



Agritech Public Companies

Letter #1 2021

By CROPFIELD CONSULTING LIMITED ®

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Foreword



- This new quarterly newsletter is dedicated to Agtech and we will also cover some Foodtech companies with a strong food product component
- In this first number we will identify some of the largest (over \$ 500 M market cap) Agtech pure players (listed and soon to be listed), briefly describe their profile, together with the key financial figures and ratios. Going forward, the idea is to describe and comment on the most significant quarterly strategic developments of those companies, reviewing their activities and performance, as well as to monitor new large Agtech companies becoming public via IPOs
- The Agtech sector is booming at the moment, with record capital investments, searching solutions to the huge climate change challenges our planet is facing, with the Agfood sector generating 24% of total GHG emissions
- While there is a myriad of startups and scaleups in Agtech, public companies represent the tip of the iceberg in the sector in terms of their number and the culmination of an initial growth journey, from startups to scale up and often to unicorn (over 1 Billion Market cap)
- Agtech public companies very often have generated huge value in a very short time for their investors (Business Angels, Venture Capital Funds, Corporate Venture Capital, Private Equity Funds) and at the same time are also often at the verge of new additional dramatic growth. Also, being listed and easily tradeable, are those where all investors, directly or via funds, can invest more confidently in the sector
- The intersections between world-wide challenges, past and future growth, funding and investment possibilities, also for the small investors, is what makes the sector fascinating, last but not least in terms of the solutions it can bring to ensure the survival of the planet and its species. Welcome to the journey !



Companies



- The next slide table summarizes the 10 companies we will analyse going forward, their business, their listing, some key financial indicators
- Six of them are already listed (Corteva, Ginko, Oatly, Beyond Meat, Hydrofarm Holdings, Appharvest); the other 4 are soon to be listed via SPAC deals (Planet Labs, Benson Hill, Aerofarms, Local Bounti)
- As you can see, they are all listed or to be listed in New York and their business spans from Biotech (Ginko Bioworks), Seed & Crop Protection (Corteva) to Indoor Farming (Aerofarms, Hydrofarm Holding, Local Bounti), to Farmtech (Appharvest) and to Alternative Proteins (Oatly, Beyond Meet, Benson Hill)
- We have ordered them based on their market capitalization, actual or expected based on SPAC deals, spanning from 31 Billion (Corteva) to less than 700 M (AppHarvest)
- Here are their profiles.



Companies' Performance

Name & website	Business	Symbol	Listing	Turnover USD M	Net Income USD M	Market Cap Sep 30 2021 USD M	Notes
Corteva	Seed&Crop Protec	CTVA	NYSE	14,875	1,219	30,895	
Ginko Bioworks	Biotech	DNA	NASDAQ	-	-6	22,686	started trading on Sep 17, 2021
Oatly	Alt Proteins	OTLY	NASDAQ	528	-138	8,948	started trading on May 20, 2021
Beyond Meat	Alt Proteins	BYND	NASDAQ	454	-91	6,658	
Planet Labs	Satellite Imagery	PL	NYSE	100	n/a	2,800E	via SPAC not listed yet
Hydrofarm	Indoor Farming	HYFM	NASDAQ	429	-1	1,663	
Benson Hill	Alt Proteins	BHIL	NYSE	-	-	2,000E	via SPAC, not listed yet
Aerofarms	Indoor Farming	ARFM	NASDAQ	-	-	1,200E	via SPAC; not listed yet
Local Bounti	Indoor Farming	LOCL	NYSE	-	-	1,100E	via SPAC; not listed yet
Appharvest	Farmtech	APPH	NASDAQ	-	-17	654	started trading on Feb 1, 2021



Corteva

- Corteva, Inc., with headquarters in Wilmington, Delaware, a 2019 spin-off from the 2015 Dow DuPont merger, operates in the agriculture business through two segments, Seed and Crop Protection
- The Seed segment develops and supplies advanced germplasm and traits that produce optimum yield for farms. It offers trait technologies that enhance resistance to weather, disease, insects, and herbicides used to control weeds, as well as food and nutritional characteristics. This segment also provides digital solutions that assist farmer decision-making with a view to optimize product selection, and maximize yield and profitability
- The Crop Protection segment offers products that protect against weeds, insects and other pests, and diseases, as well as enhances crop health above and below ground through nitrogen management and seed-applied technologies. This segment provides herbicides, insecticides, nitrogen stabilizers, and pasture and range management herbicides. It serves the agricultural input industry
- The company operates in the United States, Canada, Latin America, the Asia Pacific, Europe, the Middle East, and Africa
- On August 5 Corteva reported 2Q 2021 Results, with Net Sales of \$5.6B , +8% vs. 2Q 2020, Income from Cont. Ops (After Tax) of \$1.02B, +33% vs. 2Q 2020 and EPS of \$1.37 , +36% vs. 2Q 2020
- For H1 2021, the company reported Net Sales of 9.8B, +7% vs. 1H 2020; Income from Cont. Ops (After Tax) of \$1.63B, +56% vs. 1H 2020 and EPS of \$2.18 + 59% vs. 1H 2020



Ginkgo Bioworks



- On September 17th Ginkgo Bioworks, Inc. and Soaring Eagle Acquisition Corp. (Nasdaq: SRNG), a SPAC, announced the closing of their previously announced business combination. The combined company is named Ginkgo Bioworks Holdings, Inc., and its Class A common stock began trading that day on the NYSE
- Founded by a group of MIT alumni in 2008, Ginkgo Bioworks, with headquarters in Boston, has developed a tech platform that uses synthetic biology, genetic engineering, robotics, data analytics, and software to 'program' microbes for different purposes
- Ginkgo is building the leading horizontal platform for synthetic biology, making it possible to program cells as easily as one can program computers and enabling innovation across industries, including therapeutics, industrials, food and agriculture
- In food, Ginkgo established a spin-off company, Motif Ingredients, in 2019 to leverage its tech in order to develop cell-cultured and plant-based proteins for the growing 'alt-meat' industry through biotech and fermentation.
- On the Agri side, Ginkgo has a joint venture with agriculture seed and chemicals company Bayer called Joyn Bio, which is using Ginkgo's engineered microbes to create biological alternatives to synthetically produced crop inputs like fertilizers and pesticides.





Oatly

- As for Oatly (OTLY), with headquarters in Malmo, Sweden, listed on the NASDAQ, as of May 20, 2021, the company defines itself as the original and largest producer of oat milk in the world. For over 25 years, it has focused exclusively on developing skills on oats: a global energy crop with intrinsic properties suitable for sustainability and human health.
- The product portfolio includes the full range of dairy products, including milks, ice creams, yogurts, cooking creams, spreads and ready-to-drink drinks.
- The company currently operates in three regions: Europe, the Middle East and Africa (“EMEA”), the Americas and Asia.
- Oatly products are sold through a variety of channels, from independent coffee shops to partnerships with established franchises such as Starbucks, from grocery retailers such as Target and Tesco to high-quality health food stores, as well as through e-commerce channels, such as Tmall di Alibaba.
- Please refer to this past article of mine, in Italian, where I also discuss Oatly evaluation.
- [Le proteine alternative: sviluppi e opportunità di investimento di Nicola Chiaranda – Mork e Mindy](#)



Beyond Meat



- Beyond Meat, with headquarters in El Segundo, California, listed on the Nasdaq, starting from May 2019, is aimed at the traditional meat market which it intends in part to replace with its products, which are, among other things, increasingly distributed in supermarkets in the same department of the meat of animal origin. The basic idea is therefore not to sell products for vegans, but to attract consumers of animal meat, offering them products with a taste and sensory experience that are as equivalent as possible to traditional meat.
- The company serves both the retail segment, with sales through large-scale distribution, and the food service segment, with sales to various fast food chains, also with recent global alliances which we will discuss later.
- Please refer to this past article of mine, in Italian, where I also discuss Beyond Meat evaluation.
- [Le proteine alternative: sviluppi e opportunità di investimento di Nicola Chiaranda – Mork e Mindy](#)





Planet Labs



- On July 7th 2021 Earth data and analytics company Planet Labs Inc, announced that in the last part of this year it will go public through a merger with a blank-check company in a deal valued at \$2.8 billion. Planet Labs will merge with dMY Technology Group Inc IV ([DMYQ.N](#)) and list on the New York Stock Exchange
- As a leading provider of geospatial data globally, Planet Labs, with headquarters in San Francisco, which generates revenue mainly through a subscription-based model, said its services are used by over 600 customers in 65 countries. It generated over \$100 million in revenue in the financial year ended Jan. 31
- Planet's data is indeed transforming the way companies and governments use satellite imagery data, delivering insights at the daily pace of change on earth
- This differentiated data set powers decision-making in a myriad of industries including agriculture, forestry, mapping, and government. Its fleet of approximately 200 earth imaging satellites, the largest in history, images the whole Earth land mass daily
- Participants in the \$200 million PIPE (private investment in public equity) round included BlackRock, Koch Strategic Platforms, Google and Salesforce.com Chief Executive Officer March Benioff's investment fund TIME Ventures
- Planet Labs will invest proceeds from the deal to speed up growth, including expansion into existing and new markets and offer new products
- On September 16th Planet further announced financial results for its second fiscal quarter ended July 31, 2021, highlighting the continued momentum of its unique data subscription business:
 - Q2 Revenue increased 19% year-over-year to \$30.4 million
 - End of Period (EoP) Customer Count increased 36% year-over-year to 732 customers
 - the Company is managing effectively against its plan and remains on track for revenue and profitability outlook for the full fiscal year ending January 31, 2022, including revenue of \$130 million and non-GAAP gross margin of 40%,

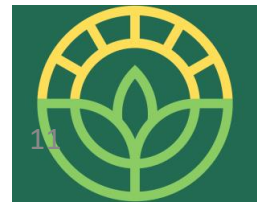




Hydrofarm Holdings



- HYDROFARM HOLDINGS GROUP, with headquarters in Petaluma, California is a leading North American independent distributor and manufacturer of hydroponics equipment and supplies for controlled environment agriculture, including high-intensity grow lights, climate control solutions, and growing media, as well as a broad portfolio of innovative and proprietary branded products.
- For over 40 years, Hydrofarm has helped growers make growing easier and more productive in the U.S. and Canadian markets. The Company's mission is to empower growers, farmers and cultivators with products that enable greater quality, efficiency, consistency and speed in their grow projects.
- On August 12, 2021 Hydrofarm announced its financial results for the Second Quarter 2021, ended June 30, 2021, with these highlights vs Q2 2020: Net sales increased 46.7% to \$133.8 M compared to \$91.2 M; Gross profit increased 65.5% to \$29.6 M, or 22.1% of net sales, compared to \$17.9 M, or 19.6% of net sales; net income attributable to common stockholders was \$2.3 M or \$0.05 per diluted share compared to a \$1.9 M or \$0.08(1) per diluted share; adjusted EBITDA increased 127.5% to \$16.2 M compared to \$7.1 million.
- Also, the company revised its Full Year 2021 Outlook vs. Prior Year: Significant increase in full year outlook with contribution from the four completed acquisitions; Net sales growth of 45% to 50%; Adjusted EBITDA(2) of \$55.0 M to \$62.0 M; Pro Forma net sales \$565 M and \$590 M; adjusted EBITDA(2)(3) of \$80 M to \$90 M
- Clearly the Company, which completed two acquisitions during the quarter: HEAVY 16 and House & Garden, is benefitting of the strong growth underpinning Indoor farming

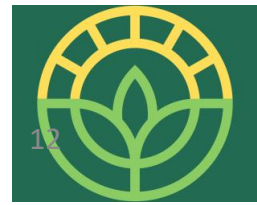




Benson Hill



- Founded in 2012, Benson Hill, with headquarters in Saint Louis, Missouri, is unlocking the natural genetic diversity of plants to supply the 'Picks and Shovels' for the plant-based food revolution. The company leverages artificial intelligence-driven proprietary food innovation engine, CropOS®, which combines data science, plant science and food science to create better tasting, more sustainable, healthier, and more affordable food choices.
- Benson Hill will become publicly listed through business a combination with Star Peak Corp II (NYSE: STPC) and the Transaction will provide up to \$625 million in gross proceeds, comprised of Star Peak's \$403 million of cash in trust, assuming no redemptions, and an oversubscribed and upsized \$225 million common stock PIPE at \$10.00 per share, including investments from funds and accounts managed by BlackRock, Van Eck Associates Corporation, Hedosophia, Lazard Asset Management, Post Holdings, existing Benson Hill investors and affiliates of Star Peak Corp II.
- All existing Benson Hill shareholders will roll 100% of their equity holdings into the new public company, including Argonautic Ventures, Caisse de dépôt et placement du Québec (CDPQ), Fall Line Capital, GV, iSelect Fund, Lewis & Clark Ventures, Mercury Fund, Prelude Ventures, S2G Ventures, and Wheatsheaf, as well as other financial and strategic investors.
- The transaction supports Benson Hill's continued rapid growth in the forecasted \$140 billion plant-based meat segment and broader \$5 trillion agri-food industry, offering a pure-play ESG investment opportunity tied to improving human health and driving decarbonization. Following the expected Q3/Q4 2021 transaction close, the combined company will have an estimated enterprise value of ~\$1.35 billion and will be listed on the New York Stock Exchange under the new ticker symbol "BHIL."
- On August 10, 2021 Benson Hill announced its Q2 2021 results; consolidated revenues increased 28% to \$39.7 million and were up 47% on a normalized basis vs Q2 2020; Contract acres for proprietary soybean varieties increased 133% to approximately 70,000 acres.
- The company, which launched a new yellow pea breeding and commercialization program, had strong revenue growth in the second quarter in both the Ingredients and Fresh business segments, making significant headway towards scaling the production and commercialization of its innovative soybean feed, ingredient, and specialty cooking oil products.





Aerofarms

- Founded in 2004, AeroFarms, with headquarters in Newark, New Jersey, is one of vertical farming world leaders. AeroFarms has developed patented and award-winning technology in areas such as plant biology, mechanical design, environmental control, data science, operations, and plant genetics. Through the integration of these disciplines, AeroFarms achieves up to 390 times greater productivity per square foot annually versus traditional field farming while using up to 95% less water and zero pesticides.
- Today, AeroFarms grows fruits and vegetables and sells leafy green products that are consistently celebrated by top chefs and tastemakers. To date, the company has grown over 550 different varieties of fruits and vegetables and uses its understanding of plant biology to optimize farming systems.
- The AeroFarms sensor network feeds a vast library of data, collected over 15 years of operations, allowing the company to understand plants at unprecedented levels and solve agriculture-related supply chain problems.
- On March 26th, Spring Valley (NASDAQ:SV) has entered into a definitive agreement to combine with vertical farming venture AeroFarms at an enterprise value of \$856 million, or 5.2x its 2024E revenue, 2.6x 2025E revenue and 10.4x 2025E EBITDA
- The deal, with the combined company valued at about \$ 1.2 B, includes \$347mm in cash to fund operations and accelerate growth, as follows; \$232mm cash in trust from Spring Valley Acquisition Corp., \$125mm PIPE – Sponsor and existing investors \$40mm+
- The resulting CAPITAL STRUCTURE is expected to be as follows: 65.0% existing shareholder equity rollover, 2.7% AeroFarms convertible notes holders, 22.1% SPAC including founder shares, 10.2% PIPE Investors
- On September 24th, Spring Valley Acquisition Corp. (NASDAQ:SV) has however announced that it is extending its closing negotiations with AeroFarms to a new deadline of October 24. The SPAC's shareholders approved the transaction on August 30, but Spring Valley noted at the time of the vote that it faced enough redemptions to leave its minimum cash condition unfulfilled.



Local Bounti

- Local Bounti, with headquarters in Hamilton, Montana is a controlled environment agriculture (CEA) company redefining ESG standards for indoor agriculture. Its business model is based on building local facilities, operated by local teams, to deliver the freshest and highest quality produce to local communities, while maintaining a limited carbon footprint
- Using proprietary technology to grow leafy greens and herbs in smart greenhouses – with a cultivation process that uses 90 percent less water and land than conventional agriculture, free from herbicides or pesticides – Local Bounti claims to deliver produce that not only has a longer shelf life, but is also superior in taste
- Local Bounti operates an advanced indoor growing facility in Hamilton, Montana, within a few hours' drive of its retail and food service partners, reaching retail shelves in record time post-harvest.
- The Company plans to grow by building a series of plants in the coming years, with its hybrid vertical and greenhouse facilities design, scaling them with a turnkey modular approach and identifies other areas of growth in technology and genetics investments to improve its products, in marketing and branding, creating and in selling new product categories and also in international expansion, franchising and licencing and providing subscription services directly to consumers
- Local Bounti will be listed on the New York Stock Exchange, in Q4 2021/Q1 2022, after agreeing, in June 2021, to merge with Leo Holdings III Corp, a special purpose acquisition company (SPAC), at an enterprise value of \$757 million, or 1.6x its 2025E revenue
- The merger, which values the combined company at \$1.1 billion, is expected to provide \$400 million in gross proceeds – including a \$125 million private investment in public equity (PIPE) deal anchored by BNP Paribas, Cargill, Fidelity, and Sarath Ratanavandi – CEO of Thailand's Gulf Energy Development. \$ 314 M will be in cash to fund operations and accelerate growth.
- In terms of ownership, 54.9% will be existing shareholders equity rollover, 31% Leo III investors, including founders' shares; 11.3% PIPE investors, 2.8% convertible notes holders.
- Cargill, a strategic partner to Local Bounti, has separately agreed to provide \$200 million in debt financing



Appharvest



- AppHarvest, with headquarters in Morehead, Kentucky, kicked off the SPAC trend for Farm Tech companies, and Novel Farming ventures specifically
- In fact, on February 1, 2021, AppHarvest, become public with a SPAC deal with Novus Capital Corp, evaluating the combined company to over \$ 1 Billion
- A public benefit corporation and Certified B Corp, focused on farming more sustainably using up to 90% less water than open-field agriculture and only recycled rainwater, Appharvest is developing a series of large-scale indoor farms in Appalachia aimed at efficiently producing vegetables for the domestic market to replace imports
- The Company combines conventional agricultural techniques with cutting-edge technology and is addressing key issues including improving access for all to nutritious food, farming more sustainably, building a home-grown food supply, and increasing investment in Appalachia. The Company's 60-acre Morehead, KY facility is among the largest indoor farms in the U.S.
- On August 11, the company announced that for the second quarter of 2021, net sales were \$3.1 million, an increase of \$0.8 million from the first quarter of 2021, when AppHarvest began its inaugural harvest and launched as a public company. AppHarvest sold 8.6 million pounds of tomatoes in the second quarter, an increase of 4.8 million pounds from the first quarter
- The company recorded a net loss of \$32.0 million and EBITDA loss of \$22.6 million in the second quarter of 2021, as compared to a net loss and EBITDA loss of \$1.6 million in the second quarter of 2020, when the company was still pre-production.
- AppHarvest's Morehead facility has been harvesting since January 2021. The company is currently building four more CEA facilities, and remains on-track with its previously announced plan to operate up to 12 high-tech indoor farms in Appalachia by the end of 2025The company is also building a TechCo business that seeks to develop leading controlled environment agriculture solutions to optimize AppHarvest farms and then will seek to sell these turnkey solutions to the global market.





Who we are



- Cropfield Consulting Limited, est. 2020
- Nicola Chiaranda, Owner & Managing director
- 30+ years' corporate career in public US, French and Italian multinational groups in Agribusiness & Food (Bunge, Cargill, Cerestar, Eridania Beghin-Say)
- Global CFO, VP Strategy & Business Development, VP Performance Improvement
- Conducted large number of Mergers & Acquisitions (acquisitions and divestitures) and large-scale change management
- Optimization of processes and controls, Implementation of new systems
- Raised capital via debt, equity and IPOs
- Currently Professor of Corporate Finance, University of Venice (Italy)
- Large network of senior subject matter experts available on demand
- www.cropfieldconsulting.com





What we do in Agribusiness & Food

- We study and discuss the client's mission, vision and strategy together with owners/top management, with a strong focus on value creation, and:
 1. **we help with growth**, helping with Investments, **including in Agfootech**, M&A activities (identify target companies, build a pipeline, contact targets, evaluate, negotiate, close deals, integrate targets) **and with corporate finance** (raise debt, equity, IPOs, divest businesses, work to reduce the cost of capital)
 2. **we help improving operations** in specific areas, particularly SG&A related (identify performance issues, source other specialists as needed, benchmark, set targets, design plans to achieve them, help with execution)





How we can help in Agribusiness & Food

1. We have a first conversation with owners / top management to understand the strategy together with the situation and the current issues
2. We prepare a document indicating areas of focus and how we can help to move from current state to desired state
3. We work together with management to build a detailed action plan, with milestones and KPIs
4. If desired, we support or even drive the execution of the plan
5. Our fee model has two components: a retainer and a success fee component to align our incentives with client benefits





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