



GrupoFertiberia

Nordic Bond Investors Webcast

Monday, 27th September 2021

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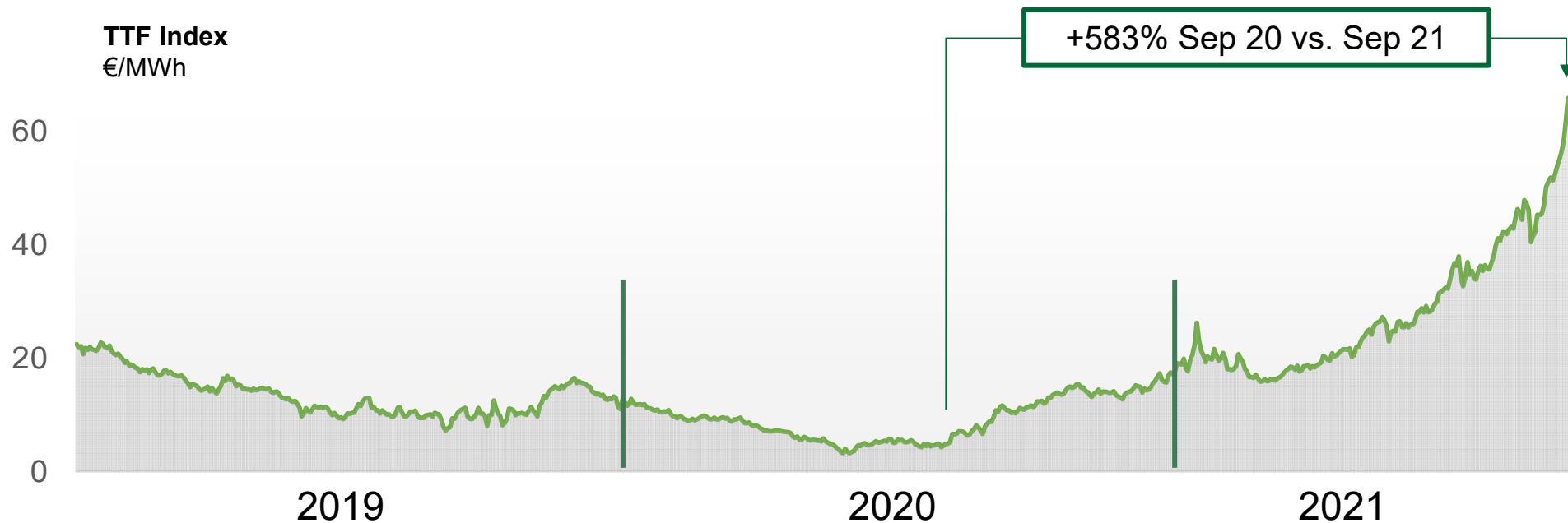
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Key takeaways

- **Western European natural gas, power and CO2 prices are presently at historical highs** which is impacting all European crop nutrition producers.
- Although catching up, prices (e.g. ammonia and urea) are still lagging behind the unprecedented rise in energy prices. As a result, **European ammonia plants are currently facing negative cash margins**. This has prompted other producers like Yara, CF, OCI, OPZ to already announce temporary shutdowns of their ammonia plants.
- Fertiberia's **Upstream plants** (producing ammonia and urea) in **Palos and Puertollano** are also negatively impacted, as a result of which the **plants will be going into temporary shutdowns**. However, this will occur at an **opportune timing** as **Puertollano is already undergoing its regular maintenance turnaround** (occurs every 5 years) while certain **maintenance work and investments at Palos planned for 2022 can be pulled forward**.
- Meanwhile, our **Midstream and Downstream businesses (Nitric Acid, Nitrates, and NPK Products) are performing very well backed by strong demand, price and margin increases, which compensate Upstream**.
- Evidenced by current performance: **YTD August EBITDA of €60m is +9% above prior year**.
- This underscores Fertiberia's **highly flexible operational structure** (e.g., ability to quickly replace in-house ammonia production with cheaper imports, supply to clients from other sites) and **ability to maintain robust financial performance in different operating environments**.
- Lastly, Fertiberia is **progressing as planned in its core strategies**: shift to specialties, efficiency/cost reduction program, and green ammonia.

Energy prices in Europe at historical highs



Natural gas: European hub prices at historical highs driven by even higher prices and demand in Asia and supply constraints. European storage levels much lower than same period last year.

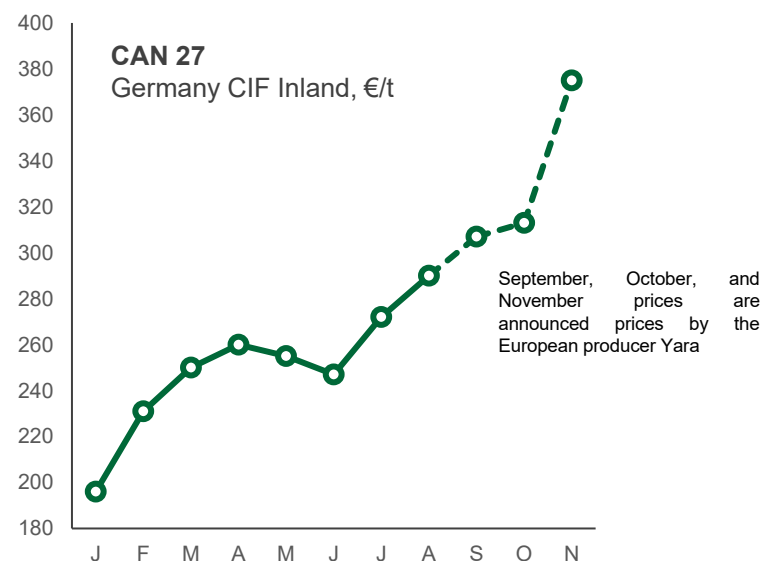
Upstream operations impacted, but more than compensated by Mid- & Downstream businesses

Upstream (Ammonia & Urea)

- Natural gas, power and CO2 prices in Western Europe at historical highs, impacting all European producers.
- Although catching up, prices (e.g. ammonia and urea) are still lagging behind the unprecedented rise in energy prices. As a result, European ammonia plants are currently facing negative cash margins. This has prompted other producers like Yara, CF, OCI, OPZ to already announce temporary shutdowns of their ammonia plants.
- Fertiberia is being affected in its upstream business (ammonia and urea) in Palos and Puertollano.

Mid- Downstream (Nitric Acid, Nitrates & NPKs)

- Midstream and Downstream businesses (Nitric Acid, Nitrates, and NPK Products) are performing very well backed by strong demand, price and margin increases, which compensates Upstream



Grupo Fertiberia focused on maximizing profitability by leveraging its highly flexible operational structure

UPSTREAM (Ammonia & Urea)

- Ammonia & Urea units temporarily to be halted:
 - Puertollano is already performing its 5-year planned turnaround.
 - Palos is planned to temporarily halt production. During this time, initially planned for one month, the company will pull forward some of the plant maintenance work and investments intended for 2022 in terms of energy efficiency and environmental optimization. Measure to be implemented on 1st October.

Mid-Downstream (Nitric Acid, Nitrates & NPKs)

- Maximizing returns from mid-downstream very profitable operations:
 - Ammonia supply from other sources for nitrates production.
 - Reduction of the duration of the yearly turnaround at Alverca and Lavradio to maximize profitable sales of nitrates.
 - Production increase at Setúbal and Huelva of profitable NPKs.
 - Tapping into its production capacity and the logistic resources of the group's remaining 13 production centers in Spain, Portugal and France, whose activity continues as planned.

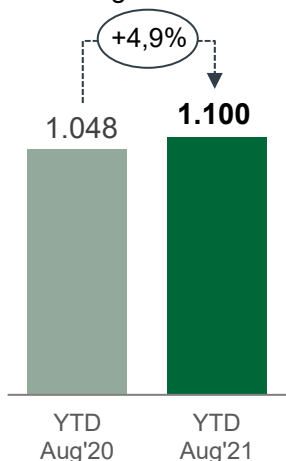
Core Strategies

- At the same time progressing as planned in its core strategies: shift to specialties, efficiency/cost program, and green ammonia.

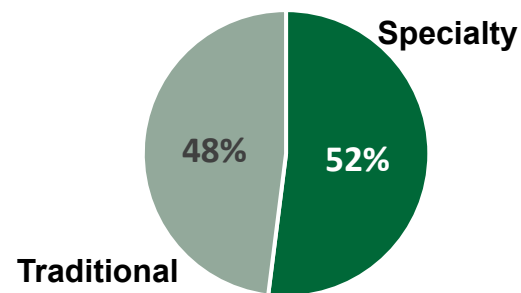
Core Strategies: at the same time progressing with shift to specialties and cost efficiency programs

Shift to specialties

Specialty Sales (kt)
YTD Aug'21

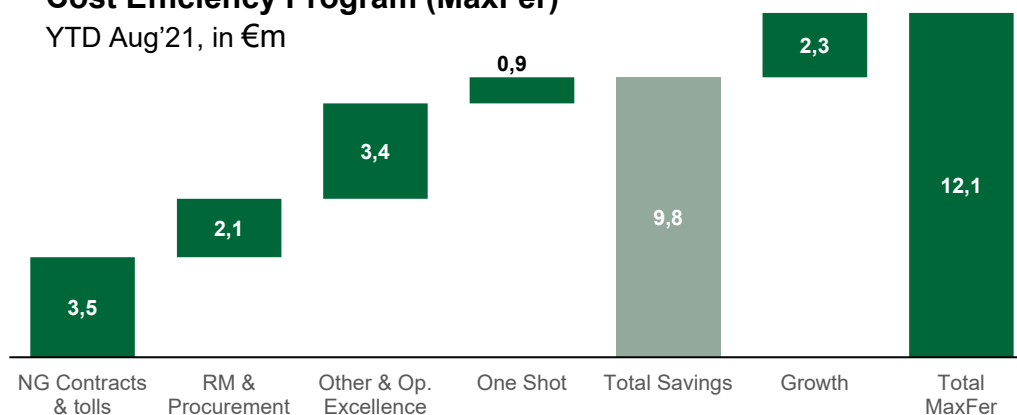


Specialty versus Traditional
YTD Aug'21, in €m



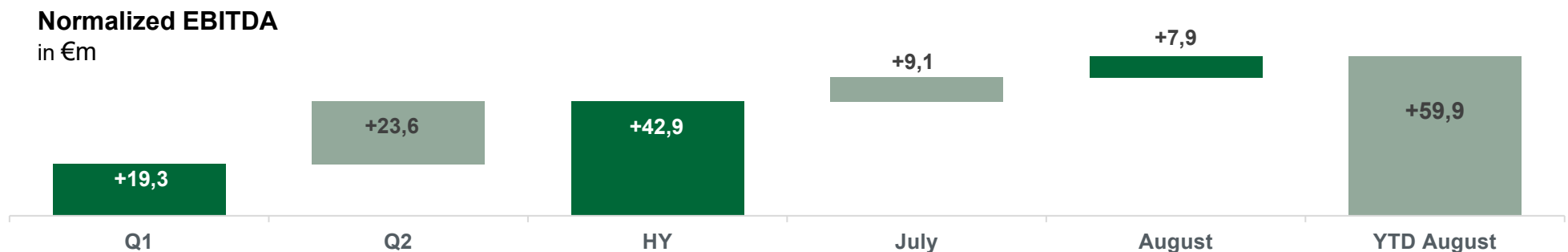
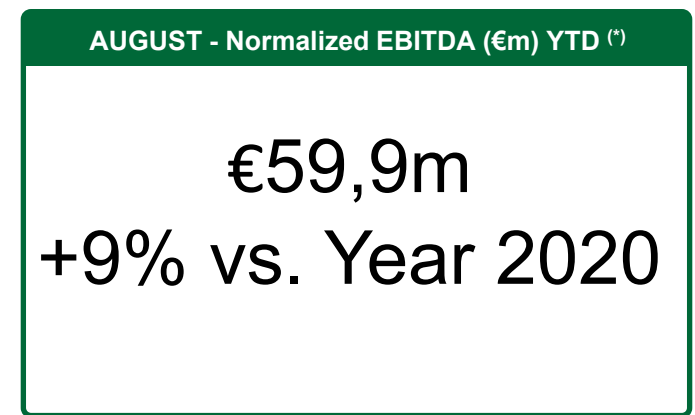
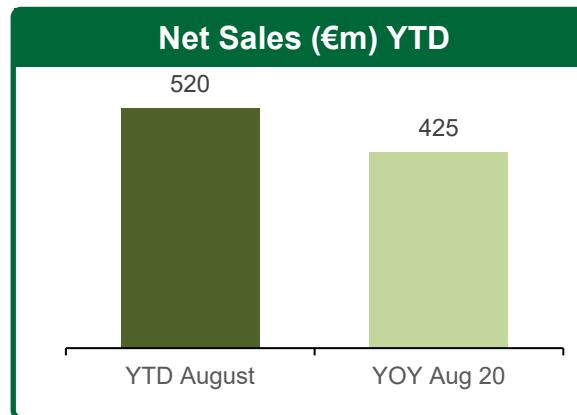
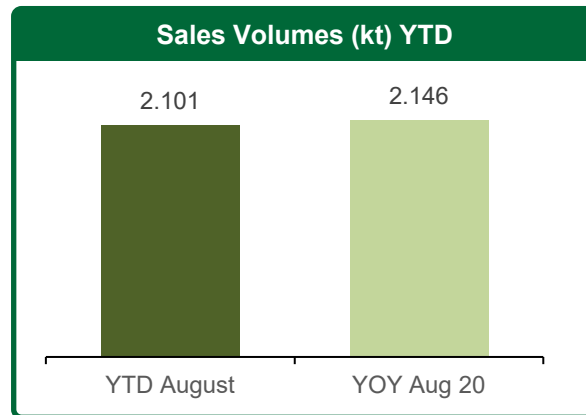
Cost Efficiency Program

Cost Efficiency Program (MaxFer)
YTD Aug'21, in €m



Efficiency / cost reduction program on track, delivering significant EBITDA improvements

EBITDA: YTD August Normalized EBITDA +9% versus previous year



(*) YTD Normalized: COVID extra costs (€1,29m), severance payments (€1,95m), Huelva guarantee (€1,05m), Office penalty (€1,12m)

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