

SEEDING  
THE FUTURE  
SINCE 1856



# Investor presentation

September 2024

**WHY INVEST IN  
KWS?**





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

## Financial

Staying economically viable through our **independence**

## Environment

Developing ecologically durable solutions through our **foresight**

## Sustainability

## Governance

Being a trusted partner through our **reliability**

## Social

Acting socially responsible through our **closeness**

**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 €  
**1,678**

COUNTRIES  
**>70**

EMPLOYEES (FTE)\*  
**4.673**

INNOVATION\*  
R&D in % of net sales  
**19.4**

YIELD INCREASE TARGET  
crops Ø p.a. in %  
**1-2**

\*Financial year 2023/2024

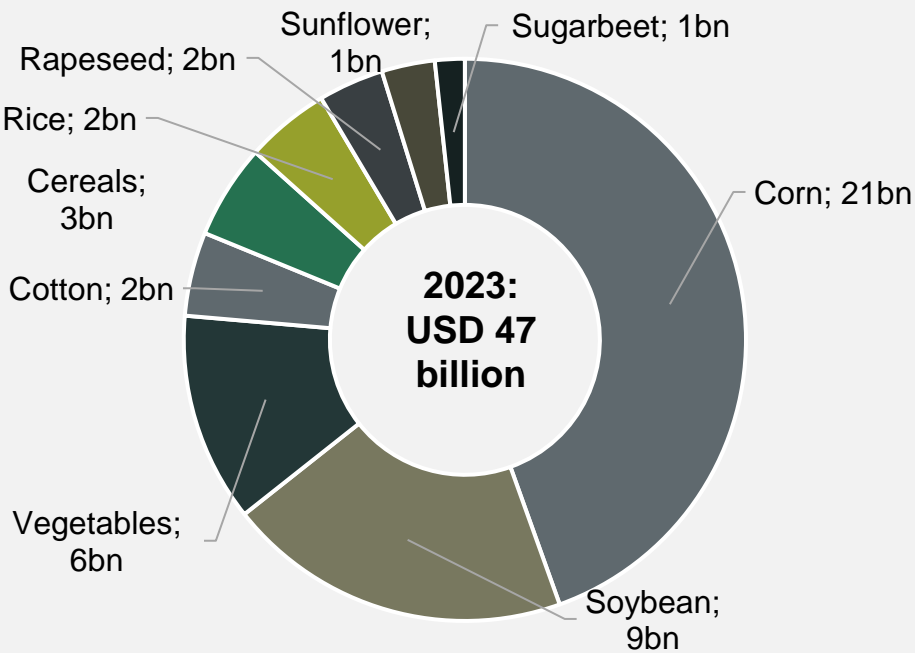


1. Bayer
2. Corteva
3. Syngenta Group
4. Vilmorin
5. BASF
- 6 KWS**

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

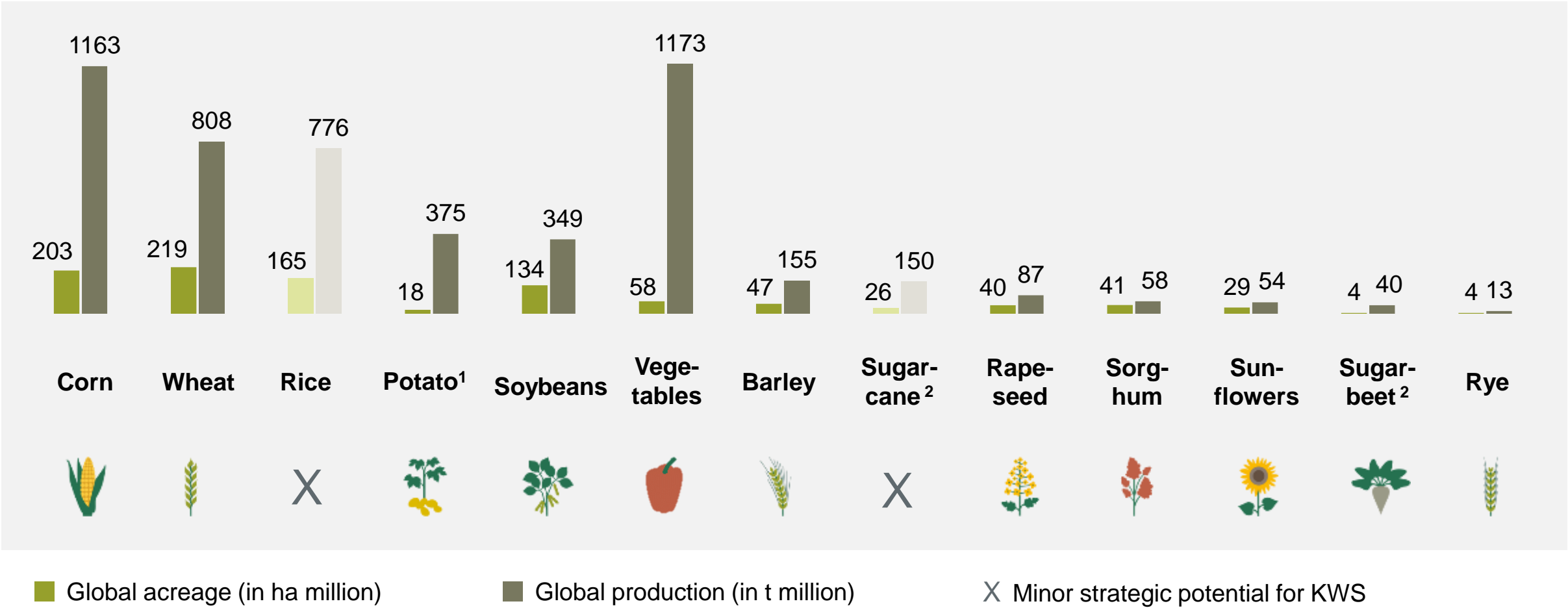
Sources: AgbioInvestor 2023 and KWS estimates. Ranking KWS and Vilmorin includes 50% of AgReliant sales each.

## Global Commercial Seed Market (in USD)





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



Source: faostat.fao.org (Data for 2022), 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

702(738)

EBITDA  
in € million

78(52)

EBIT  
in € million

39(19)



Corn



Soybeans



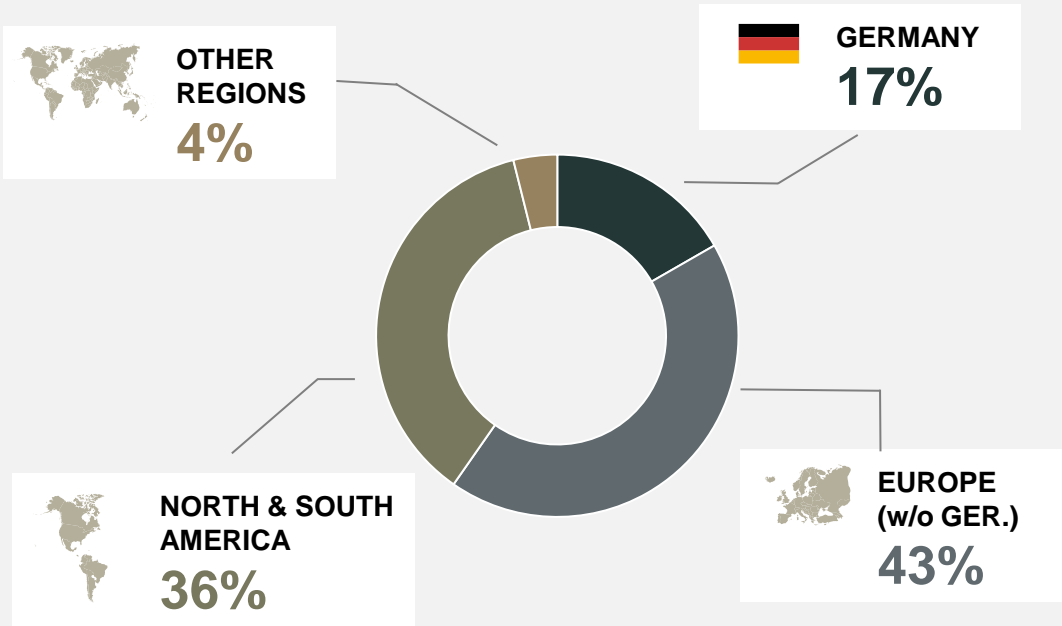
Sunflower



## Overview FY 2023/24

- Sales decline mainly driven by unfavorable FX in Europe and lower volumes in North America in challenging business environment
- KWS maintains leading position for silage corn in Europe
- Increase in EBIT reflect one-off earnings contribution from sale of Chinese corn activities (€ 28 million)

## Sales by region (in € million)



\*Financial year 2023/2024

# Sugarbeet Segment



NET SALES  
in € million

**865** (716)

EBITDA  
in € million

**374** (276)

EBIT  
in € million

**350** (253)



Sugarbeet



Feedbeet



## Overview FY 2023/24

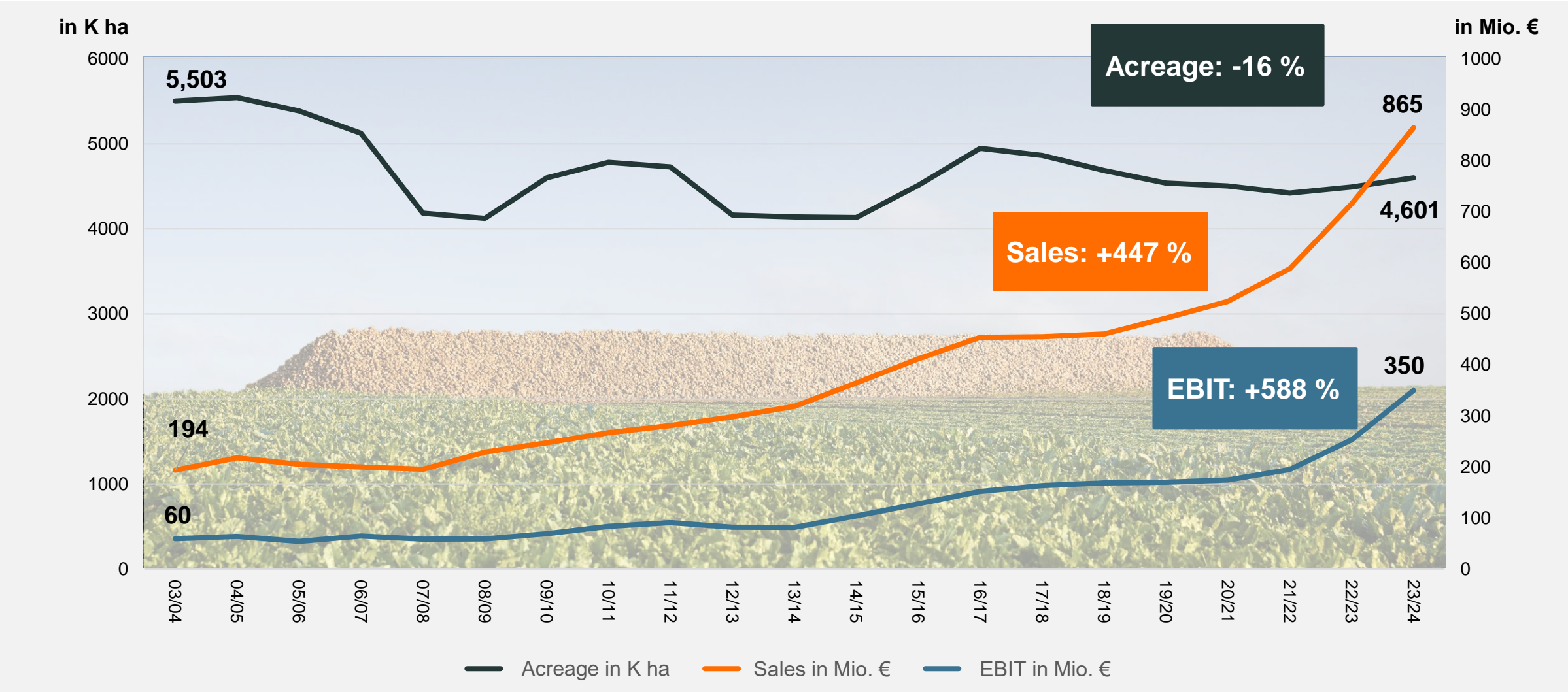
- Strong sales growth due to success of innovative product portfolio (CONVISO® SMART, CR+), representing 56 (46) % of total SB sales
- Expanded global market share to ~70%
- EBIT increased strongly by 38% to € 350 (253) million
- EBIT margin clearly improved to 40.5 (35.4)%, driven by strong growth margin improvement and



\*Financial year 2023/2024



# Strong track record of sugarbeet sales and EBIT growth





A side-by-side comparison of two plant varieties. The left side, labeled 'Classic variety', shows a field of plants with significant brown and tan discoloration, indicating disease or stress. The right side, labeled 'CR+ variety', shows a field of plants that are vibrant green and appear healthy. A vertical orange line separates the two sections.

Classic variety

CR+ variety

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

# Cereals Segment



NET SALES  
in € million

276 (247)

EBITDA  
in € million

58 (47)

EBIT  
in € million

50 (39)



Rye



Rapeseed



Wheat



Barley



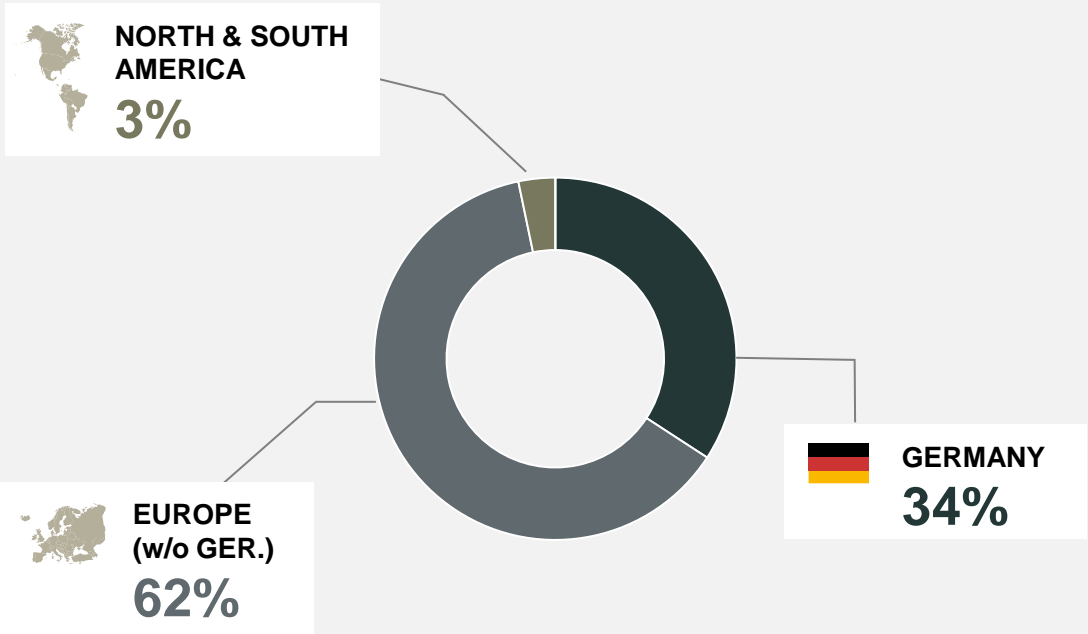
Sorghum

...



## Overview FY 2023/24

- Strong sales growth driven by rapeseed (+16%), hybrid rye (+13%) and wheat (+8%)
- EBIT increased by 28% to € 50 (39) million due to improved product mix and higher prices
- Significant increase in EBIT margin to 18.3 (15.9)% driven by better gross margin



\*Financial year 2023/2024





**Hybrid rye** has the **lowest CO<sub>2</sub> footprint** of all cereals.

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

**#RYEVOLUTION**

# Vegetables Segment



NET SALES  
in € million

**62** (66)

EBITDA  
in € million

**-11** (2)

EBIT  
in € million

**-35** (-12)



Spinach



Beans



Swiss  
Chard

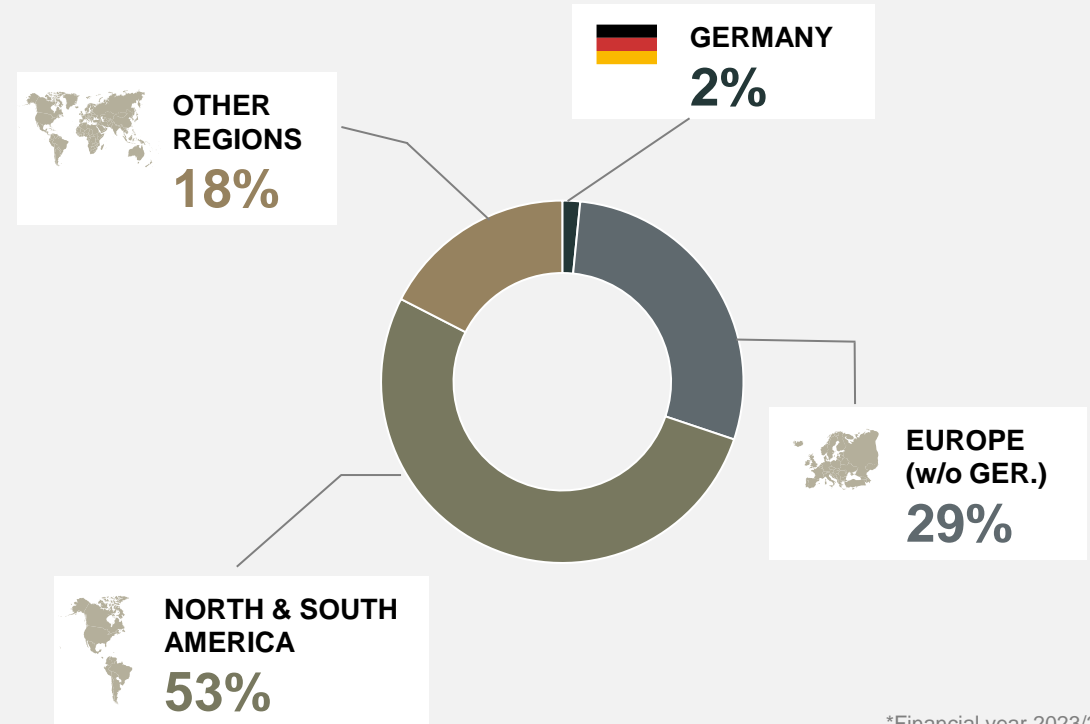


Tomato

...

## Overview FY 2023/24

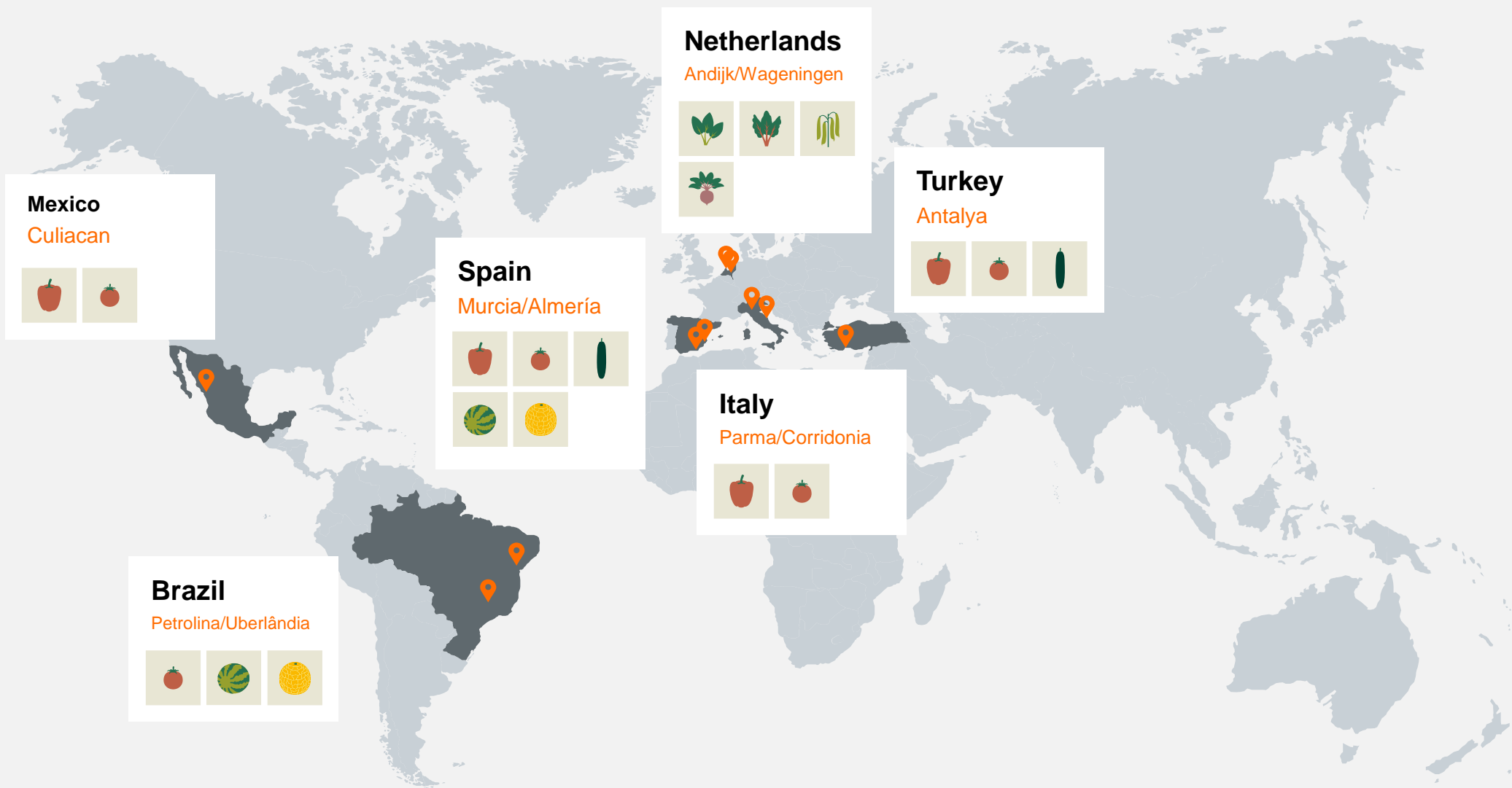
- Sales decline due to lower spinach sales in China; stable development in main market U.S.
- EBIT decline due to lower sales, higher R&D expenses for new vegetable crops as well as higher amortizations of 19.2 (11.2) Mio. € related to intangible assets from the acquisition of Pop Vriend Seeds
- Breeding infrastructure & capabilities further expanded



\*Financial year 2023/2024



# Building a competitive position in vegetables seed market





# **FY 2023/2024 & Outlook 2024/2025**

# Financial Year 2023/2024: Strong operating performance and significant strategic achievements

- Achieved double-digit growth in sales and earnings<sup>1</sup>
- Increased dividend to 1.00 (0.90) €
- Expanded leading global position in sugarbeet seeds
- Received record number in new variety approvals
- Divested corn business in South America and China as part of strategic re-focusing
- Strengthened financial power of KWS considerably

<sup>1</sup> Related to continuing operations



# Overview FY 2023/2024 results<sup>1</sup>

in € million	12M 2023/2024	12M 2022/2023	+/-
Sales	1,678.1	1,500.3	11.9%
EBITDA	388.1	278.8	39.2%
EBIT	302.0	195.1	54.8%
Financial result	-50.0	-23.8	>100.0%
Earnings before taxes	184.1	126.1	47.1%
Taxes	69.7	45.2	50.2%
<b>Net income</b>	<b>184.1</b>	<b>126.1</b>	<b>46.0%</b>
<b>Earnings per share</b>	<b>5.58</b>	<b>3.82</b>	<b>46.0%</b>

## EBIT margin

EBIT in % of total sales

**18.0%** (13.0%)

## R&D ratio

in %

**19.4%** (20.0)

## CAPEX

in € million

**139.9** (100.8)

## Free Cashflow

in € million

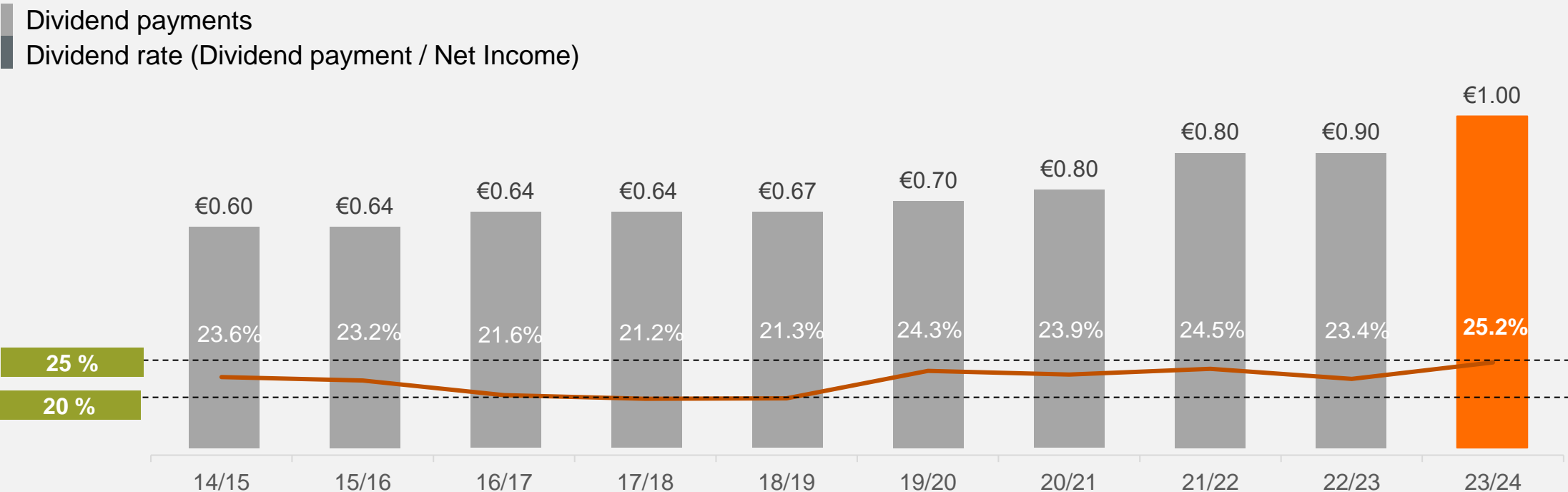
**56.8** (50.0)

<sup>1</sup> Related to continuing activities; previous year's figures have been adjusted due to sale of commercial corn and sorghum business in South America



# Dividend proposal: increase to €1.00 per share

## Dividend payments and dividend ratio for the last 10 years



Dividend policy continued (upper end of pay-out range)

## **Refocusing KWS corn activities: Successful divestiture of corn businesses in China & South America**

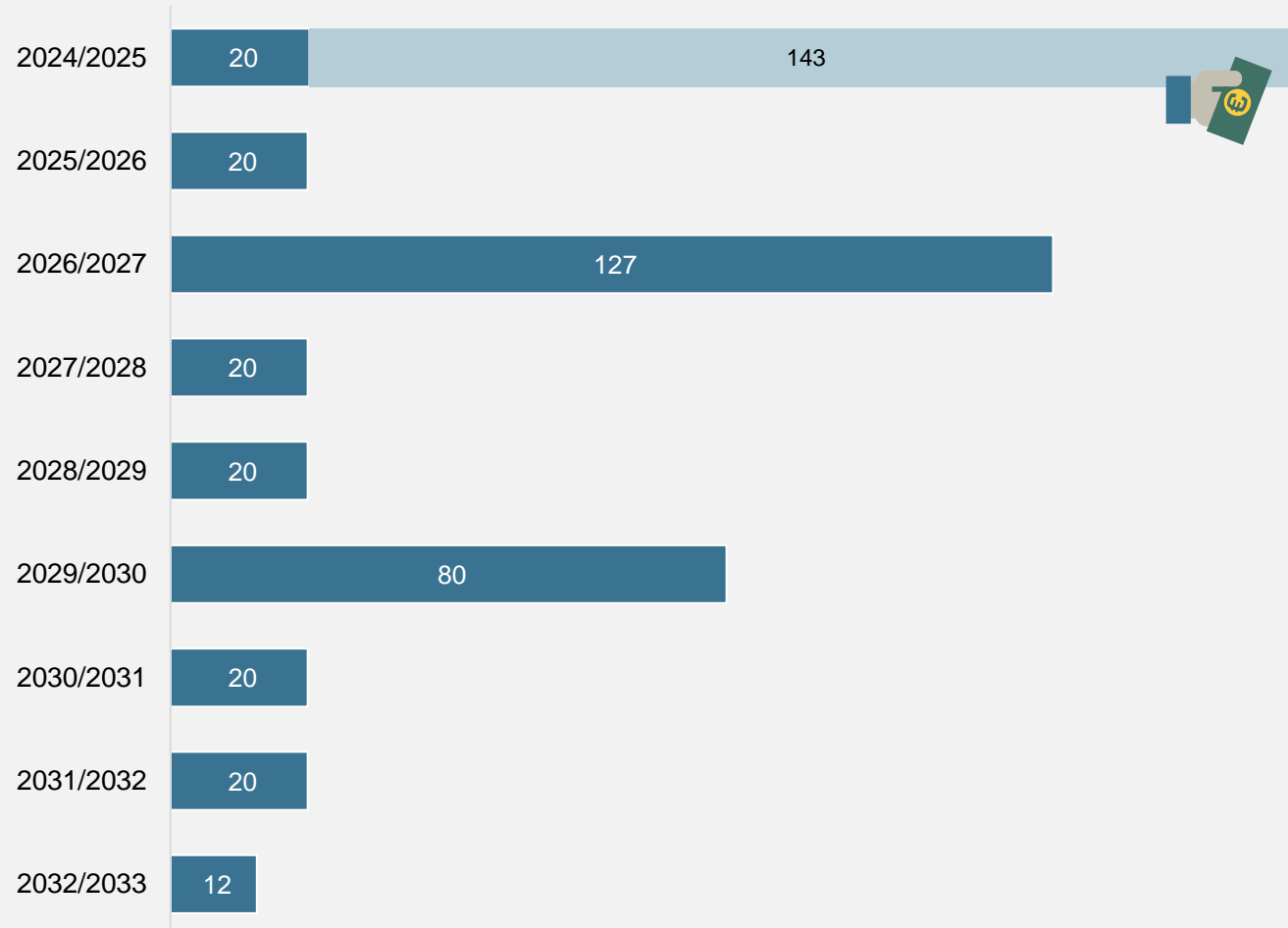
- Sale of Chinese corn business completed in Q3 2023/2024 (one-time gain: € 28m)
- Exit of corn business in South America - transaction completed in Q1 2024/2025 (one-time gain: ~€100m)
- Divestiture has a positive impact on key financial figures of KWS and paves the way for more profitable growth
- Proceeds from divestitures are mainly used to significantly reduce financial leverage



# Improved maturity profile after significant debt repayment

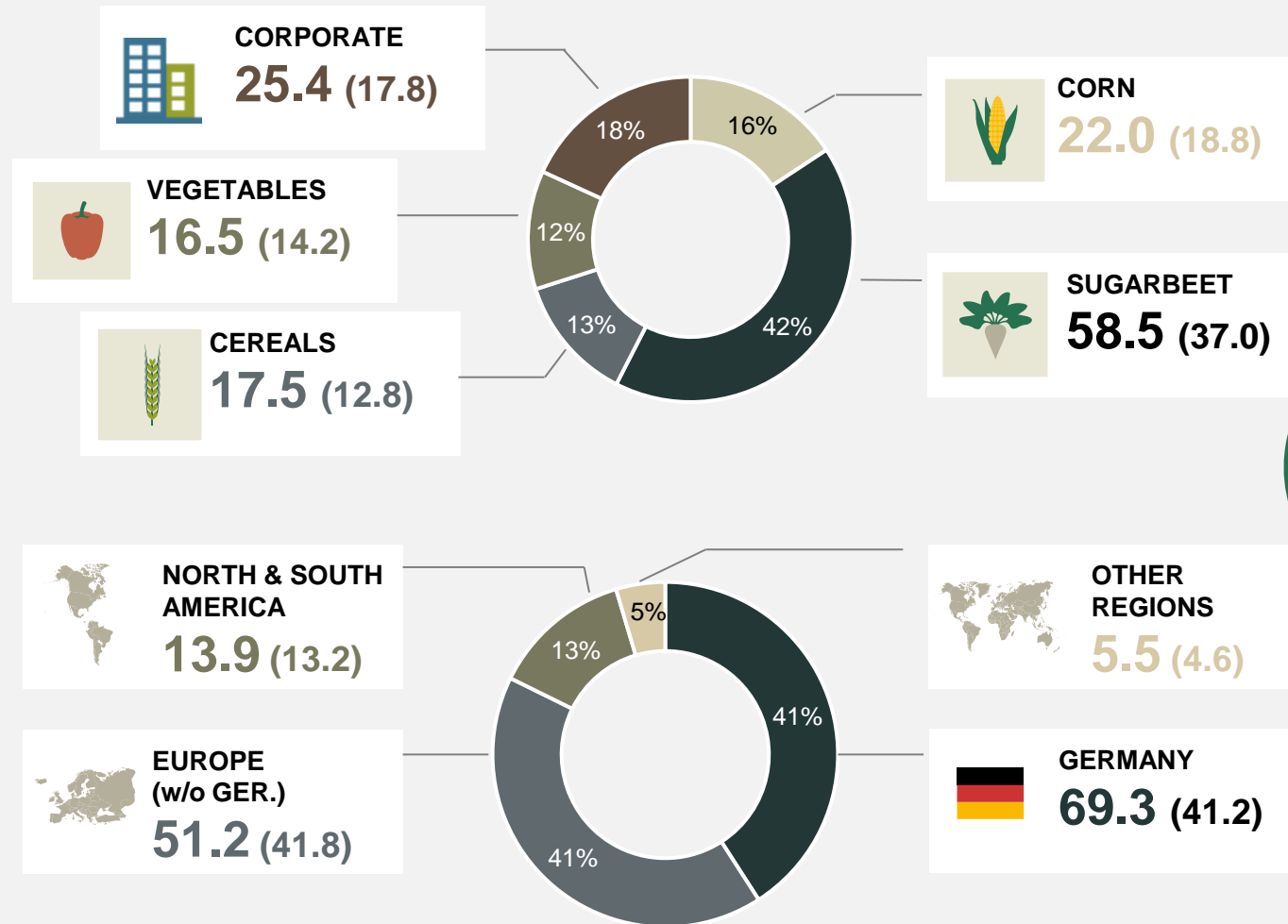


## Maturities in € million



- In September 2024, KWS has repaid €143m of debt related to the 2019 promissory loan
- Significant reduction of overall financial debt
- Next major refinancing in the 2026/2027 financial year

# Capital expenditures



**Capital expenditure**  
Total: 139.9  
Mio. €<sup>1</sup>  
(100.8 Mio. €)

## Key investments per segment

- **Corn:** Extension of production facilities e.g. in Romania and Ukraine
- **Sugarbeet:** Extension of warehouse/storage capacities, especially project „Elitespeicher“ in Einbeck and production equipment in Turkey
- **Cereals:** Extension of production, storage and breeding facilities, e.g. in Germany, France and Poland
- **Vegetables:** R&D Hub Andijk under construction, finalization breeding stations in Mexico & Brazil, license fruity crops
- **Corporate:** ERP implementation, efficiency project wastewater heat recovery

in € million

<sup>1</sup> w/o discontinued operations and investments from our at equity accounted Joint Ventures and Associates



# Further growth expected in a challenging environment

## Opportunities

- Broad KWS product portfolio enables market fluctuations to be balanced out
- Well-filled pipeline with innovative solutions for sustainable agriculture

## Risks

- Subdued agricultural environment due to low commodity prices and high costs on farm level
- Import restrictions and efforts to localize seed production in Russia

## Forecast for FY 2024/2025

- Sales increase of 2 to 4%<sup>1</sup>
- EBIT margin at 14 to 16%
- Continued high R&D investments (18 to 19% of sales)
- One-time gain from divestment of corn business in South America: ~€100m after tax)

<sup>1</sup>on a comparable basis, excluding exchange rate and portfolio effects

**TURNING  
SUSTAINABILITY  
INTO GROWTH**

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

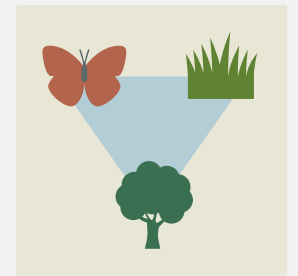
**50%**

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

# Until 2030, our **Sustainability Ambition** has been the anchor for tangible goals to strive for



## 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

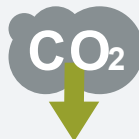
- Increase number of crops with dedicated breeding programs to 27



### 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



# Ambition 2030

## Product-Impact



### Safeguard food production

Our target is to **enable an average of 1.5% annual yield gain** for field crops. We want to achieve this via higher breeding yield in our varieties supported by digital farming solutions offered by KWS on 6+ Mio ha.

#### Breeding Yield

on average in % p.a.

**1.1** (1.3)



#### Digital Farming Solutions

in million hectares

**2.9** (2.5)

### Enhance crop diversity

Our target is to enrich crop rotation options by increasing the number of crops with dedicated breeding programs to 27 by 2030.

#### Crop Diversity

Crops in Breeding Programs

**23** (23)



### Minimize Input required

Our target is to enable reduction of chemical crop protection. We plan to achieve this via investing >30% p.a. of our R&D budget into reduction of inputs and ensuring >25% of KWS varieties are suitable for low input agriculture

#### Low Input Varieties

in % of commercial portfolio

**18.9** (9.1)



#### Low Input Budget

in % of R&D budget

**21.9** (20.2)

### Support sustainable diets

Our target is to ensure that >40% of varieties are suitable for predominantly direct use in nutritious human consumption.

#### Varieties

in % of commercial portfolio

**35.9** (63.0<sup>1</sup>)



<sup>1</sup> Only GER. Definition adapted in FY 23/24 + UK.

# Ambition 2030

## Corporate Responsibility



### Operational footprint

We plan to improve our operational footprint by reducing Scope 1 and 2 emissions by -50% compared to 2020/21 until 2030 and we will establish ecological score cards for seed production and multiplication sites.

#### Emissions

in % of basis year emissions

**102** (107)



#### Score Cards

Number of locations out of 71 in focus

**58** (56)

### Social engagement

Using 1% EBIT p.a. for social projects globally

#### Social

in % of Group EBIT

**0.7** (0.6)



Measuring and continuously improving our employee engagement (Basis year 2023/2024).

#### Engagement Quota

in %

**74**



Declining the ratio of occupational accidents/illnesses index below an OSAH quota of 5.0

#### OSHA Quota

in %

**8.04** (8.16)



# KWS Group emissions in accordance with the Greenhouse Gas Protocol

Scope 1+2 EMISSIONS  
in t CO<sub>2</sub>e

48.379 (-5.0%)

SCOPE 1  
in t CO<sub>2</sub>e

31.210 (-4.1%)

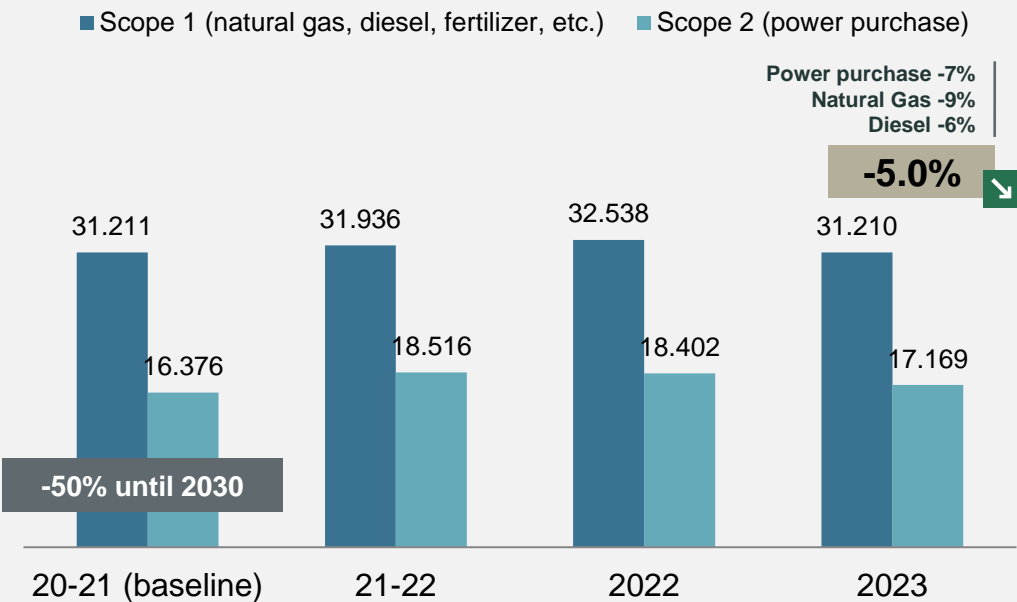
SCOPE 2  
in t CO<sub>2</sub>e

17.169 (-6.7%)

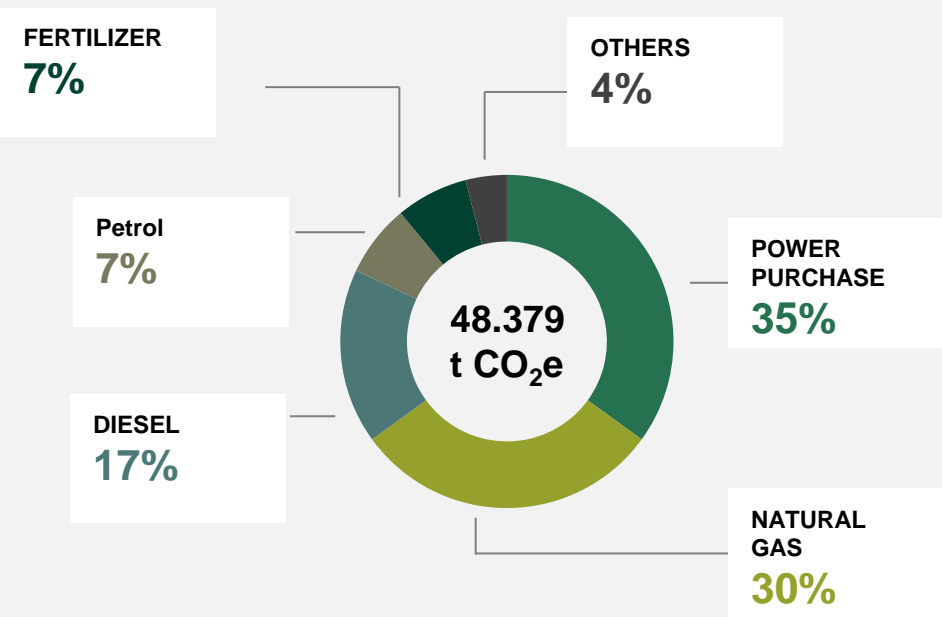
EMISSION INTENSITY  
in kg CO<sub>2</sub>e / €1.000 net sales

28,8 (-15.3%)

## Emission development



## Breakdown of emissions by source





# 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 value creation through innovative seeds



**INNOVATION IS  
KEY TO SUCCESS**

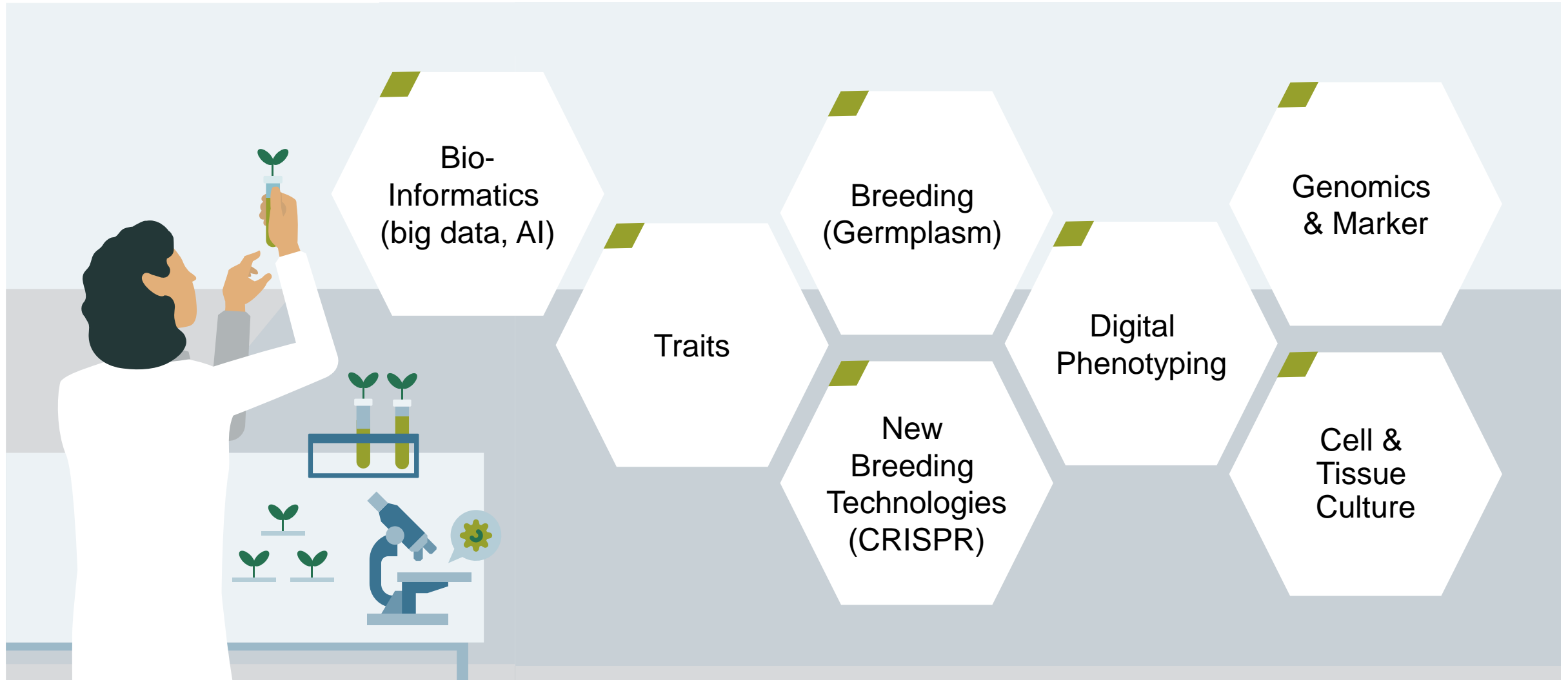




We develop plants that **support a sustainable agriculture.**

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

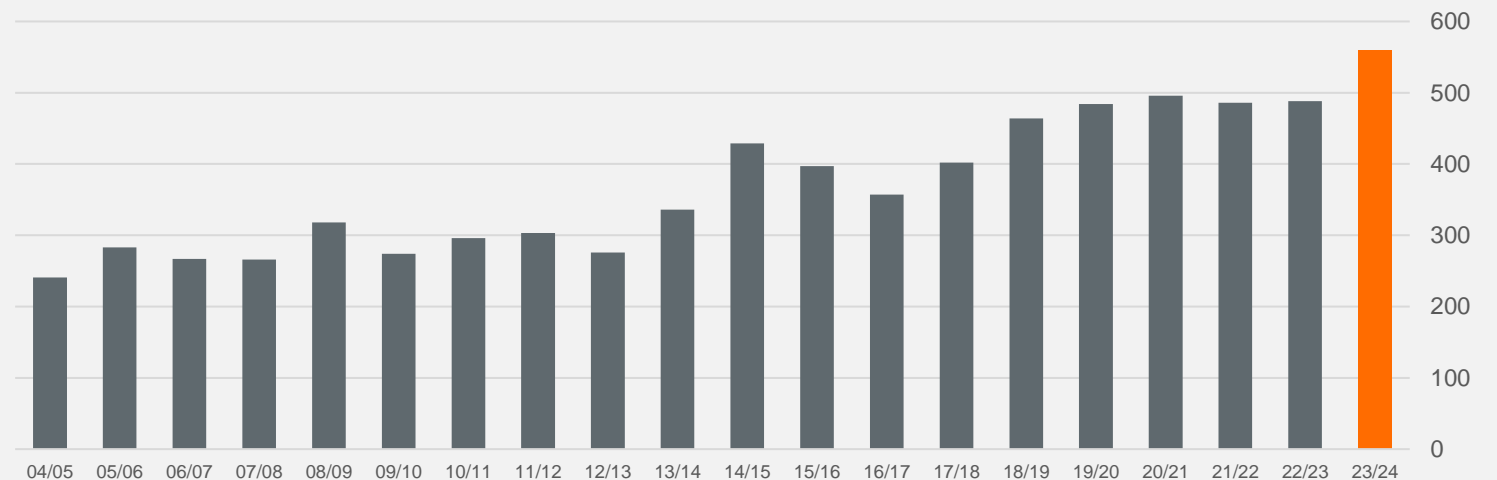
# Technology is the backbone of our success





Record number of  
new variety approvals  
**559** (488)  
strengthen our product  
pipeline

Development of the number of variety approvals over the past 20 fiscal years



# FURTHER INFORMATION



# 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 28, 2024
- June 30, 2023

in €  
59.60  
56.30

## 3 Daily trading volume (avg.)

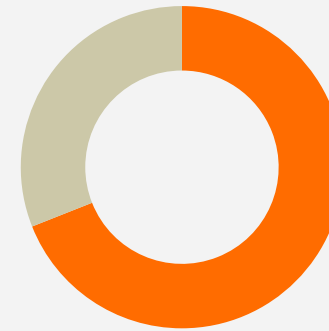
- 2023/2024
- 2022/2023

in shares/day  
9,911  
8,681

## 4 Market capitalization

- June 28, 2024
- June 30, 2023

in € million  
1,967  
1,858



FAMILIES  
BÜCHTING, AREND  
OETKER, TESSNER

69.3%

(t/o TESSNER  
BETEILIGUNGS  
GMBH)

(15.4%)

FREE FLOAT

30.7%

as of June 28, 2024

**DZ BANK**  
Die Initiativbank

**STIFEL**

**M.M. WARBURG & CO**  
BANK

**Jefferies**

**Kepler  
Cheuvreux**

**ODDO BHF**

# Financial calendar and IR contact



<b>September 26, 2024</b>	Annual Report 2023/2024
<b>November 12, 2024</b>	Q1 Report 2024/2025
<b>December 5, 2024</b>	Annual Shareholders' Meeting



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# Disclaimer

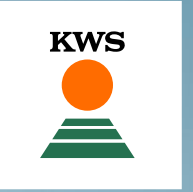


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**Thank you for your attention.**  
**Any questions?**