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K+S Aktiengesellschaft

Capital Market Conferences

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The K+S logo is positioned in the top right corner of the slide. It consists of the letters 'K+S' in a bold, white, sans-serif font, set against a dark blue, trapezoidal background that points towards the top right corner of the slide.

October 10, 2022

K+S Aktiengesellschaft

Q3/2022 Results

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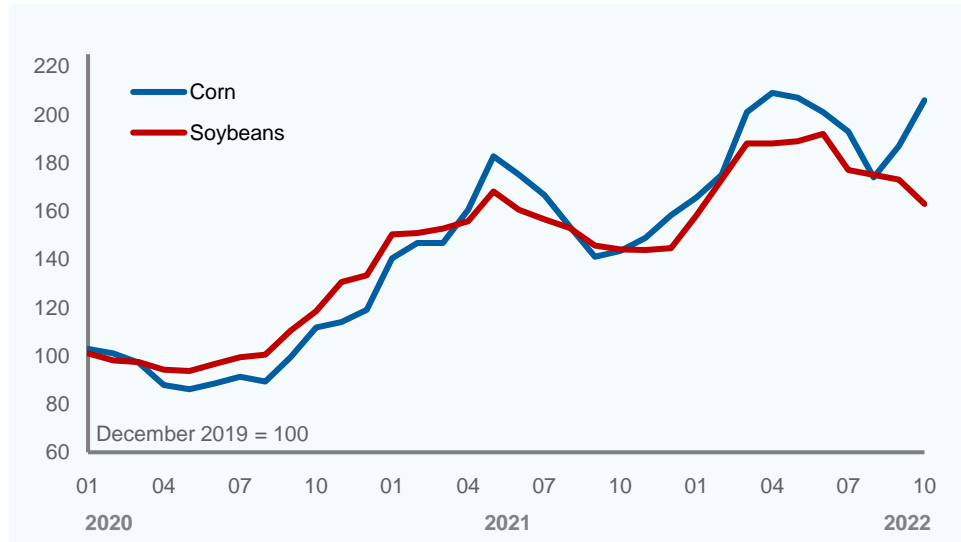
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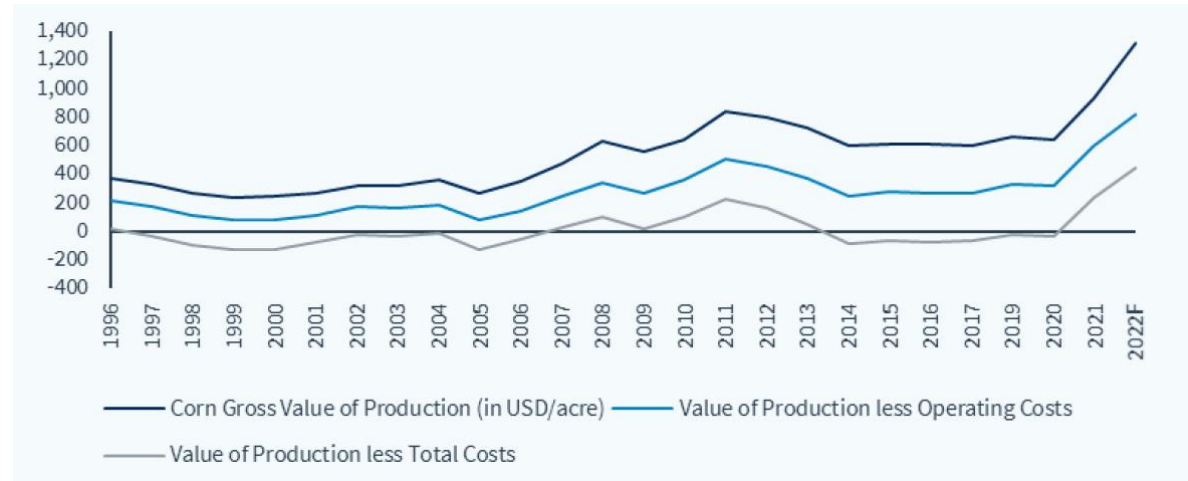
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Low stocks-to-use ratios and unfavorable climate around the world keep agricultural commodity prices up and farmer profitability at high level

Price development of important agricultural commodities since 01/2020



US corn farmer profitability in USD/acre since 01/1996



Source: USDA, Kepler Cheuvreux

Source: Worldbank

- 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

Further increase of ASP in Agriculture customer segment

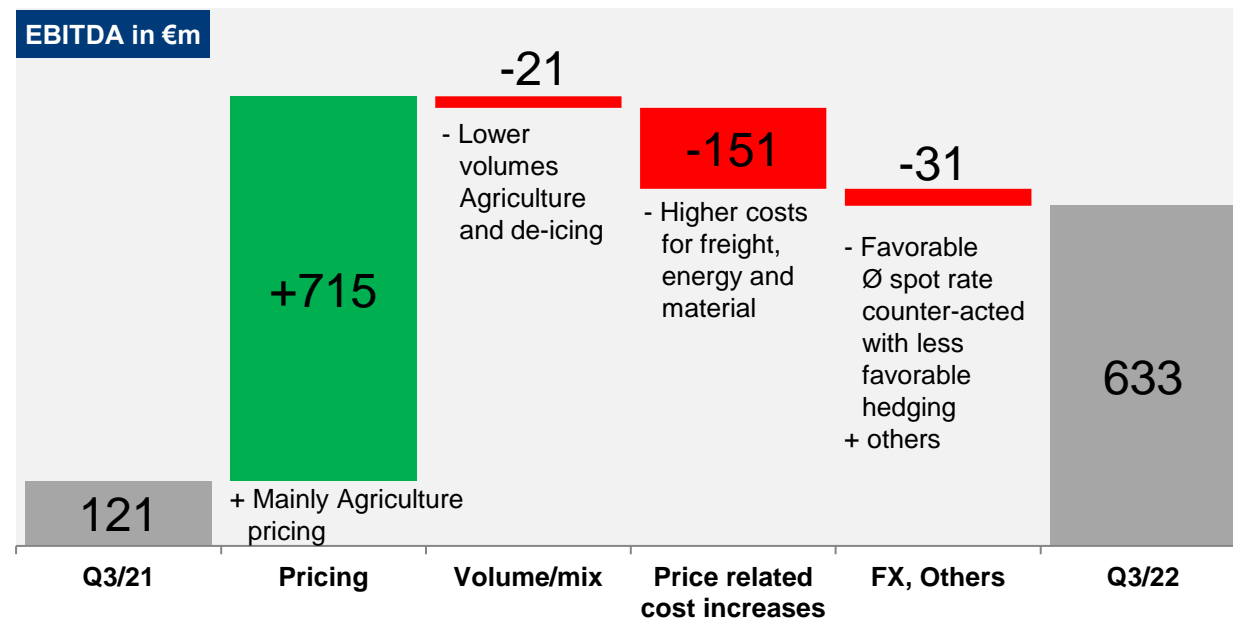
Development of revenues, sales volumes, and average prices by region

| | | Q1/2021 | Q2/2021 | Q3/2021 | 9M/2021 | 2021 | Q1/2022 | Q2/2022 | Q3/2022 | 9M/2022 |
|------------------------|---------------------|--------------|--------------|--------------|----------------|----------------|--------------|----------------|----------------|----------------|
| Revenues | € million | 469.0 | 473.7 | 529.1 | 1,471.7 | 2,272.1 | 944.1 | 1,244.2 | 1,162.8 | 3,351.0 |
| Europe | € million | 250.6 | 202.1 | 200.5 | 653.1 | 956.1 | 349.9 | 543.0 | 372.0 | 1,264.9 |
| Overseas | USD million | 263.1 | 327.5 | 387.4 | 978.0 | 1,546.7 | 666.5 | 746.5 | 796.3 | 2,209.3 |
| Potassium chloride | € million | 252.5 | 278.1 | 324.4 | 855.0 | 1,349.3 | 625.3 | 849.2 | 779.5 | 2,254.0 |
| Fertilizer specialties | € million | 216.5 | 195.6 | 204.7 | 616.8 | 922.8 | 318.8 | 395.0 | 383.3 | 1,097.0 |
| Sales volumes | million tonnes eff. | 2.01 | 1.89 | 1.76 | 5.67 | 7.62 | 1.79 | 1.87 | 1.56 | 5.23 |
| Europe | million tonnes eff. | 0.97 | 0.77 | 0.69 | 2.43 | 3.23 | 0.76 | 0.84 | 0.55 | 2.16 |
| Overseas | million tonnes eff. | 1.04 | 1.12 | 1.07 | 3.24 | 4.39 | 1.03 | 1.03 | 1.01 | 3.07 |
| Potassium chloride | million tonnes eff. | 1.24 | 1.21 | 1.09 | 3.54 | 4.69 | 1.11 | 1.18 | 0.95 | 3.23 |
| Fertilizer specialties | million tonnes eff. | 0.77 | 0.68 | 0.67 | 2.12 | 2.94 | 0.69 | 0.69 | 0.61 | 1.99 |
| Average price | €/tonne eff. | 233.3 | 250.0 | 300.6 | 259.7 | 298.0 | 527.0 | 663.9 | 744.5 | 641.0 |
| Europe | €/tonne eff. | 258.4 | 263.8 | 289.9 | 269.0 | 295.7 | 462.1 | 640.7 | 675.9 | 586.9 |
| Overseas | USD/tonne eff. | 253.0 | 292.8 | 362.6 | 301.9 | 352.4 | 644.3 | 727.2 | 787.3 | 719.1 |
| Potassium chloride | €/tonne eff. | 204.4 | 229.7 | 297.6 | 241.5 | 287.9 | 565.3 | 718.9 | 822.7 | 696.8 |
| Fertilizer specialties | €/tonne eff. | 285.3 | 286.0 | 305.5 | 290.9 | 314.2 | 465.0 | 570.2 | 623.9 | 550.6 |

Q3/22 EBITDA saw five-fold increase YoY

Highlights

- Q3/22 EBITDA increased to €633m (Q3/21: €121m)
- Still stressed logistics system (especially in Europe) and a postponed 50kt ship main explanations for reduction in sales volumes
- FCF at €+580m (Q3/21: €-69m) with first release in WC
- Net financial debt turned into a **net financial asset position** during Q3
- Adj. net profit increased to €379m (Q3/21: €-4m; without reversal of impairment losses on assets in the amount of €1.4b)



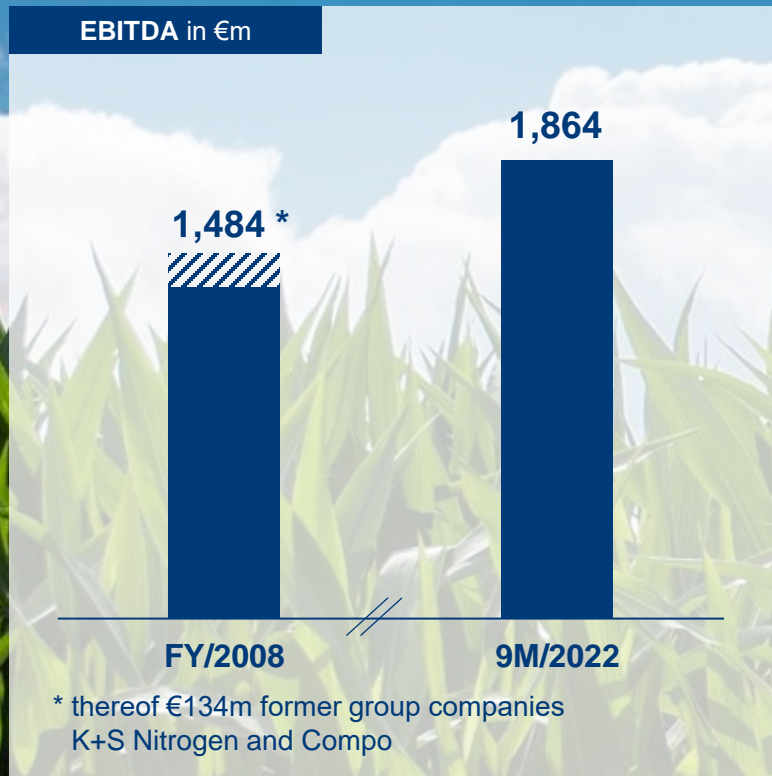
Financials

| € million | Q3/2021 | Q3/2022 | % |
|--|---------|---------|--------|
| Revenues | 746 | 1,470 | +97 |
| <i>t/o Agriculture</i> | 529 | 1,163 | > +100 |
| <i>t/o Industry+</i> | 217 | 307 | +41 |
| EBITDA | 121 | 633 | > +100 |
| Scheduled D&A | 74 | 109 | +47 |
| Adj. net profit; <i>excluding impairment effects in PY</i> | -4 | 379 | - |
| Adj. EPS (€); <i>excluding impairment effects in PY</i> | -0.02 | 1.98 | - |
| ROCE (%); <i>excluding impairment effects</i> | 0 | 28 | > +100 |
| Operating cash flow | 14 | 656 | > +100 |
| Adj. FCF; <i>excluding one-off effects (CO₂, factoring)</i> | -66 | 590 | - |
| Adj. FCF | -69 | 580 | - |
| Capex | 88 | 115 | +31 |
| NFD/EBITDA (LTM) | 2.0x | - * | - |

* since Q3/2022: net financial asset position

EBITDA record already exceeded

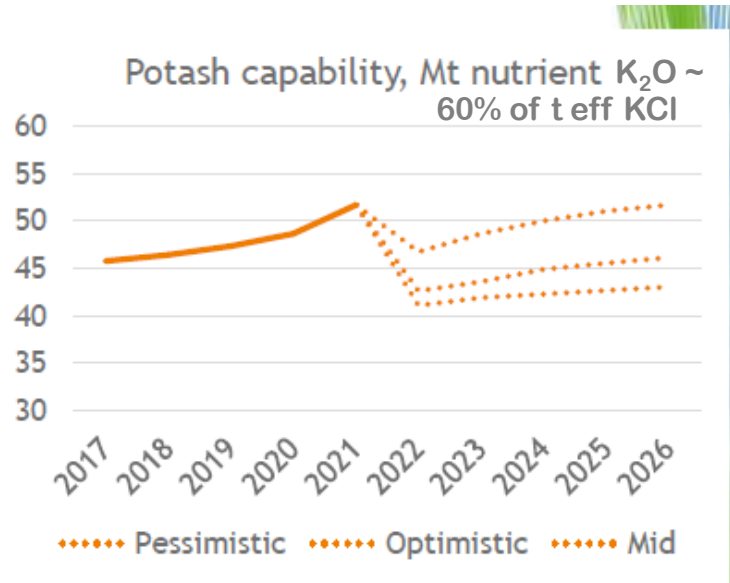
Previous best-ever FY-EBITDA significantly exceeded after 9M/2022



Successful 9M/2022 – Attractive prospects



World potash supply according to IFA: Geopolitical effects



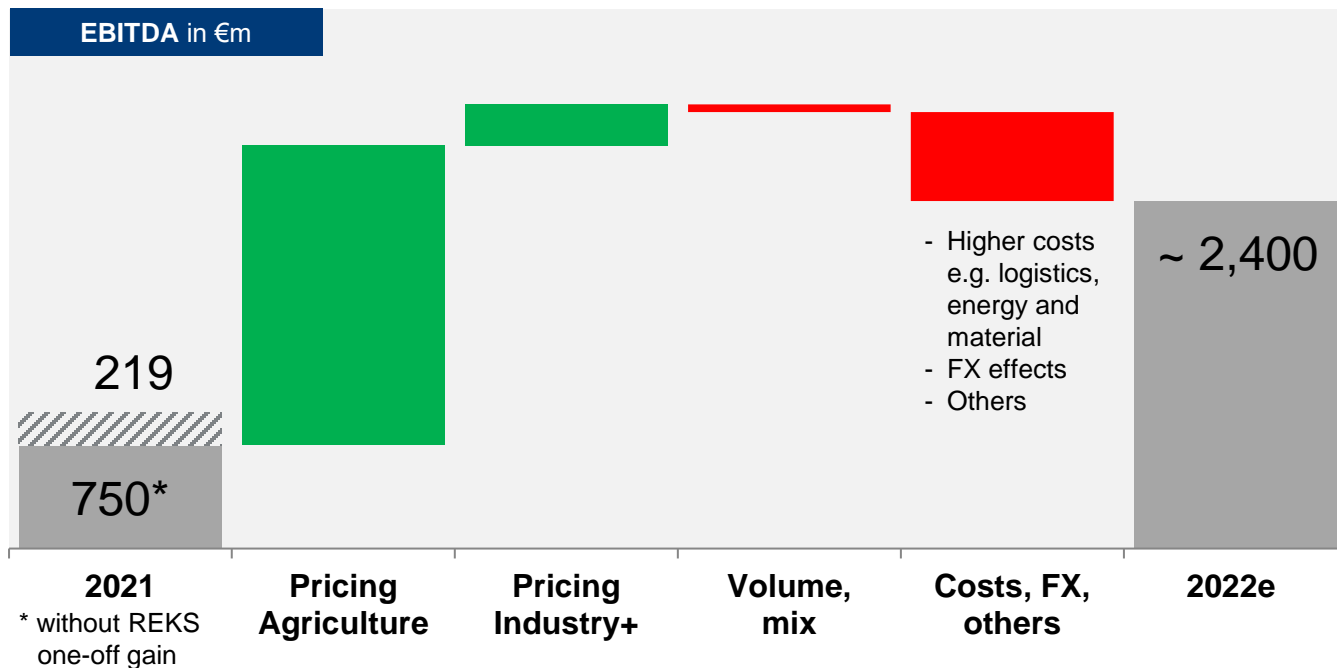
Potash
Scenarios skewed to the downside based on sanctions and likely ability to export

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**

2022 EBITDA outlook substantiates at about €2.4 billion – Previous best EBITDA in K+S’ history (2008) would be exceeded by nearly €1 billion



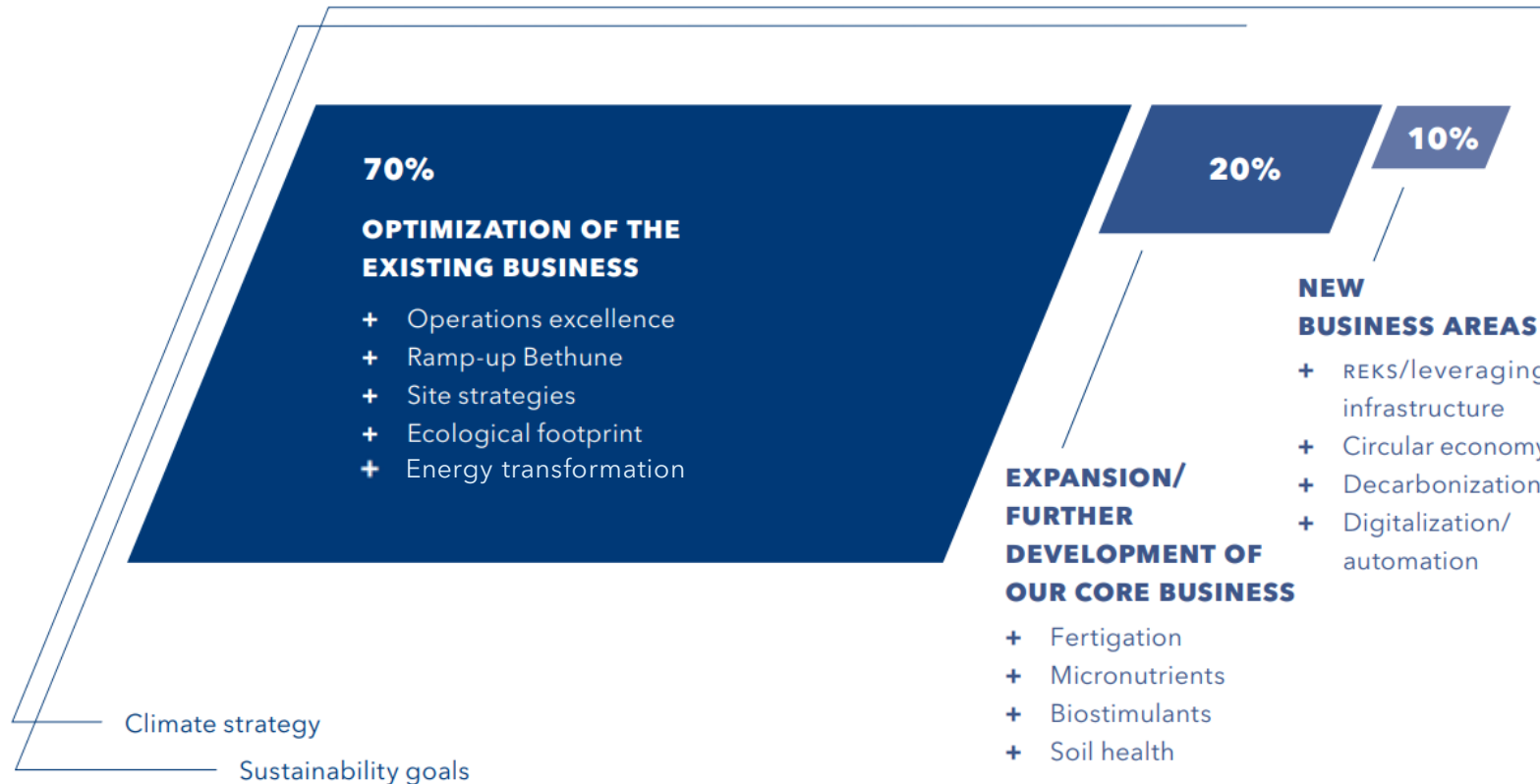
- Higher prices YoY, both, in Agriculture and Industry+ customer segment
- Cost increases for energy, logistics, and materials to be significantly exceeded
- Agriculture sales volumes now expected at about 7.2mt (2021: 7.6mt) due to availability of logistics, wait-and-see attitude of customers as well as relatively high illness rates

Assumptions for Q4:

- No change in working capital
- Back-end loaded cash tax distribution (> €200m)
- Unlimited energy availability

We now expect FCF to amount to a good €1.2 billion (before: €1.0-1.2b; 2021: €0.09b).
 Even without one-off effect of around €230 million for the repayment of factoring and purchase of CO₂-certificates, about €1 billion forecast.

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
- Maximum accepted leverage (net debt/EBITDA), also on the low end of the cycle: 1.5x



Planned use of additional liquidity

- ✓ Repayment of factoring (done in 9M/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 (Bethune, Werra 2060)
 - Building a crisis-proof balance sheet and liquidity position (war/energy)
 - March 2023: Decision on participation of shareholders*

* The design of the German government's defense shield (gas price cap) is still to be determined. As far as we know at present, we will not make use of it. This would maintain our full ability to pay dividends. With a high share of fixed prices for our natural gas needs for 2023, we have a high predictability for our energy costs

Housekeeping items / Financial calendar

Additional information on 2022 FY outlook – continuing operations

| | | | |
|------------------|------------------------|----------|---------------------------|
| ▪ Tax rate: | 30% | ▪ CapEx: | about €400m (2021: €334m) |
| ▪ Cash taxes: | > €400m | ▪ D&A: | ~ €450m |
| ▪ Cash interest: | ~ €-50m (2021: €-126m) | | |

Financial calendar

| | |
|--|------------------|
| Baader Bank Roadshow, Toronto – IR | 12 January 2023 |
| Kepler Cheuvreux German Corporate Conference, Frankfurt – CEO/IR | 16 January 2023 |
| 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 |
| Quarterly Report; September 30, 2023 | 14 November 2023 |



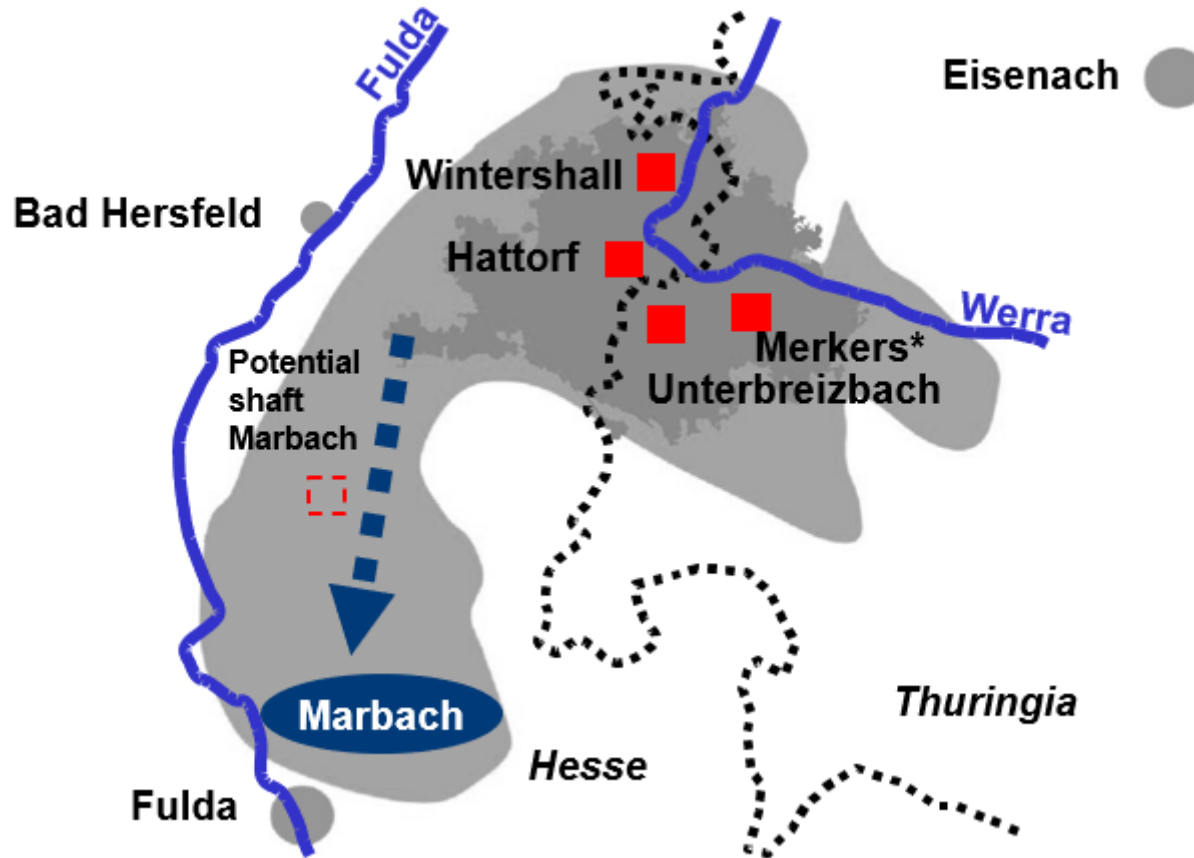
K+S

Werra 2060 Securing a sustainable future

K+S Aktiengesellschaft

Werra region...

...provides reserves for at least another 40 years!



* No mining & production

| | |
|-------------------------------|---------------------------------|
| Start of operations: | 1893 |
| Crude salt extraction: | ~20 mt/a (today) |
| Production capacity: | >3 mt/a (today) |
| Employees: | ~4,400, thereof 300 trainees |

Products:

- Fertilizers (crude salt containing potassium, magnesium and sulfur)
- Products for technical and industrial processes and pharmaceutical as well as food and feed use (high-purity salts)

Werra 2060 – Securing a sustainable future

How do we want to achieve this?

Innovations in extraction and production



- Unterbreizbach and Wintershall sites: Focus on wastewater-free processing methods
- Unterbreizbach mine: Expansion of secondary mining operations (drill and blast)
- Hattorf-Wintershall mine: Introduction of secondary mining (drill and blast)
- Unterbreizbach and Hattorf-Wintershall mines: Dry backfill utilization
- Hattorf plant: Continued operation unchanged for the time being

Methods already tested or in use on other sites!

Future-oriented product portfolio



- New processing methods in Unterbreizbach and Wintershall have an energy-saving effect with CO₂-reduction, and also change the product portfolio:
- Further development of specialties portfolio with unchanged production volumes
- Increase in share of round granules
- The products become more competitive under cost, sustainability, and quality criteria

Reduction in environmental impact



Reduction solid residues:
by 8 to 7 million t eff. p.a.
▶ avoiding tailings pile expansion
Wintershall beginning of the 2030s

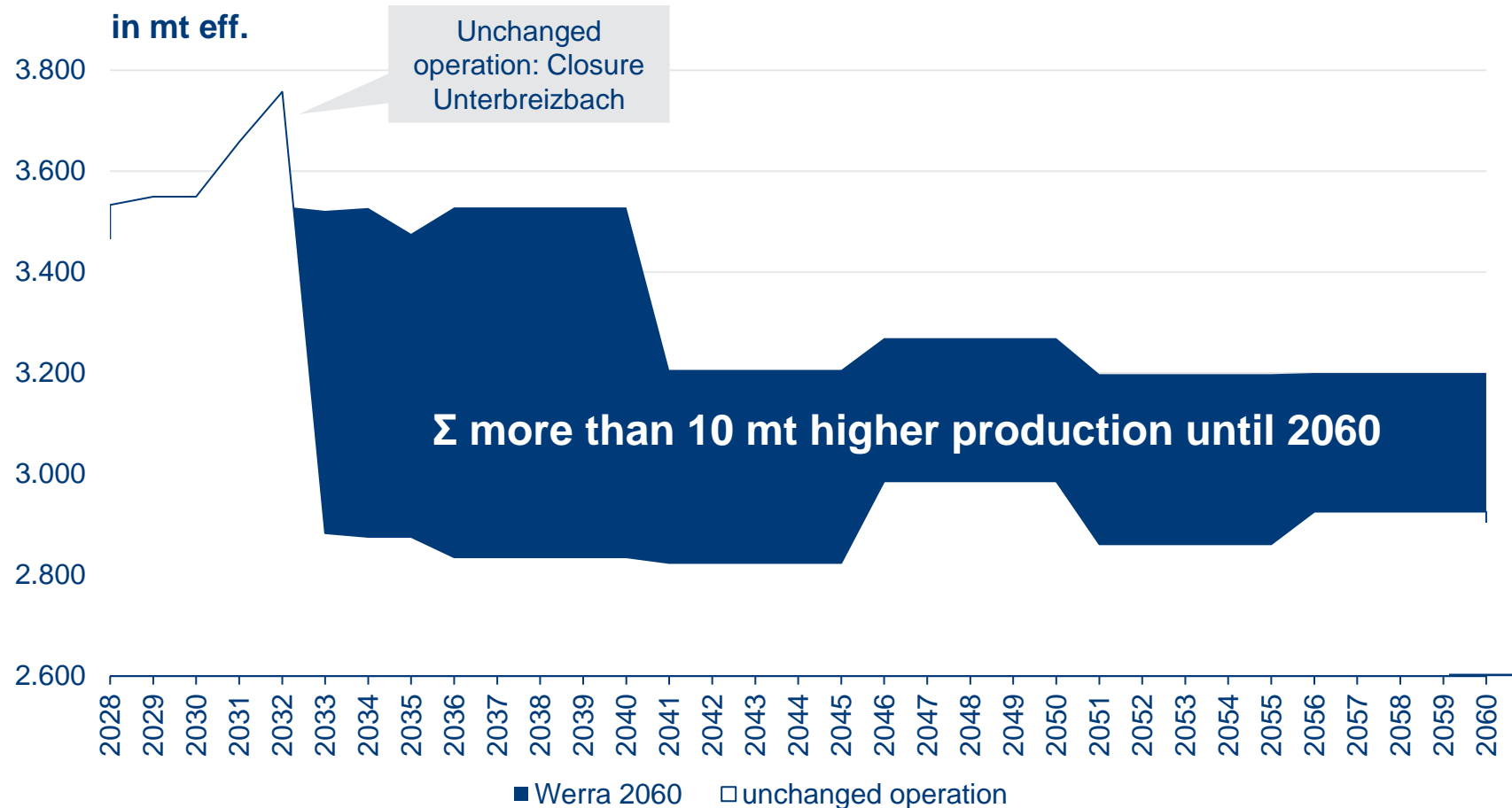
CO₂ emissions reduced
by 190kt to 650kt p.a.;
Reduced steam requirement: higher
flexibility regarding the energy source



Saline process waters reduced:
by 1.2 to 1.0
million m³ p.a.

Significantly higher, more stable production over time

Output comparison to unchanged operation of the Werra site



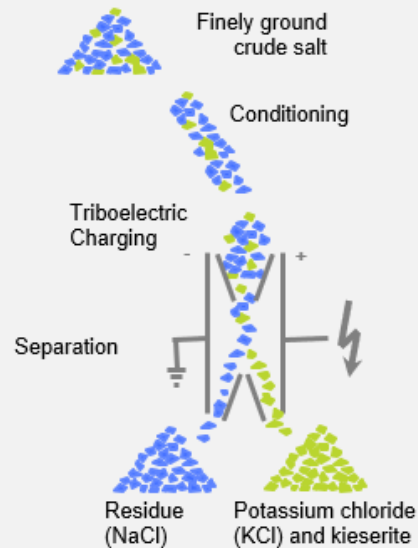
- Lifetime of Unterbreizbach increased by 8 years to 2040.
- Secondary mining/dry backfill utilization increase output.
- Reserves provide lifetime even beyond 2060.

All changes mutually dependent on each other



Improved ESTA® technology creates residues dry enough to be used for backfill underground

Electrostatic separation (ESTA®)



New process enables us to:

- process also dusty rock salt
- avoid wet separation processes afterwards
- have dry residues capable to be used for backfill underground

Secondary mining/ dry backfill



Secondary mining enables us to:

- exploit the high pillar ore content
- mine close to the shaft
- reduce required rock salt volumes

Dry backfilling enables us to:

- reduce tailing of residues

Future-oriented product portfolio (described on next slide)

Future-oriented product portfolio



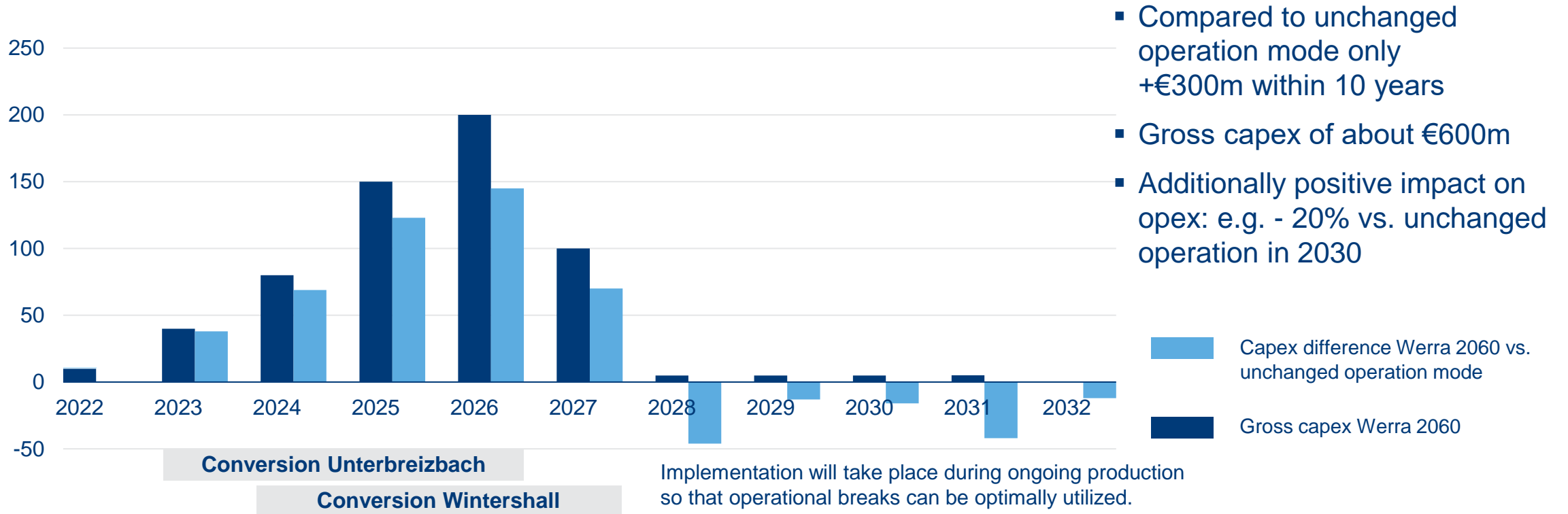
New processing methods have an energy-saving effect and also change the product portfolio



- Further development of specialties portfolio with unchanged production volumes.
- Expanding our market position in potash-magnesium fertilizers.
- We will serve the trend towards sustainably manufactured products; primarily aimed at customers who want to reduce their CO₂ footprint (green potash).
- Increase in the share of round granules to attract more customers from the bulk blending industry.


Werra 2060

Schematic course of capex



Capex amortization period: < 10 years (as of today)

Value contribution of Werra 2060

| | NPV drivers | Ø FCF advantage p.a. 2026-2060 |
|---|-------------------|--------------------------------|
| Significantly higher and more stable production over time/changed product mix | +€100m | +€45m |
| ESG improvements <ul style="list-style-type: none"> • Reduction of solid residues and thus avoiding tailings pile expansions and enabling backfill and secondary mining • Reduction of CO₂ emissions • Reduction of saline process waters and thus reducing remote disposal  | +€425m | +€40m |
| Mid-term adjusted personnel requirement | +€275m | +€25m |
| Present value of additional capex compared to unchanged operation mode | -€275m | |
| Total | >~500€m | +~€110m |

Werra 2060 increases site NPV by > €0.5 bn to > €1.5 bn

We create value for our stakeholders!



Total NPV Werra site
with Werra 2060 project
> €1.5 billion or 7.80 €/share



Even an eternal price of ~330 \$/t (MOP Brazil) after 2026 results in NPV of more than €1 billion.



Even 50% higher initial capex would still result in NPV advantage of more than €300 million.

Sensitivities

Variation of
MOP Brazil price
after 2026:

+/- 10 \$/t



change in NPV

+/- ~ €150 m

What does that mean for the valuation of K+S Group?

Using data of our Half-Year Financial Report:

| | |
|---|---------------------|
| K+S fair value (equity) as of 30 June 2022 <ul style="list-style-type: none">• thereof: €6.2 billion book value (equity)• thereof: €1.4 billion surplus recoverable amount Potash and Magnesium Products CGU (already reduced by mining provisions)* | €7.6 billion |
| Increase value of Werra site due to Werra 2060 (as presented with the previous slides) | + €0.5 billion |
| K+S fair value – total | €8.1 billion |
| K+S fair value per share | €42.40 |

* Surplus of recoverable amount of Potash and Magnesium Products cash generating unit compared with carrying amount (page 34 – Half-Year Financial Report) – ignoring minor surpluses of other CGUs.



Assumptions

- MOP price development according to Argus as of 08/2022
- WACC (after taxes): 7.7%
- Gas/electricity prices: elevated price situation until 2025/normalization after 2025
- CO₂ price: continuous growth to triple digit € price
- In addition, K+S will apply for subsidies for individual project strands.
- In all potash price scenarios, the planned measures increase the NPV of the Werra site by more than €500m compared to unchanged operation mode. The lower the potash price, the higher the NPV advantage. This makes us more resilient and provides downside protection.

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