



Knowledge grows

Yara International ASA 2021 Fourth quarter results

8 February 2022



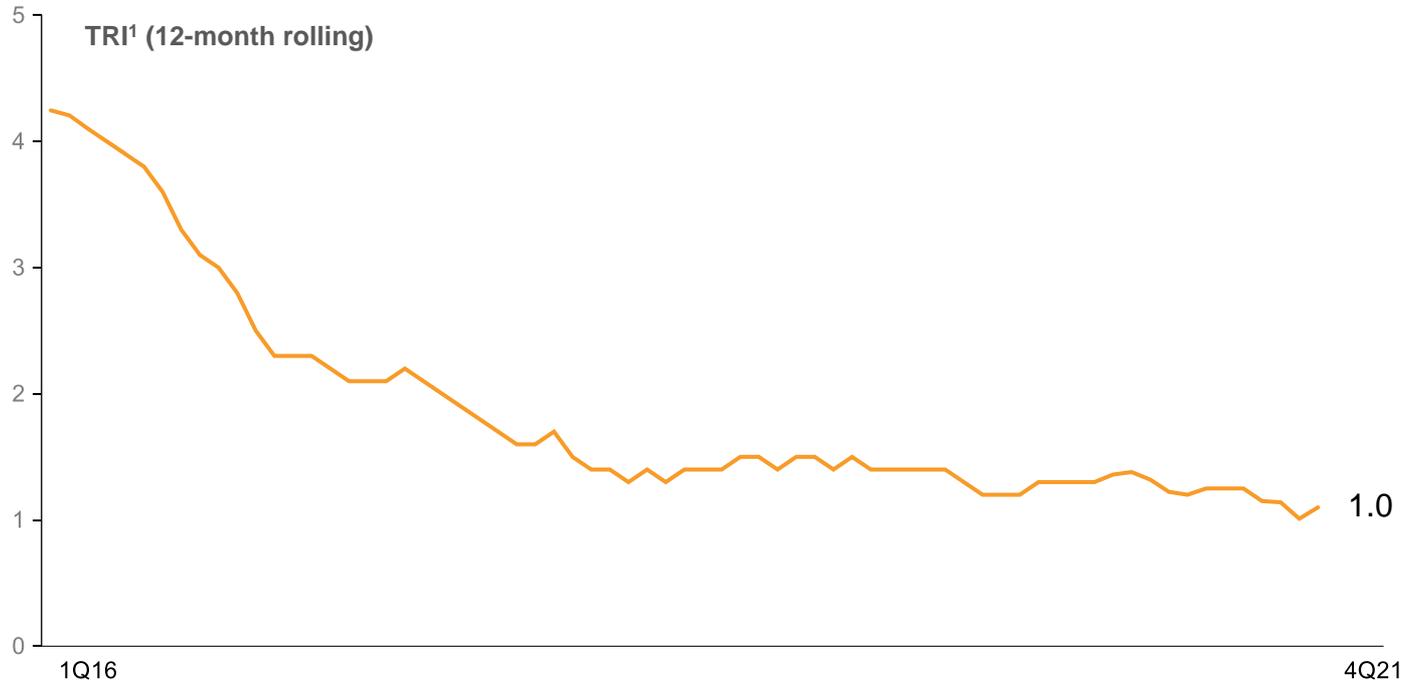
Cautionary note

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



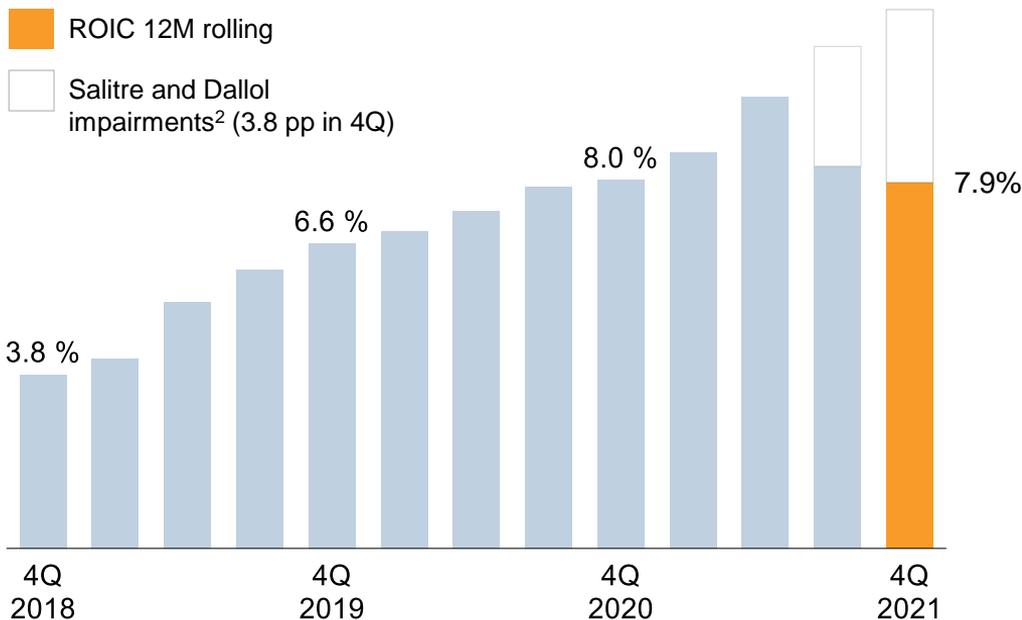
People



1) Total Recordable Injuries per 1 million working hours

Improved returns in a volatile market

ROIC¹ 12M rolling



- Increased margins reflect business model resilience
- 7.9% ROIC¹, in line with a year earlier as impairments offset margin growth
- NOK 30 per share annual dividend proposed
 - Total NOK 58 per share cash returns³ paid and proposed for 2021

1) For definition and reconciliation of ROIC, see APM section in 4Q report, page 32

2) Effect of Salitre and Dallol impairments on 4Q21 ROIC: calculated by increasing NOPAT by 427 MUSD (impairments of 569 MUSD with a 25% tax rate). This implies a ROIC excluding Salitre and Dallol of 11.7% (NOPAT: 1,330 MUSD divided by invested capital of 11,363 MUSD).

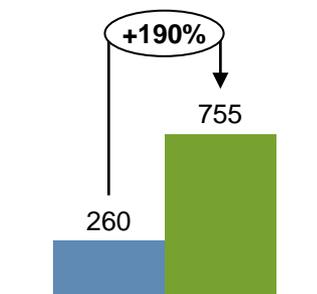
3) Share buybacks included in the year of purchase, including the corresponding pro-rata redemption of shares from the Norwegian state

Rapid increase in market reference prices, not fully reflected in 4Q realized prices

Urea

Strong price increase driven by healthy demand and tight supply situation

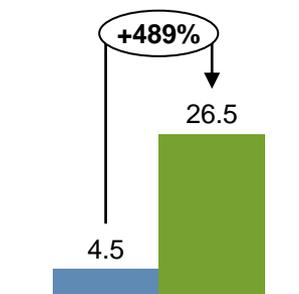
Urea price¹ (USD/t)



Natural gas

Record price increases in Europe led to ammonia production curtailments

Europe spot gas price¹ (USD/Mmbtu)

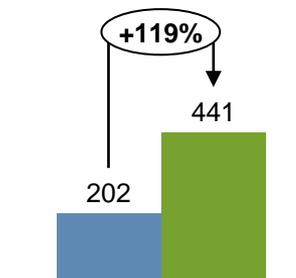


Yara realized prices

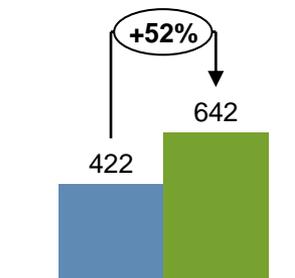
***Nitrates:** seasonally longer time lag in Europe, and majority of deliveries in first part of the quarter*

***NPKs:** Rapid increase in commodity reference prices put pressure on premiums*

Yara realized CAN² price³ (USD/t)



Yara realized NPK price³



■ 4Q20 ■ 4Q21

■ 4Q20 ■ 4Q21



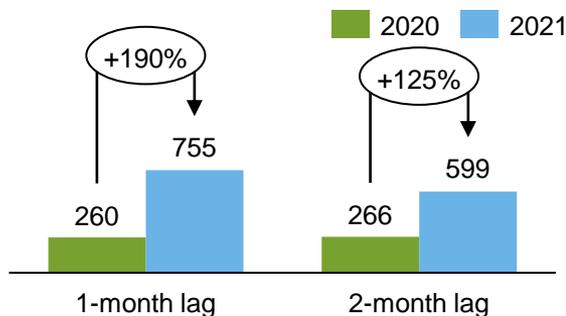
1) Urea price: Granular urea FOB Egypt, Europe spot gas price: TTF. Source: BOABC, CFMW, Fertilizer publications, Argus. 1-month lag applied, as proxy for realized prices (delivery assumed 1 month after order)
 2) Yara's realized European nitrate price, CAN 27 CIF Germany equivalent ex. Sulphur
 3) Yara's realized global compound NPK price (average grade)

Fourth-quarter price realization highly sensitive to time lag¹

Fourth-quarter price realization highly sensitive to time lag¹

Average fourth-quarter publication prices, USD/ton

Urea³
FOB Egypt,
granular



CAN27³
CIF
Germany

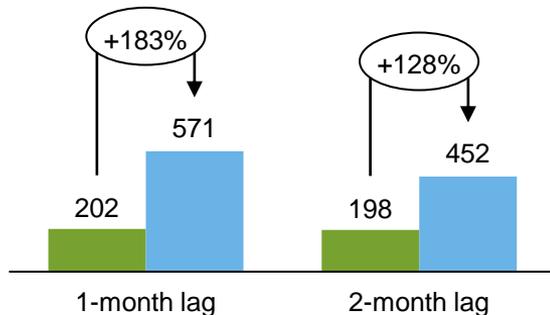
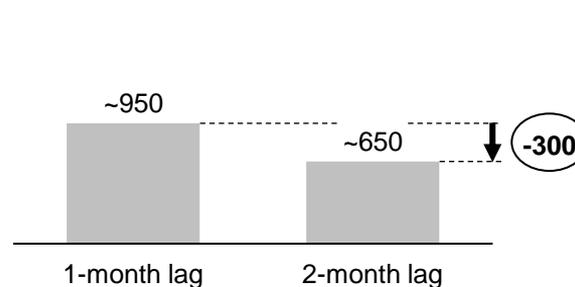
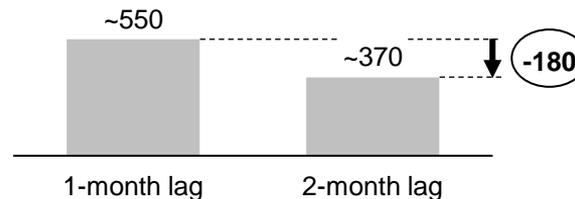


Illustration using financial sensitivities²: ~480 MUSD negative impact of 2 vs. 1 month time lag on fourth-quarter price realization

EBITDA effect of 4Q21 vs 4Q20 publication price
variance, MUSD



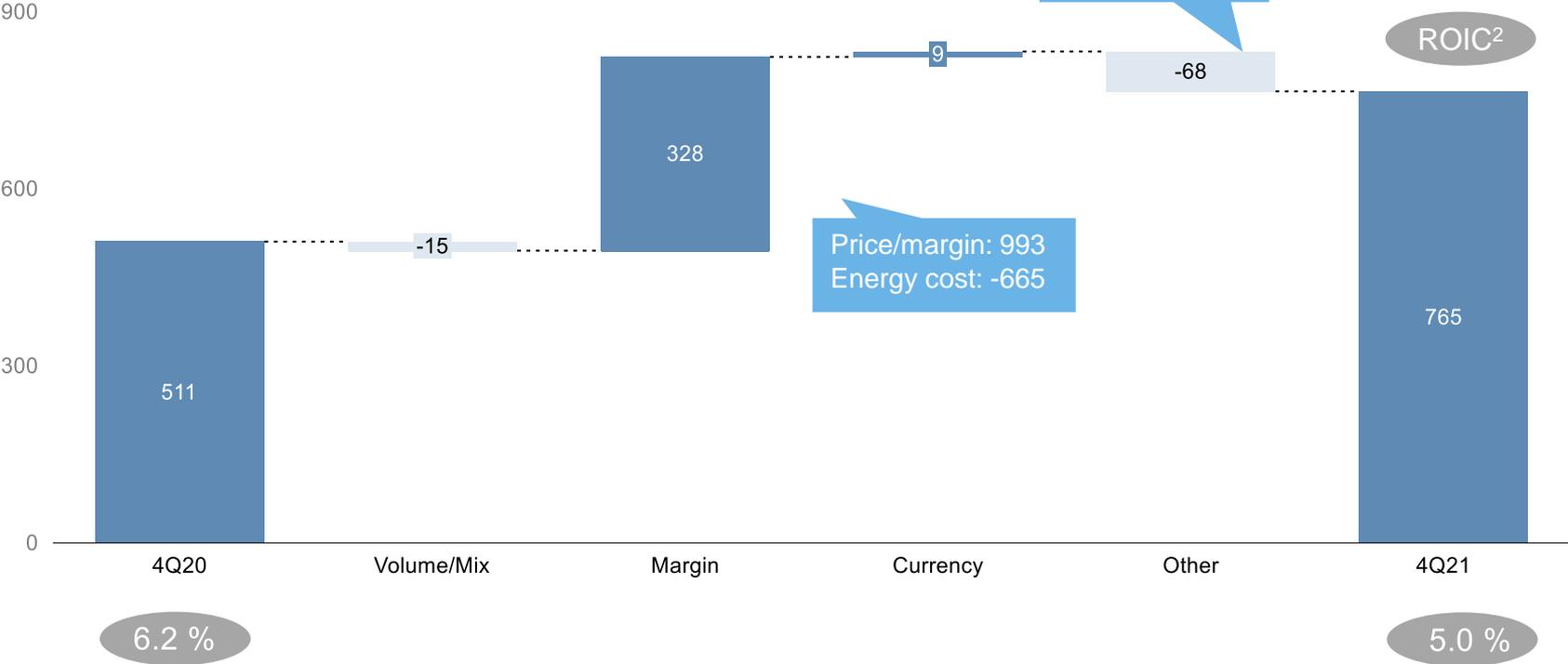
1) Time from spot / publication price point to realized P&L impact

2) Estimate based on Yara financial sensitivities (see slide 30) - for illustrative purposes only, disregarding all other effects on price realization other than lagging publication prices

3) Average of publication prices with 1 and 2 month time lag

Improved margins as higher prices more than offset increase in energy costs

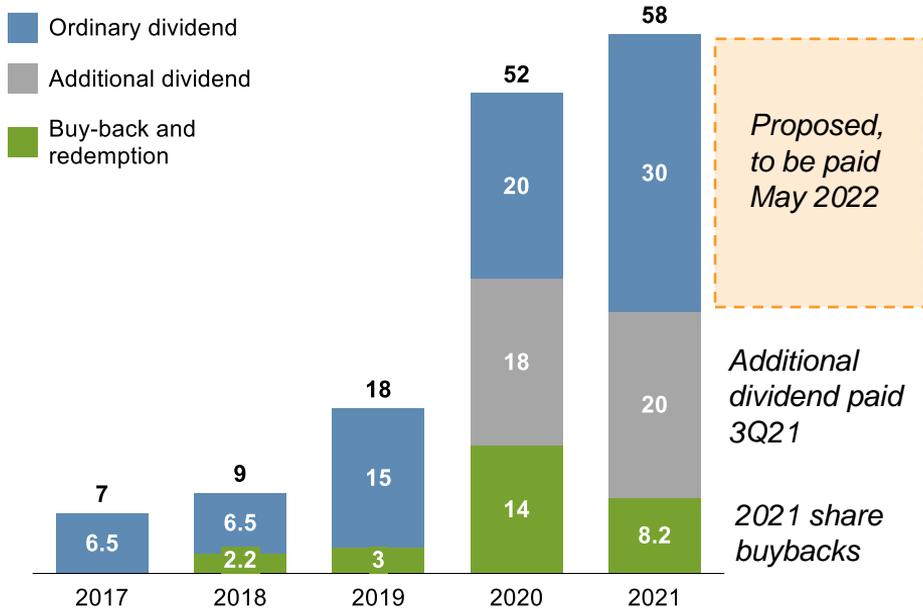
EBITDA ex. special items (MUSD)¹



1) EBITDA ex. special items. For definition and reconciliation see APM section of 4Q report, page 31
 2) Quarterly ROIC, annualized. For definition and reconciliation see APM section of 4Q report, page 31

Proposed dividend of 30 NOK per share, in line with capital allocation policy

Dividend and buy back¹ per share



Comments

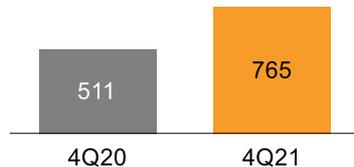
- The Yara Board will propose to the Annual General Meeting a 2021 dividend of NOK 30 per share
- Total NOK 58 per share cash returns paid and proposed for 2021 including additional dividend and buybacks paid in 2021
- Yara will consider further cash distributions in the coming quarters



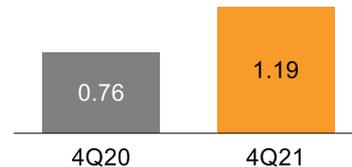
Financial performance

Prosperity

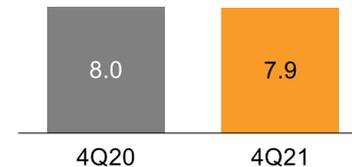
EBITDA ex. special items¹
(MUSD)



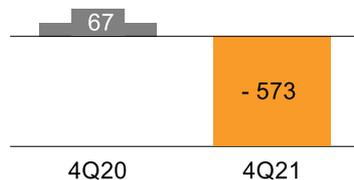
EPS ex. currency and special items¹
(USD per share)



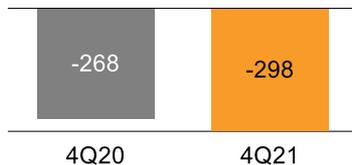
ROIC¹
(12-month rolling)



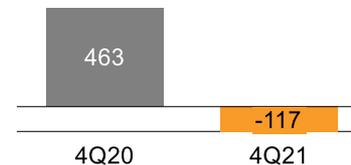
Change in net operating capital²
(MUSD)



Investments (net)³
(MUSD)



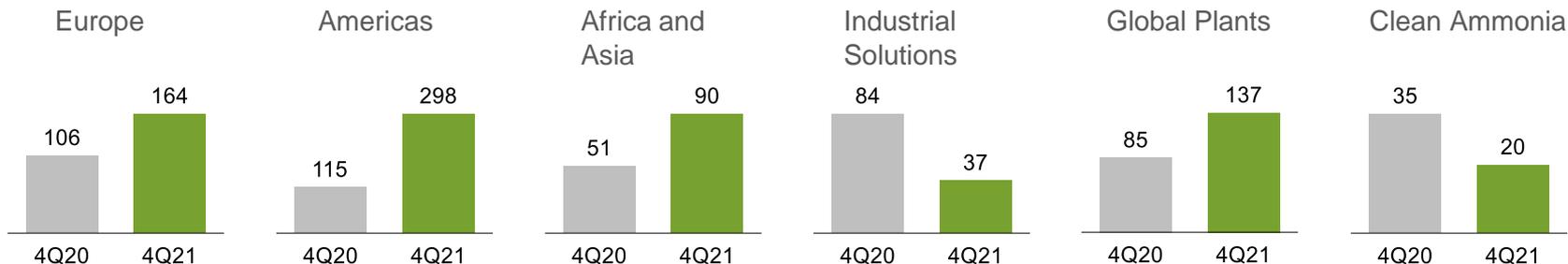
Cash from operations
(MUSD)



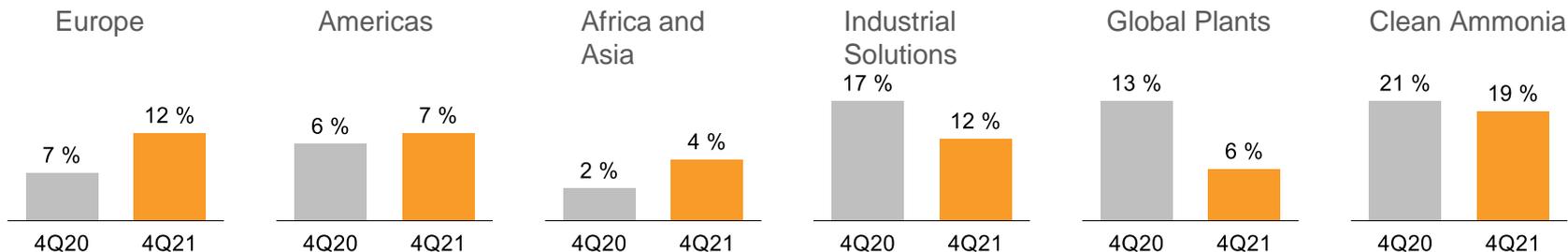
- 1) Alternative performance measures are defined, explained and reconciled to the Financial statements in the APM section of the 4Q report on pages 31-36
- 2) Change in net operating capital as presented in the cash flow statement, page 15 of 4Q report, and consists of trade receivables, inventories, and trade and other payables
- 3) Net cash used in investing activities as presented in the cash flow statement, page 15 of 4Q report.

Positive result development in all regions

EBITDA ex. special items¹ (MUSD)



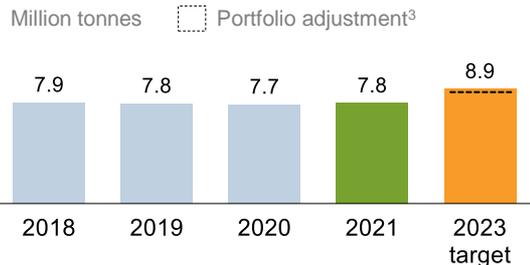
ROIC 12M rolling² (%)



Yara Improvement Program (YIP)

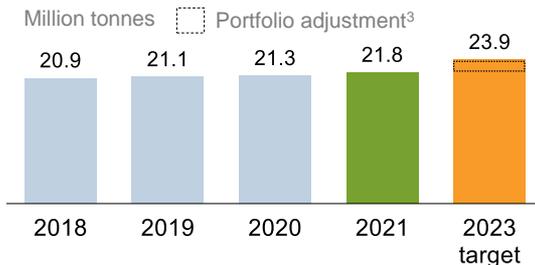
Ammonia production

- Progress impacted by reliability issues in European sites
- Mitigating actions ongoing



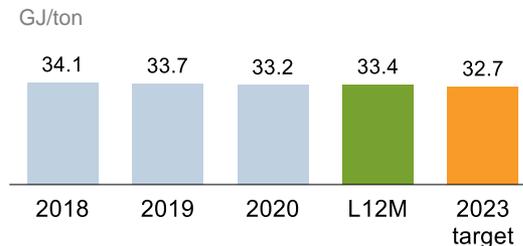
Finished product production

- Improved reliability in several sites, partly offset by reliability issues in some ammonia sites



Ammonia energy consumption

- Progress impacted by reliability issues and Europe curtailments



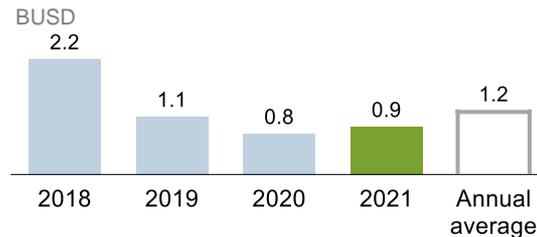
Fixed costs¹

- Planned ~100 MUSD increase in fixed costs linked to growth initiatives, offset by lower capex



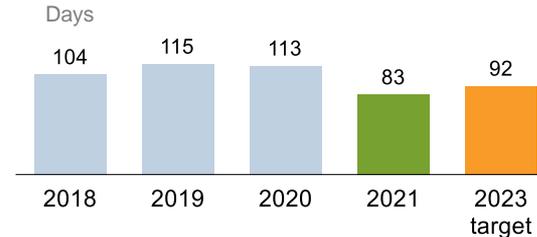
Capex

- 2021 capex below original 1.3 BUSD plan
- 2022 plan 1.5 BUSD (inc. phasing from 2021)
- Unchanged guidance: 1.2 BUSD annual avg.



Operating capital²

- Record low level, reflecting lower inventory and receivable days



1) For reconciliation of Fixed costs to Operating costs and expenses, see APM section of 4Q report, page 34
 2) Operating capital excluding prepayments from customers. For reconciliation of Operating capital days, see APM section of 4Q report, page 35
 3) Portfolio adjustment includes completed Trinidad closure (250kt ammonia), completed Paulinia closure (500kt finished products) and planned Salitre divestment (900kt)

Driving sustainable performance with an integrated scorecard

People				
				
Yara KPI	2020	2021	2025 Target	Measure
Strive towards zero accidents	1.3	1	<1.0	TRI
Engagement Index ¹	79%	79%	Top quartile	Index
Diversity and inclusion ¹ index	74%	77%	Top quartile	Index
Female senior managers	24%	29%	40%	%

Planet				
				
Yara KPI	2020	2021	2025 Target	Measure
Energy efficiency ²	33.2	33.4	32.7	Gj/t NH3
GHG emissions, intensity	3.0	3.0	2.7	t CO2e/t N
GHG emissions, scope 1+2 ³	17.7	17.3	-30	% CO2e
Active hectares ⁴	8	8	150	MHa
Carbon marketplace ⁵			TBD	

Prosperity				
				
Yara KPI	2020	2021	2025 Target	Measure
Ammonia Production ⁶	7.7	7.8	8.9	Mt
Finished Fertiliser ⁶ Production	21.3	21.8	23.9	Mt
Premium generated	1 036	280	N/A	MUSD
Revenues from new business models	6	11	1 500	MUSD
Revenues from online sales	0	4	1 200	MUSD
Working capital ^{6,7}	113	83	92	Days
Capital return (ROIC) ⁷	8.0 %	7.9 %	>10%	%
Fixed costs ^{6,7}	2 322	2 487	2 314	MUSD
Capex ⁸	0.8	0.9	1.2	BUSD
Net debt / EBITDA ⁷	1.36	1.36	1.5-2.0	Ratio
MSCI rating	BBB	A	A	Score
Sustainalytics rating	Med	Med	Med	Score

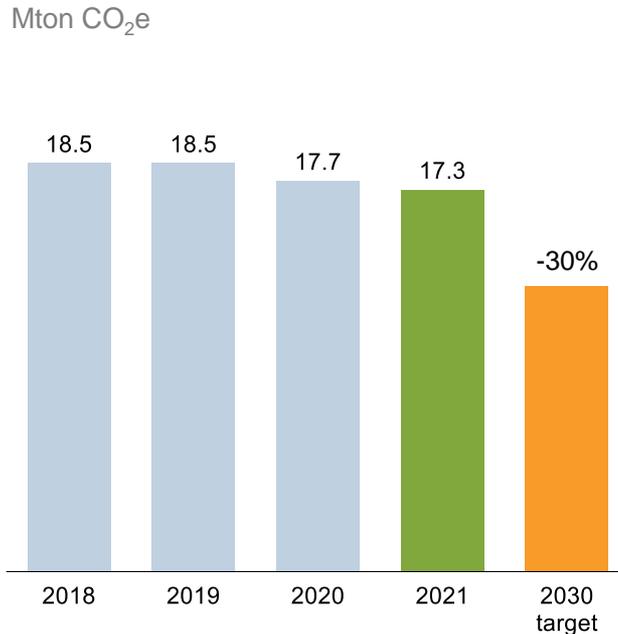
- 1) Measured annually
- 2) Energy efficiency target is for 2023
- 3) GHG absolute emissions scope 1+2 target is for 2030 with a 2019 baseline
- 4) Cropland with digital farming user activity within defined frequency parameters
- 5) Reported upon updates
- 6) YIP target for 2023
- 7) Alternative performance measures are defined, explained and reconciled to the Financial statements in the APM section of the 4Q 21 Report on pages 31-36
- 8) CAPEX max 1.2 for 2022 onwards (including maintenance)



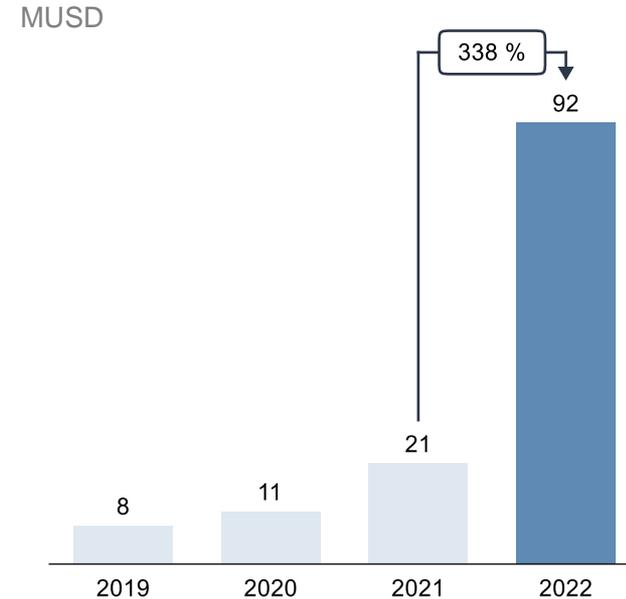
Significant step-up in GHG reduction investments as projects move from planning to execution

Planet

Status absolute emissions (scope 1+2)¹



Annual GHG reduction capex



1) Measured and reported annually. Reasonable assurance is ongoing for final 2021 results for non-financial reporting hence minor deviations to Q4 reported values may occur. GHG absolute emissions scope 1+2 target is for 2030 with a 2019 baseline

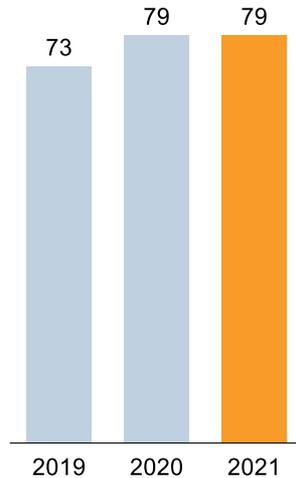


Sustained top quartile employee engagement, and positive diversity & inclusion trend

People

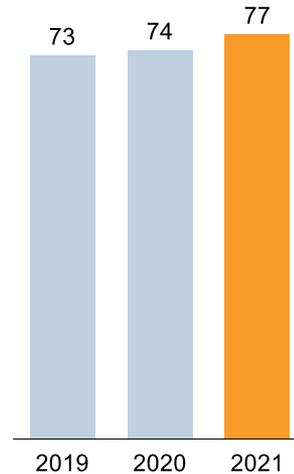
Employee engagement¹

Index



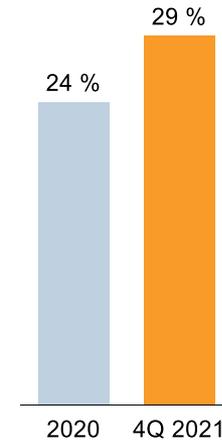
Diversity & Inclusion index²

Index



Share of female leaders³

Percent



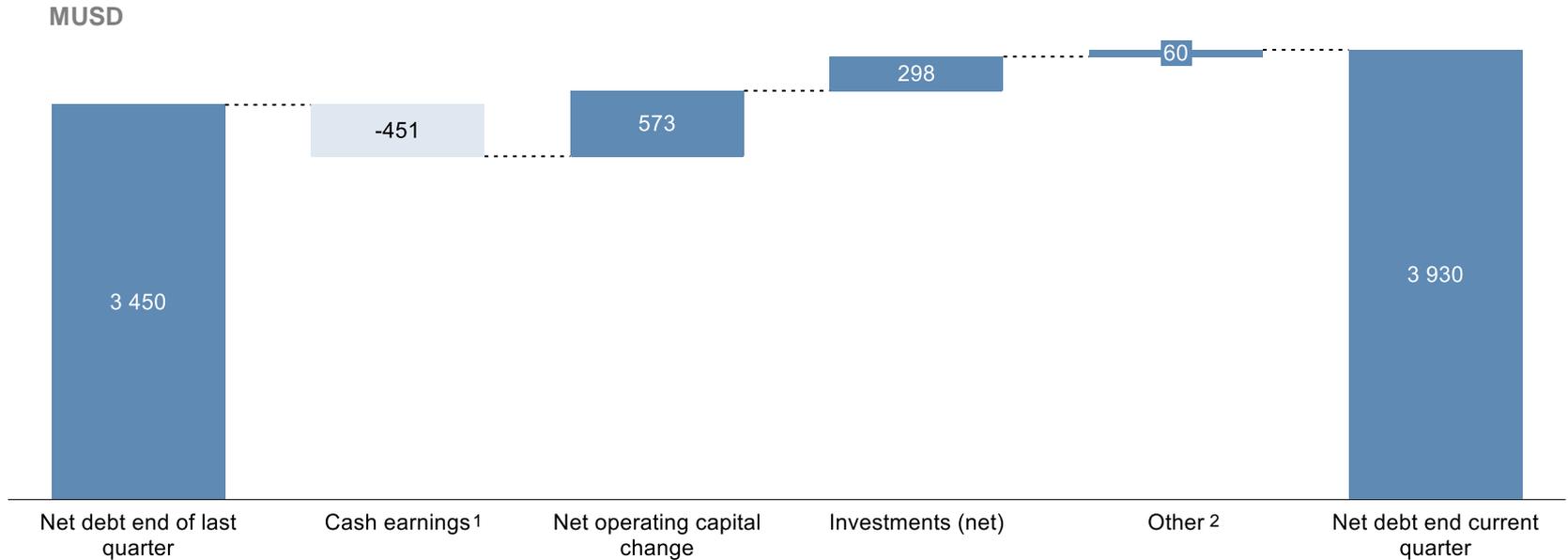
¹ Measured annually. Employee engagement index is measured through a third-party survey, providing data-driven analysis against international benchmarks. The threshold for top-quartile performance in 2021 was at 76

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

³ 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

Net debt increase driven by price impact on operating capital

Net interest-bearing debt: 4Q development



Full year condensed statement of income

USD million, except share information

	2021	2020	Variance
Revenue and other income	16 607	11 728	4 879
Raw materials, energy costs and freight expenses	-12 135	-8 021	-4 114
Payroll and related costs	-1 270	-1 136	-134
Depreciation and amortization	-984	-919	-65
Impairment loss	-666	-46	-620
Other operating expenses	-485	-431	-54
Operating costs and expenses	-15 540	-10 551	-4 989
Operating income	1 068	1 176	-108
Share of net income in equity-accounted investees	23	20	3
Interest income and other financial income	64	62	2
Foreign currency translation gain/(loss)	-251	-243	-8
Interest expense and other financial items	-164	-165	1
Income before tax	739	850	-111
Income tax	-355	-160	-195
Net income	384	690	-306
Basic earnings per share	1.75	2.58	-0.83
Weighted average number of shares outstanding	256 789 744	267 985 860	-11 196 116

Comments

- Increased revenues reflecting higher prices
- Operating cost increase due to higher input prices, in addition to Salitre and Dallool impairments (~570 MUSD)
- Foreign currency translation loss of 100 MUSD on US dollar denominated debt positions and 151 MUSD on internal positions in non-USD currencies
- High effective tax rate in 2021 due to Salitre and Dallool impairments with limited tax effect, in addition to increased valuation allowances on certain tax assets

Condensed statement of financial position

USD million

Assets	31.12.2021	31.12.2020
Total non-current assets	9 574	10 968
Total current assets	7 698	5 637
Total assets	17 272	16 605
Equity and liabilities		
Total equity	7 116	8 220
Total non-current liabilities	4 612	5 220
Total current liabilities	5 544	3 165
Total equity and liabilities	17 272	16 605

Comments

- Higher market prices increased both current assets and current liabilities
- Reduced equity reflects dividend distributions, share buy-backs and net income reduced with impairments

Extending our ambition: Growing a Nature-Positive Food Future

Climate neutrality

Reduce our own emissions and improve productivity at our production sites

—
Contribute to decarbonize agriculture

—
Contribute to decarbonize transportation and energy

Regenerative farming

Improve farming productivity and nutrient use efficiency (NUE)

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

Prosperity

Improve farmer income and sustainability

—
Positively impact farmer diversity

—
Contribute to zero hunger and healthy nutrition



Läntmännens and Yara sign world's first contract to bring fossil free fertilizers to market



- First proof point of the viability of green fertilizers¹ to the food value chain
- Carbon footprint of nitrate-based green fertilizers reduced by 80-90% using renewable energy
- With green fertilizers in Läntmännens's Climate & Nature farming concept, the climate impact of wheat will be further reduced by 20%-points



1) Fertilizer produced from green ammonia, i.e., ammonia based on renewable energy instead of fossil energy and feedstock

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

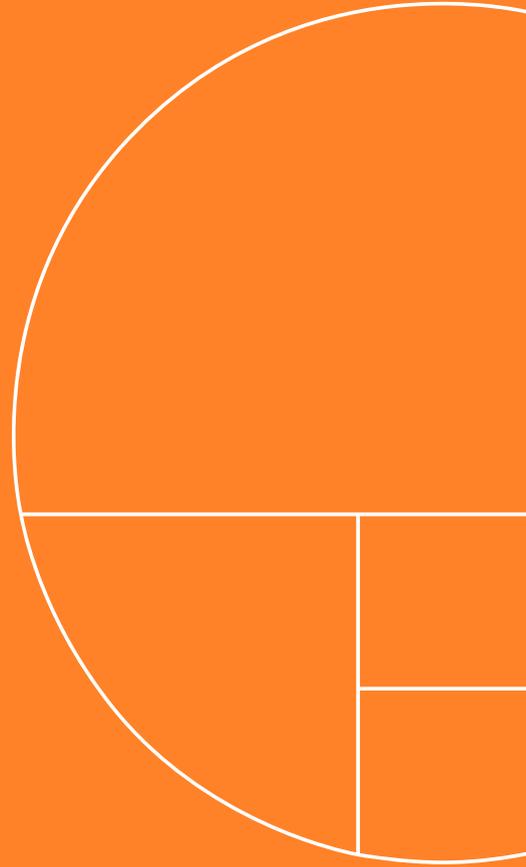
- Crop nutrition leader; #1 premium product and market presence
- Transitioning towards sustainable solutions for the global food system
- Operational improvement and innovation focus



Strong shareholder returns

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

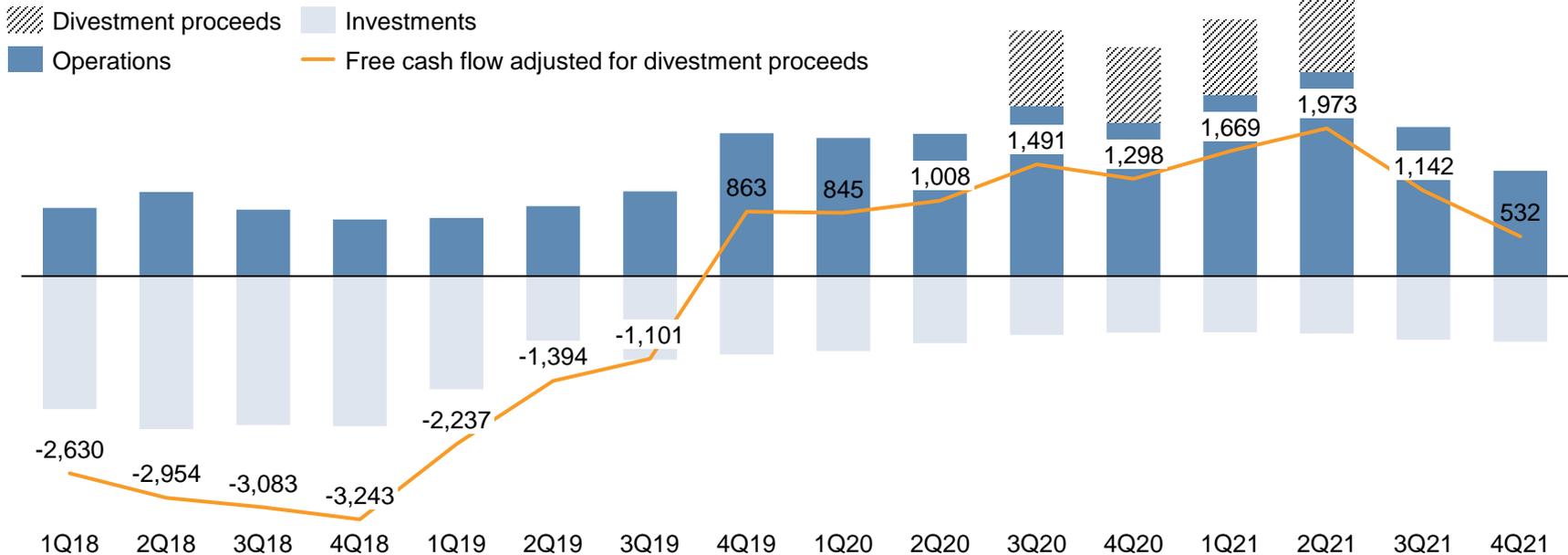
Appendix



Free cash flow

Free cash flow before financing activities¹

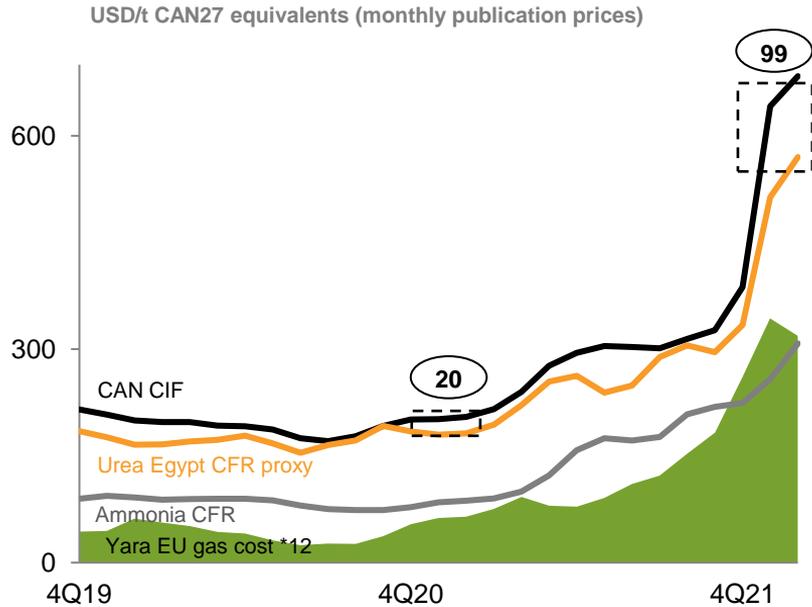
MUSD, rolling 12 months



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

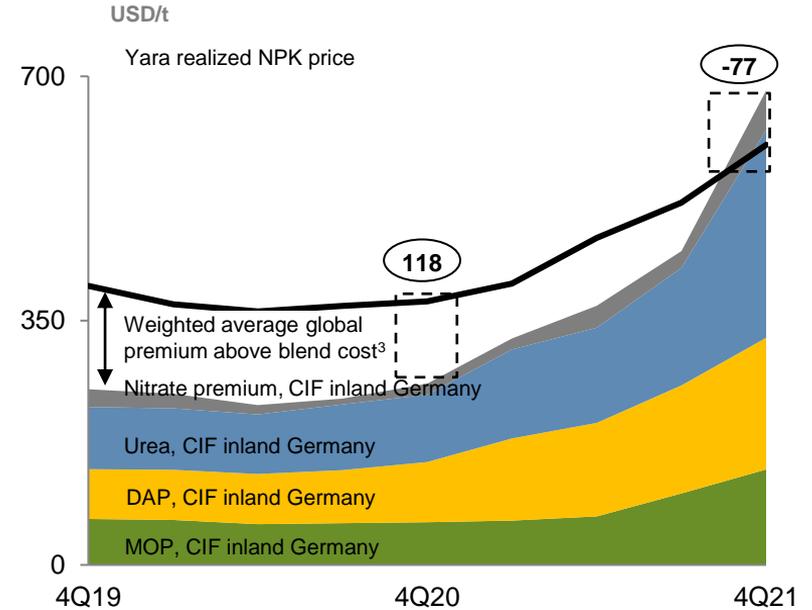
Nitrate and NPK premiums

Nitrogen upgrading margins¹



¹ 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

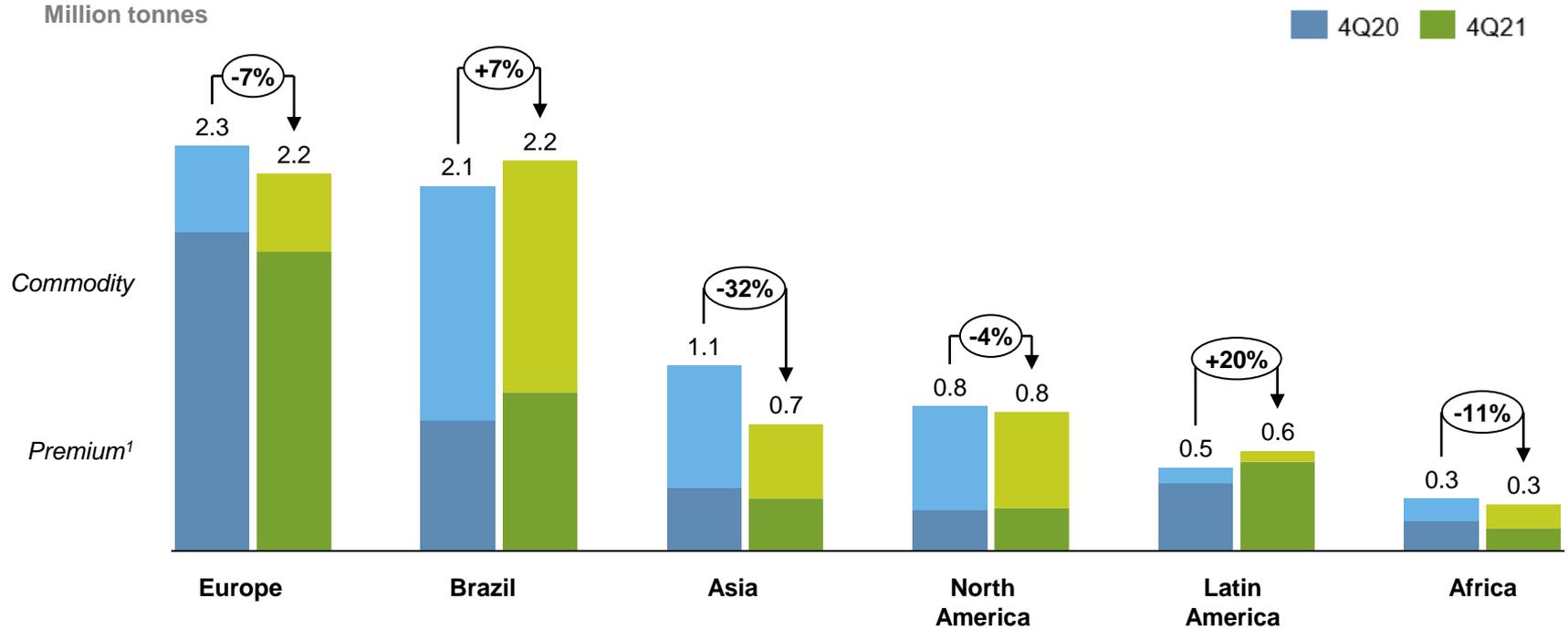
NPK premium over blend²



² Export NPK plants, average grade 19-10-13, net of transport and handling cost.
³Premium calculated above MOP, DAP and CAN CIF inland Germany. No time lag

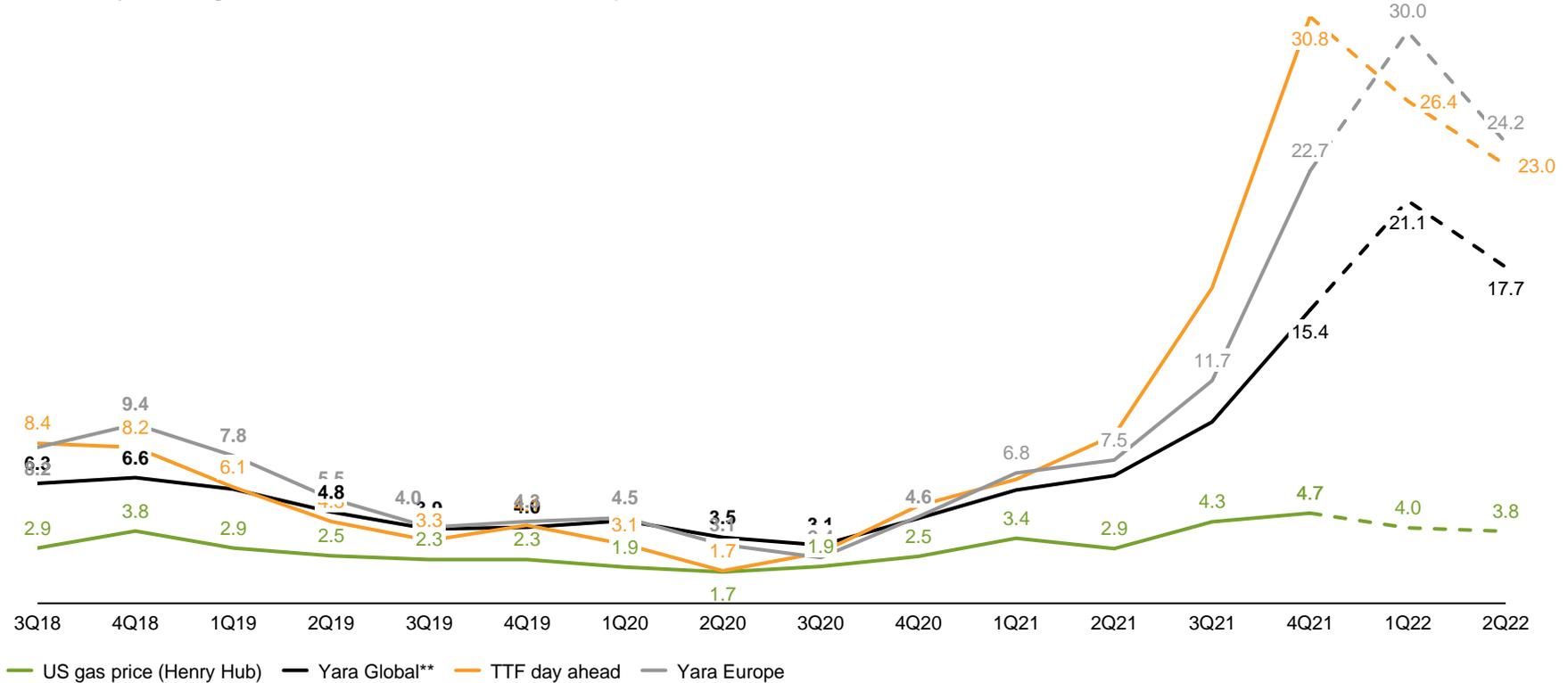


Regional fertilizer deliveries



Energy cost

Quarterly averages for 2018-2021 with forward prices* for 1Q22 and 2Q22



Source: Yara, World Bank, Argus/ICIS Heren

*Dotted lines denote forward prices as of 21 January 2021, market prices (HH and TTF) are not lagged..

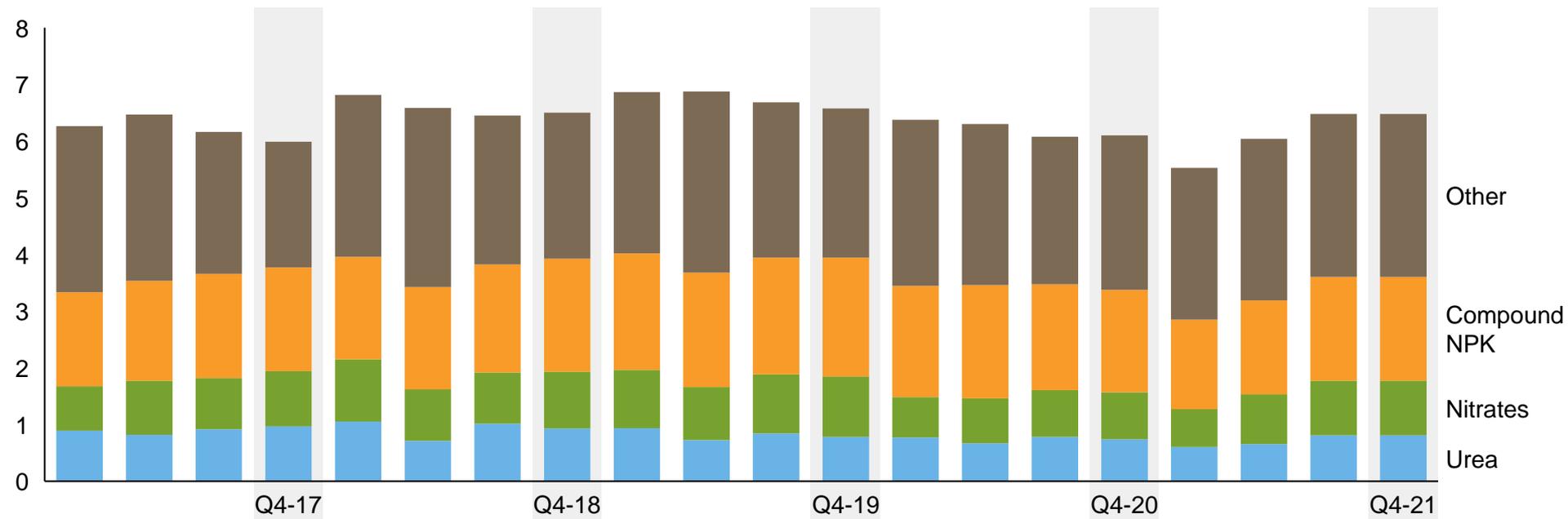
**Yara Global restated from 2Q 2018 to include Cubatão gas cost, Babrala excluded, and updated Yara gas cost methodology from 1Q20



Yara stocks

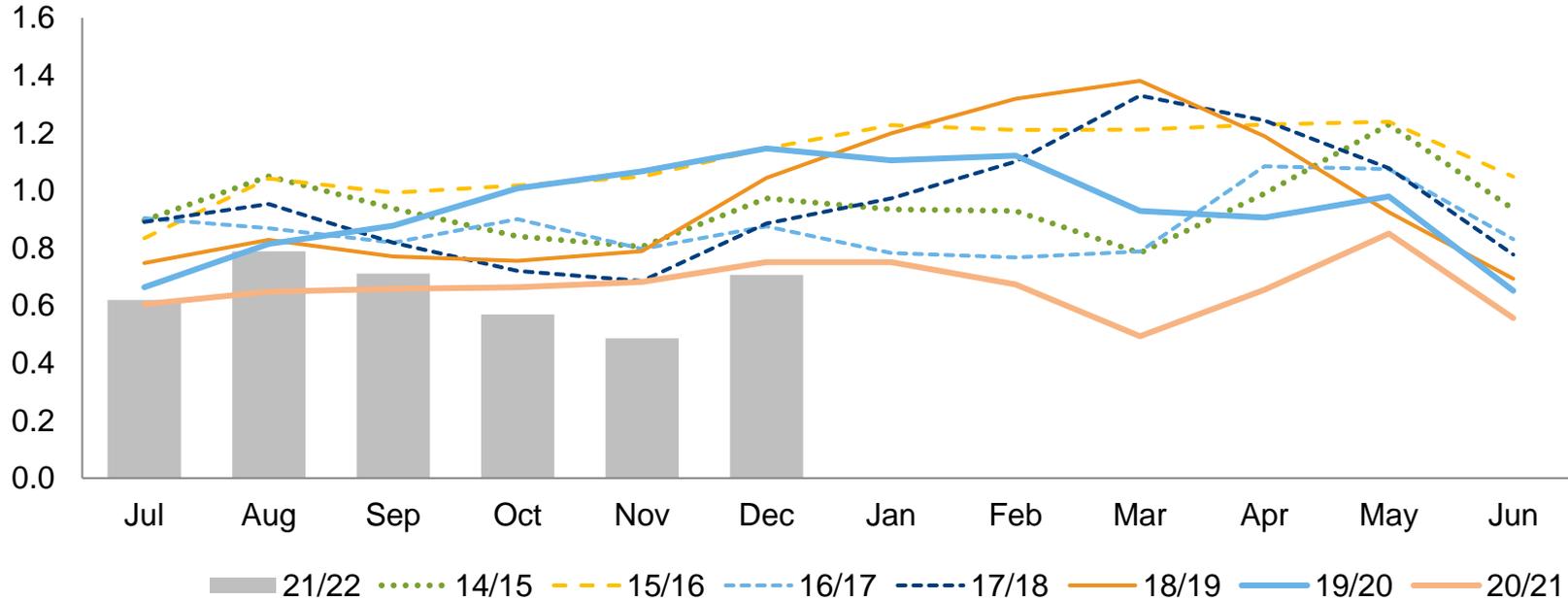
Finished fertilizer

Mill. tonnes

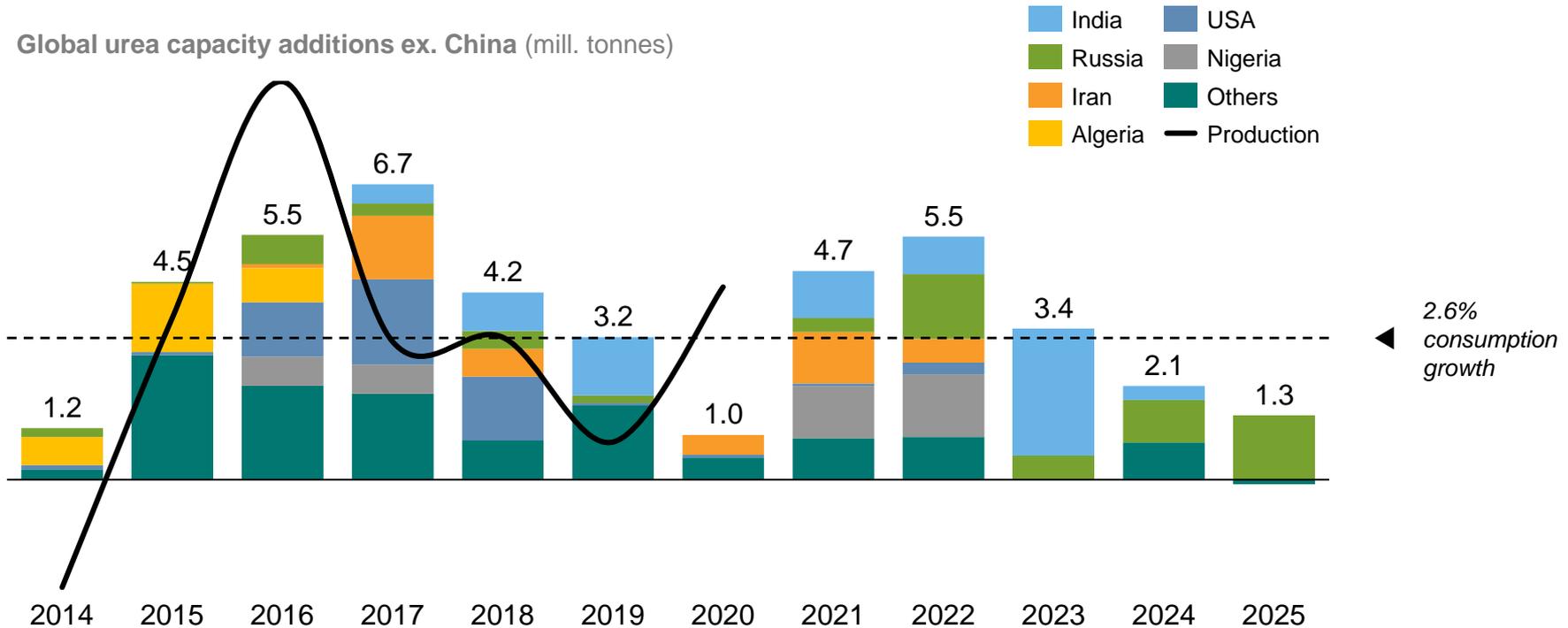


European producers' nitrate stocks

Index
June 2007 = 1

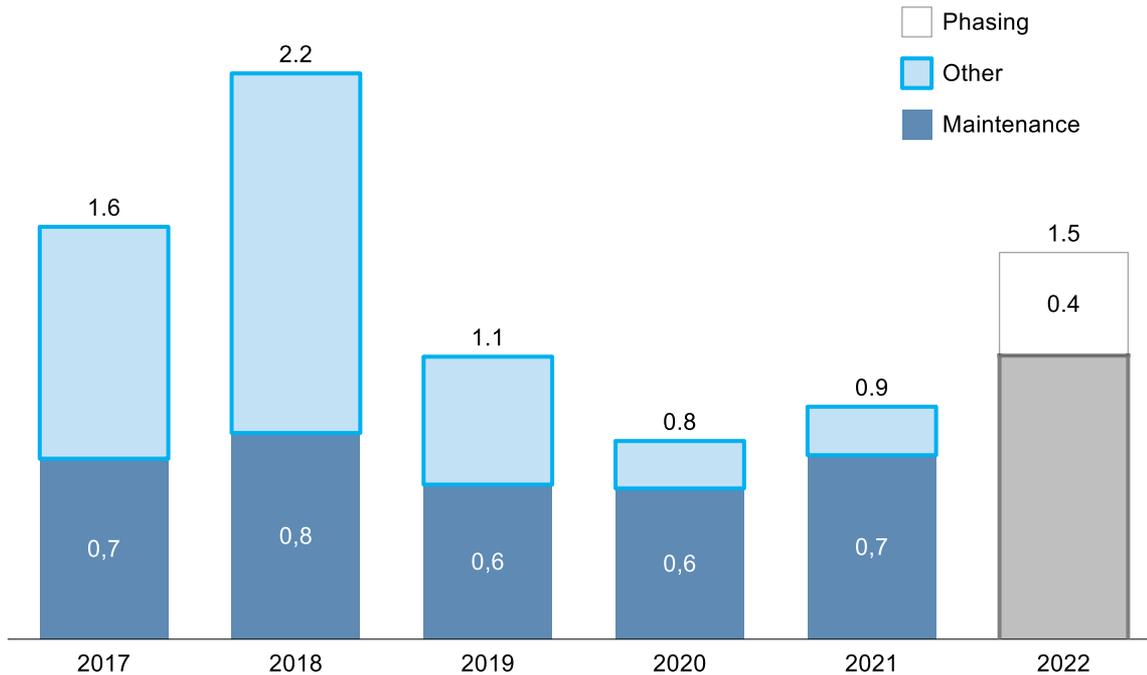


Higher nitrogen supply growth forecast in 2022, however demand outlook remains strong



Phasing of capex to 2022

Annual investments (BUSD)



- 2021 capex at 0.9 BUSD, phasing of 0.4 BUSD into 2022
- USD 0.1 BUSD reduction in 2022-capex, offset by fixed cost increase
 - Total capex for 2021 and 2022 reduced from 2.5 BUSD to 2.4 BUSD

Updated sensitivities and production capacities on www.yara.com

In million USD	Previous	New
Urea sensitivity + 10 USD/t	44	44
of which pure urea	38	38
of which pure UAN	6	6
Nitrate sensitivity CAN + 10 USD/t ¹⁾	106	103
of which pure nitrates	66	65
of which NPKs	41	38
Ammonia + 10 USD/t ²⁾	7	8
Hub gas Europe + 0.1 USD/MMBtu	-16	-16
Hub gas North Am + 0.1 USD/MMBtu ³⁾	-3	-4

1) Reduction in nitrate sensitivity mainly due to exclusion of NPKs in Brazil

2) Increase in ammonia sensitivity due to start-up of TAN production in Pilbara Nitrates and increased production in Freeport

3) Increase in North America gas sensitivity due to increased production capacity in Freeport

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

