

A photograph of a large, modern greenhouse interior. The structure is made of metal frames and glass panels. In the foreground, there are rows of plants growing in long, narrow beds. A large, rectangular, perforated metal tray is suspended from the ceiling by a blue mechanical arm. The lighting is bright and even, highlighting the industrial and agricultural aspects of the facility.

Building the next chapter of the greenhouse industry

SPOT ON | HORTICULTURE | JANUARY 2021

“Driven by seven fundamental long-term trends, the market for greenhouses is changing and witnessing rapid growth. An increasing number of market players is adapting to capture the opportunities these changes present by forming partnerships, either with strategic parties or professional investors. These partnerships offer clear advantages, including scale, knowledge sharing, growth acceleration and an improvement of service and product offering. As the industry is maturing, becoming one of the top players is key to sustaining the attractive profitability margins that are currently characterizing the industry.

In addition, family owners start to realize that forming a partnership does not necessarily imply losing control of the company. We expect many more M&A transactions in the coming years as companies will need take the necessary steps to safeguard the future of their business.”

FRANK DE HEK
HORTICULTURE SPECIALIST
OAKLINS

MARKET TRENDS (pg.2)

Seven fundamental, long-term trends result in strong market growth, especially for the high-tech segment.

PLAYERS' LANDSCAPE (pg.8)

The changing market requires companies to reshape, and several are already teaming up to secure a leading position in the future.

SECTOR VIEW (pg.12)

Koen Brabander, shareholder and CCO of PB tec, shares his views on the changing market dynamics and how PB tec and other players have reacted.

M&A ACTIVITY AND VALUATIONS (pg.14)

Valuation parameters of listed peers and relevant past transactions.



Market trends

The greenhouse engineering, construction, installation and maintenance sector has experienced a strong tailwind in recent years as increasing international political tension, and more recently the COVID-19 pandemic, fueled a local-for-local approach. Also, the recent emergence of new greenhouse segments accelerated general market growth.

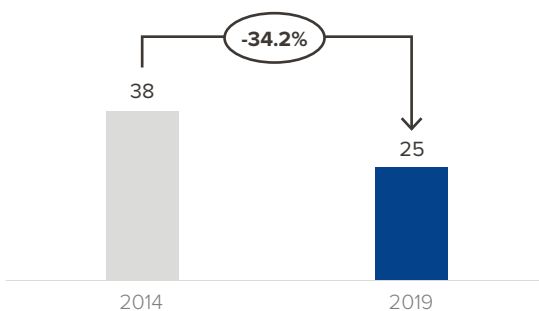
Political tensions and trade wars reemerged in the past decade, motivating political leaders to enforce policies to secure a certain degree of self-sufficiency, such as local food production initiatives.

Subsequently, subsidies and land area were granted by governments to realize such projects. An example is the increased tension between Russia and the EU that rose after the MH17 airplane crash. In reaction to sanctions imposed by the EU, Russian president Putin has introduced a boycott on all food imports from the EU. As importing food from other countries turned out to be very expensive due to significant transport costs, Russia has shifted focus to local production capacity. However, due to climate conditions and/or other factors, not all land is suited for growing crops. In these cases, greenhouses are the only feasible solution for growing local food, fueling their demand. This has resulted in an exceptional growth of greenhouses. This local-for-local approach has become even more pronounced as a result of the impact of COVID-19 on international supply chains.

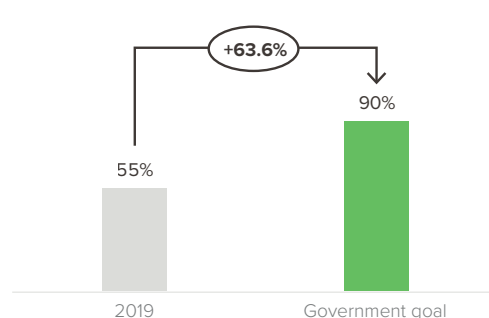
Another factor boosting greenhouse market growth is the emergence of new segments such as cannabis, soft fruit and lettuce. These new segments not only increase demand but are also a welcome addition to the steady growth of traditional greenhouse crops. Traditional crops include tomatoes, cucumbers and peppers, especially from emerging markets.

However, as with many capital intensive and project-based businesses, macro-economic shocks sometimes brutally disturb a growth trend. The reality check of the cannabis market in 2019 caused overall greenhouse capacity expansion to slow down — likewise for the COVID-19 outbreak. Logistical issues in greenhouse construction arose, travel bans complicated projects and development plans were put on hold because of the COVID-19-induced insecurity. It exposed the vulnerability of the sector to major shocks.

Food imports in Russia (in € billion)



Domestic vegetable production in Russia (% of total consumption)



Source: Het Financieele Dagblad, 11 February 2020

Meta trends are strongly supporting greenhouse demand.

Despite this short-term shock, the mid- and long-term outlook for the greenhouse sector remains bright on the back of seven meta trends described hereafter.

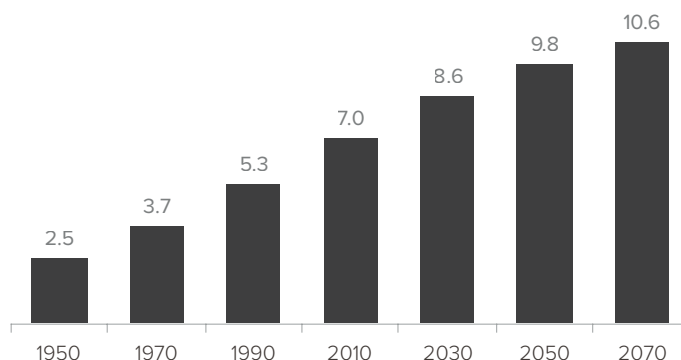
1. WORLD POPULATION IS GROWING, ESPECIALLY THE MIDDLE CLASS, INCREASING GLOBAL FOOD DEMAND

In the coming decades, the world's population is projected to grow substantially, increasing from 7.6 billion people today to 8.6 billion by 2030 and 9.8 billion by 2050. Economic expansion and the growing global middle class will even further accelerate global food demand, which is set to expand at a rapid pace. To illustrate, the United Nations estimate that food production must increase 69% by 2035 to feed the growing global population. In Western countries, people are shifting their dietary patterns to more plant-based meals, lowering their meat consumption.

2. AVAILABILITY OF AGRICULTURAL LAND IS DECREASING

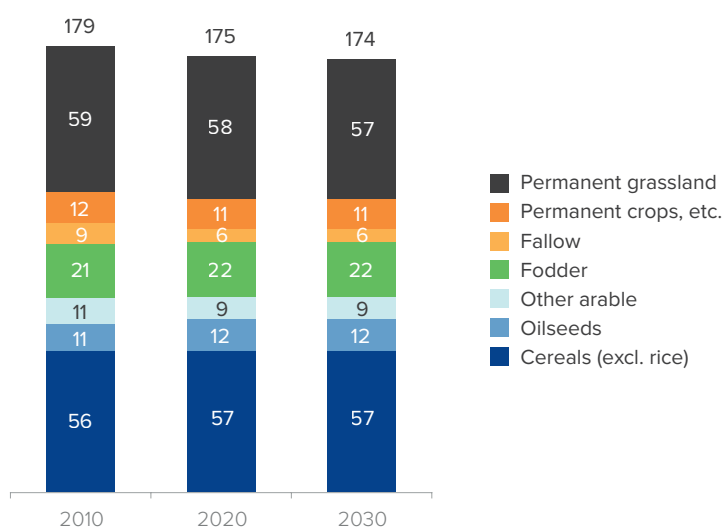
The amount of land for agricultural use (currently c. 1,600 million hectares) is set to decline as a growing proportion of land will be used for housing and related purposes. Global warming and environmental degradation are additional factors that will limit the amount of available land for food production. Decreasing availability of land combined with a growing world population leads to ever-diminishing arable land per capita.

Growing world population (in billions)



Source: World Bank

Agricultural land-use developments in the EU (million ha)



Source: "EU agricultural outlook: Arable land area to continue its decline," European Commission report

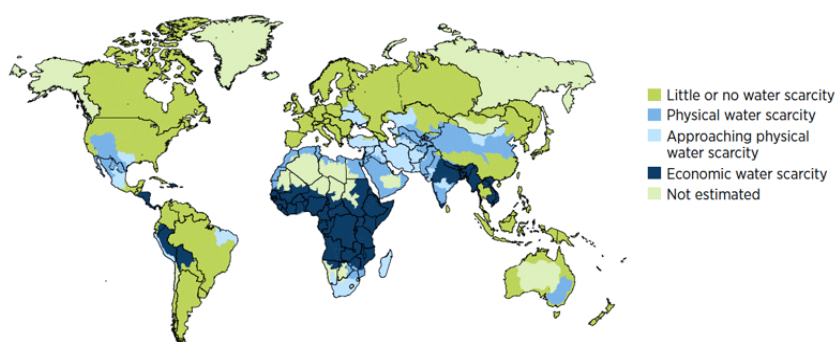
3. DECREASING FRESH WATER AVAILABILITY WHILE WATER DEMAND IS INCREASING

The availability of fresh water has decreased by 26% over the past 25 years, a problem which is exacerbated by global warming and environmental degradation. As the food production industry is the single largest user of fresh water (currently accounting for 70% of global fresh water use), world population growth will also rapidly increase fresh water demand. Economic expansion in combination with the growing global middle class will even further accelerate fresh water demand growth. As a result, according to the United States Agency for International Development (USAID), global demand for fresh water is expected to double over the next 21 years. Diminishing fresh water availability, together with growing fresh water demand, will further exacerbate fresh water stress.

4. STRICTER ENVIRONMENTAL REGULATIONS

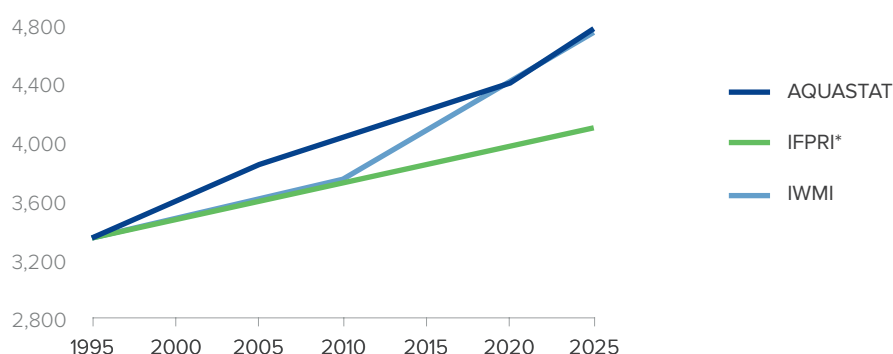
Environmental regulations are becoming ever-stricter, especially in advanced economies, urging demand for advanced agricultural solutions that limit the use of water and fertilizers. Drivers of increased regulations are, amongst others, the sustainable development goals set out in the United Nations Development Program and the fact that about 80% of Europe’s fresh water use originates from rivers and groundwater — sources that are extremely vulnerable to threats posed by over-exploitation, pollution and climate change. A selection of current regulatory measures and initiatives is discussed on the right.

Global water scarcity overview



Source: World Water Development Report 4. World Water Assessment Programme (WWAP)

Increasing water demand (Bm³)



Source: “Global Water Demand Projections: Past, Present and Future,” International Water Management Institute (IWMI) report

Examples of major regulatory measures and initiatives

EU regulations

- Rural Development Policy
- Water Framework Directive 2000/60/EC

EU initiatives

- Proposal for Regulation on Minimum Requirements for Water Reuse
- Communication on Water Scarcity and Droughts
- European Climate Law

Asia initiatives

- National Agricultural Sustainable Development Plan
- 13th Five-Year Plan for Water Resources Reform and Development

5. CONSUMER DEMAND FOR IMPROVED SUSTAINABILITY AND TRACEABILITY

Consumer-driven demand for sustainability is another key dynamic in many advanced economies. Proven sustainable supply chains and production methods have become important differentiators across a wide range of sectors, such as fashion, food and horticulture. Traceability and pesticide-free production of foods have also become more important. In the coming years, demand for and adoption of sustainable business practices is expected to intensify, in particular in agriculture and horticulture. For example, the Dutch horticulture sector is striving to close the water cycle by 2027, which means that companies will reuse as much of their water as possible and purify all water that needs to be drained nonetheless.

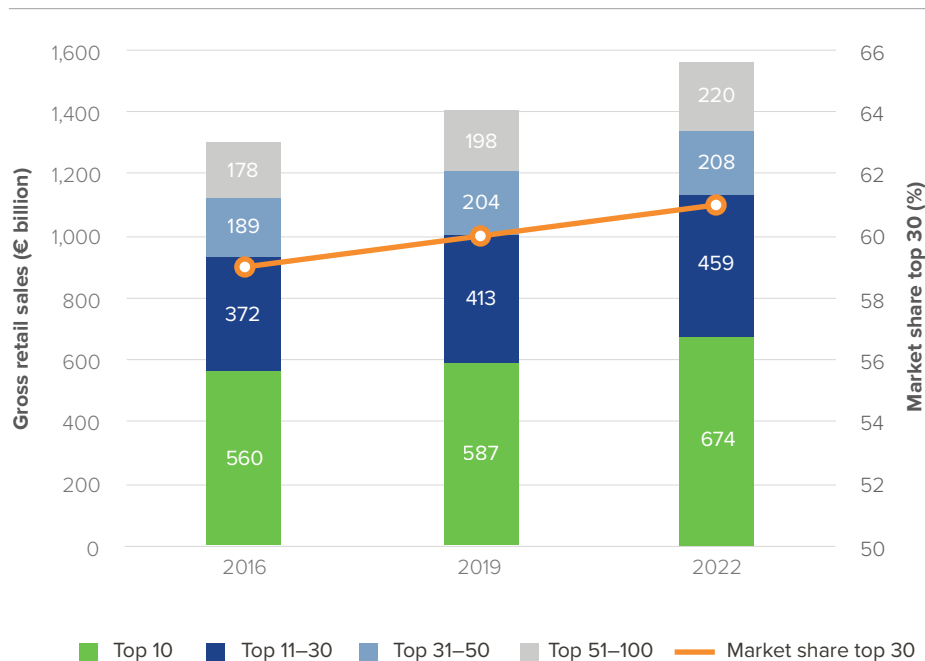
6. MASS RETAILERS WITH INCREASING MARKET SHARE DEMANDING HIGHER AND MORE CONSTANT QUALITY

Across the globe, the retail landscape is consolidating, with selected large players such as Amazon, Walmart, Lidl and Aldi increasing their market share and thereby distribution power. Mass retailers (are able to) demand constant and high quality from their suppliers, pushing quality standards for growers. At the same time, they demand high volumes and a higher sustainability standard, even in the low-cost segment. Sustainability is not only an element of differentiation, but becomes a financial competitive advantage.

Selected agriculture and horticulture sustainability certifications



Retail landscape is consolidating (leading EU grocery retailers)



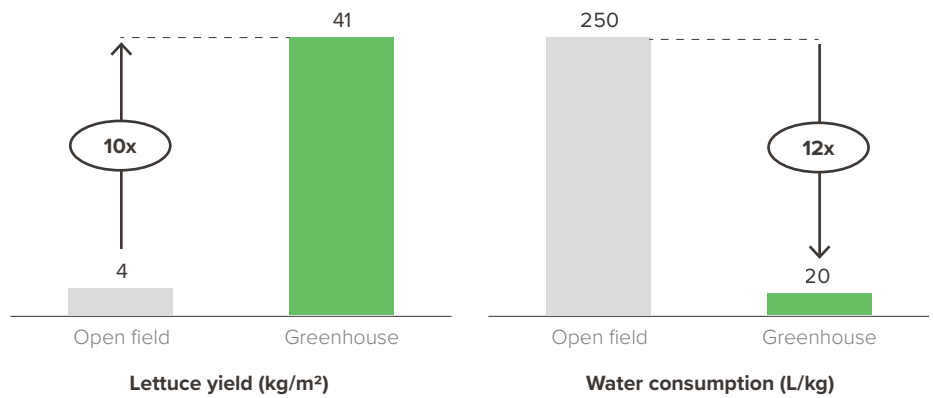
Source: LZ Retailytics / Retaildetail.nl

7. TECHNOLOGICAL DEVELOPMENTS

Another important development is the rapid technological progress that the greenhouse market is currently witnessing. This trend is driving demand for sophisticated, connected solutions that collect data, analyze various types of information and optimize resource usage (e.g. water) on a real-time basis. The exponentially increasing demand for smart solutions frequently offers significant opportunities for up- and cross-selling for manufacturers and distributors of traditional products. In addition, the use of increasingly sophisticated products — including connected solutions — results in more high-value systems, boosting the value of the market.

The greenhouse market will greatly benefit from these meta trends as greenhouse production thrives better on these trends than open-field production, as will be highlighted in a later section.

Comparison of open-field versus greenhouse production for lettuce



Source: Barbosa, G. et al. (2015). Comparison of Land, Water, and Energy Requirements of Lettuce Grown Using Hydroponic vs Conventional Agricultural Methods. *International Journal of Environmental Research and Public Health*, 12(6), 6879–6891. <https://doi.org/10.3390/ijerph120606879>.

Greenhouses are being used for both the edible and ornamental segment. However, there is a significant difference in the number of greenhouses designed for each segment. Greenhouses for the edible segment are estimated to account for 62% of all globally installed

greenhouses, whereas the ornamental segment only accounts for the remaining 38%. Thus, the meta trends are most in favor of the edible segment. Nonetheless, the ornamental segment will also benefit.




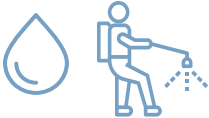


High-tech greenhouses set to gain market share

When comparing the different types of greenhouses, the vast majority of the globally installed capacity are relatively simple greenhouses. These greenhouses

are made of film, with limited equipment installed and no automated processes. Even though the increasing capacity in the low-tech segment is set to be a major contributor to the overall market growth, high-tech greenhouses — made of high-quality glass or foils, fully equipped and highly automated — are expected to show the highest growth percentage,

as their performance on the meta trends is superior.

Another driver causing high-end greenhouses to gain market share is the increasing amount of investor-backed growers, who have the financial firepower to fund the relatively expensive but very efficient high-tech greenhouses.

Meta trend	High-tech greenhouse performance
<p>1-2</p> 	<p>Higher yields are realized, boosting efficiency and lowering arable land needed for equal production outcome</p>
<p>3-5</p> 	<p>Water spillover and use of pesticides are minimized due to advanced climate-controlled environments, enabling growers to adhere to stricter environmental regulations and consumer demands for sustainable products</p>
<p>6</p> 	<p>High and constant quality is safeguarded, enabling growers to perfectly service demanding mass retailers</p>
<p>7</p> 	<p>High-tech greenhouses can be equipped with data-driven, smart and connected solutions fully unlock technological potential and unburden growers</p>



Players' landscape

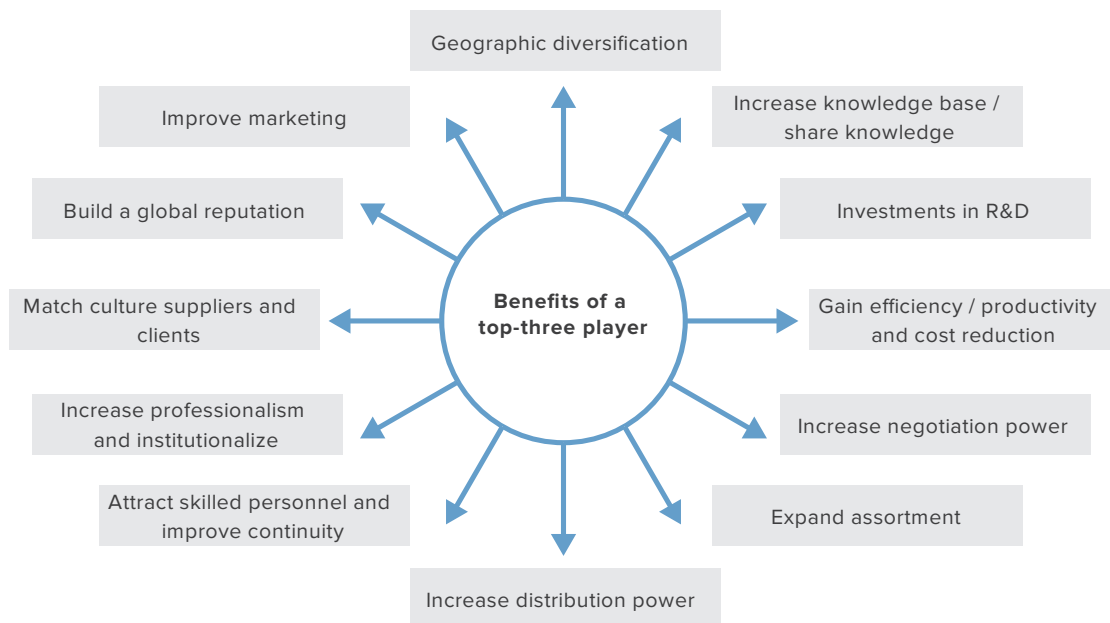
As discussed previously, several meta trends affect the greenhouse market. The dynamics within the greenhouse market are drastically changing, which requires market players to adjust their operations and sales models in order to remain or become successful. The following infographic highlights some of the expected changes in the coming decade. Overall, the level of professionalism will increase throughout the market.

Potential highlights greenhouse market in 2030		
Market		Operations
Much larger market		Regulations have become stricter
High-tech greenhouses gained significant market share		Importance of sustainability has increased
Ultra-large greenhouses gained market share		Product complexity increased
Non-traditional geographies gained market share		Labor shortages
Economics work for "new" crops to be grown in greenhouses		
More government involvement		
Vertical farming		
Market dominated by a few large players		
Professionalism has increased on all ends		
		Sales
		Transparency has increased
		Service-based business models have become more important

The changing greenhouse market dynamics will benefit some market players more than others. For example, market players that are (also) active outside the traditional geographical markets are best positioned for growth, since most new capacity will be installed in these markets. The same applies to market players that are working with automation products, with an expected higher share of wallet of greenhouse cost per hectare. The following infographic illustrates some of the characteristics of market players that are best positioned to benefit from the reshaped market.

Key characteristics of winning market players		
1		Active in the high-tech segment
2		Strong presence in all important regions around the globe
3		Capable of handling large-scale projects
4		Focused and specialized know-how on sophisticated products
5		Best-in-class services
6		Recurring revenue-based business model
7		Strong reputation
8		Own intellectual property
9		Competitive pricing
10		On the forefront of sustainable solutions
11		Skilled, driven management team, ambitious to drive growth
12		Institutionalized

In addition to the characteristics described on page 8, size is also an important denominator for success. In many industries we observe two distinct categories: i) companies specialized in a certain product category or niche and ii) one-stop shops. For both categories, by leveraging on economies of scale the top-three market players are able to outperform competition on most of the key characteristics. Some of the key benefits of a top-three player are listed in the following infographic. The increased knowledge base is a characteristic that especially needs highlighting. Scale provides the opportunity to increase the knowledge base, which is key in a more complex market and also increases market entry barriers, boosts reputation and provides innovation capabilities and thus the opportunity to create intellectual property.







Another benefit of being a top-size player, especially applicable to globally active players, is the ability to realize the largest — and often financially very attractive — projects.

PLAYERS ARE ALREADY TEAMING UP TO SECURE A LEADING POSITION IN THE FUTURE

“The horticulture market is professionalizing. The professionalization trend has become even more important now that the market is getting more sizable and with the sector having become a vital pillar in fighting food scarcity. The golden future for horticultural products has attracted the attention of parties from outside the horticultural sector. A growing number of newcomers make their entrance in horticulture because they see opportunities in the near future or in the long term. In general, it is considered a positive development that these parties are embracing horticulture. These newcomers can contribute to the further professionalization of the global horticultural industry by leveraging on the knowledge and experience they have gained in other sectors. The interest and added value of these parties have not gone unnoticed by horticultural players, and several of them have formed partnerships with the aim of strengthening and growing their company. Aiming for the same benefits, partnerships are also increasingly observed between multiple horticulture players.”


FRANK DE HEK
 HORTICULTURE SPECIALIST, OAKLINS

A selection of these partnerships

Illustrative case studies										
1	 <p>acquired</p> <p>November 2020</p>	<p>Deal description</p> <ul style="list-style-type: none"> - In November 2020, Netherlands-based manufacturer of harvest processing solutions Taks Handling Systems acquired a stake in Berkvens Greenhouse Mobility - The acquisition was facilitated by private equity investor Victus Participations, which acquired a stake in both companies <p>Added value partnership</p> <ul style="list-style-type: none"> - Taks Handling Systems was looking for an acceleration of the expansion plans and they eyed Berkvens Greenhouse Mobility, a producer of scissor lifts, harvest trolleys and AGV for greenhouses, as a first step in these plans - As Taks Handling Systems lacked the financial resources to do this acquisition, they attracted external financing by adding Victus Participations as a partner - Together, these companies can offer turnkey solutions to growers 								
2	 <p>acquired</p> <p>November 2020</p>	<p>Deal description</p> <ul style="list-style-type: none"> - In November 2020, Netherlands-based long-term-focused private equity investor HAL Investments acquired a 60% stake in Stolze and 24% stake in Prins Group <p>Added value partnership</p> <ul style="list-style-type: none"> - Many family-owned horticulture companies face succession issues and finding the right partner is key in a smooth transition to the next phase of growth - HAL Investments' long-term investment approach and significant experience in expanding platform companies perfectly fits the ambitions of Stolze and Prins Group: <table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 50%;">1 Stable shareholder with long-term focus</td> <td style="width: 50%;">3 Attract new talent</td> </tr> <tr> <td>2 Further professionalization</td> <td>4 Expand product offering (inter)nationally</td> </tr> </table>	1 Stable shareholder with long-term focus	3 Attract new talent	2 Further professionalization	4 Expand product offering (inter)nationally				
1 Stable shareholder with long-term focus	3 Attract new talent									
2 Further professionalization	4 Expand product offering (inter)nationally									
3	 <p>acquired</p> <p>April 2020</p>	<p>Deal description</p> <ul style="list-style-type: none"> - In April 2020, Japan-based supplier of advanced automotive technology Denso acquired a minority stake in Certhon Group - The investment follows the mutual realization of AgriD, one of the largest greenhouses in Japan, where harvesting is carried out by robots developed by Denso <p>Added value partnership</p> <ul style="list-style-type: none"> - For Certhon, this step fits in the strategy of guaranteeing the company's continuity as a family business through internationalization, scaling-up and further professionalization <table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 25%;">DENSO</td> <td style="width: 25%;"></td> <td style="width: 25%;"></td> <td style="width: 25%;"></td> </tr> <tr> <td>Industrial robotics</td> <td>Process innovations</td> <td>Asian professional culture</td> <td>+ Advanced horticultural techniques</td> </tr> </table> <ul style="list-style-type: none"> - In May 2020, Denso and Certhon launched joint venture AgriTech Solutions in Tokyo, which adds local presence in the Asian high-tech horticulture market 	DENSO				Industrial robotics	Process innovations	Asian professional culture	+ Advanced horticultural techniques
DENSO										
Industrial robotics	Process innovations	Asian professional culture	+ Advanced horticultural techniques							
4	 <p>acquired</p> <p>September 2019</p>	<p>Deal description</p> <ul style="list-style-type: none"> - In September 2020, the entrepreneurs behind three Netherlands-based renowned horticultural companies, PB Tec, Havecon and VB, formed a partnership: Atrium Agri - The combination creates a top player, incomparable in terms of volume and strength <p>Added value partnership</p> <ul style="list-style-type: none"> - The partnership secures their future position through upscaling as well as knowledge and innovation sharing - Customers will benefit from purchasing advantages, professionalization, joint innovations and cost savings 								


1 **October 2020**

Atrium Agri invested in **VEK Adviesgroep**, a Netherlands-based provider of professional and practical consultancy services to horticulture-related businesses



2 **December 2019**

BOAL Group invested in **Bom Group**, a Netherlands-based greenhouse builder with an inhouse climate and screen department



Illustrative case studies

5



Deal description

- In March 2018, UK-based private equity investor Equistone acquired a majority stake in BOAL Group
- Together with Equistone, BOAL Group plans to further develop its position in the horticultural greenhouse industry through product innovation, geographic expansion and further expansion into the poly-greenhouse roofing systems market

Added value partnership

- BOAL Group has secured significant financial firepower through the partnership, which has already resulted in two bolt-on acquisitions

1 **June 2019** 

BOAL Group invested in **WestNederland**, a Netherlands-based supplier of sandwich panels for the logistics, packaging and warehousing areas in greenhouses

WEST.NEDER.LAND B.V.
Sandwich & Damwand Handel

2 **September 2019** 

BOAL Group invested in **Holland Groep Westland**, a Netherlands-based designer, manufacturer and installer of screen and insect netting systems

HollandGaas
netting solutions 


6



Deal description


- Gibraltar Industries, a US-based renowned construction company, is focusing on reinforcing its position in the US commercial greenhouse market
- By teaming up with strong brands in several segments within the value chain, Gibraltar quickly establishes a foothold in the market
- On the other hand, the acquired companies can now offer their clients a broader service and product offering.

Selection of relevant transactions

1 **June 2015** 


Gibraltar Industries acquired **Rough Brothers**, a US-based designer and installer of greenhouses, conservatories and related control systems

RBI
ROUGH BROTHERS, INC.

2 **October 2016** 


Gibraltar Industries acquired **Nexus Corporation**, a US-based designer and manufacturer of greenhouse systems

NEXUS
GREENHOUSE SYSTEMS
DESIGNER & MANUFACTURER OF GREENHOUSE SYSTEMS

3 **January 2020** 

Gibraltar Industries acquired **Thermo Energy Systems**, a Canada-based supplier and installer of greenhouse heating and irrigation systems

Thermoenergy

4 **February 2020** 

Gibraltar Industries acquired **Delta Separations**, a US-based provider of centrifugal ethanol-based extraction systems to cannabis, hemp, and biomass processors

DELTA SEPARATIONS



Sector view

By Koen Brabander, CCO at PB tec



PB tec is an internationally renowned developer of horticultural solutions in the field of electrical engineering, lighting, water engineering and automation. The shareholders and management of the company have seen the industry dynamics change in the past decades and have reshaped the company accordingly.

We spoke to Koen Brabander, shareholder and the current driving commercial force behind PB tec's recent international growth, about the market developments in the industry and how PB tec copes with these developments.

"The greenhouse sector has always been in motion, but an important period was around 2007, when upscaling amongst growers really took off. This has hugely impacted greenhouse equipment providers, builders and installers like us, as you need to be sizable to serve these large projects. In the last couple of years, the upscaling trend has further accelerated and is seemingly unstoppable.

I expect the player landscape in our market segments to change drastically in the next few years. Companies that don't have the ability to scale up their businesses will simply not be able to serve larger and international projects, while those are the most attractive propositions. In addition, the larger players will outperform the smaller ones in terms of efficiency, capabilities and innovation, which are key denominators for success. Consequently, the gap between the top-two or -three players and the rest will only increase.

At PB tec, we have been aware of these developments and therefore have defined growth as a key strategic pillar. We are a global top-two player within our segments, a position we need to sustain in order to safeguard the future of our company. Although growing autonomously is a beautiful way of expanding a company, we find it insufficient in our market. Growing organically simply lacks the pace to match the quickly changing market.

Subsequently, we have examined various inorganic growth opportunities in our market.

However, prior to taking such progressive steps, my brother and I have first prepared our company for a growth spurt. We have appointed an external CEO who possesses the experience and qualities to lead a large, professional company. Also, we have attracted Victus Participaties as shareholder, which is an experienced investor in building stronger companies. At the same time, Victus could provide us with the financial funds to make acquisitions.

Our first acquisition after joining forces with Victus was Canada-based Armada Electric Services in December 2018, which provided us with a strong team that enabled us to deploy our advanced and innovative solutions in the fast-growing North American market. The second acquisition followed in November 2019 in Australia. Even though we were already present in

Australia with a team, it was challenging for us to grow rapidly, since we experienced difficulties attracting new personnel in far-from-home countries. Contrary to us, the company we acquired in Australia consisted of a sizable team, but lacked the advanced solutions that we offer. So for both companies, it was a perfect match. The acquisition also allows us to further penetrate the Asian market. We are on the lookout for more acquisitions that can further strengthen our company.

We follow a similar route as BOAL took several years ago. BOAL was the first company in our sector to take such steps. After a professional investor stepped in, they have carried out multiple acquisitions. Our sector is now really maturing and various companies in our sector have already followed their example, especially in the past 12 months. I expect more companies within our sector to proceed along the same road, especially now current family owners are starting to realize that it does not necessarily imply handing over the daily control of your company to another party.

Professional investors have also increased their appetite to invest in companies like us. Some investors remain slightly reluctant because of the nature of project-based businesses, which I understand. However, I believe the strong, long-term growth drivers should provide more than enough comfort. Another concern sometimes heard is that investors are questioning whether the increasing profit margins since 2017 among several players is sustainable. Regarding that topic, I do believe that the recent uptick in the profitability margins of the leading Dutch players is sustainable.

When they started to grow their activities in the less advanced and professional international markets a few years back, these leading players realized the high value-add they provide for their customers. There is a strong demand for professional solutions in the market, and we can make proper and sustainable margins on the back of it.”



About Koen Brabander

































Koen Brabander started his career in 1985 as a technical installer at Brabander Wateringen, after which he cofounded Brabander Plastics in 1990, specialized in the installation of water drains in greenhouse horticulture. Subsequently, he cofounded PB tec in 1994, and over the last 25 years has expanded the company into a leading global player. After selling a majority stake in PB tec to Victus Participaties in December 2018, he is currently active as CCO, where his sole focus is on acceleration of international growth, both organically and through buy-and-build.



M&A activity and valuations

In recent years, the first signs of sector consolidation have already materialized with a growing number of precedent transactions. The transaction mix shows that strategic players, private-equity-backed strategics and private equity investors have all been actively involved over the 2018–2020 year-to-date period. This underpins the fact that the sector is embracing the formation of different types of partnerships, depending on the identity and future plans of the company. Transactions occurred in greenhouse construction — most recently with global player Van der Hoeven, in installation — most notably in Stolze's acquisition by HAL Investments, as well as in the ecosystem of greenhouse system suppliers, including internal transport, lighting and irrigation.

Fueled by positive long-term meta trends and attractive profit margins, greenhouse market players are typically valued at strong multiples — depending on the segment. However, valuation parameters are publicly available for very few transactions.

Date	Target	Buyer	Country	Target description	Valuation			
					EV (US\$m)	EV/Sales	EV/EBITDA	EV/EBIT
17-Dec-20				Manufacturer of automation equipment in the agriculture, including horticulture, and (non-) food sector	N/A	N/A	N/A	N/A
16-Dec-20				Manufacturer and installer of a range of cooling, airco and climate control systems, among other in the horticulture sector	N/A	N/A	N/A	N/A
25-Nov-20				Manufacturer of automation solutions for internal transport in greenhouses	N/A	N/A	N/A	N/A
24-Nov-20		 		Manufacturer of innovative and self-propelled scissor lifts and internal transport solutions for greenhouses	N/A	N/A	N/A	N/A
3-Nov-20	 			Provider of installation services for climate, water and control systems in horticulture/ Provider of turnkey greenhouse solutions	N/A	N/A	N/A	N/A
15-Oct-20		 ATRIUM AGRI		Provider of consulting and advisory services in the greenhouse horticulture sector	N/A	N/A	N/A	N/A
13-Sep-20				Manufacturer of irrigation materials and provider of drip and micro irrigation solutions	N/A	N/A	N/A	N/A
6-Jul-20	 	N/A (merger)		Manufacturers of automation equipment for the horticultural sector	N/A	N/A	N/A	N/A
15-Jun-20	 35%			Provider of turnkey greenhouse solutions	N/A	N/A	N/A	N/A
10-Jun-20	 VDH FOLIEKASSEN BV			Developer and builder of foil greenhouses	N/A	N/A	N/A	N/A

Date	Target	Buyer	Country	Target description	Valuation			
					EV (US\$m)	EV/ Sales	EV/ EBITDA	EV/ EBIT
8-Apr-20	 netirrigate	 LINDSAY CORPORATION		Developer of remote monitoring and control solutions to the agricultural sector	N/A	N/A	N/A	N/A
1-Apr-20	 CERTHON Greenhouse solutions	 DENSO		Provider of turnkey greenhouse solutions, including greenhouse construction and installation of greenhouse systems	N/A	N/A	N/A	N/A
3-Mar-20	 INTER FLOAT	 HS TIMBER GROUP  THE BLUE WIND COMPANY		Manufacturer of solar glass for greenhouses and photovoltaic systems	N/A	N/A	N/A	N/A
17-Jan-20	 ThermoEnergy	 GIBRALTAR INDUSTRIES		Supplier and installer of, among others, greenhouse heating and cooling systems and irrigation systems	N/A	N/A	N/A	N/A
20-Dec-19	 Bom Group	 HAVECON  UL ATRIUM AGRI		Provider of turnkey greenhouse solutions, including greenhouse construction and installation of greenhouse systems	N/A	N/A	N/A	N/A
22-Nov-19	 POWERPLANTS	 TEC		Provider of installation services for climate, water and control systems in horticulture	c. 7.0	N/A	N/A	N/A
27-Sep-19	 HollandNetting  HollandScreens	 BOAL SYSTEMS		Designer and manufacturer of high-quality screening and netting applications for greenhouses in the horticultural industry	N/A	N/A	N/A	N/A
27-Sep-19	 MEGAPHOTON 25%	 华发集团 Huafa Group		Manufacturer of assimilation lighting systems for greenhouses	N/A	N/A	N/A	N/A
30-Aug-19	 KMAT MOVE TO GROW	 KIND TECHNOLOGIES		Supplier of internal transport solutions and material handling systems in greenhouse horticulture	N/A	N/A	N/A	N/A
8-Jul-19	 ZALPON HOOP SYSTEMS  ENTHOON TECHNIEK	 VAN DER HOEVEN		Providers of technical greenhouse installation services for water, electricity, climate and lighting	N/A	N/A	N/A	N/A
5-Jul-19	 WESTHEIDER LAND B.V. Sandwich & Damwand Handel	 BOAL SYSTEMS		Supplier of sandwich panels for logistics, packaging and storage in and near greenhouses	N/A	N/A	N/A	N/A
26-Mar-19		 TREE TOWN USA		Manufacturer of nursery automation products designed to increase productivity, consistency and quality	N/A	N/A	N/A	N/A
18-Dec-18	 TEC	 VICTUS PARTICIPATIONS		Developer of horticultural solutions in the field of electrical engineering, lighting, water engineering and automation	N/A	N/A	N/A	N/A
18-Dec-18	 ARMADA ELEKTRONIKI	 TEC		Provider of electrical installation services for horticulture sector (division)	N/A	N/A	N/A	N/A

Date	Target	Buyer	Country	Target description	Valuation			
					EV (US\$m)	EV/Sales	EV/EBITDA	EV/EBIT
31-Oct-18				Manufacturer of greenhouse systems, such as crop care systems, harvest & transportation systems and handling systems	N/A	N/A	N/A	N/A
11-Sep-18				Developer of irrigation software for the horticulture sector	N/A	N/A	N/A	N/A
27-Aug-18				Developer and installer of, among others, water, lighting and climate management systems for horticulture	N/A	N/A	N/A	N/A
21-May-18				Manufacturer of multi-level cultivation and drying systems designed for the vertical farming industry	N/A	N/A	N/A	N/A
3-May-18				Provider of LED-based horticultural systems, using Osram LED chips	N/A	N/A	N/A	N/A
27-Mar-18				Developer of heat exchange systems, a division part of the Greenhouse business unit of Alfa Laval AB	N/A	N/A	N/A	N/A
16-Mar-18				Manufacturer and designer of aluminum greenhouse roof systems	186.0	1.0x	9.1x	12.0x
31-Jan-18				Manufacturer and supplier of high-tech equipment and innovative software systems for the cultivation of mushrooms	N/A	N/A	N/A	N/A

Note: Only disclosed stakes in % have been included in this analysis

Source: Mergermarket, Oaklins research

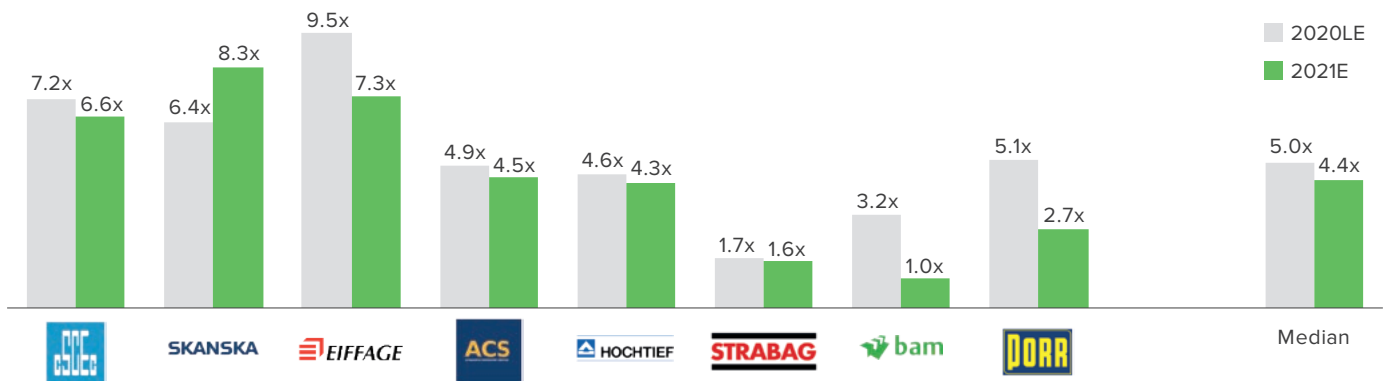


When looking at listed companies for which valuation data is publicly available, there are only a few spot-on peers, especially for the construction and installation segment. For the equipment segment several relevant parties are publicly traded, although these players are also active in non-greenhouse related markets. We have, nevertheless, listed three peer groups, as they do contain some valuable information: construction, installation and equipment.

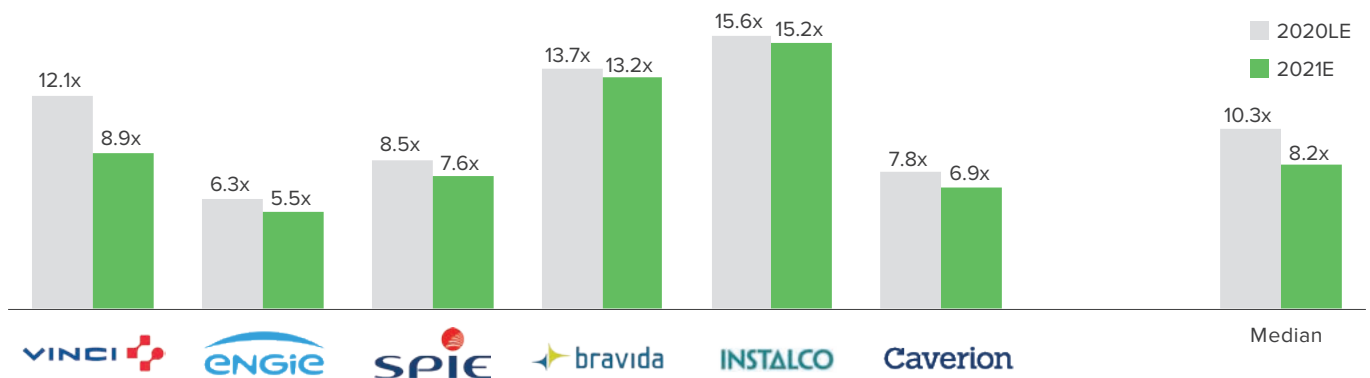
We observe relatively low multiples for construction companies, although it is worth mentioning that global turnkey greenhouse providers are valued significantly higher as a result of the previously described trends and niche characteristics. Installation companies, on the other hand, trade at higher multiples, which is in line with the greenhouse market as these companies have traditionally been able to translate their value-add for customers into

higher profit margins. Finally, we observe especially high multiples in the equipment segment, with manufacturers of, among others, irrigation systems, crop handling systems and climate control systems. These companies benefit from strong intellectual property (IP) and a highly defensible market position, which is reflected in their valuation.

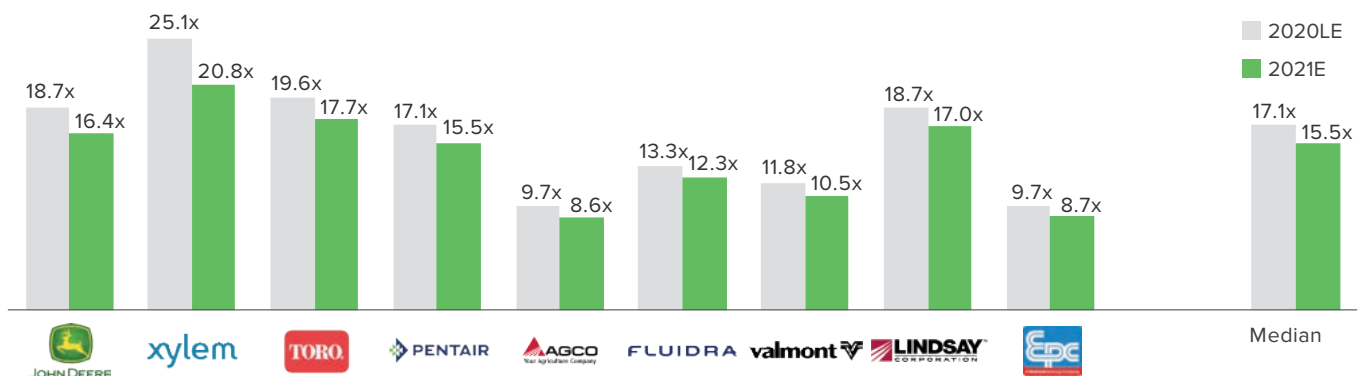
CONSTRUCTION – Comparable companies analysis (CCA) | Selection of listed construction companies (EV/EBITDA)



INSTALLATION – Comparable companies analysis (CCA) | Selection of listed installation companies (EV/EBITDA)



EQUIPMENT – Comparable companies analysis (CCA) | Selection of listed equipment companies (EV/EBITDA)



Source: S&P Capital IQ

Our core business is built on genuine relationships. They are the breeding ground for the greatest things that we achieve.

A selection of our track record

 <p>has been acquired by</p>  <p>M&A SELL-SIDE Agriculture/Consumer & Retail/Logistics</p>	 <p>has been acquired by</p>  <p>M&A SELL-SIDE Agriculture</p>	<p>UniHold B.V. has successfully sold a majority stake in</p>  <p>unica</p> <p>to</p> <p>Triton</p> <p>M&A SELL-SIDE Construction & Engineering Services/Private Equity</p>	 <p>has been acquired by</p>  <p>M&A SELL-SIDE Construction & Engineering Services</p>
 <p>has been acquired by</p> <p>Marubeni</p> <p>M&A SELL-SIDE Agriculture/Industrial Machinery & Components/Logistics</p>	 <p>has been acquired by</p> <p>syngenta</p> <p>M&A SELL-SIDE Agriculture</p>	<p>POKON  NATURADO</p> <p>has been acquired by</p>  <p>M&A SELL-SIDE Agriculture/Consumer & Retail/Private Equity</p>	 <p>has sold a stake to</p> <p>Ball</p> <p>M&A SELL-SIDE Agriculture</p>

Case study

Equistone and BOAL Group form a partnership for strategic growth

In March 2018, Equistone, a leading European mid-market private equity firm, and BOAL Group, a leading designer and manufacturer of aluminum greenhouse roof systems for the horticulture sector, formed a partnership.

Together with Equistone, BOAL plans to further develop its market-leading position in the horticultural greenhouse industry through continued product innovation, geographic growth and further expansion into the poly-greenhouse roofing systems market. This strategy is underpinned by two bolt-on acquisitions in the Dutch market in 2019.

Oaklins' team in the Netherlands acted as financial advisor to the management of BOAL Group in this transaction.



management has participated in the company alongside Equistone

MANAGEMENT ADVICE (MBI/MBO)

Agriculture/Construction & Engineering Services/Private Equity

Deep local roots, global commitment

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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

Horticulture 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 horticulture sector, with a large network of relevant market players worldwide. This results in the best possible merger, acquisition and divestment opportunities for horticulture 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.

✉ FRANK DE HEK

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Frank leads Oaklins' horticulture team. As part of his horticultural sector focus, Frank continuously follows developments, publishes newsletters, attends the major events and maintains regular contact with the key players. Consequently, he has a deep understanding of the market dynamics and value drivers in breeding, growing, distribution, retail, machinery, equipment and consumables in this sector. Globally, Frank is the most experienced M&A advisor in the horticulture sector.



Oaklins is the world's most experienced mid-market M&A advisor, with over 850 professionals globally and dedicated industry teams in more than 45 countries. We have closed 1,700 transactions in the past five years.

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