

K+S Q4/2022 FACTS & FIGURES

HIGHLIGHTS – STRONG INCREASE IN SHAREHOLDER PARTICIPATION, REVENUES, EBITDA, AND FREE CASH FLOW

- + We would like our shareholders to participate appropriately in our success and return capital totaling €2 per share or €391.4 million (Vara Consensus for "Distribution to shareholders": €1.50 per share.) To reflect your different interests, we are dividing this amount equally between two instruments – the dividend (proposal to AGM: €1 per share (2021: €0.20 per share)) and the share buyback to start after the AGM.
- + K+S Group revenues rise to €1,485 million (Q4/2021: €1,069 million); FY/2022: €5,677 million (FY/2021: €3,213 million).
- + EBITDA of €559 million increased tangibly compared to prior-year quarter (Q4/2021: €490 million; without REKS one-off, restated due to changed allocation between EBITDA and financial result); FY/2022: €2,423 million (FY/2021: €848 million; without REKS one-off, restated due to changed allocation between EBITDA and financial result).
- + Adjusted Group earnings after tax amounted to €366 million in Q4/2022 (Q4/2021: €255 million, without impairment effects); FY 2022: €1,494 million (2021: €312 million, without impairment effects).
- + Adjusted free cash flow amounted to €119 million in Q4/2022 (Q4/2021: €184 million, without REKS one-off); FY/2022 adj. free cash flow reached €1,164 million (FY/2021: €167 million, without REKS one-off); including known special effects FY/2022: €932 million.
- + K+S had a net financial asset position of €245 million on 31 December 2022.

KEY FIGURES FROM CONTINUING OPERATIONS

		Q4/2021	Q4/2022	%	Consensus Q4 VARA	2021	2022	%
K+S Group								
Revenues	€ million	1,069.4	1,484.5	+38.8	1,419.0	3,213.1	5,676.6	+76.7
EBITDA ¹	€ million	489.9 ²	559.2	+14.1	534.6	848.1 ²	2,422.9	> +100
EBITDA margin	%	45.8	37.7	–	37.7	26.4	42.7	–
Depreciation and amortization ³	€ million	86.0	125.0	+45.3	95.3	292.5	443.8	+51.7
Financial result	€ million	-46.4 ²	73.8	–	-19.8	-91.2 ²	135.1	–
Group earnings without impairment effects, adjusted ⁴	€ million	255.4 ²	366.3	+43.4	279.5	311.7 ²	1,494.0	> +100
Group earnings, adjusted ⁴	€ million	510.5	366.3	-28.2	279.5	2,182.4	1,494.0	-31.5
Earnings per share without impairment effects, adjusted ⁴	€ million	1.33 ²	1.92	+43.4	1.46	1.63 ²	7.81	> +100
Earnings per share, adjusted ⁵	€ million	2.67	1.92	-44.4	1.46	11.40	7.81	-31.5
Net cash flow from operating activities	€ million	252.4	251.1	-0.5	–	347.2	1,393.7	> +100
Adjusted free cash flow	€ million	244.7	117.9	-51.8	133.7	92.7	932.0	> +100
Adjusted free cash flow, excl. special effects (REKS PY, CO ₂ -certificates, factoring)	€ million	184.2 ²	119.2	-35.3	133.7	79.1 ²	1,163.5	> +100
Capital expenditure (CapEx) ⁵	€ million	111.7	163.3	+46.2	169.4	334.3	403.8	+20.8
Equity ratio	%	–	–	–	–	60.3	67.9	–
Return on Capital Employed (LTM) ⁶	%	–	–	–	–	42.9	25.7	–
ROCE (LTM) without effects from impairment loss/reversal of impairment loss on property, plant, and equipment and intangible assets	%	–	–	–	–	12.9	25.7	–
Net financial liabilities (-)/net financial asset position (+) as of December 31	€ million	–	–	–	464	-606.3	244.9	–
Net financial liabilities/EBITDA (LTM) ⁶	x-times	–	–	–	–	0.6	–	–
Distribution to shareholders for FY 2022 ⁷	€ million	–	–	–	287.1	38.2	up to 391.4	> +100
Market capitalization as of December 31	€ billion	–	–	–	–	2.91	3.52	+21.0
Enterprise value (EV) as of December 31	€ billion	–	–	–	–	4.71	4.35	-7.6
Book value per share as of December 31	€	–	–	–	–	27.5	35.1	+27.6
Average number of shares	million	191.4	191.4	–	191.4	191.4	191.4	–
Employees on December 31 ⁸	number	–	–	–	–	10,711	11,097	+3.6
Agriculture customer segment⁹								
Revenues	€ million	800.3	1,114.6	+39.3	1,108.7	2,272.1	4,465.6	+96.5
Sales volumes	t million	1.96	1.89	-3.6	1.87	7.62	7.11	-6.7
Industry+ customer segment⁹								
Revenues	€ million	269.1	369.9	+37.5	302.3	941.0	1,211.0	+28.7
Sales volumes	t million	2.22	1.87	-15.8	1.89	7.91	6.83	-13.7
– thereof de-icing salt	t million	0.89	0.68	-23.6	0.67	3.18	2.08	-34.6

¹ EBITDA is defined as earnings before tax, 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 changes 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.

² Without REKS one-off of +€219.2 million in EBITDA and +€174.4 million in Group earnings and +€88.6 million in FCF; for all earnings figures: in the previous year, the disclosure of the reversal effects of mining provisions was restated with a positive effect on EBITDA (+€98.2 million) and a corresponding negative effect on financial result; therefore neutral for Group earnings.

³ Relates to scheduled amortization of intangible assets and investments accounted for using the equity method as well as depreciation of property, plant, and equipment, adjusted for depreciation and amortization of own work capitalized recognized directly in equity.

⁴ 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 Q4/2022: 30.2% (Q4/2021: 30.2%).

⁵ Relates to cash payments for investments in property, plant, and equipment and intangible assets, excluding leases in accordance with IFRS 16.

⁶ LTM = last twelve months.

⁷ The Board of Executive Directors and the Supervisory Board have resolved, in addition to the dividend of €1.00 per share, to buy back own shares with an equivalent value of up to about €1 per share resp. up to €200 million in total and subsequently cancel them. The buyback is intended to start after the Annual General Meeting on May 10, 2023.

⁸ FTE = full-time equivalents; part-time positions are weighted according to their share of working hours.

⁹ No segments in accordance with IFRS 8.

CUSTOMER SEGMENT INFORMATION

CUSTOMER SEGMENT AGRICULTURE

- + Significant increase in revenues to €1,115 million (Q4/2021: €800 million); FY €4,466 million (FY/2021: €2,272 million)
- + Average sales price: 592 €/t (Q4/2022: 408 €/t); FY/2022: 628 €/t (FY/2021: 298 €/t)
- + Sales volumes amounted to 1.89 mt (Q4/2021: 1.96 mt); FY/2022: 7.11 mt (FY/2021: 7.62 mt)

CUSTOMER SEGMENT INDUSTRY+

- + Revenues significantly higher year-on-year: €370 million (Q4/2021: €269 million); FY/2022: €1,211 million (FY/2021: €941 million); higher prices more than compensated for lower de-icing sales volumes.
- + FY sales volumes decreased to 6.89 million tonnes (FY/2021: 7.91 mt): In particular, the milder winter at the beginning of 2022 compared to 2021 led to a decline in de-icing salt sales of 2.08 million tonnes (FY/2021: 3.18 mt).

AGRICULTURE CUSTOMER SEGMENT: DEVELOPMENT OF REVENUES AND SALES VOLUMES BY PRODUCT GROUP

		Q1/21	Q2/21	Q3/21	Q4/21	2021	Q1/22	Q2/22	Q3/22	Q4/22	VARA cons. Q4	2022
Revenues	€ mln	469.0	473.7	529.1	800.3	2,272.1	944.1	1,244.2	1,162.8	1,114.6	1,108.7	4,465.6
– thereof potassi- um chloride	€ mln	252.5	278.1	324.4	494.3	1,349.3	625.3	849.2	779.5	722.5		2,976.5
– thereof fertilizer specialties	€ mln	216.5	195.6	204.7	306.0	922.8	318.8	395.0	383.3	392.1		1,489.2
Sales volumes	mt eff.	2.01	1.89	1.76	1.96	7.62	1.79	1.87	1.56	1.89	1.87	7.11
– thereof potassi- um chloride	mt eff.	1.24	1.21	1.09	1.14	4.69	1.11	1.18	0.95	1.20		4.44
– thereof fertilizer specialties	mt eff.	0.77	0.68	0.67	0.81	2.94	0.69	0.69	0.61	0.68		2.67

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

		Q1/21	Q2/21	Q3/21	Q4/21	2021	Q1/22	Q2/22	Q3/22	Q4/22	VARA cons. Q4	2022
Revenues	€ mln	469.0	473.7	529.1	800.3	2,272.1	944.1	1,244.2	1,162.8	1,114.6	1,108.7	4,465.6
Europe	€ mln	250.6	202.1	200.5	297.7	950.9	349.9	543.0	372.0	406.8		1,671.6
Overseas	USD mln	263.1	327.5	387.4	584.5	1,562.5	666.5	746.5	796.3	722.3		2,931.6
Sales volumes	mt eff.	2.01	1.89	1.76	1.96	7.62	1.79	1.87	1.56	1.89	1.87	7.11
Europe	mt eff.	0.97	0.77	0.69	0.80	3.23	0.76	0.84	0.55	0.66		2.81
Overseas	mt eff.	1.04	1.12	1.07	1.16	4.39	1.03	1.03	1.01	1.23		4.30
Average price	€/t eff.	233.3	250.0	300.6	407.6	298.0	527.0	663.9	744.5	592.2	592.9	628.1
Europe	€/t eff.	258.4	263.8	289.9	372.1	294.0	462.1	640.7	675.9	617.7		594.1
Overseas	USD/t eff.	253.0	292.8	362.6	503.9	356.0	644.3	727.2	787.3	585.6		682.4

Outlook 2023

- + EBITDA forecast: €1.3 to €1.5 billion
- + Expectation of adjusted free cash flow of €700 to 900 million

FORECASTS FOR FULL-YEAR 2023

K+S Group		2022 ACTUAL	2023 Forecast in 2022 Annual Report	Consensus 2023 VARA
EBITDA ¹	€ billion	2.4	1.3 to 1.5	1.49
Capital expenditure ²	€ million	403.8	mid triple-digit amount	521.5
Group earnings after tax without impairment effects, adjusted ³	€ million	1,494.0	higher triple-digit amount	741.4
Adjusted free cash flow	€ million	932.0	700 to 900	820.0
ROCE without impairment effects	%	25.7	low double-digit amount	–
EUR/USD spot exchange rate	EUR/USD	1.05	1.08	1.07
Sales volumes in Agriculture customer segment	t million	7.1	7.3 to 7.5	7.51
Average price in Agriculture customer segment	€/t	628	decrease by more than 20% vs. FY 2022	478.6; decrease by 24% vs. FY 2022
Sales volumes de-icing salt	t million	2.1	a good 2.0	1.97

¹ EBITDA is defined as earnings before interest, tax, depreciation, and amortization, adjusted for depreciation and amortization of own work capitalized recognized directly in equity, gains/losses from fair value changes arising from operating anticipatory hedges still outstanding and changes in the fair value of operating anticipatory hedges recognized in prior periods.

² Relates to scheduled amortization of intangible assets and investments accounted for using the equity method as well as depreciation of property, plant, and equipment, adjusted for depreciation and amortization of own work capitalized recognized directly in equity.

³ 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 2022: 30.2%.

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