



Sustainable agriculture broadens its appeal

SPOT ON | ORGANIC & SUSTAINABLE AGRICULTURE | JANUARY 2020

MARKET TRENDS

Twenty years ago, when the industry was approaching US\$18 billion in sales, few people imagined a time when the organic food and drink market would surpass annual sales of US\$100 billion. During the past two decades the market also became one of the cornerstones of the wider sustainability movement, which now impacts a wide range of industries — from food packaging to soil health and building large-scale food systems in emerging economies. The pace of change has driven firms to make investments, and M&A activity is moving ahead at a brisk pace as we approach the end of 2019.

“The market is receiving substantial attention globally, buoyed by population growth and strong consumer preferences for sustainable food systems. Large-scale growth is on the horizon, especially in emerging markets such as Africa, and we expect to see inflows of capital to support innovative firms.”

DOUG KRAVET

OAKLINS' ORGANIC & SUSTAINABLE
AGRICULTURE SPECIALIST

MARKET TRENDS (pg.2)

More than 600 M&A transactions have been completed since January 2014, as firms try to keep pace with consumer demand.

SPOTLIGHT (pg.6)

An introduction to the Swahili Coast Salt Company, which produces gourmet, table, industrial and cosmetic salt on Pemba Island, off the coast of Tanzania.

PUBLIC COMPANY VALUATIONS (pg.9)

Equipment and service firms continue to outpace the S&P 500, while there has been a dip in valuation multiples for water, seed, fertilizer and input firms.

CASE STUDY (pg.14)

Forafic, a leading wheat flour and semolina group based in Casablanca, has been acquired by YCAP.



Market trends

The M&A deal environment continues to be healthy, with more than 600 M&A transactions completed between January 2014 and October 2019.

Transaction volume increased through the first 10 months of 2019 as compared with the same period of 2018. Investors are pursuing deals across the agricultural supply chain, making acquisitions to build scale, broaden product lines, access markets, and enhance research and development capabilities. Financial investors are making platform investments to pursue attractive, risk-adjusted financial returns. Examples of the acquisition strategies of a few firms are presented below.

Gladstone Land (organic farmland)

is pursuing the strategy of purchasing and converting conventional farmland into certified organic land. The firm has completed 12 acquisitions over the past 12 months.

Taylor Farms (organic vegetables and branded products) purchased Earthbound Farm to build on its portfolio of organic brands, develop new organic products, and expand its growing and processing capacity.

Platinum Equity (sustainable seafood company) made a platform investment in Iberconsa, which is a vertically integrated seafood company headquartered in Spain. The company is expected to grow by making internal investments and via acquisitions.

Marrone Bio Innovations (sustainable nutrients and biostimulants) purchased Pro Farm Technologies to enhance its nutrient and biostimulant capabilities and add products for seed and foliar treatments to its portfolio.

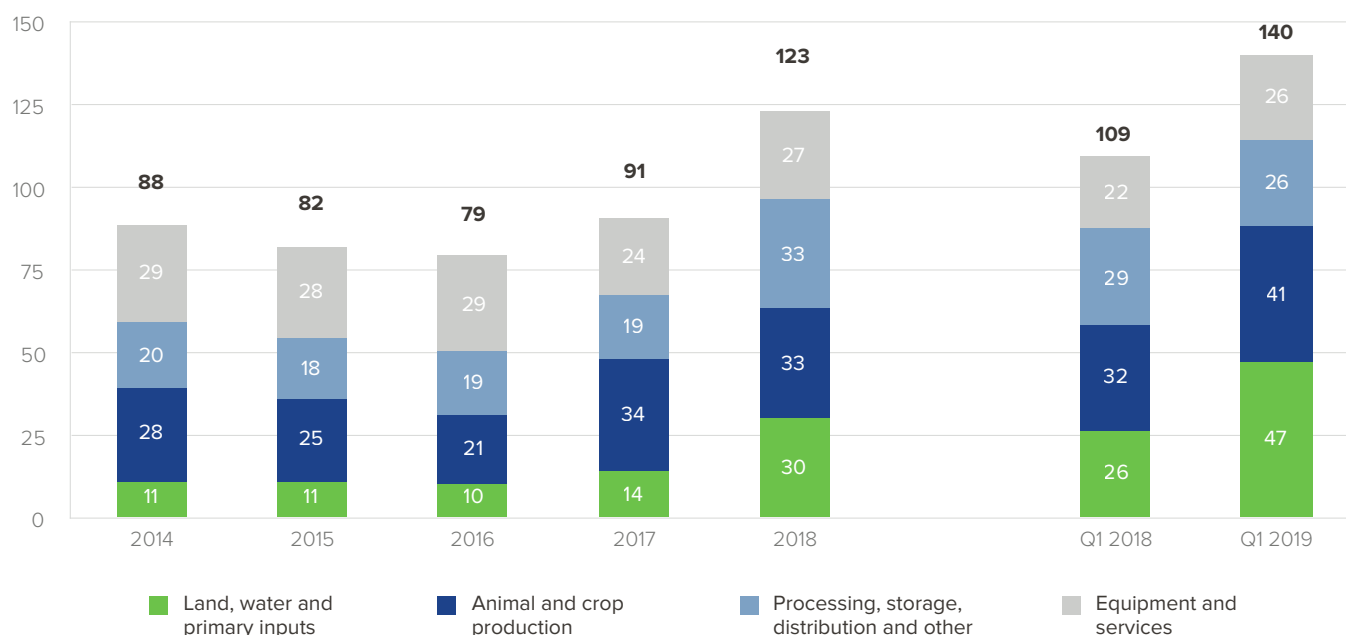
Perfection Fresh Australia (fresh fruits and vegetables) acquired BerryYummy Marketing to increase its market share in Australia, and improve its genetics and research and development capabilities.

Olam (sustainable tree nut production, processing and distribution) purchased Hughson Nut to expand its almond processing and ingredient production capacity and presence in the US market.

The M&A market continues at its brisk pace, with many firms pursuing acquisitions to add capabilities and build scale

Of the 154 deals closed during the 12 months ending October 2019, 27.9% were cross-border. The most active countries included the US, Canada, Ukraine, Russia and China. The largest volume of M&A deals was completed in the US: 20 during this period. Institutional equity has become much more prevalent in the past decade, with more than 530 equity funds with agriculture-focused mandates currently pursuing deals.

Organic & Sustainable Agriculture M&A deals – 2014 through Q1 2019



Source: Oaklins' elaboration on S&P Capital IQ data

Sustainability continues to be a key theme for US consumers, with Nielsen reporting that consumers will spend up to US\$150 billion annually on products that are considered sustainable. More than 30% of households in the United States are willing to pay a premium for food products that have been certified as organic. As illustrated in the figure below, the definition of sustainably grown food has extended from food to include recycled/reused packaging and less packaging overall.

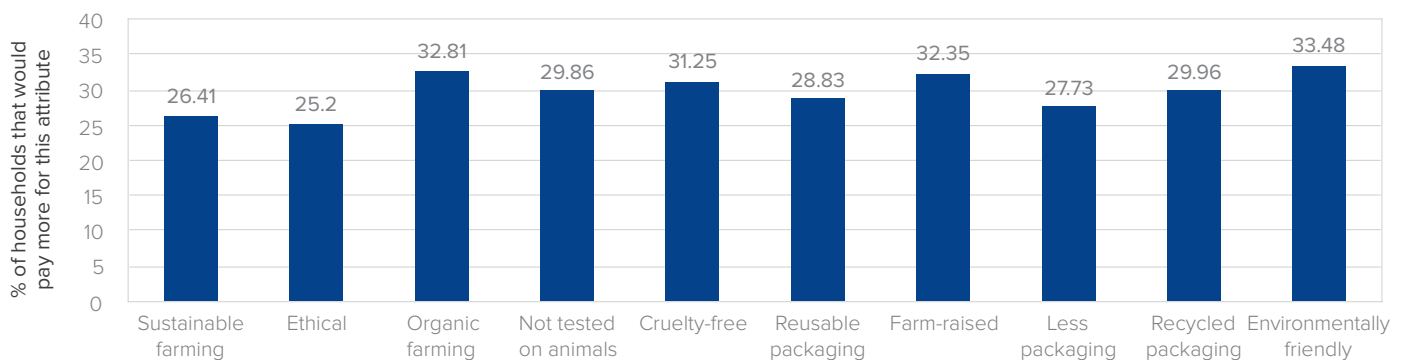
The sustainability movement is continuing to broaden its span, making an impact on a diverse range of other industries, from food packaging to soil health.

The span of the industry is also widening as firms innovate to survive. The field of regenerative agriculture — which focuses on holistic agriculture practices that improve farmland and rebuild/restore the biodiversity of the soil — is gaining traction. Well-known firms such as Danone, General Mills and Anheuser-Busch have made commitments to the industry. Regenerative agriculture is also attracting venture capital (VC), with VC firms such as AgFunder, Cultivian Sandbox and Stage 1 Ventures recently making investments.

While the organic and sustainable market is advancing, it is always prudent

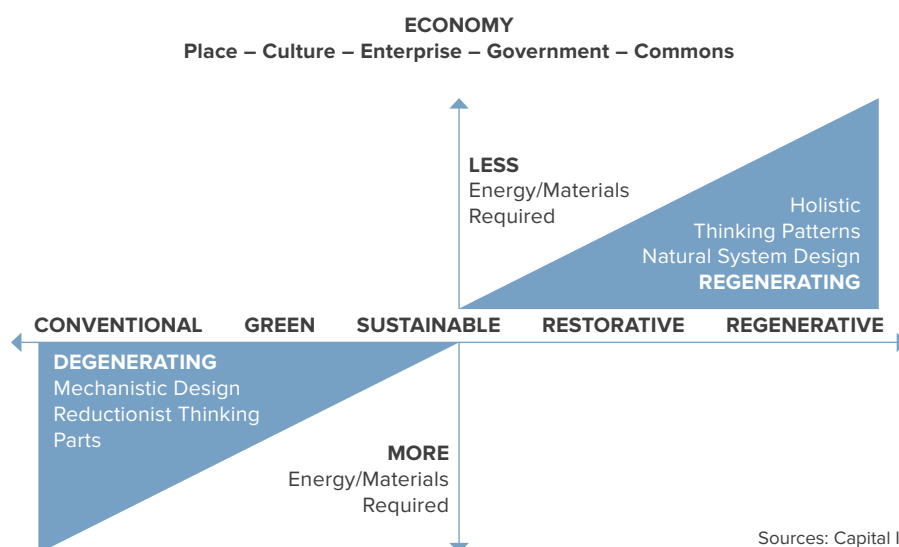
to consider the expansion in comparison to the overall agriculture markets. Even at US\$150 billion globally, this market forms a small percentage of the overall US agribusiness sector (which generates in excess of US\$1 trillion annually). The US agribusiness market is in a prolonged downturn, which began in 2013 and will likely continue to exhibit weakness for the foreseeable future. Major issues that are being encountered in the wider US market include slower global growth, increased trade friction and disputes, and changes in commodity prices. Continued weakness in overall agriculture markets could create headwinds for the organic and sustainable agriculture sector.

Sustainable Agriculture Premium



Source: Nielsen

Regenerative Agriculture



Sources: Capital Institute, John Fullerton – adapted from “Trajectory of Ecological Design” (courtesy of Bill Reed)

Sustainable agriculture focus on Africa

The median age of the 1.3 billion people who live on the African continent is 19.4. Based on projections performed by the World Bank, the population will double by 2050. The increase in population, the trend toward urbanization (only 43.4% of the population currently live in urban areas), and rising living standards will cause the retail value of food and beverages to increase to US\$1 trillion in 2030 (up from US\$300 million in 2010). Investments are being made, and significantly more will be required, to support domestic supply, food security and exports.

In the US and the EU sustainability is typically discussed in the context of soil nutrition, climate-smart practices, and the production of organic and healthy foods. In Africa, sustainable food systems are not just a goal, they are a necessity. Sustainability issues include creating opportunities that encourage smallholders to remain on their farms, establishing markets where smallholders may operate profitably,

enhancing access to markets, and securing the consistent supply of nutritious food for the youngest and fastest-growing population on the planet. These goals must be achieved while assuring healthy soils, clean water, climate-smart activities, and protection for the environment and wildlife. Due to the economic conditions and financial markets in most African countries, foreign direct investment will be critical to building a secure and self-sustaining food system on the continent.

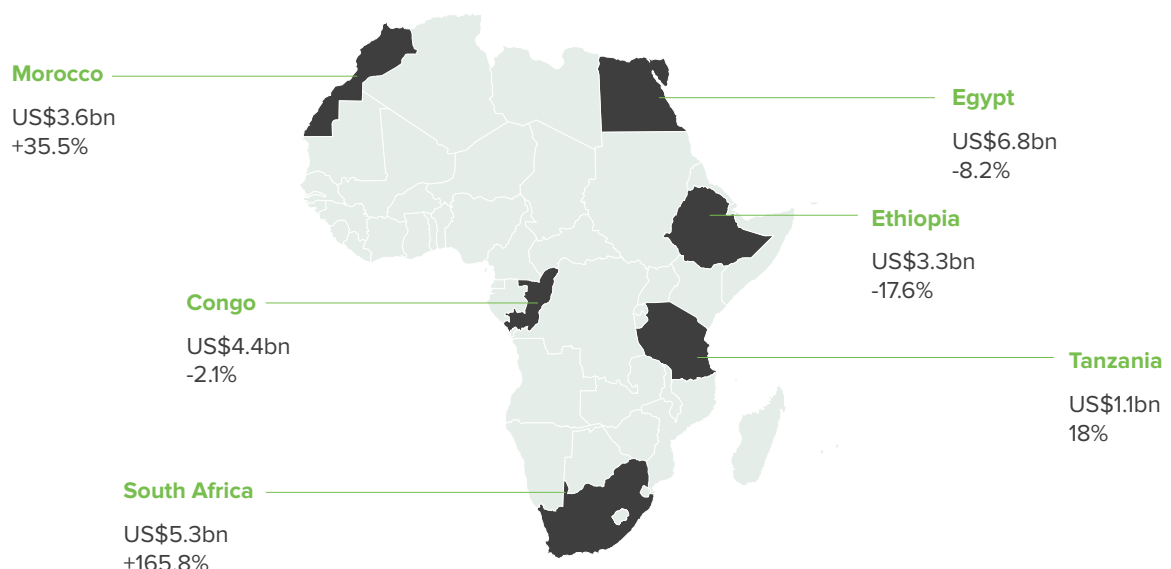
In Africa, sustainable food systems are not just a goal, they are a necessity.

A 2019 McKinsey & Company study on the potential of African agriculture markets highlights this sector as one of the most attractive opportunities for foreign direct investment (FDI) via greenfield, brownfield or M&A. To realize

the scale required to feed the burgeoning population on the continent, Africa will need to increase fertilizer usage by 8x, improve the seed hybridization rate by 6x, and make investments in irrigation and grain storage capacity of US\$65 billion and US\$8 billion, respectively. Additional investment will be required for refrigerated storage and the supply chain for perishable food products.

Investments will also be required in basic infrastructure items such as roads, electricity, water and sewage systems, and ports, and at all other points along the supply chain. McKinsey estimates that Ethiopia, Nigeria and Tanzania are the countries with the greatest potential. During 2016 through 2018, the United Nations Conference on Trade and Development (UNCTAD) reports that total FDI inflows were US\$133 billion. As a result of these trends, our view is that FDI will accelerate over the next five years.

Africa FDI Inflows & Growth, 2018



Source: United Nations Conference on Trade and Development World Investment Report, 2019

Oaklins covers Africa, with a strong presence in Morocco, South Africa and Tanzania. South Africa and Morocco lead the continent in exports, and Tanzania offers some of the greatest opportunities for growth in Africa. Below we present information on FDI, economic growth, credit ratings and how we assist our clients in Africa.

Morocco: With the second highest FDI flows in Africa, Morocco topped US\$3.64 billion in 2018. Last year's top investor country was Ireland, followed by the previous number one, France. As part of the big three African agricultural exporters, Morocco positions itself as the gateway to Africa for European investments.

South Africa: South Africa was the largest FDI recipient in Africa during 2018, at US\$5.3 billion. The African Continental Free Trade Agreement has South Africa poised to become the continent's key supplier, and thus the hub for investments flowing into sub-Saharan Africa. South Africa's seven climatic regions allow it to be highly agriculturally diversified, which includes

the production and value-added processing of all major grains, sugar, citrus, wine, most vegetables and fruits, dairy and all livestock. The country is also the leader in Africa in biotechnology.

Tanzania: Tanzania may surpass all other African countries for its attractiveness as an FDI destination. In 2018, FDI inflow reached US\$1.1 billion (up from US\$938 million in 2017). While mining has been one of the biggest draws, it's closely followed by the agriculture sector and more specifically coffee, tea, cashews and tobacco. Tanzania has announced a value-added strategy, encouraging and inviting investors to buy into production and processing in the country.



Sources: The World Bank; S&P Capital IQ; Moody's



TARIK BRITEL
Morocco

"Agriculture is a critically important industry to the Moroccan economy.

Over the past few years we have assisted agribusiness clients in a variety of ways including advising on public offerings, project financing, negotiating joint ventures, and traditional M&A advisory services.

Our clients have ranged from integrated olive producers to flour milling and grain businesses, poultry producers and fertilizer distributors."



YARON ZIMBLER
South Africa

"The South African economy plays an important role in the global agricultural supply chain.

Our growing seasons run counter to North America and Europe, which helps to provide year-round availability of commodities. In recent years, we have advised clients in a full range of capital market activities, including public offerings, M&A advisory, fairness opinions, and debt and equity capital raising."



REMER LANE
Tanzania

"In 2019, we provided consulting and financial guidance in Tanzania on agricultural investments in avocados, banana, cocoa, coffee, dairy, poultry, pyrethrum, rice and salt. Our network of private sector, financial, educational, research & development, and governmental institutions provides us the resources to represent opportunities to improve the success of direct FDI in greenfield or brownfield and opportunities for M&A."

Morocco Statistics	
GDP, GDP Growth	US\$118.5bn, 2.95%
Agriculture (% of GDP)	12.38%
S&P Credit Rating	BBB-
Ease of Doing Business	53 of 190
Foreign Direct Investment	US\$3.64bn

South Africa Statistics	
GDP, GDP Growth	US\$368.29bn, 0.79%
Agriculture (% of GDP)	2.36%
S&P Credit Rating	BB
Ease of Doing Business	84 of 190
Foreign Direct Investment	US\$5.3bn

Tanzania Statistics	
GDP, GDP Growth	US\$57.44bn, 5.2%
Agriculture (% of GDP)	28.74%
Moody's Credit Rating	B1
Ease of Doing Business	141 of 190
Foreign Direct Investment	US\$1.11bn

Spotlight: Swahili Coast Salt Company

SWAHILI COAST SALT COMPANY LAUNCHES RETAIL LINES THAT ENABLE SMALLHOLDER SALT PRODUCERS TO IMPROVE THEIR LIVES

In 2017, three women formed the Swahili Coast Salt Company (SCSC) and began making the catalytic investments required to develop the salt industry in Pemba



Island, Zanzibar. The vision of SCSC is to produce the first Swahili Coast harvested salt that is mindful of the environment, appreciates and celebrates differences, empowers communities, and enhances flavors and people. SCSC's customers do not just buy salt, they invest in a project that supports an island. SCSC respects the ecosystem, honors the culture,

strengthens the community, energizes the stakeholders and brings meaning to the consumer.

SCSC's production operations are primarily on Pemba Island, where solar sea salt production is concentrated. Operating under rigorous international standards, SCSC is developing a contract-farming framework, whereby SCSC provides farmers with the training and support they need to improve the quality and increase the quantity of salt produced on their existing farms and ensure standardized, consolidated iodization practices. SCSC is currently investing in the construction of a new, purpose-built salt processing and packaging plant, using leading technology to process the salt. The company produces value-added products, including gourmet salt, table salt, industrial salt, and cosmetic salt products. These products are being marketed and distributed to domestic, regional and international markets.

SCSC's upfront investment size is projected to be in excess of US\$3.5 million.

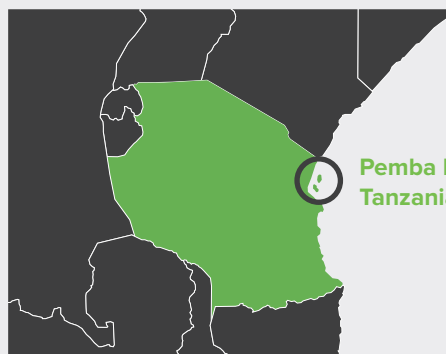


The company projects that they will increase farmers' production of sea salt to approximately 15,000 MT, generating nearly US\$2 million in farmer revenues and creating over 1,000 direct jobs, inclusive of the farmers. Based on analysis completed by the Ministry of Industry and Trade, it is projected that SCSC's investment could impact approximately 10,000 Pemba families. As currently forecasted, the investment generates modest, sub-commercial returns: an internal rate of return (IRR) of 1.7% and a payback period of eight and a half years. However, with strong government support in the form of tax incentives and duty exemptions, the investment generates commercial returns: an IRR of 17% and a seven-year payback period.

Source: Swahili Coast Salt Company

Is salt agriculture or mining?

Producers are called salt farmers and their farms are known as solar salt works, but they mine the salt. Depending on the country, both may be true. In mainland Tanzania, salt falls under the Ministry of Mining and Extractive Industries, but in Zanzibar salt is part of the Ministry of Agriculture.



FOUNDER PROFILES

What made you decide to enter the salt business?

We discovered the sea salt being sold in the market in the Morogoro Region of Tanzania, brought a sample back to Dar es Salaam, and together (friends Lise Wienand, Rachel Cocker and Stephi Said) instantly recognized the potential of this local, naturally harvested product.

We traced the salt back to the island of Pemba and discovered a community of artisanal salt farmers, producing hand-harvested solar sea salt.

Over the next weeks and months, we engaged with the farmers, stakeholders, scientists and the government to learn all we could about the local production of sea salt. What we discovered was an industry with great potential, constrained only by the current quality of the salt and a sustainable route to market.

It was immediately obvious to all three of us that with investment in three key areas — production quality, route to market and government engagement — the sea salt industry in Pemba could compete on a global scale; that not only would salt produced in Pemba meet domestic consumption demands, it would also become recognized around the world as the finest quality sea salt.

How do you view your business having an impact on the lives of Pemban families?

You've previously highlighted our focus on environmental and community concerns. As such, we've developed three primary values for our company:

ENVIRONMENTAL — MINDFUL OF THE ECOSYSTEM

Our sea salt is solar evaporated and hand harvested. It is the product of a delicately balanced ecosystem and, as such, we want to ensure that we are producing salt with minimal environmental impacts. Investing in the environment through mangrove preservation and renewable energy resources will help us achieve this. Sourcing recycled and/or biodegradable packaging, minimizing

emissions in transport and building a production facility with the lowest possible carbon footprint are examples of how we will apply this value.

DIVERSITY — APPRECIATION OF DIFFERENCES

To us, this value transcends the traditional definition of diversity. We are not only honoring the vibrant mix of cultures present in Pemba, but our diversity as individuals: understanding and appreciating our similarities and differences. Creating diverse working relationships — partnering with local businesses and non-governmental organizations (NGOs) and creating diverse product lines and salt blends.



PEOPLE FIRST — EMPOWERING COMMUNITIES

Sea salt is the island's natural industry. By investing in the farmers, we can revive this industry and help Pemba thrive. By providing capacity for the salt farmers and providing access to funds through the formal banking sector, we are ensuring, from the start, that farmers have the resources they need. Our split-pricing model for the farmers and our commitment to reinvesting loans will enable them to earn a sustainable income, harvest to harvest. By putting people first, we can invest in the local community and formalize opportunities for youth and women, and part-time/self-employment for youth groups and women.

What have been some of the biggest challenges to your sustainability efforts?

Today, there are 72 farms across the island, and there is a semi-derelict and non-operational salt production facility in one commercial area.

Pemba currently produces approximately 2,000 MT of naturally evaporated salt per year. This is well below the 72 farms' production capacity, which is projected to be 15,000 MT per year. Recent studies have shown that salt farmers on Pemba face a number of challenges that hamper their production levels and output.

Some of the main challenges the farmers face are:

- Poor production techniques, which leads to poor quality salt
- Market price fluctuations
- Seasonal challenges
- Lack of proper equipment
- Lack of adequate drying techniques
- Inconsistent route to market
- Competition from cheap imports

“Our split-pricing model for the farmers and our commitment to reinvesting loans”

How are you addressing these challenges to assure that you achieve your values and assure profitability?

The key word is “partnership.”

We've partnered first and foremost with the farmers. We've established a route to market and contracts to purchase all the salt they produce. We've also established a profit-sharing scheme, which encourages the farmers to work with us to produce, process and promote their salt. We've also partnered with the Government of Zanzibar. They have been instrumental in clearing the way for us to invest in Pemba and supported our role as the key to sustainable economic growth for the farmers. Lastly, we've partnered with NGOs and international development organizations, like the

Global Alliance for Improved Nutrition (GAIN) and the United States Agency for International Development (USAID).

We don't believe in simply giving farmers free inputs. That creates completely the wrong expectations, and farmers don't take ownership in their work or their sustainability. Our approach has been to assure that we will purchase their salt as long as it meets the critical requirements needed to market it. However, we are not leaving the farmers without the resources to produce more and better-quality salt. We've established training programs in business and salt making, environmental solutions, access to finance, and women empowerment initiatives. Some of these are direct company interventions and others are in partnership with GAIN and USAID. What's critical in this process is to be explicitly clear that Swahili Coast Salt is a business. We are not a development

project. In order for the farmers and their families to earn more and improve their lives, and to protect the mangrove and overall environment (like removing trash from the ocean), we need to make a profit.

What are your growth plans?

Global demand for gourmet salt is increasing and is expected to grow in excess of 6% per year over the next seven to 10 years. Unrefined sea salts that are hand harvested give a rich texture to food, provide a distinct flavor and color, enrich the appearance of food and produce a pleasant aroma. The increasing adoption of gourmet food in luxury restaurants globally, together with changing lifestyles and rising consumer spending, are some of the biggest factors responsible for the increase in

the gourmet salt market size. SCSC has already begun establishing itself in the market and believes that SCSC and its branded products will soon have market recognition in Zanzibar, Tanzania and the international market.

Our target market is a consumer who purchases an item based on the provenance of an environmentally friendly and ethical product, which resonates with our ethos of creating sustainable and natural projects.

Our passion to make a difference in the industry is evident in the way we will promote our authentic products with a full history and traceability right back to their origin. Modern-day consumers value authenticity and will gladly pay a premium when a brand's connections to origin and impact run deep.



STEPHI SAID

Said, a US national, first arrived on the shores of Zanzibar with the SIT Coastal Ecology program in 1996. She is the owner and managing director of two successful businesses based in Zanzibar: ZMMI, a beverage distribution company supplying hotels and restaurants across the Zanzibar archipelago, and Six Degrees South, one of Stone Town's premier restaurants. Said is a member of Entrepreneurs' Organization (EO) BA, the Zanzibar warden for the US Embassy of Dar es Salaam, a long-standing board member of the American Chamber of Commerce in Tanzania, and the founder of the Rotary Club of Zanzibar Stone Town. Said holds a bachelor of science degree in environmental studies and conservation biology.



LISE WIENAND

Wienand, a South African national and trained chef, came to Tanzania from South Africa in 2004. Wienand has two successful businesses based in Dar es Salaam: Baobab Kitchen, a catering company, and Baobab Baby, a food production company specializing in baby and infant nutrition. As a chef, Wienand is committed to the provenance of the ingredients she uses, promoting natural, local and sustainable food. Wienand holds a bachelor of commerce degree in industrial psychology from Stellenbosch University, South Africa, and a chef's diploma from The Culinary Academy, Cape Town, South Africa.



RACHEL COCKER

Cocker, a UK national, worked for over a decade with the British government, as an intelligence analyst and latterly as an investigator. Cocker moved to Tanzania in 2012 and during her years there, she has enjoyed exploring the country and discovering its local produce. Cocker holds a bachelor of arts honors degree in law and criminology from the University of Sheffield, UK.

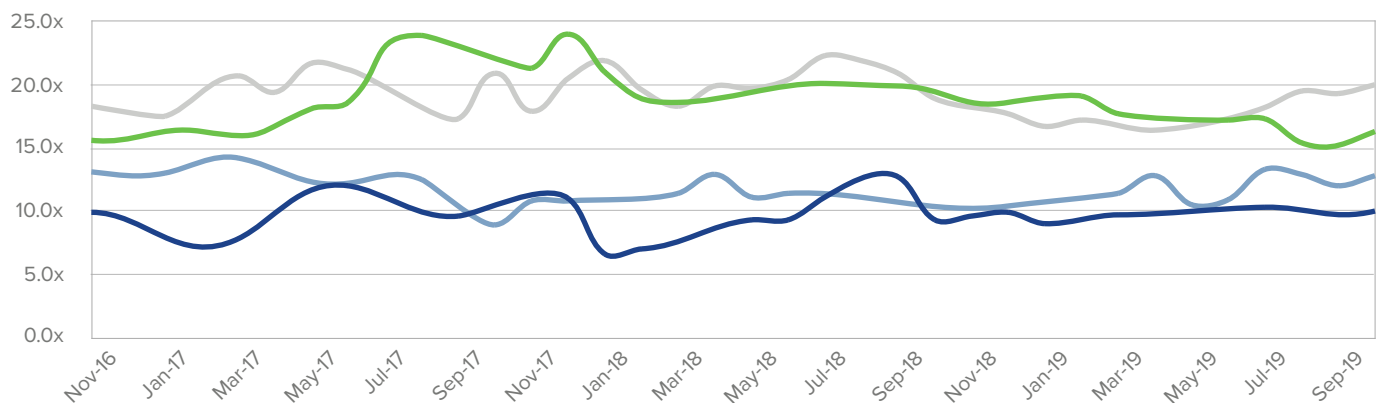
Publicly traded valuation trends

Recent months have seen a dip in valuation multiples for water, seed, fertilizer and input firms. Equipment and service firms continue to outpace the S&P 500.

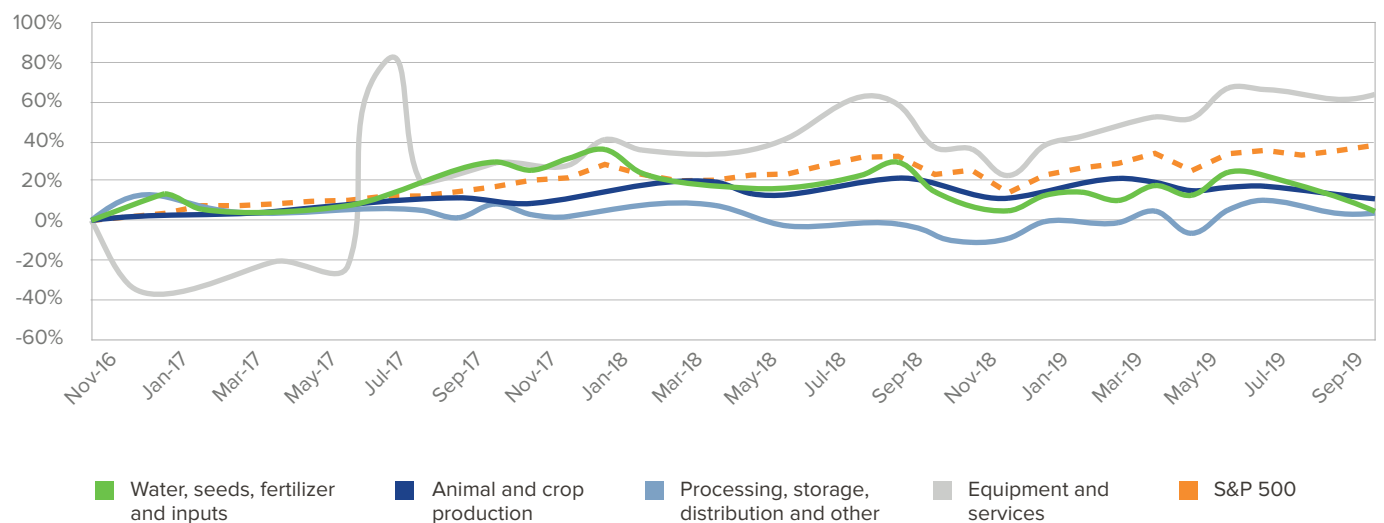
Of the four sub-sectors tracked by Oaklins, valuation multiples (enterprise value to EBITDA) in the water, seed, fertilizer and input category have recently fluctuated the most significantly. E/V to EBITDA multiples in this sub-sector declined from a high of 24.0x in September 2018 to 15.6x in October 2019. Equipment and services companies traded at the highest multiple, 18.3x, as of October 2019. The processing, storage and distribution sub-sector was the most stable during the period.

Stock prices for equipment and services companies, driven by ag-tech firms, have increased by more than 60% since November 2016. While this sub-sector outpaced the S&P 500 during the period, it was also more volatile. The other three sub-sectors generated cumulative returns of less than 11% over the three-year period ending October 2019.

Enterprise value to EBITDA multiples



Stock price returns



Source: Capital IQ

Selected listed players



Land, water and primary inputs

This category includes firms that own farmland and water rights, seed companies, and producers of fertilizer and pesticides. Primary input companies include firms that promote soil fertility and biodiversity and do not use agricultural practices that degrade water or other natural resources.

Land companies	Country	Enterprise value (US\$m)	EV/ Revenue	EV/ EBITDA
Farmland Partners	USA	975.6	17.6x	26.6x
Gladstone Land	USA	598.8	17.0x	21.7x
Rural Funds Group	Australia	631.1	13.1x	16.4x
Average			15.9x	21.6x
Median			17.0x	21.7x

Seed, fertilizer and crop protection companies	Country	Enterprise value (US\$m)	EV/ Revenue	EV/ EBITDA
S&W Seed	USA	95.8	0.9x	5.3x
Vilmorin & Cie	France	2,366.1	1.5x	16.7x
Sakata Seed	Japan	1,361.7	2.3x	14.8x
Yara International	Norway	14,603.4	1.1x	8.6x
ForFarmers	Netherlands	698.7	0.2x	7.6x
Average			1.2x	10.6x
Median			1.1x	8.6x

(1) Since REITs trade at significantly different multiples than the primary input companies, they were separated in the tables above.

(2) The extremely large seed companies, such as Bayer CropScience, Syngenta (ChemChina) and Corteva Agriscience (DowDuPont), were not included in this analysis.



Processing, storage, distribution and other

This category includes all of the functions required to store, handle, process and transport commodities from the growers to food companies, retailers, food processors and other types of customers.

Company	Country	Enterprise value (US\$m)	EV/ Revenue	EV/ EBITDA
Olam International	Singapore	10,677.7	0.4x	13.1x
Wilmar International	Singapore	37,460.5	0.9x	14.7x
The Andersons	USA	2,209.8	0.3x	11.1x
GrainCorp Limited	Australia	2,339.3	0.7x	16.1x
Greenyard NV	Belgium	856.4	0.2x	79.3x
Total Produce	Ireland	1,187.0	0.3x	10.9x
Kernel Holding	Ukraine	1,518.9	0.4x	4.4x

EV/Rev: Enterprise Value to Revenues multiple
 EV/EBITDA: Enterprise Value to EBITDA multiple
 Sources: Capital IQ
 Values are in US\$m — as of 31 October 2019

Average w/o Greenyard	0.5x	11.7x
Median w/o Greenyard	0.4x	12.1x



Equipment and services

Many of the companies included in this category are considered ag-tech firms and include soil, bio-analytical, genetically modified organism (GMO) and other types of testing laboratories, greenhouse and hydroponic farming equipment firms, smart-irrigation and water management systems, and precision agriculture firms.

Company	Country	Enterprise value (US\$m)	EV/ Revenue	EV/ EBITDA
Origin Enterprises	Ireland	743.3	0.4x	7.6x
IDEXX Laboratories	USA	25,352.5	10.8x	39.7x
Jain Irrigation Systems	India	783.9	0.6x	5.9x
Lindsay Corporation	USA	1,007.2	2.3x	50.0x
Dayu Water-Saving Group Company	China	599.6	2.0x	15.5x
Bucher Industries	Switzerland	3,166.3	1.0x	8.2x
Neogen Corporation	USA	3,121.4	7.5x	36.4x
Fortive Corporation	USA	28,355.0	4.0x	18.9x
Trimble Inc.	USA	11,707.3	3.6x	18.3x
Average			3.6x	22.3x
Median			2.3x	18.3x



Animal and crop production

This broad category includes growers that focus on fresh fruit, fresh vegetables and other commodities, such as corn, wheat, barley, peas, lentils, soybeans, potatoes, green beans and legumes. Other crops include sunflowers, olives, palm, sesame, canola, oilseed crops, nuts and mushrooms. Livestock and seafood are also included in this category.

Company	Country	Enterprise value (US\$m)	EV/ Revenue	EV/ EBITDA
Camellia	United Kingdom	307.9	0.8x	4.5x
Kuala Lumpur Kepong	Malaysia	6,391.8	1.7x	16.8x
Maple Leaf Foods	Canada	2,652.1	0.9x	13.6x
P/F Bakkafrost	Faroe Islands	3,751.9	7.0x	27.8x
Adecoagro S.A.	Brazil	1,734.6	2.1x	7.5x
BrasilAgro	Brazil	275.3	2.6x	10.9x
Nippon Suisan	Japan	3,780.9	0.6x	9.9x
Multiexport Foods S.A.	Chile	768.9	1.3x	4.3x
Average w/o P/F Bakkafrost			1.4x	9.7x
Median w/o P/F Bakkafrost			1.3x	9.9x

EV/Rev: Enterprise Value to Revenues multiple


EV/EBITDA: Enterprise Value to EBITDA multiple

Sources: Capital IQ

Values are in US\$m — as of 31 October 2019

M&A activity

Date	Target	Acquiror/ Investor	Category	Rationale	Country	Valuation		
						EV (US\$m)	EV/ Sales	EV/ EBITDA
Oct-19	3,850 acres of farmland in Nebraska	 GLADSTONE LAND	Organic land, water and primary inputs	This purchase aligns with Gladstone's goal to purchase conventional farmland to convert to organic.		14.70	N/A	N/A
Oct-19	Organic Ventures ancient grains and specialty products business	 PIPELINE FOODS	Organic animal and crop production	This will add to Pipeline Foods' capabilities and products and help them continue towards their goal of increasing the amount of organic & non-GMO grain grown in the US.		N/A	N/A	N/A
Oct-19	 BETA TARIM	 CCPA GROUP	Processing, storage and distribution	As part of CCPA's international development strategy, the group acquires Beta Tarim with the goal of providing adaptive solutions to Turkey's market.		N/A	N/A	N/A
Oct-19	 HUGOBON NUT INC CALIFORNIA ALMONDS	 Olam	Animal and crop production	This acquisition aligns with Olam's goal to become a vertically integrated producer with a larger presence in the US market.		N/A	N/A	N/A
Oct-19	 Kusum masala	 Foods & Inns	Processing, storage and distribution	Foods & Inns plans to continue inorganic buys to drive growth, and the purchase will allow the company to move away from business-to-business towards business-to-consumer products.		1.97	0.8x	N/A
Sep-19	Berry Yummy Marketing Pty Ltd	 Perfection	Sustainable animal and crop production	This acquisition grows Perfection Fresh's share of the Australian strawberry market and allows the company to increase R&D on strawberry genetics.		N/A	N/A	N/A
Sep-19	Five UK production sites of Hall Hunter Partnership	 ADM  CIBUS	Land, water and primary inputs	These newly acquired assets are comprised of more than 230 hectares of berry cultivation.		65.99	N/A	N/A
Sep-19	CROPIO	 syngenta	Sustainable equipment and services	With this acquisition Syngenta will become the only agriculture company to have access to leading management platforms in the four agriculture markets.		N/A	N/A	N/A
Sep-19	 SOYA INTERNATIONAL A SOYIS GROUP COMPANY	 AAK	Organic and sustainable processing, storage and distribution	This acquisition allows Swedish AAK to expand their products into the USA as well as expand their product line to include organic and sustainably grown ingredients.		N/A	N/A	N/A
Sep-19	 PROFARM	 Marrone Bio Innovations	Sustainable land, water and primary inputs	This acquisition will increase Marrone Bio Innovation's market share in the sustainable seed and soil treatment market.		30.72	N/A	N/A

Date	Target	Acquiror/ Investor	Category	Rationale	Country	Valuation		
						EV (US\$m)	EV/ Sales	EV/ EBITDA
Aug-19			Equipment and services	One of Canada's largest communication companies purchases Farm at Hand, a cloud-based crop planning software.		N/A	N/A	N/A
Aug-19			Organic animal and crop production	The investment from Insight Equity will allow Strauss Brands to develop a new state-of-the-art processing facility to keep up with the growing demand for grass-fed and organic beef.		N/A	N/A	N/A
Jul-19			Sustainable animal and crop production	Blue Road Capital acquires B&W Growers, allowing B&W to focus more on developing their presence in the retail and food service sectors.		N/A	N/A	N/A
Jul-19	324-acre organic and conventional strawberry property		Organic land, water and primary inputs	The acquisition adds to Gladstone Land's growing number of farms that grow healthy fruits and vegetables.		9.00	N/A	N/A
Jul-19			Organic processing, storage and distribution	This acquisition will allow Tierra Farm to enhance flavors of existing products and enable the company to sell organic seasonings.		N/A	N/A	N/A
Jul-19			Processing, storage and distribution	LDC Group acquired new territories with the purchase of Kiplama, an import and distribution company located in Belgium.		N/A	N/A	N/A
Jun-19			Organic animal and crop production	Generation Farms brings with it the opportunity to expand the growth of organic crops and increase the company's presence in the southeast.		N/A	N/A	N/A
Jun-19			Equipment and services	The acquisition of Prime advances JBT's goal of becoming the preferred provider of full-line solutions for poultry customers with the addition of Prime's primary processing capabilities.		65.00	1.4x	N/A
Jun-19			Animal and crop production	Platinum Equity acquired a majority stake in the vertically integrated global seafood producer Iberconsa from Portobello Capital. The company operates in several countries and its products are found around the world.		N/A	N/A	N/A
Apr-19			Organic animal and crop production	This acquisition allows Taylor Farms to build on organic brands, develop new organic products and expand regional organic growing/processing capabilities to better serve the growing demand for its products across North America.		N/A	N/A	N/A

Source: S&P Capital IQ, MergerMarket



Case study

FORAFRIC HAS BEEN ACQUIRED BY YCAP

The Benjelloun family has sold Forafric to YCAP.

Created in 1943, Forafric is the leading wheat flour and semolina group in Morocco. The group imports over 300,000 tons of soft and durum wheat which are transformed into flour and semolina thanks to four industrial mills located across the country. Forafric has been successful in marketing and promoting very strong brands such as Maymouna and Ambre and enjoys circa 50% market share in supermarkets.

Ycap is an international financial group operating in the energy, infrastructure and agro-industrial sectors. Yariv ElBaz, CEO at Ycap, said: "We have the ambition to make Forafric an African champion thanks to the establishment of new units in sub-Saharan Africa which will create value and employment."

Oaklins' member firm in Morocco advised the seller in this transaction.



has been acquired by

YCAP

M&A SELL-SIDE

Agriculture/Food & Beverage

Deep local roots, global commitment

Oaklins brings you opportunities from across the world and we meet you with our expertise wherever you are

OAKLINS OFFERS A COMPREHENSIVE RANGE OF SERVICES

- M&A advisory (buy- and sell-side)
- Growth equity and equity capital markets advisory
- Debt advisory
- Corporate finance services

Organic & sustainable agriculture is one of our focus areas. Combining comprehensive sector knowledge with global execution has led Oaklins to become one of the most experienced M&A advisors in the organic & sustainable agriculture sector, with a large network of relevant market players worldwide. This results in the best possible merger, acquisition and divestment opportunities for organic & sustainable agriculture companies.

If mergers, acquisitions, or divestitures of businesses or business units are part of your strategy, we would welcome the opportunity to exchange ideas with you.

ORGANIC & SUSTAINABLE AGRICULTURE SPECIALISTS



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Oaklins is the world's most experienced mid-market M&A advisor, with 800 professionals globally and dedicated industry teams in 40 countries worldwide. We have closed over 1,500 transactions in the past five years.

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