Knowledge grows

Yara International ASA 2019 third quarter results

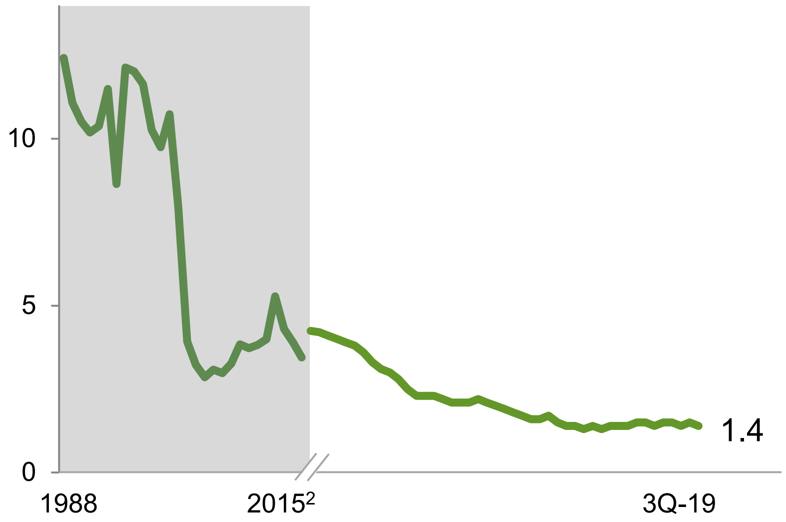
18 October 2019

Safety is our first priority

Ensuring a safe workplace for employees and partners

Lower injury rate established

TRI[1] (12-month rolling)



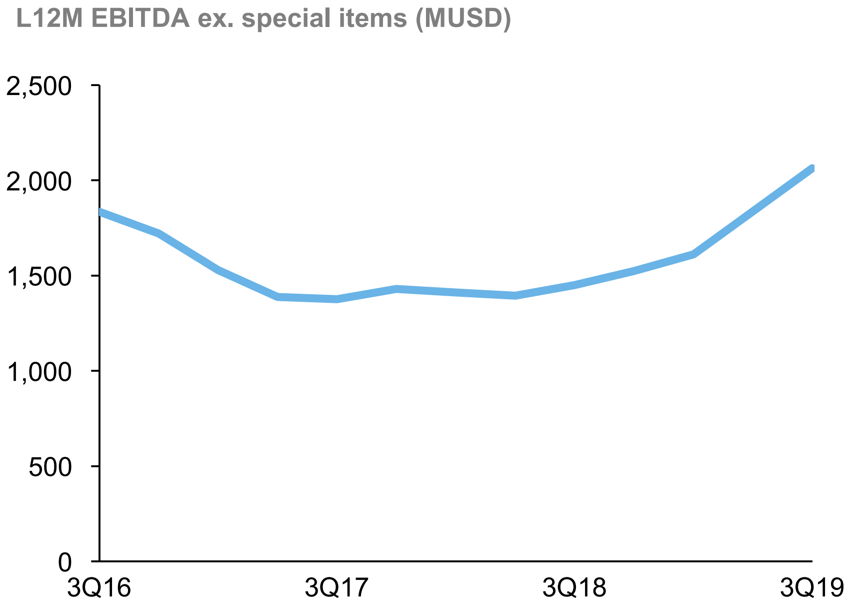
Improving historical and leading indicators

- Lower level and industry-leading performance established in the last year
- TRI rate improvement compared with 2Q
- Zero injuries remains the long-term goal

[1] Total Recordable Injuries per 1 million working hours
[2] OFD and Galvani included in statistics from January 2016

Improved third-quarter results

Earnings improvement continuing



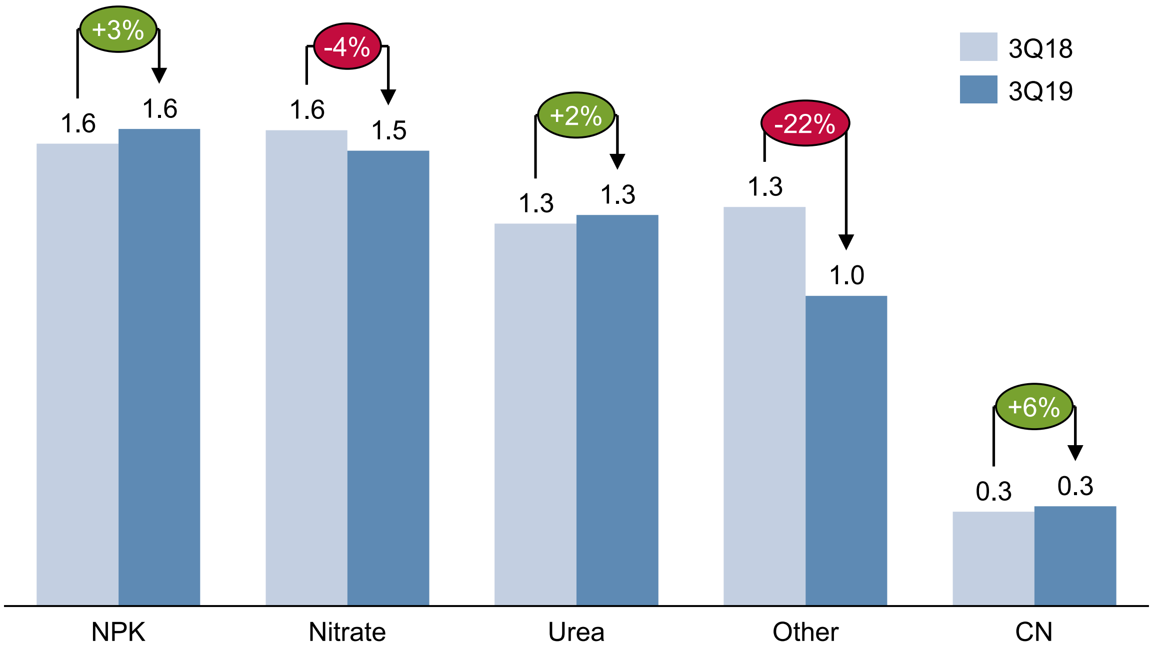
Increased profitability

- EBITDA excluding special items and IFRS 16 increased by 49%[1]
- Lower energy cost and higher production
- Positive product mix effect with strong premium deliveries, in line with strategy
- Strong earnings improvement for New Business
- Return on invested capital (ROIC) at 6.1%[2]

[1] 3Q IFRS 16 EBITDA effect is USD 29 million
[2] L12M ROIC

Positive product mix effect with strong premium deliveries, in line with strategy

Total own-produced deliveries (million tonnes)



Comments

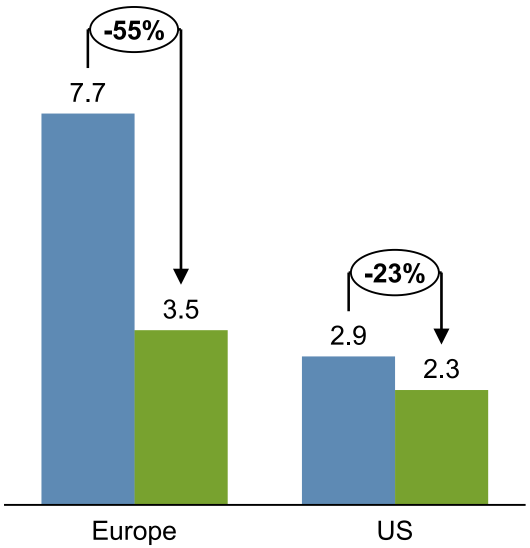
- Positive mix effect on EBITDA, as deliveries were up for NPKs and other high-margin products
- Strong nitrate deliveries but down from record high 3Q18
- Total 3Q deliveries down 5% to 9.8[1] million tonnes
- Lower own-produced deliveries mainly within commodity products

[1] Excluding ammonia trade

Improved nitrogen margins

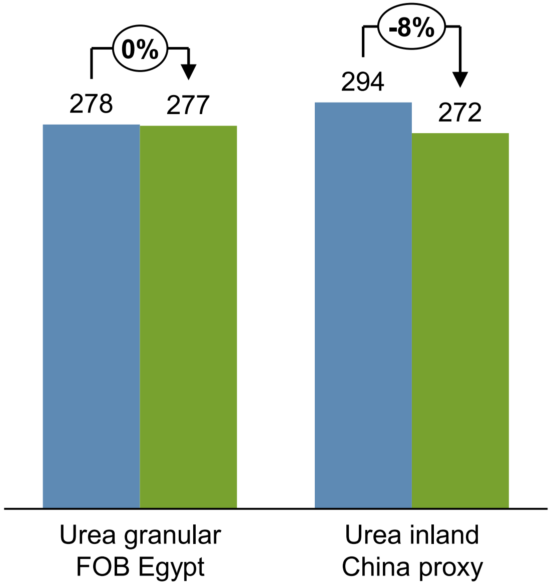
Lower European natural gas prices

Spot gas prices[1] (USD/Mmbtu)



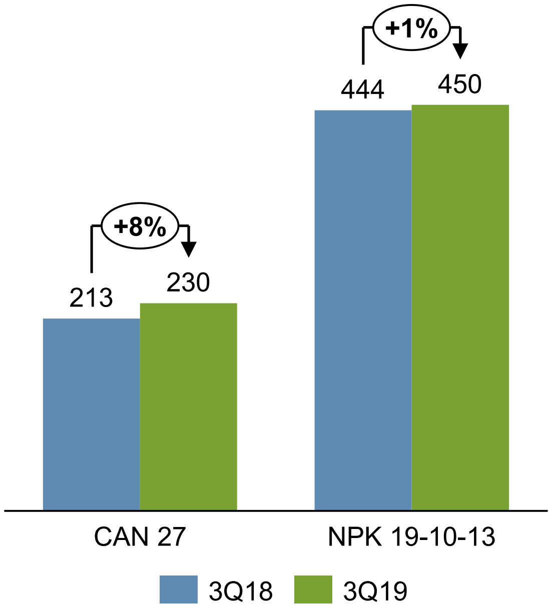
Flat urea prices outside China

Urea price development[1] (USD/t)



Higher nitrate and NPK prices

Yara realized CAN and NPK price[2] (USD/t)

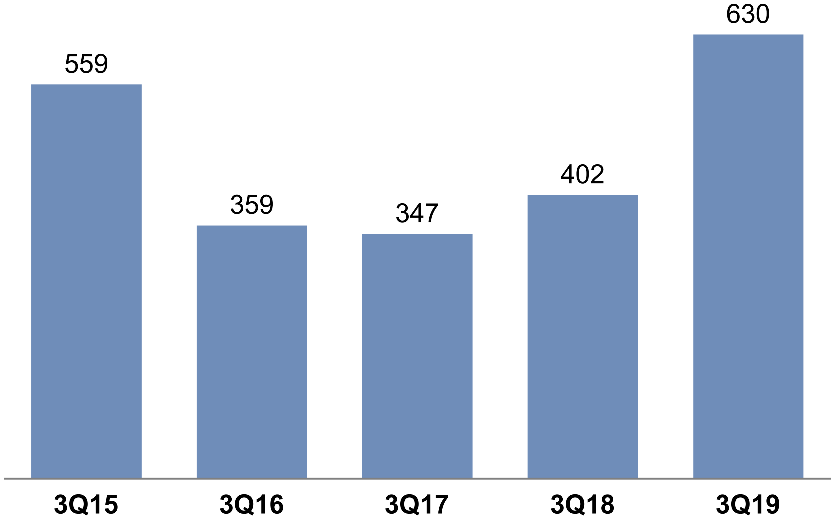


[1] Source: BOABC, CFMW, Argus. 1-month lag applied, as proxy for realized prices (delivery assumed to be 1 month after order taking).
[2] Yara's realized European nitrate price, CAN 27 equivalents ex. Sulphur, Yara's realized global NPK price (average grade) at German proxy CIF

Improving earnings and profitability trend

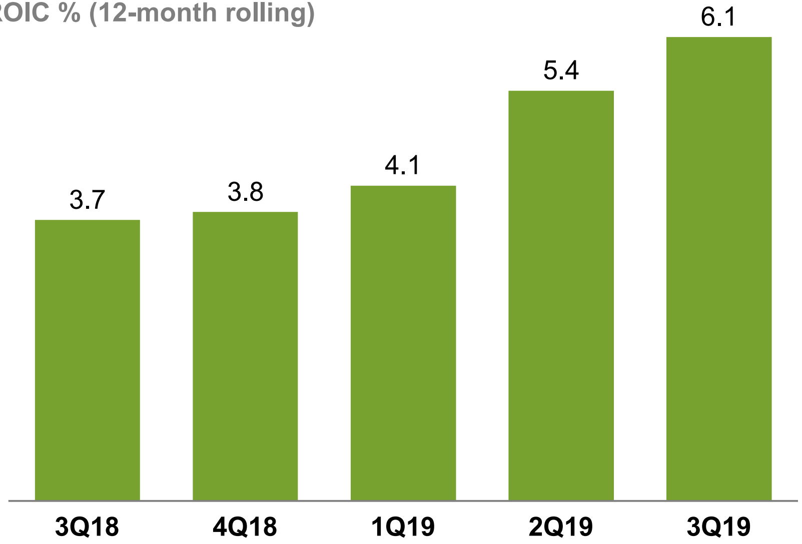
5-year high 3Q EBITDA ex. special items

USD millions



Improving profitability trend last 12 months

ROIC % (12-month rolling)



ROIC Quarter annualized: 5.3 3.4 5.5 7.1 8.1

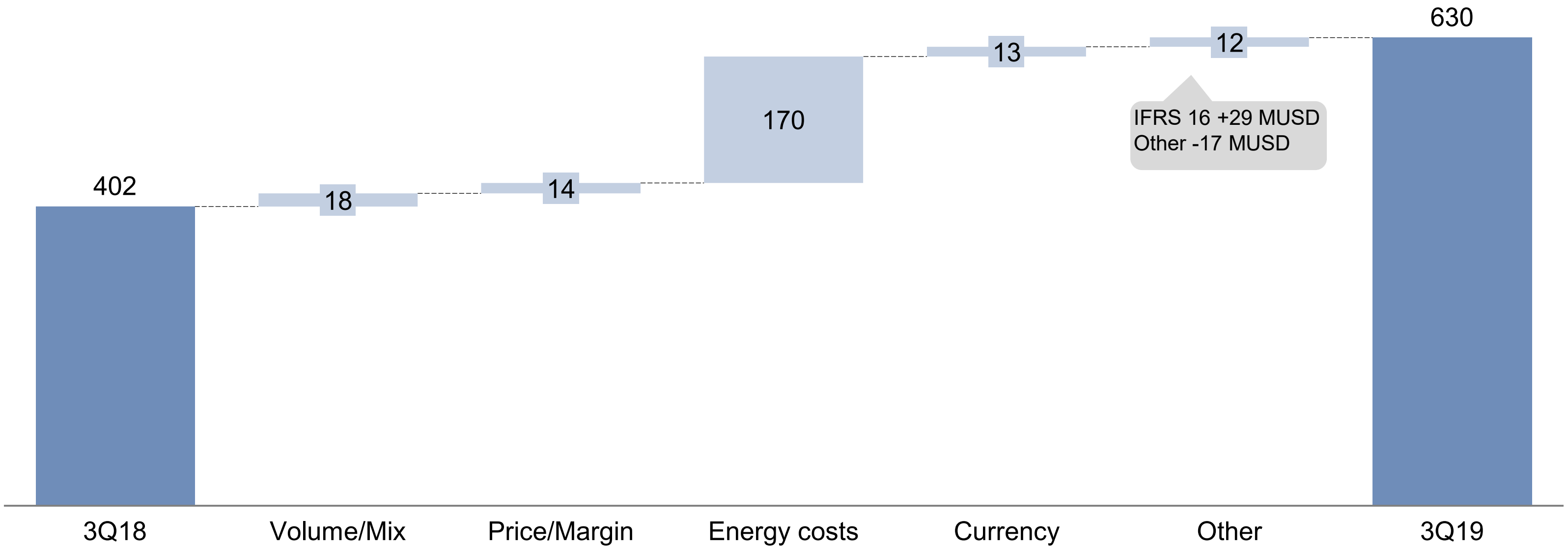
Performance overview

	3Q 2019	3Q 2018
EBITDA ex. special items *(USD millions)*	**630**	402
EPS ex. currency and special items *(USD per share)*	**0.94**	0.50
Cash from operations *(USD millions)*	**285**	89
Investments *(USD millions)*	**255**	303
ROIC *(12-month rolling)*	**6.1%**	3.7%

EBITDA increase mainly driven by lower energy cost, improved product mix and higher margins

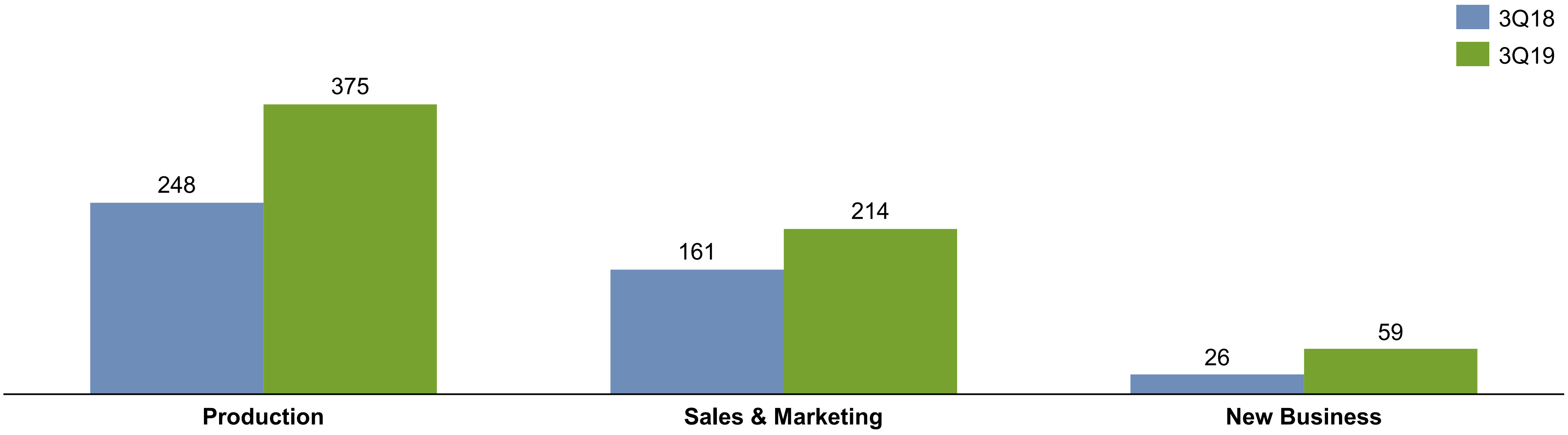
EBITDA ex. special items

USD millions



Higher earnings in all segments

EBITDA ex. special items (MUSD)



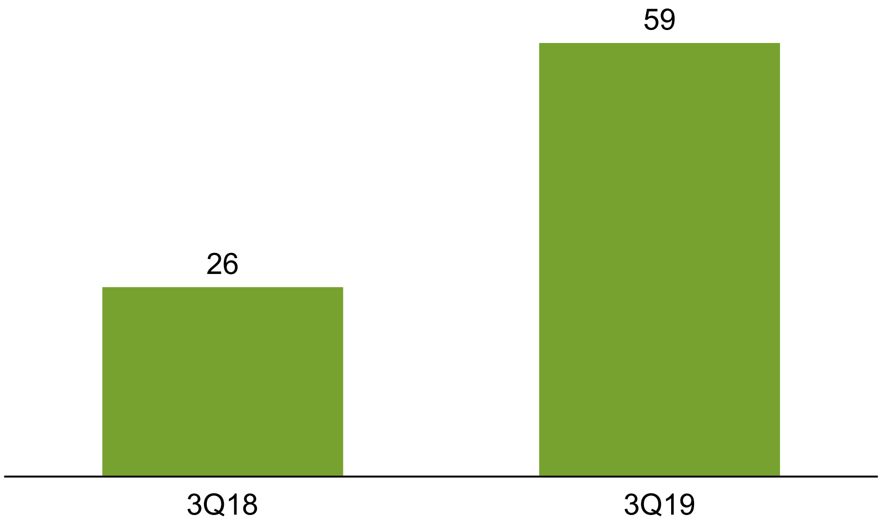
- Improved nitrogen margins in Europe
- Positive production regularity trend

- Strong premium deliveries with improved margins
- Lower fixed cost

- Underlying improvement in all units
- Volume and margin improvement

Strong New Business operations and earnings improvement

New Business EBITDA

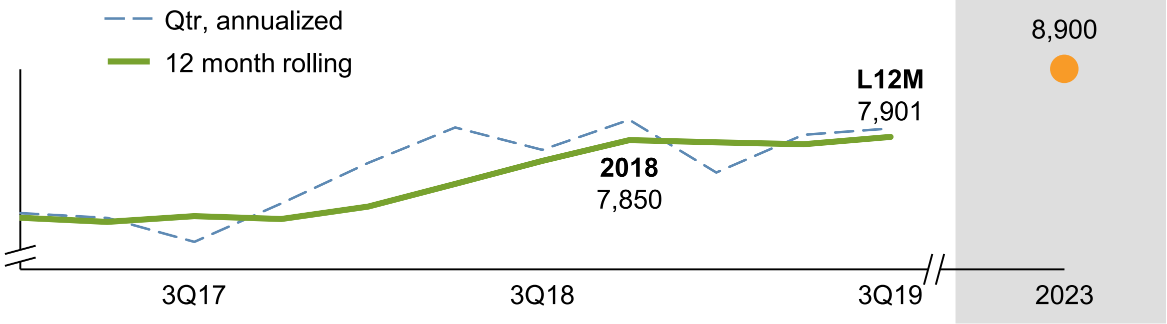


Comments

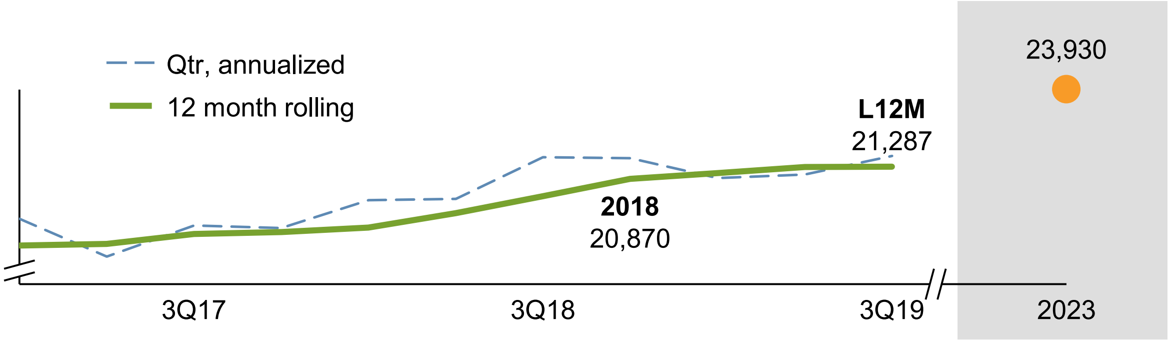
- Underlying result improvement for all business units
    - Strong quarter for Maritime
- Volume increase mainly for AdBlue in Europe and North America
- Higher margins mainly within Mining Applications
- IPO scope evaluation progressing according to plan

Improvement Program status: production KPIs[1]

Ammonia production volumes, kt annualized



Finished products production volumes, kt annualized



Comments

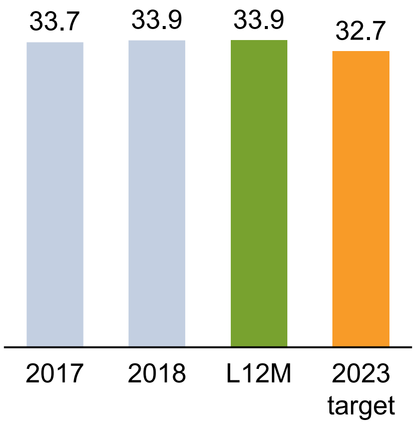
- Improved reliability overall
- Largest effect on ammonia (up 79 kt compared with 2Q19), main contribution from Pilbara
- Finished products up 11 kt compared with 2Q19

[1] As presented at CMD, includes volumes from both growth and improvement projects
See appendix for definitions

Improvement program: non-production KPIs

Ammonia energy efficiency

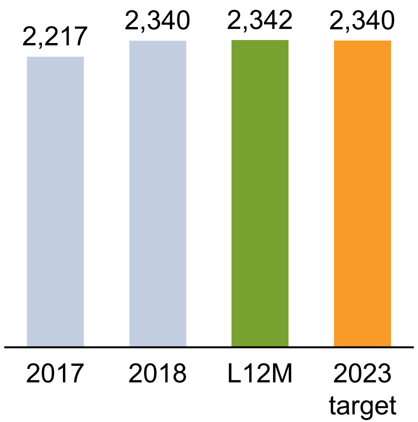
GJ/ton



- Improved reliability and fewer turnarounds contribute positively compared with 2Q status (34.1 GJ/ton)

Fixed costs

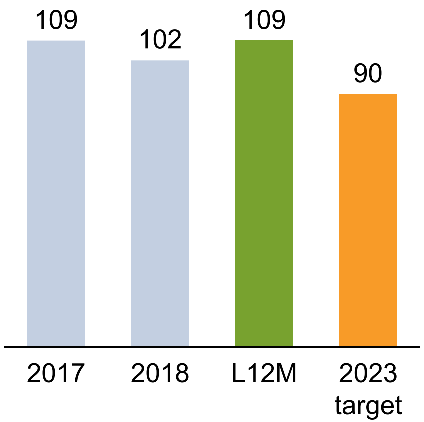
MUSD



- Fixed costs in line with target ambition level; improving trend
- 2023 target represents real improvement of 300 MUSD

Operating capital

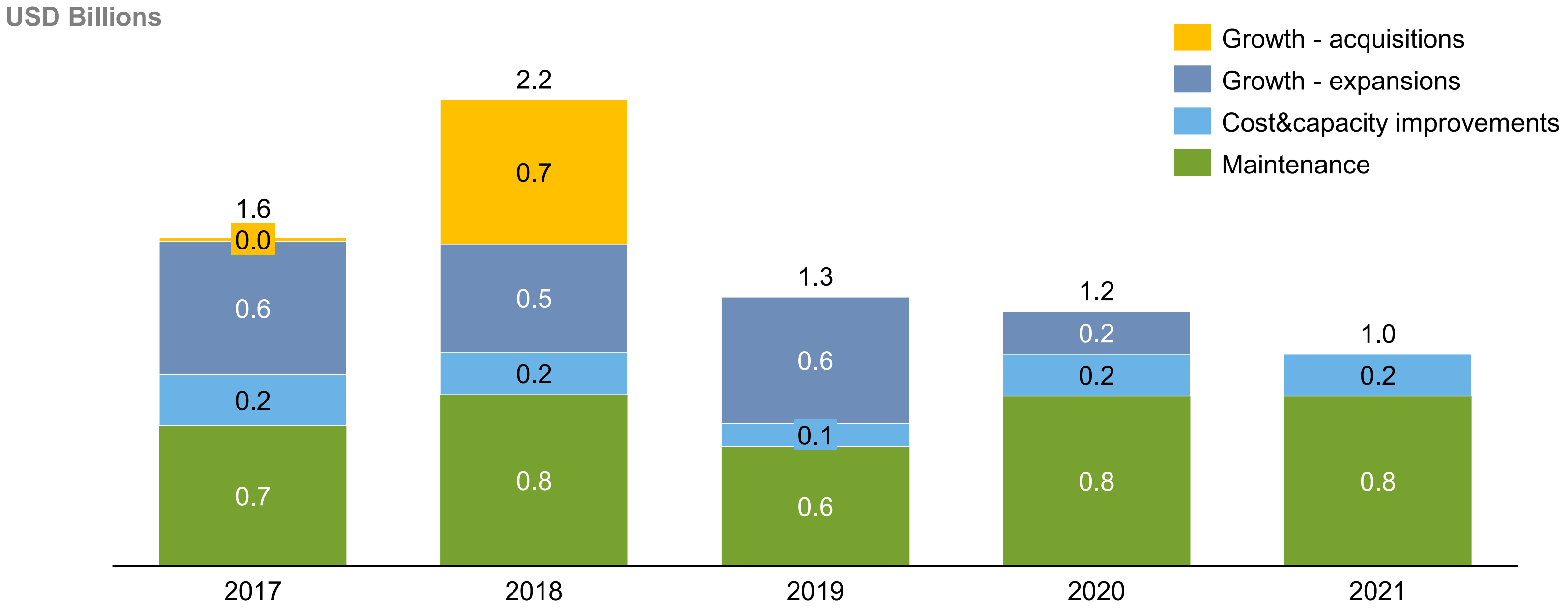
Days



- Inventory increase vs 2018 driven by commercial management of operating capital

No change to committed investments

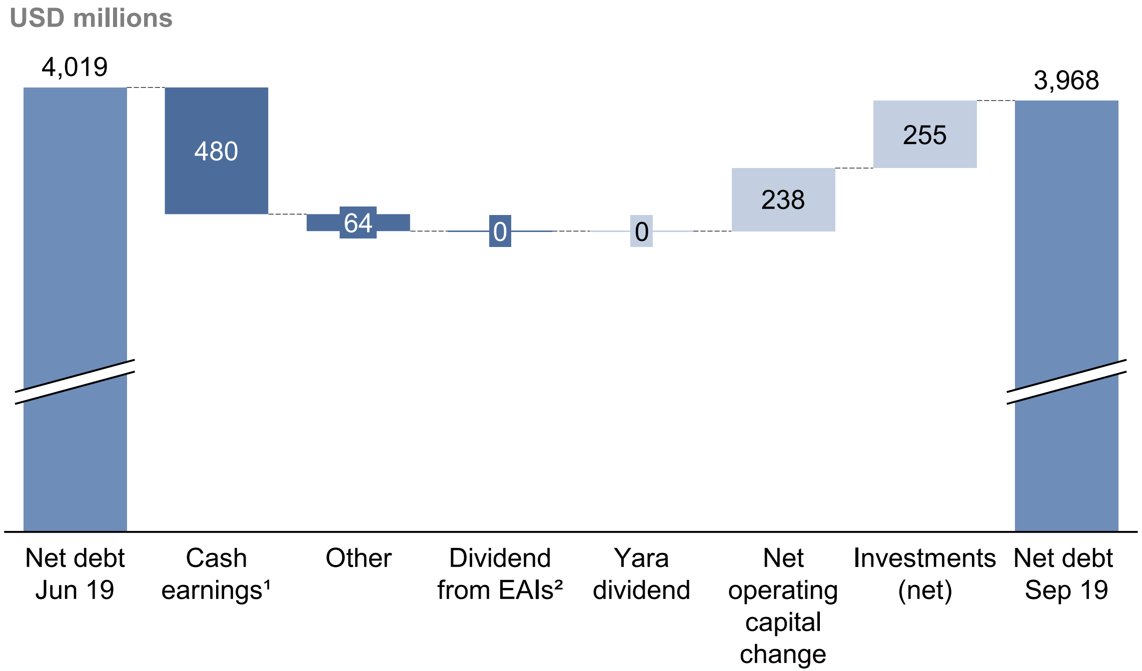
Capex plan[1]



[1] Committed investments as of end 3Q19

Net interest-bearing debt reduced

3Q development



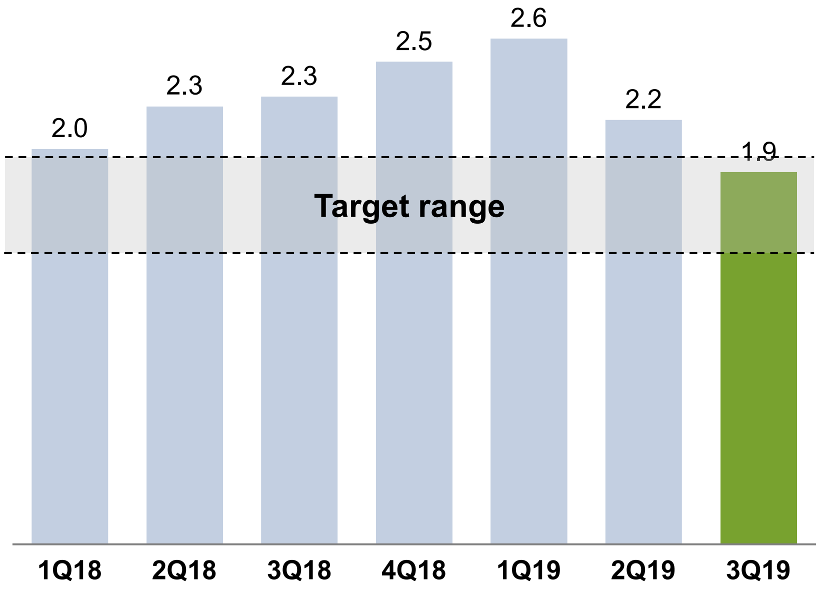
Comments

- Strong cash earnings, more than covering investments and operating capital increase
- Increased operating capital mainly reflects seasonal prepayments reduction in Brazil
- Investments include 93 MUSD growth investments (Salitre and Rio Grande)
- Net debt/EBITDA[3] ratio at 1.9, down from 2.5 at end of 2018

[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

Delivering on revised distribution policy

Net Debt/EBITDA ex. special items[1]



Comments

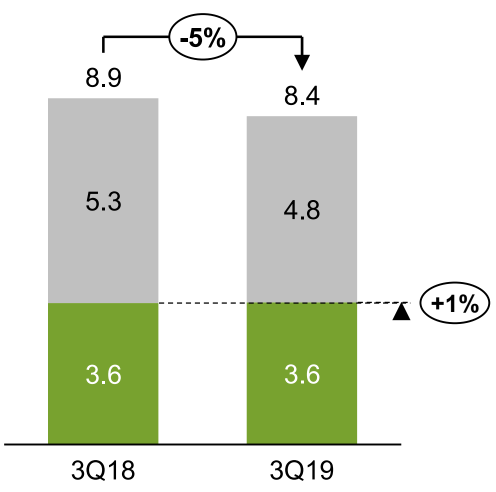
- Yara plans to buy back 0.5% of outstanding shares by the end of 2019, or approx. 0.8% including proportional redemption of Norwegian state shares
- Targeted capital structure is a mid- to long-term net debt/EBITDA range of 1.5-2.0 and a net debt/equity ratio below 0.60
- Shareholder returns are distributed primarily as dividends, with buybacks as a supplemental lever
- Yara considers a moderate buy-back level appropriate while credit metrics recover, but will consider higher cash distribution levels should the improvement continue

[1] End of period net debt divided by L12M EBITDA ex. special items

Sales & Marketing performance

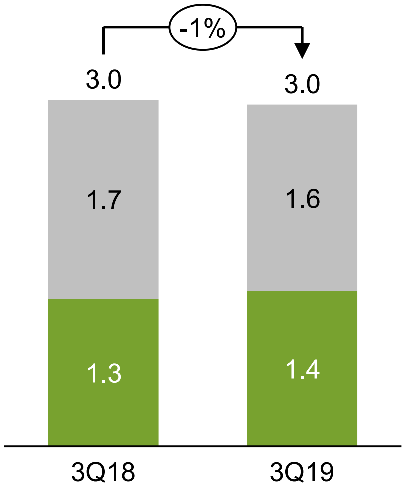
Strong premium product deliveries, positive mix effect

Volumes (Mt)



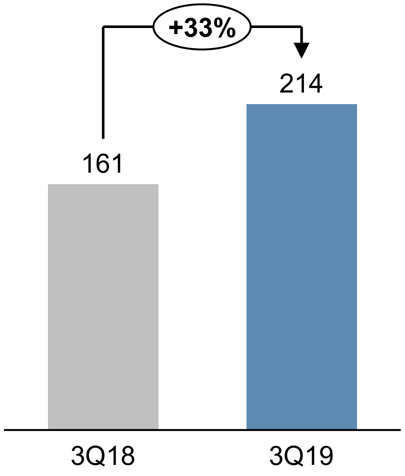
Stable revenues

Revenues (BUSD)



Increased EBITDA with higher margins in Brazil and Europe

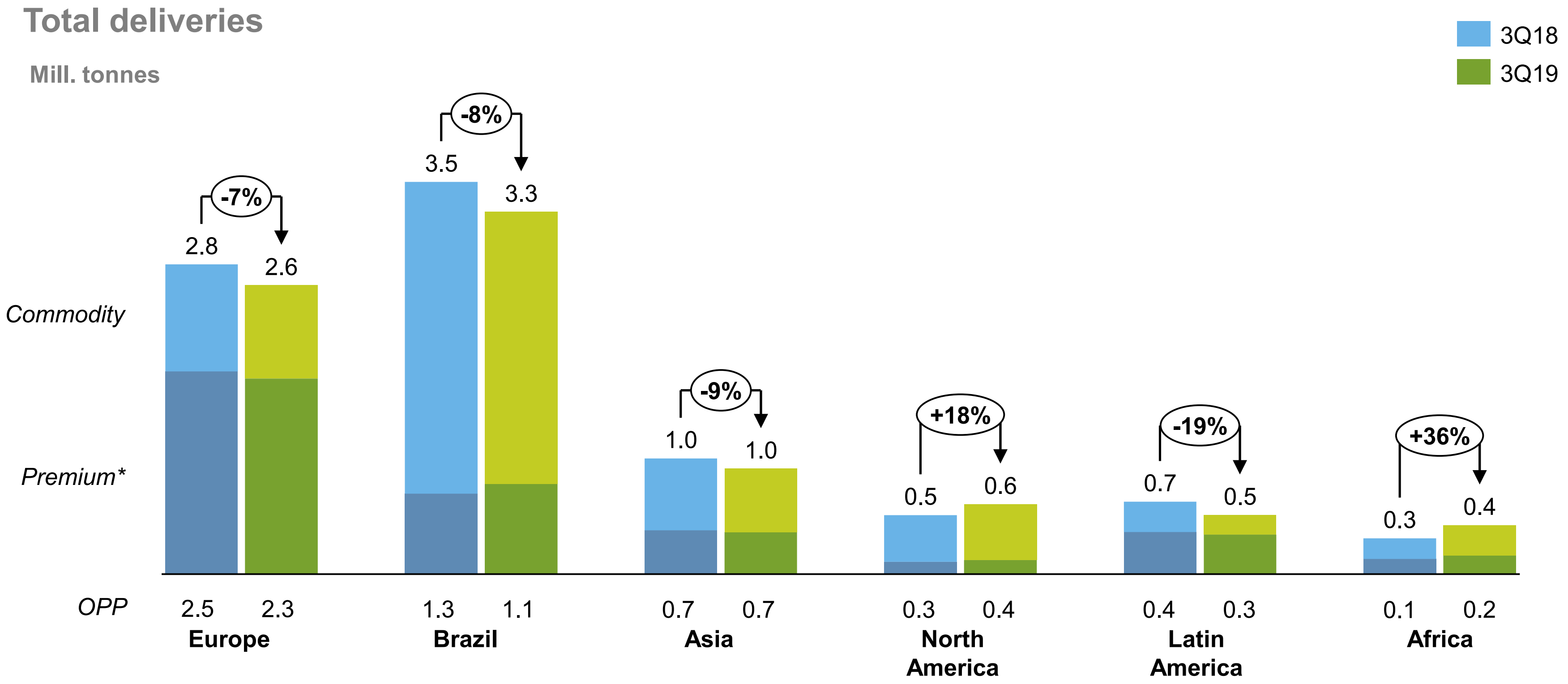
EBITDA ex. SI (MUSD)



Commodity Premium[1]

[1] Premium defined as Differentiated N, NPK, CN, fertigation products and YaraVita. YaraVita only included in revenues.

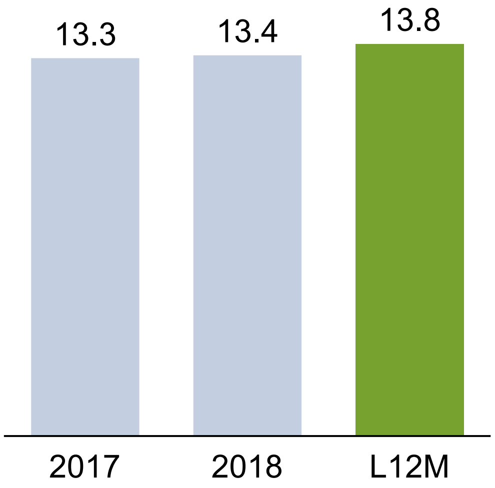
Sales & Marketing deliveries by region

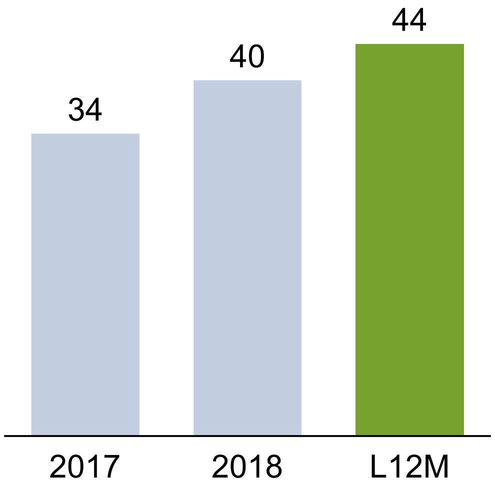


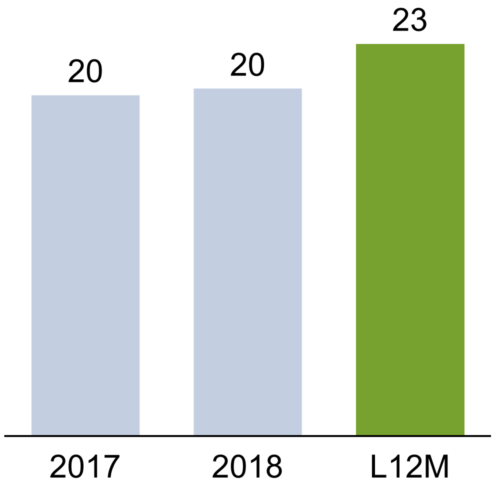
*Premium = NPK, Differentiated N, CN, fertigation products and YaraVita.
OPP = Own Produced Products

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

Increase premium product deliveries by > 3.5 mill tonnes	Increase YaraVita deliveries to > 100 million units	Increase EBITDA margin
Premium products in mill. tonnes	**YaraVita in mill. units**	**EBITDA margin in USD/tonne**

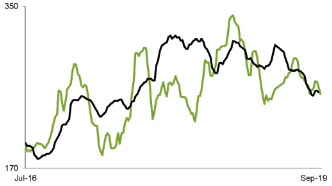






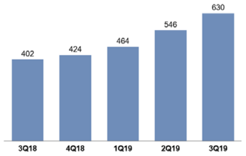
Attractive Yara prospects

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

Delivering on our Strategy, our KPIs and our Ambition

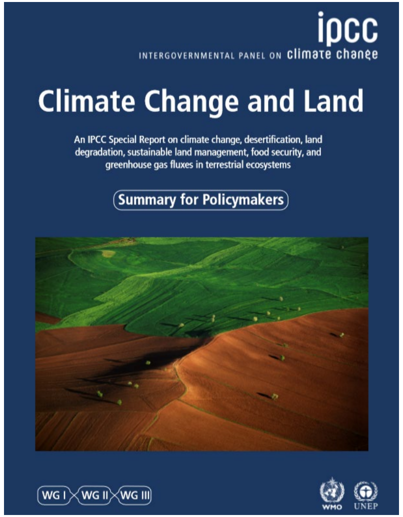
Advance operational excellence	Create scalable solutions	Drive innovative growth
Delivering improved operations and superior profits Yara Improvement program EBITDA improvements **>600MUSD** in 2023 vs 2018	**Improving margins and nitrogen use efficiency through premium product growth** **>3.5 million tons** premium product growth and **>100 million units** of YaraVita sales by 2025, improving overall EBITDA/t in Sales and Marketing	**Building closeness to farmers through scaling up digital farming** **>10 million ha** under management in 2020 and **positive** EBITDA from digital farming **in 2022**
Driving equality and diversity through an engaged and respected workforce Engagement index **>80%** by 2025, and **>20%** female top managers by 2020 and **>25**% by 2025	**Building profitable global food chain partnerships** **>2** million tons of crop solutions sales generated through food companies by 2025	**Solving global challenges and growing profitable business through innovation** Shaping the industry by delivering sustainable and profitable innovations within de-carbonization and circular economy
Protecting the planet by aiming for climate neutrality by 2050 >**10%** decline in kg CO2e/kg N produced by 2025		

Responsibly feed the world and protect the planet
Deliver sustainable returns

>275M people fed by Yara products by 2025	ROIC >**10% through the cycle**	Striving towards zero accidents with **no fatalities and TRI <1.2** by 2025

Yara Food Chain initiatives address key global challenges

The environmental footprint of agriculture is at the top of the current political agenda



Yara's food chain initiatives create connections from production to end consumers

- Yara is strengthening its Food Chain Collaboration activities to grow both **value** and **reach**
- Yara and Nel collaborating to produce clean hydrogen for low-carbon fertilizer production
- Cooperation with Lantmännen aims to eliminate fossil fuels throughout the supply chain to reduce the carbon footprint of Lantmännen's end-products

Appendix

Knowledge grows

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

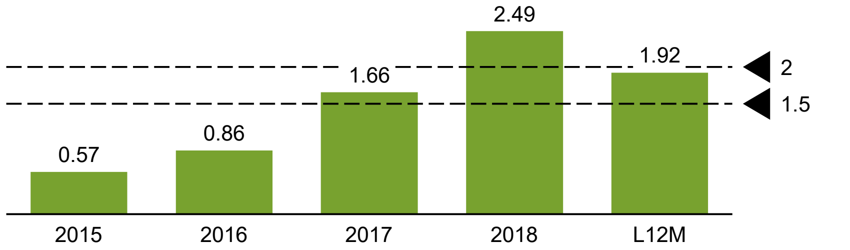
- First major integrated industrial nitrogen-player
- A leading player with the highest value proposition in core markets
- Solid European platform as fundament to achieve a strong global position
- Attractive market portfolio balancing stability & growth

Improved returns
Clear principles for capital allocation

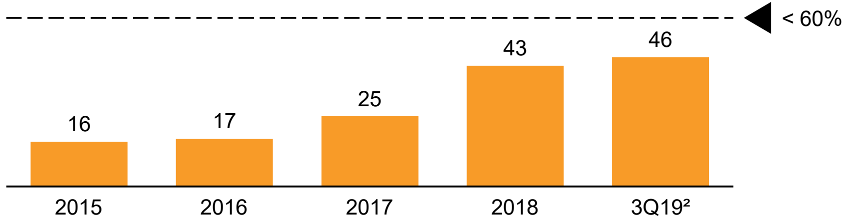
Yara is protecting its investment-grade rating while providing cyclical upside in dividends through a revised policy

- **Overall objective to maintain mid investment-grade rating**
  - BBB Standard & Poor's / Baa2 Moody's
  - Mid- to long-term target FFO[1] / 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

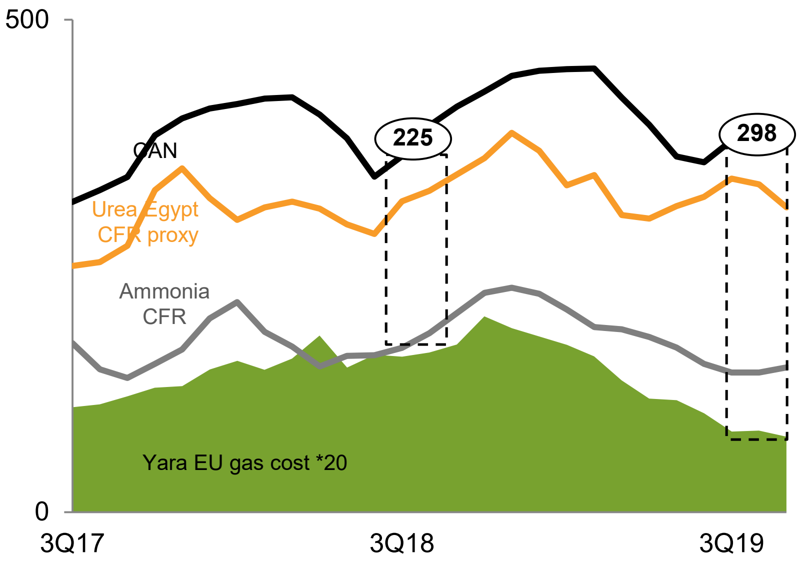


[1] FFO calculated based on Standard & Poor's methodology
[2] Including IFRS 16 implementation effects

Higher nitrogen upgrading margin, global NPK premium above last year

Nitrogen upgrading margins[1]

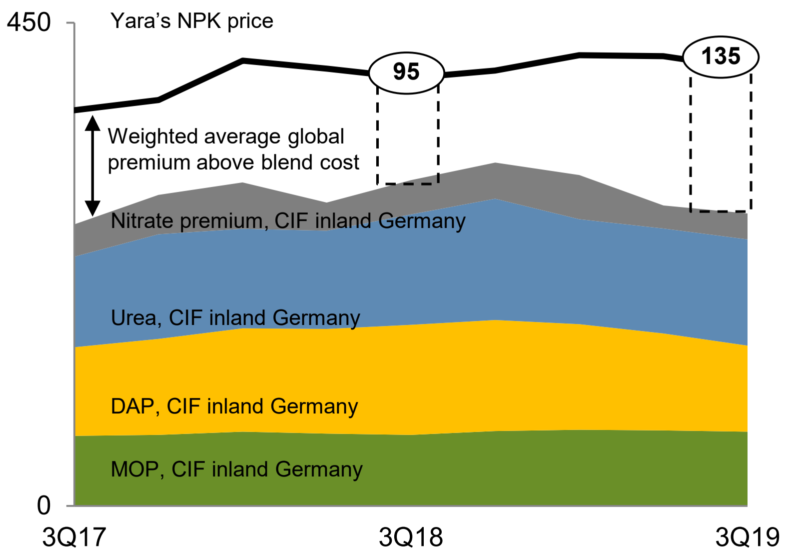
USD/t (monthly publication prices)



[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 blend[2]

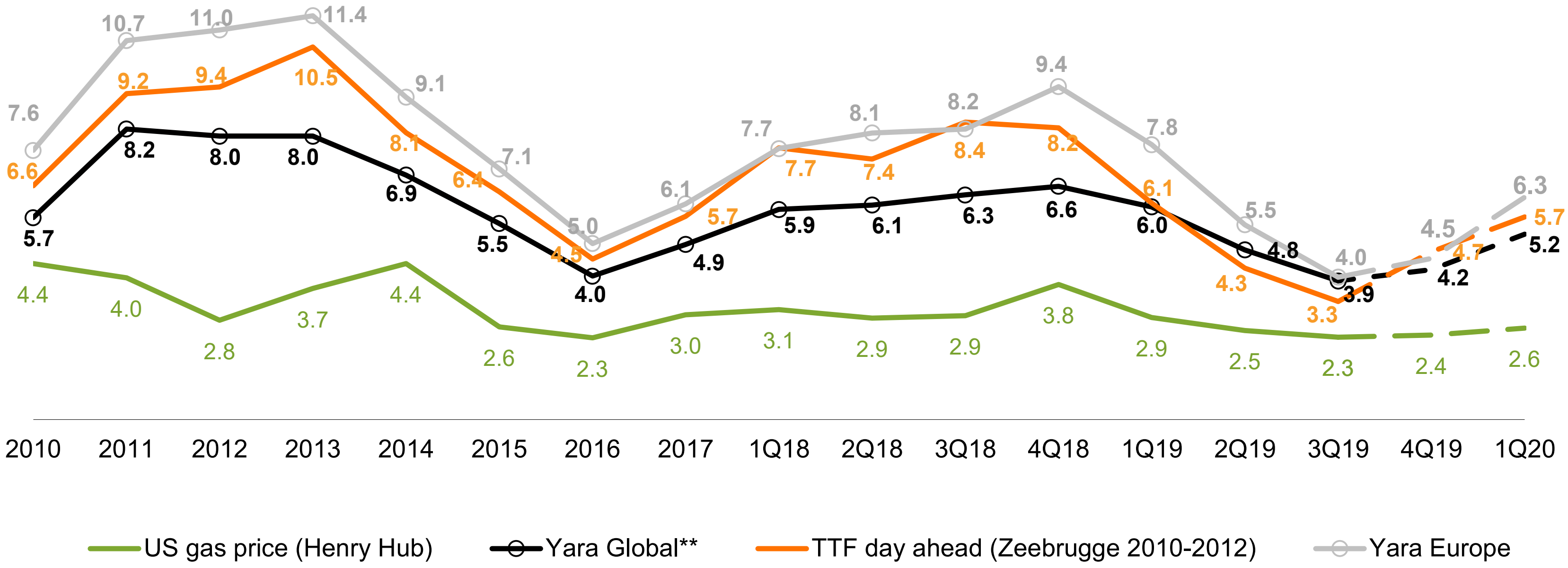
USD/t



[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

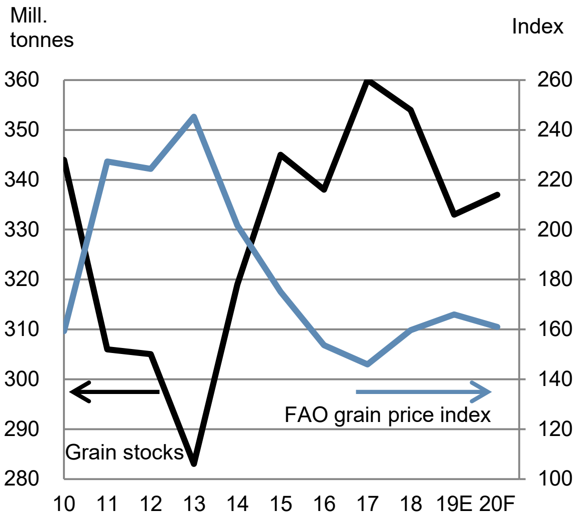


Source: Yara, World Bank, Argus/ICIS Heren
*Dotted lines denote forward prices as of 7 October 2019
**Yara Global restated from 2Q 2018 to include Cubatão gas cost

Improving industry fundamentals

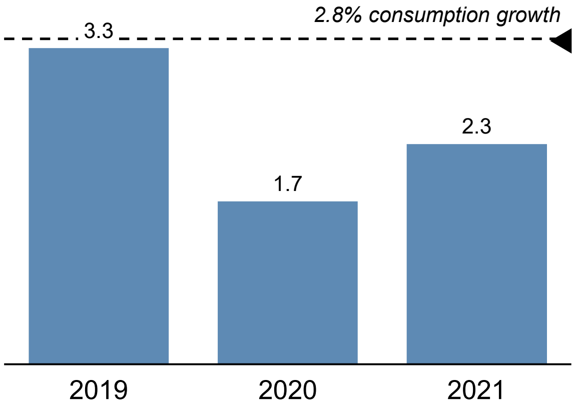
Declining grains stocks excluding China

Grain stocks ex. China and grain prices



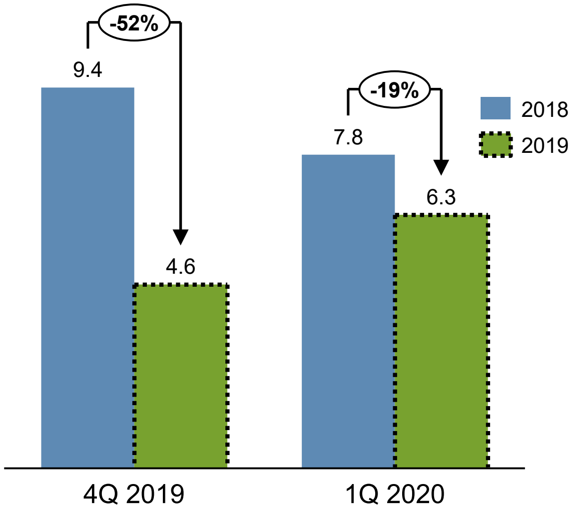
Nitrogen supply growth set to reduce significantly

Global urea capacity additions ex. China



Lower expected European natural gas prices

Spot gas prices[1] (USD/Mmbtu)

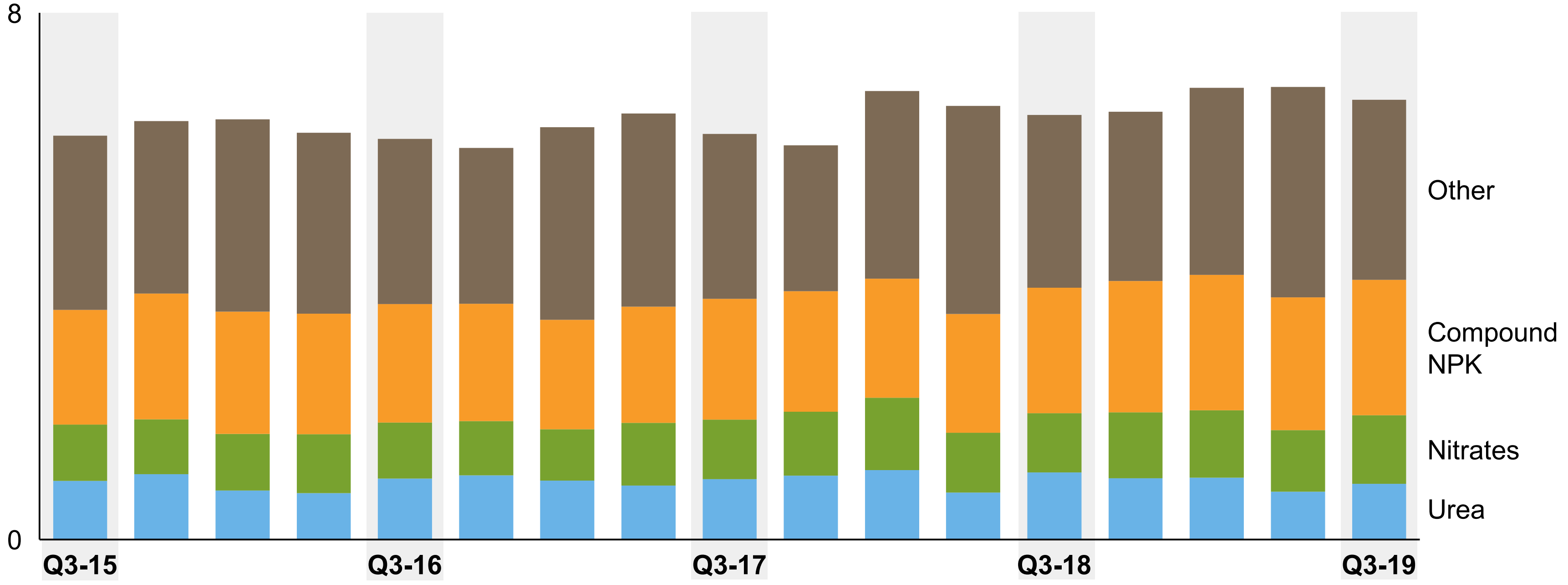


[1] Source: Argus, dotted bars represent forward prices as of 7 October 2019. 1 month lag applied

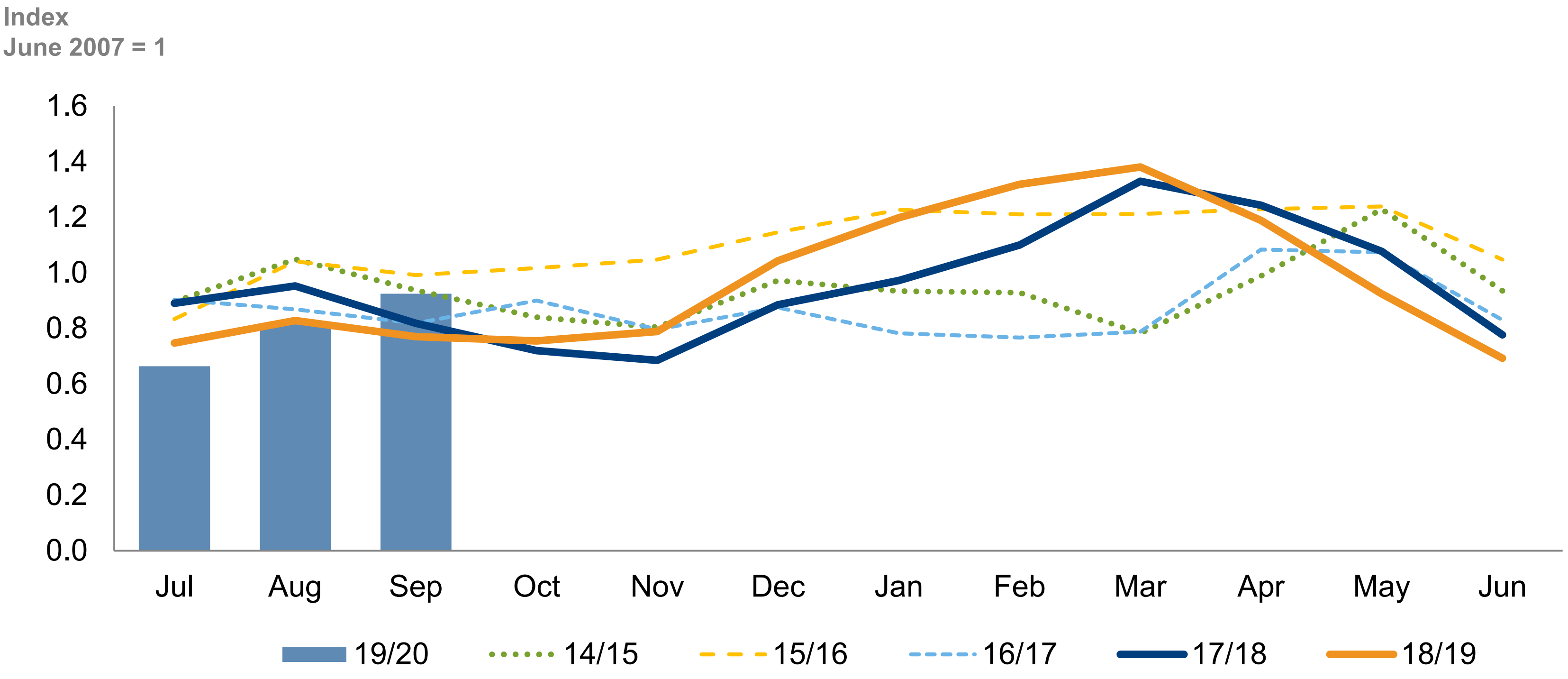
Yara stocks

Finished fertilizer

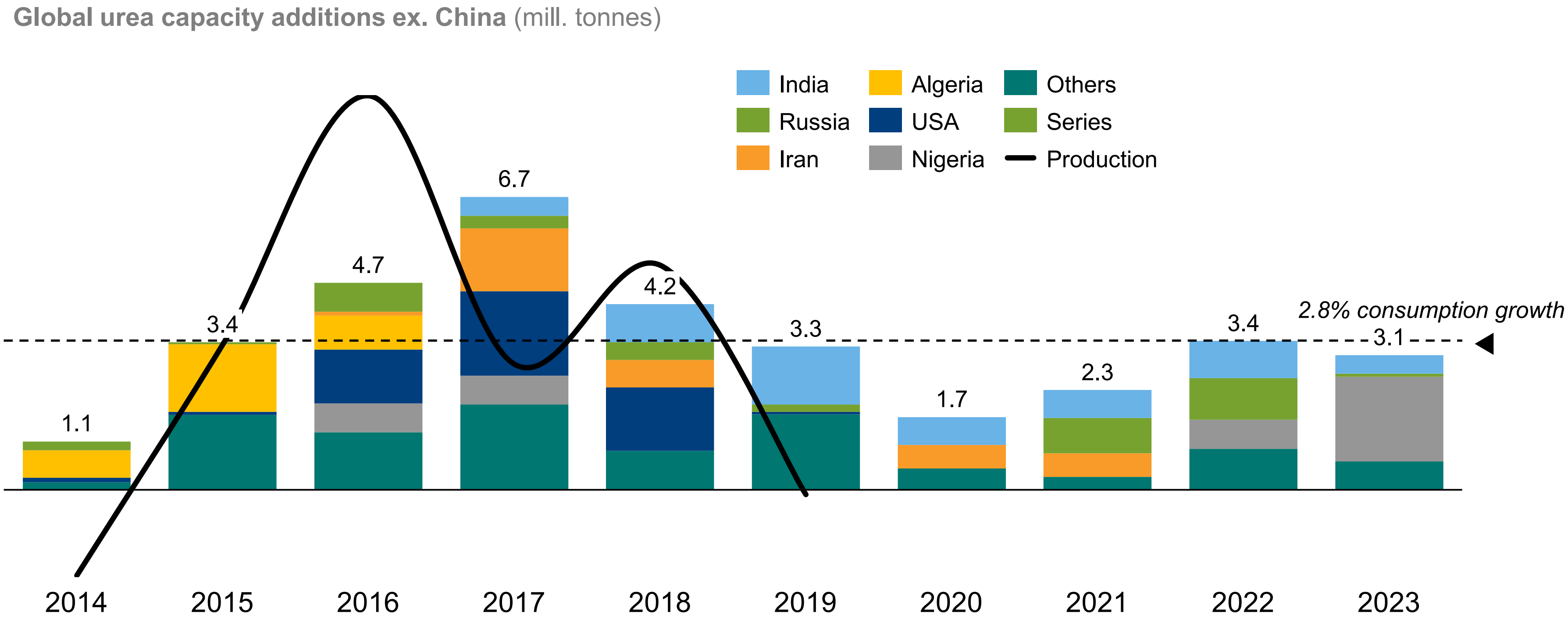
Mill. tonnes



European producers' nitrate stocks

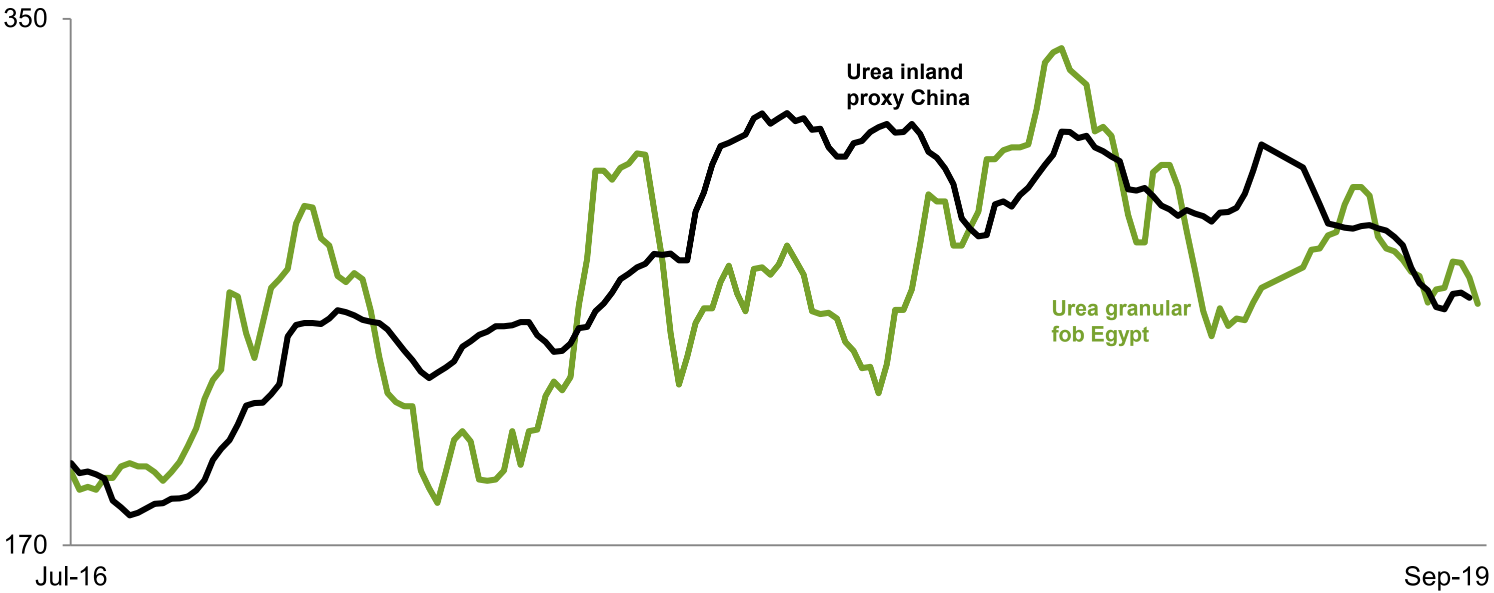


Nitrogen supply growth is forecast to reduce significantly



Tighter global urea market, Chinese exports required, but lower prices in China negatively affect global pricing

Urea price development[1] (USD/t)



[1] Source: BOABC, CFMW

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


YARA
Knowledge grows