

May 2023

Industry Highlights on

Food & Agriculture

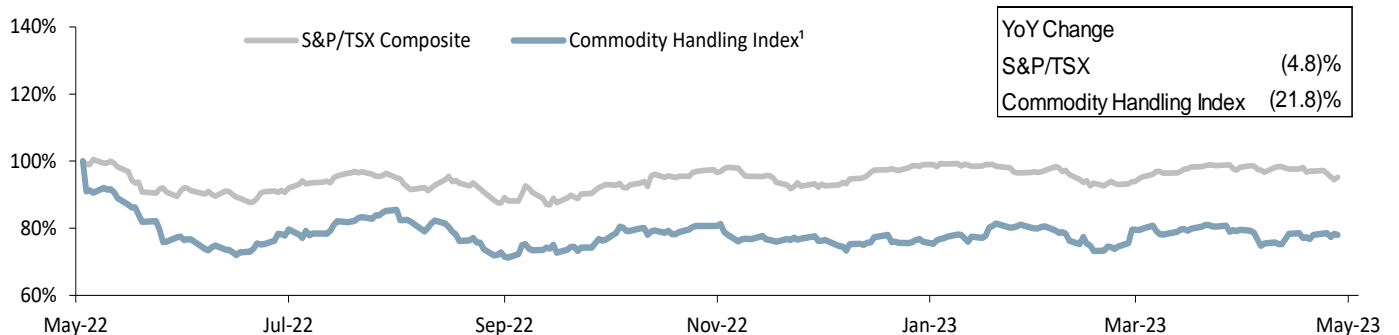


*Leading Independent North American Financial Advisor
to the Food & Agriculture Sector*

News Scan

- ▶ On May 25th, it was reported that **Bunge (NYSE:BG)** is in talks with **Glencore PLC (“Glencore”)** over a potential merger with **Viterra**, Glencore’s grain business. The combined entity, which is projected to have a value of more than US\$25 billion, would become one of the world’s largest diversified agribusinesses
- ▶ On May 22nd, **ADM (NYSE: ADM)** announced that it has reached an agreement to acquire Netherlands-based **D.C.A. Finance B.V. (DCA)**, a provider of commodity derivative broking services to a broad range of European agricultural customers, for an undisclosed amount. The acquisition will extend the geographic footprint of ADM Investor Services to provide clearing, risk management and hedging solutions for customers across Europe
- ▶ On May 16th, **Landus**, the largest farmer-owned cooperative in Iowa, announced that it has signed a letter of intent to acquire all the assets of the **Snittjer Grain Company**, an Iowa-based grain merchandising and elevator company, for an undisclosed amount. The transaction will increase Landus’ footprint in northeast Iowa
- ▶ On May 16th, **Bunge (NYSE:BG)** and **Nutrien Ag Solutions**, the retail division of **Nutrien Ltd. (TSX and NYSE: NTR)**, announced a strategic alliance to support US farmers in the implementation of sustainable farming practices. The initiative will include practices such as cover crops, reduced tillage, nutrient management and responsible pesticide use
- ▶ On May 15th, **NIPPON Corp. (“NIPPON”)**, one of Japan’s largest flour milling businesses, announced that it has acquired a 25% stake in **Utah Flour Milling, LLC (“Utah Flour”)**, a newly established subsidiary of **PHM Brands**, a US-based provider of grains & flour, pathogen reduction, animal nutrition and supplement & oils, for US\$25 million. The investment will be used to set up Utah Flour’s maiden flour mill, and marks NIPPON’s entry into the US flour milling market
- ▶ On May 1st, **Lawson Grain**, an Australian grain company, announced its acquisition of **Green Park Aggregation (“Green Park”)**, an Australian producer of cereal, legume, and oilseed crops along with lamb and wool operations, for an undisclosed amount. Green Park is located near Lawson Grain’s assets and major grain export channels, providing a synergistic footprint

Relative Performance Index



Key Indicators

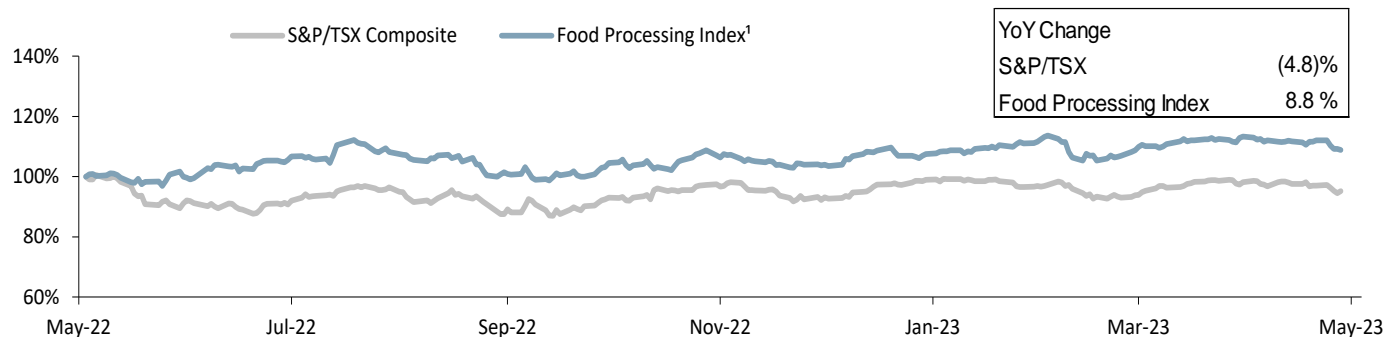
All Figures in USD millions unless indicated

	Market Cap	TEV	TEV/EBITDA		Price/Earnings		Week Δ Price	Δ Price 52Wk High
			2023E	2024E	2023E	2024E		
ADM	39,611	51,138	7.5x	8.0x	10.5x	11.2x	(0.1)%	(26.0)%
Bunge Limited	14,201	18,779	5.9x	6.1x	8.0x	8.3x	6.2 %	(20.7)%
The Andersons, Inc	1,375	2,794	7.9x	7.6x	15.4x	13.7x	7.0 %	(11.6)%
Graincorp Limited	1,189	2,402	5.9x	10.2x	8.0x	14.9x	(0.8)%	(26.6)%
United Malt Group Limited	877	1,326	13.3x	10.5x	38.6x	21.4x	(4.8)%	(13.6)%
Ceres Global Ag	58	101	na	na	na	na	0.0 %	(50.1)%
Mean			8.1x	8.5x	16.1x	13.9x	1.3 %	(24.8)%

News Scan

- ▶ On May 24th, **KeHE Distributors**, a North-American distributor of fresh, natural & organic, and specialty products, announced it has entered into an agreement to acquire **DPI Specialty Foods**, a leading distributor across the western United States, from food & beverage focused private equity firm **Arbor Investments**. Once complete, the combined entity will benefit from an expanded nationwide fresh offering and customer portfolio
- ▶ On May 23rd, **Wicked Kitchen**, a US-based, plant-based food brand, announced its acquisition of **Current Foods**, a US-based provider of plant-based seafood, for an undisclosed amount. The deal marks Wicked Kitchen’s entry into the B2B vegan sushi market
- ▶ On May 22nd, **Swander Place Capital**, through its portfolio company **Patriot Pickle**, a US-based pickle manufacturer, announced its acquisition of **First Place Foods**, a US-based producer of pickles primarily for the foodservice and institutional channels, for an undisclosed amount. The transaction expands Patriot Pickle’s manufacturing base as well as its footprint in refrigerated pickles
- ▶ On May 16th, **Azelis**, a Luxembourg-based provider of specialty chemicals and food ingredients, announced its acquisition of **Gillco Ingredients**, a specialty food ingredient provider in the US, for an undisclosed amount. The acquisition reinforces Azelis’ footprint in the life sciences
- ▶ On May 10th, **Sweets From The Earth (“SFTE”)**, an Ontario-based gluten-free food manufacturer, announced its acquisition of **Tutti Gourmet**, a Quebec-based biscotti manufacturer, for an undisclosed amount. The transaction will increase SFTE’s foothold in the ambient long-shelf-life market

Relative Performance Index



Key Indicators

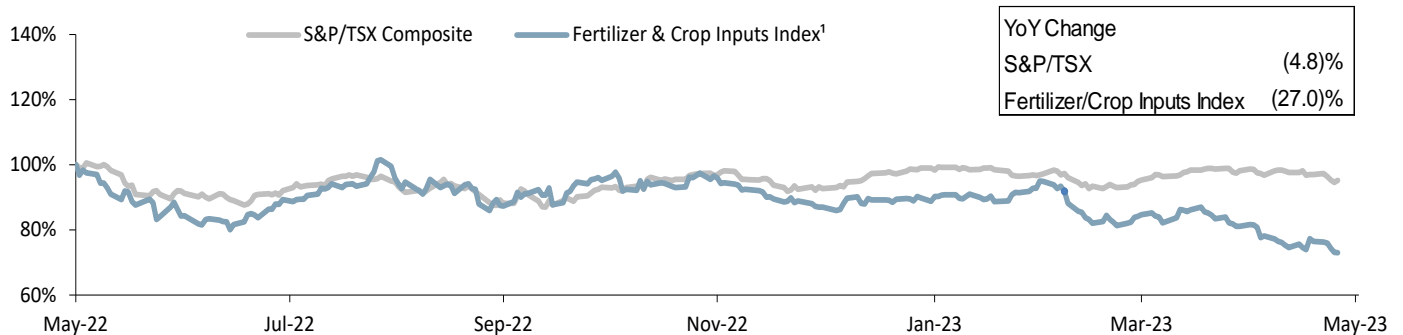
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	Market Cap	TEV	TEV/EBITDA		Price/Earnings		Week Δ Price	Δ Price 52Wk High
			2023E	2024E	2023E	2024E		
Saputo Inc.	11,415	14,338	10.4x	9.2x	17.9x	14.3x	(2.3)%	(5.7)%
Ingredion Incorporated	7,096	9,703	7.9x	7.6x	11.8x	11.2x	(3.3)%	(5.2)%
Tate & Lyle plc	3,825	4,236	10.2x	9.4x	14.8x	13.8x	1.6 %	(4.5)%
Premium Brands	3,354	5,314	11.2x	10.3x	21.1x	17.7x	(0.7)%	(3.6)%
Maple Leaf Foods Inc.	2,257	3,683	11.3x	7.1x	nmf	11.9x	(6.9)%	(12.1)%
SunOpta Inc.	609	956	12.7x	10.5x	nmf	43.1x	(5.9)%	(39.3)%
Rogers Sugar	461	812	9.4x	9.3x	13.1x	12.8x	(2.3)%	(10.5)%
High Liner Foods Incorporated	361	579	7.3x	7.0x	10.5x	9.6x	(1.1)%	(8.4)%
Mean			10.1x	8.8x	14.9x	16.8x	(2.6)%	(11.2)%

News Scan

- ▶ On May 23rd, **Yara International ASA** announced that it will build a new global production plant for specialty crop nutrition products and biostimulants designed to increase yields and improve quality. The plant, to be built close to the company's existing site in Yorkshire, UK, will be one of the largest in the world for these products. It will allow Yara to double the capacity of its YaraVita products, allowing it to increase its footprint in the specialty crop nutrition business, one of the fastest growing markets in agriculture
- ▶ On May 18th, **Técnicas Reunidas (BME:TRE)**, a Spanish-headquartered, sustainability-focused global engineering and construction company, announced that it has signed a contract with the green fertilizer company, **Atlas Agro**, for the development of a zero-carbon fertilizer plant, Pacific Green Fertilizer, in Washington state. The nitrogen fertilizer plant, which will have the capacity to produce 650 000 tpy of calcium ammonium nitrate, will use proprietary technology for the main process units and will be one of the world's first full scale zero-carbon nitrogen plant, using only air, water and zero-carbon electricity as raw materials
- ▶ On May 12th, **CF Industries**, one of the world's largest producers of nitrogen fertilizer, announced that it is working with **CHS Inc.**, a leading US agribusiness cooperative, to accelerate quantifiable and certifiable agriculture and food system greenhouse gas (GHG) emission reductions through the production and distribution of low-carbon nitrogen fertilizer. This initiative was developed as part of the US-UAE's Agriculture Innovation Mission for Climate (AIM for Climate) program that seeks to catalyze global innovation in climate-smart agriculture
- ▶ On May 5th, **Biobest**, a Belgium-based specialist in integrated pest management, biological control and pollination, announced that it has signed a non-binding letter of intent to acquire **BioWorks, Inc.**, a US-based manufacturer, and marketer of biopesticides, for an undisclosed amount. The proposed acquisition will accelerate Biobest's expansion into biopesticides as well as its product development, marketing, and logistics expertise

Relative Performance Index



Key Indicators

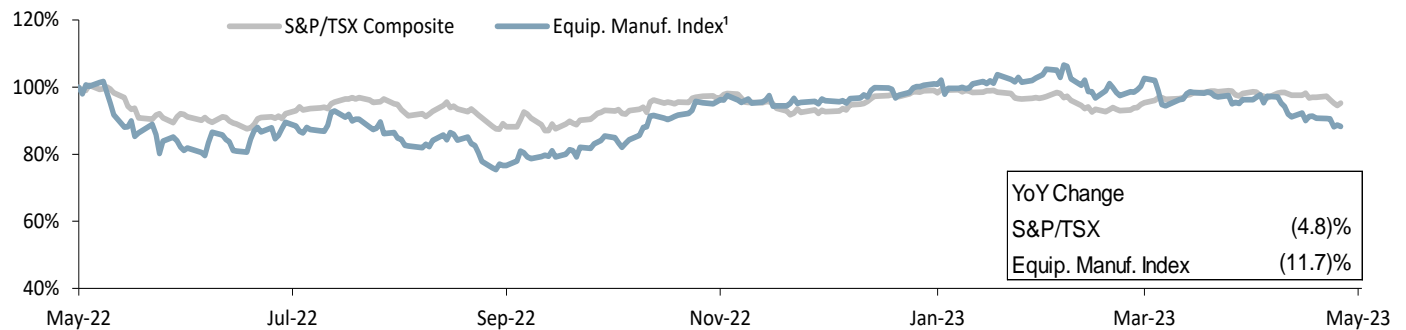
All Figures in USD millions unless indicated

	Market		TEV/EBITDA		Price/Earnings		Week Δ Price	Δ Price 52Wk High
	Cap	TEV	2023E	2024E	2023E	2024E		
Nutrien Ltd.	28,156	38,948	7.1x	7.5x	11.1x	12.1x	(8.2)%	(42.7)%
CF Industries Holdings, Inc.	12,251	16,630	5.3x	5.9x	7.0x	8.5x	(4.4)%	(47.4)%
The Mosaic Company	11,255	15,666	4.6x	5.1x	6.4x	7.6x	(5.3)%	(47.6)%
Yara International ASA	10,577	10,874	6.8x	6.4x	nmf	nmf	0.7 %	(16.0)%
Nufarm Ltd.	1,433	2,318	7.2x	6.4x	16.2x	13.2x	(9.6)%	(14.7)%
Mean			6.2x	6.3x	10.2x	10.3x	(5.3)%	(33.7)%

News Scan

- ▶ On May 22nd, **CNH Industrial** and **ONE SMART SPRAY**, a joint venture between **Bosch** and **BASF** focusing on weed control through tech-enabled spraying of herbicides, announced that they have signed a collaboration agreement to integrate ONE SMART SPRAY's advanced spraying system within CNH Industrial's agricultural brand product portfolios. This will fast track the further enhancement of CNH Industrial's precision and automated spraying capabilities
- ▶ On May 10th, **Growlink**, a US-based developer of smart agriculture technology and IoT solutions for the Controlled Environment Agriculture industry, announced the acquisition of **FloEnvy**, a US-based developer of cultivation management software, for an undisclosed amount. With the acquisition, Growlink customers will be able to access real-time plant and inventory tracking
- ▶ On May 9th, **Ecorobotix**, a Switzerland-based manufacturer of ARA, an AI-powered plant-by-plant recognition and ultra-high precision smart spraying system, announced the completion of a US\$52 million funding round, jointly led by **AQTON Private Equity GmbH** and **Cibus Capital LLP**. Ecorobotix will use the capital for geographical expansion, particularly in the Americas
- ▶ On May 2nd, **Sentera**, a US-based provider of ag analytics, announced a successful expansion of its previously oversubscribed Series C funding round, led by **Conti Ventures**, a division of **Continental Grain Company**, and **S2G Ventures**. The terms of the transaction were not disclosed. Proceeds support Sentera's capital requirements to achieve positive cash flow

Relative Performance Index



Key Indicators

All Figures in USD millions unless indicated

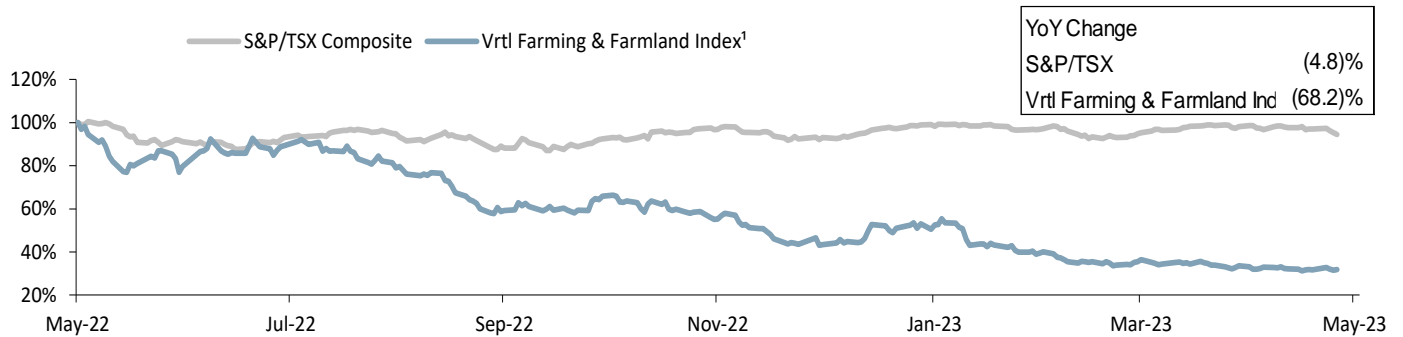
	Market		TEV/EBITDA		Price/Earnings		Week Δ Price	Δ Price 52Wk High
	Cap	TEV	2023E	2024E	2023E	2024E		
Deere & Company	105,849	161,427	12.7x	11.7x	11.3x	11.3x	(3.6)%	(20.3)%
AGCO Corporation	8,559	10,565	5.5x	5.6x	8.1x	7.8x	(1.6)%	(21.4)%
Ag Growth International Inc.	743	1,427	7.1x	6.6x	12.4x	10.3x	(3.9)%	(18.2)%
CNH Industrial N.V.	13,435	29,671	12.5x	12.1x	7.6x	7.3x	(4.3)%	(25.4)%
Mean			9.5x	9.0x	9.9x	9.2x	(3.0)%	(20.0)%



News Scan

- ▶ On May 22nd, **Muscle Maker, Inc. (NASDAQ:GRIL) ("MMI")**, a US-based agricultural-commodity supply chain and restaurant company, announced that its wholly-owned subsidiary, **Sadot LLC ("Sadot")**, has executed an agreement to purchase approximately 4,942 acres (2000 hectares) of producing agricultural land along with buildings and related assets located within the Mkushi Farm Block of Zambia's Region II agricultural zone, the country's most productive farmlands, for US\$8.5 million. The acquisition will further diversify MMI's holdings in the agricultural vertical
- ▶ On May 17th, it was reported that **Plant Factory**, a Turkish vertical farm supplier, opened a 1500m2 vertical farm inside **İstinyePark**, a popular shopping mall based in İstanbul. This is the first industrial-scale vertical farm in Turkey established inside a shopping mall, and will produce about 900,000 products per year with a daily harvest of 2,500 products, comprising of various types of lettuces, kale, purple kale, pak choi, basil, purple basil, type of parsley, and coriander
- ▶ On May 16th, **Sea to Sky Farms Inc. ("Sea to Sky")**, a Canadian vertical farmer specializing in leafy greens and microgreens, announced the acquisition of **Vertical Choice**, a Canadian sales brokerage and consulting firm that helps local farmers using sustainable indoor growing systems to sell their produce and grow their businesses, for an undisclosed amount. The acquisition will help Sea to Sky consolidate its sales and marketing processes in-house
- ▶ On May 15th, **Mastronardi Produce**, pioneers of commercial greenhouse growing in North America, announced a joint venture with **Intergrow Greenhouses Inc.**, which will include the acquisition of Intergrow's New York state-based commercial greenhouse facilities and trucking business, for an undisclosed amount. The new company, **Sungrow Farms LLC**, adds 105 acres of high-tech greenhouse production capacity to Mastronardi's expanding domestic network and ensures continuity of operations at local greenhouses, keeping more than 280 people employed in the workforce.

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
			2023E	2024E	2023E	2024E		
AppHarvest, Inc.	70	161	3.3x	1.8x	neg	neg	(10.3)%	(90.9)%
Village Farms International, Inc.	79	131	0.3x	0.3x	nmf	21.6x	(5.6)%	(80.7)%
Hydrofarm Holdings Group, Inc.	44	219	0.8x	0.7x	nmf	15.2x	(1.3)%	(84.4)%
Gladstone Land Corporation	550	1,162	12.6x	11.6x	15.2x	14.3x	(2.1)%	(45.4)%
Farmland Partners Inc.	576	1,126	18.6x	17.9x	33.3x	32.0x	1.3 %	(30.8)%
Local Bounti Corporation	48	183	5.2x	1.9x	neg	neg	(6.2)%	(92.3)%
Mean			6.8x	5.7x	24.2x	20.8x	(4.0)%	(70.7)%

News Scan

- ▶ On May 27th, **The Western Producer** reported that Farmers around the world are expected to harvest the second biggest lentil crop in history, estimated at 7.12 million tonnes of production, according to a Market Update published by the Global Pulse Confederation. That would be second only to the 7.3 million tonnes harvested in 2017, and well up from the less than six million tonnes in 2019 and 2021
- ▶ On May 25th, **Reuters** reported that the European Union agreed to suspend restrictions on imports from Ukraine for a further year after warding off an import ban imposed by some EU nations amid farmer protests over low prices
- ▶ On May 22nd, **Successful Farming** reported that farmers and ranchers who suffered losses due to natural disasters ranging from drought to hurricanes last year will receive US\$3.7 billion in aid from the USDA, which also announced US\$500 million in additional funding for the Regional Conservation Partnership Program and US\$103 million to defray marketing costs for organic dairy farmers this year
- ▶ On May 22nd, **FoodBev** reported that the Russian Federation has announced that it will continue its participation in the Black Sea grain deal for a further two months. The UN-brokered deal allows the exportation of Ukraine's grains through the Black Sea. Under the Black Sea Initiative, more than 30 million tons of food have been exported, including 30,000 tons of wheat, to feed citizens in Sudan
- ▶ On May 18th, **The Western Producer** reported that the US Supreme Court upheld California's Proposition 12, a law banning the in-state production and sale from any source of meats not produced to the law's specifications. Producers are worried about its impact on prices as California is one of the biggest markets for pork in the country
- ▶ On May 16th, **FoodDive** reported that gene-edited greens, the first food product in the U.S. developed with CRISPR technology, have launched under the brand name Conscious Greens. The Conscious Greens Purple Power Baby Greens Blend, made up of purple and green mustard greens, tastes more like lettuce, and the bitterness has been removed
- ▶ On May 14th, **The Globe and Mail** reported that poultry farmers in Quebec are grappling with a series of outbreaks of deadly avian flu, as the number of birds that have died or been euthanized due to the disease since early last year nears the one million mark. More than 7.6 million birds in Canada have either died or been euthanized due to the flu since last year, including 945,000 in Quebec
- ▶ On May 5th, **The Globe and Mail** reported that The United Nations food agency's world price index rose in April for the first time in a year. It averaged 127.2 points last month against 126.5 for March, reflecting higher prices for sugar, meat and rice, which offset declines in the cereals, dairy and vegetable oil price indices

Commodities Futures as of May 30, 2023

Commodities Futures	Price Unit	Latest Price (US\$)	Month to Date	Year to Date
Corn (CBOT)	\$ per bu.	\$6.04	3.25 %	(17.40)%
Wheat (CBOT)	\$ per bu.	\$6.16	(2.80)%	(40.84)%
Oats (CBOT)	\$ per bu.	\$3.44	10.10 %	(46.87)%
Rough Rice (CBOT)	\$ per cwt.	\$14.72	(15.28)%	(14.09)%
Rapeseed (Canola) (ICE)	CAD per T	\$653.90	(7.04)%	(38.01)%
Ethanol (CBOT)	\$ per gal.	\$2.16	-	0.05 %



About Us

Origin Merchant Partners is the leading Independent North American Financial Advisor to the Food & Agriculture Sector.

To learn more about our active food & agriculture practice, please reach out to any of our team members below.

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