

# Financial Press Conference of KSB SE & Co. KGaA 2023 Financial Year

Dr. Stephan Timmermann  
23 March 2023

All Rights Reserved  
Confidential

© Copyright KSB SE & Co. KGaA



# Welcome on behalf of all Managing Directors



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.

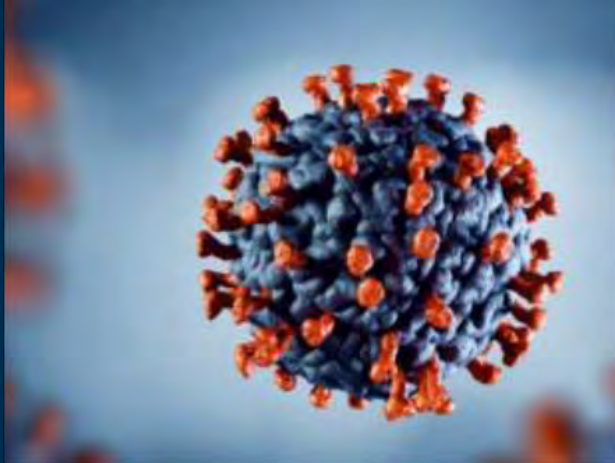
The **KSB Annual Report** is available from today (10:00 CET) for **download** from our web site.

# Agenda

1. Introduction: 2022 Financial Year – General Assessment
2. 2022 Business Performance in Figures
3. Focus of Activities in 2022
  - Investments
  - Working on the strategic development
    - CLIMB 21
    - Strategy 2030 +
4. Summary: January / February 2023
5. Summary

# The 2022 Financial Year

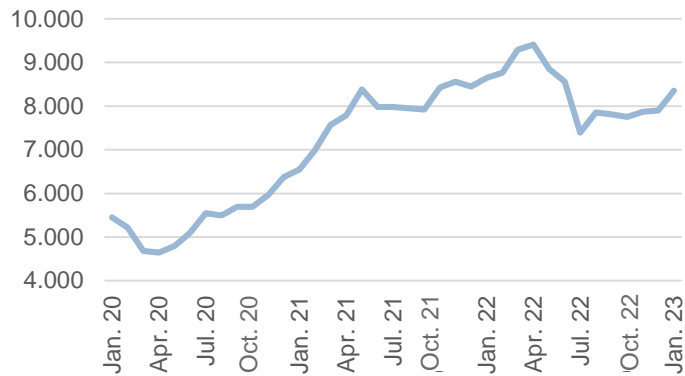
## A year of challenges



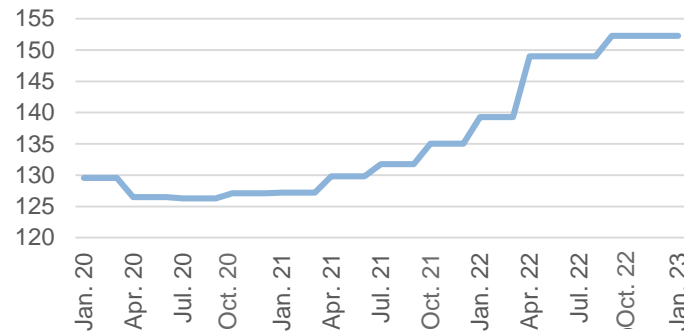
# Impact of commodity and energy prices



LME - Copper



Freight price index truck transports (EU)



HWWI - Energy Index



# The 2022 Financial Year

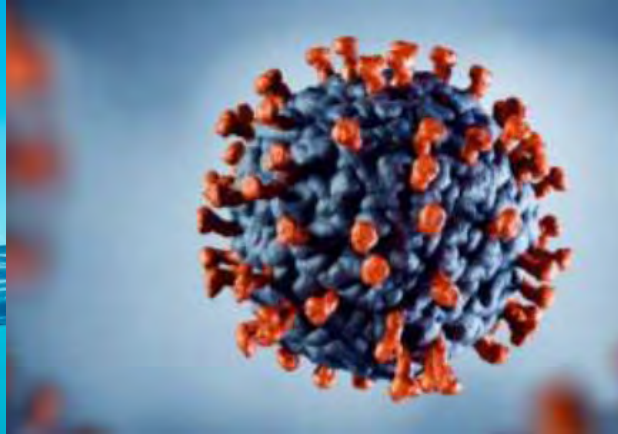
## Resilience



- **Confidence**
- **On course**
- **Coordinated response**
- **Worldwide collaboration**

# The 2022 Financial Year

## Crisis teams



COVID task force



Cyber security task force



Russia / Ukraine task force



Energy task force



# Thank you to all employees!

KSB employees  
worldwide



# 15,643

as at 31 December 2022  
(prev. yr: 15,287)

of which employed in Germany



Bremen: 93 (prev. yr: 90)

Halle: 487 (prev. yr: 483)

Pegnitz: 1,462 (prev. yr: 1,474)

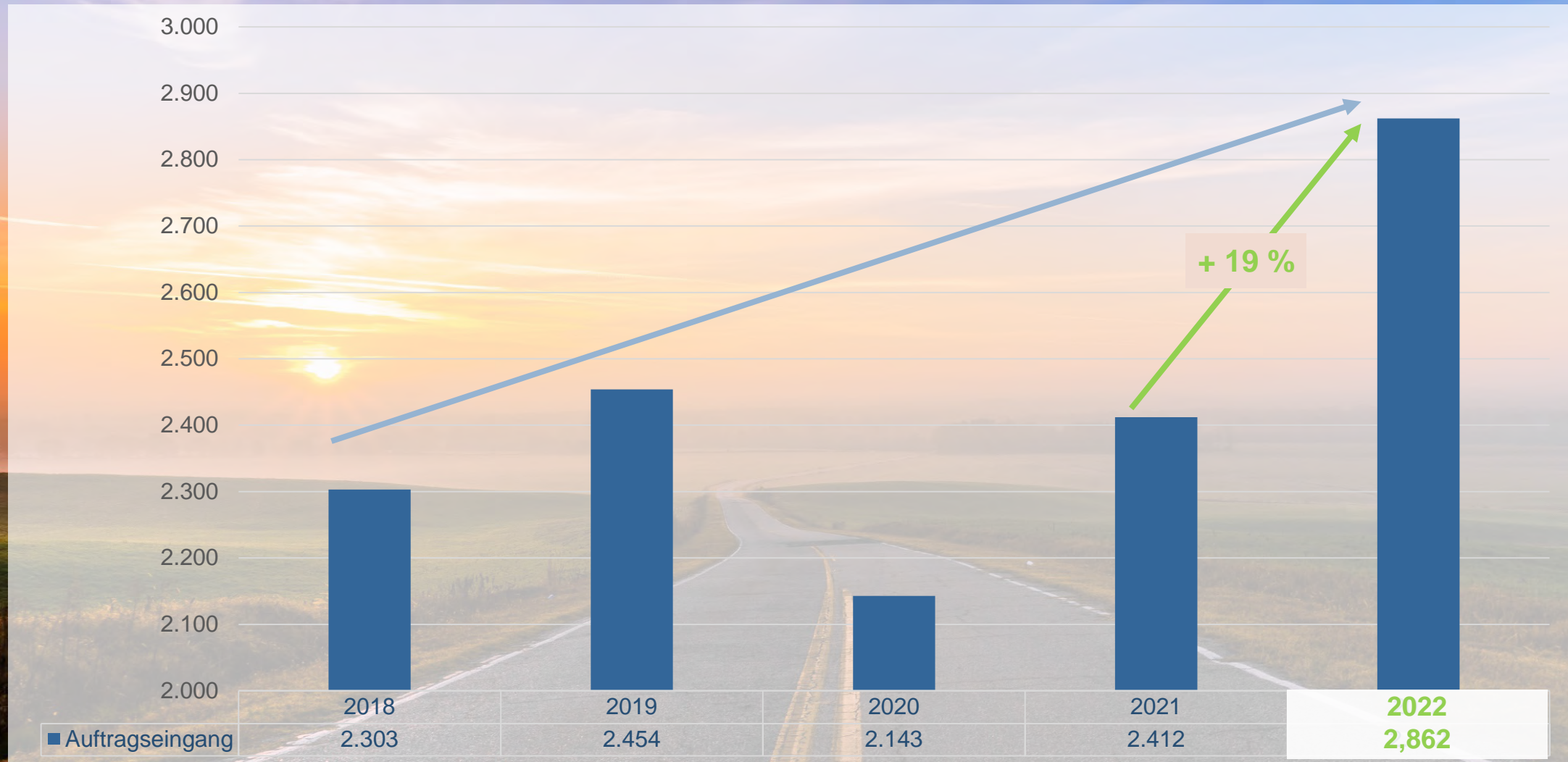
Frankenthal: 1,843 (prev. yr: 1772)

Germany as a whole: 4,771 (prev. yr: 4,766)

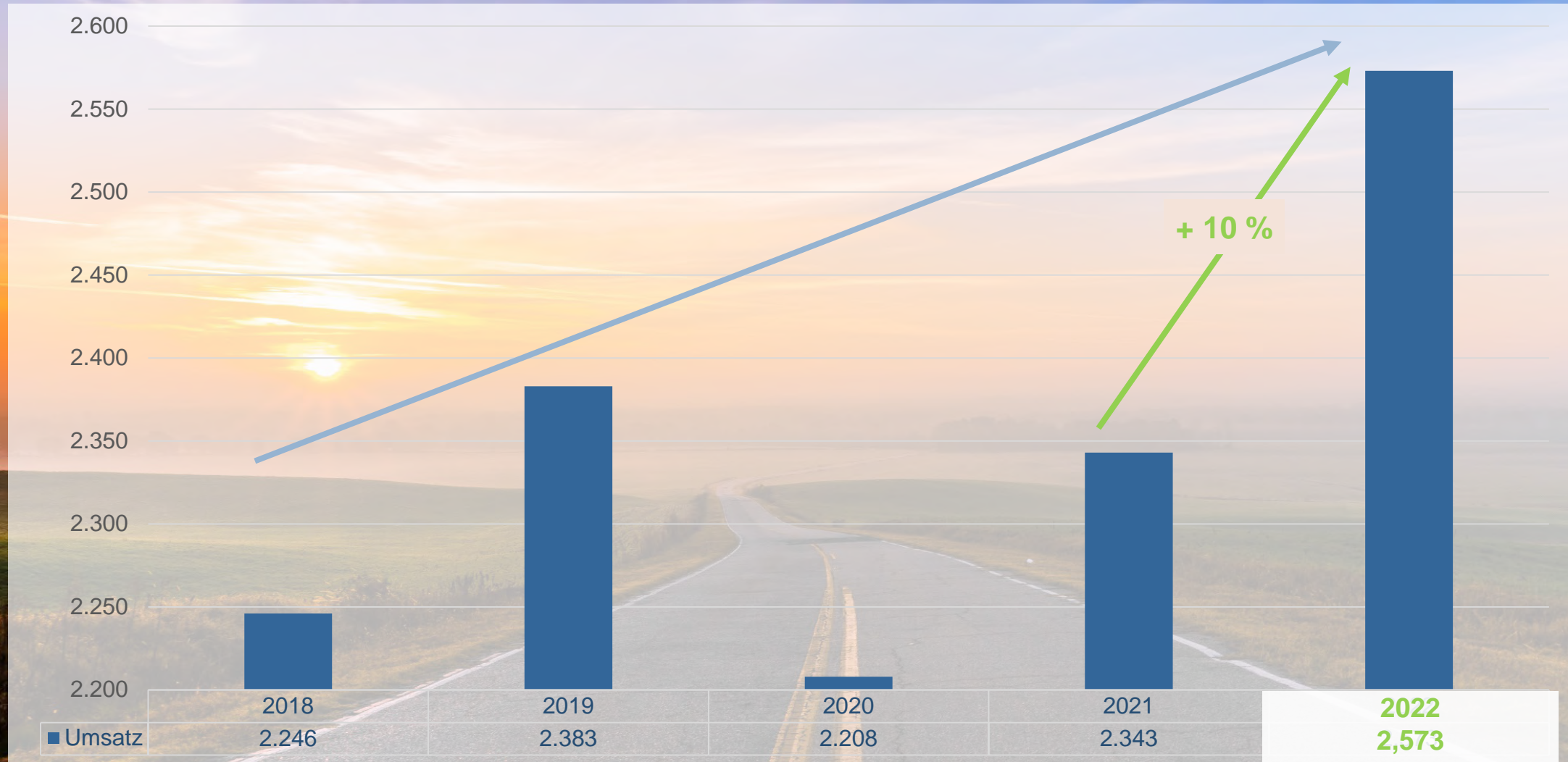
# Guiding principles for the Annual Report: Team effort and solidarity



## Order intake



## Sales revenue

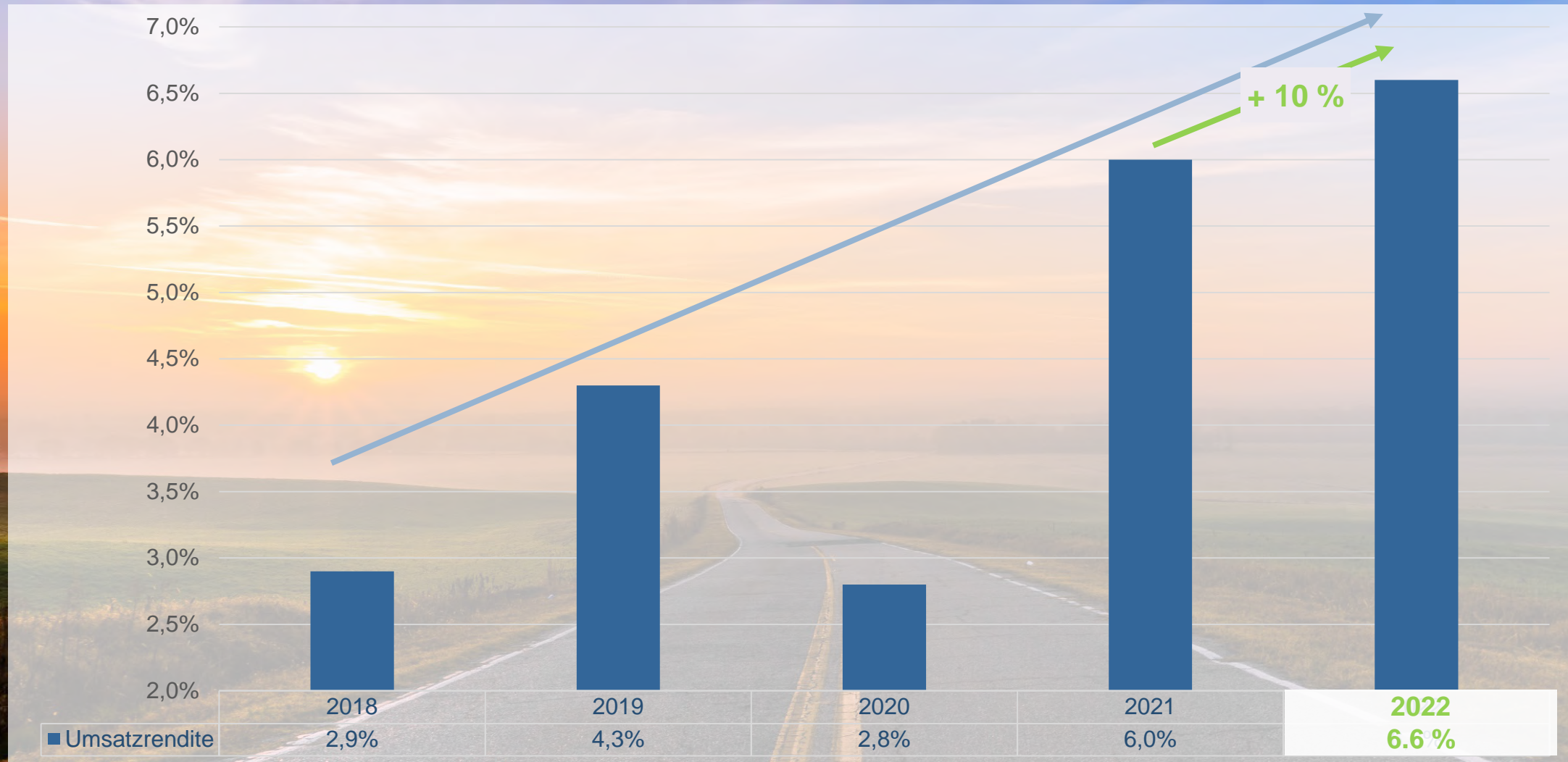


# 2022 Development of the Key Indicators

## EBIT



## Return on sales



## Drivers of success

- CLIMB 21
- KSB SupremeServ
- Cost awareness and prudence
- Improving the positioning the parent company KGaA project
- Fewer errors and change in the corporate culture
- Securing the contribution margin (clever price increases and sourcing)
- Excellent, global cooperation



## The 2022 financial year: Summary



- Best year in a long time for all key financial indicators
- Success despite multiple crises
- Navigation on course
  - Trust
  - Credibility
- Significant increase in employee satisfaction



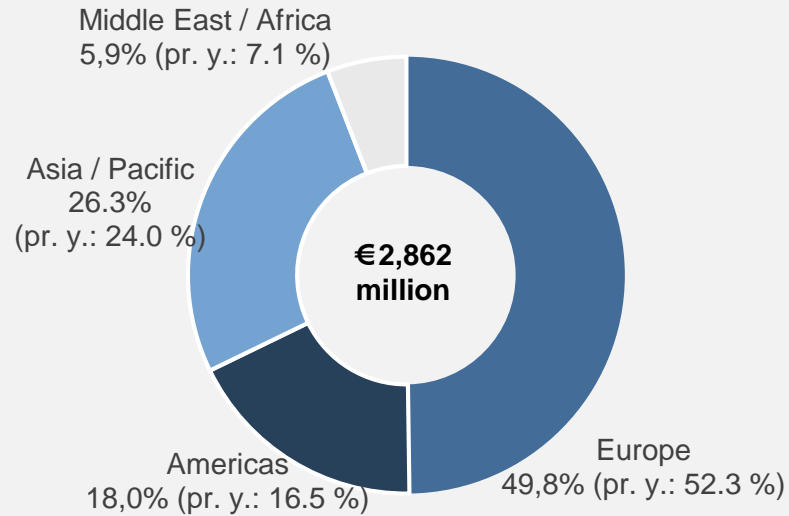
# Agenda

1. Introduction: 2022 Financial Year – General Assessment
2. **2022 Business Performance in Figures**
3. Focus of Activities in 2022
  - Investments
  - Working on the Strategic Development
    - CLIMB 21
    - Strategy 2030 +
4. Summary: January / February 2023
5. Summary

# Development of material performance indicators of the KSB Group from 2020 to 2022



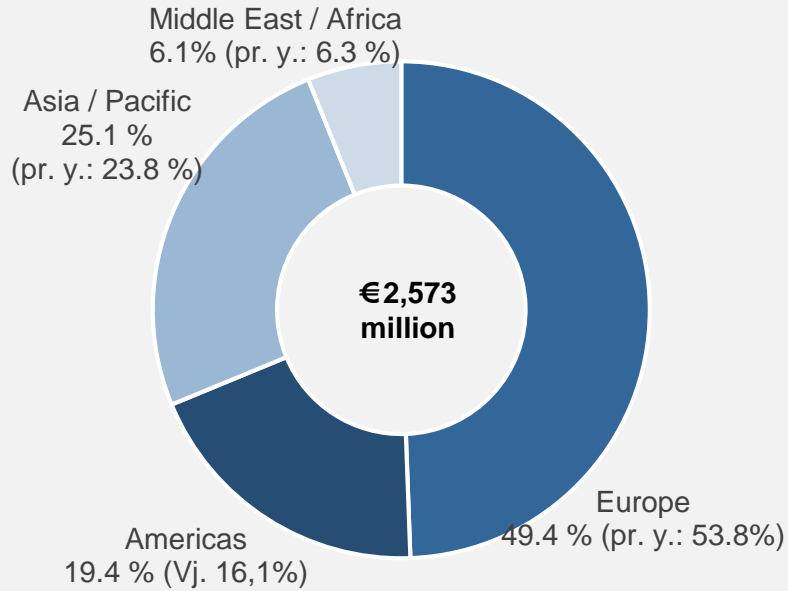
## Order intake 2022



## Order intake in 2022 up 19 % year on year to €2,862 million

€ millions	Order intake			YoY
	First half of 2022	Second half of 2022	Total 2022	
<b>KSB Group</b>	<b>1,487</b>	<b>1,375</b>	<b>2,862</b>	<b>450</b>
<b>Pumps</b>	843	743	1,586	
<b>Valves</b>	196	163	359	
<b>KSB SupremeServ</b>	448	469	917	

## Sales revenue 2022



## 2022 sales revenue increased by 10 % to €2,573 million Second half of 2022 25 % stronger than first half

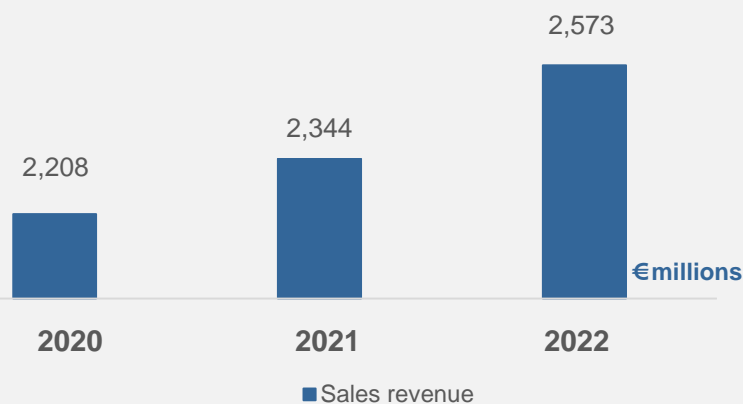
€ millions	Sales revenue			YoY
	First half of 2022	Second half of 2022	Total 2022	
<b>KSB Group</b>	<b>1,146</b>	<b>1,427</b>	<b>2,573</b>	<b>230</b>
<b>Pumps</b>	608	782	1,390	
<b>Valves</b>	160	173	333	
<b>KSB SupremeServ</b>	378	472	850	



## EBIT margin increased from 6 % to 6.6 % KSB SupremeServ was a strong earnings driver

€ millions	EBIT			YoY
	First half of 2022	Second half of 2022	Total 2022	
<b>KSB Group</b>	<b>53.5</b>	<b>115.6</b>	<b>169.1</b> <i>(ROS: 6.6 %</i>	<b>19.9</b>
<b>Pumps</b>	10.5	17.2	27.7	
<b>Valves</b>	-4.0	-0.6	-4.6	
<b>KSB SupremeServ</b>	47.0	99.0	146.0	

## Sales revenue performance



## EBIT performance



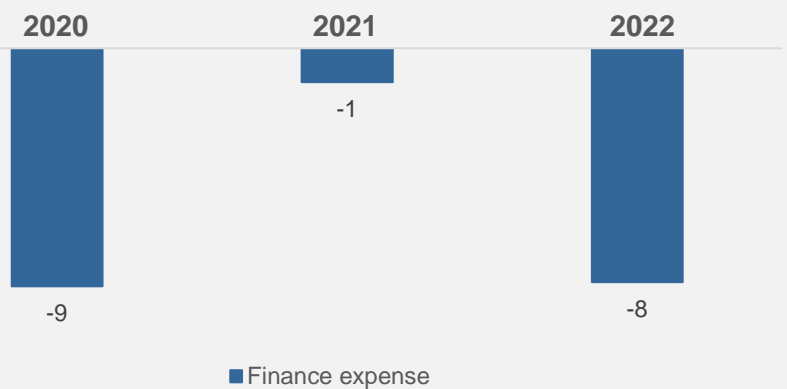
# EBIT growth despite the war in Ukraine, cyber attacks and production restrictions

€ millions	2022	2021	2020
<b>Sales revenue</b>	2,573.4	2,344.0	2,207.9
<b>Cost of materials</b>	1,156.3	975.4	899.6
<i>in % of sales revenue</i>	44.9	41.6	40.7
<b>Staff costs</b>	901.6	837.2	804.8
<i>in % of sales revenue</i>	35.0	35.7	36.5
<b>Other expenses</b>	391.6	353.2	353.0
<i>in % of sales revenue</i>	15.2	15.1	16.0
<b>EBITDA</b>	259.5	222.1	170.1
<b>EBIT</b>	169.1	141.2	70.2
<i>in % of sales revenue</i>	6.6	6.0	3.2

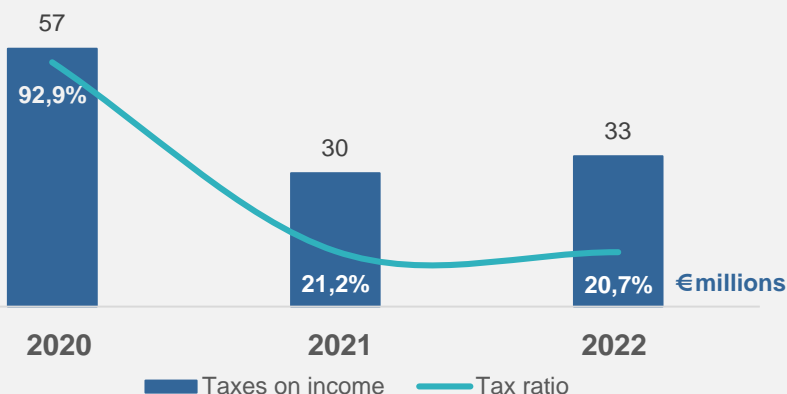
## Earnings after income tax of €127 million Tax ratio of 21 % constant year on year

€ millions	2022	2021	2020
<b>EBIT</b>	169.1	141.2	70.2
<b>Finance income / expense</b>	-8.4	-1.2	-8.6
<b>EBT</b>	160.7	139.9	61.6
<b>Taxes on income</b>	-33.3	-29.6	-57.2
<b>Tax ratio</b>	20.7	21.2	92.9
<b>Earnings after income tax</b>	127.3	110.3	4.3

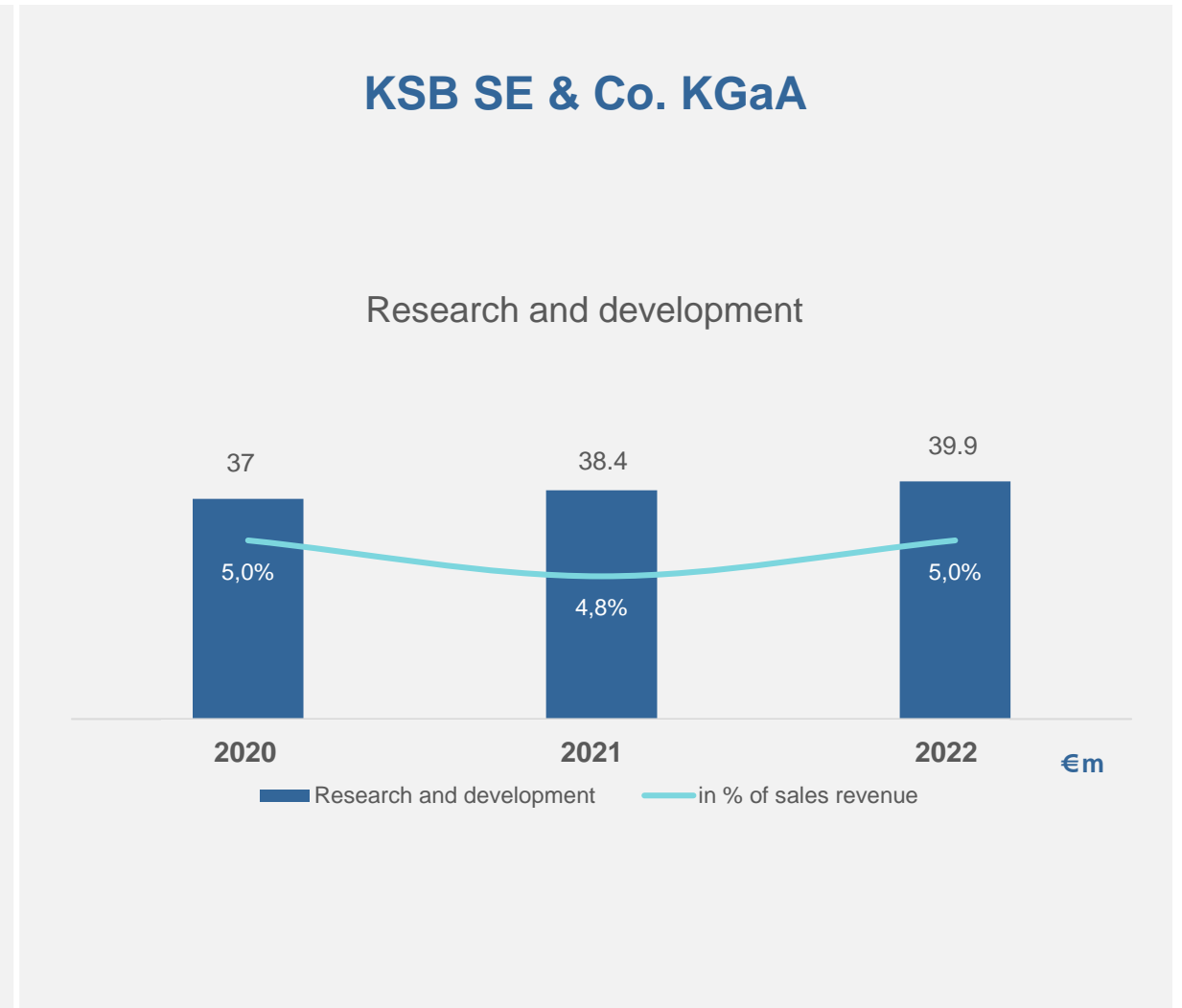
Finance income / expense



Tax ratio

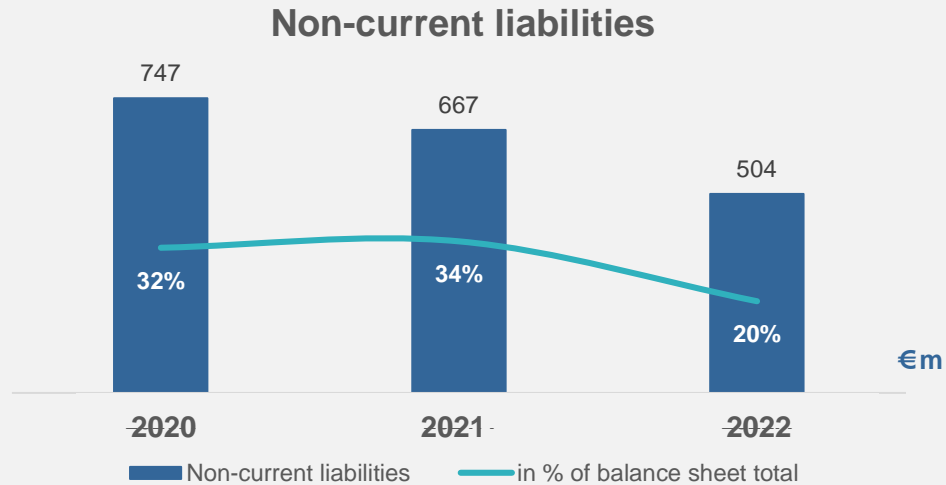


# Constant share of research and development expenses of sales revenue

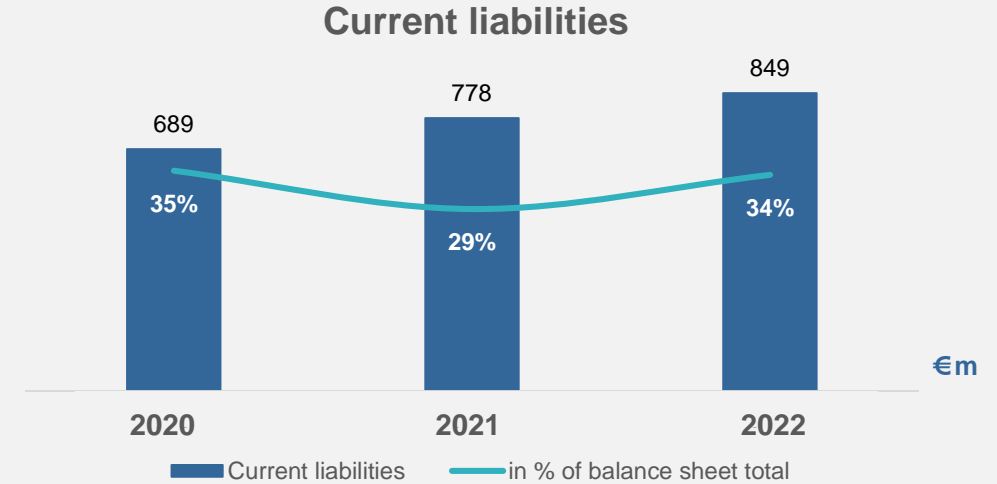




# Non-current liabilities and current liabilities



- Pensions: € 466 million (prev. year: € 629 million)
- Financial liabilities: € 24 million (prev. year: € 27 million)

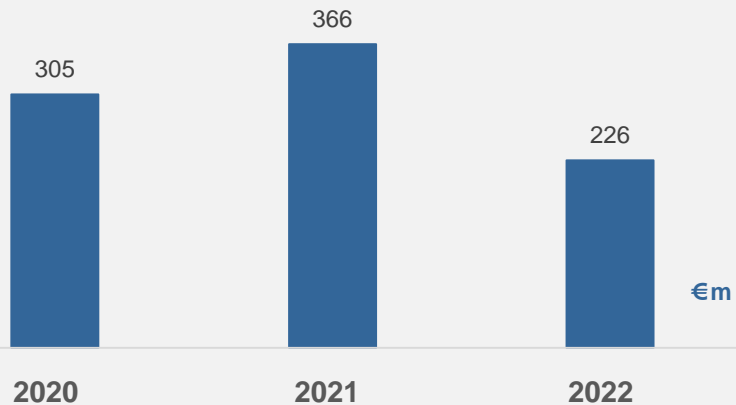


- Financial liabilities: € 27 million (prev. year: € 52 million)
  - Full repayment of loan against borrower's note: € 22 million
- Trade payables: € 333 million (prev. year: € 273 million)
- Other non-financial liabilities: € 164 million (prev. year: € 157 million)

### Trade working capital



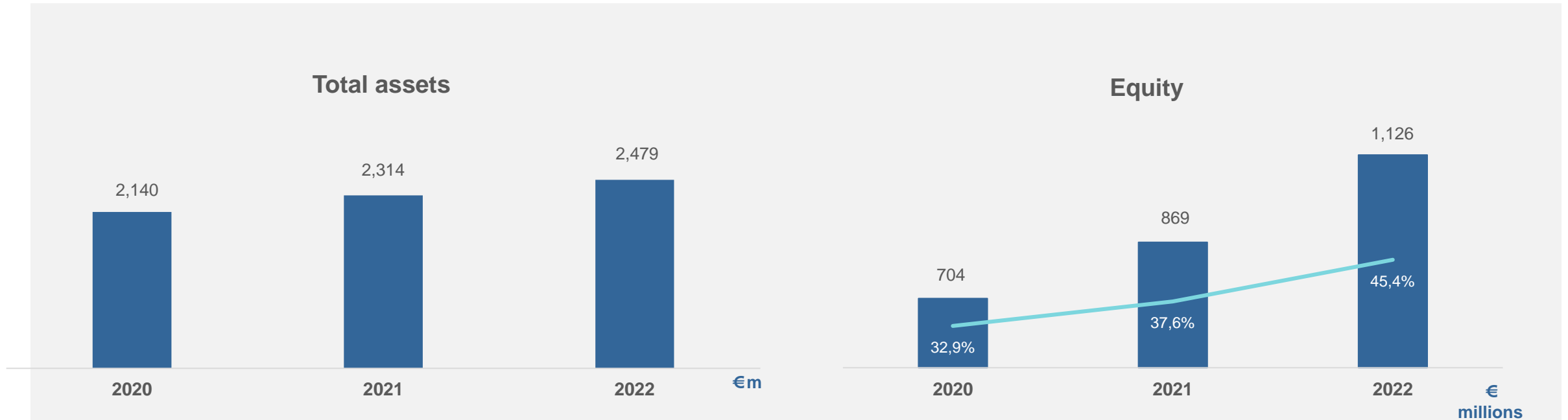
### Net financial position



## €201 million increase in trade working capital financed fully from the Group's liquidity

€ millions	2022	2021	2020
<b>Cash flows from operating activities</b>	2.1	163.9	183.8
<b>Cash flows from investing activities</b>	-89.0	-76.4	-72.2
<b>Free cash flow</b>	-86.9	87.5	111.6
<b>Net financial position</b>	225.6	365.6	304.8

# Marked increase in equity ratio to 45.4 % despite higher total assets



## Drivers of increase in equity in 2022:

- Net profit of €127 million
- Rising interest rates led to a reduction of €145 million in pension provisions.

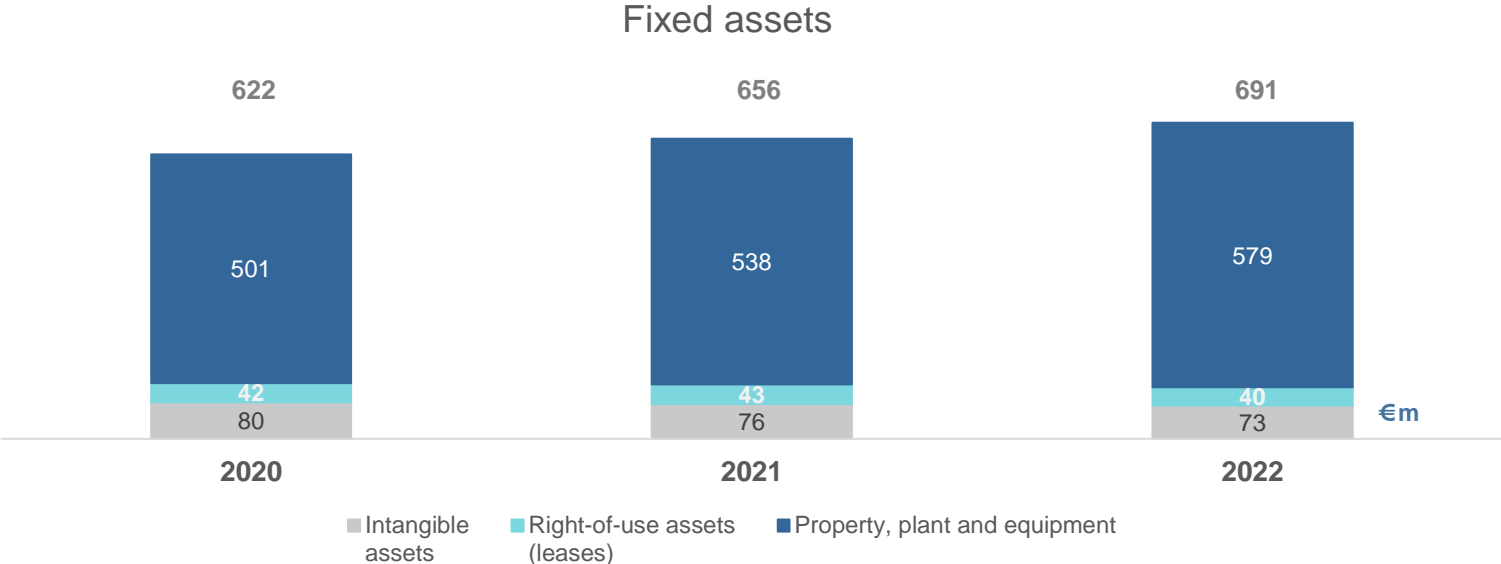
# Statement of cash flows

€millions	31 Dec. 2022	31 Dec. 2021
<b>Cash flows from operating activities</b>	<b>2.1</b>	<b>163.9</b>
<b>Cash flows from investing activities</b>	<b>-89.0</b>	<b>-76.4</b>
of which proceeds from / payments for deposits	-10.6	-2.9
<b>Cash flows from financing activities</b>	<b>-75.8</b>	<b>-43.4</b>
Changes in cash and cash equivalents	-162.8	44.1
Effects of exchange rate changes on cash and cash equivalents	4.3	8.4
Effects of changes in consolidated Group	0.4	2.7
Cash and cash equivalents at beginning of period	386.7	331.5
Cash and cash equivalents at end of period *	<b>228.6</b>	<b>386.7</b>

\* Payments for term deposits > 3 months are not included.

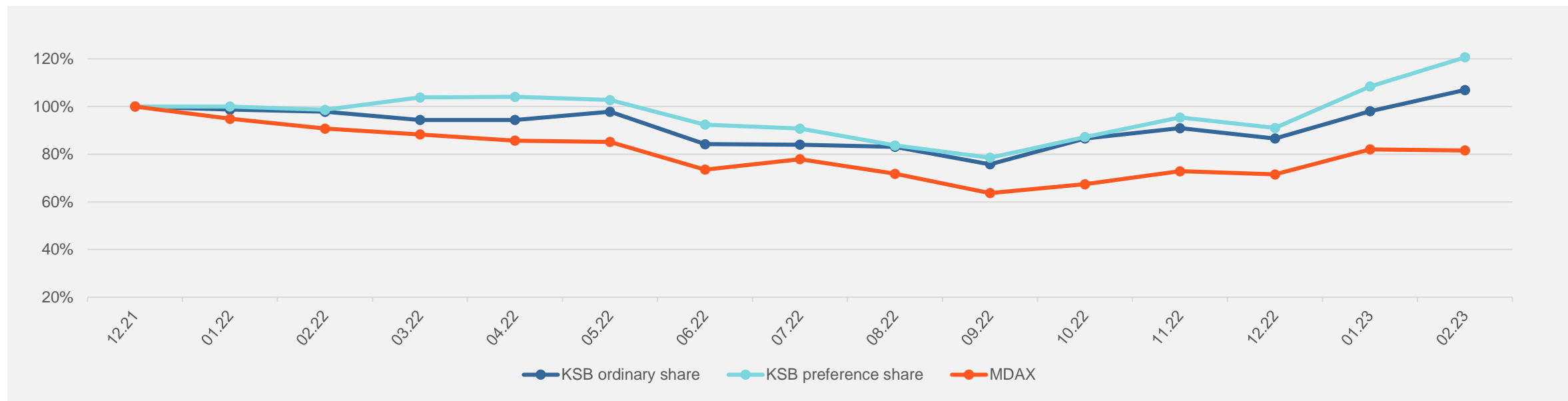


# Investment ratio of 4.7 %



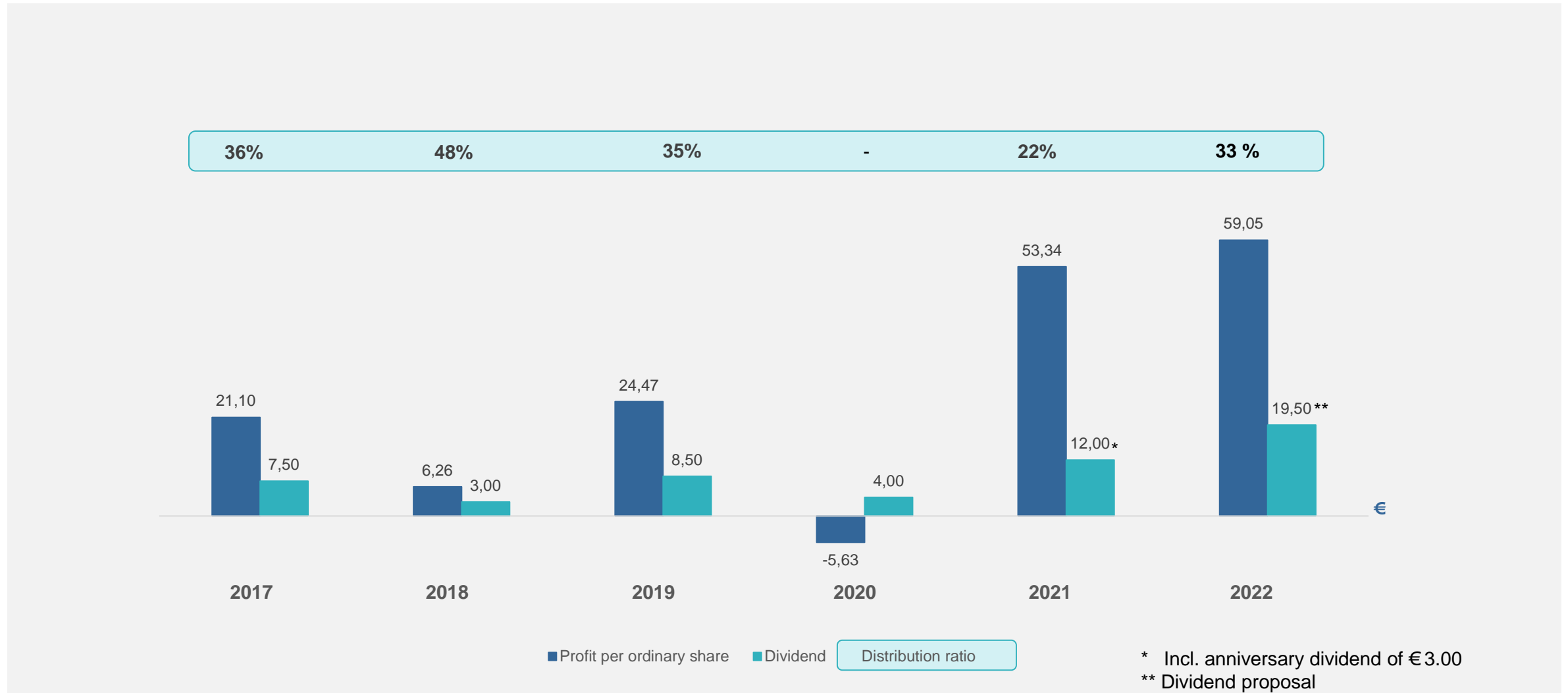
Acquisitions 2022: € 122 million (4.7 % of sales revenue)  
 Acquisitions 2021: € 104 million (4.4 % of sales revenue)  
 Acquisitions 2020: € 98 million (4.4 % of sales revenue)

# KSB SE & Co. KGaA share price performance

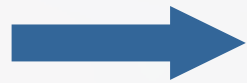


	2020	2021	2022
<b>Earnings per ordinary share in €</b>	-5.63	53.34	59.05
<b>Ordinary share price on 31 Dec. in €</b>	278	462	400
<b>Market capitalisation on 31 Dec. in €millions</b>	442	728	644

# Dividends: €19.50 per ordinary share and €19.76 per preference share



# Successful year 2022 for KSB

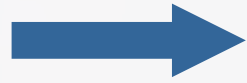


Order intake increased by 19 % to nearly € 2.9 billion and sales revenue by 10 % to almost € 2.6 billion.

## **Record levels in the company's history**



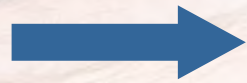
EBIT increased to € 169 million and the EBIT margin to 6.6 %.



Earnings after income tax increased to € 127 million.



Equity ratio increased to 45.4 %



Dividend per ordinary share increased to € 19.50



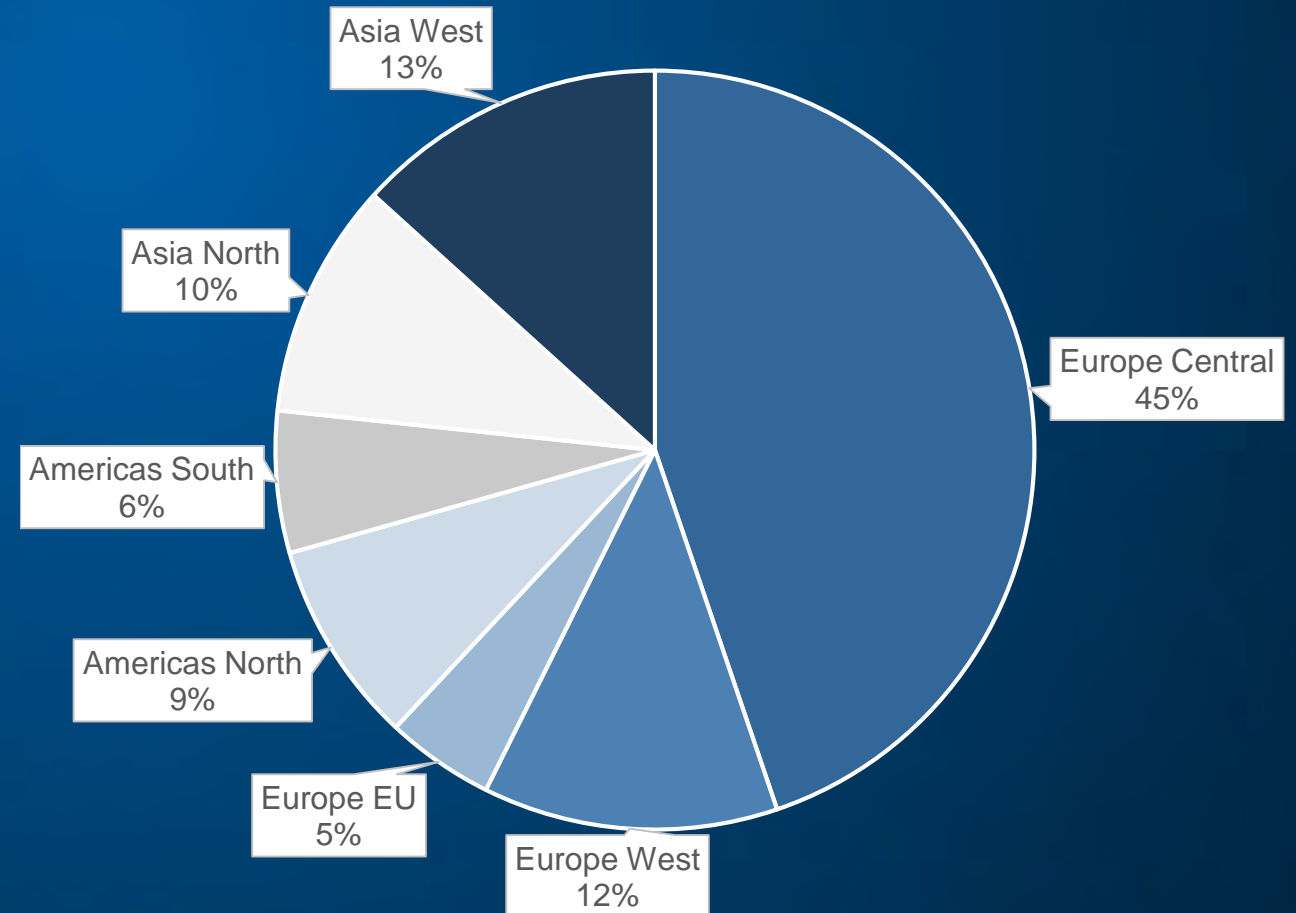
# Agenda

1. Introduction: 2022 Financial Year – General Assessment
2. 2022 Business Performance in Figures
3. **Focus of Activities in 2022**
  - Investments
  - Working on the Strategic Development
    - CLIMB 21
    - Strategy 2030 +
4. Summary: January / February 2023
5. Summary

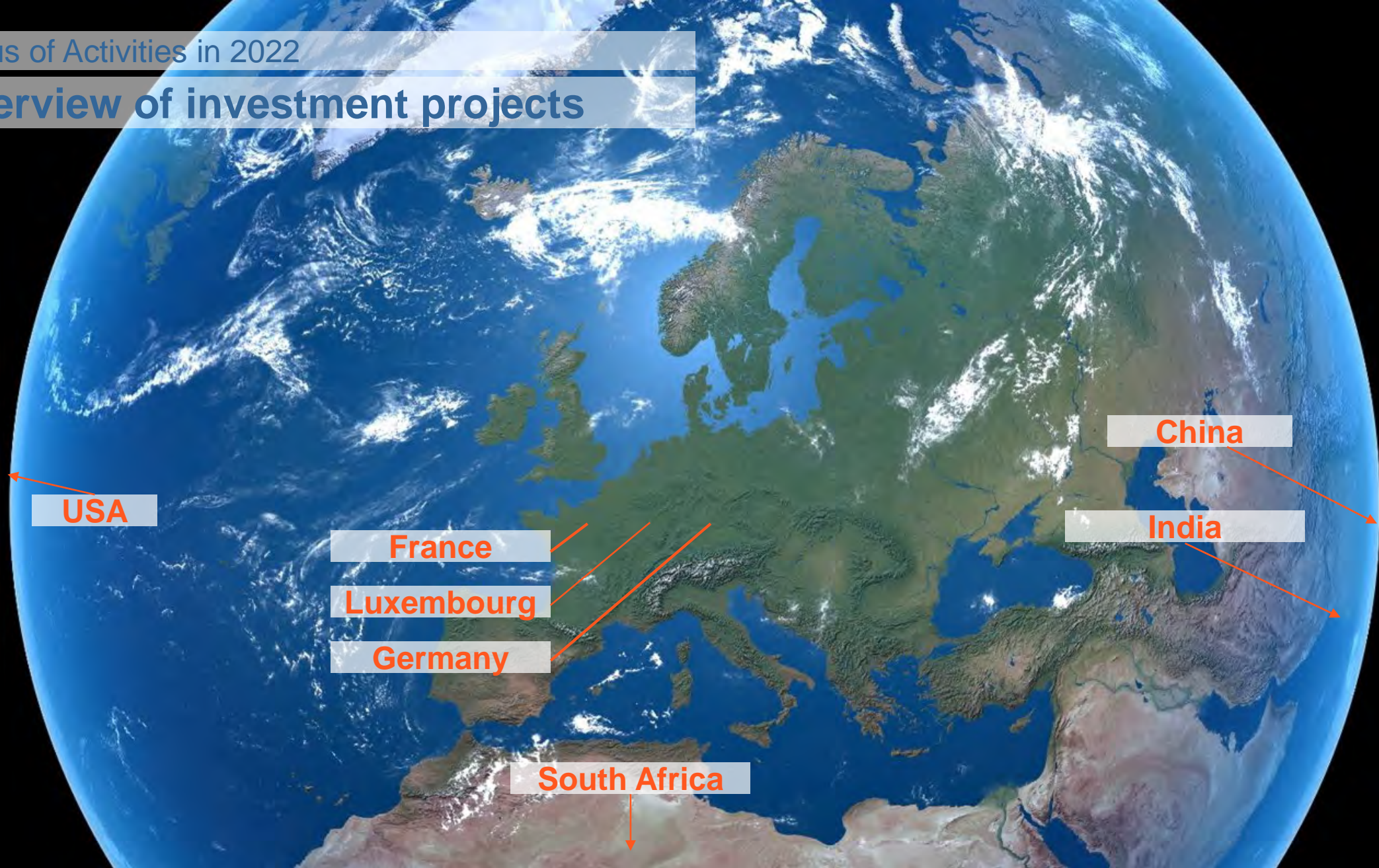
# Investments in 2022: €122 million

- **Capacity expansion**  
€45.4 million
- **IT / digitalisation**  
€7.99 million
- **Productivity enhancement**  
€63.6 million
- **Sustainability**  
€4.6 million

## Investments by Region



# Overview of investment projects



# Petrochemical production in Shanghai, China



**Total volume:**  
€ 17.750 million

**Purpose:**  
Expansion of capacities,  
focus on chemicals

**Status:**  
To be inaugurated on  
31 July 2024

## Office building in Shirwal, India



**Total volume:**  
€ 2.63 million

**Purpose:** Training,  
guest catering

**Status:** To be  
inaugurated on  
30 September 2023

## Overview of Investment Projects

# Production hall in Nashik, India

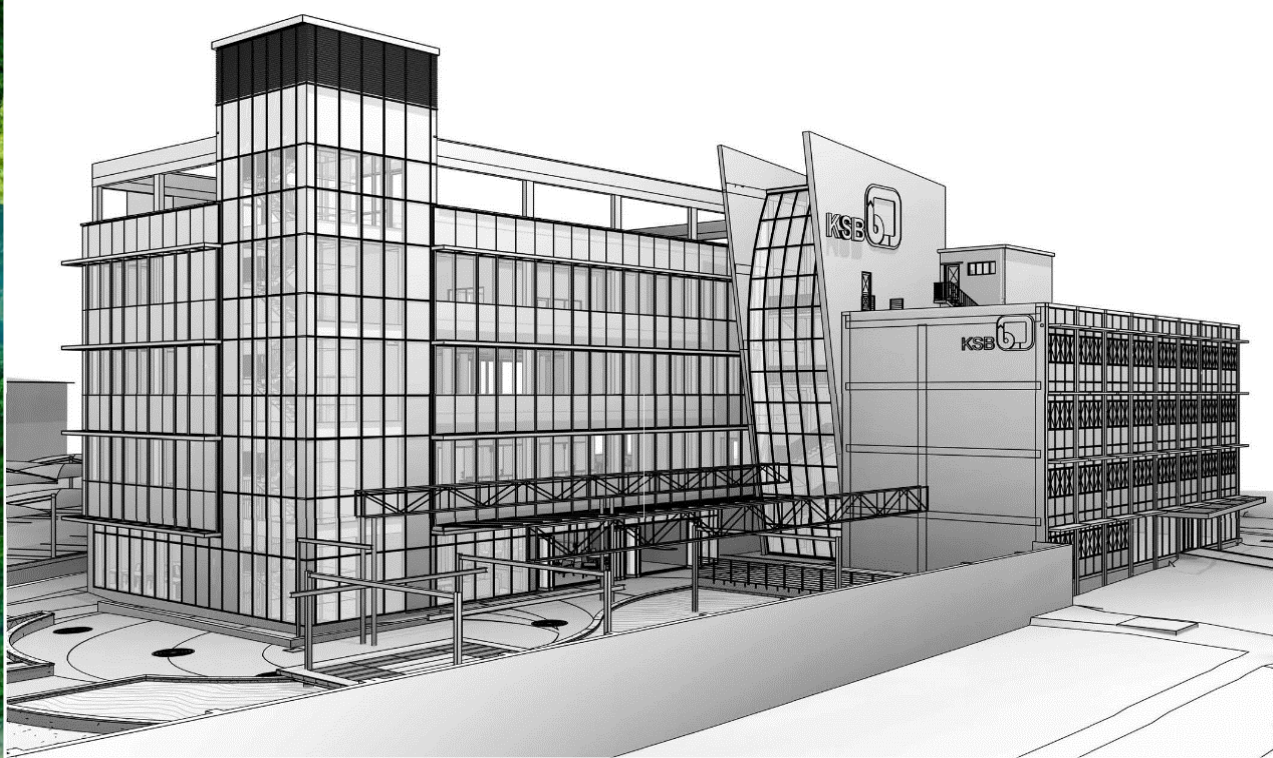


**Total volume:**  
€ 5.37 million

**Purpose:**  
New products, capacity  
expansion

**Status:**  
Inaugurated in  
February 2023

## Office building in Johannesburg, South Africa



**Total volume:**  
€2.5 million

**Purpose:**  
Representative office,  
refurbishment,  
sustainability

**Status:** To be  
inaugurated on  
30 June 2024

## Overview of Investment Projects

# TechCenter SISTO, Luxembourg



**Total volume:**  
€3.7 million

**Purpose:**  
Expansion of production  
capacities, quality  
assurance

**Status:**  
Inaugurated in February  
2022



## Modernisation in Lille, France



**Total volume:**  
€ 13.3 million

**Purpose:** Refurbishment,  
expansion of production  
capacities, modernisation,  
digitalisation

**Status:** To be completed by  
30 April 2025

## Vocational training centre in Frankenthal, Germany



**Total volume:**  
€ 8.92 million

**Purpose:**  
Representation,  
training

**Status:**  
Inaugurated in  
December 2022

## IT building in Frankenthal, Germany



**Total volume:**  
€ 5 million

**Purpose:** Modernisation,  
expansion of capacities

**Status:**  
Inaugurated in  
September 2022

## Heating centre, Frankenthal, Germany



**Total volume:**  
€ 15.3 million

**Purpose:**  
Modernisation,  
sustainability

**Status:** To be  
commissioned on  
1 October 2023

# Framework plan for the site in Pegnitz, Germany



**Total volume:**  
€23.1 million

**Purpose:** Improved efficiency

**Status:** To be completed by 2026

# Overview of Investment Projects

## GIW in Grovetown, USA

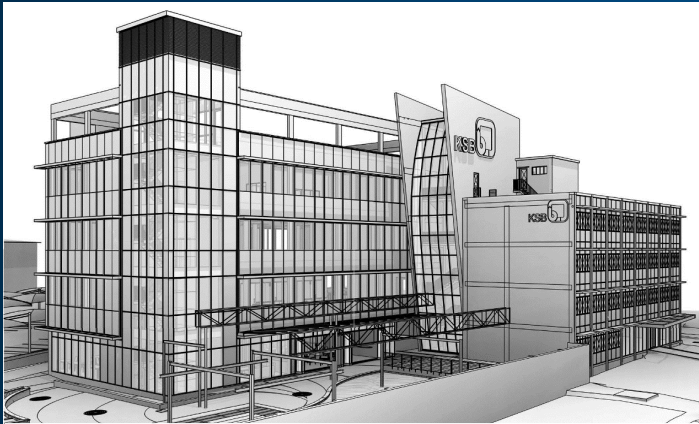


**Total volume:**  
€ 38 million

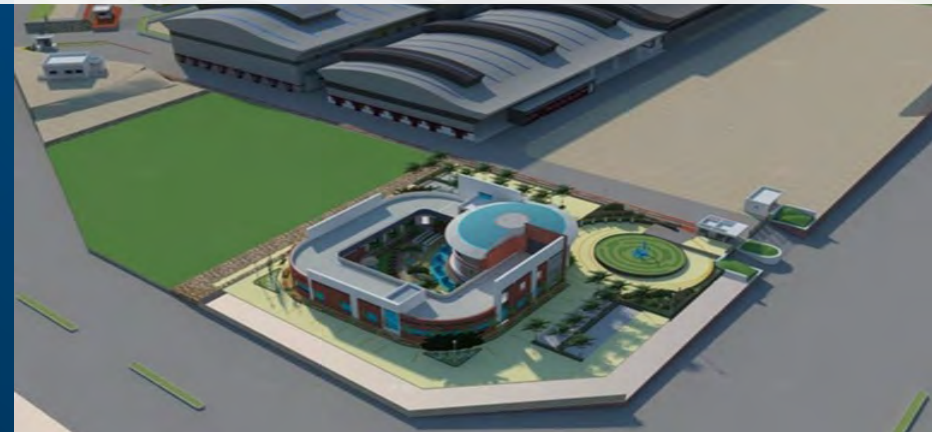
**Purpose:** Capacity expansion, improved efficiency

**Status:**  
Inaugurated on 1 April 2022

# Investments in 2023



**Budget 2023: €140 million**



Focus of Activities in 2022

## Working on the strategic development





# Components of the strategy



# Organisational structure in line with CLIMB 21

## Group Head Office



# CLIMB 21: A coordinated management team



# CLIMB 21: Customer Centricity

## Mining Market Area



- **Order intake 2022:**  
**€277.7 million (+ 18 %)**
- **Megatrend**
  - Resource requirements
  - Geopolitical changes
  - Turnaround in energy policy: copper, lithium
  - Climate change
- **KSB's potential**
  - Power of the global network
  - Expertise in wear-resistant pumps



\* Figures incl. spare parts business

# CLIMB 21: Customer Centricity

## Energy Market Area



- **Order intake 2022:**  
**€349.1 million (+ 49.3 %)**
- **Megatrend**
  - Increasing energy demand
  - Energy turnaround (geopolitical, environmental)
  - New technologies
- **KSB's potential**
  - Technological expertise
  - Global reference projects



\* Figures incl. spare parts business

# CLIMB 21: Customer Centricity

## Petrochemicals / Chemicals Market Area



- **Order intake 2022:**  
€261.3 million (+ 31.7 %)
- **Megatrend**
  - World population growth
  - Decoupling / autonomy
- **KSB's potential**
  - Trust of key customers
  - Strength in secondary processes
  - Strong production network



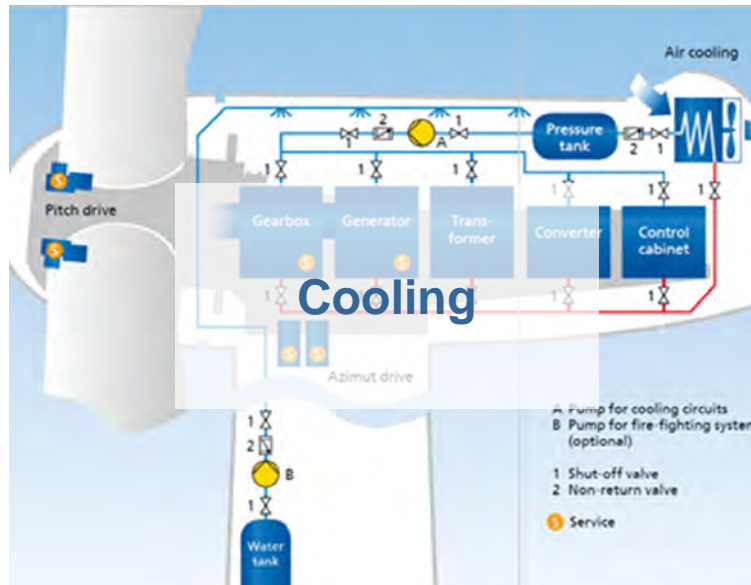
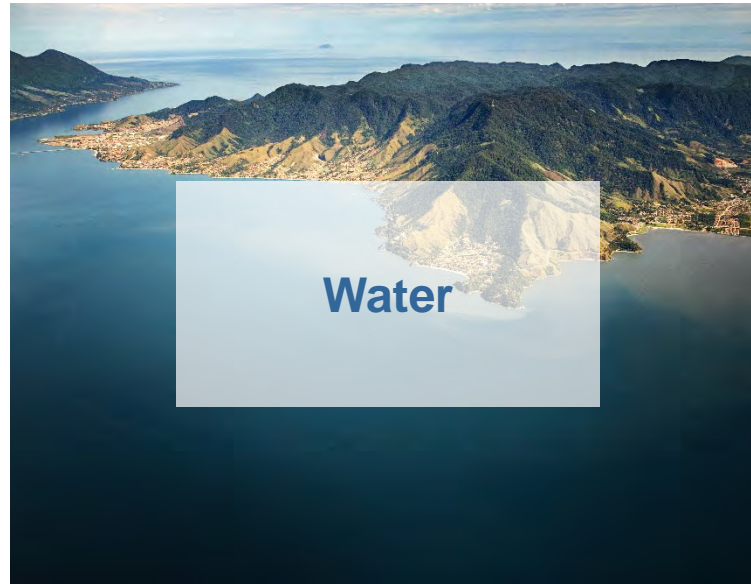
\* Figures incl. spare parts business

# CLIMB 21: Customer Centricity

## Water Market Area



- **Order intake 2022:**  
**€509.0 million (+ 23.5 %)**
- **Megatrend**
  - Climate change
  - Growing world population
  - Sustainability
  - New applications
- **KSB's potential**
  - Global key references
  - Knowledge of applications
  - Product variety



\* Figures incl. spare parts business

# CLIMB 21: Customer Centricity

## General Industry

### Market Area



- **Order intake 2022:**  
€513.5 million (+ 20.2 %)
- **Megatrend**
  - Growing world population
  - Growing prosperity
  - Shift in consumer behaviour
- **KSB's potential**
  - Knowledge of applications
  - Product portfolio



\* Figures incl. spare parts business



# CLIMB 21: Customer Centricity

## Building Services Market Area



- **Order intake 2022:**  
€247.6 million (+ 9 %)
- **Megatrend**
  - Urbanisation
  - Tighter legislation
  - Sustainability: heat pumps
- **KSB's potential**
  - Expansion of the market position through visibility and technology



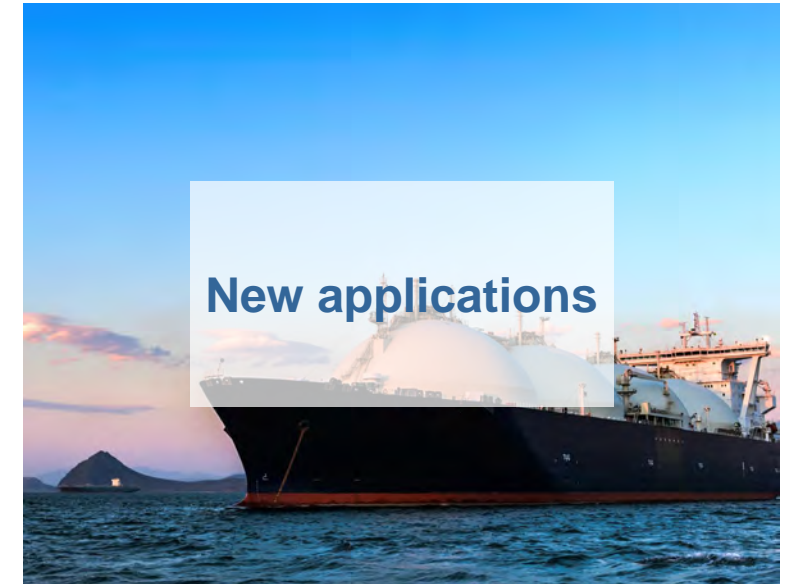
\* Figures incl. spare parts business

# CLIMB 21: Customer Centricity

## KSB Valves



- **Order intake 2022:**  
**€407 million (+ 7.1 %)**
- **Megatrend**
  - Every pump needs a valve.
  - Demand in highly-specialised niche applications (hydrogen, LNG, ammonium, sterile applications)
- **KSB's potential**
  - Leader in technology
  - Global network of production sites



\* Figures incl. spare parts business

# CLIMB 21: Customer Centricity

## KSB SupremeServ



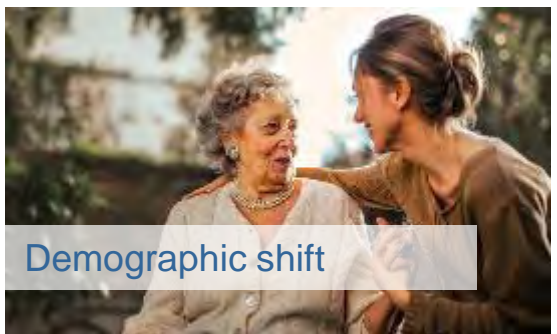
- **Order intake 2022:**  
€916.7 million (+ 19.7 %) \*
- **Megatrend**
  - Maintenance instead of replacement
  - Re-engineering
  - Monitoring
- **KSB's potential**
  - Global presence
  - Qualification and professionalism
  - Focus



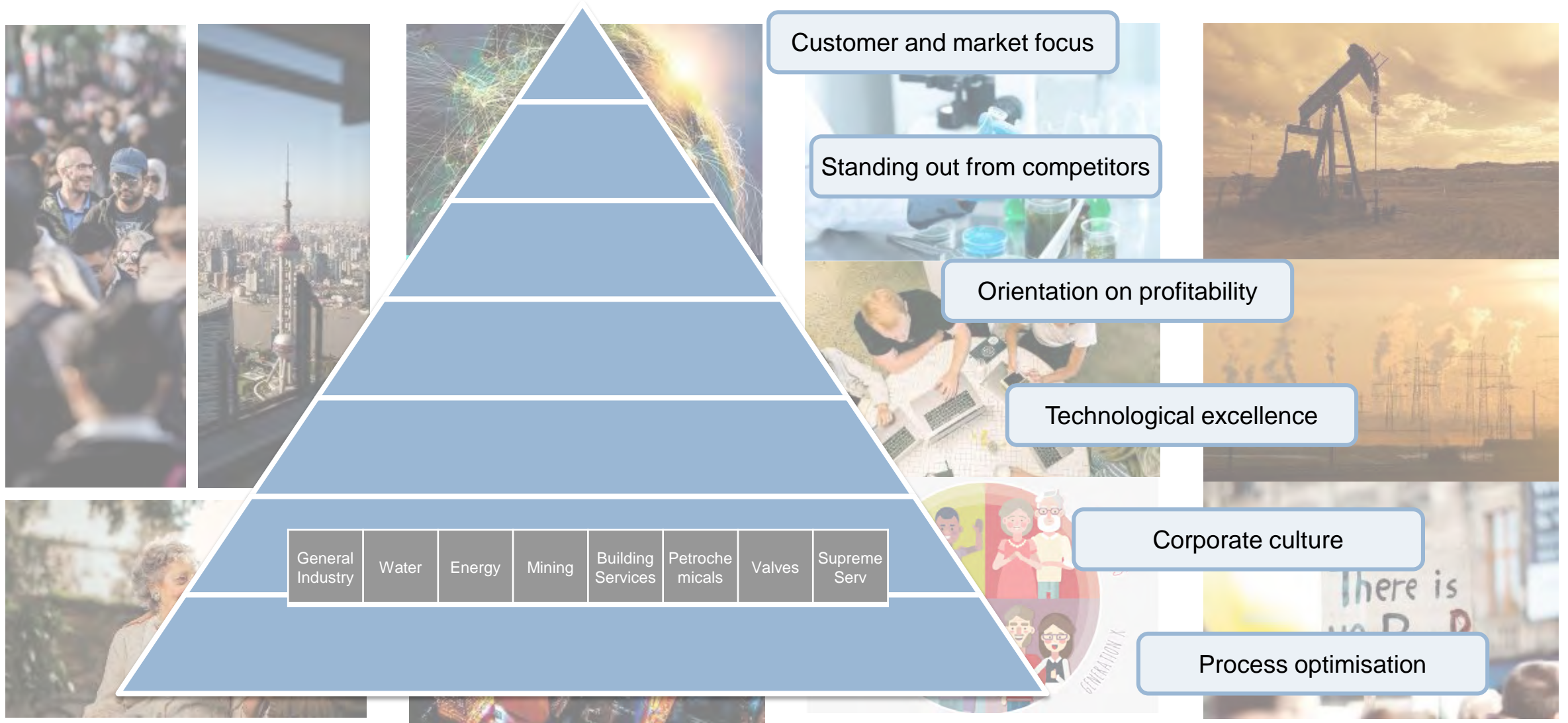
\* Figures incl. spare parts business

# Working on the Strategic Development

## KSB's potential: Megatrends



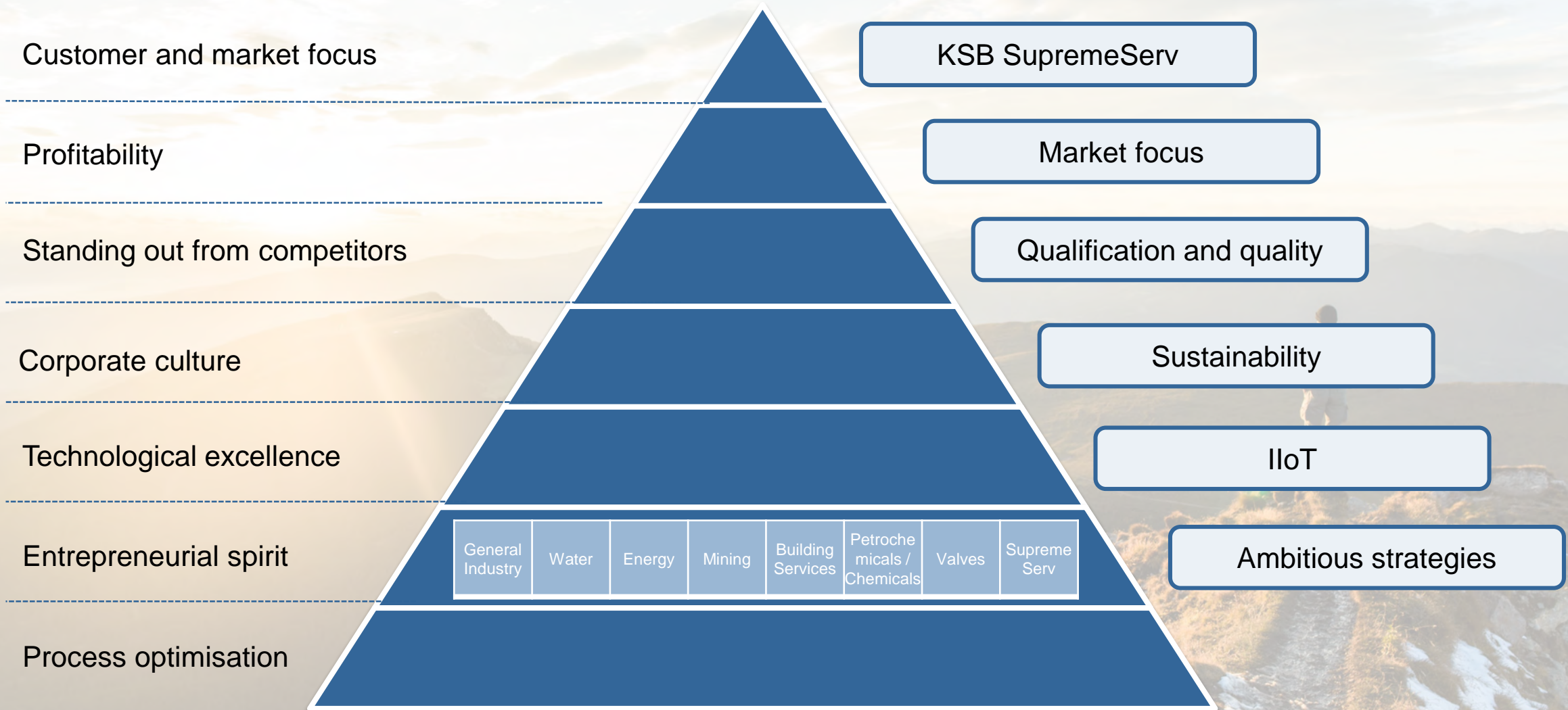
# The Plan for Success From 2017 To 2022



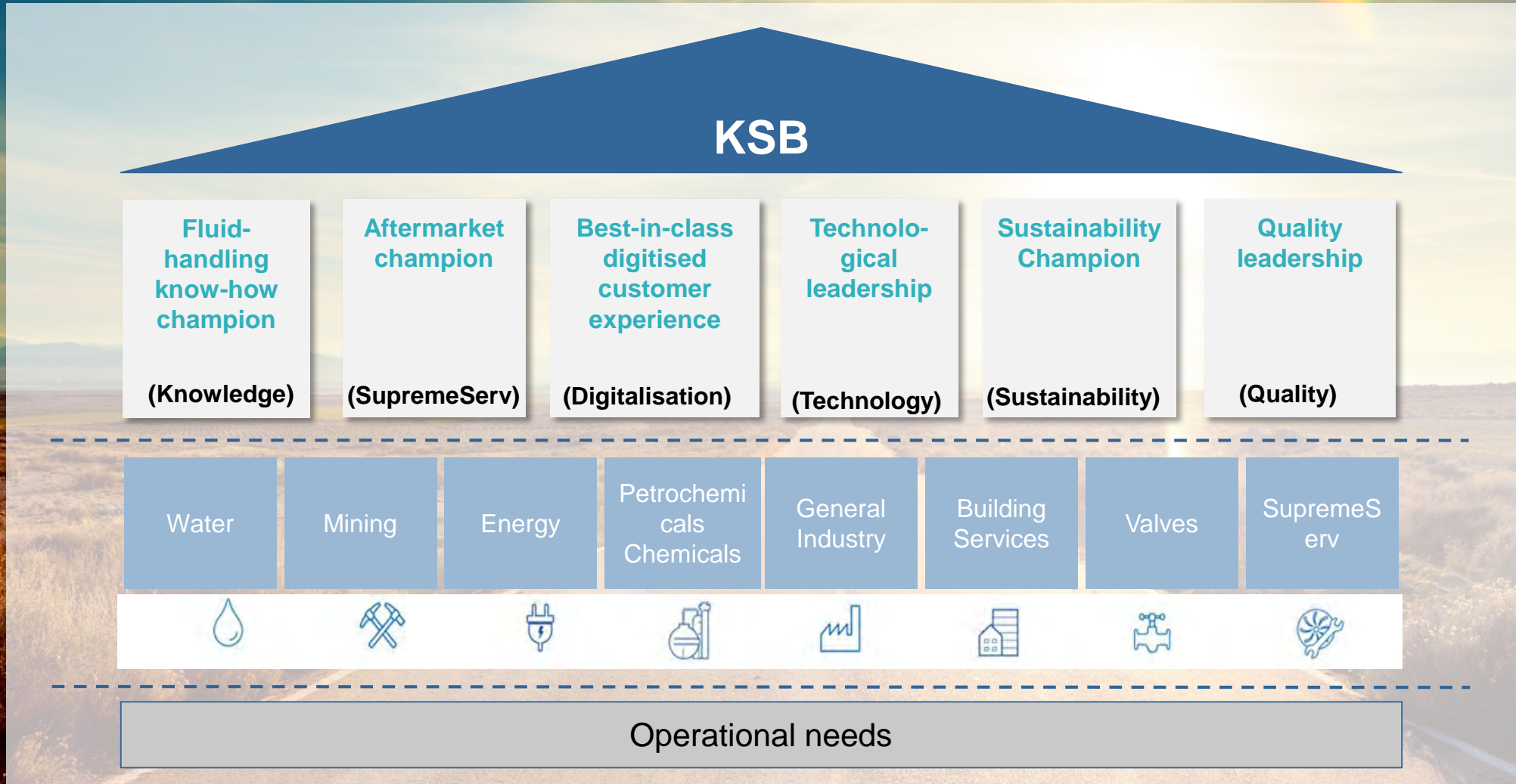
A person in a blue jacket and light-colored pants stands on a rocky mountain peak, looking out over a vast, hazy landscape under a sunset sky. The sun is low on the horizon, casting a warm glow over the scene. The text "Strategy 2030 +" is overlaid in a large, bold, blue font on a semi-transparent white rectangular background.

# Strategy 2030 +

# 2022 To 2027: The Success Story Continues – With Focus



# Strategy Focus Areas for 2027





## Selected Objectives for 2030

- **> €4 billion order intake**
- **Being among the top 3 in our markets**
- **> 40 % KSB SupremeServ sales revenue**
- **10 % EBIT**
- **> 50 % Intelligent products and services**
- **Professionalism in standard and engineered business**
- **Best-in-class processes and quality leadership**
- **2040: climate neutral**

# KSB Employees Worldwide: Hungry for Success!

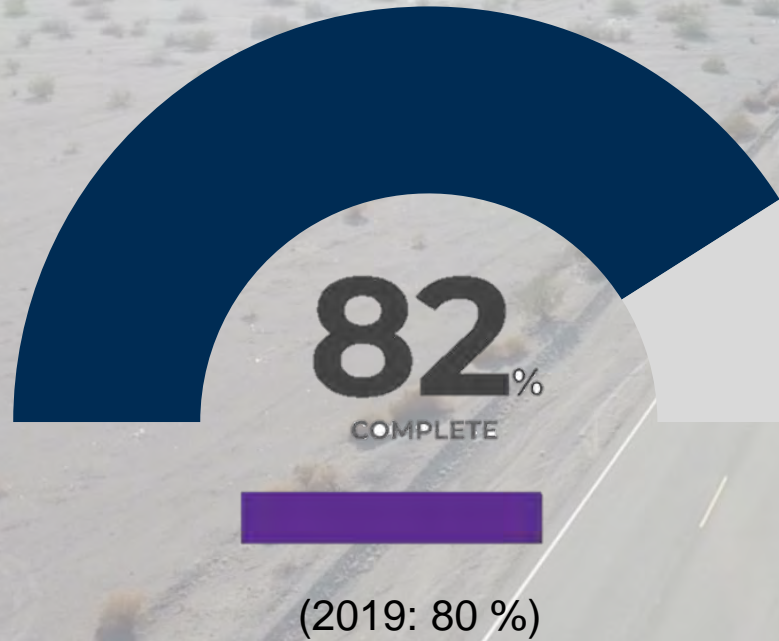


# Employee Survey 2022: Route 66 Engagement Survey

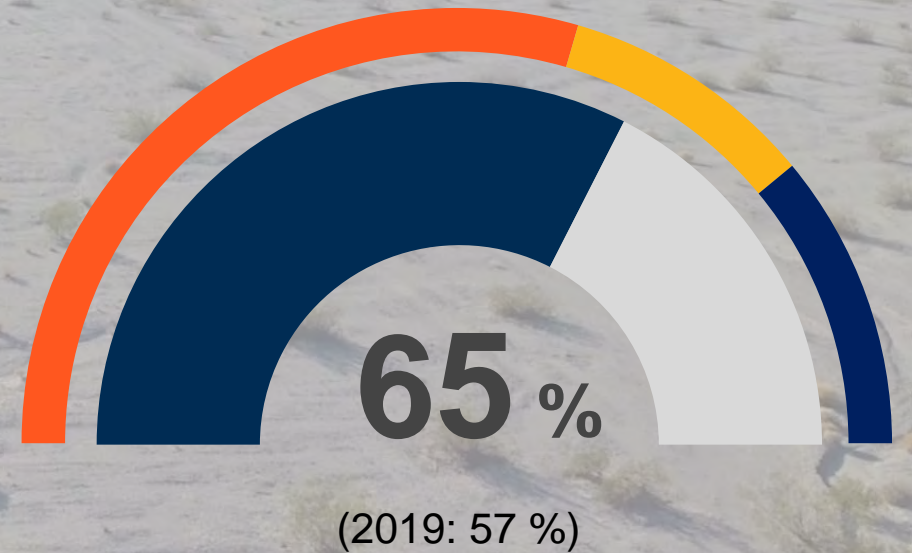


# Overall result

Participation ratio



Satisfaction



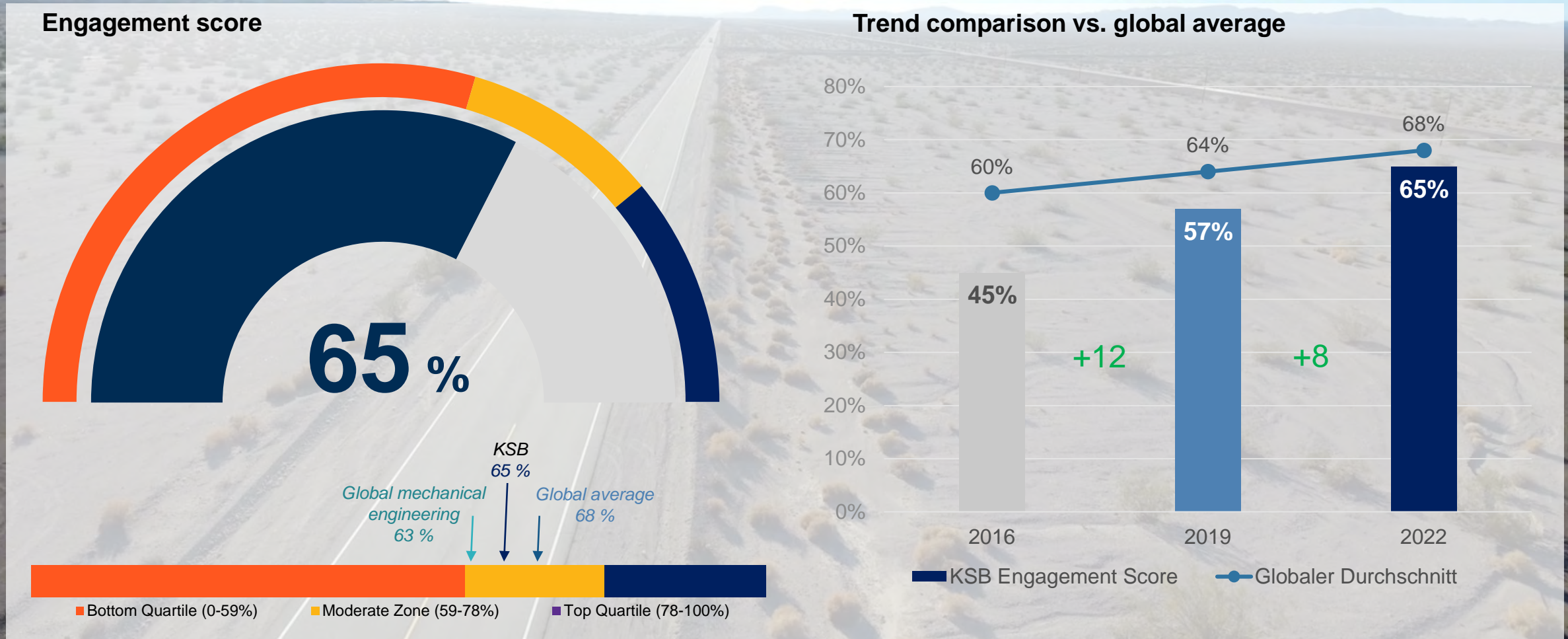
## Participation ratio: 64 countries

### Impressive total participation ratio

- 100 % response rate in 22 countries
- 90 %+ response rate in more than 40 countries, only 9 countries had a participation rate of 70 % or less

*“The participation rate is remarkable for a multinational company, especially in manufacturing and mechanical engineering.” (Kincentric)*

# Engagement score: Employee satisfaction – 12,850 employees participated



# Employers' reputation 2022

**Assessed by:** Stern magazine, Statista online market statistics platform (February 2023)

**Survey:** > 43,000 employees

**To rank 14 (in 2023) from rank 29 (in 2021)**



## Maschinen- und Anlagenbau

Platz	Arbeitgeber	Hauptsitz	Anzahl der Mitarbeiter	Score	Platz gesamt
1	Liebherr	Biberach an der Riß	20 891	79,87	12
2	Kärcher	Winnenden	5 050	77,95	19
3	Robert Bosch	Gerlingen	131 650	76,40	35
4	Siemens	Berlin/München	86 000	76,33	36
5	Sandvik	Düsseldorf	3 500	75,48	46
6	Stihl	Waiblingen	5 748	75,15	51
7	Bosch Rexroth	Lohr am Main	14 191	75,03	54
8	Zeppelin	Friedrichshafen	5 627	74,36	67
9	MAN	München	20 197	73,80	85
10	Saueressig	Vreden	>500	73,25	102
11	Weber Maschinenbau	Breidenbach	617	72,48	117
12	Schindler	Berlin	4 000	71,84	137
13	SEW-Eurodrive	Bruchsal	5 500	71,15	164
14	KSB	Frankenthal	4 800	70,87	179
15	Ejot Gruppe	Bad Berleburg	2 000	70,80	186
16	Handtmann	Biberach an der Riß	>500	70,37	205
17	Linde	Pullach	7 000	69,94	231
18	Haver & Boecker	Oelde	1 874	69,76	243
19	Dürr	Bietigheim-Bissingen	8 643	69,50	260
20	ABB	Mannheim	7 759	69,19	291

## Training and apprenticeships at KSB

- Focus Money 2022: **Best training in Germany**
- Best-in-class machinist completed training with a grade of 1.3
- **Number of trainees to be increased from 2023: + 14 trainees**

## Späte Ehrung

Ausbildung zum Zerspanungsmechaniker: Yannik Busch ist Landesbester

VON KLAUDIA TOUSSAINT

Yannik Busch hat einen bemerkenswerten Start in sein Berufsleben hingelegt: Seinen Abschluss zum Zerspanungsmechaniker machte der KSB-Auszubildende mit dem landesweit besten Zeugnis. Doch obwohl die Abschlussprüfungen bereits vor einem Jahr waren, erfuhr der Frankenthaler das Ergebnis erst jetzt.

Yannik Busch ist ein Mann der Tat, nicht der großen Worte. Die Frage, wie er sich bei der Auszeichnung gefühlt habe, beantwortet der 21-Jährige mit einem knappen „gut“. Sein Zeugnis hat einen Notendurchschnitt von 1,3 im Praxisteil, die schriftlichen Prüfungen schaffte er mit 1,1. Die Nachricht, dass er die Prüfungen unter allen rund 150 Auszubildenden der Zerspanungsmechanik in ganz Rheinland-Pfalz vor einem Jahr als Bester abgeschlossen hatte, erreichte ihn erst jetzt. Wegen eines Cyberangriffs auf die Industrie- und Handelskammer (IHK) wurden die Daten verspätet ausgewertet. Ob er auf einen Siegerplatz im Bundesvergleich hoffen darf – hier sind es knapp 4200 ehemalige Azubis – sei noch offen, erklärt KSB-Ausbildungsleiter Rüdiger Köpp.

Bis 2004 hieß der Beruf noch Dreher. Nach der Neuordnung der industriellen Metallberufe wurde daraus der Zerspanungsmechaniker. Diese Fachkraft fertigt, vereinfacht gesagt, Präzisionsteile mit Verfahren, bei denen Späne abfallen – durch Drehen, Fräsen oder Schleifen. Das geschieht inzwischen an computergesteuerten Maschinen. Sein Interesse für diese Ausbildung sei durch einen Berufsinformationstag an seiner Schule geweckt worden, erzählt Busch. Nach dem Real-



Ob KSB-Absolvent Yannik Busch auch im Bundesvergleich auf einen Siegerplatz hoffen darf, ist noch offen. FOTO: KLAUDIA TOUSSAINT

schulabschluss an der Friedrich-Ebert-Schule habe er 2018 beim Frankenthaler Pumpen- und Armaturenhersteller KSB sofort einen Ausbildungsplatz bekommen.

### Unter Corona-Bedingungen

Mit dem digitalen Lernstoff sei er auf Anhieb klargekommen, sagt Busch. „Ich hatte schon in der Schule mit Computerprogrammen zu tun“. Doch nach wenigen Monaten begann die Pandemie. Die komplette Ausbildung absolvierte er unter Corona-Bedingungen. An den Maschinen im Werk mussten er und seine Kollegen zusätzlich zur Schutzbrille einen Mund-Nasen-Schutz tragen. Und die Theoriestunden mussten häufig im „Homeschooling“ anstatt in der Berufsbildenden Schule Andreas Albert bewältigt werden. „Das klappte gut, nur im handwerklichen Bereich musste ich Routine entwickeln“, sagt Busch.

Dass KSB-Azubis aus dem Bereich der Zerspanungsmechanik überregional erfolgreich sind, ist für Rüdiger Köpp kein Novum. Bereits vor zwei Jahren sei in diesem Beruf ein Absolvent der KSB im Landesvergleich Sieger geworden. Warum das so ist? „Wir verfügen über neueste Maschinen und Schulungssoftware. Und der Bereich Zerspanung ist eine der Kernkompetenzen bei KSB“, betont der Ausbildungsleiter.

Mittlerweile ist Yannik Busch in der Königsdisziplin angekommen: Er fertigt an CNC-gesteuerten Maschinen Präzisionsteile für Kraftwerkspumpen, die weltweit exportiert werden. Die Schulbank will der 21-Jährige weiterhin drücken. Seit Januar bildet er sich im Fernstudium zum Industriemeister in der Fachrichtung Metall aus. Der gesamte zweijährige Meisterkurs findet online statt, weshalb die Wochenenden seiner Freundin Diana nur teilweise gehören.

lra\_xp17\_01-04-21



# Agenda

1. Introduction: 2022 Financial Year – General Assessment
2. 2022 Business Performance in Figures
3. Focus of Activities in 2022
  - Investments
  - Working on the Strategic Development
    - CLIMB 21
    - Strategy 2030 +
4. **Summary: January / February 2023**
5. Summary

## 2023: Year of the rabbit



**The rabbit is seen as a symbol of long life, peace and hope in Chinese culture.**



Agility and action



Smart and attentive

## 2023: Forecast

**Order intake: €2,750 to 3,000 million**

**Sales revenue: €2,500 to 2,850 million**

**EBIT: €165 to 200 million**



# Agenda

1. Introduction: 2022 Financial Year – General Assessment
2. 2022 Business Performance in Figures
3. Focus of Activities in 2022
  - Investments
  - Working on the strategic development
    - CLIMB 21
    - Strategy 2030 +
4. Summary: January / February 2023
5. **Summary**

# Summary

- **2022 was a very good year despite numerous challenges.**
- **Increased growth and profitability after implementation of the CLIMB 21 strategy**
- **Continuation of the success through the 2030+ strategy**
- **Confident of a good 2023 financial year**