K+S Aktiengesellschaft

Analyst Call

Q1/2020

Thorsten Boeckers
CFO
Disclaimer

No reliance may be placed for any purpose whatsoever on the information or opinions contained in the Presentation or on its completeness, accuracy of fairness. No representation or warranty, express or implied, is made or given by or on behalf of the Company or any of its respective directors, officers, employees, agents or advisers as to the accuracy, completeness or fairness of the information or opinions contained in the Presentation and no responsibility or liability is accepted by any of them for any such information or opinions. In particular, no representation or warranty, express or implied, is given as to the achievement or reasonableness of, and no reliance should be placed on any projections, targets, ambitions, estimates or forecasts contained in this Presentation and nothing in this Presentation is or should be relied on as a promise or representation as to the future.

This presentation contains facts and forecasts that relate to the future development of the K+S Group and its companies. The forecasts are estimates that we have made on the basis of all the information available to us at this moment in time. Should the assumptions underlying these forecasts prove not to be correct or should certain risks – such as those referred to in the Annual Report – materialize, actual developments and events may deviate from current expectations. Given these risks, uncertainties and other factors, recipients of this document are cautioned not to place undue reliance on these forecasts.

This Presentation is subject to change. In particular, certain financial results presented herein are unaudited, and may still be undergoing review by the Company’s accountants. The Company may not notify you of changes and disclaims any obligation to update or revise any statements, in particular forward-looking statements, to reflect future events or developments, save for the making of such disclosures as are required by the provisions of statue. Thus statements contained in this Presentation should not be unduly relied upon and past events or performance should not be taken as a guarantee or indication of future events or performance.

This presentation has been prepared for information purposes only. It does not constitute an offer, an invitation or a recommendation to purchase or sell securities issued by K+S Aktiengesellschaft or any company of the K+S Group in any jurisdiction.
We ensure the supply of essential goods with our products.

- High-purity pharmaceutical salts for medicine and use in dialysis and infusions
- Potassium salts for the preparation of a wide range of medicinal products
- Salts for the production of disinfectant materials, soaps and chlorine
- Table salt for food production
- Salts for feed and animal nutrition
- Potassium fertilizers for the agricultural production of food
- Waste disposal services with underground recovery and disposal

Social contribution
Operational Measures

• Corona prevention teams established
• Shift times shortened and staggered
• Number of shift interactions reduced
• Respiratory masks used when in close proximity (e.g. when entering or leaving a mine)
• Gloves also used when operating machines and vehicles
• Additional disinfectant dispensers installed
• Rules of conduct sent to 3,000 suppliers
• External truck drivers only leave vehicle to secure loads
• → Limited impacts on production
• → Supply chains stable
K+S: Revenue exposure to GDP cycles

77% of group revenues are non-cyclical

K+S Group: € 4.1 bn

Non-cyclical:
Potassium Chloride
Fertilizer Specialties
De-icing
Pharma
Food, Culinary
Complementary
Animal Nutrition

Cyclical:
Chemical
Water softening
Water and Pool
Oil and gas
Others
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)
- Stable cash flows

- Broad portfolio of interested parties
- Investment banks mandated
- Signing expected in 2020
- Sale process is proceeding according to plan so far despite current conditions with regards to Covid-19
- Present market conditions are no obstacle for the current phase of the process
Realigning of K+S has started

- Restructuring project of administrative functions started
- Focus on the core business by selling non-core activities
- Future-oriented solutions in the environmental sector
- Capital expenditure under review
- Sustained positive free cash flows at all German production sites

➢ The new K+S: lean and performance-oriented with a solid financial base
Strong Q1/20 EBITDA despite difficult market environment

**Highlights**

- **Q1/20 EBITDA** down to € 201m (Q1/19: € 270m)
- **FCF** € 204m in Q1/20
- **COVID-19**: Minor efficiency losses due to protective measures and short shutdowns of small sites

**Financials**

<table>
<thead>
<tr>
<th></th>
<th>Q1/19</th>
<th>Q1/20</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>1,264</td>
<td>1,089</td>
<td>-14</td>
</tr>
<tr>
<td>t/o Europe+</td>
<td>692</td>
<td>645</td>
<td>-7</td>
</tr>
<tr>
<td>t/o Americas</td>
<td>571</td>
<td>444</td>
<td>-22</td>
</tr>
<tr>
<td>D&amp;A</td>
<td>100</td>
<td>108</td>
<td>+8</td>
</tr>
<tr>
<td>EBITDA</td>
<td>270</td>
<td>201</td>
<td>-26</td>
</tr>
<tr>
<td>t/o Europe+</td>
<td>177</td>
<td>114</td>
<td>-36</td>
</tr>
<tr>
<td>t/o Americas</td>
<td>108</td>
<td>102</td>
<td>-5</td>
</tr>
<tr>
<td>Adj. net profit</td>
<td>108</td>
<td>26</td>
<td>-76</td>
</tr>
<tr>
<td>Adj. EPS (€)</td>
<td>0.56</td>
<td>0.13</td>
<td>-76</td>
</tr>
<tr>
<td>Operating cash flow</td>
<td>324</td>
<td>255</td>
<td>-21</td>
</tr>
<tr>
<td>Adj. FCF</td>
<td>233</td>
<td>204</td>
<td>-12</td>
</tr>
<tr>
<td>CapEx</td>
<td>73</td>
<td>88</td>
<td>+21</td>
</tr>
<tr>
<td>NFD/EBITDA (LTM)</td>
<td>4.6x</td>
<td>5.1x</td>
<td>-</td>
</tr>
</tbody>
</table>
Customer Segment Agriculture

Stable specialty business and regional diversification paying-off

Q1 2020

- Good spring fertilization in Europe due to favorable weather conditions
- High demand in Brazil
- Demand rebound in the USA
- Weak demand in SEA

Outlook

- MOP prices bottoming out
- China contract gives price orientation and ensures higher utilization
- Overall normal SOP demand in Europe and stable prices

Source: FMB Argus Potash
Trading update: Communities

Pricing trends in customer segment Communities

Q1/20 update:
- Sales volume almost 50% below the high level of the previous year.

Outlook:
- High customer inventory levels
- However, multi-year contracts help us to keep prices stable
- Some contracts in higher price regions (e.g. Canada) already settled at the end of 2019
- For Q4/20 we expect prices to decline moderately yoy across all regions
- Expected sales volumes ~ 8 million tonnes for 2020 (Ø-year: 12.5 – 13.0 million tonnes)
Current Trading Customer Segments Industry + Consumers

- Industry
  - Broad portfolio of products containing potassium- and salt
  - Broad variety of industries supplied
  - Resilience against GDP drop

- Consumers
  - Good progress in the rollout of the German premium table salt brand Saldoro®
  - Stable or even higher demand situation in times of Covid-19
Outlook 2020¹

¹Impacts from Corona-related shutdowns not included; no effects from restructuring or sale of OU Americas included

Main assumptions

- FY/20 Agriculture ASP expected to be slightly above Q1/20 level (€239/t)
- Below average de-icing salt business across all regions
- Stable earnings for Industry and Consumer segment expected
- Positive Shaping effects should slightly overcompensate for cost inflation
- COVID-19-related efficiency losses due to protective measures

We expect free cash flow to be at break even
Q&A

Thorsten Boeckers
CFO
## Housekeeping Items / Financial Calendar

### Additional information on Outlook FY 2020

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax rate:</td>
<td>~30%</td>
</tr>
<tr>
<td>Financial result:</td>
<td>~€-140m-€-150m</td>
</tr>
<tr>
<td>CapEx:</td>
<td>significantly up</td>
</tr>
<tr>
<td>D&amp;A:</td>
<td>~€450m</td>
</tr>
<tr>
<td>Reconciliation (EBITDA):</td>
<td>€-60m to €-80m</td>
</tr>
<tr>
<td>Customer segment Agriculture:</td>
<td>Sales volume: &gt;7.0mt (2019: 6.3mt)</td>
</tr>
<tr>
<td>Customer segment Communities:</td>
<td>Sales volume: ~8mt (2019: 12.7mt)</td>
</tr>
</tbody>
</table>

### Financial Calendar

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Virtual Roadshow, Frankfurt</td>
<td>12 May 2020</td>
</tr>
<tr>
<td>Virtual Roadshow, London</td>
<td>12 May 2020</td>
</tr>
<tr>
<td>BMO (virtual) Conference, NYC</td>
<td>14 May 2020</td>
</tr>
<tr>
<td>Virtual Roadshow, Boston</td>
<td>15 May 2020</td>
</tr>
</tbody>
</table>
IR Contact Details

Dirk Neumann
Head of Investor Relations
Phone: +49 561 / 9301-1460
Fax: +49 561 / 9301-2425
d.neumann@k-plus-s.com

Christiane Martel
Roadshow Management
Phone: +49 561 / 9301-1100
Fax: +49 561 / 9301-2425
christiane.martel@k-plus-s.com

Julia Bock, CFA
Senior Investor Relations Manager
Phone: +49 561 / 9301-1009
Fax: +49 561 / 9301-2425
julia.bock@k-plus-s.com

Lutz Ackermann
Senior Investor Relations Manager
Phone: +49 561 / 9301-2422
Fax: +49 561 / 9301-2425
lutz.ackermann@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

K+S Aktiengesellschaft
Bertha-von-Suttner-Str. 7
34131 Kassel (Germany)
e-mail: investor-relations@k-plus-s.com
homepage: www.kpluss.com
IR-website: www.kpluss.com/ir