

Calyxt Inc (NASDAQ:CLXT), a plant-based technology company, posted second-quarter results on Thursday that revealed a dramatic revenue increase and a ramping up in plant volumes.

The company reported revenue of \$2.3 million for the three months ended June 30, 2020, more than five times greater than its revenue in the same period of 2019. That jump was driven primarily by higher sales volumes, which included a purchase of 300,000 bushels of soybeans from one of the world's largest processors.

Calyxt's HOLL soybean, its second-generation high oleic (read: a particular fatty acid) soybean was deemed a non-regulated article by the Biotechnology Regulatory Services of the Animal and Plant Health Inspection Service (APHIS), an agency of the United States Department of Agriculture (USDA).

READ: Calyxt promotes current director and biotechnology exec Yves Ribeill to chairman

"With our high oleic soybean product, we were the first company to successfully deliver a proof of concept for food developed with gene editing technology," Calyxt CEO Jim Blome said in a statement. "The success we achieved with this product has been amazing and represents a key milestone achievement for everyone at Calyxt. We quickly scaled up and within 15 months of our early 2019 launch are supplying some of the world's largest companies in their respective industries."

The company is also building on its Transcription Activator-Like Effector Nuclease (TALEN) technology, an advanced breeding process that allows for precision targeting of existing genes within a plant's genome.

"To drive value for our TALEN technology platform, our strategic focus is on traits with higher-margin, downstream benefits for end-users, differentiating us from others who are focused on traits developed to provide distinct benefits to the farmer," Blome said.

"Our commercial proof of concept, our strong intellectual property portfolio, and our position as a leader in gene editing has led us to extensive talks with top companies across several industries, including food, pharmaceutical, energy, and agriculture."

Late in the quarter, Calyxt released a non-edited hemp germplasm by selling plants directly to a grower, which the company said drove thousands of dollars in revenue. The germplasm is expected to serve as the base for its other planned hemp projects planned for 2023.

Calyxt posted a net loss of \$10.9 million, \$1.9 million more than the same period of 2019, which converts to \$0.33, an increase of \$0.04, on a per-share basis. The company attributed the loss to widening negative gross margins and

Price: 3.42

Market Cap: \$126.76 m

1 Year Share Price Graph



Share Information

Code: CLXT

Listing: NASDAQ

52 week	High	Low
	8.39	2.42

Sector: Food & drink

Website: calyxt.com

Company Synopsis:

At Calyxt, we believe in the power and possibility of plants. Biotechnology is racing to find new and faster ways to enhance the power of plants and Calyxt is at the leading edge of this effort. We're committed to making a difference by developing stronger, higher yielding plants that will improve health and sustainability for people and the planet.

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changes in operating expenses.

One reason was an increase in R&D costs, which climbed \$100,000 year-over-year to \$2.8 million, due to expenses surrounding new patent filings.

In Australia, Calyxt was granted a patent covering the use of CRISPR gene editing in plants. The intellectual property was invented in Dan Voytas' lab at the University of Minnesota and is exclusively licensed to Calyxt, the company said.

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