Nutrien Delivers Improved Operating Results as Ag Fundamentals Continue to Strengthen

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Nutrien Ltd. (TSX and NYSE: NTR) announced today its 2020 third quarter results, with a net loss of $587 million ($1.03 diluted loss per share), which includes a non-cash impairment of $823 million, primarily related to our Phosphate operations. Third-quarter adjusted net earnings were $0.23 per share (adjusted EBITDA was $670 million), excluding the impairment. Adjusted net earnings includes a net tax benefit of $48 million ($0.08 per diluted share) related primarily to recoveries of prior year taxes due to US legislative changes. Adjusted net earnings per share and adjusted EBITDA (consolidated), together with the related guidance and potash cash cost of product manufactured are non-IFRS financial measures. See the “Non-IFRS Financial Measures” section for further information.

“Nutrien delivered another quarter of solid operating results with strong fertilizer sales volumes and exceptional growth of orders through our digital agriculture platform, surpassing $1 billion of sales. Market conditions are improving around the world with higher crop and fertilizer prices, lower expected inventories and strong demand for crop inputs as we finish the year and enter 2021,” commented Chuck Magro, Nutrien’s President and CEO. Highlights:

- In the third quarter of 2020, we recognized a non-cash impairment of $823 million associated primarily with our Phosphate assets related to a less favorable long-term outlook for phosphate prices and expected global supply imbalance.

- Retail delivered 13 percent higher adjusted EBITDA in the first nine months of 2020, over the same period in 2019 as a result of double-digit growth in sales and gross margin. Adjusted EBITDA in the third quarter of 2020 was 15 percent lower due to elevated applications in the same period last year caused by the timing of the growing season, and was further impacted by lower insecticide and fungicide applications this quarter as a result of lower than expected US acreage and dry conditions. Total sales through our leading digital retail platform exceeded $1.0 billion in the first nine months of 2020, more than double our annual goal of $500 million. Digital sales in the first nine months of 2020 accounted for 43 percent of North American sales of products that were available for purchase online.

- Potash sales volumes in the third quarter and first nine months of 2020 were higher compared to the same periods in 2019, and Nutrien is fully committed on offshore potash sales volumes and well subscribed domestically for the remainder of the year. Potash adjusted EBITDA was down 19 percent and 33 percent in the third quarter and first nine months of 2020 respectively, compared to the same periods last year as strong sales volumes and lower cost of goods sold per tonne were more than offset by lower net realized selling prices. Potash cash cost of product manufactured was $53 per tonne in the third quarter, the second lowest on record and $9 per tonne lower than in the third quarter of 2019.

- Nitrogen adjusted EBITDA was 21 percent lower in the third quarter and 17 percent lower in the first nine months of 2020 compared to the same periods last year due to lower net realized selling prices and lower industrial sales volumes. We delivered higher sales volumes, lower cost of goods sold and higher ammonia utilization rates (93 percent versus 90 percent) in the first nine months of 2020 compared to the same period last year. In the third quarter, we also made the decision to indefinitely close the smallest of our four ammonia plants in Trinidad. The closure is expected to enhance the competitiveness at that site, and we are now running three plants at normal production levels.

- Nutrien’s full-year 2020 adjusted net earnings per share and adjusted EBITDA guidance range is narrowed to $1.60 to $1.85 per share and $3.5 billion to $3.7 billion, respectively due to increased visibility in each of our business units to the end of the year.

Management’s Discussion and Analysis

The following management’s discussion and analysis (“MD&A”) is the responsibility of management and is dated as of November 2, 2020. The Board of Directors (“Board”) of Nutrien carries out its responsibility for review of this disclosure principally through its audit committee, comprised exclusively of independent directors. The audit committee reviews and, prior to its publication approves this disclosure pursuant to the authority delegated to it by the Board. The term “Nutrien” refers to Nutrien Ltd. and the terms “we”, “us”, “our”, “Nutrien” and “the Company” refer to Nutrien and, as applicable, Nutrien and its direct and indirect subsidiaries on a consolidated basis. Additional information relating to Nutrien (which, except as otherwise noted, is not incorporated by reference herein), including our 2019 Annual Report dated February 19, 2020, which includes our annual audited consolidated financial statements and MD&A and our Annual Information Form, each for the year ended December 31, 2019, can be found on SEDAR at www.sedar.com and on EDGAR at www.sec.gov. No update is provided to the disclosure in our annual MD&A except for material information since the date of our annual MD&A. The Company is a foreign private issuer under the rules and regulations of the US Securities and Exchange Commission (“SEC”).

This MD&A is based on the Company’s unaudited interim condensed consolidated financial statements as at and for the three and nine months ended September 30, 2020 (“interim financial statements”) based on International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”) and prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” unless otherwise noted. This MD&A contains certain non-IFRS financial measures and forward-looking statements which are described in the “Non-IFRS Financial Measures” and the “Forward-Looking Statements” sections, respectively.

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