



21 September 2022

K+S Aktiengesellschaft

Berenberg and Goldman Sachs 11th German Corporate Conference

Julia Bock, CFA

Head of Investor Relations

Esther Beuermann, MBA

Investor Relations Manager

Nathalie Frost

Investor Relations Manager

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.

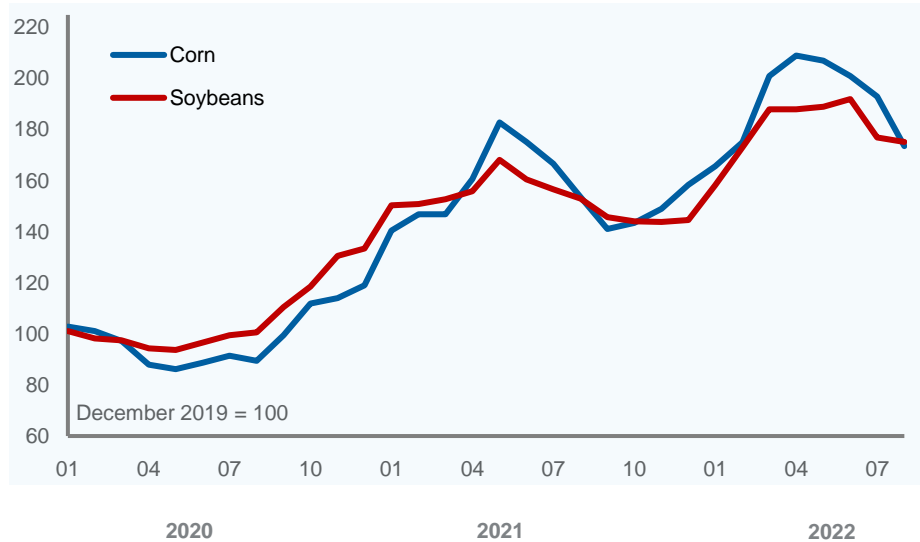
This Presentation contains facts and forecasts that relate to the future development of the K+S Group and its companies. The forecasts are estimates that we have made on the basis of all the information available to us at this moment in time. Should the assumptions underlying these forecasts prove not 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.

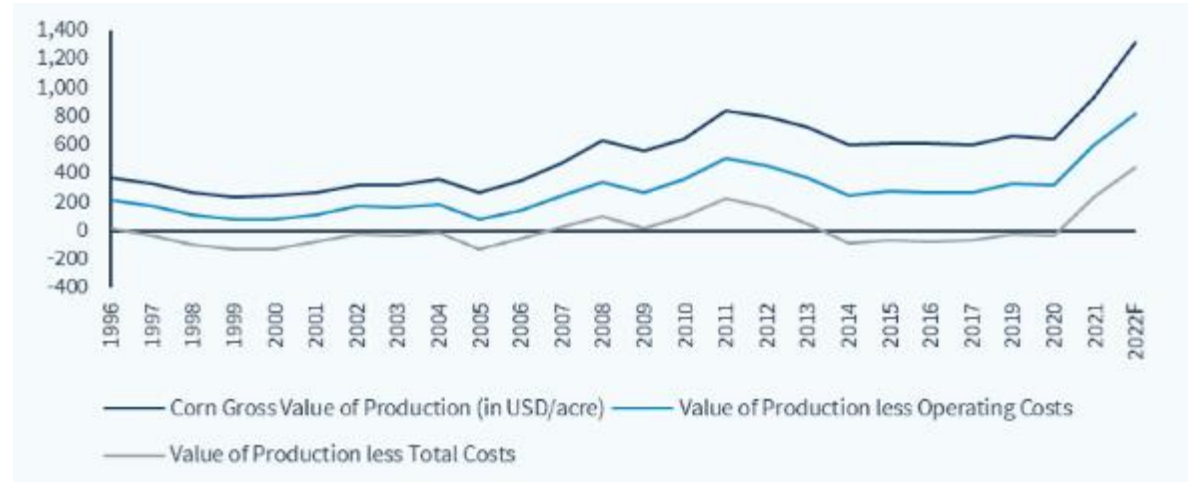
Low stocks-to-use ratios and unfavorable climate around the world keep agricultural commodity prices up and farmer profitability at high level

Price development of agricultural commodities since 01/2020



Source: Worldbank; as of September 2022

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**

Strong increase of ASP in Agriculture customer segment

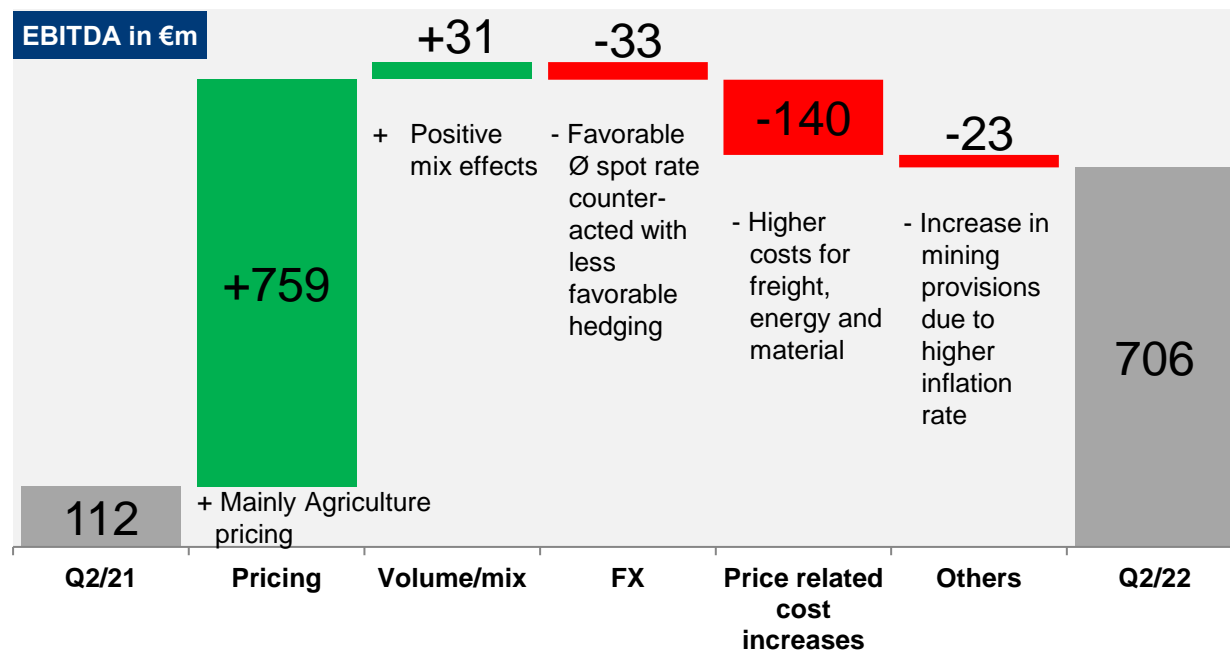
Development of revenues, sales volumes, and average prices by region

		Q1/2021	Q2/2021	H1/2021	2021	Q1/2022	Q2/2022	H1/2022
Revenues	€ million	469.0	473.7	942.7	2,272.1	944.1	1,244.2	2,188.3
Europe	€ million	250.6	202.1	452.7	956.1	349.9	543.0	892.9
Overseas	USD million	263.1	327.5	590.6	1,546.7	666.5	746.5	1,413.0
Potassium chloride	€ million	252.5	278.1	530.6	1,349.3	625.3	849.2	1,474.5
Fertilizer specialties	€ million	216.5	195.6	412.1	922.8	318.8	395.0	713.8
Sales volumes	million tonnes eff.	2.01	1.89	3.90	7.62	1.79	1.87	3.66
Europe	million tonnes eff.	0.97	0.77	1.74	3.23	0.76	0.84	1.60
Overseas	million tonnes eff.	1.04	1.12	2.16	4.39	1.03	1.03	2.06
Potassium chloride	million tonnes eff.	1.24	1.21	2.45	4.69	1.11	1.18	2.29
Fertilizer specialties	million tonnes eff.	0.77	0.68	1.45	2.94	0.69	0.69	1.37
Average price	€/tonne eff.	233.3	250.0	241.8	298.0	527.0	663.9	597.0
Europe	€/tonne eff.	258.4	263.8	260.7	295.7	462.1	640.7	556.4
Overseas	USD/tonne eff.	253.0	292.8	273.3	352.4	644.3	727.2	685.6
Potassium chloride	€/tonne eff.	204.4	229.7	216.6	287.9	565.3	718.9	643.9
Fertilizer specialties	€/tonne eff.	285.3	286.0	284.2	314.2	465.0	570.2	517.3

Q2/22 EBITDA saw six-fold increase YoY

Highlights

- Q2/22 EBITDA increased to €706m (Q2/21: €112m)
- COVID-19:** Minor efficiency losses on the previous year's Q2 level
- FCF** at €+131m despite jump in WC tie-up (Q2/21: €-68m)
- Adj. net profit** increased to €436m (Q2/21: €11m; without reversal of impairment losses on assets in the amount of €147m), also benefitting from positive financial result from the evaluation of mining provisions levelling out neg. EBITDA-effects from mining provisions

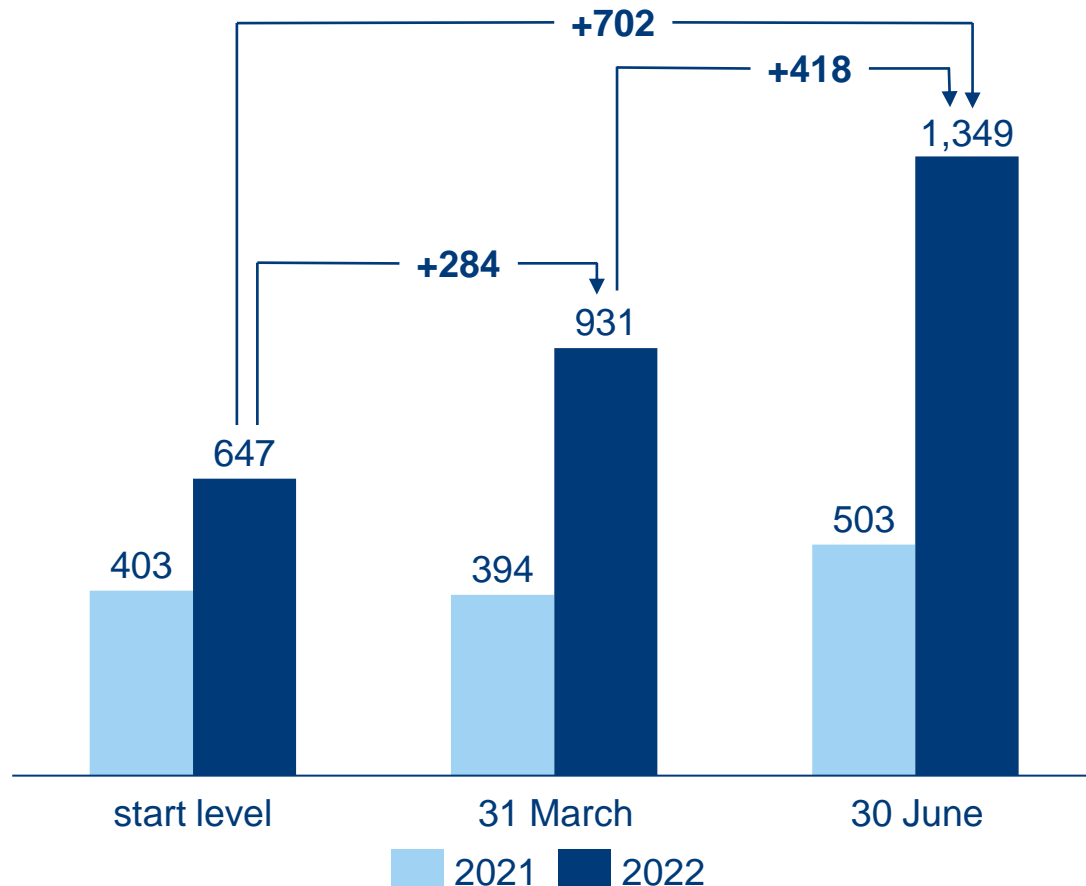


Financials (continuing operations)

€ million	Q2/2021	Q2/2022	%
Revenues	664	1,510	> +100
<i>t/o Agriculture</i>	474	1,244	> +100
<i>t/o Industry+</i>	191	266	+39
EBITDA	112	706	> +100
Scheduled D&A	67	108	+61
Adj. net profit; <i>excluding impairment effects in PY</i>	11	436	> +100
Adj. EPS (€); <i>excluding impairment effects in PY</i>	0.05	2.28	> +100
ROCE (%); <i>excluding impairment effects</i>	1	24	> +100
Operating cash flow	-2	232	-
Adj. FCF; <i>excluding one-off effects (CO₂, factoring)</i>	-28	163	-
Adj. FCF	-68	131	-
Capex	87	76	-13
NFD/EBITDA (LTM)	2.0x	0.2x	-90

FCF burdened by tie-up of working capital

Working Capital development (in €m)



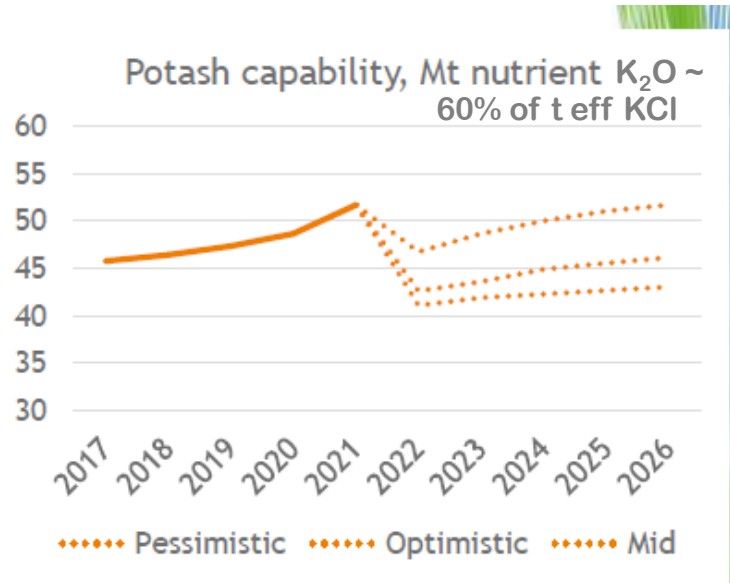
- During Q2/22, we saw a build-up of working capital of €418m to €1,349m (Q2/21: build-up of €109m)
- During H1/22, we saw a build-up of working capital of €702m to €1,349m, thereof €109m due to lower use of factoring (H1/21: build-up of €101m)
- This working capital build-up was due to a higher level of receivables and inventories evaluated at higher costs
- Beyond this, H1/22 FCF was benefitting from higher EBITDA, lower cash interest, lower cash capex, but burdened by higher cash taxes

- ▶ **Q2/22 Adjusted FCF increased to €131m (Q2/21: €-69m)**
- ▶ **H1/22 Adjusted FCF increased to €234m (H1/21: €-83m)**
- ▶ **Without consideration of the reduction of factoring and the purchase of CO₂ certificates, Q2 FCF stands at €163m and H1 FCF at €454m**

Successful H1/2022 – Attractive prospects



World potash supply according to IFA: Geopolitical effects



Potash
Scenarios skewed to the downside based on sanctions and likely ability to export

Source: IFA, May 2022

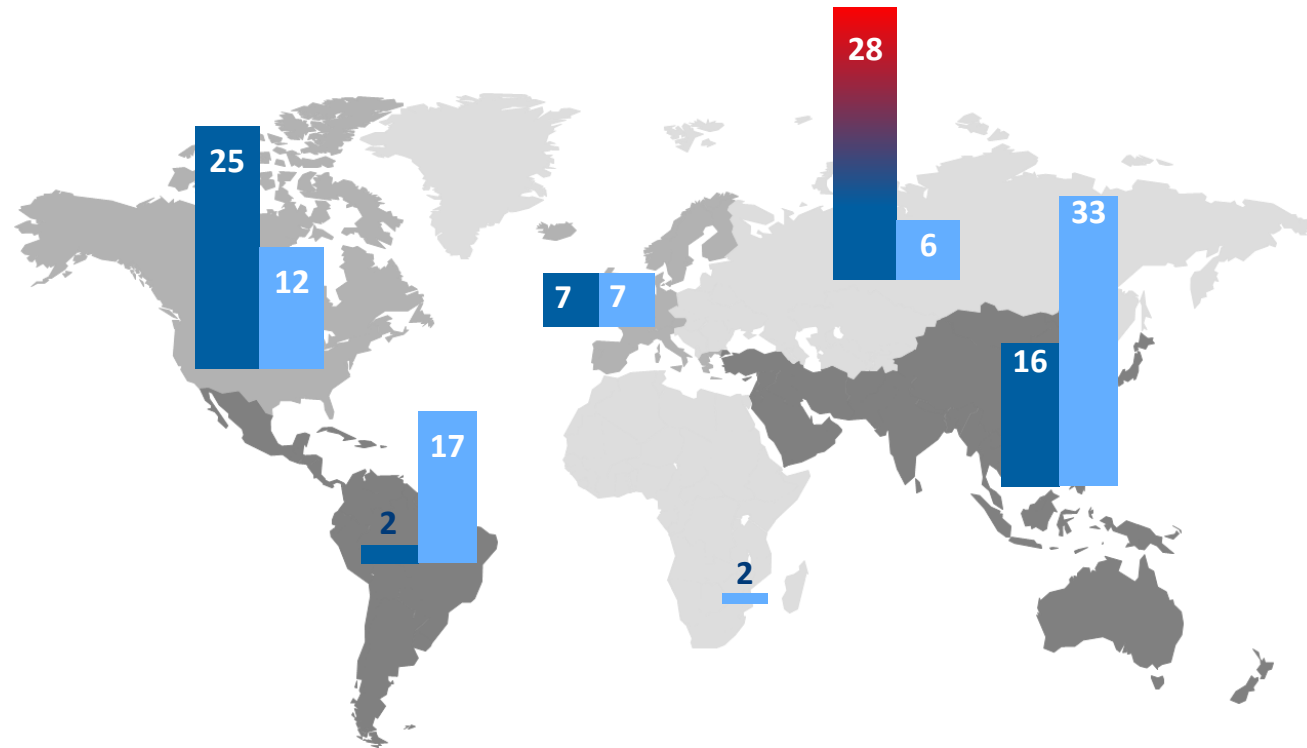
- Russia exports about 2/3 to "friendly countries"
- More than 80% of the currently forecasted expansion of potash production comes from Russia
- Different assumptions for the recovery of the world's potash supply
 - **Pessimistic scenario:** Extended conflict, Western sanctions are extended, USD sanctions are also spreading to some "friendly countries"
 - **Mid-scenario:** All current sanctions remain in force, but some "friendly countries" resume/continue partial trade with Russia
 - **Optimistic scenario:** Resolution in 2022, economic sanctions will be eased, Russian exports will mostly recover, Belarusian exports will partially recover

➔ **Even in the optimistic case, global potash supply will not return to the level of 2021 before 2026**

World potash production and sales by region



in million tonnes



- Russia and Belarus each account for approx. 16% of global potash production
- Most of the capacity expansion projects came from Russian potash producers
- 28% of global *wheat* exports come from Russia and Ukraine

Sources: IFA 2021, K+S

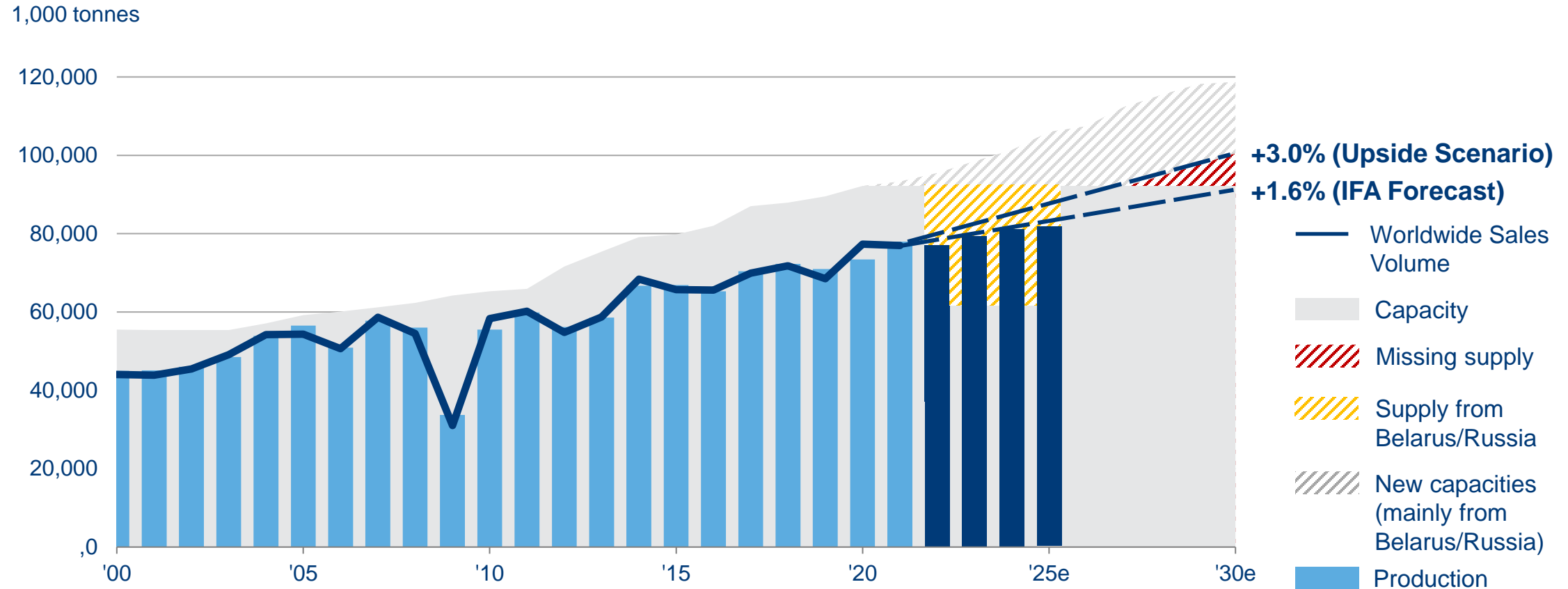
Basis: Year 2021 – incl. Potassium sulphate and low-grade potash

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

Increasing demand for potash



New potash capacities needed to meet rising demand



Source: IFA, K+S; including potassium sulphate and low-grade potash of about 5 mln t eff. (product)

Assumptions on gas situation

Pricing

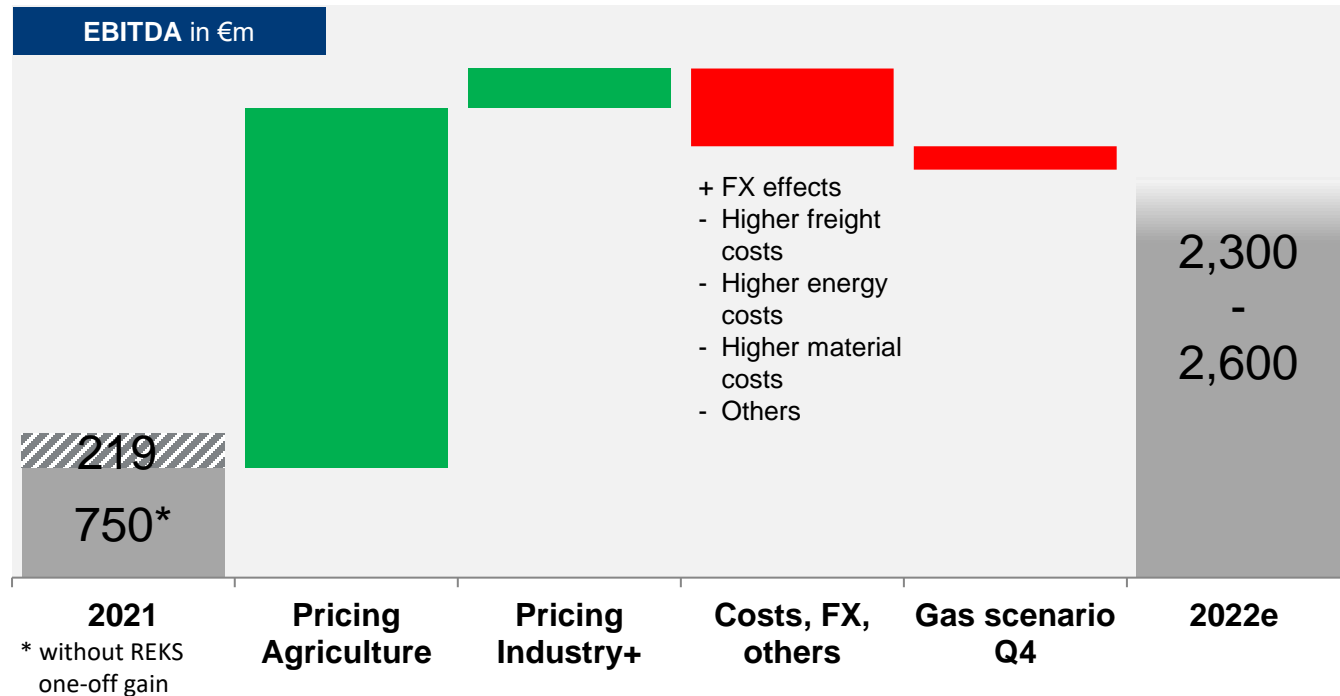
- §26 EnSiG to be called out as of October 1
- Levy: 50€/MWh, assuming this will also be applied on contractually fixed volumes
- Long-term contracts stay in place

Availability

- Q4 scenario: 25% lower gas availability at all German sites
- Certain compensation possibilities with electricity or other fossil energy sources, no constraints for these

Σ EBITDA impact could sum up to low triple-digit million amount

2022 EBITDA outlook remains at €2.3 to €2.6 billion – even with described gas scenario



- Even stronger increase in Agriculture ASP makes up for now assuming the described gas scenario for Q4 with 25% less availability and \$26 EnSiG with levy of 50€/MWh with a combined negative EBITDA effect of a low triple digit million amount
- Cost increases for energy, logistics, and materials to be significantly exceeded
- Agriculture sales volumes now expected at about 7.5mt (2021: 7.6mt) due to availability of gas and logistics as well as relatively high illness rates

→ Also including described gas scenario, we continue to expect FCF to range from €1 billion to €1.2 billion without one-off effect of around €230 million for the repayment of factoring and purchase of CO₂-certificates. (2021: €93 million)

Guiding principles of strategy and management focus



Financial ambitions

- Earn cost of capital over a 5-year cycle
- At the same time, an EBITDA margin of > 20% is aimed for over this cycle
- From 2023, positive free cash flow even in the event of temporarily low potash prices

Optimize the existing

70 %

Agriculture



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

Industry+



- 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

Clear focus of our sites

70 %

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 & production volumes
- Optimization of maintenance
- Increase in energy efficiency
- Increase in granulation capacity for potassium sulfate

Neuhof-Ellers



- 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 – site strategies

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

Werra

- Optimize production processes
- Reduce liquid residues
- Reduce solid residues
- Increase energy efficiency
- Reduce CO₂ emissions
- Improve competitiveness

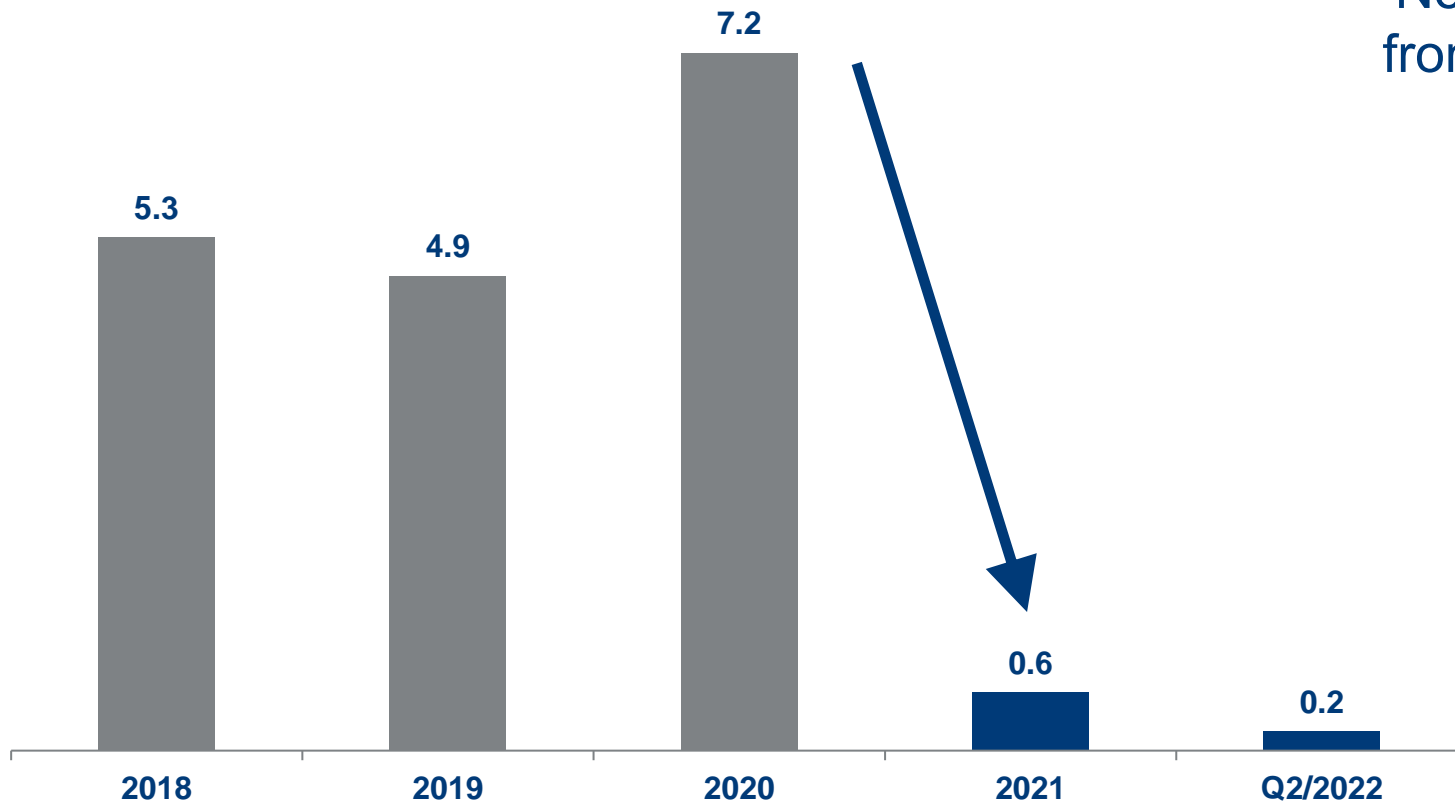


Planned use of additional liquidity

- ✓ Repayment of factoring (done in H1/22)
- ✓ Purchase of CO₂ certificates for the rest of the trading period (done in H1/22)
- ✓ Dividend payment for the 2021 financial year (done in H1/22)
- ✓ Repayment of bond in June 2022
 - Repayment of bond in early 2023
 - Investment in optimizing our existing business
 - Building a crisis-proof balance sheet and liquidity position (war/energy)
 - March 2023: Decision on participation of shareholders

Debt significantly reduced

Net financial liabilities / EBITDA (x times)



Years 2018 – 2020 including discontinued operations.

Net financial liabilities reduced from €3.2 billion end of 2020 to €426 million in Q2/2022



Target:
Rating in investment grade range

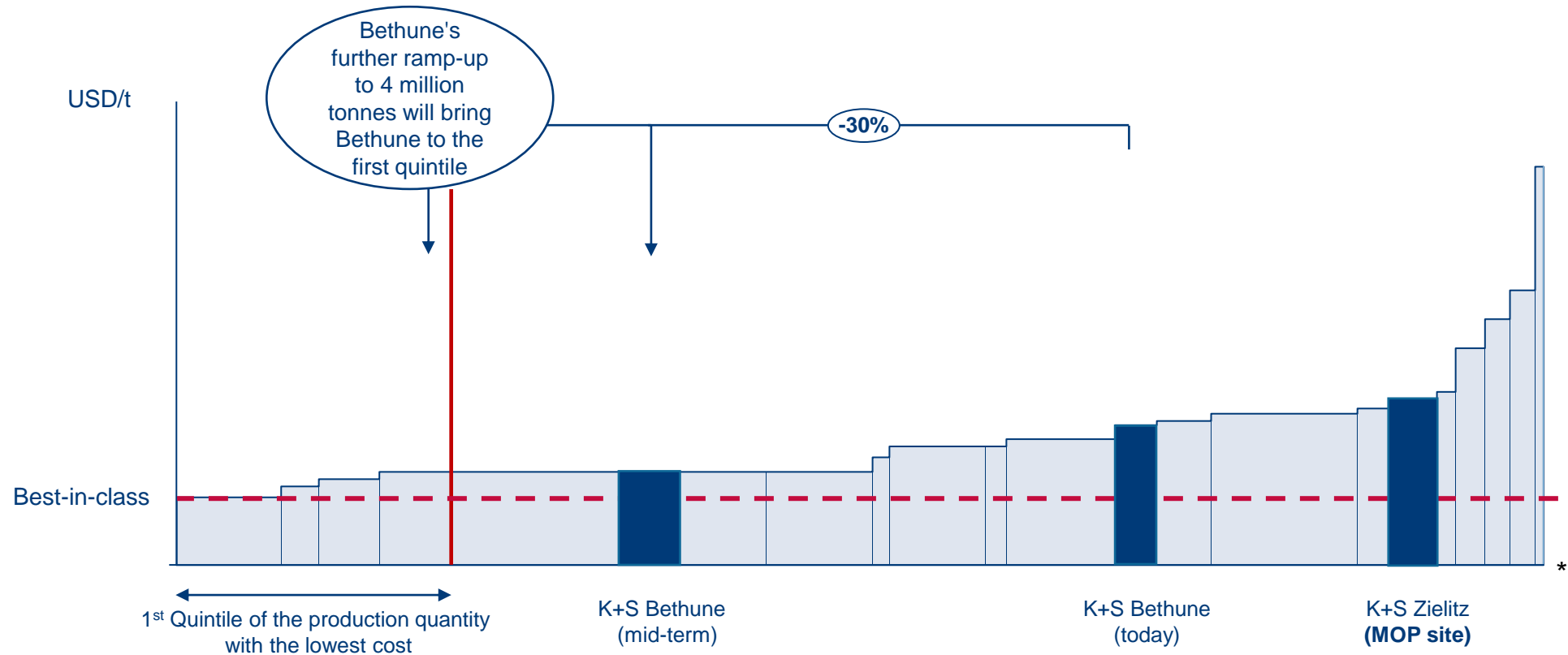




Rating Upgrade:

Standard & Poor's
upgraded K+S by
two notches from
B+ (stable) to
BB (stable)

Site costs (at mine gate) in comparison



Source: CRU Report 2019, K+S

* Column width = Production capacity in million tonnes

Continuous ramp-up of Bethune as well as measures to optimize the portfolio business are increasingly improving our cash costs and therefore our competitive position.

Housekeeping items / Financial calendar

Additional information on 2022 FY outlook – continuing operations

- | | | | |
|------------------|------------------------|----------|----------------------------|
| ▪ Tax rate: | 30% | ▪ CapEx: | a good €400m (2021: €334m) |
| ▪ Cash interest: | ~ €-50m (2021: €-126m) | ▪ D&A: | ~ €400m |

Financial calendar

Baader Investment Conference, Munich – IR	21-22 September 2022
Quarterly Report; September 30, 2022	10 November 2022
Kepler Global Agricultural Forum, virtual - CEO	14 November 2022
DZ Bank Equity Conference, Frankfurt – CEO	21 November 2022
Eigenkapitalforum, Frankfurt – IR	28 November 2022
Bank of America Global Research Materials & Infrastructure Conference, London – IR	29 November 2022
Citi's Basic Materials Conference, New York – IR	30 November 2022
Annual Report	15 March 2023
Quarterly Report; March 31, 2023	9 May 2023
Annual Shareholders' Meeting	10 May 2023
Quarterly Report; June 30, 2023	10 August 2023

Investor Relations Contacts



Nathalie Frost
Investor Relations Manager

Phone: + 49 561 / 9301-1403
Fax: + 49 561 / 9301-2425
nathalie.frost@k-plus-s.com

Julia Bock, CFA
Head of Investor Relations

Phone: + 49 561 / 9301-1009
Fax: + 49 561 / 9301-2425
julia.bock@k-plus-s.com

Esther Beuermann
Investor Relations Manager

Phone: + 49 561 / 9301-1679
Fax: + 49 561 / 9301-2425
esther.beuermann@k-plus-s.com

K+S Aktiengesellschaft, Bertha-von-Suttner-Str. 7, 34131 Kassel (Germany)

- Email: investor-relations@k-plus-s.com
- Website: www.kpluss.com
- IR-Website: www.kpluss.com/ir
- Newsletter: www.kpluss.com/newsletter