

# Investor presentation

KWS SAAT SE & Co. KGaA | May 2021

SEEDING  
THE FUTURE  
SINCE 1856

KWS





# 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 ranks among the world's leading companies for plant breeding



NET SALES* in million €	COUNTRIES	EMPLOYEES*	INNOVATION* in % of net sales	YIELD PROGRESS crops Ø p.a. in %
1,283	>70	5,709	18.4	1-2

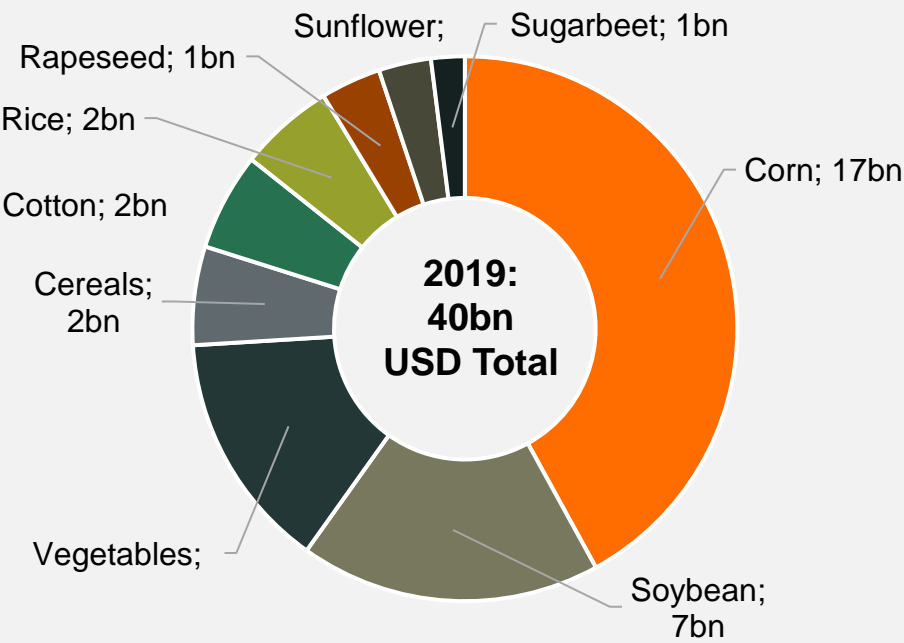
\*Financial year 2019/2020



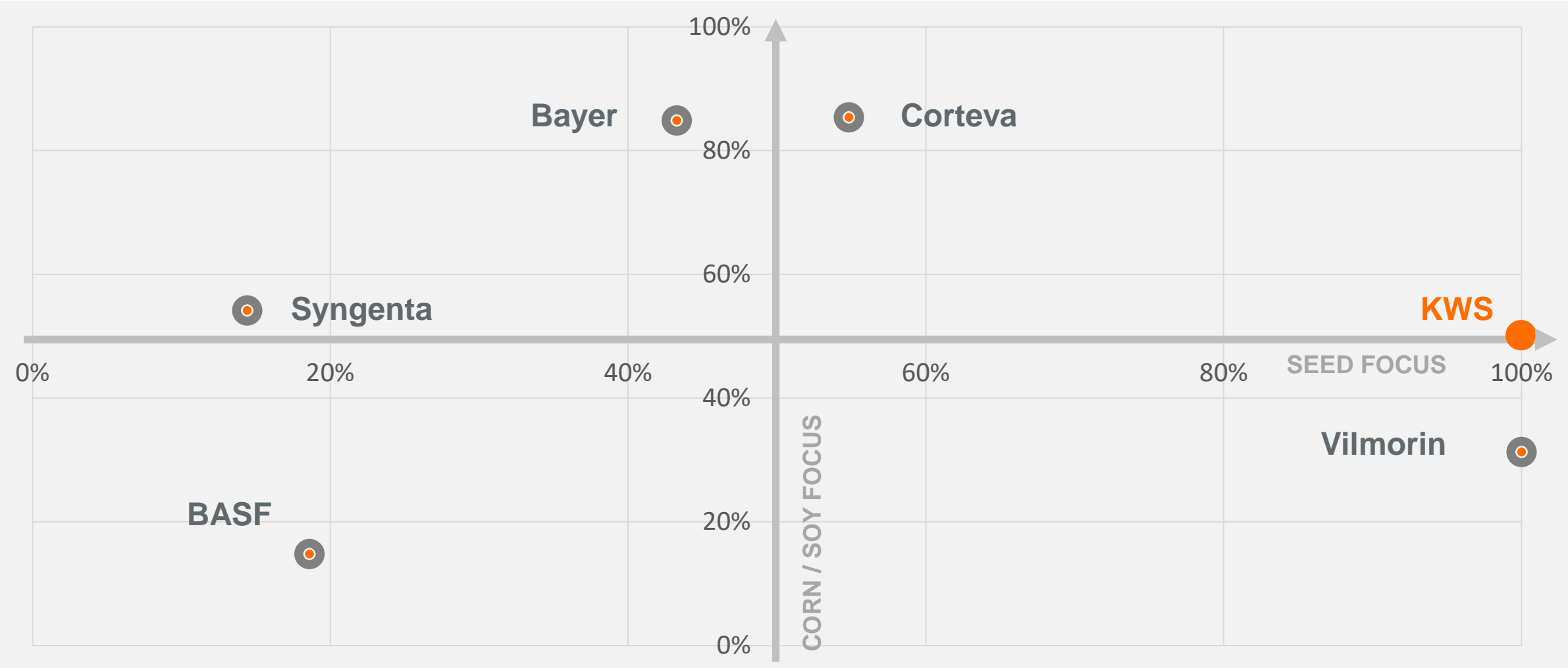
1. Bayer	1. Corteva
2. Corteva	2. Bayer
3. Syngenta Group	3. Syngenta Group
4. Vilmorin	4. Vilmorin
5. <b>KWS</b>	5. <b>KWS</b>

Sources: AgbiolInvestor 2020 and KWS estimates. Ranking considering Field Crops seed sales

Global Commercial Seed Market (in USD)

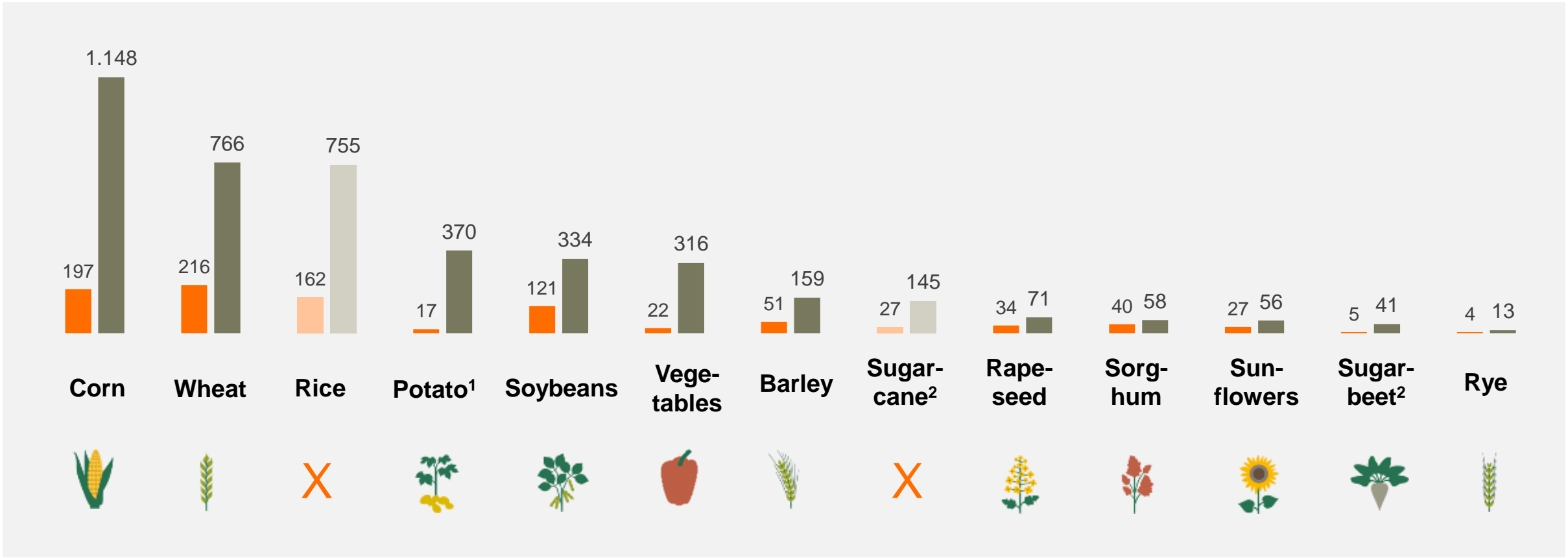


# Strategic market position



Source: AgbioInvestor 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



■ Global acreage (in ha million)      ■ Global production (in t million)      X Minor strategic potential for KWS

Source: faostat.fao.org (Data for 2019), zuckerverbaende.de; <sup>1</sup> No commercial business for KWS, but target of strategic research and development.

<sup>2</sup> Sugarcane and Sugarbeet production numbers represent sugar extracted from these crops and not the crop produced.

# Corn segment



**NET SALES\***  
in € million

**776** (+5%)

**EBITDA\***  
in € million

**103** (+19%)

**EBIT\***  
in € million

**67** (+16%)



Corn



Soybeans

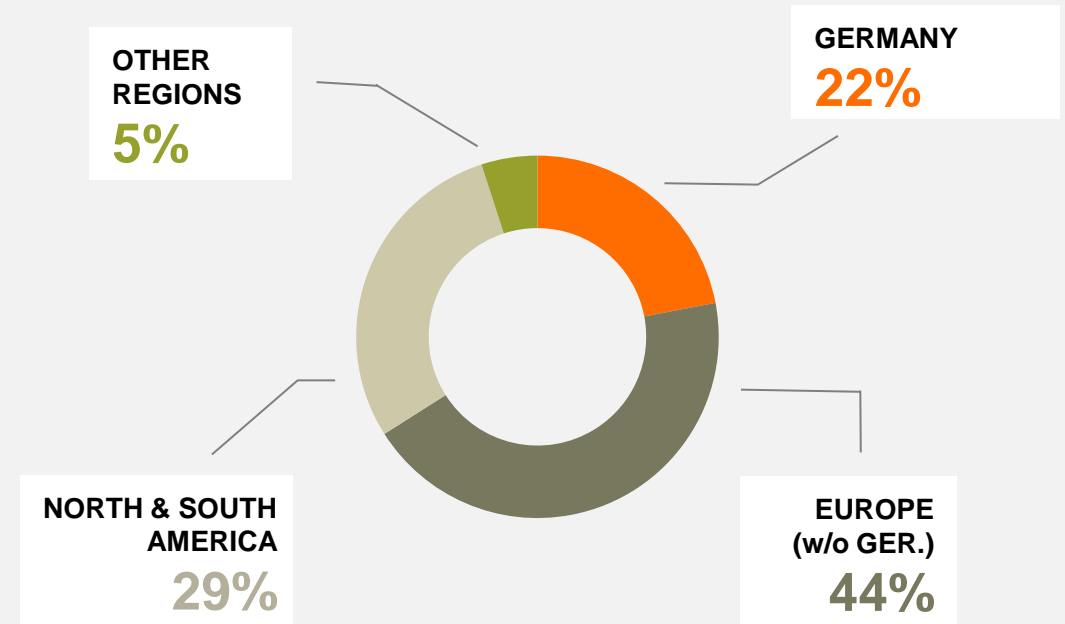


Sunflower

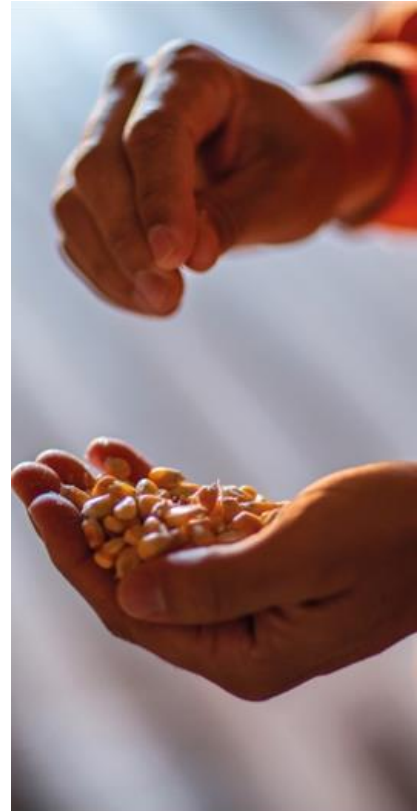
## Overview

- Presence in main markets: United States, China, Brazil and EU-27; market leader in silage corn
- Aim to become global player, increase market shares in all main markets
- Growth driver: commercialization of new competitive varieties in Europe and Brazil, growth in China
- Seasonality: mainly Q3

## Sales by region\*



\*Financial year 2019/2020



# Sugarbeet Segment



NET SALES\*  
in € million

**492** (+5%)

EBITDA\*  
in € million

**187** (-3%)

EBIT\*  
in € million

**170** (-5%)



Sugarbeet



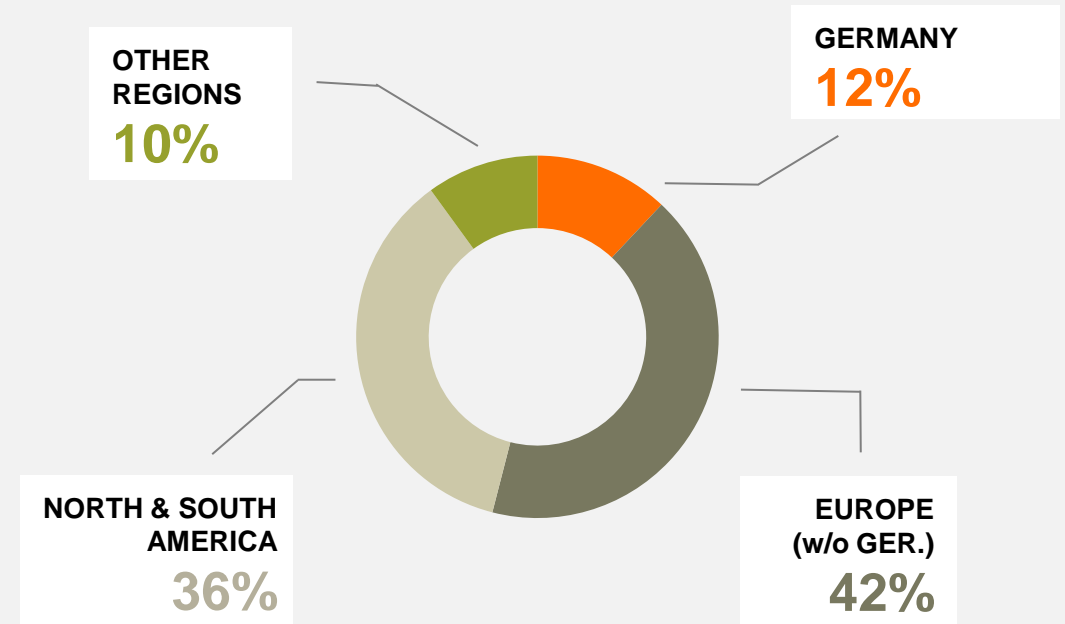
Feedbeet



## Overview

- Leading position globally with >60% market share
- Growth driver: innovative product portfolio & pipeline, addressing needs of sugarbeet growers
- Example: CONVISO® SMART, a conventionally bred sugarbeet for highly effective weed management
- Seasonality: mainly Q3

## Sales by region\*



\*Financial year 2019/2020

# Cereals Segment



**NET SALES\***  
in € million

**191** (+12%)

**EBITDA\***  
in € million

**36** (+13%)

**EBIT\***  
in € million

**26** (+15%)



Rye



Rape Seed



Wheat



Barley



Sorghum

...

## Overview

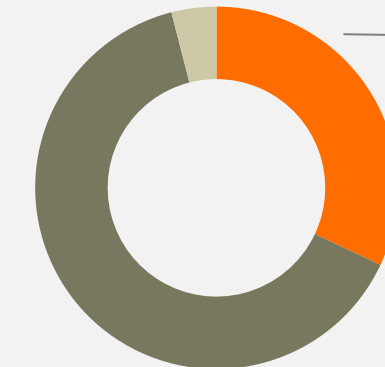
- Broad portfolio of cereal crops
- #1 in hybrid rye, leading position in rape seed
- Strong R&D pipeline including hybrid wheat
- Growth driver: hybrid rye, regional expansion
- Seasonality: mainly H1

## Sales by region\*

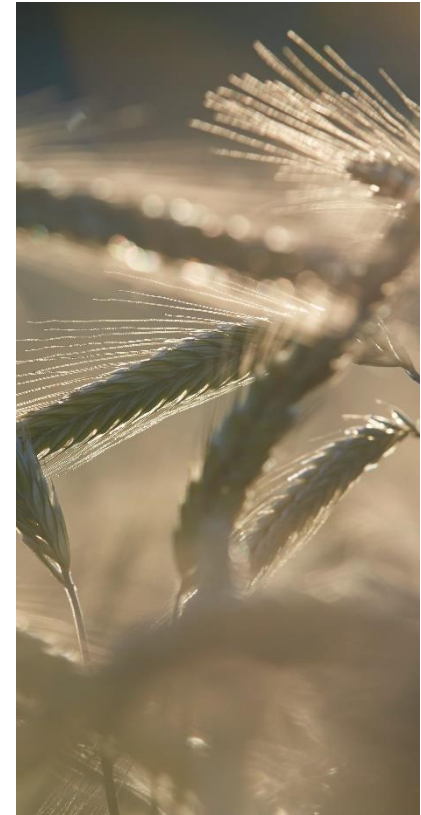
NORTH & SOUTH  
AMERICA  
4%

EUROPE  
(w/o GER.)  
64%

GERMANY  
32%



\*Financial year 2019/2020





# Vegetables Segment



**NET SALES\***  
in € million

**84**

**EBITDA\***  
in € million

**26**

**EBIT\***  
in € million

**8** (incl. ppa-effects)



Spinach



Beans



Swiss  
Chard



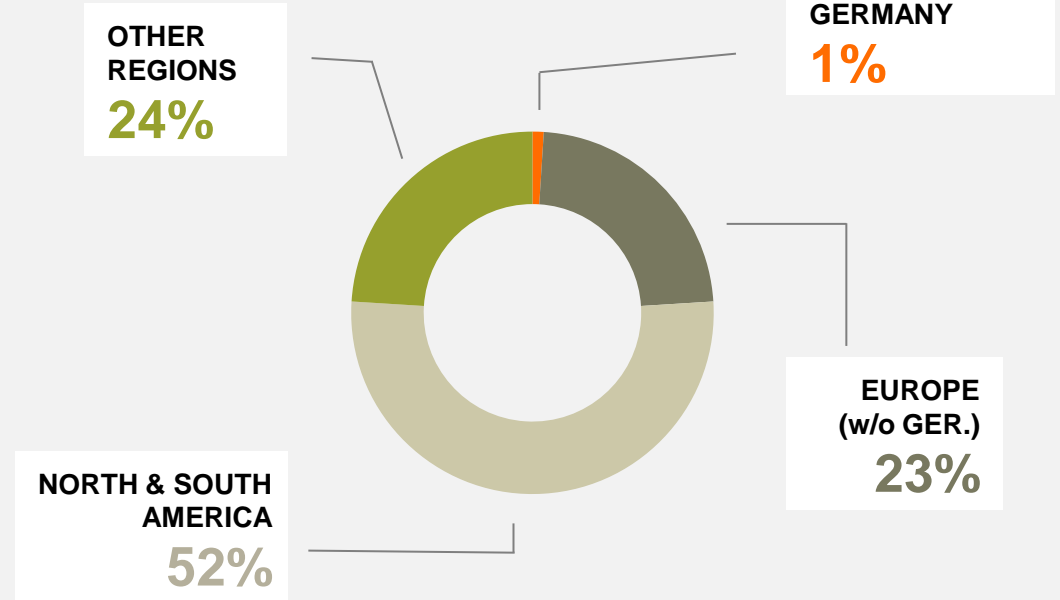
Tomato



## Overview

- #1 in spinach seeds
- Long-term aspiration: 5% market share of global vegetable seed market
- Initiation of international breeding programs
- Focus on main vegetable crops: tomato, melon, watermelon, cucumber, pepper
- Seasonality: none

## Sales by region\*



\*Financial year 2019/2020

# Overview 9M 2020/2021 financial results



in € million	9M 2020/2021	9M 2019/2020	+/-
Net sales	1,071.3	1,012.5	5.8%
EBITDA	260.4	247.4	5.3%
EBIT	193.4	184.3	4.9%
Net financial income/expenses	-7.6	6.0	-
Result of ordinary activities	185.9	190.2	-2.2%
Income taxes	49.6	52.3	-5.1%
<b>Net income for the period</b>	<b>136.1</b>	<b>137.9</b>	<b>-1.3%</b>
<b>Earnings per share (in €)</b>	<b>4.13</b>	<b>4.18</b>	<b>-1.2%</b>

## EQUITY RATIO

in % of total assets

**39.9%** (39.9%)

## Operating Cashflow

in € million

**24.8** (-36.5)

## CAPEX (w/o Acquisitions)

in € million

**50.4** (73.6)

## NET DEBT

in € million

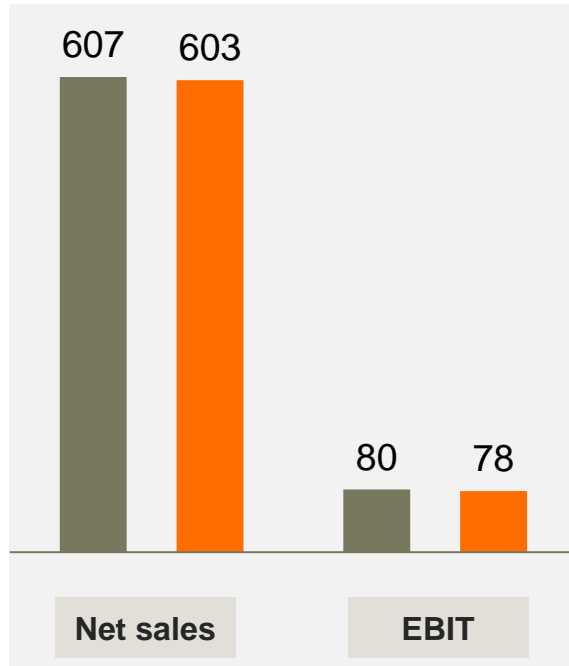
**566.8** (630.0)

Previous year's figures in brackets

# Product Segments



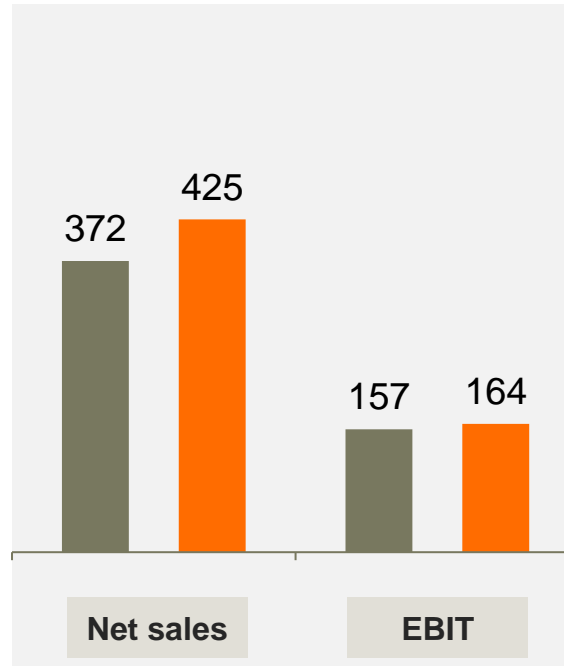
## Corn



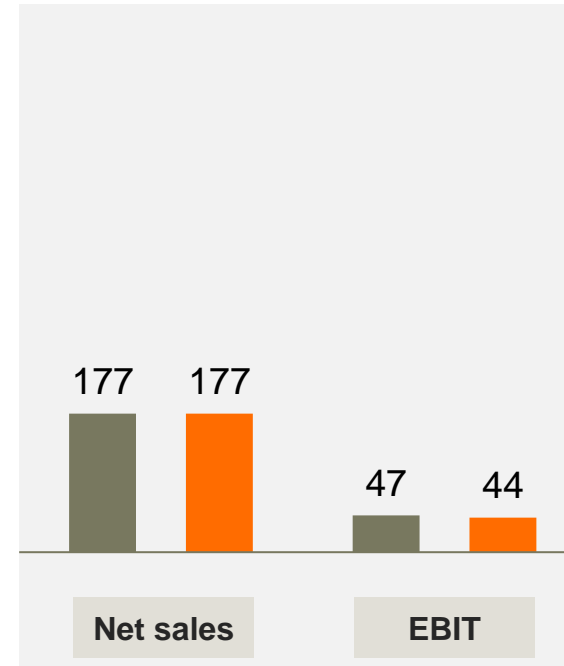
■ 9M 2019/2020 ■ 9M 2020/2021



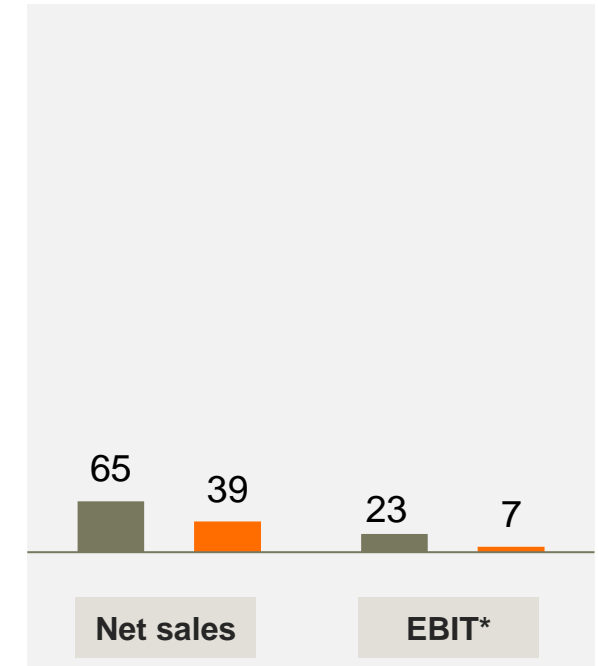
## Sugarbeet



## Cereals



## Vegetables



\* excl. PPA-effects

“Our operational business performance was very strong all in all in the important third quarter,” said Eva Kienle, Chief Financial Officer of KWS. “We remain on a good course for the year as a whole.”



# Forecast FY 2020/2021



	Forecast as at May 12, 2021 (9M)	Forecast as at Oct 23, 2020 (FY)	Fiscal year 2019/2020
Net sales growth	On previous year's level	On previous year's level	€ 1,283 m
EBIT margin*	Upper range of 11 – 13%	11 – 13%	13.3%





# 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%)

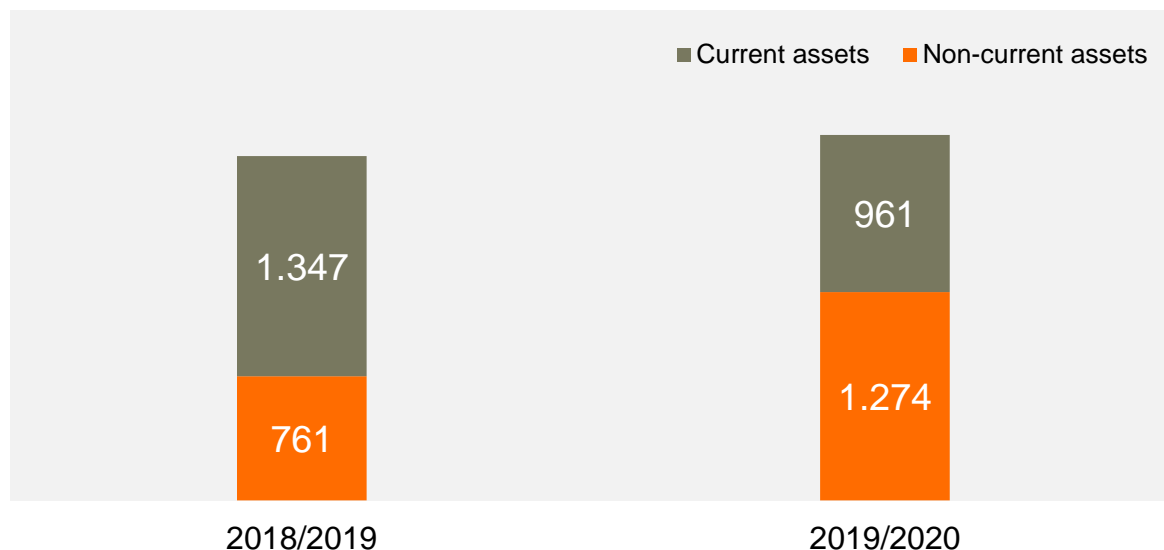
Previous year's figures in brackets



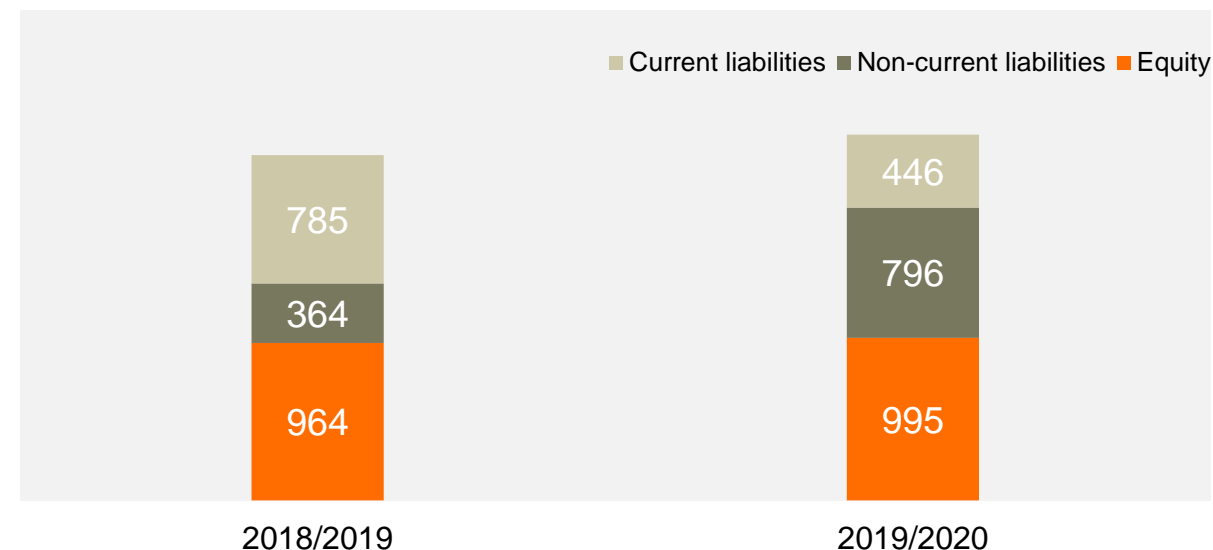
# Balance sheet as of June 30, 2020



## 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)

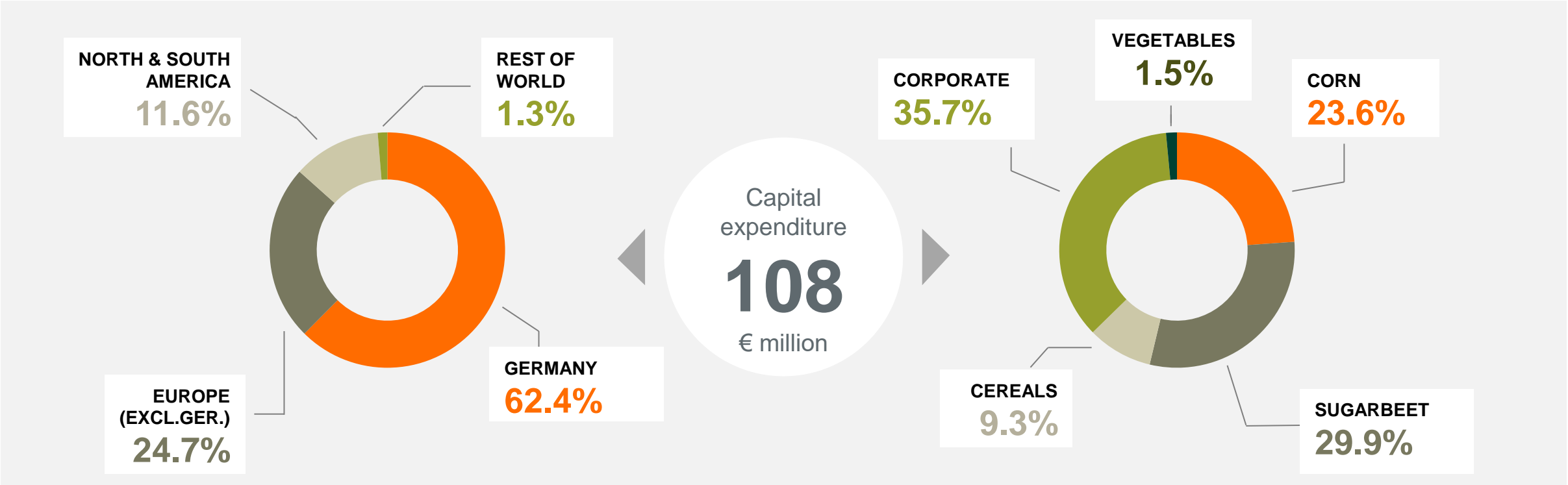
### Average ROCE

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





# 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

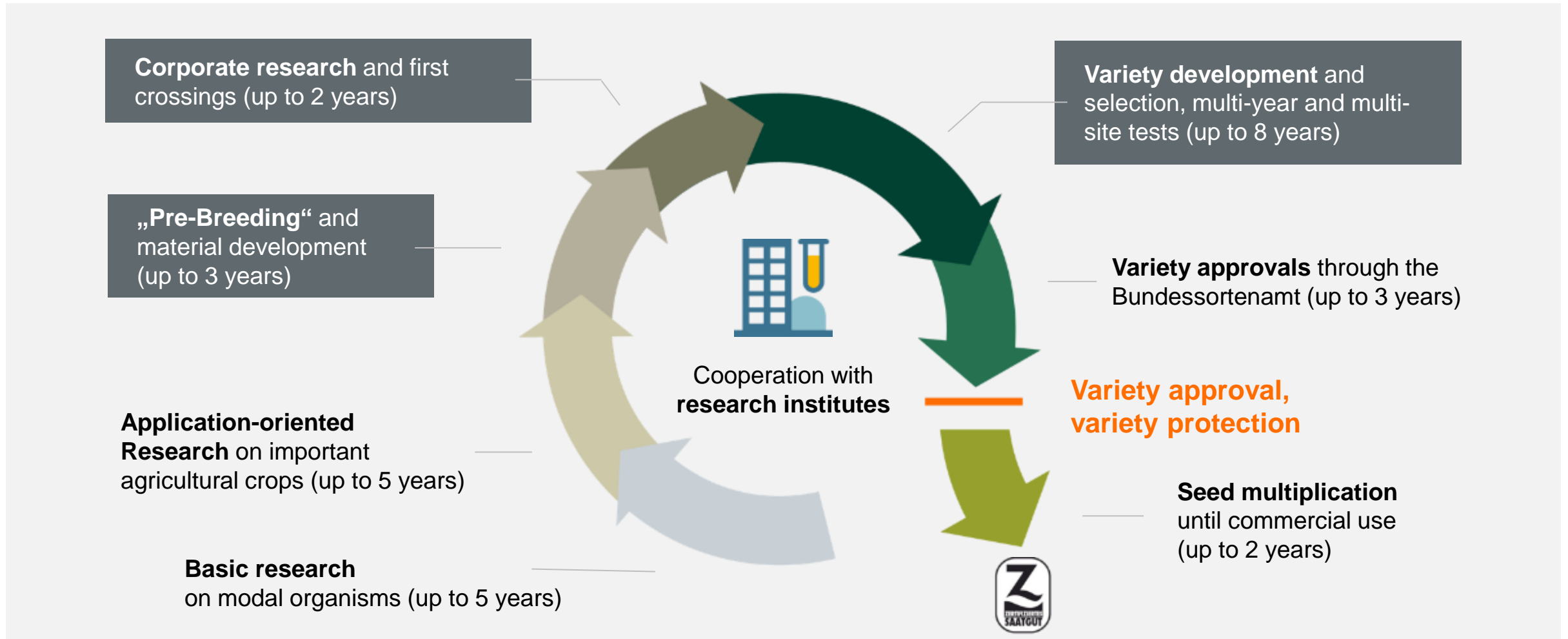


## Hybridrye

- 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

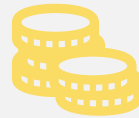
- **Target:** Introduction of a hybrid wheat system with added value for farmers
- **Advantages to conventional wheat varieties (added value):** Better yield improvement

# 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

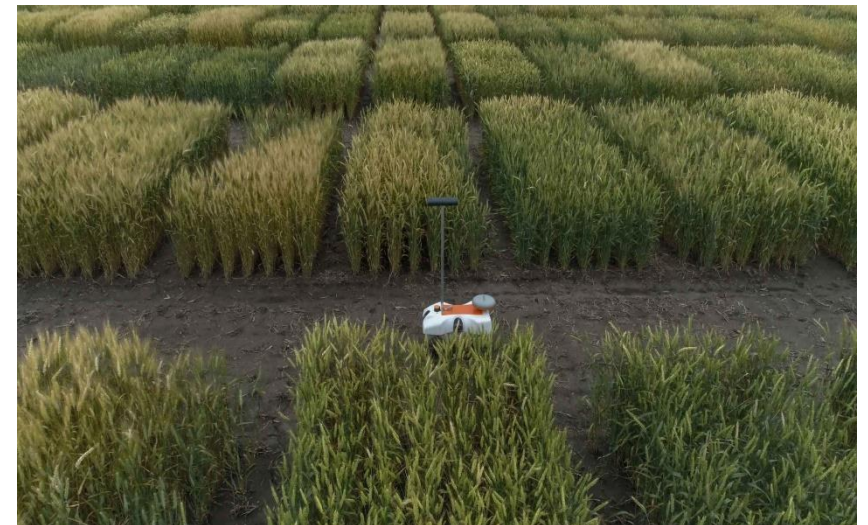
More accurate & faster  
breeding results



Improved development  
process



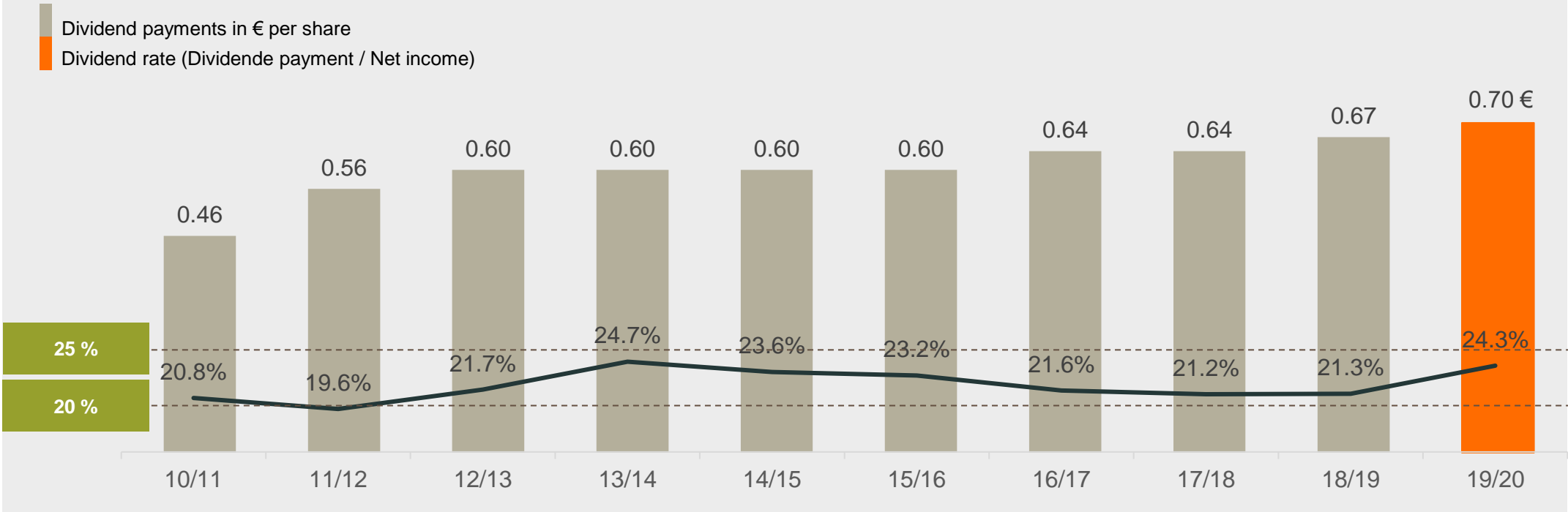
Automated  
analyses



# 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 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

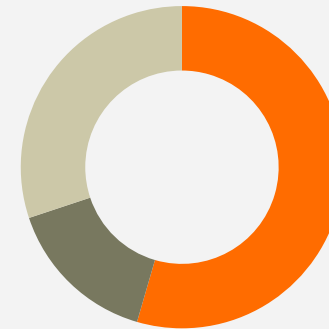
## 3 Daily trading volume (avg.)\*

- 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  
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



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