



**AGROCHEMICALS**  
**SECTOR UPDATE AND M&A TRENDS**  
Q3 2022

**ALMA**.advisors

# Agrochemicals sector sales have decreased as higher prices are hurting fertilizer demand for more cyclical products

## Sector overview

### Macroeconomic developments in the quarter

- A sharp slowdown in Eurozone's growth is considered imminent due to **sharp deterioration in the terms of trade primarily for energy** due to the ongoing war in Ukraine, which has **pushed inflation to record highs** and **consumer confidence to record lows**
- Following the 50bps rate hike in July, **the ECB increased interest rates by another 75bps in September** to combat surging inflation → higher loan repayment for loans based on the Euribor
- Ongoing **logistical hurdles** and the **suspension of fertilizer exports from Russia** – accounting to ~28% of EU imports – continue to add pressure in the markets and disrupt supply chains

### Agrochemicals sector trends

#### Cost pressures

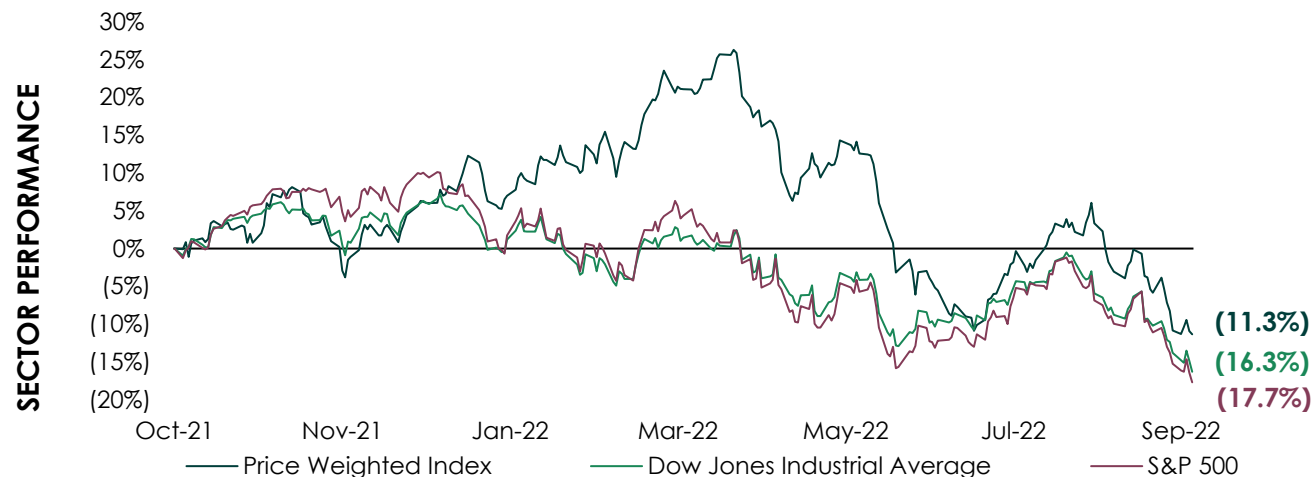
- Higher energy prices, sea freight transport and packaging materials together with **scarcity of raw materials** due to the sanctions imposed on Russia **are driving input costs higher and distort production**

#### Consumer demand

- **Fertilizer demand for more cyclical products has taken a hit** as higher input costs are forcing agrochemicals manufacturers to increase prices → **sales volume has decreased**

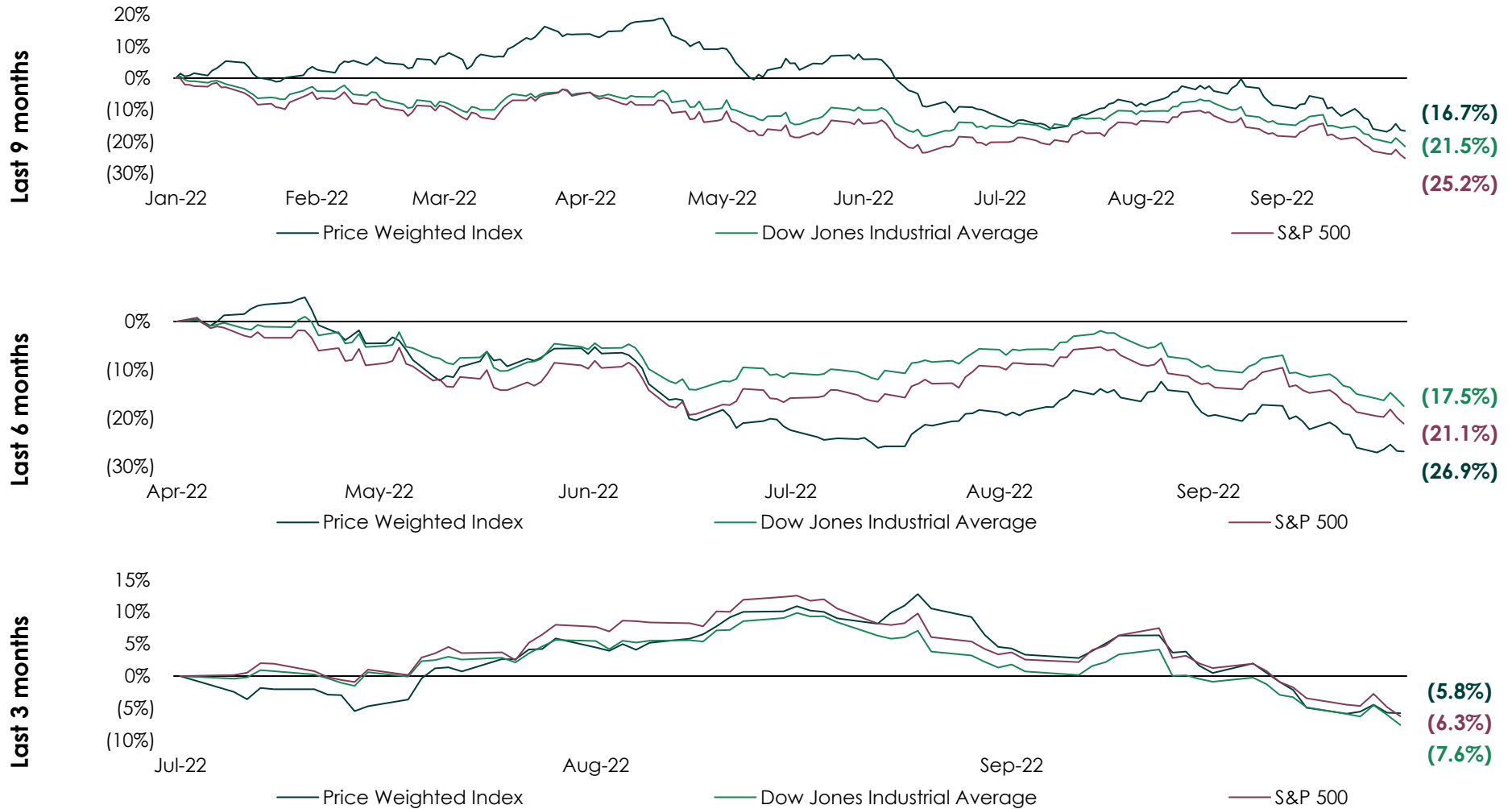
#### Regulatory hurdles

- European Commission in talks to **slash the use of chemical pesticides in half by 2030** as part of its latest sustainability and biodiversity plan
- **Eco-friendly** agrochemical products on demand



# The agrochemicals-based index has outperformed the broader market over the last quarter

## Sector performance



Notes: Data as of 30/09/2022; Index constituents can be found on page 8 and includes diversified chemical and agrochemicals-focused companies  
Sources: FactSet

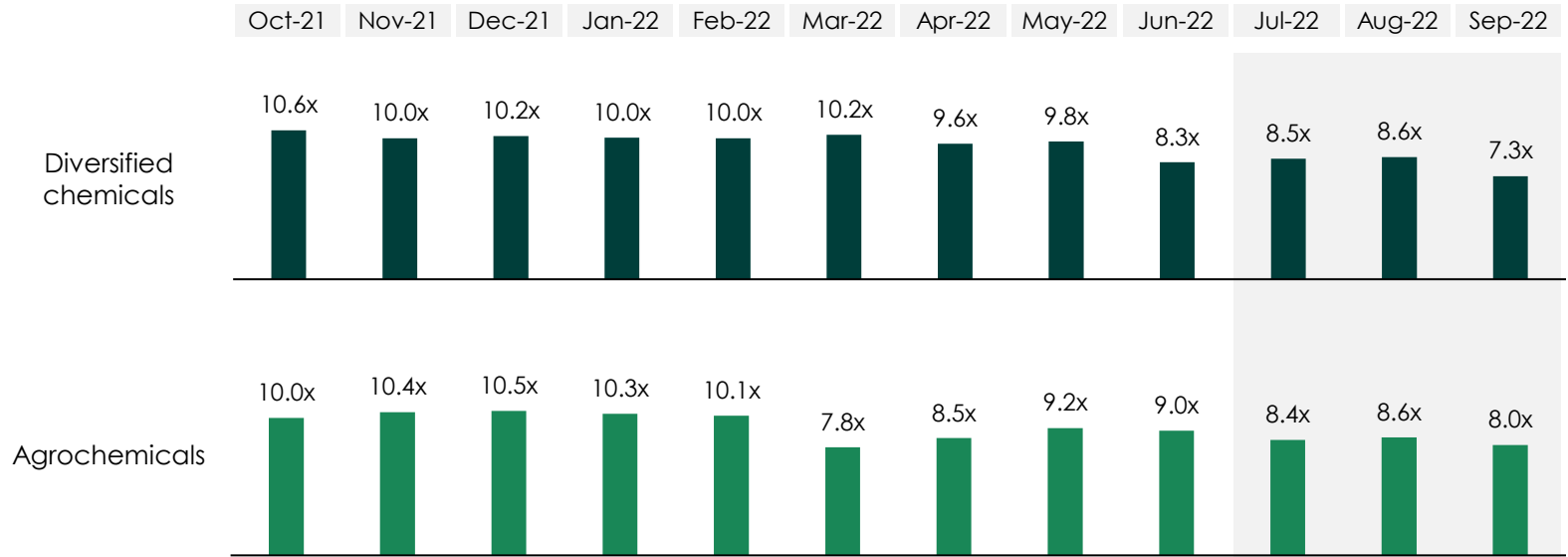
# Industry multiples have witnessed a decrease over the last quarter as the broader market turmoil continues

## Median LTM EV/EBITDA multiples

- *Multiples for diversified chemical companies have witnessed a more severe decrease compared to agrochemicals-focused companies, reaching 7.3x in September*

- *Agrochemical companies multiples compressed to 8.0x in September amid the broader market turmoil*

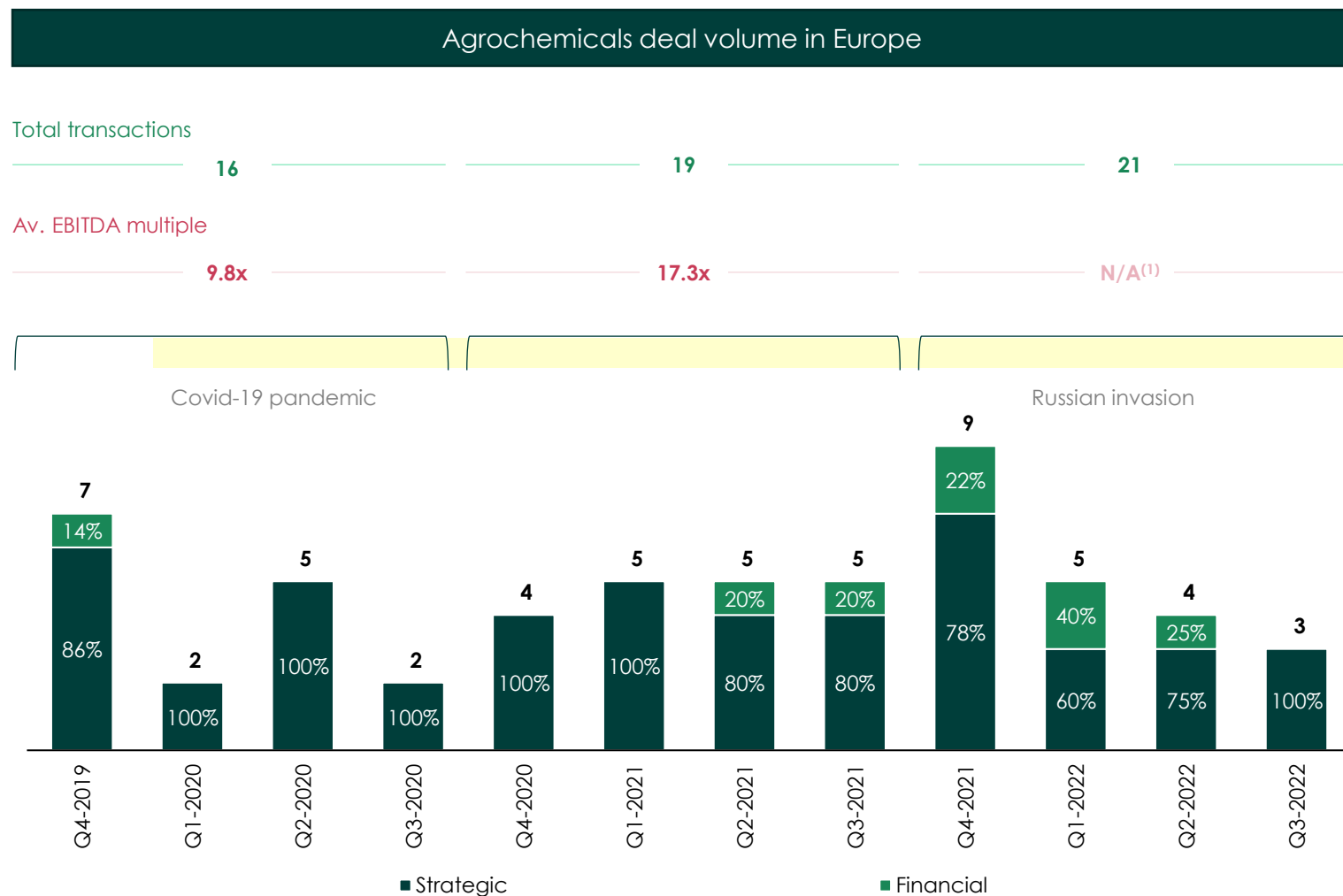
- *Decrease was not as severe as in other sectors of the market, mainly due to the necessity of the agrochemical products*



# M&A activity remains low with transactions having a specific strategic angle

## Europe M&A update

- Industry's M&A transactions remain low in the sector
- Financial buyers have recently showed an interest on the sector due to the highly fragmented European market and long-term growth dynamics
- Strategic acquirers could revive M&A activity on the sector in an attempt to enhance their product portfolio and expand to new verticals and geographies



Data as of 30/09/2022

Note: (1) Not enough multiples for the period to obtain a reasonable figure

Sources: FactSet

# European agrochemicals M&A transactions (1/2)<sup>(1)</sup>

Over the past 3 years



<i>(Figures in €m)</i>					
Date	Target	Buyer	EV	EV/Revenue	EV/EBITDA
Oct-2022	Briar Chemicals	ChrysCapital Management; Safex Chemicals	83.0	-	-
Sep-2022	Rosier	Yilfert Holding	128.0	0.4x	-
Aug-2022	Biolchim	J. M. Huber	-	-	-
Jun-2022	Rosier	Borealis	70.9	-	-
Jun-2022	Borealis / Nitrogen Business	Agrofert	810.0	-	-
May-2022	PhosAgro	Phosagro / Litvinenko	-	-	-
Apr-2022	Go Superfoods	Humble Group	19.1	-	-
Mar-2022	Phosint	Negrinio	-	-	-
Feb-2022	Almaz Group	Almaz Group / Management	-	-	-
Feb-2022	Borealis / Nitrogen Business	EuroChem Group	455.0	-	-
Jan-2022	Neochim	Neochim / Gargov	-	-	-
Jan-2022	Heinr. Propfe Chemische Fabrik	Duke Street; COMPO	-	-	-
Dec-2021	Adidana	Platforma Roca Management; RDF	-	-	-
Dec-2021	Zapi Industrie Chimiche SpA Con Sigla Zapi	Fumakilla	-	-	-
Dec-2021	KazAzot	Kazakhstan Petrochemicals	-	-	-
Dec-2021	Or Brun	SBM Développement	-	-	-
Nov-2021	Tolyattiazot	Khimaktivinvest	1000.1	-	-
Nov-2021	Ginefiv	Kohlberg Kravis Roberts & Co.	400.0	-	-
Nov-2021	Serbios	Equilybra; Erbios	-	-	-
Nov-2021	Petro Consulting	European Lithium	44.9	-	-
Sep-2021	World Agri Minerals	CGS International	11.2	-	-
Sep-2021	Polcalc	Holcim	-	-	-
Sep-2021	Agronaturalis	De Sangosse	-	-	-
Sep-2021	Ecolan	Yara Suomi	-	-	-
Jul-2021	Sustainable AGro Solutions	Stirling Square Capital Partners	-	-	-
May-2021	Hip-Azotara	Promist	5.5	-	-
May-2021	Isagro	Crop Demetra	48.2	0.5x	17.0x
May-2021	Bacanora Lithium	Ganfeng International Trading	292.1	-	-

Notes: (1) Excl. retail and distribution transactions; transactions not only limited to EU countries

Sources: FactSet

# European agrochemicals M&A transactions (2/2)<sup>(1)</sup>

Over the past 3 years



(Figures in €m)

Date	Target	Buyer	EV	EV/Revenue	EV/EBITDA
Apr-2021	SICIT Group	NB Renaissance Partners	361.5	6.0x	17.6x
Mar-2021	CHEMARK	CHEMIROL	-	-	-
Mar-2021	Helm / UK Fertiliser Business	Glasson Grain	-	-	-
Jan-2021	BioBag International	Novamont	-	-	-
Jan-2021	Theseo	Lanxess	70.0	-	-
Jan-2021	Libyan Norwegian Fertiliser Company	National Oil	-	-	-
Dec-2020	Geo NPK	Uralkali	-	-	-
Dec-2020	Ifoda Agro Kimyo Himoya	Balcom Co.	8.2	-	-
Oct-2020	Valagro	Syngenta Crop Protection	-	-	-
Oct-2020	Agrinos	AMVAC Chemical	-	-	-
Sep-2020	Koninklijke / Resins & Functional Materials	Covestro	1610.0	1.6x	12.1x
Jul-2020	Pharm 2 Farm	Remote Monitored Systems	2.5	-	-
Jun-2020	Orion Future Technology	Milbank Group	-	-	-
Jun-2020	World Agri Minerals	Primo Nutraceuticals	-	-	-
May-2020	Alfa AGricultural Supplies	ADAMA	-	-	-
Apr-2020	Staadegaard Groep	Kraakman Perfors	-	-	-
Apr-2020	Saumskaya Mining	Novella	-	-	-
Mar-2020	Even Agro	Idai Nature	-	-	-
Jan-2020	Sirius Minerals	Anglo American Projects	590.4	-	-
Dec-2019	Jan de Winkel	GroeNoord Ag&Turf	-	-	-
Dec-2019	Pharm 2 Farm	Braveheart Investment Group	-	-	-
Nov-2019	Kleffmann	Inflexion Private Equity Partners; Kynetec	-	-	-
Nov-2019	Galenika-Fitofarmacija	Agromarket; Galenika Fitofarmacija	46.7	1.3x	7.4x
Nov-2019	Circular Carbon	econnext	-	-	-
Oct-2019	Thomas & Fontaine	ARK Agriculture	-	-	-
Sep-2019	Nomor	ServiceMaster Global Holdings	-	-	-

Notes: (1) Excl. retail and distribution transactions; transactions not only limited to EU countries

Sources: FactSet

# Trading comps

## DIVERSIFIED CHEMICALS

Company <i>(figures in €m)</i>	Market cap.	EV	Sales 2022E	EBITDA 2022E	EV / Sales			EV / EBITDA		
					LTM	2022E	2023E	LTM	2022E	2023E
Bayer	46,582	87,989	49,953	13,289	1.8x	1.8x	1.7x	6.2x	6.6x	6.4x
BASF	36,372	58,631	87,657	10,911	0.7x	0.7x	0.7x	5.5x	5.4x	6.1x
Compass Minerals	1,344	2,146	1,216	184	1.7x	1.8x	1.7x	8.7x	11.5x	8.4x
Eastman Chemical	8,907	13,516	10,485	1,984	1.2x	1.3x	1.3x	7.3x	6.8x	6.6x
Dow	32,204	44,630	56,931	9,503	0.7x	0.7x	0.8x	4.4x	4.4x	5.1x
DuPont de Nemours	25,770	36,119	13,049	3,236	2.4x	2.7x	2.7x	10.0x	11.0x	10.3x
Andersons	1,073	2,959	15,673	358	0.2x	0.2x	0.2x	14.4x	8.2x	8.7x
<b>Average</b>					<b>1.3x</b>	<b>1.3x</b>	<b>1.3x</b>	<b>8.1x</b>	<b>7.7x</b>	<b>7.4x</b>
<b>Median</b>					<b>1.3x</b>	<b>1.3x</b>	<b>1.3x</b>	<b>7.3x</b>	<b>6.8x</b>	<b>6.6x</b>

## AGROCHEMICALS

Company <i>(figures in €m)</i>	Market cap.	EV	Sales 2022E	EBITDA 2022E	EV / Sales			EV / EBITDA		
					LTM	2022E	2023E	LTM	2022E	2023E
Corteva	41,921	41,166	17,230	3,036	2.4x	2.3x	2.2x	13.8x	13.3x	11.8x
UPL	6,337	9,568	6,323	1,391	1.7x	1.5x	1.4x	7.7x	6.6x	6.0x
FMC	13,590	16,909	5,579	1,397	3.1x	3.0x	2.8x	11.8x	12.0x	10.9x
Insecticides (India)	268	270	210	25	1.4x	1.2x	1.1x	12.7x	10.6x	9.0x
Dhanuka Agritech	382	360	200	36	1.9x	1.7x	1.6x	10.6x	9.9x	8.5x
ADAMA	2,975	5,252	4,802	777	1.0x	1.1x	1.0x	8.0x	6.6x	6.2x
Lier Chemical	2,025	2,430	1,231	396	1.7x	1.9x	1.7x	6.4x	5.8x	5.3x
Nutrien	46,122	56,678	39,112	14,494	1.7x	1.5x	1.6x	5.2x	4.0x	4.7x
Mosaic	17,033	20,327	20,144	7,170	1.2x	1.0x	1.2x	3.5x	2.7x	3.3x
<b>Average</b>					<b>1.8x</b>	<b>1.7x</b>	<b>1.6x</b>	<b>8.9x</b>	<b>7.9x</b>	<b>7.3x</b>
<b>Median</b>					<b>1.7x</b>	<b>1.5x</b>	<b>1.6x</b>	<b>8.0x</b>	<b>6.6x</b>	<b>6.2x</b>



# Tailored corporate finance services for the European mid-market

## Our firm

Alma Advisors is an independent financial services firm serving the European mid-market. We offer corporate finance solutions to corporates, family businesses and entrepreneurs.



**Nikolas Evangelou, CFA**  
Partner  
Nikolas@almaadvisors.com  
+357 99 135 137  
+30 69 8687 7720

### Pure Corporate Finance

- Sell-side M&A
- Buy-side M&A
- Capital raising
- Debt advisory

### Mid-market focus

- Mid-market technology and traditional sectors
- Greece, Cyprus and rest of Europe

### Well connected

- Private equity funds
- Venture capital funds
- Family offices
- Investment holdings
- Corporates

### Global capabilities

- Part of a global professional services group:



E&G ECONOMIDES LLC

P.G. Economides & Co Ltd  
CHARTERED CERTIFIED ACCOUNTANTS



**Panagiotis Georgiou, ACA**  
Partner  
Panagiotis@almaadvisors.com  
+357 99 310 705

### Greece

15 Platia Filikis Eterias,  
106 74, Athens Greece  
Email: office@almaadvisors.com  
Phone: +30 210 672 8868

### Cyprus

17 Grigoriou Xenopoulou St.,  
3106, Limassol Cyprus  
Email: office@almaadvisors.com  
Phone: +357 25 86 80 80

ALMA.advisors

ALMA.advisors

ALMA.advisors

ALMA.advisors

ALMA.advisors

ALMA.advisors

ALMA.advisors

ALMA.advisors

ALMA.advisors

ALMA.advisors

