

/ Press Release

Kassel (Germany) - August 14, 2018

Q2 2018 Figures

K+S Group increases revenue and operating results again

- Increase in revenue by more than 9 percent to € 812 million
- EBITDA increases by 3 percent to € 105 million
- Earnings still negatively impacted by production limitations in Germany
- Adjusted free cash flow significantly improved; reduced net debt/EBITDA ratio
- Implementation of “Shaping 2030” proceeding according to schedule
- Forecast for 2018 confirmed: EBITDA between € 660 and € 740 million expected (2017: € 577 million); misses market expectations

K+S also increased its revenue and operating results in the second quarter compared to the same period last year. Revenue increased by more than 9 percent to € 812 million (Q2/17: € 742 million), while operating earnings before interest, taxes, depreciation and amortization (EBITDA) increased by 3 percent to € 105 million (Q2/17: € 102 million). Growth was driven by higher sales volumes from the ramp up of the new Bethune potash plant in Canada and higher prices for potassium chloride and fertilizer specialties.

“We are continuing to work hard implementing our new corporate ‘Shaping 2030’ strategy, without losing sight of our operations” says K+S CEO Dr. Burkhard Lohr. “With ‘Shaping 2030’, we will lead K+S into a sustainable, successful future.”

EBITDA significantly increased in the potash business

EBITDA improved by 27 percent year-on-year for the Potash and Magnesium Products business unit. Higher prices and higher sales from increased production in Canada had a positive impact. Amongst others, this was offset by a still limited production in Germany.

However, due to adverse currency effects and high logistics costs, EBITDA in the Salt business unit also decreased to € 23 million in the seasonally weak second quarter (Q2/17: € 29 million).

Financial situation further improved

Adjusted free cash flow improved to € -49 million in the second quarter (Q2/2017: € -81 million) due to significantly lower capital expenditures. The net debt/EBITDA ratio decreased from 8.1 times in the first half of 2018 to 6.8 times at the end of the reporting period. K+S confirms the goals of halving the net debt/EBITDA ratio compared to the first half of 2017 by the end of 2020, and achieving investment grade rating conditions again in 2023.

Implementation of “Shaping 2030” is proceeding according to plan

The company is still on schedule with the consistent implementation of the new group “Shaping 2030” strategy. The details of the new organization are currently being worked on. By leveraging synergies, a positive earnings effect of at least € 150 million p.a. is expected by the end of 2020.

Outlook for 2018 confirmed: significant increase in EBITDA expected

The revenue for the K+S Group should reach a level of between € 3.9 billion and € 4.1 billion for the full year 2018 (2017: € 3.6 billion). EBITDA should continue to significantly increase compared to 2017 within a range of € 660 to 740 million (2017: € 577 million). This range, however missed capital market expectations. Nevertheless K+S expects a significant rise in EBITDA versus 2017 (€ 269 million) for the Potash and Magnesium Products business unit mainly due to higher sales volumes from Bethune in Canada and, with this, the related earnings improvement.

In the Salt business unit, K+S expects an unchanged (previously: moderately higher) EBITDA compared to the previous year (€ 325 million) with tangible volume increases. Higher logistics costs will also be noticeable in the second half of the year and price declines from the first half of the year will not be fully compensated for the remainder of 2018.

Against this background, the adjusted free cash flow this year is expected to continue improving compared to the previous year - up to a positive adjusted free cash flow in 2019.

The underlying assumptions for the full year forecast can be found in the [half-year financial report](#).

Information for Editorial Departments

Further information and data on developments in the second quarter of 2018 can be found in the Half-Yearly Financial Report on our website at www.k-plus-s.com/2018q2en.

A conference call with Dr Burkhard Lohr and K+S CFO Thorsten Boeckers for investors and analysts will also take place today in English at 10:00 am. Press representatives and interested parties from the general public are invited to follow the conference via a live webcast (www.k-plus-s.com/en/audio-und-video/cc.html). The conference will be recorded and made available as a podcast.

About K+S

K+S considers itself a customer-focused, independent minerals company for the Agriculture, Industry, Consumers, and Communities segments and wants to grow the EBITDA to €3 billion by 2030. Our approximately 15,000 employees enable farmers to provide nutrition for the world, solutions that keep industries going, improve daily life for consumers and provide safety in the winter. We continually meet the growing demand for mineral products from production sites in Europe, North and South America as well as a worldwide sales network. We strive for sustainability because we are deeply committed to our responsibilities to people, the environment, the communities and the economy in the regions in which we operate. Learn more about K+S at www.k-plus-s.com.

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Forward-looking Statements

This press release 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 incorrect or should certain risks – such as those referred to in the Risk Report – materialise, actual developments and results may deviate from current expectations. The Company assumes no obligation to update the statements contained in this press release, save for the making of such disclosures as required by law.