



September 2023

K+S Aktiengesellschaft

# Capital Markets Conferences

**Dr. Burkhard Lohr**  
CEO

**Dr. Christian H. Meyer**  
CFO

**Julia Bock, CFA**  
Head of IR

**Nathalie Frost**  
Senior IR Manager

**Esther Beuermann, MBA**  
Senior IR Manager

August 10, 2023

**K+S**

# Q2/2023 Results

**Dr. Burkhard Lohr**  
CEO

**Dr. Christian H. Meyer**  
CFO

# Disclaimer

No reliance may be placed for any purpose whatsoever on the information or opinions contained in the Presentation or on its completeness, accuracy of fairness. No representation or warranty, express or implied, is made or given by or on behalf of the Company or any of its respective directors, officers, employees, agents or advisers as to the accuracy, completeness or fairness of the information or opinions contained in the Presentation and no responsibility or liability is accepted by any of them for any such information or opinions. In particular, no representation or warranty, express or implied, is given as to the achievement or reasonableness of, and no reliance should be placed on any projections, targets, ambitions, estimates or forecasts contained in this Presentation and nothing in this Presentation is or should be relied on as a promise or representation as to the future.

This Presentation contains facts and forecasts that relate to the future development of the K+S Group and its companies. The forecasts are estimates that we have made on the basis of all the information available to us at this moment in time. Should the assumptions underlying these forecasts prove not to be correct or should certain risks – such as those referred to in the Annual Report – materialize, actual developments and events may deviate from current expectations. Given these risks, uncertainties and other factors, recipients of this document are cautioned not to place undue reliance on these forecasts.

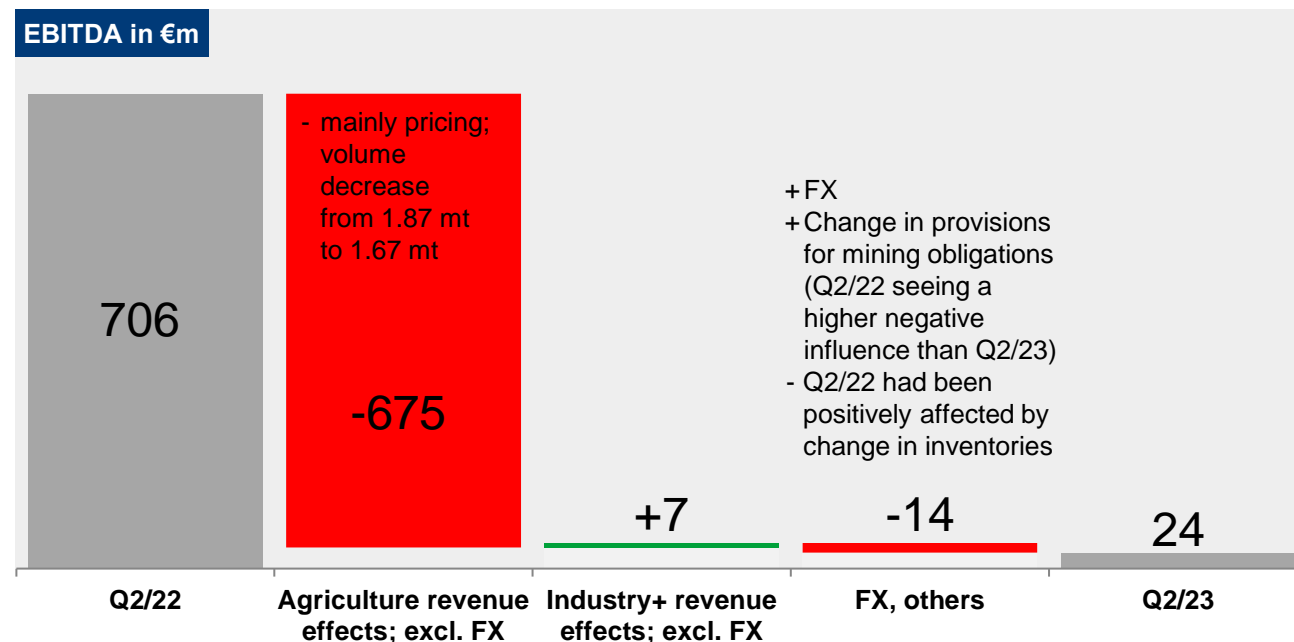
This Presentation is subject to change. In particular, certain financial results presented herein are unaudited, and may still be undergoing review by the Company's accountants. The Company may not notify you of changes and disclaims any obligation to update or revise any statements, in particular forward-looking statements, to reflect future events or developments, save for the making of such disclosures as are required by the provisions of statute. Thus statements contained in this Presentation should not be unduly relied upon and past events or performance should not be taken as a guarantee or indication of future events or performance.

This Presentation has been prepared for information purposes only. It does not constitute an offer, an invitation or a recommendation to purchase or sell securities issued by K+S Aktiengesellschaft or any company of the K+S Group in any jurisdiction.

# Q2/23 EBITDA decreased YoY

## Highlights

- Q2/23 EBITDA at €24m (Q2/22: €706m); burdened by sharp potash price decrease after China contract with turning point finally seen at the end of Q2
- Agriculture sales volume at 1.67 mt due to wait-and-see attitude on the part of customer, especially before the China contract
- Q2/23 adj. FCF at €160m (Q2/22: €131m)



## Financials

€ million	Q2/2022	Q2/2023	%
Revenues	1,510	826	-45
<i>t/o Agriculture</i>	1,244	557 <sup>1</sup>	-55
<i>t/o Industry+</i>	266	269	+1
EBITDA	706	24	-97
Scheduled D&A	115	102	-11
Adj. net profit	436	-55	-
Adj. EPS (€)	2.28	-0.29	-
ROCE (LTM; %)	47	15	-
Operating cash flow	233	263	+13
Adj. FCF	131	160	+23
Capex	76	121	+60
NFD/EBITDA (LTM)	0.2x	- <sup>2</sup>	-

<sup>1</sup> negatively influenced by price adjustments after China contract relating to other periods with mid double digit euro amount

<sup>2</sup> since Q3/2022: net financial asset position

# ASP development in Agriculture customer segment

		2021	Q1/22	Q2/22	Q3/22	Q4/22	2022	Q1/23	Q2/23 <sup>1</sup>
<b>Revenues</b>	€ million	<b>2,272.1</b>	<b>944.1</b>	<b>1,244.2</b>	<b>1,162.8</b>	<b>1,114.6</b>	<b>4,465.6</b>	<b>820.4</b>	<b>598.0</b>
Europe	€ million	950.9	349.9	543.0	372.0	406.8	1,671.6	340.1	231.9
Overseas	USD million	1,562.5	666.5	746.5	796.3	722.3	2,931.6	515.3	353.9
Potassium chloride	€ million	1,349.3	625.3	849.2	779.5	722.5	2,976.5	504.6	348.0
Fertilizer specialties	€ million	922.8	318.8	395.0	383.3	392.1	1,489.2	315.8	208.9
<b>Sales volumes</b>	million tonnes eff.	<b>7.62</b>	<b>1.79</b>	<b>1.87</b>	<b>1.56</b>	<b>1.89</b>	<b>7.11</b>	<b>1.73</b>	<b>1.67</b>
Europe	million tonnes eff.	3.23	0.76	0.84	0.55	0.66	2.81	0.62	0.59
Overseas	million tonnes eff.	4.39	1.03	1.03	1.01	1.23	4.30	1.11	1.08
Potassium chloride	million tonnes eff.	4.69	1.11	1.18	0.95	1.20	4.44	1.10	1.11
Fertilizer specialties	million tonnes eff.	2.94	0.69	0.69	0.61	0.68	2.67	0.63	0.56
<b>Average price</b>	€/tonne eff.	<b>298.0</b>	<b>527.0</b>	<b>663.9</b>	<b>744.5</b>	<b>592.2</b>	<b>628.1</b>	<b>474.2</b>	<b>333.5</b>
Europe	€/tonne eff.	294.4	462.1	640.7	675.9	617.7	594.1	548.3	390.5
Overseas	USD/tonne eff.	356.0	644.3	727.2	787.3	585.6	682.4	464.2	328.9
Potassium chloride	€/tonne eff.	287.9	565.3	718.9	822.7	602.1	670.4	458.7	313.5
Fertilizer specialties	€/tonne eff.	314.2	465.0	570.2	623.9	576.6	557.8	504.0	373.0

<sup>1</sup> including price adjustments after China contract relating to other periods with negative mid double-digit revenue effect.

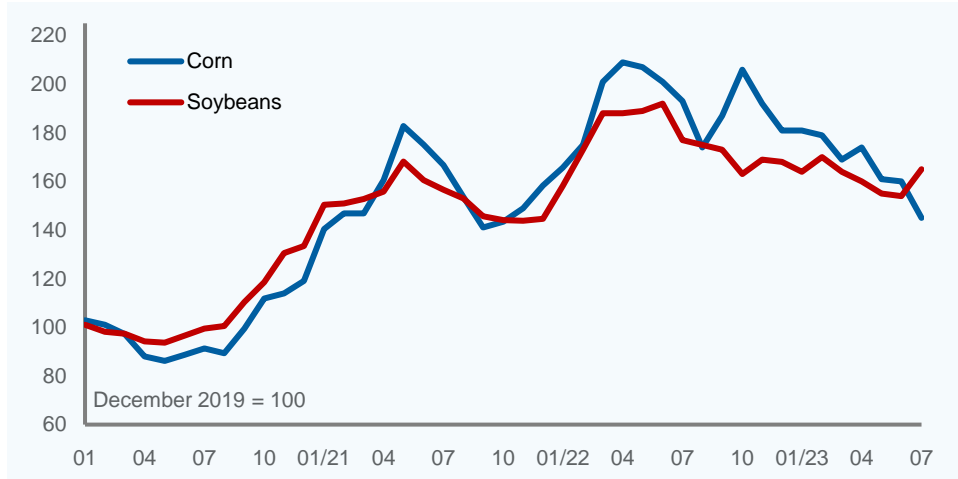
# Outlook



# Continued positive environment

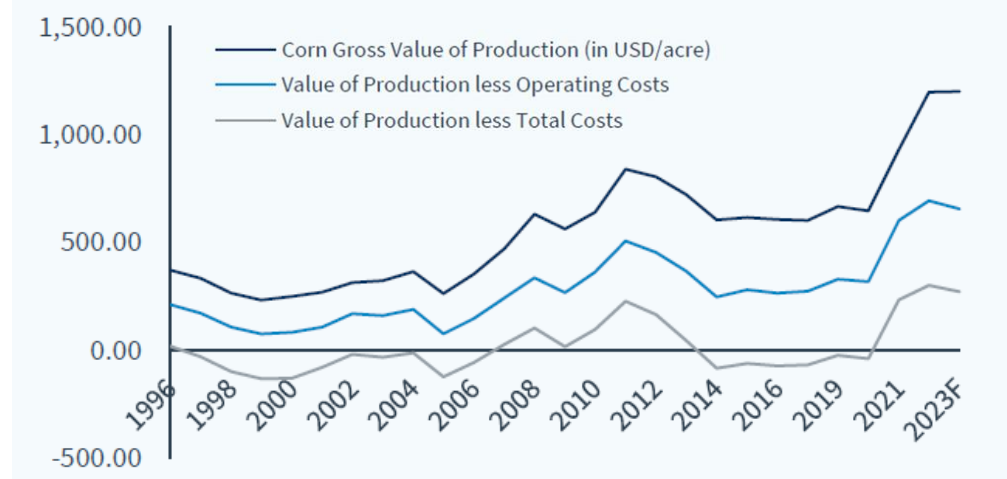
## Farmer profitability at historically high level

Price development of agricultural commodities since 01/2020



Source: Worldbank

US corn farmer profitability in USD/acre since 01/1996

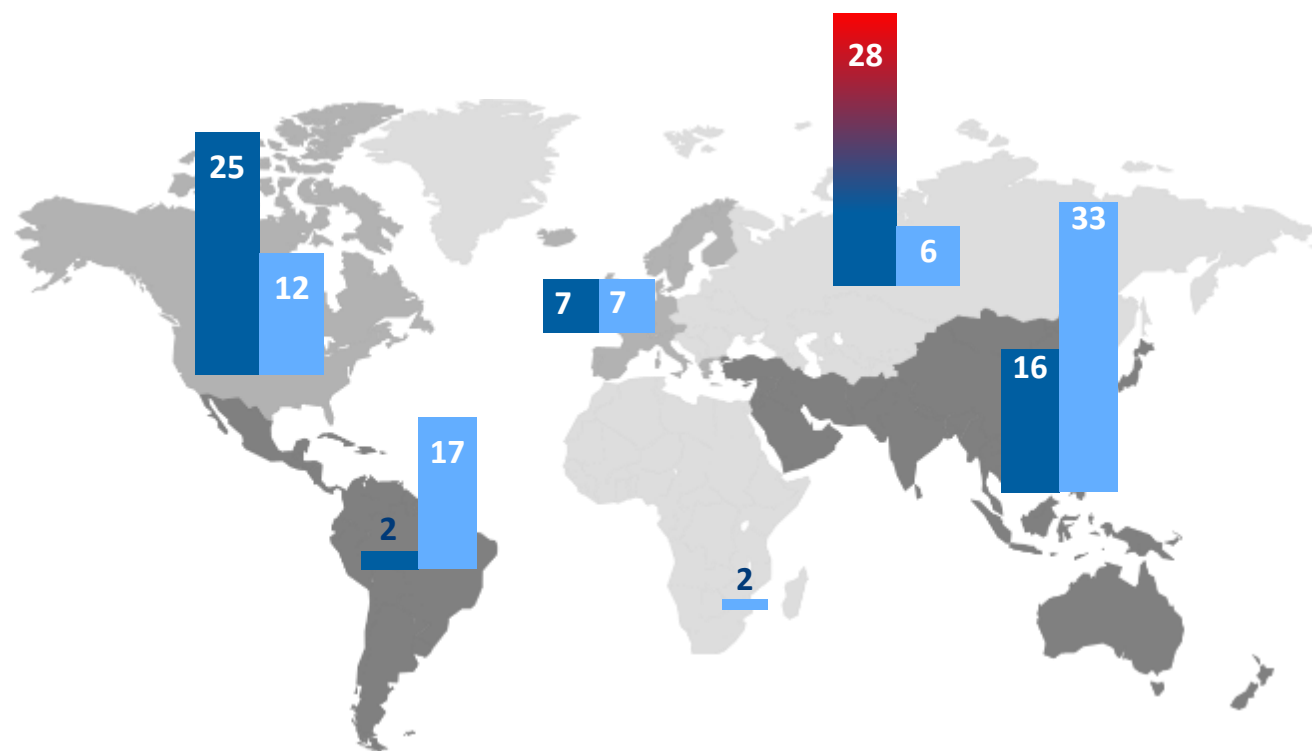


Source: USDA, Kepler Cheuvreux

- **Sharp increase in crop prices** significantly exceeds higher input costs; leading to **farmer profitability at all-time highs in some regions**
- **Potash costs** only account for **~5% of total input costs**

# World potash production and sales volumes by region

in million tonnes



- Even before limitation of Russian exports and sanctions against Belarus, the potash market was fully used at capacity limit.
- Russia and Belarus each account for approx. 16% of global potash production.
- Most of the capacity expansion projects would have come from Russian potash producers.
- 28% of global *wheat* exports come from Russia and Ukraine.

Sources: IFA 2021, K+S

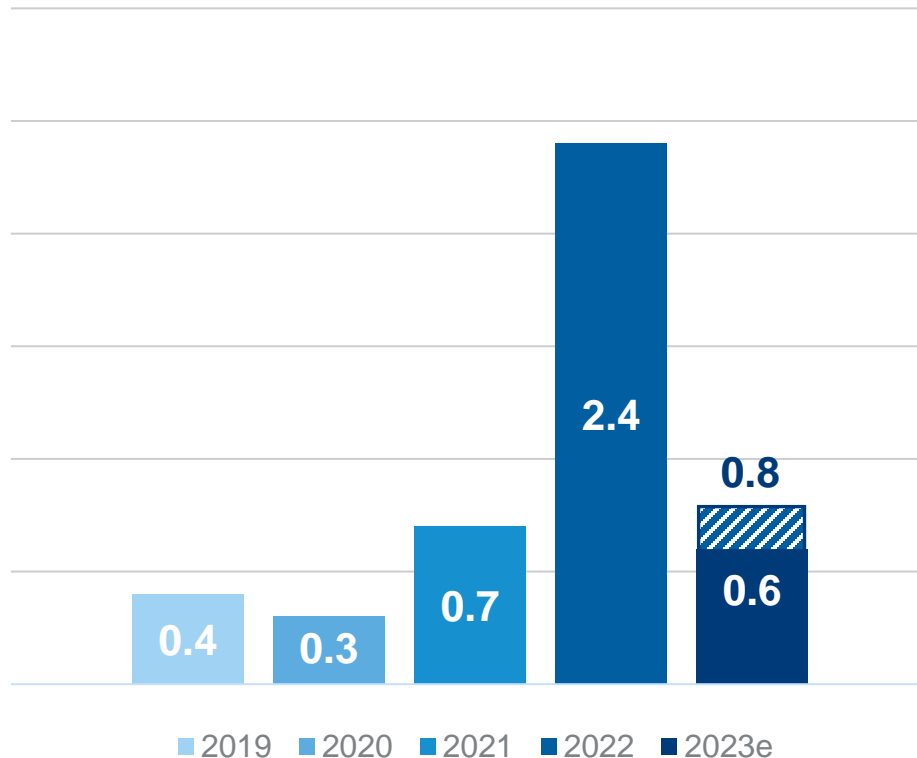
Basis: Year 2021 – incl. Potassium sulphate and low-grade potash

	2020	2021	2022
World potash production	75.3 mt	77.9 mt	67.0 mt
World potash sales volume	77.3 mt	77.0 mt	64.7 mt



# 2023: EBITDA expected between €600 and €800 mln

EBITDA in € billion



- 2023 EBITDA expected to range between **€800 million and €600 million**
- Adjusted free cash flow expected to range between **€300 million and €450 million**, based on €550 million of capex
- Agriculture customer segment:
  - FY average price moderately to tangibly higher compared to Q2/23 incorporated in guidance (Q2/23: 334 €/t)
  - Sales volumes to range between 7mt and 7.4mt (2022: 7.1mt)
- Cost increases of a low triple-digit-million-euro amount especially for energy, personnel, and materials; mainly inflation-related

# Housekeeping items / Financial calendar

## Additional information on 2023 FY outlook – continuing operations

- Tax rate: 30%
- Cash interest: ~ €-20m (2022: €-53m)
- CapEx: €550m (2022: €404m)
- D&A: ~ €450m

## Financial calendar

Commerzbank and ODDO BHF Corporate Conference – CFO	September 5, 2023
Jefferies Industrials Conference – CFO	September 6-7, 2023
Berenberg and Goldman Sachs German Corporate Conference – CEO	September 18, 2023
Baader Investment Conference – CEO	September 19-21, 2023
Quarterly Report: September 31, 2023	November 14, 2023