



August 2020

K+S Aktiengesellschaft

Berenberg London Roadshow

Dr. Burkhard Lohr
CEO

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Head of Investor Relations

Complete sale OU Americas on schedule



Unique position in the salt market

- Leading brands with high emotional customer loyalty
- Established customer-oriented network with 29 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

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- Sale process is proceeding according to plan so far despite current conditions with regards to Covid-19
 - Strong overall performance in H1 2020 despite mild winter mainly due to strong cost discipline and optimal use of logistic network
 - Signing expected in 2020

K+S realignment is making progress



Target

Main target: all sites free cash flow positive even with a low potash price or weak winter business

- One important step is the development of a new organization based on an SG&A cost budget of EUR 140 million (EUR 60 million less than in 2019)



Approach

- One administrative level, less hierarchical levels
- Change from matrix to functional organization
- Elimination of dual functions
- Talks with labor representatives started
- Implementation by 01 January 2021

K+S: Focus remains on strengthening the balance sheet

June 2020:

Net financial liabilities: € 3 billion

Net financial liabilities / EBITDA: 5.6x



Sale of OU Americas

OU Europe+ measures

Restructuring



End of 2021

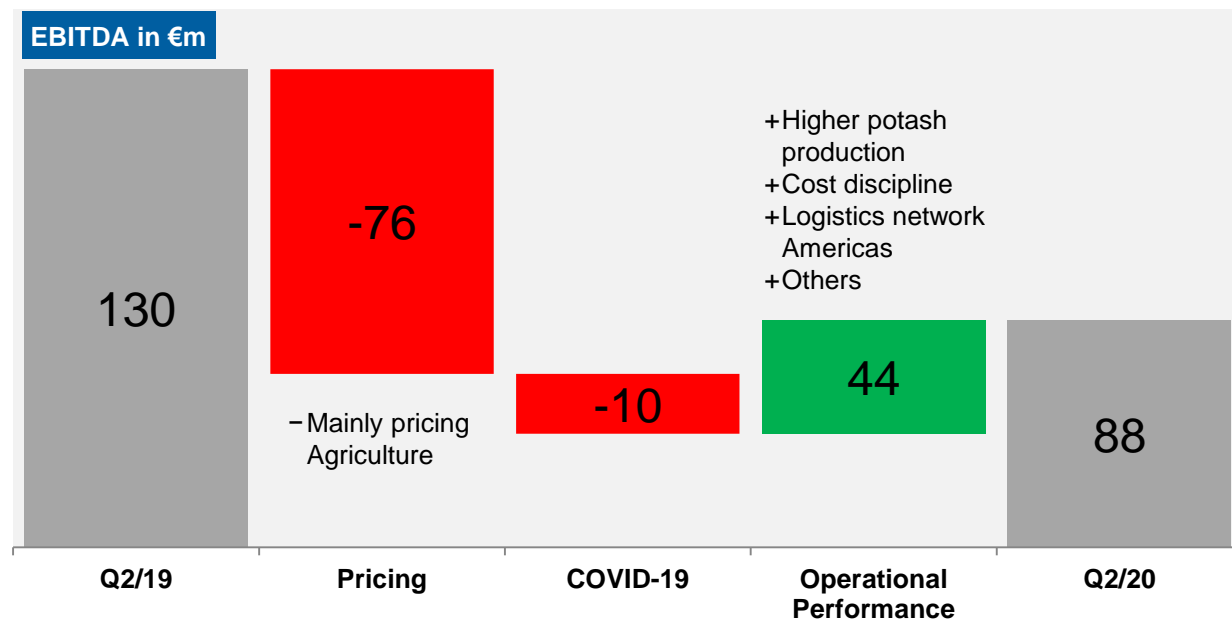
- Reduction of net financial liabilities by significantly more than € 2 billion
- Stable cross over rating targeted

Financials

Solid Q2/20 EBITDA despite difficult market environment

Highlights

- Q2/20 EBITDA down to €88m (Q2/19: €130m)
- Adj. FCF €-43m in Q2/20
- **COVID-19:** Minor efficiency losses due to protective measures and short shutdowns of small sites

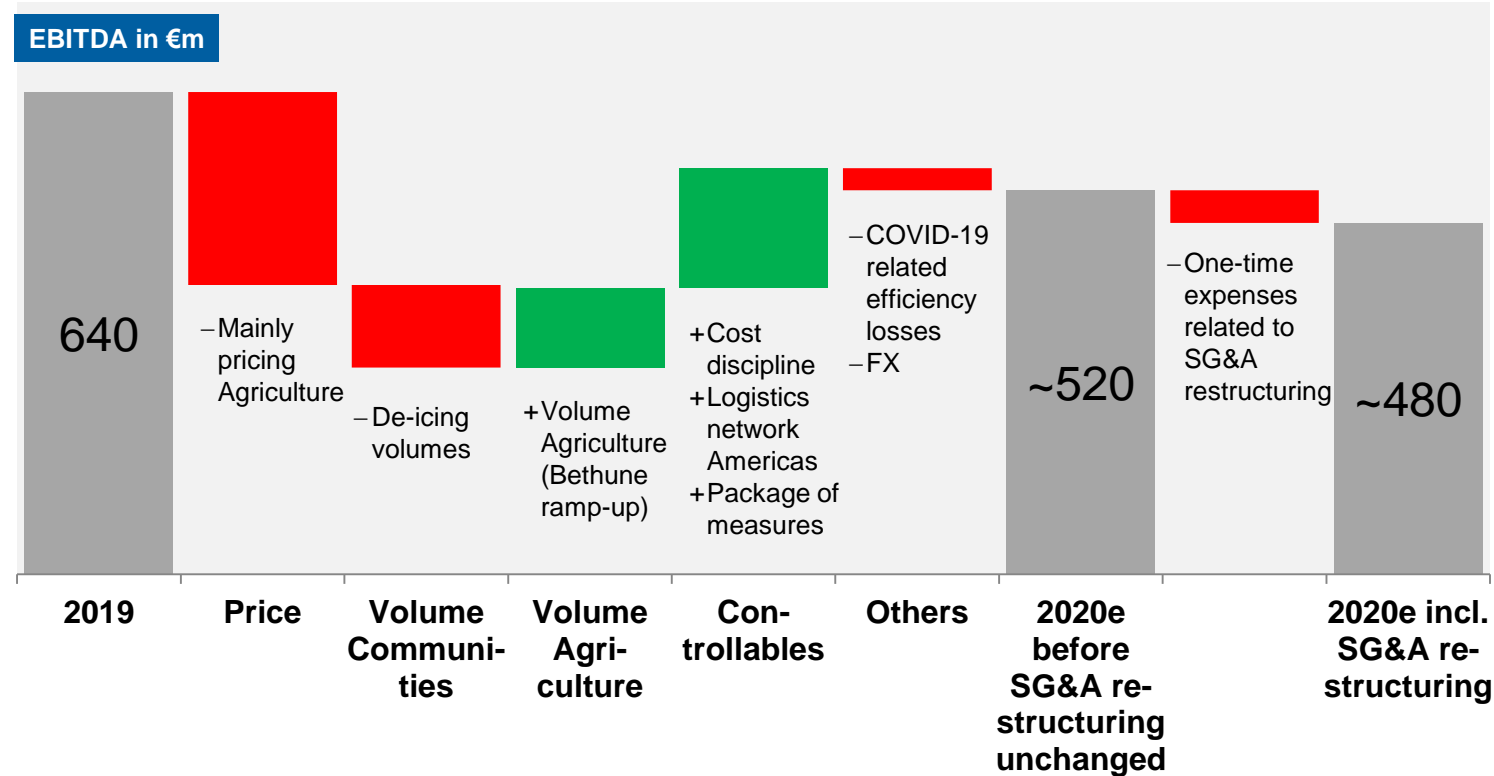


Financials

€ million	Q2/2019	Q2/2020	%
Revenues	878	840	-4
<i>t/o Europe+</i>	627	588	-6
<i>t/o Americas</i>	251	251	-
D&A	104	118	+13
EBITDA	130	88	-32
<i>t/o Europe+</i>	128	69	-46
<i>t/o Americas</i>	14	38	-
Adj. net profit	3	-31	-
Adj. EPS (€)	0.01	-0.16	-
Operating cash flow	193	68	-65
Adj. FCF	102	-43	-
CapEx	93	119	+28
NFD/EBITDA (LTM)	4.4x	5.6x	-

Outlook 2020 confirmed

No effects from sale of OU Americas included



Main assumptions

- FY/20 Agriculture ASP expected to be slightly above Q2/20 level (€231/t)
- FY/20 Agriculture sales volume expected to be >7mt (2019: 6.3 mt)
- FY/20 Communities sales volume of 8 mt (normal year 12.5-13.0 mt); normal winter conditions in Q4
- COVID-19-related efficiency losses included for the remainder of the year; larger unforeseeable effects not assumed (e.g. shutdown)

We expect free cash flow to be at **break even**

We are making progress with the measures that are in our hands



Strong operational performance; widely COVID-19 robust



No wastewater-related issues in Germany



Bethune quality fulfills customers expectations; ramp-up according to plan



Active working capital management to secure liquidity



Package of measures making progress, e.g. optimization of logistics network



Improved liquidity headroom thanks to KfW credit facility



Signing for OU Americas sale expected this year



Realignment of the “New K+S” has started

Q&A

Dr. Burkhard Lohr
CEO

Dirk Neumann
Head of Investor Relations

The logo for K+S, featuring the letters 'K+S' in a bold, white, sans-serif font, set against a dark blue rectangular background. The logo is positioned in the bottom right corner of the slide, partially overlapping a white diagonal shape.

Housekeeping items / Financial calendar

Additional information on FY 2020 outlook

- Tax rate: ~30%
- Financial result: ~€-140m-€-150m
- CapEx: significantly up
- D&A: ~€450m
- Reconciliation (EBITDA): €-60m to €-80m

Financial calendar

Berenberg Virtual Roadshow, London	18 Aug 2020
Bankhaus Lampe Deutschlandkonferenz Virtual	18 Aug 2020
Commerzbank Corporate Conference 2020	01 Sep 2020

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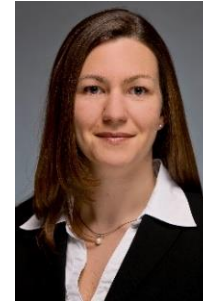
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