



Knowledge grows

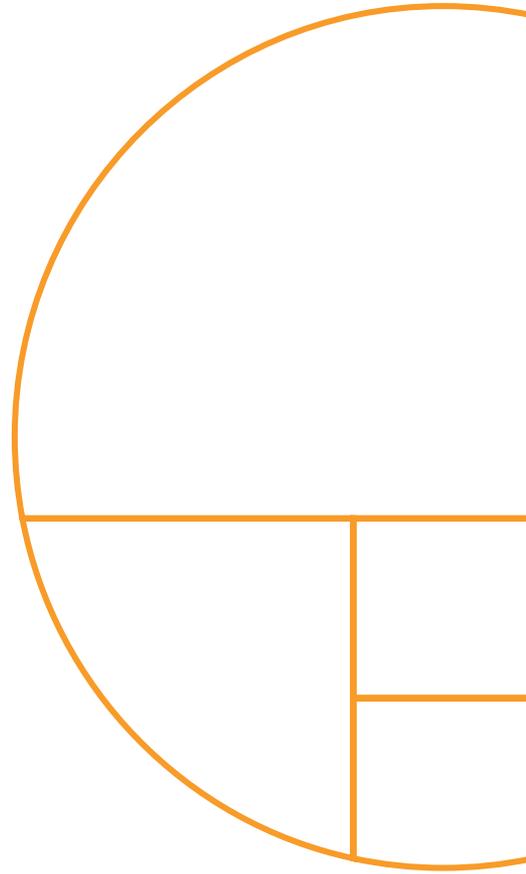
# Yara International ASA 2021 Second-quarter results

16 July 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.*

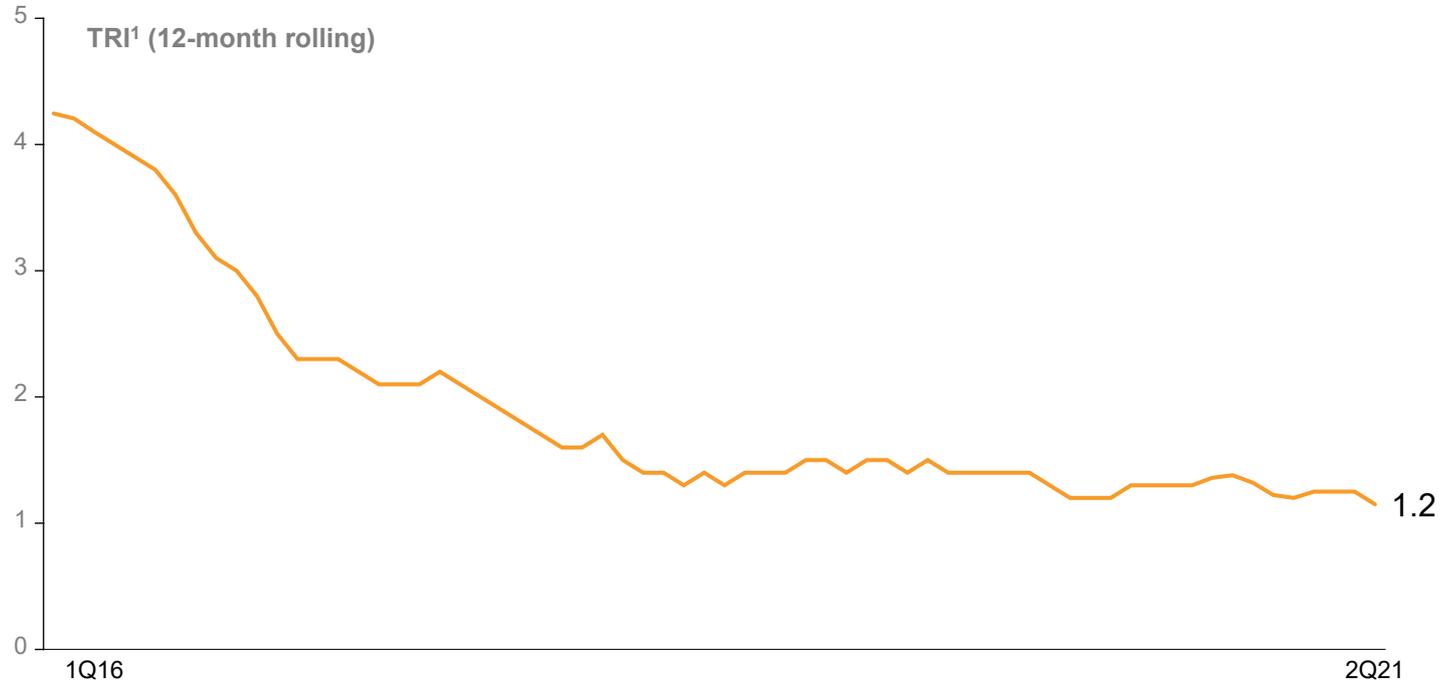


# Our ambition is zero injuries



## People

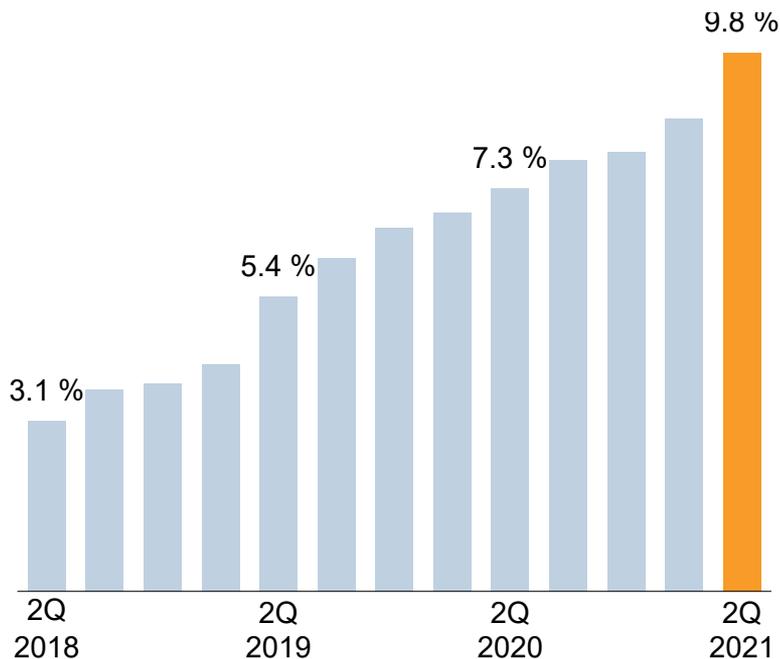
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1) Total Recordable Injuries per 1 million working hours

# 12<sup>th</sup> consecutive quarter of improved returns

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

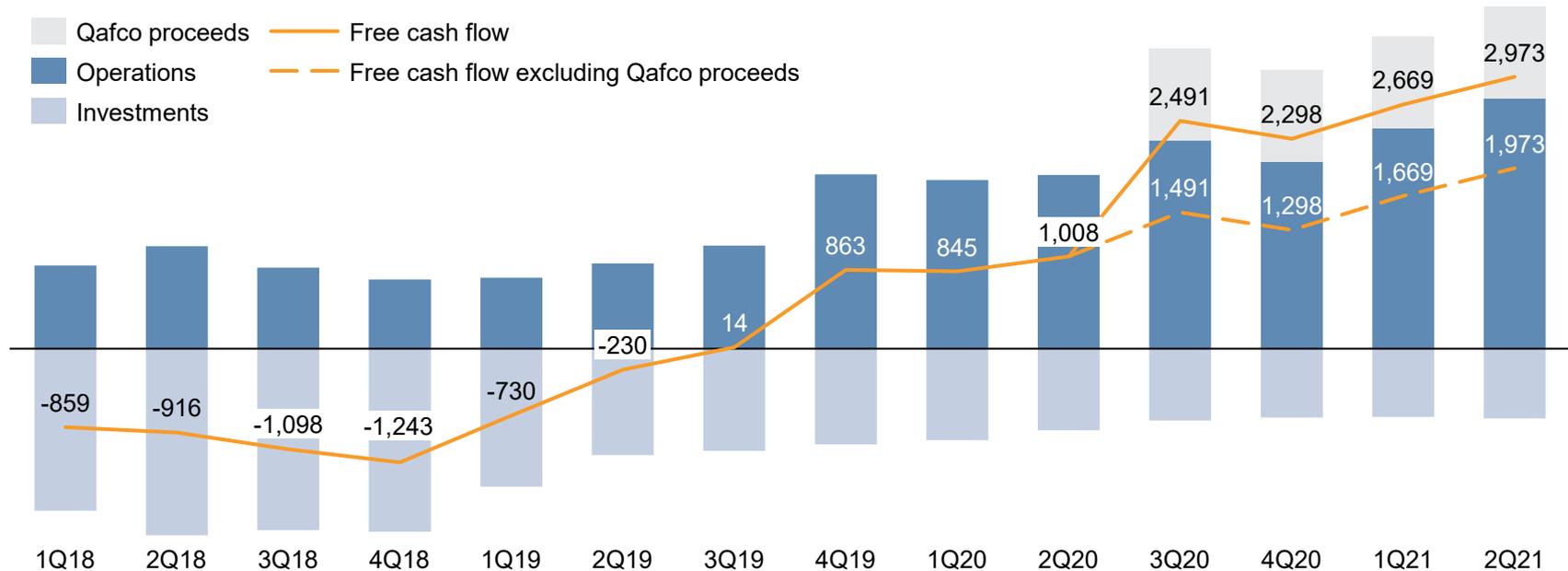


- 9.8% ROIC<sup>1</sup>, up from 7.3% a year earlier
- Improved pricing and recovering premiums
- USD 3.0 billion free cash flow<sup>2</sup> rolling 4 quarters
- NOK 20 per share additional dividend proposed

# USD 3.0 billion free cash flow<sup>1</sup> rolling 4 quarters

## Free cash flow before financing activities<sup>1</sup>

MUSD, rolling 12 months



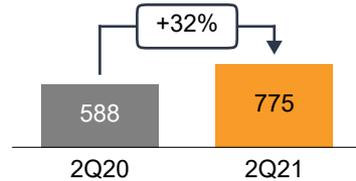
# Further strengthening of the transformation agenda



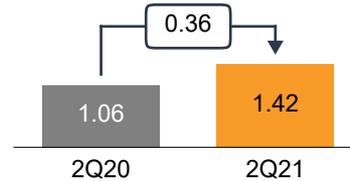


# Financial performance

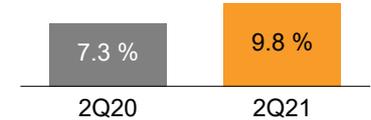
**EBITDA ex. special items**  
(MUSD)



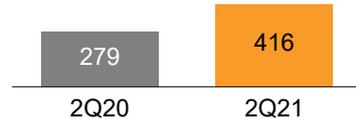
**EPS ex. currency and special items**  
(USD per share)



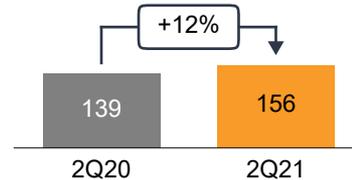
**ROIC**  
(12-month rolling)



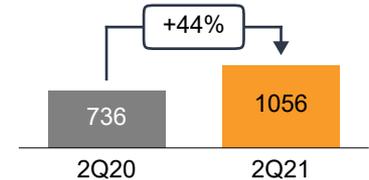
**Change in net operating capital<sup>1</sup>**  
(MUSD)



**Investments (net)<sup>2</sup>**  
(MUSD)



**Cash from operations**  
(MUSD)



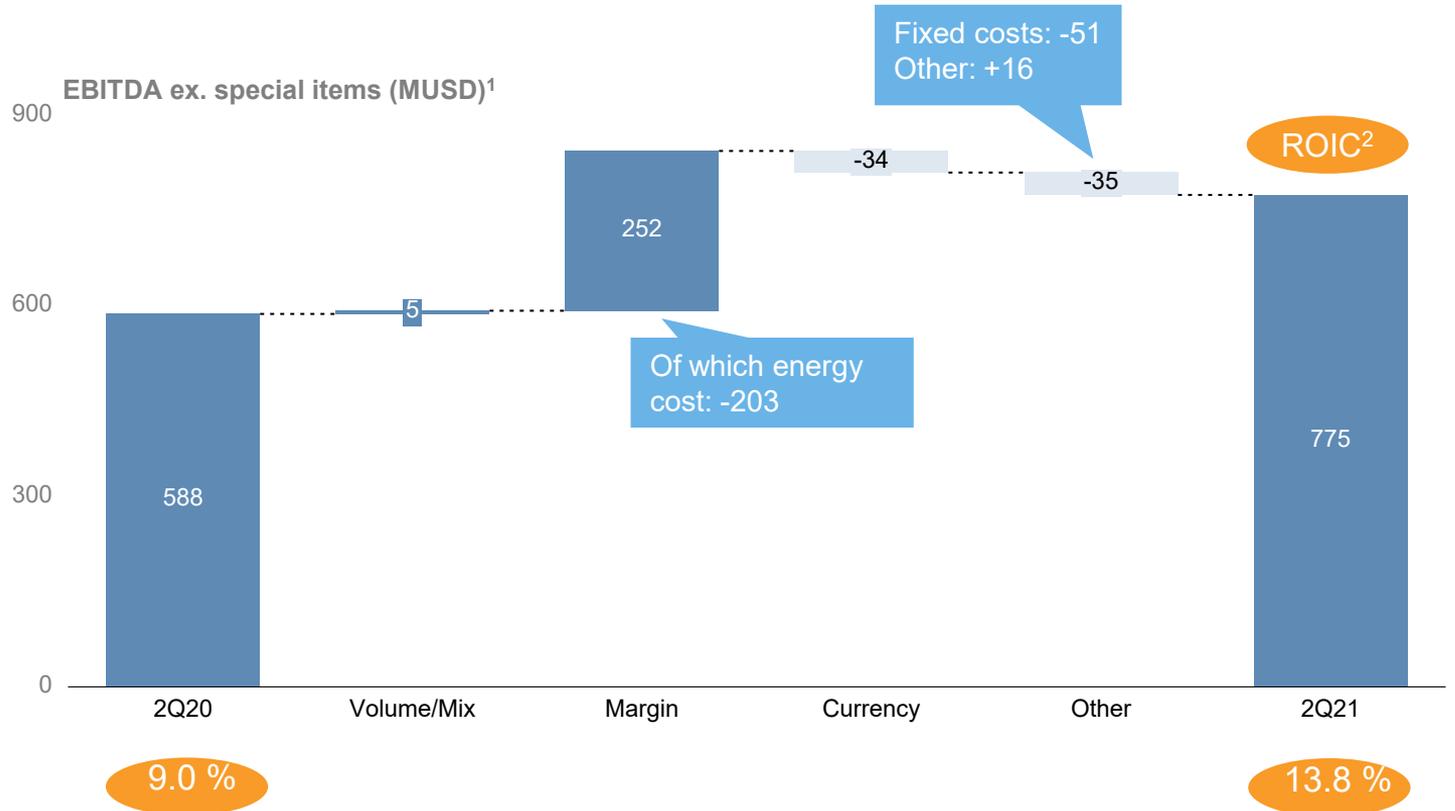
**Prosperity**

1) Change in net operating capital as presented in the cash flow statement, page 16 of 2Q report  
2) Net cash used in investing activities as presented in the cash flow statement, page 16 of 2Q report

Alternative performance measures are defined, explained and reconciled to the Financial statements in the APM section of the 2Q report on pages 31-36



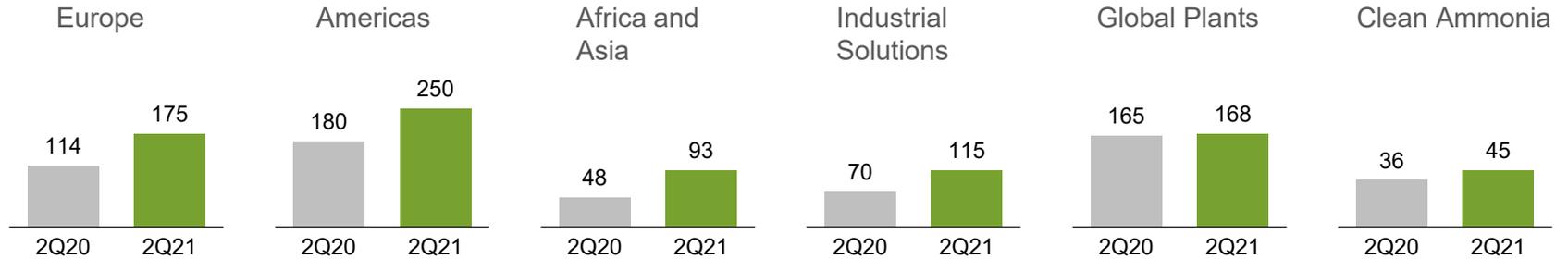
# Improved pricing driving higher margins



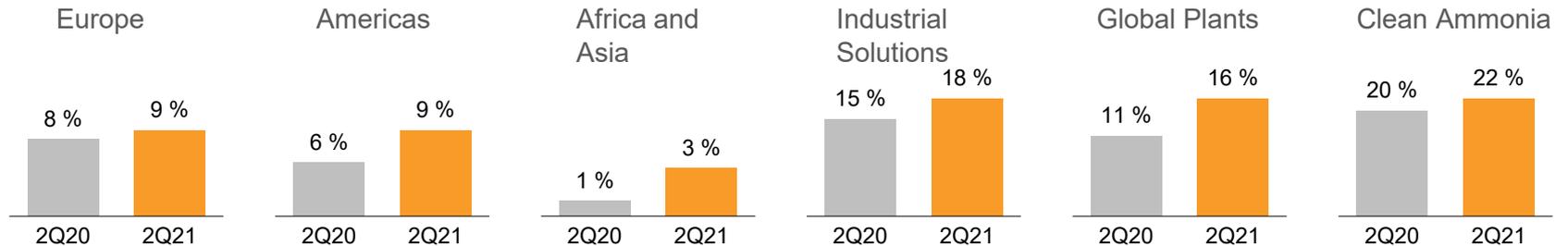
- 1) EBITDA ex. special items. For definition and reconciliation see APM section of 2Q report, page 31
- 2) Quarterly ROIC, annualized. For definition and reconciliation see APM section of 2Q report, page 33

# Improved results in all regions

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

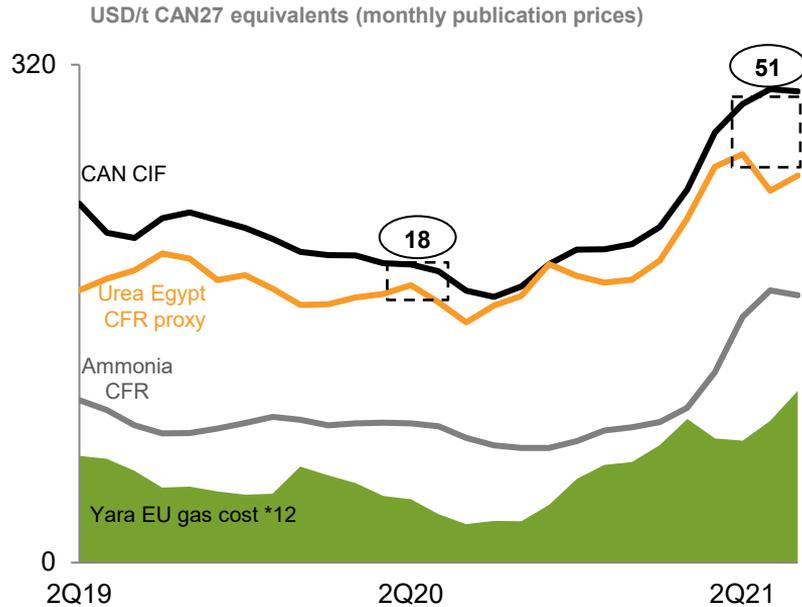


## ROIC<sup>2</sup> (%)



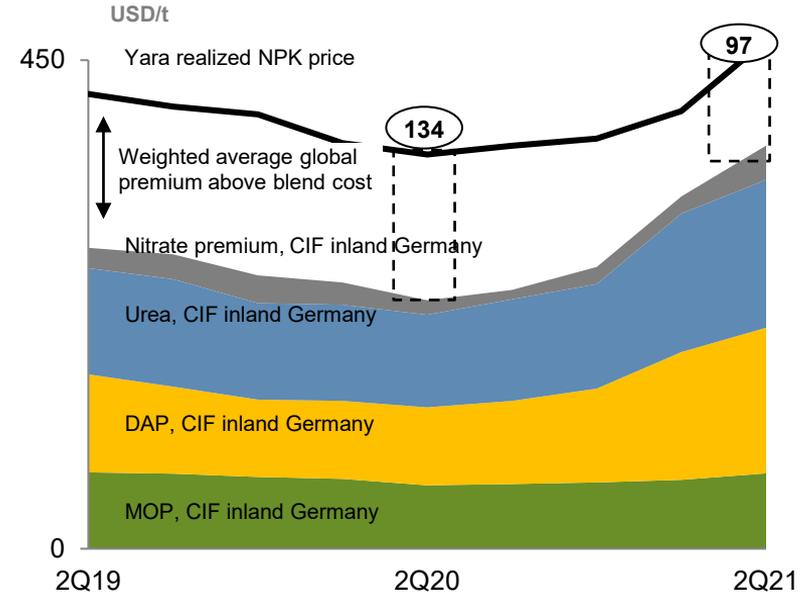
# Premiums recovering following rapid increase in commodity nitrogen prices

## Nitrogen upgrading margins<sup>1</sup>



<sup>1</sup> Nitrate premium in CIF Germany terms, above Urea Granular FOB Egypt, in 27% N (USD/t):  
All prices in CAN27 equivalents, with 1 month time lag

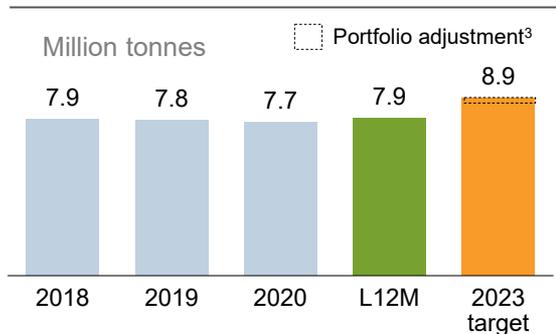
## NPK premium over blend<sup>2</sup>



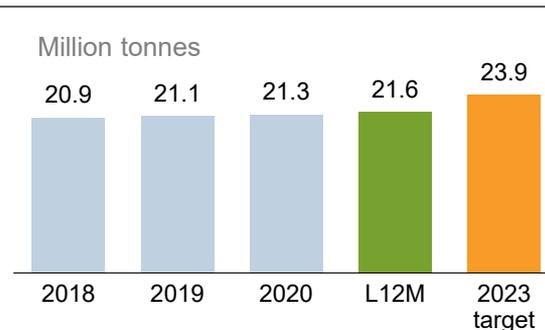
<sup>2</sup> Export NPK plants, average grade 19-10-13, net of transport and handling cost.

# Positive improvement program trend

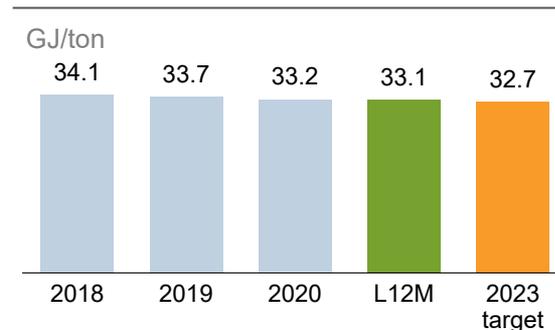
## Ammonia production



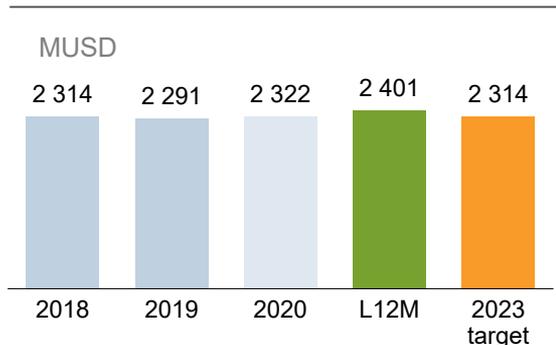
## Finished product production



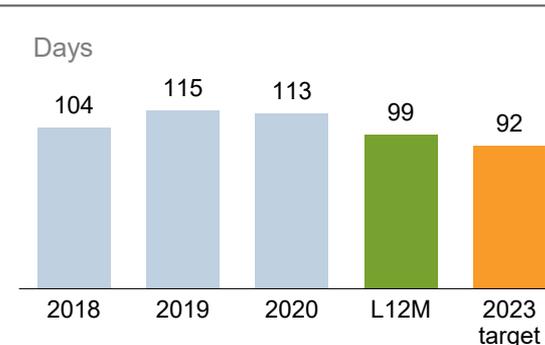
## Ammonia energy consumption



## Fixed costs<sup>1</sup>



## Operating capital<sup>2</sup>



## Comments:

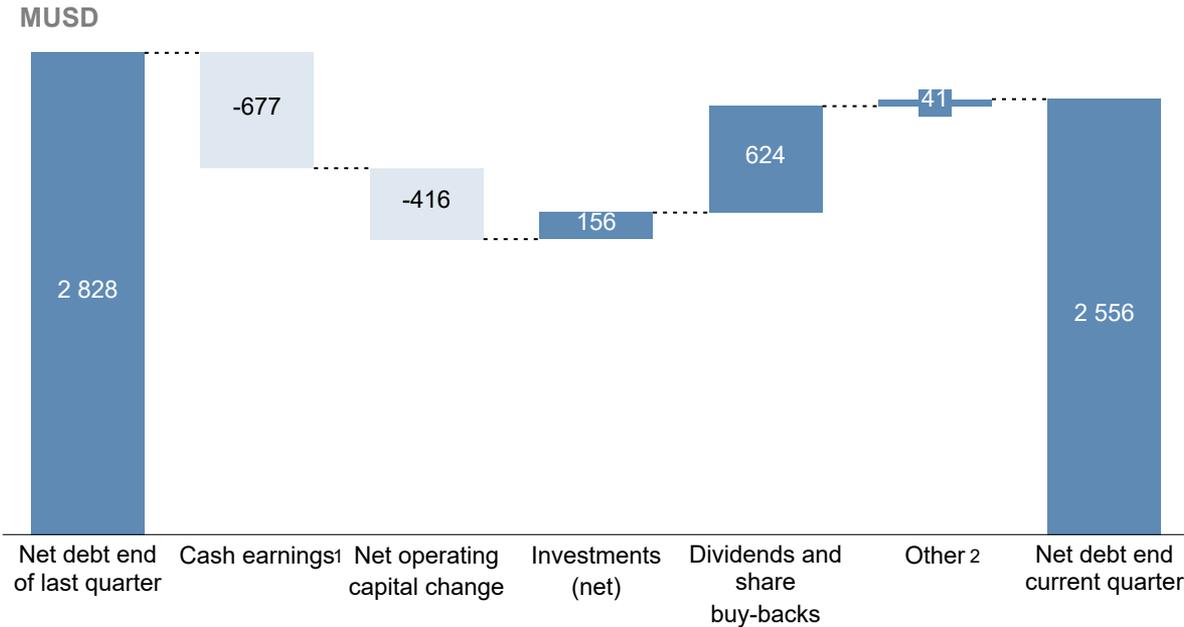
- Continued positive production volume trend
- Covid-19 impacts Salitre project schedule
- Energy efficiency negatively impacted by lower production reliability in the quarter
- Temporary fixed costs increase in 2021 as communicated at 4Q20, offset by lower capex
- Improved operating capital days driven by lower inventory and receivable days



1) For reconciliation of Fixed costs to Operating costs and expenses, see APM section of 2Q report, page 34  
 2) Operating capital excluding prepayments from customers. For reconciliation of Operating capital days, see APM section of 2Q report, page 35  
 3) Portfolio change impact (Trinidad plant closure 250kt)

# Strong cash earnings, additional dividend proposed

## Net interest-bearing debt: 2Q development



- Strong cash earnings and operating capital release
- 20 NOK per share annual dividend paid in May, and NOK 20 per share additional dividend proposed for payment in third quarter
- Yara will consider further cash returns in the coming quarters, in line with capital allocation policy

# Yara is broadening its business model



# Portfolio Development: evolving and executing ownership strategies for portfolio units grown from Yara's core

## Yara Clean Ammonia

- Growing project and partnership portfolio towards clean shipping fuel and fertilizer



## Agoro Carbon Alliance

- Solutions to enable carbon cropping practices and generate quality carbon credits
- Ongoing pilot in US; new pilots being started in Brazil, India and Europe



## Yara Growth Ventures

- Growing venture portfolio with 5 investments
- Source of innovation and strategic options



### Selected activities and partnerships:

### Yara ownership approach:

Yara to remain majority owner

Dilution to fund growth over time

Yara minority positions

External funding and partnerships pursued to accelerate growth while maintaining capital discipline, in line with capital allocation and capex policy

# Driving sustainable performance with an integrated scorecard

## 2Q scorecard (details in appendix)

People					Planet					Prosperity				
Yara KPI	2020	L12M	2025 Target	Measure	Yara KPI	2020	L12M	2025 Target	Measure	Yara KPI	2020	L12M	2025 Target	Measure
Strive towards zero accidents	1.3	1.2	-1.0	TRQ	Energy efficiency <sup>1</sup>	33.2	33.1	32.7	GJt NH3	Ammonia Production <sup>2</sup>	7.7	7.9	8.9	Mt
Engagement Index <sup>3</sup>	75%		Top quartile	Index	GHG emissions, intensity	3.0	3.0	2.7	l CO2e/t N	Finished Fertiliser <sup>4</sup> Production	21.3	21.6	23.9	Mt
Diversity and inclusion index	74%		Top quartile	Index	GHG emissions, scope 1+2 <sup>5</sup>	17.7	17.6	-30	% CO2e	Premium generated	1 036	822	N/A	MUSD
Female senior managers	24%	27%	40%	%	Active hectares +	5	5	150	Mha	Revenues from new business models	6	7	1 200	MUSD
					Carbon marketplace <sup>6</sup>			TBD		Revenues from online sales	0	0	1 200	MUSD
										Working capital <sup>7,8</sup>	113	99	92	Days
										Capital return (ROIC) <sup>9</sup>	8%	9.8%	>10%	%
										Fixed costs <sup>10</sup>	2 322	2 401	2 314	MUSD
										Capex <sup>11</sup>	0.8	0.8	1.2	8USD
										Net debt / EBITDA <sup>12</sup>	1.36	1.05	1.5-2.0	Ratio
										MSCI rating	BBB	A	A	Score
										Sustainalytics rating	Med	Med	Med	Score

## 2Q performance highlights

 <b>People</b>	<ul style="list-style-type: none"> <li>Lower injury rate</li> <li>Improving gender balance in senior management positions</li> </ul>
 <b>Planet</b>	<ul style="list-style-type: none"> <li>Commercial launch of Agoro Carbon Alliance in June</li> </ul>
 <b>Prosperity</b>	<ul style="list-style-type: none"> <li>ROIC<sup>1</sup> 13.8% in 2Q</li> <li>Lower operating capital days</li> <li>Positive production trend</li> <li>MSCI sustainability rating upgrade</li> </ul>

# Action Africa: improving agricultural yields is key to tackling world hunger



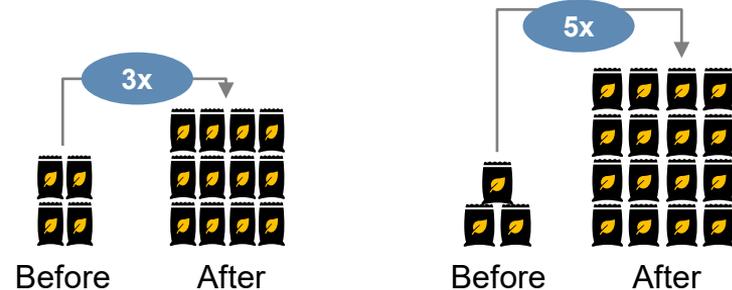
- In the wake of the Covid-19 pandemic, the number of people facing acute hunger has increased
- In 2020 Yara donated USD 25 million in fertilizer aid to help avert a food crisis in Southern and Eastern Africa
- Yara's products and solutions improve farmers' livelihoods, working closely with the UN World Food Programme and other partners to be part of the solution



Kalumbu Tikondane

- a group of rural farmers in Malawi taking part in the Action Africa initiative

## Example yield increases from Kalumbu Tikondane



Bags of maize harvested

# Attractive Yara prospects



## Attractive opportunities

- Strong market fundamentals
- Resource and environment challenges require significant transformations within agriculture and hydrogen
- Attractive Yara growth opportunities within sustainable food solutions and green ammonia



## Focused strategy

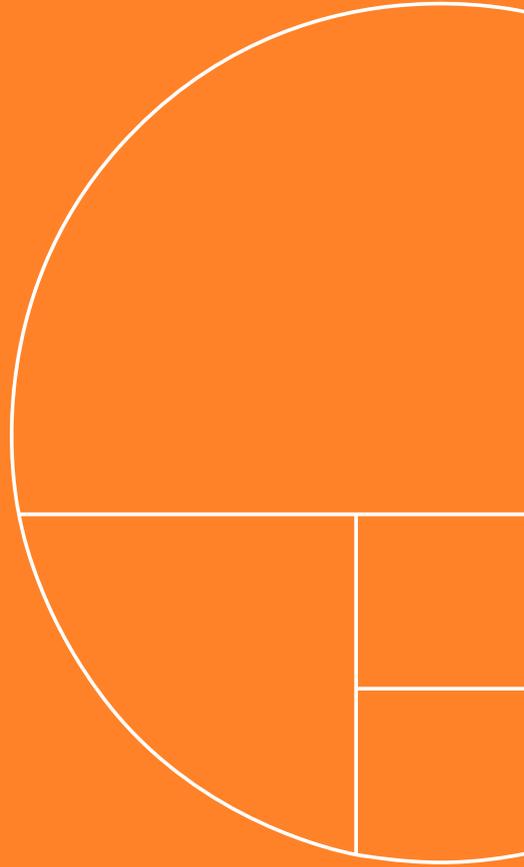
- Crop nutrition leader; #1 premium product and market presence
- Transitioning towards sustainable solutions for the global food system
- Operational improvement and innovation focus



## Strong shareholder returns

- Strict capital discipline with clear capital allocation policy
- 12 consecutive quarters of ROIC growth, with USD 3 billion free cash flow<sup>1</sup> from operations last 4 quarters

# Appendix



# Driving sustainable performance with an integrated scorecard

People				
Yara KPI	2020	L12M	2025 Target	Measure
Strive towards zero accidents	1.3	1.2	<1.0	TRI
Engagement Index <sup>1</sup>	79%		Top quartile	Index
Diversity and inclusion <sup>1</sup> index	74%		Top quartile	Index
Female senior managers <sup>9</sup>	24%	27%	40%	%

Planet				
Yara KPI	2020	L12M	2025 Target	Measure
Energy efficiency <sup>2</sup>	33.2	33.1	32.7	Gj/t NH <sub>3</sub>
GHG emissions, intensity	3.0	3.0	2.7	t CO <sub>2</sub> e/t N
GHG emissions, scope 1+2 <sup>3</sup>	17.7	17.6	-30	% CO <sub>2</sub> e
Active hectares <sup>4</sup>	5	5	150	MHa
Carbon marketplace <sup>5</sup>			TBD	

Prosperity				
Yara KPI	2020	L12M	2025 Target	Measure
Ammonia Production <sup>6</sup>	7.7	7.9	8.9	Mt
Finished Fertiliser <sup>6</sup> Production	21.3	21.6	23.9	Mt
Premium generated	1 036	822	N/A	MUSD
Revenues from new business models	6	7	1 500	MUSD
Revenues from online sales	0	0	1 200	MUSD
Working capital <sup>6,7</sup>	113	99	92	Days
Capital return (ROIC) <sup>7</sup>	8%	9.8 %	>10%	%
Fixed costs <sup>6,7</sup>	2 322	2 401	2 314	MUSD
Capex <sup>8</sup>	0.8	0.8	1.2	BUSD
Net debt / EBITDA <sup>7</sup>	1.36	1.05	1.5-2.0	Ratio
MSCI rating	BBB	A	A	Score
Sustainalytics rating	Med	Med	Med	Score

1) Measured annually

2) Energy efficiency target is for 2023

3) GHG absolute emissions scope 1+2 target is for 2030 with a 2019 baseline

4) Cropland with digital farming user activity at least twice during the last twelve months

5) Reported upon updates

6) YIP target for 2023

7) Alternative performance measures are defined, explained and reconciled to the Financial statements in the APM section of the 2Q 21 Report on pages 31-36

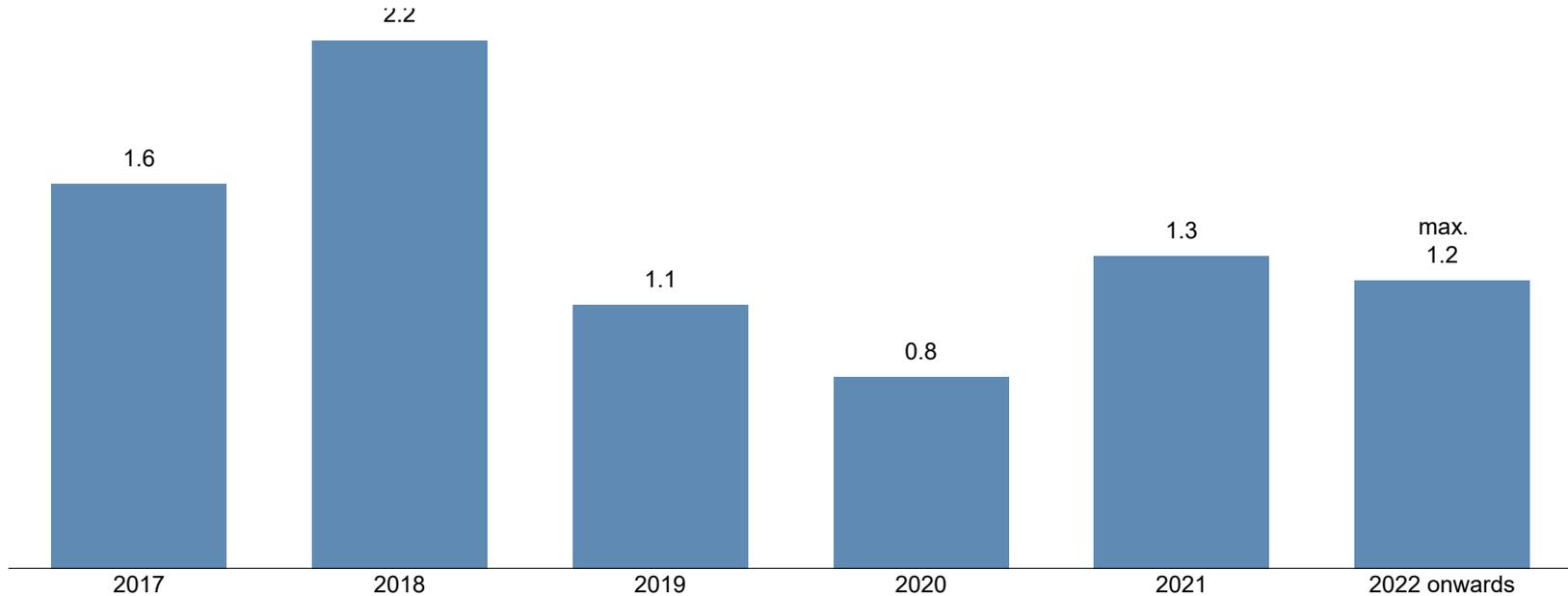
8) CAPEX max 1.2 for 2022 onwards (including maintenance)

9) Measured as % of the top positions defined in Yara's position level system. Definition of top position has been adjusted, restating the actual for 2020 and the 2025 target

# Unchanged capex guidance

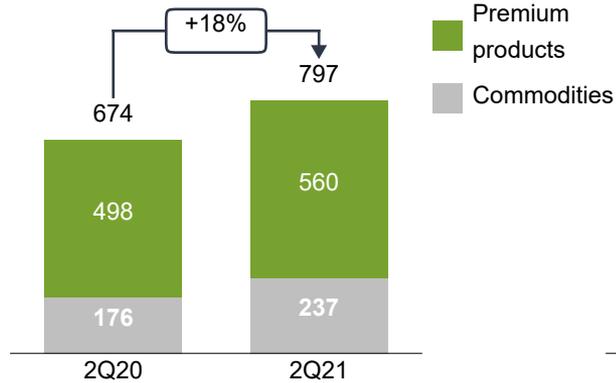
## Investments<sup>1</sup> (BUSD)

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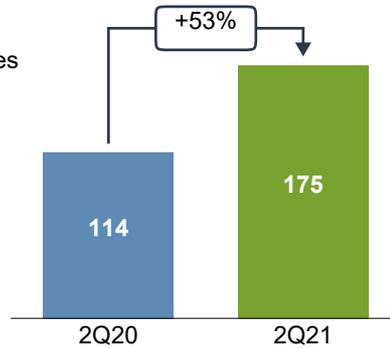
# Europe: higher margins more than offset lower volumes

External revenues (MUSD)



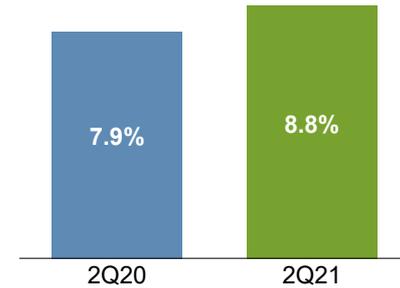
- Higher prices
- 2Q deliveries 16% lower as strong fertilizer price increases led buyers to cover only the necessary volumes for the current season application, following relatively strong purchasing earlier this season

EBITDA ex SI (MUSD)



- Higher margins offset lower deliveries and gas cost increase

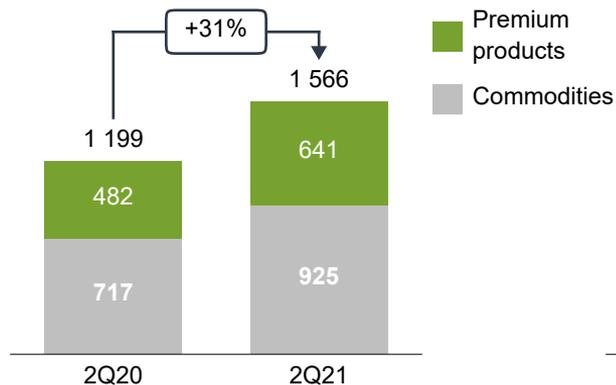
ROIC (12-month rolling)



- 12-month rolling ROIC improvement mainly reflects improving results

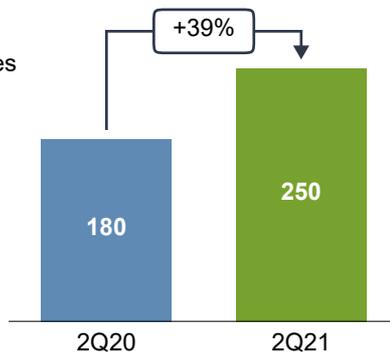
# Americas: stable deliveries and higher margins

External revenues (MUSD)



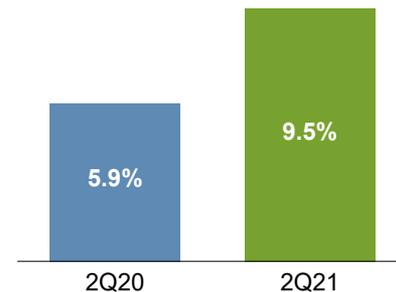
- Increased nitrogen and phosphate prices
- 2Q deliveries down 2% mainly reflecting phasing of deliveries following the early season last year

EBITDA ex SI (MUSD)



- Strong margin improvement

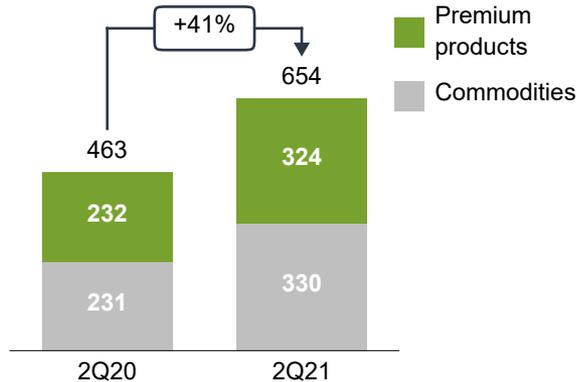
ROIC (12-month rolling)



- 12-month rolling ROIC driven mainly by improved earnings and lower invested capital

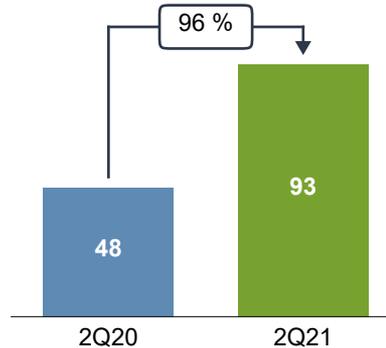
# Africa & Asia: improved production, product mix and pricing

External revenues (MUSD)



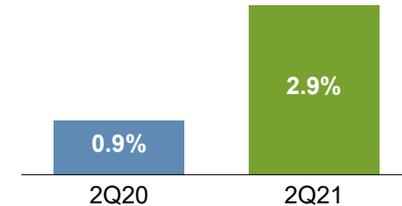
- Revenues up due to higher prices, production output and deliveries

EBITDA ex SI (MUSD)



- Improved prices and deliveries

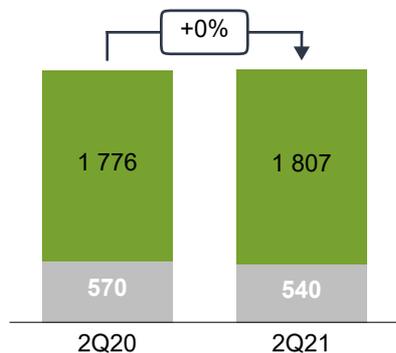
ROIC (12-month rolling)



- Increased revenues and earnings drive improvement in 12-month rolling ROIC

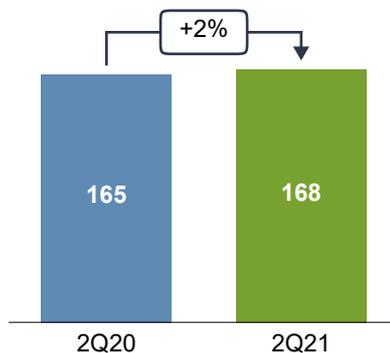
# Global Plants: higher prices offset increased gas cost

Production (thousand tonnes)



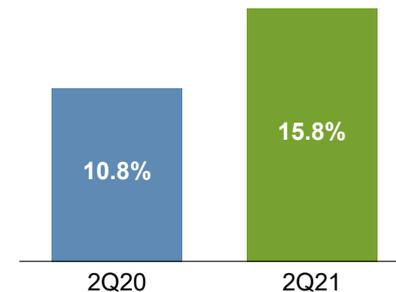
- Shorter stops and outages impacting ammonia production

EBITDA ex SI (MUSD)



- Increased nitrogen and phosphate prices more than offset for increased energy prices, negative currency effects and slightly higher fixed costs

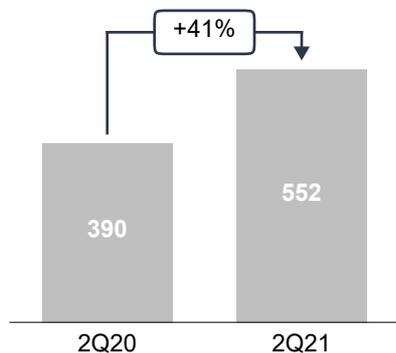
ROIC (12-month rolling)



- Positive impact from Qafco divestment

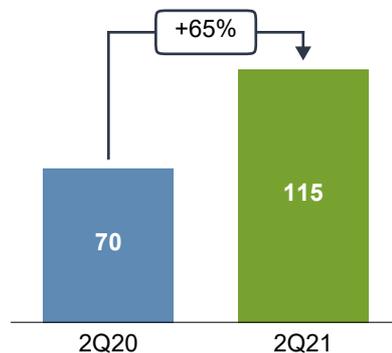
# Industrial Solutions: higher deliveries and better reliability offset increased gas prices

External revenues (MUSD)



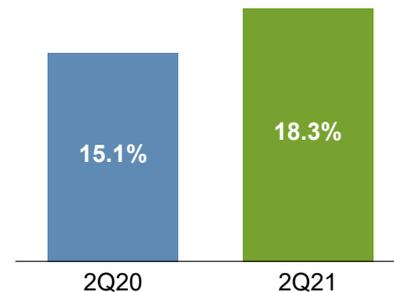
- Deliveries up 8% as demand for industrial nitrogen continue to recover

EBITDA ex SI (MUSD)



- EBITDA up mainly due to higher deliveries, improved margins and improved reliability in the production units

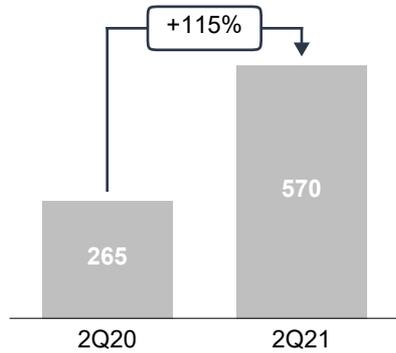
ROIC (12-month rolling)



- 12-month rolling ROIC improvement mainly reflects higher upgrading margins and increased production regularity

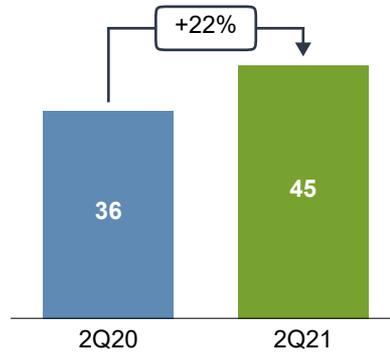
# Clean Ammonia: improved ammonia price level positively impacted commissions earnings and gains on ammonia trade

Total revenues<sup>1</sup> (MUSD)



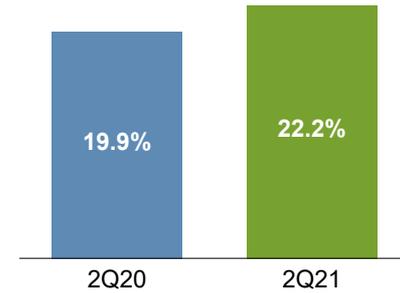
- Revenue increase driven by higher activity level and pricing benefits due to increasing ammonia prices

EBITDA ex SI (MUSD)



- EBITDA increase reflecting improved results

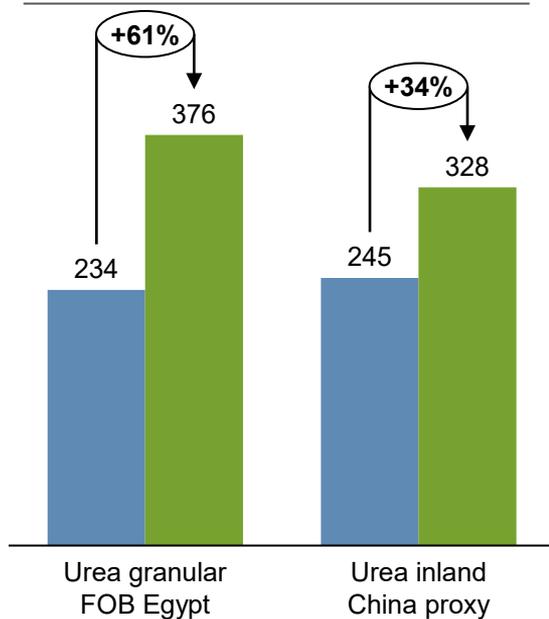
ROIC (12-month rolling)



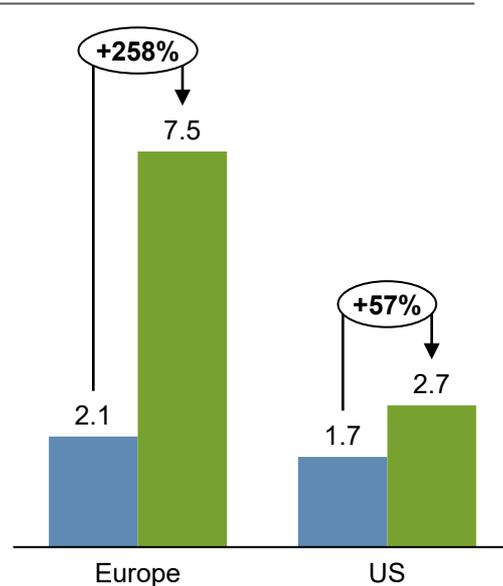
- 12-month rolling ROIC improvement mainly reflects improving results

# Key product price developments

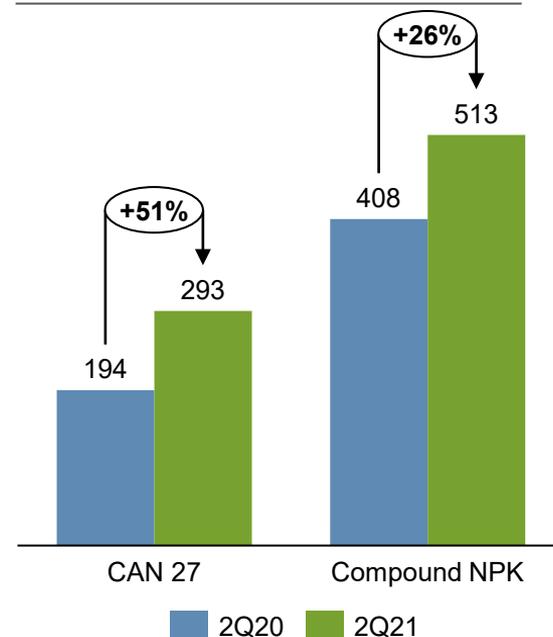
Urea price development<sup>1</sup> (USD/t)



Spot gas prices<sup>1</sup> (USD/Mmbtu)



Yara realized CAN<sup>2</sup> and NPK price<sup>3</sup> (USD/t)



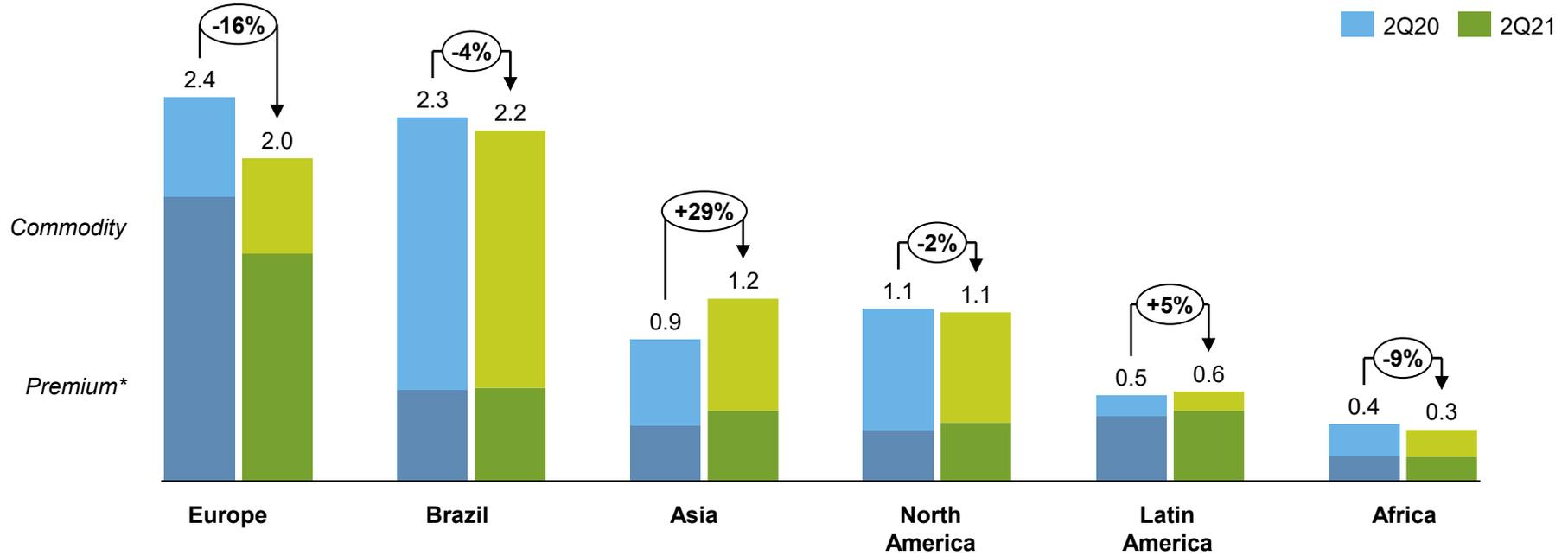
1) Source: BOABC, CFMW, Fertilizer publications, Argus. 1-month lag applied, as proxy for realized prices (delivery assumed 1 month after order)

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

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

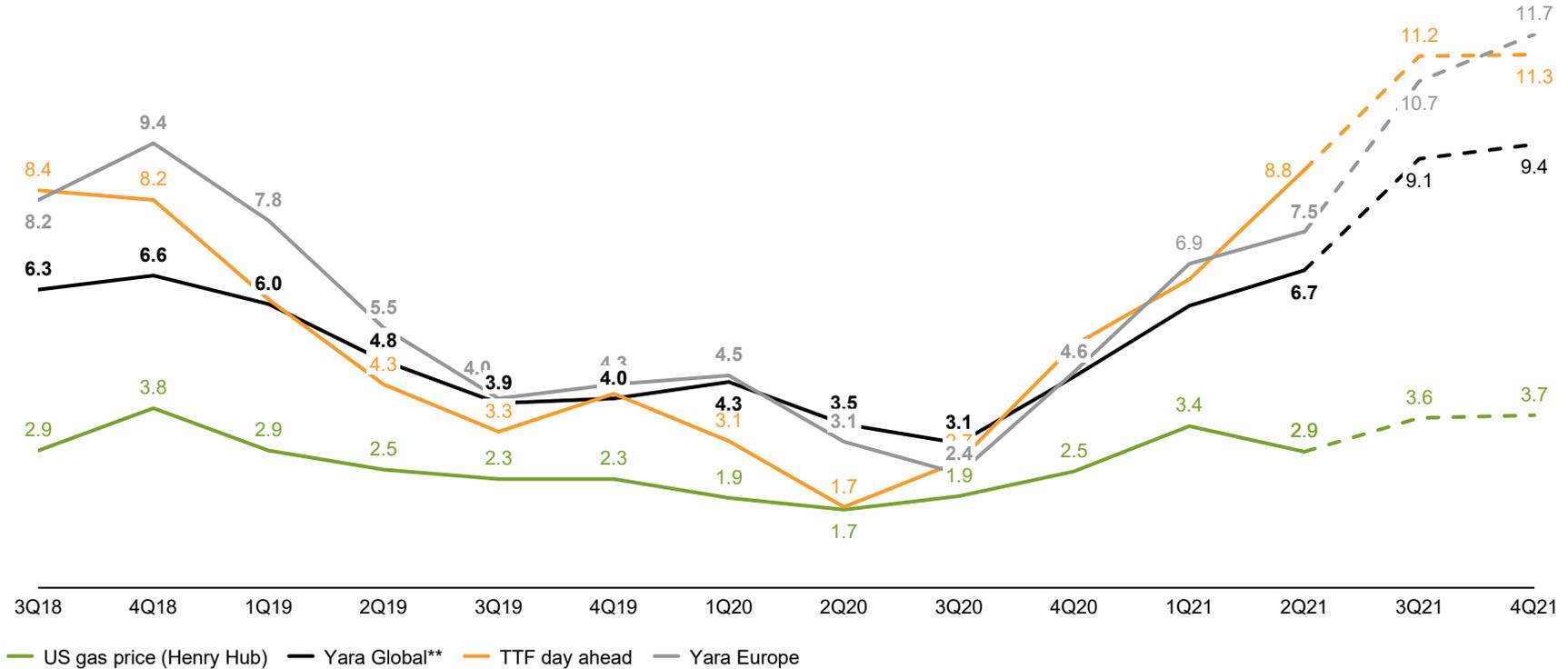
# Regional fertilizer deliveries

Million tonnes



# Energy cost

Quarterly averages for 2018-2021 with forward prices\* for 3Q21 and 4Q21



Source: Yara, World Bank, Argus/ICIS Heren

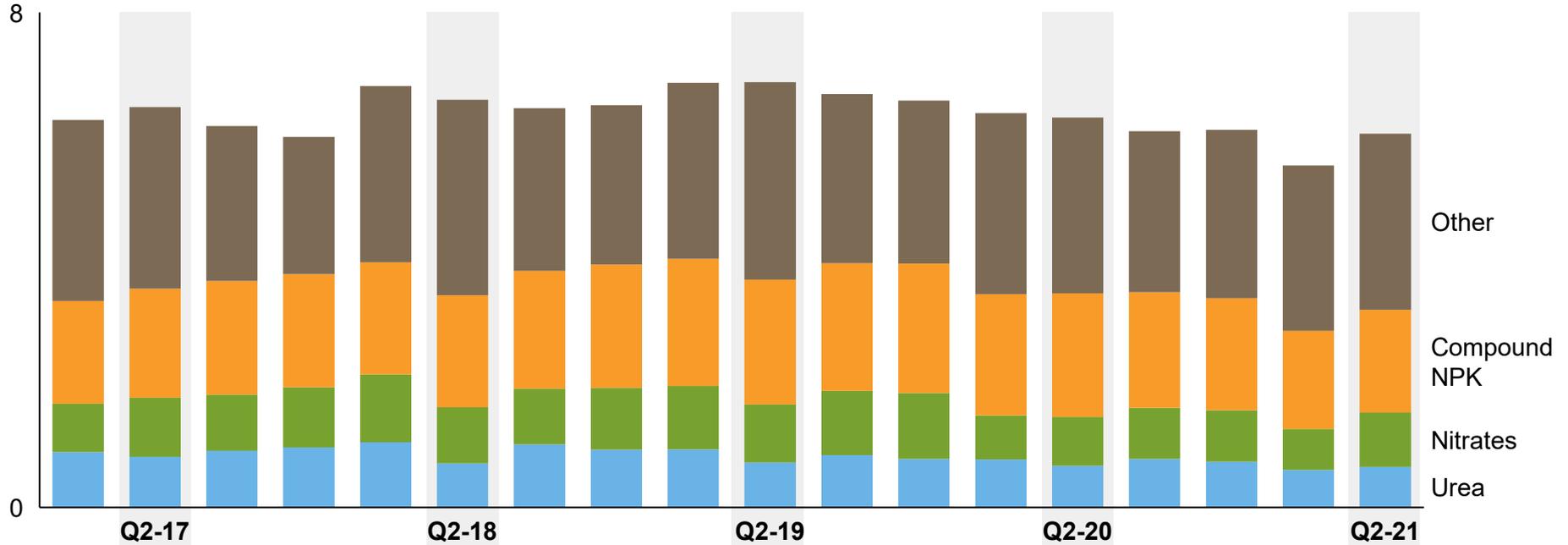
\*Dotted lines denote forward prices as of 7 July 2021, market prices (HH and TTF) are not lagged..

\*\*Yara Global restated from 2Q 2018 to include Cubatão gas cost, Babrala excluded, and updated Yara gas cost methodology from 1Q20

# Yara stocks

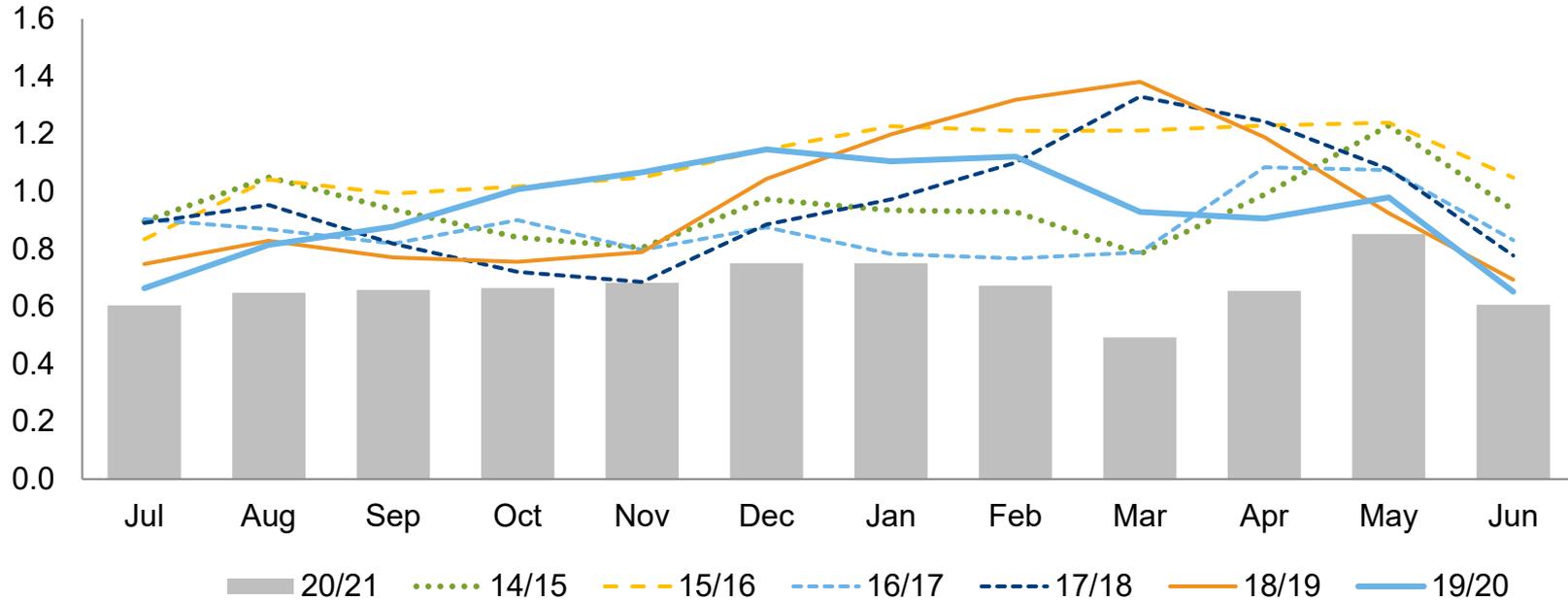
## Finished fertilizer

Mill. tonnes



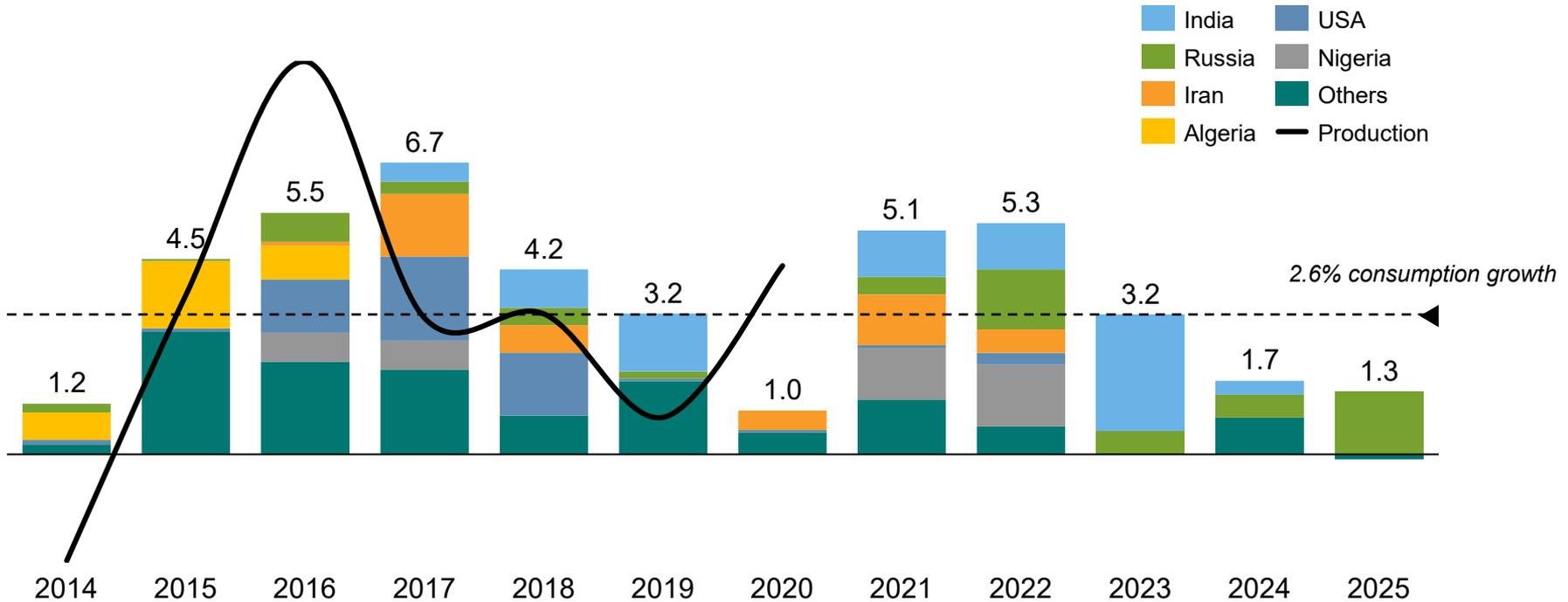
# European producers' nitrate stocks

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 31-36

