

Annual General Meeting of KSB SE & Co. KGaA:

Very satisfied with the 2019 financial year Subdued start to 2020 due to coronavirus

- Order intake, sales revenue and EBIT in line with the forecast for 2019
- Climb 21 strategy project systematically aligns the company with markets
- Lockdown in multiple countries impacts business development

FRANKENTHAL: Frankenthal-based pump and valve manufacturer KSB presented a very positive picture of the 2019 financial year at its Annual General Meeting on 13 May 2020. Chaired by Dr Bernd Flohr, Chairman of the Supervisory Board, the Meeting was held virtually due to the coronavirus situation.

Order intake rose by € 150.2 million to € 2,453.8 million and sales revenue by € 137.2 million to € 2,383.2 million in the 2019 financial year. In addition, KSB significantly increased its operating earnings (EBIT) year on year to € 113.6 million. Adjusted for lease liabilities, which were recognised under IFRS 16 for the first time, the net financial position improved by € 38.4 million to € 293.4 million.

In view of this favourable earnings trend, the shareholders approved a higher dividend of € 8.50 for ordinary shares and € 8.76 for preference shares (up from € 3.00 and € 3.38 respectively in the previous year). “We are paying out around 35 percent to our shareholders. In the current situation this is also a clear signal that we believe in the company’s long-term earnings capacity,” CEO Dr Stephan Timmermann emphasised.

Stephan Timmermann provided in-depth information on the current status of the Climb 21 strategy project which is designed to consistently focus the company on growth markets in which sustainable returns can be generated. Pumps and Valves will continue to be independent segments. The Pumps segment will be subdivided in the six market segments of Mining, Energy, General Industry, Chemicals / Petrochemicals, Water / Waste Water and Building Services. The Valves segment will be organised under one

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management worldwide. “The groundwork and talks with the employee representatives have progressed well. We expect to work within the new organisation as from 1 June,” said Stephan Timmermann.

In the 2019 financial year, the company invested € 78.9 million in property, plant and equipment for modernisation and sustainability. The areas of focus were investments in the plants in Germany for the Water / Waste Water markets, in India for the Energy market and in the USA for the Mining market. A further € 15.2 million was invested primarily in the process of digitalising the company and its products.

The current 2020 financial year will see the impact of coronavirus. While order intake in the first quarter was only slightly below expectations at € 588 million, sales revenue was € 17 million down on the comparative prior-year figure and totalled € 518 million. The decline in sales revenue also resulted in a decrease in EBIT, although EBIT continues to remain positive. 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.

Within the scope of the elections to the Supervisory Board, the shareholders approved the extension of Arturo Esquinca’s mandate. Other changes had already taken effect at the beginning of the year: Harald Schöberl succeeded Alois Lautner, who had retired, as employee representative and René Klotz, Chairman of the General Works Council, was elected Deputy Chairman of the Supervisory Board.

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 sales revenue of nearly € 2.4 billion.

You will find more information in our online KSB Annual Report at <http://annualreport2019.ksb.com/>