



Knowledge grows

# Yara International ASA 2024 third-quarter results

25 October 2024





# Cautionary note

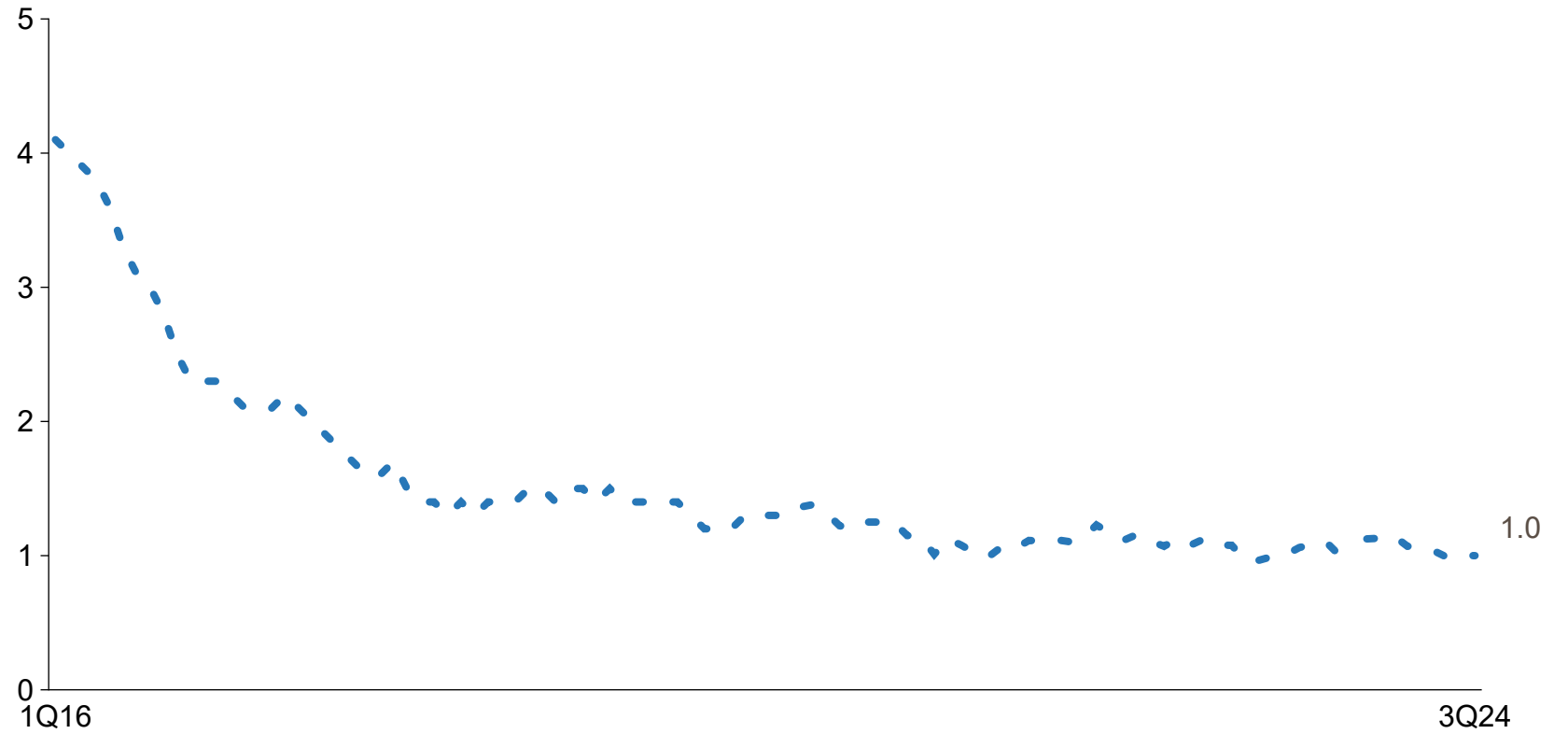
This presentation contains forward-looking information and statements relating to the business, financial performance and results of Yara and/or industry and markets in which it operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "aims", "anticipates", "believes", "estimates", "expects", "foresees", "intends", "plans", "predicts", "projects", "targets", and similar expressions. Such forward-looking statements are based on current expectations, estimates and projections, reflect current views with respect to future events, and are subject to risks, uncertainties and assumptions. Forward-looking statements are not guarantees of future performance, and risks, uncertainties and other important factors could cause the actual business, financial performance, results or the industry and markets in which Yara operates to differ materially from the statements expressed or implied in this presentation by such forward-looking statements. No representation is made that any of these forward-looking statements or forecasts will come to pass or that any forecasted results will be achieved, and you are cautioned not to place any undue reliance on any forward-looking statements.





# Our ambition is zero injuries

TRI<sup>1</sup> (12-month rolling)



1) Total Recordable Injuries per 1 million working hours



# Improved earnings in 3Q

## 3Q 2024

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EBITDA excl. special items<sup>1</sup> of 585 MUSD

Strong premium<sup>1</sup> generation

All-time high production performance<sup>2</sup>

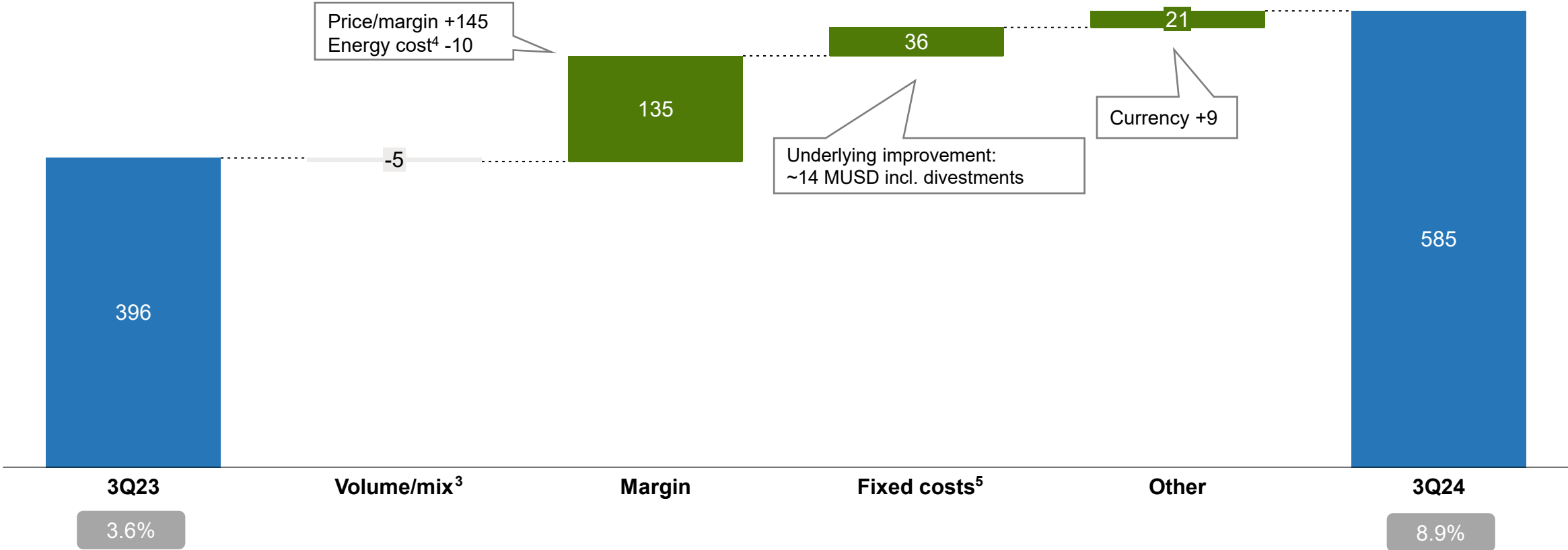
Returns improving but still below target, cost and portfolio optimization continues

- 1) For definition, explanation and reconciliation see APM section in the 3Q report, pages 24-32
- 2) In YIP production terms, excluding Montoir volumes

# Improved EBITDA with higher margins and lower fixed cost

EBITDA excl. special items (MUSD)<sup>1</sup>

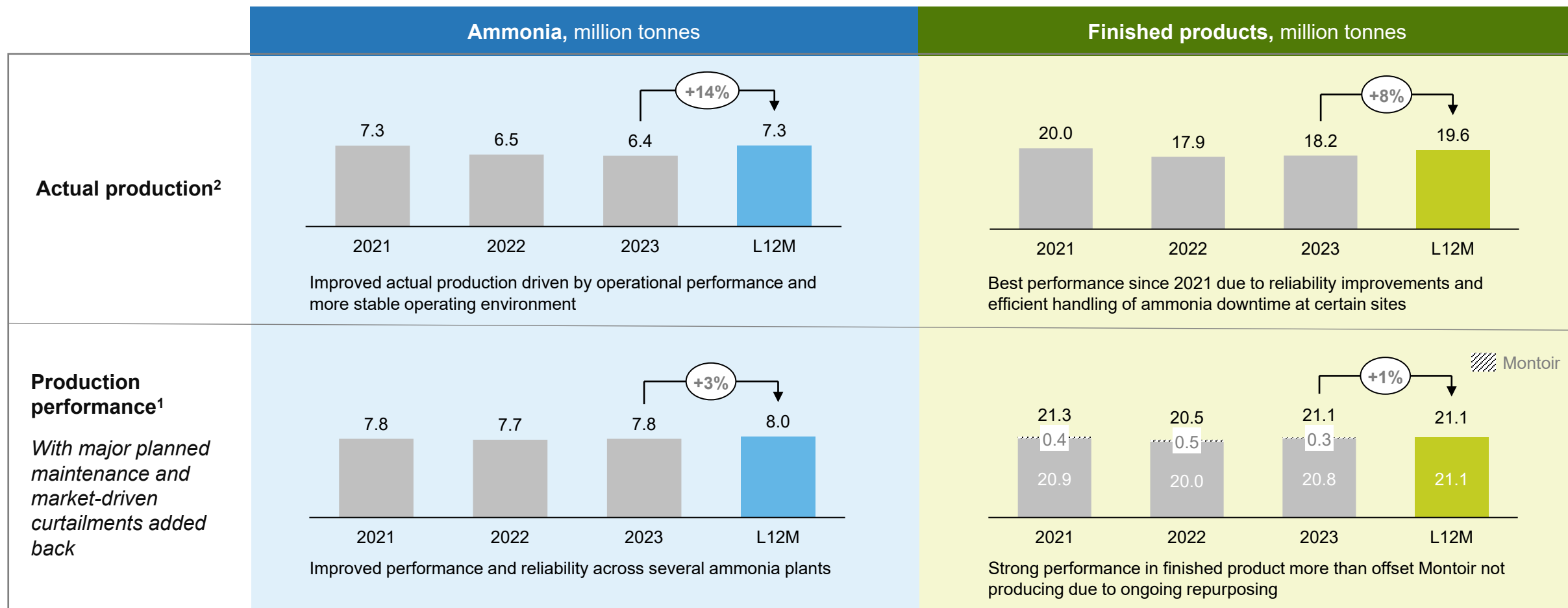
ROIC<sup>2</sup>



1) EBITDA excl. special items. For definition and reconciliation see APM section in the 3Q report, pages 24-25  
 2) Quarterly ROIC, annualized. For definition and reconciliation of ROIC, see APM section in the 3Q report, page 26-27  
 3) Volume effect calculated as change in volume vs 3Q 23 per product multiplied by margin per product in 3Q 24. Margin calculated as residual  
 4) Energy cost variance calculated by multiplying gas price differential with last year's gas consumption  
 5) Excluding currency translation effects



# All-time high underlying production performance<sup>1</sup>

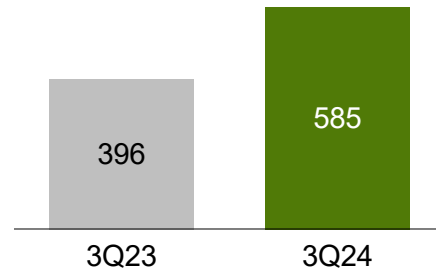


1) YIP production performance excluding Montoir  
 2) Actual production excluding Montoir as it is currently not producing due to the ongoing process of repurposing the site

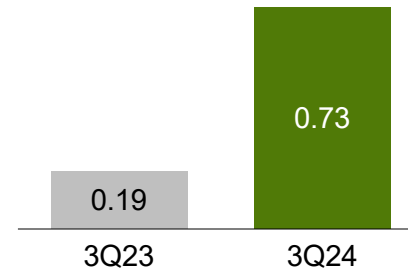


# Financial performance

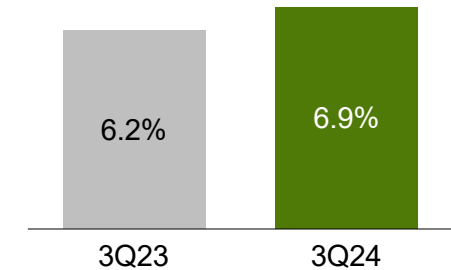
**EBITDA excl. special items<sup>1</sup>**  
(MUSD)



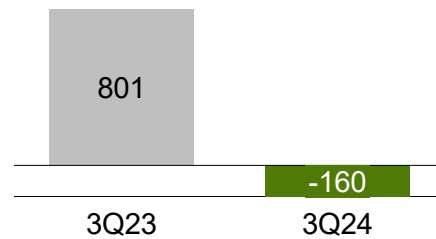
**EPS excl. currency and special items<sup>1</sup>**  
(USD per share)



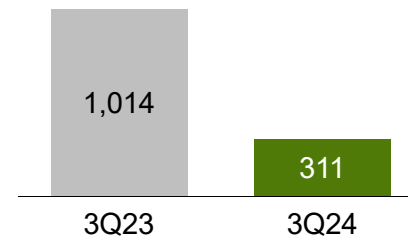
**ROIC<sup>1</sup>**  
(12-month rolling, %)



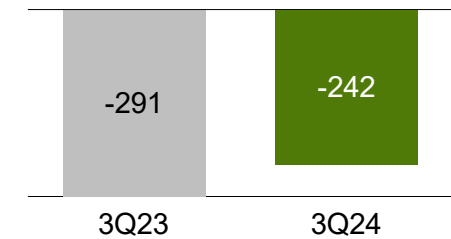
**Change in net operating capital<sup>2</sup>**  
(MUSD)



**Cash from operations**  
(MUSD)



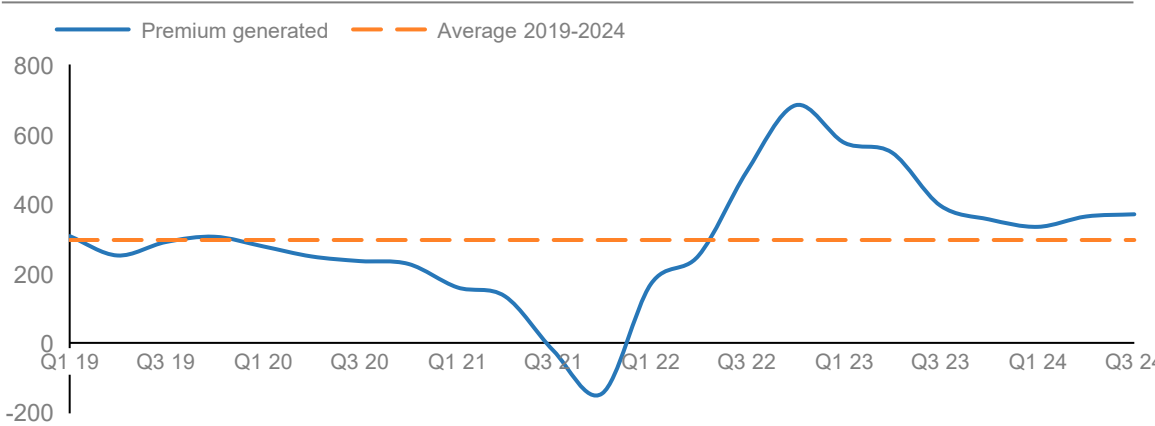
**Investments (net)<sup>3</sup>**  
(MUSD)



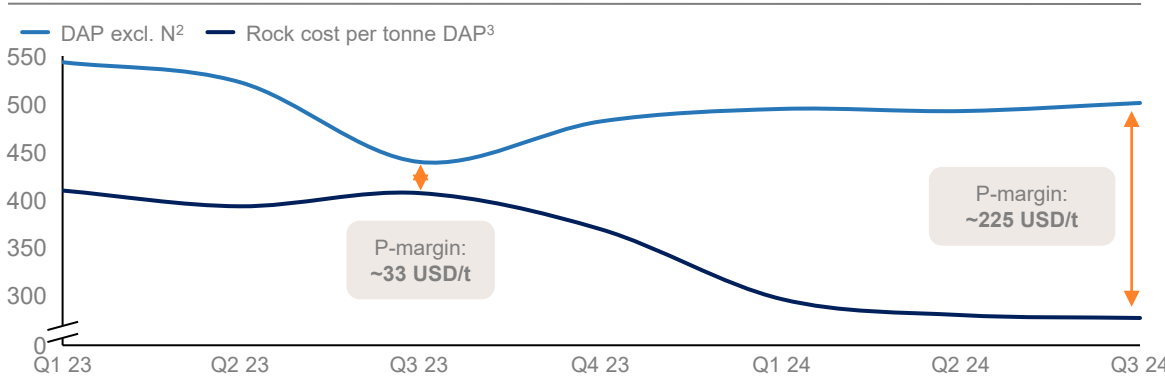
1) For definition and reconciliation, see the APM section in the 3Q report on pages 24-32  
 2) Change in net operating capital as presented in the cash flow statement, page 12 of 3Q report  
 3) Net cash used in investing activities as presented in the cash flow statement, page 12 of 3Q report

# Strong premium generation

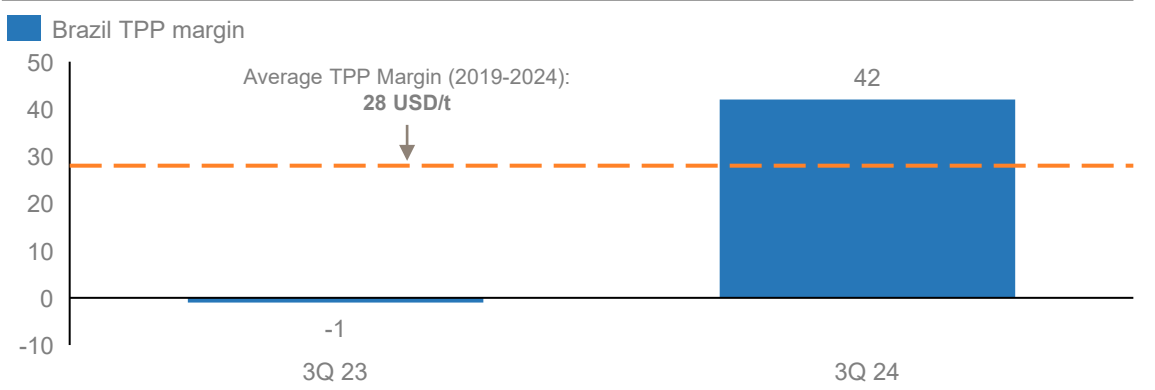
Strong premiums<sup>1</sup>, MUSD



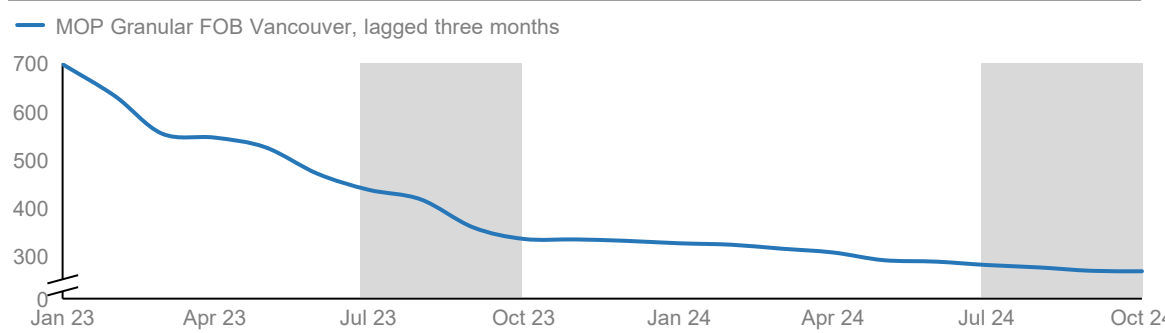
P-upgrade margin: strong year-over-year improvement, USD/t



Third party product (TPP) margin increase in Brazil, USD/t



Declining MOP prices impacted NPK margins last year, USD/t



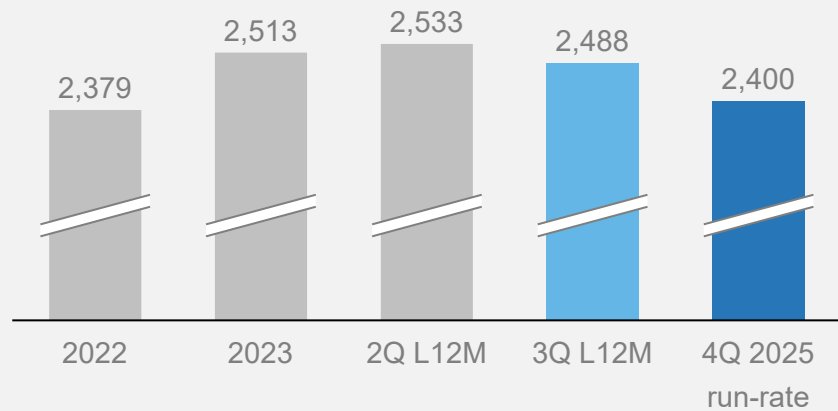
1) For definition, explanation and reconciliation see APM section in the 3Q report, pages 24-32  
 2) DAP excl. N (excluding nitrogen) is calculated based on 1-month lagged DAP FOB Morocco and Ammonia FOB Arab Gulf.  
 3) P-rock reference price is Phosphate Rock FOB Morocco, lagged 3 months. Rock cost is calculated as reference price adjusted for phosphate content of DAP.



# Fixed cost and capex reductions progressing

## Fixed cost<sup>1</sup>

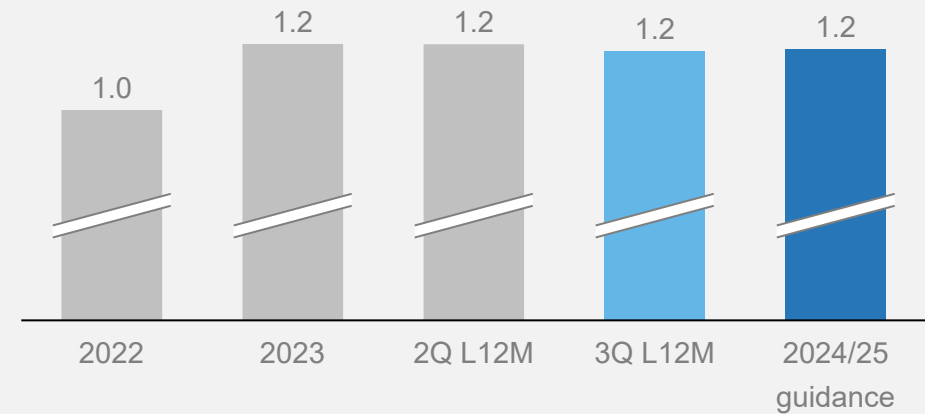
MUSD, including currency translation effect<sup>2</sup>



- First wave already delivering results from external cost and smaller portfolio optimizations  
14 MUSD sustainable savings incl. divestments ~10 MUSD
- Second wave: targeted cost reduction measures under development, with execution starting 1Q25

## Capex

BUSD



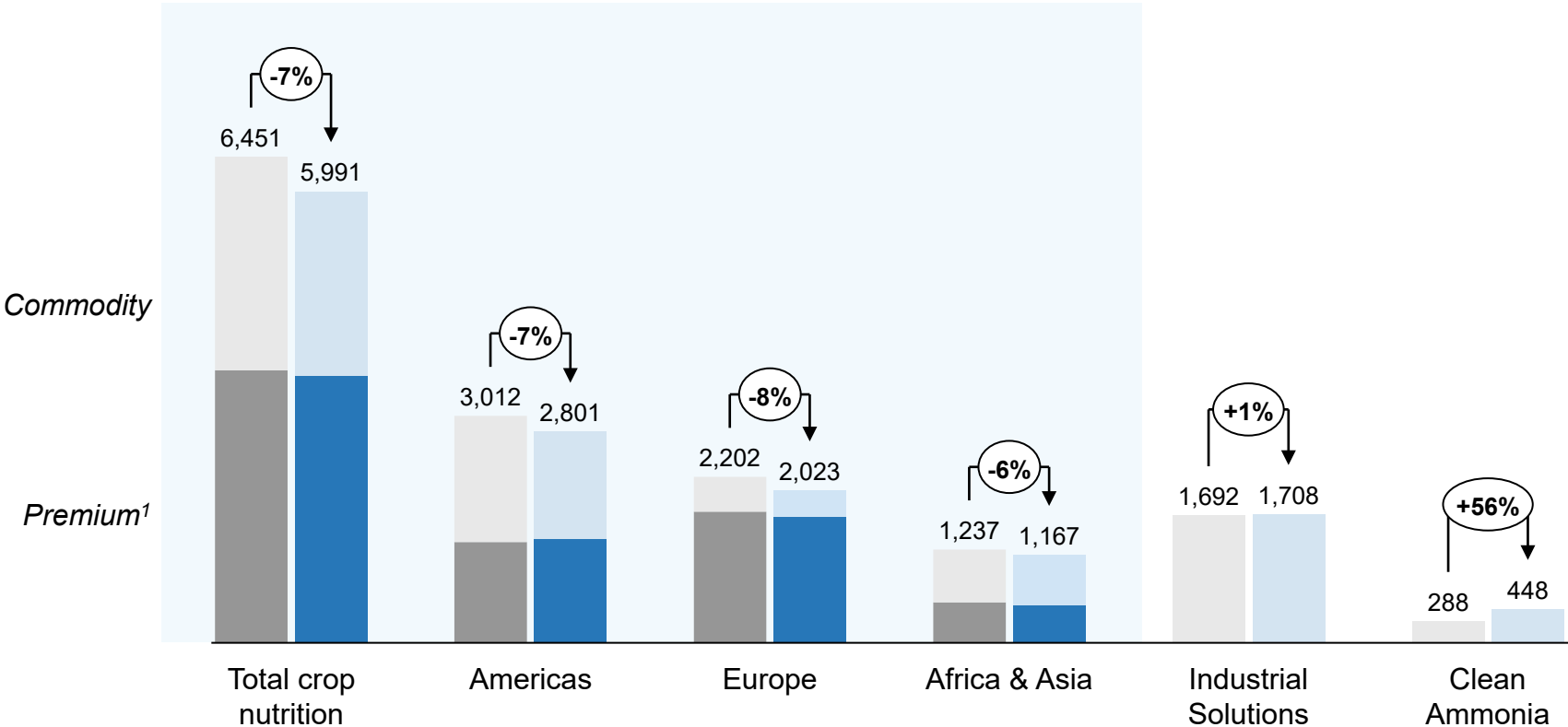
- Capex spend in line with year-end guiding of 1.2 BUSD
- Plant prioritization framework with stronger allocation towards high-return plants

# Lower deliveries, mainly of commodity products

External deliveries 3Q 2023 vs 3Q 2024, in kt

3Q23 3Q24

### Comments



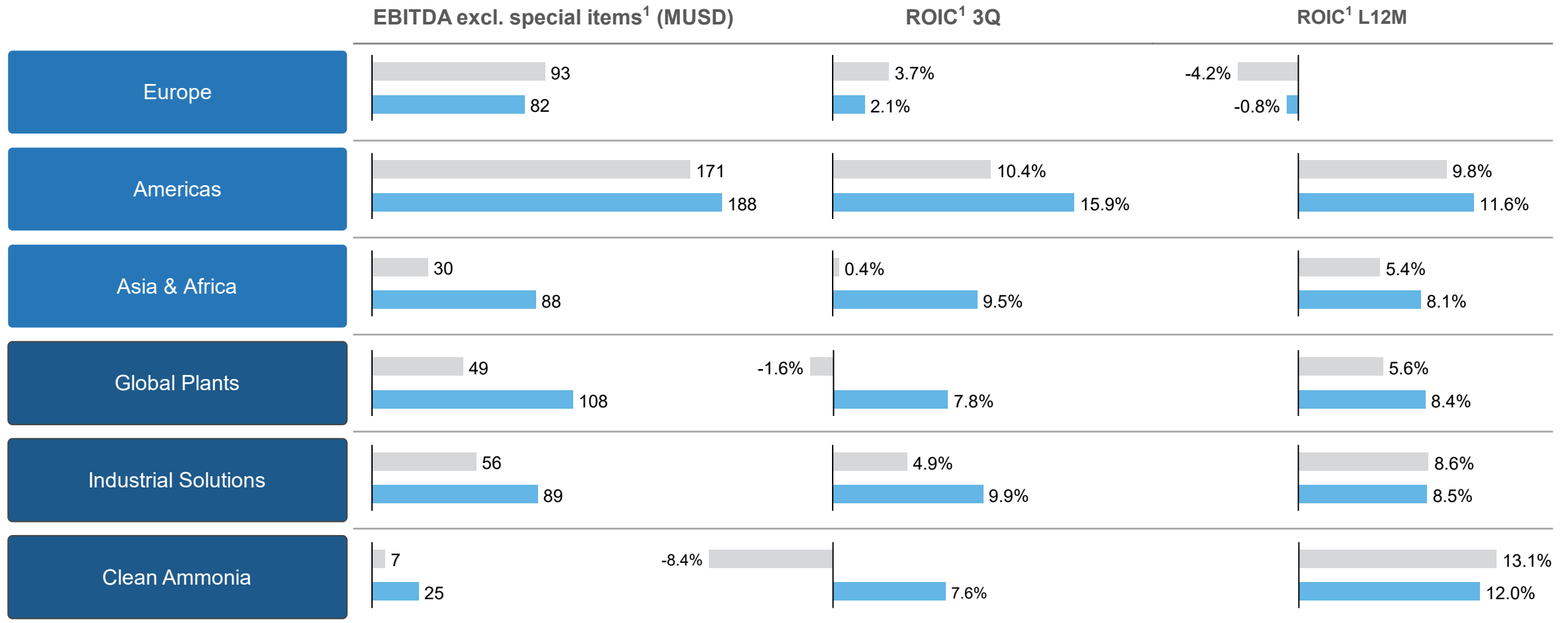
- Limited commodity product pre-buying in southern Europe
- Lower third-party product deliveries in Brazil, due to margin over volume focus
- Increased Clean Ammonia deliveries reflecting strong production performance



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

# Results by segment

3Q23  
3Q24

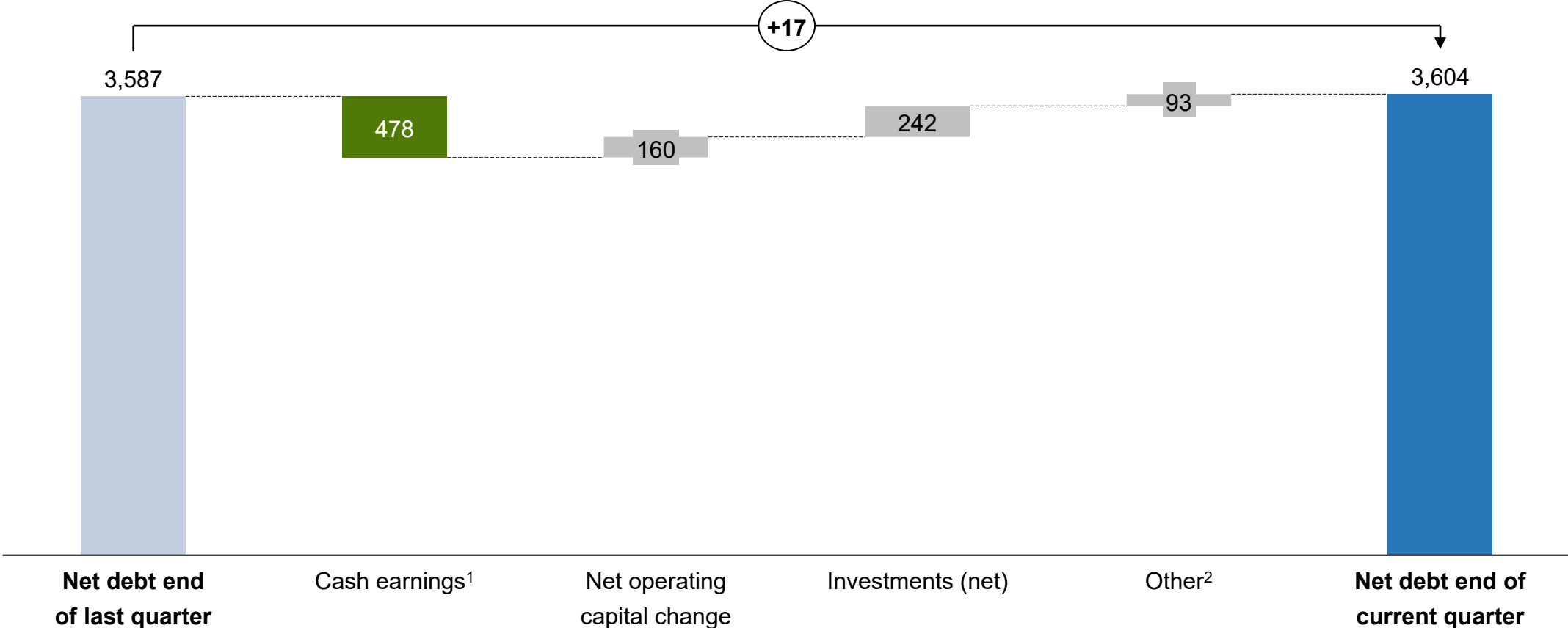


1) For definition and reconciliation, see the APM section in the 3Q report on pages 24-32



# Stable net debt development

Net interest-bearing debt: 3Q development (MUSD)



1) Operating income plus depreciation and amortization, write downs, minus tax paid, net gain/(loss) on disposals, net interest expense, and bank charges  
 2) Other mainly related to currency effect and leasing

# Driving sustainable performance with an integrated scorecard



## People

Yara KPI	2021	2023	L12M	2025 target
Strive towards zero accidents, TRI	1.0	1.1	1.0	<1.0
Engagement Index <sup>1</sup>	79%	77%	77%	Top quartile
Diversity and inclusion index <sup>1</sup>	77%	75%	75%	Top quartile
Female senior managers <sup>2</sup>	29%	32%	33%	40%

- 1) Measured annually
- 2) Status per end of the quarter



## Planet

Yara KPI	2021	2023	L12M	2025 target
GHG emissions, intensity, t CO2e/t N	3.0	3.0	2.9	2.7
GHG emissions, scope 1+2 <sup>1</sup> , CO2e	-4%	-16%	-11%	-30%
Digitized hectares <sup>2</sup> , mHa	N/A	23	23	150
MSCI rating	A	AA	A	A

- 1) GHG absolute emissions scope 1+2 target is for 2030 with a 2019 baseline
- 2) Cropland with digital farming user activity within defined frequency parameters



## Profit

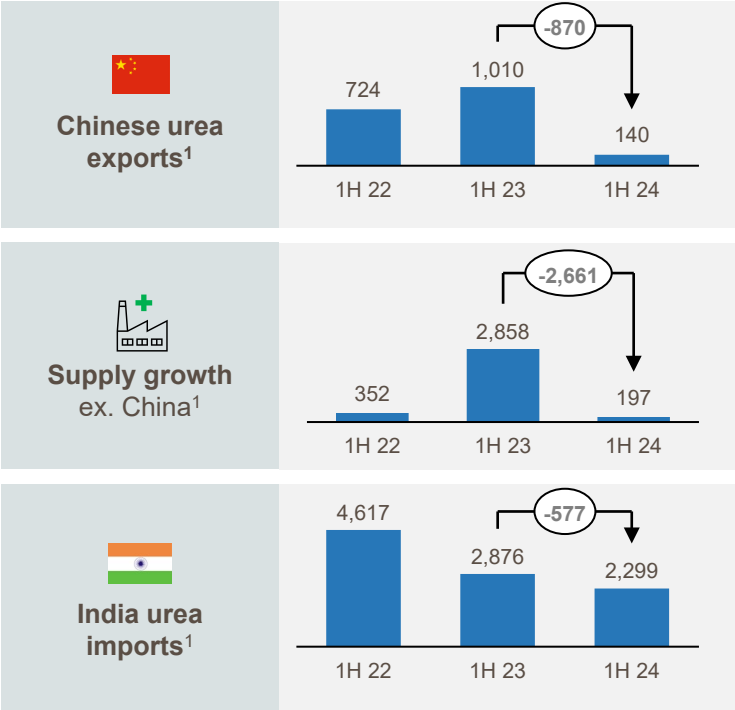
Yara KPI	2021	2023	L12M	2025 target
Ammonia Production <sup>1</sup> , mt	7.8	7.8	8.0	8.6
Finished Fertiliser Production <sup>1</sup> , mt	21.3	21.1	21.1	22.5
Premium generated <sup>2</sup> , MUSD	125	1,877	1,426	N/A
Operating capital days <sup>3</sup>	83	105	106	92
Capital return (ROIC <sup>3</sup> )	7.9%	2.9 %	6.9%	>10%
Fixed costs <sup>3</sup> , MUSD	2,303	2,513	2,488	~2,400

- 1) YIP performance
- 2) For reconciliation and definition of premium generated, see the APM section of the 3Q report on page 28
- 3) Alternative performance measures are defined, explained, and reconciled to the financial statements in the APM section of the 3Q report on pages 24-32

# Tighter urea market balance with limited Chinese exports

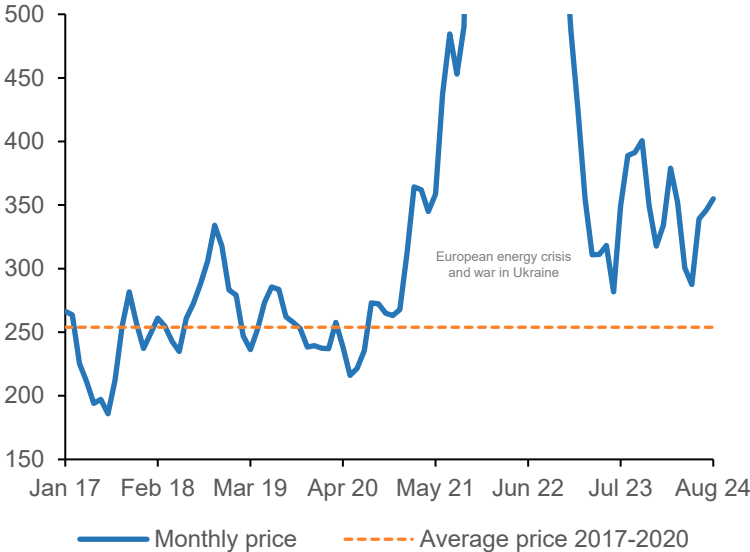
## Key supply and demand drivers

Supportive market development with limited supply growth ex China and limited Chinese exports



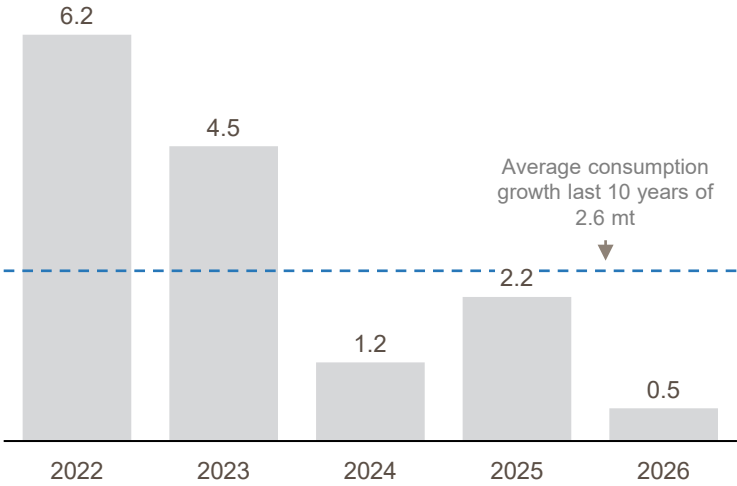
## Urea price development, USD/t

Demand-driven urea market with pricing above historical averages



## Capacity additions, million tonnes

Limited urea capacity additions<sup>2</sup>



1) Source: IFA survey. Numbers are in kilo tonnes  
 2) See the appendix for further information on urea capacity additions



# Active portfolio management and capex discipline - driven by shareholder returns only

Fixed costs for completed divestments:  
43 MUSD annualized

1

**Divestment /  
optimization of  
low-return assets**

4Q23

**Divestment:** Cameroon  
Announced **intention to transform  
Montoir**

1Q24

**Divestment:**  
Yara Marine  
Technologies

3Q24

**Divestments:**  
West Sacramento terminal  
Ivory Coast  
Liquid NPK business in Brazil

Announcement of **intention to transform Tertre**

2

**Project portfolio  
prioritization**

- Strict focus on **strategic fit, future competitiveness and shareholder returns**
- Shelving of low-value projects, e.g. Porsgrunn full-scale green hydrogen, Sluiskil green hydrogen
- Ongoing asset portfolio review covering production and markets

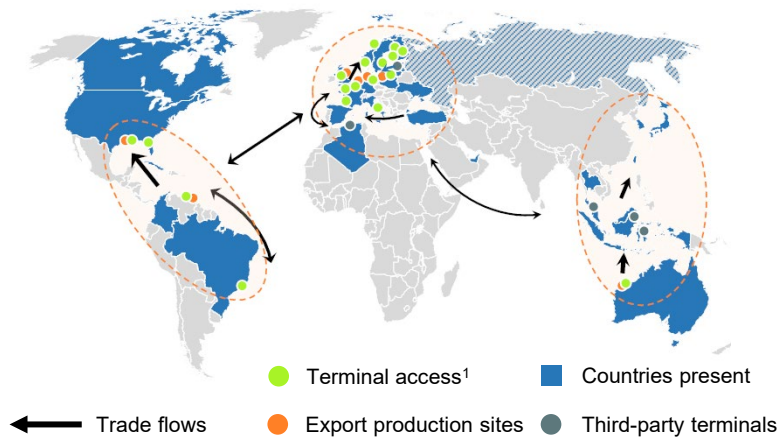
3

**Progress projects  
with highest returns  
and clear strategic fit**

- Strong **fit with Yara's competitive edge** and business model
- **"Fit for future"** assets and markets only
- Requirement for growth projects: **strong double-digit returns + funding plan**
- Concrete margin potential driven by firm regulatory changes, such as ETS and CBAM  
*Examples: CCS Sluiskil, US low-carbon ammonia*

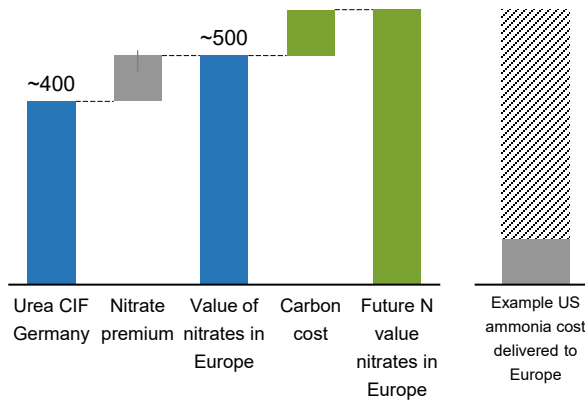
# Yara's ammonia and Europe set-up offers strong value creation potential from upstream US projects

## Unrivalled ammonia system



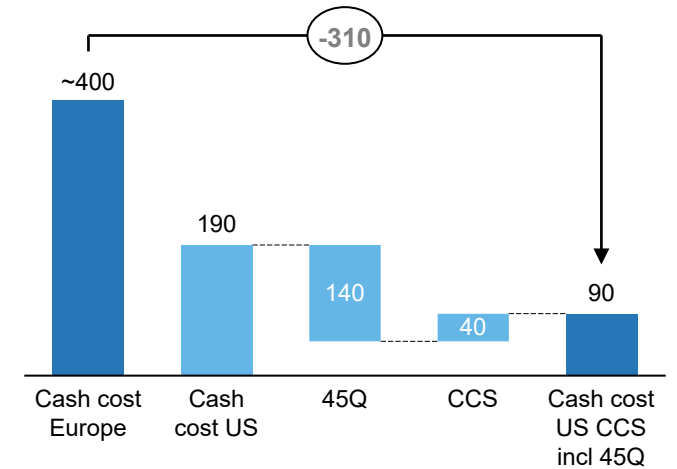
- World's largest ammonia system, scalable
- Optimize offtake based on value-creation

## Increased nitrate and NPK margins with Yara's ammonia and Europe set-up<sup>2</sup>



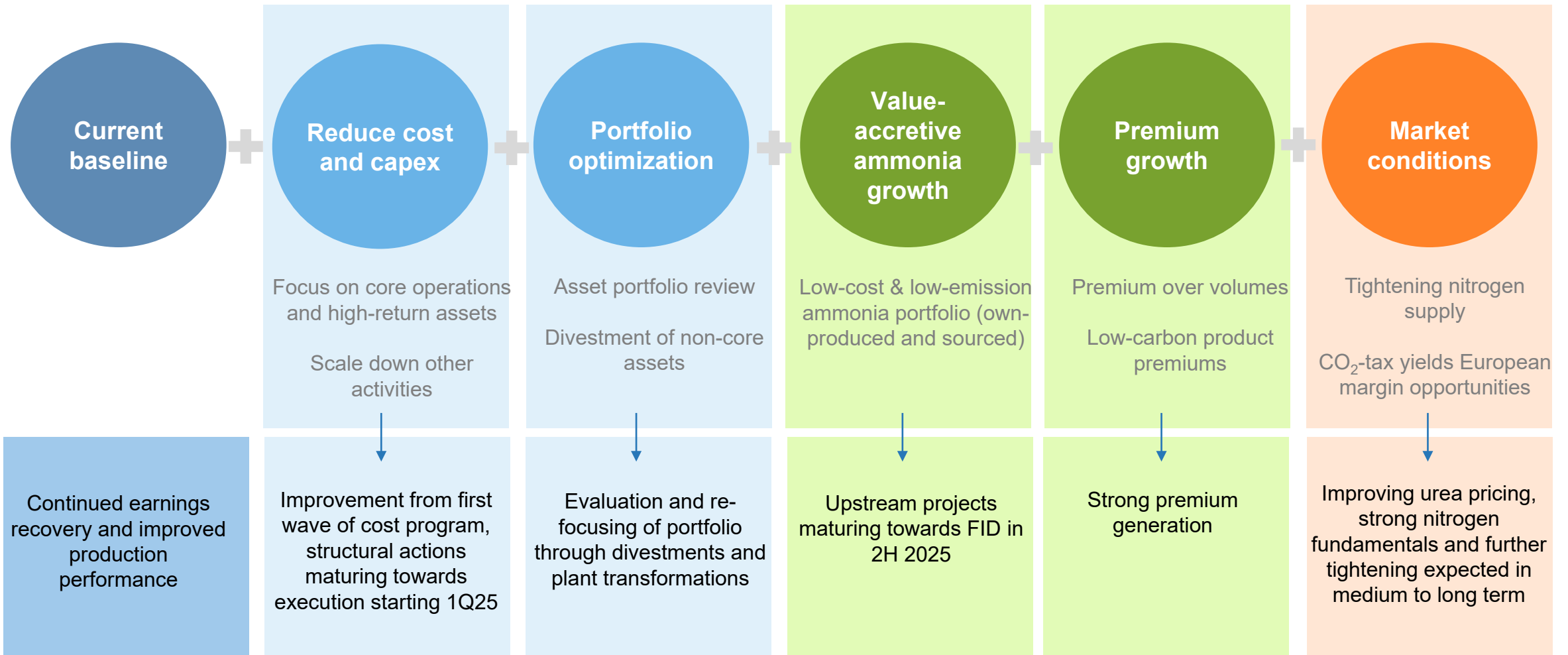
- CBAM and ETS likely to lift urea prices in Europe, triggering increased nitrate & NPK margins if upgraded from low-carbon ammonia

## Equity investment in US ammonia can create significant shareholder value<sup>2</sup>



- Competitive natural gas
- Well-advanced CCS
- Off-take security: 1-3mt internal demand
- Higher scale, low capex per tonne
- Yara an attractive project partner
- FID planned 2H2025

# Progress to future-proof core operations and increase shareholder returns



3Q update



# Appendix



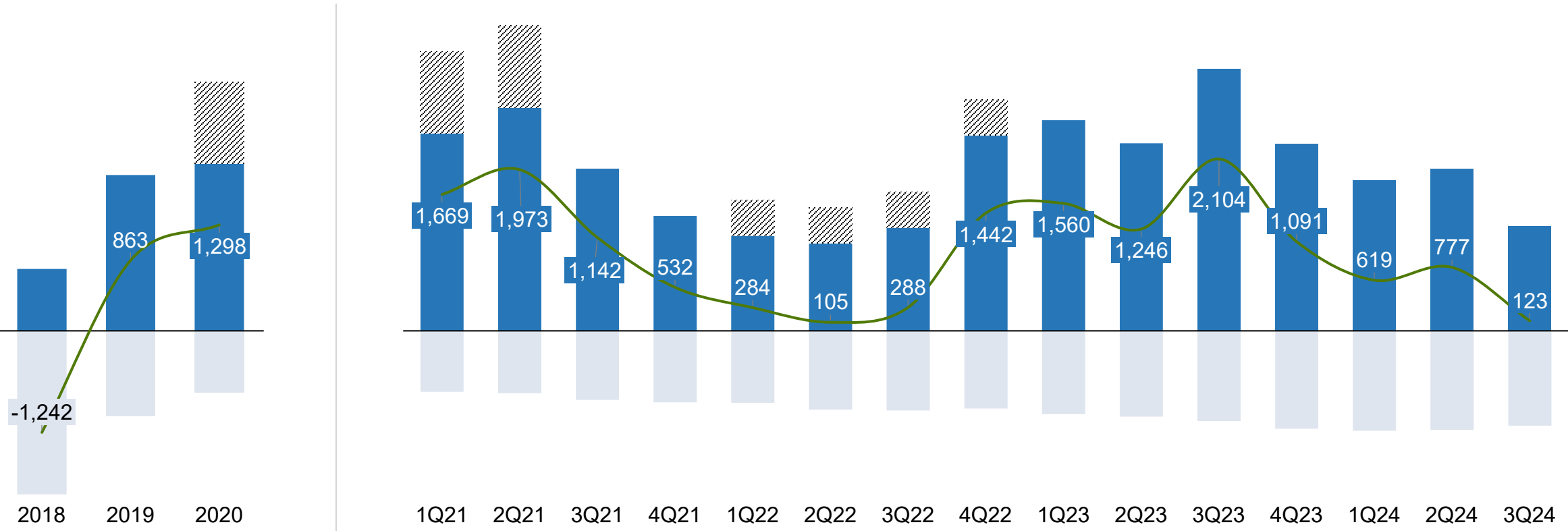
Knowledge grows



# Free cash flow

Free cash flow before financing activities<sup>1,2</sup>

Divestment proceeds
  Investments
  Operations
  Free cash flow adjusted for divestment proceeds

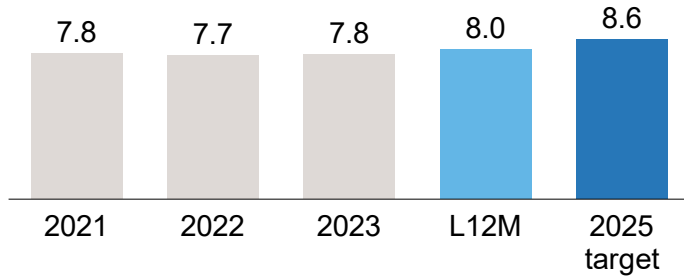


1) Net cash provided by operating activities minus net cash used in investment activities as presented in the cash flow statement, page 12 in the 3Q report  
 2) L12M, MUSD

# Yara Improvement Program

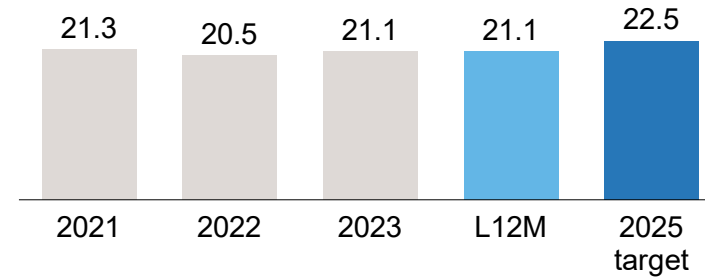
## Ammonia production<sup>1</sup> (mt)

Improved performance and reliability across several plants



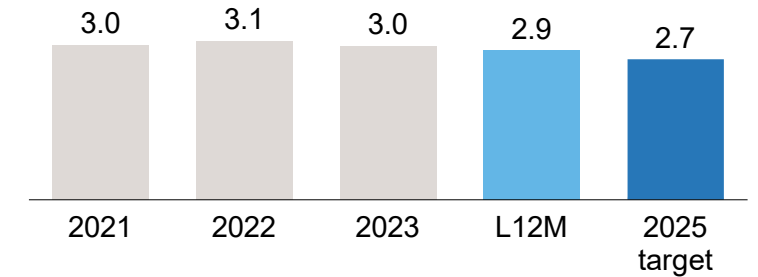
## Finished product production<sup>1</sup> (mt)

Strong performance more than offsetting Montoir not producing due to ongoing repurposing



## GHG emission intensity (t CO2e/tN)

Reduced GHG emission intensity following successful project implementation

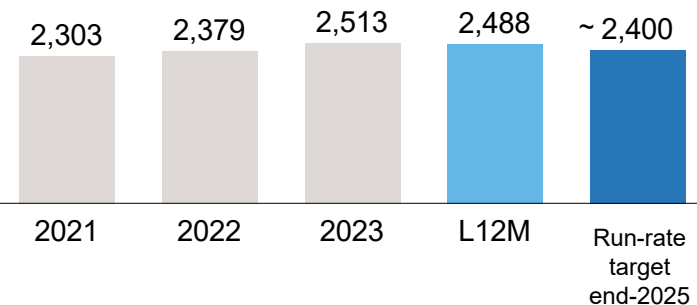


## Fixed cost<sup>2</sup> and capex<sup>3</sup> guidance (MUSD)

Strict resource prioritization towards high-return assets and value-accretive growth opportunities

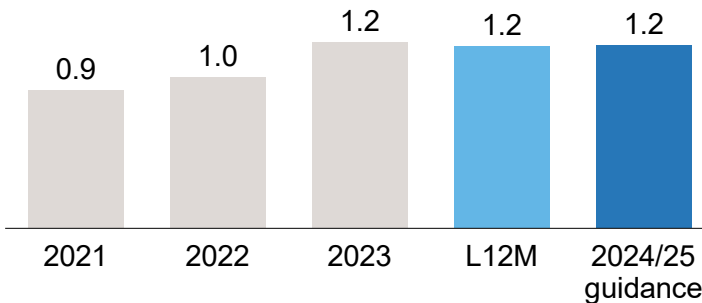
2025 target to reduce costs

Fixed costs, MUSD



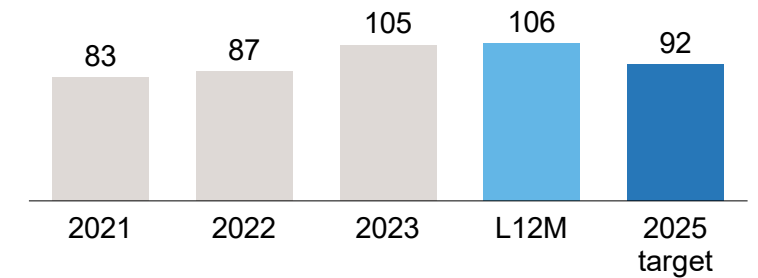
2024 and 2025 guidance reduced

Capex, BUSD



## Operating capital<sup>4</sup> (Days)

Operating capital days following higher inventory levels



1) Target and actual volumes adjusted for portfolio changes

2) For definition and reconciliation of Fixed cost, see APM section in the 3Q report, page 29

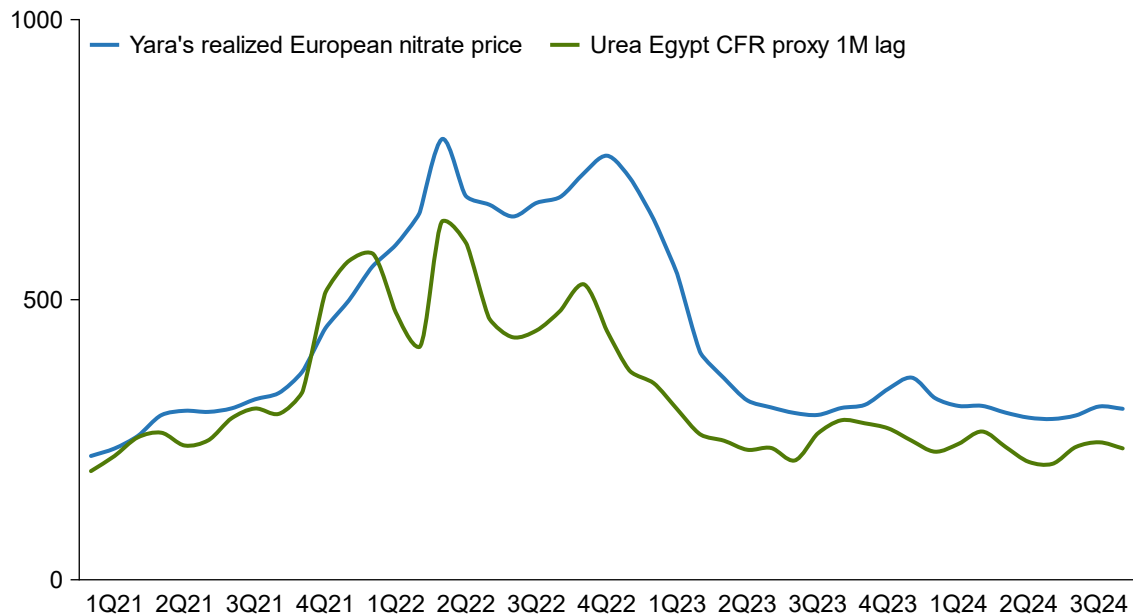
3) Capex is defined as a cash outflow from investing activities as presented in the cash flow statement, page 12 of the 3Q report

4) Operating capital excluding prepayments from customers. For definition and reconciliation of Operating capital days, see the APM section of the 3Q report, page 30

# Nitrate and NPK premiums

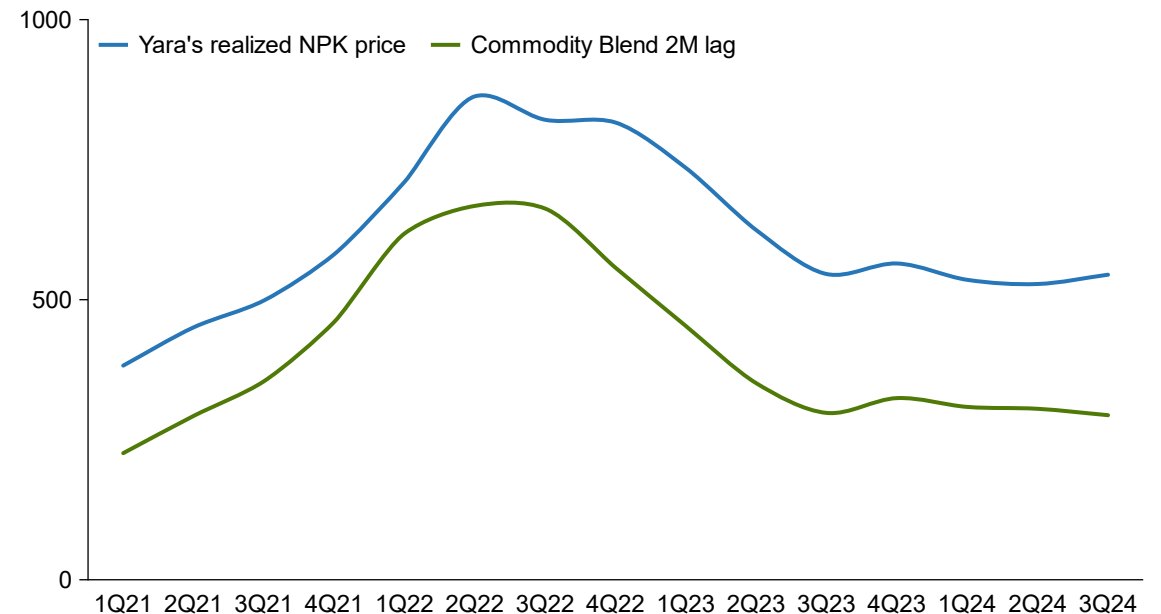
## Nitrate premium above urea<sup>1</sup>

USD/t (CAN27 equivalents)



## NPK premium above commodity blend<sup>2</sup>

USD/t (NPK average grade equivalents)



- Premiums and P&L margins correlate over a longer time horizon but can differ substantially shorter-term
- Position (exposure) effects due to the time lag from sourcing of raw materials to production and delivery will impact the actual margin

Source: Fertilizer Market publications

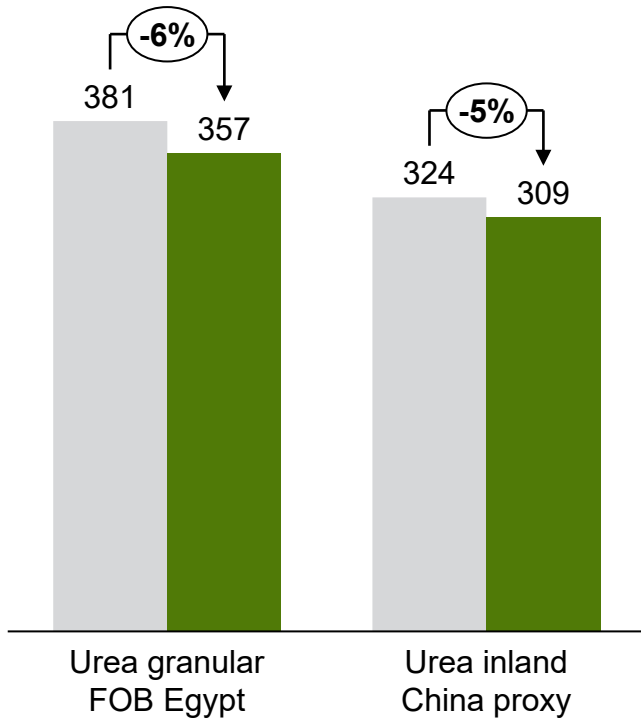


1) Yara's realized European nitrate price in CIF inland Germany terms. Urea Egypt CFR proxy (CIF inland Germany), with 1 month time lag.  
 2) Yara's realized average grade 18-11-13, excluding trading volumes. Commodity blend calculated from MOP, DAP and Urea with two months lag on market prices. Commodity blend do not include nitrate premium.

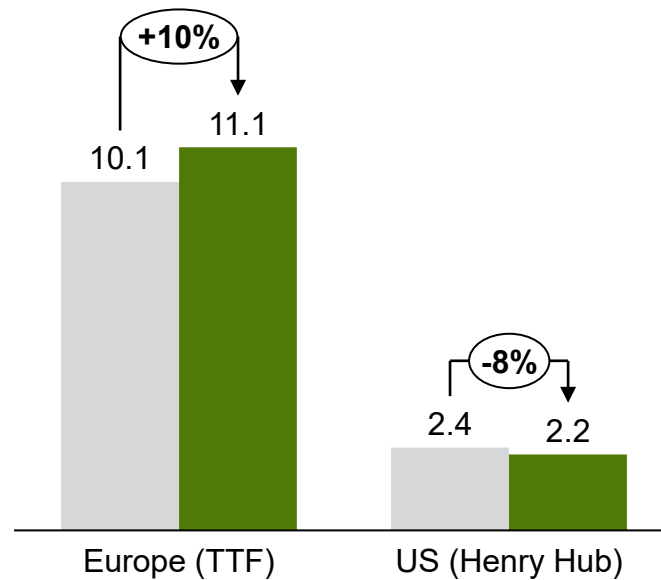
# Key product price development

3Q23 3Q24

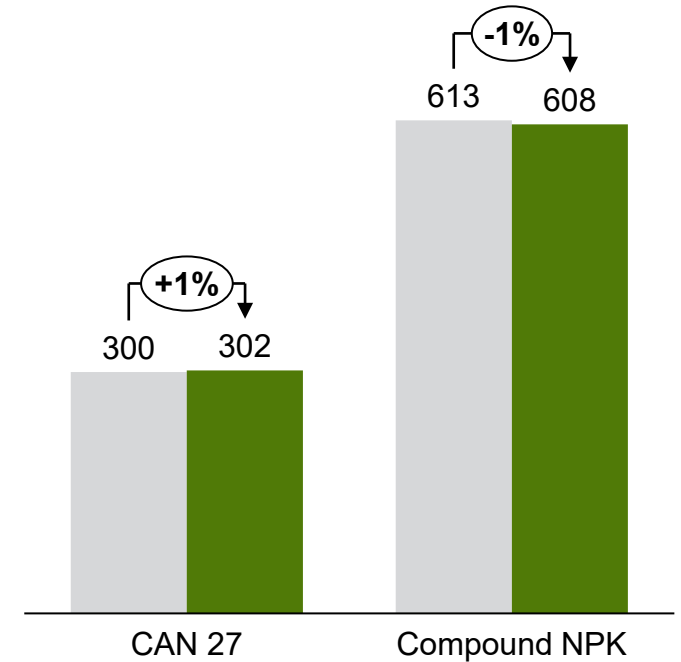
Urea price development<sup>1</sup> (USD/t)



Spot gas prices<sup>1</sup> (USD/MMBtu)



Yara realized CAN<sup>2</sup> and NPK price<sup>3</sup> (USD/t)



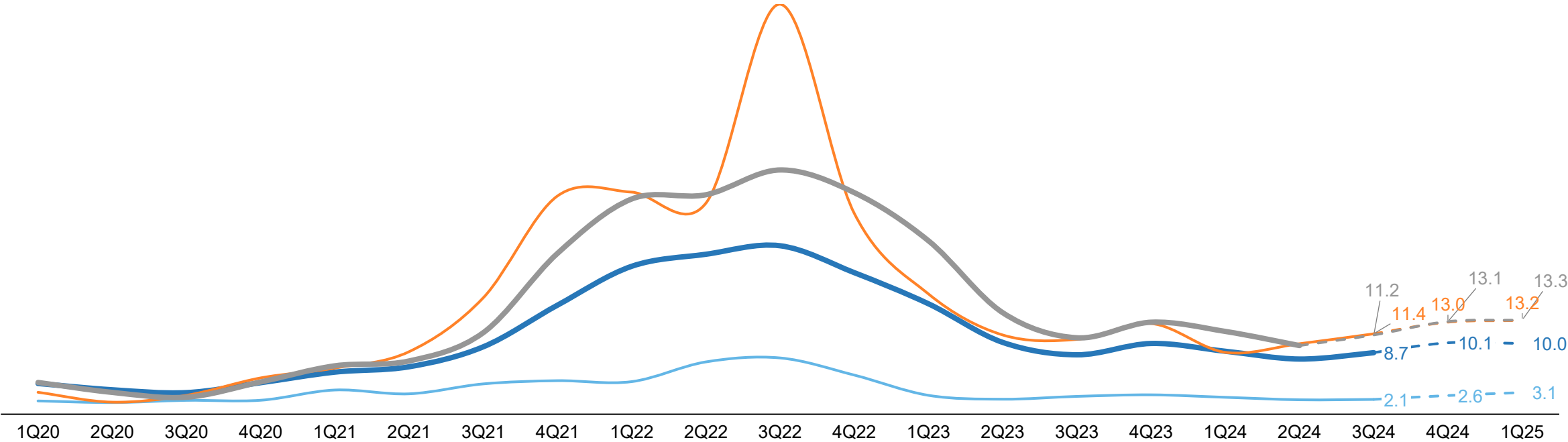
1) Source: BOABC, CFMW, Fertilizer publications, Argus. 1-month lag applied, as a proxy for realized prices (delivery assumed 1 month after order)  
 2) Yara's realized European nitrate price, CAN 27 CIF Germany equivalent ex. Sulfur costs (Middle East reference)  
 3) Yara's realized global compound NPK price (average grade)



# Energy cost

Quarterly averages for 2020 – 3Q 2024 with forward prices<sup>1</sup> for 4Q 2024 and 1Q 2025

— US gas price (Henry Hub)    — TTF day ahead  
— Yara Global                      — Yara Europe<sup>2</sup>



Source: Yara, Argus

1) Dotted lines denote forward prices as of 15 October 2024, market prices (HH and TTF) are not lagged  
 2) Yara Global restated from 2Q 2018 to include Cubatão gas cost, Babrala excluded, and updated Yara gas cost methodology from 1Q20



# Details of energy cost actuals and estimate 4Q 2024 and 1Q 2025

Europe		4Q23	1Q24	2Q24	3Q24	4Q24 estimations based on forward prices	1Q25 estimations based on forward prices
Average gas cost	<i>USD/MMbtu</i>	13.0	11.7	9.7	11.2	13.1	13.3
Gas consumption <sup>1</sup>	<i>Million MMBtu</i>	37.5	29.3	34.2	35.3	37.5	29.3
European gas cost	<i>USD millon</i>	487	343	331	394	493	389

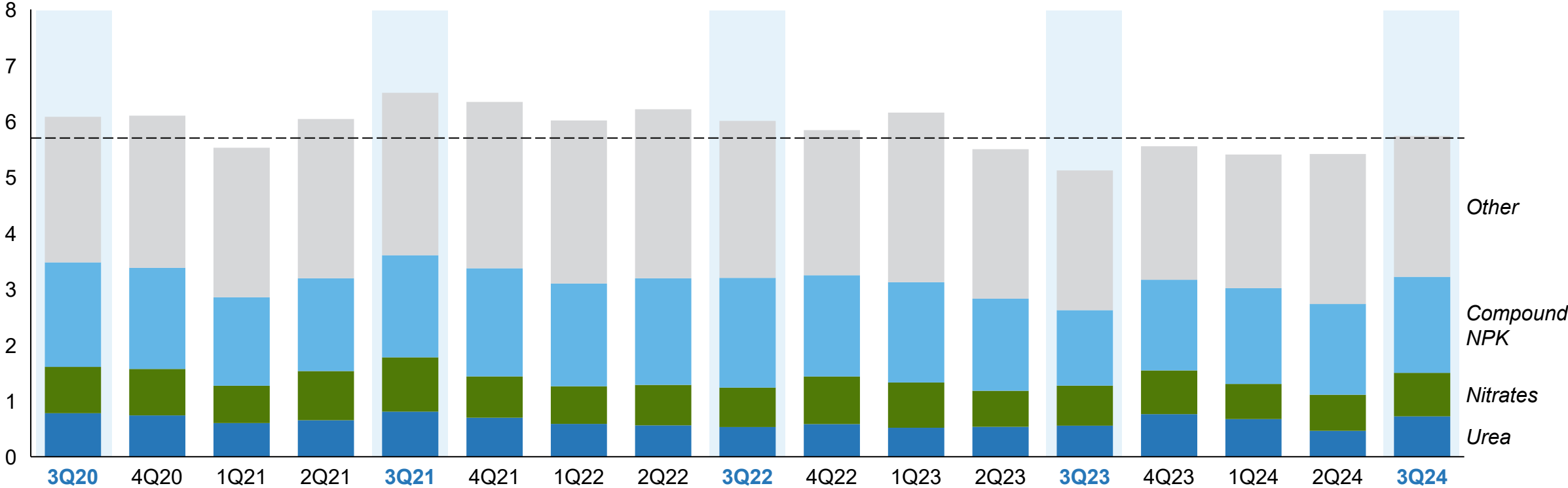
Yara Global <sup>2</sup>		4Q23	1Q24	2Q24	3Q24	4Q24 estimations based on forward prices	1Q25 estimations based on forward prices
Average gas cost	<i>USD/MMbtu</i>	10.0	8.9	7.8	8.7	10.1	10.0
Gas consumption <sup>1</sup>	<i>Million MMBtu</i>	61.9	54.4	58.9	59.8	61.9	54.4
Global gas cost	<i>USD millon</i>	620	486	459	522	625	542



1) Gas consumption in 4Q 2024 & 1Q 2025 estimate based on actual consumption and production volumes in 4Q 2023 & 1Q 2024. Actual consumption could deviate from this due to curtailments or other factors  
 2) Excluding Babrala

# Yara inventories

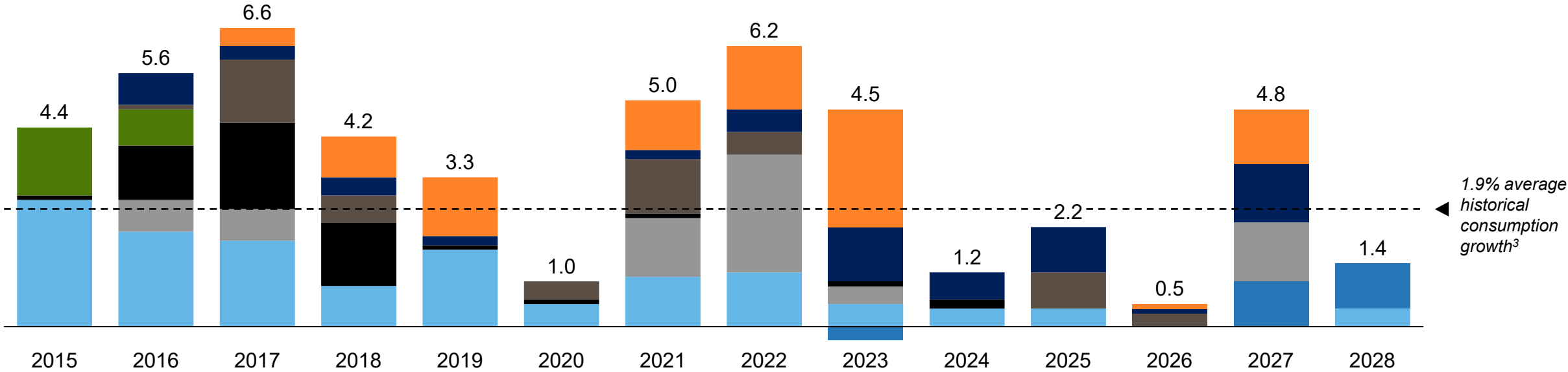
Fertilizer - finished products inventory development in mt



# Peak of urea capacity additions is behind us

Global urea capacity additions ex. China <sup>1,2</sup> (mt)

India Russia Iran Algeria USA Nigeria Australia Others



1) Source: CRU September 2024

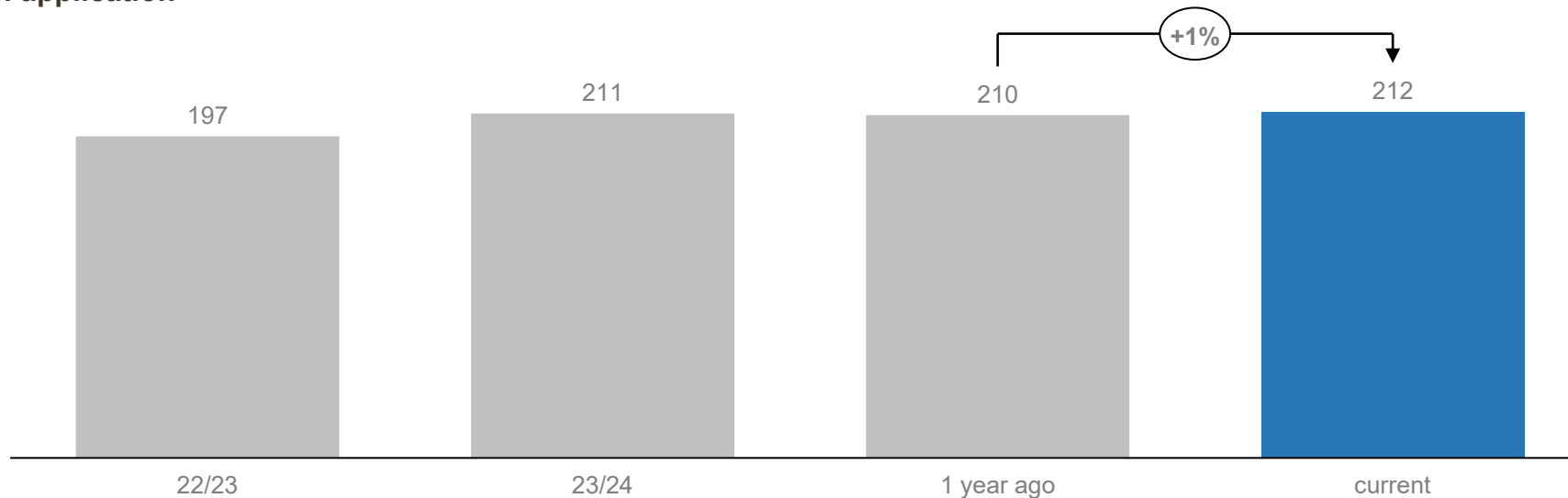
2) Future Urea projects assessed as “probable” or “firm” by CRU. Majority of these projects have yet to begin construction. Several projects under development scheduled for completion after 2026, including in Australia and Russia, with unclear timing

3) Growth calculated based on last 10 years up to 2023, equal to ~2.6 mt/year, from 2023 baseline (IFA) of 136.6 mt (global production + China trade). Trend growth rate held back by supply restrictions in 2021 and 2022



# Farmer incentives: wheat example

Optimal nitrogen application<sup>1,2</sup>  
kg/ha



	<b>22/23</b>	<b>23/24</b>	<b>1 year ago<sup>3</sup></b>	<b>current<sup>3</sup></b>
Wheat price <sup>4</sup> (USD/t)	309	242	251	250
CAN price <sup>5</sup> (USD/t)	561	315	330	314
Optimal nitrogen application (kg/ha)	197	211	210	212
Grain yield (t/ha)	9.50	9.57	9.57	9.58
Farmer revenue above nitrogen cost (USD/ha)	2,525	2,071	2,146	2,149

1) Fertilizer handbook page 68, <https://www.yara.com/siteassets/investors/057-reports-and-presentations/other/2022/fertilizer-industry-handbook-2022.pdf/>

2) Company research based on field trials with winter wheat

3) As of week 42, 2024

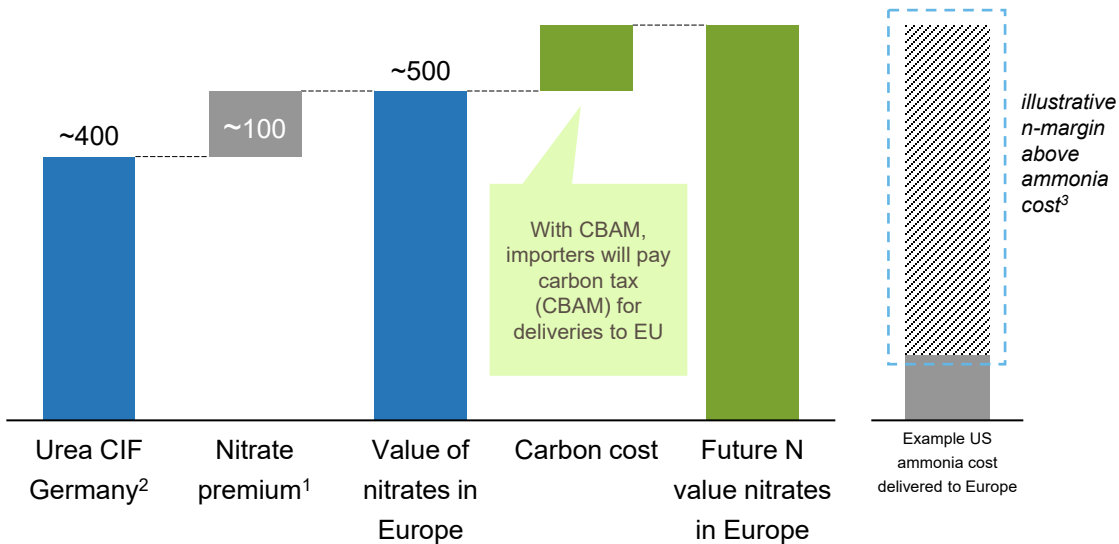
4) Source: Paris wheat futures, MATIF

5) Source: CAN CFR Inland Germany. Average of publication prices



# EU nitrate margin and ammonia cash cost calculations

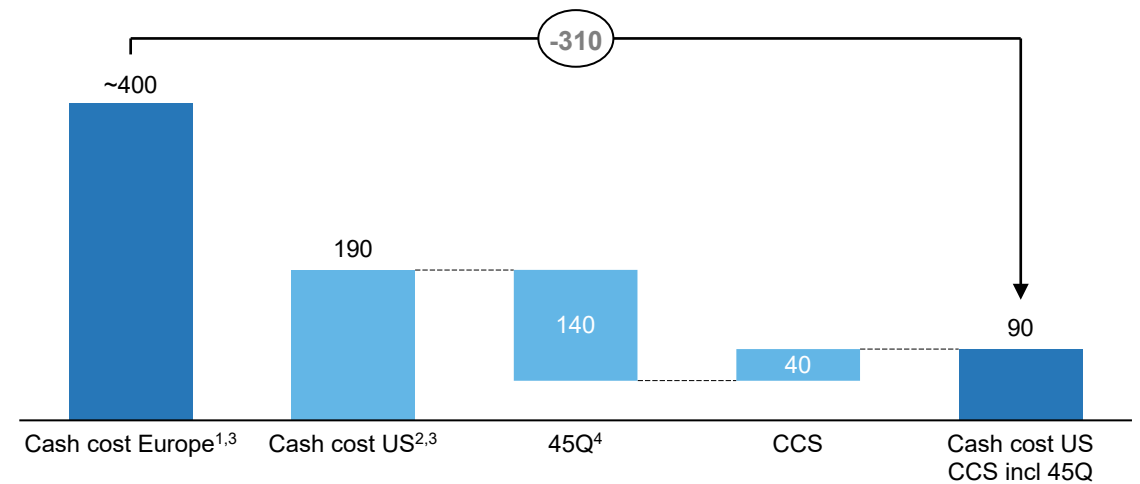
## European nitrate upgrade position, USD/t Urea equivalents



- **Scenario assumptions:** average historical nitrate premium above historical urea price, carbon cost of 100 USD/t CO<sub>2</sub> (approx. 1 tonne CO<sub>2</sub> per tonne urea), cost of ammonia from US based on 4 USD/MMBtu \* 35 + 50 USD/t other cash cost, 140 in 45Q tax credits plus 50 USD/t NH<sub>3</sub> freight to Europe

1. Historical values for period season 2012/13-2021/22, based on market publications
2. Urea Granular FOB Egypt + 50 USD/t in transport
3. N-margin above ammonia cost before upgrading cost and freight cost to market

## Illustrative ammonia cash cost, USD/t



1. European ammonia production cash costs: gas price\*37+70. 2 MtCO<sub>2</sub>/t NH<sub>3</sub>, EU ETS 100 USD/tCO<sub>2</sub>e, assuming some free allowances under EU ETS.
2. US production cash costs: gas price\*35+50, 1.7 tCO<sub>2</sub>/t NH<sub>3</sub>, 45Q tax credit 85 USD/t CO<sub>2</sub>, 95% capture rate
3. Gas price HH: 4 USD/MMBtu and TTF: 8 USD/MMBtu as illustrated in 2023 Capital Markets Day.
4. 45Q tax credit of 85 USD/ t Co<sub>2</sub> x 1.7 t CO<sub>2</sub>/t NH<sub>3</sub>

# Alternative performance measures

Alternative performance measures are defined, explained and reconciled to the Financial statements in the APM section of the 3Q report on pages 24-32





Knowledge grows