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CORPORATE PARTICIPANTS

Charles Victor Magro *Nutrien Ltd. - President, CEO & Director*

PRESENTATION

Unidentified Analyst

(technical difficulty)

As well as some other folks from Nutrien with us today. So we're pleased to have them. As many of you know, Nutrien is one of the largest fertilizer producers globally. They have nitrogen, potash, phosphate as well as a leading position in U.S. retail markets and a growing position in Brazil, which we hope we'll hear about.

And so let me turn it over to Chuck.

Charles Victor Magro - *Nutrien Ltd. - President, CEO & Director*

Thank you. Hi, everyone. Yes, so we've got a pretty large team here today. I'd just say in the back there, Susan Jones, our President of our Potash business, is here as well. So look, I realized I'm the last meeting, I think, of your day. So what I'll do is I'll talk for about 15 minutes, and then we can get right into the Q&As.

But if you look back at Nutrien in the next 30 days or so, we will have passed the 1 year mark, which is pretty remarkable. And we set a pretty stringent set of priorities and objectives to get accomplished, and I think we've been very successful in that execution. And I think that when you look at the company, Nutrien, now and what we've created, we have created a global leader in agriculture. It does have in our space anyway unprecedented strength and stability, not to mention a very neat ability to grow shareholder value across the agricultural cycle. I think it's a great story and we'll just -- we'll jump right into it.

So there are a few specific things that I'd like to cover today in my prepared remarks, and then I'll address any other topics through the Q&A. First I'll go through a quick company overview, then I'll talk a little bit about the market fundamentals, which are improving and we expect for them to continue to improve. And then, I do want to take a little bit of time to talk about priorities for capital allocation going forward and how that will unlock, I think, significant value in the market.

So this is one of my favorite charts of the entire presentation because this in one chart really lays out what Nutrien is. So as most of you know, we are a vertically integrated crop inputs company. We have over 30 million tonnes of fertilizer production capacity, more than 26 million tonnes of sales last year, 500 wholesale distribution points, 1,600 retail distribution points. And these are some of the highest-quality, lowest-cost assets on the planet. And the platform, because it's integrated, is both unique and value creating.

And then, you can see from this pie chart that our EBITDA is very well diversified among the 3 primary business units. And we continue to have a leading position in retail, which accounts for over 1/3 of our earnings; and then 2/3 of our business comes from our fertilizer production; and of course, we're #1 in the world in potash and #3 in the world in nitrogen.

And the chart on the right shows that our projected 2018 EBITDA for the third time this year we did raise our EBITDA guidance in the third quarter. And we are now expecting up to 40% increase in EBITDA year-over-year, which amounts to about \$1 billion up year-over-year. So that does show the massive leverage that this company and this platform has to improving market conditions.

Let's talk a little bit about the markets. So grower cash margins are what I would call mixed. Some are improving, but others like soybeans continue to be under some pressure. Now lately, U.S. corn and soybean prices have been both pressured really because of some of the record yields that we're getting in primary the major growing regions of the U.S., but as well as because of some of the trade uncertainty, which has an impact on crop pricing.



Now beyond that, though, if you look underneath the pricing, there are signs of the fundamentals improving. We are expecting the lowest U.S. corn inventory since 2013, the lowest global grain inventories outside of China since 2012, and recall 2012 was a drought year. As well as the lowest wheat inventories, excluding China, since 2007.

And what we expect next year is quite a bit of a shift in planted acreage because of the low prices, particularly for soybeans, and the higher margins right now that farmers are seeing if they plant corn. So we do expect 3 million to 5 million more acres of corn next year, which, of course, will be supportive for our business.

Now a quick comment on this fall. We have seen significant weather delays across the U.S, which will most likely impact our fourth quarter retail results, but much of which we expect to get back in the spring of next year, like we often do.

Speaking of retail. This business has continued to grow even as the ag commodity cycle turned down over the past few years. This chart shows the stability and the growth profile of the business, and we have been on a multiyear journey of industry consolidation, backward integration and organic growth. And I think you would agree that the results on this chart are truly impressive. We have continued to grow earnings and improve margins. In fact, our EBITDA margins last year were the best we've seen in recent memory.

And we have multiple levers to continue to grow our retail business. The one I'd like to touch first is how we're improving and investing in our digital capabilities. We just launched our integrated digital platform in July of this year, and we have had very strong customer support. We now have more than 40% of our North American customer revenue base is now signed up and online with Nutrien Ag Solutions in less than 5 months. We will also be launching in the first quarter of 2019 our new e-commerce platform, so stay tuned for that.

We're really excited about our omni-channel digital experience. This is all about our continued focus on not only being the best crop adviser in the world, but also the easiest to do business with. We want to create a seamless experience for our customers however they choose to deal with us, whether they prefer us to be with them on the farm working shoulder-to-shoulder, at our branches or now online.

We are really focusing on combining retail's total assets. So what I mean by that is our leading distribution network, our 3,300 agronomists across North America, our full suite of proprietary products, our agricultural financing business and now our digital capability. We think this will deliver significant value to the farmer, but also to Nutrien's stakeholders with increasing customer retention and share of total spend while generating operational efficiencies across the network.

Moving to the potash market. We continue to see strong demand in all major markets. In fact, we are projecting record demand again in 2018 and then further growth in 2019. We are seeing solid consumption in all major markets: Brazil, North America, Southeast Asia as well, of course, as China and India. We've also seen a slow ramp-up in the new projects, which is typical for potash projects. And then, you layer on top of that some of the reduction in capacity for mines that are reaching end of life, about 4 million tonnes we're expecting by 2020. All of these factors are leading to strengthening potash prices.

Over the past 5 years we have seen a 4% annual consumption growth. This is well above the long-term historical average of 2.8%. We continue to see strong underlying consumption trends and limited inventories across the global channel. We expect record demand again in 2018 and have raised our global demand forecast to 66 million to 67 million tonnes this year.

Now I fully recognize some people are concerned about the new supply coming online and the medium-term outlook for potash. What I would say to you is that demand growth is key. The new capacity, it will come online, but we think it will be more than absorbed by the market if demand grows at historical levels. We don't need 4%. 2.5% will do. And you can see on the chart what would happen. We would see significant tightening of the supply demand even at 2.5%.

Earlier this month we announced we decided to permanently close our New Brunswick potash facility. The outlook for the potash market has not changed. The decision was simply driven by our ability to increase potash production in Saskatchewan at a significantly lower operating and capital cost than resuming production in New Brunswick. Today we have approximately 5 million tonnes of incremental operational capacity in Saskatchewan that we can bring online when needed very quickly. And we have that capability to add further capacity with brownfield expansions in Saskatchewan



at a much lower cost than any greenfield economics. So if we invest capital in the 6 existing facilities in Saskatchewan, we will easily be able to exceed 18 million tonnes of production.

Moving to the nitrogen market. This industry is huge -- over 150 million tonnes of nitrogen -- and for many years, the market has grown at 2% per year. But this industry as well has built significant capacity since the last peak, and the new capacity now is almost complete and most of it is operational. So we expect the nitrogen market to continue to tighten from its bottom that we saw in 2016, particularly at a pace of the new capacity additions slow dramatically after 2019. Further support for prices will come from increased energy cost. Higher gas prices in Europe and higher energy costs in China and environmental costs are all helping tighten the fundamentals. So we believe all of this is good news for our business since we are now one of the largest nitrogen producers in the world.

And with North American gas prices not expected to increase as much as in other regions, we see a significant margin expansion opportunity for our nitrogen business.

And then when you look at AECO gas, so that's Albert gas, in 2018, it has averaged about \$1 per MMBtu and has remained around \$1 per MMBtu range even during the recent increase in U.S. gas prices. And don't forget, Nutrien's portfolio has about 1/3 of its nitrogen footprint based on AECO gas.

So the fundamentals are improving. And that will in itself create significant value. And the torque on our earnings is very impressive. In fact, for every \$25 of fertilizer price increase, it equates to about \$650 million of EBITDA or about \$0.75 a share in earnings. In considering that we are still significantly below mid-cycle pricing when it comes to fertilizer, it's only a matter of time that, that leverage drives significant value.

We also have several catalysts to create value that are well within our control. So delivering \$600 million in synergies by the end of 2019 creates significant value by itself. And of course, we are well down that path.

A quick update on the remaining sale, the SQM A shares to Tianqi. We will complete the auction, which is really the mechanics behind the closure of that sale very soon. With that completion, we do expect that we will be finalized with all the equity stake sales this year and that we will receive approximately \$5 billion of after-tax proceeds. So it's just a tremendous opportunity to create value, and I'd like to talk a little bit about the priorities for that capital. So in total if you take the \$5 billion of after-tax proceeds from the equity stakes plus the cash flow from our operating businesses after you net out sustaining capital and dividends, we do expect that we will have somewhere between \$6 billion and \$8 billion in cash to redeploy over the next 3 years.

Now on the dividends. Maintaining a sustaining and growing dividend remains the top priority and is underpinned by the growth and stability of our retail business. We announced earlier this month, a 7.5% increase to our dividend, taking our annual dividend to \$1.72 per share. And we continue to target 40% to 60% of free cash flow to be allocated to the dividend. This dividend policy will provide significant value to shareholders at the bottom of the cycle while allowing us ample cash to continue to grow the company throughout the cycle.

We also completed a 5% share buyback, which was announced in February. We have repurchased 32 million shares for \$1.7 billion. So if you put the dividend together with the buyback, this year alone, we have returned \$2.6 billion to shareholders.

After returning capital to shareholders, retail remains the top priority for allocating the remaining capital.

We have been growing EBITDA and free cash flow from retail at a respectable rate given the backdrop of tough market conditions in recent years. We hit almost all of our 2020 targets that we set back in 2015, and we'll look to establish new performance targets most likely early next year.

And we continue to have a number of avenues to grow our retail business. First is the expansion of our existing footprint through tuck-in acquisitions in our greenfield build program. These opportunities are highly accretive. We see a very strong pipeline of acquisition opportunities in both North America and Australia. The second element is to continue to grow our proprietary products. We are able to generate higher margins with these products while bringing value to our farmer customers. Third, we are focused on expanding our footprint in Brazil. We see an opportunity to leverage our retail distribution, our proprietary products and our leading digital ag platform to generate significant long-term value. We intend to

be patient and thoughtful investors with a plan to invest about \$1 billion in the next 3 to 4 years in Brazil, which is at about the same rate as our U.S. tuck-in program, a program that is quite conservative and significantly value enhancing over time.

Finally, a few comments on the balance sheet. Earlier this year -- earlier this month, S&P reaffirmed our BBB rating. Our goal is to remain investment grade. It is a key priority for the company. With the expected proceeds from the equity stake sales, retail seasonal cash flows and customer prepaid that comes in, in December and January, we expect the significant decline in our net debt in the fourth quarter. We will bring our net debt-to-EBITDA ratio below 2 by the end of 2018. In this position, Nutrien has a lot of flexibility to return capital to shareholders and invest in our growing retail business. A healthy balance sheet will earn us full capital markets recognition of the strength of the business and its future growth opportunities.

So to conclude, I started by saying we have a great story to tell. I believe Nutrien is a leader in the crop nutrients industry with unprecedented financial strength and stability. We have a clear pathway to deliver \$600 million in annual operating synergies and expect a strong and growing free cash flow over the next several years with significant leverage to the crop nutrient cycle at very attractive long-term growth opportunities.

So I'll leave it there, and we can take your questions.

QUESTIONS AND ANSWERS

Unidentified Analyst

Chuck, first on the nitrogen market. You talked about how in 2020 and beyond the supply/demand outlook looks really quite good. At the same time, you know 1/3 of your production is extremely cost advantaged by using AECO gas. So why aren't you allocating more capital to build out your nitrogen capacity for 2020 and beyond?

Charles Victor Magro - Nutrien Ltd. - President, CEO & Director

Yes, it's a great question. So what I'd say is we like our nitrogen business. We think we are one of the lowest-cost, highest-margin businesses in the world. I think geographically, we are in locations if you look at our footprint, the majority of our production, it's about 1/3 in Canada based on AECO gas, 1/3 in the U.S. and about 1/3 in Trinidad. And the business, if you look at the pie chart on one of the earlier slides, it's about 1/3 of our earnings. So we would be an allocator of capital into our nitrogen business. But I think where we are right now in the cycle, prices for nitrogen have come up, but they are not at a spot where it would warrant the incremental risk of investing in, say, a greenfield nitrogen operation in North America. You guys can hear me? No? Is that better? Okay. So I'm not going to repeat what I said. So I think the concern we would have is greenfield plants. We look back at the last cycle. We all invested significant capital in green or near greenfield operations. And we all overspent because if you look at employment levels in North America right now, they're very, very low and productivity would be very challenged. So the risk versus reward with today's pricing, it doesn't justify putting that kind of capital into a greenfield opportunity in nitrogen. But if you look at our existing network, we would be very interested in finding low-cost brownfield expansions. And whether that's pure incremental tonnes or if

it's -- for us a lot of it would be product mix improvements moving from ammonia to urea and saving the transportation costs, projects like that are -- we're studying those right now and there will be some. But I would say from an overall capital allocation perspective of the \$6 billion to \$8 billion, a relatively small amount will go into nitrogen because I think we have higher uses for the capital including returning to shareholders and investing in our retail business.

Unidentified Analyst

Okay. And then, just one more on nitrogen. You've seen urea exports of China dropped precipitously over the last couple of years. One of your European competitors was here earlier today, and they said that they could see a scenario in which urea prices if they got high enough you could see Chinese exports reaccelerate. I was wondering, do you share that view? And how much of this 1 million to 2 million tonnes of exports is that's just the steady state from now on?

Charles Victor Magro - Nutrien Ltd. - President, CEO & Director

Yes, it's a great question. So our view would be consistent with our peers to a limit. I was in China 3 weeks ago, and the environmental issues are improving. But they're still real and they're a top priority for the government. So I would never say never, but as nitrogen and urea prices increase throughout the next couple of years, you could see more exports. But I think it would be marginally more. I don't think you're going to see a return to 10 million or 12 million tonnes simply because one of those facilities that have been shut down, I believe that they would require significant capital to bring back up. And I also believe that the government is really trying to improve the air quality and the environmental living standards of the people. And that is not just talk. I think what I've seen in the last few times I've been to China is there's a real commitment behind those statements now. So I think you could see some, but I don't think you're going to see anywhere near the 10 million to 12 million tonnes that we saw at the last peak. We have a plant sitting in Alaska right now. And if we could get the right gas price, it would take several hundred million dollars just to restart that plant. I imagine a lot of the Chinese plant -- and our plant in Alaska was preserved or is being preserved. So I think a lot of that plant production capability would require very significant capital to bring back online. Yes.

Unidentified Analyst

You referenced the normalized price for potash. What do you sort of think that is? And how do you get there?

Charles Victor Magro - Nutrien Ltd. - President, CEO & Director

Yes, so you get there like you get with all these commodities, eventually through the supply/demand. And what we're seeing now is that the demand is improving nicely. Most of the supply is coming up a little slower than we expected. So by the time we get to 2020 or 2021, we think that we're going to see that more medium prices. I don't know if normal is the right word that I would select. I think the average -- the 8-year average price of potash is actually in one of our decks, but it would be significantly higher than where it is today. It will be closer to \$400 a tonne. And that would be sort of an average pricing. And in that scenario, what you would see Nutrien do is we would, because we have one of the fewest -- or we're one of the few companies that actually have external capacity, we would actually put in more sales around the world, North America but in our international channel as well because we have the capacity. It's been bought and paid for. And to bring it online would be very economic. And the margin enhancement for our potash business will be quite sizable.

Unidentified Analyst

(inaudible)

Charles Victor Magro - Nutrien Ltd. - President, CEO & Director

You've been talking about the Chinese and the Indians?

Unidentified Analyst

(inaudible)

Unidentified Analyst

Could you repeat the question, please?

Charles Victor Magro - Nutrien Ltd. - President, CEO & Director

Yes. So I think the question is potash and phosphate buyers sitting on their hands because of higher prices.

Unidentified Analyst

Because of higher prices and the new supply is material.

Charles Victor Magro - Nutrien Ltd. - President, CEO & Director

And the new supply. Yes. So here's how I see the business. If they sit on their hands, they're going to miss the spring season. And that will hurt if it's India and China, Brazil, all the customers, even our North American customers. In a situation like that, if they choose not to buy, what will happen is that the farmer yields will be impacted. And so the ultimate customer isn't the retail channel; it's the farmer. And the farmer needs the potash and the phosphate and the nitrogen to ensure that they are maximizing the profitability of their crops, especially when you look at crop pricing today. It's sort of flat to last year. So when you have flat pricing, the way you get incremental margin is you need the yield. You need the yield to generate the revenue. Cutting back on a fertility package or a fertilizer package is a sure way to have the reductions in yields. So I think that that would be a fool's game. It's certainly something that we haven't seen this fall at all in our customers around the world. In fact, if you look at some of the announcements that Canpotex has made, they are now sold out until April of next year. Because quite the opposite is happening. I think most of the international potash markets are short today for their spring needs, and they actually have to buy more than they've already ordered. And I think that's what's causing positive momentum for pricing around the world. Yes?

Unidentified Analyst

I have a few questions. (inaudible) on this question. The 4% growth rate, which is kind of the broad trend in potash, do you have any concern that because pricing was a lot lower in potash and phosphate for the last few years than it is now, that farmers (inaudible) which you had good visibility of doing things, but clearly more so in India and China, where you can't see as much. Because they took advantage of that growth for a lockdown and releasing them. Eventually, prices will be higher and that 4 will go back to 2. And then secondly, just you mentioned the supply/demand in phosphate and potash [indiscernible] the medium-term trend is that some of the higher-cost buyers are going away. It involved Nutrien. Have you been approached essentially lower-cost buyers and then you -- (inaudible) potash and phosphate seem to go down. (inaudible) and supportive of higher prices long term. (inaudible) or is that not necessarily true, towards the replacement of the higher cost with lower cost?

Charles Victor Magro - Nutrien Ltd. - President, CEO & Director

Okay. So lots to unpack there. The 4% demand growth, I think, what we're seeing -- so first of all, we don't need 4% to really have a tight market. And when you look at our long-term view, we have kind of reverted back to the historical growth rate of, call it, 2.5% to 3%. And even in that scenario, as I mentioned, as soon as we get out to 2020 to 2022, the supply demand fundamentals are quite tight. So to your question around farmer affordability. So where we are right now is we're actually below the 5- and the 10-year average for fertilizer as a percentage of revenue affordability. So we're not there today. And that's why I think we're seeing healthy application rates around the world basically. And if crop prices don't respond and you have a continued increase in fertilizer prices, eventually you could get to more of an average affordability. But right now, I don't know of any farmer group around the world that is making a decision of not putting on fertilizer to save money because I think that will have a yield impact and as well as that is not the input that is causing their issues today. I think crop prices are really being impacted by global trade uncertainty and then some of the very strong yields that we've seen in North America. To your question around the potash mines, and it's really a question around the flattening of the cost curve and where do prices ultimately end up, so I think in any commodity, what you see is that you will actually see, it's a natural evolution to have high-cost production shut in and organizations and industries invest in the low-cost production. And if you look at Susan's business, who runs the potash group here, our cash costs are well below \$60 a tonne. And that's been a lot of work and a lot of effort to get the operation that lean. But it is one of the lowest-cost producing operations in the world today. Now what determines price? So eventually you don't become supply driven. You become demand driven. And we're not there today in potash, but I believe we will get there. And that's the challenge. And at that situation, you will be demand driven and it will not be connected your cost of production. The simple matter



of the faculty there's not enough potash to supply the demand. And at that point, I think, you're going to see really strong prices. Now we have the vulnerability our most producers to have poured ladies and gentlemen to -- capacity into the market to prevent it from overheating, say but again, I still think we're some ways away from that.

Unidentified Analyst

Can you just provide a little more color on the comment you made about the fall and the Q4 delays in retail? Is the ammonia application that's getting missed? And can you maybe make any general comments about your pre-buying trends into the end of the year?

Charles Victor Magro - Nutrien Ltd. - President, CEO & Director

So the fourth quarter, you guys -- I don't know if you traveled through the Thanksgiving holidays, but we saw snowstorms and difficult weather, rain basically across most of the major crop-producing regions of the U.S. So that's slowed down the application of NPK fertilizer in the U.S. Now there's still some time, but we are running out of time. And so we'll have to see what the weather brings us over the next, I'd say, 3 to 4 weeks or so. So we do expect, and as I said in my comments, we do expect that there will be an impact to retail's fourth quarter, and we've seen this before. Difficult weather in November and December is not unusual. And what we usually see is that we get almost all of it back in the spring season. So what we have seen from farmers and markets that have got their fertilizer down is application rates have been solid. They've been very well applied. And farmers are investing in the crops. So this is not a farmer buyer behavior. This is simply running out of time. In fact, one of the retail guys sent me a picture on the weekend, and it was covered in snow and they were laying -- they were spreading ammonia down. But not a lot of farmers will have that capability or the equipment to do that. Now in Canada, they do. So they could run out of time and they'll have to apply it in the spring season. Your second question, can you repeat it?

Unidentified Analyst

It was just on pre-buying and what you're seeing for next year?

Charles Victor Magro - Nutrien Ltd. - President, CEO & Director

Our pre-buying or our customers?

Unidentified Analyst

Customers.

Charles Victor Magro - Nutrien Ltd. - President, CEO & Director

Yes. So that usually starts about this time of the year. So it's early, early days to really get too far ahead of that. And just so I kind of paint the picture, what usually happens is farmers after the harvest will have cash. They'll want to minimize their taxes so they'll invest -- they'll prepay for crop inputs. In other words, they'll give us a check. Sometimes they'll dictate what they want; sometimes they won't. And that's called pre-buy on their end. And we usually get somewhere between \$1.5 billion and \$2 billion of prepaid per year, and it usually comes in somewhere between, I'd say, now and early next year. Discussions with our farmer customers would suggest that it'll be at the same levels it's been over last 2 or 3 years, and really no change in that area. But it's a little early to say anything more at this point. Yes?

Unidentified Analyst

Just a quick question on your capital allocation policy. So you mentioned that your leverage -- net leverage will go down to 2x at the end of the year. Kind of looking back at your credit rating before the merger, so it used to be at high BBB, and then single A and then the downgrade to mid-BBB. So is there any interest in kind of going back to where you were before the merger? And where could we see leverage go from now?

Charles Victor Magro - Nutrien Ltd. - President, CEO & Director

So I think you're referring to what potash corp was. Agrium was always mid-BBB. And because we have more stability, I think, more diversity in our portfolio as well as we do have plans to grow our retail business particularly, we're very comfortable at mid-BBB. In fact, we really wouldn't want to go much higher than that because we don't think the benefits warrant the restrictions and the liquidity. In fact, if you look at where we are in our cycle right now, we're basically just have come off the bottom. So there's a significant amount of strategic optionality right now to really continue to consolidate our retail business, especially in the U.S. We would love to move our market share from 20% to sort of north of 25% over the next few years. And that's going to take capital. But we think that as we do that, as we continue to consolidate the U.S. retail industry, it will really bring a lot of value to shareholders. And we have the balance sheet. Now I say all of that with the condition that we want to be firmly investment grade, and we think mid-BBB is exactly where we want to be. So we're really pleased this month when S&P reaffirmed it. Yes?

Unidentified Analyst

(technical difficulty)

Charles Victor Magro - Nutrien Ltd. - President, CEO & Director

Yes, less definitive picture for me. When I was there, I wasn't really engaged too much with the phosphate. But I think the general comments that I heard, speaking to industry participants, that the language is the same, that the phosphate operations do contribute to environmental pressure. They are higher cost, and so the same language I used in nitrogen would apply. But I wouldn't want to give you an estimate on export because it really wasn't a focus area of mine. But the government really is trying to improve the environmental living standards of the country, and I believe that they're serious about it.

Unidentified Analyst

Given the strong cash flow generation potential that you have over the coming years, does it make sense for Nutrien to be the final owner of the Jansen potash projects given your control of the market and it being the key overhang?

Charles Victor Magro - Nutrien Ltd. - President, CEO & Director

Yes. So what I would say is that when we look at our existing network, we're very pleased with our asset footprint in Saskatchewan. I think we have 6 of the best mines in the world, with the cash cost that is almost unprecedented, currency equalized. And when you look at what we can do with that network by putting more capital into it with brownfields -- a greenfield with today's prices doesn't make economic sense, it really doesn't matter who the owner is, where we can bring new capacity on well beyond the 18 million tonnes of productive capacity that we have today at a fraction of any greenfield. So dollar-for-dollar, I would look at our network and invest in brownfields when the market needs it.

Unidentified Analyst

For the \$1 billion to \$2 billion you plan to invest in Brazil over the next couple of years, can you just comment how much of that is inorganic versus organic? And maybe just at a high level, can you walk us through some of the major differences in Brazil's retail versus the U.S.?



Charles Victor Magro - Nutrien Ltd. - President, CEO & Director

Brazil. Yes, thank you. So there's a lot of differences but there's a lot of similarities. But let's start with the allocation in capital. So we don't see entering Brazil with sort of Big Bang theory, where we spend \$1 billion to \$2 billion on one single transaction, and we're sort of now where we've got presence. So that opportunity doesn't exist and that risk profile is something that is not what we're focused on. We see the way to enter Brazil is just the way we're expanding our other networks right now: slow and steady, call it a tuck-in or a consolidation play and accumulate assets over time. We also see a significant opportunity to build retail facilities and we have 4 or 5 underway right now. And we're doing that in all major regions. So this will be a slow and steady approach. We're going to be very thoughtful on valuations, trying to build the synergy profile over time. And I think as we get out 3 or 4 years, the spend could be \$1 billion to \$2 billion because if you're spending \$300 million or \$350 million a year in tuck-ins in Brazil equivalent to what we're doing in the U.S., that does add up over time. But we think that this is the right approach because it's a lot less risky. We're not looking for that one large transaction. Now a little bit about the differences and the similarities. So the similarities, the reason we like Brazil so much is it's primarily a market focused on soybeans and corn, and the yields in those markets are less than in North America. So we think we can bring a tremendous amount of value with our agronomists, our knowledge, our digital platform, our technology, our proprietary products. All these things, I think, will help the Brazilian farmer. And we think we can make money by doing it. So in 2012, we've been in Brazil since 2012, where we bought a small -- it was actually a bankrupt company. And since then, we have -- and it was a fertilizer blending company. Since then, we've converted about half the customers from bags to bulk so that we can get some margin. We started to sell crop chem, seed. We're doing soil sampling and tissue sampling, all the technology. We have now some proprietary products. And our margins are equivalent to the U.S. So not all markets in Brazil -- when we're talking about Brazil, we have to be careful not to broad-brush it. But in the markets that we've analyzed and we've studied, our retail model will make money and it will create value for farmers. And I think we've got a plan to enter the market in a slow, methodical, thoughtful way that I think will help balance some of the other risks in Brazil.

Unidentified Analyst

Do we have any last questions? All right. Thank you very much.

Charles Victor Magro - Nutrien Ltd. - President, CEO & Director

Thank you, everyone.

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