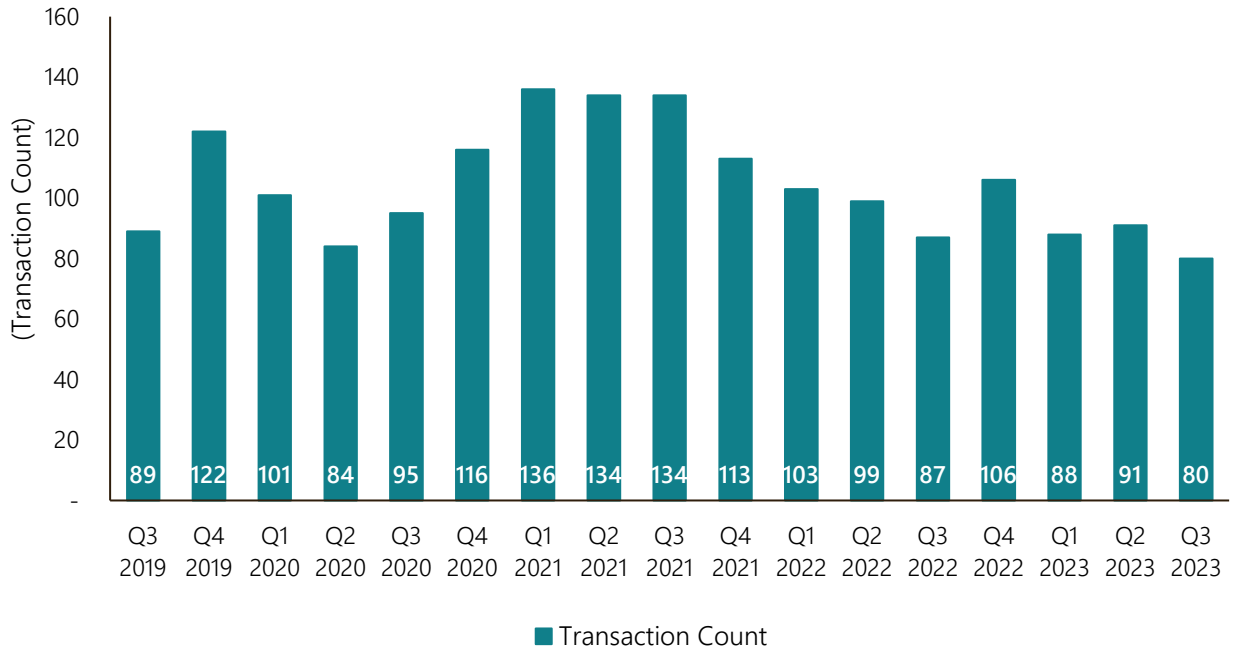


Agriculture

Quarterly Update | Q3 2023



Agriculture M&A Transactions



M&A Market Update – Q3 2023

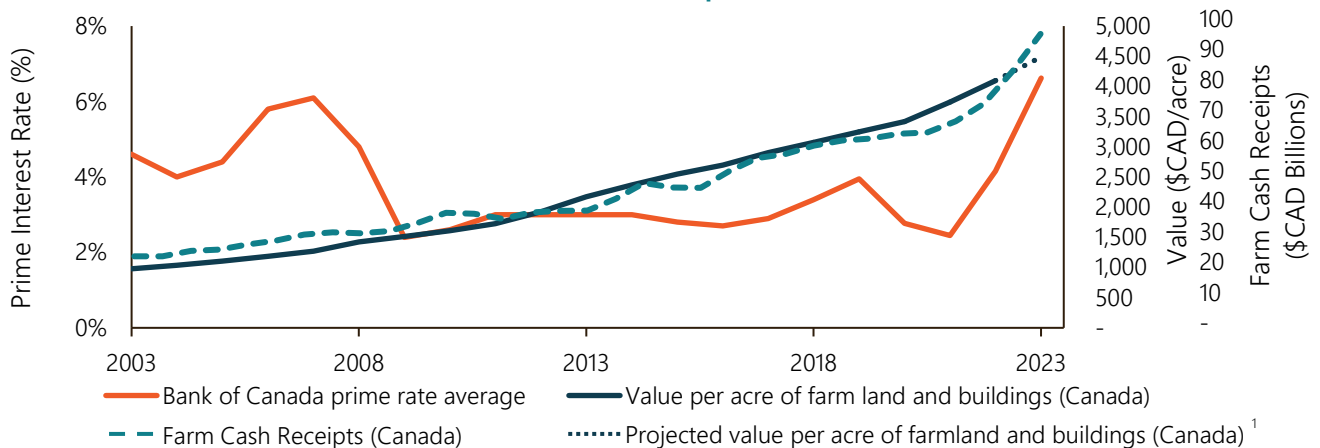
- M&A volume in the North American agriculture industry decreased slightly in Q3 2023 from Q2 2023, with 80 total transactions, compared to 91 in Q2 2023. Total transaction value of publicly disclosed transactions increased significantly — swayed by one large transaction — over this same period, with \$12.1 billion in Q3 2023, compared to \$1.1 billion in Q2 2023. Disclosed transaction multiples have maintained strong since 2019 with an enterprise value to earnings median multiple of 12x.
- The majority of transactions in the agriculture landscape in Q3 2023 were in the food products sub-sector, which comprised 67.5% of the disclosed transactions. There was also notable deal volume in the agricultural services and agricultural machinery distribution sub-sectors.
- M&A activity in Q3 2023 was predominantly driven by industry operators (i.e., strategic buyers) who accounted for the vast majority of total deal volume during the period. However, private equity buyers remain active and are closing deals with ample capital to deploy. Private equity also backs a significant portion of strategic buyers in the industry.
- The largest disclosed transaction in Q3 2023 was The J. M. Smucker Co.’s acquisition of Hostess Brands, Inc. for \$7.66 billion, accounting for 63.5% of the total publicly disclosed transaction value in the quarter.
- According to the most recent available data, farmland values increased through 2022, with a national average increase of 12.8%. In particular, prices of irrigated land saw strong increases, with producers continuing to consider options to alleviate drought and other water issues. While land values have continued their upward trend, interest rate increases in 2023 could slow growth throughout the remainder of the year.

Key Drivers

Key drivers affecting farmland values in Canada include farm cash receipts, interest rates, and agriculture industry performance, which is impacted by commodity prices, growing season conditions, and macroeconomic factors.

Farm cash receipts grew 2.9% year-over-year from Q2 2022 to Q2 2023, which represents the most recent quarterly information available. The Bank of Canada (BoC) prime rate averaged 4.1% throughout 2022 and 7.2% in Q3 2023. Strong farm cash receipts continue to support healthy land prices. However, higher interest rates may factor into decreased demand moving forward. There is not yet enough data to assess the impact of land values, given the strength of cash receipts relative to higher interest rates.

Farm Values vs. Farm Cash Receipts and Interest Rates

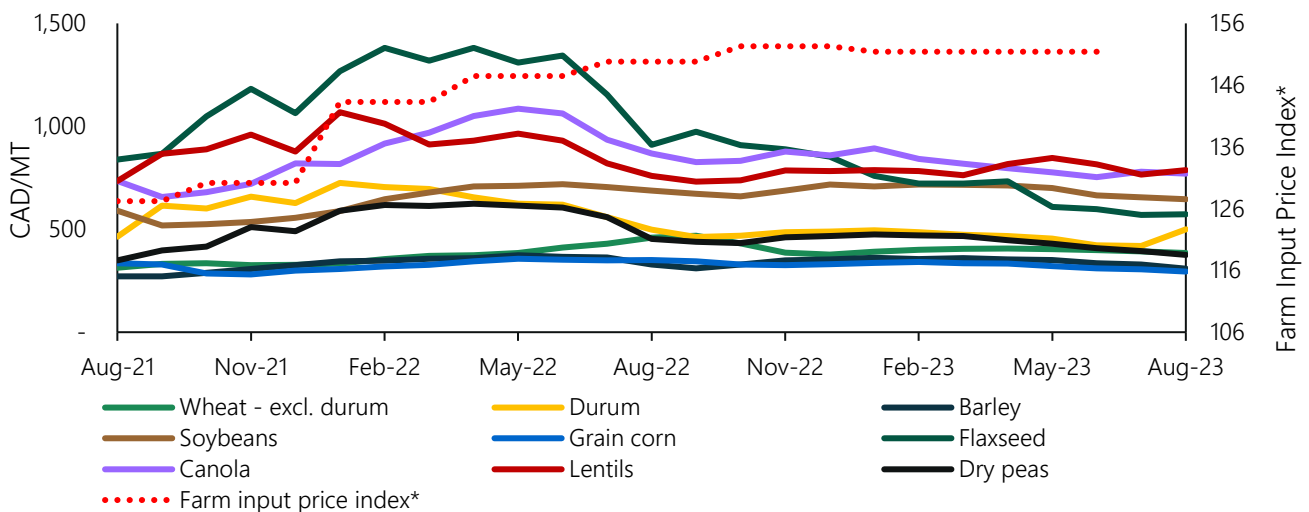


Commodity Price Changes and Farm Input Price Index Costs

While average commodity prices stabilized through Q3 2023, these have mostly all declined since Q3 2022.

The Statistics Canada Farm Input Price Index (FIPI) estimates the change in price that farmers pay for inputs in their farming operation over time. The FIPI has continued to increase in recent months, displaying a year-over-year increase of 2.6% from Q2 2022 to Q2 2023.

Crop Commodity Prices



*June 2023 is the most recent data available at the time of this report's preparation.
 Source: Stats Canada. Farm cash receipts information is not available for Q3 2023.
 1: Based on historical growth from 2021 to 2022.

Inputs and Commodity Markets

Market Pressure, Futures & Exports

Commodity Price Highlights

Most commodity prices have decreased overall in the last three months, except lentils, which increased by 9.9% over the previous quarter.

In the last 12 months, commodity prices have decreased across the board (excluding durum and lentils), ranging from modest to steep declines. Flaxseed, peas, corn, and canola have experienced the largest commodity price declines over this period.

Commodity Price Changes

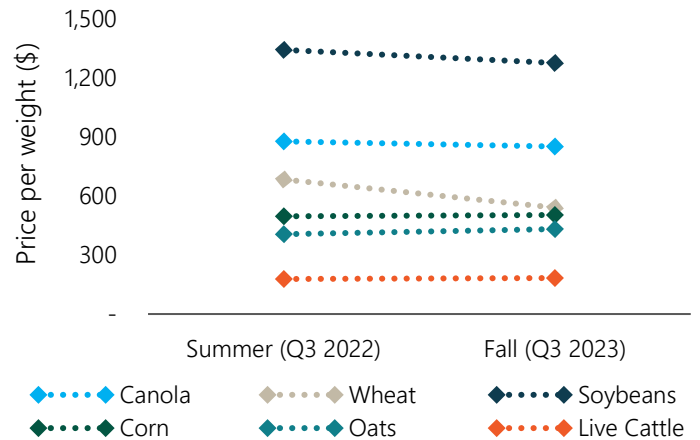
	Last 12 Months	Last 3 Months
Barley	-6.4%	-12.1%
Canola	-11.4%	-0.8%
Dry peas	-16.9%	-12.4%
Durum	+0.6%	+9.9%
Flaxseed	-37.2%	-6.0%
Grain corn	-16.1%	-8.5%
Lentils	+3.8%	-6.9%
Soybeans	-6.1%	-7.7%

Commodity Price Futures

Quoted prices for fall 2023 futures contracts have been relatively volatile compared to the previous quarter.

The futures prices for wheat (-21%), soybeans (-5%), and canola (-3%) all decreased from Q2 2023 to Q3 2023. The futures prices for corn (+1%), oats (+6%) and live cattle (+3%) all increased over the same period.

Commodity Pricing¹

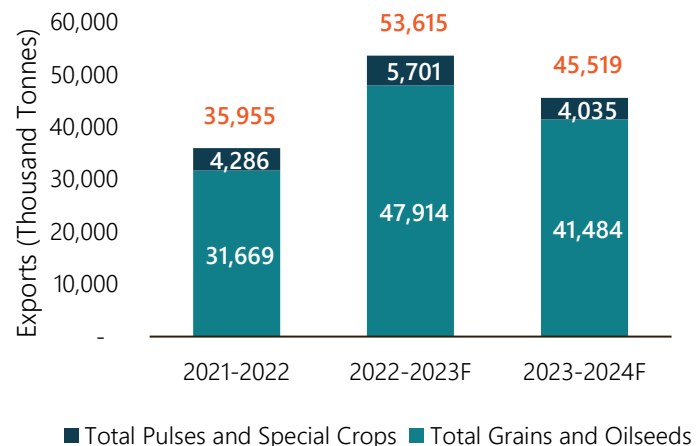


Crop Exports

Canadian principal field crop exports in the 2023-2024F period are forecast to decrease from the 2022-2023F total, compared to a 49.1% increase between the 2021-2022 and 2022-2023F periods.

Grains and oilseeds exports are forecast to decrease by 13.4%, while pulses and special crops are forecast to decrease by 29.2% between the 2022-2023F and 2023-2024F periods.

Canada's Principal Crops Exports²



"F" indicates Forecast.

Source 1: Capital IQ. Data as of September 30, 2023.

Source 2: Agriculture and Agri-Food Canada, Outlook for Principal Field Crops. September 25, 2023 update.

Select Recent M&A Transactions



has acquired



PRAIRIE PULSE INC.

Closed	July 2023
TEV	Not disclosed
TEV/EBITDA	Not disclosed
TEV/Revenue	Not disclosed

- **Archer Daniels Midland (ADM)** is a publicly traded company that specializes in food processing and commodities trading.
- **Prairie Pulse Inc.** (Prairie Pulse) is a locally operated lentil and pulse crop processor in Vanscoy, Saskatchewan, purchasing directly from Canadian farmers.
- The acquisition of Prairie Pulse will allow ADM to expand its North American footprint to supply the growing demand for pulse products.



Customer-first innovation. Real-world solutions.

has acquired



Closed	July 2023
TEV	Not disclosed
TEV/EBITDA	Not disclosed
TEV/Revenue	Not disclosed

- **Lindsay Corporation** (Lindsay) is a leading global manufacturer and distributor of irrigation and infrastructure equipment and technology.
- **FieldWise, LLC** (FieldWise) is a market leader in agricultural technology products with a focus on subscription-based, precision irrigation solutions. These solutions enable the remote monitoring and intelligent control of critical assets on farms or ranches.
- The acquisition of FieldWise will strengthen Lindsay's position in smart irrigation and other AgTech markets.



has acquired



Closed	July 2023
TEV	Not disclosed
TEV/EBITDA	Not disclosed
TEV/Revenue	Not disclosed

- **Richardson International** (Richardson), based in Winnipeg, Manitoba, is a worldwide handler and merchandiser of all major Canadian-grown grains and oilseeds and a vertically integrated processor and manufacturer of oats and canola-based products.
- **Anglia Maltings (Holdings) Limited** (Anglia Maltings) started malting in 1870 in Great Ryburgh, Norfolk, England. Today, it is recognized as a leading maltster and grain processor, supplying the global brewing and distilling sectors.
- The acquisition of Anglia Maltings will allow Richardson to tap into the strong global demand for malt and malting barley while diversifying their business.

Public Comparable Analysis

Trading Multiples & Operating Statistics

(Figures In \$CAD millions, except percentages and ratios)

Company	Market Capitalization	Enterprise Value	LTM Operating Figures			
			Revenue	Revenue Growth	EBITDA	EBITDA Margin
Nutrien Ltd.	\$41,479	\$58,607	\$43,146	(5.9%)	\$11,155	25.9%
Archer-Daniels-Midland (ADM) Company	\$54,695	\$66,517	\$132,266	5.8%	\$8,405	6.4%
Bunge Limited	\$22,059	\$29,137	\$84,479	(1.3%)	\$6,918	8.2%
The Andersons, Inc.	\$2,334	\$3,472	\$22,244	10.4%	\$518	2.3%
The Mosaic Company	\$16,002	\$20,547	\$22,284	1.6%	\$5,550	24.9%
Ceres Global Ag Corp.	\$67	\$141	\$1,373	-2.3%	\$8	0.6%
Seaboard Corporation	\$5,893	\$6,294	\$13,842	0.3%	\$1,185	8.6%
Median	\$16,002	\$20,547	\$22,284	0.3%	\$5,550	8.2%
Mean	\$20,361	\$26,388	\$45,662	1.3%	\$4,820	11.0%

(Figures In \$CAD millions, except percentages and ratios)

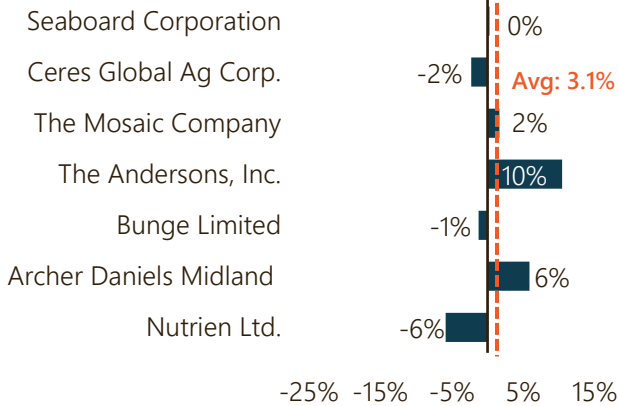
Company	NTM Consensus Estimates				Valuation		
	Revenue Growth	EBITDA Margin	NTM EV	NTM EV/EBITDA	LTM EV	LTM EV/EBITDA	LTM EV/REV
Nutrien Ltd.	-8.8%	21.1%	6.9x	-8.8%	\$58,607	5.3x	1.4x
Archer-Daniels-Midland (ADM) Company	0.3%	6.0%	8.3x	0.3%	\$66,517	7.7x	0.5x
Bunge Limited	0.0%	4.8%	6.9x	0.0%	\$29,137	4.1x	0.3x
The Andersons, Inc.	-2.1%	2.1%	7.6x	-2.1%	\$3,472	6.6x	0.2x
The Mosaic Company	-22.5%	21.2%	5.7x	-22.5%	\$20,547	3.6x	.9x
Ceres Global Ag Corp.	N/A	N/A	N/A	N/A	\$141	18.3x	0.1x
Seaboard Corporation	N/A	N/A	N/A	N/A	\$6,294	5.2x	0.4x
Median	-2.1%	6.0%	6.9x	-2.1%	\$20,547	5.3x	0.4x
Mean	-6.6%	11.0%	7.1x	-6.6%	\$26,388	7.3x	0.5x



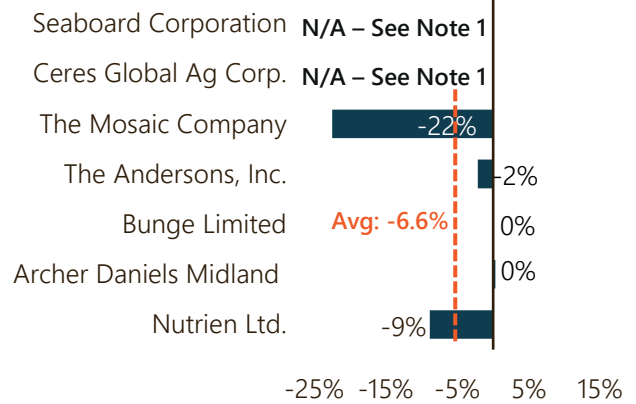
Public Comparable Analysis

Growth, Margins & Multiples

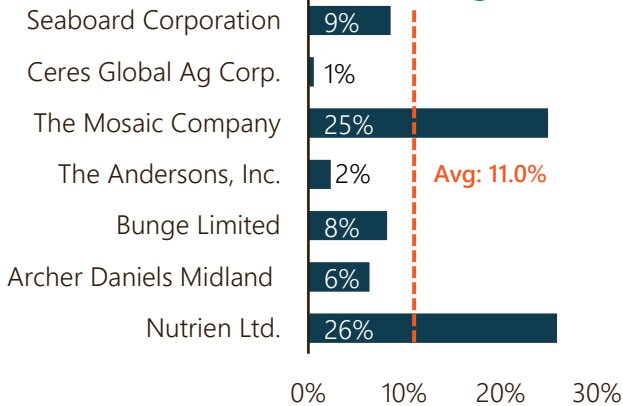
LTM Revenue Growth



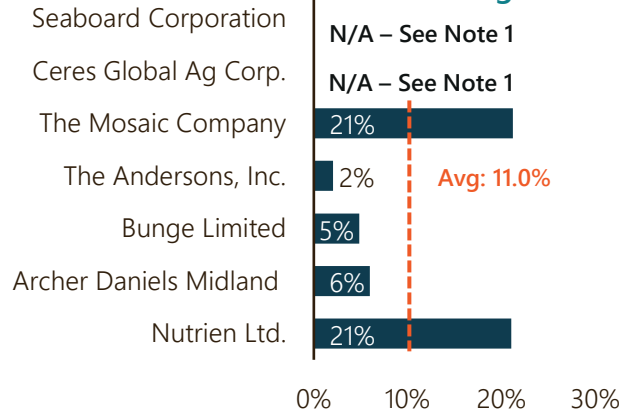
NTM Revenue Growth



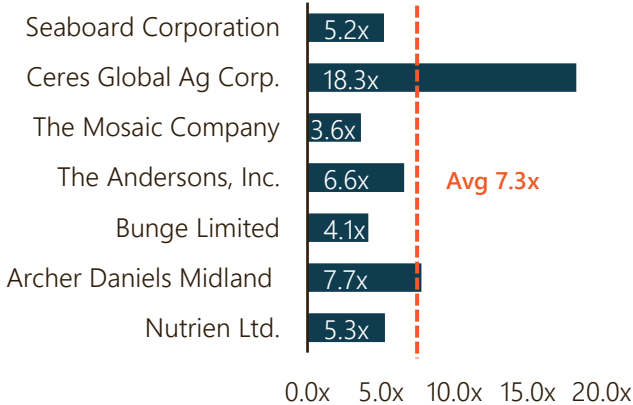
LTM EBITDA Margin



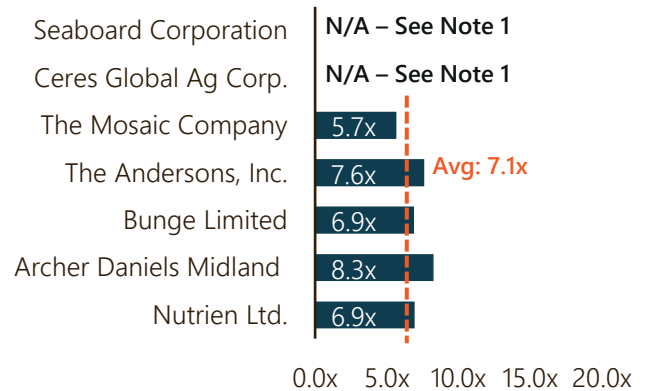
NTM EBITDA Margin



LTM EV/EBITDA



NTM EV/EBITDA



Source: Capital IQ. Data as of September 30, 2023.

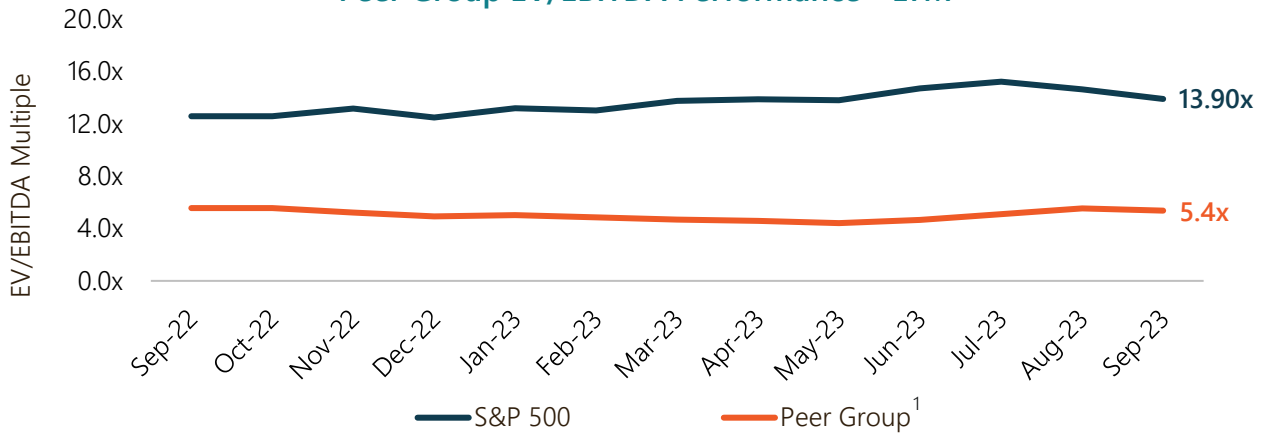
"LTM" refers to last twelve months. "NTM" refers to next twelve months.

Note 1: Projected information for Seaboard Corporation and Ceres Global Ag Corp. has been labelled as "N/A" as limited information is available for those companies. Valuation details provided on page 6.

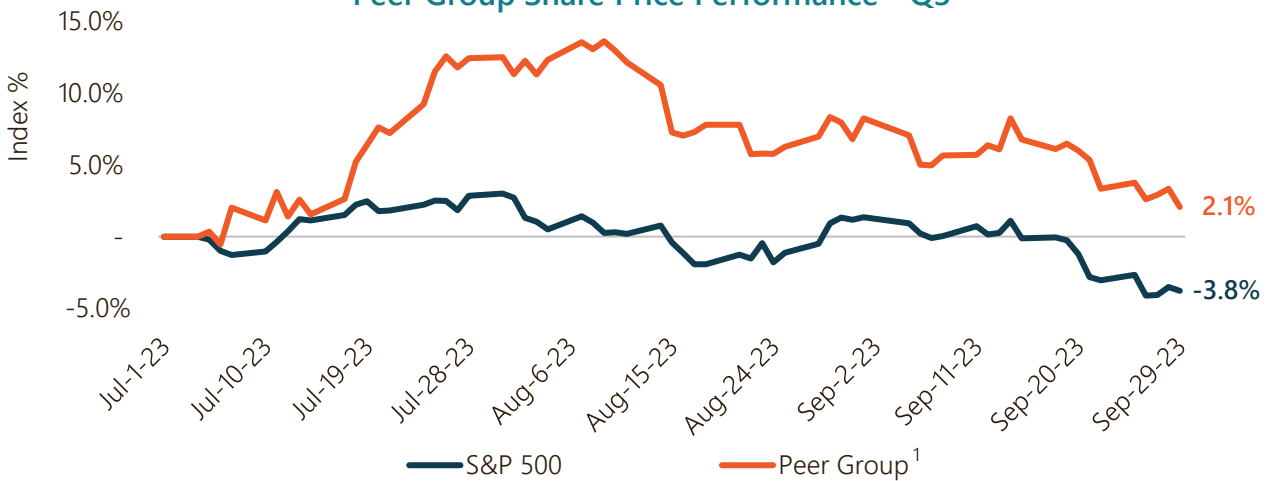
Public Comparable Analysis

Performance Analysis

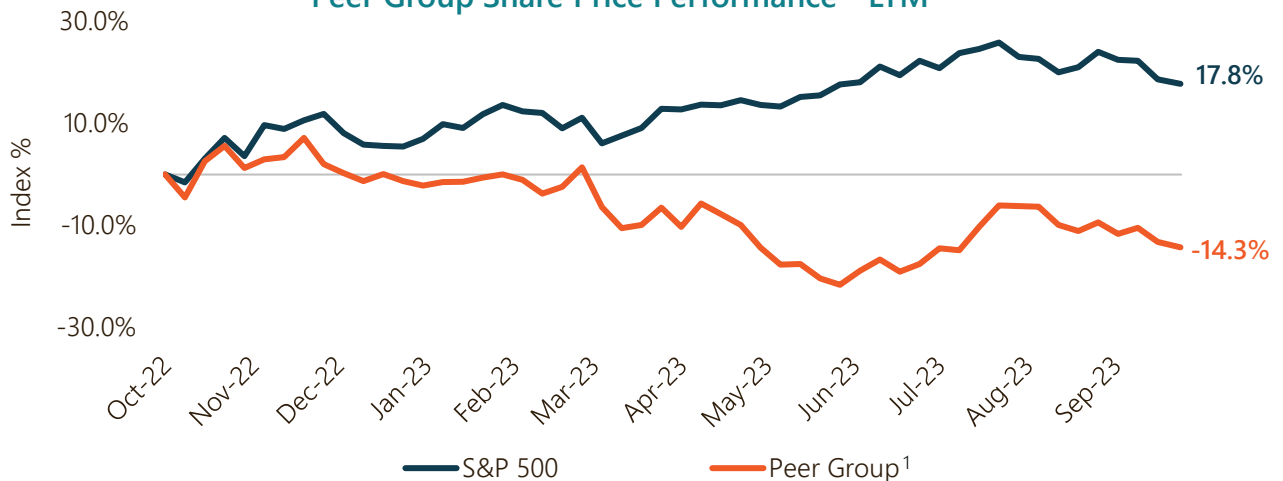
Peer Group EV/EBITDA Performance - LTM



Peer Group Share Price Performance - Q3



Peer Group Share Price Performance - LTM



Source: Capital IQ. Data as of September 30, 2023.

1: Peer Group: Nutrien Ltd., ADM Company, Bunge Limited, The Andersons, Inc., The Mosaic Company, Ceres Global Ag Corp, Seaboard Corporation. "LTM" refers to last twelve months.

About Us



MNP Corporate Finance (MNPCF) has a dedicated team of over 100 M&A, capital markets, and due diligence professionals across Canada. MNPCF works with clients in virtually all industries as they prepare, plan and execute transactions.

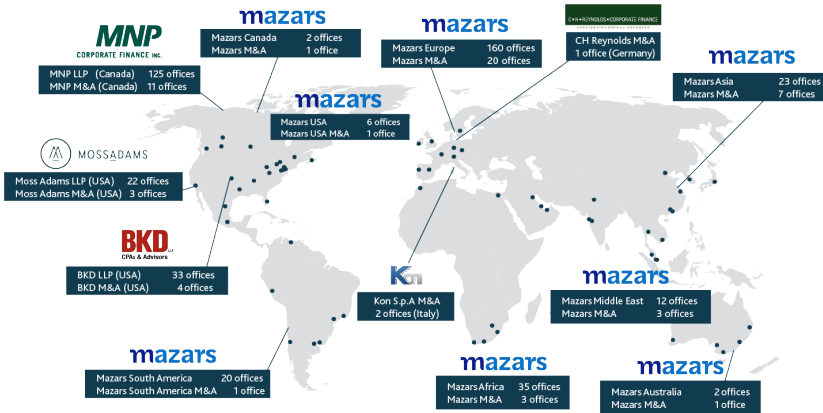
Our typical transactions range in value between \$3 million and \$300 million.

Local and International Reach

MNP is a participating firm within Praxity, a unique global alliance of independent accounting/advisory firms created to answer global business needs. As a member of Praxity, we are able to offer access to corporate finance, accounting and tax advisory services worldwide. We are also affiliated with Corporate Finance Cross Border, which consists of 250+ M&A professionals in more than 30 countries.



CFxBorder - Global reach with local relationships
 Our corporate finance team through CFxBorder consists of 250 plus M&A professionals in more than 30 countries



Services

- Divestitures
- Acquisitions
- Debt Financing
- Due Diligence
- Transaction Advisory Services

Recently Closed Deals (National)

has acquired

MNP Corporate Finance Inc. provided financial and tax due diligence services to GraceMed.

has acquired

MNP Corporate Finance Inc. acted as exclusive financial advisor to Global Physical Asset Management in structuring and negotiating this transaction.

has acquired

MNP Corporate Finance Inc. acted as exclusive financial advisor to Diamond Ice Systems Ltd. in structuring and negotiating this transaction.

has acquired

MNP Corporate Finance Inc. provided financial and tax due diligence services to Kirlend Capital Partners.

has acquired

MNP Corporate Finance Inc. provided financial due diligence services to TRS Ltd.

has acquired

MNP Corporate Finance Inc. acted as exclusive financial advisor to C. Martin's Bus Service Ltd. in structuring and negotiating this transaction.

has acquired a \$100,000,000 equity interest in the

MNP Corporate Finance Inc. acted as exclusive financial advisor and debt placement monitor to Northern Energy Services in this transaction.

has acquired

MNP Corporate Finance Inc. acted as exclusive financial advisor to Silverline Oilfield Services in structuring and negotiating this transaction.

has acquired

MNP Corporate Finance Inc. provided financial and tax due diligence services to Regimen Equity Partners.

has acquired a majority interest in

MNP Corporate Finance Inc. provided financial and tax due diligence services to Nibe Industrier AB.

About Us

Deal Experience

Since our inception, our team has advised on hundreds of transactions, in a wide range of industries with diverse enterprise values. In the past 10 years alone, we have completed over 250 transactions worth over \$4.5 billion (not including due diligence engagements).

Industry Experience

- Food & Beverage
- Retail & Distribution
- Manufacturing
- Agriculture
- Automotive
- Materials
- Healthcare
- Pharmaceutical
- Transportation
- Construction
- Software
- Financial Services
- Technology
- Energy
- Oilfield Services
- Real Estate

Hands-on Approach

Current M&A transactions require a hands-on approach from start to finish including the active engagement of senior resources. Our senior resources are dedicated to our clients and are available as necessary and appropriate. We keep our clients regularly informed of the engagement status, issues we are encountering, successes and overall progress.

Integrated Service Offering


We draw on the vast experience and deep specialist knowledge network of our partners locally, nationally and internationally as specialty issues arise, such as pre-transaction tax planning, transaction structuring, estate planning, valuation, due diligence, performance improvement and risk management.

Recently Closed Deals (National)



LIFT AUTO GROUP
has acquired
Herbers
Autobody Repair

MNP Corporate Finance Inc. provided financial due diligence services to Lift Auto Group Ltd.



efi
has acquired
LEJ

MNP Corporate Finance Inc. provided financial and tax due diligence services to EFL Cobalt LLC.



E360S
Total Environmental Management
has acquired
Local
Environmental Services

MNP Corporate Finance Inc. provided financial due diligence services to Environmental 360 Solutions Ltd.



LAB ONE CAPITAL
has acquired
Bottle Depot

MNP Corporate Finance Inc. provided financial and tax due diligence services to Lab One Capital Corp.




PORTWEST
has acquired
IFR WORKWEAR INC.

MNP Corporate Finance Inc. acted as exclusive financial advisor to IFR Workwear Inc. in structuring and negotiating this transaction.




tdc
The Textile Group
has acquired
Case Furniture Ltd.
a subsidiary of Tomlinson Group Inc.
ASHLEY

MNP Corporate Finance Inc. acted as exclusive financial advisor to Case Furniture Ltd. in structuring and negotiating this transaction.




SupremeX
has acquired the assets of
GRAF PAK

MNP Corporate Finance Inc. provided financial and tax due diligence services to SupremeX Inc.



An individual purchaser
has acquired
ROSE INTEGRATION
Resilient Quality of Working
a subsidiary of
TOMLINSON GROUP INC.

MNP Corporate Finance Inc. acted as exclusive financial advisor to Rose Integration 2015 Limited, a subsidiary of Tomlinson Group Inc. in structuring and negotiating this transaction.



FGC HEALTH
has acquired
RNN
Medical Division

MNP Corporate Finance Inc. acted as exclusive financial advisor to Shipping Ventures Ltd. (RNN Medical Division) in structuring and negotiating this transaction.



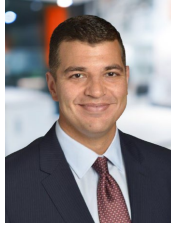
TerraNova Partners
has acquired
LUMINOR
LABORATORY

MNP Corporate Finance Inc. provided financial and tax due diligence services to TerraNova Partners LLP.

Transaction Leadership



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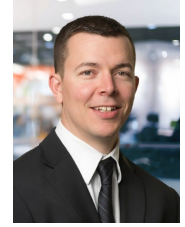
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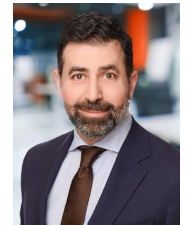
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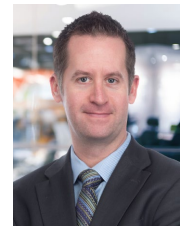
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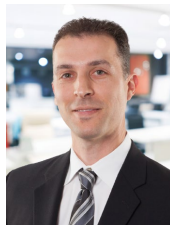
Due Diligence Leadership



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