

Clairfield
Industry
Snapshot

AGRICULTURAL MACHINERY

INSIDE: Clairfield agribusiness sector practice · Market trends · Deal activity · Track record



INTRODUCTION TO CLAIRFIELD'S AGRIBUSINESS SUBSECTOR PRACTICE



ALBERT SCHANDER
Managing Partner
Sector Head Industrials

Clairfield International's agribusiness team closely follows industry trends and cooperates on crossborder projects for companies manufacturing agricultural machinery. In addition, the sector team draws upon Clairfield's advisory board and in particular their reach to a variety of industry experts with a corporate or consultancy background. With our experts located around the world, Clairfield is perfectly positioned to help clients take advantage of current market conditions both on the buy- and sell-side.

Following our Jost – Ålö transaction in early 2020, in which our well-practiced cross-border team could secure exclusivity for our client early in the process, we have confirmed our position as trusted M&A advisor in the agricultural machinery segment.

Clairfield's agribusiness team focuses on the following areas:

- Agricultural machinery
- Component manufacturing
- Agritech
- Digital farming
- Organic farming

Drivers for the agricultural machinery market



Due to the expanding sales share of developing countries, **product and production adaptation** is necessary to maintain and expand profitability throughout the product portfolio



The agriculture business needs to find a balance through **technology integration** and product automation to mitigate the impact of increasing labor shortages

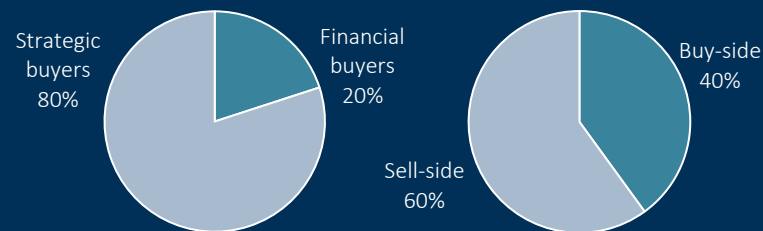


More efficient and **carbon-neutral** agricultural machinery addresses the global trend towards more sustainability



Integration of **drones and AI technology** throughout the crop cycle **optimizes and maximizes** yield

Clairfield's agribusiness track record





FACTS AND FIGURES OF THE AGRICULTURAL MACHINERY MARKET

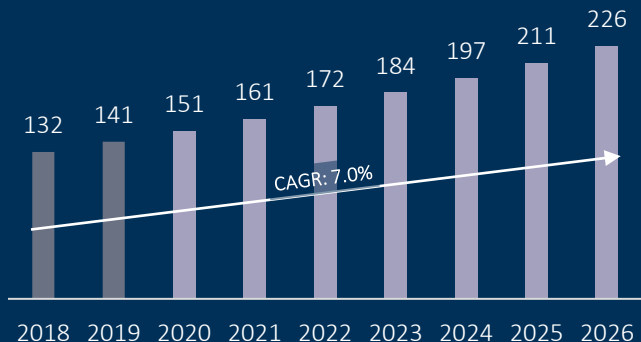
Leading players in the market



Revenue exposure by region*



Agricultural machinery market volume (in US\$ bn)



The market in numbers

USD 140.7 bn

Total market volume agricultural machinery 2019

4,500

Companies in Europe are engaged in the agricultural machinery market

7.6% CAGR

market growth in Asia-Pacific - the fastest growing region



CUTTING EDGE TECHNOLOGY TRENDS DRIVE AGRIBUSINESS 4.0



Data-driven farming

- Solutions for increasing farm productivity per area
- Data-based decision making, rather than on gut-feeling
- Comprehensive farm performance measurement



Self-driving vehicles

- Integration of AI technology and location tracking systems
- Increasing presence of drone technology throughout the crop cycle



Internet of things

- Correlations of structured and unstructured data to provide insights
- Integration of AI systems through applying machine learning in sensors & drones



Agritech

- Technological innovation to maximize output and overcome upcoming challenges agriculture is facing
- Support system apps and cloud services increase efficiency and accuracy with features like load weighing, status monitoring and position control





M&A DEALS SHOW STEADY MULTIPLES AND CROSSBORDER INTEREST

Selected M&A transactions

Date	Target	Target description	Target country	Acquiror	Acquiror country	EV (EUR m)	Revenue Multiple	EBITDA Multiple
09/2020	InFarm – Indoor Urban Farming GmbH	Developer of indoor vertical farming systems	Germany	Financial Investors	Various	-	-	-
01/2020	Alö AB	Manufacturer of front loaders	Sweden	JOST Werke AG	Germany	275	1.4x	-
06/2018	Motec GmbH	Manufacture of camera systems for commercial vehicles such as agriculture machines	Germany	AMETEK Inc.	UK	79.7	-	-
04/2018	Agram Landtechnik Rollwitz GmbH	Farm equipment supplier	Germany	Titan Machinery Inc.	USA	15.9	0.6x	-
09/2017	Demetra S.p.A.	Manufacturer of agricultural machinery	Italy	Alcedo SGR S.p.A	Italy	30	1.1x	6.9x
09/2017	Doktas Dokumculuk Ticaret ve Sanayi AS	Manufacturer of metal components for agricultural machinery	Turkey	Doktas Metal Sanayi ve Ticaret A.S.	Turkey	234	1.3x	28.6x
12/2016	Antonio Carraro S.p.A.	Manufacturer of multifunctional tractors	Italy	Milleuno-Imoco Group	Italy	72	0.9x	9.8x
Median						75.9	1.1x	9.8x

Selected publicly-listed peers

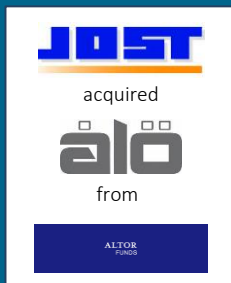
Company	Company description	Stock information		Company information			EUR m		EV/Sales		EV/EBITDA	
		Share price €	% of 52 Week high	Sales 2020	EBITDA 2020	EBITDA % 2020	Mcap	EV	2020E	2021E	2020E	2021E
JOST Werke AG	German manufacturer for the production of systems, modules and components for commercial vehicles	51.7	96.1	736	78	12.2	770	1,014	1.2x	1.3x	10.4x	11.7x
CNH Industrial N.V	Global leader in agricultural and construction equipment, trucks, commercial vehicles, buses and specialty vehicles	13.2	98.1	22,842	1,151	11.2	17.84	31,730	1.4x	1.4x	24.2x	14.6x
Alamo Group Inc.	US manufacturer of high-quality equipment for infrastructure maintenance, agriculture and other applications	133.4	96.6	1,021	124	11.8	1,588	1,792	1.6x	1.7x	12.6x	12.9x
SAF-Holland S.A.	Manufacturer of chassis-related systems and components primarily for trailers, but also for trucks and buses	12.6	93.7	1,284	75	8.6	570	806	0.6x	0.8x	8.6x	9.6x
Caterpillar Inc.	World's leading manufacturers of construction and mining machinery, diesel and natural gas engines, industrial gas turbines & diesel-electric locomotives	189.2	94.9	36,620	5,473	17.8	103,154	126,418	3.1x	3.3x	19.9x	18.4x
Titan International Inc.	US manufacturer of a full line of wheels, tires and undercarriage products for a wide variety of off-the-road equipment	8.5	94.4	1,294	34	1.7	524	879	0.6x	0.7x	17.6x	11.8x
AGCO Corporation	US leader in the design, manufacture & distribution of agricultural equipment	120.8	97.1	8,026	731	9.9	9,089	9,676	1.0x	1.1x	10.0x	10.6x
Median									1.2x	1.3x	15.1x	11.8x



SELECTED CLAIRFIELD TRANSACTIONS

DEAL SPOTLIGHT

GERMANY/SWEDEN



AGRICULTURAL MACHINERY

JOST Werke AG, the global market leader in safety critical solutions for commercial vehicles, acquired Ålö AB, one of the world's leading suppliers for the agricultural machinery industry, from Altor Funds. Since 1949, Ålö has been developing and manufacturing top-quality front-end loaders under the brands Quicke® and Trima®, and associated implements under Original Implements™. With factories in 4 countries, distribution units in 7 countries, and customers in more than 50 countries, Ålö accounts for 30 % of the world market in the segment for tractors with engines more powerful than 50 hp. Around 90 % of the total output is exported. Ålö's production units in Sweden, the US, China and France generate sales in excess of EUR 200 million annually with more than 600 employees.

Deal team contact

Dr. Albert Schander
Managing Partner
E: schander@de.clairfield.com
T: +49 (0) 69 70 79 69 20

Konstantin Zygan
Director
E: zygan@de.clairfield.com
T: +49 (0) 69 70 79 69 41

David Freudenthal
Analyst
E: freudenthal@de.clairfield.com
T: +49 (0) 69 70 79 69 15

FRANCE



sold a minority stake to



DENMARK



acquired
the **Hartola glulam
factory and 50% of
neighboring power
plant**



MEXICO



Rancho Los Molinos

was sold to



JAPAN/BELGIUM/SPAIN



Acquired through its
subsidiary



a majority stake in
Agro2Agri



FRANCE/BELGIUM



was sold to



BRAZIL/NETHERLANDS



was acquired by



SWEDEN



was sold to



SWEDEN



acquired certain assets of



BRAZIL/GERMANY



was sold to





ABOUT CLAIRFIELD INTERNATIONAL

300+

TEAM MEMBERS

25

COUNTRY TEAMS
ACROSS THE GLOBE

80%

INTERNATIONAL
MANDATES

30%

DEALS CLOSED WITH
INTERNATIONAL BUYERS

6

SPECIALIZED SECTOR
TEAMS

70

INDUSTRY ADVISORS

Clairfield International was founded in 2004 by four European M&A boutiques and has since expanded to encompass all major economies worldwide with the addition of knowledgeable partners in key markets.

Our strengths are our entrepreneurial spirit, local expertise, industry know-how, and close bonds among all team members spanning the globe.



Leading independent
M&A advisor for
midmarket deals

Top 10

IN EUROPEAN
MIDMARKET RANKINGS

Top 20

IN WORLDWIDE
MIDMARKET RANKINGS

140+

DEALS CLOSED ANNUALLY

EUR 20 billion

CUMULATIVE DEAL VALUE
LAST 5 YEARS