



NYSE: CF

CF Industries Holdings, Inc.

Fundamental Analysis



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Introduction

GICS Sector: Basic Materials

Sub-Industry: Agricultural Inputs



CEO: Tony Will

Tenure: 9.8 years

CF Industries Holdings, Inc.'s management team has an average tenure of **5.5 years**. It is considered experienced.

Source of revenue:

- CF Industries Holdings, Inc. manufactures and sells hydrogen and nitrogen products. Such end products include energy, fertiliser, emissions abatement, and other industrial activities.
- The company's core product is anhydrous ammonia (ammonia), which contains 82% nitrogen and 18% hydrogen.
- CF Industries Holdings' principal customers are cooperatives, independent fertiliser distributors, traders, wholesalers, and industrial users.
- The company has five reportable segments: Ammonia, Granular urea, UAN, AN and Other. These segments are differentiated by their products. Other segment products primarily include DEF, urea liquor, nitric acid, and aqua ammonia.
- Visit my website to understand how each segment performs.



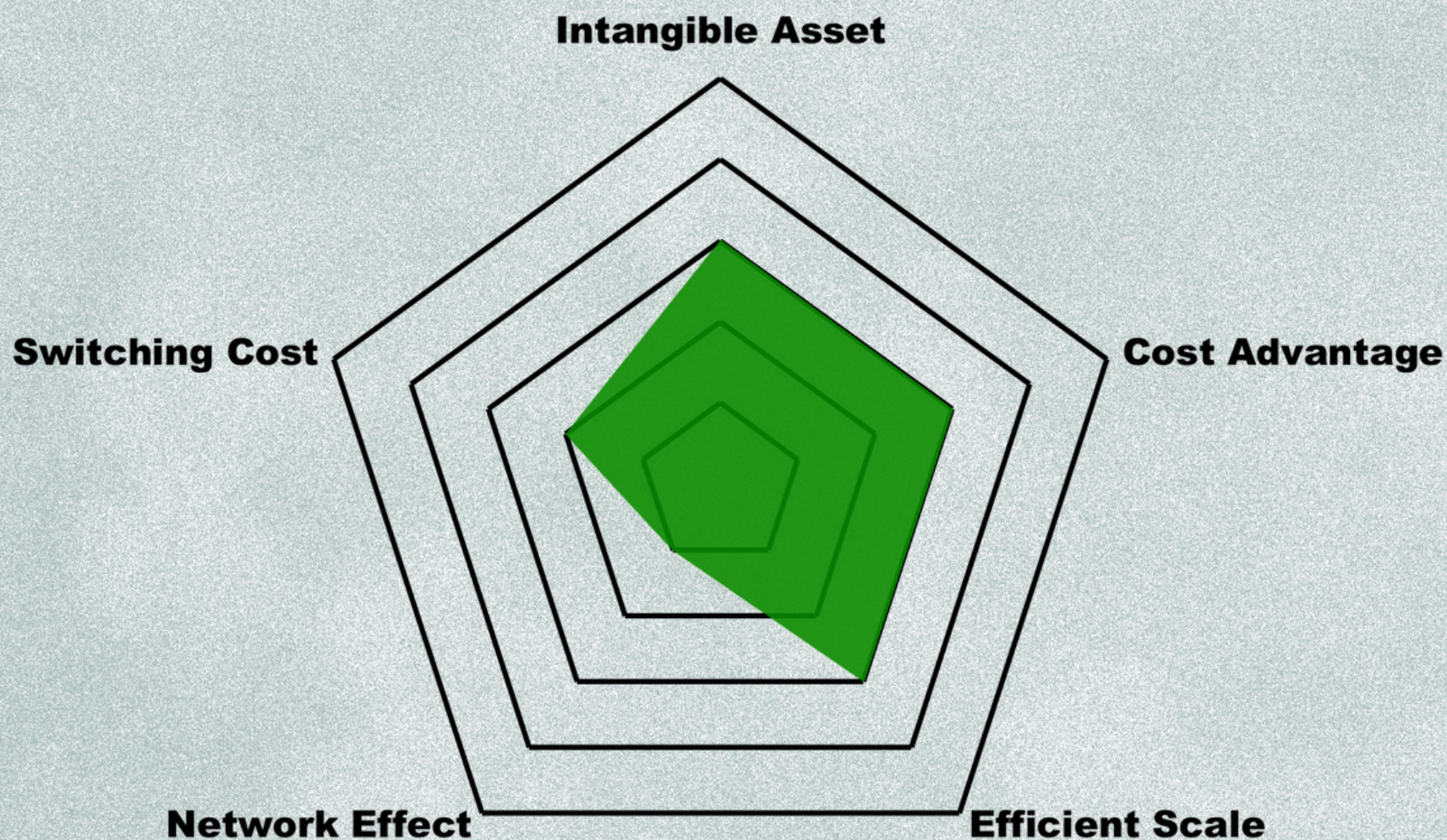
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Economic Moat



Economic moat: **None**

There are many ways to identify a company's economic moat, but I focus on the above 5 types. The rating is purely subjective, and it is based on my in-depth understanding and analysis of the company.



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Performance

Yes

Inconsistent

No

Revenue growing YoY for the past 5 years consistently?



Net income growing YoY for the past 5 years consistently?



Cash flow from operating activities growing YoY for the past 5 years consistently?



Free cash flow is positive for the past 5 years?



Gross margin % is consistent/growing for the past 5 years?



EPS growing for the past 5 years?





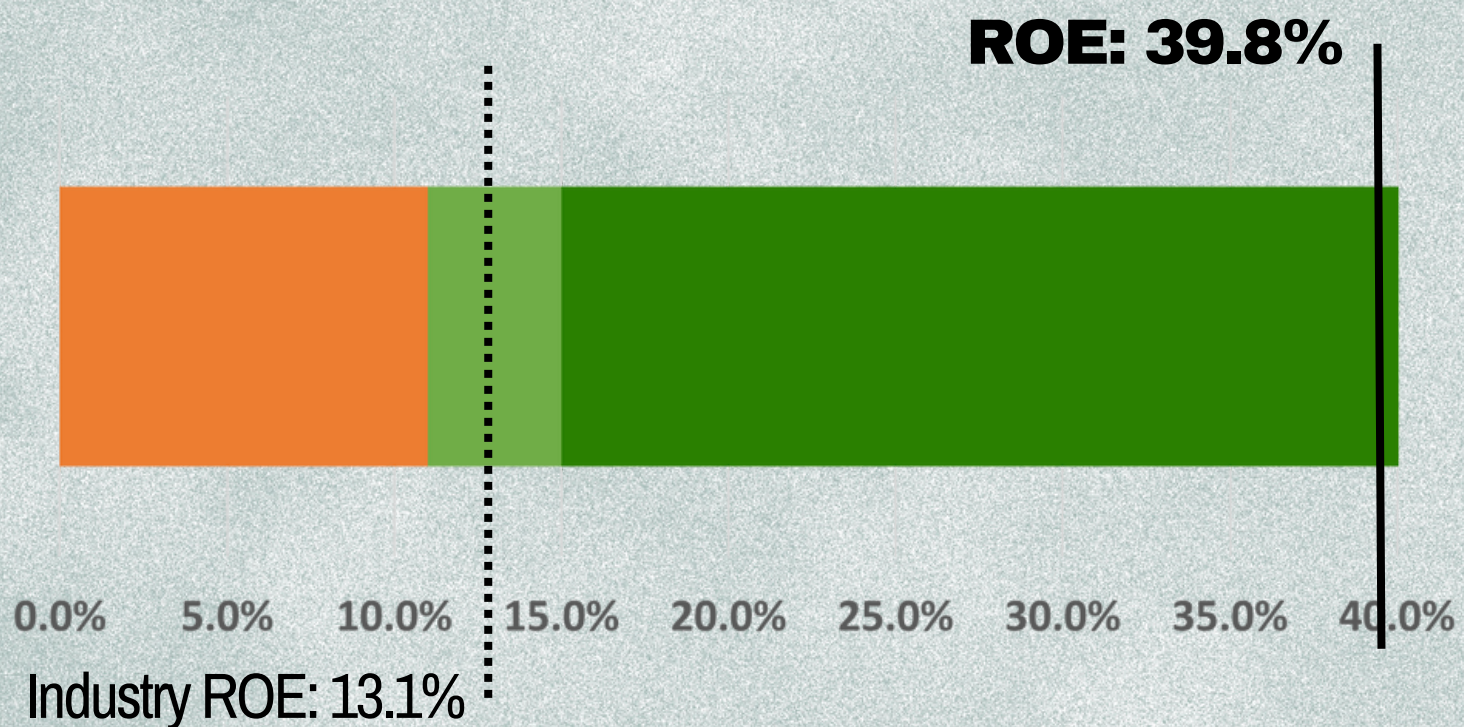
Performance

Yes

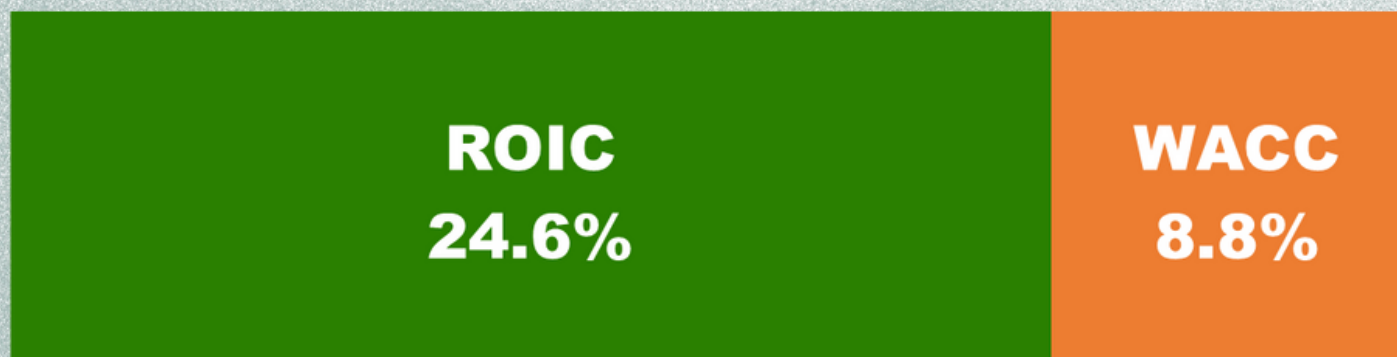
Inconsistent

No

ROE is consistently at 12%-15% YoY for the past 5 years?



ROIC is consistently at 12%-15% YoY for the past 5 years?

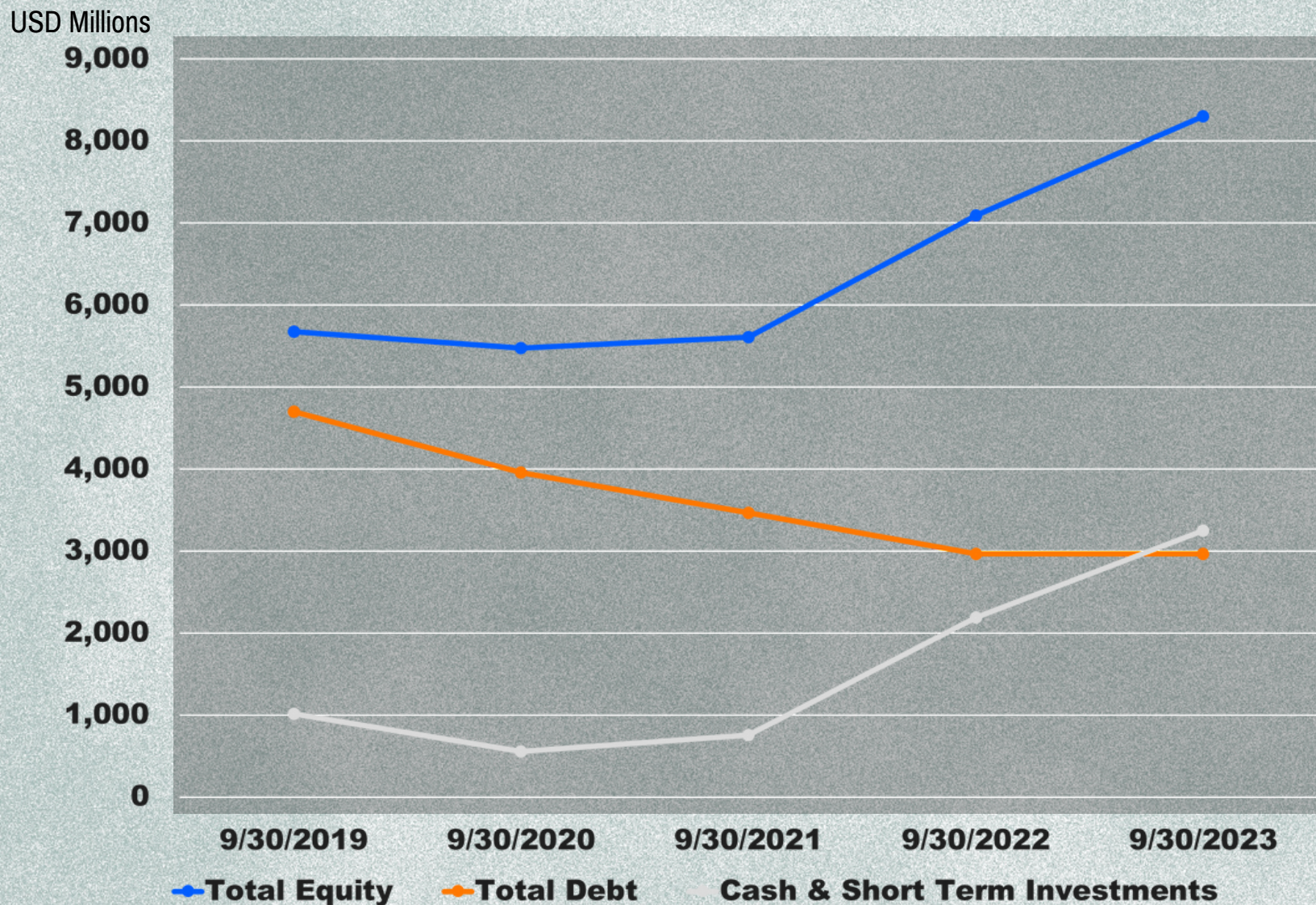


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Financial Health



Current Ratio: 4.5



Debt-to-EBITA: 0.8



Interest Coverage: 36.3



Debt Servicing Ratio: 2.9%



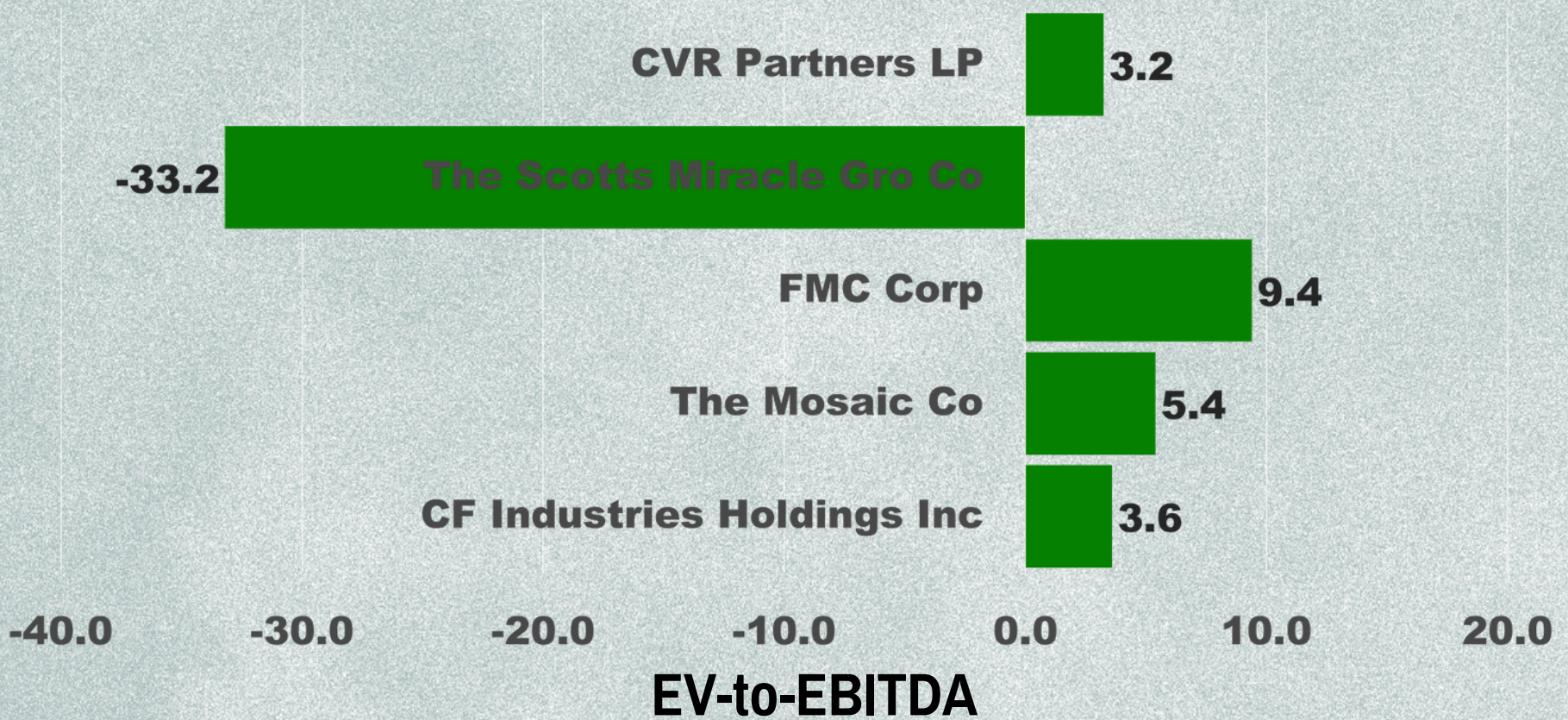
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Relative Valuation





Intrinsic Valuation

Estimated intrinsic value: **\$172.74**

Value is calculated using discounted cash flow method (taking into account their cash and debt) and scenario planning.

Average free cash flow used: USD\$2,200M

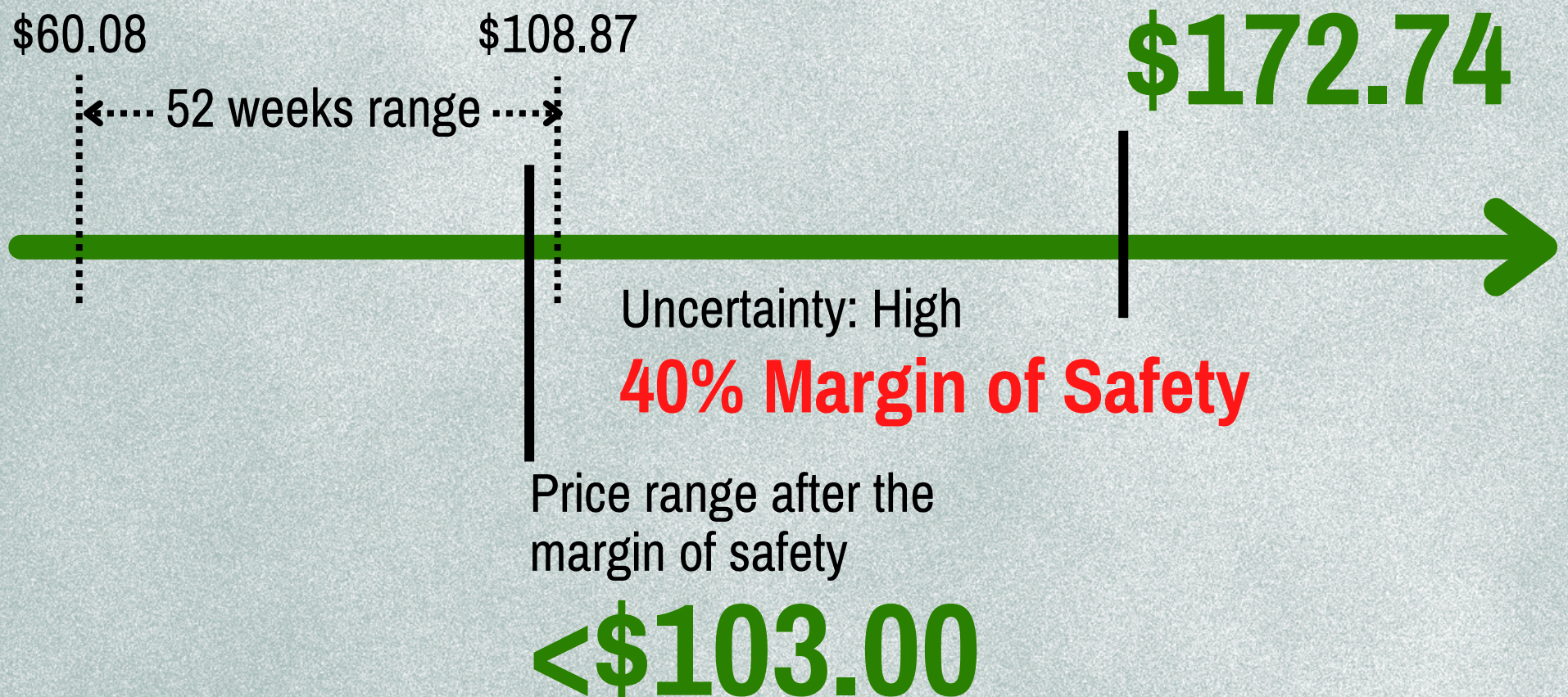
Projected growth rate: 5%

Beta: 1.0

Discount rate: 8.0%

Date of calculation: 1 Dec 2023

Estimated intrinsic value of
CF Industries Holdings Inc.



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