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K+S Aktiengesellschaft

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**Dirk Neumann**

Head of Investor Relations

**Janina Rochell**

Investor Relations Manager

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# Sale of the Americas operating unit

## Milestone for the reduction of debt

- Closing completed on April 30, 2021
- Enterprise value: USD 3.2 billion, equivalent to 13.4 times EBITDA
- Net proceeds: ~ €2.6 billion



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— Since 1848 —

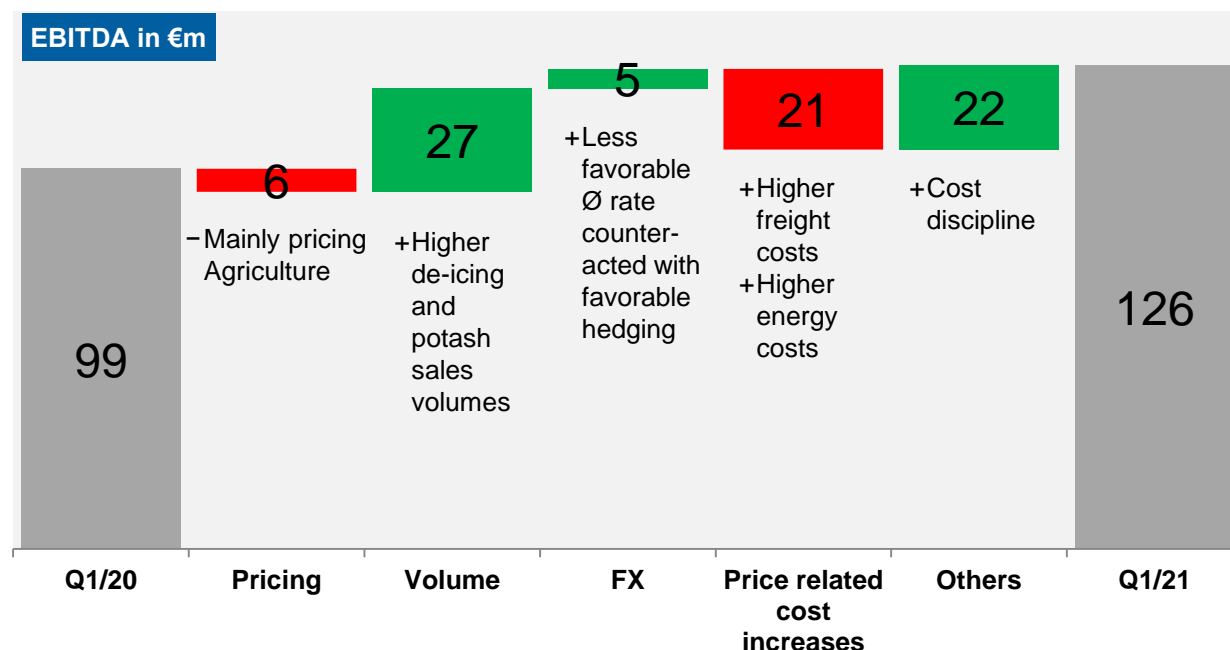
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SINCE 1993

**LOBOS**

# Q1/21 EBITDA significantly improved YoY

## Highlights

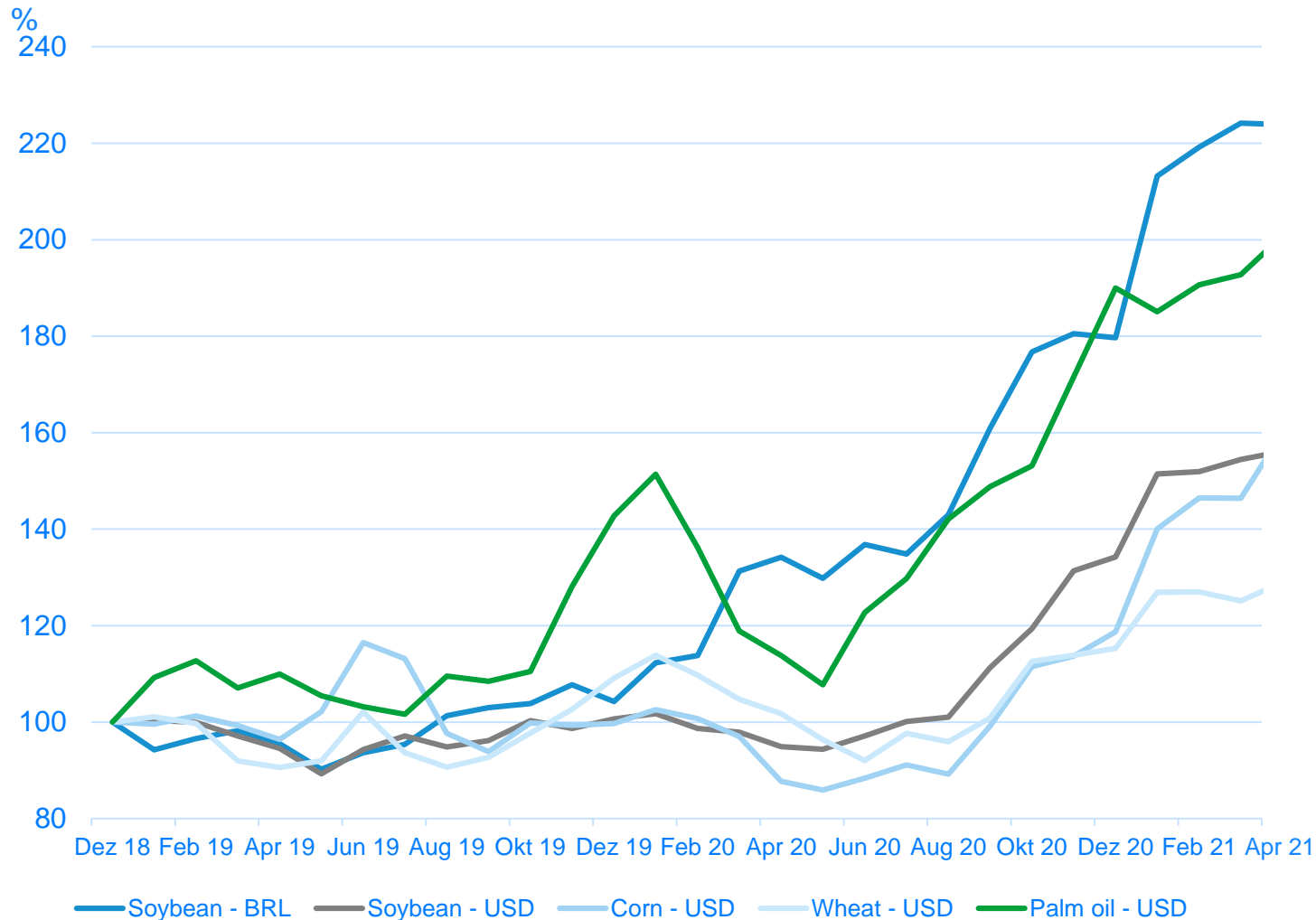
- Q1/21 EBITDA increased to €126m (Q1/20: €99m)
- COVID-19:** Minor efficiency losses on the previous year's Q1 level
- Adj. net profit** positive at €229m (Q1/20: €-41m); thereof €180m related to value fluctuations in plant, property and equipment



## Financials (continuing operations)

€ million	Q1/2020	Q1/2021	%
Revenues	647	733	+13
<i>t/o Agriculture</i>	454	469	+3
<i>t/o Industry+</i>	192	264	+38
D&A	88	66	-24
EBITDA	99	126	+27
Adj. net profit	-41	229	-
<i>t/o reversal of impairment losses on assets</i>	-	180	-
Adj. EPS (€)	-0.21	1.20	-
<i>t/o reversal of impairment losses on assets</i>	-	0.94	-
Operating cash flow	124	82	-34
Adj. FCF	80	-15	-
CapEx	72	48	-33
NFD/EBITDA (LTM)*	5.1x	7.2x	-

# Strong performance in agricultural markets



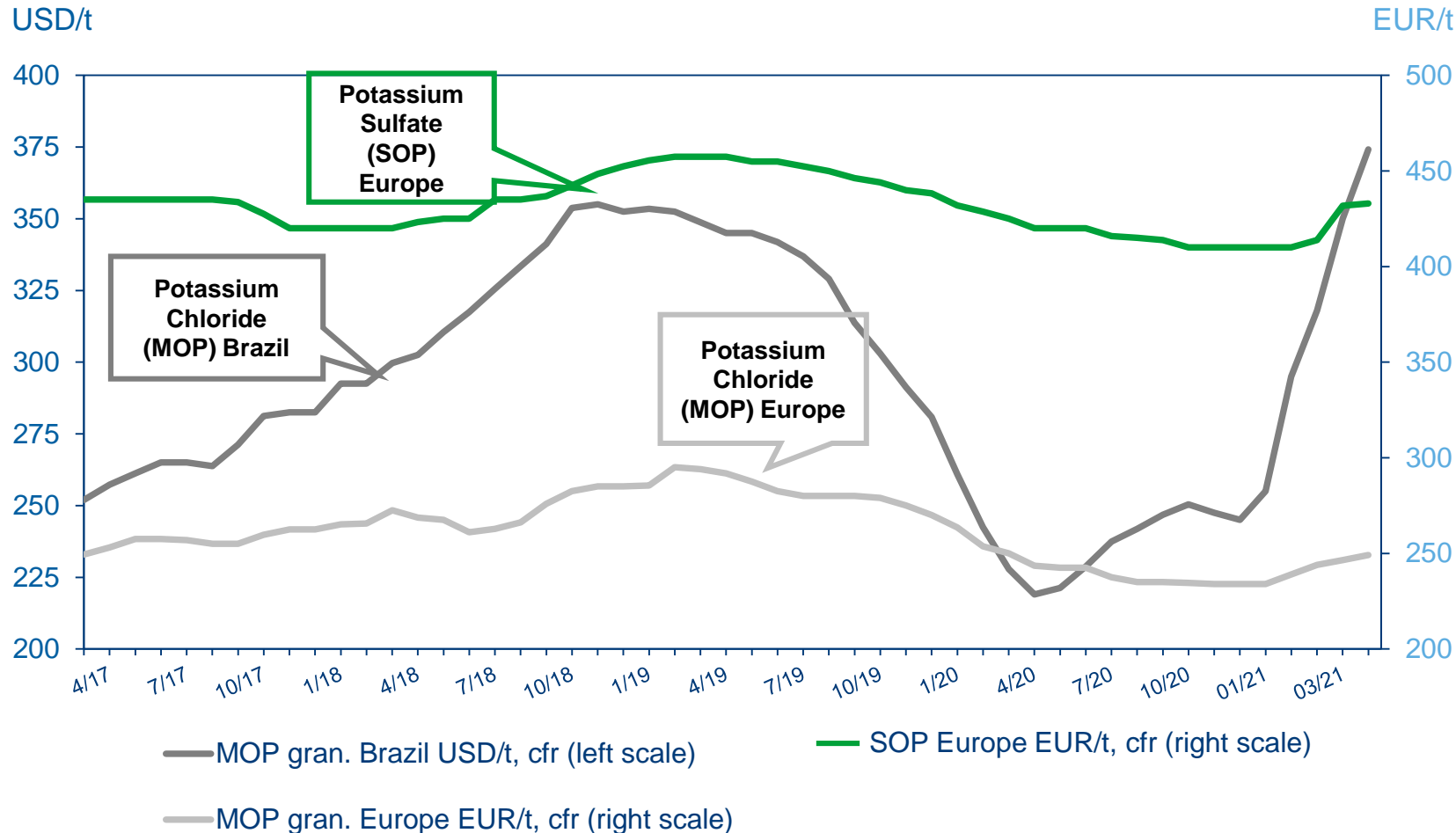
- ▶ Recovery of crop prices on back of falling stock-to-use ratios, mainly corn and soybean below 5-year-average
- ▶ First significant increase in agricultural profitability since 2015
- ▶ Upside potential for good potash demand growth in 2021 in all regions against moderate supply growth
- ▶ Farmers switch from a cost-minimized to a volume-optimized mindset with very favorable affordability indices

Source: World Bank, Index: December 2018

# Agriculture customer segment

Stable specialty business and regional diversification are paying-off

Q1/2021



- Strong price recovery in Brazil continued on the back of very strong demand
- Improved demand in SEA
- This also positively influenced European and specialty market

## Outlook 2021

- World potash demand incl. 5 mt specialties meanwhile expected between 74 and 76 mt (2020: about 74 mt)
- At the same time, overseas prices are expected to rise significantly compared with previous year's levels

Source: FMB Argus Potash

# Trading update: Industry+



## De-icing salt business

- Strong performance in Q1
- Good early fills business expected



## Pharmaceutical industry

- COVID-19-related declines



## Food industry

- COVID-19-related declines



## Chemical industry

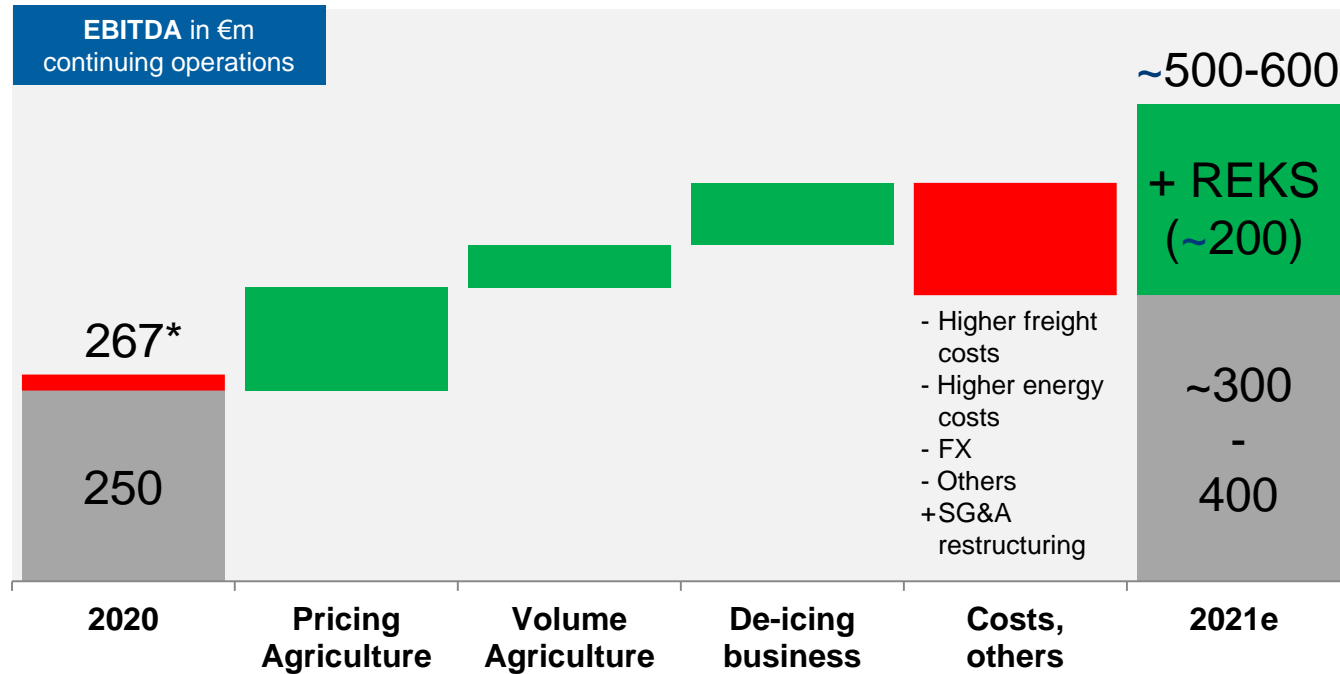
- Strong performance in Q1, especially chlorine for plastics, PVC and glass



## Consumer products

- Performance exceeded the already strong prior quarter due to increased home consumption

# 2021 EBITDA outlook raised by €60 million



- Moderately higher average price in Agriculture product portfolio
- Sales volume in the Agriculture customer segment expected to be >7.5 million tonnes (2020: 7.3 million tonnes)
- Sales volumes in de-icing salt business: >2.6 million tonnes expected (2020: 0.9 million tonnes; normal year: 2-2.5 million tonnes)
- One-off gain from REKS joint venture expected to amount to around €200 million

FCF including cash-in from sale of the OU Americas expected significantly above €2 billion; excluding this, FCF still expected negative in 2021





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GENERATIONS.



We ensure nutrition, health, and safety.



We enable the success of our customers.



We are committed to sustainable mining.



We leverage our unique infrastructure for economic efficiency.



We act as a partner with our communities.



## New strategy with focus on **four** key aspects

1. Making the existing business even more robust
2. Further developing growth options
3. Tapping into new business areas, leveraging our unique infrastructure
4. Our climate strategy

# Housekeeping items / Financial calendar

## Additional information on 2021 FY outlook – continuing operations

- Tax rate: 30%
- Financial result: on the level of last year (2020: €-106m)
- CapEx: on the level of last year (2020: €428m)
- D&A: ~€300m

## Financial calendar

Credit Suisse Chemicals and Agriculture Conference, virtual	2 June 2021
dbAccess Conference, virtual	16-17 June 2021
Publication of the Half-yearly Financial Report H1/21	12 August 2021

# Investor Relations Contact



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

**Dirk Neumann**  
Head of Investor Relations  
Phone: +49 561 / 9301-1460  
Fax: +49 561 / 9301-2425  
d.neumann@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](mailto:investor-relations@k-plus-s.com)  
Website: [www.kpluss.com](http://www.kpluss.com)  
IR-Website: [www.kpluss.com/ir](http://www.kpluss.com/ir)  
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