

KSB Group



Half-year Financial Report 2020

KSB



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Interim Management Report for the Six Months Ended 30 June 2020

Macroeconomic Environment and Sector View

The global economy was shaken by the effects of the coronavirus pandemic in the first half of 2020, with some sectors at times coming to a standstill. KSB's business was also directly and indirectly affected by government-imposed lockdowns and closures of production facilities. In Asia in particular, supply chains were interrupted for extended periods. As these restrictions were gradually eased and the business climate improved, signs began to emerge from June 2020 onwards in many countries of a recovery in the economy. Nonetheless, potential further waves of the coronavirus pandemic pose significant risks. International trade had already been hit by the trade dispute between the US and China before the virus broke out, and is facing a sharp decline in view of broad restrictions on trade around the world and declining economic output. This has an unfavourable impact in particular on exports and economic growth in Germany.

In its latest estimate, the International Monetary Fund (IMF) has considerably lowered its growth forecast for the current year. Global economic output is now anticipated to shrink by 5 %. The euro zone is expected to see a particularly steep fall of 10 %. The IMF is forecasting an 8 % decrease on average for the US and the other industrialised economies.

The decline in the first quarter was most severe in China, one of the key markets for KSB. Since then, the curbing of the virus and massive economic measures have ensured a more moderate trend in this country by international standards. In its most recent forecast, the IMF expects growth of 1 % in the course of the year. However, the positive figure is something of an exception internationally. In Brazil, where KSB has a strong market position, the economy had recovered from the previous recession. Following the outbreak of the coronavirus pandemic the IMF cut its forecast as the virus was continuing to spread at the time of reporting and is assuming a decline of 9 %. Economic measures taken by the government are preventing a steeper decline in the short term, but given the high level of government debt and the limited scope for fiscal policy these can only be temporary.

In India, another important market for KSB, the decline in economic output is set to be around 5 %, with the lockdown imposed having been broader and longer than initially expected.

PROSPECTS FOR MECHANICAL ENGINEERING AFFECTED BY OVERALL ECONOMIC PERFORMANCE

The fall in global economic output is also reflected in a sharp decline in demand for capital goods and machinery and equipment. In view of the high level of uncertainty over global economic performance the German Mechanical Engineering Industry Association (VDMA) has adopted multiple scenarios from Oxford Economics for its sales forecasts for the current year. In the base case scenario, the decrease in real global sales revenue in mechanical engineering is 8 % year on year. In the event of a second wave of infection or a deeper recession, the decline could be considerably worse.

The sales revenue of mechanical engineering companies producing in Germany fell by 10 %, unadjusted for inflation, in the first six months of the current year compared with the prior-year period. Order intake was down by 15 %.

Order volumes of liquid pumps produced in Germany fell in the first six months. Building services valves also saw a decline. Industrial valves, by contrast, showed a slightly positive performance over the same period.

PERFORMANCE OF KEY MARKETS

The global economic slump was also reflected in the individual sales markets for pumps and valves, albeit with varying intensity and time lags.

Key sales markets for KSB remain general industry, the water and waste water sector and the energy industry.

In general industry, which covers a series of cyclical sectors in the manufacturing industry, production and investment have fallen steeply in recent months. Market research analysts expect an above-average decrease over the year too, which will have the greatest impact on countries with strong international links and a high level of exports.

Demand for water and waste water technology is likewise declining in the short term, but in the long term will be influenced by demographic factors and the rising regulatory requirements of environmental protection. In addition, water and waste water supply forms part of system-critical infrastructure and hence enjoys government support; so cyclical fluctuations are less extreme.

With industrial production declining, the energy sector is facing a steep fall in electricity consumption. Investment projects to expand capacity or refurbish have been deferred or cancelled altogether in view of the drop in income. This decline is most pronounced for power generation from fossil fuels.

Oil and gas production is experiencing a substantial decline, both as a result of its cyclical nature and because of the dramatic tumble in the price of crude oil. These factors, plus the collapse in the use of fuel resulting from restrictions on mobility, is also putting the petrochemical sector under pressure and slowing down production and investment. The chemical industry too is in a global recession driven by restricted production in its customer industries.

The economic crisis triggered by the coronavirus pandemic has also caused a global downturn in the construction industry, albeit with a delay and to varying extents in different countries. Building construction in particular is being hit hard by the slump. Government construction projects as part of economic stimulus packages are perceptibly cushioning the crisis in the major markets of the US and China.

Mining production came to a standstill in a whole series of countries as a result of lockdowns, especially in South and Central America as well as in India. The fall in the price of crude caused production from oil sands to decline. The main factor behind the reduction in investment remains an anticipated global fall in demand.

Business Development and Results of Operations

The first six months of 2020 were marked by the impact of the coronavirus pandemic. Government-imposed lockdowns meant that major KSB plants in China, India, Pakistan, South Africa, France and Italy, and to some extent also in Spain, were unable to produce at all or only on a limited scale for several weeks. Important suppliers and customers were also affected by lockdown measures and deferred orders as well as service and maintenance work.

The economic consequences of the coronavirus pandemic had a considerable negative impact on order intake and sales revenue in the first half of 2020.

The first two months performed in line with expectations, but from March to May order intake and sales revenue saw a serious fall. Not until June were there any signs of a pickup, but even then the figures were well below the level of the previous year. Cumulative order intake is seriously below the prior-year level, sales revenue considerably so. The deferral of large service orders as a result of the coronavirus pandemic also had a negative impact. A major order for a power plant project in China was not enough to compensate for this. Currency translation also had a negative effect.

The process of expanding electronic sales of pumps and valves via web shops and online portals, initiated in previous years, was driven forward rigorously. Following Sweden in 2019, new web sites with web shops and e-sales portals were launched in five more countries: Belgium, Finland, the Netherlands, Austria and Switzerland. Other countries will follow over the course of the year.

CONSIDERABLE DECLINE IN ORDER INTAKE

Order intake in the first six months was € 1,112.7 million, down by € 193.8 million on the prior-year period. The 14.8 % decline was the result of the impact of the coronavirus pandemic. In addition to deferred major orders in the Energy Market Area in India, amongst others, the general business and medium-sized projects saw a considerable decline too. All Market Areas, segments and Regions were affected apart from Petrochemicals / Chemicals and Mining.

In the Pumps segment, order intake in the first half of the year was € 743.1 million, € 124.0 million (– 14.3 %) lower than in the comparative prior-year period.

Order intake in the Valves segment also fell, to € 171.3 million. This is equivalent to a decline of € 32.6 million (– 16.0 %).

In the Service segment, order intake was € 198.3 million, € 37.2 million less (– 15.8 %) than in the comparative prior-year period. This includes € 4.6 million attributable to the French service company that was sold in January.

Regionally, the companies in Asia / Pacific (– 21.6 %, – € 71.1 million) and Middle East / Africa / Russia (– 20.7 %, – € 17.7 million) were the worst hit in line with how the corona pandemic was progressing, whereas the decline in the most important market Europe (– 12.1 %, – € 83.0 million) and in the Americas (– 10.7 %, – € 22.0 million) was relatively smaller.

Segment reporting

	Order intake		Sales revenue		EBIT	
	Six months ended	Six months ended	Six months ended	Six months ended	Six months ended	Six months ended
€ thousands	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Pumps segment	743,085	867,061	695,596	763,773	23,631	40,977
Valves segment	171,297	203,891	165,429	173,476	– 8,297	– 2,098
Service segment	198,327	235,508	188,181	204,630	– 264	6,369
Total	1,112,709	1,306,460	1,049,206	1,141,879	15,070	45,248

STEEP DECLINE IN SALES REVENUE

Consolidated sales revenue fell by € 92.7 million (– 8.1 %) to € 1,049.2 million. This includes negative exchange rate effects of € 23.1 million. Adjusted for the exchange rate effects, the decline amounted to € 69.6 million (– 5.3 %). All segments and Regions were affected by the decline in sales revenue as a result of the impact of the coronavirus pandemic, government-imposed lockdowns and client caution.

At € 695.5 million, sales revenue in the Pumps segment was € 68.2 million lower year on year (– 8.9 %).

In the Valves segment, sales revenue from globe valves, gate valves and butterfly valve was € 165.4 million, € 8.0 million less than in the comparative prior-year period (– 4.6 %).

Sales revenue in the Service segment was € 188.2 million, down € 16.4 million (– 8.0 %) largely as a consequence of deferred service and maintenance orders. This included € 4.1 million attributable to the French service company that was sold in January.

As in previous years, Europe remained the Region with the highest sales revenue. The European companies generated sales revenue of € 598.4 million. This was a perceptible decline of € 33.9 million (– 5.4 %), but the Region Europe proved relatively stable in the current situation.

The companies in the Region Americas reported a similar picture. Sales revenue here was € 182.1 million. This is equivalent to a decline of € 11.6 million (– 6.0 %). The companies in the Region Middle East / Africa / Russia generated sales revenue of € 61.7 million, which was € 9.1 million lower year on year (– 12.9 %). In the Region Asia / Pacific, where several major locations were affected by lockdowns, sales revenue fell by € 38.0 million (– 15.5 %) to € 207.0 million.

ORDERS ON HAND

At mid-year, orders on hand totalled € 1,483.7 million (previous year: € 1,535.8 million). As in the previous year, this covers a production period of around eight months.

TOTAL OUTPUT OF OPERATIONS

The economic crisis triggered by the coronavirus pandemic led to a substantial fall of € 118.5 million or 10.0 % in total output of operations to € 1,064.3 million, compared with the prior-year figure of € 1,182.8 million. This decline is reflected in both sales revenue, down € 92.7 million to € 1,049.2 million, and in lower work in progress, € 24.0 million less than in the first half of 2019.

INCOME AND EXPENSES

In line with the reduction in sales revenue, the cost of materials fell by € 73.3 million to a total of € 432.4 million compared with the first six months of the previous year; as a percentage of total output of operations, it was down from 42.8 % in the prior-year period to 40.6 % in the period under review.

Compared with the reduced output of operations, staff costs only declined from € 420.3 million to € 418.1 million; as a result, the staff costs as a percentage of total output of operations rose by 3.8 percentage points to 39.3 % year on year. The average headcount fell from 15,564 to 15,509.

At € 172.0 million, other expenses were € 19.0 million lower than in the comparative prior-year period and thus fell slightly as a percentage of total output of operations. The decline is largely attributable to lower travel, marketing and consultancy costs.

HALF-YEAR EARNINGS

EBIT fell from € 45.2 million to € 15.1 million. This performance is mainly the result of lower sales revenue, also as a consequence of the temporary production shutdowns caused by the lockdowns in several countries that are important for KSB. The Pumps segment contributed EBIT of € 23.6 million (previous year: € 41.0 million), and the Valves segment € – 8.3 million (previous year: € – 2.1 million). The Service segment achieved EBIT of € – 0.3 million (previous year: € 6.4 million). This includes the loss on deconsolidation of € 3.6 million from the sale of four French service companies.

Earnings before income taxes (EBT) declined from € 37.9 million to € 10.4 million compared with the prior-year figure. The income tax rate for the first half of 2020 is 368.2 %, after 48.6 % in the comparative prior-year period. The high tax rate continues to be driven by losses at companies where it is not possible to recognise deferred tax assets on loss carryforwards. Also, impairments on deferred tax assets were recognised in the first half of 2020, adding a further € 22.8 million to income taxes.

Earnings after income tax thus amount to € – 28.0 million (previous year: € + 19.5 million). Earnings attributable to non-controlling interests amount to € 4.4 million in absolute terms (previous year: € 6.2 million). Earnings attributable to shareholders of KSB SE & Co. KGaA (€ – 32.3 million) were € 45.6 million lower than in the previous year (€ 13.3 million). Impairments on deferred tax assets impacted on earnings attributable to shareholders of KSB SE & Co. KGaA in the amount of € 22.8 million.

Earnings per ordinary share were € – 18.59, compared with € 7.39 the previous year, and € – 18.33 per preference share, compared with € 7.77 in the first half of 2019.

Financial Position and Net Assets

LIQUIDITY

Despite negative earnings after income tax of € 28.0 million, cash flows from operating activities were € 23.9 million higher than in the comparative prior-year period at € 23.7 million. This substantial improvement is mainly due to the lower increase in inventories compared with the previous year and a reduction in trade receivables and other assets.

Cash flows from investing activities came to € – 29.0 million (previous year: € + 27.0 million), mainly driven by payments for investments of € 23.7 million in property, plant and equipment and of € 3.8 million in intangible assets. The disposal of four French service companies resulted in a cash outflow of € 1.1 million.

Cash flows from financing activities amounted to € – 30.2 million in the first half of the year (previous year: € – 12.6 million). The increased cash outflow was primarily due to a € 9.5 million higher dividend payment to the shareholders of KSB SE & Co. KGaA and a € 9.1 million reduction in financial liabilities.

Cash and cash equivalents from all cash flows decreased from € 280.9 million as at 31 December 2019 to € 241.6 million. Exchange rate effects amounting to € – 3.9 million (previous year: € – 1.4 million) contributed to this.

INVESTMENTS

Investments in the first half of 2020 came to € 30.7 million, € 5.1 million lower year on year. At € 23.7 million, property, plant and equipment accounted for most of the investments, but were € 3.5 million down on the comparative prior-year figure. Investments were made above all in Europe – in particular in Germany and France – and in the USA and India. The investments in the USA and India comprise primarily investments in the expansion of production capacities.

NET FINANCIAL POSITION

The KSB Group's net financial position, i.e. the difference between interest-bearing financial assets on the one hand and financial liabilities on the other, declined from € 246.3 million as at 31 December 2019 to € 218.7 million. This effect is primarily the result of the decrease of € 40.7 million in interest-bearing financial assets. This is offset by declines in current

financial liabilities (bank loans and overdrafts) and lease liabilities of € 12.7 million.

NET ASSETS

The changes in non-current assets since the end of 2019 (€ – 105.0 million) are chiefly attributable to the write-down of € 76.0 million on deferred tax assets. Of this amount, € 22.8 million were reported in the income statement and € 53.2 million were taken directly to equity. In addition, property, plant and equipment contributed € 19.8 million to the decline, due to depreciation considerably exceeding investments. Currency translation effects contributed to the decrease in non-current assets by € 14.8 million in the first half of 2020 (previous year: € – 2.0 million). These related primarily to Brazil (€ – 4.5 million) and India (€ – 2.4 million).

Inventories, at € 557.9 million, were up € 13.2 million on the 2019 year-end level. This growth mainly resulted from the increased processing of customer contracts, which is reflected in finished goods and goods purchased and held for resale at € 12.5 million. Advance payments rose by € 4.0 million, while work in progress fell by € 5.9 million.

Trade receivables fell by € 55.8 million to € 448.3 million due to the lower sales revenue, while contract assets increased by € 20.8 million to € 97.2 million. The increase in contract assets was caused by the fact that the degree of processing of customer orders rose more than advance payments received from customers.

Other current financial assets rose insignificantly by € 1.9 million. Other current non-financial assets increased by € 4.5 million due to higher prepaid expenses (€ 10.9 million), partly offset by lower other tax assets (€ – 6.4 million). This related primarily to the production company in France.

Cash and cash equivalents from all cash flows set out above fell from € 280.9 million as at 31 December 2019 to € 241.6 million.

Total assets amounted to € 2,159.4 million as at 30 June 2020, representing a decline of € 167.6 million or 7.2 % compared with the figure at the end of 2019. This change is principally due to lower deferred tax assets (€ – 75.2 million), trade receivables (€ – 55.8 million), cash and cash equivalents (€ – 39.3 million) and property, plant and equipment (€ – 19.8 million).

EQUITY

KSB Group equity decreased from € 862.6 million (31 December 2019) to € 727.0 million. The reduction mainly affected the shareholders of KSB SE & Co. KGaA; non-controlling interests were almost unchanged. Lower earnings after income tax combined with the higher dividend payment compared with the prior-year period contributed to this. Impairments on deferred tax assets impacted in the amount of € 22.8 million on earnings after income tax. Furthermore, impairments on deferred tax assets of € 53.2 million were reported directly in equity. Negative currency translation differences of € 34.6 million also had an impact on equity. As a result of the reduction in equity, the equity ratio fell from 37.1 % as at 31 December 2019 to 33.7 %.

LIABILITIES

Liabilities fell from € 1,464.5 million at the end of 2019 to € 1,432.4 million. This change (€ – 32.1 million or – 2.2 %) is largely due to lower other non-current financial assets (€ – 19.3 million) and lower trade payables (€ – 15.4 million).

Employees

The number of employees fell over the past twelve months. As at 30 June 2020, 15,178 people were employed in the KSB Group, 433 fewer than on the same date in 2019. This equates to a change of – 2.8 %. The decrease is predominantly the result of the sale of four French service companies. The number of employees in the Region Asia / Pacific rose slightly but fell slightly or was unchanged in the other Regions.

Report on Expected Developments

The global business environment is being shaped by rising coronavirus infection figures. These continue to create uncertainties regarding the impact on supply chains, production and customer demand in the near future.

With that in mind, it will remain difficult in the months ahead to estimate the scope and impact of the coronavirus pandemic on the customers' willingness to reach out and invest, and thus on the key indicators of order intake, sales and EBIT.

Given these uncertainties, KSB continues to refrain from making a forecast for the 2020 financial year.

Forward-looking Statements

This report contains forward-looking statements and information that are based upon the assumptions of the Managing Directors. They express current forecasts and expectations with regard to future events. As a result, these forward-looking statements and information are exposed to risks and uncertainties that lie outside the Management's sphere of influence. KSB wishes to point out that actual events or results may differ materially from the forward-looking statements and information presented, if one or more of the following opportunities or risks, or other opportunities, risks and uncertainties should materialise, or if the assumptions underlying the statements prove to be inaccurate.

Opportunities and Risks Report

Opportunities and risks KSB sees facing its business were presented in detail in the 2019 Annual Report. KSB also draws attention to the forward-looking statements at the end of its report on expected developments. In the first half of 2020 KSB identified the coronavirus pandemic mentioned in the 2019 Annual Report as a high risk. The effects on the overall economy are now impacting many of the procurement and sales markets relevant to KSB. With the exception of the coronavirus pandemic there has been no material change to the overall risk situation for KSB.

Audit Review

This interim management report – as well as the underlying condensed interim consolidated financial statements – have neither been audited nor reviewed in accordance with section 317 of the German Commercial Code [HGB].

Information and Publication

Due to rounding, there may be minor differences in the totals, the percentages and information on changes presented in the management report compared with the previous year.

The half-year financial report is published in the *Bundesanzeiger* [German Federal Gazette], as well as on the www.ksb.com web site. A print version is also available on request.



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Balance Sheet

Assets

€ thousands	Notes	30 June 2020	31 Dec. 2019
Non-current assets			
Intangible assets	1	95,944	97,128
Right-of-use assets	1	43,651	50,096
Property, plant and equipment	1	491,498	511,281
Non-current financial assets	1	1,126	1,962
Other non-financial assets	1	2,779	2,840
Investments accounted for using the equity method	1	22,637	24,203
Deferred tax assets	14	19,950	95,101
		677,586	782,611
Current assets			
Inventories	2	557,860	544,703
Contract assets	3	97,242	76,428
Trade receivables	3	448,295	504,101
Other financial assets	3	92,779	90,938
Other non-financial assets	3	44,071	39,613
Cash and cash equivalents	4	241,565	280,875
Assets held for sale		–	7,753
		1,481,812	1,544,411
		2,159,398	2,327,022

Equity and liabilities

€ thousands	Notes	30 June 2020	31 Dec. 2019
Equity	5		
Subscribed capital		44,772	44,772
Capital reserve		66,663	66,663
Revenue reserves		434,622	568,916
Equity attributable to shareholders of KSB SE & Co. KGaA		546,058	680,350
Non-controlling interests		180,950	182,210
		727,007	862,562
Non-current liabilities			
Deferred tax liabilities		11,267	11,146
Provisions for employee benefits	6	650,873	646,340
Other provisions	6	1,368	1,366
Financial liabilities	7	53,416	56,750
		716,924	715,602
Current liabilities			
Provisions for employee benefits	6	11,538	12,190
Other provisions	6	77,883	68,376
Financial liabilities	7	36,314	44,318
Contract liabilities	7	170,047	165,463
Trade payables	7	237,302	252,741
Other financial liabilities	7	27,078	31,226
Other non-financial liabilities	7	142,272	161,528
Income tax liabilities	7	13,033	9,050
Liabilities related to assets held for sale		–	3,967
		715,468	748,858
		2,159,398	2,327,022

Further information is provided in the Notes to the consolidated financial statements.

Statement of Comprehensive Income

Income statement

€ thousands	Notes	Six months ended 30 June 2020	Six months ended 30 June 2019
Sales revenue	8	1,049,206	1,141,879
Changes in inventories		13,691	37,704
Work performed and capitalised		1,396	3,228
Total output of operations		1,064,293	1,182,811
Other income	9	15,512	19,273
Cost of materials	10	– 432,412	– 505,748
Staff costs	11	– 418,090	– 420,305
Depreciation and amortisation	1	– 42,257	– 39,826
Other expenses*	12	– 171,976	– 190,955
Earnings before finance income / expense and income tax (EBIT)		15,070	45,248
Finance income	13	2,608	2,752
Finance expense	13	– 6,092	– 8,424
Income from / expense to investments accounted for using the equity method	13	– 1,161	– 1,696
Finance income / expense		– 4,645	– 7,367
Earnings before income tax (EBT)		10,425	37,881
Taxes on income	14	– 38,383	– 18,401
Earnings after income tax		– 27,958	19,480
Attributable to:			
Non-controlling interests	15	4,367	6,203
Shareholders of KSB SE & Co. KGaA		– 32,325	13,277
Diluted and basic earnings per ordinary share (€)	16	– 18.59	7.39
Diluted and basic earnings per preference share (€)	16	– 18.33	7.77

* Restated compared with presentation in the 2019 interim consolidated financial statements.

Statement of income and expense recognised in equity

€ thousands	Notes	Six months ended 30 June 2020	Six months ended 30 June 2019
Earnings after income tax		– 27,958	19,480
Remeasurement of defined benefit plans		– 5,504	– 9,954
Taxes on income		– 51,528	2,983
Expense and income recognised directly in equity and not reclassified to profit or loss in subsequent periods		– 57,032	– 6,971
Currency translation differences		– 34,582	4,476
Attributable to: Expense and income recognised directly in equity attributable to investments accounted for using the equity method		– 135	246
Changes in the fair value of financial instruments: Hedging reserve		977	400
Taxes on income		– 311	– 120
Changes in the fair value of financial instruments: Hedging cost reserve		– 153	–
Taxes on income		44	–
Expense and income recognised directly in equity and reclassified to profit or loss in subsequent periods		– 34,025	4,756
Other comprehensive income		– 91,057	– 2,215
Total comprehensive income		– 119,015	17,265
Attributable to:			
Non-controlling interests		168	7,459
Shareholders of KSB SE & Co. KGaA		– 119,183	9,806

Further information is provided in the Notes to the consolidated financial statements.

Statement of Changes in Equity

€ thousands	Subscribed capital of KSB SE & Co. KGaA	Capital reserve of KSB SE & Co. KGaA
1 Jan. 2019	44,772	66,663
Other comprehensive income	–	–
Earnings after income tax	–	–
Total comprehensive income	–	–
Dividends paid	–	–
Capital increase / decrease	–	–
Change in consolidated Group / Step acquisitions	–	–
Other	–	–
30 June 2019	44,772	66,663

€ thousands	Subscribed capital of KSB SE & Co. KGaA	Capital reserve of KSB SE & Co. KGaA
1 Jan. 2020	44,772	66,663
Other comprehensive income	–	–
Earnings after income tax	–	–
Total comprehensive income	–	–
Dividends paid	–	–
Capital increase / decrease	–	–
Change in consolidated Group / Step acquisitions	–	–
Other	–	–
30 June 2020	44,772	66,663

Accumulated currency translation differences (€ thousands)	Equity attributable to shareholders of KSB SE & Co. KGaA	Non-controlling interests	Total equity
1 Jan. 2019	– 98,270	– 19,493	– 117,763
Change in 2019	3,215	1,261	4,476
30 June 2019	– 95,055	– 18,232	– 113,287
1 Jan. 2020	– 95,765	– 18,175	– 113,940
Change in 2020	– 30,475	– 4,107	– 34,582
30 June 2020	– 126,240	– 22,282	– 148,522

Revenue reserves		Other comprehensive income						
Other revenue reserves	Currency translation differences	Changes in the fair value of financial instruments: Hedging reserve	Changes in the fair value of financial instruments: Hedging cost reserve	Remeasurement of defined benefit plans	Equity attributable to shareholders of KSB SE & Co. KGaA	Non-controlling interests	Total equity	
854,647	- 98,270	- 2,930	- 574	- 175,117	689,191	167,600	856,791	
-	3,215	280	-	- 6,966	- 3,471	1,256	- 2,215	
13,277	-	-	-	-	13,277	6,203	19,480	
13,277	3,215	280	-	- 6,966	9,806	7,459	17,265	
- 5,583	-	-	-	-	- 5,583	- 2,430	- 8,013	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
862,341	- 95,055	- 2,650	- 574	- 182,083	693,414	172,629	866,044	

Revenue reserves		Other comprehensive income						
Other revenue reserves	Currency translation differences	Changes in the fair value of financial instruments: Hedging reserve	Changes in the fair value of financial instruments: Hedging cost reserve	Remeasurement of defined benefit plans	Equity attributable to shareholders of KSB SE & Co. KGaA	Non-controlling interests	Total equity	
892,652	- 95,765	- 3,298	- 606	- 224,067	680,351	182,210	862,562	
-	- 30,475	644	- 109	- 56,918	- 86,858	- 4,199	- 91,057	
- 32,325	-	-	-	-	- 32,325	4,367	- 27,958	
- 32,325	- 30,475	644	- 109	- 56,918	- 119,183	168	- 119,015	
- 15,111	-	-	-	-	- 15,111	- 1,428	- 16,539	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
- 1,583	-	-	-	1,583	-	-	-	
843,633	- 126,240	- 2,654	- 715	- 279,402	546,058	180,950	727,007	

Statement of Cash Flows

€ thousands	Six months ended 30 June 2020	Six months ended 30 June 2019
Cash flow	23,070	59,754
Other changes in cash flows from operating activities	594	– 60,003
Cash flows from operating activities	23,664	– 249
Cash flows from investing activities	– 28,958	27,010
Cash flows from financing activities	– 30,159	– 12,571
Changes in cash and cash equivalents	– 35,453	14,190
Effects of exchange rate changes on cash and cash equivalents	– 3,857	– 1,394
Cash and cash equivalents at beginning of period	280,875	255,545
Cash and cash equivalents at end of period	241,565	268,341

Notes

I. GENERAL INFORMATION ON THE GROUP

Basis of preparation of the interim consolidated financial statements

These unaudited condensed interim consolidated financial statements of KSB SE & Co. KGaA, Frankenthal / Pfalz, Germany, have been prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), as adopted by the European Union (EU), taking into consideration the interpretations of the IFRS Interpretations Committee (IFRIC). The standards and interpretations applicable as at 1 January 2020 were used. The interim consolidated financial statements have been prepared in euros (€) on a going concern basis.

Amounts in this report are generally presented in thousands of euros (€ thousands) using standard commercial rounding rules and in condensed form pursuant to IAS 34. Due to rounding, there may be minor differences in the totals and percentages presented in this report.

New accounting principles

Compared with the consolidated financial statements for the 2019 financial year, no accounting standards and interpretations were adopted for the first time that had a material impact on the Group's assets, liabilities, financial position and results of operations.

II. CONSOLIDATION PRINCIPLES

Consolidated Group

As at 30 June 2020, in addition to KSB SE & Co. KGaA, 9 German and 72 foreign companies were fully consolidated in the interim consolidated financial statements. The equity method was used to consolidate four joint ventures and one associate company as at 30 June 2020.

Changes in the consolidated Group

In January 2020, the shares in the previously fully consolidated SPI Energie S.A.S., La Ravoire, France, were sold. The sale resulted in a positive contribution to earnings of € 2,136 thousand for the Service segment, which is reported in the income statement under other income. The assets and liabilities that were part of this sale were reported separately in the consolidated balance sheet for the year ended 31 December 2019 as assets held for sale and liabilities related to assets held for sale.

Additionally, all shares in the following three previously fully consolidated companies based in France – KSB Service Energie S.A.S.U., Rambervillers, Société de travaux et Ingénierie Industrielle S.A.S., Déville-lès-Rouen, and KSB SERVICE COTUMER S.A.S., Déville-lès-Rouen – were sold as part of a single transaction. Overall, the transaction resulted in a loss on deconsolidation of € 5,714 thousand for the Service segment, which is reported in the income statement under other expenses.

Furthermore, the liquidation of the joint venture previously accounted for using the equity method – Nikkiso-KSB GmbH i.L., Pegnitz, Germany, was concluded in the first half of the 2020 financial year by entry in the *Handelsregister* [German Commercial Register]. This did not result in any material impact on the Group.

Consolidation and currency translation methods

There were no changes to consolidation methods or currency translation methods compared with the consolidated financial statements for the 2019 financial year.

III. ACCOUNTING POLICIES

The accounting policies were essentially unchanged from the consolidated financial statements for the 2019 financial year. They apply to all companies included in the interim consolidated financial statements.

IV. BALANCE SHEET DISCLOSURES

1. Non-current assets

In the first six months of the 2020 financial year, additions of € 30,710 thousand (compared with € 35,801 thousand for the same period of the previous year) were recognised for property, plant and equipment, rights of use to leased assets and intangible assets. At € 42,257 thousand (previous year: € 39,826 thousand), depreciation and amortisation on these items ranged slightly above the level of the comparative prior-year period).

When assessing the indicators of impairment of assets as at 30 June 2020, it was found on the one hand that the carrying amount of the Group's net assets exceeds market capitalisation. On the other hand, the corona pandemic and the resulting adverse economic consequences are in principle also deemed by the Group to provide indications of a potential impairment of assets. As a result, the assets within the scope of IAS 36 were tested for impairment. As at 30 June 2020 this test did not show a need for recognising impairment. Overall, no impairment was recognised on intangible assets, property, plant and equipment, and rights of use to leased assets in the reporting period – as was the case too in the first half of 2019.

2. Inventories

€ thousands	30 June 2020	31 Dec. 2019
Raw materials, consumables and supplies	195,295	192,740
Work in progress	162,964	168,871
Finished goods and goods purchased and held for resale	177,728	165,221
Advance payments	21,873	17,871
	557,860	544,703

3. Contract assets, trade receivables and other financial and non-financial assets

Impairment losses on contract assets amounted to € 253 thousand (year-end figure in 2019: € 204 thousand).

In addition, impairment losses on trade receivables from third parties amounted to € 34,668 thousand (year-end figure in 2019: € 35,000 thousand). As on 31 December of the previous year, there were no impairment losses on trade receivables from investments, associates and joint ventures.

Impairment losses on receivables from loans to other investments amounted to € 320 thousand (year-end figure in 2019: € 320 thousand). No impairment losses were recognised for receivables from loans to joint ventures or associates, as on 31 December of the previous year.

Contract assets, trade receivables and other financial and non-financial assets

€ thousands	30 June 2020	31 Dec. 2019
Contract assets	97,242	76,428
Trade receivables	448,295	504,101
Trade receivables from third parties	426,024	473,873
Trade receivables from other investments, associates and joint ventures	22,271	30,228
thereof from other investments	3,543	5,800
thereof from associates	–	460
thereof from joint ventures	18,727	23,968
Other financial assets	92,779	90,938
Receivables from loans to other investments, associates and joint ventures	1,106	348
Currency forwards	2,218	850
Other receivables and other current assets	89,455	89,740
Other non-financial assets	44,071	39,613
Other tax assets	24,798	31,237
Deferred income	19,273	8,376

4. Cash and cash equivalents

Cash and cash equivalents are term deposits with short maturities and call deposits, and also current account balances.

5. Equity

There was no change in the share capital of KSB SE & Co. KGaA as against the previous year. In accordance with the Articles of Association, it totals € 44,771,963.82 and, as in the previous year, is composed of 886,615 ordinary shares and 864,712 preference shares. Each no-par-value share represents an equal notional amount of the share capital. The preference shares carry separate cumulative preferred dividend rights and progressive additional dividend rights. All shares are no-par-value bearer shares.

Non-controlling interest relates primarily to PAB GmbH, Frankenthal / Pfalz, Germany, and the interest is holds, as well as to companies in India and China. KSB Finanz S.A., Echternach, Luxembourg, holds a 51 % interest in PAB GmbH, while Johannes und Jacob Klein GmbH, Frankenthal / Pfalz, Germany, holds a 49 % interest.

Details of the changes in equity accounts and non-controlling interests are presented in the Statement of Changes in Equity.

6. Provisions

The pension obligations in the KSB Group include defined contribution and defined benefit plans and contain both obligations from current pensions and future pension benefit entitlements.

Most of the provisions for pensions and similar obligations result from defined benefit plans in place for the German Group companies. Plan assets have been offset to a small extent in relation to the Group's overall pension obligations.

Provisions for other employee benefits relate primarily to anniversary and partial retirement obligations.

The provisions for warranty obligations and contractual penalties reported under other provisions cover the statutory and contractual obligations to customers and are based on estimates prepared using historical data for similar products and services.

Miscellaneous other provisions include, inter alia, provisions for expected losses and for process risks.

Provisions

€ thousands	30 June 2020	31 Dec. 2019
Employee benefits	662,411	658,529
Pensions and similar obligations	633,763	629,617
Other employee benefits	28,649	28,912
Other provisions	79,250	69,742
Warranty obligations and contractual penalties	47,657	44,304
Provisions for restructuring	391	410
Miscellaneous other provisions	31,202	25,028
	741,662	728,271

7. Liabilities

Non-current liabilities

€ thousands	30 June 2020	31 Dec. 2019
Financial liabilities	53,416	56,750
Loan against borrower's note	21,988	21,988
Bank loans and overdrafts	4,548	2,410
Lease liabilities	26,578	32,036
Other	302	316

Current liabilities

€ thousands	30 June 2020	31 Dec. 2019
Financial liabilities	36,314	44,318
Bank loans and overdrafts	22,354	28,698
Lease liabilities	13,952	15,015
Other	8	605
Contract liabilities	170,047	165,463
Trade payables	237,302	252,741
Trade payables to third parties	236,243	251,382
Liabilities to other investments, associates and joint ventures	1,059	1,359
Other financial liabilities	27,078	31,226
Currency forwards	2,712	3,336
Miscellaneous other financial liabilities	24,367	27,890
Other non-financial liabilities	142,272	161,528
Social security and liabilities to employees	105,032	126,117
Tax liabilities (excluding income taxes)	26,232	23,760
Prepaid expenses	5,970	6,419
Investment grants and subsidies	5,037	5,232
Income tax liabilities	13,033	9,050

V. INCOME STATEMENT DISCLOSURES

8. Sales revenue

The Group's consolidated sales revenue during the reporting period was € 1,049,206 thousand (previous year: € 1,141,879 thousand).

KSB generates income from the transfer of goods and services over time or at a point in time in the segments presented.

→ [Sales revenue by segment and timing of revenue recognition](#)

9. Other income

€ thousands	Six months ended 30 June 2020	Six months ended 30 June 2019
Income from the reversal of impairment losses	1,114	2,885
Income from disposal of assets	231	2,873
Currency translation gains	1,549	1,161
Income from the reversal of provisions	–	860
Miscellaneous other income	12,617	11,494
	15,512	19,273

Other income includes, inter alia, income from government grants and subsidies, as well as income from insurance compensations. In addition, this item includes the profits from the sale of subsidiaries as reported in the “Consolidated Group” section in the “Changes in consolidated Group” sub-section.

In line with the presentation of the consolidated financial statements for the 2019 financial year, income from the reversal of provisions was reported in the reporting period under the expense items used originally for the creation of the provisions. The comparative information for the previous year, based on recognition and separate presentation of such amounts within other income, was not restated.

10. Cost of materials

The cost of materials amounted to € 432,412 thousand (previous year: € 505,748 thousand) in the reporting period. This item includes expenses for raw materials, consumables and supplies and for goods and services purchased.

Sales revenue by segment and timing of revenue recognition in the first six months of 2020

€ thousands	Pumps segment	Valves segment	Service segment	Total
Revenue from contracts with customers	695,596	165,429	188,181	1,049,206
Timing of revenue recognition				
At a point in time	604,079	152,679	–	756,758
Over time	91,517	12,750	188,181	292,448

Sales revenue by segment and timing of revenue recognition in the first six months of 2019

€ thousands	Pumps segment	Valves segment	Service segment	Total
Revenue from contracts with customers	763,773	173,476	204,630	1,141,879
Timing of revenue recognition				
At a point in time	666,841	154,928	–	821,769
Over time	96,932	18,548	204,630	320,110

11. Staff costs

€ thousands	Six months ended 30 June 2020	Six months ended 30 June 2019
Wages and salaries	337,586	342,912
Social security contributions and employee assistance costs	63,259	66,234
Pension costs	17,245	11,158
	418,090	420,305

Pension costs are reduced by the interest component included in the allocation of provisions that is reported in finance income / expense.

Average headcount over the reporting period was 15,509 employees (previous year: 15,564). In line with the presentation in the consolidated financial statements for the 2019 financial year, employees were included in this figure irrespective of their level of employment, while the number of trainees was not included. The comparative prior-year figure was restated accordingly.

12. Other expenses

€ thousands	Six months ended 30 June 2020	Six months ended 30 June 2019
Repairs, maintenance, third-party services	56,935	62,698
Administrative expenses	38,935	50,158
Selling expenses	26,957	31,398
Other taxes*	6,569	6,530
Rents and leases	5,342	6,906
Other staff costs	11,000	12,095
Impairment losses on trade receivables and contract assets	3,186	3,557
Currency translation losses	3,038	38
Losses from current assets	34	376
Losses from asset disposals	116	286
Miscellaneous other expenses	19,864	16,913
	171,976	190,955

* Restated compared with presentation in the 2019 interim consolidated financial statements. The sum of the other expenses item has changed accordingly for the previous year.

Other expenses include but are not limited to expenses from the addition to provisions in connection with customer orders. Income from the reversal of such provisions is also included in this item in the reporting period. In addition, the losses from the sale of subsidiaries incurred in the reporting period, as described in the “Consolidated Group” section in the “Changes in consolidated Group” sub-section, are reported in this item.

Compared with the previous year’s interim consolidated financial statements, the presentation was amended for the reporting period and for the prior-year period, so that the other taxes item that was previously reported separately in the income statement was included in other expenses.

13. Finance income / expense

Interest and similar expenses include the interest cost on pension provisions amounting to € 3,444 thousand (previous year: € 4,705 thousand). In addition, the item also includes interest expense from the subsequent measurement of lease liabilities.

Finance income / expense

€ thousands	Six months ended 30 June 2020	Six months ended 30 June 2019
Finance income	2,608	2,752
Income from equity investments	–	313
thereof from other investments	–	313
Interest and similar income	2,576	2,432
thereof from other investments	9	14
thereof from investments accounted for using the equity method	176	405
Other finance income	33	7
Finance expense	– 6,092	– 8,424
Interest and similar expenses	– 6,046	– 7,848
thereof from other investments	–	–
Other finance expense	– 46	– 576
Income from / expense to investments accounted for using the equity method	– 1,161	– 1,696
Finance income / expense	– 4,645	– 7,367

14. Taxes on income

All income-related taxes of the consolidated companies and deferred taxes are reported in this item.

Taxes on income

€ thousands	Six months ended 30 June 2020	Six months ended 30 June 2019
Effective taxes	16,869	17,706
Deferred taxes	21,514	695
	38,383	18,401

Within the scope of testing the deferred tax assets for impairment as at 30 June 2020 it was found that amounts recognised until then were no longer covered in full by sufficient, future taxable income. Against this background, the carrying amount of the deferred tax assets was reduced by € 76,000 thousand, of which € 22,800 thousand was reflected in expenses from deferred taxes and € 53,200 thousand in other comprehensive income in equity.

15. Earnings after income tax – Non-controlling interests

The net profit attributable to non-controlling interests amounts to € 4,762 thousand (previous year: € 7,193 thousand) and the net loss attributable to non-controlling interests amounts to € 395 thousand (previous year: € 990 thousand). Non-controlling interest relates primarily to PAB GmbH, Frankenthal / Pfalz, Germany, and the interest is holds, as well as to companies in India and China.

16. Earnings per share

Earnings per share are calculated using the weighted average number of shares as a denominator.

An additional dividend attributable to preference shareholders of € 0.26 (previous year: € 0.38) per share is assumed for the calculation.

Earnings per share

€	Six months ended 30 June 2020	Six months ended 30 June 2019
Diluted and basic earnings per ordinary share	– 18.59	7.39
Diluted and basic earnings per preference share	– 18.33	7.77

VI. FINANCIAL RISKS

KSB is exposed to certain financial risks as a consequence of its business activities. These risks can be classified into three areas:

KSB is firstly exposed to credit risk. Credit risk is defined as the potential default or delays in the receipt of contractually agreed payments. KSB is also exposed to liquidity risk, which is the risk that an entity will be unable to meet its financial obligations, or will be unable to meet them in full. In addition, KSB is exposed to market price risk. The risk of exchange rate or interest rate changes may adversely affect the economic position of the Group. Risks from fluctuations in the prices of financial instruments are not material for KSB.

KSB limits all these risks through an appropriate risk management system, defining how these risks are addressed through guidelines and work instructions. In addition, KSB continuously monitors the current risk characteristics and regularly provides the information obtained in this way to the Managing Directors and the Supervisory Board in the form of standardised reports and individual analyses.

VII. SEGMENT REPORTING

Segment reporting is prepared in accordance with IFRS 8 based on the management approach and corresponds to the internal organisational and management structure as well as the reporting lines to the Managing Directors as the chief operating decision-makers. In KSB's matrix organisation, management decisions are primarily taken on the basis of the key performance indicators – order intake, external sales revenue and earnings before finance income / expense and income tax (EBIT) – determined for the Pumps, Valves and Service segments. Reporting the relevant assets, number of employees and inter-segment sales revenue for these segments is not part of internal reporting. The managers in charge of these segments, which are geared to product groups, have profit and loss responsibility. They identify business opportunities across markets and industries and assess the options based on current and future market requirements. They also proactively encourage the development of new products and improvements to the available range of products. In this context, they work closely with the Sales organisations and with Operations.

The **Pumps** segment includes single- and multistage pumps, submersible pumps and associated control and drive systems. Applications include process engineering, building services, water and waste water transport, energy conversion and solids transport.

The **Valves** segment covers butterfly, globe, gate, control, diaphragm and ball valves, as well as associated actuators and control systems. Applications primarily include process engineering, building services, energy conversion and solids transport.

The **Service** segment covers the installation, commissioning, start-up, inspection, servicing, maintenance and repair of pumps, related systems and valves for all applications; as well as modular service concepts and system analyses for complete systems.

The companies can be allocated to one or more segments based on their business activities.

The amounts disclosed for the individual segments have been established in compliance with the accounting policies of the underlying interim consolidated financial statements.

Transfer prices for intercompany sales are determined on an arm's length basis.

There were no discontinued operations in the period under review, as in the comparative period of the previous year.

The order intake by segment presents order intake generated with third parties.

The sales revenue by segment presents sales revenue generated with third parties.

The table shows earnings before finance income / expense and income tax (EBIT) including non-controlling interests.

→ Segment reporting

The EBIT of the Pumps segment includes depreciation and amortisation expense of € 27,074 thousand (previous year: € 26,580 thousand), the EBIT of the Valves segment includes depreciation and amortisation expense of € 6,643 thousand (previous year: € 5,556 thousand) and the EBIT of the Service segment includes depreciation and amortisation expense of € 8,540 thousand (previous year: € 7,690 thousand).

€ 280,156 thousand (previous year: € 288,728 thousand) of the sales revenue presented was generated by the companies based in Germany, € 98,882 thousand (previous year: € 112,480 thousand) was generated by the companies based in France, € 101,760 thousand (previous year: € 107,221 thousand) by the companies based in the USA, and € 568,408 thousand (previous year: € 633,450 thousand) by the other Group companies.

There were no relationships with individual customers that accounted for a material proportion of consolidated sales revenue.

At the reporting date, the total non-current assets of the KSB Group under review for the purposes of segment reporting amounted to € 653,730 thousand (year-end figure in 2019:

€ 682,708 thousand), with € 242,938 thousand (year-end figure in 2019: € 240,362 thousand) being attributable to the companies based in Germany and € 410,792 thousand (year-end figure in 2019: € 442,346 thousand) being attributable to the other Group companies. These include intangible assets, rights of use to leased assets, property, plant and equipment and investments accounted for using the equity method.

Segment reporting

€ thousands	Order intake		Sales revenue		EBIT	
	Six months ended 30 June 2020	Six months ended 30 June 2019	Six months ended 30 June 2020	Six months ended 30 June 2019	Six months ended 30 June 2020	Six months ended 30 June 2019
Pumps segment	743,085	867,061	695,596	763,773	23,631	40,977
Valves segment	171,297	203,891	165,429	173,476	– 8,297	– 2,098
Service segment	198,327	235,508	188,181	204,630	– 264	6,369
Total	1,112,709	1,306,460	1,049,206	1,141,879	15,070	45,248

VIII. OTHER DISCLOSURES

Contingent liabilities and other financial obligations

Contingent liabilities and other financial obligations fall within the scope of what is required to carry on normal business activities. Contingent liabilities and other financial obligations have not changed materially compared with 31 December 2019.

Related party disclosures

Pursuant to section 21(1) of the 28 Dec. 2007 version of the WpHG [Wertpapierhandelsgesetz – German Securities Trade Act], KSB Stiftung [KSB Foundation], Stuttgart, notified us on 21 May 2008 that its voting interest in KSB SE & Co. KGaA, Frankenthal / Pfalz exceeded the 75.00 % threshold on 5 May 2008 and amounted to 80.24 % (711,453 voting shares) on this date. 0.54 % of the voting rights (4,782 voting shares) were held directly by KSB Stiftung, Stuttgart, and 79.70 % (706,671 voting shares) were attributed to KSB Stiftung, Stuttgart, pursuant to section 22(1), sentence 1, No. 1 of the 28 Dec. 2007 version of the WpHG. The voting rights attributed to KSB Stiftung, Stuttgart, were held by Johannes und Jacob Klein GmbH, Frankenthal / Pfalz. In 2018 the voting interest of Johannes und Jacob Klein GmbH increased to 83.94 %.

Related parties are KSB Management SE, Frankenthal / Pfalz as general partner, KSB Stiftung, Stuttgart, and Kühborth Stiftung GmbH, Stuttgart, each with their direct and indirect interests, joint ventures and associates. These are primarily Johannes und Jacob Klein GmbH, Frankenthal / Pfalz, Palatina Versicherungsservice GmbH, Frankenthal / Pfalz, and the companies of Abacus alpha GmbH, Frankenthal / Pfalz. Furthermore, related parties also include entities controlled or jointly controlled by the Managing Directors of Johannes und Jacob Klein GmbH, the Managing Directors or members of the Administrative Board of KSB Management SE or the Managing Directors or members of the Advisory Board of Klein, Schanzlin & Becker GmbH.

The members of the Supervisory Board, the Managing Directors of KSB Management SE and the members of the Administrative Board of KSB Management SE are deemed to be related parties of KSB SE & Co. KGaA.

As part of normal business activities, the company maintains business relationships with numerous companies, including affiliates that are deemed to be related parties.

In the first half of 2020, a settlement agreement was concluded with three former members of the Board of Management and one member of the Supervisory Board. The settlement agreement became effective upon approval by the Annual General Meeting on 13 May 2020. The settlement amount of € 1,200 thousand paid thereupon is recognised in other income.

Beyond that, there were no material changes in the contractual basis and the supply of services between KSB SE & Co. KGaA and its related parties compared with 31 December 2019.

Auditors

The Annual General Meeting of KSB SE & Co. KGaA on 13 May 2020 resolved to appoint PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, based in Frankfurt am Main with an office in Mannheim, as auditors and group auditors for the 2020 financial year.

This half-year financial report has been neither reviewed nor audited in accordance with section 317 of the HGB [German Commercial Code].

Events after the reporting period

There were no reportable events after the reporting date.

German Corporate Governance Code

The Managing Directors and the Supervisory Board of KSB SE & Co. KGaA issued the current Statement of Compliance with the recommendations of the Government Commission on the German Corporate Governance Code in accordance with section 161 AktG [Aktengesetz – German Public Companies Act] on 19 December 2019. The Statement of Compliance is published on the KSB web site (www.ksb.com) and has thus been made permanently accessible.

Appropriation of the net retained earnings of KSB SE & Co. KGaA

The Annual General Meeting on 13 May 2020 resolved to appropriate the net retained earnings of € 67,363,764.33 of KSB SE & Co. KGaA as follows:

Appropriation of net retained earnings

€	
Dividend of € 8.50 per ordinary no-par-value share	7,536,227.50
Dividend of € 8.76 per preference no-par-value share	7,574,877.12
Total	15,111,104.62
Carried forward to new account	52,252,659.71
	67,363,764.33

Pursuant to Section 58(4), sentence 2, AktG [*Aktiengesetz* – German Public Companies Act], the claim to the dividend shall be due on the third business day following the resolution adopted by the Annual General Meeting.

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable interim reporting principles, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group during the remainder of the financial year.

Frankenthal, 13 August 2020

KSB Management SE

The Managing Directors

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CONCEPT AND DESIGN

KSB Communications, Frankenthal

Financial Calendar

12 November 2020

Interim report
January – September 2020

28 January 2021

Preliminary report on the
2020 financial year

25 March 2021

Financial press conference
Frankenthal, Germany

29 April 2021

Interim report
January – March 2021

06 May 2021

Annual General Meeting
Frankenthal, Germany



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