

**K+S**

**Dr. Burkhard Lohr**

**Chairman of the Board of Executive Directors**



**K+S**

# With our products, we secure the essential supply of the population



# Group-wide prevention measures

Production of  
disinfectants in our  
own research  
center



Shift times shortened  
and newly arranged



Intranet  
newsfeed



Distance regulations and  
mandatory face-covering





**Thank you for  
securing our  
supply!**

# Difficult external conditions



Mild winters



Extreme drought

# Package of measures to reduce debt

## Objectives

- Realization of values
- Focus on our core business
- New dimensioning of our resources / adjustment of administrative functions

## Measures

- Sale of the Americas operating unit
- Reduce complexity and refrain from marginal activities
- Efficiency and productivity improvements take effect
- Sustainable environmental solutions
- Restructuring and new dimensioning of the administration

# OU Americas: Strong brands, stable market



**MORTON SALT**





# OU Americas: Realization of values



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## Unique position on the salt market

Revenue: EUR 1.5 billion (2019) | EBITDA: EUR 230 million (2019)

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Sales process proceeding as planned

Strong interest on part of the investors

Target: Written sales agreement before the end of 2020

# OU Europe+: Bethune plant



# OU Europe+: Realization of values



**Bethune is an essential part of the company's future**

No sale of shares is planned

Focusing on the core business in Europe

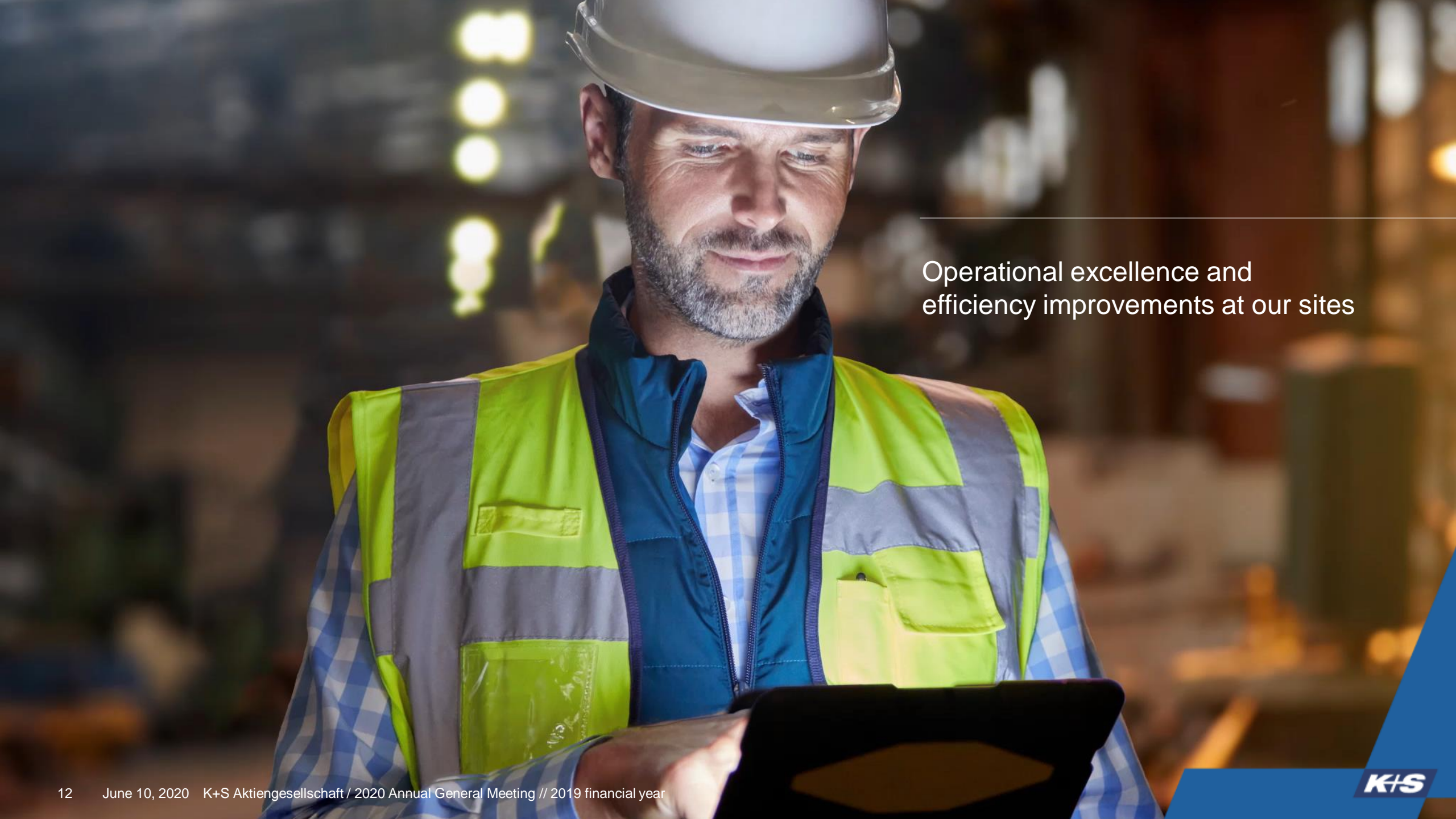
09/2019: Baltic Train sale completed

Positive cash flow effect in the low single-digit million EUR range

12/2019: K+S Entsorgung Schweiz sale completed

Positive cash flow in the lower single-digit million EUR range

Restructuring and re-dimensioning of the administrative functions



Operational excellence and  
efficiency improvements at our sites

# Wastewater-related shutdowns at the Werra plant belong to the past

Temporary intermediate storage of up to 400,000 cubic meters

Storage capacity increased to a total of 1,000,000 cubic meters



Temporary storage underground

# Constructive dialogue provides intelligent and efficient solutions for the environment and our company

- Agreement with BUND met significantly ahead of time
- Reduction of unavoidable environmental burdens



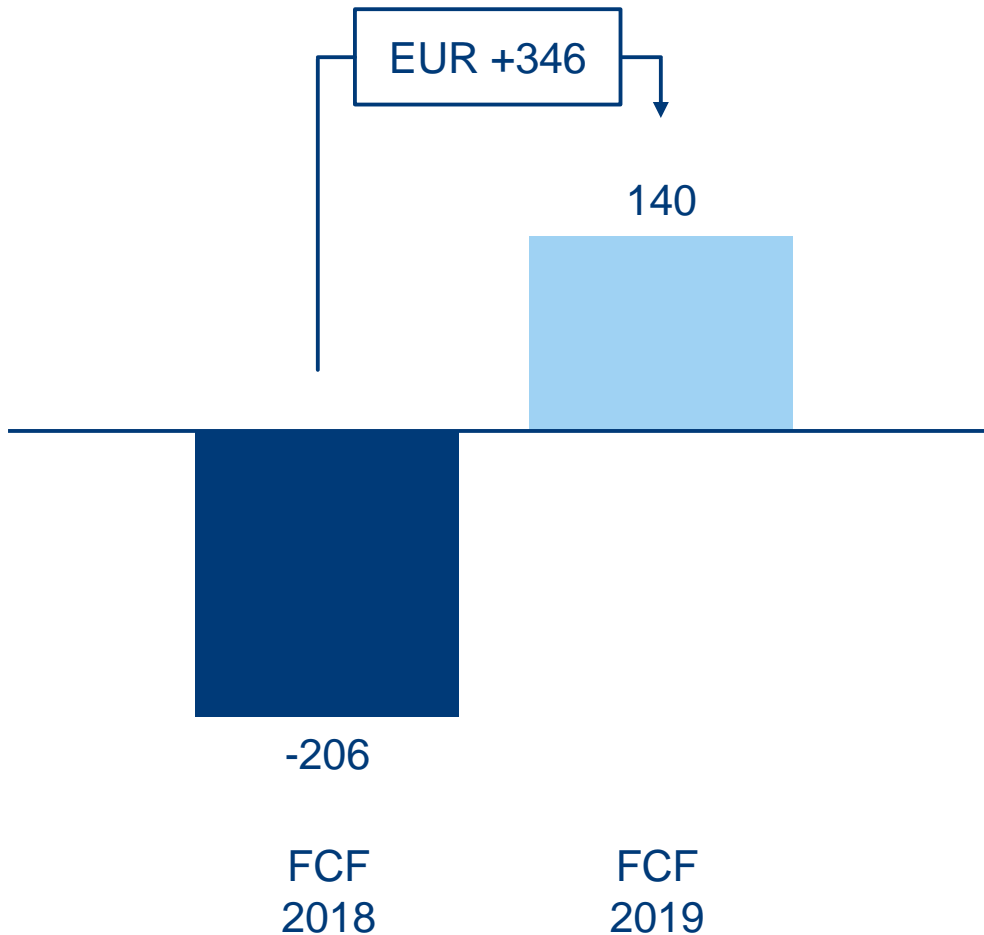
# The future K+S

- Debt reduced by more than EUR 2 billion by the end of 2021
- Stable cross-over rating achieved
- Positioned as a lean, future-oriented premium provider in the fertilizer business
- High share of profitable specialty products

# 2019 financial figures

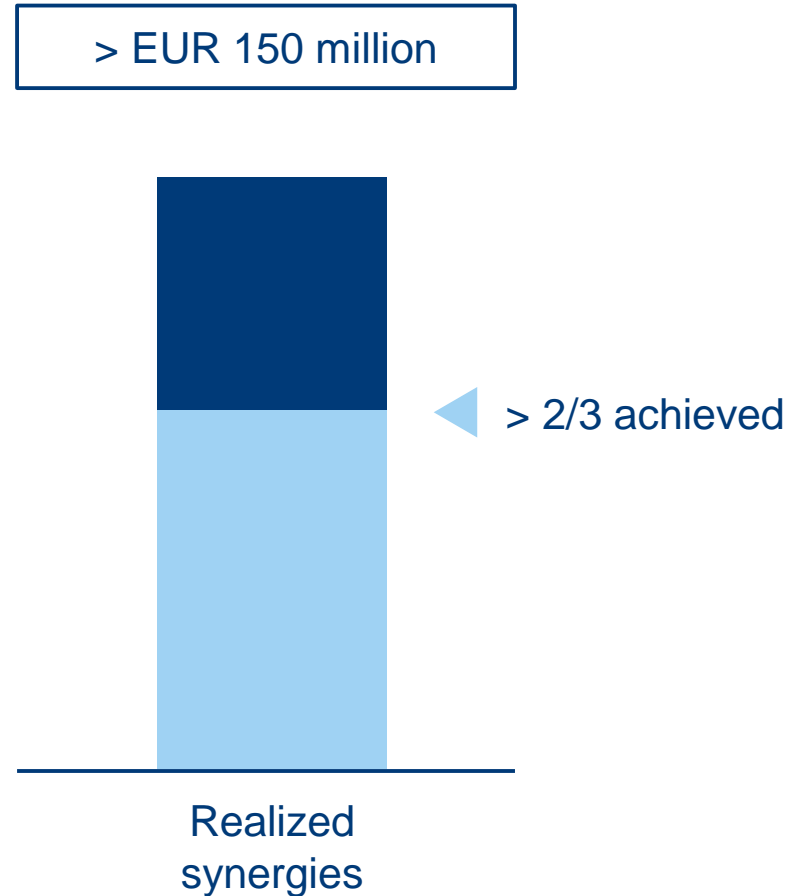


# Significant improvement in free cash flow



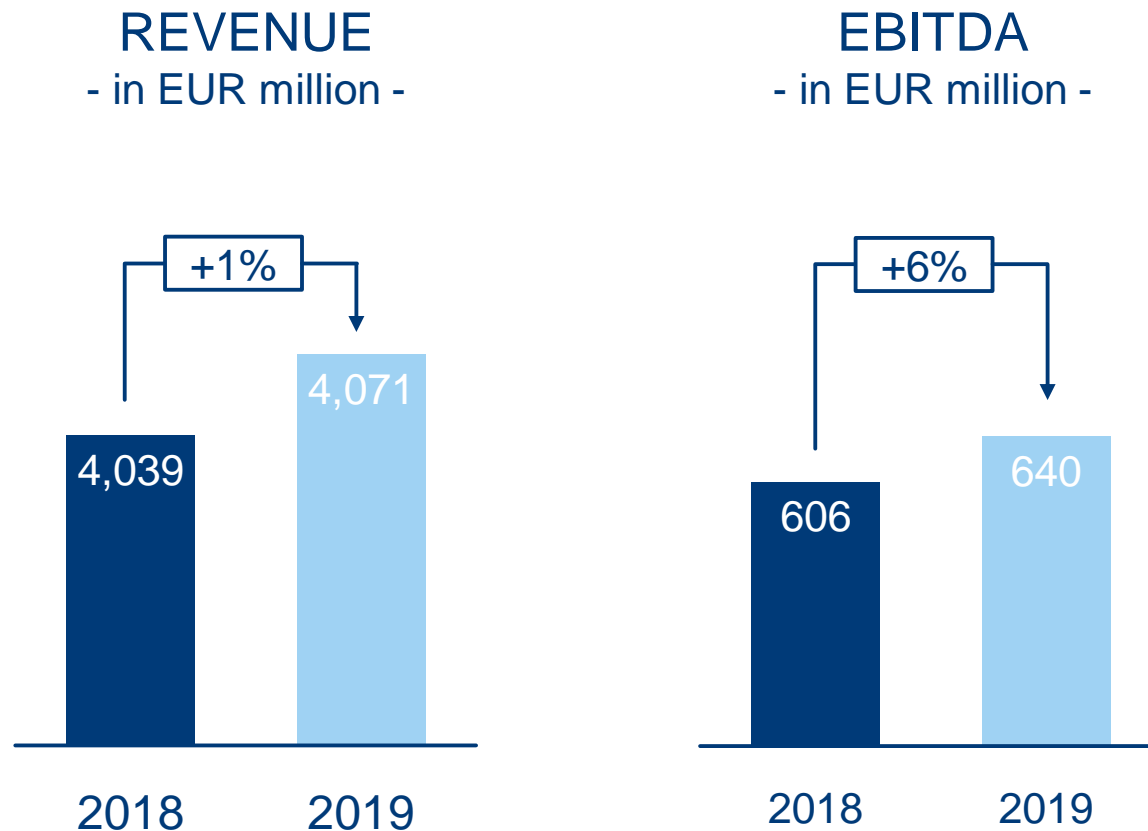
- Improved working capital management
- Strong cost discipline despite continued high environmental investments

# Successfully leveraged synergies



- Administration, Purchasing, Logistics, Production and Sales contribute to the synergies with over 1000 individual measures
- 2/3 of target already achieved
- Well on track to exceed the target of > EUR 150 million by the end of 2020

# Slight growth in revenue and EBITDA despite unfavorable conditions

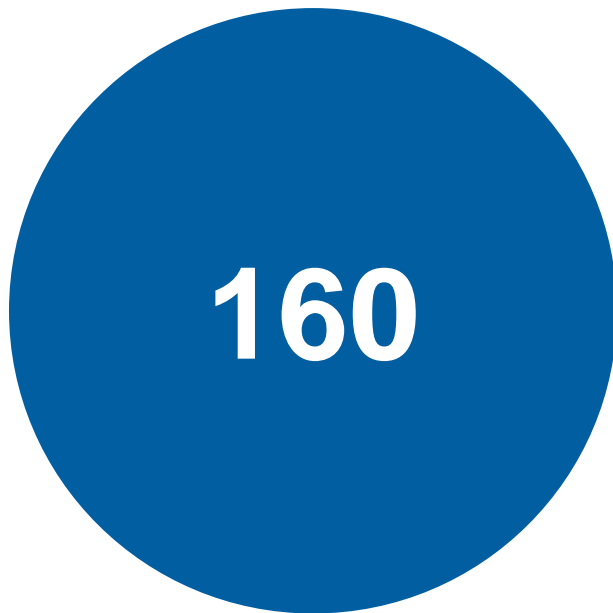


- Further improvement in EBITDA for the third year in a row
- Deteriorating conditions in the second half of the year resulted in lower demand.
- Reduction of global potash production by 4 million tonnes

# Between wishful thinking and reality

## Classification of potash projects announced since 2006 (Greenfield)

Announced projects or in early development phases



Projects with a high probability of realization by 2025



Projects in ramp-up



# Dividend proposal

- Uncertainty in capital and financial markets
- Securing liquidity generation
- Maintaining eligibility for KfW funding

\*Proposal

4 euro  
cents  
(2019\*)

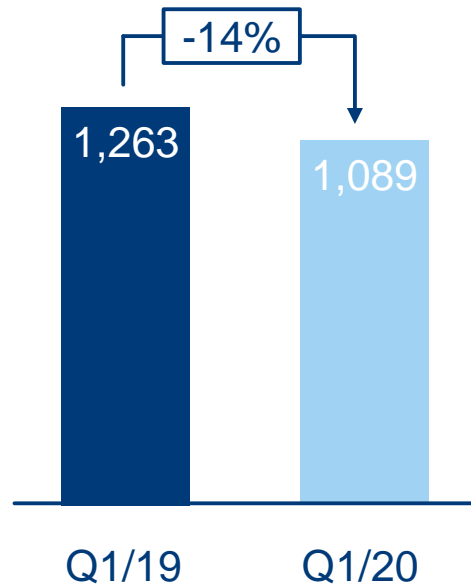
25 euro  
cents (2018)

**Q1/2020 figures**

# Q1/2020 figures

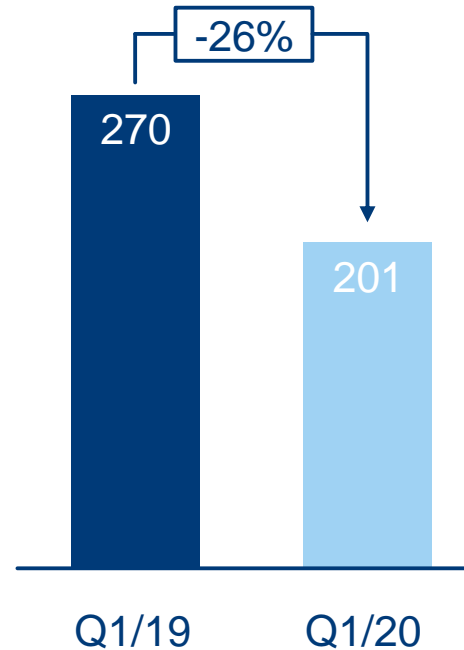
## REVENUE

- in EUR million -



## EBITDA

- in EUR million -



- As expected, negative impact through weaker potash prices and mild winter
- High cost discipline
- Higher earnings contributions from the Industry and Consumer segments, especially in the Americas
- Strong demand for fertilizers
- Potash prices bottoming out

# Current market assessment and 2020 outlook





# Summary

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- Reduction of debt by more than 2 billion euros
- Solid basis, safeguards our future
- Flexibility generates new opportunities
- Global growth with profitable specialty products
- The new K+S is a lean, agile supplier of fertilizers and profitable specialties

