Q1 2017 – Conference Call
May 9th, 2017

Norbert Steiner, CEO
Potash and Magnesium Products

From Legacy Project to Bethune Mine

- Grand Opening Ceremony and handover to operations team
- Infrastructure in place
  - Railroad/trains
  - Harbor
- First ton of MOP by end of June
- Capacity of 2 million tons p.a. by the end of 2017 ramping up to 2.86 million tons p.a. by 2023
- Within budget of EUR ~3.1 billion
- Positive EBITDA in 2018
## Environmental Roadmap

### 2017/2018

1. Deep-well injection permit (Werra) granted until 2021
   - Volume 1.5 million m³ p.a. including numerous ancillary provisions
   - Situations of low water levels remain challenging especially in 2017

2. Implementation of measures to limit production standstills

3. Construction of KCF \(^1\) to reduce saline wastewater from Werra plant by 1.5 million m³ to 5.5 million m³ p.a. will have a positive impact on disposal situation
   - Expansion of tailings pile capacity Hattorf (Werra)

### 2019 and beyond

1. Expansion of tailings pile capacity at Wintershall (Werra) and Zielitz
2. Extention of Werra river injection permit
3. Evaluation and implementation of sustainable environmental solutions
   - Oberweserpipeline
   - Underground storage (currently being analyzed)
   - Coverage of tailings piles

\(^1\) Kainite Crystallization and Flotation Facility
“Salt 2020” On Track

€ million EBIT I

- 2013: Actual 118
- 2014: Actual 173
- 2015: Actual 266
- 2016: Actual 204
- 2020e: Normalized EBIT I = 250+

Priority areas:
- Growth
- Efficiency
- Culture

Normalized EBIT: Normalized for severe weather effects (e.g. volumes); Normal winter de-icing volumes ~12.5m tons;
K+S Group

Trading Update Salt

- **Non de-icing**
  - 7% revenue increase YoY
  - Stable ASP at ~120 € per ton (Q1/16: 122 €)
  - Leveraging our strong consumer brands like Morton Salt

- **De-icing**
  - Higher volumes in Europe and Canada offset negative price and volume effects in the US
  - Geographical hedge working
Increase of average selling price continues despite still unfavorable product mix due to Werra standstills

- Strong demand for Specialties in Europe and Asia
- SOP demand and pricing remains healthy
- Major contracts (India/China) pending

1) Prices in USD converted into Euro with quarterly average Fx-rates.
- Revenue increase driven by both business units
- EBIT mainly affected by production standstills in potash, one-off payment to employees and pricing

<table>
<thead>
<tr>
<th>Highlights</th>
<th>Financials</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Revenue increase driven by both business units</td>
<td>- EBIT mainly affected by production standstills in potash, one-off payment to employees and pricing</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>€ million</th>
<th>Q1/16</th>
<th>Q1/17</th>
<th>YoY</th>
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<tbody>
<tr>
<td>Revenues</td>
<td>1,096</td>
<td>1,126</td>
<td>+3%</td>
</tr>
<tr>
<td>t/o Potash</td>
<td>461</td>
<td>474</td>
<td>+3%</td>
</tr>
<tr>
<td>t/o Salt</td>
<td>595</td>
<td>611</td>
<td>+3%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>285</td>
<td>211</td>
<td>-26%</td>
</tr>
<tr>
<td>D&amp;A</td>
<td>-67</td>
<td>-74</td>
<td>-</td>
</tr>
<tr>
<td>EBIT I</td>
<td>218</td>
<td>137</td>
<td>-37%</td>
</tr>
<tr>
<td>t/o Potash</td>
<td>102</td>
<td>42</td>
<td>-59%</td>
</tr>
<tr>
<td>t/o Salt</td>
<td>123</td>
<td>106</td>
<td>-14%</td>
</tr>
<tr>
<td>Adjusted net profit</td>
<td>148</td>
<td>95</td>
<td>-36%</td>
</tr>
<tr>
<td>Adjusted EPS (€)</td>
<td>0.77</td>
<td>0.49</td>
<td>-</td>
</tr>
<tr>
<td>Operating cash flow</td>
<td>294</td>
<td>267</td>
<td>-9%</td>
</tr>
<tr>
<td>Adj. free cash flow</td>
<td>50</td>
<td>55</td>
<td>+10%</td>
</tr>
<tr>
<td>CapEx</td>
<td>280</td>
<td>277</td>
<td>-1%</td>
</tr>
</tbody>
</table>
Guidance: EBIT I

- Commissioning KCF
- Bethune EBITDA positive
- “Salt 2020”
- Potash strategy
- Lower CapEx
- Group FCF positive
- De-leveraging to begin

- Based on average weather conditions for the rest of 2017. Dry periods could have a severe impact on earnings of the Potash and Magnesium products business unit.
- Kainite Crystallization and Flotation Facility
Salt 2020

**GROWTH**
- Market share growth
- New segments
- New regions
- EBITDA of € 400 million+ by 2020

**EFFICIENCY**
- Cost discipline
- Business and technical processes
- Supply chain and distribution network improvements

**CULTURE**
- Safety first!
- Remove silo thinking
- Transparency/trust
- High performance and engaged workforce

**Potash Strategy**
We understand the challenges of our customers and provide products & services around minerals. We are thereby pioneers for innovative solutions on the basis of our expertise.

<table>
<thead>
<tr>
<th>Products</th>
<th>Distribution network</th>
<th>Digitalization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recognize market trends early</td>
<td>Market concepts according to customer needs</td>
<td>Digitalization as chance to strengthen our competitive position</td>
</tr>
<tr>
<td>Provide services valued by customer</td>
<td>Internationally present</td>
<td></td>
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<table>
<thead>
<tr>
<th>Product Quality</th>
<th>Growth areas</th>
<th>Innovation</th>
</tr>
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<tbody>
<tr>
<td>Provide quality according to customer requirements</td>
<td>Product differentiation</td>
<td>Commit resources to innovation</td>
</tr>
<tr>
<td>Set standards for special applications</td>
<td>Add complementary products to our portfolio</td>
<td></td>
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<table>
<thead>
<tr>
<th>Production network</th>
<th>Culture</th>
<th>Earnings</th>
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</thead>
<tbody>
<tr>
<td>Proximity to markets</td>
<td>Foster individual responsibility</td>
<td>EBITDA</td>
</tr>
<tr>
<td>Utilize local cooperations</td>
<td>Support individual development</td>
<td>€ 1.2 billion by 2020</td>
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€ 1.6 billion EBITDA by 2020
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