

Investor presentation

KWS SAAT SE & Co. KGaA | September 2022

SEEDING
THE FUTURE
SINCE 1856



**WHY INVEST IN
KWS?**

We are an
innovation-driven
company turning
sustainability in
agriculture into
growth



Sustainability is
anchored in our
company values



We are **independent**
and **family-backed**
company with a track
record of growth by
providing **innovative**
solutions for farmers



As one of the
**leading plant
breeding** companies
worldwide we strive
for **further
profitable growth**



KWS at a glance

KWS ranks among the world's leading companies for plant breeding



NET SALES*
in million €

1,540

COUNTRIES

>70

EMPLOYEES*

5,120

INNOVATION*
in % of net sales

18.6

YIELD PROGRESS
crops Ø p.a. in %

1-2

*Financial year 2021/2022

Ranking

by sales with agricultural crops

Global

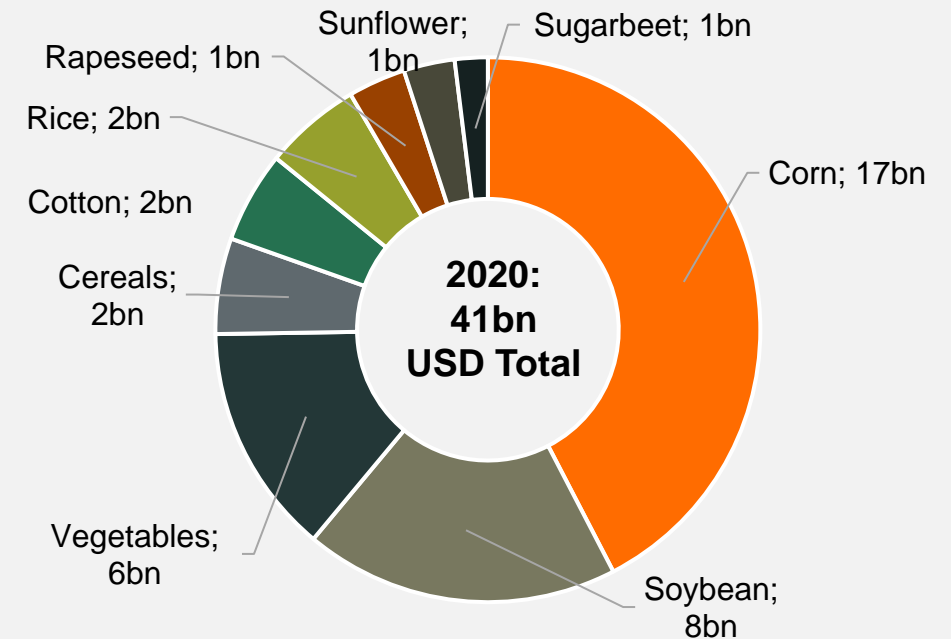
1. Bayer
2. Corteva
3. Syngenta Group
4. Vilmorin
- 5 KWS**

Europe

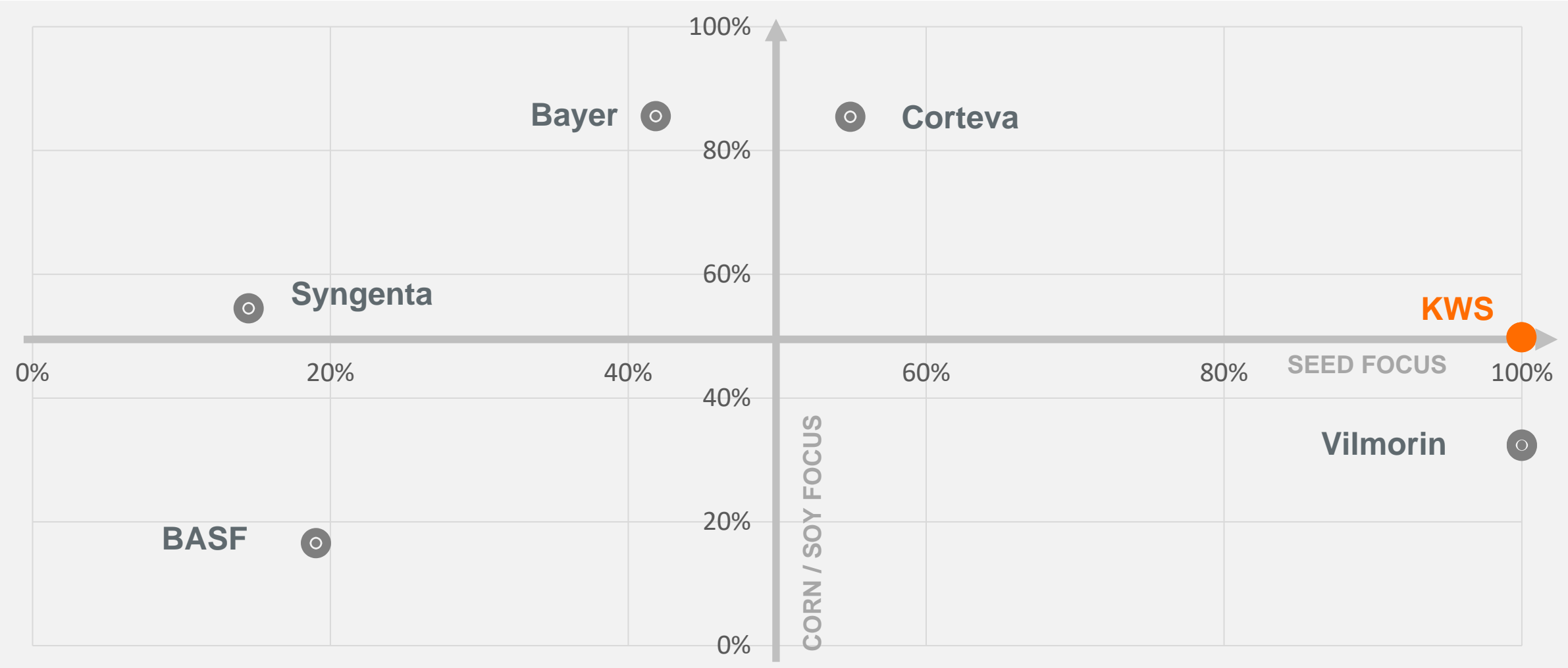
1. Corteva
2. Bayer
- 3 KWS**
4. Syngenta Group
5. Vilmorin

Sources: AgbioInvestor 2021 and KWS estimates. Ranking KWS and Vilmorin includes 50% of AgReliant sales each

Global Commercial Seed Market (in USD)

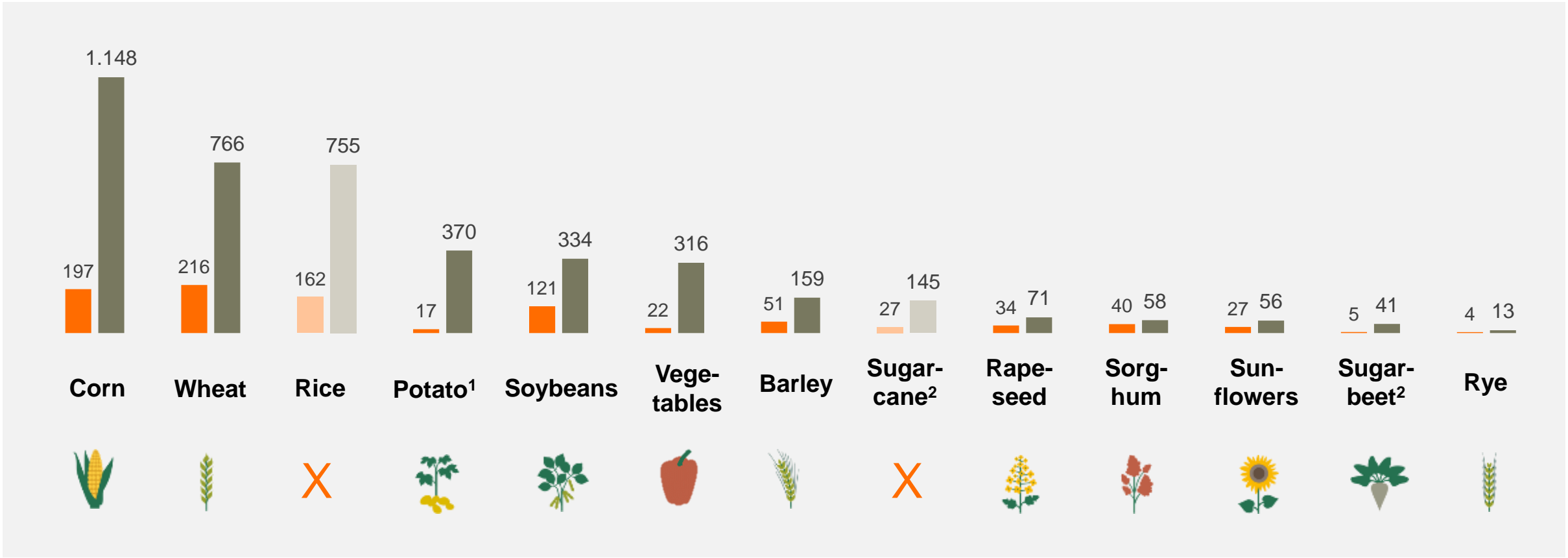


Strategic market position



Source: AgbiolInvestor 2021 and KWS estimates (% corn/soy sales of field and vegetables seed sales; % seed sales of total ag sales)

Our portfolio includes seeds for 11 of the 13 most important crops/crop groups



■ Global acreage (in ha million) ■ Global production (in t million) X Minor strategic potential for KWS

Source: faostat.fao.org (Data for 2019), zuckerverbaende.de; ¹ No commercial business for KWS, but target of strategic research and development.

² Sugarcane and Sugarbeet production numbers represent sugar extracted from these crops and not the crop produced.

Corn segment



NET SALES*
in € million

935

EBITDA*
in € million

96

EBIT*
in € million

57



Corn



Soybeans

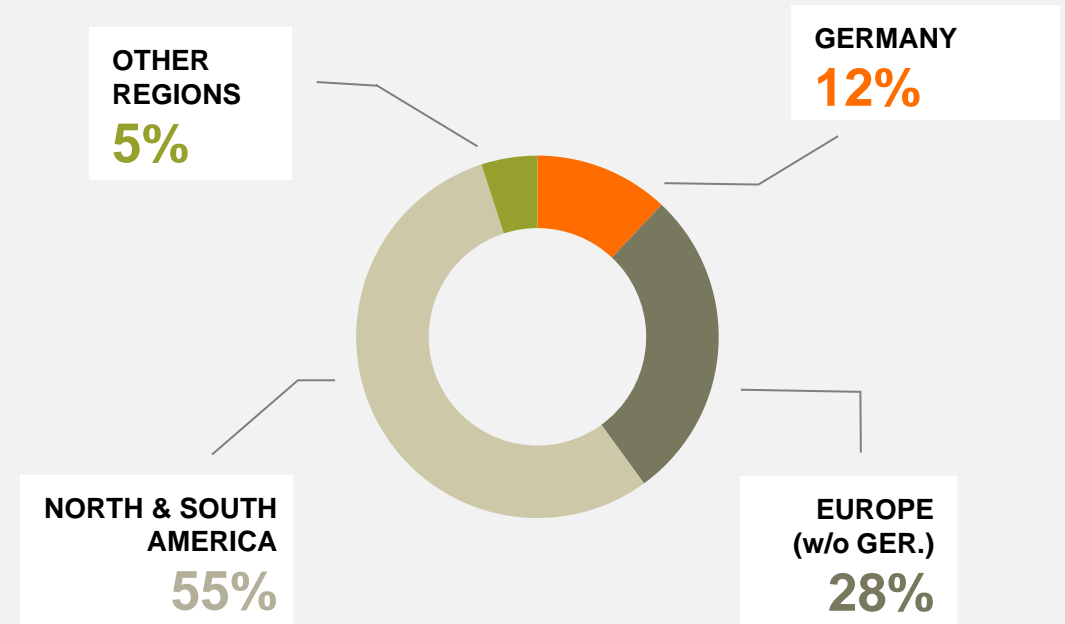


Sunflower

Overview

- Presence in main markets: United States, China, Brazil and EU-27; market leader in silage corn
- Aim to become global player, increase market shares in all main markets
- Growth driver: commercialization of new competitive varieties in Europe and Brazil, growth in China
- Seasonality: mainly Q3

Sales by region*



*Financial year 2010/2022

Sugarbeet Segment



NET SALES*
in € million

588

EBITDA*
in € million

216

EBIT*
in € million

195



Sugarbeet



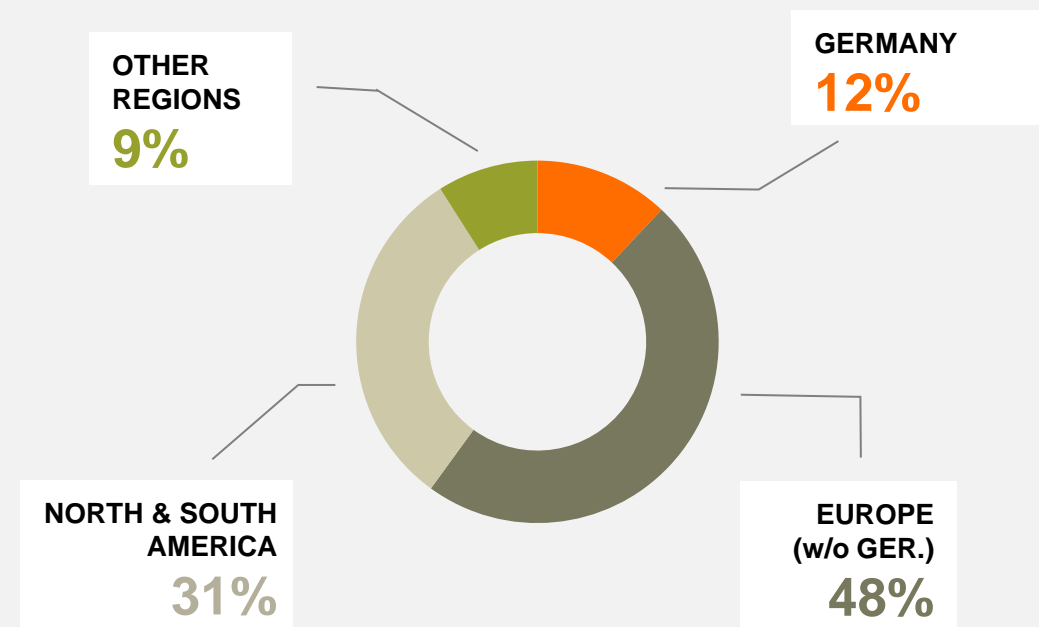
Feedbeet



Overview

- Leading position globally with >60% market share
- Growth driver: innovative product portfolio & pipeline, addressing needs of sugarbeet growers
- Example: CONVISO® SMART, a conventionally bred sugarbeet for highly effective weed management
- Seasonality: mainly Q3

Sales by region*



*Financial year 2021/2022

Cereals Segment



NET SALES*
in € million

216

EBITDA*
in € million

39

EBIT*
in € million

30



Rye



Rapeseed



Wheat



Barley



Sorghum

...

Overview

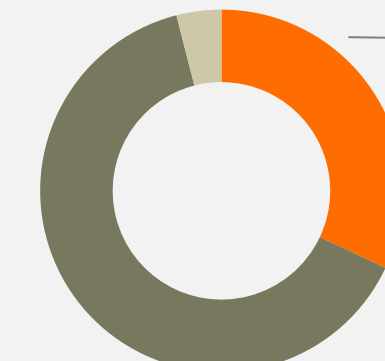
- Broad portfolio of cereal crops
- #1 in hybrid rye, leading position in rapeseed
- Strong R&D pipeline including hybrid wheat
- Growth driver: hybrid rye, regional expansion
- Seasonality: mainly H1

Sales by region*

NORTH & SOUTH
AMERICA
5%

EUROPE
(w/o GER.)
63%

GERMANY
32%



*Financial year 2021/2022

Vegetables Segment



NET SALES*
in € million

54

EBITDA¹
in € million

3

EBIT¹
in € million

1



Spinach



Beans



Swiss
Chard



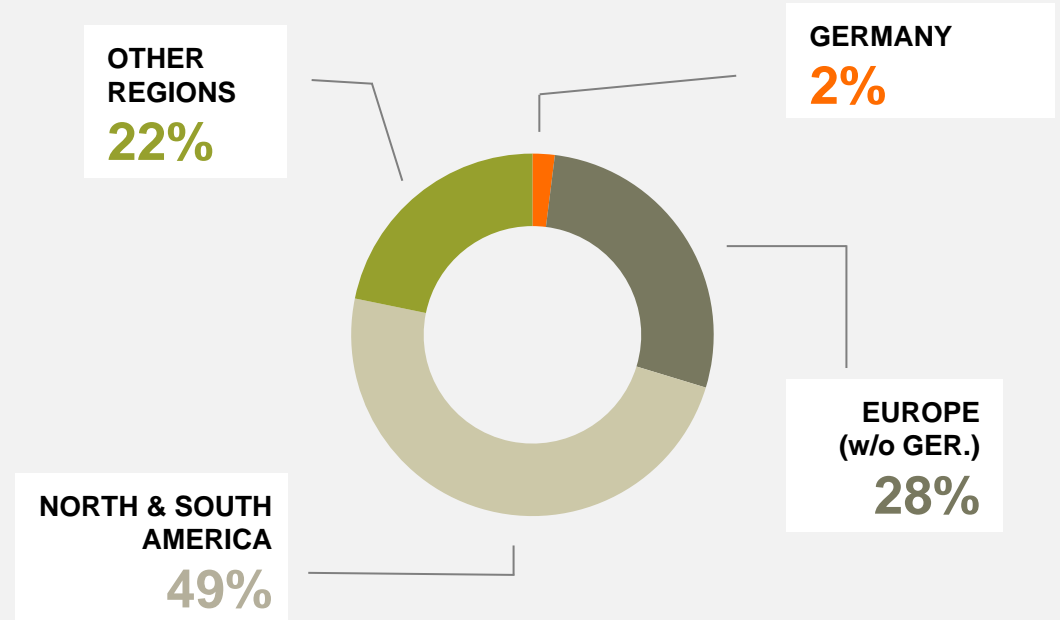
Tomato



Overview

- #1 in spinach seeds
- Long-term aspiration: 5% market share of global vegetable seed market
- Initiation of international breeding programs
- Focus on main vegetable crops: tomato, melon, watermelon, cucumber, pepper
- Seasonality: none

Sales by region*



*Financial year 2021/2022

FY 2021/2022

KWS resilient in a challenging environment

- Another successful year in the history of KWS
- Sales increase by 17.5% to EUR 1.54 billion
- EBIT and EBITDA with significant growth
- Dividend stable at 80 cents/share
- Strong growth continues in the new financial year
- Business environment still characterized by high risks (inflation, energy, Ukraine war)



Strong operative growth – Net income on previous year's level



in € million	2021/2022	2020/2021	+/-
Sales	1,539.5	1,310.2	17.5%
EBITDA	252.4	230.9	9.3%
EBIT	155.1	137.0	13.2%
Financial result	-16.9	5.5	-
Earnings before taxes	138.1	142.2	-2.9%
Taxes	30.4	31.6	-3.8%
Net income	107.8	110.6	-2.6%
Earnings per share (in €)	3.27	3.35	-2.6%

EBIT margin

EBIT as a percentage of sales

10.1% (10.5%)

COGS

as a percentage of sales

45.1% (43.6%)

R&D ratio

R&D as a percentage of sales

18.6% (19.3%)

Tax ratio

in %

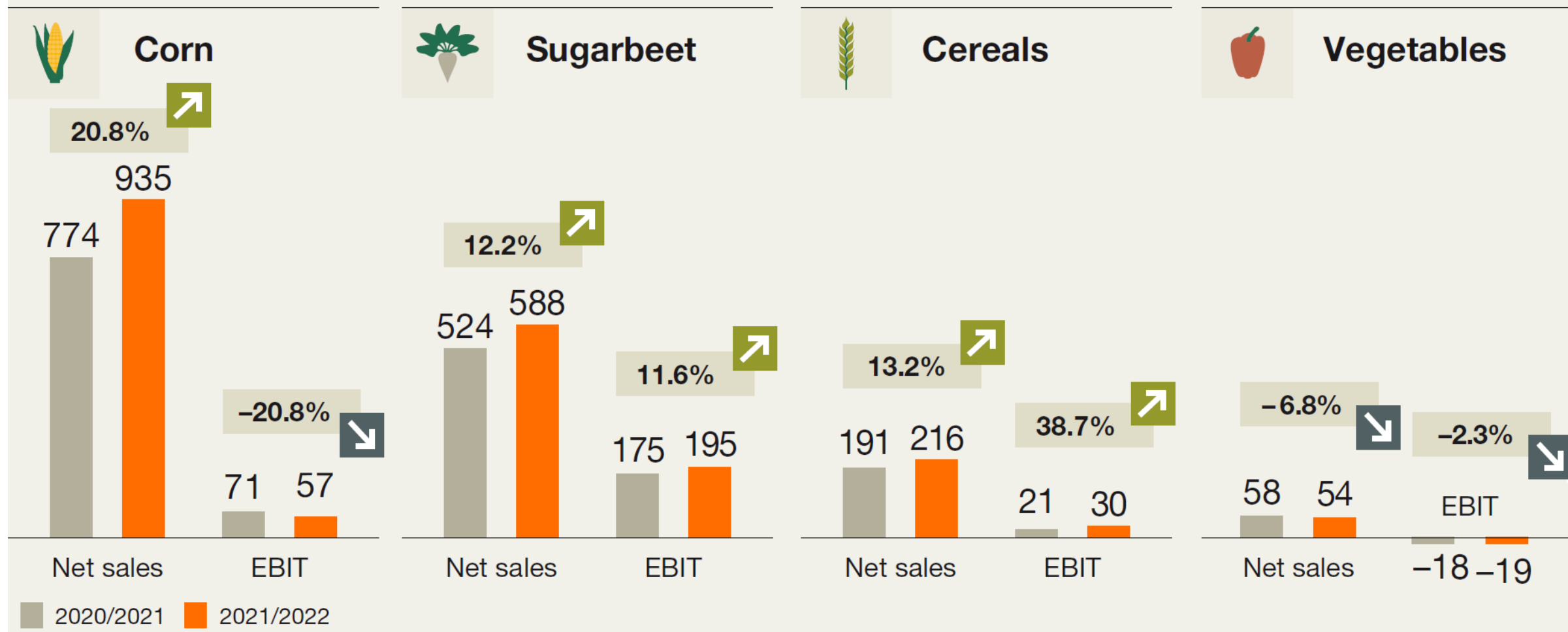
22.0% (22.2%)

Previous year's figures in brackets

Business update



in € million





New storage building for seeds in Einbeck



Area of 13,000 m²



Sustainable and energy-efficient construction



Investment volume around €40 million



Work place for about 100 employees



Expansion of capacities in Brazil



Doubling production capacities to 4 mill units



Decrease gas consumption of up to 70%

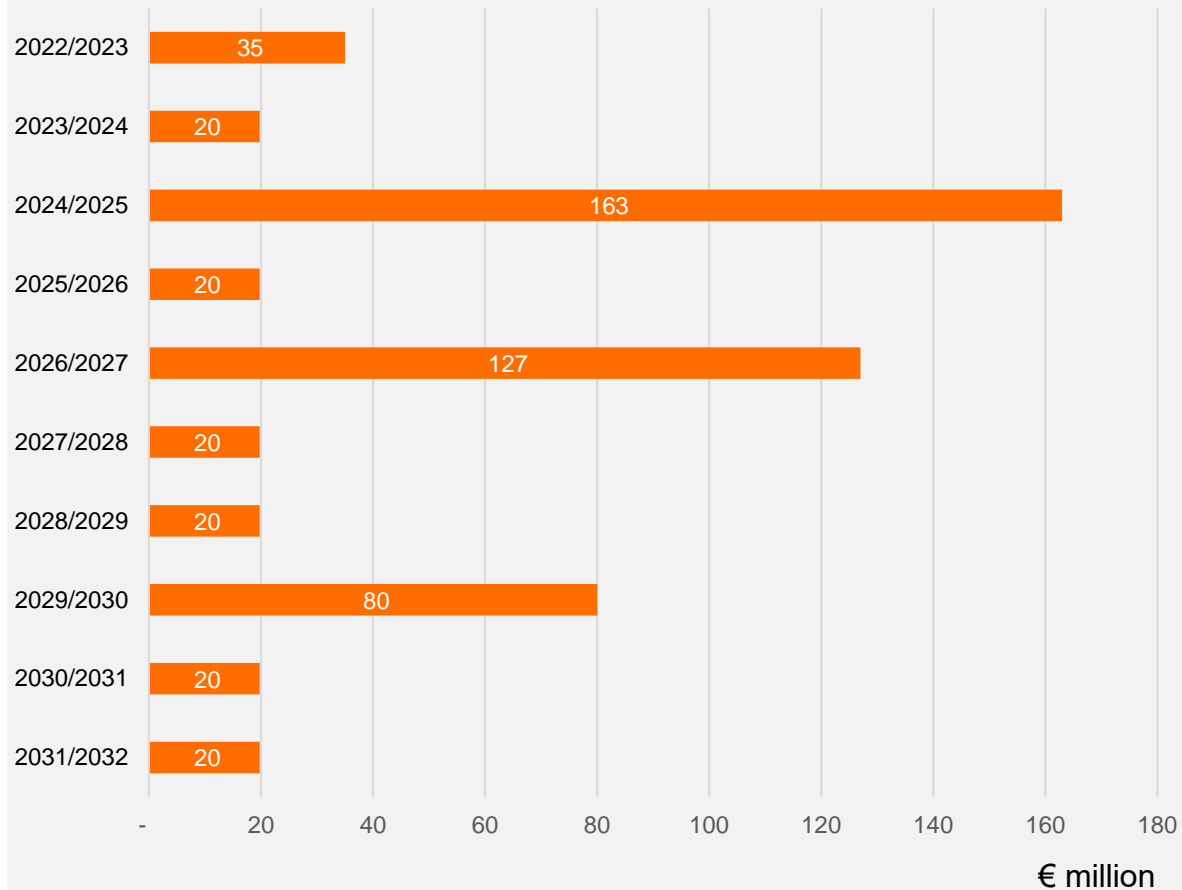


Investment volume around €15 million



Finalization by 2025

Maturity profile of financial liabilities (10 years)



- Current leverage at 2.25x Net debt/EBITDA
- Next major refinancing in the 2024/2025 financial year
- Currently low exposure to interest rate increases

Opportunities

- Price development for agricultural commodities
- Expansion of cultivated areas in anticipation of falling availability of agricultural products
- Broad KWS product portfolio enables market fluctuations to be balanced out

Risks

- Persistent inflationary pressures
- Availability of fossil fuels
- Influence of weather extremes on quantity and quality in seed multiplication
- Geopolitical risks, esp. Ukraine war



Guidance 2022/2023

- Sales up 7-9% (on a like-for-like basis)
- Growth in all product segments
- EBIT margin at 10-11%
- Continued high investments in research & development (18-20% of sales)

**TURNING
SUSTAINABILITY
INTO GROWTH**

EU Farm-to-Fork strategy sets challenging goals by 2030



50%

reduction in the overall
use and risk of plant
protection chemicals



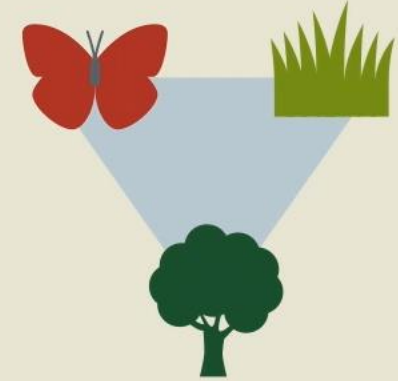
20%

reduction in the use
of inorganic fertilizers



25%

or more of agricultural
land under organic farming



10%

of agricultural area
under high-diversity
landscape features

Contribution of plant breeding: Product Impact



Safeguard food production

- 1.5 % annual yield gain for farmers through progress in plant breeding and
- Digital farming solutions on >6 million hectares



Minimize input required

- Invest >30 % p.a. of R&D budget into reduction of inputs
- >25% of KWS varieties are suitable for low input



Enhance crop diversity

- Increase number of crops with dedicated breeding programs from 24 to 27



Support sustainable diets

- >40 % of KWS varieties are suitable for predominantly direct use in human nutrition

Corporate Responsibility



Improve operational footprint

- Reduce scope 1 & 2 emissions by 50 % until 2030 and to net-zero by 2050
- Establish score cards



Foster social engagement

- Min. 1 % EBIT p.a. into social projects
- Improve employee engagement
- Declining trend of accidents/illnesses index

In alignment with global megatrends...



Climate change



Call for sustainable agriculture and supply chains



Climate change impacts cultivation conditions



Cost pressure in agricultural raw material production

Consumer demands

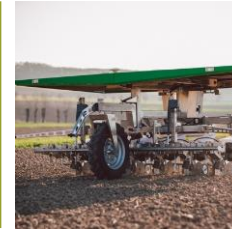


Growing demand for plant-based alternatives to animal protein

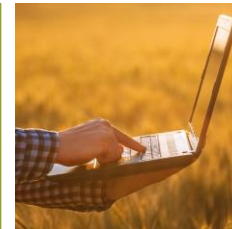


Desire for healthy lifestyle and diets

Digitalization



Automation and digitalization in the field of agriculture

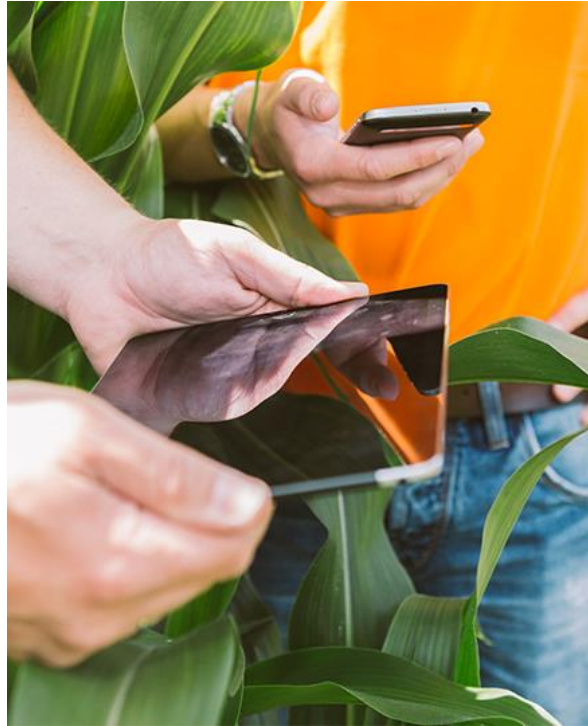


Evolution of direct and digital sales channels

... we identified our Fields of Growth



**Sustainable
Agricultural
Practices**



**Connected
Seeds**



**Nutritional
Food
Ingredients**



**Future
Sales
Models**

Sustainable Agricultural Practices – Our approach



Low input
varieties

A photograph of a dense field of green plants, likely a cover crop or a low-input variety, with a dirt path visible in the background.

Stress
resistant
varieties

A photograph of a small green plant growing in a clear plastic container filled with water, illustrating stress-resistant varieties.

Organic
seeds

A photograph of a field of white flowers, likely rapeseed, with green leaves and yellow buds.

Animal
feeding

A close-up photograph of a cow's head, showing its eye and ear, with a pile of brown feed (likely silage or hay) in the foreground.

Weed
control
methods

A photograph of a tractor with a green implement (likely a harrow or plow) working in a field, with a line of trees in the background.

Mixed
cropping
systems

An aerial photograph of a large agricultural field divided into several distinct colored sections (green, yellow, brown), representing different crops or land uses.

Examples for our contribution to a more sustainable agriculture



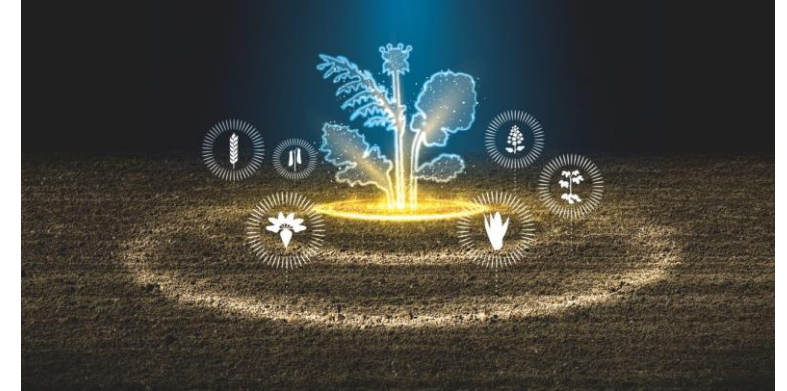
Cercospora-tolerance CR+

- Cercospora is by far the **most destructive leaf disease** of sugarbeet - reducing the crop yield by up to 50%
- KWS CR+ varieties offer a high level of Cercospora tolerance **AND** a high performance
- Support farmers who are forced to **limit their fungicide use** as much as possible



Drought-tolerant corn varieties

- Under the **CLIMACONTROL3** label, KWS offers innovative, drought-tolerant hybrid grain corn varieties
- Specifically targeted for **South-Eastern Europe**, where drought risks are imminent
- Above average capability to **cope with water stress** due to extensive root system, better transpiration control and higher accumulation



Catch Crops

- Catch crop cultivation is an important element of farming for **sustainably improving soil fertility**
- Catch Crops are **reducing nitrate leaching**. The nitrogen stored in the catch crop is then available to the follow-up crop (**N-fixing**).
- In advanced crop rotation cycles catch crops can **increase yields**

Nutritional Food Ingredients – sustainable, valuable sources of protein



A



Strengthening the portfolio of crops, varieties and traits in the field of alternative protein products

KWS will follow two promising approaches



B



Partnering with companies in the food industry; improvement of characteristics such as flavor, texture or emulsification

Connected Seeds - Expanding our growing digital platform „myKWS“



Continuous expansion of the **service area**



Expansion of **services and functions**



Today (among other things)

- Crop rotation planning
- Sowing optimization
- Inventory management tools
- Satellite-based damage analysis

Future Sales Models – Customer centricity



Digital Farming



CRM Systems



Seed Wholesaler



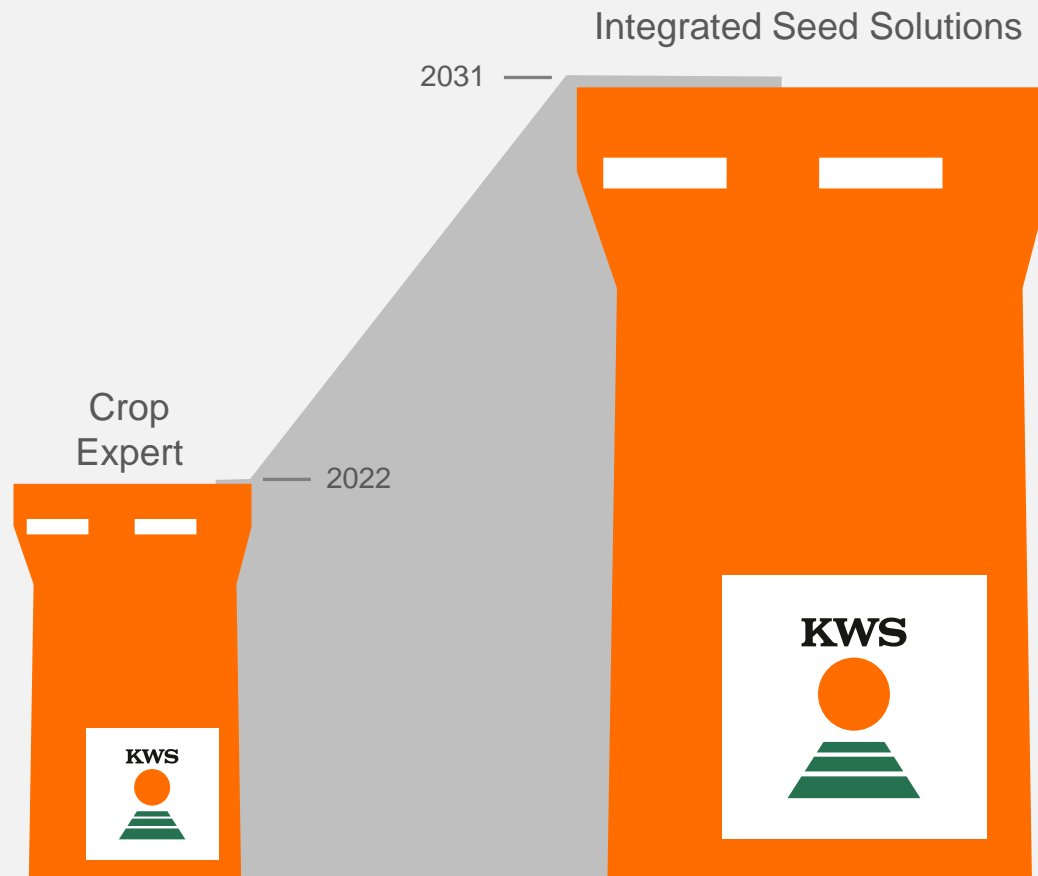
Consulting



Webshops



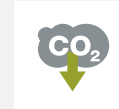
Future value creation through innovative seeds



Digital Services



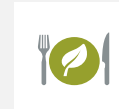
Less Inputs



Income opportunity GHG reduction



Higher yield



New Crops with high value creation



Leveraging crop synergies



Access to state of the art, tailored expertise

A man in a grey t-shirt and dark trousers is walking towards the camera in a field. To his right is the rear of a white tractor. The background shows a line of trees under a cloudy sky. The overall tone is warm and golden.

Bringing
**less water and
higher yields**
together.

**The future only works
together:**
learn more about our sustainable
ambition. kws.com/sustainability

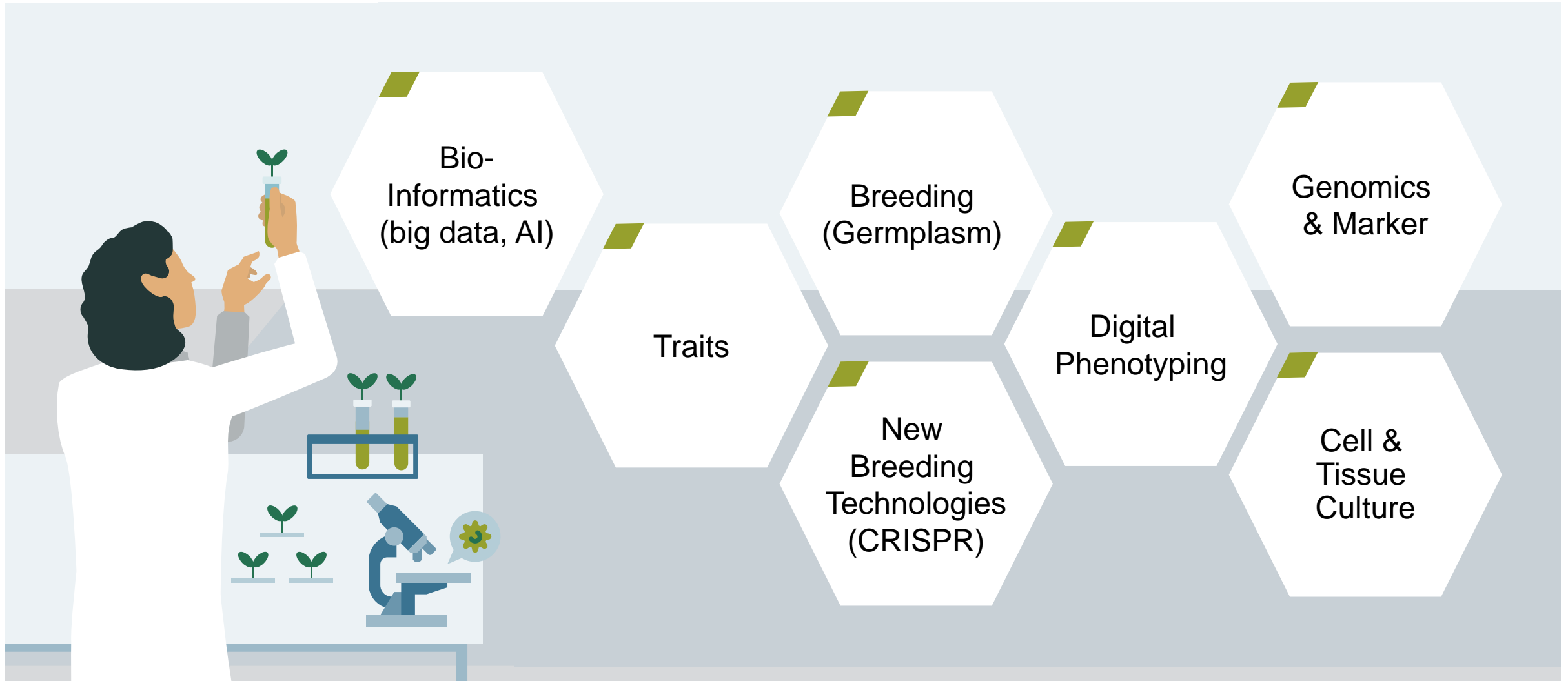
**INNOVATION IS
KEY TO SUCCESS**

We develop plants
that **support a
sustainable
agriculture.**

Technologies will
make this **faster and
more targeted.**

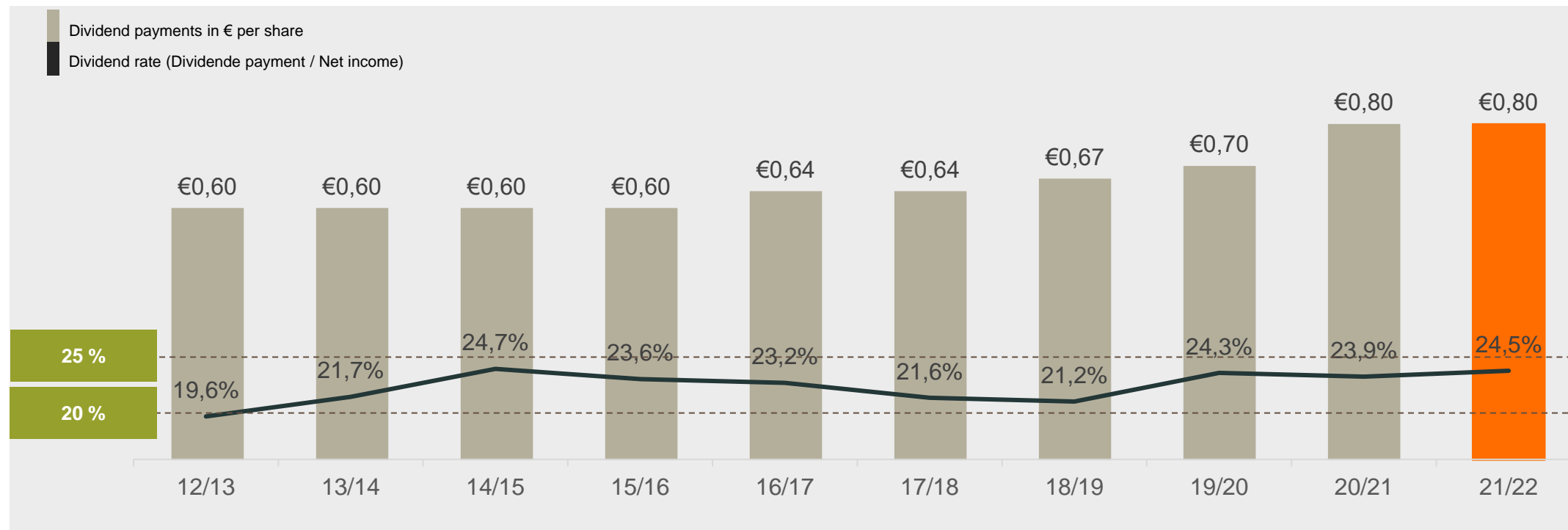


Technology is the backbone of our success



FURTHER INFORMATION

Dividend payments and dividend rate of the last 10 years



Dividend policy continued

Key figures for the KWS share, shareholdings and coverage



1 General Data

- ISIN
- Number of shares
- Type

DE0007074007
33.000.000
No-par value shares

2 Closing price (Xetra)*

- June 30, 2022
- June 30, 2021

in €
55.80
69.40

3 Daily trading volume (avg.)

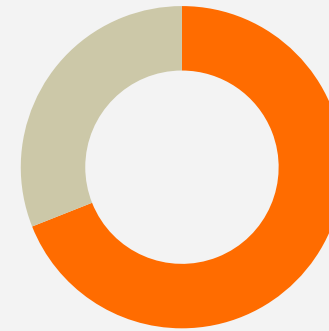
- 2021/2022
- 2020/2021

in shares/day
7,687
9,203

4 Market capitalization

- June 30, 2022
- June 30, 2021

in € million
1,841
2,290



FAMILIES
BÜCHTING, AREND
OETKER, TESSNER

69.1%

(t/o TESSNER
BETEILIGUNGS
GMBH)

(15.4%)

FREE FLOAT

30.9%

 **DZ BANK**
Die Initiativbank

STIFEL


M.M. WARBURG & CO
BANK

 **Kepler
Cheuvreux**


ODDO BHF

Financial calendar and IR contact



November 14, 2022	Q1 Report 2022/2023
December 6, 2022	Annual Shareholders' Meeting, Einbeck
February 9, 2023	H1 Report 2022/2023



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