

## Press Release

Kassel (Germany), March 14, 2024

### 2023 financial year

### Solid results despite many challenges

- **Revenues: €3.87 billion (Vara consensus estimate as of January 31, 2024 (median): €3.85 billion; record year 2022: €5.67 billion)**
- **EBITDA: €712 million (Vara consensus estimate: €695 million; record year 2022: €2,423 million)**
- **Adjusted free cash flow: €311 million (Vara consensus estimate: €331 million; record year 2022: €932 million)**
- **Dividend proposal for 2023: 70 cents per share (Vara consensus estimate: 63 cents per share); total dividend payout: €125 million, corresponding to 40% of adjusted free cash flow**
- **Outlook on FY 2024:**
  - **EBITDA expected to range between €500 million and €650 million (Vara consensus estimate: €557 million)**
  - **Adjusted free cash flow should at least break even (Vara consensus estimate: €+28 million)**

K+S generated solid results in the 2023 financial year. Following the record year 2022, the Company achieved EBITDA operating earnings of around €712 million (2022: €2,423 million). Adjusted free cash flow was around €311 million in the reporting year (2022: €932 million). Adjusted Group earnings after tax amounted to €162 million (2022: €1,494 million).



"Despite the upheavals in the market and challenges on the cost side, we achieved solid results in 2023," says Dr. Burkhard Lohr, Chairman of the Board of Executive Directors of K+S Aktiengesellschaft. "Our committed teams have once again proven their capabilities," Lohr continued.

### **Development in the two customer segments**

At €2.7 billion, revenues in the **Agriculture customer segment** in 2023 were significantly below the previous year's record figure (€4.5 billion), mainly due to price factors. In the first few months of the financial year, customers initially remained reluctant to buy. Following the conclusion of a contract by a competitor in China, which was significantly lower than expected at USD 307 per tonne, price pressure intensified and spread into other sales regions. The subsequent price recovery later in the year could not offset this development. By contrast, sales volumes increased to a total of around 7.3 million tonnes in 2023 (2022: 7.1 million tonnes).

In the **Industry+ customer segment**, revenues declined only moderately in 2023 compared with the record levels of 2022 to a total of €1.15 billion (2022: €1.21 billion) due to lower volumes. Lower prices for industrial products containing potash were offset by higher prices for salt products. At 6.6 million tonnes, sales volumes were slightly below the previous year's level overall. This was mainly attributable to the cyclical decline in demand from the chemical industry and for products for other industrial applications such as the food and animal feed industry, water treatment, as well as the oil and gas industry. This development was partially offset by higher sales volumes of consumer products.

### **Proposed dividend of 70 cents**

The Board of Executive Directors and Supervisory Board will propose a dividend of 70 cents per share for the 2023 financial year to the Annual General Meeting. The proposal for the appropriation of profits is in line with the new distribution policy of returning a total of 30 to 50 percent of the adjusted free cash flow generated annually to shareholders. The proposal takes into account the maintenance of a strong balance sheet as well as the expected business development and future investments.



## 2024 outlook

Following the upheavals in the market over the past two years, K+S is optimistic that the balance between supply and demand on the potash market can return this year. The observable return of supply from Russia and Belarus outside Europe and North America should be accompanied by a further normalization on the demand side worldwide. An oversupply on the potash market is, therefore, not to be expected for the year as a whole. The extent to which this situation overseas can lead to a price recovery depends on the course of the spring season. During this period, demand from many important sales regions must be met simultaneously.

Against this background, K+S expects EBITDA to range between €500 million and €650 million for the 2024 financial year. At the upper end of the range, this assumes a significant price recovery overseas during the spring season and sales volumes in the Agriculture customer segment of 7.6 million tonnes. If prices for potassium chloride in Brazil remain at the level of the end of February 2024 and have spillover effects into other sales markets, this could result in EBITDA at the lower end of the range with a fertilizer sales volume of 7.3 million tonnes. At the same time, after several years of price-related cost increases, a certain amount of cost relief, particularly for energy and freight, will have a positive effect. Adjusted free cash flow, taking into account the continued high level of capital expenditure of around €550 million, particularly in the strategic projects at the Werra and in Canada, should nevertheless at least break even.



## Notes

The [2023 Annual Report](#), the [Q4/2023 Facts & Figures](#), and a [video interview](#) on business development with Dr. Burkhard Lohr, Chairman of the Board of Executive Directors of K+S, will be available on our website from 07:00 a.m. today.

The Annual Press Conference for media representatives with CEO Dr. Burkhard Lohr and CFO Dr. Christian H. Meyer will take place in Frankfurt at 10:30 a.m. today. The documents of the event (speech manuscript and presentation) as well as printable photos of the event will be available on our [website](#) from 11:30 a.m. onwards.

An Analyst Conference in English language will be held at 1:30 p.m. today in Frankfurt am Main with the same line-up. This conference will be broadcast [live](#) on the Internet and will also be available as a webcast 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](http://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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