

Investor Presentation

KWS SAAT SE | April 2019

SEEDING
THE FUTURE
SINCE 1856



We are a **seed specialist** for sugarbeets, corn, cereals and other agricultural crops. At KWS we think in generations, set ourselves long-term goals and thus strive for **sustainable** success.



Our long-term goals



Profitable growth

Long-term strategy based on organic growth combined with acquisitions



Innovation

17% of sales per year for research and breeding



Independence

Since generations supported by family shareholders



Sustainability

Development of resource-saving varieties

Seed specialist



Upcoming events and latest news



+ May 16, 2019

- 9-Month Financial Results

+ March 22, 2019

- KWS implements 1:5 share split

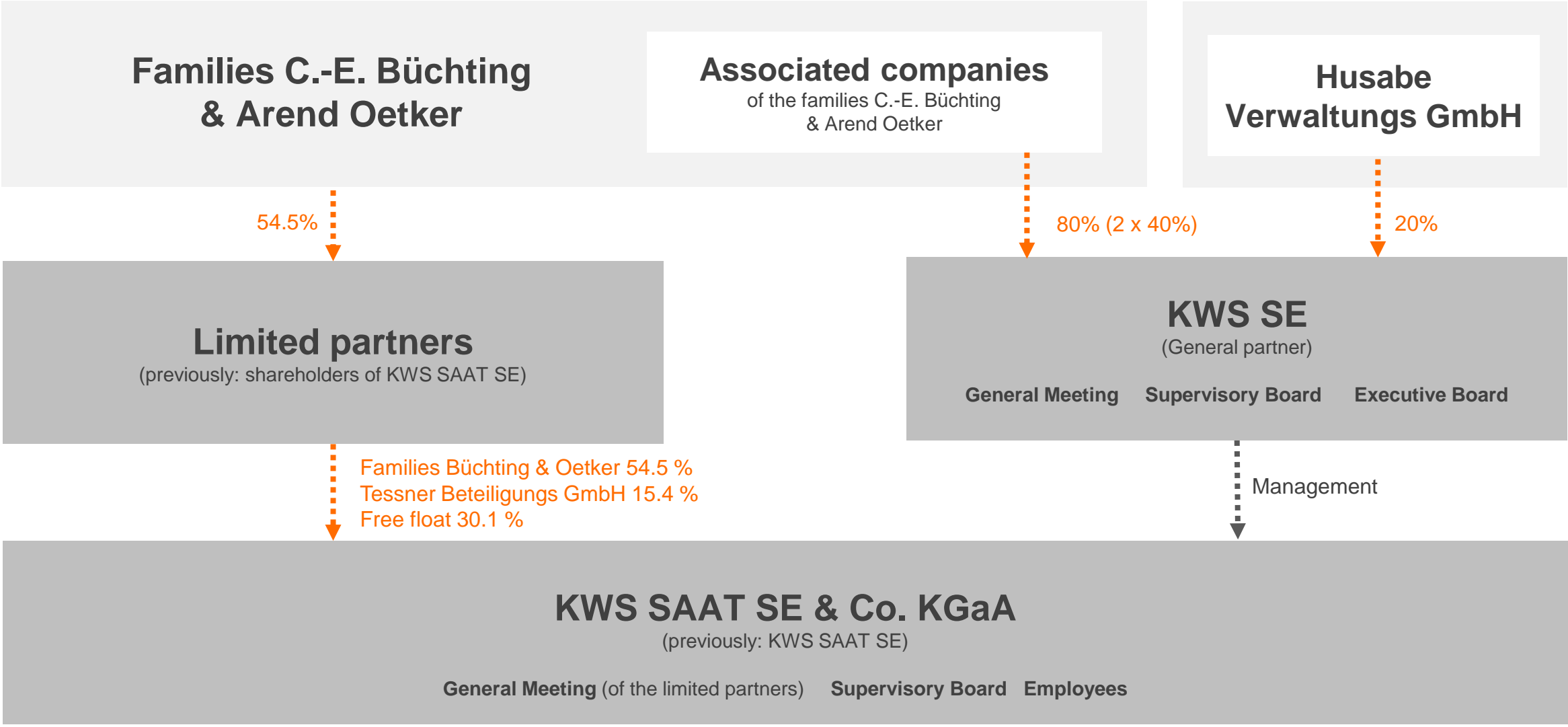
+ Feb 26, 2019

- KWS confirms guidance after a strong first six months

+ Dec 14, 2018

- Annual General Meeting adopts change in legal form & stock split

Organizational chart of the new KWS SAAT SE & Co. KGaA





Update H1

2018/2019

Income statement

July 1, 2018 – December 31, 2018 vs. previous period



in € million	H1 2018/2019	H1 2017/2018	Change
Net sales	289.1	244.1	18.4%
Operating income (EBIT)	−76.6	−89.6	14.5%
Net financial income/expenses	−21.1	−29.0	27.2%
Result of ordinary activities	−97.7	−118.6	17.6%
Income taxes	−36.5	−38.0	26.5%
Net income for the period	−61.2	−80.6	24.1%
Earnings per share (in €)*	−9.20	−12.23	24.8%

*based on number of shares before share split (6.6m)

EQUITY RATIO¹

in % of total assets

50.0% (+1.8%)

TOTAL ASSETS¹

in € million

1,597 (+4.2%)

CAPEX¹

in € million

41.8 (+50.0%)

NET DEBT¹

in € million

174.6 (-22.0%)

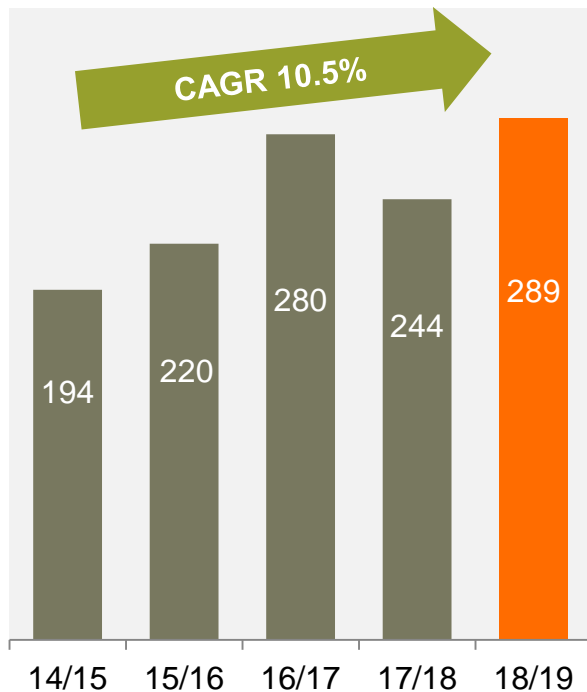
¹ The development of the working capital is impacted by the seasonal cours of the business. The numbers in brackets refer on the previous year's figures

Sales development

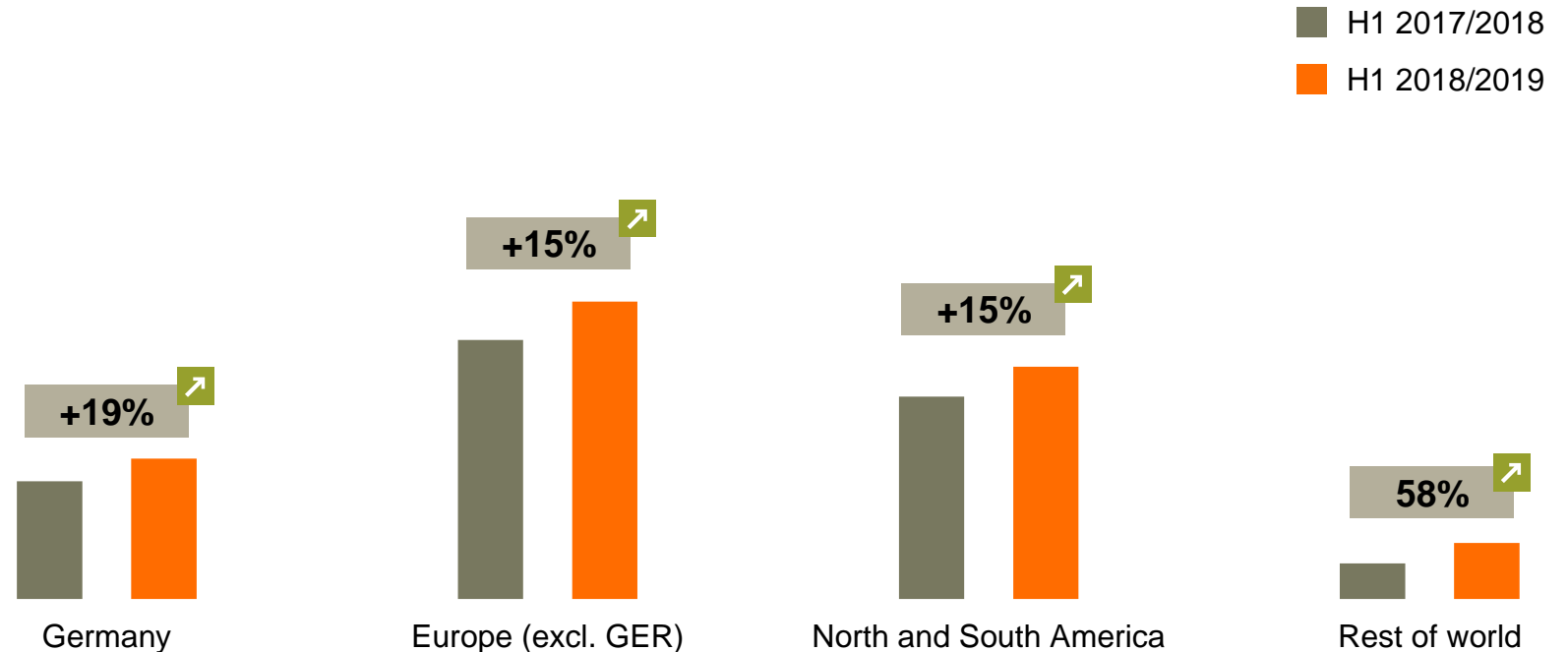
July 1, 2018 – December 31, 2018 vs. previous period



Net sales development H1
in € million



Net sales development H1 by region
in %



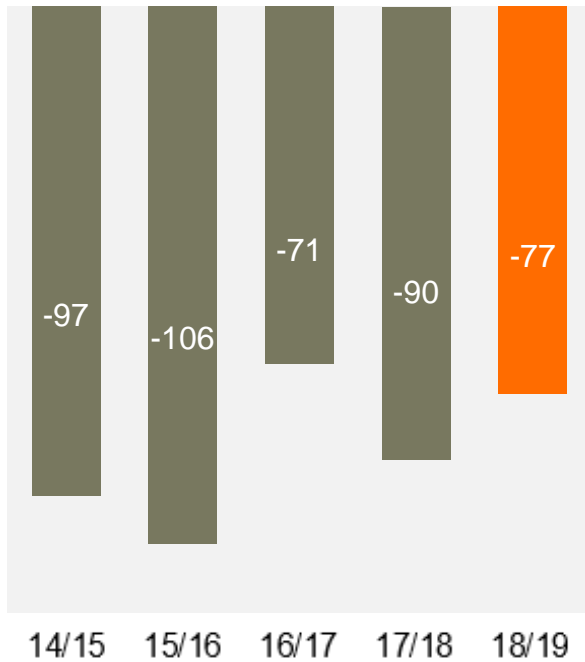
Due to the strong seasonal nature of our business, the first six month (July 1 to December 31) most **recently contributed about 25%** to the Group's annual sales.

EBIT development

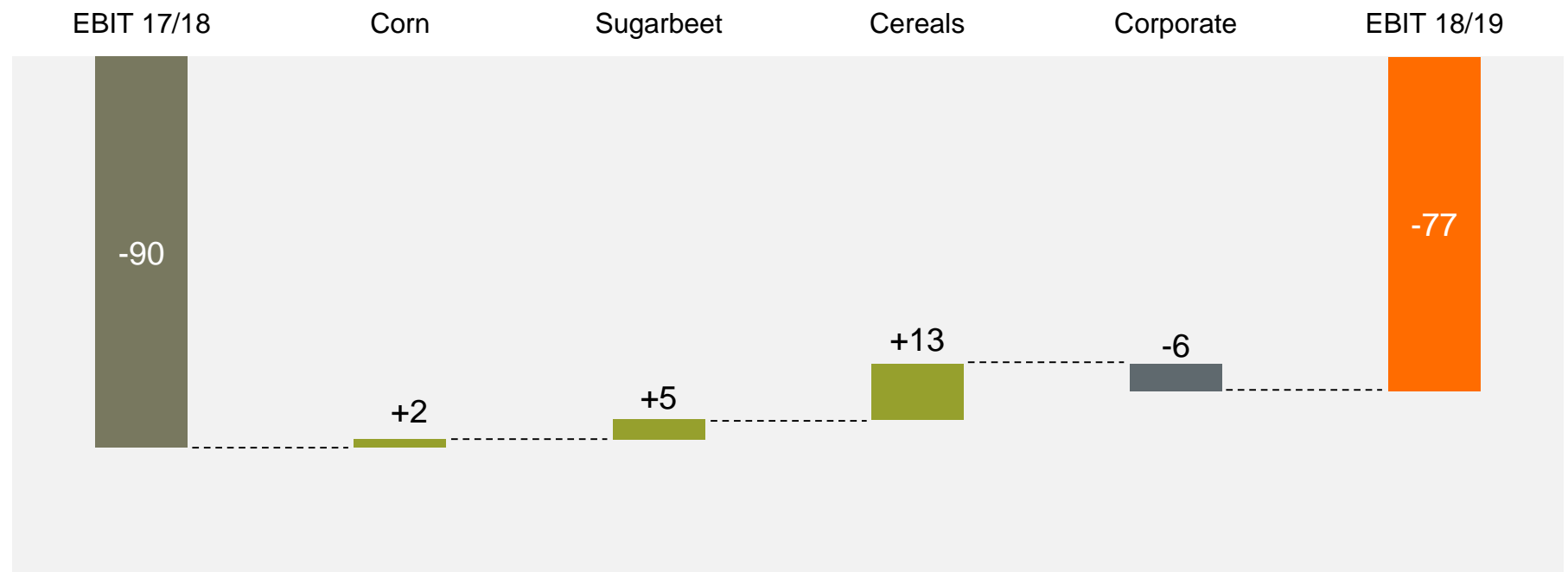
July 1, 2018 – December 31, 2018 vs. previous period



EBIT development H1
in € million



EBIT development H1
in € million*

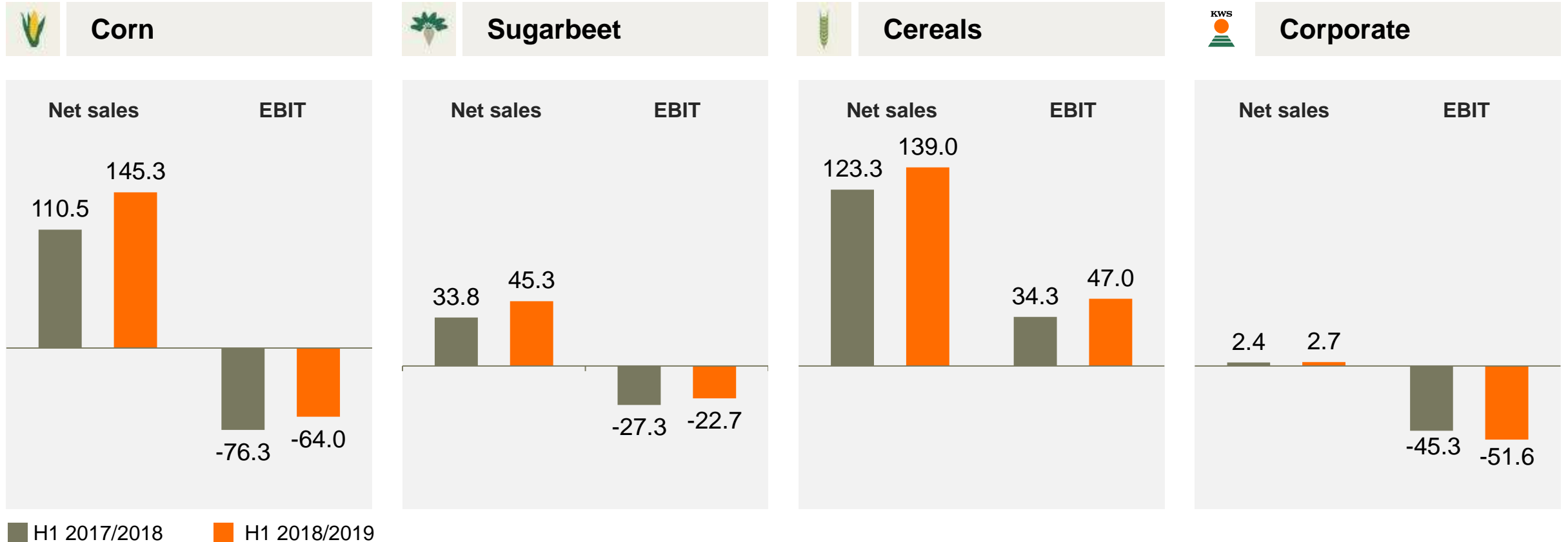


Due to our seasonal business, **EBIT regularly turns positive after 9M.**

* rounding differences possible

Segment developments

July 1, 2018 – December 31, 2018 vs. previous year



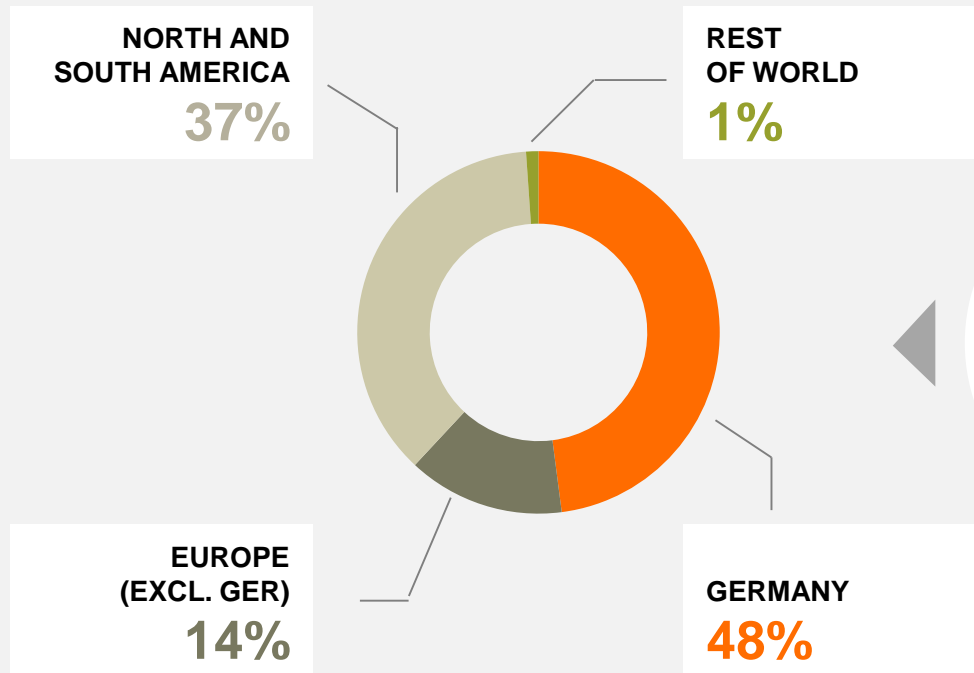
Reconciliation (in € million)	Segments	Reconciliation	KWS Group
Net sales	332.3	- 43.2	289.1
EBIT	- 91.3	14.7	- 76.6

Capital expenditures

July 1, 2018 – December 31, 2018

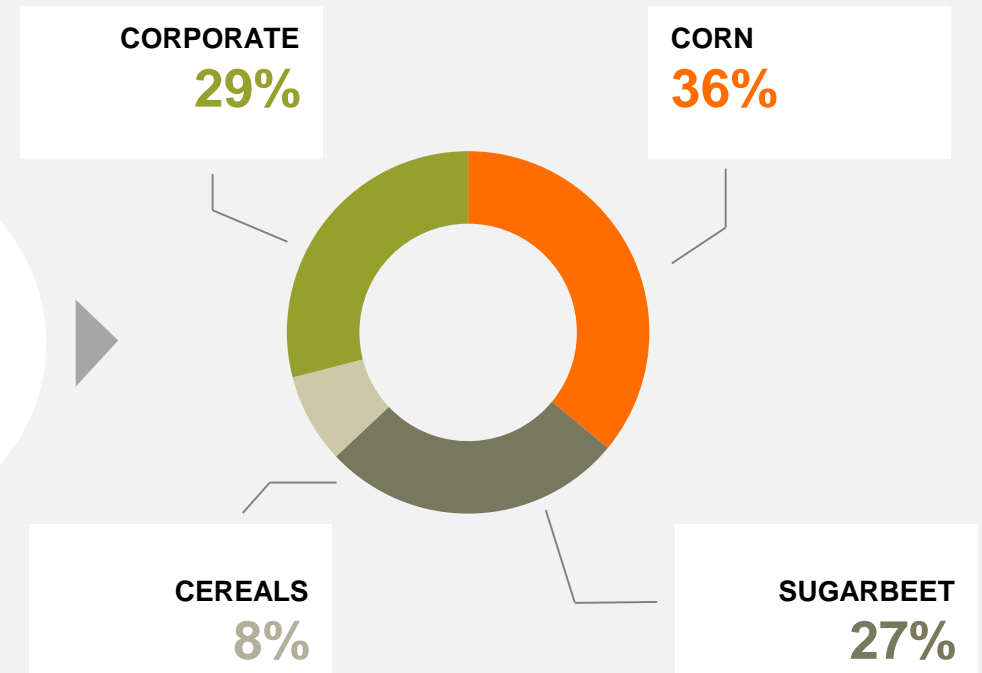


By region



41.8 €
million

By segments



Forecast for the KWS Group| Fiscal year 2018/2019

Last Update Q2 February 26, 2019



	Forecast as at 26/02/2019 (H1)	Fiscal year 2017/2018
Net sales	Slight increase	1,068 € million
EBIT margin	10.0 – 12.0%	12.4%
R&D intensity	Around 19.0%	18.5%

Notes

- The forecast is based on the **current business performance** and the **quarterly updated corporate planning**.

Seeding the future

Challenges and solutions for
modern agriculture

ZUKUNFT SÄEN
SEIT 1856



For efficient agriculture it is crucial to meet the challenges of high-yield agricultural harvests



Population growth: Food demand is expected to rise by 60% through 2050



Reduction of per capita cultivation area: The population is growing faster than the acreage



Climate change: Change in abiotic stress requires new variety characteristics



Harvest losses: Approx. 50% due to insects, weeds, fungal diseases and damage in storage



Limited resources: water, fertilizers and pesticides

We develop high yielding and resource-efficient varieties for a sustainable agriculture



Safe yields

Securing yield stability and developing higher yields for a sustainable supply



Resource efficiency

Reducing consumption of water, fertilizer, chemical plant protection



Increased nutrient content

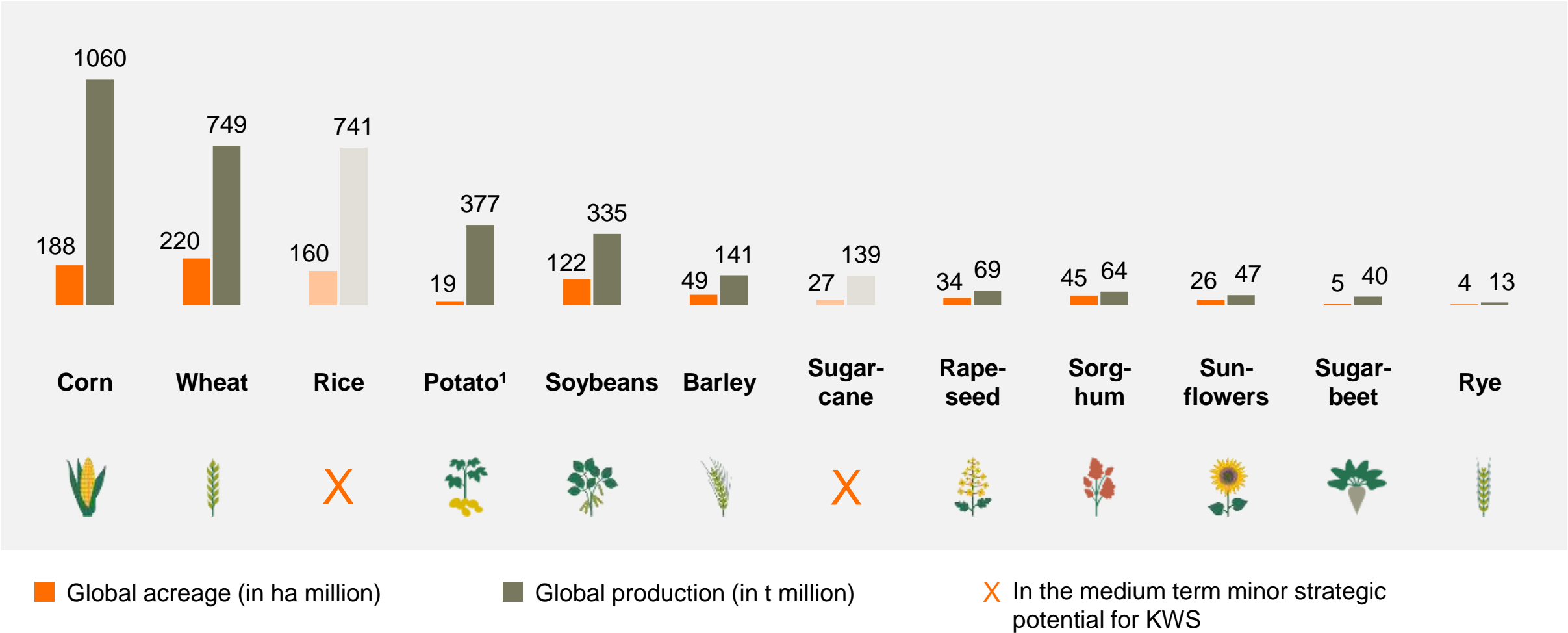
Optimization of energy and nutrient content for more efficient use of acreage



Diversification

Securing sustainability through broadly diversified breeding material

Our portfolio includes seeds for 10 of the 12 most important crops



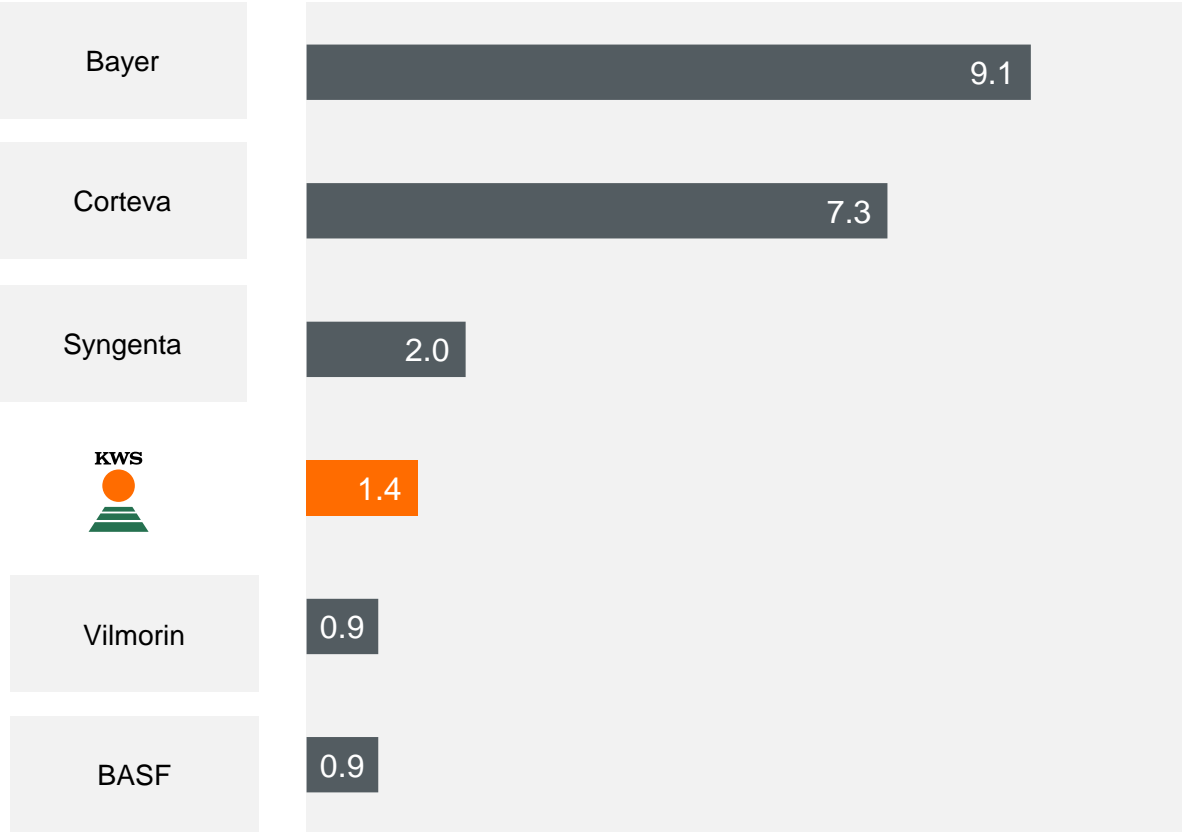
Source: faostat.fao.org (Data for 2016), zuckerverbaende.de; ¹ No commercial business for KWS, but target of strategic research and development.

KWS' competitive environment



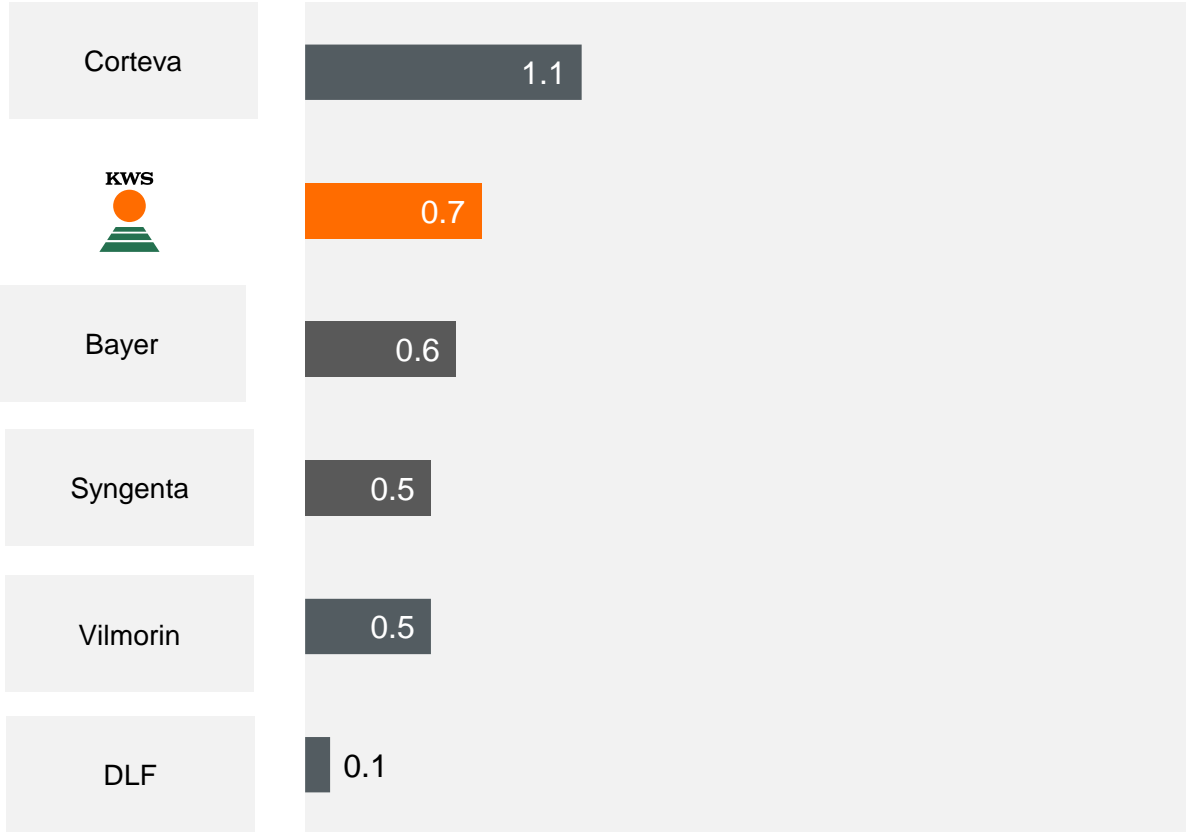
Globally

Sales from agricultural crops in € billion



Europe

Sales from agricultural crops in € billion



Source: AgbioInvestor October 2018, excluding vegetable and flower business, as well as pasture and grazing activities

KWS fiscal year 2017/2018

July 1, 2017 to June 30, 2018



NET SALES
in € million

1,068

INNOVATION
in € million

198

EBIT
in € million

133

EBIT MARGIN
in % from sales

12.4

EARNINGS/SHARE
in €

15.08

EMPLOYEES
worldwide

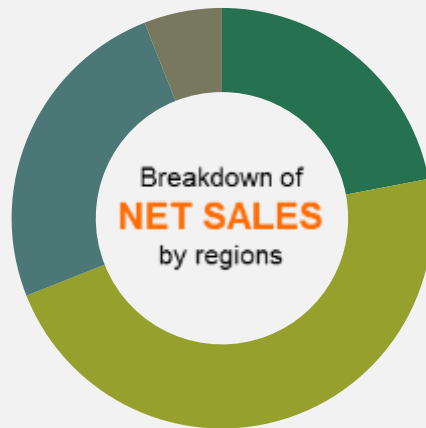
5,147

COUNTRIES
worldwide

70

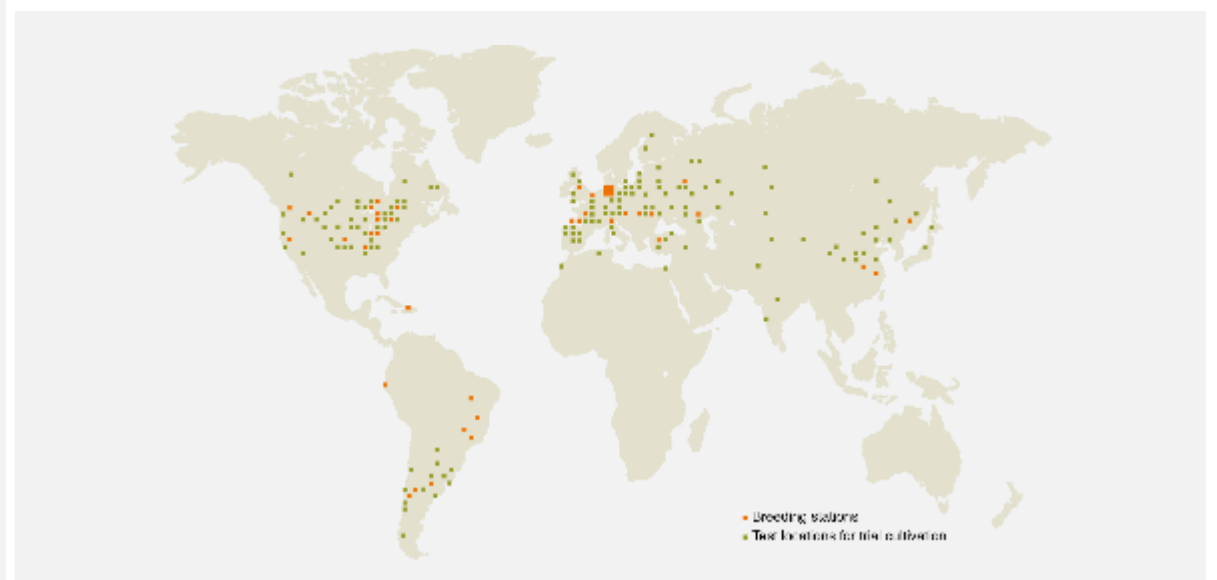
**REST OF
WORLD**
6%

**NORTH AND
SOUTH AMERICA**
25%



GERMANY
22%

**EUROPE
(EXCL. GER)**
47%



**10-years development
2008-2018**

Incl. our at equity-accounted joint
ventures and associated companies

NET SALES
in % p.a. (avg.)

+8.4

EBIT
in % p.a. (avg.)

+7.9

SHAREPRICE
in % p.a. (avg.)

+7.5

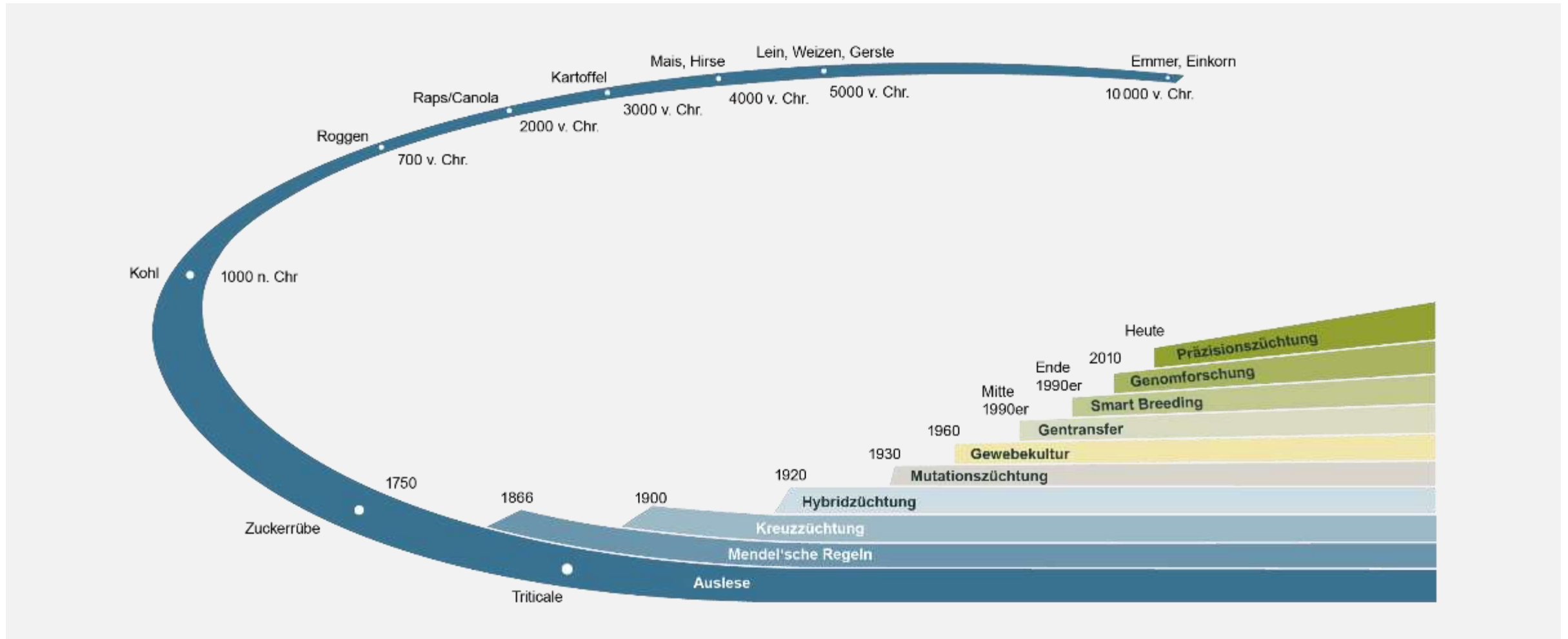
EMPLOYEE
in % p.a. (avg.)

+7.5



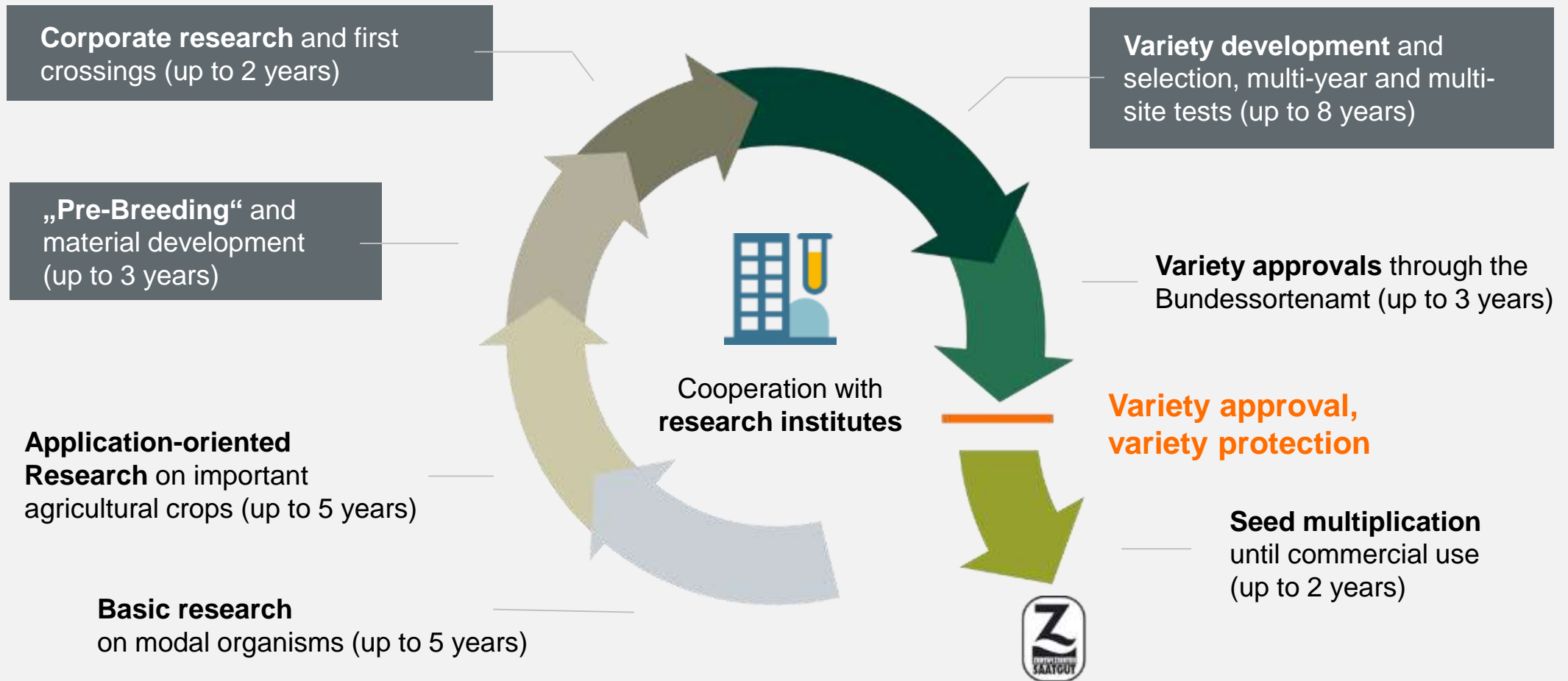
Innovations for agricultural

The history of plant breeding started 12,000 years ago. Today we use all available breeding methods



Source: BDP, changed

Developing a new variety is a complex process and takes 8 to 12 years



Source: BDP, changed

Three of our strategic projects at KWS



CONVISO® SMART

- **Breeding of herbicide-tolerant sugarbeet varieties** in cooperation with Bayer
- **Advantage: highly effective and flexible cultivation of sugarbeets:** Weed control with lower amounts of herbicides



Hybrid potato seed

- Development of diploid hybrid potatoes, that can be **multiplied and marketed in the form of seeds**
- **Advantages compared to plant potatoes:** more effective breeding, lower risk of infections and pests, significant lower storage and transport cost



Hybrid wheat

- **Target:** Introduction of a hybrid wheat system with added value for farmers
- **Advantages to conventional wheat varieties (added value):** Better yield improvement



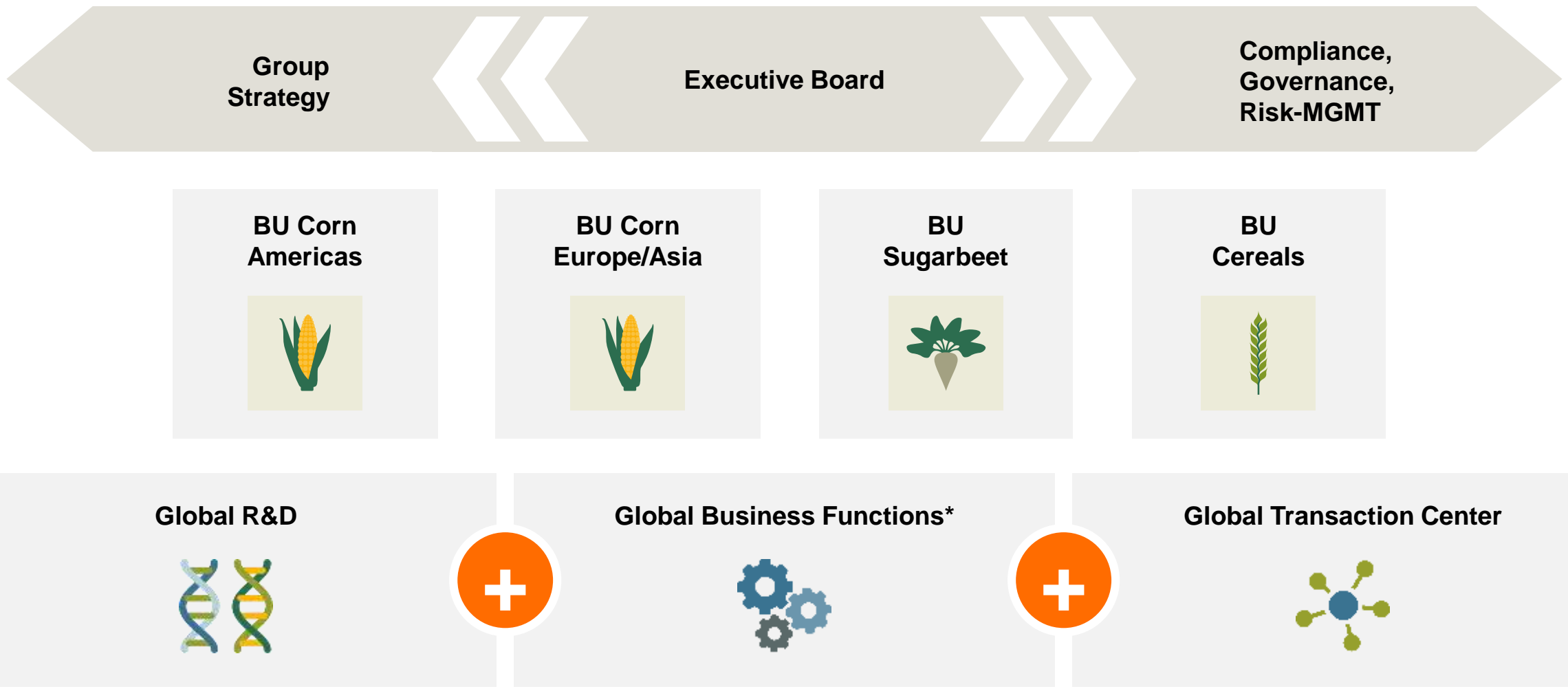
Thank you for your interest.

Appendix

SEEDING
THE FUTURE
SINCE 1856



KWS organizational structure



*Controlling, Finance & Procurement, HR, IT, Legal & IP, Marketing & Communications

Research & Development are key drivers to organic growth (KWS fiscal year 2017/2018)



EMPLOYEES
in innovation

1.920

% R&D EMPLOYEES
at KWS

37,3

R&D INVEST
in innovation (in million €)

197,7

% R&D INVEST
of total turnover

18,5

YIELD PROGRESS
crops Ø p.a.

1-2%

Einbeck (DE)

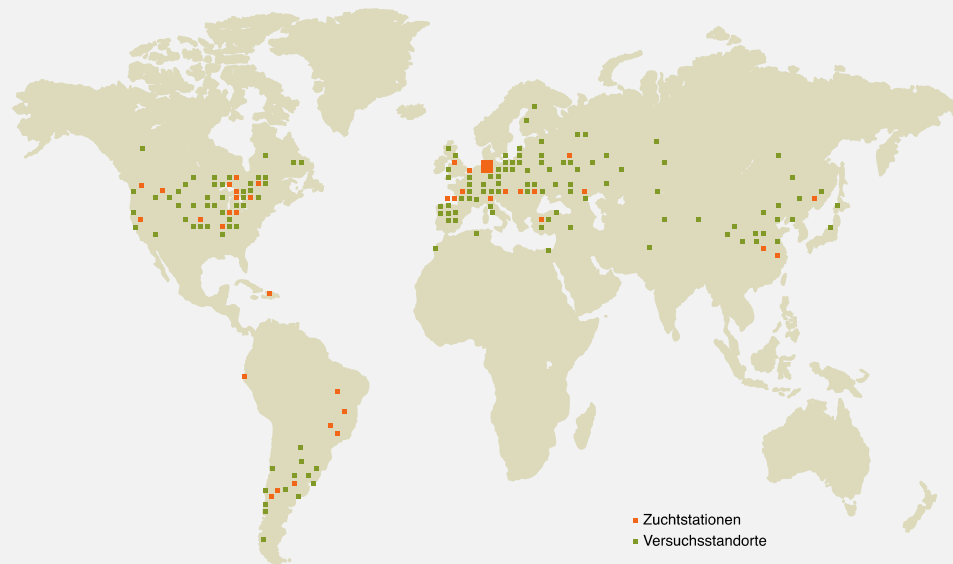
Research Campus



800 researchers

full spectrum of research and
breeding for all KWS crops

Global Research Network



St. Louis (USA)

Gateway Research Center



30 researchers

basic research and product
development for sugar beet, corn,
cereals and potato

Examples for KWS' contribution for more sustainability in agriculture



Organic seeds

- **Variety and performance testing** for the early selection of efficient organic varieties and plant material from conventional breeding programs
- Seeds of high performance and quality **optimized for organic farming**



Biologicals

- Biologicals can help to **reduce chemical** crop protection
- **Useful microorganisms** protect yield against pests, abiotic stress (cold, drought, etc.)
- Biologicals can be applied as treatment **directly to the seed**. Very efficient in protecting the seedling right at the beginning of the development



Hybridrye

- Used as feed **increases animal health** as a feed
- Good **resistance to dryness**
- **Less nitrogen, water and crop protection** compared to wheat
- **Smallest carbon footprint** of cereals in Germany (greenhouse gas emissions for cultivation)



“

**We are excellently positioned;
our unique profile gives us a
model for the future that roots
deeply in our company's history.**

Dr. Hagen Duenbostel (1970)
CEO and board member since 2003
Corn Americas & Asia, Strategy,
Governance & Risk Management, Compliance

”

We strive steadily to find new and innovative ways to become even more efficient and swift. For this, we build on a foundation of high **innovation power.**

Dr. Léon Broers (1960)
Board member since 2007
Research and Breeding





”

We are committed to competent advice; it is our goal to create **trust by mutual success and to cater to farmers as partners.**

Dr. Peter Hofmann (1960)
Board member since 2014
Sugarbeet, Corn Europe, Marketing & Communication

”

The KWS Group is an economically sound company. We have a **solid financial basis and are excellently prepared for possible investments that ensure additional growth.**

Eva Kienle (1967)
Board member since 2013
Finance, Controlling, Global Services, IT, Legal

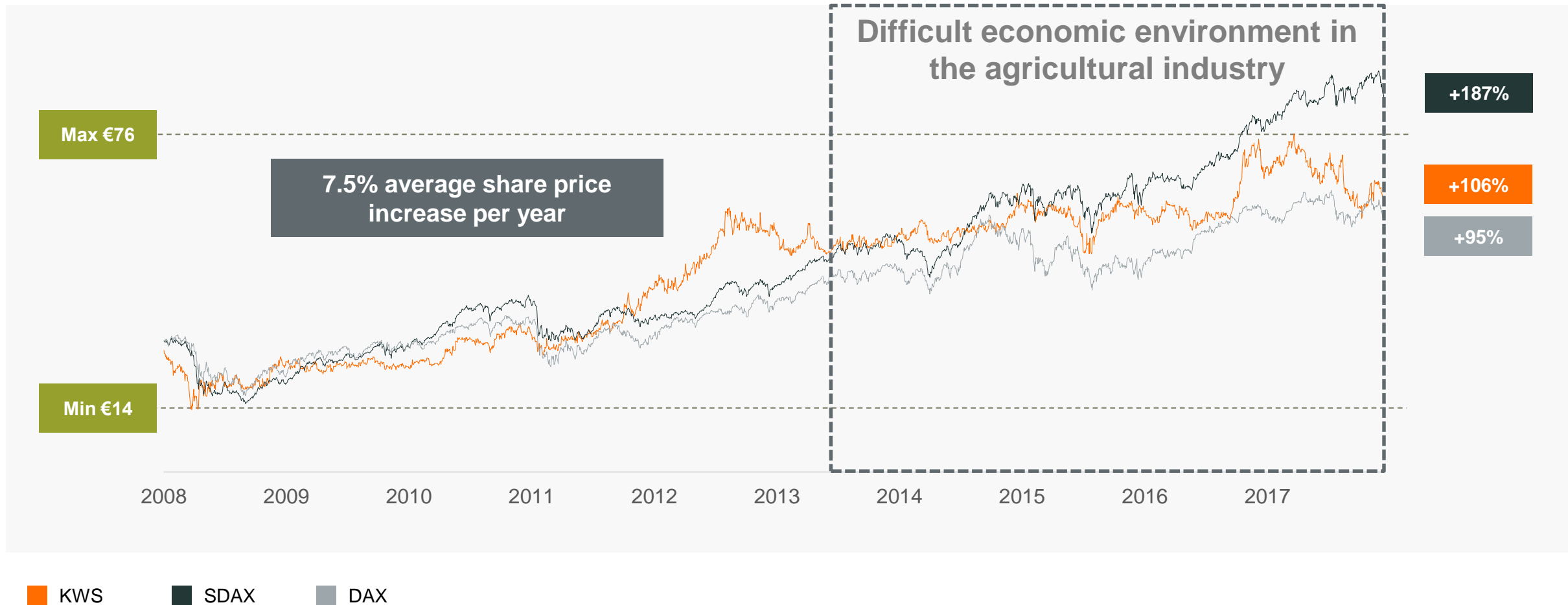


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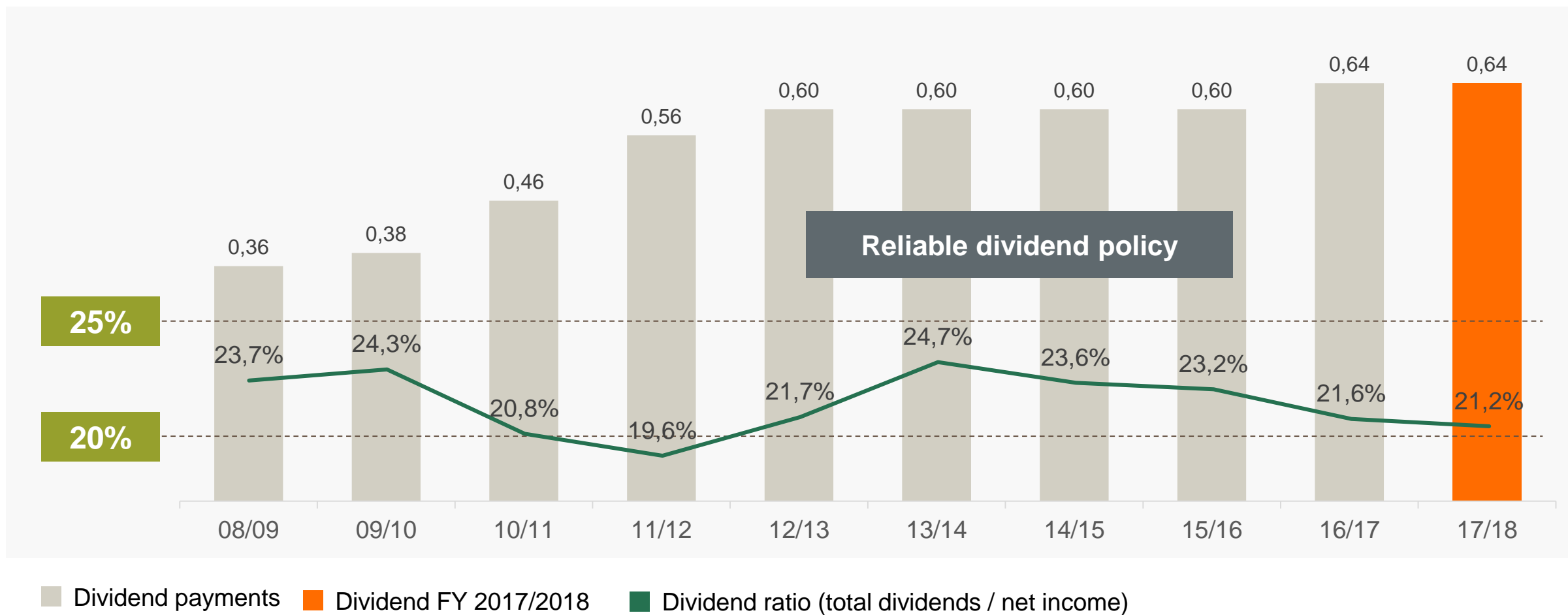
As a family-owned company, we focus on a **distinctive value orientation and long-term success. This includes respectful interaction with each other, a positive working environment and the individual development of our employees.**

Felix Büchting (1974)
Board member since 2019
Cereals, Agriculture, Human Resources

Share price development of the past 10 years closing price Xetra, July 1, 2008 to June 30, 2018



Dividend payments* and dividend ratios of the past 10 years



*Dividends adjusted for 1:5 share split in March 2019

Key figures for the KWS share, shareholdings and actual coverage



1 General Data

- ISIN
- Number of shares
- Type

DE0007074007
33.000.000
No-par value shares

2 Closing price (Xetra)*

- December 31, 2018
- July 1, 2018

in €
52.00
60.80

3 Daily trading volume (avg.)*

- 6M 2018/2019
- 6M 2017/2018

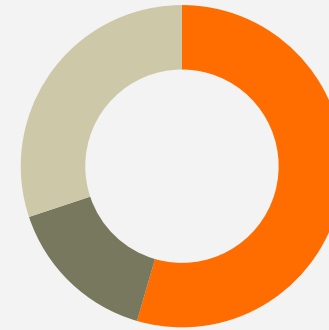
in shares/day
9,960
7,475

4 Market capitalization

- December 31, 2018
- July 1, 2018

in € million
1,716
2,026

*Numbers adjusted for 1:5 share split in March 2019



FAMILIES
BÜCHTUNG,
AREND OETKER

54.5%

TESSNER
BETEILIGUNGS
GMBH

15.4%

FREE FLOAT

30.1%



Financial calendar and IR contact



May 16, 2019

9M Report 2018/2019

October 23, 2019

Publication of the 2018/2019 annual statements;
Annual Press Conference and Analysts' Conference in Frankfurt



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