

November 2022

De Bolster

Company valuation





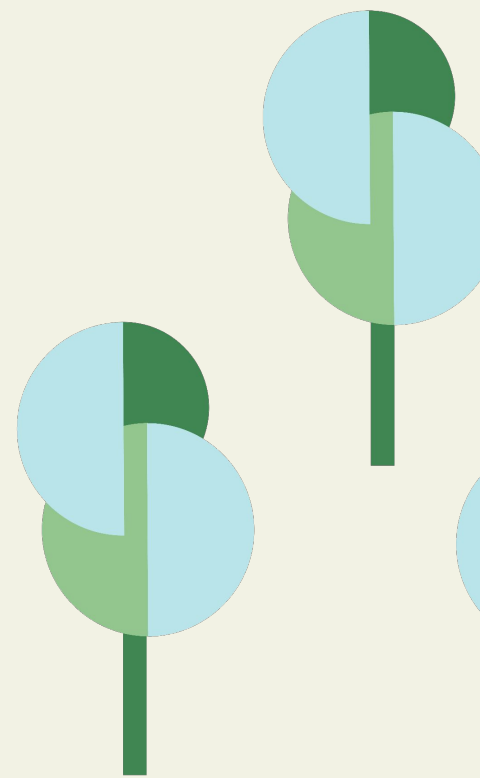
Pre-money valuation of equity

(value of equity before issue of new capital)

€25.4 million

Company information

Name	De Bolster Coöperatie U.A.
Founded	Co-op 2022 / Family business 1978 / Current form 2007
Contact	investeren@bolster.nl
Description	De Bolster believes in pure food, accessible to everyone worldwide, produced fairly and consciously, with care for nature. De Bolster produces seeds of 340 varieties for professional growers, seed companies, retailers and home gardeners.



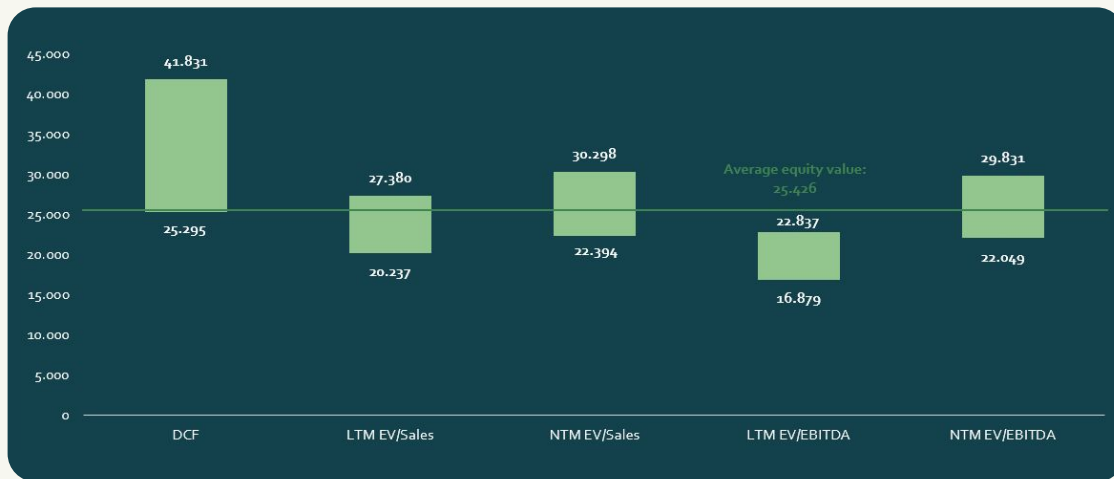
Summary

Based on the 'discounted cash flow' valuation method, sales and EBITDA multiples on sales and EBITDA for the past twelve months and the next twelve months, the company valuation of De Bolster is set at **€29.6 million**. Minus the outstanding net-debt of **€4.2 million**, the equity value of De Bolster is **€25.4 million**. This is the average of the five different ratings measured on June 30th 2022.

Trading multiples De Bolster

Year	2020	2021	2022	2023
EV/Sales	4.95x	3.83x	3.50x	3.22x
EV/EBITDA	33.36x	21.52x	18.81x	13.95x
EV/EBIT	45.43x	26.88x	22.89x	16.01x

Valuations (x €1,000.-)



LTM = Last twelve months
NTM = Next twelve months

Enterprise value
€29.6 million

Net debt (30-06-2022)
€4.2 million

Pre-money equity valuation
€25.4 million

Forecast & Visualisation

Financials

Forecast income statement

Consolidated income statement (x €1,000.-)

Source: De Bolster (2022)

Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Sales	4,762	4,891	4,502	5,980	7,731	8,466	9,200	10,600	12,100	14,000
Costs of goods sold	1,949	1,988	1,617	2,121	2,866	2,428	2,191	2,491	2,891	3,391
Gross profit	2,813	2,903	2,885	3,859	4,865	6,037	7,009	8,109	9,209	10,609
Agriculture costs	168	189	113	143	222	315	277	277	237	308
Staff and management costs	1,043	1,221	1,269	1,555	2,310	3,031	3,309	3,449	3,819	4,269
Accommodation costs	34	91	61	69	146	115	64	64	64	120
Transportation costs	47	64	55	53	40	69	96	96	55	122
Sales costs	143	176	153	193	222	220	268	268	168	208
Other costs	342	208	529	1,096	549	714	874	874	850	898
EBITDA	1,035	814	708	887	1,375	1,573	2,121	3,081	4,017	4,684
Depreciation	89	180	222	236	274	280	273	268	267	269
EBIT	946	634	486	651	1,101	1,293	1,849	2,813	3,749	4,415
Financial costs	68	68	78	61	75	91	97	97	97	97
Tax	153	51	73	123	120	185	269	417	561	664
Net profit	725	515	335	467	906	1,017	1,488	2,313	3,116	3,691

From historical figures can be derived that De Bolster has been a profitable business with increasing turnovers. To achieve De Bolster's targeted growth, it is investing in expanding its workforce to scale up its production capacity.

In addition, De Bolster is a Dutch market leader. De Bolster is working on 100% organic seeds to make farming in the Netherlands 100% organic.

In the year 2020, that percentage was still at 3.7% in the Netherlands.

Financials

Financial statements 2019

Consolidated P&L (x €1,000.-)

Year	2019
Sales	4,502
Cost of goods sold	1,617
Gross profit	2,885
Agriculture costs	113
Staff and management costs	1,269
Accommodation costs	61
Transportation costs	55
Sales costs	153
Other costs	529
EBITDA	708
Depreciation	222
EBIT	486
Financial costs	78
Tax	73
Net profit	335

Consolidated balance sheet (x €1,000.-)

Year	2019
Buildings, land and machinery	3,413
Intangible assets	45
Financial fixed assets	1,358
Inventory	3,570
Current receivables	435
Other current assets	99
<i>Cash and cash equivalents</i>	25
Assets	8,945
Current payables	430
Other current liabilities	749
Long-term liabilities	3,961
<i>Equity</i>	3,805
Liabilities	8,945

Consolidated cash flow statement (x €1,000.-)

Year	2019
<i>Opening cash position</i>	28
Operating cash flow	311
Investment cash flow	-520
Financial cash flow	204
Total cash flow	-4
<i>Ending cash position</i>	25

Financials

Financial statements 2020

Consolidated P&L (x €1,000.-)

Year	2020
Sales	5,980
Cost of goods sold	2,121
Gross profit	3,859
Agriculture costs	143
Staff and management costs	1,555
Accommodation costs	69
Transportation costs	53
Sales costs	193
Other costs	1,096
EBITDA	887
Depreciation	236
EBIT	651
Financial costs	61
Tax	123
Net profit	467

Consolidated balance sheet (x €1,000.-)

Year	2020
Buildings, land and machinery	3,824
Intangible assets	9
Financial fixed assets	1,093
Inventory	3,924
Current receivables	349
Other current assets	226
<i>Cash and cash equivalents</i>	46
Assets	9,470
Current payables	450
Other current liabilities	604
Long-term liabilities	4,144
<i>Equity</i>	4,272
Liabilities	9,470

Consolidated cash flow statement (x €1,000.-)

Year	2020
<i>Opening cash position</i>	25
Operating cash flow	624
Investment cash flow	-347
Financial cash flow	-257
Total cash flow	21
<i>Ending cash position</i>	46

Financials

Financial statements 2021

Consolidated P&L (x €1,000.-)

Year	2021
Sales	7,731
Cost of goods sold	2,866
Gross profit	4,865
Agriculture costs	222
Staff and management costs	2,310
Accommodation costs	146
Transportation costs	40
Sales costs	222
Other costs	549
EBITDA	1,375
Depreciation	274
EBIT	1,101
Financial costs	75
Tax	120
Net profit	906

Consolidated balance sheet (x €1,000.-)

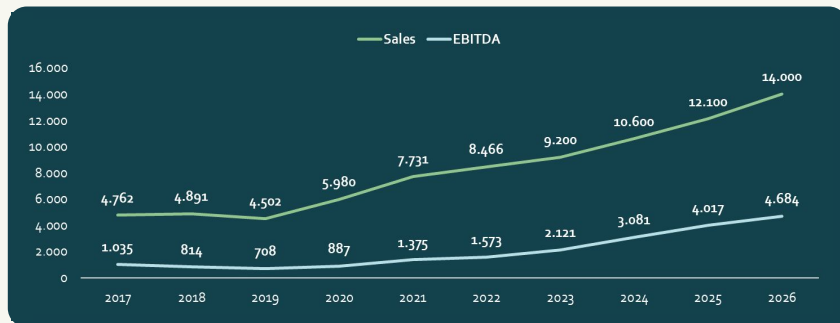
Year	2021
Buildings, land and machinery	4,977
Intangible assets	3
Financial fixed assets	1,297
Inventory	4,166
Current receivables	662
Other current assets	284
<i>Cash and cash equivalents</i>	<i>100</i>
Assets	11,489
Current payables	653
Other current liabilities	933
Long-term liabilities	4,725
<i>Equity</i>	<i>5,178</i>
Liabilities	11,489

Consolidated cash flow statement (x €1,000.-)

Year	2021
<i>Opening cash position</i>	<i>46</i>
Operating cash flow	475
Investment cash flow	-859
Financial cash flow	437
Total cash flow	54
<i>Ending cash position</i>	<i>100</i>

Visualisation

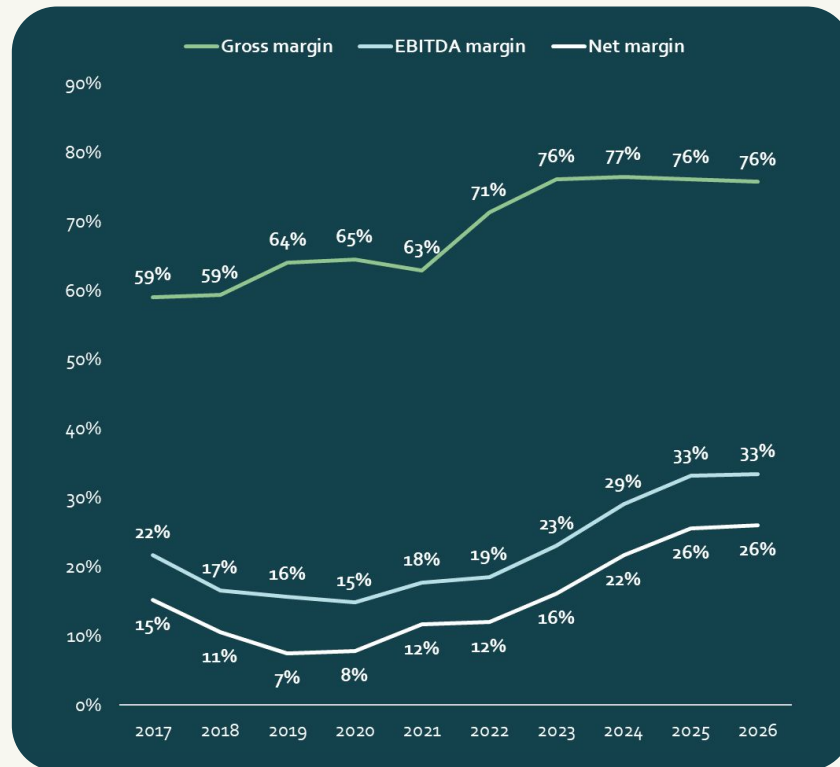
Sales & EBITDA (x €1,000.-)



Historical seasonality in operational cash flow (x €1,000.-)



Gross margin, EBITDA margin, net margin



Comparables & Multiples

Comparables

Comparable companies

Sources: Comparables.ai (2022) / Syngenta (2022) / Pop Vriend Zaden (2022) / De Ruiter Seeds (2022) / Nunhems (2022)

Company	Description	Country	Transaction type
Syngenta	Syngenta mainly focuses on providing agricultural science and agricultural technology, particularly within seeds and pesticides. Syngenta operates globally.	Switzerland	Takeover
Pop Vriend Zaden	Pop Vriend Zaden specialises in seed breeding. The company, based in the Netherlands, exports its vegetable seeds to more than 100 countries. Among these countries are the United States and China.	The Netherlands	Takeover
De Ruiter Seeds	De Ruiter Seeds aims to advance science within greenhouse production and protected vegetable cultivation. With its innovative breeding programmes, De Ruiter Seeds always tries to be at the forefront of crops suitable for protected cultivation.	The Netherlands	Takeover
Nunhems	As an international company, Nunhems knows how to gain expertise within breeding. Nunhems offers collaborative and customer-oriented solutions for the entire vegetable chain.	Germany	Takeover
Sakata Seed Corp	Sakata Seed is a world leader in breeding and producing vegetable and ornamental seeds and vegetative cuttings. Sakata Seed successfully operates in more than 130 countries.	Germany	Publicly listed
Graines Voltz	Graines Voltz is a French company and is one of Europe's first independent distributors of flower and vegetable seeds. Graines Voltz supplies professionals and horticulturists, as well as private individuals.	France	Publicly listed
Winall Hi-tech Seed Company	Winall Hi-tech Seed Company is a Chinese company established in 2002 and mainly engages in research and breeding of various seeds.	China	Publicly listed

Comparables

EV/Sales multiple
3.45x

EV/EBITDA multiple
16.30x

Comparable companies and numbers (x €1,000.-)

Sources: MorningStar (30-06-2022) / Business Insider (2018) / Syngenta (2019) / gfactueel (2018, 2019) / FD (2021)

	Syngenta	Pop Vriend Zaden	De Ruiter Seeds	Nunhems	Sakata Seed Corp	Graines Voltz	Winall Hi-tech Seed Company	Median	De Bolster
Sales	13,523,000	75,000	108,000	2,200,000	516,600	122,300	349,300	349,300	7,731
EBITDA	2,613,000	n/a	36,000	n/a	94,600	16,000	41,400	94,600	1,375
Market value	43,000,000	400,000	546,000	7,600,000	1,585,000	181,000	1,585,000	1,538,000	25,426
<i>Direct-to-consumer?</i>	✗	✗	✗	✗	✗	✗	✗		✓
<i>100% organic?</i>	✗	✗	✗	✗	✗	✗	✗		✓
<i>Multi-country production?</i>	✓	✓	✓	✓	✓	✓	✗		✓
EV/Sales-Multiple	3.18x	5.33x	5.06x	3.45x	2.60x	1.80x	3.70x	3.45x	3.83x
EV/EBITDA-Multiple	16.46x	n/a	15.17x	n/a	16.30x	15.20x	35.90x	16.30x	21.52x

Multiple valuation

	Low (-15%)	Mid	High (+15%)
LTM* sales	€20,261,000.-	€23,809,000.-	€27,380,000.-
NTM* sales	€22,394,000.-	€26,346,000.-	€30,298,000.-
LTM* EBITDA	€16,879,000.-	€19,858,000.-	€22,837,000.-
NTM* EBITDA	€22,072,000.-	€25,940,000.-	€29,831,000.-

*LTM = Last twelve months
*NTM = Next twelve months

Multiples

Enterprise value/Sales-multiple (EV/Sales)	3.45x
Enterprise value/EBITDA-multiple (EV/EBITDA)	16.30x

Financials (x €1,000.-)

Year	LTM*	NTM*
Sales	8,098	8,833
EBITDA	1,474	1,847

Enterprise value (x €1,000.-)

with EV/Sales-multiple	27,976	30,513
with EV/EBITDA-multiple	24,025	30,107
Net debt (30-06-2022)	4,167	4,167

Equity value (x €1,000.-)

with EV/Sales-multiple	23,809	26,346
with EV/EBITDA-multiple	19,858	25,940

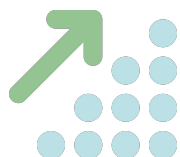
Discounted free cash flow

DCF valuation

Discounted free cash flow

The DCF method calculates value based on expected future returns to equity providers (free cash flows). Cash flows have less weight as the future progresses due to the increasing uncertainty of these cash flows.

Assumptions



10.60%
Cost of capital (WACC)

2.00%
Long term growth

Consolidated income statement (x €1,000.-)

Year	2022	2023	2024	2025	2026	TV
Operational profit after tax	1,108	1,579	2,395	3,188	3,751	
+ Depreciation	280	273	268	267	269	
- Capital expenditures	100	150	200	250	300	
- Working capital investments	-313	300	0	0	0	
Free cash flow	1,601	1,402	2,464	3,205	3,720	41,052
<i>Discount rate</i>	<i>0.95</i>	<i>0.86</i>	<i>0.78</i>	<i>0.70</i>	<i>0.64</i>	<i>0.64</i>
Discounted cash flow	1,523	1,205	1,915	2,253	2,364	26,084
Enterprise value	35,343					
Net debt (30-06-2022)	4,167					
Equity value	31,176					

DCF valuation

Weighted average cost of capital

Capital in the company is carried by equity and debt. These capital providers demand a return to compensate for the risk they bear. For debt providers, this risk is included in the interest rate they charge. For equity providers, this risk is based on general market risk and company-specific risk.

Weighted average cost of capital

Weighted average costs of capital (WACC)	10.60%
Long term growth (LTG)	2.00%

Equity 70.0%

Debt 30.0%

Cost of equity

Market risk premium	6.00%
Risk-free rate	1.58%
Tax rate	25.80%
Unlevered beta (farming & agriculture)	0.55
Levered beta	0.72
Risk premium scale-up	3.00%
Risk premium liquidity	5.50%
Cost of equity	14.43%

Cost of debt

Average interest on long-term debt	2.25%
Tax rate	25.80%
Cost of debt after tax	1.67%

DCF valuation

Sensitivity analysis

Sensitivity analysis (x €1,000.-)

WACC/LTG	1.00%	1.50%	2.00%	2.50%	3.00%
9.50%	32,707	34,560	36,661	39,061	41,831
10.00%	30,542	32,164	33,987	36,055	38,417
10.60%	28,231	29,623	31,176	32,921	34,896
11.00%	26,868	28,132	29,538	31,109	32,876
11.50%	25,295	26,422	27,667	29,051	30,597

Low
(WACC @11.50% / LTG @1.00%)

Mid
(WACC @10.60% / LTG @2.00%)

High
(WACC @ 9.50% / LTG @3.00%)

DCF

€41,831,000.-

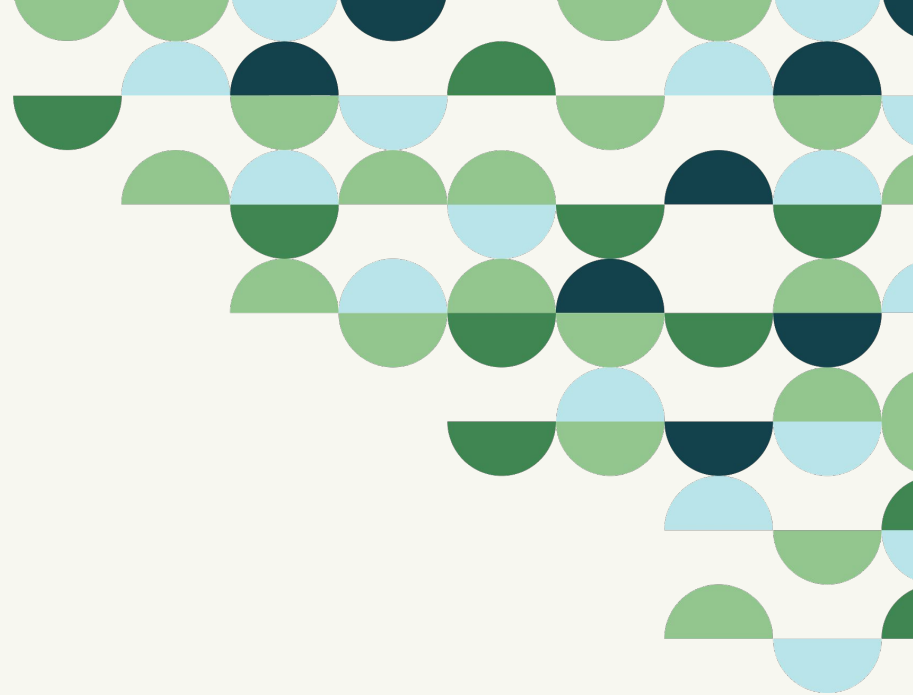
€31,176,000.-

€25,295,000.-

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