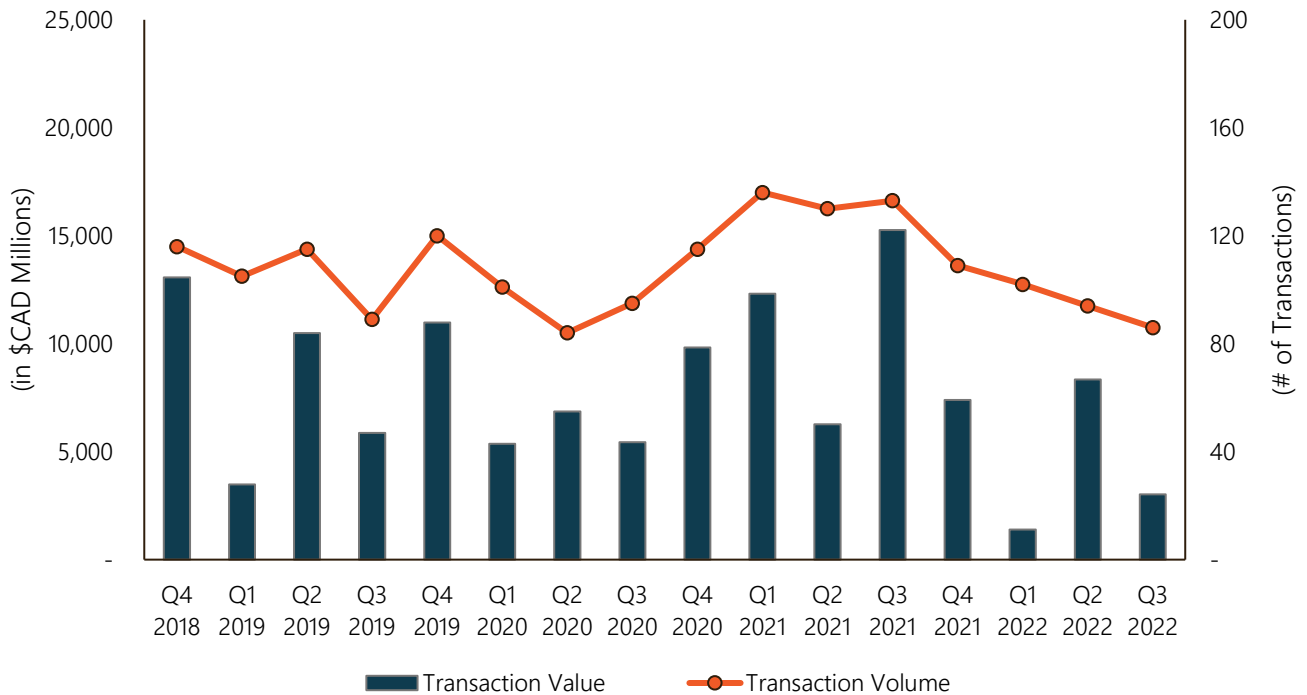


Agriculture

Quarterly Update | Q3 2022



Agriculture M&A Transactions



M&A Market Update – Q3 2022

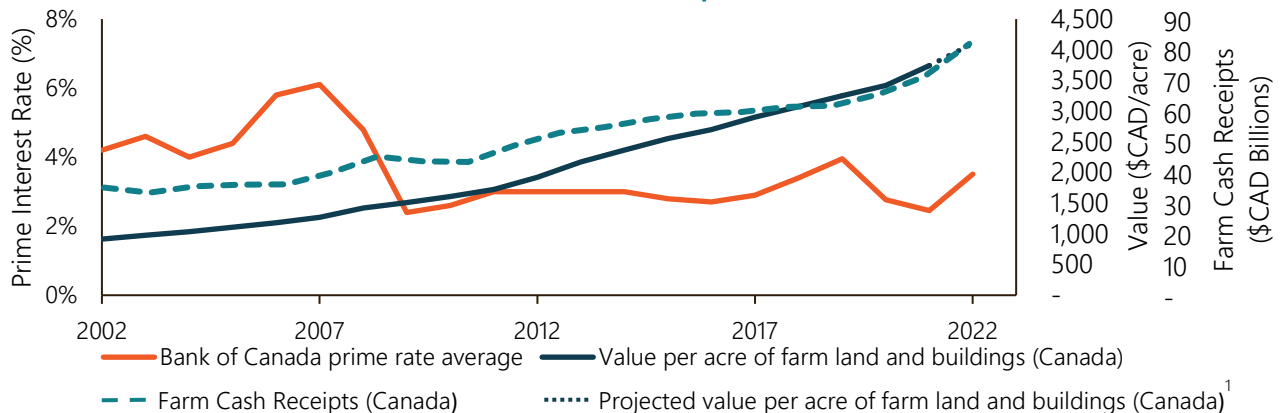
- M&A volume in the North American agriculture industry declined slightly in Q3 2022 from Q2 2022, with 86 total transactions, trailing Q2 2022 which had 95 transactions. Total transaction value of publicly disclosed transactions also declined over this same period, with total transaction value of \$3.0 billion in Q3 2022, compared to transaction value of \$8.0 billion in Q2 2022.
- A vast majority of transactions in the agriculture landscape in Q3 2022 were in the food products sub-sector, which comprised 84.9% 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 2022 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 still 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 2022 was Investindustrial’s agreement to acquire a significant portion of TreeHouse Foods, Inc.’s meal preparation business for \$1.2 billion, accounting for 40.2% of the total publicly disclosed transaction value in the quarter.
- Farmland values continued their increase through 2021, with a national average increase of 8.3%. While land values have continued their upward trend, increases in interest rates in 2022 could slow growth heading into the last quarter of the year.

Key Drivers

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

Farm cash receipts grew 9.3% year-over-year from Q2 2021 to Q2 2022, which represents the most recent quarterly information available. The Bank of Canada prime rate averaged 3.5% throughout the first three quarters of 2022, with potential increases on the horizon. Strong farm cash receipts continue to support healthy land prices, however, increasing interest rates may factor into decreased demand moving forward. There is not enough data yet to assess the impact of land values given the strength of cash receipts relative to increasing interest rates.

Farm Values vs. Farm Cash Receipts and Interest Rates

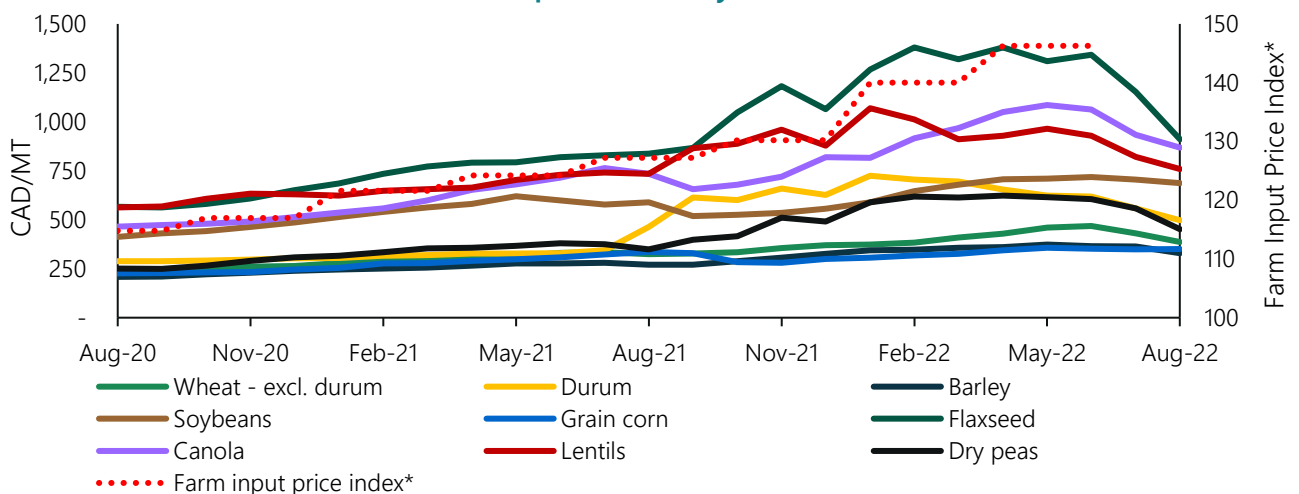


Commodity Price Changes and Farm Input Price Index Costs

Average commodity prices have increased significantly over the last 12 months, declining through Q3 2022.

The Statistics Canada Farm Input Price Index (FIPI) estimates the change in price that farmers pay for inputs in their farming operation through time. The FIPI has continued to increase in recent months, displaying a year-over-year increase of 17.8% from Q2 2021 to Q2 2022, and also increased from the year-over-year change observed last quarter as inflation has continued to drive costs higher.

Crop Commodity Prices



*June 2022 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 2022.
1: Based on historical growth from 2020 to 2021.

Inputs and Commodity Markets

Market Pressure, Futures & Exports

Commodity Price Highlights

Prices have fluctuated throughout Q3 2022, showing positive gains over the last 12 months coupled with losses as prices stabilized over last three months.

Commodity Price Changes

	<u>Last 12 Months</u>	<u>Last 3 Months</u>
Dry peas	+29.5%	-26.4%
Barley	+21.4%	-12.0%
Canola	+18.2%	-20.0%
Soybeans	+16.7%	-3.2%
Flaxseed	+8.6%	-30.4%
Durum	+7.3%	-20.2%
Grain corn	+4.5%	-1.8%
Lentils	+3.4%	-21.3%

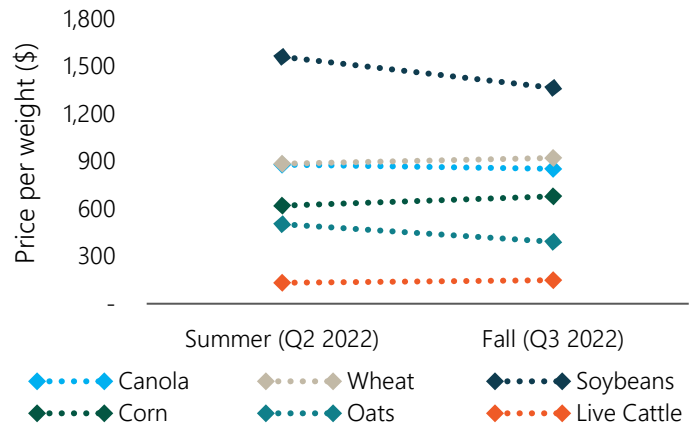
Commodity Price Futures

Quoted prices for fall 2022 futures contracts fluctuated in comparison to the previous quarter resulting from market stabilization.

The futures prices for oats, soybeans, and canola decreased by 22%, 13% and 3% respectively from Q2 2022 to Q3 2022.

Live cattle, corn, and wheat increased by 11%, 9% and 4% respectively in their futures prices this quarter.

Commodity Pricing¹

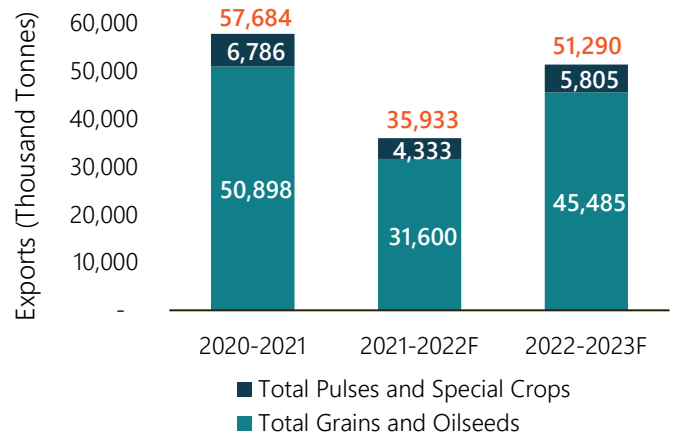


Crop Exports

Canadian principal field crop exports in the 2022-2023F period are forecasted to increase 42.7% over the 2021-2022F total.

Grains and oilseeds exports are forecasted to increase 43.9%, while pulses and special crops are forecasted to increase 34.0% between the 2021-2022F and 2022-2023F periods.

Canada's Principal Crops Exports²



"F" indicates Forecast.

Source 1: Capital IQ. Data as of September 30, 2022.

Source 2: Agriculture and Agri-Food Canada, Outlook for Principal Field Crops. October 18, 2022 update.

Select Recent M&A Transactions

Harvest Grain Ltd.

parent company of
**Harvest Milling and
Ingredient Ltd.**

has acquired the
Fillmore, Saskatchewan
commodity cleaning
and processing facility
assets from



MNP Corporate Finance
Acted as exclusive financial
advisor to Seaboard Special
Crops in structuring and
negotiating this transaction.

Industry
Commodity
Processing

- **Harvest Grain** and its subsidiaries are brokerage firms providing services to grain, speciality crops, and oilseed markets, both domestically and internationally. Additionally, the companies source and process high-quality grain, speciality crops and oilseeds in Western Canada.
- **Seaboard Special Crops** is a global agribusiness company in grain and protein-based foods with milling and processing facilities located throughout North America, South America, the Caribbean, and Africa.



acquired

Closed
July
2022

Industry
Agriculture
Equipment

- **United Ag & Turf** ("United Ag") is a 31 location John Deere dealership group, headquartered in Bryan, Texas, USA.
- **Fish & Still Equipment** ("Fish & Still") is a John Deere dealership with 5 locations in Texas, USA.
- The acquisition of Fish & Still will allow United Ag to expand its footprint and strengthen its ability to provide preeminent parts, service, and equipment to customers.



ABOVE FOOD™

acquired



Closed
August
2022

Industry
Food
Products

- **Above Food Corp.** ("Above") offers premium plant-based food products to consumers by utilizing their vertically integrated supply chain.
- **Discovery Seed Labs Ltd.** ("Discovery") provides growers with unparalleled seed testing services throughout every step of the growing process.
- The acquisition of Discovery will enable Above to incorporate the utilization of proprietary genetic, soil, and seed genomics.



acquired

Announced
September
2022

Industry
Agriculture
Technology

- **Trimble Inc.** ("Trimble") is an industrial technology company operating in industries such as agriculture, construction, geospatial, and transportation. Trimble's Agriculture Division provides solutions to help solve technology challenges across the entire agricultural supply chain.
- **Bilberry Inc.** ("Bilberry") develops technology to dramatically reduce the amount of chemicals sprayed on crops while improving the quality of their crop production and profitability.
- The acquisition of Bilberry will enable Trimble to develop new selective spraying solutions for farmers worldwide.



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.	\$62,084	\$76,299	\$44,582	58.3%	\$14,792	33.2%
Archer-Daniels-Midland (ADM) Company	\$61,916	\$78,160	\$121,546	25.9%	\$7,786	6.4%
Bunge Limited	\$17,220	\$27,267	\$83,225	26.4%	\$6,201	7.5%
The Andersons, Inc.	\$1,426	\$4,129	\$19,591	48.8%	\$522	2.7%
The Mosaic Company	\$22,910	\$27,650	\$21,324	66.6%	\$7,555	35.4%
Ceres Global Ag Corp.	\$89	\$201	\$1,367	41.8%	\$40	3.0%
Seaboard Corporation	\$5,423	\$6,174	\$13,460	28.3%	\$1,275	9.5%
Median	\$17,220	\$27,267	\$21,324	41.8%	\$6,201	7.5%
Mean	\$24,438	\$31,411	\$43,585	42.3%	\$5,453	13.9%

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

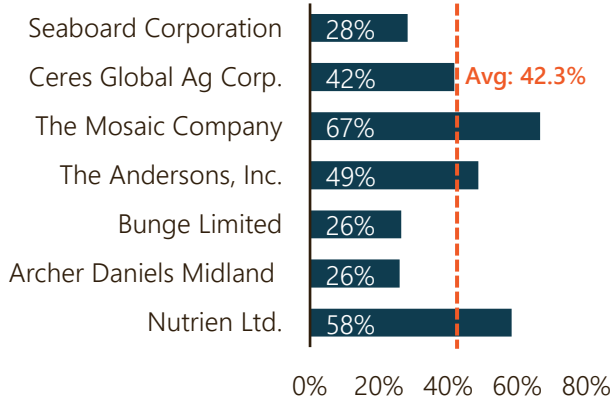
Company	NTM Consensus Estimates				Valuation		
	Revenue Growth	EBITDA Margin	NTM EV	NTM EV/EBITDA	LTM EV	LTM EV/EBITDA	LTM EV/REV
Nutrien Ltd.	21.1%	36.0%	\$73,141	3.8x	\$76,299	5.2x	1.7x
Archer-Daniels-Midland (ADM) Company	9.5%	5.8%	\$82,652	10.8x	\$78,160	9.4x	.6x
Bunge Limited	9.7%	4.5%	\$28,506	7.0x	\$27,267	4.1x	.3x
The Andersons, Inc.	8.7%	2.1%	\$4,286	9.8x	\$4,129	7.4x	.2x
The Mosaic Company	28.6%	35.2%	\$27,749	2.9x	\$27,650	3.4x	1.2x
Ceres Global Ag Corp.	N/A	N/A	N/A	N/A	\$201	5.0x	.1x
Seaboard Corporation	N/A	N/A	N/A	N/A	\$6,174	4.6x	.4x
Median	9.7%	5.8%	\$28,506	7.0x	\$27,267	5.0x	.4x
Mean	15.5%	16.7%	\$43,267	6.8x	\$31,411	5.6x	.7x



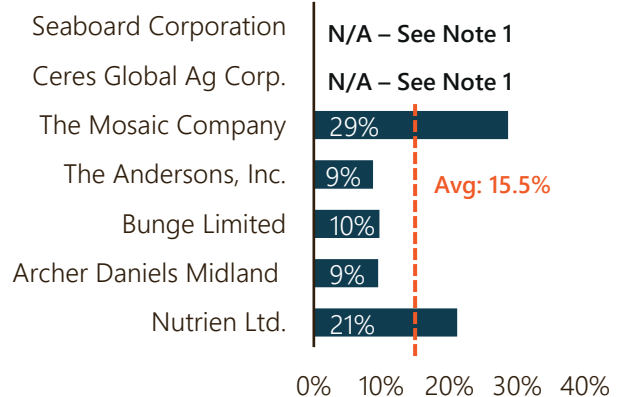
Public Comparable Analysis

Growth, Margins & Multiples

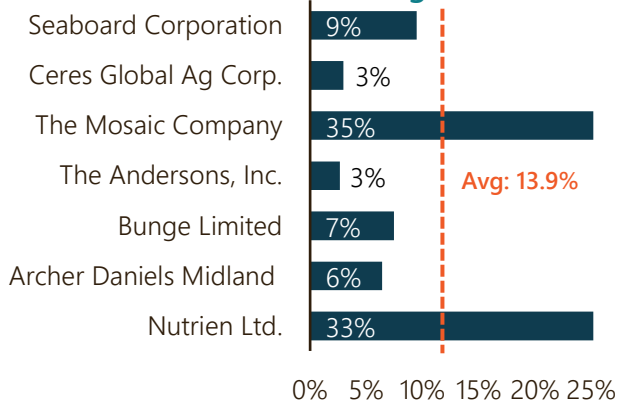
LTM Revenue Growth



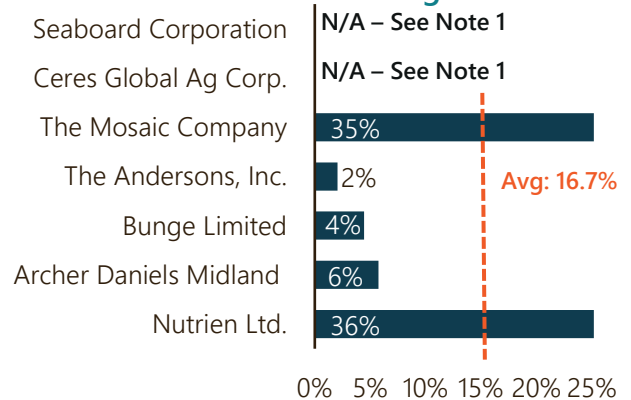
NTM Revenue Growth



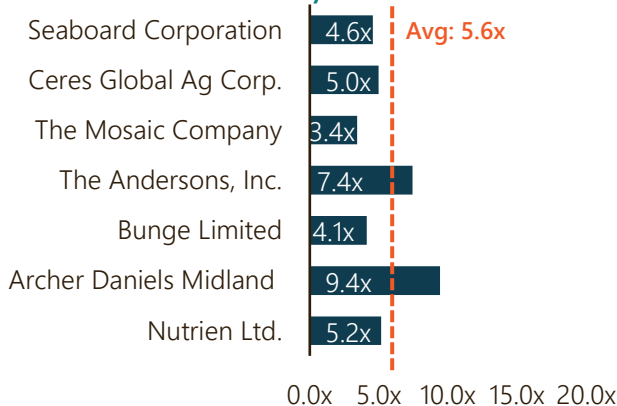
LTM EBITDA Margin



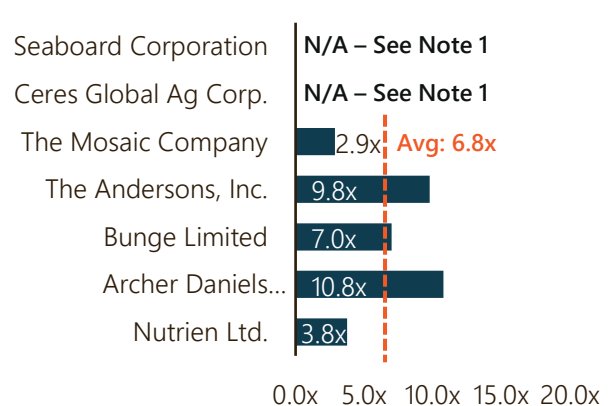
NTM EBITDA Margin



LTM EV/EBITDA



NTM EV/EBITDA



Source: Capital IQ. Data as of September 31, 2022.

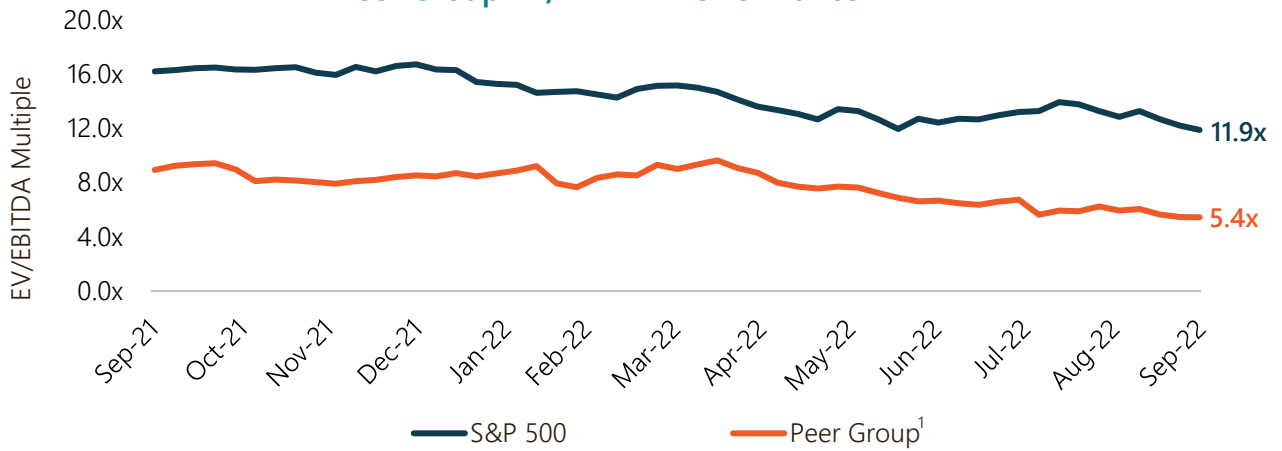
"LTM" refers to last twelve months. "NTM" refers to next twelve months.

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.

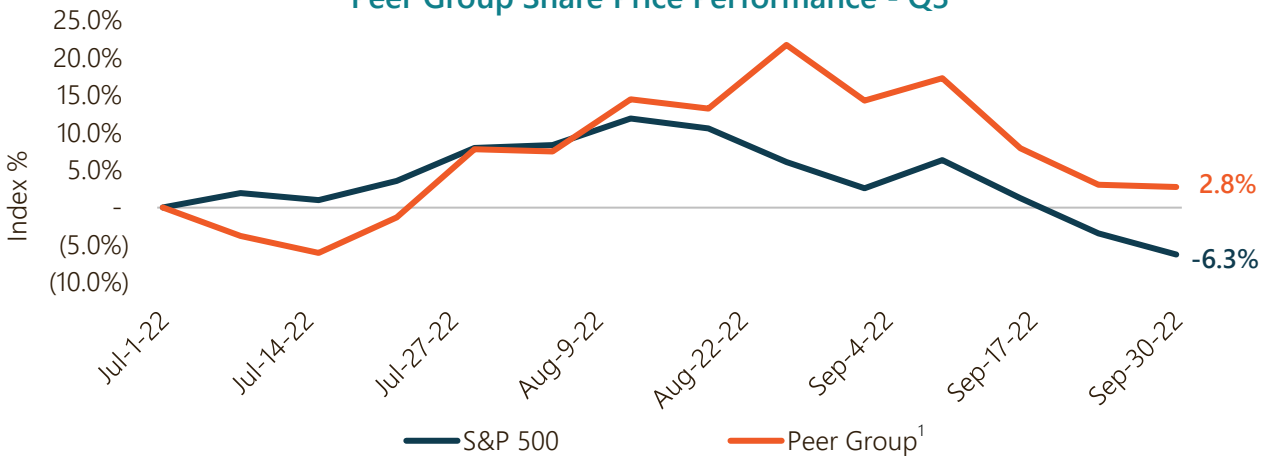
Public Comparable Analysis

Performance Analysis

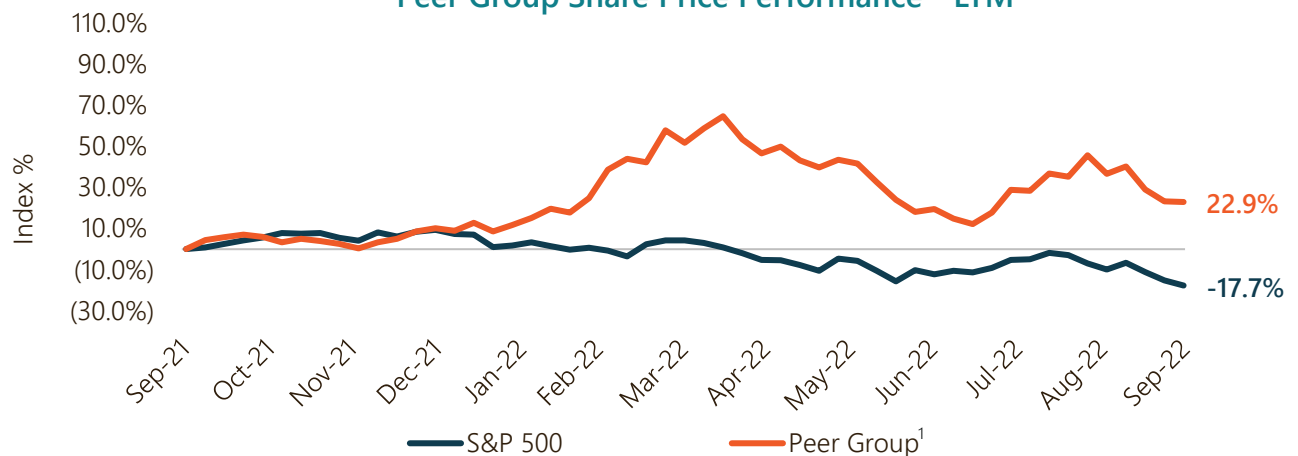
Peer Group EV/EBITDA Performance - LTM



Peer Group Share Price Performance - Q3



Peer Group Share Price Performance - LTM



Source: Capital IQ. Data as of September 30, 2022.

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 and due diligence professionals across Canada. MNPCF works with clients in virtually all industries as they prepare, plan and execute transactions.

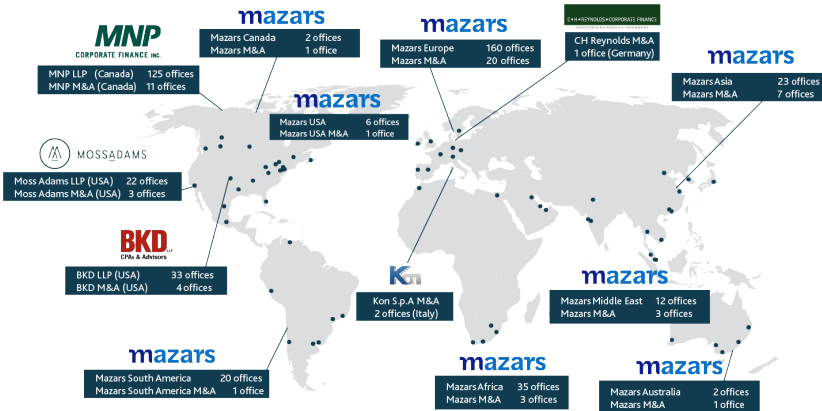
Our typical transactions range in value between \$3 million and \$300 million.

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.



CFxB CFxBorder - Global reach with local relationships
Our corporate finance team through CFxB 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)

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 eight years alone we have completed over 235 transactions worth over \$4 billion (not including due diligence engagements).

Industry Experience

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

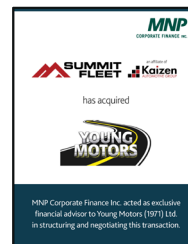
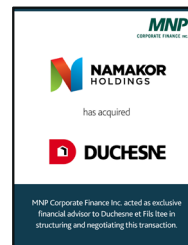
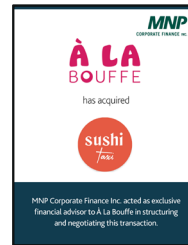
Hands-on Approach

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.

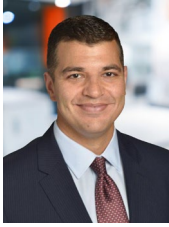
Recently Closed Deals (National)



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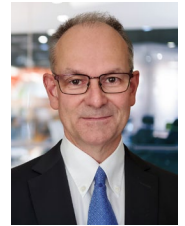
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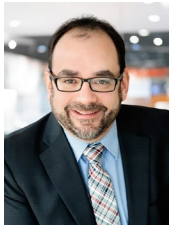
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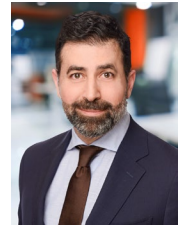
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