

Press Release

Kassel (Germany), November 12, 2020

Figures for Q3 2020

Higher EBITDA – Full-Year Outlook Confirmed

- **Revenues: €822 million (Q3/2019: €905 million)**
- **EBITDA rises significantly to €96 million (Q3/2019: € 81 million)**
- **One-time, non-cash income from package of measures in the current quarter compensates for corona-related efficiency losses in the full year**
- **Clean up of balance sheet: Adjustment of assumptions for long-term potash prices as well as cost of capital leads to non-cash impairment in the amount of about €2 billion**
- **Outlook 2020:**
 - **EBITDA at about €480 million confirmed, after taking into account one-off restructuring expenses**
 - **Non-cash impairment impacts adjusted Group earnings significantly**
- **Restructuring of the administration is proceeding according to plan and will be completed by the end of 2020**

Overall, K+S achieved a solid result in the third quarter despite the persistently challenging environment. Increased earnings contributions in the Industry and Consumers customer segments in the Americas Operating Unit, together with strict cost discipline, almost completely offset the effects of lower early de-icing salt fills. At €24 million, EBITDA here was only slightly down on the previous year (Q3/2019: €25 million). In the Europe+ Operating Unit, the operating earnings could be increased significantly year-on-year to €85 million (Q3/2019: €67 million). A one-off effect in



connection with the package of measures more than compensated for a price-related weaker earnings performance.

Significant debt reduction

At the beginning of October, K+S agreed to sell the Americas operating unit for \$ 3.2 billion to Stone Canyon Industries Holdings LLC, Mark Demetree and Partners. The transaction (closing) is expected to be completed in summer 2021. "With the proceeds from the sale of the American salt business and the consistent implementation of our package of measures, we will significantly reduce the company's debt and secure financing for the coming years," emphasized Dr. Burkhard Lohr, Chairman of the Board of Executive Directors of K+S. "With the impairment in the third quarter, we have now also adjusted the balance sheet. All this increases our flexibility for developing the company further," Lohr continued.

K+S realignment: Focus on costs and cash flow

Focusing on the business with mineral fertilizers and specialties involves a comprehensive realignment of K+S. This includes the extensive restructuring of administrative functions currently underway. This will reduce administrative expenses by 30 % or a total of about € 60 million to € 140 million per year from 2021 onwards. In production, the cost and investment structure will be continuously optimized. The goal is to achieve a positive free cash flow at all production sites in the future, even under difficult conditions.

EBITDA outlook for 2020 confirmed

For the remaining weeks of the current year, K+S expects a slight recovery in potassium chloride prices compared with the price level of the third quarter. Prices for fertilizer specialties should remain largely stable. For 2020 as a whole, K+S continues to expect EBITDA of about € 480 million (2019: € 640 million) after taking into account one-off restructuring expenses of up to € 40 million. As a result of the impairment loss on assets of about € 2 billion, adjusted Group earnings after taxes for the year as a whole will fall to a significantly negative figure. Furthermore, adjusted free cash flow in 2020 is still expected to be roughly balanced (2019: € 140 million).



Note to editors

For more information and data on developments in the third quarter of 2020 as well as on the outlook for 2020 as a whole, please refer to the [Q3/2020 quarterly release](#) on our website as well as to the [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 CEO, Dr. Burkhard Lohr and CFO Thorsten Boeckers, will be held in English today at 10:00 a.m. Representatives of the press and the interested 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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