



# 2024 Third Quarter Financial Results

October 30, 2024

NYSE: CF



## Safe harbor statement

All statements in this presentation by CF Industries Holdings, Inc. (together with its subsidiaries, the "Company"), other than those relating to historical facts, are forward-looking statements. Forward-looking statements can generally be identified by their use of terms such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "predict," "project," "will" or "would" and similar terms and phrases, including references to assumptions. Forward-looking statements are not guarantees of future performance and are subject to a number of assumptions, risks and uncertainties, many of which are beyond the Company's control, which could cause actual results to differ materially from such statements. These statements may include, but are not limited to, statements about the synergies and other benefits, and other aspects of the transactions with Incitec Pivot Limited ("IPL"), strategic plans and management's expectations with respect to the production of green and low-carbon ammonia, the development of carbon capture and sequestration projects, the transition to and growth of a hydrogen economy, greenhouse gas reduction targets, projected capital expenditures, statements about future financial and operating results, and other items described in this presentation. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, among others, the risk of obstacles to realization of the benefits of the transactions with IPL; the risk that the synergies from the transactions with IPL may not be fully realized or may take longer to realize than expected; the risk that the completion of the transactions with IPL, including integration of the Waggaman ammonia production complex into the Company's operations, disrupt current operations or harm relationships with customers, employees and suppliers; the risk that integration of the Waggaman ammonia production complex with the Company's current operations will be more costly or difficult than expected or may otherwise be unsuccessful; diversion of management time and attention to issues relating to the transactions with IPL; unanticipated costs or liabilities associated with the IPL transactions; the cyclical nature of the Company's business and the impact of global supply and demand on the Company's selling prices; the global commodity nature of the Company's nitrogen products, the conditions in the international market for nitrogen products, and the intense global competition from other producers; conditions in the United States, Europe and other agricultural areas, including the influence of governmental policies and technological developments on the demand for our fertilizer products; the volatility of natural gas prices in North America and the United Kingdom; weather conditions and the impact of adverse weather events; the seasonality of the fertilizer business; the impact of changing market conditions on the Company's forward sales programs; difficulties in securing the supply and delivery of raw materials or utilities, increases in their costs or delays or interruptions in their delivery; reliance on third party providers of transportation services and equipment; the Company's reliance on a limited number of key facilities; risks associated with cybersecurity; acts of terrorism and regulations to combat terrorism; risks associated with international operations; the significant risks and hazards involved in producing and handling the Company's products against which the Company may not be fully insured; the Company's ability to manage its indebtedness and any additional indebtedness that may be incurred; the Company's ability to maintain compliance with covenants under its revolving credit agreement and the agreements governing its indebtedness; downgrades of the Company's credit ratings; risks associated with changes in tax laws and disagreements with taxing authorities; risks involving derivatives and the effectiveness of the Company's risk management and hedging activities; potential liabilities and expenditures related to environmental, health and safety laws and regulations and permitting requirements; regulatory restrictions and requirements related to greenhouse gas emissions; the development and growth of the market for green and low-carbon ammonia and the risks and uncertainties relating to the development and implementation of the Company's green and low-carbon ammonia projects; and risks associated with expansions of the Company's business, including unanticipated adverse consequences and the significant resources that could be required. More detailed information about factors that may affect the Company's performance and could cause actual results to differ materially from those in any forward-looking statements may be found in CF Industries Holdings, Inc.'s filings with the Securities and Exchange Commission, including CF Industries Holdings, Inc.'s most recent annual and quarterly reports on Form 10-K and Form 10-Q, which are available in the Investor Relations section of the Company's web site. It is not possible to predict or identify all risks and uncertainties that might affect the accuracy of our forward-looking statements and, consequently, our descriptions of such risks and uncertainties should not be considered exhaustive. There is no guarantee that any of the events, plans or goals anticipated by these forward-looking statements will occur, and if any of the events do occur, there is no guarantee what effect they will have on our business, results of operations, cash flows, financial condition and future prospects. Forward-looking statements are given only as of the date of this presentation and the Company disclaims any obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

## Note regarding non-GAAP financial measures

The Company reports its financial results in accordance with U.S. generally accepted accounting principles (GAAP). Management believes that EBITDA, adjusted EBITDA, free cash flow, and free cash flow to adjusted EBITDA conversion, which are non-GAAP financial measures, provide additional meaningful information regarding the Company's performance and financial strength. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the Company's reported results prepared in accordance with GAAP. In addition, because not all companies use identical calculations, EBITDA, adjusted EBITDA, free cash flow, and free cash flow to adjusted EBITDA conversion included in this presentation may not be comparable to similarly titled measures of other companies. Reconciliations of EBITDA, adjusted EBITDA, and free cash flow to the most directly comparable GAAP measures are provided in the tables accompanying this presentation.

EBITDA is defined as net earnings attributable to common stockholders plus interest expense (income)—net, income taxes, and depreciation and amortization. Other adjustments include the elimination of loan fee amortization that is included in both interest and amortization, and the portion of depreciation that is included in noncontrolling interest. The Company has presented EBITDA because management uses the measure to track performance and believes that it is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in the industry.

Adjusted EBITDA is defined as EBITDA adjusted with the selected items as summarized in the tables accompanying this presentation. The Company has presented adjusted EBITDA because management uses adjusted EBITDA, and believes it is useful to investors, as a supplemental financial measure in the comparison of year-over-year performance.

Free cash flow is defined as net cash provided by operating activities, as stated in the consolidated statements of cash flows, reduced by capital expenditures and distributions to noncontrolling interests. Free cash flow to adjusted EBITDA conversion is defined as free cash flow divided by adjusted EBITDA.

## Industry leading operational excellence drives cash generation

**\$276M**

Q3 2024  
Net Earnings

**\$511M**

Q3 2024  
Adjusted EBITDA<sup>(1)</sup>

**\$2.3B**

LTM Cash from  
Operations

**\$1.7B**

LTM Capital Returned to  
Shareholders<sup>(2)</sup>

**\$890M**

9M 2024  
Net Earnings

**\$1.7B**

9M 2024  
Adjusted EBITDA<sup>(1)</sup>

**\$1.5B**

LTM FCF<sup>(3)</sup>

**\$1.4B**

Remaining in Current \$3B  
Share Repurchase  
Authorization

**World's Largest  
Ammonia Producer**

**0.17**

12-month Rolling Average  
Recordable Incident Rate<sup>(4)</sup>

**~93%**

Q3 2024  
Capacity Utilization

**65%**

Q3 2024 LTM FCF/Adj  
EBITDA Conversion<sup>(5)</sup>

<sup>(1)</sup> See appendix for reconciliation of adjusted EBITDA to the most directly comparable GAAP measure

<sup>(2)</sup> Last twelve months share repurchases and dividends through September 30, 2024

<sup>(3)</sup> See appendix for reconciliation of free cash flow to the most directly comparable GAAP measure

<sup>(4)</sup> Per 200,000 work hours as of September 30, 2024

<sup>(5)</sup> Represents Q3 2024 LTM free cash flow divided by Q3 2024 LTM adjusted EBITDA; see appendix for reconciliations of free cash flow and adjusted EBITDA to the most directly comparable GAAP measures

# First nine months and third quarter 2024 adjusted EBITDA

9M 2024 vs 9M 2023 Adjusted EBITDA<sup>(1)</sup>



Q3 2024 vs Q3 2023 Adjusted EBITDA<sup>(1)</sup>

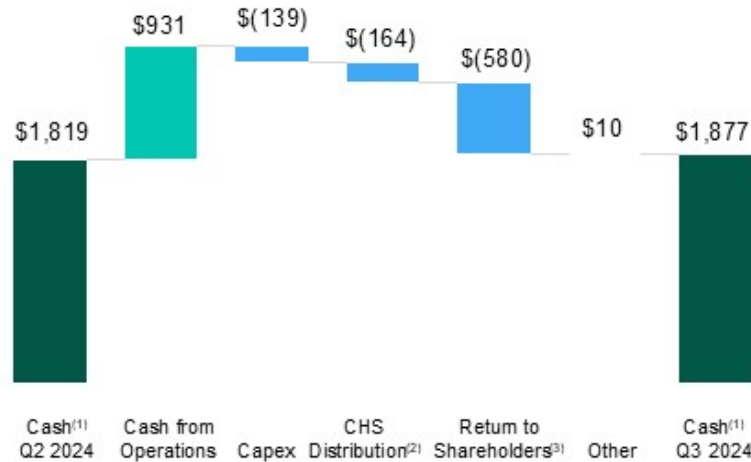


(1) See appendix for reconciliation of adjusted EBITDA to the most directly comparable GAAP measure

# Strong cash generation with significant return to shareholders

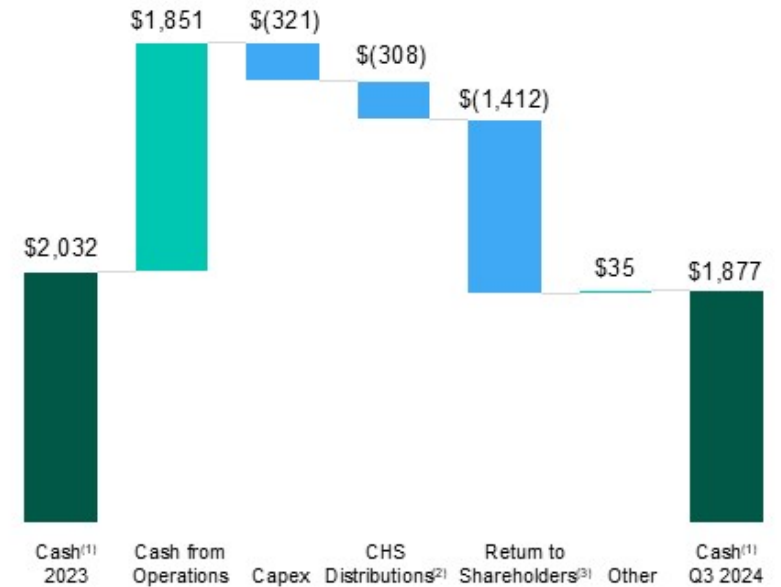
### Q3 2024 Cash Sources and Uses

\$ millions



### 9M 2024 Cash Sources and Uses

\$ millions

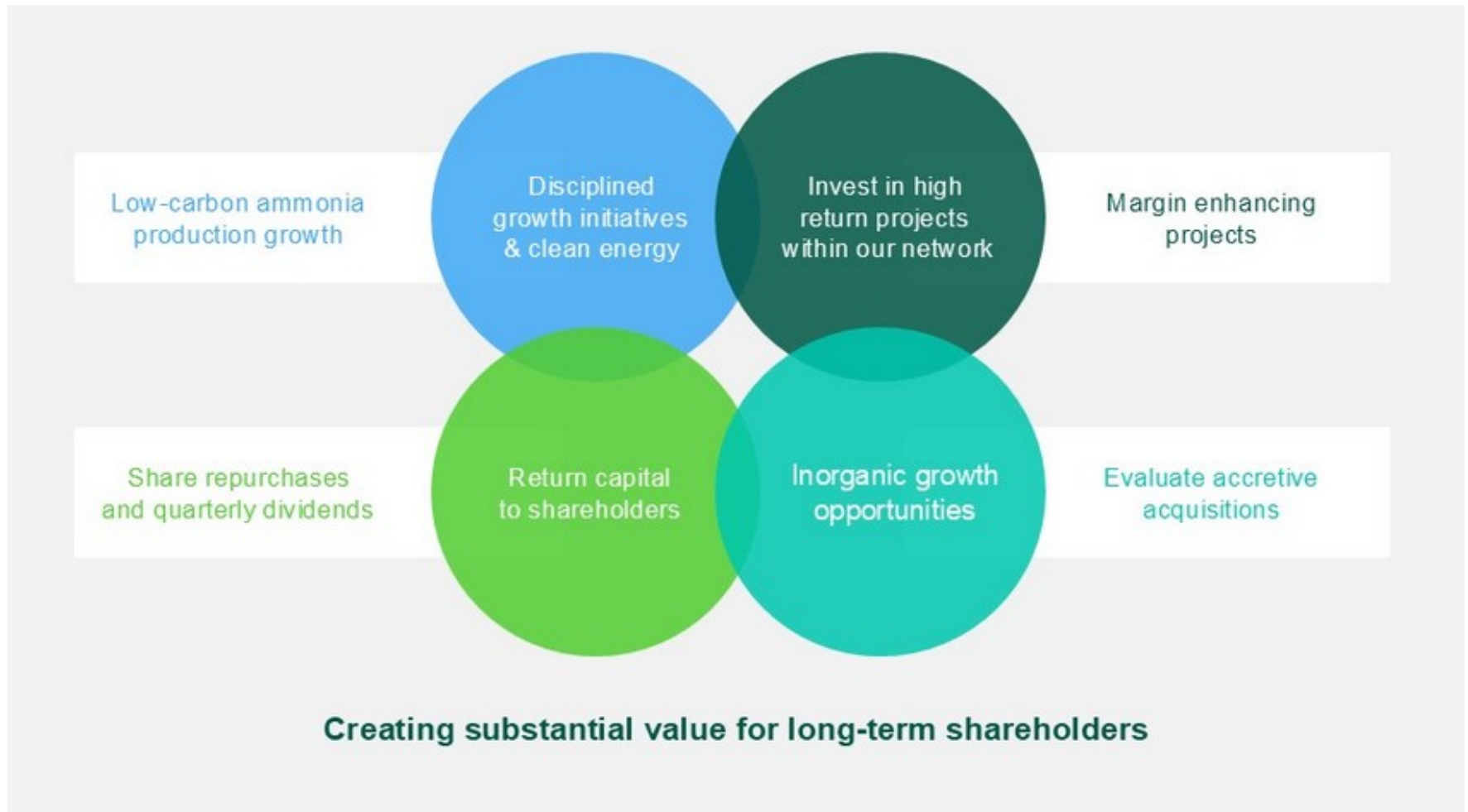


(1) Represents the cash and cash equivalents balance on the Company's Consolidated Balance Sheet at the end of each respective period

(2) Semi-annual distribution(s) paid to noncontrolling interest in Q3 2024 and 9M 2024

(3) Share repurchases and dividends paid in Q3 2024 and 9M 2024

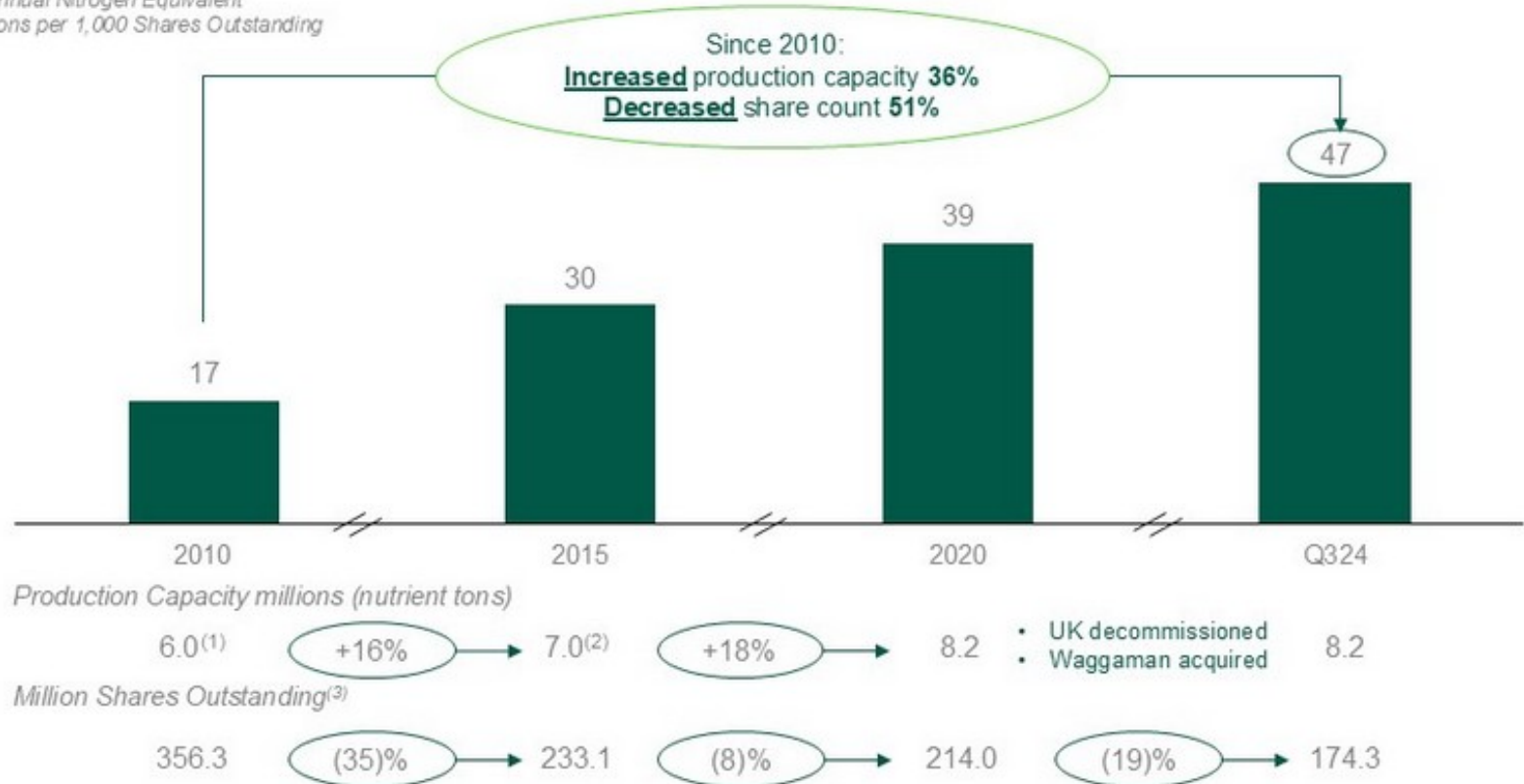
## Pathways to grow shareholder value



# Creating value by increasing nitrogen participation per share

Intend to repurchase remaining \$1.4B of authorization by December 2025 expiration

Annual Nitrogen Equivalent  
Tons per 1,000 Shares Outstanding



All N production numbers based on year end figures per 10-K filings

(1) Beginning in 2010 includes capacity from Terra Industries acquisition

(2) Beginning in 2013 includes incremental 34% of Medicine Hat production to reflect CF acquisition of Vitema's interests

(3) Share count based on end of period common shares outstanding; share count prior to 2015 based on 5-for-1 split-adjusted shares

Notes:

- Beginning in 2015 includes incremental 50% interest in CF Fertilizers UK acquired from Yara
- Beginning in 2016 excludes nitrogen equivalent of 1.1 million tons of urea and 0.58 million tons of UAN under CHS supply agreement and includes expansion project capacity at Donaldsonville and Port Neal
- Beginning in 2018 includes incremental 15% of Verdignis production to reflect CF's acquisition of publicly traded TNH units
- Q3 2024 includes decrease in production capacity due to Ince plant closure
- Q3 2024 includes decrease in production capacity due to Billingham NH plant closure and additional production capacity from Waggaman ammonia production complex



## Highlights: Strategic Initiatives

### Donaldsonville Dehydration & Compression Unit



- ✓ On track to complete construction in 2025
- ✓ Capture up to 2M metric tons of CO<sub>2</sub> per year
- ✓ Partnered with ExxonMobil for sequestration
- ✓ 45Q tax credit generation expected in 2025
- ✓ ~\$100M projected in FCF annually for 12 years
- ✓ ~10% Scope 1 emissions to be sequestered

**Early mover advantage with low-carbon ammonia available in 2025**

## Positive global nitrogen supply-demand dynamics

### Nitrogen Market Outlook

- ▶ Chinese exports expected <1MMT
  - ▶ India and Brazil remain significant importers
  - ▶ North American producer inventories low
  - ▶ Russian exports remain below pre-war levels
  - ▶ Global nitrogen demand growth ~1.5%<sup>(1)</sup> per year
  - ▶ Announced capacity additions remain limited
- ▶ Near-term global nitrogen market remains constructive
  - ▶ Long-term demand outpaces expected capacity additions



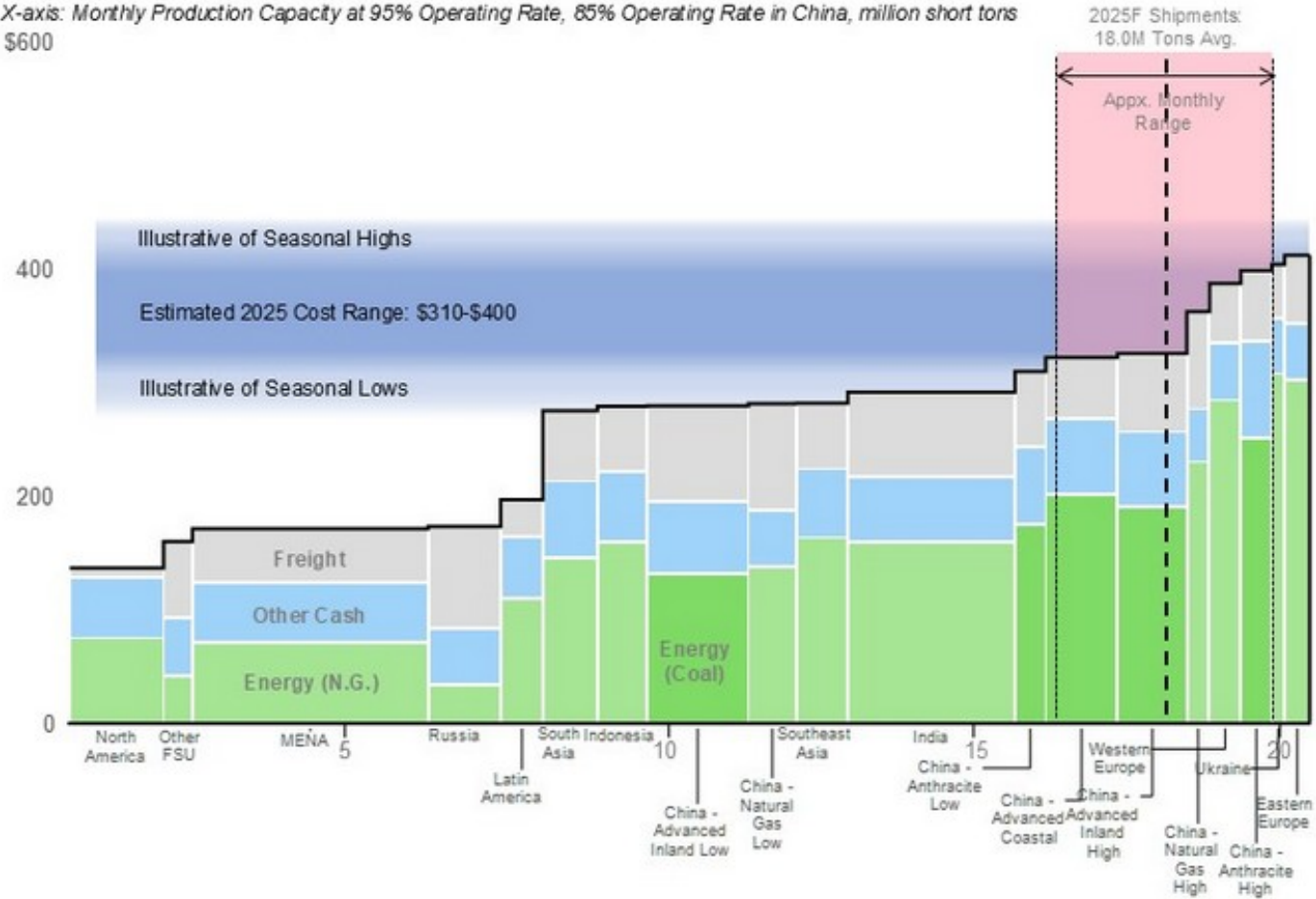
Source: Industry Publications, CRU Urea Market Outlook as of September 2024, CF Analysis  
 (1) For traditional applications

# 2025 global delivered U.S. Gulf urea cost curve suggests elevated pricing on high European costs

## 2025 Monthly Delivered U.S. Gulf Urea Cost Curve

Y-axis: USD/st

X-axis: Monthly Production Capacity at 95% Operating Rate, 85% Operating Rate in China, million short tons  
\$600

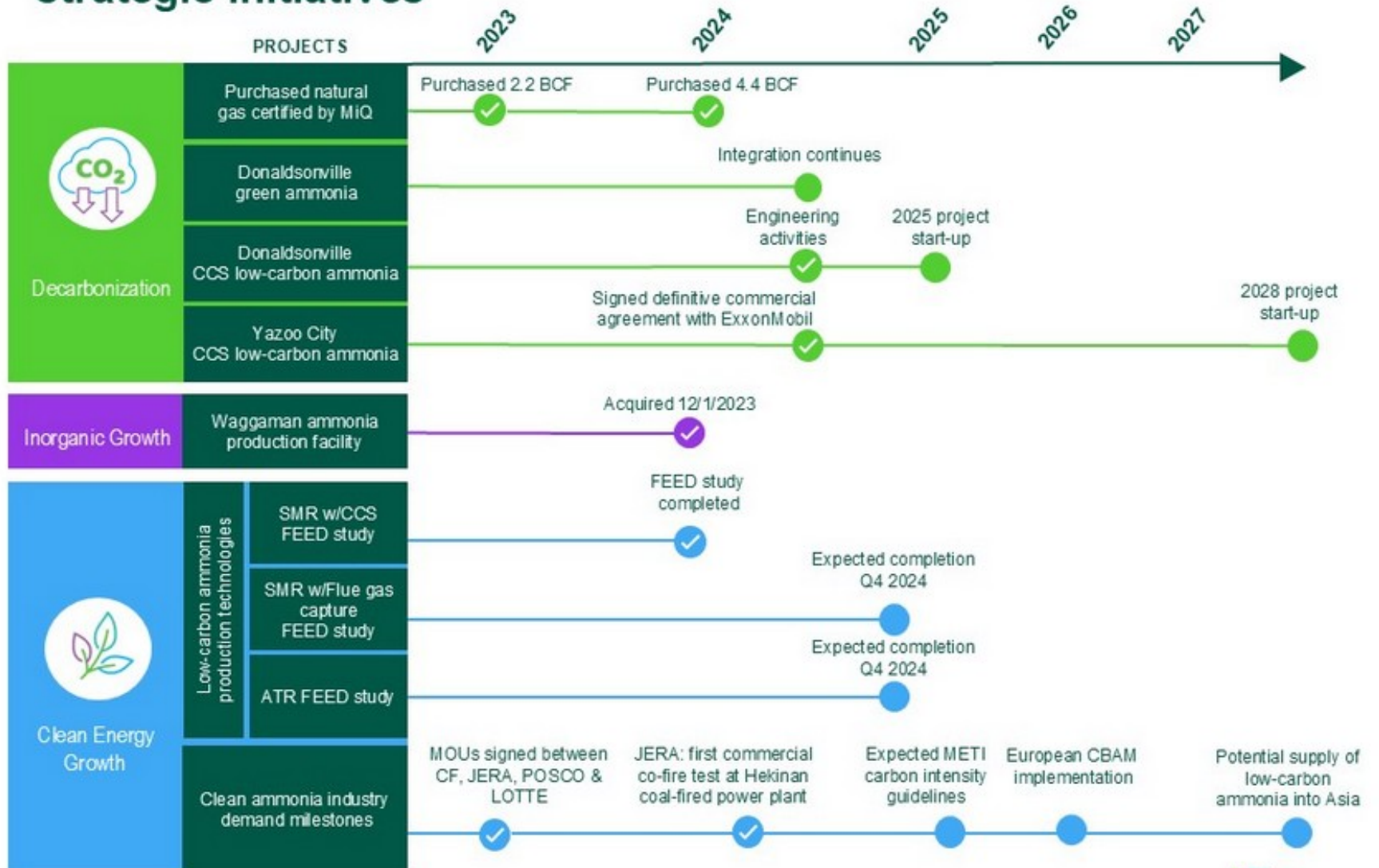


Note: Illustrative seasonal range represents two thirds of one standard deviation from the estimated cost range midpoint based on historic trend the past 20 years  
Source: Industry Publications, CF Analysis

## Appendix



# Advancing decarbonization through significant progress on strategic initiatives



## CF Industries Adjusted EBITDA sensitivity table

*Table illustrates the CF Industries business model across a broad range of industry conditions*

Adjusted EBITDA Sensitivity to Natural Gas and Urea Prices<sup>(1)</sup>

\$ billions

	CF Realized Natural Gas Cost (\$/MMBtu)						
	\$2.00	\$2.50	\$3.00	\$3.50	\$4.00	\$4.50	\$5.00
CF Realized Urea Price (\$/ton) <sup>(2)</sup>							
\$300	\$1.8	\$1.6	\$1.5	\$1.4	\$1.2	\$1.1	\$1.0
\$350	\$2.5	\$2.4	\$2.2	\$2.1	\$2.0	\$1.8	\$1.7
\$400	\$3.2	\$3.1	\$3.0	\$2.8	\$2.7	\$2.6	\$2.4
\$450	\$4.0	\$3.8	\$3.7	\$3.5	\$3.4	\$3.3	\$3.1
\$500	\$4.7	\$4.5	\$4.4	\$4.3	\$4.1	\$4.0	\$3.9
\$550	\$5.4	\$5.3	\$5.1	\$5.0	\$4.9	\$4.7	\$4.6
\$600	\$6.1	\$6.0	\$5.9	\$5.7	\$5.6	\$5.5	\$5.3

**\$50/ton urea realized movement implies ~\$725M change in Adjusted EBITDA on an annual basis**

(1) Based on 2023 sales volumes of approximately 19.1 million product tons, 2023 gas consumption of 341 million MMBtus and 2023 nitrogen product sales price relationships. Changes in product prices and gas costs are not applied to the CHS minority interest or industrial contracts where CF Industries is naturally hedged against changes in product prices and gas costs

(2) Assumes that a \$50 per ton change in urea prices is also applied proportionally to all nitrogen products and is equivalent to a \$34.78 per ton change in UAN price, \$36.96 per ton change in AN price, \$89.14 per ton change in ammonia price, and \$21.20 per ton change in the price of the Other segment

## 2025 cost curve assumptions

Annual Average Energy Cost				
Location	Source	2024E <sup>(1)</sup>	Current <sup>(2)</sup>	2025F <sup>(3)</sup>
<b>Gas Prices (\$/MMBtu)</b>				
Henry Hub	NYMEX	2.96	2.30	3.23
TTF	ICE	10.35	12.75	12.60
NBP	ICE	10.06	12.74	12.87
JKM	ICE	11.66	13.47	13.35
<b>Oil (\$/Bbl)</b>				
Brent Crude	NYMEX	78	79	77
<b>China Coal (\$/tonne)</b>				
Thermal		100	99	103
Anthracite Powder	SX Coal/ Woodmac	148	151	157
Anthracite		195	179	185
<b>Exchange Rates</b>				
RMB/USD	Bloomberg Composite	7.06	7.07	6.88
USD/EUR	Bloomberg Composite	1.09	1.09	1.12
USD/GBP	Bloomberg Composite	1.28	1.31	1.30

Notes: Market prices updated as of 10/14/2024; Coal prices as of 10/8/2024

(1) 2024E represents assumptions from February 2024 forecast cost curve, published in the CF Industries Q4 2023 Earnings presentation

(2) Observed values as of October 14, 2024; Chinese coal prices reflected 2024 monthly average

(3) Observed values in forward energy strips as of October 14, 2024 and Woodmac forecast

## Financial results – third quarter and first nine months 2024

In millions, except percentages, per MMBtu and EPS	Q3 2024	Q3 2023	9M 2024	9M 2023
Net sales	\$ 1,370	\$ 1,273	\$ 4,412	\$ 5,060
Gross margin	444	377	1,532	2,044
- As a percentage of net sales	32.4 %	29.6 %	34.7 %	40.4 %
Net earnings attributable to common stockholders	\$ 276	\$ 164	\$ 890	\$ 1,251
Net earnings per diluted share	1.55	0.85	4.86	6.42
EBITDA <sup>(1)</sup>	509	372	1,749	2,151
Adjusted EBITDA <sup>(1)</sup>	511	445	1,722	2,168
Diluted weighted-average common shares outstanding	178.6	192.9	183.1	194.9
Natural gas costs in cost of sales (per MMBtu) <sup>(2)</sup>	\$ 2.09	\$ 2.53	\$ 2.23	\$ 3.43
Realized derivatives loss in cost of sales (per MMBtu) <sup>(3)</sup>	0.01	0.01	0.15	0.47
Cost of natural gas used for production in cost of sales (per MMBtu)	\$ 2.10	\$ 2.54	\$ 2.38	\$ 3.90
Average daily market price of natural gas Henry Hub - Louisiana (per MMBtu)	2.08	2.58	2.19	2.46
Depreciation and amortization	229	213	704	640
Capital expenditures	139	147	321	311

(1) See appendix for reconciliations of EBITDA and adjusted EBITDA to the most directly comparable GAAP measures

(2) Includes the cost of natural gas used for production and related transportation that is included in cost of sales during the period under the first-in, first-out inventory method

(3) Includes realized gains and losses on natural gas derivatives settled during the period. Excludes unrealized mark-to-market gains and losses on natural gas derivatives



## Non-GAAP: reconciliation of net earnings to EBITDA and adjusted EBITDA

In millions	Q3 2024	Q3 2023	9M 2024	9M 2023
<b>Net earnings</b>	\$ 341	\$ 230	\$ 1,085	\$ 1,486
Less: Net earnings attributable to noncontrolling interest	(65)	(66)	(195)	(235)
<b>Net earnings attributable to common stockholders</b>	<b>276</b>	<b>164</b>	<b>890</b>	<b>1,251</b>
Interest expense (income)—net	(32)	(6)	(16)	—
Income tax provision	59	23	244	326
Depreciation and amortization	229	213	704	640
Less other adjustments:				
Depreciation and amortization in noncontrolling interest	(22)	(21)	(70)	(63)
Loan fee amortization <sup>(1)</sup>	(1)	(1)	(3)	(3)
<b>EBITDA</b>	<b>\$ 509</b>	<b>\$ 372</b>	<b>\$ 1,749</b>	<b>\$ 2,151</b>
Unrealized net mark-to-market loss (gain) on natural gas derivatives	1	7	(33)	(65)
Loss on foreign currency transactions, including intercompany loans	1	7	2	5
U.K. operations restructuring	—	5	—	7
Acquisition and integration costs	—	11	4	27
Impairment of equity method investment in PLNL	—	43	—	43
Total adjustments	2	73	(27)	17
<b>Adjusted EBITDA</b>	<b>\$ 511</b>	<b>\$ 445</b>	<b>\$ 1,722</b>	<b>\$ 2,168</b>

(1) Loan fee amortization is included in both interest expense (income)—net and depreciation and amortization

## Non-GAAP: reconciliation of net earnings to EBITDA and adjusted EBITDA, continued

In millions	Q3 2024 LTM
<b>Net earnings</b>	<b>\$ 1,437</b>
Less: Net earnings attributable to noncontrolling interest	(273)
<b>Net earnings attributable to common stockholders</b>	<b>1,164</b>
Interest expense (income)—net	(24)
Income tax provision	328
Depreciation and amortization	933
Less other adjustments:	
Depreciation and amortization in noncontrolling interest	(92)
Loan fee amortization <sup>(1)</sup>	(4)
<b>EBITDA</b>	<b>\$ 2,305</b>
Unrealized net mark-to-market gain on natural gas derivatives	(7)
Gain on foreign currency transactions, including intercompany loans	(3)
U.K. operations restructuring	3
Acquisition and integration costs	16
Total adjustments	9
<b>Adjusted EBITDA</b>	<b>\$ 2,314</b>

(1) Loan fee amortization is included in both interest expense (income)—net and depreciation and amortization

## Non-GAAP: reconciliation of cash from operations to free cash flow and free cash flow to adjusted EBITDA conversion

In millions, except percentages	Q3 2024 LTM
Cash provided by operating activities	\$ 2,331
Capital expenditures	(509)
Distributions to noncontrolling interest	(308)
Free cash flow	\$ 1,514
Adjusted EBITDA	\$ 2,314
Free cash flow to Adjusted EBITDA conversion <sup>(1)</sup>	65 %

*(1) Represents Q3 2024 LTM free cash flow divided by Q3 2024 LTM adjusted EBITDA*