



Maximize Your TFSA Gains With This High-Dividend Stock

Description

When investing in stocks, are you after growing your money from the ground up until you are able to [build wealth](#)? Are you patient enough to wait and harvest in due time? **Nutrien** ([TSX:NTR](#))([NYSE:NTR](#)) is a stock you could consider if you are that kind of investor.

Nutrien is the world's largest provider of crop inputs, services, and solutions that help growers consistently produce food at increased levels. You'll be investing in agriculture and in a company that's been dominating the sector's retail business. The stock is also [a great addition to any RRSP portfolio](#) with its dividend yield of 3.3%.

Go for the green thumb

Nutrien's current price of \$53.35 is above its 200-day moving average of \$53.12 and about 10.6% away from the 52-week high. The company is stepping up to lift margins and see bumper crop profits. And with potash and nitrogen prices picking up, the stock price could surge as well.

The company's strong performance last year signals a buying season at the start of this year. Nutrien's free cash flow rose 53% to \$2 billion versus 2017. Adjusted EBITDA increased by 32%. Shareholders partook in a \$2.8 billion windfall through dividend payments and the repurchase of 42 million shares.

Another appealing factor is the expected increase in the annual run-rate synergies from \$521 million to \$600 million by the time 2019 closes. For the full-year guidance, Nutrien adjusted net earnings per share from \$2.80 to \$3.20. EBITDA was adjusted to reflect an increase of \$4.4 billion to \$4.9 billion.

Remember too that Nutrien is not in dire need of funds at the moment. Operations can be sustained and more cash is forthcoming as crop prices rise. That is why some analysts predict a median target of \$58.28 with a high estimate of \$68. Therefore, the present price should be a good entry point.

Countering urban migration

Urban migration is a growing problem in our beloved Earth. The rising number of city dwellers and the shrinking land area to cultivate and produce crops could favour Nutrien. The demand for the products of this leading crop nutrient company will multiply 10-fold in the years ahead.

The global population is expected to massively rise to 10 billion in 30 years. In all likelihood, Nutrien will be the food provider moving into the future. If the company can successfully execute its strategic priorities, the world stands to benefit.

Strategic priorities

Nutrien is capable of replicating, if not exceeding the solid performance in 2018. The company needs to follow through on the previous year's achievements.

The company can fully optimize the integration and synergies it has created to hit the run-rate target of \$600 million. Global growers could maximize production using the integrated digital platform created exclusively for them.

Nutrien's free cash flow is there to fulfill the growth initiatives. The world is Nutrien's top priority and its partner in finding solutions to the impending global food production problem. This stock is worth owning if you want enhanced shareholder value.

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