

Investor Presentation

KWS SAAT SE & Co. KGaA | July 2019

SEEDING
THE FUTURE
SINCE 1856



We are a **seed specialist** for sugarbeet, corn, cereals, vegetables and other agricultural crops. At KWS we think in generations, set ourselves long-term goals and thus strive for **sustainable** success.



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



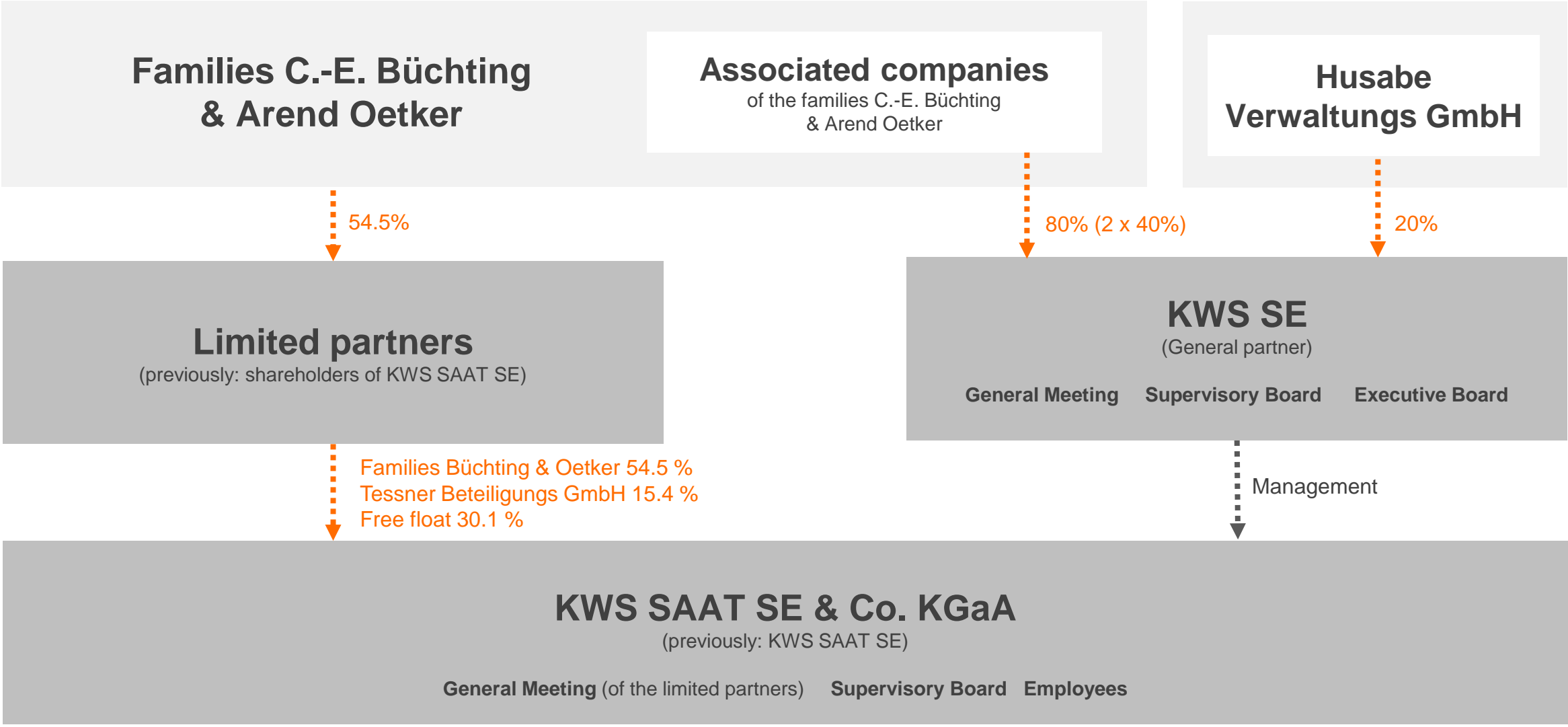
Sustainability

Development of resource-saving varieties

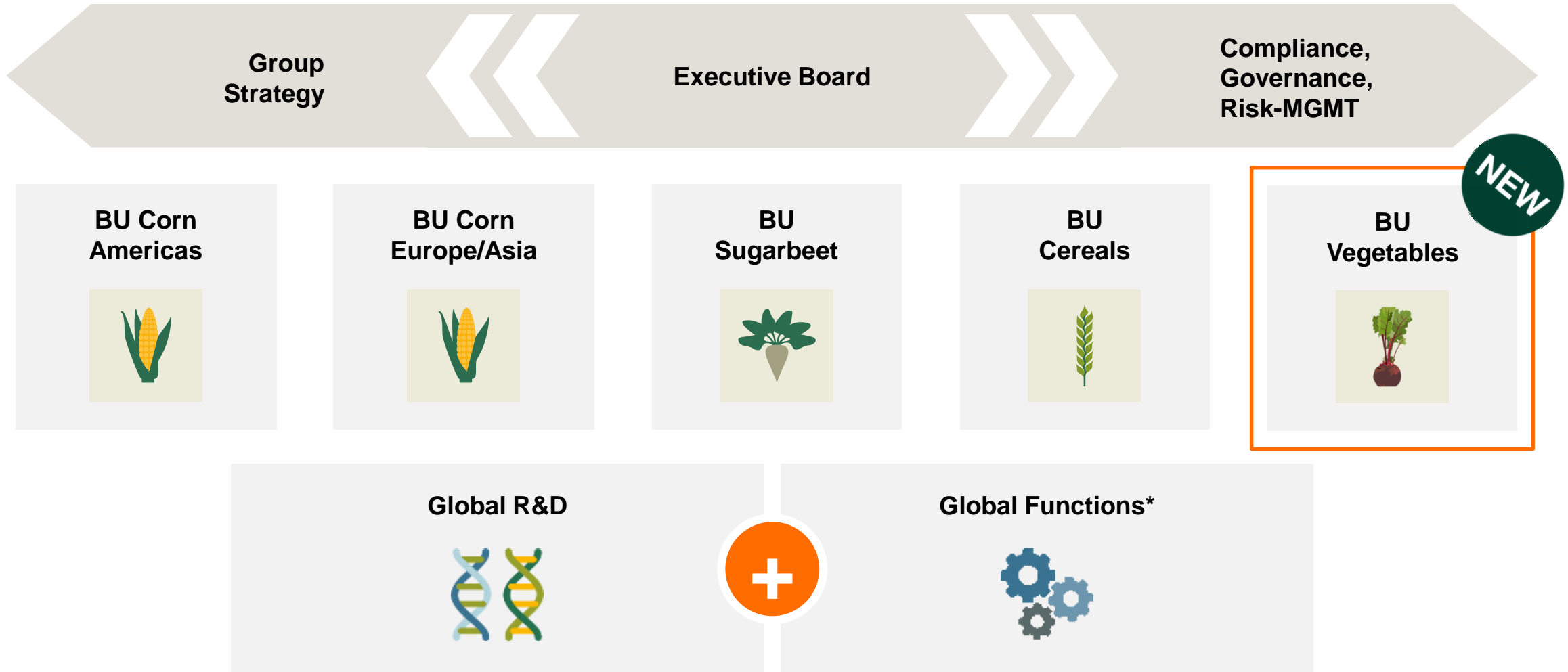
Seed specialist



Organizational chart of the new KWS SAAT SE & Co. KGaA



KWS organizational structure as of July 1, 2019

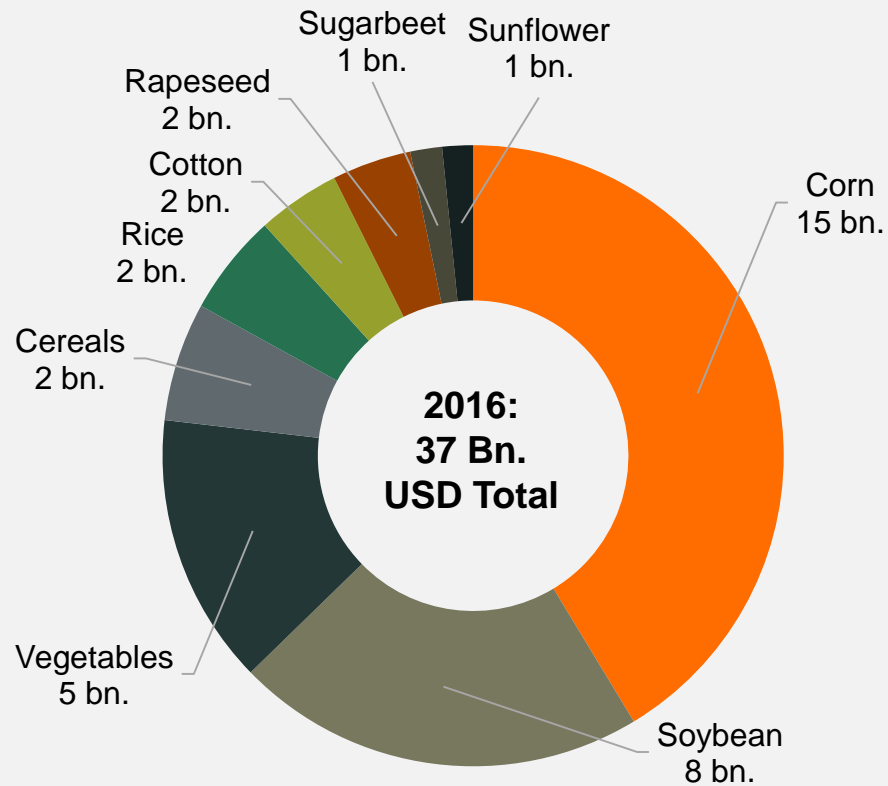


*Controlling, Finance & Procurement, HR, IT, Legal & IP, Transaction Center, Marketing & Communications

Vegetable Seeds – A growing and highly profitable market



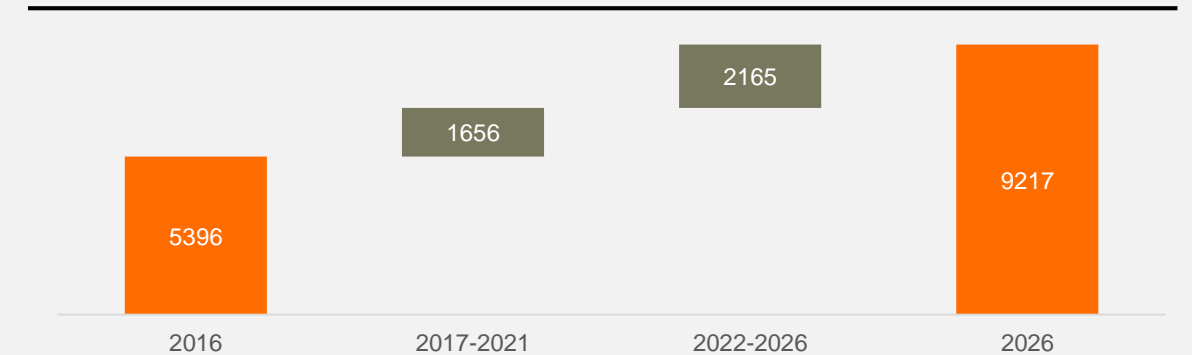
Global Commercial Seed Market



Source: PhillipsMcDougall 2017

- Increasing global vegetable consumption due to population growth and rising incomes
- Rising demand for fresh vegetables driven by growth of superfoods and organic products
- Annual vegetable seed market growth: 5-6% (CAGR)
- Higher margins relative to wider seed market due to specialty nature of vegetable crops

Vegetable Seed Market (in million US\$)



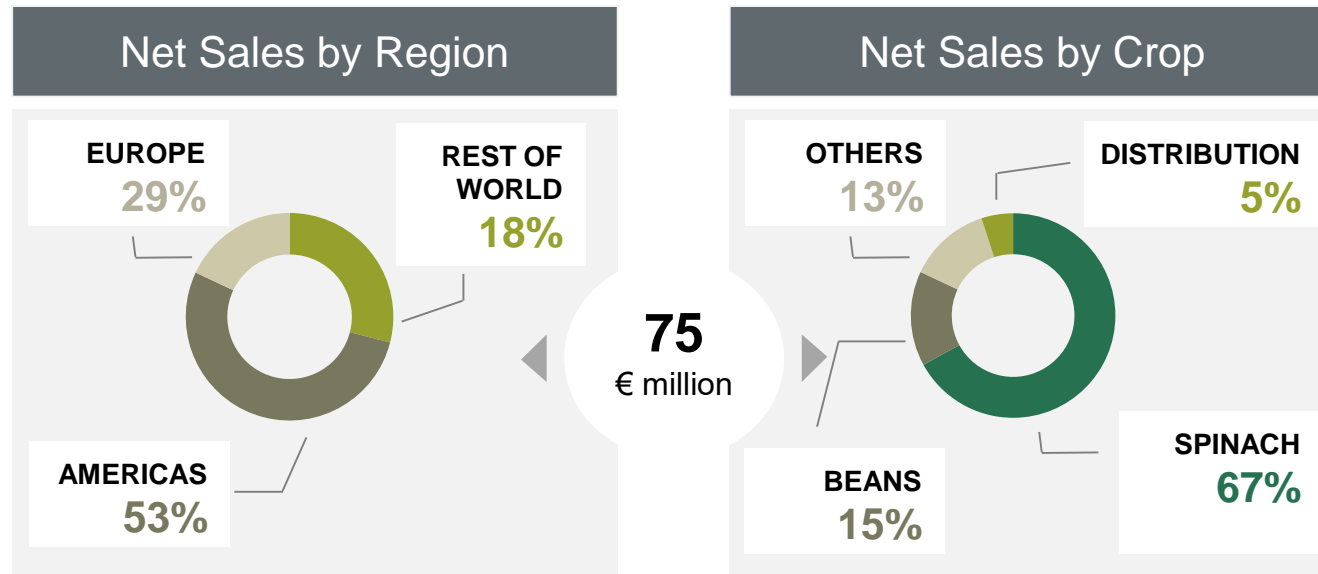
Source: Kynetec 2016, estimated

Acquisition of Pop Vriend Seeds (closed as of July 1, 2019)



Business Overview

- Pop Vriend (PV), headquartered in Andijk (Netherlands), is a global vegetable seed specialist with market leadership in spinach
- PV offers value-add through best-in-class genetics and a high-quality and differentiated seed portfolio (comprises spinach, beans, Swiss chard, carrots as well as red beet)
- Sector leading growth and profitability, evidenced by attractive average EBIT-margin of c. 40% over the last three years
- Purchase price: around 20% of KWS market cap



A boutique quality vegetable seed company





Update Q1-Q3

2018/2019

Income statement

July 1, 2018 – March 31, 2019 vs. previous period



in € million	9M 2018/2019	9M 2017/2018	Change
Net sales	857.7	862.5	-0.6%
Operating income (EBIT)	173.1	169.0	2.4%
Net financial income/expenses	9.8	11.7	-16.2%
Result of ordinary activities	182.9	180.7	1.2%
Income taxes	54.8	56.5	-3.0%
Net income for the period	128.1	124.1	3.2%
Earnings per share (in €)*	3.88	3.82	3.2%

* Based on number of shares after 1:5 share split (33.0m).

EQUITY RATIO¹

in % of total assets

52.6% (+200 bp)

TOTAL ASSETS¹

in € million

1,897 (+7.4%)

CAPEX¹

in € million

67.1 (+52.2%)

NET DEBT¹

in € million

185.7 (+4.0%)

¹ The development of the working capital is impacted by the seasonal course of the business. The numbers in brackets refer on the previous year's figures.

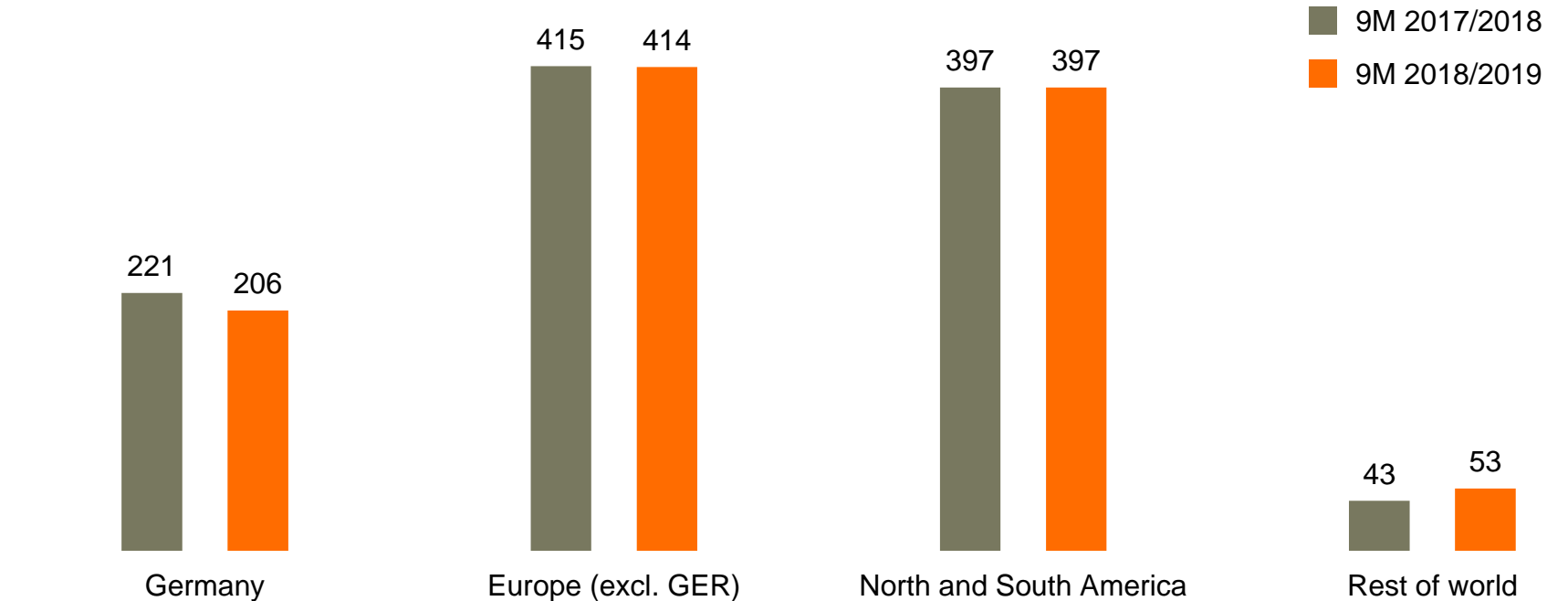
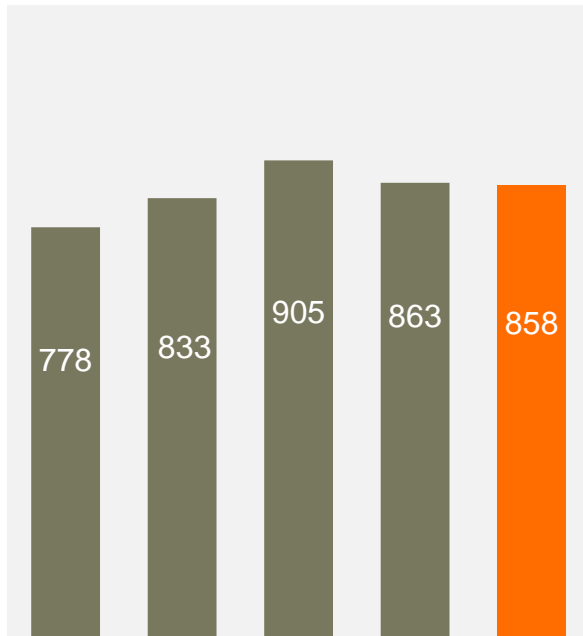
Sales development

July 1, 2018 – March 31, 2019 vs. previous period



Net sales development 9M
in € million

Net sales development 9M by region
in %



Due to the strong seasonal nature of our business, the first nine month (July 1, 2018 to March 31, 2019) most **recently contributed about 80%** to the Group's annual sales.

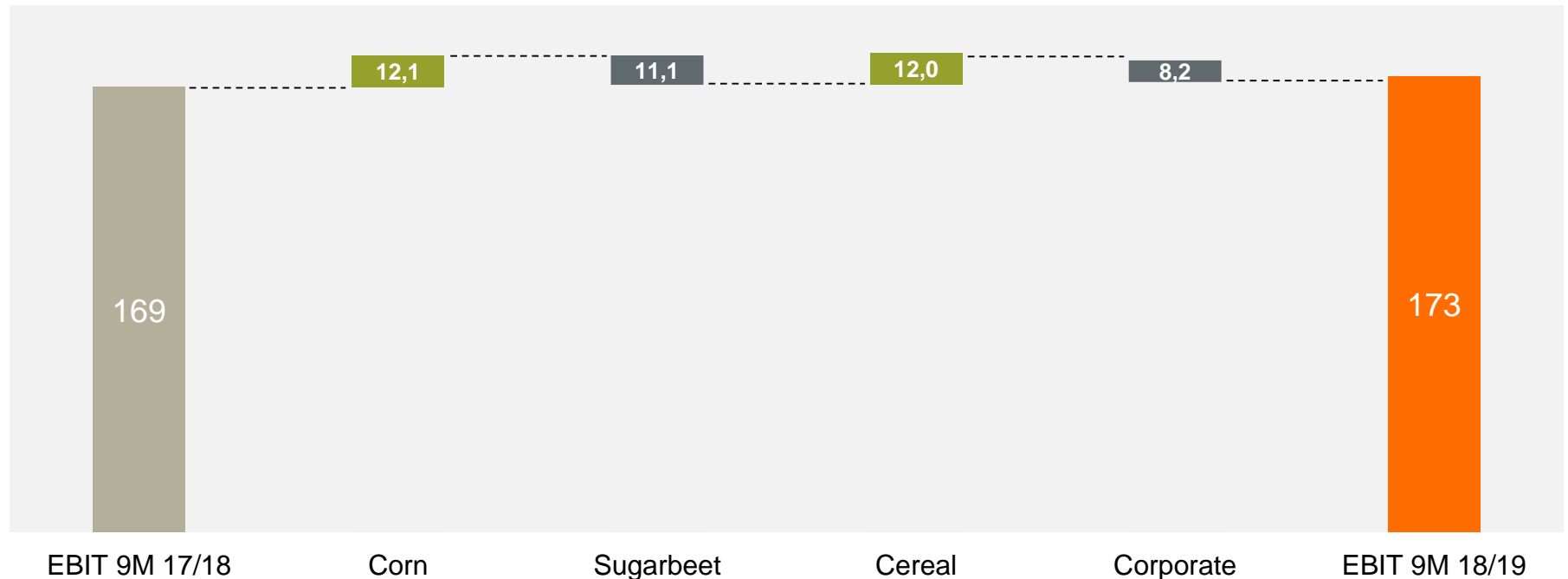
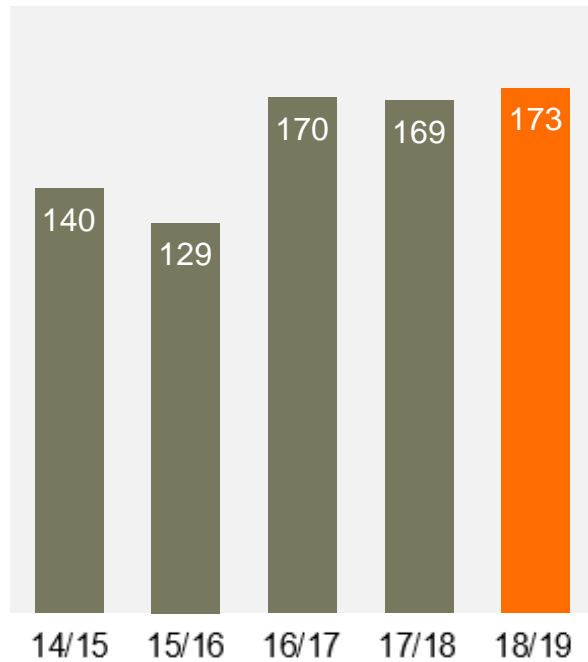
EBIT development

July 1, 2018 – March 31, 2019 vs. previous period



EBIT development 9M
in € million

EBIT development
in € million*



EBIT shows positive development in 9M 2018/2019

* rounding differences possible

Segment performance

July 1, 2018 – March 31, 2019 vs. previous year



Corn



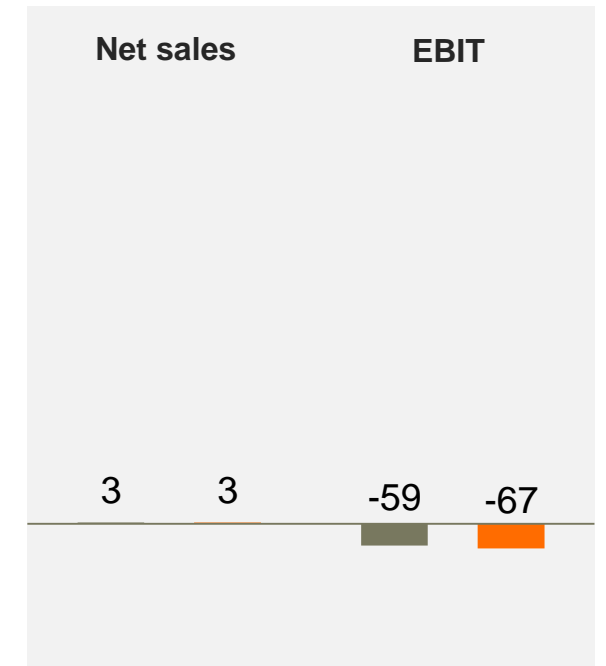
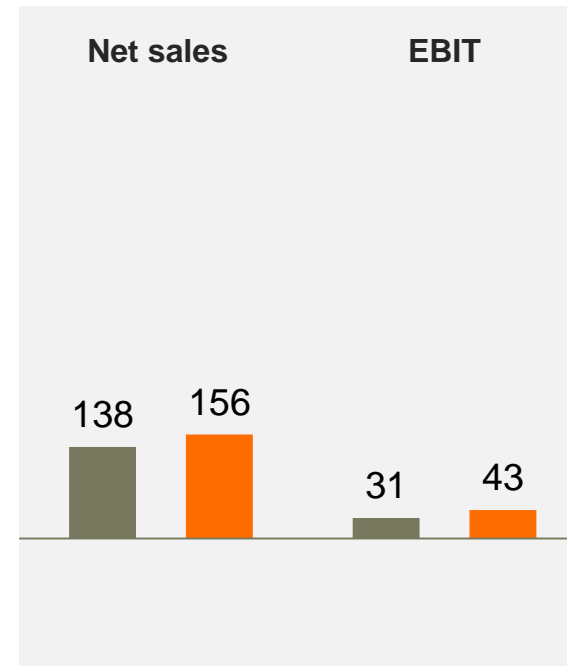
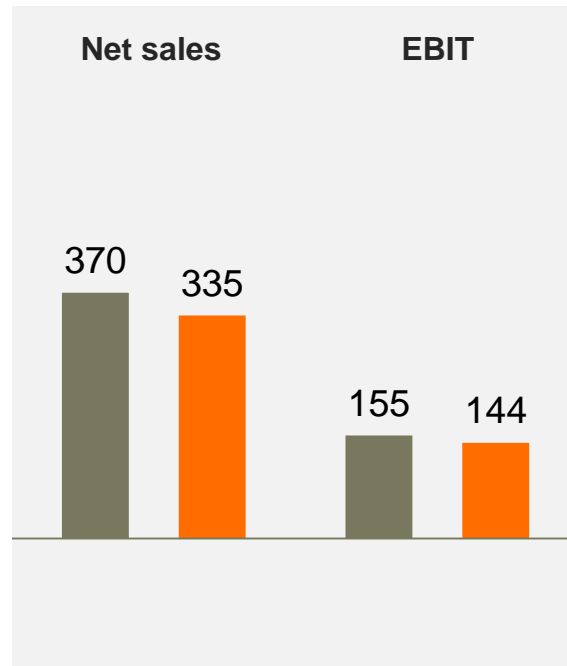
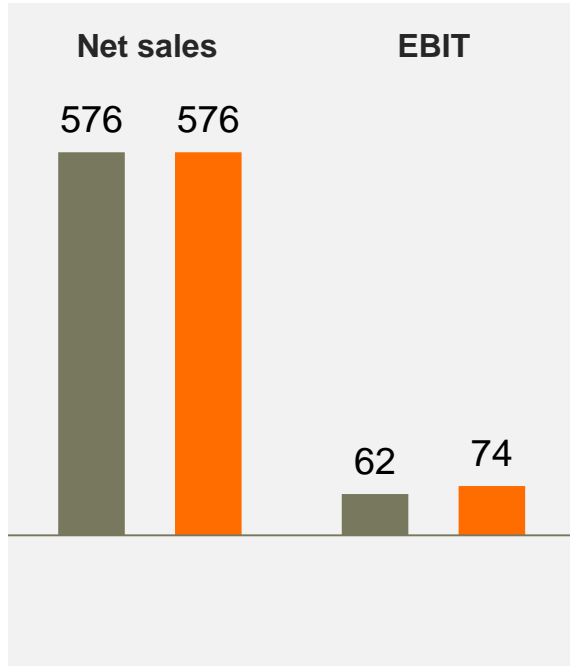
Sugarbeet



Cereals



Corporate



■ 9M 2017/2018 ■ 9M 2018/2019

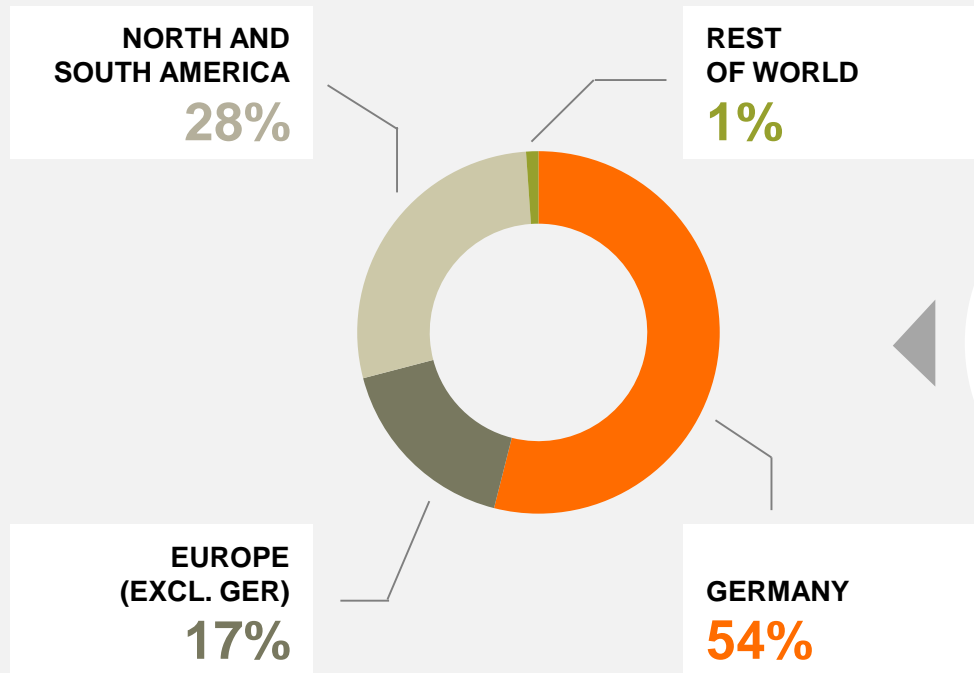
Reconciliation (in € million)	Segments	Reconciliation	KWS Group
Net sales	1,069.9	-212.2	857.7
EBIT	192.8	-19.7	173.1

Capital expenditures

July 1, 2018 – March 31, 2019

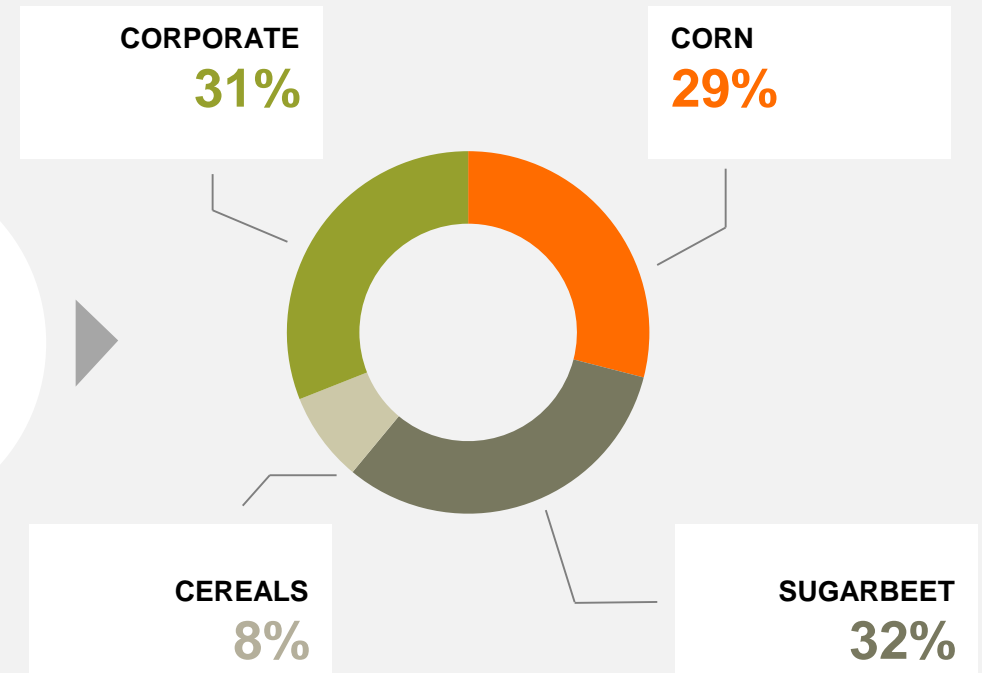


By region



67.1 €
million

By segments



Forecast for the KWS Group| Fiscal year 2018/2019

Last Update May 16, 2019



	Forecast as at 9M 2018/2019 (May 16, 2019)	Fiscal year 2017/2018
Net sales	Slight increase	1,068 € million
EBIT margin	Upper range of 10.0 – 12.0%	12.4%
R&D intensity	Around 19.0%	18.5%

Notes

- The forecast is based on the **current business performance** and the **quarterly updated corporate planning**.

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

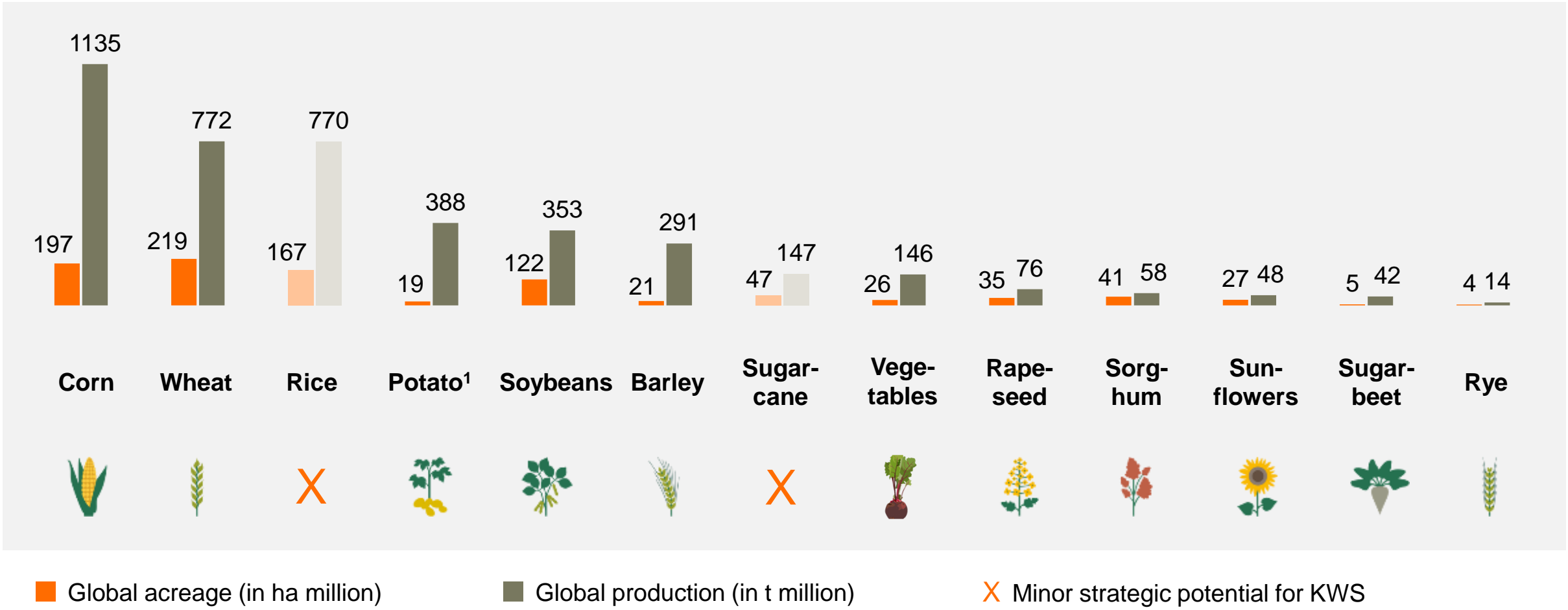
Optimization of energy and nutrient content for more efficient use of acreage



Diversification

Securing sustainability through broadly diversified breeding material

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



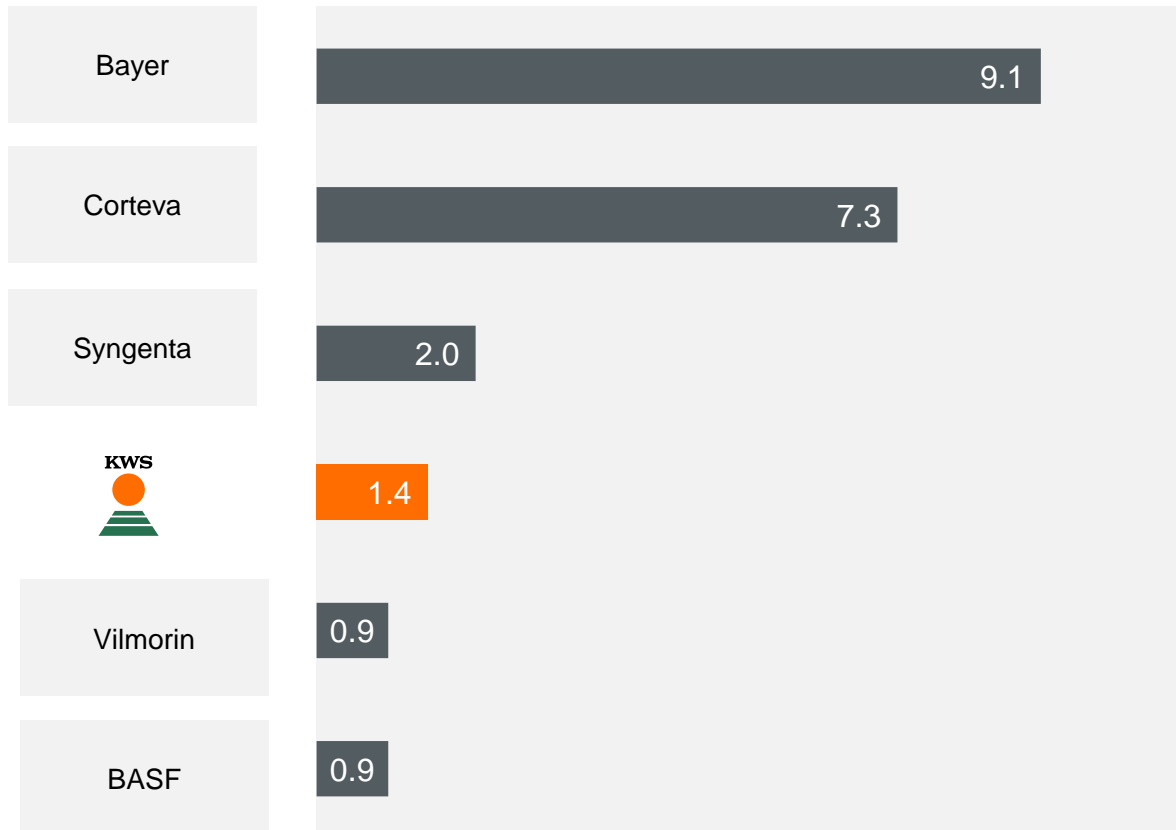
Source: faostat.fao.org (Data for 2017), zuckerverbaende.de; ¹ No commercial business for KWS, but target of strategic research and development.

KWS' competitive environment



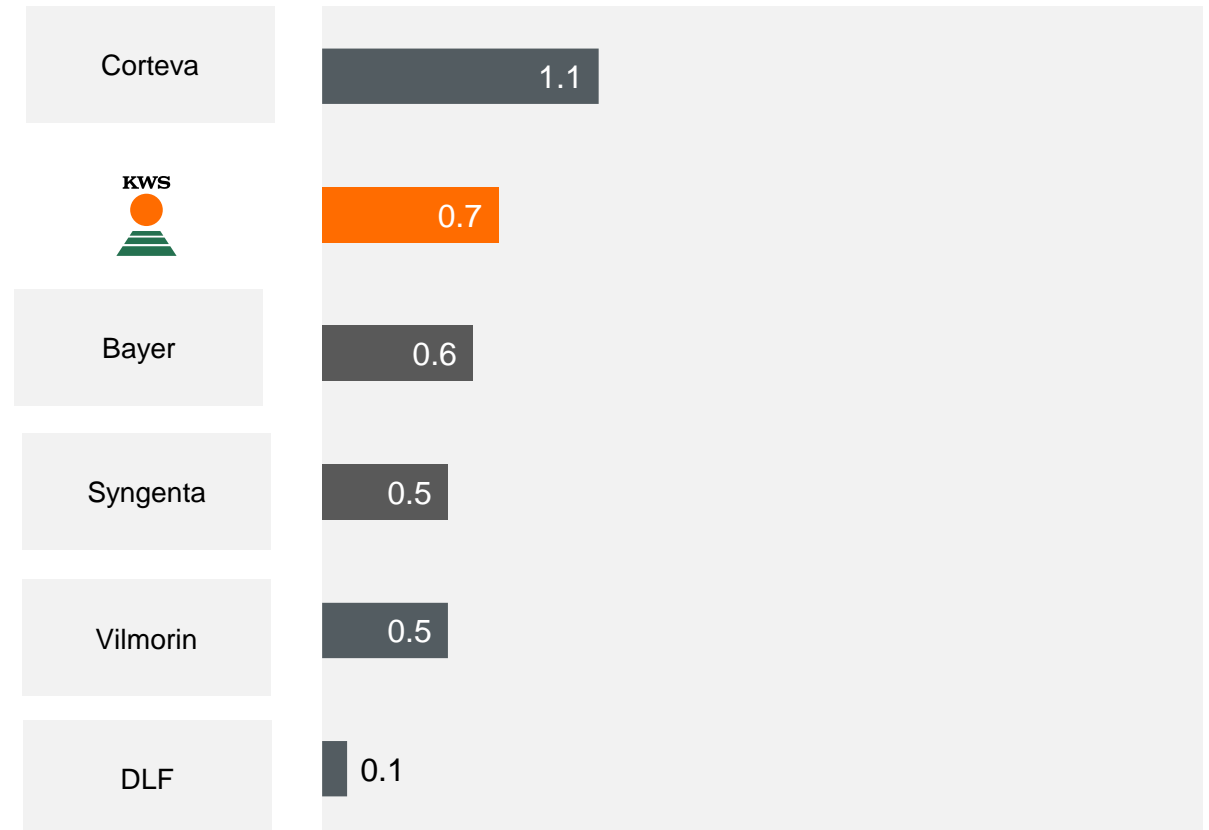
Globally

Sales from agricultural crops in € billion



Europe

Sales from agricultural crops in € billion



Source: AgbioInvestor October 2018, excluding vegetable and flower business, as well as pasture and grazing activities

KWS fiscal year 2017/2018

July 1, 2017 to June 30, 2018



NET SALES
in € million

1,068

INNOVATION
in € million

198

EBIT
in € million

133

EBIT MARGIN
in % from sales

12.4

EARNINGS/SHARE
in €

15.08

EMPLOYEES
worldwide

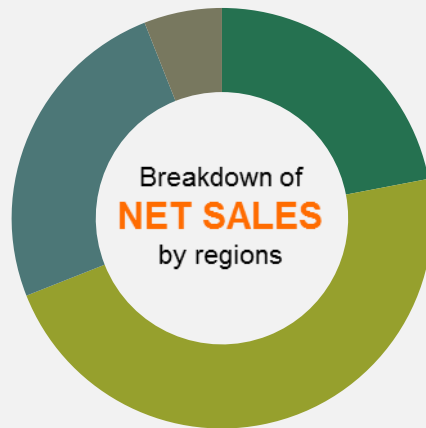
5,147

COUNTRIES
worldwide

70

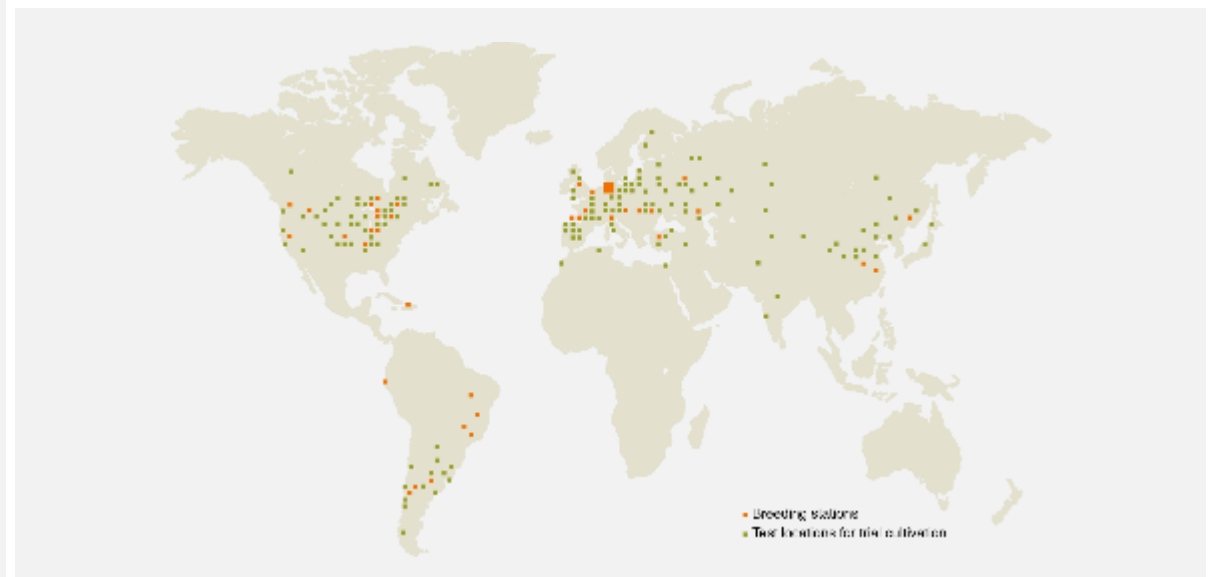
**REST OF
WORLD**
6%

**NORTH AND
SOUTH AMERICA**
25%



GERMANY
22%

**EUROPE
(EXCL. GER)**
47%



**10-years development
2008-2018**

Incl. our at equity-accounted joint
ventures and associated companies

NET SALES
in % p.a. (avg.)

+8.4

EBIT
in % p.a. (avg.)

+7.9

SHARE PRICE
in % p.a. (avg.)

+7.5

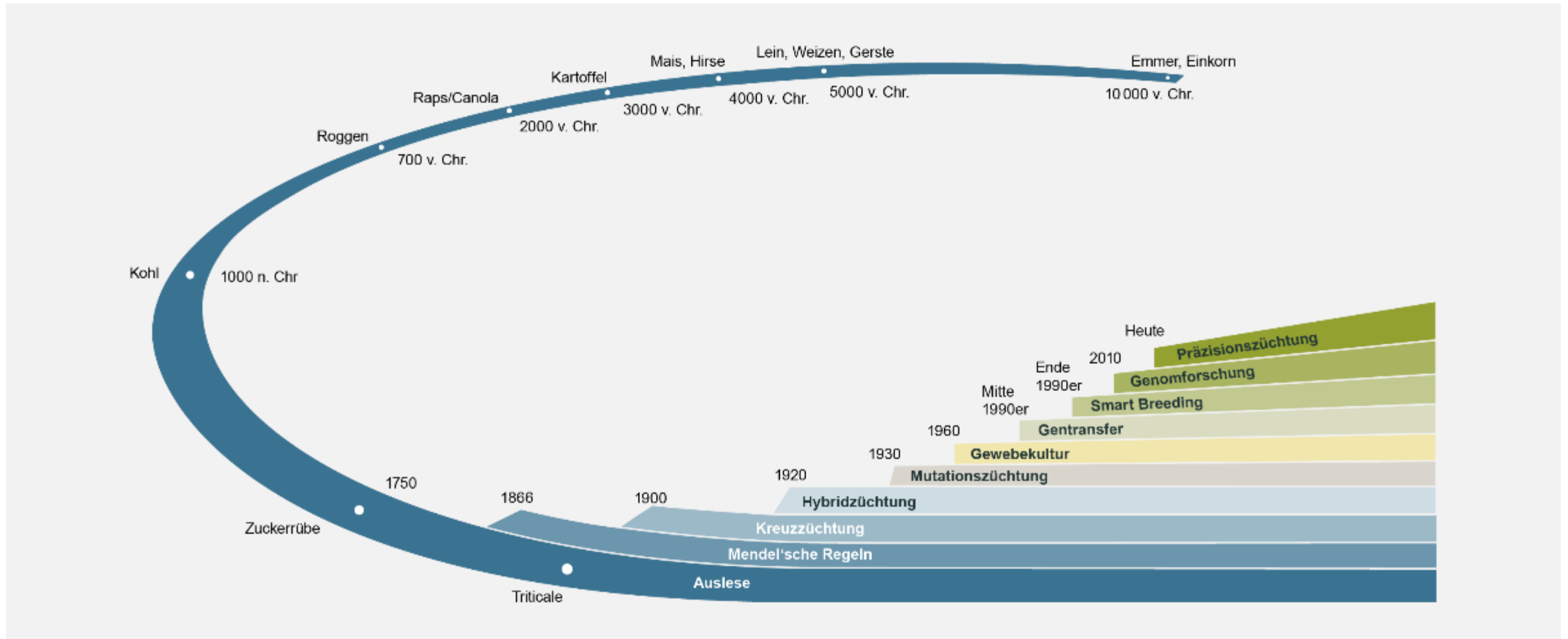
EMPLOYEE
in % p.a. (avg.)

+7.5



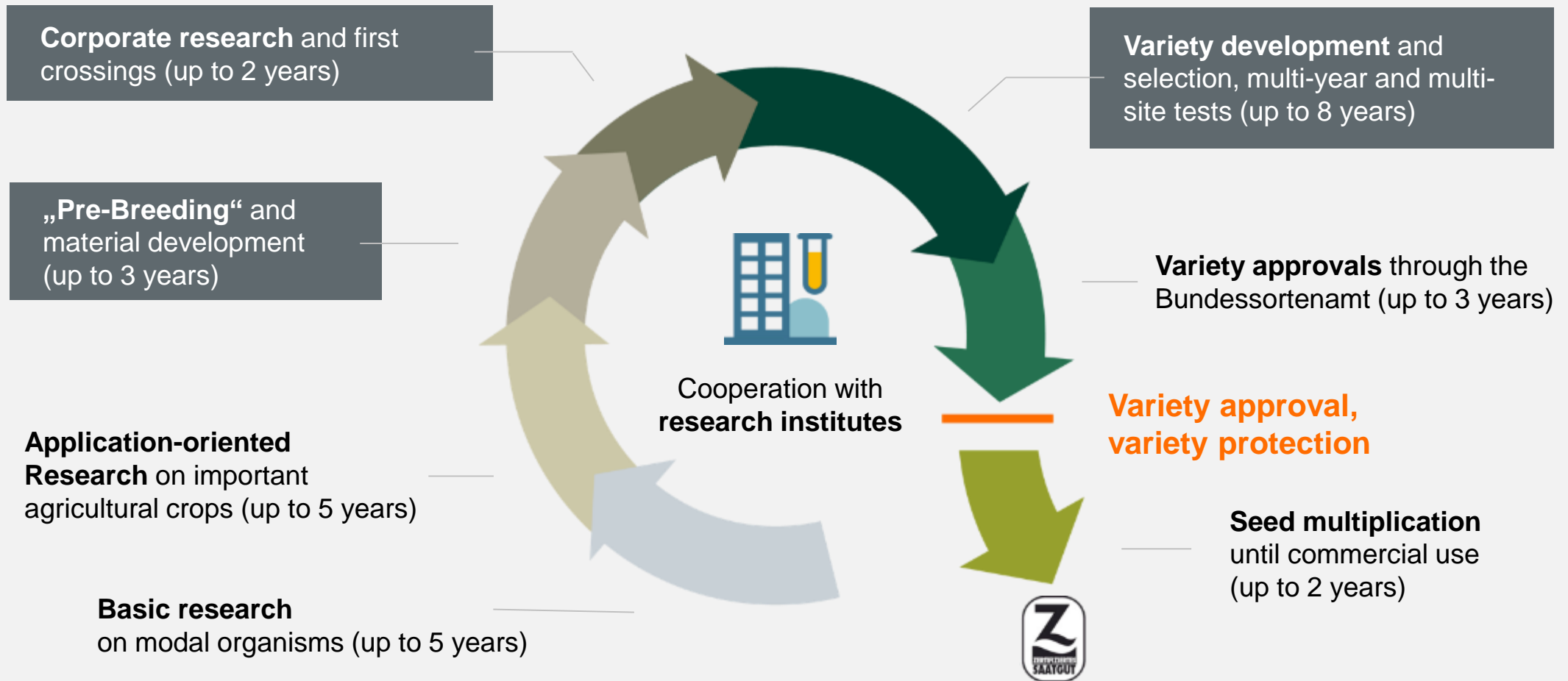
Innovations for
agricultural

The history of plant breeding started 12,000 years ago. Today we use all available breeding methods



Source: BDP, changed

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



Thank you for your interest.

Appendix

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THE FUTURE
SINCE 1856



Research & Development are key drivers to organic growth (KWS fiscal year 2017/2018)



EMPLOYEES
in innovation

1,920

% R&D EMPLOYEES
at KWS

37.3

R&D INVEST
in innovation (in million €)

197.7

% R&D INVEST
of total turnover

18.5

YIELD PROGRESS
crops Ø p.a.

1-2%

Einbeck (DE)

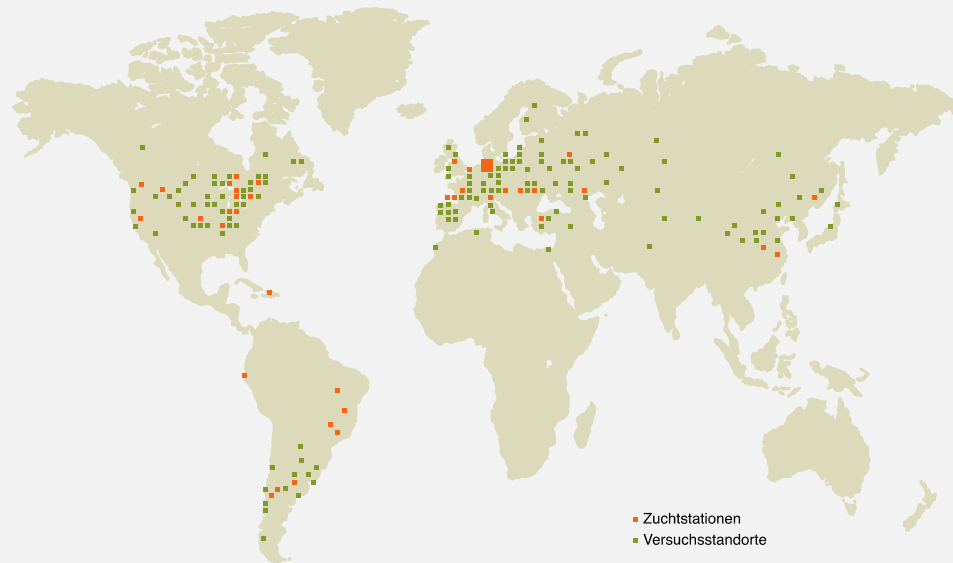
Research Campus



800 researchers

full spectrum of research and
breeding for all KWS crops

Global Research Network



St. Louis (USA)

Gateway Research Center



30 researchers

basic research and product
development for sugar beet, corn,
cereals and potato

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)



“

**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

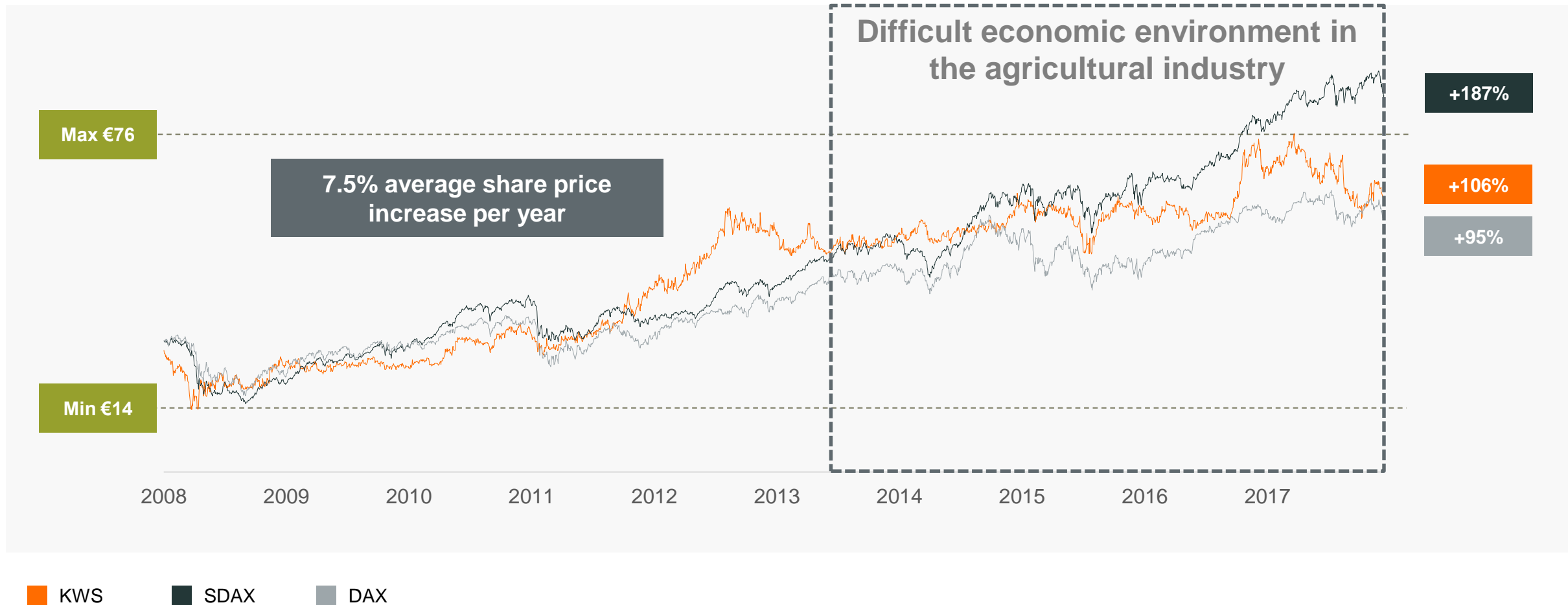


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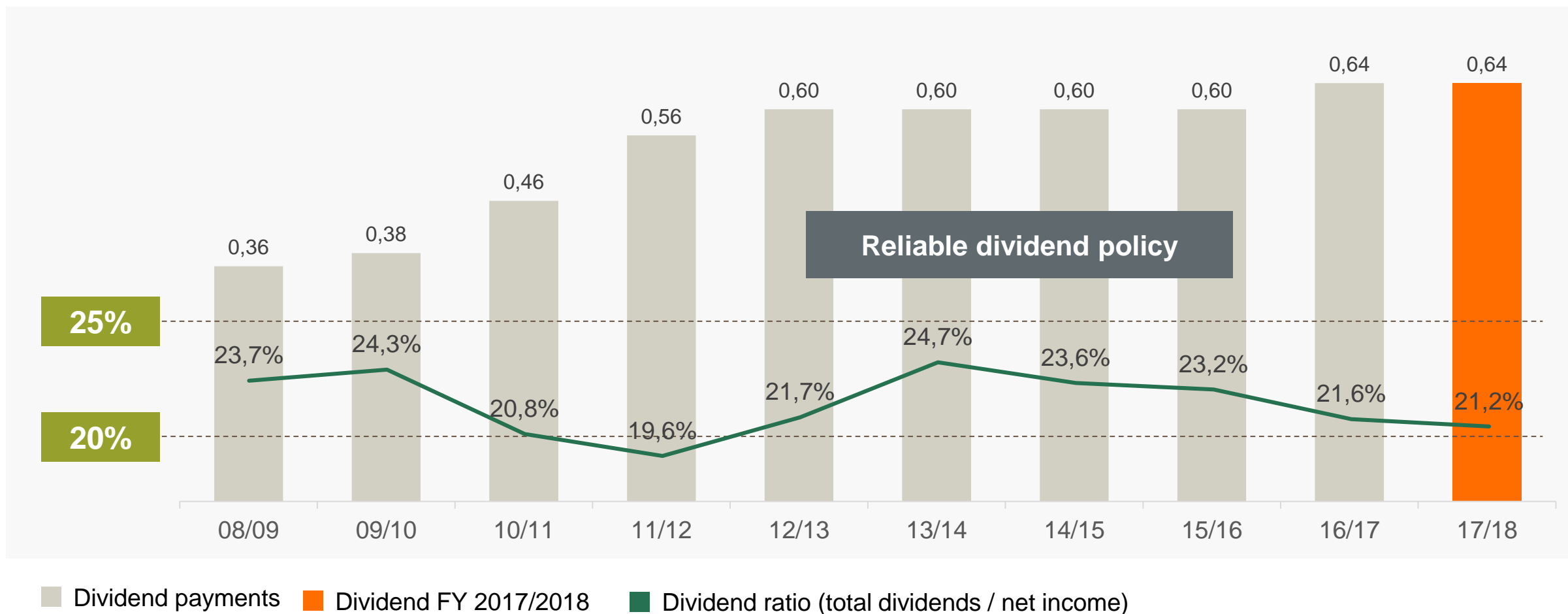
As a family-owned company, we focus on a **distinctive value orientation and long-term success. This includes respectful interaction with each other, a positive working environment and the individual development of our employees.**

Felix Büchting (1974)
Board member since 2019
Cereals, Agriculture, Human Resources

Share price development of the past 10 years closing price Xetra, July 1, 2008 to June 30, 2018



Dividend payments* and dividend ratios of the past 10 years



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

Key figures for the KWS share, shareholdings and actual coverage



1 General Data

- ISIN
- Number of shares
- Type

DE0007074007
33.000.000
No-par value shares

2 Closing price (Xetra)*

- December 31, 2018
- July 1, 2018

in €
52.00
60.80

3 Daily trading volume (avg.)*

- 6M 2018/2019
- 6M 2017/2018

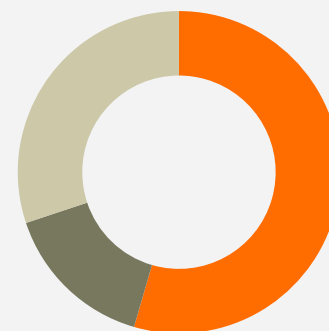
in shares/day
9,960
7,475

4 Market capitalization

- December 31, 2018
- July 1, 2018

in € million
1,716
2,026

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



FAMILIES
BÜCHTUNG,
AREND OETKER

54.5%

TESSNER
BETEILIGUNGS
GMBH

15.4%

FREE FLOAT

30.1%



Financial calendar and IR contact



October 23, 2019

Publication of the 2018/2019 annual statements;
Annual Press Conference and Analysts' Conference in Frankfurt

November 26, 2019

Quarterly Report Q1 2019/2020



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