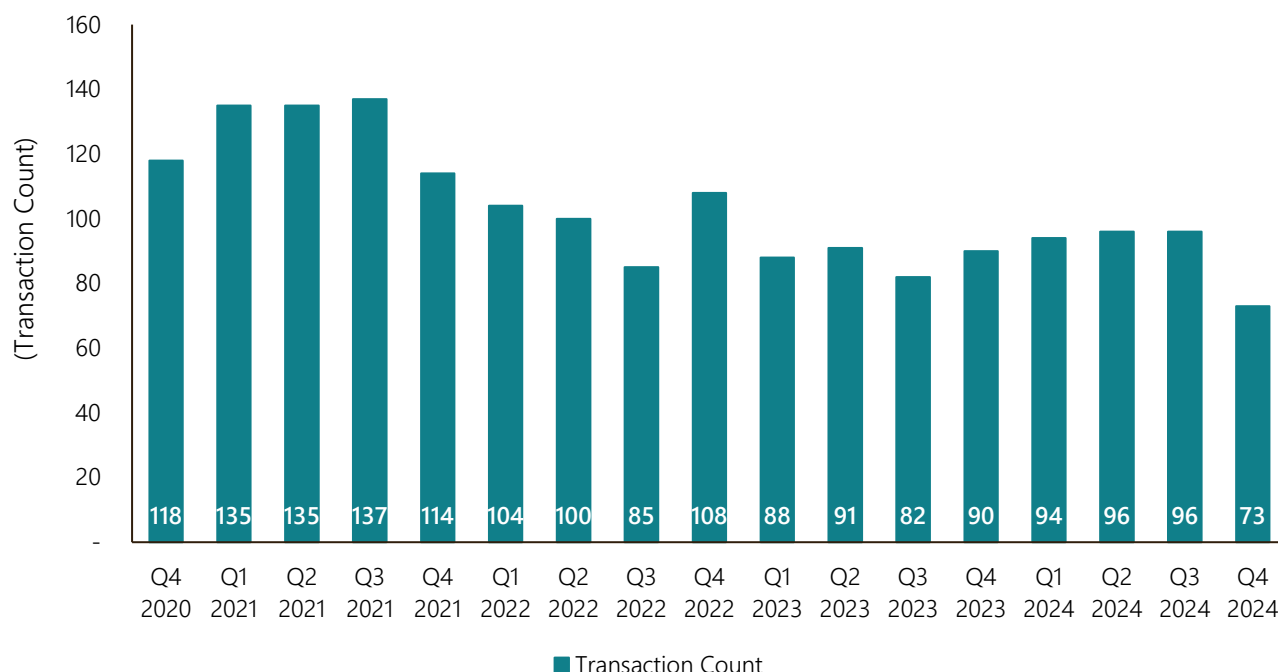


Agriculture

Quarterly Update | Q4 2024



Agriculture M&A Transactions - North America



M&A Market Update – Q4 2024

- M&A activity in the North American agriculture sector experienced a decline in volume in Q4 2024, with 73 transactions either announced or completed. This marked a decrease from 96 transactions in Q3 2024. General Mills Inc.'s acquisition of North American Premium Cat Feeding and Pet Treating Business of Whitebridge Pet Brands, LLC for \$2.03 billion accounted for 35.3% of the total publicly disclosed transaction value in the quarter.
- Transaction multiples for publicly disclosed transactions have remained strong since 2020, with an enterprise value to earnings median multiple of 10.7x.
- The majority of transactions in the agriculture sector in Q4 2024 were in the food product sub-sector, which comprised 83.6% of the disclosed transactions. Additionally, there was significant activity in the agricultural services and fertilizers and agricultural chemicals sub-sectors.
- M&A activity was predominantly driven by industry operators, who accounted for the majority of total deal volume during the period. However, private equity buyers remain active and also back a significant portion of strategic buyers in the industry.
- According to the most recent available data, farmland values increased through 2023, 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.

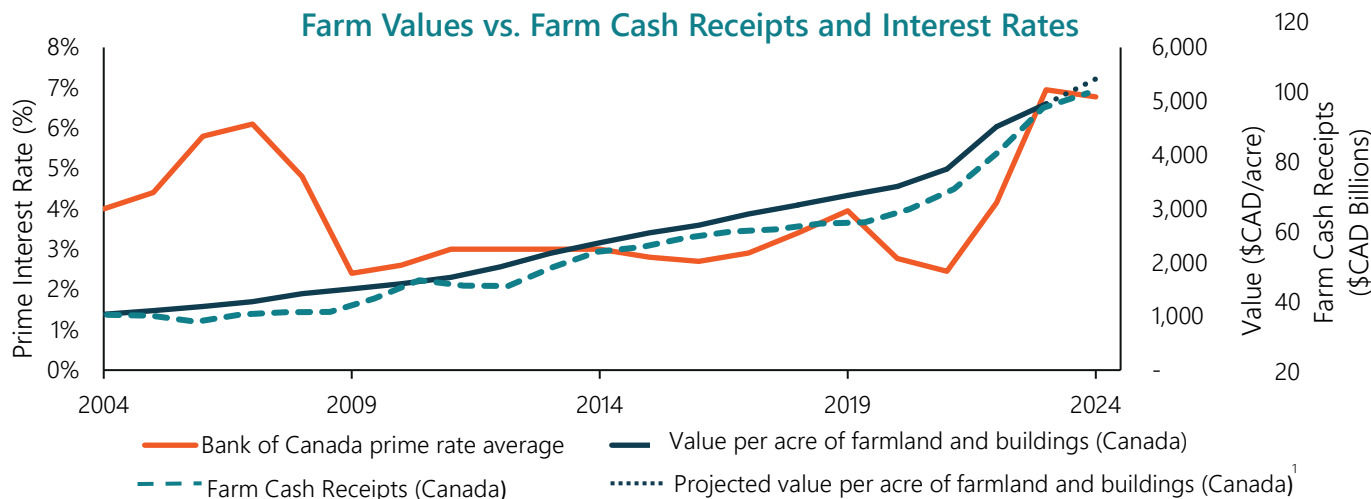
Macroeconomic Indicators

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 4.5% year-over-year from Q3 2023 to Q3 2024 (the most recent quarterly data available). The Bank of Canada (BoC) prime rate averaged 6.9% throughout 2023 and decreased to an average of 6.8% in 2024. So far, farmland values seem resilient despite higher interest rates throughout 2023 and 2024, with the national average \$/acre increasing by 9.4% between the two periods.

Farm Values vs. Farm Cash Receipts and Interest Rates

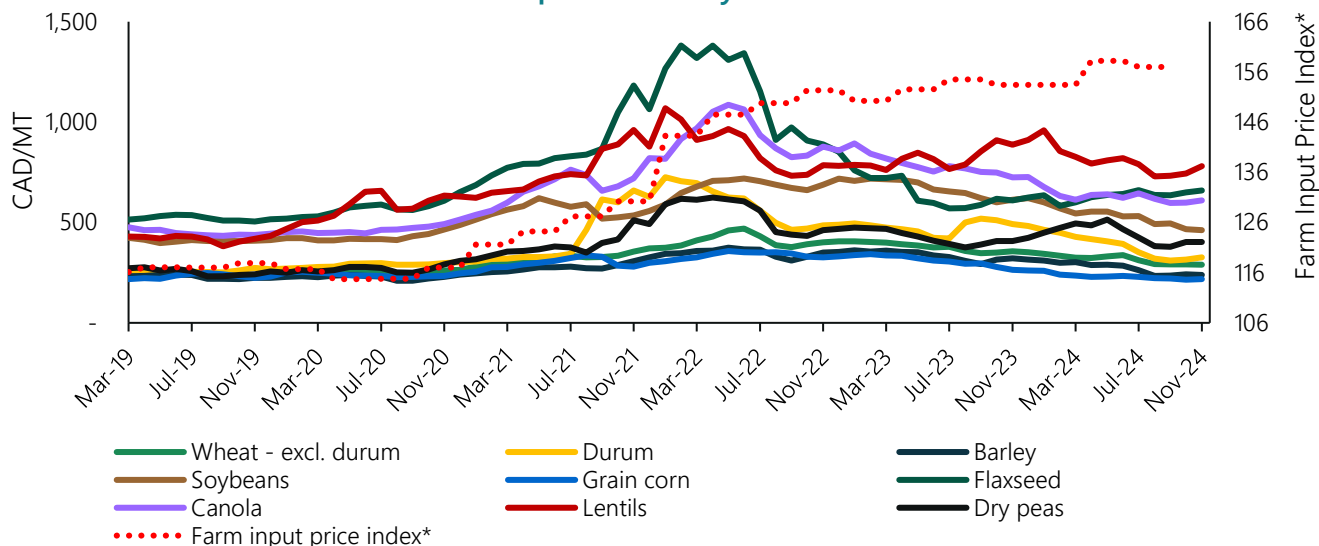


Commodity Price Changes and Farm Input Price Index Costs

Most commodities experienced slight price increases in Q4 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 is displaying a year-over-year increase of 1.6% from November 2023 to November 2024, the most recent data available.

Crop Commodity Prices



*November 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 Q4 2024.

1: Based on historical growth from 2022 to 2023

Inputs and Commodity Markets

Market Pressure, Futures & Exports

Commodity Price Highlights

Commodity prices increased slightly across the board over the last three months, excluding canola, grain corn, and soybeans.

Commodity prices have declined over the past 12 months (excluding flaxseed). Durum experienced the sharpest decrease over this period at 33.8%.

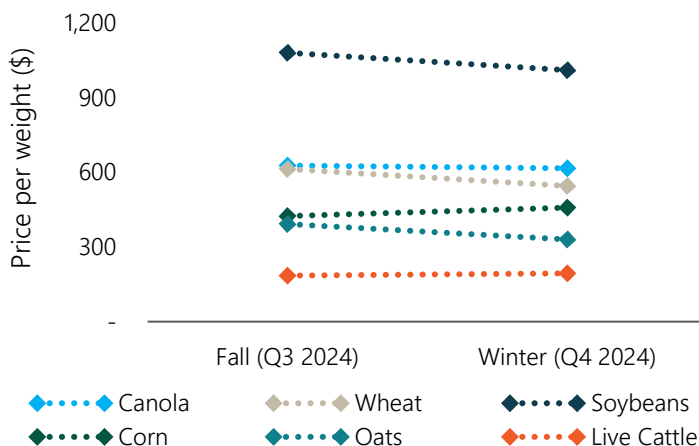
Commodity Price Changes

	<u>Last 12 Months</u>	<u>Last 3 Months</u>
Barley	-26.0%	+2.3%
Canola	-15.8%	-1.2%
Dry peas	-1.2%	+5.4%
Durum	-33.8%	+1.7%
Flaxseed	+8.1%	+3.5%
Grain corn	-17.9%	-2.6%
Lentils	-12.1%	+6.9%
Soybeans	-24.7%	-6.2%

Commodity Price Futures

The futures prices for canola (-1.8%), wheat (-11%), soybeans (-6.5%), and oats (-15.8%) all decreased between Q3 2024 and Q4 2024. The futures prices for corn (+8.0%), and live cattle (+5.0%) increased over the same period.

Commodity Pricing¹

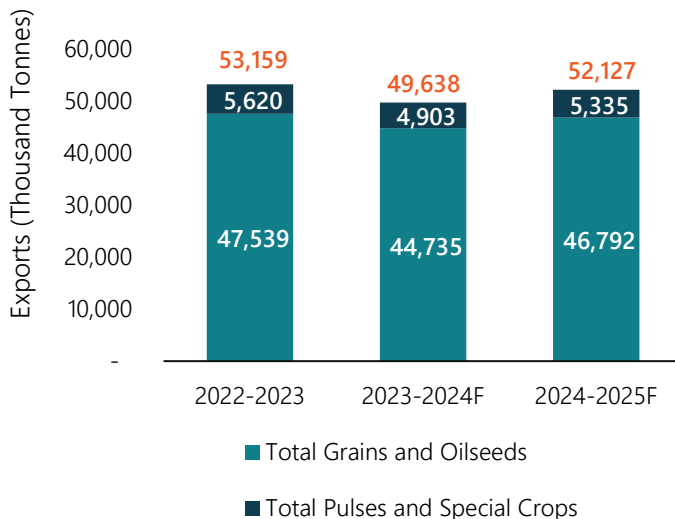


Crop Exports

Canadian principal field crop exports in the 2024-2025F period are forecasted to increase from the 2023-2024F total by 5.0%. This follows a 6.6% decrease between the 2022-2023 and 2023-2024 periods.

Grains and oilseed and pulses and special crops are expected to increase by 4.6% and 8.8% respectively, between the 2023-2024F and 2024-2025F periods.

Canada's Principal Crops Exports²



"F" indicates Forecast.

Source 1: Capital IQ. Data as of December 31, 2024.

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

Select Recent M&A Transactions

Premier
Equipment Ltd.

has acquired

HUTCHINSON
FARM SUPPLY INC.
www.HutchinsonFarmSupply.com

Announced December 2024

TV Not Disclosed

TEV/EBITDA Not Disclosed

TEV/Revenue Not Disclosed

- **Premier Equipment Ltd.** is a John Deere supplier servicing Southern Ontario.
- **Hutchinson Farm Supply Inc.** (Hutchinson) has been a full-line John Deere dealership for over 50 years.
- The acquisition of Hutchinson adds to Premier Equipment's goal of growing its dealer network, bringing its location count to nine.

Harvest Grain

has acquired the
Zealandia facility of

GFI
Global Food and Ingredients Inc.

Closed November 2024

TV Not Disclosed

TEV/EBITDA Not Disclosed

TEV/Revenue Not Disclosed

- **Harvest Grain** is a grain brokerage firm servicing grain, specialty crops, and oilseed markets.
- **Global Food and Ingredients Ltd.** (GFI) is a pulse crop and plant-based food ingredient company. GFI recently announced it would be winding down its operations.
- The acquisition the GFI facility will contribute to Harvest Grain's long-term commitment to the specialty crop trading industry.

MillbornSeeds

to acquire

Kaste Seed

Acquired October 2024

TV Not Disclosed

TEV/EBITDA Not Disclosed

TEV/Revenue Not Disclosed

- **Millborn Seeds** (Millborn) is a family-owned seed company that carries and distributes over 1,200 species of seeds.
- **Kaste Seeds** (Kaste) is a seed supplier located in Minnesota, near the Canadian border.
- The acquisition of Kaste Seeds will allow Millborn to further expand its operations into and around Canada.

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.	\$31,768	\$51,054	\$34,525	-14.7%	\$6,811	19.7%
Archer-Daniels-Midland (ADM) Company	\$34,785	\$50,408	\$117,546	-10.2%	\$6,299	5.4%
Bunge Limited	\$15,622	\$22,941	\$73,629	-11.0%	\$4,564	6.2%
The Andersons, Inc.	\$1,972	\$2,430	\$15,330	-30.0%	\$447	2.9%
The Mosaic Company	\$11,234	\$17,175	\$15,477	-23.8%	\$3,021	19.5%
Deere & Company	\$165,562	\$252,054	\$71,497	-15.8%	\$16,050	22.4%
Linamar Corporation	\$3,483	\$5,127	\$10,660	14.1%	\$1,495	14.0%
CNH Industrial N.V.	\$20,361	\$58,264	\$29,386	-12.4%	\$4,042	13.8%
Median	\$17,991	\$36,674	\$31,955	-13.6%	\$4,303	13.9%
Mean	\$35,598	\$57,432	\$46,006	-13.0%	\$5,341	13.0%

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

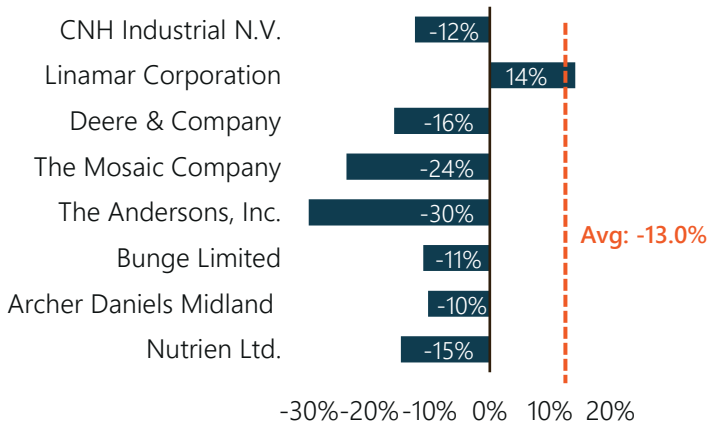
Company	NTM Consensus Estimates				Valuation		
	Revenue Growth	EBITDA Margin	NTM EV	NTM EV/EBITDA	LTM EV	LTM EV/EBITDA	LTM EV/REV
Nutrien Ltd.	9.3%	20.2%	\$56,112	7.4x	\$51,054	7.5x	1.5x
Archer-Daniels-Midland (ADM) Company	10.5%	4.9%	\$50,860	8.0x	\$50,408	7.5x	.4x
Bunge Limited	8.0%	4.3%	\$23,491	6.9x	\$22,941	4.7x	.3x
The Andersons, Inc.	6.0%	3.1%	\$2,642	5.2x	\$2,430	5.1x	.1x
The Mosaic Company	10.6%	19.0%	\$18,300	5.6x	\$17,175	5.3x	1.0x
Deere & Company	-21.4%	20.6%	\$254,682	22.0x	\$252,054	15.1x	3.4x
Linamar Corporation	-1.3%	14.1%	\$5,081	3.4x	\$5,127	3.4x	.5x
CNH Industrial N.V.	-12.4%	8.7%	\$58,850	26.2x	\$58,264	13.5x	1.9x
Median	7.0%	11.4%	\$37,175	7.1x	\$36,674	6.4x	.8x
Mean	1.2%	11.9%	\$58,752	10.6x	\$57,432	7.8x	1.1x



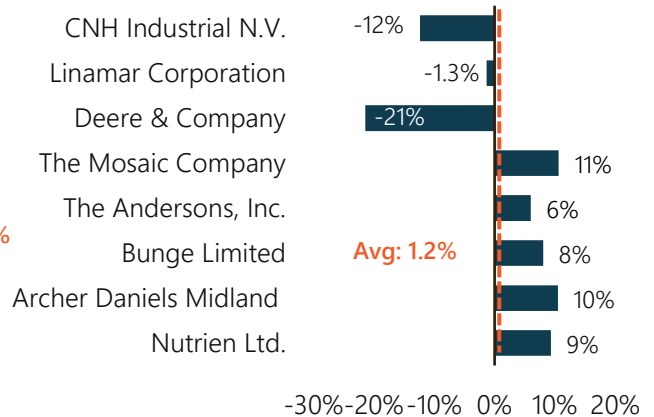
Public Comparable Analysis

Growth, Margins & Multiples

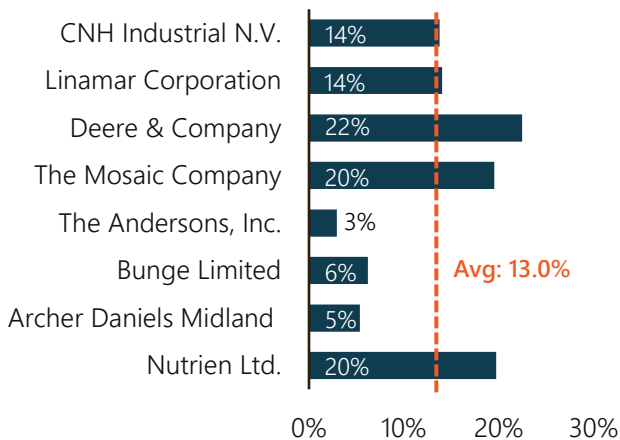
LTM Revenue Growth



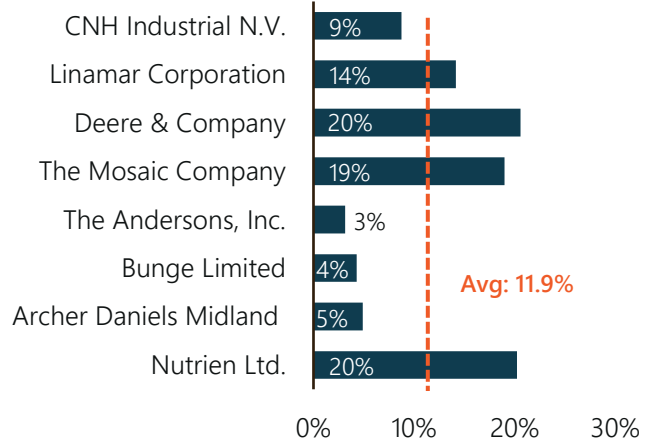
NTM Revenue Growth



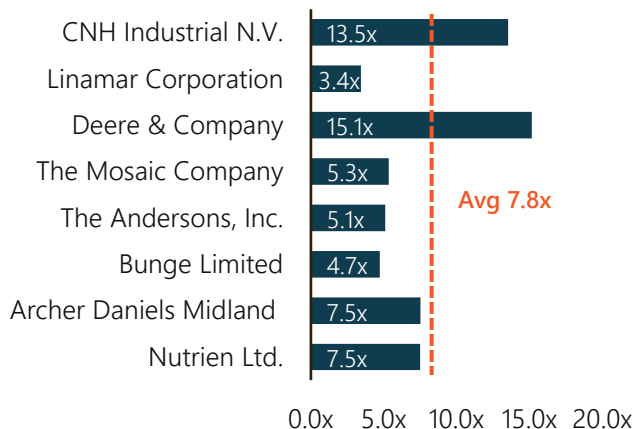
LTM EBITDA Margin



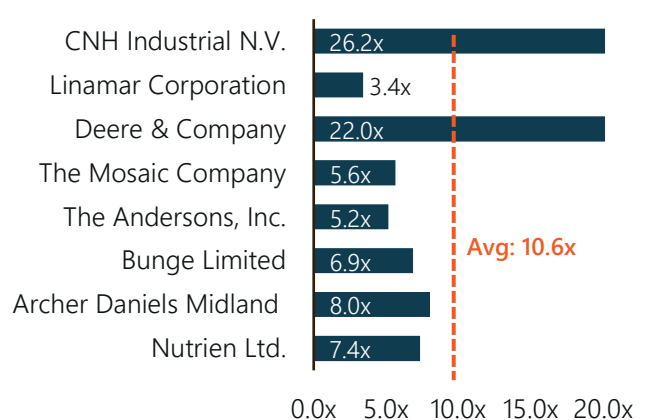
NTM EBITDA Margin



LTM EV/EBITDA



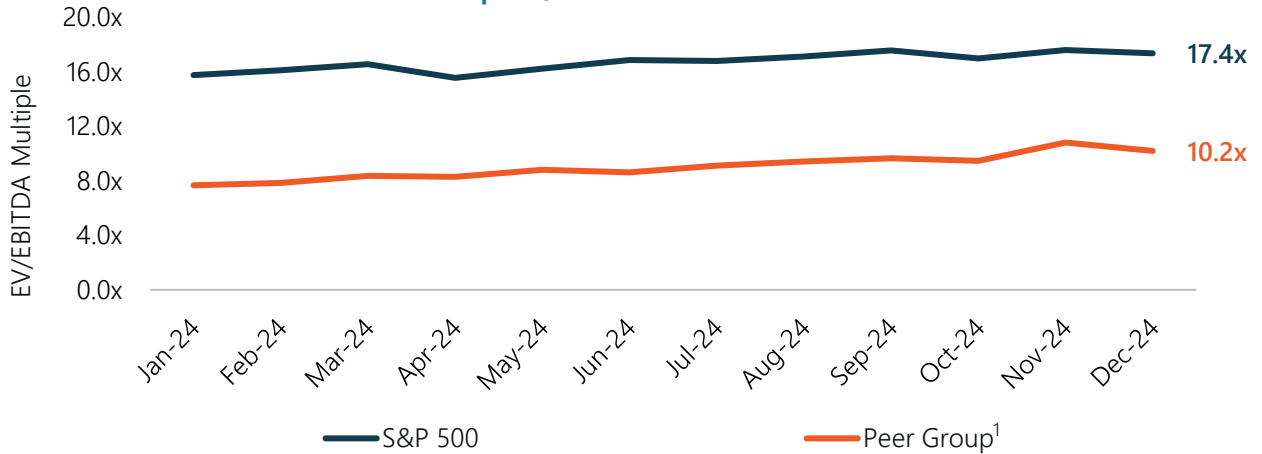
NTM EV/EBITDA



Public Comparable Analysis

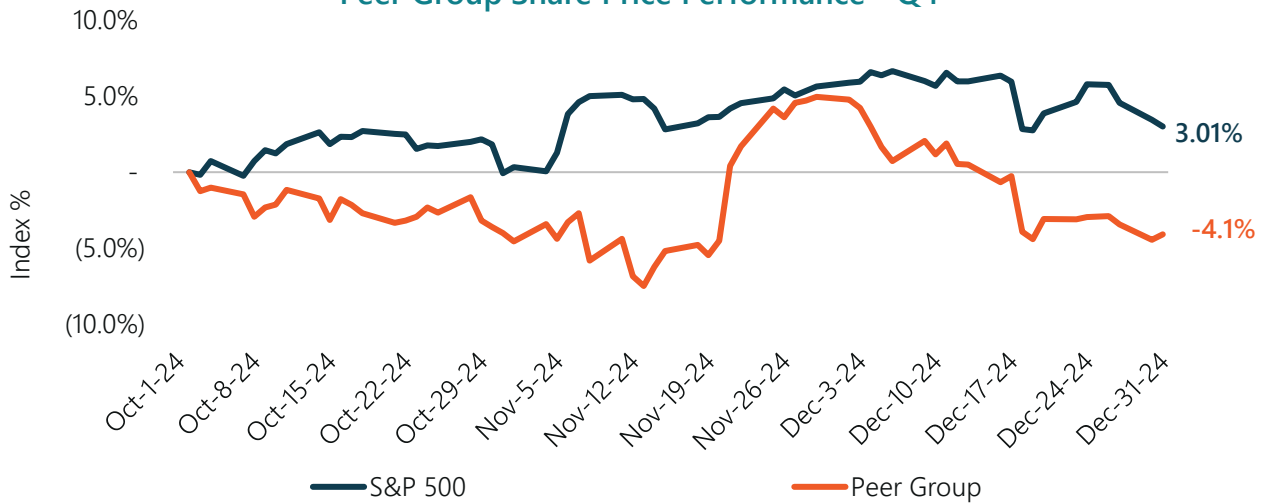
Performance Analysis

Peer Group EV/EBITDA Performance - LTM

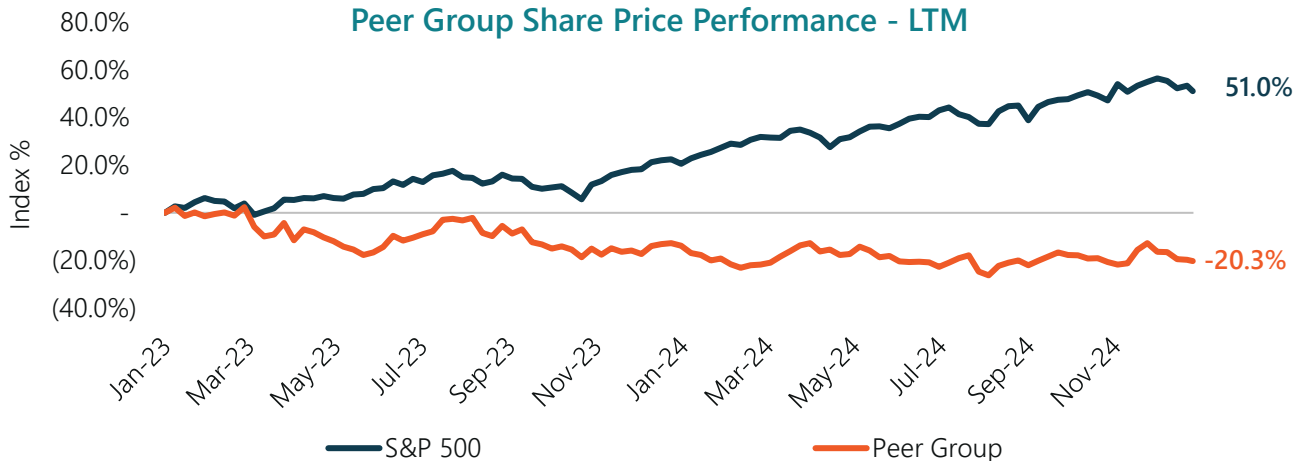


¹ Peer Group: Nutrien Ltd., Archer Daniels Midland Company, Bunge Limited, The Andersons, Inc., The Mosaic Company, Deere & Company, Linamar Corp., CNH Industrial N.V.

Peer Group Share Price Performance - Q4



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 300 transactions worth more than \$5 billion (not including due diligence engagements).

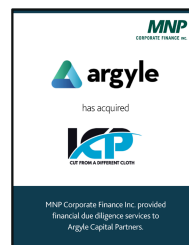
Industry Experience

- 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

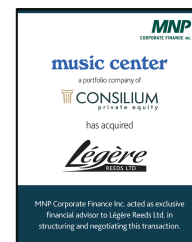
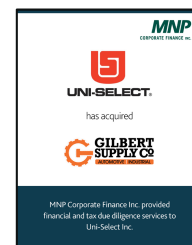
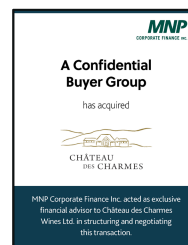
We draw on the vast experience and deep specialist knowledge network of our partners locally, nationally and internationally as specialty issues arise, such as pre-transaction tax planning, transaction structuring, estate planning, valuation, due diligence, performance improvement and risk management.

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)

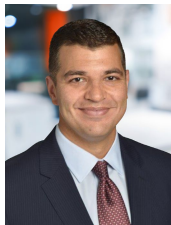


Leadership Team

Transaction Leadership



Brett Franklin
President
Winnipeg
Brett.Franklin@mnp.ca
204.336.6190



Aleem Bandali
Managing Director
Vancouver
Aleem.Bandali@mnp.ca
778.374.2140



Bryce Davis
Managing Director
Vancouver
Bryce.Davis@mnp.ca
604.637.1514



Mike Reynolds
Managing Director
Calgary
Mike.Reynolds@mnp.ca
587.702.5909



Mark Reynolds
Managing Director
Calgary
Mark.Reynolds@mnp.ca
403.536.5548



Mark Regehr
Managing Director
Edmonton
Mark.Regehr@mnp.ca
780.969.1404



Erik St-Hilaire
Managing Director
Winnipeg
Erik.St-Hilaire@mnp.ca
204.336.6200



Stephen Shaw
Managing Director
Toronto
Stephen.Shaw@mnp.ca
416.515.3883



Kevin Tremblay
Managing Director
Toronto
Kevin.Tremblay@mnp.ca
647.943.4051



Jon Edgett
Managing Director
Waterloo
Jon.Edgett@mnp.ca
519.772.7460



Patrick Khouzam
Managing Director
Montreal
Patrick.Khouzam@mnp.ca
514.228.7874



David Bouchard
Managing Director
Québec
David.Bouchard@mnp.ca
418.425.1857



Jean-Raymond Lafond
Managing Director
Drummondville
Jean-Raymond.Lafond@mnp.ca
819.473.7251



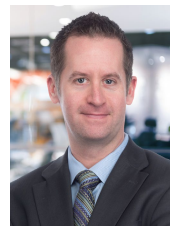
Jasmin Allard
Managing Director
Sherbrooke
Jasmin.Allard@mnp.ca
819.560.7856



Jonathan Banford
Managing Director
Chicoutimi
Jonathan.Banford@mnp.ca
418.696.3924



Frédéric Fortin
Managing Director
Chicoutimi
Frederic.Fortin@mnp.ca
418.696.4561



Craig Maloney
Managing Director
Halifax
Craig.Maloney@mnp.ca
902.493.5430

Due Diligence Leadership



Johnny Earl
Managing Director
Vancouver
Johnny.Earl@mnp.ca
604.637.1504



Jonathan Conly
Managing Director
Vancouver
Jonathan.Conly@mnp.ca
604.637.1516



John Caggianiello
Managing Director
Toronto
John.Caggianiello@mnp.ca
416.513.4177



Wilson Lai
Managing Director
Toronto
Wilson.Lai@mnp.ca
289.695.4386



Saad Arif
Managing Director
Toronto
Saad.Arif@mnp.ca
647.943.4104



David Cyr
Managing Director
Montreal
David.Cyr@mnp.ca
514.884.1764