

K+S Q2/2022 FACTS & FIGURES



HIGHLIGHTS (CONTINUING OPERATIONS) - STRONG INCREASE IN REVENUES, EBITDA, AND FREE CASH FLOW

- + K+S GROUP revenues rose to €1,510 million (Q2/2021: €664 million); H1: €2,272 million (H1/2021: €1,398 million)
- + EBITDA of €706 million more than six times the previous year's figure (Q2/2021: €112 million); H1: €1,230 million (H1/2021: €237 million)
- + Adjusted Group earnings after tax of €436 million after €11 million in Q2/2021 (excl. €147 million positive impairment effect in Q2/2021), also benefitting from positive financial result from the evaluation of mining provisions levelling out negative EBITDA-effects from mining provisions
- + Adjusted free cash flow before special effects reaches €+454 million in H1/2022; after taking into account the repayment of factoring and the purchase of CO₂-certificates, adj. free cash flow amounted to €+234 million (H1/2021: €-83 million)
- + Net financial liabilities/EBITDA down to 0.2 times (LTM) from the previous year's figure of 2.0 times (LTM)

KEY FIGURES FROM CONTINUING OPERATIONS

		Q2/2021	Q2/2022	%	Q2 VARA consensus	H1/2021	H1/2022	%
K+S Group								
Revenues	€ million	664.2	1,509.9	> +100	1,391.6	1,397.5	2,722.2	+94.8
EBITDA ¹	€ million	111.5	706.4	> +100	664.4	237.4	1,230.4	> +100
EBITDA margin	%	16.8	46.8	> +100		17.0	45.2	> +100
Depreciation and amortization ²	€ million	67.0	108.4	+61.8		132.1	209.8	+58.8
Agriculture customer segment³								
Revenues	€ million	473.7	1,244.2	> +100	1,187.6	942.7	2,188.3	> +100
Sales volumes	t million	1.89	1.87	-1.1	1.92	3.90	3.66	-6.2
Industry+ customer segment³								
Revenues	€ million	190.5	265.7	+39.5	212.5	454.8	533.9	+17.4
Sales volumes	t million	1.53	1.47	-3.9	1.45	3.96	3.30	-16.8
- thereof de-icing salt	t million	0.29	0.31	+6.3	0.25	1.64	0.92	-43.9
Capital expenditure (CapEx) ⁴	€ million	86.7	76.0	-12.3	100.0	134.8	125.2	-7.1
Equity ratio	%	-	-	-	-	47.9	65.2	+36.0
Return on Capital Employed (LTM) ⁵	%	-	-	-	-	-25.1	45.6	-
ROCE (LTM) without effects from impairment loss/ reversal of impairment loss on property, plant, and equipment and intangible assets	%	-	-	-	-	0.6	23.5	> +100
Net financial liabilities as of June 30	€ million	-	-	-	531.0	695.1	425.7	-38.8
Net financial liabilities/EBITDA (LTM) ⁵	x-times	-	-	-	-	2.0	0.2	-90.0
Market capitalization as of June 30	€ billion	-	-	-	-	2.20	4.44	> +100
Enterprise value (EV) as of June 30	€ billion	-	-	-	-	4.06	5.95	+46.7
Book value per share as of June 30	€	-	-	-	-	17.54	32.48	+85.1
Average number of shares	million	191.4	191.4	-	-	191.4	191.4	-
Employees on June 30 ⁶	number	-	-	-	-	10,730	10,802	+0.7

KEY FIGURES FOR CONTINUING AND DISCONTINUED OPERATIONS

Group earnings after tax, adjusted⁷	€ million	988.6	436.3	-55.9		1,269.4	749.0	-41.0
- thereof continuing operations	€ million	157.5	436.3	> +100	391.2	386.8	749.0	+93.6
- thereof impairment loss (-)/reversal of impairment loss (+) on property, plant, and equipment and intangible assets	€ million	146.7	-	-	-	326.7	-	-
- thereof discontinued operations	€ million	831.1	-	-	-	882.6	-	-
Earnings per share, adjusted⁷	€	5.17	2.28	-55.9		6.63	3.91	-41.0
- thereof continuing operations	€	0.82	2.28	> +100	2.04	2.02	3.91	+93.6
- thereof impairment loss (-)/reversal of impairment loss (+) on property, plant, and equipment and intangible assets	€	0.77	-	-	-	1.71	-	-
- thereof discontinued operations	€	4.34	-	-	-	4.61	-	-
Net cash flow from operating activities	€ million	-77.8	231.9	-		69.2	484.7	> +100
- thereof continuing operations	€ million	-1.6	232.5	-	-	80.6	486.2	> +100
- thereof discontinued operations	€ million	-76.2	-0.6	+99.2	-	-11.4	-1.5	+86.8
Adjusted free cash flow	€ million	2,511.8	130.2	-94.8		2,549.1	232.3	-90.9
- thereof continuing operations	€ million	-68.3	130.8	-	168.0	-83.4	233.8	-
- thereof discontinued operations	€ million	2,580.1	-0.6	-	-	2,632.5	-1.5	-
Adjusted free cash flow from continuing operations, excl. special effects (CO₂-certificates, factoring)	€ million	-28.2	163.1	-		-39.7	454.0	-

¹ EBITDA is defined as earnings before income taxes, 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 fluctuations 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 Relates to scheduled amortization of intangible assets and depreciation of property, plant, and equipment, adjusted for depreciation and amortization of own work capitalized recognized directly in equity.

³ No segments in accordance with IFRS 8.

⁴ Relates to cash payments for investments in property, plant, and equipment and intangible assets, excluding leases in accordance with IFRS 16.

⁵ LTM = last twelve months

⁶ FTE = full-time equivalents; part-time positions are weighted according to their share of working hours

⁷ 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 Q2/2022: 30.2% (Q2/2021: 30.1%).

CUSTOMER SEGMENT INFORMATION



CUSTOMER SEGMENT AGRICULTURE

- + Significant increase in revenues to €1,244 million (Q2/2021: €474 million); H1: €2,188 million (H1/2021: €943 million)
- + Average price strongly increased to 664€/t (Q2/2021: 250€/t); H1: 597€/t (H1/2021: 242€/t)
- + Sales volumes amounted to 1.87 mt (Q2/2021: 1.89 mt); despite continuing constraints in logistics, sales volumes were therefore kept more or less stable; price-related declines in demand in Western Europe were more than offset by higher sales volumes in Northern and Eastern Europe.

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

		Q1/2021	Q2/2021	H1/2021	Q3/2021	Q4/2021	2021	Q1/2022	Q2/2022	H1/2022
Revenues	€ million	469.0	473.7	942.7	529.1	800.3	2,272.1	944.1	1,244.2	2,188.3
Europe	€ million	250.6	202.1	452.7	200.5	302.9	956.1	349.9	543.0	892.9
Overseas	USD million	263.1	327.5	590.6	387.4	568.7	1,546.7	666.5	746.5	1,413.0
Sales volumes	million tonnes eff.	2.01	1.89	3.90	1.76	1.96	7.62	1.79	1.87	3.66
Europe	million tonnes eff.	0.97	0.77	1.74	0.69	0.80	3.23	0.76	0.84	1.60
Overseas	million tonnes eff.	1.04	1.12	2.16	1.07	1.16	4.39	1.03	1.03	2.06
Average price	€/tonne eff.	233.3	250.0	241.8	300.6	407.6	298.0	527.0	663.9	597.0
Europe	€/tonne eff.	258.4	263.8	260.7	289.9	376.8	295.7	462.1	640.7	556.4
Overseas	USD/tonne eff.	253.0	292.8	273.3	362.6	490.4	352.4	644.3	727.2	685.6

CUSTOMER SEGMENT INDUSTRY+

- + Revenues above previous year's level: €262 million (Q2/2021: €191 million); H1: €534 million (H1/2021: €455 million); higher prices more than compensated for lower sales volumes
- + H1 sales volumes decreased to 3.30 million tonnes (H1/2021: 3.96 mt) in particular due to weather-related weaker de-icing salt business

OUTLOOK

- + **EBITDA** forecast: **€2.3 to €2.6 billion; now including Q4-scenario for 25% gas shortage and increased gas costs in Germany (§26 EnSiG) with combined EBITDA burden of a low triple-digit million amount**
- + **Adjusted free cash flow** (operating) still expected to range between **€1 and €1.2 billion**; also assuming the scenario for gas; excluding taking into account the special effects of around €230 million

CHANGES IN THE FORECASTS FOR THE FULL YEAR 2022

K+S Group		2021 Actual (continuing operations)	2022 Forecast in 2021 Annual Report	2022 Forecast Q1/2022	2022 Forecast Q2/2022	VARA consensus
EBITDA ¹	€ million	969; thereof 219 REKS (one-off)	1,600 to 1,900	2,300 to 2,600 excl. gas shortage	2,300 to 2,600 incl. gas shortage	2,637 excl. gas shortage
Capital expenditures ²	€ million	334.3	400	a good 400	a good 400	423
Group earnings after tax, adjusted, excluding impairment effects ³	€ million	525.0	strong increase	strong increase	strong increase	1,556
Adjusted free cash flow	€ million	92.7	600 to 800	1,000 to 1,200 ⁴ excl. gas shortage	1,000 to 1,200 ⁴ incl. gas shortage	1,081 excl. gas shortage; after adding 230 special effects: 1,311
ROCE, excluding impairment effects	%	11.2	strong increase	strong increase	strong increase	
EUR/USD exchange rate for remaining months	EUR/USD	1.18	1.16	1.16	1.05	1.05
Sales volumes in Agriculture	t million	7.6	a good 7.7	a good 7.7	around 7.5	7.66
Average price in Agriculture	€/t	298.0	strong increase compared to FY 2021	strong increase compared to FY 2021	strong increase compared to FY 2021; H2 moderately above Q2/2022 (664)	623.3
Sales volumes de-icing salt	t million	3.20	a good 2.0	just under 2.0	a good 2.0	1.98

¹ EBITDA is defined as earnings before income taxes, 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 fluctuations 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 Relates to cash payments for investments in property, plant, and equipment and intangible assets, excluding leases in accordance with IFRS 16.

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 2021: 30.2%.

⁴ Taking into account the one-off effect from the almost full repayment of factoring and the purchase of CO₂ certificates totaling around €230 million, the expected adjusted free cash flow should range between €770 million and €970 million.

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