

# K+S Q3/2022 FACTS & FIGURES



## HIGHLIGHTS (CONTINUING OPERATIONS) - STRONG INCREASE IN REVENUES, EBITDA, AND FREE CASH FLOW

- + K+S GROUP revenues rise to €1,470 million (Q3/2021: €746 million); 9M/2022: €4,192 million (9M/2021: €2,144 million)
- + EBITDA of €633 million more than quintupled compared to prior-year quarter (Q3/2021: €121 million); 9M/2022: €1,864 million (9M/2021: €358 million)
- + Adjusted Group earnings after tax amounted to €379 million in Q3/2022 (Q3/2021: €1,285 million, benefiting from a non-cash reversal of impairment losses on property, plant and equipment and intangible assets amounting to €1,420 million)
- + Adjusted free cash flow increased to €580 million in Q3/2022 (Q3/2021: €-68.6 million); 9M/2022 adj. free cash flow reached €814 million (9M/2021: €-152), despite still higher overall level of funds tied up in working capital; excluding known special effects: €1,044 million
- + K+S has achieved net financial asset position

## KEY FIGURES FROM CONTINUING OPERATIONS

		Q3/2021	Q3/2022	%	Consensus Q3 VARA (mean)	9M/2021	9M/2022	%
<b>K+S Group</b>								
Revenues	€ million	746.3	1,469.9	+97.0	1,475.1	2,143.7	4,192.2	+95.6
EBITDA <sup>1</sup>	€ million	120.7	633.3	> +100	699.5	358.1	1,863.8	> +100
EBITDA margin	%	16.2	43.1	> +100		16.7	44.5	> +100
Depreciation and amortization <sup>2</sup>	€ million	74.2	109.0	+46.9	107.0	206.3	318.9	+54.9
<b>Agriculture customer segment<sup>3</sup></b>								
Revenues	€ million	529.1	1,162.8	> +100	1,207.5	1,471.7	3,351.0	> +100
Sales volumes	t million	1.76	1.56	-11.3	1.71	5.67	5.23	-7.8
<b>Industry+ customer segment<sup>3</sup></b>								
Revenues	€ million	217.2	307.1	+41.4	267.2	672.0	841.2	+25.2
Sales volumes	t million	1.73	1.68	-2.9	1.60	5.96	4.96	-12.8
- thereof de-icing salt	t million	0.65	0.48	-26.8	0.51	2.29	1.40	-39.1
Capital expenditure (CapEx) <sup>4</sup>	€ million	87.8	115.3	+31.3	123.3	222.6	240.4	+8.0
Equity ratio	%	-	-	-	-	54.8	64.9	+18.4
Return on Capital Employed (LTM) <sup>5</sup>	%	-	-	-	-	31.0	28.6	-
ROCE (LTM) without effects from impairment loss/reversal of impairment loss on property, plant, and equipment and intangible assets	%	-	-	-	-	0.1	27.7	> +100
Net financial liabilities (-)/net financial asset position (+) as of September 30	€ million	-	-	-	171.0	-784.4	152.3	-
Net financial liabilities/EBITDA (LTM) <sup>5</sup>	x-times	-	-	-	-	2.0	-	-
Market capitalization as of September 30	€ billion	-	-	-	-	2.67	3.71	+39.1
Enterprise value (EV) as of September 30	€ billion	-	-	-	-	4.63	4.63	-
Book value per share as of September 30	€	-	-	-	-	24.2	34.1	+68.3
Average number of shares	million	191.4	191.4	-	-	191.4	191.4	-
Employees on September 30 <sup>6</sup>	number	-	-	-	-	10,738	11,045	+2.9

## KEY FIGURES FOR CONTINUING AND DISCONTINUED OPERATIONS

<b>Group earnings after tax, adjusted<sup>7</sup></b>	€ million	<b>1,278.9</b>	<b>378.7</b>	<b>-70.4</b>		<b>2,548.2</b>	<b>1,127.7</b>	<b>-55.7</b>
- thereof continuing operations	€ million	1,285.1	378.7	-70.5	419.7	1,671.9	1,127.7	-32.5
- thereof impairment loss (-)/reversal of impairment loss (+) on property, plant, and equipment and intangible assets	€ million	1,420.0	-	-	-	1,746.7	-	-
- thereof discontinued operations	€ million	-6.2	-	-	-	876.3	-	-
<b>Earnings per share, adjusted<sup>7</sup></b>	€	<b>6.68</b>	<b>1.98</b>	<b>-70.4</b>		<b>13.31</b>	<b>5.89</b>	<b>-55.7</b>
- thereof continuing operations	€	6.71	1.98	-70.5	2.19	8.74	5.89	-32.6
- thereof impairment loss (-)/reversal of impairment loss (+) on property, plant, and equipment and intangible assets	€	7.42	-	-	-	9.13	-	-
- thereof discontinued operations	€	-0.03	-	-	-	4.57	-	-
<b>Net cash flow from operating activities</b>	€ million	<b>13.6</b>	<b>656.4</b>	<b>-</b>		<b>82.8</b>	<b>1,141.1</b>	<b>&gt; +100</b>
- thereof continuing operations	€ million	14.2	656.4	-		94.8	1,142.6	> +100
- thereof discontinued operations	€ million	-0.6	-	-		-12.0	-1.5	+87.5
<b>Adjusted free cash flow</b>	€ million	<b>-69.0</b>	<b>580.3</b>	<b>-</b>		<b>2,479.9</b>	<b>812.6</b>	<b>-67.2</b>
- thereof continuing operations	€ million	-68.6	580.3	-	414.6	-152.0	814.1	-
- thereof discontinued operations	€ million	-0.4	-	-		2,631.9	-1.5	-
<b>Adjusted free cash flow from continuing operations, excl. special effects (CO<sub>2</sub>-certificates, factoring)</b>	€ million	<b>-66.1</b>	<b>590.3</b>	<b>-</b>		<b>-105.8</b>	<b>1,044.3</b>	<b>-</b>

<sup>1</sup> EBITDA is defined as earnings before income taxes, interest, depreciation and amortization, adjusted for the amount of depreciation and amortization recognized directly in equity in connection with own work capitalized, the result of fluctuations in the fair value of operating forecast hedges still outstanding, and changes in the fair value of realized operating forecast hedges recognized in prior periods.

<sup>2</sup> Relates to scheduled amortization of intangible assets and depreciation of property, plant, and equipment, adjusted for depreciation and amortization of own work capitalized recognized directly in equity.

<sup>3</sup> No segments in accordance with IFRS 8.

<sup>4</sup> Relates to cash payments for investments in property, plant, and equipment and intangible assets, excluding leases in accordance with IFRS 16.

<sup>5</sup> LTM = last twelve months.

<sup>6</sup> FTE = full-time equivalents; part-time positions are weighted according to their share of working hours.

<sup>7</sup> The adjusted key figures include the gains/losses from operating forecast hedges for the respective reporting period; effects from fluctuations in the fair value of hedges are eliminated. The effects on deferred and cash taxes are also adjusted; tax rate Q3/2022: 30.2% (Q3/2021: 30.1%).

# CUSTOMER SEGMENT INFORMATION



## CUSTOMER SEGMENT AGRICULTURE

- + Significant increase in revenues to €1,163 million (Q3/2021: €529 million); 9M: €3,351 million (9M/2021: €1,471 million)
- + Average sales price increased moderately in comparison to Q2/2022 to 745 €/t (Q2/2022: 664 €/t); 9M/2022: 641 €/t (9M/2021: 260 €/t)
- + Sales volumes amounted to 1.56 mt (Q3/2021: 1.76 mt) due to logistical challenges (e.g. a 50 kt ship left the port of Hamburg shortly after Sept. 30) and a wait-and-see attitude on the customer side; in Europe, the low water levels of the Rhine river in summer had a particular impact on the already strained rail logistics

## AGRICULTURE CUSTOMER SEGMENT: DEVELOPMENT OF REVENUES, SALES VOLUMES, AND AVERAGE PRICES BY REGION

		Q1/21	Q2/21	Q3/21	9M/21	Q4/21	2021	Q1/22	Q2/22	Q3/22	VARA cons. Q3	9M/22
<b>Revenues</b>	€ mln	<b>469.0</b>	<b>473.7</b>	<b>529.1</b>	<b>1,471.7</b>	<b>800.3</b>	<b>2,272.1</b>	<b>944.1</b>	<b>1,244.2</b>	<b>1,162.8</b>	<b>1,207.5</b>	<b>3,351.0</b>
Europe	€ mln	250.6	202.1	200.5	653.1	302.9	956.1	349.9	543.0	372.0		1,264.9
Overseas	USD mln	263.1	327.5	387.4	978.0	568.7	1,546.7	666.5	746.5	796.3		2,209.3
<b>Sales volumes</b>	mt eff.	<b>2.01</b>	<b>1.89</b>	<b>1.76</b>	<b>5.67</b>	<b>1.96</b>	<b>7.62</b>	<b>1.79</b>	<b>1.87</b>	<b>1.56</b>	<b>1.70</b>	<b>5.23</b>
Europe	mt eff.	0.97	0.77	0.69	2.43	0.80	3.23	0.76	0.84	0.55		2.16
Overseas	mt eff.	1.04	1.12	1.07	3.24	1.16	4.39	1.03	1.03	1.01		3.07
<b>Average price</b>	€/t eff.	<b>233.3</b>	<b>250.0</b>	<b>300.6</b>	<b>259.7</b>	<b>407.6</b>	<b>298.0</b>	<b>527.0</b>	<b>663.9</b>	<b>744.5</b>	<b>708.8</b>	<b>641.0</b>
Europe	€/t eff.	258.4	263.8	289.9	269.0	376.8	295.7	462.1	640.7	675.9		586.9
Overseas	USD/t eff.	253.0	292.8	362.6	301.9	490.4	352.4	644.3	727.2	787.3		719.1

## CUSTOMER SEGMENT INDUSTRY+

- + Revenues significantly higher year-on-year: €307 million (Q3/2021: €217 million); 9M/2022: €841 million (9M/2021: €672 million); higher prices and sales volumes of high-purity salt more than compensated for lower de-icing sales volumes.
- + 9M sales volumes decreased to 4.96 million tonnes (9M/2021: 5.69 mt): In particular, the milder winter at the beginning of 2022 compared to 2021 led to a decline in de-icing salt sales volumes of 0.89 million tonnes in the first nine months.

## OUTLOOK

- + **EBITDA** expected at about €2.4 billion; best annual result in the history of the Company; exceeds previous peak of 2008 by almost €1 billion + **Adjusted free cash flow** (operative) expected to reach a good €1.2 billion; even taking into account the known special effects it is forecasted to be at about €1 billion + **CapEx** forecast at about €400 million

## CHANGES IN THE FORECASTS FOR THE FULL YEAR 2022

K+S Group		2021 Actual (continuing operations)	2022 Forecast in 2021 Annual Report	2022 Forecast Q1/2022	2022 Forecast Q2/2022	2022 Forecast Q3/2022	Consensus VARA (mean)
EBITDA <sup>1</sup>	€ million	969; thereof 219 REKS (one-off)	1,600 to 1,900	2,300 to 2,600 excl. gas shortage	2,300 to 2,600 incl. gas shortage	about 2,400 excl. gas shortage	2,557 excl. gas shortage
Capital expenditures <sup>2</sup>	€ million	334.3	400	a good 400	a good 400	about 400	419
Group earnings after tax, adjusted, excluding impairment effects <sup>3</sup>	€ million	525.0	strong increase	strong increase	strong increase	strong increase	1,505
Adjusted free cash flow	€ million	92.7	600 to 800	1,000 to 1,200 <sup>4</sup> excl. gas shortage	1,000 to 1,200 <sup>4</sup> incl. gas shortage	a good 1,200 <sup>5</sup> excl. gas shortage	976 excl. gas shortage; plus 230 special effects: 1,206
ROCE, excl. impairment effects	%	11.2	strong increase	strong increase	strong increase	strong increase	
EUR/USD exchange rate for remaining months	EUR/USD	1.18	1.16	1.16	1.05	1.02	1.00
Sales volumes in Agriculture	t million	7.6	a good 7.7	a good 7.7	around 7.5	around 7.2	7.41
Full-year average price in Agriculture	€/t	298.0	strong increase compared to FY 2021	strong increase compared to FY 2021	strong increase compared to FY 2021; H2 moderately above Q2/2022 (664)	strong increase compared to FY 2021; slightly below 9M/2022 (641)	623
Sales volumes de-icing salt	t million	3.20	a good 2.0	just under 2.0	a good 2.0	a good 2.0	2.04

<sup>1</sup> EBITDA is defined as earnings before income taxes, interest, depreciation and amortization, adjusted for the amount of depreciation and amortization recognized directly in equity in connection with own work capitalized, the result of fluctuations in the fair value of operating forecast hedges still outstanding, and changes in the fair value of realized operating forecast hedges recognized in prior periods.

<sup>2</sup> Relates to cash payments for investments in property, plant, and equipment and intangible assets, excluding leases in accordance with IFRS 16.

<sup>3</sup> The adjusted key figures include the gains/losses from operating forecast hedges for the respective reporting period; effects from fluctuations in the fair value of hedges are eliminated. The effects on deferred and cash taxes are also adjusted; tax rate 2021: 30.2%.

<sup>4</sup> Taking into account the one-off effect from the almost full repayment of factoring and the purchase of CO<sub>2</sub> certificates totaling around €230 million, the expected adjusted free cash flow should range between €770 million and €970 million.

<sup>5</sup> Taking into account the one-off effect from the almost full repayment of factoring and the purchase of CO<sub>2</sub> certificates totaling around €230 million, the expected adjusted free cash flow should be about €1 billion (previous forecast: €770 million to €970 million).