

# Agrium Inc.

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## Agrium climbs as ValueAct Capital discloses 5.7% stake

Shares of Agrium were jumping Friday after San Francisco-based activist investor ValueAct Capital Management disclosed in an SEC filing a 5.7 percent stake in the Canadian agricultural giant, after having acquired about 8.2 million shares since August.

The stock climbed on the news, last up 7.9 percent at C\$104.60 in Toronto as of 12:20pm ET.

Agrium is familiar with activist investors, having spent 10 months battling with Jana Partners, which fought for the company to break apart its retail and fertilizer production units. Agrium eventually won the drawn-out feud at its annual meeting last year, as shareholders decided not to elect any of Jana's five board nominees.

But ValueAct's investment is seen differently by the company, with Agrium's VP of investor relations, Richard Downey, saying there is no indication the San Francisco-based firm wants to see any radical change, according to media reports.

Indeed, ValueAct didn't specify in its filing any suggestions it believes Agrium should take moving forward, refraining from commenting publicly on the investment. The firm's strategies are also seen to be different than Jana's, aiming to work behind the scenes and "constructively" with management teams and boards to implement changes that would create value.

The news comes amid a challenging time in the global fertilizer sector. Earlier this month, shares of Agrium fell after announcing earnings guidance for its third quarter that was below analyst estimates.

The company said on October 2 it expects earnings from continuing operations to be in the range of 45 to 55 cents per share for the third quarter. Analysts were expecting at the time for Agrium to report third-quarter earnings of 68 cents, according to Thomson Reuters.

In its release, Agrium mentioned downtime associated with major turnarounds, like its Vanscoy potash facility in Saskatchewan and the Redwater nitrogen facility in Alberta. The company also said that it expects its geographic exposure and product growth will largely offset the impact of lower grain prices and crop protection product sales in its retail unit.

**Market Cap:** \$0.00

### Share Information

**Code:** AGU**Listing:** TSX**Sector:** Chemicals**Website:** [www.agrium.com](http://www.agrium.com)

### Company Synopsis:

*Agrium Inc. is a major Retail supplier of agricultural products and services in North and South America, a leading global Wholesale producer and marketer of all three major agricultural nutrients and the premier supplier of specialty fertilizers in North America through our Advanced Technologies business unit.*

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