

Leading Canadian horticulture supplier **plans for next stage of growth**

DEAL FLASH | AGRICULTURE, PRIVATE EQUITY | DECEMBER 2022

DEAL SNAPSHOT

The shareholders of Brookdale Treeland Nurseries (BTN) have sold a controlling stake to Rouge River Capital.

Based in Ontario, Brookdale Treeland Nurseries is a leading full-service supplier of live garden plants and decorative holiday greenery in North America. The company mainly serves wholesale retailers and landscape contractors, municipalities and golf courses throughout Canada and the US. Its spring product mix includes trees, flowering shrubs, evergreens, broadleaf evergreens, vines, fruits and perennials. Its holiday product mix includes outdoor arrangements, wreaths, bouquets and swags.

Founded in 2008, Rouge River Capital is a diversified investment holding company made up of over 20 operating businesses. These businesses span the trucking, manufacturing, dealership, real estate and leasing industries. Rouge River Capital partners with its management teams to drive sustained long-term value.

OAKLINS ASSISTED IN FINDING A SUITABLE INVESTOR

Oaklins' team in Canada, supported by Oaklins' horticulture specialist in the Netherlands, acted as the sell-side M&A advisor to Brookdale Treeland Nurseries in this transaction. Oaklins' deep experience and knowledge of the horticulture sector and established relationships with international potential buyers all played an important role in the transaction. The team was involved throughout the preparation of the sale process and supported all aspects of the negotiation phase until closing.

“The Oaklins team was the ideal advisor to help us successfully complete the sale of a majority equity position in our family business. Their proven experience in the horticulture space, established relationships with potential buyers, and senior-level commitment and guidance from the beginning to the end of the process made a real difference.

From the very beginning through to closing, the team conducted a well-organized international process with straightforward, clear communication and a high level of involvement. In the end they were able to find the ideal buyer for BTN. We look forward to this new partnership with Rouge River to take BTN to the next level. We couldn't have asked for more from our advisor.”

JEFF OLSEN

OWNER, BROOKDALE TREELAND NURSERIES, CANADA

BTN
BROOKDALE TREELAND
NURSERIES LIMITED

MARKET TRENDS & DEAL DRIVERS

Over the past decade, the horticulture industry has shown a strong year-over-year increase in M&A activity, across all parts of the value chain. This trend is driven by factors both within the industry (such as the benefits of economies of scale, succession issues and the need for professionalization) and outside it (such as the interest of private equity in the sector on the back of a positive long-term market outlook, and the fragmented market landscape). We expect consolidation in the horticulture industry to increase its pace.

M&A VALUATION ASPECTS

Financial details of this transaction have not been disclosed. As is the case with most companies in the horticulture industry, BTN owned significant real estate assets. To create maximum value and funding possibilities, the operating assets and the real estate were treated separately for purposes of valuation and financing.

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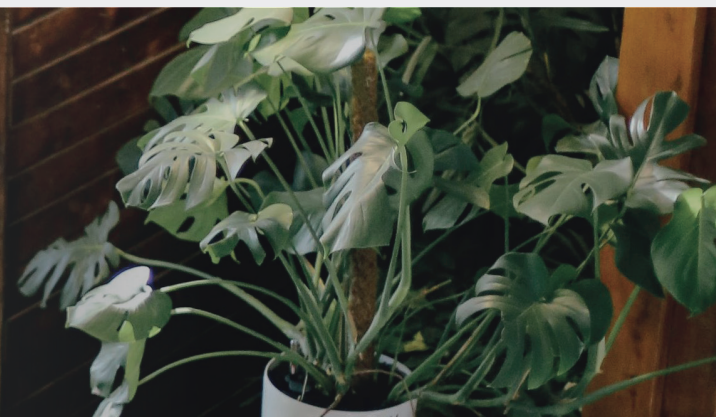
Guillaume has more than 20 years of experience in advising management teams, boards and shareholders on M&A transactions, financing, performance assessment and governance. He has advised large public issuers, family-owned companies, startups, private equity firms and pension funds. Transactions he has advised on include the sale of CyberImpact to Oliva Capital; the investment in Location GM by Stephenson's Rental Services; the sale of R&D Recycling to GFL Environmental; and the sale of CAD Railway Industries to Sojitz.

Jonathan has extensive experience in working with entrepreneurs, family-owned businesses and private equity firms. He has worked on a number of private equity acquisitions and subsequent exits, including E.D. Smith & Sons' add-on acquisition of Northcoast Processing, Kenra and Petra Pet (dba Beefeaters), and its add-on acquisition of Nutri-Vet. He has also advised private equity clients, including Fulcrum Capital Partners and Ciel Capital.

As part of his horticultural sector focus, Frank continuously follows developments, publishes newsletters, attends the major events and maintains regular contact with the key players. Consequently, he has a deep understanding of market dynamics and value drivers. Globally, Frank is the most experienced M&A advisor in the horticulture sector. High-profile transactions he has completed include Dümme Orange and Floranova.

“The Canadian horticulture market is highly fragmented and represents an untapped opportunity for financial investors. Like our client, many of the established firms operating in this market have been owned for many generations by the same family, and must now address succession issues. Through our international and highly competitive process, we were able to identify Rouge River as the right partner for Brookdale.”

GUILLAUME POULIN
MANAGING PARTNER, OAKLINS, CANADA



**OAKLINS HAS CLOSED 141 DEALS IN AGRICULTURE
AND 824 IN PRIVATE EQUITY**

United by a strong belief that we can achieve the extraordinary. Oaklins is a global team of 850+ financial advisory professionals in 45 countries providing M&A, growth equity, ECM, debt advisory and corporate finance services to support entrepreneurs, corporates and investors in reaching their goals.

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