

INDUSTRY UPDATE

Agribusiness Market Monitor



MERIDIAN CAPITAL
INVESTMENT BANKERS





AGRIBUSINESS MARKET INSIGHTS

Agribusiness Gains Footing Heading into 2021

- The essential nature of the Agribusiness sector caused it to perform well relative to other sectors of the economy as Agribusiness companies adapted quickly to a wide range of operational and end-market challenges in 2020 created by the COVID-19 pandemic.
- The export market in 2020 was soft for most crop and food types, but exports are expected to rebound to some degree in 2021. It is expected that many companies will continue to strengthen and improve their domestic operations and opportunistically pursue export opportunities in 2021.
- Products sold into grocery and 'good-for-you' channels experienced strong demand and pricing bumps throughout 2020, including citrus and berries. These trends are expected to continue as we move through 2021 and its crop seasons.

Social Distancing and Labor Shortages Accelerate Automation

- Labor shortage was the most frequent issue within the Agribusiness sector with more than 45% of companies reporting that their workforce was affected as a result of the virus¹.
- Producers and packers who made investments in technology and PPE early in the pandemic separated themselves from competitors during the later half of 2020.
- Reduced capacity within packing facilities due to social distancing requirements accelerated demand for automated processes and new technologies in 2020, including computer vision and sorting, machine learning, robotics, and remote monitoring. This trend is expected to accelerate in 2021.
- For processes such as fruit picking, which requires delicacy in handling, as well as judgement on readiness to harvest, automation remains a challenge. Instead, fruit and vegetable packers and producers are choosing to focus on using technology to increase yield, reduce crop inputs, and preserve produce for longer after harvest.

Consolidation Expected to Continue Within Niche Sectors in 2021

- Many companies within Agribusiness are focusing on portfolio diversification and growth via acquisition.
- Large legacy Agribusiness companies looking to increase their organic, better-for-you, and branded offerings have increasingly sought to consolidate smaller companies that have well-established offerings in market.
- Some fragmented segments with multiple niche players, including farm distribution and retail, farming inputs, and ingredient processors, are facing challenges stemming from their lack of scale, financial reserves, and portfolio diversity. These segments are expected to experience significant M&A volumes in 2021.
- With record "dry powder" and available capital to invest, look for financial and institutional investors to continue to seek investments throughout 2021 in the highly fragmented Agribusiness market.

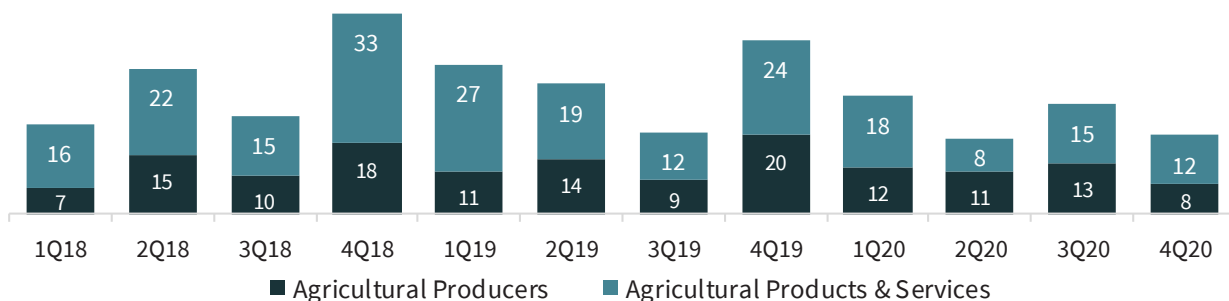
¹ Source: Agribusiness Global



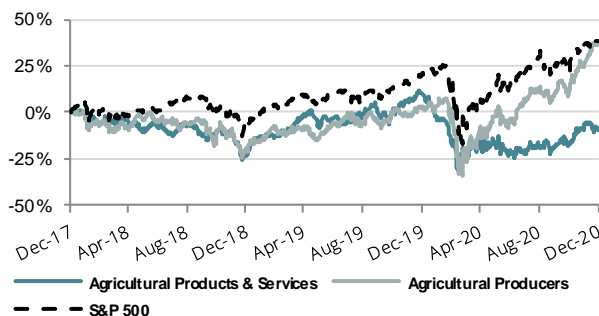
AGRIBUSINESS M&A ACTIVITY

M&A Activity and Market Trends

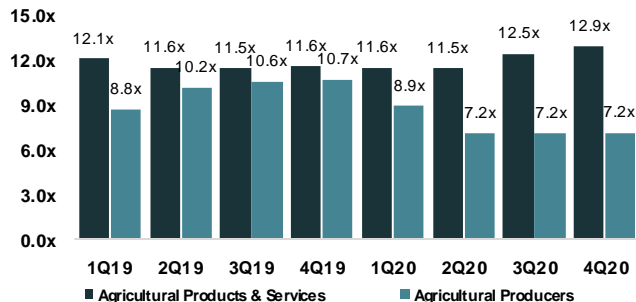
U.S. Agribusiness M&A Activity



Sector Market Performance



Sector Valuation Trends (EV / EBITDA)



Recent Transaction Spotlights



Jan. 2020

Description: SiteOne, a wholesale landscape supply and irrigation distributor, has acquired Spokane, WA based Wittkopf Landscape Supplies

Rationale: The acquisition expands SiteOne's offerings in the region from the Company's 2018 purchase of Auto-Rain



Backed By



Jul. 2020

Description: Lineage Logistics a portfolio company of Bay Grove Capital has agreed to acquire Washington based Henningesen Cold Storage Co.

Rationale: The acquisition strengthens Lineage's leading network of CA storage located across 12 countries globally



Backed By



Oct. 2020

Description: Rose Acre Farms and Weaver Eggs have agreed to purchase AGR Partners entire interest in Opal Foods

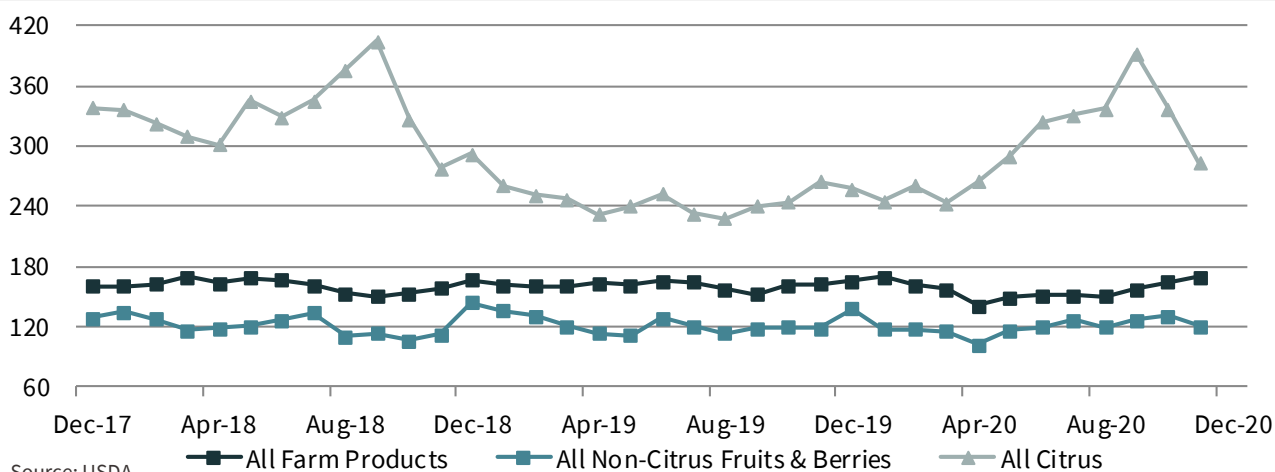
Rationale: The egg industry has a positive future with high-protein diet trends, and Opal Foods has a favorable specialty and cage-free asset base



PRODUCE PRICES STABILIZE

- Prices for non-citrus fruits & berries have recovered most of the ground they lost in Apr-20 at the beginning of the COVID-19 pandemic as market visibility has increased. During 2020, citrus experienced its largest increase in price since 2018 as Florida groves recovered from hurricanes and domestic demand increase.
- Domestic pricing for agricultural products and produce has increased as customers seek to reduce risk in their supply chains and put greater value on domestic production.
- Producers with larger, highly automated facilities were best suited to deal with the COVID-19 pandemic as less automated producers dealt with virus-related shutdowns. The success of large automated producers during the crisis will likely accelerate the pace of consolidation in the industry.

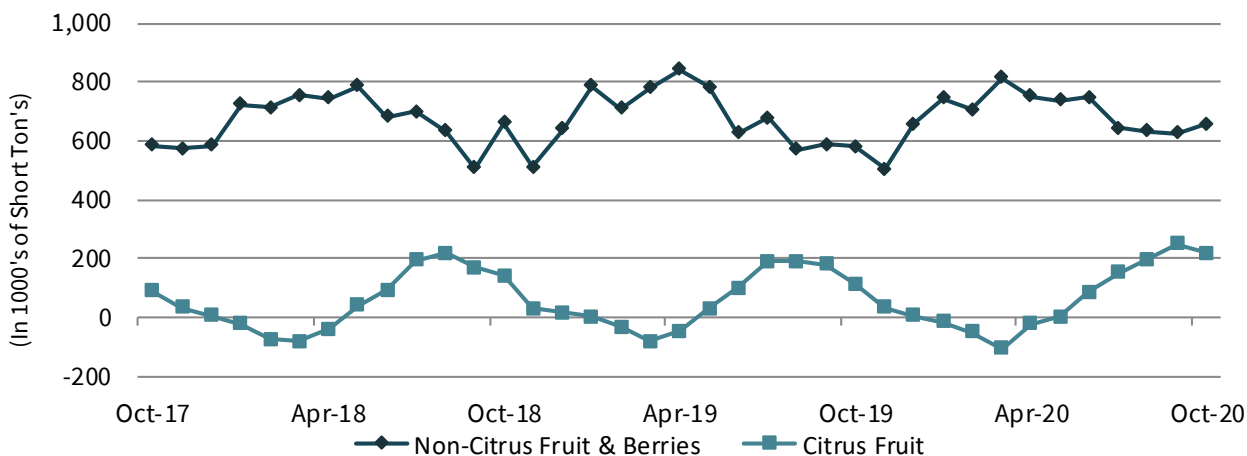
U.S. Producer Pricing Index



DEMAND FOR FRUIT & BERRIES REMAINS HIGH

- Demand for imported fruit and berries was higher than previous years as producers continue to deal with disruptions in domestic production stemming from the COVID-19 pandemic.

Net Import/(Export) of Fruit & Berries





PUBLICLY-TRADED AGRIBUSINESS COMPANIES

Agriculture Products & Services

(\$US in millions, except per share amounts)

Company Name	Market Cap	Enterprise Value	TTM Data			NTM Est. Growth	EV Multiple	
			Sales	EBITDA	Margin		TTM Sales	TTM EBITDA
FMC Corporation	\$15,006	\$18,138	\$4,687	\$1,280	27.3%	6.4%	3.9x	14.2x
Scotts Miracle-Gro	11,141	12,832	4,132	696	16.9%	4.2%	3.1x	18.4x
The Toro Company	10,172	10,565	3,379	523	15.5%	7.4%	3.1x	20.2x
The Mosaic Company	8,867	13,094	8,301	1,085	13.1%	6.8%	1.6x	12.1x
CF Industries Holdings	8,052	14,396	4,071	1,539	37.8%	6.2%	3.5x	9.4x
AGCO Corporation	7,706	8,996	8,946	838	9.4%	6.2%	1.0x	10.7x
SiteOne Landscape Supply	6,810	7,259	2,564	224	8.7%	10.4%	2.8x	32.4x
Lindsay Corporation	1,356	1,361	475	74	15.5%	0.2%	2.9x	18.5x
Titan Machinery Inc.	424	828	1,326	59	4.5%	3.5%	0.6x	14.0x
Titan International, Inc.	271	683	1,234	24	1.9%	11.4%	0.6x	28.9x
Pure Cycle Corporation	255	233	26	5	18.0%	NM	9.0x	NM
Intrepid Potash, Inc.	209	258	150	26	17.2%	24.3%	1.7x	10.0x
CVR Partners, LP	163	760	346	79	22.8%	(1.1%)	2.2x	9.6x
AgroFresh Solutions, Inc.	141	539	167	71	42.6%	5.3%	3.2x	7.6x
Ceres Global Ag Corp.	95	241	627	12	2.0%	NM	0.4x	19.7x
			Median	\$79	15.5%	6.2%	2.8x	14.1x
			Average	\$436	16.9%	7.0%	2.6x	16.1x

Agriculture Producers

(\$US in millions, except per share amounts)

Company Name	Market Cap	Enterprise Value	TTM Data			NTM Est. Growth	EV Multiple	
			Sales	EBITDA	Margin		TTM Sales	TTM EBITDA
Tyson Foods, Inc.	\$23,651	\$34,231	\$43,185	\$5,013	11.6%	NA	0.8x	6.8x
Darling Ingredients Inc.	9,129	10,746	3,412	462	13.5%	6.7%	3.1x	23.3x
Pilgrim's Pride Corporation	4,796	6,958	12,038	617	5.1%	NA	0.6x	11.3x
Sanderson Farms, Inc.	2,943	2,959	3,564	182	5.1%	NA	0.8x	16.3x
Cal-Maine Foods, Inc.	1,783	1,593	1,403	99	7.1%	NA	1.1x	16.1x
Calavo Growers, Inc.	1,273	1,369	1,117	51	4.5%	NA	1.2x	27.0x
Fresh Del Monte Produce Inc.	1,192	1,956	4,225	174	4.1%	NA	0.5x	11.2x
Mission Produce	991	1,142	887	95	10.7%	1.3%	1.3x	12.0x
Adecoagro S.A.	742	1,671	854	294	34.4%	(2.7%)	2.0x	5.7x
Limoneira Company	\$271	\$423	\$171	(\$4)	NA	11.7%	2.5x	NA
Farmland Partners Inc.	248	1,031	55	35	64.6%	(1.1%)	NM	29.2x
Alico, Inc.	234	388	93	21	23.2%	NA	4.2x	18.1x
S&W Seed Company	94	142	81	(15)	NA	8.3%	1.7x	NA
			Median	\$99	10.7%	4.0%	1.3x	16.1x
			Average	\$540	16.7%	4.1%	1.7x	16.1x



NOTABLE TRANSACTIONS: AGRIBUSINESS

Announced Date	Acquirer/Investor	Target	Target Description
11/30/2020	Biobest USA, Inc.	Beneficial Insectary Inc.	Engages in the production and application of beneficial organisms used in biological pest control.
11/23/2020	Fortune Fish Company Inc.	Neesvigs Inc.	Manufactures and markets packed food and meat products.
11/6/2020	The Carlyle Group Inc.	Manna Pro Products, LLC	Produces animal feeds for animal health and nutrition including equines, rabbits, goats & poultry.
11/2/2020	Producers Dairy Foods, Inc.	Umpqua Dairy Products, Inc.	The company offers a full line of dairy products distributed to retailers domestically
10/1/2020	AGR Partners	Green Plains Cattle Company LLC	Operates cattle feedlots and offers risk management and financing services to customers.
9/22/2020	Carousel Capital Partners LP	Landscape Workshop LLC	Provides grounds maintenance services for commercial properties across the Southeast.
7/28/2020	Albert City Elevator, A Cooperative	AG Partners L.L.C.	The company offers seeds, grains, and feeds; and a precision agricultural program.
7/7/2020	GrubMarket, Inc.	Cali Fresh Produce Inc	Produces and distributes fruits and vegetables.
7/1/2020	Swissgenetics Genossenschaft	New Generation Genetics, Inc.	Engages in animal breeding services.
6/29/2020	Kinderhook Industries, LLC	Prairie Dog Pet Products, LLC	Manufactures treats and antler products for pet dogs.
6/19/2020	Costa Farms, LLC	Deleon's Bromeliads, Inc.	Grows bromeliads and orchids.
6/15/2020	West Lake Creek Company, LLC	Osage Gardens Inc.	Produces organically grown culinary herbs and vegetables.
6/1/2020	Green Garden Products LLC	Dyna-Gro, Inc.	Produces and distributes liquid plant nutrient products.
5/29/2020	Henderson Turf Farm, Inc.	Scarff's Nursery & Landscape LLC	Owns and operates a nursery and landscape company.
5/28/2020	Lineage Logistics Holding, LLC	Henningsen Cold Storage Co.	Provides multi-temperature controlled storage and refrigerated logistics services.
5/1/2020	Hoffman Landscapes, Inc.	Kent Greenhouse & Gardens	Provides landscape design, installation, and garden maintenance services.
2/27/2020	WaterVault America, Inc.	Huerfano-Cucharas Irrigation Company	Provides landscape design, installation, and garden maintenance services.
4/9/2020	Sakata Seed America, Inc.	Vanguard Seed	Produces lettuce seed.
3/26/2020	Michael Foods of Delaware, Inc.	Henningsen Foods, Inc.	Provides specialty egg, meat, and poultry products to the food processing industry.
3/25/2020	Wm. Bolthouse Farms, Inc.	Carrot Operations of Rousseau Farming Company	Comprises carrot farming services.
3/18/2020	Silver Spring Foods, Inc.	Brede, Inc.	Processes and sells horseradish, sauces, and other vegetable crops.
3/17/2020	Sloan Implement Co., Inc.	Assets of Arends-Awe, Inc.	Comprises harvesting equipment.
3/10/2020	Gold Leaf Farming, LLC	1,850-acre Almond Orchard in Fresno County	1,850-acre Almond Orchard in Fresno County.
2/28/2020	K-Tec Earthmovers Inc.	Ashland Industries, Inc.	Ashland Industries manufactures earthmoving equipment and machinery for agricultural use.
1/31/2020	AGRANA	Marroquin Organic International, Inc.	Marroquin Organic International, Inc. provides organic and non-GMO ingredients.
1/15/2020	Greenville Turf & Tractor Inc	Reynolds Farm Equipment, Inc.	Reynolds Farm Equipment, Inc. operates as an equipment dealer.
1/14/2020	SiteOne Landscape Supply, Inc.	Assets and Liabilities of The Garden Dept. Corp.	The Garden Dept. Corp. provides nursery services and horticultural distribution.
1/13/2020	BrightView Holdings, Inc.	Signature Coast Holdings, LLC	Signature Coast Holdings, LLC provides commercial landscaping services.

AGRIBUSINESS SECTOR

MERIDIAN CAPITAL SECTOR COVERAGE

- Cold Storage
- Crop Inputs and Consumables
- Irrigation Equipment
- Food Processors and Producers
- Growers
- Packers and Packaging
- Transportation and Logistics
- Vertically Integrated Operations

MERIDIAN CAPITAL TRANSACTION EXPERIENCE

<p>Earl E. Brown & Sons *</p>  <p>- Acquired by -</p> <p>Foreman Fruit & Land Company</p>	<p>Gar Tootelian *</p>  <p>- Acquired by -</p> 	<p>Honeybear Growers *</p>  <p>- Strategic Advisory -</p>	<p>Larson Fruit Company & Valley Fruit *</p>  <p>- Acquired by -</p> 
<p>Pearl Crop *</p>  <p>- Private Placement -</p> 	<p>Wilson Irrigation & Orchard Supply *</p>  <p>- Acquired by -</p> 	<p>Sage Fruit Marketing Co. & Legacy Fruit Packers *</p>  <p>- Acquired by -</p> 	
<p>Herb Farm, LLC *</p>  <p>- Acquired by -</p> <p>MONTLAKE CAPITAL <small>Private Capital for Growth Companies</small></p>	<p>Johnsonville</p>  <p>- Strategic Advisory -</p>	<p>Hood River Juice</p>  <p>- Acquired by -</p> 	<p>Dade Moeller & Associates *</p>  <p>- Capital Raise by -</p> 
<p>Northwest Landscape Services</p>  <p>- Acquired by -</p> 	<p>Standlee Premium Western Forage *</p>  <p>- Strategic Advisory -</p>	<p>Allpak Container</p>  <p>- Acquired by -</p> 	

* Note: Includes transactions completed by Meridian bankers while at previous firms



MERIDIAN CAPITAL

INVESTMENT BANKERS

Meridian Capital has been helping middle market business owners achieve their M&A and corporate finance goals since 1995.



INDUSTRY EXPERIENCE

Meridian's agribusiness practice provides comprehensive access to industry-wide strategic and financial sponsor relationships, deep sector expertise, and proven transaction experience to help maximize shareholder value.

TRANSACTION EXPERTISE

- Mergers & Acquisitions
- Growth Capital
- Strategic Advisory

TAILORED PROCESSES

- High-Touch Approach
- Multidisciplinary Deal Team
- End-to-End Services

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About Meridian Capital

Meridian Capital (www.meridianllc.com), a Seattle-based M&A advisory firm, has served as a trusted advisor to business owners on complex corporate finance, M&A, and strategic challenges for over 20 years. The firm differentiates itself through its deep industry insights, highly customized service approach, and end-to-end commitment to execution.

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