

Press Release

Kassel (Germany), August 13, 2020

K+S reports solid Q2 2020 results

Americas sale and restructuring of administration on track

- **Revenues: € 840 million (Q2/2019: € 878 million)**
- **EBITDA: € 88 million (Q2/2019: € 130 million)**
- **EBITDA for the full year 2020 before one-off restructuring expenses remains at around € 520 million (2019: € 640 million); after taking this one-off expense (up to € 40 million) into account, EBITDA is expected to reach € 480 million**
- **Corona-related efficiency losses have been taken into account in the forecast and will be roughly offset by effects from the extensive package of measures**
- **Expectation of a roughly balanced adjusted free cash flow for 2020 unchanged**
- **Project for the comprehensive realignment of K+S will result in savings in administrative costs of about € 60 million per year**
- **KfW loan increases financial flexibility**

Despite difficult conditions, K+S achieved solid results in the second quarter. Good operating performance and high cost discipline resulted in a significant increase in earnings for the Americas operating unit. As expected, revenues and earnings of the Europe+ operating unit were down year-on-year as a result of lower average prices for potash fertilizers. The corona pandemic burdened K+S EBITDA by a further € 10 million.



Sale process of the Americas operating unit on schedule

"The process to fully divest the Americas operating unit is progressing well, despite the ongoing corona pandemic. I am very confident that we will reach an agreement on the sale before the end of the year," said Dr. Burkhard Lohr, Chairman of the Board of Executive Directors of K+S.

Realignment of K+S

The focus on the business with mineral fertilizers and specialities resulting from the sale of the Americas operating unit is connected with a comprehensive realignment of K+S. This includes an extensive restructuring of administrative functions. The Europe+ operating unit and the holding company will be formed into a leaner and more efficient K+S. The future functional organizational structure provides for a reduction of the budget for the administrative functions by 30 % or a total of about € 60 million to € 140 million per year from 2021 onwards.

In addition, in realising synergies in production, logistics, procurement, sales and marketing, K+S continues to be on a very good path towards achieving the targeted total of more than € 150 million per year from 2021 onwards.

By implementing all measures, K+S aims to reduce its debt by significantly more than € 2 billion by the end of 2021 and thereby creating the conditions for a stable crossover rating.

Outlook 2020

For 2020 as a whole, K+S continues to expect EBITDA before one-off restructuring expenses of about € 520 million (2019: € 640 million). After taking into account these one-off expenses, which could amount to up to € 40 million, EBITDA of about € 480 million can be expected. Corona-related efficiency losses have been taken into account in the forecast and will be roughly offset by effects from the extensive package of measures. Adjusted free cash flow for the year as a whole is still expected to be roughly balanced.



Securing financial flexibility in the wake of the corona pandemic

K+S has reached an agreement with the state-owned development bank KfW and further banks on the granting of a syndicated credit line of € 350 million. This additional tranche to the already existing syndicated credit line has a term of one year, plus two renewal options at market conditions. K+S had applied for this financial assistance in order to have access to additional financial resources in the wake of the corona pandemic if necessary.

Notes for editors

More information and data on developments in the second quarter of 2020 and the first half of 2020, can be found in the [Half-Yearly Financial Report](#) on our website as well as in an [interview](#) on business development with Dr. Burkhard Lohr, Chairman of the K+S Board of Executive Directors.

A conference call for investors and analysts with Dr. Burkhard Lohr, CEO, and Thorsten Boeckers, CFO, will be held today at 10:00 a.m. in English. Members of the press and interested members of the public are invited to follow the conference via a live [webcast](#). The conference will be recorded and is also available as a podcast.

About K+S

K+S considers itself a customer-focused, independent minerals company for the Agriculture, Industry, Consumers, and Communities segments. Our more than 14,000 employees enable farmers to provide nutrition for the world, solutions that keep industries going, improve daily life for consumers and provide safety in the winter. We continually meet the growing demand for mineral products from production sites in Europe, North and South America as well as a worldwide sales network. We strive for sustainability because we are deeply committed to our responsibilities to people, environment, communities, and economy in the regions in which we operate. Learn more about K+S at www.kpluss.com.



Forward-looking statements

This press release contains facts and forecasts that relate to the future development of the K+S Group and its companies. The forecasts represent estimates that we have made on the basis of all the information available to us at the present time. Should the assumptions underlying these forecasts prove not to be correct or risks - such as those described in the risk report contained in the current annual report - materialize, actual developments and results may deviate from current expectations. The company assumes no obligation to update the statements contained in this press release other than as required by law.

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