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Yara posts strong Q2 Profit as higher fertilizer margins offset market volatility

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EBITDA jumps 39 per cent to $906 million; Gulf Coast Ammonia acquisition strengthens cost competitiveness and diversifies energy exposure amid geopolitical uncertainty

Global crop nutrition company Yara International reported a strong second quarter for 2026, driven by higher fertilizer margins, disciplined operations and resilient production, even as geopolitical tensions and volatile nitrogen markets delayed seasonal demand.

The company posted EBITDA excluding special items of $906 million, up from $652 million in the same period last year, while net income rose to $545 million, compared with $413 million a year earlier.

Despite uncertainty across global fertilizer markets, Yara said its diversified downstream network and operational flexibility enabled it to maintain strong production levels while optimizing sales volumes.

"Yara delivered higher margins and strong returns in a market characterized by heightened price and demand volatility. While market uncertainty led to reduced purchasing activity due to delayed demand for the new season, we continued to leverage our global downstream presence to optimize volumes and maintain strong production levels. This demonstrates the resilience and flexibility of Yara's business model," said Svein Tore Holsether, President and Chief Executive Officer.

Middle East tensions reshape fertilizer markets

The conflict in the Middle East emerged as one of the defining factors influencing fertilizer markets during the quarter. According to Yara, disruptions linked to the temporary blockage of the Strait of Hormuz triggered a sharp spike in global urea prices toward the end of Europe's fertilizer buying season.

While the price surge and market uncertainty initially caused buyers to delay purchases for the upcoming season, the company noted that purchasing activity began recovering across major markets in July as inventories remained unusually low.

Yara cautioned that renewed geopolitical tensions in the region continue to pose supply risks for the next planting season but believes its diversified global footprint positions it well to respond to shifting demand and pricing dynamics.

Acquisition strengthens long-term strategy

Alongside its quarterly performance, Yara announced the acquisition of Gulf Coast Ammonia, a move the company described as a significant milestone in its long-term strategy to improve production economics while reducing dependence on European natural gas markets.

The acquisition will create a more balanced energy portfolio by giving Yara equal exposure to European and U.S. gas markets, enhancing both operational flexibility and cost competitiveness.

"The announced acquisition of the Gulf Coast Ammonia plant marks an important milestone in delivering on Yara's strategy. It strengthens our ammonia cost position, enhances both strategic and operational flexibility, and supports long-term value creation," Holsether said.
He added that the investment reflects the company's disciplined approach to capital allocation while supporting future shareholder returns.

Integration and outlook

The acquisition remains subject to customary regulatory approvals. Once completed, Yara plans to focus on integrating the facility into its global production network while continuing to deliver on its previously announced EBITDA improvement targets.

With fertilizer markets expected to remain influenced by geopolitical developments and energy price fluctuations, Yara believes its diversified business model and strategic investments leave it well positioned to navigate volatility while creating long-term value for customers and shareholders.