



NUTRIEN LTD STOCK PITCH

MATTHEW ELLIS

JOSHUA GRAY

DAN SEARLES

JENNY WILLACY

HASINI FERNANDO



COMPANY BACKGROUND

- Nutrien is a Canadian fertilizer company based in Saskatoon.
- It was founded in 2018 and currently has 23,500 employees
- It is the largest producer of potash and the third largest producer of nitrogen fertilizer in the world.
- The Mosaic Company
 - Corteva Inc
 - FMC corp
- Nutrien plays a pivotal role in the agricultural sector by enhancing crop productivity and farmer profitability through innovative product offerings and agronomic solutions.
- Total revenue: 29.06 B
 - Market Cap: 26.18 B





S.W.O.T. ANALYSIS

Strengths

- Nutrien is one of the world's largest providers of agricultural products and services and offers a wide range of products which reduces dependency on any single product line
- Nutrien benefits from its vertically integrated operations that span from resource extraction and production to retail, enhancing control over its supply chain

Weaknesses

- The business is heavily influenced by the fluctuating prices of raw materials, especially potash and phosphate, which can affect profitability.
- Being in the agricultural sector, Nutrien faces significant regulatory scrutiny, especially related to environmental impacts and chemical usage.

Opportunities

- There is significant potential for growth in emerging markets where agricultural products are increasingly in demand due to rising populations and food requirements
- Increasing consumer and regulatory pressure for sustainable and eco-friendly farming practices presents an opportunity for Nutrien to expand its offerings in organic and environmentally friendly products.

Threats:

- Agricultural subsidies, tariffs, and trade policies can significantly impact the business, particularly in key markets like the US and Canada
- Extreme weather conditions and changing climate patterns can affect crop yields and, consequently, the demand for crop nutrition and protection products

FINANCIALS

Market cap	\$26.18B
Beta	0.97
ROE	5.02%
Dividend Yield	4.08%

	Nutrien	Industry Average
Trailing P/E ratio	20.86	25.87
Forward P/E ratio	12.74	16.64
P/B ratio	1.04	1.45

Notable competitors: The Mosaic Company, Corteva Inc, FMC corp



FINANCIALS

	2019	2020	2021	2022	2023	2024 (Q1)
Revenue	20,084	20,908	27,712	37,884	29,056	5,390
Growth	N/A	4.1%	32.5%	36.7%	-23.3%	N/A
Net income	992	459	3,179	7,687	1,282	165
Growth	N/A	-53.8%	592.6%	141.8%	-83.3%	N/A
Equity	22,907	22,403	23,699	25,863	25,201	N/A
Growth	N/A	-2.2%	5.8%	9.1%	-2.6%	N/A

Income (Millions of USD)



Nutrien reached all time high of \$112

Reached 52 week high of \$69

Reached 52 week low at \$48



Financial	ESG	«	«	Description Period Ended On (MM/DD/YYYY)	SASB Reference	FY 18 /31/2018	FY 19 12/31/2019	FY 20 12/31/2020	FY 21 12/31/2021	FY 22 12/31/2022	FY 23 12/31/2023
ESG Metrics (Y)		SOCIAL									
		Workplace									
	Actual		N	Total Employees (count)		22,060	22,540	25,600	25,600	26,800	28,200
	Actual			Permanent Employees (count)		20,300	22,300	23,100	23,500	24,700	25,900
	Actual			Temporary and Casual Employees (count)		1,760	240	2,500	2,100	2,100	2,300
		Permanent Employees by Region									
	Actual			North America (count)		17,750 N	17,700 N	18,000 N	18,050 N	18,750	19,000
	Actual		N	South America (count)		950 N	1,200 N	2,000 N	2,450 N	2,800	3,900
	Actual			Australia (count)		1,550	3,350 N	3,050 N	2,950 N	3,100	3,000
	Actual			Europe (count)		50 N	50 N	50 N	50 N	50	50
	Actual		N	Total Employee Turnover Rate (percent)		14	13	13	15	12	14
	Actual		N	Voluntary Employee Turnover Rate (percent)		9	9	9	12	9	10
	Actual			Involuntary Employee Turnover Rate (percent)		5	4	4	4	3	4
		Employee Learning and Development									
\$	Actual		N	Average learning and development spend per e...		300 N	435	380	517	838	8...
	Actual		N	Average hours of training per employee (hours p...			18	26 N	32 M	22	
			N	Employee Engagement (percent)		N/A	N/A	22 M	22 M	22	
				Employee Collective Bargaining (p...	EM-MM-310a.1	16.5	16.7				



SUSTAINABILITY,
ENVIRONMENTAL
ACHIEVEMENT
AND LEADERSHIP

- OneSource was built as an internal, one-stop portal for all ESG commitments, goals, targets and metrics performance.

Nutrien ESG Ratings Profile

(Shows improvement from 2019 to 2023)

2023 Peer Average¹

2023 Nutrien

2019 Nutrien



Continuous improvement!

ESG ACHIEVEMENTS



2.7 million cubic meters

Freshwater Use Reduction



500,000 trees planted



2 million

Sustainably engaged acres



1.2 Mmt low-carbon Ammonia

Annual production capability at our Geismar, Redwater and Joffre nitrogen facilities



\$324 million of Potash contract opportunities

Support Indigenous communities and Peoples



\$23 million

Invested in communities around the world

ESG TARGETS

2025



Implement the Global Waste Minimization Standard across retail operations



Achieve top-quartile safety performance across all operating segments



30% of women in leadership roles

2030



Enable growers to adopt sustainable agricultural practices on **75 million** acres globally



Achieve a **30%** reduction in GHG emissions intensity per tonne of products from the 2018 baseline



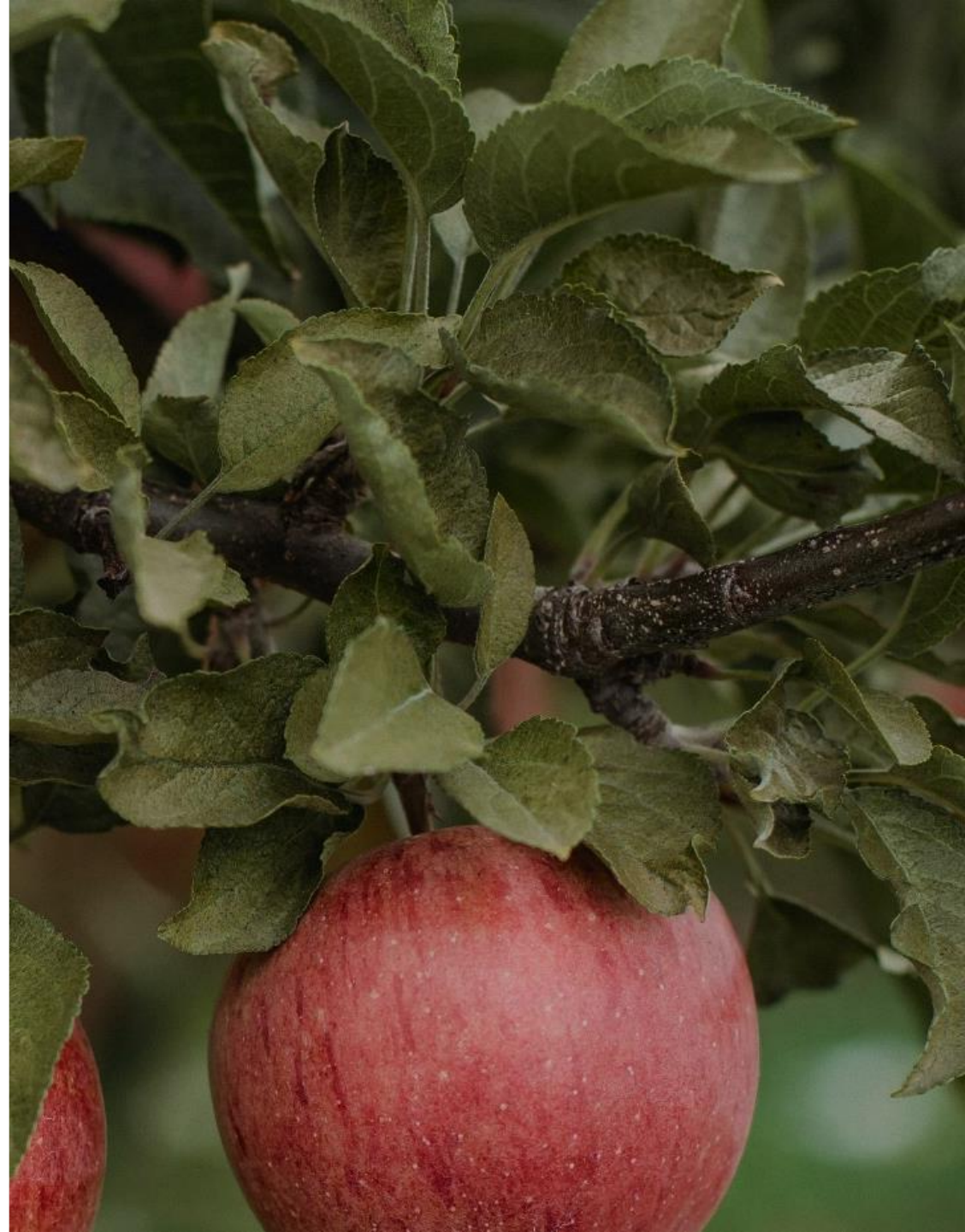
Invest in low-carbon fertilizers, including clean ammonia



Reduce the three-year moving average Loss of Containment Index from **1.52 in 2022** to **1.25**



Leverage farm-focused technology partnerships to drive industry and grower innovation and inclusion





RISK FACTORS

Agricultural cycle

Demand in fertilizer and other products can be tied to the agricultural cycle and crop prices.

Competition

Fertilizer markets can be highly competitive, with numerous players vying for market share.

Environmental concerns

Agricultural companies can be subjected to stricter environmental regulations.

RISK MITIGATION

Agricultural cycle

- Diverse portfolio
- Increased potash production

Competition

- They are the largest producer of potash and the third largest producer of nitrogen fertilizer in the world.
 - Nutrien's large size has significant benefits

Environmental concerns

- They are committed to reducing GHG emissions
- Their work on climate change supports the following United Nations Sustainable Development Goals
- Task Force on Climate-Related Financial Disclosures (TCFD)





INVESTMENT THESIS

Potash Core Business:

Nutrien operate low-cost potash mines in Saskatchewan, Canada – largest reserves/ best potash geology/ stable geopolitical environment. Potash accounts for 50% of EBITDA.

Expanding Population:

Food production depends heavily on potash, 95% of all potash production is used within the agricultural sector. Global demand growth for potash has outpaced that of other primary nutrients. Expansion into emerging markets, such as Brazil the largest agricultural sector, is also expected to drive growth.

Vertical Integration:

With anticipated ease in supply chain disruptions and improvement of commodity prices, Nutrien are expected to capitalise from their integration of their production capabilities with their retail network. This ensures a stable output for their products and allows them to capture additional margins.

Strategic Initiatives:

Implementation of sustainability initiatives and digital solutions within fertiliser production and grower practices in the field align Nutrien with global trends. This competitive advantage positions them for long-term value creation. Earnings expected to increase by 41% in the next few years.

VALUATION

Years	2023	2024	2025	2026	2027	2028	Terminal Value
Free Cash Flow	\$ 2,395,000,000.00	\$ 2,658,450,000.00	\$ 2,950,879,500.00	\$ 3,275,476,245.00	\$ 3,635,778,631.95	\$ 4,035,714,281.46	\$ 72,166,418,574.80
Discount Factor		1.0876	1.1829	1.2865	1.3992	1.5218	1.52
PV of Future FCF		\$ 2,444,326,958.44	\$ 2,494,669,845.41	\$ 2,546,049,584.78	\$ 2,598,487,531.36	\$ 2,652,005,479.78	\$ 47,423,014,655.77
Combined Present Value of Future FCF	£ 60,158,554,055.54						
Shares outstanding	494,545,000		Discount Rate	8.76%			
			Future Growth Rate	11.00%			
Intrinsic Value of Stock \$	\$ 121.64		Perpetual Growth Rate	3.00%			
Margin of safety (30%)	\$ 36.49						
BUY PRICE	\$ 85.15						

DCF Intrinsic Value of Stock \$	121.64
Margin of Safety (30%) \$	36.49
BUY PRICE \$	85.15

Current Value of Stock \$	79.58
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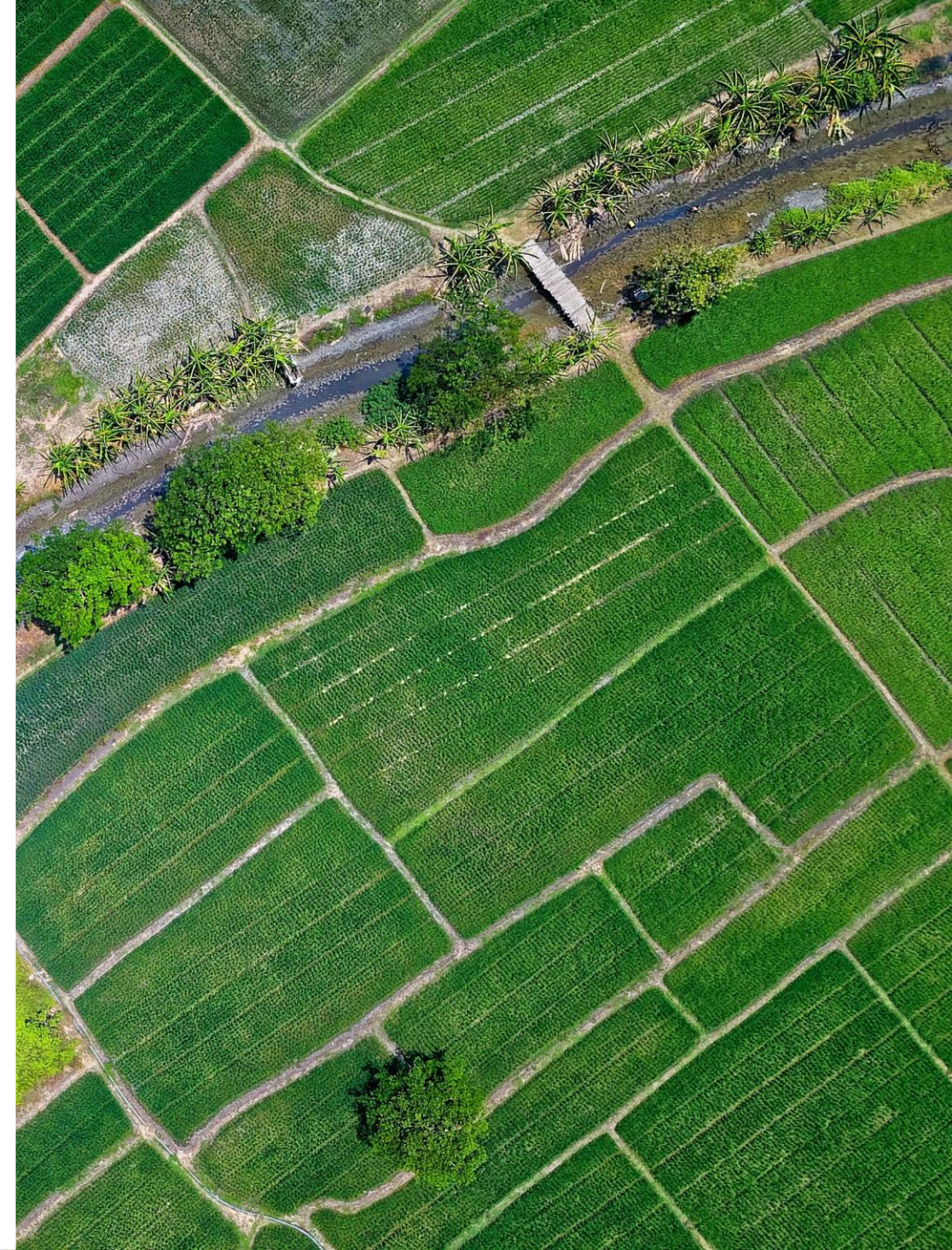
FORECASTS

Based on current financial metrics and future growth prospects, Nutrien presents an undervalued opportunity relative to its intrinsic value.

The company's ongoing investments in technology and efficient production capabilities are likely to enhance its profitability and shareholder value in the long run.

With a robust strategy and strong market fundamentals, Nutrien is positioned to capitalise on global trends through favouring sustainable and efficient agricultural practices.

It's an attractive investment for those looking at long-term value creation and a source of passive income, especially with the impending growth of the agricultural sector.





CATALYSTS

Market Expansion

Expansion into emerging markets, where agricultural development is a critical component of economic growth, presents a substantial opportunity for Nutrien. Markets in Asia, Africa, and Latin America, with their growing populations, could provide new avenues for growth

Technological Advancements

Advancements in agricultural technology, particularly in areas like precision farming, digital agriculture, and sustainable practices stand to aid Nutrien. New product launches or notable advancements in their tech platforms could significantly boost investor confidence and drive stock performance

Sustainability Initiatives

There is a growing trend towards sustainable and environmentally friendly farming practices globally. Nutrien's initiatives in producing eco-friendly fertilizers and promoting sustainable agricultural practices align with global trends and regulatory shifts towards environmental conservation

FINAL RECOMMENDATIONS



Strong ESG



High Consistent Dividend over the last 5 years



30%



3 Years



Buy at no higher than \$85.15

Events:

➤ Investor Day June 12th

