

K+S Q2/2020 FACTS & FIGURES



HIGHLIGHTS:

- + Revenues € 840 million (Q2/2019: € 878 million)
- + EBITDA € 88 million (Q2/2019: € 130 million)
- + Corona pandemic burdens earnings by around € 10 million
- + Adjusted free cash flow of € 161 million in the first half year (H1/2019: € 335 million)

OUTLOOK:

- + Group EBITDA before one-off restructuring expenses remains at around € 520 million (2019: € 640 million); after consideration of this one-off expense, which could amount up to € 40 million, EBITDA of € 480 million expected
- + EBITDA for operating unit Americas now expected to be only slightly below previous year (previous forecast: moderate decrease; 2019: €230.0 million)
- + Corona-related efficiency losses are now included in our outlook and will approximately be compensated by effects from our comprehensive package of measures
- + Full year ASP Agriculture expected slightly above Q2/2020 (€ 231 per tonne)
- + Adjusted free cash flow guidance unchanged at approximately break even

KEY FIGURES

		Q2/2019	Q2/2020	%	H1/2019	H1/2020	%
K+S Group							
Revenues	€ million	878.5	840.1	-4.4	2,141.9	1,929.2	-9.9
EBITDA ¹	€ million	130.1	87.8	-32.5	400.0	288.9	-27.8
EBITDA margin	%	14.8	10.5	-	18.7	15.0	-
Depreciation and amortization ²	€ million	103.8	117.6	+13.3	203.2	225.3	+10.9
Operating unit Europe+³							
Revenues	€ million	626.8	588.3	-6.1	1,318.6	1,233.3	-6.5
EBITDA ¹	€ million	128.4	68.7	-46.5	305.5	182.9	-40.1
EBITDA margin	%	20.5	11.7	-	23.2	14.8	-
Depreciation and amortization ²	€ million	80.7	86.1	+6.6	158.3	169.6	+7.1
Operating unit Americas³							
Revenues	€ million	251.2	251.4	+0.1	822.4	695.0	-15.5
EBITDA ¹	€ million	13.6	37.9	+178.1	121.2	139.8	+15.3
EBITDA margin	%	5.4	15.1	-	14.7	20.1	-
Depreciation and amortization ²	€ million	20.9	29.0	+38.4	40.7	50.6	+24.4
Customer segment Agriculture⁴							
Revenues	€ million	440.1	404.6	-8.1	901.1	858.4	-4.7
EBITDA ¹	€ million	95.3	39.2	-58.8	219.4	136.3	-37.9
EBITDA margin	%	21.6	9.7	-	24.4	15.9	-
Customer segment Industry⁴							
Revenues	€ million	282.5	269.2	-4.7	564.3	563.3	-0.2
EBITDA ¹	€ million	55.8	56.0	+0.5	114.3	111.1	-2.8
EBITDA margin	%	19.7	20.8	-	20.3	19.7	-
Customer segment Consumer⁴							
Revenues	€ million	108.5	132.7	+22.4	228.0	255.0	+11.8
EBITDA ¹	€ million	9.0	23.1	+155.4	25.4	44.3	+74.0
EBITDA margin	%	8.3	17.4	-	11.2	17.4	-
Customer segment Communities⁴							
Revenues	€ million	47.0	33.1	-29.5	447.6	251.7	-43.8
EBITDA ¹	€ million	-18.1	-11.8	-	67.5	30.9	-54.2
EBITDA margin	%	-38.4	-35.6	-	15.1	12.3	-
Consolidated earnings, adjusted ⁵	€ million	2.6	-30.6	-	110.4	-5.7	-
Earnings per share, adjusted ⁵	€	0.01	-0.16	-	0.58	-0.03	-
Capital expenditure (capex) ⁶	€ million	93.1	119.0	+27.8	165.7	206.8	+24.8
Net cash flows from operating activities	€ million	193.2	68.0	-64.8	517.6	323.0	-37.6
Adjusted free cash flow	€ million	101.5	-43.2	-	334.6	161.2	-51.8
Net financial debt as of June 30	€ million	-	-	-	2,893.7	2,979.4	+3.0
Net financial debt/EBITDA ratio (LTM) ⁷		-	-	-	4.4	5.6	-
Equity ratio	%	-	-	-	42.4	42.5	-
Return on capital employed (LTM) ⁷	%	-	-	-	3.0	0.8	-
Book value per share as of June 30	€	-	-	-	22.93	22.28	-2.8
Average number of shares	million	191.4	191.4	-	191.4	191.4	-
Employees on June 30 ⁸	Number	-	-	-	14,535	14,738	+1.4
Market capitalization on June 30	€ billion	-	-	-	3.14	1.08	-65.7
Enterprise value (EV) on June 30	€ billion	-	-	-	7.48	5.52	-26.2

¹ EBITDA is defined as earnings before interest, taxes, depreciation, and amortization, adjusted for depreciation and amortization of own work capitalized recognized directly in equity, gains/losses from fair value changes arising from operating anticipatory hedges still outstanding, and changes in the fair value of operating anticipatory hedges recognized in prior periods.

² Relates to amortization of intangible assets and depreciation of property, plant, and equipment, adjusted for depreciation and amortization of own work capitalized recognized directly in equity.

³ Segment in accordance with IFRS 8.

⁴ Not a segment in accordance with IFRS 8.

⁵ The adjusted key indicators include gains/losses on operating anticipatory hedges in the respective reporting period, which eliminates effects from fluctuations in the market value of the hedges. Related effects on deferred and current taxes are also eliminated; tax rate in Q2/2020: 30.0% (Q2/2019: 30.0%).

⁶ Relates to cash payments for investments in property, plant, and equipment and intangible assets, excluding leases in accordance with IFRS 16.

⁷ LTM = last twelve months.

⁸ FTE = Full-time equivalents; part-time positions are weighted according to their share of working hours.

OPERATING UNITS INFORMATION



EUROPE+

- + Revenues declined moderately to a total of €588.3 million in Q2/2020 (Q2/2019: €626.8 million)
- + EBITDA amounted to €68.7 million, compared with €128.4 million in the prior-year quarter
- + Lower prices were partly compensated by higher volumes with a good operating performance and the continuing ramp-up of Bethune

AMERICAS

- + Positive revenue development in the Consumers customer segment fully compensated for lower revenues in the Industry and Communities customer segments
- + EBITDA increased significantly to €37.9 million in the quarter under review (Q2/2019: €13.6 million)
- + Strong operational performance, high cost discipline, and the optimized use of the distribution and logistics network led to improvements in earnings in all customer segments

CUSTOMER SEGMENT INFORMATION

CUSTOMER SEGMENT AGRICULTURE

- + 8.6% increase in sales volumes to 1.75 million tonnes versus previous year period
- + Lower ASPs partly compensated by positive currency effects and higher volumes

CUSTOMER SEGMENT AGRICULTURE: DEVELOPMENT OF REVENUES, SALES VOLUMES AND AVERAGE PRICES BY REGION

		Q1/2019	Q2/2019	H1/2019	Q3/2019	Q4/2019	2019	Q1/2020	Q2/2020	H1/2020
Revenues	€ million	461.0	440.1	901.1	425.0	389.5	1,715.6	453.7	404.6	858.4
Europe	€ million	274.4	209.5	483.9	182.6	208.2	874.6	263.6	195.6	459.2
Overseas	USD million	211.9	259.2	471.1	269.6	200.8	941.5	217.8	230.2	448.0
Sales volumes	t million	1.64	1.61	3.25	1.52	1.53	6.30	1.90	1.75	3.65
Europe	t million	0.98	0.74	1.72	0.66	0.78	3.16	0.93	0.76	1.69
Overseas	t million	0.66	0.87	1.53	0.86	0.75	3.14	0.97	0.99	1.96
Average price	€/t	281.7	272.6	277.2	279.7	255.2	272.5	239.2	230.9	235.2
Europe	€/t	281.2	280.5	280.9	277.5	267.9	277.0	283.8	258.5	272.4
Overseas	USD/t	320.8	298.7	308.2	312.9	267.5	299.8	225.0	231.1	228.1

CUSTOMER SEGMENT INDUSTRY

- + Revenues only down slightly in the quarter, despite the corona pandemic
- + High cost discipline and optimized use of the distribution and logistics network, especially in the Americas operating unit, ensured that EBITDA remained unchanged amid lower revenues
- + This underpins the high robustness of the customer segment and broad variety of end markets for our industrial products

CUSTOMER SEGMENT CONSUMER

- + Higher sales volumes, increased sales of premium products, and positive exchange rate effects drive increase in revenues
- + Additionally to positive effects in revenues, a high cost discipline, and the optimized use of the distribution and logistics network made a significant positive EBITDA contribution

CUSTOMER SEGMENT COMMUNITIES

- + Negative volume effects partly compensated by positive price and currency effects
- + High cost discipline and the optimized use of the distribution and logistics network also contributed to EBITDA improvement

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