

K+S Q3/2021 FACTS & FIGURES



HIGHLIGHTS (CONTINUING OPERATIONS)

- + K+S GROUP revenues rise to €746 million (Q3/2020: €566 million)
- + EBITDA of €121 million significantly above previous year's figure (Q3/2020: €81 million; prior-year figure benefiting from non-cash, one-off gain of €56 million)
- + Adjusted Group earnings after taxes positively impacted with €1.42 billion by reversal on impairment loss; non-cash impairment loss of prior year fully offset
- + Adjusted free cash flow of €-152 million in the first nine months (9M/2020: €-10 million); higher tie-up of working capital and energy prepayments counteracting positive EBITDA effect

OUTLOOK

- + **EBITDA forecast from continuing operations** raised to **€630 million** (previous forecast: €500 to €600 million; excluding REKS transaction)
- + Expectation of **balanced adjusted free cash flow from continuing operations** for 2021 (previously: €-180 million; excluding REKS transaction)
- + **Antitrust approval process for REKS transaction ongoing**
- + **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 Group earnings after taxes from continuing and discontinued operations** expected to increase to a **good €2.6 billion** (previous forecast: strong increase to significantly more than €1 billion). **Adjusted Group earnings after taxes from continuing operations** expected to rise strongly to a **good €1.7 billion** (previous forecast: strong increase to a value in the mid three-digit million range)

KEY FIGURES FROM CONTINUING OPERATIONS

		Q3/2020	Q3/2021	%	Q3 VARA consensus	9M/2020	9M/2021	%
K+S Group								
Revenues	€ million	566.1	746.3	+31.8	685.0	1,803.4	2,143.7	+18.9
EBITDA ¹	€ million	80.6	120.7	+49.8	122.4	232.6	358.1	+54.0
EBITDA margin	%	14.2	16.2	+13.6	17.9	12.9	16.7	+29.5
Depreciation and amortization ²	€ million	87.3	74.2	-15.0	76.4	262.0	206.3	-21.2
Agriculture customer segment³								
Revenues	€ million	373.0	529.1	+41.8	493.0	1,231.3	1,471.7	+19.5
Sales volumes	t million	1.66	1.76	+6.0	1.72	5.31	5.67	+6.7
Industry+ customer segment³								
Revenues	€ million	193.1	217.2	+12.5	196.7	572.1	672.0	+17.5
Sales volumes	t million	1.35	1.73	+28.4	1.52	3.89	5.69	+46.2
- of which de-icing salt	t million	0.24	0.65	> +100	0.25	0.67	2.29	> +100
Capital expenditure (CapEx) ⁴	€ million	113.7	87.8	-22.8		287.7	222.6	-22.6
Equity ratio	%	-	-	-		28.0	54.8	+95.4
Return on Capital Employed (LTM) ⁵	%	-	-	-		-31.7	31.0	-
ROCE (LTM) without effects from impairment loss / reversal of impairment loss of non-current assets	%	-	-	-		-0.8	0.1	-
Book value per share as of September 30	€	-	-	-		12.05	24.24	> +100
Average number of shares	million	191.4	191.4	-		191.4	191.4	-
Employees on September 30 ⁶	number	-	-	-		11,189	10,738	-4.0

KEY FIGURES FOR CONTINUING AND DISCONTINUED OPERATIONS

Group earnings after taxes, adjusted⁷	€ million	-1,767.2	1,278.9	-		-1,772.7	2,548.2	-
- of which continuing operations	€ million	-1,757.3	1,285.1	-		-1,825.0	1,671.9	-
- of which impairment loss (-) / reversal of impairment loss (+) of non-current assets	€ million	-1,791.7	1,420.0	-		-1,791.7	1,746.7	-
- of which discontinued operations	€ million	-9.9	-6.2	+37.5		52.3	876.3	> +100
Earnings per share, adjusted⁷	€	-9.23	6.68	-		-9.26	13.31	-
- of which continuing operations	€	-9.18	6.71	-		-9.53	8.74	-
- of which impairment loss (-) / reversal of impairment loss (+) of non-current assets	€	-9.35	7.42	-		-9.37	9.13	-
- of which discontinued operations	€	-0.05	-0.03	+37.5		0.27	4.57	> +100
Net cash flows from operating activities	€ million	5.0	13.6	> +100		328.0	82.8	-74.8
- of which continuing operations	€ million	57.8	14.2	-75.4		227.0	94.8	-58.2
- of which discontinued operations	€ million	-52.8	-0.6	+98.9		101.0	-12.0	< -100
Adjusted free cash flow	€ million	-116.2	-69.0	+40.6		45.0	2,479.9	> +100
- of which continuing operations	€ million	-41.8	-68.6	-64.1		-10.4	-152.1	< -100
- of which discontinued operations	€ million	-74.4	-0.4	+99.4		55.4	2,632.0	> +100
Net financial debt as of September 30	€ million	-	-	-		-3,108.7 ⁸	-784.4	+74.8
Net financial debt/EBITDA (LTM) ⁵	x-times	-	-	-		5.7 ⁸	2.0	-64.9
Market capitalization as of September 30	€ billion	-	-	-		1.13	2.67	> +100
Enterprise value (EV) as of September 30	€ billion	-	-	-		5.68 ⁸	4.63	-18.5

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 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 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 Q3/2021: 30.1% (Q3/2020: 30.0%).

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

CUSTOMER SEGMENT INFORMATION



CUSTOMER SEGMENT AGRICULTURE

+ Increase in revenues to €529.1 million (Q3/2020: €373.0 million)

+ Sales volumes rose to 1.76 mt (Q3/2020: 1.66 mt) due to good demand and operating performance

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

		Q1/2020	Q2/2020	Q3/2020	9M/2020	Q4/2020	2020	Q1/2021	Q2/2021	Q3/2021	9M/2021
Revenues	€ million	453.7	404.6	373.0	1,231.3	470.2	1,701.5	469.0	473.7	529.1	1,471.7
Europe	€ million	263.6	195.6	176.2	635.4	196.2	831.6	250.6	202.1	200.5	653.1
Overseas	USD million	209.7	230.2	229.9	678.0	326.8	996.6	263.1	327.5	387.4	978.0
Sales volumes	t million	1.90	1.75	1.66	5.30	1.99	7.30	2.01	1.89	1.76	5.67
Europe	t million	0.93	0.76	0.69	2.38	0.78	3.16	0.97	0.77	0.69	2.43
Overseas	t million	0.97	0.99	0.97	2.93	1.21	4.14	1.04	1.12	1.07	3.24
Average price	€/t	239.2	230.9	225.0	232.2	235.5	233.1	233.3	250.0	300.6	259.7
Europe	€/t	283.8	258.5	255.4	267.5	251.2	263.2	258.4	263.8	289.9	269.0
Overseas	USD/t	216.6	231.1	237.7	231.7	268.8	240.3	253.0	292.8	362.6	301.9

CUSTOMER SEGMENT INDUSTRY+

+ Increase in revenues to €217.2 million (Q3/2020: €193.1 million)

+ Sales volumes rose to 1.73 mt (Q3/2020: 1.35 million tonnes), de-icing salt sales volumes up to 0.65 mt (Q3/2020: 0.24 mt)

CHANGES IN FORECASTS OF CONTINUING OPERATIONS FOR FULL-YEAR 2021

		2020 ACTUAL	Forecast in 2020 Annual Report	Forecast Q1/2021	Forecast H1/2021	Forecast 9M/2021	VARA consensus
K+S Group							
EBITDA ¹	€ million	266.9	440 bis 540; thereof around 200 REKS (one-off)	500 bis 600; thereof around 200 REKS (one-off)	700 bis 800; thereof around 200 REKS (one-off)	around 630; excluding 200 REKS (one-off)	603
Capital expenditure ²	€ million	427.6	unchanged	unchanged	unchanged	< 400	428
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	a good €1.7 billion	
Group earnings after taxes including discontinued operations, adjusted	€ million	-1,802.5	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	a good €2.6 billion	
Adjusted free cash flow	€ million	-109.9	significantly negative, below 2020 level	negative, below 2020 level	negative, close to the level of 2020	about break-even; without REKS	
Adjusted free cash flow including discontinued operations	€ million	-42.2	> €2 billion	significantly > €2 billion	significantly > €2 billion	significantly > €2 billion	
ROCE	%	-33.5	significant increase, positive	significant increase, positive	significant increase, positive	> 30%	
EUR/USD exchange rate	EUR/USD	1.14	1.20	1.20	1.20	1.20	1.20
Sales volumes in Agriculture customer segment	t million	7.3	> 7.5	> 7.5	> 7.5	> 7.5	7.6
Average price in Agriculture customer segment	€/t	233.1	slight increase vs. FY 2020	moderate increase vs. FY 2020	significant increase vs. FY 2020	tangible increase vs. 9M/2021 (260)	277.9
Sales volumes in Communities customer segment	t million	0.93	> 2.5	> 2.6	> 2.6	> 2.6	2.66

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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%.

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