

/ Press Release

Kassel (Germany) – November 15, 2018

Figures for Q3 2018

Significant increase in revenues / lower operating result

- EBITDA significantly down on the previous year, mainly due to disposal limitations as well as higher freight costs as a consequence of the extreme drought in Germany
- Adjusted free cash flow significantly up on previous year
- Positive trend in demand for potash continues
- Bethune operating performance improved
- Expansion of tailings pile capacity for Hattorf site approved
- Good early fills business for de-icing salt in North America
- Outlook for 2018 financial year adjusted: EBITDA between € 570 and € 630 million expected, mainly weather related

K+S Group revenues rose by around 16 %, a significant increase in the third quarter. This was mainly due to higher sales volumes of potassium chloride from the new potash mine in Canada and higher market prices for potash and magnesium products. Higher volumes and prices in the Salt business unit also contributed to the positive sales development. The EBITDA operating result was negatively impacted by weather-related production stoppages at Plant Werra and a disproportionate increase in transportation costs and fell to € 36 million (Q3/2017: € 77 million).

“The extreme drought and higher logistics costs have restricted our growth potential in the third quarter. The operating performance in Bethune and Germany, on the other hand, is starting to improve”, says Dr. Burkhard Lohr, CEO of K+S. “We are making good progress with the implementation of our ‘Shaping 2030’ strategy. This will have a positive effect on our future results”.

Revenues up in the Potash and Magnesium Products business unit

Due to production volumes of the Bethune mine and increased fertilizer prices, the unit's sales increased by 18 % in the third quarter. This was offset by the loss of earnings for the production stoppages at Plant Werra and higher costs for the off-site disposal of wastewater due to the extreme drought, so that the EBITDA fell to around € 3 million (Q3/2017: € 42 million).

Salt business unit: Increased revenues and higher earnings

In the Salt business unit, good early fills for de-icing salt in North America led to an increase in revenues of 14 % in the third quarter. EBITDA increased by 11 % during the same reporting period. However, higher logistics costs prevented a more significant increase.

Implementation of "Shaping 2030" still on schedule

As part of the implementation of the detailed concept, K+S has been working in the new organizational structure since the beginning of the fourth quarter. The company is also making good progress in implementing concrete measures to reduce costs and increase efficiency. The first synergies are already being leveraged. Confirming our previous statements, they will reach more than € 150 million a year from the end of 2020.

Outlook for 2018 adjusted

As already communicated at the end of September, the weather-related stoppages at Plant Werra had a negative impact on the EBITDA of around € 80 million in the reporting quarter. Owing to the prolonged extreme drought, further extensive shipments of saline water from Plant Werra for off-site disposal and related additional expenses will therefore be necessary in the fourth quarter. Against this backdrop, K+S now expects EBITDA in the range of € 570 - 630 million for the 2018 financial year (2017: € 577 million). The upper and lower end of the range essentially reflects the weather-related opportunities and risks that arise for the remainder of the year from the de-icing salt business, but also from the water levels and associated domestic transports.

Further potash production stoppages cannot be ruled out until the end of the year, due to the persistent extreme drought, and are not included in the named range.

K+S continues to expect a significant improvement in adjusted free cash flow this year compared to the previous year, up to a positive free cash flow in 2019.

Notes

All assumptions on which the full-year forecast is based, as well as further information and data on developments in the third quarter and the first nine months of 2018, can be found in our [Q3/18 statement](#) on our website.

A conference call for investors and analysts will be held in English with CEO Dr. Burkhard Lohr and CFO Thorsten Boeckers at 10:00am today. Representatives of the press as well as interested parties are welcome to join the conference via a live webcast at www.k-plus-s.com/en/audio-und-video/cc.html. The conference will be recorded and is also available as a podcast.

About K+S

K+S is 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 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, environment, communities, and 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 information and forecasts that relate to the future development of the K+S Group and its companies. The forecasts represent estimates that we have made on the basis of all information available to us at this time. If the assumptions underlying the forecasts are inaccurate or if risks occur, as they appear in the risk report in the current annual report, actual developments and results may deviate from current expectations. Outside of the statutory disclosure requirements, the Company undertakes no obligation to update the statements contained in this press release.