

Financial Press Conference of KSB SE & Co. KGaA

2023 Financial Year

Managing Directors
26 March 2024

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Welcome on behalf of all Managing Directors



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Agenda

1. Recap: The 2023 Financial Year
2. 2023 Business Performance in Figures
3. Organisational Structure as Success Factor
4. Putting 2024 into Perspective
5. Summary

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 (12:00 CET) for **download** from our web site.

The 2023 Financial Year



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Recap: The 2023 Financial Year Summary

- **Best year for all key financial indicators**
- **Successful despite diverse challenges**
- **Company being has been consistently developed**
- **Global cooperation expanded in the team**

Review of 2023: Year of the Rabbit in the Chinese Calendar

Symbols

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

Expectation: A year of hope

Recap: The 2023 Financial Year Environment in 2023

- COVID-19
- Russia-Ukraine conflict
- Weak European economy
- Inflation
- Unpredictable interest rate development
- China-Taiwan conflict
- Economic slowdown in China
- Israel-Hamas conflict



World / world order in motion

Recap: The 2023 Financial Year

Timeline

2021

- COVID-19
- Lockdowns



2022

- Russia – Ukraine
- Cyberattack
- Supply bottlenecks
- Gas shortage



2023

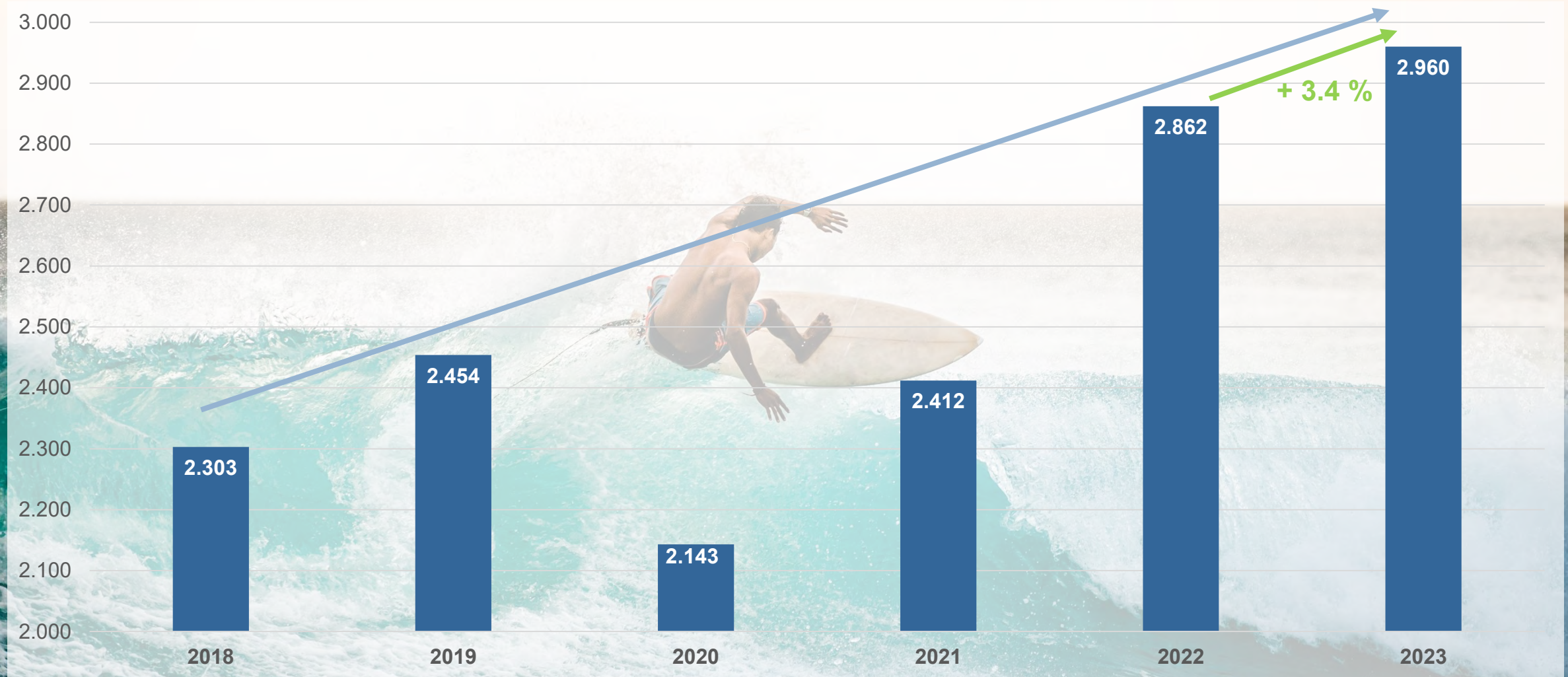
- Inflation
- Stagnation
- Decoupling
- Friend-shoring



Lead in uncertain times

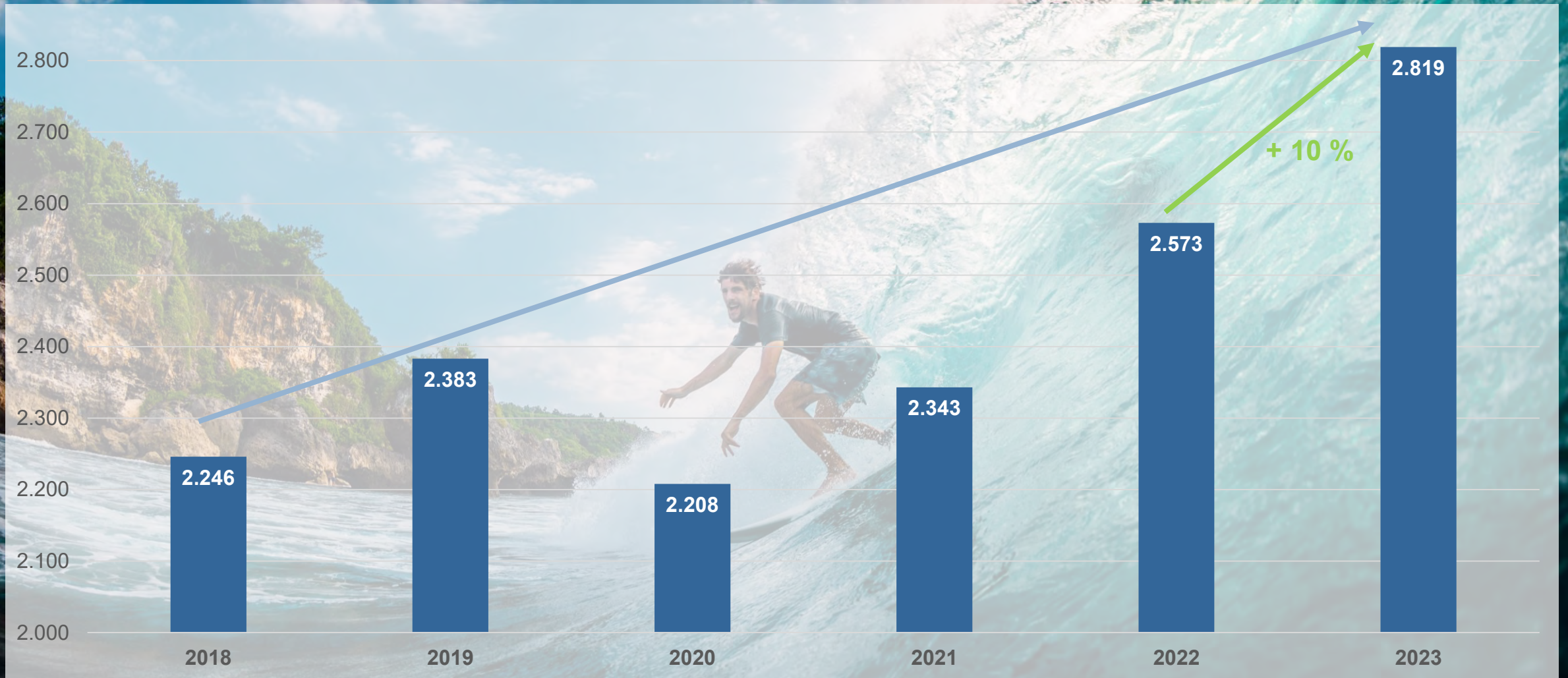
Recap: The 2023 Financial Year

Order Intake



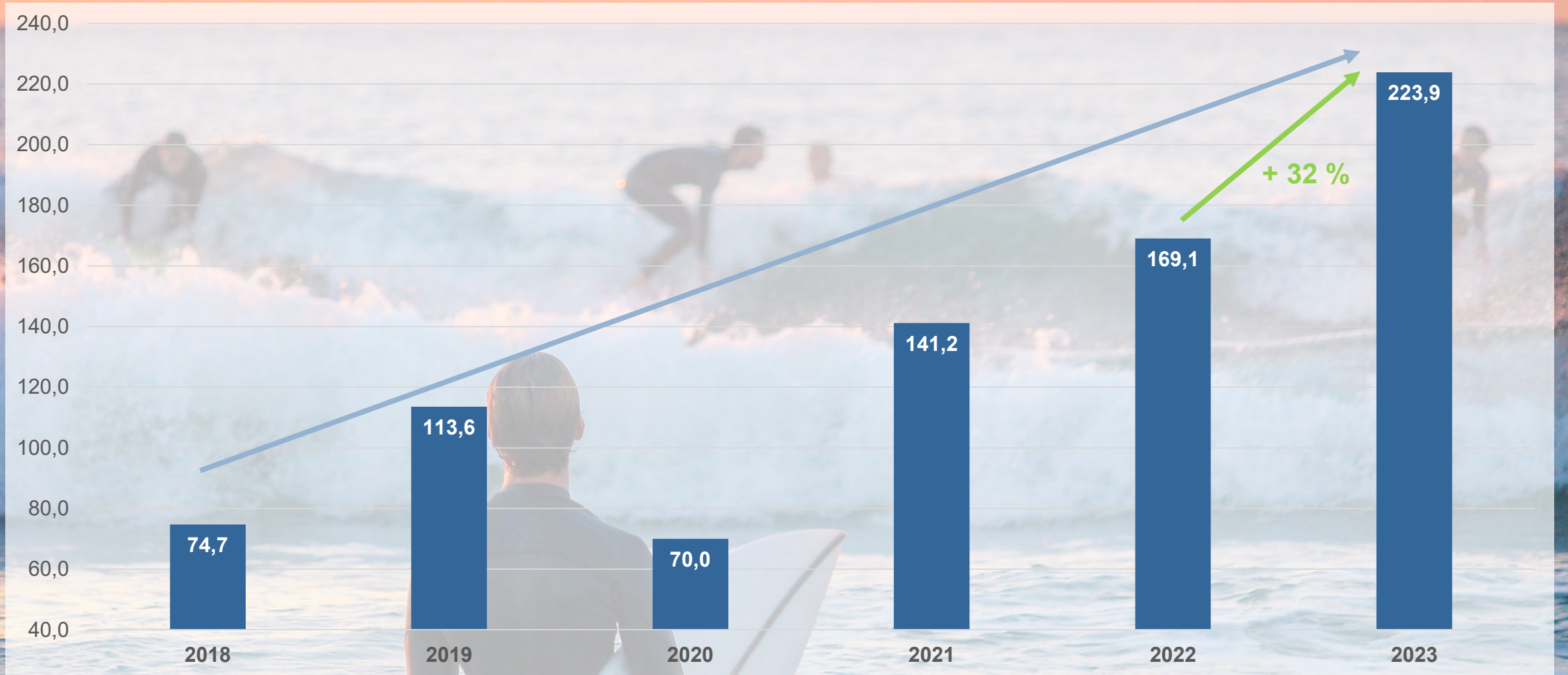
Recap: The 2023 Financial Year

Sales Revenue



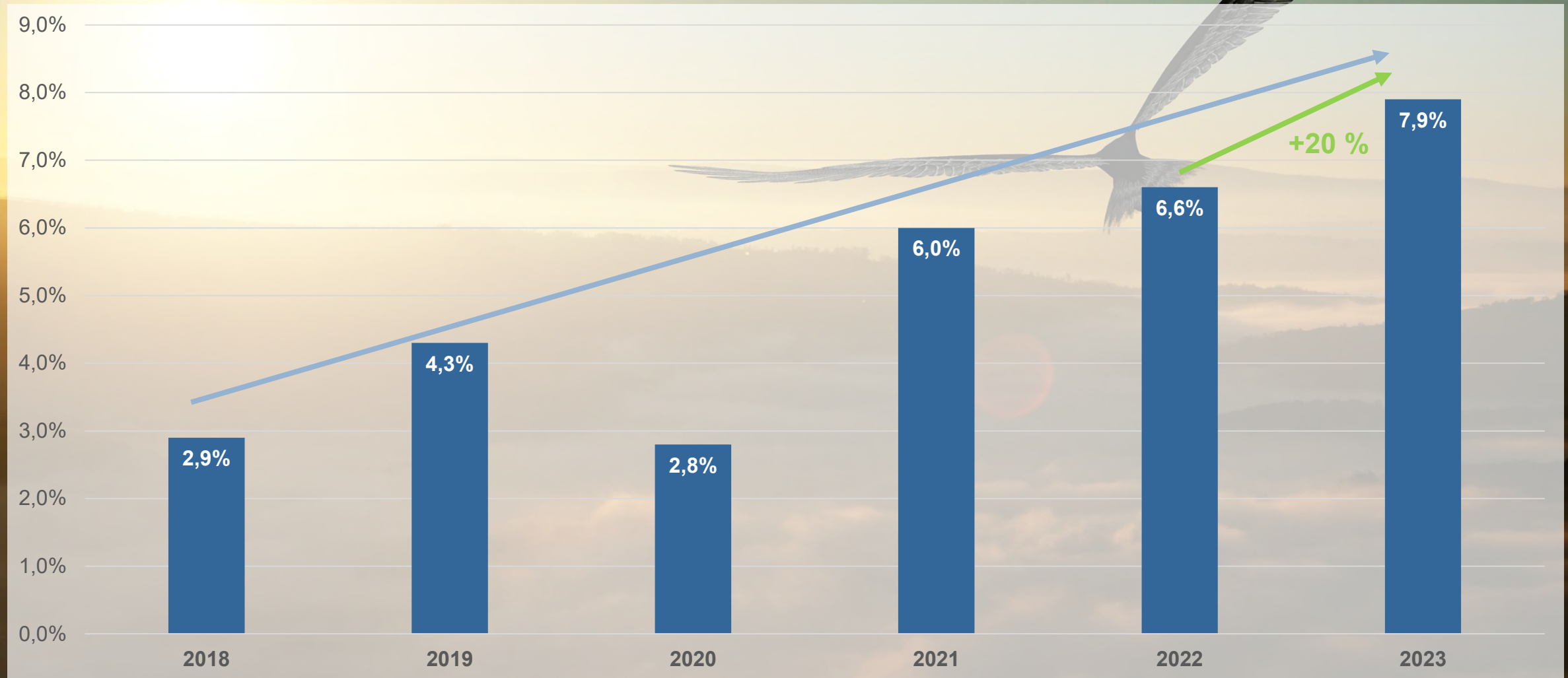
Recap: The 2023 Financial Year

EBIT



Recap: The 2023 Financial Year

Return on Sales





Drivers of Success

Drivers of success

- Organisational structure with a focus on markets
- Focus on aftermarket: KSB SupremeServ
- Cost transparency / cost control
- Fewer errors / fast response
- Thinking in terms of contribution margins (intelligent pricing and cost-oriented procurement)
- Exceptional global cooperation
- Good fortune and hard work

Recap: The 2023 Financial Year Basis for Success



16,000 fantastic employees at KSB

- Proud
- Committed
- Networked
- Connected with KSB



Summary of the 2023 Financial Year

A very successful financial year

- **KSB develops**
- **KSB develops with reason**
- **KSB develops sustainably**

Agenda

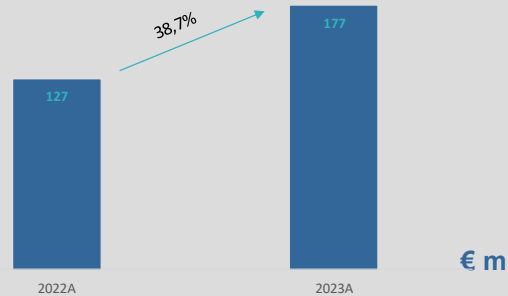
1. Recap: The 2023 Financial Year
2. **2023 Business Performance in Figures**
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Overview of 2023 financial statements

Sales revenue of € 2.8 billion
and
EBIT of € 223.9 million
reached record highs in the
company's history.

ROS of 7.9 % almost reached
the target level of 8.0 %
planned for 2025.

Earnings after income tax
amounted to € 176.6 million.
Year-on-year increase of 39 %



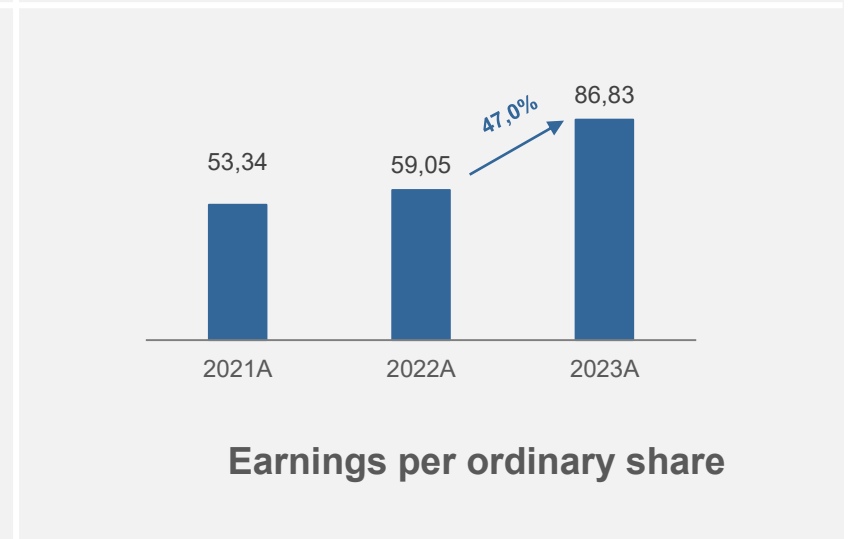
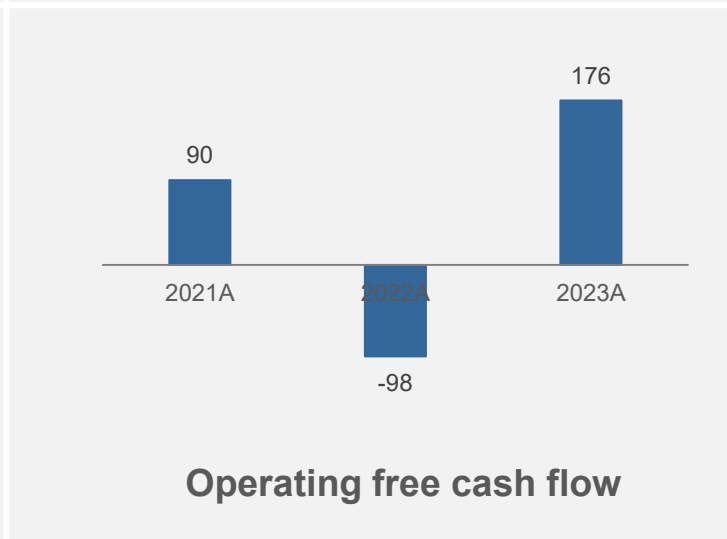
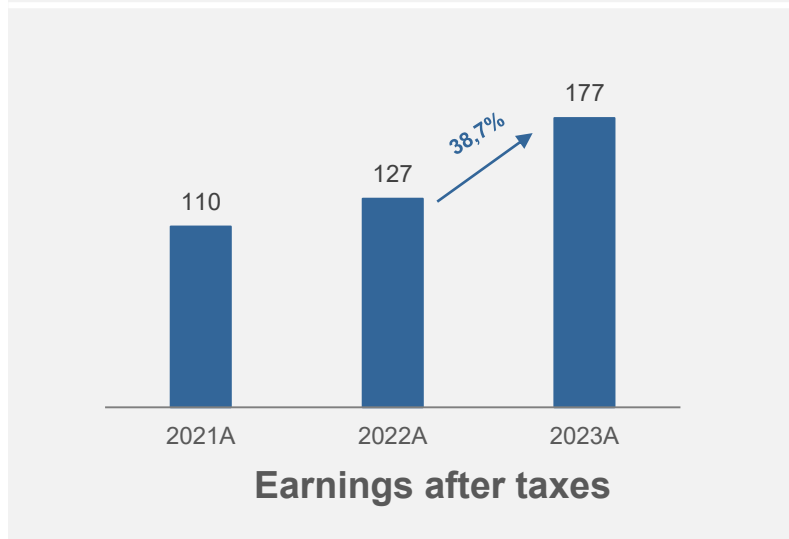
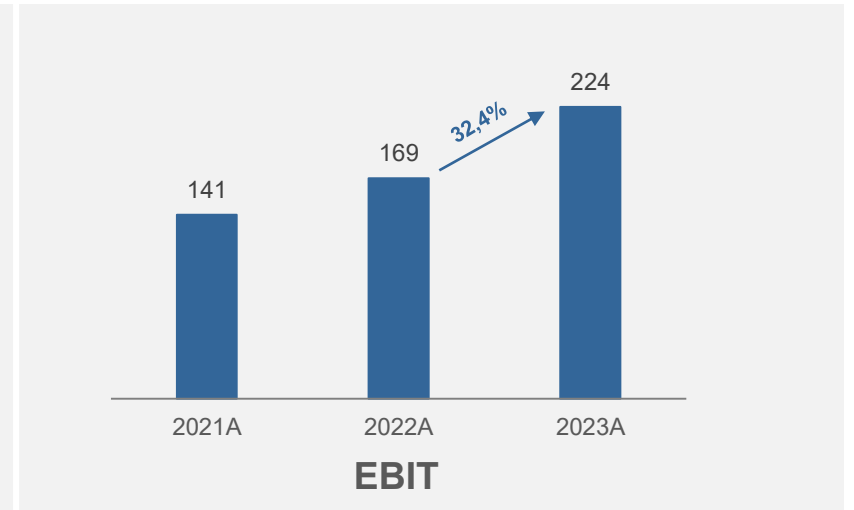
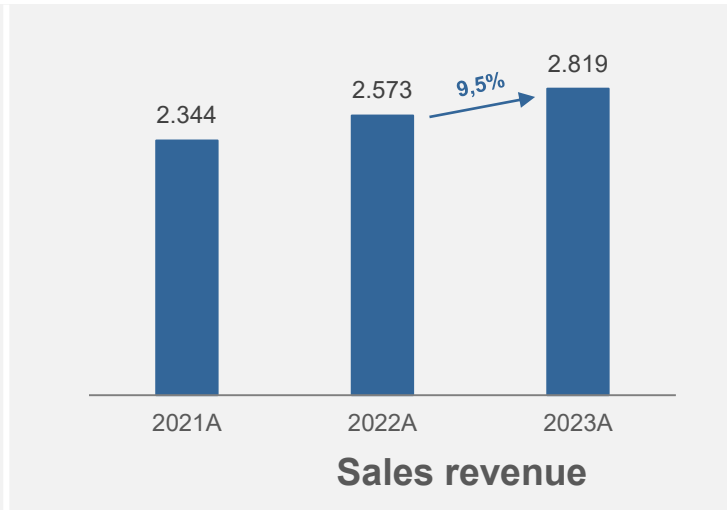
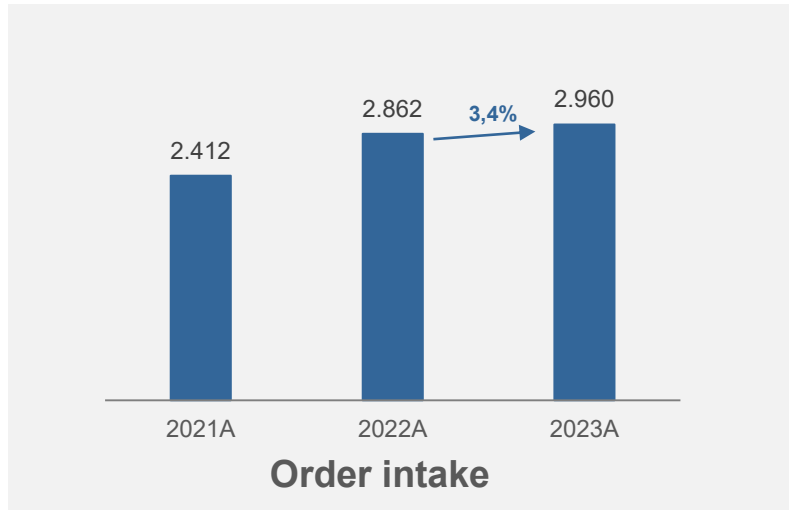
Increase in **equity** of € 91 million

Equity ratio rose slightly from 45.4 % to
45.6 % due to balance sheet extension.

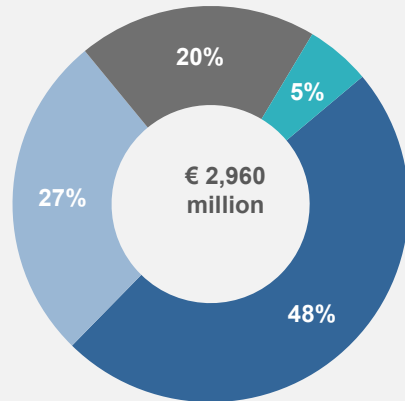
Admitted to the **SDAX** in December
2023

Listed in the **Prime Standard** since
February 2024

KSB's main KPIs from 2021 to 2023

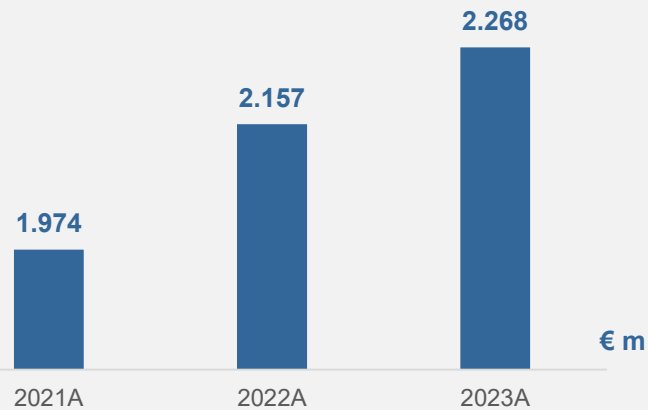


Order intake



- Europe
- Asia / Pacific
- Americas
- Middle East / Africa / Russia

Orders on hand

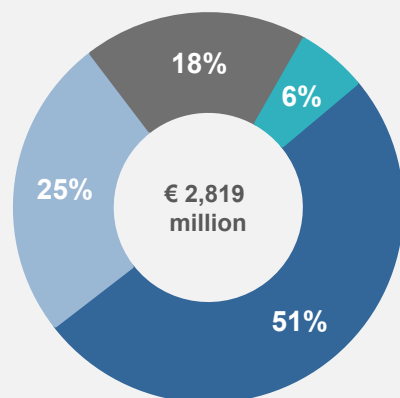


Order intake on threshold to € 3 billion

€ m	Order intake			2022	Change (%)
	First half of 2023	Second half of 2023	2023		
KSB Group	1,608	1,352	2,960	2,862	3.4 %
Pumps	875	702	1,577	1,585	-0.5 %
Valves	221	172	393	360	9.0 %
KSB SupremeServ	513	478	990	917	8.0 %

Sales revenue reached new record high

Sales revenue 2023



- Europe
- Asia / Pacific
- Americas
- Middle East / Africa / Russia

€ m	Sales revenue			2022	Change (%)
	First half of 2023	Second half of 2023	2023		
KSB Group	1,387	1,432	2,819	2,573	9.5 %
Pumps	746	768	1,514	1,390	8.9 %
Valves	184	178	361	333	8.5 %
KSB SupremeServ	457	487	944	850	11.0 %

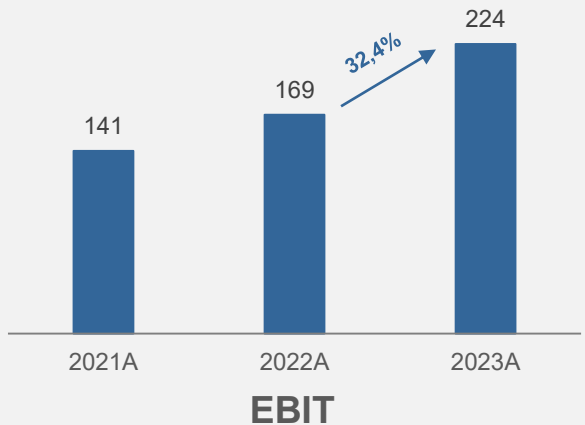
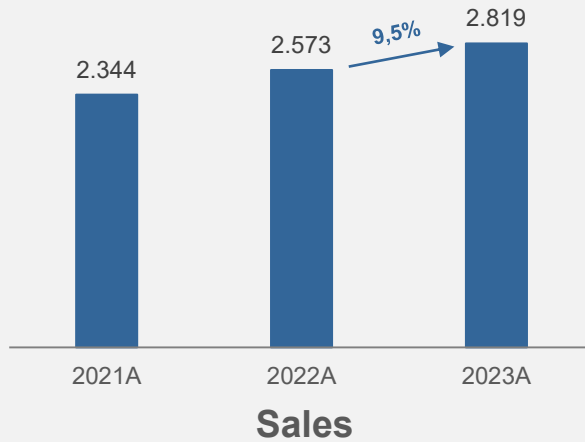


EBIT margin of 7.9 % close to 2025 target of 8 %

€ m	EBIT		2023	2022	Change (%)
	First half of 2023	Second half of 2023			
KSB Group	112.2	111.7	224	169.1	32.4 %
Return on sales	8.1 %	7.8 %	7.9 %	6.6 %	
Pumps	19.2	33.1	52.3	27.7	88.8 %
Valves	4.4	* -11.9	-7.5	-4.6	-63.0 %
KSB SupremeServ	88.6	90.5	179.1	146.0	22.7 %

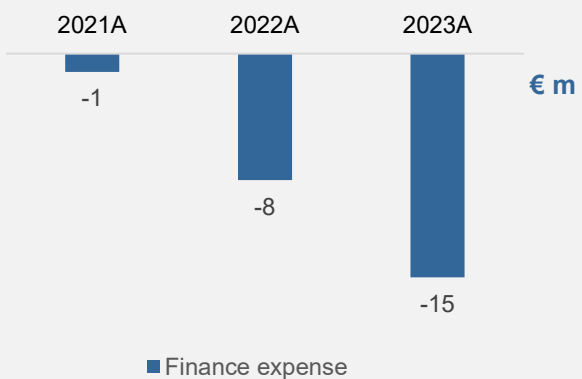
* Includes a one-off insurance compensation of € 10.2 million.

EBIT at an all-time high

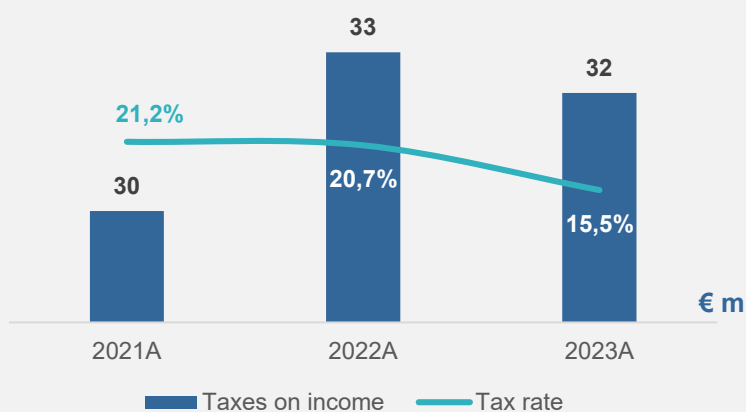


€ m	2023	2022	2021
Sales revenue	2,819	2,573	2,344
Cost of materials	1,154	1,156	975
in % of sales revenue	41 %	45 %	42 %
Staff costs	961	902	837
in % of sales revenue	34 %	35 %	36 %
Other expenses	463	392	353
in % of sales revenue	16 %	15 %	15 %
EBITDA	312	260	222
EBIT	223.9	169.1	141.2
in % of sales revenue	7.9 %	6.6 %	6.0 %

Finance income / expense



Taxes on income



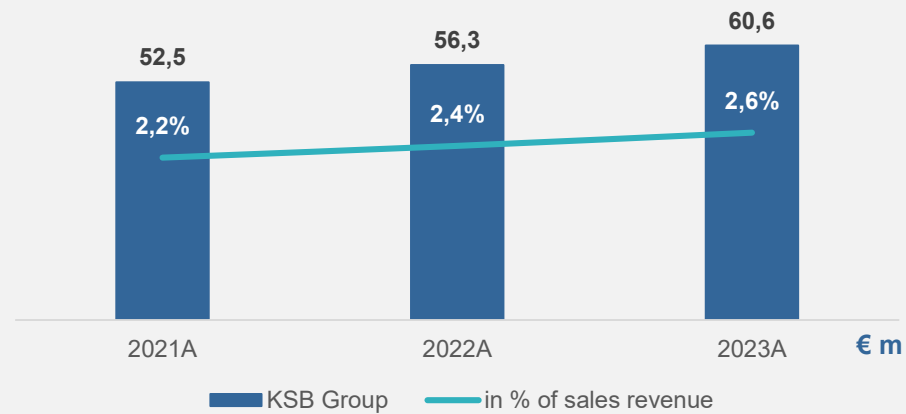
€ 177 million earnings after taxes – special effect reduces tax rate to 15 %

€ m	2023	2022	2021
EBIT	223.9	169.1	141.2
Finance income / expense	-15	-8	-1
EBT	209	161	140
Taxes on income	-32	-33	-30
Tax rate	15 %	21 %	21 %
Earnings after income tax	177	127	110

Constant share of R&D expenses in sales revenue

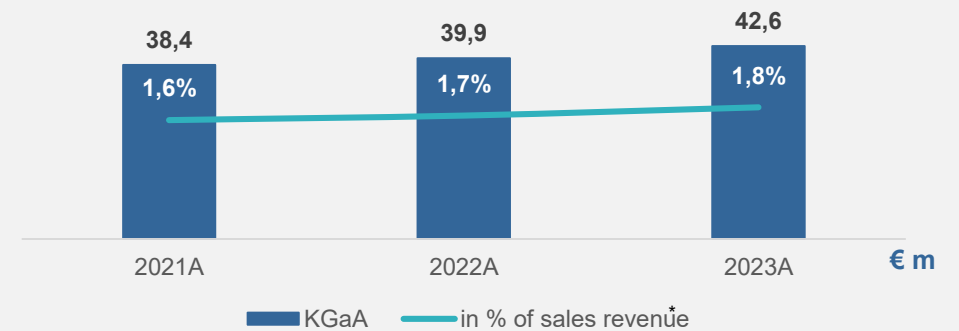
KSB Group

Research and development



KSB SE & Co. KGaA

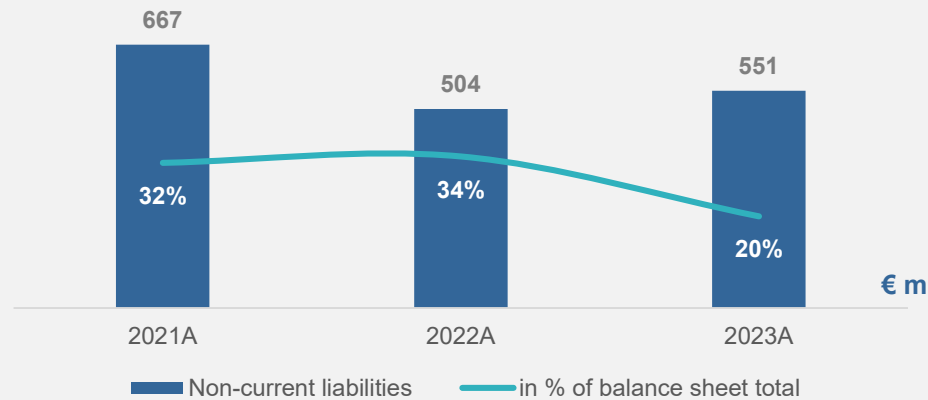
Research and development



* Consolidated sales revenue

Non-current liabilities and current liabilities

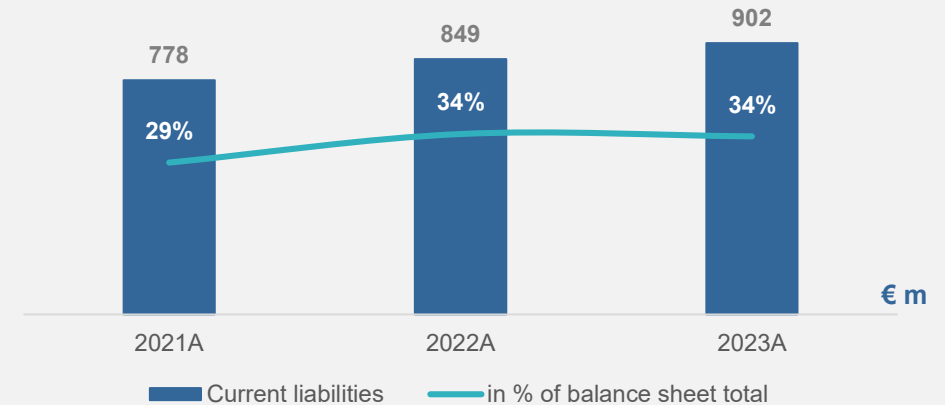
Non-current liabilities



- Pensions: € 496 million (prev. year: € 452 million*)
- Financial liabilities: € 29 million (prev. year: € 24 million)

* due to prev. year changes

Current liabilities



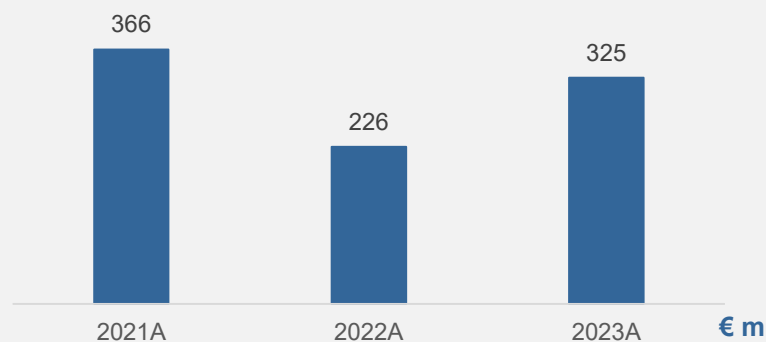
- Other provisions: € 121 million (prev. year: € 99 million)
- Contract liabilities: € 203 million (prev. year: € 186 million)
- Trade payables: € 325 million (prev. year: € 333 million)
- Other non-financial liabilities: € 182 million (prev. year: € 165 million)

Strong operating cash flow in 2023

Trade Working Capital

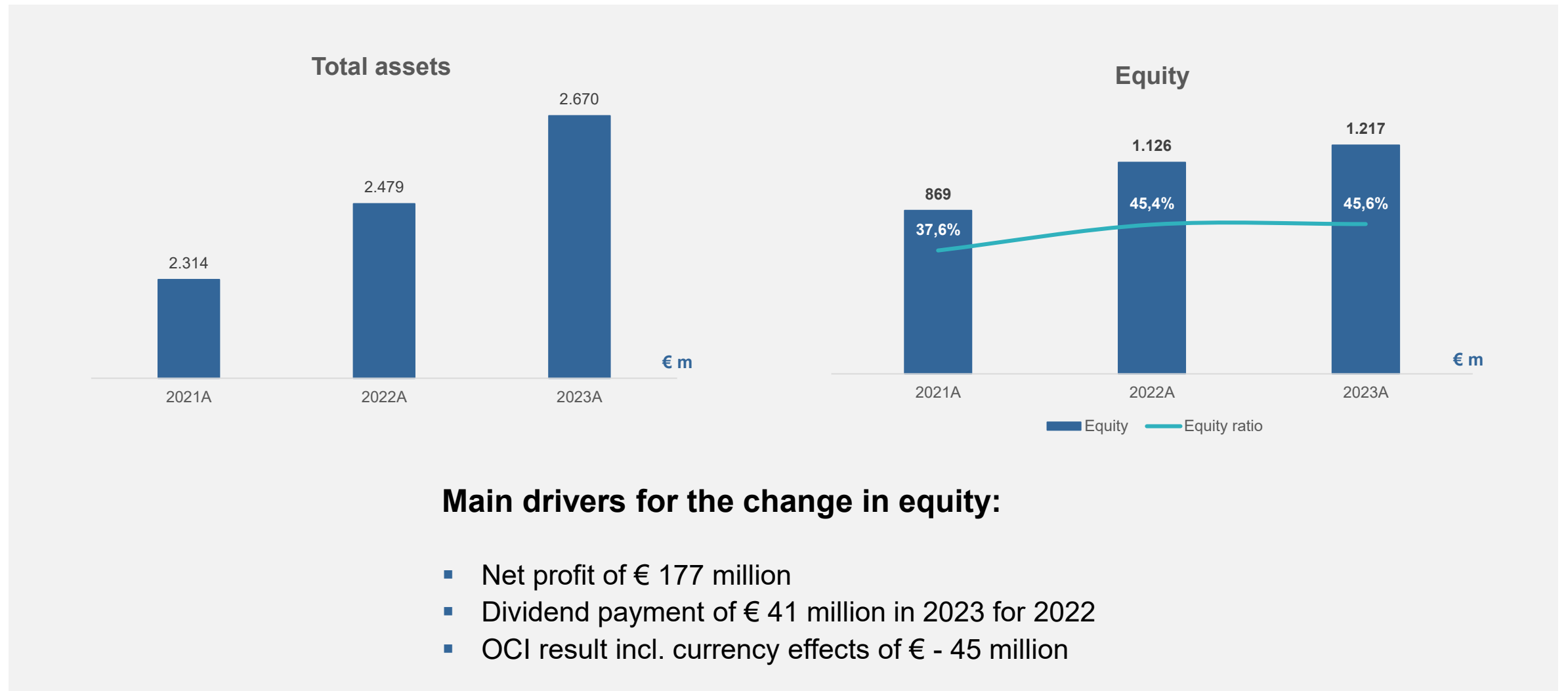


Net financial position



€ m	2023	2022	YoY
Cash flow			
from operating activities	280	2	278
Cash flow			
from investing activities	-104	-89	-15
Free cash flow	177	-87	264
Net financial position	325	226	99

Equity and total assets



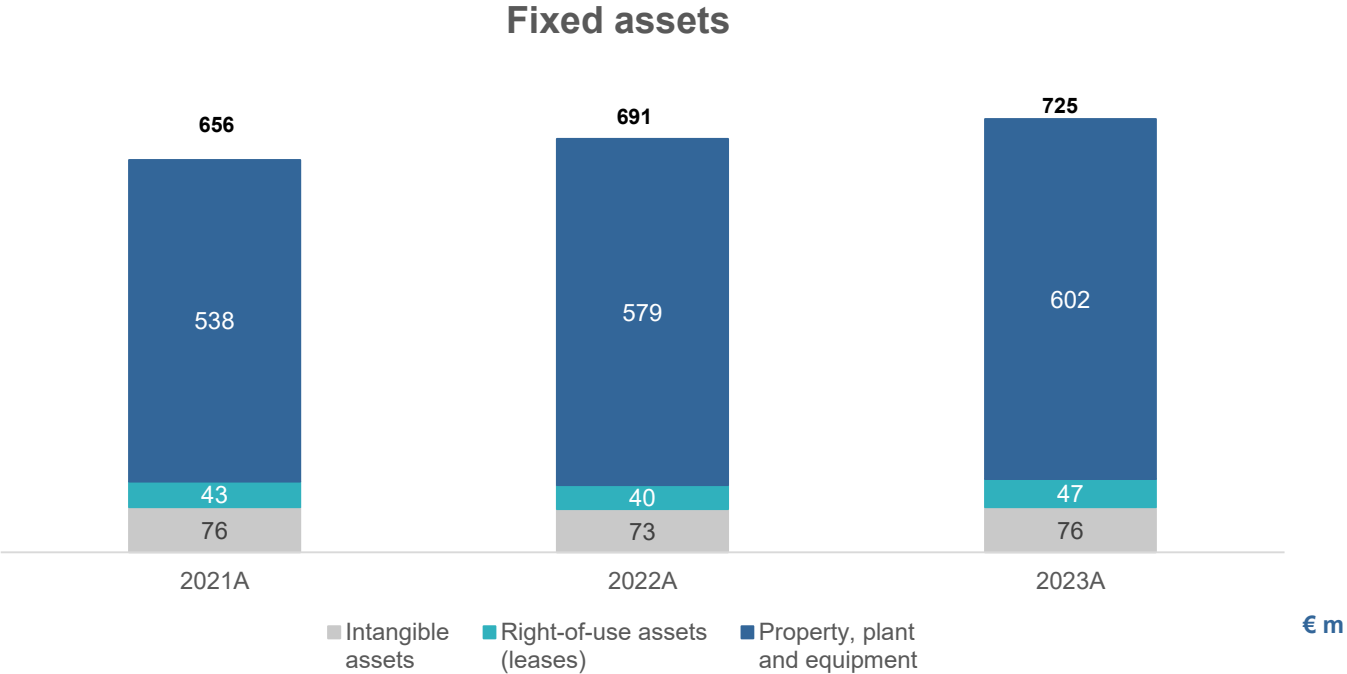
Statement of cash flows – strong operating cash flow in 2023

€ m	2023	2022
Cash flow from operating activities	280.3	2.1
Cash flow from investing activities	-103.5	-89.0
of which proceeds from/payments for deposits	1.3	10.6
Cash flow from financing activities	-63.5	-75.8
Changes in cash and cash equivalents	113.3	-162.8
Effects of exchange rate changes on cash and cash equivalents	-3.0	4.3
Effects of changes in consolidated Group	1.6	0.4
Cash and cash equivalents at beginning of period	228.6	386.7
Cash and cash equivalents at end of period *	340.4	228.6

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



KSB has been investing in the future for years



Investments in 2023: € 136 million (4.8 % of sales revenue)

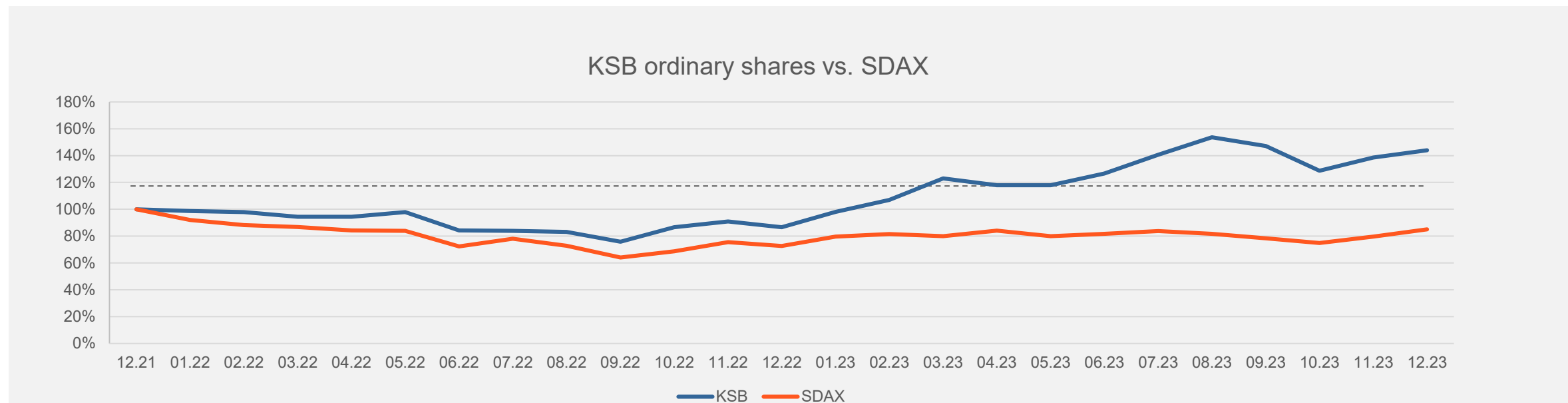
Investments in 2022: € 122 million (4.7 % of sales revenue)

Investments in 2021: € 104 million (4.4 % of sales revenue)

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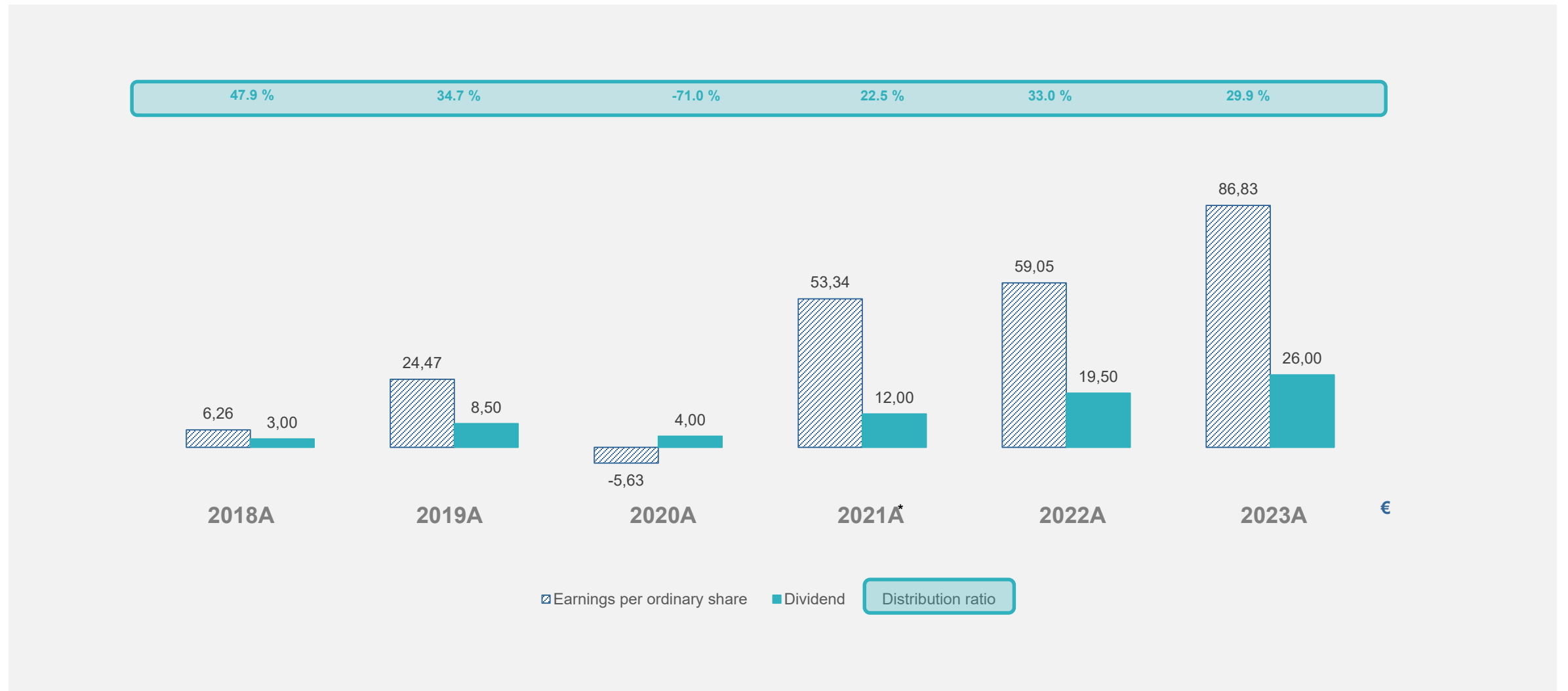


Performance of the ordinary share of KSB SE & Co. KGaA



	2021	2022	2023
Earnings per ordinary share in €	53.34	59.05	86.83
Ordinary share price on 31 Dec. in €	462	400	665
Market capitalisation on 31 Dec. in € millions	728	644	1.093
Equity attributable to the shareholders of KGaA on 31 Dec. in € millions	675	916	1,000

Earnings per share and ordinary share dividends from 2018 to 2023



* 2021 incl. anniversary dividend of € 3.00

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Summary of the 2023 Financial Year

A very successful financial year

- KSB develops
- **KSB develops with reason**
- **KSB develops sustainably**

Milestones in the Company's Development



Organisational Structure as Success Factor



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Company Orientation Before CLIMB 21: The Product



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Company Orientation After CLIMB 21: The Customer Groups



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Company Orientation Under CLIMB 21: The Customer Groups

- **Command of the language of the customer groups**
- **Understanding of the interests**
- **Recognising the potential**
- **Differentiation from competitors**

Organisational Structure

The customer group

The business type

The Past



Every dish is unique.

The Present: Three Business Types

- Project business
- Standard business
- Aftermarket business



The Business Types: Sales Approach



Project business



Standard business



Aftermarket

The Business Types: Entrepreneurial Skills

Project business



- Customised product design
- Risk, time and cost management
- Global customer contacts

Standard business



- Standardised products
- Digitalised processes
- Distributor management

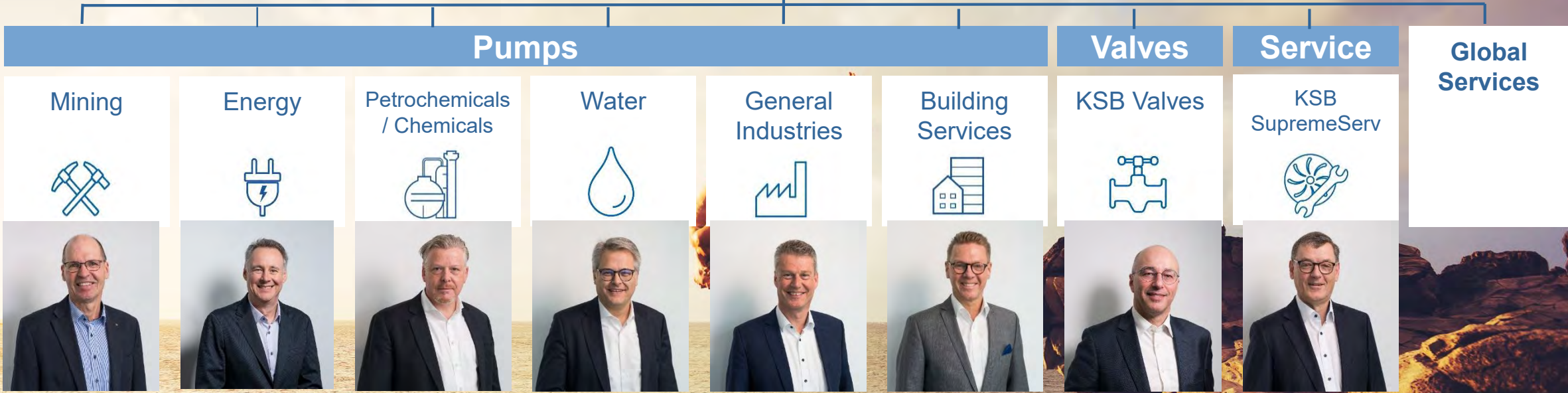
Aftermarket



- Availability
- Reliability
- Personal presence

Organisational Structure as Success Factor

KSB



Organisational Structure as Success Factor

Mining Market Area

The past:

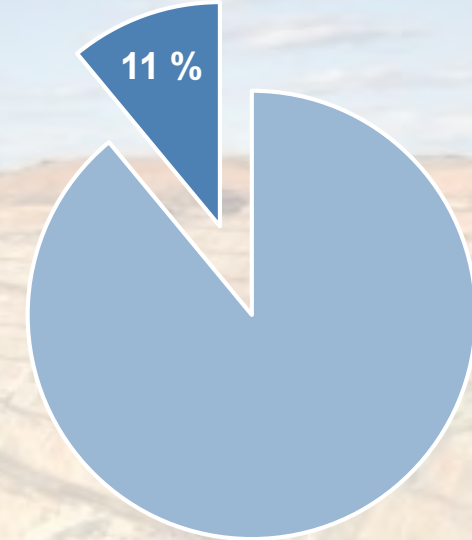
- Hardrock mining (copper / gold)
- Oil sands
- Phosphate

The present:

- Softrock mining
- Dredging
- Water management in mines
- Raw materials markets for the energy transition (lithium / nickel)

Sales

Improvement since
2022: + 13 %



Organisational Structure as Success Factor

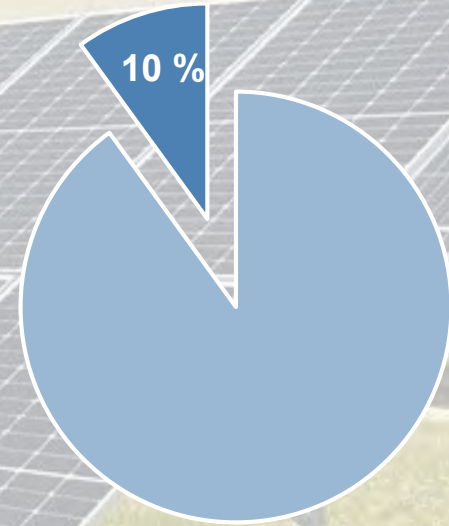
Energy Market Area

The past:

- Power plants
 - Nuclear
 - Conventional

Sales

Improvement since
2022: + 12 %



The present:

- Modular reactors (Gen III + IV)
- Sustainable energy (waste to energy, biomass)
- Decarbonisation
- Desulphurisation
- Carbon capture storage

Organisational Structure as Success Factor

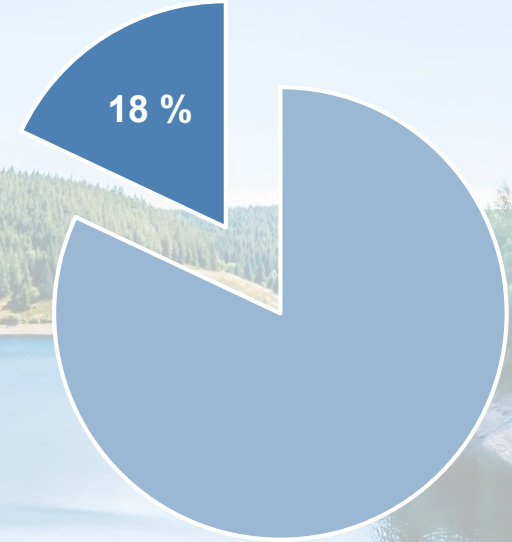
Water Market Area

The past:

- Europe and Middle East
- Project-driven

Sales

Improvement since
2022: + 14 %



The present:

- Growth in the Regions Americas North and Asia North
- Expansion of the standard business
- Infrastructure projects as a consequence of climate change
 - Focus on flood prevention
 - Accessibility to and re-use of water
 - Smart pumps

Organisational Structure as Success Factor

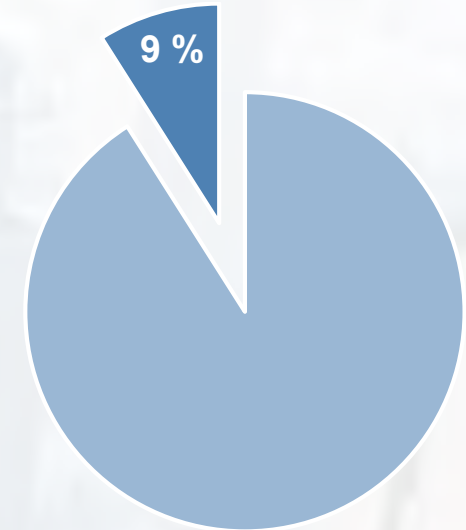
Building Services Market Area

The past:

- Buildings / air-conditioning
- Building drainage

Sales

Improvement since
2022: + 6 %



The present:

- Products for the energy transition
- Fire protection

Organisational Structure as Success Factor

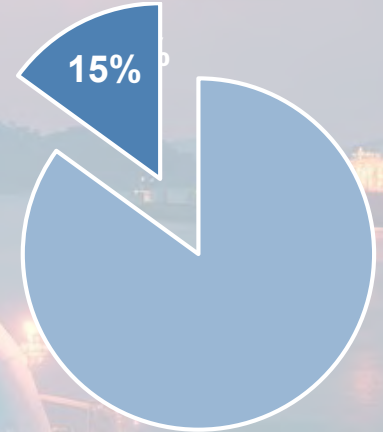
Valves Segment

The past:

- Power generation (conventional energy)
- Water management
- Building services
- Heat transfer

Sales

Improvement since
2022: + 10 %



The present:

- Hydrogen / carbon capture
- Conversion: waste to energy
- SMRs
- Battery applications
- Pharmaceutical applications

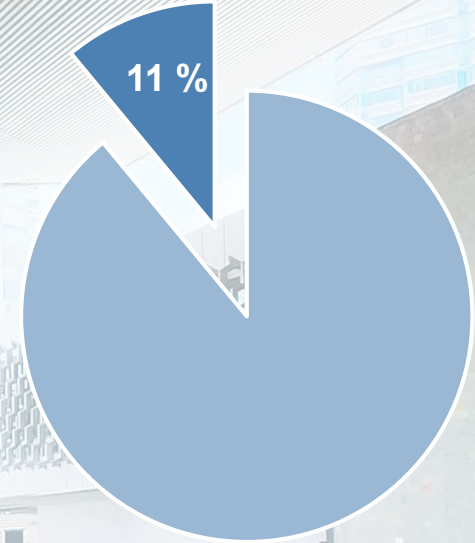
KSB SupremeServ Segment – Technical Service

The past:

- Technical service

Sales

Improvement since
2022: + 3 %



The present:

KSB SupremeServ Efficiency Consulting

KSB SupremeServ Monitoring

KSB SupremeServ ReEngineering

KSB SupremeServ Academy

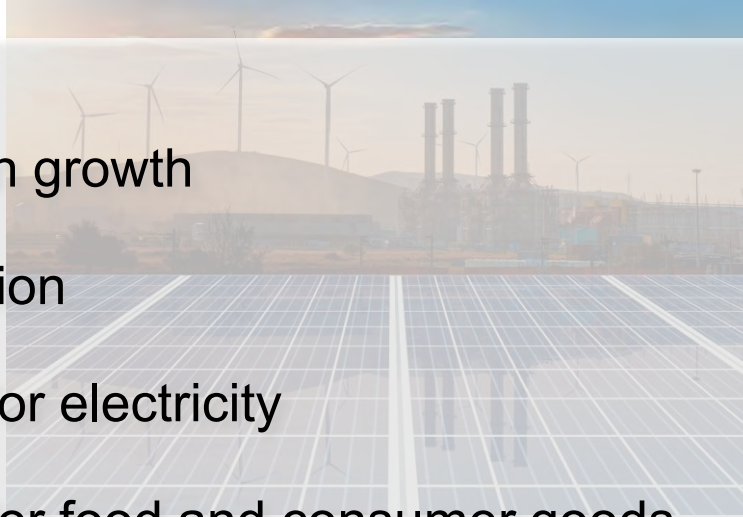
KSB SupremeServ Logistics

A lighthouse with a white body and a red band, topped with a red lantern room, stands on a grassy hill. The scene is set during a sunset or sunrise, with a warm, golden light illuminating the sky and the grass. The sky is filled with soft, white and orange clouds. The lighthouse is the central focus, with the text 'Driver of Success: Megatrends' overlaid on it.

Driver of Success: Megatrends

Megatrends

- Population growth
- Urbanisation
- Demand for electricity
- Demand for food and consumer goods
- Demand for water
- Demand for protection
(from fire protection to flooding protection)



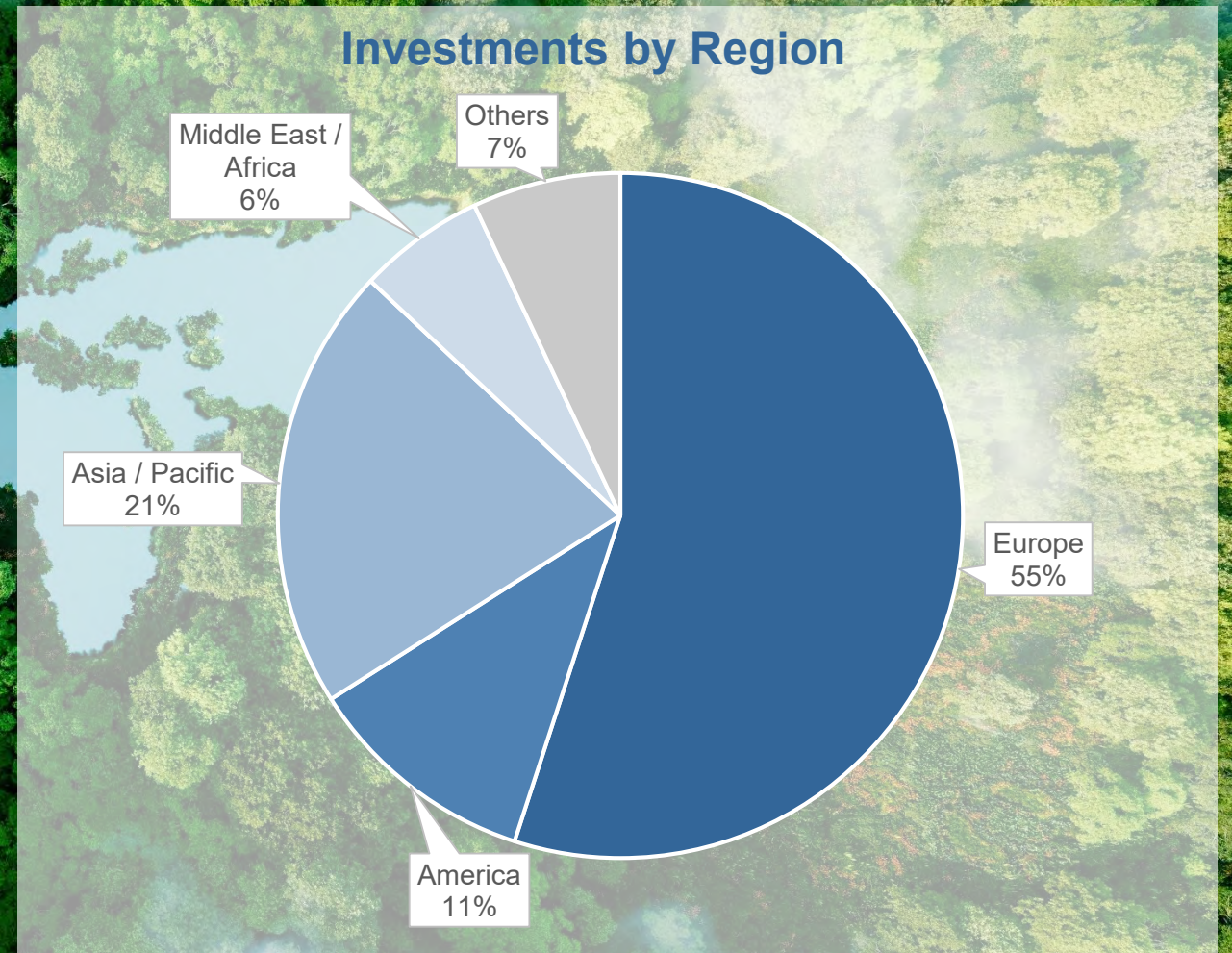
Investments in 2023: € 136 million

Expansion of the organisation worldwide

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Investments in 2023: € 136 million

- **Capacity expansion**
€ 36 million
- **IT and digitalisation**
€ 11 million
- **Increase in productivity**
€ 83 million
- **Sustainability**
€ 6 million



Investments in the Regions Worldwide

Norway



Luxembourg



India



South Africa



Germany

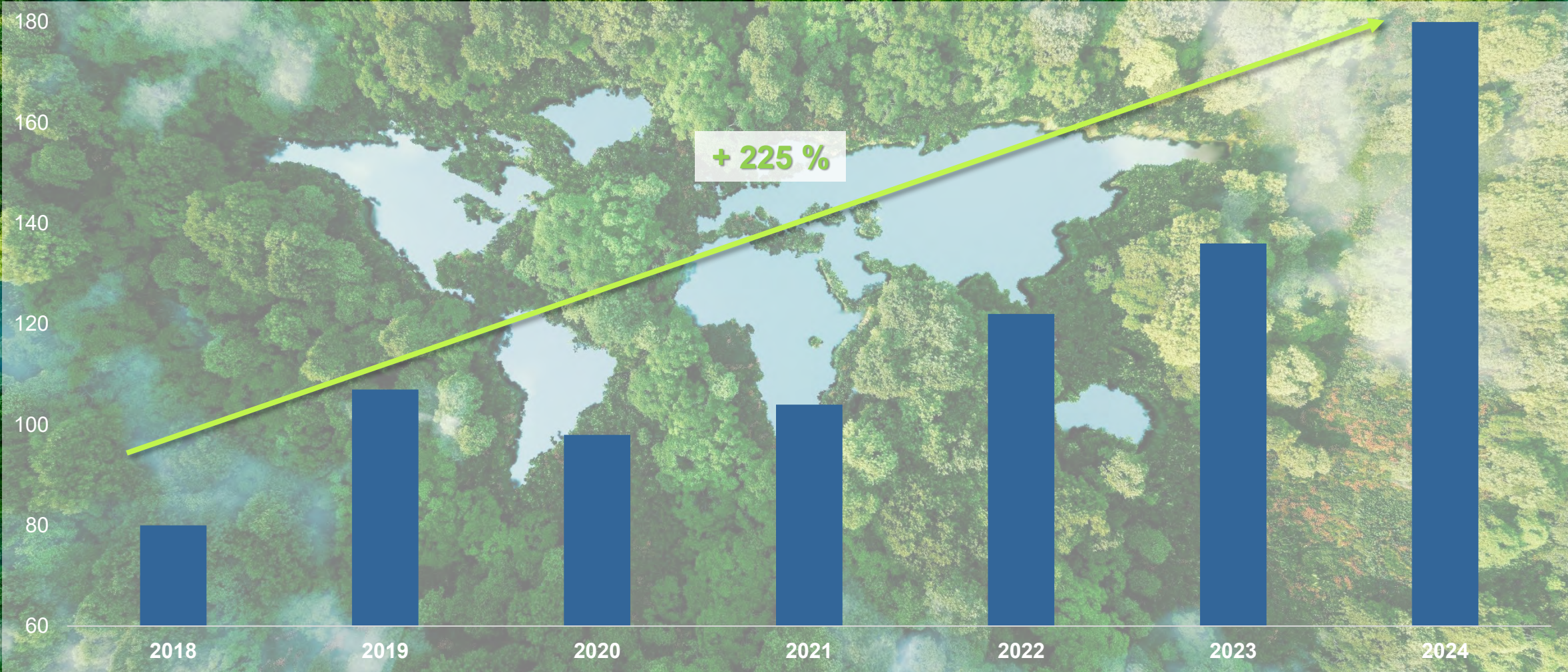


China




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Investment Volume



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A herd of elephants is walking across a dry, golden-brown savanna. In the background, there is a large, snow-capped mountain under a bright blue sky with scattered white clouds. A large, green acacia tree stands to the left of the herd.

**KSB is a
company undergoing
change.**

Customer group



Business type



Differentiation



Milestones in the Company's Development



Differentiation: strategic focus

Qualification

Focus on sustainability

Digitalisation

A technological leader

Service orientation

Quality

KSB

Fluid-handling know-how champion

Qualification

Best-in-class digitalised customer experience

Customer centricity

Aftermarket champion

KSB SupremeServ

Sustainability champion

Sustainability

Technological leadership

Technology

Quality leadership

Quality

Water

Mining

Energy

Petrochemicals / Chemicals


General Industry

Building Services

Valves

KSB SupremeServ

Operational needs



**KSB has a new
self-image.**



GLOBAL CHAMPION

**GLOBAL
KNOW-HOW**



GLOBAL CHAMPION

**GLOBAL
SUSTAINABILITY**



GLOBAL CHAMPION

**GLOBAL
TECHNOLOGY**



GLOBAL CHAMPION

**GLOBAL
QUALITY**



GLOBAL CHAMPION

Global Champion

**GLOBAL
PRESENCE**

KSB Supreme Serv

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A hidden champion

...emerges.



Milestones in the Company's Development

2023

**KSB
next
level**

2021

**Mission
TEN30**

Repositioning
the brand

Excellence

2020

**Back to profit
project**

Entrepreneurship



CLIMB 21

Customer focus

2019

KSB VOICE

KSB Voice

Employee satisfaction

2018

KSB SupremeServ

Service orientation

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Repositioning of the brand

1920



1914



1910



1978



1962



1961

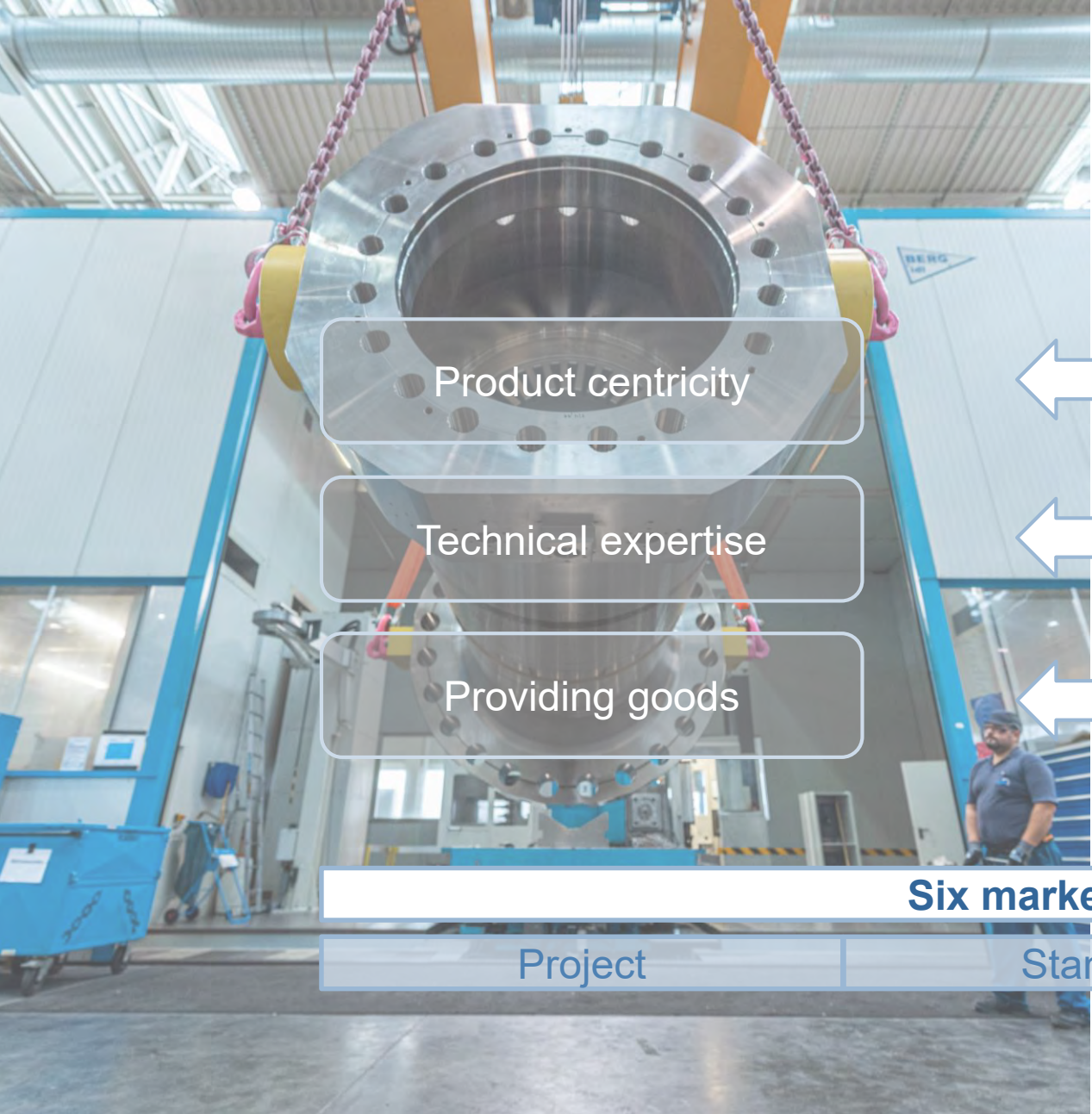


1996



Focus so far





Product centricity

Technical expertise

Providing goods



Focus today

Customer centricity

Life time solutions

Service

Six markets / valves

Project

Standard

Service

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The New Balance

**Products and
technology**



**Customer-focused solutions
that make people's lives easier**

Brand Claim so far



Our technology. Your success.
Technology that makes its mark



New Brand Claim

Solutions. For Life.

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The Logo so far



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The New Logo





KSB

Solutions. For Life.

Repositioning

- **Confident**
- **Strong**
- **Proud**



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Putting 2024 into Perspective

A Chinese Calender Perspective

Guiding principles

The dragon symbolises self-confidence and self-determination.

Symbol for energy, power and luck

Growth and awareness

2024: A Personal Perspective

Another challenging year:

→ No apparent short-term driver of global growth

→ Fragile world order:

- Elections worldwide
- Uncertain economic development in Europe, China and the USA
- Impact of the global pandemic continues to be felt in:
 - Consumption
 - Investment behaviour (interest rates)
- Fragile world peace

Environment in Germany

High energy costs

Low working hours

High wage costs

High corporate taxes

Shortage of skilled workers

Change in motivation

Protection against dismissal

No master plan

Putting 2024 into Perspective

2024: Forecast Corridor



Order intake: € 2,800 to € 3,150 million

Sales revenue: € 2,700 to € 3,050 million

EBIT: € 210 to € 245 million

 **Confidence: KSB holding its course**



Batten down the hatches!

Summary: January / February 2024

Measures for 2024: Batten Down the Hatches

- Intensify sales – particular focus on the standard business
- Focus on aftermarket: KSB SupremeServ
- Cost awareness
- Capacity adjustment
- Securing the margins
- Energy for corporate culture and commitment
- Diligence and fortune

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Summary

- A very successful 2023
- A challenging 2024
- Plan to further develop KSB is in place and will be refined
- We will make KSB a Global Champion.

A bald eagle is shown in flight, wings spread wide, against a clear blue sky. The eagle's feathers are detailed, and its yellow beak and talons are visible. The text "Thank you for your attention." is overlaid in the center of the image.

**Thank you for your
attention.**