

K+S Q3/19 FACTS & FIGURES

HIGHLIGHTS

- + Revenues rose in Q3 to € 905m (Q3/18: € 840m)
- + EBITDA up in Q3 to € 81m (Q3/18: € 36m)
- + Revenues and EBITDA after nine months at 8 % respectively 27 % above previous year
- + No wastewater-related standstills in the current year
- + Adjusted free cash flow as of 30 September up to € 204m (9M/18: € –60m)
- + Net financial debt/EBITDA reduced to 4.3x (31 December 2018: 5.3x)

OUTLOOK 2019 ADJUSTED

- + Since autumn 2019 sustained weak market environment for potassium chloride
- + Parallel to the announced curtailment of the potassium chloride production of 300,000 tonnes, maintenance measures will reduce production by a further 200,000 tonnes
- + Increase in EBITDA now to about € 650m expected (2018: € 606m)
- + Still positive free cash flow for full year 2019 expected (2018: € –206m)

KEY INDICATORS (IFRS)

K+S Group		Q3/18 ¹¹	Q3/19	%	9M/18 ¹¹	9M/19	%
Revenues	€ million	840.1	904.9	+ 7.7	2,821.8	3,046.9	+ 8.0
EBITDA ¹	€ million	36.4	80.6	+ 121.4	378.3	480.6	+ 27.0
EBITDA margin	%	4.3	8.9	–	13.4	15.8	–
Depreciation and amortisation ²	€ million	94.4	106.7	+ 13.1	276.0	309.9	+ 12.3
Operating Unit Europe+ ³							
Revenues	€ million	567.9	621.1	+ 9.4	1,801.9	1,939.7	+ 7.6
EBITDA ¹	€ million	22.2	67.3	+ 202.7	277.6	372.7	+ 34.3
EBITDA margin	%	3.9	10.8	–	15.4	19.2	–
Depreciation and amortisation ²	€ million	78.4	82.8	+ 5.5	228.8	241.0	+ 5.3
Operating Unit Americas ³							
Revenues	€ million	271.0	282.6	+ 4.3	1,017.5	1,105.0	+ 8.6
EBITDA ¹	€ million	28.9	25.3	–12.4	146.9	146.6	–0.2
EBITDA margin	%	10.7	9.0	–	14.4	13.3	–
Depreciation and amortisation ²	€ million	14.5	21.8	+ 50.1	42.3	62.4	+ 47.7
Customer Segment Agriculture ⁴							
Revenues	€ million	372.3	425.0	+ 14.2	1,186.2	1,326.1	+ 11.8
EBITDA ¹	€ million	–7.7	46.1	–	151.5	265.6	+ 75.3
EBITDA margin	%	–2.1	10.9	–	12.8	20.0	–
Customer Segment Industry ⁴							
Revenues	€ million	276.3	292.9	+ 6.0	829.0	857.2	+ 3.4
EBITDA ¹	€ million	46.6	44.8	–3.9	171.1	159.1	–7.0
EBITDA margin	%	16.9	15.3	–	20.6	18.6	–
Customer Segment Consumers ⁴							
Revenues	€ million	108.5	117.7	+ 8.4	321.3	345.8	+ 7.6
EBITDA ¹	€ million	10.6	13.9	+ 30.6	28.2	39.3	+ 39.4
EBITDA margin	%	9.8	11.8	–	8.8	11.4	–
Customer Segment Communities ⁴							
Revenues	€ million	81.8	68.2	–16.7	482.9	515.8	+ 6.8
EBITDA ¹	€ million	1.6	–12.2	–	73.7	55.4	–24.8
EBITDA margin	%	1.9	–17.9	–	15.3	10.7	–
Earnings after tax, adjusted ⁵	€ million	–60.6	–41.8	–	13.6	68.5	–
Earnings per share, adjusted ⁵	€	–0.32	–0.22	–	0.07	0.36	–
Capital expenditure ⁶	€ million	124.4	144.3	+ 16.0	278.1	309.9	+ 11.4
Net cash flows from operating activities	€ million	–16.3	–7.8	–	275.9	509.8	+ 84.8
Adjusted free cash flow ⁷	€ million	–153.8	–131.2	–14.7	–59.6	203.6	–
Net financial debt as of 30 September ⁸	€ million	–	–	–	3,100.1	3,030.5	–2.2
Net financial debt/EBITDA (LTM) ⁹		–	–	–	5.5	4.3	–
Equity ratio	%	–	–	–	40.7	42.8	–
Return on capital employed (LTM) ⁹	%	–	–	–	2.3	3.3	–
Book value per share as of 30 September	€	–	–	–	21.90	23.82	+ 8.8
Average number of shares	million	191.4	191.4	–	191.4	191.4	–
Employees as of 30 September ¹⁰	number	–	–	–	15,018	14,780	–1.6
Market capitalisation as of 30 September	€ billion	–	–	–	3.46	2.43	–29.7
Enterprise value (EV) as of 30 September	€ billion	–	–	–	7.76	6.98	–9.9

¹ The adjusted key indicators include the result from operating forecast hedges in the respective reporting period, which eliminates effects from fluctuations in the market value of the hedges. Related effects on deferred and cash taxes are also eliminated; tax rate in Q3/18: 30.0% (Q3/17: 29.6%). ² Relates to amortisation of intangible assets and depreciation of property, plant and equipment, adjusted for depreciation and amortisation of own work capitalised recognised directly in equity. ³ Segments according to IFRS 8. ⁴ No segments according to IFRS 8. ⁵ The adjusted key indicators include the profit/(loss) from operating anticipatory hedges in the relevant reporting period, which eliminates effects from changes in the fair value of the hedges. Related effects on deferred and cash taxes are also eliminated; Q3/19: 30.0% (Q3/18: 30.0%). ⁶ Relates to cash payments for investments in property, plant and equipment and intangible assets, taking claims for reimbursement from claim management into account excluding additions to leases in accordance with IFRS 16. The standard was applied for the first time as of 1 January 2019. ⁷ Adjusted for purchases/sales of securities and other financial investments. ⁸ From 1 January 2019 contains leasing obligations arising explicitly from finance lease contracts concluded. Prior-year figures are unadjusted. ⁹ LTM: Last twelve months, inclusion of the effects arising from IFRS 16 on a pro-rata basis. The standard was applied for the first time as of 1 January 2019. ¹⁰ FTE: Full-time equivalents; part-time positions are weighted in accordance with their respective share of working hours. ¹¹ For purposes of comparison, prior-year figures for the operating units and for the customer segments will also be reported in accordance with the new breakdown of the segment reporting from the 2019 reporting period onwards.

K+S Q3/19 FACTS & FIGURES

OPERATING UNITS INFORMATION³

EUROPE+

- + Moderate increase in revenues and improved earnings compared to weak prior year period.
- + Wastewater-related production standstills can be ruled out for 2019.
- + Parallel to the production curtailment due to the persistently weak market environment announced with the ad hoc notification of 23 September 2019, K+S will carry out further maintenance work at German sites in the fourth quarter of 2019. As a result, the production of potassium chloride will be reduced by a further 200,000 tonnes in the current year.

AMERICAS

- + Slight increase in revenues in the third quarter while EBITDA remains constant after nine months; revenue increases were offset by higher costs, especially for maintenance and logistics.

CUSTOMER SEGMENT INFORMATION⁴

CUSTOMER SEGMENT AGRICULTURE

- + Tangible rise in revenues to € 425.0m (Q3/2018: € 372.3m), higher prices and positive exchange rate effects as well as higher sales volumes contributed to this development.
- + Sales volume rose moderately to a total of 1.52 million tonnes in the third quarter (Q3/2018: 1.44m tonnes). Additional volumes from the Werra site following the wastewater-related production standstills in the previous year and from the Bethune site more than compensated for the shortfall in volume after the closure of the Sigmundshall mine at the end of 2018.
- + EBITDA improved to € 46.1m in the third quarter after a weak prior-year period (Q3/18: € -7.7m); in the first nine months of the year, EBITDA increased significantly to € 265.6m from € 151.5m in the previous year.

AGRICULTURE CUSTOMER SEGMENT: DEVELOPMENT OF REVENUES, SALES VOLUMES AND AVERAGE PRICES BY REGION ¹

		Q1/18	Q2/18	Q3/18	9M/18	Q4/18	2018	Q1/19	Q2/19	Q3/19	9M/19
Revenues	€ million	430.8	383.1	372.3	1,186.2	555.0	1,741.3	461.0	440.1	425.0	1,326.1
Europe	€ million	258.2	201.3	174.6	634.1	241.0	875.2	274.4	209.5	182.6	666.4
Overseas	US\$ million	212.3	216.3	229.3	657.9	358.0	1,016.0	211.9	259.2	269.6	740.7
Sales volumes	million t (product)	1.79	1.55	1.44	4.78	2.07	6.84	1.64	1.61	1.52	4.77
Europe	million t (product)	0.98	0.77	0.65	2.40	0.87	3.27	0.98	0.75	0.66	2.38
Overseas	million t (product)	0.81	0.78	0.79	2.38	1.20	3.58	0.66	0.87	0.86	2.39
Average price ²	€/t (product)	241.1	246.5	258.4	248.3	265.5	253.7	280.0	272.5	275.8	276.1
Europe	€/t (product)	264.0	260.2	267.0	264.7	272.8	266.8	280.8	280.5	277.5	279.8
Overseas	US\$/t (product)	262.6	277.1	291.4	276.9	297.0	283.7	316.6	298.5	305.2	305.9

¹ 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. Hedging transactions were concluded for most of these sales revenues. Prices are also affected by the relevant product mix and should therefore be taken as a rough indication only.

² Adjusted for effects from other periods

CUSTOMER SEGMENT INDUSTRY

- + EBITDA in Q3/19 slightly down to € 44.8m (Q3/18: € 46.6m); higher revenues nearly made up for the higher costs incurred; in the first nine months of the year, EBITDA totalled € 159.1m, down from € 171.1m in the previous year.

CUSTOMER SEGMENT CONSUMERS

- + EBITDA climbed to € 13.9m in Q3/19 (Q3/18: € 10.6m) and to € 39.3m in the first nine months (9M/18: € 28.2m); higher revenues especially in North America and positive FX effects more than compensated for higher costs.

CUSTOMER SEGMENT COMMUNITIES

- + EBITDA in Q3/19 fell to € -12.2m from € 1.6m in Q3/18; lower sales volumes in early fills compared to the strong previous year were unable to be fully compensated by positive exchange rate effects.
- + In the first nine months of the year, EBITDA totalled € 55.4m, down from € 73.7m in the previous year.

K+S Investor Relations Contacts

E-mail: investor-relations@k-plus-s.com

Homepage: www.kpluss.com

- Julia Bock, Senior Investor Relations Manager, +49 561 9301 1009, julia.bock@k-plus-s.com
- Alexander Enge, Investor Relations Manager, +49 561 9301 1885, alexander.enge@k-plus-s.com
- Janina Rochell, Investor Relations Manager, +49 561 9301 1403, janina.rochell@k-plus-s.com
- Christiane Martel, Roadshow Management, +49 561 9301 1100, christiane.martel@k-plus-s.com