



Knowledge grows

Yara International ASA

Lars Røsæg
CFO



Yara in numbers

About

17,000

employees

Sales to about

160

countries

Revenue

**USD 12.9
Billion**

in 2018

Born in Norway, we have pioneered agricultural growth and production for over 100 years

1900-1905



Birkeland's invention

Birkeland's discovery that hydroelectric power could be used to extract nitrogen from the air led to Norsk Hydro opening December 2, 1905.



1906-1939



Attracting Royal attention

New large scale production plants opening and under construction in Notodden and Rjukan respectively are visited by King Chulalongorn of Siam. The plant at Herøya established in 1928. First production of regular NPK fertilizer in 1938.



1940-1959



Extending our reach

Stockholm is home to a new sales office and the USA becomes a customer. The Glomfjord plant opens using hydroelectric power to upgrade ammonia to calcium nitrate and NPK.



1960-2003



Going global

Qafco JV established in 1969. Yara acquires companies in the Netherlands, Sweden, Germany, the UK, France, Italy and China and establishes an office in Zimbabwe. Adubos Trevo is acquired in Brazil.



2004-2014



Going public — industry shaper

March 25, 2004, Yara is listed on the Oslo Stock Exchange. The tagline 'Knowledge grows' introduced.

Yara offers solutions and work with public and private partners to create profitable and sustainable growth both for shareholders, stakeholders and society at large



Knowledge grows

2015 →



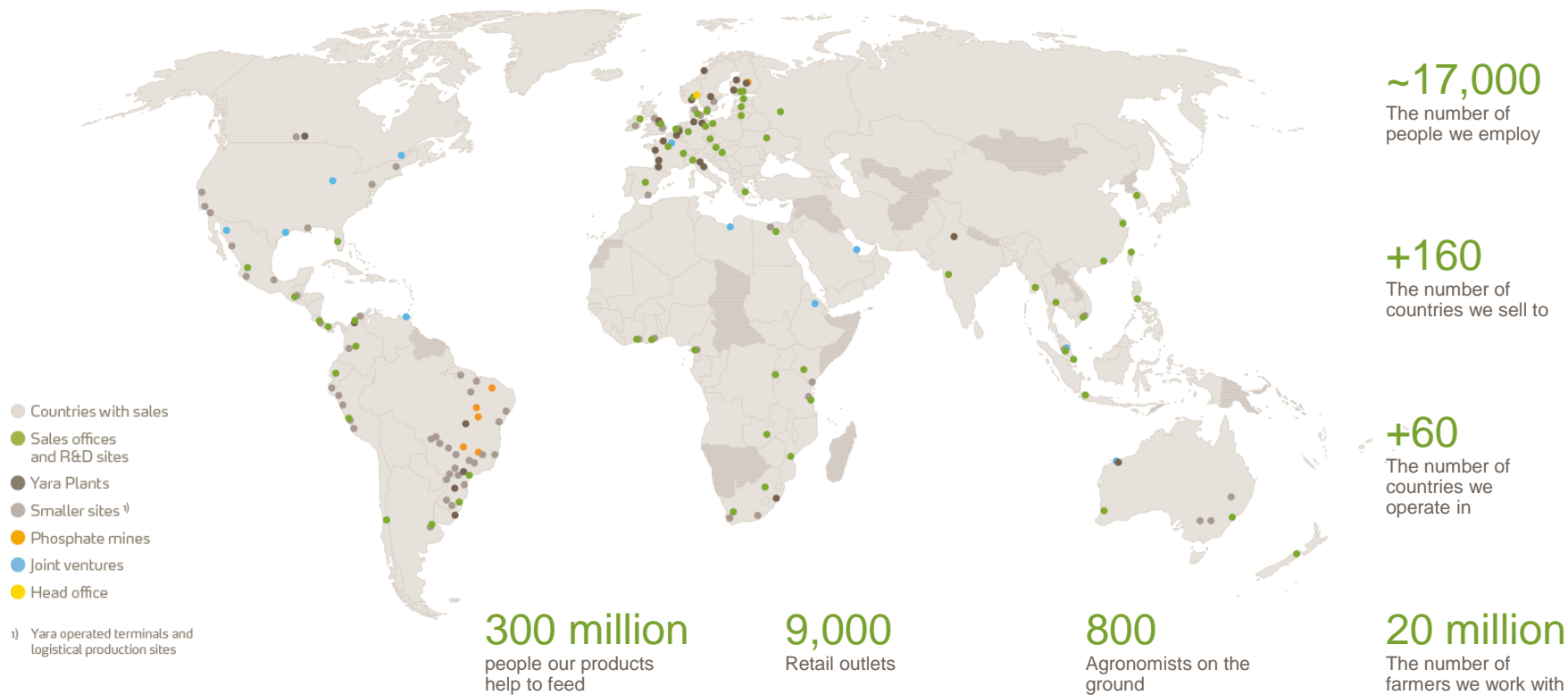
Knowledge grows — providing shared value

Yara's knowledge, products and solutions grow farmers', distributors' and industrial customers' businesses profitably and responsibly while nurturing and protecting the earth's resources, food and environment.



Knowledge grows

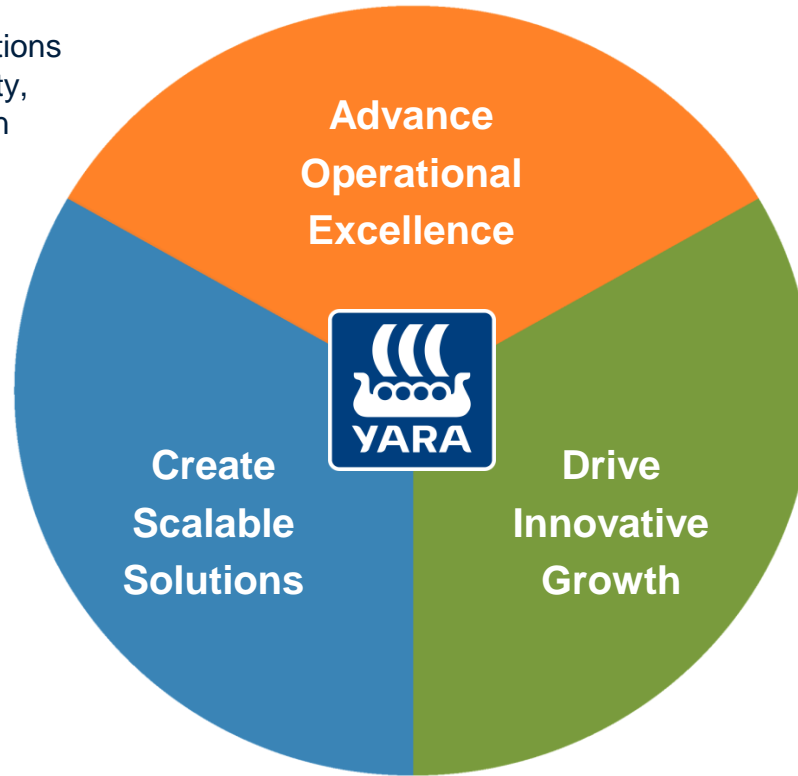
Our global presence is growing



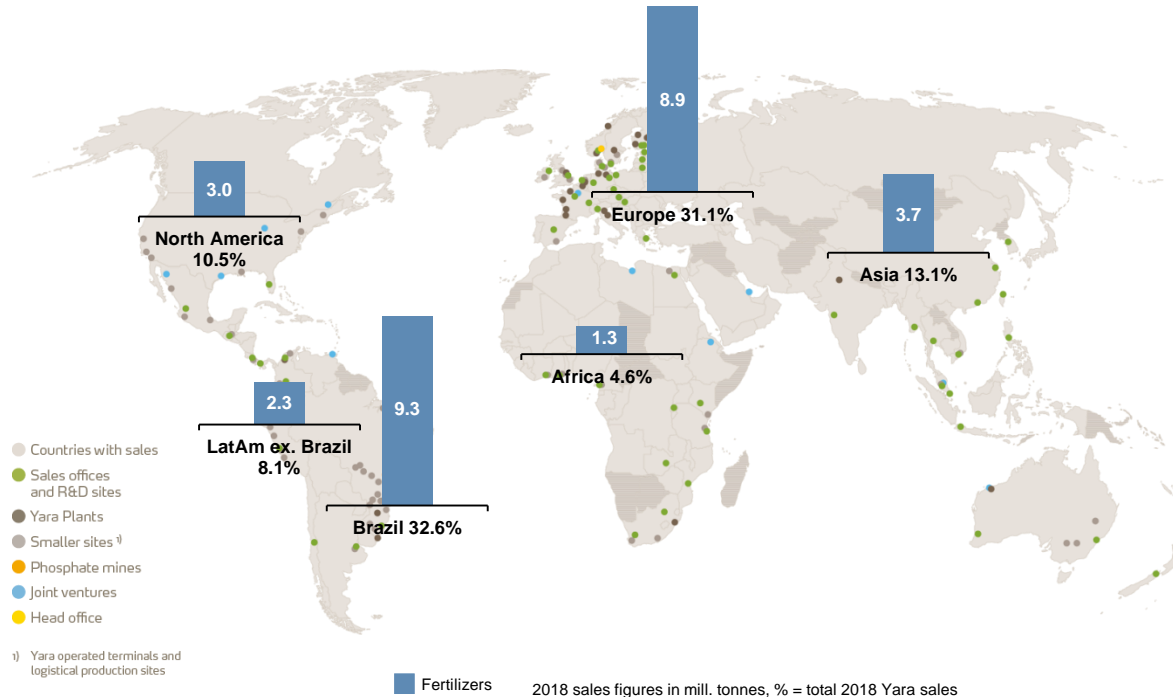
Business model & strategy

Our strategy: The crop nutrition company for the future

We will grow responsible solutions to farmers, industry and society, while delivering superior return on capital.



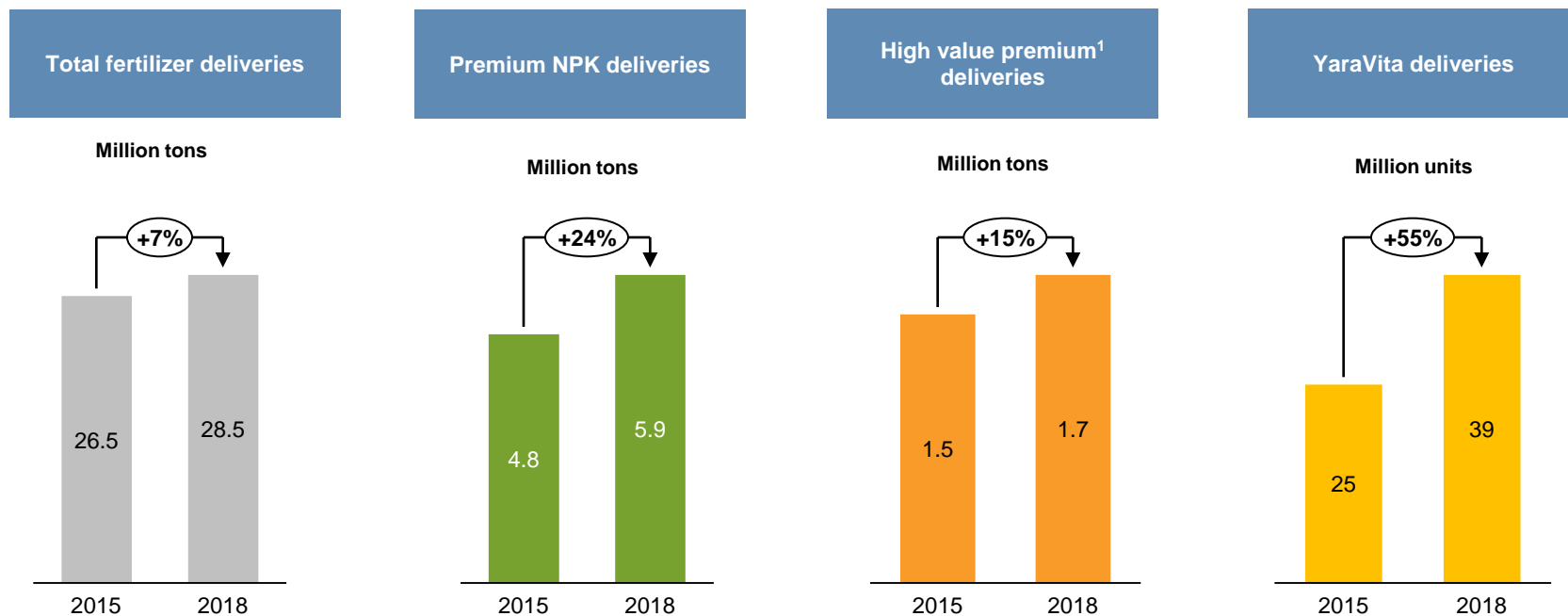
Yara's leading global market presence and differentiated product portfolio represent key sources of competitive edge



Key value drivers

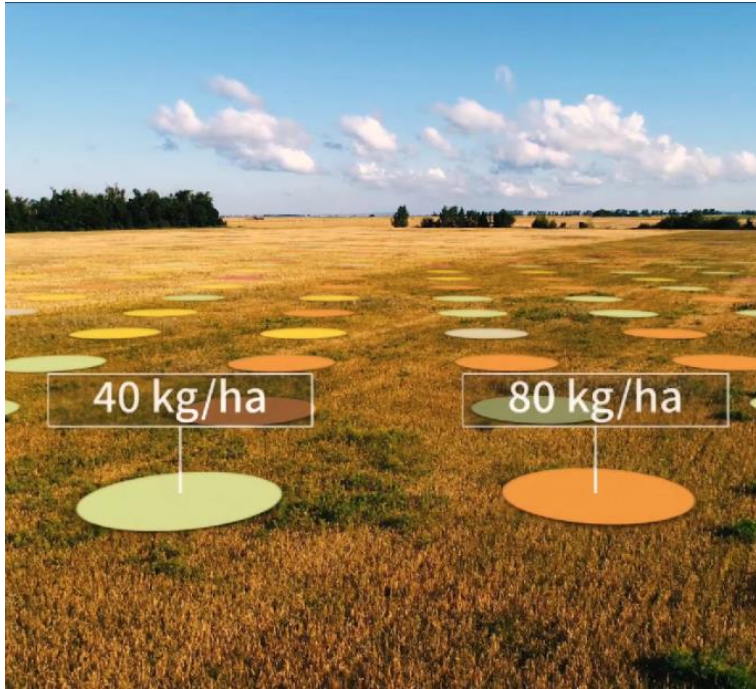
- Global presence and farmer interaction
- Global agronomic crop knowledge
- Crop-specific nutrition solutions based on a differentiated product portfolio
- Digital farming and value chain collaboration initiatives drive further growth
- Commercial excellence

Long-term premium product growth strategy is showing results



Premiums of more than USD 1 billion generated versus commodity alternative for premium NPKs, High value premium and YaraVita in 2018

Yara and IBM join forces to transform the future of farming



- Partnership agreement to build the world's leading digital farming platform, combining Yara's unrivalled agronomic knowledge and market presence with IBM's digital platforms, services and expertise in data analytics
- Yara and IBM will develop digital solutions for both professional and smallholder farmers to sustainably increase yields, crop quality, and incomes
- The joint platform will apply artificial intelligence, machine learning and in-field data to achieve worldwide coverage, aiming to reach 100 million hectares of farmland
- Yara and IBM will establish joint innovation teams, collaborating at digital hubs in Europe, Singapore, the US and Brazil
- The teams will work to develop new capabilities, such as visual analytics, machine learning techniques for crop identification and validation as well as field boundary digitization
- The first services are planned for end 2019

Sustainability has long been part of Yara's way of working

Uniquely positioned to help improve agricultural productivity



- Agriculture accounts for ~25% of the world's greenhouse gas emissions. More than half of this results from land use change
- Improving productivity of land is among the most efficient levers to achieve the Sustainable Development Goals
- **Yara is uniquely positioned to deliver solutions to meet this challenge**, through emission reductions in own production and technology helping the farmer reduce emissions in application and improve agricultural productivity

Sustainability has long had strong focus in Yara



- **Defining a crop nutrition strategy** focused on delivering value to farmers while achieving better agricultural and environmental outcomes
- **Driving 'on the ground' activities** such as implementing further energy efficiency improvements
- **Investing in and driving innovations** such as N₂O catalysts, AdBlue, and digital agriculture technologies such as the N-sensor
- **Driving programs** such as the Farm to Market Alliance and Cool Farm Alliance

Yara crop nutrition practices enable farmers to optimize application and thus lower emissions



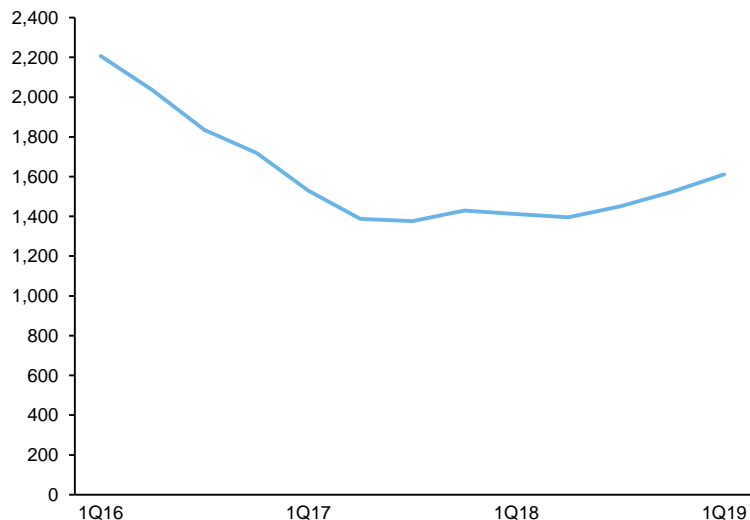
- **Precision farming** promotes best agricultural practices
- Yara's N-sensor, N-tester and water sensor help **optimize application rates and water use**
- Yara's solutions help farmers comply with environmental legislation while supporting their competitiveness

Results & performance

Improved first-quarter results

Earnings improvement continuing

L12M EBITDA excl. special items (MUSD)



Improved but not satisfactory profitability

- EBITDA excluding special items and IFRS 16 increased by 17%¹
- Improved margins and positive currency effects more than offset lower deliveries
- Production performance hit by technical issues in three plants
- Return on invested capital (ROIC) at 4.1%
- Strict capital allocation; focus on executing committed investments
- Dividend of NOK 6.50/share for 2018 proposed to AGM

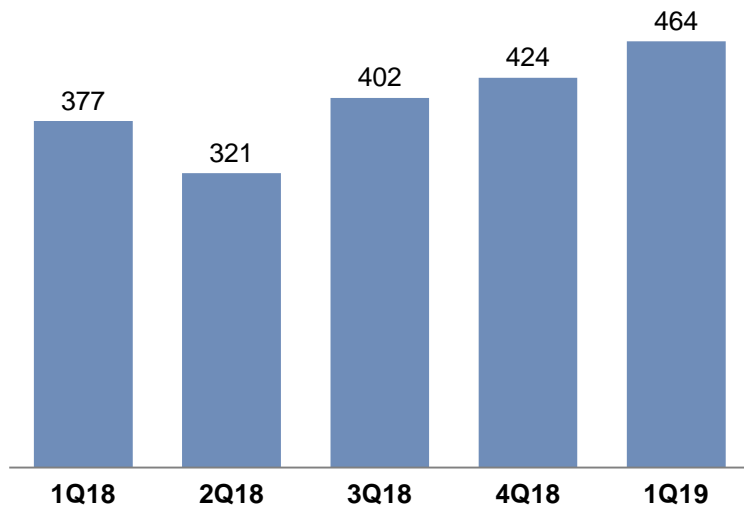
Performance overview

	1Q 2018	1Q 2019
EBITDA ex. special items <i>(USD millions)</i>	377	464
EPS excl. currency and special items <i>(USD per share)</i>	0.42	0.59
Cash from operations <i>(USD millions)</i>	234	254
Investments <i>(USD millions)</i>	736	243
ROIC <i>(12-month rolling)</i>	3.7%	4.1%

Improving earnings and profitability trend

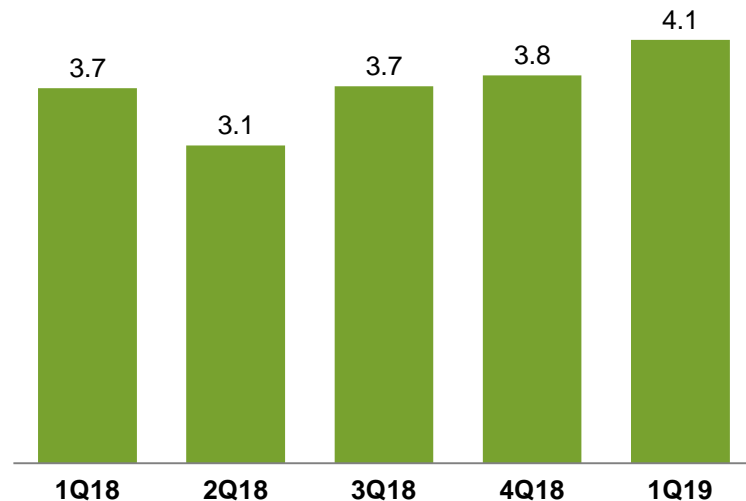
Quarterly EBITDA excl. special items

USD millions



LTM ROIC

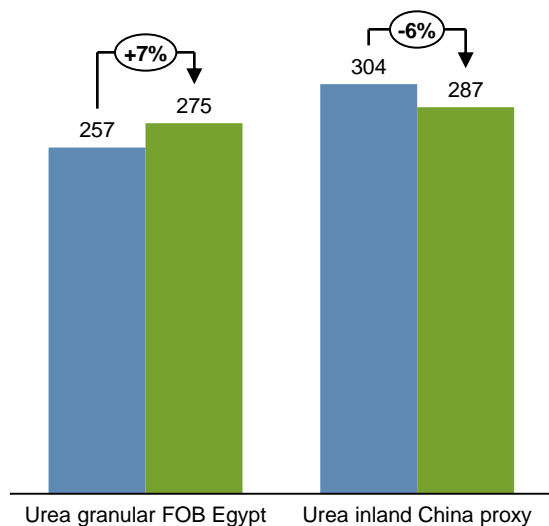
%



Improved European nitrogen upgrading margins

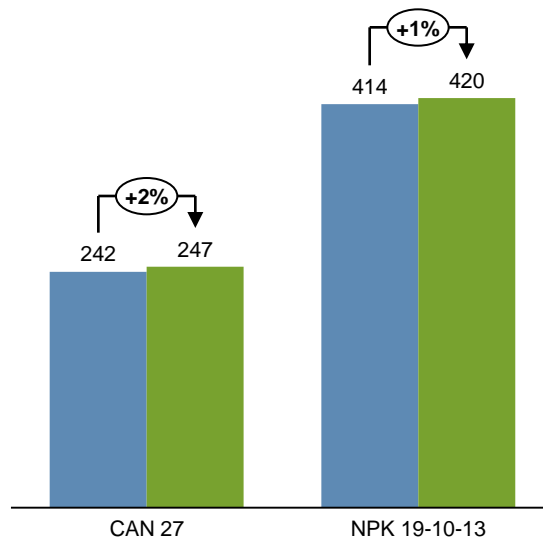
Higher urea prices outside China

Urea price development¹ (USD/t)



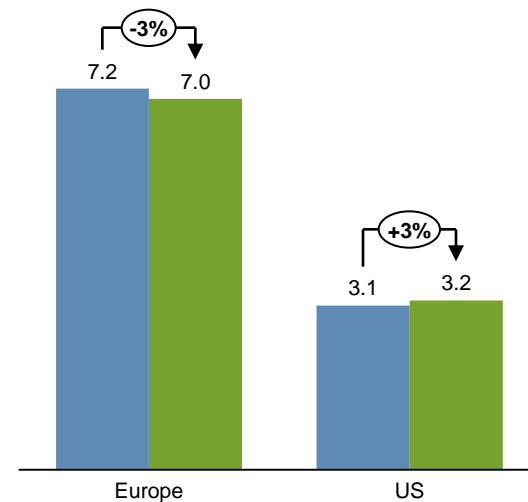
Higher realized nitrate and NPK prices

Yara's realized CAN and NPK price² (USD/t)



Lower European natural gas prices

Spot gas prices¹ (USD/Mmbtu)

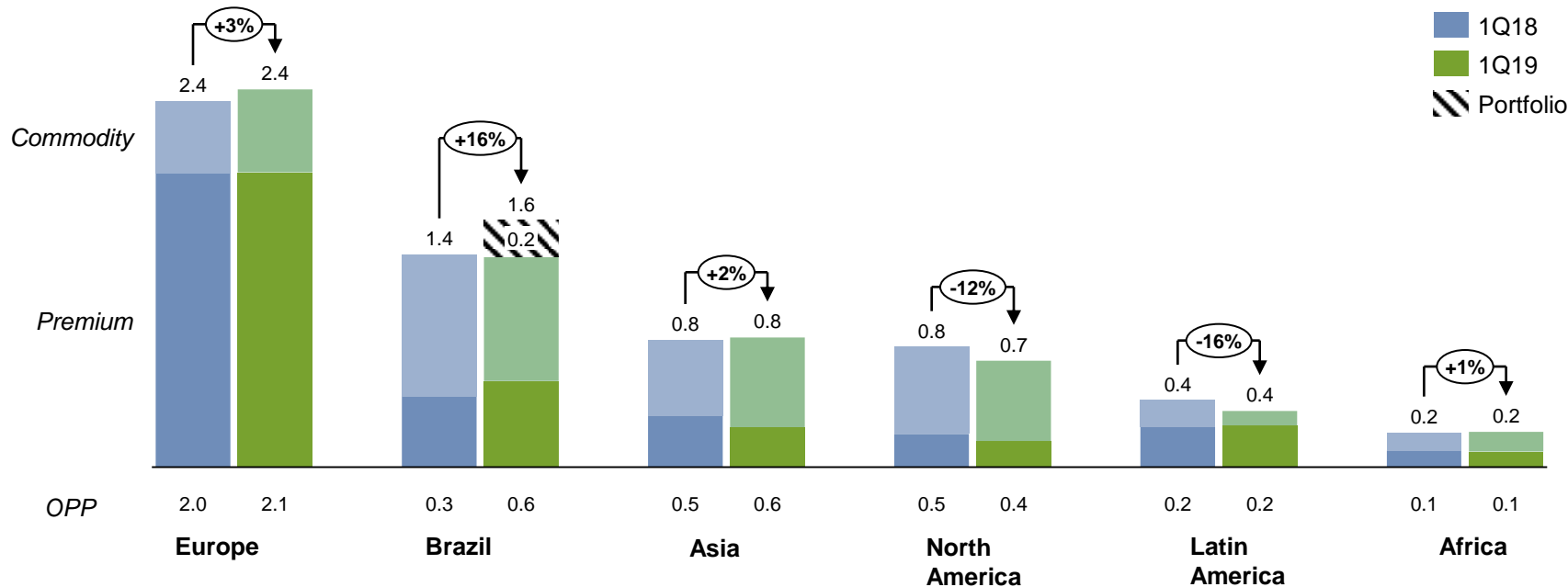


■ 1Q 18 ■ 1Q 19

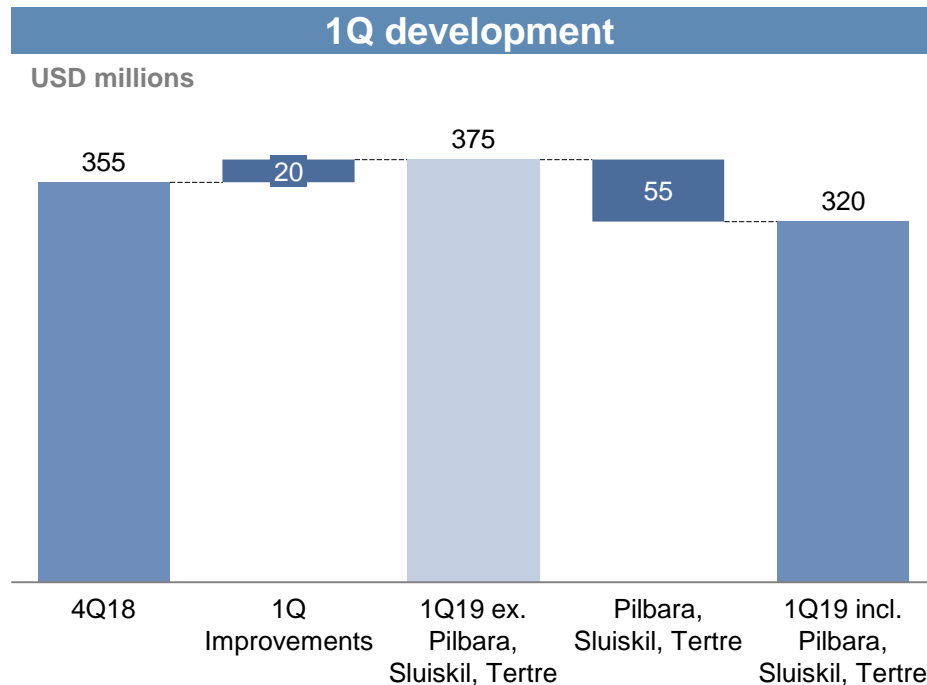
European fertilizer deliveries up 3% on last year, further increase in Brazilian premium deliveries

Total fertilizer deliveries

Mill. tonnes



Positive impact from improvement program, 1Q affected by production issues

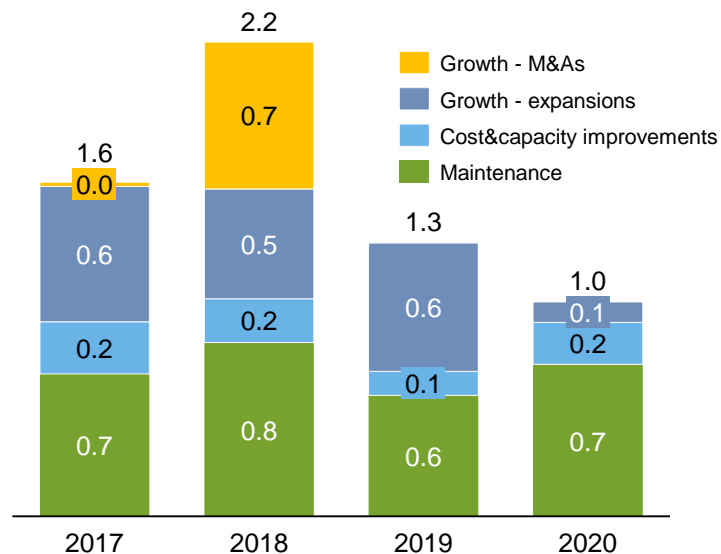


- Continued high activity, but unsatisfactory results as accumulated improvements were affected by production issues
- Underlying improvements adjusted for these issues were 375 MUS\$D, driven by strong performance in the rest of the production operations
- 2020 improvement target of 500 MUS\$D maintained

Capex reducing in 2019, growth projects ramping up

Capex plan¹

USD Billions



Status Growth projects²

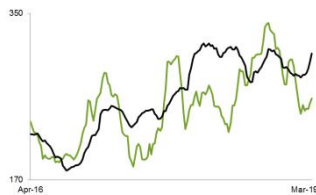
- Freeport and Köping projects completed and integrated into regular production operations; both running at full capacity as of end April
- Sluiskil expansion: further work needed to reach 100% delivery, to be achieved 2H 2019
- Brazil projects under construction:
 - Salitre: phosphate rock production ramping up, chemical production by 1H 2020
 - Rio Grande consolidation and expansion to be completed end 2020
- Tracking methodology update at Capital Markets Day

¹ Committed investments as of end 1Q19

² Growth portfolio = M&As (Babralla and Cubatão) and expansions/new builds (Uusikaupunki, Porsgrunn/Glomfjord, Sluiskil, Rio Grande, Freeport, Pilbara TAN, Köping, Salitre)

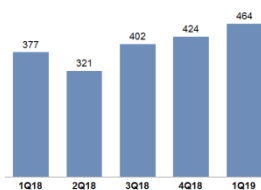
Attractive Yara prospects

Attractive industry fundamentals and supply-demand outlook



- Growing population and dietary improvement drives demand
- Resource and environment challenges require strong agri productivity improvement
- Tightening global grain balance and slow-down in nitrogen supply growth

Operating cash flow improvement with strict capital allocation



- Operating cash flow improving with cycle and Yara actions
- Committed capex almost halved from 2018 to 2019
- Strict capital allocation
- Active portfolio management

Focused long-term strategy



Knowledge grows

- Crop nutrition focus; #1 market presence and #1 premium fertilizer producer
- Strengthening position with digital farming services and food chain partnerships

Yara Capital Markets Day 26 June: venue and agenda

Venue: Tate Modern, London



Format and timing

08:30 – 11:30 Plenary presentations

11:30 – 12:30 Lunch

12:30 – 15:30 Group meetings with management

Main topics

Strategy update

Our long-term market outlook and how the Yara business model and strategy will create further value

Driving value growth in our markets

How we will drive further value growth in the market, and optimize our market positions

Improving operations

How Yara will realize the full value potential of projects under execution, and how Yara will drive further operational improvement, beyond the current targets

Capital allocation & returns

How Yara will allocate capital to drive further value growth



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