



Knowledge grows

Yara International ASA 2020 Fourth quarter results

9 February 2021



Cautionary note

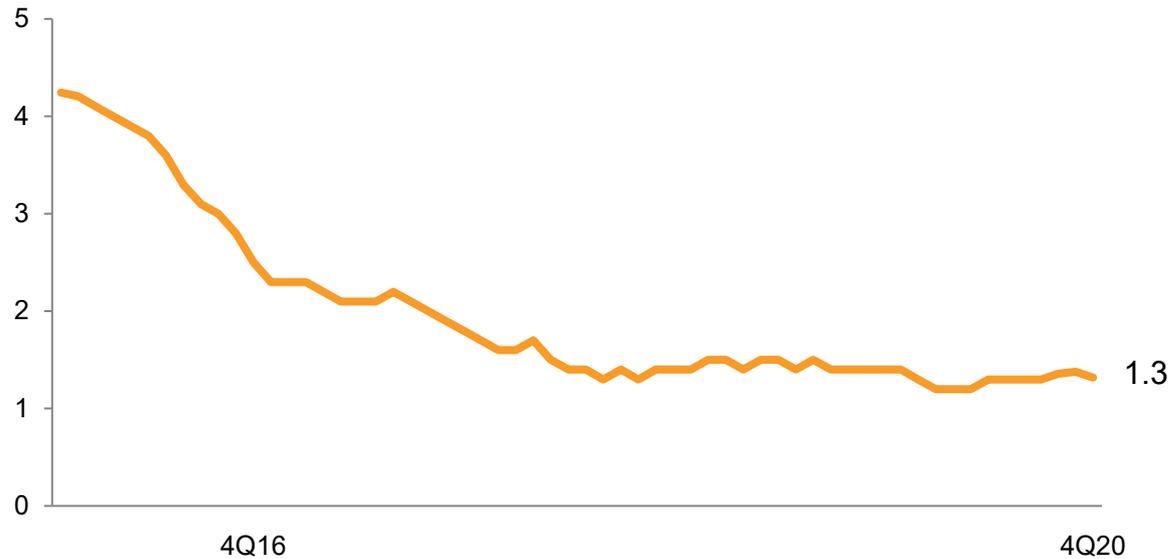
This presentation contains forward-looking information and statements relating to the business, financial performance and results of Yara and/or industry and markets in which it operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "aims", "anticipates", "believes", "estimates", "expects", "foresees", "intends", "plans", "predicts", "projects", "targets", and similar expressions. Such forward-looking statements are based on current expectations, estimates and projections, reflect current views with respect to future events, and are subject to risks, uncertainties and assumptions. Forward-looking statements are not guarantees of future performance, and risks, uncertainties and other important factors could cause the actual business, financial performance, results or the industry and markets in which Yara operates to differ materially from the statements expressed or implied in this presentation by such forward-looking statements. No representation is made that any of these forward-looking statements or forecasts will come to pass or that any forecasted results will be achieved, and you are cautioned not to place any undue reliance on any forward-looking statements.



People

Our ambition is zero injuries

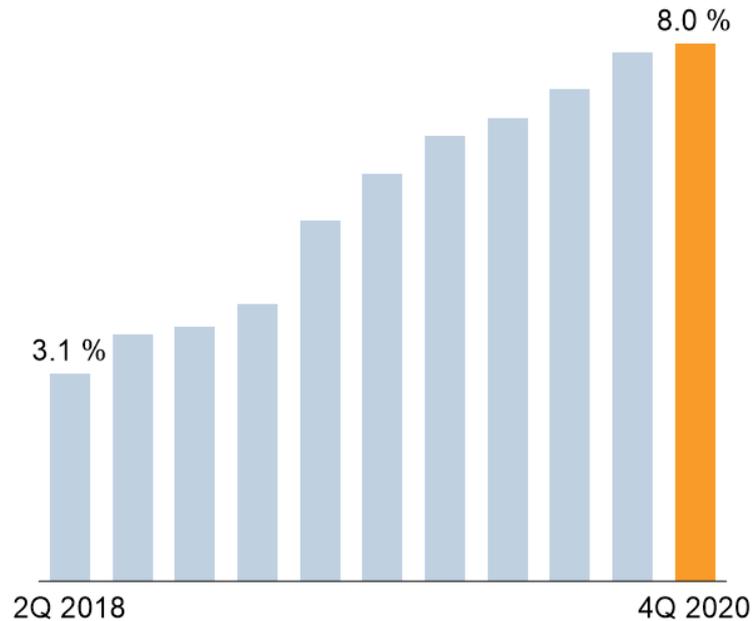
TRI¹ (12-month rolling)



¹ Total Recordable Injuries per 1 million working hours

4Q highlights: 10th consecutive quarter of ROIC increase

ROIC² 12M rolling

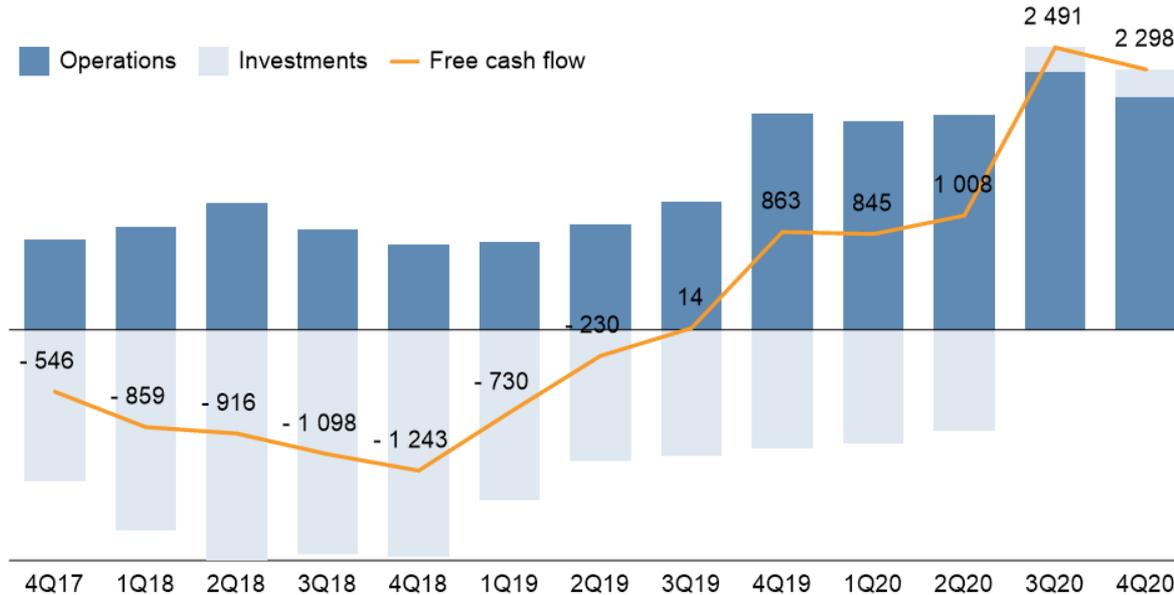


- Improved deliveries and production offset energy cost increase
- NOK 20 per share annual dividend proposed
 - Total NOK 52 per share cash returns¹ paid and proposed for 2020
- Taking steps to enable the hydrogen economy, establishing Clean Ammonia unit
- 8.0% ROIC², up from 6.6% a year earlier

USD 2.3 billion free cash flow¹ rolling 4 quarters

Free cash flow before financing activities¹

USD millions, rolling 4 quarters

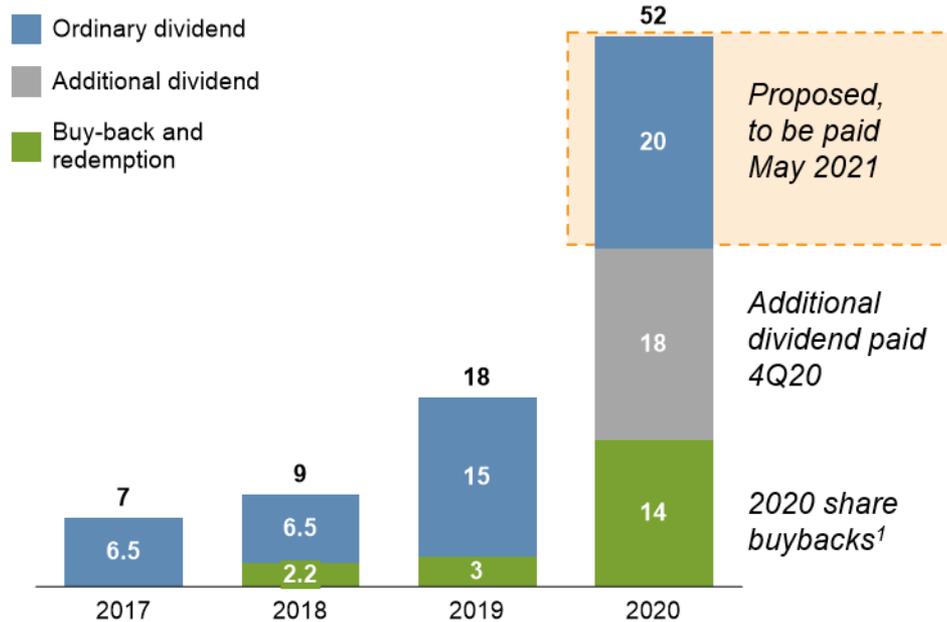


Comments

- Strategy execution and capital discipline driving improved earnings and cash flow
- USD 1.4 billion free cash flow¹ increase last 4 quarters compared with a year earlier
- Strong deliveries in 4Q generated increase in receivables

Proposed dividend of 20 NOK per share

Dividend and buy back per share¹



Comments

- The Yara Board will propose to the Annual General Meeting a 2020 dividend of NOK 20 per share
- Ongoing share buybacks and redemptions already committed in 2020 will amount to NOK ~11 per share in 2021
- Improving returns and cash flow may lead to increased payout capacity in line with capital allocation policy

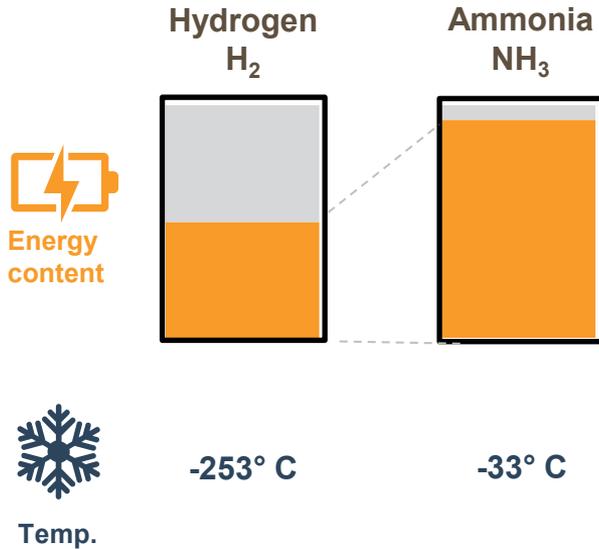


Yara is taking steps to enable the hydrogen economy

- **Energy distribution is the key challenge** for the hydrogen economy
- **Ammonia is the best suited** long-distance hydrogen carrier
- **Hydrogen production in existing ammonia plants can be made carbon-free**, at significantly lower cost than greenfield projects
- **Global ammonia shipping and distribution exists** to enable the hydrogen economy and zero-carbon shipping
- **Yara's ammonia position is unique**, with leading positions across production, shipping and distribution
- **Yara is establishing a new Clean Ammonia unit** to capture growth opportunities within green hydrogen and ammonia production, transport and distribution

Ammonia is the best suited hydrogen energy carrier

Attractive storage & transport properties



Multiple growth drivers



Zero-carbon fuel for the maritime sector



Carbon-free fertilizer and food



Best suited long-distance hydrogen carrier

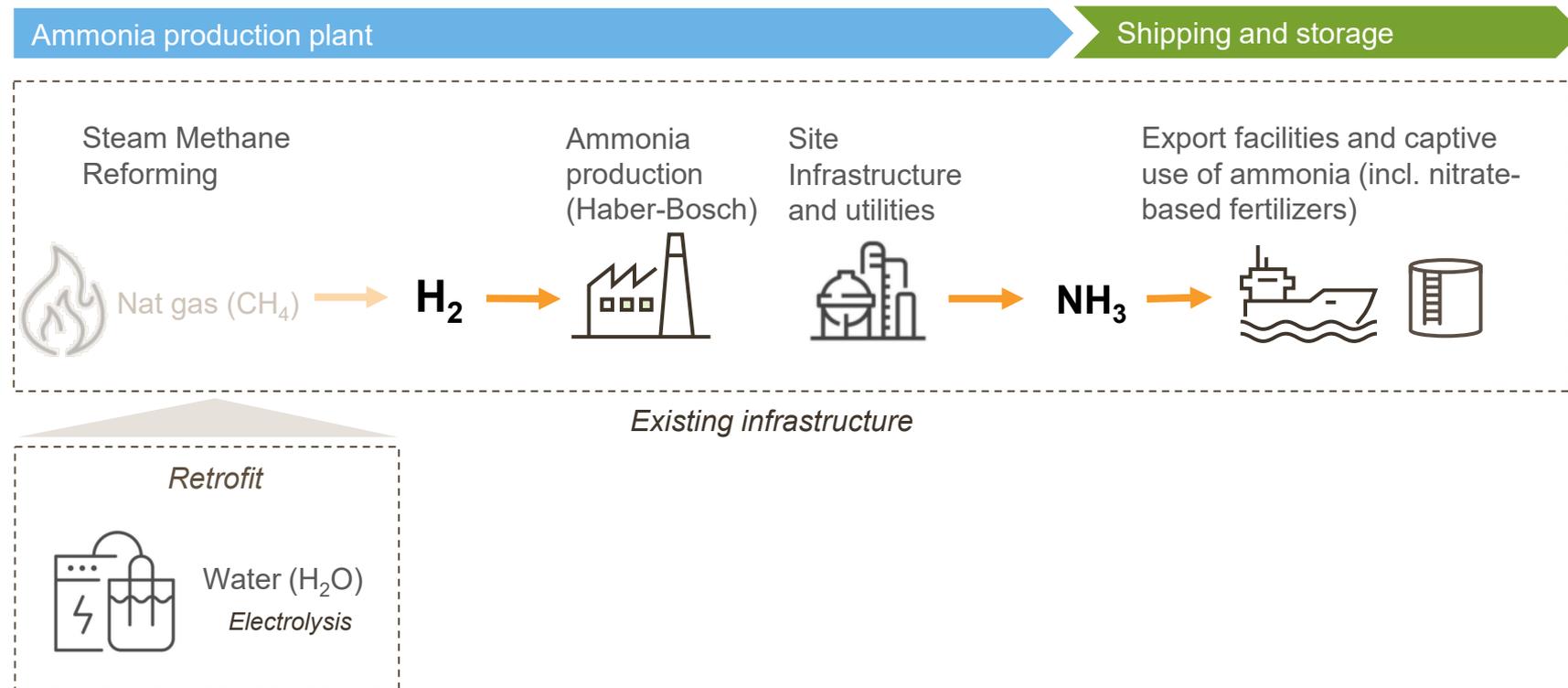


Preferred substitute for coal in renewable energy constrained countries



Industrial applications in automotive, construction and food additives

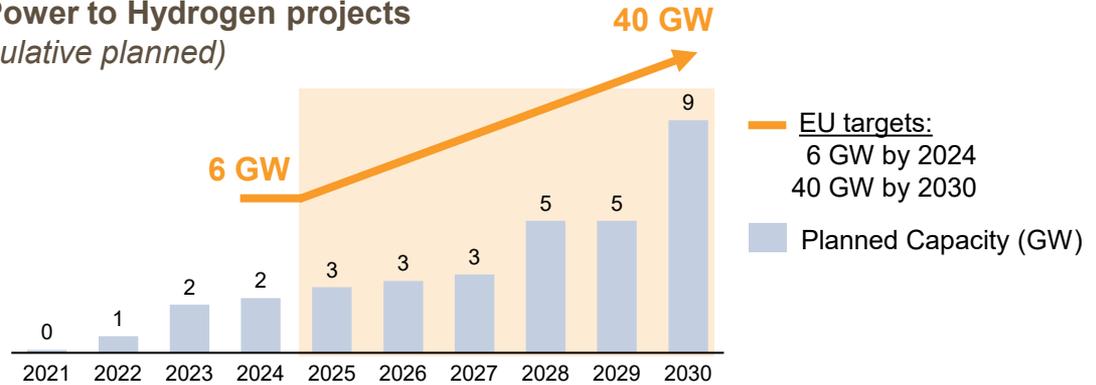
Existing ammonia plants can be retrofitted, at significantly lower cost than greenfield projects



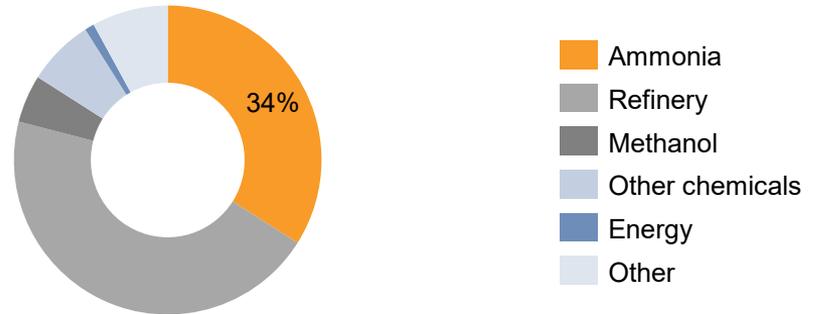


Utilizing existing ammonia infrastructure is the only realistic way to EU hydrogen goals

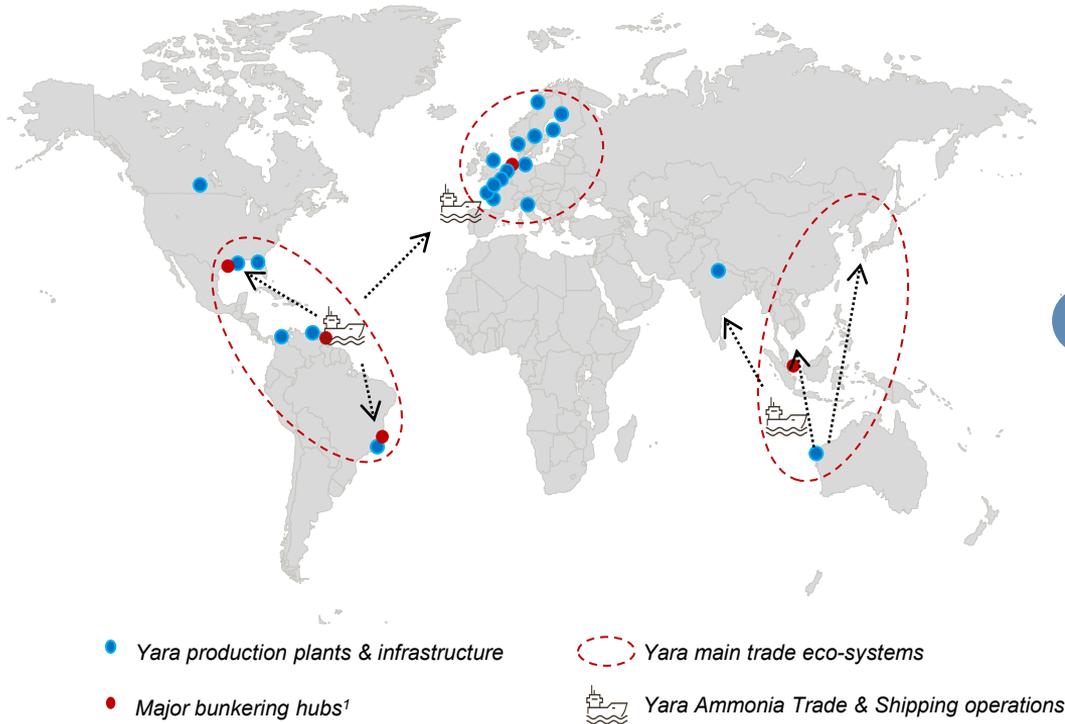
EU Power to Hydrogen projects
(cumulative planned)



Current EU Hydrogen demand



Yara's ammonia position is unique, with leading positions across production, trade and shipping



Production

- 8.5 mt capacity across 17 units
- Proximity to major bunkering sites
- Electrolysis can replace SMR step; rest of infrastructure can be utilized
- Three green ammonia pilots, start-ups scheduled for 2023-25

Trade

- Global trader with > 20% market share
- ~3.7 mt of global export capacity with multiple downstream outlets
- Industrial solutions land logistics expertise

Shipping & storage

- +200 kt maritime transport (11 ships)
- 580 kt ammonia storage capacity
- 18 marine ammonia terminals
- Connecting green supply and demand

Yara is establishing a new Clean Ammonia unit

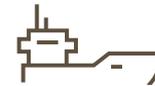
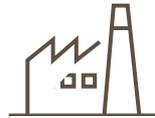
Effective 9 February; external financial reporting from 1Q 2021 results

Yara Clean Ammonia

Green & blue project
development

Existing end-to-end infrastructure and trade

H₂



Hydrogen
production

Green ammonia
production

Logistics and trade

Marketing and
distribution

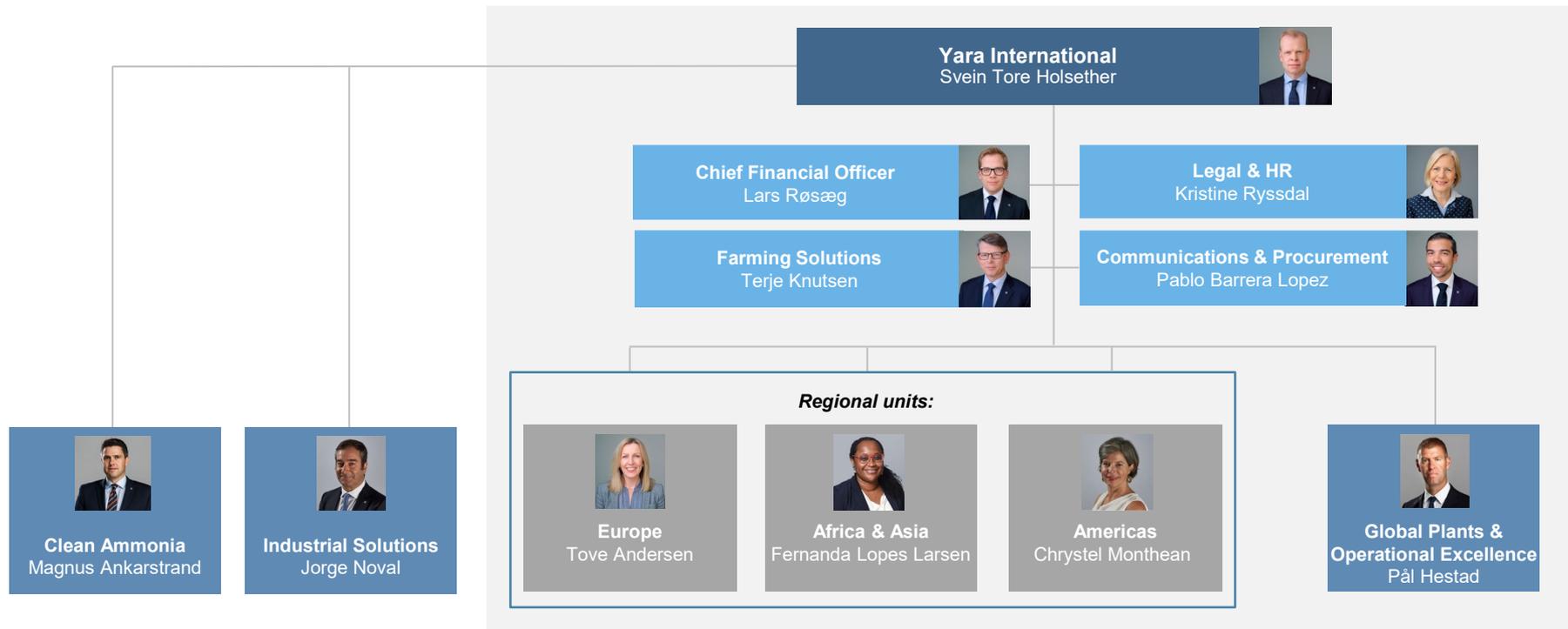
- Upstream partnerships
- Clean energy sourcing

- Projects & technology team
- Existing pilot projects
- Potential full-scale projects (e.g. Porsgrunn)

- Existing Yara Ammonia Trade & Shipping¹ unit
- 2020 results:
 - Revenues ~1 BUSD
 - EBITDA ~125 MUSD

- Marketing & customer development
- Application development

Clean Ammonia unit reporting directly to CEO

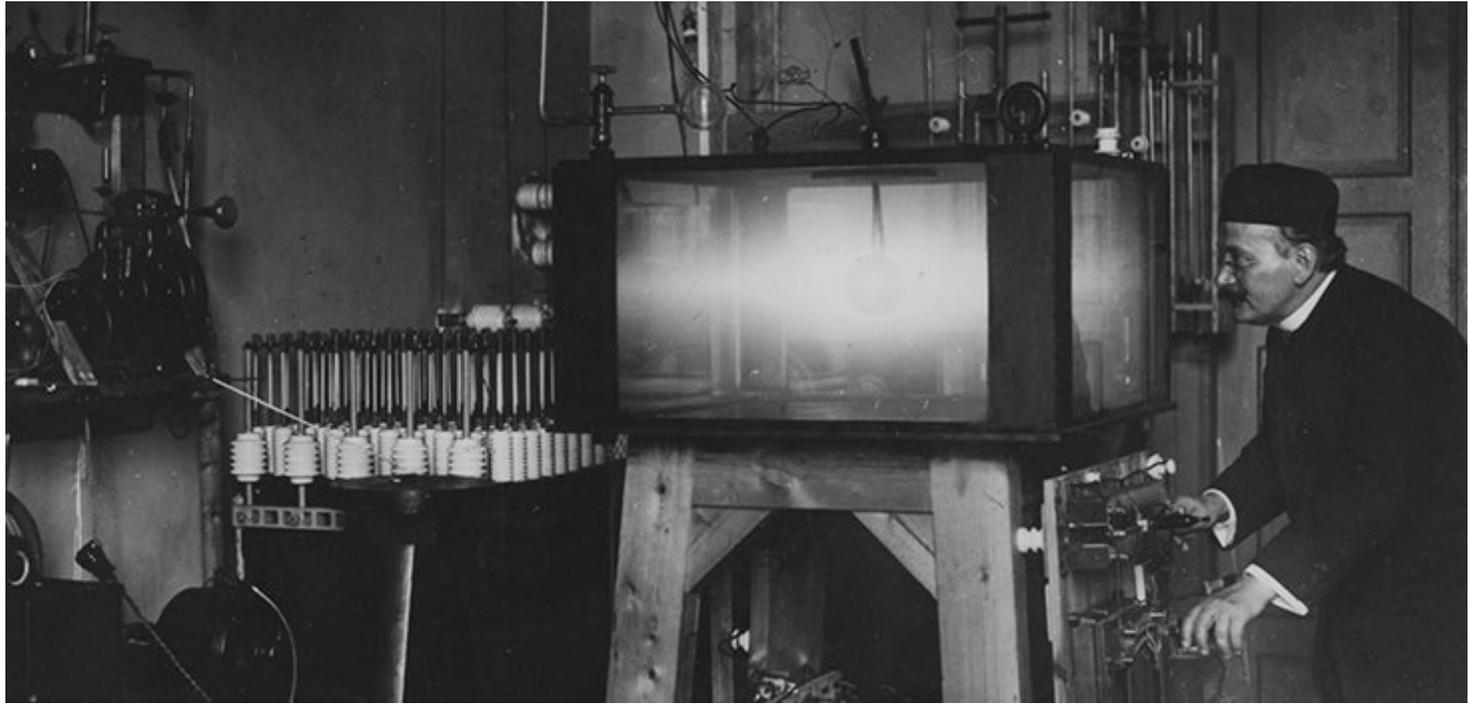




World-scale project possible in Porsgrunn, with the right partners and regulation

- Full electrification of ~500 kt ammonia unit (removing ~800 kt CO₂) possible with limited infrastructure investments
 - Renewable power supply from Norwegian grid, leading to 100 % hydrogen asset utilization
 - Deep sea coastal location, enabling global exports
- Public funding required to bridge the cost gap in first projects
 - Cost of green ammonia estimated to be 2-4x higher than conventional product
- Project would eliminate one of Norway's largest stationary CO₂ sources
 - Would make a significant contribution to Norway reaching its Paris agreement commitments

Disruptive innovation since 1905



Our legacy is also our future

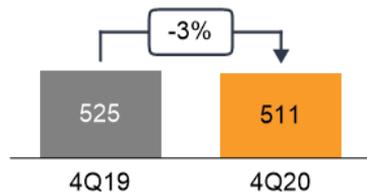




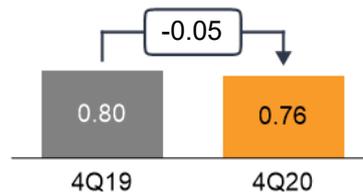
Financial performance

Prosperity

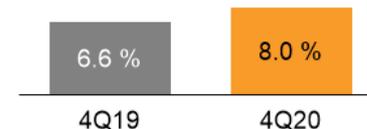
EBITDA ex. Special items
(MUSD)



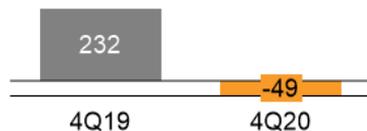
EPS ex. currency and special items
(USD per share)



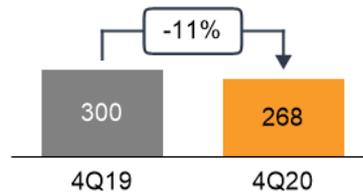
ROIC
(12-month rolling)



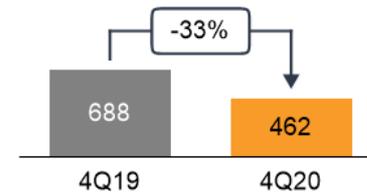
Change in net operating capital¹
(MUSD)



Investments (net)
(MUSD)

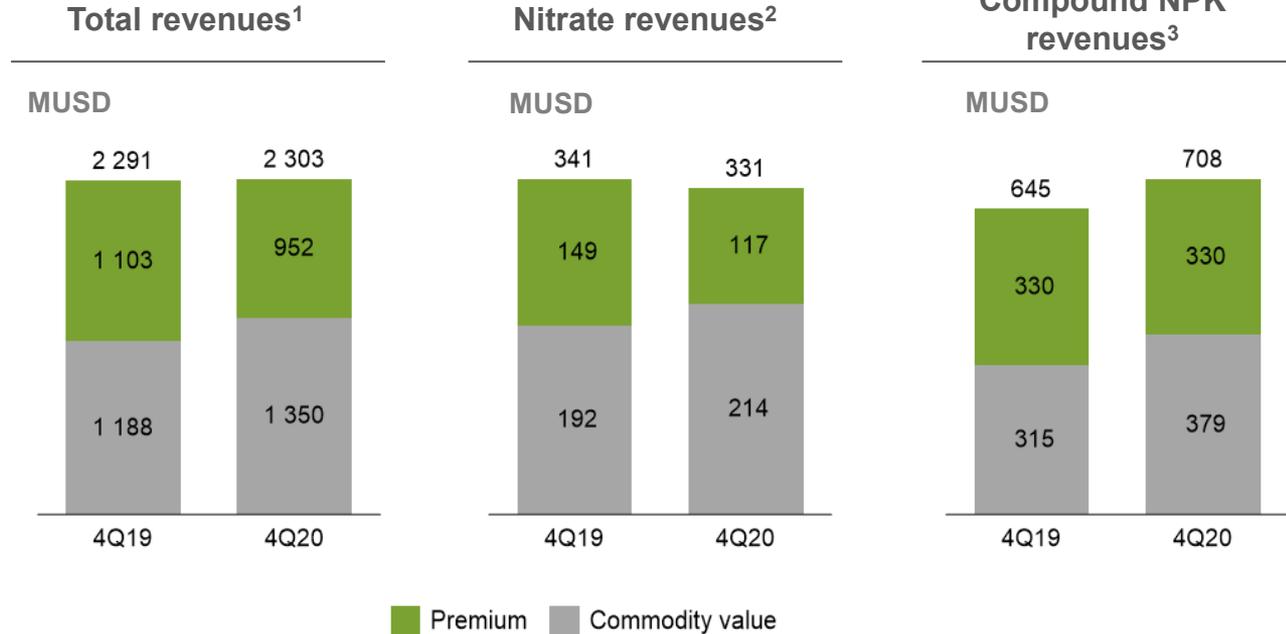


Cash from operations
(MUSD)



1) Change in net operating capital as presented in the cash flow statement, page 20 of 4Q report

Stable revenues as improved deliveries offset lower commodity prices



1) Total revenues for segments Europe, Americas and Africa & Asia (page 24, 27-28 4Q report). Grey area represents nutrient content valued at Urea Granular FOB Egypt, DAP FOB Morocco and MOP FOB Vancouver equivalents.

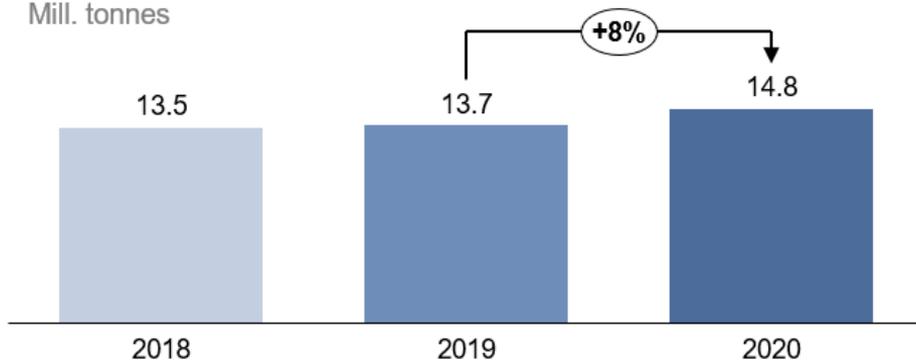
2) Nitrate revenues for segments Europe, Americas and Africa & Asia. Grey area represents the nutrient content valued at Urea Granular FOB Egypt equivalents

3) Compound NPK revenues for segments Europe, Americas and Africa & Asia. Grey area represents the nutrient content valued at Urea Granular FOB Egypt, DAP FOB Morocco and MOP FOB Vancouver equivalents.

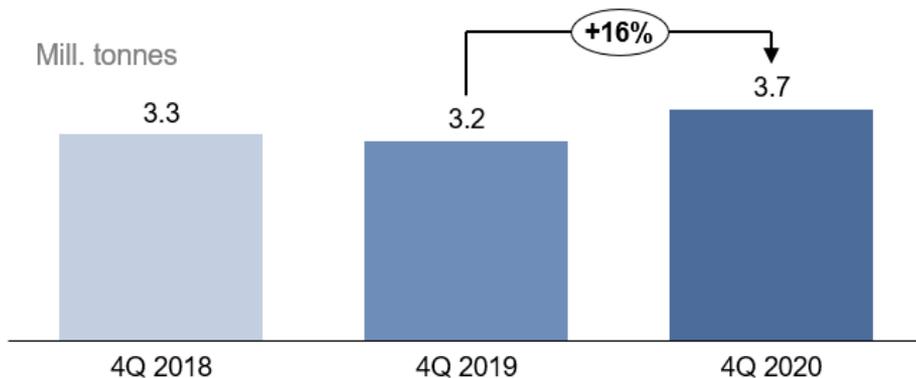
Strong premium product growth

Premium product deliveries

Mill. tonnes



Mill. tonnes



Full year

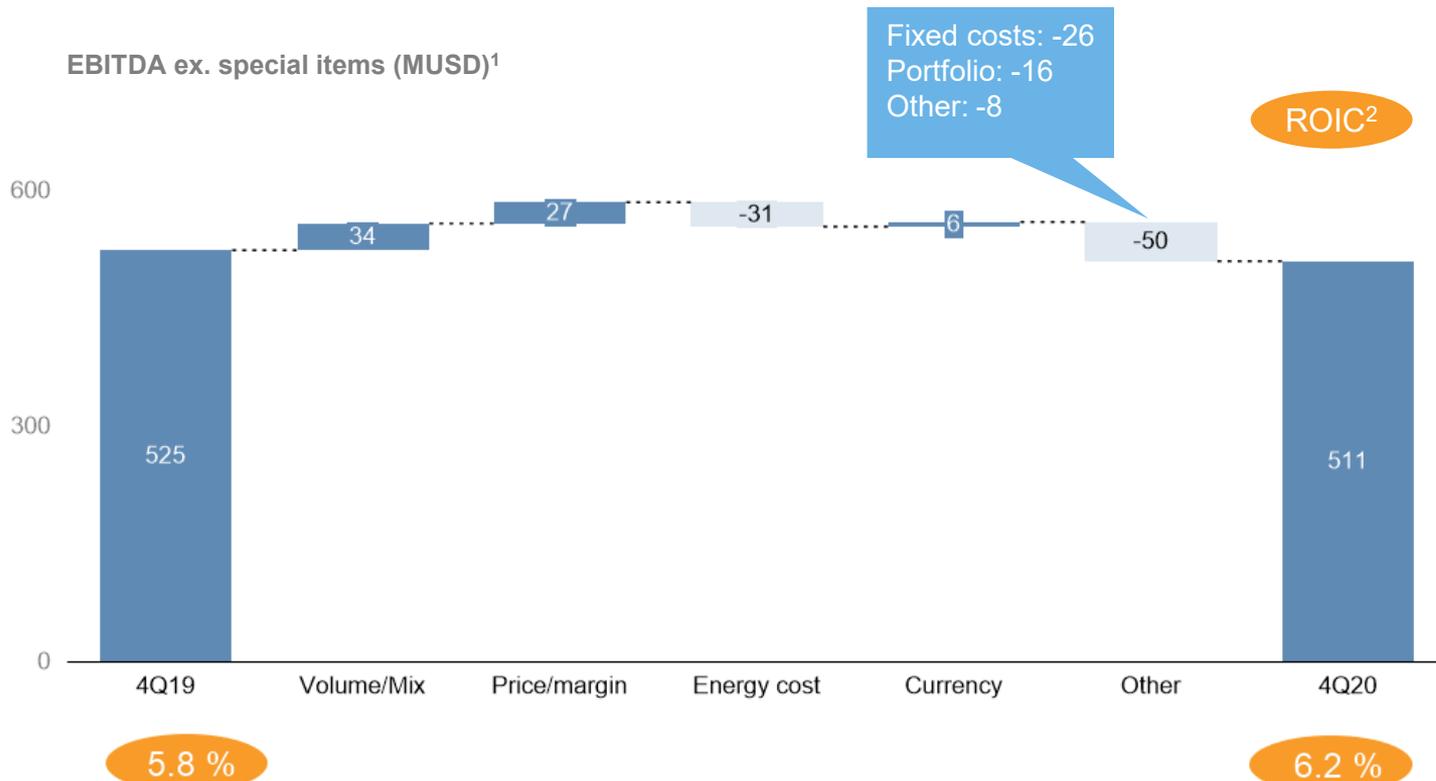
- Growth in all regions: Africa & Asia 11%, Americas 9% and Europe 5%
- Compound NPK deliveries increased ~530 kt, nitrates ~320 kt

Fourth quarter

- Growth in all regions: Africa & Asia 15%, Americas 11% and Europe 13%
- Compound NPK deliveries increased ~250 kt, nitrates ~60 kt

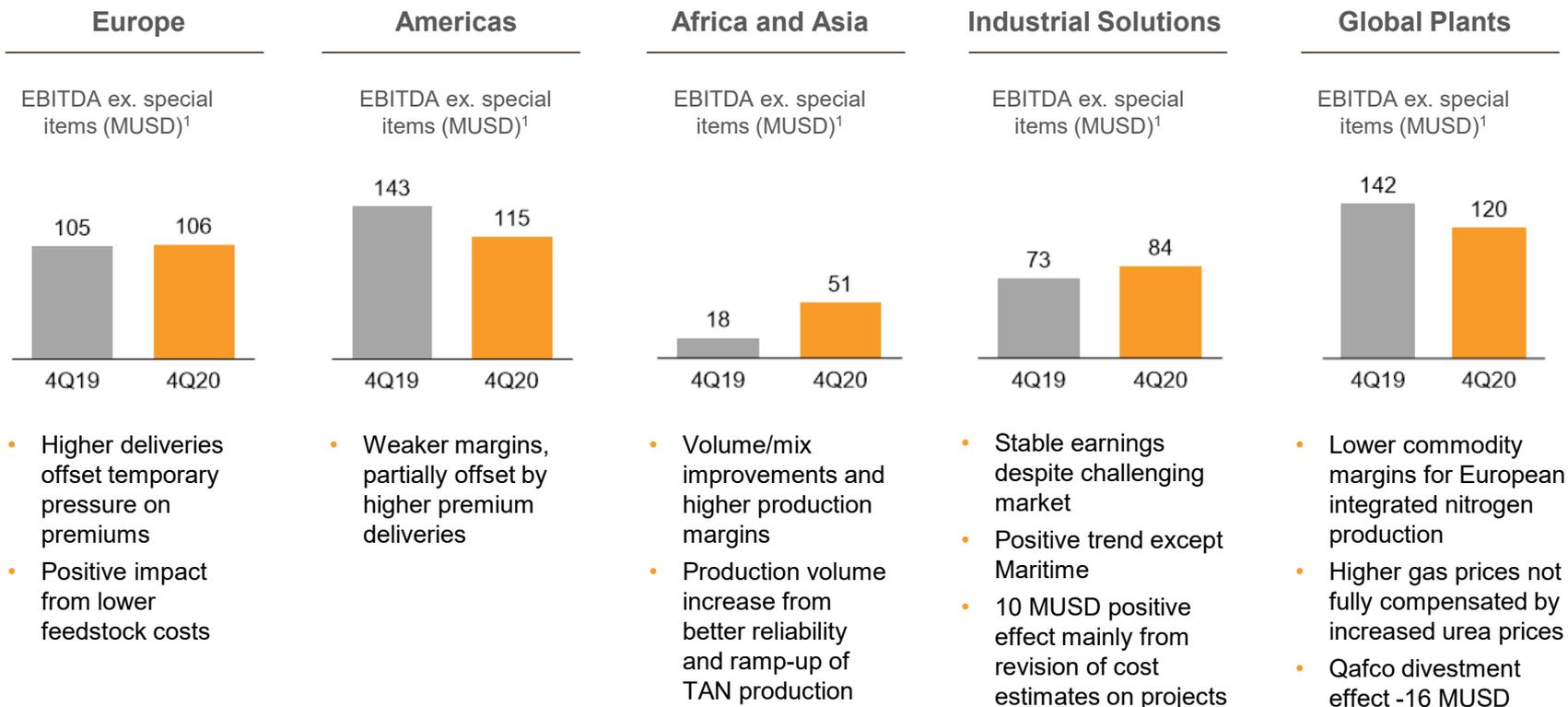


Stable earnings as improved deliveries offset energy cost increase and cost phasing



1) EBITDA ex. special items. For definition and reconciliation see APM section of 4Q report, page 35
2) Quarterly ROIC, annualized. For definition and reconciliation see APM section of 4Q report, page 36-37

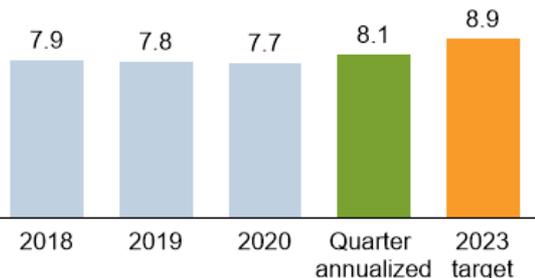
Strong quarter in Africa and Asia, premium product growth in all regions



Positive improvement program trend

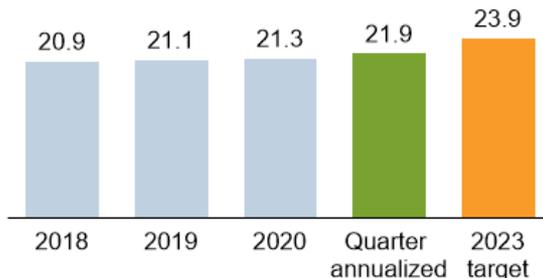
Ammonia production

Million tonnes



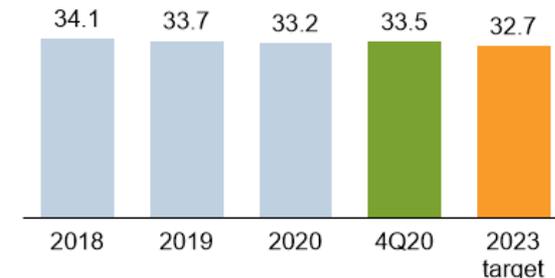
Finished product production

Million tonnes



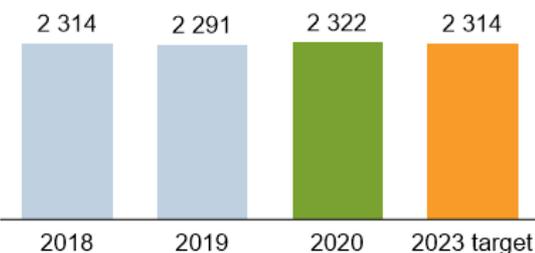
Ammonia energy consumption

GJ/ton



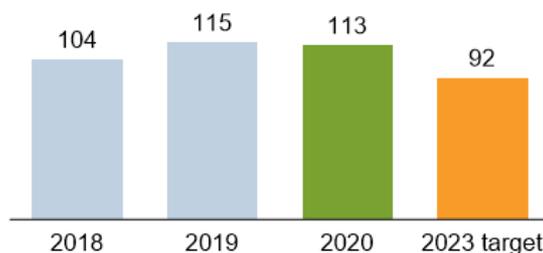
Fixed costs¹

MUSD



Operating capital²

Days



Comments:

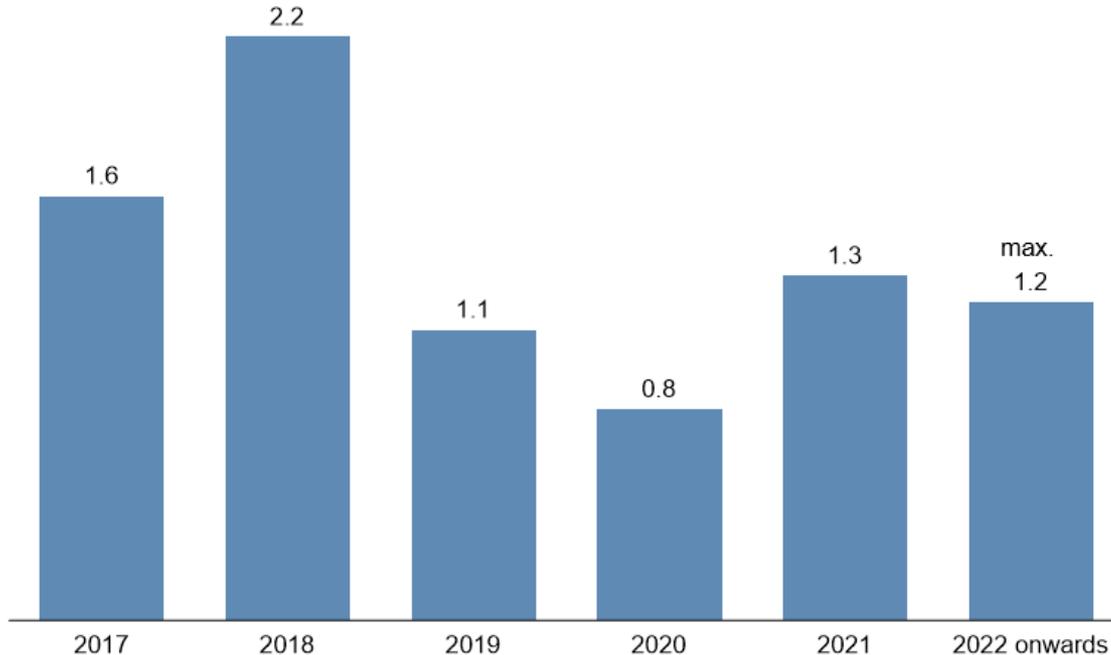
- Continued positive production volume trend
- Covid-19 impacts Salitre project schedule
- 2020 energy efficiency improvement driven by closure of Trinidad plant
- Fixed costs up in 4Q20, full year spend in line with 2023 target
- 4 days op. capital improvement since 3Q

1) For reconciliation of Fixed costs to Operating costs and expenses, see APM section of 4Q report, page 38

2) Operating capital adjusted for prepayments from customers. For reconciliation of Operating capital days, see APM section of 4Q report, page 39

Unchanged total capex for 2020/21, phasing into 2021 as previously communicated

Committed investments¹ (BUSD)



Comments

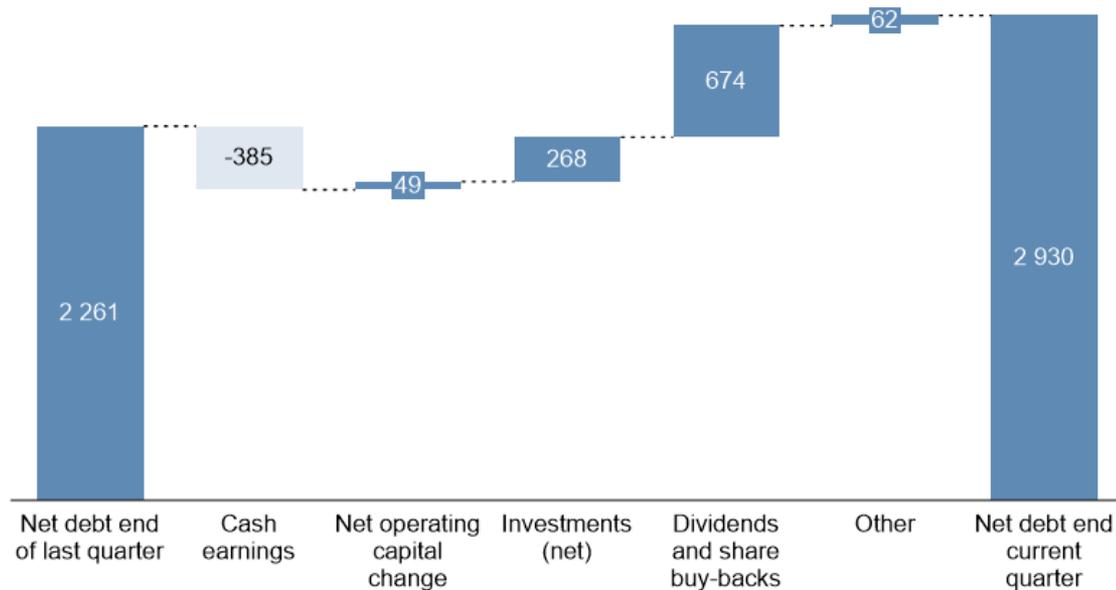
- 2020 capex at USD 0.8bn (previously indicated at USD 0.9-1.1bn), driving expected phasing into 2021
- Total commitments for 2020/21 unchanged at USD 2.2 billion
 - USD 100m reduction in planned capex, offset by a temporary fixed cost increase from growth initiatives
 - Fixed cost base will revert to long-term target in 2022
- Total capex of max USD 1.2bn p.a. (incl. both maintenance and growth) from 2022 and onwards

Solid cash earnings more than fund investments; strong cash distribution in line with capital allocation policy

4Q development

Comments

MUSD



- Solid cash earnings more than fund investments
- Strong deliveries in 4Q generated increase in receivables
- Net debt/EBITDA³ ratio at 1.4, up from 1.0 in 3Q
- Yara's targeted capital structure is a mid- to long-term Net debt/EBITDA range of 1.5-2.0 and a net debt/equity ratio below 0.60

Full year condensed profit and loss statement

USD million, except stated

| | 2020 | 2019 | Variance |
|---|-------------|-------------|------------|
| Revenue and other income | 11,728 | 12,936 | -1,208 |
| Raw materials, energy costs and freight expenses | -8,021 | -9,334 | 1,313 |
| Payroll and related costs | -1,136 | -1,180 | 44 |
| Depreciation and amortization | -919 | -922 | 3 |
| Impairment loss | -46 | -43 | -3 |
| Other operating expenses | -431 | -467 | 36 |
| Operating costs and expenses | -10,551 | -11,946 | 1,395 |
| Operating income | 1,176 | 989 | 187 |
| Share of net income in equity-accounted investees | 20 | 65 | -45 |
| Interest income and other financial income | 62 | 76 | -14 |
| Foreign currency translation gain/(loss) | -243 | -145 | -98 |
| Interest expense and other financial items | -165 | -182 | 17 |
| Income before tax | 850 | 803 | 47 |
| Income tax | -160 | -214 | 54 |
| Net income | 690 | 589 | 101 |
| Basic earnings per share | 2.58 | 2.20 | 0.38 |
| Weighted average number of shares outstanding | 267,985,860 | 272,319,232 | -4,333,372 |

Comments

- Lower revenues reflect lower market prices
- Operating income increase due to lower gas prices, increased premium products deliveries and a stronger US dollar
- Foreign currency translation loss reflects loss on the US dollar denominated debt positions and internal positions in other currencies than USD
- Interest expense decrease driven mainly by lower interest-bearing debt

Condensed balance sheet

USD million

| Assets | 2020 | 2019 |
|-------------------------------------|---------------|---------------|
| Total non-current assets | 10,969 | 11,940 |
| Total current assets | 5,637 | 4,785 |
| Total assets | 16,605 | 16,725 |
| Equity and liabilities | | |
| Total equity | 8,220 | 8,909 |
| Total non-current liabilities | 5,220 | 4,499 |
| Total current liabilities | 3,165 | 3,317 |
| Total equity and liabilities | 16,605 | 16,725 |

Comments

- Change in cash position mainly due to divestment proceeds, payment of dividends and share buybacks
- Non-current-liabilities increased due to new 750 MUSD bond issued in 2Q 2020



Planet

Yara is committed to food system transformation

World Benchmarking Alliance



- Yara recognized among 12 top performers in the World Benchmarking Alliance Food & Agriculture Baseline Assessment in December, a study covering the 350 most influential food and agriculture companies

1) [Assessing the world's 350 most influential food and agriculture companies \(worldbenchmarkingalliance.org\)](https://www.worldbenchmarkingalliance.org)

Sustainalytics² ESG risk rating update



a Morningstar company

- Improved risk rating from Sustainalytics (25 – Medium risk), down from 31 in 2019
- Yara ranked top 1 of 55 in Agricultural Chemicals and top 10% in Chemicals

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Our employees are key to delivering results in a demanding environment

KEY INITIATIVES 2020

Income security

- Introduced global paid sick leave and guaranteed three months' pay in the event of temporary layoffs during Covid-19 for all Yara employees and full-time contractors

Mental health

- Employees in all locations have access to counselling
- Training for managers on managing fatigue and stress in their teams

An inclusive workplace

- Global parental leave standard at six months pay for primary carer and one month's pay for secondary carer
- Flexible working, updated travel policy
- Family caregiver leave

Rewarding extraordinary efforts during the pandemic

- USD 1,000 bonus paid to all employees globally

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
- Improving 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

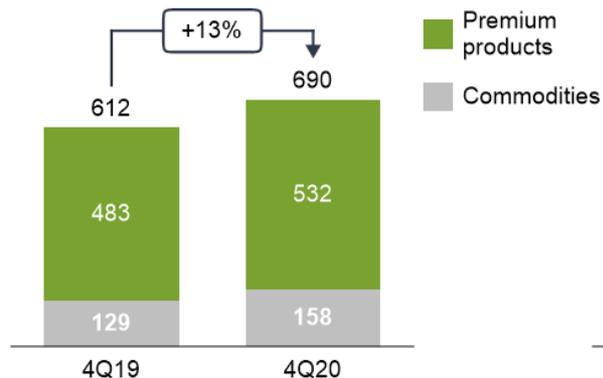


Strong shareholder returns

- Strict capital discipline with clear capital allocation policy
- Ten consecutive quarters of ROIC growth, with USD 2.3 billion free cash flow¹ from operations last 4 quarters

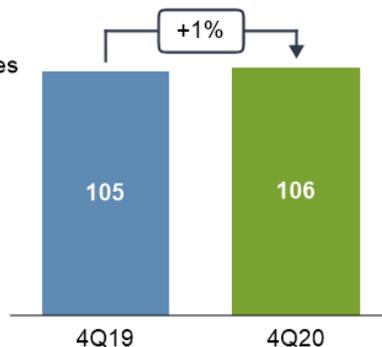
Europe: higher deliveries and revenues

Revenues (MUSD)



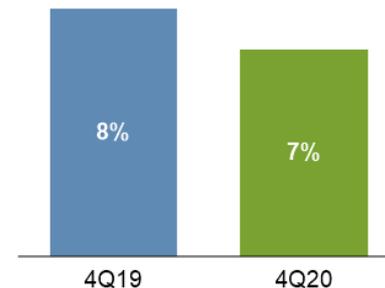
- 4Q deliveries 15% up driven by a firming global nitrogen market and improved own production
- Increase driven by urea, nitrates and NPK

EBITDA ex SI (MUSD)



- Volume increase offset by lower margins, as higher nitrogen prices are not yet realized due to normal order book time lag
- Positive impact from lower feedstock costs

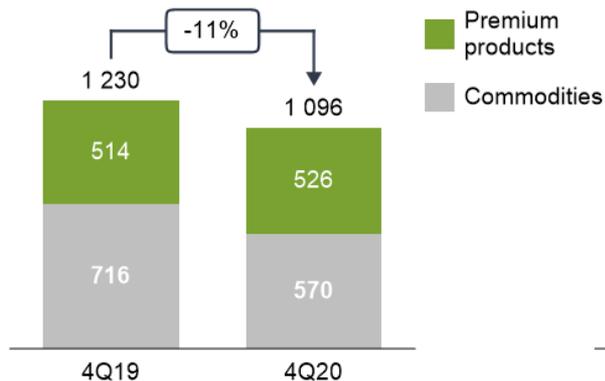
ROIC (12-month rolling)



- L12M ROIC lower compared with a year earlier
- ~60% improvement in cash flow from operations versus last year

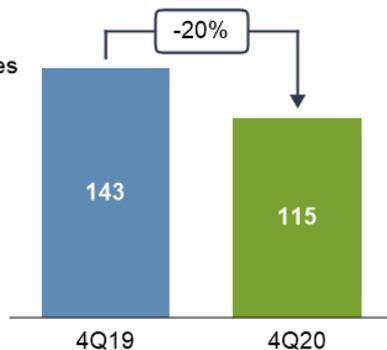
Americas: revenues and earnings impacted by lower market prices

Revenues (MUSD)



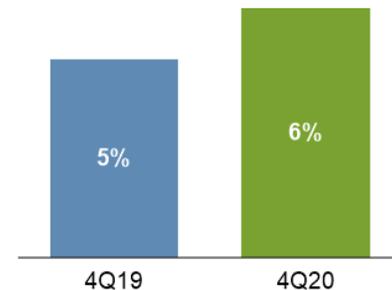
- 4Q deliveries up 2%, driven by higher premium fertilizer deliveries (+16%)
- Realized prices down, driven by lower commodity prices and commercial margins

EBITDA ex SI (MUSD)



- Lower margins impacted EBITDA
- Margin reduction partially offset by improved premium product deliveries

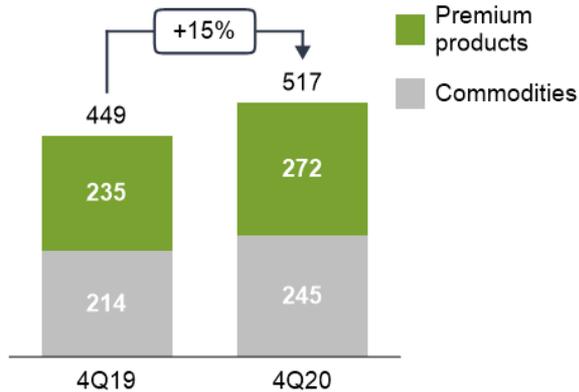
ROIC (12-month rolling)



- NOPAT up 9% versus 2019
- Stable EBITDA, but lower depreciation in USD terms
- Invested capital down 13%, driven partly by improved working capital performance and BRL depreciation.

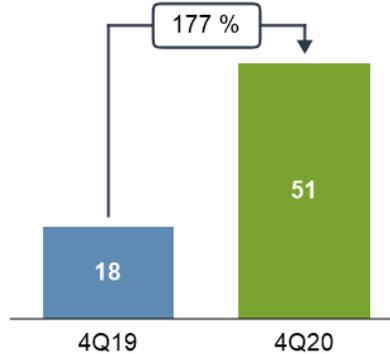
Africa & Asia: Strong results driven by increased deliveries

Revenues (MUSD)



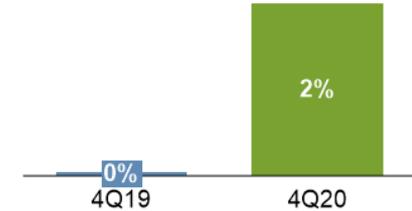
- Stronger deliveries and realized price increases vs. last year
- Volumes up within both premium and commodities

EBITDA ex SI (MUSD)



- Strong improvement driven by volume and mix improvements, and higher production margins
- Higher production volumes reflect Pilbara ammonia stop in 2019 and ramp-up of TAN production

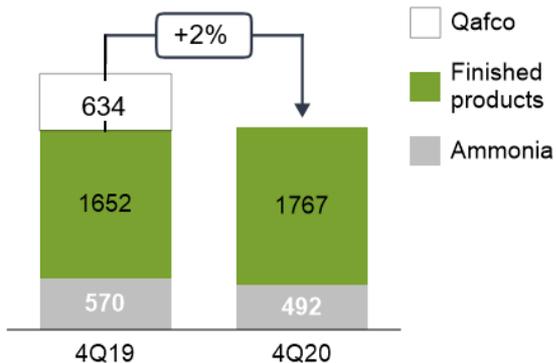
ROIC (12-month rolling)



- Improvement driven by higher operating results and lower working capital

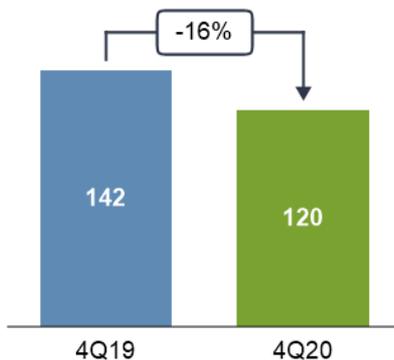
Global Plants: Lower results reflect reduced margins and Qafco divestment

Volumes (thousand tonnes)



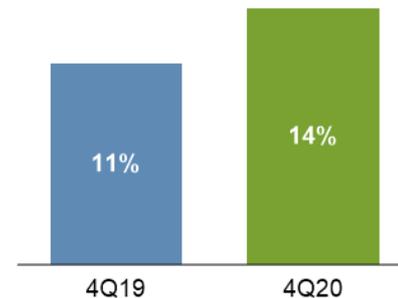
- Strong finished fertilizer production improvement in Porsgrunn
- Lower ammonia production due to higher turnaround activity

EBITDA ex SI (MUSD)



- Lower commodity margins for European integrated nitrogen production
- Higher gas prices not yet fully compensated by increased urea prices
- Qafco divestment effect -16 MUSD

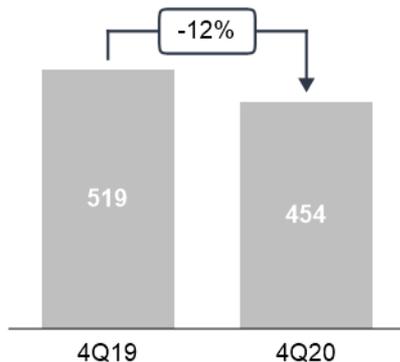
ROIC (12-month rolling)



- Improvement mainly reflects positive impact from special items

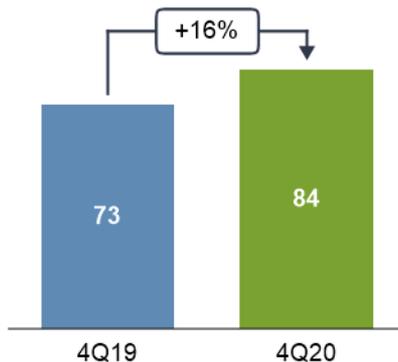
Industrial Solutions: stable earnings in challenging market

Revenues (MUSD)



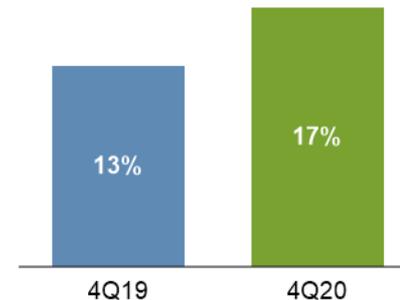
- Continued overall volume recovery from April Covid-19 floor
- Continued challenging market for Yara Marine Technologies (YMT)

EBITDA ex SI (MUSD)



- Strong margin development
- Lower fixed cost
- 10 MUSD positive effect mainly from revision of cost estimates on projects

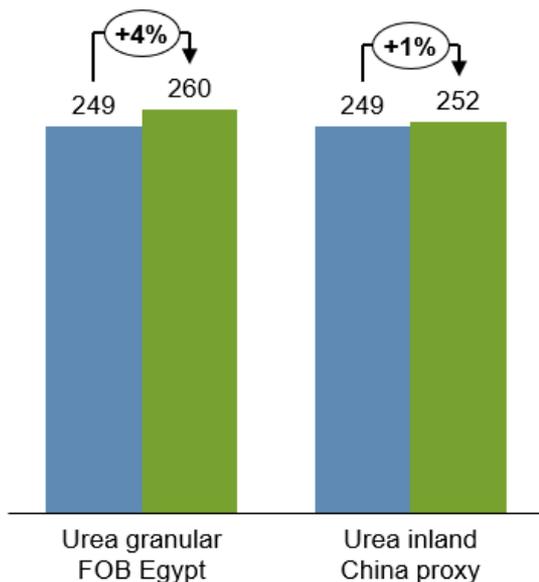
ROIC (12-month rolling)



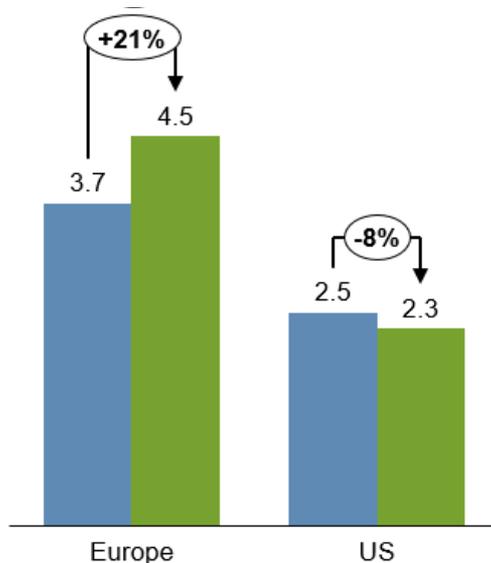
- Improved production compared with 2019
- Strong returns in Cubatão

Key product price developments

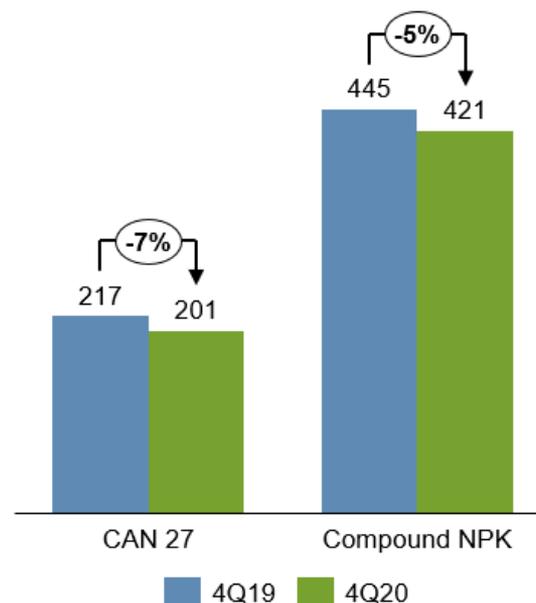
Urea price development¹ (USD/t)



Spot gas prices¹ (USD/Mmbtu)



Yara realized CAN² and NPK price³ (USD/t)



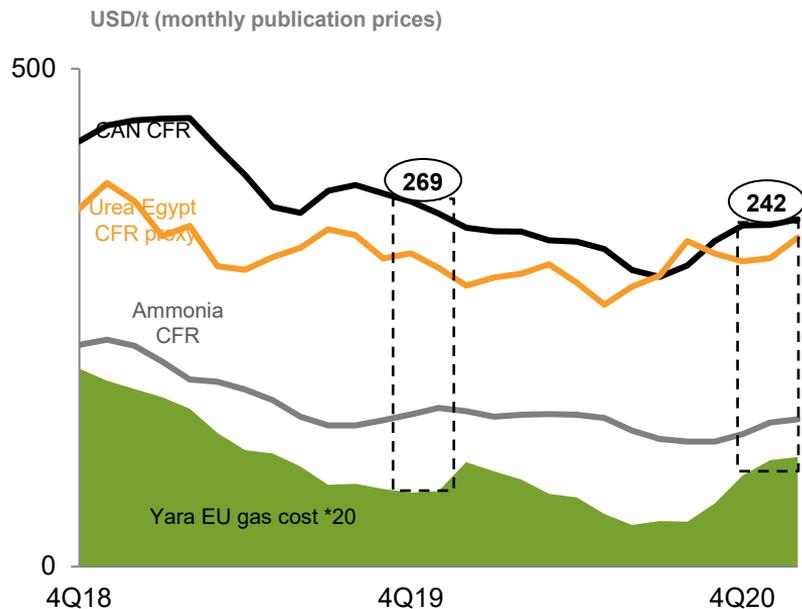
1) Source: BOABC, CFMW, Fertilizer publications, Argus. 1-month lag applied, as proxy for realized prices (delivery assumed 1 month after order)

2) Yara's realized European nitrate price, CAN 27 CIF Germany equivalent ex. Sulphur

3) Yara's realized global compound NPK price (average grade)

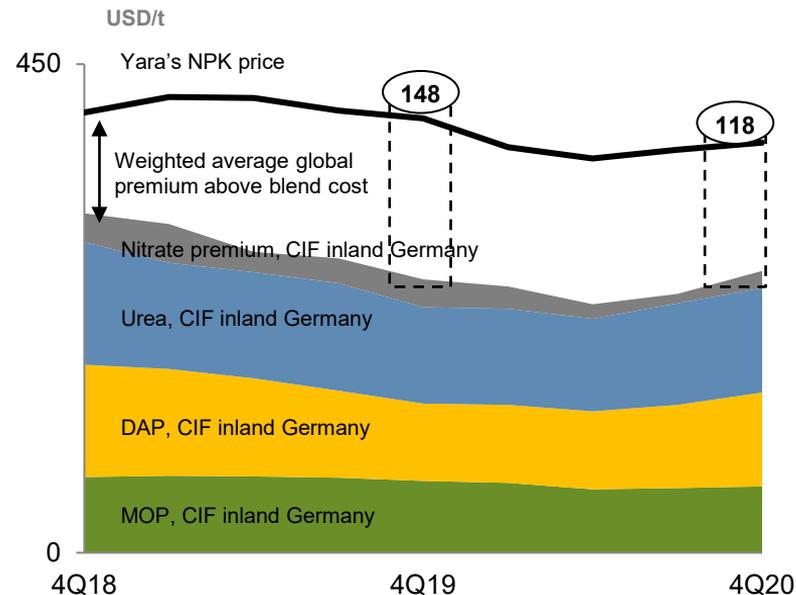
Short-term impact on premiums from increasing commodity nitrogen prices

Nitrogen upgrading margins¹



¹ Upgrading margin from gas to nitrates in 46% N (USD/t); All prices in urea equivalents, with 1 month time lag

NPK premium over blend²

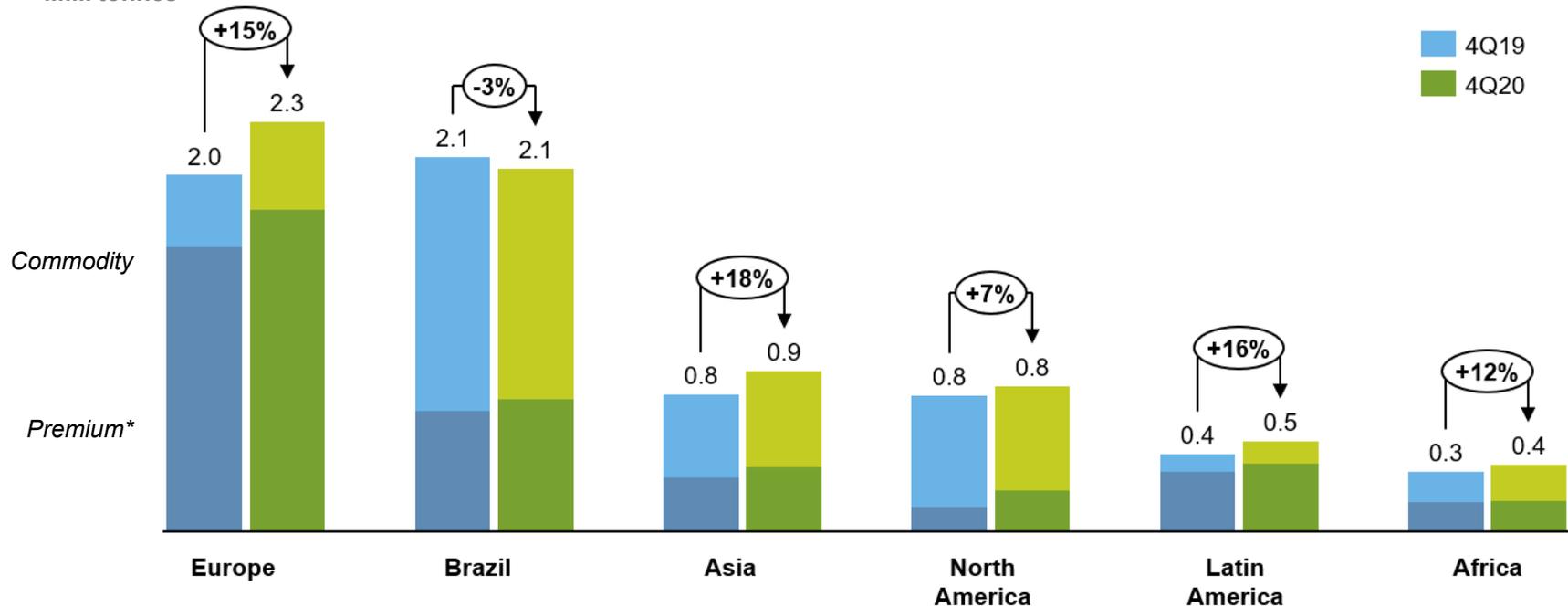


² Export NPK plants, average grade 19-10-13, net of transport and handling cost.

Strong deliveries in Europe and Asia; premium product growth in all regions

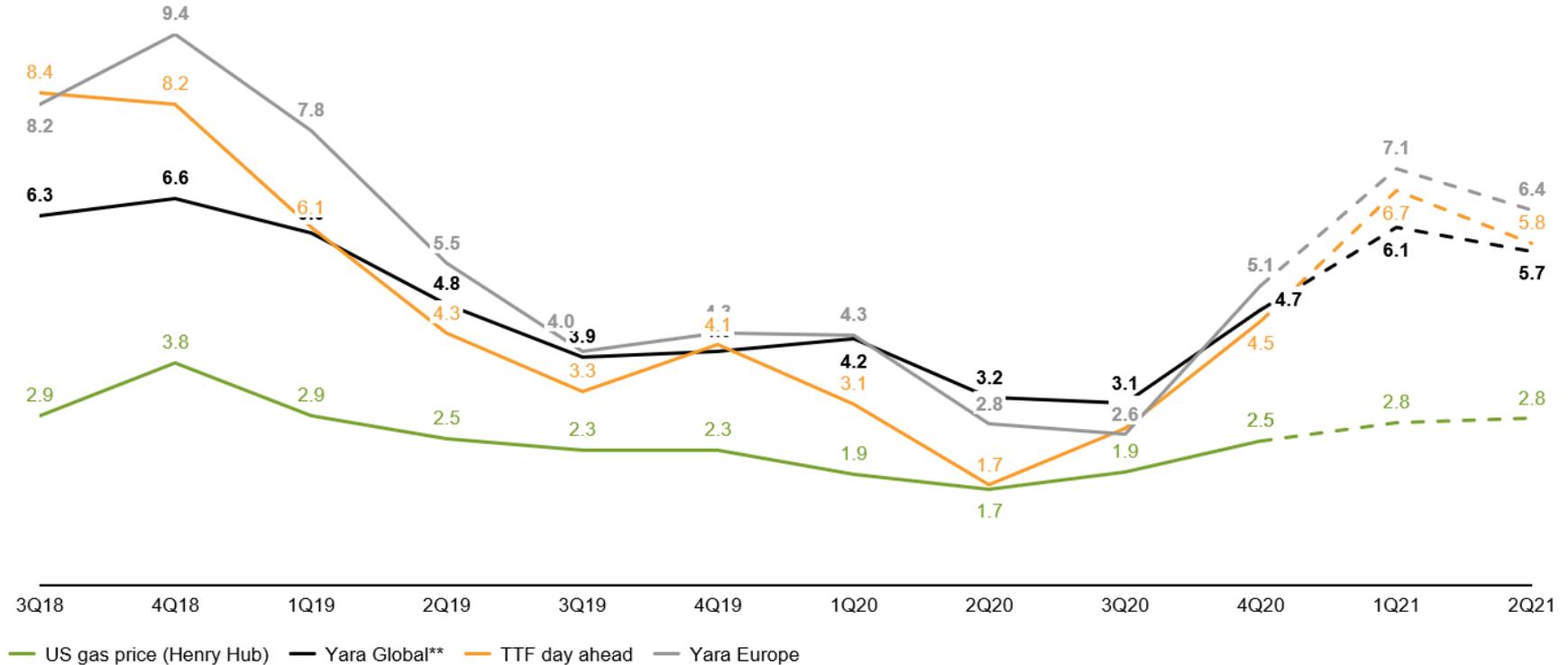
Fertilizer deliveries

Mill. tonnes



Energy cost

Quarterly averages for 2018-2020 with forward prices* for 1Q21 and 2Q21



Source: Yara, World Bank, Argus/ICIS Heren

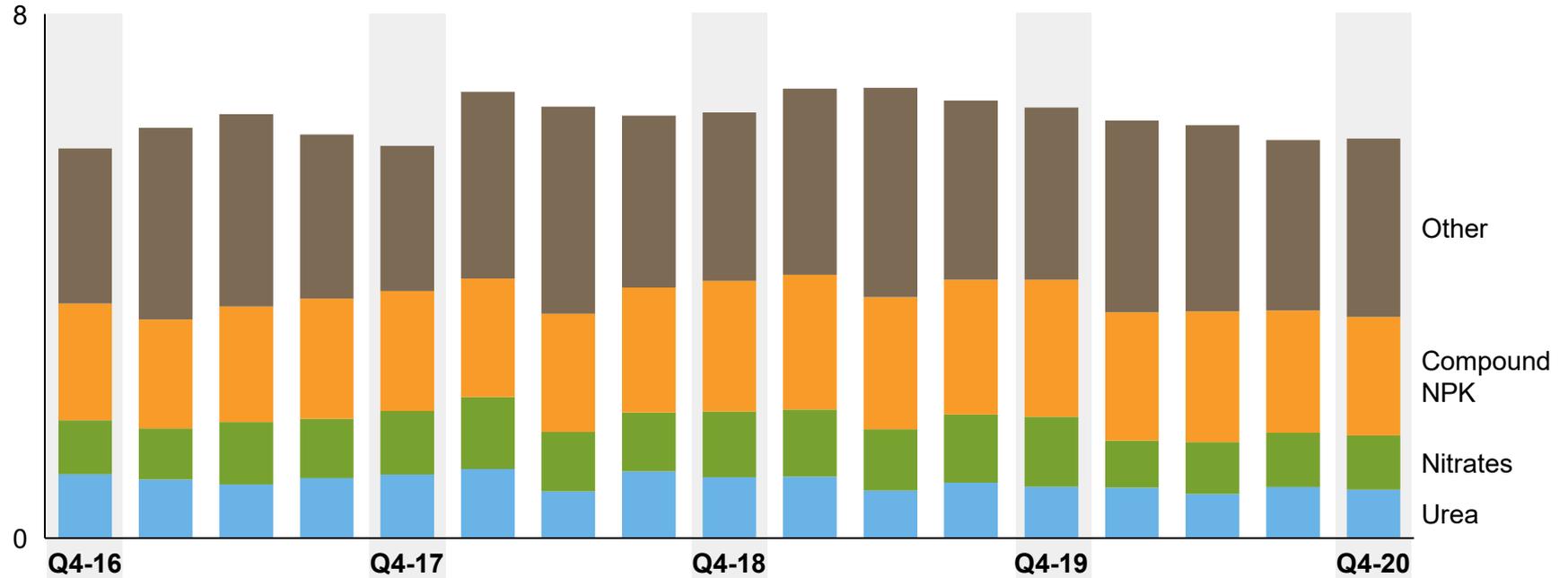
*Dotted lines denote forward prices as of 2 February 2021, market prices (HH and TTF) are not lagged

**Yara Global restated from 2Q 2018 to include Cubatão gas cost

Yara stocks

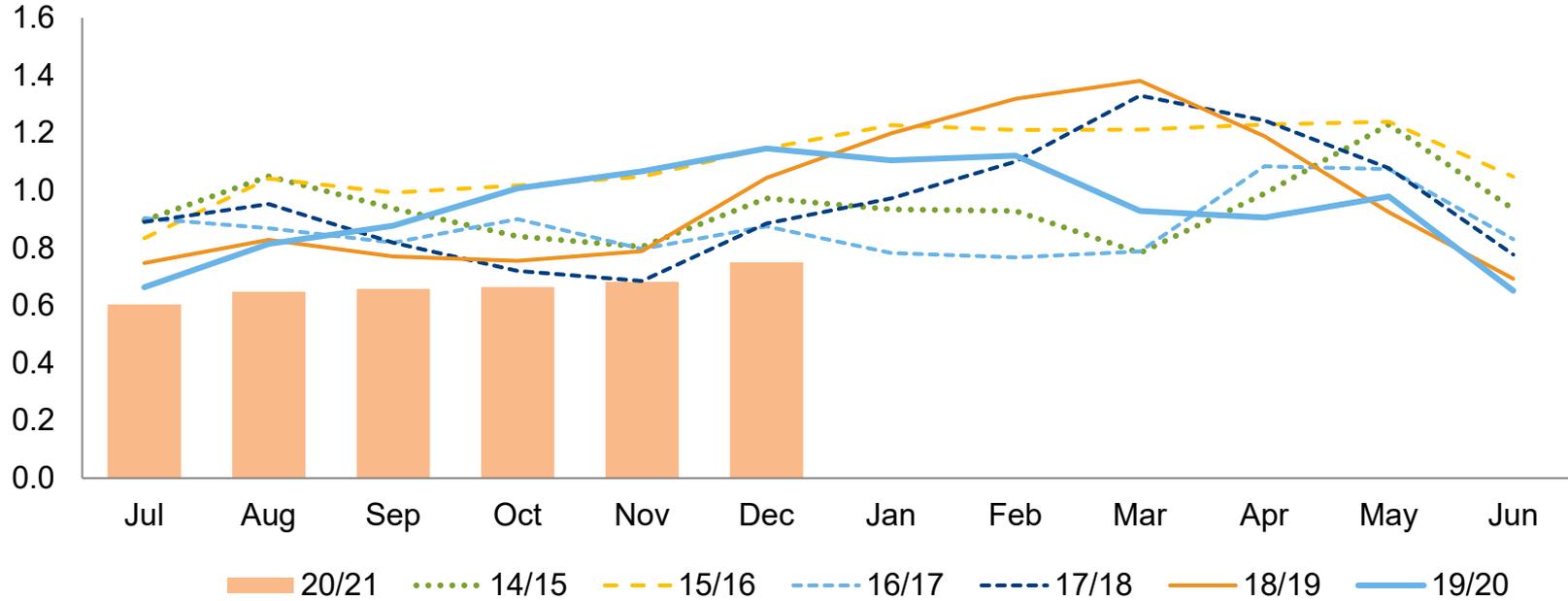
Finished fertilizer

Mill. tonnes



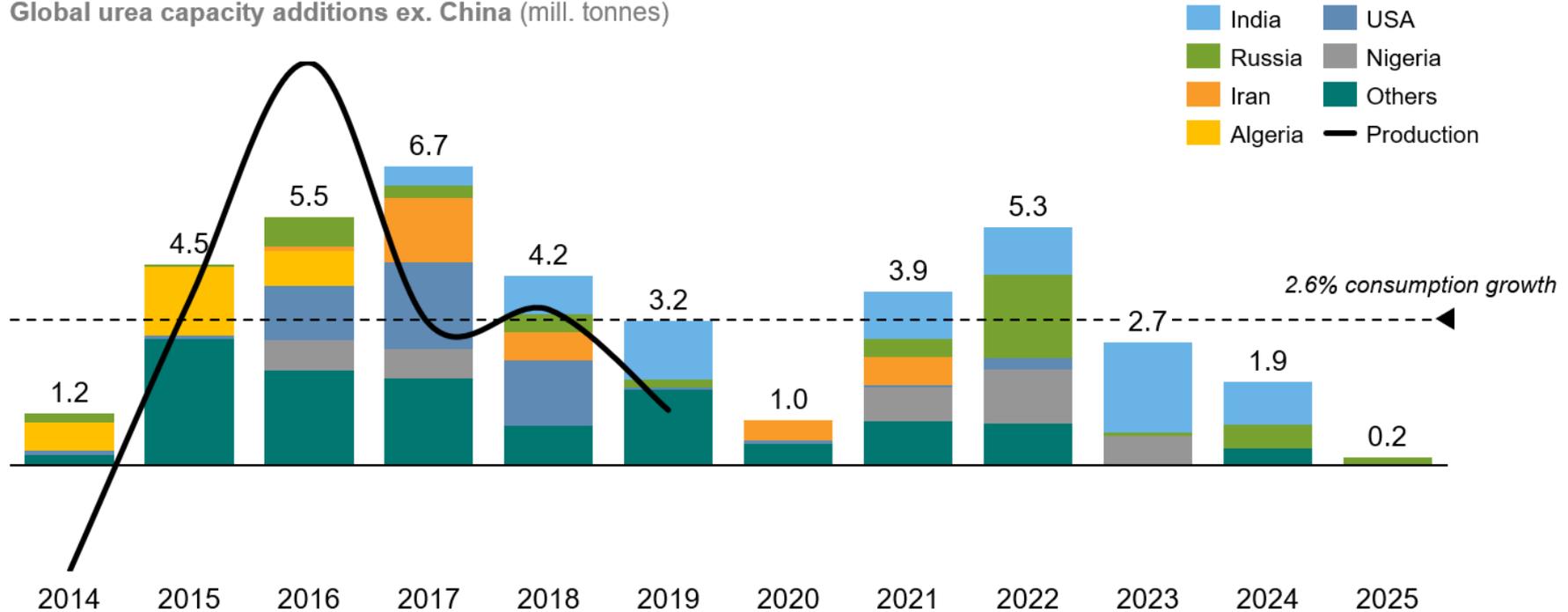
European producers' nitrate stocks

Index
June 2007 = 1



Higher nitrogen supply growth forecast in 2021, however higher than normal risk of project delays

Global urea capacity additions ex. China (mill. tonnes)



Alternative performance measures

Alternative performance measures are defined, explained and reconciled to the Financial statements in the APM section of the Quarterly report on pages 35-40

