



Knowledge grows

Yara International ASA 2019 second quarter results

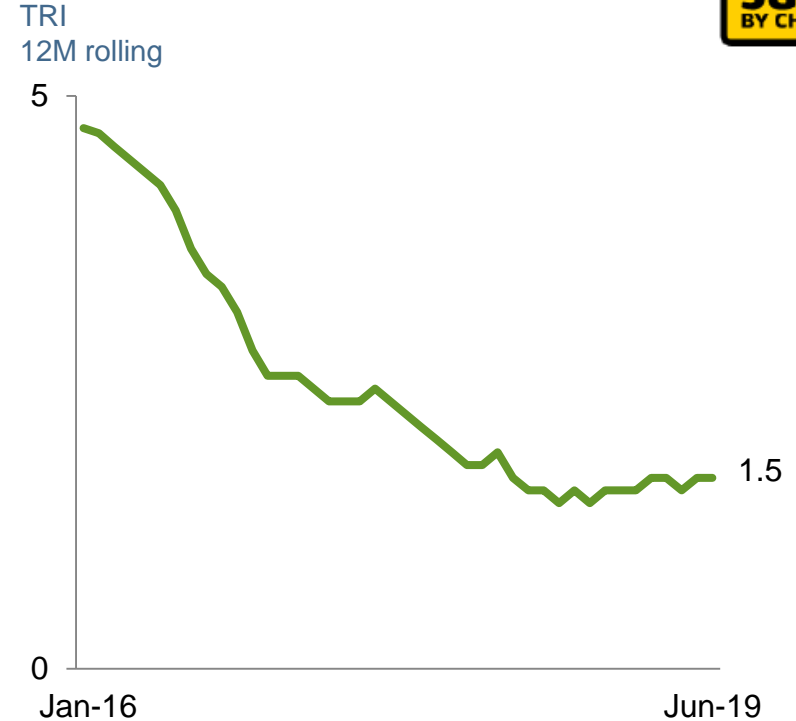
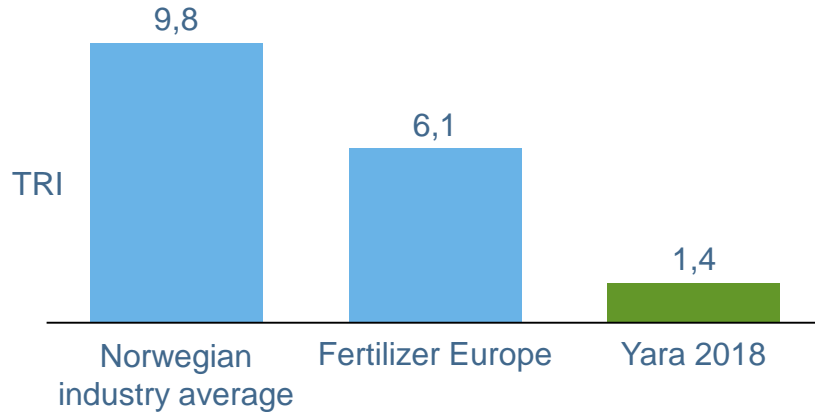
16 July 2019



Safety is our first priority

Ensuring a safe workplace environment for employees and partners

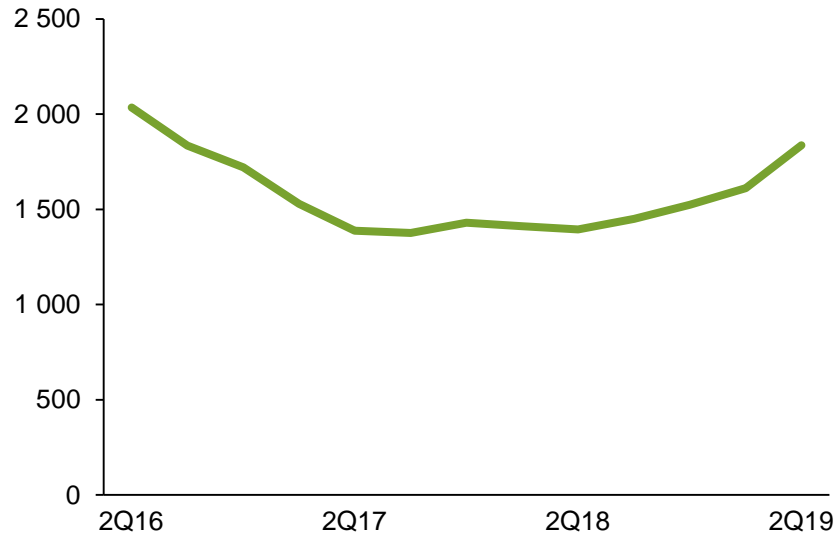
Striving toward zero accidents with no fatalities and Total Reported Incidents (“TRI”) <1.2 by 2025



Improved second-quarter results

Earnings improvement continuing

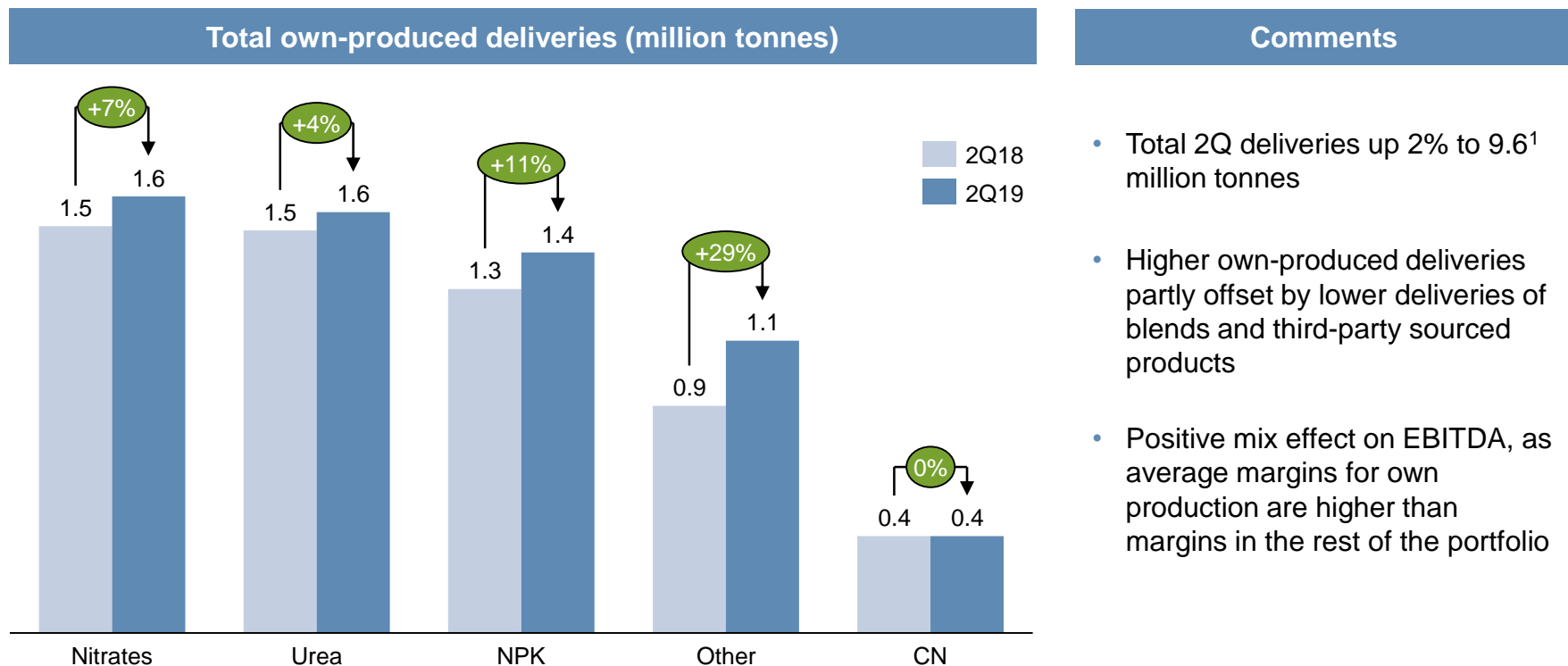
L12M EBITDA ex. special items (MUSD)



Improved but not satisfactory profitability

- EBITDA excluding special items and IFRS 16 increased by 62%¹
- Improved results with higher production and lower energy cost
- Premium product deliveries up 7%, in line with strategy
- Return on invested capital (ROIC) at 5.4%²

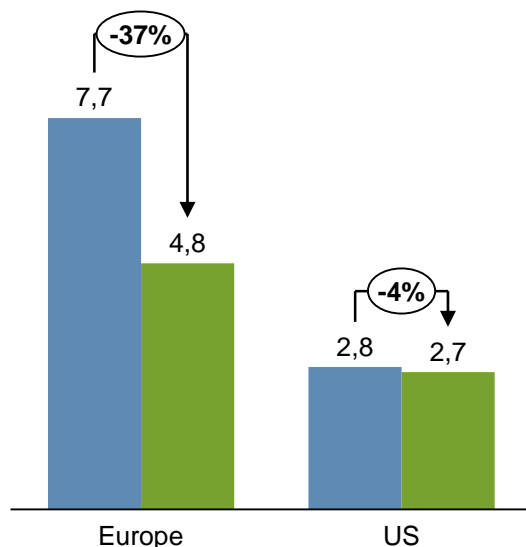
9% increase in own-produced deliveries, with increase for all main product groups



Improved margins

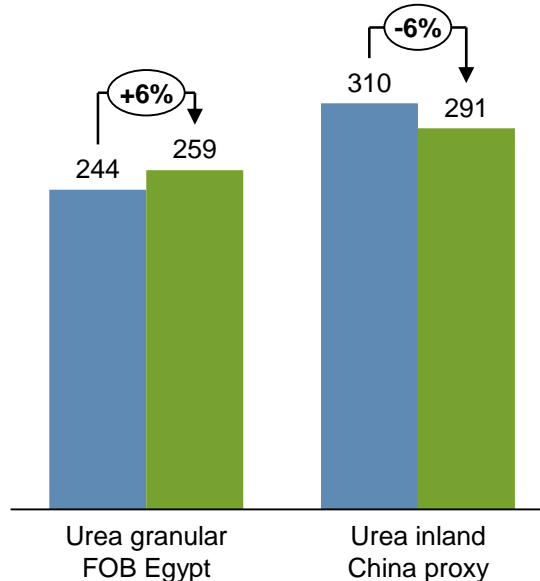
Lower European natural gas prices

Spot gas prices¹ (USD/Mmbtu)



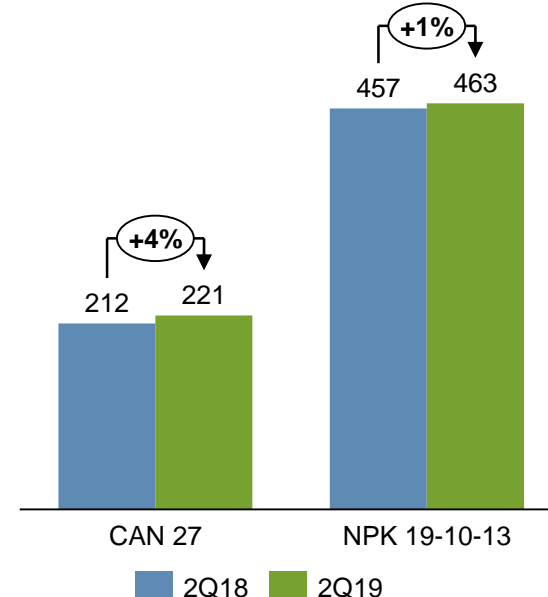
Higher urea prices outside China

Urea price development¹ (USD/t)



Higher nitrate and NPK prices

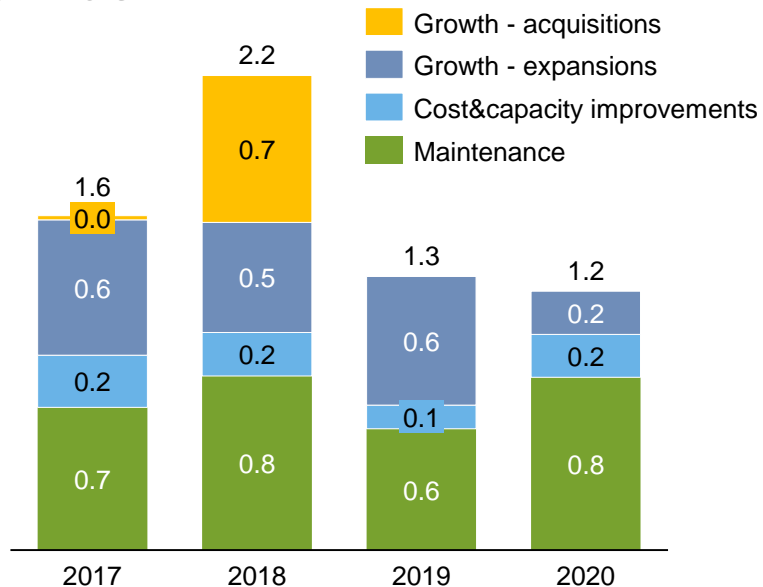
Yara realized CAN and NPK price² (USD/t)



Capex reduced in 2019, growth projects ramping up

Capex plan¹

USD Billions



Status

Major growth projects under execution:

- Sluiskil (Netherlands): completion 2H 2019
- Salitre (Brazil): chemical production 1H 2020
- Rio Grande (Brazil): completion end 2020

Cost & capacity improvements:

- Smaller short-payback investments mainly in production facilities, typically ~200 MUSD annually

Maintenance:

- Normalized maintenance capex of ~800 MUSD annually; with variation from year to year driven by turnaround schedule

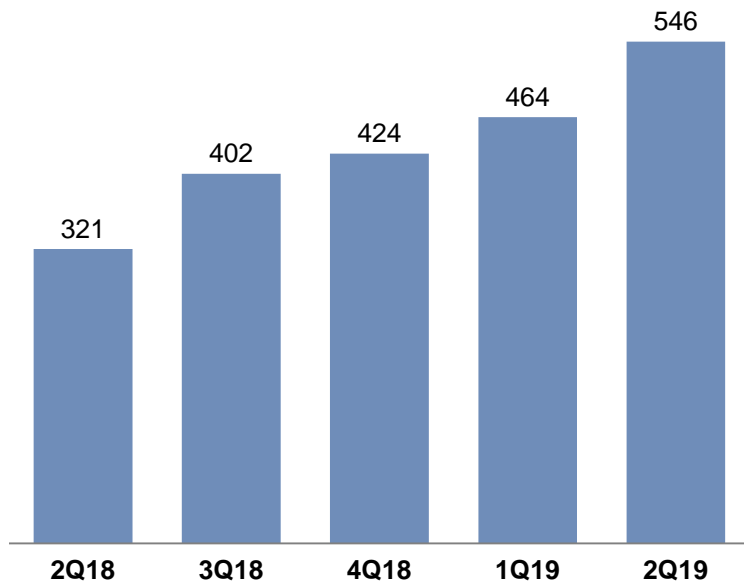
Capex going forward:

- Priority is to deliver current commitments
- High bar for new investments; preference for smaller high-return short-payback projects

Improving earnings and profitability trend

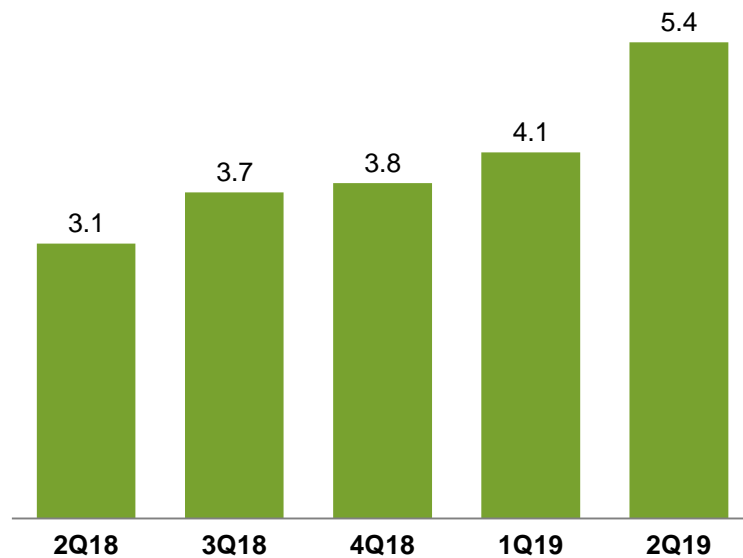
Quarterly EBITDA ex. special items

USD millions



L12M ROIC

Percent



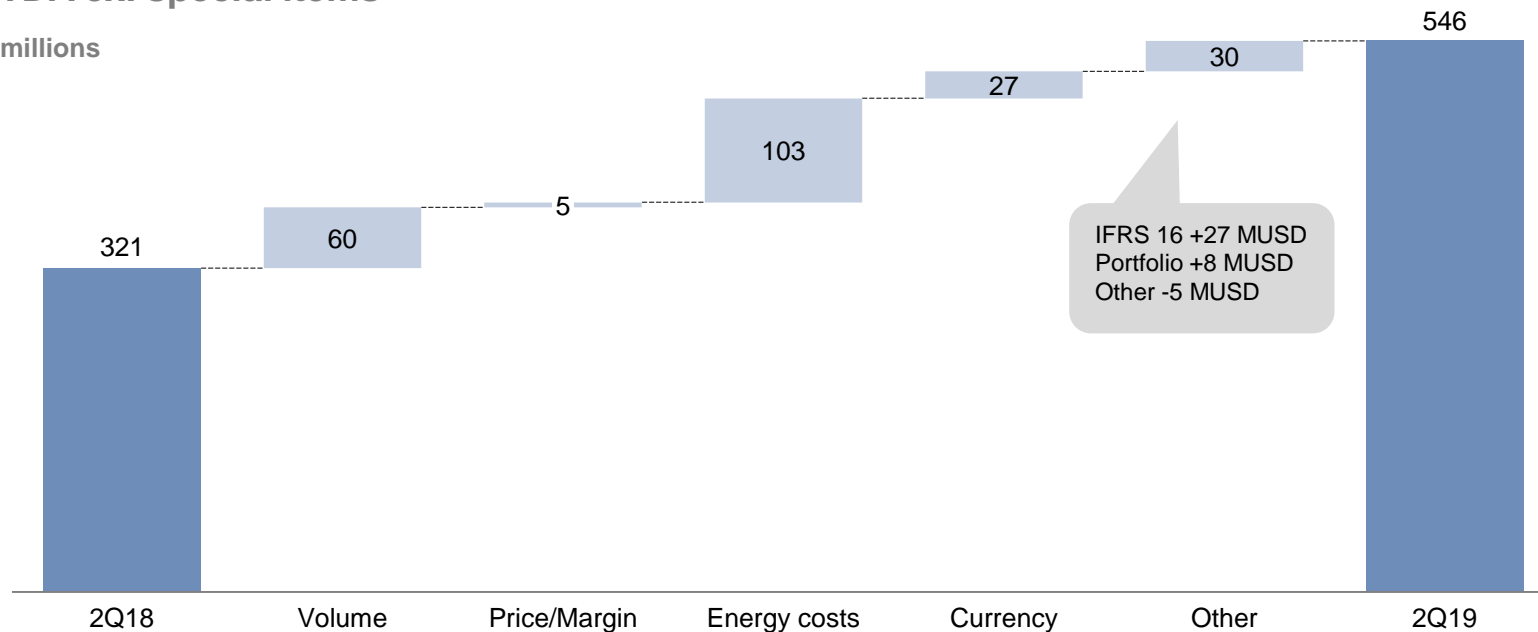
Performance overview

	2Q 2018	2Q 2019
EBITDA ex. special items <i>(USD millions)</i>	321	546
EPS ex. currency and special items <i>(USD per share)</i>	0.16	0.77
Cash from operations <i>(USD millions)</i>	523	680
Investments <i>(USD millions)</i>	589	246
ROIC <i>(12-month rolling)</i>	3.1%	5.4%

EBITDA improvement mainly driven by higher Yara-produced deliveries and lower energy cost

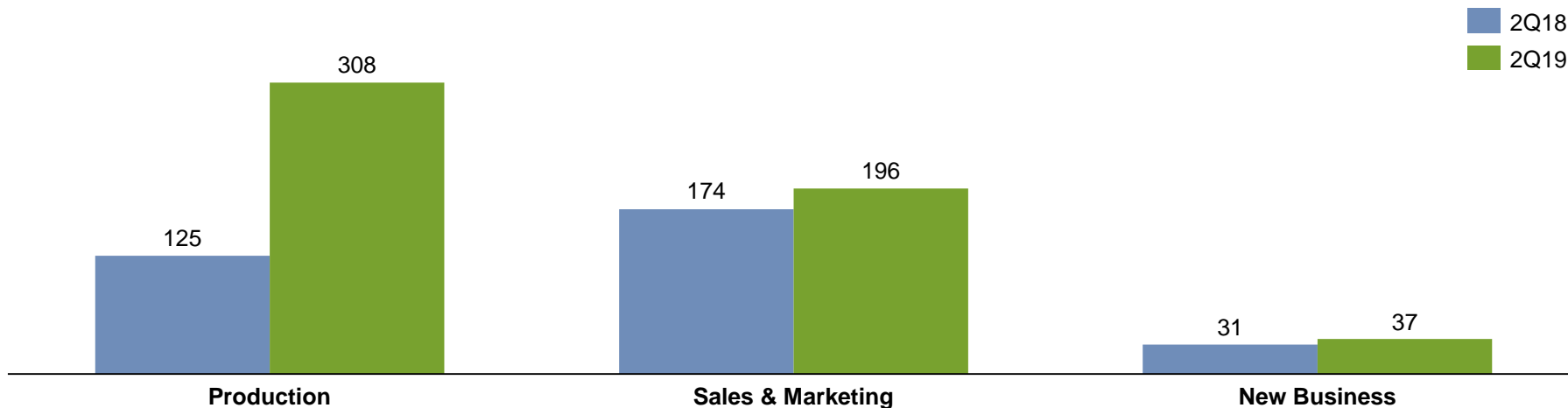
EBITDA ex. special items

USD millions



Higher production margins

EBITDA ex. special items (MUSD)



- Higher nitrogen margins in Europe
- Finished fertilizer production up 4%, ammonia production up 1%

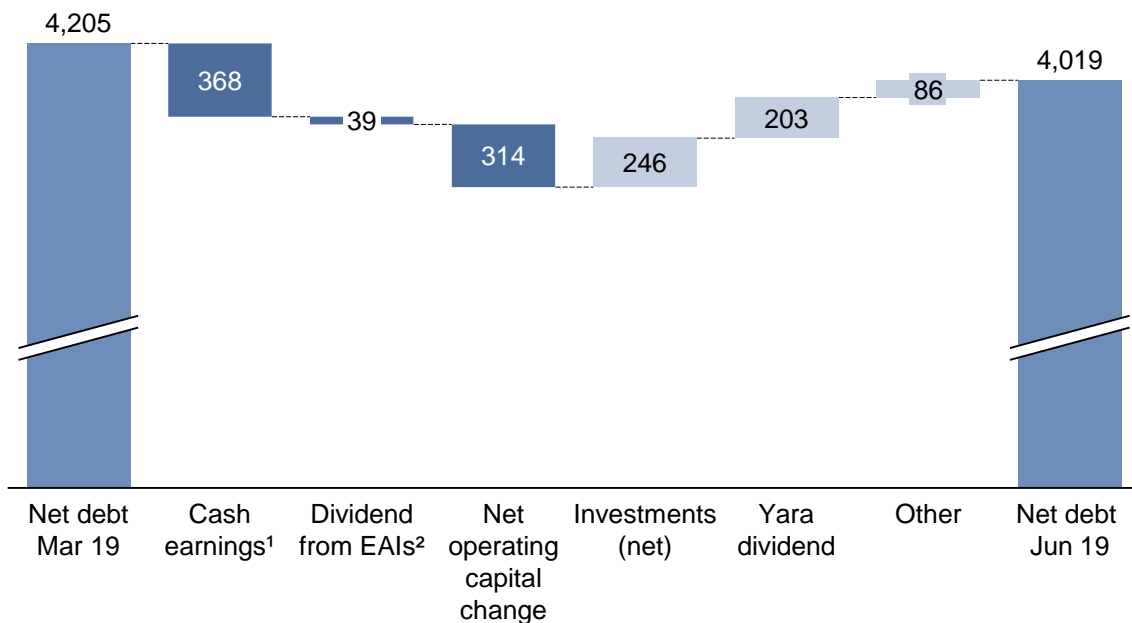
- Underlying results in line with last year
- Significant premium growth in Brazil

- Deliveries up 1% excluding Cubatão
- Underlying improvement driven by Maritime

Net interest-bearing debt reduced

2Q development

USD millions



Comments

- Strong cash earnings and operating capital release - funding investments, annual dividend and net debt reduction
- Lower operating capital reflects seasonal prepayments in Brazil
- Net debt/EBITDA³ ratio at 2.2, down from 2.5 at end of 2018
- Revolving Credit Facility renewed, with margin linked to carbon intensity target

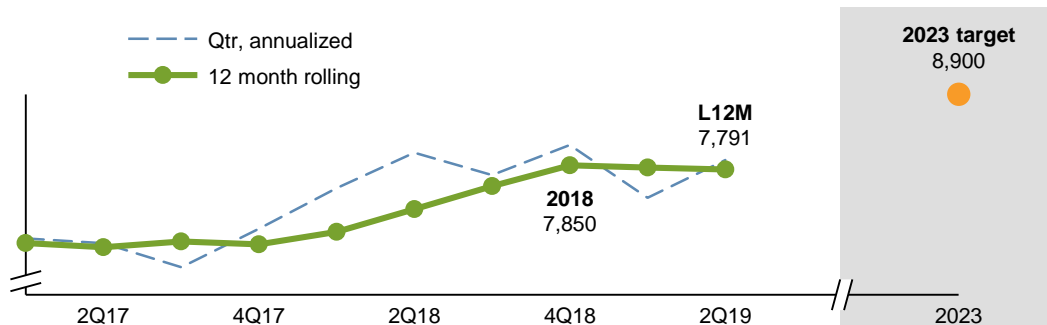
¹ Operating income plus depreciation and amortization, minus tax paid, net gain/(loss) on disposals, net interest expense and bank charges

² EAI = Equity Accounted Investees

³ End of period net debt divided by L12M EBITDA ex. special items

Improvement Program as presented at CMD: volume improvements¹

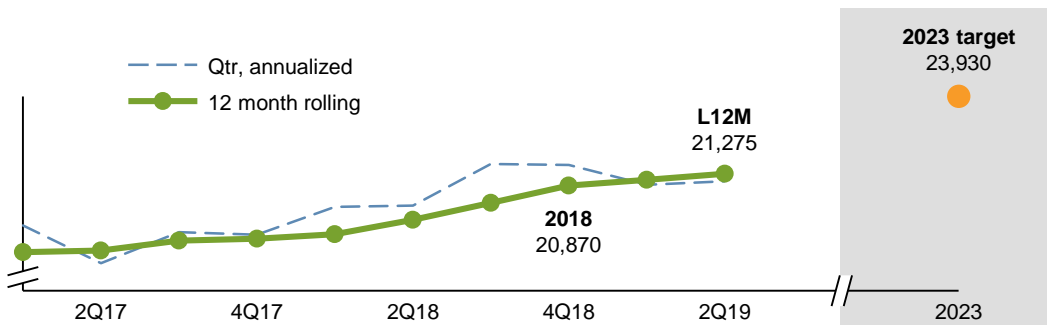
Ammonia production volumes, kt annualized



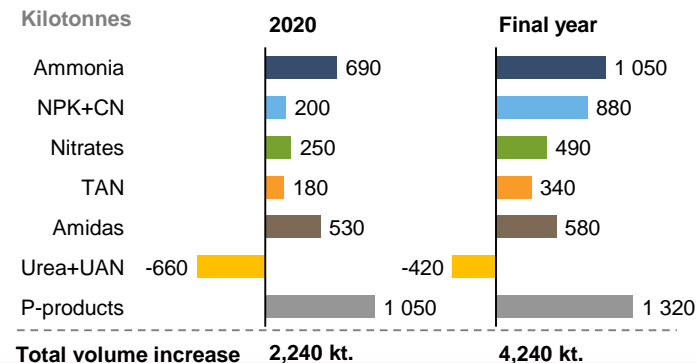
Comments

- Positive production volume trend, with some quarterly volatility
- Reliability negatively affected by 1Q outages, but improving trend in 2Q
- Focus on turnaround performance and reliability improvements at major sites

Finished products production volumes, kt annualized



Increase from 2018 in ammonia & finished products



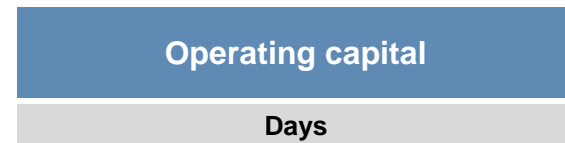
Improvement Program as presented at CMD: non-volume KPIs



- Negatively affected by ammonia outages mainly in 1Q



- Fixed costs in line with target ambition level; 1H 2019 with improving trend

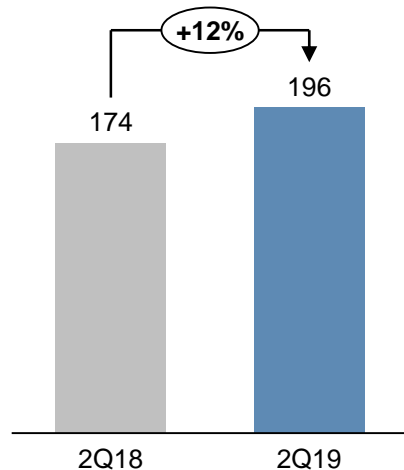


- Slight increase in 1H 2019, however underlying trend positive

Sales & Marketing performance

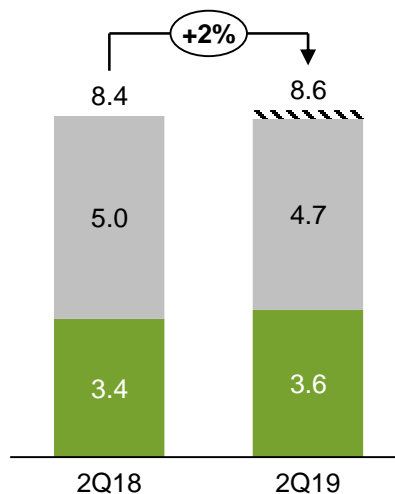
Increased EBITDA with higher deliveries in Brazil

EBITDA ex. SI (MUSD)



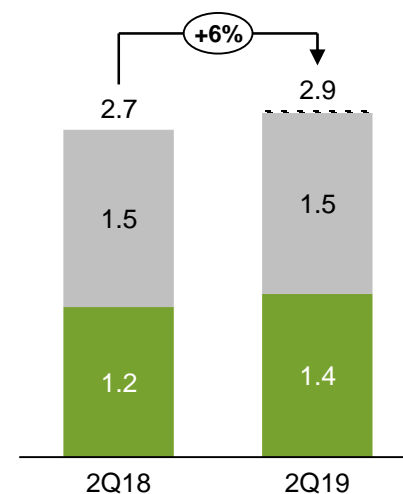
Premium product deliveries up 7%

Volumes (Mt)



Higher revenues

Revenues (MUSD)

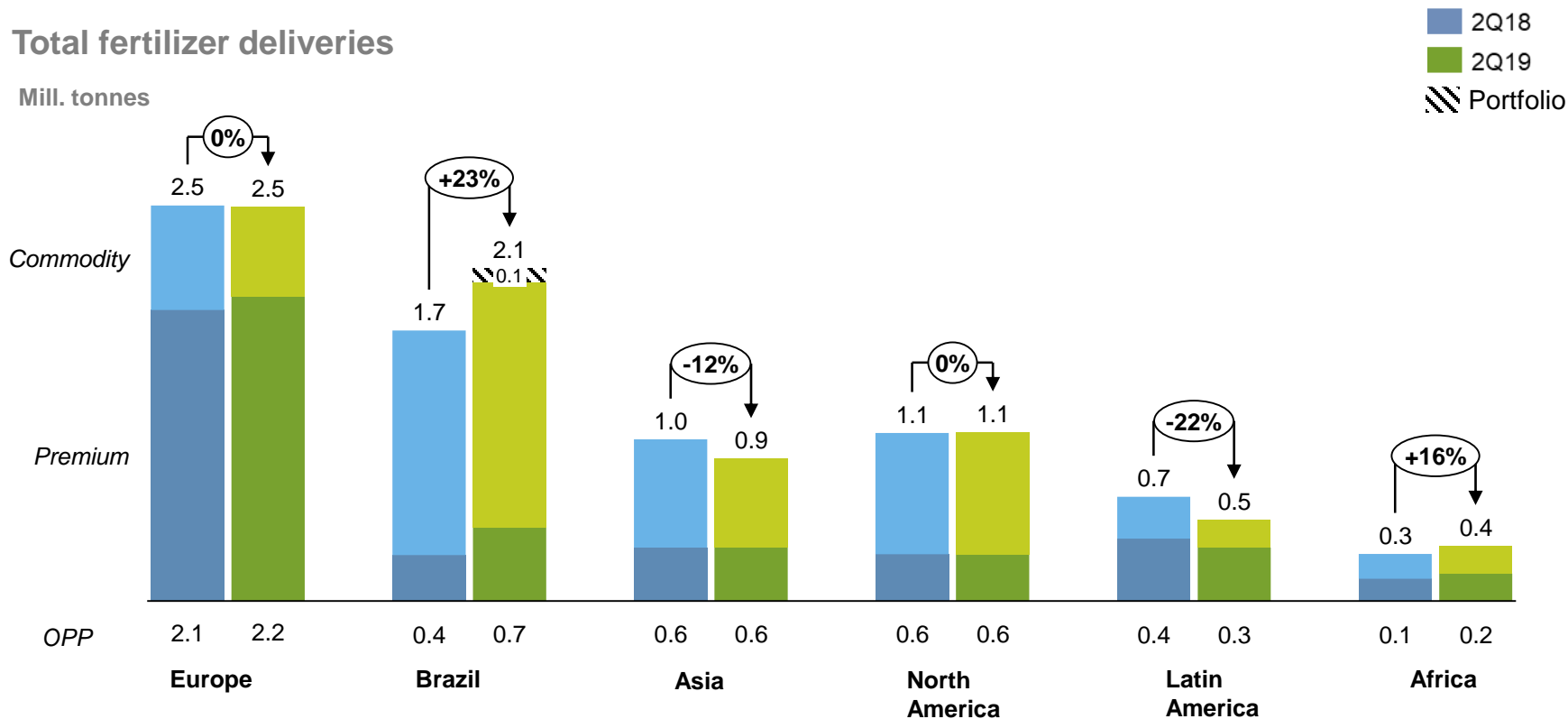


Portfolio Commodity Premium*

Fertilizer deliveries by region

Total fertilizer deliveries

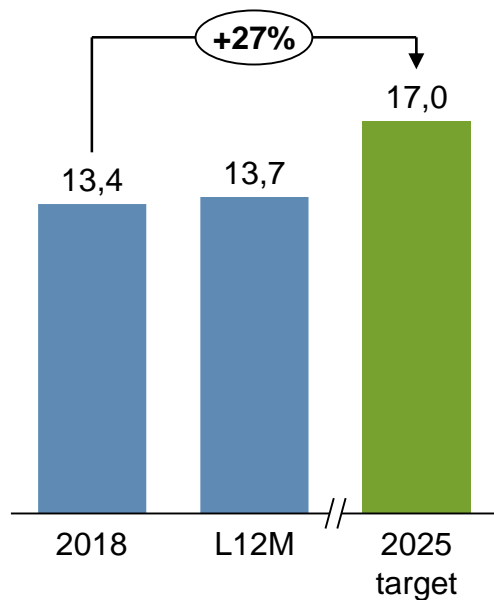
Mill. tonnes



Our long term targets; increased premium product deliveries and higher margins

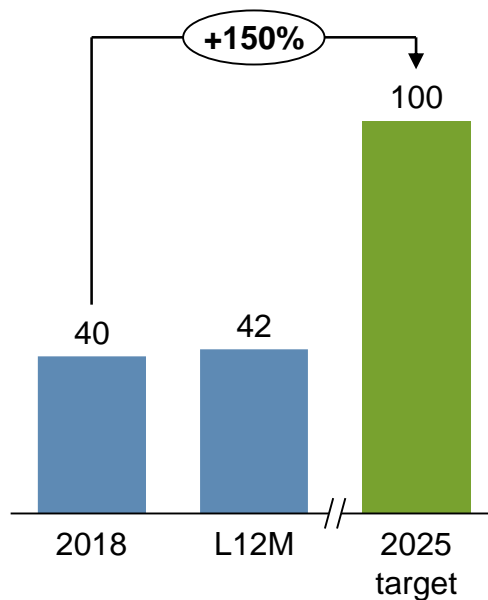
Increase premium product deliveries by > 3.5 mill tonnes

Premium products in mill. tonnes



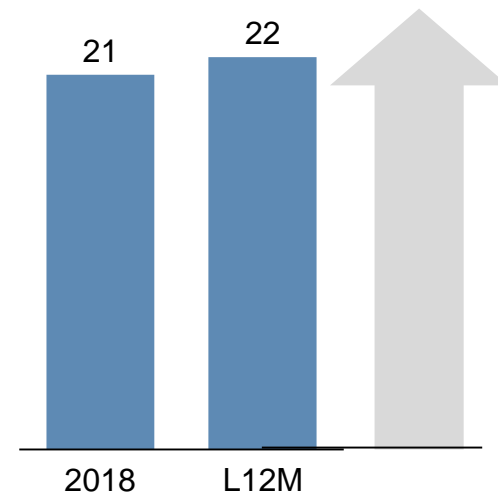
Increase YaraVita deliveries to > 100 million units

YaraVita in mill. units



Increase EBITDA margin

EBITDA margin in USD/tonne



The Crop Nutrition Company for the Future

Delivering improved returns as a focused company

Crop Nutrition Focus

Improvement

- Capturing the full value of our growth investments
- Extending productivity, cost and capital improvements beyond 2020

Value

- Strengthening our crop-focused solutions and market positions, further reinforcing resilient Sales & Marketing earnings

Growth

- Driving collaborative growth through food-chain partnerships and digital capability

Industrial Focus

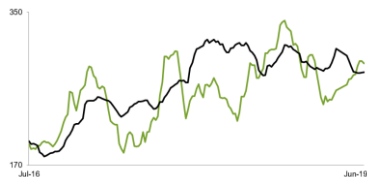
Evaluating IPO of industrial business

- First major integrated industrial nitrogen-player
- A leading player with the highest value proposition in core markets
- Solid European platform as fundament to achieve a strong global position
- Attractive market portfolio balancing stability & growth

Improved returns
Clear principles for capital allocation

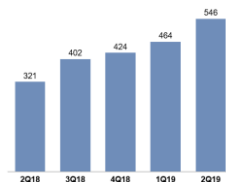
Attractive Yara prospects

Attractive industry fundamentals



- 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



- Operating cash flow improving with cycle and Yara actions
- Committed capex almost halved from 2018 to 2019
- Strict capital discipline
- Clear capital allocation policy

Focused long-term strategy



Knowledge grows

- Crop nutrition focus; #1 market presence and #1 premium fertilizer position
- Improving returns through operational Improvement, margin improvement and innovative growth



Knowledge grows

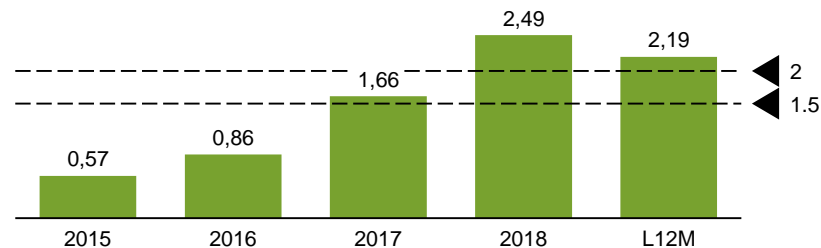
Appendix



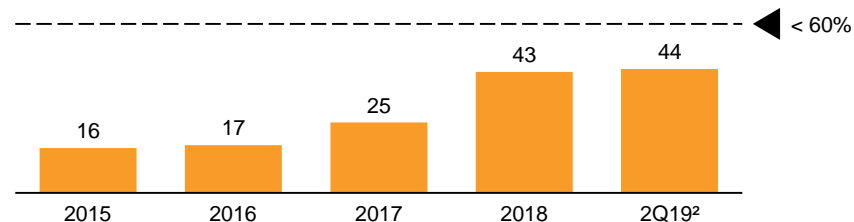
Yara is protecting its investment-grade rating while providing cyclical upside in dividends through a revised policy

- **Overall objective to maintain mid investment-grade rating**
 - BBB Standard & Poor's / Baa2 Moody's
 - Mid- to long-term target FFO¹ / net debt of 0.40-0.50 and floor of 0.30
- **Conservative short-term investment approach**
 - Priority on lifting capital returns
- **Targeted capital structure**
 - Mid- to long-term Net debt / EBITDA of 1.5-2.0
 - Maintain a net debt/equity ratio below 0.60
- **Ordinary dividend; 50% of net income subject to the above requirements**
- **Shareholder returns are distributed primarily as cash, with buybacks as a supplemental lever**

Net Debt / EBITDA ex Special Items



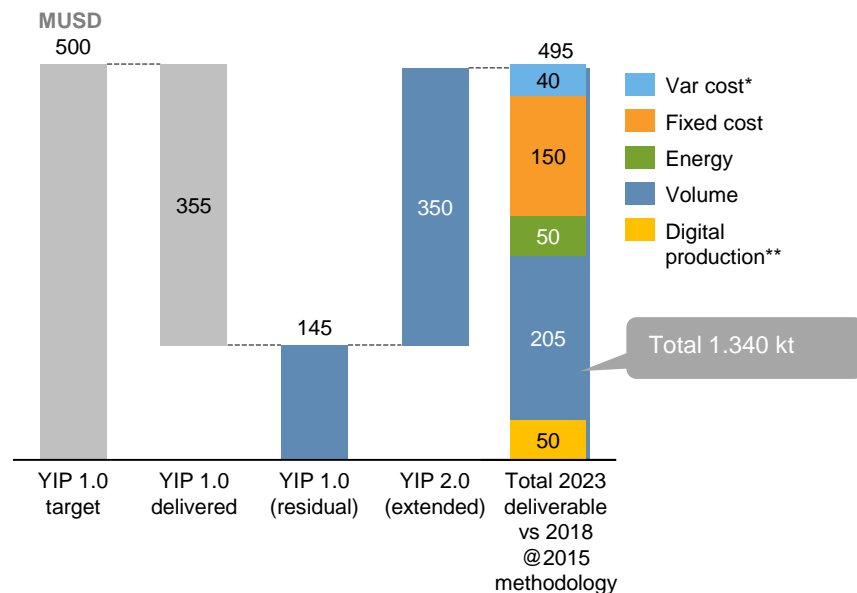
Net debt / Equity



Bridge between original Yara Improvement Program (YIP) and extended YIP¹

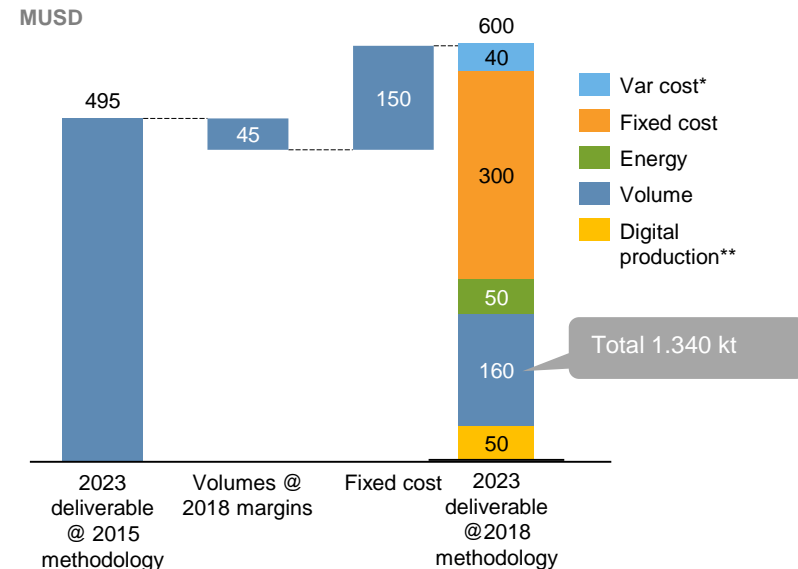
Extended YIP @ original 2015 methodology

New target: 495 MUSD from 2018 baseline



Extended YIP @ 2018 methodology

New target: 600 MUSD from 2018 baseline



¹ Going forward YIP will be presented as underlying driver reporting with baseline 2018

* Indirect categories only

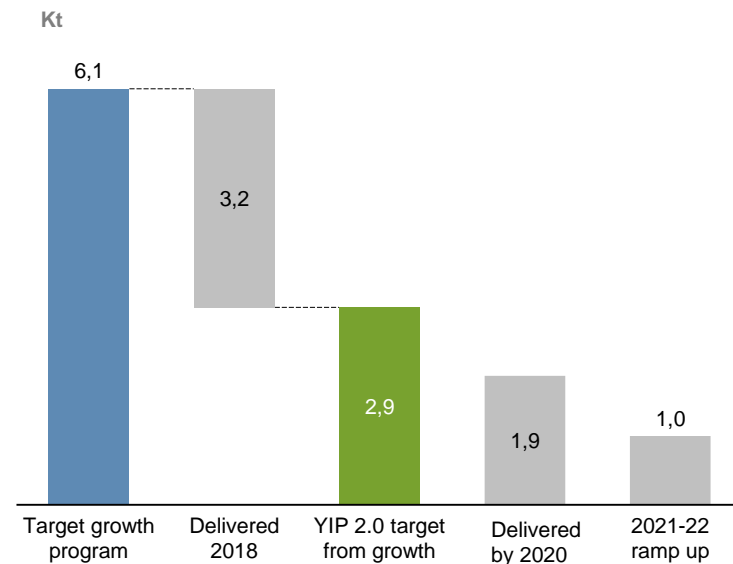
** Digital production will improve volumes (main effect), energy and fixed costs

Reconciliation of growth volumes with extended YIP¹

Table shown at CMD: Overview of volumes from Yara Improvement Program (YIP) and Growth investments

	2018	2020	2023	Change 2018
YIP volumes (kt)	750	1,100	2,090	1,340
<i>Ammonia</i>	80	400	720	640
<i>Finished products</i>	670	700	1,370	700
Growth investment volumes (kt)	3,210	5,100	6,110	2,900
<i>Ammonia</i>	1,070	1,440	1,480	410
<i>Finished products</i>	2,140	3,660	4,630	2,490
Total volume increase	3,960	6,200	8,200	4,240
<i>Ammonia</i>	1,150	1,840	2,200	1,050
<i>Finished products</i>	2,810	4,360	6,000	3,190
Total volumes	28,720	30,960	32,860	4,140
<i>Ammonia</i>	7,850	8,540	8,900	1,050
<i>Finished products</i>	20,870	22,420	23,960	3,090

Growth program target:
2.9 mill tonnes included in extended YIP



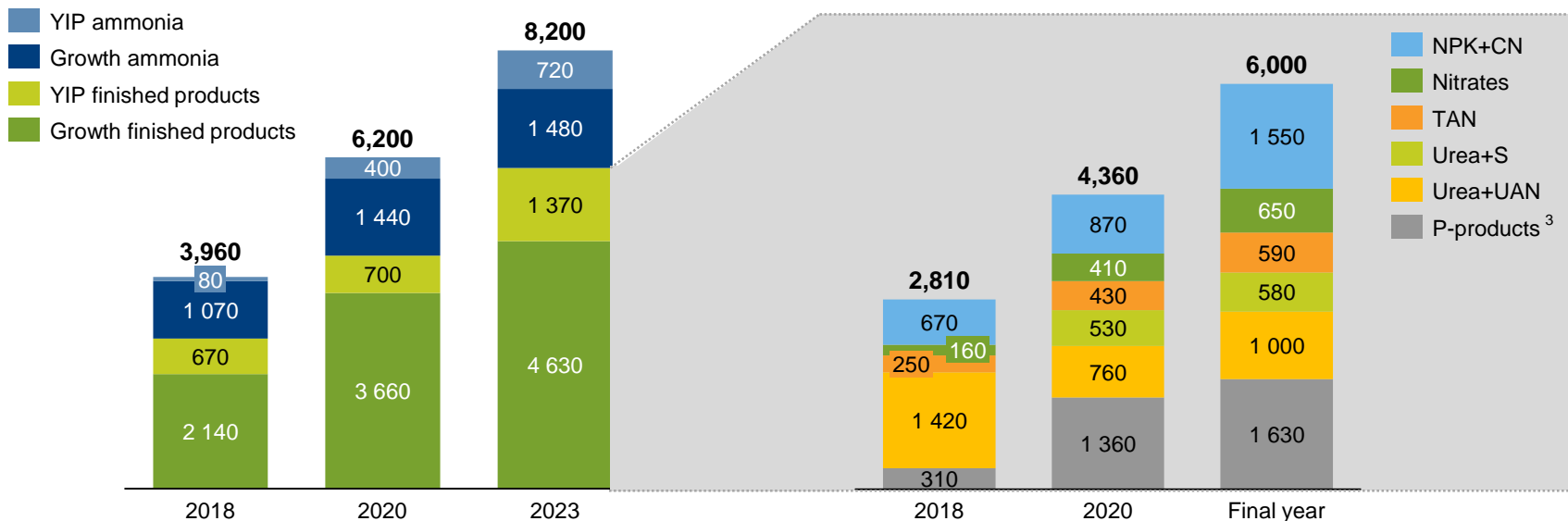
Breakdown of finished products from Yara Improvement Program and growth investments¹

Total volume growth² from improvement program and growth investments

Kilotonnes

Finished products breakdown per product group

Kilotonnes



¹ Going forward YIP will be presented as underlying driver reporting with baseline 2018

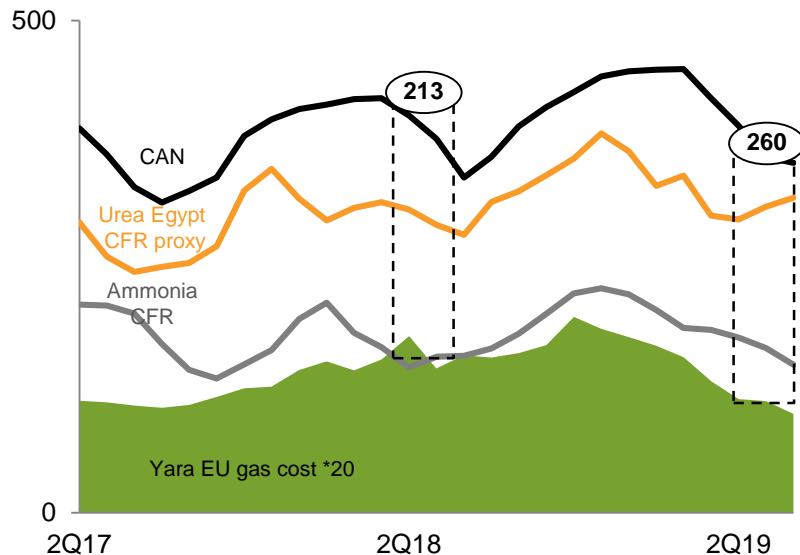
² Improvements from 2015 base year

³ Phosphate products: DAP/MAP/SSP

Higher nitrogen upgrading margin, global NPK premium above last year

Nitrogen upgrading margins¹

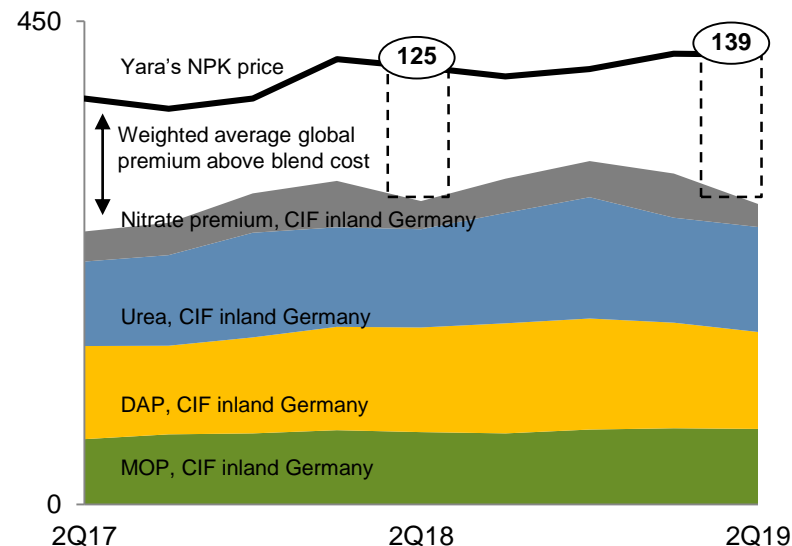
USD/t (monthly publication prices)



¹ Upgrading margin from gas to nitrates in 46% N (USD/t):
All prices in urea equivalents, with 1 month time lag

NPK premium over blend²

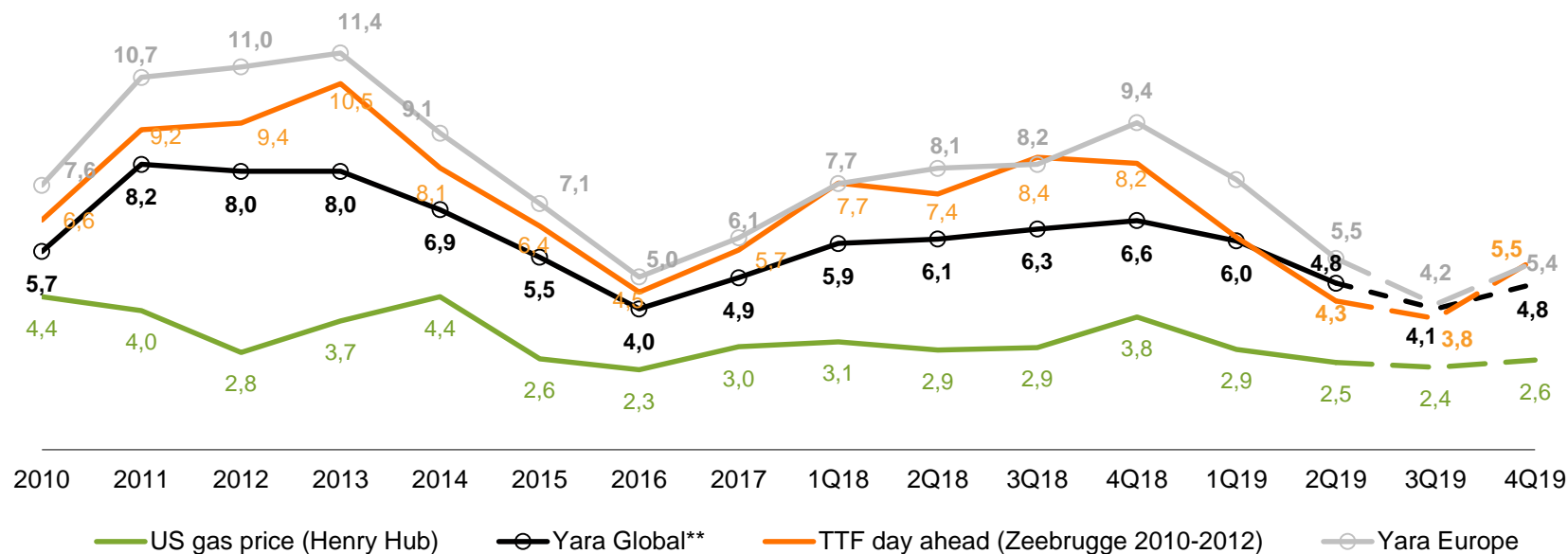
USD/t



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

Energy cost

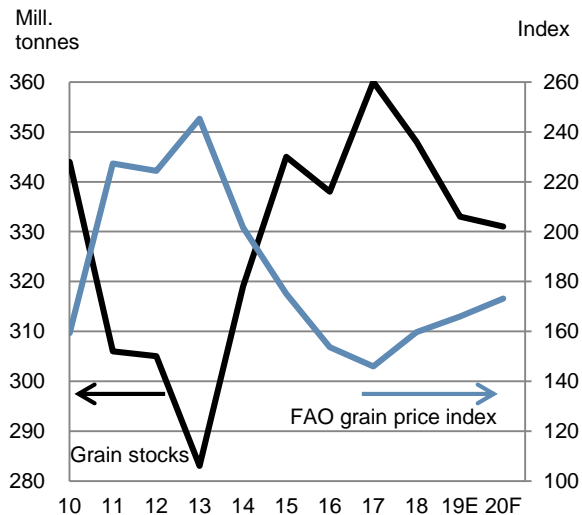
Yearly averages 2010-2017, quarterly averages for 2018-2019 with forward prices* for 3Q19 and 4Q19



Improving industry fundamentals

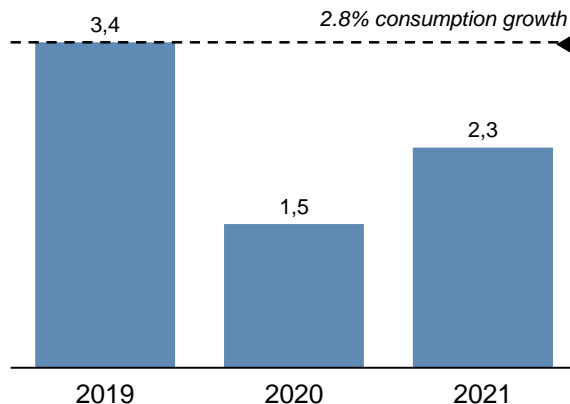
Declining grains stocks excluding China

Grain stocks ex. China and grain prices



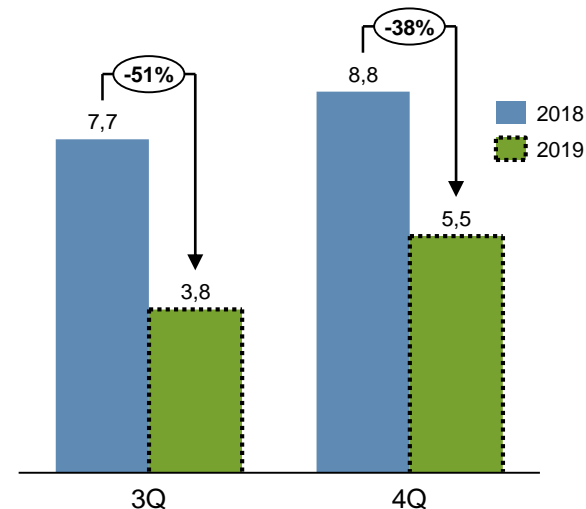
Nitrogen supply growth set to reduce significantly

Global urea capacity additions ex. China



Lower expected European natural gas prices

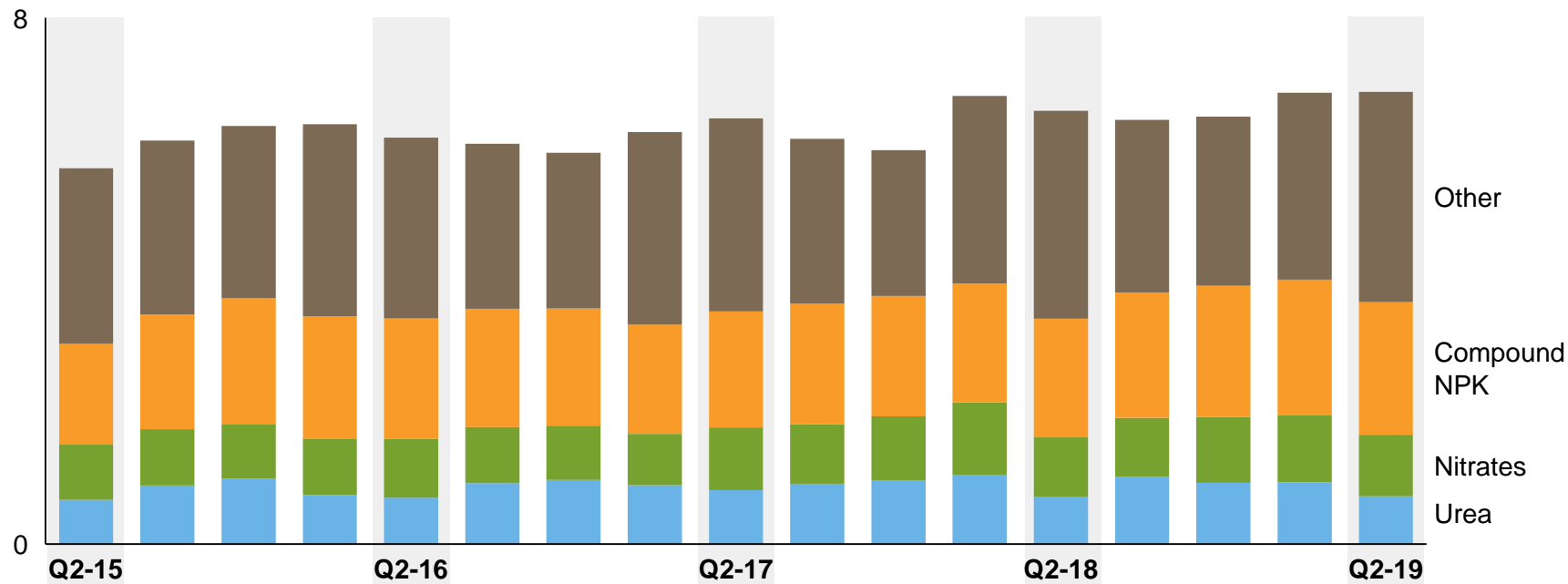
Spot gas prices¹ (USD/Mmbtu)



Yara stocks

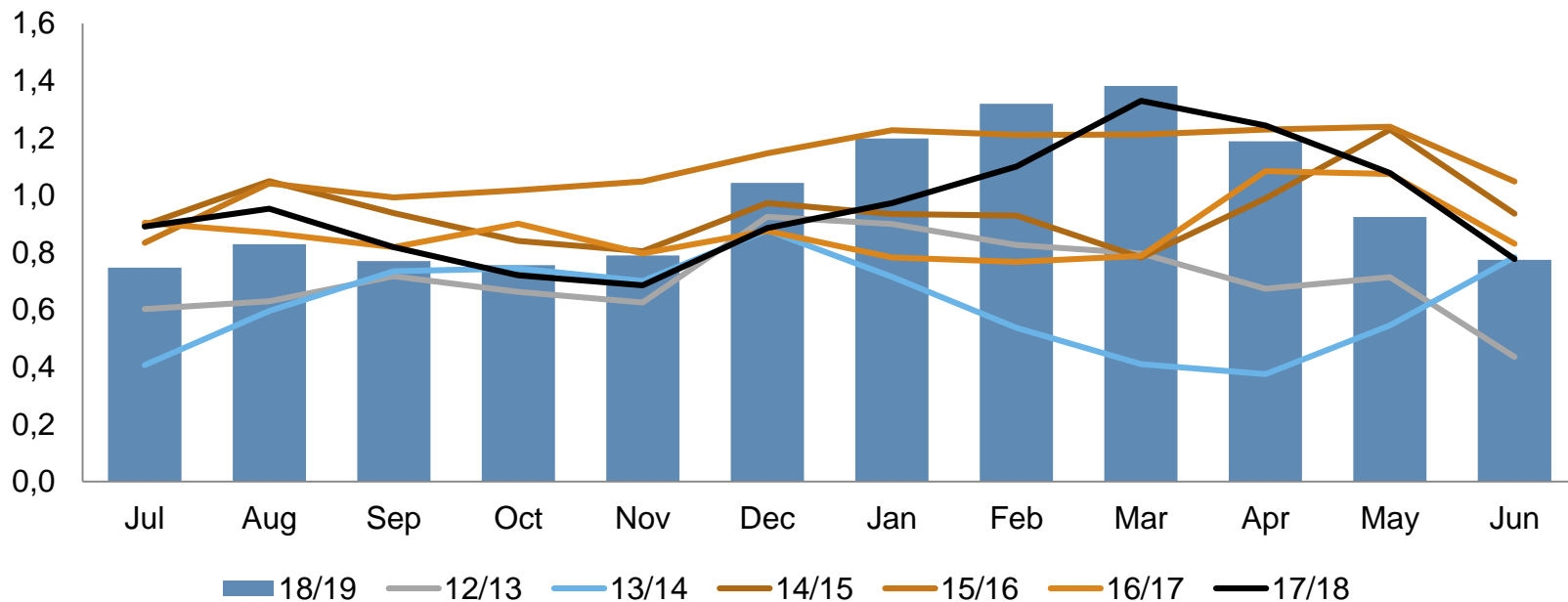
Finished fertilizer

Mill. tonnes



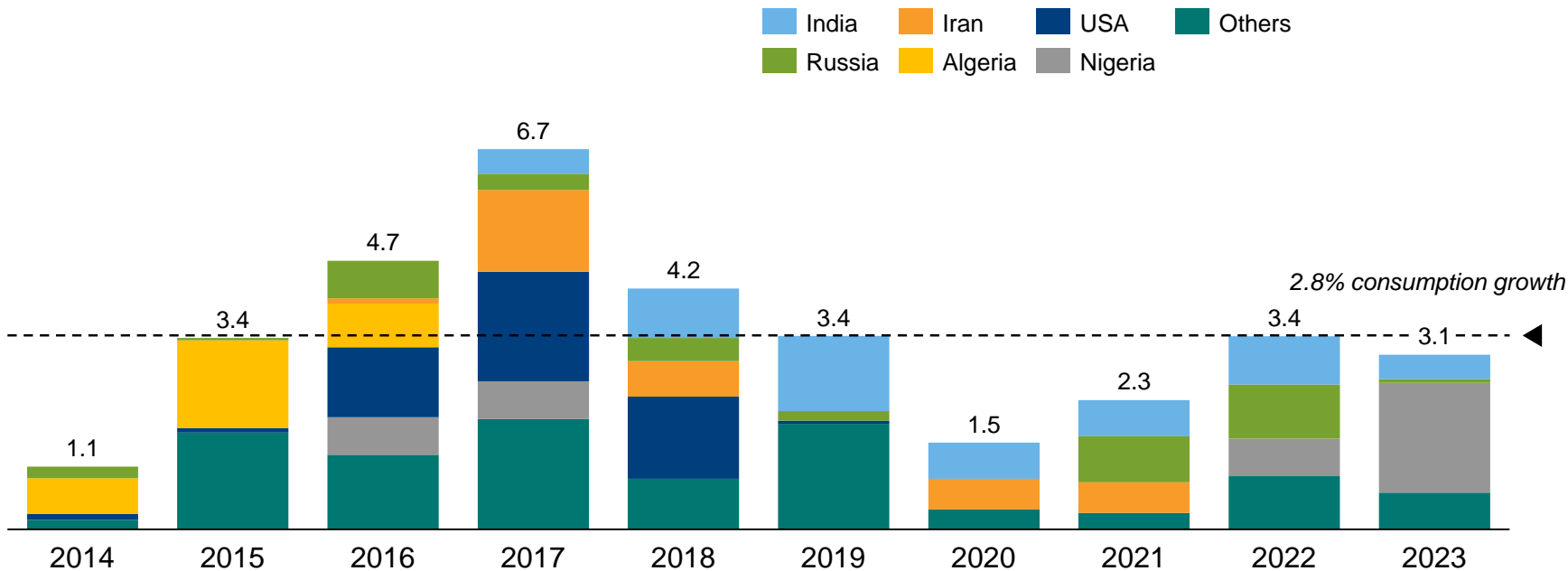
European producers' nitrate stocks

Index
June 2007 = 1



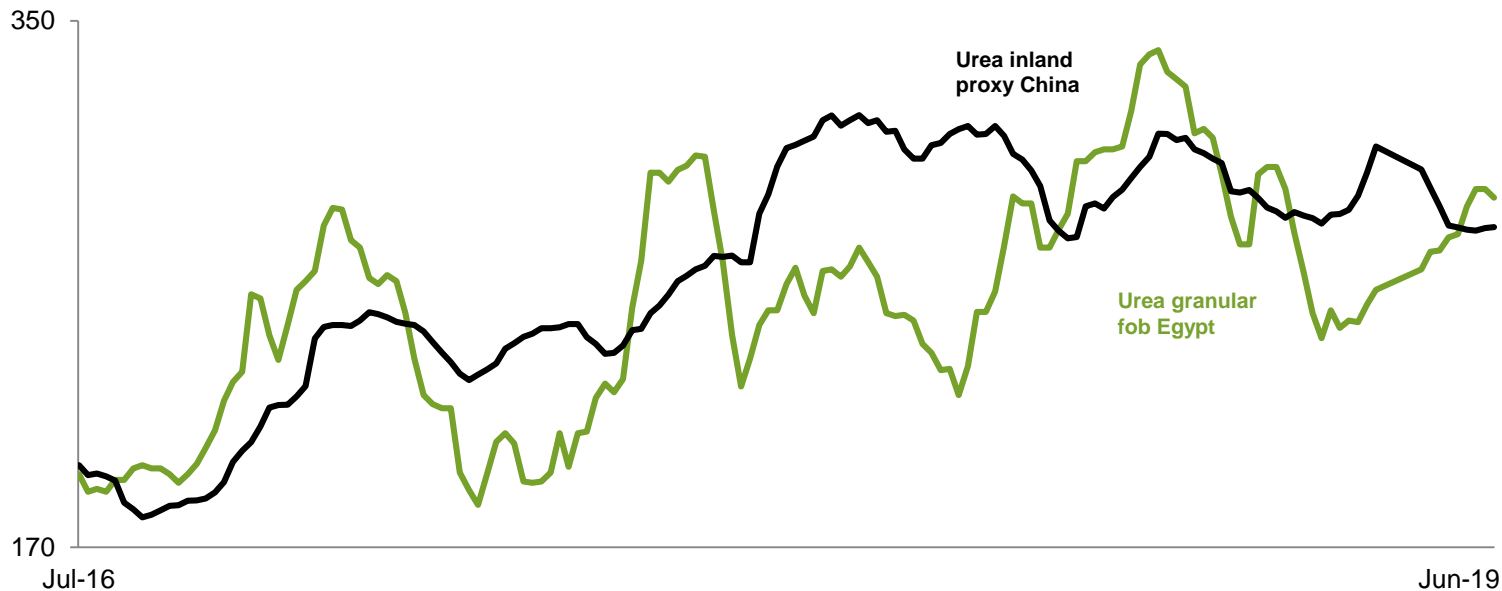
Nitrogen supply growth is forecast to reduce significantly

Global urea capacity additions ex. China (mill. tonnes)



Tighter global urea market, Chinese exports required

Urea price development¹ (USD/t)



Definitions: Extended improvement program

Production volumes (Finished products and ammonia)

Production output measured on rolling 12 months, adjusted for major turnarounds and market optimization effects. Adjustments done to better reflect the underlying production performance. Numbers exclude Qafco and Lifeco volumes. 2018 baseline includes growth and debottleneck projects already communicated, and is adjusted related to Galvani and Pardies portfolio effects.

Energy efficiency

Actual energy consumption per tonne of ammonia produced at Yara plants measured at rolling 12 month basis.

Fixed costs

Fixed costs are measured on 12-month rolling basis and are defined as payroll and related costs, general and administration costs (SG&A), and fixed costs in production processes (maintenance, insurance, consultancy etc.). The reported amounts are adjusted for currency effects, special items, M&A and structural projects. The amount reported for 2018 is adjusted for estimated IFRS 16 effects and portfolio effects. The fixed cost categories described above are included in the financial statement line items "raw materials, energy costs and freight expenses", "payroll and related costs" and "other operating expenses".

Operating capital

Net operating capital days are calculated on a 12-month rolling average basis, and are the net of credit days, inventory days and payable days. Credit days are calculated using trade receivables, adjusted for expected credit loss, relative to revenues from contracts with customers and interest income from external customers.

Inventory days are calculated using the total inventory balance, relative to cost of raw materials including change in inventory of own produced products, net of inventory write-downs.

Payable days are calculated using trade and other payables, not including prepayments from customers, relative to raw materials, energy costs and freight expenses, payroll and related cost, ex. payroll on general administration, and other operating expenses excl. expected loss on trade receivables and loss on sold PP&E.



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