

K+S Q2/2023 FACTS & FIGURES

HIGHLIGHTS – PRELIMINARY FIGURES CONFIRMED

- + K+S Group revenues reach €826 million in the second quarter (Q2/2022: €1,510 million); H1: €2,018 million (H1/22: €2,722 million)
- + EBITDA amounts to €24 million after record year 2022 (Q2/2022: €706 million); H1: €478 million (H1/22: €1,230 million)
- + Adjusted Group earnings after tax is at €-55 million (Q2/2022: €436 million); H1: €178 million (H1/22: €749 million)
- + Adjusted free cash flow increased to €+160 million compared to Q2/2022: €+130 million; H1: €+274 million (H1/22: €+234 million)
- + Net asset position of €261.0 million after a net financial liabilities/EBITDA of 0.2 times (LTM) from the previous year's figure
- + Long-term rating upgraded to investment grade by Standard & Poor's (BBB-; outlook: stable)

Shareholders' participation in the success of the Company:

- + Dividend payment of €191.4 million (€1.00 per share) for the 2022 financial year made in May
- + Start of the K+S share buyback program to return a total of about €200 million in capital to its shareholders: Acquisition of 3.0 million no-par value shares with a volume of €46.7 million already conducted in Q2/2023

KEY FIGURES FOR CONTINUING OPERATIONS

		Q2/2022	Q2/2023	%	Cons. Q2 VARA (mean)	H1/2022	H1/2023	%
K+S Group								
Revenues	€ million	1,509.9	825.8	-45.3	853.2	2,722.2	2,017.8	-25.9
EBITDA ¹	€ million	706.4	24.3	-96.6	73.1	1,230.4	478.1	-61.1
EBITDA margin	%	46.8	2.9	-93.7		45.2	23.7	-47.6
Depreciation and amortization ²	€ million	114.5	102.4	-10.6		215.9	210.3	-2.6
Agriculture customer segment³								
Revenues	€ million	1,244.2	557.0	-55.2	601.0	2,188.3	1,418.3	-35.2
Sales volumes	t million	1.87	1.67	-10.7	1.68	3.66	3.40	-7.2
Industry+ customer segment³								
Revenues	€ million	265.7	268.7	+1.1	254.5	533.9	599.4	+12.3
Sales volumes	t million	1.46	1.39	-4.9	1.53	3.28	3.18	-3.7
– thereof de-icing salt	t million	0.31	0.32	+2.7	0.30	0.92	0.91	-1.4
Capital expenditures (CapEx) ⁴	€ million	76.0	121.3	+59.6	121.4	125.2	198.7	+58.7
Equity ratio	%	–	–	–	–	64.8	71.2	+9.8
Return on Capital Employed (LTM) ⁵	%	–	–	–	–	47.0	15.2	–
Net financial liabilities (-) / net asset position (+) as of June 30	€ million	–	–	–	–	-425.7	261.3	–
Net financial liabilities/EBITDA (LTM) ⁵	x-times	–	–	–	–	0.2	–	–
Market capitalization as of June 30	€ billion	–	–	–	–	4.44	3.01	-32.3
Enterprise value (EV) as of June 30	€ billion	–	–	–	–	5.95	3.92	-34.2
Book value per share as of June 30	€	–	–	–	–	32.28	35.58	+10.2
Total number of shares as of June 30	million	–	–	–	–	191.4	191.4	–
Shares outstanding as of June 30 ⁶	million	–	–	–	–	191.4	188.4	-1.5
Average number of shares ⁷	million	191.4	190.6	-0.4	–	191.4	191.0	-0.2
Employees as of June 30 ⁸	number	–	–	–	–	10,802	11,150	+3.2

KEY FIGURES FOR CONTINUING AND DISCONTINUED OPERATIONS

Group earnings after tax, adjusted⁹	€ million	436.3	-54.9	–	–	749.0	177.5	-76.3
Earnings per share, adjusted⁹	€	2.28	-0.29	–	–	3.91	0.93	-76.3
Net cash flow from operating activities	€ million	231.9	263.0	+13.4	–	484.7	480.4	-0.9
– thereof continuing operations	€ million	232.5	263.0	+13.1	–	486.2	483.6	-0.5
– thereof discontinued operations	€ million	-0.6	–	–	–	-1.5	-3.2	> -100
Adjusted free cash flow from continuing operations	€ million	130.8	160.4	+22.6	116.1	233.8	273.6	+17.0

¹ EBITDA is defined as earnings before income taxes, interest, depreciation and amortization, adjusted for the amortization amount 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 operating forecast hedges recognized in prior periods.

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

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 Total number of shares after deduction of the number of own shares held by K+S on the reporting date.

⁷ Total number of shares after deduction of the average number of own shares held by K+S during the period.

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

⁹ The adjusted key figures include the gains/losses from operating forecast hedges for the respective reporting period; effects from changes in the fair value of hedges are eliminated. The effects on deferred and cash taxes are also adjusted; tax rate Q2/2023: 30.2% (Q2/2022: 30.2%).

CUSTOMER SEGMENT INFORMATION

CUSTOMER SEGMENT AGRICULTURE

+ Decrease of revenues to €557 million (Q2/2022: €1,244 million); H1: €1,418 million (H1/2022: €2,188 million)

+ Average price¹ significantly decreased to 334€/t (Q2/2022: 664€/t); H1: 418€/t (H1/2022: 597€/t)

+ Sales volumes decreased to 1.67 mt (Q2/2022: 1.87 mt); H1: 3.40 mt (H1/2022: 3.66 mt); declines in sales due to continued wait-and-see attitude on the side of the customers in some sales regions

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

		Q1/2022	Q2/2022	H1/2022	Q3/2022	Q4/2022	2022	Q1/2023	Q2/2023	H1/2023	Cons. Q2 VARA (median)
Revenues	€ million	944.1	1,244.2	2,188.3	1,162.8	1,114.6	4,465.6	861.4	557.0	1,418.3	580.7
Europe	€ million	349.9	543.0	892.9	372.0	406.8	1,671.6	340.1	231.9	572.0	
Overseas	USD million	666.5	746.5	1,413.0	796.3	722.3	2,931.6	559.3	353.9	913.2	
Sales volumes	million t eff.	1.79	1.87	3.66	1.56	1.89	7.11	1.73	1.67	3.40	1.69
Europe	million t eff.	0.76	0.84	1.60	0.55	0.66	2.81	0.62	0.59	1.21	
Overseas	million t eff.	1.03	1.03	2.06	1.01	1.23	4.30	1.11	1.08	2.19	
Average price¹	€/t eff.	527.0	663.9	597.0	744.5	592.2	628.1	498.9¹	333.5¹	417.6	353.8
Europe	€/t eff.	462.1	648.4	556.4	675.9	617.7	594.1	548.3	390.5	471.1	
Overseas	USD/t eff.	644.3	727.2	685.6	787.6	585.6	682.4	505.6	328.9	416.5	

¹ Due to the closing of the China contract, necessary subsequent price adjustments unrelated to the accounting period, in particular for China supplies, burdened revenues and average prices in the second quarter with a mid-double-digit million euro amount. Adjusted for this effect, the average price in the second quarter of 2023 would have been around 358 €/t eff. and in the first quarter of 2023 around 475 €/t eff.

CUSTOMER SEGMENT INDUSTRY+

+ Revenues slightly up at €269 million (Q2/2022: €266 million); tangibly lower volumes for industrial applications and significantly lower prices for chemical products containing potash were offset by significant price increases, particularly for salt products

+ Sales volumes at 1.39 million tonnes (Q2/2022: 1.46 mt); higher volumes for de-icing salt and consumer products

2023 OUTLOOK OF AD HOC ON JULY 26, 2023 CONFIRMED

+ **EBITDA** forecast of ad hoc on July 26, 2023 **confirmed**: €600 to €800 million (if the **positive demand and price trends** currently observed continue in H2, reaching the **upper end** would be possible; should there be **renewed purchasing restraint** in key sales regions, this could lead to negative volume and price effects and EBITDA could be at the **lower end**; negative effects from normalization of supply chains after the Canadian port strike cannot be ruled out)

+ **Adjusted free cash flow** expected to range between **€300 to €450 million**

CHANGES IN THE FORECASTS FOR THE FULL YEAR 2023

K+S Group		2022 Actual	2023 Forecast in 2022 Annual Report	2023 Forecast Q1/2023	2023 Forecast Q2/2023	Consensus Q2 VARA (median)
EBITDA ¹	€ billion	2.4	1.3 to 1.5	1.15 to 1.35 ²	0.6 to 0.8 ²	0.8
Capital expenditures (CapEx) ³	€ million	403.8	mid triple-digit million euro amount	mid triple-digit million euro amount	550	523
Group earnings after tax, adjusted ⁴	€ million	1,494.0	high triple-digit million euro amount	mid triple-digit million euro amount	low triple-digit million euro amount	264
Adjusted free cash flow	€ million	932.0	700 to 900	650 to 850	300 to 450	443 ⁵
ROCE	%	25.7	low double-digit percentage	high single-digit to low double-digit percentage	low single-digit percentage	
EUR/USD exchange rate for remaining months	EUR/USD	1.05	1.08	1.08	1.08	1.09
Sales volumes in Agriculture customer segment	t million	7.1	7.3 to 7.5	7.2 to 7.4	7 to 7.4	7.20
Average price in Agriculture customer segment in the full year	€/t	628.1	Decrease of more than 20% compared to FY 2022	tangibly below Q1/2023 (499)	moderately to tangibly above Q2/2023 (334)	379
Sales volumes de-icing salt	t million	2.1	a good 2	about 2	about 2	1.99

¹ EBITDA is defined as earnings before interest, taxes, 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 Includes negative valuation effects from mining provisions in the mid double-digit million euro range.

³ Relates to cash payments for investments in property, plant, and equipment and intangible assets, excluding lease additions in accordance with IFRS 16.

⁴ The adjusted key indicators include the gains/losses from operating forecast hedges for the respective reporting period; effects from changes in the fair value of hedges are eliminated. The effects on deferred and cash taxes are also adjusted; tax rate 2022: 30.2%.

⁵ Consensus assuming the same capital expenditure levels (€550 million); based on capital expenditures of €523 million, consensus is at €481 million.

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