

June 2023

Industry Highlights on

Food & Agriculture

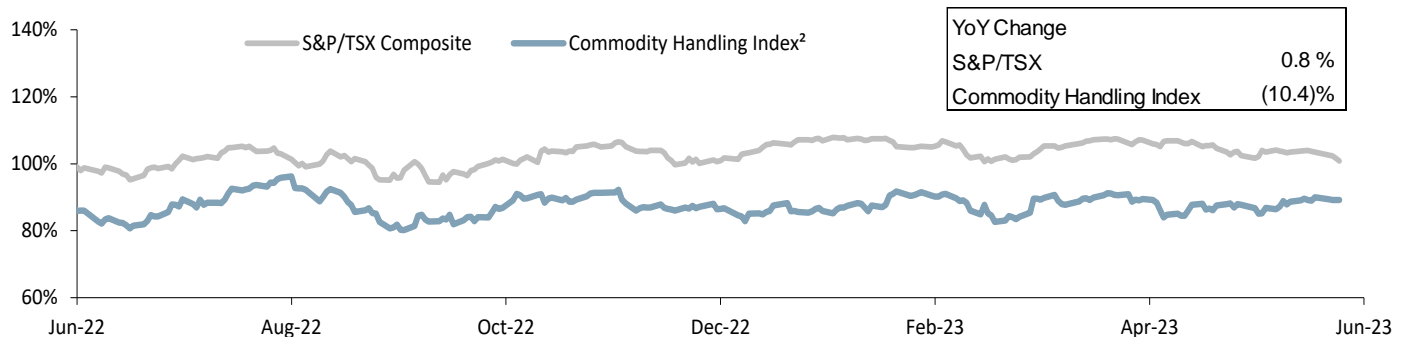


*Leading Independent North American Financial Advisor
to the Food & Agriculture Sector*

News Scan

- ▶ On June 13th, **Bunge Limited (“Bunge”)** (NYSE: BG) announced that it has entered into a definitive agreement to acquire **Viterra Limited** from **Glencore plc** for a total enterprise value of US\$17.3 billion, with US\$8.2 billion in cash and stock and US\$9.1 billion of assumed net debt (adjusted enterprise value of US\$11.0 billion after accounting for US\$6.3 billion¹ of readily marketable inventories as cash). The combination augments Bunge’s existing footprint with significant grain and softseed handling capacity, while expanding origination capabilities in key regions and crops where Bunge is underrepresented. The combined company will be diversified across the key export origins, as well as major crush destinations.
 - The transaction is expected to close in mid-2024, subject to satisfaction of customary closing conditions, including receipt of regulatory approvals and approval by Bunge shareholders
- ▶ On June 9th, **VTB**, Russia's second largest bank, announced that it intends to sell its 45% stake in **Demetra Holding (“Demetra”)**, one of Russia's biggest grain traders with a network of grain elevators and major deep sea grain terminals located across Russia and its own logistics companies located across Russia and Azerbaijan. VTB is in negotiations with both Russian and foreign buyers, and anticipates the sale, sought in the wake of international sanctions, will close this year

Relative Performance Index



Key Indicators

All Figures in USD millions unless indicated

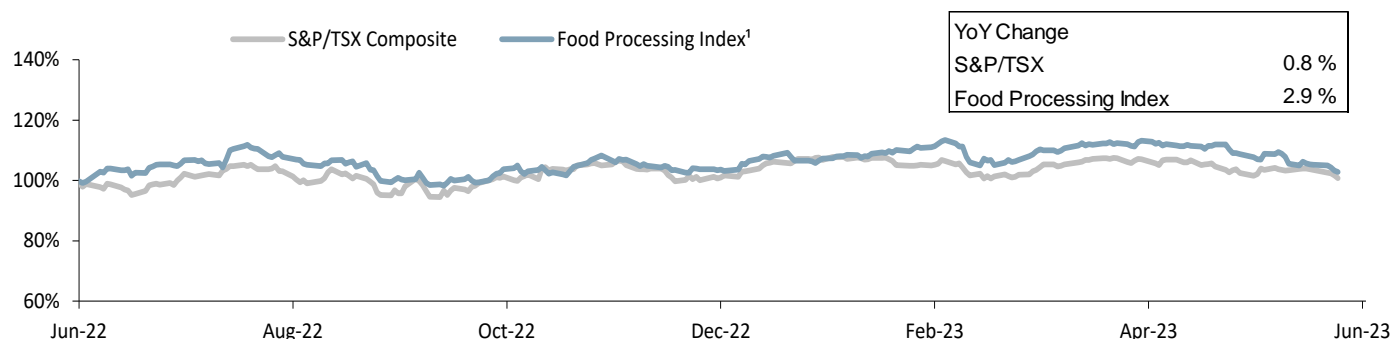
	Market Cap	TEV	TEV/EBITDA		Price/Earnings		Week Δ Price	Δ Price 52Wk High
			2023E	2024E	2023E	2024E		
ADM	39,704	51,477	7.6x	8.1x	10.7x	11.4x	(0.3)%	(25.8)%
Bunge Limited ³	14,164	29,809	6.0x	6.6x	8.0x	9.0x	(1.3)%	(12.1)%
The Andersons, Inc	1,515	2,950	8.6x	7.5x	17.6x	14.8x	1.6 %	(2.7)%
Graincorp Limited	1,160	2,299	5.7x	9.8x	7.8x	14.9x	(0.7)%	(24.2)%
United Malt Group Limited	906	1,355	13.6x	10.8x	39.9x	22.1x	0.0 %	(10.3)%
Ceres Global Ag	54	100	na	na	na	na	0.9 %	(38.3)%
Mean			8.3x	8.5x	16.8x	14.4x	0.0 %	(18.9)%

1. Reflects US\$9.0 billion of readily marketable inventories multiplied by a factor of 70% as per supplemental disclosure in Bunge investor presentation
2. “Commodity Handling Index” is composed of equally weighted market prices for: ADM, Bunge, Graincorp, The Andersons, Ceres, and United Malt Group.
3. Bunge Limited TEV/EBITDA and Price/Earnings multiples include the announced merger with Viterra and are sourced from institutional equity research reports

News Scan

- ▶ On June 20th, **Arbor Investments (“Arbor”)**, a US-based food and beverage-focused PE firm, announced its acquisition of **Golden Malted (“GM”)** and **Heartland Waffles (“HW”)**, two US-based suppliers of waffle irons and waffle mix, from **Roch Capital**, a US-based PE firm, for an undisclosed amount. Arbor’s industry expertise will help GM and HW usher in the next stage of growth
- ▶ On June 20th, **A&M Capital Partners**, through its portfolio company **BrightPet**, a US-based marketer and manufacturer of pet foods, treats, and care products, announced its acquisition of **Raw Advantage Processing, LLC**, a US-based co-manufacturer of freeze-dried and frozen raw pet food and treats, for an undisclosed amount. The acquisition expands BrightPet’s manufacturing capacity and establishes a West Coast presence
- ▶ On June 16th, **Nature’s Path Organic Foods (“Nature’s Path”)**, a Canadian organic cereal and snack food brand, announced its acquisition of **Love Child Organics**, a Canadian organic baby food and children’s snack brand, for an undisclosed amount. The deal strategically positions Nature’s Path in the thriving North American baby food market
- ▶ On June 14th, **Unilever** announced that it has entered into an agreement to acquire **Yasso Holdings, Inc.**, a US-based premium frozen Greek yogurt brand, for an undisclosed amount. The acquisition is aligned with the strategy of Unilever’s Ice Cream Business Group to add more premium brands to its portfolio
- ▶ On June 7th, **Puratos**, a Belgium-based provider of ingredients for bakers, patissiers and chocolatiers, announced its acquisition of **Foley’s Chocolates**, a Canadian provider of real chocolate and compound coatings to industrial manufacturers, for an undisclosed amount. The deal significantly increases Puratos’s chocolate market share and manufacturing capabilities in North America
- ▶ On June 7th, **TreeHouse Foods (NYSE: THS)**, a US-based private label food and beverage manufacturer, announced that it has signed a definitive agreement with **Farmer Brothers Company (Nasdaq: FARM)**, a US-based coffee roaster, wholesaler, equipment servicer and distributor of coffee, tea and culinary products, to acquire its Northlake, Texas, coffee facility and the Farmer Brothers non-Direct Store Delivery coffee business, for US\$100 million. The acquisition adds new capabilities in roasting and grinding and provides vertical integration in the private label coffee segment

Relative Performance Index



Key Indicators

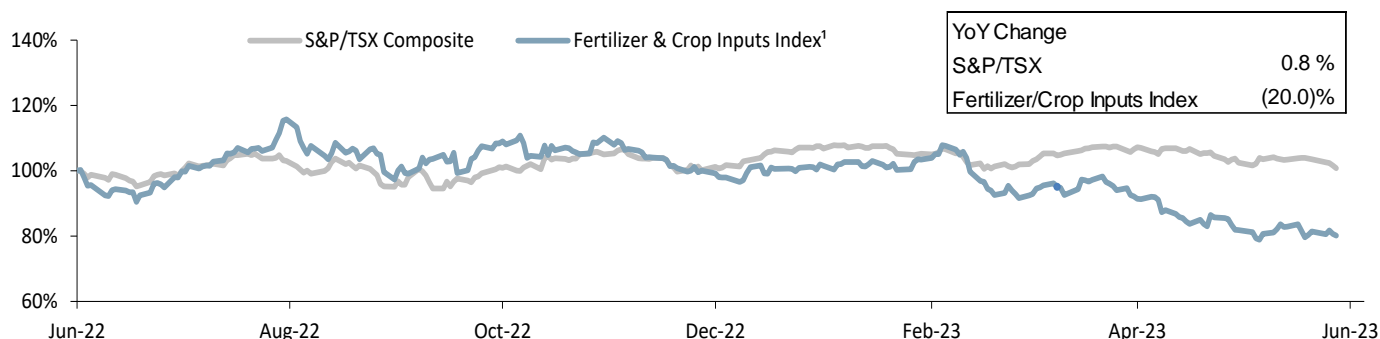
All Figures in USD millions unless indicated

	Market Cap	TEV	TEV/EBITDA		Price/Earnings		Week Δ Price	Δ Price 52Wk High
			2023E	2024E	2023E	2024E		
Saputo Inc.	9,569	12,403	10.0x	8.8x	16.5x	14.1x	(5.2)%	(21.0)%
Ingredion Incorporated	6,870	9,434	7.7x	7.4x	11.5x	10.8x	(3.4)%	(8.2)%
Tate & Lyle plc	3,459	3,835	8.8x	8.3x	13.4x	12.2x	(2.6)%	(13.6)%
Premium Brands	3,352	5,286	11.1x	10.3x	21.1x	17.6x	0.3%	(3.6)%
Maple Leaf Foods Inc.	2,271	3,705	11.4x	7.1x	nmf	12.5x	(7.1)%	(11.7)%
SunOpta Inc.	806	1,271	12.6x	10.5x	nmf	43.1x	0.2%	(41.9)%
Rogers Sugar	458	809	9.4x	9.2x	13.0x	12.7x	0.7%	(11.2)%
High Liner Foods Incorporated	339	568	7.1x	6.8x	9.8x	9.0x	(3.5)%	(14.2)%
Mean			9.8x	8.5x	14.2x	16.5x	(2.6)%	(15.7)%

News Scan

- ▶ On June 22nd, **Rhizocore Technologies (“Rhizocore”)**, a UK-based producer of locally-adapted mycorrhizal fungi to enhance tree planting success and accelerate woodland regeneration, announced the successful completion of its £3.5 million seed funding round, led by **ReGen Ventures, Collaborative Fund** and **Grok Ventures**. The funding will accelerate Rhizocore’s production of symbiotic fungi that associate with trees, accelerating forest regeneration and carbon sequestration
- ▶ On June 7th, **MidOcean Partners (“MidOcean”)**, a US-based PE firm, announced its acquisition of **Qualitech**, a US-based provider of plant nutrition, animal nutrition and food ingredient products and services, for an undisclosed amount. MidOcean’s industry knowledge will help Qualitech scale its product offerings
- ▶ On June 5th, **Paine Schwartz Partners (“Paine Schwartz”)**, a US-based PE firm focused on global food and agribusiness sectors, announced a strategic growth investment in **Elemental Enzymes (“Elemental”)**, a US-based developer of naturally occurring enzymes and biochemicals for use in commercial agriculture. The terms of the transaction were not disclosed. Paine Schwartz’s sectoral expertise and resources will support Elemental’s entrance into new markets and segments
- ▶ On June 1st, **MAIRE S.p.A.**, an Italy-based technology and engineering group that develops and implements innovative solutions enabling energy transition, announced that its subsidiary, **KT-Kinetics Technology** has been awarded the early engineering works for the realization of a new green fertilizer complex in North America by a group of private investors. The cost of the project was not disclosed. Once completed, the project will be one of the biggest facilities in North America entirely dedicated to the production of green fertilizers

Relative Performance Index



Key Indicators

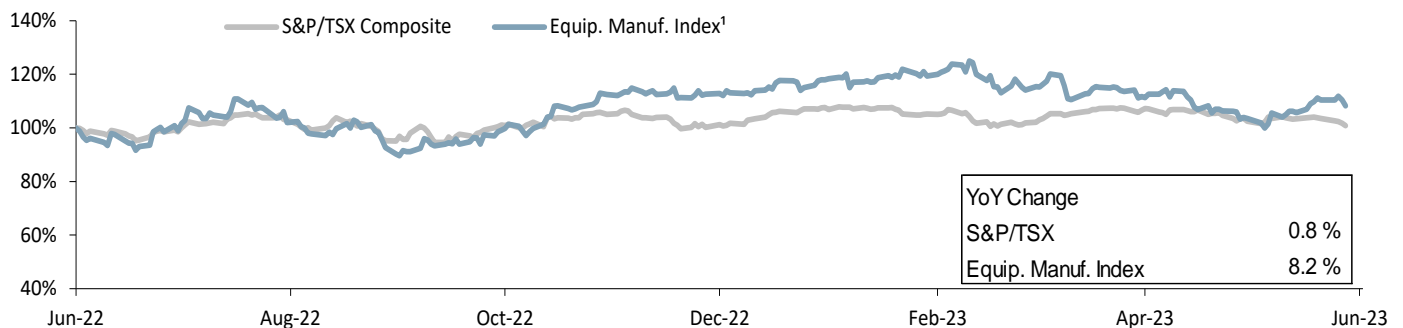
All Figures in USD millions unless indicated

	Market		TEV/EBITDA		Price/Earnings		Week Δ Price	Δ Price 52Wk High
	Cap	TEV	2023E	2024E	2023E	2024E		
Nutrien Ltd.	29,242	43,586	6.0x	6.3x	8.8x	9.5x	(0.6)%	(41.6)%
CF Industries Holdings, Inc.	13,754	16,892	5.5x	6.0x	8.1x	9.7x	4.1 %	(41.0)%
The Mosaic Company	11,361	15,674	4.7x	5.2x	6.6x	7.8x	(2.2)%	(45.8)%
Yara International ASA	8,940	11,981	4.5x	4.3x	nmf	nmf	2.8 %	(24.2)%
Nufarm Ltd.	1,299	2,185	6.8x	6.0x	14.7x	12.0x	(1.0)%	(21.7)%
Mean			5.5x	5.6x	9.5x	9.7x	0.6 %	(34.9)%

News Scan

- ▶ On June 22nd, **Oxbo**, a Netherlands-based provider of forage equipment, specialty harvesting, and controlled application technology, announced its acquisition of **H&S Manufacturing**, a US-based agricultural equipment manufacturer, for an undisclosed amount. The deal expands Oxbo’s presence in the hay and forage industry
- ▶ On June 8th, **Hydrosat**, a US-based climate tech company that specializes in delivering satellite imagery and data analytics to measure water stress and climate impact, announced that it has completed the acquisition of **IrriWatch**, a Netherlands-based developer of irrigation management software, for an undisclosed amount. By merging IrriWatch’s software with Hydrosat’s proprietary capabilities in crop classification and crop yield forecasting, the combined entity will be able to provide an end-to-end solution for the agriculture industry
- ▶ On June 8th, **Westcap Management Ltd.**, through its portfolio company **Degelman Industries LP (“Degelman”)**, a Canadian manufacturer of agricultural equipment, announced its acquisition of **Renn Mill Center Inc.**, a Canadian manufacturer of grain processing and grain bag storage systems, for an undisclosed amount. The partnership will foster new growth and diversification opportunities for Degelman
- ▶ On June 6th, **Hiphen**, a France-based provider of agricultural image analytics, announced that it is acquiring **SlantRange**, a US-based provider of precision agriculture technology, sensors and analytics, for an undisclosed amount. The deal will transform Hiphen into a leading drone phenotyping platform
- ▶ On June 5th, **Farm Health Guardian (“FHG”)**, a Canadian provider of biosecurity management platform for farmers and food companies, announced its acquisition of **NoveTechnologies, LLC**, a US-based agricultural technology company that develops Protocol, a facial recognition barn entry system, for an undisclosed amount. The acquisition enhances FHG’s digital biosecurity offering

Relative Performance Index



Key Indicators

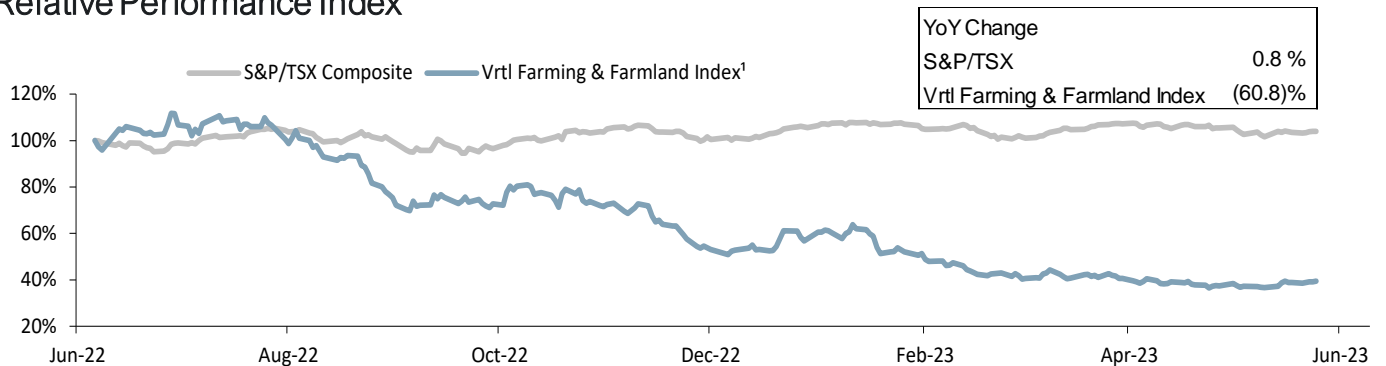
All Figures in USD millions unless indicated

	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2023E	2024E	2023E	2024E	Price	52Wk High
Deere & Company	118,582	174,994	13.0x	12.9x	12.9x	12.8x	1.4 %	(9.8)%
AGCO Corporation	9,715	11,751	6.2x	6.3x	9.2x	8.8x	(0.1)%	(10.8)%
Ag Growth International Inc.	687	1,370	6.8x	6.3x	11.5x	9.5x	(4.6)%	(23.6)%
CNH Industrial N.V.	18,340	40,034	12.6x	12.3x	7.8x	7.5x	(4.3)%	(23.6)%
Mean			9.6x	9.4x	10.3x	9.6x	(1.1)%	(14.7)%

News Scan

- ▶ On June 9th, **Farmland Partners Inc. ("FPI") (NYSE: FPI)**, a US-based REIT focused on farmland, announced that it has sold 1,370 acres of farmland spanning four farms in Arkansas, Georgia, Illinois, and South Carolina, for US\$8.9 million. The deal resulted in a cumulative gain on sale of US\$3.7 million – approximately 73% over net book value. FPI continues to own, operate, and/or manage approximately 193,000 acres of farmland in 20 US states
- ▶ On June 9th, **Veripath Farmland Partners ("Veripath")**, a Canadian alternative investment firm focusing on farmland, announced its acquisition of 4,100 acres of Alberta farmland, for an undisclosed amount. The deal adds to the 115,000 acres of farmland across Canada that Veripath already manages as it seeks to provide investors with a hedge for both inflation and stagflation
- ▶ On June 8th, **AeroFarms** a US-based global leader in indoor vertical farming, announced that it has filed for Chapter 11 bankruptcy protection. The company has also entered into an agreement with an existing group of AeroFarms investors to provide \$10 million in debtor-in-possession ("DIP") financing, as part of a larger round of financing that includes those investors
- ▶ On June 1st, **Macfarlan Capital Partners ("MCP")**, a US-based PE firm specializing in farmland investment, announced its acquisition of 7,109 acres of prime farmland in Poplar, Montana, for an undisclosed amount. The farm is located within the nutrient-rich and highly productive soils of the Prairie Pothole Region and brings MCP's total farmland holdings to over 25,000 acres

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.	56	197	4.0x	2.0x	neg	neg	(10.7)%	(92.6)%
Village Farms International, Inc.	65	118	0.3x	0.3x	nmf	19.4x	(11.0)%	(83.2)%
Hydrofarm Holdings Group, Inc.	43	218	0.8x	0.7x	nmf	15.1x	0.5 %	(81.3)%
Gladstone Land Corporation	569	1,182	13.0x	11.9x	15.6x	14.8x	(7.6)%	(41.9)%
Farmland Partners Inc.	608	1,135	18.8x	18.0x	28.0x	26.9x	(5.5)%	(22.0)%
Local Bounti Corporation	26	197	5.6x	2.0x	neg	neg	(37.6)%	(94.9)%
Mean			7.1x	5.8x	21.8x	19.0x	(12.0)%	(69.3)%

News Scan

- ▶ On June 22nd, **Reuters** reported that the US Congress may need to pass a short-term extension of the country's current farm bill, the largest food and nutrition spending package, amid delay drafting the next one, according to top lawmakers on the Senate and House farm committees. The current bill expires on September 30
- ▶ On June 22nd, **Western Producer** reported that The Canadian Cattle Association is monitoring dry conditions affecting beef producers across the country, which might hasten shrinkage in the national herd that is already at its lowest since 1990
- ▶ On June 21st, **Reuters** reported that two companies, Upside Foods and Good Meat, have received final USDA approval to sell lab-grown meat, paving the way for the nation's first-ever sales of the product. This makes the US the second country after Singapore to allow the sale of so-called cultivated meat, which is derived from a sample of livestock cells that are fed and grown in steel vats
- ▶ On June 20th, **Food Dive** reported that depleted cattle herds have pushed up beef prices, eating into meatpacker profits as they struggle to fully pass along the costs to inflation-wary consumers. Prices for fed cattle reached a record for the week ending June 4, according to a USDA report, as cattle stocks have remained low due to persistent drought conditions across the US
- ▶ On June 14th, **Food Dive** reported that the USDA announced a new effort to strengthen the substantiation on claims like “grass-fed”, “free-range” and “raised without antibiotics” that appear on meat and poultry product labels, after petitions and comments from stakeholders requested the government to rethink how these animal-raising claims are administered
- ▶ On June 12th, **AGCanada** reported that warm and dry conditions across much of the Prairies in May caused drought conditions to worsen, especially in Alberta. In addition, a record number of wildfires were reported across northern parts of the region
- ▶ On June 12th, **Reuters** reported that India, the world's second biggest sugar exporter, is not considering allowing sugar exports until at least the first half of the next season, as the government is worried the El Nino weather pattern could reduce rainfall and dent production, according to government sources
- ▶ On June 2nd, **Food Ingredients 1st** reported that food commodity prices fell to a two-year low in May amid significant drops in quotations for most cereals, vegetable oils and dairy products, according to the Food and Agriculture Organization (FAO) of the UN. The FAO Food Price Index averaged 124.3 points in May, down 2.6% from April and 22.1% below the all-time high reached in March 2022

Commodities Futures as of June 26, 2023

Commodities Futures	Price Unit	Latest Price (US\$)	Month to Date	Year to Date
Corn (CBOT)	\$ per bu.	\$5.88	(2.65)%	(10.81)%
Wheat (CBOT)	\$ per bu.	\$7.47	21.19 %	(20.25)%
Oats (CBOT)	\$ per bu.	\$4.12	19.80 %	(18.27)%
Rough Rice (CBOT)	\$ per cwt.	\$15.72	6.76 %	(5.22)%
Rapeseed (Canola) (ICE)	CAD per T	\$705.10	7.03 %	(20.83)%
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.

Origin Merchant Partners
Chicago | Montreal | Toronto
www.originmerchant.com

OMP Agri Food Team

ANDREW MUIRHEAD
MANAGING DIRECTOR
andrew.muirhead@originmerchant.com

JIM OSLER
MANAGING DIRECTOR
jim.osler@originmerchant.com

GREG MARTIN
MANAGING DIRECTOR
greg.martin@originmerchant.com

SHAUN QUENNELL
DIRECTOR
shaun.quennell@originmerchant.com

CHRISTOPHER SOLDA
DIRECTOR
christopher.solda@originmerchant.com