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K+S Aktiengesellschaft  
**Analyst Call**

Q1/2021

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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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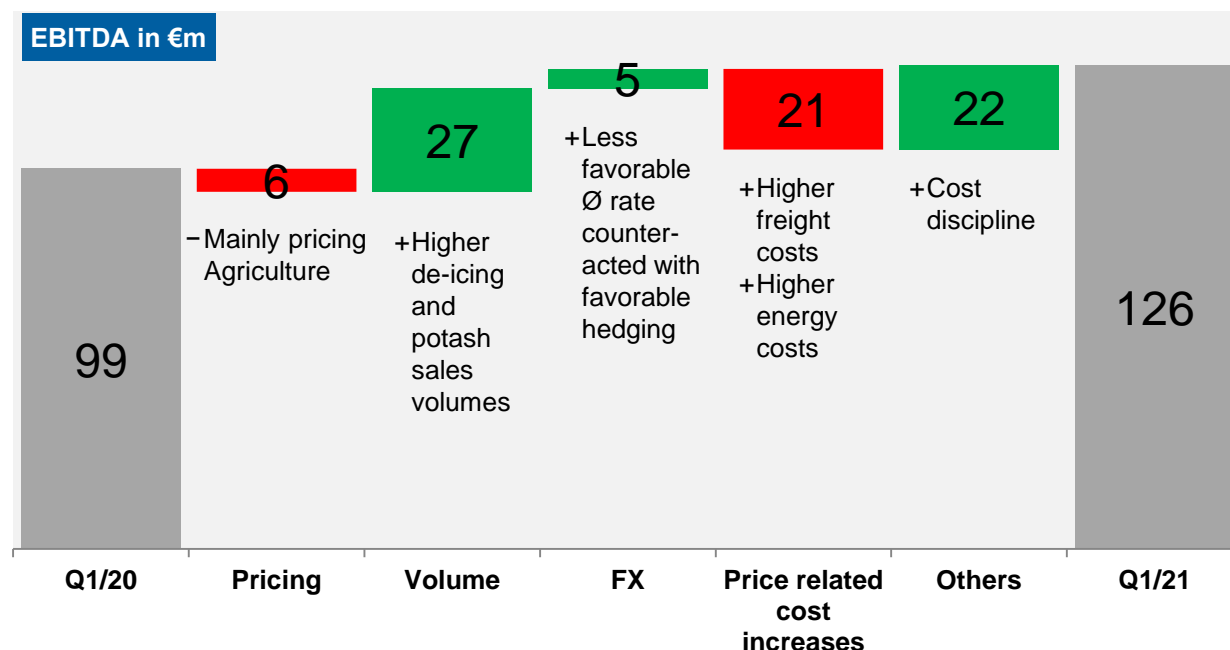
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# Q1/21 EBITDA significantly improved YoY

## Highlights

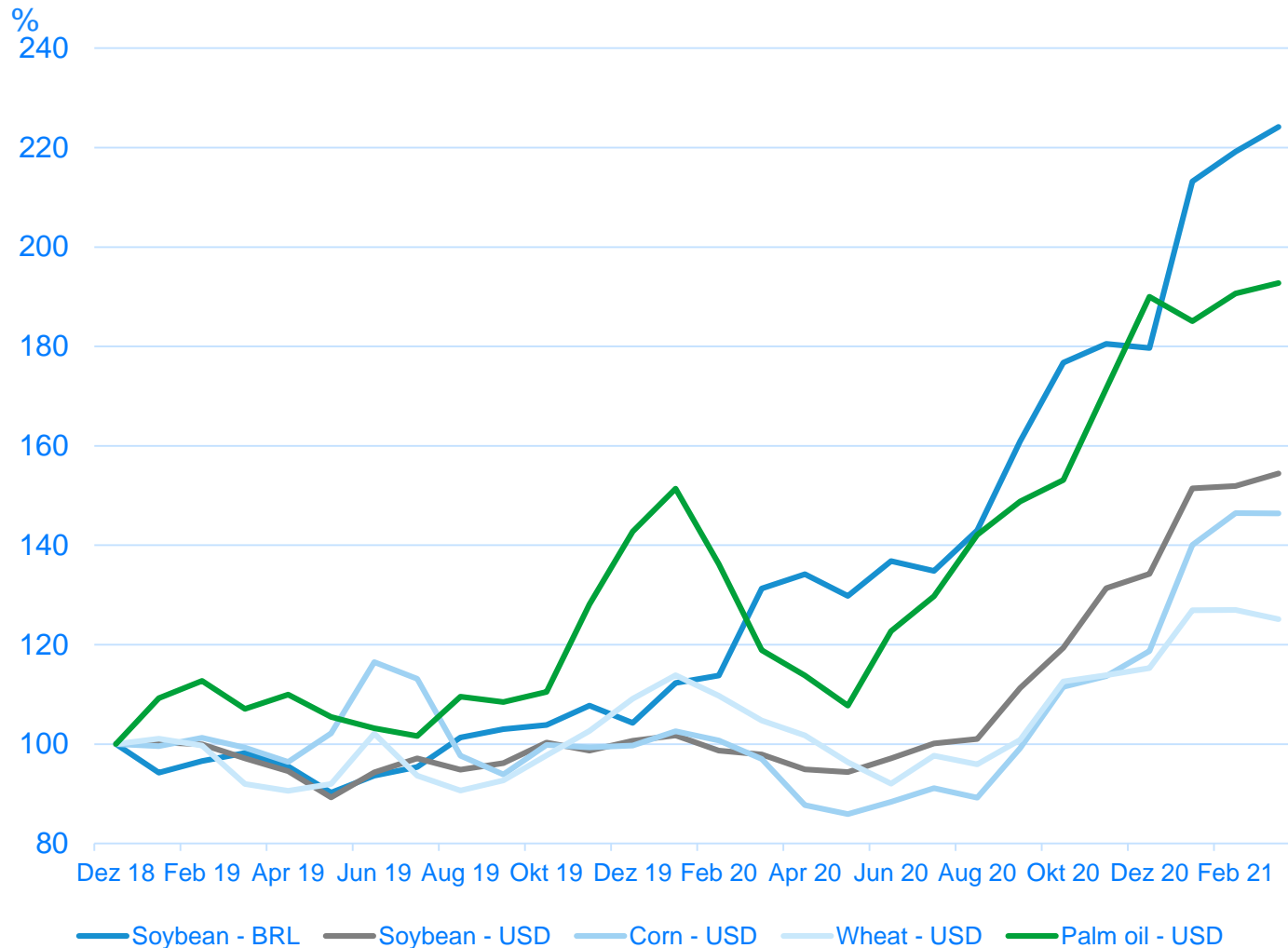
- Q1/21 EBITDA increased to €126m (Q1/20: €99m)
- COVID-19:** Minor efficiency losses on the previous year's Q1 level
- Adj. net profit** positive at €229m (Q1/20: €-41m); thereof €180m related to value fluctuations in plant, property and equipment



## 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



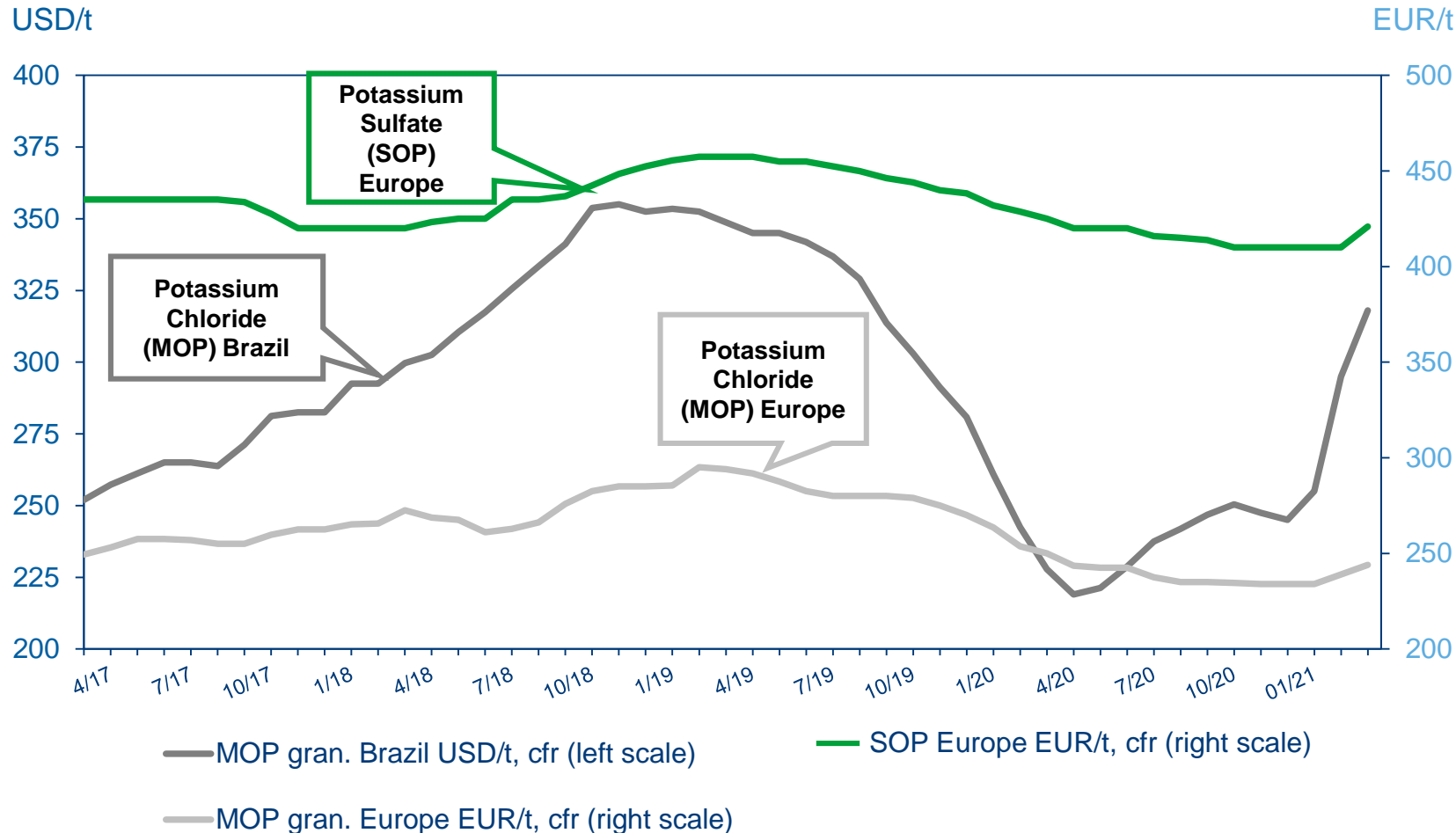
- ▶ Recovery of crop prices on back of falling stock-to-use ratios, mainly corn and soybean below 5-year-average
- ▶ First significant increase in agricultural profitability since 2015
- ▶ Upside potential for good potash demand growth in 2021 in all regions against moderate supply growth
- ▶ Farmers 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

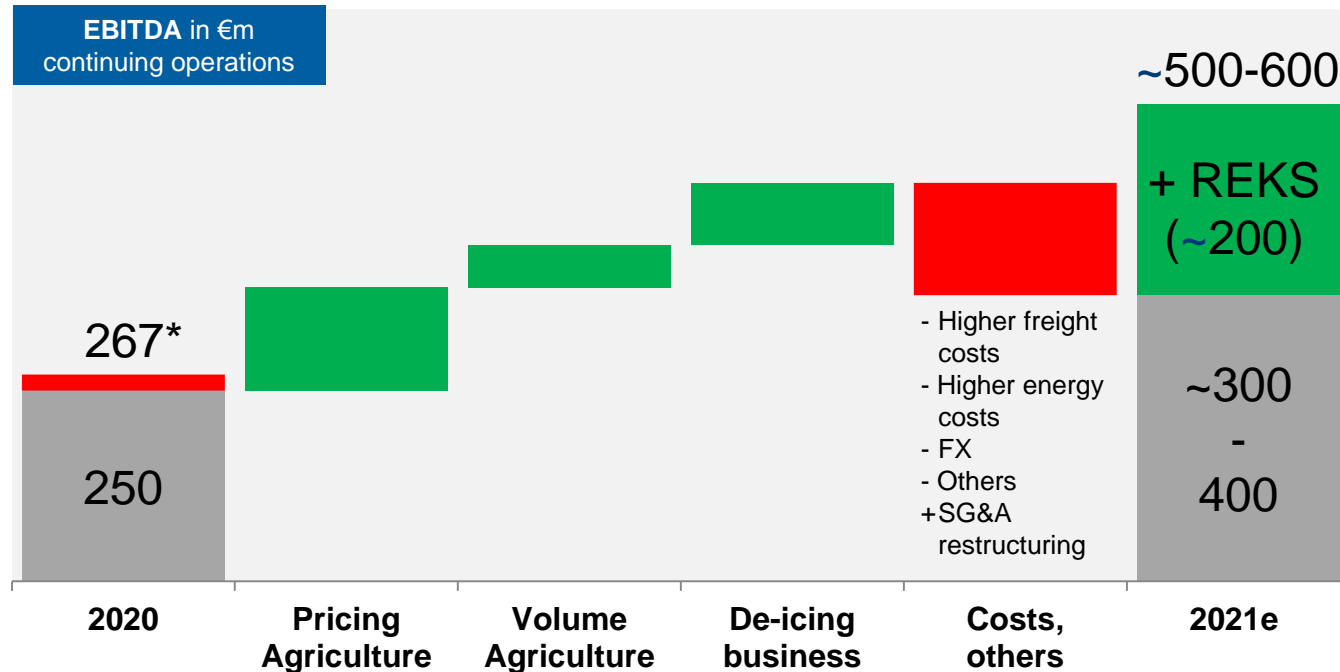
- Strong performance in Q1, especially chlorine for plastics, PVC and glass



## 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





WE ENRICH LIFE FOR 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

# Q&A

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The logo for K+S, featuring the letters 'K+S' in a bold, white, sans-serif font. The letters are set against a dark blue, parallelogram-shaped background that is tilted slightly to the right. The logo is positioned in the bottom right corner of the slide, partially overlapping a white diagonal shape that cuts across the bottom of the blue background.

# 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

Bernstein Annual Agriculture Conference, virtual	18 May 2021
BMO Global Farm to Market Virtual Conference	19-20 May 2021
Commerzbank Virtual DACH Roadshow	20 May 2021
Citi Chemicals C-Suite Conference, virtual	21 May 2021
Credit Suisse Chemicals and Agriculture Conference, virtual	2 June 2021
dbAccess Conference, virtual	16-17 June 2021

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