

Investor presentation

KWS SAAT SE & Co. KGaA | February 2023

SEEDING
THE FUTURE
SINCE 1856

KWS



**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

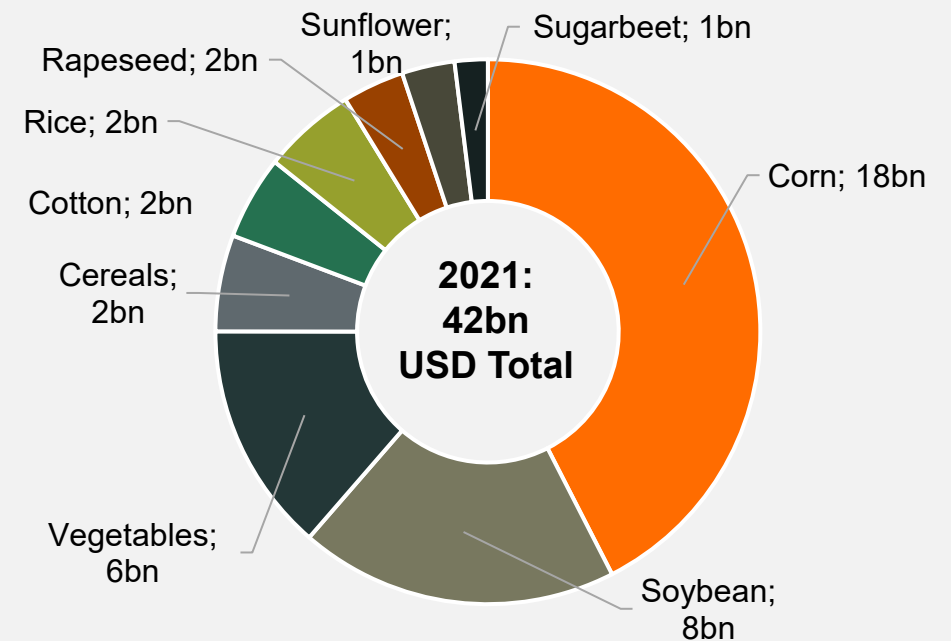
Europe

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

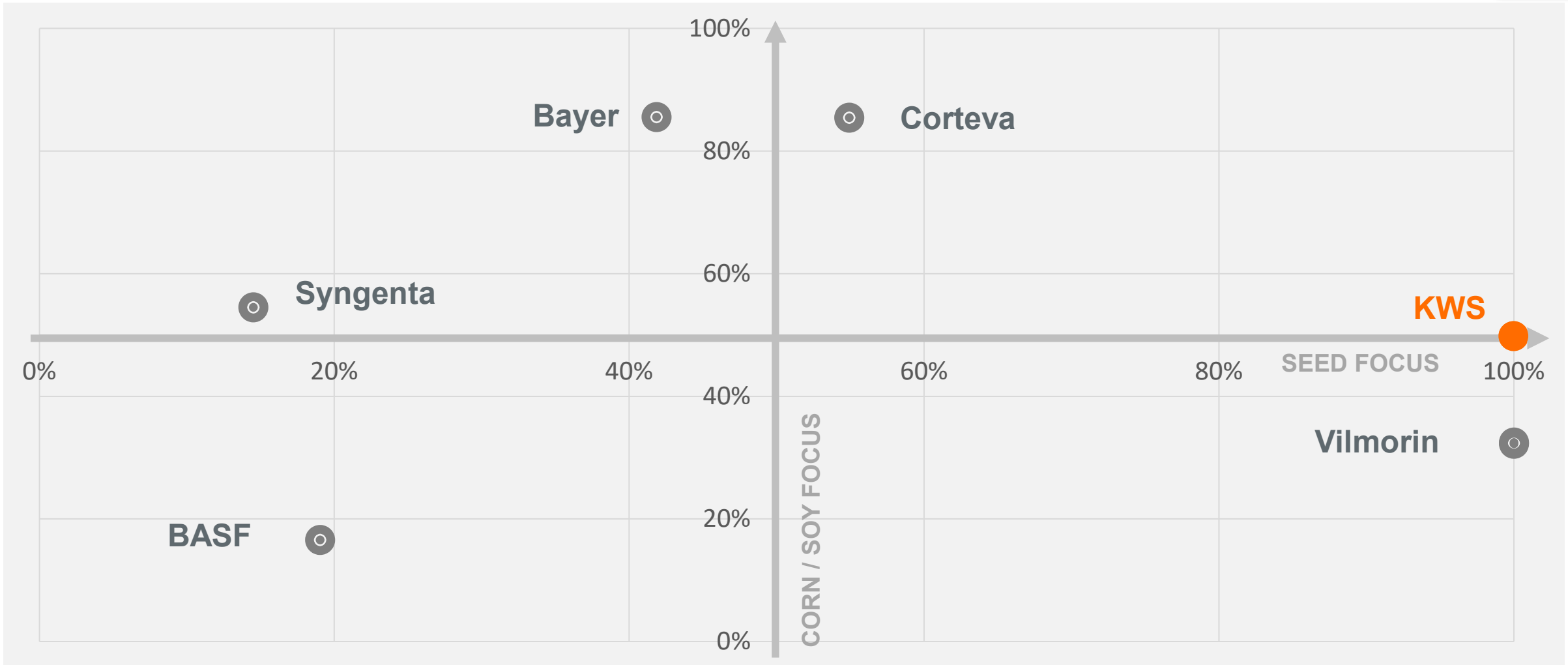
1. Corteva
2. Bayer
- 3** KWS
4. Syngenta Group
5. Vilmorin

Sources: AgbioInvestor 2022 and KWS estimates. Ranking KWS and Vilmorin includes 50% of AgReliant sales each

Global Commercial Seed Market (in USD)

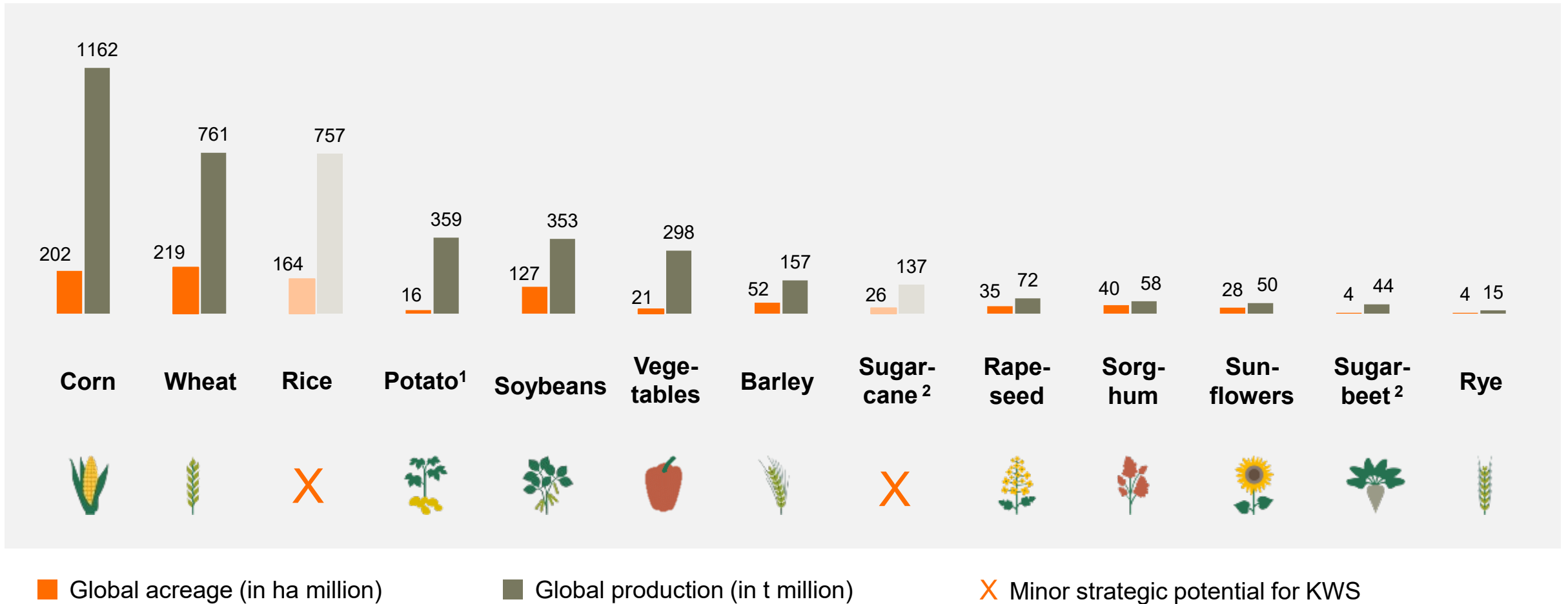


Strategic market position



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



Source: faostat.fao.org (Data for 2020), 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.



NET SALES*
in € million

935

EBITDA*
in € million

96

EBIT*
in € million

57



Corn



Soybeans



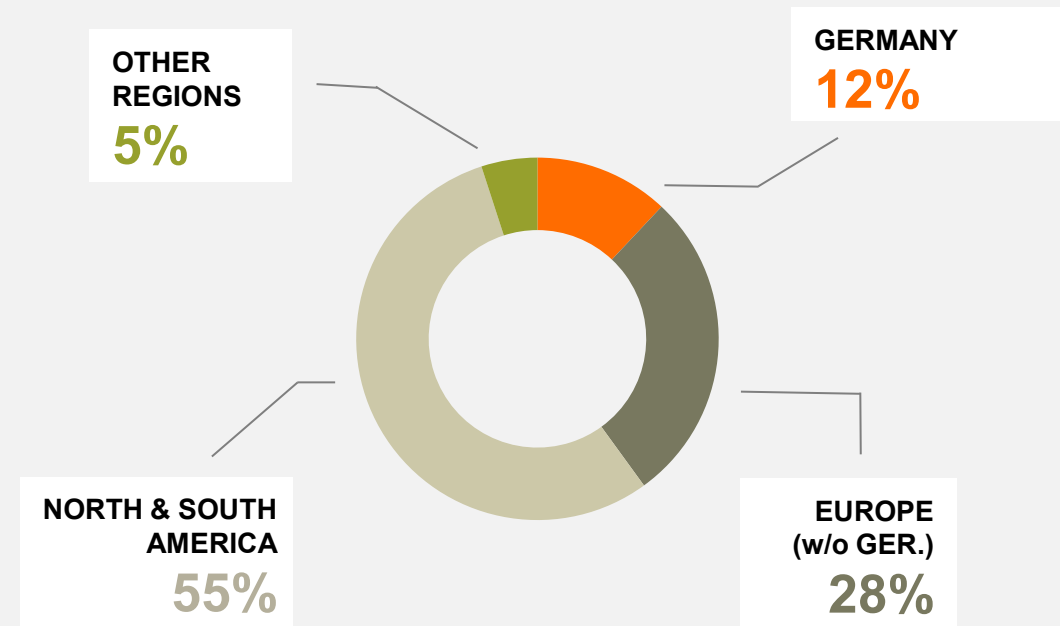
Sunflower



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*



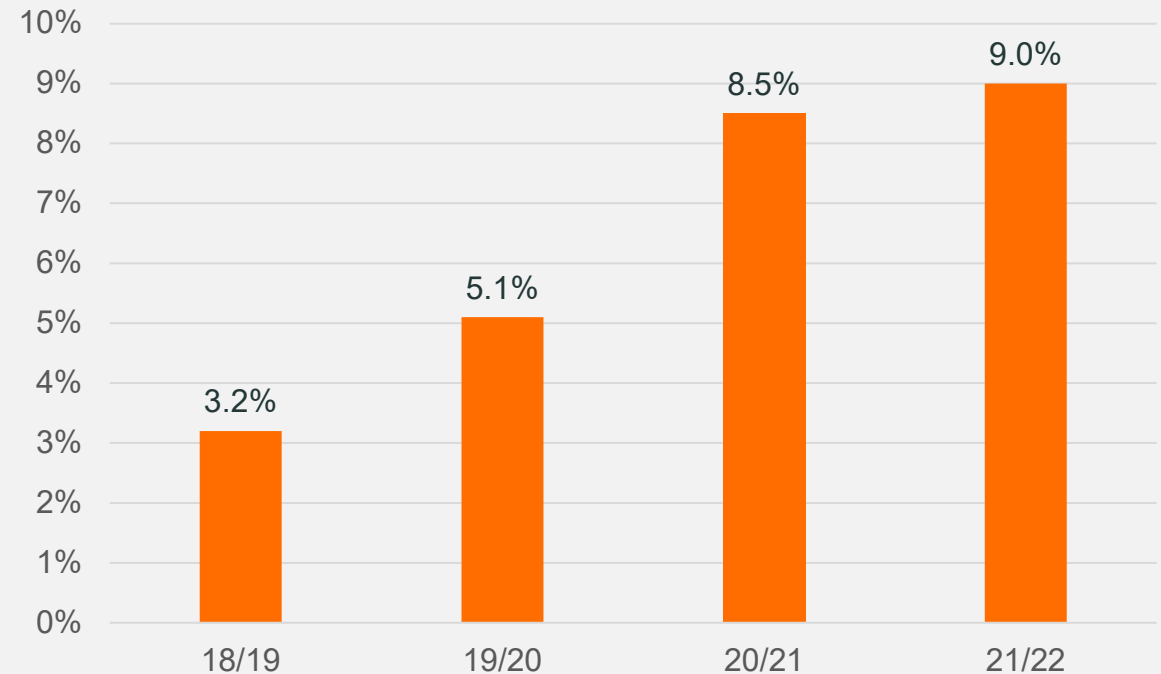
*Financial year 2021/2022

KWS has reached top level in Brazil based on its **strong product portfolio**

KWS won 2 years in a row the best Corn Seed Company



KWS' market share (Corn Brazil)



Sugarbeet Segment



NET SALES*
in € million

588

EBITDA*
in € million

216

EBIT*
in € million

195



Sugarbeet



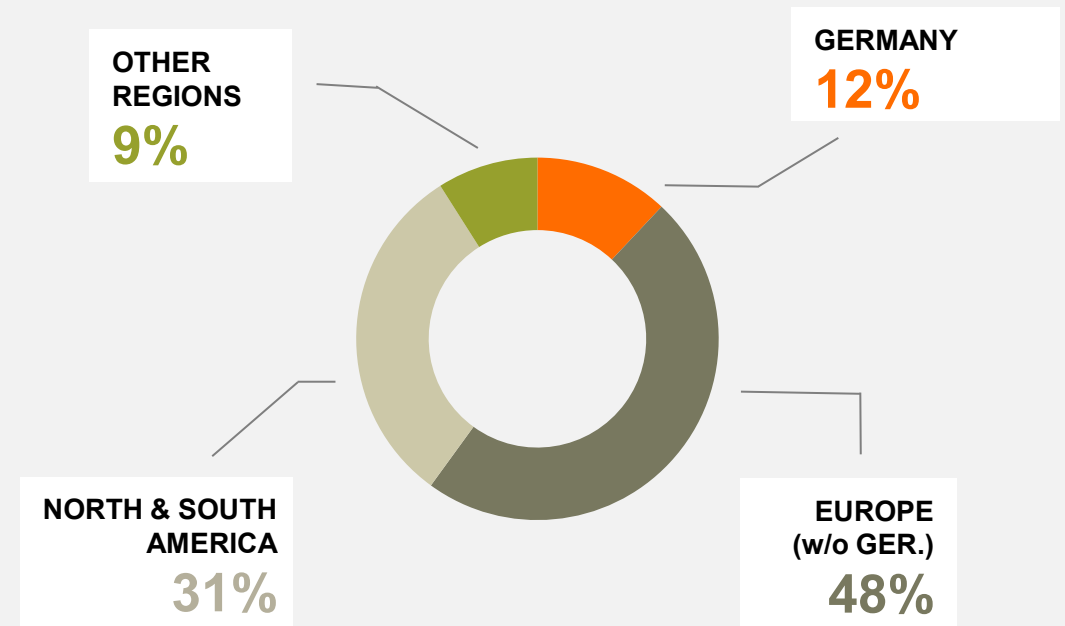
Feedbeet



Overview

- Leading position globally with >60% market share
- Growth driver: innovative product portfolio & pipeline, addressing needs of sugarbeet growers
- Example: New CR+ varieties offer a high level of tolerance against leaf disease cercospora, thus reducing fungicide use
- Seasonality: mainly Q3

Sales by region*



*Financial year 2021/2022

The new and powerful
**Cercospora variety
generation (CR+)**
offers a novel **disease
suppression** and
yield performance

Classic variety

CR+ variety



Cereals Segment



NET SALES*
in € million

216

EBITDA*
in € million

39

EBIT*
in € million

30



Rye



Rapeseed



Wheat



Barley



Sorghum

...

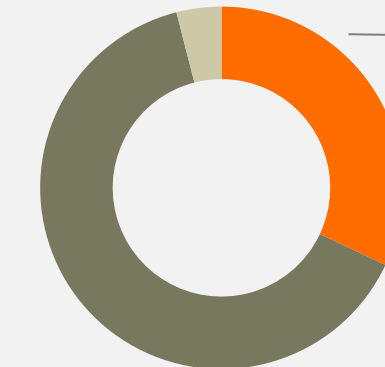


Overview

- 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%



GERMANY
32%

EUROPE
(w/o GER.)
63%

*Financial year 2021/2022

Hybrid rye has the **lowest CO2 footprint** of all cereals.

It requires far **less water, agrochemicals and fertilizers.**



#RYEVOLUTION

Vegetables Segment



NET SALES*
in € million

54

EBITDA¹
in € million

3

EBIT¹
in € million

1



Spinach



Beans



Swiss
Chard



Tomato

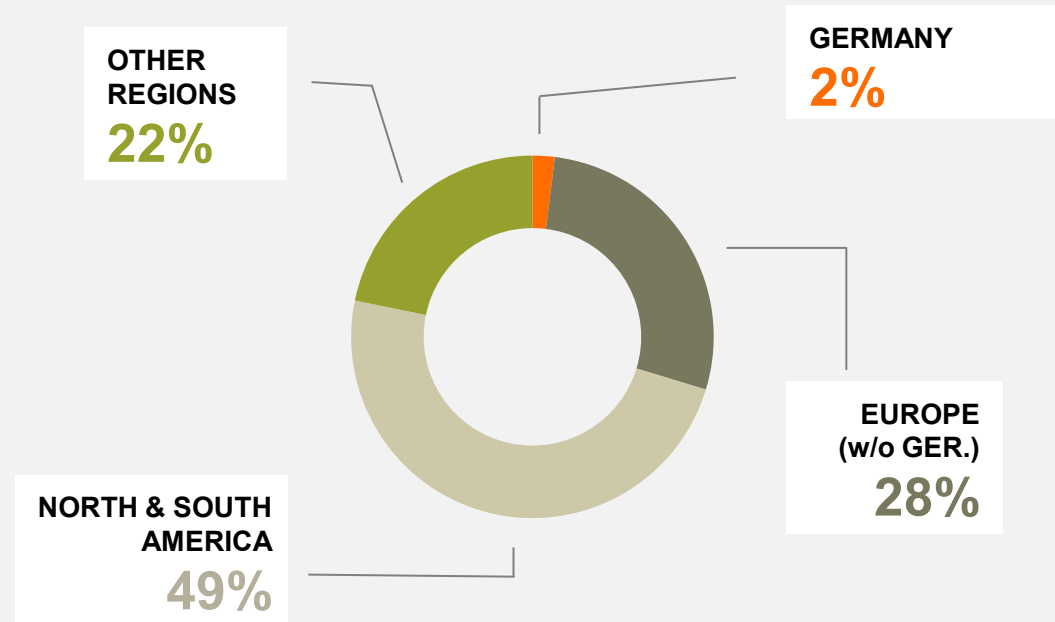
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Overview

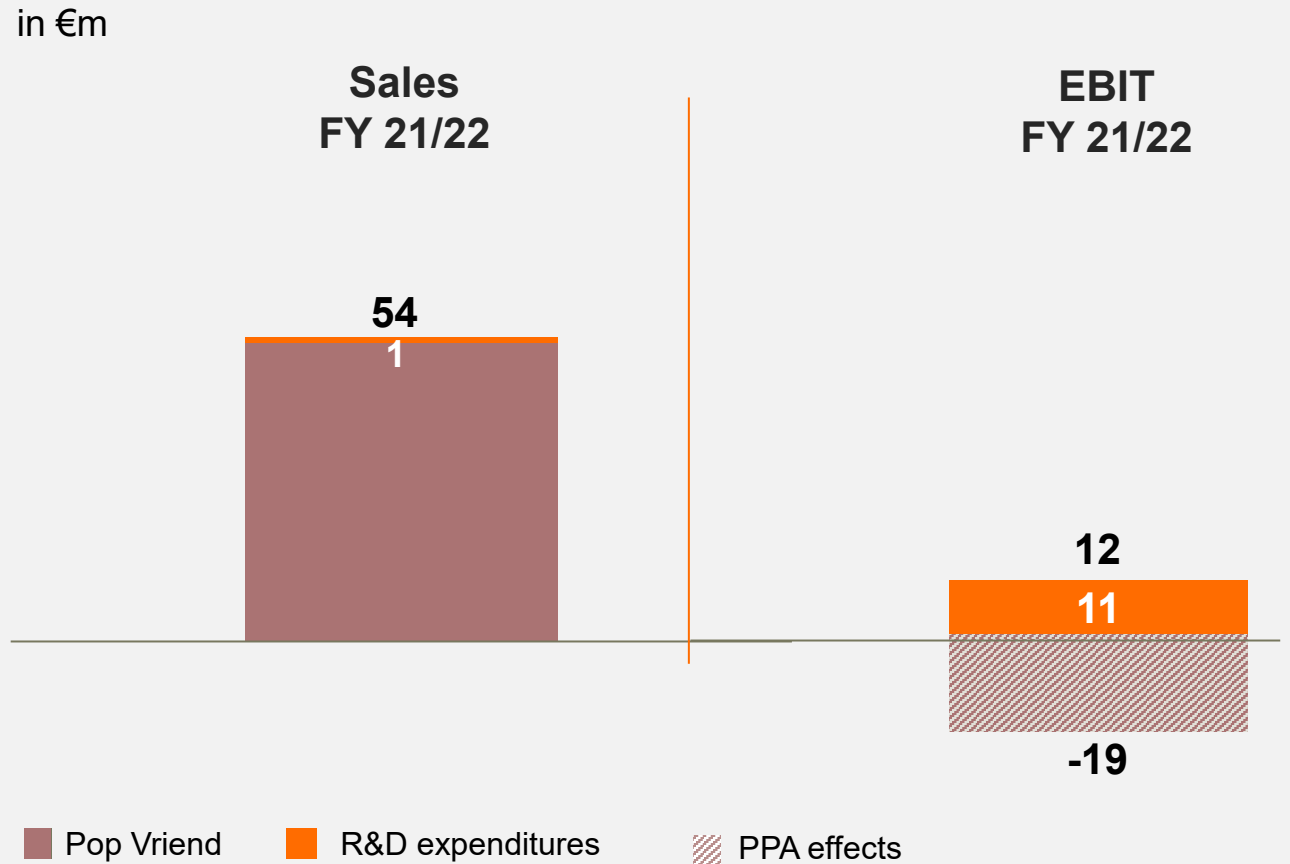
- Leading in spinach seeds
- Long-term aspiration: 5% market share of global vegetable seed market
- Initiation of international breeding programs
- Focus on main vegetable crops: tomato, melon, watermelon, cucumber, pepper
- Seasonality: none

Sales by region*



*Financial year 2021/2022

High **R&D investments** into new crops while maintaining **strong profitability** of > 20% in acquired vegetable seed business



Update

Q2 2022/2023

Dynamic growth in an attractive market

- Sales of the KWS Group increased significantly by around 31% in H1 2022/2023
- Strong growth in all product segments
- EBIT and EBITDA improved significantly; still seasonally negative
- Sales growth outlook increased again to 13-15% (prev. 10-12%)
- EBIT margin outlook confirmed



Financials H1 2022/2023*



in € million	H1 2022/2023	H1 2021/2022	+/-
Net sales	563.7	431.6	30.6%
EBITDA	-24.5	-45.2	45.8%
EBIT	-71.9	-89.5	19.7%
Net financial income/expenses	-36.3	-27.3	-33.0%
Result of ordinary activities	-108.2	-116.8	7.4%
Income taxes	-28.7	-31.5	-8.9%
Net income for the period	-79.5	-85.3	6.7%
Earnings per share (in €)	-2.41	-2.58	6.7%

EQUITY RATIO

in % of total assets

39.8% (37.2%)

TOTAL ASSETS

in € million

2,772 (2,551)

CAPEX (w/o Acquisitions)

in € million

46.4 (39.1)

NET DEBT

in € million

749.7 (636.7)

*Earnings figures in H1 typically negative due to seasonality

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 updated

- Sales up 13-15% on a like-for-like basis (Nov 22: 10-12%; Sep 22: 7-9%) 
- 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 **targets** by 2030

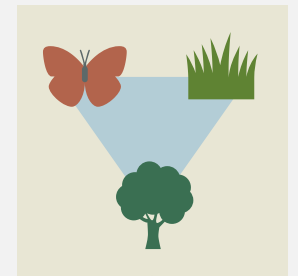
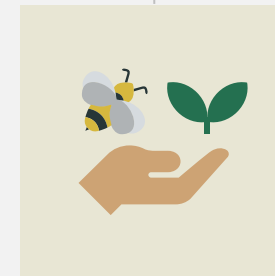
50%

reduction in the overall use and risk of plant protection chemicals



25%

or more of agricultural land under organic farming



20%

reduction in the use of inorganic fertilizers



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

Consumer demands

Digitalization



Call for sustainable agriculture and supply chains



Growing demand for plant-based alternatives to animal protein



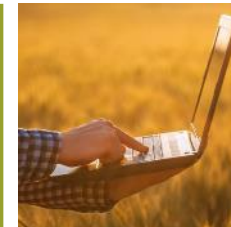
Automation and digitalization in the field of agriculture



Climate change impacts cultivation conditions



Desire for healthy lifestyle and diets



Evolution of direct and digital sales channels



Cost pressure in agricultural raw material production

... we identified our Fields of Growth



**Sustainable
Agricultural
Practices**



**Connected
Seeds**

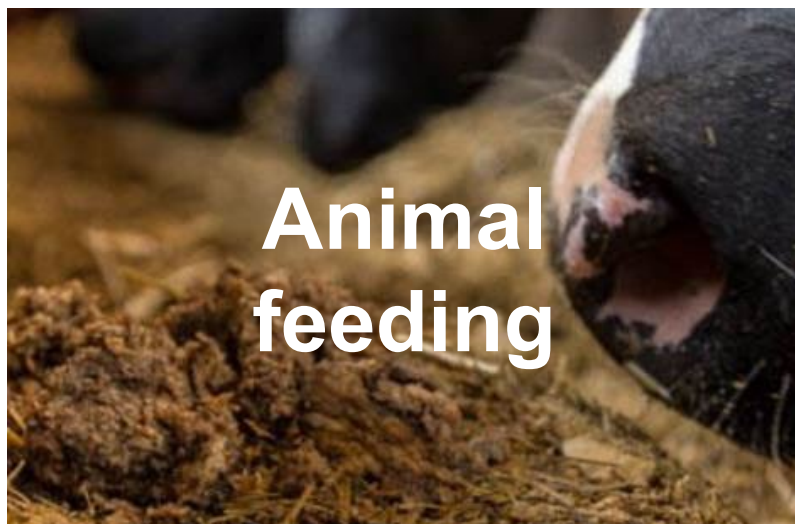


**Nutritional
Food
Ingredients**



**Future
Sales
Models**

Sustainable Agricultural Practices – Our approach





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**



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

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



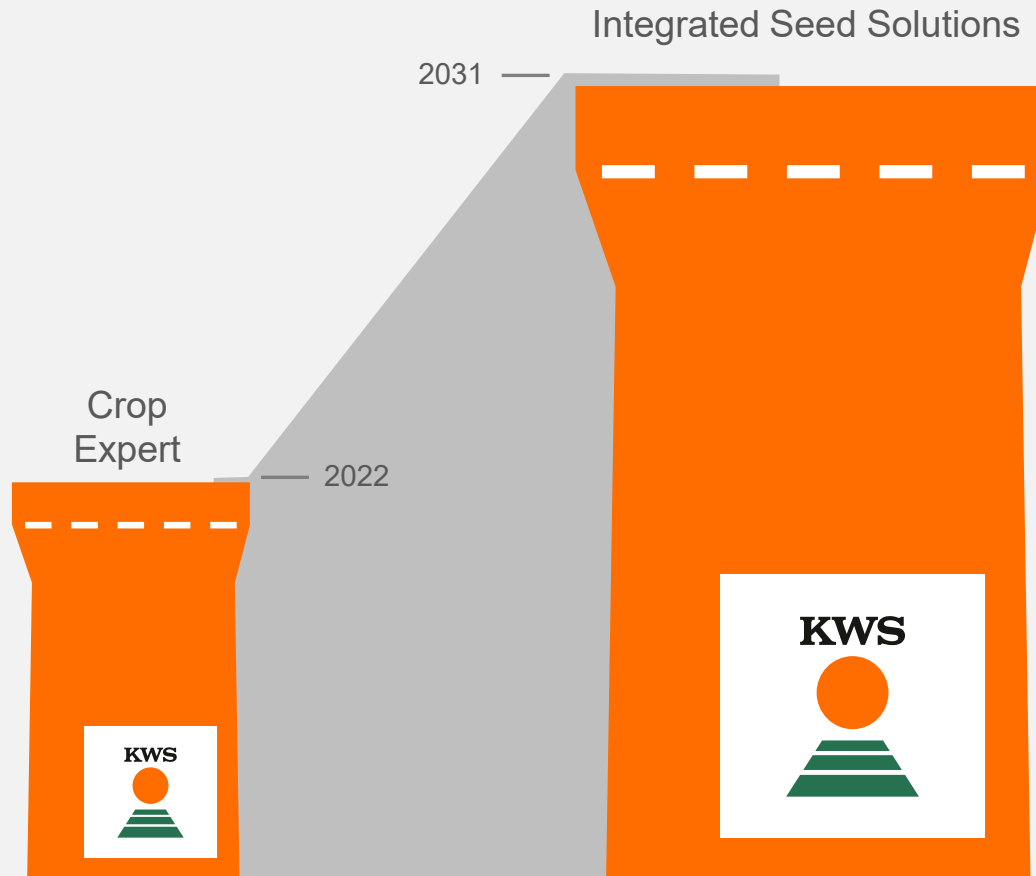
Consulting



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 walks towards the camera in a field. To his right, a tractor is visible, and a trail of dust or soil is kicked up behind it. The background shows a line of trees under a cloudy sky.

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

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

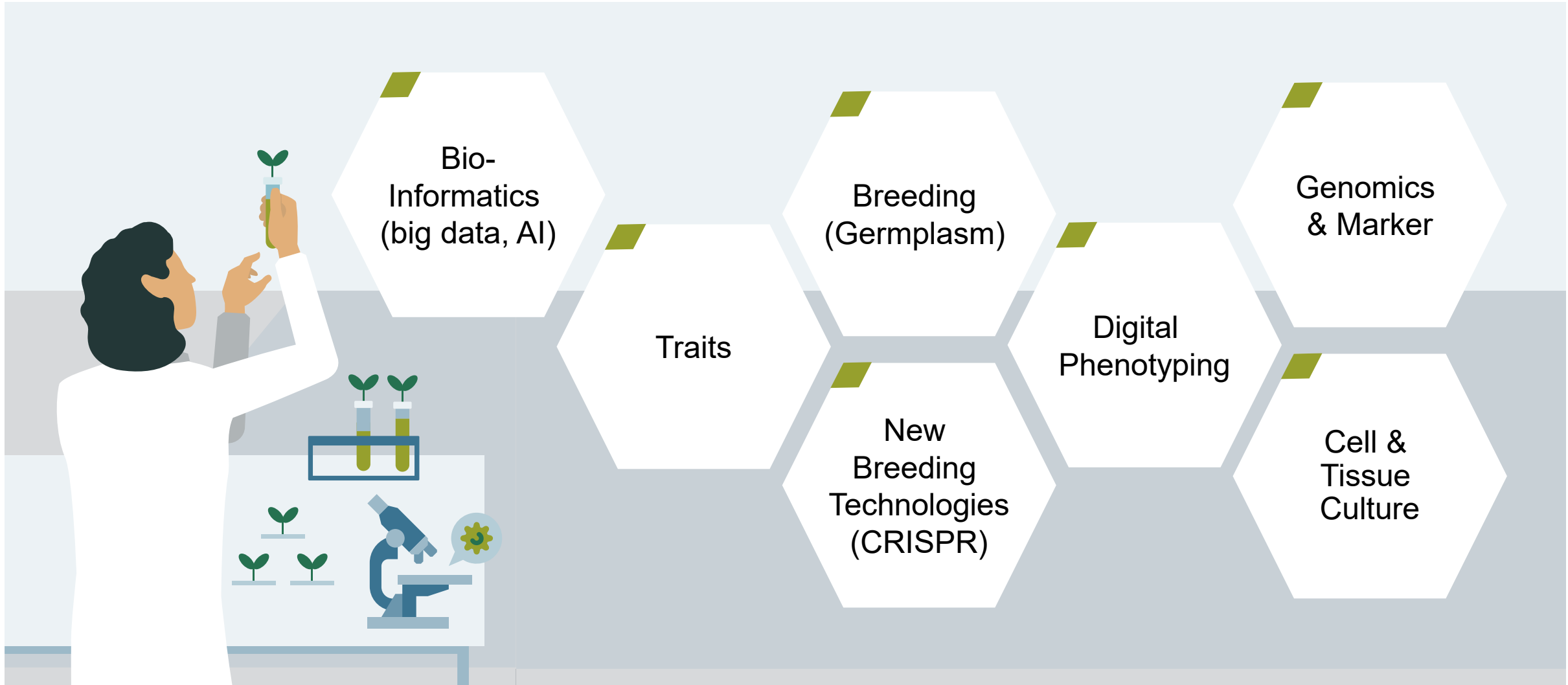
**INNOVATION IS
KEY TO SUCCESS**

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

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

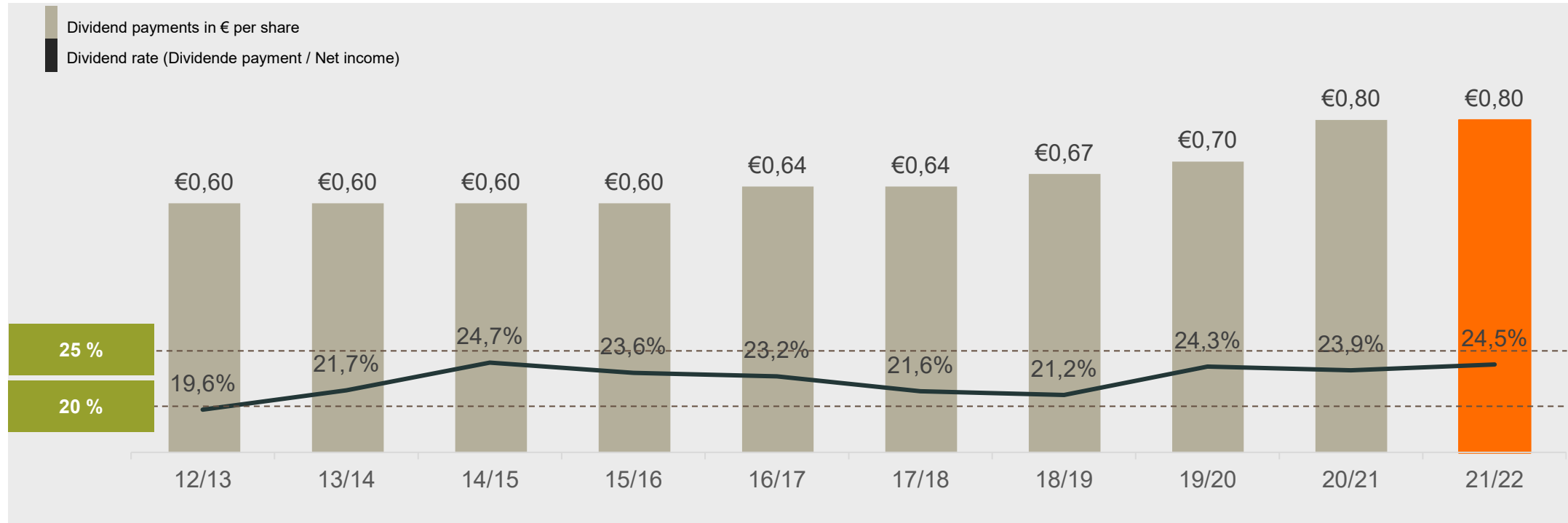


Technology is the backbone of our success



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	
	<ul style="list-style-type: none"> ▪ ISIN ▪ Number of shares ▪ Type 	<p>DE0007074007 33.000.000 No-par value shares</p>
2	Closing price (Xetra)*	in €
	<ul style="list-style-type: none"> ▪ June 30, 2022 ▪ June 30, 2021 	<p>55.80 69.40</p>
3	Daily trading volume (avg.)	in shares/day
	<ul style="list-style-type: none"> ▪ 2021/2022 ▪ 2020/2021 	<p>7,687 9,203</p>
4	Market capitalization	in € million
	<ul style="list-style-type: none"> ▪ June 30, 2022 ▪ June 30, 2021 	<p>1,841 2,290</p>



Financial calendar and IR contact



May 11, 2023 9M Report 2022/2023

September 27, 2023 FY Report 2022/2023

November 9, 2023 Q1 Report 2023/2024

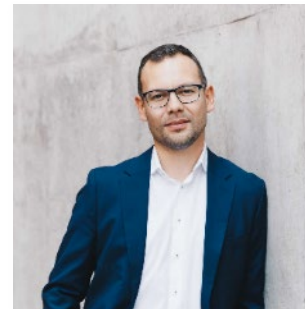


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