

A close-up photograph of several green, elongated seed pods, likely from a legume, showing their segmented structure and vibrant green color. They are set against a dark, blurred background.

Investor presentation

KWS SAAT SE & Co. KGaA | February 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

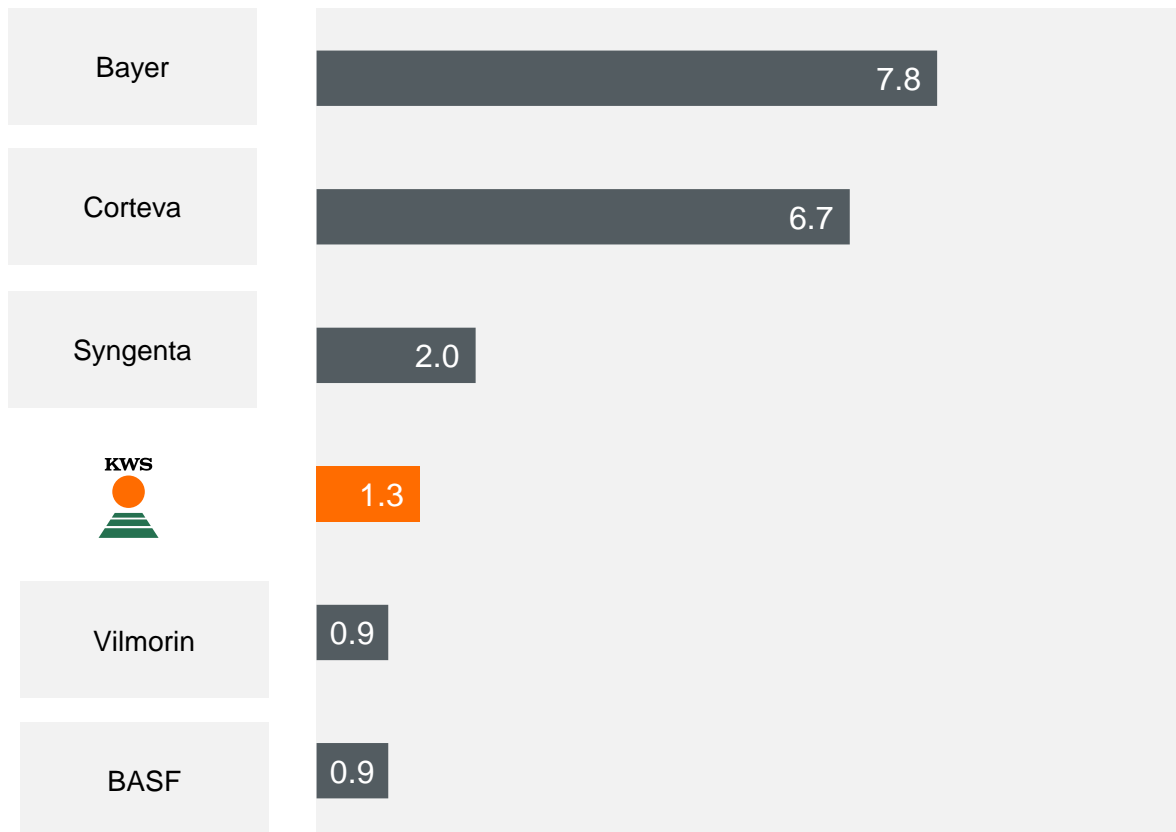


KWS' competitive environment



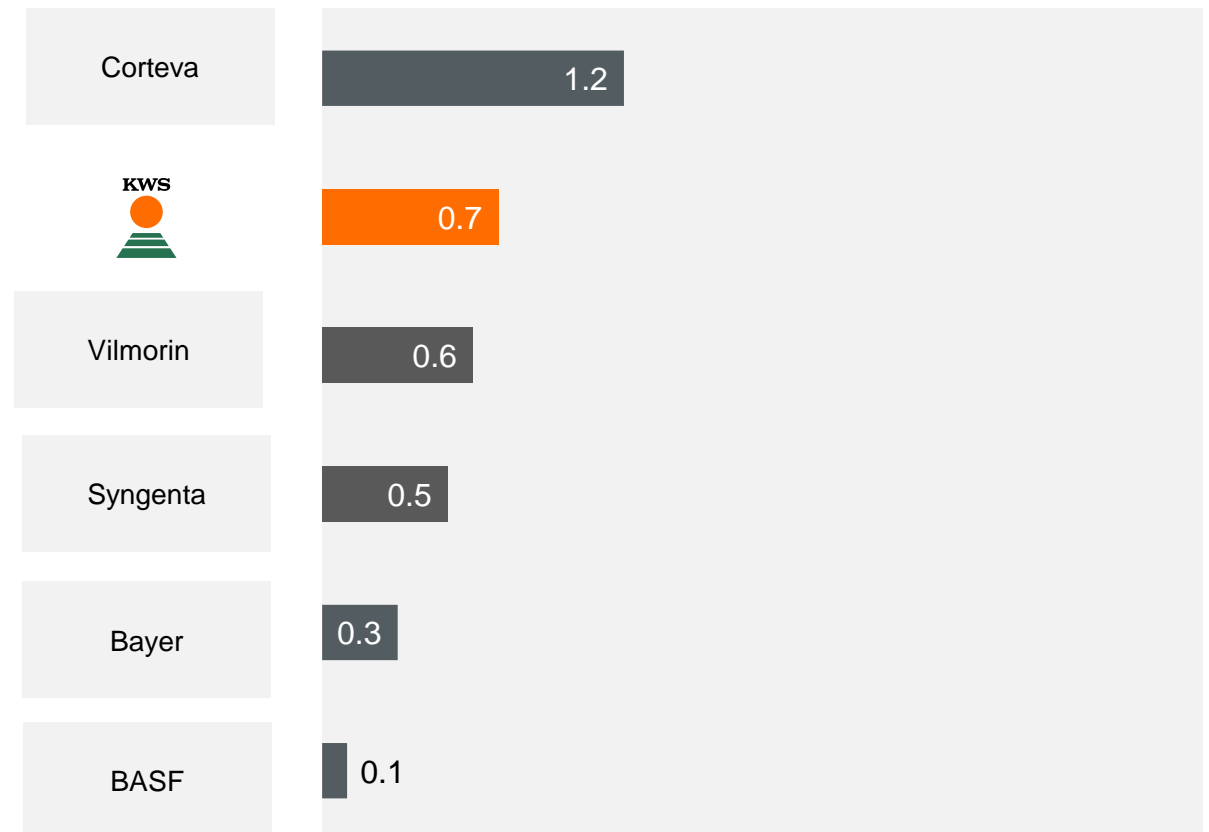
Globally

Sales from agricultural crops in € billion



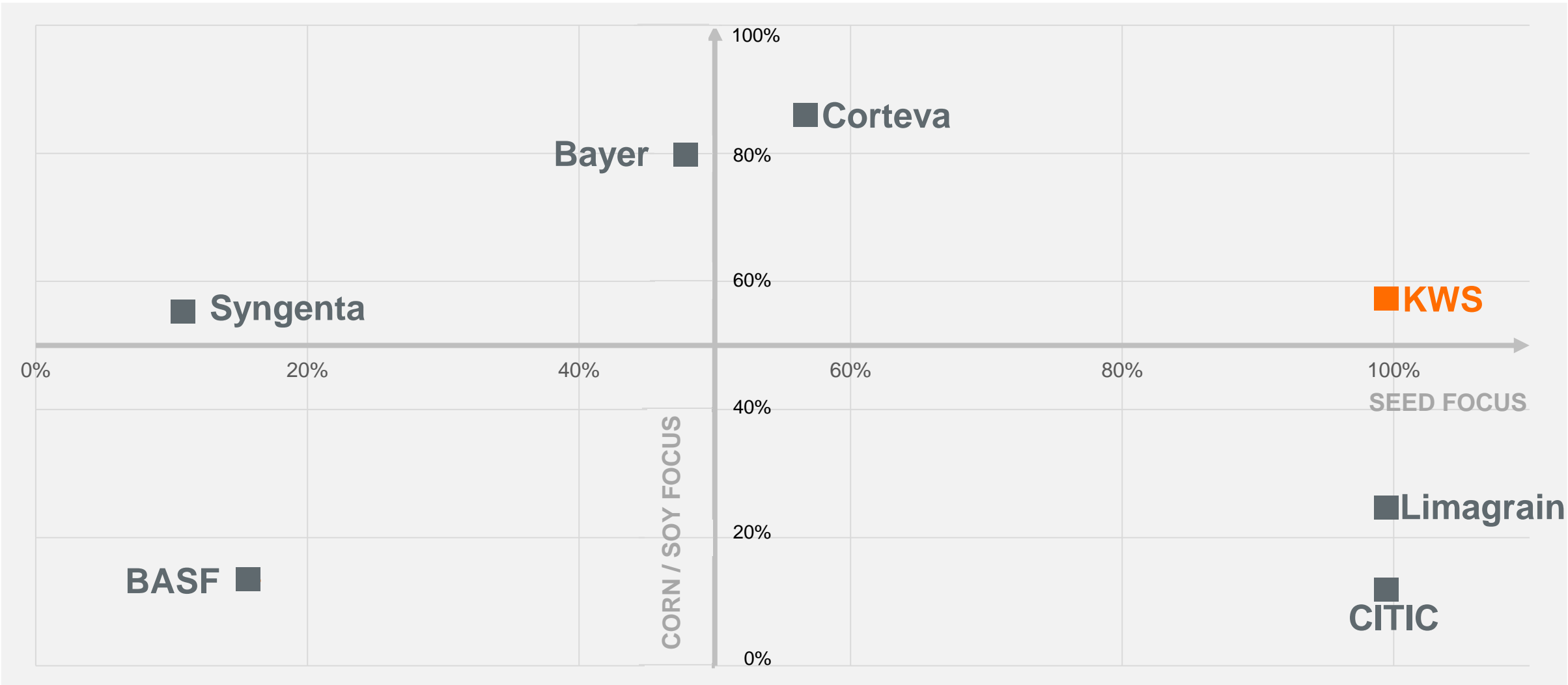
Europe

Sales from agricultural crops in € billion



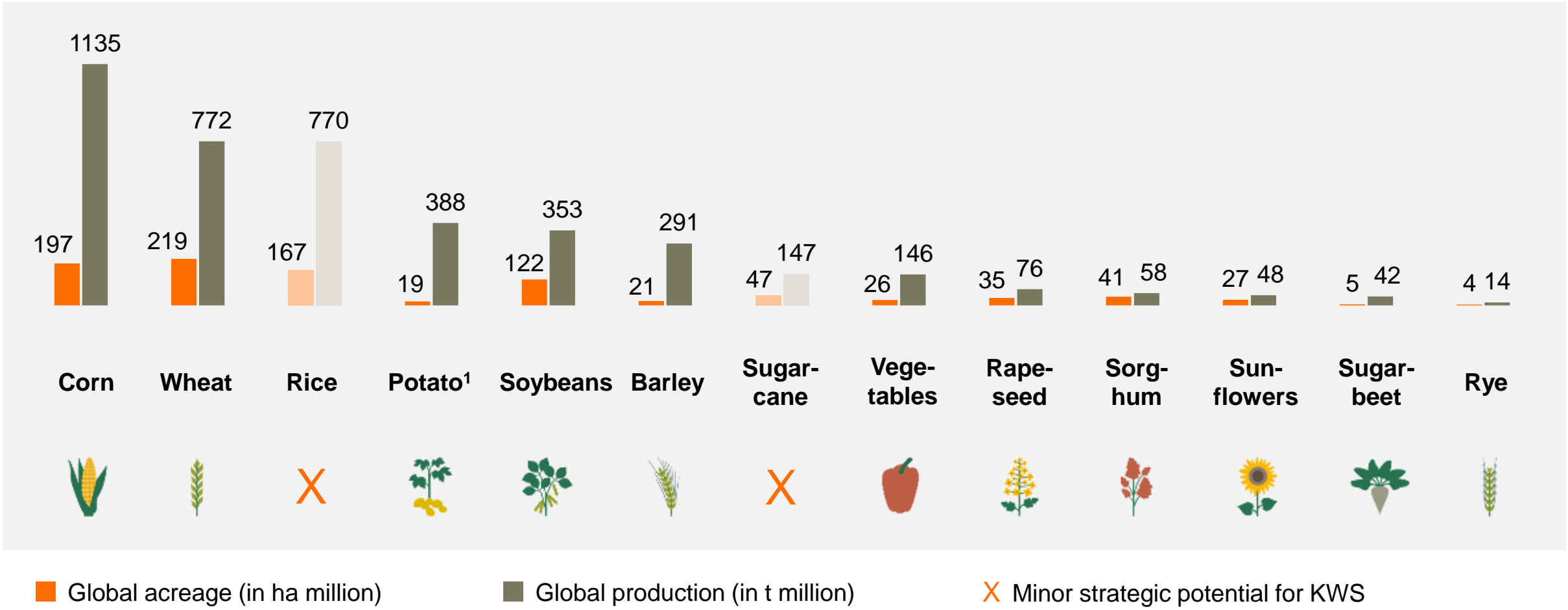
Source: AgbioInvestor 2019 and KWS estimates, excluding vegetable and flower business, as well as pasture and grazing activities

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

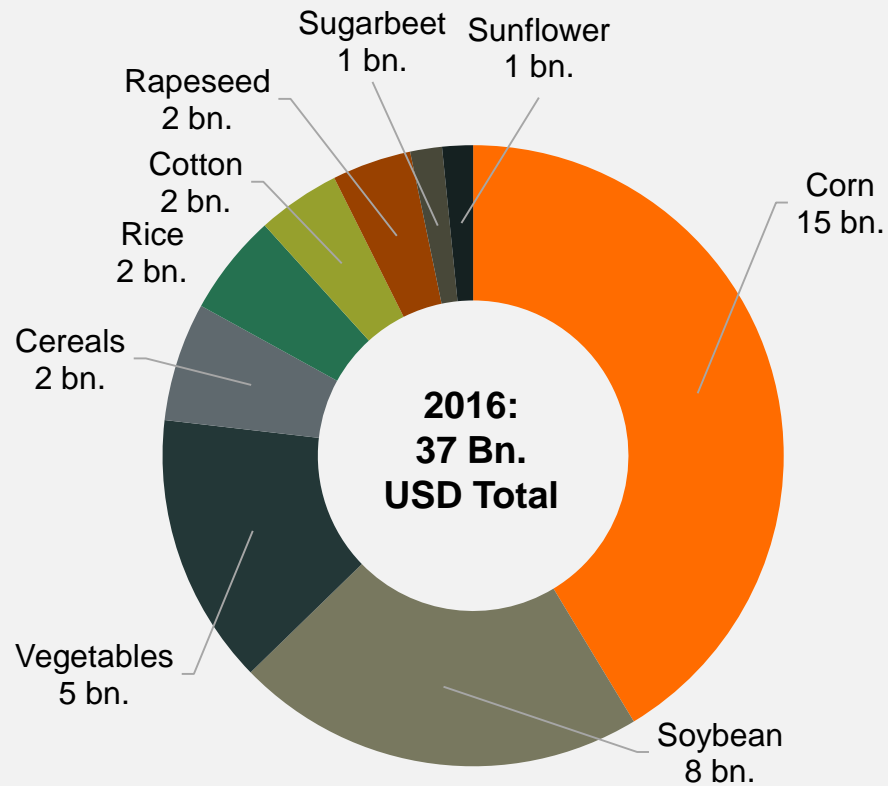


Source: faostat.fao.org (Data for 2017), zuckerverbaende.de; ¹ No commercial business for KWS, but target of strategic research and development.

Vegetable Seeds – A growing and highly profitable market

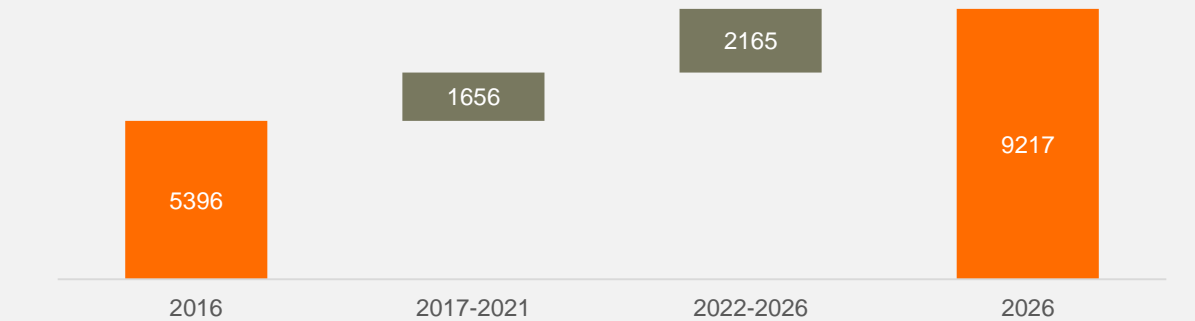


Global Commercial Seed Market



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

Founded



Market leader in
spinach seed



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



Purchase price: around
20% of KWS market cap

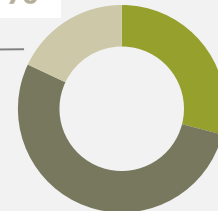


Net Sales by Region

EUROPE
29%

REST OF
WORLD
18%

AMERICAS
53%



75
€ million

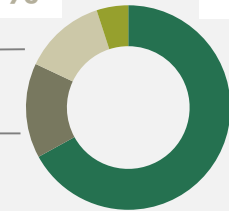
Net Sales by Section

OTHERS
13%

DISTRIBUTION
5%

BEANS
15%

SPINACH
67%



in € million	H1 2019/2020	H1 2018/2019	+/-
Net sales	329.6	289.1	14.0%
EBITDA	−50.8	−51.8	1.9%
EBIT	−92.0	−76.6	−20.1%
Net financial income/expenses	−27.4	−21.1	−29.8%
Result of ordinary activities	−119.4	−97.7	−22.2%
Income taxes	−32.8	−36.5	10.0%
Net income for the period	−86.5	−61.2	−41.4%
Earnings per share (in €)	−2.62	−1.85	−41.4%

EQUITY RATIO

in % of total assets

36.4% (50.0%)

TOTAL ASSETS

in € million

2,359 (1,597)

CAPEX (w/o Pop Vriend)

in € million

49.1 (41.8)

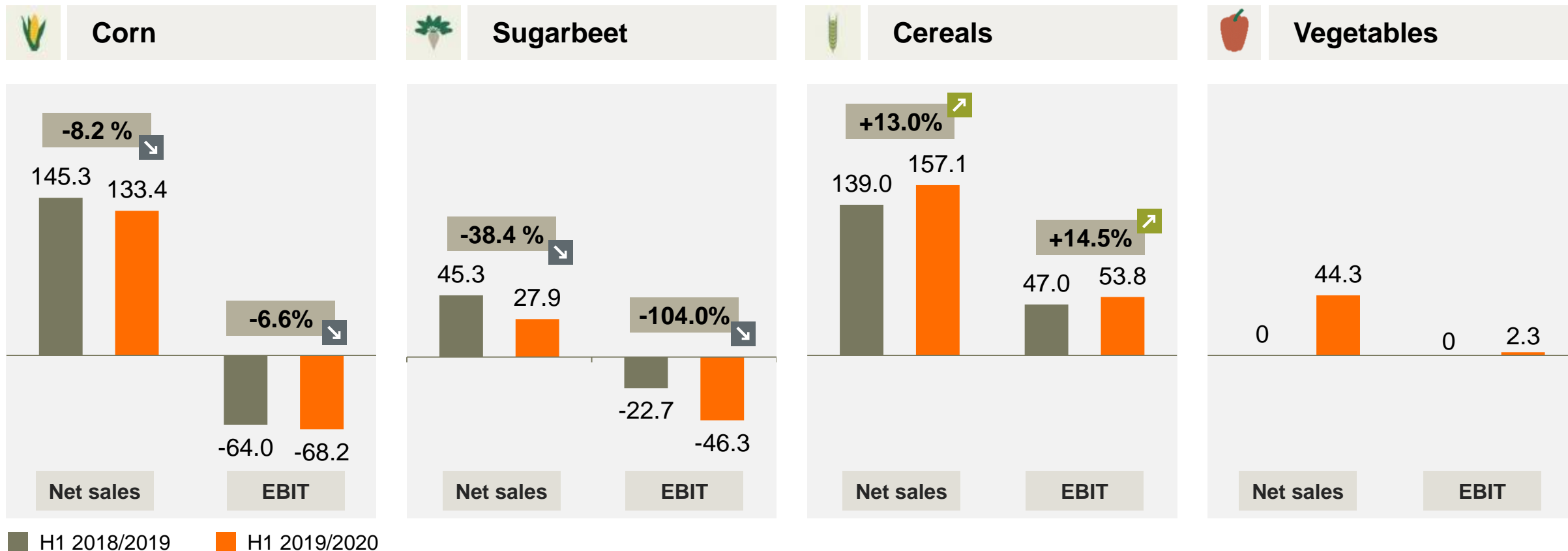
NET DEBT

in € million

642.5 (174.6)

Previous year's figures in brackets

Segments' developments



Reconciliation (in € million)	Segments	Reconciliation	KWS Group
Net sales	365.2	-35.6	329.6
EBIT	-112.8	20.8	-92.0



Financials

FY 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 %

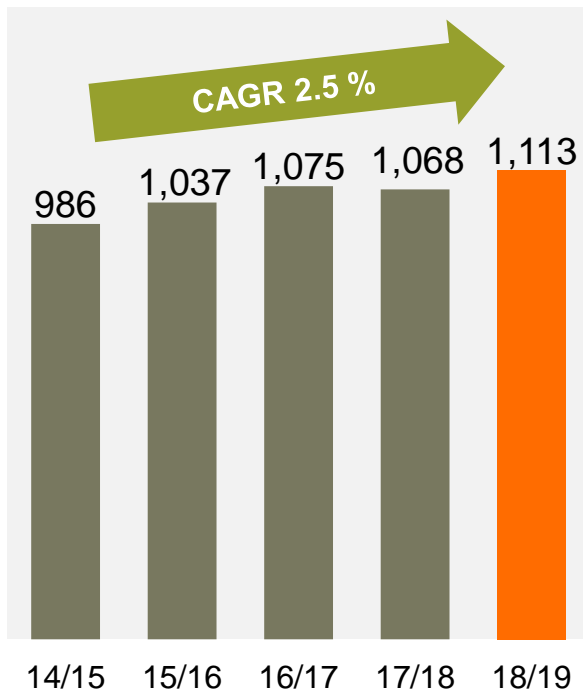
28.0% (27.8%)

Previous year's figures in brackets

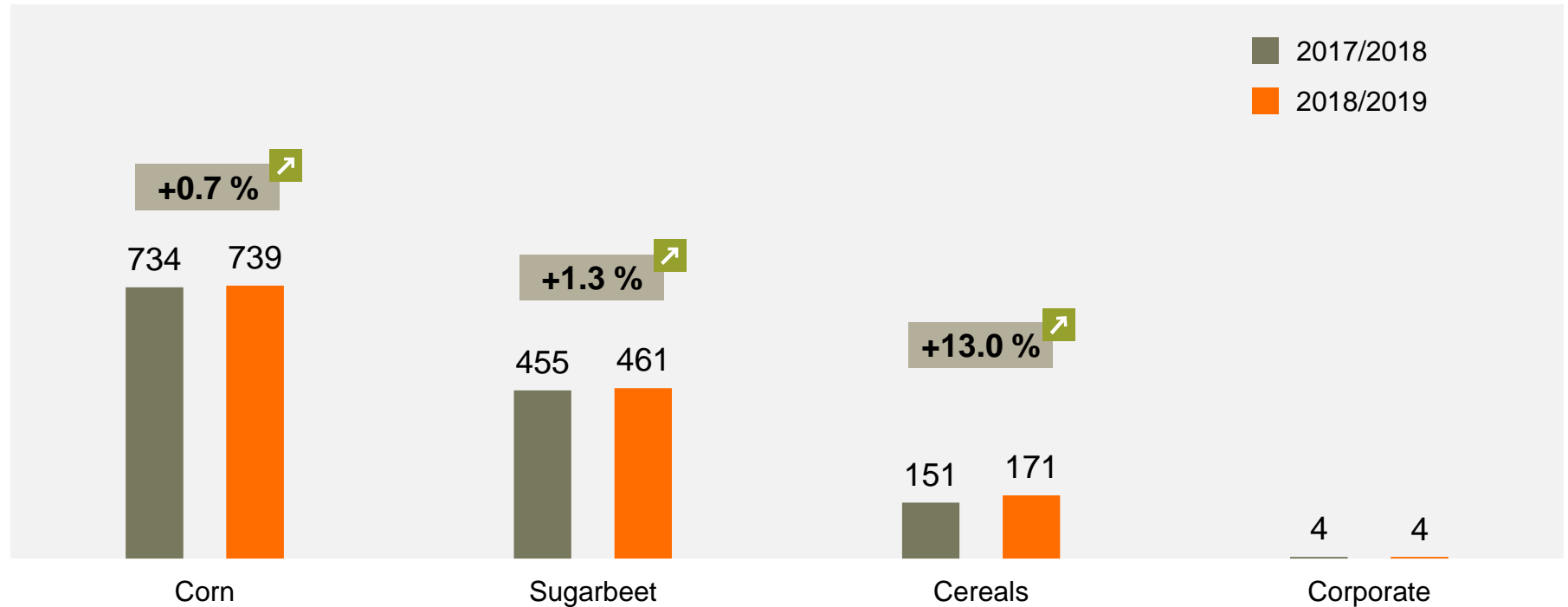
Net sales of the KWS Group



Net sales
in € million



Net sales by segment
in € million

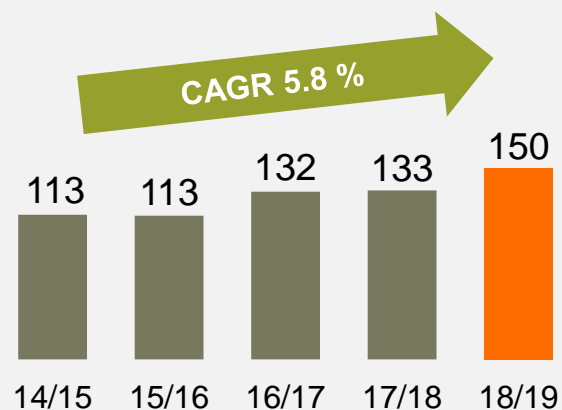


Net sales growth in all product segments

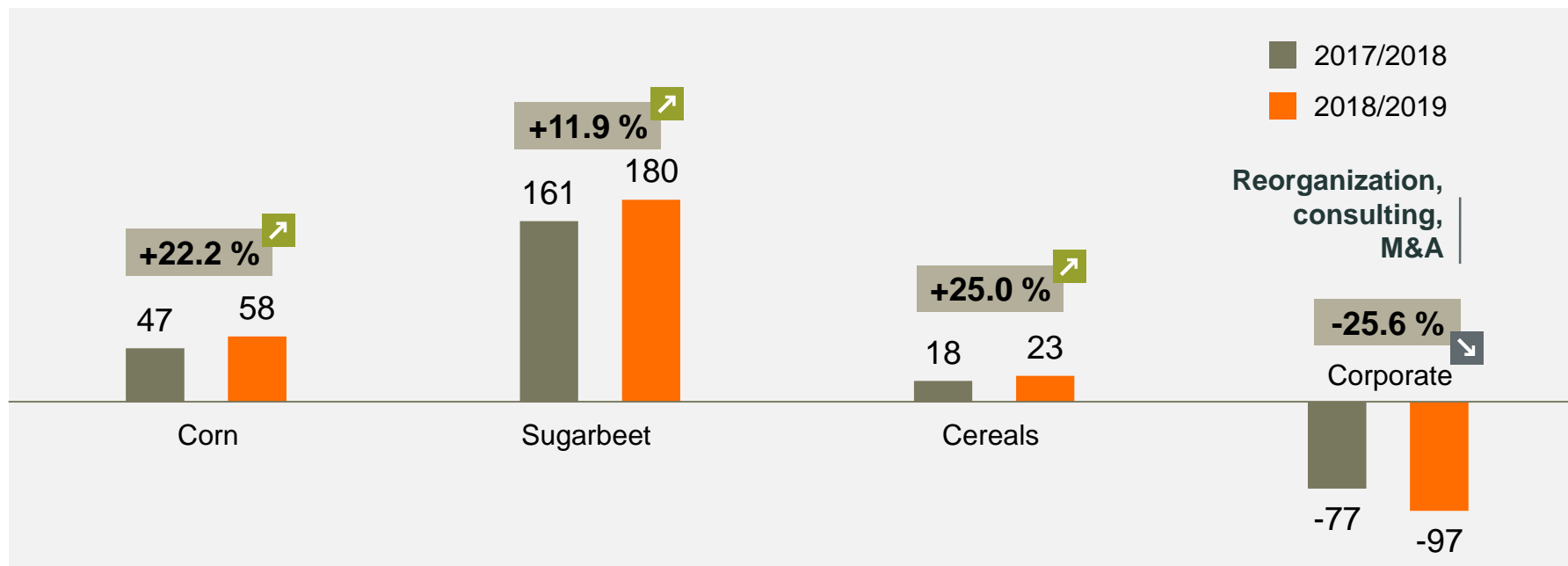
EBIT of the KWS Group



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.

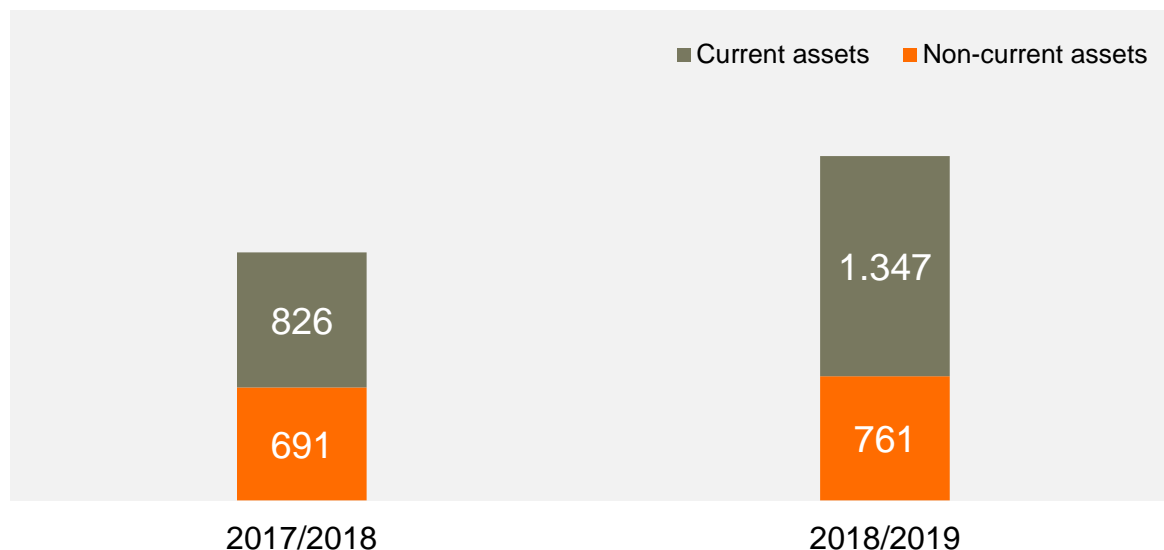
KENFENG – KWS SEEDS

49% associated company
Beijing, China

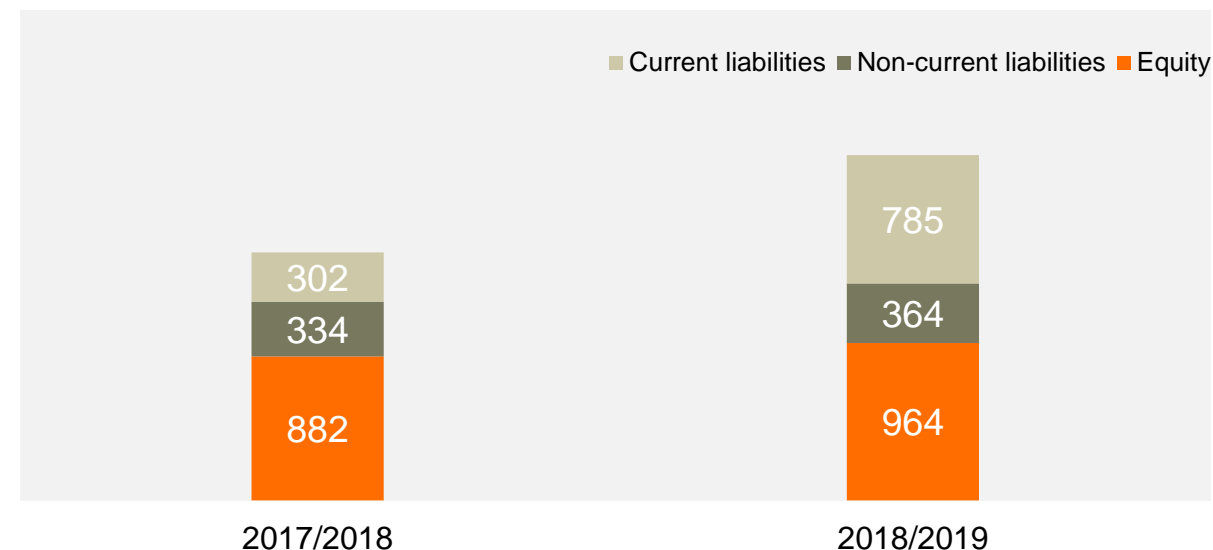
Balance sheet as of June 30, 2019



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

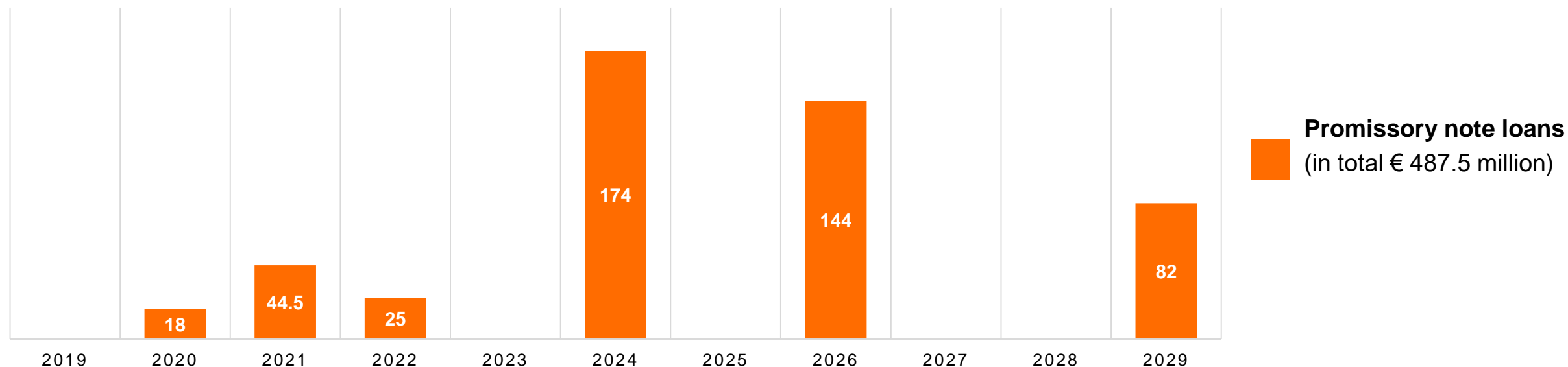
Joint Lead Arranger



Maturity profile of main debt instruments



in € million (as of October 2019)



Further debt instruments

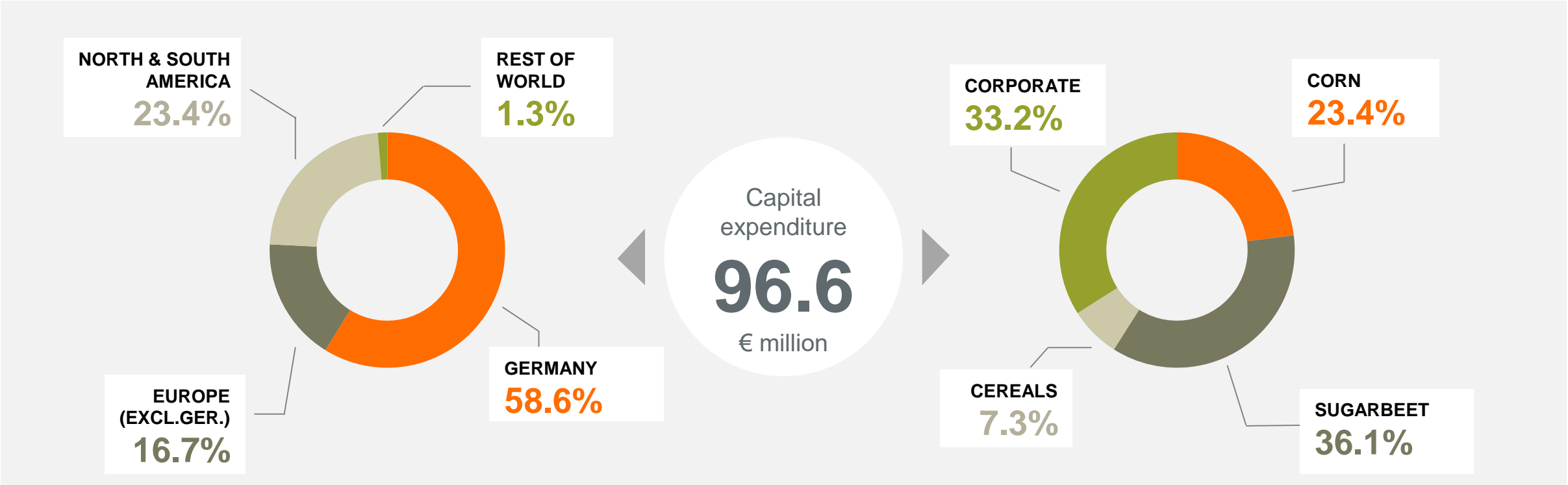
SynLoan € 200m RCF: currently undrawn*

Commercial Paper Program € 125 million: due to seasonal business

Credit line € 85m: currently undrawn

* Maturity: June 2024

Capital expenditures



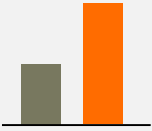
CapEx focus: Germany

Previous year: € 71.7 million

Expansion of corn seed production in Latin America



Overview



Doubling of production capacities



Brazil & Argentina



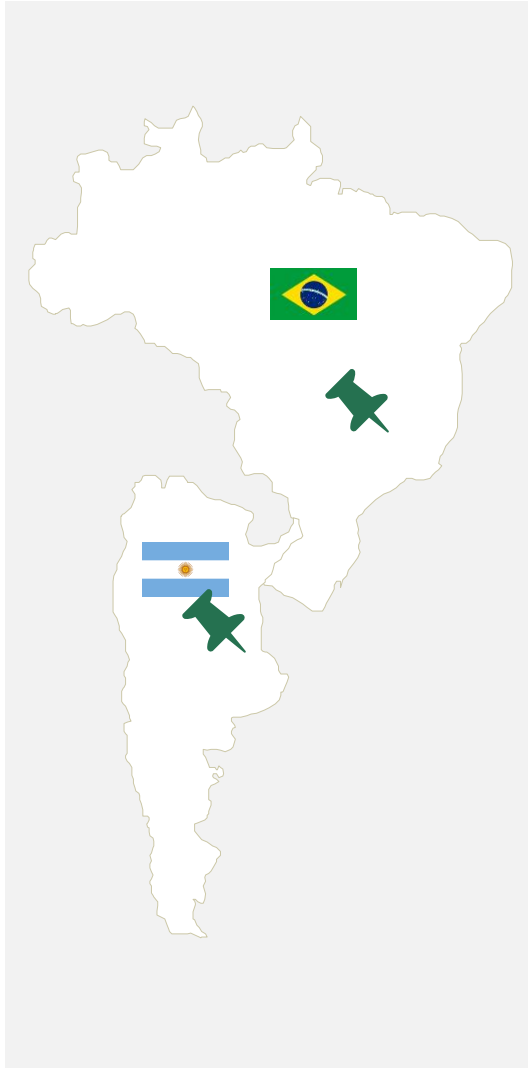
Improved quality, flexibility and reliability



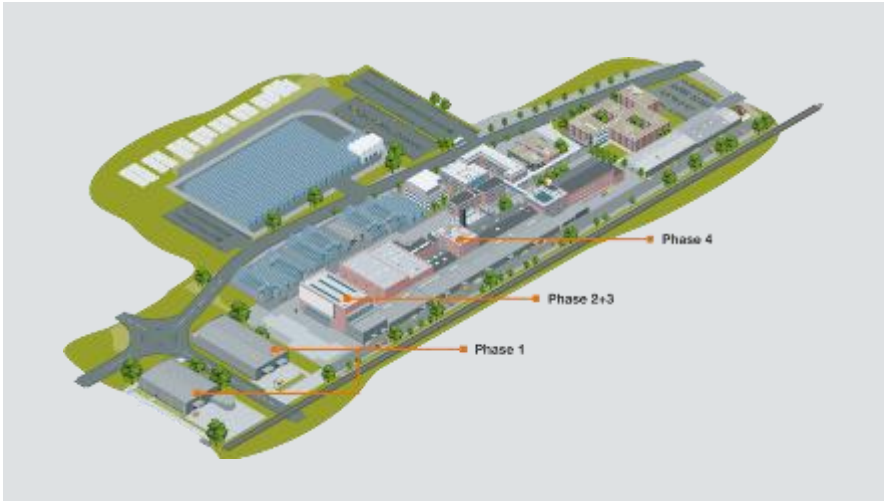
CapEx volume
~ €19 million



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

Forecast for the KWS Group for fiscal 2019/2020¹



	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%



¹ As of February 25, 2020; EBIT margin without PPA effects.

A photograph of a young corn plant growing in a field. The plant is in the center-left, with several green leaves. The soil is dark and rocky. Other similar plants are visible in the background, slightly out of focus. The lighting is warm, suggesting late afternoon or early morning.

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

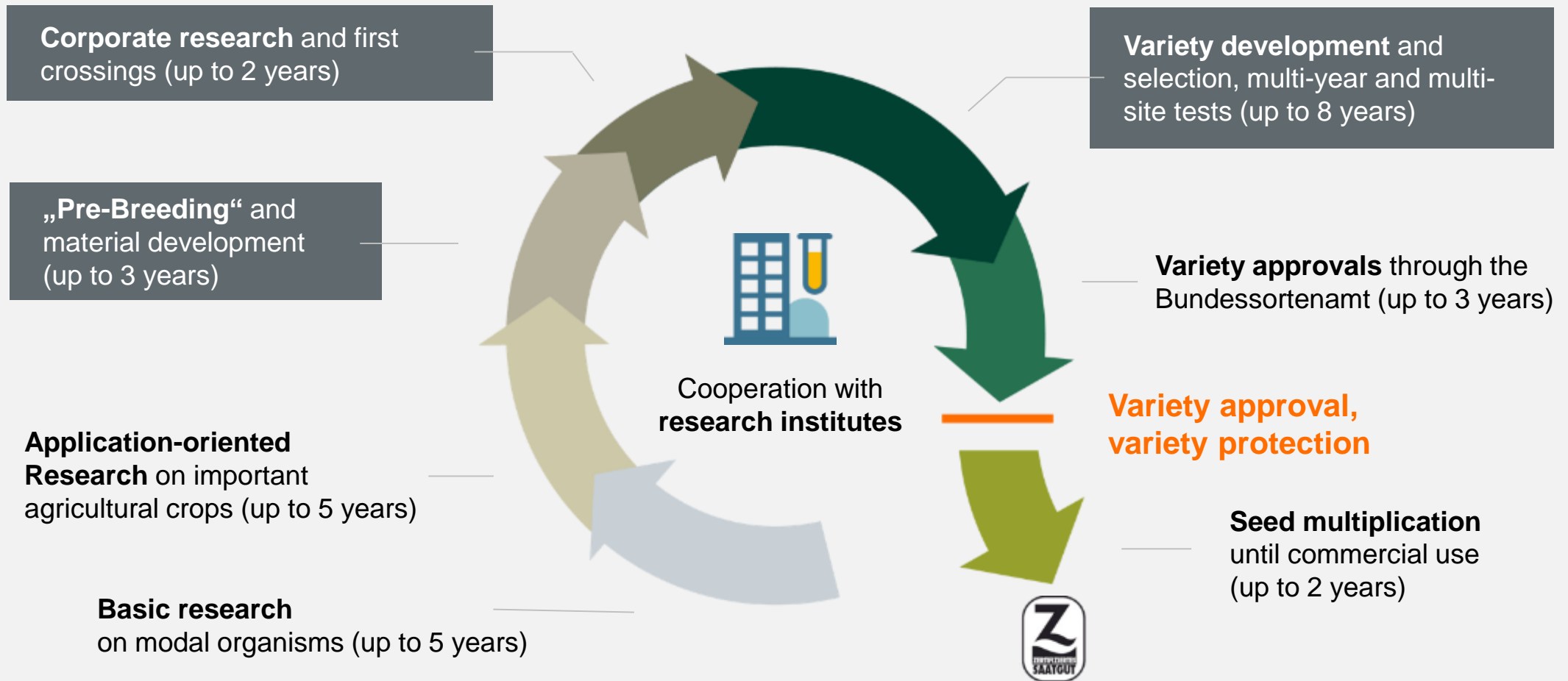
- Biologicals can help to **reduce chemical** crop protection
- **Useful microorganisms** protect yield against pests, abiotic stress (cold, drought, etc.)
- Biologicals can be applied as treatment **directly to the seed**. Very efficient in protecting the seedling right at the beginning of the development



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

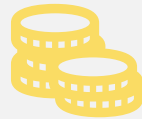
- **Target:** Introduction of a hybrid wheat system with added value for farmers
- **Advantages to conventional wheat varieties (added value):** Better yield improvement

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



A top-down view of several young green seedlings with heart-shaped leaves growing in dark, rich soil. The seedlings are arranged in two rows, with some showing small tendrils.

Thank you for your interest.

Appendix

SEEDING
THE FUTURE
SINCE 1856





“

**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, Vegetables





”

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

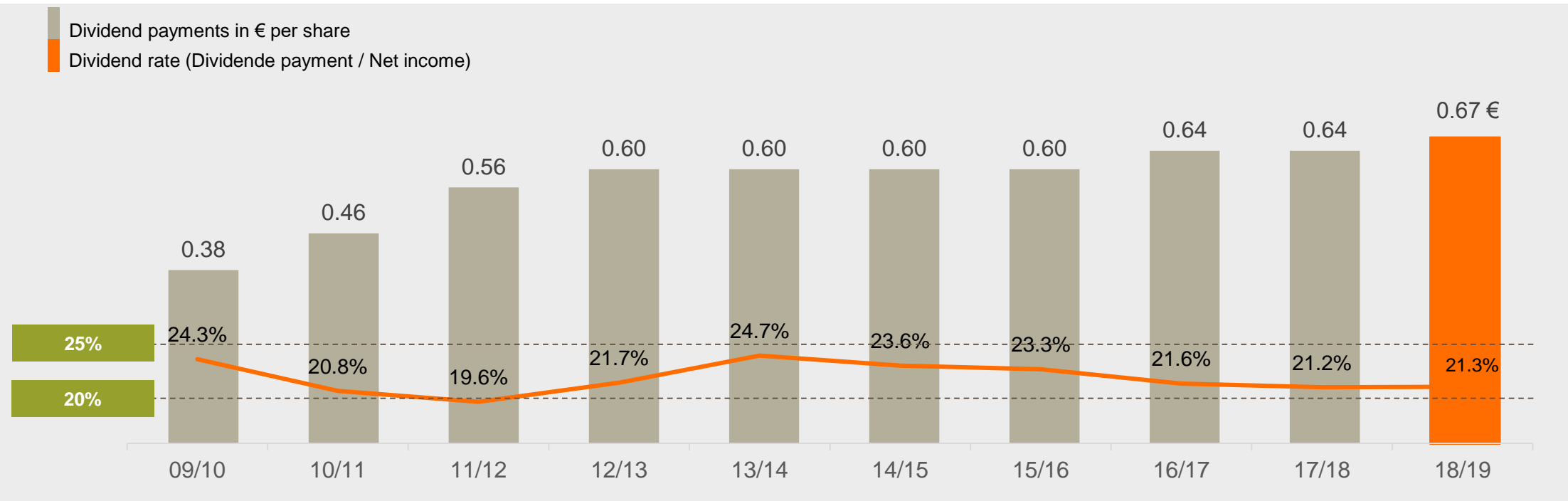


”

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

Dividend payments* and dividend ratios of the past 10 years



Continuous dividend policy

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

Key figures for the KWS share, shareholdings and actual coverage



1 General Data

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

2 Closing price (Xetra)*

- June 30, 2019 in € 64.20
- June 30, 2018 60.80

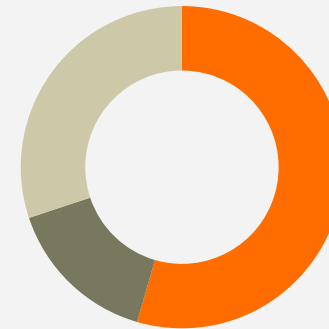
3 Daily trading volume (avg.)*

- 2018/2019 in shares/day 8,189
- 2017/2018 10,430

4 Market capitalization

- June 30, 2019 in € million 2,119
- June 30, 2018 2,006

*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



May 19, 2020	9M Report 2019/2020
October 23, 2020	Publication of the 2019/2020 annual statements, Annual Press Conference and Analysts' Conference in Frankfurt
November 24, 2020	Quarterly Report Q1 2020/2021



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