



Knowledge grows

# Yara International ASA

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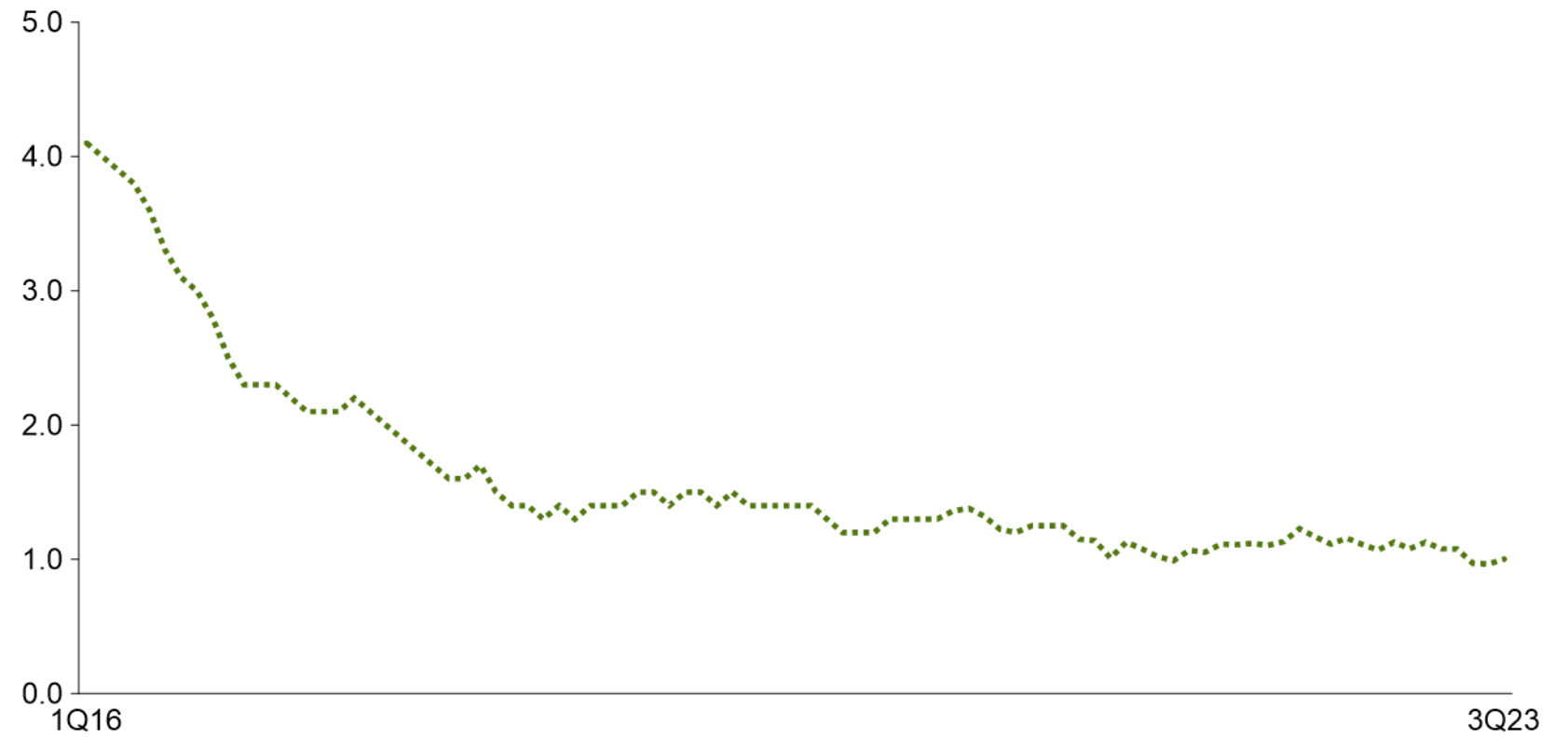
Kepler Cheuvreux Global Agriculture Forum





# Our ambition is zero injuries

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



1) Total Recordable Injuries per 1 million working hours





# Continued strong cash conversion in lower margin environment

## 3Q 2023

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EBITDA down 62% due to reduced margins

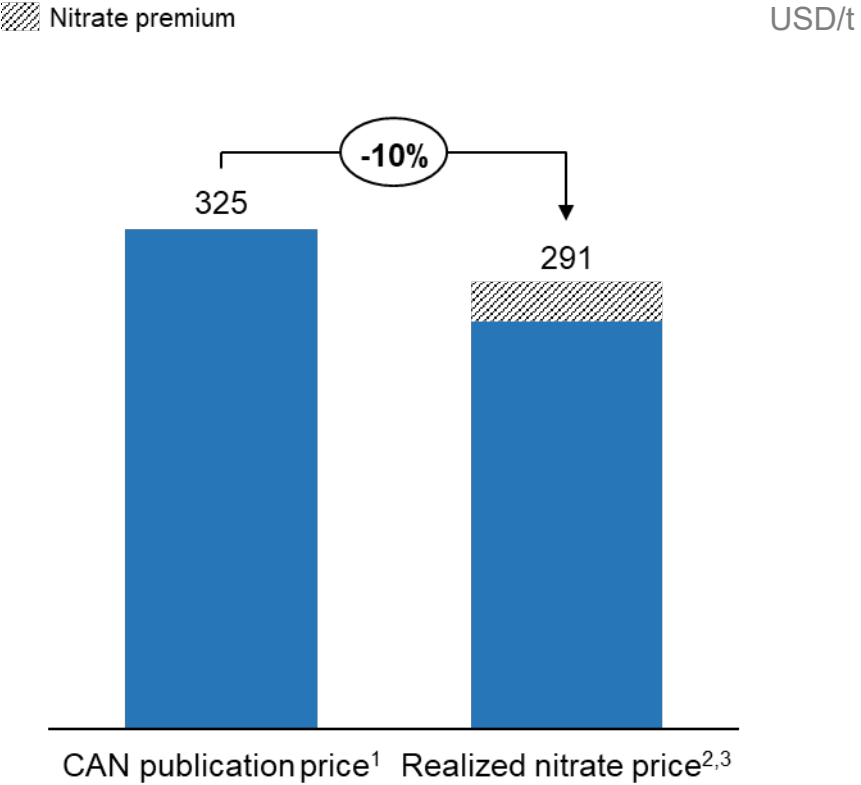
Operating cash flow of 1 BUSD primarily due to operating capital release

European nitrate price negatively impacted by long order book at start of 3Q

Supportive fundamentals for full season but uncertain phasing of deliveries

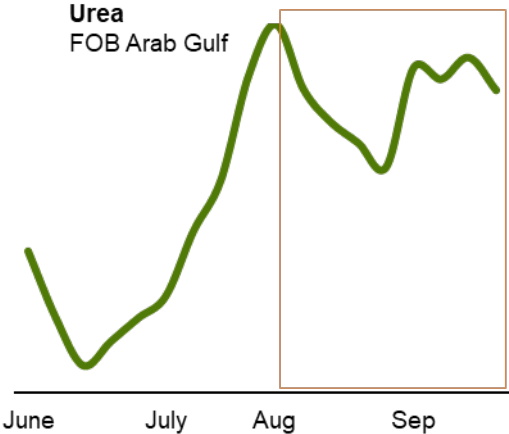
# European nitrate price negatively impacted by long order book at start of 3Q

## Price development 3Q23



## Comments:

- Longer order book built ahead of 3Q, to maintain deliveries and cash flow through off-season summer period
- Order-taking fell as urea price rose in July/August, leaving order book shorter at end 3Q
- 3Q realized nitrate prices 10% lower than average publication prices, reflecting the above factors

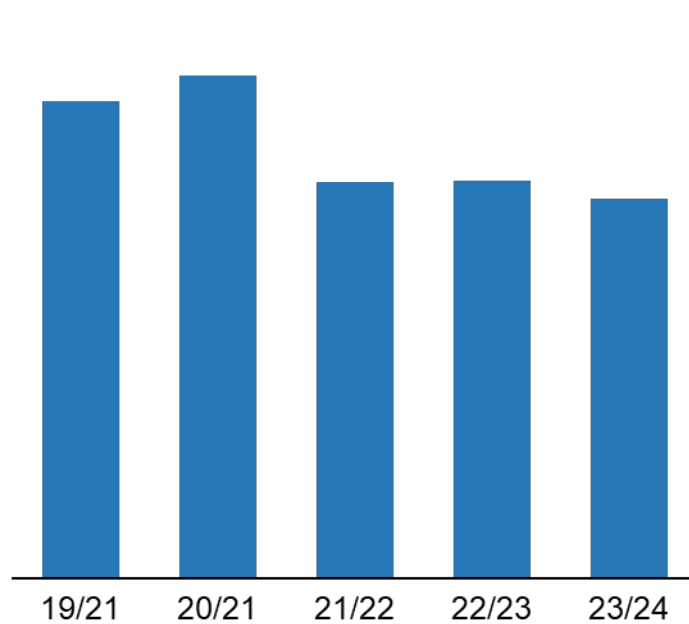


1) Average of fertilizer publications, 1-month lag applied.  
 2) Yara's realized European nitrate price, CAN 27 CIF Germany equivalent ex. sulfur.  
 3) Nitrate premium in CIF Germany terms, above Urea Granular FOB Egypt, in 27% N (USD/t): All prices in CAN27 equivalents unlagged

# Risk of new nitrogen curtailments if slow European demand continues

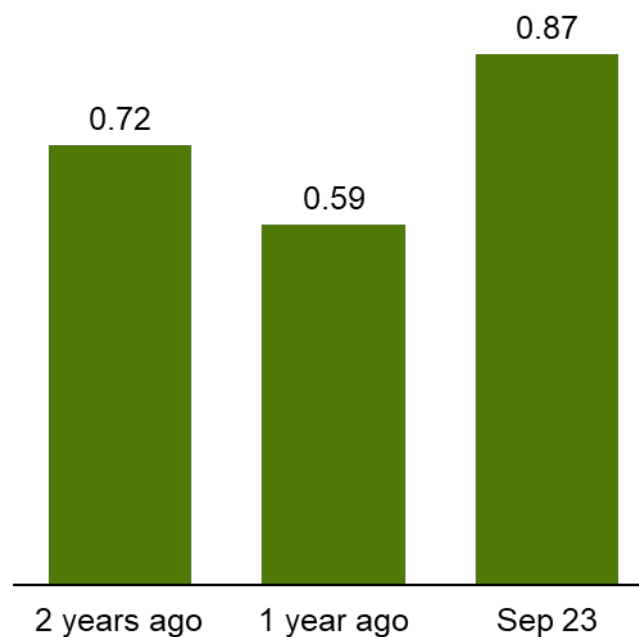
## Slow start to the season in Europe

Kt N in Europe (all products, nutrient tonnes), 3Q



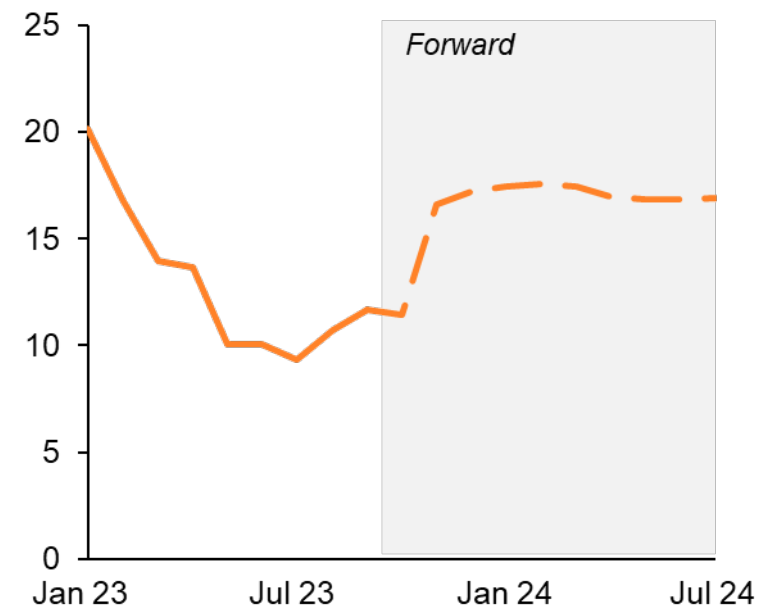
## Improved farmer incentives from last year<sup>1</sup>

Cereal-to-urea price index, 2014-2016=100



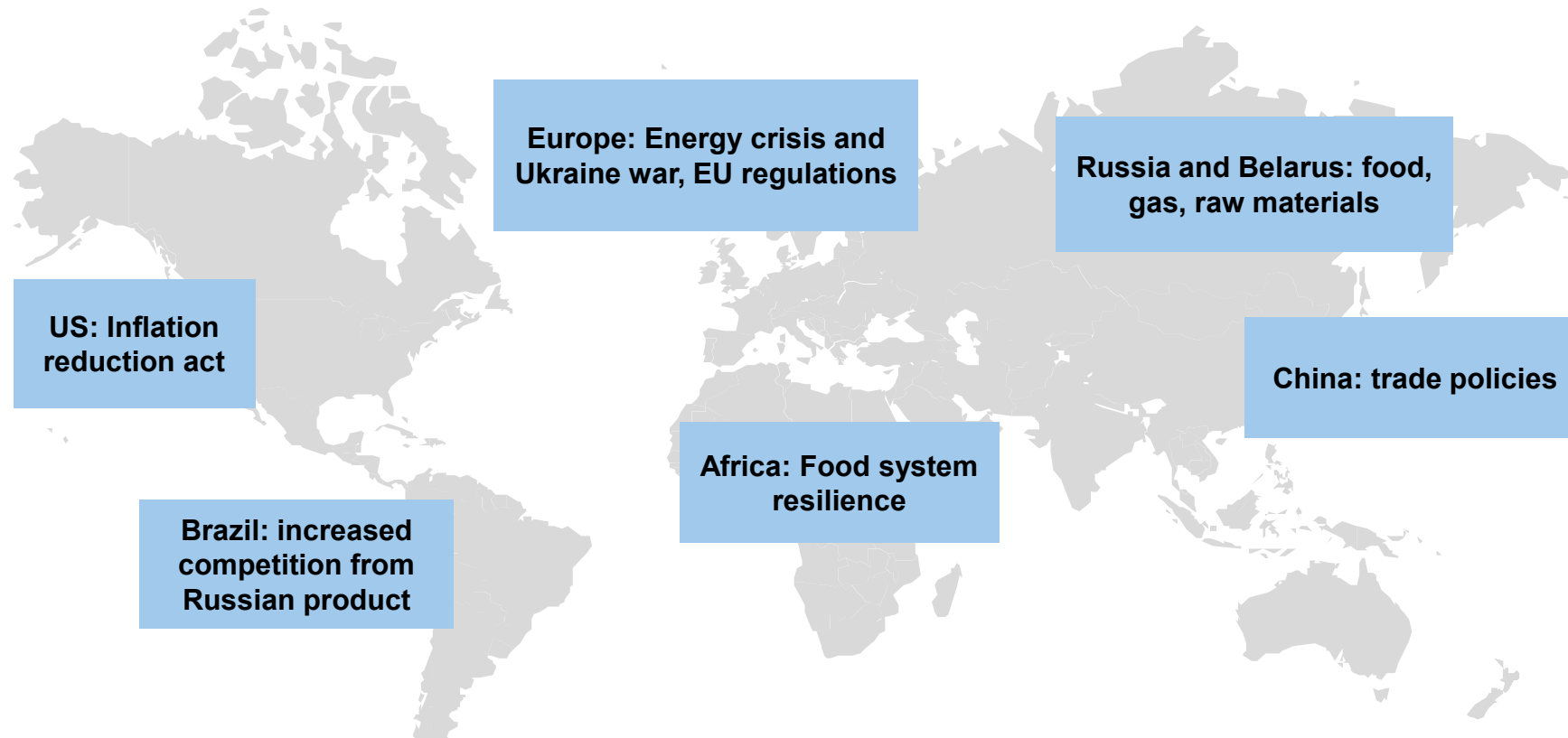
## Increasing European gas prices<sup>2</sup>

TTF, USD / MMBtu



# Geopolitical situation strengthens business case for operational flexibility and resilience

## Key geopolitical risk drivers



Flexible production setup, asset footprint and diversified natural gas position are key mitigating factors



# Growing a Nature Positive Food Future



**Climate neutrality**

Reduce our own emissions and improve productivity at our production sites

—

Contribute to decarbonize agriculture

—

Contribute to decarbonize transportation and energy

**Regenerative farming**

Improve farming productivity and nutrient use efficiency (NUE)

—

Positively impact nature in the value chain: soil health, biodiversity, water, air quality and land use change

**Prosperity**

Improve farmer income and sustainability

—

Positively impact farmer diversity

—

Contribute to zero hunger and healthy nutrition



# Yara will prioritize strategic and value-creating investments in US clean ammonia

Type	Project	CO2 Capture	Yara volume <sup>1</sup>	Type	Yara capex <sup>3</sup>	Start of production
Blue ammonia	<b>Project YaREN<sup>2</sup></b> North America, Texas, Ingleside Partnership with Enbridge	~95%	1.2 – 1.4 mt	50% stake and full offtake	1.3 – 1.45 bn	2027 – 2028
	<b>New Blue Ammonia<sup>2</sup> Project</b> North America, TBD	~95%	0.8 – 1.0 mt	Majority stake	1.8 – 2.0 bn	2028 - 2029
	<b>Sluiskil CCS<sup>2</sup></b> Netherlands	~60%	~0.4 mt	100% owned	~0.2 bn	2025 - 2027

## Green ammonia

- ✓ Developing a portfolio that will enable and position Yara's transition to full decarbonization over time.
- ✓ Pilot projects in execution in Norway and Australia to prepare for subsequent industrial scale-ups
- ✓ Full industrial scale-ups when technology is sufficiently matured and required financial frameworks are in place

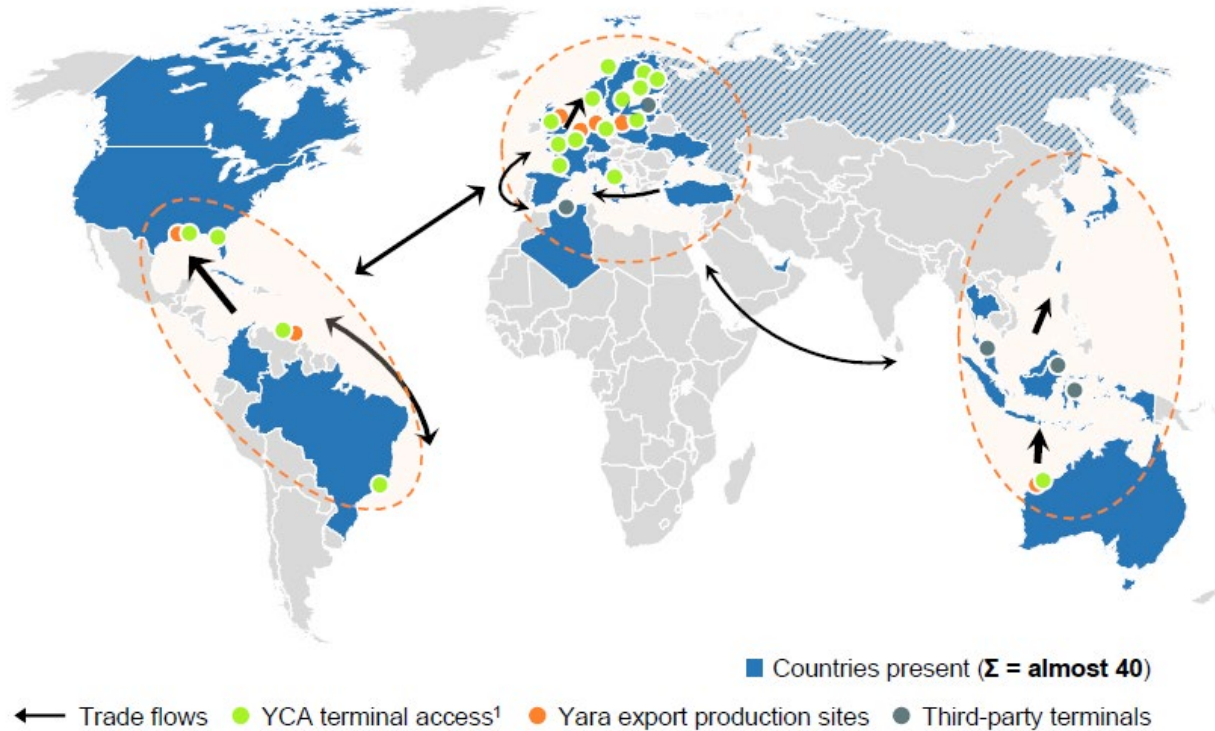
The portfolio of asset back supply will be complemented by additional volumes from third party sourcing



# Our leading ammonia position presents significant opportunities

Global #1 in traded ammonia with >20% market share<sup>1</sup>

YCA global terminal and storage infrastructure



## YCA competitive advantages

Integration across the value chain

Reliable, asset-backed supply and attractive offtaker

Deep industry know-how, market insight and track record of safe handling

Specialized fleet of 14 ships

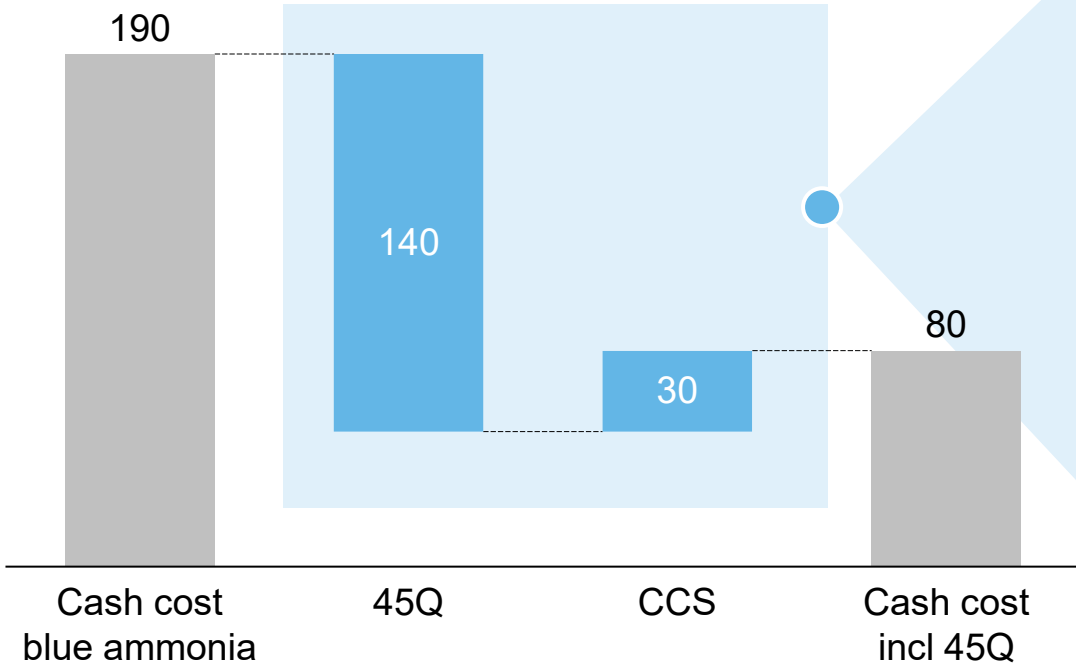
Global network of 18 terminals located in key locations, with connection to bunkering hubs

Scalable platform and business model

# Strong US clean ammonia project economics

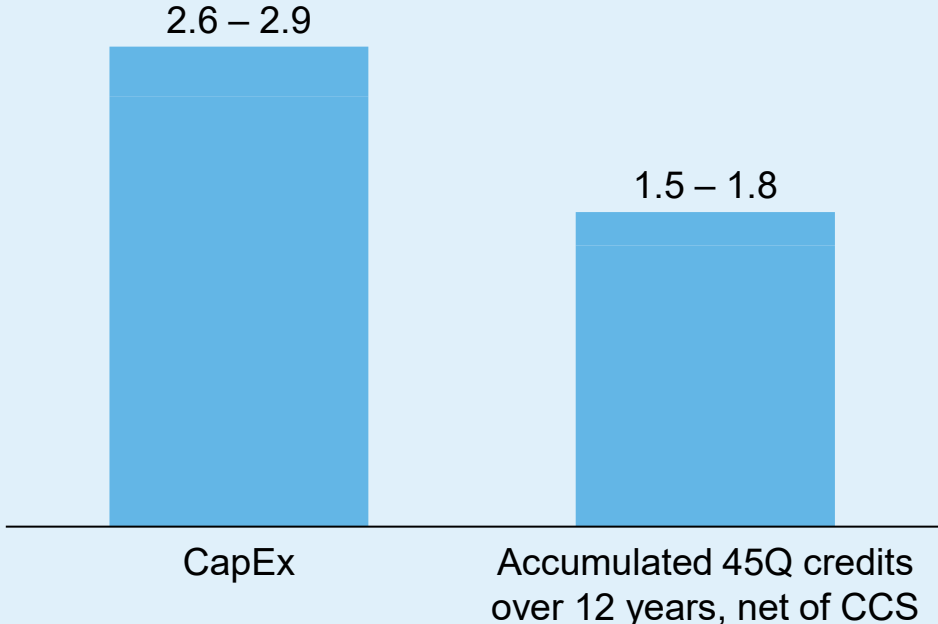
## Strong federal incentives in the US for sequestering CO2

Ammonia cash cost<sup>1</sup>, USD/ton, illustrative



## The accumulated 45Q credits benefit is substantial

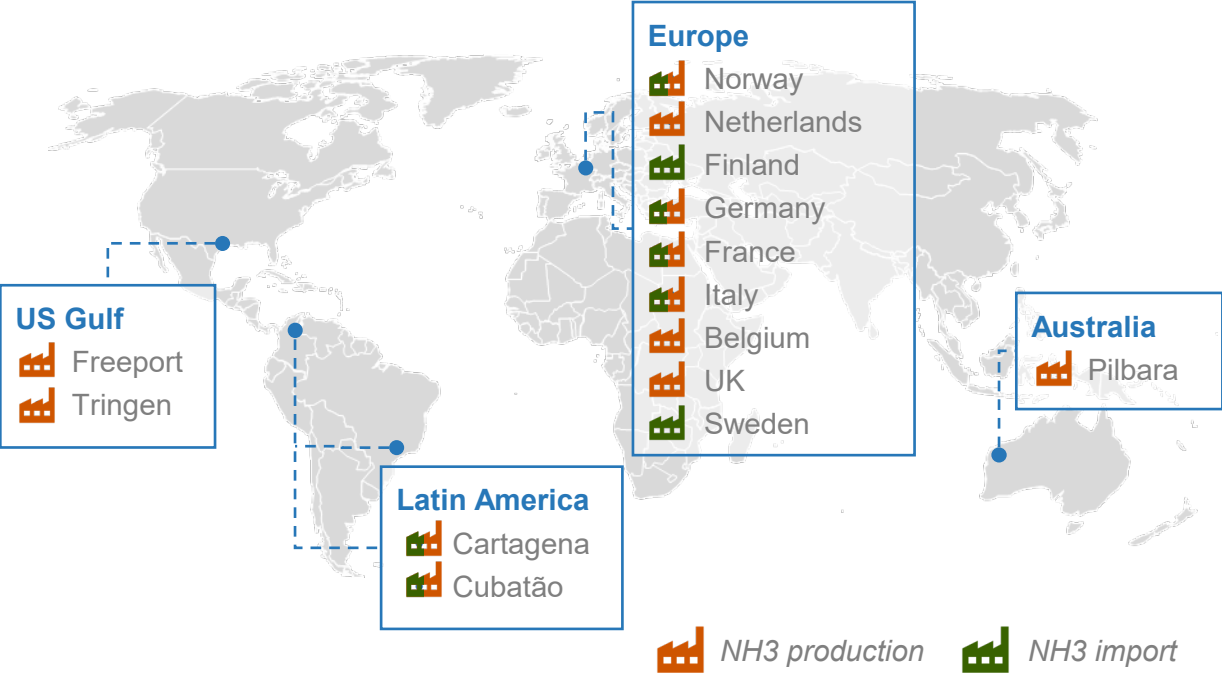
USD billion, illustrative example<sup>2</sup>



1) Assumptions production cash costs: gas price\*35+50, 1.7 tCO2/t NH3, IRA credit 85 USD/t CO2, 95% capture rate, CCS cost 30-40 USD/t NH3.  
 2) Based on CapEx of USD 2.6 – 2.9 billion and capacity of 1.2 – 1.4 million ton per annum

# US ammonia investments are complimentary to Yara's European footprint

## Yara current ammonia footprint is flexible



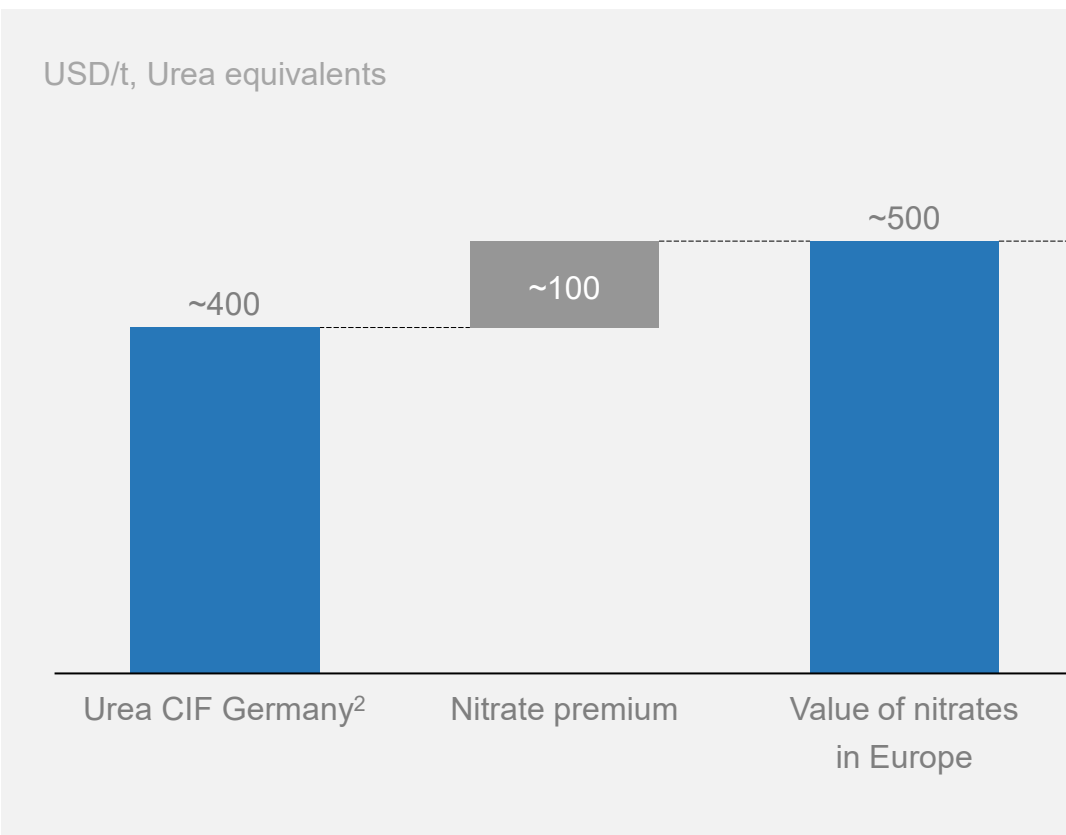
70% of Yara assets in Europe are flexible on ammonia source

## Creating opportunities for Yara to:

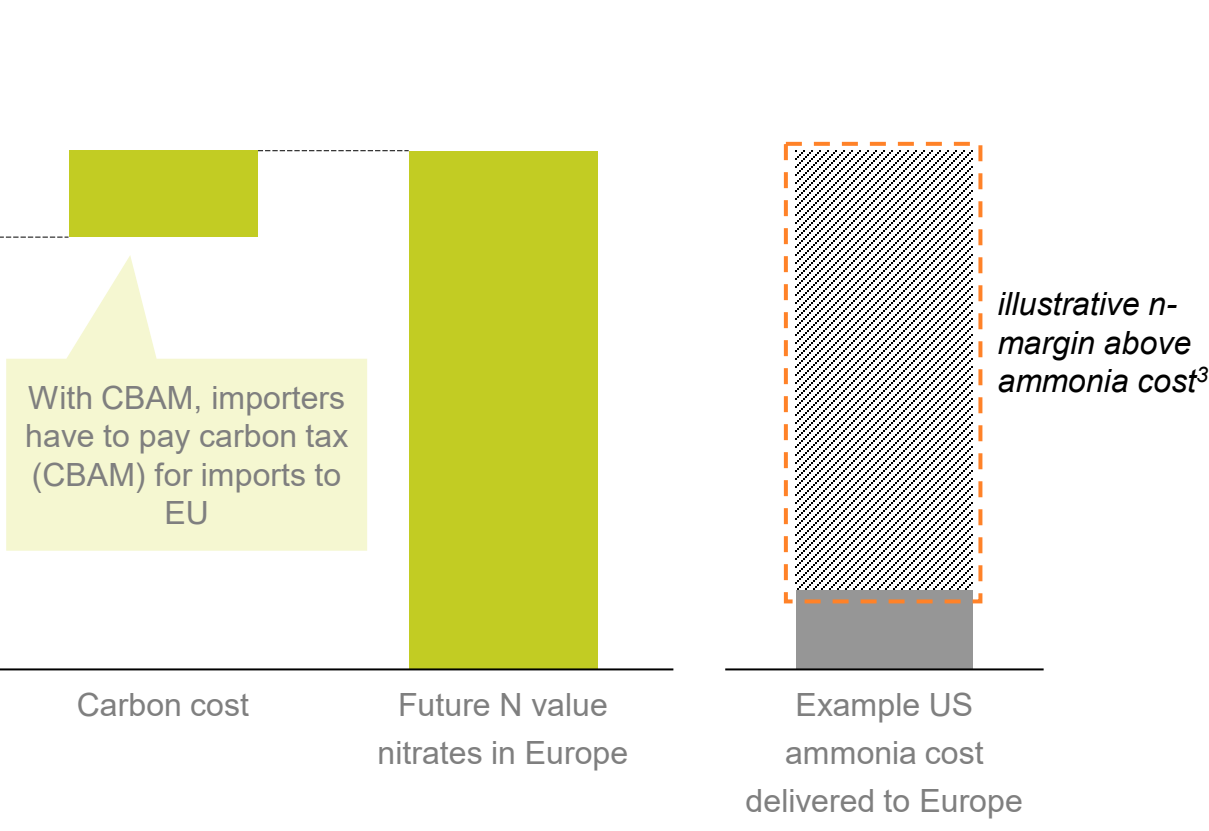
- 1) Fuel parts of the EU production with import of low-carbon ammonia at competitive cost
- 2) Diversify Yara's energy position, with increased exposure to the US market
- 3) Decarbonize nitrate and NPK production

# Strong value creation in European nitrate upgrade position

Historical (past 10 years): nitrate premium above urea<sup>1</sup>



Future scenario: profitable decarbonization through US ammonia



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

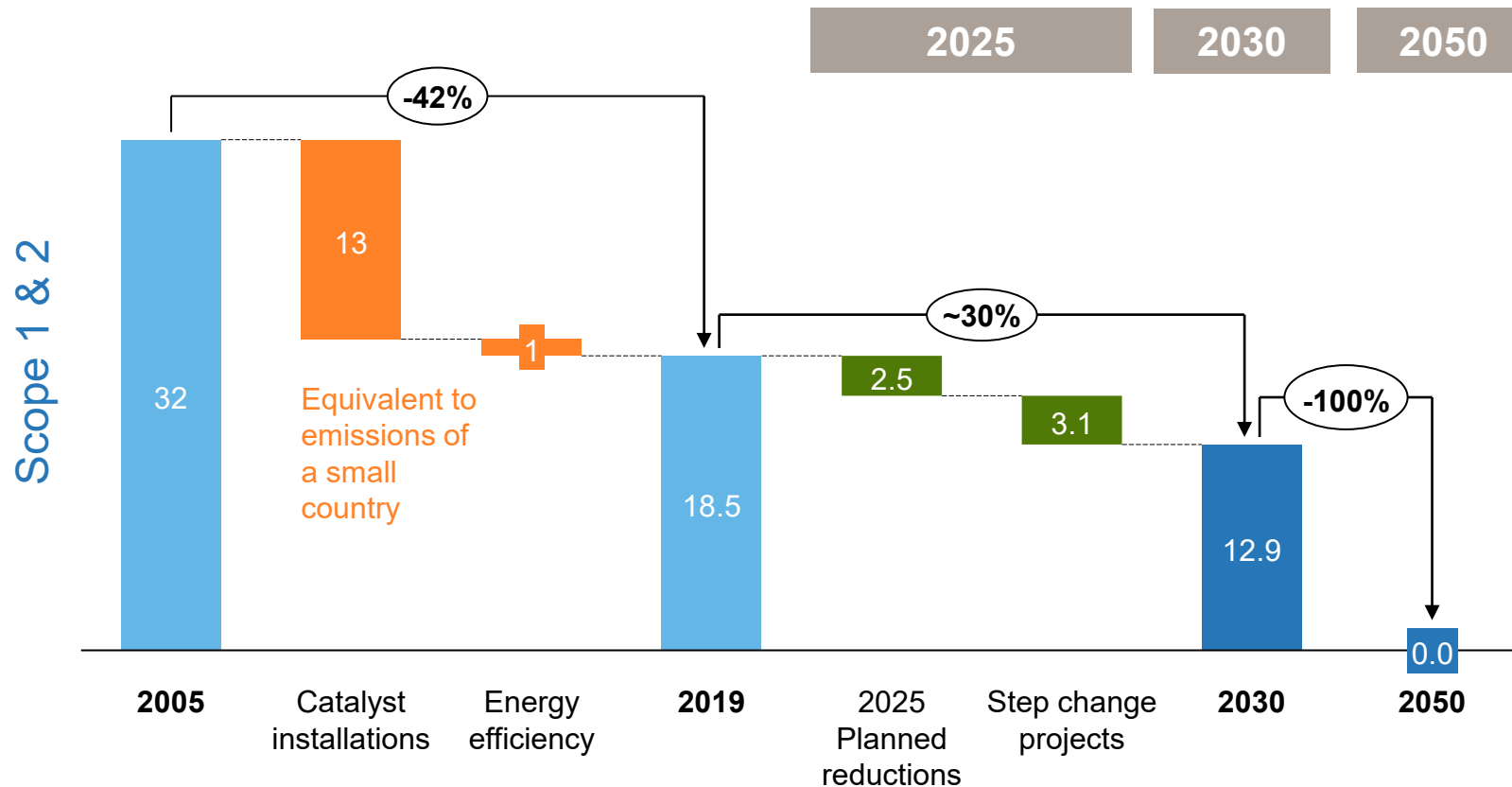
**Scenario assumptions:** average historical nitrate premium above historical urea price, carbon cost 100 USD/t CO<sub>2</sub> (approx. 1 tonne CO<sub>2</sub> per tonne urea), cost of ammonia from US based on 5 USD/MMBtu \* 30 + 50 USD/t other cash cost, - 150 support in IRA plus 50 USD/t NH<sub>3</sub> freight to Europe



# Our ambition is to be carbon neutral by 2050

## Historic reductions<sup>1</sup>, MtCO<sub>2</sub> per year

## Planned reductions



## Our climate roadmap

- 2025 Intensity target: 10% reduction in CO<sub>2</sub>e per ton N
- 2030 Reduce scope 1+2 absolute emissions by 30%
- 2050 Climate neutrality (technological + offsetting of remaining emission)

1) 2005 -2019 data are estimates

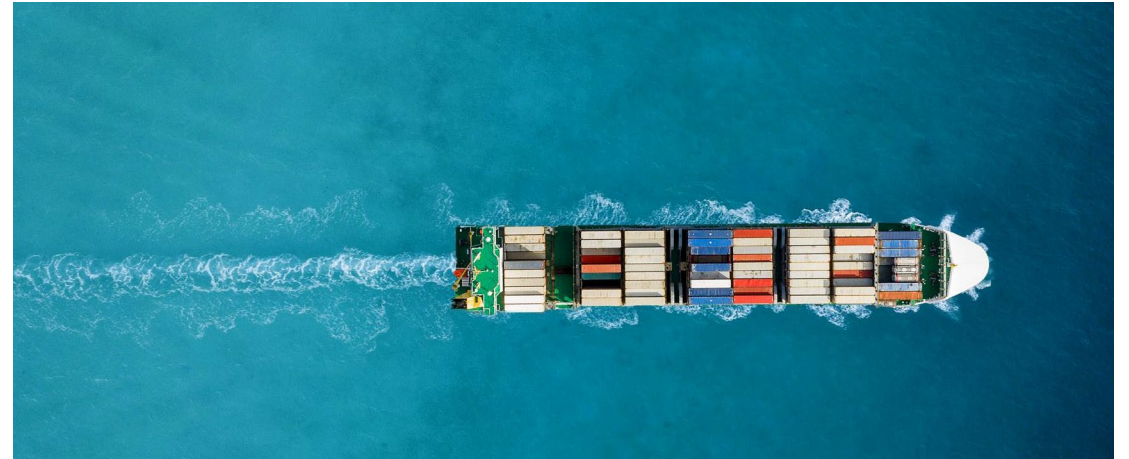
# Structural moves continuously considered to reallocate capital

## Asset portfolio



- Increased focus on divesting non-core assets where Yara sees accretive conversion into prioritized growth segments
- Assessing European footprint, prioritizing assets which are fit-for-future holistically

## YCA IPO evaluation



- Viability of minority divestment of YCA confirmed
- Timing postponed due to highly accretive project portfolio currently undervalued, and main cash outlays foreseen from 2025 onwards
- Alternative YCA ownership and / or funding routes remain under evaluation



# Capital allocation - key messages

- Capital allocation policy maintained, based on BBB / Baa2 credit rating target
  - Annual average capex at 1.2 BUSD max in real 2022 terms, on a net basis including portfolio optimization and equity funding
  - Fixed cost target to beat inflation in core business (excluding special items and write-downs/one off effects)
- Viability of YCA minority divestment confirmed, timing postponed due to highly accretive project portfolio currently undervalued, and limited cash outlays needed before 2025
- Increased focus on divesting non-core assets, where there is accretive conversion into prioritised growth segments
- Conservative M&A strategy, focused on smaller bolt-on acquisitions







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