

A close-up photograph of several green, pointed plant buds, likely from a pine or fir tree, showing their textured, scaly surfaces. The buds are in various stages of growth and are set against a dark, blurred background.

KWS' Annual Press and Analysts' Conference 2018/2019

Dr. Hagen Duenbostel and Eva Kienle
October 23, 2019

ZUKUNFT SÄEN
SEIT 1856



Challenges are increasing. Our long-term goals to keep pace.



Profitable growth

Development and penetration of profitable growth markets



Innovation

Significant investment in research and breeding



Independence

Since generations supported by family shareholders



Sustainability

Long-term economic success and sustainable development

Seed specialist



The KWS Group's medium- and long-term objectives



- ✓ Expansion of the portfolio of varieties for new markets
- ✗ Increase in consolidated net sales by an average of at least 5% p. a.
- ✓ EBIT margin $\geq 10\%$
- ✓ Dividend payout ratio of 20% to 25% of the KWS Group's net income

Profitable growth

- ✓ 1% to 2% progress in yields p. a. for our customers and development of tolerances and resistances
- ✓ R&D intensity of around 17% of consolidated net sales

Innovation

- ✓ Retention of a control structure shaped by the family owners

Independence

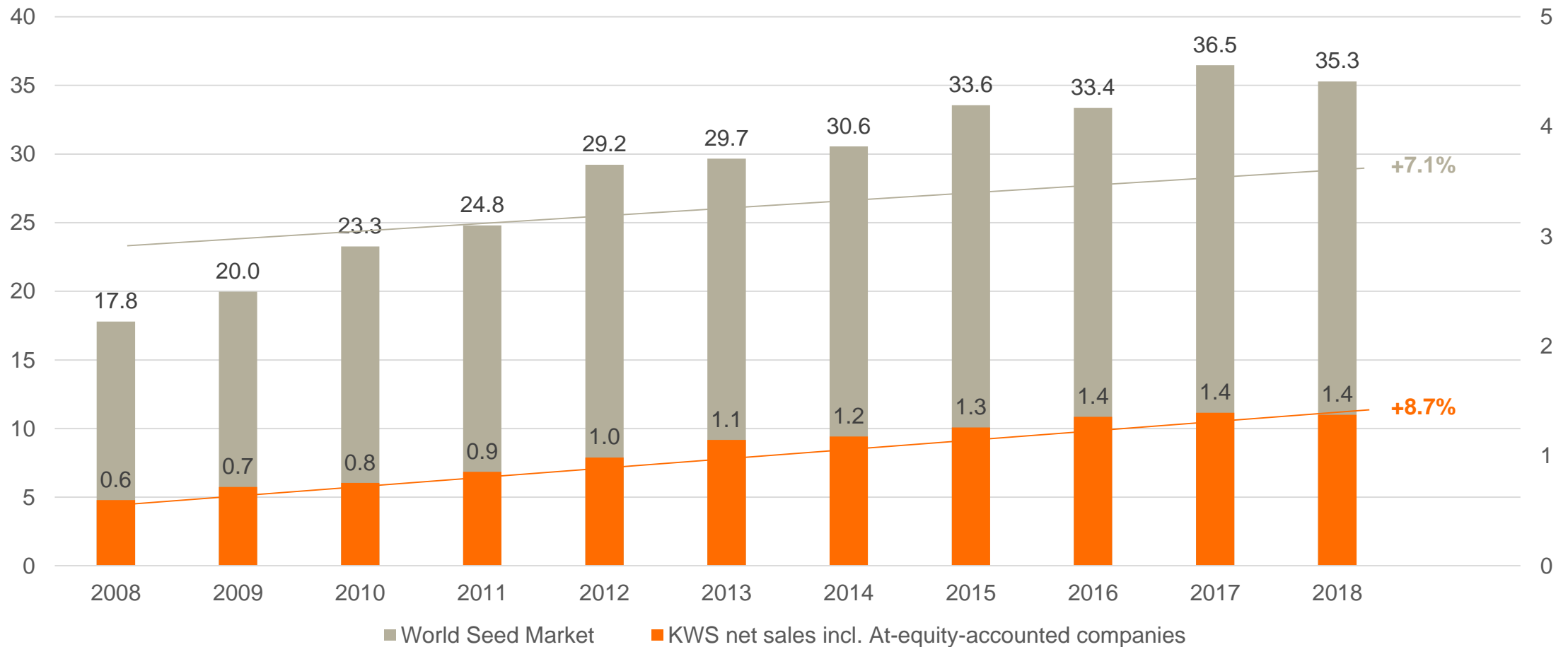
- ✓ Diversity of plant genetics
- ✓ Conserving resources through targeted plant breeding work
- ✓ Wide product portfolio supports diverse crop rotation

Sustainability

KWS' net sales growth relative to the global commercial seed market



in € billion



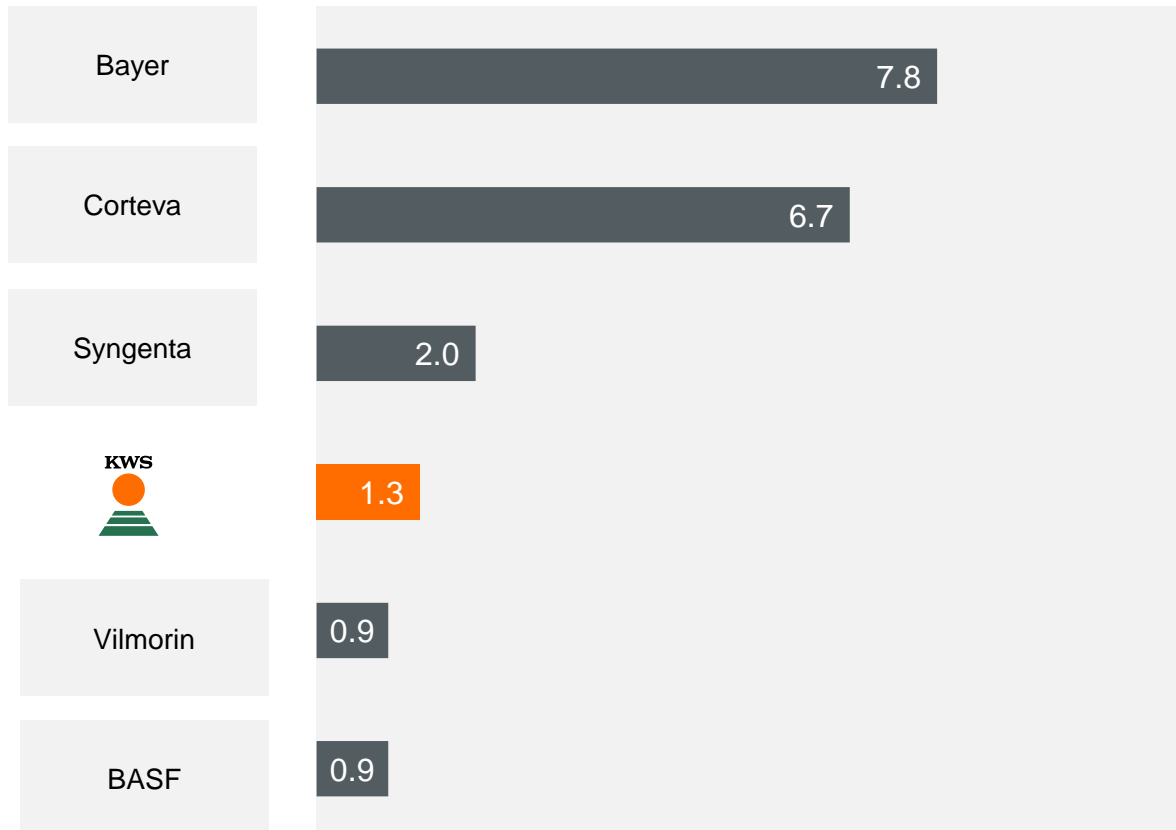
Source: Seed Service 2018, Phillips McDougall, KWS SAAT SE & Co. KGaA; exchange rates 2008-2018 (stats.oecd.org)

KWS' competitive environment



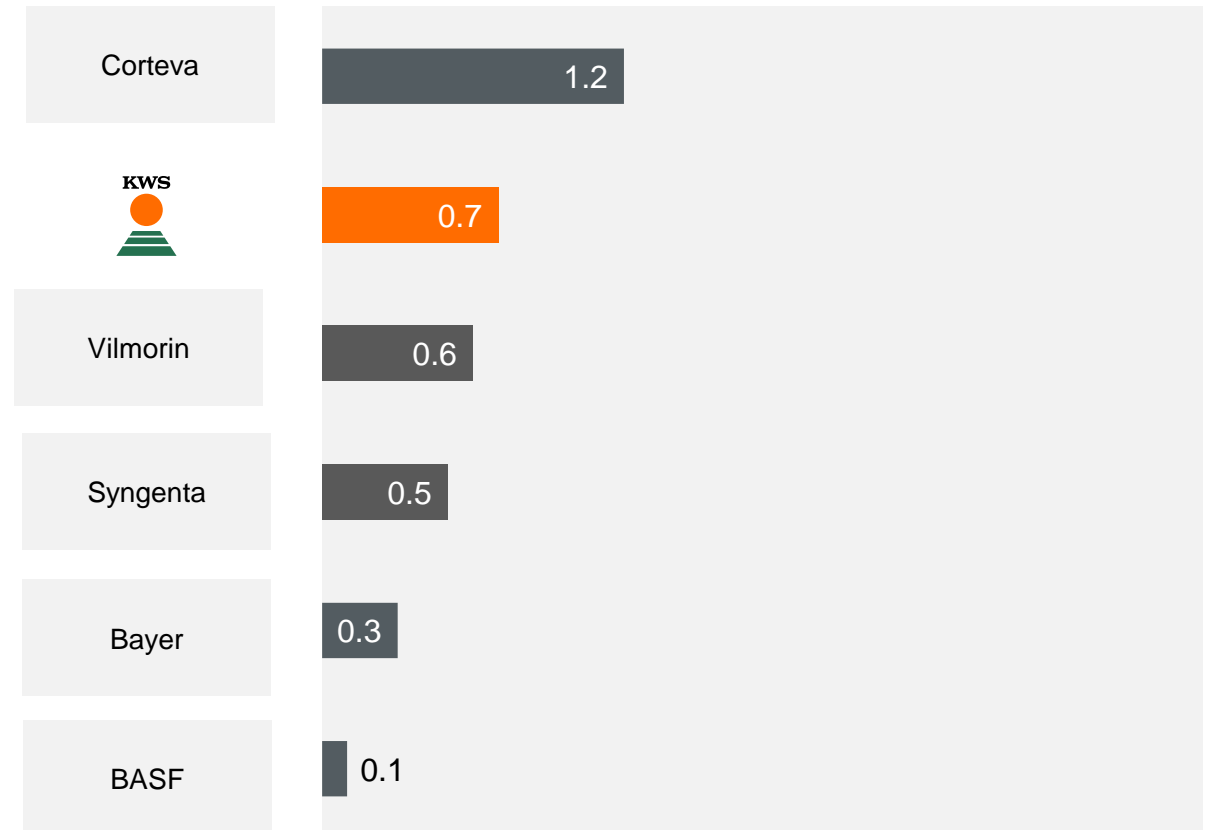
Globally

Sales from agricultural crops in € billion



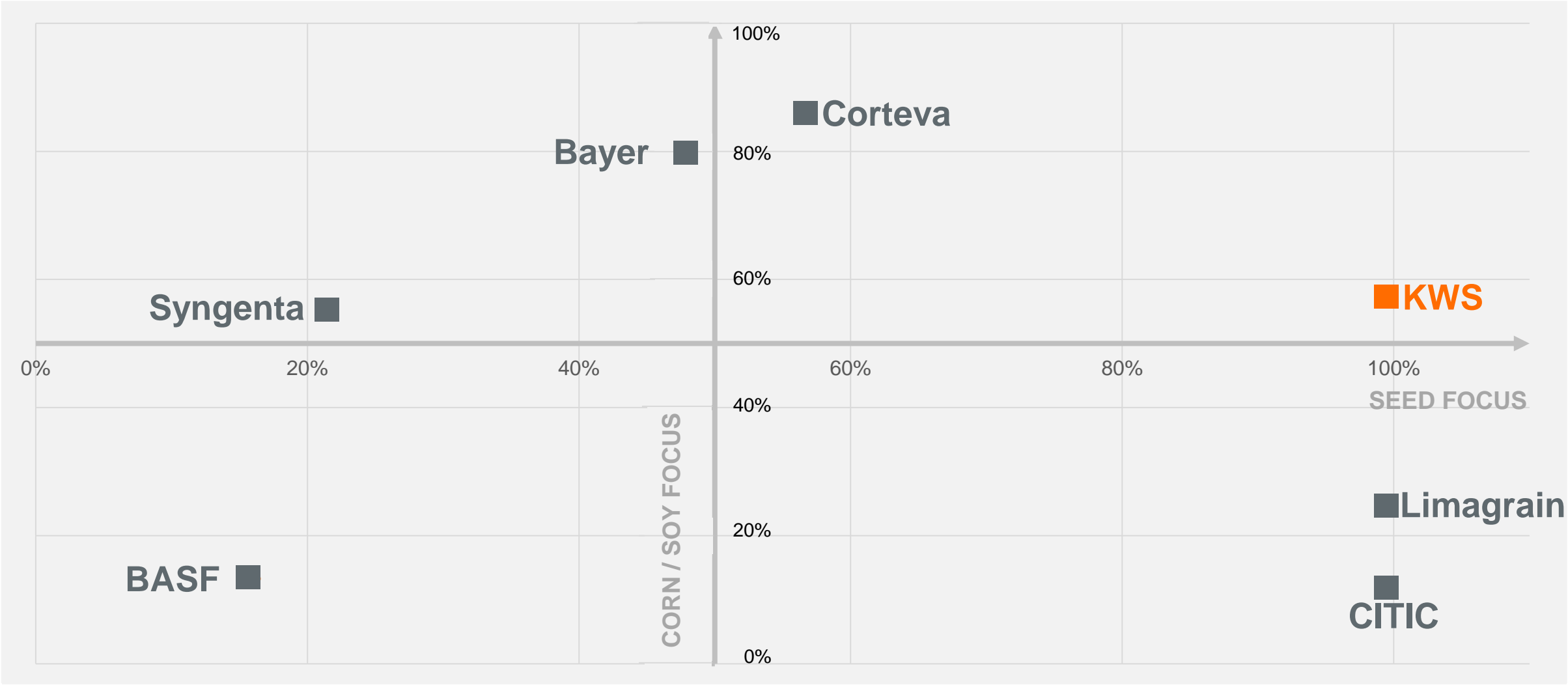
Europe

Sales from agricultural crops in € billion



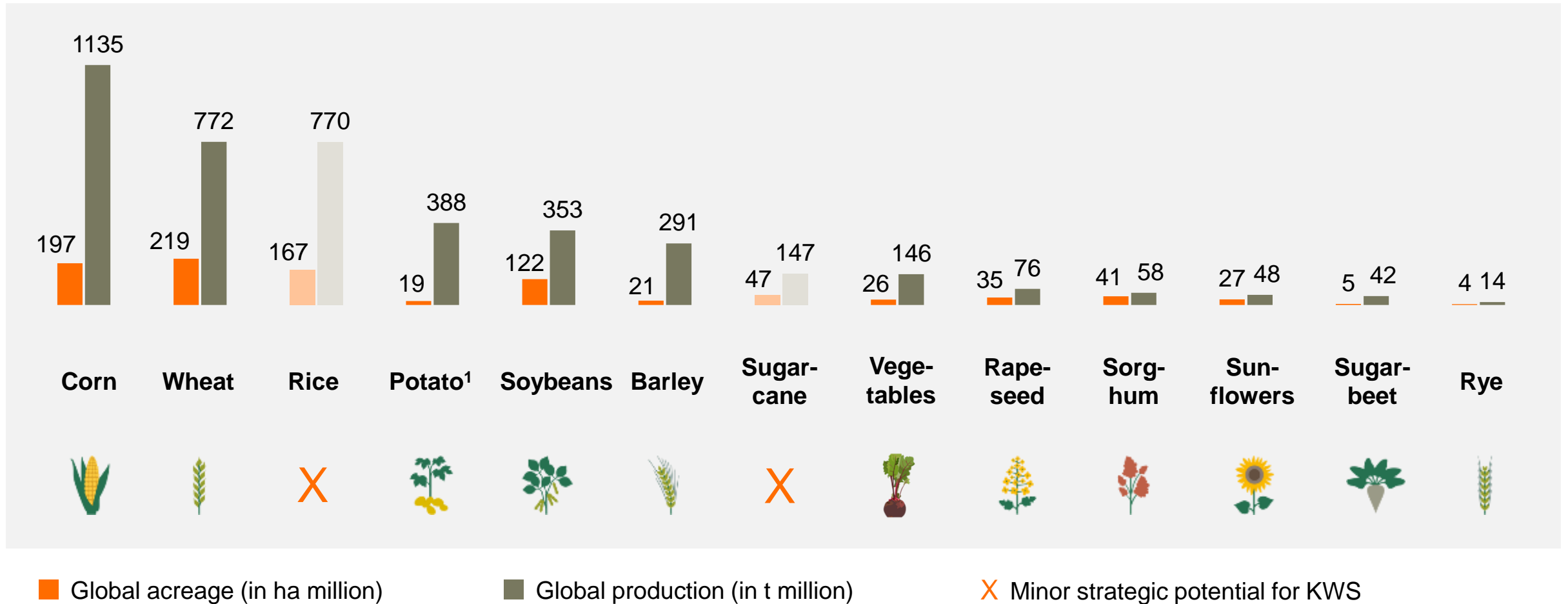
Source: AgbioInvestor October 2019 and KWS estimates, excluding vegetable and flower business, as well as pasture and grazing activities

Strategic market position



Data Source: Phillips McDougall, December 2018 and AgbiolInvestor, October 2018 (% corn & soy sales of total seed sales; % seed sales of total ag sales)

Our portfolio includes seeds for 11 of the 13 most important crops/crop groups

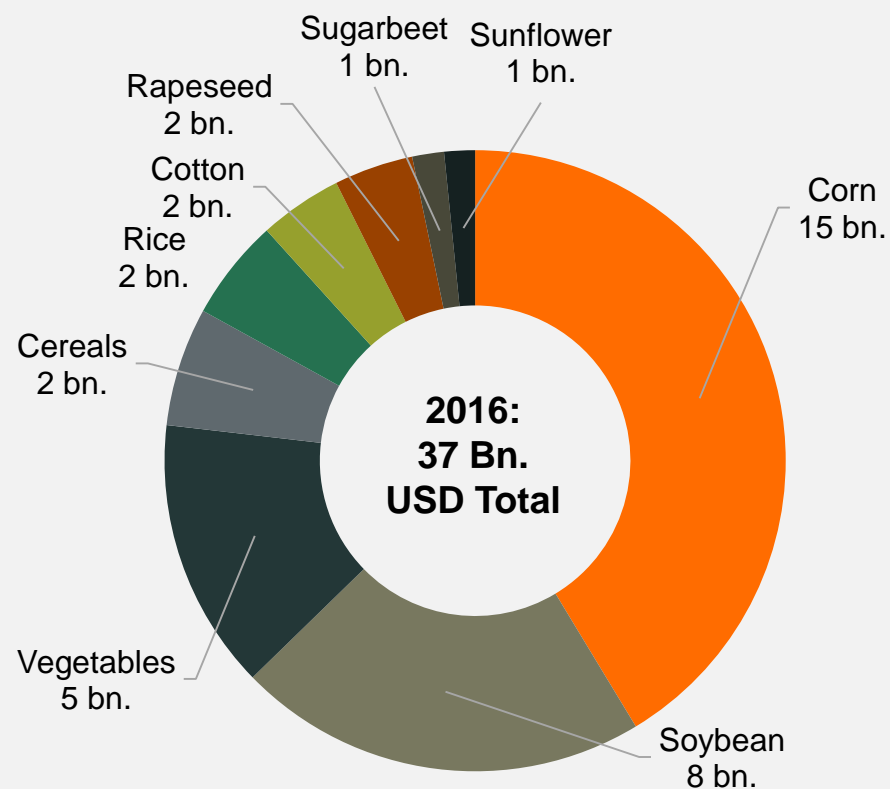


Source: faostat.fao.org (Data for 2017), zuckerverbaende.de; ¹ No commercial business for KWS, but target of strategic research and development.

Vegetable Seeds – A growing and highly profitable market

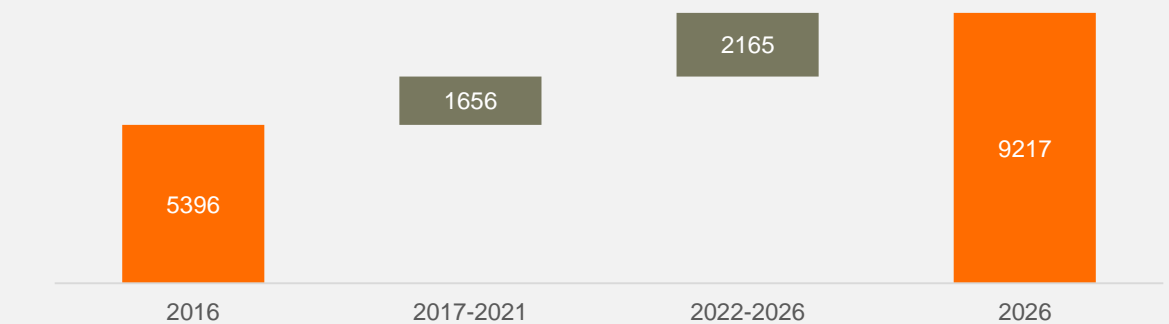


Global Commercial Seed Market



Source: PhillipsMcDougall 2017

Vegetable Seed Market (in million US\$)



Source: Kynetec 2016, estimated

Market Expectations

- Increasing global vegetable consumption
- Rising demand for fresh vegetables
- Annual vegetable seed market growth: 5-6% (CAGR)
- Higher margins due to very wide range of varieties in the vegetable segment



Acquisition of Pop Vriend Seeds



At a glance



HQ in Andijk (NL)

1956

Established



Market leader in
spinach seed



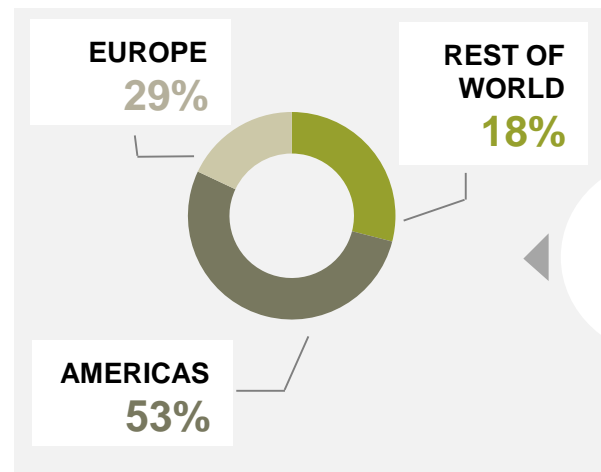
Net Sales: € 75 million EBIT-Margin*: ~40%



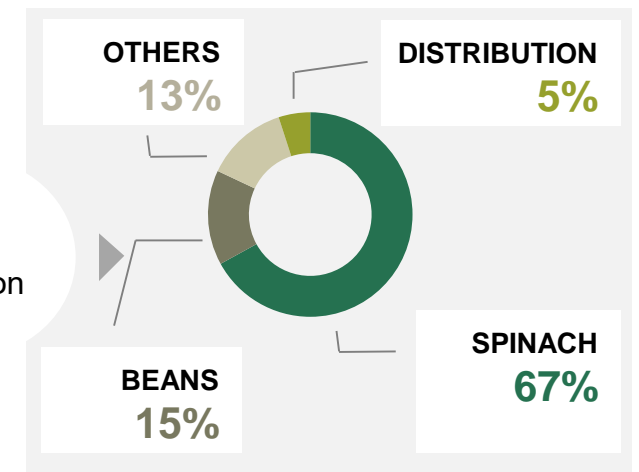
Purchase price: around
20% of KWS market cap



Net Sales by Region

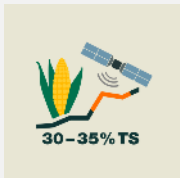


Net Sales by Section



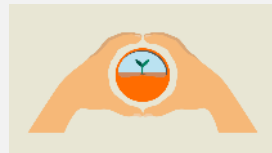
75
€ million

KWS offers customers even more benefits: relevant digital services around their own seeds



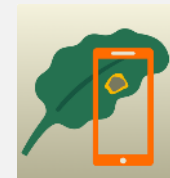
Satellite monitoring

Increases yield and quality in the silo corn by detailed analysis of the fields using satellite imagery



Beet Seed Service

Satellite images support the advice of farmers / financial support of a second sowing



Leaf Scanner

Detects leaf diseases based on artificial intelligence in image analysis



NEW
10/2019

Crop Manager

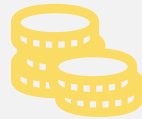
Develops and evaluates crop rotation scenarios for farmers. Inclusion of catch crops.

Current innovation projects: Precision Farming & TerraSentia



Use of autonomous robots & flying drones to continuously collect data in the fields and to evaluate them using artificial intelligence.

Comprehensive
data collection



Cost efficiency

More accurate & faster
breeding results



Improved development
process



Automated
analyses



Forecast and strategic starting points 2019/2020



**Forecast fiscal year
2019/2020**

**Net sales growth
8-12%**

**EBIT margin
11-13%**

**R&D intensity
17-19%**



- Expansion of CONVISO® SMART
- Consistent investment in research and breeding



- Increase market position in Americas
- Significant expansion of production capacities



- Increase market position in hybrid rye
- Focus on high-yielding varieties and innovation leadership



- Establishment of the vegetables business unit in the group
- Expansion of the vegetable seed portfolio



A close-up photograph of a person's hand, palm up, holding a large quantity of small, green, oval-shaped seeds. Some seeds are falling from the hand into a wooden bowl visible at the bottom of the frame. The background is dark and out of focus, with some light-colored shapes in the upper left.

Business performance KWS Group

2018/2019

Growth in all product segments despite challenging industry-specific conditions



Growth in all product segments

Net sales
in € million

1,113.3

+ 4.2 %

EBIT
in € million

150.0

+ 13.1 %

Dividend proposal
in €

0.67

+ 4.7 %



Segment Sugarbeet

- Sales and EBIT forecast met
- KWS remains a leading innovator
- Global market leadership asserted in a challenging environment
- Decline in core markets D and F offset by strong growth in Eastern Europe (mainly CONVISO® SMART)



Segment Corn

- Sales and EBIT forecast met
- Stable business in Europe and Asia
- Strong growth in South America through the introduction of our own, innovative hybrid varieties
- US business affected by weather-related decline in acreage



Segment Cereals

- Significant growth: Sales and EBIT forecast met
- Hybrid rye and barley with strong growth, wheat and rapeseed stable
- Strategic growth markets achieve significant growth
- #Ryevolution campaign strengthens rye positioning

Net sales and Earnings per share increase by around 4 per cent



In € million	2018/2019	2017/2018	+/-
Net sales	1,113.3	1,068.0	4.2%
Operating income (EBIT)	150.0	132.6	13.1%
Net financial income/expenses	-5.5	5.4	-
Result of ordinary activities	144.5	138.0	4.7%
Taxes	40.4	38.3	5.5%
Net income for the year	104.0	99.7	4.3%
Earnings per share (€)	3.15	3.02	4.3%

EBIT-MARGIN

EBIT as a % of net sales

13.5% (12.4%)

COST OF SALES

as a % of net sales

41.2% (41.8%)

R&D INTENSITY

as a % of net sales

18.5% (18.5%)

Tax rate

in %

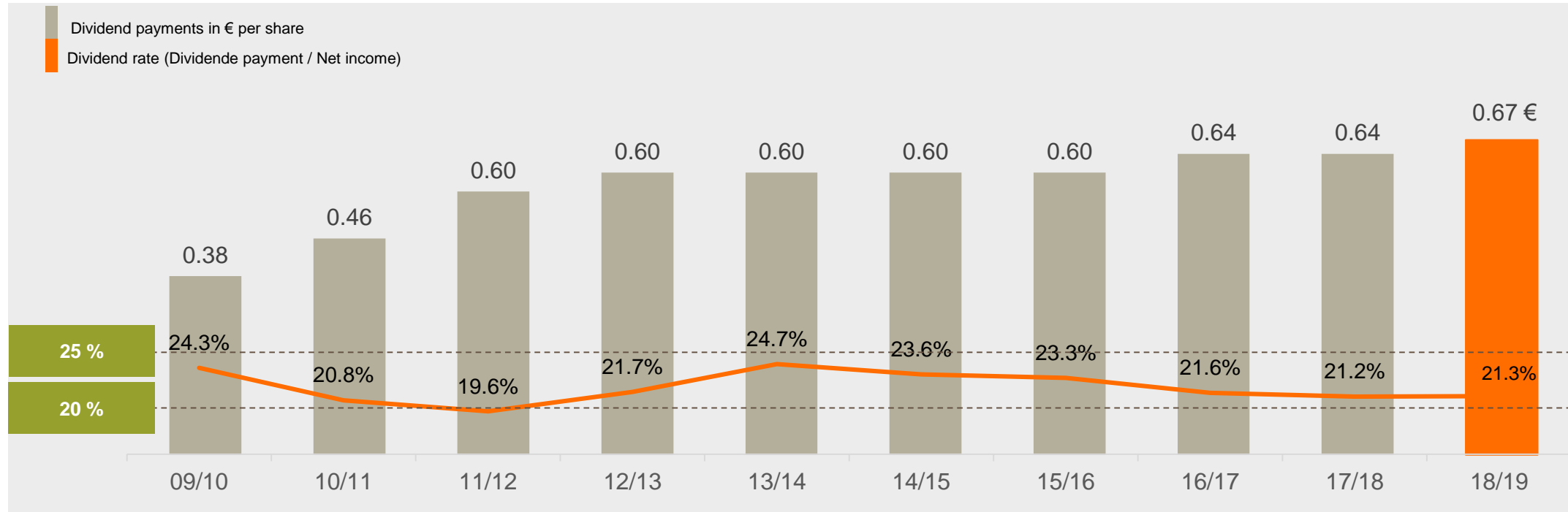
28.0% (27.8%)

Previous year's figures in brackets

Dividend proposal: Increase from 0.64 to 0.67 Euro per share



Dividend payments and dividend rate of the last 10 years

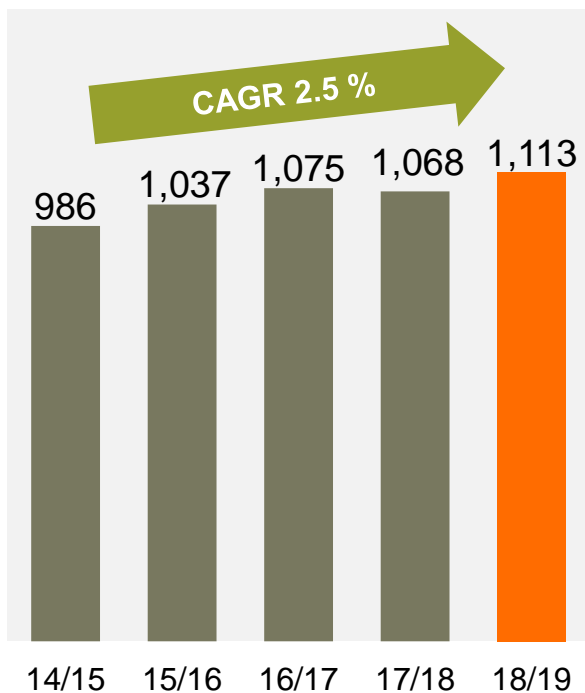


Continuous dividend policy still in place

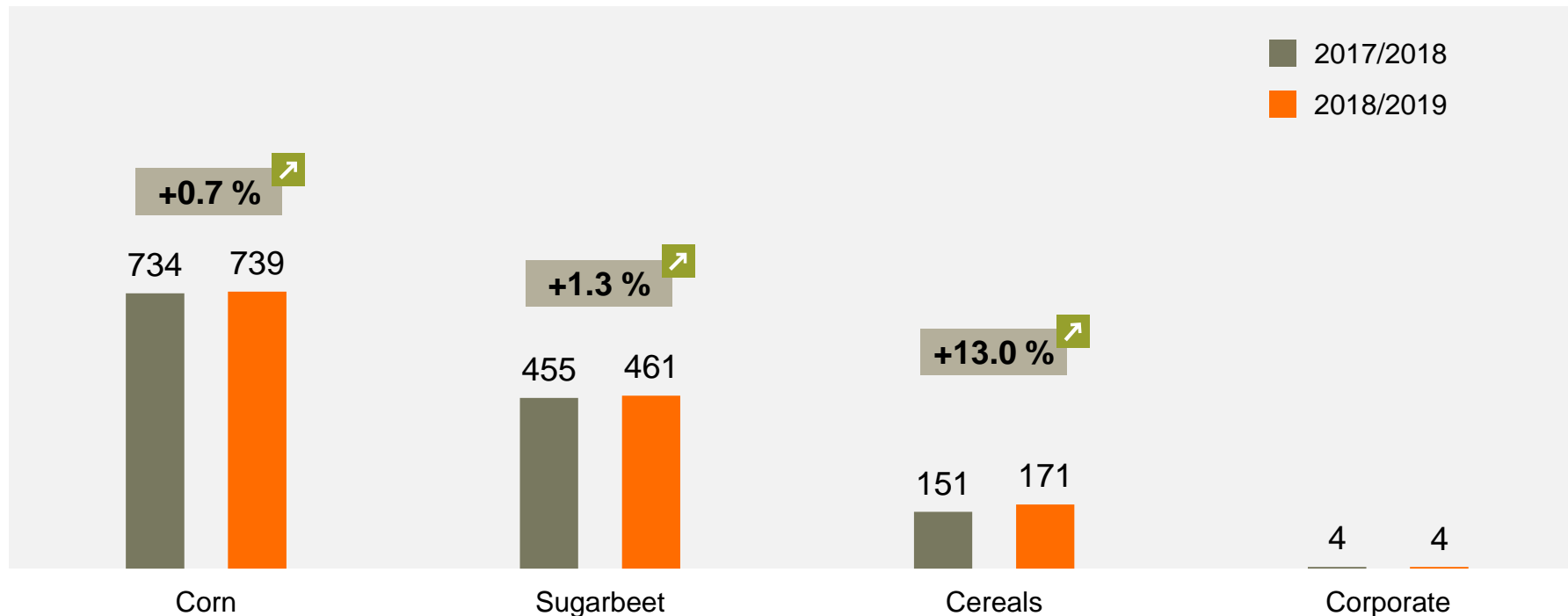
Net sales of the KWS Group



Net sales
in € million



Net sales by segment
in € million

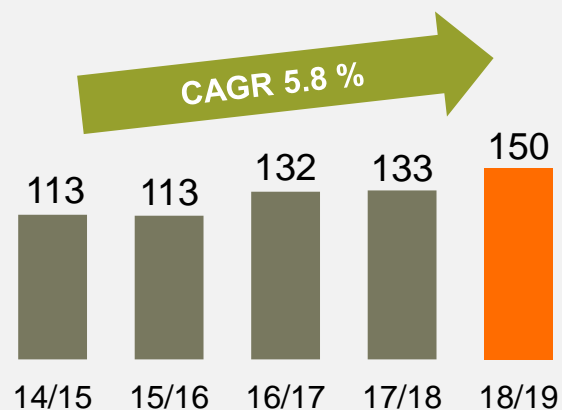


Net sales growth in all product segments

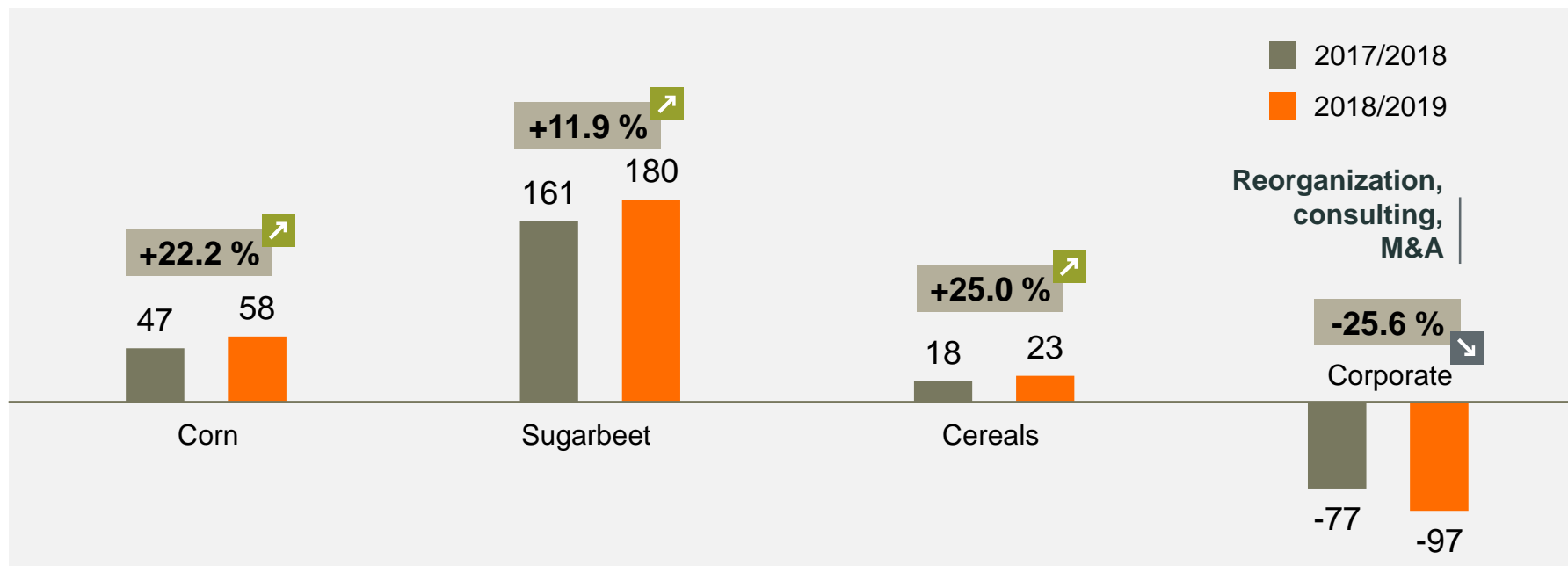
EBIT of the KWS Group



EBIT
in € million



EBIT by segments
in € million



EBIT increased significantly – incl. one-time effect (€11 million) from the sale of a company participation

Net financial income/expenses



In € million	2018/2019	2017/2018	+/-
Interest and similar income	4.0	4.0	0.7%
Interest and similar expenses	-19.1	-12.0	58.4%
Income from equity-accounted financial assets	9.4	13.4	-29.6%
Other net income from equity investments	0	0	0%
Net financial income/expenses	-5.5	5.4	-

Equity-accounted companies

AGRELIANT INC.

50% joint venture
Chatham, Ontario, Canada

AGRELIANT LLC.

50% joint venture
Westfield, Indiana, U.S.

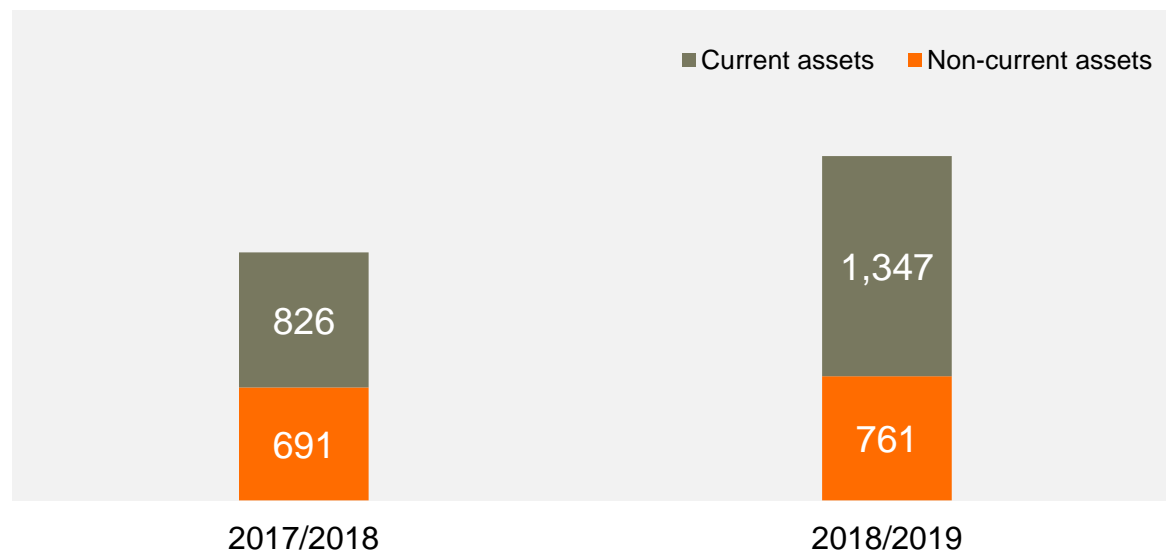
KENFENG – KWS SEEDS

49% associated company
Beijing, China

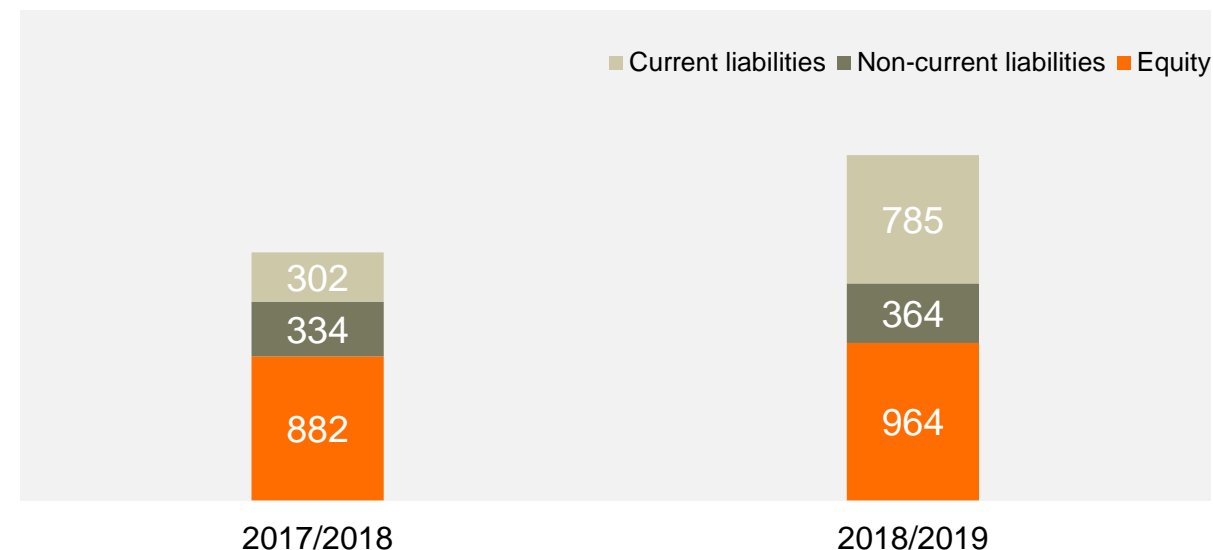
Balance sheet



Balance sheet structure – Assets in € million



Balance sheet structure – Equity and liabilities in € million



TOTAL ASSETS

in € million

2,115 (1,518)

EQUITY RATIO

as a % of total assets

45.5% (58.1%)

NET DEBT

in € million

497.9 (37.4)

Average ROCE

in %

14.3% (13.8%)

Previous year's figures in brackets

Promissory note loans in the amount of EUR 400 million issued



Transaction details

Borrower:	KWS SAAT SE & Co. KGaA
Use of proceeds:	General Corporate Purposes / Refinancing of existing acquisition related bridge financing
Status:	Senior, unsecured
Volume:	EUR 400,000,000
Terms:	5, 7 and 10 years
Interest:	5 years: 50 bps p.a. 7 years: 60 bps p.a. 10 years: 80 bps p.a.
Issue price:	100%

Arranger



KWS SAAT SE & Co. KGaA

EUR 400,000,000

Promissory note loans
maturing 2024/2026/2029

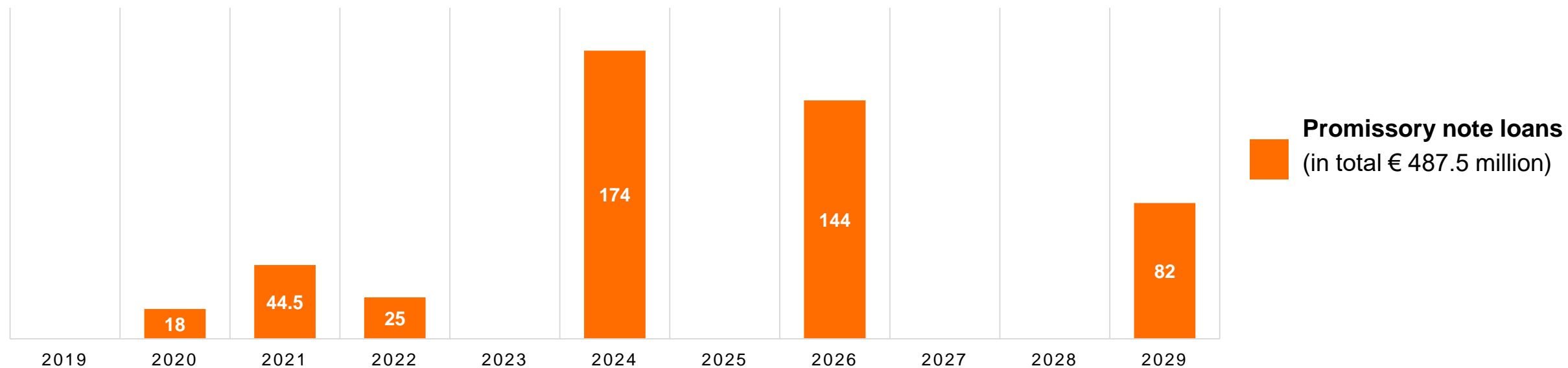
Joint Lead Arranger



Maturity profile of main debt instruments



in € million (as of October 2019)



Further debt instruments

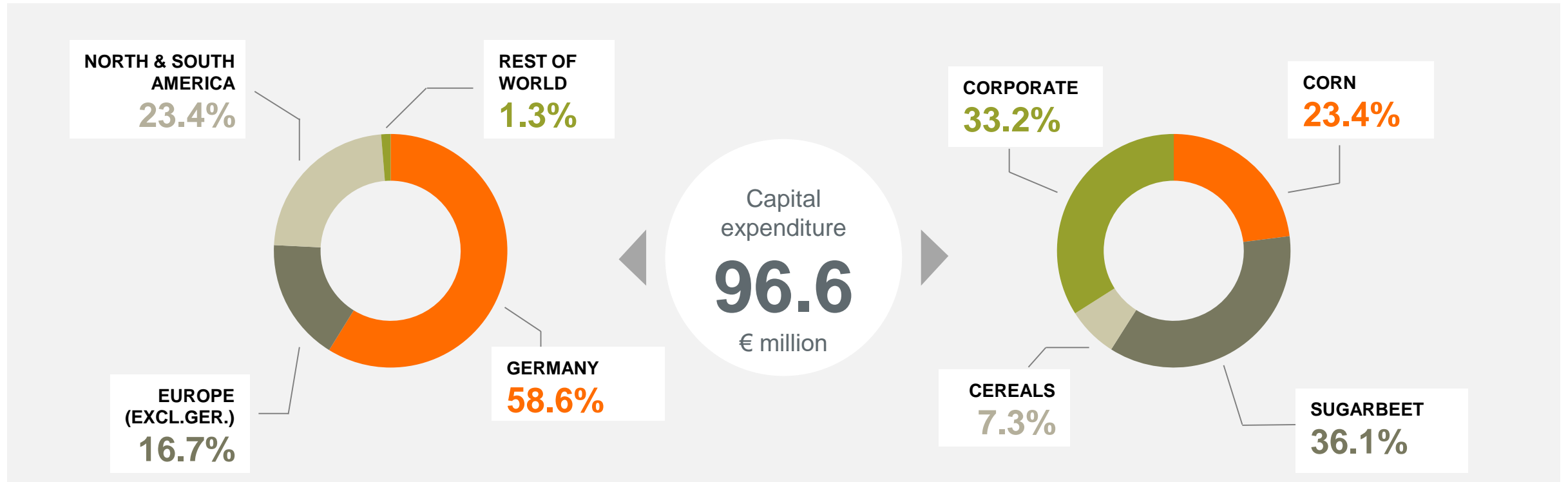
SynLoan € 200m RCF: currently undrawn*

Commercial Paper Program € 125 million: due to seasonal business

Credit line € 85m: currently undrawn

* Maturity: June 2024

Capital expenditures increased by 35% year-over-year



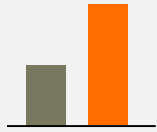
CapEx focus: Germany

Previous year: € 71.7 million

Expansion of corn seed production in Latin America



Overview



Doubling of production capacities



Brazil & Argentina



Improved quality, flexibility and reliability



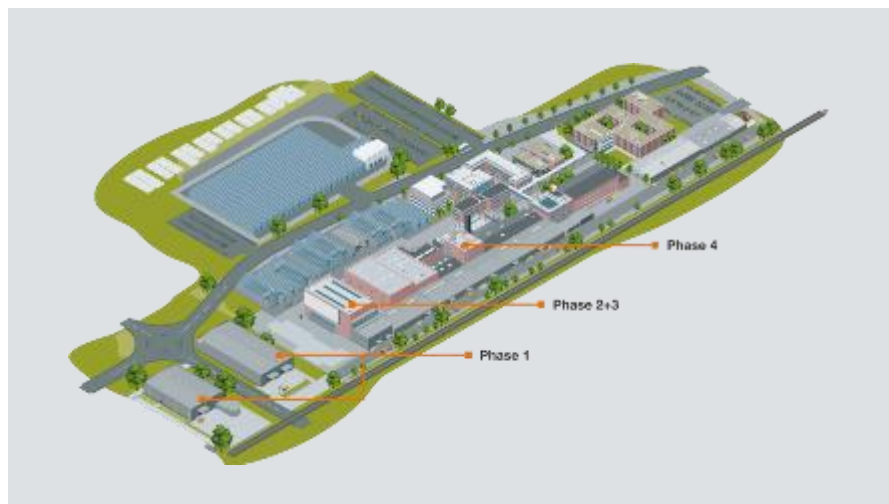
CapEx volume
~ €19 million



Inauguration took place
in August 2019



Two of our current capital spending projects at KWS



Extension of seed production for sugarbeet



Three new buildings in Einbeck



30% more production capacity



CapEx volume around € 40 million



Reduction of set-up times



Second Biotechnikum



Three-storey building in Einbeck



2,350 sqm of new laboratory and office space



CapEx volume around € 20 million



Completion spring 2020

ONEGLOBE: Reorganization of administrative functions



New Berlin Office



- Transaction Center
- Human Resources
- Finance & Procurement
- Business Partner Legal, Controlling und IT



ONEGLOBE picks up speed - 12 out of 58 KWS units (with more than half of all employees) have already been transferred. The transition of all other units will take place until the end of 2021.

Forecast for the KWS Group for fiscal 2019/2020



	Forecast in accord. with IFRS 11 Fiscal 2019/2020	Fiscal 2018/2019
Net sales growth	8 – 12%	€1,113 million
EBIT margin	11 – 13%	12.4%
R&D intensity	17 – 19%	18.5%



Forecast for the 2019/2020 fiscal year – Segments*



		Guidance for fiscal 2019/2020	Fiscal 2018/2019
Corn	Net sales	Slight increase	€739.0 million
	EBIT margin	Slightly up over previous year	7.8%
Sugarbeet	Net sales	At the level of the previous year	€461.2 million
	EBIT margin	Tangibly down from previous year	38.9%
Cereals	Net sales	Slightly up over previous year	€170.8 million
	EBIT margin	Slightly down from previous year	13.5%
Vegetables	Net sales	~ €80 million	-
	EBIT margin	~ 25%	-
Corporate	Net sales	At the level of the previous year	€3.9 million
	EBIT	At the level of the previous year	€ –97.1 million

* Incl. At-equity-accounted companies



Thank you for your interest

Key figures for the KWS share incl. stakes and current coverage



1

General data

- ISIN
- Number of shares
- Share class

DE0007074007
33,000,000
no-par value share

2

Closing price

- June 30, 2019
- June 30, 2018

in €
64.20
60.80

3

Trading volume (average)*

- 2018/2019
- 2017/2018

in shares / day
8,189
10,430

4

Market capitalization*

- June 30, 2019
- June 30, 2018

in € million
2,119
2,006

5

Earnings per share*

- June 30, 2019
- June 30, 2018

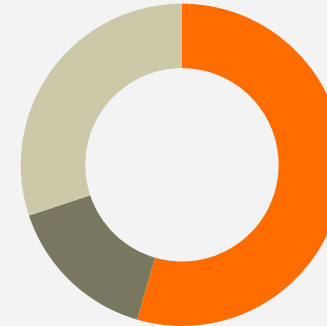
in €
3.15
3.02

6

Dividend per share*

- June 30, 2019
- June 30, 2018

in €
0.67
0.64



FAMILIES
BÜCHTING AND
AREND OETKER

54.4%

TESSNER
BETEILIGUNGS
GMBH

15.4%

FREE FLOAT

30.2%

DZ BANK
Die Initiativbank

Pareto
Securities

M.M. WARBURG & CO
BANK

Bankhaus Lampe

Kepler
Cheuvreux

NORD/LB

* Figures adjusted due to share split. Dividend for 2018/2019 is subject to the consent of the 2018 Annual Shareholders' Meeting.

Financial calendar & your contact persons



November 26, 2019

1st Quarterly Report for 2018/2019

December 17, 2019

Annual Shareholders' Meeting in Einbeck



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