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CF Industries completes acquisition of Waggaman Ammonia production facility

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Under the terms of the agreement, CF Industries purchased the Waggaman ammonia plant and related assets for $1.675 billion, subject to adjustments. The companies allocated approximately $425 million of the purchase price to a long-term ammonia offtake agreement under which CF Industries will supply up to 200,000 tons of ammonia per year to IPLâ??s Dyno Nobel subsidiary at production economics. CF Industries funded the remaining purchase price with cash on hand.

Tony Will, president and chief executive officer, CF Industries Holdings, Inc. â??We are growing our industry-leading ammonia production capabilities with the addition of IPLâ??s Waggaman ammonia production facility and team. This transaction deploys our capital efficiently, delivering immediate profitable growth by adding one of the newest ammonia production units in North America into our existing network while advancing our long-term strategic focus on low-carbon ammonia as a clean energy source.â?•

Along with its offtake agreement with IPL, CF Industries will continue to fulfill medium- and long-term offtake agreements with two customers that were in-place prior to the acquisition. The Company estimates that these agreements will generate gross margin per ton commensurate with its existing ammonia segment prior to the greater capacity utilization and operational and logistics optimization CF Industries expects to achieve with the siteâ??s integration into the Company.

Additionally, CF Industries anticipates implementing carbon capture and sequestration (CCS) technologies at the site on an accelerated timeline, increasing its networkâ??s low-carbon ammonia production capability while earning 45Q tax credits for sequestered carbon dioxide.