



Agriculture Industry Flash

Tuesday, October 26th, 2021

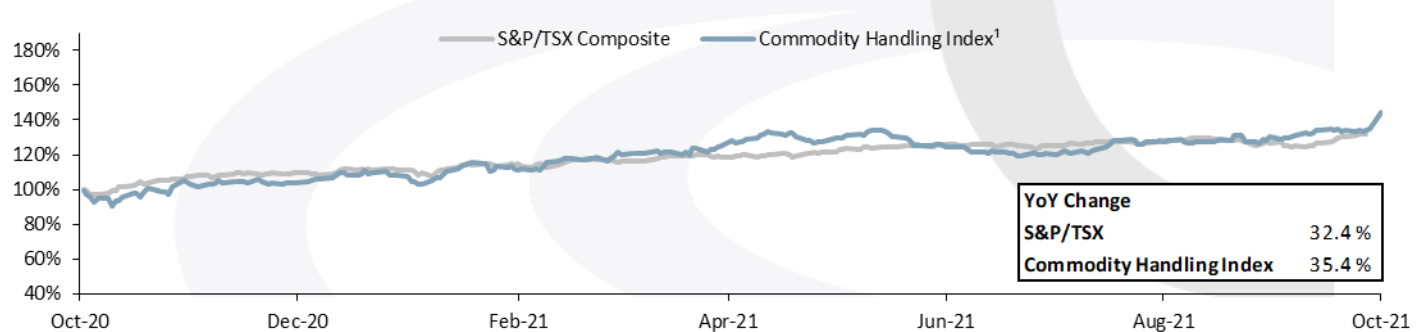


COMMODITY HANDLING

News Scan

- On October 19th, **BASF SE**, a German multinational chemical company, announced the expansion of its animal nutrition partnership with **Cargill**, a U.S.-based global agricultural company. The partnership is expected to bring farmers feed innovations that reduce nutrient waste, improve feed efficiency, and promote animal growth and wellbeing
- On October 13th, **Bunge Limited (“Bunge”)**, a global agribusiness, announced its divestiture of seven Mexican wheat mills to **Grupo Trimex**, a Mexican-based wheat miller, for an undisclosed amount. Due to the lack of integration within its Mexican wheat operations, this transaction will support Bunge’s long-term realignment of operating in end-to-end value chains
- On October 7th, the **Australian Competition and Consumer Commission (“ACCC”)** announced its investigation pertaining to Australian logistics major **Qube Holdings Limited (“Qube”)**’s recent acquisition of **Newcastle Agri Terminal (“NAT”)**, a bulk grain terminal in New South Wales, for A\$90 million. This investigation will expose Qube and the former owners of NAT to potential legal action by the ACCC and cause uncertainties on the bulk grain delivery supply chain for the Port of Newcastle
- On October 1st, American-based agribusiness **The Andersons, Inc.**, announced its acquisition of **Capstone Commodities, LLC**, which specializes in providing feed ingredients to dairies and feed mills, feed yards, and exporters in Southwestern U.S. This acquisition is expected to further support The Anderson’s growth strategy as it continues to expand in its core grain and fertilizer businesses

Relative Performance Index



Key Indicators

All Figures in USD millions unless indicated

Market	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2021E	2022E	2021E	2022E	Price	52Wk High
ADM	37,271	45,700	8.9x	9.3x	13.7x	14.4x	4.2%	(3.9)%
Bunge Limited	12,516	21,131	8.6x	9.5x	9.9x	11.4x	3.2%	(4.4)%
The Andersons, Inc	1,124	3,043	9.3x	10.1x	14.8x	17.0x	10.0%	(0.3)%
Graincorp Limited	1,089	2,312	9.3x	10.4x	11.4x	13.4x	(2.5)%	(7.5)%
United Malt Group Limited	884	1,145	11.7x	8.9x	27.4x	16.4x	(2.5)%	(20.7)%
Ceres Global Ag	112	203	na	na	na	na	(6.4)%	(10.7)%
Mean			9.5x	9.6x	15.4x	14.5x	1.0%	(7.9)%

1 “Commodity Handling Index” is composed of equally weighted market prices for: ADM, Bunge, Graincorp, The Andersons, Ceres, and United Malt Group.

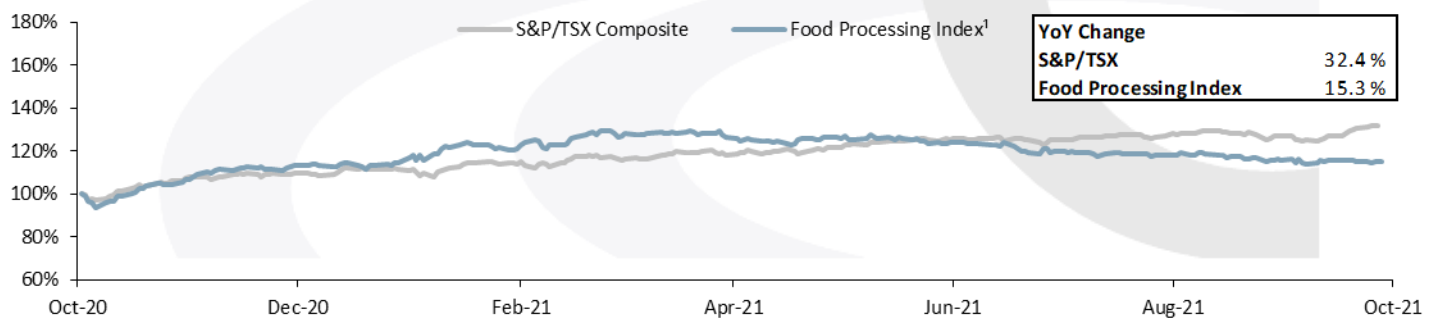


FOOD PROCESSING

News Scan

- On October 18th, **Alsace-Lait Cooperative (“Alsace-Lait”)**, a France-based dairy cooperative, announced that it has acquired **Maison Riviera**, a Quebec-based dairy company, for an undisclosed sum. The acquisition follows a long-standing partnership between the two companies that was established in 2015, when Alsace-Lait began its international expansion
- On October 14th, **ACON Investments (“ACON”)**, a U.S.-based private equity firm, announced that it has simultaneously acquired **North Wind Inc.**, **Suncoast Seafood Inc.**, and **Raymond O’Neil & Son Fisheries**, three North American based processors and distributors of sustainable seafood, for an undisclosed amount. ACON is merging the three companies to create a new entity with the name of **Atlantic Sustainable Catch**
- On October 12th, **Ornua**, an Irish dairy cooperative, announced its acquisition of **Whitehall Specialties Inc.**, a U.S. cheese ingredients business, from **Mason Wells**, a U.S.-based private equity firm, for an undisclosed sum. Upon completion of this transaction, Ornua is expected to strengthen the position of its U.S. ingredients division, Ornua Ingredients North America, in the country’s cheese ingredients market
- On October 11th, **Tate & Lyle PLC**, a global provider of food and beverage ingredients and solutions, announced its partnership expansion with **Azelis Holding S.A. (“Azelis”)**, a leading innovation service provider in the food ingredients industry. With this expansion, Azelis will be the distributor of Tate & Lyle’s broad portfolio of ingredients and solutions in 17 countries
- On October 11th, **Givaudan SA**, a Switzerland-based multinational manufacturer of flavours, fragrances, and cosmetic ingredients, announced its acquisition of **DDW, The Color House**, a U.S.-based natural colour company for food and beverages, for an undisclosed sum. This acquisition will enable Givaudan to become a global leader in natural food colouring

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
			2021E	2022E	2021E	2022E		
Saputo Inc.	9,792	12,975	12.7x	10.1x	22.5x	16.1x	(0.4)%	(26.8)%
Ingredion Incorporated	6,512	8,566	9.1x	8.7x	14.5x	13.6x	0.6%	(1.1)%
Tate & Lyle plc	4,218	4,886	7.0x	7.0x	11.2x	12.1x	(1.9)%	(19.1)%
Premium Brands	4,757	6,127	16.1x	13.9x	30.0x	24.1x	0.8%	(1.6)%
Maple Leaf Foods Inc.	2,736	3,783	10.9x	8.9x	22.9x	17.3x	1.7%	(6.1)%
SunOpta Inc.	849	1,137	19.4x	16.5x	n/m	n/m	(3.9)%	(53.6)%
Rogers Sugar	474	786	9.8x	9.3x	15.3x	12.9x	0.2%	(5.9)%
High Liner Foods Incorporated	358	572	7.8x	7.5x	11.3x	11.1x	(0.4)%	(7.0)%
Mean			11.6x	10.2x	18.3x	15.3x	(0.4)%	(15.2)%

¹ “Food Processing Index” is composed of equally weighted market prices for: Saputo, Ingredion Incorporated, Tate & Lyle plc, Premium Brands, Maple Leaf Foods Inc, SunOpta Inc. Rogers Sugar, High Liner Foods Incorporated

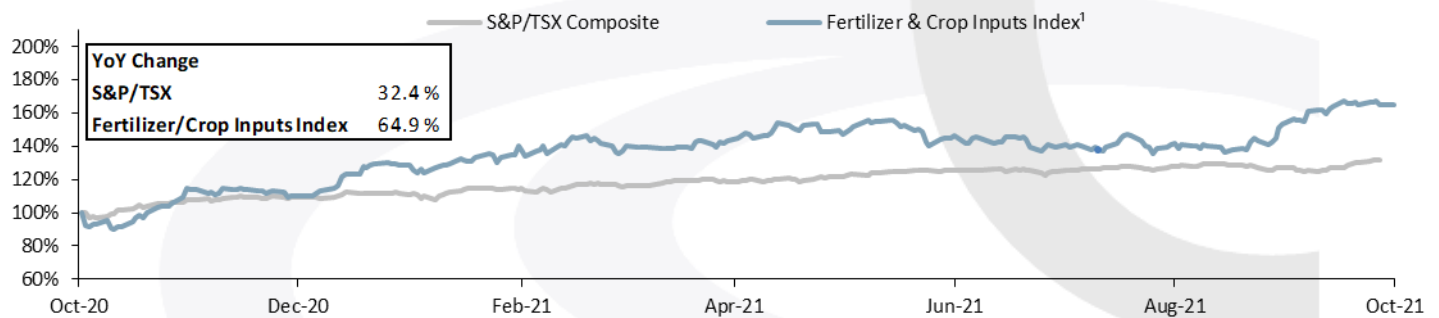


FERTILIZERS AND CROP INPUTS

News Scan

- On October 15th, **The Hydrogen Utility (“H2U”)**, a pure-play, specialist developer of green hydrogen infrastructure, announced its partnership with **Gladstone Ports Corporation**, an Australian government-owned corporation responsible for supporting and facilitating trade in the resource industries, for a hydrogen and ammonia export precinct at Yarwun, Australia. The initial operations are expected to begin in 2025; on completion of this partnership, H2U will produce 5,000 tonnes of green ammonia per day from 3 GW electrolyser capacity
- On October 14th, **Fertiglobe**, the partnership company of **OCI N.V.**, a leading global producer and distributor of natural gas-based fertilizers, and **Abu Dhabi National Oil Company**, announced its agreement with **Scatec ASA**, a Norwegian-based leading renewable power producer, and **The Sovereign Fund of Egypt**, to jointly develop a 50-100 MW electrolyser facility to produce green hydrogen as feedstock for green ammonia production. Under the agreement, Scatec will build, operate and majority own the facility, and Fertiglobe will be responsible for production of up to 90,000 tpy of green ammonia. The final investment decision is expected in 2022, and the start-up is targeted for 2024
- On October 11th, **Incitec Pivot Limited (“IPL”)**, an Australian-based fertilizer and chemicals manufacturer, announced its partnership with **Fortescue Future Industries**, a global green energy and product company, on a feasibility study for industrial-scale production of green ammonia at IPL’s Gibson Island fertilizer facility in Australia. The study will assess whether industrial-scale manufacturing of green ammonia is feasible in the region and will investigate building a new water electrolysis facility on the site to produce around 50,000 tpy of renewable hydrogen

Relative Performance Index



Key Indicators

All Figures in USD millions unless indicated

	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2021E	2022E	2021E	2022E	Price	52Wk High
Nutrien Ltd.	40,353	48,525	9.2x	8.4x	17.0x	15.0x	(0.9)%	(2.5)%
CF Industries Holdings, Inc.	12,719	18,702	8.1x	6.9x	13.1x	10.9x	0.2 %	(6.7)%
The Mosaic Company	16,119	19,608	5.4x	5.2x	8.6x	8.6x	2.3 %	(1.9)%
Yara International ASA	13,106	16,637	6.8x	6.4x	11.1x	11.7x	0.6 %	(13.8)%
Nufarm Ltd.	1,264	1,904	6.9x	6.1x	nmf	16.1x	(4.1)%	(19.6)%
Mean			7.3x	6.6x	12.4x	12.5x	(0.4)%	(8.9)%

1 “Fertilizers and Crop Inputs Index” is composed of equally weighted market prices for: Nutrien, CF Industries, Yara, Mosaic, and Nufarm.

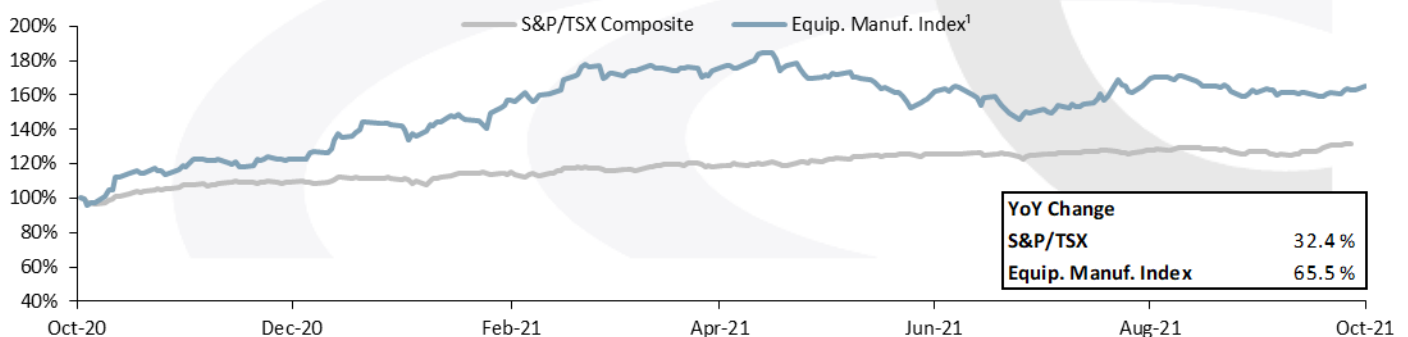


EQUIPMENT AND TECHNOLOGY

News Scan

- On October 19th, **Honeywell International Inc.**, a global diversified technology and manufacturing company, announced its partnership with **Saipem SpA**, an Italian-based advanced technological and engineering platform for infrastructure and plants, to jointly develop and commercialize a “Digital Twin” product as part of Saipem’s Snamprogetti urea technology. This solution is expected to enable customers to improve the production of urea through a virtual simulation of key processes
- On October 14th, **GrainCorp Limited.**, a diversified Australian-based agribusiness, announced its acquisition of a 15% stake in **Hone**, a New South Wales-based AgTech startup company, for an undisclosed amount. Upon completion of the transaction, Hone hopes to accelerate the adoption of its technology by grain growers across the Australian eastern seaboard
- On October 12th, **Bushel**, an independently owned software company focused on developing solutions for the grain supply chain, announced its acquisition of **GrainBridge, LLC**, a digital platform focused on grain marketing and decision making, from **Cargill, Inc.** and **Archer-Daniels-Midland Company**, for an undisclosed sum. This acquisition will connect the grain industry by creating a network effect consisting of more than 40% of the grain origination in Canada and the U.S.
- On October 7th, **Kubota Corporation (“Kubota”)**, a Japanese-based agriculture machinery company, announced its acquisition of **AgJunction**, an autosteer and ag equipment guidance system maker formerly known as **Hemisphere GPS Inc.**, for an all-cash transaction of C\$91 million. Given the competitive landscape, delayed adoption rates and sales declines due to COVID-19 and liquidity concerns, AgJunction’s Board initiated a strategic review process. Upon completion of this transaction, AgJunction will be taken private at an approximately 60% share prime premium to the closing price on October 7th
- On October 1st, **Vantage Canada (“Vantage”)**, a provider of precision agriculture solutions, announced its acquisition of Trimble agriculture equipment dealerships from **Premier Equipment Ltd.**, a network of John Deere dealerships in southern Ontario, for an undisclosed amount. The acquisition will allow Vantage to extend its precision ag and water management expertise by offering this suite of products and services to customers in Ontario

Relative Performance Index



Key Indicators

All Figures in USD millions unless indicated

	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2021E	2022E	2021E	2022E	Price	52Wk High
Deere & Company	109,365	157,538	17.8x	15.5x	18.3x	16.0x	6.0 %	(11.9)%
AGCO Corporation	10,050	11,400	8.5x	7.8x	13.8x	12.5x	3.9 %	(15.9)%
Ag Growth International Inc.	434	1,162	8.3x	7.6x	11.6x	9.4x	1.3 %	(41.0)%
Cervus Equipment Corporation	244	385	na	na	11.1x	10.3x	0.0 %	0.0 %
Mean			11.5x	10.3x	13.7x	12.1x	2.8 %	(17.2)%

¹ “Equip. Manuf. Index” is composed of equally weighted market prices for: Deere & Co., AGCO, Ag Growth Intl., and Cervus.

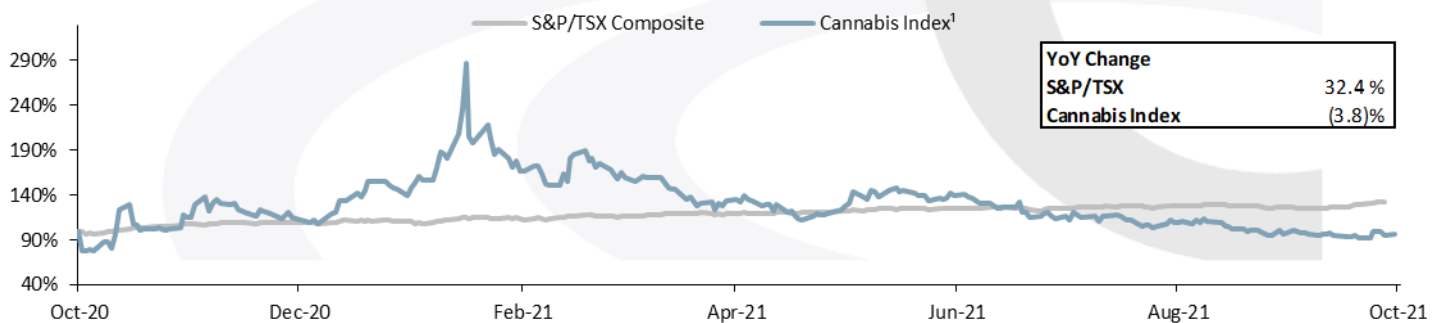


CANNABIS AND HEMP

News Scan

- On October 14th, **Canopy Growth Corp. (“Canopy”)**, a producer of cannabis and cannabinoid-based consumer products, announced it has entered into definitive agreements to acquire **Mountain High Products, LLC, Wana Wellness, LLC, and Cima Group, LLC**, producers of CBD and THC edibles in North America, for an all-cash transaction of US\$297 million. With this acquisition, Canopy is expected to bolster its U.S. brand portfolio in preparation for federal permissibility
- On October 14th, **Cresco Labs Inc. (“Cresco”)**, a vertically integrated multi-state operator and the number one U.S. wholesaler of branded cannabis products, announced the execution of its definitive agreement to acquire **Laurel Harvest Labs, LLC**, a Pennsylvania Clinical Registrant, for cash consideration of US\$80 million. This transaction will further expand Cresco’s presence in the Pennsylvania market by strengthening its wholesale leadership in the region
- On October 12th, **PharmaCann Inc. (“PharmaCann”)**, the largest privately held, vertically integrated cannabis company in the U.S., announced its merger with **LivWell Enlightened Health (“LivWell”)**, a multi-state cannabis cultivation and retail leader. Upon completion of this merger, PharmaCann and LivWell will operate approximately 60 dispensaries and 11 cultivation and production facilities across eight states in the U.S.
- On October 7th, **Sundial Growers Inc. (“Sundial”)**, an Alberta-based cannabis producer, announced its acquisition of **Alcanna Inc.**, Canada’s largest private liquor retailer operating primarily in Alberta, for cash consideration of C\$346 million. The acquisition will establish Sundial as Canada’s largest cannabis retailer by operating store count
- On October 7th, **High Tide Inc.**, an Alberta-based, retail-focused cannabis company, announced its majority acquisition of 80% of **Enigma Ltd.**, currently operating as **Blessed CBD (“Blessed”)**, one of the leading online retailers of hemp-driven CBD products in the U.K., for £9.06 million. This transaction will allow High Tide to enter the U.K. market and further solidify its position as a major player within the global e-commerce marketplace for hemp-driven CBD products. High Tide will also have a three-year option to acquire the remaining 20% of Blessed at any time

Relative Performance Index



Key Indicators

All Figures in USD millions unless indicated

	Market		TEV/Revenue		TEV/EBITDA		Week Δ	Δ Price
	Cap	TEV	2021E	2022E	2021E	2022E	Price	52Wk High
Canopy Growth Corporation	5,349	5,309	9.3x	7.3x	neg	neg	1.8 %	(76.5)%
Tilray, Inc.	5,097	5,757	8.9x	6.9x	nmf	nmf	7.7 %	(51.0)%
Cronos Group Inc.	2,079	1,197	15.5x	8.9x	neg	neg	1.8 %	(65.7)%
Aurora Cannabis Inc.	1,426	1,415	7.4x	6.1x	neg	neg	2.3 %	(63.1)%
OrganiGram Holdings Inc.	703	553	7.9x	5.0x	neg	neg	4.3 %	(63.8)%
Mean			9.8x	6.8x	na	na	3.6 %	(64.0)%

1 “Cannabis Index” is composed of equally weighted market prices for: Canopy Growth, Tilray, Cronos, Aurora Cannabis and OrganiGram Holdings.



ADDITIONAL NEWS AND AGRICULTURE COMMODITIES UPDATE

News Scan

- On October 19th, the **Governments of Canada and Ontario** announced their joint investment of C\$3 million in three new initiatives as part of a coordinated effort to enhance biosecurity and support the provincial pork sector's **African Swine Fever Prevention and Emergency Preparedness Efforts**. These initiatives are expected to further improve food safety and help prevent potential disruption to the Ontario food supply chain
- On October 19th, the **National Union of French Beekeeping** announced its forecast of honey harvest for 2021 to be approximately 7,000 to 9,000 tonnes. This is roughly a third of the 2020 harvest, making it the worst harvest in decades, likely due to the unseasonably cold and wet weather in the country. France is expected to increase its 2021 yearly honey import to bridge the supply and demand gap
- On October 18th, the **Alberta Agriculture Committee** announced that Canada's 2021 live U.S. cattle imports continue to grow at a record pace, up 9.9% compared to 2020. With this continual growth, Western Canada beef processing plants will operate near capacity to satisfy strong consumer demand
- On October 15th, the **Government of Manitoba** published its most recent grain and oilseed prices. All commodities such as wheat, barley, flaxseed, canola, peas, and corn experienced a large jump in price, mainly due to the global shortage of commodities and the aftermath of the Prairies and US drought
- On October 15th, **Federated Co-operatives Limited**, a co-operative federation providing procurement in Western Canada, advised Canadian farmers to stock-up on their upcoming fertilizer needs as global macro-nutrients are in short supply for a variety of reasons, resulting in the highest fertilizer prices in history
- On October 15th, **Corteva Agriscience**, a global pure-play agriculture chemical and seed company, announced the first-of-its-kind **Heat Advantage Program**, to help protect growers against the economic losses associated with the yield losses from the record heat in the Prairies this past summer. The program is available exclusively for Brevant seeds Nexera canola growers in Alberta, Saskatchewan, and Manitoba, and provides up to C\$100 per acre of protection in the event of excess heat resulting in heat blast during the critical flowering stage of canola development
- On October 14th, **United Auto Workers ("UAW")**, one of the largest unions in North American, began a strike at **Deere & Co. ("Deere")**, a U.S.-based agricultural machinery manufacturer, in an attempt to capitalize on the nationwide struggle to fill jobs. Deere has responded by hiring temporary workers and has said that its operations will continue as normal
- On October 11th, the **U.K. Department for Business, Energy & Industrial Strategy** announced its agreement with **CF Industries Holdings**, a global manufacturer and distributor of agricultural fertilizers, to continue to provide CO₂ in the U.K. until January 2022. This deal will ensure local businesses have access to a sustainable supply of CO₂
- On October 1st, the **Government of Ontario** announced its C\$500K investment to help the Anishinabek Nation establish an **Agricultural Economic Blueprint** to increase agri-food sector development opportunities for 39 First Nations communities across the province. This strategic plan will strengthen Indigenous communities, create jobs, and boost local economies by encouraging more Indigenous communities to participate and benefit from Ontario's dynamic agri-food sector

Commodities Futures as of October 26, 2021

Commodities Futures	Price Unit	Latest Price (US\$)	Month to Date	Year to Date
Corn (CBOT)	\$ per bu.	\$5.38	(0.65)%	11.21 %
Wheat (CBOT)	\$ per bu.	\$7.60	0.56 %	18.30 %
Oats (CBOT)	\$ per bu.	\$6.92	17.13 %	94.45 %
Rough Rice (CBOT)	\$ per cwt.	\$13.67	0.40 %	7.43 %
Rapeseed (Canola) (ICE)	CAD per T	\$943.50	4.47 %	48.42 %
Ethanol (CBOT)	\$ per gal.	\$2.21	-	48.62 %



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