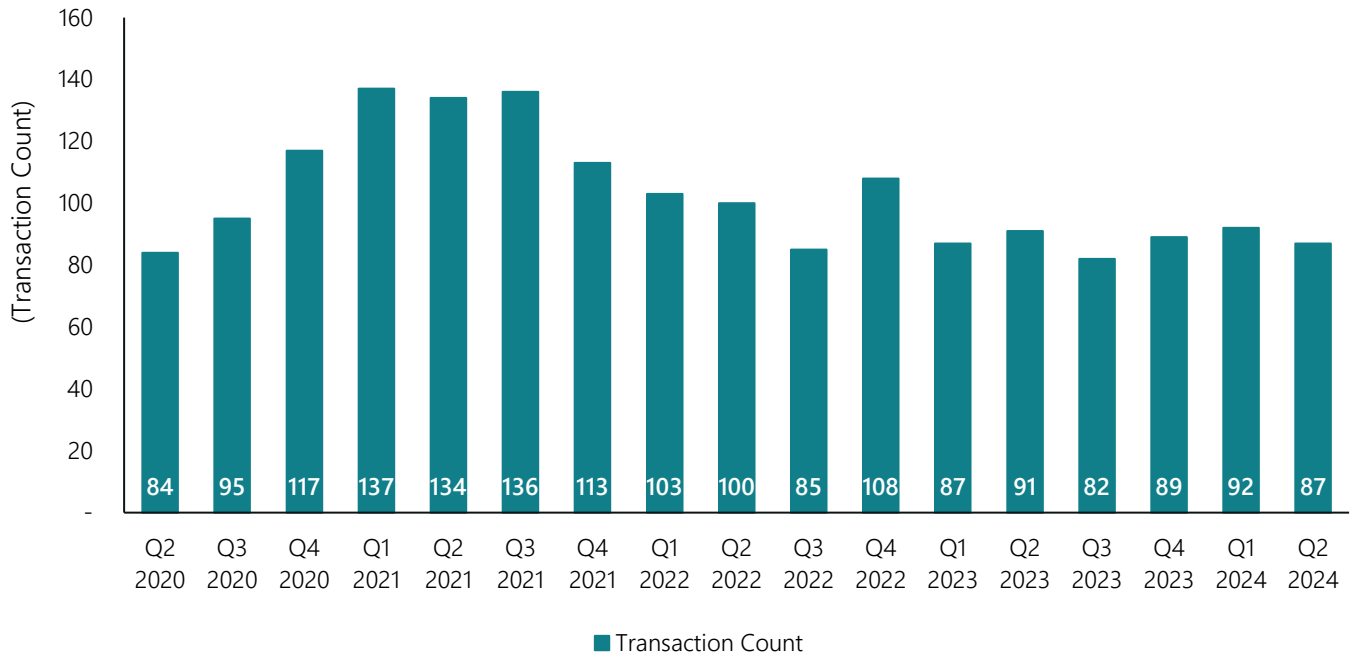


Agriculture

Quarterly Update | Q2 2024



Agriculture M&A Transactions - North America



M&A Market Update – Q2 2024

- M&A volume in the North American agriculture industry decreased in Q2 2024, with 87 total transactions, compared to 92 in Q1 2024. This was also down slightly from 91 total transactions in Q2 2023. However, the total value of publicly disclosed transactions increased to \$1.4 billion in Q2 2024, compared to \$1.1 billion in Q1 2024.
- Transaction multiples for publicly disclosed transactions have remained strong since 2019, with an enterprise value to earnings median multiple of 12.3x.
- The majority of transactions in the agriculture landscape in Q2 2024 were in the food products sub-sector, which comprised 75.0% of the disclosed transactions. Deal volume was also notable in the agricultural services and fertilizers and agricultural chemicals sub-sectors.
- M&A activity in Q2 2024 was predominantly driven by industry operators (i.e. strategic buyers) who accounted for the 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 Q2 2024 was Glanbia Plc's acquisition of Flavor Producers, LLC for \$488.5 million, accounting for 36.1% of the total publicly disclosed transaction value in the quarter.
- According to the most recent available data, farmland values increased through 2024, with a national average increase of 9.4%. Prices of irrigated land saw especially strong increases as producers considered options to alleviate drought and other water issues.

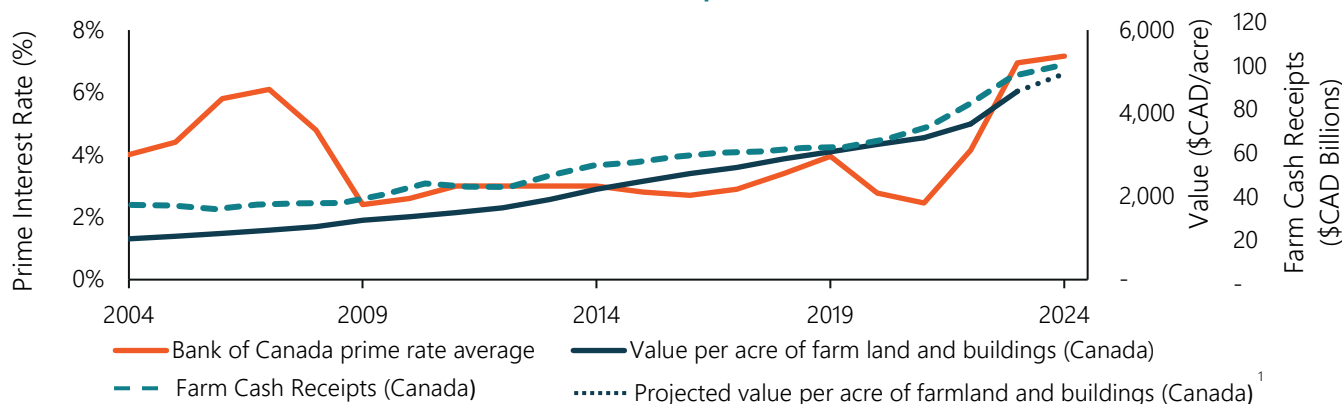
Macroeconomic Indicators

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 decreased 4.4% year-over-year from Q4 2022 to Q4 2023 (the most recent quarterly information available). The Bank of Canada (BoC) prime rate averaged 6.93% throughout 2023 and 7.20% in Q2 2024. However, it dropped down to 6.95% at the end of Q2 2024, the first prime rate decrease since 2020. 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. So far, farmland values seem resilient despite the higher interest rates persistent throughout 2023 and 2024, with the national average \$/acre increasing by 9.4% over this period.

Farm Values vs. Farm Cash Receipts and Interest Rates

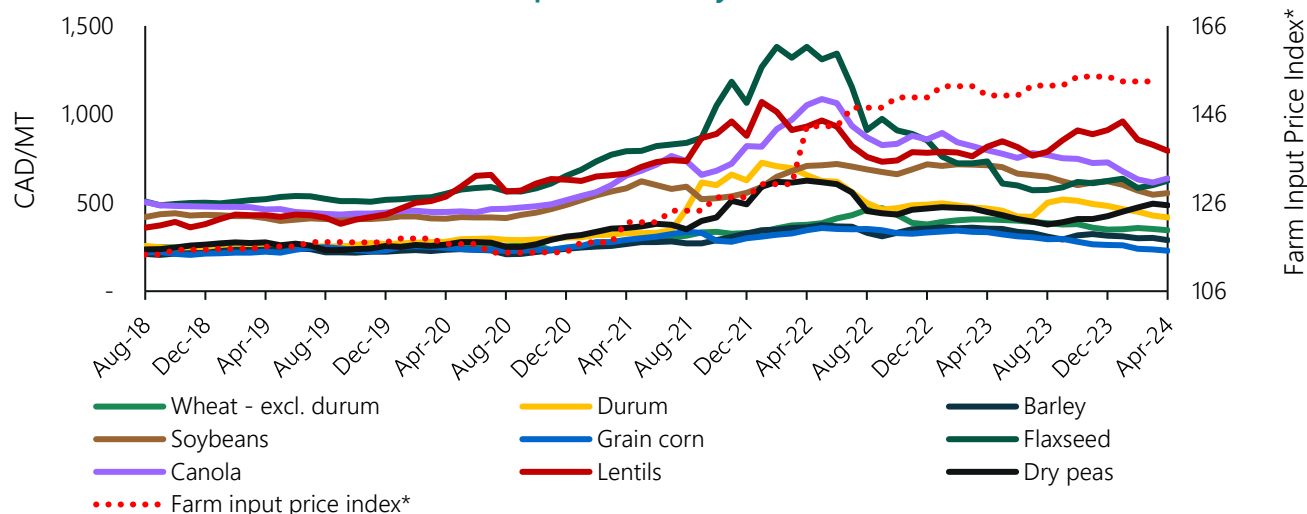


Commodity Price Changes and Farm Input Price Index Costs

Most commodities experienced further price declines in Q2 2024.

The Statistics Canada Farm Input Price Index (FIPI) estimates the changing prices that farmers pay for inputs for their farming operations over time. The FIPI has continued to increase in recent months, displaying a year-over-year increase of 3.1% from Q3 2022 to Q3 2023.

Crop Commodity Prices



*April 2024, 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 Q2 2024.

1: Based on historical growth from 2021 to 2022

Inputs and Commodity Markets

Market Pressure, Futures & Exports

Commodity Price Highlights

Commodity prices decreased across the board over the last three months (excluding dry peas).

Commodity prices have decreased across the board over the last 12 months (excluding dry peas), with declines ranging from modest to severe. Canola, grain corn, and soybeans have experienced the largest commodity price declines over this period.

Commodity Price Changes

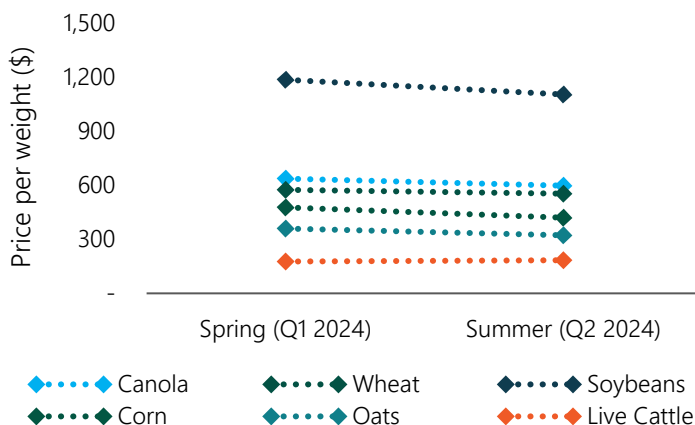
	<u>Last 12 Months</u>	<u>Last 3 Months</u>
Durum	-10.6%	-10.1%
Barley	-18.6%	-7.3%
Soybeans	-22.2%	-7.7%
Grain corn	-31.6%	-12.2%
Flaxseed	-14.7%	-1.6%
Canola	-20.0%	-5.8%
Lentils	-3.0%	-17.3%
Dry peas	+8.4%	+8.1%

Commodity Price Futures

Quoted prices for Summer 2024 futures contracts have been relatively stable, which is comparable to the previous quarter.

The futures prices for canola (-6.1%), oats (-10.3%), soybeans (-7.9%), wheat (-3.7%), and corn (-11.9%) all decreased between Q4 2023 and Q1 2024. The futures prices for Live Cattle (+3.9%) increased over the same period.

Commodity Pricing¹

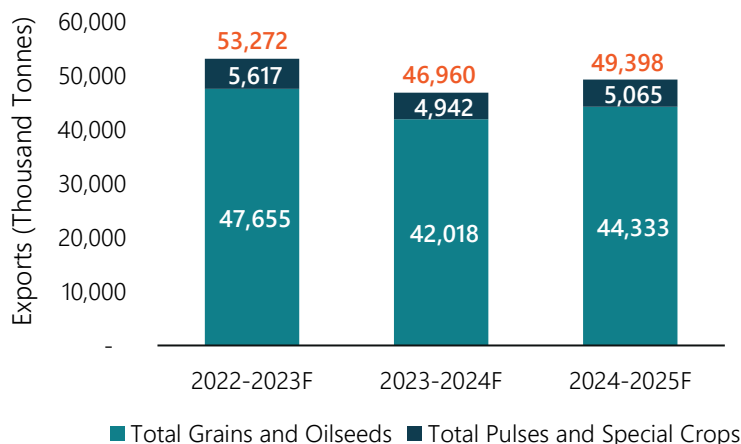


Crop Exports

Canadian principal field crop exports in the 2024-2025F period are forecasted to increase from the 2023-2024F total. This follows a 47.3% increase between the 2021-2022 and 2022-2023F periods.

Grains and oilseed and pulses and special crops are expected to increase by 5.5% and 2.5% respectively, between the 2023-2024F and 2024-2025F periods.

Canada's Principal Crops Exports²



"F" indicates Forecast.

Source 1: Capital IQ. Data as of June 30, 2024.

Source 2: Agriculture and Agri-Food Canada, Outlook for Principal Field Crops. June 2024 update.

Select Recent M&A Transactions



has acquired



Closed	May 2024
TV	Not Disclosed
TEV/EBITDA	Not Disclosed
TEV/Revenue	Not Disclosed

- **Belkorp Ag** (Belkorp) is a dealer of both new and used John Deere equipment. The company also acts as an investment firm.
- **Thomason Tractor** (Thomason) is a seller of farming machinery and equipment, specializing in the sale and retail of utility tractors, harvesting equipment, and lawn tractors.
- The acquisition of Thomason Tractor will allow both companies to combine synergies to offer a wider product suite to customers and more accessible servicing.



has merged with



Closed	June 2024
TV	Not Disclosed
TEV/EBITDA	Not Disclosed
TEV/Revenue	Not Disclosed

- **Agland** is an agricultural dealership located in Alberta. Agland sells new and used agricultural equipment including John Deere, Bandt, and Bobcat.
- **Martin Deerline** is a family-owned agricultural dealership, selling new and used John Deere equipment.
- The merger of Agland and Martin Deerline will allow both businesses to grow and capitalize on their operational synergies. The entity will be rebranded as Horizon Ag and Turf.



to acquire



Announced	June 2024
TV	\$57.5M
TEV/EBITDA	Not Disclosed
TEV/Revenue	3.64x

- **PI Industries Ltd.** (PI Industries) is an agri-sciences company that produces fungicides, herbicides, and fertilizers.
- **Plant Health Care LLC** (Plant Health Care) is a leading provider of proprietary biological products and technology solutions that focus on improving crop performance.
- The acquisition of Plant Health Care will assist PI Industries' long-term strategic objective to build a differentiated portfolio of sustainable agricultural solutions.

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
CNH Industrial	\$17,434	\$52,498	\$32,720	-0.4%	\$4,855	14.8%
Linamar Corporation	\$4,094	\$5,922	\$10,163	20.5%	\$1,363	13.4%
John Deere	\$140,918	\$226,971	\$80,225	-1.8%	\$21,553	26.9%
Mosaic Company	\$12,712	\$18,995	\$17,294	(32.1%)	\$3,250	18.8%
The Andersons, Inc.	\$2,295	\$3,015	\$18,399	(21.1%)	\$523	2.8%
Bunge Ltd.	\$20,691	\$25,902	\$78,037	(13.6%)	\$6,297	8.1%
Archer-Daniels-Midland Co.	\$40,907	\$55,659	\$124,186	(10.1%)	\$7,625	6.1%
Nutrien Ltd.	\$34,455	\$52,309	\$37,001	(23.0%)	\$7,372	19.9%
Median	\$19,063	\$39,105	\$34,860	-11.8%	\$5,576	14.1%
Mean	\$34,188	\$55,159	\$49,753	-10.2%	\$6,605	13.9%

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

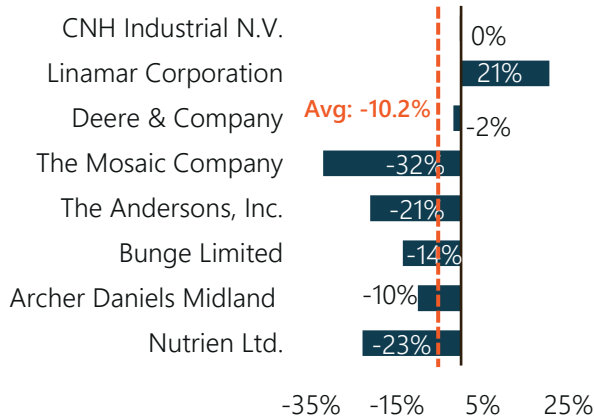
Company	NTM Consensus Estimates				Valuation		
	Revenue Growth	EBITDA Margin	NTM EV	NTM EV/EBITDA	LTM EV	LTM EV/EBITDA	LTM EV/REV
CNH Industrial	-1.9%	20.8%	\$52,517	6.9x	\$52,309	7.1x	1.4x
Linamar Corporation	2.1%	5.3%	\$56,861	8.5x	\$55,659	7.2x	.4x
John Deere	1.1%	4.2%	\$26,265	7.9x	\$25,902	4.1x	.3x
Mosaic Company	-8.3%	2.8%	\$2,953	6.3x	\$3,015	5.7x	.2x
The Andersons, Inc.	-4.6%	19.3%	\$18,300	5.8x	\$18,995	5.8x	1.1x
Bunge Ltd.	-25.4%	22.9%	\$221,661	16.2x	\$226,971	10.5x	2.8x
Archer-Daniels-Midland Co.	11.1%	13.9%	\$5,955	3.8x	\$5,922	4.3x	.6x
Nutrien Ltd.	-9.8%	12.1%	\$51,851	14.5x	\$52,498	10.7x	1.6x
Median	-3.2%	13.0%	\$39,058	7.4x	\$39,105	6.4x	.8x
Mean	-4.4%	12.7%	\$54,545	8.7x	\$55,159	6.9x	1.1x



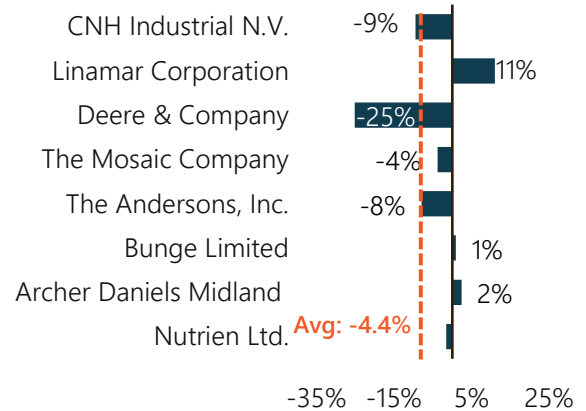
Public Comparable Analysis

Growth, Margins & Multiples

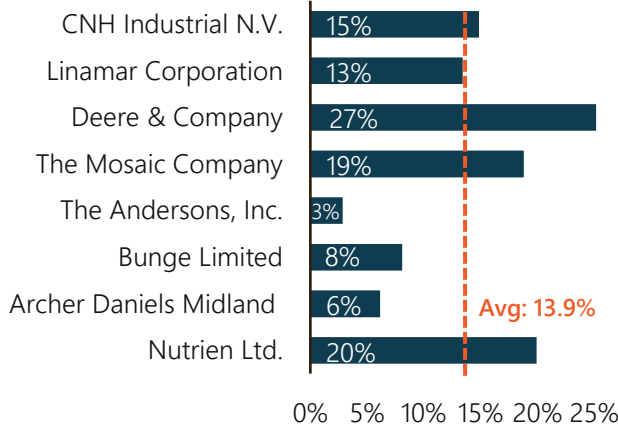
LTM Revenue Growth



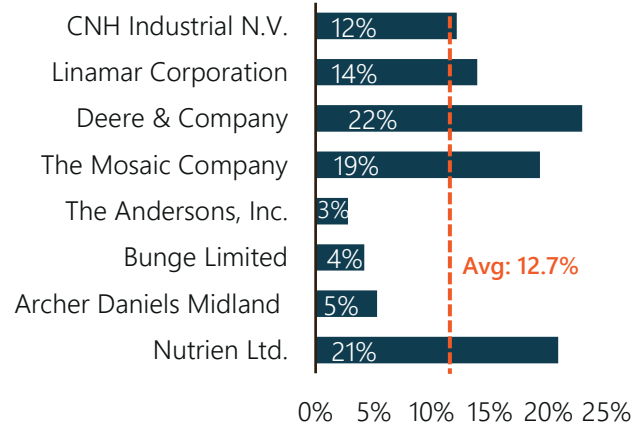
NTM Revenue Growth



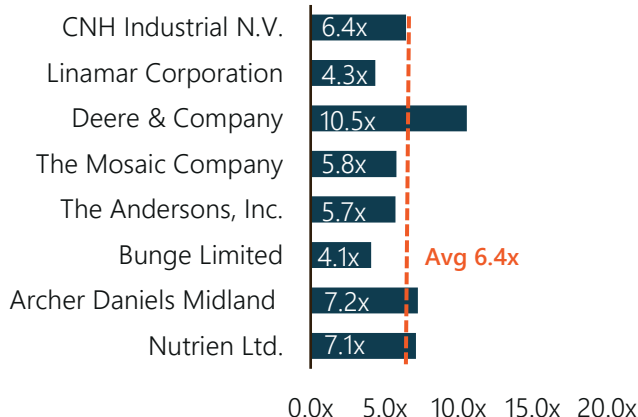
LTM EBITDA Margin



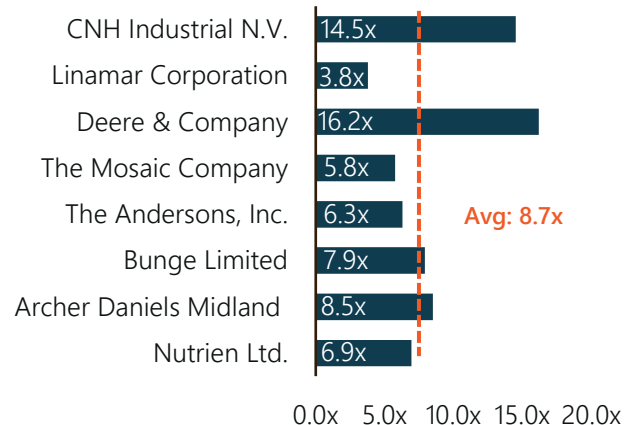
NTM EBITDA Margin



LTM EV/EBITDA



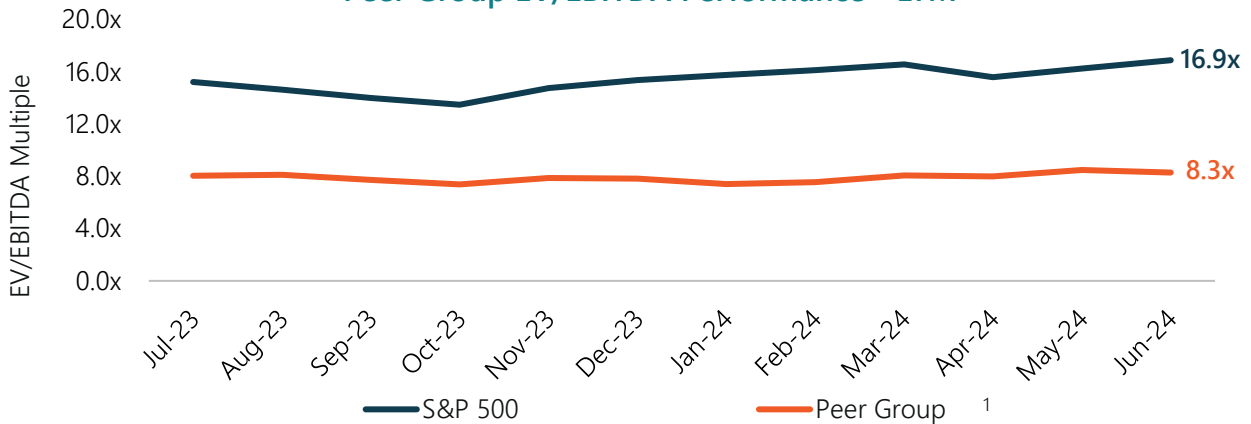
NTM EV/EBITDA



Public Comparable Analysis

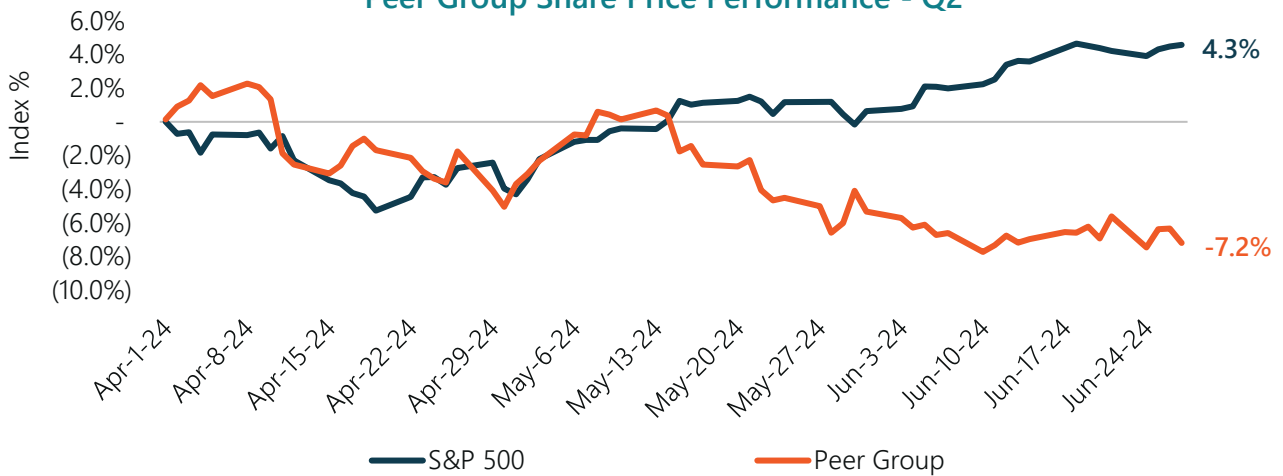
Performance Analysis

Peer Group EV/EBITDA Performance - LTM

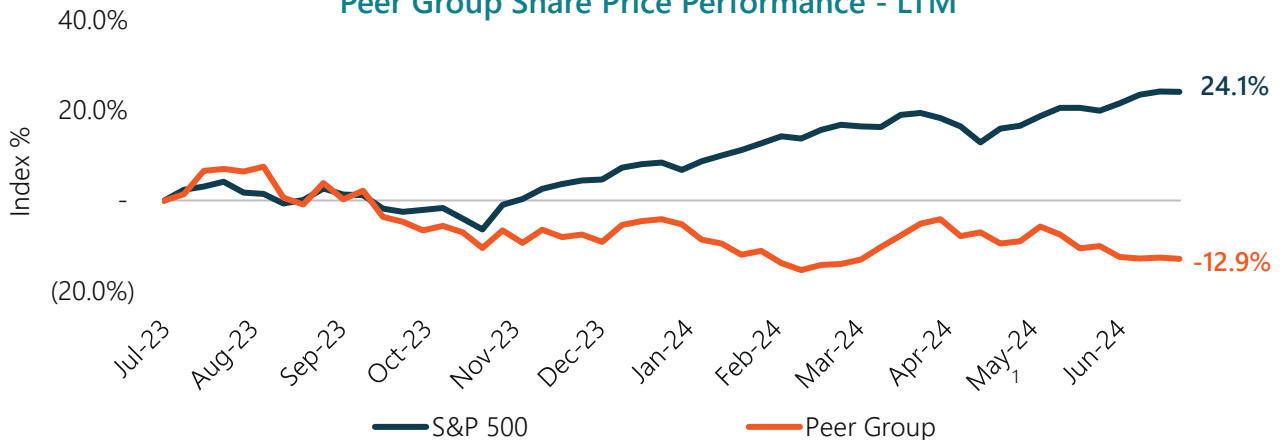


1: Peer Group: Nutrien Ltd., ADM Company, Bunge Limited, The Andersons, Inc., The Mosaic Company, John Deere, Linamar, CNHI.

Peer Group Share Price Performance - Q2



Peer Group Share Price Performance - LTM



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.

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 285 transactions worth almost \$5 billion (not including due diligence engagements).

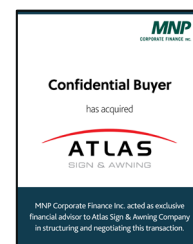
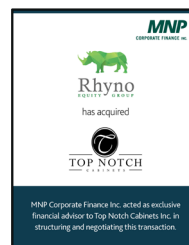
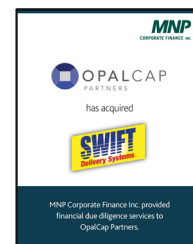
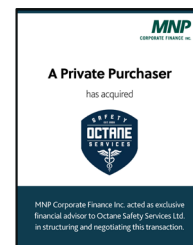
Industry Experience

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

Services

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

Recently Closed Deals (National)



About Us

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

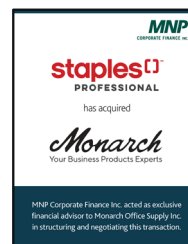
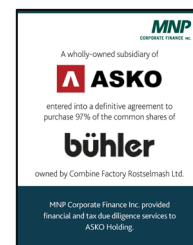
We draw on the vast experience and deep specialist knowledge network of our partners locally, nationally and internationally as specialty issues arise, such as pre-transaction tax planning, transaction structuring, estate planning, valuation, due diligence, performance improvement and risk management.

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.



Recently Closed Deals (National)

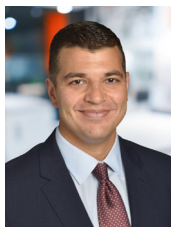


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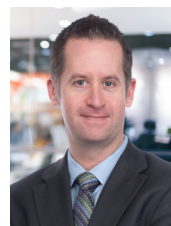
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