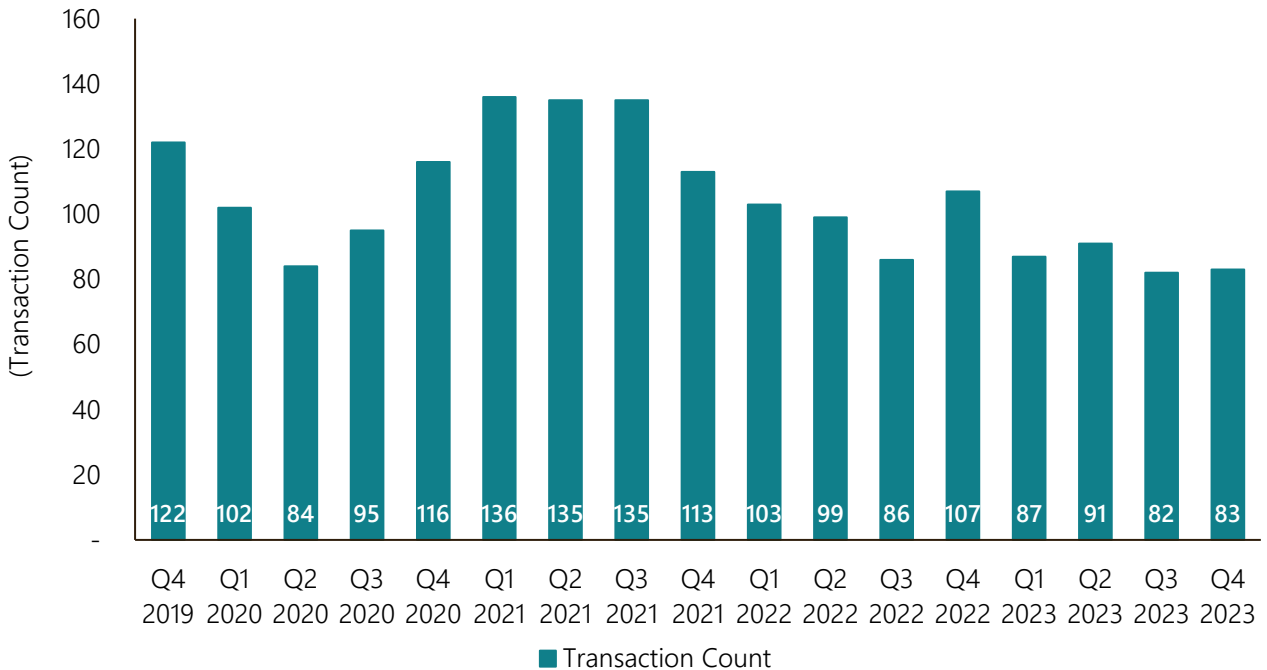


Agriculture

Quarterly Update | Q4 2023



Publicly Disclosed Agriculture M&A Transactions – North America



M&A Market Update – Q4 2023

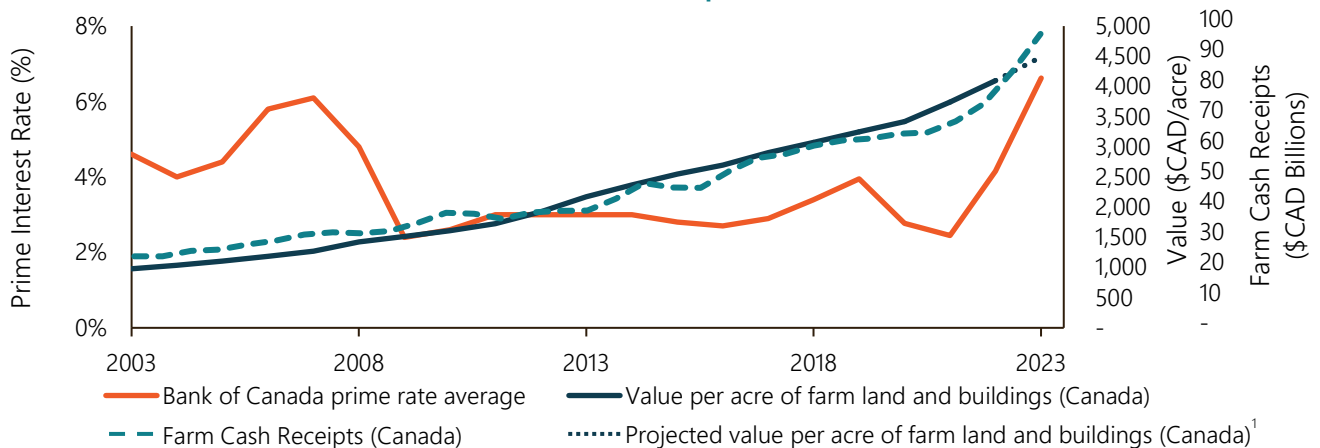
- M&A volume in the North American agriculture industry increased slightly in Q4 2023, with 83 total transactions, compared to 82 in Q3 2023. The total value of publicly disclosed transactions decreased to \$7.9 billion in Q4 2023, compared to \$12.1 billion in Q3 2023. Transaction multiples have remained strong since 2019, with an enterprise value to earnings median multiple of 12.5x.
- The majority of transactions in the agriculture landscape in Q4 2023 were in the food products sub-sector, which comprised 68.7% of the disclosed transactions. Deal volume was also notable in the agricultural services and agricultural machinery distribution sub-sectors.
- M&A activity in Q4 2023 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 Q4 2023 was Koch Fertilizer, LLC’s acquisition of Iowa Fertilizer Company, LLC for \$4.8 billion, accounting for 60.4% 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 14.6%. Prices of irrigated land saw especially strong increases as producers considered options to alleviate drought and other water issues. Land values have continued their upward trend. Still, interest rate increases in 2023 could slow growth compared to 2022.

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 2.7% year-over-year from Q3 2022 to Q3 2023 (the most recent quarterly information available). The Bank of Canada (BoC) prime rate averaged 7.0% throughout 2023 and 7.2% in Q4 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

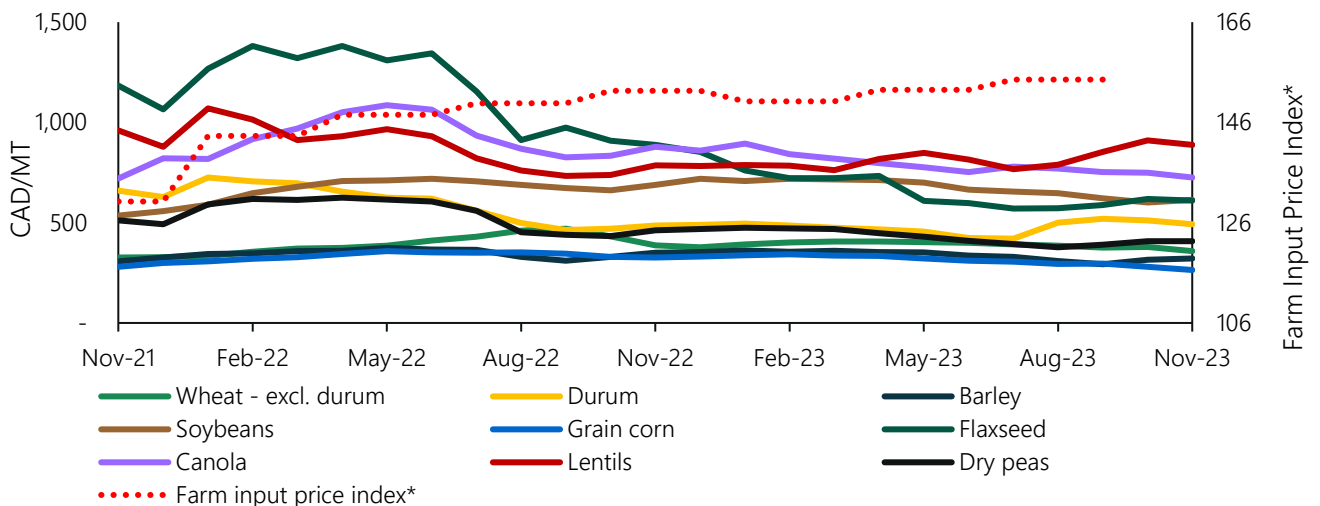


Commodity Price Changes and Farm Input Price Index Costs

Average commodity prices have stabilized through Q4 2023.

The Statistics Canada Farm Input Price Index (FIPI) estimates the change in price that farmers pay for inputs for their farming operation 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



*September 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 Q4 2023.

1: Based on historical growth from 2021 to 2022.

Inputs and Commodity Markets

Market Pressure, Futures & Exports

Commodity Price Highlights

Commodity prices have fluctuated overall in the last three months, with barley, lentil, and dry pea prices increasing and durum, soybean, grain corn, and canola prices decreasing.

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

Commodity Price Changes

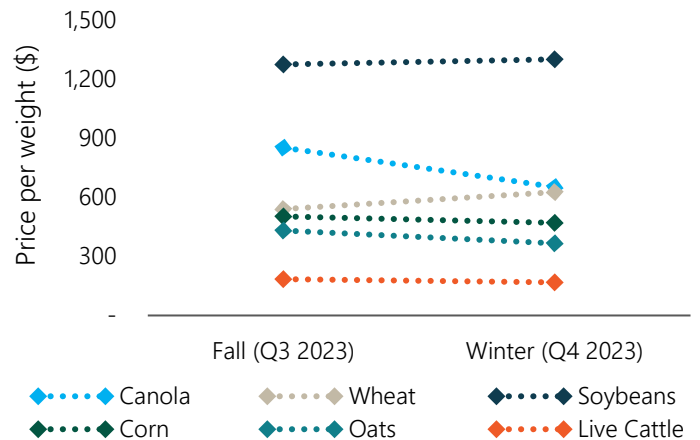
| | Last 12 Months | Last 3 Months |
|------------|----------------|---------------|
| Durum | +1.4% | -1.6% |
| Barley | -7.9% | +4.4% |
| Soybeans | -10.8% | -5.0% |
| Grain corn | -18.7% | -10.1% |
| Flaxseed | -31.3% | +6.6% |
| Canola | -17.4% | -5.9% |
| Lentils | +13.0% | +12.5% |
| Dry peas | -11.6% | +8.3% |

Commodity Price Futures

Quoted prices for winter 2024 futures contracts have been relatively volatile compared to the previous quarter.

The futures prices for canola (-23%), oats (-15%), live cattle (-9%), and corn (-6%) all decreased between Q3 and Q4 2023. The futures prices for wheat (+16%) and soybeans (+2%) increased over the same period.

Commodity Pricing¹

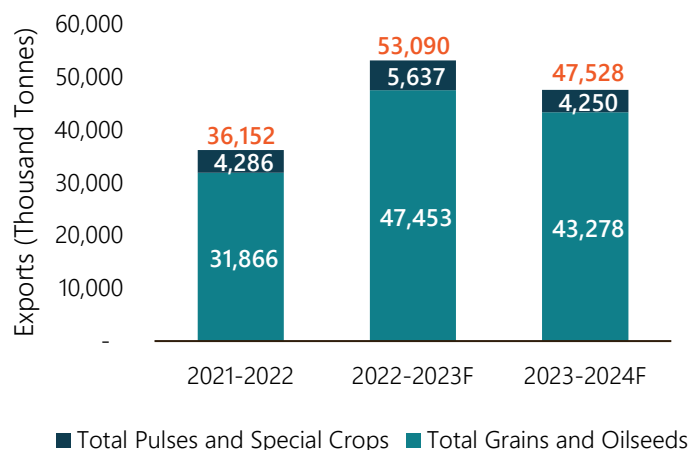


Crop Exports

Canadian principal field crop exports in the 2023-2024F period are expected to decrease from the 2022-2023F total. This follows a 46.9% increase between the 2021-2022 and 2022-2023F periods.

Grains and oilseed exports are forecast to decrease by 8.8%, while pulses and special crops are expected to decrease by 24.6% between the 2022-2023F and 2023-2024F periods.

Canada's Principal Crops Exports²



¹"F" indicates Forecast.

Source 1: Capital IQ. Data as of December 31, 2023.

Source 2: Agriculture and Agri-Food Canada, Outlook for Principal Field Crops. December 15, 2023 update.

Select Recent M&A Transactions



has acquired



| | |
|-------------|---------------|
| Closed | November 2023 |
| TEV | Not disclosed |
| TEV/EBITDA | Not disclosed |
| TEV/Revenue | Not disclosed |

- **S3 Group** (S3) is headquartered in Swift Current, Saskatchewan and provides a broad range of sole-sourced solutions to multi-industry OEMs, distributors, dealers, and retail customers.
- **Power Pin Inc.** (Power Pin) is a supplier of tractor-implement drawbar hitching components.
- The acquisition of Power Pin will allow S3 to expand its presence in the agricultural engineering industry.



has acquired



| | |
|-------------|---------------|
| Announced | December 2023 |
| TEV | \$640 million |
| TEV/EBITDA | Not disclosed |
| TEV/Revenue | Not disclosed |

- **Linamar Corporation** (Linamar) is a manufacturing company serving the mobility, access, agriculture, and MedTech industries.
- **Bourgault Industries Ltd.** (Bourgault) is a global manufacturing company that produces durable and reliable tractors, augers, tillage, and compact implements.
- The acquisition of Bourgault will allow Linamar to maximize growth opportunities globally and enhance product support.



has acquired 97% of



| | |
|-------------|----------------|
| Announced | December 2023 |
| TV | \$60.5 million |
| TEV/EBITDA | Not disclosed |
| TEV/Revenue | Not disclosed |

- **ASKO Holding** (ASKO) is a diversified company with interests in agricultural machinery, construction equipment, energy and technology.
- **Buhler Industries.** (Buhler) is a Winnipeg, Manitoba-based agricultural equipment manufacturer of tractors, augers, and compact implements.
- The acquisition of Buhler will allow both companies to bolster their position in the agricultural industry and continue their commitment to serving farmers and dealers with high-quality farm equipment.

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. | \$36,918 | \$56,511 | \$40,538 | -18.6% | \$9,515 | 23.5% |
| Archer-Daniels-Midland Company | \$50,872 | \$61,906 | \$131,076 | -1.8% | \$8,424 | 6.4% |
| Bunge Limited | \$19,369 | \$25,436 | \$82,875 | -8.9% | \$7,168 | 8.6% |
| The Andersons, Inc. | \$2,546 | \$3,104 | \$21,934 | -1.3% | \$503 | 2.3% |
| The Mosaic Company | \$15,422 | \$19,977 | \$20,329 | -18.7% | \$4,285 | 21.1% |
| Ceres Global Ag Corp. | \$67 | \$239 | \$1,343 | -10.8% | \$24 | 1.8% |
| Seaboard Corporation | \$4,578 | \$4,638 | \$13,454 | -9.9% | \$1,075 | 8.0% |
| Median | \$15,422 | \$19,977 | \$21,934 | -9.9% | \$4,285 | 8.0% |
| Mean | \$18,539 | \$24,544 | \$44,507 | -10.0% | \$4,428 | 10.2% |

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

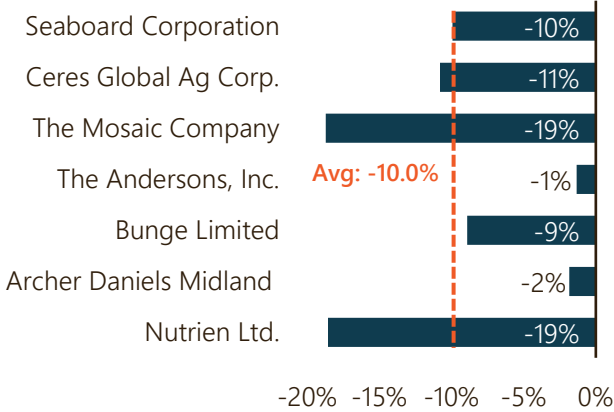
| Company | NTM Consensus Estimates | | | | Valuation | | |
|--------------------------------------|-------------------------|---------------|-----------------|---------------|-----------------|---------------|------------|
| | Revenue Growth | EBITDA Margin | NTM EV | NTM EV/EBITDA | LTM EV | LTM EV/EBITDA | LTM EV/REV |
| Nutrien Ltd. | -8.1% | 21.9% | \$52,288 | 6.4x | \$56,511 | 5.9x | 1.4x |
| Archer-Daniels-Midland (ADM) Company | -2.1% | 5.9% | \$60,912 | 8.0x | \$61,906 | 7.5x | .5x |
| Bunge Limited | -4.1% | 4.9% | \$24,739 | 6.3x | \$25,436 | 3.6x | .3x |
| The Andersons, Inc. | -5.0% | 2.5% | \$2,907 | 5.5x | \$3,104 | 6.3x | .1x |
| The Mosaic Company | -16.7% | 20.6% | \$18,610 | 5.3x | \$19,977 | 4.8x | 1.0x |
| Ceres Global Ag Corp. | N/A | N/A | N/A | N/A | \$239 | 10.1x | .2x |
| Seaboard Corporation | N/A | N/A | N/A | N/A | \$4,638 | 4.4x | .4x |
| Median | -5.0% | 5.9% | \$24,739 | 6.3x | \$19,977 | 5.9x | .4x |
| Mean | -7.2% | 11.2% | \$31,891 | 6.3x | \$24,544 | 6.1x | .6x |



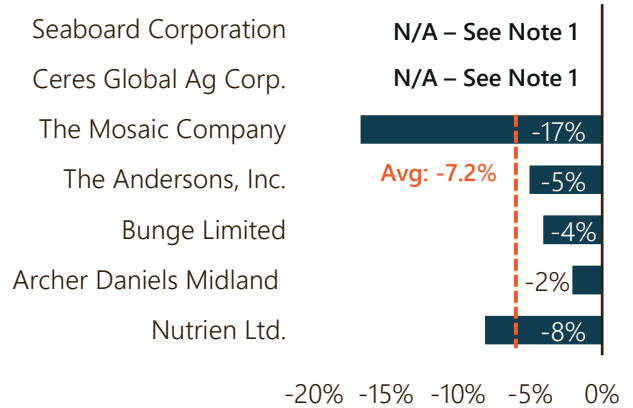
Public Comparable Analysis

Growth, Margins & Multiples

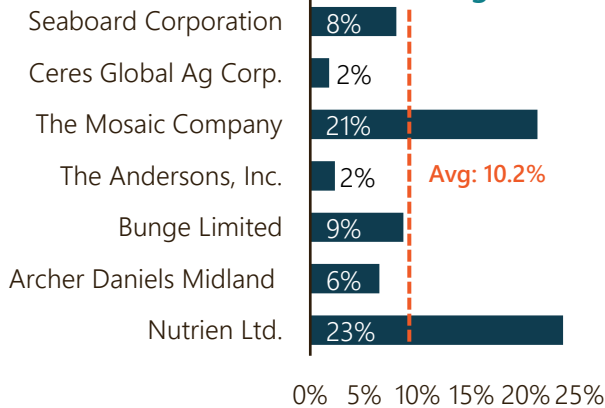
LTM Revenue Growth



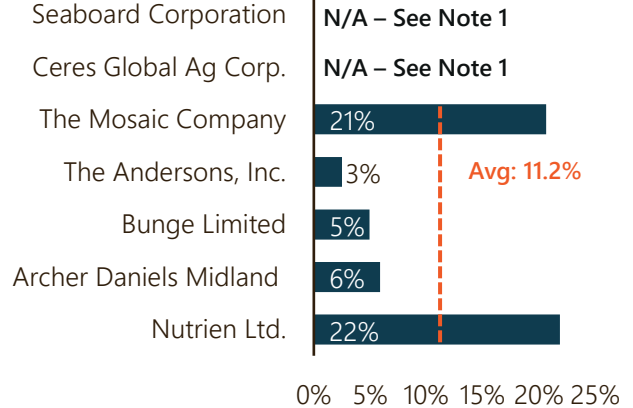
NTM Revenue Growth



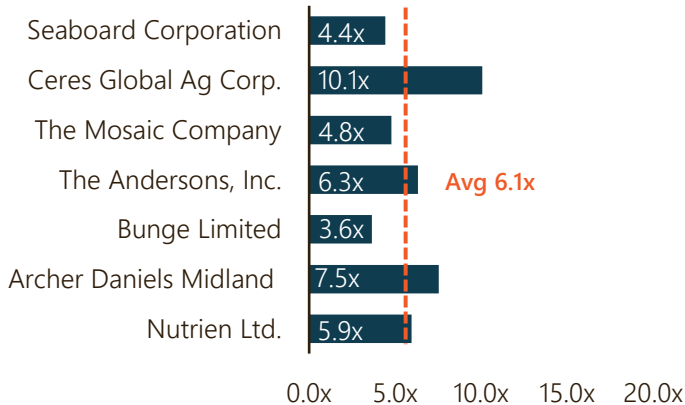
LTM EBITDA Margin



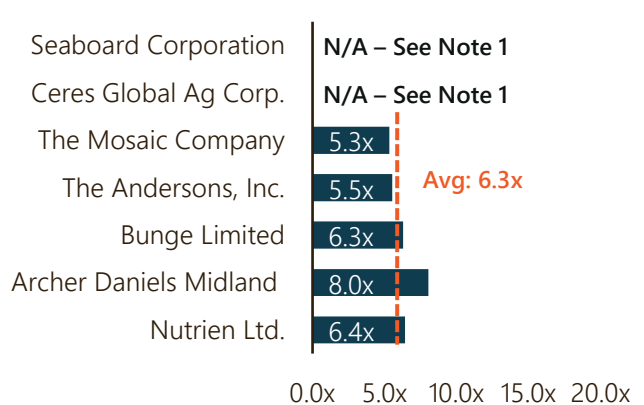
NTM EBITDA Margin



LTM EV/EBITDA



NTM EV/EBITDA



Source: Capital IQ. Data as of December 31, 2023.

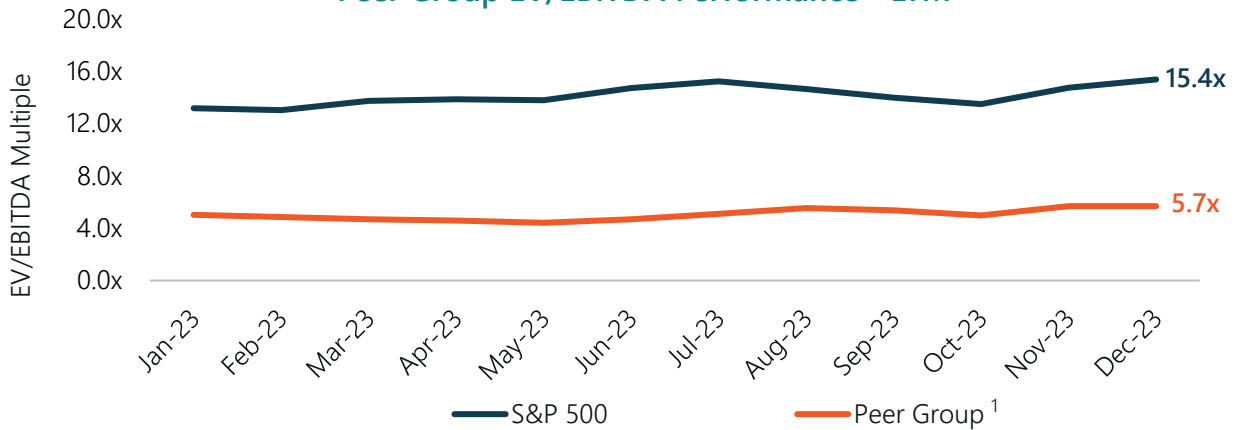
"LTM" refers to last twelve months. "NTM" refers to next twelve months.

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.

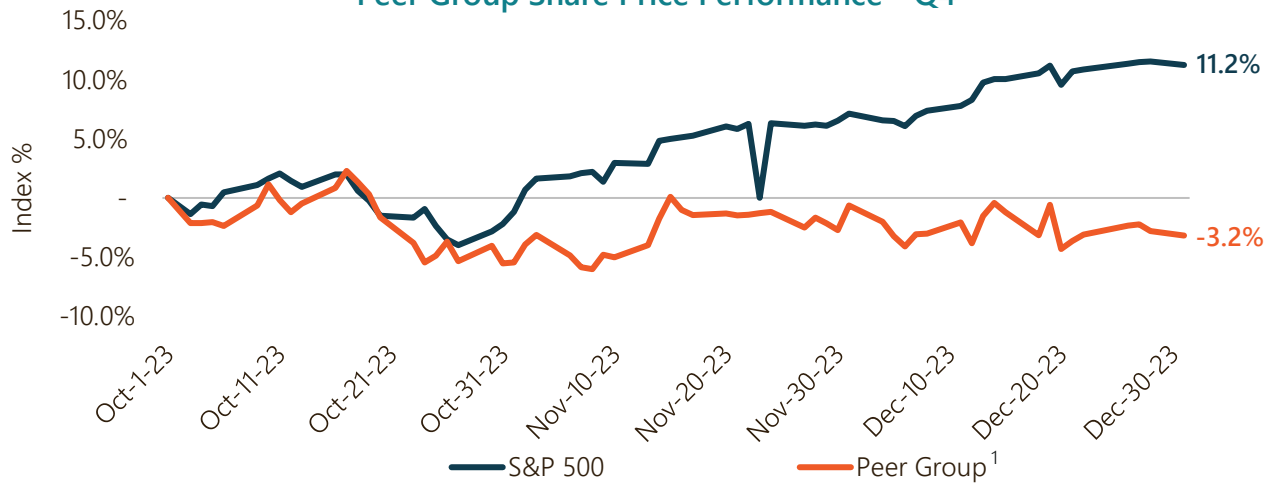
Public Comparable Analysis

Performance Analysis

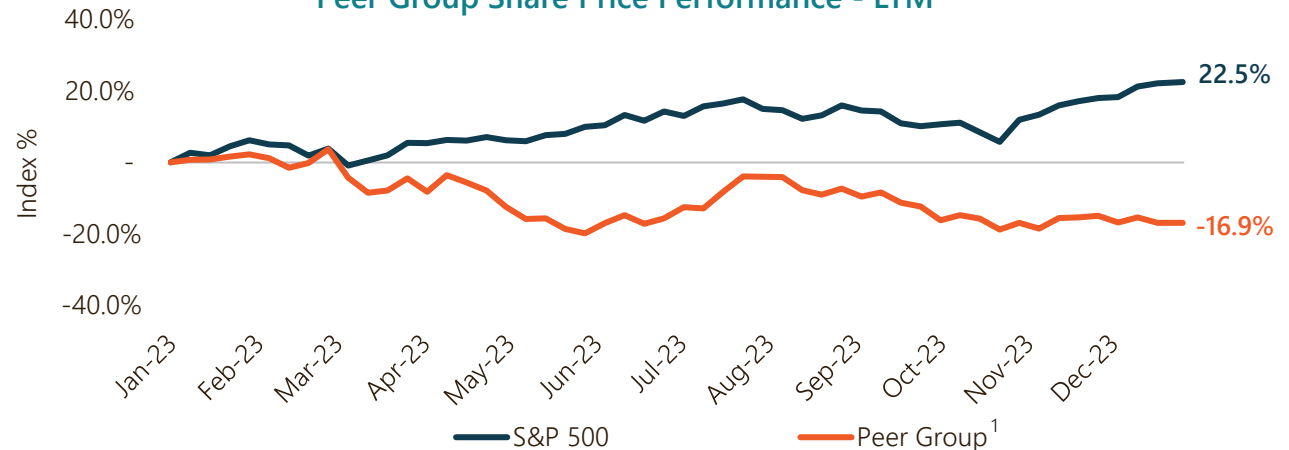
Peer Group EV/EBITDA Performance - LTM



Peer Group Share Price Performance - Q4



Peer Group Share Price Performance - LTM



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

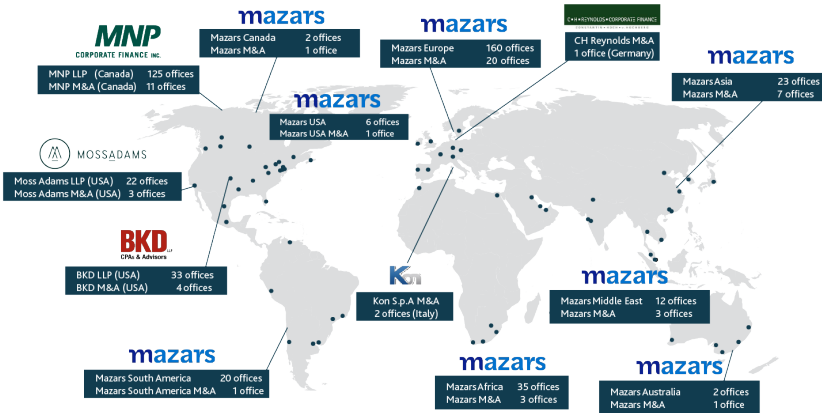
Our typical transactions range in value between \$3 million and \$300 million.

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.



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 10 years alone, we have completed over 265 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

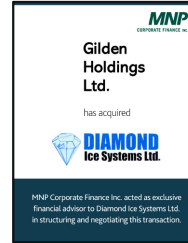
Hands-on Approach

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)



MNP
CORPORATE FINANCE INC.

Gilden Holdings Ltd.

has acquired

DIAMOND
Ice Systems Ltd.

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



MNP
CORPORATE FINANCE INC.

KCP KIRTLAND CAPITAL PARTNERS

has acquired

GALATI
CHEESE COMPANY LTD.

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



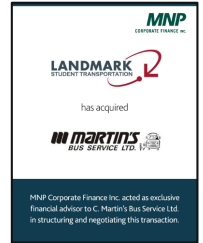
MNP
CORPORATE FINANCE INC.

TRS
COMPONENTS LTD.

has acquired

INI
INDUSTRIAL NETWORKS

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



MNP
CORPORATE FINANCE INC.

LANDMARK
TRANSPORT SERVICES

has acquired

MARTIN'S
BUS SERVICE LTD.

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



MNP
CORPORATE FINANCE INC.

NGL
NORTHERN NATURAL GAS ALLIANCE

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

Access NGL
Pipeline System

MNP Corporate Finance Inc. acted as exclusive financial advisor and debt placement monitor to Northern Natural Gas Alliance in this transaction.



MNP
CORPORATE FINANCE INC.

AMMOLITE
INVESTMENT PARTNERS

has acquired

SILVERLINE
OILFIELD SERVICES

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



MNP
CORPORATE FINANCE INC.

Regimen Equity Partners

has acquired

THOMAS
INDUSTRIES

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



MNP
CORPORATE FINANCE INC.

NIBE

has acquired a majority interest in

MILES
INDUSTRIES

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



MNP
CORPORATE FINANCE INC.

LIFT AUTO
GROUP

has acquired

Herbers
Autobody Repair

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



MNP
CORPORATE FINANCE INC.

efl

has acquired

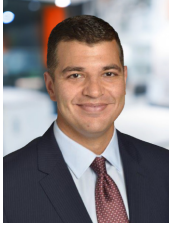
LEI

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

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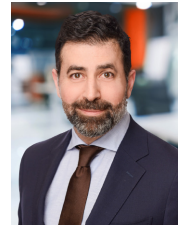
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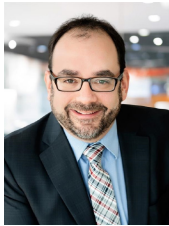
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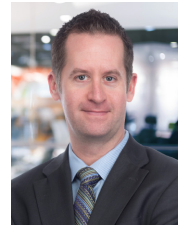
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