

# INVESTOR PRESENTATION SPRING 2024



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# The Saskatchewan Difference

## Economic Stability

- Diversified economy balances cyclicalities of non-renewable resources with agrifood industries
- Growing population
- Canada's most affordable provincial jurisdiction
- Diversified Crown sector

## Fiscal Responsibility

- Budget balance and low debt are Saskatchewan's fiscal anchors
- Fiscal forecast conservatism
- Competitive business tax
- Attractive manufacturing and value-added processing incentives

## Financial Flexibility

- Strong credit ratings
- Low reliance on federal transfer payments
- Moderate tax rates allow for adjustments to revenues when required
- Access to \$8B in liquidity

# Saskatchewan and Selected Provinces



## Saskatchewan

651,036 km<sup>2</sup>

1,225,493 people

\$67,010 GDP/capita



## Alberta

661,848 km<sup>2</sup>

4,800,768 people

\$73,020 GDP/capita



## Ontario

1,076,395 km<sup>2</sup>

15,911,285 people

\$58,650 GDP/capita

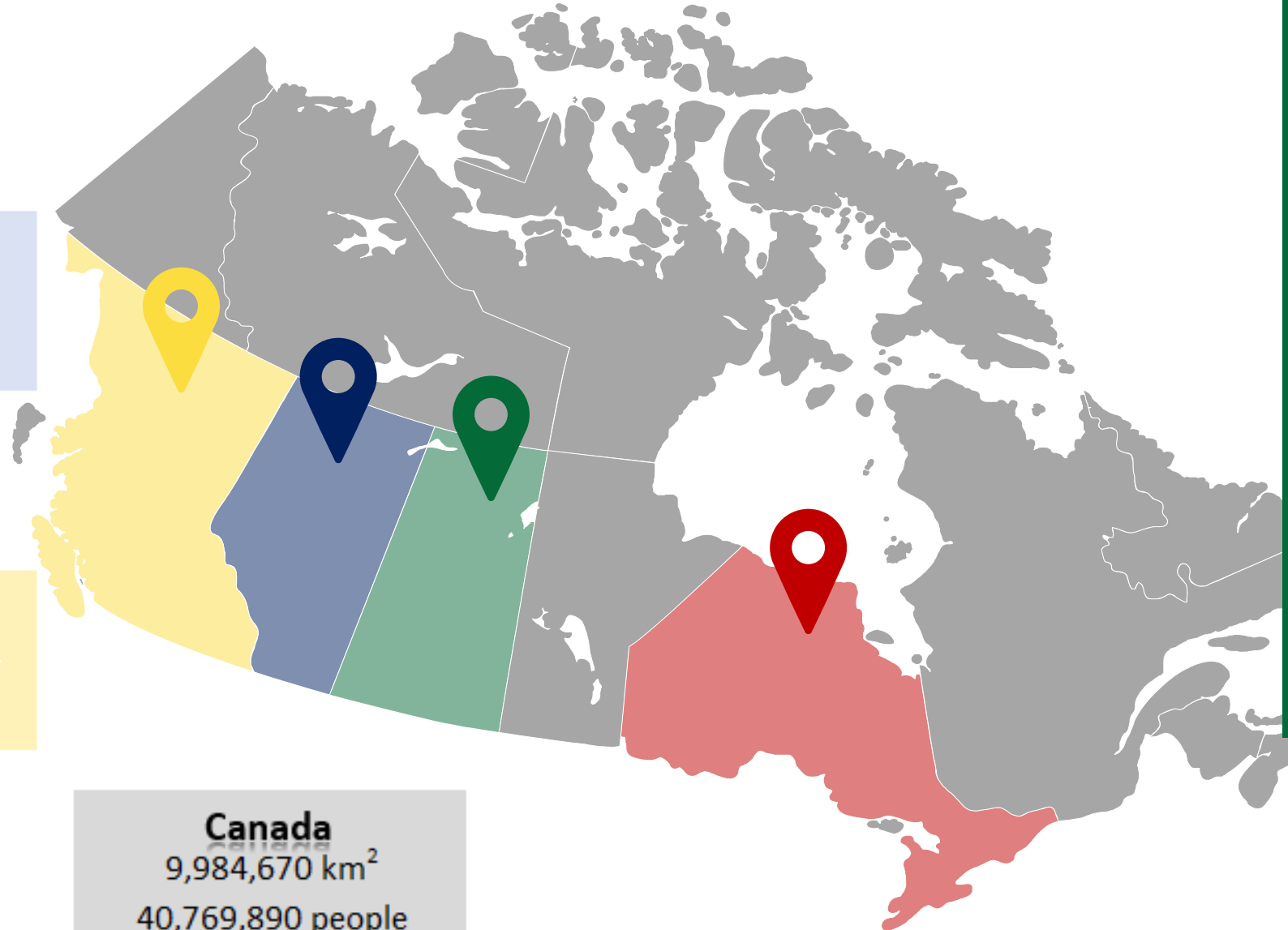


## British Columbia

944,735 km<sup>2</sup>

5,609,870 people

\$59,370 GDP/capita



## Canada

9,984,670 km<sup>2</sup>

40,769,890 people

\$58,370 GDP/capita



# Forest

Covers the northern portion  
of the province —  
**34 million hectares**  
(84 million acres)



# Farmland

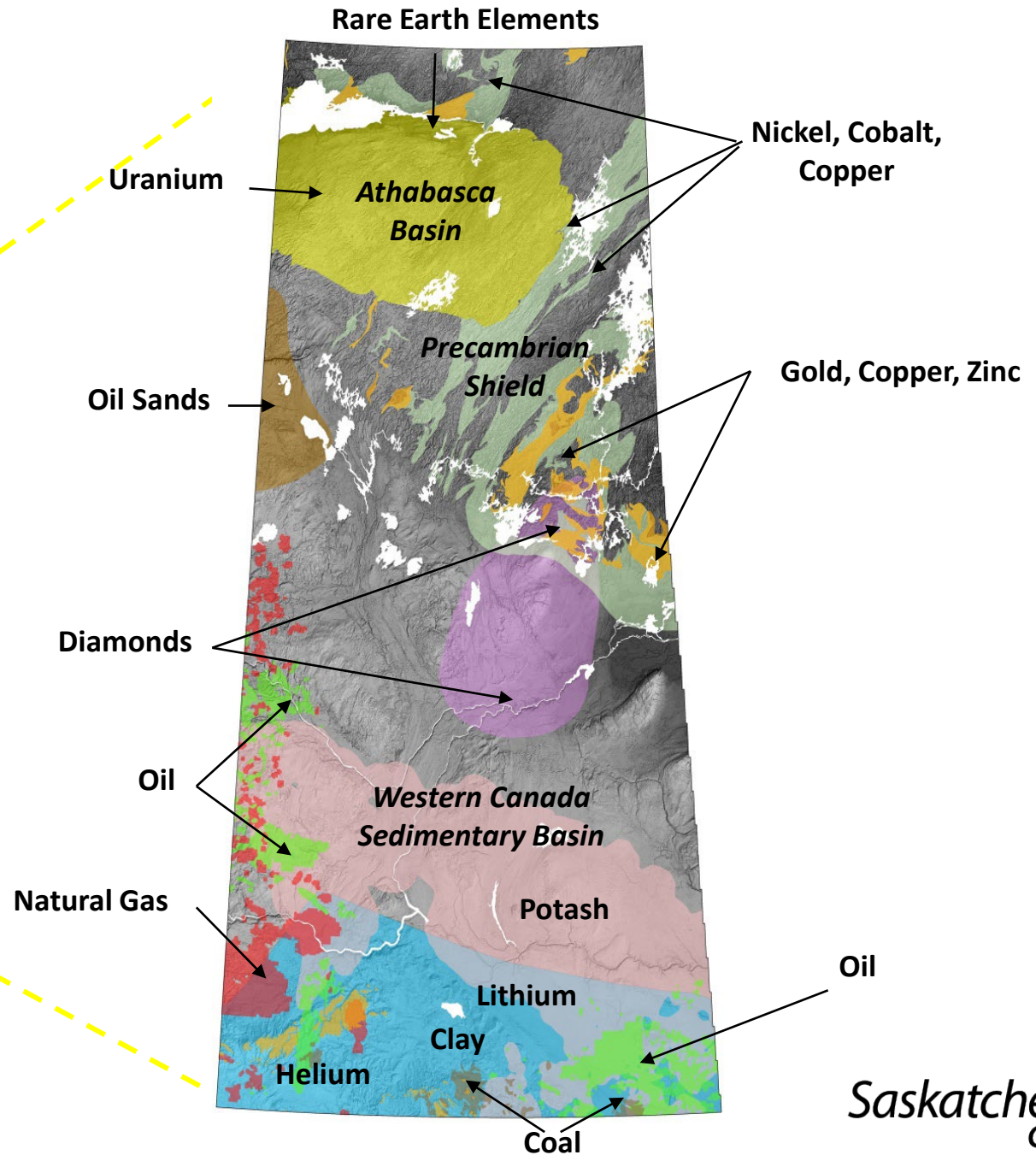
Covers most of  
the remaining area —  
**24 million hectares**  
(60 million acres)

**40%** of Canada's total farm area





# Subsurface Minerals



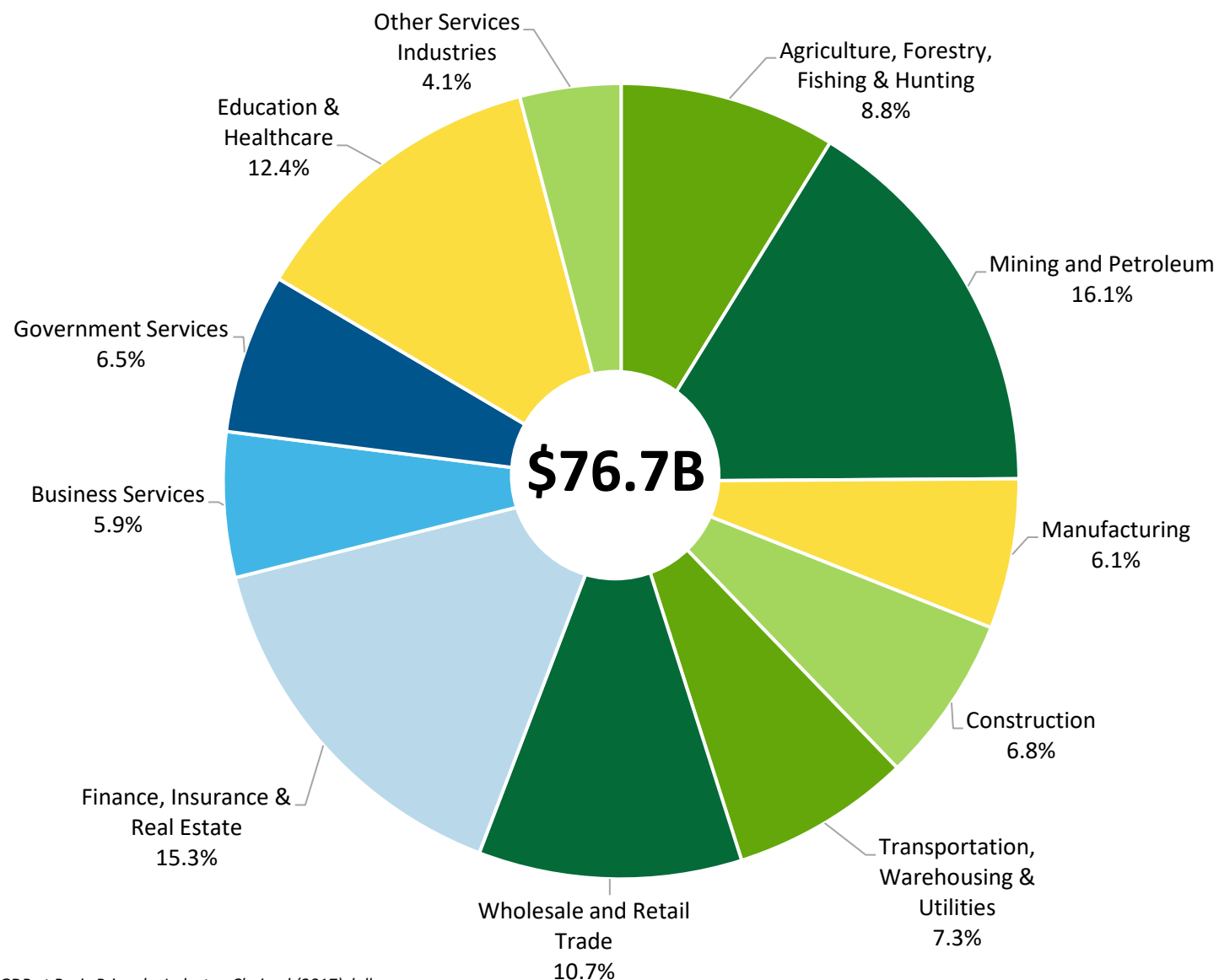
# Crown Sector



## Broad Crown Corporation business sector

- Generates \$750M to \$1B annual profits for the Province
- Employs 11,000+ people

# Diversified Economy



GDP at Basic Prices by Industry, Chained (2017) dollars  
Source: Statistics Canada, table 36-10-0402-01, accessed March 2024

## Saskatchewan Real GDP and Share by Industry, 2022

- Saskatchewan's high value, capital-intensive economy is comprised of roughly 50% goods and 50% services
- High per-capita GDP



# Top International Export Products



OIL

\$11.5B



POTASH

\$11.5B



WHEAT

\$5.7B



CANOLA OIL

\$3.5B



CANOLA SEED

\$3.2B



LENTILS

\$2.0B



URANIUM

\$1.7B



CANOLA MEAL

\$1.2B



PEAS

\$991M



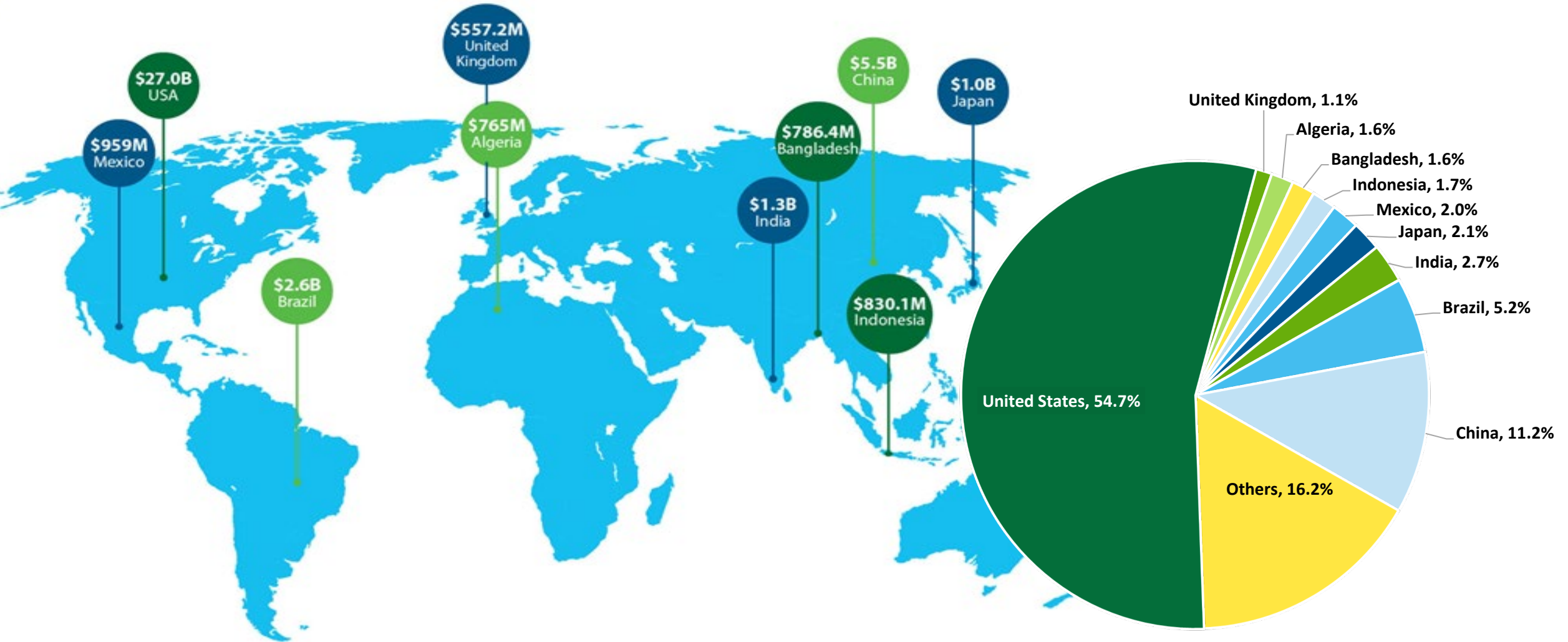
AGRICULTURAL  
MACHINERY

\$707M

(Source: Global Trade Tracker (accessed: February 7, 2024))

TOTAL EXPORTS FOR 2023 = \$49B

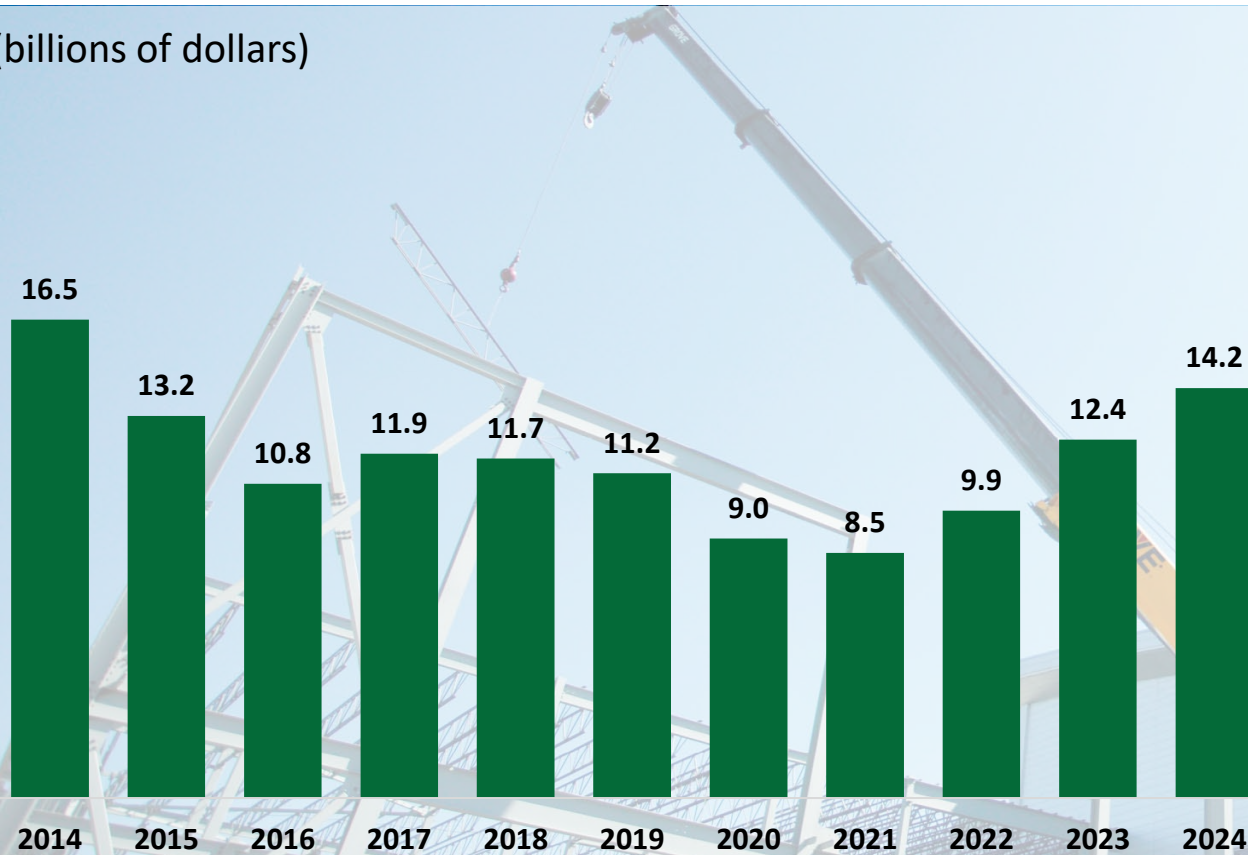
# Top Export Markets



Source: Global Trade Tracker (accessed: February 7, 2024)

# Private Capital Investment

(billions of dollars)



- Private sector capital investment is expected to grow by 14.4% in 2024
- Mining investment is expected to increase by 22.5% in 2024
- Major private sector capital projects totaling \$38.3 billion expected to be completed over the next 5 to 10 years



# Saskatchewan's Economic Outlook

## Private Sector Economic Forecast for Saskatchewan

(per cent change unless otherwise noted)

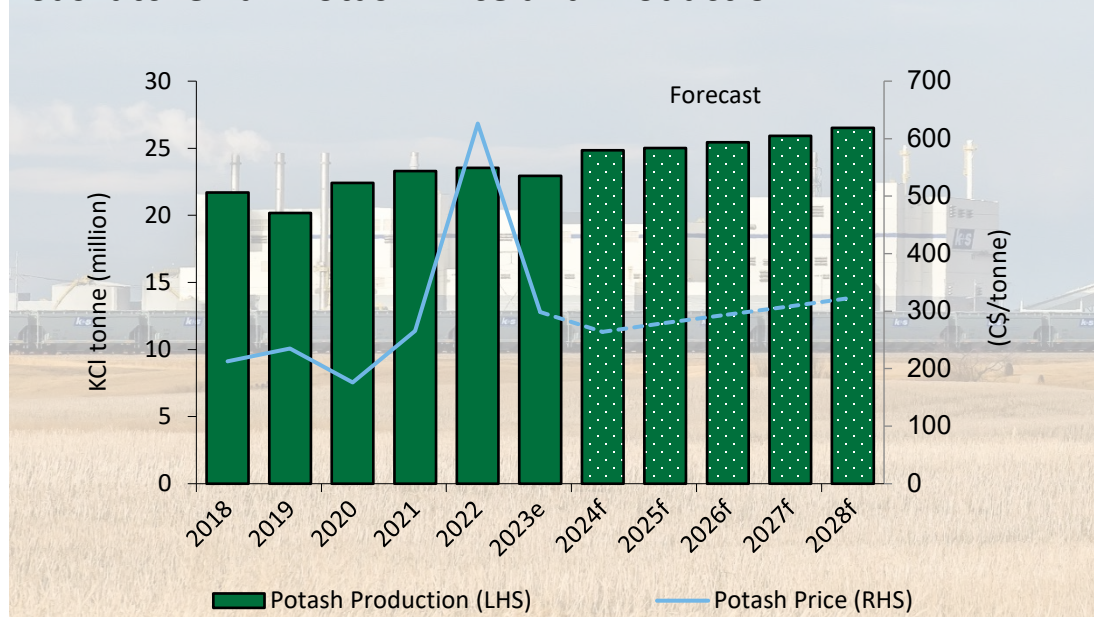
	2022	2023	2024	2025	2026	2027	2028
	Actual	Estimate	Forecast	Forecast	Forecast	Forecast	Forecast
Real GDP Growth (% Change)	6.0	1.4	1.0	1.8	2.3	2.1	2.2
Nominal GDP Growth (% Change)	29.2	(0.3)	2.1	3.2	3.7	3.5	4.1
CPI Growth (% Change)*	6.6	3.9	2.6	2.0	2.0	2.0	2.0
Employment Growth (000s)*	19.8	10.7	8.4	8.8	8.6	8.9	8.5
Unemployment Rate (%)*	4.7	4.8	5.5	5.6	5.6	5.5	5.5

\* Actuals for 2023

Sources: Statistics Canada (2022-2023); Average private sector forecast as of January 12, 2024 (2023-2025);  
Ministry of Finance calculations based on average private sector forecast (2026-2028).

# Commodity Price and Production Outlook

## Saskatchewan Potash Price and Production

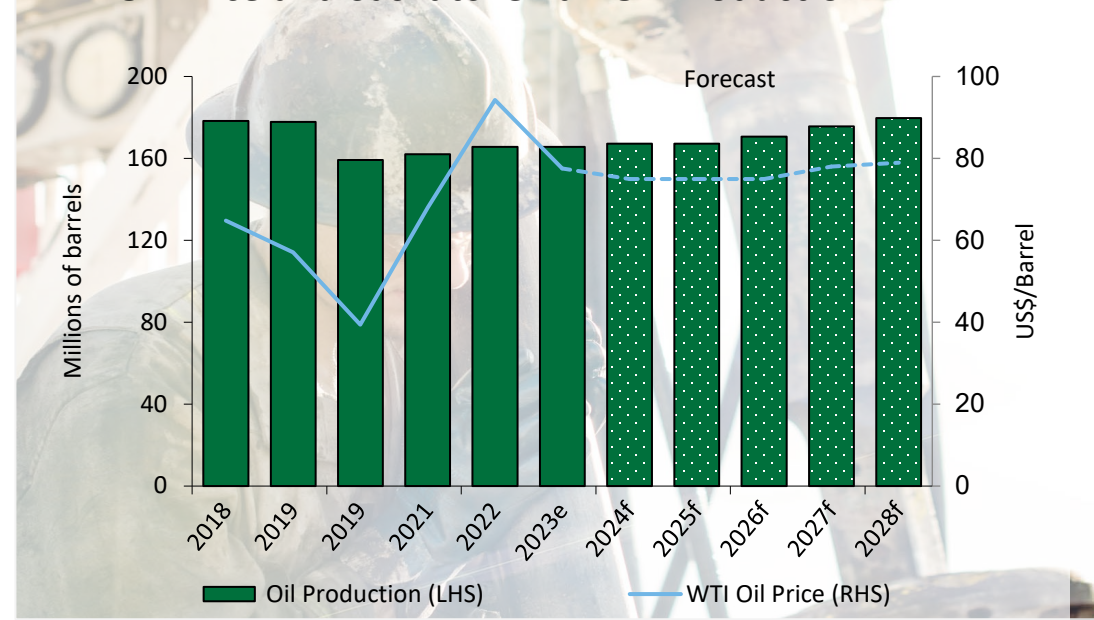


Source: Ministry of Energy and Resources (January 2024)

### Potash

- Potash prices now normalized after Russia/Belarus disruptions in 2022
- Local production set to steadily increase due to expansions and new mine development

## WTI Oil Price and Saskatchewan Oil Production



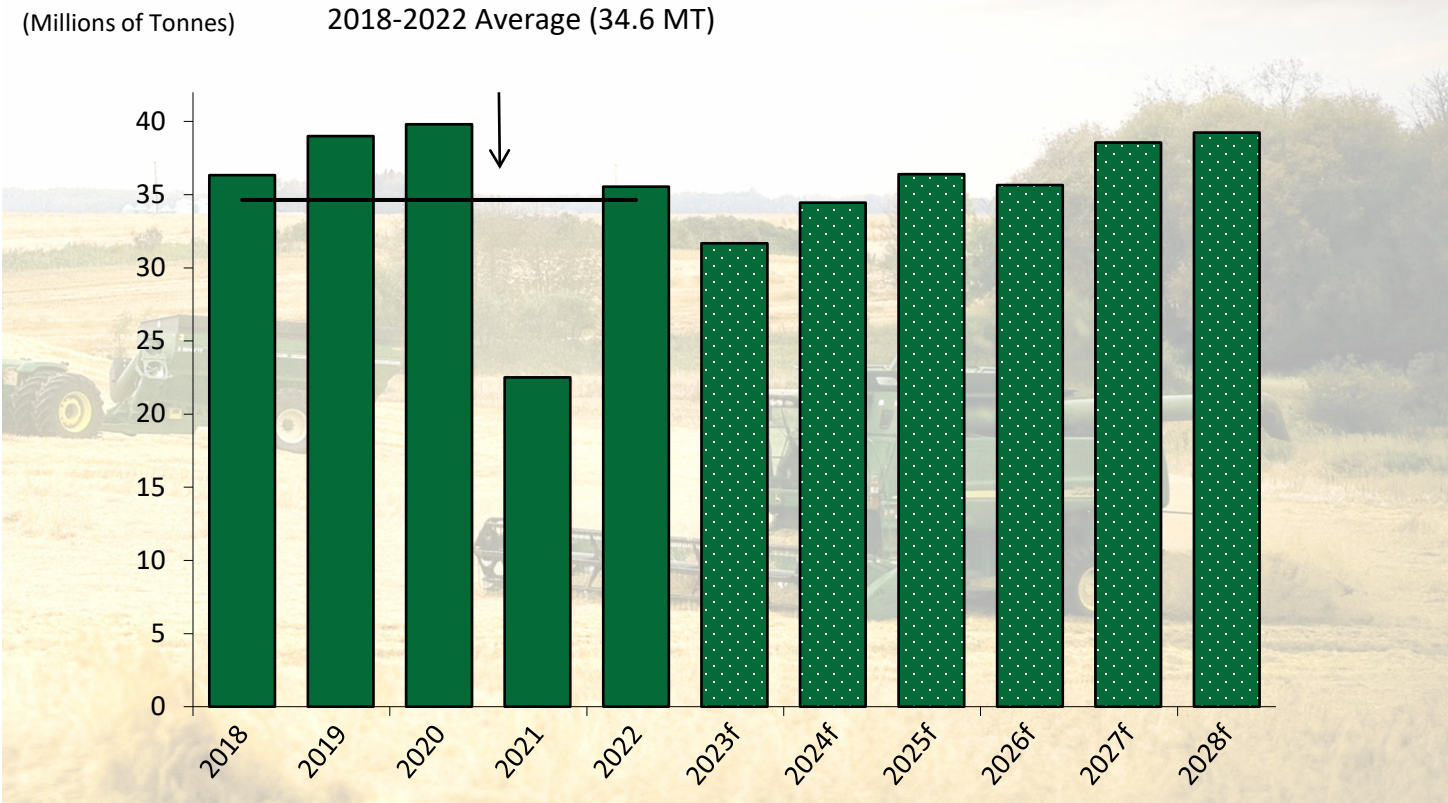
Source: Ministry of Energy and Resources (January 2024)

### Energy

- Global oil demand expected to continue to rise with Saskatchewan production stable
- Western Canada crude prices remaining elevated as pipeline capacity comes online.

# Agriculture Production Outlook

## Saskatchewan Crop Production



Sources: Ministry of Agriculture (January 2024)

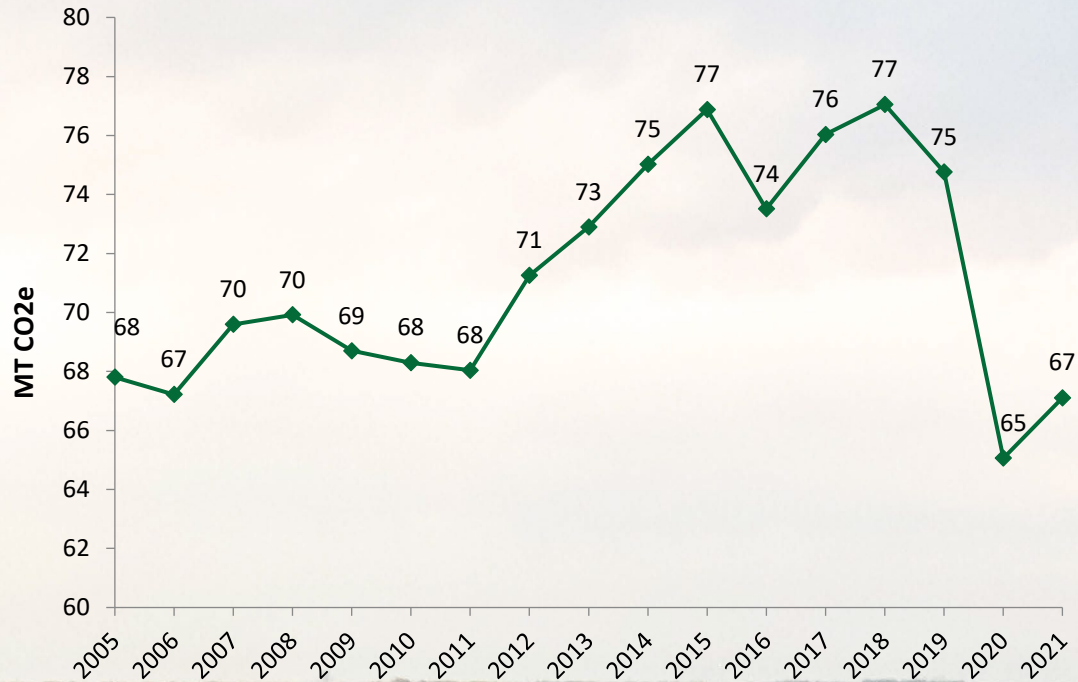
## Crop Production and Prices

- In 2021, crop production fell by approximately 47% due to widespread drought conditions
- In 2023, crop production declined by roughly 10.9% due to drought conditions in certain parts of the province
- Crop prices are anticipated to remain relatively strong in 2024 and over the medium term

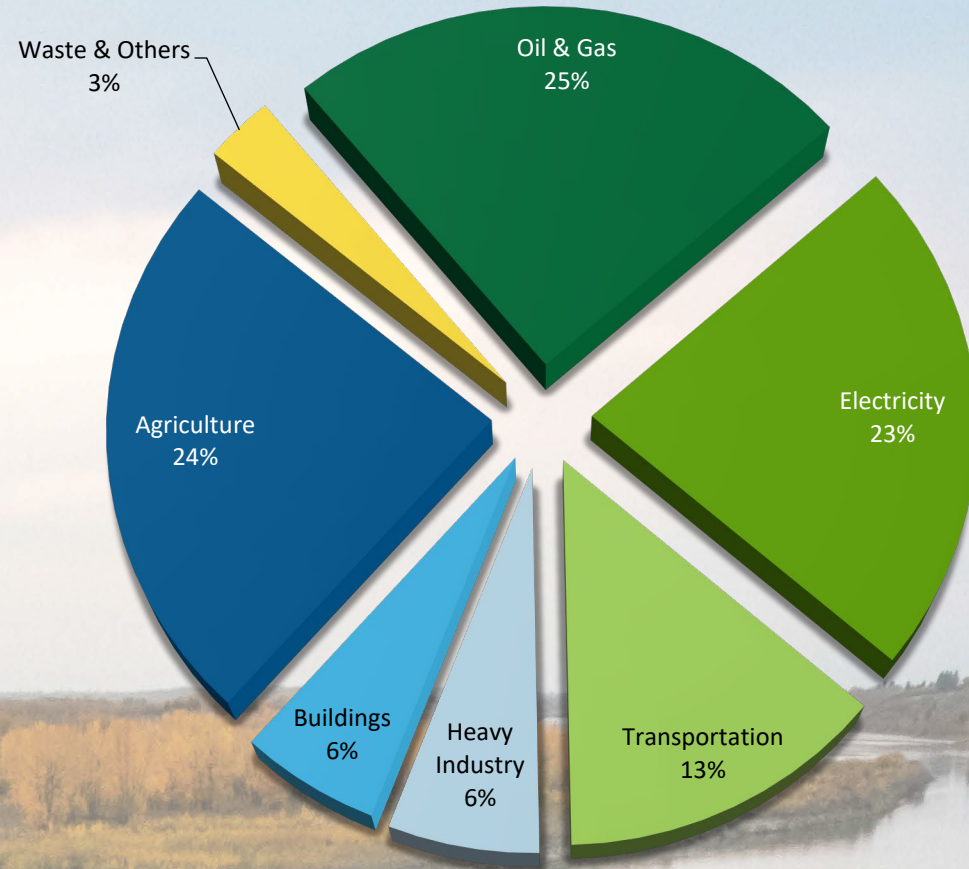


# GHG Emissions Profile

Saskatchewan's GHG Emissions, 2005-2021



Saskatchewan's GHG Emissions by Economic Sector, 2021



Source: ECCC NIR 1990-2020, 2022



# Clean Energy and Environmental Strategy

- Targeting 50% renewable power sources by 2030
- 2050 transition to net zero to include small modular reactors
- Methane emission reduction targets for oil and gas
- World's largest commercial carbon capture facility
- Industrial Carbon Pricing Standards



Sustainable  
Saskatchewan

# 2024-25 Budget and Fiscal Outlook

(millions of dollars)	2022-23 Actual	2023-24 Forecast	2024-25 Budget	2025-26 Forecast	2026-27 Forecast	2027-28 Forecast
Revenue	20,595	20,383	19,862	20,617	21,400	22,213
Expense	19,014	20,866	20,135	20,598	21,175	21,874
<b>Deficit</b>	<b>1,581</b>	<b>(482)</b>	<b>(273)</b>	<b>18</b>	<b>225</b>	<b>340</b>

## Key Metrics

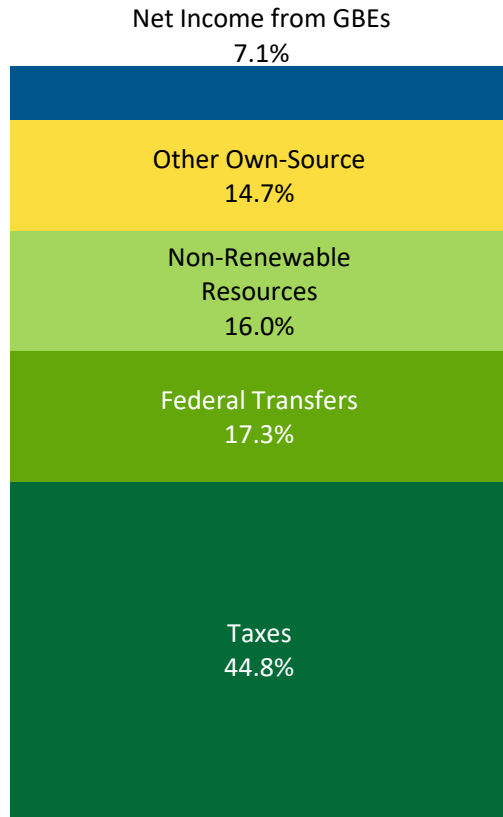
Gross Debt (\$M)	30,482	31,798	34,813	38,443	41,465	44,081
Net Debt (\$M)	14,598	15,169	16,347	17,577	18,185	18,427
Net Debt as % of GDP	12.8	13.3	14.0	14.6	14.6	14.3

- Despite a modest deficit forecast for 2024-25, the province expects surplus position starting in 2025-26.



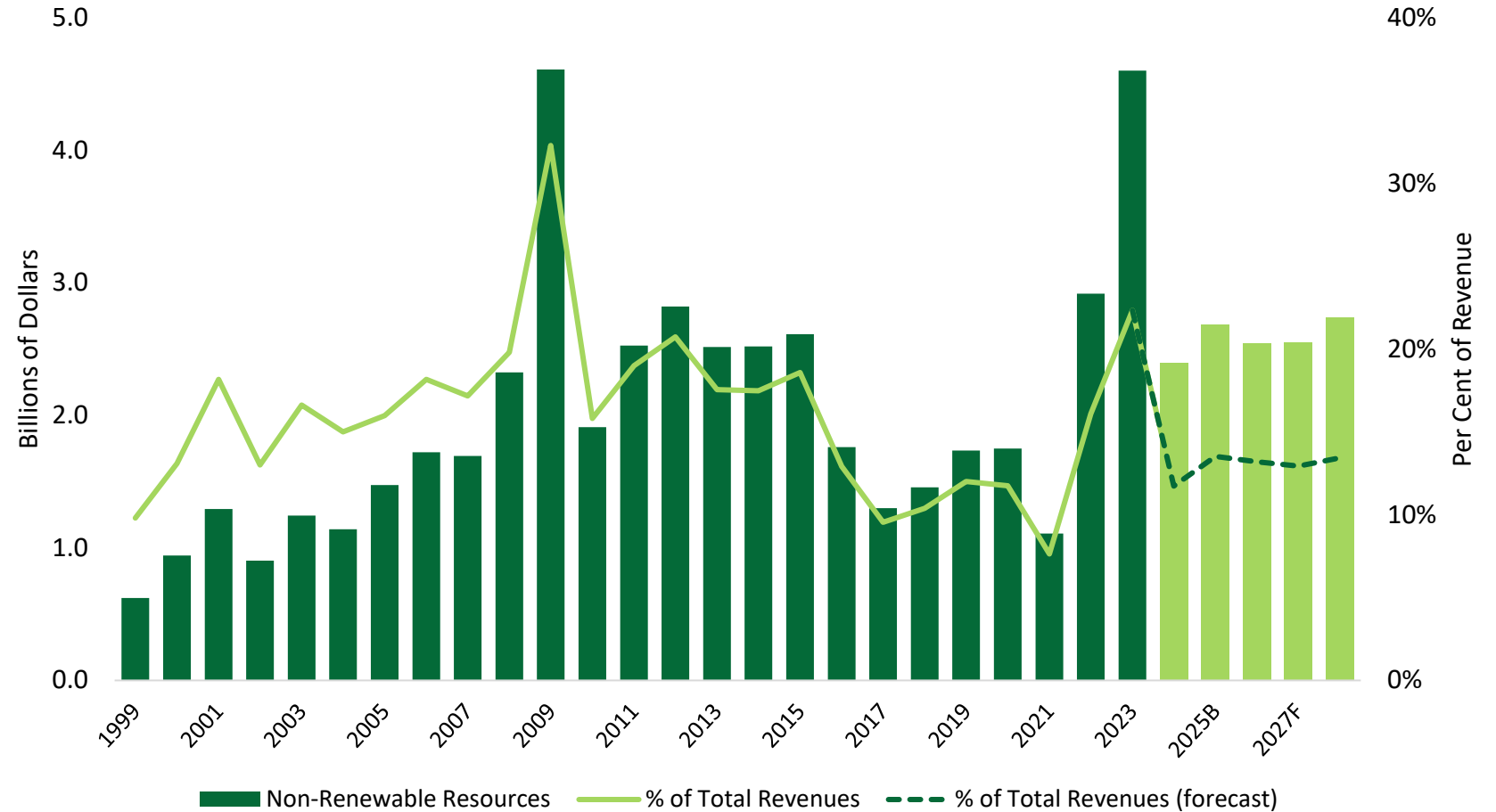
# Revenue Composition

Percentage Contribution to  
Total Revenues



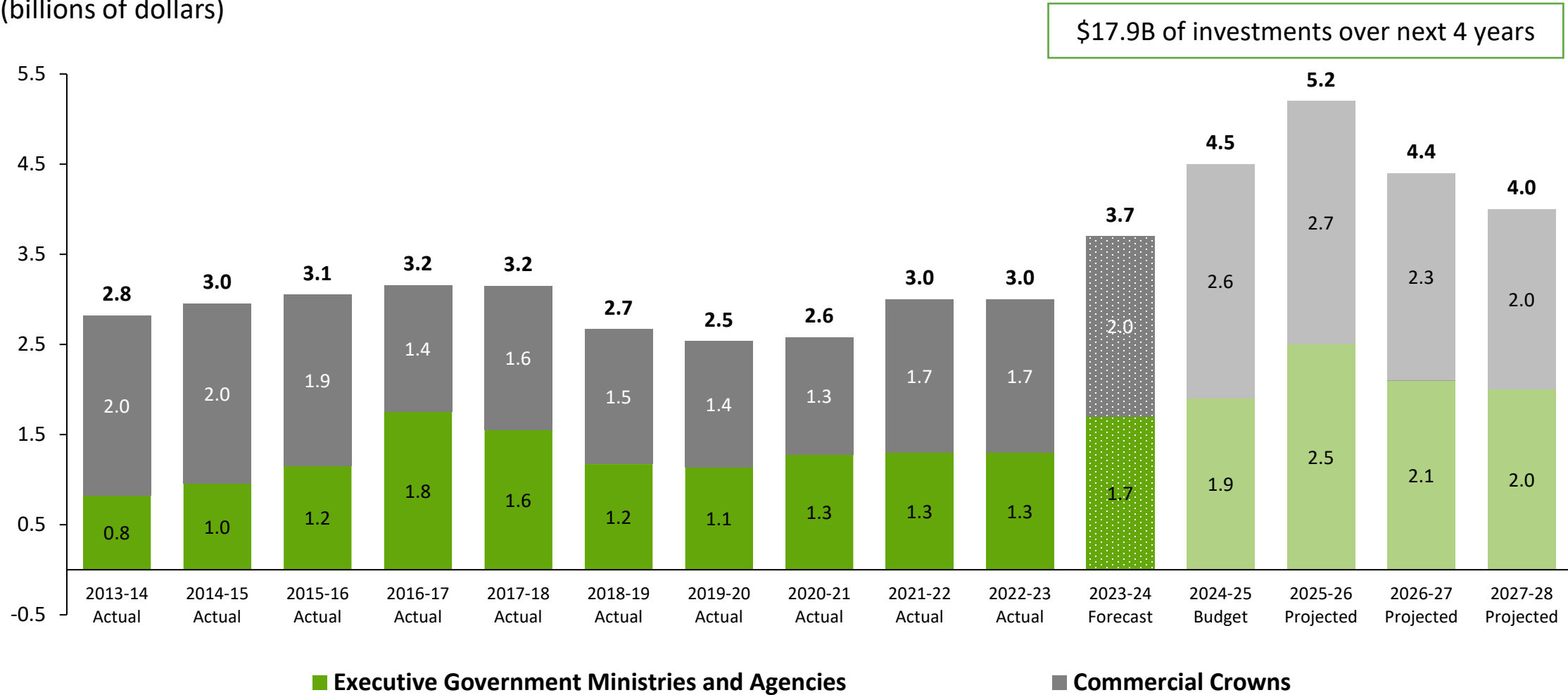
25 Year Average

Non-Renewable Resources as a % of Revenues



# Government Capital Expenditures

(billions of dollars)



# Debt and Liquidity

## Gross Debt Outstanding

As at March 31

	2022-23	2023-24	2024-25
(millions of dollars)	Actual	Forecast	Budget
General Revenue Fund			
- Operating	8,451.9	7,463.9	7,463.9
- Saskatchewan Capital Plan	9,771.1	11,471.1	13,371.1
Other Government Service Organizations	277.8	249.5	228.1
<b>Taxpayer-Supported Debt</b>	<b>18,500.8</b>	<b>19,184.5</b>	<b>21,063.1</b>
Government Business Enterprises	11,981.5	12,613.8	13,749.4
<b>Self-Supported Debt</b>	<b>11,981.5</b>	<b>12,613.8</b>	<b>13,749.4</b>
<b>Total</b>	<b>30,482.3</b>	<b>31,798.3</b>	<b>34,812.5</b>

### Upcoming fiscal year forecasts:

- YoY increase of \$3.0B in capital-related debt of government and crown corporations
- No increase to government operating debt

## Net Debt as a % of GDP Forecast

2024-25 Fiscal Yearend Projection<sup>1</sup>



<sup>1</sup> BC, NB, MB, QC, ON, NL, and CA all reporting Net Debt as at March 31, 2024 (latest available data)

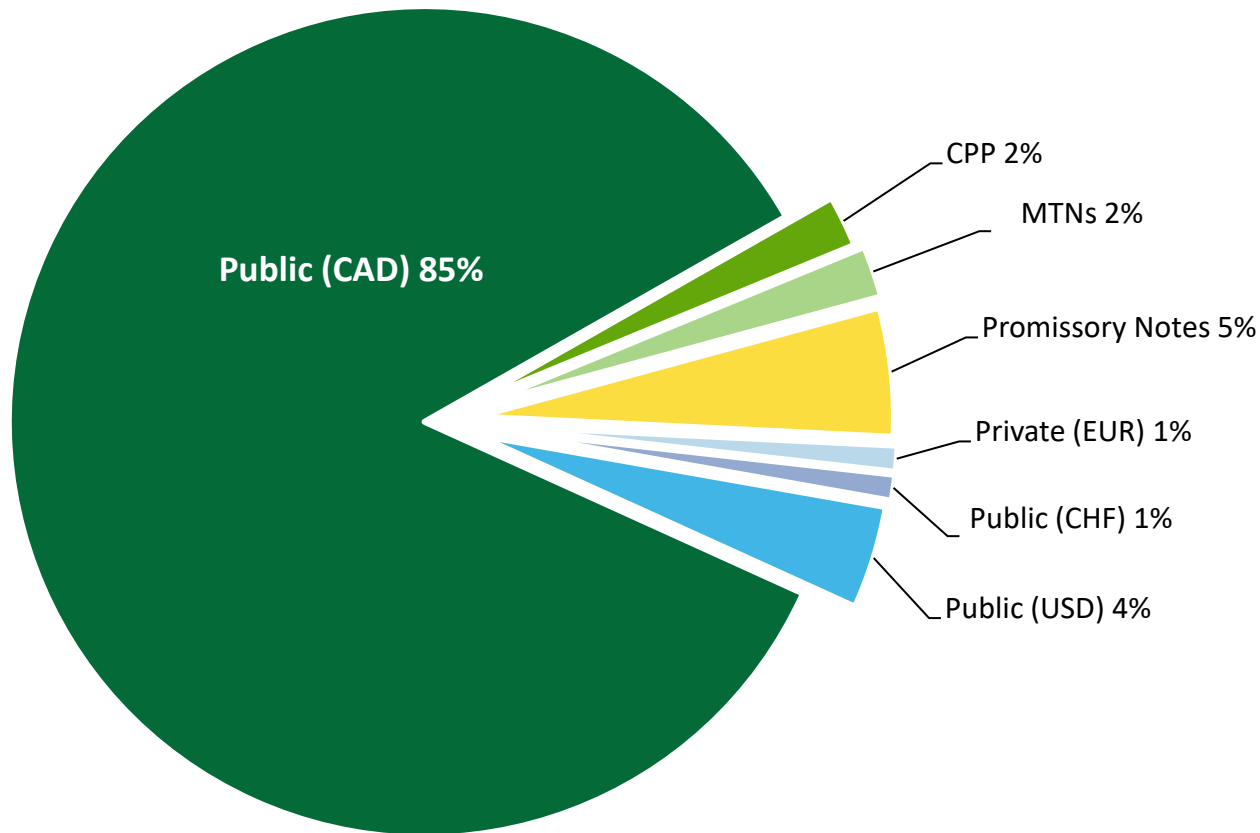
Sources: Net Debt-Jurisdictions most recent data (as of March 4, 2024)

GDP: SK-Average Private Sector Forecast, Canada and all other provinces - CBoC (Data Released in November 2023)



# Debt and Liquidity

## Composition of Gross Debt Outstanding



## Debt Strategy

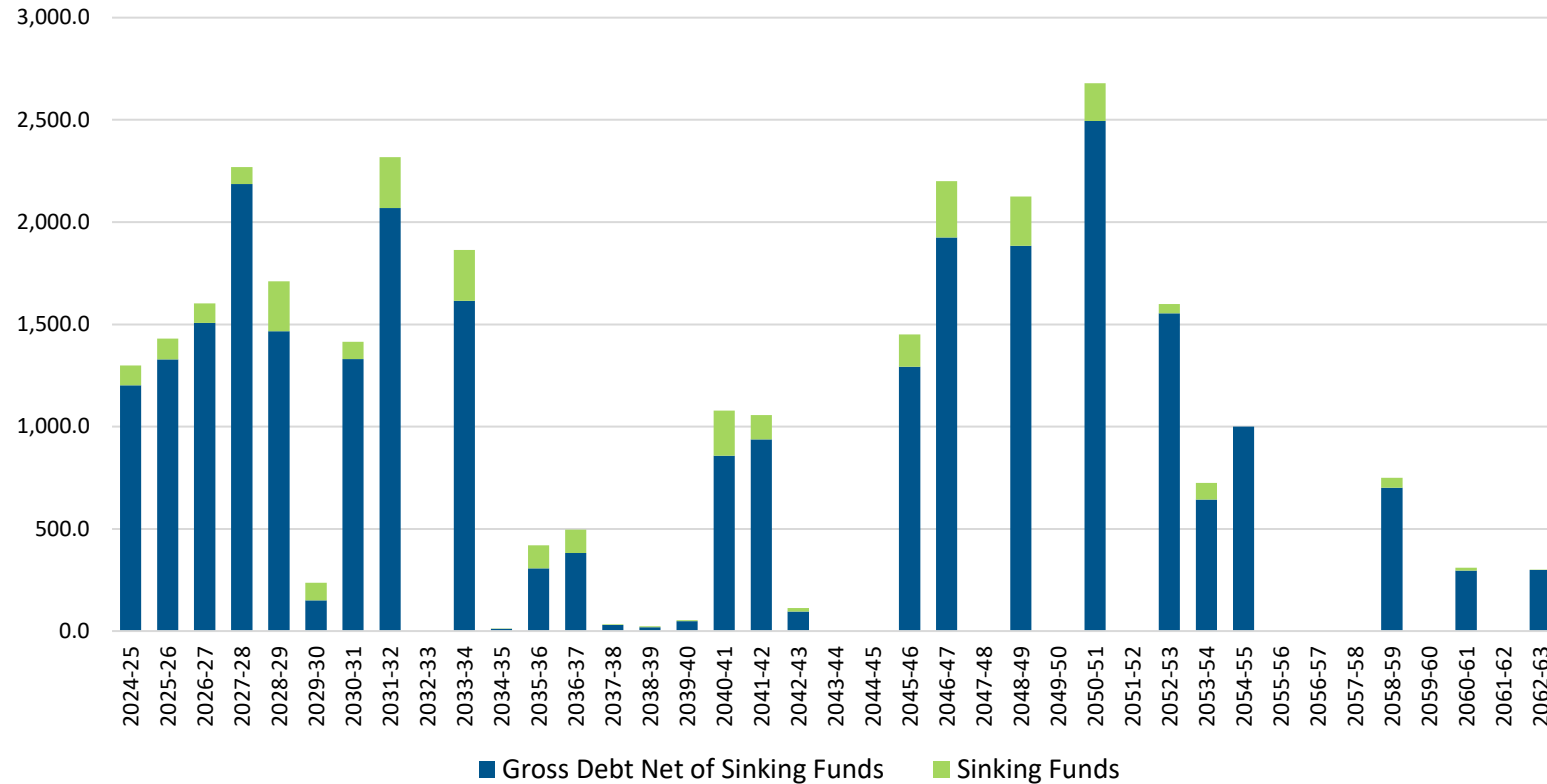
- CAD benchmarks
- Global SEC USD shelf
- Reinstate EMTN program
- Strategic international issuance
- Targeting 25% international debt

## Liquidity Strategy

- \$1.25B – \$1.75B liquid reserves
- \$4.0B short debt capacity (\$1.4B drawn)
- Sinking fund (~CAD \$2.9B)

# Term Debt Maturity Profile

(millions of dollars)



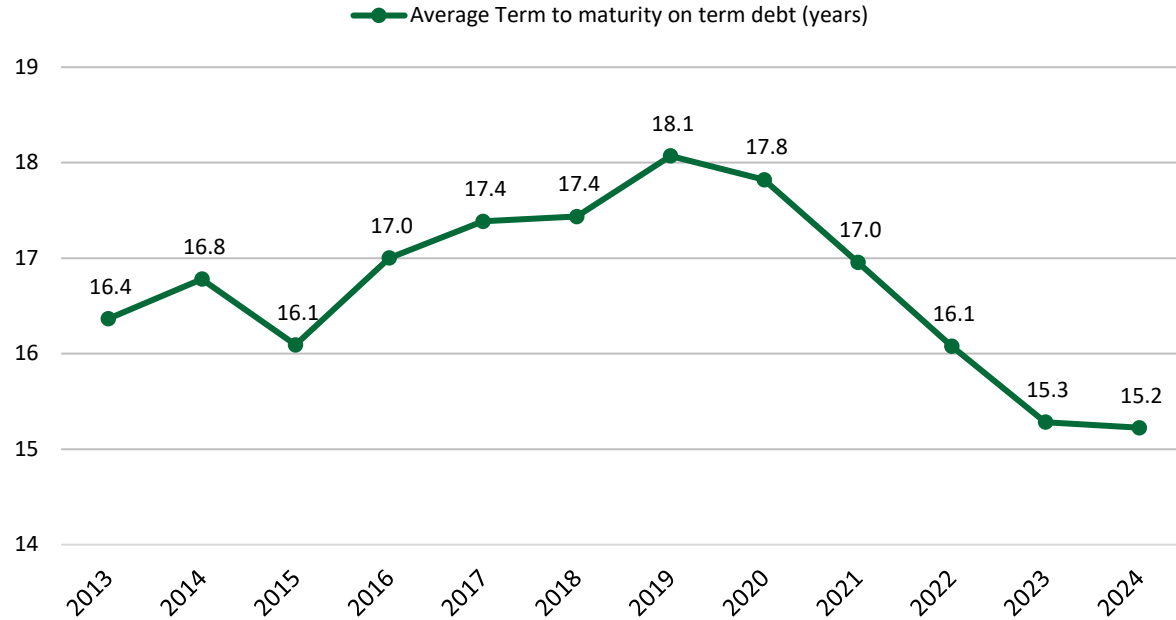
----- Canadian Dollar Benchmark Bonds -----			
Bond Details		Target Size	Current Size
10s		1,250-1,500	
2.20%	6/2/2030		1,400
2.15%	6/2/2031		1,500
3.90%	6/2/2033		1,700
30s		2,000-2,500	
3.10%	6/2/2050		2,500
2.80%	12/2/2052		1,600
4.20%	12/2/2054 *		1,000

\*current benchmark issue still building

- Maturities include both domestic and international debt.

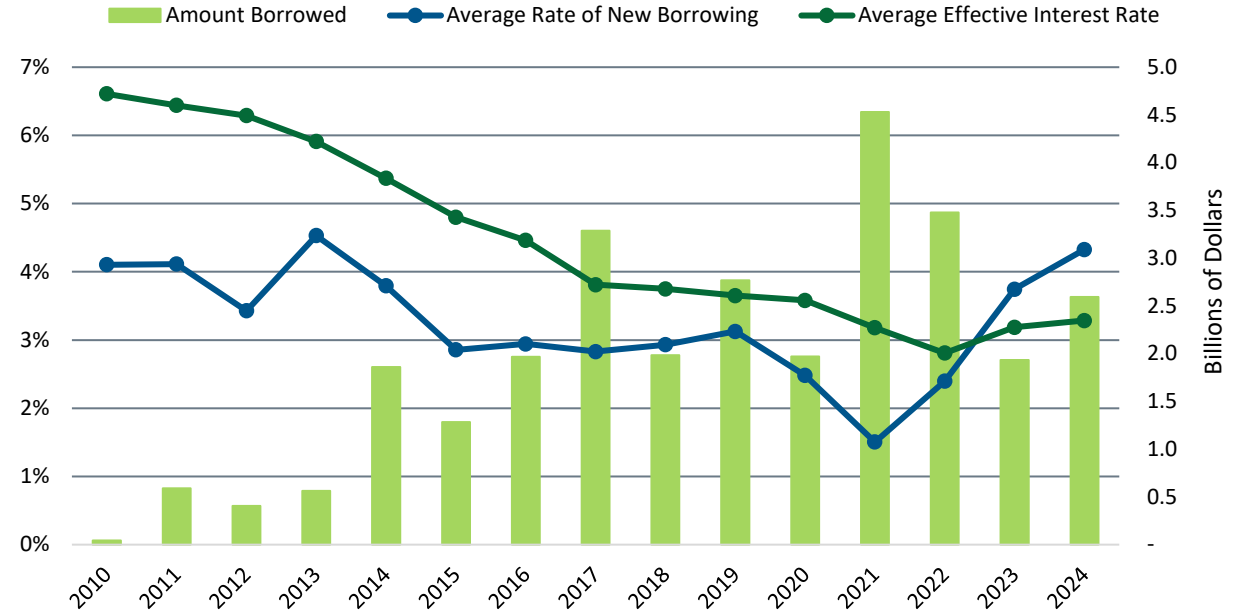
# Average Term and Cost of Borrowing

## Average term to maturity – Total Debt



- Higher than the provincial average

## Cost of Borrowing & Borrowing Programs

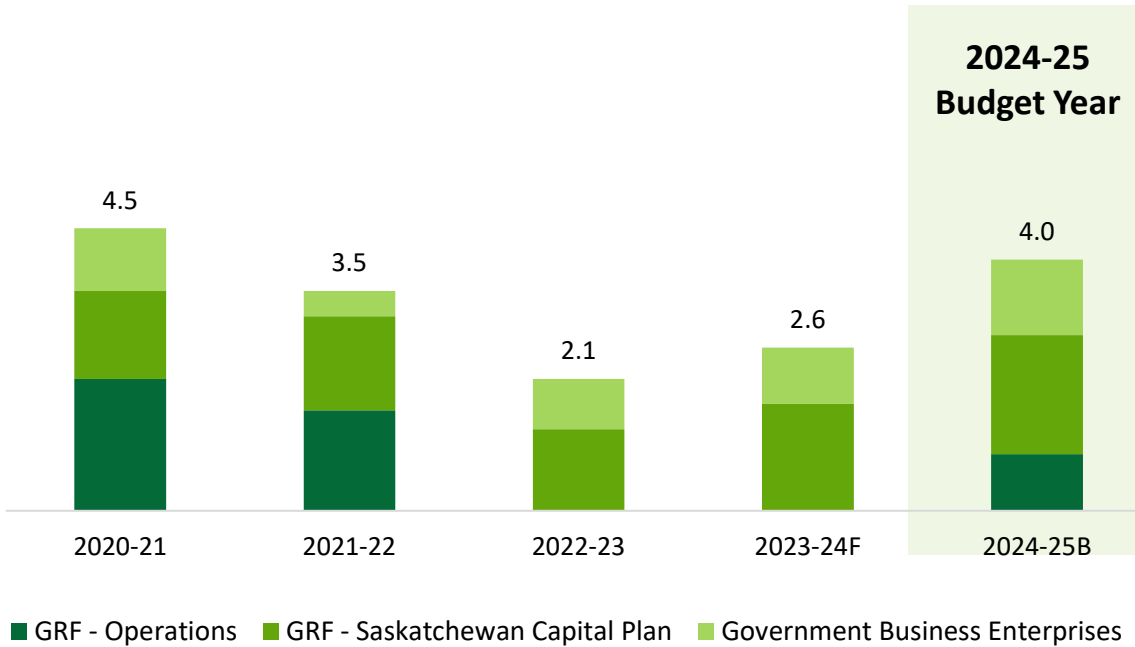


- Average effective interest rate is 3.29%
- Annual borrowing increased during pandemic



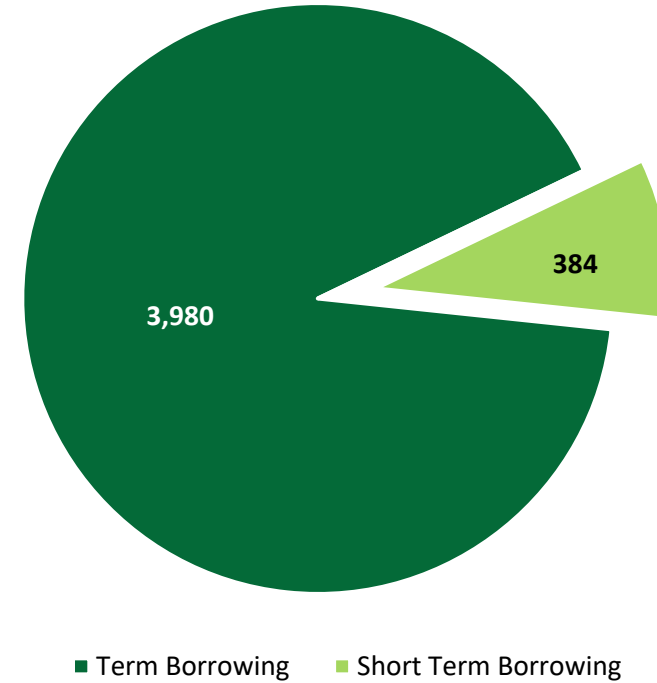
# Borrowing Programs

**Annual Term Borrowing Requirements**  
(billions of dollars)



- All new borrowing is for capital investment

**2024-25 Term and Short-Term Borrowing**  
(millions of dollars)



- Term debt targeted to be issued in domestic and international markets (CAD, USD, EUR)

# Credit Ratings

Agency	Long-Term Date of Last Action	Short-Term	Trend	ESG Scoring
Moody's Ratings	Aa1 May 21, 2021	Not Rated	Stable	CIS-2 Neutral
S&P Global	AA June 21, 2017	A-1+	Stable	-
Morningstar DBRS	AA (low) June 18, 2020	R-1 (middle)	Stable	ESG Assessment Relevant/Not significant
Fitch	AA May 16, 2011	F1+	Stable	ESG Relevance Level 3 Neutral/Minimal

# Contact Information

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# Appendix

# Resource Assumptions and Sensitivities

## Key Resource Assumptions

	2022-23 Actual	2023-24 Budget	2023-24 Forecast	2024-25 Budget	2025-26 Outlook	2026-27 Outlook	2027-28 Outlook
WTI Oil Price (US\$/barrel)	89.6	79.5	77.3	77.0	75.0	75.8	78.3
Differential (% of WTI)	18.9	23.8	16.9	14.5	14.0	14.0	14.0
Well-head Oil Price (C\$/barrel) <sup>1</sup>	91.3	78.1	80.6	81.6	77.4	78.1	80.8
Production (million barrels)	166.7	170.50	166.70	166.70	168.20	171.80	177.10
Potash Price (mine netback, US\$/KCl tonne) <sup>2</sup>	562.0	369.0	284.0	268.0	283.0	298.0	312.0
Potash Price (mine netback, C\$/K <sub>2</sub> O tonne) <sup>2</sup>	1,205.0	814.0	628.0	590.0	619.0	641.0	671.0
Potash Sales (million KCl tonnes) <sup>2</sup>	22.8	25.0	23.9	24.9	25.1	25.6	26.1
Potash Sales (million K <sub>2</sub> O tonnes) <sup>2</sup>	13.9	15.3	14.6	15.2	15.3	15.6	15.9
Canadian Dollar (US cents)	75.6	74.4	74.0	74.4	74.9	76.1	76.3

<sup>1</sup> The average price per barral of Saskatchewan light, medium and heavy oil.

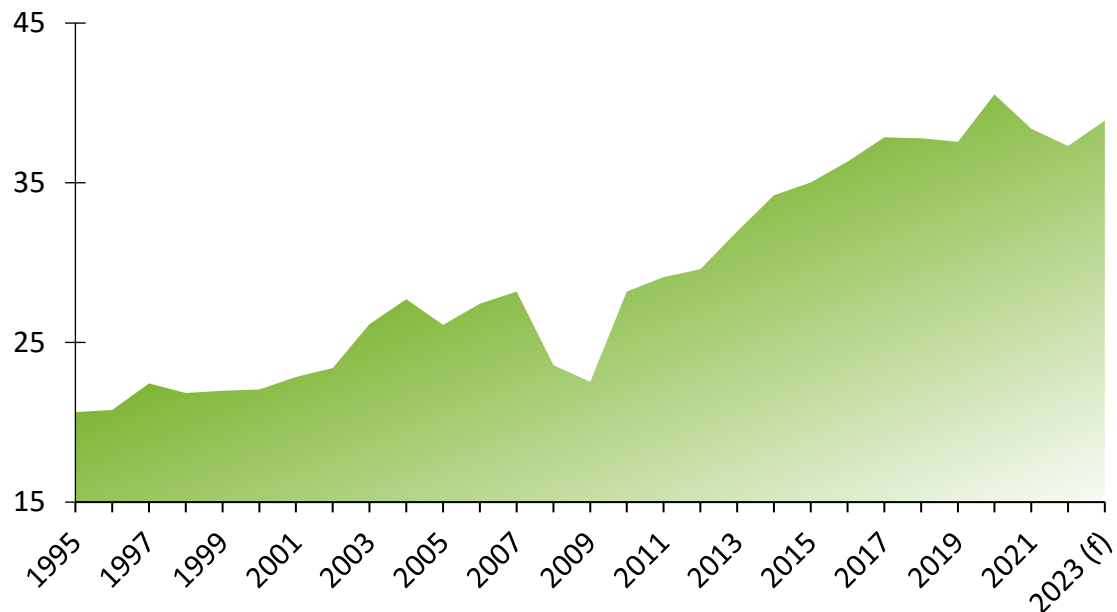
<sup>2</sup> Ministry of Finance calculations based on calendar-year forecasts; KCl ifgures are estimated from K20 statistics at a 0.61 conversion rate.

## Key Sensitivities: 2024-25 Budget

- **WTI Oil Prices:** \$17.5M for each US\$1/barrel
- **Exchange Rate:** \$35.8M for each U.S. cent
- **Potash Prices :** \$52.6M for each US\$10/KCl tonne

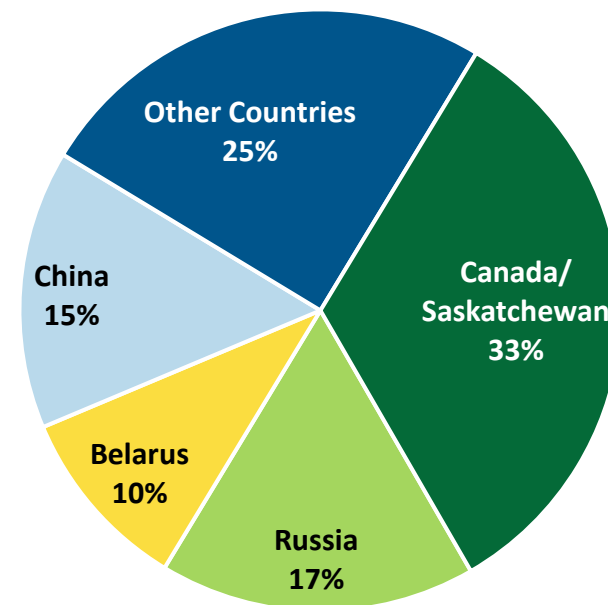
# Potash Consumption and Production

**World Potash Consumption**  
(millions of metric tonnes)



- Potash is used as a major nutrient in crop production and Saskatchewan is the largest producer with extensive reserves.

**World Potash Production**

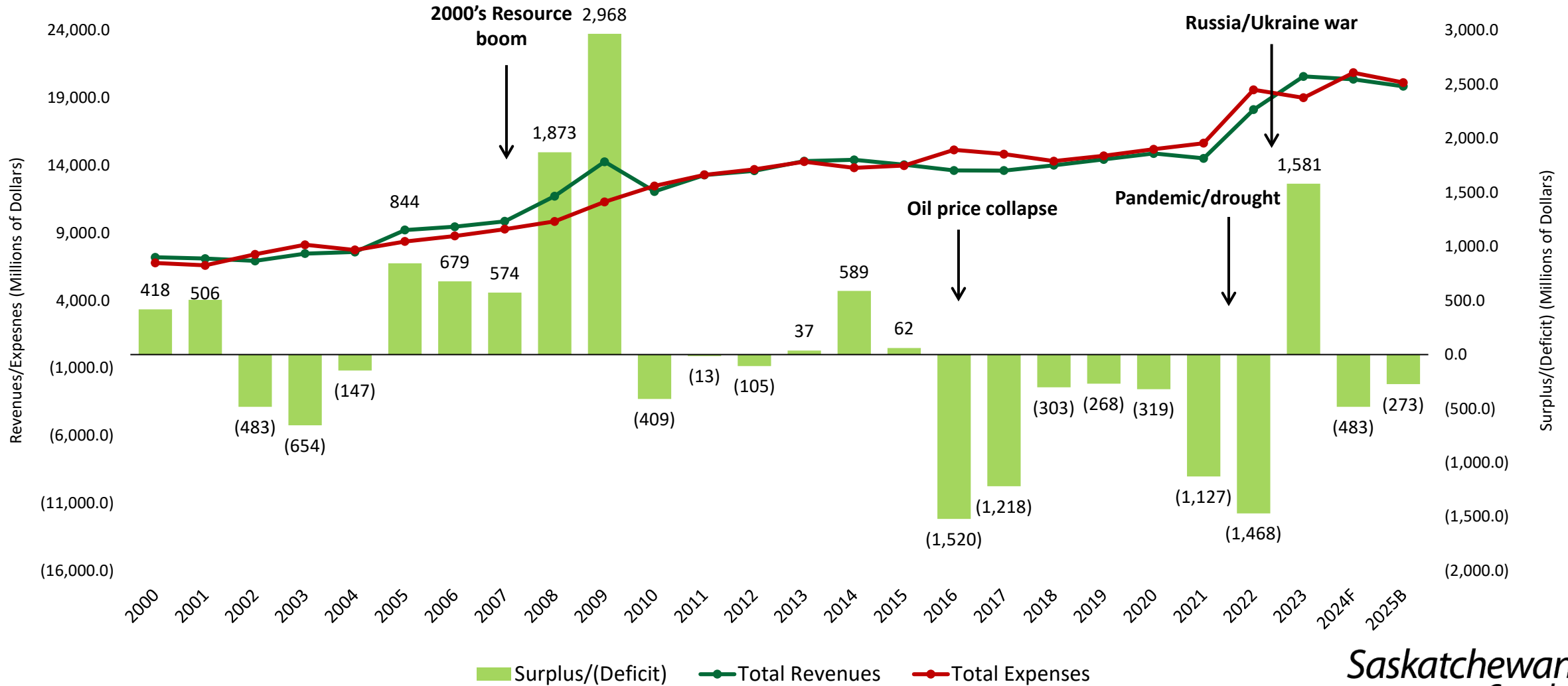


- In 2023, Saskatchewan accounted for 33% of global potash production (typically one-third)
- Sanctioned production in Belarus and Russia is making its way to market, normalizing prices



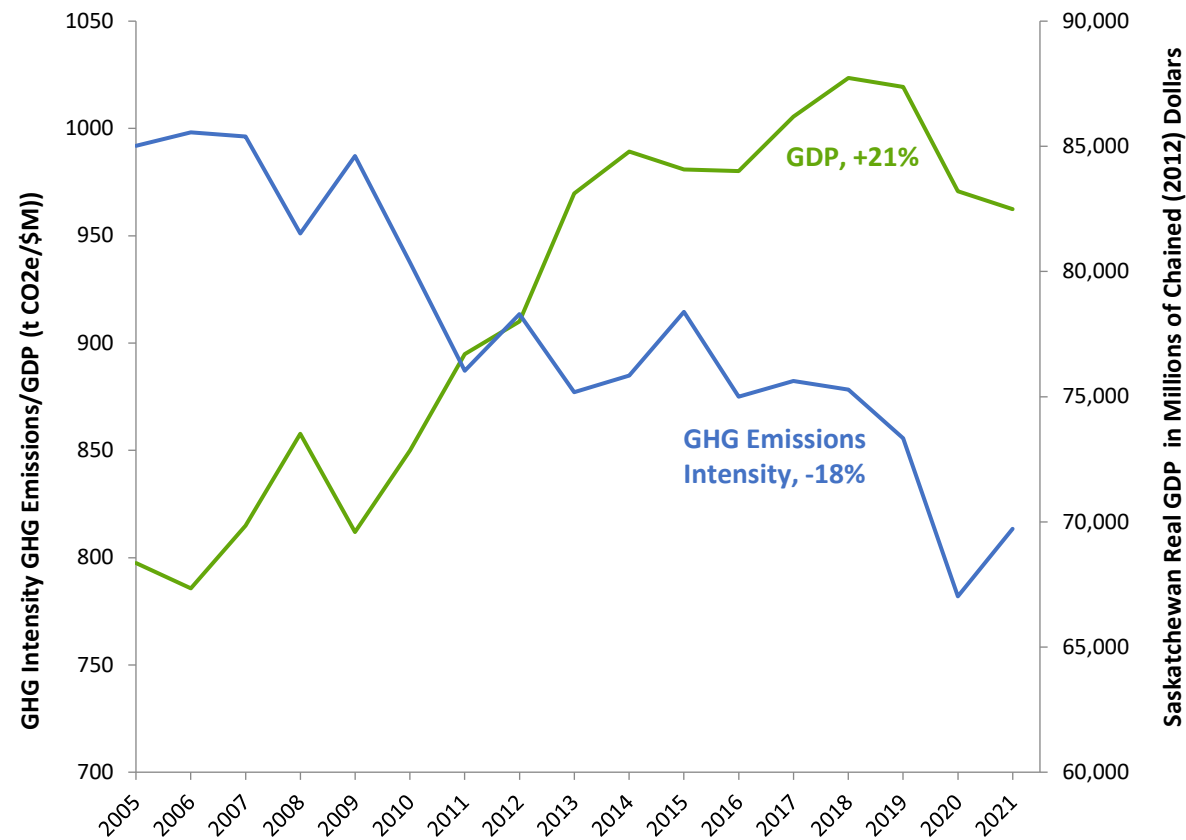
# Long-Term Fiscal Track Record

(for fiscal years ended March 31)

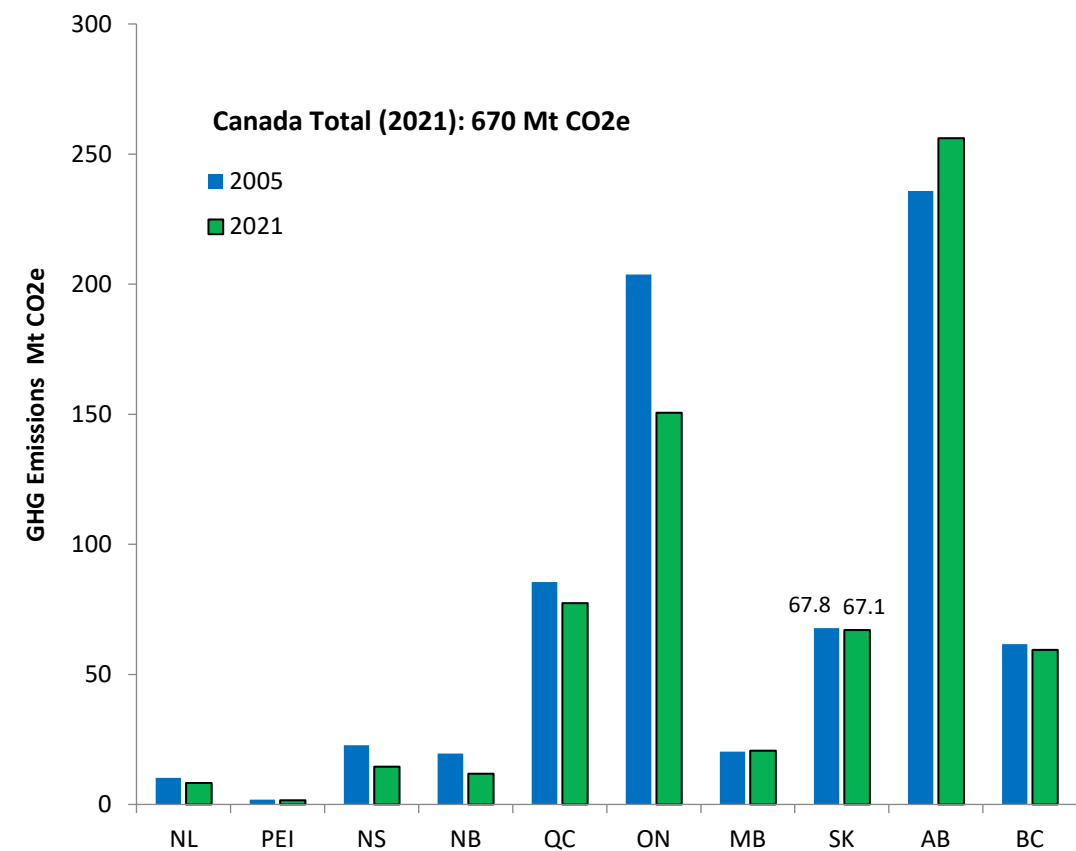


# GHG Emissions

GHG Emission Intensity to GDP, 2005-2021



Interprovincial Comparison of GHG Emissions, 2005-2021



# Economic Indicators in 2023

	2023 Level	5-Year (2018-2022) Average	Change <sup>3</sup> (Per cent or p.p.)	Change (per cent) 2023 over 2022		
				SK	CA	SK Rank
Population ('000s)	1,219.00	1,169.90	4.20%	2.60%	3.20%	8th
Employment ('000s) <sup>1</sup>	592.2	566.8	4.50%	1.80%	2.40%	8th
Unemployment Rate (%) <sup>1</sup>	4.8	6.3	-1.5 p.p.	4.8% <sup>4</sup>	5.4% <sup>4</sup>	2nd
Employment Rate (%) <sup>1</sup>	64.1	63.9	+0.2 p.p.	64.1% <sup>4</sup>	62.1% <sup>4</sup>	2nd
Consumer Price Index (2002=100) <sup>1</sup>	160	143.3	11.60%	3.90%	3.90%	7th
Average Weekly Earnings (\$) <sup>1</sup>	1,167.10	1,079.20	8.10%	2.40%	3.40%	9th
Retail Sales (\$B) <sup>2</sup>	25.2	21.8	15.60%	0.50%	2.10%	10th
Wholesale Trade (\$B) <sup>2</sup>	63	n.a. <sup>5</sup>	n.a. <sup>5</sup>	n.a. <sup>5</sup>	n.a. <sup>5</sup>	n.a. <sup>5</sup>
New Motor Vehicle Sales (# of Units) <sup>2</sup>	43,837	44,982	-2.50%	6.00%	11.60%	10th
Food Services & Drinking Places Sales (\$M) <sup>2</sup>	2,394.70	1,909.80	25.40%	10.50%	12.90%	10th
Manufacturing Sales (\$B) <sup>2</sup>	24.5	19.1	27.90%	-4.40%	0.90%	7th
International Goods Exports (\$B) <sup>2</sup>	49.1	35.9	36.80%	-6.40%	-2.20%	6th
Building Permits (\$B) <sup>2</sup>	2.4	1.7	37.30%	11.40%	-3.70%	2nd
Housing Starts (# of Units) <sup>2</sup>	4,619	3,501	31.90%	9.70%	-8.20%	2nd
Investment in Building Construction (\$B) <sup>2</sup>	4.8	4	20.50%	4.00%	-6.20%	3rd
Residential (\$B) <sup>2</sup>	3.3	2.7	25.80%	2.80%	-11.40%	3rd
Non-residential (\$B) <sup>2</sup>	1.4	1.3	9.70%	6.80%	7.90%	6th

Source: Statistics Canada, March 8, 2024

<sup>1</sup>Annual average

<sup>2</sup>Annual total

<sup>3</sup> Change in 2023 levels compared to the 5-year (2018 to 2022) average

<sup>4</sup> Unemployment rate and employment rate are per cent levels, *not* per cent changes.

<sup>5</sup> As a result of Statistics Canada's methodology changes, comparison with previous years is not applicable.



# Revenue Summary

	2022-23	2023-24	2023-24	2024-25	Change From Budget	
<i>(millions of dollars)</i>	Actuals	Budget	Forecast	Budget	Dollars	Per Cent
Taxation	9,811.8	9,633.8	10,270.4	9,723.3	89.5	0.9
Non-renewable resources	4,603.1	3,344.6	2,393.4	2,686.3	(658.3)	(19.7)
GBE net income	250.2	529.1	800.7	657.0	127.9	24.2
Other own-source revenue	2,572.9	2,615.6	3,183.6	3,015.6	400.0	15.3
Federal transfers	3,356.6	3,554.6	3,735.1	3,779.7	225.1	6.3
<b>Total Revenue</b>	<b>20,594.6</b>	<b>19,677.7</b>	<b>20,383.2</b>	<b>19,861.9</b>	<b>184.2</b>	<b>0.9</b>

# Expense Summary

	2022-23	2023-24	2023-24	2024-25	Change From Budget	
<i>(millions of dollars)</i>	Actuals	Budget	Forecast	Budget	Dollars	Per Cent
Agriculture	1,835.0	1,449.8	2,564.2	1,531.5	81.7	5.6
Community development	758.2	866.0	906.6	904.8	38.8	4.5
Economic development	733.9	367.4	372.3	329.7	(37.7)	(10.3)
Education	3,792.2	4,035.7	4,289.6	4,414.5	378.8	9.4
Environment and natural resources	353.0	254.4	331.1	373.6	119.2	46.8
Financing charges	816.3	812.2	824.4	911.5	99.3	12.2
General government	512.0	540.1	577.2	581.4	41.4	7.7
Health	7,010.1	7,056.3	7,543.8	7,639.8	583.5	8.3
Protection of persons and property	988.6	968.5	1,089.9	1,004.9	36.4	3.8
Social services and assistance	1,587.3	1,665.2	1,697.6	1,764.9	99.8	6.0
Transportation	627.3	644.6	669.0	678.3	33.7	5.2
<b>Total Expense</b>	<b>19,013.9</b>	<b>18,660.2</b>	<b>20,865.7</b>	<b>20,135.1</b>	<b>1,474.8</b>	<b>7.9</b>

# Net Debt to GDP

(as at March 31)

