



Knowledge grows

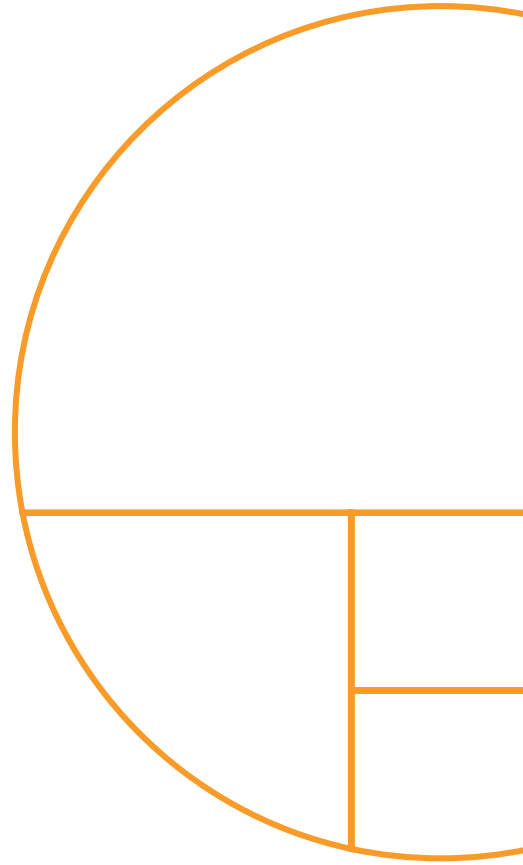
# Yara International ASA 2021 First-quarter results

23 April 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.*

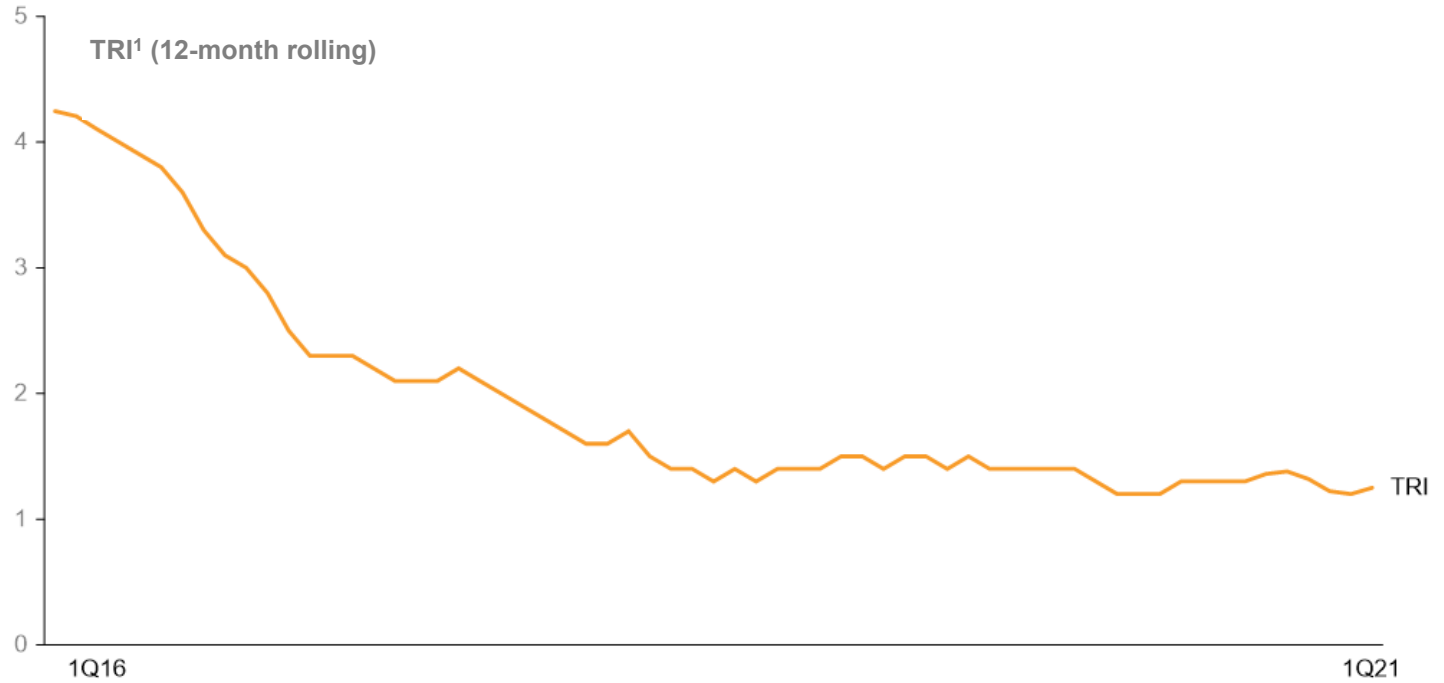


# Our ambition is zero injuries



## People

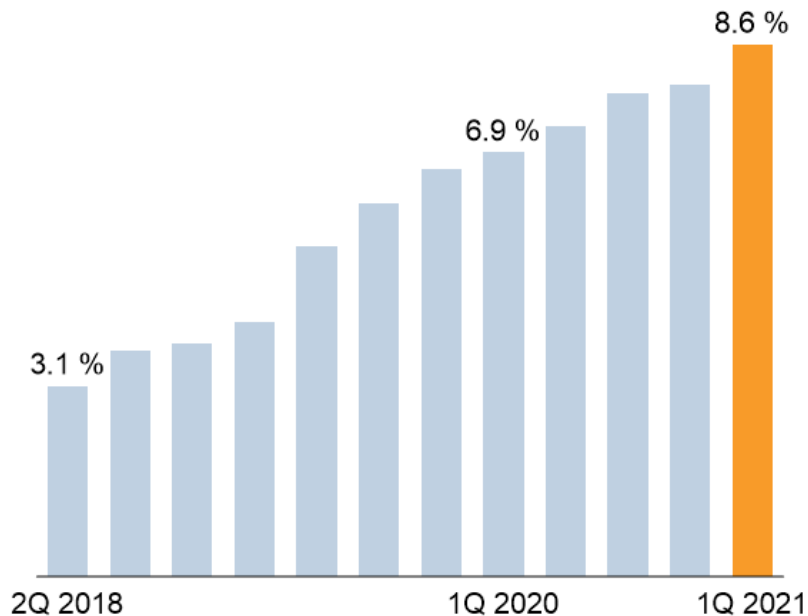
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1) Total Recordable Injuries per 1 million working hours

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

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

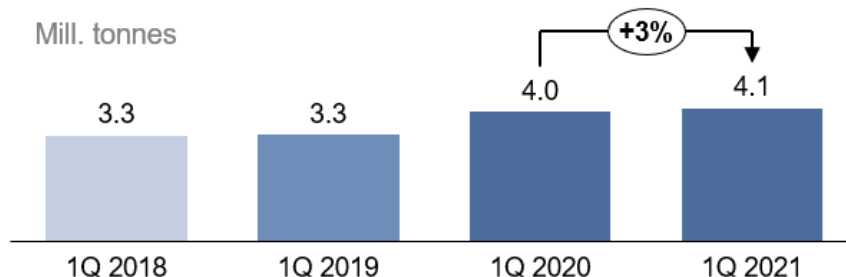


- 8.6% ROIC<sup>1</sup>, up from 6.9% a year earlier
- Improved pricing more than offset higher natural gas cost
- Continued premium product growth
- USD 2.7 billion free cash flow<sup>2</sup> rolling 4 quarters



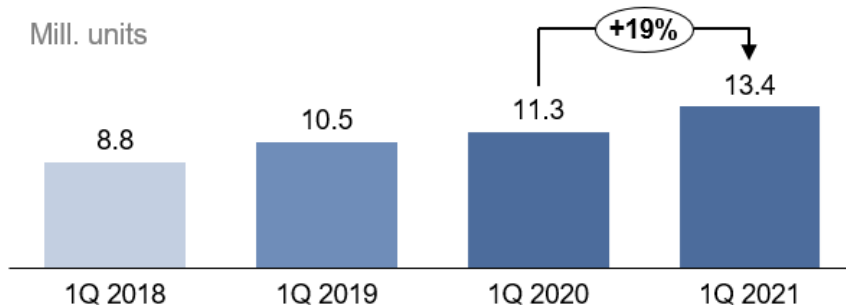
# Continued premium product growth

## Premium product deliveries



- Africa & Asia +15%, Americas +10%, Europe -4%
- Compound NPKs +98kt, CN +82kt nitrates -94kt

## YaraVita deliveries

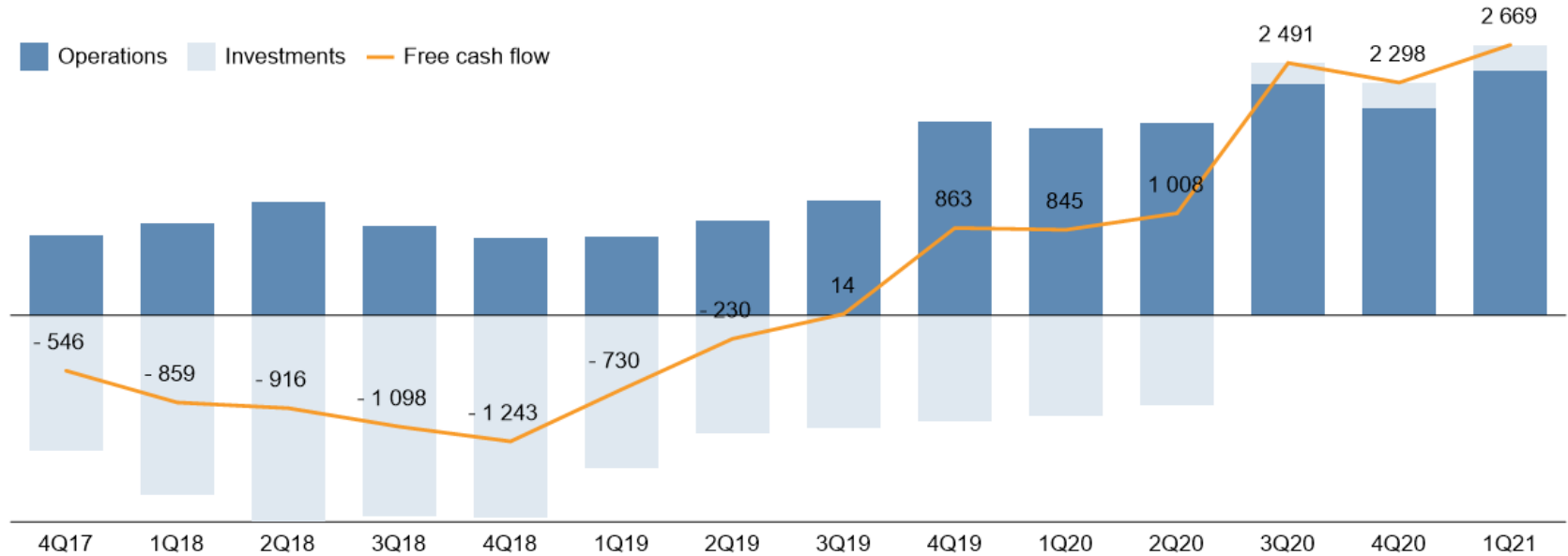


- Growth in Asia & Africa 42%, Americas 26% and Europe 11%
- 66% growth for biostimulants

# USD 2.7 billion free cash flow<sup>1</sup> rolling 4 quarters

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

USD millions, rolling 4 quarters

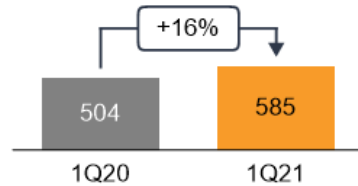




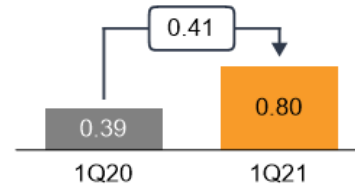
# Financial performance

Prosperity

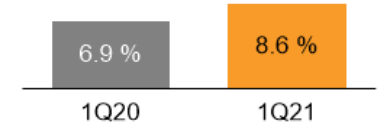
**EBITDA ex. special items**  
(MUSD)



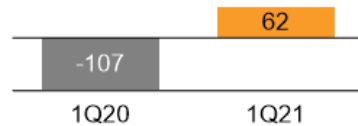
**EPS ex. currency and special items**  
(USD per share)



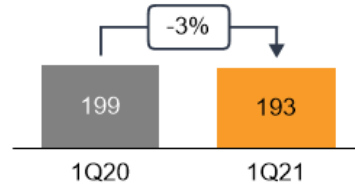
**ROIC**  
(12-month rolling)



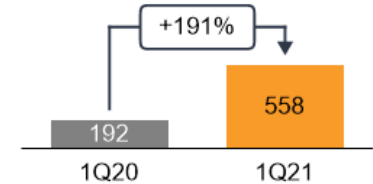
**Change in net operating capital<sup>1</sup>**  
(MUSD)



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



**Cash from operations**  
(MUSD)



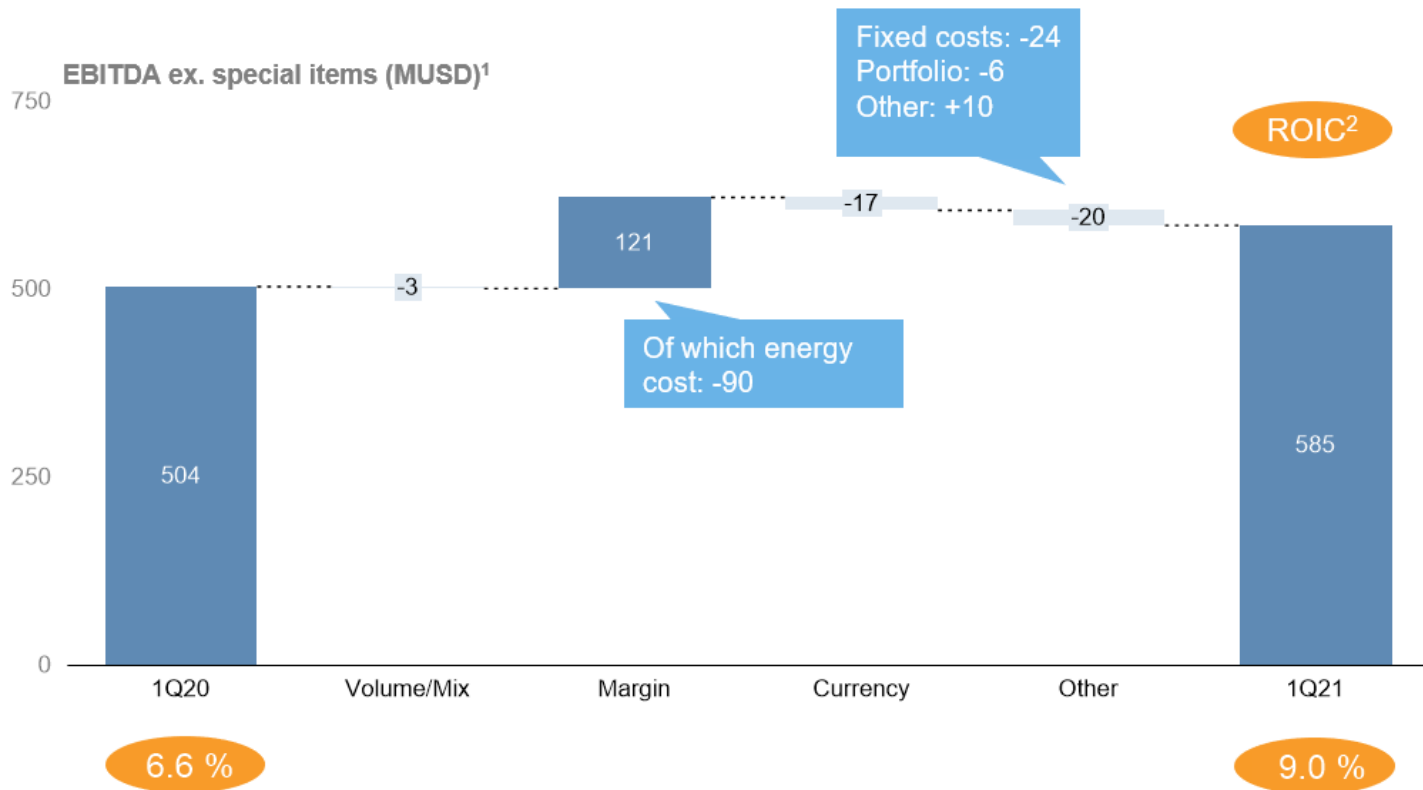
1) Change in net operating capital as presented in the cash flow statement, page 14 of 1Q report, and consists of trade receivables, inventories, and trade and other payables

2) Net cash used in investing activities as presented in the cash flow statement, page 14 of 1Q report

Alternative performance measures are defined, explained and reconciled to the Financial statements in the APM section of the 1Q report on pages 28-33



# Improved margins more than offset temporary cost increase communicated at 4Q

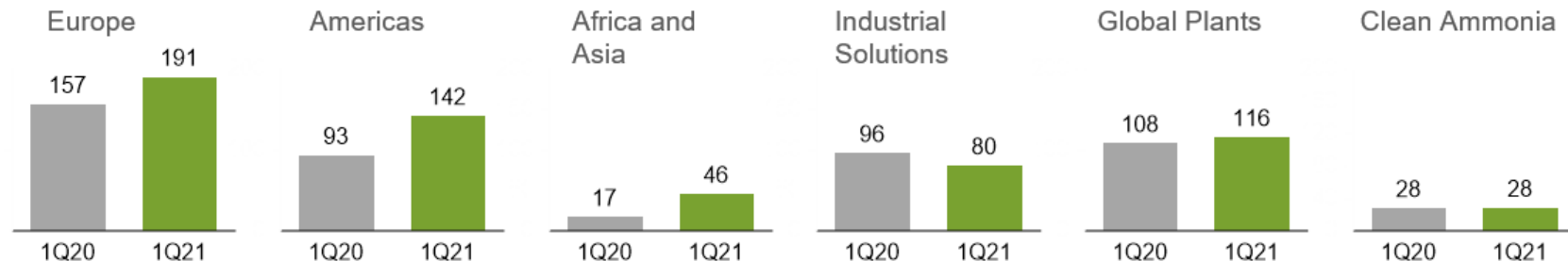


- 1) EBITDA ex. special items. For definition and reconciliation see APM section of 1Q report, page 28
- 2) Quarterly ROIC, annualized. For definition and reconciliation see APM section of 1Q report, page 30

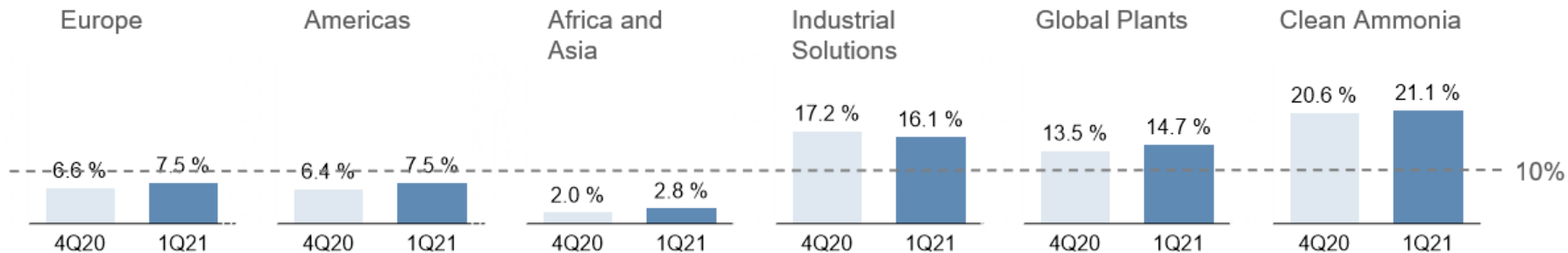


# Improved results and returns in all regions, reflecting improved pricing, capital discipline and operational improvement

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

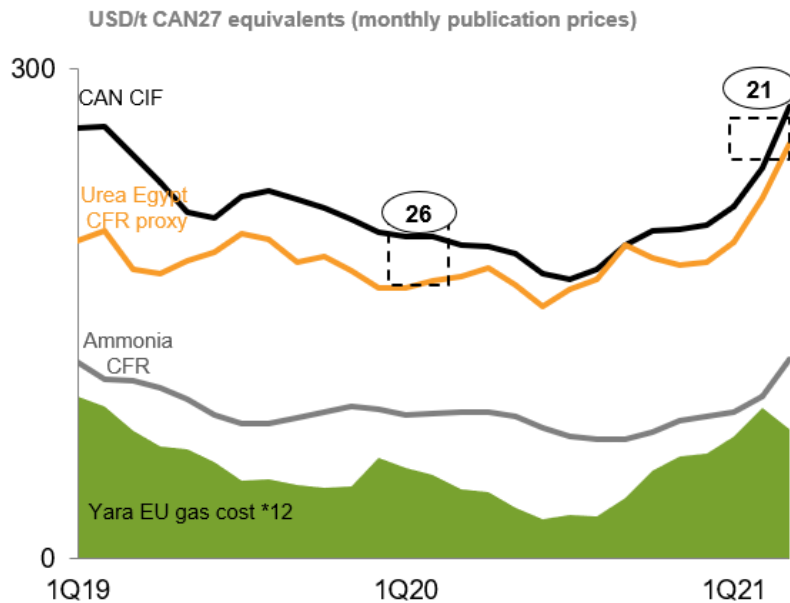


## ROIC<sup>2</sup> (%)



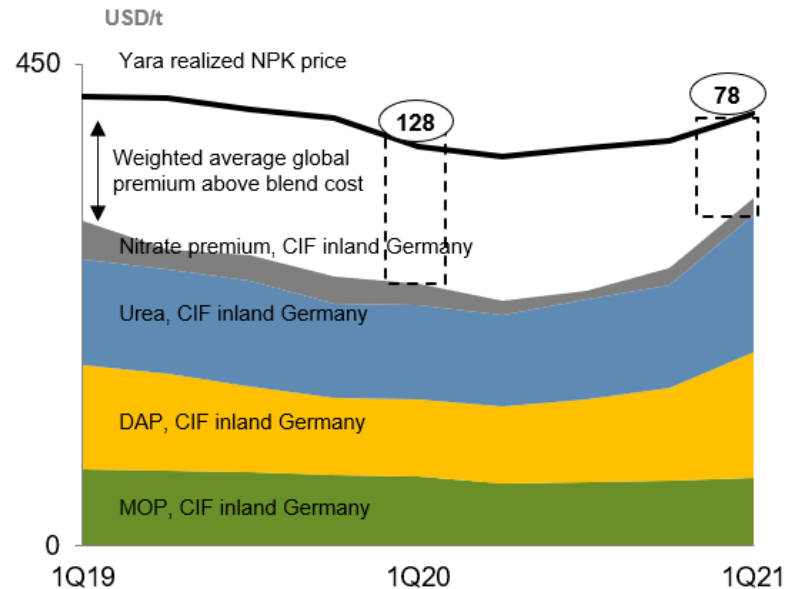
# Short-term impact on premiums from increasing commodity nitrogen prices

## 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>

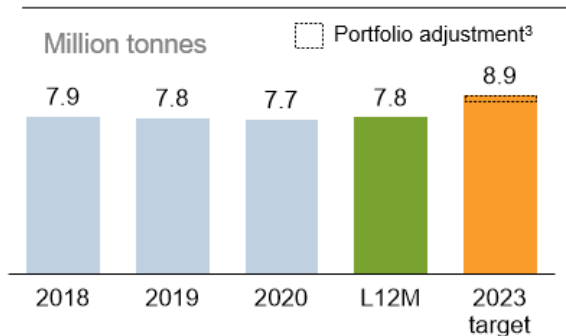


<sup>2</sup> Export NPK plants, average grade 19-10-13, net of transport and handling cost.

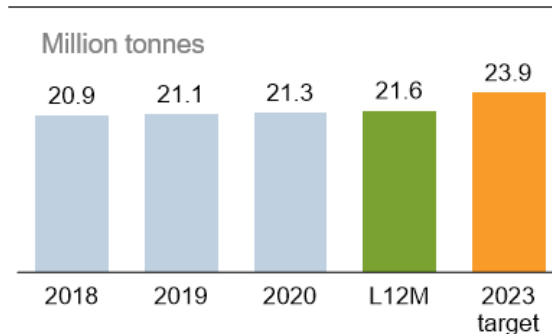


# Positive improvement program trend

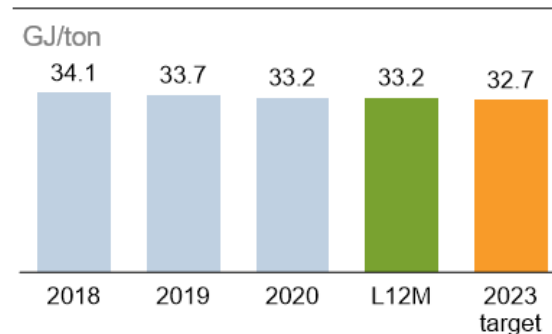
## Ammonia production



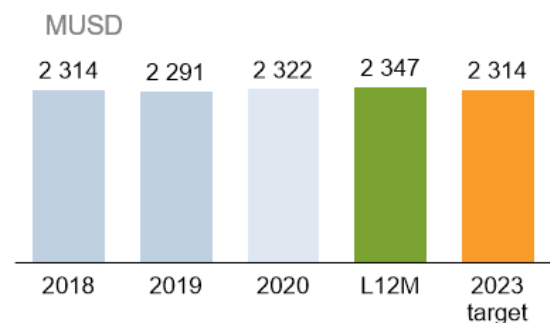
## Finished product production



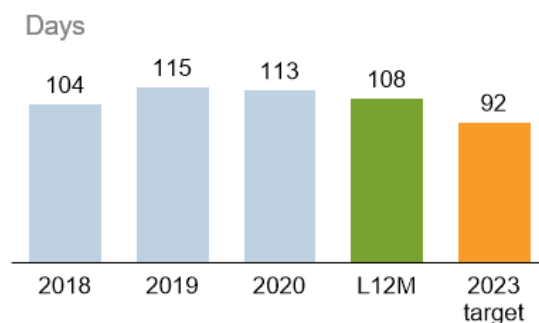
## Ammonia energy consumption



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



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



## Comments:

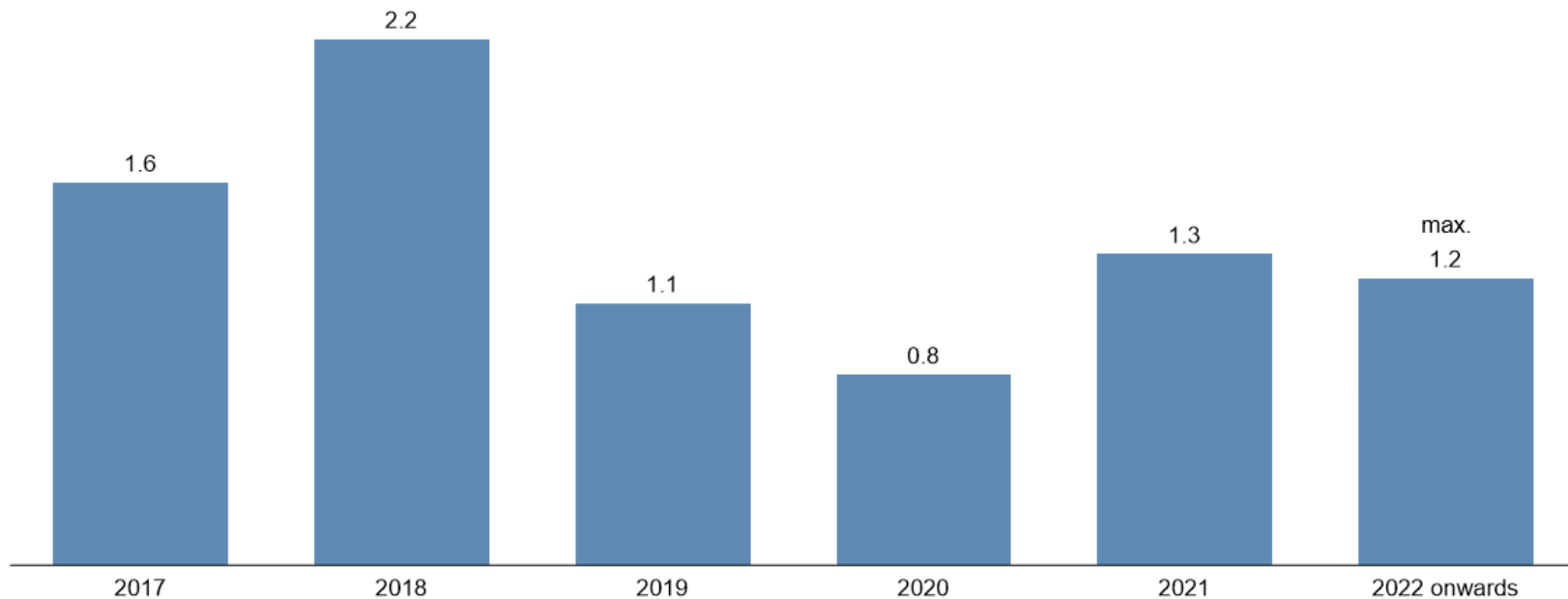
- Continued positive production volume trend
- Covid-19 impacts Salitre project schedule
- 2020 energy efficiency improvement driven by closure of Trinidad plant
- Temporary fixed costs increase in 2021 as communicated at 4Q20, offset by lower CAPEX
- Improved operating capital days driven by lower inventory days



1) For reconciliation of Fixed costs to Operating costs and expenses, see APM section of 1Q report, page 31  
 2) Operating capital adjusted for prepayments from customers. For reconciliation of Operating capital days, see APM section of 1Q report, page 32  
 3) Portfolio change impact (Trinidad plant closure 250kt)

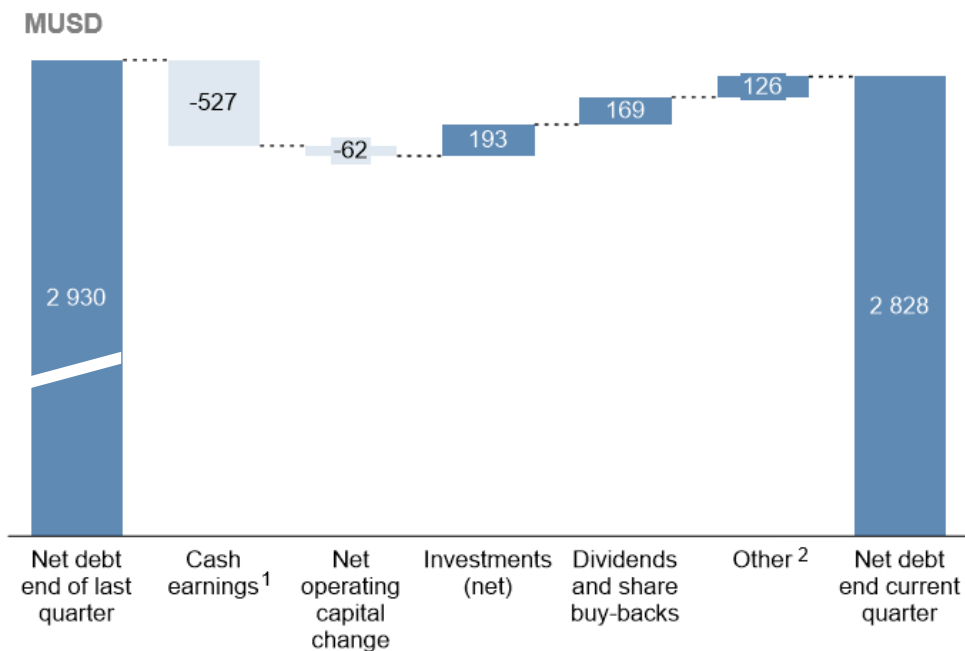
# Unchanged capex guidance

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



# Strong cash earnings more than fund investments

## Net interest-bearing debt: 1Q development



- End 1Q net debt/EBITDA<sup>3</sup> at 1.26
  - End 1Q net debt/EBITDA of 1.54 including proposed 625 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



# Top quartile 2020 performance in employee engagement, diversity and inclusion

## 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 2020 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 2020 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

# Europe

>40 sales countries



## Key figures 2020

3,380 employees

~10.1 million tonnes deliveries



## Financials 2020

~2.9 BUSD revenue

~477 MUSD EBITDA

~2.37 BUSD invested capital



## Farmers

- Mainly smaller family farms, but also significant segment of large professional farmers

- ~300 000 largest farms produce more than half of ag output.

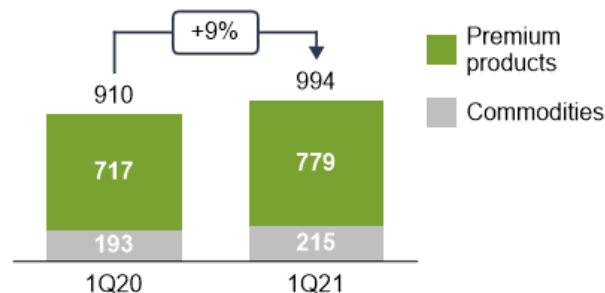


## Plants

- 12 production sites
- Annual capacity 1 million tonnes ammonia and 8.1 million tonnes finished fertilizers

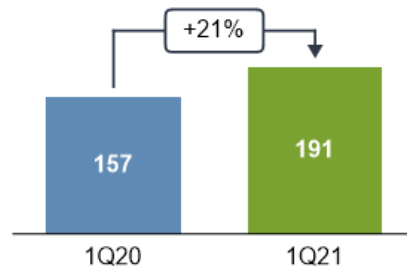
# Europe: improved prices more than offset energy cost increase and lower deliveries

## Revenues (MUSD)



- Improved prices globally compared with a year earlier
- Deliveries down 4% compared with record 1Q20 with early spring
- YaraVita deliveries up 10%

## EBITDA ex SI (MUSD)



- Improved prices more than offset energy cost increase
- Temporary pressure on premiums due to surge in nitrogen and phosphate prices



# Yara Europe is well positioned to capture new opportunities in sustainable food production

## Selected EU Green Deal 2030 targets



**Reduce nutrient losses by 50%**



**Organic farming to reach 25% of farmland**



**Transformation of agriculture and food system**



**Reduce food waste by 50% & promote sustainable diet**

## Yara Europe to capture new opportunities in sustainable food production

**Climate-smart food solutions**

Develop solutions that **improve sustainability & profitability** of farm & food production

**Growth segments**

Capture growth in **high-value** segments

**Farm connectivity**

Develop & deliver **farm connectivity & data-based offerings**

**Sustainable value chain**

Build competitive advantage through **efficient and sustainable production and value chain**

**Nitrate-based core**

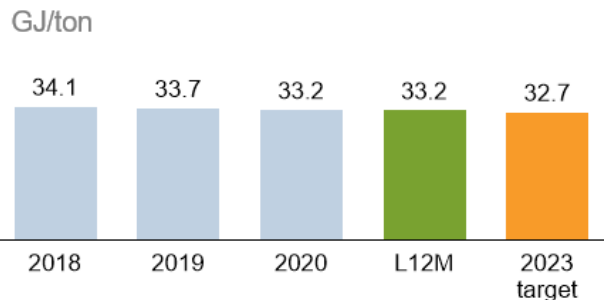
**Nitrate-based products remain at the core** of providing climate-positive crop nutrition solutions



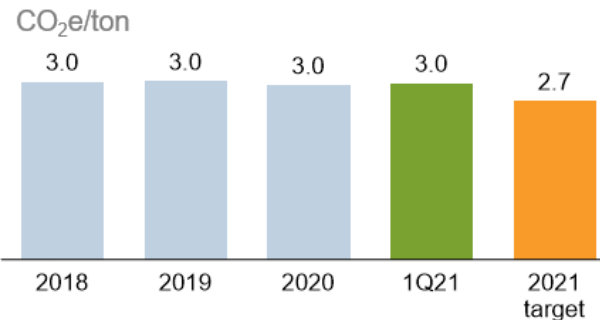
# Driving sustainable performance

## Planet

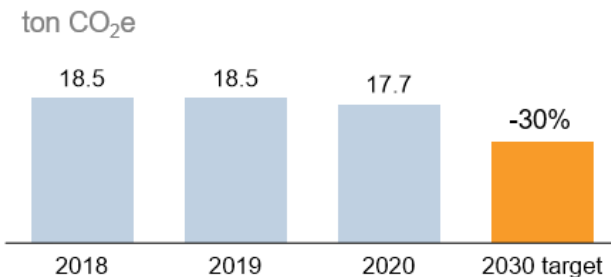
### Energy efficiency<sup>1</sup>



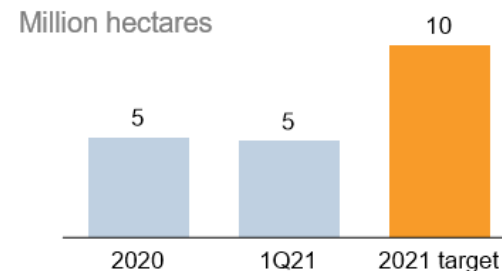
### CO<sub>2</sub> emission intensity



### Absolute emissions (scope 1+2)<sup>2</sup>



### Hectares under active management<sup>3</sup>



- 1) Energy efficiency target is for 2023
- 2) Measured and reported annually. GHG absolute emissions scope 1+2 target is for 2030 with a 2019 baseline
- 3) Hectares under active management: cropland with digital farming user activity at least twice during the last twelve months

# Farming Solutions update: growing user base and validation of value creation potential



First growers signed up for the **Agoro Alliance** carbon credit program in the US



Integrated digital offering launched in Europe, the next generation of **AtFarm**, integrating several standalone solutions into one digital experience



Digital marketplace revenues from third parties: first revenues realized in **India**, strong proof of concept in Africa



Online crop community; target to embed 1 million farmers by end 2021 in **Thailand** through cooperation with Telenor/DTAC

# 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

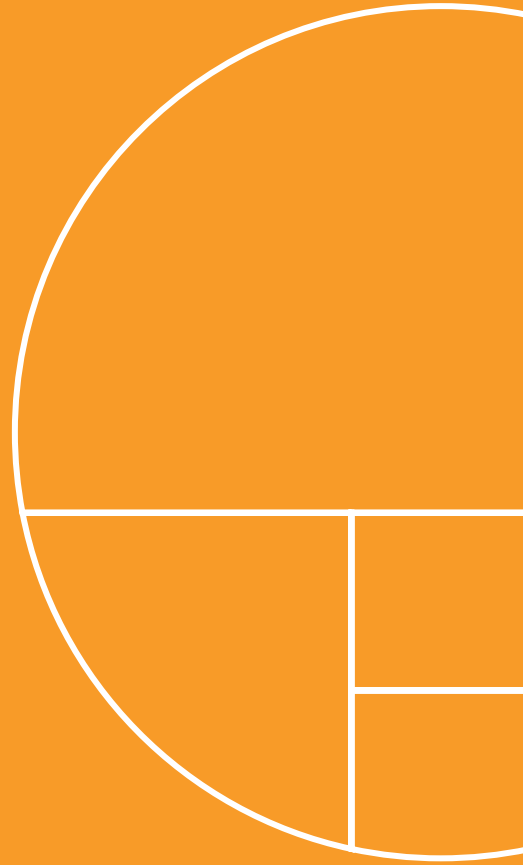
- Crop nutrition leader; #1 premium product and market presence
- Transitioning towards sustainable solutions for the global food system
- Operational improvement and innovation focus



## Strong shareholder returns

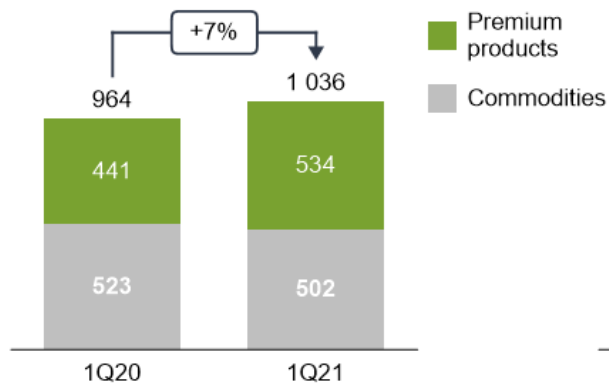
- Strict capital discipline with clear capital allocation policy
- 11 consecutive quarters of ROIC growth, with USD 2.7 billion free cash flow<sup>1</sup> from operations last 4 quarters

# Appendix



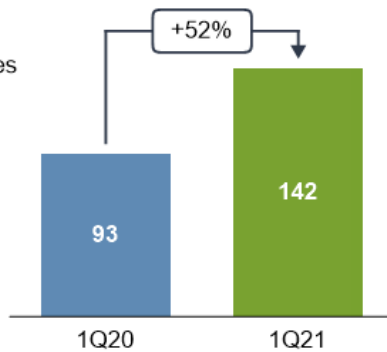
# Americas: improved margins and premium deliveries

## External revenues (MUSD)



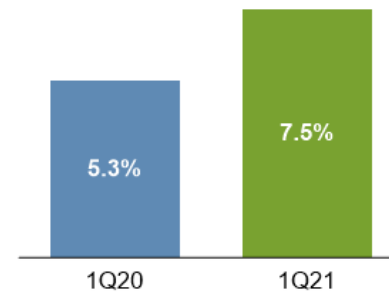
- 1Q deliveries up 4% driven by 12% higher premium fertilizer deliveries
- Average realized prices slightly increasing, mainly due to improved product mix

## EBITDA ex SI (MUSD)



- Strong margin improvement
- Cost increases offset by BRL and other local currency weakening

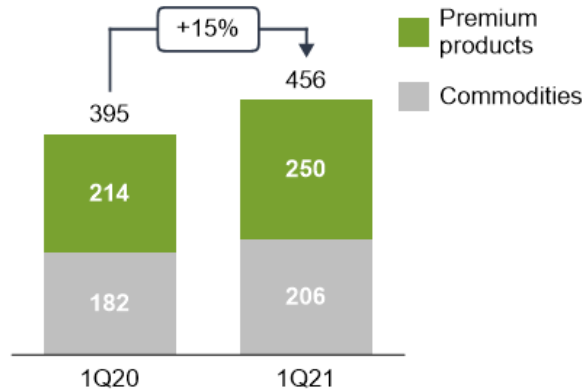
## ROIC (12-month rolling)



- Improved earnings and lower invested capital
- 8 days operating capital efficiency improvement

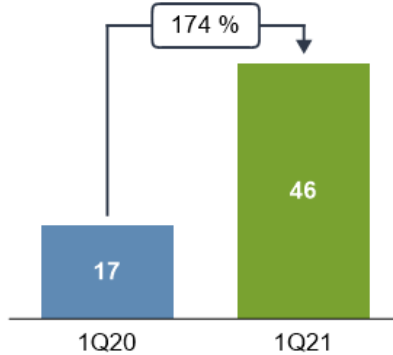
# Africa & Asia: improved production, product mix and pricing

External revenues (MUSD)



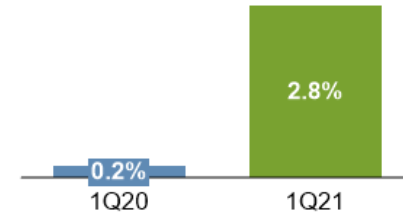
- Revenues up due to higher prices
- 1Q deliveries in line with a year earlier
- YaraVita deliveries up 43% with further growth in China

EBITDA ex SI (MUSD)



- Improved prices and product mix
- Production volumes up 28% with TAN plant ramp-up and reliability improvements in Pilbara ammonia plant

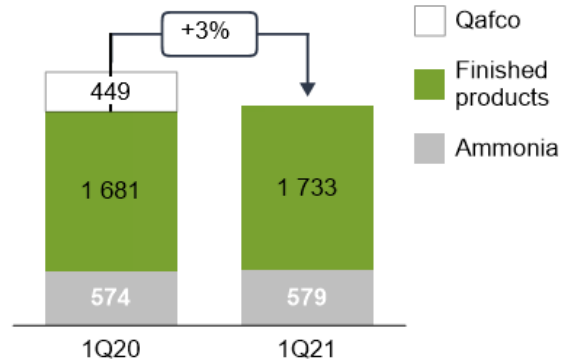
ROIC (12-month rolling)



- Increased revenues and earnings drive cash generation
- 27% operating capital reduction

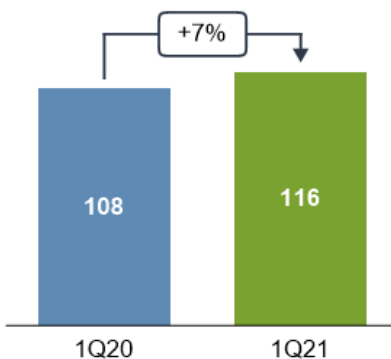
# Global Plants: improved reliability and higher margins

Production (thousand tonnes)



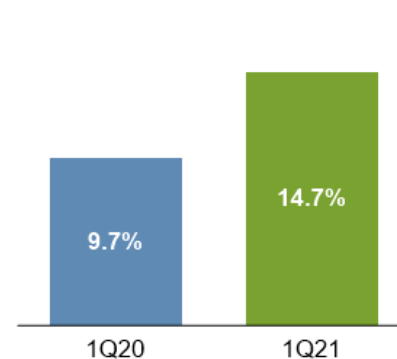
- 3% underlying production increase
- Improved operational reliability

EBITDA ex SI (MUSD)



- Higher product prices more than offset increased gas costs
- Qafco divestment effect -6 MUSD

ROIC (12-month rolling)

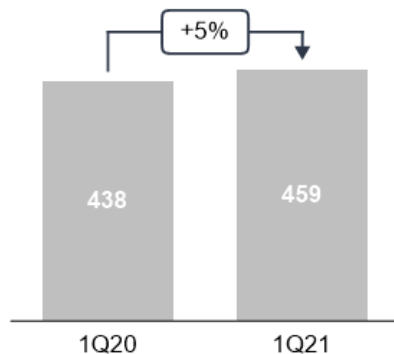


- Improved margins and production volume performance
- Positive impact from Qafco divestment



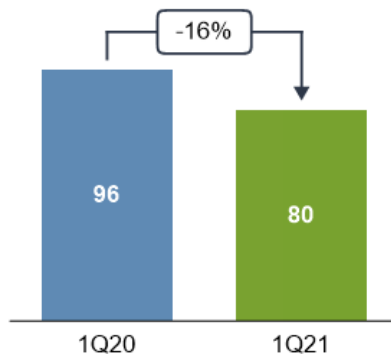
# Industrial Solutions: improved deliveries and prices offset by higher gas cost and lower Maritime activity

External revenues (MUSD)



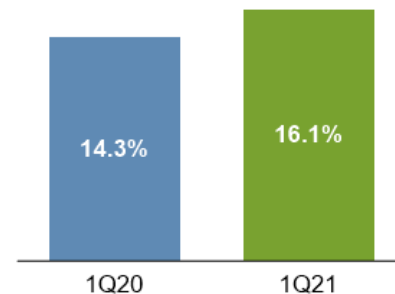
- Deliveries up 7% with all growth in all units except Maritime
- Volume growth partially inhibited due to some production delays

EBITDA ex SI (MUSD)



- Higher nitrogen prices offset by natural gas cost increase
- Negative impact from lower Maritime activity (9 MUSD) and Brunsbüttel outage (5 MUSD)

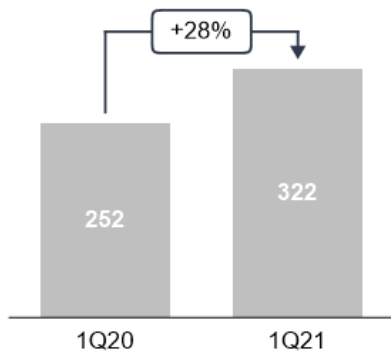
ROIC (12-month rolling)



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

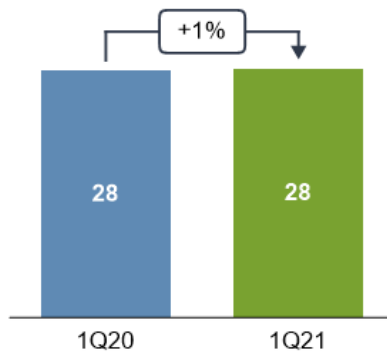
# Clean Ammonia: increased revenue but stable earnings due to timing effects

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



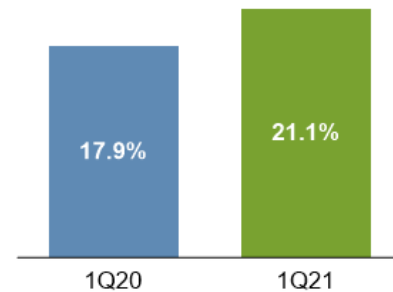
- Revenue increase driven by higher trade volumes and prices

EBITDA ex SI (MUSD)



- Increased commission income from higher ammonia prices, offset by timing effects on internal contracts

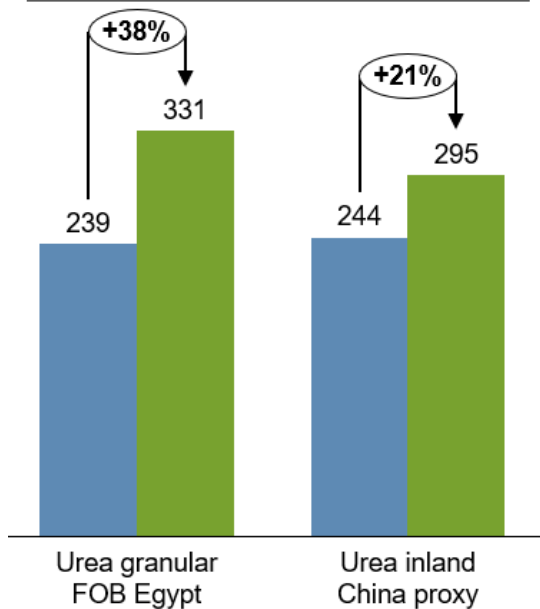
ROIC (12-month rolling)



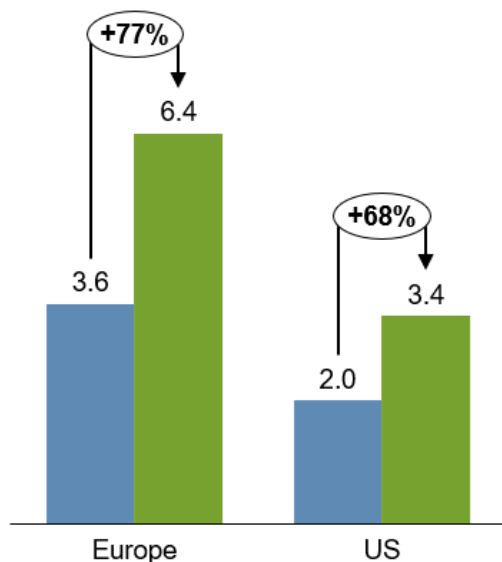
- 12-month rolling ROIC improvement mainly reflects higher freight rates for own vessels

# Key product price developments

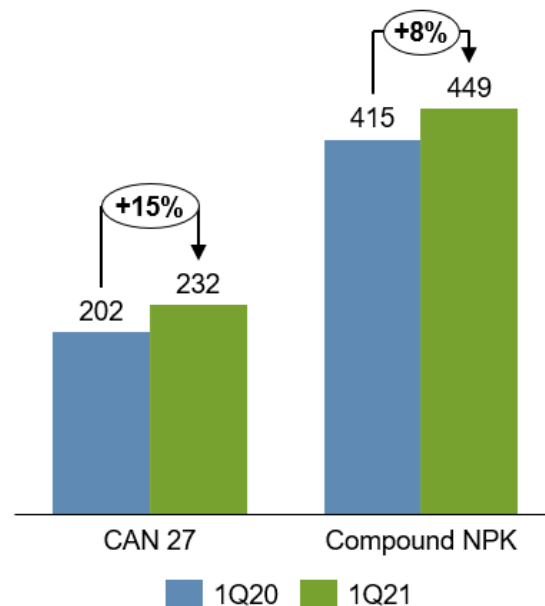
Urea price development<sup>1</sup> (USD/t)



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



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



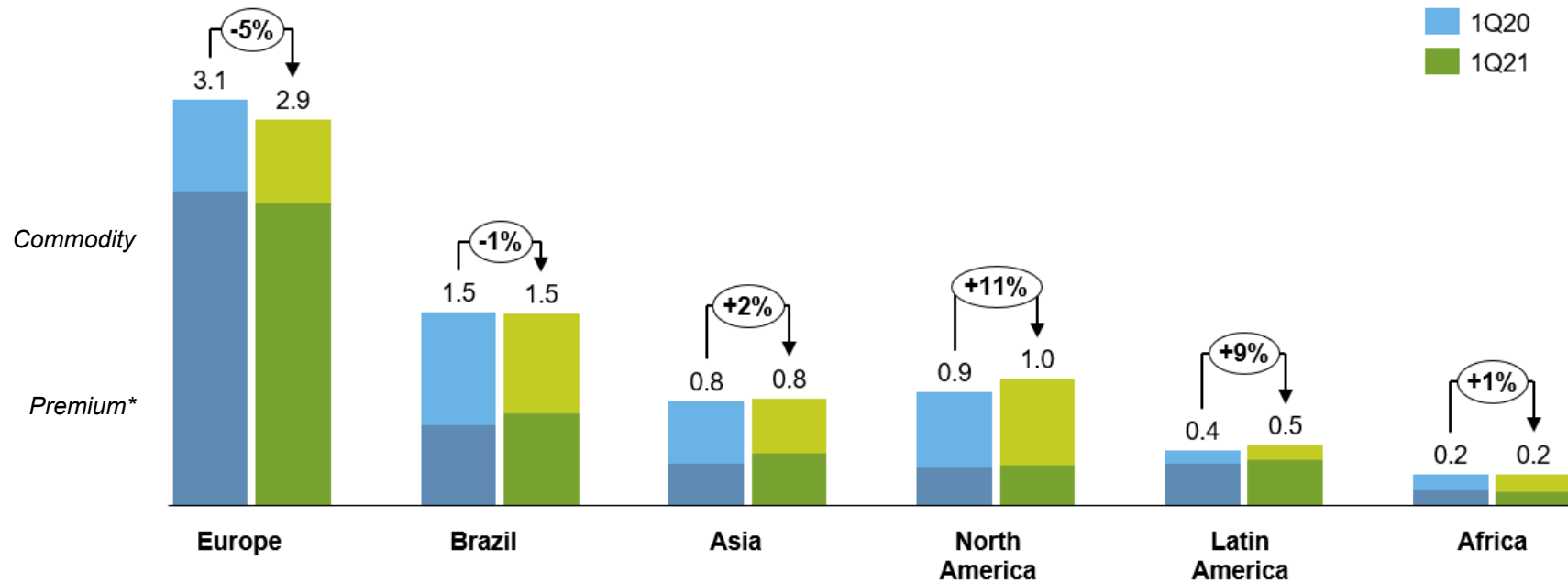
1) Source: BOABC, CFMW, Fertilizer publications, Argus. 1-month lag applied, as proxy for realized prices (delivery assumed 1 month after order)

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

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

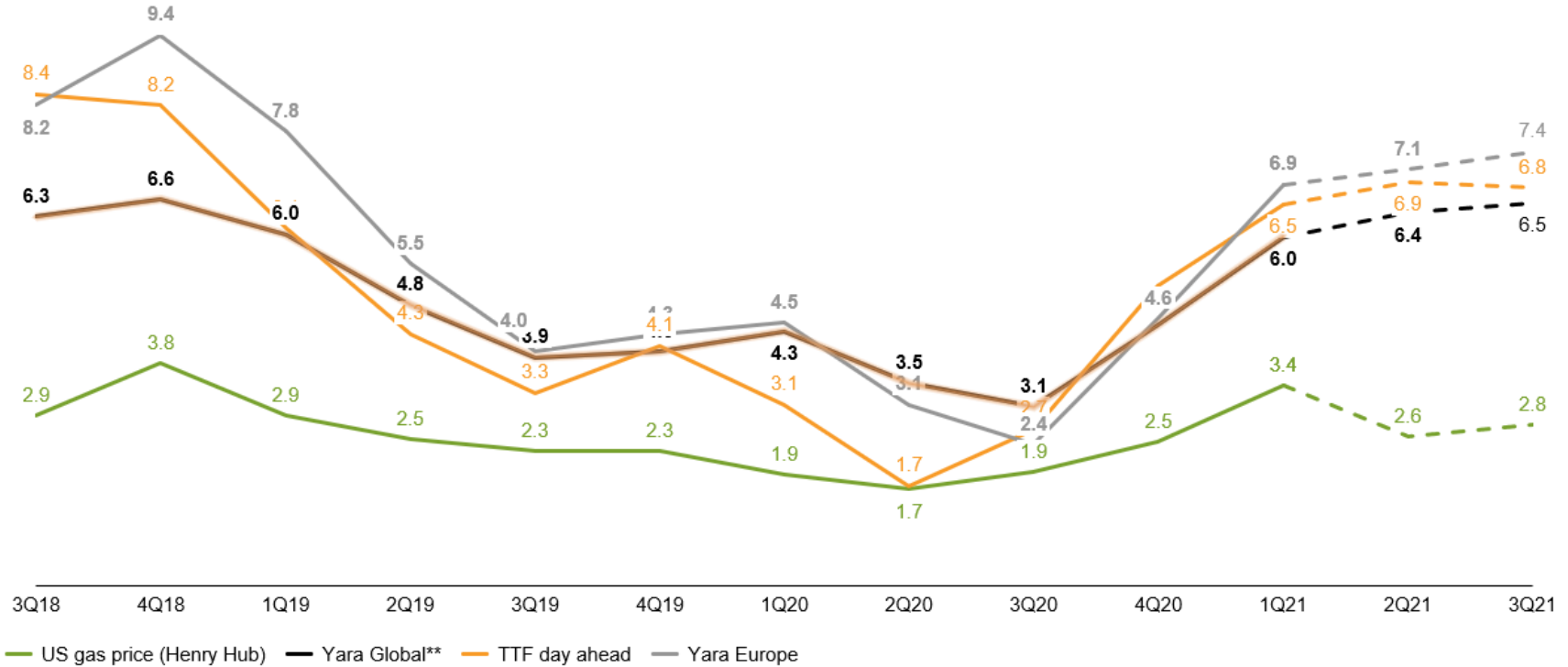
# Regional fertilizer deliveries

Million tonnes



# Energy cost

Quarterly averages for 2018-2021 with forward prices\* for 2Q21 and 3Q21



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

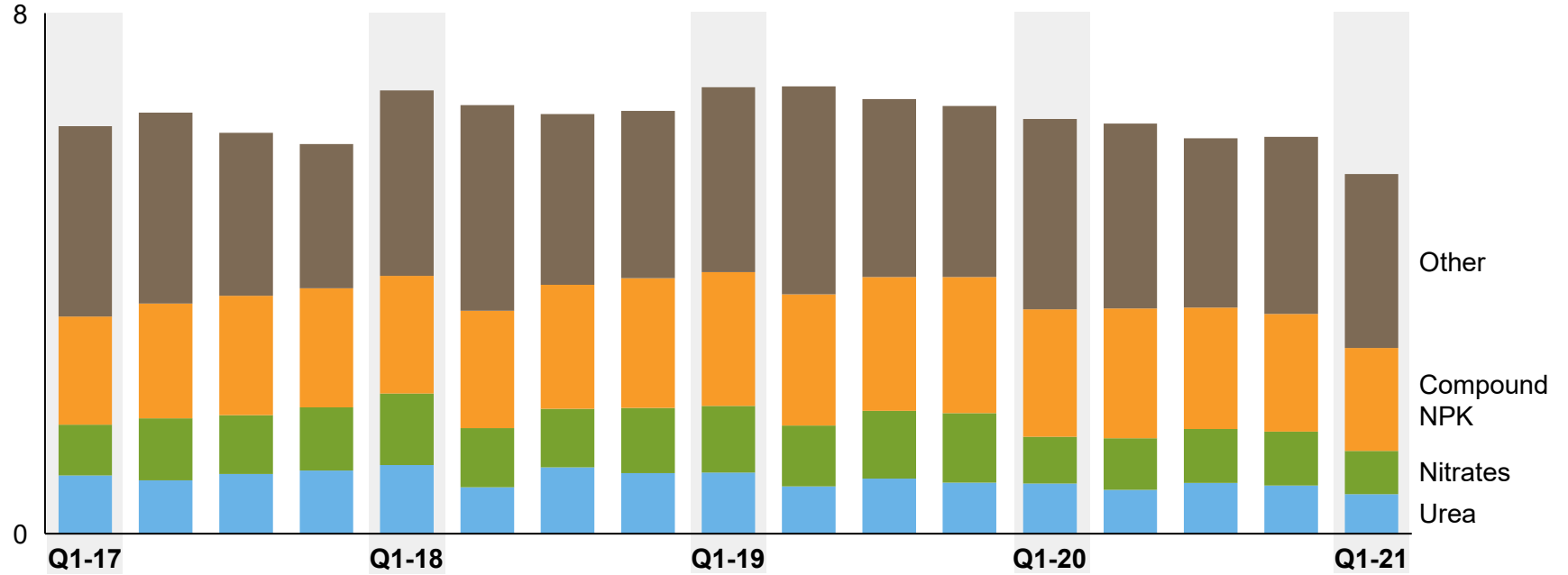
\*\*Yara Global restated from 2Q 2018 to include Cubatão gas cost, Babrala excluded, and updated Yara gas cost methodology from 1Q20



# Yara stocks

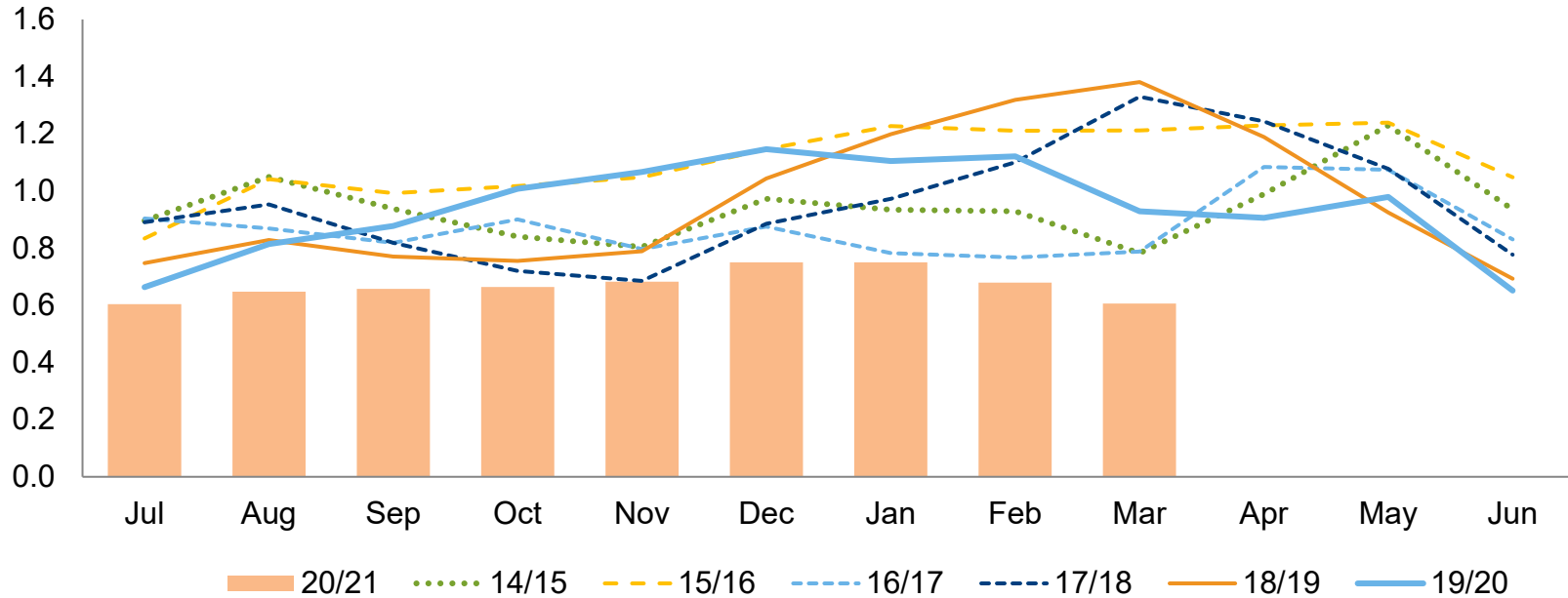
## Finished fertilizer

Mill. tonnes



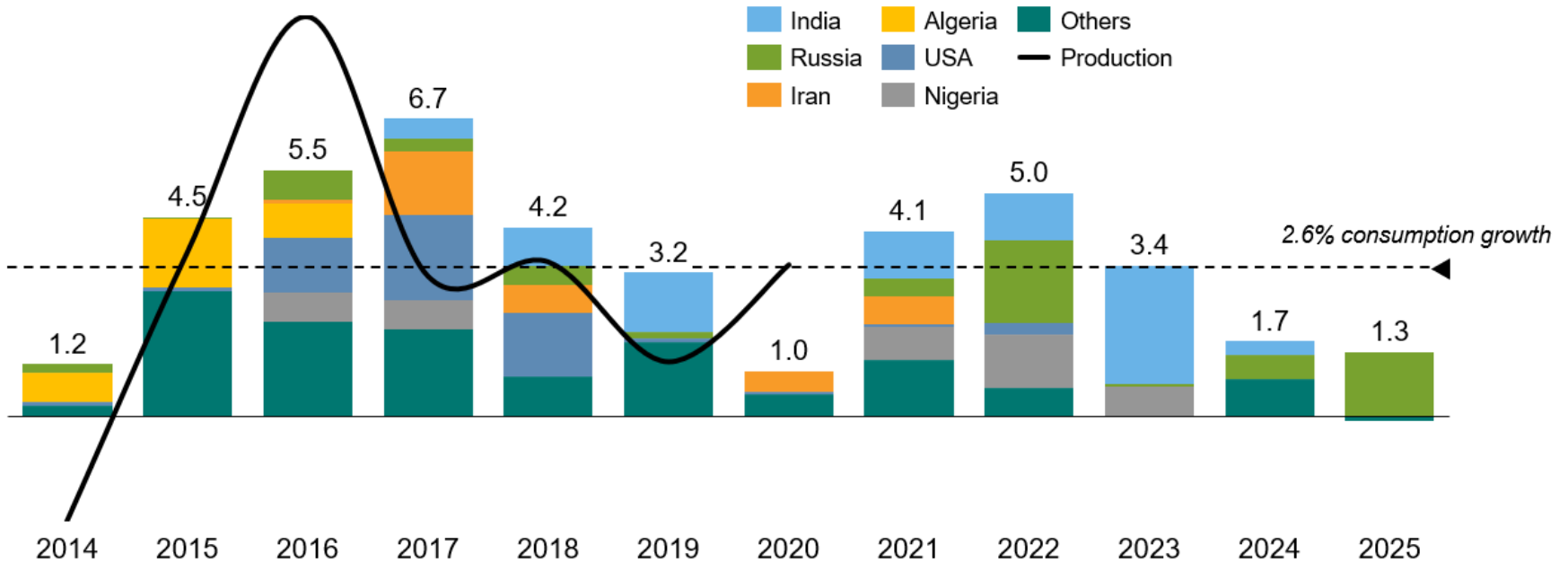
# European producers' nitrate stocks

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 28-33

