

Investor Presentation

KWS SAAT SE | Bankhaus Lampe German Conference, April 2018

SEEDING
THE FUTURE
SINCE 1856





- About KWS
 - Fundamentals
 - Research & Development
- Update 6M
- Forecast
- Appendix



About KWS

About KWS – Fundamentals

KWS at a glance



Highlights

- **Strong market positions** in the global agricultural crop market. Market leader in sugarbeet, silage corn and hybrid rye
- Diverse gene pool with **proprietary varieties**
- **Sustainable business model** with strong fundamental pillars (global demand for food and feed)
- Strategy and management with **long-term orientation**, enabled by family shareholders

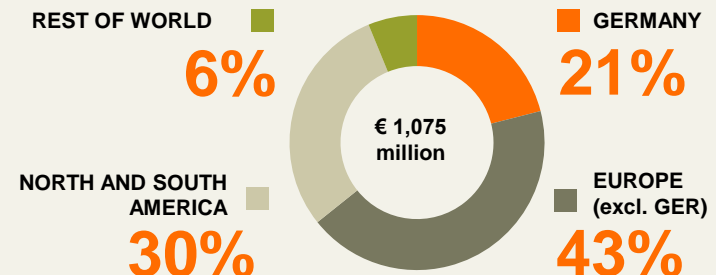
Key financials KWS Group 2016/2017

| | | |
|---|---------------------------------|--|
| SALES in million € | EBIT in million € | EBIT MARGIN in % from sales |
| 1,075 | 132 | 12.2 |
| R&D INTENSITY in % from sales | EARNINGS / SHARE in € | EMPLOYEES number of employees (avg.) |
| 17.7 | 14.78 | 4,937 |

10-year development 2007 – 2017¹

| | | |
|--|---|---|
| SALES DEVELOPMENT in % p.a. (avg.) | EBIT DEVELOPMENT in % p.a. (avg.) | SHAREPRICE DEVELOPMENT in % p.a. (avg.) |
| +10.0 | +9.5 | +10.3 |

Net sales by region 2016/2017



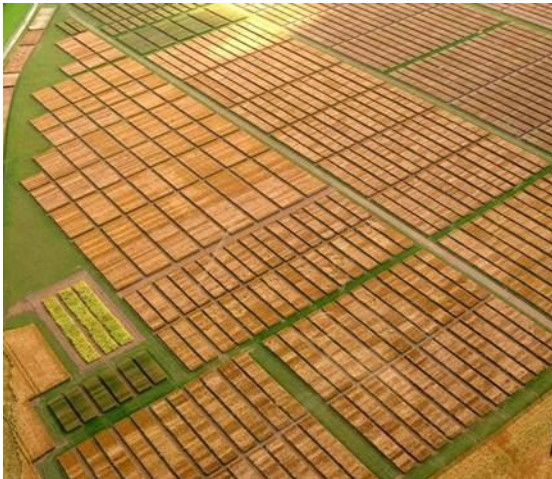
¹ Incl. our at equity-accounted joint ventures and associated companies.

About KWS – Fundamentals

Essential business processes of KWS



Further development of yield characteristics



Seed quality



Capable consulting



KWS is specialized in **developing, producing and distributing high-quality crop varieties** for agriculture

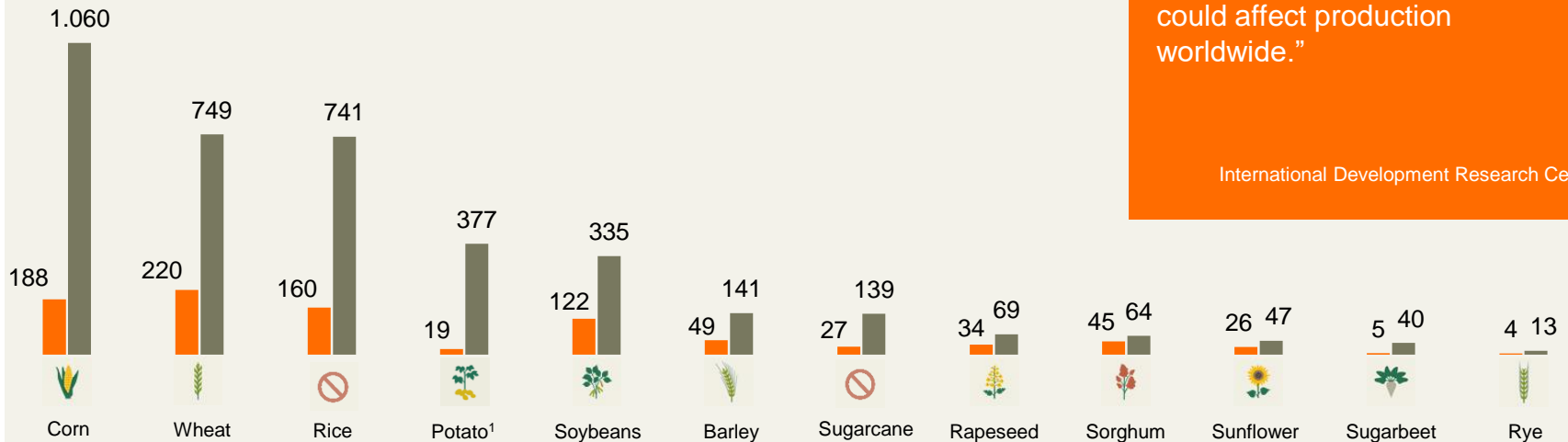
About KWS – Fundamentals

Global importance of agricultural crops



Global acreage and production

- Area harvested (in ha million)
- Production (in t million)
- Minor strategic potential for KWS



” Wheat, rice, and corn provide just over 50 percent of the world’s plant-derived food energy. [...] It is vital to ensure continued genetic diversity of these major crops to avoid vulnerability to diseases that could affect production worldwide.”

International Development Research Center

Source: faostat.fao.org (Daten für 2016), zuckerverbaende.de; ¹ No commercial business for KWS, but target of strategic research and development.

The KWS portfolio consists of a **broad, diversified, proprietary genepool** for the development of agricultural crops.

About KWS – Fundamentals

Plant breeding serves fundamental demands



Population growth



Food demand is expected to rise by 60% through 2050

Harvest losses



High harvest losses due to insects (15%), weeds (13%), fungal diseases (13%), damage in storage (10%)

Climate change



Change in abiotic stress requires new variety characteristics

Resource efficiency



Modern varieties need less input from limited resources like fertilizer, plant protection and fresh water

Steadily **increasing demand** for improved varieties

About KWS – Fundamentals

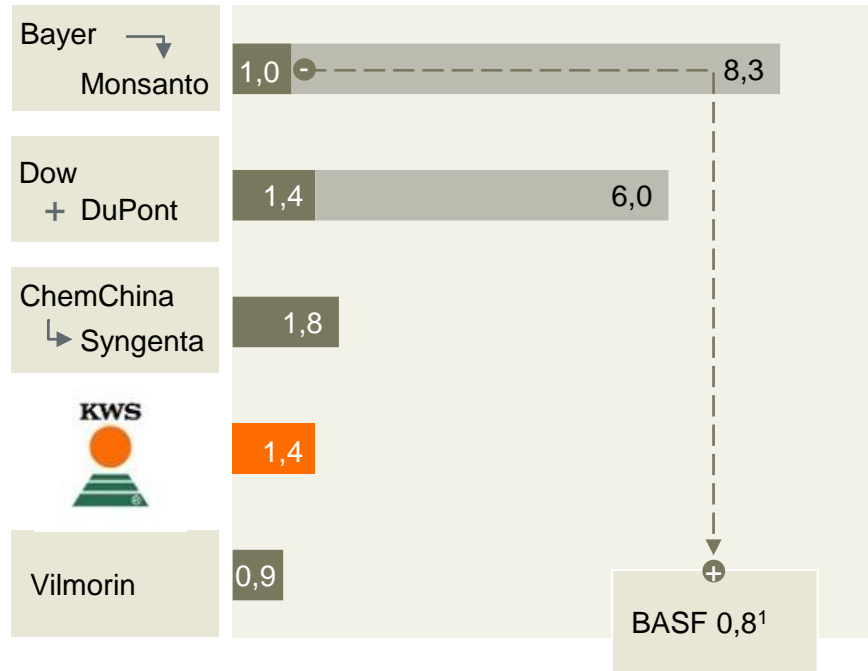
TOP 5 Global agricultural seed companies



Net sales of agricultural sales

Globale net sales

in € billion



Net sales in Europe

in € billion



Sources: Companies' Annual Reports, Phillips McDougall consultants; own estimates, BASF on October 13, 2017. For Europe: estimated sales for 2016, McDougall ; own estimates
 Bayer: FY 2016 (1/1 to 12/31); "Seeds" w/o flowers and vegetables.
 Monsanto: FY 2015/2016 (9/1 to 8/31; 1.11 USD/EUR); „Seeds & Genomics“ w/o vegetables.
 Dow: FY 2016 (1/1 to 12/31; 1.11 USD/EUR); „Agriculture-Seeds“.
 DuPont: FY 2016 (1/1 to 12/31; 1.11 USD/EUR); „Agricultural Sciences-Seeds“.
 Syngenta: FY 2016 (1/1 to 12/31; 1.11 USD/EUR); „Seeds“ w/o „Vegetables“ and „Lawn and Garden“.
 KWS: FY 2016/2017 (7/1. to 6/30); incl. at equity consolidated companies.
 Vilmorin: FY 2016/2017 (7/1. to 6/30); incl. at equity consolidated companies.

About KWS – Fundamentals

Objectives



The KWS Group's medium- and long-term objectives

Profitable growth

- Increase in consolidated net sales by an average of 5 to 10% p.a.
- EBIT margin \geq 10%

Research & Development

- R&D intensity of around 17% of consolidated net sales
- 1% to 2% increase in yields p.a. and development of tolerances and resistances

Internationalization

- Expansion of the portfolio for subtropical markets

Sustainability

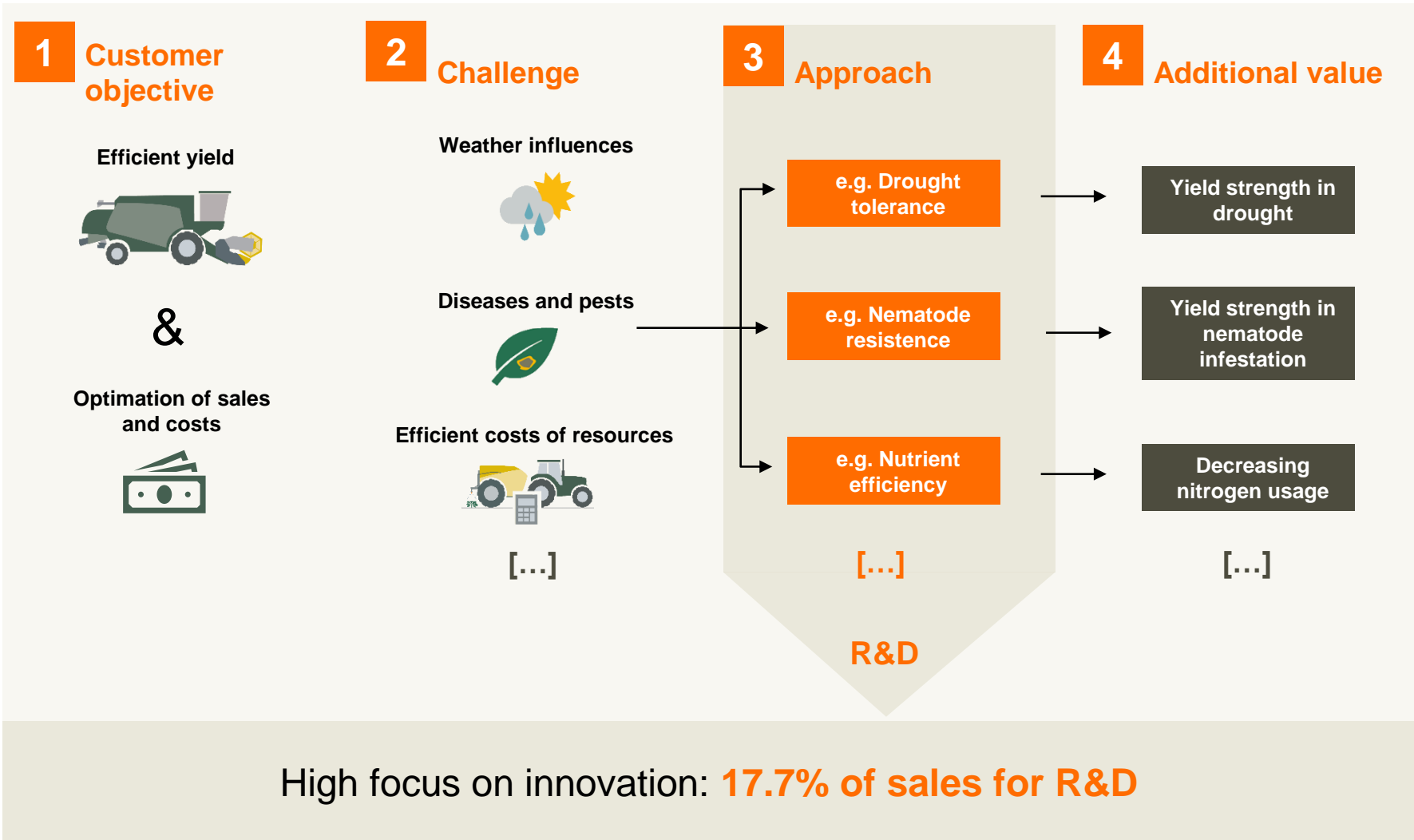
- Integration of international subsidiaries in KWS' sustainability reporting

Dividend

- A dividend payout ratio of 20% to 25% of the KWS Group's net income

About KWS – Fundamentals

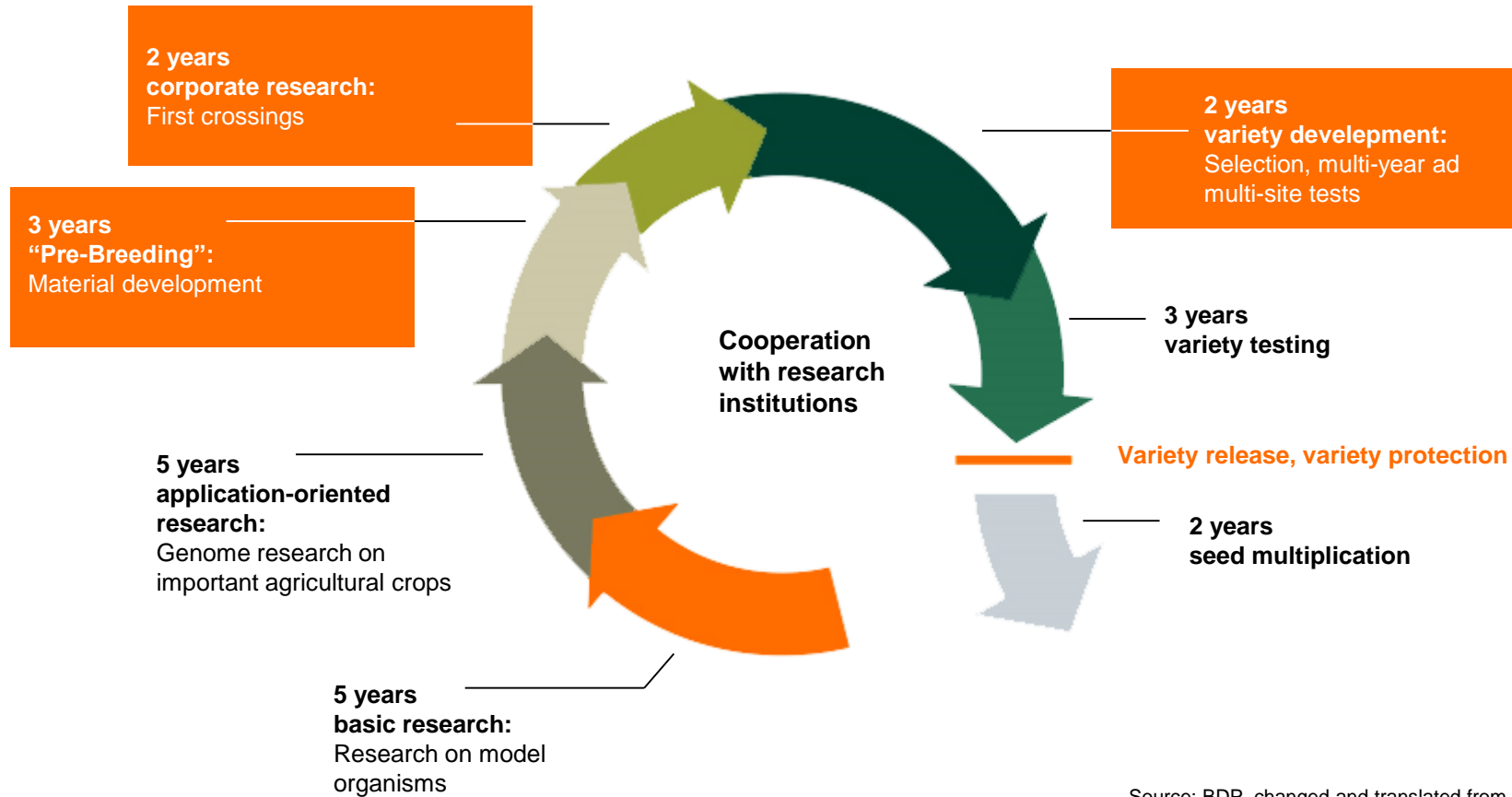
Strategic approach: Earning additional value for farmers with R&D



High focus on innovation: **17.7% of sales for R&D**

About KWS – Research & Development

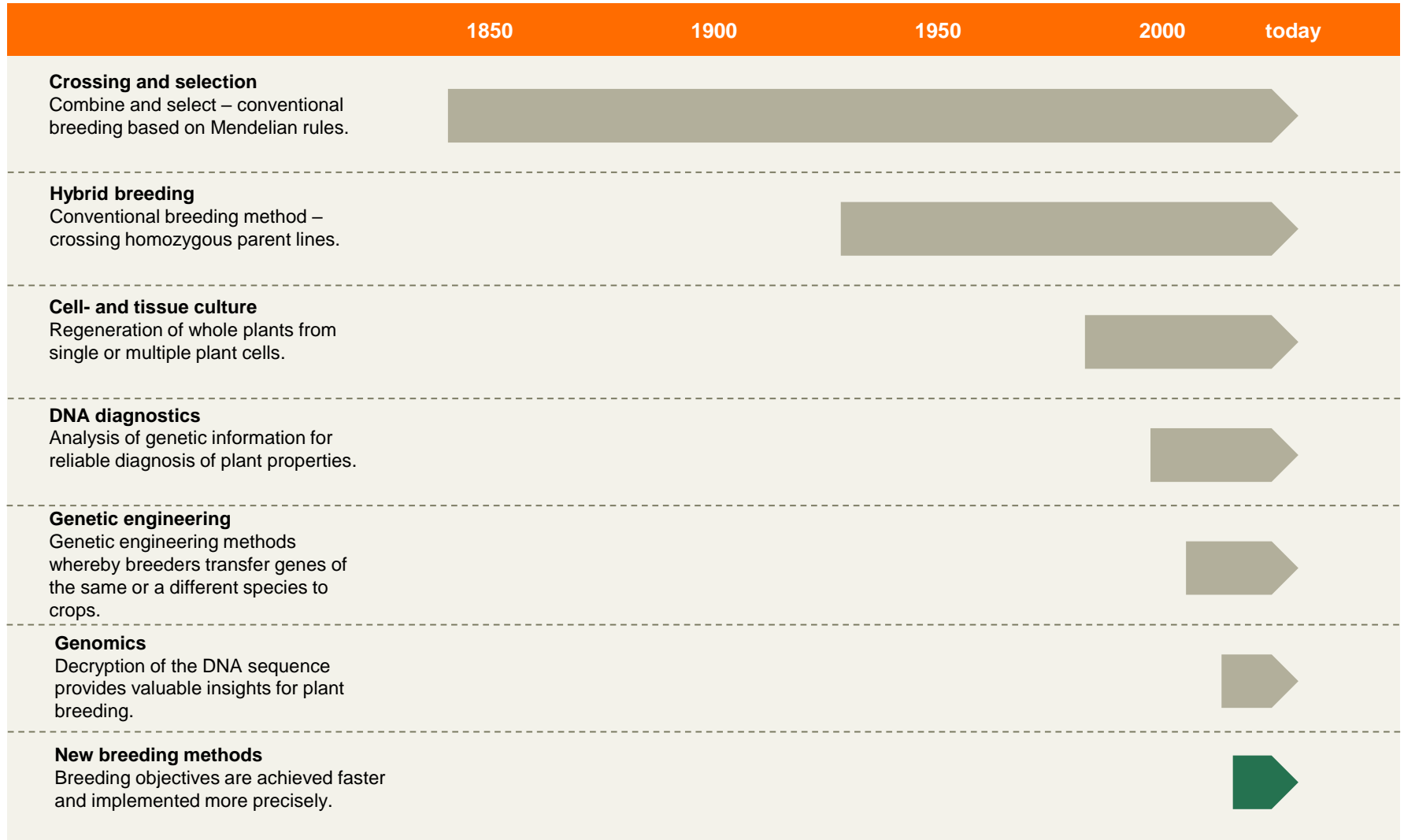
The long road to a new variety



Source: BDP, changed and translated from German

About KWS – Research & Development

Genesis of modern plant breeding



About KWS – Research & Development

Genome Editing: A method. Many possibilities.



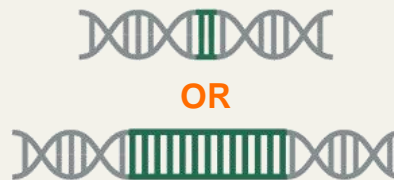
Model 1

Directed, random change of small DNA building blocks (e.g. point mutations or deletions)



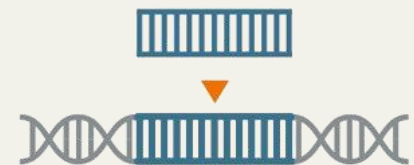
Model 2

Directed, targeted transmission of species-specific DNA sections



Model 3

Directed, targeted transmission of non-species-specific genes or gene components



Plants that are produced in this way could also arise naturally in nature or through classical cross- and combination-breeding and are therefore nature-identical. Separate regulation is not necessary.

Plants that are produced in this way are genetically modified and fall under the German Genetic Engineering Act in the EU.

About KWS – Research & Development

Why do we need new breeding methods?



Breeding objectives

- Resistance to pests and diseases
- Abiotic tolerances
- Herbicide tolerance
- Optimized composition of plant components
- ...



Accelerate innovation in favor of sustainable agriculture

- Ensure earnings progress and earnings stability
- Reduced consumption of resources, such as water, fertilizer, chemicals
- Increased energy and nutrient content
- Even niche cultures or cultures that could only be bred with a great deal of effort can benefit from genome editing





Update 6M 2017/2018

| Net Sales | EBIT |
|---------------|---------------|
| -12.8% | -27.5% |

- Slight decrease in net sales in South America and Turkey
- Good winter oilseed rape and hybrid rye seed business
- Planned increase of costs
- Sales & EBIT outlook confirmed

Update 6M – Earnings of the KWS Group

July 1, 2017 – December 31, 2017 vs. previous period



Abridged income statement

| in € millions | 6M 2017/2018 | 6M 2016/2017 | +/- |
|-------------------------------|-----------------|-----------------|--------|
| Net sales | 244.1 | 280.0 | -12.8% |
| Operating income (EBIT) | -89.6 | -70.3 | -27.5% |
| Net financial income/expenses | -29.0 | -25.8 | -12.4% |
| Result of ordinary activities | -118.6 | -96.1 | -23.4% |
| Income taxes | -38.0 | -31.8 | -19.5% |
| Net income for the period | -80.6 | -64.3 | -25.3% |
| Earnings per share (in €) | -12.23 | -9.73 | -25.7% |

Other figures

| Employees | Total assets | Capex | Net dept ¹ |
|------------------|----------------------------|----------------------------|----------------------------|
| 5,422 (+7.5%) | 1,464 € million (-2.1%) | 27,9 € million (-17.0%) | 223,8 € million (-5.4%) |

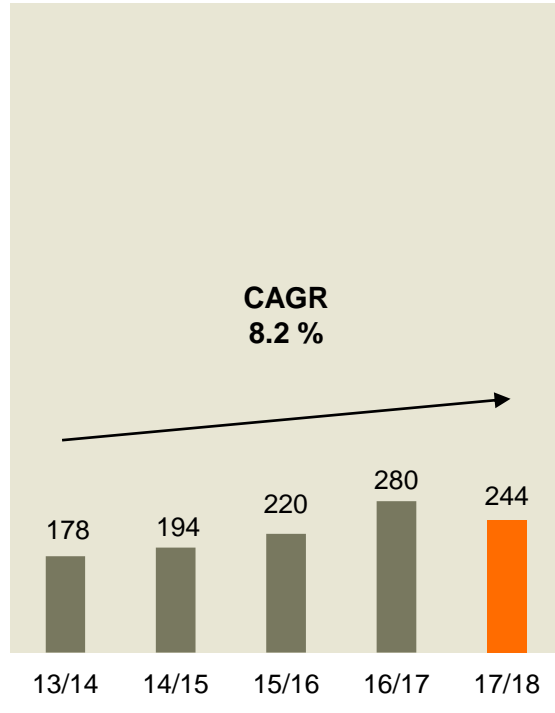
¹ The development of the working capital is impacted by the seasonal cours of the business.

Update 6M – Earnings of the KWS Group

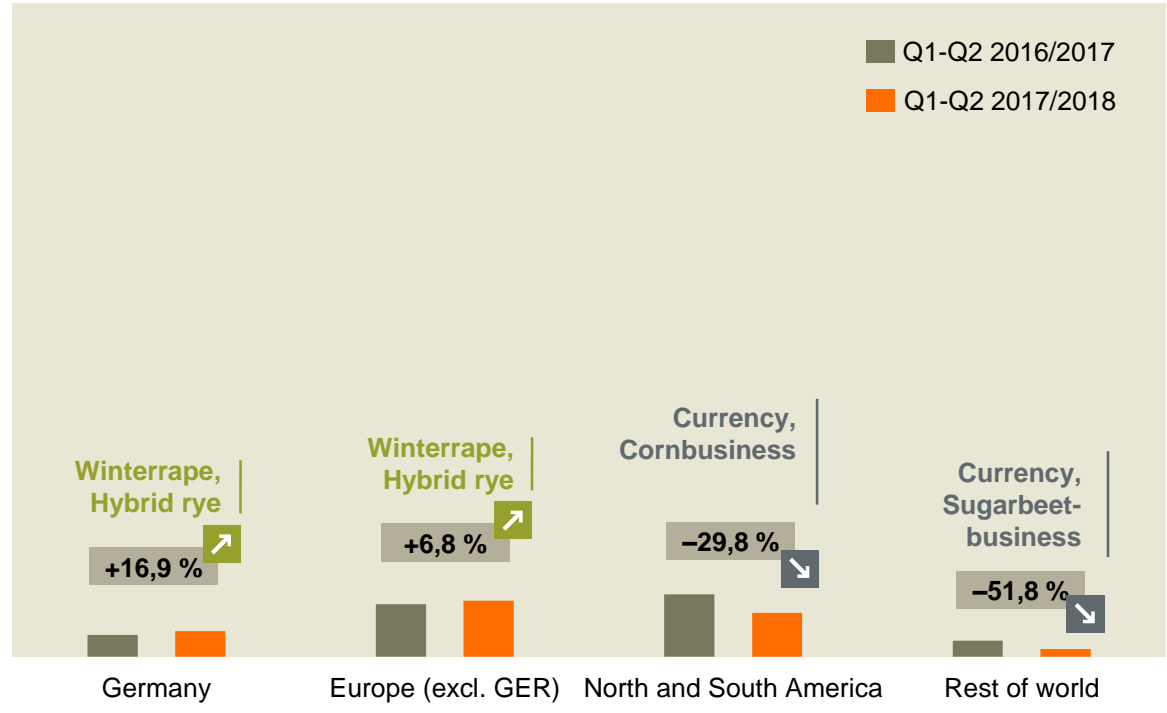
July 1, 2017 – December 31, 2017 vs. previous period



Net sales development Q1-Q2
in € million



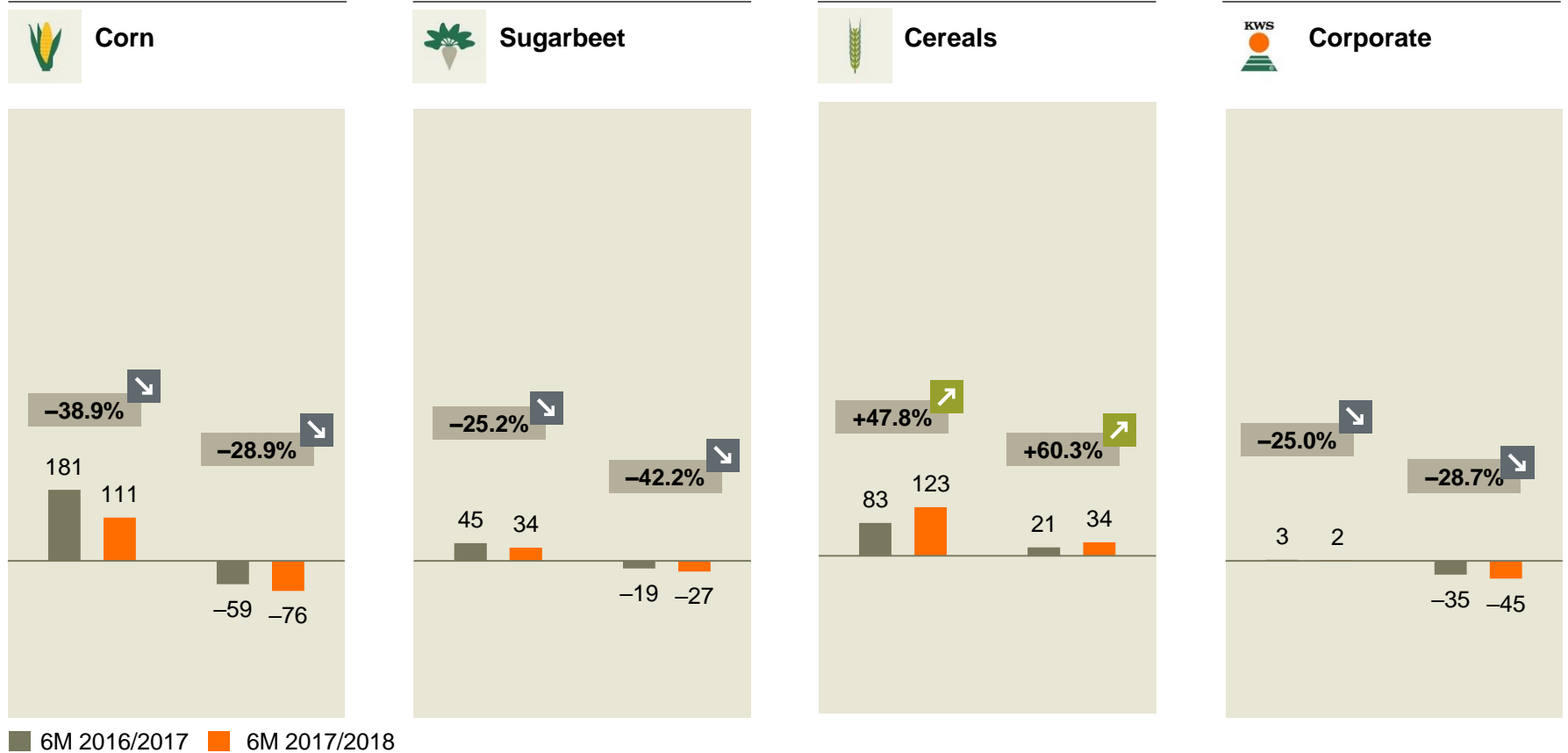
Net sales development Q1-Q2 by region
in %



The first half of the year (July to December) most **recently contributed around 25%** of the Group's annual net sales due to this strongly seasonal nature of our business.

Update 6M – Earnings of the KWS Group

July 1, 2017 – December 31, 2017 vs. previous period



| Reconciliation (in € million) | Segments | Reconciliation | KWS Group |
|-------------------------------|----------|----------------|-----------|
| Net sales | 270.0 | -25.9 | 244.1 |
| EBIT | -114.5 | 24.9 | -89.6 |

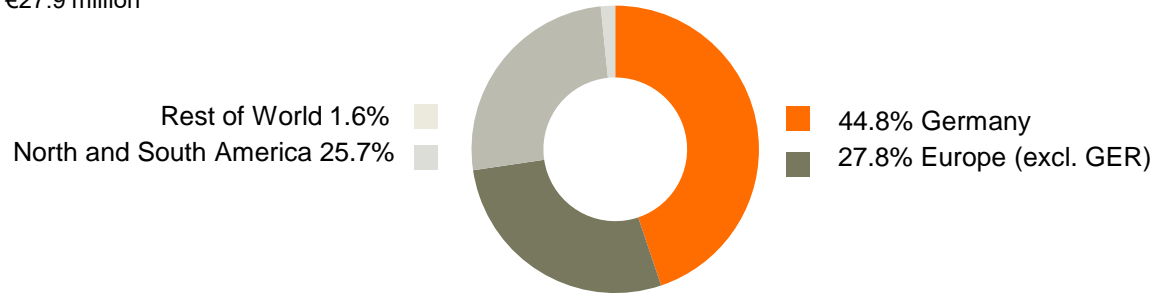
Update 6M – Capital Expenditures

July 1, 2017 – December 31, 2017



Capital expenditures by region¹

Total capital expenditures €27.9 million



Capital expenditures by segments¹

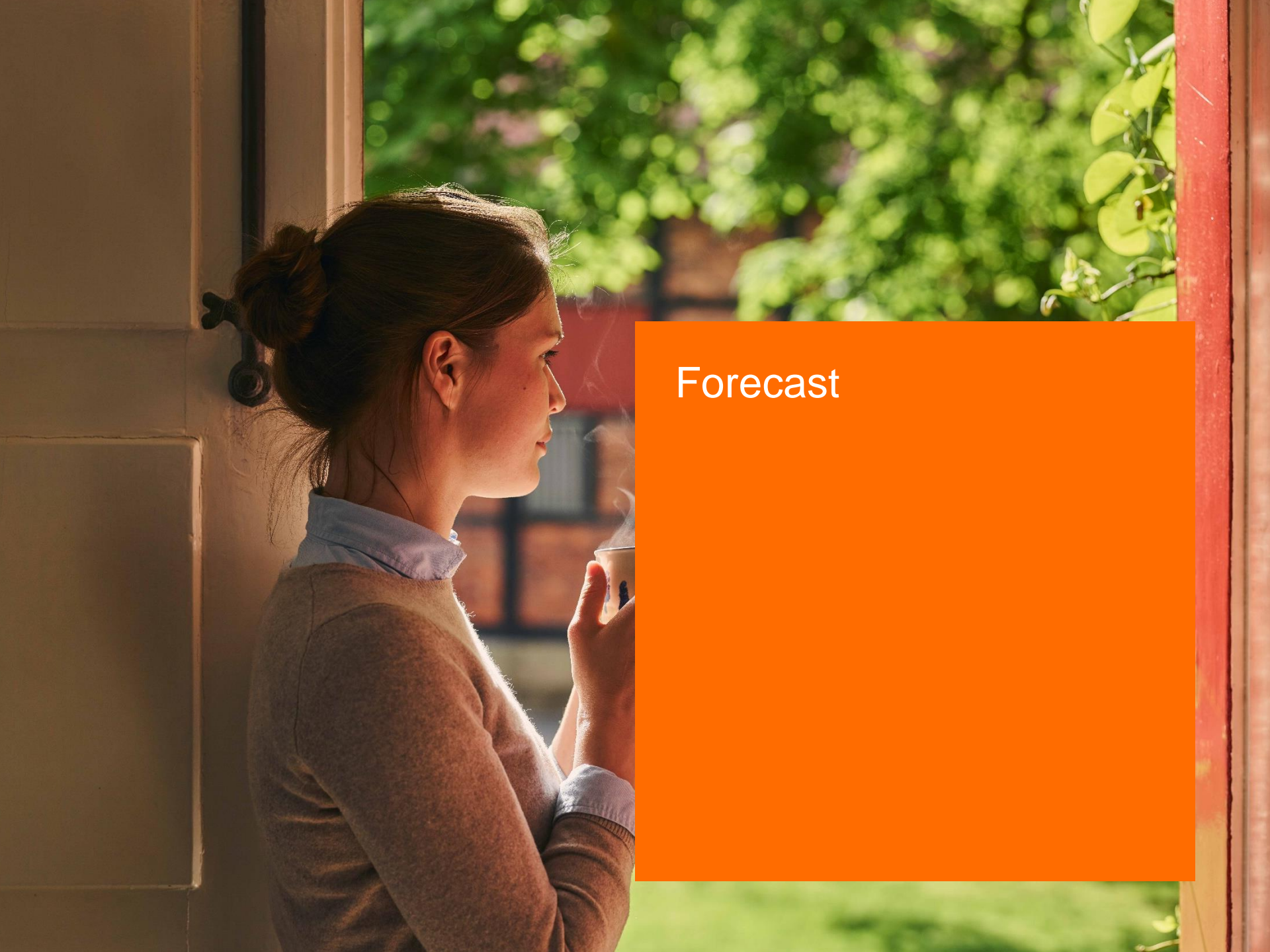
Total capital expenditures €27.9 million



¹ Without our equity-accounted joint ventures.

Capital Expenditures 2017/2018 (e)

> €100 million



Forecast

Forecast

Forecast for the KWS Group | Fiscal year 2017/2018



Forecast for the KWS Group according to IFRS 11

| | Tendency 1st to 2nd quarter | Forecast as the 02/27/2018 (2nd quarter) | Forecast as at 11/23/2017 (1st quarter) | 2016/2017 |
|---------------|-----------------------------------|---|---|----------------|
| Net sales | → | slight increase | slight increase | €1,075 million |
| EBIT margin | → | 11.0 – 12.0% | double-digit EBIT margin below previous year | 12.2% |
| R&D intensity | → | >18.0% | slight increase | 17.7% |

Update 02/27/2018

- With the publication of the Semiannual Report 2017/2018 on February 27, 2018 we have **specified our annual** forecast
- The tendency indicates the direction in which an expected value has developed **since the last forecast**
- The forecast is based on the **recent business performance** and the **quarterly updated corporate planning**; The first half of the year (July to December) most recently contributed around 25% of the Group's annual net sales
- More detailed statements at this time are unreliable due to the high importance of the spring sowing and **hard-to-anticipate external factors** such as weather conditions and fluctuations in acreage and therefore not published

Forecast

Forecast for the segment reporting^{1,2} | Fiscal year 2017/2018



Sugarbeet

| | Tendency 1st to 2nd quarter | Forecast as the 02/27/2018 (2nd quarter) | Forecast as at 11/23/2017 (1st quarter) | 2016/2017 |
|-------------|--------------------------------|---|--|--------------|
| Net sales | ↗ | below previous year | below previous year | €455 million |
| EBIT margin | ↗ | at the previous year's level | slightly below previous year | 33.2% |

Corn

| | Tendency 1st to 2nd quarter | Forecast as the 02/27/2018 (2nd quarter) | Forecast as at 11/23/2017 (1st quarter) | 2016/2017 |
|-------------|--------------------------------|---|--|--------------|
| Net sales | ↘ | below previous year ² | above previous year ² | €825 million |
| EBIT margin | ↘ | slightly above previous year | slightly above previous year | 7.1% |

Cereals

| | Tendency 1st to 2nd quarter | Forecast as the 02/27/2018 (2nd quarter) | Forecast as at 11/23/2017 (1st quarter) | 2016/2017 |
|-------------|--------------------------------|---|--|--------------|
| Net sales | → | approx +30 % ² | ≥ +20% ² | €109 million |
| EBIT margin | ↗ | slightly above previous year | at the previous year's level | 9.4% |

Corporate

| | Tendency 1st to 2nd quarter | Forecast as the 02/27/2018 (2nd quarter) | Forecast as at 11/23/2017 (1st quarter) | 2016/2017 |
|-----------|--------------------------------|---|--|----------------|
| Net sales | → | at the previous year's level | at the previous year's level | €4,8 million |
| EBIT | ↘ | > €-70 million | €-65 to -75 million | €-60,6 million |

¹ Included our equity-accounted joint ventures. ² Taking into account the transfer of rapeseed business into the cereals segment, see Annual Report 16/17, page 60.



Appendix

ZUKUNFT SÄEN
SEIT 1856

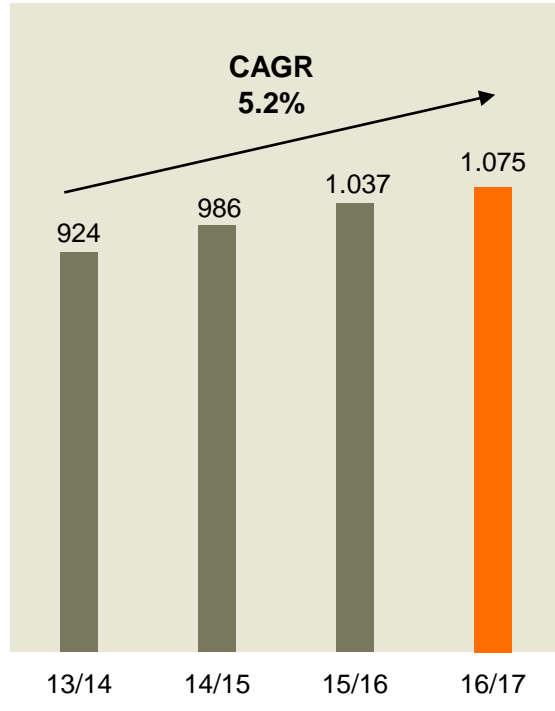


Review – Earnings

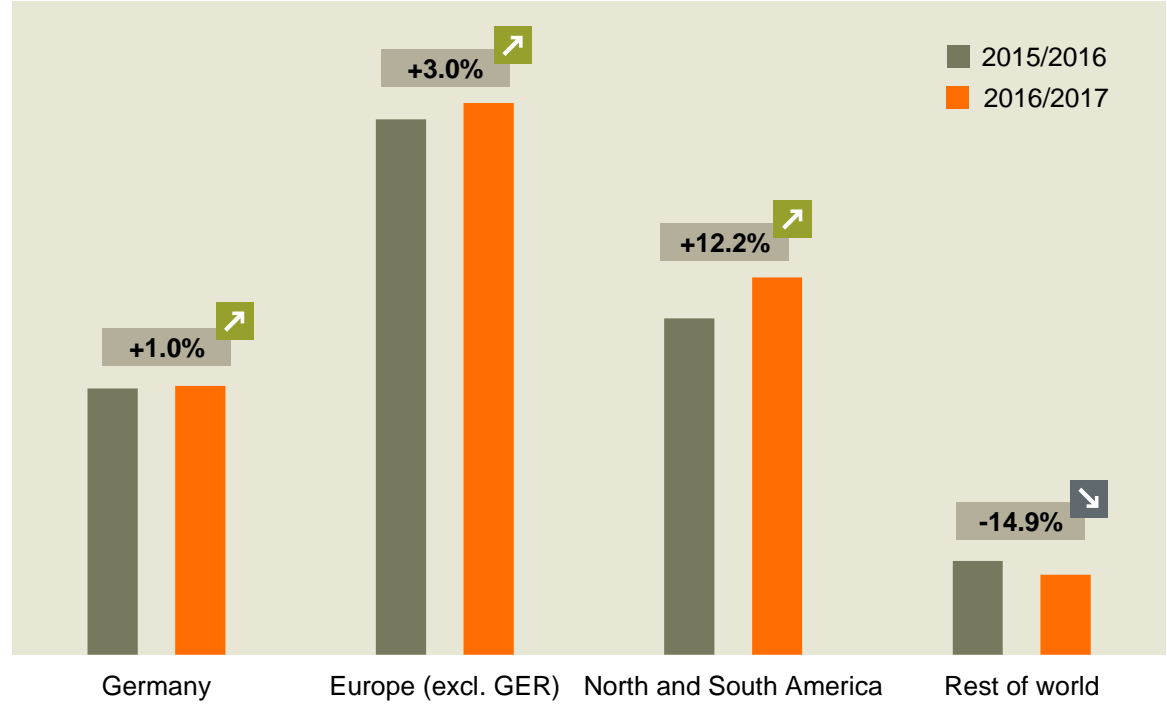
Net sales 2016/2017



Net sales development
in € million



Net sales development by region
in € million



Net sales KWS Group

+3.7%

South america

Brazilian net sales > €100 million

Europe

Strong rapeseed and sugarbeet business

Rest of world

Chinese corn acreage decreased

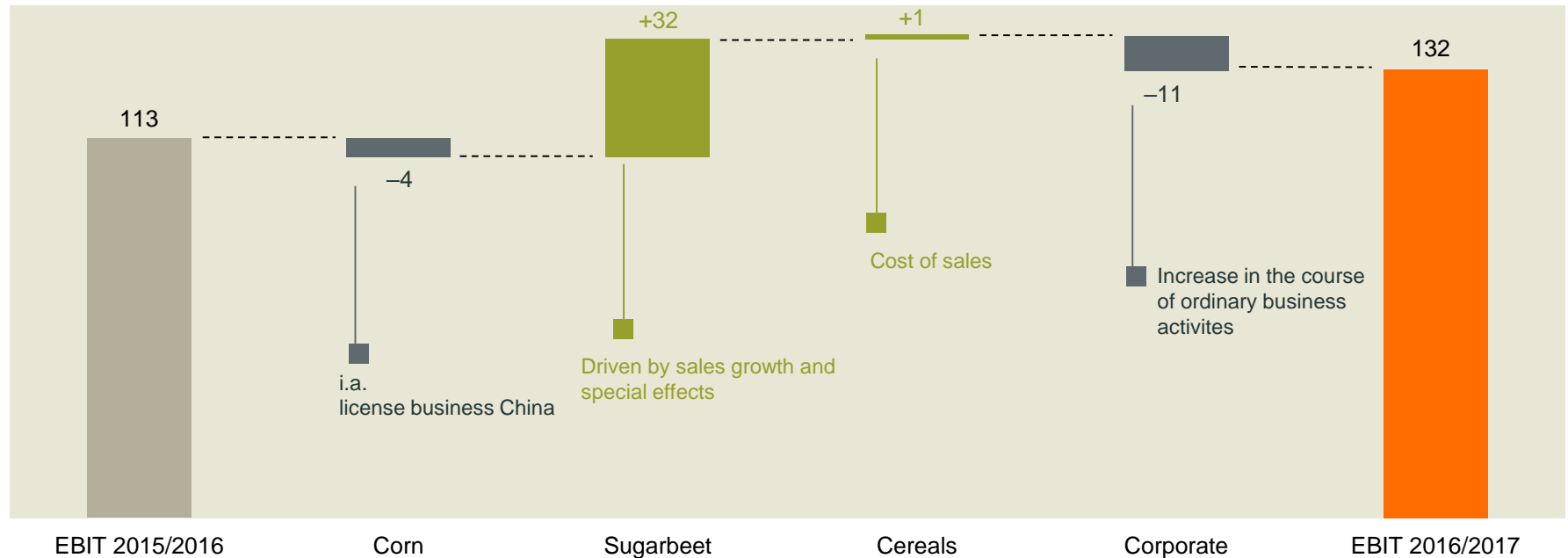
Review – Earnings

EBIT 2016/2017



EBIT development by segments (at equity)

in million € *



* = there may be rounding differences

EBIT increased by 16.7%. EBIT margin at 12.2 (10.9)%



Dr. Hagen Duenbostel
(1970)

- CEO/Member of the Executive Board since 2003
- Responsibility: Corn, Development & Communication, Compliance
- Degree in Business Administration; Dr. rer. pol.



Dr. Léon Broers
(1960)

- Member of the Executive Board since 2007
- Responsibility: Research, Breeding
- Ph.D. in Plant Breeding; Master of Business Administration



Dr. Peter Hofmann
(1960)

- Member of the Executive Board since 2014
- Responsibility: Sugarbeet, Cereals, Marketing
- Degree in Agronomy; Ph.D. in Seed Physiology



Eva Kienle
(1967)

- Member of the Executive Board since 2013
- Responsibility: Finance, Law, Procurement, Controlling, IT, HR, Global Services, Investor Relations
- Degree in Business Administration

Key figures for the KWS share

December 31, 2017



1 General data

| | |
|--------------------|---------------------|
| ▪ ISIN | DE0007074007 |
| ▪ Number of shares | 6,600,000 |
| ▪ Type | No-bar value shares |

2 Closing price

| | in € |
|---------------------|--------|
| ▪ December, 31 2017 | 334.00 |
| ▪ December, 31 2016 | 282.00 |

3 Daily trading volume (avg.)

| | in shares/day |
|----------------|---------------|
| ▪ 6M 2017/2018 | 1,752 |
| ▪ 6M 2016/2017 | 2,260 |

4 Market capitalization

| | in € million |
|---------------------|--------------|
| ▪ December, 31 2017 | 2,204 |
| ▪ December, 31 2016 | 1,861 |

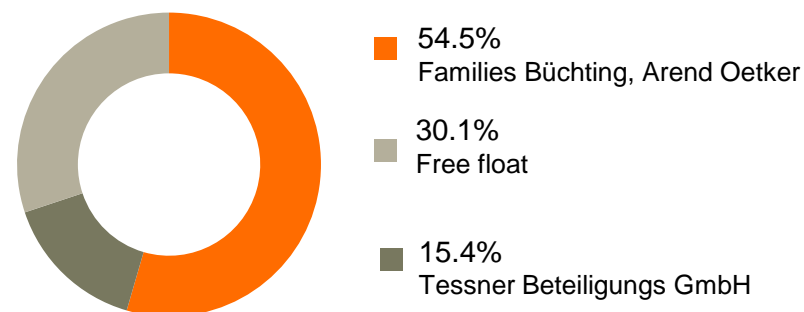
5 Earnings per share

| | in € |
|---------------------|--------|
| ▪ December, 31 2017 | -12.23 |
| ▪ December, 31 2016 | -9.73 |

6 Daily price fluctuation (avg.)

| | in % of closing price |
|----------------|-----------------------|
| ▪ 6M 2017/2018 | 2.0% |
| ▪ 6M 2016/2017 | 1.7% |

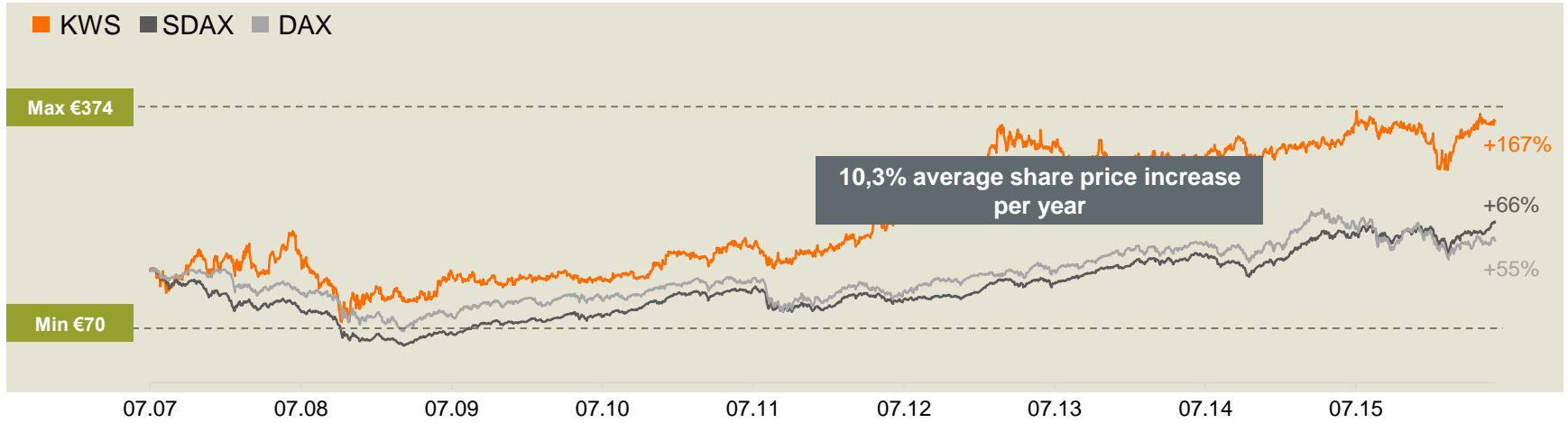
Anteilsbesitz



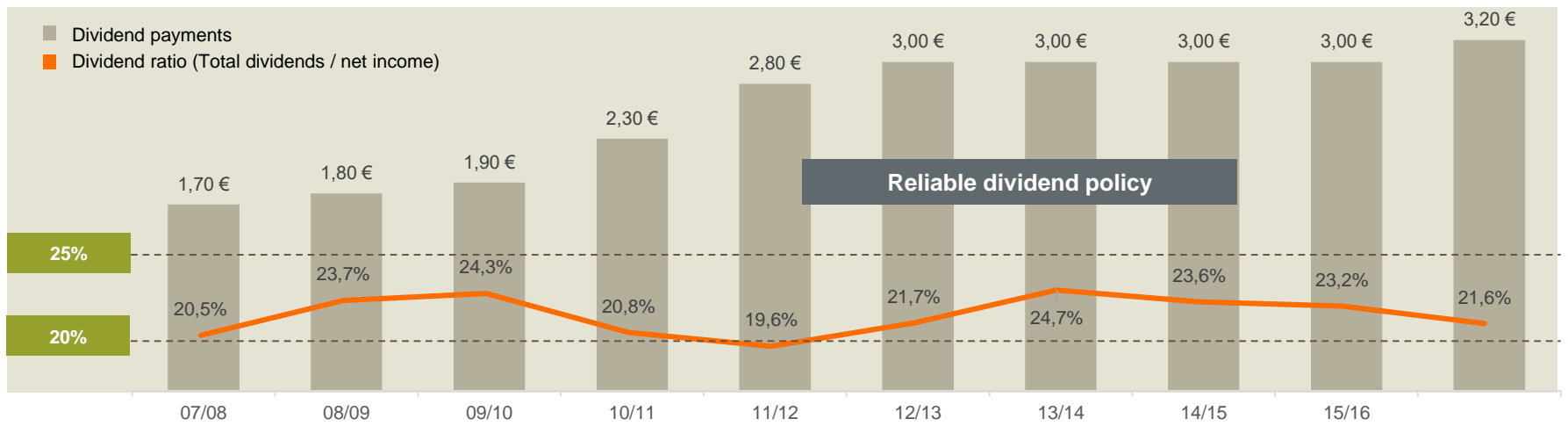
KWS share price and dividend development 10-years-view



Share price development of the past 10 years (Closing price Xetra, July 1, 2007 – June 30, 2017)



Dividends & dividend ratios of the past 10 years



Financial calendar and IR contact



Financial calendar

| Date | |
|-------------------|--|
| May 17, 2018 | Quarterly Report 9M 2017/2018 |
| October 24, 2018 | Publication of 2017/20187 financial statements, annual press and analyst conference in Frankfurt |
| November 27, 2018 | Quarterly Report Q1 2018/2019 |
| December 14, 2018 | Annual Shareholders' Meeting in Einbeck |

IR contact



Wolf-Gebhard von der Wense
Head of Investor Relations

+49 (0) 5561 311-968
investor.relations@kws.com

KWS SAAT SE
Grimsehlstr. 31
37574 Einbeck



Tatjana Kasper
Investor Relations Manager

+49 (0) 5561 311-14 84
investor.relations@kws.com

KWS SAAT SE
Grimsehlstr. 31
37574 Einbeck

Further information

www.kws.de/ir

www.kws.com/ir

Disclaimer



These materials are not an offer for sale of Subscription rights or Securities in the United States. Subscription rights and Securities may not be offered or sold in the United States without registration or an exemption from registration under the U.S Securities Act of 1993, as amended. KWS SAAT SE does not intend to register any portion of the offering in the United States or to conduct a public offering in the United States or to conduct a public offering of Subscription rights or Securities in the United States.

This document contains certain forward-looking statements relating to the business, financial performance and results of KWS SAAT SE and/or its subsidiaries and/or the industry in which KWS SAAT SE and its subsidiaries operate. These forward-looking statements are based on KWS' current plans, estimates, projections and expectations. These statements are based on certain assumptions that, although reasonable at this time, may prove to be erroneous. Prospective investors should not place undue reliance on these forward-looking statements.

If certain risks and uncertainties materialize, or if certain underlying assumptions prove incorrect, events described in this document as anticipated, believed, estimated or expected may not occur, and KWS SAAT SE may not be able to achieve its financial targets and strategic objectives. This presentation should not be viewed as definitive legal, tax, or other advice regarding investment. All interested investors should seek independent third party legal, tax, and other advice.

KWS SAAT SE does not intend, and does not assume any obligations, to update industry information or forward-looking statements set forth in this document. KWS SAAT SE assumes no responsibility or liability in regard to the completeness of the contents and the accuracy of opinions, estimates, prognoses, calculations, or other information contained in this presentation. This presentation may contain confidential information. Neither the presentation nor any of its contents may be reproduced or otherwise made available to third parties.