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CREDIT OPINION
30 October 2022

Update

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RATINGS

Yara International ASA

Domicile	Oslo, Norway
Long Term Rating	Baa2
Type	LT Issuer Rating - Fgn Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Yara International ASA

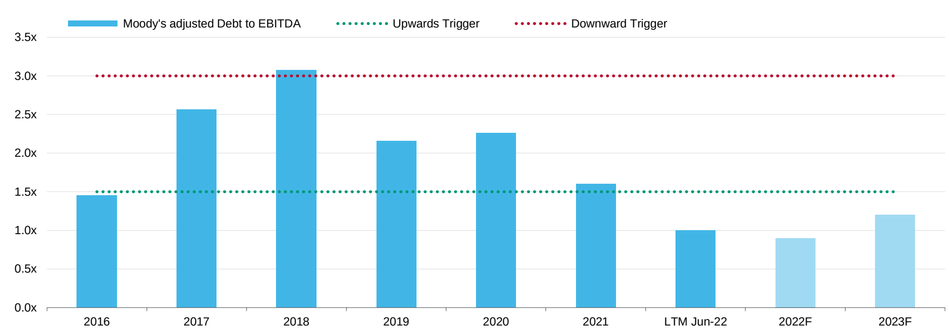
Update following H1 2022 results

Summary

Yara International ASA's (Yara) Baa2 rating is underpinned by the significant scale and high degree of integration of its operations; its leading position in the nitrogen fertiliser market, both as a producer and a distributor; and its global footprint. These positives are tempered by the highly cyclical nature of the fertiliser industry, and Yara's significant exposure to the energy and agricultural commodity markets. In the context of its integrated business model, Yara's strong distribution capabilities are a stabilising factor that outweighs the dilutive effect on its EBITDA margin. The focus of Yara's product offering on premium-priced complex fertilisers (such as nitrogen, phosphorus and potassium [NPK]) also helps mitigate its inherent exposure to the cyclicality affecting the global nitrogen fertiliser sector.

Yara benefited from strong fertiliser prices through 2021-22, which outpaced the rising costs of raw materials and production, underpinning strong earnings. Moody's-adjusted EBITDA for the 12 months ended 30 June 2022 was $4.2 billion. Yara has established a long track record of prudently managing financial policies to achieve an effective balance between maintaining capital investment with capacity for new projects, and distributing returns to shareholders, while operating in an industry subject to cyclical trends in end-user markets, supply and demand imbalances and weather conditions. Yara's credit profile is supported by management's publicly stated commitment to maintain a mid-investment-grade rating and a targeted leverage within the company's reported net debt/EBITDA range of 1.5x-2.0x.

Exhibit 1
Yara is currently well positioned in the Baa2 rating category



Source: Moody's Investors Service

Credit strengths

» Resilient business model, underpinned by significant scale and leading positions in the fertiliser market, as well as an extensive global distribution network and sizeable marketing operations for nitrogen chemicals

» Flexible growth strategy, tempered by a conservative financial policy and strong track record of producing premium fertiliser products, for which the price volatility is more moderate

» Robust balance sheet, with relatively low leverage through the cycle

Credit challenges

» The cyclical fertiliser business is subject to capacity additions, and demand and pricing trends in agricultural commodities

» Significant exposure to natural gas prices, both as a feedstock and as a source of fossil fuel, which can be volatile, having reached record highs in 2021-22

» Credit metrics could be stretched by swings in working capital, a commitment to shareholder returns and large discretionary capital spending programmes undertaken to shift fertiliser production to clean ammonia

Rating outlook

The stable rating outlook reflects the fact that Yara is currently well positioned in the Baa2 rating category. It also reflects our expectation that the company's profitability and key credit metrics are unlikely to deteriorate substantially over the next 12-18 months.

Factors that could lead to an upgrade

Yara's rating could be upgraded if:

» the company continues to improve its profitability and cash flow generation, leading to a permanent reduction in financial leverage

» its Moody's-adjusted total debt/EBITDA is maintained at around 1.5x and retained cash flow (RCF)/total debt remains in the high 30s in percentage terms throughout the cycle

An upgrade of the ratings would also require Yara's commitment to a financial profile consistent with a higher rating.

Factors that could lead to a downgrade

Downward rating pressure could develop if the company were to:

» suffer a severe and sustained deterioration in its operating results and cash flow generation

» embark on a more aggressive debt-funded capital spending programme for the Yara Clean Ammonia projects or future acquisitions

» experience a pronounced weakness in its credit metrics, including debt/EBITDA increasing above 3.0x and RCF/debt falling to the low 20s in percentage terms

Key indicators

Exhibit 2

Yara International ASA

	31/12/2019	31/12/2020	31/12/2021	LTM 6/30/2022	Moody's 12-18 Month Forward View
Revenue (USD Billion)	12.9	11.6	16.6	21.9	19 - 21
PP&E (net) (USD Billion)	9.0	9.0	7.5	7.2	7.0 -7.5
EBITDA Margin	15.7%	18.1%	16.7%	19.3%	17% - 20%
ROA (Return on Average Assets)	6.5%	6.8%	10.6%	18.5%	12% - 16%
Debt / EBITDA	2.2x	2.3x	1.6x	1.0x	1.0x - 1.5x
RCF / Debt	34.2%	19.6%	23.3%	50.8%	35% - 45%
EBITDA / Interest Expense	9.1x	12.7x	17.9x	20.4x	19x - 23x

All figures and ratios are calculated using our estimates and standard adjustments.
Periods are financial year end unless indicated. LTM = Last 12 months.
The forecasts (f) or projections (proj.) are our opinion and do not represent the views of the issuer.
Source: Moody's Investors Service

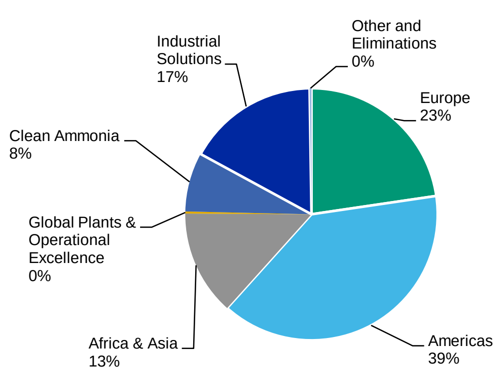
Profile

Headquartered in Oslo, Norway (Aaa stable), Yara International ASA (Yara or the company) is the largest European producer and marketer of nitrogen fertilisers. As of 30 June 2022, Yara had about 8.4 million tonnes of ammonia production capacity, including the capacity in Yara's associate entities. Yara is the world's largest producer of nitrates, with an annual production capacity of 7.1 million tonnes, the most important type of fertiliser in Europe measured by annual consumption, and the largest producer of compound NPKs, which contain all three primary crop nutrients, nitrogen, phosphate and potassium, which are the most common multi-nutrient fertilisers in Western Europe. For the 12 months ended June 2022, Yara reported revenue of $21.9 billion and Moody's-adjusted EBITDA of $4.2 billion. As of 14 October 2022, Yara's market capitalisation was around $10 billion.

The largest markets for Yara are Europe (32% of revenue for the 12 months that ended June 2022), Brazil (28%), Asia (13%) and North America (13%).

Exhibit 3

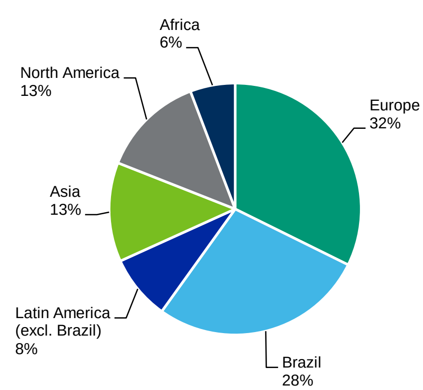
External revenue by operating division for the 12 months ending June 2022



Sources: Company and Moody's Investors Service

Exhibit 4

External revenue by region for the 12 months ending June 2022



Sources: Company and Moody's Investors Service

As of June 2022, the group's activities consisted of six operational segments, of which three are regional units (Europe, the Americas, and Africa and Asia); one is for Global Production and Operational Excellence, one for Clean Ammonia and one for Industrial Solutions. The addition, in February 2021, Yara Clean Ammonia, a new operational segment, was formed to focus on growth opportunities within carbon-free food solutions, shipping fuel and other clean ammonia applications.

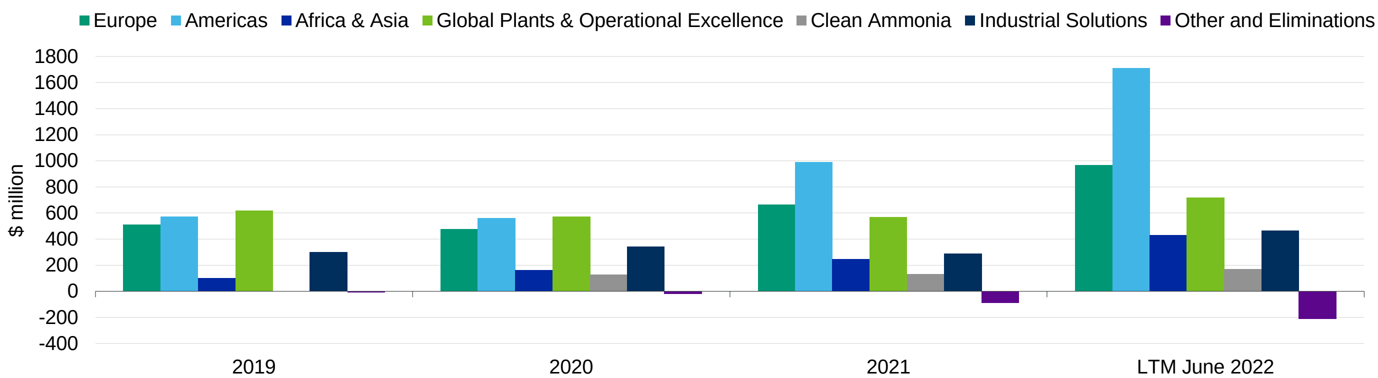
Detailed credit considerations

Leading global position in nitrogen fertilisers and global network help buffer earnings volatility

As the world's largest producer of nitrogen fertilisers, Yara's business profile is underpinned by the significant scale and high degree of integration of its operations, its diversified and distribution-focused business model, and its leading positions in the global fertiliser market. To complement the company's nitrogen fertiliser product offerings, the company also markets and distributes phosphate and potash-based fertilisers, largely sourced from third parties. Yara markets both commodity based fertilisers, such as urea and premium fertilisers, such as NPK and nitrate-based fertilisers. The company has more recently extended its product offering to include digital farming tools, which will enable farmers to increase yields and sustainability of crop production.

These positives are tempered by the relatively high earnings volatility that is characteristic of its core nitrogen-based fertiliser business. Profitability margins for nitrogen fertilisers are predominantly determined by the spread between fertiliser prices and natural gas prices. Although there is a positive long-term relationship between these prices, margins are exposed to periodic market supply and demand imbalances, resulting from extended periods of investments for capacity additions, the seasonality and cyclicality of agricultural markets and grain prices, and the company's exposure to swings in both energy and raw material costs. Yara is significantly exposed to feedstock costs, particularly natural gas, which can account for up to 80% of the total input costs for production, depending on gas prices and commodity prices for urea, which set the global commodity reference price for nitrogen fertilisers. More positively, the company's premium fertiliser products, NPK and nitrate-based fertilisers, although exposed to fluctuations in phosphate and potash markets, are typically more stable.

Exhibit 5
Reported EBITDA by operating division



Sources: Company and Moody's Investors Service

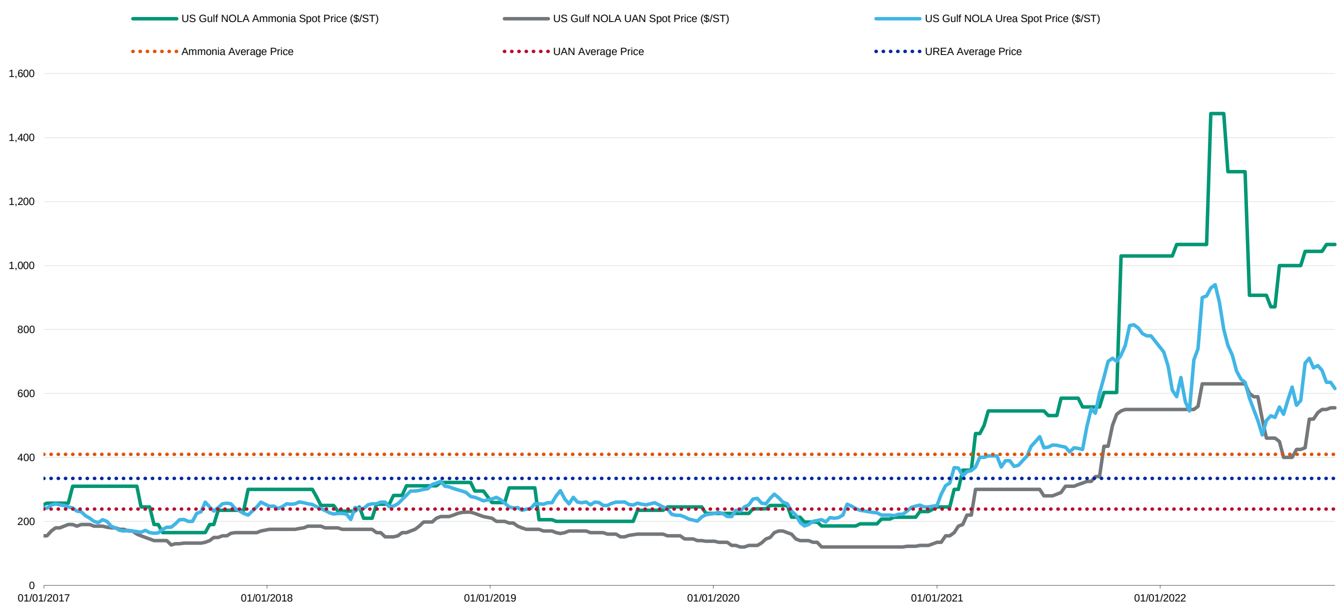
Fertiliser prices have eased from record highs, but are likely to remain elevated above the 5-year average

The demand for fertiliser products is largely dependent on demand by the global agricultural industry for crop nutrients, which are required to maintain consistent grain yields. Economic recovery and higher grain prices in 2021-22 improved farmers' profitability and the demand for fertiliser products, supporting favourable industry fundamentals for Yara. However, the supply of fertiliser has been constrained by higher energy costs, production curtailment and logistics difficulties. This dynamic has been exacerbated by the Russia-Ukraine conflict and the subsequent sanctions imposed by the US, the UK, European Union and other governments, further reducing fertiliser supply. Russia is the second-largest producer and supplier of gas to Europe (a key raw material used in the manufacture of nitrogen-based fertiliser products), a major exporter of potash, ammonia, urea and other soil nutrients, and together with Ukraine, is the largest global exporter of commodity grains. The imposition of sanctions on Russia has disrupted shipments of both key fertiliser inputs and grains. The interruption to crop planting, grain production and the closure of the Odessa port in Ukraine further reduced commodity grain supply and pushed grain prices to record highs, underpinning the demand for fertiliser and other agricultural products.

More recently, grain prices have eased, but remain high compared with pre-coronavirus pandemic levels. While grain prices continue to support farmers' profitability, inflationary pressures on farm inputs, which include fuel for harvesting equipment and grain trucks, tempers the strong demand for fertilisers, which in turn lowers crop yields, further contributing to inflationary pressures. Farmers may delay purchases or split applications to spread costs amid expectations that fertiliser prices will continue to fall from their peak in May 2022. Our base case assumes fertiliser prices, having declined from their peak in May 2022 as trade flows adjust, will remain elevated, above their five-year averages. Additionally, we expect the impact of sanctions and lower exports from China to somewhat offset industry expectations of new capacity additions. Potential shifts in the global cost curve will occur because of the volatility in gas prices. Higher fertiliser prices will support Yara's earnings for YE 2022. Even if prices decline, Yara's increasing focus on expanding sales of products where pricing and demand is less volatile, and improvements in operational efficiencies, derived from the Yara Improvement Program 2.0 (YIP), will ensure the company's resilience to volatile market conditions to a large extent. Around 50% of Yara's total deliveries are derived from value-added products such as calcium nitrate (CN), compound fertiliser (NPK) and differentiated products, such as calcium ammonium nitrate (CAN) and ammonium nitrate (AN), all of which attract solid price premiums. Furthermore, Yara benefits from relatively low fixed cash costs (10%-15%) and has a leading cost position in Europe, underpinned by the significant economies of scale of its operations.

Exhibit 6

Nitrogen fertiliser prices eased form record highs but are likely to remain elevated above the 5-year average



Source: Bloomberg

Substantial exposure to volatile natural gas supply and prices

Yara uses natural gas to produce ammonia, the key intermediary in the production of nitrogen based chemical products and fertilisers. Once produced, ammonia is used for its nitrogen content for fertilisers or as a building block for upgraded nitrogen fertilisers, such as urea. As the principal raw material used to produce ammonia, 70% of natural gas is used as the feedstock for fertilisers and 30% for the heating process and providing electricity. Yara uses natural gas as a fossil fuel for nitrogen production, to heat reactors to high temperatures and provide steam and electricity. Therefore, the continuity and cost of production of nitrogen fertilisers are highly dependent on both the reliable supply and price of natural gas, which is the principal raw material and primary fuel source used in the ammonia production process. The Russia-Ukraine conflict has impacted global fertiliser feedstock prices and energy prices, including natural gas in Europe, which directly increases Yara's production costs and tempers the agricultural sector's demand for fertiliser products. Higher energy prices contribute to inflationary pressures, general economic conditions, prices of farm input costs and farmer's spending patterns.

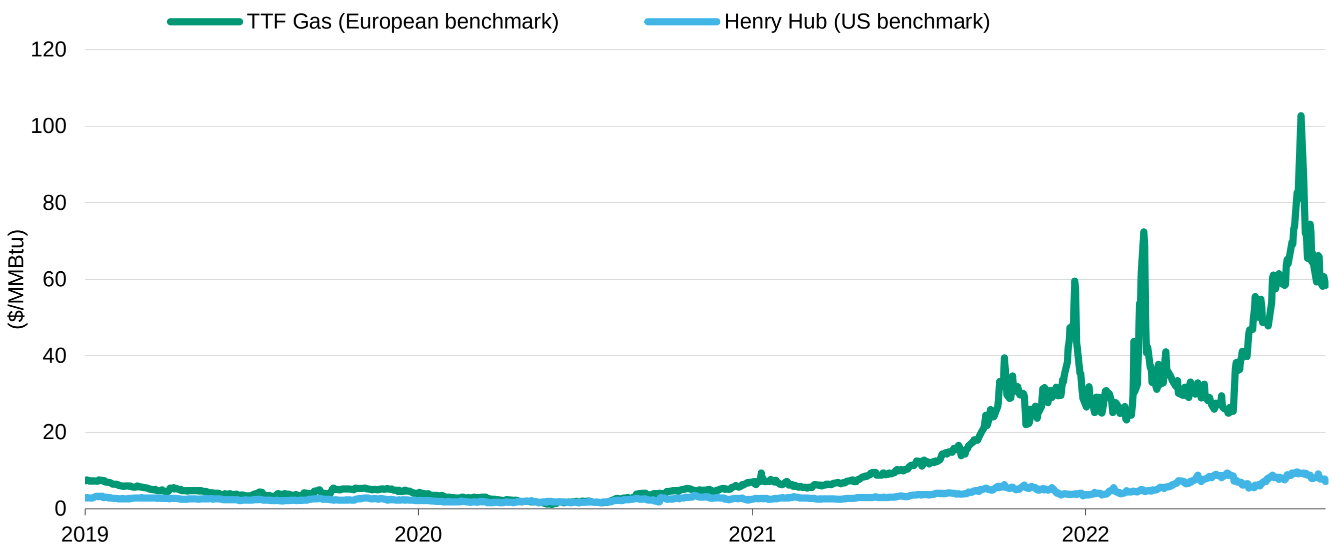
Yara's European gas contracts are based on spot-hub prices. The company benefits from a natural hedge in the correlation between nitrogen fertiliser prices and global energy prices Natural gas prices can be volatile. Record gas prices and continued restrictions of gas supplies in Europe, have negatively impacted Yara's production. As a consequence of record high natural gas prices in Europe in late August 2022, Yara curtailed its production across several of its sites as the cost of production threatened to erode profit margins. In August 2022, Yara's production curtailment in Europe amounted to an annual capacity equivalent of 3.1 million tonnes of ammonia and 4.0 million tonnes of finished products (1.8 million tonnes of urea, 1.9 million tonnes of nitrates and 0.3 million tonnes of NPK), resulting in a total

European ammonia utilisation capacity of around 35%. Yara's ability to cease production and restart it as European forward natural gas prices ease from record highs provides the company with a degree of flexibility, thereby avoiding production with negative margins. Yara has the ability to rely on its scale, diversification and global footprint to offset production curtailment with continued production in other regions. Most of Yara's nitrate and NPK production plants in Europe are flexible on ammonia source and located close to the sea ports, which together with world leading ammonia trade and shipping capabilities enables opportunities to import ammonia and maintain a large part of production of nitrates and NPKs in the times when natural gas-based production is curtailed.

For 2021 and the first half of 2022, increases in fertiliser prices more than offset increases in cost of raw materials and the average cost of production, underpinning earnings growth during the respective periods. Nevertheless, Yara remains significantly exposed to the interruption in supply of natural gas purchased from third parties, which is used for the production of ammonia fertilisers and is the major contributor to the impact of raw material price inflation, when gas prices are high.

Exhibit 7

European gas prices TTF compared with US Henry Hub Prices



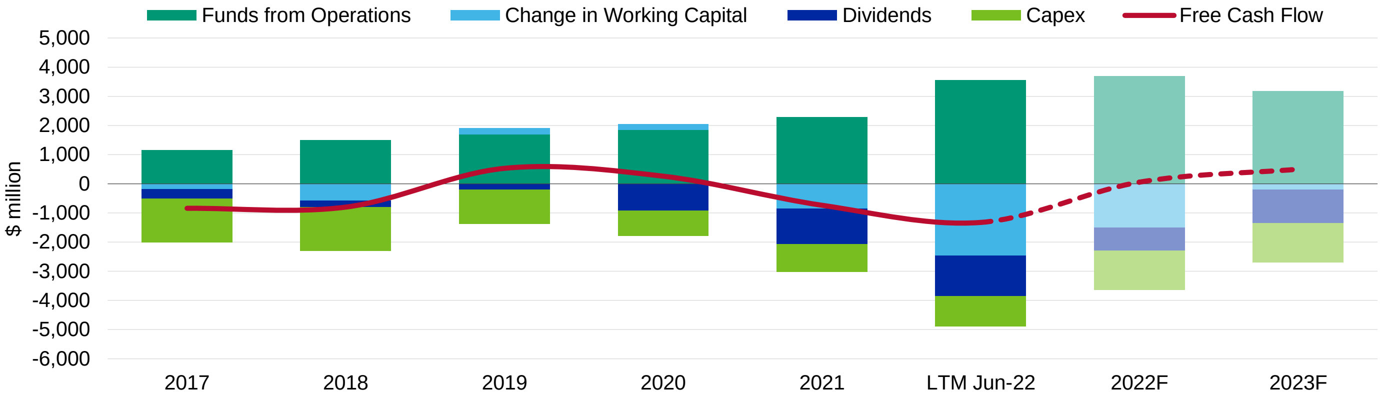
Source: Bloomberg

Free cash flow (FCF) hindered in 2022 as a result of the build-up in working capital and higher-than-normal shareholder distributions

Disruptions in supply chains following the aftermath of the pandemic have been exacerbated by the Russia-Ukraine conflict. Yara has historically sourced phosphate, potash, ammonia and significant volumes of natural gas from Russia for its production in Europe. Following the imposition of sanctions, Yara stopped sourcing from certain suppliers, replacing supplies of ammonia from producers in the Middle East, North Africa, North America and the Caribbean. For phosphates and potash, Yara entered into new contracts and increased volumes under existing contracts to secure supply to meet production and distribution. Yara's global presence and distribution networks are an effective mitigant to supply chain disruptions. Nevertheless, the initial supply disruptions, the renegotiation of contracts, and high raw material prices negatively impacted working capital in 2021-22. Higher-than-normal returns to shareholders in the same period, together with the primarily price driven investment in working capital hindered FCF. We expect Yara to return to positive FCF by year-end 2022 with improvements in supply chains, maintenance of rigorous working capital management, easing in raw material prices and a return to a normal dividend policy of 50% of net income to shareholders. We positively view Yara's commitment to a publicly stated net leverage target of 1.5x-2.0x and net debt/equity below 60%.

Yara has established a long track record of prudently managing financial policies to achieve an effective balance between maintaining credit metrics within the Baa2 rating category, maintaining capital investment with capacity for new projects, and distributing returns to shareholders, while operating in an industry subject to cyclical trends in end-user markets, supply and demand imbalances and weather conditions.

Exhibit 8
FCF development



Sources: Company and Moody's Investors Service

Strong credit metrics with ample headroom within the Baa2 rating category

We expect Moody's-adjusted gross debt/EBITDA to improve to less than 1x in 2022 from 1.6x in 2021 and to stabilise between 1.0x and 1.5x through 2023-24. We also expect RCF (before working capital and after dividends)/debt to improve to 66% after year-end 2022 before stabilising around 35%-45% in 2023 and 2024. Our expectations are based on the company's capital spending target of no greater than a yearly average over the cycle of $1.2 billion (of which around $800 million is apportioned to maintenance capital spending), allowing sufficient headroom for new projects and a continued balanced approach to capital allocation. Therefore, we expect Yara to maintain ample headroom under the current Baa2 rating with the ability to accommodate the cyclicality in the fertiliser industry.

The development of a clean energy growth strategy

Conventional ammonia production, which uses natural gas as a raw material, emits a significant amount of CO_2. Yara is making progress with its initiatives to decarbonise the production of nitrogen fertilisers and the development of clean fuel for shipping to meet the environmental challenges facing the fertiliser, and broader agricultural food, marine transportation and other industrial sectors, while at the same time exploring business development opportunities. Blue ammonia (carbon capture and storage) and green ammonia (fossil-fuel free production of ammonia) will form an integral role in decarbonising fertiliser and agricultural food production. Yara is well placed with its industry-leading position and extensive distribution network to use its existing infrastructure to develop the future hydrogen economy. Yara is currently planning a number of projects, including the HEGRA green ammonia project in Porsgrunn, Norway, one of Yara's largest CO_2 emission points. The project is designed to achieve the full electrification of HEGRA, decarbonising ammonia production, removing 800,000 tonnes of annual CO_2 emissions, and thereby enabling the production of green fertilisers and green ammonia marine fuel to decarbonise the shipping sector. The project aims to produce ammonia with renewable energy and constitutes the first and one of the largest green ammonia projects globally. Additionally in December 2021, Yara made the decision to invest in the 24 MW demonstration plant in Porsgrunn. The project benefits from a NOK 283.25 million grant from Enova. We view these projects and other carbon capture projects undertaken by Yara Clean Ammonia (YCA) as credit positive, but we do not expect the projects to significantly improve the company's earnings profile, in the near term.

In June 2022, Yara established YCA as a new legal entity and separate wholly-owned subsidiary of Yara, for which the company ultimately aims to achieve a standalone capital structure. YCA remains core to Yara's strategy and Yara will continue to provide long-term backing to YCA as its majority shareholder and preferred partner. To achieve scale in carbon capture, the conversion of its production to clean ammonia and the development of clean ammonia as a shipping fuel will require substantial capital spending. At the same time Yara issued a Green financing framework which documents the strategic direction to issue green bonds.

The current strong nitrogen fertiliser prices have supported earnings growth, but the more recent significant negative swing in working capital and a strong commitment to shareholder returns has absorbed Yara's FCF and hindered the company's ability to build cash resources, which could, along with potential debt raises, support further large scale organic or inorganic growth opportunities in blue or green ammonia. The company has not committed to further large capital spending projects at this time. We expect the company's current rating to accommodate future debt raises, including the proposed green bond programme, pending Yara's ability to unwind the working capital investment in the next two quarters, thereby returning to positive FCF. Yara remains committed to shareholder returns with a stable dividend policy for 50% of net income and moderately sized share repurchase programmes, from time to time. Yara's commitment to a mid-Baa investment-grade rating is credit positive. Given the focus on clean energy growth, the company may seek to raise equity, or engage with project partners if it pursues large scale blue or green ammonia projects, mitigating the financial risks of future projects.

ESG considerations

Yara International ASA's ESG Credit Impact Score is Moderately Negative CIS-3

Exhibit 9
ESG Credit Impact Score

CIS-3

Moderately Negative

For an issuer scored CIS-3 (Moderately Negative), its ESG attributes are overall considered as having a limited impact on the current rating, with greater potential for future negative impact over time. The negative influence of the overall ESG attributes on the rating is more pronounced compared to an issuer scored CIS-2.

Source: Moody's Investors Service

CIS 3 - The Credit Impact Score for Yara International ASA is moderately negative. This reflects our assessment that the ESG exposures are overall considered to have a limited impact on the rating. Yara has highly negative environmental and social risks and is neutral to low governance risks. Governance risk assessment benefits from the adoption of conservative financial policies, strong management credibility, track record, and transparent, reliable compliance and reporting.

Exhibit 10
ESG Issuer Profile Scores

ENVIRONMENTAL	SOCIAL	GOVERNANCE
E-4	S-4	G-2
Highly Negative	Highly Negative	Neutral-to-Low

Source: Moody's Investors Service

Environmental
IPS 4 - Yara has a highly negative exposure to environmental risks. Yara, a leading global fertilizer producer plays an important role in agricultural food production which is in turn heavily exposed to climate risk. Unpredictable and extreme weather conditions negatively impact crop production and contribute to volatility in agricultural commodity prices and the demand for fertilizer, a risk that is largely mitigated by the scale and diversity of Yara's activities. At the same time, conventional fertilizer production causes harmful emissions into the air, soil, and water. The consumption of hydrocarbons, mostly natural gas, for the ammonia production process, is both Yara's main feedstock and energy source. The use of fertilizers comes with the risks of soil leaching, nutrient imbalance, and the run-off polluting waterways. Accordingly, Yara is actively engaged with farmers by applying scientific tools to assist in reducing nutrient loss. We acknowledge Yara is a first mover in fostering the future of carbon capture and clean hydrogen and ammonia-based economy, both critical initiatives to play a part in the potential to decarbonize agriculture, promote sustainable food production, and offer an alternative to fossil fuels. Nevertheless, Yara remains exposed to an increasing trend for more stringent regulations relating to an environmental risk which could have a substantial impact on earnings. Collaboration with government agencies, private companies, and organizations will be required to facilitate and fund large-scale carbon capture and clean hydrogen and ammonia projects designed to meet global emission targets.

Social
IPS 4 -Yara has highly negative exposure to social risks. Yara operates large industrial plants, distribution, and storage facilities, and many of Yara's raw materials, intermediaries, and products are classified as hazardous to human health, thereby presenting occupational risks, and the possibility of accidents, and injuries. Yara's social risk assessment benefits from a strong safety record and long-standing business-to-business customer relations.

Governance
IPS 2 - Yara has neutral to low governance risks. Yara maintains a conservative financial strategy and risk management, with a strong balance sheet and liquidity position. The company has a publicly stated commitment to an investment-grade rating, which has been maintained throughout years of operating in a volatile industry, a testament to the management's credibility and track record.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Liquidity analysis
Yara maintains sound liquidity. As of 30 June 2022, the company had cash balances of $579 billion, as well as a long-term committed revolving credit facility of $1.1 billion. The facility is currently undrawn and has been extended to July 2026 through the second extension option. The large liquidity buffer should enable Yara to meet total debt maturities of around $450 million falling due in the next 12 months to June 2023, including lease liabilities,and cover any negative FCF over the same period. In February 2022, Yara sold the Serra do Salitre phosphate project in Brazil to EuroChem Group for $452 million.

Methodology and scorecard

The principal methodology used in rating Yara is our Chemical Industry rating methodology.

Our Chemical Industry scorecard indicates a Baa1 rating for the 12 months that ended June 2021 and for the 12-18 month forecast period, which is one notch above the assigned rating. The Baa2 rating reflects Yara's exposure to the fertiliser price cycle. Because of its 36% ownership by the Government of Norway, Yara falls within the scope of our Government-Related Issuers rating methodology. Under this methodology, we continue to assume low dependence, considering Yara's broadly diversified international footprint and the modest operational and financial links between the company and the government. Furthermore, our assumption of low support from the Norwegian government reflects the absence of guarantees or formal obligations on behalf of the Norwegian government to support Yara's obligations; the government's track record of supporting capital raising, jointly with other shareholders; no precedent of direct government intervention; and the relative importance of Yara to the domestic economy. Although recent steps to broaden Yara's international profile diversify and strengthen its standalone credit quality, they further reduce its domestic concentration in Norway. Based on our assumptions of low dependence and low support, the Baa2 rating does not currently incorporate any uplift from the Baa2 Baseline Credit Assessment.

Exhibit 11

Rating factors

Yara International ASA

Chemical Industry Scorecard [1][2]	Current LTM 6/30/2022		Moody's 12-18 Month Forward View As of 10/17/2022 [3]	
Factor 1 : Scale (15%)	**Measure**	**Score**	**Measure**	**Score**
a) Revenue (USD Billion)	$21.9	A	$19 - $21	A
b) PP&E (net) (USD Billion)	$7.2	Baa	$7 - $7.5	Baa
Factor 2 : Business Profile (25%)				
a) Business Profile	Baa	Baa	Baa	Baa
Factor 3 : Profitability (10%)				
a) EBITDA Margin	19.3%	Baa	17% - 20%	Baa
b) ROA (Return on Average Assets)	18.5%	A	12% - 16%	Baa
Factor 4 : Leverage & Coverage (30%)				
a) Debt / EBITDA	1.0x	A	1x - 1.5x	A
b) RCF / Debt	50.8%	A	35% - 45%	A
c) EBITDA / Interest Expense	20.4x	A	19x - 23x	A
Factor 5 : Financial Policy (20%)				
a) Financial Policy	Baa	Baa	Baa	Baa
Rating:				
a) Scorecard-Indicated Outcome		Baa1		Baa1
b) Actual Rating Assigned				Baa2
Government-Related Issuer	**Factor**			
a) Baseline Credit Assessment	Baa2			
b) Government Local Currency Rating	Aaa			
c) Default Dependence	Low			
d) Support	Low			
e) Actual Rating Assigned	Baa2			

[1] All ratios are based on adjusted financial data and incorporate our global standard adjustments for non-financial Corporations. [2] As of LTM 06/30/2022. [3] This represents our forward view, not the view of the issuer, and unless noted in the text, does not incorporate significant acquisitions and divestitures.

Source: Moody's Investors Service

Appendix

Exhibit 12

Peer comparison

	Yara International ASA Baa2 Stable			Nutrien Ltd. Baa2 Stable			Mosaic Company (The) Baa2 Stable			CF Industries, Inc. Baa3 Stable			OCI N.V. Baa3 Stable		
(in USD Millions)	FYE Dec-20	FYE Dec-21	LTM Jun-22	FYE Dec-20	FYE Dec-21	LTM Jun-22	FYE Dec-20	FYE Dec-21	LTM Jun-22	FYE Dec-20	FYE Dec-21	LTM Jun-22	FYE Dec-20	FYE Dec-21	LTM Jun-22
Revenue	$11,591	$16,617	$21,898	$20,908	$27,712	$35,454	$8,682	$12,357	$16,555	$4,124	$6,538	$10,159	$3,474	$6,319	$8,922
EBITDA	$2,100	$2,777	$4,229	$3,500	$6,725	$11,768	$1,537	$3,459	$5,433	$1,437	$2,746	$5,402	$784	$2,466	$3,653
Total Debt	$4,743	$4,570	$4,274	$11,829	$11,281	$12,138	$4,763	$4,416	$4,145	$4,423	$3,828	$3,310	$4,858	$4,303	$3,302
Cash & Cash Equiv.	$1,331	$350	$486	$1,454	$499	$711	$574	$770	$839	$683	$1,628	$2,370	$686	$1,580	$2,097
EBITDA Margin	18.1%	16.7%	19.3%	16.7%	24.3%	33.2%	17.7%	28.0%	32.8%	34.8%	42.0%	53.2%	22.6%	39.0%	40.9%
ROA - EBIT / Avg. Assets	6.8%	10.6%	18.5%	3.3%	9.9%	18.0%	3.2%	12.3%	19.8%	3.8%	14.5%	35.0%	2.0%	19.3%	31.0%
EBITDA / Int. Exp.	12.7x	17.9x	20.4x	7.2x	13.2x	23.2x	6.0x	15.0x	24.2x	7.1x	13.7x	12.6x	2.9x	10.1x	13.5x
Debt / EBITDA	2.3x	1.6x	1.0x	3.4x	1.7x	1.0x	3.1x	1.3x	0.8x	3.1x	1.4x	0.6x	6.2x	1.7x	0.9x
RCF / Debt	19.6%	23.3%	50.8%	14.5%	39.7%	64.2%	21.4%	61.7%	107.9%	21.4%	55.8%	119.6%	9.4%	29.9%	58.5%

Source: Moody's Financial Metrics™. All figures & ratios calculated using Moody's estimates & standard adjustments. FYE = Financial Year-End. LTM = Last Twelve Months. RUR = Ratings under Review, where UPG = for upgrade and DNG = for downgrade.*

All figures and ratios are based on adjusted financial data and incorporate our global standard adjustments for non-financial corporations.
Source: Moody's Financial Metrics™

Exhibit 13

Moody's-adjusted debt breakdown

Yara International ASA

(in USD Millions)	FYE Dec-17	FYE Dec-18	FYE Dec-19	FYE Dec-20	FYE Dec-21	LTM Jun-22
As Reported Debt	**2,911**	**3,998**	**4,025**	**4,294**	**4,326**	**4,030**
Pensions	378	319	330	449	244	244
Operating Leases	510	570	0	0	0	0
Moody's-Adjusted Debt	**3,799**	**4,887**	**4,355**	**4,743**	**4,570**	**4,274**

Source: Moody's Financial Metrics™. All figures are calculated using Moody's estimates and standard adjustments.

All figures and ratios are based on adjusted financial data and incorporate our global standard adjustments for non-financial corporations.
Source: Moody's Financial Metrics™

Exhibit 14

Moody's-adjusted EBITDA breakdown

Yara International ASA

(in USD Millions)	FYE Dec-17	FYE Dec-18	FYE Dec-19	FYE Dec-20	FYE Dec-21	LTM Jun-22
As Reported EBITDA	**1,430**	**1,225**	**1,934**	**1,955**	**2,532**	**3,951**
Pensions	-2	6	2	-1	-6	-6
Operating Leases	170	190	0	0	0	0
Unusual	-88	251	150	146	251	284
Non-Standard Adjustments	-29	-82	-65	0	0	0
Moody's-Adjusted EBITDA	**1,481**	**1,590**	**2,021**	**2,100**	**2,777**	**4,229**

Source: Moody's Financial Metrics™. All figures are calculated using Moody's estimates and standard adjustments.

All figures and ratios are based on adjusted financial data and incorporate our global standard adjustments for non-financial corporations.
Source: Moody's Financial Metrics™

Exhibit 15

Historical Moody's-adjusted financial data

Yara International ASA

(In USD Millions)	2018	2019	2020	2021	LTM Jun-22
INCOME STATEMENT					
Revenues	12,928	12,858	11,591	16,617	21,898
EBITDA	1,590	2,021	2,100	2,777	4,229
EBIT	619	1,099	1,135	1,792	3,277
Interest Expense	228	223	165	155	207
BALANCE SHEET					
Cash & Cash Equivalents	150	265	1,331	350	486
Total Debt	4,887	4,355	4,743	4,570	4,274
Net Debt	4,737	4,090	3,412	4,220	3,788
CASH FLOW					
Funds from Operations	1,499	1,693	1,856	2,278	3,554
Change in Working Capital items	(579)	214	191	(872)	(2,486)
Cash Flow from Operations	920	1,907	2,047	1,429	1,091
Capital Expenditures (CAPEX)	(1,500)	(1,174)	(861)	(951)	(1,030)
Dividends	(219)	(203)	(926)	(1,214)	(1,385)
Free Cash Flow (FCF)	(799)	530	260	(736)	(1,324)
Retained Cash Flow (RCF)	1,280	1,490	930	1,064	2,169
RCF / Total Debt	26.2%	34.2%	19.6%	23.3%	50.8%
RCF / Net Debt	27.0%	36.4%	27.3%	25.2%	57.3%
PROFITABILITY					
EBIT Margin %	4.8%	8.5%	9.8%	10.8%	15.0%
EBITDA Margin %	12.3%	15.7%	18.1%	16.7%	19.3%
INTEREST COVERAGE					
EBIT / Interest Expense	2.7x	4.9x	6.9x	11.5x	15.8x
EBITDA / Interest Expense	7.0x	9.1x	12.7x	17.9x	20.4x
LEVERAGE					
Total Debt / EBITDA	3.1x	2.2x	2.3x	1.6x	1.0x
Net Debt / EBITDA	3.0x	2.0x	1.6x	1.5x	0.9x

All figures and ratios are based on adjusted financial data and incorporate our global standard adjustments for non-financial corporations.
Source: Moody's Financial Metrics™

Ratings

Exhibit 16

Category	Moody's Rating
YARA INTERNATIONAL ASA	
Outlook	Stable
Issuer Rating	Baa2
Senior Unsecured	Baa2

Source: Moody's Investors Service

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