

Investor Presentation

KWS SAAT SE | September 2018

SEEDING
THE FUTURE
SINCE 1856

KWS



We are a **seed specialist** for sugar beets, corn, cereals 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

17% of sales per year for research and breeding



Independence

Since generations supported by family shareholders



Sustainability

Development of resource-saving varieties

Seed specialist





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, chemical plant protection

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, fertilizers and pesticides



Increased nutrient content

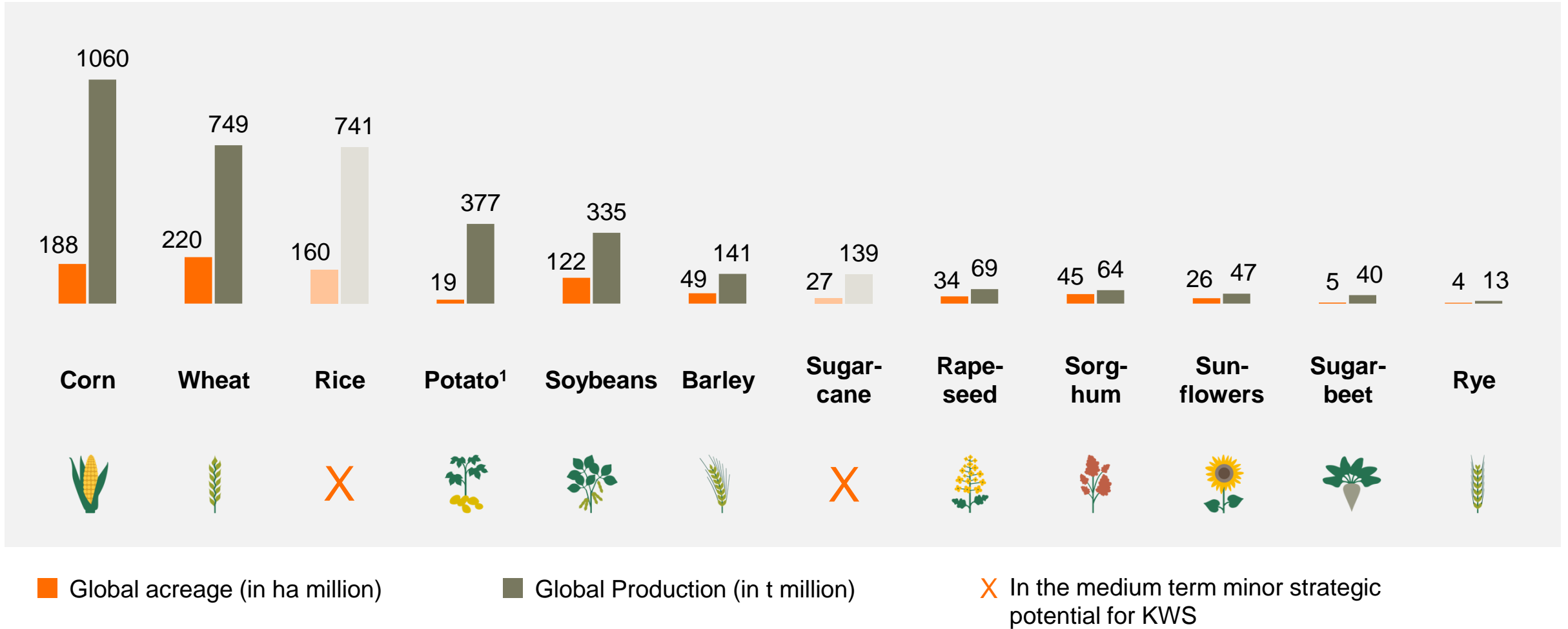
optimization of energy and nutrient content for more efficient use of acreage



Diversification

Securing sustainability through broadly diversified breeding material

Our portfolio includes seeds for 10 of the 12 most important crops



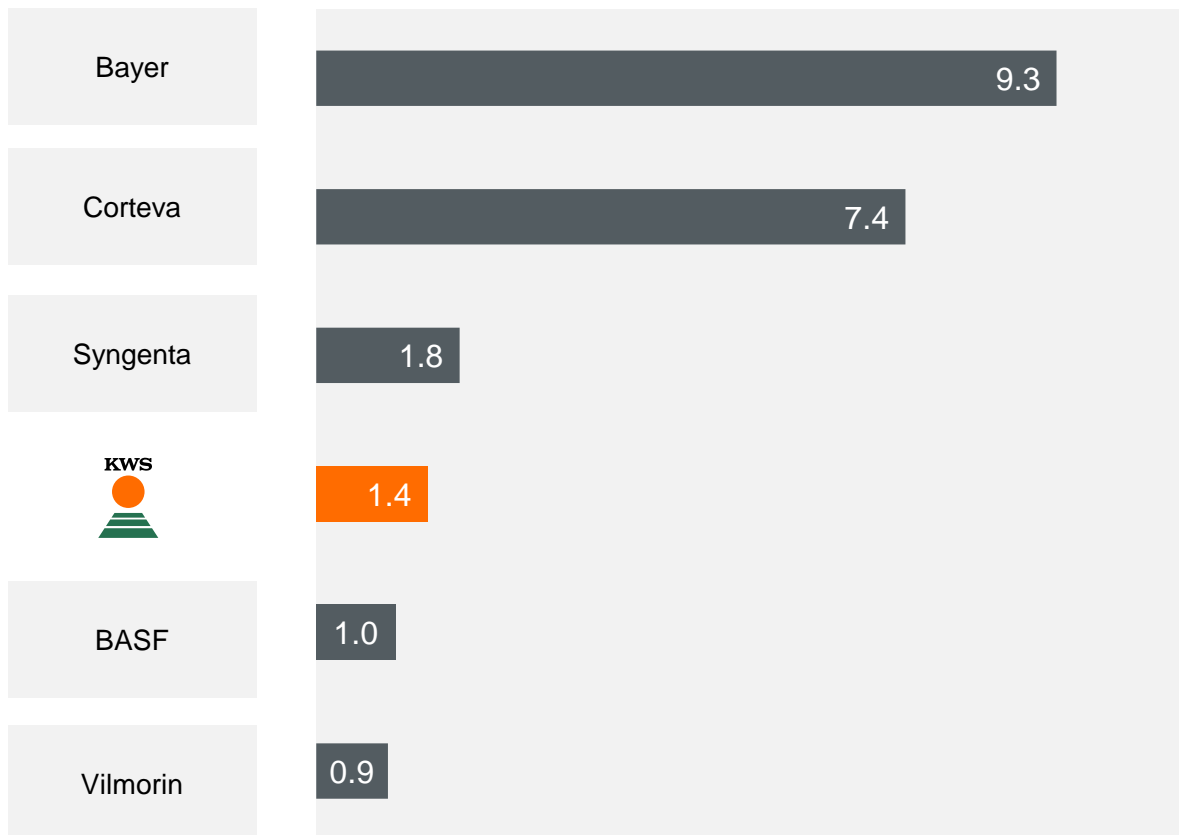
Source: faostat.fao.org (Data for 2016), zuckerverbaende.de; ¹ No commercial business for KWS, but target of strategic research and development.

KWS' competitive environment



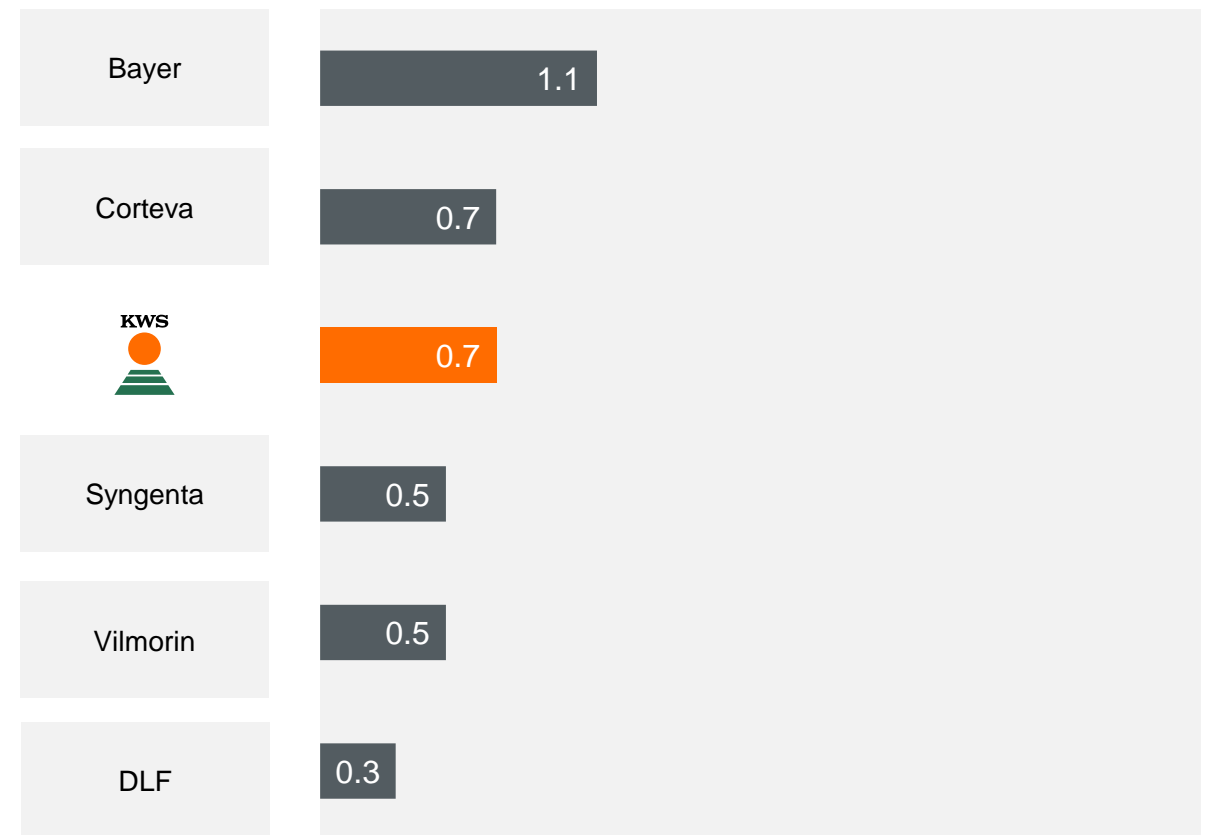
Global

Sales with agricultural crops in € billion



Europe

Sales with agricultural crops in € billion



Sources: see appendix.

KWS fiscal year 2016/2017

July 1, 2016 to June 30, 2017



NET SALES
in € million

1,075

INNOVATION
in € million

190

EBIT
in € million

132

EBIT MARGIN
in % from sales

12.2

EARNINGS/SHARE
in €

14.78

EMPLOYEES
worldwide

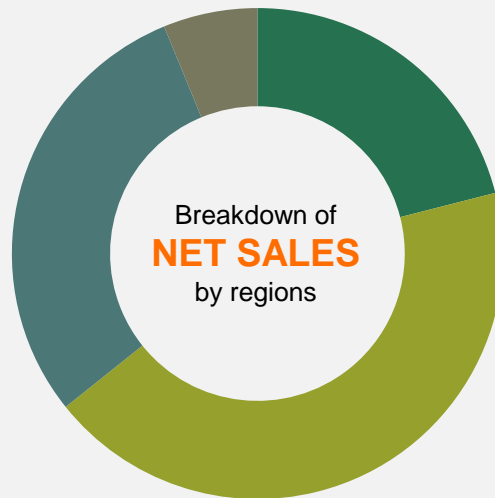
4,937

COUNTRIES
worldwide

70

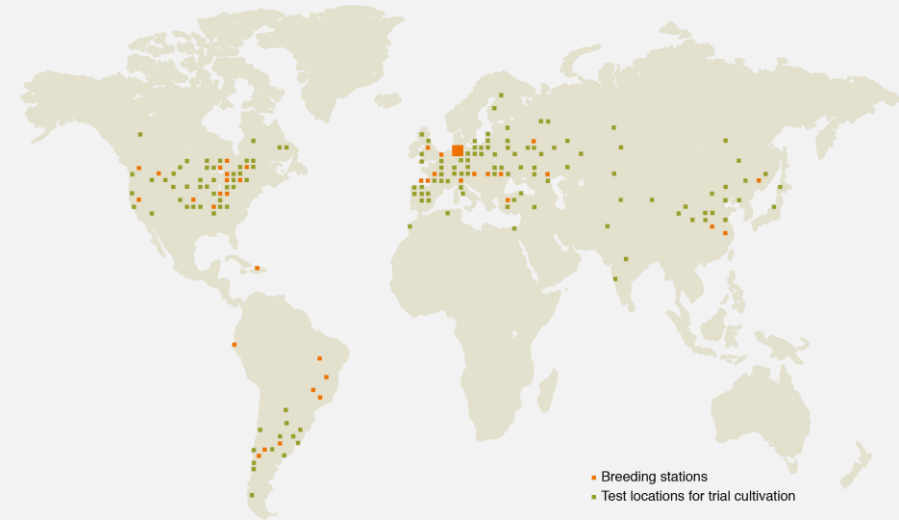
**REST OF
WORLD**
6%

**NORTH AND
SOUTH AMERICA**
30%



GERMANY
21%

**EUROPE
(EXCL. GER)**
43%



**10-years development
2007-2017**

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

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

+10.0

EBIT
in % p.a. (avg.)

+9.5

SHAREPRICE
in % p.a. (avg.)

+10.3

EMPLOYEE
in % p.a. (avg.)

+7.5

+ Sep 3, 2018

- Ad hoc: KWS plans a change of legal form and a stock split

+ May 29, 2018

- Corporate News: KWS renews offer for Nunhems

+ May 17, 2018

- Q3: KWS in line with earnings targets despite challenging markets

+ Feb 27, 2018

- Q2: EBIT margin expectations unchanged

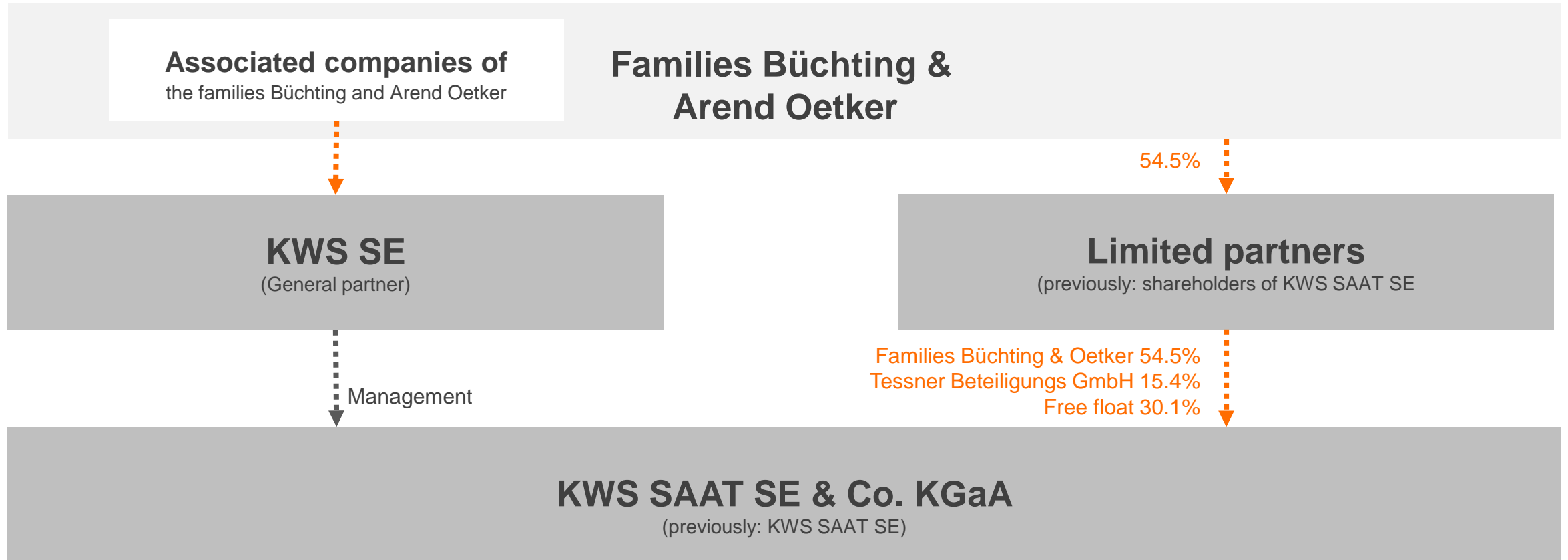
+ Dec 14, 2017

- Annual Shareholder Meeting: Dividend increased by 6,7 %

Organizational chart of the new KWS SAAT SE & Co. KGaA¹



..... Stake in %



The new legal form combines greater financing flexibility with continued independence

¹ The change of legal form is subject to approval by the upcoming AGM in December 2018.



Update 9M
2017/2018

Income statement

July 1, 2017 – March 31, 2018 vs. previous period



in € million	1st – 3rd quarter 2017/2018	1st – 3rd quarter 2016/2017	+/-
Net sales	862.5	904.7	-4.7 %
Operating income (EBIT)	169.0	170.1	-0.6%
Net financial income/expenses	11.7	16.4	-28.7%
Result of ordinary activities	180.7	186.5	-3.1%
Income taxes	56.5	58.0	-2.6%
Net income for the period	124.1	128.5	-3.4%
Earnings per share (in €)	18.76	19.40	-3.1%

EQUITY RATIO

in % of total assets

50,6 % (+0.8%)

TOTAL ASSETS

in € million

1,767 (-1.6%)

CAPEX

in € million

44.1 (-2.9%)

NET DEBT¹

in € million

178.5 (+3.1%)

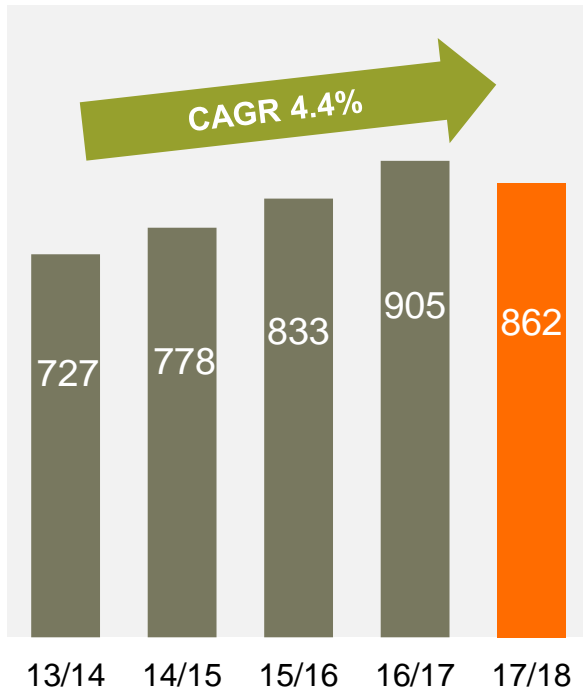
¹ The development of the working capital is impacted by the seasonal course of the business.

Sales development

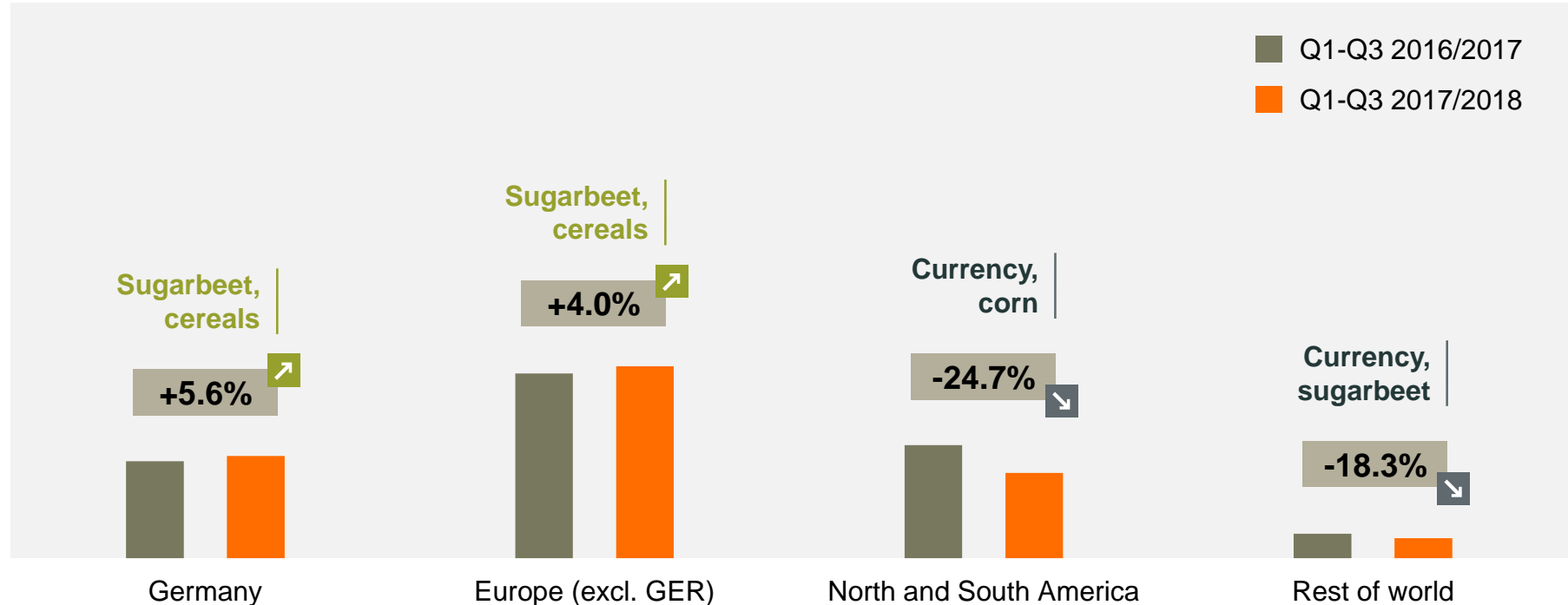
July 1, 2017 – March 31, 2018 vs. previous period



Net sales development Q1-Q3 in € million



Net sales development Q1-Q3 by region in %



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

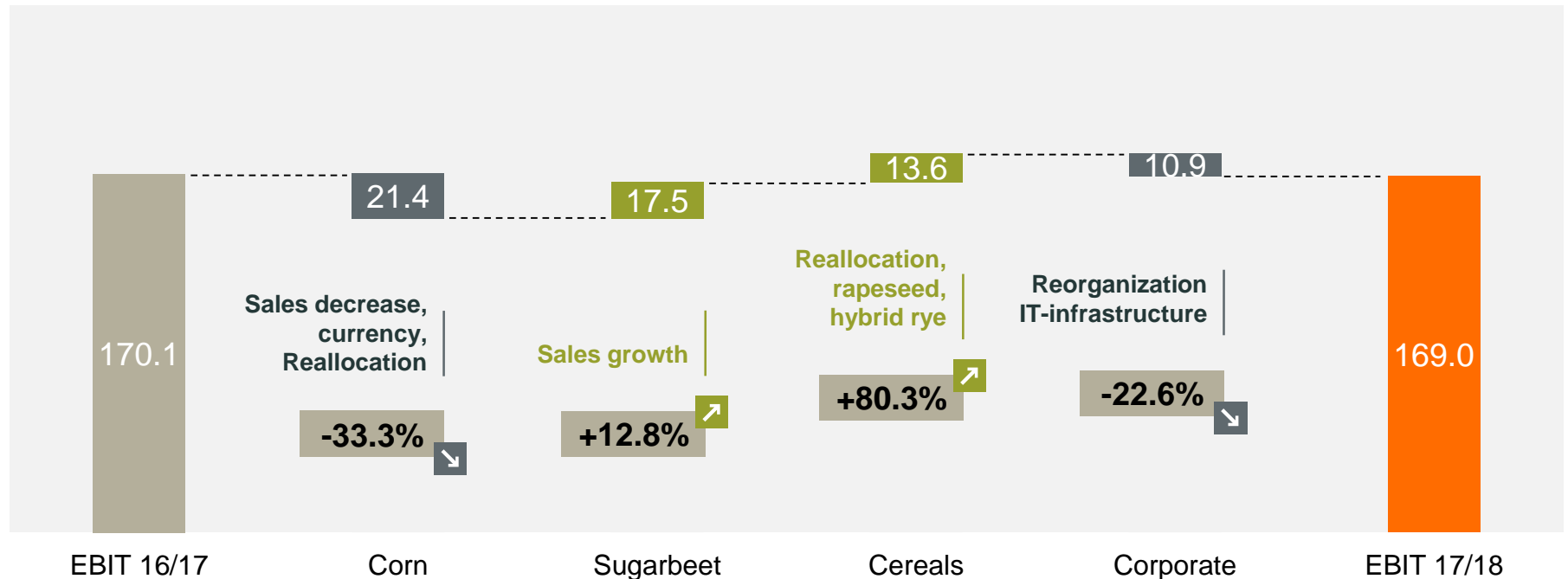
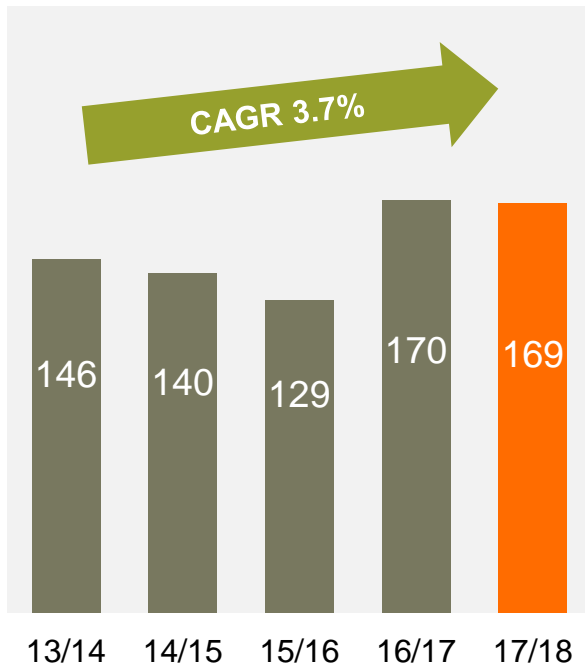
Profit development

July 1, 2017 – March 31, 2018 vs. previous period



EBIT development Q1-Q3
in € million

EBIT development Q1-Q3
in € million*



EBIT at the previous year's level despite higher expenses.

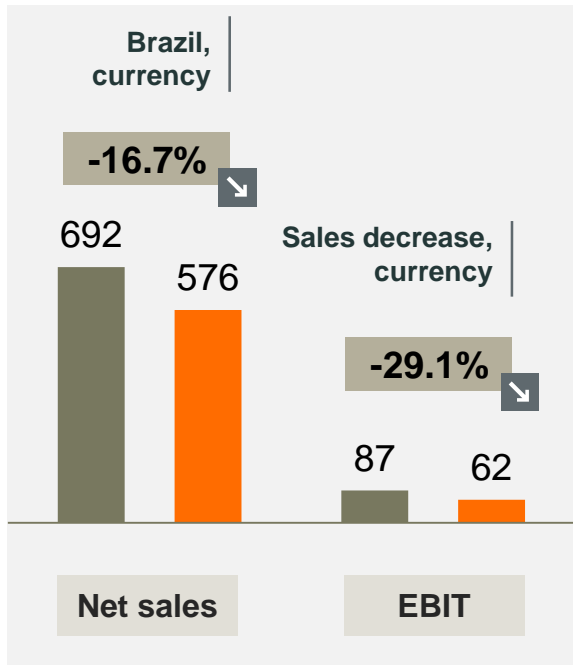
* = rounding differences possible

Segments' developments

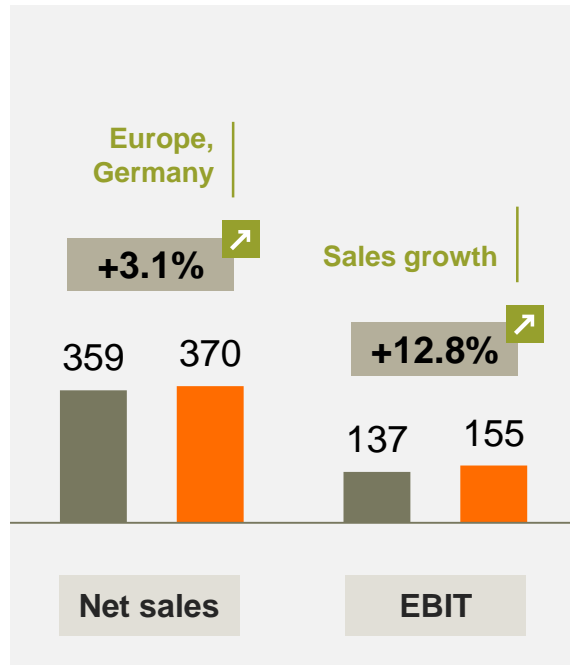
July 1, 2017 – March 31, 2018 vs. previous year



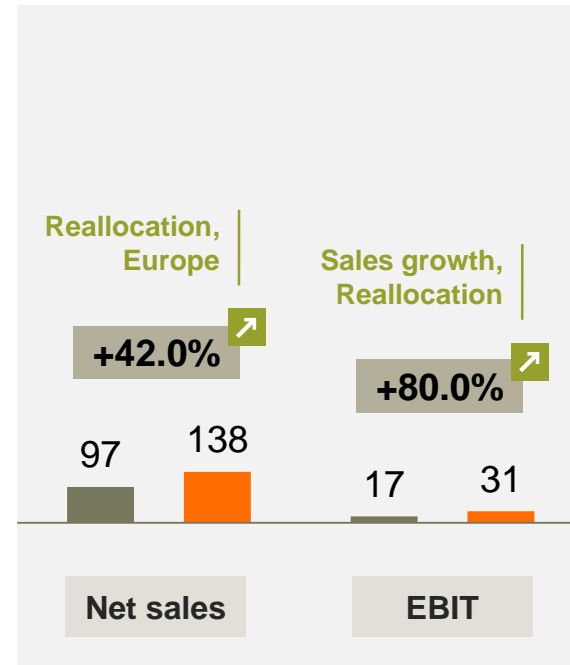
Corn



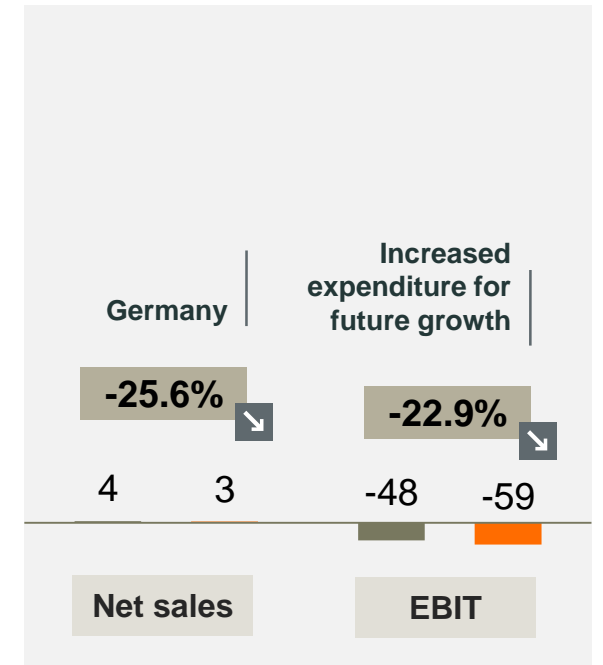
Sugarbeet



Cereals



Corporate



■ 9M 2016/2017 ■ 9M 2017/2018

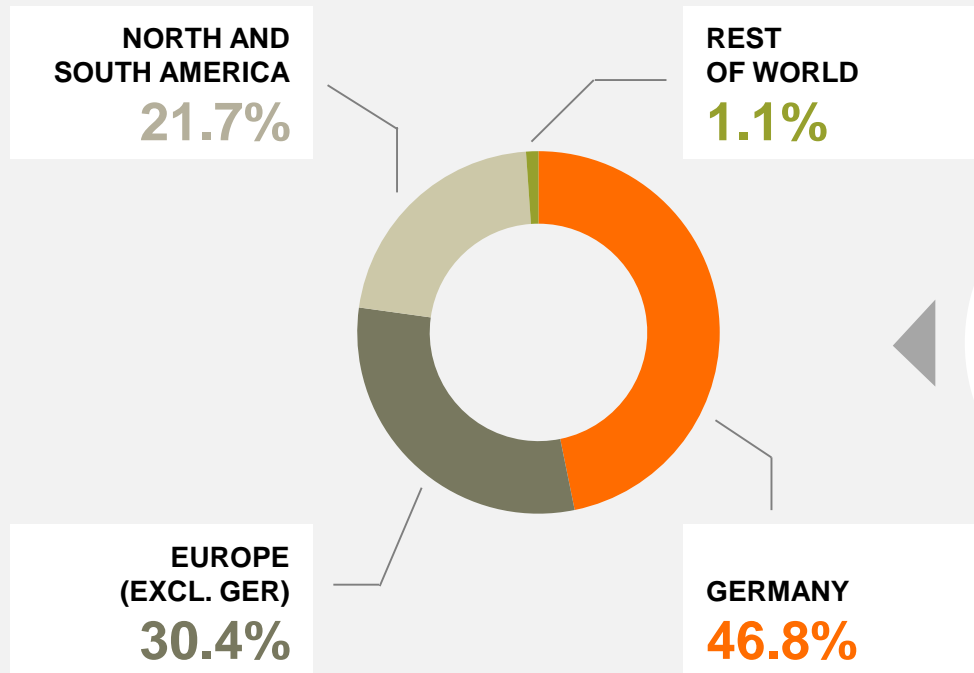
Reconciliation (in € million)	Segments	Reconciliation	KWS Group
Net sales	1,086.3	-223.8	862.5
EBIT	188.0	-19.0	169.0

Capital expenditures

July 1, 2017 – March 31, 2018 vs. previous year

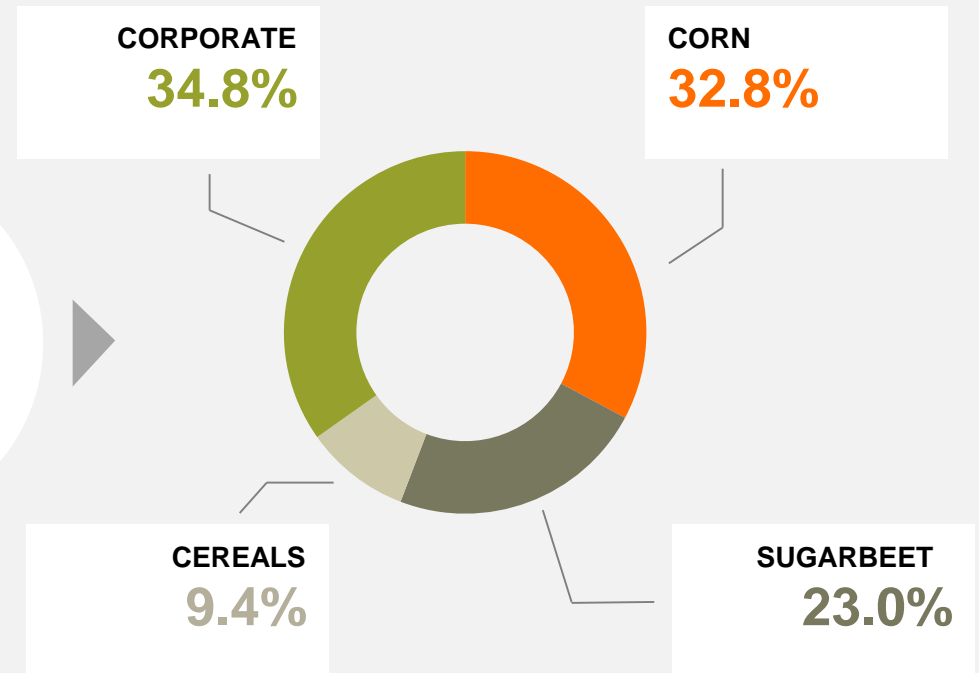


By region



44.1
€ million

By segments



We expect for the entire fiscal year 2017/2018 capital expenditures of around € 100 million

Two of our current investment projects at KWS



Seed production sugarbeet, Germany, Einbeck



- Expansion of **production and storage capacity** for sugarbeet seeds
- Reduced set-up times increase flexibility **to meet individual customer requirements**
- faster and more sustainable production
- 3 new buildings, **total capex 42 € million** (11 € million in 2017/18)

Seed production corn, Brazil, Patos de Minas






- Expansion of the production capacities for corn seed
- Investment volume around **4 € million** in 2017/2018

Forecast for the KWS Group| Fiscal year 2017/2018

Last Update Q3 May 2018



	Tendency Q2 to Q3	Forecast as at 17/05/2018 (Q3)	Fiscal year 2016/2017
Net sales		At the level of previous year	1,075 € million
EBIT margin		11.0 – 12.0%	12.2%
R&D intensity		Around 18.0%	17.7%

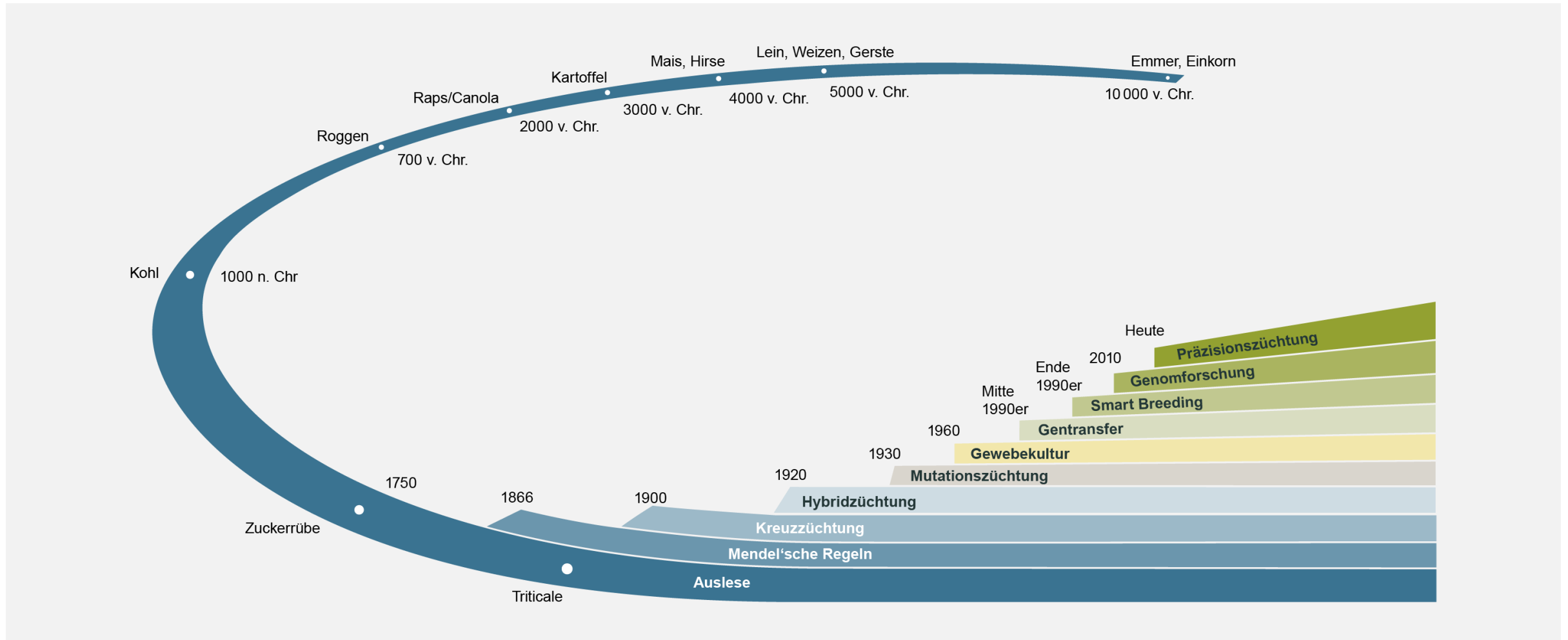
Notes

- The forecast tendency indicates the direction in which an expected value has changed **since the last forecast**.
- The forecast is based on the **current business performance** and the **quarterly updated corporate planning**, whereby in the first nine months (July to March) most recently around 80% of the annual revenue was generated.



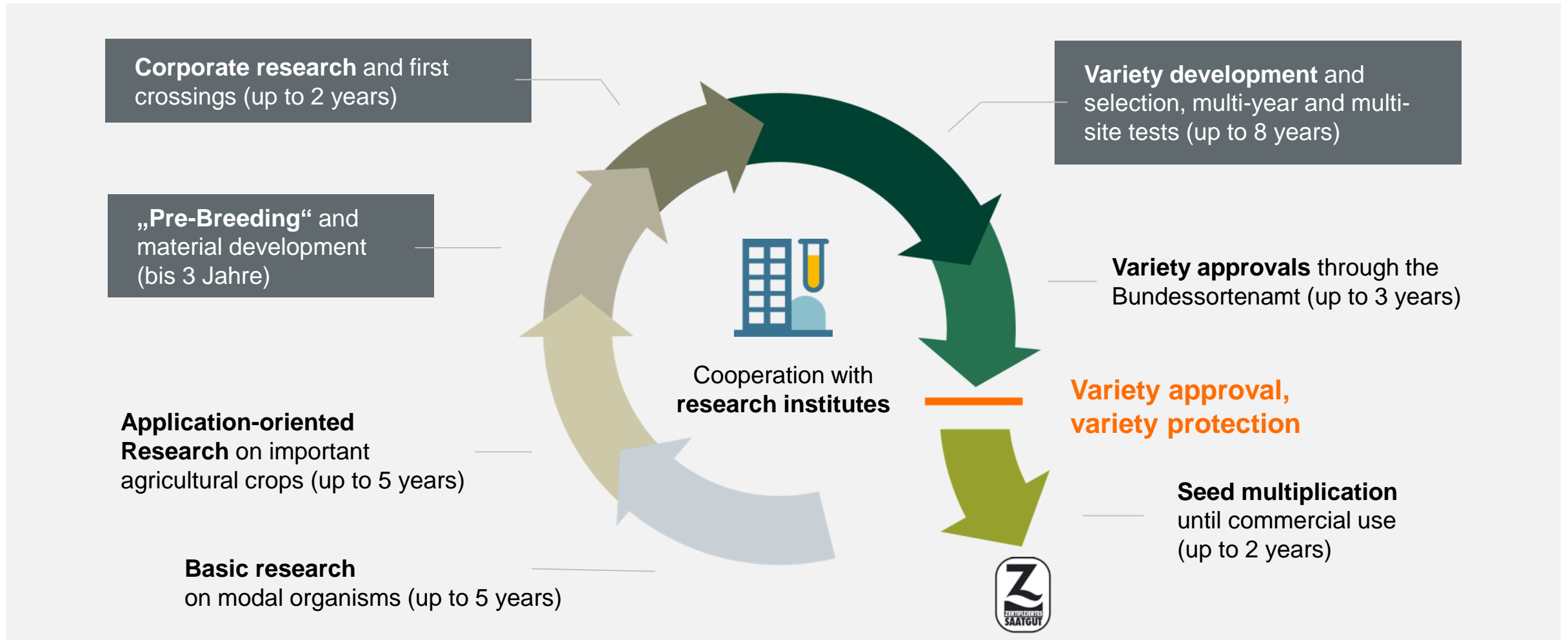
Innovations for
agriculture

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** 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,
we are happy to help you with any questions.

ZUKUNFT SÄEN
SEIT 1856

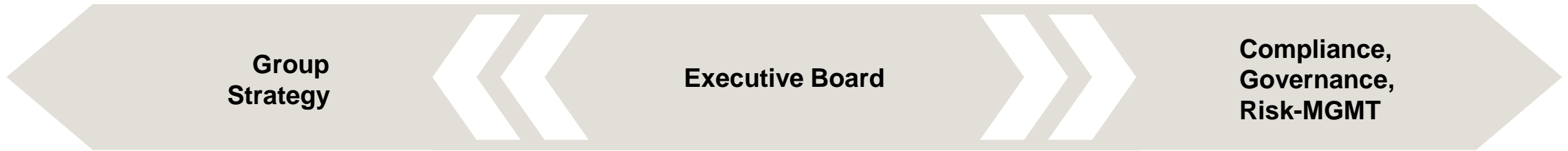
KWS





Appendix

KWS organizational structure



BU Corn Americas

An icon of a yellow ear of corn with green husks, centered in a light green square.

BU Corn Europe/Asia

An icon of a yellow ear of corn with green husks, centered in a light green square.

BU Sugarbeet

An icon of a green sugarbeet plant with a root, centered in a light green square.

BU Cereals

An icon of a green wheat stalk, centered in a light green square.

Global R&D

An icon of a blue and yellow DNA double helix.

Global Business Functions*

An icon of three interlocking gears in blue and grey.

Global Transaction Center

An icon of a central blue node connected to five surrounding green nodes.

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

Facts and figures about the Headquartes in Einbeck, Germany 2016/2017



EMPLOYEES
on average

1,400

NATIONS
in Einbeck

32

AREA
in sqm

130,000

TRIAL ACREAGE
in ha

218

VISITORS
p. a. (ca.)

6,000

HEADQUARTERS
since

1945

Research campus and breeding ground



3,000 sqm **laboratories**

20,000 sqm **green houses**

21,000 sqm **additional foil green houses**

Awards



„**Energy-optimized construction**”
by the Federal Ministry of Economics
and Technology

„**PROM of the year**“
for energy efficiency, sustainability
and social integration

Sugarbeet seed production



240,000 million **seeds / year**

Innovative seed treatment with fully
automated high rack system and intelligent
process control

Innovations are the driver for organic growth (2016/2017)



R&D EMPLOYEES
on average

1,830

R&D EMPLOYEES
in % of total

38.3

R&D CAPEX
in innovations (in € million)

190

R&D CAPEX
in % of sales

17.7

YIELD INCREASE
In % Ø p.a.

1-2%

Einbeck, Germany

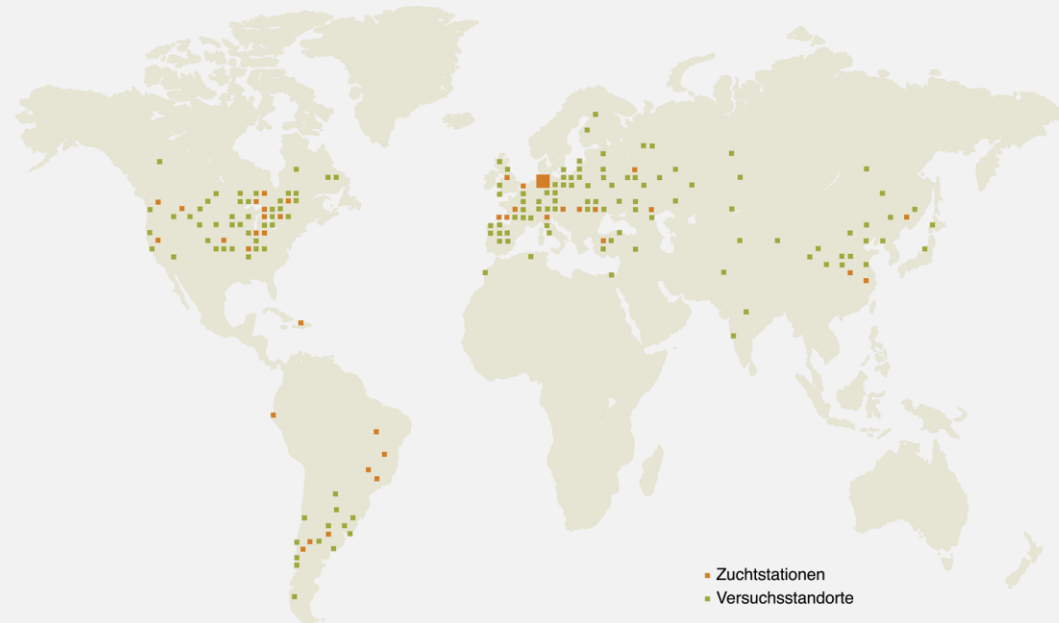
Reserach campus



800 Researcher

Full spectrum of research and breeding for all KWS crop species

Global breeding network



St. Louis, USA

Gateway Research Center



30 Researcher

Basic research and product development for sugarbeets, corn, cereals and potatoes

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 and with our distinctive profile we have a **model of the future, that is deeply rooted in the history of the company**

Dr. Hagen Duenbostel (1970)
CEO / Member of the Executive Board since 2003
Responsibility: Corn North & South America and Asia,
Strategy, Compliance,
Governance & Risk Management

”

We are constantly trying to find new and innovative ways to become even faster and more efficient – building on a foundation with a high level of **innovation.**

Dr. Léon Broers (1960)
Member of the Executive Board since 2007
Responsibility: Research and breeding





”

Paired with competent advice and a high level of commitment, our goal is to build **trust through joint success and act in partnership with farmers.**

Dr. Peter Hofmann (1960)
Member of the Executive Board since 2014
Responsibility Sugarbeets, Cereals, Corn Europe,
Marketing & Communication

”

The KWS Group is **economically sound**. We have a **solid financial base** that enables us to be well prepared for possible investments to ensure additional growth.

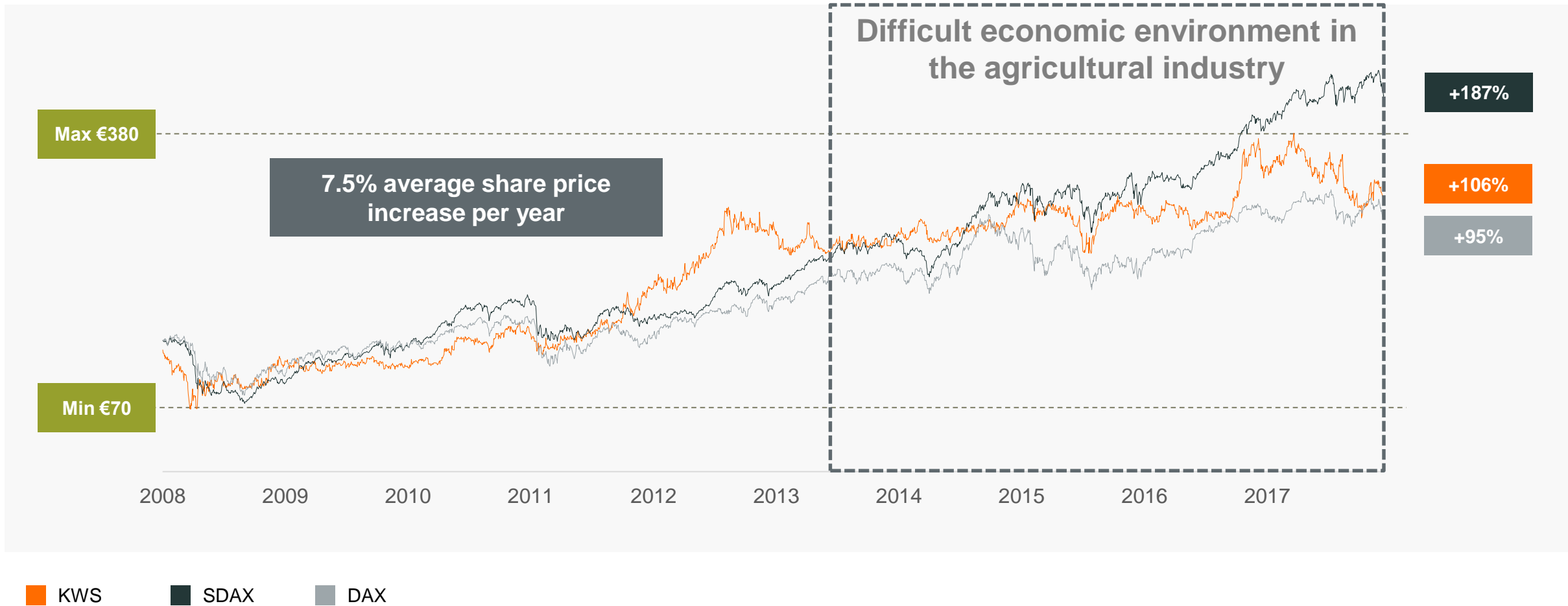
Eva Kienle (1967)

Member of the Executive Board since 2013

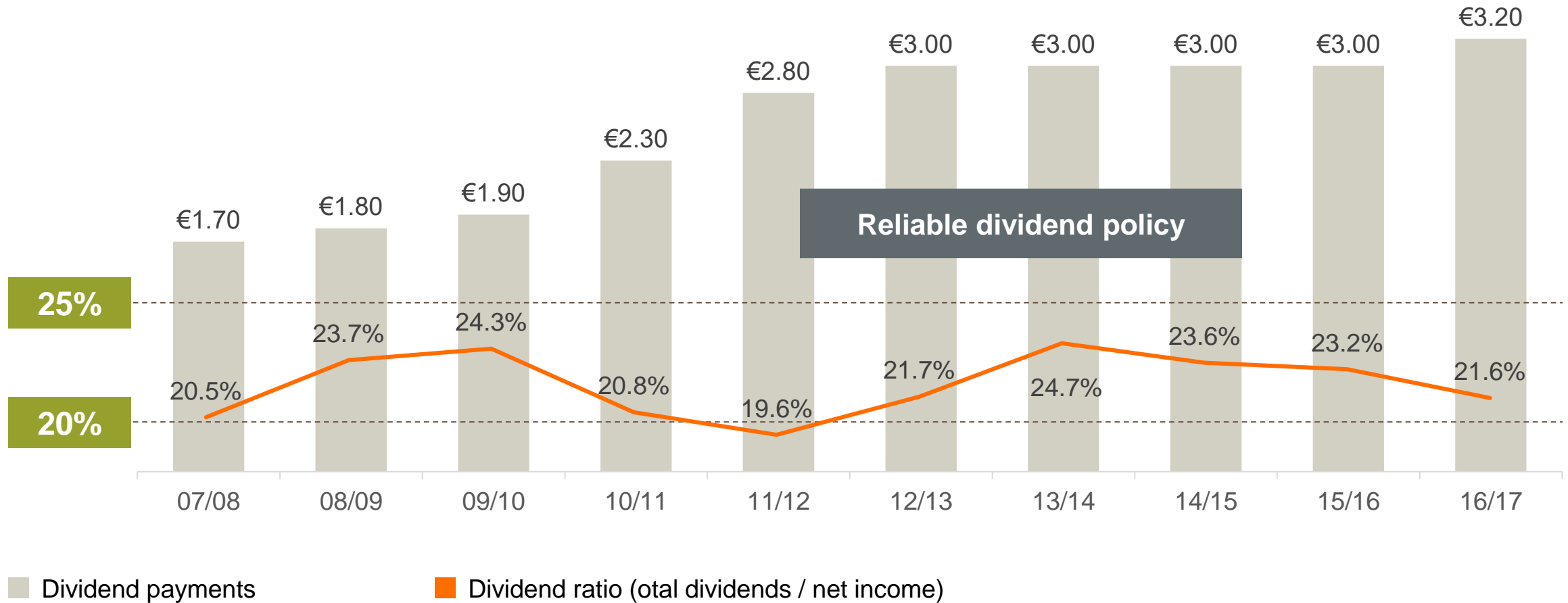
Responsibility: Finance & Procurement, Human Resources, Controlling, IT, Legal & IP, Transaction Center



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



Key figures for the KWS share March 31, 2018 incl. shareholdings and actual coverage



1 General Data

- ISIN DE0007074007
- Number of shares 6.600.000
- Type No-bar value shares

2 Closing price

- March 31, 2018 315.50
- March 31, 2017 290.95

3 Daily trading volume (avg.)

- 9M 2017/2018 1,944
- 6M 2017/2018 1,752

4 Market capitalization

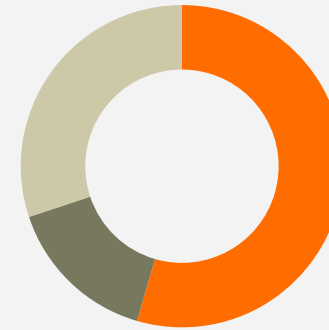
- March 31, 2018 2,085
- March 31, 2017 1,920

5 Earnings per share

- March 31, 2018 18,76
- March 31, 2017 19,40

6 Daily price fluctuation (avg.)

- 9M 2017/2018 2,4%
- 6M 2017/2018 2,0%



FAMILIES
BÜCHTUNG,
AREND OETKER **54.5%**

TESSNER
BETEILIGUNGS
GMBH **15.4%**

FREE FLOAT **30.1%**



October 24, 2018	Publication of 2017/2018 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



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Slide: Information on competitors' turnover, Europe and global

- Annual Reports of the companies, own estimates. * Estimated sales for calendar year 2016, McDougall ; own estimates
- ¹ BASF, 2017/10/13 and 2018/04/26
- Bayer: Fiscal year 2016 (1.1. to 31.12.); "Seeds" w/o flowers and vegetables.
- Monsanto: Fiscal year 2015/2016 (1.9. to 31.8.; 1,11 USD/EUR); „Seeds & Genomics“ w/o vegetables.
- Dow: Fiscal year 2016 (1.1. to 31.12.; 1,11 USD/EUR); „Agriculture-Seeds“.
- DuPont: Fiscal year 2016 (1.1. to 31.12.; 1,11 USD/EUR); „Agricultural Sciences-Seeds“.
- Syngenta: Fiscal year 2016 (1.1. to 31.12.; 1,11 USD/EUR); „Seeds“ w/o „Vegetables“ and „Lawn and Garden“.
- KWS: Fiscal year 2016/2017 (1.7. to 30.6.); incl. 50:50-JV.
- Vilmorin: Fiscal year 2016/2017 (1.7. to 30.6.); „Field Seeds“; incl. 50:50-JV.

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