

## Press Release

Kassel (Germany), November 14, 2019

### Q3 2019 figures

#### Revenues and earnings above previous year

- **Revenues: + 8 % to € 905 million (Q3/18: € 840 million)**
- **EBITDA increases to € 81 million (Q3/18: € 36 million)**
- **Revenues and EBITDA after nine months up 8 % and 27 % respectively above previous year**
- **No wastewater-related production standstills in the current year**
- **Adjusted free cash flow (9M) up to € 204 million (9M/18: - € 60 million)**
- **Outlook:**
  - **Since fall 2019 sustained weak market environment for potassium chloride**
  - **Parallel to the 300,000 t curtailment of potash production announced in September, further maintenance measures will reduce production by another 200,000 t**
  - **EBITDA now expected to increase to about € 650 million (2018: € 606 million)**
  - **Still positive free cash flow for full year 2019 expected (2018: - € 206 million)**

K+S increased revenues for the third quarter by 8 % to € 905 million. EBITDA doubled in the same period to € 81 million. Higher prices and increased sales volumes in the Agriculture customer segment were decisive for the positive development.

"Overall, the third quarter proved positive. Our cash flow and EBITDA have improved significantly. However, because of the sustained weakening of the potash market, we have to further curtail our production too," says Dr. Burkhard Lohr, Chairman of the Board of Executive Directors of K+S AG. "Nevertheless, EBITDA should increase moderately this year compared with the previous year and the free cash flow should



be positive. We are continuing to make good progress in the implementation of our Shaping 2030 strategy".

### **Higher revenues in both operating units**

In the Europe+ operating unit, revenues in the third quarter increased by 9 % to € 621 million and EBITDA reached € 67 million (Q3/18: € 22 million). Revenues in the Americas operating unit were also up 4 %, while EBITDA was 12 % lower than in the previous year.

### **Development in the customer segments**

#### **Agriculture**

Higher prices, positive currency effects and increased sales volumes compared with the prior-year period resulted in a 14 % year-on-year increase in sales in the Agriculture customer segment. EBITDA also significantly increased to € 46 million compared with the weak prior-year quarter (Q3/18: € - 8 million) due to improved wastewater management.

#### **Industry**

In the Industry customer segment, revenues in the third quarter increased by 6 % year-on-year due to higher prices and positive volume and currency effects. EBITDA of € 45 million was almost at the previous year's level (Q3/18: € 47 million).

#### **Consumers**

Continued strong demand for culinary salt specialties in North America and higher prices led to an 8 % increase in revenues in the Consumer segment. EBITDA significantly increased to € 14 million in the reporting period (Q3/18: € 11 million).



## Communities

In the third quarter, which is usually weak due to seasonal factors, revenues in the Communities customer segment declined to € 68 million (Q3/18: € 82 million) and EBITDA amounted to € - 12 million (Q3/18: € 2 million). Lower sales volumes in the de-icing salt business and postponements in early fills in North America had a major impact on this development.

## Outlook 2019: Moderate increase in EBITDA expected

The import freeze for potassium chloride in China, which has continued since September 2019, has also caused other sales markets to hold back. Against this background, potash producers cut production in the second half of the year. As early as September 2019, K+S reported that potassium chloride production would be reduced by up to 300,000 tonnes by the end of the year against the backdrop of the weak market. The effect on EBITDA was estimated at up to € 80 million. Parallel to this reduction in production due to the persistently weak market environment, K+S will carry out additional maintenance measures at German sites in the fourth quarter of 2019. This will reduce potash production by an additional 200,000 tonnes in the current year. The effect on EBITDA will be another € 50 million. Nevertheless, K+S expects a slight increase in revenues for 2019. Taking these effects into account, an increase to about € 650 million (2018: € 606 million) is expected for EBITDA. Adjusted free cash flow should continue to improve significantly compared with the previous year and be positive again for the first time since 2013 (2018: € - 206 million).

All assumptions underlying this forecast are described in the [Q3/19 Quarterly Report](#).

## Note

Further information and data on developments in the third quarter and the first nine months of 2019 can be found on our [website](#). In addition, an interview on business development with Dr. Burkhard Lohr, Chairman of the K+S Board of Executive Directors, as well as printable press photos are available there.

A conference call for investors and analysts with CEO Dr. Burkhard Lohr and CFO Thorsten Boeckers will take place in English today at 10:00 a.m. Press representatives and interested



members of the public are invited to follow the conference via a live [webcast](#). The conference will be recorded and will also be 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 more than 14,000 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 <https://www.kpluss.com>.

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## Forward-looking statements

This press release contains information and forecasts relating 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 the information available to us at the present time. Should the assumptions underlying these forecasts prove to be incorrect or should risks - such as those mentioned in the risk report of the current Annual Report - materialize, actual developments and results may deviate from current expectations. The company does not assume any obligation to update the statements contained in this press release outside the statutory publication requirements.