

Investor presentation

KWS SAAT SE & Co. KGaA | November 2020

SEEDING
THE FUTURE
SINCE 1856



Our long-term goals



Profitable growth

Long-term strategy based on organic growth combined with acquisitions



Innovation

Significant investment in research and breeding



Independence

Since generations supported by family shareholders



Sustainability

Long-term economic success and sustainable development

Seed specialist

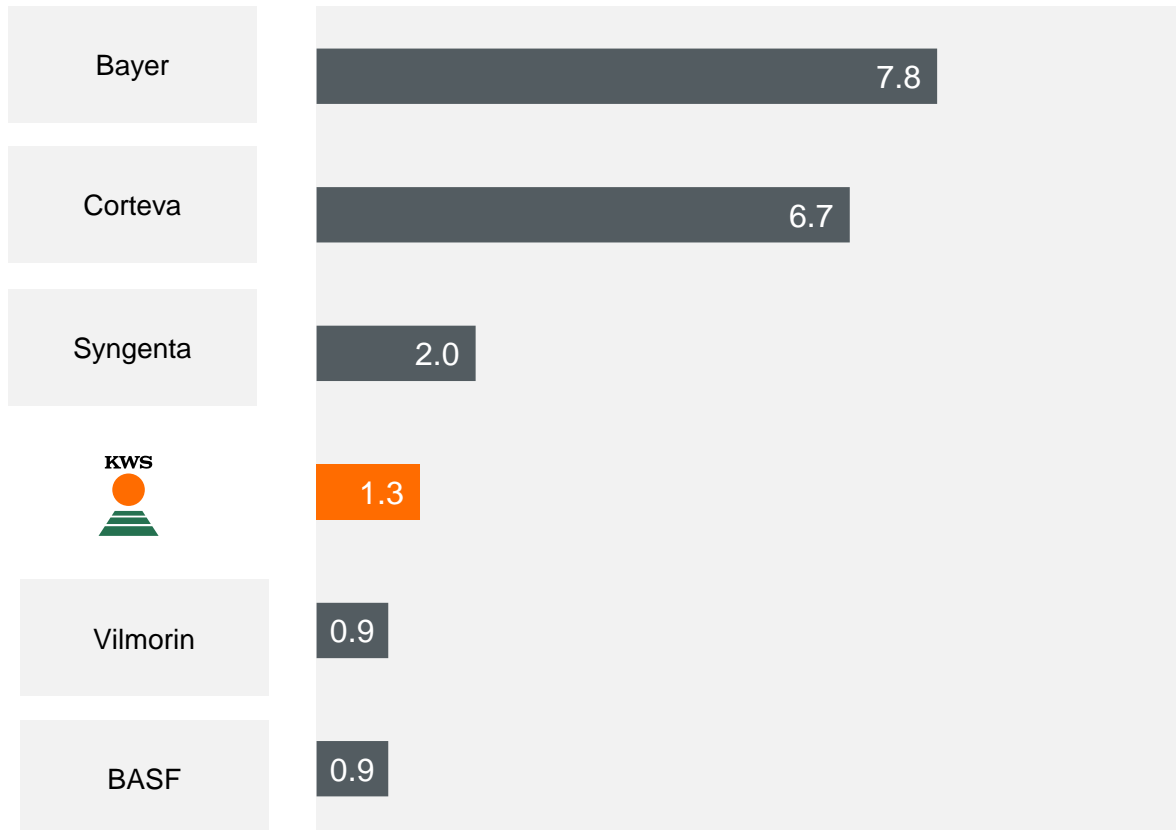


KWS' competitive environment



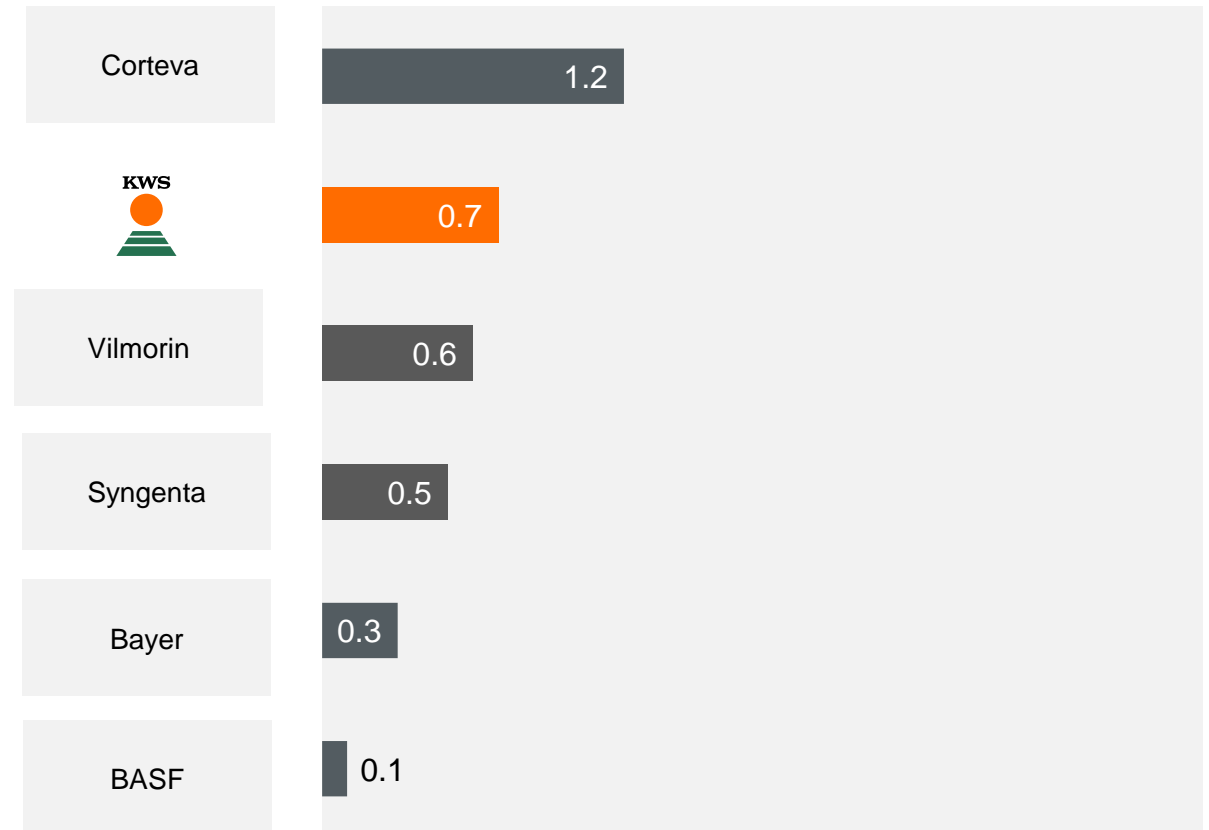
Globally

Sales from agricultural crops in € billion



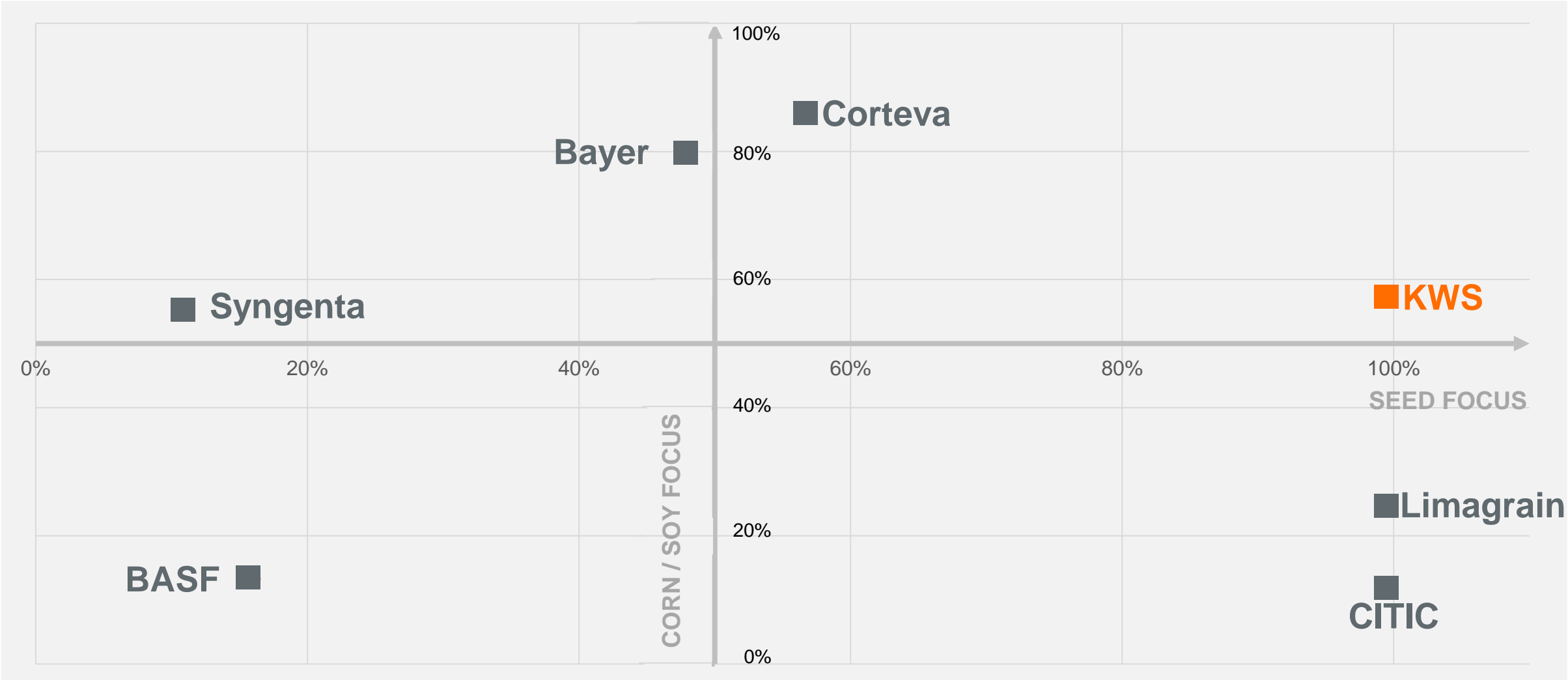
Europe

Sales from agricultural crops in € billion



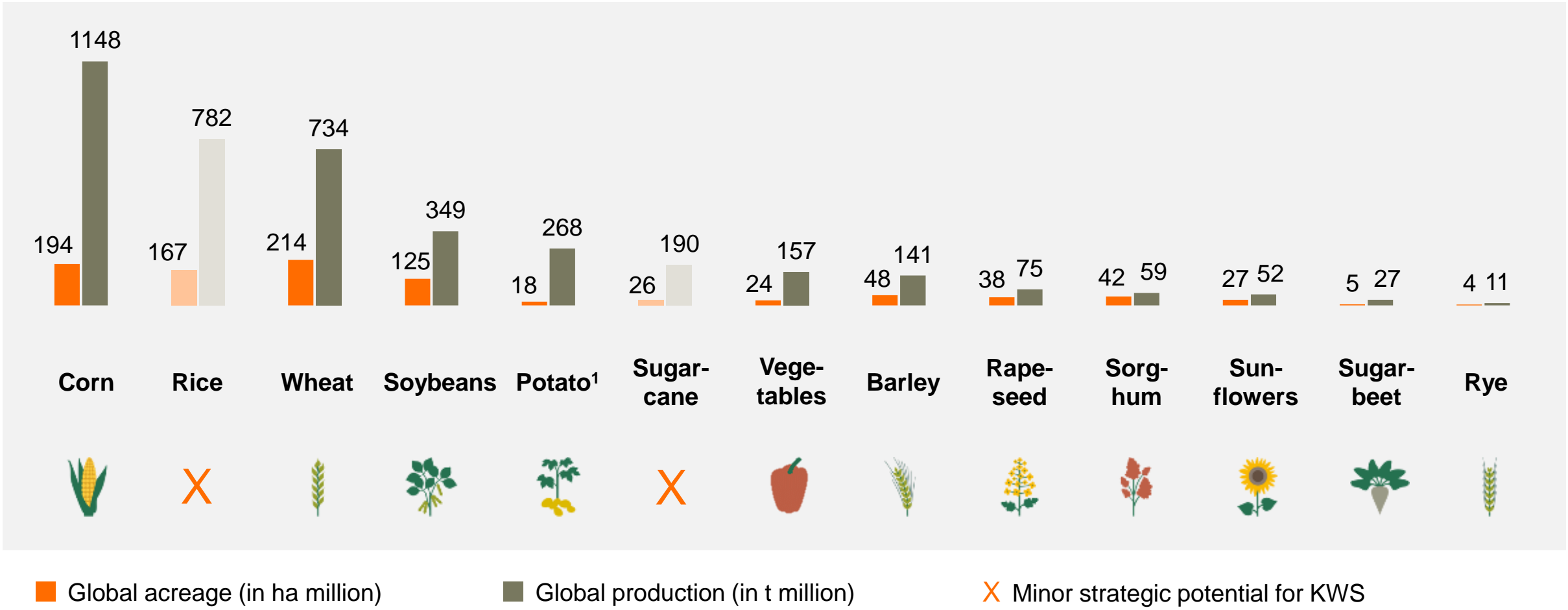
Source: AgbioInvestor 2019 and KWS estimates, excluding vegetable and flower business, as well as pasture and grazing activities

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

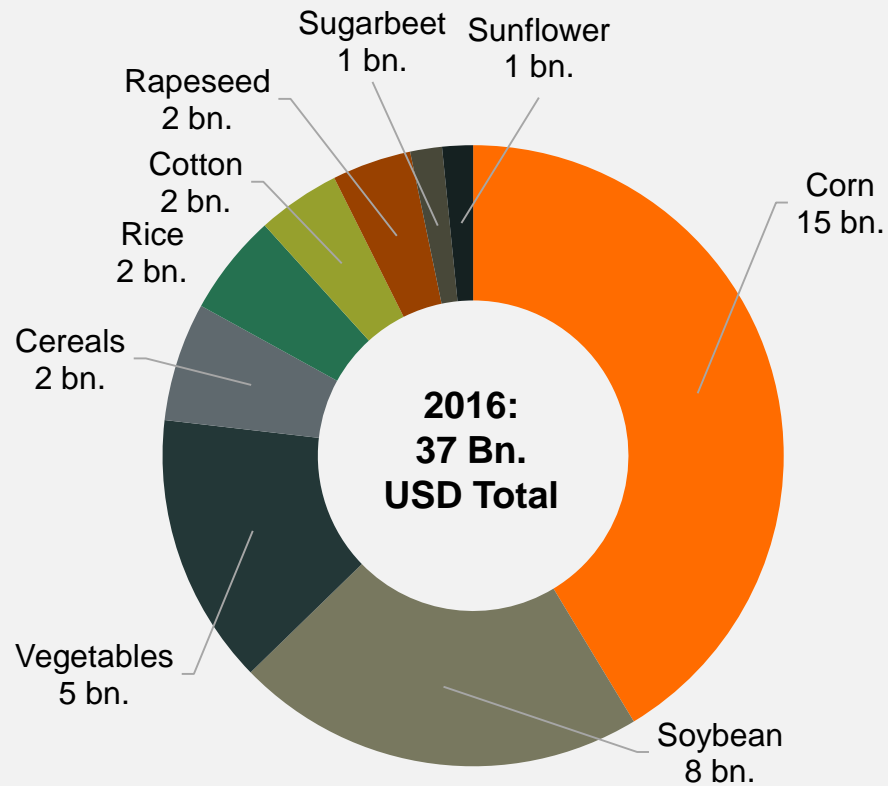


Source: faostat.fao.org (Data for 2018), zuckerverbaende.de; ¹ No commercial business for KWS, but target of strategic research and development.

Vegetable Seeds – A growing and highly profitable market

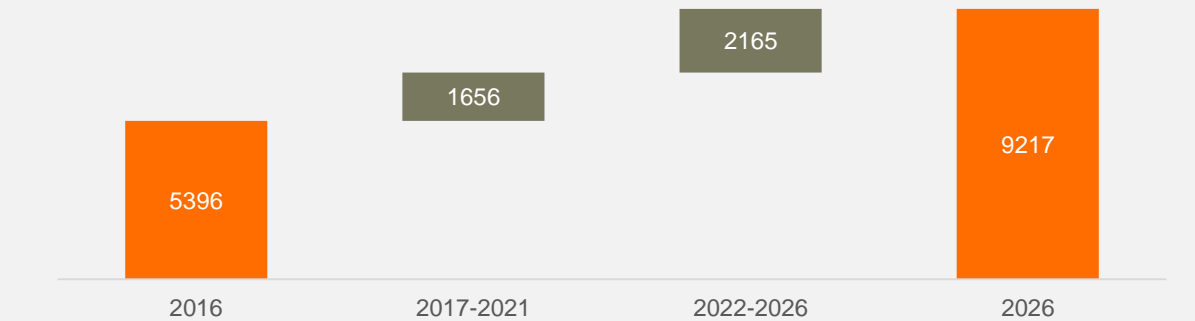


Global Commercial Seed Market



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



Update Q1 2020/2021

As is customary in the first quarter, the key earnings figures were negative



in € million	Q1 2020/2021	Q1 2019/2020	+/-
Net sales	184.1	191.0	-3.6%
EBITDA	-27.3	-21.8	-25.2%
EBIT	-50.5	-42.3	-19.4%
Net financial income/expenses	-15.2	-22.2	31.5%
Result of ordinary activities	-65.6	-64.6	-1.5%
Income taxes	-17.7	-18.0	1.7%
Net income for the period	-47.9	-46.6	-2.8%
Earnings per share (in €)	-1.45	-1.41	-2.8%

EQUITY RATIO

in % of total assets

39.0% (40.9%)

TOTAL ASSETS

in € million

2,325 (2,280)

CAPEX (w/o Acquisitions)

in € million

19.9 (19.3)

NET DEBT

in € million

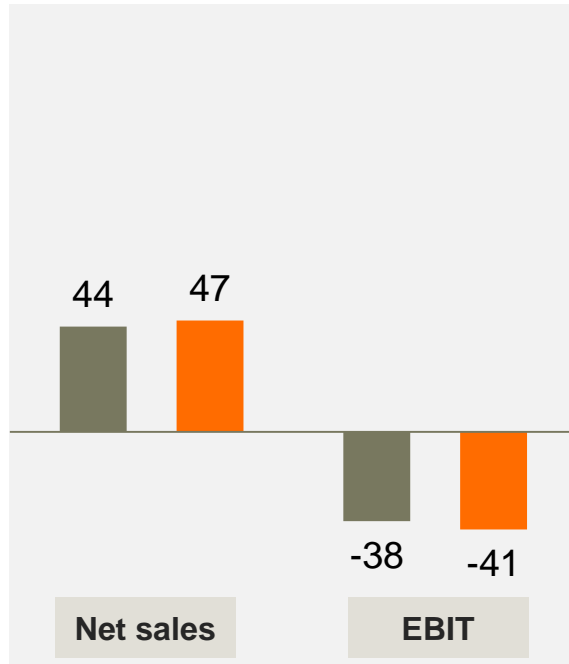
620.6 (620.3)

Previous year's figures in brackets

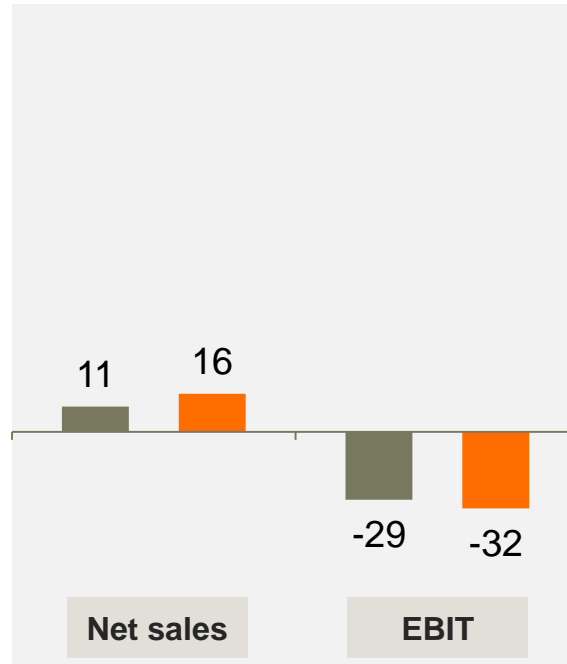
Product Segments



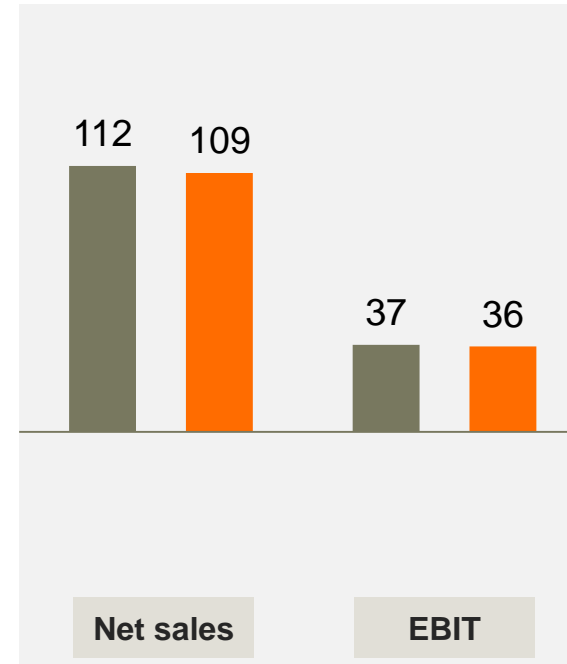
Corn



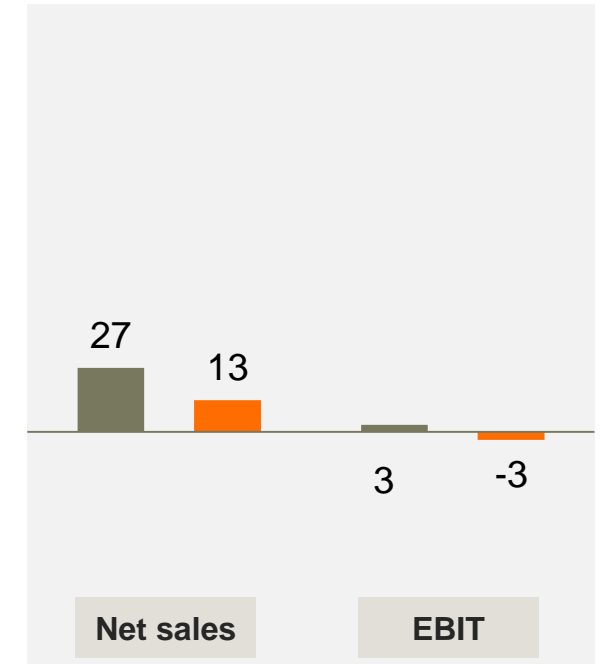
Sugarbeet



Cereals



Vegetables



■ Q1 2019/2020 ■ Q1 2020/2021

“Our operational business performance was stable by and large in the first quarter,” said Eva Kienle, Chief Financial Officer of KWS. “However, the fall in the value of a number of currencies, in particular in South America and Eastern Europe, weighed on our key financial indicators.”



Financials

FY 2019/2020

€ 1,283m

Net sales

↗ **15%** (10% organic growth)

€ 226m

EBITDA

↗ **13%**

€ 137m

EBIT*

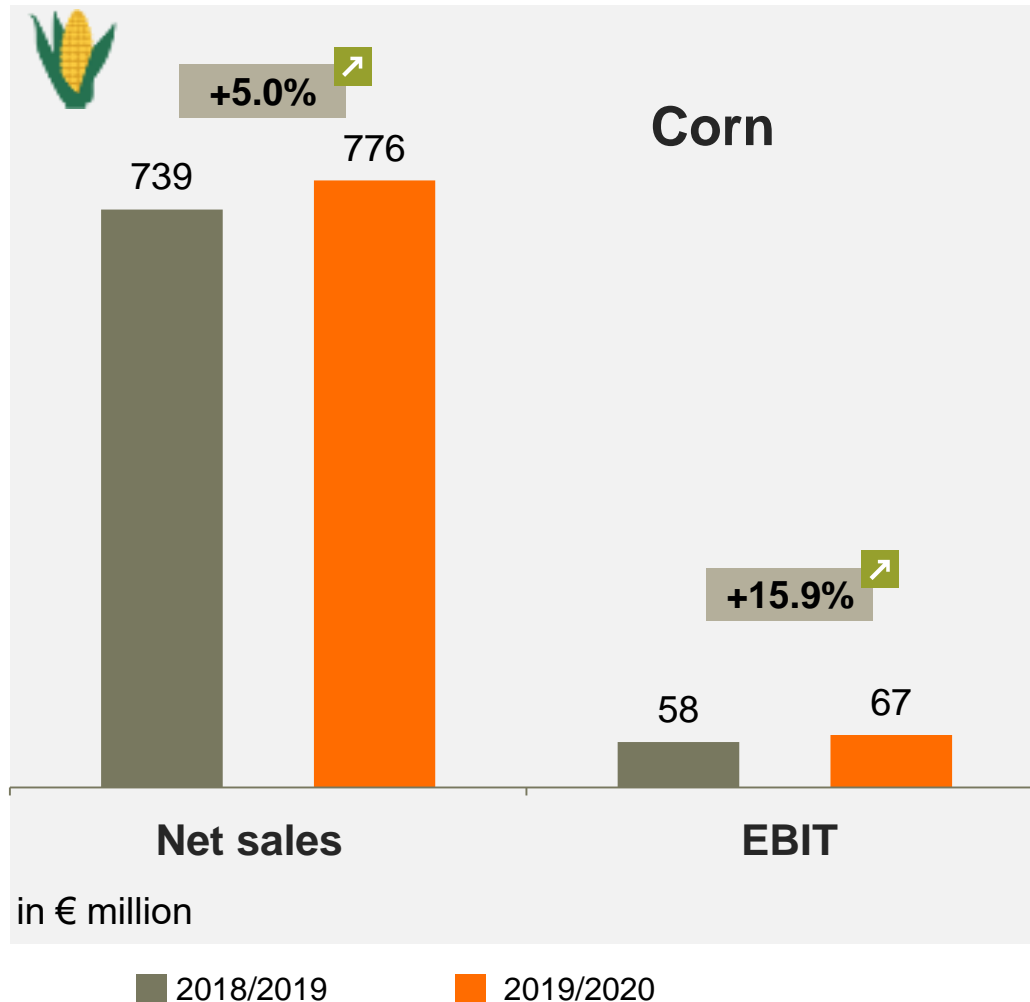
↘ **8%**

€ 2.89

EPS*

↘ **8%**

* incl. effects of purchase price allocation for acquisition of Pop Vriend Seeds

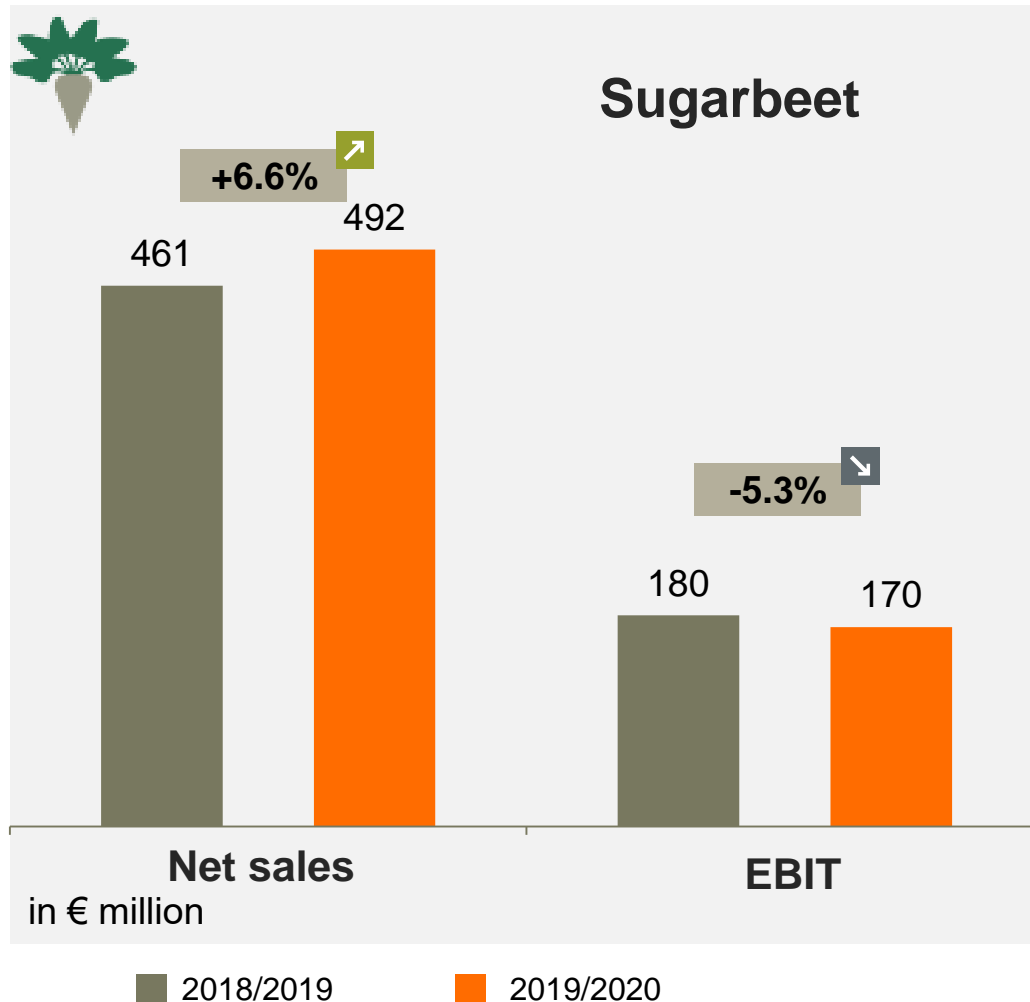


FY 2019/2020

- Sales growth driven by European markets and South America
- Strong volume increase in Brazil due to higher acreage and market share gains offset by weakening BRL
- U.S. Joint Venture sales (AgReliant) on previous year's level
- Segment EBIT increased by 15.9% to € 67m (58m)
- EBIT margin improved to 8.6% (7.8%)

Outlook 2020/2021

- Sales / EBIT margin slightly above previous year

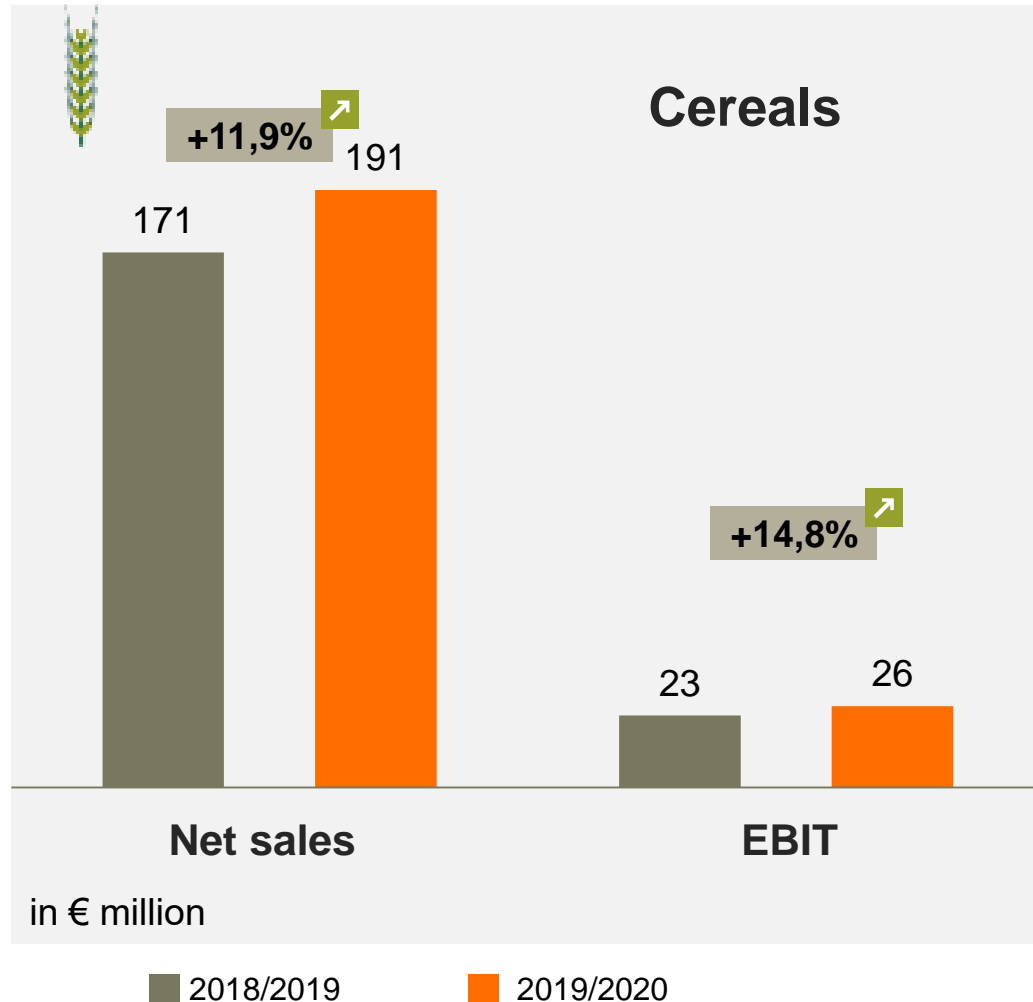


FY 2019/2020

- Segment sales increased by 6.6% despite decline of global acreage
- Successful market introduction of CONVISO® SMART technology – now available in 24 countries
- Segment EBIT decreased to € 170m (180m) due to one-time effect in FY 2018/2019 (sale of participation)
- Strong profitability maintained

Outlook 2020/2021

- Sales / EBIT margin comparable to previous year

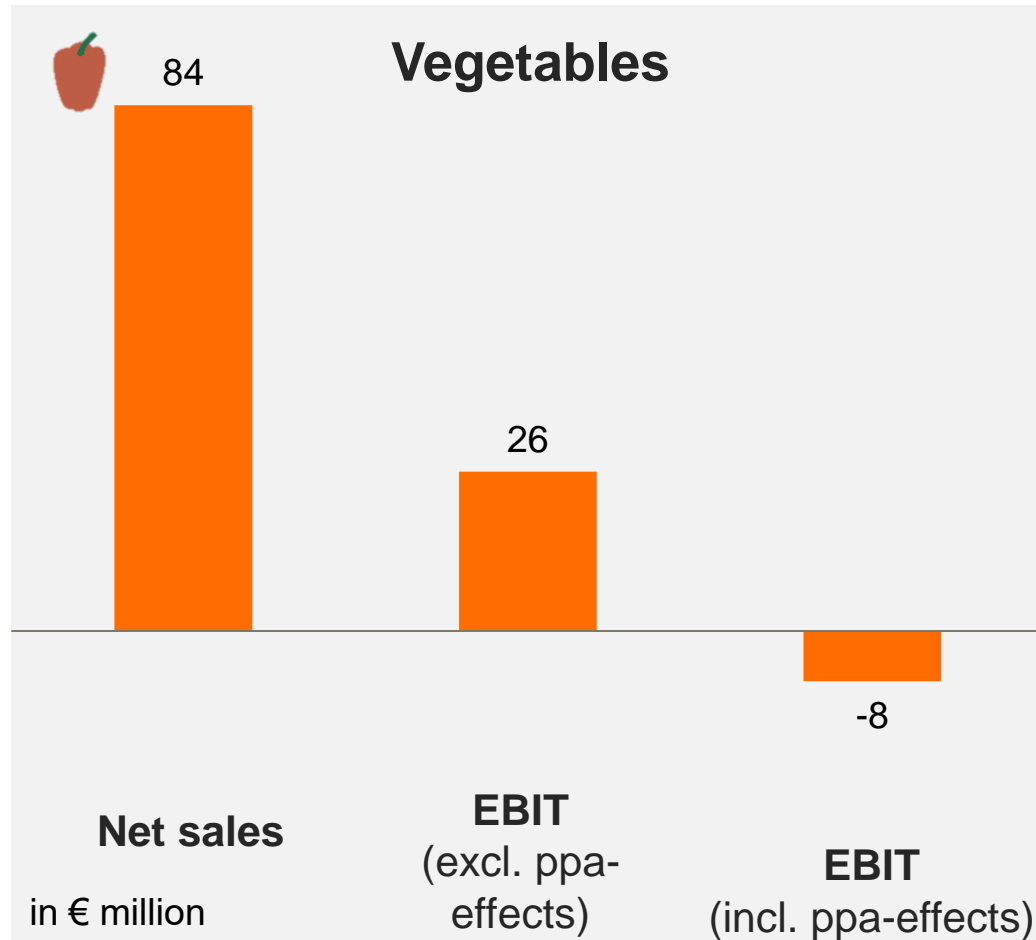


FY 2019/2020

- Cereals sales show strong increase of 11.9% to € 191m (171m)
- Sales performance mainly driven by growth of 27% in hybrid rye
- Wheat & barley sales stable, oilseed rape below previous year
- Segment EBIT up by 14.8% to € 26m (23m)

Outlook 2020/2021

- Sales stable
- EBIT margin slightly below previous year



2019/2020

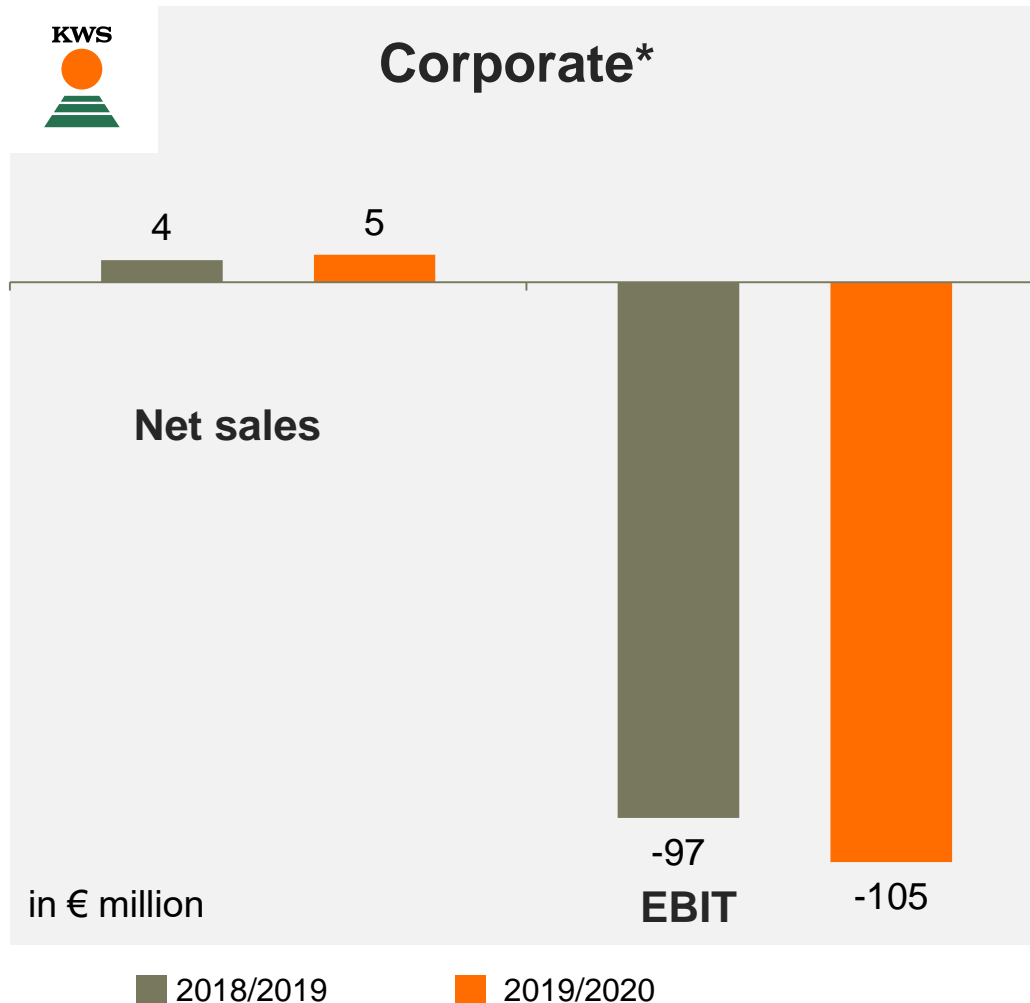
FY 2019/2020

- Newly formed Vegetables segment contributed net sales of € 84m – mainly driven by spinach and bean seeds in the United States and Europe
- High profitability (excl. ppa-effects) maintained with EBIT at € 26m
- ppa-effects include non-cash items of:
 - € –11.1m from sale of inventories (at fair value)
 - € –21.9m amortization of intangible assets

Outlook 2021/2020

- Sales slightly below previous year (Corona-related)
- EBIT margin at 20–25% (excl. ppa-effects)

Segment development – Corporate*



FY 2019/2020

- Costs consolidated in the segment increased mainly due to reorganization (ONEGLOBE), higher centralized R&D expenses and impact of FX hedging instruments

Outlook 2020/2021

- Improvement of EBIT

*Segment includes cross-segment costs for the KWS Group's central functions and basic research expenditure; EBIT typically negative

Significant increase in Net sales and EBITDA



In € million	2019/2020	2018/2019	+/-
Net sales	1,282.6	1,113.3	15.2 %
EBITDA	225.5	199.7	12.9 %
EBIT	137.4	150.0	-8.4 %
Financial result	-7.8	-5.5	-
Result of ordinary activities	129.5	144.5	-10.4 %
Taxes	34.3	40.4	-15.1 %
Net income	95.2	104.0	-8.4 %
Earnings per share (in €)	2.89	3.15	-8.4 %

EBIT MARGIN (excl. ppa-effects)
EBIT as a % of net sales

13.3% (13.5%)

COST OF SALES
as a % of net sales

42.9% (41.2%)

R&D INTENSITY
as a % of net sales

18.4% (18.5%)

Tax rate
in %

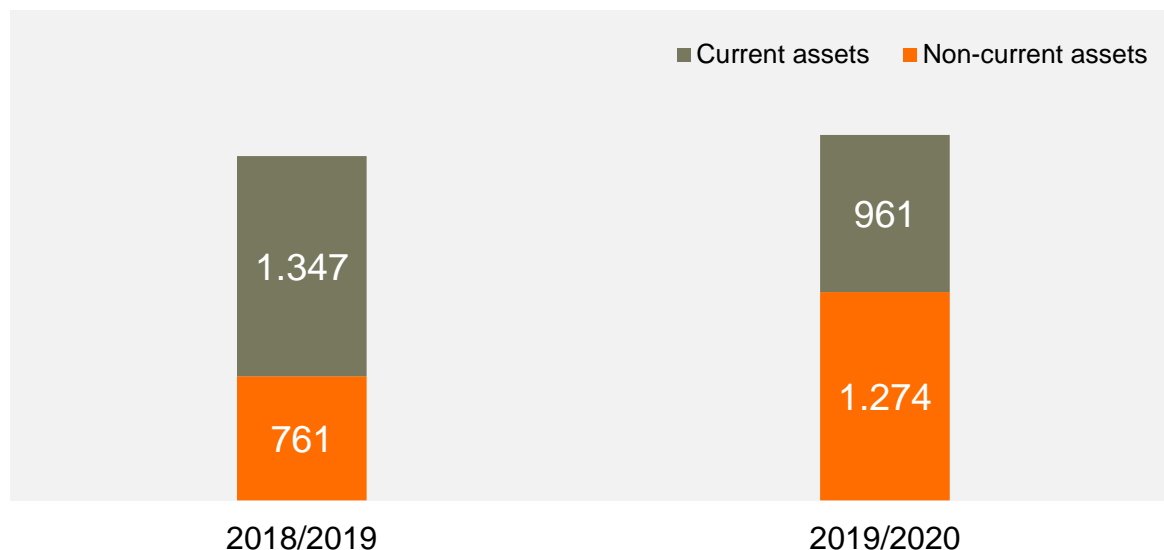
26.5% (28.0%)

Previous year's figures in brackets

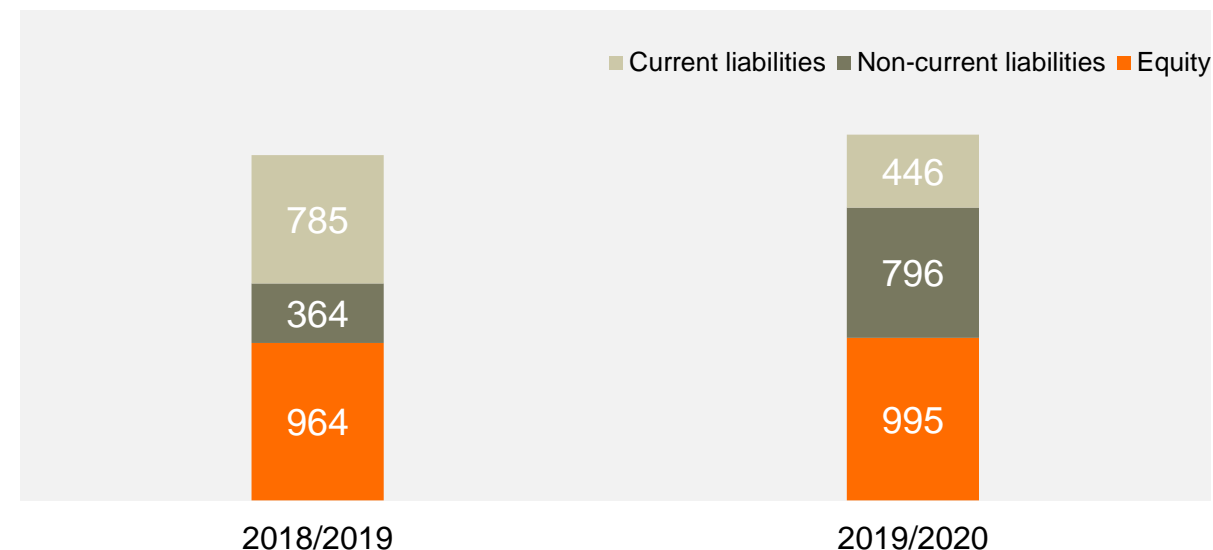
Balance sheet as of June 30, 2020



Balance sheet structure – Assets in € million



Balance sheet structure – Equity and liabilities in € million



TOTAL ASSETS

in € million

2,336 (2,115)

EQUITY RATIO

as a % of total assets

44.5% (45.5%)

NET DEBT

in € million

495.5 (497.9)

Average ROCE

in %

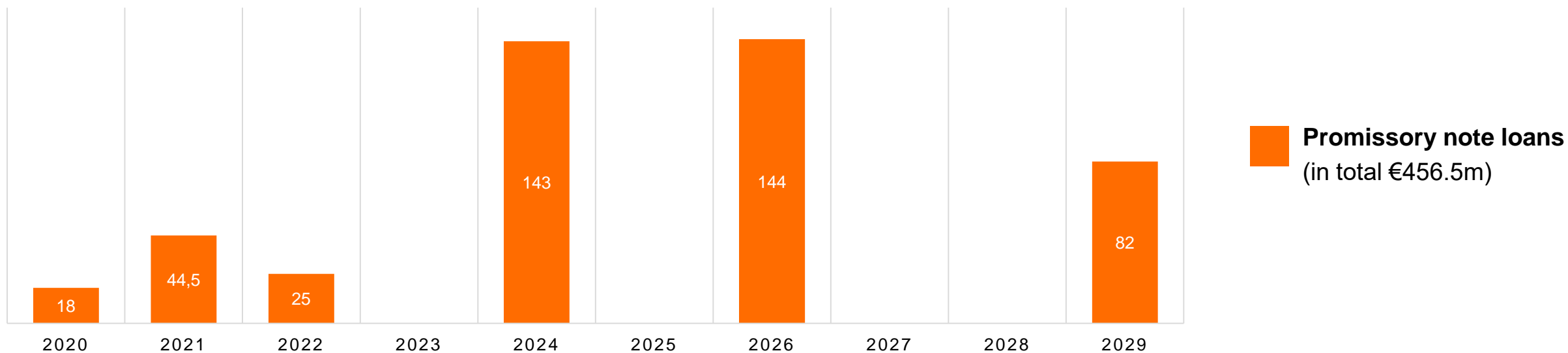
8.4% (14.3%)

Previous year's figures in brackets

Maturity profile of main debt instruments



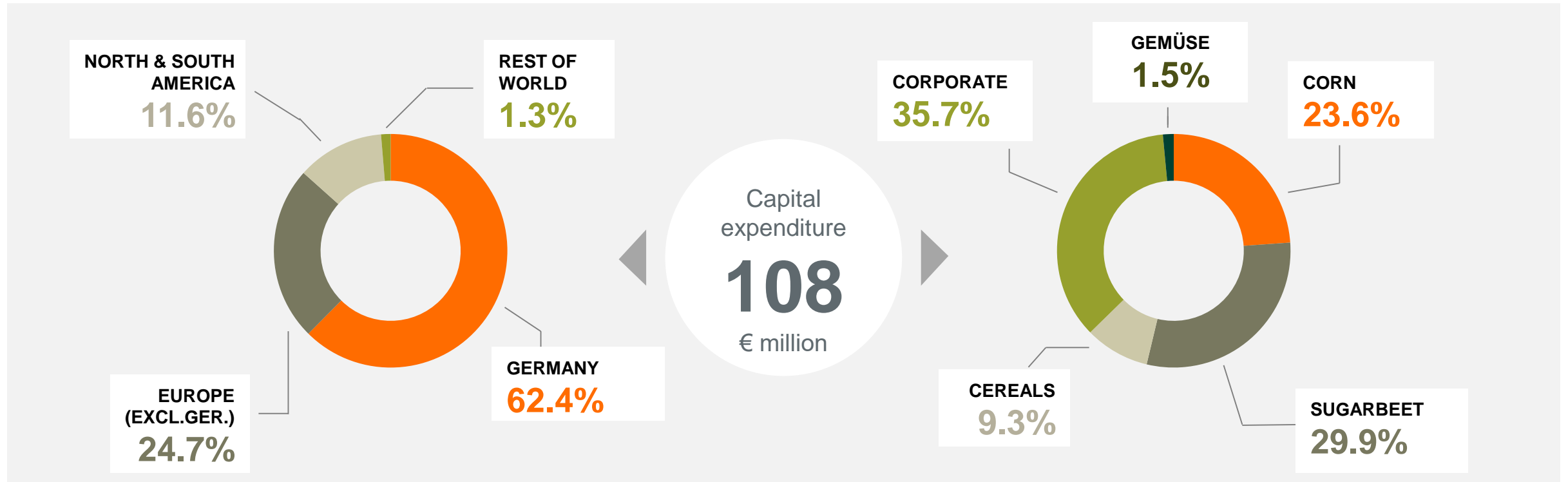
in € million (as of October 2020)



Further financial liabilities	SynLoan € 200m RCF (committed): currently not used *
	Credit line € 231.5m (uncommitted): currently not used
	Commercial Papers € 95m due to seasonal business
	EIB Loan € 200m **
	Other Bank loans € 13m ***

*Maturity: June 2025 ** Amortising until 2032, currently EUR 100m not used ***Varying maturities between 2023 and 2026

Capital expenditures



Investment focus: Germany

Previous year: € 96.6 million

Two major investment projects of KWS



Extension of seed production for sugarbeet



Three new buildings in Einbeck



30% more production capacity



CapEx volume around € 50 million



In operation since October 2020



New lab building



Three-storey building in Einbeck



2,350 sqm of new laboratory and office space



CapEx volume around € 20 million



Completion spring 2020

Forecast for the KWS Group for fiscal 2020/2021



	Forecast 2020/2021	Actual 2019/2020
Net sales	On previous year's level	€1,283 million
EBIT margin*	11 – 13%	13.3%

*w/o PPA effects from acquisition of Pop Vriend Seeds



A photograph of young corn plants in a field, with the sun setting in the background, creating a warm, golden glow. The plants are in the foreground, and the background is slightly blurred.

Seeding the future

Challenges and solutions for
modern agriculture

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

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

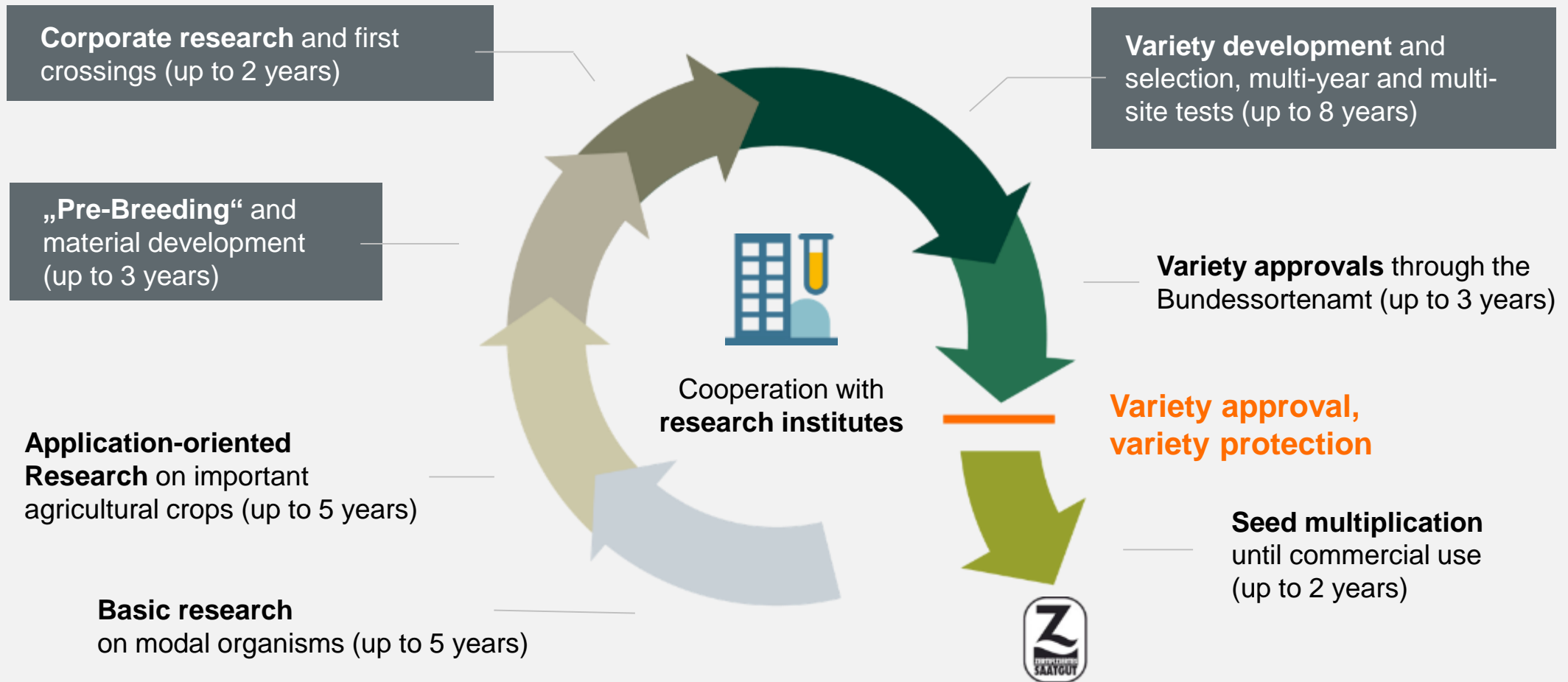
- Biologicals can help to **reduce chemical** crop protection
- **Useful microorganisms** protect yield against pests, abiotic stress (cold, drought, etc.)
- Biologicals can be applied as treatment **directly to the seed**. Very efficient in protecting the seedling right at the beginning of the development



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)

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

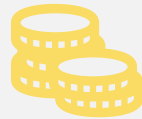
- **Target:** Introduction of a hybrid wheat system with added value for farmers
- **Advantages to conventional wheat varieties (added value):** Better yield improvement

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



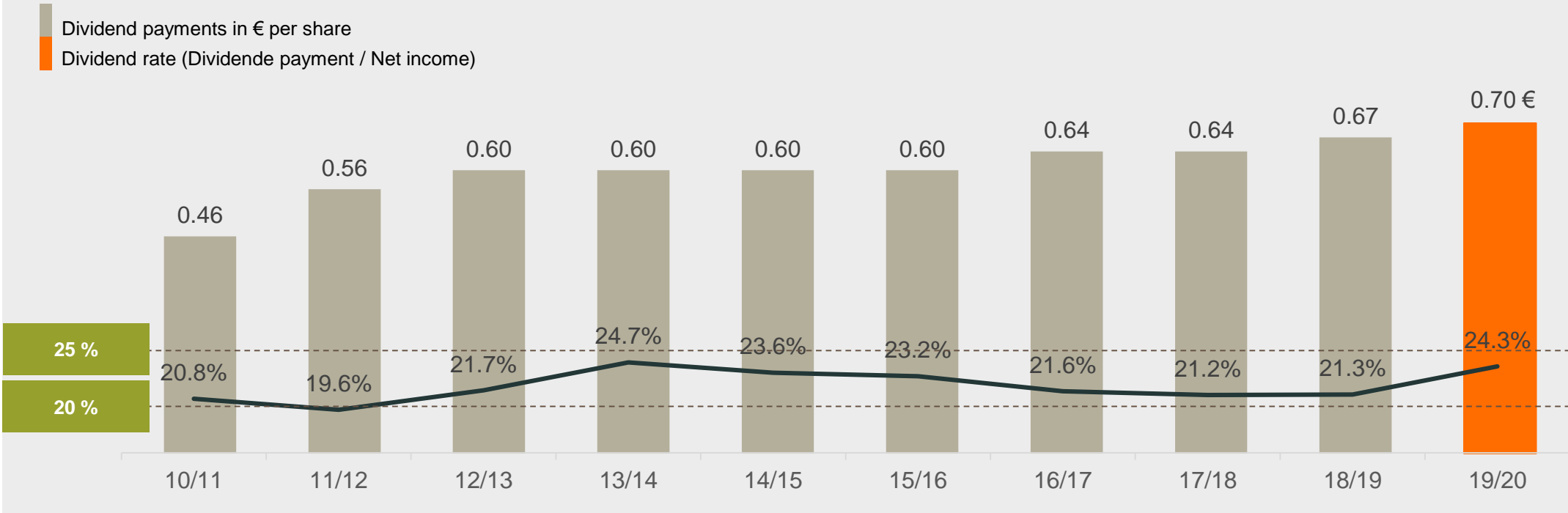
Automated
analyses



Dividend proposal: Increase to 0.70 Euro per share



Dividend payments and dividend rate of the last 10 years



Dividend policy continued

Dividends adjusted for 1:5 share split in March 2019

Key figures for the KWS share, shareholdings and coverage



1 General Data

- ISIN DE0007074007
- Number of shares 33.000.000
- Type No-par value shares

2 Closing price (Xetra)*

- June 30, 2020 in € 66.70
- June 30, 2019 64.20

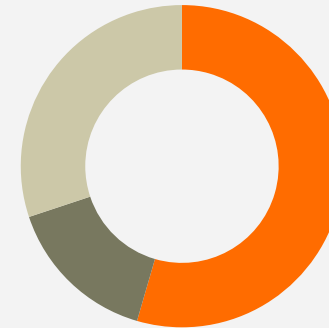
3 Daily trading volume (avg.)*

- 2019/2020 in shares/day 14,354
- 2018/2019 8,189

4 Market capitalization

- June 30, 2020 in € million 2,201
- June 30, 2019 2,119

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



FAMILIES
BÜCHTUNG,
AREND OETKER **54.4%**

TESSNER
BETEILIGUNGS
GMBH **15.4%**

FREE FLOAT **30.2%**



Financial calendar and IR contact



December 16, 2020 Annual Shareholders' Meeting (virtual)

February 18, 2021 Semiannual Report 2020/2021

May 12, 2021 9M Report 2020/2021



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