



12 August 2021

K+S Aktiengesellschaft

# Virtual Conference

Q2/2021

**Dr. Burkhard Lohr**  
CEO

**Thorsten Boeckers**  
CFO

# Disclaimer

No reliance may be placed for any purpose whatsoever on the information or opinions contained in the Presentation or on its completeness, accuracy or fairness. No representation or warranty, express or implied, is made or given by or on behalf of the Company or any of its respective directors, officers, employees, agents or advisers as to the accuracy, completeness or fairness of the information or opinions contained in the Presentation and no responsibility or liability is accepted by any of them for any such information or opinions. In particular, no representation or warranty, express or implied, is given as to the achievement or reasonableness of, and no reliance should be placed on any projections, targets, ambitions, estimates or forecasts contained in this Presentation and nothing in this Presentation is or should be relied on as a promise or representation as to the future.

This presentation contains facts and forecasts that relate to the future development of the K+S Group and its companies. The forecasts are estimates that we have made on the basis of all the information available to us at this moment in time. Should the assumptions underlying these forecasts prove not to be correct or should certain risks – such as those referred to in the Annual Report – materialize, actual developments and events may deviate from current expectations. Given these risks, uncertainties and other factors, recipients of this document are cautioned not to place undue reliance on these forecasts.

This Presentation is subject to change. In particular, certain financial results presented herein are unaudited, and may still be undergoing review by the Company's accountants. The Company may not notify you of changes and disclaims any obligation to update or revise any statements, in particular forward-looking statements, to reflect future events or developments, save for the making of such disclosures as are required by the provisions of statute. Thus statements contained in this Presentation should not be unduly relied upon and past events or performance should not be taken as a guarantee or indication of future events or performance.

This presentation has been prepared for information purposes only. It does not constitute an offer, an invitation or a recommendation to purchase or sell securities issued by K+S Aktiengesellschaft or any company of the K+S Group in any jurisdiction.

# Rapid Debt Reduction and Value Generation



## Sale of the Americas operating unit

- Closing completed on April 30
- Net proceeds ~ €2.6 billion
- Book gain ~ €742 million

## Financial debt reduced significantly by ~ €1.7 billion

- > €1 billion credit facilities, promissory notes, commercial papers
- Successful buy-back of bonds ~ €560 million
- KfW facility terminated (has never been drawn)

## Balance Sheet streamlined

- Net Financial Debt / EBITDA 2.0x
- Equity Ratio ~ 48%

# Social Responsibility



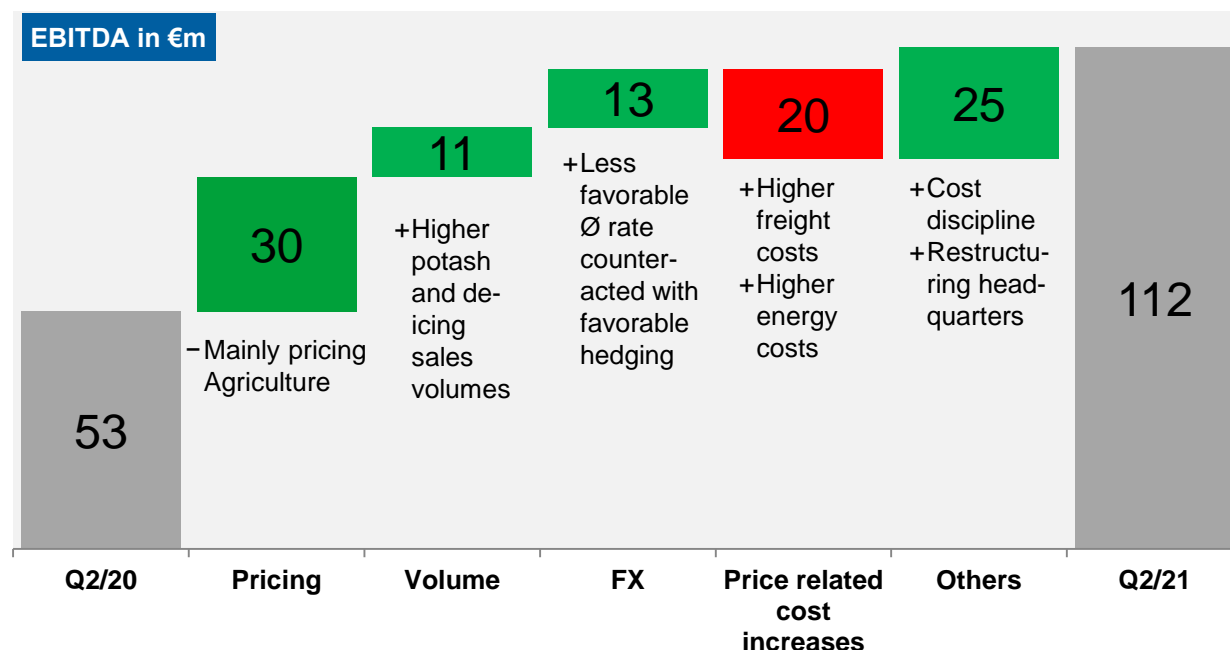
- We contributed to the vaccination campaign
- Until end of July, employees and family members received more than 3,500 vaccine doses



# Q2/21 EBITDA significantly improved YoY

## Highlights

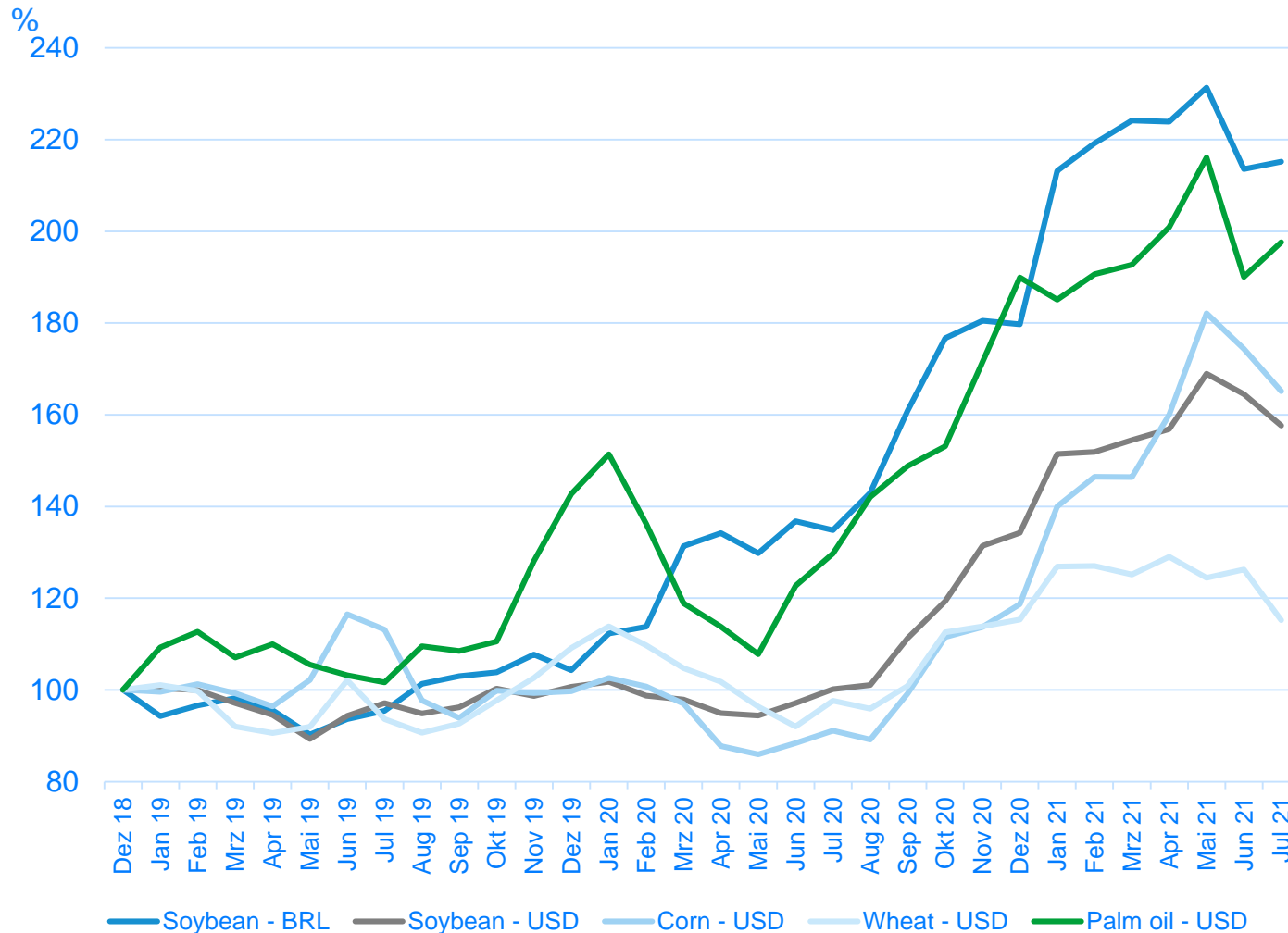
- Q2/21 EBITDA increased to €112m (Q2/20: €53m)
- COVID-19:** Minor efficiency losses on the previous year's Q2 level
- Adj. net profit** positive at €158m (Q2/20: €-27m); thereof €147m related to value fluctuations in plant, property and equipment



## Financials (continuing operations)

€ million	Q2/2020	Q2/2021	%
Revenues	590	664	+13
<i>t/o Agriculture</i>	405	474	+17
<i>t/o Industry+</i>	186	191	+3
D&A	89	67	-25
EBITDA	53	112	+111
Adj. net profit	-27	158	-
<i>t/o reversal of impairment losses on assets</i>	-	147	-
Adj. EPS (€)	-0.14	0.82	-
<i>t/o reversal of impairment losses on assets</i>	-	0.77	-
Operating cash flow	45	-1.6	-
Adj. FCF	-49	-68	-
CapEx	102	87	-15
NFD/EBITDA (LTM)*	5.6x	2.0x	-

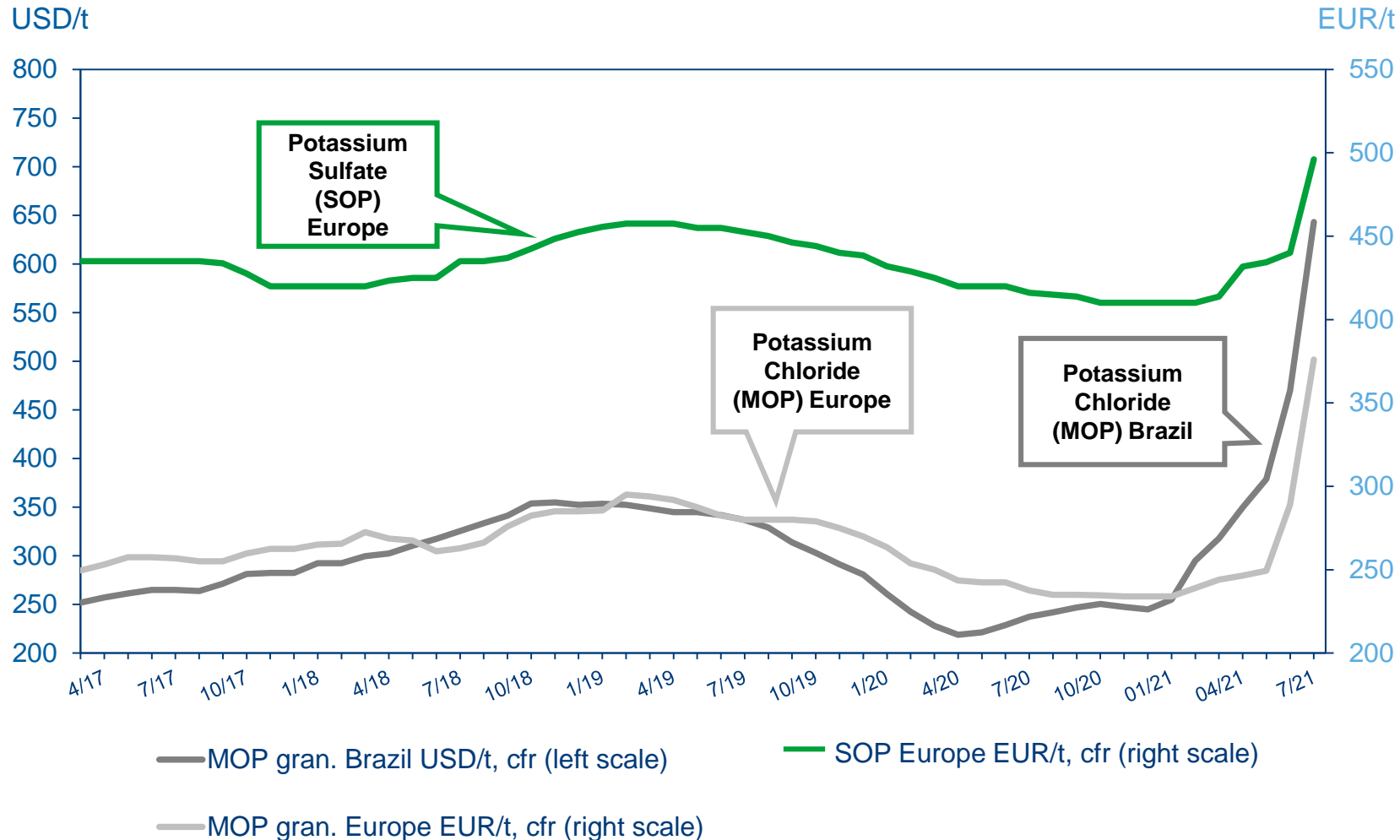
# Strong performance in agricultural markets



- ▶ Recovery of crop prices on back of falling stock-to-use ratios, mainly corn and soybean below 5-year-average
- ▶ First significant increase in agricultural profitability since 2015
- ▶ Farmers switch from a cost-minimized to a volume-optimized mindset with very favorable affordability indices
- ▶ Therefore, very good potash demand in all regions in 2021. Supply is the limiting factor for further growth in world potash sales

Source: World Bank, Index: December 2018

# Agriculture customer segment



## Q2/2021

- Accelerated price recovery in Brazil continued on the back of very strong demand
- Concerns about supply due to sanctions against Belarus and Mosaic (Esterhazy)
- Positively influenced European and specialty market

## Outlook 2021

- World potash sales incl. 5 mt specialties meanwhile expected on last year's record level (2020: about 76 mt), further growth limited by supply
- ASP expected significantly higher than in 2020

Source: FMB Argus Potash

# Trading update: Industry+



## De-icing salt business

- Strong performance in Q1
- Good early-fills business expected



## Pharmaceutical industry

- COVID-19-related declines



## Food industry

- COVID-19-related declines



## Chemical industry

- Strong performance in Q2, especially chlorine for plastics, PVC and glass

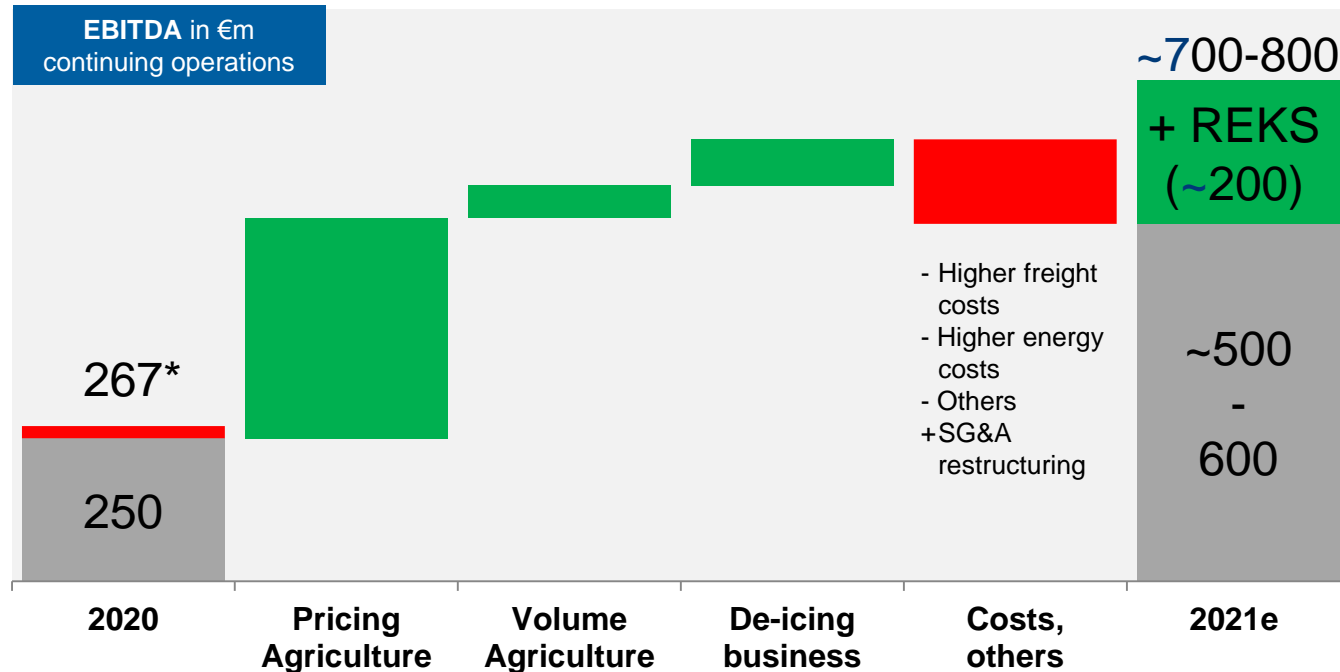


## Consumer products

- Close to already strong prior quarter due to increased home consumption



# 2021 EBITDA outlook raised by €200 million



- Significantly higher average price in Agriculture product portfolio
- Sales volume in the Agriculture customer segment expected to be >7.5 million tonnes (2020: 7.3 million tonnes)
- Sales volumes in de-icing salt business: >2.6 million tonnes expected (2020: 0.9 million tonnes; normal year: 2-2.5 million tonnes)
- One-off gain from REKS joint venture expected to amount to around €200 million in Q4

FCF including cash-in from sale of the OU Americas expected significantly above €2 billion; excluding this, FCF still expected negative in 2021, but close to the level of 2020 (€-109.9 million)

\* without one-off effects

# New Head of Investor Relations

Julia Bock, CFA



**Julia Bock**, previously Senior Investor Relations Manager at K+S AG, will take over as Head of the Investor Relations department.

Julia Bock was born in 1983 in Bad Hersfeld, Germany.

Julia joined the Investor Relations Department of K+S Aktiengesellschaft in 2006 after completing her Bachelor of Business Administration degree at Frankfurt School of Finance & Management and working for Commerzbank AG. She holds the Chartered Financial Analyst designation since 2010. After 7 years in IR she became Head of the Corporate Secretary Department. In 2018, she rejoined the Investor Relations team as Deputy Head of Investor Relations.

Julia is married and has two children.

# Q&A

**Dr. Burkhard Lohr**  
CEO

**Thorsten Boeckers**  
CFO

The logo for K+S, featuring the letters 'K+S' in a bold, white, sans-serif font. The letters are set against a dark blue, parallelogram-shaped background that is tilted slightly to the right. The logo is positioned in the bottom right corner of the slide, overlapping the dark blue background and the white bottom edge of the slide.

**K+S**

# Housekeeping items / Financial calendar

## Additional information on 2021 FY outlook – continuing operations

- Tax rate: 30%
- Financial result: on the level of last year (2020: €-106m)
- CapEx: on the level of last year (2020: €428m)
- D&A: ~€300m

## Financial calendar

Morgan Stanley Roadshow London (virtual) – CFO	13 August 2021
Kepler Cheuvreux Roadshow Frankfurt (hybrid) – CEO	19 August 2021
Commerzbank/ODDO Corporate Conference 2021 (virtual) – CFO	31 August 2021
Goldman Sachs/Berenberg German Corporate Conference (hybrid) – CEO	20 September 2021
Baader Investment Conference (hybrid) – CEO	20+23 September 2021
Kepler/Cheuvreux US Roadshow (virtual) – CFO	30 September 2021

# Investor Relations Contact



**K+S Aktiengesellschaft**  
Bertha-von-Suttner-Str. 7  
34131 Kassel (Germany)

E-Mail: [investor-relations@k-plus-s.com](mailto:investor-relations@k-plus-s.com)  
Website: [www.kpluss.com](http://www.kpluss.com)  
IR-Website: [www.kpluss.com/ir](http://www.kpluss.com/ir)  
Newsletter: [www.kpluss.com/newsletter](http://www.kpluss.com/newsletter)

**Julia Bock, CFA**  
Senior Investor Relations Manager  
Phone: + 49 561 / 9301-1009  
Fax: + 49 561 / 9301-2425  
[julia.bock@k-plus-s.com](mailto:julia.bock@k-plus-s.com)

**Dirk Neumann**  
Head of Investor Relations  
Phone: +49 561 / 9301-1460  
Fax: +49 561 / 9301-2425  
[d.neumann@k-plus-s.com](mailto:d.neumann@k-plus-s.com)

**Janina Rochell**  
Senior Investor Relations Manager &  
Sustainability Expert  
Phone: + 49 561 / 9301-1403  
Fax: + 49 561 / 9301-2425  
[janina.rochell@k-plus-s.com](mailto:janina.rochell@k-plus-s.com)