Nutrien Ltd. (NTR)

Updated September 11th, 2025 by Felix Martinez

Key Metrics

Current Price:	$57	**5 Year Annual Expected Total Return:**	5.9%	**Market Cap:**	$27.9 B
Fair Value Price:	$56	**5 Year Growth Estimate:**	3.0%	**Ex-Dividend Date:**	09/29/25
% Fair Value:	103%	**5 Year Valuation Multiple Estimate:**	-0.5%	**Dividend Payment Date:**	10/17/25
Dividend Yield:	3.8%	**5 Year Price Target**	$64	**Years Of Dividend Growth:**	8
Dividend Risk Score:	F	**Sector:** Materials		**Rating:**	Hold

Overview & Current Events

Nutrien Ltd. (NTR) is a Canadian company formed through Agrium and PotashCorp's merger in a closed transaction on January 1, 2018. The company produces and markets crop nutrients to agricultural, industrial, and feed customers worldwide. The company has over 1,700 retail locations in North America, South America, and Australia and is one of the world's largest manufacturers and suppliers of potash, nitrogen, and phosphate. The company provides over 20% of the global market on potash, 3% nitrogen, and 3% phosphate. Nutrien has a market capitalization of approximately $27.9 billion, more than 20,000 workers, and produced roughly $25 billion in revenue in 2024.

On August 6th, 2025, Nutrien reported its second quarter results for Fiscal Year (FY)2025. The company reported strong second quarter 2025 results, with net earnings of $1.2 billion ($2.50 per diluted share) compared to $392 million last year. Adjusted net earnings per share came in at $2.65, beating estimates by $0.23, while revenue of $10.2 billion grew 2.8% year-over-year but fell short of expectations. Performance was driven by record Potash sales volumes, improved Nitrogen operating rates, and higher selling prices across key segments. Adjusted EBITDA rose 11% year-over-year to $2.5 billion, reflecting higher fertilizer demand and favorable pricing.

In the first half of 2025, the company generated $3.3 billion in adjusted EBITDA, returned $0.8 billion to shareholders through dividends and share repurchases, and achieved a record 98% ammonia operating rate. While weather challenges in Australia and the U.S. weighed on Retail results, higher crop nutrient volumes in North America helped offset the impact. Potash and Nitrogen segments posted strong profitability, supported by healthy global demand and higher benchmark prices.

Looking ahead, Nutrien raised its full-year Potash sales volume guidance to 13.9–14.5 million tonnes, reflecting strong market demand. Other segment guidance remained unchanged, with expectations for stable demand across nitrogen and phosphate markets despite input cost pressures. Management highlighted positive fundamentals for the fertilizer industry, including low inventories, supply disruptions, and strong farmer engagement heading into the second half of 2025. With $2.0–$2.1 billion in expected capital expenditures and continued focus on shareholder returns, Nutrien remains confident in meeting its 2026 performance targets while navigating near-term volatility in global agriculture markets.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	---	---	---	$2.69	$2.17	$1.80	$6.23	$13.19	$4.44	$3.42	***$4.45***	***$5.16***
DPS	---	---	---	$1.66	$1.75	$1.81	$1.85	$1.92	$2.12	$2.16	***$2.19***	***$2.42***
Shares[1]	---	---ccc	---	609.0	573.0	569.0	571.0	540.0	496.0	494.4	***491.0***	***487.0***

We expect EPS to be much higher in 2025 due to commodity demand and pricing. Share repurchases are expected to contribute several percentage points per year on top of baseline growth. Nutrien repurchased approximately .5% of its market capitalization in 2024. We expect a 3% earnings growth over the next five years. Dividend growth is expected to be 2% as it normalizes its payout ratio. Significant increases or decreases in fertilizer prices would substantially affect the

[1] Share count is in millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

growth rate and are mostly outside the company's control. The most recent dividend increase was 0.9%, which was announced on February 19, 2025.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Avg. P/E	---	---	---	17.2	22.1	26.6	12.1	5.5	12.6	13.1	***12.8***	***12.5***
Avg. Yld.	---	---	---	3.5%	3.7%	3.8%	2.5%	2.6%	3.8%	4.8%	***3.8%***	***3.7%***

One of Nutrien's primary industry peers with a long history as a unified company, with an anticipated significant recovery in agriculture commodity prices, which have been in a multi-year bear market, we expect Nutrien's P/E ratio to decrease to 12.5x as a baseline. Thus, the company has a higher valuation at the current price with a current PE of 12.8x based on 2025 earnings.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	---	---	---	62%	81%	101%	30%	15%	48%	63%	***49%***	***47%***

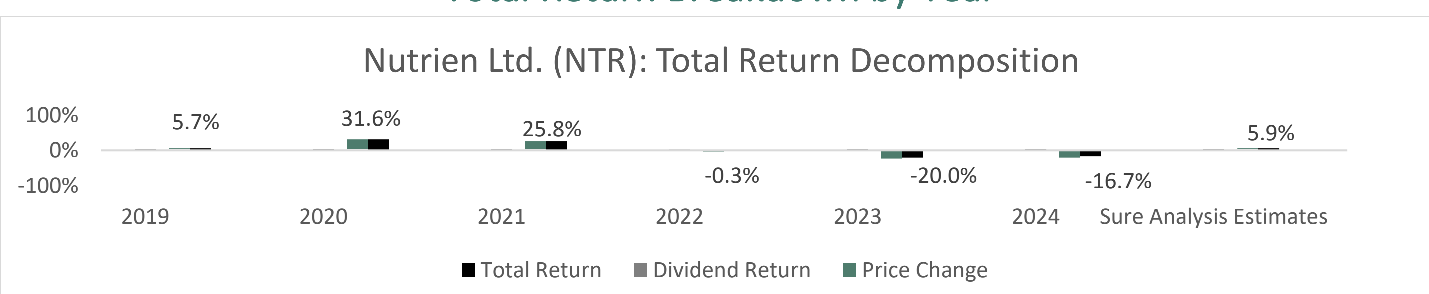
Nutrien has an economic moat from its potash and nitrogen production operations resulting in relatively high returns on invested capital in most years compared to the broader materials sector. The company has geographically significant production assets in Canada that sit on the bottom half of the global production cost curve. Even in a low-price environment, the company can outlast its competitors and survive to see periods of higher commodity prices. On the other hand, the company's phosphate production operations are in the upper half of the global cost curve. Its retail agriculture business, being the largest in North America, may have mild cost advantages, but several competitors are similar in scale. Therefore, these aspects of the business lack economic moat.

Agricultural commodities, especially fertilizer, are not very economically sensitive because people need to eat through recessions and expansions. However, the agricultural and fertilizer industries have cycles, and the supply/demand relationship in agricultural commodity production due to weather and other factors can dramatically affect prices. For example, potash spiked to over $800/ton in 2009 but is currently under $518/ton. Nutrien enormously benefits from higher potash rates, nitrogen, and phosphate and is hurt by lower prices. Nutrien's balance sheet is strong, with a debt/equity (D/E) ratio of 0.4 and an interest coverage ratio of 3.6. The company currently has an S&P credit rating of BBB, an investment-grade rating.

Final Thoughts & Recommendation

With an expected 5.9% annualized return over the next five years, we consider Nutrien a hold. Nutrien has a high-performance variance based on crop nutrition commodity prices and could deliver significantly higher or lower returns than this expected baseline.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	6279	4456	4547	19636	20084	20908	27712	37884	29060	25970
Gross Profit	2269	830	694	5392	5502	5239	9409	15424	8474	7530
Gross Margin	36.1%	18.6%	15.3%	27.5%	27.4%	25.1%	34.0%	40.7%	29.2%	29.0%
SG&A Exp.	239	212	214	2876	3013	3311	3817	4071	4064	4173
D&A Exp.	685	695	692	1592	1799	1989	1951	2012	2169	2339
Operating Profit	1681	477	317	2215	2143	1691	5135	10175	3860	2951
Operating Margin	26.8%	10.7%	7.0%	11.3%	10.7%	8.1%	18.5%	26.9%	13.3%	11.4%
Net Profit	1270	323	327	3573	992	459	3153	7660	1258	674
Net Margin	20.2%	7.2%	7.2%	18.2%	4.9%	2.2%	11.4%	20.2%	4.3%	2.6%
Free Cash Flow	1054	365	574	545	1774	1774	2103	5672	2395	1381
Income Tax	446	44	-183	-93	316	-77	989	2559	670	436

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	17469	17255	16998	45502	46799	47192	49954	54586	52750	51840
Cash & Equivalents	91	32	116	2314	671	1454	499	901	941	853
Accounts Receivable	468	427	390	2746	3047	3019	4705	5596	4668	4635
Inventories	749	768	788	4917	4975	4930	6328	7632	6336	6148
Goodwill & Int. Ass.	192	180	166	13641	14414	14586	14560	14665	14330	13860
Total Liabilities	9087	9056	8695	21077	23930	24827	26255	28723	27550	27400
Accounts Payable	426	340	255	3053	4016	4415	5179	5797	5477	5359
Long-Term Debt	4227	4591	4441	9203	10031	10220	9626	10724	11240	11450
Shareholder’s Equity	8382	8199	8303	24425	22869	22365	23652	25818	25160	24410
D/E Ratio	0.50	0.56	0.53	0.38	0.44	0.46	0.41	0.42	0.45	0.47

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	7.2%	1.9%	1.9%	11.4%	2.1%	1.0%	6.5%	14.7%	2.3%	1.3%
Return on Equity	14.8%	3.9%	4.0%	21.8%	4.2%	2.0%	13.7%	31.0%	4.9%	2.7%
ROIC	9.9%	2.5%	2.6%	15.4%	3.0%	1.4%	9.6%	21.9%	3.5%	1.9%
Shares Out.	---	---	---	609.0	573.0	569.0	571.0	540.0	497	494.4
Revenue/Share	18.75	13.27	13.53	31.42	34.44	36.70	48.51	70.2	58.5	52.5
FCF/Share	3.15	1.09	1.71	0.87	3.04	3.11	3.68	10.5	4.8	2.8

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.