



K+S Group

Morgan Stanley Roadshow, London

Thorsten Boeckers, CFO

Alexander Enge, Investor Relations Manager

15 November 2019

Important Milestones have been achieved so far

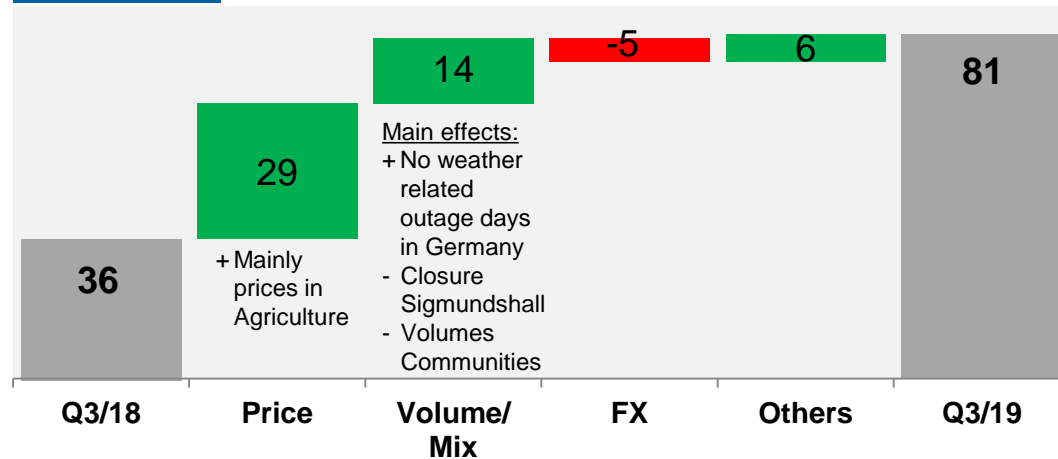
Customer focus / new organization	implemented	<input checked="" type="checkbox"/>
Operating performance	improved	<input checked="" type="checkbox"/>
Wastewater management	improved	<input checked="" type="checkbox"/>
Working capital management	improved	<input checked="" type="checkbox"/>
Synergy program	on track	<input checked="" type="checkbox"/>
Bethune product quality	Making progress	<input checked="" type="checkbox"/>
Potash market	challenging	<input type="checkbox"/>
Regulatory environment	challenging	<input type="checkbox"/>

Q3 and 9M/19 at a glance

Highlights

- Q3/19 EBITDA increased to € 81m (Q3/18: € 36m)
- No weather-related outage days in 2019
- FCF plus €264m to €204m in 9M/19
- Net financial debt/EBITDA down to 4.3x (31 Dec 18: 5.3x)

EBITDA in €m



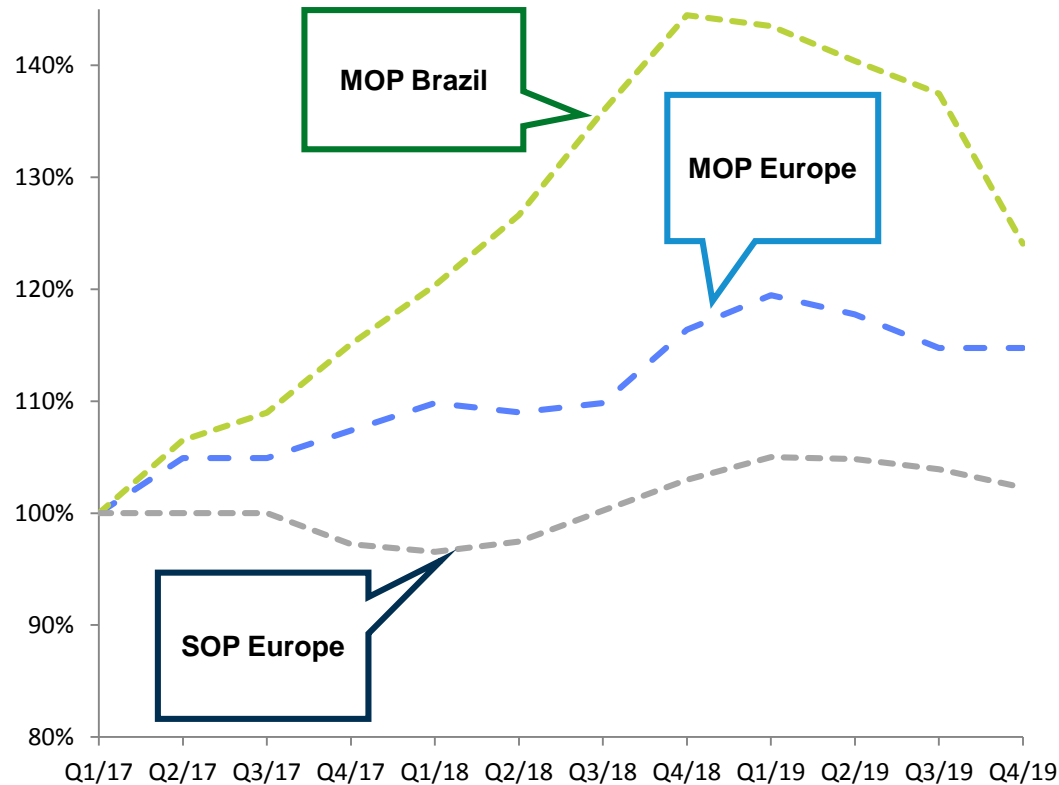
Financials

€ million	Q3/18	Q3/19	%	9M/18	9M/19	%
Revenues	840	905	+8	2,822	3,047	+8
<i>t/o Europe+</i>	568	621	+9	1,802	1,940	+8
<i>t/o Americas</i>	271	283	+4	1,018	1,105	+9
D&A	95	107	-14	276	310	+12
EBITDA	36	81	>100	378	481	+27
<i>t/o Europe+</i>	22	67	>100	278	373	+34
<i>t/o Americas</i>	29	25	-12	147	147	-
Adj. net profit	-61	-42	-	14	69	>100
Adj. EPS (€)	-0.32	-0.22	-	0.07	0.36	>100
Operating cash flow	-16	-8	-	276	510	-
Adj. FCF	-154	-131	-	-60	204	-
CapEx	124	144	+16	278	310	+11
Nfd/EBITDA (LTM)	-	-	-	5.5x	4.3x	-

Market update: Customer segment Agriculture



Pricing (Source: FMB)



Q3/19:

- Slowdown in global potash market since Q3 after strong sales volumes in H1
- **Chinese** import stop led to waiting position in other markets
- Softer pricing in **Brazil**, but no big volumes concluded at this level
- Producers announced to reduce >3 mt of production for H2/19 in total
- Specialties and MOP prices in **Europe** relatively stable
- K+S average selling price in Q3/19 even above Q2 level due to positive product mix effects

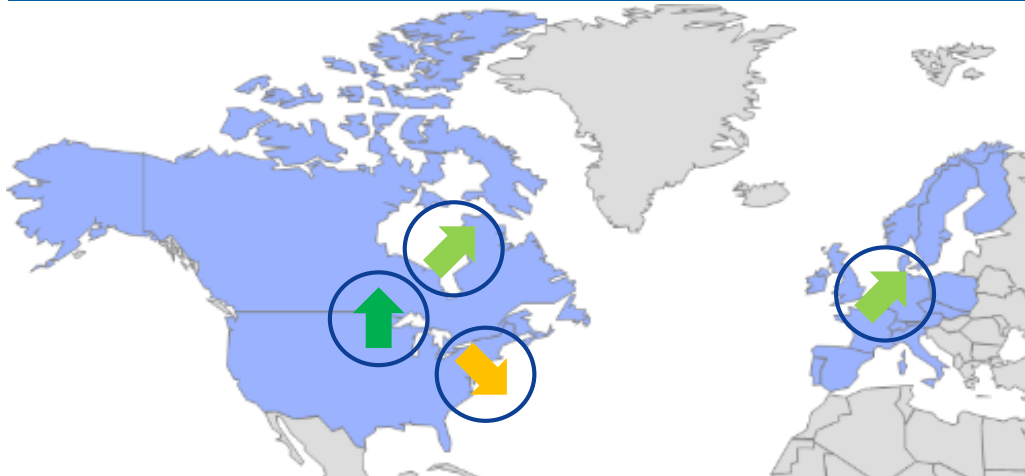
Outlook:

- **Indian** contract at 280 USD/t vs. 290 USD/t before provided first indication
- Slight decline in global potash demand to be noticed in 2019 compared to record demand in 2018 of a good 71 mt

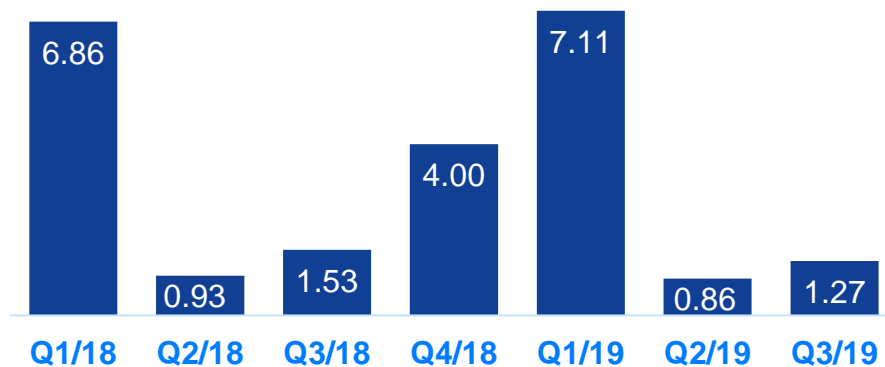
Trading update: Customer segment Communities



Pricing trends in customer segment Communities



Sales volumes in customer segment Communities (in mt)



Q3/19 update early fills:

- Mixed picture in our regions
- Volumes down in **North America** and **Europe** mainly due to timing effects
- Highly competitive **US East Coast**

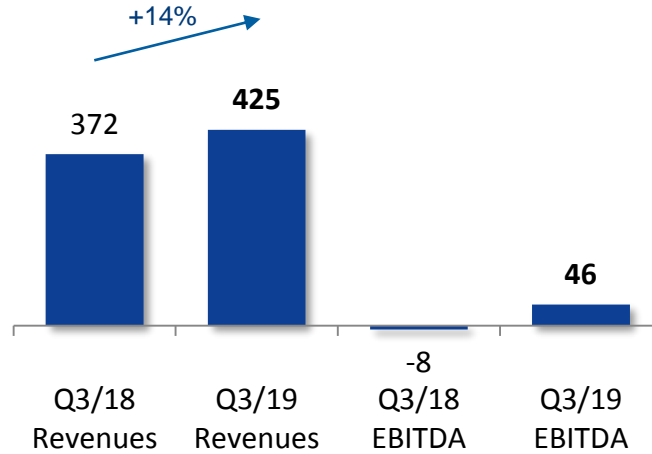
Outlook winter season 2019/20:

- Widely promising bidding season 2019/20
 - Prices significantly up at USMW, CA and EU slightly up, USEC down
 - Higher prices can more than compensate for logistics cost inflation
 - FY/2019 sales volume of 12.5 - 13 kt expected

Deeper dive into our customer segments

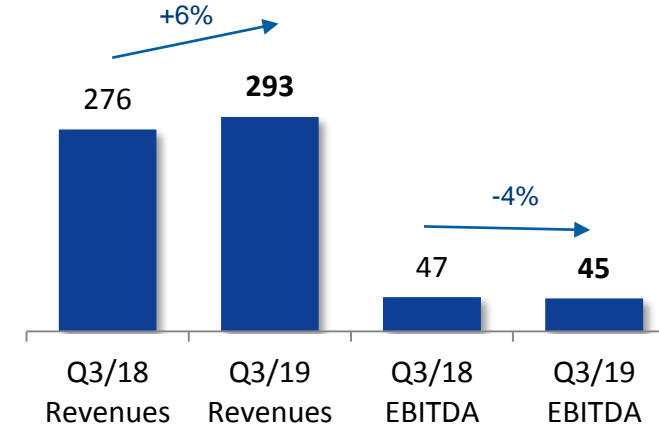
Agriculture

- Better prices
- Positive FX effects
- Higher product availability due to **no** weather-related **outage days** in Germany



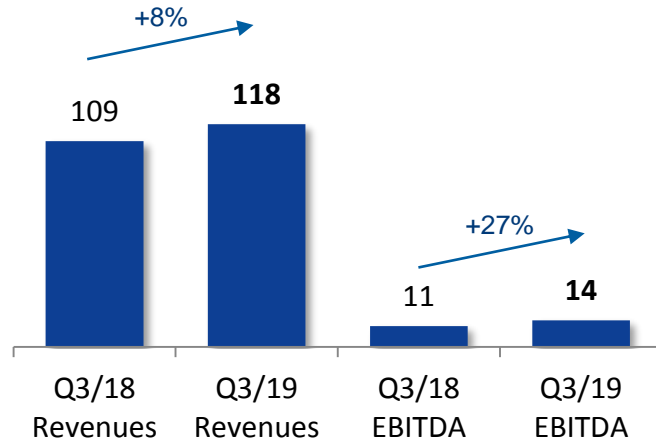
Industry

- Better prices
- Higher volumes
- Positive FX effects
- General cost inflation



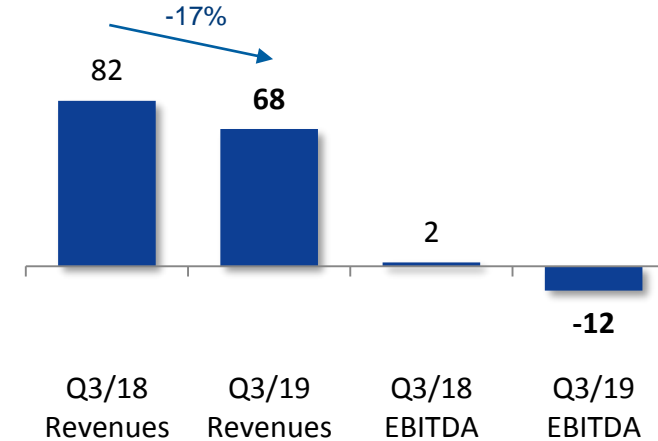
Consumers

- Better prices, especially in North America
- Positive FX effects
- General cost inflation

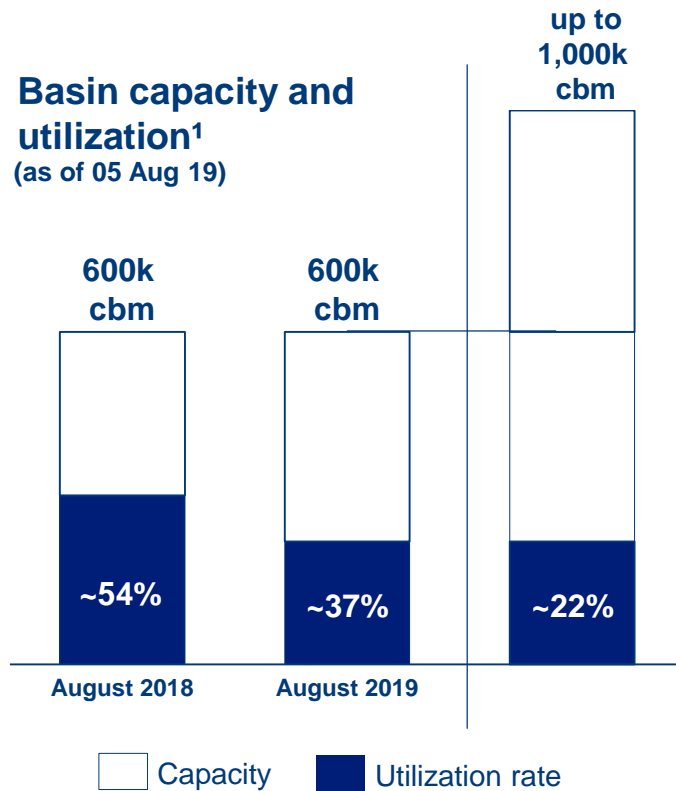


Communities

- Lower volumes
- General cost inflation



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



Bethune: Product quality is improving

Installation of
grinder pumps in
July 2019

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

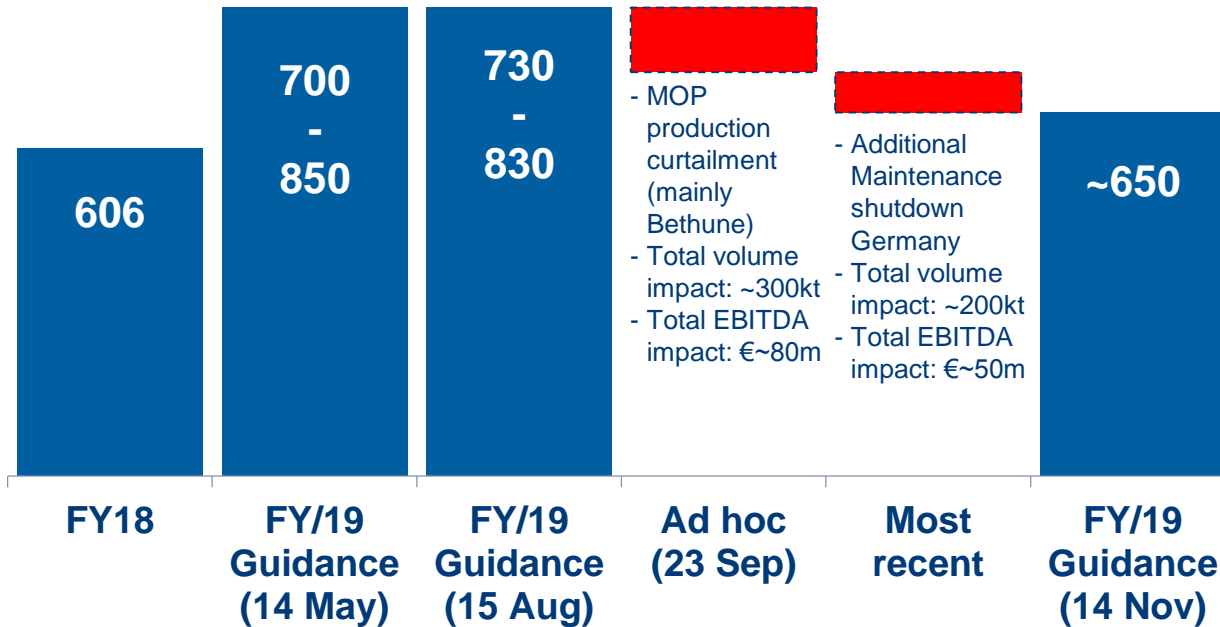
Implementation
at the turn
of the year



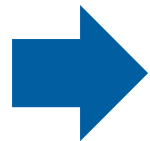
Quality improvement already in 2019 but somewhat lower production than previously expected.
Customers will recognize this improvement in H1/2020.

Outlook 2019

EBITDA in €m



- ↑ No weather-related standstills in 2019
- ↑ Higher ASP in customer segment Agriculture and supportive prices in other segments
- Q4/19 de-icing volumes based on normal winter
- ↓ Market-related MOP production curtailment / maintenance shutdown earlier than planned



K+S still expects to achieve a positive adjusted Free cash flow in 2019 (2018: € -206 m)

Housekeeping Items / Financial Calendar

Additional information on Outlook FY 2019

- Tax rate: ~30%
- Financial result: ~€-110 to €-120m
- CapEx: ~€550m
- D&A: ~€400m
- Reconciliation (EBITDA): €-60m to €-70m
- Customer segment Agriculture:
Sales volume: ~6.4mt (2018: 6.8mt) and
ASP moderately up (2018: 254 €/t)
- Customer segment Communities:
Sales volume: 12.5-13.0mt
(2018: 13.3mt)

Financial Calendar

Morgan Stanley Roadshow London	15 November 2019
DZ Bank Equity Conference 2019 Frankfurt	19 November 2019
Eigenkapitalforum 2019 Frankfurt	25 November 2019
Kepler Cheuvreux / CIBC Agro Conference London	25 November 2019

New Head of Investor Relations

Dirk Neumann



Dirk Neumann, previously Head of Corporate Controlling at K+S AG, will take over as Head of the Investor Relations department starting 1 December 2019.

Dirk Neumann was born in 1970 in Hochheim (Main), Germany. He studied Business Administration at the Georg-August-University in Göttingen and graduated with a diploma in business administration in 1997. He then worked in the Corporate Accounting Department of Hoechst Marion Roussel Deutschland GmbH from 1997 – 2000. He was a business analyst for Eastern Europe at Aventis International S.A. from 2000 – 2002. From 2002 – 2003 he worked as a controller for the Dynamit Nobel Specialty Chemicals company. Dirk started at K+S in 2003 as a business segment controller in K+S Entsorgung GmbH for just over a year until he began his career in the Finance and Controlling Department where he spent eight years until 2012, where he became Head of Earnings and Financial Planning, K+S Aktiengesellschaft until 2015, after which he became Head of Controlling of K+S Aktiengesellschaft where he assumed the role of Head of Investor Relations. Dirk is married and has two children.

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