



March 10, 2022

K+S Aktiengesellschaft

# Analysts' Conference

2021 Financial Year

Dr. Burkhard Lohr

CEO



2021 Financial Year

## **Clear course – consistent implementation**

- Successful sale of Americas business
- New dimensioning of administration completed
- Waste management JV REKS launched
- New mission statement & strategy developed
- Proceedings with FREP/BaFin completed



2021 Financial Year

## **Strong performance in production**

- Continued strong production performance at the sites
- Further increase in sales volumes in the Agriculture customer segment
- Extensive COVID-19 prevention, vaccination campaigns at sites

2021 Financial Year

## Attractive market environment

Brazil potash price in USD (MOP gran.)

900  
850  
800  
750  
700  
650  
600  
550  
500  
450  
400  
350  
300  
250  
200

2021

- Potash prices in Brazil more than tripled; Europe also records significant increase
- High demand for fertilizers with supply at full capacity
- Strong de-icing salt business

# Significant increase in EBITDA in 2021\*

€750 million  
+ €220 million  
(REKS)

Actual 2021

③ around €630 million  
Outlook December 2021

② €500 - 600 million  
Outlook August 2021

① €300 - 400 million  
Outlook May 2021

€240 - 340 million  
Outlook March 2021

K+S share price development

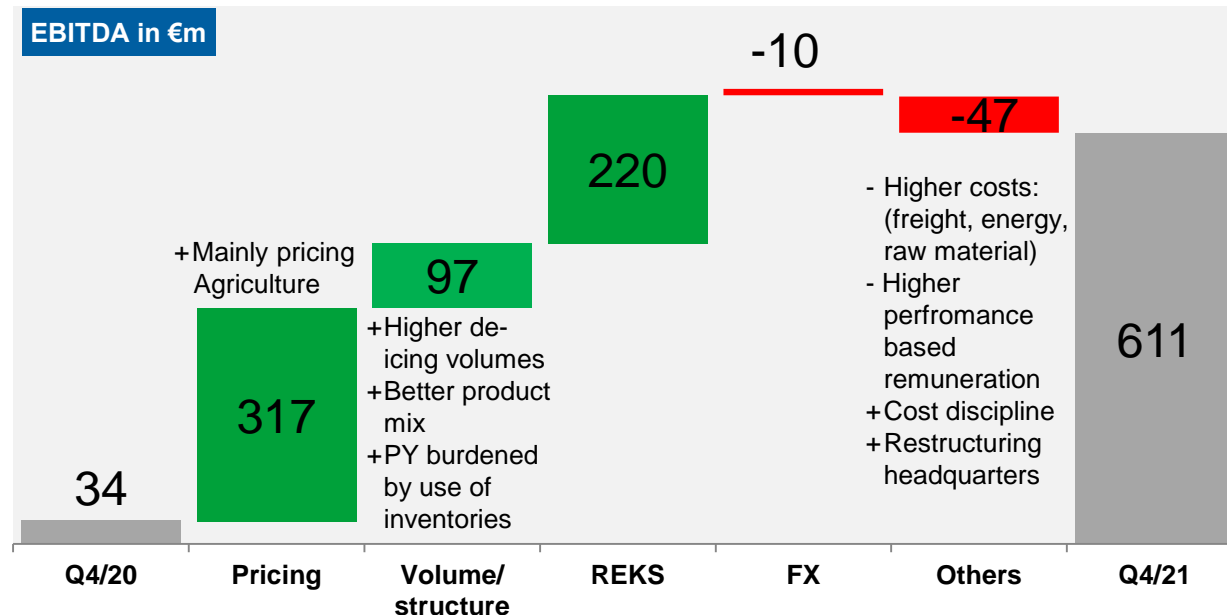


\*excluding the forecasted one-off gain of around €200 million from REKS

# Q4/21 EBITDA at €611m (Q4/20: €34m)

## Highlights

- Q4/21 **EBITDA** increased to €611m (Q4/20: €34m), thereof about €220m one-off gain REKS
- Adj. net profit** at €469m (Q4/20: €-25m); benefitting from net positive effects from mining provisions of €48 million
- Adj. FCF** at €245m, thereof about €90m REKS cash-in



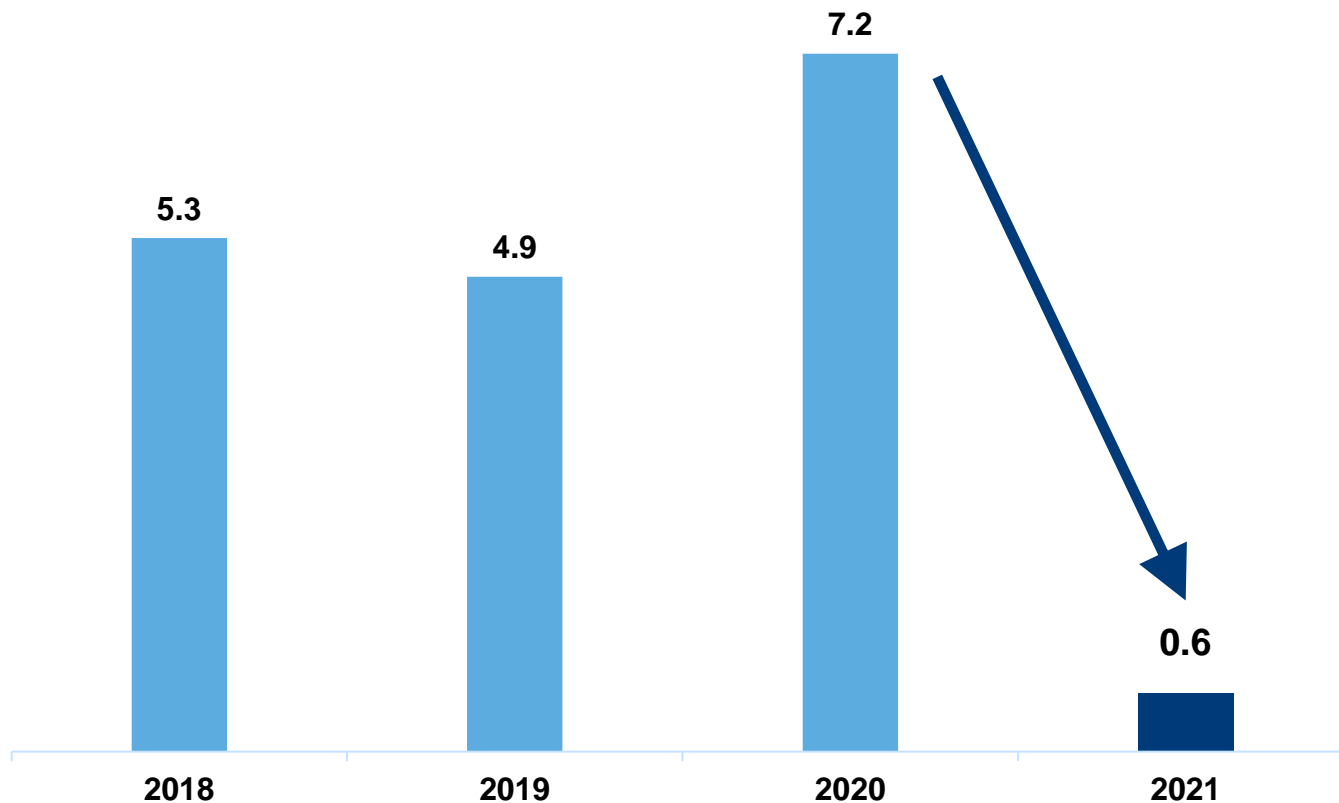
## Financials (continuing operations)

€ million	Q4/2020	Q4/2021	%
Revenues	629	1,069	+70
<i>t/o Agriculture</i>	470	800	+70
<i>t/o Industry+</i>	159	269	+69
Scheduled D&A	78	86	+10
EBITDA	34	611	>+100
Adj. net profit without impairment effects	-25	469	-
Adj. EPS without impairment effects (€)	-0,13	2,45	-
Operating cash flow	44	252	>+100
Adj. FCF	-100	245	-
Capex	140	112	-20
NFD/EBITDA (LTM)*	7.2	0.6	-

\* 2020: still including discontinued operations

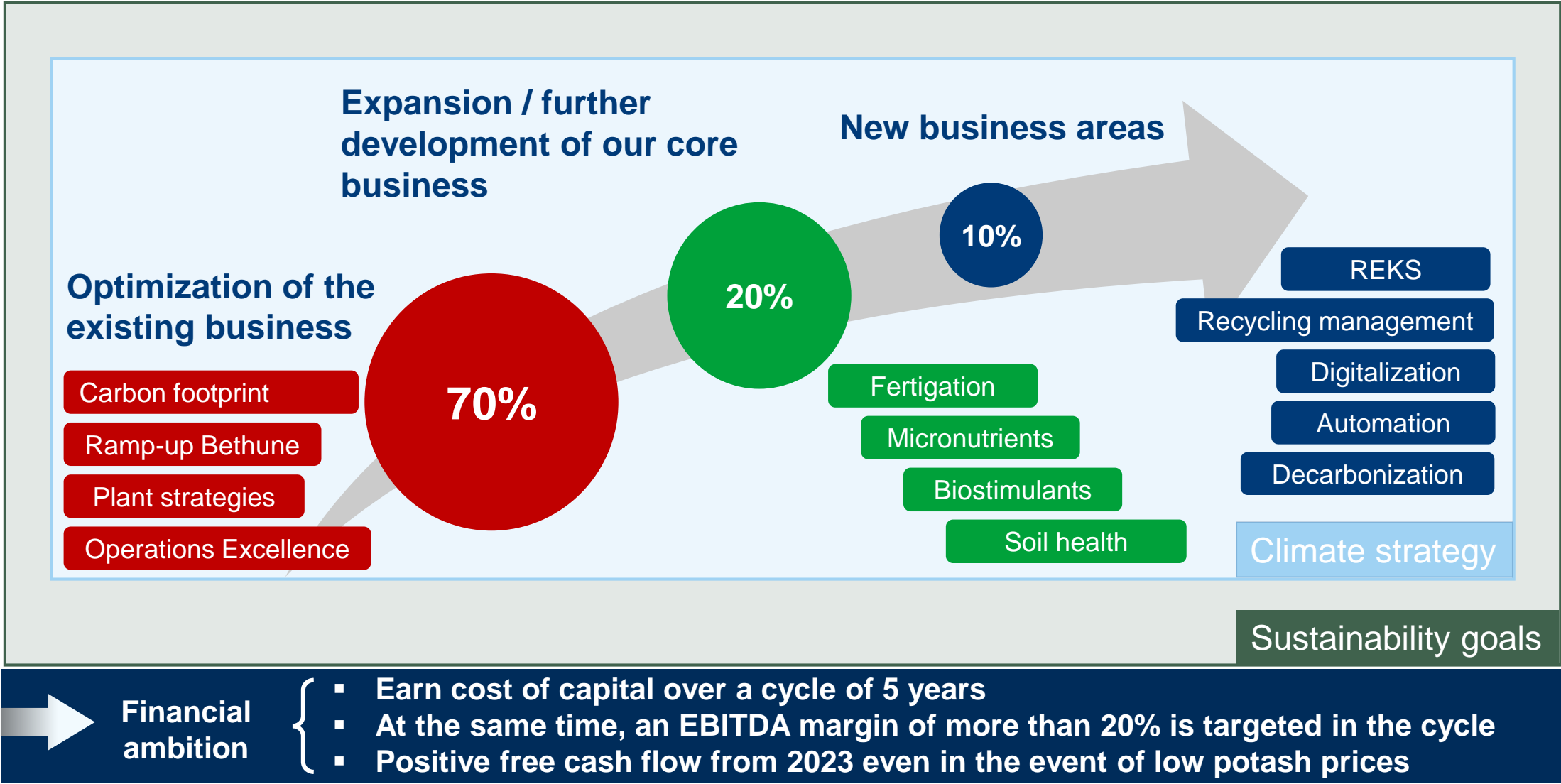
# Debt significantly reduced

Net financial liabilities / EBITDA (x times)



- Net financial liabilities significantly reduced in 2021 following the sale of the Americas business
- Target: rating in investment grade range

# Guiding principles of strategy and management focus





# Clear focus of our sites



## Bethune

- Long-term ramp-up to up to four million tonnes of capacity
- Improvement of cost position
- Increase in granulated products



## Zielitz

- Improvement of the cost position
- Optimization of maintenance
- Increase in energy efficiency
- Increase in KaliSel production capacity



## Werra

- Optimization of product mix and production volumes
- Optimization of maintenance
- Increase in energy efficiency
- Increase in granulation capacity for potassium sulfate



## Neuhof

- Improvement of the mineral content through AI
- Increase of the granulating capacity of kieserite

➔ EBITDA impact: around €50 million p.a. from 2023

# Optimize the existing



## Agriculture

- Increase of marketing in USA ex Bethune
- Increase of trading business in Middle East, China and India
- Improved leveraging of local sales network



## Industrie+

- Focus on potash product groups for industrial product sales
- Capacity expansion of high-purity salts
- Optimization of de-icing salt setup



## Supply Chain

- Warehouse and network optimization for European salt logistics
- Optimization of warehousing
- Optimization of infrastructure utilization

**➔ EBITDA impact: around €30 million p.a. from 2023**

# K+S Climate Strategy

## Short-term goal

- Introduction of the “K+S Climate Protection Fund” from 2022 to reduce our CO<sub>2</sub> emissions

## Mid-term goal

- Reduction of our CO<sub>2</sub> emissions by 10% by 2030 compared to 2020

## Long-term goals

- Climate neutrality in 2050 is technically feasible if supported by the legal framework



# Disposal secured

## Solid residues

- Tailings pile expansions completed by the end of 2022 / beginning of 2023
- No further permits and capex for tailings pile expansions required until the end of the 2020s
- Werra & Neuhof tailings pile covering underway

## Liquid residues Werra plant

- Injection terminated in 2021
- New discharge permit obtained at the end of 2021, decreasing limits
- From 2022: permanent underground storage (subject to approval)

# Outlook



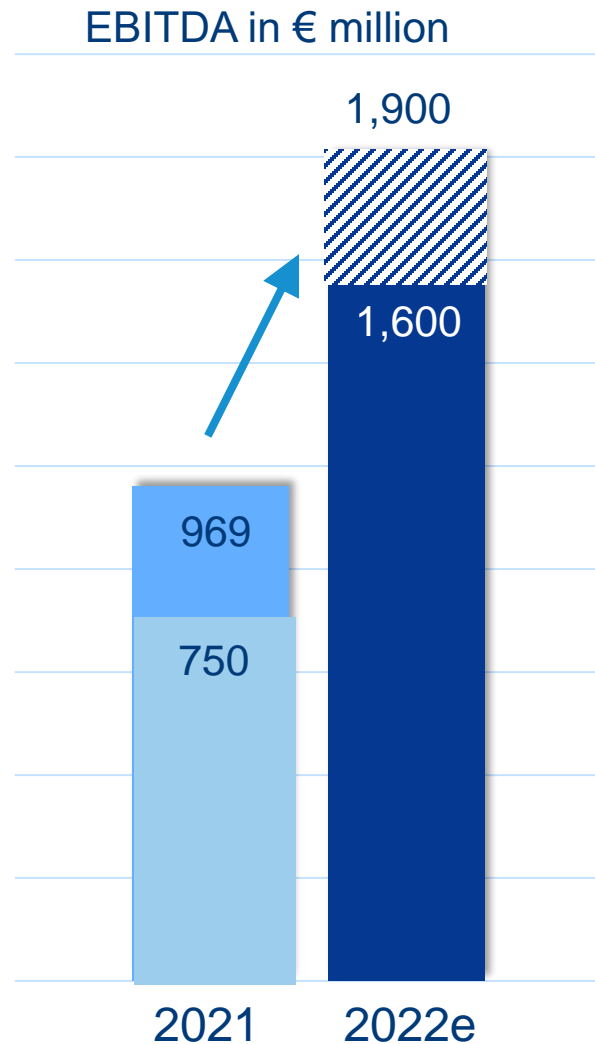
# Continued positive environment

- Yield prospects for farmers remain attractive
- Continued very good demand for potash expected
- Contracts in India and China are evidence of attractive market environment
- Increase in global potash supply hardly possible

Price development of important agricultural commodities since January 2020



# Best result in the Company's history expected



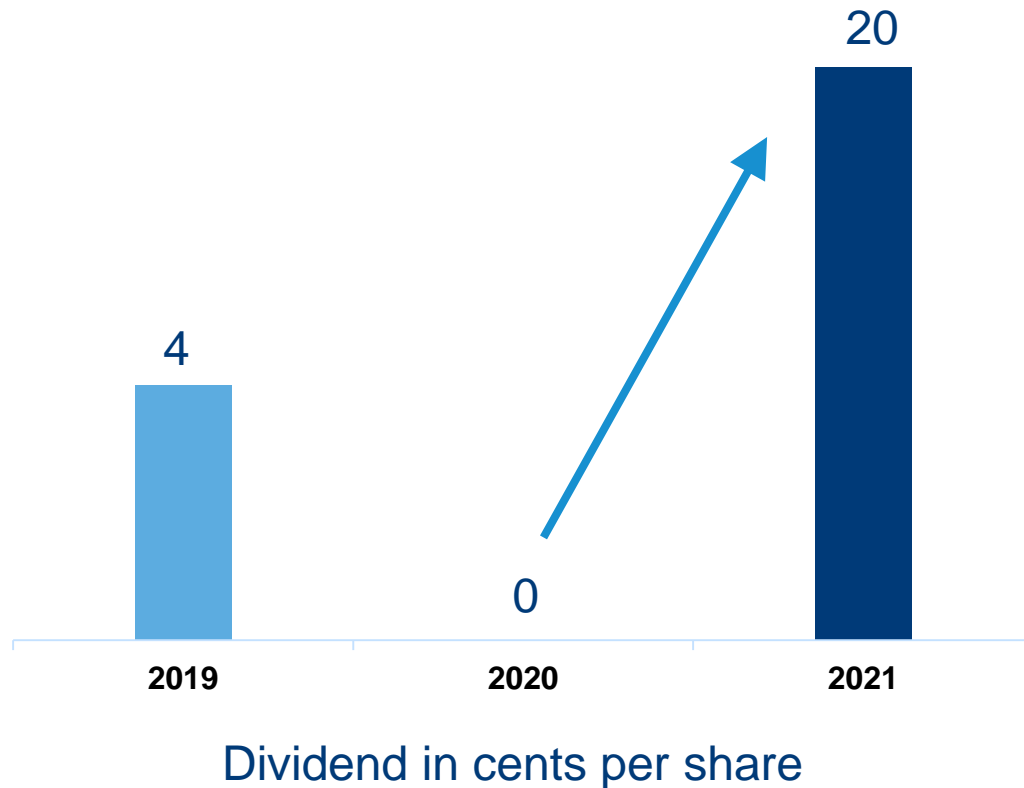
- EBITDA expected to more than double year-on-year to between € 1.6 billion and € 1.9 billion
- Adjusted free cash flow expected to range between € 600 million and € 800 million based on € 400 million capex (2021: € 93 million)
- High visibility for H1
- Strong increase in average price in Agriculture customer segment
- Cost increases for energy, logistics, and materials to be significantly exceeded

# Planned use of additional cash

- Repayment of bond due in June 2022
- Purchase of CO<sub>2</sub> certificates for the years 2026-2030
- Accelerated Bethune ramp-up
- Further reduction in factoring
- Dividend payment for the 2021 fiscal year
- Investment in optimizing our existing business



# Dividend proposal for 2021



- **Proposed dividend**  
20 cents per share
- **Total dividend payout**  
EUR 38 million
- **New dividend policy**  
basic dividend (15 cents)  
plus discretionary premium

# Successful year 2021 – Attractive prospects



# Q&A

Dr. Burkhard Lohr

CEO

The logo for K+S, featuring the letters 'K+S' in a bold, white, sans-serif font. The letters are set against a dark blue, parallelogram-shaped background that is tilted slightly to the right. The logo is positioned in the bottom right corner of the slide, overlapping the dark blue background and the white bottom edge of the slide.

**K+S**

# Housekeeping items / Financial calendar

## Additional information on 2022 FY outlook – continuing operations

- Tax rate: 30%
- Financial result: ~ €-50m (2020: €7m)
- CapEx: ~ €400m (2021: €334m)
- D&A: ~ €400m

## Financial calendar

Stifel Frankfurt Roadshow – CEO	March 11, 2022
Goldman Sachs Eleventh Annual European Chemicals and Consumer Ingredients Conference, London, virtual	March 11, 2022
Baader Zurich Roadshow – CEO	March 15, 2022
Q1 reporting	May 11, 2022
AGM, virtual	May 12, 2022
BMO Conference, New York – CEO	May 18, 2022
UBS Best of Europe 1on1 Conference, New York – CEO	May 19, 2022
dbAccess Conference, Frankfurt – CEO	May 25, 2022
Credit Suisse Chemicals and Agriculture Conference, London – CEO	June 7, 2022