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Quarterly Financial Report Third Quarter 2024

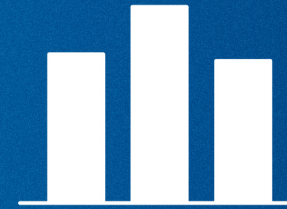
The Group in Figures

Order intake



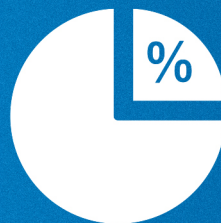
€ **2,384** million
€ +54.9 million

Sales revenue



€ **2,171** million
€ +57.6 million

EBIT



€ **188.8** million
€ +8.0 million

Employees



16,332 at 30 September 2024

Financial Report for the Third Quarter of 2024

KSB continues on its growth path

- Order intake, sales revenue and EBIT up on the previous year
- KSB SupremeServ Segment continues to drive this development
- Annual forecast confirmed

KSB continued its positive business development in the first nine months of 2024. The company again increased the key performance indicators of order intake, sales revenue and earnings before finance income / expense and income tax (EBIT) compared with the prior-year period.

Order intake

Order intake in the first nine months of the 2024 financial year amounted to € 2,383.8 million (previous year: € 2,329.0 million). The € 54.9 million year-on-year increase was largely attributable to the positive development of order intake in the KSB SupremeServ Segment.

Pumps

The order intake of € 1,259.4 million (previous year: € 1,254.2 million) in the Pumps Segment was up by € 5.2 million, or 0.4 %, on the first three quarters of 2023. Order intake totalling € 253.9 million (previous year: € 251.0 million) in the Mining and Energy operating segments, which include the project business in particular, was 1.2 % higher compared with the prior-year period. In addition to an important major order from the Region Asia / Pacific, the increase in the Energy oper-

ating segment is due in particular to marked growth in the Regions Europe and Americas.

This development offset the decline in the Mining operating segment as compared with the prior-year period that was characterised by major orders. The Standard Markets operating segment achieved order intake of € 1,005.5 million (previous year: € 1,003.2 million). The Region Europe contributed the largest share of order intake of the Pumps Segment with € 582.9 million (previous year: € 576.5 million), followed by the Region Asia / Pacific with € 390.2 million (previous year: € 397.5 million) and the Regions Americas and Middle East / Africa / Russia, each with lower contributions in absolute terms. The Region Middle East / Africa / Russia achieved the strongest growth rate.

Valves

The Valves Segment's order intake rose by € 5.7 million to € 319.6 million (previous year: € 313.9 million), which corresponds to an increase of 1.8 %. This was attributable to positive development in the petrochemical / chemical business.

At € 178.5 million (previous year: € 186.5 million), the Region Europe accounted for the largest share of order intake in the Valves Segment. The next-largest contributions amounted to € 105.8 million (previous year: € 95.9 million) from the Region Asia / Pacific, followed by the Region Americas and the Region Middle

East / Africa / Russia. The strongest growth rate was achieved in the Region Middle East / Africa / Russia.

KSB SupremeServ

Order intake in the KSB SupremeServ Segment, which covers all service and spare parts activities, rose substantially by € 43.9 million, or 5.8 %, to € 804.8 million (previous year: € 760.9 million). This is attributable to increased pump spare parts sales in the energy and the mining business, among other things. In the KSB SupremeServ Segment, too, the Region Europe made the greatest contribution to order intake with € 376.9 million (previous year: € 358.5 million), followed by the Region Americas with € 249.1 million (previous year: € 225.7 million) and Region Asia / Pacific as well as Region Middle East / Africa / Russia. The highest growth rate was reported in the Region Americas.

Overall, Europe again accounted for the largest business volume by far of all the Group's Regions. Order intake in this Region rose slightly by 1.5 % and amounts to € 1,138.4 million (previous year: € 1,121.6 million). The Region Asia / Pacific increased its order intake by 1.1 % to € 639.2 million (previous year: € 632.1 million). Order intake in the Region Americas was increased by € 25.1 million year on year to € 473.6 million (previous year: € 448.4 million). This corresponds to an increase of 5.6 % and thus the highest percentage growth rate. Order intake in the Region Middle East / Africa / Russia rose by 4.6 % to € 132.7 million (previous year: € 126.9 million).

Sales revenue

Consolidated sales revenue, which follows order intake with a time lag, rose by € 57.6 million, or 2.7 %, to € 2,171.4 million (previous year: € 2,113.8 million). The Valves and KSB SupremeServ Segments contributed to the increase, while the Pumps Segment remained stable compared with the prior-year period.

Pumps

Sales revenue in the Pumps Segment remained stable at € -3.5 million, or -0.3 %, and amounts to € 1,134.3 million (previous year: € 1,137.9 million). At € 921.1 million (previous year: € 936.1 million), sales revenue in the Standard Markets operating segment fell slightly (-1.6 %). While sales revenue in the Petrochemicals / Chemicals Market Area rose, a decline was recorded in the other Market Areas as compared with the prior-year period that was characterised by major orders. The Mining and Energy operating segments recorded a rise of € 11.4 million to € 213.2 million (previous year: € 201.8 million). In the Mining Market Area, the positive development of business in the Region Americas offset the decline in the strong volume of sales revenue from projects in the Region Asia / Pacific in the previous year. Overall, sales revenue in the Mining Market Area remained stable with a change of € -0.5 million. At the same time, the Energy Market Area reported a strong increase of € 11.9 million. This is largely attributable to a rise in the number of deliveries for power plant projects in the Region Asia / Pacific.

The Region Europe contributed the largest share of sales revenue in the Pumps Segment with € 547.6 million (previous year: € 580.6 million), followed by the Region Asia / Pacific with € 333.8 million (previous year: € 315.6 million) and the Regions Americas and Middle East / Africa / Russia, each with lower contributions in absolute terms. The Region Americas achieved the highest growth rate.

Valves

The Valves Segment increased its sales revenue to € 295.5 million (previous year: € 273.0 million) and thus achieved growth of € 22.5 million or 8.2 %.

At € 173.8 million (previous year: € 157.3 million), the Region Europe accounted for the largest share of sales revenue in the Valves Segment. The next-largest contributions amounted to € 94.0 million (previous year: € 88.5 million) from the Region Asia / Pacific, followed by the Region Americas and the Region Middle East / Africa / Russia. The Region Europe contributed most to the growth in the Valves Segment.

KSB SupremeServ

Sales revenue in the KSB SupremeServ Segment rose by € 38.7 million or 5.5 % to € 741.6 million (previous year: € 702.9 million). The pumps spare parts business made the greatest contribution here, especially in energy and mining. With € 347.0 million (previous year: € 339.8 million), the Region Europe also contributed the greatest share of sales revenue in the KSB SupremeServ Segment, followed by the Region Americas with € 226.6 million (previous year: € 215.6 million), the Region Asia / Pacific and the Region Middle East / Africa / Russia. The strongest growth rate was achieved in the Region Asia / Pacific.

As is the case with order intake, Europe also continues to account for by far the largest share of all sales revenue of all the Group's Regions. Sales revenue in the Region Europe totalled € 1,068.4 million (previous year: € 1,077.7 million). This corresponds to a stable development (-0.9 %) compared with the previous year. The Region Asia / Pacific increased sales revenue by € 42.6 million, or 8.2 %, year on year to € 559.3 million (previous year: € 516.7 million). Sales revenue also developed positively in the Region Americas with

€ 424.8 million (previous year: € 398.8 million.), while it stagnated in the Region Middle East / Africa / Russia at € 118.9 million (previous year: € 120.6 million).

Earnings before finance income / expense and income tax (EBIT)

EBIT increased by € 8.0 million compared with the previous year, from € 180.9 million to € 188.8 million. While EBIT was positively influenced in the previous year by insurance compensation of € 10.2 million for the hail damage incurred at the French plant in La Roche-Chalais in 2022, it was burdened this year by costs in the amount of € 7.5 million for the introduction of the SAP S/4HANA software. In contrast, the increase in the first three quarters of 2024 is mainly due to the higher revenues in the KSB SupremeServ Segment and the better margins in the Valves Segment. At € 150.4 million (previous year: € 143.8 million), the KSB SupremeServ Segment made the strongest contribution to EBIT. The Pumps Segment contributed EBIT of € 36.5 million (previous year: € 37.0 million) and the Valves Segment € 1.9 million (previous year: € 0.1 million). Insurance compensation of € 10.2 million impacted on the Valves Segment in the previous year in the amount of € 9.2 million. Adjusted for this insurance compensation, the operating earnings of the Valves Segment were increased by € 11.0 million compared with the previous year.

Summary of Key Performance Indicators

		Q1 to Q3 2024	Q1 to Q3 2023	Change in %	Change in absolute terms
Business development and earnings					
Order intake	€ millions	2,383.8	2,329.0	2.4	54.9
Sales revenue	€ millions	2,171.4	2,113.8	2.7	57.6
Earnings before finance income / expense and tax (EBIT)	€ millions	188.8	180.9	5.5	9.8
Earnings before finance income / expense, income tax, depreciation and amortisation (EBITDA)	€ millions	257.5	245.8	4.8	11.8
Free cash flow (cash flows from operating activities + cash flows from investing activities)	€ millions	80.9	117.9	-31.3	-36.9
Profitability					
EBIT margin (sales revenue in relation to EBIT)	in %	8.7	8.6	–	0.0
Employees					
Number of employees		16,332	16,025	1.9	307.0

Free cash flow

Free cash flow was reduced from € 117.9 million in the comparative prior-year period to € 80.9 million in the third quarter of 2024. Cash flows from investing activities, which increased from € 55.0 million to € 97.9 million, contributed significantly to this decline. This is mainly attributable to higher investments in property, plant and equipment. 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, increased from € 324.9 million as at 31 December 2023 to € 336.0 million.

Outlook

In the 2024 financial year, a non-operating burden on earnings in the lower two-digit million range will be incurred for the planned replacement of the current SAP company software solution with SAP S/4HANA over the next three years. The introduction had a negative impact on EBIT in the first nine months of the year, with external costs of € 7.5 million. KSB views the replacement of the current software as a great opportunity to align the business processes even more strongly with the new Mission TEN30 corporate strategy (increasing the EBIT margin to more than 10 % by 2030). In addition, the new version offers the advantages of faster participation in SAP's innovation cycles as well as quicker integration of new companies.

The following projections for the Group's key financial performance indicators for the 2024 financial year were made in the 2023 Annual Report:

- Order intake: € 2,800 million to € 3,150 million (Actual previous year: € 2,959.5 million)
- Sales revenue: € 2,700 million to € 3,050 million (Actual previous year: € 2,819.0 million)
- EBIT: € 210 million to € 245 million (Actual previous year: € 223.9 million)

KSB expects the key indicators of order intake, sales revenue and EBIT to be in the upper half of the forecast published for the 2024 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 opportunities or risks and uncertainties should materialise, or if the assumptions underlying the statements prove to be inaccurate.

Information and Publication

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

The quarterly financial report is published on the [ksb.com](https://www.ksb.com) web site.

Financial Calendar

30 January 2025

Preliminary report on the
2024 financial year

27 March 2025

Full report on the 2024 financial year
Financial press conference

6 May 2025

Quarterly financial report
January – March 2025

8 May 2025

Annual General Meeting

30 July 2025

Half-year financial report
January – June 2025

11 November 2025

Quarterly financial report
January – September 2025

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the KSB Group at: [ksb.com](https://www.ksb.com)

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