

# K+S Q2/15 FACTS & FIGURES

## Q2/15 HIGHLIGHTS

- + EBIT I of € 179 million (+14%) significantly above last year
  - + Excluding insurance payment in Q2/14: +41%
- + **Salt:**
  - + Outstanding performance in salt
  - + EBIT € 43 million (Q2/14: € 2 million)
- + **Potash:**
  - + Improved pricing and positive fx-effects
  - + Adjusted for insurance payment in Q2/14: +12%
  - + Legacy: Heading closer to start of production

## OUTLOOK 2015

- + Significant increase in EBIT I confirmed:
  - € 780-860 million expected

## MIDTERM GUIDANCE

- + Group EBITDA to increase significantly to € 1.6 billion by 2020 (2014: € 896 million)
- + Average annual growth rate of the operating cash flow of more than 10%

## KEY DATA BUSINESS DEVELOPMENT

KEY FIGURES (IFRS)							
		Q2/15	Q2/14	%	H1/15	H1/14	%
<b>Revenues</b>	€ million	914.4	785.7	+ 16.4	2,291.5	1,974.7	+ 16.0
– thereof Potash and Magnesium Products business unit	€ million	500.5	461.1	+ 8.5	1,108.9	968.5	+ 14.5
– thereof Salt business unit	€ million	374.0	287.2	+ 30.2	1,101.0	928.2	+ 18.6
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	€ million	247.3	223.5	+ 10.6	630.3	503.3	+ 25.2
– thereof Potash and Magnesium Products business unit	€ million	179.0	196.4	– 8.9	396.2	361.9	+ 9.5
– thereof Salt business unit	€ million	70.8	26.4	>100	240.4	140.1	+ 71.6
<b>Operating earnings (EBIT I)</b>	€ million	179.2	157.3	+ 13.9	495.9	376.9	+ 31.6
– thereof Potash and Magnesium Products business unit	€ million	143.9	159.2	– 9.6	327.2	293.6	+ 11.4
– thereof Salt business unit	€ million	42.6	1.7	>100	184.5	90.8	> 100
<b>EBIT I-margin</b>	%	19.6	20.0	–	21.6	19.1	–
– Potash and Magnesium Products business unit	%	28.8	34.5	–	29.5	30.3	–
– Salt business unit	%	11.4	0.6	–	16.8	9.8	–
<b>Group earnings from continued operations, adj. <sup>1</sup></b>	€ million	118.7	81.1	+ 46.4	317.0	222.6	+ 42.4
<b>Earnings per share from continued operations, adj. <sup>1</sup></b>	€	0.62	0.42	+ 46.4	1.66	1.16	+ 42.4
<b>Capital expenditure <sup>2</sup></b>	€ million	355.5	271.6	+ 30.9	555.4	436.2	+ 27.3
<b>Depreciation and amortisation <sup>2</sup></b>	€ million	68.1	66.2	+ 2.9	134.4	126.4	+ 6.3
<b>Operating cash flow</b>	€ million	124.3	137.1	– 9.3	433.3	516.4	– 16.1
<b>Free cash flow, adjusted</b>	€ million	– 196.7	– 49.4	>100	– 99.1	153.8	–
<b>Net debt as of 30 June</b>	€ million	–	–	–	2,019.1	1,098.2	+ 83.9
<b>Net debt/EBITDA (LTM)</b>		–	–	–	2.0	1.3	–
<b>Equity ratio</b>	%	–	–	–	51.9	45.6	–
<b>Return on Capital Employed (LTM) <sup>3</sup></b>	%	–	–	–	13.8	13.4	–
<b>Book value per share as of 30 June</b>	€	–	–	–	22.54	18.68	+ 20.7
<b>Average number of shares</b>	million	191.4	191.4	–	191.4	191.4	–
<b>Employees as of 30 June <sup>4</sup></b>	number	–	–	–	14,201	14,248	– 0.3
<b>Market capitalisation as of 30 June</b>	€ billion	–	–	–	7.0	4.6	+ 51.3
<b>Enterprise Value as of 30 June</b>	€ billion	–	–	–	9.0	5.7	+ 57.6

<sup>1</sup> The adjusted key figures include the result from operating forecast hedges in the respective reporting period, which eliminates effects from fluctuations in the market value of the hedges as well as effects from the exchange rate hedging of future capital expenditure in Canadian dollars (Legacy Project). Related effects on deferred and cash taxes are also eliminated; tax rate in Q2/15: 28.6% (Q2/14: 28.6%).

<sup>2</sup> Capital expenditure in or depreciation and amortisation affecting net income on property, plant and equipment, intangible assets, investment properties and financial assets.

<sup>3</sup> Return on capital employed over the last twelve months as of 30 June.

<sup>4</sup> FTE: Full-time equivalents; part-time positions are weighted in accordance with their respective share of working hours.

### Forward-looking statements

This document contains facts and forecasts that relate to the future development of the K+S Group and its companies. The forecasts are estimates that we have made on the basis of all the information available to us at this moment in time. Should the assumptions underlying these forecasts prove not to be correct or should certain risks – such as those referred to in the recent Risk Report – materialise, actual developments and events may deviate from current expectations. The Company assumes no obligation to update the statements contained in this document.

## BUSINESS SEGMENT INFORMATION

## POTASH AND MAGNESIUM PRODUCTS BUSINESS UNIT

DEVELOPMENT OF REVENUES, SALES VOLUMES AND AVERAGE PRICES BY REGION <sup>1</sup>										
		Q1/14	Q2/14	H1/14	Q3/14	Q4/14	2014	Q1/15	Q2/15	H1/15
<b>Revenues</b>	€ million	507.4	461.1	968.5	451.0	464.5	1,884.0	608.4	500.5	1,108.9
Europe	€ million	347.5	263.6	611.1	232.3	263.3	1,106.7	363.3	283.6	646.9
Overseas	US\$ million	219.0	270.8	489.8	290.7	252.1	1,032.6	276.1	239.4	515.6
<b>Sales volumes</b>	t million (product)	1.94	1.72	3.66	1.62	1.59	6.87	1.94	1.61	3.55
Europe	t million (product)	1.27	0.92	2.19	0.80	0.89	3.88	1.21	0.90	2.11
Overseas	t million (product)	0.67	0.80	1.47	0.82	0.70	2.99	0.73	0.72	1.45
<b>Average prices</b>	€/t (product)	261.8	268.1	264.7	278.7	291.2	274.1	313.6	310.4	312.2
Europe	€/t (product)	273.3	285.8	278.6	290.4	294.0	285.3	301.4	315.1	307.3
Overseas	US\$/t (product)	328.5	339.3	334.4	351.2	360.3	345.0	375.6	336.3	356.3

<sup>1</sup> Revenues include prices both inclusive and exclusive of freight costs and, in the case of overseas revenues, are based on the respective EUR/USD spot rates. For most of these revenues, hedging transactions have been concluded. The price information is also affected by the respective product mix and is therefore to be understood as providing a rough indication only.

- + In Q2/15 revenues of the business unit increased significantly YoY due to better pricing and stronger US-Dollar
- + Sales volume of 1.61 million tonnes was moderately below the figure in the previous year (Q2/14: 1.72 million tonnes) due to a postponement of deliveries to the third quarter
- + Improved pricing continued: The average selling price of the business unit was € 310 per tonne in Q2/15, 16% above the quarter of the previous year and 1% below Q1/15

## SALT BUSINESS UNIT

DEVELOPMENT OF REVENUES, SALES VOLUMES AND AVERAGE PRICES BY PRODUCT GROUP <sup>1</sup>										
		Q1/14	Q2/14	H1/14	Q3/14	Q4/14	2014	Q1/15	Q2/15	H1/15
<b>De-icing salt</b>										
Revenues	€ million	396.6	46.0	442.6	80.1	245.2	767.9	448.5	79.5	528.0
Sales volumes	t million	8.15	0.98	9.13	1.55	3.70	14.38	6.89	1.22	8.11
Average prices	€/t	48.7	47.1	48.5	51.8	66.1	53.4	65.1	65.1	65.1
<b>Industrial salt, salt for chemical use and food grade salt</b>										
Revenues	€ million	230.4	227.3	457.7	243.7	258.5	959.9	264.9	285.0	549.9
Sales volumes	t million	2.28	2.22	4.50	2.34	2.40	9.24	2.23	2.37	4.59
Average prices	€/t	100.9	102.4	101.7	104.1	107.9	103.9	118.8	120.3	119.8

<sup>1</sup> Revenues include prices both inclusive and exclusive of freight costs. Prices are also affected by exchange rate changes and the respective product mix and should therefore be taken as a rough indication only.

- + Revenues in Q2/15 rose by around 30% to € 374.0 million
- + Higher volume and price effects drove strong EBIT I increase to € 43 million

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