Einbeck, May 16, 2019

KWS well on track after the first nine month 2018/2019 –
Annual forecast concretized

Net sales at previous year’s level despite negative exchange rate effects – Increase in EBIT and earnings per share – EBIT margin now expected in the upper range of the forecast (10-12%) for the full year

The KWS Group (ISIN: DE0007074007) generated net sales of €857.7 million, at the level of the previous year (€862.5 million), in the first nine month 2018/2019. Operating income (EBIT) and earnings per share rose slightly. Higher earnings in Corn and Cereals segments offset decline in Sugarbeet result.

“Our business continued to perform well in a challenging environment,” said Eva Kienle, Chief Financial Officer of KWS SAAT SE. “Given that the spring sowing season was pleasing by and large, we expect a slight increase in net sales and an EBIT margin in the upper range of our forecast for the full year.”

Net sales in the first nine months of 2018/2019 were €857.7 million and thus at the level of the previous year (€862.5 million). The strong decline in value of a number of local currencies in countries where the KWS Group operates had negative effects on net sales, which are consolidated in euros.

The KWS Group’s operating income (EBIT) improved by 2.4% to €173.1 (169.0) million. An increase in gross profit was partly offset by higher function costs for research and development, sales and administration. The balance of other operating income and other operating expenses rose as a result of non-recurring income from the sale of a company participation, as well as positive effects from receivables management activities.

Net financial income/expenses was €9.8 (11.7) million and thus down on the previous year, mainly due to a fall in the interest result to € –7.4 (–5.1) million. Net income from our equity-accounted companies improved slightly to €17.2 (16.8) million.

Income taxes totaled € –54.8 (–56.5) million. Net income for the period and earnings per share improved slightly to €128.1 (124.1) million and €3.88 (3.76) respectively.

Overview of key figures

<table>
<thead>
<tr>
<th>In € million</th>
<th>1st – 3rd quarter of 2018/2019</th>
<th>1st – 3rd quarter of 2017/2018</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>857.7</td>
<td>862.5</td>
<td>–0.6%</td>
</tr>
<tr>
<td>Operating income (EBIT)</td>
<td>173.1</td>
<td>169.0</td>
<td>2.4%</td>
</tr>
<tr>
<td>Net financial income/expenses</td>
<td>9.8</td>
<td>11.7</td>
<td>–16.2%</td>
</tr>
<tr>
<td>Result of ordinary activities</td>
<td>182.9</td>
<td>180.7</td>
<td>1.2%</td>
</tr>
<tr>
<td>Taxes</td>
<td>54.8</td>
<td>56.5</td>
<td>–3.0%</td>
</tr>
<tr>
<td><strong>Net income for the period</strong></td>
<td><strong>128.1</strong></td>
<td><strong>124.1</strong></td>
<td><strong>3.2%</strong></td>
</tr>
<tr>
<td><strong>Earnings per share (€)</strong></td>
<td><strong>3.88</strong></td>
<td><strong>3.76</strong></td>
<td><strong>3.2%</strong></td>
</tr>
</tbody>
</table>

* Earnings per share for the previous period have been adjusted to reflect the share split (1:5)
Business performance of the segments

Net sales at the Corn Segment were €575.4 million and so at the level of the previous year (€575.9 million). In North America, net sales at our joint venture AgReliant declined, among other things due to realignment of the brand portfolio. An improved supply of seed resulting from the switchover in our portfolio meant that net sales in South America – and in particular in our main market Brazil – were well up over the previous year. Net sales in Europe were at the level of the previous year, with a decline in revenue in Germany and France being largely offset by increases in Eastern and Southern Europe. The segment's income improved significantly to €73.9 (61.8) million.

Net sales at the Sugarbeet Segment in the first nine months of the year fell by 9.3% to €335.1 (369.6) million. Apart from the negative impact from exchange rate effects, the decline was mainly due to lower sales in regions with early sowing – particularly due to lower acreage in Germany and France. On the other hand, growth markets with late sowing have not yet fully contributed to segment sales. Net sales in Eastern Europe trended very positively, in particular as a result of the launch of CONVISO® SMART. In North America, we posted a slight decline in revenue. The segment's income fell significantly to €143.6 million (€154.7) million.

Net sales at the Cereals Segment rose in the first nine months of the year by 13.5% to €156.2 (137.6) million. That increase is mainly attributable to successful rye seed business, which benefitted from the relatively stable yields hybrid rye delivers in the dry summer conditions in our core markets, as well as from good commodity prices. Rye is relatively drought-tolerant compared to other cereal crops. In particular wheat and barley contributed to the growth in net sales in the spring sowing season. The segment's income improved significantly to €42.6 (30.6) million due to higher contribution margins from rye business.

Net sales in the Corporate Segment totaled €3.2 (3.2) million. They are mainly generated from our farms. Since all cross-segment costs for the KWS Group’s central functions and basic research expenditure are charged to the Corporate Segment, its income is usually negative. The costs consolidated in this segment rose in the first nine months of the year, among other things due to additional work as part of our reorganization project GLOBE and costs for changing KWS SAAT SE’s legal form. The segment’s income was € –67.3 (–59.1) million.

Reconciliation table

<table>
<thead>
<tr>
<th>In € million</th>
<th>Segments</th>
<th>Reconciliation</th>
<th>KWS Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>1,069.9</td>
<td>-212.2</td>
<td>857.7</td>
</tr>
<tr>
<td>EBIT</td>
<td>192.8</td>
<td>-19.7</td>
<td>173.1</td>
</tr>
</tbody>
</table>

1 Excluding the shares of the equity-accounted companies AGRELIANT GENETICS LLC., AGRELIANT GENETICS INC. and KENFENG – KWS SEEDS CO., LTD.

Annual forecast for 2018/2019 concretized

KWS confirms its net sales forecast (a slight increase) for fiscal 2018/2019 and now expects an EBIT margin in the upper range of the forecast (10-12%).

The Executive Board also assumes a significant expansion of research and development and sales activities, a slight decline in sugarbeet seed business, and an increase in administrative expenses. Expansion of research and development activities will result in an
increase in our R&D intensity to around 19% (18.5%). As far as can be seen at present, capital spending will amount to more than €100 million.

**Additional information**


A conference call & webcast for analysts and investors with Eva Kienle (CFO) will be held at 3.00 pm CEST. Further information on this event is available at [www.kws.com/investors](http://www.kws.com/investors)

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**About KWS**

KWS is one of the world’s leading plant breeding companies. More than 5,000 employees in 70 countries generated net sales of EUR 1,068 million and earnings before interest and taxes (EBIT) of EUR 133 million. A company with a tradition of family ownership, KWS has operated independently for more than 160 years. It focuses on plant breeding and the production and sale of seed for corn, sugarbeet, cereals, rapeseed and sunflowers. KWS uses leading-edge plant breeding methods to increase farmers’ yields and to improve resistance to diseases, pests and abiotic stress. To that end, the company invested almost EUR 200 million last fiscal year in research and development, around 18 percent of its net sales.

*All figures exclude the companies carried at equity AGRE LIANT GENETICS LLC., AGRELIANT GENETICS INC. and KENFENG – KWS SEEDS CO., LTD.*


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