



14 Nov.19

K+S Group

Q3/19 Conference Call

Dr. Burkhard Lohr, CEO

Thorsten Boeckers, CFO

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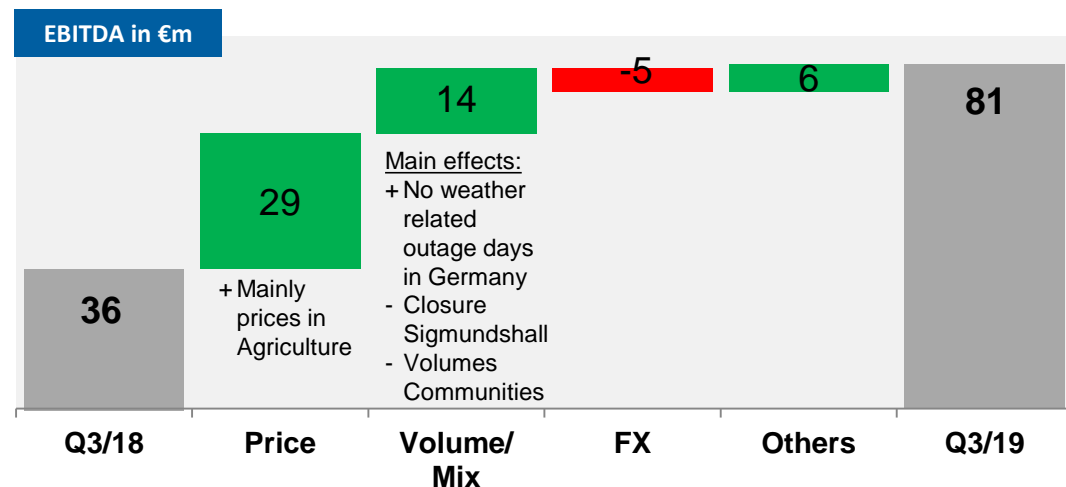
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Q3 and 9M/19 at a glance

Highlights

- Q3/19 EBITDA increased to €81m (Q3/18: €36m)
- No weather-related outage days in 2019
- FCF plus €264m to €204m in 9M/19
- Net financial debt/EBITDA down to 4.3x (31 Dec 18: 5.3x)



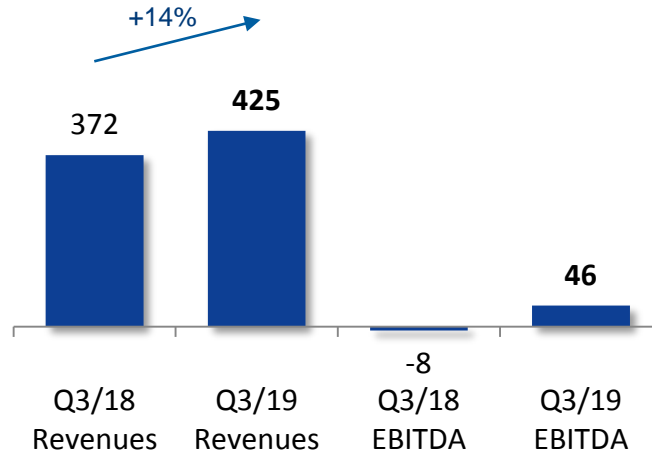
Financials

€million	Q3/18	Q3/19	%	9M/18	9M/19	%
Revenues	840	905	+8	2,822	3,047	+8
<i>t/o Europe+</i>	568	621	+9	1,802	1,940	+8
<i>t/o Americas</i>	271	283	+4	1,018	1,105	+9
D&A	95	107	-14	276	310	+12
EBITDA	36	81	>100	378	481	+27
<i>t/o Europe+</i>	22	67	>100	278	373	+34
<i>t/o Americas</i>	29	25	-12	147	147	-
Adj. net profit	-61	-42	-	14	69	>100
Adj. EPS (€)	-0.32	-0.22	-	0.07	0.36	>100
Operating cash flow	-16	-8	-	276	510	-
Adj. FCF	-154	-131	-	-60	204	-
CapEx	124	144	+16	278	310	+11
Nfd/EBITDA (LTM)	-	-	-	5.5x	4.3x	-

Deeper dive into our customer segments

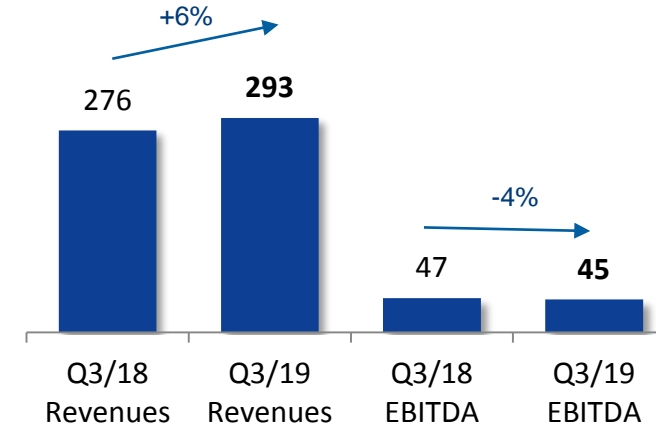
Agriculture

- Better prices
- Positive FX effects
- Higher product availability due to **no** weather-related **outage days** in Germany



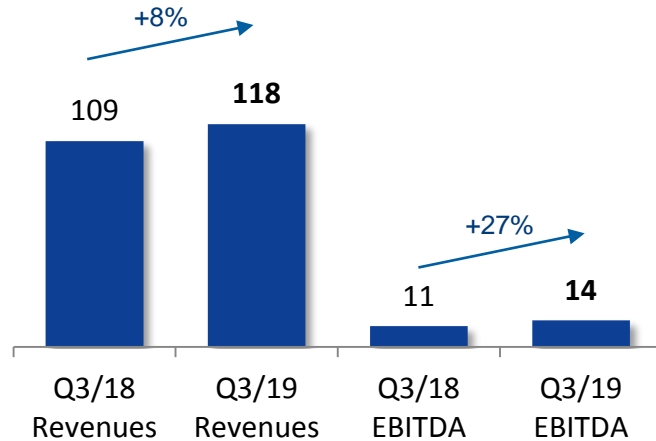
Industry

- Better prices
- Higher volumes
- Positive FX effects
- General cost inflation



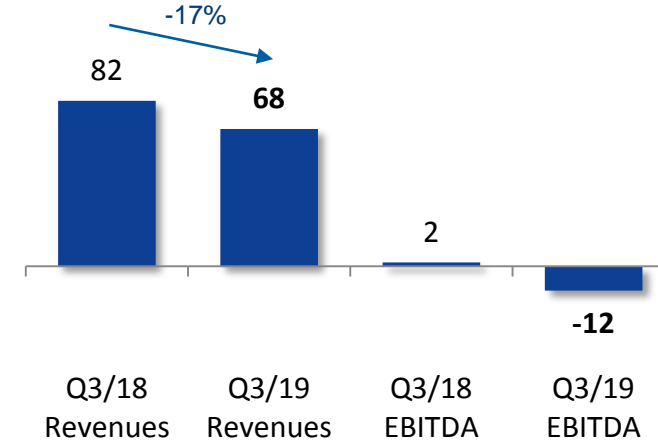
Consumers

- Better prices, especially in North America
- Positive FX effects
- General cost inflation



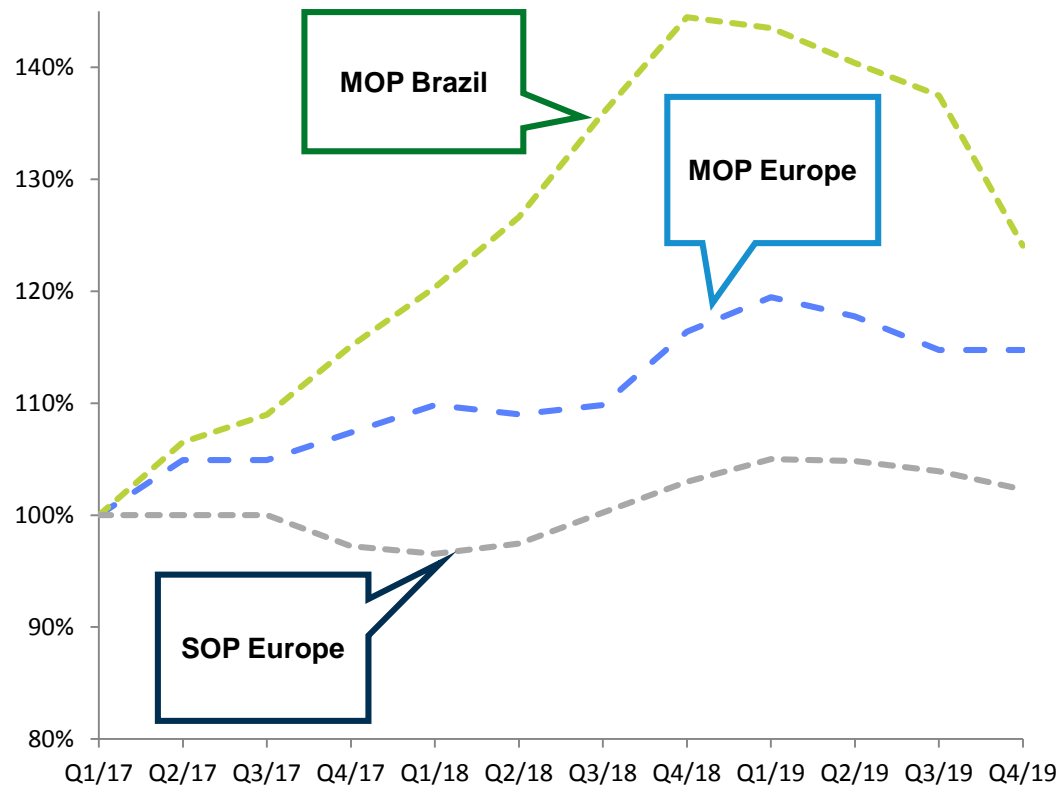
Communities

- Lower volumes
- General cost inflation



Market update: Customer segment Agriculture

Pricing (Source: FMB)



Q3/19:

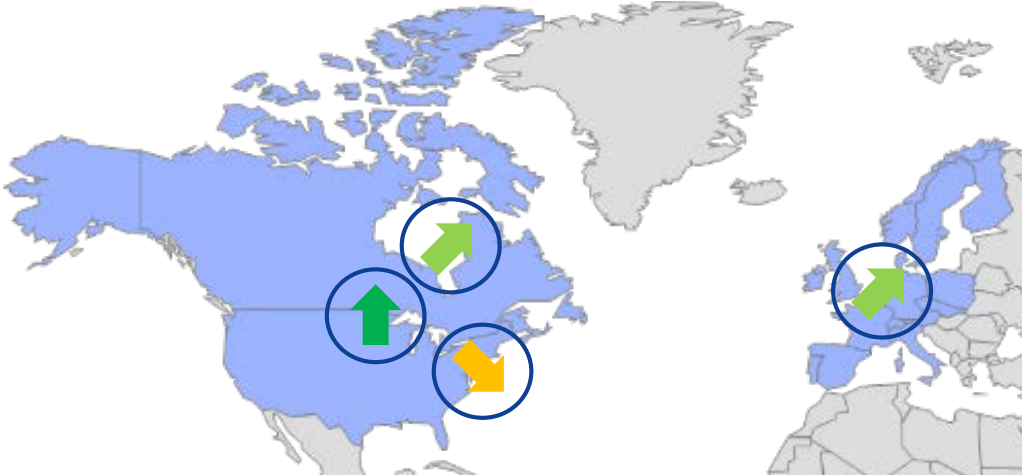
- Slowdown in global potash market since Q3 after strong sales volumes in H1
- **Chinese** import stop led to waiting position in other markets
- Softer pricing in **Brazil**, but no big volumes concluded at this level
- Producers announced to reduce >3 mt of production for H2/19 in total
- Specialties and MOP prices in **Europe** relatively stable
- K+S average selling price in Q3/19 even above Q2 level due to positive product mix effects

Outlook:

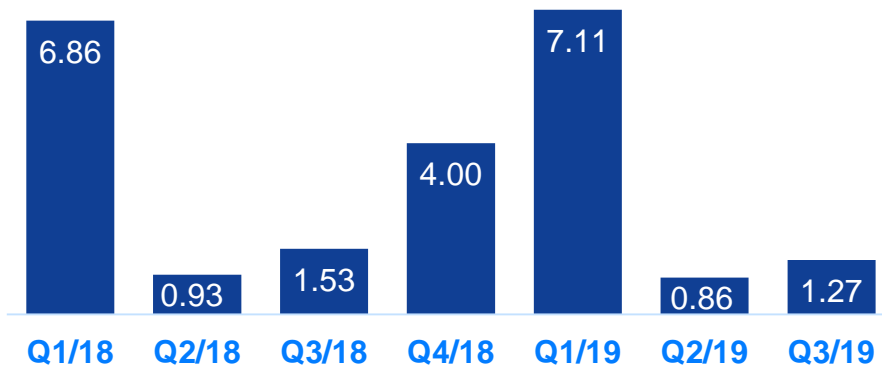
- **Indian** contract at 280 USD/t vs. 290 USD/t before provided first indication
- Slight decline in global potash demand to be noticed in 2019 compared to record demand in 2018 of a good 71 mt

Trading update: Customer segment Communities

Pricing trends in customer segment Communities



Sales volumes in customer segment Communities (in mt)



Q3/19 update early fills:

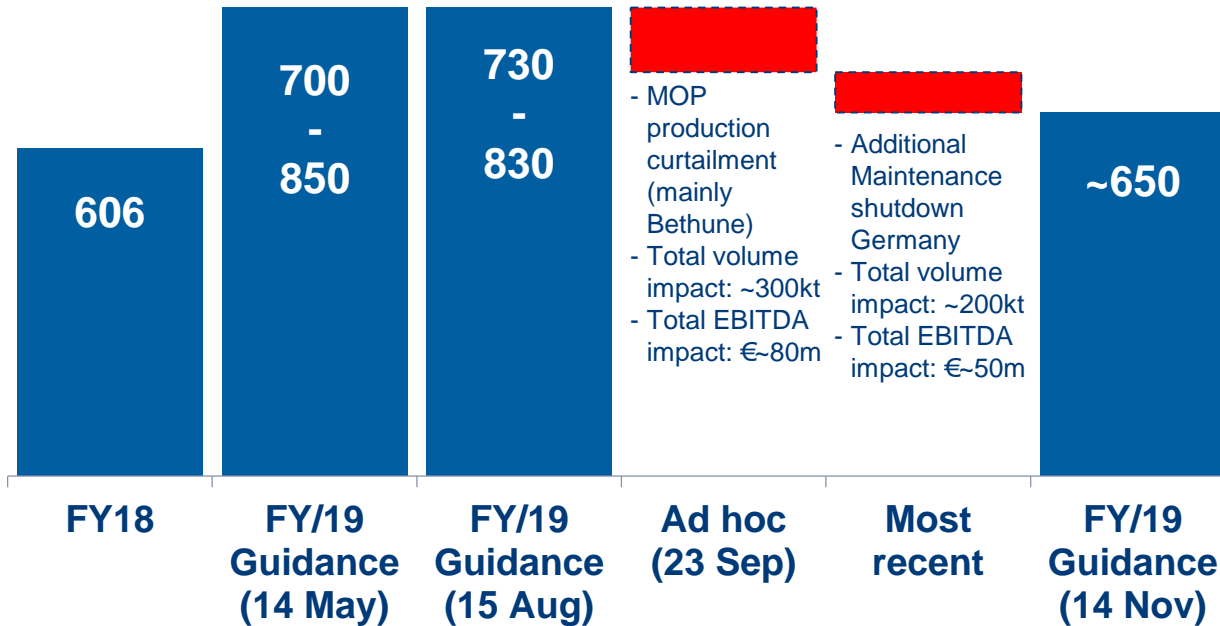
- Mixed picture in our regions
- Volumes down in **North America** and **Europe** mainly due to timing effects
- Highly competitive **US East Coast**

Outlook winter season 2019/20:

- Widely promising bidding season 2019/20
 - Prices significantly up at USMW, CA and EU slightly up, USEC down
 - Higher prices can more than compensate for logistics cost inflation
 - FY/2019 sales volume of 12.5-13kt expected

Outlook 2019

EBITDA in €m



No weather-related standstills in 2019



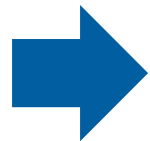
Higher ASP in customer segment Agriculture and supportive prices in other segments



Q4/19 de-icing volumes based on normal winter



Market-related MOP production curtailment / maintenance shutdown earlier than planned



K+S still expects to achieve a positive adjusted Free cash flow in 2019 (2018: € -206 m)

Important Milestones have been achieved so far

Customer focus / new organization	implemented	<input checked="" type="checkbox"/>
Operating performance	improved	<input checked="" type="checkbox"/>
Wastewater management	improved	<input checked="" type="checkbox"/>
Working capital management	improved	<input checked="" type="checkbox"/>
Synergy program	on track	<input checked="" type="checkbox"/>
Bethune product quality	Making progress	<input checked="" type="checkbox"/>
Potash market	challenging	<input type="checkbox"/>
Regulatory environment	challenging	<input type="checkbox"/>

New Head of Investor Relations

Dirk Neumann



Dirk Neumann, previously Head of Corporate Controlling at K+S AG, will take over as Head of the Investor Relations department starting 1 December 2019.

Dirk Neumann was born in 1970 in Hochheim (Main), Germany. He studied Business Administration at the Georg-August-University in Göttingen and graduated with a diploma in business administration in 1997. He then worked in the Corporate Accounting Department of Hoechst Marion Roussel Deutschland GmbH from 1997 – 2000. He was a business analyst for Eastern Europe at Aventis International S.A. from 2000 – 2002. From 2002 – 2003 he worked as a controller for the Dynamit Nobel Specialty Chemicals company. Dirk started at K+S in 2003 as a business segment controller in K+S Entsorgung GmbH for just over a year until he began his career in the Finance and Controlling Department where he spent eight years until 2012, where he became Head of Earnings and Financial Planning, K+S Aktiengesellschaft until 2015, after which he became Head of Controlling of K+S Aktiengesellschaft where he assumed the role of Head of Investor Relations. Dirk is married and has two children.



Q&A

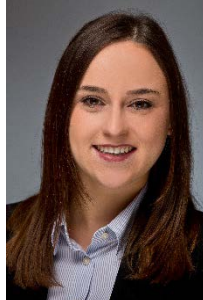


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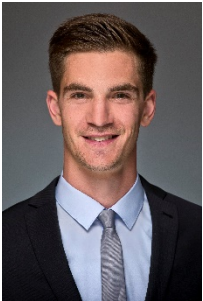
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Housekeeping Items / Financial Calendar

Additional information on Outlook FY 2019

- Tax rate: ~30%
- Financial result: ~€-110 to €120m
- CapEx: ~€550m
- D&A: ~€400m
- Reconciliation (EBITDA): €-60m to €-70m
- Customer segment Agriculture:
Sales volume: ~6.4mt (2018: 6.8mt) and
ASP moderately up (2018: 254 €/t)
- Customer segment Communities:
Sales volume: 12.5-13.0mt
(2018: 13.3mt)

Financial Calendar

Morgan Stanley Roadshow London	15 November 2019
DZ Bank Equity Conference 2019 Frankfurt	19 November 2019
Eigenkapitalforum 2019 Frankfurt	25 November 2019
Kepler Cheuvreux / CIBC Agro Conference London	25 November 2019