



K+S Group

GS/Berenberg Eighth German Corporate Conference

Munich, 23 September 2019

Alexander Enge, IR Manager

Group financials 2018

Revenues
 € 4.04 billion

EBITDA
 € 606 million

EBITDA-Margin
 15%

Earnings after taxes, adj.
 € 85 million

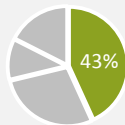
OU Europe+: Revenues: € 2.59 billion; EBITDA: € 443 million; Margin: 17%

OU Americas: Revenues: € 1.45 billion; EBITDA: € 222 million; Margin: 15%

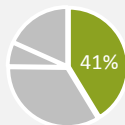
Customer Segments



Agriculture



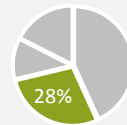
Revenues
 € 1.74 billion



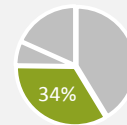
EBITDA
 € 275 million
 Margin 16%



Industry



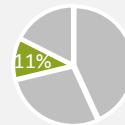
Revenues
 € 1.13 billion



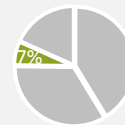
EBITDA
 € 226 million
 Margin 20%



Consumers



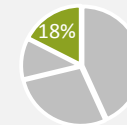
Revenues
 € 0.46 billion



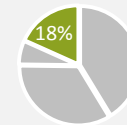
EBITDA
 € 43 million
 Margin 10%



Communities



Revenues
 € 0.71 billion



EBITDA
 € 122 million
 Margin 17%



OPERATING PERFORMANCE improved



CASH CONVERSION AND LEVERAGE improved



WASTEWATER MANAGEMENT improved



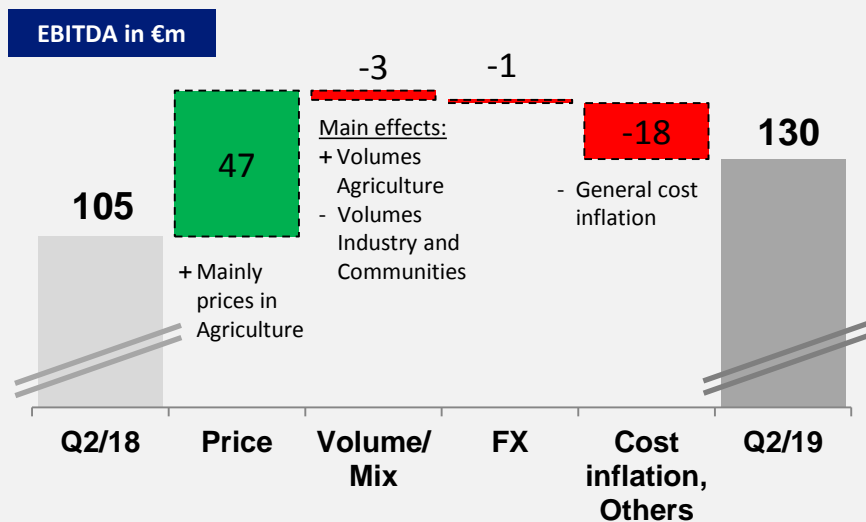
BETHUNE RAMP-UP on track



2019 FULL-YEAR GUIDANCE substantiated; midpoint slightly increased

Highlights

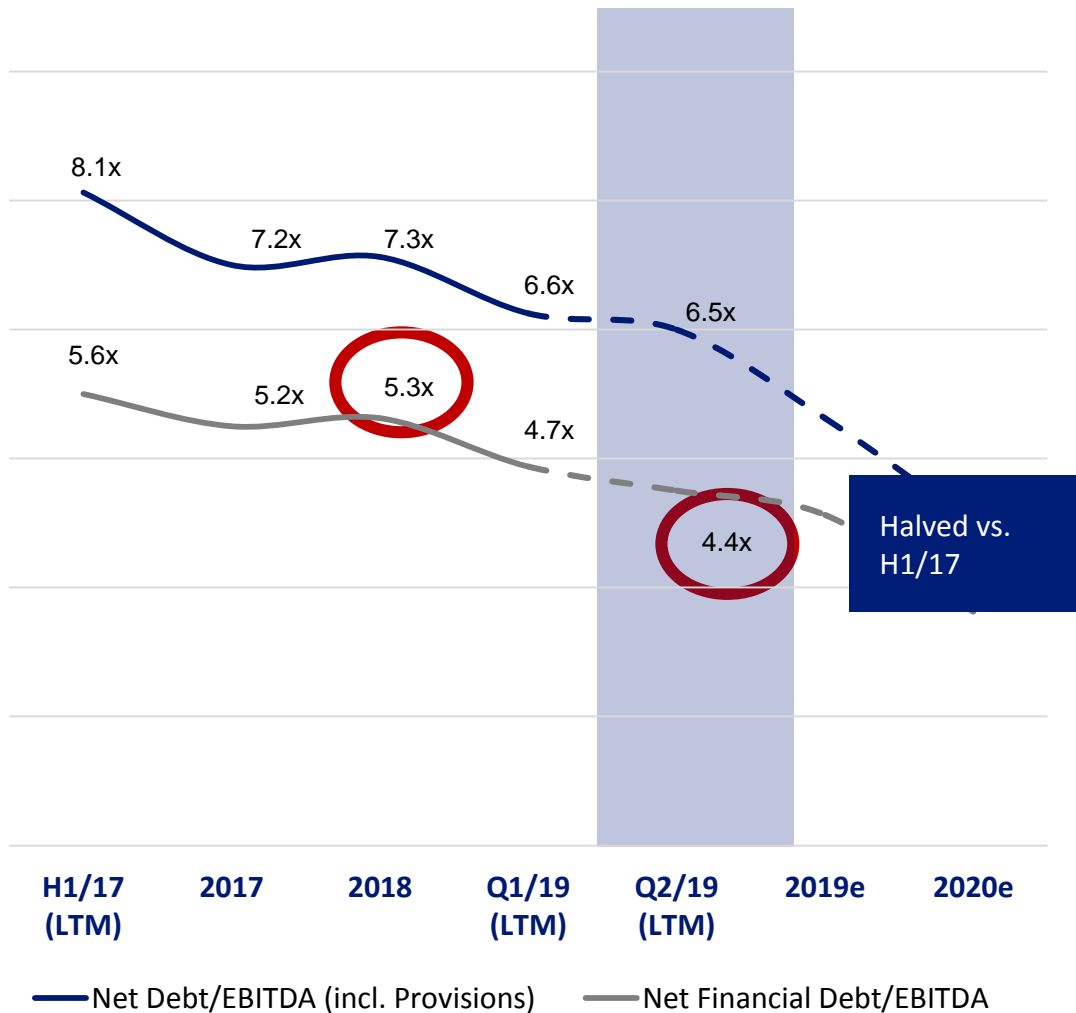
- EBITDA again with a nice improvement: +24%
 - Europe+: Price increase across all PMP products
 - Americas: Maintenance measures and elevated logistics costs showing impact on EBITDA especially in a seasonally low quarter
- FCF plus €150m to €102m → best Q2 FCF since 2011; supportive on our path to strengthen our balance sheet



Financials

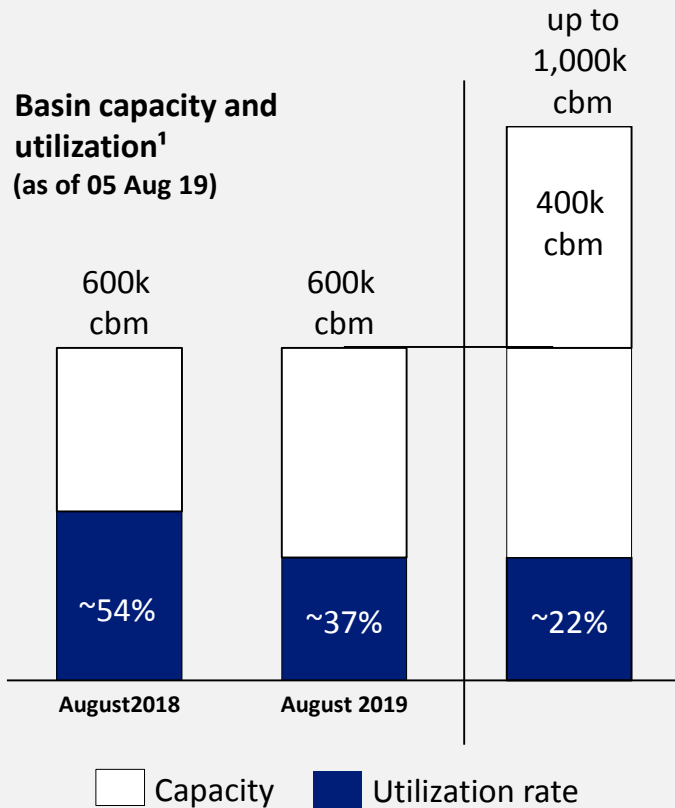
€ million	Q2/18	Q2/19	YoY
Revenues	812	879	+8%
t/o Europe+	572	627	+10%
t/o Americas	239	251	+5%
D&A	-92	-104	-13%
EBITDA	105	130	+24%
t/o Europe+	100	128	+29%
t/o Americas	22	14	-38%
Adj. net profit	-9	3	-
Adj. EPS (€)	-0.05	0.01	-
Operating cash flow	59	193	-
Adj. FCF	-49	102	
CapEx	91	93	+2%
Net fin. debt/EBITDA (LTM)	4.6x	4.4x	-

Deleveraging is making progress



- NFD/EBITDA of 4.4x again down on FY/18 of 5.3x
- 2018 and H1/19 (LTM) still negatively affected by Werra outage days
- On the right track to halve our leverage by YE 2020 vs. H1/2017

Our wastewater management makes us less vulnerable to droughts



August 2019: Approval received for an additional (temporary) underground wastewater storage capacity of up to 400k cbm.

Offsite disposal of saline wastewater by truck and railcar



¹Basin capacities were at 500k cbm in 2018, but adjusted for comparative purposes

Bethune: Product quality is improving



Installation of
grinder pumps in
July 2019

Preparation and
installation of
cooling-, sieving
and crushing
equipment in
September 2019

Implementation
in **Q4/2019**



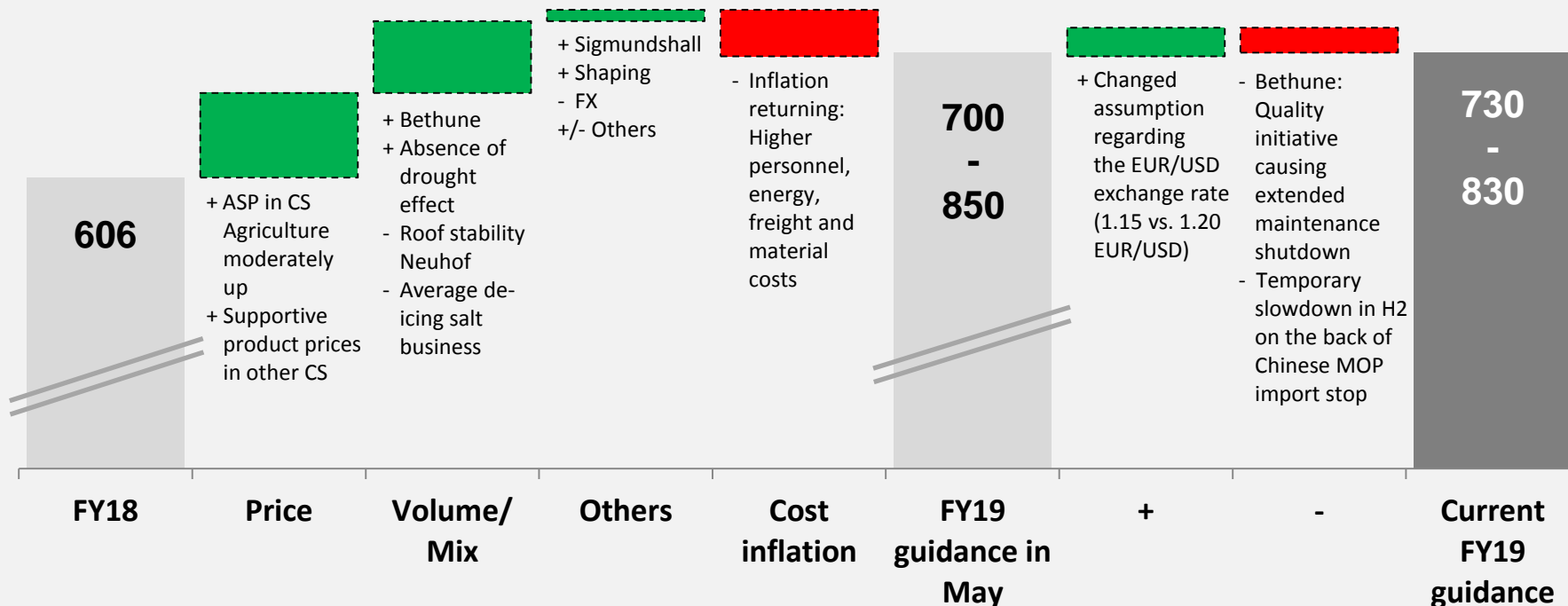
Quality improvement already in 2019 but somewhat lower production (~1.7mt) than previously expected. Customers will recognize this improvement early 2020.

More precise EBITDA and FCF guidance*)

EBITDA 2019: €730m to €830m (2018: €606m)

Free cash flow 2019: at least €+100m (2018: €-206m)

EBITDA in €m



High probability to have no weather-related standstills - even in the case of an extended drought !

*) Assuming no weather related outage days

Housekeeping Items / Financial Calendar

Additional information on Outlook FY 2019

- Tax rate: ~30%
- Financial result: ~€-120m
- CapEx: ~€600m
- D&A (incl. Bethune): €380m to €400m
- Reconciliation (EBITDA): €-60m to €-70m
- Customer Segment Agriculture:
Sales volume: 6.9-7.1mt
(2018: 6.8mt) and ASP moderately
up (2018: 254 €/t)
- Customer Segment Communities:
Sales volume: 12.5-13.0mt
(2018: 13.3mt)

Financial Calendar

Goldman Sachs/Berenberg 8th German Corp. Conference, Munich	23 September 2019
Bernstein Conference, London	25 September 2019
DSW Forum, Hamburg	26 September 2019
BaaderInvestment Conference, Munich	26 September 2019



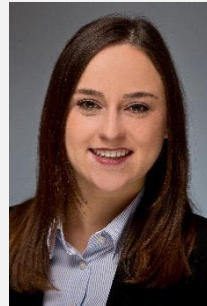
Lutz Grüten

Head of Investor Relations

Phone: +49 561 / 9301-1460

Fax: +49 561 / 9301-2425

lutz.grueten@k-plus-s.com



Christiane Martel

Roadshow Management

Phone: +49 561 / 9301-1100

Fax: +49 561 / 9301-2425

christiane.martel@k-plus-s.com

K+S Aktiengesellschaft

Bertha-von-Suttner-Str. 7

34131 Kassel (Germany)

e-mail: investor-relations@k-plus-s.com

homepage: www.k-plus-s.com

IR-website: www.k-plus-s.com/ir



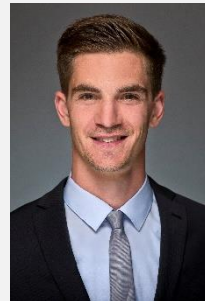
Julia Bock, CFA

Senior Investor Relations Manager

Phone: +49 561 / 9301-1009

Fax: +49 561 / 9301-2425

julia.bock@k-plus-s.com



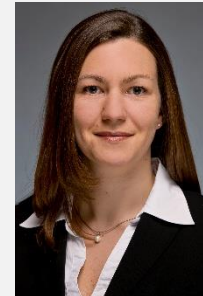
Alexander Enge

Investor Relations Manager

Phone: +49 561 / 9301-1885

Fax: +49 561 / 9301-2425

alexander.enge@k-plus-s.com



Janina Rochell

Investor Relations Manager

Phone: +49 561 / 9301-1403

Fax: +49 561 / 9301-2425

Janina.rochell@k-plus-s.com

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