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# Half-year Financial Report 2024

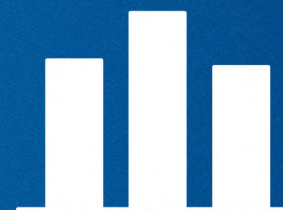
## Group Key Figures

### Order intake



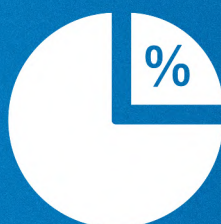
€ **1,645** million  
€ +36.0 million

### Sales revenue



€ **1,439** million  
€ +51.9 million

### EBIT



€ **116.3** million  
€ +4.2 million

### Employees



**16,282** at 30 June 2024

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# 1

# Interim Group Management Report

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# Interim Group Management Report for the Six Months Ended 30 June 2024

## Basic Principles of the Group

The basic business model of the KSB Group (hereinafter also referred to as “KSB” or the “Group”) has not changed compared with the presentation in the 2023 consolidated financial statements. External economic and political changes, however, have had a partial effect on business. These are – where relevant and material to KSB – described in the following sections.

KSB takes management decisions primarily on the basis of the key performance indicators – order intake, external sales revenue and earnings before finance income / expense and taxes (EBIT) – determined for the Pumps, Valves and KSB SupremeServ reporting segments (hereinafter also referred to as “Segments”).

## Macroeconomic Environment and Sector View

The outlook for global economic development in the current year has improved. Inflation has also continued to decline, albeit most recently at a slower pace than previously expected. This is attributable to an above-average increase in prices in the services sector, while the decrease in inflation was more pronounced in the manufacturing sector. The global economy’s resilience was facilitated by higher than expected public expenditure and households’ robust consumer spending. However, the global perspective masks the disparate development in individual regions.

Overall, the risks for the forecast on global economic development are balanced. The biggest risks include geopolitical tensions and conflicts, which can lead to renewed price peaks on the commodities markets and a deterioration of the business climate and consumer confidence. These include the war in Ukraine and in Gaza as well as the increase in geopolitical fragmentation with additional barriers to trade.

In the latest estimate of the International Monetary Fund (IMF) of July 2024, the global average growth forecast for the current year was raised slightly compared with the start of the year. Global economic output is anticipated to grow by 3.2 %. Global inflation is easing and is expected to decrease further by the end of the year. The IMF has slightly raised its economic growth forecast for the economically advanced countries to 1.7 % and expects a decline in inflation in these countries.

In the USA, stronger than expected growth momentum at the end of the previous year and the start of this year led the forecast to be slightly increased to 2.6 %.

Europe continues to see an overall economic recovery. Expected growth in the euro zone is estimated at 0.9 %, which is in line with the forecast at the start of the year.

In China, one of KSB’s most important markets, growth is expected to slow down only slightly to 5 % despite the sustained decline in the property sector. A marked rise in private consumer spending and strong exports have most recently led to a significant increase in the forecast.

The economy in India, another important market for KSB, will grow at a slower pace following strong growth in the previous year. Nonetheless, the forecast was most recently raised to 7.0 %. High public investments, especially in infrastructure, and improved prospects for private consumer spending, especially in rural areas, support the economy.

The economy of the ASEAN countries is expected to grow by 4.5 %, which is slightly below expectations at the beginning of the year. However, this represents a moderate improvement compared with the previous year.

In Brazil, where KSB has a strong market position, growth is slowing down due to budget consolidation, the continued tight monetary policy and a lower contribution of the agriculture industry in the previous year. Despite this, the current forecast for the year was increased to 2.1 %.

Growth in the countries in the Middle East region is estimated at 2.4 %. Although the forecast is higher than the prior-year figure, it falls short of expectations at the start of the year. Cuts to oil production by the oil-exporting countries and the risks arising from the conflict in Gaza, together with subdued activity in the private sector with persistently high inflation, is hampering growth.

At 3.7 %, the Sub-Saharan countries are expected to accelerate their growth compared with the previous year.

### Stagnation in mechanical engineering

Demand for capital goods and for machinery and equipment is stagnating due to persistently high interest rates and the continued weakness of the manufacturing sector.

The German Mechanical Engineering Industry Association (VDMA) is forecasting a stagnation in global real sales revenue in mechanical engineering. Despite capital goods schemes, sales revenue adjusted for inflation is expected to decline again in the USA and the euro zone.

Sales revenue of mechanical engineering companies producing in Germany, unadjusted for inflation, fell by 3.5 % in the reporting period compared with the prior-year period. The order intake unadjusted for inflation declined by 9.5 % in the same period.

Order volumes (unadjusted for inflation) of liquid pumps produced in Germany declined by 8.7 % compared with the prior-year period. The order intake for industrial valves showed an increase of 2.2 %. The order intake for building services valves declined slightly by 0.3 %.

### Performance of key markets

The slowdown in economic growth worldwide was initially reflected in the industrial sector two years ago, as a result of high interest rates and energy prices. However, this sector is anticipated to outperform the economy as a whole in the current year. While industrial production is expected to increase on average, growth differs considerably at a regional level. These differences are also reflected in the individual sales markets for pumps and valves, which are developing at different levels of intensity and with varying time lags.

Key sales markets for KSB continue to be general industry and the water and waste water sector.

In general industry, growth in machinery and equipment production as well as in metal processing, adjusted for inflation, was once again subdued following a weak previous year. This is attributable to persistently high financing costs and weaker demand for capital goods. Expectations for the further course of the year were already revised downwards compared with the start of the year. Growth in vehicle construction is slowing down following a significant upturn in the previous year. Stable growth is expected in the course of the year for the pharmaceutical industry. In the consumer goods industry, a noticeable recovery is anticipated compared with the previous year.

Investments in water and waste water management are less sensitive to cyclical fluctuations compared with other sectors. State-subsidised infrastructure programmes in numerous countries, as well as tighter environmental regulation and market requirements for energy efficiency and digitalisation, ensure the continued robust growth of these investments.

Following a sharp increase in investments in energy generation in the previous year, particularly in renewable energy generation and storage technologies, growth is slowing down overall in the current year. While the volume of investment in energy generation from fossil fuels is declining, a positive trend can be seen in investments in nuclear power in the current year. This is triggered by service life extensions and the creation of new capacities.

Investments in crude oil and gas production are also likely to rise further this year. Demand for fossil fuels remains robust, despite decarbonisation strategies. The regional focus of investment is the Middle East and Asia. In addition to capacity expansion, investments also include the transition to clean energy through carbon storage

and utilisation as well as hydrogen. The expansion of the liquefied natural gas (LNG) infrastructure will continue this year, albeit at a slower pace than in the previous year. While refinery capacity utilisation is rising slightly this year, investments are like to remain below the prior-year level. The chemical industry remains on a growth trajectory. Momentum in China, which is the key regional driver, is anticipated to ease. Production in Europe is expected to increase slightly, following the downturn in the previous year.

The construction industry worldwide continues to develop at a slow pace, due to the high level of interest rates, and expectations are conservative across the regions. Civil engineering continues to be affected the least by this development, boosted by the infrastructure subsidy schemes in many countries. In contrast, momentum is weakest in residential construction.

The mining of metals is rising only slowly, in line with overall economic performance. Despite the slowdown in economic growth in China, the country remains an important driver for demand. The mining sector is being increasingly shaped by the focus on sustainability and promotion of decarbonisation technologies, as well as by geopolitical strategies of individual countries. This is evident, for instance, in the stronger increase in the production of nickel, lithium and other minerals used for producing green technologies. Following the previous year's renewed increase in coal mining, a decline is expected for the current year. Oil sands production rose significantly in the reporting period.

## Business Development and Results of Operations

Despite all the global economic uncertainties, KSB achieved significant growth in sales revenue and earnings before finance income / expense and taxes (EBIT) in the first half of 2024. Order intake saw a slight increase.

Order intake increased slightly overall compared with the prior-year period. While growth was achieved in the Energy operating segment, the Standard Markets operating segment reported a decline in the Petrochemicals / Chemicals, General Industry and Building Services Market Areas. This is largely attributable to cyclical influences.

Sales revenue increased considerably in the first six months compared with the prior-year period.

The Group further increased its profitability year on year and generated a very good return on sales, as it had done in the first half of 2023.

KSB continues to benefit from its broad positioning across several Market Areas and Regions, so that declines on the one hand can be offset by strength on the other.

### Order intake

Order intake in the first six months of the 2024 financial year amounted to €1,644.7 million (previous year: €1,608.7 million). The €36.0 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 €869.1 million (previous year: €875.5 million) in the Pumps Segment was down €6.3 million or 0.7% on the first half of 2023. Order intake totalling €192.0 million (previous year: €173.1 million) in the Mining and Energy operating segments, which include the project business in particular, was 10.9% higher compared with the prior-year period. The increase in the Energy operating segment is due in particular to an important major order from the Region Asia / Pacific. This development more than 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 €677.1 million (previous year: €702.4 million). This equates to a decline of 3.6%. The economic downturn in the Region Asia / Pacific, in particular, contributed to this development. The Region Europe contributed the largest share of order intake of the Pumps Segment with €398.2 million (previous year: €408.6 million), followed by the Region Asia / Pacific with €277.8 million (previous year: €269.7 million) and the Regions Americas and Middle East / Africa / Russia, each with lower contributions in absolute terms. The Region Asia / Pacific / Russia achieved the strongest growth rate.

### Valves

The Valves Segment achieved a €5.4 million increase in order intake to €226.1 million (previous year: €220.7 million) and therefore growth of 2.5%. The main drivers were higher order intake levels, including major projects in the petrochemical / chemical business, as opposed to a decline in the energy business. At €128.8 million (previous year: €130.9 million), the Region Europe accounted for the largest share of order intake of the Valves Segment. The next-largest contributions amounted to €73.6 million (previous year: €68.8 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 €37.0 million, or 7.2%, to €549.5 million (previous year: €512.5 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 €256.1 million (previous year: €246.2 million), followed by the Region Americas with €172.9 million (previous year: €148.6 million) and the Regions Asia / Pacific and Middle East / Africa / Russia. The highest growth rate was reported in the Region Americas,

### Segment reporting

€ millions	Order intake		Sales revenue		EBIT	
	Six months ended	Six months ended	Six months ended	Six months ended	Six months ended	Six months ended
	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Pumps Segment	869.1	875.5	753.7	745.6	17.6	19.2
Valves Segment	226.1	220.7	193.4	183.9	-0.3	4.4
KSB SupremeServ Segment	549.5	512.5	491.4	457.1	99.0	88.6
<b>Total</b>	<b>1,644.7</b>	<b>1,608.7</b>	<b>1,438.5</b>	<b>1,386.6</b>	<b>116.3</b>	<b>112.1</b>

Overall, Europe again accounted for the largest business volume by far of all the Group's Regions. Order intake in this Region remained stable at – 0.3 % or € 783.1 million (previous year: € 785.7 million). The Region Asia / Pacific increased its order intake to € 449.7 million (previous year: € 431.5 million or 4.2 %). Order intake in the Region Americas was increased by € 15.9 million year on year to € 323.4 million (previous year: € 307.5 million). This corresponds to an increase of 5.2 %. Order intake in the Region Middle East / Africa / Russia had the highest percentage growth rate of 5.4 %, rising to € 88.5 million (previous year: € 84.0 million).

### Sales revenue

Consolidated sales revenue, which follows order intake with a time lag, rose by € 51.9 million or 3.7 % to € 1,438.5 million (previous year: € 1,386.6 million). All Segments contributed to this increase.

### Pumps

Sales revenue in the Pumps Segment rose slightly by € 8.1 million or 1.1 % to € 753.7 million (previous year: € 745.6 million). Sales revenue in the Standard Markets operating segment remained virtually stable (– 0.7 %) at € 610.1 million (previous year: € 614.4 million).

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 € 12.5 million to € 143.7 million (previous year: € 131.2 million). A strong volume of sales revenue from projects in the Region Asia / Pacific in the previous year entailed a decline of € 2.1 million in the Mining Market Area. At the same time, the Energy Market Area reported a strong increase of € 14.6 million. This is largely attributable to growth in Europe owing to deliveries to the strong global power plant market and the expansion of business in the growing Asian power plant market. The Region Europe contributed the largest share of sales revenue of the Pumps Segment with € 371.8 million (previous year: € 386.7 million), followed by the Region Asia / Pacific with € 221.0 million (previous year: € 202.5 million) and the Regions Americas and Middle East / Africa / Russia with lower contributions in absolute terms. The Region Asia / Pacific achieved the highest growth rate.

### Valves

The Valves Segment increased its sales revenue to € 193.4 million (previous year: € 183.9 million) and thus achieved growth of € 9.5 million or 5.1 %.

At € 112.8 million (previous year: € 106.7 million), the Region Europe accounted for the largest share of sales revenue in the Valves Segment. The next-largest contributions amounted to € 61.3 million (previous year: € 59.1 million) from the Region Asia / Pacific, followed by the Region Americas and the Region Middle East / Africa / Russia. In relative terms, the Region Middle East / Africa / Russia contributed most to this growth.

### KSB SupremeServ

Sales revenue in the KSB SupremeServ Segment rose by € 34.3 million or 7.5 % to € 491.4 million (previous year: € 457.1 million). The pumps spare parts business made the greatest contribution here, especially in energy and mining. With € 226.9 million (previous year: € 218.7 million), the Region Europe also contributed the greatest share of sales revenue in the KSB SupremeServ Segment, followed by the Region Americas with € 156.1 million (previous year: € 142.0 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 € 711.5 million (previous year: € 712.1 million). This corresponds to a stable development (– 0.1 %) compared with the previous year. The Region Asia / Pacific increased sales revenue by € 30.2 million, or 9.0 %, year on year to € 365.4 million (previous year: € 335.3 million). Sales revenue also developed positively in the Region Americas with € 285.4 million (previous year: € 262.6 million), while it stagnated in the Region Middle East / Africa / Russia at € 76.1 million (previous year: € 76.7 million).



## Income statement

€ millions	Six months ended 30 June 2024	Six months ended 30 June 2023	Percentage change
<b>Sales revenue</b>	<b>1,438.5</b>	<b>1,386.6</b>	<b>3.7</b>
Changes in inventories	27.5	45.3	39.3
Work performed and capitalised	1.2	1.0	27.1
<b>Total output of operations</b>	<b>1,467.2</b>	<b>1,432.8</b>	<b>2.4</b>
Other income	19.9	23.3	14.5
Cost of materials	-590.0	-599.3	1.5
Staff costs	-513.5	-481.7	6.6
Depreciation and amortisation	-45.6	-43.0	5.9
Other expenses	-221.8	-220.1	0.8
<b>Earnings before finance income / expense and income tax (EBIT)</b>	<b>116.3</b>	<b>112.1</b>	<b>3.7</b>
Finance income	6.3	4.0	56.4
Finance expense	-17.2	-13.3	29.4
Income from / expense to investments accounted for using the equity method	3.4	2.1	64.8
<b>Finance income / expense</b>	<b>-7.5</b>	<b>-7.2</b>	<b>4.3</b>
<b>Earnings before income tax (EBT)</b>	<b>108.8</b>	<b>104.9</b>	<b>3.7</b>
Taxes on income	-38.4	-30.8	24.8
<b>Earnings after income tax</b>	<b>70.4</b>	<b>74.1</b>	<b>5.1</b>
Attributable to:			
Non-controlling interests	12.1	12.1	0.3
<b>Shareholders of KSB SE &amp; Co. KGaA</b>	<b>58.2</b>	<b>62.0</b>	<b>6.1</b>
Diluted and basic earnings per ordinary share (€)	33.13	35.30	6.1
Diluted and basic earnings per preference share (€)	33.39	35.56	6.1

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

EBIT increased by € 4.2 million compared with the previous year, from € 112.1 million to € 116.3 million. In the previous year, EBIT was positively influenced by insurance compensation of € 10.2 million for the hail damage incurred at the French plant in La Roche-Chalais in 2022. In contrast, the increase in the first half of 2024 is mainly due to the higher revenues in the KSB SupremeServ Segment and the better margins in the Valves Segment. At € 99.0 million (previous year: € 88.6 million), the KSB SupremeServ Segment made the strongest contribution to EBIT. The Pumps Segment contributed EBIT of € 17.6 million (previous year: € 19.2 million) and the Valves Segment € - 0.4 million (previous year: € 4.4 million). Insurance compensation of € 10.2 million impacted on the Valves Segment in the previous year in the amount of € 9.2 million. This increases the operating earnings of the Valves Segment by € 4.5 million compared with the previous year.

**Total output of operations**

At € 1,467.2 million, total output of operations was € 34.4 million or 2.4 % higher than the prior-year figure of € 1,432.8 million. This increase was largely supported by sales revenue, which increased by € 51.9 million or 3.6 % from € 1,386.6 million to € 1,438.5 million, while changes in inventories fell by € 17.8 million, from € 45.3 million to € 27.5 million.

**Income and expenses**

Despite the increase in total output of operations, the cost of materials declined by € 9.3 million to a total of € 590.0 million compared with the first six months of the previous year; as a percentage of total output of operations, it fell from 41.8 % in the prior-year period to 40.2 %.

Staff costs increased from € 481.7 million to € 513.5 million, with staff costs as a percentage of total output of operations rising by 1.4 percentage points to 35.0 % compared with the prior-year period. The number of employees increased from 16,038 to 16,282 compared with the 2023 year-end figure. The average headcount rose from 15,854 to 16,211 compared with the same period of the previous year.

Other expenses remained at the level of the comparative prior-year period. Lower warranty costs were largely balanced by higher expenses for third-party services and repairs and maintenance.

### Earnings

Earnings before income tax (EBT) increased in line with the EBIT performance, from € 104.9 million to € 108.8 million year on year. Finance income / expense remained virtually stable compared with the prior-year period. Taxes on income rose from € 30.8 million to € 38.4 million.

The income tax rate in the first half of 2024 is 35.3 %, after 29.3 % in the comparative prior-year period. This is attributable to inflation adjustments that are not tax-deductible as well as adjustments made resulting from a current tax audit.

Earnings after income tax declined by € 3.8 million from € 74.1 million in the previous year to € 70.4 million, due to higher tax obligations. As in the previous year, earnings attributable to non-controlling interests amounted to € 12.1 million in absolute terms. Earnings attributable to shareholders of KSB SE & Co. KGaA (€ 58.2 million) were € 3.8 million lower than in the previous year (€ 62.0 million).

Earnings per ordinary share were € 33.13, compared with € 35.30 in the previous year, and € 33.39 per preference share, compared with € 35.56 in the first half of 2023.

## Financial Position and Net Assets

### Liquidity

#### Statement of Cash Flows

€ millions	Six months ended 30 June 2024	Six months ended 30 June 2023	Percentage change
Earnings after income tax	70.4	74.1	5.1
Taxes on income	38.4	30.8	24.8
Finance income / expense	10.9	9.3	17.7
Depreciation and amortisation	45.6	43.0	5.9
Gain / loss on disposal of intangible assets and property, plant and equipment	-0.3	-0.8	65.9
Change in working capital	-42.5	-63.6	33.2
Change in other assets and liabilities as well as provisions	-19.0	-6.3	204.7
Income tax paid	-25.6	-31.5	18.9
Interest received	5.6	2.8	100.4
<b>Cash flows from operating activities</b>	<b>83.5</b>	<b>57.8</b>	<b>44.4</b>
Payments to acquire intangible assets and property, plant and equipment	-54.9	-43.2	27.2
Change in deposits	-10.5	6.4	263.2
Change in the other items from investing activities	0.5	2.7	80.9
<b>Cash flows from investing activities</b>	<b>-64.9</b>	<b>-34.0</b>	<b>90.8</b>
Dividends paid	-59.6	-38.9	53.1
Change in financial liabilities (including lease liabilities)	-10.0	-10.0	0.1
Interest paid	-1.9	-1.8	2.5
<b>Cash flows from financing activities</b>	<b>-71.4</b>	<b>-50.7</b>	<b>40.9</b>
Changes in cash and cash equivalents	-52.8	-26.9	96.2
Effects of exchange rate changes on cash and cash equivalents	1.7	-2.1	184.2
Effects of changes in consolidated Group	-	0.3	100.0
Cash and cash equivalents at beginning of period	340.4	228.6	48.9
<b>Cash and cash equivalents at end of period</b>	<b>289.3</b>	<b>199.9</b>	<b>44.7</b>

Cash flows from operating activities amounted to € 83.5 million (previous year: € 57.8 million). In addition to good earnings after income tax of € 70.4 million, the outflow of funds from working capital, in particular, which was € 21.1 million lower compared with the previous year, contributed to the improvement. Overall, € 42.5 million (previous year: € 63.6 million) in cash and cash equivalents were used to further increase the working capital.

Cash flows from investing activities came to € -64.9 million (comparative prior-year period: € -34.0 million) and mainly included payments for investments of € -54.9 million (previous year: € -43.2 million) and a higher outflow for cash investments (€ -17.8 million).

Cash flows from financing activities of € -71.4 million (previous year: € -50.7 million) increased substantially year on year in the reporting period. This was attributable to a € 11.4 million higher dividend payment to the shareholders of KSB SE & Co. KGaA and a € 9.3 million higher dividend payment to the holders of non-controlling interests.

Cash and cash equivalents from all cash flows decreased from € 340.4 million as at 31 December 2023 to € 289.3 million. Exchange rate effects amounting to € 1.7 million (previous year: € -2.1 million) contributed to this. From the current perspective, the KSB Group's finance management continues to assume that it will meet the goal of ensuring liquidity without any additional financing measures.

### Investments

Investments in the first half of 2024 amounted to € 53.3 million, € 7.6 million higher year on year. Investments were made above all in Europe – in particular in Germany, France and the Netherlands. Outside of Europe, the focus of investments was on India, the USA and China. These investments comprise primarily investments in the expansion of production capacities and productivity enhancement.

### 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 € 324.9 million as at 31 December 2023 to € 279.4 million. Cash flows from operating activities of € 83.5 million compared with payments for investments of € 54.9 million and dividend payments of € 59.6 million.

### Net assets

Non-current assets of € 857.2 million increased by € 4.9 million compared with the level as at 31 December 2023 (€ 852.3 million).

Property, plant and equipment increased by € 9.4 million. This mainly covered technical equipment and machinery (€ 8.7 million). Property, plant and equipment have remained stable compared with 31 December 2023. Deferred tax assets declined by € 11.7 million, from € 94.0 million in the previous year to € 82.3 million in the reporting period.

At € 784.0 million, inventories were up € 35.6 million on the 2023 year-end level. The increase was primarily attributable to the high level of orders on hand.

The € 4.1 million increase in contract assets to € 63.1 million is primarily attributable to the fact that the level of completion of customer orders increased by € 8.9 million, while the advance payments received from customers for contract assets rose by only € 4.7 million.

Trade receivables increased by € 34.2 million to € 588.8 million compared with the comparatively low level as at 31 December 2023.

Other current non-financial assets rose from € 44.3 million in the previous year to € 66.9 million, above all due to prepaid expenses that were up € 14.4 million.

Cash and cash equivalents account for around 11% of assets, totalling € 289.3 million (previous year: € 340.4 million).

Totals assets amounted to € 2,725.9 million as at 30 June 2024, representing an increase of € 56.1 million or 2.1% compared with the 2023 year-end figure. This change resulted primarily from higher inventories (€ 35.6 million) and other non-financial assets (€ 22.6 million), while cash and cash equivalents declined by € 51.1 million.

<b>Assets</b>			
<b>€ millions</b>	<b>30 June 2024</b>	<b>31 Dec. 2023</b>	<b>Percentage change</b>
<b>Non-current assets</b>			
Intangible assets	76.0	75.7	0.4
Right-of-use assets	49.8	46.9	6.1
Property, plant and equipment	611.5	602.2	1.6
Non-current financial assets	2.0	1.2	65.2
Other non-financial assets	8.1	7.7	4.3
Investments accounted for using the equity method	27.5	24.5	12.4
Deferred tax assets	82.3	94.0	12.5
	<b>857.2</b>	<b>852.3</b>	<b>0.6</b>
<b>Current assets</b>			
Inventories	784.0	748.4	4.8
Contract assets	63.1	59.0	7.1
Trade receivables	588.8	554.6	6.2
Other financial assets	76.5	70.9	7.9
Other non-financial assets	66.9	44.3	51.1
Cash and cash equivalents	289.3	340.4	15.0
	<b>1,868.7</b>	<b>1,817.5</b>	<b>2.8</b>
	<b>2,725.9</b>	<b>2,669.8</b>	<b>2.1</b>

## Equity and Liabilities

€ millions	30 June 2024	31 Dec. 2023	Percentage change
<b>Equity</b>			
Subscribed capital	44.8	44.8	-
Capital reserve	66.7	66.7	-
Revenue reserves	926.6	889.0	4.2
Equity attributable to shareholders of KSB SE & Co. KGaA	1,038.0	1,000.4	3.8
Non-controlling interests	220.4	216.5	1.8
	<b>1,258.4</b>	<b>1,216.9</b>	<b>3.4</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	10.0	9.9	1.1
Provisions for pensions and similar obligations	472.5	496.1	4.8
Other provisions	15.3	15.7	2.4
Financial liabilities	31.0	29.0	7.2
	<b>528.8</b>	<b>550.6</b>	<b>4.0</b>
<b>Current liabilities</b>			
Other provisions	117.2	120.8	3.0
Financial liabilities	26.2	26.1	0.5
Contract liabilities	221.6	202.6	9.4
Trade payables	322.7	324.7	0.6
Other financial liabilities	34.1	27.7	23.1
Other non-financial liabilities	185.3	181.8	1.9
Income tax liabilities	31.6	18.6	69.7
	<b>938.7</b>	<b>902.3</b>	<b>4.0</b>
	<b>2,725.9</b>	<b>2,669.8</b>	<b>2.1</b>

## Equity

KSB Group equity increased from €1,216.9 million (31 December 2023) to €1,258.4 million. €37.6 million of this €41.5 million increase was attributable to the shareholders of KSB SE & Co. KGaA, while the share attributable to non-controlling interests increased by only €4.0 million. The main factor was earnings after income tax of €70.4 million.

However, negative currency translation differences of €15.1 million and €24.9 million in actuarial losses impacted the remeasurement of defined benefit plans in other comprehensive income.

Furthermore, dividend payments of €59.6 million reduced equity. The equity ratio increased from 45.6 % on 31 December 2023 to 46.2 % as at the reporting date.

## Liabilities

Liabilities rose from €1,452.9 million at the end of the previous year to €1,467.5 million. This change (€16.6 million or 1.0 %) is mainly attributable to a €19.0 million increase in contract liabilities and a €13.0 million rise in income tax liabilities, while the pension obligations declined by €23.6 million due to higher interest rates.

## Report on Expected Developments

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 half of the year, with external costs of € 2.3 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
- Sales revenue: € 2,700 million to € 3,050 million
- EBIT: € 210 million to € 245 million

KSB confirms the forecast for order intake, sales revenue and EBIT for the Group as a whole. EBIT already includes the costs for introducing SAP S/4HANA.

KSB also confirms the EBIT projection made for the Valves and KSB SupremeServ Segments in the 2023 Annual Report. EBIT in the Pumps Segment will not increase noticeably, as expected. EBIT in the Standard Markets operating segment will fall slightly, especially due to the weak economy in this segment.

The Group confirms the forecasts made in the 2023 Annual Report for the key performance indicators of order intake and sales revenue for the Pumps, Valves and KSB SupremeServ Segments.

## 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 2023 Annual Report. The overall risk situation for KSB has eased somewhat compared with this presentation. The risks resulting from legal constraints or restrictions related to products, such as RoHS (Restriction of Certain Hazardous Substances), which were classified as material at the end of the previous year, were considered lower in the current financial year due to the assumption of reduced and gradual penalties in the most likely case. The legal representative continues to state that at the present time, according to the analysis of the KSB Group's overall risk position and risk-bearing capacity, no threat has been identified to the business continuity of the KSB Group.

## Audit Review

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

## 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 on the [ksb.com](https://www.ksb.com) web site.

# 2

# Interim Consolidated Financial Statements

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# Balance Sheet

<b>Assets</b>			
<b>€ millions</b>	<b>Notes</b>	<b>30 June 2024</b>	<b>31 Dec. 2023</b>
<b>Non-current assets</b>			
Intangible assets	1	76.0	75.7
Right-of-use assets	1	49.8	46.9
Property, plant and equipment	1	611.5	602.2
Non-current financial assets	1	2.0	1.2
Other non-financial assets	1	8.1	7.7
Investments accounted for using the equity method	1	27.5	24.5
Deferred tax assets	15	82.3	94.0
		<b>857.2</b>	<b>852.3</b>
<b>Current assets</b>			
Inventories	2	784.0	748.4
Contract assets	3	63.1	59.0
Trade receivables	3	588.8	554.6
Other financial assets	3	76.5	70.9
Other non-financial assets	3	66.9	44.3
Cash and cash equivalents	4	289.3	340.4
		<b>1,868.7</b>	<b>1,817.5</b>
		<b>2,725.9</b>	<b>2,669.8</b>



### Equity and Liabilities

€ millions	Notes	30 June 2024	31 Dec. 2023
<b>Equity</b>	<b>5</b>		
Subscribed capital		44.8	44.8
Capital reserve		66.7	66.7
Revenue reserves		926.6	889.0
Equity attributable to shareholders of KSB SE & Co. KGaA		1,038.0	1,000.4
Non-controlling interests		220.4	216.5
		<b>1,258.4</b>	<b>1,216.9</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities		10.0	9.9
Provisions for pensions and similar obligations	6	472.5	496.1
Other provisions	7	15.3	15.7
Financial liabilities	8	31.0	29.0
		<b>528.8</b>	<b>550.6</b>
<b>Current liabilities</b>			
Other provisions	7	117.2	120.8
Financial liabilities	8	26.2	26.1
Contract liabilities	8	221.6	202.6
Trade payables	8	322.7	324.7
Other financial liabilities	8	34.1	27.7
Other non-financial liabilities	8	185.3	181.8
Income tax liabilities	8	31.6	18.6
		<b>938.7</b>	<b>902.3</b>
		<b>2,725.9</b>	<b>2,669.8</b>

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

# Statement of Comprehensive Income

## Income Statement

€ millions	Notes	Six months ended 30 June 2024	Six months ended 30 June 2023
<b>Sales revenue</b>	<b>9</b>	<b>1,438.5</b>	<b>1,386.6</b>
Changes in inventories		27.5	45.3
Work performed and capitalised		1.2	1.0
<b>Total output of operations</b>		<b>1,467.2</b>	<b>1,432.8</b>
Other income	10	19.9	23.3
Cost of materials	11	-590.0	-599.3
Staff costs	12	-513.5	-481.7
Depreciation and amortisation	1	-45.6	-43.0
Other expenses	13	-221.8	-220.1
<b>Earnings before finance income / expense and income tax (EBIT)</b>		<b>116.3</b>	<b>112.1</b>
Finance income	14	6.3	4.0
Finance expense	14	-17.2	-13.3
Income from / expense to investments accounted for using the equity method	14	3.4	2.1
<b>Finance income / expense</b>		<b>-7.5</b>	<b>-7.2</b>
<b>Earnings before income tax (EBT)</b>		<b>108.8</b>	<b>104.9</b>
Taxes on income	15	-38.4	-30.8
<b>Earnings after income tax</b>		<b>70.4</b>	<b>74.1</b>
Attributable to:			
Non-controlling interests	16	12.1	12.1
<b>Shareholders of KSB SE &amp; Co. KGaA</b>		<b>58.2</b>	<b>62.0</b>
Diluted and basic earnings per ordinary share (€)	17	33.13	35.30
Diluted and basic earnings per preference share (€)	17	33.39	35.56

**Statement of Income and Expense Recognised in Equity**

€ millions	Notes	Six months ended 30 June 2024	Six months ended 30 June 2023
<b>Earnings after income tax</b>		<b>70.4</b>	<b>74.1</b>
Remeasurement of defined benefit plans		24.9	-7.1
Taxes on income		-7.6	2.7
Remeasurement of defined benefit plans		-0.1	0.2
<b>Items not reclassified to profit or loss in subsequent periods</b>		<b>17.2</b>	<b>-4.2</b>
Currency translation differences		15.1	-16.2
Changes in the fair value of financial instruments: Hedging reserve		-1.9	-1.1
Taxes on income: Hedging reserve		0.5	0.3
Changes in the fair value of financial instruments: Hedging cost reserve		0.0	0.6
Taxes on income: Hedging cost reserve		0.0	-0.1
Expense and income recognised directly in equity		-0.2	-0.7
<b>Items reclassified to profit or loss in subsequent periods if required</b>		<b>13.6</b>	<b>-17.2</b>
<b>Other comprehensive income</b>		<b>30.8</b>	<b>-21.3</b>
<b>Total comprehensive income</b>		<b>101.1</b>	<b>52.8</b>
Attributable to:			
Non-controlling interests		17.8	7.8
<b>Shareholders of KSB SE &amp; Co. KGaA</b>		<b>83.3</b>	<b>45.0</b>

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

## Statement of Changes in Equity

€ millions	Revenue reserves							Other comprehensive income			Total equity
	Subscribed capital of KSB SE & Co. KGaA	Capital reserve of KSB SE & Co. KGaA	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		
<b>1 Jan. 2023</b>	<b>44.8</b>	<b>66.7</b>	<b>1,035.3</b>	<b>-112.3</b>	<b>1.1</b>	<b>-0.8</b>	<b>-118.8</b>	<b>915.9</b>	<b>209.7</b>	<b>1,125.6</b>	
Other comprehensive income	-	-	-	-12.6	-0.8	0.4	-4.1	-17.1	-4.3	-21.3	
Earnings after income tax	-	-	62.0	-	-	-	-	62.0	12.1	74.1	
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>62.0</b>	<b>-12.6</b>	<b>-0.8</b>	<b>0.4</b>	<b>-4.1</b>	<b>45.0</b>	<b>7.8</b>	<b>52.8</b>	
Dividends paid	-	-	-34.4	-	-	-	-	-34.4	-4.6	-38.9	
Capital increase / decrease	-	-	-	-	-	-	-	-	-	-	
Step acquisitions	-	-	-	-	-	-	-	-	-	-	
Other	-	-	0.1	-	-	-	-	0.1	-	0.1	
<b>30 June 2023</b>	<b>44.8</b>	<b>66.7</b>	<b>1,063.1</b>	<b>-124.9</b>	<b>0.3</b>	<b>-0.4</b>	<b>-122.9</b>	<b>926.6</b>	<b>212.9</b>	<b>1,139.5</b>	

€ millions	Revenue reserves							Other comprehensive income			Total equity
	Subscribed capital of KSB SE & Co. KGaA	Capital reserve of KSB SE & Co. KGaA	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		
<b>1 Jan. 2024</b>	<b>44.8</b>	<b>66.7</b>	<b>1,156.8</b>	<b>-137.3</b>	<b>0.2</b>	<b>-0.1</b>	<b>-130.6</b>	<b>1,000.4</b>	<b>216.5</b>	<b>1,216.9</b>	
Other comprehensive income	-	-	-	9.1	-1.4	0.0	17.4	25.1	5.7	30.8	
Earnings after income tax	-	-	58.2	-	-	-	-	58.2	12.1	70.4	
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>58.2</b>	<b>9.1</b>	<b>-1.4</b>	<b>0.0</b>	<b>17.4</b>	<b>83.3</b>	<b>17.8</b>	<b>101.1</b>	
Dividends paid	-	-	-45.8	-	-	-	-	-45.8	-13.8	-59.6	
Capital increase / decrease	-	-	-	-	-	-	-	-	-	-	
Step acquisitions	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	
<b>30 June 2024</b>	<b>44.8</b>	<b>66.7</b>	<b>1,169.3</b>	<b>-128.2</b>	<b>-1.1</b>	<b>-0.1</b>	<b>-113.2</b>	<b>1,038.0</b>	<b>220.4</b>	<b>1,258.4</b>	

## Statement of Cash Flows

€ millions	Six months ended 30 June 2024	Six months ended 30 June 2023
<b>Earnings after income tax</b>	<b>70.4</b>	<b>74.1</b>
Taxes on income	38.4	30.8
Finance income	-6.3	-4.0
Finance expense	17.2	13.3
Depreciation and amortisation	45.6	43.0
Gain / loss on disposal of intangible assets and property, plant and equipment	-0.3	-0.8
Change in inventories	-34.3	-80.1
Change in contract assets	-4.1	-9.2
Change in trade receivables	-34.1	-13.3
Change in provisions	-9.1	10.3
Change in contract liabilities	18.8	25.5
Change in trade liabilities	11.3	13.5
Change in other assets and liabilities	-9.9	-16.6
Income tax paid	-25.6	-31.5
Interest received	5.6	2.8
<b>Cash flows from operating activities</b>	<b>83.5</b>	<b>57.8</b>
Proceeds from disposal of intangible assets and property, plant and equipment	0.8	2.5
Payments to acquire intangible assets and property, plant and equipment	-54.9	-43.2
Acquisition of subsidiaries and other operations less cash and cash equivalents acquired	-	-0.9
Proceeds from deposits with an original maturity of more than 3 months	13.4	12.4
Payments for deposits with an original maturity of more than 3 months	-20.6	-5.2
Proceeds from investments in Group companies that are not fully consolidated	1.2	0.2
Payments for investments in Group companies that are not fully consolidated	-4.5	0.0
Proceeds from dividends from Group companies that are not fully consolidated	0.0	0.3
Payments for capitalisation measures with Group companies that are not fully consolidated	-0.3	-
<b>Cash flows from investing activities</b>	<b>-64.9</b>	<b>-34.0</b>

€ millions	Six months ended 30 June 2024	Six months ended 30 June 2023
Dividends paid to shareholders of KSB SE & Co. KGaA	-45.8	-34.4
Dividends paid to non-controlling interests	-13.8	-4.6
Proceeds from financial liabilities	4.9	4.4
Payments for financial liabilities (not including lease liabilities)	-5.6	-5.8
Repayment of lease liabilities	-9.2	-8.5
Interest paid	-1.9	-1.8
<b>Cash flows from financing activities</b>	<b>-71.4</b>	<b>-50.7</b>
Changes in cash and cash equivalents	-52.8	-26.9
Effects of exchange rate changes on cash and cash equivalents	1.7	-2.1
Effects of changes in consolidated Group	-	0.3
Cash and cash equivalents at beginning of period	340.4	228.6
<b>Cash and cash equivalents at end of period</b>	<b>289.3</b>	<b>199.9</b>

# 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 2024 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 millions of euros (€ millions) 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 2023 financial year, no accounting standards and interpretations were adopted for the first time that had a material impact on the KSB Group's (hereinafter also referred to as "KSB" or the "Group") assets, liabilities, financial position and results of operations.

## II. Consolidation Principles

### Consolidated Group

As at 30 June 2024, in addition to KSB SE & Co. KGaA, 10 German and 77 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 2024.

### Changes in the consolidated Group

The changes in the consolidated Group in the first half of the 2024 financial year did not have any material impact on the Group's assets, financial position and results of operations. Against this background, no further information is provided in this context.

### Consolidation and currency translation methods

There were no material changes to consolidation methods or currency translation methods compared with the consolidated financial statements for the 2023 financial year.

## III. Accounting Policies

The accounting policies were essentially unchanged from the consolidated financial statements for the 2023 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 2024 financial year, additions of € 53.3 million (comparative prior-year period: € 45.7 million) were recognised for property, plant and equipment, rights of use to leased assets and intangible assets. At € 45.6 million (previous year: € 43.0 million), depreciation and amortisation on these items were slightly above the level of the comparative prior-year period.

Overall, no material impairment losses and reversals of impairment losses were 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 2023.

### 2. Inventories

€ millions	30 June 2024	31 Dec. 2023
Raw materials, consumables and supplies	269,4	268,2
Work in progress	254,3	261,2
Finished goods and goods purchased and held for resale	233,0	196,2
Advance payments	27,4	22,9
	<b>784,0</b>	<b>748,4</b>

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

Impairment losses on contract assets amounted to € 0.5 million (year-end figure in 2023: € 1.6 million).

Impairment losses of € 33.5 million (year-end figure in 2023: € 33.8 million) were recognised on trade receivables from third parties as at the reporting date.

Impairment losses of € 0.2 million (year-end figure in 2023: € 0.2 million) were recognised on trade receivables from related parties as at the reporting date. The impairment losses relate entirely to receivables from other equity investments. No impairment losses were recognised for receivables from loans to related parties as at the reporting date, as was the case on 31 December 2023.

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

### 4. Cash and cash equivalents

Cash and cash equivalents are term deposits with short maturities and call deposits, and also current account balances. Cash equivalents include short-term deposits with an original maturity of less than three months.

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

€ millions	30 June 2024	31 Dec. 2023
<b>Contract assets</b>	<b>63.1</b>	<b>59.0</b>
<b>Trade receivables</b>	<b>588.8</b>	<b>554.6</b>
Trade receivables from third parties	539.0	505.8
Trade receivables from related parties	49.8	48.8
<b>Other financial assets</b>	<b>76.5</b>	<b>70.9</b>
Receivables from loans to related parties	3.4	4.7
Currency forwards	1.1	2.3
Other receivables and other current assets	72.0	63.9
<b>Other non-financial assets</b>	<b>66.9</b>	<b>44.3</b>
Other tax assets	41.8	33.6
Deferred income	25.1	10.7

## 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. The individual shares have no par value.

The development of the currency translation differences recognised in equity is shown in the table below.

Non-controlling interest relates primarily to PAB Pumpen- und Armaturen-Beteiligungsges. mbH, Frankenthal / Pfalz, and the interests it holds, as well as to companies in India and China. KSB SE & Co. KGaA, Frankenthal / Pfalz, holds a 51 % interest in PAB Pumpen- und Armaturen-Beteiligungsges. mbH, while Johannes und Jacob Klein GmbH, Frankenthal / Pfalz, holds a 49 % interest.

The development of the equity items, including the non-controlling interests of other shareholders, is presented in the Statement of Changes in Equity.

### Development of currency translation differences in equity

€ millions	Currency translation differences in equity attributable to shareholders of KSB SE & Co. KGaA	Currency translation differences in equity attributable to non-controlling interests	Total amount of currency translation differences in equity
1 Jan. 2023	-112.3	-21.2	-133.5
Change in 2023	-12.6	-4.2	-16.8
<b>30 June 2023</b>	<b>-124.9</b>	<b>-25.4</b>	<b>-150.3</b>
1 Jan. 2024	-137.3	-29.6	-166.9
Change in 2024	9.1	5.9	14.9
<b>30 June 2024</b>	<b>-128.2</b>	<b>-23.8</b>	<b>-152.0</b>



## 6. Provisions for pensions and similar obligations

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 in the amount of € 472.5 million (year-end figure in 2023: € 496.1 million) result primarily from defined benefit plans in place for the German Group companies. Available plan assets are offset against the Group's pension obligations.

## 7. Other provisions

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.

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

KSB uses provisions for onerous contracts to account for expected losses resulting in particular from project orders with customers.

Miscellaneous other provisions include, inter alia, provisions for process risks.

### Other provisions

€ millions	30 June 2024	31 Dec. 2023
Warranty obligations and	69.5	71.9
Employee benefits	22.3	22.6
Onerous contracts	13.4	13.7
Miscellaneous other provisions	27.4	28.3
	<b>132.5</b>	<b>136.5</b>

## 8. Liabilities

### Non-current liabilities

€ millions	30 June 2024	31 Dec. 2023
<b>Financial liabilities</b>	<b>31.0</b>	<b>29.0</b>
Bank loans and overdrafts	0.3	0.3
Finance lease liabilities	30.5	28.2
Other	0.3	0.5

### Current liabilities

€ millions	30 June 2024	31 Dec. 2023
<b>Financial liabilities</b>	<b>26.2</b>	<b>26.1</b>
Bank loans and overdrafts	9.6	10.2
Finance lease liabilities	16.6	15.9
Other	0.0	0.0
<b>Contract liabilities</b>	<b>221.6</b>	<b>202.6</b>
<b>Trade payables</b>	<b>322.7</b>	<b>324.7</b>
Trade payables to third parties	321.5	318.9
Trade payables to related parties	1.3	5.8
<b>Other financial liabilities</b>	<b>34.1</b>	<b>27.7</b>
Currency forwards	3.5	2.3
Miscellaneous other financial liabilities	30.5	25.4
<b>Other non-financial liabilities</b>	<b>185.3</b>	<b>181.8</b>
Social security and liabilities to employees	145.6	152.4
Tax liabilities (excluding income tax)	34.4	23.8
Prepaid expenses	0.2	0.6
Investment grants and subsidies	5.1	5.0
<b>Income tax liabilities</b>	<b>31.6</b>	<b>18.6</b>

## V. Income Statement Disclosures

### 9. Sales revenue

The Group's consolidated sales revenue during the reporting period was €1,438.5 million (previous year: €1,386.6 million).

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

Detailed information on KSB's Segments is provided in Section VII. Segment Reporting of the Notes to the consolidated financial statements.

#### Sales revenue by segment and timing of revenue recognition in the first six months of 2024

€ millions	Pumps Segment	Valves Segment	KSB SupremeServ Segment	Total
<b>Sales revenue</b>	<b>753.7</b>	<b>193.4</b>	<b>491.4</b>	<b>1,438.5</b>
of which goods and services transferred at a point in time	667.6	185.2	297.6	1,150.4
of which goods and services transferred over time	86.1	8.2	193.8	288.1

#### Sales revenue by segment and timing of revenue recognition in the first six months of 2023

€ millions	Pumps Segment	Valves Segment	KSB SupremeServ Segment	Total
<b>Sales revenue</b>	<b>745.6</b>	<b>183.9</b>	<b>457.1</b>	<b>1,386.6</b>
of which goods and services transferred at a point in time	622.9	177.0	268.6	1,068.5
of which goods and services transferred over time	122.7	6.9	188.6	318.1

## 10. Other income

€ millions	Six months ended 30 June 2024	Six months ended 30 June 2023
Income from the reversal of impairment losses	6.7	2.9
Government grants	3.5	2.1
Currency translation gains	3.8	1.7
Insurance compensation	0.2	11.0
Income from the disposal of assets	0.5	1.0
Miscellaneous other income	5.2	4.6
	<b>19.9</b>	<b>23.3</b>

In the first half of 2023, KSB received insurance compensation of €10.2 million in connection with hail damage at the French plant in La Roche-Chalais in 2022.

Other income relates to a large number of individual items and includes, among other things, remuneration for various other services provided by the Group outside its primary business activities.

## 11. Cost of materials

The cost of materials amounted to €590.0 million (previous year: €599.3 million) in the reporting period. This item includes expenses for raw materials, consumables and supplies and for goods and services purchased.

## 12. Staff costs

€ millions	Six months ended 30 June 2024	Six months ended 30 June 2023
Wages and salaries	416.6	391.0
Social security contributions and employee assistance costs	85.9	81.1
Pension costs	11.0	9.5
	<b>513.5</b>	<b>481.7</b>

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

The average number of employees in the reporting period was 16,211 compared with 15,854 in the first half of the previous year.

## 13. Other expenses

€ millions	Six months ended 30 June 2024	Six months ended 30 June 2023
Repairs, maintenance, third-party services	82.3	70.4
Administrative expenses	56.9	52.6
Selling expenses	39.1	38.3
Other taxes	6.7	6.5
Rents and leases	6.1	6.6
Other staff costs	16.0	14.4
Impairment losses on trade receivables and contract assets	5.9	5.3
Currency translation losses	0.6	2.1
Losses from asset disposals	0.2	0.2
Miscellaneous other expenses	8.0	23.7
	<b>221.8</b>	<b>220.1</b>

Repairs, maintenance and third-party services include costs of €2.3 million for the introduction of SAP S4/HANA.

The decline in other expenses is largely attributable to higher expenses for warranties in the comparative prior-year period.

#### 14. Finance income / expense

Interest and similar expenses include the net interest expense for pension provisions amounting to € 7.5 million (previous year: € 8.0 million). In addition, the item also includes interest expense from the subsequent measurement of lease liabilities.

As was the case as at 31 December 2023, IAS 29 Financial Reporting in Hyperinflationary Economies was applied to KSB Compañía Sudamericana de Bombas S.A., Carapachay (Buenos Aires), Argentina, and KSB-Pompa, Armatür Sanayi ve Ticaret A.S., Ankara, Turkey. The associated net loss from the monetary depreciation of the affected monetary assets and liabilities of these companies to be taken into account is included under other finance expense.

##### Finance income / expense

€ millions	Six months ended 30 June 2024	Six months ended 30 June 2023
<b>Finance income</b>	<b>6.3</b>	<b>4.0</b>
Income from other investments	0.0	0.2
Interest and similar income	6.3	3.5
thereof from other investments	0.0	0.0
thereof from investments accounted for using the equity method	0.0	0.0
Other finance income	0.0	0.3
<b>Finance expense</b>	<b>-17.2</b>	<b>-13.3</b>
Interest and similar expenses	-10.4	-10.7
Other finance expense	-6.9	-2.6
<b>Income from / expense to investments accounted for using the equity method</b>	<b>3.4</b>	<b>2.1</b>
<b>Finance income / expense</b>	<b>-7.5</b>	<b>-7.2</b>

#### 15. Taxes on income

This item shows the effective and deferred taxes on income of the companies included in the consolidated financial statements. The tax rate for the first half of 2024 was 35.3 % compared with 29.3 % in the first half of 2023. The tax rate increased in the reporting period, in particular due to inflation adjustments that are not tax-deductible as well as adjustments made resulting from a current tax audit.

##### Taxes on income

€ millions	Six months ended 30 June 2024	Six months ended 30 June 2023
Effective taxes	34.7	34.1
Deferred taxes	3.7	-3.3
	<b>38.4</b>	<b>30.8</b>

The first-time application of the Pillar Two Model Rules did not have any material impact on the Group's net assets, financial position and results of operations in the reporting period.

#### 16. Earnings after income tax – Non-controlling interests

The net profit attributable to non-controlling interests amounts to € 13.9 million (previous year: € 12.7 million) and the net loss attributable to non-controlling interests amounts to € 1.8 million (previous year: € 0.6 million). Further information on the non-controlling interests is provided under Notes No. 5 Equity.

#### 17. Earnings per share

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

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

##### Earnings per share

€	Six months ended 30 June 2024	Six months ended 30 June 2023
Diluted and basic earnings per ordinary share	33.13	35.30
Diluted and basic earnings per preference share	33.39	35.56

## VI. Further Information on Financial Instruments

### 1. Financial instruments – Fair values

In view of the following explanations, detailed information on the fair values of the financial instruments as at 30 June 2024 is not provided.

In line with the assessment provided as at 31 December 2023, it is assumed for the financial assets measured at amortised cost that the fair values correspond to the carrying amounts, given the predominantly short maturities of these financial instruments. This is also the case for all financial liabilities measured at amortised cost, with the exception of non-current financial liabilities.

There was no significant change from 31 December 2023 in the relation between the carrying amount and fair value of the non-current financial liabilities.

### 2. 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

The derivation of the Pumps, Valves and KSB SupremeServ reporting segments (hereinafter also referred to as "Segments") in accordance with IFRS 8 and their definition in terms of content is unchanged compared with 31 December 2023. KSB continues to take management decisions in this segment structure primarily on the basis of the key performance indicators – order intake, external sales revenue and earnings before finance income / expense and income tax (EBIT).

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

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

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

Earnings before finance income / expense and income tax (EBIT) for each segment also comprises the earnings attributable to non-controlling interests.

EBIT includes depreciation and amortisation of € 21.3 million (previous year: € 20.5 million) for the Pumps Segment, € 6.0 million (previous year: € 5.8 million) for the Valves Segment and € 18.2 million (previous year: € 16.7 million) for the KSB SupremeServ Segment).

### Segment reporting

€ millions	Order intake		Sales revenue		EBIT	
	Six months ended	Six months ended	Six months ended	Six months ended	Six months ended	Six months ended
	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Pumps Segment	869.1	875.5	753.7	745.6	17.6	19.2
Valves Segment	226.1	220.7	193.4	183.9	-0.3	4.4
KSB SupremeServ Segment	549.5	512.5	491.4	457.1	99.0	88.6
<b>Total</b>	<b>1,644.7</b>	<b>1,608.7</b>	<b>1,438.5</b>	<b>1,386.6</b>	<b>116.3</b>	<b>112.1</b>

## 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 have not changed materially compared with 31 December 2023. Purchase commitments for property, plant and equipment increased by € 14.2 million or 52.8 % compared with the year-end figure in 2023.

### Related party disclosures

Related parties are legal entities or natural persons that have influence over the KSB Group or are subject to control, joint control or significant influence by the KSB Group.

Overall, there were no material changes in the contractual basis between the Group and its related parties compared with 31 December 2023.

Revenue from the sales of assets and services to joint ventures, associates and to companies not consolidated because of immateriality amounted to € 26.6 million in the first half of 2024 (previous year: € 22.9 million).

Further information on the pending receivables from and trade payables to related parties is included in Section IV. Balance Sheet Disclosures – Notes No. 3 “Contract assets, trade receivables and other financial and non-financial assets” and in Notes No. 8 “Liabilities”.

### Auditors

The Annual General Meeting of KSB SE & Co. KGaA on 8 May 2024 resolved to appoint PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, based in Frankfurt am Main with an office in Mannheim, as auditors and group auditors for the 2024 financial year.

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

### Events after the reporting period

There were no events after the reporting date that are of particular significance for the Group's net assets, financial position and result of operations.

### 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 [*Aktiengesetz* – German Public Companies Act] on 13 December 2023. The Statement is accessible to the public at KSB's web site: [ksb.com/de-global](https://ksb.com/de-global) > Investor Relations > Corporate Governance > Statement and Report > Statement of Compliance with the German Corporate Governance Code.



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## General Information

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# Appropriation of the Net Retained Earnings of KSB SE & Co. KGaA

The Annual General Meeting on 8 May 2024 resolved to appropriate the net retained earnings of € 88,641,634.78 of KSB SE & Co. KGaA as follows:

## Appropriation of net retained earnings

€	
Dividend of € 26.00 per ordinary no-par-value share	23,051,990.00
Dividend of € 26.26 per preference no-par-value share	22,707,337.12
<b>Total dividends</b>	<b>45,759,327.12</b>
<b>Carried forward to new account</b>	<b>42,882,307.66</b>
	88,641,634.78

Pursuant to Section 58(4), sentence 2, of the German Public Companies Act [AktG – *Aktiengesetz*], 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, 31 July 2024

KSB Management SE

The Managing Directors

# Contacts

## Editor

KSB SE & Co. KGaA  
Johann-Klein-Straße 9  
67227 Frankenthal, Germany  
Tel. +49 6233 86-0

## Group Information

You will find the latest news on  
the KSB Group at: [ksb.com](https://www.ksb.com)

Should you need additional information,  
please contact:

## Investor Relations

Dieter Pott  
Tel. +49 6233 86-2615  
E-mail: [investor-relations@ksb.com](mailto:investor-relations@ksb.com)

## Communications

Sonja Ayasse  
Tel. +49 6233 86-3118  
E-mail: [sonja.ayasse@ksb.com](mailto:sonja.ayasse@ksb.com)

## Concept and Design

3st kommunikation GmbH, Mainz, Germany  
KSB Communications, Frankenthal, Germany

# Financial Calendar

**12 November 2024**

Quarterly financial report  
January – September 2024

**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



**KSB SE & Co. KGaA**  
Johann-Klein-Straße 9  
67227 Frankenthal, Germany  
[www.ksb.com](http://www.ksb.com)