

K+S Q2/2021 FACTS & FIGURES



Sale of Americas operating unit successfully completed

- + Preliminary key figures: Cash inflow of around €2.6 billion; gain on disposal amounting to €742 million
- + Repayment of financial liabilities by around €1.7 billion, termination of KfW credit line
- + Net financial debt in relation to EBITDA sharply reduced to 2.0 times (Dec.31, 2020: 12.3 times); equity ratio rises to 48% (Dec.31, 2020: 27%)

HIGHLIGHTS (CONTINUING OPERATIONS)

- + K+S GROUP revenues rise to €664 million (Q2/2020: €590 million)
- + EBITDA of €112 million significantly above previous year's figure (Q2/2020: €53 million)
- + Adjusted free cash flow of € -83 million in H1 (H1/2020: €31 million)

OUTLOOK

- + **EBITDA forecast from continuing operations** raised again to a figure of **€700 to €800 million** (previous forecast: €500 to €600 million)
- + **Adjusted free cash flow from continuing and discontinued operations** should be **significantly over €2 billion** including the proceeds generated by the sale of the Americas (2020: €-42.2 million); **adjusted free cash flow from continuing operations** should still be **negative**, but now is expected **close to the level of 2020** (€-109.9 million; previous forecast: negative, below 2020)
- + **Adjusted Group earnings after taxes from continuing and discontinued operations** expected to increase sharply to **more than €1 billion** (previous forecast: strong increase to a mid three-digit million euro amount). **Adjusted Group earnings after taxes from continuing operations** expected to rise sharply to a figure **in the mid three-digit million range** (previous forecast: sharp increase to a positive figure).

KEY FIGURES

		Q2/2020	Q2/2021	%	H1/2020	H1/2021	%
K+S Group							
Revenues	€ million	590.3	664.2	+12.5	1,237.3	1,397.5	+12.9
EBITDA ¹	€ million	52.7	111.5	>+100.0	152.0	237.4	+56.2
EBITDA margin	%	8.9	16.8	+88.0	12.3	17.0	+38.3
Depreciation and amortization ²	€ million	88.6	67.0	-24.4	174.7	132.1	-24.4
Customer segment Agriculture³							
Revenues	€ million	404.6	473.7	+17.1	858.3	942.7	+9.8
Sales volumes	t million	1.75	1.89	+8.3	3.65	3.90	+6.8
Customer segment Industry+³							
Revenues	€ million	185.7	190.5	+2.6	379.0	454.8	+20.0
Sales volumes	t million	1.25	1.53	+22.4	2.55	3.96	+55.7
- thereof de-icing salt	t million	0.22	0.29	+30.6	0.43	1.64	>+100.0
Capital expenditure (CapEx) ⁴	€ million	101.6	86.7	-14.7	174.0	134.8	-22.5
Equity ratio	%	-	-	-	42.5	47.9	+12.9
Return on Capital Employed (LTM) ⁵	%	-	-	-	-0.6	-25.1	<-100.0
Book value per share as of June 30	€	-	-	-	22.28	17.54	-21.3
Average number of shares	million	191.4	191.4	-	191.4	191.4	-
Employees on June 30 ⁶	number	-	-	-	11,116	10,730	-3.5

KEY FIGURES FOR CONTINUING AND DISCONTINUED OPERATIONS

Group earnings after taxes, adjusted⁷	€ million	-24.1	988.6	>+100.0	-5.6	1,269.4	>+100.0
- thereof continuing operations	€ million	-27.2	157.5	>+100.0	-67.7	386.8	>+100.0
- thereof reversal of impairment losses of property, plant, and equipment	€ million	-	146.5	-	-	326.7	-
- thereof discontinued operations	€ million	3.2	831.1	>+100.0	62.2	882.6	>+100.0
Earnings per share, adjusted⁷	€	-0.13	5.17	>+100.0	-0.03	6.63	>+100.0
- thereof continuing operations	€	-0.14	0.82	>+100.0	-0.35	2.02	>+100.0
- thereof reversal of impairment losses of property, plant, and equipment	€	-	0.77	-	-	1.71	-
- thereof discontinued operations	€	0.01	4.34	>+100.0	0.32	4.61	>+100.0
Net cash flow from operating activities	€ million	68.0	-77.8	<-100.0	323.0	69.2	-78.6
- thereof continuing operations	€ million	44.9	-1.6	<-100.0	169.2	80.6	-52.3
- thereof discontinued operations	€ million	23.1	-76.2	<-100.0	153.8	-11.4	<-100.0
Adjusted free cash flow	€ million	-43.2	2,511.8	>+100.0	161.2	2,549.1	>+100.0
- thereof continuing operations	€ million	-48.9	-68.3	-39.6	31.4	-83.4	<-100.0
- thereof discontinued operations	€ million	5.7	2,580.1	>+100.0	129.8	2,632.5	>+100.0
Net financial debt as of June 30	€ million	-	-	-	-2,979.4 ⁸	-695.1	+76.7
Net financial debt/EBITDA ratio (LTM) ⁵	x-times	-	-	-	5.6 ⁸	2.0	-42.9
Market capitalization as of June 30	€ billion	-	-	-	1.08	2.20	>+100.0
Enterprise value (EV) as of June 30	€ billion	-	-	-	5.52 ⁸	4.06	-26.5

¹ EBITDA is defined as earnings before interest, taxes, depreciation, and amortization, adjusted for depreciation and amortization of own work capitalized recognized directly in equity, gains/losses from fair value changes arising from operating anticipatory hedges still outstanding, and 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 No segments according to IFRS 8.

⁴ Relates to cash-effective capital expenditures for property, plant and equipment and intangible assets excluding leases in accordance with IFRS 16.

⁵ LTM = last twelve months

⁶ FTE: Full-time equivalents; part-time positions are weighted according to their share of working hours.

⁷ The adjusted key figures include gains/losses from operating anticipatory hedging transactions in the respective reporting period; effects from fluctuations in the fair value of hedging transactions are eliminated. The effects on deferred and cash taxes are also eliminated; tax rate Q2/2021: 30.1% (Q2/2020: 30.0%).

⁸ Relates to continuing and discontinued operations, as no retrospective restatement of the balance sheet as of June 30, 2020 has been made.

CUSTOMER SEGMENT INFORMATION



AGRICULTURE CUSTOMER SEGMENT

+ Increase in revenues to €473.7 million (Q2/2020: €404.6 million)

+ Sales volumes rose to 1.89 mt (Q2/2020: 1.75 mt)

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

		Q1/2020	Q2/2020	H1/2020	Q3/2020	Q4/2020	2020	Q1/2021	Q2/2021	H1/2021
Revenues	€ million	453.7	404.6	858.3	373.0	470.2	1,701.5	469.0	473.7	942.7
Europe	€ million	263.6	195.6	459.2	176.2	196.2	831.6	250.6	202.1	452.7
Overseas	USD million	209.7	230.2	448.0	229.9	326.8	996.6	263.1	327.5	590.6
Sales volume	t million	1.90	1.75	3.65	1.66	1.99	7.30	2.01	1.89	3.90
Europe	t million	0.93	0.76	1.69	0.69	0.78	3.16	0.97	0.77	1.74
Overseas	t million	0.97	0.99	1.96	0.97	1.21	4.14	1.04	1.12	2.16
Average price	€/t	239.2	230.9	235.2	225.0	235.5	233.1	233.3	250.0	241.8
Europe	€/t	283.8	258.5	272.4	255.4	251.2	263.2	258.4	263.8	260.7
Overseas	USD/t	216.6	231.1	228.1	237.7	268.8	240.3	253.0	292.8	273.3

INDUSTRY+ CUSTOMER SEGMENT

+ Increase in revenues to €190.5 million (Q2/2020: €185.7 million)

+ Sales volumes rose to 1.53 mt (Q2/2020: 1.25 million tonnes), de-icing salt sales volumes up to 0.29 mt (Q2/2020: 0.22 mt)

CHANGES IN FORECASTS FOR FULL-YEAR 2021

		2020 ACTUAL	Forecast 2020 Annual Report	Forecast Q1/2021	Forecast Q2/2021
K+S Group					
EBITDA ¹	€ million	266.9	440 to 540; of which: around 200 REKS (one-off)	500 to 600; of which: around 200 REKS (one-off)	700 to 800; of which: around 200 REKS (one-off)
Capital expenditure ²	€ million	427.6	unchanged	unchanged	unchanged
Group earnings after taxes, adjusted ³	€ million	-1,920.9	strong increase, positive figure	strong increase, positive figure	strong increase to a value in the mid three-digit million range
Group earnings after taxes, including discontinued operations, adjusted	€ million	-1,920.9	strong increase to a value in the mid three-digit million range	strong increase to a value in the mid three-digit million range	strong increase to significantly more than €1 billion
Adjusted free cash flow	€ million	-109.9	significantly negative, below 2020 level	negative, below 2020 level	negative, close to the level of 2020
Adjusted free cash flow, including discontinued operations	€ million	-42.2	> €2 billion	significantly > €2 billion	significantly > €2 billion
ROCE	%	-33.5	significant increase, positive	significant increase, positive	significant increase, positive
€/USD exchange rate	€/USD	1.14	1.20	1.20	1.20
Sales volume customer segment Agriculture	t million	7.3	> 7.5	> 7.5	> 7.5
Average price customer segment Agriculture	€/t	233.1	slight increase vs. FY 2020	moderate increase vs. FY 2020	significant increase vs. FY 2020
Sales volume customer segment Communities	t million	0.93	> 2.5	> 2.6	> 2.6

¹ EBITDA is defined as earnings before interest, taxes, depreciation, and amortization, adjusted for depreciation and amortization of own work capitalized recognized directly in equity, gains/losses from fair value changes arising from operating anticipatory hedges still outstanding and changes in the fair value of operating anticipatory hedges recognized in prior periods.

² Relates to cash payments for investments in property, plant, and equipment and intangible assets, excluding leases in accordance with IFRS 16.

³ The adjusted key figures include gains/losses from operating anticipatory hedges for the respective reporting period; effects from fluctuations in the fair value of hedges are eliminated. The effects on deferred and cash taxes are also adjusted; tax rate 2020: 30.1%.

EMAIL: INVESTOR-RELATIONS@K-PLUS-S.COM

HOMEPAGE: WWW.KPLUSS.COM

+ Dirk Neumann, Head of Investor Relations, +49 561 9301 1460, d.neumann@k-plus-s.com

+ Julia Bock, Senior Investor Relations Manager, +49 561 9301 1009, julia.bock@k-plus-s.com

+ Janina Rochell, Senior Investor Relations Manager & Sustainability Expert, +49 561 9301 1403, janina.rochell@k-plus-s.com