Knowledge grows

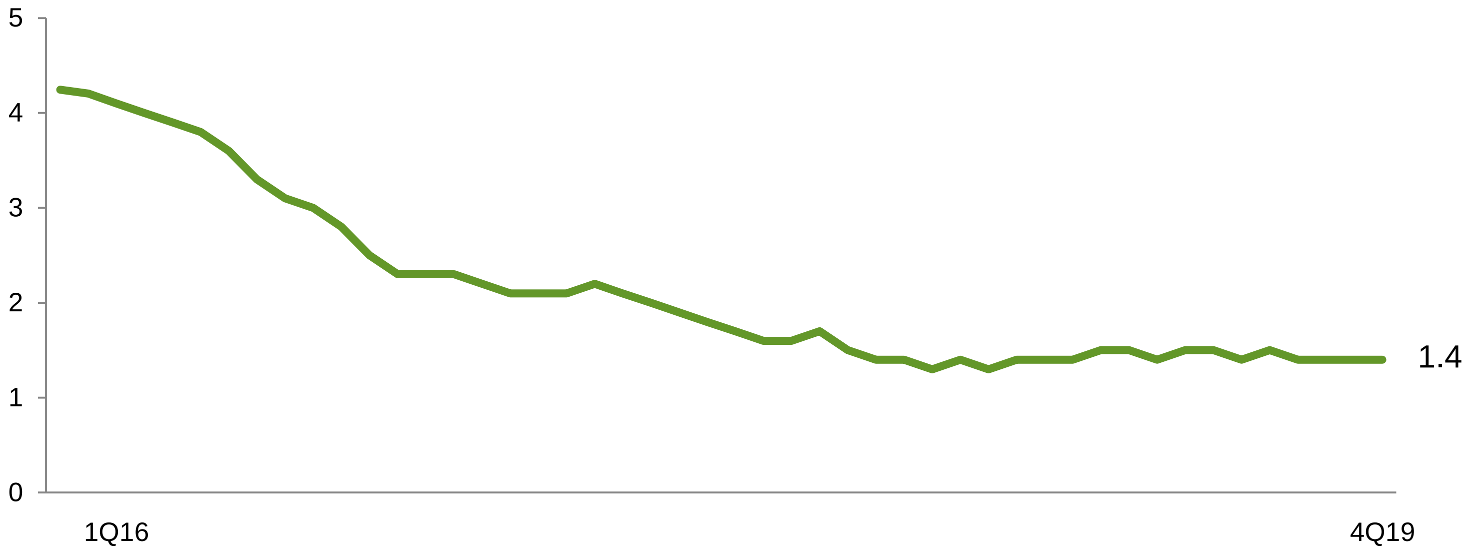
Yara International ASA 2019 fourth quarter results

7 February 2020

Safety is our first priority

Ensuring a safe workplace for employees and partners

TRI[1] (12-month rolling)

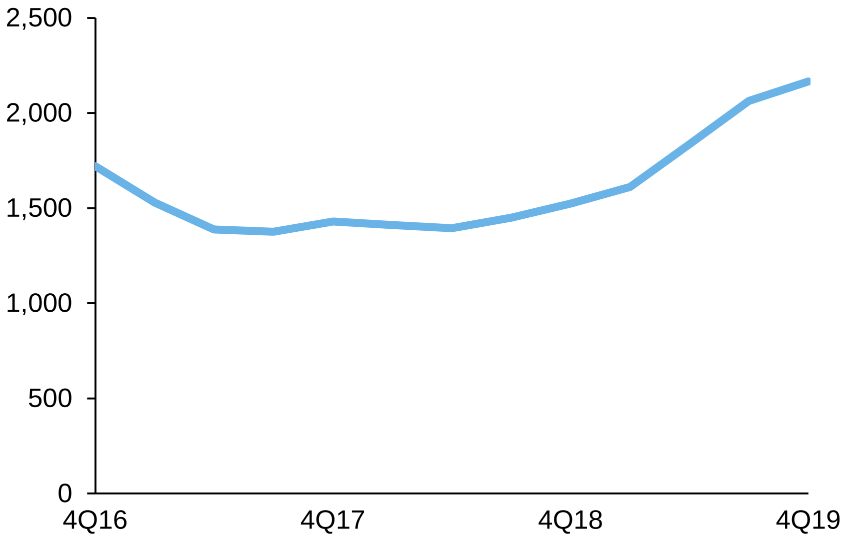


[1] Total Recordable Injuries per 1 million working hours
[2] OFD and Galvani included in statistics from January 2016

Continued profit growth

Earnings improvement continuing

L12M EBITDA ex. special items (MUSD)



Increased 4Q profitability

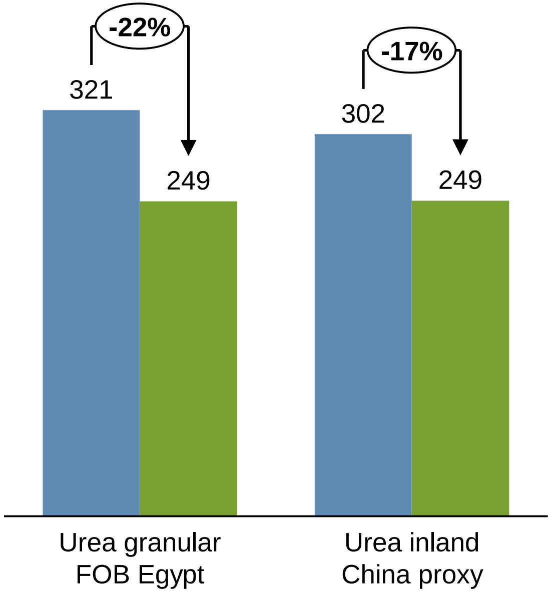
- Strategy execution drives improved commercial margins and bottom line
  - NPK premium up 62 USD/t
- Plant portfolio benefiting from lower gas cost, but unsatisfactory performance in some plants
  - Gas cost 170 MUSD lower
- Continued earnings growth in New Business
- USD 848 million free cash flow[1] improvement
- Delivering on capital allocation policy:
  - NOK 15 per share dividend proposed
  - 0.8%[2] buyback in Q1 2020

[1] Net cash provided by operating activities minus net cash used in investment activities (see cash flow statement page 16 in Yara 4Q report)
[2] 0.5% of shares outstanding to be purchased in the market during first quarter 2019. Including the proportional redemption of shares owned by the Norwegian state, the total buyback and redemption will amount to approximately 0.8% of shares outstanding.

Lower urea prices and input costs, improved commercial margins

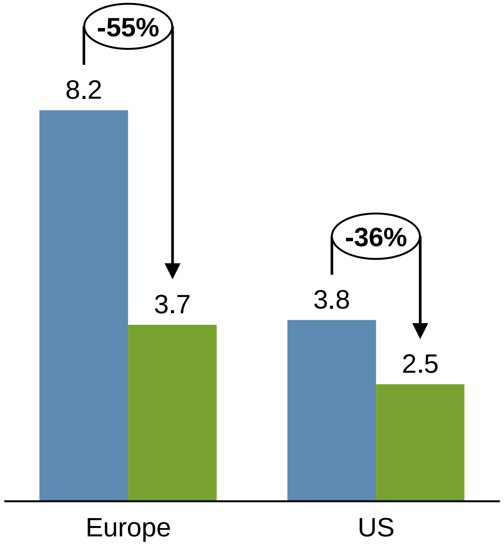
Lower urea prices outside China

Urea price development[1] (USD/t)



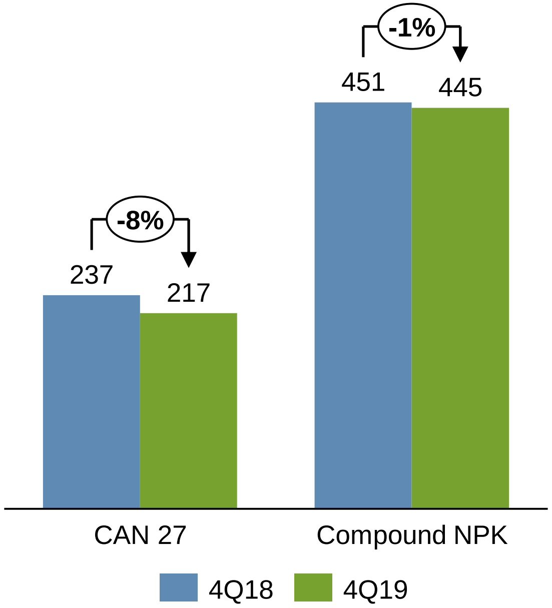
Lower European natural gas prices

Spot gas prices[1] (USD/Mmbtu)



Lower nitrate and NPK prices

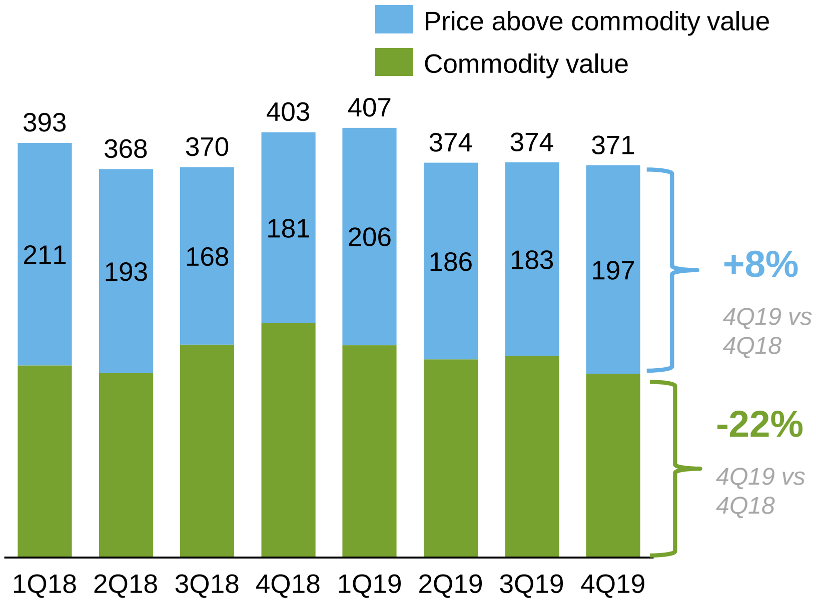
Yara realized CAN[2] and NPK price[3] (USD/t)



[1] 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)

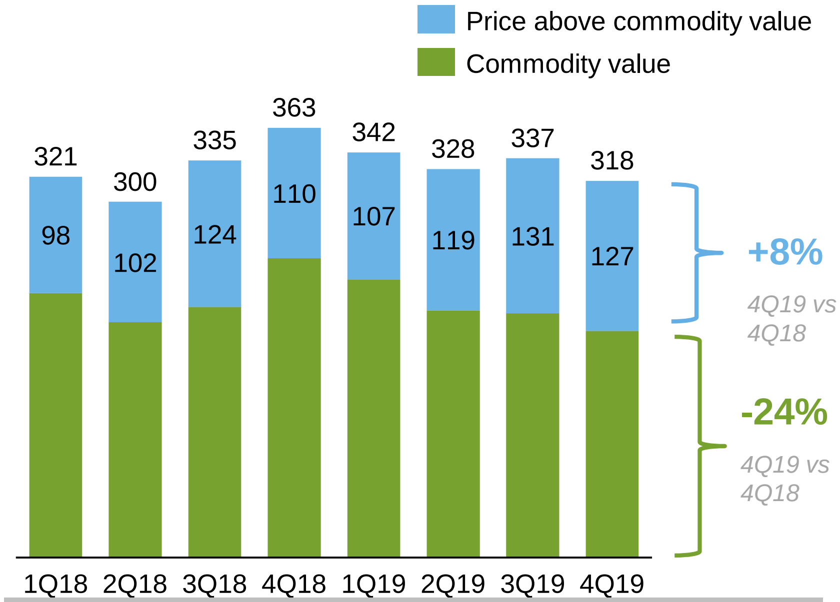
Sales & Marketing revenues resilient to commodity price fluctuations

Revenue per premium product tonne, USD/t



~3.4 million tonnes average quarterly deliveries 2019

Revenue per commodity tonne, USD/t

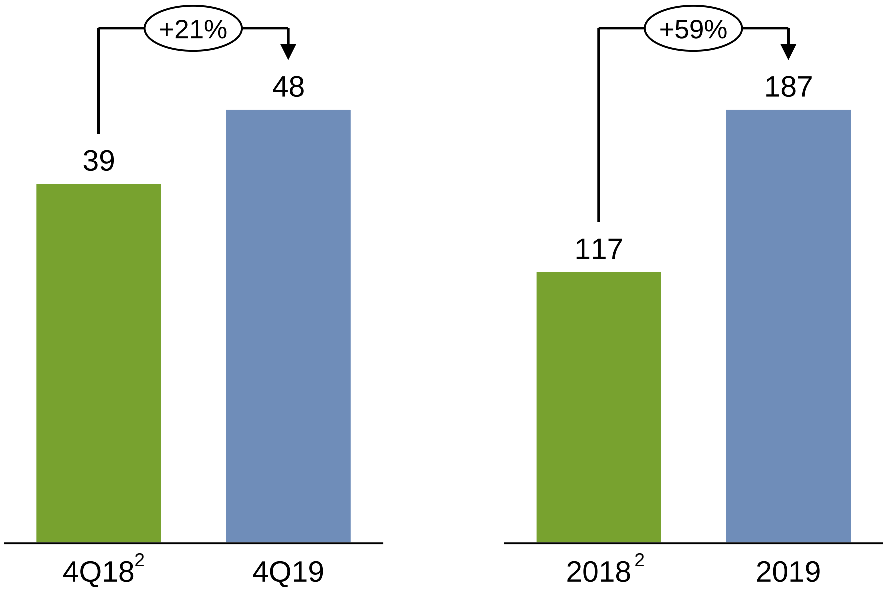


~4.2 million tonnes average quarterly deliveries 2019

Premium products defined as Differentiated N, NPK, CN, fertigation products and YaraVita. Commodities defined as Urea, NPK Blends, MAP/DAP, MOP/SOP, SSP and other
Price equals Yara's realized price per ton in the market
Commodity value refers to the value of N, P and K valued at Urea FOB Egypt, DAP FOB North Africa, MOP FOB Vancouver

Strong New Business operations and earnings improvement

New Business EBITDA excl. special items[1]



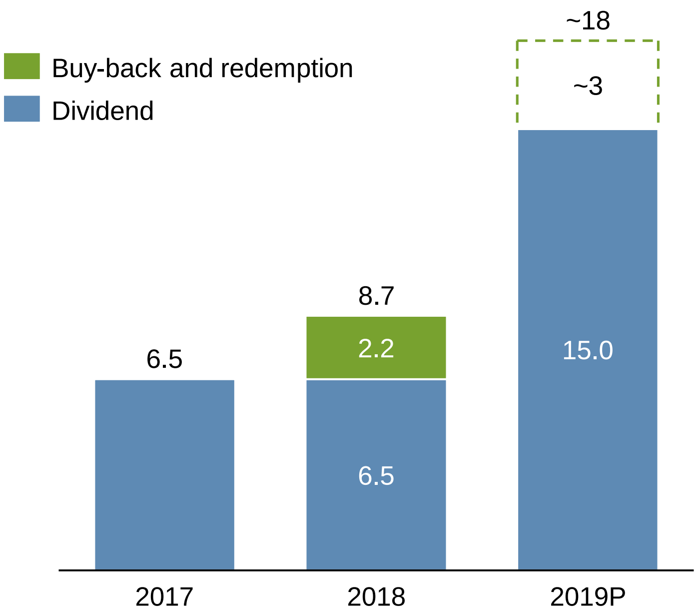
Comments

- Strong 4Q performance, especially for Maritime
- 2019 EBITDA up 59%, mainly driven by Maritime and Cubatão acquisition
- Process for NewCo CEO replacement initiated; Interim CEO appointed
- IPO / spin-off evaluation and scope assessment extended to mid-2020

[1]For definition of EBITDA excl. special, see APM section in Q4 report page 33
[2]2018 segment figures have been restated according to the new segment structure.

Delivering on capital allocation policy: ~ USD 500 million cash return

Dividends and buy-backs per share (NOK)



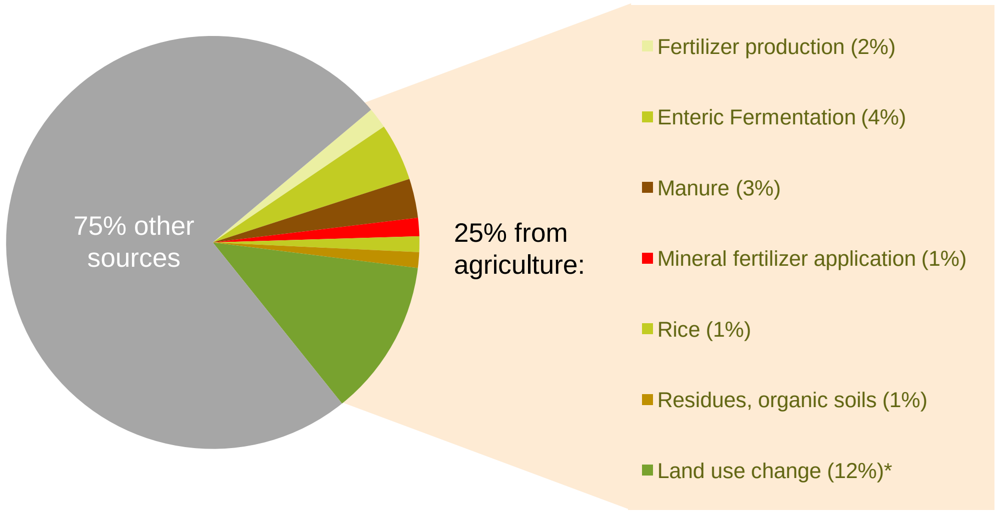
Comments

- Improving Yara cash flow from strategy execution and a robust outlook allows Yara to keep net debt/EBITDA in upper end of the targeted range of 1.5 – 2.0.
- The Yara Board proposes to the Annual General Meeting a 2019 dividend of NOK 15 per share
- Yara also plans to buy back 0.5% of shares outstanding by the end of 1Q, or approx. 0.8%[1] including proportional redemption of Norwegian state shares, in total equivalent to approximately NOK 3 per share at the current share price
- Buy-backs will be evaluated on a quarterly basis, in accordance with capital allocation policy

[1] 0.5% of shares outstanding to be purchased in the market during first quarter 2019. Including the proportional redemption of shares owned by the Norwegian state, the total buyback and redemption will amount to approximately 0.8% of shares outstanding.
2 For definition, see APM section of 4q report, page 38

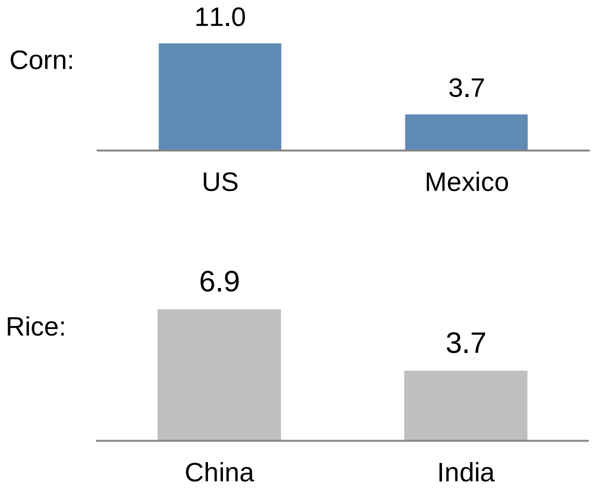
Improving crop nutrition efficiency and sustainability from factory to field is core to Yara and crucial for the planet

Ag sector represents 25% of global GHG emissions



Significant improvement potential

Tonnes output per hectare



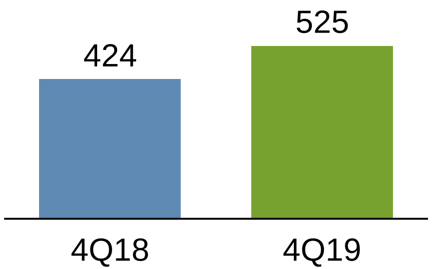
* Emissions only, no sinks such as re-forestation considered

Yara and IBM launch a collaborative approach to enable sustainable food production – towards an open farm and field data exchange

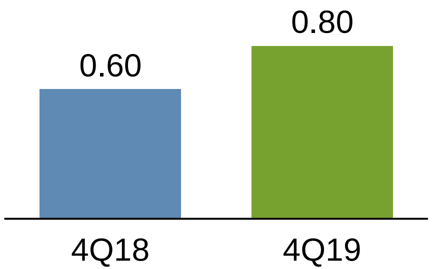
- Today, many challenges prohibit farm and field data sharing at scale
- A collaborative approach for data management is needed
- Yara and IBM invite institutions across the world to test and explore jointly with us as of February 2020

Performance overview

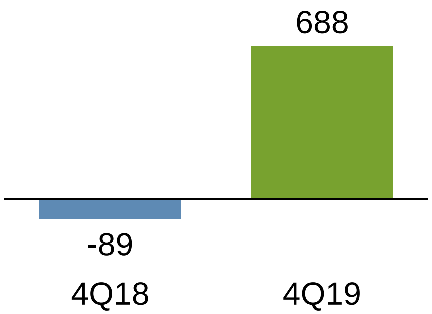
EBITDA ex. Special items
(USD millions)



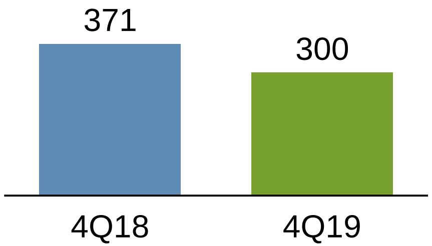
EPS ex. currency and special items
(USD per share)



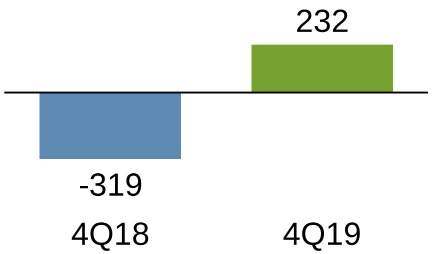
Cash from operations
(USD millions)



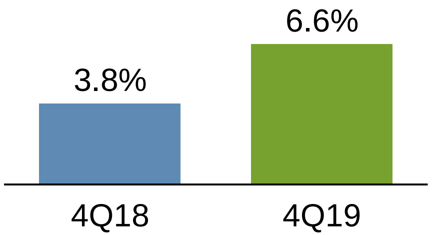
Investments (net)
(USD millions)



Change in net operating capital
(USD millions)



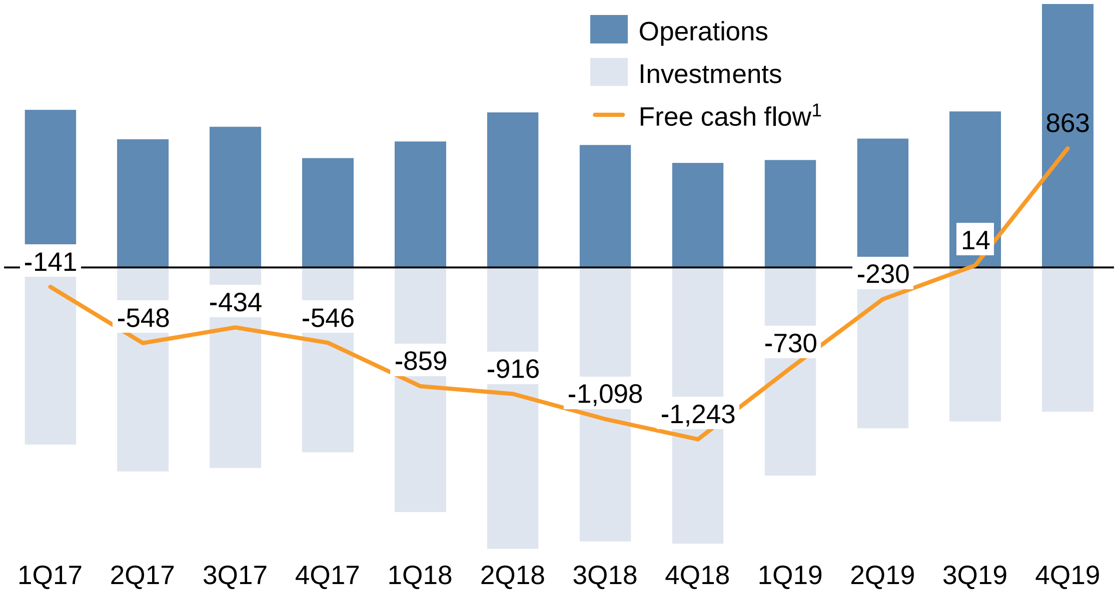
ROIC
(12-month rolling)



Performance focus and capital discipline drives cash flow improvements

Free cash flow before financing activities[1]

USD millions, rolling 4 quarters



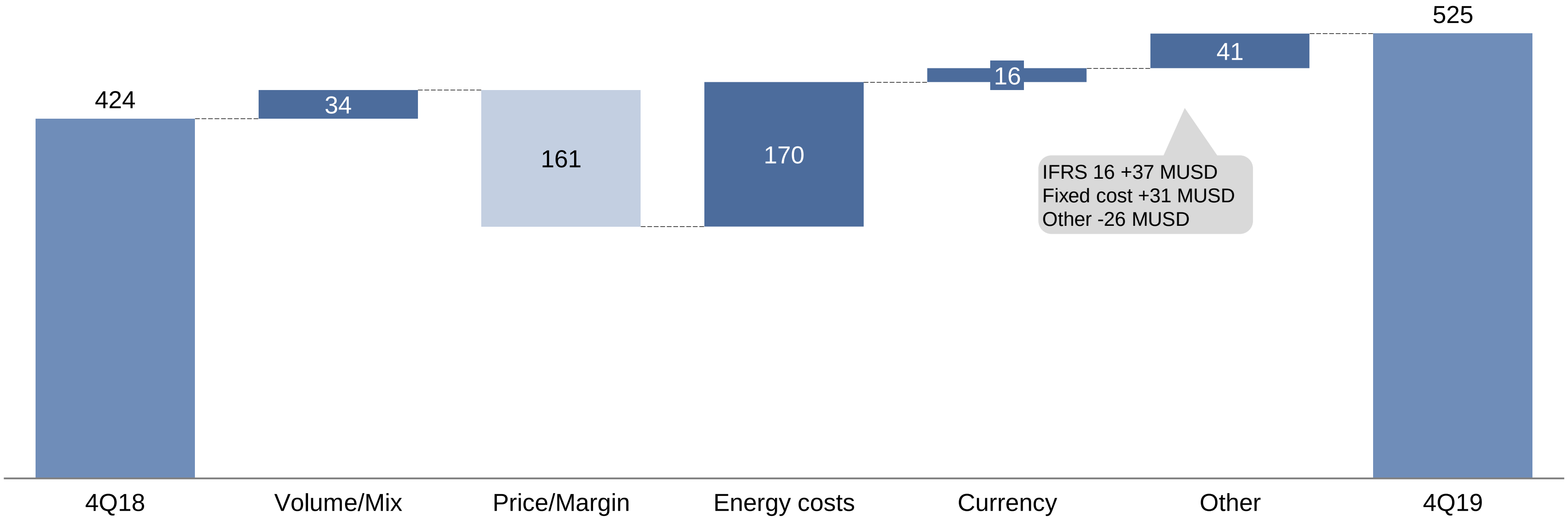
Comments

- Strategy execution driving improved free cash flow[1] in 2019
  - strong operational cash flow, lower investments

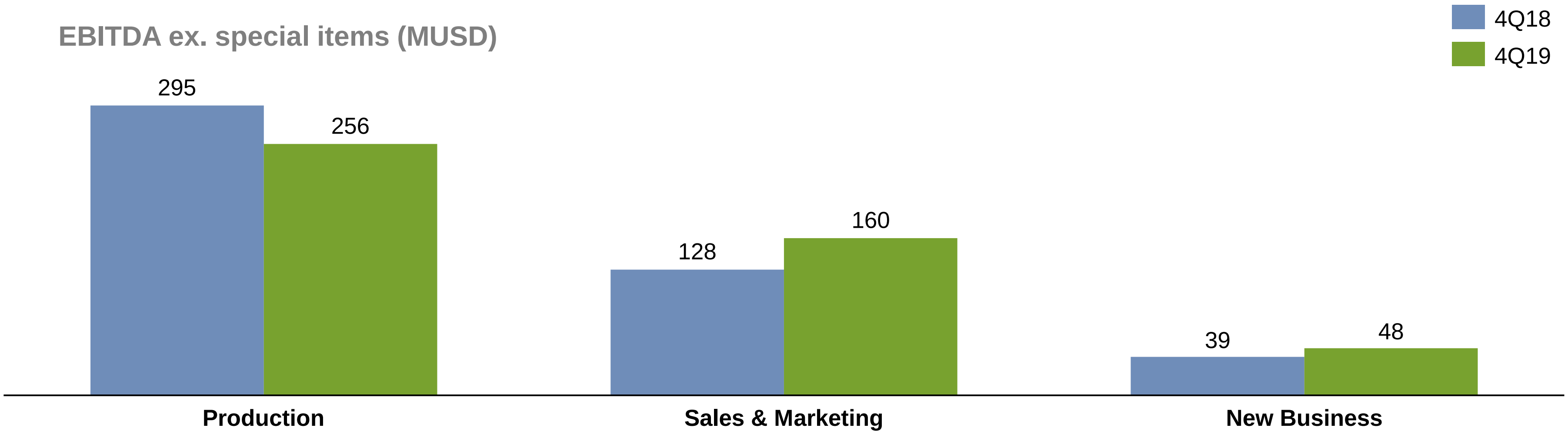
[1] Net cash provided by operating activities minus net cash used in investment activities (see cash flow statement page 16 in Yara 4Q report)

Strong commercial performance and lower input costs drive EBITDA increase

EBITDA ex. special items (MUSD)



Stronger value creation in commercial segments, somewhat lower commodity margins in Production segment



Production

- Nitrogen and phosphate price decline only partially offset by lower gas prices
- Unsatisfactory production performance in some plants

Sales & Marketing

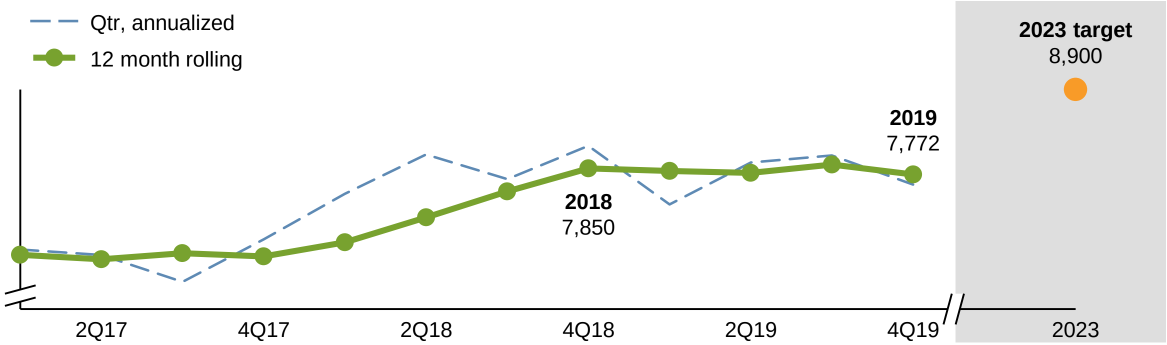
- Improved commercial margins
- Lower fixed cost

New Business

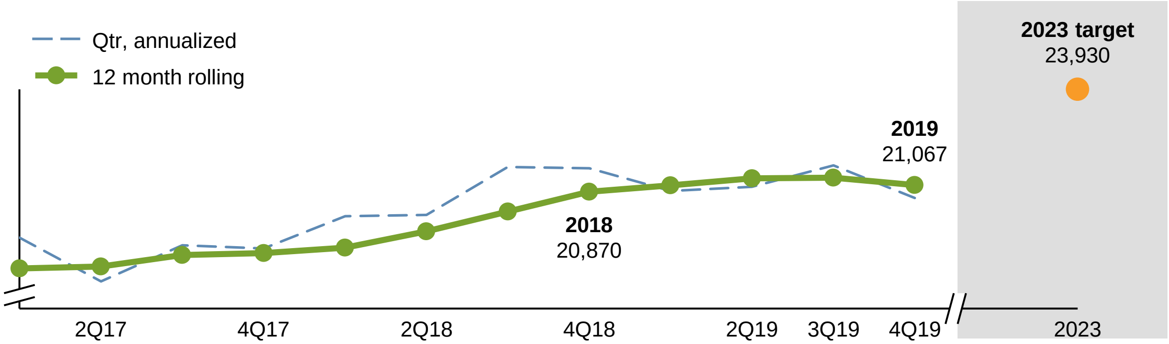
- Improved financial performance for most units
- Strong deliveries for Maritime

Improvement Program status: production volume KPIs[1]

Ammonia production volumes, kt annualized



Finished products production volumes, kt annualized



Comments

- Unsatisfactory production performance overall in 4Q, reflecting unplanned outages in several plants
  - Ammonia -130 kt
    Mainly Ferrara, Le Havre, Pilbara
  - Finished prod. -220kt
    Mainly Porsgrunn, Ferrara, Le Havre
- Improvements seen in several plants, including Tertre, Freeport and Belle Plaine (record year)
- 4Q outages will also impact 2020 performance, but 2023 targets are not impacted

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

Growth project status

	Sluiskil *(Netherlands)*	Köping *(Sweden)*	Freeport *(US)*	Rio Grande *(Brazil)*	Salitre *(Brazil)*	Pilbara TAN *(Australia)*	Dallol *(Ethiopia)*
Status production	✓ *In testing, completion 1H20*	✓ *Stable operations since late 2019*	✓ *On line since mid-2018*	→ *Delayed (end 2020)*	→ *Delayed (2H21)*	→ *Progressing to completion (2Q20)*	✗ *On hold*
Volume[1]	• 210 kt Urea+S (replacing prills)	• 90 kt TAN	• 550 kt ammonia (Yara's 68% ownership)	• 430 kt granulated NPK	• 1.2 mt phos. rock / 900 kt finished fertilizer[2]	• 160 kt TAN (Yara's 50% ownership)	
Phasing	• Urea plant in full operation • Urea+S in testing, completion 1H20 • Full margin effect by 2022	• Fully integrated with operations • Potential to exceed design capacity	• Producing at up to 110% of design capacity • Currently limited earnings due to low ammonia prices	• Completion end 2020	• Addressing issues with beneficiation process and chemical plant engineering • Completion 2H 2021	• Moving into commissioning phase • Completion 2Q20	• Structural solutions needed for Yara prior to potential build decision

Expected 2020 production volume impact of project delays and outages:

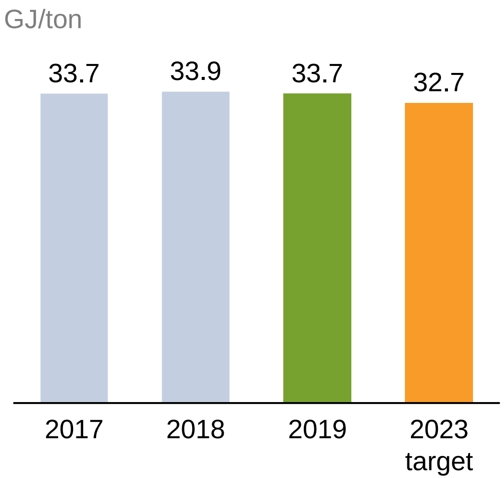
Ammonia: **~360kt**

Finished products: **~760kt**

[1] Annual capacity when in full production
[2] Product tonnes

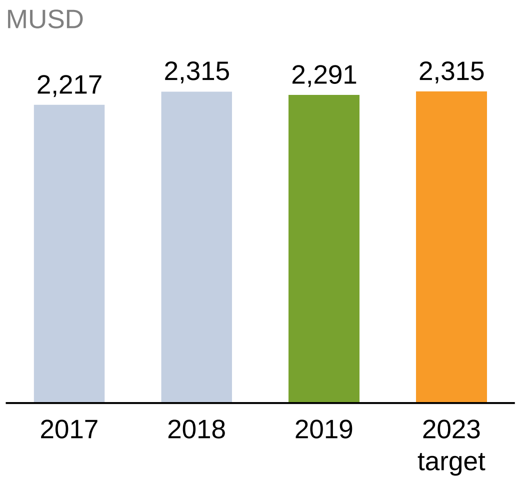
Improvement program: non-volume KPIs

Ammonia energy efficiency



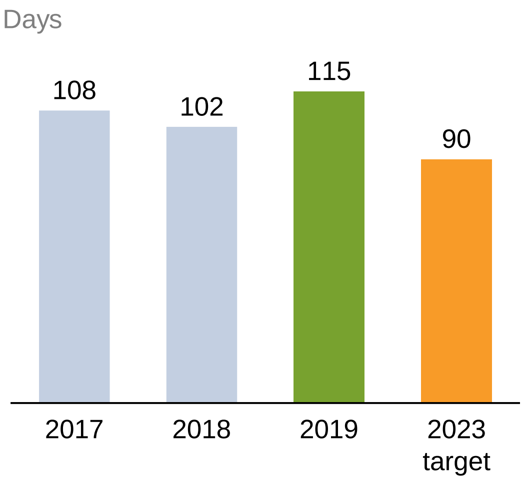
- Fewer turnarounds compared to baseline 2018 contribute positively

Fixed costs



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

Operating capital



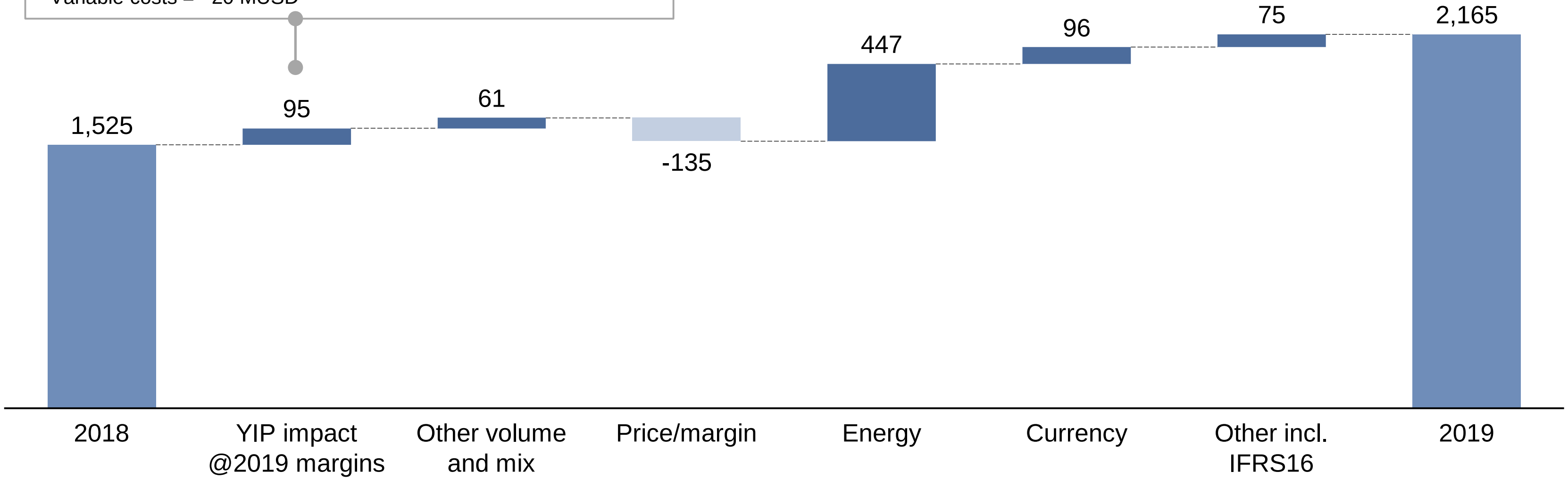
- Increase vs 2018 driven by commercial management of operating capital and falling urea prices
- Absolute working capital levels reduced in Q4

EBITDA variance including YIP

EBITDA ex. special items (MUSD)

120 MUSD YIP impact - 95 MUSD EBITDA bottom line

- Actual production = ~40 MUSD (~10 MUSD in YIP terms)
- NH3 efficiency = ~10 MUSD
- Nominal Fixed costs = ~25 MUSD (~80 MUSD inflation adjustment)
- Variable costs = ~20 MUSD



Full year 2019 Condensed Profit and Loss statement

USD millions, except share information	2019	2018	Variance
Revenue and other income	12,936	13,054	-118
Raw materials, energy costs and freight expenses	-9,334	-9,952	618
Payroll and related costs	-1,180	-1,207	27
Depreciation and amortization	-922	-957	35
Other operating expenses	-467	-536	69
Impairment loss	-43	-150	107
Operating costs and expenses	-11,946	-12,652	706
Operating income	989	402	587
Share of net income in equity-accounted investees	65	82	-17
Interest income and other financial income	76	81	-5
Earnings before interest expense and tax (EBIT)	1,130	566	564
Foreign currency translation gain/(loss)	-145	-278	133
Interest expense and other financial items	-182	-153	-29
Income before tax	803	134	669
Income tax	-214	6	-220
Net income	589	141	448
Earnings per share	2.20	0.58	1.62
Weighted average number of shares outstanding in '000	272,319,232	273,169,994	-850,762

Main comments

- Lower revenues due to lower fertilizer prices, but improved margins driven by lower European gas cost, improved product mix and currency effects
- Other operating expenses reduced due to IFRS 16 implementation in 2019, partly offset by higher depreciation on Right-of-Use assets.
- Foreign currency translation loss reflects loss on the US dollar denominated debt positions and internal positions in other currencies than USD
- Interest expense increased mainly due to IFRS 16 and interest on tax provisions (see note 9 to the Financial statements)
- Higher results and a tax provision of USD 38 million gives an effective tax rate of 27% (see note 9 to the Financial statements)

Condensed balance sheet

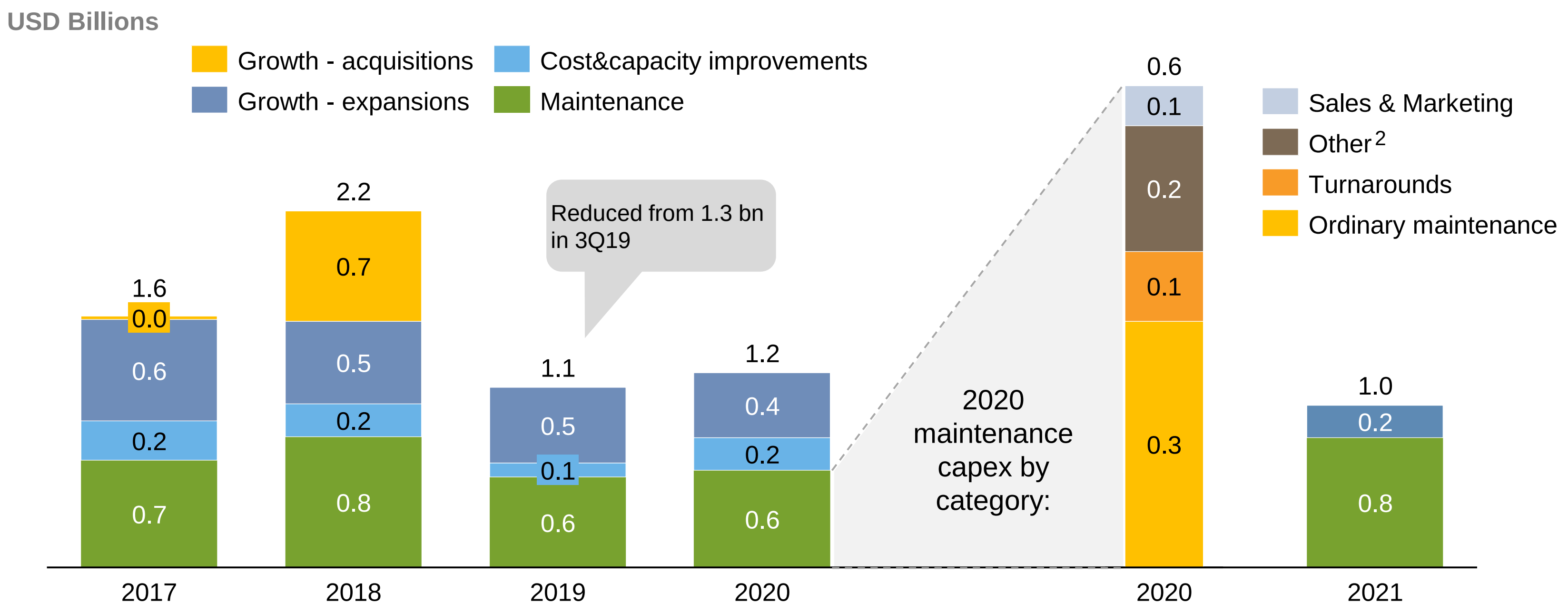
USD millions	31-Dec-19	31-Dec-18
Assets		
Total non-current assets	11,940	11,337
Total current assets	4,785	5,319
Total assets	16,725	16,656
Equity and liabilities		
Total equity	8,909	8,910
Total non-current liabilities	4,499	4,116
Total current liabilities	3,317	3,630
Total equity and liabilities	16,725	16,656

Main comments

- Implementation of IFRS 16 on 1 January 2019 increased non-current assets by USD 447 million
- Disposal group held-for-sale of USD 175 million classified as current assets as of 31 December 2018 is disposed of during 2019
- Lower inventories due to lower production cost.
- IFRS 16 increased non-current liabilities 1 January 2019 by USD 344 million and current liabilities by USD 88 million
- Decrease in current liabilities reflects maturity profile of interest-bearing debt, with fewer maturities next 12 months

Capital discipline reduced 2019 capex, 2020/21 unchanged - maintenance capex in line with peers

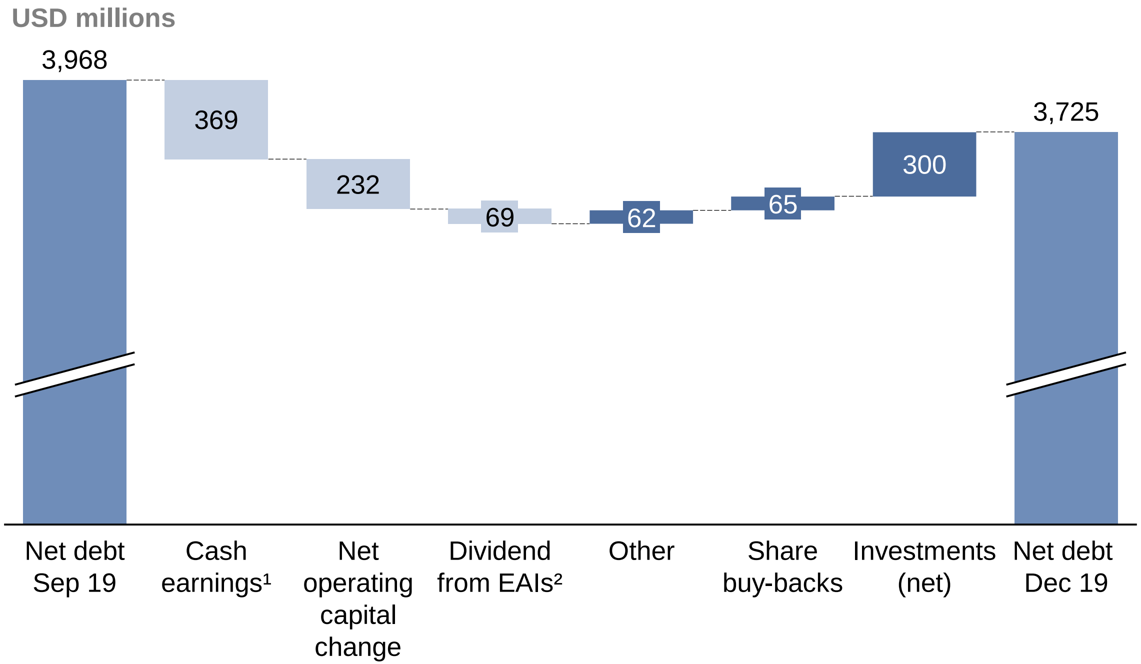
Capex plan[1]



[1] Committed investments as of end 4Q19
[2] Incl. mining (Finland and Brazil) and catalysts

Net interest-bearing debt reduced in 4Q

4Q development



Comments

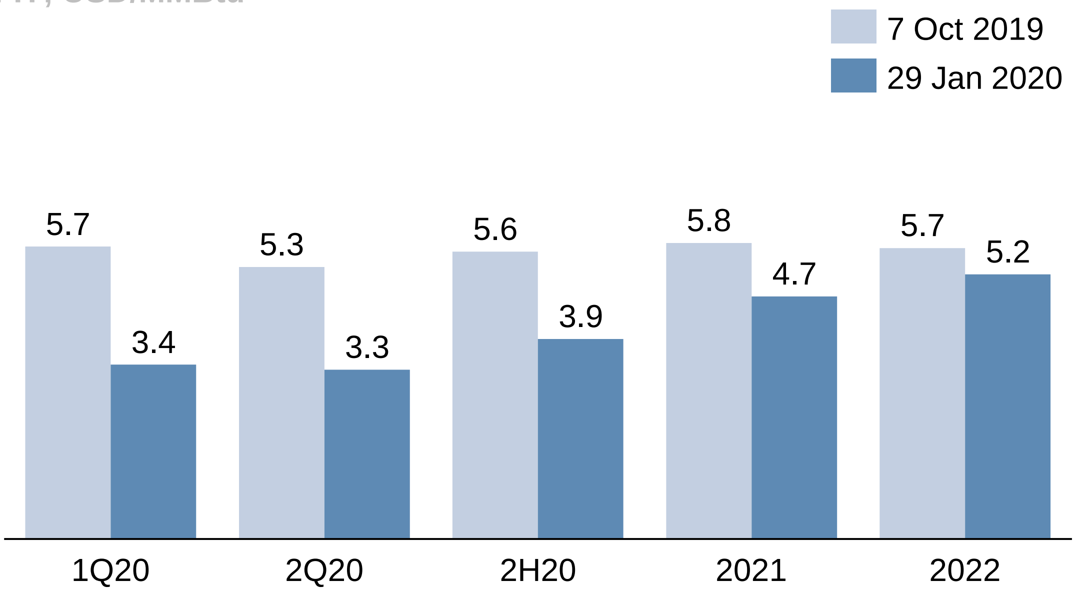
- Strong operating cash flow, more than covering investments and share buy-backs
- Lower operating capital driven by lower inventories in Brazil and lower receivables in India
- Mainly maintenance investments during the quarter
- Net debt/EBITDA[3] ratio at 1.7, down from 1.9 at end of 3Q

[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. See APM section in Q4 report page 38 for more information

Significant reduction in forward gas prices

European gas prices[1]

TTF, USD/MMBtu



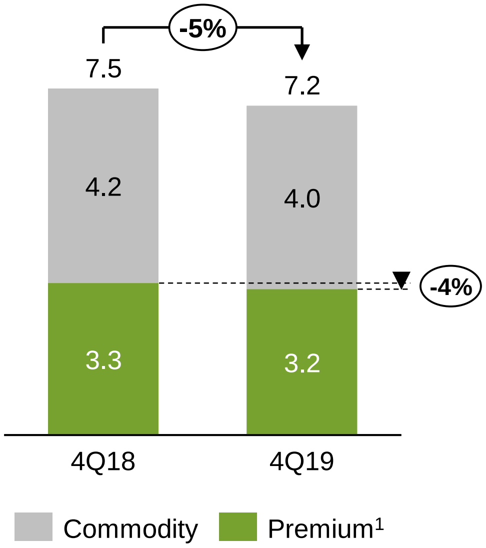
Comments

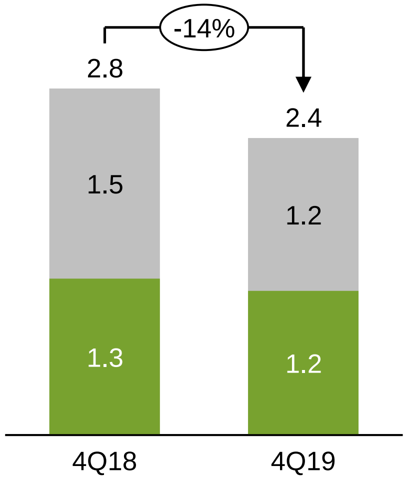
- European forward prices significantly lower than last quarter
- Forward market sees prices staying lower for longer
- Yara energy cost guiding based on forward market prices (with 1 month lag) and Yara production schedule including planned turnarounds
- Sensitivity: 1 USD/MMBtu lower TTF price improves Yara EBITDA by 160 MUSD per annum

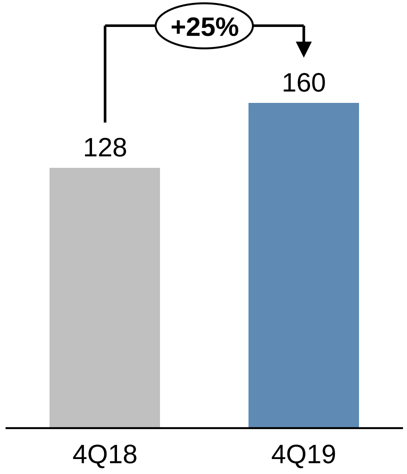
[1] Source: Argus, TTF day ahead (no lag)

Strong commercial performance in slow market

Weaker premium & commodity product deliveries	Lower revenues, increasing premium share	Increased EBITDA with stable gross margin, but significant cost savings
Volumes (Mt)	Revenues (BUSD)	EBITDA ex. SI (MUSD)



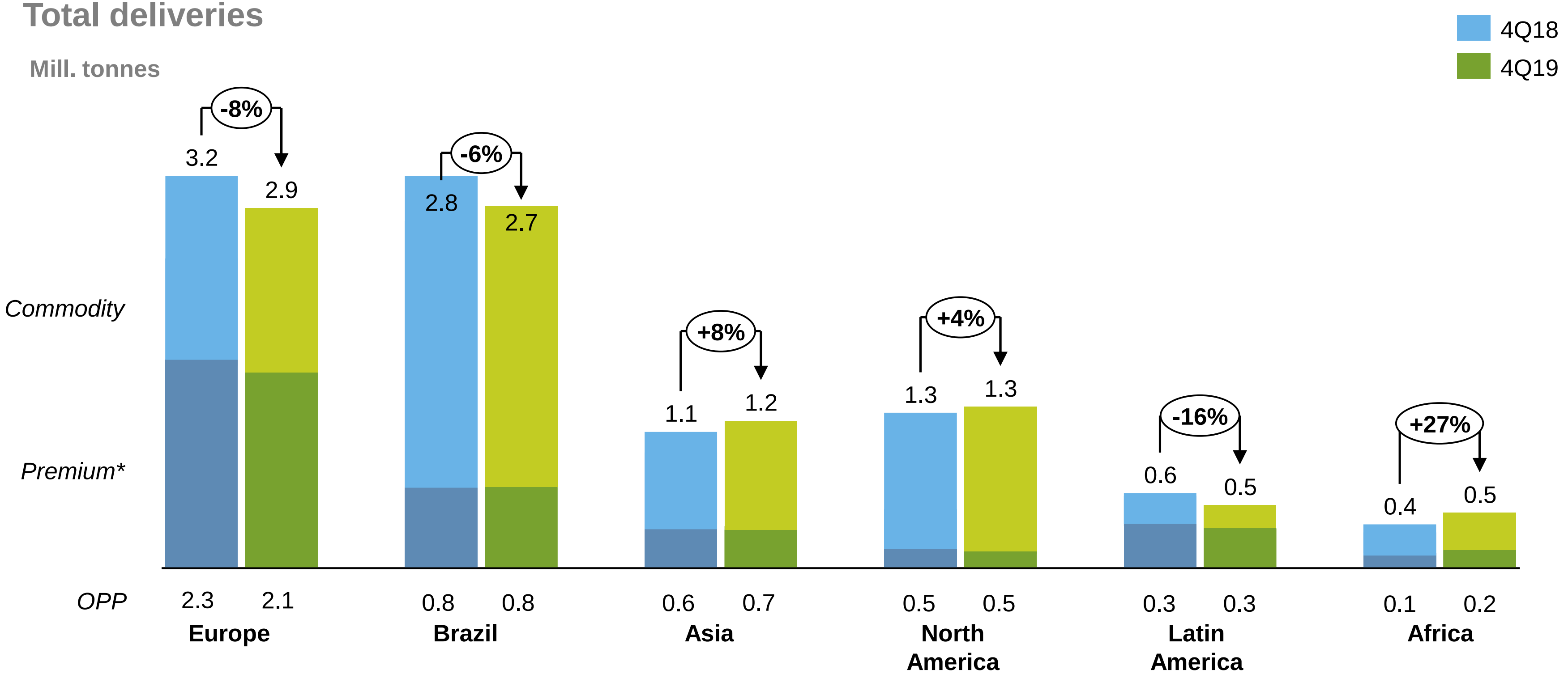




[1] Premium defined as Differentiated N, NPK, CN, fertigation products and YaraVita

Positive mix effect with volume decline mainly in commodities

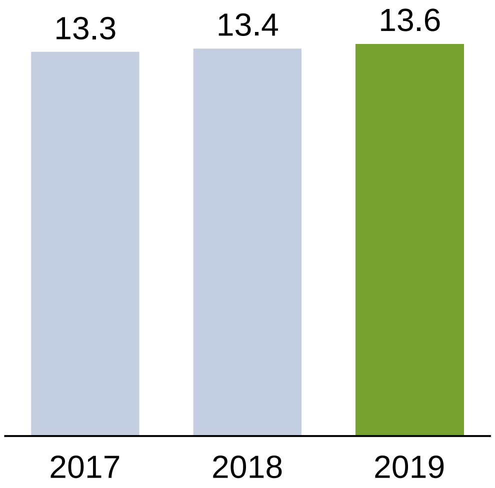
Total deliveries

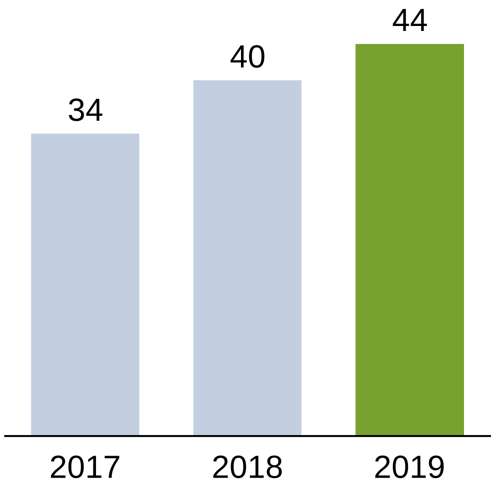


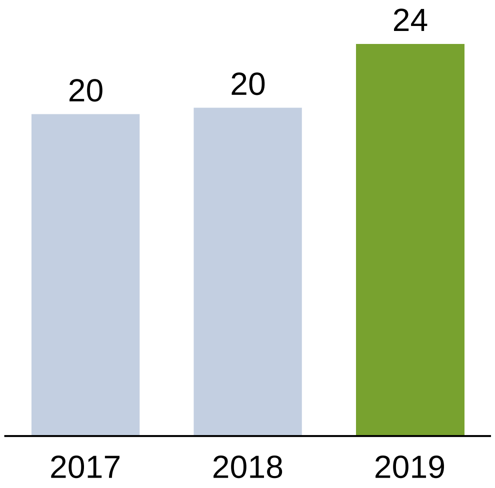
*Premium = NPK, Differentiated N, CN, fertigation products and YaraVita.
OPP = Own Produced Products

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[1]
Premium products in mill. tonnes	**YaraVita in mill. units**	**EBITDA margin in USD/tonne**





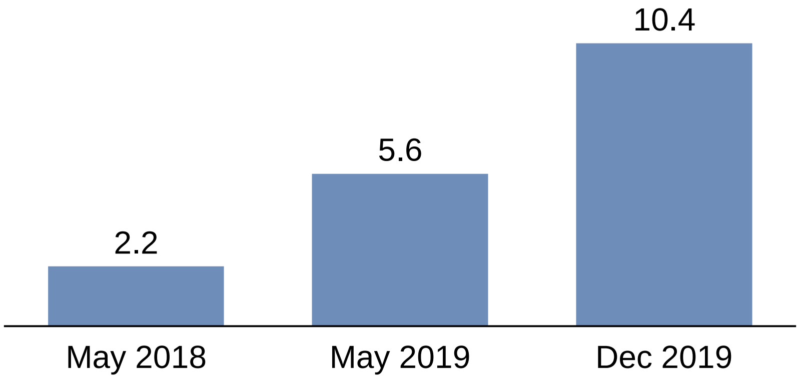


1) Alternative performance measures are defined, explained and reconciled to the Financial statements in the APM section of the Quarterly report on pages 33-38

Digital: Growing reach and scale in both professional and smallholder segments

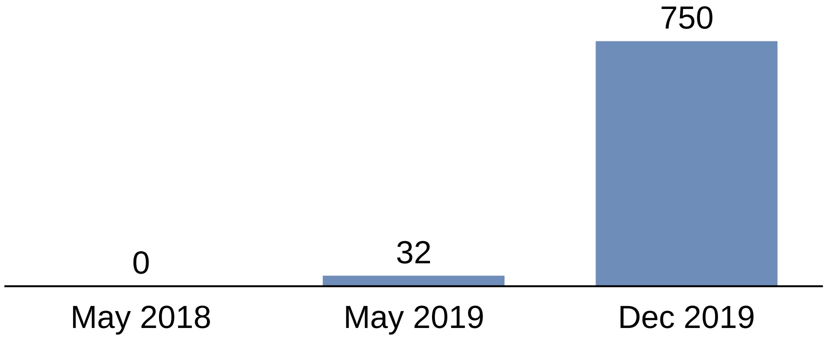
Growing our reach in the professional segment

Farmland under management[1]
Million Hectares



Strong user adoption in smallholder segment

Farmweather users
Thousand Users

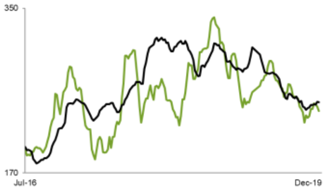


- Value creation short term comes through sales of more premium products, primarily in Brazil in 2019. This is estimated to amount to USD 11 million
- Direct digital revenues amounted to USD ~5 million in 2019

[1] Farmland with active users of digital solutions

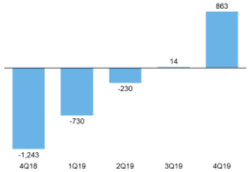
Attractive Yara prospects

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
- 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

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[1] **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 **Protecting the planet by aiming for climate neutrality by 2050** >**10%** decline in kg CO2e/kg N produced by 2025	**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 profitable global food chain partnerships** **>2** million tons of crop solutions sales generated through food companies by 2025	**Building closeness to farmers through scaling up digital farming** **>10 million ha** under management in 2020 and **positive** EBITDA from digital farming **in 2022** **Solving global challenges and growing profitable business through innovation** Shaping the industry by delivering sustainable and profitable innovations within de-carbonization and circular economy

Responsibly feed the world and protect the planet
Deliver sustainable returns

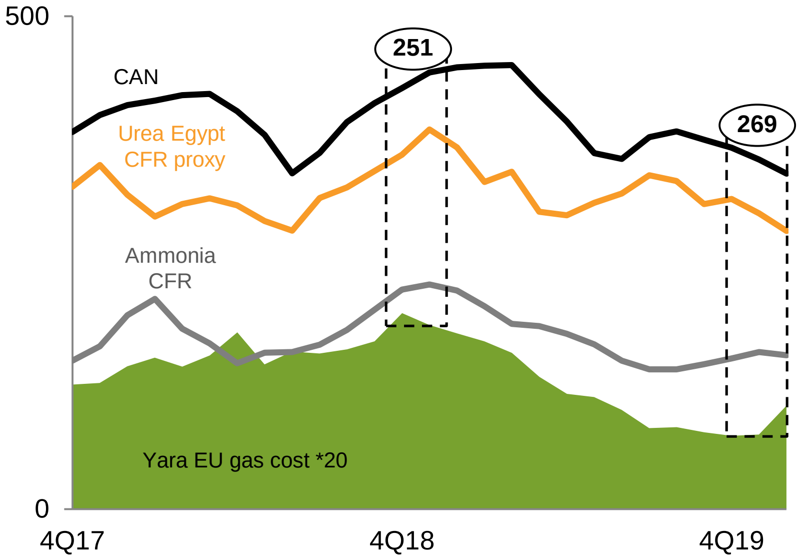
Yara's products help feed **>275M people by 2025**	ROIC >**10% through the cycle**	Striving towards zero accidents with **no fatalities and TRI <1.2** by 2025

[1] see slide 14 and 16 for targets

Higher nitrogen upgrading margin, global NPK premium above last year

Nitrogen upgrading margins[1]

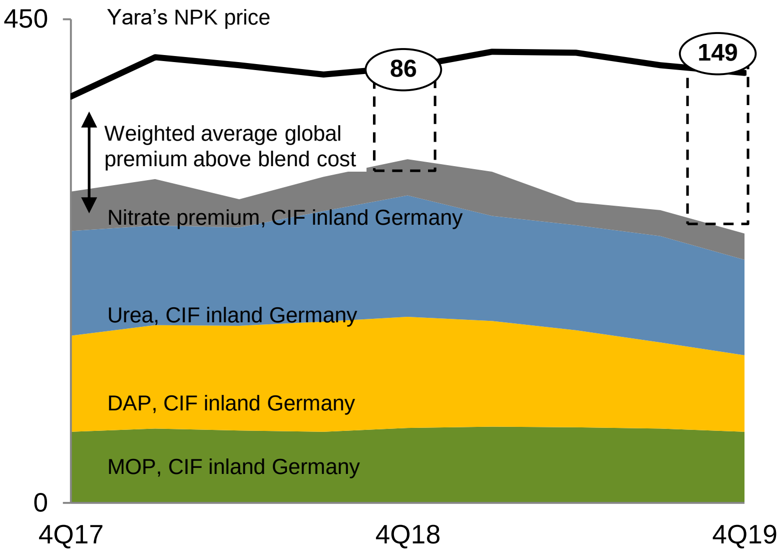
USD/t (monthly publication prices)



[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]

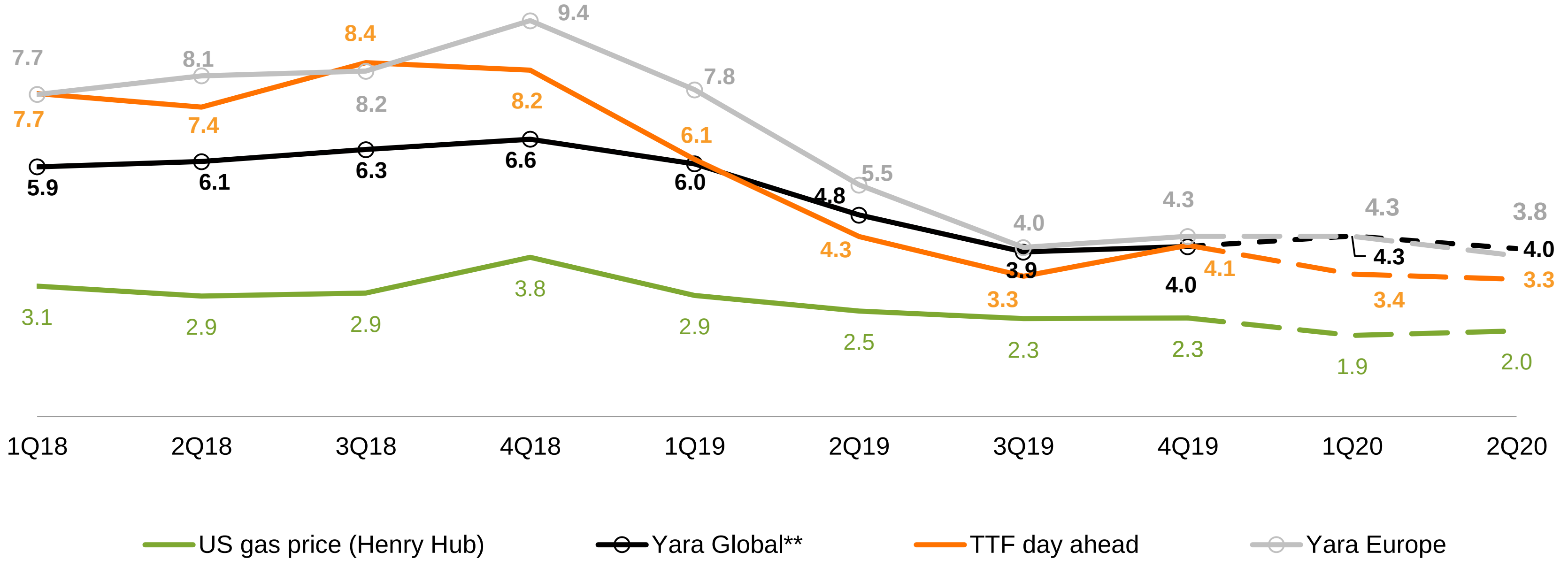
USD/t



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

Energy cost

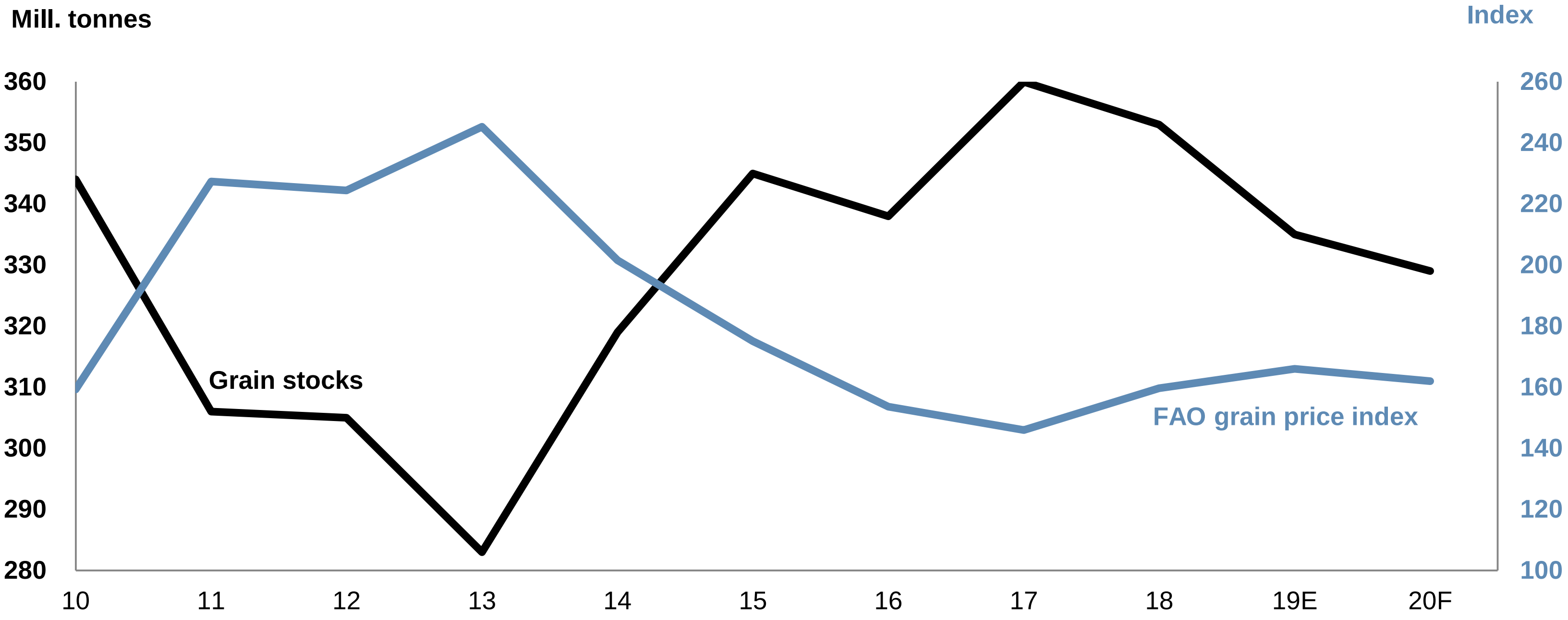
Quarterly averages for 2018-2020 with forward prices* for 1Q20 and 2Q20



Source: Yara, World Bank, Argus/ICIS Heren
*Dotted lines denote forward prices as of 29 January 2020, market prices (HH and TTF) are not lagged
**Yara Global restated from 2Q 2018 to include Cubatão gas cost

Declining grain stocks excluding China

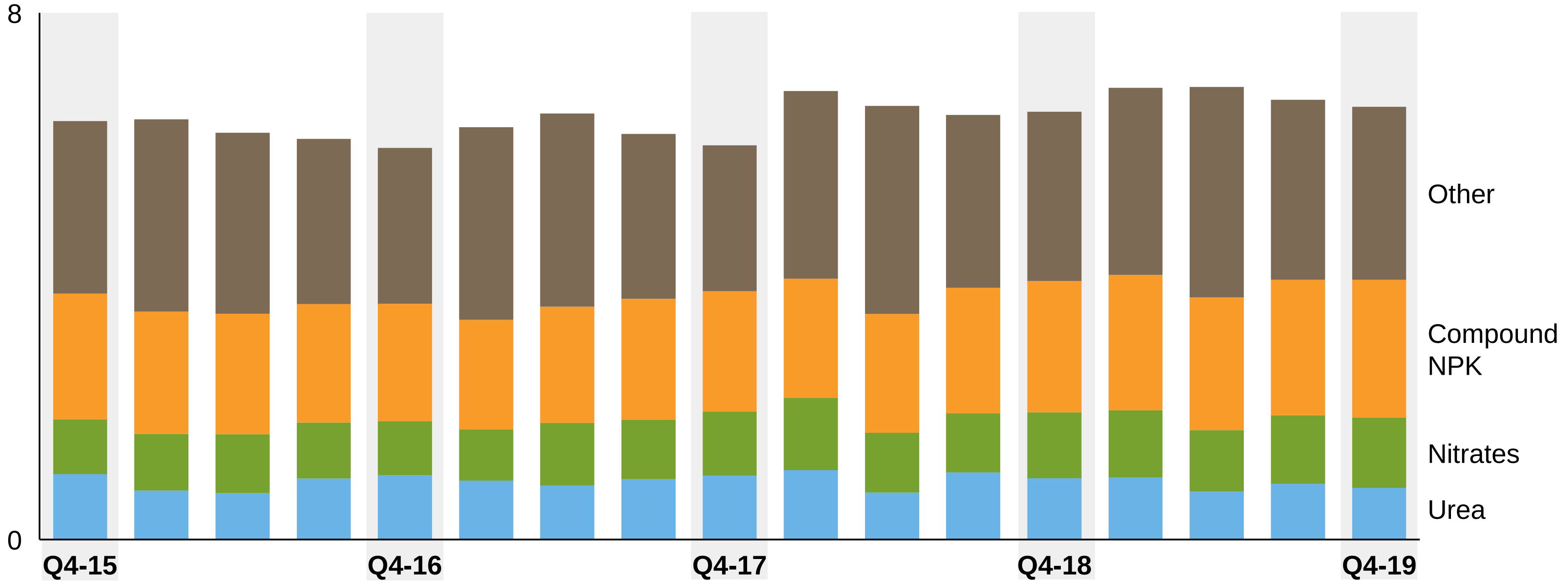
Grain stocks ex. China (right axis) and grain prices (left axis)



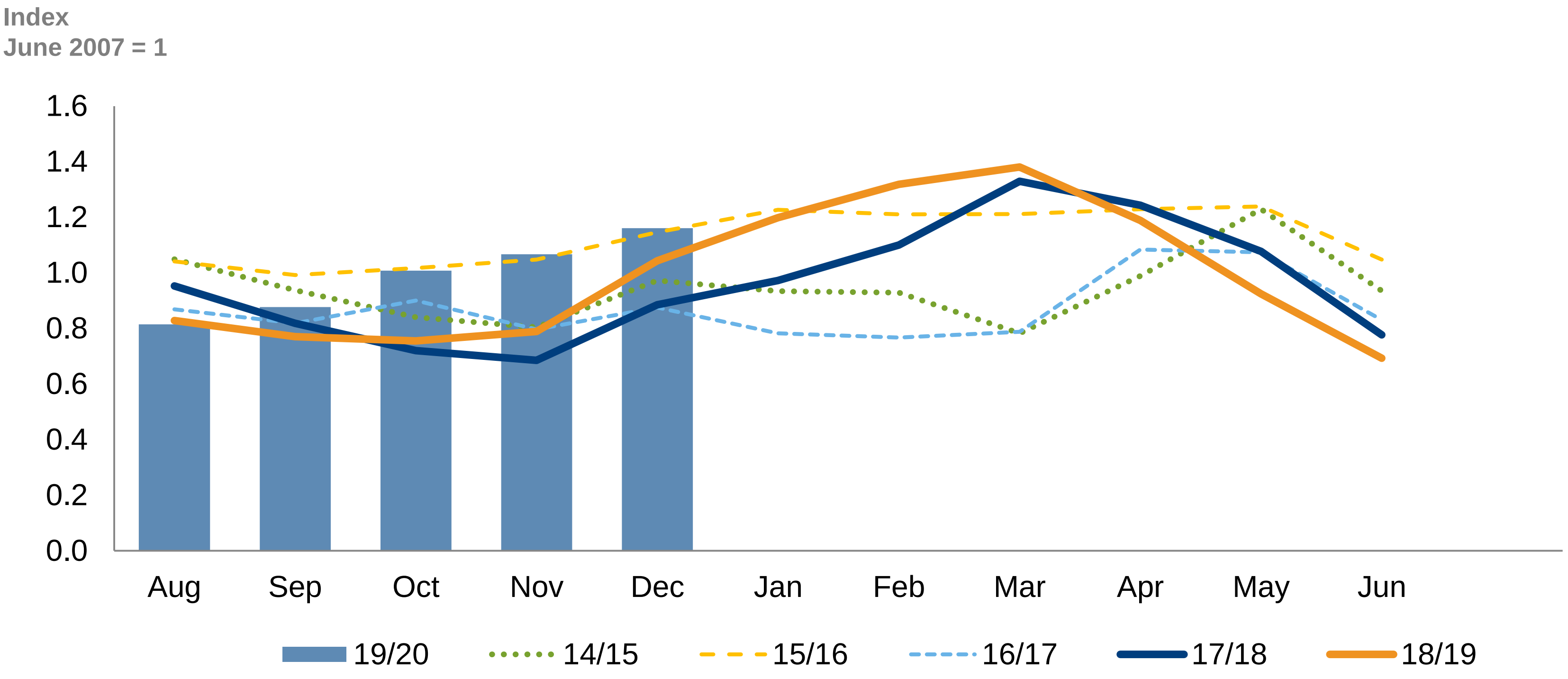
Yara stocks

Finished fertilizer

Mill. tonnes

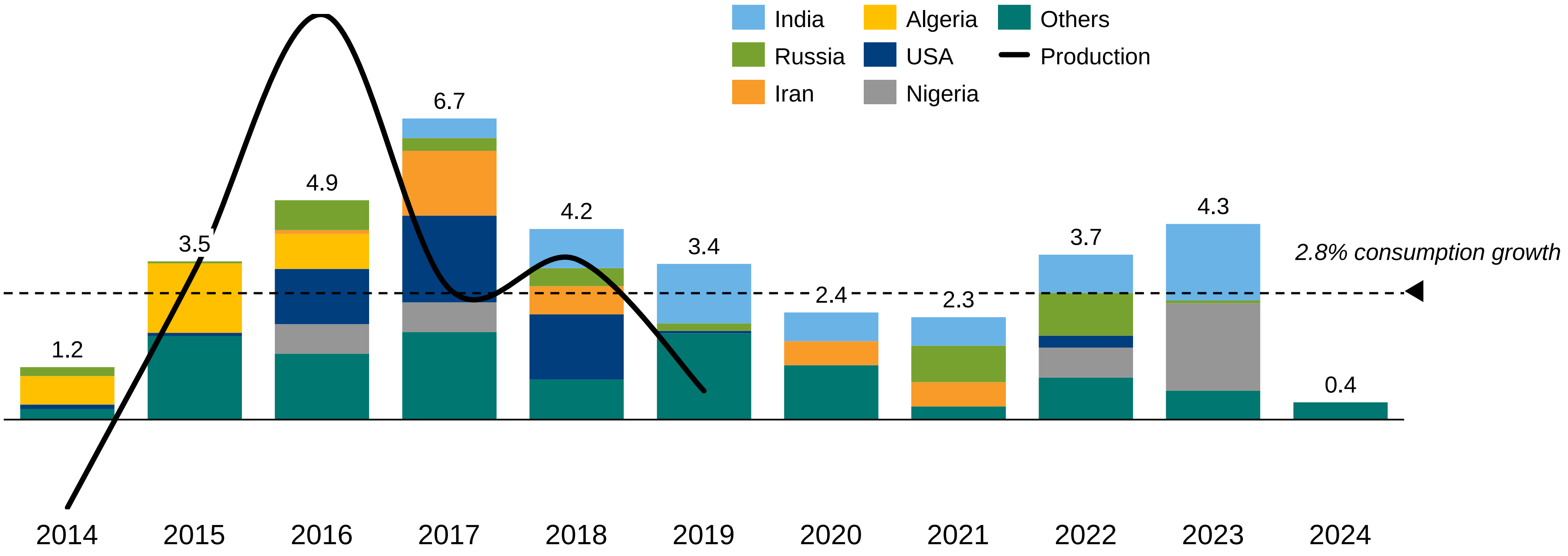


European producers' nitrate stocks



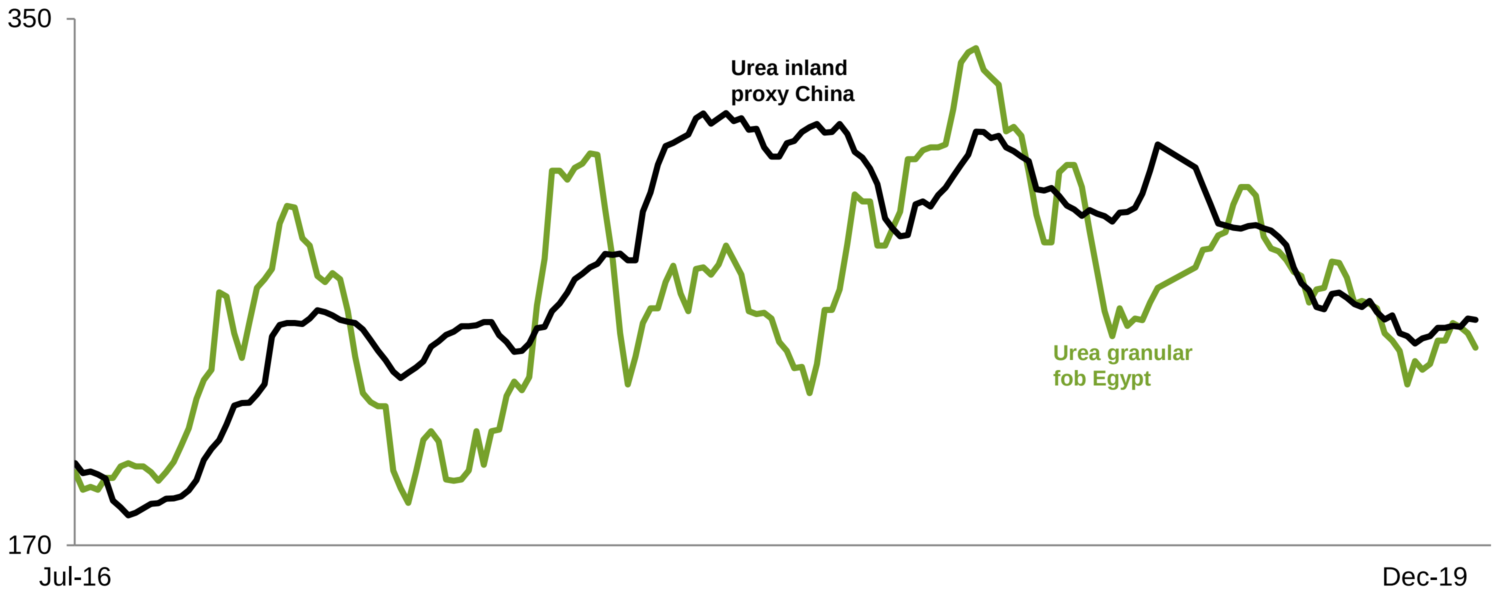
Nitrogen supply growth is forecast to reduce significantly

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



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 33-38


YARA
Knowledge grows