

Agrium

AGRIUM INC.

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Sector Name

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Agenda

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Opening Remarks

- Agriculture sector has been beat up the past 6 months due to global economic uncertainty
- Global population is growing and will continue to do so up to 2050.
 - Not only is the number of people growing, but their levels of prosperity are also increasing.
- Available arable land is disappearing rapidly, harvesting will need to take place on less arable land and require fertilizer products to increase yields.

Company Overview

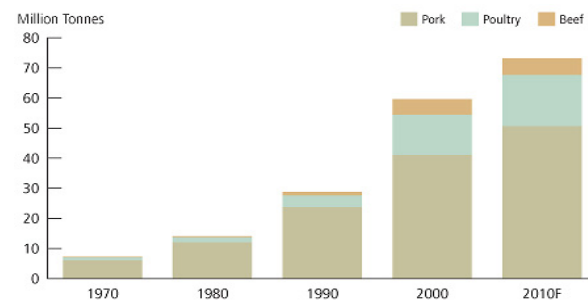
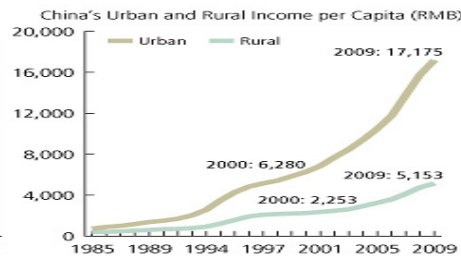
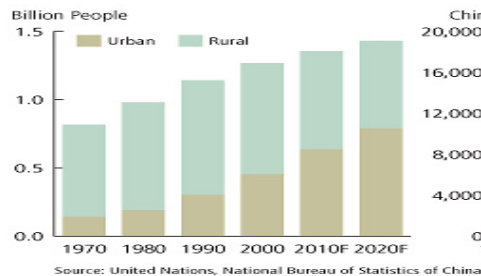
- Agrium Inc. produces and markets agricultural nutrients, industrial products, and specialty products worldwide, as well as involves in the retail supply of agricultural products and services in North and South Americas and Australia.
 - The operations are susceptible to drought and other natural disasters and as it stands they are not exposed to nationalization risk in their South American operations.
- Revenue is derived into three categories
 - Retail, Wholesale and Advanced Technologies
 - Q2 is typically the strongest with Q4 relatively weak, although they are coming off a record 3rd quarter.
 - For 2011 year end, revenues will be the highest in the company's history
- Stable credit rating and overview
- A strong profit generating company with expanding income, revenue and margins that is tightly aligned with macro conditions that will lead it to be highly profitable in the future.

One Year Price Chart



Industry/Sector Overview

- The dominant trend in the industry is rising prices with rising volumes. This is on a global scale
 - Both are highly positive as they have significant impact on the top and bottom line



- The industry tends to move with the market but moving forward this correlation should be removed. Very likely as a whole it will be positive for many years unless unforeseen operational risks strike

Industry/Sector Overview



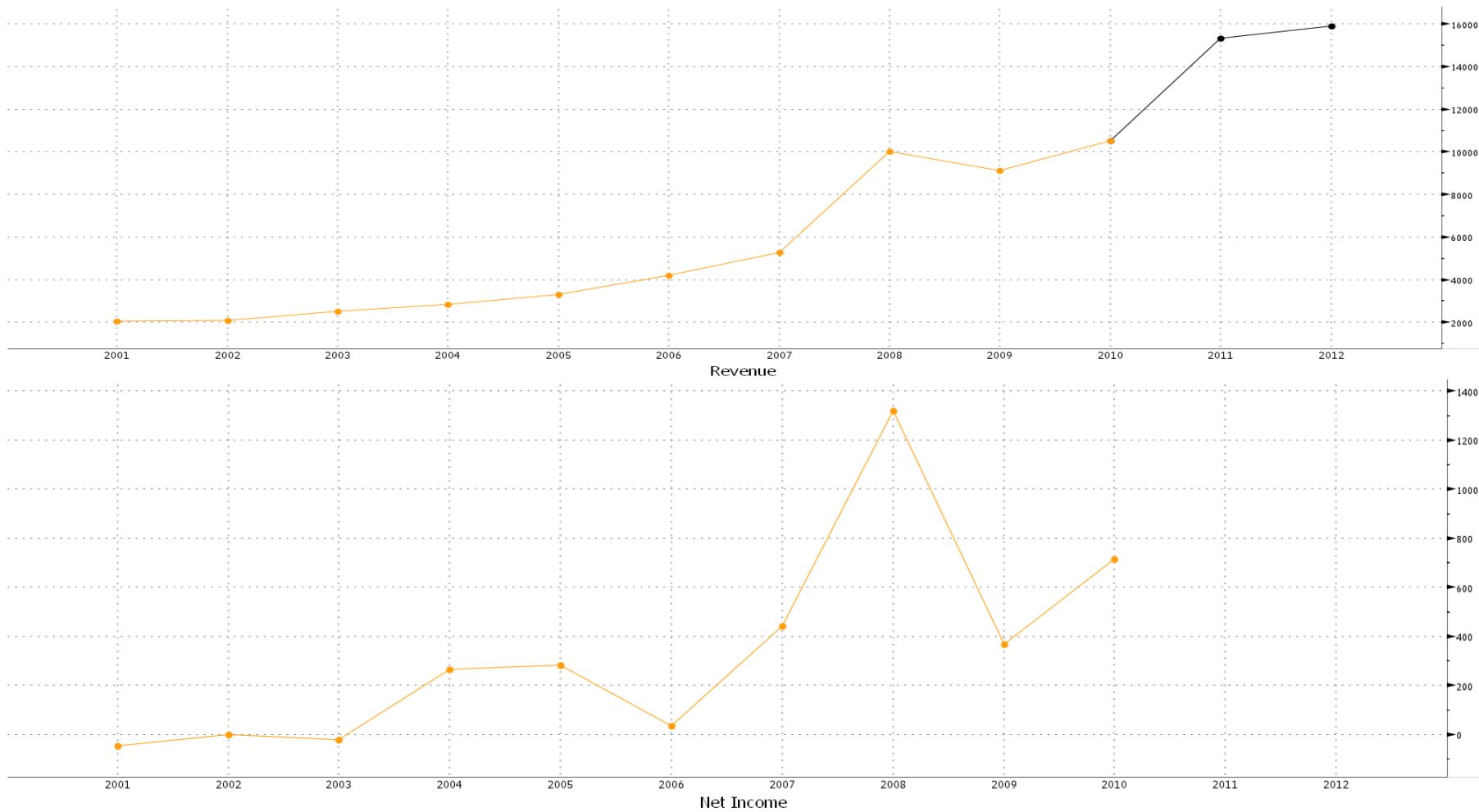
Peer Comparison

Ticker	Market Cap	Div. Yield	Trailing P/E	Forward P/E	Annual Revenue	ROA	ROE	Operating Margin
AGU.TO	11.08B	0.15%	8.35	8.13	14.74B	10.43%	23.53%	12.86%
POT.TO	37.45B	N/A	13.19	10.39	8.14B	15.55%	38.35%	46.40%
MOS	22.44B	0.40%	8.21	N/A	10.83B	12.75%	25.74%	27.53%
MON	37.61B	1.80%	23.7	17.45	11.82B	8.31%	15.18%	21.19%
DD	41.79B	3.70%	12.28	10.38	37.59B	6.92%	32.40%	12.91%
IPI	1.70B	N/A	16.63	12.56	392.24M	11.29%	12.96%	39.71%
DOW	30.63B	4.10%	10.61	8.97	59.66B	4.23%	13.46%	7.55%

Revenue & Earnings

- 3rd Quarter revenue reached \$3.1 Billion. Driven mostly by higher prices.
- Earnings on a Diluted Normalized basis were \$1.80
- Revenue for the 4th Quarter is expected to be \$2.63 Billion with full year record revenues of \$14.93. This is expected to rise to \$15.12 Billion in 2012
- Earnings estimates for the 4th Quarter are consensus \$1.84 per share, full year is expected to come in at \$8.93 while 2012 is expected to be \$8.58.

Revenue & Earnings Chart



Ratios

Revenue Growth

15.24%

ROE

24.16%

Current Ratio

2.16

Price to Book

1.954

Gross Margin

23.97%

ROA

12.18%

Quick Ratio

1.34

Forward P/E

8.18

Profit Margin

6.79%

P/E

7.828

Debt/Capital

32.17%

Technical Analysis



Technical Analysis



Recommendation

- Buy 50 shares
- Aim to buy below \$72
- Aim to sell by February 8th
- Aim to sell upon evaluation
- No Stop Loss



Potash Corp. of Saskatchewan, Inc.

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Company Overview

- Potash Corporation of Saskatchewan Inc. produces and sells fertilizers and related industrial and feed products primarily in the United States and Canada. The company mines and produces potash, which is used as fertilizer.
 - The operations are susceptible to drought and other natural disasters
- Revenue is derived into three categories
 - Potash, Nitrogen and Phosphate
 - No cyclicity in revenues
 - For 2011 year end, revenues will be near the highest in company history
- Stable Credit rating and positive recommendations
- A strong profit generating company with expanding income, revenue and margins that is tightly aligned with macro conditions that will lead it to be highly profitable in the future.

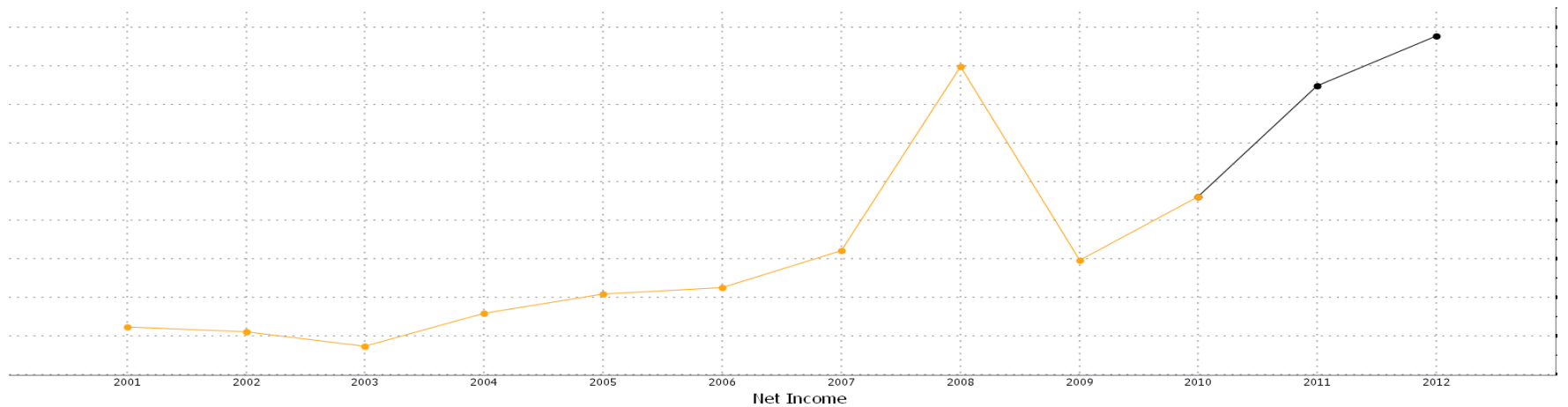
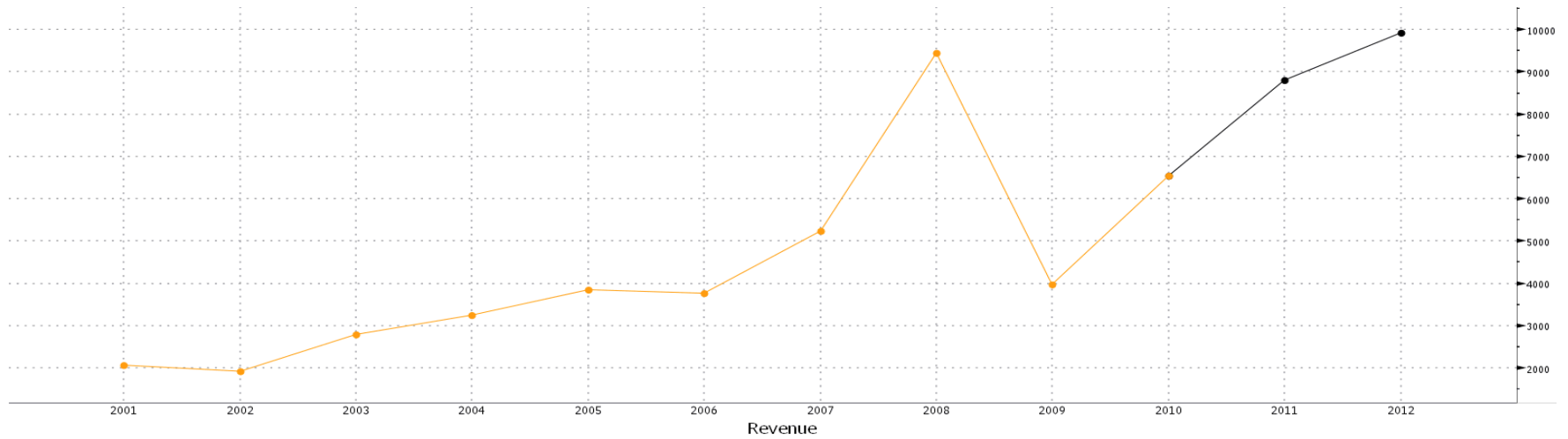
One Year Price Chart



Revenue & Earnings

- 3rd Quarter revenue reached \$2.275 Billion. Driven mostly by higher prices.
- Earnings on a Diluted Normalized basis were \$0.92
- Revenue for the 4th Quarter is expected to be \$2.26 Billion with full year near record revenues of \$8.88 Billion. This is expected to rise to \$9.66 Billion in 2012, which would represent a record
- Earnings estimates for the 4th Quarter are consensus \$0.94 per share, full year is expected to come in at \$3.66 while 2012 is expected to be \$4.22

Revenue & Earnings Chart



Ratios

Revenue Growth

64.42%

ROE

26.55%

Current Ratio

1.08

Price to Book

5.246

Gross Margin

40.15%

ROA

12.66%

Quick Ratio

0.81

Forward P/E

10.33

Profit Margin

27.62%

P/E

12.449

Debt/Capital

45.05%

Technical Analysis



Technical Analysis



Technical Analysis



Recommendation

- Buy 50 shares
- Aim to buy below \$45
- Aim to sell by January 24th
- Aim to sell upon evaluation
- No Stop Loss

QUESTIONS?

THANK YOU!