K+S Q4/17 FACTS & FIGURES

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HIGHLIGHTS

+ Higher revenues and sales volumes in both business units
+ EBIT I of € 271 million within expected range of € 260-360 million; €43m charge for Sigmundshall closure included
+ Adjusted free cash flow up significantly, but still negative due to capital expenditure in Canada
+ Bethune plant successfully put into operation. As expected, around 500,000 t produced and targeted annual capacity of 2 million t achieved by the end of 2017
+ Improved wastewater management had a positive effect
+ Agreement with the BUND and Gerstungen reached
+ Dividend of € 0.35 per share proposed (46% payout ratio)
+ Net debt/EBITDA peaked in 2017

OUTLOOK 2018

+ At least stable global Potash demand; K+S' ASP slightly up
+ Higher product availability due to the KCF facility
+ Higher production volume at the Bethune plant
+ Tangible volume increase in Salt
+ Significant rise in EBITDA expected
+ Tailings pile expansion on track

SHAPING 2030

+ Transformation phase with focus on halving the leverage and subsequently return to investment grade rating
+ Workshops on time
+ Capital Markets Day on 5 September 2018 in Bethune

KEY FIGURES

		Q4/16	Q4/17	%	2016	2017	%
Revenues	**€ million**	**941.4**	**1,032.1**	**+ 9.6**	**3,456.6**	**3,627.0**	**+ 4.9**
– thereof Potash and Magnesium Products business unit	€ million	398.5	485.0	+ 21.7	1,531.6	1,703.5	+ 11.2
– thereof Salt business unit	€ million	502.0	506.6	+ 0.9	1,762.2	1,762.0	–
– thereof Complementary Activities	€ million	40.3	40.1	– 0.5	161.1	159.9	– 0.7
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**€ million**	**94.4**	**187.2**	**+ 98.3**	**519.1**	**576.7**	**+ 11.1**
– thereof Potash and Magnesium Products business unit	€ million	– 7.8	73.8	–	184.8	268.8	+ 45.5
– thereof Salt business unit	€ million	92.6	123.5	+ 33.4	322.3	325.2	+ 0.9
– thereof Complementary Activities		9.4	7.9	– 16.0	30.8	30.3	– 1.6
Operating earnings (EBIT I)	**€ million**	**27.5**	**92.7**	**>100**	**229.3**	**270.8**	**+ 18.1**
– thereof Potash and Magnesium Products business unit	€ million	– 34.6	6.4	>100	33.6	81.4	>100
– thereof Salt business unit	€ million	57.9	99.9	+ 72.5	203.7	223.0	+ 9.5
– thereof Complementary Activities	€ million	7.1	6.6	– 7.0	21.9	23.5	+ 7.3
EBIT I-margin	**%**	**2.9**	**9.0**	**–**	**6.6**	**7.5**	**–**
– Potash and Magnesium Products business unit	%	– 8.7	1.3	–	2.2	4.8	–
– Salt business unit	%	11.5	19.7	–	11.6	12.7	–
– Complementary Activities	%	17.6	16.5	–	13.6	14.7	–
Group earnings, adj. [1]	**€ million**	**10.2**	**30.0**	**>100**	**130.5**	**145.0**	**+ 11.1**
Earnings per share, adj. [1]	**€**	**0.05**	**0.16**	**>100**	**0.68**	**0.76**	**+ 11.1**
Capital expenditure [2]	€ million	267.0	242.9	– 9.0	1,170.8	810.8	– 30.7
Depreciation and amortisation [2]	€ million	66.9	94.5	+ 41.3	289.8	305.9	+ 5.6
Operating cash flow	**€ million**	**55.1**	**– 76.5**	**–**	**445.4**	**306.8**	**– 31.1**
Free cash flow, adjusted [3]	**€ million**	**– 320.5**	**– 149.8**	**+ 46,7**	**– 776.8**	**– 389.8**	**+ 50.2**
Net debt as of 31 December	€ million	–	–	–	3,583.8	4,140.5	+ 15.5
Net debt/EBITDA (LTM)		–	–	–	6.9	7.2	–
Equity ratio	%	–	–	–	47.2	42.7	–
Return on Capital Employed (LTM)	%	–	–	–	3.0	3.2	–
Book value per share as of 31 December	€	–	–	–	23.78	21.74	– 6.3
Average number of shares	million	191.4	191.4	–	191.4	191.4	–
Employees as of 31 December [4]	number	–	–	–	14,530	14,793	+ 1.8
Market capitalisation as of 31 December	€ billion	–	–	–	4.3	4.0	– 7.0
Enterprise Value as of 31 December	€ billion	–	–	–	7.9	8.1	+ 2.1

[1] The adjusted key indicators include the profit/(loss) from operating anticipatory hedges in the relevant reporting period, which eliminates effects from changes in the fair value of the hedges as well as effects from the exchange rate hedging of future capital expenditure in Canadian dollars (Bethune plant). Related effects on deferred and cash taxes are also eliminated; tax rate in 2017: 29.9% (2016: 29.3%).
[2] Concerns cash investments as well as depreciation of property, plant and equipment and amortisation of intangible assets, taking claims for reimbursement from claim management into account.
[3] Adjusted for purchases/sales of securities and other financial investments.
[4] LTM = last twelve months.
[5] FTE: Full-time equivalents; part-time positions are weighted in accordance with their respective share of working hours.

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BUSINESS SEGMENT INFORMATION

POTASH AND MAGNESIUM PRODUCTS BUSINESS UNIT

DEVELOPMENT OF REVENUES, SALES VOLUMES AND AVERAGE PRICES BY REGION

		Q1/16	Q2/16	Q3/16	Q4/16	2016	Q1/17	Q2/17	Q3/17	Q4/17	2017
Revenues	**€ million**	**460.5**	**370.9**	**301.7**	**398.5**	**1,531.6**	**473.7**	**387.1**	**357.7**	**485,0**	**1,703.5**
Europe	€ million	316.3	217.1	167.5	244.2	945.1	304.0	227.9	213.4	257,5	1,002.8
Overseas	US$ million	158.9	173.7	149.8	166.8	649.2	180.7	175.5	170.9	264,4	791.5
Sales volumes	**t million**	**1.69**	**1.48**	**1.26**	**1.62**	**6.06**	**1.82**	**1.54**	**1.41**	**1,94**	**6.71**
Europe	t million	1.05	0.78	0.65	0.95	3.42	1.14	0.86	0.80	0,97	3.77
Overseas	t million	0.64	0.70	0.61	0.67	2.63	0.68	0.68	0.62	0,97	2.94
Average price	**€/t**	**272.4**	**250.1**	**238.8**	**246.1**	**252.9**	**259.8**	**252.0**	**253.0**	**250,1**	**253.8**
Europe	€/t	302.3	279.1	258.2	256.5	276.0	265.6	265.3	268.9	264,6	266.0
Overseas	US$/t	246.6	246.4	243.7	250.0	246.7	266.2	259.0	273.4	276,5	269.0

+ Revenues in Potash and Magnesium Products business unit increased from € 1,531.6 million to € 1,703.5 million in 2017 mainly due to higher product availability
+ Potash pricing continues to recover, SOP prices have bottomed out
+ EBITDA surged to € 268.8 million (2016: € 184.8 million), including € 43m charge for Sigmundshall, EBIT I in FY17 amounted to € 81.4 million (2016: € 33.6 million)
+ Cash unit costs peaked

SALT BUSINESS UNIT

DEVELOPMENT OF REVENUES, SALES VOLUMES AND AVERAGE PRICES BY PRODUCT GROUP

		Q1/16	Q2/16	Q3/16	Q4/16	2016	Q1/17	Q2/17	Q3/17	Q4/17	2017
De-icing salt											
Revenues	€ million	313.1	33.8	54.1	208.9	609.9	310.9	30.5	51.2	220.6	613.2
Sales volumes	t million	4.89	0.64	1.04	3.53	10.10	5.07	0.57	1.02	4.00	10.66
Average price	€/t	64.0	52.8	52.3	59.2	60.4	61.3	53.6	50.4	55.1	57.5
Consumer products, food processing, industrial salt and salt for chemical use											
Revenues	€ million	271.7	276.8	283.0	281.4	1,112.9	290.1	275.9	270.9	275.9	1,112.9
Sales volumes	t million	2.24	2.25	2.50	2.27	9.26	2.43	2.26	2.49	2.48	9.66
Average price	€/t	121.5	123.1	113.3	124.1	120.2	119.6	122.0	108.8	109.6	114.8

+ Revenues and EBITDA for Salt business unit on last year's level; EBIT I moderately up
+ Sales volumes of 10.66 million t in the de-icing salt segment and 9.66 million t in the non de-icing business were moderately above the previous year's values
+ De-icing: Better demand in Europe more than offsets lower US-pricing; geographical hedge works
+ Non de-icing: Greater share of lower priced products, but nice profit contribution; adverse FX impacts
+ On track to deliver on SALT 2020 (EBITDA-target of at least € 400 million)

K+S Investor Relations Contacts

E-mail: investor-relations@k-plus-s.com
Homepage: www.k-plus-s.com

- Lutz Grüten, Head of Investor Relations, +49 561 9301 1460, lutz.grueten@k-plus-s.com
- Martin Heistermann, Senior Investor Relations Manager, +49 561 9301 1403, martin.heistermann@k-plus-s.com
- Alexander Enge, Investor Relations Manager, +49 561 9301 1885, alexander.enge@k-plus-s.com
- Laura Schumbera, Junior Investor Relations Manager, +49 561 9301 1607, laura.schumbera@k-plus-s.com
- Katharina Volkmar, Roadshow Management, +49 561 9301 1100, katharina.volkmar@k-plus-s.com