Press Release

Kassel (Germany), August 10, 2023

Figures for the second quarter and first half of 2023

Positive impetus for the second half of the year prevails

- **Q2 revenues: €826 million (Q2/22: €1.5 billion); H1: €2 billion (H1/22: €2.7 billion)**
- **Q2 EBITDA: €24 million (Q2/22: €706 million); H1: €478 million (H1/22: €1.2 billion)**
- **H1 adjusted free cash flow: €+274 million (H1/2022: €+234 million)**
- **Agriculture customer segment: average selling price significantly below record year 2022, sales volumes at 1.67 million tonnes (Q2/22: 1.87 million tonnes)**
- **Bottoming out of potassium chloride prices in the key overseas market Brazil at the end of the second quarter of 2023**
- **Shareholders' participation in the success of the Company: dividend of €191.4 million (€1.00 per share) paid in May; €200 million share buyback program started: buyback volume of €46.7 million in second quarter**
- **2023 outlook:**
  - **EBITDA expected to range between €600 million and €800 million (2022: €2.4 billion)**
  - **Adjusted free cash flow between €300 million and €450 million expected (2022: €932 million)**

K+S generated revenues of just under €826 million in the second quarter of the current year, following a record figure of €1.5 billion in the prior-year quarter. EBITDA operating earnings reached €24 million (Q2/2022: €706 million). This was mainly attributable to declining prices in the Agriculture customer segment and lower sales volumes.

Subsequent price adjustments not relating to the accounting period, which were necessary following the closing of the China contract, burdened the key figures in this customer segment. Inflation-related additions to provisions for mining obligations amounting to around €18 million also had a negative impact on EBITDA.

“The price development, particularly in Brazil, was weaker than originally expected,” says Dr. Burkhard Lohr, Chairman of the Board of Executive Directors of K+S Aktiengesellschaft. “In the meantime, however, we have seen the long-awaited bottoming out there. We assume that the positive signals for the course of the second half of 2023 will prevail.”

Development in the customer segments

In the **Agriculture customer segment**, revenues decreased to €557 million in the second quarter (Q2/2022: €1,244.2 million), mainly due to price factors. Following record results in the previous financial year, revenues in the first half of 2023 reached €1.4 billion (H1/2022: €2.2 billion). Sales volumes amounted to 1.67 million tonnes in the second quarter, compared with 1.87 million tonnes in the prior-year period. The main reason for this decline was the continued wait-and-see attitude on the part of the customers in some sales regions.

In the **Industry+ customer segment**, revenues rose slightly to €269 million in the second quarter despite weaker demand overall (Q2/2022: € 266 million). Tangibly lower sales volumes for industrial applications and significantly lower prices for chemical products containing potash were offset by significant price increases, especially for salt products. In the first half of the year, revenues rose tangibly to €599 million (H1/2022: €534 million), mainly as a result of the price increase for products for industrial applications. Overall, sales volumes in the second quarter reached 1.39 million tonnes, compared with 1.46 million tonnes in the prior-year quarter.

Outlook for 2023

For the year as a whole, it will not be possible to compensate for the EBITDA shortfall of the second quarter, at the end of which prices bottomed out in key overseas markets. Moreover, a volume-related optimization of the product portfolio is having an impact on production volumes. Furthermore, 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, EBITDA would reach the upper end of the range at around €800 million. If, however, there is a renewed reluctance to buy in key sales regions, this could lead to negative volume and price effects. In this case, EBITDA could be at the lower end of the range at about €600 million (previous forecast of May 9, 2023, which was classified as unlikely to be achieved in an ad hoc announcement of June 14, 2023: €1.15 billion to €1.35 billion; record year 2022: €2.4 billion).

Note

Further information and data on the development in the second quarter of 2023 are provided not only in the Q2/2023 Quarterly Report but also in the Q2/2023 Facts & Figures, as well as in the interview on business development with Dr. Burkhard Lohr, Chairman of the K+S Board of Executive Directors. A Teams conference for capital market participants with Dr. Burkhard Lohr, Chairman of the Board of Executive Directors, and Dr. Christian H. Meyer, Chief Financial Officer, in English language will take place today at 10:00 a.m.. Members of the press and interested members of the public are invited to follow the conference via a live webcast. The conference will be recorded and will also be available as a replay afterwards.

About K+S

We make an important contribution to society: We enable farmers securing the world's food supply. Our products keep numerous industries running. We enrich consumers' daily lives and ensure safety in winter. With around 11,000 employees, production sites on two continents, and a global distribution network, we are a reliable partner for our customers. At the same time, we are realigning ourselves: We are focusing even more strongly than before on fertilizers and specialties. We are becoming leaner, more cost-efficient, more digital, and more performance-oriented. On a solid financial basis, we are tapping into new markets and business models.

We are committed to our responsibility towards society and the environment in all regions in which we operate. Learn more about K+S at www.kpluss.com.

Forward-looking statements

This press release contains facts and forecasts that relate to the future development of the K+S Group and its companies. The forecasts represent estimates that we have made on the basis of all the information available to us at the present time. Should the assumptions underlying these forecasts prove not to be correct or risks - such as those described in the risk report contained in the current annual report - materialize, actual developments and results may deviate from current expectations. The Company assumes no obligation to update the statements contained in this press release other than as required by law.

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