



# **BMO 29<sup>th</sup> Global Metals & Mining Conference**

February 25, 2020

*Certain statements and other information included in this presentation constitute "forward-looking information" or "forward-looking statements" (collectively, "forward-looking statements") under applicable securities laws (such statements are often accompanied by words such as "anticipate", "forecast", "expect", "believe", "may", "will", "should", "estimate", "intend" or other similar words). All statements in this document, other than those relating to historical information or current conditions, are forward-looking statements, including, but not limited to: Nutrien's annual guidance for 2020 and the future, including expectations regarding our EBITDA and adjusted EBITDA (both consolidated and by segment, as applicable), including expectations with respect to the growth thereof; capital allocation and spending strategies and expectations and other planned uses of capital for 2020 and the future; expectations regarding performance of our operating segments, including strategic plans and targets in respect thereof; expectations regarding our sustainability, environmental (including climate), diversity and inclusion, and innovation and technology initiatives; our market outlook for 2020 and beyond, including agriculture and retail and crop nutrient markets and including anticipated supply and demand for our products and services, expected market and industry conditions with respect to crop nutrient application rates, planted acres, crop mix, prices and the impact of currency fluctuations and import and export volumes; and expectations regarding expansion projects (including timing and volumes of production associated therewith) and acquisitions and divestitures (including expected synergies and results and timing of closing thereof). These forward-looking statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from such forward-looking statements. As such, undue reliance should not be placed on these forward-looking statements.*

*All of the forward-looking statements are qualified by the assumptions that are stated or inherent in such forward-looking statements, including the assumptions referred to below and elsewhere in this document. Although we believe that these assumptions are reasonable, this list is not exhaustive of the factors that may affect any of the forward-looking statements and the reader should not place an undue reliance on these assumptions and such forward-looking statements. The additional key assumptions that have been made include, among other things, assumptions with respect to our ability to successfully complete, integrate and realize the anticipated benefits of our already completed and future acquisitions, and that we will be able to implement our standards, controls, procedures and policies at any acquired businesses to realize the expected synergies; that future business, regulatory and industry conditions will be within the parameters expected by us, including with respect to prices, margins, demand, supply, product availability, supplier agreements, availability and cost of labor and interest, exchange and effective tax rates; the completion of our expansion projects on schedule, as planned and on budget; assumptions with respect to global economic conditions and the accuracy of our market outlook expectations for 2020 and beyond; the adequacy of our cash generated from operations and our ability to access our credit facilities or capital markets for additional sources of financing; our ability to identify suitable candidates for acquisitions and divestitures and negotiate acceptable terms; our ability to maintain investment grade ratings and achieve our performance targets; and the receipt, on time, of all necessary permits, utilities and project approvals with respect to our expansion projects and that we will have the resources necessary to meet the projects' approach.*

*Events or circumstances that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to: general global economic, market and business conditions; failure to complete announced and future acquisitions or divestitures at all or on the expected terms and within the expected timeline; climate change and weather conditions, including impacts from regional flooding and/or drought conditions; crop planted acreage, yield and prices; the supply and demand and price levels for our products; governmental and regulatory requirements and actions by governmental authorities, including changes in government policy (including tariffs, trade restrictions and climate change initiatives), government ownership requirements, changes in environmental, tax and other laws or regulations and the interpretation thereof; political risks, including civil unrest, actions by armed groups or conflict and malicious acts including terrorism; the occurrence of a major environmental or safety incident; innovation and cybersecurity risks related to our systems, including our costs of addressing or mitigating such risks; regional natural gas supply restrictions; counterparty and sovereign risk; delays in completion of turnarounds at our major facilities; gas supply interruptions; any significant impairment of the carrying value of certain assets; risks related to reputational loss; certain complications that may arise in our mining processes; the ability to attract, engage and retain skilled employees and strikes or other forms of work stoppages; and other risk factors detailed from time to time in Nutrien reports filed with the Canadian securities regulators and the Securities and Exchange Commission in the United States.*

*The purpose of our expected adjusted EBITDA and EBITDA by segment guidance ranges, as well as our adjusted EBITDA price sensitivities ranges, are to assist readers in understanding our expected and targeted financial results, and this information may not be appropriate for other purposes.*

*Nutrien disclaims any intention or obligation to update or revise any forward-looking statements in this document as a result of new information or future events, except as may be required under applicable Canadian securities legislation or applicable US federal securities laws.*

## **Non-IFRS Financial Measures Advisory**

*This presentation contains certain non-IFRS measures including adjusted EBITDA, adjusted EBITDA guidance, free cash flow, free cash flow including changes in non-cash working capital, and the combined historical results of Potash Corporation of Saskatchewan Inc. and Agrium Inc. for the year ended December 31, 2017. We consider these non-IFRS financial measures to provide useful information to both management and investors in measuring our financial performance and financial condition. Refer to the disclosure under the heading "Appendix B - Non-IFRS Financial Measures" included in our news release dated February 18, 2020 announcing our fourth quarter and full year 2019 results and under the heading "Appendix - Non-IFRS Financial Measures" in our annual report dated February 20, 2019 for the year ended December 31, 2018, as filed on SEDAR at [www.sedar.com](http://www.sedar.com) and EDGAR at [www.sec.gov](http://www.sec.gov) under our corporate profile, for a reconciliation of these non-IFRS financial measures to the most directly comparable measures calculated in accordance with IFRS and for a further discussion of how these measures are calculated and their usefulness to users, including management. We do not provide a reconciliation of forward-looking adjusted EBITDA guidance to the most directly comparable financial measures calculated and presented in accordance with IFRS due to unknown variables and the uncertainty related to future results. These unknown variables may include unpredictable transactions of significant value that may be inherently difficult to determine, without unreasonable efforts. Non-IFRS financial measures are not recognized measures under IFRS and our method of calculation may not be comparable to that of other companies. These non-IFRS financial measures should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with IFRS.*

The image features a vibrant field of wheat under a clear blue sky. The wheat stalks are in sharp focus in the foreground, with a soft bokeh effect in the background. The Nutrien logo, consisting of a stylized green leaf icon followed by the word "Nutrien" in a bold, black, sans-serif font, is positioned in the upper right. Below the logo, the tagline "Feeding the Future" is written in a black, italicized, sans-serif font. A white, curved graphic element is located at the bottom of the image, containing the text "Nutrien Overview" in a green, bold, sans-serif font.

**Nutrien**<sup>TM3</sup>  
*Feeding the Future*<sup>TM</sup>

## **Nutrien Overview**

### Broad exposure to Ag Value Chain

- Positioned to help our customers be more profitable, productive and sustainable with the strength of our people, products, supply chain, data and technology

### Integrated model has unique competitive advantages

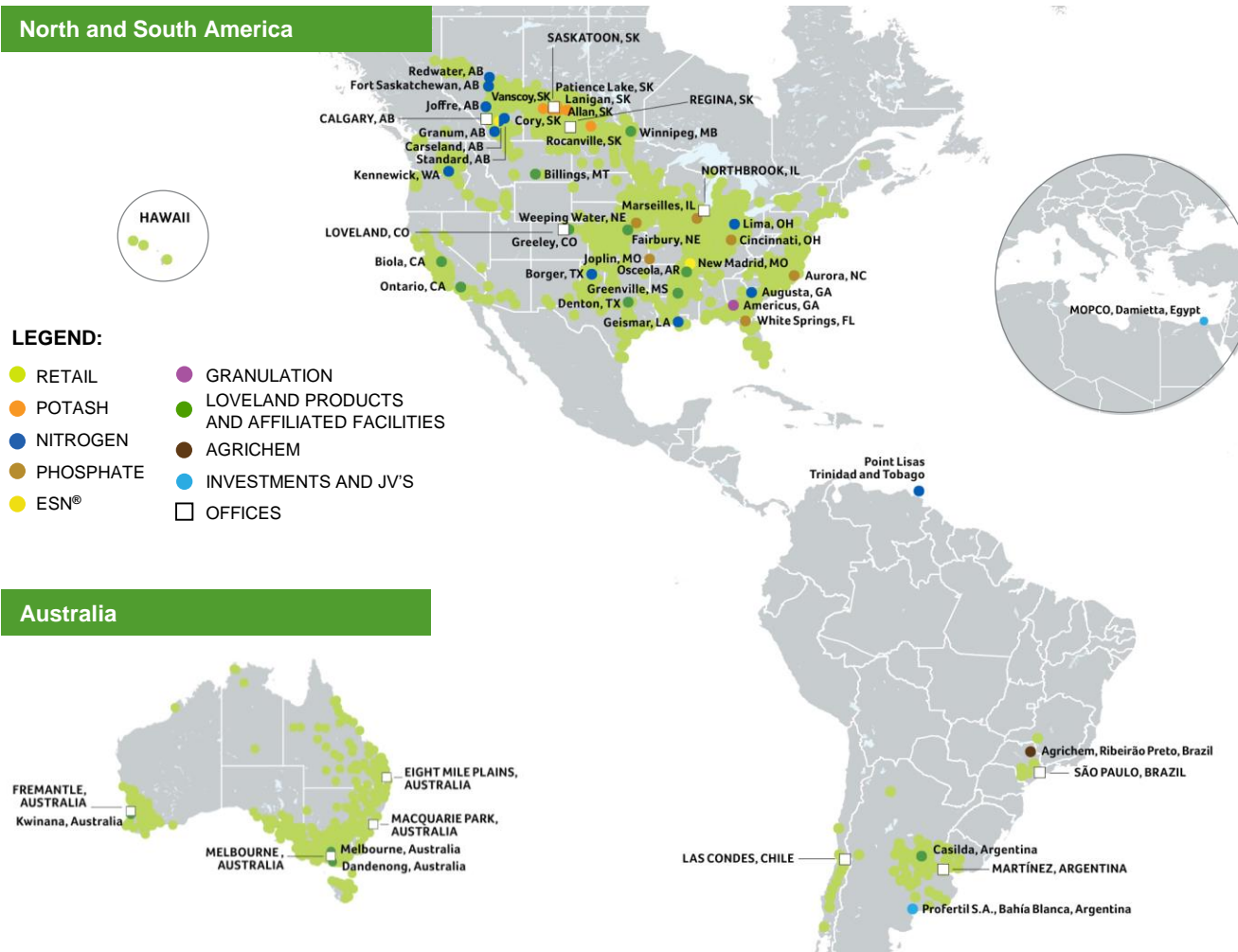
- **Operating Benefits:** Improved asset utilization rates, supply chain efficiencies
- **Financial Benefits:** Stability and resiliency of earnings through ag cycle, allocate capital counter cyclically

### Path to create superior long-term value

- Diverse earnings, strong free cash flow and balance sheet and integrated model facilitate efficient allocation of capital
- One of highest dividend yield of peers at 4.4%<sup>1</sup>

## Nutrien has a unique global footprint and well positioned assets

### North and South America



**>500,000**

Grower accounts worldwide

**>11%**

Digitally enabled Retail sales in 2019<sup>1</sup>

**~24%**

Proprietary products share of Retail gross margin

**~3 Mmt**

Nutrien fertilizer products sold through Retail

**~6.0 Mmt**

Available Potash Capacity

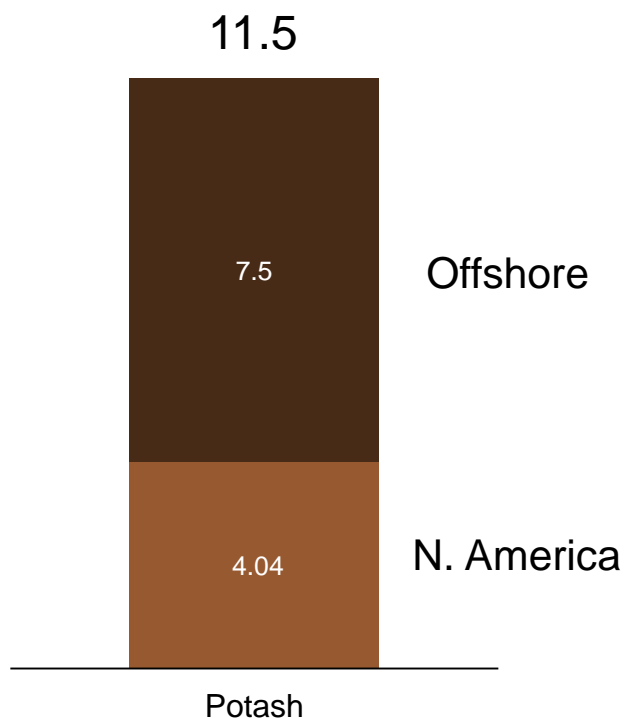
1. North American digital Retail sales as a proportion of North American Retail sales that are available for purchase online.

# Potash: Established Supply Chain Supporting Our Reliable and Flexible Network

Our focus in Potash is to strengthen our industry-leading position through further network optimization

## Potash Sales Volumes<sup>1</sup> (2019)

Million Tonnes



### Scale

- World's largest potash producer
- Integrated supply chain through to the grower

### Optionality

- 6Mmt of available operational capability growth, additional brownfield opportunities

### Cost and Quality

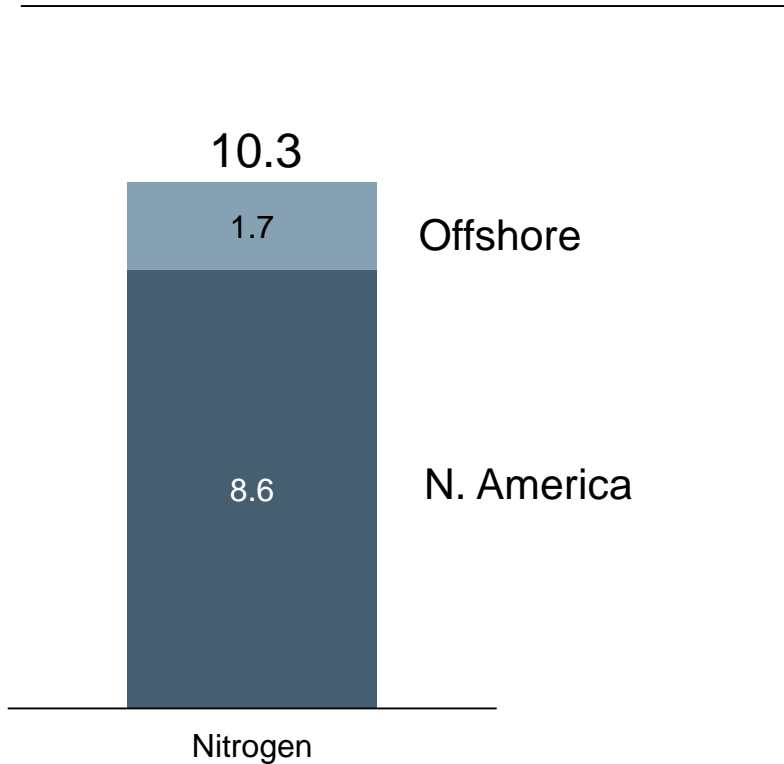
- Goal is to operate the safest and most reliable, low-cost potash assets
- Located in the best potash geology in the world

1. Refers to manufactured product only.

Diverse asset base located in low-cost natural gas regions generates exceptional margins and cash flow

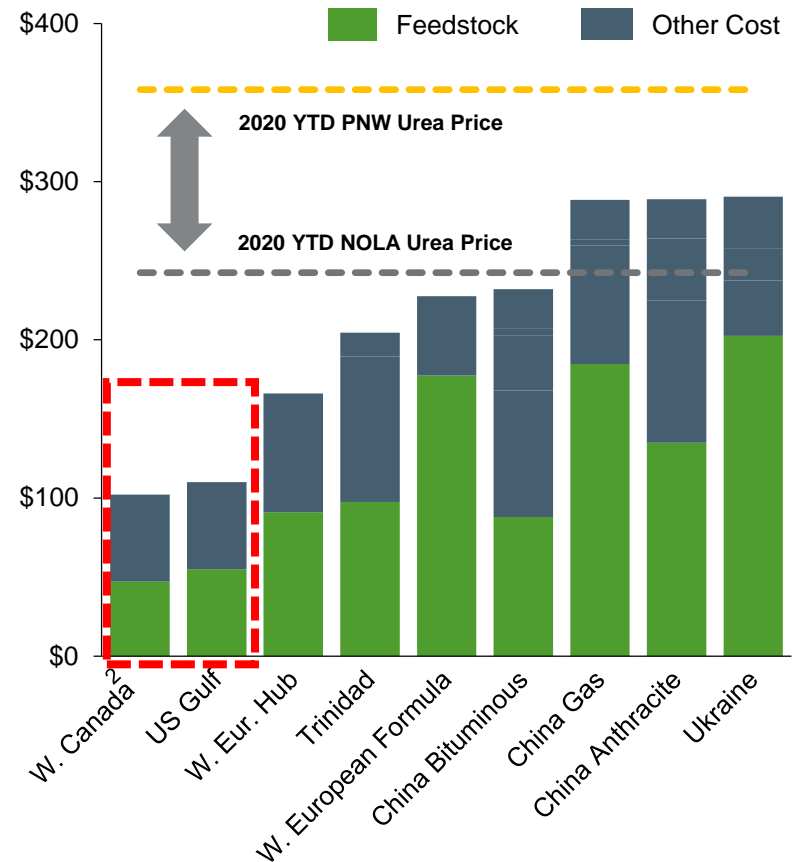
## Sales Volumes<sup>1</sup> 2019

Million Tonnes



## Urea Cash Cost & Price Comparison

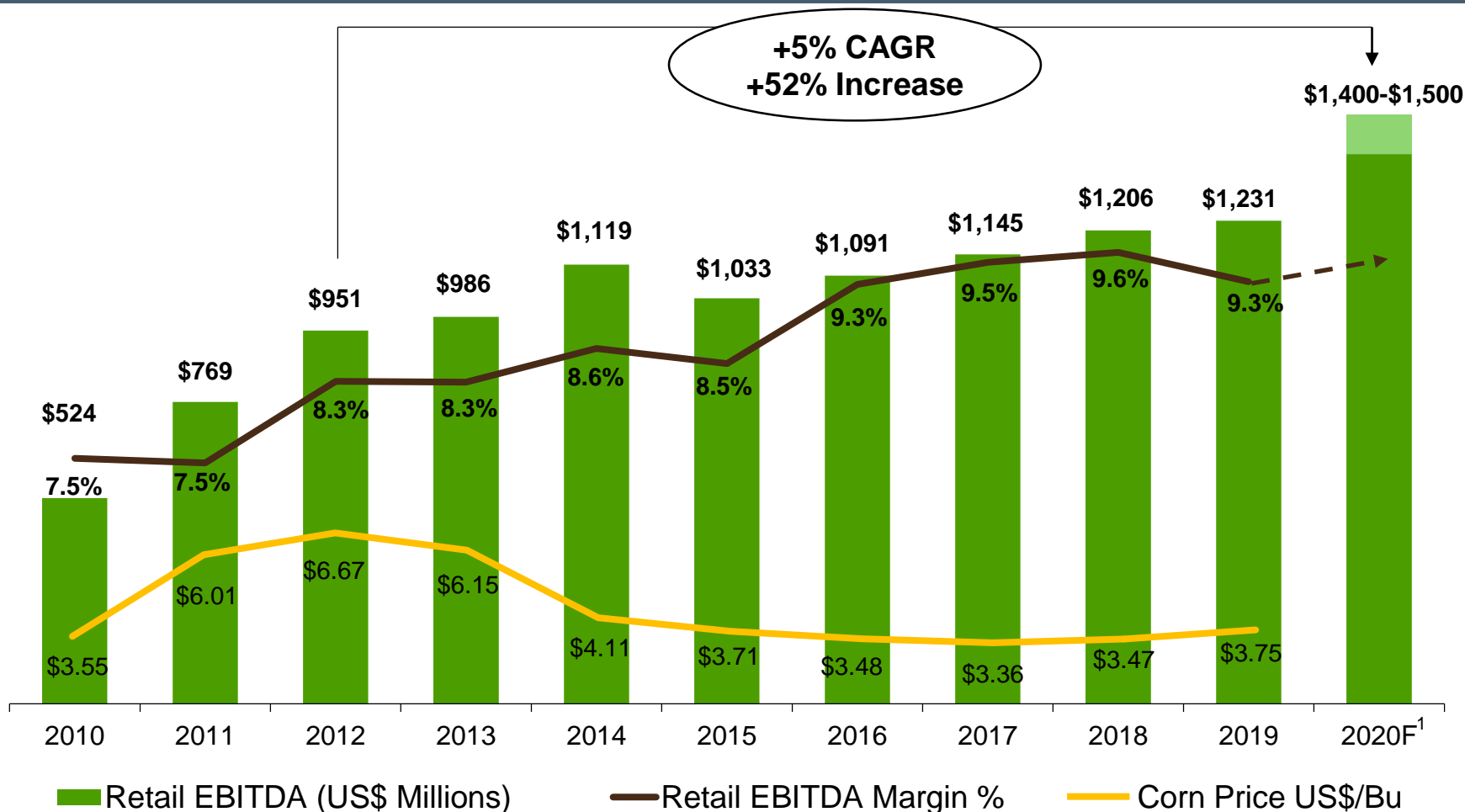
US\$/MT



1. Refers to manufactured product only.  
 2. Western Canadian cash cost is shown as FOB.

# Stability & Growth in Retail Earnings

Retail margins and EBITDA have grown consistently despite challenging Ag market conditions & weather issues



Note: 2011-2016 data is based upon Agrium Inc. financials.

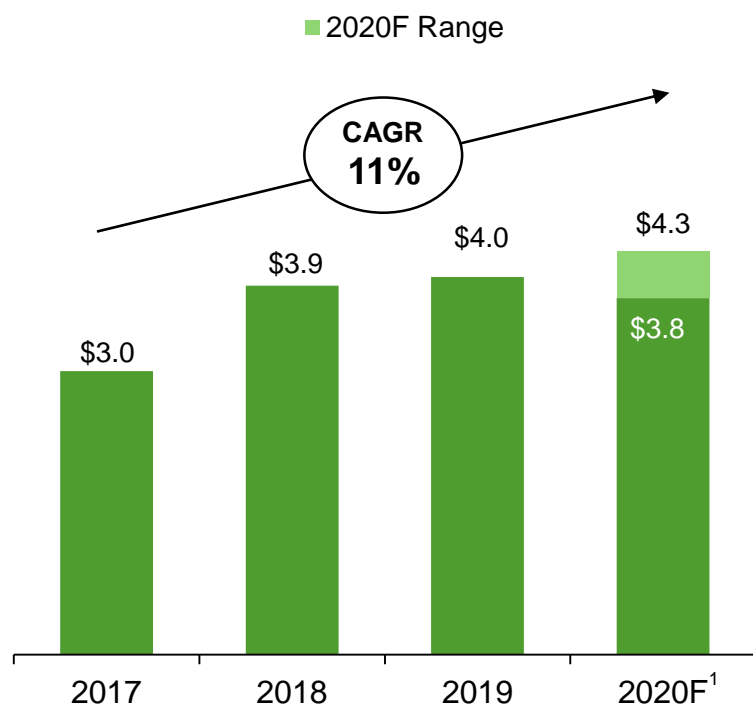
1. Based on Retail EBITDA guidance as provided on February 18, 2020.



Strong earnings and cash flow despite challenging market conditions, highlighting the strength of our business model and asset mix

## Nutrien Adjusted EBITDA

US\$ Billions



Peer Average<sup>1,2</sup> = 7.5%  
Fertilizer Peer Average<sup>1,3</sup> = 8.1%

## Free Cash Flow

US\$ Billions

- Free Cash Flow
- Free Cash Flow including changes in non-cash working capital



1. Nutrien based on the annual guidance provided on February 18, 2020; Peer totals based on CapIQ data as at February 18, 2020

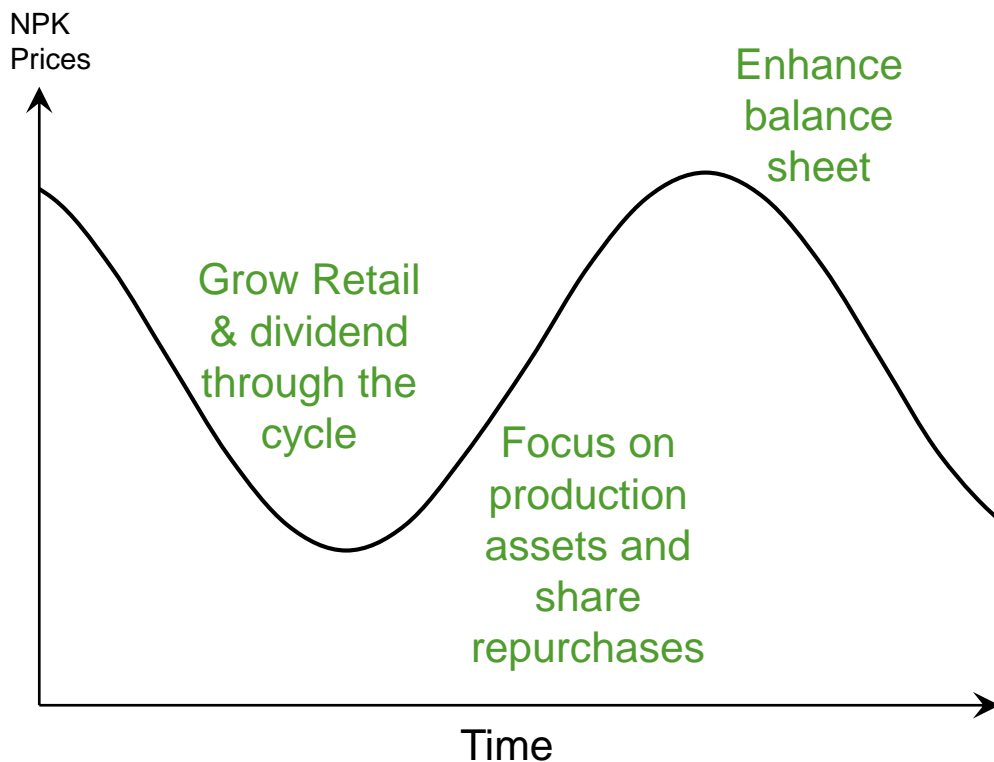
2. Includes FMC, Deere, Ingredion Inc., ADM, Bunge, AGCO, Mosaic, CF, Yara, K+S, ICL, Incetiv Pivot

3. Includes Mosaic, CF, Yara, K+S, ICL, Incetiv Pivot

Stability of long-term Retail earnings supports dividend and provides opportunity to allocate capital more efficiently through the cycle

## Through-the-Cycle Capital Allocation

Nutrien's Advantage



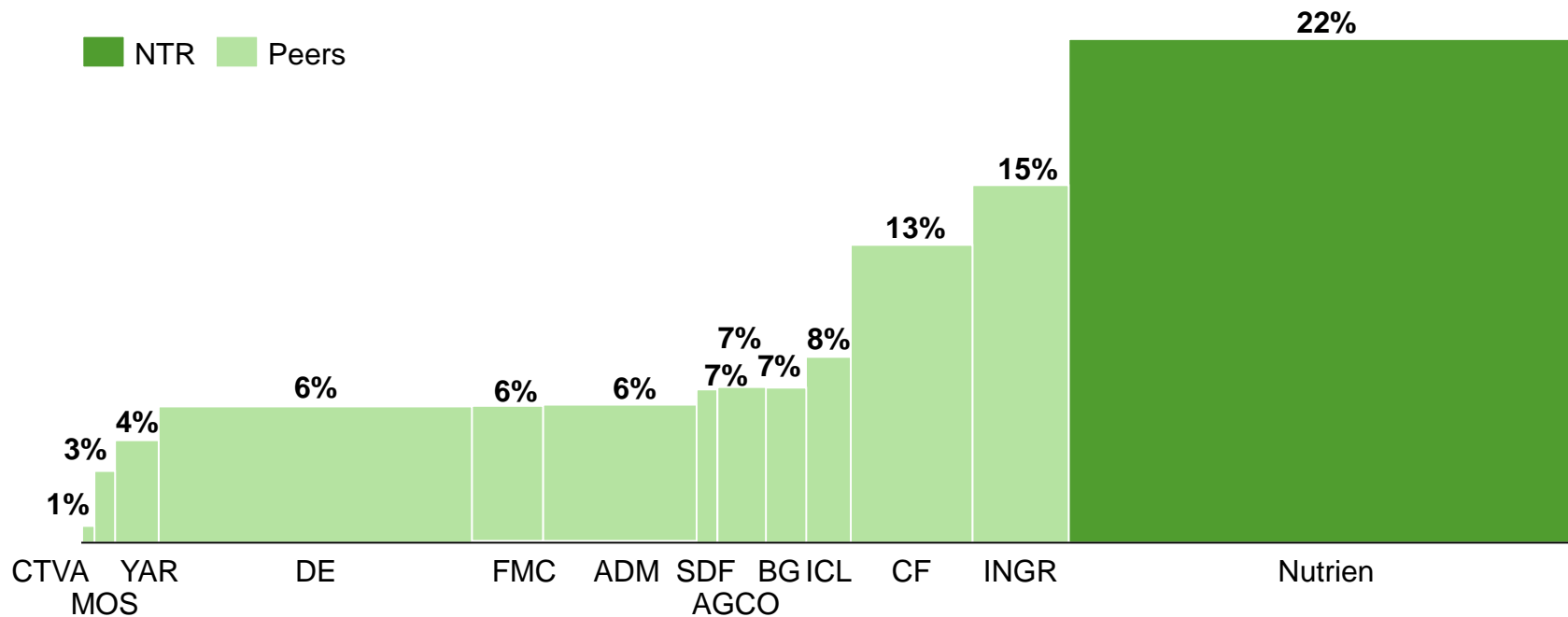
## 2019 Capital Allocation

Percent



NTR returned \$5.7B<sup>3</sup> to shareholders by way of dividends and share repurchases and possesses one of the highest dividend yields among its peers at 4.4%<sup>2</sup>

## Share Repurchases and Dividends as a % of Market Cap<sup>1</sup> (Percent)



*Segment size represents percentage of returns made to shareholders via dividends and share repurchases from January 1, 2018 to September 30, 2019*

1. Represents cash paid from share repurchases and dividends per the cash flow statement from Jan 1, 2018 to Sep 30, 2019 divided by the market capitalization as of February 11, 2020.

2. As of February 18, 2020

3. 24-month dividend and share repurchases paid from Jan 1, 2018 to Dec 31, 2019

The background of the slide is a close-up, slightly blurred photograph of a lush green wheat field under a clear blue sky. The wheat stalks are in the foreground, with some in sharp focus and others blurred in the background, creating a sense of depth. The overall tone is bright and natural.

**Nutrien**<sup>TM2</sup>  
*Feeding the Future*<sup>TM</sup>

**Market Fundamentals**

**>14M**

Increase in seeded acres in US  
this spring (13M more corn &  
soybean acres)

**~20%**

Expected increase in US corn  
farmer's per acre margins over  
2019 levels

**\$40B**

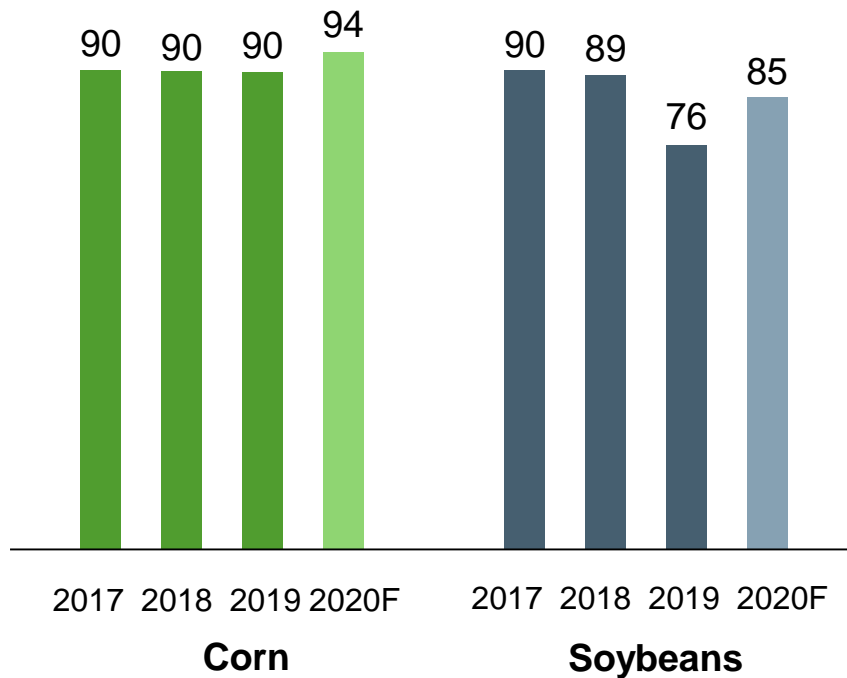
Expected Chinese purchases of  
Ag products in recent US / China  
trade deal (up from \$16B in 2019)

**~40%**

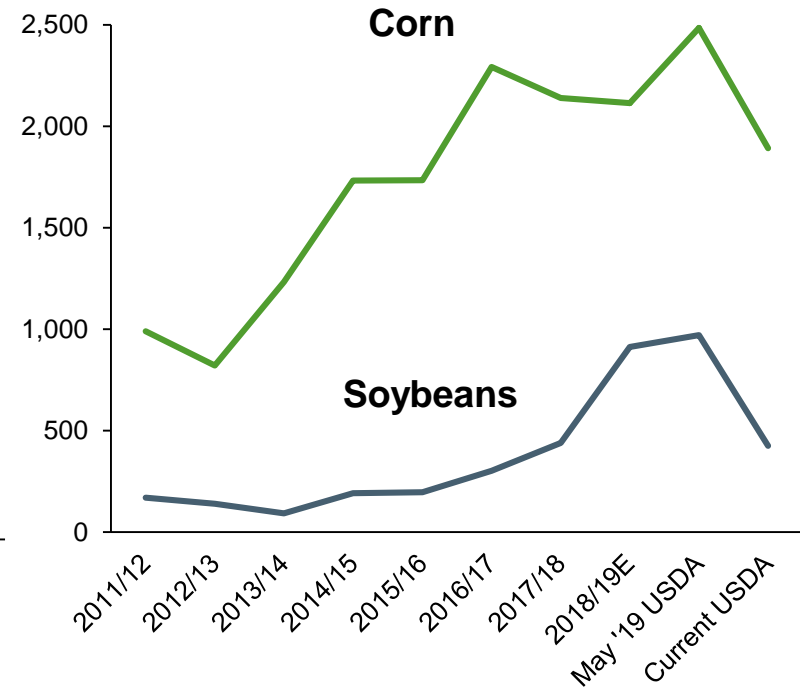
Increase in Palm oil prices from  
July 2019 lows, supporting  
increase in potash demand

Lower US corn and soybean production has led to a tightened supply/demand balance

**US Corn & Soybean Acreage**  
Million Acres



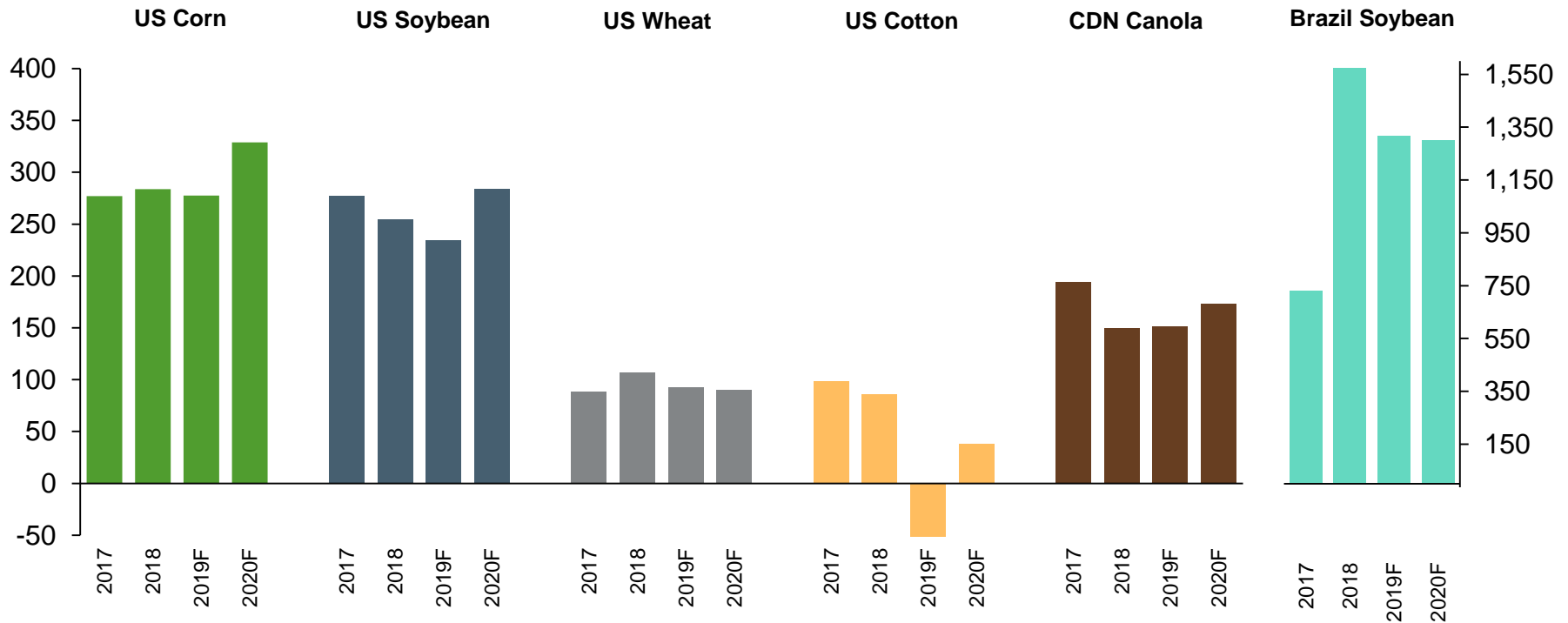
**US Corn & Soybean Ending Stocks**  
Million Bushels



Improved prospective grower margin expected for most crops in 2020 driven by trend yields;  
 Lowest fertilizer cost as a percentage of US corn revenue since 2010/11

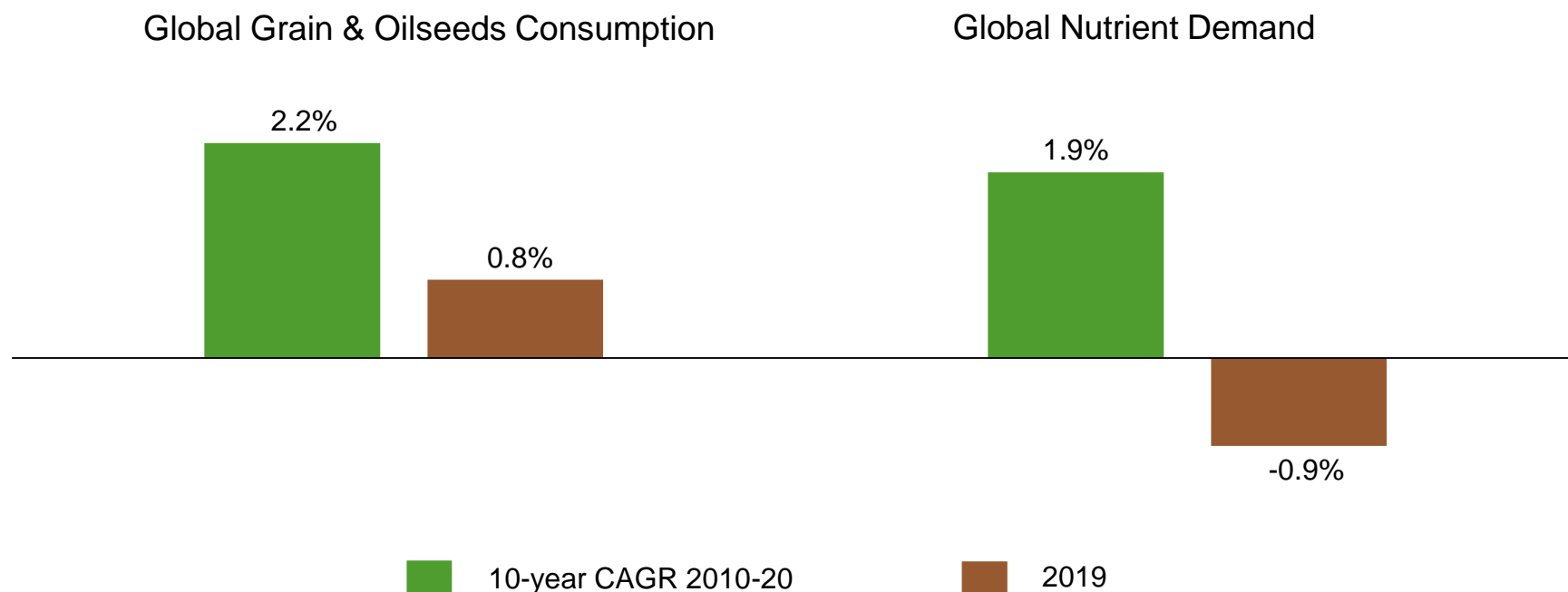
## Key Crop Grower Cash Margins

Local Currency Margin/Acre



Long-term averages highlight upside potential from 2019 downturn

## Global Grain & Oilseed Consumption & Nutrient Demand

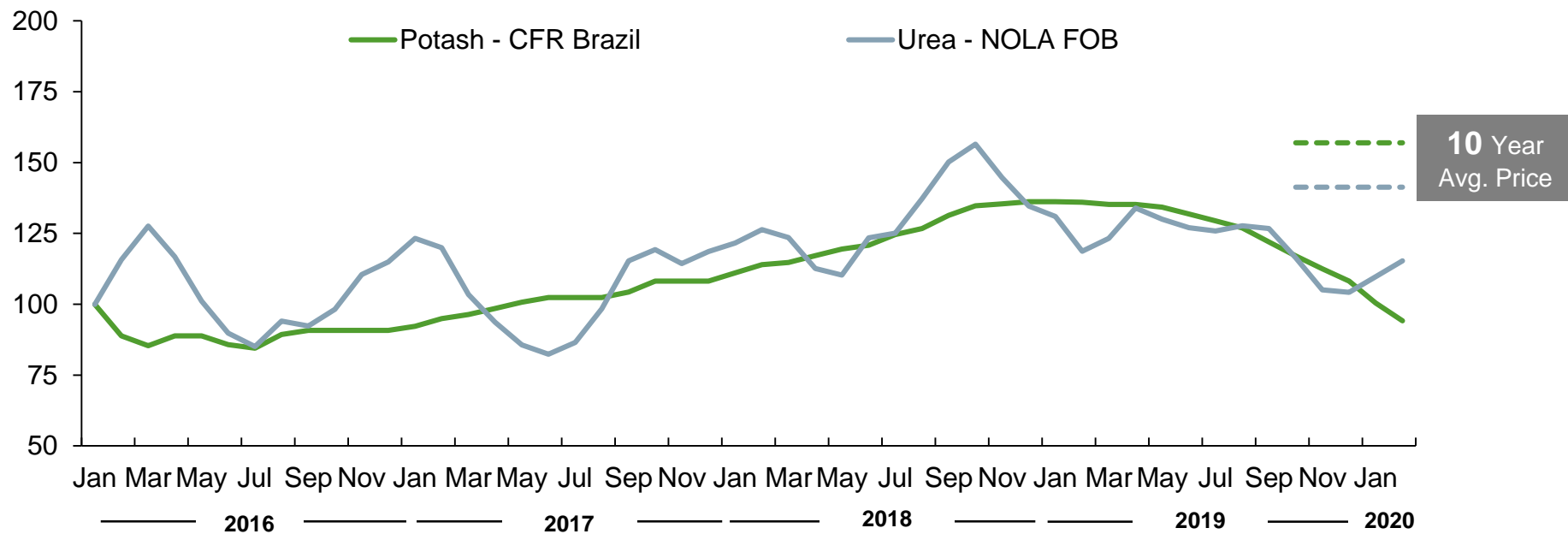




Cyclical recovery evident in 2017/18 impacted in 2019 by exogenous factors  
Global fertilizer demand growth expected to rebound

## Global Fertilizer Prices

Jan 2016 = 100



**Global Nutrient Demand Growth**

**+ 1.8%**

**+ 1.8%**

**+ 1%**

**-0.9%**

**2%**

The image features a vast field of green crops, likely soybeans, stretching to the horizon under a clear blue sky. The crops are arranged in neat, parallel rows, with a central dirt path visible. The overall scene is bright and healthy, representing agricultural growth.

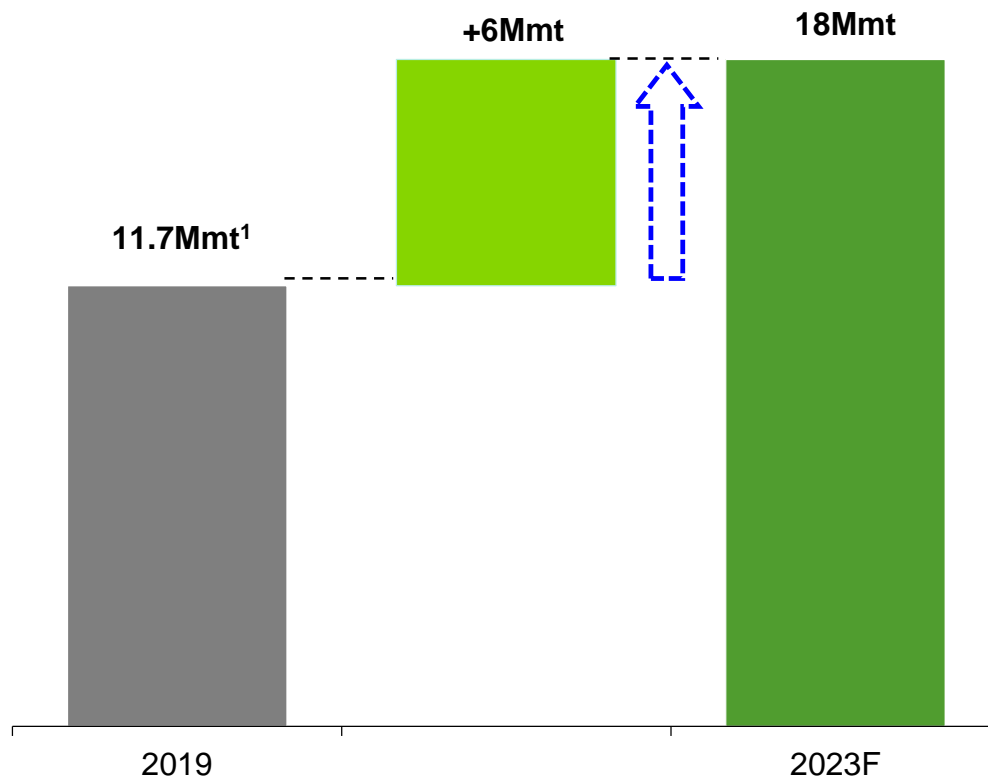
**Nutrien**<sup>TM</sup>  
*Feeding the Future*<sup>TM</sup>

**Operating Segment Growth Platforms  
and Sustainability Overview**

Existing mine network has the capacity to increase production to 18Mmt

## Potash Operational Capability

Millions of Tonnes



## Upside Drivers to 18Mmt

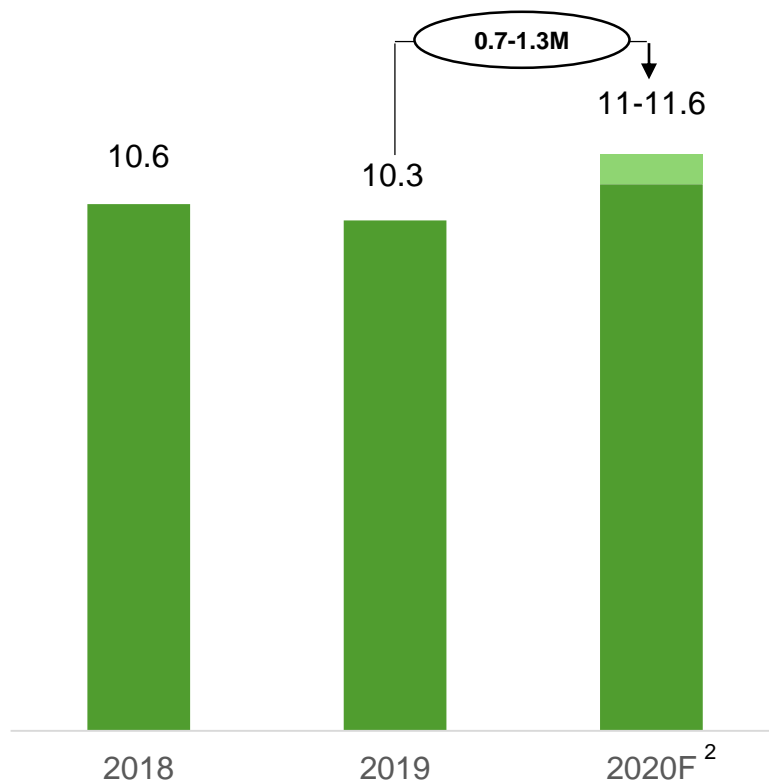
- Demand surpasses expectations
- New supply ramps-up slower than announced
- Existing competitor supply falls short
- If history repeats itself – industry closed average of 7Mmt of capacity each decade due to water inflow, ore depletion, or unfavorable economics

<sup>1</sup> Represents 2019 finished product production.

Plan to increase sales and production volumes by ~1M tonnes in 2020

## Nitrogen Sales Volumes<sup>1</sup>

Millions of Tonnes



## Path to Growth in 2020

### Network Optimization

- Nine low-cost facilities
- Extensive distribution network

### Operation Excellence

- Ammonium Sulfate conversion → ~400K Tonnes<sup>3</sup>
- Improved utilization, recovery in demand, and optimal product mix allocation → ~700K Tonnes<sup>3</sup>

### Brownfield Capacity Expansion

- Low-cost and low-risk expansion and debottleneck projects
- Realized production to come online in late 2020
- \$200M of approved capital spending expected to add incremental new capacity and improve energy efficiency

1. Represents manufactured product only

2. Based on Nitrogen sales volume guidance as provided on February 18, 2020

3. Expected increase in sales volume in 2020

- ✓ **Purchasing** of key crop protection products, order online or have your agronomist do it on your behalf
- ✓ **Pay bills** online, past purchases, account balances, downloadable for tax/banking purposes
- ✓ **Notifications** of new statements, invoices and licenses/permits
- ✓ **Latest weather** outlook & **grain market** information
- ✓ **Farm insight app** current spray conditions, rain/temperature data

## Digital Progress Yr1 (2019 N. America)

**\$260M**

Retail Sales ordered through the Digital Platform

**2020 Target = \$500M**

**11.5%**

Proportion of North American Sales (of Products Available for Online Purchase)

**\$336M**

Customer payments made through the Customer Portal

## Nutrien Financial

- ✓ **Share of Wallet:** One Stop Shop, help growers with capital management solutions
- ✓ **Margin:** Convenience & move from Price to Value
- ✓ **Customer Base Growth & Loyalty:** Broaden Customer Base, reduce Churn/increase customer retention

## Brazil Growth

**\$28B crop input market  
growing ~3%/yr**

**Expect 2020 to be  
>\$30M annual EBITDA  
~20 retail locations  
5 greenfield builds**

**Expect >\$100M annual  
EBITDA by 2023, tuck-  
in M&A and organic  
growth**



***“Our integrated sustainability strategy is addressing our most material ESG risks and providing solutions for a growing world.”***

Nutrien President and CEO,  
Chuck Magro

# Thank You!

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