

KSB posts recovery in the third quarter of 2020

- Best quarterly sales revenue of the financial year with € 560 million
- EBIT in Q3 stronger than in the first half of the year
- Further improvement in net financial position

FRANKENTHAL. KSB, the Frankenthal-based manufacturer of pumps and valves, has continued to feel the effects of the coronavirus pandemic in the 2020 financial year when compared with the previous year but reported a rising trend of sales revenue and earnings in the third quarter. Adjusted for major orders, the order intake in the past quarter was down year on year but remained stable at the level recorded in the first and second quarters.

In the current 2020 financial year KSB reported an order intake of € 1,620 million (-14.2 %). The € 267 million decline compared with the prior-year period was influenced, in particular, by the coronavirus pandemic as well as by negative currency translation effects of € 50 million. Sales revenue fell by € 157 million to € 1,610 million during the same period (-8.9 %), with the third quarter being the strongest of the financial year.

All Segments and Regions are affected by the impact of the Covid-19 pandemic, albeit to varying degrees. For example, the government-mandated temporary lockdowns, particularly at the Asian production sites and in South Africa, had an impact on the

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current business figures. EBIT also declined year on year as a result of weaker sales revenue. Thanks to the savings measures initiated by the company and the good quarterly sales revenue, KSB reported a marked increase in earnings in the third quarter compared with the first six months following the slump recorded in the first half of the year.

Moreover, stringent working capital management helped to further improve the net financial position by € 68 million, to € 275 million, compared with the prior-year period.

“All told, we have so far been very successful in steering the company through the coronavirus pandemic. Thanks to our global manufacturing network, we were able to deliver at all times. In this way, we were able to offset the temporary shutdown of individual locations and cushion the decline. Over the difficult months that lie ahead we will continue to navigate the company by sight, with prudent judgement, and above all with heightened vigilance and consistency in order to minimise the impact of the pandemic,” says Dr Stephan Timmermann, CEO. The company expects positive effects to result from the market-oriented realignment that was implemented in June.

Decline across Segments and Regions

All three Segments – Pumps, Valves and Service – recorded a drop in their order intake and sales revenue in the first nine months. The Pumps Segment showed a 13.1 % decrease in order intake with sales revenue down 8.5 % while the Valves Segment saw a 16.1 % reduction in order intake and 9.1 % decline in sales revenue. The Service Segment posted a decrease, adjusted for the sale of four French service companies, of 10.7 % for order intake and 4.9 % for sales revenue (reported 16.2 % and 9.9 %, respectively). All the Regions also reported a lower order intake and lower sales revenue compared with the prior-year period.

Outlook remains challenging under Covid-19 impact

The current business performance remains marked by the course of the pandemic. The company expects positive earnings for the fourth quarter as well.

KSB is a leading international manufacturer of pumps and valves. The Frankenthal-based Group has a presence on five continents with its own sales and marketing organisations, manufacturing facilities and service operations. The workforce of around 15,600 generates sales revenue of nearly € 2.4 billion.