

K+S Q1/2021 FACTS & FIGURES



Closing of Americas transaction completed on April 30, 2021 – debt therefore significantly reduced

HIGHLIGHTS (CONTINUING OPERATIONS)

- + Revenues increase to €733 million (Q1/2020: €647 million)
- + EBITDA with €126 million significantly above the level of the previous year (Q1/2020: €99 million)
- + Adjusted free cash flow at €-15 million (Q1/2020: €80 million)

OUTLOOK

- + Increase in **EBITDA forecast** from continuing operations to a figure of **between €500 million and €600 million** including the forecast one-off gain from REKS transaction of around €200 million (2020: €267 million, previously: €440 million to €540 million including REKS one-off-gain)
- + **Adjusted free cash flow from continuing and discontinued operations**, including the proceeds of the Americas transaction, should be **significantly over €2 billion** (2020: €-42.2 million); adjusted free cash flow from continuing operations is still expected to be negative and below prior-year level (2020: €-109.9 million; previous forecast: significantly negative adjusted free cash flow, below the level of 2020)

KEY FIGURES FROM CONTINUING OPERATIONS

		Q1/2020	Q1/2021	%
K+S Group				
Revenues	million €	647.0	733.3	+13.3
EBITDA ¹	million €	99.3	126.0	+26.9
EBITDA margin	%	15.3	17.2	–
Depreciation and amortization ²	million €	86.1	65.1	–24.4
Agriculture customer segment³				
Revenues	million €	453.7	469.0	+3.4
Sales volumes	million t	1.90	2.01	+6.0
Industry+ customer segment³				
Revenues	million €	191.3	264.3	+38.2
Sales volumes	million t	1.30	2.43	+87.0
– of which de-icing salt	million t	0.21	1.35	>+100.0
Capital expenditure (CapEx) ⁴	million €	72.4	48.1	–33.5
Return on Capital Employed (LTM) ⁵	%	–0.1	–29.8	–
Book value per share as of March 31	€	22.28	13.79	–38.1
Average number of shares	million	191.4	191.4	–
Employees on March 31 ⁶	number	11,111	10,896	–1.9

KEY FIGURES FOR CONTINUING AND DISCONTINUED OPERATIONS

Group earnings after taxes, adjusted⁷	million €	24.9	280.8	>+100.0
–of which continuing operations	million €	–40.5	229.3	>+100.0
–of which fluctuations in the value of assets (impairment)	million €	–	180.0	–
–of which discontinued operations	million €	65.4	51.5	–21.3
Earnings per share, adjusted⁷	€	0.13	1.47	>+100.0
–of which continuing operations	€	–0.21	1.20	>+100.0
–of which fluctuations in the value of assets (impairment)	€	–	0.94	–
–of which discontinued operations	€	0.34	0.27	–21.3
Net cash flows from operating activities	million €	255.0	147.1	–42.3
–of which continuing operations	million €	124.3	82.2	–33.8
–of which discontinued operations	million €	130.7	64.9	–50.4
Adjusted free cash flow	million €	204.4	37.3	–81.7
–of which continuing operations	million €	80.3	–15.1	>–100.0
–of which discontinued operations	million €	124.1	52.4	–57.8
Equity ratio	%	41.6	30.1	–27.5
Net financial debt as of March 31	million €	–2,917.2	–3,185.5	–9.2
Net financial debt/EBITDA (LTM) ⁵	x	5.1	7.2	+40.8
Market capitalization as of March 31	billion €	1.0	1.6	+59.6
Enterprise value (EV) as of March 31	billion €	5.4	6.3	+16.6

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 scheduled 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 in accordance with IFRS 8.

⁴ Relates to cash payments for investments in 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 the gains/losses from operating forecast 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 Q1/2021: 30.1% (Q1/2020: 30.0%).

CUSTOMER SEGMENT INFORMATION



AGRICULTURE CUSTOMER SEGMENT

- + Increase in revenues to €469.0 million (Q1/2020: €453.7 million)
- + Sales volumes increased to 2.01 mt (Q1/2020: 1.90 mt)
- + The European average price in the first quarter 2021 was positively influenced by a seasonal increase in the share of higher-priced specialties compared with the fourth quarter 2020. The average price overseas reflected the opposite effect and therefore the price increase for potassium chloride overseas is not yet apparent in the average price analysis.

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

		Q1/2020	Q2/2020	Q3/2020	Q4/2020	2020	Q1/2021
Revenues	€ million	453.7	404.6	373.0	470.2	1,701.5	469.0
Europe	€ million	263.6	195.6	176.2	196.2	831.6	250.6
Overseas	USD million	209.7	230.2	229.9	326.8	996.6	263.1
Sales volumes	million tonnes	1.90	1.75	1.66	1.99	7.30	2.01
Europe	t million	0.93	0.76	0.69	0.78	3.16	0.97
Overseas	t million	0.97	0.99	0.97	1.21	4.14	1.04
Average price	€/t	239.2	230.9	230.7	235.5	233.1	233.3
Europe	€/t	283.8	258.5	255.4	251.2	263.2	258.4
Overseas	USD/t	216.6	231.1	237.7	268.8	240.3	253.0

INDUSTRY+ CUSTOMER SEGMENT

- + Revenues increased significantly to €264.3 million (Q1/2020: €191.9 million) mainly due to the strong improvement of the de-icing salt business
- + Sales volumes increased to 2.43 mt (Q1/2020: 1.90 mt), de-icing salt sales volumes up to 1.35 mt (Q1/2020: 0.21 mt)

CHANGES IN THE FORECASTS FOR THE FULL YEAR 2021

		2020 ACTUAL	Forecast in 2020 Annual Report	Forecast in Q1/2021 report
K+S Group (continuing operations, unless otherwise stated)				
EBITDA ¹	€ million	266.9	440 to 540; thereof 200 REKS one-off	500 to 600; thereof 200 REKS one-off
Capital expenditure ²	€ million	427.6	unchanged	unchanged
Group earnings after taxes, adjusted ³	€ million	-1,920.9	strong increase, positive figure	strong increase, positive figure
Group earnings after taxes including discontinued operations, adjusted ³	€ 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
Adjusted free cash flow	€ million	-109.9	significantly negative, below 2020 level	negative, below 2020 level
Adjusted free cash flow including discontinued operations	€ million	-42.2	> € 2 billion	significantly > € 2 billion
ROCE	%	-33.5	significant increase, positive	significant increase, positive
EUR/USD exchange rate	EUR/USD	1.14	1.20	1.20
Sales volumes in Agriculture customer segment	t million	7.3	> 7.5	> 7.5
Average price in Agriculture customer segment	€/t	233.1	slight increase vs. FY 2020	moderate increase vs. FY 2020
Sales volumes in Communities customer segment	t million	0.9	> 2.5	> 2.6

¹ 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 the gains/losses from operating forecast 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%.

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