

# Investor presentation

KWS SAAT SE & Co. KGaA | May 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

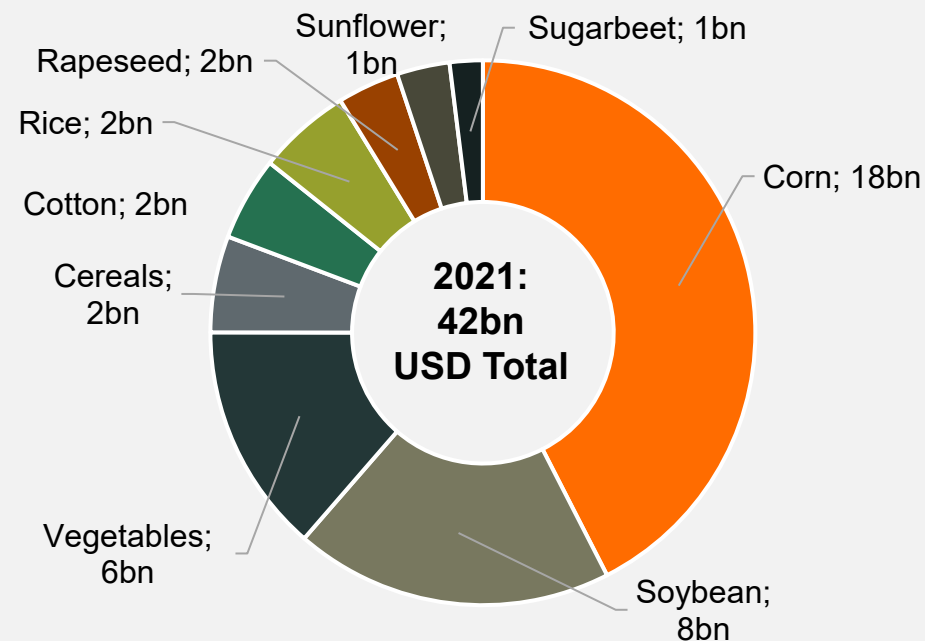
1. Bayer
2. Corteva
3. Syngenta Group
4. Vilmorin
- 5. KWS**

### Europe

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

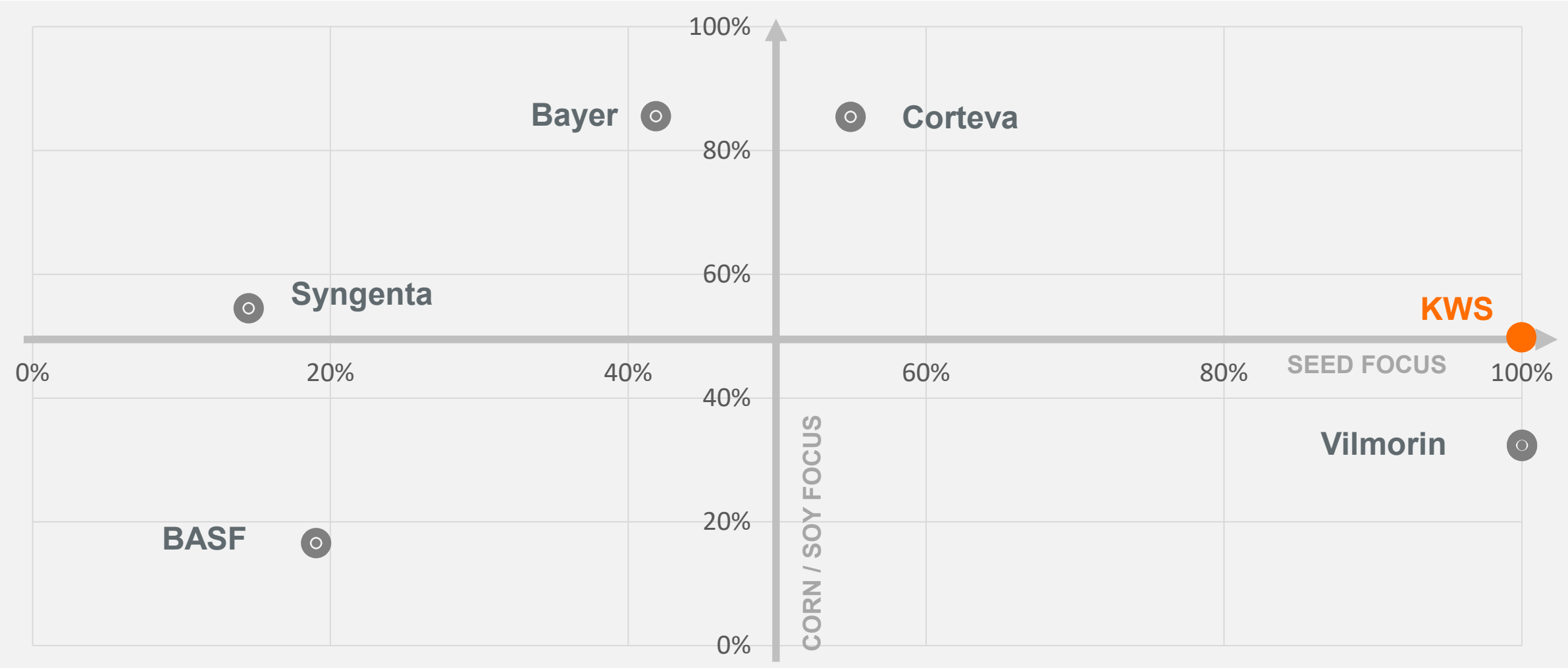
Sources: AgbioInvestor 2022 and KWS estimates. Ranking KWS and Vilmorin includes 50% of AgReliant sales each

## Global Commercial Seed Market (in USD)



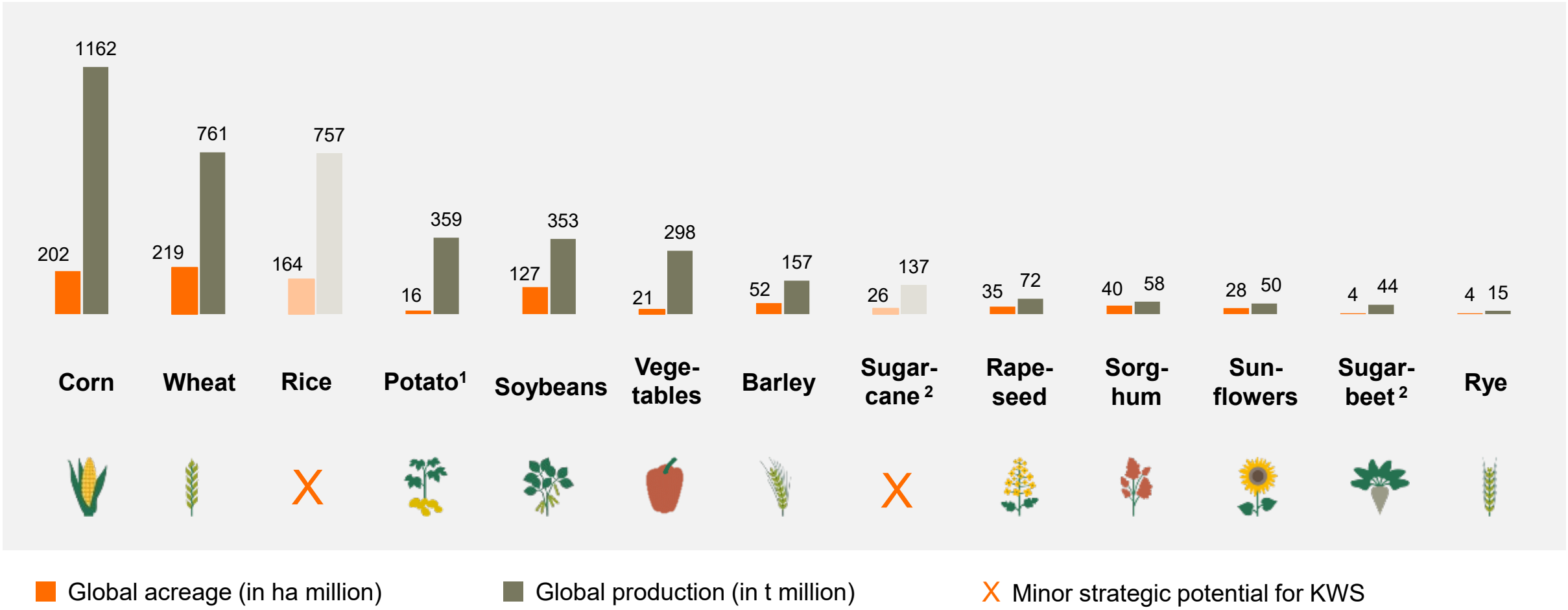


# Strategic market position



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; <sup>1</sup> No commercial business for KWS, but target of strategic research and development.

<sup>2</sup> 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**



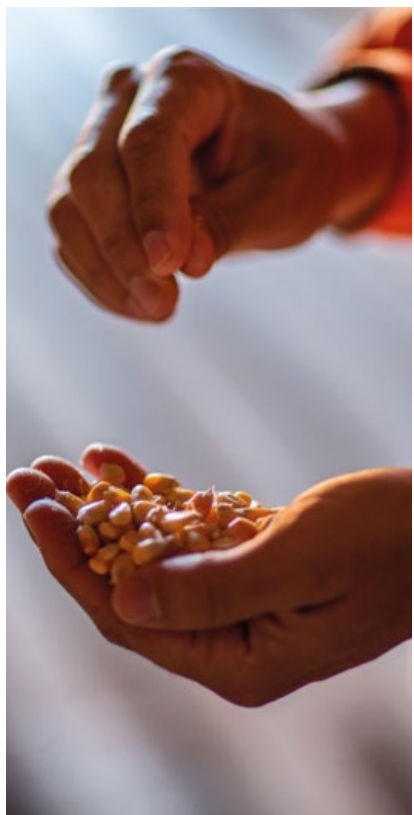
**Corn**



**Soybeans**



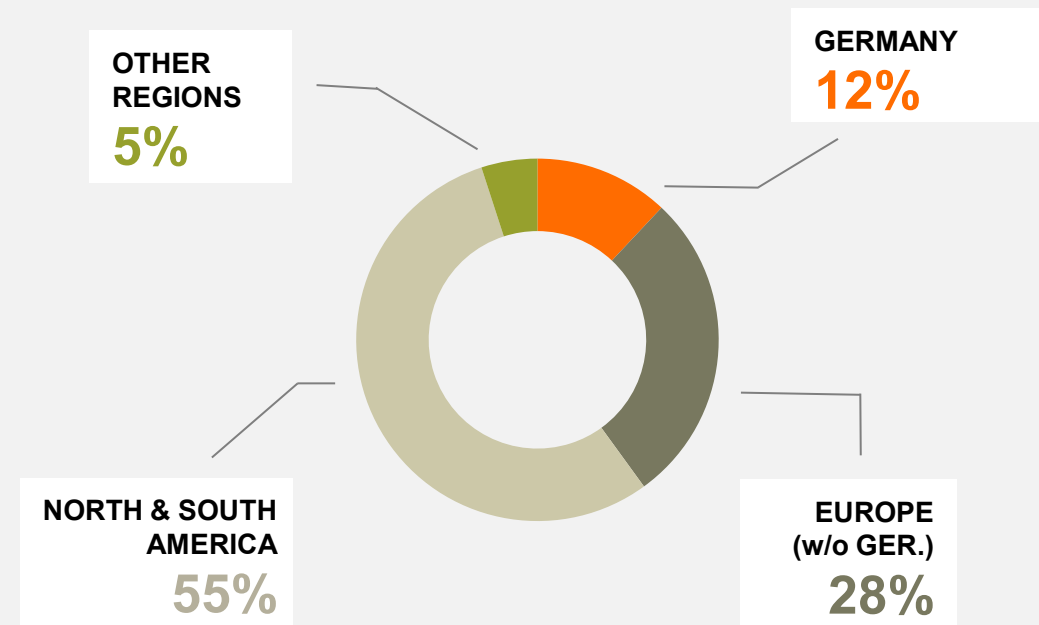
**Sunflower**



## 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\*



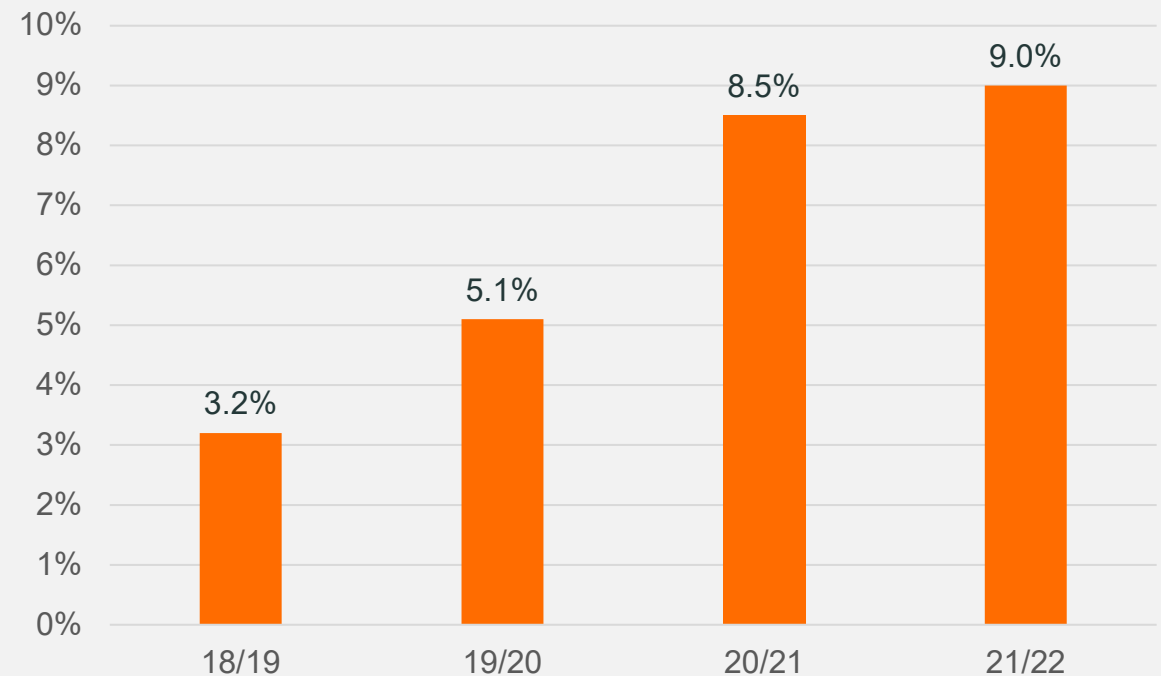
\*Financial year 2021/2022

**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



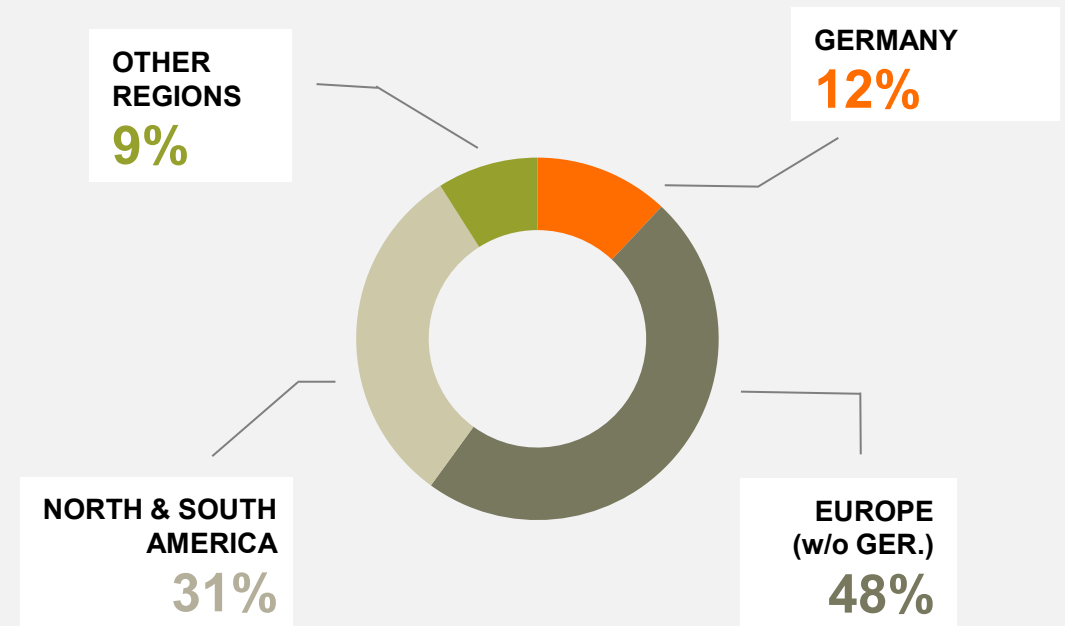
Feedbeet



## 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

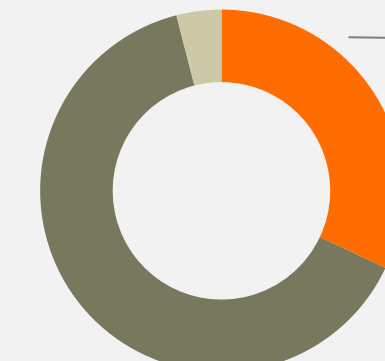
- Broad portfolio of cereal crops
- #1 in hybrid rye, leading position in rapeseed
- Strong R&D pipeline including hybrid wheat
- Growth driver: hybrid rye, regional expansion
- Seasonality: mainly H1

## Sales by region\*

NORTH & SOUTH  
AMERICA  
**5%**

EUROPE  
(w/o GER.)  
**63%**

GERMANY  
**32%**



\*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

EBITDA<sup>1</sup>  
in € million

3

EBIT<sup>1</sup>  
in € million

1



Spinach



Beans



Swiss  
Chard



Tomato

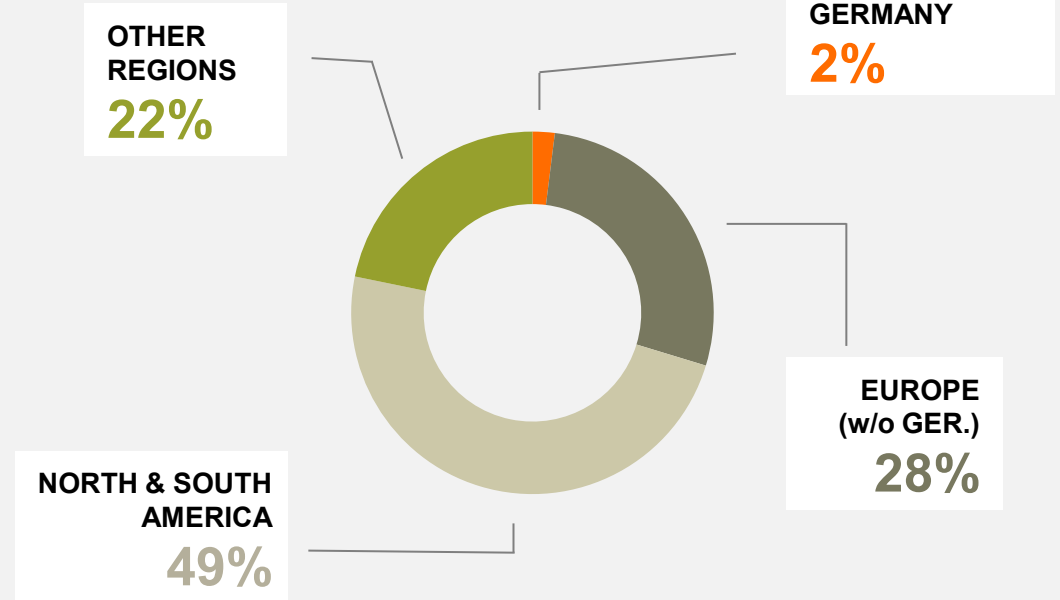
...



## Overview

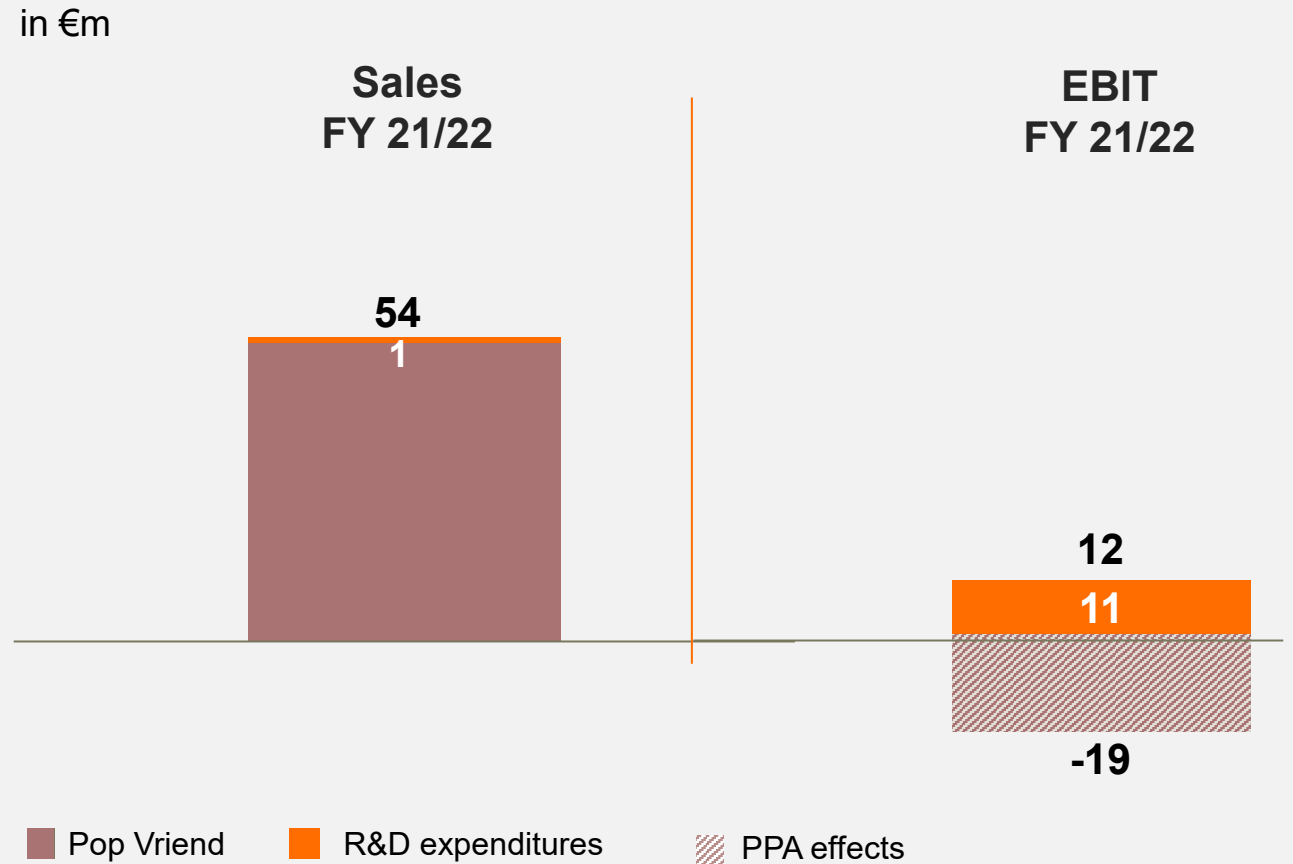
- Leading in spinach seeds
- Long-term aspiration: 5% market share of global vegetable seed market
- Initiation of international breeding programs
- Focus on main vegetable crops: tomato, melon, watermelon, cucumber, pepper
- Seasonality: none

## 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**  
**9M 2022/2023**

# Strong performance in favorable agricultural environment

- **Sales up by 25%** due to growth in all product segments
- **EBIT increased 40%** despite continued inflationary pressure
- **Improved 2022/23 outlook** for sales and EBIT margin
- **Agricultural commodity prices** have eased, but still provide attractive levels for farmers and seed industry





# Financials 9M 2022/2023



in € million	9M 2022/2023	9M 2021/2022	+/-
Sales	1,514.0	1,213.7	24.7%
EBITDA	334.8	254.0	31.8%
EBIT	261.2	185.9	40.5%
Financial result	-18.7	-0.8	-
Earnings before taxes	242.5	185.2	30.9%
Taxes	64.3	50.0	28.6%
<b>Net income</b>	<b>178.2</b>	<b>135.2</b>	<b>31.8%</b>
<b>Earnings per share</b>	<b>5.40</b>	<b>4.10</b>	<b>31.8%</b>

## EQUITY RATIO

in % of total assets

**43.4%** (40.9%)

## Operating Cashflow

in € million

**-31.0** (-26.3)

## CAPEX (w/o Acquisitions)

in € million

**71.5** (67.2)

## NET DEBT

in € million

**684.9** (620.9)

Previous year's figures in brackets

## 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
- Influence of weather extremes on quantity and quality in seed multiplication
- Geopolitical risks, esp. Ukraine war



## Guidance 2022/2023 updated again

- Upper end of 13-15% Sales growth guidance on a like-for-like basis (Nov 22: 10-12%; Sep 22: 7-9%) 
- Growth in all product segments
- EBIT margin at 11-12% (before: 10-11%) 
- Continued high investments in research & development with 18-19% of sales (before: 18-20%) 

**TURNING  
SUSTAINABILITY  
INTO GROWTH**

# EU **Farm-to-Fork** strategy sets challenging **targets** by 2030

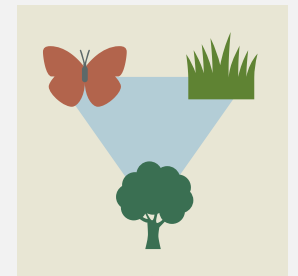
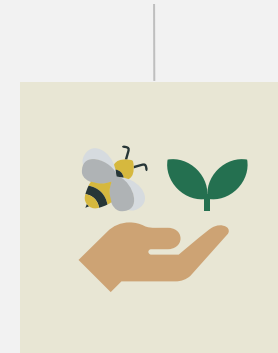
**50%**

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



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

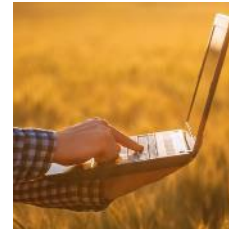


Desire for healthy lifestyle and diets

## Digitalization



Automation and digitalization in the field of agriculture

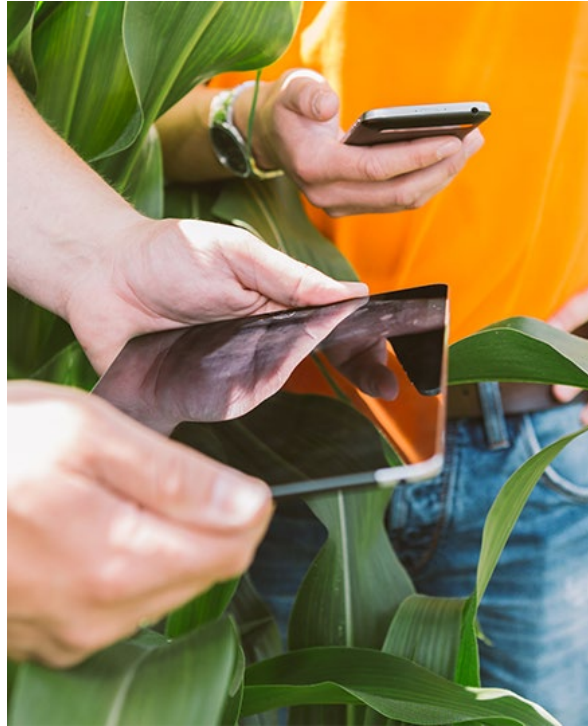


Evolution of direct and digital sales channels

... 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 the text 'Low input varieties' overlaid in white.

Stress  
resistant  
varieties

A photograph of a small green plant growing in a clear plastic container filled with water, with the text 'Stress resistant varieties' overlaid in white.

Organic  
seeds

A photograph of a field of white flowers, likely rapeseed, with the text 'Organic seeds' overlaid in white.

Animal  
feeding

A close-up photograph of a cow's head, showing its eye and ear, with the text 'Animal feeding' overlaid in white.

Weed  
control  
methods

A photograph of a tractor plowing a field, with the text 'Weed control methods' overlaid in white.

Mixed  
cropping  
systems

A photograph of a field with different colored crops, including yellow and green, with the text 'Mixed cropping systems' overlaid in white.



# 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**



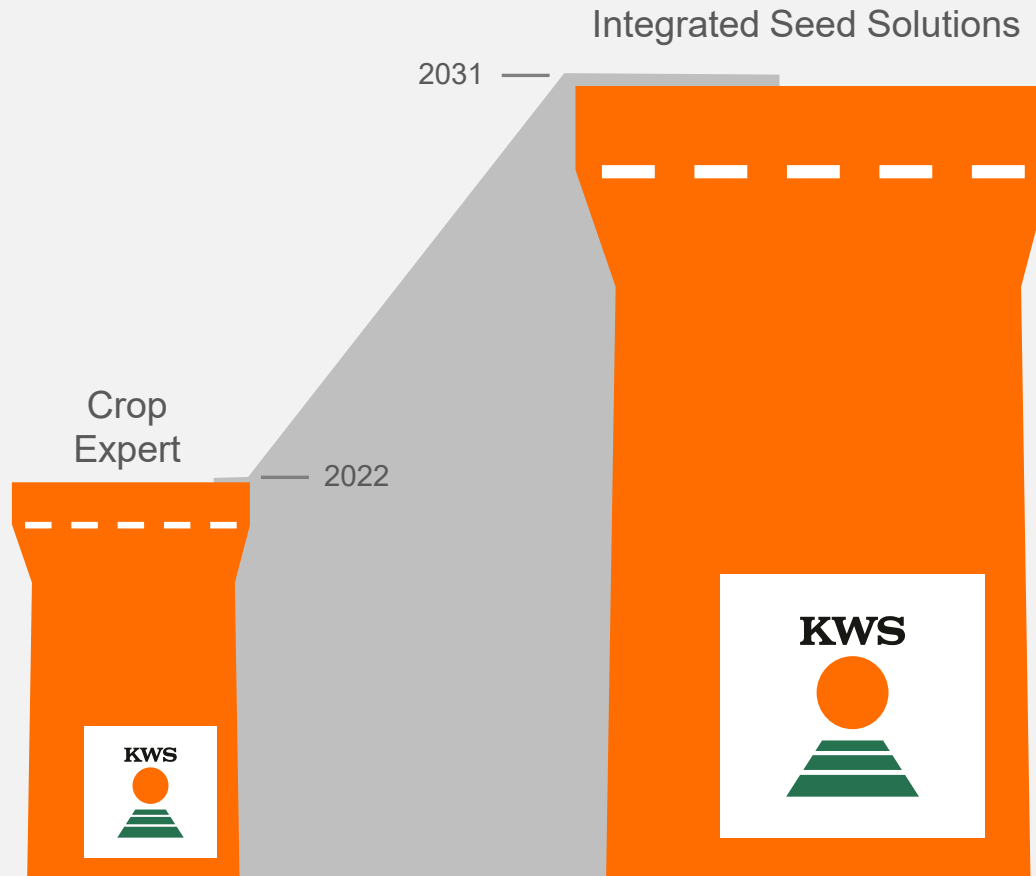
**Consulting**



**Webshops**



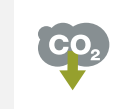
# Future value creation through innovative seeds



**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, the rear of a tractor is visible, kicking up a cloud of dust. The background shows a line of trees under a bright, hazy sky.

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

**The future only works  
together:**  
learn more about our sustainable  
ambition. [kws.com/sustainability](https://kws.com/sustainability)



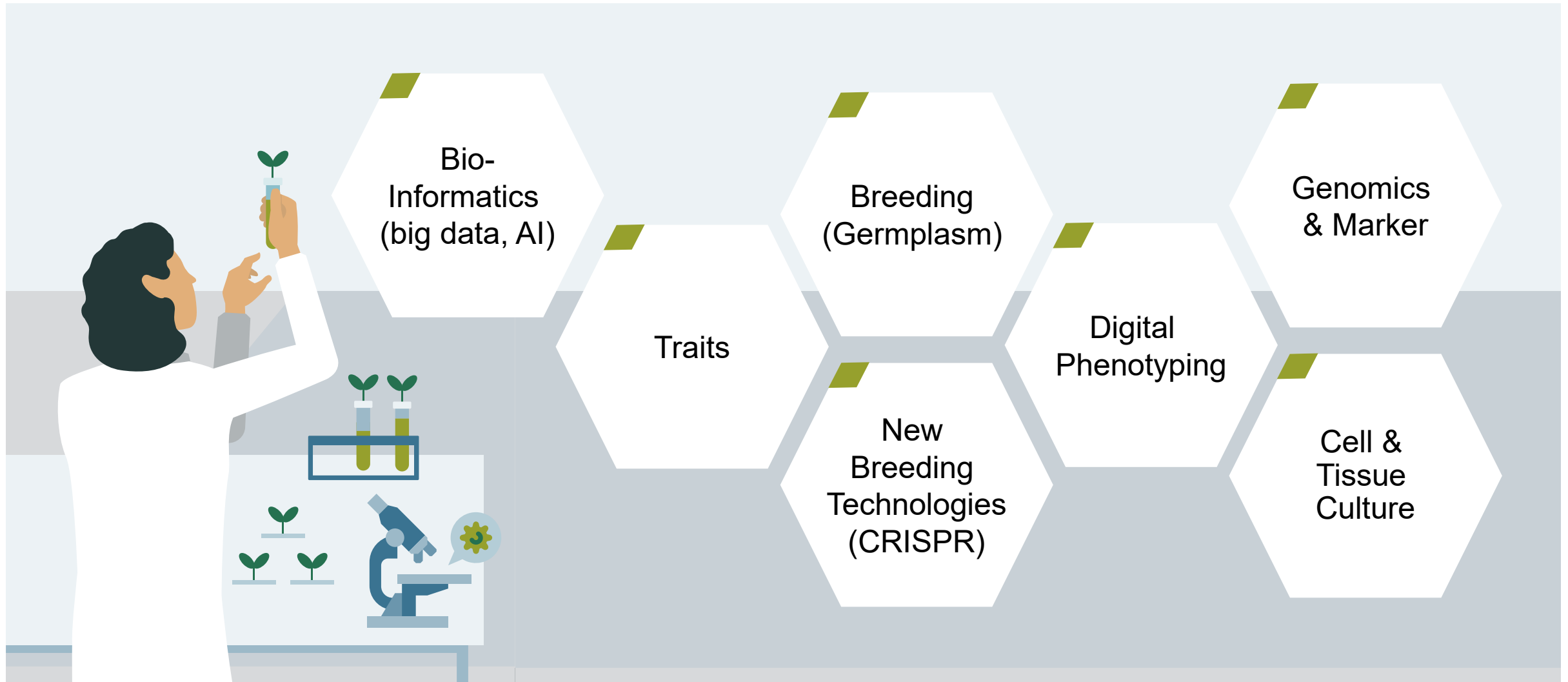
**INNOVATION IS  
KEY TO SUCCESS**

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

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

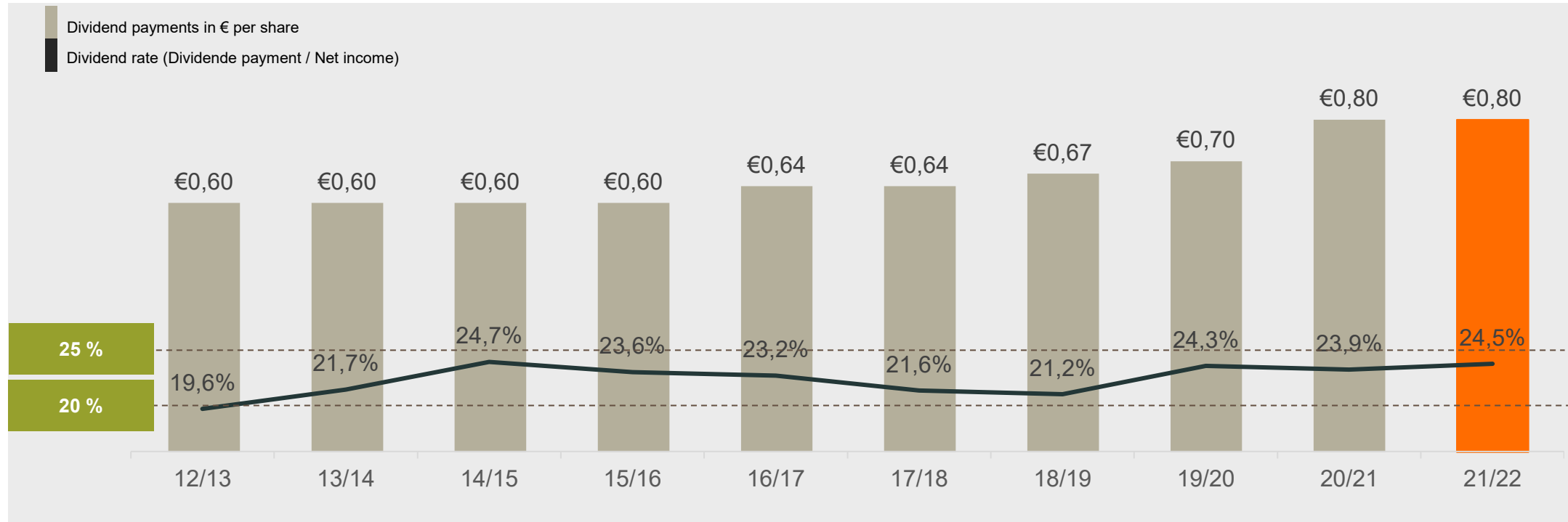


# Technology is the backbone of our success



# 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.)

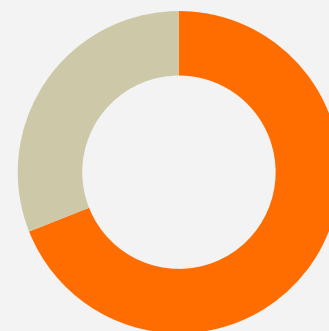
- 2021/2022
- 2020/2021

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



<b>September 27, 2023</b>	FY Report 2022/2023
<b>November 9, 2023</b>	Q1 Report 2023/2024
<b>December 13, 2023</b>	Annual Shareholders' Meeting



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