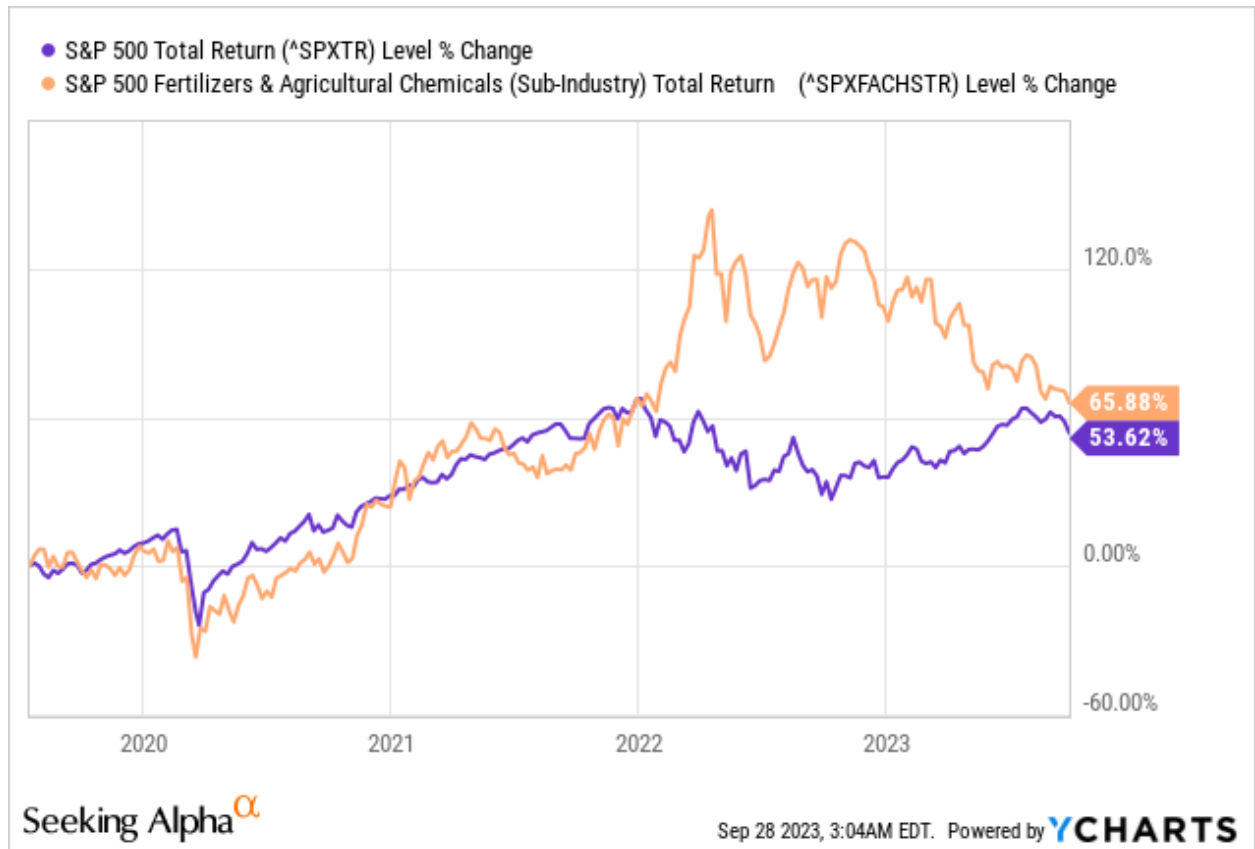


Fertilizers and Agricultural Chemicals Stocks - Sep 30, 2023

Fertilizers and Agricultural Chemicals Stocks - Sep 30, 2023	1
The Mosaic Company (NYSE: MOS)	2
CF Industries Holdings, Inc. (NYSE: CF)	11
Corteva, Inc (NYSE: CTVA)	14
Nutrien Ltd (NYSE: NTR)	17
Yara International (YARIY)	21
FMC Corporation (NYSE: FMC)	23
ICL Group (NYSE: ICL)	25
OCI N.V (OCINF)	26
K+S Aktiengesellschaft (KPLUF)	30
Scotts Miracle-Gro Co (NYSE: SMG)	32
Conclusion	36

A few weeks ago, I had a quick look at The Mosaic Company, and it looked interesting, and I decided to do further research on it.

It is important to also look at the competitors since if we are making an investment, we want to invest where the risk-reward asymmetry is the largest.



The sub-industry has done pretty well in 2022 with the war in Ukraine, but since then, growth has slowed down.

The Mosaic Company (NYSE: MOS)

https://s1.q4cdn.com/823038994/files/Mosaic_2023-Annual-Meeting-Presentation.pdf

Full Year 2022 Performance

	CONSOLIDATED REVENUES			OPERATING EARNINGS			NET EARNINGS			ADJUSTED ⁽¹⁾ EBITDA		
	\$19.1B +55% Y/Y			\$4.8B +94% Y/Y			\$3.6B +120% Y/Y			\$6.2B +73% Y/Y		
	PHOSPHATES			POTASH			MOSAIC FERTILIZANTES					
	Net Revenues	Operating Earnings	Adjusted EBITDA ⁽¹⁾	Net Revenues	Operating Earnings	Adjusted EBITDA ⁽¹⁾	Net Revenues	Operating Earnings	Adjusted EBITDA ⁽¹⁾	Net Revenues	Operating Earnings	Adjusted EBITDA ⁽¹⁾
2022	\$6.2B	\$1.3B	\$2.2B	\$5.2B	\$2.8B	\$3.1B	\$8.3B	\$910M	\$1.0B			
2021	\$4.9B	\$1.2B	\$1.7B	\$2.6B	\$837M	\$1.3B	\$5.1B	\$745M	\$821M			
Generated \$3.9 billion in operating cash flow, \$2.6 billion in free cash flow ⁽¹⁾												
Returned \$1.9 billion through share repurchases and dividends												
Retired \$550 million of long-term debt												

⁽¹⁾See Non-GAAP Financial Measures for additional information

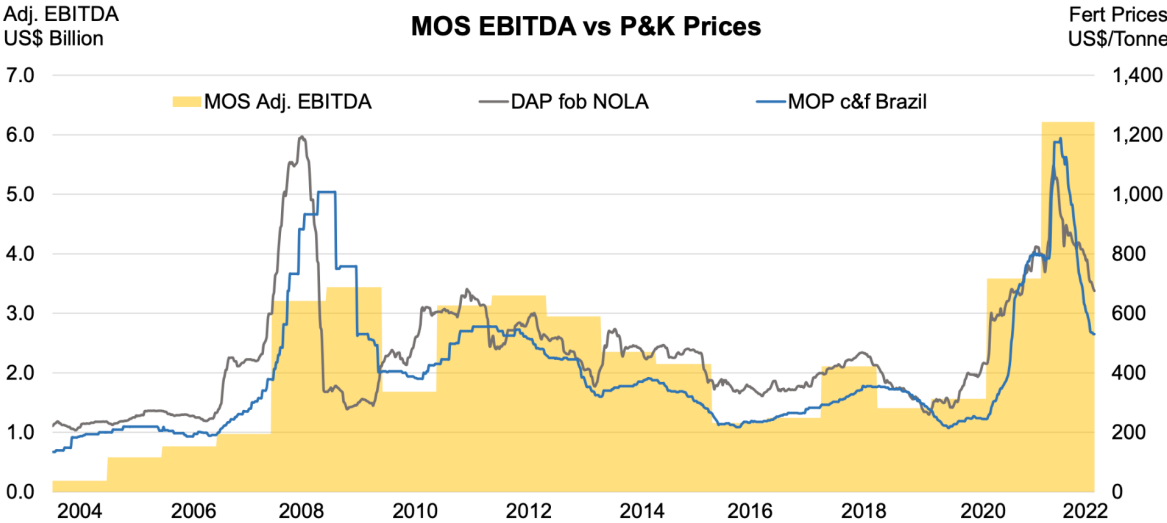
As mentioned above, the industry had a great 2022.



But revenues and profits are slowly going down.

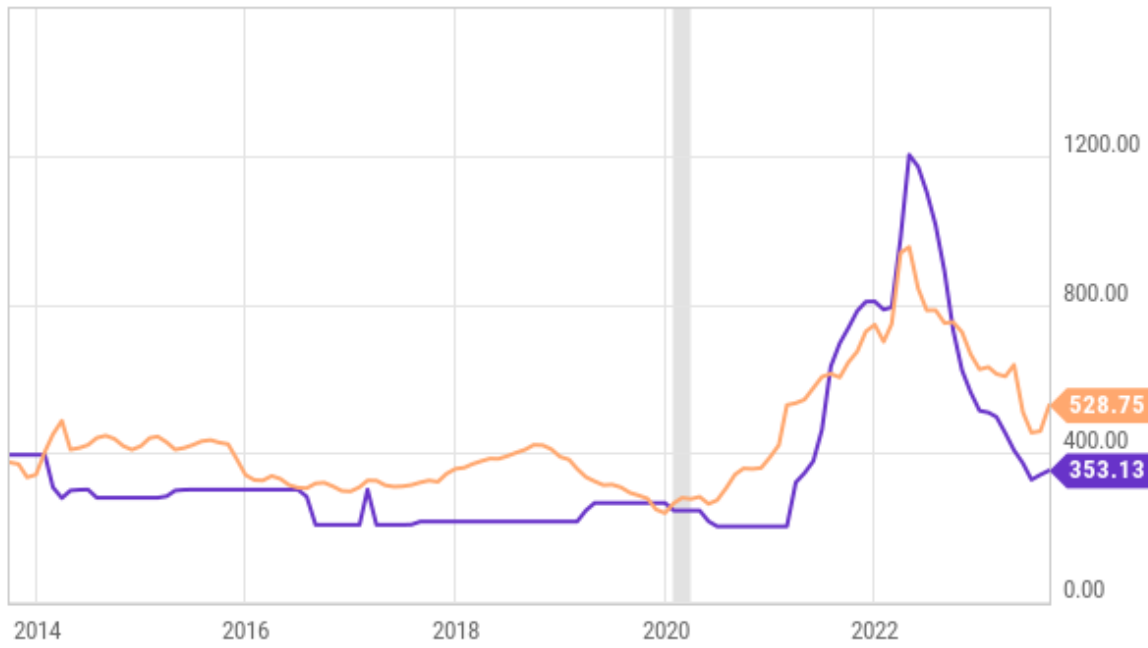
We can note that MOS has 3 types of products and are also making their balance sheet better.

Increased Earnings Power



It is a cyclical industry and let's try to figure out where we are in the cycle.

- Potassium Chloride (Muriate of Potash) Spot Price (I:PCMPSP)
- US Diammonium Phosphate Spot Price (Gulf) (I:USDPSPG)



Seeking Alpha α

Sep 28 2023, 3:33AM EDT. Powered by **YCHARTS**

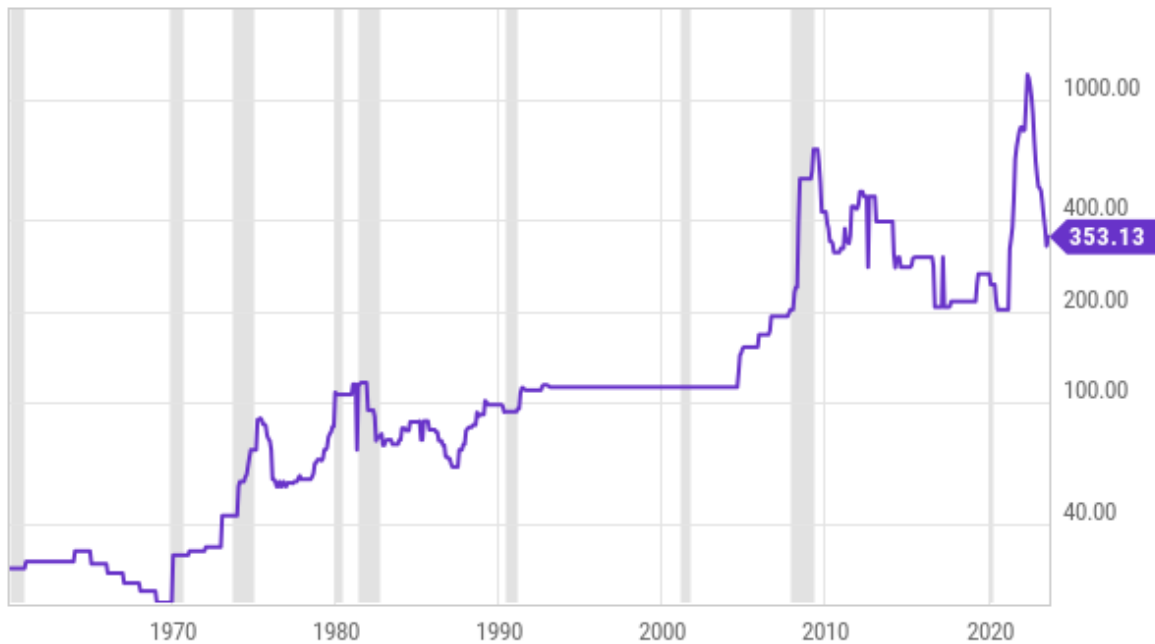
US Diammonium Phosphate Spot Price (Gulf) (I:USDPSPG)



Seeking Alpha α

Sep 28 2023, 3:35AM EDT. Powered by **YCHARTS**

Potassium Chloride (Muriate of Potash) Spot Price (I:PCMPSP)



Seeking Alpha α

Sep 28 2023, 3:34AM EDT. Powered by **YCHARTS**

Considering recent high inflation, I will say that we are quite low in the cycle.

https://s1.g4cdn.com/823038994/files/doc_financials/2023/q2/Q2-23-Earnings-Presentation-Financial.pdf

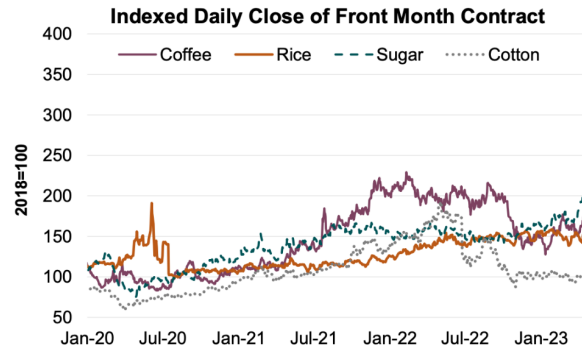
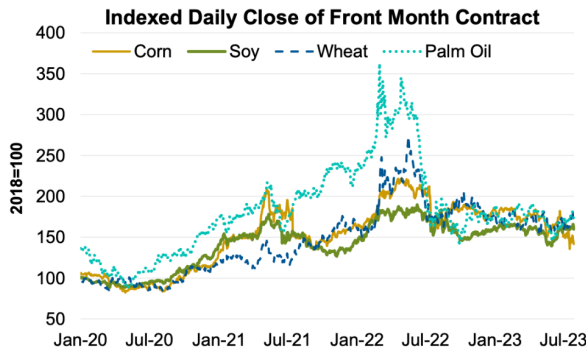
Second Quarter 2023 Performance

	CONSOLIDATED REVENUES			OPERATING EARNINGS			NET EARNINGS			ADJUSTED ⁽¹⁾ EBITDA		
	\$3,394M			\$369M			\$369M			\$744M		
	-37% Y/Y			-78% Y/Y			-64% Y/Y			-63% Y/Y		
	PHOSPHATES			POTASH			MOSAIC FERTILIZANTES					
	Net Revenues	Operating Earnings	Adjusted EBITDA ⁽¹⁾	Net Revenues	Operating Earnings	Adjusted EBITDA ⁽¹⁾	Net Revenues	Operating Earnings	Adjusted EBITDA ⁽¹⁾	Net Revenues	Operating Earnings	Adjusted EBITDA ⁽¹⁾
Q2 2023	\$1,286M	\$146M	\$385M	\$849M	\$328M	\$408M	\$1,419M	\$(20)M	\$66M			
Q2 2022	\$1,801M	\$578M	\$758M	\$1,580M	\$915M	\$998M	\$2,260M	\$420M	\$444M			

Things are already not looking so good for MOS and one segment is even losing money.

Elevated Agriculture Prices Provide Support to Growers

Ag commodity prices remain healthy, and in many cases, prices are higher than those that prevailed in 2021 which was a strong year for fertilizers



Source: CME, MDEX, NYMEX; Data through July 28, 2023



Prices for food products are still quite high which might lead to higher demand for fertilizers.

https://s1.g4cdn.com/823038994/files/doc_financials/2022/ar/mos-2022-annual-report-finalweb.pdf

We are organized into the following business segments:

- Our **Phosphates** business segment owns and operates mines and production facilities in Florida, which produce concentrated phosphate crop nutrients and phosphate-based animal feed ingredients, and processing plants in Louisiana, which produce concentrated phosphate crop nutrients for sale domestically and internationally. We have a 75% economic interest in the Miski Mayo Phosphate Mine (“*Miski Mayo Mine*”) in Peru. These results are consolidated in the Phosphates segment. The Phosphates segment also includes our 25% interest in the Ma’aden Wa’ad Al Shamal Phosphate Company (“*MWSPC*”), a joint venture to develop, own and operate integrated phosphate production facilities in the Kingdom of Saudi Arabia. We market approximately 25% of the MWSPC phosphate production. We recognize our equity in the net earnings or losses relating to MWSPC on a one-quarter reporting lag in our Consolidated Statements of Earnings.
- Our **Potash** business segment owns and operates potash mines and production facilities in Canada and the U.S. which produce potash-based crop nutrients, animal feed ingredients and industrial products. Potash sales include domestic and international sales. We are a member of Canpotex, Limited (“*Canpotex*”), an export association of Canadian potash producers through which we sell our Canadian potash outside the U.S. and Canada.
- Our **Mosaic Fertilizantes** business segment includes five phosphate rock mines, four phosphate chemical plants and a potash mine in Brazil. The segment also includes our distribution business in South America, which consists of sales offices, crop nutrient blending and bagging facilities, port terminals and warehouses in Brazil and Paraguay. We also have a majority interest in Fospar S.A., which owns and operates a single superphosphate granulation plant and a deep-water port and throughput warehouse terminal facility in Brazil.

The business of MOS is clearer now. They focus on Phosphates and Potash and the fertilizantes business is just the brazilian operations which goes a little beyond mining only.

The following is a summary of our material contractual cash obligations as of December 31, 2022:

<i>(in millions)</i>	Total	Payments by Calendar Year			
		Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
Long-term debt ^(a)	\$ 3,397.2	\$ 985.3	\$ 132.7	\$ 729.5	\$ 1,549.7
Estimated interest payments on long-term debt ^(b)	1,532.7	158.1	241.1	230.9	902.6
Operating leases	185.9	50.7	58.4	30.5	46.3
Purchase commitments ^(c)	6,103.5	4,393.0	1,361.9	256.3	92.3
Pension and postretirement liabilities ^(d)	145.2	8.1	29.4	32.1	75.6
Total contractual cash obligations	<u>\$ 11,364.5</u>	<u>\$ 5,595.2</u>	<u>\$ 1,823.5</u>	<u>\$ 1,279.3</u>	<u>\$ 2,666.5</u>

They have a good balance sheet as far as debt is concerned.

Other Long-Term Obligations

The following is a summary of our other long-term obligations, including Gypstacks and land reclamation, as of December 31, 2022:

(in millions)	Total	Payments by Calendar Year			
		Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
ARO ^(a)	\$ 4,124.7	\$ 216.4	\$ 327.8	\$ 218.9	\$ 3,361.6

- (a) Represents the undiscounted estimated cash outflows required to settle the AROs. For the Potash segment, this excludes the subsequent years of tailings area management for activities such as dissolution and reclamation of land, which are estimated to require an additional 158 to 367 years until completion. The corresponding present value of all future expenditures is \$1.9 billion as of December 31, 2022 and is reflected in our accrued liabilities and other noncurrent liabilities in our Consolidated Balance Sheets.

We need to consider these cash outflows, however, as they are not for shareholders.

	Years Ended December 31,		
	2022	2021	2020
Cash Flows from Operating Activities			
Net earnings including noncontrolling interests	\$ 3,614.2	\$ 1,634.9	\$ 665.6
Adjustments to reconcile net earnings including noncontrolling interests to net cash provided by operating activities:			
Depreciation, depletion and amortization	933.9	812.9	847.6
Deferred and other income taxes	344.4	98.8	(684.0)
Equity in net (earnings) loss of nonconsolidated companies, net of dividends	(191.5)	(2.1)	97.1
Accretion expense for asset retirement obligations	81.6	71.9	68.0
Accretion expense for leases	15.9	13.4	24.2
Share-based compensation expense	27.9	29.5	17.8
Unrealized (gain) loss on derivatives	4.3	7.2	(26.6)
Foreign currency adjustments	(67.9)	(2.6)	14.1
Mine closure costs	—	158.1	—
Loss on sale of securities	46.6	—	—
Write down of inventory to net realizable value	38.0	—	—
Pension settlement loss	41.9	—	—
Other	39.0	(5.3)	31.9
Changes in assets and liabilities:			
Receivables, net	(215.2)	(683.6)	(153.6)
Inventories, net	(749.6)	(1,067.9)	191.4
Other current assets and noncurrent assets	(247.4)	(18.0)	66.1
Accounts payable and accrued liabilities	219.8	995.1	333.3
Other noncurrent liabilities	(0.1)	144.7	89.7
Net cash provided by operating activities	3,935.8	2,187.0	1,582.6

	Dec 2013	Dec 2014	Dec 2015	Dec 2016	Dec 2017	Dec 2018	Dec 2019	Dec 2020	Dec 2021	Dec 2022	TTM
Net Income											
Net Income	582.9	1,028.6	1,000.4	297.8	(107.2)	470.0	(1,067.4)	666.1	1,630.6	3,582.8	2,168.7
Cash Flow From Operating Activities											
Depreciation & Amortization	662.1	750.9	732.2	703.8	659.4	878.2	877.6	767.4	774.8	932.1	924.6
Amort. of Goodwill and Intangibles	37.0	42.1	40.0	47.8	31.8	53.7	67.5	69.2	73.0	83.4	89.8
Depreciation & Amortization, Total	699.1	793.0	772.2	751.6	691.2	931.9	945.1	836.6	847.8	1,015.5	1,014.4
(Gain) Loss From Sale Of Asset	-	(9.2)	26.6	27.0	(25.5)	63.1	18.7	-	-	-	(56.5)
(Gain) Loss on Sale of Investments	-	-	-	-	-	-	-	-	-	-	-
Asset Writedown & Restruc. Costs	210.5	125.4	7.9	43.5	-	-	1,459.6	79.0	195.1	-	-
Stock-Based Compensation	39.9	54.3	41.3	30.5	28.0	27.5	27.9	17.8	29.5	27.9	33.4
Other Operating Activities	45.8	(4.3)	95.1	(231.1)	631.5	69.6	(283.9)	(640.9)	115.8	493.6	176.4
Change In Accounts Receivable	692.7	(226.5)	(60.7)	3.5	(91.2)	5.9	34.6	(153.6)	(683.6)	(215.2)	1,042.4
Change In Inventories	52.8	(129.7)	(53.7)	263.0	(155.7)	(497.4)	128.1	191.4	(1,067.9)	(749.6)	539.8
Change In Accounts Payable	(133.2)	136.0	262.0	(243.9)	(65.7)	198.5	(175.2)	333.3	995.1	219.8	(1,584.8)
Change in Other Net Operating Assets	(633.3)	349.8	(80.8)	285.7	(4.3)	127.8	(56.7)	155.8	126.7	(247.5)	(123.5)
Cash from Operations	1,563.9	2,122.1	2,038.3	1,260.2	935.5	1,409.8	1,095.4	1,582.6	2,187.0	3,935.8	3,066.2

Let's do a rough calculation of average owner's earnings in the last 5 years.

We assume \$100 million a year in the accretion expense.

Cash Flow From Investing Activities											
Capital Expenditure	(1,371.4)	(929.1)	(1,000.3)	(843.1)	(820.1)	(954.5)	(1,272.2)	(1,170.6)	(1,288.6)	(1,247.3)	(1,326.0)
Sale of Property, Plant, and Equipment	-	-	5.6	0.9	300.7	12.6	4.0	-	-	-	-
Cash Acquisitions	-	(1,725.4)	-	-	-	(985.3)	(55.1)	-	-	-	(41.0)
Divestitures	-	81.4	-	-	-	-	-	-	-	-	158.4
Invest. in Marketable & Equity Secur.	(272.4)	(154.6)	(172.7)	(413.0)	(112.0)	-	(13.1)	-	-	-	-
Other Investing Activities	2.9	(11.4)	49.0	(610.8)	(36.4)	(17.5)	(24.5)	(18.9)	(33.7)	(12.3)	(22.0)
Cash from Investing	(1,640.9)	(2,739.1)	(1,118.4)	(1,866.0)	(667.8)	(1,944.7)	(1,360.9)	(1,189.5)	(1,322.3)	(1,259.6)	(1,230.6)

Let's assume maintenance capex of about \$5 billion in the last years.

The owner's earnings generated in the past 5 years is about \$4.581 billion or \$916 million a year.

The total revenues generated were \$58.6 billion.

This gives us a profit margin of 7.8%.

Let's calculate the average Invested capital for the past 5 years by adding debt and leases to the equity.

Average IC was \$14.2 billion and the average ROIC was 6.4%

We can already see that the industry is capital intensive and we will need a big margin of safety.

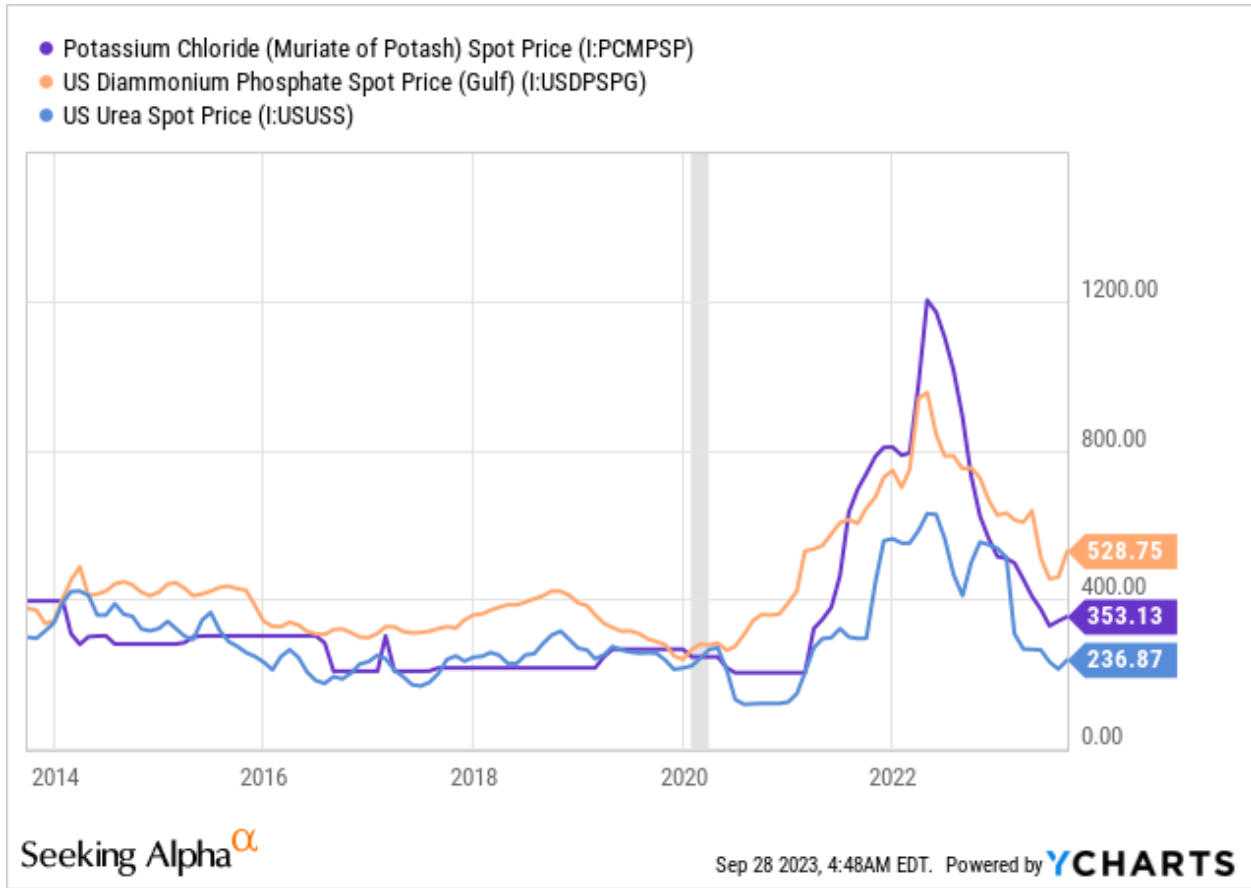
A rough calculation of intrinsic value will be as follows:

Discount \$916 million at 5.5% then add then remove the net debt of \$3.2 billion.

We have a figure of about \$13.4 billion.

CF Industries Holdings, Inc. (NYSE: CF)

CF is focused on Hydrogen and Nitrates and the uses of Hydrogen goes beyond fertilizers.



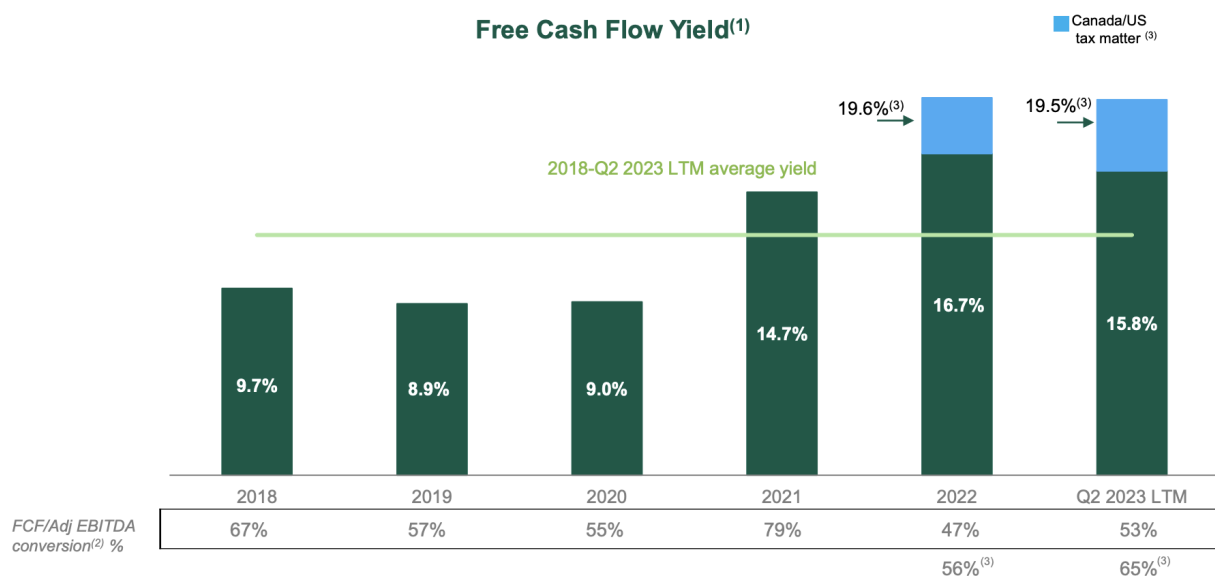
Here we will need to focus on Urea prices and ammonia prices.

Financial results – second quarter and first half 2023

In millions, except percentages, per MMBtu and EPS	Q2 2023	Q2 2022	1H 2023	1H 2022
Net sales	\$ 1,775	\$ 3,389	\$ 3,787	\$ 6,257
Gross margin	804	1,991	1,667	3,689
- As a percentage of net sales	45.3 %	58.7 %	44.0 %	59.0 %
Net earnings attributable to common stockholders	\$ 527	\$ 1,165	\$ 1,087	\$ 2,048
Net earnings per diluted share	2.70	5.58	5.55	9.78
EBITDA ⁽¹⁾	855	1,795	1,779	3,470
Adjusted EBITDA ⁽¹⁾	857	1,953	1,723	3,601
Diluted weighted-average common shares outstanding	195.0	208.9	195.9	209.4
Natural gas costs in cost of sales (per MMBtu) ⁽²⁾	\$ 2.74	\$ 6.95	\$ 3.86	\$ 6.83
Realized derivatives loss (gain) in cost of sales (per MMBtu) ⁽³⁾	0.01	0.10	0.70	(0.04)
Cost of natural gas used for production in cost of sales (per MMBtu)	\$ 2.75	\$ 7.05	\$ 4.56	\$ 6.79
Average daily market price of natural gas Henry Hub - Louisiana (per MMBtu)	2.12	7.40	2.40	6.01
Depreciation and amortization	221	223	427	431
Capital expenditures	95	66	164	129

We can already note lower capital expenditures compared to MOS. It is because no mining is involved with Urea and Ammonia but rather chemical synthesis.

Strong free cash flow metrics show undervalued equity



Which leads to higher margins.

<https://d18rn0p25nwr6d.cloudfront.net/CIK-0001324404/278f6984-ff80-46ca-aeae-81d7cd08b79a.pdf>

We are taking significant steps to support a global hydrogen and clean fuel economy, through the production of green and blue ammonia. Since ammonia is one of the most efficient ways to transport and store hydrogen and is also a fuel in its own right, we believe that the Company, as the world's largest producer of ammonia, with an unparalleled manufacturing and distribution network and deep technical expertise, is uniquely positioned to fulfill anticipated demand for hydrogen and ammonia from green and blue sources. Our approach includes green ammonia production, which refers to ammonia produced through a carbon-free process, and blue ammonia production, which relates to ammonia produced by conventional processes but with CO₂ byproduct removed through carbon capture and sequestration (CCS).

This could be huge for the long-term but for the time being, we should not really take it into consideration when calculating the IV of the company.

Our Products

Our primary nitrogen products are ammonia, granular urea, UAN and AN. Our historical sales of nitrogen products by segment are shown in the following table. Net sales do not reflect amounts used internally, such as ammonia, in the manufacture of other products.

	2022		2021		2020	
	Sales Volume (tons)	Net Sales	Sales Volume (tons)	Net Sales	Sales Volume (tons)	Net Sales
	(tons in thousands; dollars in millions)					
Ammonia	3,300	\$ 3,090	3,589	\$ 1,787	3,767	\$ 1,020
Granular Urea	4,572	2,892	4,290	1,880	5,148	1,248
UAN	6,788	3,572	6,584	1,788	6,843	1,063
AN	1,594	845	1,720	510	2,216	455
Other ⁽¹⁾	2,077	787	2,318	573	2,322	338
Total	18,331	\$ 11,186	18,501	\$ 6,538	20,296	\$ 4,124

They are a pretty diversified company.

Total OE in the past 5 years were \$8.759 billion or \$1.751 billion a year.

Margin of 28.4%

ROIC = 24.0%

IV = \$31.836 B

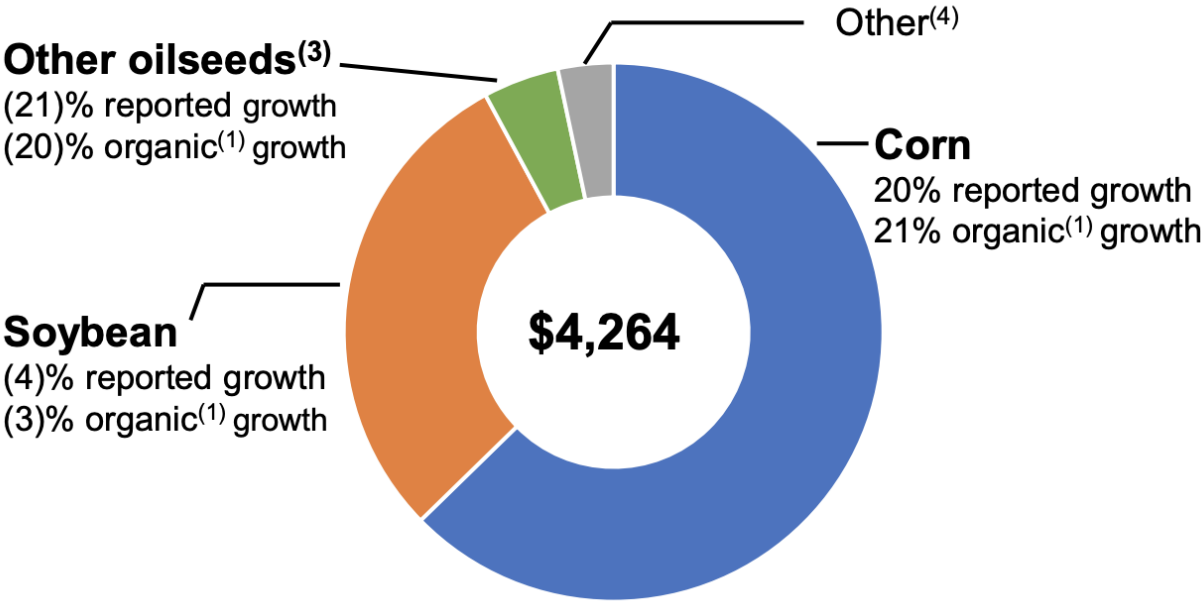
Stock	Market Cap	Margin	ROIC	Net Debt/OE	OE Yield	Intrinsic Value	Discount
MOS	\$ 11,696	7.8%	6.4%	3.5	7.83%	\$ 13,454	13.1%
CF	\$ 16,101	28.4%	24.0%	0	10.88%	\$ 31,836	49.4%

It is not fair comparing apples with oranges but CF is already looking much better than MOS.

Corteva, Inc (NYSE: CTVA)

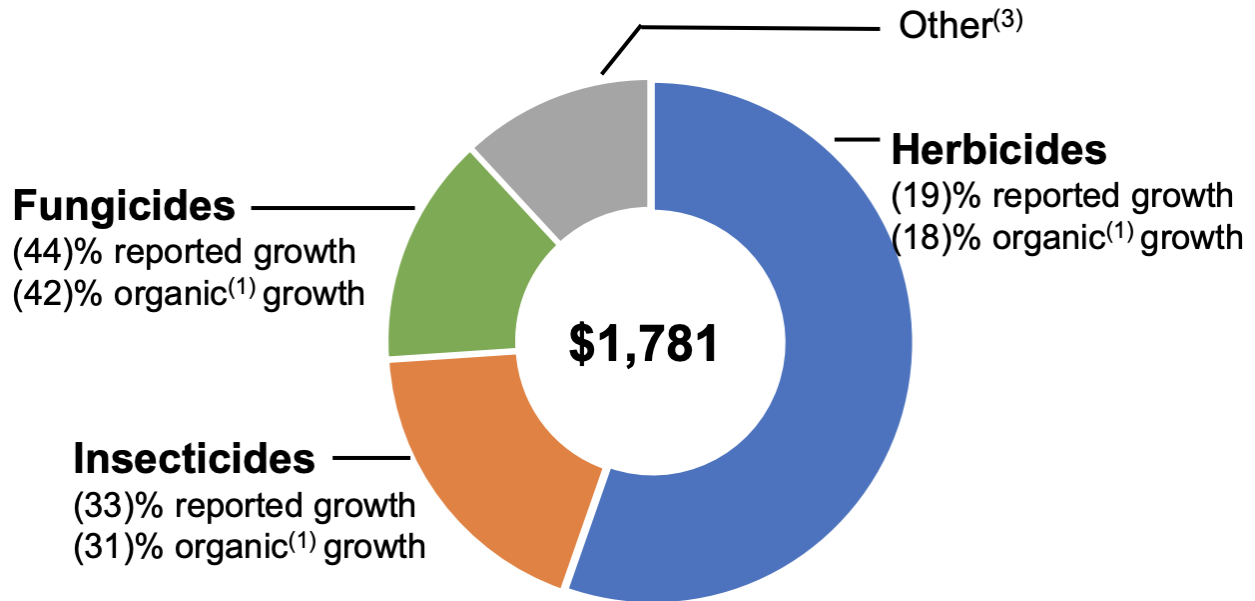
Corteva is different from the two previous companies we looked at since it is a provider of agricultural products such as seeds and seed protections and more in the same category as Bayer (Monsanto).

2Q 2023 Revenue by Product Line



It is not really what we are looking for but nevertheless, let's have a look at it.

2Q 2023 Revenue by Product Line



	Dec 2017	Dec 2018	Dec 2019	Dec 2020	Dec 2021	Dec 2022	TTM
Net Income							
Net Income	2,953.0	(5,065.0)	(959.0)	681.0	1,759.0	1,147.0	923.0
Cash Flow From Operating Activities							
Depreciation & Amortization	327.0	518.0	525.0	495.0	521.0	521.0	529.0
Amort. of Goodwill and Intangibles	137.0	391.0	475.0	682.0	722.0	702.0	678.0
Depreciation & Amortization, Total	464.0	909.0	1,000.0	1,177.0	1,243.0	1,223.0	1,207.0
(Gain) Loss From Sale Of Asset	(895.0)	(11.0)	(142.0)	3.0	(21.0)	(18.0)	(18.0)
Asset Writedown & Restruc. Costs	378.0	5,306.0	1,441.0	335.0	289.0	363.0	308.0
Other Operating Activities	(3,241.0)	405.0	(428.0)	(629.0)	(1,199.0)	(294.0)	(61.0)
Change In Accounts Receivable	(693.0)	(1,522.0)	(361.0)	187.0	(113.0)	(997.0)	(565.0)
Change In Inventories	(1,105.0)	(498.0)	74.0	104.0	(422.0)	(1,715.0)	(1,300.0)
Change In Accounts Payable	(449.0)	642.0	149.0	(118.0)	524.0	807.0	(263.0)
Change in Unearned Revenues	-	-	632.0	71.0	574.0	194.0	(114.0)
Change in Other Net Operating Assets	1,142.0	(1,564.0)	(935.0)	253.0	93.0	162.0	(123.0)
Cash from Operations	(275.0)	483.0	1,070.0	2,064.0	2,727.0	872.0	(6.0)
Cash Flow From Investing Activities							
Capital Expenditure	(1,186.0)	(1,501.0)	(1,163.0)	(475.0)	(573.0)	(605.0)	(537.0)

The cash flows seems more unpredictable.

Let's not waste our time further on this one.

Nutrien Ltd (NYSE: NTR)

<https://nutrien-prod-asset.s3.us-east-2.amazonaws.com/s3fs-public/uploads/2023-08/Nutrien%20Q2%202023%20Presentation%20Final.pdf>

2023 second quarter and first half represented the 2nd highest earnings total for both respective periods

	Three Months Ended June 30			Six Months Ended June 30		
	2023	2022	2021	2023	2022	2021
Adjusted EBITDA						
Retail	\$1,067	\$1,427	\$1,097	\$1,033	\$1,667	\$1,206
Potash	\$654	\$2,027	\$495	\$1,330	\$3,433	\$875
Nitrogen	\$569	\$1,240	\$555	\$1,245	\$2,235	\$855
Phosphate	\$113	\$184	\$112	\$250	\$423	\$209
Corporate & Others ¹	\$75	\$115	-\$44	\$41	-\$150	-\$124
Consolidated²	\$2,478	\$4,993	\$2,215	\$3,899	\$7,608	\$3,021
Net Earnings	\$448	\$3,601	\$1,113	\$1,024	\$4,986	\$1,246

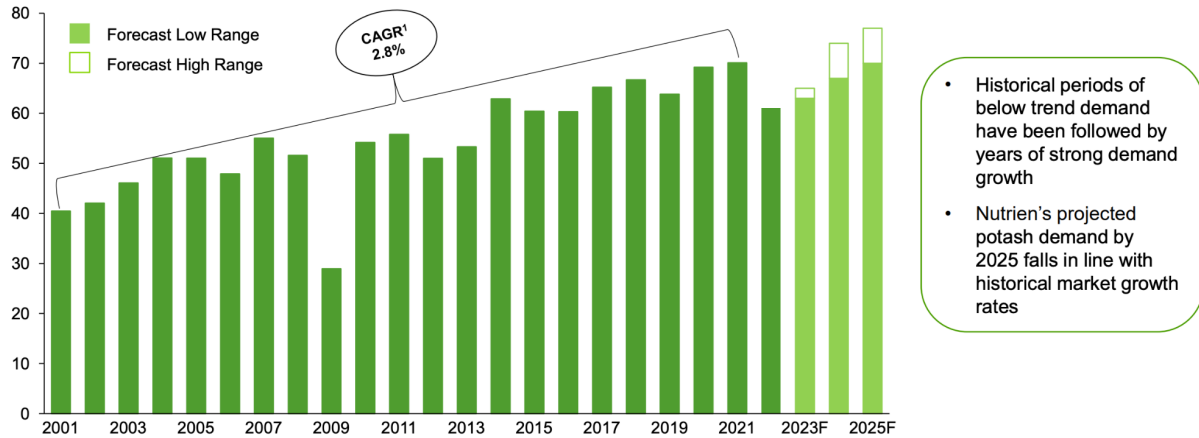
This one has the most diversified business.

They not only mine P and K, synthesize N, but also sell end-products.

They are the world's largest K producer

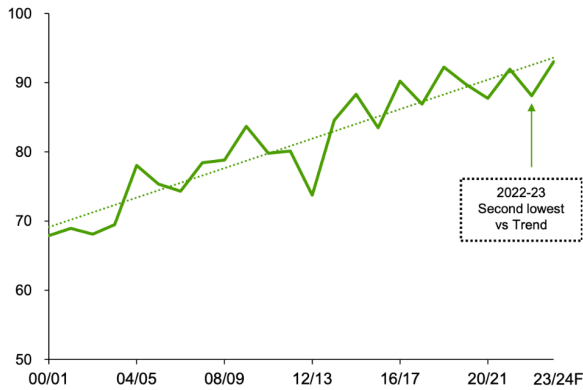
Global Potash Demand

Millions of Tonnes KCl



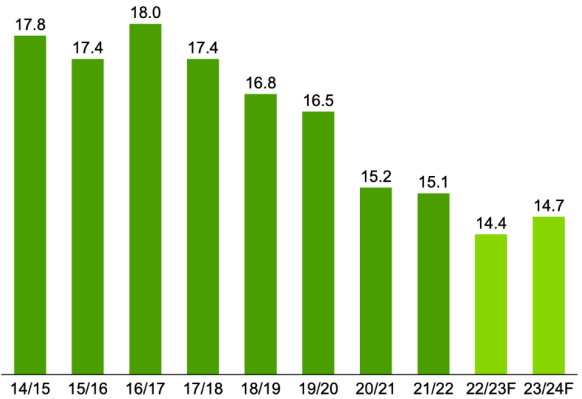
Global Corn Yield¹

Bushels per Acre



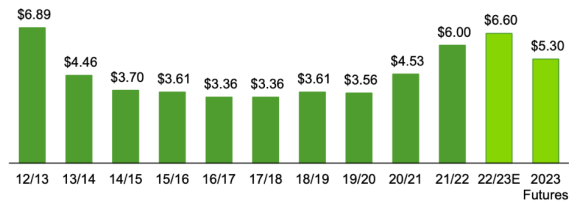
Global Grain Stocks-to-Use Ratio¹

Percent



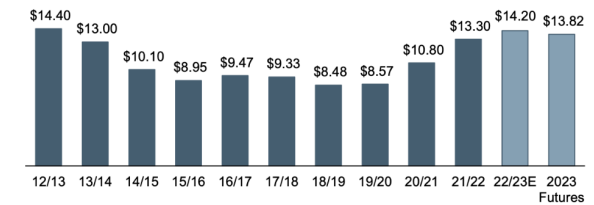
Corn Avg. Realized Price

US\$/bushel



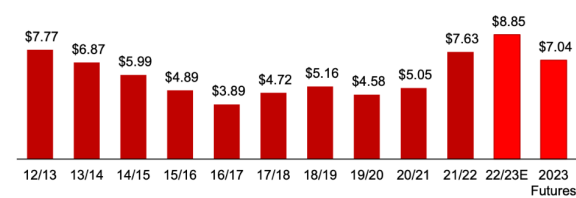
Soybean Avg. Realized Price

US\$/bushel



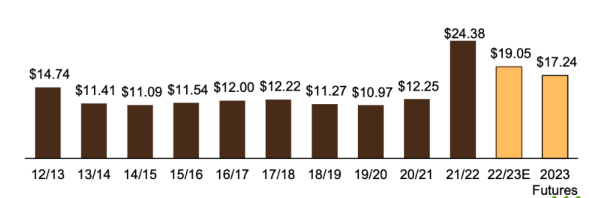
Wheat Avg. Realized Price

US\$/bushel



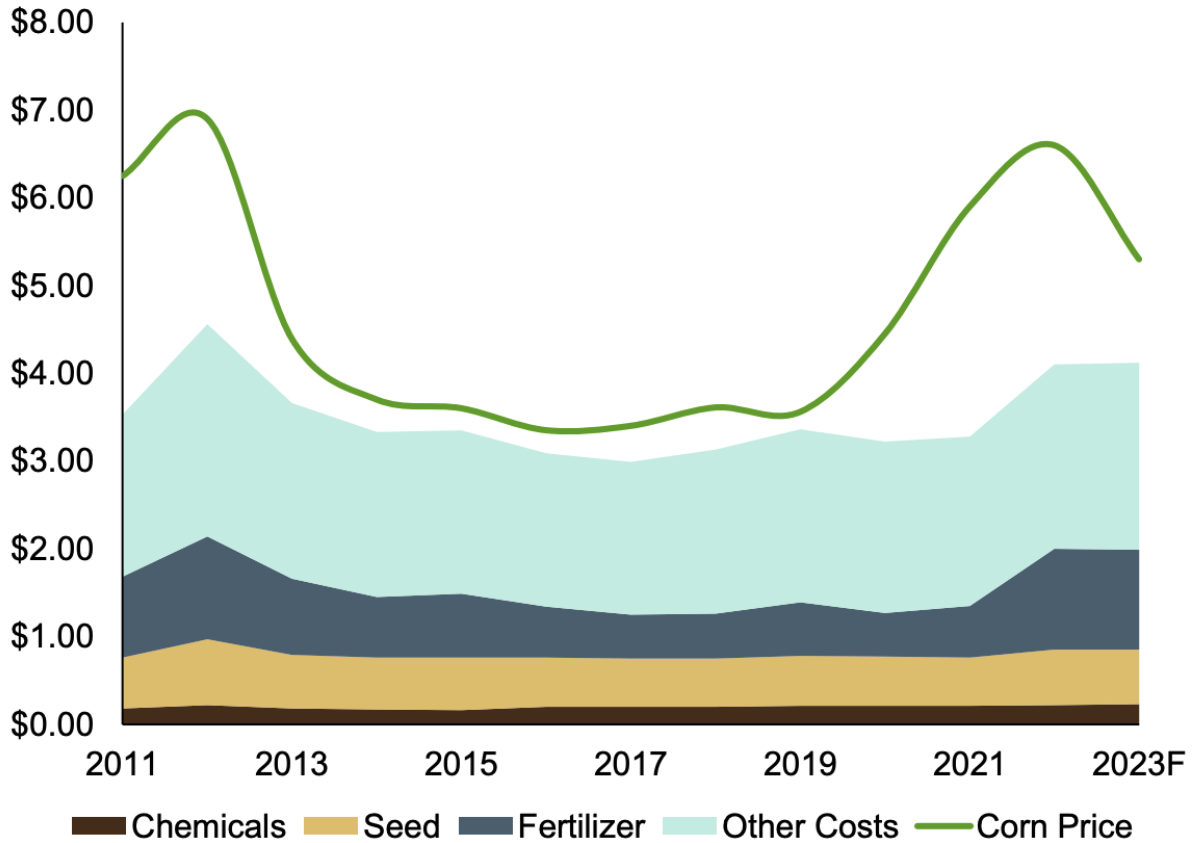
Canola Avg. Realized Price

CAD/bushel



US Corn Cash Selling Price & Costs³

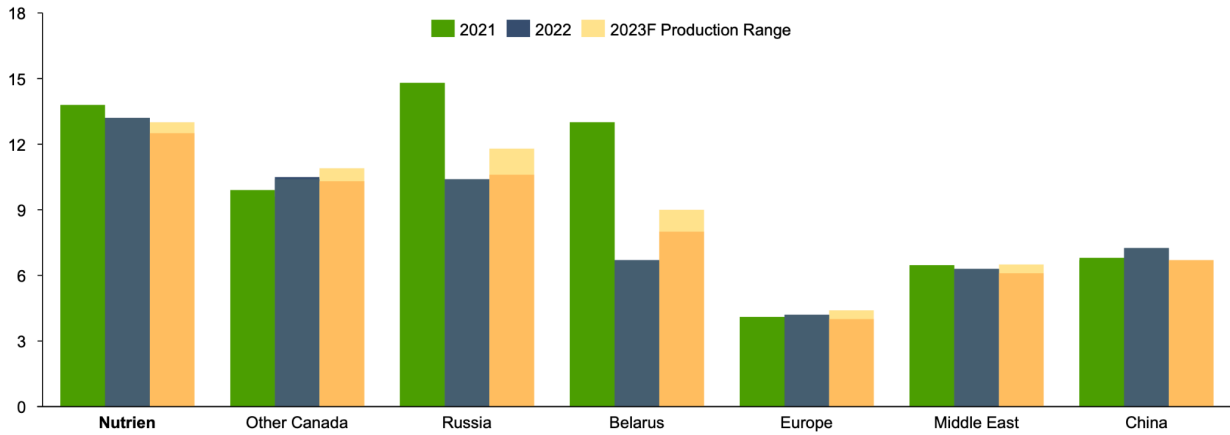
US\$/bu



The company presentation gives us some very useful information that will make our analysis of all the other companies better.

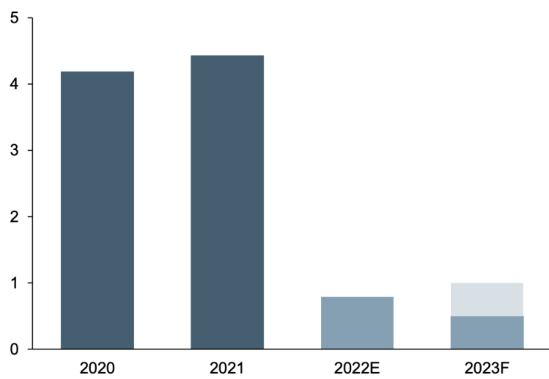
Potash Production in Selected Regions¹

Millions of Tonnes KCl



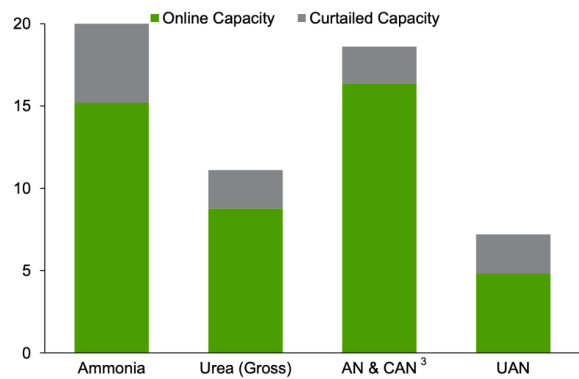
Russian Ammonia Exports

Million Tonnes



European Nitrogen Capacity^{1,2}

Million Tonnes



The war in Ukraine is certainly going to keep supply in the West low.

<https://nutrien-prod-asset.s3.us-east-2.amazonaws.com/s3fs-public/uploads/2023-03/2022%20Nutrien%20Annual%20Enhanced%20Report.pdf>

	Dec 2013	Dec 2014	Dec 2015	Dec 2016	Dec 2017	Dec 2018	Dec 2019	Dec 2020	Dec 2021	Dec 2022	TTM
Net Income	1,785.0	1,536.0	1,270.0	323.0	327.0	3,573.0	992.0	459.0	3,153.0	7,660.0	3,700.0
Cash Flow From Operating Activities											
Depreciation & Amortization	663.0	697.0	678.0	681.0	677.0	1,335.0	1,538.0	1,706.0	1,637.0	1,644.0	1,730.0
Amort. of Goodwill and Intangibles	3.0	4.0	7.0	14.0	15.0	257.0	261.0	283.0	314.0	368.0	368.0
Depreciation & Amortization, Total	666.0	701.0	685.0	695.0	692.0	1,592.0	1,799.0	1,989.0	1,951.0	2,012.0	2,098.0
(Gain) Loss on Sale of Investments	-	38.0	-	-	-	-	-	(250.0)	-	(19.0)	(19.0)
Asset Writedown & Restruc. Costs	-	-	-	47.0	305.0	1,809.0	120.0	824.0	33.0	(780.0)	368.0
Stock-Based Compensation	27.0	28.0	22.0	2.0	11.0	116.0	104.0	69.0	198.0	63.0	(69.0)
Other Operating Activities	464.0	333.0	269.0	63.0	(182.0)	(478.0)	160.0	(342.0)	256.0	503.0	492.0
Change In Accounts Receivable	276.0	(220.0)	259.0	114.0	47.0	(153.0)	(64.0)	145.0	(1,669.0)	(919.0)	1,805.0
Change In Inventories	28.0	70.0	(99.0)	(21.0)	(10.0)	(887.0)	190.0	85.0	(1,459.0)	(1,281.0)	1,140.0
Change In Accounts Payable	(18.0)	31.0	(14.0)	(50.0)	48.0	(659.0)	602.0	354.0	1,694.0	938.0	(2,597.0)
Change in Other Net Operating Assets	(1.0)	29.0	(19.0)	17.0	(13.0)	561.0	(238.0)	(10.0)	(227.0)	114.0	64.0
Cash from Operations	3,212.0	2,614.0	2,338.0	1,260.0	1,225.0	2,052.0	3,665.0	3,323.0	3,886.0	8,110.0	6,999.0
Cash Flow From Investing Activities											
Capital Expenditure	(1,624.0)	(1,138.0)	(1,217.0)	(893.0)	(651.0)	(1,405.0)	(1,728.0)	(1,423.0)	(1,777.0)	(2,227.0)	(2,626.0)

OE of about \$11.976 billion or \$2.395 billion a year.

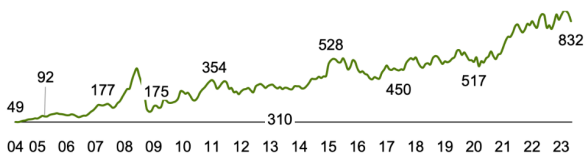
Fertilizers and Agricultural Chemicals Stocks							
Stock	Market Cap	Margin	ROIC	Net Debt/OE	OE Yield	Intrinsic Value	Discount
MOS	\$ 11,696	7.8%	6.4%	3.5	7.8%	\$ 13,454	13.1%
CF	\$ 16,101	28.4%	24.0%	0	10.9%	\$ 31,836	49.4%
CTVA	\$ 36,049						
NTR	\$ 31,098	9.8%	7.2%	5.3	7.7%	\$ 30,656	-1.4%

It may seem to be more efficient than MOS but that's because of the N business. However, it has a horrible balance sheet and is overvalued.

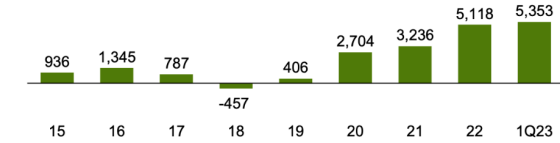
Yara International (YARIY)

<https://www.yara.com/siteassets/investors/057-reports-and-presentations/capital-markets-day/2023/yara-capital-markets-day-presentation-2023.pdf>

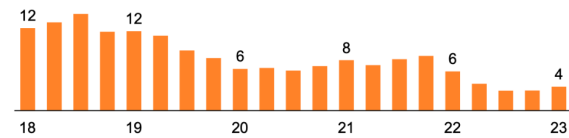
Solid shareholder returns (Share price with dividends reinvested – NOK¹)



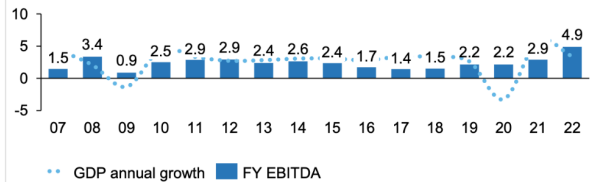
FCF generation – accumulated since 2015 (MUSD)



Lower relative valuation (EV/EBITDA²)



Robust earnings from global portfolio hedge (EBITDA³ BUSD)



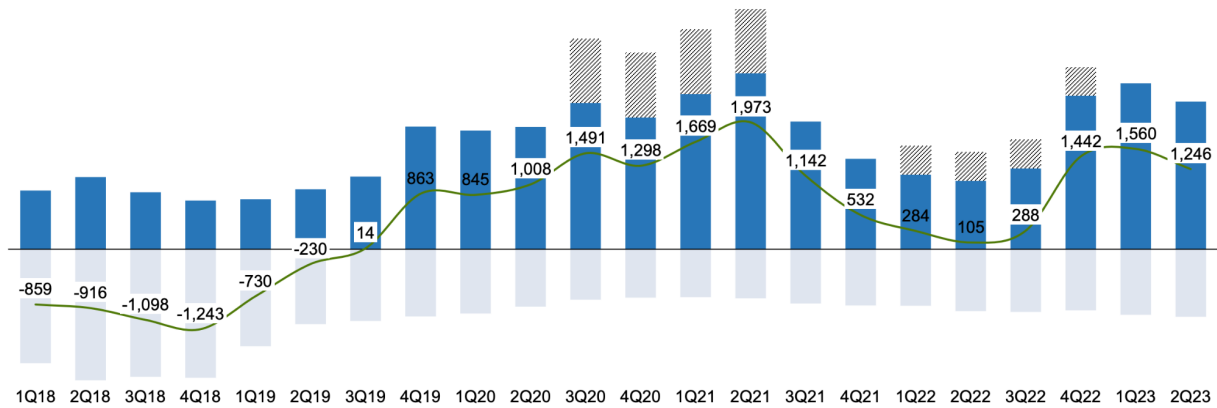
The company seems to have become more profitable since 2020 and it has little to do with only the higher prices.

Yara is focused on the production of Ammonia.

<https://www.yara.com/siteassets/investors/057-reports-and-presentations/quarterly-reports/2023/2q-2023/yara-2q-2023-presentation.pdf/>

Free cash flow before financing activities^{1,2}

▨ Divestment proceeds ■ Operations ■ Investments — Free cash flow adjusted for divestment proceeds



FCF was lower in 2018 because of huge investments. These investments are now paying off.

<https://www.yara.com/siteassets/investors/057-reports-and-presentations/annual-reports/2022/yara-integrated-report-2022.pdf/>

Financial highlights²¹

USD millions, except where indicated otherwise

	2022	2021	2020	2019	2018
Revenue and other income	24,051	16,607	11,728	12,936	13,054
Operating income	3,827	1,068	1,176	989	402
EBITDA ²¹	4,959	2,804	2,223	2,095	1,523
EBITDA ²¹ excl. special items	4,889	2,891	2,161	2,165	1,525
Net income	2,782	384	690	589	141
Basic earnings per share ²¹	10.90	1.75	2.58	2.20	0.58
Basic earnings per share excl. foreign currency translation and special items ²¹	10.98	4.73	3.08	3.09	1.68
Net cash provided by operating activities	2,391	1,406	2,047	1,907	756
Net cash (used in)/provided by investing activities	(509)	(874)	248	(1,044)	(2,000)
Net debt/equity ratio	0.37	0.55	0.36	0.42	0.43
Net debt/EBITDA excl. special items (last 12 months) ratio	0.66	1.36	1.36	1.72	2.49
Average number of shares outstanding (millions)	254.7	256.8	268.0	272.3	273.2
Return on invested capital (ROIC)	25.7%	8.0%	8.00%	6.6%	3.8%

We will calculate our own ROIC but the average is lower than that of CF.

Consolidated statement of financial position

USD millions	Notes	31 Dec 2022	31 Dec 2021	USD millions	Notes	31 Dec 2022	31 Dec 2021
Assets				Equity and liabilities			
Non-current assets				Equity			
Deferred tax assets	2.8	449	504	Share capital reduced for treasury stock	5.1	63	63
Goodwill	4.2	754	789	Premium paid-in capital		(49)	(49)
Intangible assets other than goodwill	4.2	112	132	Total paid-in capital		14	14
Property, plant and equipment	4.1	6,970	7,133	Other reserves		(2,172)	(1,793)
Right-of-use assets	4.5	403	421	Retained earnings		10,745	8,883
Associated companies and joint ventures	4.3	147	120	Total equity attributable to shareholders of the parent		8,587	7,104
Other non-current financial assets	4.6	93	70	Non-controlling interests	5.2	13	13
Other non-current non-financial assets	4.6	434	405	Total equity		8,600	7,116
Total non-current assets		9,363	9,574	Non-current liabilities			
Current assets				Employee benefits	5.4	293	399
Inventories	3.1	4,365	4,003	Deferred tax liabilities	2.8	473	443
Trade receivables	3.2	2,305	2,138	Long-term interest-bearing debt	5.3	3,597	3,089
Other current financial assets	3.3	274	225	Other non-current financial liabilities	6.3	151	72
Prepaid expenses and other current non-financial assets	3.3	657	483	Other non-current non-financial liabilities		7	6
Cash and cash equivalents	3.4	1,010	394	Long-term provisions	5.6	231	283
Non-current assets or disposal group classified as held-for-sale	7.1	9	454	Long-term lease liabilities	4.5	292	321
Total current assets		8,620	7,698	Total non-current liabilities		5,043	4,612
Total assets		17,982	17,272				

And we can already see that the balance sheet is not as good as that of CF.

OE in last 5 years = \$4.607 B or \$921 M a year

Margin = 5.91%

ROIC = 4.93%

FMC Corporation (NYSE: FMC)

https://s21.q4cdn.com/968238644/files/doc_financials/2023/q2/2Q23-Earnings-Slides-Final.pdf

<https://d18rn0p25nwr6d.cloudfront.net/CIK-0000037785/f6c7eed5-6a8f-477c-bcf2-50bc1955a31d.pdf>

They are in crop protection and not really what we are looking for.

Let's just have a quick look at the financial statements.

	Dec 2013	Dec 2014	Dec 2015	Dec 2016	Dec 2017	Dec 2018	Dec 2019	Dec 2020	Dec 2021	Dec 2022	< >	
Net Income												
Net Income		293.9	307.5	489.0	209.1	535.8	502.1	477.4	552.4	739.6	736.5	621.4
Cash Flow From Operating Activities												
Depreciation & Amortization		78.3	82.5	59.2	77.0	71.0	70.6	87.5	100.8	108.2	108.8	115.0
Amort. of Goodwill and Intangibles		9.7	11.0	17.6	23.6	26.8	62.2	62.6	61.9	62.7	60.6	62.0
Depreciation & Amortization, Total		88.0	93.5	76.8	100.6	97.8	132.8	150.1	162.7	170.9	169.4	177.0
Asset Writedown & Restruc. Costs		50.5	56.4	150.3	95.0	73.2	78.6	171.0	132.2	108.0	93.1	23.0
Stock-Based Compensation		14.2	14.8	15.4	20.2	21.1	22.5	25.6	18.9	17.8	24.2	24.7
Other Operating Activities		155.3	(28.1)	(640.9)	7.4	(564.3)	(2.3)	124.8	80.6	86.8	62.0	68.5
Change in Accounts Receivable		(382.2)	(274.7)	140.6	11.8	(191.1)	(281.5)	(123.5)	(71.8)	(241.1)	(443.9)	120.9
Change in Inventories		2.4	36.2	27.8	79.0	(102.8)	(200.7)	6.4	(54.4)	(320.7)	(182.3)	(369.8)
Change in Accounts Payable		44.8	(16.2)	(294.4)	(29.7)	304.3	166.7	103.0	61.8	144.4	165.3	(70.8)
Change in Income Taxes		(16.1)	12.7	(265.3)	(31.9)	109.3	(94.7)	(25.0)	36.2	(90.3)	19.1	(73.2)
Change in Unearned Revenues		35.9	11.3	60.6	(10.0)	141.1	80.2	34.1	(145.5)	283.6	52.1	3.8
Change in Other Net Operating Assets		(20.6)	76.4	(229.7)	(81.7)	(192.3)	(40.9)	(388.3)	(36.3)	(0.4)	(35.5)	(183.4)
Cash from Operations		328.7	373.7	(358.1)	497.8	335.5	368.4	488.5	647.8	820.1	582.4	269.2
Cash Flow From Investing Activities												
Capital Expenditure		(165.0)	(182.2)	(53.4)	(91.2)	(38.3)	(83.0)	(93.9)	(132.8)	(100.1)	(142.3)	(144.4)

Stock-based compensations are quite big here.

Looks overvalued. Let's move on.

The balance sheet too is not that great.

ICL Group (NYSE: ICL)

https://s27.g4cdn.com/112109382/files/doc_financials/2023/q2/ICL-2Q-23-Overview-9-5-23.pdf

Business segments

Financial impact

	Sales 2Q'21	EBITDA 2Q'21 ⁽¹⁾	Sales 2Q'22	EBITDA 2Q'22 ⁽¹⁾	Sales 2Q'23	EBITDA 2Q'23 ⁽¹⁾
 Industrial Products	\$410M	\$128M	\$486M	\$206M	\$300M	\$74M
 Phosphate Solutions	\$582M	\$133M	\$915M	\$315M	\$605M	\$130M
 Growing Solutions	\$334M	\$34M	\$700M	\$155M	\$481M	\$22M
 Potash	\$380M	\$80M	\$951M	\$616M	\$546M	\$213M
Total⁽²⁾	\$1,617M	\$360M	\$2,880M	\$1,258M	\$1,834M	\$441M

The business looks quite diversified.

https://s27.g4cdn.com/112109382/files/doc_financials/2022/ar/updated/Full-20F-Final.pdf

<https://d18rn0p25nwr6d.cloudfront.net/CIK-0000941221/048a7ab4-d574-4bad-8a2b-665cab6b80c7.pdf>

Our integrated business model is mainly structured around three mineral value chains – bromine, potash and phosphate. These minerals are the main raw materials for most of the value-added downstream products in our Company's portfolio. Our operations are organized under four reporting segments: Industrial Products (bromine), Potash, Phosphate Solutions and Growing Solutions. The segments represent a specific value chain, and we are a leader in each of these segments – either in terms of market share or cost competitiveness.

Our Industrial Products segment primarily operates the bromine value chain, which includes elemental bromine and bromine compounds for various industrial applications. This segment also operates several complementary businesses, mainly phosphorous-based flame retardants and additional Dead Sea minerals for the pharmaceutical, food, oil and gas, and de-icing industries.

The Potash segment operates our potash value chain and includes primarily potash fertilizers and the magnesium business, a byproduct of potash production, which produces and sells pure magnesium and magnesium alloys, as well as chlorine and sylvinitite.

The Phosphate Solutions segment is based on our phosphate value chain. It includes specialty phosphate salts and acids for various food and industrial applications, as well as commodity phosphates, which are used mainly as fertilizers.

The fourth segment, Growing Solutions, includes our specialty fertilizers business. We are focused on expanding and strengthening our Growing Solutions offerings, by maximizing its existing capabilities and agronomic expertise. Our stated strategy calls for expansion and global diversification through opportunistic M&A and, accordingly in 2022, we integrated the 2021 acquisitions of Fertiláqua, a Brazilian specialty crop nutrition company, and the South American Plant Nutrition business from Compass Minerals (hereinafter – ADS). Both acquisitions have helped position ICL as the leading specialty plant nutrition company in Brazil and balance segment seasonality.

	Dec 2013	Dec 2014	Dec 2015	Dec 2016	Dec 2017	Dec 2018	Dec 2019	Dec 2020	Dec 2021	Dec 2022	TTM
Net Income	819.0	464.0	509.0	(122.0)	364.0	1,240.0	475.0	11.0	783.0	2,159.0	1,407.0
Cash Flow From Operating Activities											
Depreciation & Amortization	348.0	427.0	355.0	401.0	390.0	403.0	443.0	489.0	454.0	458.0	488.0
Amort. of Goodwill and Intangibles	-	-	-	-	-	-	-	-	29.0	31.0	31.0
Depreciation & Amortization, Total	348.0	427.0	355.0	401.0	390.0	403.0	443.0	489.0	483.0	489.0	519.0
(Gain) Loss From Sale Of Asset	(2.0)	(42.0)	(210.0)	433.0	(54.0)	(841.0)	-	-	-	-	-
(Gain) Loss on Sale of Investments	-	-	-	-	-	-	-	-	-	-	-
Asset Writedown & Restruc. Costs	30.0	-	75.0	5.0	28.0	17.0	(10.0)	90.0	(6.0)	-	-
Stock-Based Compensation	22.0	12.0	15.0	15.0	16.0	-	-	-	-	-	-
Other Operating Activities	(57.0)	77.0	46.0	24.0	110.0	55.0	6.0	106.0	101.0	91.0	(186.0)
Change in Accounts Receivable	20.0	(25.0)	(86.0)	150.0	57.0	(101.0)	199.0	(89.0)	(426.0)	(215.0)	466.0
Change in Inventories	4.0	(33.0)	25.0	70.0	57.0	(115.0)	(72.0)	54.0	(267.0)	(527.0)	(68.0)
Change in Accounts Payable	(85.0)	(22.0)	(55.0)	(90.0)	94.0	(34.0)	(58.0)	84.0	274.0	(42.0)	(249.0)
Change in Other Net Operating Assets	54.0	66.0	(90.0)	98.0	(215.0)	(4.0)	9.0	59.0	116.0	61.0	(52.0)
Cash from Operations	1,127.0	893.0	573.0	966.0	847.0	620.0	992.0	804.0	1,065.0	2,025.0	1,846.0
Cash Flow From Investing Activities											
Capital Expenditure	(827.0)	(835.0)	(619.0)	(632.0)	(457.0)	(572.0)	(576.0)	(626.0)	(611.0)	(747.0)	(730.0)

OE = \$2.374 B or \$474 M/year

It is comparable to NTR and fairly priced.

OCI N.V (OCINF)

https://oci-global.com/storage/2023/08/OCI-Global-Q2-2023-Results-Presentation_vF.pdf

Revolutionizing energy-intensive industries through value-creating solutions to power a cleaner future sooner

We're a game-changing global leader in nitrogen, methanol, and hydrogen, driving forward the decarbonization of food, fuel, and feedstock through cleaner products and practical, real-world solutions, accelerating the world's transition to a more sustainable future.

No. 3 Global Nitrogen Fertiliser Producer
No. 5 Global Methanol Producer
No. 1 Global Low Carbon Methanol Producer

An unrivaled global footprint

7m tons gross ammonia capacity

3m tons methanol capacity

12m tons nitrogen fertilizer capacity



1.5m tons DEF capacity

LTM in numbers
 \$7.3bn revenue
 \$2.2bn adj. EBITDA
 \$1.5bn capital returned to shareholders
 13.8m tons sold
 >4,000 employees
 0.06 LTIR
 2.34 GHG intensity

Our Targets
 20% reduction in GHG intensity by 2030
 25% female senior leaders by 2025

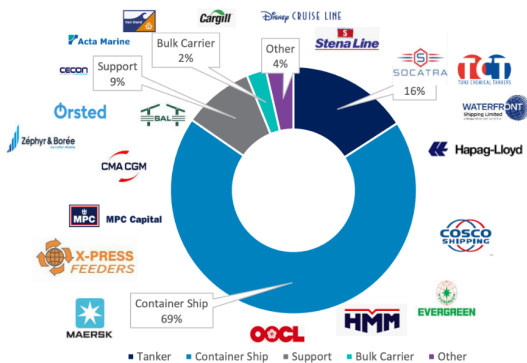
(1) LTM refers to last twelve months to Q2 2023

OCI more than just fertilizers as they also produce Methanol.

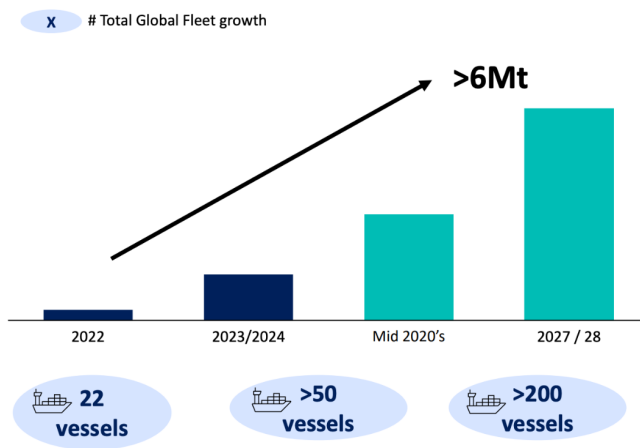
Methanol As Marine Fuel Accelerating Exponentially

Methanol marine orderbook is increasing dramatically and set to accelerate further, increasing interest from the bulker segment and now also retrofits

Current Confirmed Methanol DF Engines Orderbook



Incremental Methanol Demand From Marine Fuels, Mt



I already have exposure to shipping and I know that the shipping companies are looking to lower fuel cost and at the same time be friendlier to the environment.

Methanol does have a future.

<https://oci-global.com/storage/2023/04/OCI-Annual-Report-2022-vf2.pdf>

This company is the most bullish on clean energy.

	Dec 2013	Dec 2014	Dec 2015	Dec 2016	Dec 2017	Dec 2018	Dec 2019	Dec 2020	Dec 2021	Dec 2022	TTM
Net Income	295.2	328.7	384.7	167.9	(103.6)	(48.7)	(334.7)	(177.7)	570.5	1,237.4	188.9
Cash Flow From Operating Activities											
Depreciation & Amortization	196.0	286.7	290.5	308.0	328.7	422.6	488.9	589.2	601.3	572.1	593.0
Amort. of Goodwill and Intangibles	22.3	21.7	11.1	9.2	2.2	2.3	2.2	0.8	0.2	0.3	0.3
Depreciation & Amortization, Total	218.3	308.4	301.6	317.2	330.9	424.9	491.1	590.0	601.5	572.4	593.3
(Gain) Loss From Sale Of Asset	-	-	-	(107.9)	2.1	1.5	-	-	-	-	-
(Gain) Loss on Sale of Investments	(262.1)	(9.0)	(6.6)	0.2	(1.1)	(0.2)	-	-	-	-	-
Asset Writedown & Restruc. Costs	(152.7)	-	422.9	-	-	-	53.6	2.2	290.1	27.5	16.2
Stock-Based Compensation	11.6	11.9	1.8	2.1	3.3	0.7	6.6	8.0	8.5	9.2	10.2
Other Operating Activities	(289.0)	(403.4)	(441.8)	(156.8)	(16.0)	141.6	54.9	1.6	625.3	1,412.9	791.9
Change In Accounts Receivable	11.5	88.6	88.6	75.5	(65.7)	(137.1)	90.7	(120.4)	(277.3)	(2.2)	170.5
Change In Inventories	(25.8)	7.5	37.9	(20.8)	(28.6)	(47.8)	(50.0)	18.2	(41.7)	(114.1)	163.7
Change In Accounts Payable	(69.1)	140.8	(35.7)	34.1	40.0	283.8	(42.4)	214.2	391.7	(123.2)	(304.1)
Change in Other Net Operating Assets	15.3	262.3	(41.7)	3.2	14.4	(15.8)	0.6	27.6	(1.8)	32.2	45.6
Cash from Operations	(677.6)	692.6	587.1	322.6	181.7	671.6	337.5	617.8	2,264.1	3,348.7	1,929.0
Cash Flow From Investing Activities											
Capital Expenditure	(687.0)	(1,211.0)	(1,131.4)	(735.9)	(147.3)	(293.0)	(300.0)	(262.6)	(248.9)	(394.1)	(595.6)

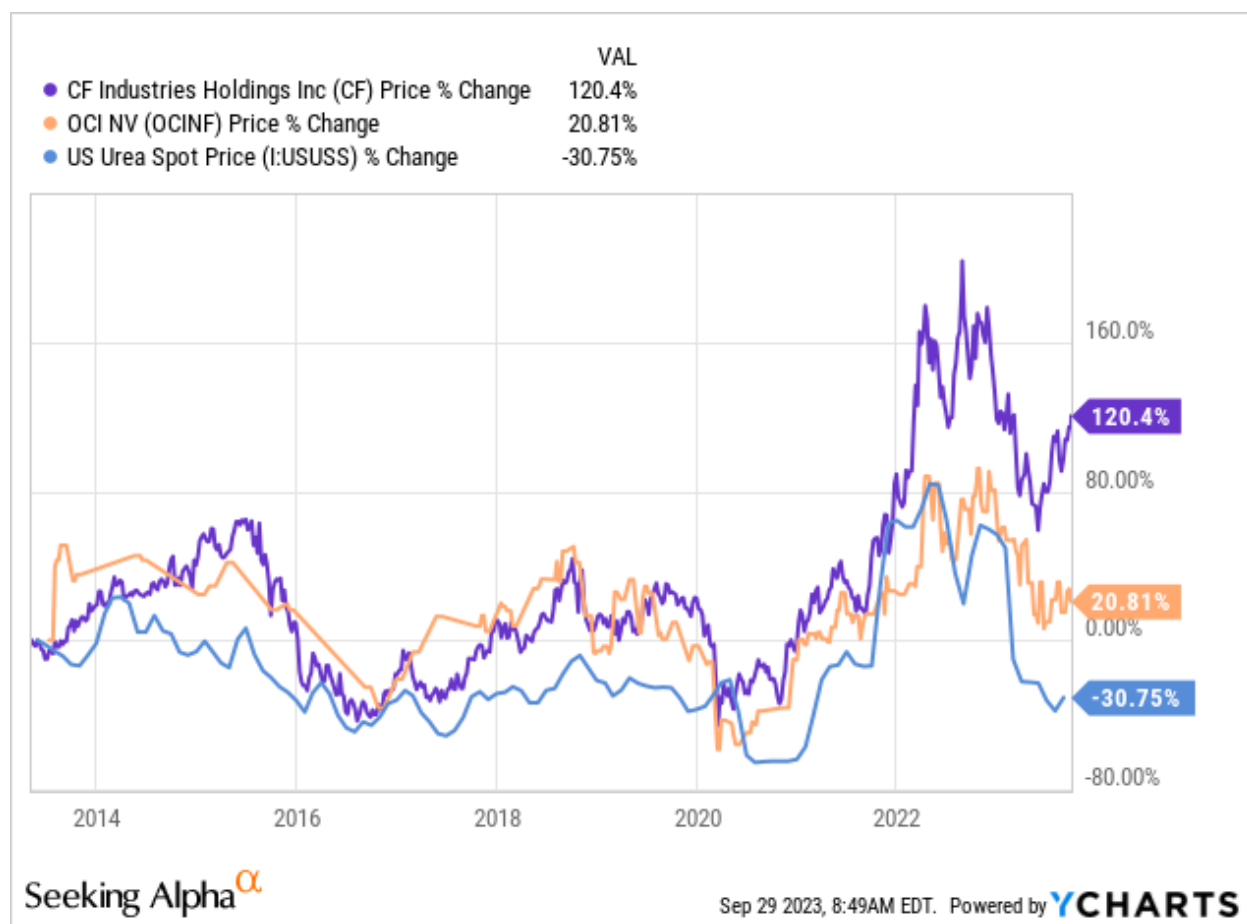
We can see that there's more volatility in profits.

OE = \$5.740 B or \$1.148 B a year

Stock	Market Cap	Margin	ROIC	Net Debt/OE	OE Yield	Intrinsic Value	Discount
MOS	\$ 11,909	7.8%	6.4%	3.5	7.8%	\$ 13,454	11.5%
CF	\$ 16,588	28.4%	24.0%	0	10.9%	\$ 31,836	47.9%
CTVA	\$ 36,021						
NTR	\$ 31,214	9.8%	7.2%	5.3	7.7%	\$ 30,656	-1.8%
YARIY	\$ 9,631	5.9%	4.9%	4.2	9.6%	\$ 12,888	25.3%
FMC	\$ 8,221					\$ 4,420	-86.0%
ICL	\$ 7,183	7.2%	7.2%	4.7	6.6%	\$ 6,365	-12.9%
OCINF	\$ 6,073	22.3%	23.7%	2.2	18.9%	\$ 18,367	66.9%

The growth potential of the company seems to be bigger than that of CF and they seem cheaper.

The balance sheet has got better over the years.



27. Segment reporting continued

2022 \$ millions	Methanol US ¹	Methanol Europe	Nitrogen US	Nitrogen Europe	Fertiglobe	Other	Eliminations	Total
Total revenues	908.9	498.9	1,936.5	2,382.8	5,027.5	-	(1,041.5)	9,713.1
EBITDA ²	284.2	108.3	709.7	239.1	2,451.7	(81.4)	(107.4)	3,604.2
Adjusted EBITDA ²	372.1	109.1	744.3	252.6	2,473.0	(75.9)	15.8	3,891.0
Income from equity-accounted investees	-	-	-	8.8	-	-	13.0	21.8
Depreciation, amortization and impairment	(155.2)	(18.4)	(155.6)	(76.0)	(266.3)	(5.4)	77.0	(599.9)
Finance income	11.7	0.7	6.0	24.3	67.1	228.8	(44.3)	294.3
Finance expense	(45.0)	(1.9)	(142.7)	(30.3)	(192.9)	(142.1)	74.6	(480.3)
Income tax (expense) / income	(23.6)	-	(126.8)	(41.3)	(239.2)	13.0	4.1	(413.8)
Net profit	72.1	88.7	290.6	124.6	1,820.4	12.9	17.0	2,426.3
Equity-accounted investees	-	-	-	47.1	-	0.2	475.0	522.3
Capital expenditures non-current assets	77.7	14.0	36.3	96.6	111.1	69.2	(4.4)	400.5
Total assets	1,551.5	95.0	2,095.1	927.4	5,310.0	365.7	(573.6)	9,771.1

Methanol is about 15% of revenues and 6.5% of profits.

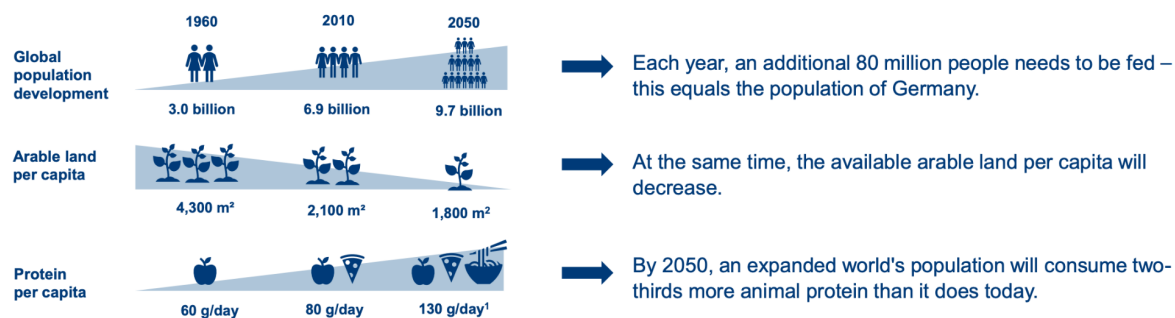
We will need to look further into this company.

K+S Aktiengesellschaft (KPLUF)

<https://www.kpluss.com/downloads/ir/2023/kpluss-compendium-september-2023.pdf>

Long-term key drivers for our fertilizer business

Less arable land – but more protein consumption per capita



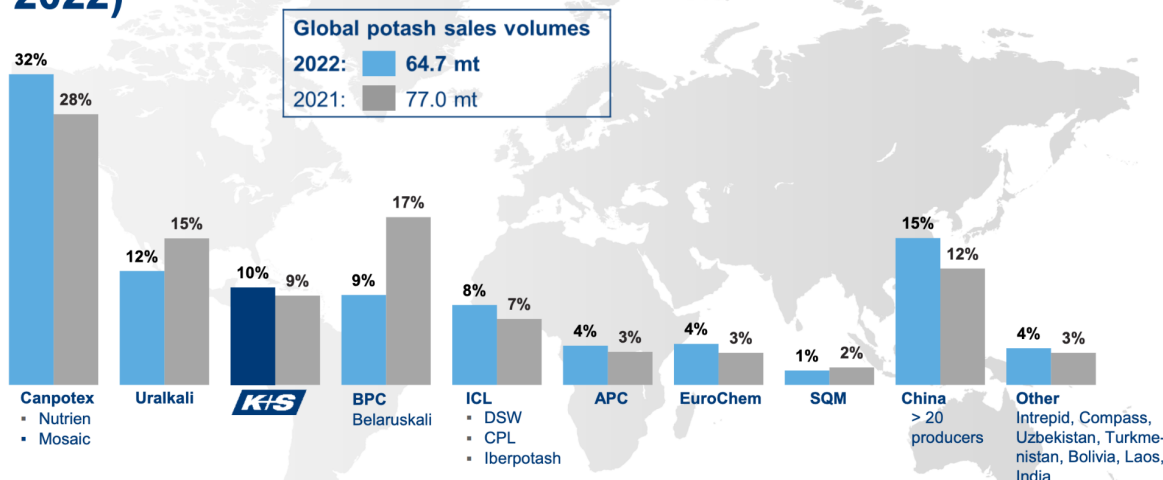
In 2050, only roughly 25% of a soccer field will be available for a person's annual food supply – 80% of the future growth in agricultural commodity production will result from increases in yields. This is achieved through the use of balanced fertilization.

Source: UN, World Population Prospects, 2022 Revision, UNDP, 2013; FAOStat 2014; ¹ FAO 2014 - Forecasts based on expected increase in animal protein

While the industry is cyclical, long-term there is an important prospect for fertilizers.

Supplier structure on the global potash market (until 2022)

temporary



Source: IFA 2022, K+S
 Basis: Year 2022 – incl. Potassium sulfate and low-grade potash

Global potash sales volume by region

million tonnes	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Western Europe	5.6	5.8	6.2	6.0	5.9	6.2	6.2	6.0	6.2	6.5	5.0
Central Europe/FSU	5.1	4.7	4.4	4.8	4.8	5.2	5.4	5.5	5.6	6.2	5.3
Africa	0.7	0.8	1.0	1.0	1.1	1.4	1.6	1.4	1.6	1.9	1.4
North America	9.1	9.7	11.8	9.5	10.9	11.2	11.5	9.8	11.7	12.4	9.2
Latin America	10.5	11.0	11.9	11.5	12.2	12.7	13.7	13.5	15.8	17.2	13.0
Asia	23.4	26.2	32.4	32.3	30.1	32.5	32.6	31.6	35.7	32.0	30.2
- thereof China	12.0	13.8	16.7	18.5	16.2	16.2	16.3	17.8	19.5	16.3	17.2
- thereof India	2.8	3.5	4.5	4.1	4.0	5.0	4.5	4.5	5.4	3.3	2.6
Oceania	0.4	0.5	0.7	0.6	0.6	0.7	0.8	0.7	0.7	0.8	0.6
World total	54.8	58.7	68.4	65.7	65.6	69.9	71.8	68.5	77.3	77.0	64.7

Incl. potassium sulfate and low-grade potash of around 5 million tonnes eff. ; Sources: IFA, K+S

The business is divided between fertilizers and industry. They also produce rock salt. K+S is a vertically integrated company.

One of the great things that the company did this year was to clean its balance sheet.

	Dec 2013	Dec 2014	Dec 2015	Dec 2016	Dec 2017	Dec 2018	Dec 2019	Dec 2020	Dec 2021	Dec 2022	TTM
Net Income											
Net Income	568.5	460.6	537.8	183.2	221.5	48.2	99.7	(2,094.8)	3,351.4	1,615.1	1,140.7
Cash Flow From Operating Activities											
Depreciation & Amortization	296.6	302.2	296.7	299.3	326.2	409.9	454.1	477.5	326.0	469.6	477.2
Amort. of Goodwill and Intangibles	35.4	-	-	-	29.3	22.1	19.3	7.6	6.3	4.8	4.9
Depreciation & Amortization, Total	332.0	302.2	296.7	299.3	355.5	432.0	473.4	485.1	332.2	474.5	482.1
(Gain) Loss From Sale Of Asset	10.3	(2.3)	(3.5)	17.9	(26.9)	7.7	(22.3)	(57.7)	(249.6)	6.2	4.8
(Gain) Loss on Sale of Investments	(5.4)	18.6	40.9	(5.3)	(24.2)	32.0	39.6	(28.8)	51.1	37.3	11.2
Asset Writedown & Restruc. Costs	11.3	5.7	2.8	5.6	4.3	-	8.5	2,284.5	(2,061.5)	-	-
Other Operating Activities	21.6	34.6	56.6	(106.9)	(1.0)	2.4	(189.2)	(530.2)	(903.9)	(19.1)	(289.6)
Change In Accounts Receivable	18.6	22.4	(44.1)	89.8	(119.9)	(154.3)	230.3	191.5	(232.3)	(574.6)	334.2
Change In Inventories	160.7	4.1	(116.6)	12.8	(37.3)	7.8	(92.8)	(94.9)	64.6	(204.4)	(190.0)
Change in Other Net Operating Assets	(78.1)	24.5	(43.7)	(27.7)	(11.2)	(24.4)	6.8	128.5	(84.1)	154.7	20.0
Cash from Operations	1,040.7	870.4	727.0	468.8	368.1	353.6	717.7	523.5	372.1	1,490.4	1,514.2
Cash Flow From Investing Activities											
Capital Expenditure	(976.2)	(1,237.8)	(1,416.1)	(1,265.3)	(892.0)	(578.2)	(553.3)	(611.4)	(391.1)	(381.5)	(467.7)

Let's calculate the OE





\$1.255 B or \$251 M/year

It is undervalued but I will prefer CF

Scotts Miracle-Gro Co (NYSE: SMG)

<https://scottsmiraclegro.gcs-web.com/static-files/1227214f-b320-44fb-a29d-343029fc409e>

SMG's five pillars of growth are our key drivers for long-term shareholder value creation:

The Core 	Live Goods 	Omnichannel Greendigs Scotts.com / Retailer.com / Brand.com	HGC 	HGC 
<p>Leverage brand value to maintain strong market share</p> <p>Innovate new products to grow L&G category</p> <p>Activate consumer with creative marketing</p> <p>Deliver for retailers</p>	<p>Engage new consumers in veggies, herbs and color</p> <p>Expand to succulents, indoor plants, trees and shrubs</p> <p>Bring new, innovative products to market with proprietary genetics</p>	<p>Partner, educate and grow L&G category</p> <p>Design solutions for new consumer values & lifestyles</p>	<p>Extend market leading brand positions</p> <p>Innovate to sustain organic growth</p> <p>Win in emerging states</p> <p>Capture longer-term shift to ProHort</p>	<p>Focus on vertical licenses in key NE/MW markets</p> <p>Construct portfolio of recognized brands</p> <p>Maximize value from proprietary genetics</p>

They are focused in making and selling end products.

<https://scottsmiraclegro.gcs-web.com/static-files/a204e078-6ff4-4c3c-b33b-8c7ca17d9d87>

	Sep 2013	Sep 2014	Sep 2015	Sep 2016	Sep 2017	Sep 2018	Sep 2019	Sep 2020	Sep 2021	Sep 2022	TTM
Net Income	161.1	166.5	159.8	315.3	218.3	63.7	460.7	387.4	512.5	(437.5)	(131.7)
Cash Flow From Operating Activities											
Depreciation & Amortization	47.6	42.3	45.0	47.7	50.0	49.5	53.0	62.2	125.2	143.4	150.2
Amort. of Goodwill and Intangibles	10.4	13.0	16.8	18.9	24.2	29.2	33.4	32.5	30.9	37.1	29.4
Depreciation & Amortization, Total	58.0	55.3	61.8	66.6	74.2	78.7	86.4	94.7	156.1	180.5	179.6
(Gain) Loss From Sale Of Asset	(2.1)	0.9	-	(0.8)	(3.3)	(0.6)	-	-	-	-	-
(Gain) Loss on Sale of Investments	-	-	-	-	-	-	(262.6)	-	-	-	-
Asset Writedown & Restruc. Costs	16.2	33.7	4.3	0.2	1.2	121.5	-	-	-	666.8	75.0
Stock-Based Compensation	10.3	11.1	13.2	15.6	25.2	40.4	38.4	57.9	40.6	34.3	58.4
Other Operating Activities	24.2	15.3	0.2	85.3	(16.9)	(75.9)	(27.9)	9.4	(49.7)	(257.0)	(101.9)
Change In Accounts Receivable	17.9	(29.4)	(12.5)	(29.8)	48.6	(2.7)	0.6	(188.1)	15.5	102.8	(205.4)
Change In Inventories	89.0	(38.7)	(17.5)	(29.4)	3.6	14.3	(65.0)	(80.6)	(496.5)	(203.8)	501.4
Change In Accounts Payable	(5.2)	52.6	6.9	(45.3)	9.0	(3.9)	54.3	172.2	202.5	(171.2)	81.4
Change in Other Net Operating Assets	(35.9)	(28.6)	23.5	(9.1)	(3.5)	106.5	(61.0)	105.1	(106.9)	(56.8)	78.8
Cash from Operations	342.0	240.9	246.9	244.0	363.2	342.5	226.8	558.0	271.5	(129.0)	546.3
Cash Flow From Investing Activities											
Capital Expenditure	(60.1)	(87.6)	(61.7)	(58.3)	(69.6)	(68.2)	(42.4)	(62.7)	(106.9)	(113.5)	(88.3)

We can note that the company has high stock-based compensations.

And recorded a loss in 2022.

	Year Ended September 30,					
	2022	% of Net Sales	2021	% of Net Sales	2020	% of Net Sales
Net sales	\$ 3,924.1	100.0 %	\$ 4,925.0	100.0 %	\$ 4,131.6	100.0 %
Cost of sales	2,891.1	73.7	3,431.3	69.7	2,768.6	67.0
Cost of sales—impairment, restructuring and other	160.1	4.1	24.7	0.5	16.0	0.4
Gross margin	872.9	22.2	1,469.0	29.8	1,347.0	32.6
Operating expenses:						
Selling, general and administrative	613.0	15.6	743.5	15.1	757.8	18.3
Impairment, restructuring and other	693.1	17.7	4.3	0.1	0.8	—
Other (income) expense, net	0.8	—	(1.8)	—	3.2	0.1
Income (loss) from operations	(434.0)	(11.1)	723.0	14.7	585.2	14.2
Equity in (income) loss of unconsolidated affiliates	12.9	0.3	(14.4)	(0.3)	—	—
Costs related to refinancing	—	—	—	—	15.1	0.4
Interest expense	118.1	3.0	78.9	1.6	79.6	1.9
Other non-operating income, net	(6.9)	(0.2)	(18.6)	(0.4)	(20.1)	(0.5)
Income (loss) from continuing operations before income taxes	(558.1)	(14.2)	677.1	13.7	510.6	12.4
Income tax expense (benefit) from continuing operations	(120.6)	(3.1)	159.8	3.2	123.7	3.0
Income (loss) from continuing operations	(437.5)	(11.1)	517.3	10.5	386.9	9.4
Income (loss) from discontinued operations, net of tax	—	—	(3.9)	(0.1)	1.7	—
Net income (loss)	\$ (437.5)	(11.1)%	\$ 513.4	10.4 %	\$ 388.6	9.4 %

The sum of the components may not equal due to rounding.

Impairment, Restructuring and Other

Activity described herein is classified within the “Cost of sales—impairment, restructuring and other,” “Impairment, restructuring and other” and “Income (loss) from discontinued operations, net of tax” lines in the Consolidated Statements of Operations. The following table details impairment, restructuring and other charges (recoveries) for each of the periods presented:

	Year Ended September 30,		
	2022	2021	2020
Cost of sales—impairment, restructuring and other:			
COVID-19 related costs	\$ —	\$ 25.0	\$ 15.5
Restructuring and other charges (recoveries), net	143.6	(0.3)	(0.1)
Property, plant and equipment impairments	16.6	—	0.6
Operating expenses—impairment, restructuring and other:			
COVID-19 related costs	—	4.2	3.9
Restructuring and other charges (recoveries), net	40.9	0.1	(3.1)
Gains on sale of property, plant and equipment	(16.2)	—	—
Goodwill and intangible asset impairments	668.3	—	—
Impairment, restructuring and other charges from continuing operations	853.2	29.0	16.8
Restructuring and other charges (recoveries), net, from discontinued operations	—	—	(3.1)
Total impairment, restructuring and other charges	\$ 853.2	\$ 29.0	\$ 13.7

During fiscal 2022, we recognized non-cash, pre-tax goodwill and intangible asset impairment charges of \$632.4 as a result of interim impairment testing of our Hawthorne segment in the “Impairment, restructuring and other” line in the Consolidated Statements of Operations, comprised of \$522.4 of goodwill impairment charges and \$110.0 of finite-lived intangible asset impairment charges.

That's because of impairment and we will ignore it.

Let's calculate OE.

OE = \$1.570 B or \$314 M/year

The debt of the company has been increasing rapidly recently.

Because of the debt, it is overvalued.

Conclusion

Fertilizers and Agricultural Chemicals Stocks (30 Sep 23)							
Stock	Market Cap	Margin	ROIC	Net Debt/OE	OE Yield	Intrinsic Value	Discount
MOS	\$ 11,829	7.8%	6.4%	3.5	7.8%	\$ 13,454	12.1%
CF	\$ 16,543	28.4%	24.0%	0	10.9%	\$ 31,836	48.0%
CTVA	\$ 36,134						
NTR	\$ 30,498	9.8%	7.2%	5.3	7.7%	\$ 30,656	0.5%
YARIY	\$ 9,631	5.9%	4.9%	4.2	9.6%	\$ 12,888	25.3%
FMC	\$ 8,353					\$ 4,420	-89.0%
ICL	\$ 7,151	7.2%	7.2%	4.7	6.6%	\$ 6,365	-12.3%
OCINF	\$ 5,854	22.3%	23.7%	2.2	18.9%	\$ 18,367	68.1%
KPLUF	\$ 3,473	6.2%	3.1%	0	7.2%	\$ 4,859	28.5%
SMG	\$ 3,072	8.4%	11.1%	10.6	10.2%	\$ 2,380	-29.1%

The two companies that I should look deeper into are CF and OCI.

While CF has better fundamentals. OCI looks better in terms of growth potential.