

## Ad hoc disclosure of K+S Aktiengesellschaft

Kassel/Germany, July 26, 2023

### Quarter Results / Forecast K+S Aktiengesellschaft:

- **Adjusted free cash flow in second quarter of 2023 above market expectation; EBITDA below consensus**
- **Expectations for the full year 2023: EBITDA to range between EUR 600 million and EUR 800 million (consensus: EUR 810 million) and adjusted free cash flow between EUR 300 million and EUR 450 million (consensus: EUR 443 million assuming same capital expenditure levels)**

Based on preliminary calculations, adjusted free cash flow for the second quarter of 2023 reaches about EUR 160 million, significantly exceeding market expectations (Vara consensus estimate as of July 18, 2023 on average: EUR 116.1 million).

EBITDA of the K+S Group in the second quarter of 2023 amounts to about EUR 24 million and, therefore, underperforms the market expectation, in particular due to price effects (Vara consensus estimate as of July 18, 2023: EUR 70.5 million median). In the second quarter, the potassium chloride selling price in the Brazilian market faced a more significant drop than previously expected. The price recovery which is currently observed has also started later than assumed.



For the year as a whole, it will not be possible to compensate for the EBITDA shortfall of the second quarter. Furthermore, sales-related optimization of the product portfolio will have an impact on production volumes. In addition, as a result of the port strike in Canada, negative effects from the still ongoing normalization of supply chains cannot be ruled out.

If the positive demand impetus and price trends currently observed continue in the further course of the year, it would still be possible to achieve the current market expectation for K+S Group EBITDA of about EUR 800 million at the upper end of the range (Vara consensus estimate: EUR 810 million).

In case of a renewed reluctance to buy in key sales regions, however, this could lead to negative volume and price effects. In this case, EBITDA could be at the lower end of the range at about EUR 600 million.

Adjusted free cash flow for the full year 2023 should reach between EUR 300 million and EUR 450 million (Vara consensus estimate assuming EUR 550 million capital expenditure: EUR 442.9 million) and will, therefore, be less burdened than EBITDA, as forecasted.

The closing of accounts is still ongoing. The Company will publish the H1/2023 Half-Year Financial Report on August 10, 2023.

#### **Your contact person**

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