



## TFSA Investors: This Canadian Dividend Stock Looks Severely Undervalued

### Description

The importance of food security and agriculture's purpose to feed the world has never been more apparent and important. **Nutrien** ([TSX:NTR](#))([NYSE:NTR](#)) provides crop solutions. The company has continued to execute a strategy and demonstrated stability with the company's business model which is built to weather market volatility. Nutrien is [well-positioned](#) to take advantage of the strengthening agricultural fundamentals in 2021.

While COVID-19 created [significant challenges](#) for most companies globally, Nutrien successfully stuck to the company's strategy, stayed the course, and demonstrated stability. The company also demonstrated adaptability, resilience, and stamina, which not only allowed Nutrien to weather the storm, but also to continue to grow and strengthen the company's business.

### Producers of healthy food

Nutrien provides the world's farmers with the crop inputs needed to grow and produce healthy and nutritious food. At the outset of the pandemic, the company rolled out a comprehensive operating plan and has been adapting to new developments ever since.

Nutrien implemented COVID-19 protocols across the company's operations to help protect employees, and the company's facilities have been able to continue to operate at normal rates. The company hosts frequent company-wide webcasts to ensure an open exchange of information with the executive leadership team.

Looking into 2021, the outlook for Nutrien's business has shown significant strengthening in market fundamentals. This is supported by much stronger crop prices globally. The business has experienced strong global demand for grains and oilseeds and lower-than-expected crop production in 2020.

### Share buybacks

Over the last three years, the company has increased Nutrien's dividend by 15 percent, bought back

12 percent of the company's common shares outstanding, and has grown Nutrien's agricultural solutions business by over 20 percent, all while maintaining an excellent health and safety record.

During 2020, Nutrien also made good progress toward the company's targets for virtually all of the key metrics that it identified in 2019, as Nutrien continued to focus on performance measurements.

Improvements have included lower cash cost of production per tonne for potash and nitrogen, increasing retail adjusted earnings per U.S. selling location, stronger adjusted earnings margins for Nutrien's agricultural solutions business, and improved retail average working capital and cash operating coverage results.

## Value-added acquisitions

Further, the company has continued to grow Nutrien's agricultural solutions business in 2020, particularly in Australia, Brazil, and the U.S. The company made an exceptional acquisition of Ruralco in Australia as it captured the originally identified \$30 million in synergies ahead of schedule, and announced a further \$20 million in synergies expected to be captured by the end of 2021.

In Brazil, Nutrien made two acquisitions in 2020 and the company expects run-rate revenue in Brazil to surpass \$500 million in 2021.

In addition, the company anticipates that Brazil could generate \$100 million in annual earnings within the next three years. Another major success story for Nutrien was the acceptance and adoption of the company's leading retail digital platform, where sales exceeded \$1.2 billion in 2020, which was more than double the goal of \$500 million the company had set at the start of the year. Overall, Nutrien could be a great stock to own over the long term.

### CATEGORY

1. Dividend Stocks

### POST TAG

1. canada

### TICKERS GLOBAL

1. NYSE:NTR (Nutrien)
2. TSX:NTR (Nutrien)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

## Category

1. Dividend Stocks

## Tags

1. canada

## Date

2025/08/04

## Date Created

2021/07/09

## Author

nikhilwaterloo

default watermark

default watermark