



Agriculture Industry Flash

Monday, July 26th, 2021

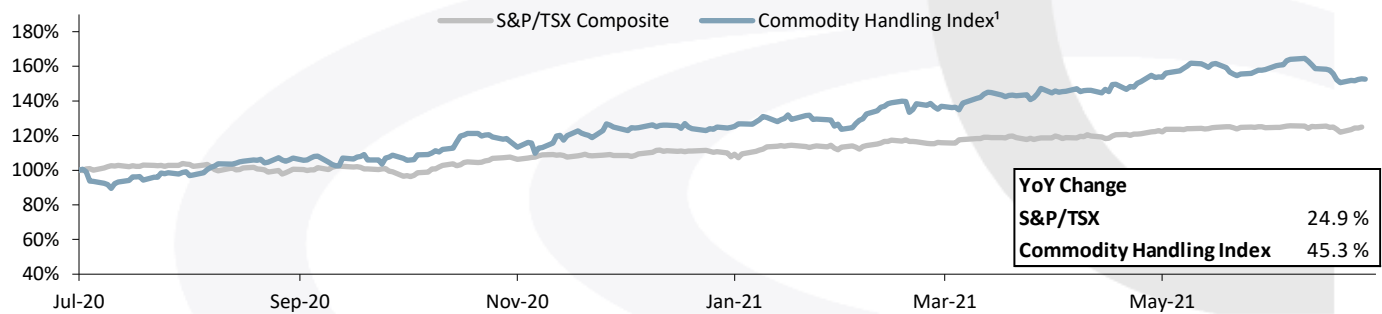


COMMODITY HANDLING

News Scan

- On July 22nd, **Royal De Heus (“De Heus”)**, an international producer of compound feed, premixes, and feed specialties, has reached an agreement to acquire Netherlands-based feed company **Coppens Diervoeding**. The transaction includes a modern animal feed plant with a 400,000-tonne capacity and is part of De Heus’ strategic plan to make its feed production more flexible while expanding its capacity in the Netherlands
- On July 15th, the Saudi-based **National Center for Privatization and PPP** and the **Saudi Grains Organization** announced the sale of the second milling company and the fourth milling company to investors for, respectively, US\$570 million and US\$23 million, as part of the final stage of the Saudi flour milling sector privatization
- On July 12th, **Bunge North America (“Bunge”)**, announced the closing of the sale of 35 U.S. interior elevators to **Zen-Noh Grain Corporation (“ZGC”)**. This transaction will allow Bunge to operate more efficiently and reinvest in higher return areas while reducing costs and strengthening its balance sheet. Bunge also expects to access a larger and stronger operational network through ZGC to better serve its domestic farmers and global customers
 - Concurrently, and in connection with the above sale, **ZGC** completed its divestiture of certain U.S. interior river grain elevator facilities, including select Bunge assets and one ZGC affiliate asset, to **Viserion Grain, LLC.**, a newly formed subsidiary of Viserion International Holdco backed by Pinnacle Asset Management. Origin acted as an exclusive financial advisor to ZGC on the divestiture
- On July 8th, **Kansas City Southern** scheduled a special virtual meeting of stockholders on August 19th to vote on the proposed merger with **Canadian National**

Relative Performance Index



Key Indicators

All Figures in USD millions unless indicated

Market	Cap	TEV	TEV/EBITDA		Price/Earnings		Week Δ Price	Δ Price 52Wk High
			2021E	2022E	2021E	2022E		
ADM	32,410	42,277	8.8x	8.8x	12.7x	13.0x	(1.7)%	(16.3)%
Bunge Limited	10,599	19,767	8.5x	9.7x	9.5x	10.7x	(1.0)%	(18.9)%
The Andersons, Inc	840	2,474	8.1x	7.8x	15.4x	14.1x	(7.0)%	(25.3)%
Graincorp Limited	913	1,262	5.7x	6.3x	13.5x	15.0x	2.3%	(4.1)%
United Malt Group Limited	1,017	1,212	12.0x	9.1x	32.0x	18.4x	3.5%	(5.8)%
Ceres Global Ag	106	180	na	na	na	na	(0.7)%	(13.2)%
Mean			8.6x	8.3x	16.6x	14.2x	(0.8)%	(13.9)%

1 “Commodity Handling Index” is composed of equally weighted market prices for: ADM, Bunge, Graincorp, The Andersons, Ceres, and United Malt Group.

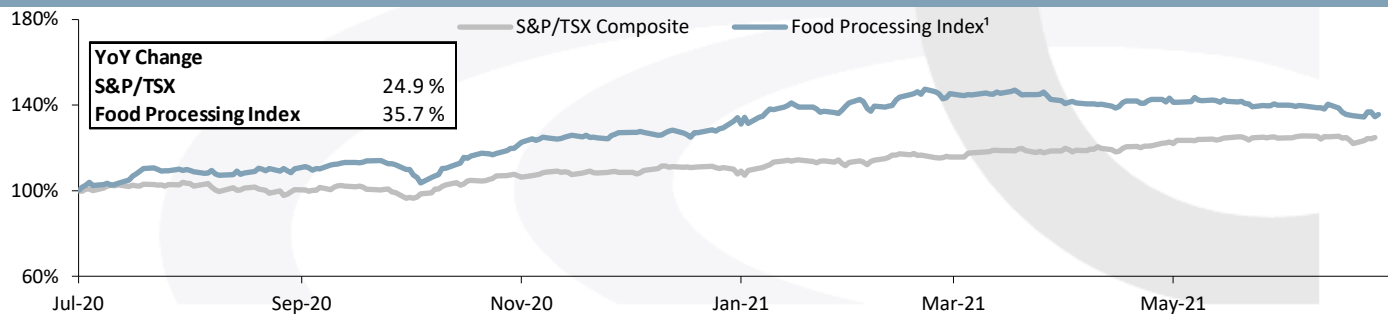


FOOD PROCESSING

News Scan

- On July 21st, **Above Food**, a vertically integrated plant-based food and beverage company, has announced its acquisition of **Only Oats**, a Saskatchewan-based certified gluten-free whole oat company, and **Culcherd**, a Toronto-based organic and plant-based dairy company. Above Food has built a significant oat supply chain through the purchase of these two companies and intends to further expand into the gluten-free oats space
- On July 14th, **Summit Agricultural Group** announced the acquisition of a biorefinery in Kansas, as part of its plan to develop the largest wheat protein production facility in North America. Current U.S. wheat protein demand is heavily reliant on imports, and with heightened consumer demand for transparency about food origins, the company sees this as a significant opportunity
- On July 9th, **Wilbur-Ellis Nutrition (“Wilbur”)**, a world-leading marketer and distributor of agricultural and industrial products, announced its acquisition of the forage pellet business of **Ametza LLC.**, a U.S.-based company that manufactures and sells forage pellets for livestock. This expansion is expected to help grow Wilbur’s market presence both domestically and internationally
- On July 9th, Canadian-based agribusiness **Richardson International (“Richardson”)** announced its acquisition of **Italgrani USA**, the single largest durum flour miller in North America. Through this acquisition, Richardson expands its U.S. based food processing operations
- On July 5th, **Saputo Inc. (“Saputo”)**, one of the world’s largest dairy processors, signed a deal to acquire British cheesemaker **Wensleydale Dairy Products Ltd.** for \$39 million. This strategic acquisition is part of Saputo’s plan to expand its breadth and specialty cheese offering in Europe

Relative Performance Index



Key Indicators

All Figures in USD millions unless indicated

	Market Cap	TEV	TEV/EBITDA		Price/Earnings		Week Δ Price	Δ Price 52Wk High
			2021E	2022E	2021E	2022E		
Saputo Inc.	11,431	14,318	12.8x	10.7x	24.5x	18.5x	(1.3)%	(14.9)%
Ingredion Incorporated	5,846	7,651	8.2x	7.9x	13.3x	12.4x	(1.1)%	(11.0)%
Tate & Lyle plc	4,729	5,209	7.5x	7.4x	12.6x	13.6x	3.6%	(9.9)%
Premium Brands	4,458	5,390	15.6x	13.6x	30.1x	24.1x	2.2%	(0.1)%
Maple Leaf Foods Inc.	2,457	3,110	9.3x	7.8x	22.2x	16.0x	(0.2)%	(18.7)%
SunOpta Inc.	1,383	1,655	20.6x	17.7x	nmf	nmf	(4.1)%	(38.1)%
Rogers Sugar	474	763	9.1x	9.0x	13.6x	12.7x	0.5%	(3.5)%
High Liner Foods Incorporated	453	748	8.2x	7.9x	12.2x	11.5x	2.1%	(4.2)%
Mean			11.4x	10.2x	18.3x	15.5x	0.2%	(12.5)%

¹ “Food Processing Index” is composed of equally weighted market prices for: Saputo, Ingredion Incorporated, Tate & Lyle plc, Premium Brands, Maple Leaf Foods Inc, SunOpta Inc, Rogers Sugar, High Liner Foods Incorporated

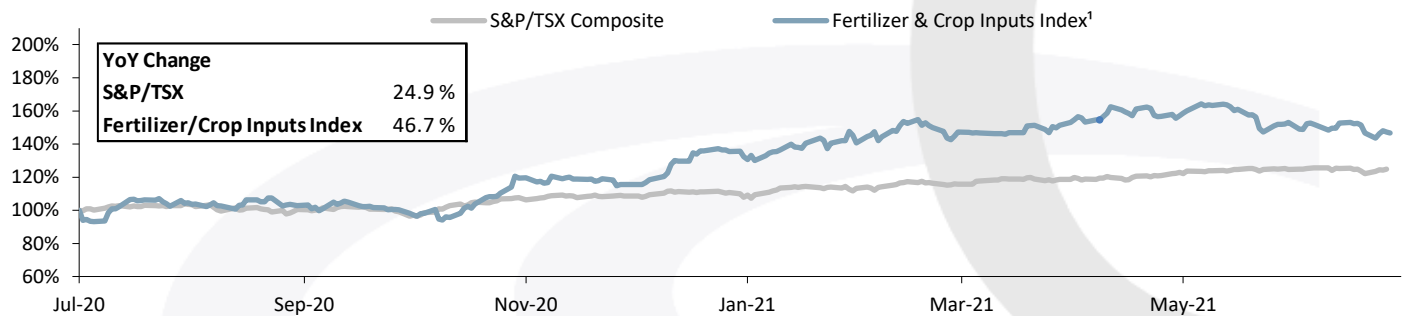


FERTILIZERS AND CROP INPUTS

News Scan

- On July 20th, **Corteva Agriscience (“Corteva”)**, an agricultural chemical and seed company, and **Andermatt USA**, a subsidiary of Andermatt Biocontrol AG, a global pioneer in producing microbiological products for biological pest control, announced a multi-year agreement for two technologies that will benefit U.S. farmers. As part of this agreement, Corteva received an exclusive license to a bioinsecticide and a biofungicide that will effectively control pests and reduce damage to crops such as soybeans, corn, and cotton
- On July 19th, **Pivot Bio**, a U.S.-based fertilizer producer and leading nitrogen innovator, raised US\$430 million in Series D funding co-led by DCVC and Temasek. The funding will fuel the company’s accelerating release of environmental products such as the Pivot Bio Proven 40, a technology that enables farmers to replace up to 40 pounds per acre of synthetic nitrogen, almost doubling the performance of its inaugural product
- On July 15th, it was announced that **The HEVO Ammonia Morocco Project**, the country’s largest announced green hydrogen and ammonia project to date, is anticipated to be jointly developed by **Fusion Fuel Green**, a green hydrogen technology company, and **Consolidated Contractors Group S.A.L.**, a global construction company. This project is expected to begin in 2022 and when fully commissioned, will produce 183,000 tpy of green ammonia and abate 280,000 tpy of carbon dioxide

Relative Performance Index



Key Indicators

All Figures in USD millions unless indicated

Market	Cap	TEV	TEV/EBITDA		Price/Earnings		Week Δ Price	Δ Price 52Wk High
			2021E	2022E	2021E	2022E		
Nutrien Ltd.	33,666	41,309	9.5x	9.7x	19.4x	19.7x	(3.7)%	(6.8)%
CF Industries Holdings, Inc.	10,149	16,579	7.6x	8.4x	11.8x	14.3x	(3.5)%	(17.3)%
The Mosaic Company	11,337	15,474	5.1x	5.5x	8.7x	9.8x	(2.2)%	(21.9)%
Yara International ASA	13,590	16,599	6.8x	6.4x	11.5x	13.0x	(4.7)%	(5.6)%
Nufarm Ltd.	1,234	1,867	6.7x	6.3x	26.0x	18.7x	(1.8)%	(21.1)%
Mean			7.1x	7.3x	15.5x	15.1x	(3.2)%	(14.5)%

¹ “Fertilizers and Crop Inputs Index” is composed of equally weighted market prices for: Nutrien, CF Industries, Yara, Mosaic, and Nufarm.

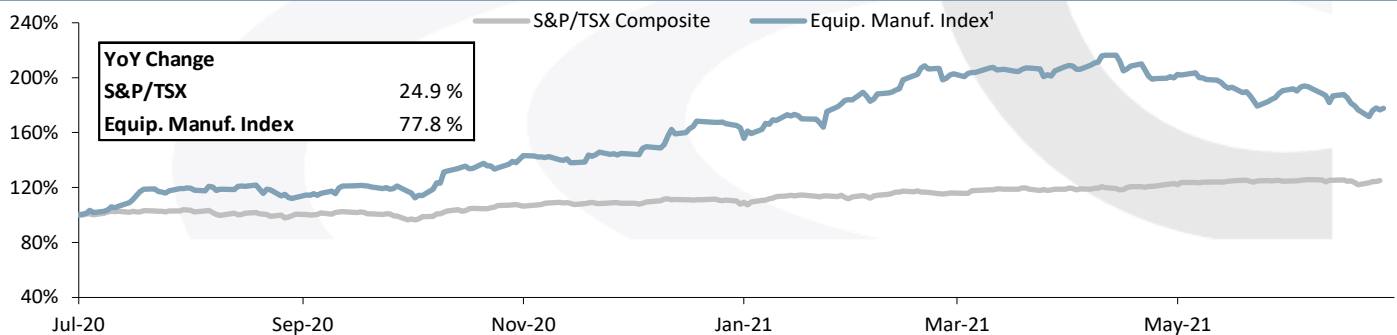


EQUIPMENT AND TECHNOLOGY

News Scan

- On July 19th, **Rabobank**, the Netherlands-based food and agriculture bank, and **TELUS Agriculture Solutions, Inc (“TELUS”)**, a provider of agri-tech solutions, announced their acquisition of **Conservis**, a provider of enterprise resource planning software to farmers. With this acquisition, Rabobank and TELUS plan to combine their expertise, experience and global presence to develop the Conservis platform and provide a solution that aggregates farm data into a single resource, providing the tools a farm needs for supply chain validation, agronomic decisions, financial management, resource and inventory management
- On July 17th, **Barchart**, a data tool and software provider to agribusinesses, and **Oakland Corp (“Oakland”)**, a provider of software and IT solutions in the agriculture industry, announced a partnership to integrate Oakland’s enterprise resource planning software solutions within Barchart’s marketplace apps. With this partnership, agribusinesses, with the help of Oakland’s grain accounting solutions, will be able to provide producers with secure access to contracts and scale tickets in mobile apps that are fully branded to their business
- On July 8th, **Bosch Global**, a German multinational engineering and technology company, and **BASF CE**, the world’s largest chemical producer, announced that they received approval for a new joint venture, **Bosch BASF Smart Farming (“BBSF”)**. BBSF will initially distribute its Smart Spraying solution, which offers real-time, automated pre- and post-emergence weed identification and targeting, to markets in North America, South America and Europe
- On July 7th, **Agrisolutions** announced the signing of a definitive agreement to acquire **Andersen Steel Sp. Z.O.O.**, a producer of high-quality innovative parts for agricultural machinery, for an undisclosed amount. This acquisition will strengthen Agrisolutions’ market position in Europe, especially with leading OEMs, and increases its product offerings to customers
- On July 5th, **Ingersoll Rand** announced its acquisition of **Maximus**, an agricultural technology solutions provider, in an all-cash deal valued at \$135.4 million. This acquisition builds on Ingersoll’s existing presence in the animal health and irrigation markets through its Dosatron brand, and also provides Ingersoll with an opportunity to scale the Maximus platform to greenhouses, as well as industrial and rural water treatment markets

Relative Performance Index



Key Indicators

All Figures in USD millions unless indicated

	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2021E	2022E	2021E	2022E	Price	52Wk High
Deere & Company	110,646	151,914	17.6x	15.7x	19.1x	16.7x	2.5 %	(11.4)%
AGCO Corporation	9,452	10,946	8.8x	8.0x	14.5x	12.9x	(0.1)%	(20.9)%
Ag Growth International Inc.	487	1,164	8.7x	7.7x	13.5x	9.9x	(3.1)%	(32.7)%
Cervus Equipment Corporation	173	323	6.0x	5.7x	8.8x	8.0x	(4.1)%	(21.2)%
Mean			10.3x	9.3x	14.0x	11.9x	(1.2)%	(21.6)%

1 “Equip. Manuf. Index” is composed of equally weighted market prices for: Deere & Co., AGCO, Ag Growth Intl., and Cervus.

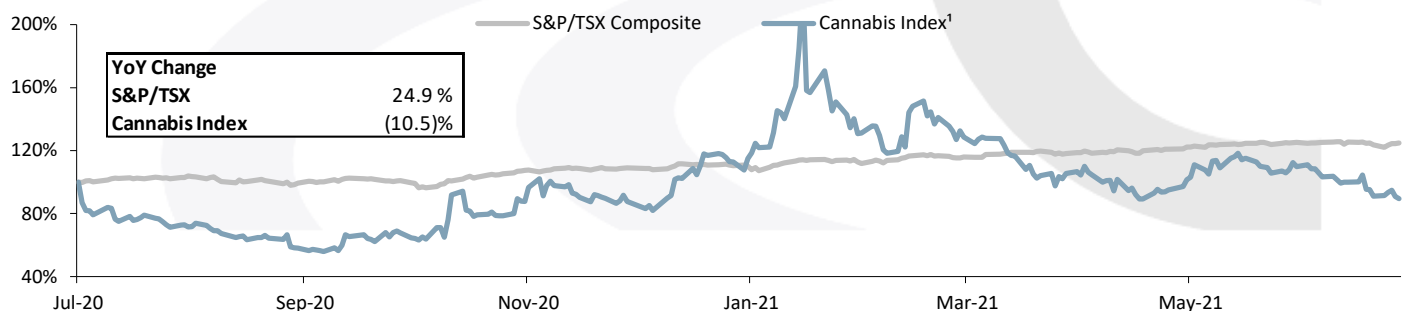


CANNABIS AND HEMP

News Scan

- On July 19th, **Ayr Wellness Inc. (“Ayr”)**, a grower and seller of cannabis products, announced its acquisition of **Tahoe Hydroponics Company, LLC.**, a cannabis cultivation company, for US\$17 million in a combination of stock, cash, and debt. The acquisition will add significant cultivation capacity to Ayr’s Nevada operations, and provides customers with increased product selection and availability
- On July 14th, **WeedMD Inc. (“WeedMD”)**, a federally licensed producer and distributor of medical grade cannabis, announced that it has entered into a definitive agreement to acquire **CannTx Life Sciences**, a cultivator of medicinal and recreational cannabis products, for US\$17.5 million in an all-stock transaction. With this acquisition, WeedMD, now rebranded as **Entourage Health Corp.**, will own one of the most comprehensive genetic banks in the cannabis industry, positioning the company well for new strain and product expansion
- On July 8th, **Terra Tech Corp (“Terra Tech”)**, a vertically integrated cannabis producer, announced the completion of its merger with **Umbrla Inc.**, which operates under the Unrivaled brand name. Terra Tech will adopt the **Unrivaled Brands Inc.** name and trade under the ticker “UNRV”. The combined entity, which includes dispensary and distribution operations in Northern and Southern California, is expected to become the premier multi-state cannabis provider in the West
- On July 7th, **HempFusion Wellness Inc. (“HempFusion”)**, a provider of probiotic supplements and products containing CBD, announced the completion of its previously announced acquisition of **Sagely Enterprises Inc.**, a mass distributor of premium CBD products, for US\$25 million in a combination of stock and cash. This acquisition is expected to significantly increase HempFusion’s revenue, and provides access to over 14,000 additional stores
- On July 6th, **High Tide Inc. (“High Tide”)**, a retail-focused cannabis company, announced the completion of its acquisition of **DHC Supply LLC.** for US\$10 million in a combination of stock and cash. With this acquisition, High Tide adds another top e-commerce platform to its portfolio which now includes three out of the top five most popular global e-commerce platforms for consumption accessories

Relative Performance Index



Key Indicators

All Figures in USD millions unless indicated

	Market Cap	TEV	TEV/Revenue		TEV/EBITDA		Week Δ Price	Δ Price 52Wk High
			2021E	2022E	2021E	2022E		
Canopy Growth Corporation	7,718	6,652	11.9x	8.4x	neg	nmf	(3.7)%	(65.5)%
Tilray, Inc.	6,104	6,659	8.3x	5.8x	nmf	38.8x	(5.9)%	(38.6)%
Cronos Group Inc.	3,331	2,229	24.6x	13.8x	neg	nmf	(6.0)%	(55.4)%
Aurora Cannabis Inc.	1,399	1,701	8.7x	6.4x	neg	neg	(3.9)%	(63.1)%
OrganiGram Holdings Inc.	731	761	11.4x	7.3x	neg	neg	(7.8)%	(61.5)%
Mean			13.0x	8.4x	na	38.8x	(5.4)%	(56.8)%

1 “Cannabis Index” is composed of equally weighted market prices for: Canopy Growth, Tilray, Cronos, Aurora Cannabis and OrganiGram Holdings.



ADDITIONAL NEWS AND AGRICULTURE COMMODITIES UPDATE

News Scan

- On July 19th, the **Agriculture Financial Services Corporation**, Alberta’s provincial crop insurer, announced a record uptake, with payments exceeding \$1 billion to be expected through the program due to record high temperatures and abnormally dry conditions within the province
- On July 19th, **Minister of Agriculture and Agri-Food Marie-Claude Bibeau** announced \$2.6 million in federal funding for the **Canadian Forage and Grassland Association** to support three projects that will assess and improve alfalfa growth using artificial intelligence and to develop a carbon offset system for grasslands
- On July 16th, **Nestle**, one of the world’s largest multinational food processing companies, announced plans to close its Ontario based Trenton Facility by 2022. The facility produces dehydrated dry-blend and frozen products primarily made for the U.S. restaurant and hospitality sectors. Nestle cited a “highly competitive market” and the fact that U.S. sales volumes have continually outpaced Canadian sales volumes as reasons for the closure
- On July 16th, following an appeal from western provinces due to the drought and prolonged high temperatures, the **Government of Canada** announced that it will move forward with discussions surrounding the **AgriRecovery Program**, which is designed to provide disaster-specific relief in situations where producers do not have the capacity to cover the extraordinary costs, even with the assistance available from other programs
- On July 15th, the **Alberta Government** announced a partnership with the **Canadian Cattlemen’s Association**, **Alberta Beef Producers**, and **Alberta Cattle Feeders’ Association** to undertake a competitiveness study that will provide strategic insights and data for the beef cattle industry. **Minister of Agriculture and Forestry Devin Dreeshen** believes that this collaboration with the industry is vital to growing and advancing the agriculture sector in Alberta
- On July 14th, three top **U.S. Democratic Senators** unveiled a discussion draft of a bill that aims to legalize cannabis at the federal level, which would allow adult Americans to purchase and possess up to ten ounces of cannabis without facing criminal penalties
- On July 14th, the **Government of Saskatchewan** responded to the **Saskatchewan Stock Growers Association’s** request for drought assistance, announcing that the **Saskatchewan Crop Insurance Corporation** will implement measures to address dry conditions impacting producers. Effective immediately, changes will be made to allow low yielding crops to be put to alternate uses such as silage, baling or grazing to support the livestock sector, without negatively impacting future individual coverage
- On July 12th, the **U.S. Department of Agriculture** announced an investment of more than US\$500 million to expand meat and poultry processing capacity, as part of its efforts to increase competition in the market. This decision will allow farmers, ranchers, and consumers to have access to wider choices and better prices

Commodities Futures as of July 26, 2021

Commodities Futures	Price Unit	Latest Price (US\$)	Month to Date	Year to Date
Corn (CBOT)	\$ per bu.	\$5.43	(6.34)%	12.25 %
Wheat (CBOT)	\$ per bu.	\$6.84	4.79 %	6.54 %
Oats (CBOT)	\$ per bu.	\$4.58	18.13 %	28.58 %
Rough Rice (CBOT)	\$ per cwt.	\$13.62	3.58 %	6.99 %
Rapeseed (Canola) (ICE)	CAD per T	\$883.40	6.32 %	38.96 %
Ethanol (CBOT)	\$ per gal.	\$2.32	(2.52)%	56.23 %



Origin Merchant Partners
220 Bay Street, Suite 1500
P.O. Box 23, Toronto, Ontario
M5J 2W4

OMP Agri-food Team:

Andrew Muirhead
Principal
T: 416-800-0697
andrew.muirhead
@originmerchant.com

Jim Osler
Principal
T: 416-800-0784
jim.osler
@originmerchant.com

Rob Penteliuk
Principal
T: 416-800-1780
rob.penteliuk
@originmerchant.com