



Floriculture

INDUSTRY MARKET UPDATE



ACQUISITIONS
DIVESTITURES
FINANCINGS
RESTRUCTURINGS

Key Statistics

18.3M

U.S. households started gardening in 2021, bringing the total number to 71.5M households

\$6.4B

represents the total value of sales across all floriculture crops in 2021

9,558

is the number of floriculture producers in the US

41%

of respondents recorded double-digit growth in 2022*

73%

of gardeners grow flowers

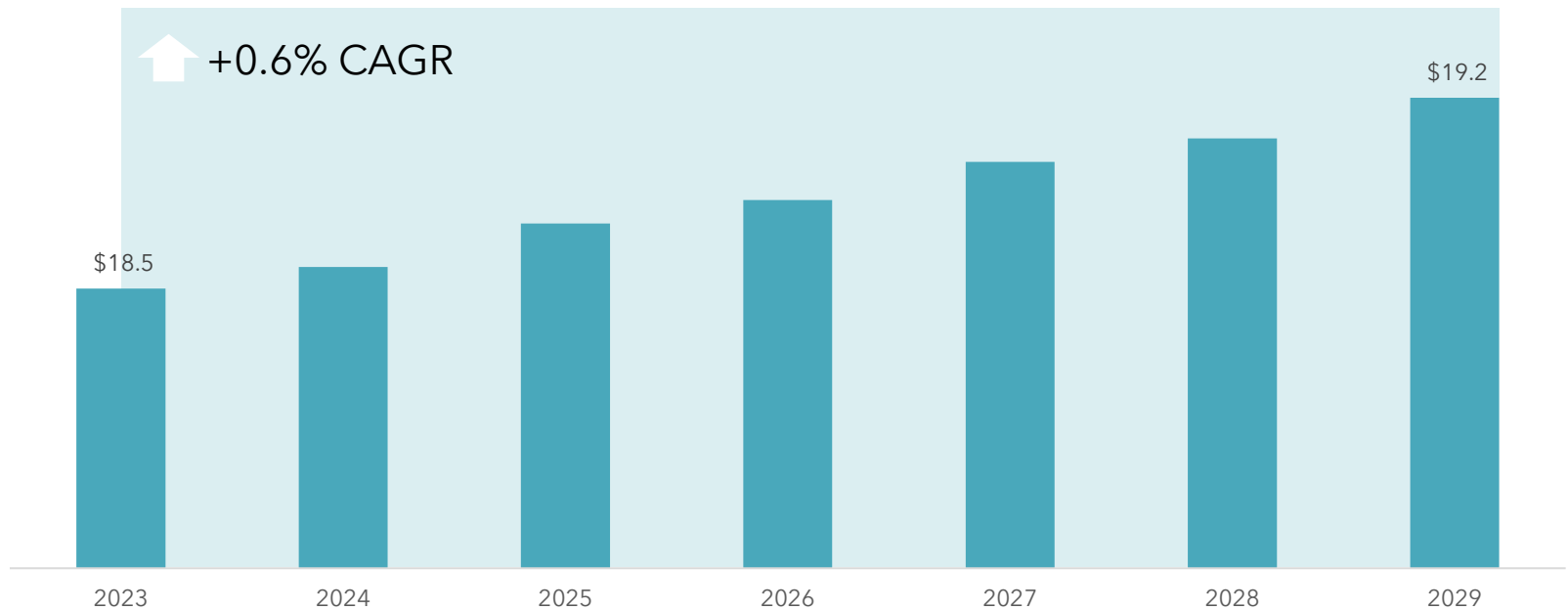
Note: * Greenhouse Management surveyed 108 greenhouse owners, operators, and managers in the U.S. and Canada

Industry Overview

The global market for flower and ornamental plants is expected to grow at a CAGR of 5.85% to \$29B from 2023 to 2027. This growth is driven by a surge in demand from retailers as the post-pandemic appetite for gardening remains high. Capital investments for market consolidation continue pouring into the floriculture industry due to the prospects of vertical integration, product mix diversification, and geographic expansion.

U.S. Floriculture Market Size

(\$Billions)



IBISWorld: Plant & Flower Growing in the US (January 2023)

Key Trends



Strong shift toward e-commerce allows cultivators to expand their sales channels, reach new markets, and accept orders outside of normal business hours



As labor shortage issues persist in the economy, employers in the floriculture industry are increasingly using the H-2A program to supplant lost labor. In 2021, the Department of Labor recorded an increase of 15% more certifications for seasonal farm jobs to be filled by H-2A workers

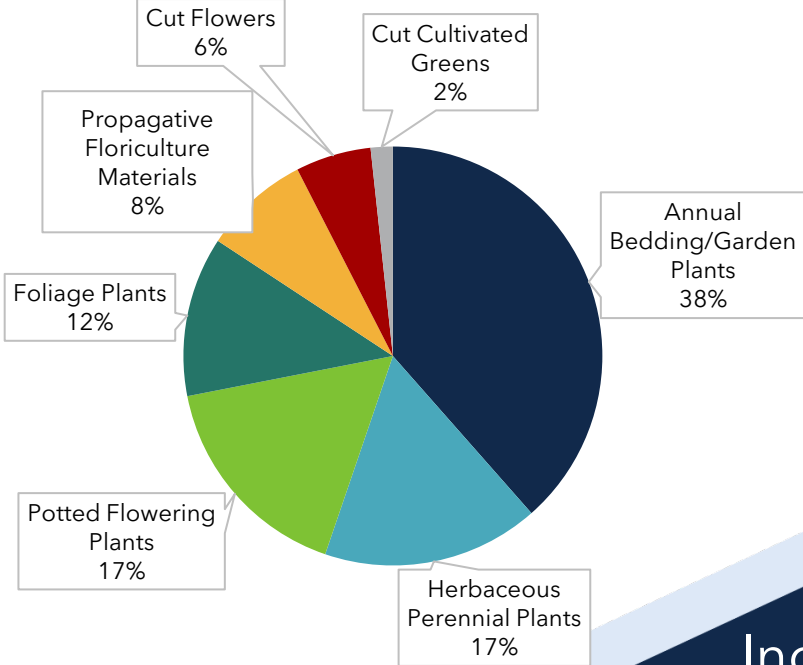


The key drivers for the robust consolidation trends in the floriculture sector are economies of scale, branded plant patents and licenses, new technologies, and access to new distribution channels



Population growth and the rapid expansion of advanced greenhouse technologies to produce higher crop yields are driving growth in the global plants and flowers sector

U.S. Revenue Breakdown by Plant Category



Increased Investor Interest

The Floriculture industry continues to see accelerating interest from strategic and financial buyers as a result of favorable industry characteristics:

- » Small, family-run operations do not have any succession plans
- » Highly fragmented market with ample opportunity for growth through acquisitions
- » Achieve economies of scale through consolidation as higher industry concentration may result in more profits for larger nurseries
- » The ability to expand product mix, attract customers in new geographies, and increase the usage of technology are all driving M&A activity in the space
- » Opportunity for vertical integration



Select Private Equity Platforms

- Pamplona Capital Management → BFG Supply Co
- Hawthorn Equity Partners → One Floral Group
- Berkshire Partners → Fast Growing Trees.com
- Blu Road Capital → B&W
- AGR Partners → Devil Mountain Wholesale Nursery
- Incline Equity Partners → Starwest Botanicals Inc
- Markel → Costa Farms
- Sun Capital Partners → Flamingo Horticulture
- Stonecourt Capital → Moon Valley Nurseries

Recent M&A Activity

DATE	TARGET	ACQUIRER	LOCATION
Jul. 2022	Everde Growers	La Verne Nursery	CA
May 2022	Esmeralda Farms	Sande Flowers	Ecuador
Mar. 2022	Esmeralda Farms	Genviv	Ecuador; U.S.
Feb. 2022	Osprey Capital	American Farms	FL
Feb. 2022	Central Garden & Pet	ColorPoint Kentucky	KY
Jan. 2022	Devil Mountain Wholesale Nursery	DM Color Express	CA
Jan. 2022	Chenmark	Freedom Tree Farms	TN
Dec. 2021	Willowbend Nurseries	Losely Nursery	OH
Nov. 2021	Pamplona Capital Management	BFG Supply	OH

Select Vision Care Transactions



Learn more about the transaction in the case study and view Grand Flower Growers' Cascade Difference testimonial [here](#).

About Cascade Partners

Cascade Partners is a boutique investment banking firm focused on middle-market businesses in industrials, healthcare, business services and manufacturing. Manufacturing and related business services are passions and specialties at Cascade Partners.

With more than 250 years of combined experience, we work with business owners and shareholders to achieve their objectives and explain the impact and opportunity of their options. Our experience extends beyond just being transaction advisors, too. We have been operators, served on boards and made personal investments in services firms. From buy-side and sell-side advisory services to securing growth financing, restructurings or recapitalizing your business, our expertise and insight goes deeper than the economic factors of a deal.

We recognize and respect the long-term impacts of a transaction on our clients' company, employees, family, wealth and personal lives and are committed not only to creating long-term value for companies but to creating transformative solutions for people.

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