

KSB has subdued start to the year due to coronavirus

- Lockdown in multiple countries impacts business development
- Order intake, sales revenue and EBIT in decline due to coronavirus
- EBIT remains positive

FRANKENTHAL: The Frankenthal pump and valve manufacturer KSB is feeling the effects of the economic crisis caused by the coronavirus pandemic. Order intake in the first quarter was only slightly below expectations at € 588 million (previous year: € 669 million), as last year's first quarter was influenced by two major orders. However, the coronavirus crisis had a significant impact on sales revenue, which at € 518 million was € 17 million down on the comparative prior-year figure of € 535 million. The decline in sales revenue also resulted in a decrease in EBIT, although EBIT continues to remain positive.

“The economic crisis triggered by coronavirus has also affected KSB. While order intake was comparatively good, the first signs of weak performance have emerged in sales revenue and EBIT. In particular the government-ordered closures of our large factories in India, Pakistan, South Africa and Spain in the second half of March caught us unprepared, as did postponed service orders for planned maintenance,” says CEO Dr Stephan Timmermann.

All segments experience decline

All three segments – Pumps, Valves and Service – saw a decline in order intake and sales revenue. The largest percentage drop in order intake (-15.4 %) was experienced by the Pumps segment. In the Service segment, order intake fell by 6.9 % due to postponed maintenance orders and the sale of a service company in France. The Valves segment saw a decline of 2.8 %.

Sales revenue was 5.1 % down on the comparative prior-year period in the Pumps segment and 2.4 % down in the Valves segment. In the Service segment, sales revenue decreased by 0.2 %, which was in particular attributable to the sale of a French service company at the beginning of January 2020.

Americas positive, other Regions weaker

Regionally, North and South America are still posting growth in order intake, while all other Regions experienced declines. However, all Regions saw a decrease in sales revenue. In particular, government-ordered closures in Asia, South Africa and Europe had a negative impact.

Stable financial position

At the end of March, KSB had cash and cash equivalents amounting to € 309 million and additional undrawn credit lines of over € 300 million. As these are not subject to compliance with certain financial key indicators or to any ranking by rating companies, they secure our financial stability and flexibility.

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Reliable outlook difficult

As it is still unclear what effects the coronavirus pandemic will have on the global economy, it is currently impossible to make any reliable predictions regarding future business development.

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