

K+S Q4/19 FACTS & FIGURES

HIGHLIGHTS

- + Group revenues in Q4 with € 1,024m below previous year (Q4/18: € 1,217m)
- + Group EBITDA in Q4 down to € 160m (Q4/18: € 228m)
- + FY revenues and EBITDA 1 % respectively 6 % above previous year
- + No wastewater-related standstills in 2019
- + Adjusted free cash flow as of 31 December up to € 140m (2018: € -206m)
- + Net financial debt/EBITDA reduced to 4.9x (31 December 2018: 5.3x)
- + Dividend proposal: € 0.15 per share

OUTLOOK 2020

- + Numerous uncertainties: still a lack of guidance for the overseas potash markets, especially because China contract still pending; effects of coronavirus not predictable
- + Negative price effects in the customer segment agriculture expected to be offset by higher sales volumes (more than 7 mt) after production cuts in 2018; after the weak start to the de-icing salt business in Q1/20, lower Communities sales volumes expected
- + EBITDA between € 500m and € 620m expected (2019: € 640m)
- + At midpoint, ASP Agriculture slightly below Q4/19 (€255/t) expected
- + FCF to break more or less even at the midpoint despite significantly higher capex

KEY FIGURES

		Q4/18	Q4/19	%	FY/18	FY/19	%
K+S Group							
Revenues	€ million	1,217.3	1,023.8	-15.9	4,039.1	4,070.7	+0.8
EBITDA ¹	€ million	228.0	159.8	-29.9	606.3	640.4	+5.6
EBITDA-margin	%	18.7	15.6	-	15.0	15.7	-
Depreciation and amortization ²	€ million	103.1	122.0	+18.3	379.1	431.9	+13.9
Operating Unit Europe+³							
Revenues	€ million	783.3	596.2	-23.9	2,585.2	2,535.9	-1.9
EBITDA ¹	€ million	165.7	64.2	-61.3	443.3	437.0	-1.4
EBITDA-margin	%	21.2	10.3	-	17.1	17.2	-
Depreciation and amortization ²	€ million	86.9	97.2	+11.8	315.7	338.3	+7.2
Operating Unit Americas³							
Revenues	€ million	433.5	427.2	-1.5	1,451.0	1,532.2	+5.6
EBITDA ¹	€ million	74.9	83.9	+12.0	221.8	230.0	+3.7
EBITDA-margin	%	17.3	17.1	-	15.3	15.0	-
Depreciation and amortization ²	€ million	14.4	22.4	+55.6	56.7	84.9	+49.7
Customer Segment Agriculture⁴							
Revenues	€ million	555.1	389.5	-29.8	1,741.3	1,715.6	-1.5
Sales volumes	t million	2.07	1.53	-26.1	6.85	6.30	-8.0
EBITDA ¹	€ million	123.0	29.3	-76.2	274.5	294.9	+7.4
Customer Segment Industry⁴							
Revenues	€ million	303.8	290.8	-4.3	1,132.8	1,148.0	+1.3
Sales volumes	t million	2.74	2.52	-8.0	10.30	10.09	-2.0
EBITDA ¹	€ million	54.4	58.7	+7.9	225.5	218.0	-3.3
Customer Segment Consumers⁴							
Revenues	€ million	132.4	138.9	+4.9	453.7	484.7	+6.8
Sales volumes	t million	0.50	0.49	-2.0	1.81	1.79	-1.1
EBITDA ¹	€ million	15.1	20.4	+35.1	43.3	59.7	+37.9
Customer Segment Communities⁴							
Revenues	€ million	225.5	204.1	-9.5	708.4	719.9	+1.6
Sales volumes	t million	4.00	3.46	-13.5	13.32	12.70	-4.7
EBITDA ¹	€ million	48.1	39.1	-18.7	121.8	94.4	-22.5
Earnings after tax, adjusted ⁵	€ million	-	-	-	85.4	77.8	-8.9
Earnings per share, adjusted ⁵	€	-	-	-	0.45	0.41	-8.9
Capital expenditure ⁶	€ million	-	-	-	443.2	493.3	+11.3
Net cash flows from operating activities	€ million	-	-	-	308.7	639.8	-
Adjusted free cash flow ⁷	€ million	-	-	-	-206.3	139.7	-
Net financial liabilities as of 31 December ⁸	€ million	-	-	-	-3,241.5	-3,116.6	-3.9
Net financial liabilities/EBITDA (LTM) ⁹	€ million	-	-	-	5.3	4.9	-7.5
Equity ratio	%	-	-	-	41.6	43.6	+4.8
Return on capital employed (LTM)	%	-	-	-	2.6	2.3	-11.5
Book value per share as of 31 December	€	-	-	-	21.7	23.5	+8.5
Average number of shares	million	191.4	191.4	-	191.4	191.4	-
Employees as of 31 December ⁹	number	-	-	-	14,931	14,868	-0.4
Market capitalisation as of 31 December	€ billion	-	-	-	3.0	2.1	-30.0
Enterprise value (EV) as of 31 December	€ billion	-	-	-	7.4	6.7	-9.5

¹ EBITDA is defined as earnings before interest, taxes, depreciation and amortization, adjusted by the depreciation and amortization amount not recognized in profit and loss in the context of own work capitalized, earnings arising from changes in the fair market value of outstanding operating anticipatory hedges, changes in the fair value of operating anticipatory hedges recognized in prior periods. ² Relates to amortization of intangible assets and depreciation of property, plant and equipment, adjusted for depreciation and amortization of own work capitalized recognized directly in equity. ³ Segments according to IFRS 8. ⁴ No segments according to IFRS 8. ⁵ The adjusted key figures only include the result from operating forecast hedges of the respective reporting period reported, changes in the fair market value of outstanding operating forecast hedges are eliminated. In addition, related effects on deferred and cash taxes are eliminated; tax rate for 2019: 30.0% (2018: 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 FTE: Full-time equivalents; part-time positions are weighted in accordance with their respective share of working hours.

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OPERATING UNITS INFORMATION

EUROPE+

- + Q4/19 revenues (€ 596m) and earnings (€ 64m) significantly below Q4/18 level due to production cuts and lower ASP in the customer segment Agriculture as well as weaker European de-icing salt business.
- + FY revenues about stable at € 2,536m (2018: € 2,585m); FY EBITDA slightly decreased to € 437m (2018: € 443m).
- + No wastewater-related production standstills in 2019.

AMERICAS

- + Stable revenues (€ 427m) but tangible increase in earnings (€ 84m) in Q4 mainly due to positive price and exchange rate effects.
- + FY revenues (€ 1,532m) and EBITDA (€ 230m) moderately up compared to previous year.

CUSTOMER SEGMENT INFORMATION

CUSTOMER SEGMENT AGRICULTURE

- + Significant decrease in revenues to € 390m (Q4/18: € 555m), lower ASP and production cuts contributed to this development. FY revenues slightly decreased to € 1,716m (2018: € 1,741m); both higher prices and positive exchange rate effects were almost able to offset the decline in sales volumes caused by the production cuts.
- + Sales volume down to a total of 1.53m tonnes in the fourth quarter (Q4/18: 2.07m tonnes) due to the announced production cuts. FY sales volume at 6.30m tonnes (2018: 6.85m tonnes).
- + EBITDA down to € 29m in the fourth quarter (Q4/18: € 123m); FY EBITDA increased to € 295m from € 275m.

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

		Q1/18	Q2/18	Q3/18	Q4/18	2018	Q1/19	Q2/19	Q3/19	Q4/19	2019
Revenues	€ million	430.8	383.1	372.3	555.0	1,741.3	461.0	440.1	425.0	389.5	1,715.6
Europe	€ million	258.2	201.3	174.6	241.0	875.2	274.4	209.5	182.6	208.2	874.6
Overseas	US\$ million	212.3	216.3	229.3	358.0	1,016.0	211.9	259.2	269.6	200.8	941.5
Sales volumes	million t (product)	1.79	1.55	1.44	2.07	6.84	1.64	1.61	1.52	1.53	6.30
Europe	million t (product)	0.98	0.77	0.65	0.87	3.27	0.98	0.75	0.66	0.78	3.16
Overseas	million t (product)	0.81	0.78	0.79	1.20	3.58	0.66	0.87	0.86	0.75	3.14
Average price	€/t (product)	241.1	246.5	258.4	267.9	254.2	281.7	272.6	279.7	254.9	272.4
Europe	€/t (product)	264.0	260.2	267.0	276.0	267.6	281.2	280.5	277.5	267.9	277.0
Overseas	US\$/t (product)	262.6	277.1	291.4	298.6	283.8	320.8	298.7	312.9	267.5	299.8

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 entered into for most of these revenues. Prices are also affected by the relevant product mix and should therefore be taken as a rough indication only.

CUSTOMER SEGMENT INDUSTRY

- + EBITDA in Q4/19 moderately up to € 59m (Q4/18: € 54m); positive price effects more than made up for lower sales volumes (2.52m tonnes; Q4/18: 2.74m tonnes) due to product availability after the closure of Sigmundshall.
- + FY EBITDA totaled € 218m, slightly down from € 226m in the previous year; higher revenues nearly made up for the higher costs for maintenance and logistics.

CUSTOMER SEGMENT CONSUMERS

- + EBITDA significantly climbed to € 20m in Q4/19 (Q4/18: € 15m) and to € 60m in the full year (2018: € 43m); higher revenues especially due to positive price, product mix and FX effects more than compensated for higher costs.

CUSTOMER SEGMENT COMMUNITIES

- + EBITDA in Q4/19 fell to € 39m from € 48m in Q4/18; lower sales volumes (3.46m tonnes) compared to the strong previous year (Q4/18: 4.00m tonnes) were unable to be fully compensated by positive price and exchange rate effects.
- + FY EBITDA totaled € 94m, down from € 122m in the previous year.

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