



Knowledge grows

# Yara International ASA 2022 First-quarter results

27 April 2022



# Cautionary note

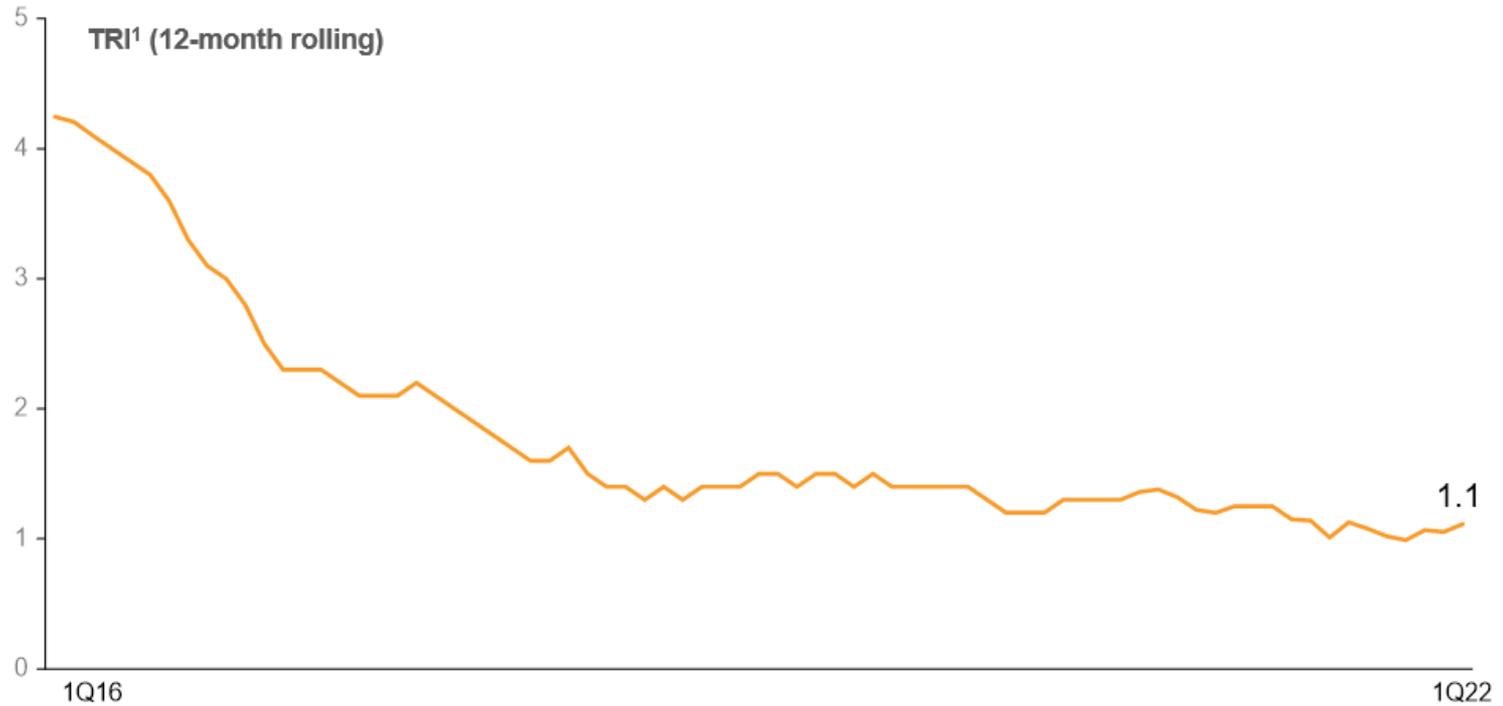
*This presentation contains forward-looking information and statements relating to the business, financial performance and results of Yara and/or industry and markets in which it operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "aims", "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



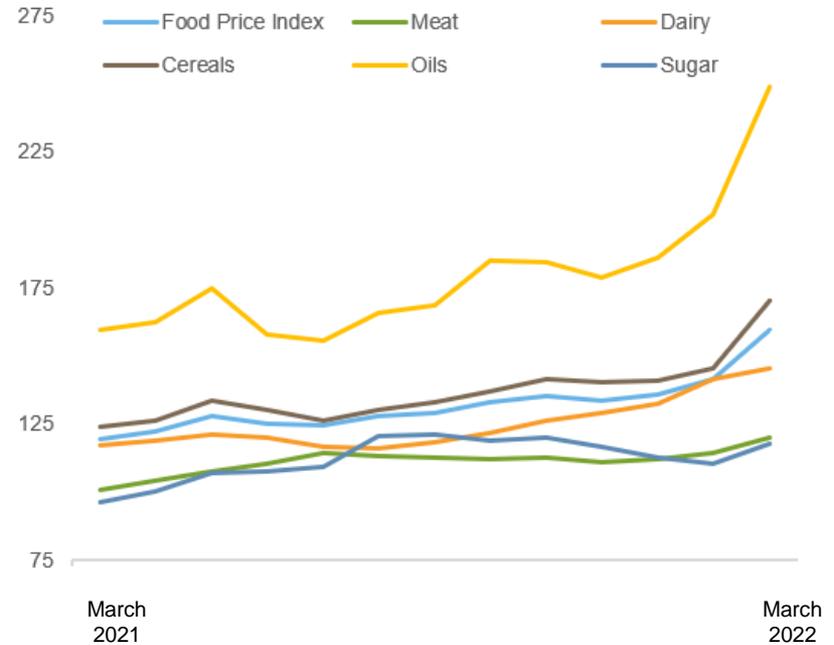
1) Total Recordable Injuries per 1 million working hours

# War in Ukraine reduces food and fertilizer supply, driving prices higher and threatening global food security

## Unprecedented volatility in energy prices <sup>1</sup>



## Food prices at all time high, large jump in March <sup>2</sup>



1) Source: Argus  
2) Source: FAO Food commodity price indices, 2014-2016=100



# Coordinated action needed to create a more resilient global food system

## Yara contribution:

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- Objective to continue supplying customers and secure continuity in global food chains
- Strengthen collaboration across food supply chains
- Careful monitoring and management of risks: volatile market conditions, sanctions and raw material supply
- Provide free digital tools (AtFarm) to farmers
- 25 MUSD fertilizer donation in coordination with WFP

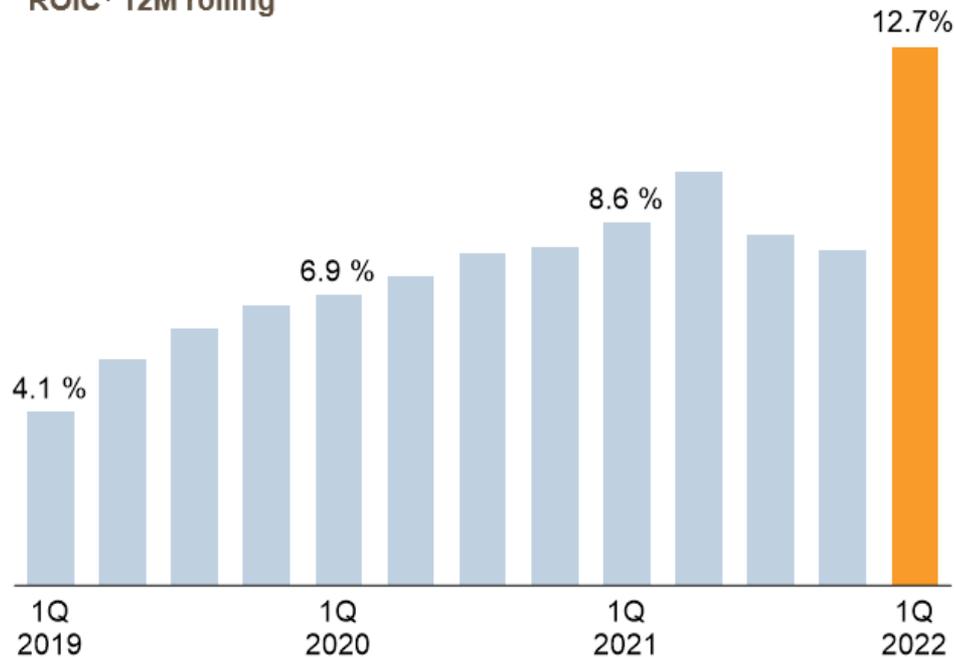
## Call for coordinated action:

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- Support planting and harvesting in conflict zones
- Keep borders and markets open, enable logistics to allow free movement of food and agricultural inputs
- Release strategic grain stocks and provide financial liquidity for low-income countries
- Support smallholder farmers, close the yield gap in underdeveloped regions
- Increase investment in infrastructure, renewable energy and regenerative agriculture, to create a more resilient food system

# 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%

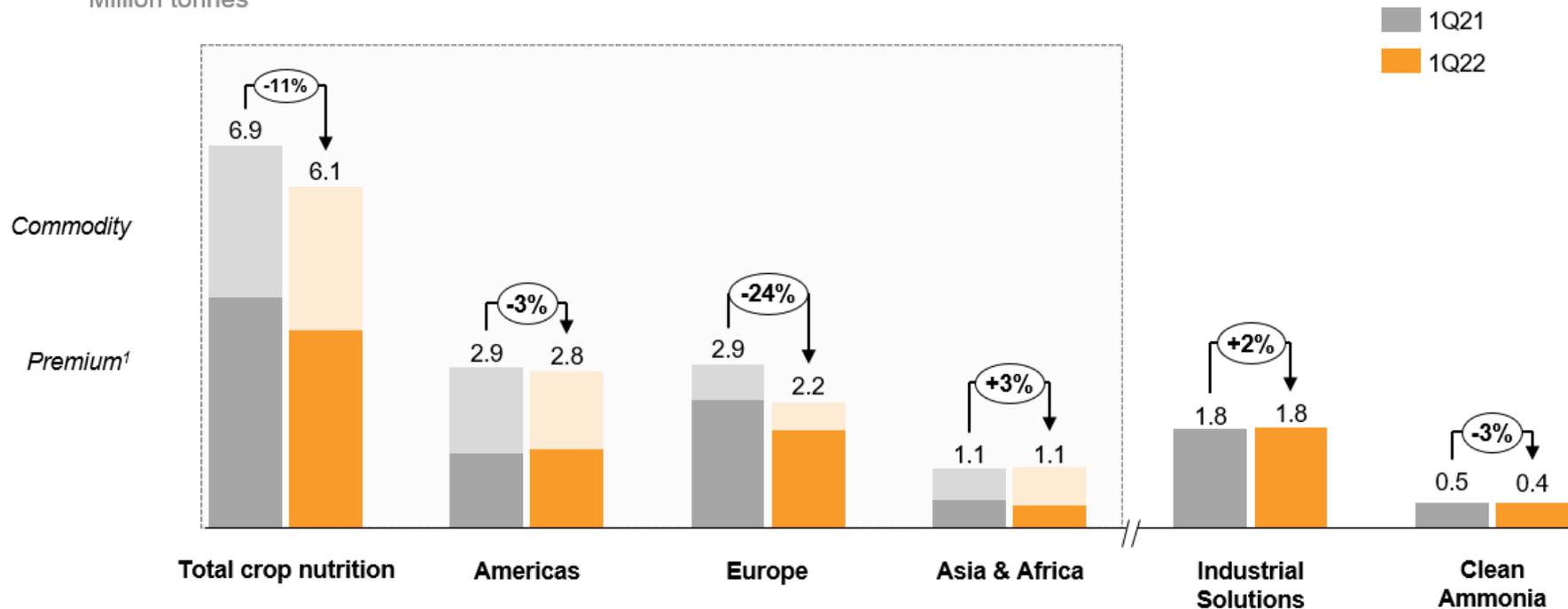


1) For definition and reconciliation of ROIC, see APM section in 1Q report, page 32

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).

# Lower deliveries amid higher prices

Million tonnes



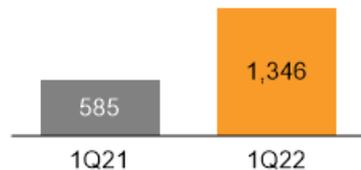
1) Premium defined as Differentiated N, NPK, CN, fertigation products and YaraVita



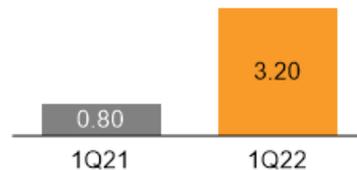
# Financial performance

## Prosperity

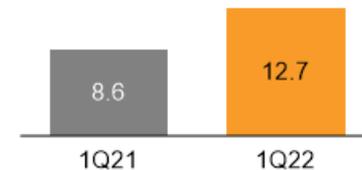
**EBITDA ex. special items<sup>1</sup>**  
(MUSD)



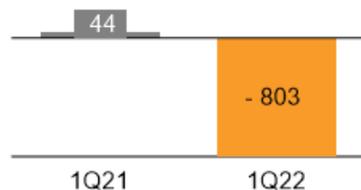
**EPS ex. currency and special items<sup>1</sup>**  
(USD per share)



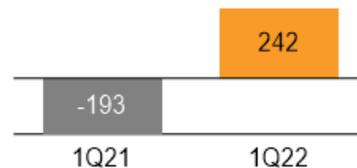
**ROIC<sup>1</sup>**  
(12-month rolling)



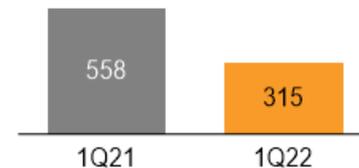
**Change in net operating capital<sup>2</sup>**  
(MUSD)



**Investments (net)<sup>3</sup>**  
(MUSD)

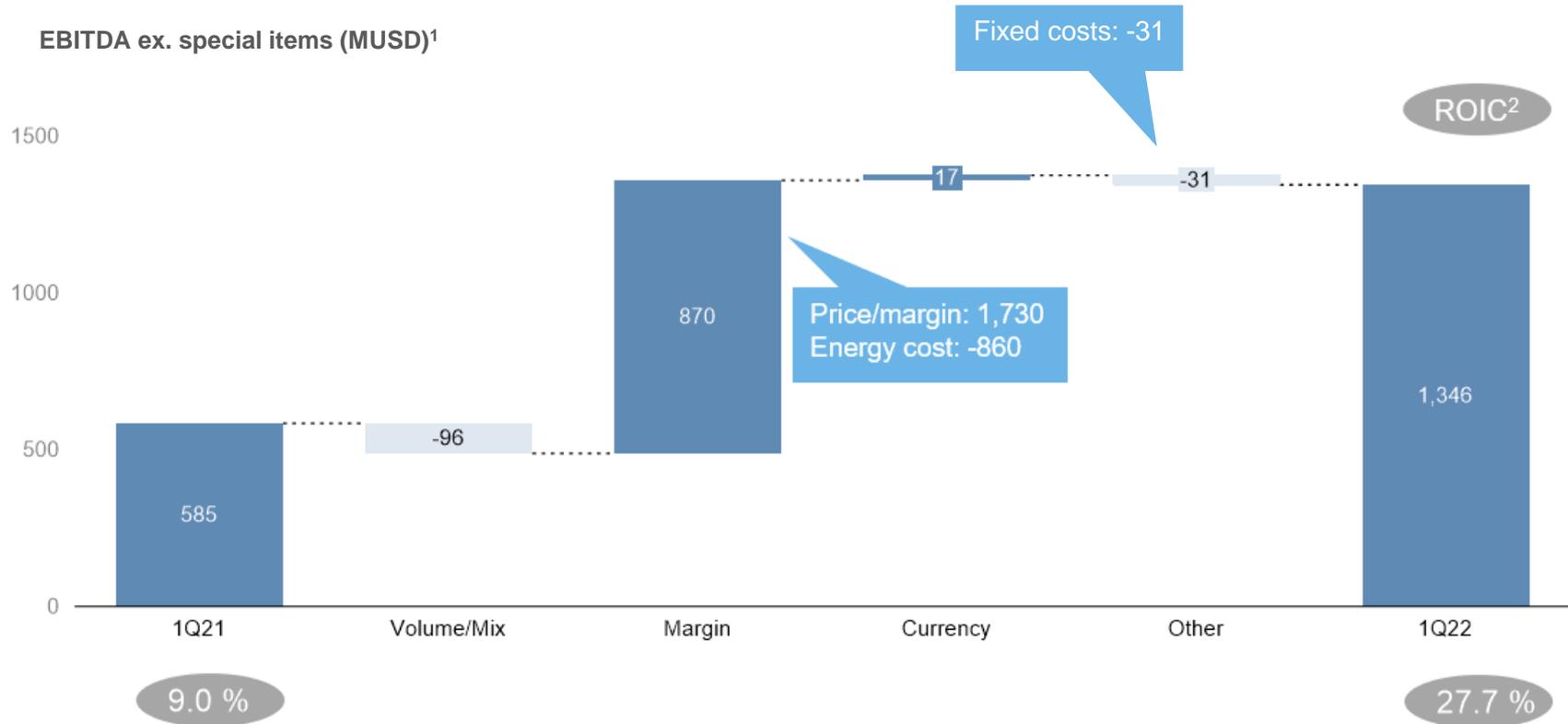


**Cash from operations**  
(MUSD)



- 1) Alternative performance measures are defined, explained and reconciled to the Financial statements in the APM section of the 1Q report on pages 31-37
- 2) Change in net operating capital as presented in the cash flow statement, page 15 of 1Q report, and consists of trade receivables, inventories, and trade and other payables
- 3) Net cash used in investing activities as presented in the cash flow statement, page 15 of 1Q report

# Improved margins as higher prices more than offset increased energy cost and lower deliveries

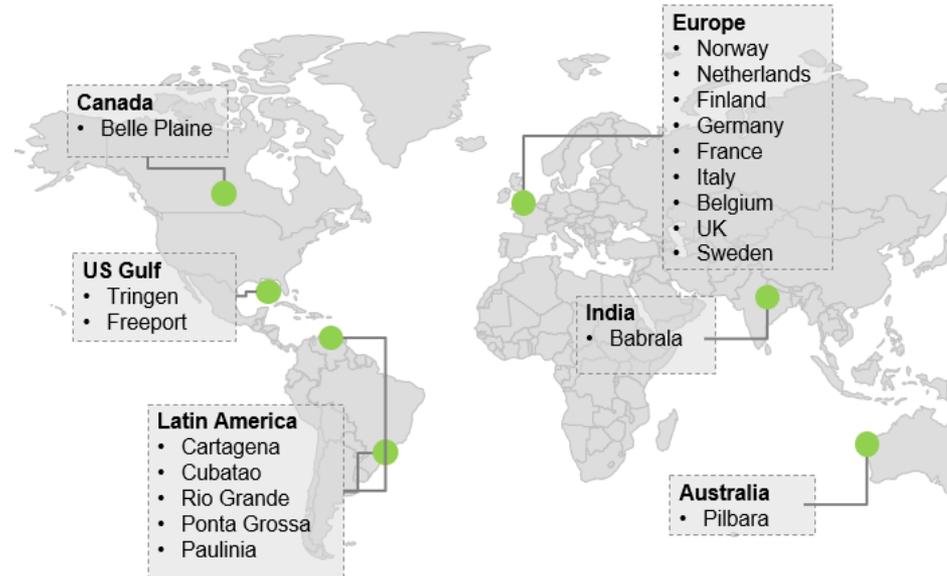
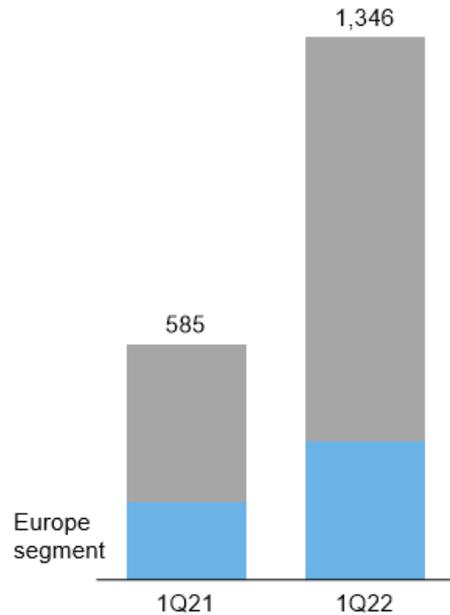


1) EBITDA ex. special items. For definition and reconciliation see APM section of 1Q report, page 31  
2) Quarterly ROIC, annualized. For definition and reconciliation see APM section of 1Q report, page 33

# 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

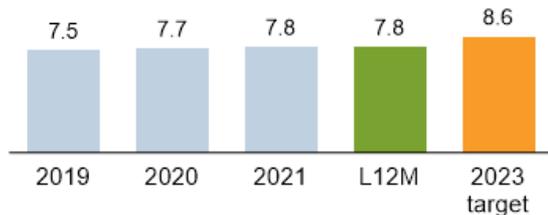
- Unrivalled global optimization ability, from ammonia through finished products
- Nitrogen plants outside Europe provide hedge in Europe swing scenario
- Broad range of crops and customers across the world

# Yara Improvement Program (YIP)

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

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

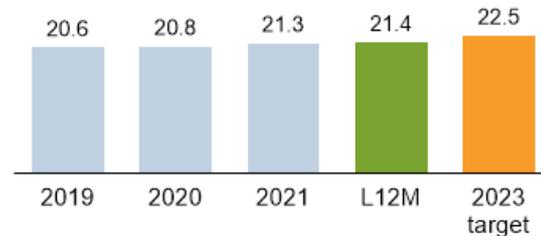
Million tonnes



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

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

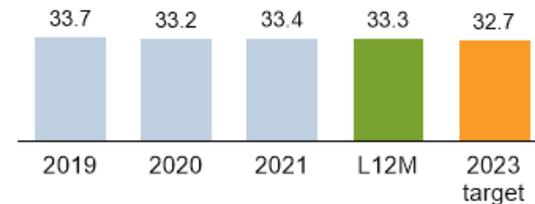
Million tonnes



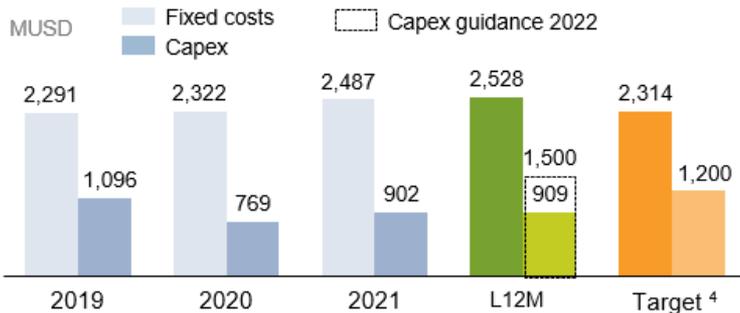
## Ammonia energy consumption

- Slight progress mainly due to reliability improvements

GJ/ton



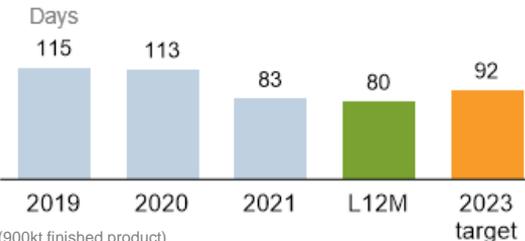
## Unchanged fixed costs<sup>2</sup> and capex<sup>3</sup> guidance



- 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>

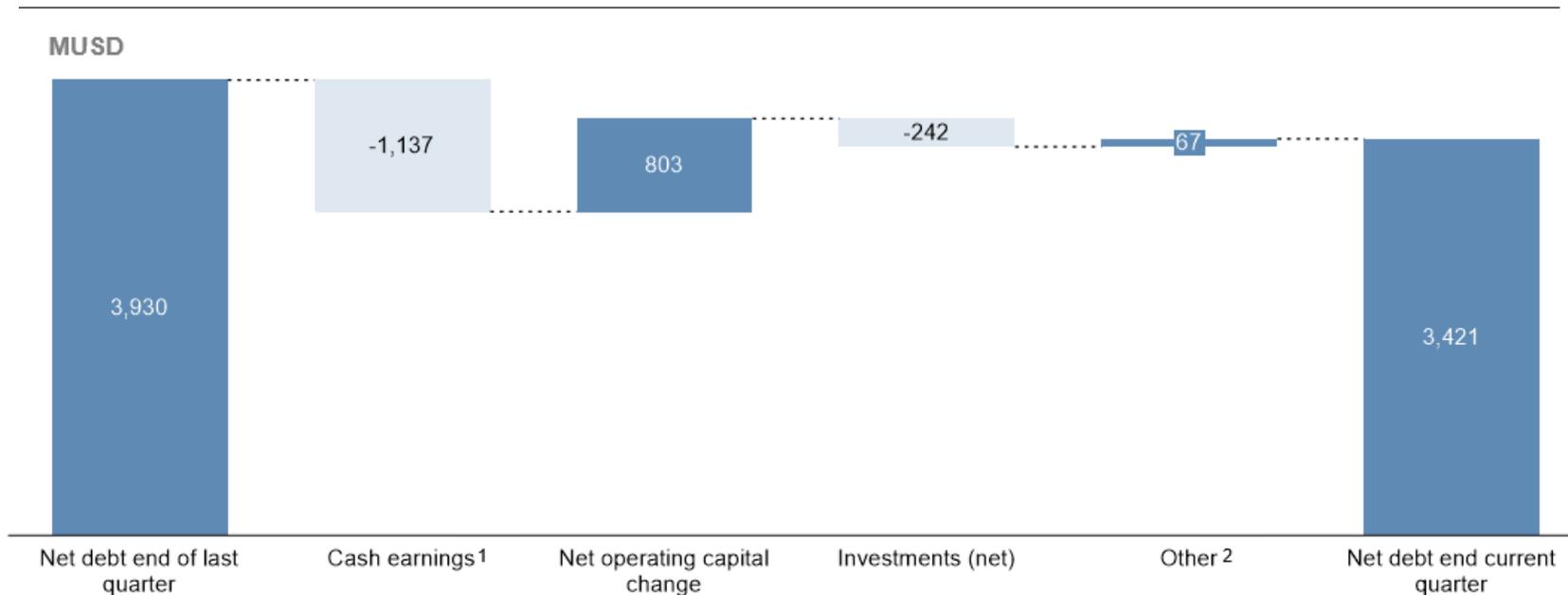
- Strong inventory and receivable day reduction since 2019; 1Q improvement mainly in payable days



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

# Net debt decrease; increased operating capital due to higher market prices, more than offset by cash earnings and Salitre proceeds

## Net interest-bearing debt: 1Q development



# Driving sustainable performance with an integrated scorecard

People				
				
Yara KPI	2020	L12M	2025 Target	Measure
Strive towards zero accidents	1.3	1.1	<1.0	TRI
Engagement Index <sup>1</sup>	79%	n/a	Top quartile	Index
Diversity and inclusion index <sup>1</sup>	74%	n/a	Top quartile	Index
Female senior managers	24%	30%	40%	%

Planet				
				
Yara KPI	2020	L12M	2025 Target	Measure
Energy efficiency <sup>2</sup>	33.2	33.3	32.7	Gj/t NH3
GHG emissions, intensity	3.0	3.0	2.7	t CO2e/t N
GHG emissions, scope 1+2 <sup>3</sup>	17.7	17.1	-30	% CO2e
Active hectares <sup>4</sup>	8	9	150	MHa
Carbon marketplace <sup>5</sup>			TBD	

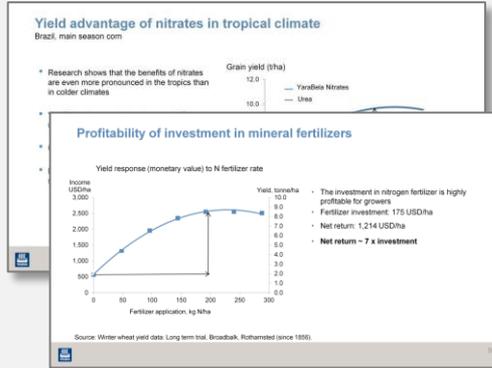
Prosperity				
				
Yara KPI	2020	L12M	2025 Target	Measure
Ammonia Production <sup>6</sup>	7.7	7.8	8.6	Mt
Finished Product Production <sup>6</sup>	20.8	21.4	22.5	Mt
Premium generated	1,036	380	N/A	MUSD
Revenues from new business models	6	12	1,500	MUSD
Revenues from online sales	0	4	1,200	MUSD
Working capital <sup>6, 7</sup>	113	80	92	Days
Capital return (ROIC) <sup>7</sup>	8.0 %	12.7 %	>10%	%
Fixed costs <sup>6, 7</sup>	2,322	2,528	2,314	MUSD
Capex <sup>8</sup>	0.8	0.9	1.2	BUSD
Net debt / EBITDA <sup>7</sup>	1.36	0.94	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 within defined frequency parameters
- 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 1Q 22 Report on pages 31-37
- 8) CAPEX max 1.2 BUSD for 2022 onwards (including maintenance)

# Improved farmer incentives

## Backdrop:

The crop-yield response relative to amount of nitrogen in the soil dictates the economical optimum for farmers



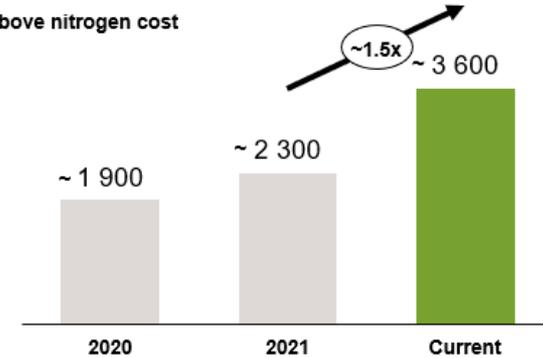
Source: Fertilizer handbook 2018<sup>1</sup>

Assuming optimal application rate of nitrogen

## Wheat example:

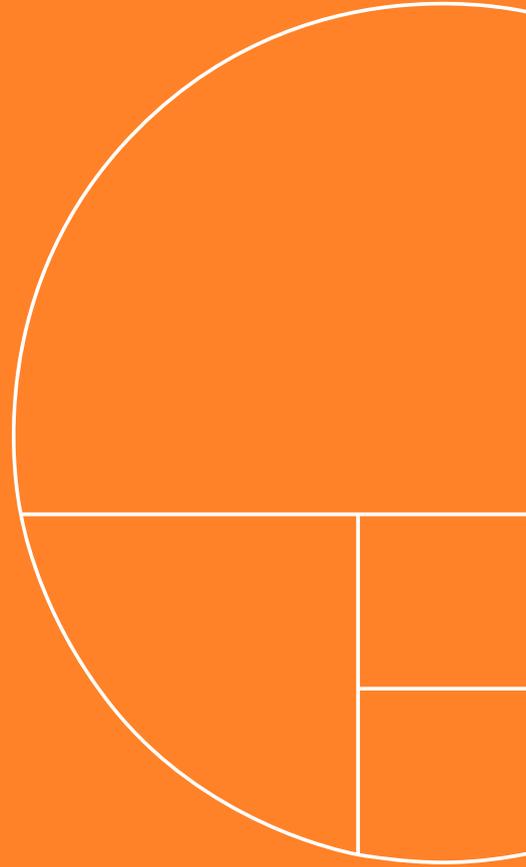
Current combination of wheat and nitrogen prices suggests supportive financial environments for farmers, with ~10% lower optimal application rate of fertilizers

**Farmer revenue above nitrogen cost**  
USD/ha



	2020	2021	Current
<b>Wheat price</b> USD / mt	210	270	450
<b>CAN27 price<sup>2</sup></b> USD/ton	190	370	900
<b>Optimal N<sup>3</sup></b> kg/ha	221	209	192
<b>Grain yield<sup>3</sup></b> t/ha	9.62	9.57	9.46

# Appendix



# Attractive Yara prospects



## Attractive opportunities

- Resource and environment challenges require strong agri productivity improvement
- Attractive Yara growth opportunities within sustainable food solutions and clean 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

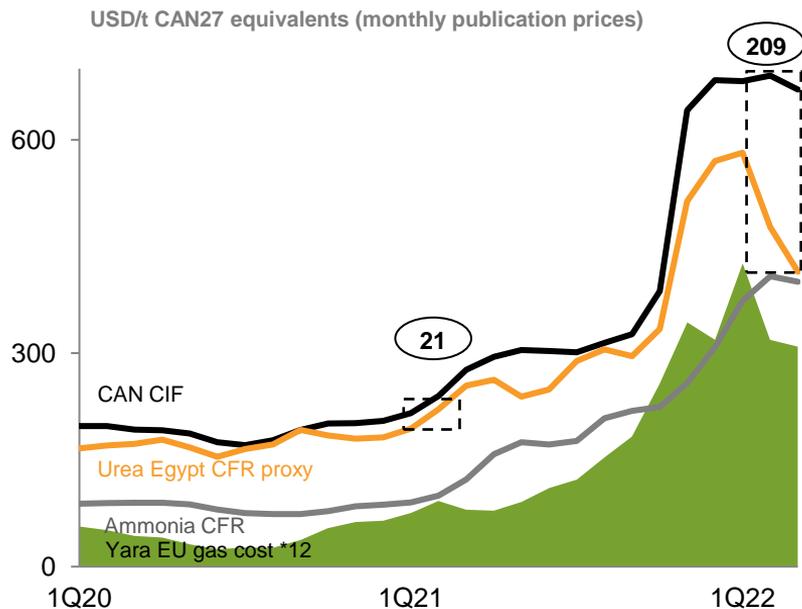


## Strong shareholder returns

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

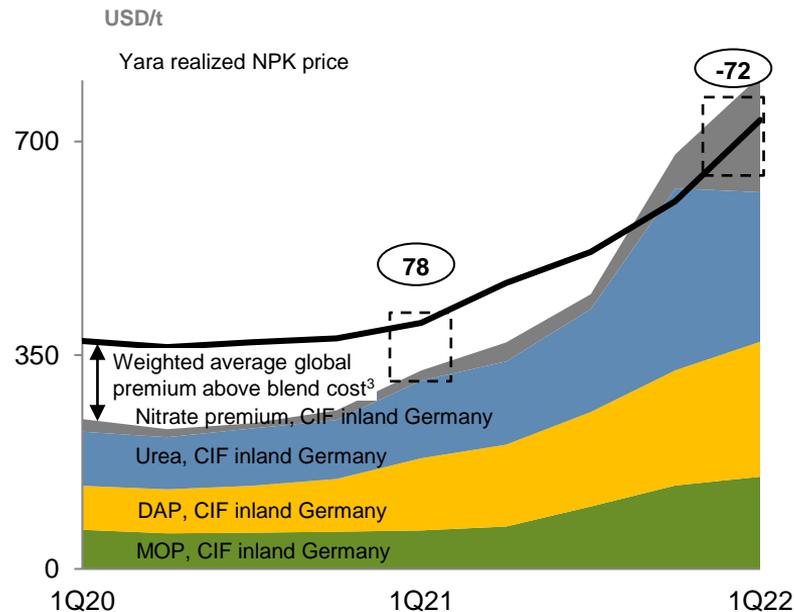
# Nitrate and NPK premiums

## 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>

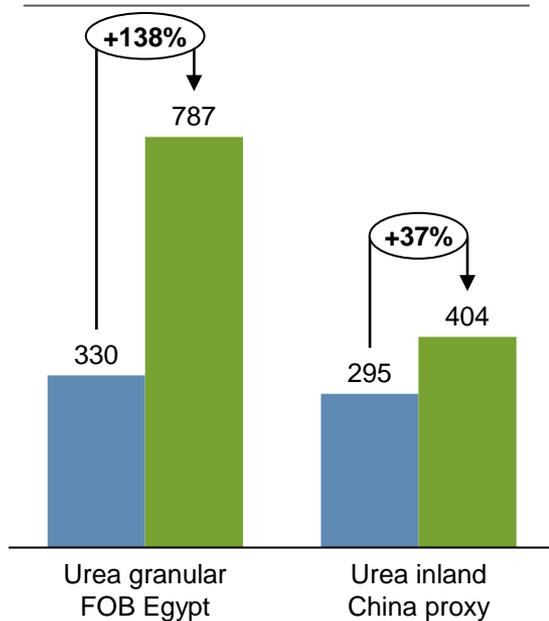


<sup>2</sup> Export NPK plants, average grade 19-10-13, net of transport and handling cost.

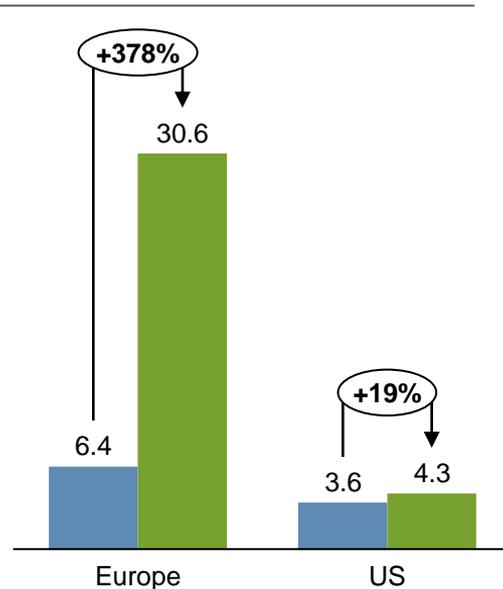
<sup>3</sup> Premium calculated above MOP, DAP and CAN CIF inland Germany. No time lag

# Key product price developments

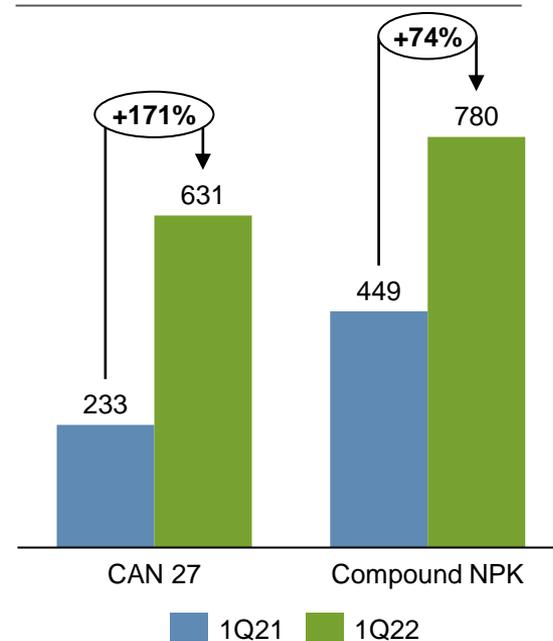
Urea price development<sup>1</sup> (USD/t)



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



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



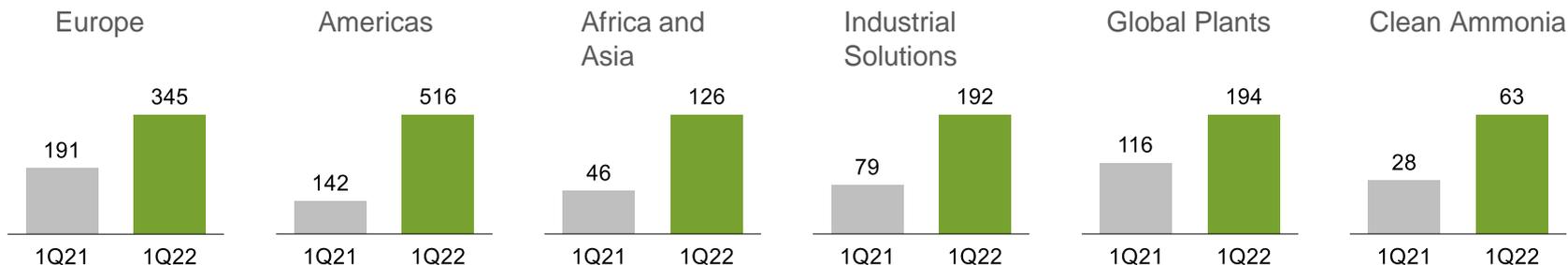
1) Source: BOABC, CFMW, Fertilizer publications, Argus. 1-month lag applied, as proxy for realized prices (delivery assumed 1 month after order)

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

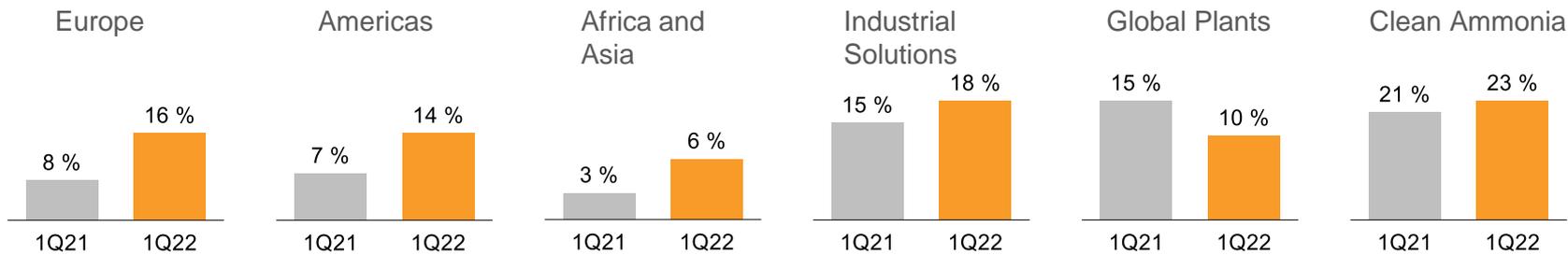
3) Yara's realized global compound NPK price (average grade)

# Increase in prices drives increased results in all segments, strong contribution from overseas assets

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



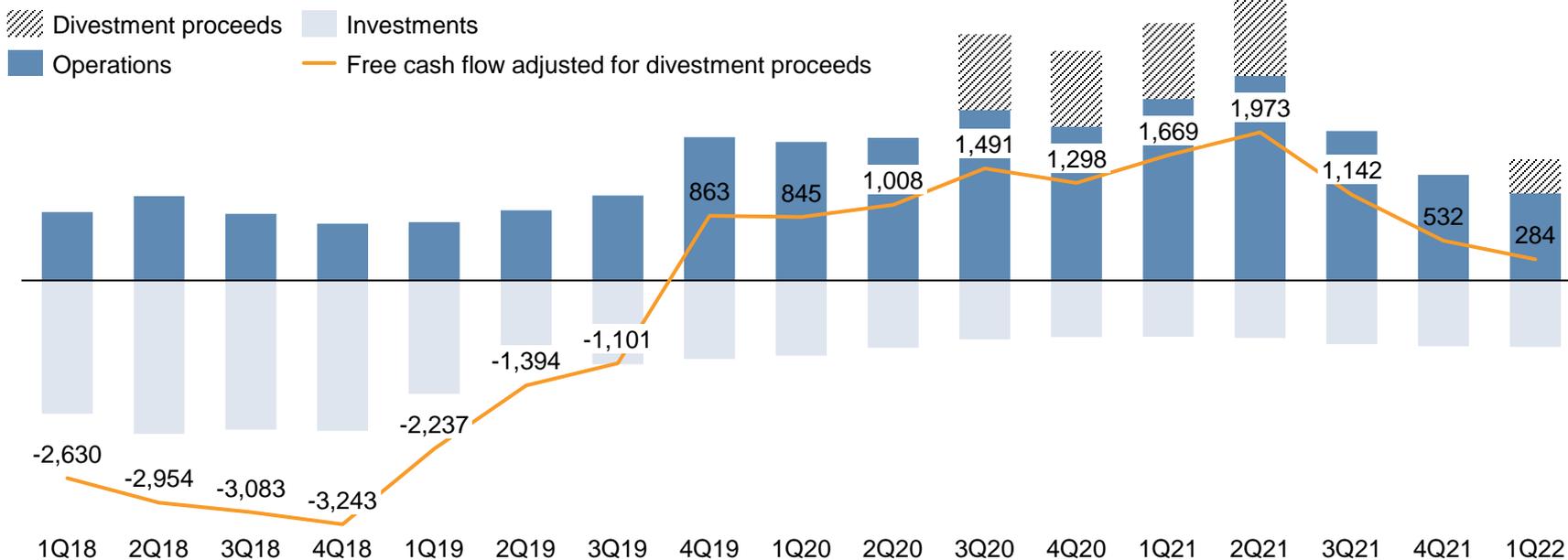
## ROIC 12M rolling<sup>2</sup> (%)



# Free cash flow

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

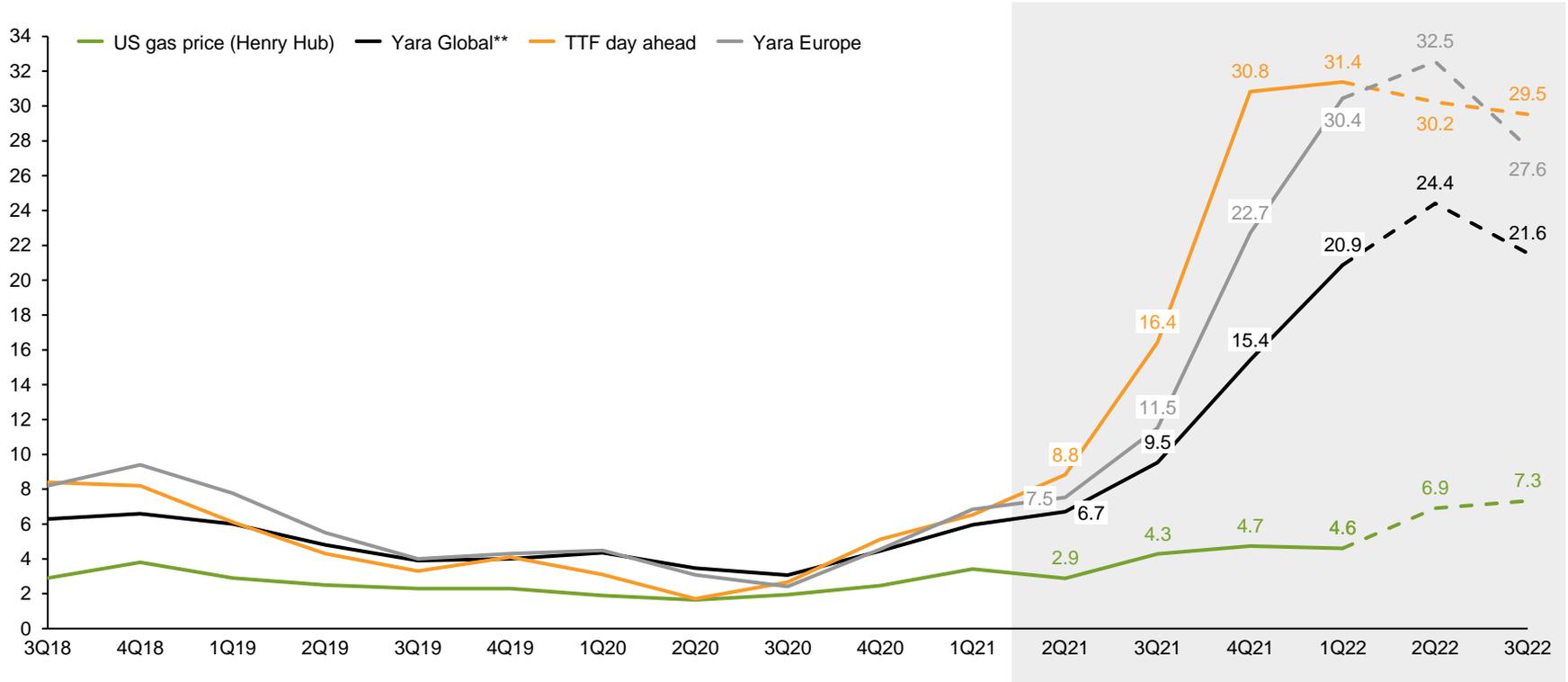
MUSD, rolling 12 months



1) Net cash provided by operating activities minus net cash used in investment activities.

# Energy cost

Quarterly averages for 2018-2021 with forward prices\* for 2Q22 and 3Q22



Source: Yara, World Bank, Argus/ICIS Heren

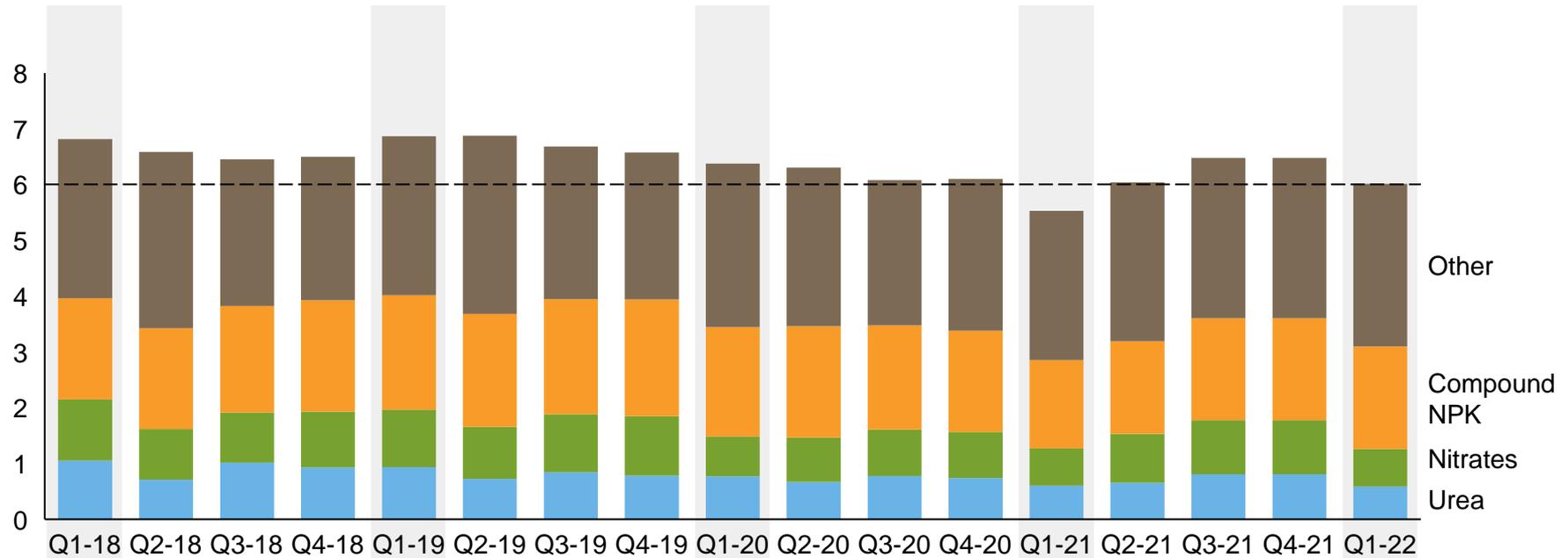
\*Dotted lines denote forward prices as of 19 April 2022, market prices (HH and TTF) are not lagged..

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

# Yara stocks

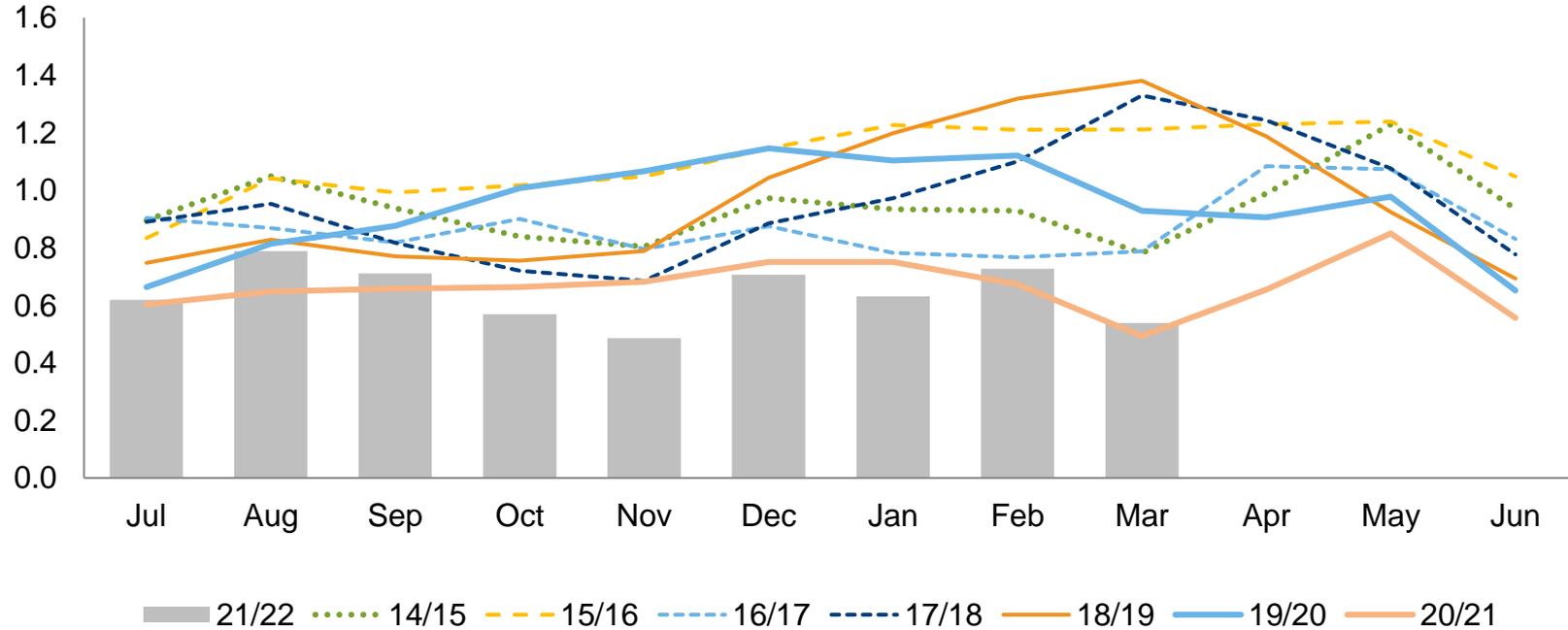
## Finished fertilizer

Mill. tonnes

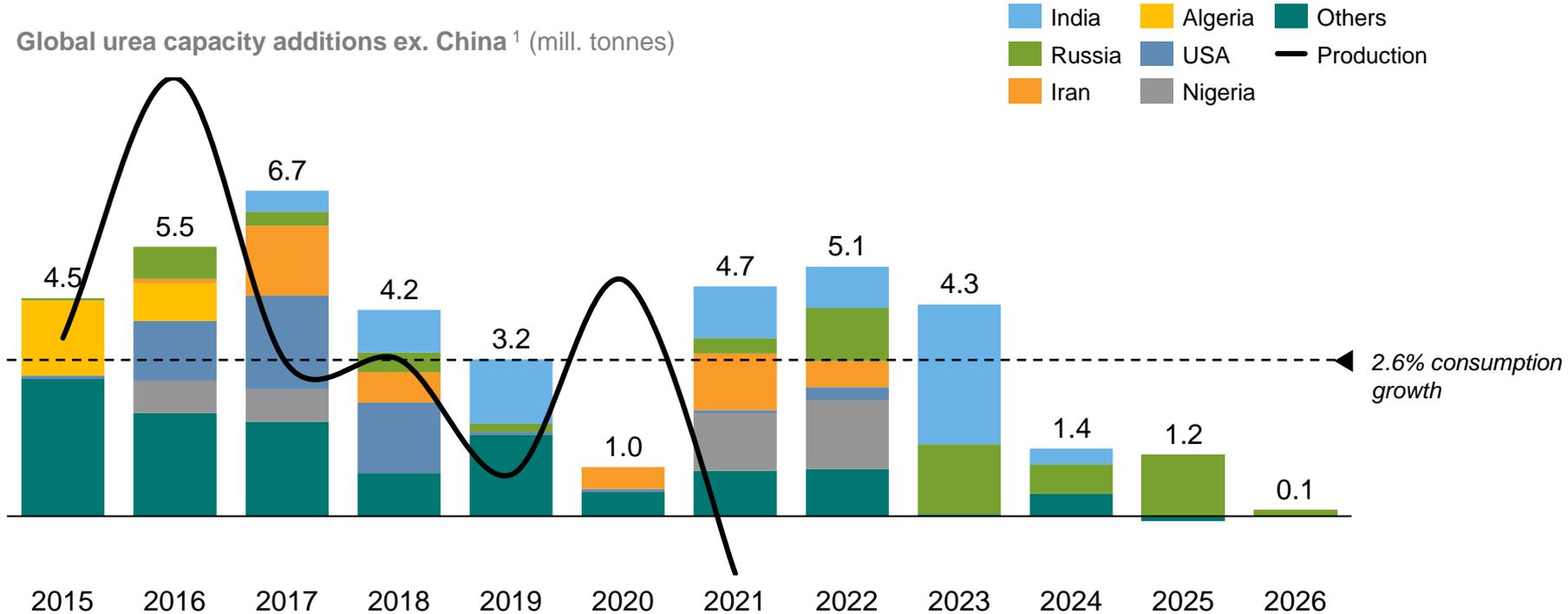


# European producers' nitrate stocks

Index  
June 2007 = 1

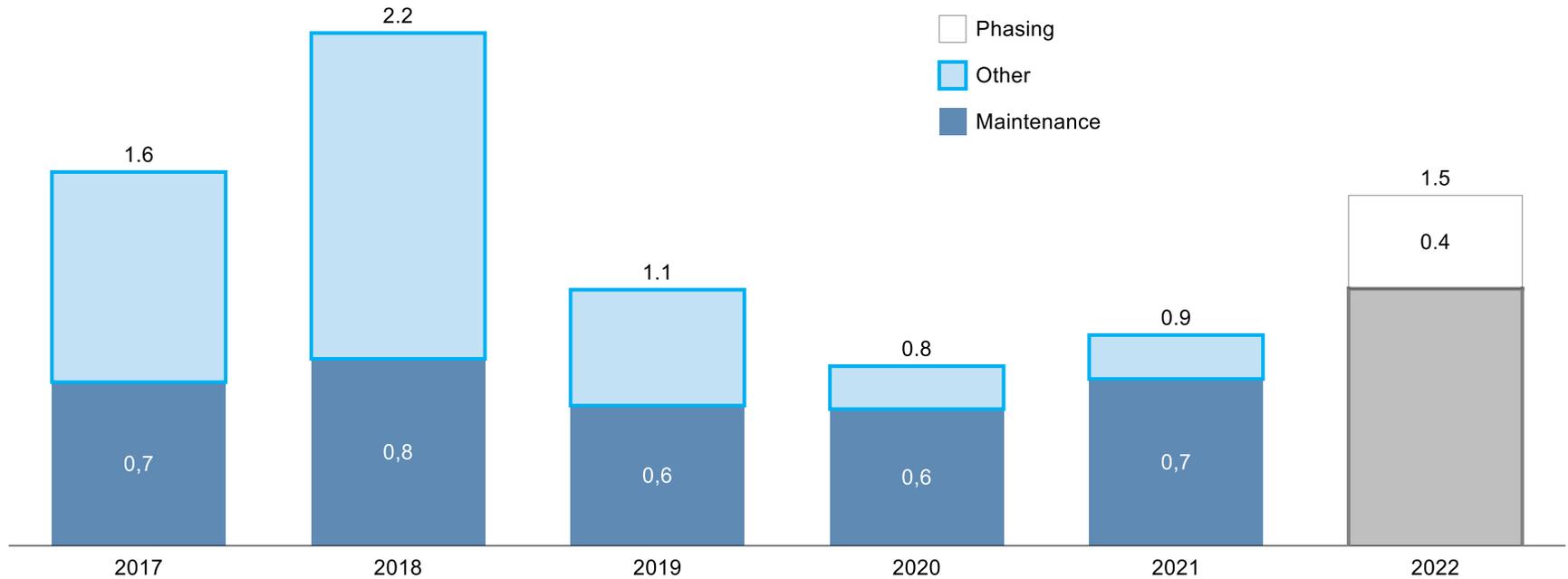


# Phasing changes only: no new projects added since last quarter



# Capex guidance

## Annual investments (BUSD)



# 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 31-37

