

# Investor presentation

KWS SAAT SE & Co. KGaA | March 2021

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

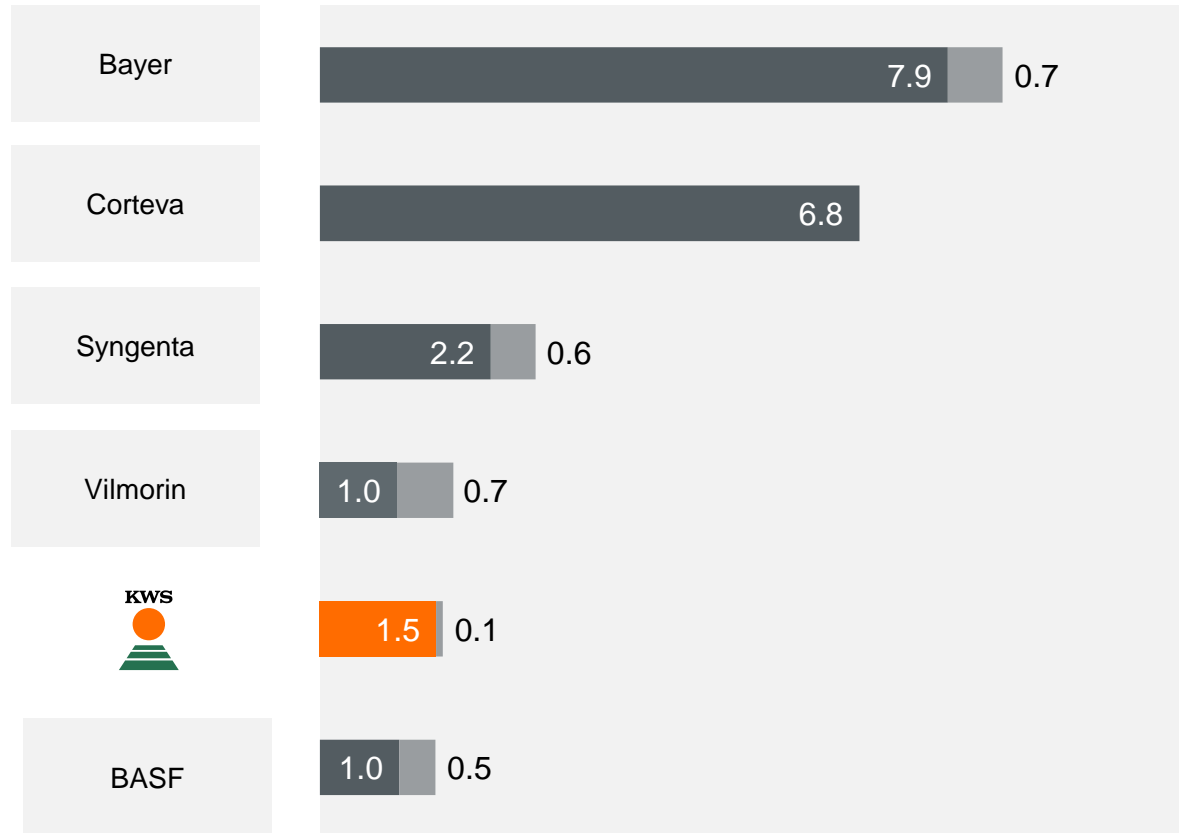


# KWS' competitive environment



## Globally

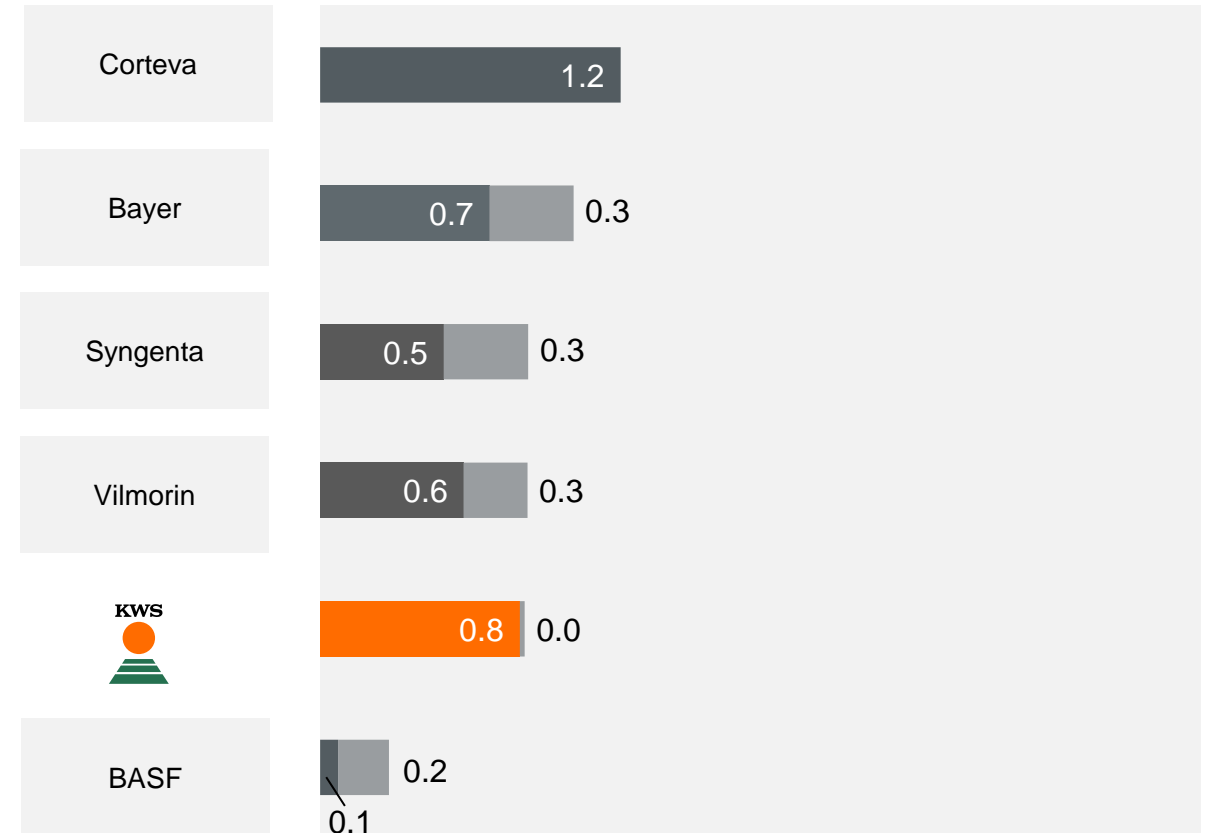
Sales in € billion



■ Field Seeds ■ Vegetables

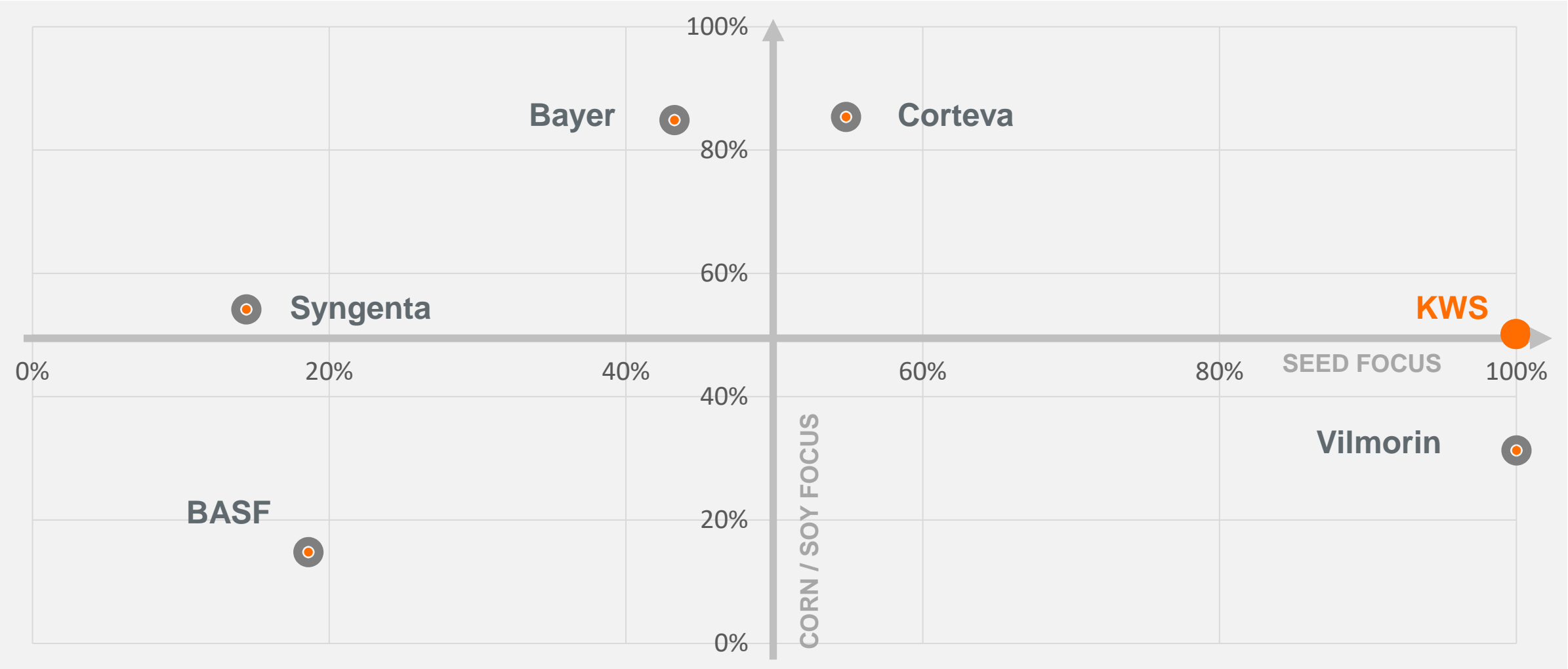
## Europe

Sales in € billion



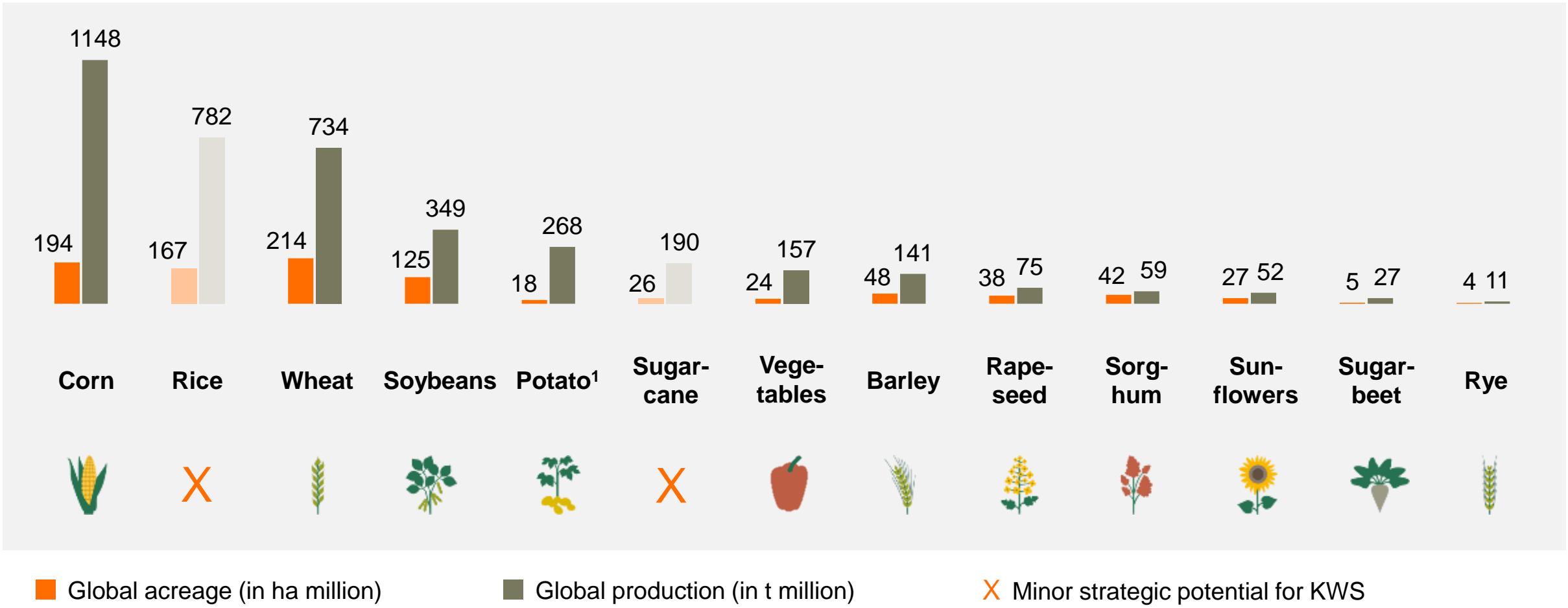
Source: AgbioInvestor 2020 and KWS estimates.

# Strategic market position



Source: AgbiolInvestor 2020 and KWS estimates (% corn/soy sales of field and vegetables seed sales; % seed sales of total ag sales)

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

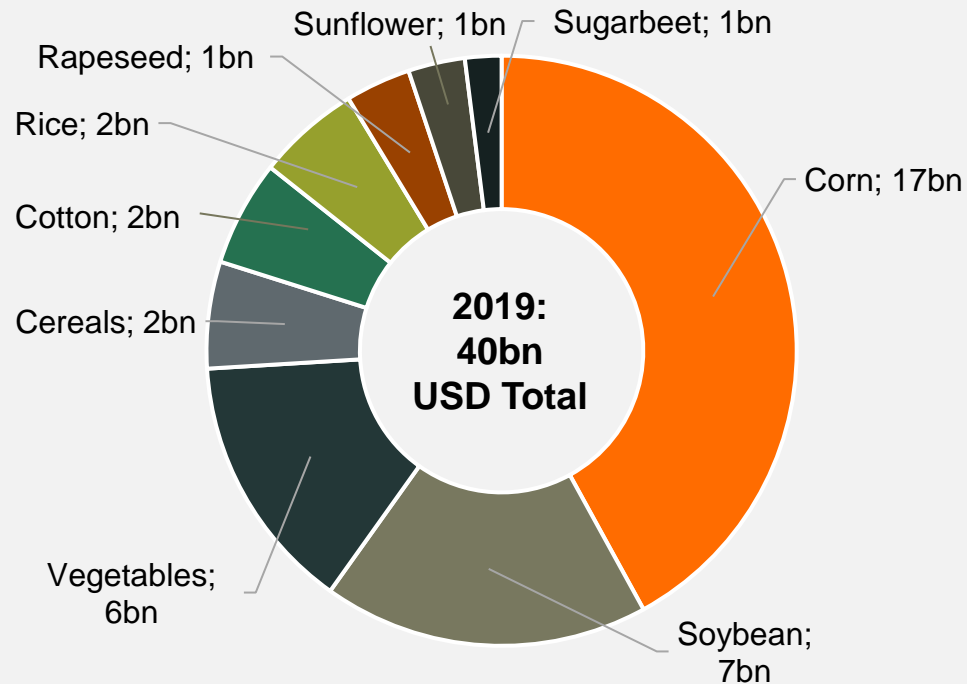


Source: faostat.fao.org (Data for 2018), zuckerverbaende.de; <sup>1</sup> No commercial business for KWS, but target of strategic research and development.

# Vegetable Seeds – A growing and highly profitable market

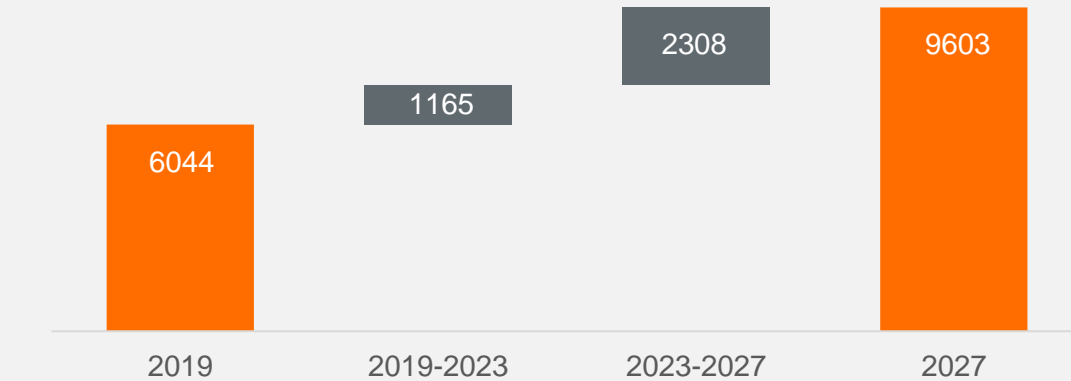


## Global Commercial Seed Market



Source: AgbioInvestor 2020

## Vegetable Seed Market (in million US\$)



Source: DataM Intelligence 4Market Research 2019

## 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 H1 2020/2021

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



in € million	H1 2020/2021	H1 2019/2020	+/-
Net sales	326.0	329.6	-1.1%
EBITDA	-48.2	-50.8	5.1%
EBIT	-93.2	-92.0	-1.3%
Net financial income/expenses	-24.9	-27.4	9.1%
Result of ordinary activities	-118.1	-119.4	1.1%
Income taxes	-31.8	-32.8	3.0%
<b>Net income for the period</b>	<b>-86.2</b>	<b>-86.5</b>	<b>0.3%</b>
<b>Earnings per share (in €)</b>	<b>-2.61</b>	<b>-2.62</b>	<b>0.4%</b>

## EQUITY RATIO

in % of total assets

**35.8%** (36.5%)

## TOTAL ASSETS

in € million

**2,305** (2,350)

## CAPEX (w/o Acquisitions)

in € million

**38.0** (49.1)

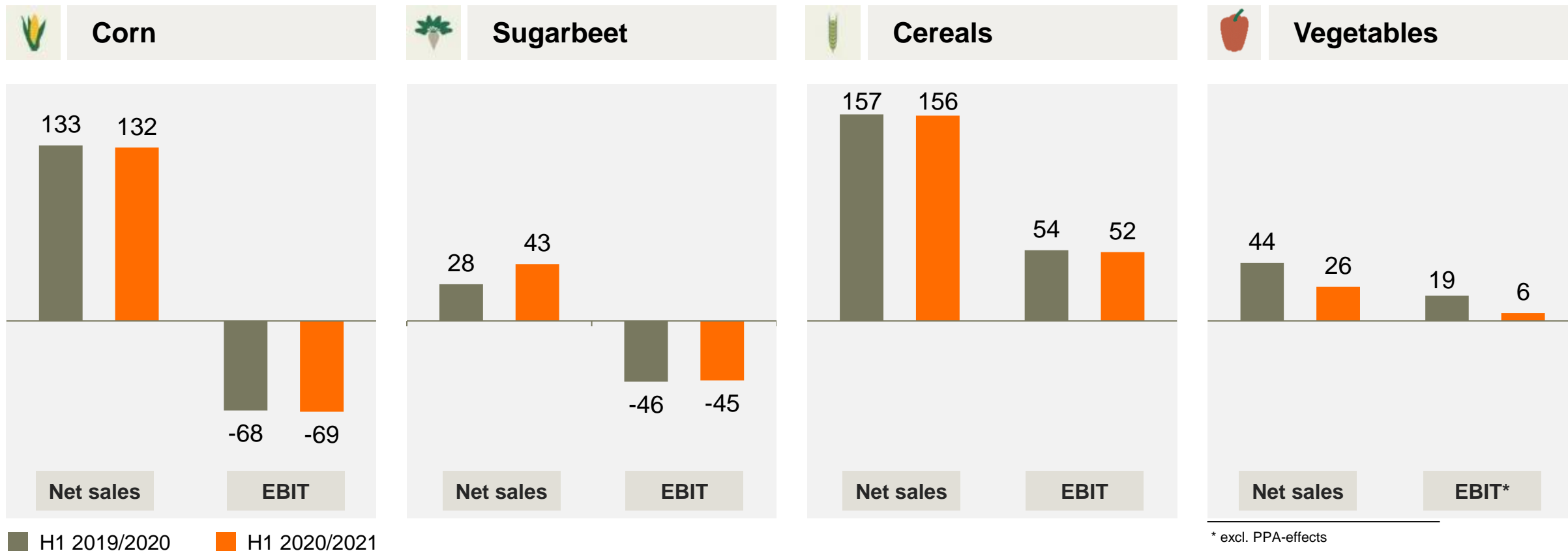
## NET DEBT

in € million

**589.3** (642.5)

Previous year's figures in brackets; adjusted for effects from the final purchase price allocation of the Pop Vriend Seeds Group.

# Product Segments



“We continue to see robust business development in a challenging environment. With our innovative cereals and corn varieties, we were able to score points in important growth markets such as Eastern Europe and Brazil in the first half of the year,” commented Eva Kienle, CFO of KWS.





# Financials

FY 2019/2020

# 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 %
<b>Net income</b>	<b>95.2</b>	<b>104.0</b>	<b>-8.4 %</b>
<b>Earnings per share (in €)</b>	<b>2.89</b>	<b>3.15</b>	<b>-8.4 %</b>

**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 %

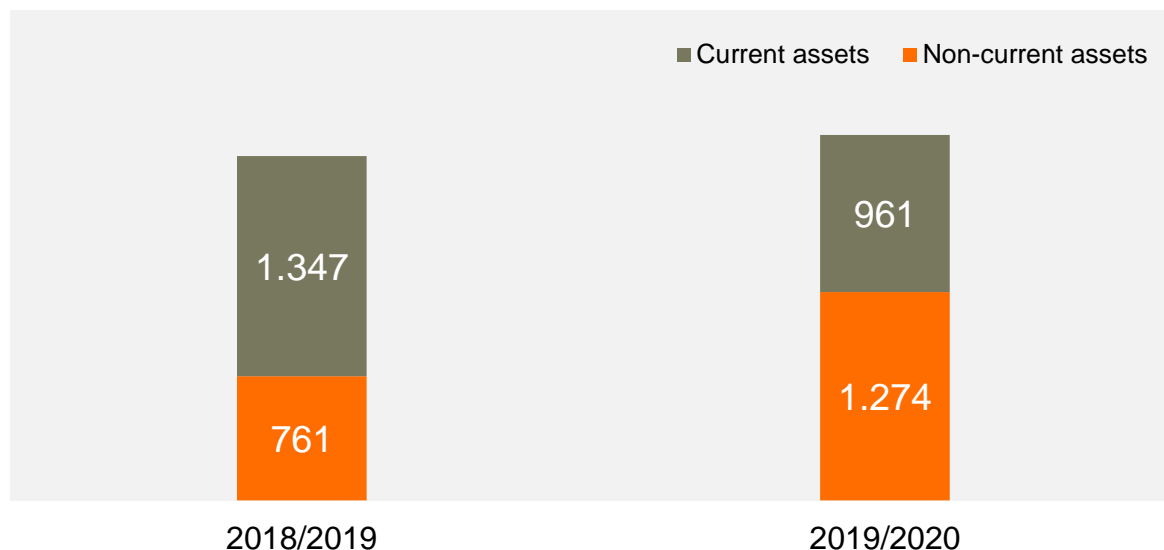
**26.5%** (28.0%)

Previous year's figures in brackets

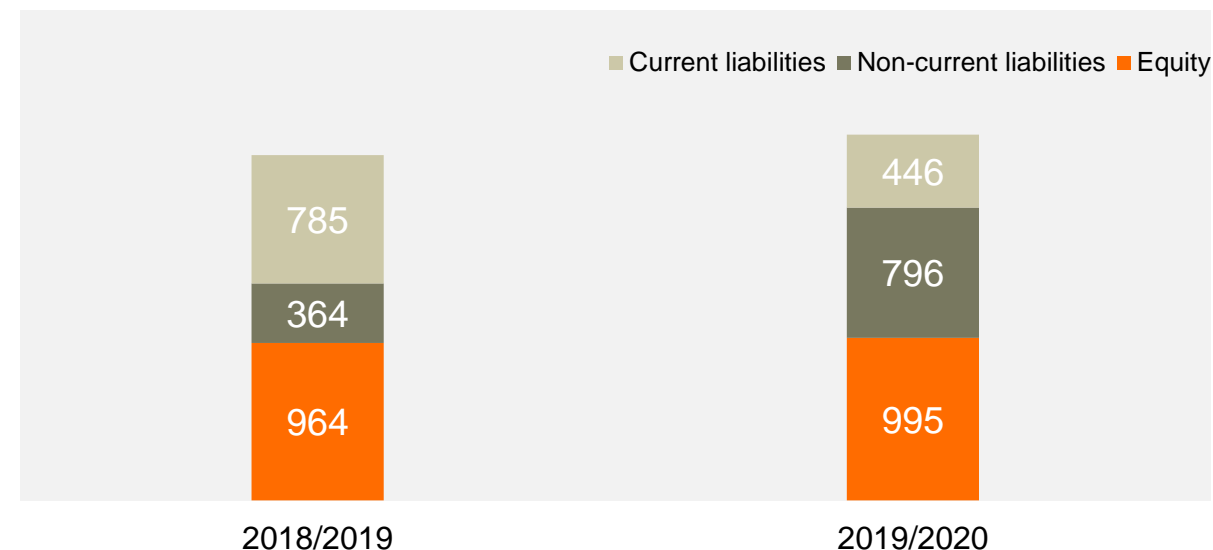
# Balance sheet as of June 30, 2020



## 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)

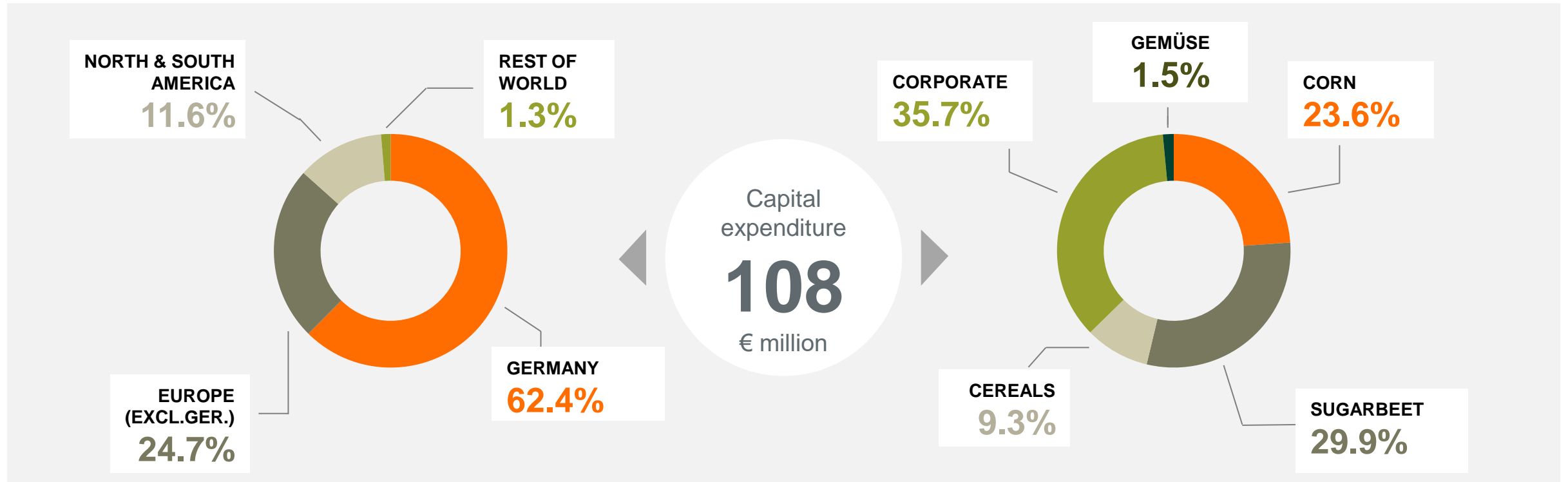
### Average ROCE

in %

**8.4%** (14.3%)

Previous year's figures in brackets

# 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
<b>Net sales</b>	On previous year's level	€1,283 million
<b>EBIT margin*</b>	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

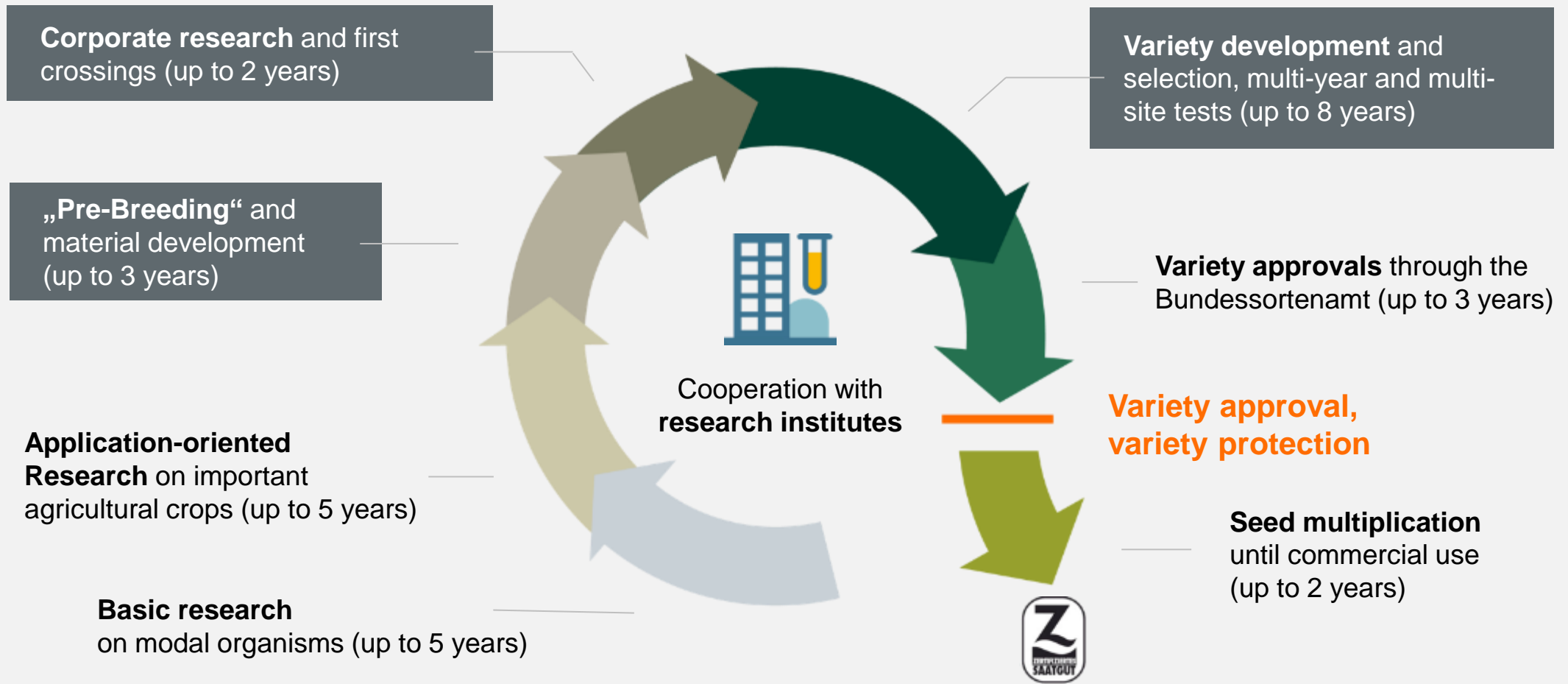
- Biologicals can help to **reduce chemical** crop protection
- **Useful microorganisms** protect yield against pests, abiotic stress (cold, drought, etc.)
- Biologicals can be applied as treatment **directly to the seed**. Very efficient in protecting the seedling right at the beginning of the development



## 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

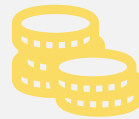


# Current innovation projects: Precision Farming & TerraSentia



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



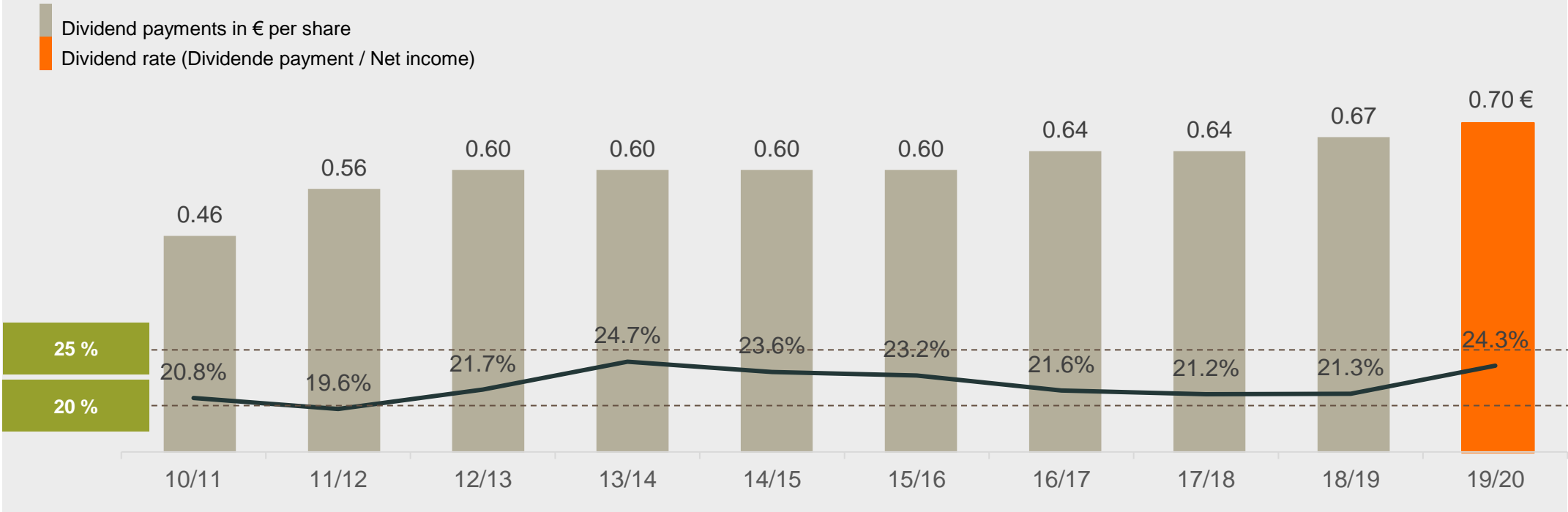
Automated  
analyses



# Dividend: 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
- Number of shares
- Type

DE0007074007  
33.000.000  
No-par value shares

## 2 Closing price (Xetra)\*

- June 30, 2020
- June 30, 2019

in €  
66.70  
64.20

## 3 Daily trading volume (avg.)\*

- 2019/2020
- 2018/2019

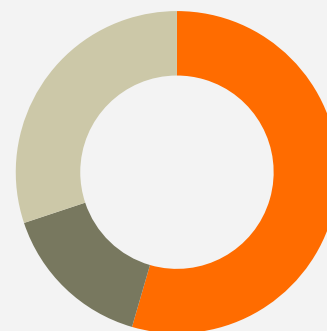
in shares/day  
14,354  
8,189

## 4 Market capitalization

- June 30, 2020
- June 30, 2019

in € million  
2,201  
2,119

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



FAMILIES  
BÜCHTING,  
AREND OETKER

54.4%

TESSNER  
BETEILIGUNGS  
GMBH

15.4%

FREE FLOAT

30.2%

**DZ BANK**  
Die Initiativbank

Pareto  
Securities

STIFEL

M.M. WARBURG & CO  
BANK

COMMERZBANK

Kepler  
Cheuvreux

NORD/LB

# Financial calendar and IR contact



**May 12, 2021**

9M Report 2020/2021

**October 20, 2021**

Annual Report 2020/2021

**November 18, 2021**

Q1 Report 2021/2022



**Peter Vogt**

Head of Investor Relations

Phone: +49 (0) 30 816914-490

E-Mail: [peter.vogt@kws.com](mailto:peter.vogt@kws.com)

KWS SAAT SE & Co. KGaA  
Bülowsstraße 78  
10783 Berlin



**Martin Heistermann**

Senior Manager Investor Relations

Phone: +49 (0) 30 816914-341

E-Mail: [martin.heistermann@kws.com](mailto:martin.heistermann@kws.com)

KWS SAAT SE & Co. KGaA  
Bülowsstraße 78  
10783 Berlin



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