



23 April 2020

K+S Aktiengesellschaft

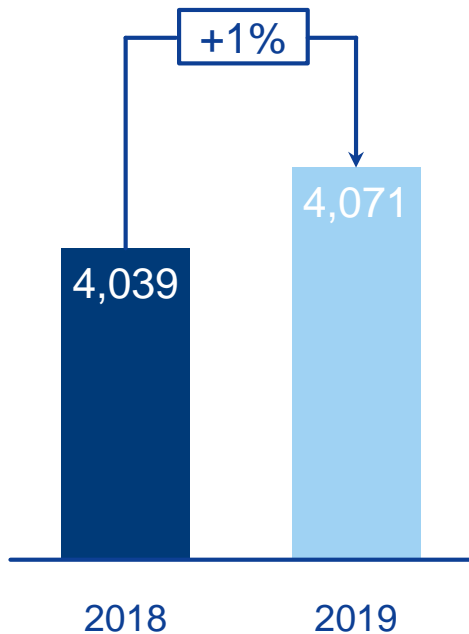
# Solventis Aktienforum

**Thorsten Boeckers**  
CFO

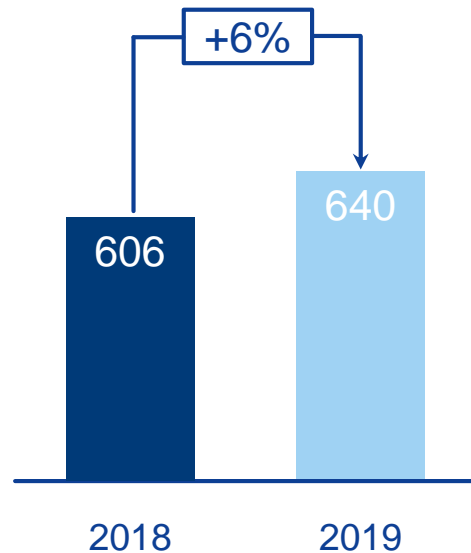
**Dirk Neumann**  
Head of Investor Relations

# Slight increase of revenues and EBITDA in 2019 despite adverse conditions

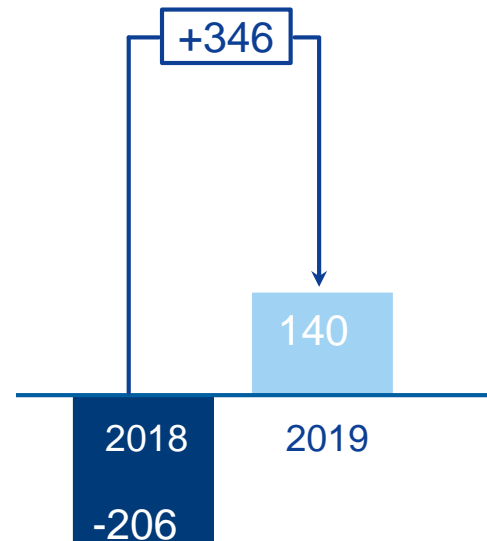
REVENUES  
- in € million -



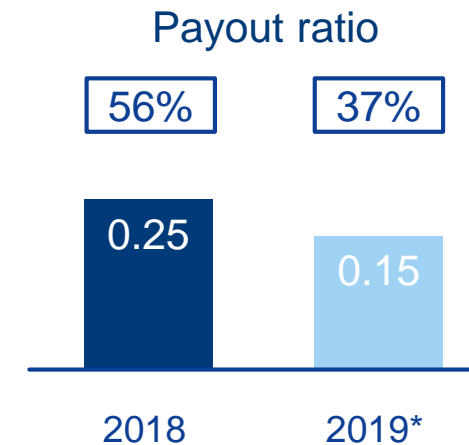
EBITDA  
- in € million -



FCF  
- in € million -



DIVIDEND  
- in € -



- EBITDA improved third consecutive year
- Synergies contributed more than € 100 million
- Dividend proposal confirmed



# Social contribution

With our products, we ensure system-relevant basic services.

- High-purity pharmaceutical salts for medicine and use in dialysis and infusions
- Potassium salts for the production of a wide range of medical products
- Salts for the manufacture of disinfectant materials, soaps and hypolyes
- Table salt for food production
- Salts for animal feed and animal nutrition
- Potassium fertilizer for agricultural food production
- Disposal services in the field of underground reutilization and disposal



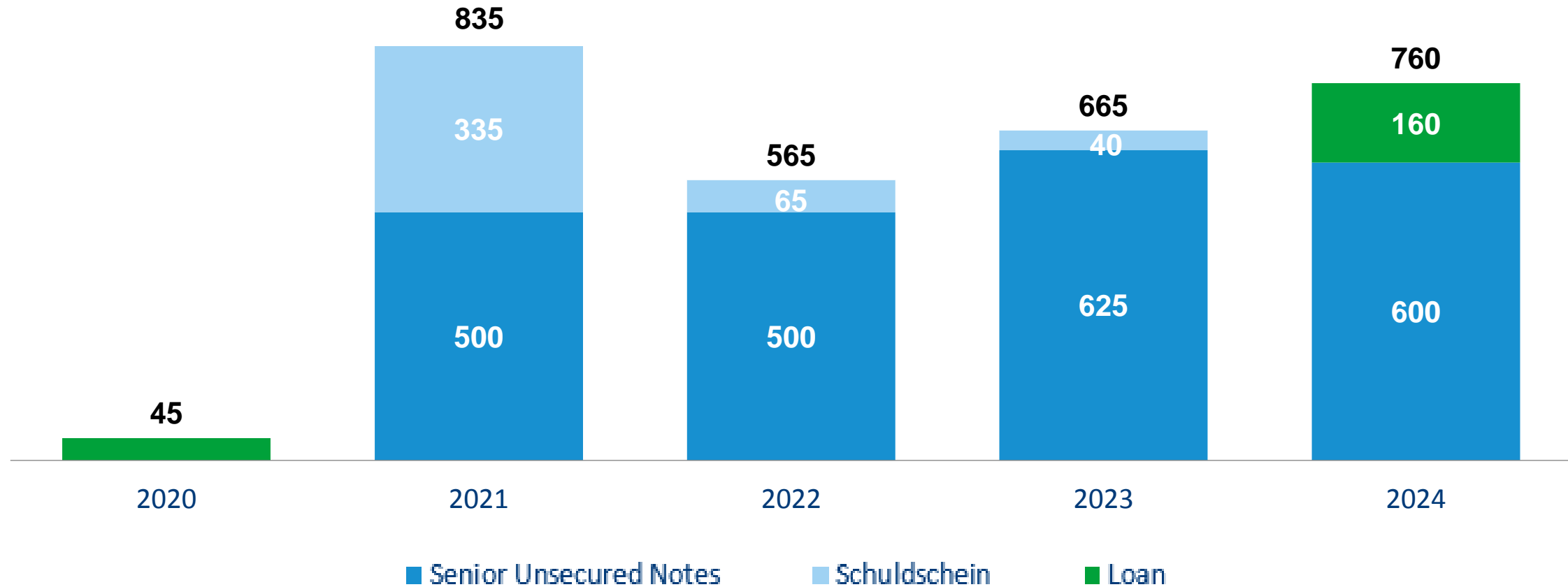
# Securing production

Production and supply chains stable.

- Corona prevention teams established
- Shift times shortened and staggered
- Number of shift dialogues reduced
- Use of respiratory masks during work steps with a short distance (e.g. to go down the mine shaft in the shaft elevator)
- Use of gloves on machines and vehicles
- Additional disinfection dispenser set up
- Instructions for behavior sent to 3,000 suppliers
- External truck drivers only leave the vehicle for load securing

# Debt maturity profile

- in m€ -



**Syndicated credit facility of up to € 800 million, available until 2024  
and a commercial paper program as an additional source of liquidity**



## New focus

- Complete sale of OU Americas
- Comprehensive realignment and restructuring of K+S
- Noticeable cost reduction
- Advanced efficiency and productivity measures
- Future-oriented solutions in the environmental sector
- Sustainable positive free cash flow contribution from all sites



# Complete Sale OU Americas on schedule



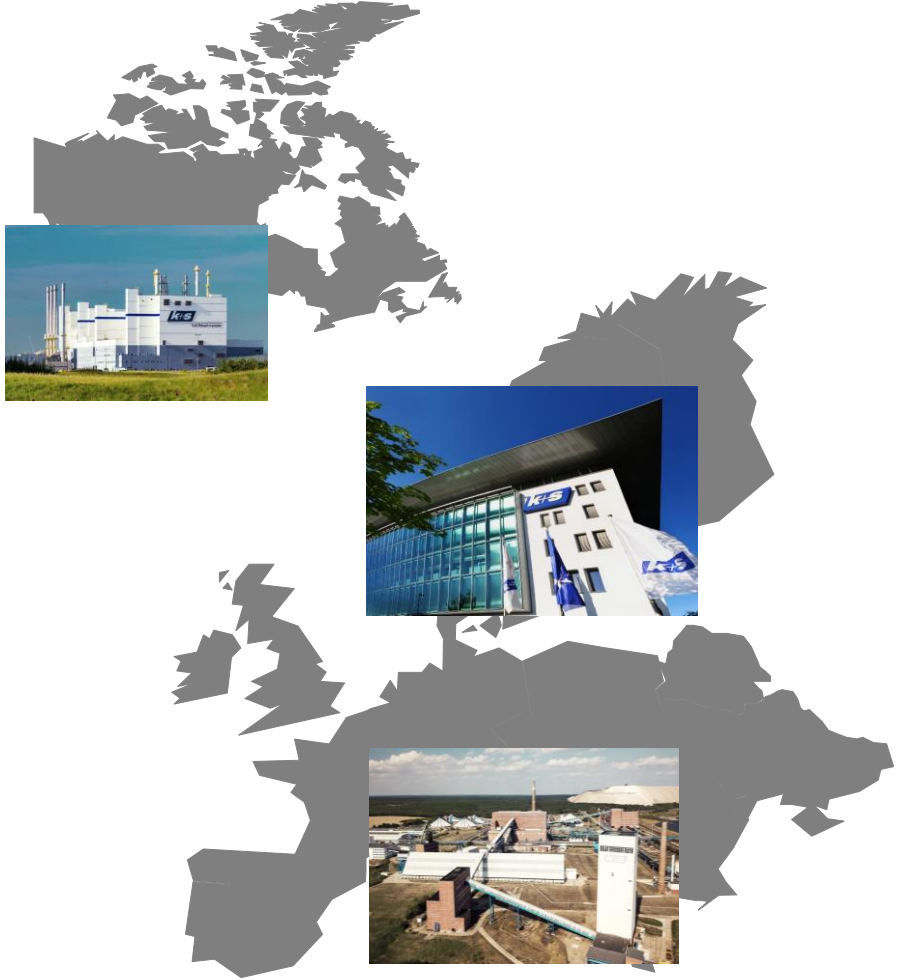
## Unique position in the salt market

- Leading brands with high emotional customer loyalty
- Established customer-oriented network with 28 locations in North America and cost-effective production in South America
- Revenues: EUR 1.5 billion (2019)
- EBITDA: EUR 230 million (2019)
- Stable cash flows

- 
- Broad portfolio of interested parties
  - Initial talks held
  - Investment banks mandated
  - Signing expected in 2020

- 
- Sale process is proceeding according to plan even under current conditions with regards to Covid-19
  - Uninterrupted interest from potential buyers
  - Present framework conditions are no obstacle for the current phase of the process

# Restructuring and crystallizing values



- **Bethune is an integral part of the company's future asset sale currently not planned**
- Restructuring of administrative functions
- Focus on the core business by selling non-core activities (e.g. Sale of Baltic Train or K+S Entsorgung Schweiz)
- Future-oriented solutions in the environmental sector
- Capital expenditure under review
- Sustained positive free cash flows at all German production sites



# K+S: Focus remains on strengthening the balance sheet

Dec. 2019:

Net financial liabilities: EUR 3.1 billion

Net financial liabilities/EBITDA: 4.9x



Sale of OU Americas

OU Europe+ measures

Restructuring



## End of 2021

- Reduction of net financial liabilities by significantly more than € 2 billion
- Stable cross over rating targeted

# Current market assessment

# Good demand in Customer Segments Agriculture



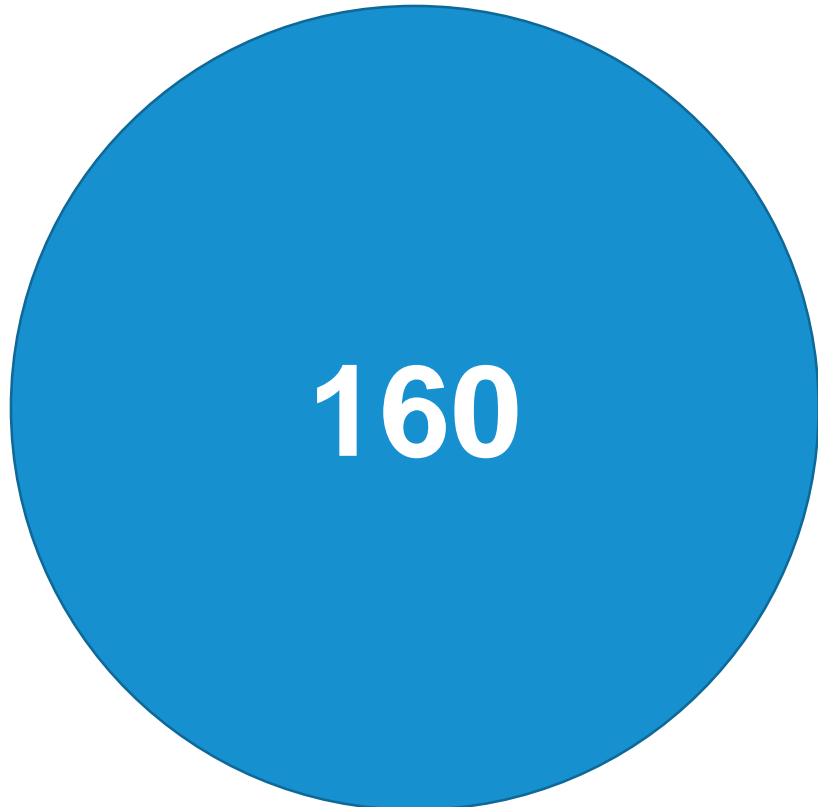
- Agriculture and the food industry as a system-relevant infrastructure is little affected worldwide by Covid-19
- Season in the Northern Hemisphere ongoing
- Ideal weather conditions and good farmer economics in relevant agricultural markets
- Expected new China contract should also stimulate demand there
- Specialties and European business showing resilience
- MOP price environment remains challenging

# Customer Segment Agriculture



Between plan and Reality: Potash projects announced since 2006 (Greenfield)

Announced projects or in early development phases



Projects with a high probability of implementation by 2025



Projects in ramp-up phase



# Current Trading Customer Segments

## Industry



- Broad portfolio of potassium- and salt containing products
- Broad variety of industries supplied
- Some resilience against GDP drop

## Consumers



- Good progress in the rollout of the German premium table salt brand Saldoro®
- Stable or even higher demand situation in times of Covid-19

## Communities



- Very poor start in de-icing salt business in both Europe and North America
- Expected sales volumes between 8 and 9 million tonnes for 2020  
(Ø-year: 12.5 – 13.0 million tonnes)



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