



Financial Press Conference of KSB SE & Co. KGaA

26 March 2020



This report contains forward-looking statements. These statements are based on the current estimates and forecasts of the Managing Directors and the information currently available to them. The forward-looking statements do not represent guarantees for the future developments and results they refer to. Rather, they depend on a variety of factors and include different risks and uncertainties, and are based on assumptions that might prove to be inaccurate.

The KSB Annual Report is now (10.00 CET) available for download from the our web site.

1. The 2019 financial year
2. Business development and finances
3. Strategy / investments / products
4. Outlook

2019 – A Successful Year for KSB

- Key indicators in line with the forecast
- Work on strategic priorities continued:
 - Climb 21 – Profitable growth
 - Corporate culture – Entrepreneurship and communication
 - Sustainability
- Groundwork laid – Business is on track



The sleeping giant has awoken.

Financial Year 2019 – A Good Year

2019

Order intake + 6.5 %

Sales revenue + 6.1 %

EBIT: €113.6 million

ROS: 4.8 %

2018:

Order intake + 1.7 %

Sales revenue + 1.9 %

EBIT: €74.7 million

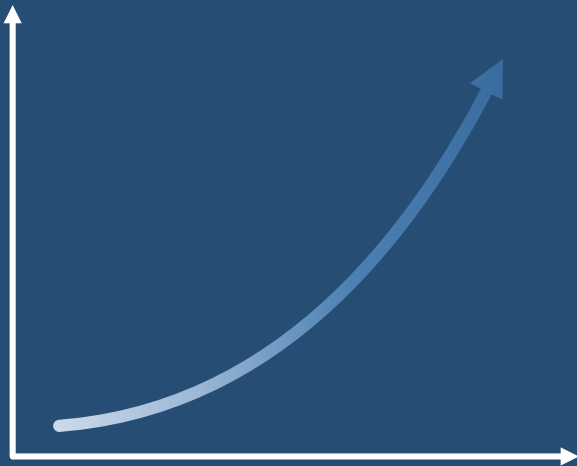
ROS: 3.3 %



Very satisfied with business development

En Route to Profitable Growth

**Trend reversal
implemented**



● **Strategy:**
Realignment under way

● **Profitable growth:**
Changes initiated

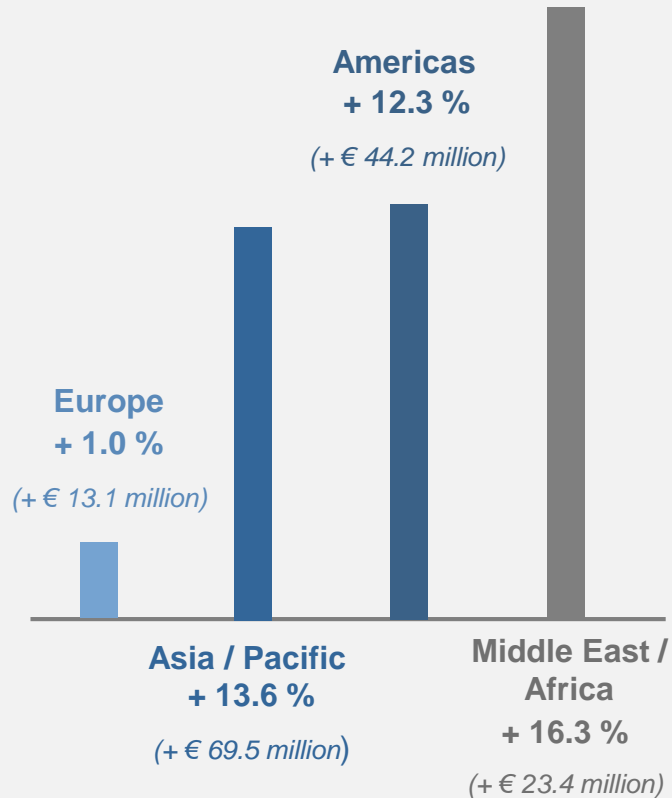
● **Reducing costs:**
Measures were taken

Topics at a Glance

- › Climb 21 strategy project
- › KSB SupremeServ
- › Future investments
- › Sustainability

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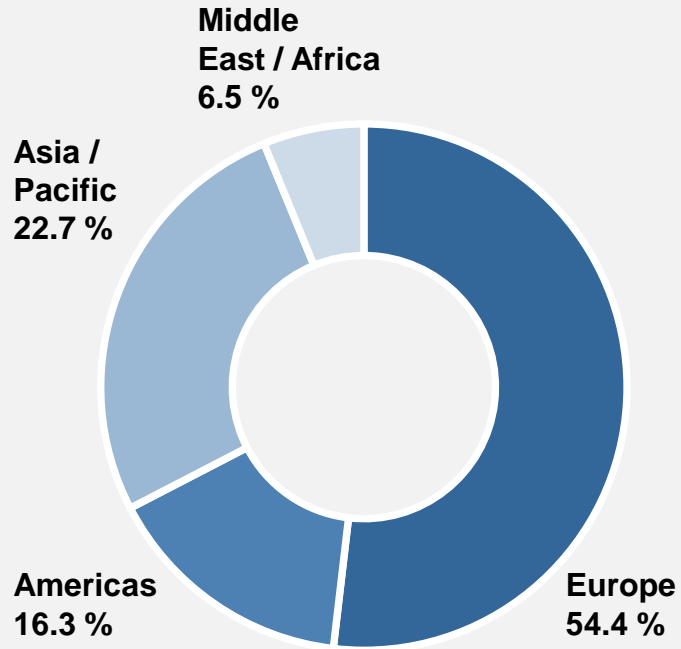
Order intake development by Region



Significant increase in order intake

€ millions	Order intake	Year on year
KSB Group	2,453.8	+ 150.2 + 6.5 %
Pumps	1,617.8	+ 7.4 %
Valves	361.9	+ 1.8 %
Service	474.1	+ 7.3 %

Proportion of sales revenue by Region



Sales revenue rises significantly by 6.1 %

€ millions	Sales revenue	Year on year
KSB Group	2,383.2	+ 137.2 + 6.1 %
Pumps	1,562.5	+ 6.3 %
Valves	364.4	+ 6.9 %
Service	456.4	+ 4.7 %

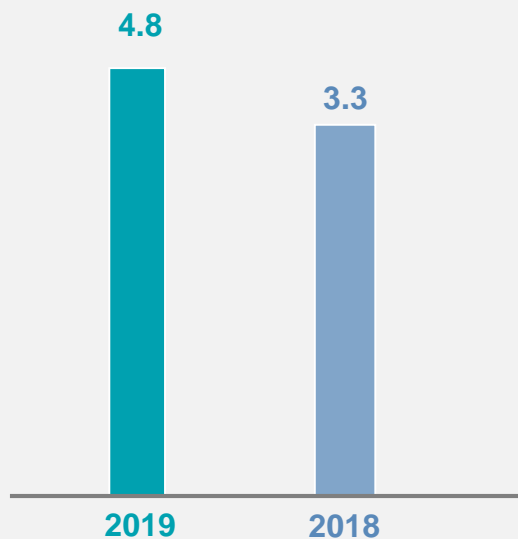


Income statement benchmark figures

€ millions	2019	2018
Sales revenue	2,383.2	2,245.9
Cost of materials	984.8	934.5
<i>in % of sales revenue</i>	<i>41.3</i>	<i>41.6</i>
Staff costs*	848.3	765.5
<i>in % of sales revenue</i>	<i>35.6</i>	<i>34.1</i>
EBITDA	195.5	179.2
EBIT	113.6	74.7

* Average number of employees: 15,591 (2019), 15,358 (2018)

EBIT margin in %

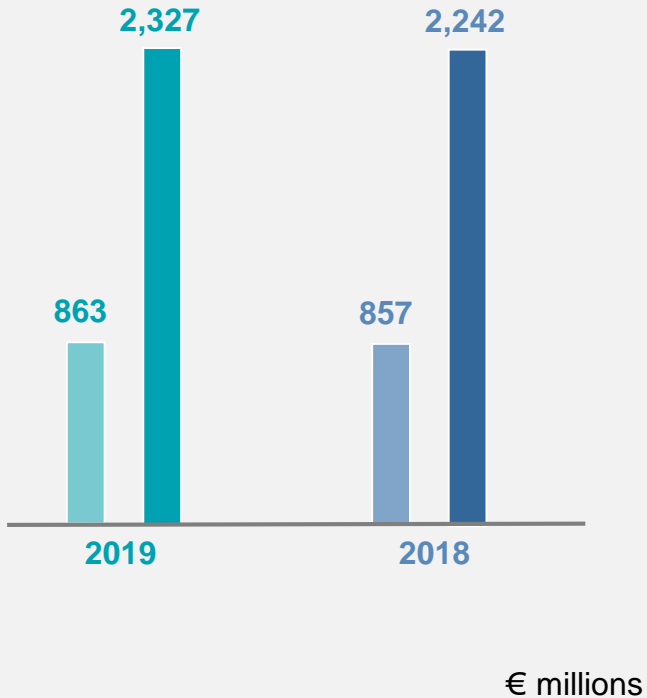


EBIT margin: 4.8 %

€ millions	2019	2018
Earnings before finance income / expense and tax (EBIT)	113.6	74.7
Earnings after income tax	58.5	23.9
Earnings per ordinary share	24.47	6.26
Earnings per preference share	24.73	6.64

Earnings before finance income / expense and income tax (EBIT)

Equity and balance sheet total



Equity ratio remains solid

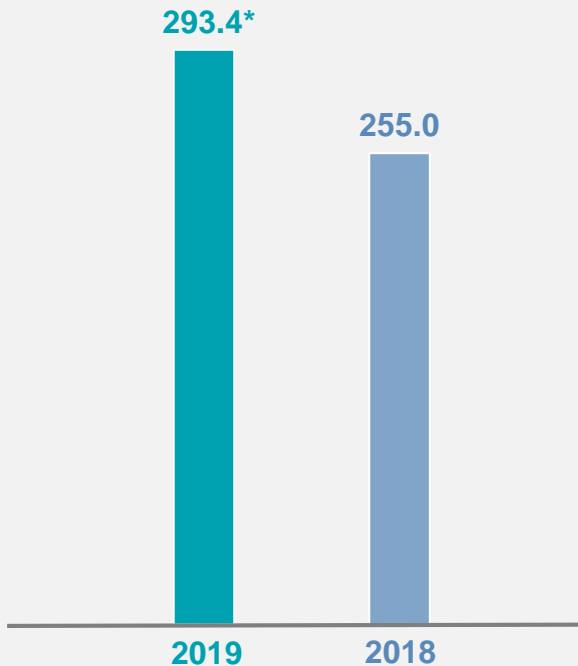
€ millions	2019	2018
Equity	862.6	856.8
Equity ratio	37.1 %	38.2 %



Investments

€ millions	2019	2018
Intangible assets	15.2	13.0
Right-of-use assets	12.9	-
Property, plant and equipment	78.9	66.6
	107.0	79.6
Depreciation and amortisation	81.9	104.5

Net financial position
in € millions

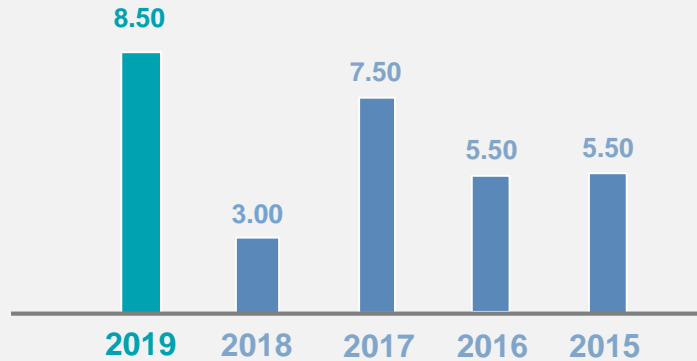


Increase in adjusted net financial position

€ millions	Financial liabilities	Available financial resources
2019	- 53.9*	+ 347.3
2018	- 78.9	+ 333.9
Δ	+ 25.0	+ 13.4

* Adjusted for the effects from the first-time adoption of IFRS 16 amounting to € 47.1 million. Taking account of the lease liabilities recognised on the balance sheet, the net financial position decreased to € 246.3 million.

Comparison of KSB dividends
(ordinary share) in €



* Preference share in 2019: € 8.76

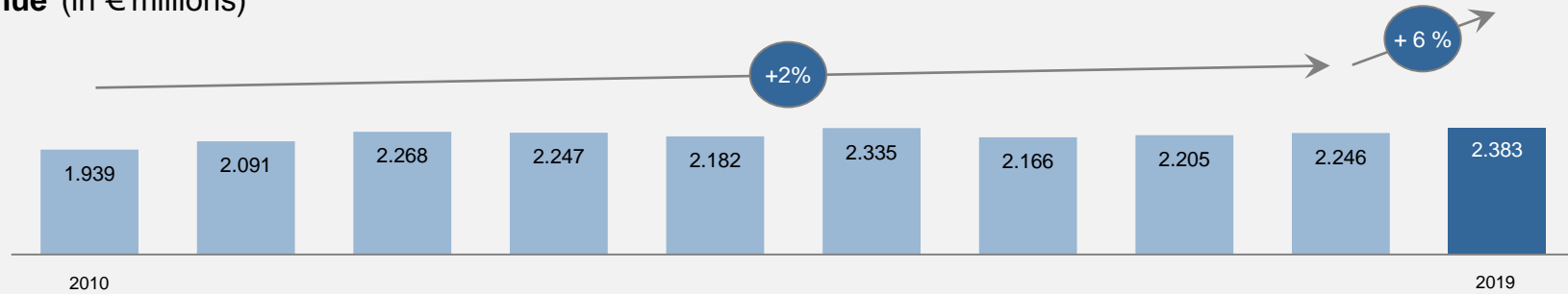
Dividend proposal: €8.50 per ordinary share

	2019	2018
Dividend per	(proposal)	
Ordinary share	€8.50	€3.00
Preference share	€8.76	€3.38

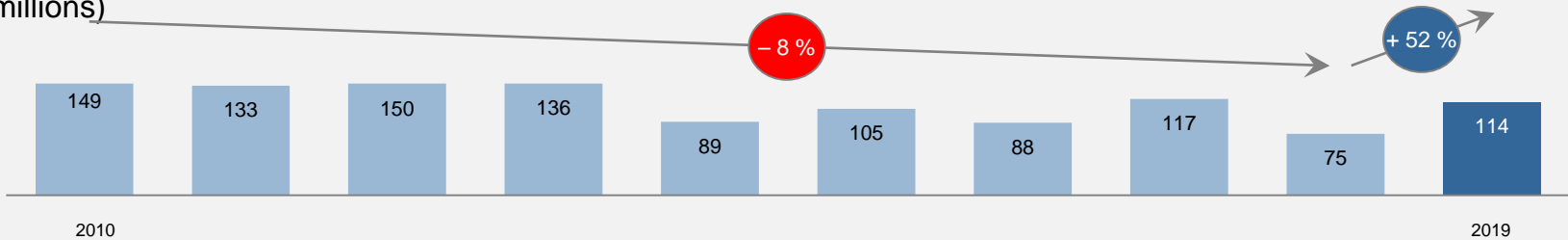
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KSB – Key Indicators of the Last Ten Years

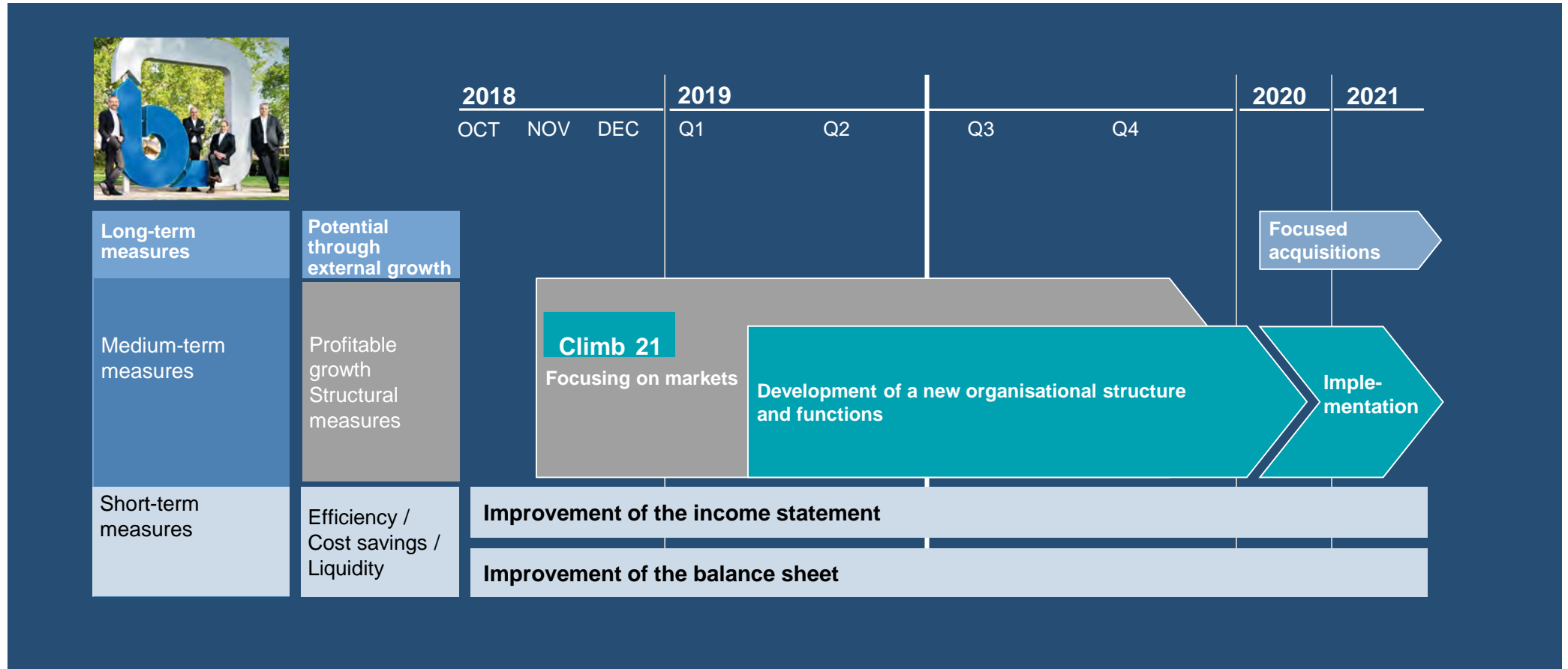
Sales revenue (in € millions)



EBIT (in € millions)



Cornerstones of Company Development





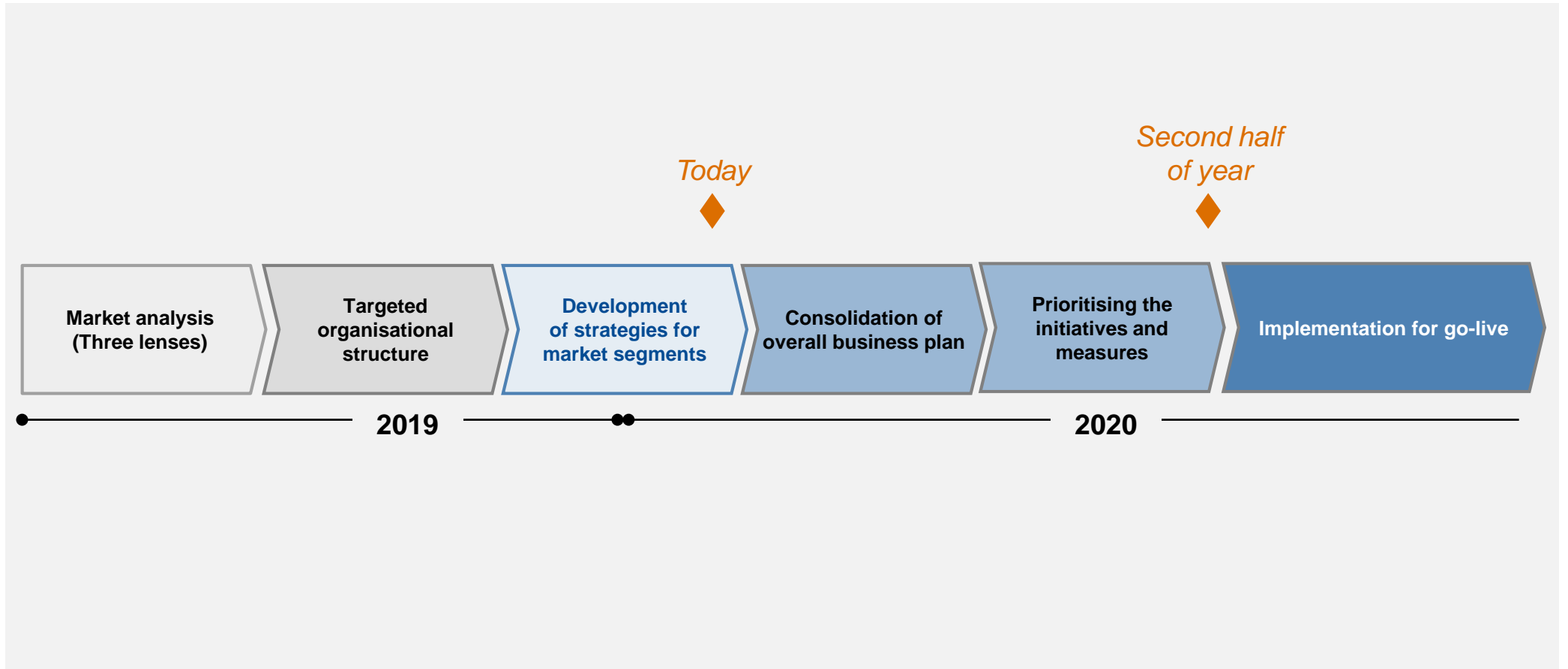
Profitable growth
through focusing on
markets

**Climb 21
Strategy
Project**

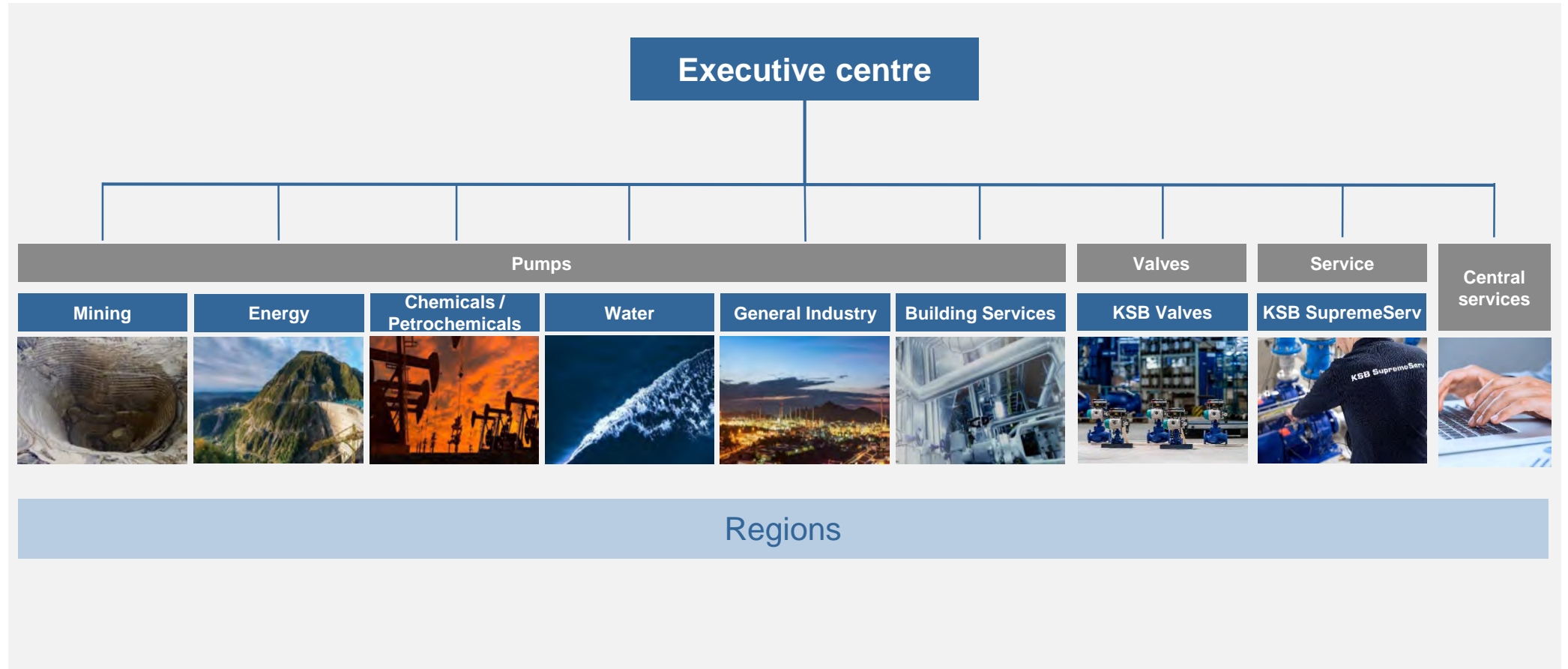
Efficiency and
effectiveness by
adapting the organi-
sational structure



Core Phases of the Programme

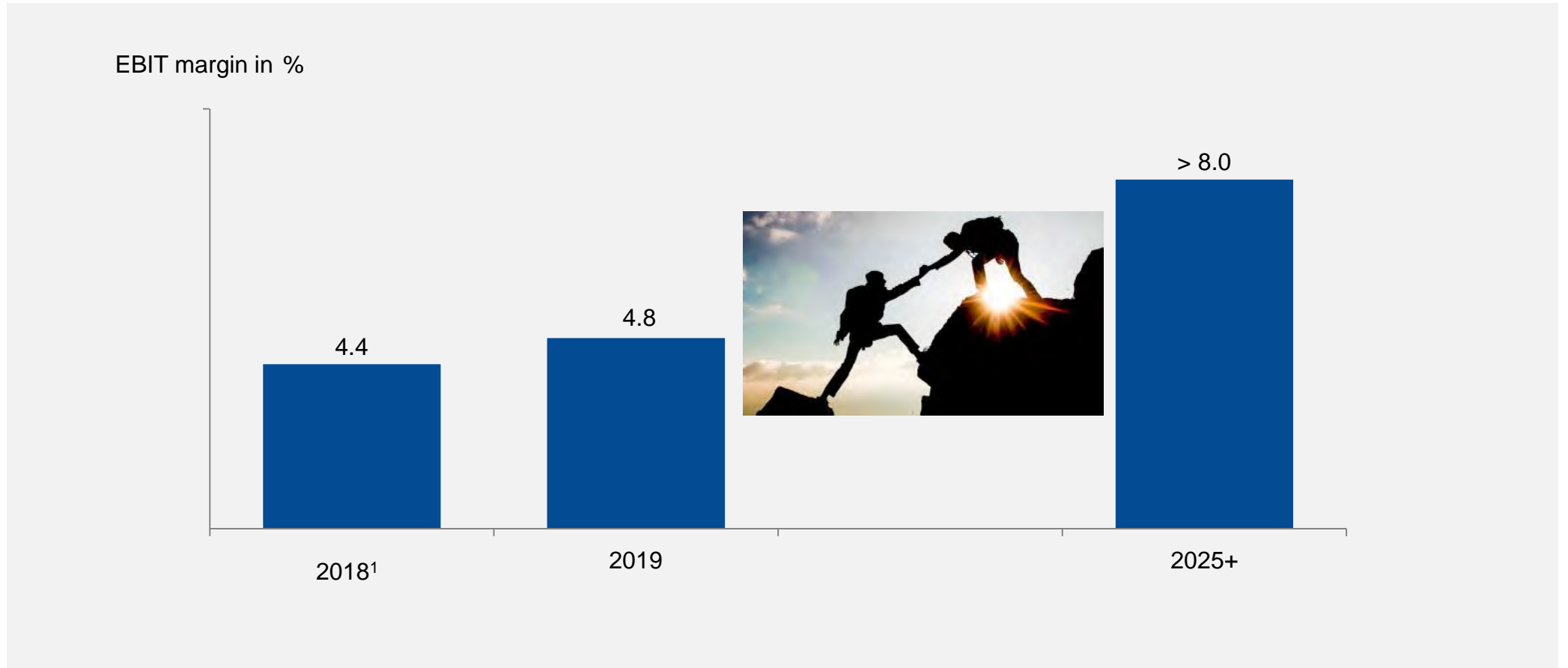


New Organisational Structure of KSB



Climb 21

Target for 2025: EBIT Margin: > 8 %



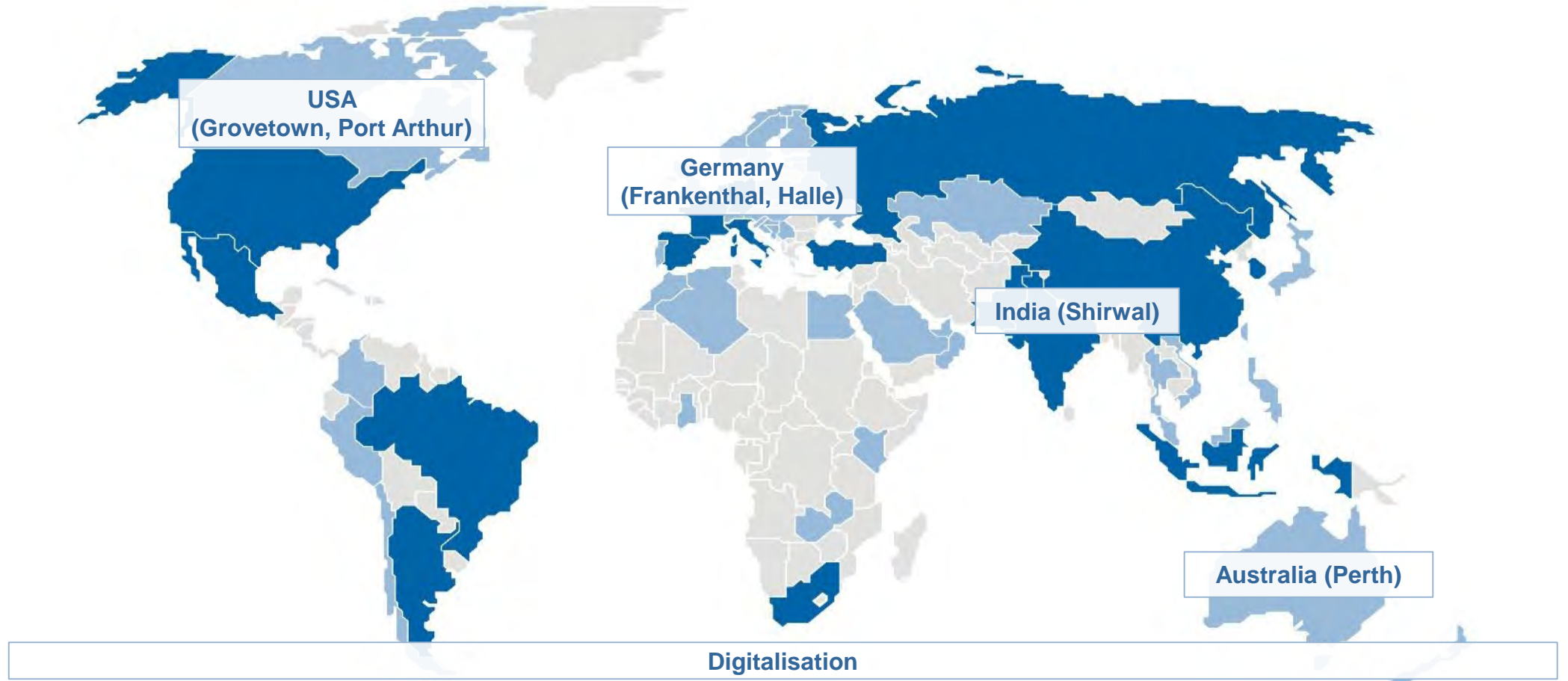
KSB SupremeServ



Cornerstones of Growth

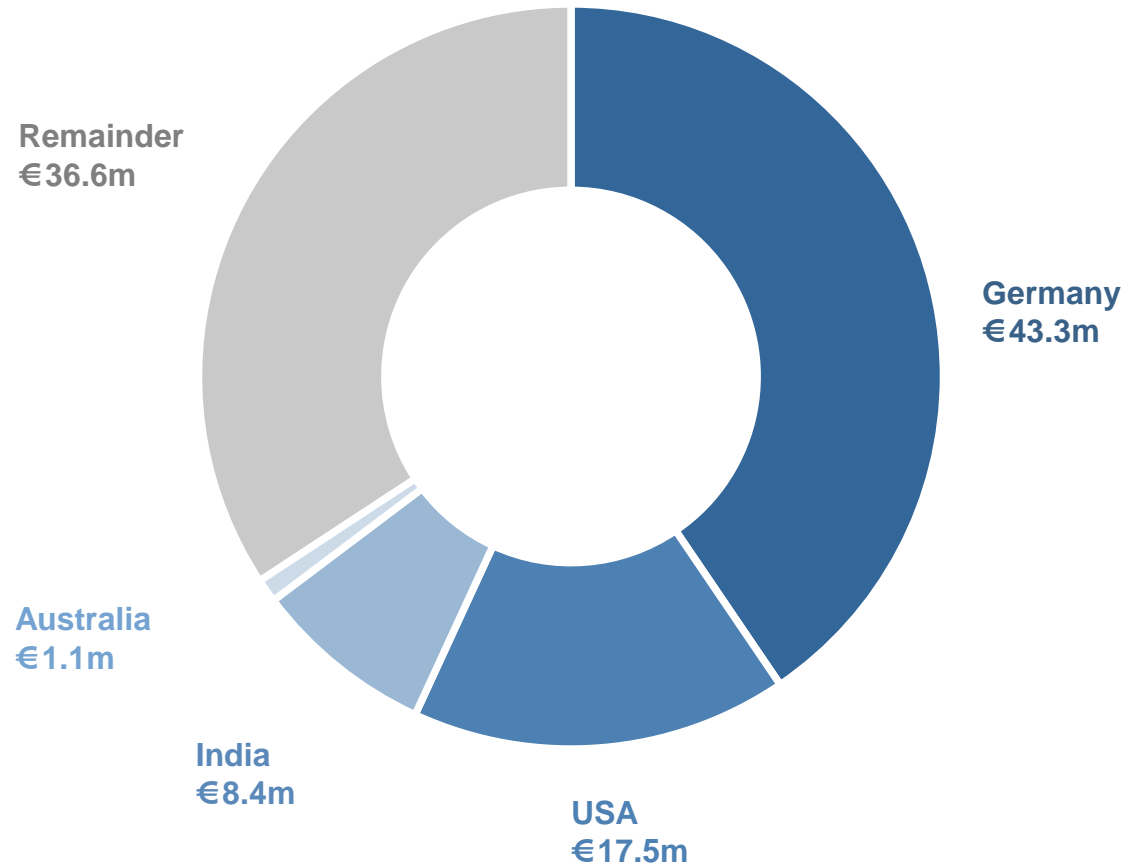
Organisation	<ul style="list-style-type: none">▪ Integration of service and spare parts into an independent organisational unit
Technical service	<ul style="list-style-type: none">▪ Investment in employees▪ Investment in further service centres▪ Investment in training: KSB SupremeServ Academies
Spare parts	<ul style="list-style-type: none">▪ Competitive pricing▪ Availability (logistics)▪ E-sales / Web Shop
Products	<ul style="list-style-type: none">▪ Digitalised service▪ Reengineering
Corporate culture	<ul style="list-style-type: none">▪ KSB SupremeServ spirit

Key Investments



Investments in 2019

Overview of Investments in 2019: €107 million



Investments in 2019

Frankenthal: Overall Impression / Infrastructure / Production



Investments in 2019

Halle: Logistics / Production



Investments in 2019

Shirwal (India) – 3rd Extension Stage



Investments in 2019

GIW, Grovetown (USA) – 2nd Extension Stage



Investments in 2019

Standard Alloys, Port Arthur (USA): New Building



Investments in 2019

Perth (Australia) – New Test Field



Investments in 2019

Expansion of Digitalisation: Digital Factory, KSBase, Web Shop



Product Innovations

Examples: RUV, Amarex NG, Etanorm FXM, Gamma



Product Innovations

Examples: Amtrobox F, SISTO-16 TWA, STAAL 40, SICCA



Sustainability For a Better World



**KSB joined the
UN Global Compact in 2010.**

Sustainability

2019 Facts & Figures

Greenhouse gases

- 2,292 t

Reduction in CO₂ emissions
year on year in 2019

Renewable energy

34.4 %

Share of renewable energy in
the Group's power consumption

Social activities

116

Charitable initiatives and
projects supported

Employee motivation

58 %

2017: 46 %
Target for 2025: 80 %

New Binding Goals until 2025



1. CO₂ emissions: - **30 %**
2. KSB water pumps:
Annual savings of **850,000** tonnes of CO₂
3. Ecological product rating: Recyclability
4. Employee satisfaction index: **80 %**
5. At least **20 %** of management positions: Women
6. Reduction of days lost due to occupational accidents:
< 0.3 days per employee / year
7. Professional development: **At least 30 hours**
per employee / year
8. **Sustainability performance assessment** of key suppliers
9. Global commitment: **25 social projects** / year

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Focus: Qualitative Growth



Short-term

Drive forward operative improvements



Medium-term

Implement market-oriented structures



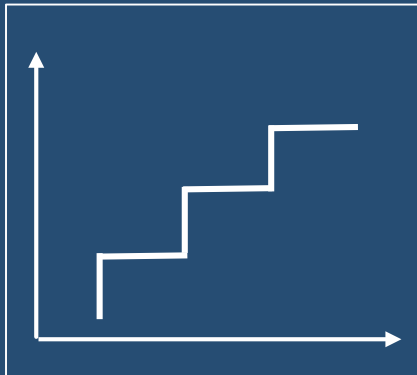
Long-term

Include external growth

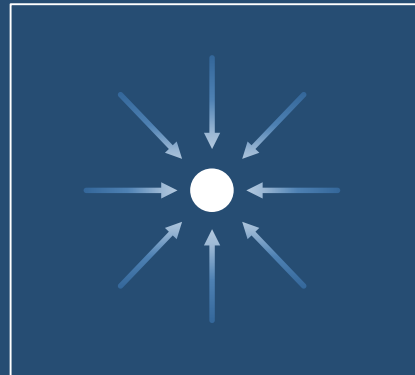


Goals for 2020

**Increase in
efficiency and
effectiveness**



**Climb 21:
Implementation**



**Positioning of
the KSB brand**





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