

K+S Q1/19 FACTS & FIGURES

HIGHLIGHTS

- + EBITDA in reporting period with about € 270 million tangibly up year-on-year (Q1/18: € 236.8 million)
- + Free cash flow again up significantly versus the previous year
- + OU Europe+: Positive demand and price trends in customer segment Agriculture continues, further increase in production volumes at the Bethune site
- + OU Americas: Strong de-icing salt business in North America

OUTLOOK 2019

- + Outlook for the K+S GROUP in the financial year 2019 confirmed: significant increase in EBITDA to € 700–850 million expected (2018: € 606.3 million)
- + Positive adjusted free cash flow, first time since 2013
- + OU Europe+ EBITDA significantly up (2018: € 443m)
- + OU Americas EBITDA about stable (2018: € 222m)
- + High probability to have no weather-related standstills in 2019

KEY INDICATORS

		Q1/18 ¹⁰	Q1/19	%
K+S Group				
Revenues	€ million	1,169.8	1,263.5	+ 8.0
EBITDA ¹	€ million	236.8	269.9	+ 14.0
EBITDA margin	%	20.2	21.4	–
Depreciation and amortisation ²	€ million	89.9	99.5	+ 10.7
Operating Unit Europe+ ³				
Revenues	€ million	662.0	691.8	+ 4.5
EBITDA ¹	€ million	155.6	177.1	+ 13.8
EBITDA margin	%	23.5	25.6	–
Depreciation and amortisation ²	€ million	74.5	77.6	+ 4.1
Operating Unit Americas ³				
Revenues	€ million	507.2	571.2	+ 12.6
EBITDA ¹	€ million	95.9	107.6	+ 12.2
EBITDA margin	%	18.9	18.8	–
Depreciation and amortisation ²	€ million	13.7	19.8	+ 44.5
Customer Segment Agriculture ⁴				
Revenues	€ million	430.8	461.0	+ 7.0
EBITDA ¹	€ million	94.7	124.2	+ 31.1
EBITDA margin	%	22.0	26.9	–
Customer Segment Industry ⁴				
Revenues	€ million	275.4	281.8	+ 2.3
EBITDA ¹	€ million	64.0	58.5	–8.6
EBITDA margin	%	23.2	20.8	–
Customer Segment Consumers ⁴				
Revenues	€ million	110.1	119.6	+ 8.6
EBITDA ¹	€ million	10.1	16.4	+ 62.7
EBITDA margin	%	9.2	13.7	–
Customer Segment Communities ⁴				
Revenues	€ million	352.9	400.6	+ 13.5
EBITDA ¹	€ million	82.7	85.6	+ 3.6
EBITDA margin	%	23.4	21.4	–
Earnings after tax, adjusted ⁵	€ million	83.6	107.7	+ 28.8
Earnings per share, adjusted ⁵	€	0.44	0.56	+ 27.3
Capital expenditure ⁶	€ million	62.5	72.6	+ 16.1
Net cash flows from operating activities	€ million	232.8	324.4	+ 39.3
Free cash flow	€ million	142.8	233.1	+ 63.2
Net financial debt as of 31 March ⁷	€ million	2,834.0	2,934.8	+ 3.6
Net financial debt/EBITDA (LTM) ⁸		4.7	4.6	–
Equity ratio	%	42.0	42.5	–
Return on capital employed (LTM) ⁸	%	3.4	2.9	–
Book value per share as of 31 March	€	20.9	23.3	+ 11.5
Average number of shares	million	191.40	191.40	–
Employees as of 31 March ⁹	number	14,865	14,654	–1.4
Market capitalisation as of 31 March	€ billion	4.5	3.1	–30.3
Enterprise value (EV) as of 31 March	€ billion	8.5	7.4	–12.3

¹ Earnings before interest, taxes, depreciation and amortisation, adjusted for depreciation and amortisation of own work capitalised recognised directly in equity, earnings from fair value changes arising from operating forecast hedges still outstanding and changes in the fair value of operating forecast hedges recognised in prior periods (EBITDA).

² Relates to amortisation of intangible assets and depreciation of property, plant and equipment, adjusted for depreciation and amortisation of own work capitalised recognised directly in equity.

³ Segments according to IFRS 8. ⁴ No segments according to IFRS 8.

⁵ The adjusted key indicators only include the profit/(loss) from operating anticipatory hedges in the relevant reporting period, which eliminates effects from changes in the fair value of the hedges. Related effects on deferred and cash taxes are also eliminated; tax rate in Q1/19: 30.0% (Q1/18: 29.9%).

⁶ Relates to cash payments for investments in property, plant and equipment and intangible assets, taking claims for reimbursement from claim management into account. Investments in Q1/2019 exclude leases in accordance with IFRS 16. This standard was applied for the first time as of 1 January 2019.

⁷ Contains leasing obligations since 01. January 2019, that explicitly result from financial lease contracts. Previous year figures are unadjusted.

⁸ LTM: Last twelve months, inclusion of the effects arising from IFRS 16 on a pro-rata basis. This standard was applied for the first time as of 1 January 2019.

⁹ FTE: Full-time equivalents; part-time positions are weighted in accordance with their respective share of working hours.

¹⁰ For purposes of comparison, prior-year figures for the operating units and for the customer segments will also be reported in accordance with the new breakdown of the segment reporting from the 2019 reporting period onwards.

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CUSTOMER SEGMENT INFORMATION ⁴

CUSTOMER SEGMENT AGRICULTURE

- + Moderate increase in revenues and significant rise in EBITDA on the back of higher prices
- + As expected, higher production volumes at the site in Bethune, Canada, have not yet been able to make up for the lost production volumes resulting from the closure of the Sigmundshall site at the end of 2018

CUSTOMER SEGMENT AGRICULTURE: DEVELOPMENT OF REVENUES, SALES VOLUMES AND AVERAGE PRICES BY REGION

		Q1/18	Q2/18	Q3/18	Q4/18	2018	Q1/19
Revenues	€ million	430.8	383.0	372.3	555.0	1,741.3	461.0
Europe	€ million	258.2	201.3	174.6	241.0	875.1	274.4
Overseas	US\$ million	212.3	216.3	229.3	358.0	1,022.1	211.9
Sales volumes	t million (product)	1.79	1.55	1.44	2.07	6.85	1.64
Europe	t million (product)	0.98	0.77	0.65	0.87	3.27	0.98
Overseas	t million (product)	0.81	0.78	0.79	1.20	3.58	0.66
Average price	€/t (product)	241.1	246.5	258.4	267.9	254.2	281.7
Europe	€/t (product)	264.0	260.2	267.0	276.0	267.6	281.2
Overseas	US\$/t (product)	262.6	277.1	291.4	298.6	285.5	320.8

CUSTOMER SEGMENT INDUSTRY

- + EBITDA down from € 64.0 million to € 58.8 million – revenue increases were unable to fully compensate for higher costs, particularly freight costs

CUSTOMER SEGMENT CONSUMERS

- + EBITDA surged to € 16.4 million (Q1/18: € 10.1 million). Revenue increases more than compensated for higher costs, especially freight costs

CUSTOMER SEGMENT COMMUNITIES

- + Tangible rise in revenues to € 400.6 million (Q1/18: € 352.9 million) on the back of positive price, volume and currency effects
- + While sales volumes of de-icing salt in Canada and on the east coast of the United States rose, they fell in the Midwest of the USA and in Europe were more or less level with the prior-year period

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