

K+S Aktiengesellschaft

Q1 2018 – Conference Call

May 14th, 2018

Dr. Burkhard Lohr, CEO
Thorsten Boeckers, CFO



Experience growth.

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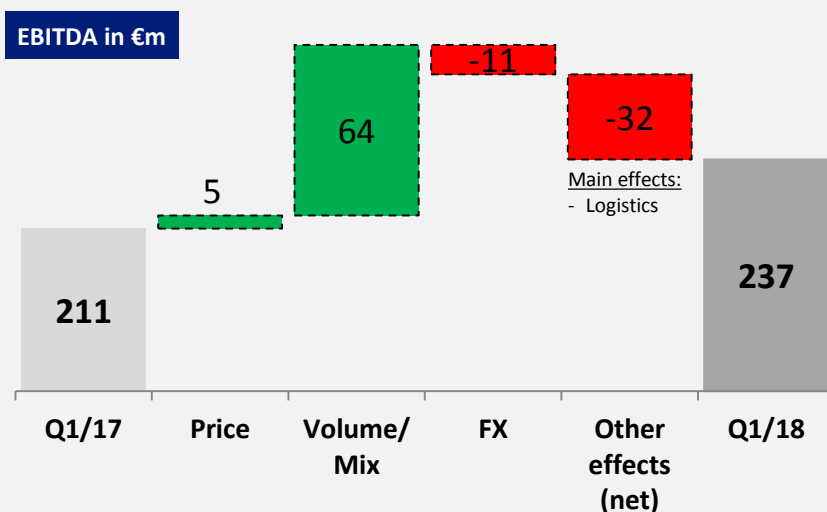
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Q1 2018 – Promising Start into the Year

Highlights

- Revenues and EBITDA up versus last year
- Higher product availability (mainly Bethune)
- FCF significantly improved
- Net debt/EBITDA down to 6.7x
- Challenges: late start fertilizer season, Werra output, salt prices, FX, higher freights

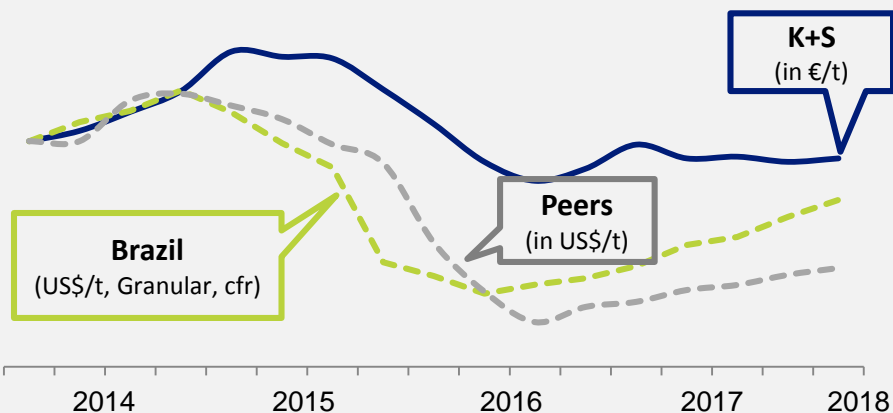


Financials

€ million	Q1/17	Q1/18	YoY
Revenues	1,126	1,170	+4%
t/o Potash	474	489	+3%
t/o Salt	611	636	+4%
D&A	-74	-90	-22%
EBITDA	211	237	+12%
t/o Potash	81	121	+49%
t/o Salt	135	121	-11%
EBIT I	137	147	+7%
Adjusted net profit	95	84	-12%
Adjusted EPS (€)	0.49	0.44	-12%
Operating cash flow	267	233	-13%
Adj. free cash flow	55	143	>100%
CapEx	277	63	-78%
Net debt/EBITDA	8.1	6.7	-

K+S Average Selling Price Development

Basis: Q1 2014



€ million	Q1/17	Q2/17	Q3/17	Q4/17	FY/17	Q1/18
Revenues	474	387	358	485	1,704	489
EBITDA	81	71	42	74	269	121
<i>Margin</i>	<i>17%</i>	<i>18%</i>	<i>12%</i>	<i>15%</i>	<i>16%</i>	<i>25%</i>
EBIT	42	31	2	6	81	53
Avg. selling price (€/t)	260	252	253	250	254	252
Sales volumes (m tons)	1.82	1.54	1.41	1.94	6.71	1.94
Cash Unit Costs ¹	216	205	224	212	214	190

¹ (Revenues – EBITDA) / Sales volumes.

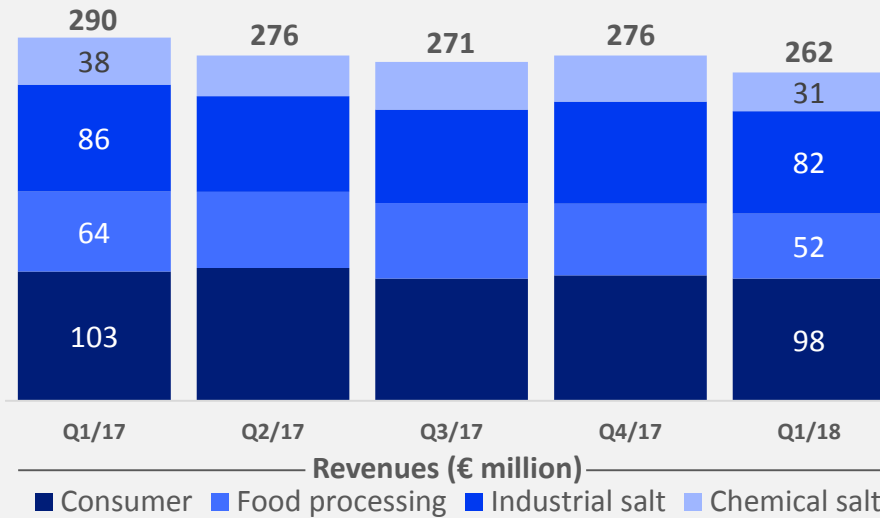
Market

- Overall good demand
- However, delayed spring application in Europe due to unfavorable weather (cold & wet)
- Recovery of MOP prices continued
- Specialty-prices to follow trend in MOP, but still down YoY

Financials

- ASP lower than last year due to:
 - Product mix: More product from Bethune
 - FX
- EBITDA-margin considerably improved
- Cash Unit Costs tangibly down due to higher volumes and Bethune improvement
- Werra production up YoY, but ripple-effects from 2016 and 2017

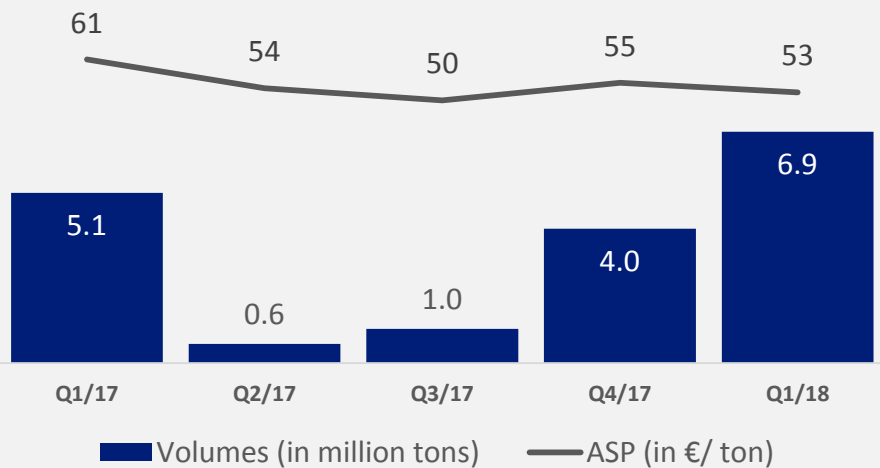
Non de-icing



■ Non de-icing

- Revenues moderately down YoY despite flat volumes
- ASP at €107 (Q1/17: €120)
 - Greater share of lower yielding industrial salt products
 - Negative FX impact

De-icing

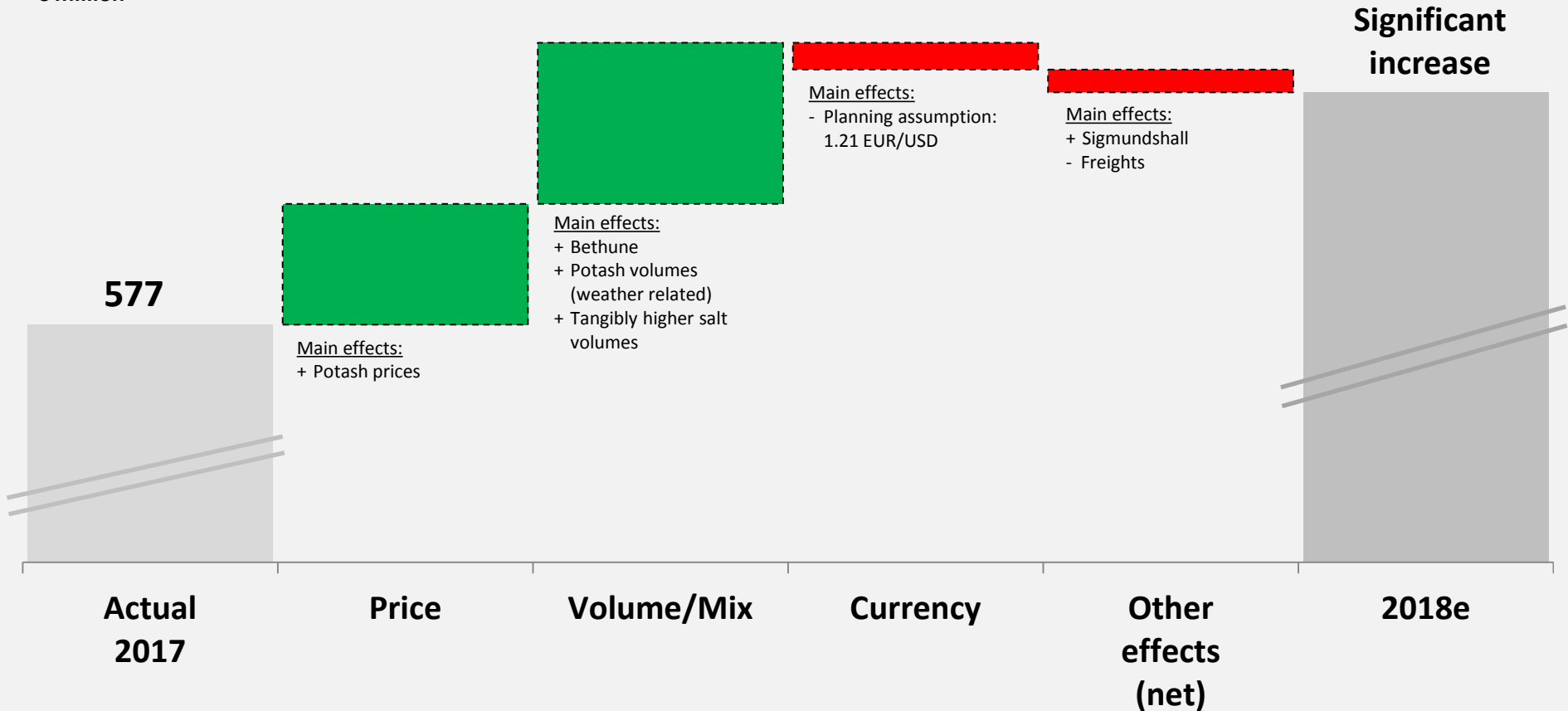


■ De-icing

- Q1/18 volumes significantly up compared to last year's first quarter
- Main demand came from the US at lower prices
- Demand in Europe slightly down YoY

Guidance 2018 confirmed: EBITDA¹ to be significantly up

€ million



¹ The basis for EBITDA is EBIT I, that only includes the realized result from operating forecast hedges.

Update on Shaping 2030



Ongoing tasks	<input checked="" type="checkbox"/>	Setting up project management
	<input checked="" type="checkbox"/>	Preparing decision on new organization and reporting lines
	<input checked="" type="checkbox"/>	Start of bottom-up validation of synergies (> €150 m by 2020)
	<input checked="" type="checkbox"/>	Management remuneration (LTI) linked to share price performance
	<input checked="" type="checkbox"/>	First concept about future organization and KPIs
	<input checked="" type="checkbox"/>	Bottom-up validation of synergies done – confident to reach at least € 150 m
Next to come	<input checked="" type="checkbox"/>	Projects to lift synergies are starting
	<input checked="" type="checkbox"/>	Final concept about future organization incl. KPIs
	<input type="checkbox"/>	Sustainability targets and KPIs defined. Possible use of solid residues clarified

We will keep you posted with updates on our Strategy at our CMD on 5 Sept 18

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Backup



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Guidance: Housekeeping items

	FY 2016	FY 2017	FY 2018e
Group			
Revenues	€ 3.5bn	€ 3.6 bn	tangible increase
EBITDA	€ 519m	€ 577m	significant increase
EBIT I	€ 229m	€ 271m	significant increase
Financial result	€ -52m	€ -26m	significantly more negative
Free cash flow, adjusted	€ -777	€ -390	significant improvement, still negative
CapEx	€ 1.2bn	€ 811m	significant decrease
Average FX-rate (EUR/USD)	1.11	1.13	1.21
Weather-related outage days	~200 days	~25 days	0 days
Potash and Magnesium Products			
Global sales volumes ¹	~ 66m tons	~ 69m tons	at least stable
K+S sales volumes	6.1m tons	6.7m tons	significant increase
Average selling price	253 €/t	254 €/t	slight increase
Salt			
K+S sales volumes	19m tons	20m tons	tangible increase
t/o de-icing	10m tons	11m tons	significant increase
t/o non de-icing	9m tons	10m tons	slight increase

¹ Incl. ~ 4mt of potassium sulphate and potash grades with lower mineral content

Annual General Meeting	15 May 2018
BMO Farm To Market Conference with CEO, New York	17 May 2018
Roadshow Frankfurt with CFO, Equinet	17 May 2018
Roadshow London with CFO, Morgan Stanley	18 May 2018
Morgan Stanley ChemTech Day, London	23 May 2018
Commerzbank/mBank Conference, Warsaw	5 June 2018
Deutsche Bank dbAccess Conference, Berlin	6/7 June 2018
Credit Suisse Chemicals and Agriculture Conference, London	7 June 2018
Société Générale Conference, Nice	8 June 2018
Roadshow Hamburg, DZ Bank	13 June 2018
J.P. Morgan Materials Conference, London	13 June 2018
Half-yearly Financial Report H1/18	14 August 2018
Capital Markets Day in Bethune, Canada (save-the-date)	5 September 2018



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