

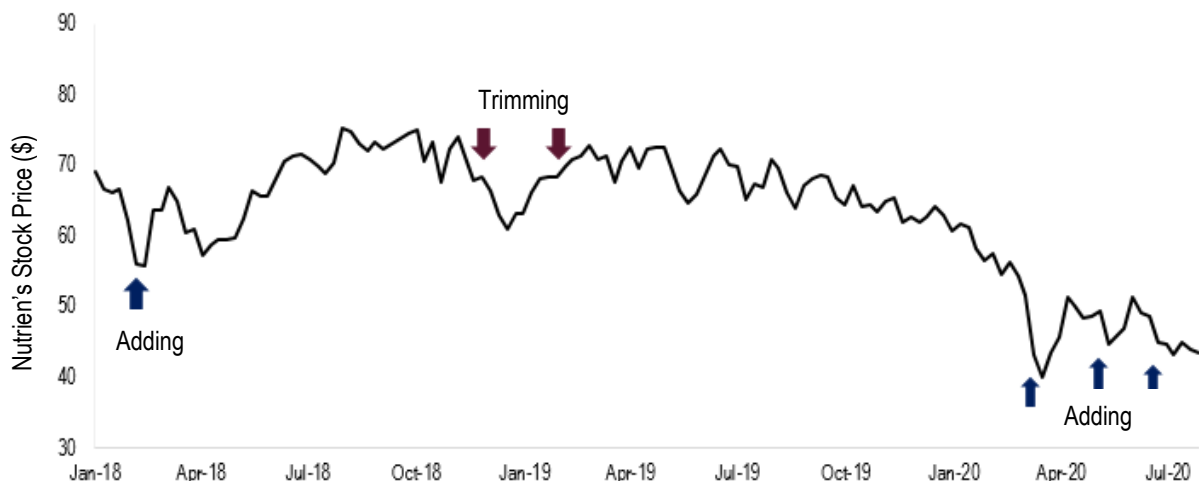
*Nutrien is the world's largest producer of fertilizer; operations primarily in North America, South America and Australia. Wholesale segment sells product to large distributors, and a smaller retail segment provides product and services directly to farmers through its network of over 2000 stores.*

### Thesis

- Competitive advantage stems from low-cost access to natural gas feedstock and large potash deposits concentrated in Canada.
- Extensive network of retail stores in remote locations provides economies of scale so the company can offer competitive prices and a full suite of agricultural services relied upon by farmers.
- Global fertilizer demand should grow long term, albeit with some cyclicalities. Global agricultural production is increasing, while emerging economies are intensifying fertilizer use
- Company is expanding retail operations in underserved areas in South America and Australia where its value proposition should shine and the company could command a leading market position.

### Opportunity

- Recently, demand for fertilizer has been weak as the agriculture market experienced a difficult year. However, the situation is showing signs of improvement and agriculture continues to be an essential industry, leading to a compelling value opportunity.
- Company generates \$2.5 billion free cash flow per year and returned \$10 billion of capital to shareholders over the last five years (on a market cap of \$30 billion).
- Currently trading at a normalized price-to-earnings ratio of 9.4x, a free cash flow yield (trailing) of 8.3%, and a dividend yield of 4.5%.



As at September 17, 2020.

Sionna Investment Managers Inc. (Sionna) has taken reasonable steps to provide accurate and current data. The data has been gathered from sources believed to be reliable, however Sionna is not responsible for any errors or omissions contained herein. This material has been provided by Sionna and is for informational purposes only. It should not be construed as a recommendation to buy or sell. The foregoing reflects the thoughts, opinions and/or investment strategies of Sionna and are subject to change at their discretion and without prior notice, based on changing market dynamics or other considerations.