



Knowledge grows

# Yara International ASA Annual General Meeting

10 May 2022

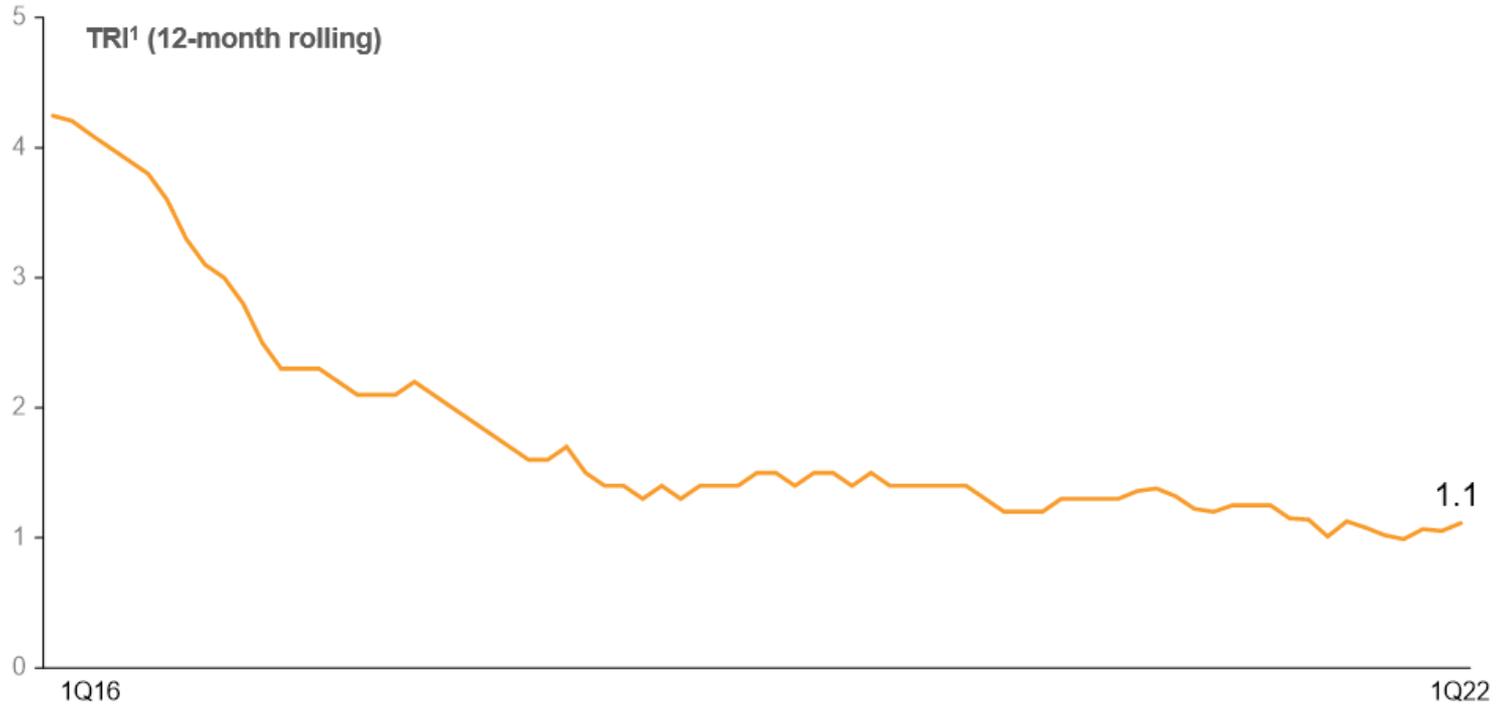


# Our ambition is zero injuries



## People

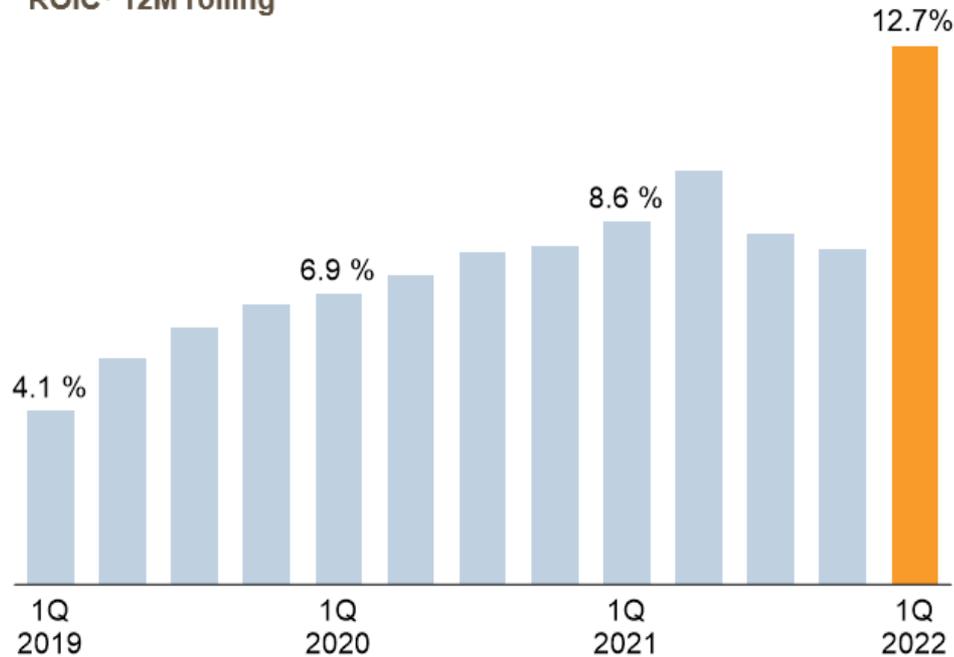
---



1) Total Recordable Injuries per 1 million working hours

# Robust Yara business model

ROIC<sup>1</sup> 12M rolling



- Significant efforts to optimize operations amid supply disruptions and volatile market conditions
- Focus on maintaining supply to customers and securing continuity in food supply chain
- Overall margin improvement due to tight market situation, higher prices more than offset higher feedstock costs and lower deliveries
- 12.7% ROIC<sup>1,2</sup>, above mid-cycle target of 10%



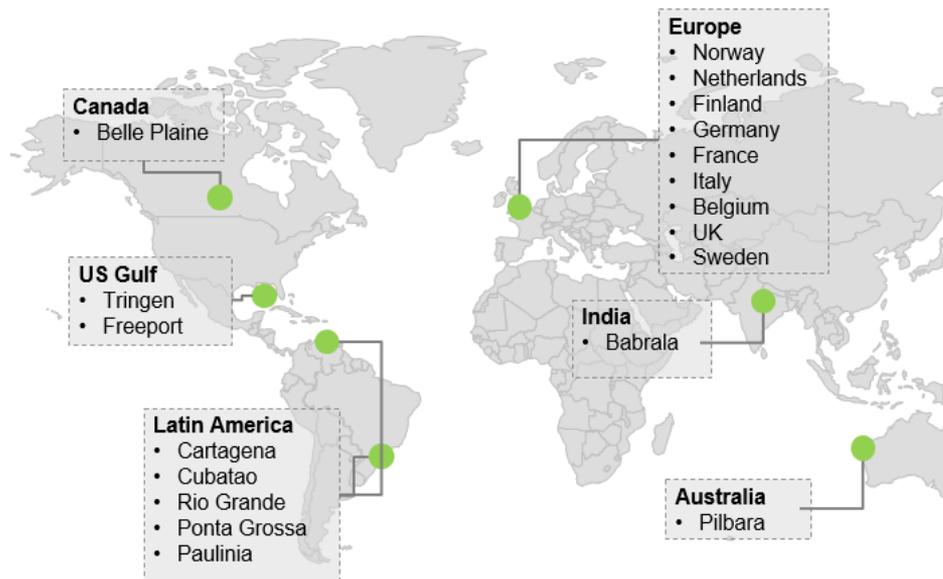
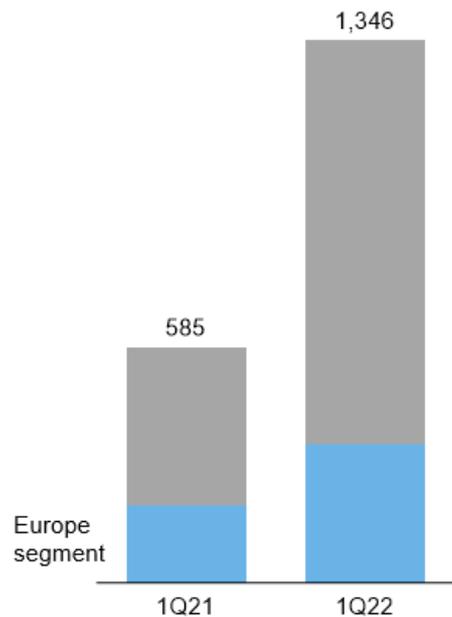
1) For definition and reconciliation of ROIC, see APM section in 1Q report, page 32

2) Effect of Salitre and Dallol impairments on 1Q22 ROIC 12M Rolling: calculated by increasing NOPAT by 434 MUSD (impairments of 579 MUSD with a 25% tax rate). This implies a ROIC excluding Salitre and Dallol of 16.6% (NOPAT: 1,880 MUSD divided by invested capital of 11,349 MUSD).

# Flexible and resilient business model

EBITDA ex. Special items<sup>1</sup> (MUSD)

Operational flexibility



## Flexible production setup

- Significant portion of fertilizer production with ammonia sourcing flexibility

## Diversified footprint

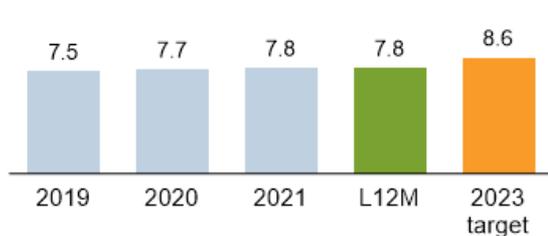
- Unrivalled global optimization ability, from ammonia through finished products
- Nitrogen plants outside Europe provide hedge in Europe swing scenario
- Broad range of crops and customers across the world

# Yara Improvement Program (YIP)

## Ammonia production<sup>1</sup>

- Flat production as reliability issues in some sites offset improvements in other sites

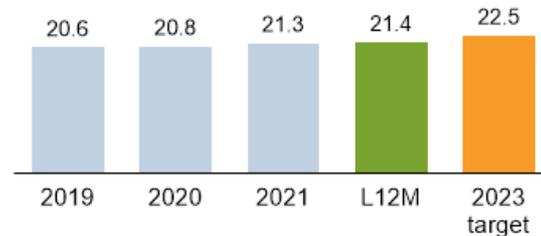
Million tonnes



## Finished product production<sup>1</sup>

- Increase driven by ramp-up of the Rio Grande project in Brazil

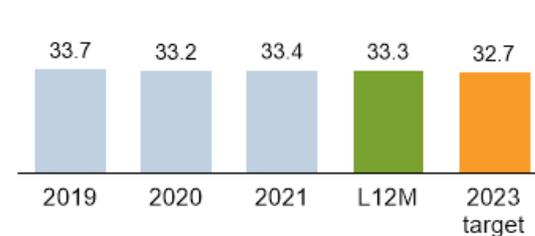
Million tonnes



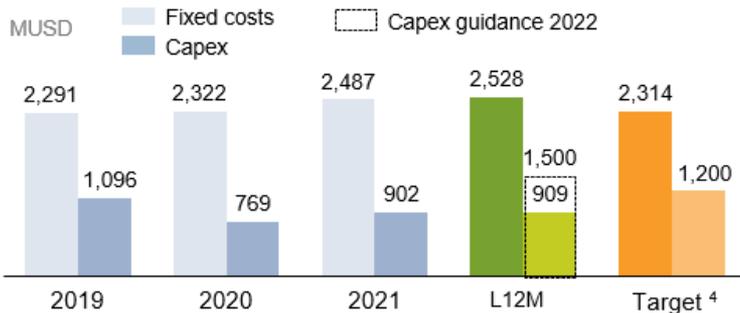
## Ammonia energy consumption

- Slight progress mainly due to reliability improvements

GJ/ton



## Unchanged fixed costs<sup>2</sup> and capex<sup>3</sup> guidance

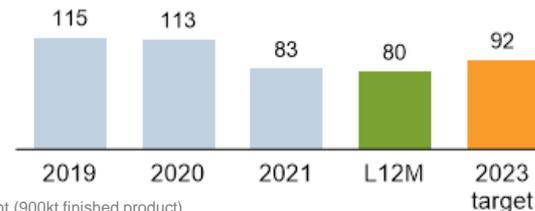


- Managing food crisis through safeguarding operations drives temporary increases in fixed costs
- Unchanged guidance on resource use, market conditions and new business models drives more dynamic opex/capex split

## Operating capital<sup>5</sup>

- Strong inventory and receivable day reduction since 2019; 1Q improvement mainly in payable days

Days



1) Targets and actual volumes adjusted for portfolio changes due to closures of Trinidad (250kt ammonia), Paulinia (500kt finished product) and Salitre divestment (900kt finished product)  
 2) For reconciliation of Fixed costs to Operating costs and expenses, see APM section of 1Q report, page 35  
 3) Capex is defined as cash outflow from investing activities as presented in the cash flow statement, page 15 of 1Q report  
 4) YIP target for fixed costs 2 314 MUSD in 2023 and guided annual average for capex of max 1 200 MUSD  
 5) Operating capital excluding prepayments from customers. For reconciliation of Operating capital days, see APM section of 1Q report, page 35



# Sustained top quartile employee engagement, and positive diversity & inclusion trend

## People

### Employee engagement<sup>1</sup>

Index



### Diversity & Inclusion index<sup>2</sup>

Index



### Share of female leaders<sup>3</sup>

Percent



<sup>1</sup> Measured annually. Employee engagement index is measured through a third-party survey, providing data-driven analysis against international benchmarks. The threshold for top-quartile performance in 2021 was at 76

<sup>2</sup> Measured annually. The D&I index is measured through a third-party survey, providing data-driven analysis against international benchmarks. The threshold for top-quartile performance in 2021 was at 74

<sup>3</sup> Measured quarterly. The female senior managers indicator is measured as the percentage of top positions (level 15 and above in Yara's position level system) held by women

# Extending our ambition: Growing a Nature-Positive Food Future

## Climate neutrality

Reduce our own emissions and improve productivity at our production sites

—  
Contribute to decarbonize agriculture

—  
Contribute to decarbonize transportation and energy

## Regenerative farming

Improve farming productivity and nutrient use efficiency (NUE)

—  
Positively impact nature in the value chain: soil health, biodiversity, water, air quality and land use change

## Prosperity

Improve farmer income and sustainability

—  
Positively impact farmer diversity

—  
Contribute to zero hunger and healthy nutrition



# Attractive Yara prospects



## Attractive opportunities

- Resource and environment challenges require strong agri productivity improvement
- Attractive Yara growth opportunities within sustainable food solutions and green ammonia
- Improved market fundamentals



## Focused strategy

- Crop nutrition leader; #1 premium product and market presence
- Transitioning towards sustainable solutions for the global food system
- Operational improvement and innovation focus

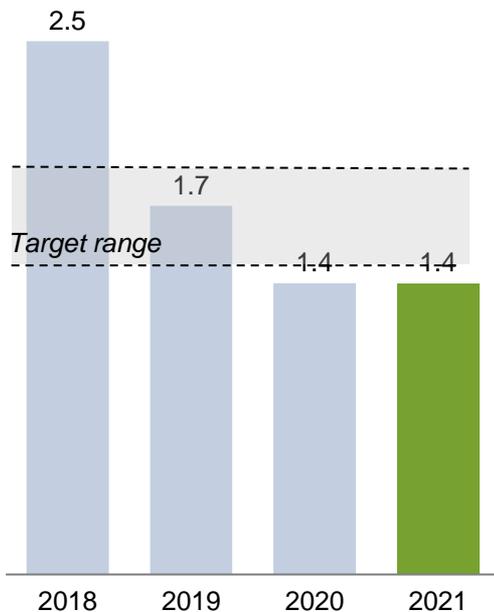


## Strong shareholder returns

- Strict capital discipline with clear capital allocation policy
- Clear capital allocation policy
- Improving underlying ROIC; target to reach 10% ROIC through the cycle

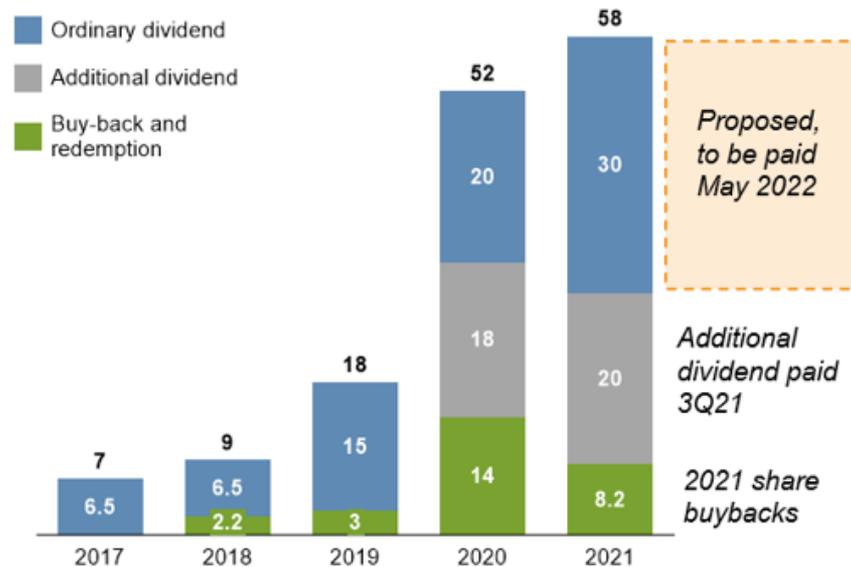
# Proposed dividend of 30 NOK per share

Net Debt/EBITDA<sup>1</sup> ex. special items



- End 1Q net debt/EBITDA<sup>1</sup> of 1.17 including proposed 867 MUSD dividend payment in May
- Continued strong focus on capital discipline in line with capital allocation policy of maintaining a mid investment grade credit rating and net debt/EBITDA 1.5-2.0
- New 5% buyback authorisation proposed to AGM
- Yara will consider further cash returns in the coming quarters, in line with above policy

Dividend and buy back per share<sup>2</sup>





Knowledge grows

