3

Consolidated Financial Statements

Balance Sheet

Assets

€ millions	Notes	31 Dec. 2024	31 Dec. 2023
Non-current assets			
Intangible assets	1	73.6	75.7
Right-of-use assets	2	57.7	46.9
Property, plant and equipment	3	672.2	602.2
Financial assets	4	1.9	1.2
Other non-financial assets	5	11.0	7.7
Investments accounted for using the equity method	6	31.7	24.5
Deferred tax assets	20	81.8	94.0
		929.9	**852.3**
Current assets			
Inventories	7	764.8	748.4
Contract assets	8	56.9	59.0
Trade receivables	8	605.4	554.6
Other financial assets	8	89.9	70.9
Other non-financial assets	8	51.7	44.3
Cash and cash equivalents	9	369.3	340.4
		1,938.0	**1,817.5**
		2,867.9	**2,669.8**

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

Equity and Liabilities

€ millions	Notes	31 Dec. 2024	31 Dec. 2023
Equity	**10**		
Subscribed capital		44.8	44.8
Capital reserve		66.7	66.7
Revenue reserves		981.1	889.0
Equity attributable to shareholders of KSB SE & Co. KGaA		1,092.5	1,000.4
Non-controlling interests		242.9	216.5
		1,335.4	**1,216.9**
Non-current liabilities			
Deferred tax liabilities	20	9.7	9.9
Provisions for pensions and similar obligations	11	489.6	496.1
Other provisions	12	12.5	15.7
Financial liabilities	13	37.8	29.0
		549.5	**550.6**
Current liabilities			
Other provisions	12	122.5	120.8
Financial liabilities	13	20.8	26.1
Contract liabilities	13	214.4	202.6
Trade payables	13	356.7	324.7
Other financial liabilities	13	35.1	27.7
Other non-financial liabilities	13	201.4	181.8
Income tax liabilities	13	32.0	18.6
		983.0	**902.3**
		2,867.9	**2,669.8**

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

Statement of Comprehensive Income

Income statement

€ millions	Notes	2024	2023
Sales revenue	**14**	**2,965.2**	**2,819.0**
Changes in inventories		8.6	24.3
Work performed and capitalised		2.2	2.0
Total output of operations		**2,975.9**	**2,845.2**
Other income	15	35.0	44.4
Cost of materials	16	-1,178.6	-1,153.7
Staff costs	17	-1,014.1	-960.7
Depreciation and amortisation	1 – 3	-97.4	-88.1
Other expenses	18	-476.6	-463.3
Earnings before finance income / expense and income tax (EBIT)		**244.2**	**223.9**
Finance income	19	13.8	9.4
Finance expense	19	-33.1	-29.7
Income from / expense to investments accounted for using the equity method	19	6.3	5.4
Finance income / expense		**-13.0**	**-14.9**
Earnings before income tax (EBT)		**231.2**	**209.0**
Taxes on income	20	-84.4	-32.4
Earnings after income tax		**146.8**	**176.6**
Attributable to:			
Non-controlling interests	21	28.7	24.3
Shareholders of KSB SE & Co. KGaA		**118.1**	**152.3**
Diluted and basic earnings per ordinary share (€)	22	67.29	86.83
Diluted and basic earnings per preference share (€)	22	67.55	87.09

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

Statement of income and expense recognised in equity

€ millions	Notes	2024	2023
Earnings after income tax		**146.8**	**176.6**
Remeasurement of defined benefit plans	11	14.8	-39.4
Taxes on income		-4.4	27.6
Remeasurement of defined benefit plans relating to investments accounted for using the equity method		-0.1	0.2
Items not reclassified to profit or loss in subsequent periods		**10.2**	**-11.6**
Currency translation differences		22.3	-32.9
Changes in the fair value of financial instruments: Hedging reserve		-3.5	-1.3
Taxes on income: Hedging reserve		1.0	0.4
Changes in the fair value of financial instruments: Hedging cost reserve		0.1	0.8
Taxes on income: Hedging cost reserve		0.0	-0.1
Expense and income recognised directly in equity relating to investments accounted for using the equity method		0.7	-0.5
Items reclassified to profit or loss in subsequent periods if required		**20.5**	**-33.5**
Other comprehensive income		**30.7**	**-45.1**
Comprehensive income		**177.5**	**131.5**
Attributable to:			
Non-controlling interests		39.6	16.1
Shareholders of KSB SE & Co. KGaA		**137.9**	**115.4**

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

Statement of Changes in Equity

€ millions	Subscribed capital of KSB SE & Co. KGaA	Capital reserve of KSB SE & Co. KGaA	Revenue reserves						Equity attributable to shareholders of KSB SE & Co. KGaA	Non-controlling interests	Total Equity
				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	Remeasure-ment of defined benefit plans				
1 Jan. 2023	**44.8**	**66.7**	**1,035.3**	**-112.3**	**1.1**	**-0.8**	**-118.8**	**915.9**	**209.7**	**1,125.6**
Other comprehensive income	–	–	–	-24.9	-0.8	0.7	-11.8	-36.9	-8.2	-45.1
Earnings after income tax	–	–	152.3	–	–	–	–	152.3	24.3	176.6
Comprehensive income	**–**	**–**	**152.3**	**-24.9**	**-0.8**	**0.7**	**-11.8**	**115.4**	**16.1**	**131.5**
Dividends paid	–	–	-34.4	–	–	–	–	-34.4	-6.3	-40.7
Capital increase / decrease	–	–	–	–	–	–	–	–	–	–
Step acquisitions	–	–	–	–	–	–	–	–	–	–
Other	–	–	3.5	–	–	–	–	3.5	-3.0	0.5
31 Dec. 2023	**44.8**	**66.7**	**1,156.8**	**-137.3**	**0.2**	**-0.1**	**-130.6**	**1,000.4**	**216.5**	**1,216.9**

€ millions	Subscribed capital of KSB SE & CO. KGaA	Capital reserve of KSB SE & Co. KGaA	Revenue reserves						Equity attributable to shareholders of KSB SE & Co. KGaA	Non-controlling Interests	Total Equity
				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	Remeasure-ment of defined benefit plans				
1 Jan. 2024	**44.8**	**66.7**	**1,156.8**	**-137.3**	**0.2**	**-0.1**	**-130.6**	**1,000.4**	**216.5**	**1,216.9**
Other comprehensive income	–	–	–	12.8	-2.5	0.1	9.5	19.8	10.9	30.7
Earnings after income tax	–	–	118.1	–	–	–	–	118.1	28.7	146.8
Comprehensive income	**–**	**–**	**118.1**	**12.8**	**-2.5**	**0.1**	**9.5**	**137.9**	**39.6**	**177.5**
Dividends paid	–	–	-45.8	–	–	–	–	-45.8	-13.9	-59.6
Capital increase / decrease	–	–	–	–	–	–	–	–	1.2	1.2
Step acquisitions	–	–	2.1	-2.1	–	–	0.0	0.0	-0.6	-0.6
Other	–	–	–	–	–	–	–	–	–	–
31 Dec. 2024	**44.8**	**66.7**	**1,231.2**	**-126.6**	**-2.3**	**-0.1**	**-121.2**	**1,092.5**	**242.9**	**1,335.4**

Statement of Cash Flows

€ millions	2024	2023
Earnings after income tax	146.8	176.6
Taxes on income	84.4	32.4
Finance income	-13.8	-9.4
Finance expense	33.1	29.7
Depreciation and amortisation	97.4	88.1
Gain / loss on disposal of intangible assets and property, plant and equipment	-0.2	0.2
Change in inventories	-17.0	-59.1
Change in contract assets	2.2	20.7
Change in trade receivables	-48.3	12.6
Change in provisions	-9.7	9.4
Change in contract liabilities	10.4	26.5
Change in trade liabilities	25.9	-2.4
Change in other assets and liabilities	6.1	12.8
Income tax paid	-61.1	-65.1
Interest received	12.5	7.3
Cash flows from operating activities	**268.6**	**280.3**
Proceeds from disposal of intangible assets and property, plant and equipment	1.4	2.1
Payments to acquire intangible assets and property, plant and equipment	-135.0	-106.5
Acquisition of subsidiaries and other operations less cash and cash equivalents acquired	–	-0.9
Acquisition of joint ventures and associates	-1.3	–
Proceeds from deposits with an original maturity of more than 3 months	36.1	9.7
Payments for deposits with an original maturity of more than 3 months	-56.1	-5.7
Proceeds from investments in Group companies that are not fully consolidated	1.0	0.3
Payments for investments in Group companies that are not fully consolidated	-0.3	-3.0
Proceeds from dividends from Group companies that are not fully consolidated	1.0	0.8
Payments for capitalisation measures with Group companies that are not fully consolidated	-0.7	-0.3
Cash flows from investing activities	**-153.7**	**-103.5**

€ millions	2024	2023
Dividends paid to shareholders of KSB SE & Co. KGaA	-45.8	-34.4
Dividends paid to non-controlling interests	-13.9	-6.3
Proceeds from financial liabilities	7.3	10.0
Payments for financial liabilities (excluding lease liabilities)	-14.7	-11.7
Repayment of lease liabilities	-19.2	-17.8
Interest paid	-3.1	-3.3
Transactions with non-controlling interests	0.6	–
Cash flows from financing activities	**-88.8**	**-63.5**
Changes in cash and cash equivalents	26.1	113.3
Effects of exchange rate changes on cash and cash equivalents	2.8	-3.0
Effects of changes in consolidated Group	–	1.6
Cash and cash equivalents at beginning of period	340.4	228.6
Cash and cash equivalents at end of period	**369.3**	**340.4**

Notes

I. General Information and Basic Principles

General information on the Group

KSB SE & Co. KGaA, Frankenthal / Pfalz, Germany, is a capital market-oriented *Kommanditgesellschaft auf Aktien* [partnership limited by shares] under the law of the Federal Republic of Germany. The company is registered with the *Handelsregister* [German Commercial Register] of the *Amtsgericht* [Local Court] Ludwigshafen am Rhein, registration No. HRB 65657, and has its registered office at Johann-Klein-Straße 9, 67227 Frankenthal / Pfalz, Germany. KSB SE & Co. KGaA was formed from KSB Aktiengesellschaft by entry in the German Commercial Register on 17 January 2018. The general partner is KSB Management SE, a European public limited company. The shares in this company are wholly owned by Klein, Schanzlin & Becker GmbH, Frankenthal / Pfalz. Klein, Schanzlin & Becker GmbH is jointly managed by its two shareholders, the non-profit KSB Stiftung [KSB Foundation], Stuttgart, and the non-profit Kühborth-Stiftung GmbH [Kühborth Foundation], Stuttgart. KSB SE & Co. KGaA and thus the KSB Group are managed via KSB Management SE, which has four Managing Directors and a five-member Administrative Board.

KSB SE & Co. KGaA is the ultimate and immediate parent company whose consolidated financial statements include the single-entity financial statements of KSB SE & Co. KGaA. The consolidated financial statements of KSB SE & Co. KGaA prepared in accordance with International Financial Reporting Standards as adopted by the EU are published in the *Bundesanzeiger* [German Federal Gazette].

The KSB Group (hereinafter also called “KSB” or the “Group”) is a global supplier of high-quality pumps, valves and related systems and also provides a wide range of support services to users of these products. The breakdown of the Group’s business activities is based on three Segments: Pumps, Valves and KSB SupremeServ.

Basis of preparation of the consolidated financial statements

The accompanying consolidated financial statements of KSB SE & Co. KGaA were prepared in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the additional requirements of German commercial law under Section 315e(1) HGB [*Handelsgesetzbuch* – German Commercial Code]. To do so, the Conceptual Framework and all Standards applicable at the reporting date and adopted by the European Commission for use in the EU that are of relevance to the KSB Group as well as the interpretations of the IFRS Interpretations Committee were applied. For the purposes of this document, the term IFRSs includes applicable International Accounting Standards (IASs). The consolidated financial statements of KSB SE & Co. KGaA therefore meet the requirements of the IFRSs as adopted by the EU. The consolidated financial statements were prepared on a going concern basis in accordance with IAS 1.25. On principle, the historical cost is the measurement basis used for the consolidated financial statements, unless Section III. Accounting Policies provides otherwise.

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

The financial year of the companies consolidated is the calendar year.

The income statement as part of the statement of comprehensive income has been prepared using the nature of expense method.

All material items of the balance sheet and the income statement are presented separately and explained in these Notes.

The main accounting policies used to prepare the consolidated financial statements are presented below. The policies described were applied consistently for the reporting periods presented unless stated otherwise.

The consolidated financial statements, the annual financial statements of the parent company and the combined management report are submitted to and published in the *Bundesanzeiger*.

These consolidated financial statements are released by the Managing Directors of KSB Management SE on 12 March 2025 for approval at the meeting of the Supervisory Board on 20 March 2025.

New accounting principles

a) Accounting principles applied for the first time in the 2024 financial year

The new or revised accounting Standards and Interpretations listed below which were adopted for the first time in the reporting year had no or no material impact on the Group's net assets, financial position and results of operations.

b) Accounting principles that have been published but that are not yet mandatory

The new or revised Accounting Standards and Interpretations listed below were not yet mandatory and were not applied in the 2024 financial year.

As a matter of principle, the new or revised Standards or Interpretations shown in the table have not been adopted early. No or no material effects on ther net assets, financial position or results of operations are expected to arise from these amendments.

Accounting principles applied for the first time in the 2024 financial year

	First-time adoption in the EU
Amendments to IFRS 16 Leases	1 Jan. 2024
Amendments to IAS 1 Presentation of Financial Statements	1 Jan. 2024
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures	1 Jan. 2024

Accounting principles that have been published but that are not yet mandatory

	First-time adoption in the EU
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates	1 Jan. 2025

II. Consolidation Principles

Consolidated Group

As at 31 December 2024, in addition to KSB SE & Co. KGaA, 10 German and 77 foreign companies (previous year: 10 German and 78 foreign companies) were fully consolidated in the consolidated financial statements. A majority interest is held, either directly or indirectly, in the voting power of these subsidiaries which the KSB Group has the option to control under IFRS 10.

Subsidiaries are companies controlled by the Group. The Group controls a company if it is exposed, or has rights, to variable returns from its involvement with the company and has the ability to affect those returns through its power of disposition over the company.

The financial statements of subsidiaries are included in the Group's financial statements from the date on which control begins until the date on which control ends.

Changes in the investment ratio that do not result in a loss of control are treated as a transaction between shareholders and recognised directly in equity. Such transactions do not result in the recognition of goodwill or the realisation of disposal profits.

The consolidation principles apply accordingly to the six (previous year: five) joint ventures and associated companies accounted for using the equity method as at the reporting date. Upon the loss of joint control or significant influence any retained interest in the investee is remeasured at fair value through profit or loss.

Associates are companies in which the Group has significant influence but does not have control or joint control over financial and business policy. A joint venture is an agreement through which the Group exercises joint control, in that it has rights to the net assets of the agreement rather than rights to its assets and obligations for its liabilities.

The shares in companies included at-equity are measured at cost of acquisition plus or minus cumulative changes in net assets, with recognised goodwill reported in the carrying amount of the investment.

The Thai company KSB Pumps Co. Ltd., Bangkok, and the Indian company KSB Limited, Pimpri (Pune), are included in the group of fully consolidated affiliates despite the fact that KSB holds a group share of capital of less than 50 %. KSB does, however, have the power to determine their business and financial policies and thus the level of variable returns.

KSB gained control over KSB Limited, Pimpri (Pune), in which KSB owns 40.54 % of the shares, through contractual agreements with other shareholders. These agreements ensure that KSB has the majority of voting rights in management committees and also exercises control over the budget.

Likewise, KSB exercises control over KSB Pumps Co. Ltd., Bangkok, in which it owns 49.00% of the shares, through additional agreements which give KSB the majority of voting rights in management committees and control over the budget.

Companies that were not consolidated due to there being no material impact are reported as other investments under non-current other financial assets.

Changes in the consolidated Group

In the 2024 financial year, there were the following changes in the consolidated Group, none of which had a material impact on the Group's assets, financial position and results of operations. Against this background, no further information is provided in this context.

With regard to the subsidiaries based in the Netherlands, there have been changes under company law. The former DP Industries B.V. and KSB Finance Nederland B.V. have merged and now operate jointly under the name KSB Industries B.V. In addition, KSB Manufacturing Netherlands B.V. has been renamed KSB Manufacturing B.V.

The interest held by the Group in the fully consolidated company KSB Pumps Co. Ltd., Bangkok, Thailand, increased from 40.00 % to 49.00 % in the reporting year. KSB now holds 72.54 % of shares in KSB Pumps Company Limited, Lahore, Pakistan, instead of the previous 58.89 %.

Furthermore, KSB acquired 41.14 % of the shares in 1637534 Alberta Ltd., Edmonton, Canada, in the reporting year, as a result of which the Group also indirectly holds the same interest in its equity investment, PIP360 Inc., Edmonton, Canada. The companies are included together in the consolidated financial statements as a joint venture accounted for using the equity method.

The companies KSB Bolivia S.R.L., La Paz, Bolivia, and KSB (CAMBODIA) PUMPS & VALVES CO., LTD., Phnom Penh, Cambodia, which were newly founded in the reporting year, were not consolidated due to immateriality.

As a result of the liquidation of Techni Pompe Service Maroc (TPSM), Casablanca, Morocco, the group of companies not consolidated due to immateriality has been reduced.

In addition, a number of individual companies have changed their names: the former KSB Compañía Sudamericana de Bombas S.A., Carapachay (Buenos Aires), Argentina, now trades as KSB Argentina S.A., the former GIW Industries, Inc., Grovetown / Georgia, USA, as KSB GIW, Inc., the former Aplicaciones Mecánicas Válvulas Industriales, S.A. (AMVI), Burgos, Spain, as KSB Valves Spain S.A., the former DAG - Dieselanlagen Service GmbH as KSB DAG GmbH, Vienna, Austria, and the former REEL s.r.l., Ponte di Nanto, Italy, as KSB REEL S.r.l.

A full list of the shareholdings held by the KSB Group is provided at the end of these Notes to the consolidated financial statements.

Consolidation methods

For the purposes of consolidation, the effects of any intercompany transactions are eliminated in full. Any receivables and liabilities between the consolidated companies are offset against each other, and any unrealised gains and losses recognised in fixed assets and inventories are eliminated. Any revenues from intercompany sales are offset against the corresponding expenses.

Capital consolidation is based on the purchase method of accounting pursuant to IFRS 3. This means that the amortised cost of the parent's shares in the subsidiary is eliminated against the remeasured equity attributable to the parent at the date of acquisition.

Any goodwill created from the application of the purchase method denominated in a currency other than the functional currency of the KSB Group is measured at the relevant current closing rate at the reporting date. Goodwill is reported under intangible assets and tested for impairment at least once a year. If an impairment is identified, an impairment loss is recognised. Any excess of the interest in the fair values of net assets acquired over cost is recognised in profit or loss in the year it occurred.

Those shares of subsidiaries' equity not attributable to KSB SE & Co. KGaA are reported as non-controlling interests. Further explanations on non-controlling interests are included under Notes No. 10 "Equity".

Currency translation

The consolidated financial statements have been prepared in euro (€). Unless otherwise stated, amounts in this report are presented in millions of euros (€ millions) using standard commercial rounding rules.

Currency translation is effected on the basis of the functional currency of the consolidated companies. As in the previous year, the functional currency is exclusively the local currency of the company consolidated, as it operates as a financially, economically and organisationally independent entity.

Transactions denominated in foreign currencies are translated at the individual companies at the rate prevailing when the transaction is initially recognised.

Monetary assets and liabilities are subsequently measured at the closing rate at the reporting date. Measurement effects are recognised in profit or loss.

When translating financial statements of consolidated companies that are not prepared in euro, assets and liabilities are translated at the closing rate at the reporting date (modified closing rate method); the income statement and cash flow statement items are translated at annual average exchange rates. An exception to this, with a translation of the income statement items at the closing rate at the reporting date, results from the application of IAS 29 Financial Reporting in Hyperinflationary Economies, as explained in greater detail below. Gains and losses from the translation of items of assets and liabilities compared with their translation in the previous year are taken directly to equity in other comprehensive income and reported under currency translation differences.

The exchange rates of the most important currencies for the KSB Group at the reporting date and on an annual average are presented in the table below.

Hyperinflation

Argentina and Turkey have been classified as hyperinflationary economies for accounting purposes since 2018 and 2022 respectively. Accordingly, IAS 29 Financial Reporting in Hyperinflationary Economies has since been applied to the translation of the financial statements of KSB Argentina S.A., Buenos Aires, Argentina, and KSB-Pompa, Armatür Sanayi ve Ticaret A.S., Ankara, Turkey.

As a result, the activities of the two said subsidiaries are not accounted for on the basis of historical acquisition and production costs, but are adjusted for the effects of inflation by using country-specific price indices.

The inflation adjustment to the financial statements of the Argentine subsidiary is based on the consumer price index IPC (*Índice de precios al consumidor*), which was at 7,694.01 on 31 December 2024 (31 December 2023: 3,520.10; 1 January 2023: 1,134.59). The consumer price index TÜFE (*Tüketici fiyat endeksi*) is used to adjust for inflation in the financial statements of the Turkish subsidiary; the value applied at the reporting date was 2,684.55 (31 December 2023: 1,859.38; 1 January 2023: 1,128.45).

Exchange rates of the most important currencies

	Closing rate		Average rate	
	31 Dec. 2024	**31 Dec. 2023**	**2024**	**2023**
US dollar	1.0389	1.1050	1.0824	1.0813
Brazilian real	6.4253	5.3618	5.8283	5.4010
Indian rupee	88.9335	91.9045	89.8543	89.3001
Chinese yuan	7.5833	7.8509	7.7875	7.6600

The net loss from monetary depreciation to be taken into account under IAS 29 on the affected monetary assets and liabilities, amounting to € 12.6 million (previous year: € 6.9 million), is included in the income statement under other finance expense within finance income / expense.

After applying the inflation adjustment, the balance sheet and income statement items are translated into the reporting currency (euro) at the closing rate at the reporting date for inclusion in the consolidated financial statements.

III. Accounting Policies

1. General accounting policies

Acquisition and production costs

In addition to the purchase price, acquisition cost includes attributable incidental costs (except for costs associated with the acquisition of a company) and subsequent expenditure. Purchase price reductions are deducted.

As well as directly allocated costs, production costs also include reasonable proportions of material and production overheads based on standard capacity utilisation of the relevant production facilities, if and to the extent these were incurred as part of the production process. This also includes production-related administrative expenses. General administrative expenses, research costs and selling expenses are not capitalised.

Borrowing costs as defined in IAS 23 that can be directly allocated to the acquisition or production of qualifying assets are capitalised. As in the previous year no such borrowing costs were incurred.

Fair value

Fair value is the price that independent market participants would, under standard market conditions, receive when selling an asset or pay when transferring a liability at the measurement date. This applies irrespectively of whether the price is directly observable or has been estimated using a measurement method.

The KSB Group defined a monitoring framework concept for determining fair value. This includes the monitoring of all material measurements at fair value and the direct communication of material facts to Management and, if necessary, to the audit committee. For the purposes of calculating fair value, KSB makes use wherever possible of estimates from market participants or estimates derived from these. As an initial step, regular checks are made to ascertain if there are current prices on active markets for an identical transaction. If no quoted market prices are available, the preference is to use the market-based approach (deriving the fair value from the market or transaction prices of comparable assets, for example multipliers) or the income-based approach (calculation of fair value as a future value by discounting future cash surpluses).

Based upon the input factors used in the measurement methods, fair values are assigned to different levels of the fair value hierarchy.

- Level 1: Quoted prices (unadjusted) on active markets for identical assets and liabilities
- Level 2: Measurement parameters that are not the quoted prices taken into account for Level 1, but that are observable for the asset or the liability either directly as a price or indirectly derived from prices
- Level 3: Measurement parameters for assets or liabilities that are not based on observable market data

If input factors categorised into different levels are included in the fair value measurement, the measurement must be categorised in its entirety in the level of the lowest level input factor that is material for the entire measurement.

Reclassifications between different levels in the fair value hierarchy are recognised at the end of the reporting period during which the change has occurred.

Maturities

Maturities of up to one year are classified as current.

Assets that can only be realised after more than twelve months, as well as liabilities that only become due after more than twelve months, are also classified as current if they are attributable to the operating cycle defined in IAS 1. An operating cycle of more than 12 months typically applies to made-to-order production (construction contracts).

Assets and liabilities not classified as current are non-current.

Financial assets and financial liabilities
A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised in the consolidated balance sheet at the time when KSB becomes a contractual party. When the contractual right to payments from financial assets expires, these are derecognised. Financial liabilities are derecognised at the time when the contractual obligations are settled or cancelled or have expired. The acquisition and sale of financial instruments on an arm's length basis are recognised at the value at the date of settlement. This applies to primary financial instruments, such as trade receivables and financial receivables. Only derivative financial instruments are recognised at the value at the trade date.

a) Primary financial instruments
In the KSB Group, primary financial instruments are allocated to the following measurement categories as financial assets and financial liabilities based on the requirements of IFRS 9:

- Financial assets at amortised cost – Receivables, credits, cash and cash equivalents, loans and other financial assets
- Financial liabilities at amortised cost – Loans, trade payables and other financial liabilities

Financial assets and liabilities are reported at fair value on initial recognition. Financial assets and liabilities that are not measured at fair value are recognised after adjustment for transaction costs. Subsequent measurement is in line with the measurement category allocated to the financial asset or financial liability.

The fair value option is not being used at the moment.

b) Derivative financial instruments
Derivative financial instruments (derivatives) are exclusively used for hedging purposes. Future cash flows and existing recognised underlyings are hedged against foreign currency and interest rate risks. The hedging instruments used are exclusively currency forwards and interest rate derivatives entered into with prime-rated banks. Interest rate risks are minimised for long-term borrowings at floating rates of interest. Group guidelines govern the use of these instruments. These transactions are also subject to continuous risk monitoring.

Derivative financial instruments are categorised at fair value through profit or loss unless they are part of hedge accounting. In the case of designated cash flow hedges, changes in the fair value of the effective portions of the currency derivatives are recognised under other comprehensive income and reported under "Changes in the fair value of financial instruments" in equity for as long as the underlying transaction is not recognised in the income statement. Only the spot element of the derivative hedging instrument is designated, while the forward element and currency basis spreads are excluded from the hedge and reported separately in the hedging cost reserve in other comprehensive income. Any ineffectiveness and changes in the market value of currency forwards not designated as hedges are recognised in profit or loss.

Changes in the fair value of interest rate derivatives used to hedge against interest rate risks in liabilities are recognised under other comprehensive income and presented under "Changes in the fair value of financial instruments" in equity.

The carrying amounts equal fair value and are determined on the basis of input factors observable either directly (as a price) or indirectly (derived from prices). Fair values may be positive or negative. Fair value is the amount that KSB would receive or have to pay at the reporting date to settle the financial instrument. This amount is determined using the relevant exchange rates, interest rates and counterparty credit ratings at the reporting date. Information is obtained solely from recognised external sources.

Currency forwards are reported under other financial assets and under other financial liabilities. This also applies in principle to interest rate swaps, where applicable.

2. Specific accounting policies

Intangible assets
Intangible assets are measured at (acquisition or production) cost and reduced by straight-line amortisation. Depreciation / amortisation is reported under "Depreciation / amortisation" in the income statement. The underlying useful life of intangible assets – excluding goodwill (indefinite useful life) – is between 2 and 15 years. If an intangible asset's recoverable amount is lower than its carrying amount, an impairment loss is recognised. Goodwill, other intangible assets with indefinite useful lives and intangible assets under development at the reporting date are tested for impairment at least once a year. In addition, all types of intangible assets are subject to impairment testing if there are indications as defined

in IAS 36 of a possible impairment. If the reasons for an impairment loss in a previous period no longer apply, it is reversed up to a maximum of amortised cost (write-up), with the exception of goodwill.

Goodwill is scheduled to be tested for impairment once a year. The test relates to cash-generating units (CGUs). The cash-generating units are generally represented by the respective share in a legal entity that is allocated to an operating segment. The Group's total of five operating segments encompass Energy, Mining and Standard Markets for new business with Pumps, new business with Valves and KSB SupremeServ. A legal entity contains several cash-generating units if the main business activities are spread over several operating segments. Further details on KSB's segmentation are provided in Section VIII. Segment Reporting in these Notes to the consolidated financial statements.

The goodwill is reduced by the difference in value or down to zero at maximum if the value in use is lower than the carrying amount of the CGU. If the difference exceeds the carrying amount of goodwill, further impairment testing is required at the level of intangible assets, right-of-use assets and property, plant and equipment. Reversal of an impairment loss from an earlier period is not possible for goodwill.

The discounted cash flow model is used to determine the recoverable amount (value in use). The future earnings (EBIT in accordance with IFRS) applied are taken from a multi-year financial plan (five years) based on the 30 September reporting date, taking into account the medium-term strategy approved by Management for the respective cash-generating unit. This planning is carried out based on certain assumptions which are drawn from both forecasts from external sources, e.g. current German Mechanical Engineering Industry Association (VDMA) publications, and own experience-based knowledge of markets and competitors. The earnings of the last plan year are consistently extrapolated as a constant, if that level is considered to be achievable in the long term. Growth rates are derived taking account of the estimates with regard to economic circumstances. The Group regularly tests goodwill for impairment in the fourth quarter of every year based on the figures as per 30 September of the year in question. In addition, a review of impairment is always carried out when events or circumstances ("trigger events") suggest that the value could be impaired.

In order to assess the risk of impairment of material goodwill, the Group also performs sensitivity analyses as part of its impairment testing. To this end, changes deemed possible in material assumptions underlying the calculation of the value in use are taken into account.

When companies are acquired, purchase price allocations are made and the fair value of the assets and liabilities acquired is determined. In addition to the assets and liabilities already recognised by the selling party, account is also taken of marketing-related aspects (primarily brands or trademarks and competitive restrictions), customer-related aspects (primarily customer lists, customer relations and orders on hand), contract-related aspects (mainly particularly advantageous service, work, purchasing and employment contracts) as well as technology-related aspects (primarily patents, know-how and databases). The residual value method, the excess earnings method and cost-oriented procedures are primarily applied to determine values.

Development costs are capitalised as internally generated intangible assets at cost where the criteria described in IAS 38 are met and reduced by straight-line amortisation as from the time the asset becomes operational. Research costs are expensed as incurred. Where research and development costs cannot be reliably distinguished within a project, no costs are capitalised.

Leases

According to IFRS 16, a contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For leases where KSB is the lessee, lease liabilities and right-of-use assets (rights to use leased assets) must be recognised on the balance sheet. Leases of low value assets and short-term leases with a term of up to 12 months are exempt from this provision as KSB has elected to make use of the practical expedient of accounting for lease payments as an expense. In this context, leased assets with a fair value of up to € 5,000 are defined as low-value assets.

Lease liabilities and right-of-use assets are generally recognised at the time at which the leased asset is made available to KSB by the lessor for use. The carrying amount of the two items is essentially based on the present value of the future minimum lease payments. It is discounted using the incremental borrowing rate of KSB if no interest rate implicitly underlying the lease is available. Extension and termination options are included in the term and the carrying amounts of a lease if it is deemed reasonably certain that they will be exercised by KSB. Only lease components and in particular no separate service components are taken into account in the measurement of lease payments. The right-of-use assets are depreciated over the economic useful life of the leased asset or over the term of the lease, whichever is shorter. Lease liabilities are subsequently measured at amortised cost using the effective interest rate method in the form of a redemption and interest portion. Changes in lease payments are taken into account through remeasurements of lease liabilities. The interest expense for the lease liability and depreciation / amortisation expense for the right-of-use asset are recognised separately.

Property, plant and equipment

In accordance with IAS 16, property, plant and equipment is measured at cost and reduced by straight-line depreciation over its useful life. If an asset's recoverable amount is lower than its carrying amount, an impairment loss is recognised. Property, plant and equipment is always tested for impairment if there are indications as defined in IAS 36 of a possible impairment. If the reasons for an impairment loss recognised in a previous period no longer apply, the impairment loss is reversed (write-up) up to a maximum of amortised cost.

Government grants relating to property, plant and equipment are transferred to an adjustment item on the liabilities side. This item is reversed pro rata over the useful life of the subsidised assets and recognised as other income.

Maintenance expenses are recognised as an expense in the period in which they are incurred, unless they lead to the expansion or material improvement of the asset concerned.

As in the previous year, the following useful lives are applied:

Useful life of property, plant and equipment

Buildings	10 to 50 years
Plant and machinery	5 to 25 years
Other equipment, operating and office equipment	3 to 25 years

Non-current financial assets

Interest-bearing loans are recognised at amortised cost. Financial assets such other cash deposits are subject to an expected credit default risk. The impairment loss is calculated based on the loan amount on the closing or reporting date, the loss ratio of the loan amount and the term-weighted credit default spreads as a benchmark for probability of failure. Furthermore, partial or complete impairment allowances are recognised as soon as there are signs of an increase in default risk.

Non-current other non-financial assets

Investments in non-consolidated subsidiaries are measured at amortised cost.

Defined benefit assets are recognised at the amount by which the fair value of the plan assets exceeds the related defined benefit obligation, less the effects of the asset ceiling in accordance with IAS 19.

Investments accounted for using the equity method

Investments accounted for using the equity method are companies in which the parties exercise joint control (joint venture) or have the power to exercise significant influence over the companies' operating and financial policies (associate); this is usually the case where an entity holds between 20 % and 50 % of the voting power. These assets are recognised at cost at the time of acquisition. If the costs of acquisition exceed the share of the net assets, adjustments are made on the basis of the fair value (pro rata hidden reserves and liabilities). The remaining amount is recognised as goodwill. It forms part of the carrying amount of the joint venture or associate and is not amortised. For subsequent measurement, the carrying amounts are increased / reduced annually by the pro-rata earnings, distributed dividends or other changes in equity of the joint venture or the associate. If local accounting principles differ from the Group's standard accounting policies, adjustments are made accordingly. The share of earnings is reported in the consolidated income statement in a separate line (earnings from investments accounted for using the equity method), and changes such as currency translation effects are taken directly to Group equity. If the losses attributable to the KSB Group correspond to the carrying amount of the company or exceed this, they are not recognised unless KSB has entered into obligations or has made payments for the company. Intercompany gains and losses from transactions between Group companies and investments accounted for using the equity method are offset against the carrying amount in profit or loss. At each reporting date, a review is carried out to determine whether there are any objective indications of impairment, and the amount of such impairment is calculated if required. If the carrying amount exceeds the recoverable amount of an investment, it is written down to the recoverable amount. Any impairments or reversals of impairments are reported in the consolidated income statement under finance income / expense.

Inventories

Pursuant to IAS 2, inventories are recognised at the lower of cost and net realisable value as at the reporting date. Cost is measured using the weighted average method. KSB takes account of the inventory risks resulting from slow-moving goods or impaired marketability through write-downs to the net realisable value. This also applies if the selling price is lower than production cost plus costs still to be incurred. If the reasons for an impairment loss charged in a previous period no longer apply, the impairment loss is reversed (write-up).

Advance payments made on inventories are also presented under inventories because of the correlation and expected realisation of these advances (through conversion into inventories) within the normal business cycle.

Contract assets and contract liabilities

A contract asset shows KSB's claim to consideration in exchange for goods or services transferred to customers, with the right to payment being not only conditional on the passage of time but also on the satisfaction of an overall contractual performance obligation by KSB. By contrast, receivables reflect KSB's unqualified claim to consideration. A contract liability also represents KSB's obligation to transfer goods or services to a customer. However, in these cases KSB has already received consideration from a customer that exceeds the amount of the goods or services provided. Contract assets relate to ongoing projects that have not yet been invoiced and are subject to similar credit risks as trade receivables for the same types of contract. Against this background, the expected loss ratios of trade receivables are also used for risk provisioning for expected credit losses (ECL) of contract assets determined using the simplified impairment model. If it becomes apparent to KSB at the respective project stage that it is sufficiently likely that customers will default on payments, these risks are taken into account by appropriate individual impairment allowances for the contract assets concerned.

Trade receivables

Trade receivables and other current assets are subsequently recognised at amortised cost. Low-interest or non-interest-bearing receivables are discounted. In addition, identifiable risks are taken into account by charging individual impairment losses. Individual impairment allowances are regularly made if insolvency or collection proceedings have been instigated, on the default or failure to meet agreed repayment plans and on overdue payments. Receivables are derecognised if it is reasonably certain that payment cannot be expected. Risk provisioning for expected credit losses (ECL) is recognised under the simplified impairment model according to IFRS 9 for receivables that are not individually impaired. To measure expected credit losses, trade receivables are summarised on the basis of common credit risk features (risk classes) and number of days overdue. The expected default rates stem from the historical payment profiles of sales revenues over the last three financial years before the reporting date. The historical and forward-looking information forms the basis for the expected probability of failure, adjusted for future-oriented macroeconomic factors.

Part of the credit risk exposure of trade receivables is hedged. For more information, please refer to Section VI. Additional Information on Financial Instruments – sub-section “Financial risks – Credit risk”.

For trade receivables for which collateral, such as credit insurance, has been provided or letters of credit have been opened, risk provisioning is recognised, taking account of default risks of the provider of the security and the company's macroeconomic factors.

If the reasons for an impairment loss charged in a previous period no longer apply, the impairment loss is reversed (write-up).

Other non-financial assets

The prepayments made that are presented in this item relate to accrued expenditure prior to the reporting date that will only be classified as an expense after the reporting date.

Cash and cash equivalents

Cash (cash and sight deposits) and cash equivalents (short-term, highly liquid financial investments that are readily convertible to defined amounts of cash, and that are subject to only immaterial fluctuations in terms of their value) are recognised at amortised cost. Cash and cash equivalents are subject to an expected credit default risk. The impairment allowance under IFRS 9 is calculated based on the loan amount on the closing date, the loss ratio of the loan amount and the term-weighted credit default spreads as a benchmark for probability of failure. Furthermore, partial or complete impairment allowances are recognised as soon as there are signs of an increase in default risk.

Taxes on income

Current taxes on income are recognised in income tax liabilities to the extent that they have not yet been paid. If the amount already paid exceeds the amount owed, an income tax receivable is recognised and reported in other tax assets under other non-financial assets.

Deferred taxes are accounted for in accordance with IAS 12 using the balance sheet liability method on the basis of the enacted or substantively enacted local tax rates. This means that deferred tax assets and liabilities generally arise when the tax base of assets and liabilities differs from their carrying amount in the IFRS financial statements, and this leads to future tax expense or income. KSB recognises deferred tax assets from tax loss carryforwards in those cases where it is more likely than not that there will be sufficient taxable profit available in the near future against which these tax loss carryforwards can be utilised. Deferred taxes are also recognised for consolidation adjustments. Deferred taxes are not discounted. Deferred tax assets and liabilities are always offset where they relate to the same tax authority. Changes to deferred taxes in the consolidated balance sheet generally result in deferred tax expense or income. If, however, a direct entry is made in other comprehensive income in equity, the change in deferred taxes is also taken directly to equity.

Provisions

a) Provisions for pensions and similar obligations
Provisions for pensions and similar obligations under IAS 19 are calculated on the basis of actuarial reports. They are based on defined benefit pension plans. They are measured using the projected unit credit method.

Actuarial gains and losses are taken directly to other comprehensive income and reported in equity under “Remeasurement of defined benefit plans”. The actuarial demographic assumptions and the setting of the discount rate (based on senior, fixed-income corporate bonds) and other measurement parameters (for example income and pension trends) are based on best estimates.

Net interest is calculated by multiplying the discount rate with the net liability (pension obligation minus plan assets) or the net asset value that results if the plan assets exceed the pension obligation.

The defined benefit costs include the service cost, which is included in staff costs under pension costs, and the net interest income or expense on the net liability or net asset value, which is recognised in finance income / expense under interest and similar expenses or under interest and similar income.

Defined benefit assets are reported under non-current other non-financial assets.

No provisions are recognised for defined contribution pension plans. In these cases, the premium payments are recognised directly in staff costs in the income statement. Other than an obligation to pay premiums, KSB has no further obligations and no actuarial risk.

b) Other provisions
Provisions are recognised if an event that occurred by the reporting date of the respective financial year results in a present legal or constructive external obligation that the company has no realistic alternative to settling, where settlement of this obligation is expected to result in an outflow of resources embodying economic benefits, and the amount of the obligation can be estimated reliably. The amount of the provision corresponds to the best estimate of the settlement amount of the current obligation on the reporting date. Any more or less secure recourse or reimbursement claims are recognised as separate assets.

Obligations in the form of expected losses from onerous contracts are recognised if the unavoidable costs to KSB of fulfilling a contract exceed the expected economic benefits. In the case of customer contracts that are expected to be loss-making, first an impairment of contract-related inventories is recognised before additional provisions are recognised. In contrast, contract assets are reported gross on the one hand and provisions for expected losses from onerous customer contracts are recognised on the other hand.

Provisions for restructurings are recognised only if the criteria set out in IAS 37 are met.

Non-current provisions are discounted if the effects are material.

Contingent liabilities
Contingent liabilities, which are not recognised, are potential obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events. Contingent liabilities may also be present obligations that arise from past events where it is possible but not probable that there will be an outflow of resources embodying economic benefits.

Contingent liabilities correspond to the extent of liability at the reporting date.

Sales revenue
KSB generates sales revenue from the sale of goods and goods purchased and held for resale from the production, sale and trade of machinery, systems and other industrial products, particularly pumps and valves and related support services. The breadth of orders with pumps ranges from the supply of an individual pump to customised pump sets, including drive and control systems. These goods and services are sold to engineering contractors, OEMs and end users or, in some cases, distributed via dealers. Some customer

contracts contain several service components, such as manufacture of a pump and the related installation and commissioning. These installation services cover integration services and can only be carried out by specifically trained and qualified staff. They are not accounted for as independent performance obligations and the transaction price is not split.

Sales revenue is recognised in the amount of the consideration expected by KSB based on the transfer of goods or provision of services to the customer. Depending on the type of performance and contractual structure, sales revenue is recognised either over time or at a point in time in line with satisfaction of the performance obligation by KSB.

If a performance obligation meets the criteria for recognising sales revenue over time under IFRS 15 and the progress towards completion and expected consideration can be reliably estimated, the sales revenue is recognised based on progress towards complete satisfaction of the performance obligation. KSB specifically recognises sales revenue over time for contracts covering the production of customised pumps and valves as well as contracts for the provision of services. By contrast, standard products in the pumps and valves areas are typically subject to sales revenue recognition at a point in time. KSB applies the input-oriented method to determine progress that is measured by the factors used. The percentage of completion of contracts is determined on the basis of the proportion that contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs at the reporting date and thus follows the cost-to-cost method. Contract revenue consists of all contractually agreed revenues, as well as additional claims and incentive payments that are likely to result in revenue and are capable of being reliably measured. Contract revenue may vary, for instance because of renegotiations or penalties. Sales revenue is accounted for based on the amount fixed in the contract less expected consideration. Variable considerations (penalties, bonuses) are estimated at the most likely value. Restrictions on estimate options are taken into account. Estimates on costs and contract progress are corrected if circumstances change. Any resultant increases or reductions in the estimated proceeds or costs are reflected in the profit and loss account for the period in which the circumstances giving rise to the correction occurred. If the earnings from a service or production order with sales revenue recognition over time cannot be reliably estimated, revenue will only be recognised in the amount of the contract costs incurred that are likely to be covered and the contract costs recognised as an expense for the period in which they are incurred.

Sales revenue is recognised at a point in time for performance obligations that do not meet the criteria for recognising sales revenue over time under IFRS 15. At KSB, this typically applies in particular to standard products without any material customer-specific characteristic in the Pumps and Valves segments. At the time of revenue recognition, receipt of the consideration must be probable and the amount of sales revenue must be reliably measurable. A reliable estimation of the associated costs and potential return of the goods must also be possible. The point in time at which KSB satisfies the performance obligations from contracts with customers subject to sales revenue recognition at a point in time is generally based on the agreed delivery terms and conditions (INCOTERMS). For certain deliveries and services, a declaration of acceptance by the customer is required for the recognition of sales revenue. The Group generally aims to agree on delivery terms and conditions with the earliest possible transfer of risk. For customer contracts based on sales revenue recognised at a point in time, sales reductions also reduce sales revenue.

KSB agrees payment terms and conditions for customer contracts that allow for payment in a reasonable period after the invoice has been issued. Extended payment terms are not usually granted to customers. There are usually no long-term financing components.

In individual cases and in compliance with the statutory requirements of IFRS 15, a customer may ask to obtain control of a product prior to delivery of the goods (bill-and-hold arrangements). This can result in earlier sales revenue recognition.

For regular fixed-price contracts, the customer pays a fixed amount using a payment plan. Depending on the ratio of the customer payments received to the claim to consideration acquired by KSB based on the transfer of goods and services to the customer, there is an advance or subsequent type of payment on the reporting date for the respective customer contract. Contract assets are reported reduced by advances received, if the amount of the goods and services provided by KSB exceed the payment amount. Payments received from the customer that exceed the amount of the goods and services provided by KSB for the respective customer contract result in the reporting of a contract liability.

Other income statement items

Interest income and expense are recognised in the period in which they occur. Dividend income from investments is collected when the legal entitlement to payment is created. Operating expenses are recognised when they are incurred or when the services are utilised. Income tax is calculated in accordance with the statutory tax rules in the countries in which the Group operates. Deferred taxes are accounted for on the basis of the enacted or substantively enacted income tax rates.

3. Material judgements, estimates and assumptions

The preparation of consolidated financial statements in accordance with the IFRSs as adopted by the EU requires management to make estimates and assumptions that affect the accounting policies to be applied. When implementing such accounting policies, estimates and assumptions affect the assets, liabilities, income and expenses recognised in the consolidated financial statements, and their presentation. These estimates and assumptions are based on past experience and a variety of other factors deemed appropriate under the circumstances. Actual amounts may differ from these estimates and assumptions. The estimates and assumptions made are constantly reviewed. If more recent information and additional knowledge are available, recognised amounts are adjusted to reflect the new circumstances. Any changes in estimates and assumptions that result in material differences are explained separately.

Recoverability of intangible assets, right-of-use assets and property, plant and equipment

Impairment tests for goodwill, which are conducted at least once per year, require an estimate of the recoverable amounts for each cash-generating unit (CGU). These correspond to the higher amount from the fair value less costs to sell and value in use. The earnings forecast on the basis of these estimates are affected by various factors, which may include exchange rate fluctuations, progress in Group integration or the expectations for the economic development of these units. Although management believes that the assumptions used to calculate the recoverable amount are appropriate, any unforeseen changes in these assumptions could lead to an impairment loss.

Estimates and assumptions must also be made when testing other intangible assets, right-of-use assets and property, plant and equipment for impairment. For each asset it must be verified to what extent there are indications of an impairment. When determining the recoverable amount of property, plant and equipment, the estimation of the relevant useful life is subject to uncertainty.

Net realisable value of inventories

Determining the net realisable value of inventories requires in particular estimates of the further marketability of the inventory items and the future development of market prices on the sales markets of KSB in relation to the needed production costs. If the actual development in a later period differs from the original estimates, this may result in an additional impairment requirement for the inventory items or in the reversal of impairments.

Impairments on contract assets and trade receivables

Contract assets and trade receivables are subject to the impairment rules of IFRS 9. The assessments that KSB makes regarding customers' solvency are of central importance here. Depending on the actual payment behaviour of customers, actual defaults on receivables may exceed the impairment losses recognised in previous periods, or impairments may be reversed.

Actuarial assumptions for the measurement of provisions for employee benefits

Provisions for employee benefits, in particular provisions for pensions and similar obligations, are determined according to actuarial principles. These are based on statistical and other factors so as to anticipate future events. Material factors are the reported market discount rates and life expectancy. The actuarial assumptions made may differ from actual developments as a result of changing market and economic conditions. This can have material effects on the amount of provisions and thus on the company's overall net assets, financial position and results of operations. Within the scope of the material pension plans of the German companies, every employee is entitled to apply at any time during the ongoing employment contract for payment in annual instalments, as a one-time payment or as a pension for life. KSB's estimate as to how the specific workforce is likely to decide on exercising the lump-sum option is reviewed on a regular basis and is reflected accordingly in the measurement of pension provisions.

Recognition and measurement of other provisions

Provisions are recognised for uncertain liabilities with a probability of occurrence of more than 50 %. The provision corresponds to the best estimate of the expenditure to fulfil the current obligation on the reporting date. The later, actual outflow can, however, differ from the estimate as a result of changed economic, political or legal conditions. This will be reflected in additional expenses or income from reversals.

Estimates in connection with the accounting treatment of income taxes

The Group's global scope of activities must be taken into account in relation to taxes on income. Based on operative activities in numerous countries with varying tax laws and administrative interpretation, differentiated assessment is required for determining tax liabilities. Uncertainty may arise due to different interpretations by taxable entities on the one hand and local finance authorities on the other. Uncertain tax assets and liabilities are recognised if their probability of occurrence exceeds 50 %. The best estimate of the expected tax payment is used for reporting purposes; depending on the case in question this will take the form of the most probable result or of the expected value. Although KSB believes it has made a reasonable estimate regarding any tax uncertainties, it is possible that the actual tax obligation will differ from the original estimate.

With regard to future tax benefits, KSB assesses their realisability as at every reporting date. For this reason, deferred tax assets are only recognised if sufficient taxable income is available in future. In assessing this future taxable income within the planning horizon of three to five years it must be taken into account that expected future business developments are subject to uncertainties and are in some cases excluded from control by company management (for example changes to applicable tax legislation). If KSB comes to the conclusion that previously reported deferred tax assets cannot be realised because of changed assumptions, then the assets will be written down by the appropriate amount.

Sales revenue recognition over time

If performance obligations meet the relevant criteria of IFRS 15, KSB recognises revenue from customer contracts over time in line with progress towards completion. The progress towards completion is determined according to the percentage of completion. This requires estimates regarding the total contract costs and revenue including the variable considerations of contract risks as well as other relevant factors. These estimates take into account the empirical values of KSB and are reviewed regularly by those with operative responsibility and adjusted where necessary.

Consideration of sustainability issues (ESG)

In connection with the ESG sustainability issues – Environmental (E), Social (S) and Corporate Governance (G) – estimates are required in the preparation of the consolidated financial statements with regard to the impact on the financial statements. ESG-related aspects did not have a material impact on KSB's net assets, financial position and results of operations in the reporting year. For further information in this context, please refer to the Group's opportunities and risks report as part of the combined management report.

Geopolitical and macroeconomic developments

The business activities of the KSB Group take place in an increasingly complex and uncertain macroeconomic and geopolitical environment. The overall picture is characterised by the ongoing difficult economic situation in Europe and by global political tensions. The future global economic growth in important markets is, accordingly, subject to uncertainty.

Overall, a high degree of discretionary assessments and assumptions with regard to the future development of the geopolitical and macroeconomic environment and the impact on KSB's consolidated financial statements is required. For instance, the continuation of global political conflicts might have future repercussions for the Group.

IV. Balance Sheet Disclosures

1. Intangible assets

Statement of changes in intangible assets

€ millions	Concessions, industrial property and similar rights and assets, as well as licences in such rights and assets		Goodwill		Internally generated intangible assets		Advance payments		Intangible assets Total	
Historical cost	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Balance at 1 January	**84.4**	**79.8**	**33.5**	**32.2**	**46.4**	**43.3**	**3.2**	**2.0**	**167.5**	**157.3**
Currency translation adjustments	0.3	-0.8	0.4	-0.1	–	–	0.0	0.0	0.7	-0.9
Other	–	0.7	–	1.4	–	–	–	–	–	2.1
Additions	4.5	5.2	–	–	2.1	2.7	0.8	1.9	7.4	9.8
Disposals	-0.4	-0.7	-2.5	–	–	–	-0.1	-0.1	-3.0	-0.8
Reclassifications	2.8	0.3	–	–	–	0.4	-2.8	-0.7	–	–
Balance at 31 December	**91.6**	**84.4**	**31.3**	**33.5**	**48.5**	**46.4**	**1.1**	**3.2**	**172.5**	**167.5**
Accumulated depreciation and amortisation	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Balance at 1 January	**75.1**	**71.4**	**3.0**	**2.4**	**13.6**	**10.8**	**–**	**–**	**91.8**	**84.6**
Currency translation adjustments	0.1	-0.5	0.1	0.0	–	–	–	–	0.2	-0.6
Other	–	0.2	–	–	–	–	–	–	–	0.2
Depreciation / amortisation*	4.4	4.0	–	–	2.9	2.8	–	–	7.3	6.8
Impairment losses*	–	0.1	2.5	0.7	–	–	–	–	2.5	0.8
Reversals of impairments*	–	–	–	–	–	–	–	–	–	–
Disposals	-0.4	-0.1	-2.5	–	–	–	–	–	-2.9	-0.1
Reclassifications	–	–	–	–	–	–	–	–	–	–
Balance at 31 December	**79.2**	**75.1**	**3.1**	**3.0**	**16.6**	**13.6**	**–**	**–**	**98.9**	**91.8**
Carrying amount at 31 December	**12.4**	**9.3**	**28.2**	**30.4**	**31.9**	**32.8**	**1.1**	**3.2**	**73.6**	**75.7**

* In the 2023 consolidated financial statements, depreciation, amortisation, impairment losses and reversals of impairments were summarised in the "Additions" line. To increase transparency, these amounts are now broken down individually. The presentation for the previous year was adjusted accordingly.

The additions to intangible assets amounting to € 7.4 million (previous year: € 9.8 million) are distributed among various software applications.

The “Concessions, industrial property and similar rights and assets, as well as licences in such rights and assets” item includes € 8.9 million (previous year: € 6.5 million) of software including software licences valid for a limited period. As in the previous year, there are no restrictions on ownership or use.

KSB reported internally generated intangible assets of € 31.9 million (previous year: € 32.8 million). These are primarily attributable to the KSBase sales software.

As in the previous year, no product-related development costs were capitalised in the reporting year because not all of the comprehensive recognition criteria defined in IAS 38 were met.

Impairment testing under IAS 36

The date defined by KSB for the mandatory annual impairment testing of goodwill is 30 September of each year. The impairment testing methodology is explained in more detail in Section III. Accounting Policies in the “Intangible assets” sub-section.

Basic assumptions and parameters

The carrying amounts of the cash-generating units in connection with the impairment testing of goodwill do not contain any items relating to income tax or financing activities.

To determine the discount factor, the weighted average cost of capital (WACC) method is applied in conjunction with the capital asset pricing model (CAPM), taking into account a peer group. Under this method, first the cost of equity is determined using CAPM and the borrowing costs are defined, and then the individual capital components are weighted in accordance with the capital structure taking account of the peer group. The peer group information includes aspects like beta factors, capital structure data and borrowing costs. The peer group includes companies that are similar to the Group in terms of industry, size and activity. To account for changes in market parameters, the composition of the peer group is reviewed at regular intervals and adjusted if necessary (e.g. due to changes in the business model of either the cash-generating unit or the comparable company being looked at).

The interest rate for risk-free 30-year Bunds was used as a base rate. This rate was 2.5 % in the reporting year (previous year: 2.7 %). The market risk premium was set at 6.7 % (previous year: 6.7 %), with a beta factor of 1.19 (previous year: 1.25). In addition, country-specific tax rates and country risk premiums are taken into account individually for each cash-generating unit (CGU). The growth rate for the cash-generating units in the reporting year was generally set at 1.5 % (previous year: 1.5 %). The regular review of the peer group did not generate any new findings in relation to the business models of comparative companies. The peer group for examining the weighted capital cost factor therefore remained the same as in the previous year.

Basic parameters for the impairment testing of goodwill considered material (30 September 2024)

Name of CGU	Carrying amount of goodwill € millions	Percentage of total carrying amount of goodwill	Method	Planning time horizon	Discount rate	Growth rate
KSB SupremeServ operating segment of KSB Industries B.V., Netherlands*	10.2	36 %	Value in use	5 years	13.2 % before tax / 10.3 % after tax	1,5 %
Standard Markets Pumps operating segment of KSB Industries B.V., Netherlands*	8.1	29 %	Value in use	5 years	13.1 % before tax / 10.3 % after tax	1,5 %

* The cash-generating units presented here include the KSB SupremeServ and Standard Markets Pumps operating segments of KSB Industries B.V., KSB Manufacturing B.V. and Duijvelaar Pompen B.V.

Basic parameters for the impairment testing of goodwill considered material (30 September 2023)

Name of CGU	Carrying amount of goodwill € millions	Percentage of total carrying amount of goodwill	Method	Planning time horizon	Discount rate	Growth rate
KSB SupremeServ operating segment of D.P. Industries B.V., Netherlands*	10.2	33 %	Value in use	5 years	14.1 % before tax / 10.9 % after tax	1,5 %
Standard Markets Pumps operating segment of D.P Industries B.V., Netherlands*	8.1	27 %	Value in use	5 years	14.3 % before tax / 10.9 % after tax	1,5 %

* The cash-generating units presented here include the KSB SupremeServ and Standard Markets Pumps operating segments of D.P. Industries B.V. (since 2024: KSB Industries B.V.), KSB Manufacturing Netherlands B.V. (since 2024: KSB Manufacturing B.V.) and Duijvelaar Pompen B.V.

Disclosures on material goodwill items

The only goodwill considered material from the Group's perspective, both in the reporting year and in the previous year, was attributable to cash-generating units in the Netherlands totalling € 18.3 million.

In addition, the carrying amount of the other goodwill of € 9.9 million is spread over a large number of the Group's cash-generating units. There are no other significant carrying amounts of individual goodwill in relation to the total carrying amount of the Group's goodwill.

The Group's material assumptions impacting cash flows from the multi-year financial plan on which impairment testing as at 30 September 2024 is based relate to the performance of order intake, sales revenue and earnings before finance income / expense and taxes (EBIT). Growth of over 3 % per year was assumed on average for all three of the aforementioned key indicators over the five-year detailed planning period. The assessments take into account the company's own experience-based knowledge of competitors and markets as well as published economic data collected externally.

For goodwill considered material additional sensitivity analyses were performed based on the parameters as at 31 December 2024. As in the previous year, the following assumptions were made: a 15 % increase in the cost of capital (Sensitivity 1), a reduction in the growth rate to 0.0 % (Sensitivity 2) and a reduction in sales revenue of 10 % with the corresponding impact on expense items and performance indicators (Sensitivity 3). As in the previous year, the sensitivity analyses did not reveal any impairment requirement in the reporting year.

Impairment of goodwill in the 2024 financial year

Name of CGU	Segment	Discount rate (before taxes)	Discount rate (after taxes)	Recoverable amount € millions	Impairment loss € millions
KSB SupremeServ operating segment of KSB Dubric, Inc., USA	KSB SupremeServ	12.7 %	10.4 %	1.3	**2.5**
Total					**2.5**

The goodwill from the Standard Markets Pumps operating segment of KSB Dubric, Inc., USA, was fully amortised in the reporting year.

Impairment loss on goodwill

The goodwill impairments recognised in the reporting year are shown in the above table. Goodwill impairment testing in the previous year resulted in an impairment requirement of € 0.7 million. The impairment losses are recognised in the income statement under depreciation and amortisation.

2. Right-of-use assets

€ millions	31 Dec. 2024	31 Dec. 2023
Right-of-use assets	**57.7**	**46.9**
Of which land and buildings	39.5	30.6
Of which technical equipment and machinery	0.6	0.8
Of which other equipment, operating and office equipment	17.6	15.6

Additions to right-of-use assets in the reporting year amounted to € 30.5 million (previous year: € 25.9 million).

Depreciation on right-of-use assets in the reporting year was as follows:

€ millions	2024	2023
Depreciation on right-of-use assets	**19.9**	**18.4**
Of which land and buildings	11.7	11.1
Of which technical equipment and machinery	0.4	0.4
Of which other equipment, operating and office equipment	7.7	7.0

Write-downs for the previous year include impairment losses on rights to use land and buildings in the KSB SupremeServ Segment amounting to € 0.2 million. There were no impairments on right-of-use assets in the reporting year.

3. Property, plant and equipment

Impairment losses on property, plant and equipment of € 1.9 million (previous year: € 1.5 million) were recognised in the reporting year. The Pumps Segment was affected by the impairments in the amount of € 0.2 million (previous year: € 0.9 million), the Valves Segment in the amount of € 1.7 million and the KSB SupremeServ Segment in the amount of € 0.6 million in the previous year.

Of the total reversals of impairments on property, plant and equipment amounting to € 0.8 million (previous year: € 2.2 million), € 0.5 million (previous year: € 1.8 million) related to the Pumps Segment, € 0.3 million (previous year: € 0.1 million) to the KSB SupremeServ Segment and a further € 0.3 million in the previous year to the Valves Segment.

The impairment losses and reversals are reported in the income statement under depreciation and amortisation.

Disposals of intangible assets and items of property, plant and equipment resulted in book gains of € 1.2 million (previous year: € 0.9 million) and book losses of € 1.0 million (previous year: € 1.0 million). The book gains and losses are reported in the income statement under other income and other expenses.

Statement of changes in property, plant and equipment

€ millions	Land and buildings		Plant and machinery		Other equipment, operating and office equipment		Advance payments and assets under construction*		Property, plant and equipment	
Historical cost	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Balance at 1 January	**531.0**	**509.3**	**695.0**	**680.4**	**271.6**	**259.5**	**45.8**	**50.5**	**1,543.5**	**1,499.8**
Currency translation adjustments	5.0	-9.2	13.5	-12.6	3.8	-4.8	0.7	-1.1	22.9	-27.6
Other	–	–	–	0.1	–	0.6	–	–	–	0.6
Additions	25.7	19.8	28.3	22.4	27.6	23.0	50.9	34.8	132.4	99.9
Disposals	-1.8	-3.3	-9.5	-12.6	-11.0	-13.0	-0.1	-0.2	-22.4	-29.1
Reclassifications	14.1	14.3	16.7	17.3	4.3	6.4	-35.2	-38.1	–	–
Balance at 31 December	**573.9**	**531.0**	**744.0**	**695.0**	**296.4**	**271.6**	**62.1**	**45.8**	**1,676.4**	**1,543.5**
Accumulated depreciation and amortisation	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Balance at 1 January	**242.4**	**236.1**	**507.0**	**497.9**	**191.9**	**187.2**	**–**	**–**	**941.3**	**921.3**
Currency translation adjustments	2.6	-3.4	10.7	-8.1	3.1	-3.2	–	–	16.5	-14.7
Other	–	–	–	0.0	–	0.3	–	–	–	0.4
Depreciation / amortisation**	14.6	13.7	30.0	29.0	22.1	20.0	–	–	66.6	62.7
Impairment losses**	0.2	0.4	1.7	0.9	–	0.2	–	–	1.9	1.5
Reversals of impairments**	-0.8	-1.7	–	-0.4	–	-0.1	–	–	-0.8	-2.2
Disposals	-1.8	-2.7	-9.3	-12.4	-10.2	-12.4	–	–	-21.3	-27.6
Reclassifications	0.0	–	-0.1	0.1	0.1	-0.1	–	–	–	–
Balance at 31 December	**257.3**	**242.4**	**539.9**	**507.0**	**207.1**	**191.9**	**–**	**–**	**1,004.2**	**941.3**
Carrying amount at 31 December	**316.7**	**288.6**	**204.1**	**188.0**	**89.3**	**79.7**	**62.1**	**45.8**	**672.2**	**602.2**

* The carrying amount of advance payments on property, plant and equipment as at the reporting date is € 16.2 million (previous year: € 13.9 million).

** In the 2023 consolidated financial statements, depreciation, amortisation, impairment losses and reversals of impairments were summarised in the "Additions" line. To increase transparency, these amounts are now broken down individually. The presentation for the previous year has been adjusted accordingly.

4. Financial assets

The non-current financial assets in the amount of € 1.9 million (previous year: € 1.2 million) were attributable to equity investments of € 1.0 million (previous year: € 1.0 million).

In the reporting year, as in the previous year, no material impairment losses on loans were recognised, because no significant default risks were identified.

5. Other non-financial assets

€ millions	31 Dec. 2024	31 Dec. 2023
Other investments	4.1	3.7
Defined benefit assets	7.0	4.0
	11.0	**7.7**

Other investments are investments in affiliates that were not consolidated due to there being no material impact. As in the previous year, there was no depreciation and amortisation applied in the reporting year.

6. Investments accounted for using the equity method

The following table lists the KSB Group's material joint ventures. "Seat" refers to the country in which the main activity is performed. All joint ventures and associates are accounted for using the equity method and can also be found in the list of shareholdings in these Notes to the Consolidated Financial Statements. The share of capital corresponds to the share of voting rights.

→ **Material joint ventures**

Neither of the two material joint ventures is listed on a stock market, which is why there is no active market.

Summarised financial information on these material joint ventures of the KSB Group and a combined summary for all the individually immaterial joint ventures and associated companies are provided in the following tables:

→ **Summarised balance sheet**

→ **Summarised statement of comprehensive income**

→ **Reconciliation to carrying amount of Group share in joint ventures**

→ **Summarised information on joint ventures and associates that are immaterial individually**

As in the previous year, there are no pro rata losses that have not been recognised from the consolidation at equity.

Material joint ventures

Name and seat	Capital share	Nature of the entity's relationship
KSB Pumps Arabia Ltd., Saudi Arabia	50.00%	KSB Pumps Arabia Ltd. in Riyadh, Saudi Arabia, offers a wide range of services and activities for the energy market as well as in water, waste water and building services applications. The portfolio includes business development and marketing, supply chain management, production of pressure booster systems and pump sets, sale of pumps, valves and systems and technical service activities. KSB Pumps Arabia Ltd. is important for the growth of the Group in the Saudi Arabian market.
Shanghai Electric-KSB Nuclear Pumps and Valves Co., Ltd., China	45.00%	Shanghai Electric-KSB Nuclear Pumps and Valves Co., Ltd. in Shanghai, China, produces suitable auxiliary pumps for the secondary coolant circuits and modern reactor coolant pumps for the primary cooling circuits of nuclear power stations. Shanghai Electric-KSB Nuclear Pumps and Valves Co., Ltd. is a strategic partnership on the part of the Group, through which KSB is participating in the expansion of energy capacity in China and other Asian markets.

Summarised balance sheet

	KSB Pumps Arabia Ltd.		Shanghai Electric-KSB Nuclear Pumps and Valves Co., Ltd.	
€ millions	**31 Dec. 2024**	**31 Dec. 2023**	**31 Dec. 2024**	**31 Dec. 2023**
Non-current assets	11.4	9.9	77.1	76.7
Current assets	50.6	45.3	247.7	196.5
Of which cash and cash equivalents	4.3	2.7	60.1	42.1
Non-current liabilities	-8.4	-7.5	0.0	-6.4
Of which non-current financial liabilities (excluding trade payables and provisions)	-6.5	-6.1	–	-6.4
Current liabilities	-35.9	-34.0	-276.8	-223.6
Of which current financial liabilities (excluding trade payables and provisions)	-8.4	-10.4	-12.8	-12.7
Net assets	**17.7**	**13.6**	**48.0**	**43.2**

Summarised statement of comprehensive income

	KSB Pumps Arabia Ltd.		Shanghai Electric-KSB Nuclear Pumps and Valves Co., Ltd.	
€ millions	**2024**	**2023**	**2024**	**2023**
Sales revenue	48.1	40.1	85.0	86.3
Depreciation / amortisation	0.9	1.0	4.0	4.9
Interest income	–	–	0.3	0.2
Interest expense	-1.0	-0.9	-0.4	-0.7
Earnings from continuing operations	3.8	2.7	3.2	2.0
Taxes on income	-0.4	-0.4	-0.1	3.4
Earnings after taxes from continuing operations	**3.3**	**2.3**	**3.1**	**5.4**
Earnings after taxes from discontinued operations	–	–	–	–
Other comprehensive income	0.8	0.1	1.6	-2.7
Comprehensive income	**4.1**	**2.4**	**4.7**	**2.8**
Dividends received from joint ventures	**–**	**–**	**–**	**–**

Reconciliation to carrying amount of Group share in joint ventures

€ millions	KSB Pumps Arabia Ltd. 2024	KSB Pumps Arabia Ltd. 2023	Shanghai Electric-KSB Nuclear Pumps and Valves Co., Ltd. 2024	Shanghai Electric-KSB Nuclear Pumps and Valves Co., Ltd. 2023
Net carrying amount at 1 January	13.6	11.3	43.2	40.4
Earnings after income tax	3.3	2.3	3.1	5.4
Distribution of dividends	–	–	–	–
Other comprehensive income	0.8	0.1	1.6	-2.7
Net carrying amount at 31 December	**17.7**	**13.6**	**48.0**	**43.2**
Investment in joint venture (50 % / 45 %)	8.9	6.8	21.6	19.4
Elimination of intercompany profit and loss*	-1.3	-1.1	-6.4	-6.9
Goodwill	–	–	–	–
Carrying amount at 31 December	**7.6**	**5.7**	**15.2**	**12.6**

* The cumulative effects shown as elimination of intercompany profits and loss in the reconciliation to the carrying amount of KSB's investment in Shanghai Electric-KSB Nuclear Pumps and Valves Co., Ltd., Shanghai, China, result from eliminations in connection with the oncharging of product licences from KSB SE & Co. KGaA, Frankenthal/Pfalz, to this joint venture.

Summarised information on joint ventures and associates that are immaterial individually

€ millions	Joint ventures 2024	Associates 2024	Total 2024	Joint ventures 2023	Associates 2023	Total 2023
Group share of earnings from continuing operations	2.0	1.4	3.4	0.6	1.0	1.6
Group share of other comprehensive income	0.3	–	0.3	-0.2	–	-0.2
Group share of comprehensive income	2.4	1.4	3.7	0.4	1.0	1.4
Elimination of intercompany profit and loss	0.0	–	0.0	0.0	–	0.0
Dividend distributed to the Group	-0.1	-0.9	-1.0	0.0	-0.8	-0.8
Total carrying amounts of Group shares in these companies	**6.7**	**2.2**	**8.9**	**4.4**	**1.8**	**6.2**

7. Inventories

€ millions	31 Dec. 2024	31 Dec. 2023
Raw materials, consumables and supplies	271.4	268.2
Work in progress	258.9	261.2
Finished goods and goods purchased and held for resale	210.4	196.2
Advance payments	24.2	22.9
	764.8	**748.4**

As at the reporting date, inventories amounting to € 58.7 million (previous year: € 57.3 million) are carried at net realisable value.

The impairment losses on inventories recognised as an expense in the reporting period amount to € 21.5 million (previous year: € 21.8 million).

Reversals of impairments on inventories in the amount of € 3.5 million (previous year: € 7.9 million) resulted from increased net realisable values compared with the previous year. Impairment losses and reversals of impairments on inventories are recognised in the income statement under cost of materials and changes in inventories.

Inventories amounting to € 1,170.0 million (previous year: € 1,129.4 million) were recognised as an expense in the reporting period.

Of the inventories as at the reporting date, work in progress and finished goods amounting to a total of € 88.8 million (previous year: € 88.7 million) have a maturity of more than one year.

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

€ millions	31 Dec. 2024	31 Dec. 2023
Contract assets	**56.9**	**59.0**
Trade receivables	**605.4**	**554.6**
Trade receivables from third parties	559.5	505.8
Trade receivables from related parties	45.9	48.8
Other financial assets	**89.9**	**70.9**
Receivables from loans to related parties	3.4	4.7
Currency forwards	2.5	2.3
Other receivables and other current assets	84.0	63.9
Other non-financial assets	**51.7**	**44.3**
Other tax assets	35.1	33.6
Prepaid expenses	16.6	10.7

At € 56.9 million (previous year: € 59.0 million), the balance of contract assets at the end of the reporting year was at a comparable level to the previous year. Impairment losses on contract assets amounted to € 1.2 million (previous year: € 1.6 million). Of the contract assets as at the reporting date, € 11.8 million (previous year: € 12.3 million) relate to project orders with customers whose completion is not expected until more than one year after the reporting date.

Impairment losses of € 34.4 million (previous year: € 33.8 million) were recognised on trade receivables from third parties as at the reporting date.

Impairment losses on trade receivables and contract assets include the individual impairment allowance (EWB) and risk provisioning for expected credit losses (ECL).

Impairment losses of € 0.2 million (previous year: € 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. As in the previous year, no impairment losses were recognised for receivables from loans to related parties as at the reporting date.

For further information on relationships with related parties, please refer to the relevant details in Section IX. Other Disclosures.

Impairment losses on trade receivables from third parties

€ millions	31 Dec. 2024	31 Dec. 2023
Gross carrying amount of trade receivables from third parties	593.9	539.6
Of which unhedged receivables	419.7	373.7
Of which hedged receivables	174.2	165.9
Individual impairment allowance (EWB)	-31.3	-29.7
Risk provisioning for expected credit losses (ECL)	-3.2	-4.1
Of which ECL for unhedged receivables	-2.3	-3.3
Of which ECL for hedged receivables	-0.9	-0.7
Net carrying amount of trade receivables from third parties	**559.5**	**505.8**

Impairment losses on contract assets

€ millions		31 Dec. 2024	31 Dec. 2023
Gross carrying amount of contract assets		58.1	60.6
Individual impairment allowance (EWB)		-0.9	-1.2
Risk provisioning for expected credit losses (ECL)		-0.3	-0.4
Net carrying amount of contract assets		**56.9**	**59.0**
Expected credit default risk in relation to ECL	**in %**	**0.4**	**0.7**

The reconciliation of impairment losses on trade receivables from third parties and contract assets between the opening and closing balance sheets is shown in the following tables.

The expected credit default risk of unhedged trade receivables from third parties determined based on the simplified impairment model is distributed over the age structure of the receivables portfolio at gross carrying amount as shown in the table below.

→ **Risk provisioning for expected credit losses by maturity of trade receivables**

In the case of unhedged trade receivables from third parties with high overdue amounts, risk provisioning for expected credit losses (ECL) in the reporting year partly results in a lower expected credit risk compared with time bands with lower overdue amounts. This is the result of the relatively high recognition of individual impairments for the entirety of the far overdue open receivables items.

Other receivables and other current assets include hedges of credit balances prescribed by law for partial retirement arrangements and long-term working time accounts of the German Group companies in the amount of € 13.0 million (previous year: € 15.8 million).

€ 41.4 million (previous year: € 37.6 million) of total receivables and other assets are due after more than one year.

Reconciliation of impairment losses 2024

	Trade receivables from third parties			Contract assets		
€ millions	**EWB**	**ECL**	**Gesamt**	**EWB**	**ECL**	**Total**
Opening balance at 1 January	**-29.7**	**-4.1**	**-33.8**	**-1.2**	**-0.4**	**-1.6**
Additions	-10.5	-0.6	-11.2	0.0	0.0	0.0
Utilisation	2.0	–	2.0	–	–	–
Reversal	7.0	1.4	8.4	0.3	0.2	0.5
Currency translation / Other	0.0	0.2	0.2	-0.1	0.0	-0.1
Closing balance at 31 December	**-31.3**	**-3.2**	**-34.4**	**-0.9**	**-0.3**	**-1.2**

Reconciliation of impairment losses 2023

	Trade receivables from third parties			Contract assets		
€ millions	**EWB**	**ECL**	**Gesamt**	**EWB**	**ECL**	**Total**
Opening balance at 1 January	**-29.4**	**-3.5**	**-32.8**	**-1.3**	**-0.4**	**-1.6**
Additions	-12.2	-2.2	-14.4	-0.2	-0.2	-0.4
Utilisation	2.2	–	2.2	–	–	–
Reversal	8.3	1.3	9.6	–	0.1	0.1
Currency translation / Other	1.4	0.3	1.7	0.3	0.1	0.3
Closing balance at 31 December	**-29.7**	**-4.1**	**-33.8**	**-1.2**	**-0.4**	**-1.6**

Risk provisioning for expected credit losses by maturity of trade receivables

31 Dec. 2024		Not overdue	Up to 30 days	Up to 90 days	Up to 180 days	Up to 360 days	Over 360 days	Total
Gross carrying amount of unhedged trade receivables from third parties	€ millions	269.0	52.5	37.4	18.5	13.4	29.0	419.7
ECL	€ millions	-1.2	-0.3	-0.3	-0.1	-0.1	-0.2	-2.3
Expected credit default risk in relation to ECL	in %	0.4	0.5	0.8	0.8	1.1	0.8	–
31 Dec. 2023								
Gross carrying amount of unhedged trade receivables from third parties	€ millions	243.0	46.9	27.9	19.8	10.3	25.8	373.7
ECL	€ millions	-1.6	-0.4	-0.5	-0.4	-0.3	-0.2	-3.3
Expected credit default risk in relation to ECL	in %	0.6	0.9	1.6	2.0	3.3	0.7	–

9. 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.

In the reporting year, as in the previous year, no material impairment losses were recognised on cash and cash equivalents as no significant default risks were identified.

As in the previous year, the cash and cash equivalents reported as at the reporting date are not subject to any material restrictions on disposal by KSB.

10. 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 capital reserve results from the appropriation of premiums from capital increases in previous years.

In addition to revenue reserves from previous years, the revenue reserves include currency translation adjustments, consolidation effects, remeasurements of defined benefit plans under IAS 19 and changes in the fair value of derivatives taken directly to equity. These issues resulted in deferred tax assets in the amount of € 54.3 million (previous year: € 57.7 million) and deferred tax liabilities in the amount of € 0.6 million (previous year: € 0.8 million).

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

→ **Development of currency translation differences 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 non-controlling interests	Total amount of currency translation differences in equity
1 Jan. 2023	-112.3	-21.2	-133.5
Change in 2023	-24.9	-8.4	-33.4
31 Dec. 2023	**-137.3**	**-29.6**	**-166.9**
1 Jan. 2024	-137.3	-29.6	-166.9
Change in 2024	10.7	12.2	23.0
31 Dec. 2024	**-126.6**	**-17.4**	**-143.9**

A total of € 45.8 million (dividend of € 26.00 per ordinary share and € 26.26 per preference share) was paid from equity by resolution of the Annual General Meeting of the Group's parent company KSB SE & Co. KGaA, Frankenthal, on 8 May 2024.

The proposal on the appropriation of the net retained earnings of KSB SE & Co. KGaA for the reporting year calculated in accordance with HGB [*Handelsgesetzbuch* – German Commercial Code] is shown at the end of these Notes.

The development of the equity items, including the non-controlling interests explained in more detail below, is p in the statement of changes in equity.

Non-controlling interests

The table below shows the subsidiaries with material non-controlling interests from the Group's perspective. "Seat" refers to the country in which the main activity is performed.

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.

Information on the subgroup that comprised the subsidiaries of the KSB Group listed in the relevant table as at 31 December 2024 is summarised under the name "PAB".

The summarised financial information regarding the KSB Group's subsidiaries with material non-controlling interests and the PAB subgroup considered here is provided below. Except for the details on the PAB subgroup, this information corresponds to the amounts shown in the subsidiaries' financial statements prepared in accordance with IFRS prior to intercompany eliminations.

The required intercompany eliminations were taken into consideration for the PAB subgroup.

→ **Summarised balance sheet**

→ **Summarised statement of comprehensive income**

→ **Summarised statement of cash flows**

Subsidiaries with material non-controlling interests

Name and seat	Non-controlling interest in capital	Earnings after income tax attributable to non-controlling interests		Accumulated non-controlling interests in equity	
€ millions	**2024 / 2023**	**31 Dec. 2024**	**31 Dec. 2023**	**31 Dec. 2024**	**31 Dec. 2023**
PAB, Germany / USA (subgroup)	49.00 %	7.5	8.0	111.2	103.7
KSB Limited, India	59.46 %	16.2	13.3	98.3	83.2
KSB Shanghai Pump Co., Ltd., China	20.00 %	2.2	1.8	9.4	8.6
Subsidiaries with individually immaterial non-controlling interests		2.9	1.3	23.9	21.0
Total amount of non-controlling interests		**28.7**	**24.3**	**242.9**	**216.5**

Composition of the PAB subgroup as at 31 December 2024

Cons. No.	Name and seat	Country	Capital share in %	Held by cons. no
1	PAB Pumpen- und Armaturen-Beteiligungsges. mbH, Frankenthal	Germany	51.00	–
2	KSB America Corporation, Richmond / Virginia	USA	100.00	1
3	KSB GIW, Inc., Grovetown / Georgia	USA	100.00	2
4	KSB Dubric, Inc., Comstock Park / Michigan	USA	100.00	2
5	KSB, Inc., Richmond / Virginia	USA	100.00	2
6	KSB, Inc. – Western Division, Bakersfield / California	USA	100.00	2
7	Standard Alloys Incorporated, Port Arthur / Texas	USA	100.00	2

Summarised balance sheet

€ millions	PAB		KSB Limited		KSB Shanghai Pump Co., Ltd.	
	31 Dec. 2024	31 Dec. 2023	31 Dec. 2024	31 Dec. 2023	31 Dec. 2024	31 Dec. 2023
Non-current assets	119.5	103.9	65.5	58.3	38.5	29.2
Current assets	185.5	182.6	196.3	166.0	169.3	149.8
Non-current liabilities	-17.2	-13.1	-2.9	-2.3	-1.0	-0.4
Current liabilities	-56.5	-56.9	-92.7	-81.2	-158.5	-134.2
Net assets	**231.2**	**216.5**	**166.1**	**140.9**	**48.3**	**44.3**

Summarised statement of comprehensive income

€ millions	PAB		KSB Limited		KSB Shanghai Pump Co., Ltd.	
	2024	2023	2024	2023	2024	2023
Sales revenue	298.1	292.9	280.9	250.8	210.1	186.3
Earnings after income tax	13.9	16.1	27.5	23.3	10.9	9.1
Other comprehensive income	15.1	-6.9	4.6	-5.4	1.6	-2.9
Comprehensive income	29.0	9.2	32.0	17.9	12.6	6.2
Other comprehensive income attributable to non-controlling interests	7.4	-3.4	2.7	-3.2	0.3	-0.6
Comprehensive income attributable to non-controlling interests	14.2	4.5	19.0	10.1	2.5	1.2
Dividends paid to non-controlling interests	-7.4	–	-4.0	-3.5	-1.7	-1.7

Summarised statement of cash flows

€ millions	PAB		KSB Limited		KSB Shanghai Pump Co., Ltd.	
	2024	2023	2024	2023	2024	2023
Cash flows from operating activities	29.4	32.4	23.4	16.6	12.9	21.3
Cash flows from investing activities	-24.5	-10.4	-18.9	-0.2	-9.0	-2.4
Cash flows from financing activities	-17.3	-4.0	-7.1	-6.6	-12.9	-9.3
Changes in cash and cash equivalents	**-12.4**	**18.0**	**-2.6**	**9.8**	**-9.0**	**9.6**
Cash and cash equivalents at beginning of period	30.0	11.9	13.1	3.7	47.6	40.7
Effects of exchange rate changes	2.8	0.2	0.4	-0.4	0.8	-2.8
Cash and cash equivalents at end of period	**20.4**	**30.0**	**10.9**	**13.1**	**39.4**	**47.6**

11. 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.

Defined contribution pension plans

The expenses for statutory defined contribution pension plans in the reporting year amounted to € 66.3 million (previous year: € 62.3 million). Of this figure, € 31.7 million (previous year: € 28.9 million) resulted from contributions into the statutory pension insurance scheme in Germany. For voluntary defined contribution pension plans, expenses of € 7.8 million (previous year: € 7.1 million) were recognised.

Description of the defined benefit pension plans

The obligations for defined benefit pension plans for employees of the Group are mainly due to pension obligations in Germany, as well as in France, the United States and Switzerland.

Around 90 % of the defined benefit plans are attributable to the German Group companies. These relate to direct commitments by the companies to their employees. The commitments are based on salary and length of service. Contributions from employees themselves are also considered. This pension provision can be broken down into purely company-financed basic provision and the top-up provision from the employer. The latter is based on the amount of own contributions and the generated return on sales before taxes on income. Both components take account of the general pension contribution (the amount of which partially depends on company performance), personal income (the relationship between pensionable income and maximum income threshold) and the annuity conversion factor (based on age). Within the scope of the material pension plans of the German companies, every employee is entitled to apply at any time during the ongoing employment contract for payment in annual instalments, as a one-time payment or as a pension for life.

Pension schemes in France are governed by the provisions of the respective collective agreements. The obligations are basically covered by assets that have been paid in to an external fund. Upon retirement, the employees concerned receive a one-off payment from the fund.

The defined benefit pension plans in the United States are closed to new entrants. The pension benefit amount is derived from the average salary and years of service before closure of the plan. The retirement age is 65 years; from this point a monthly payment is made to the beneficiaries. The pension benefits are financed by external funds.

The obligations for defined benefit pension plans in Switzerland are based on occupational pensions in accordance with the *Bundesgesetz über die berufliche Alters-, Hinterlassenen- und Invalidenvorsorge* (BVG) [Swiss Federal Act on Occupational Retirement, Surviving Dependants', and Disability Pension Plans]. Every employee of a company with a total annual income above a certain minimum amount is insured in the employer's pension fund as a mandatory requirement. The occupational pension plan, as the second pillar of the Swiss pension system supplementing the state pension plan as the first pillar which is classified as a defined contribution plan, includes defined additional benefits in old age, in the event of disability or in the event of death with the aim of safeguarding the accustomed standard of living. Both employer and employee contributions are paid to finance this. If the pension fund has a shortfall, the employer is obliged to make up for it. The pension benefits after retirement are paid out as a monthly pension, as a one-off lump-sum payment or in the form of a combination of these, according to the choice of the employee.

In addition, employees in other countries are also entitled to a limited extent to retirement and partly to medical care benefits, depending mainly on the length of service and salary.

These defined benefit plans harbour actuarial risks, such as the longevity risk and interest rate risk. The payments associated with the pension obligations are mostly serviced through liquidity. Plan assets are also partially available for financing these obligations. Most of the plan assets are managed by insurers who set their own appropriate investment policies.

The actuarial valuations of the present value of the defined benefit obligation (and the related current service cost and the past service cost) are measured and calculated annually on the basis of actuarial reports using the projected unit credit method (IAS 19). Plan assets are measured at fair value.

Explanation of the effects of the defined benefit pension plans on the balance sheet and income statement

The regional allocation of the total defined benefit pension plans from the Group's point of view, as well as the change in the present value of the defined benefit obligation, the fair value of plan assets and the net liability from defined benefit obligations, as consolidated for the Group, is presented in the following tables.

→ **Regional allocation of the defined benefit pension plans**

→ **Changes in the present value of defined benefit obligations**

→ **Changes in the fair value of plan assets**

→ **Changes in the net defined benefit liability / asset**

Current and past service costs are recognised in staff costs under pension costs.

The interest rate effect from accounting for the defined benefit pension plans, in the form of interest expenses from the DBO and interest income from the plan assets, is recognised in the income statement as a net amount in the interest and similar expenses item and thus in the finance income / expense.

The remeasurement of defined benefit obligations and plan assets as well as the change in the asset ceiling are included in other comprehensive income and thus directly in the Group's equity.

Overall, because of the asset ceiling stipulated in IAS 19, a surplus of plan assets over the present value of the related defined benefit obligations in the amount of € 3.9 million (previous year: € 3.5 million) is not recognised as an asset as at the reporting date. KSB does not derive any future economic benefit from this surplus in the form of reduced contributions or a refund.

Explanation of the plan assets

The composition of the plan assets is explained in the table of the same name.

→ **Composition of plan assets**

In principle, the pension funds are endowed with the amount needed to meet the respective statutory minimum requirements.

The actual income from plan assets amounted to € 5.7 million (previous year: € 3.5 million).

In the following year, employer contributions to plan assets are expected to amount to € 4.2 million.

Regional allocation of the defined benefit pension plans

€ millions	Defined benefit obligations (DBOs)	Fair value of plan assets	Effect of the asset ceiling	Net liability / asset	Defined benefit obligations (DBOs)	Fair value of plan assets	Effect of the asset ceiling	Net liability / asset
	31 Dec. 2024				31 Dec. 2023			
Germany	468.4	–	–	468.4	476.6	–	–	476.6
France	10.0	-1.8	–	8.2	9.7	-2.2	–	7.5
USA	10.6	-16.7	–	-6.0	10.1	-13.3	–	-3.2
Switzerland	14.3	-13.7	–	0.6	12.9	-12.4	–	0.5
Other countries	41.5	-34.0	3.9	11.5	40.6	-33.3	3.5	10.8
	544.8	**-66.1**	**3.9**	**482.6**	**549.8**	**-61.3**	**3.5**	**492.1**

Changes in the present value of defined benefit obligations

€ millions	2024	2023
Opening balance of the defined benefit obligation (DBO) – 1 Jan.	**549.8**	**509.4**
Current service cost	12.2	10.0
Interest cost	17.9	19.0
Employee contributions	0.3	0.4
Remeasurements		
– / + Gain / loss from changes in demographic assumptions	0.1	-0.3
– / + Gain / loss from changes in financial assumptions	-13.1	40.7
– / + Experience-based gain / loss	0.9	0.0
Benefit payments	-24.6	-28.8
Past service cost (incl. effects of settlements and curtailments)	-0.3	0.2
Currency translation differences	1.4	-0.7
Changes in consolidated Group / Other	–	–
Closing balance of the defined benefit obligation (DBO) – 31 Dec.	**544.8**	**549.8**

Changes in the fair value of plan assets

€ millions	2024	2023
Opening balance of the plan assets measured at fair value – 1 Jan.	**61.3**	**65.1**
Interest income	2.9	3.0
Remeasurements		
+ / – Gain / loss from plan assets excluding amounts already recognised in interest income	2.8	0.5
Contributions by the employer	1.7	1.1
Contributions by the beneficiary employees	0.3	0.4
Currency translation differences	2.0	-0.4
Paid benefits	-4.7	-8.2
Changes in consolidated Group / Other	-0.2	-0.1
Closing balance of the plan assets measured at fair value – 31 Dec.	**66.1**	**61.3**

Changes in the net defined benefit liability / asset

€ millions	2024	2023
Opening balance of the net defined benefit liability / asset – 1 Jan.	**492.1**	**448.1**
Current service cost	12.2	10.0
Net interest expense	15.2	16.2
Employee contributions	–	–
Contributions by the employer	-1.7	-1.1
Remeasurements		
– / + Gain / loss from plan assets excluding amounts already recognised in interest income	-2.8	-0.5
– / + Gain / loss from changes in demographic assumptions	0.1	-0.3
– / + Gain / loss from changes in financial assumptions	-13.1	40.7
– / + Experience-based gain / loss	0.9	0.0
Change in the asset ceiling	0.1	-0.5
Benefit payments	-19.8	-20.6
Past service cost (incl. effects of settlements and curtailments)	-0.3	0.2
Currency translation differences	-0.4	-0.2
Changes in consolidated Group / Other	0.2	0.1
Closing balance of the net defined benefit liability / asset – 31 Dec.	**482.6**	**492.1**
Of which defined benefit assets	7.0	4.0
Of which provisions for pensions and similar obligations	489.6	496.1

Composition of plan assets

€ millions	Quoted market price in an active market 31 Dec. 2024	No quoted market price in an active market 31 Dec. 2024	Total 31 Dec. 2024	Quoted market price in an active market 31 Dec. 2023	No quoted market price in an active market 31 Dec. 2023	Total 31 Dec. 2023
Equity instruments (shares)	21.0	–	21.0	17.5	–	17.5
Debt instruments (loans)	21.1	–	21.1	21.4	–	21.4
Of which government bonds	14.3	–	14.3	16.4	–	16.4
Of which corporate bonds	6.8	–	6.8	5.0	–	5.0
Money market investments	0.7	0.2	0.9	1.5	0.4	1.8
Real estate	0.4	0.1	0.5	3.0	0.1	3.0
Insurance contracts	5.1	11.4	16.6	0.0	9.3	9.3
Bank credit balances	3.3	0.3	3.7	0.5	5.1	5.6
Other investments	2.4	–	2.4	1.9	0.6	2.6
	54.1	**12.0**	**66.1**	**45.8**	**15.4**	**61.3**

Actuarial assumptions, sensitivities and other disclosures on defined benefit pension plans

As in the previous year, measurement of the German pension plans is based on a mean fluctuation rate of 2.0 %. The biometric assumptions continue to be based on the 2018G mortality tables published by Prof. Dr. Klaus Heubeck. The retirement age used for the calculations is based on the *Rentenversicherungs-Altersgrenzenanpassungsgesetz 2007* [RVAGAnpG – German Act Adapting the Standard Retirement Age for the Statutory Pension Insurance System]. Other measurement parameters (e.g. cost trends in the medical care area) are not material.

The discount rate and future mortality were identified as key actuarial assumptions.

Discount rate

in %	31 Dec. 2024	31 Dec. 2023
Germany	3.4	3.2
France	3.4	3.2
USA	5.0	5.3
Switzerland	1.1	2.0

As in the previous year the basis for the calculation of the sensitivities is the same method which was used for the calculation of the provisions for pensions and similar obligations. Were the discount factor to increase by 100 basis points, the DBO would fall by € 58.5 million (previous year: € 62.2 million). A 100 basis point reduction in the discount factor would increase the DBO by € 72.9 million (previous year: € 78.2 million). It should be noted that a change in the discount factor due to particular financial effects (such as compound interest) does not affect the development of the DBO on a straight-line basis. Were life expectancy to increase by 1 year, the DBO would increase by € 17.2 million (previous year: € 18.0 million). Additionally, the individual actuarial assumptions are mutually dependent, but these interdependencies are not taken into account in the sensitivity analysis.

On 31 December 2024 the weighted average term of the DBO was 13 years (previous year: 14 years).

KSB’s expected benefit payments from defined benefit pension plans over the next five years are shown in the table below.

Expected pension benefit payments

€ millions at 31 Dec. 2024	2025	2026	2027	2028	2029
Expected payments	28.6	29.5	28.9	30.9	31.3

€ millions at 31 Dec. 2023	2024	2025	2026	2027	2028
Expected payments	23.9	26.9	28.2	28.6	30.6

12. Other provisions

The provisions for warranty obligations and contractual penalties cover the statutory and contractual obligations to customers and are based on estimates prepared using historical data for similar products and services. They amount to € 81.8 million (previous year: € 71.9 million) in the reporting year.

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

The provisions for onerous contracts amounting to € 6.3 million (previous year: € 13.7 million) result in particular from project orders with customers.

Miscellaneous other provisions include provisions for litigation risks in the amount of € 10.8 million (previous year: € 5.8 million).

€ 42.8 million (previous year: € 44.4 million) of the other provisions are expected to become cash-effective after more than one year.

Composition of other provisions

	31 Dec. 2024			31 Dec. 2023		
€ millions	**Total**	**Non-current**	**Current**	**Total**	**Non-current**	**Current**
Warranty obligations and contractual penalties	**81.8**	–	81.8	**71.9**	–	71.9
Employee benefits	**20.0**	10.5	9.5	**22.6**	13.9	8.7
Onerous contracts	**6.3**	–	6.3	**13.7**	–	13.7
Miscellaneous other provisions	**26.9**	1.9	25.0	**28.3**	1.8	26.4
	135.0	**12.5**	**122.5**	**136.5**	**15.7**	**120.8**

Development of other provisions

€ millions	**1 Jan. 2024**	**CTA* / Other**	**Utilisation**	**Reversal**	**Additions**	**31 Dec. 2024**
Warranty obligations and contractual penalties	71.9	-0.9	-20.0	-10.4	41.1	**81.8**
Employee benefits	22.6	0.0	-9.7	-2.0	9.2	**20.0**
Onerous contracts	13.7	0.0	-7.5	-2.3	2.4	**6.3**
Miscellaneous other provisions	28.3	-1.4	-7.9	-6.4	14.2	**26.9**
	136.5	**-2.2**	**-45.1**	**-21.1**	**66.9**	**135.0**

* Currency translation adjustments

13. Liabilities

Non-current liabilities

€ millions	31 Dec. 2024	31 Dec. 2023
Financial liabilities	**37.8**	**29.0**
Bank loans and overdrafts	0.1	0.3
Finance lease liabilities	37.4	28.2
Other	0.3	0.5

Current liabilities

€ millions	31 Dec. 2024	31 Dec. 2023
Financial liabilities	**20.8**	**26.1**
Bank loans and overdrafts	3.0	10.2
Finance lease liabilities	17.8	15.9
Other	0.0	0.0
Contract liabilities	**214.4**	**202.6**
Trade payables	**356.7**	**324.7**
Trade payables to third parties*	339.8	311.7
Trade payables to related parties*	16.9	13.0
Other financial liabilities	**35.1**	**27.7**
Currency forwards	6.2	2.3
Miscellaneous other financial liabilities	28.9	25.4
Other non-financial liabilities	**201.4**	**181.8**
Social security and liabilities to employees	165.5	152.4
Tax liabilities (excluding income tax)	31.4	23.8
Prepaid expenses	0.0	0.6
Investment grants and subsidies	4.5	5.0
Income tax liabilities	**32.0**	**18.6**

* Trade payables to related parties in the reporting year and the previous year include outstanding balances with KSB Management SE from post-employment benefits to be paid to the Managing Directors. In this context, an amount of € 7.2 million was reclassified from trade payables to third parties to trade payables to related parties for the previous year.

The weighted average interest rate on bank loans and overdrafts was 6.9 % (previous year: 9.1 %). The interest rate is in particular influenced by the terms and conditions for borrowing by subsidiaries based abroad.

The maturity analysis of lease obligations at the reporting date is as follows:

Maturity analysis of liabilities from lease obligations

€ millions	31 Dec. 2024	31 Dec. 2023
Due within 1 year	17.8	15.9
Due between 1 and 5 years	32.6	25.1
Due after more than 5 years	4.8	3.1
	55.2	**44.0**

The amount of contract liabilities at the end of the reporting year is € 214.4 million and is thus above the comparative prior-year value of € 202.6 million. This increase is due to the higher advance payments received from customers in the 2024 financial year compared with the prior-year reporting date. In the reporting year, KSB recognised sales revenue of € 116.8 million (previous year: € 95.5 million) which was included in the balance of contract liabilities at the beginning of the reporting year.

The reported investment grants and subsidies include in particular government grants for construction and maintenance work. There are no material unfulfilled conditions or other contingencies related to these grants.

Overall, assets of the Group amounting to € 24.1 million (previous year: € 22.9 million) are used to secure liabilities and are subject to corresponding restrictions on disposal by KSB or pledges. In the reporting year, the assets used as security for liabilities were fully attributable (previous year: € 17.4 million) to the other receivables and other current assets. This includes in particular hedges of credit balances for partial retirement arrangements and long-term working time accounts of the German Group companies, as well as cash deposits for bank guarantees associated with customer contracts.

As in the previous year, there were no covenant agreements in the reporting year for loans that could lead to acceleration of the loan by the lender.

V. Income Statement Disclosures

14. Sales revenue

The tables on the right show the breakdown of the Group's sales revenue by product category, timing of revenue recognition and Segment. Detailed information on KSB's Segments is provided in Section VIII. Segment Reporting of the Notes to the consolidated financial statements.

The Group's orders on hand, in the form of the total transaction price of performance obligations unsatisfied or partially unsatisfied as at the reporting date, are as follows:

Performance obligations unsatisfied or partially unsatisfied as at the reporting date (orders on hand)

€ millions	31 Dec. 2024	31 Dec. 2023
Total transaction price of performance obligations unsatisfied or partially unsatisfied as at the reporting date (orders on hand)	**1,650.1**	**1,548.1**
Of which expected sales revenue within the next 12 months	1,306.9	1,223.6
Of which expected sales revenue after more than 12 months but under 24 months	154.4	100.7
Of which expected sales revenue after more than 24 months	188.7	223.8

Breakdown of sales revenue for the 2024 financial year

€ millions	Pumps Segment	Valves Segment	KSB SupremeServ Segment	Total
Sales revenue	**1,550.5**	**398.8**	**1,015.8**	**2,965.2**
Of which sales revenue from the sale of goods	1,550.5	398.8	706.0	2,655.4
Of which sales revenue from the provision of services	–	–	309.8	309.8
Of which goods and services transferred at a point in time	1,344.4	376.2	605.8	2,326.4
Of which goods and services transferred over time	206.1	22.6	410.0	638.8

Breakdown of sales revenue for the 2023 financial year

€ millions	Pumps Segment	Valves Segment	KSB SupremeServ Segment	Total
Sales revenue	**1,513.7**	**361.4**	**943.9**	**2,819.0**
Of which sales revenue from the sale of goods	1,513.7	361.4	647.9	2,523.0
Of which sales revenue from the provision of services	–	–	296.0	296.0
Of which goods and services transferred at a point in time	1,255.1	342.2	545.2	2,142.5
Of which goods and services transferred over time	258.6	19.3	398.7	676.5

15. Other income

€ millions	2024	2023
Income from the reversal of impairments	8.8	9.6
Government grants	7.6	6.1
Currency translation gains	4.3	2.1
Insurance compensation	0.4	12.9
Income from disposal of assets	1.2	0.9
Miscellaneous other income	12.6	12.7
	35.0	**44.4**

In the previous year, KSB received insurance compensation of € 10.4 million in relation to the hail damage at the French factory 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.

16. Cost of materials

The cost of materials amounted to € 1,178.6 million (previous year: € 1,153.7 million) in the reporting year. This item includes expenses for raw materials, consumables and supplies and for goods and services purchased. Despite the increased sales revenue, the cost of materials remained at the previous year's level. This is due in particular to higher sales revenue in the high-margin KSB SupremeServ Segment.

17. Staff costs

€ millions	2024	2023
Wages and salaries	824.2	781.5
Social security contributions and employee assistance costs	170.3	162.0
Pension costs	19.7	17.2
	1,014.1	**960.7**

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

The average number of employees in the Group during the year and as at the reporting date is shown in the table below.

The increase in staff costs compared with the previous year reflects in particular the higher number of employees as well as general wage and salary increases.

Employees

	Average for the year		At reporting date	
	2024	2023	31 Dec. 2024	31 Dec. 2023
Wage earners	6,631	6,787	6,616	6,758
Salaried employees	9,625	9,151	9,791	9,280
	16,256	**15,938**	**16,407**	**16,038**

18. Other expenses

€ millions	2024	2023
Repairs, maintenance, third-party services	186.6	159.7
Administrative expenses	116.9	110.9
Selling expenses	80.1	80.2
Other staff costs	33.8	31.7
Other taxes	14.8	13.6
Rents and leases	12.0	12.6
Impairment losses on trade receivables and contract assets	11.2	14.9
Currency translation losses	0.2	0.2
Losses from asset disposals	1.0	1.0
Miscellaneous other expenses*	20.0	38.6
	476.6	**463.3**

* The item for losses from current assets shown separately in the 2023 consolidated financial statements is now included in other expenses for reasons of materiality. Other expenses for the previous year therefore include reclassified amounts of € 1.4 million.

The increase in expenses for repairs, maintenance and third-party services was due in particular to the external costs for the migration of the SAP R/3 system to SAP S/4HANA amounting to € 15.4 million (previous year: € 2.6 million).

The expenses for rents and leases consist of expenses for leases with low-value underlying assets of € 3.2 million (previous year: € 3.5 million), expenses for short-term leases in the amount of € 6.3 million (previous year: € 6.5 million), expenses from variable lease payments of € 1.8 million (previous year: € 1.3 million) and expenses for rents and other leases in the amount of € 0.7 million (previous year: € 1.3 million).

Other expenses primarily reflect the development of provisions for warranty obligations and penalties as well as provisions for onerous contracts.

19. Finance income / expense

Interest and similar expenses include the net interest expense for pension provisions amounting to € 15.2 million (previous year: € 16.2 million). In addition, the item also includes interest expense from the subsequent measurement of lease liabilities in the amount of € 1.9 million (previous year: € 1.3 million).

Other finance expense includes in particular the effects from the application of IAS 29 Financial Reporting in Hyperinflationary Economies described in Section II. Consolidation Principles under Hyperinflation.

Finance income / expense

€ millions	2024	2023
Finance income	**13.8**	**9.4**
Income from equity investments	0.0	–
thereof from other investments	0.0	–
Interest and similar income	13.7	9.3
thereof from other investments	0.1	0.1
thereof from investments accounted for using the equity method	0.0	0.1
Other finance income	0.1	0.1
Finance expense	**-33.1**	**-29.7**
Interest and similar expenses	-20.5	-22.6
Other finance expense	-12.6	-7.1
Income from / expense to investments accounted for using the equity method	**6.3**	**5.4**
Finance income / expense	**-13.0**	**-14.9**

20. Taxes on income

This item shows the effective and deferred taxes on income of the companies included in the consolidated financial statements. The applicable tax rate of 30.4 % in the 2024 financial year (previous year: 30.5 %) is a composite rate resulting from the current German corporation tax, solidarity surcharge and trade tax rates. This tax rate forms the base for deriving the actual tax rate for the Group.

Taxes on income in the income statement

Taxes on income

€ millions	2024	2023
Effective taxes	77.6	65.0
Deferred taxes	6.8	-32.6
	84.4	**32.4**

Effective taxes include prior-period tax refunds in the amount of € 0.4 million (previous year: € 1.4 million) and tax arrears in the amount of € 1.4 million (previous year: € 0.9 million). As in the previous year, the introduction of new local taxes had no effects in the reporting year. Changes in foreign tax rates led to an increase of € 0.1 million in the total tax expense (previous year: increase of € 0.2 million).

Deferred tax assets according to the income statement are derived as follows:

Reconciliation of deferred taxes

€ millions	2024	2023
Change in deferred tax assets	12.3	-57.0
Change in deferred tax liabilities	-0.2	-2.2
Change in deferred taxes recognised in balance sheet	**12.1**	**-59.1**
Change in deferred taxes taken directly to equity	-3.4	27.9
Changes in consolidated Group / CTA* / Other	-1.8	-1.4
Deferred taxes recognised in income statement	**6.8**	**-32.6**

* Currency translation adjustments

The reconciliation for the derivation of the taxes on income reported in the income statement, based on the earnings before income tax (EBT), is shown in the following table.

The low actual tax rate of 15.5 % in the previous year was mainly attributable to the full reversal of previous impairments on deferred tax assets for loss carryforwards and for taxable temporary differences in the tax group of KSB SE & Co. KGaA. In the reporting year, the actual tax rate was negatively impacted in particular by the effects of a completed tax audit.

Reconciliation of income tax

€ millions	2024	2023
Earnings before income tax (EBT)	231.2	209.0
Calculated income taxes on the basis of the applicable Group tax rate	70.3	63.7
Differences in tax rates	-10.7	-10.4
Tax losses from the current year that are not recognised	0.8	2.2
Changes in the value of deferred taxes on tax loss carryforwards	-0.7	-24.4
Impairment loss on goodwill	–	0.2
Changes in the value of deferred taxes on temporary differences	0.4	-15.4
Tax-exempt income	-2.7	-6.0
Non-deductible expenses	14.2	13.0
Prior-period taxes	9.1	5.4
Non-deductible foreign income tax	5.6	5.4
Investments accounted for using the equity method	-1.9	-1.4
Other	0.0	0.0
Current taxes on income	**84.4**	**32.4**
Current tax rate	36.5 %	15.5 %

Taxes on income in the balance sheet

The allocation of deferred tax assets and deferred tax liabilities to the items in the Group's balance sheet is shown in the table below.

→ Allocation of deferred taxes

As at the reporting date, deferred tax assets (after offsetting) of € 7.8 million (previous year: € 5.9 million) were recognised in the balance sheet, which arose from companies posting a loss in the reporting year or in the previous year and whose realisation depends exclusively on the creation of future profit. Based on the planning figures available, KSB expects realisation to take place.

As shown in the reconciliation to the comprehensive earnings in the Group's statement of comprehensive income, taxes on income are reflected in the Group's equity as follows:

Income tax included under equity

in Mio. €	2024	2023
Remeasurement of defined benefit plans*	14.7	-39.2
Taxes on income	-4.4	27.6
Currency translation differences*	23.0	-33.4
Taxes on income	–	–
Changes in the fair value of financial instruments	-3.4	-0.5
Taxes on income	1.0	0.3
Other comprehensive income	**30.7**	**-45.1**

* These items include the changes taken directly to equity relating to investments accounted for using the equity method. Further details are provided in the statement of comprehensive income.

Allocation of deferred taxes

	Deferred tax assets		Deferred tax liabilities	
€ millions	**31 Dec. 2024**	**31 Dec. 2023**	**31 Dec. 2024**	**31 Dec. 2023**
Non-current assets	**6.5**	**5.3**	**46.3**	**42.1**
Intangible assets	1.2	0.4	2.5	1.9
Right-of-use assets	–	0.0	12.0	9.5
Property, plant and equipment	5.2	4.2	30.7	28.9
Financial and non-financial assets	0.1	0.6	1.2	1.8
Current assets	**34.7**	**28.2**	**7.9**	**7.6**
Inventories**	23.0	21.3	0.3	1.6
Receivables and other current assets**	11.7	6.9	7.6	6.0
Non-current liabilities	**58.2**	**61.7**	**–**	**–**
Provisions for pensions and similar obligations***	49.3	54.6	–	–
Other provisions	0.7	0.9	–	–
Other liabilities*	8.2	6.1	–	–
Current liabilities	**37.0**	**36.5**	**13.7**	**14.5**
Other provisions	13.1	18.4	0.3	0.3
Other liabilities*,**	23.9	18.1	13.4	14.2
Tax loss carryforwards	**3.5**	**16.7**	**–**	**–**
Gross deferred taxes – before offsetting	**140.0**	**148.3**	**67.9**	**64.1**
Offset under IAS 12.74	-58.2	-54.3	-58.2	-54.3
Net deferred taxes – after offsetting	**81.8**	**94.0**	**9.7**	**9.9**

* Deferred tax assets from non-current lease liabilities amount to € 8.2 million (previous year: € 6.1 million) and those from short-term leasing obligations to € 4.0 million (previous year: € 3.5 million). They are reported under deferred taxes for other liabilities (non-current and current).

** For the derivation of temporary differences, the disclosure of the tax base of assets and liabilities has been harmonised with the disclosure in the IFRS balance sheet. This approach has led to adjustments in the marked items for the previous year.

*** Deferred taxes from provisions for pensions and similar obligations are now reported net in one item. The presentation for the previous year was adjusted accordingly.

Further information and explanations on taxes on income

Contingent liabilities from income tax issues amount to € 0.8 million (previous year: € 1.1 million). There are currently no indications that the utilisation of these obligations is likely.

As far as net income from affiliates and other equity investments is concerned, withholding taxes incurred in connection with distributions and German taxes incurred are recognised as deferred taxes if these gains are expected to be subject to corresponding taxation, or there is no intention of reinvesting them in the long term. No deferred tax liabilities were recognised for taxable temporary differences of € 7.0 million (previous year: € 6.1 million) in relation to affiliates and associates as it is unlikely that these temporary differences will be reversed in the foreseeable future.

No deferred tax assets were recognised for corporate tax loss carryforwards amounting to € 17.5 million (previous year: € 17.2 million) and for trade tax loss carryforwards amounting to € 2.2 million (previous year: € 2.9 million), due to the recognition criteria of IAS 12, especially in the case where there is a history of losses. The loss carryforwards are largely available for an indefinite period. The income resulting from the use of loss carryforwards for which no deferred tax assets had been recognised so far was € 0.4 million (previous year: € 4.7 million).

Deductible temporary differences for which no deferred tax assets had to be recognised amounted to € 5.9 million (previous year: € 4.7 million).

Global minimum tax

The Group falls within the scope of the OECD Pillar Two model rules. The Pillar Two legislation has been applicable in Germany since 1 January 2024.

In the reporting year, KSB for the first time recognised a current tax expense of € 0.8 million for the top-up tax in connection with the global minimum tax, which is payable by KSB SE & Co. KGaA as the ultimate parent company. This minimum tax essentially refers to the Group’s business operations in China.

The Group makes use of the exemption from recognising deferred taxes in connection with Pillar Two income taxes, which was the subject of the amendments to IAS 12 published in May 2023.

21. Earnings after income tax – Non-controlling interests

The net profit attributable to non-controlling interests amounts to € 32.0 million (previous year: € 25.9 million) and the net loss attributable to non-controlling interests amounts to € 3.3 million (previous year: € 1.6 million). Further details on the non-controlling interests are provided under Notes No. 10 “Equity”.

22. Earnings per share

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

Earnings per share

		2024	2023
Earnings after income tax – Attributable to KSB SE & Co. KGaA shareholders	€ millions	118.1	152.3
Additional dividend attributable to preference shareholders (€ 0.26 per preference share) (previous year: € 0.26 per preference share)	€ millions	-0.2	-0.2
	€ millions	**117.9**	**152.1**
Number of ordinary shares		886,615	886,615
Number of preference shares		864,712	864,712
Total number of shares		**1,751,327**	**1,751,327**
Diluted and basic earnings per ordinary share	**€**	**67.29**	**86.83**
Diluted and basic earnings per preference share	**€**	**67.55**	**87.09**

VI. Further Information on Financial Instruments

1. Financial instruments – Carrying amounts, fair values and other disclosures by measurement category

Financial instruments by measurement category – 31 Dec. 2024

Balance sheet item / Class € millions	Measurement category*	Carrying amount	Fair Value	Fair value Level 1**	Fair value Level 2***	Fair value Level 3****
Assets						
Non-current assets						
Loans and other assets	AC	1.9	1.9	–	1.9	–
Current assets						
Trade receivables from third parties	AC	559.5	559.5	–	–	–
Trade receivables from related parties	AC	45.9	45.9	–	–	–
Receivables from loans to related parties	AC	3.4	3.4	–	–	–
Currency forwards designated as hedges	n/a	2.0	2.0	–	2.0	–
Currency forwards not designated as hedges	FVPL	0.5	0.5	–	0.5	–
Other receivables and other current assets	AC	84.0	84.0	–	–	–
Cash and cash equivalents	AC	369.3	369.3	–	–	–
Equity and Liabilities						
Non-current liabilities						
Financial liabilities excluding lease obligations	AC	0.4	0.4	–	0.4	–
Lease obligations	n/a	37.4	–	–	–	–
Current liabilities						
Financial liabilities excluding lease obligations	AC	3.0	3.0	–	–	–
Lease obligations	n/a	17.8	–	–	–	–
Trade payables	AC	356.7	356.7	–	–	–
Currency forwards designated as hedges	n/a	5.1	5.1	–	5.1	–
Currency forwards not designated as hedges	FVPL	1.1	1.1	–	1.1	–
Miscellaneous other financial liabilities	AC	28.9	28.9	–	–	–

Measurement categories aggregated under IFRS 9

€ millions	Measurement category	31 Dec. 2024
Assets	AC	1,064.0
Equity and Liabilities	AC	389.1
Assets	FVPL	0.5
Equity and Liabilities	FVPL	1.1

* AC = Amortised cost, FVPL = Fair value through profit or loss

** Level 1: Fair value is determined on the basis of quoted prices (unadjusted) on active markets for identical assets and liabilities.

*** Level 2: Fair value is determined on the basis of measurement parameters that are not the quoted prices taken into account for Level 1, but are observable for the asset or the liability either directly as a price or indirectly derived from prices.

**** Level 3: Fair value is determined on the basis of measurement parameters for assets or liabilities that are not based on observable market data.

Financial instruments by measurement category – 31 Dec. 2023

Balance sheet item / Class € millions	Measurement category*	Carrying amount	Fair Value	Fair value Level 1**	Fair value Level 2***	Fair value Level 3****
Assets						
Non-current assets						
Loans and other assets	AC	1.2	1.2	–	1.2	–
Current assets						
Trade receivables from third parties	AC	505.8	505.8	–	–	–
Trade receivables from related parties	AC	48.8	48.8	–	–	–
Receivables from loans to related parties	AC	4.7	4.7	–	–	–
Currency forwards designated as hedges	n/a	1.7	1.7	–	1.7	–
Currency forwards not designated as hedges	FVPL	0.6	0.6	–	0.6	–
Other receivables and other current assets	AC	63.9	63.9	–	–	–
Cash and cash equivalents	AC	340.4	340.4	–	–	–
Equity and Liabilities						
Non-current liabilities						
Financial liabilities excluding lease obligations	AC	0.8	0.7	–	0.7	–
Lease obligations	n/a	28.2	–	–	–	–
Current liabilities						
Financial liabilities excluding lease obligations	AC	10.2	10.2	–	–	–
Lease obligations	n/a	15.9	–	–	–	–
Trade payables	AC	324.7	324.7	–	–	–
Currency forwards designated as hedges	n/a	2.2	2.2	–	2.2	–
Currency forwards not designated as hedges	FVPL	0.1	0.1	–	0.1	–
Miscellaneous other financial liabilities	AC	25.4	25.4	–	–	–

Measurement categories aggregated under IFRS 9

€ millions	Measurement category	31 Dec. 2023
Assets	AC	964.8
Equity and Liabilities	AC	361.1
Assets	FVPL	0.6
Equity and Liabilities	FVPL	0.1

* AC = Amortised cost, FVPL = Fair value through profit or loss

** Level 1: Fair value is determined on the basis of quoted prices (unadjusted) on active markets for identical assets and liabilities.

*** Level 2: Fair value is determined on the basis of measurement parameters that are not the quoted prices taken into account for Level 1, but are observable for the asset or the liability either directly as a price or indirectly derived from prices.

**** Level 3: Fair value is determined on the basis of measurement parameters for assets or liabilities that are not based on observable market data.

For the financial assets measured at amortised cost, it is assumed 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.

The fair values of non-current financial instruments are based on prices quoted in active markets (Level 1).

Fair values within Level 2 are determined using a discounted cash flow method. This relates to loans, non-current financial liabilities and currency forwards. KSB applies an appropriate yield curve for discounting. Future cash flows from currency forwards are calculated on the basis of forward exchange rates (observable rates on the reporting date) and the contracted forward exchange rates.

Level 3 includes financial instruments whose fair value is based on measurement parameters that are not based on observable market data.

In the reporting year, as in the previous year, there were no significant reclassifications of financial assets or liabilities between the hierarchy levels described above.

The net gains and losses from financial instruments, after taking into account the relevant tax effect, are presented in the following tables:

The interest shown is a component of finance income / expense. The other gains and losses are partly reported in other income and other expenses.

Net results by measurement category in 2024

€ millions	From interest and dividends	From subsequent measurement: At fair value	From subsequent measurement: Currency translation	From subsequent measurement: Impairment losses	From disposal	Net results
Amortised cost (assets)	13.7	–	1.1	-2.9	–	**11.9**
Amortised cost (equity and liabilities)	-2.7	–	0.1	–	–	**-2.6**
FVPL (assets and equity and liabilities)	–	-1.1	–	–	–	**-1.1**
	11.0	**-1.1**	**1.2**	**-2.9**	**–**	**8.2**

Net results by measurement category in 2023

€ millions	From interest and dividends	From subsequent measurement: At fair value	From subsequent measurement: Currency translation	From subsequent measurement: Impairment losses	From disposal	Net results
Amortised cost (assets)	9.3	–	-0.8	-4.8	–	**3.6**
Amortised cost (equity and liabilities)	-4.4	–	-0.1	–	–	**-4.5**
FVPL (assets and equity and liabilities)	–	0.5	–	–	–	**0.5**
	4.9	**0.5**	**-1.0**	**-4.8**	**–**	**-0.3**

Differences between the gross and net carrying amounts of financial assets, which are reflected in the table on net results in the “Impairments” column, mainly concern trade receivables. For further details, please refer to Notes No. 8 “Contract assets, trade receivables and other financial and non-financial assets”.

The amount of financial assets and liabilities subject to offsetting agreements is not material.

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. Furthermore, KSB continuously monitors the current risk characteristics and regularly provides the information obtained to the Managing Directors and the Supervisory Board in the form of standardised reports and individual analyses.

The three risk areas are described in detail in the following. Additional information is also provided in the group management report, in particular in the Economic Review, Report on Expected Developments, Opportunities and Risks Report sections.

Credit risk

The primary credit risk is that there is a delay in settling a receivable, or that it is not settled either in full or in part. KSB minimises this risk using a variety of measures. As a matter of principle, KSB runs credit checks on potential and existing counterparties. KSB only enters into business relationships if the results of these checks are positive. Additionally, European companies in particular take out trade credit insurance policies. In exceptional cases KSB accepts other securities (collateral) such as guarantees. The insurance policies primarily cover the risk of loss of receivables. Moreover, cover is also taken out against political and commercial risks in the case of specific customers in selected countries. For both types of insurance, KSB has agreed deductibles, which represent significantly less than 50 % of the insured volume. The total amount of hedged trade receivables as at the reporting date is shown under Notes No. 8 “Contract assets, trade receivables and other financial and non-financial assets”. As part of receivables management, KSB continuously monitors outstanding items, performs maturity analyses and establishes contact with customers at an early stage if delays in payment occur. In the case of major projects, the terms and conditions provide for prepayments, guarantees and – for export transactions – letters of credit. These also mitigate risk. KSB recognises impairment losses for the residual risk remaining in trade receivables. It regularly examines the extent to which individual receivables need to be written down for impairment. Indications of this are significant financial difficulties of the debtor, such as insolvency or bankruptcy. Receivables are derecognised when it is reasonably certain that payment cannot be expected.

The maximum credit default risk, excluding collateral received, corresponds to the carrying amount of the financial assets.

There is no concentration of risk because the diversity of KSB’s business means that it supplies a considerable number of customers in different sectors.

Liquidity risk

Liquidity management ensures that the liquidity risk is minimised in the Group and that solvency is ensured at all times. There are no concentrations of risk because KSB works with a number of credit institutions, on which strict creditworthiness requirements are imposed.

KSB generates its financial resources primarily from its operating business. These are used to finance investments in non-current assets. The Group also uses them to cover working capital requirements. KSB monitors changes in inventories, contract assets, trade receivables, trade payables and contract liabilities regularly using a standardised Group reporting system.

The reporting system additionally ensures, with the help of monthly rolling cash flow planning, that the Group’s central financial management is continuously informed about liquidity surpluses and requirements. This enables KSB to optimally meet the needs of the Group as a whole and of the individual companies. In order to be able to provide the necessary collateral in the project business, KSB makes corresponding guarantee volumes available.

In addition, it is always ensured that free credit facilities are sufficient; KSB identifies the need for these on the basis of regular liquidity planning. This way, it can respond at any time to fluctuating liquidity requirements. The available cash loans and credit lines total € 1,065.2 million (previous year: € 1,077.9 million). The utilisation of cash loans and credit lines by the Group was as follows at the end of the reporting year:

€ millions / Type of line	Maximum amount of line	Utilisation as at 31 Dec. 2024
Loans	473.3	3.1
Sureties	591.9	215.5

The credit and guarantee lines include amounts from a syndicated loan agreement originally signed in December 2018 and extended on 19 November 2024 as part of an amendment and restatement agreement. The associated credit line of € 300.0 million can be used at any time and increased by KSB by a further € 250.0 million through the exercise of an option to increase the credit line. The guarantee line from the syndicated loan agreement comes to € 250.0 million. The fixed five-year term of the agreement until 19 November 2029 additionally gives KSB the option to renew twice by one year each time.

The following tables show the contractually agreed non-discounted future cash flows of the financial liabilities (primary financial instruments) and derivative financial instruments. Interest payments on fixed-rate liabilities are determined on the basis of the fixed rate.

Floating-rate interest payments are based on the last floating interest rates fixed before 31 December. Projections for future new liabilities are not included in the presentation. Based on the current state of knowledge, it is neither expected that the cash flows will take place significantly earlier, nor that the amounts will differ significantly.

Cash flows of financial liabilities 2024

€ millions	Total	Up to 1 year	1 – 5 years	> 5 years
Financial liabilities	62.6	22.1	35.2	5.3
Of which from lease obligations	59.1	18.9	35.0	5.2
Trade payables	356.7	356.7	–	–
Miscellaneous other financial liabilities	28.9	28.8	0.2	–
Derivative financial instruments (net)	6.2	5.7	0.5	–
	454.4	**413.3**	**35.9**	**5.3**

Cash flows of financial liabilities 2023

€ millions	Total	Up to 1 year	1 – 5 years	> 5 years
Financial liabilities	57.1	27.6	26.2	3.4
Of which from lease obligations	46.1	17.0	25.8	3.3
Trade payables	324.7	324.7	–	–
Miscellaneous other financial liabilities	25.4	25.2	0.1	–
Derivative financial instruments (net)	2.3	2.2	0.1	–
	409.5	**379.7**	**26.4**	**3.4**

Market price risk

Global business activities expose KSB primarily to currency and interest rate risk. Any changes in market prices can affect fair values and future cash flows. Sensitivity analyses are used to determine the hypothetical impact of such market price fluctuations on earnings and equity. In doing so, KSB assumes that the portfolio at the reporting date is representative of the full year.

Currency risk

Currency risk mainly affects cash flows from operating activities. It arises when Group companies settle transactions in currencies that are not their functional currency. The main currencies in the KSB Group are the US dollar (USD), the Chinese yuan (CNY), the Indian rupee (INR) and the Brazilian real (BRL).

→ Currency volumes

KSB minimises currency risk by using currency forwards. Further information is provided in Section III. Accounting Policies under “Financial assets and liabilities – b) Derivative financial instruments” and in the following sub-section 3. "Hedge accounting".

For the currency sensitivity analysis shown in the tables below, KSB simulates the effects for the main currencies used in the Group based on the notional volume of existing foreign currency derivatives and foreign currency receivables and liabilities at the reporting date. For the analysis, a 10 % increase (decrease) in the value of the euro versus the other currencies is assumed.

→ Currency sensitivity

Currency volumes

€ millions	CNY 31 Dec. 2024	CNY 31 Dec. 2023	USD 31 Dec. 2024	USD 31 Dec. 2023	INR 31 Dec. 2024	INR 31 Dec. 2023	BRL 31 Dec. 2024	BRL 31 Dec. 2023
Trade receivables	67.8	44.6	35.6	30.2	71.3	53.1	19.7	20.6
Trade payables	60.2	49.1	19.9	22.3	45.4	41.2	20.2	16.2
Balance	**7.6**	**-4.5**	**15.6**	**7.9**	**25.9**	**11.9**	**-0.5**	**4.4**

Currency sensitivity as at 31 December 2024

	Effect on consolidated earnings for		Effect on other comprehensive income for	
€ millions	Increase in the value of the euro by + 10 %	Decrease in the value of the euro by – 10 %	Increase in the value of the euro by + 10 %	Decrease in the value of the euro by – 10 %
CNY	-0.4	0.4	0.6	-0.6
USD	1.5	-1.5	4.7	-4.7
INR	-2.6	2.6	–	–
BRL	0.1	-0.1	–	–

Currency sensitivity as at 31 December 2023

	Effect on consolidated earnings for		Effect on other comprehensive income for	
€ millions	Increase in the value of the euro by + 10 %	Decrease in the value of the euro by – 10 %	Increase in the value of the euro by + 10 %	Decrease in the value of the euro by – 10 %
CNY	0.8	-0.8	0.5	-0.5
USD	1.8	-1.8	4.5	-4.5
INR	-1.2	1.2	–	–
BRL	-0.4	0.4	–	–

Interest rate risks

KSB regularly monitors the interest rate risks associated with its financing activities. To avoid the negative effects of interest rate fluctuations on the international capital markets, KSB concludes interest rate hedges (interest rate swaps) where necessary, generally for long-term loans. These are used exclusively to hedge floating rate loans against rising interest rates. In the reporting year, as in the previous year, there were no such transactions or other interest rate derivatives in the portfolio.

As part of the interest rate sensitivity analysis shown in the table below, KSB simulates a 100 basis point increase (decrease) in market interest rates and analyses the impact on the floating rate financial instruments.

Interest rate sensitivity

	31 Dec. 2024		31 Dec. 2023	
€ millions	+100 basis points	– 100 basis points	+100 basis points	– 100 basis points
Consolidated earnings	4.3	-4.3	3.7	-3.7

3. Hedge accounting

KSB uses micro hedges (hedging individual transactions) and macro hedges (hedging an overall risk portfolio) to hedge currency risk from transactions already recognised in the balance sheet as well as transactions.that are expected in the future with a high degree of probability. The hedging instruments used share the essential terms and conditions with the underlying transactions, i.e. with regard to amount, term and quality. The maturities of the currency derivatives used are, as in the previous year, mostly between one and two years. Internal guidelines govern the use of financial instruments. Such transactions are also subject to ongoing risk control measures.

The effectiveness of hedges is determined at the beginning of the hedge and through regular prospective assessment. The aim is to ensure that there is a financial relationship between the hedge underlying and hedging instrument. The hedging instruments used are exclusively currency forwards entered into with prime-rated banks. To hedge forward exchange transactions, the Group takes out hedges where the contractual modalities of the hedging instrument essentially match those of the hedged underlying. The hedge ratio for hedges is 1:1, i.e. the volume of hedge transactions matches the designated underlyings.

In order to measure the effectiveness or ineffectiveness of hedges, KSB compares the fair value of the underlying and the hedge transactions. Changes in the fair value of the derivatives are almost completely offset by changes in the fair value of the cash flows from the underlyings (dollar offset method). The changes in the fair value of the underlyings and hedges in the financial year therefore match the unrealised profits and losses recorded under equity. As a rule, KSB does not hedge currency risks from the translation of foreign operations into the Group currency (€). Ineffectiveness can arise from hedging currency risk if the material measurement parameters of the underlying and hedge no longer match. There was no material ineffectiveness in the KSB Group in respect of currency hedges in the 2024 and 2023 financial years.

At the reporting date, the notional volume of the currency forwards designated as hedges was € 255.5 million (previous year: € 215.9 million). In addition to the US dollar, the hedged currency risk relates to a number of other currencies to a lesser extent. The weighted average EUR / USD exchange rate for hedging instruments denominated in US dollars was 1.10 (previous year: 1.11) as at the reporting date. The contractual maturities of payments for these currency forwards are as follows:

Notional volumes in 2024

€ millions	Total	Up to 1 year	1 – 5 years	> 5 years
Currency forwards designated as hedges	**255.5**	242.2	13.3	–

Notional volumes in 2023

€ millions	Total	Up to 1 year	1 – 5 years	> 5 years
Currency forwards designated as hedges	**215.9**	204.1	11.8	–

The “Changes in the fair value of derivatives” table shows the change in the hedging reserve and in the cost of the hedging reserve for currency hedges before tax.

Changes in the fair value of derivatives in 2024

	OCI	
€ millions	**Cash flow hedges – Hedging reserve**	**Cash flow hedges – Hedging cost reserve**
Currency risk		
Opening balance at 1 January	0.3	-0.2
Effective portion of changes in fair value	-8.5	0.2
Realisation of underlying recognised in income	4.9	-0.1
Closing balance at 31 December	**-3.2**	**-0.1**

Changes in the fair value of derivatives in 2023

	OCI	
€ millions	**Cash flow hedges – Hedging reserve**	**Cash flow hedges – Hedging cost reserve**
Currency risk		
Opening balance at 1 January	1.6	-1.0
Effective portion of changes in fair value	-0.8	2.2
Realisation of underlying recognised in income	-0.4	-1.4
Closing balance at 31 December	**0.3**	**-0.2**

VII. Statement of Cash Flows

The cash flow statement shows how the Group's cash and cash equivalents reported in the balance sheet changed during the reporting year as a result of cash inflows and cash outflows. In accordance with the requirements of IAS 7, a distinction is made between cash flows from operating activities and from investing and financing activities. The exact composition of these individual components can be seen in the individual items listed in the cash flow statement.

Non-cash effects from currency translation and from changes in the consolidated Group are eliminated in the respective items. Consequently, the cash flows from changes in balance sheet items shown in the cash flow statement cannot be reconciled with the corresponding movements in the Group's balance sheet.

Cash flows reported by Group companies in foreign currencies are translated into euros at average exchange rates for the year, while cash and cash equivalents are translated at the closing rate at the reporting date.

The effect of exchange rate changes on cash and cash equivalents, as well as the effect of changes in the consolidated Group, are shown in a separate item in the statement of cash flows.

Cash flows from investing activities include the cash effects from additions and disposals of intangible assets and property, plant and equipment. The total additions and disposals in the reporting year are provided in the explanatory notes to the balance sheet items in these Notes to the Consolidated Financial Statements.

The changes in financial liabilities over the year, including the cash-effective portion of these changes, which is included in the cash flows from financing activities, are presented in the tables below.

Changes in financial liabilities in 2024

			Non-cash changes		
€ millions	**1 Jan. 2024**	**Cash-effective in cash flows from financing activities**	**Additions / Disposals / Acquisitions / Other**	**Exchange-rate-related changes**	**31 Dec. 2024**
Non-current financial liabilities (excluding lease liabilities)	0.8	-0.3	0.0	0.0	0.4
Current financial liabilities (excluding lease liabilities)	10.2	-8.4	1.1	0.1	3.0
Lease liabilities	44.0	-21.1	32.0	0.3	55.2
Total financial liabilities	**55.0**	**-29.8**	**33.1**	**0.4**	**58.6**

Changes in financial liabilities in 2023

			Non-cash changes		
€ millions	**1 Jan. 2023**	**Cash-effective in cash flows from financing activities**	**Additions / Disposals / Acquisitions / Other**	**Exchange-rate-related changes**	**31 Dec. 2023**
Non-current financial liabilities (excluding lease liabilities)	1.2	-0.9	0.6	-0.2	0.8
Current financial liabilities (excluding lease liabilities)	13.1	-2.8	1.9	-2.0	10.2
Lease liabilities	36.4	-19.1	27.2	-0.5	44.0
Total financial liabilities	**50.7**	**-22.8**	**29.8**	**-2.7**	**55.0**

VIII. 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.

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"). Reporting the relevant assets, number of employees and inter-segment sales revenue of the Segments is not part of internal reporting.

Based on comprehensive consideration, the reporting segments were aligned with the Group's products and services. For the derivation of the Pumps Segment, the underlying differentiation of individual Market Areas must also be taken into account, as described below.

The Pumps Segment comprises new business with single-stage and multistage pumps, submersible pumps and the associated control and drive systems. The applications are assigned to the Market Areas of Energy and Mining and to the Market Areas of Water, Building Services, Petrochemicals / Chemicals and General Industry, which are grouped together in the organisational and reporting structure of the Group as Standard Markets. Each customer is assigned by the Group to a specific Market Area according to their main business activity. The allocation of transactions with customers to the Market Areas follows this clear assignment of customers by KSB, irrespective of the specific product underlying the transaction.

For the new business with pumps, the Energy, Mining and Standard Markets are derived from the organisational and reporting structure of the Group as operating segments as defined by IFRS 8. These segments share the characteristic that they are based on a common product group, i.e. pumps. Furthermore, it follows from the customer-related delineation of the Market Areas described above that these operating segments are not based on a classification according to specific products and services, taking into account technological and economic characteristics, such as production processes or sales methods. According to KSB's estimates and expectations, the three pumps operating segments have similar long-term earnings trends and may also involve fundamentally comparable risks. As a result, the operating segments considered here are aggregated into the Pumps reporting segment pursuant to IFRS 8 in view of the close technological and economic interrelationships from the Group's point of view.

The Valves Segment combines the Group's business activities with regard to new business in butterfly valves, globe valves, gate valves, control valves, diaphragm valves and ball valves. as well as associated actuators and control systems. The basic applications for these products are identical to those for pumps. However, in contrast to the Pumps Segment, the Valves Segment is not divided into individual Market Areas for the central management of the Group.

The KSB SupremeServ Segment on the one hand comprises the spare parts business for pumps and valves. On the other hand, KSB's service activities are allocated to this Segment. These include the installation, commissioning, start-up, inspection, servicing, maintenance and repair of pumps, related systems and valves, as well as modular service concepts and system analyses for complete plants.

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

Segment reporting

	Order intake		Sales revenue		EBIT	
€ millions	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Pumps Segment	1,658.6	1,576.5	1,550.5	1,513.7	40.5	52.3
Valves Segment	407.4	392.6	398.8	361.4	-0.8	-7.5
KSB SupremeServ Segment	1,048.1	990.4	1,015.8	943.9	204.5	179.1
Total	**3,114.0**	**2,959.5**	**2,965.2**	**2,819.0**	**244.2**	**223.9**

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 “Segment reporting” table presented above shows earnings before finance income / expense and income tax (EBIT) including non-controlling interests.

EBIT includes depreciation and amortisation of € 44.7 million (previous year: € 41.0 million) for the Pumps Segment, € 14.0 million (previous year: € 11.4 million) for the Valves Segment and € 38.7 million (previous year: € 35.7 million) for the KSB SupremeServ Segment.

The total depreciation and amortisation included impairment losses on intangible assets, property, plant and equipment, and right-of-use assets in the amount of € 4.4 million (previous year: € 2.5 million). Of these impairments, € 0.2 million (previous year: € 1.5 million) relate to the Pumps Segment, € 2.5 million (previous year: € 1.0 million) to the KSB SupremeServ Segment and € 1.7 million in the reporting year to the Valves Segment. In addition, the write-downs for the reporting year include reversals of impairments on property, plant and equipment in the amount of € 0.8 million (previous year: € 2.2 million). These were attributable to the Pumps Segment in the amount of € 0.5 million (previous year: € 1.8 million), the KSB SupremeServ Segment in the amount of € 0.3 million (previous year: € 0.1 million) and, in the previous year, to the Valves Segment in the amount of € 0.3 million.

€ 608.6 million (previous year: € 642.0 million) of the sales revenue presented were generated by the companies based in Germany, € 239.5 million (previous year: € 215.8 million) by the companies in China, € 214.1 million (previous year: € 200.2 million) by the company in France, € 249.0 million (previous year: € 238.8 million) by the companies in the USA, € 285.4 million (previous year: € 249.8 million) by the companies in India and € 1,368.6 million (previous year: € 1,272.4 million) by the other Group companies.

There were no relationships with individual customers that accounted for a material proportion of Group 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 € 835.2 million (year-end figure in previous year: € 749.3 million), with € 308.5 million (year-end figure in previous year: € 285.1 million) being attributable to the companies based in Germany and € 526.7 million (year-end figure in previous year: € 464.2 million) being attributable to the other Group companies. The values presented include intangible assets, right-of-use assets, property, plant and equipment and investments accounted for using the equity method.

IX. Other Disclosures

Capital disclosures

Sufficient financial independence is a key requirement for safeguarding KSB's continued existence in the long term. Obtaining the necessary funds for ongoing business operations is also extremely important for KSB. KSB regularly monitors the development of the net financial position that is derived from the balance of interest-bearing financial liabilities and financial assets (mainly cash and cash equivalents as well as receivables from deposits). One objective is to avoid net debt. The net financial position at the end of the reporting year was € 371.0 million (previous year: € 324.9 million). This increase is essentially due to the high cash flows from operating activities.

Contingent liabilities

Contingent liabilities to third parties and other investments are as follows at the reporting date:

Contingent liabilities

€ millions	31 Dec. 2024	31 Dec. 2023
From legal disputes	2.0	2.3
From guarantees	2.1	2.1
From warranty agreements	1.8	1.8
From other tax matters	14.1	13.4
From other contingent liabilities	1.2	0.5
	21.3	**20.0**

In the context of establishing the contingent liabilities, estimates are required in particular with regard to the existence of any obligations and in relation to the probability and amount of an outflow of resources.

At present, KSB does not expect a payment obligation for the total of contingent liabilities listed in the table of that name.

In addition, the KSB Group has contingent liabilities towards associates and joint ventures of € 7.1 million (previous year: € 7.2 million). The extent to which these will result in a cash outflow depends on the future business performance of the respective company.

As at the reporting date of the reporting year, there are no material contingent receivables of the Group, as in the previous year.

Other financial obligations

As in the previous year, there are no purchase price obligations from acquisitions of companies and no payment obligations from capitalisation measures at Group companies.

The aggregate purchase obligation for investments amounts to € 47.9 million (previous year: € 27.9 million). Of this amount, € 0.8 million (previous year: € 1.1 million) is attributable to intangible assets and € 47.1 million (previous year: € 26.8 million) to property, plant and equipment. Most of the corresponding payments are due in 2025.

Leases

KSB as lessee

Lease agreements in which KSB is the lessee mainly relate to real estate and motor vehicles. The terms of leases and additional cancellation and renewal options for one or both contracting parties are agreed individually and at different conditions.

The total cash outflow from leases, in the form of the repayment of lease liabilities, payments for leases relating to low-value assets and for short-term leases as well as variable lease payments, totalled € 30.5 million in the reporting year (previous year: € 29.1 million).

The Group expects future payments of € 0.6 million (previous year: € 5.3 million) from leases already concluded where the leased asset had not yet been made available to KSB by the lessor for use at the reporting date.

KSB as lessor

KSB acts as a lessor to a small extent, including in the context of real estate leasing. These activities have no material impact on the consolidated financial statements, so no further disclosures are made in this context.

Research and development costs

Research and development costs in the reporting year amounted to € 69.0 million (previous year: € 60.6 million).

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.

In order to determine the entirety of related parties of the Group, the organisational and shareholding structure of KSB SE & Co. KGaA must be taken into account. Johannes und Jacob Klein GmbH, Frankenthal / Pfalz, holds an unchanged voting interest of 83.94 % in KSB SE & Co. KGaA. The voting rights in this company are held, again unchanged, by KSB Stiftung, Stuttgart, with 74.93 %, and by Kühborth-Stiftung GmbH, Stuttgart, with 25.07 %.

Transactions with related parties are performed at arm's length and are described in more detail below.

Related parties (entities)

In view of the above explanations, related parties of the KSB Group are, on the one hand, KSB Stiftung, Stuttgart, and Kühborth Stiftung GmbH, Stuttgart, each with their direct and indirect interests, joint ventures and associates. This includes Klein, Schanzlin & Becker GmbH, Frankenthal / Pfalz, which in turn holds 100 % of the voting rights in KSB Management SE, Frankenthal / Pfalz. KSB Management SE, as general partner, is also a related party. Similarly, Johannes und Jacob Klein GmbH, Frankenthal / Pfalz, and its direct and indirect interests, joint ventures and associates are to be classified as related parties of the Group. This includes in particular 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 group of related parties (entities) also includes the companies fully consolidated in the consolidated financial statements, the joint ventures and associates of the Group as well as the companies not consolidated due to immateriality. Balances and transactions between fully consolidated companies of the KSB Group have been eliminated for the purposes of these consolidated financial statements and are therefore not explained in detail below.

As part of normal business activities, KSB maintains business relationships with related parties in the following areas:

- Buying / selling assets
- Sourcing / providing services
- Usage / transferring usage of assets
- Granting of loans

The following table shows the services provided and used in relation to the purchase and sale of assets and services, as well as the associated pending receivables and liabilities owed from and to related parties.

→ **Services, receivables and liabilities in dealings with related parties**

Pending balances at the year end are unsecured, do not accrue interest and are settled by means of payments. No guarantees were given or received. At the reporting date, impairments of € 157 thousand (previous year: € 151 thousand) were recognised on the presented receivables from companies not consolidated due to immateriality.

As the legal representative, KSB Management SE provides management services for KSB. The management fee is charged on to KSB SE & Co. KGaA. In addition, KSB Management SE as the general partner assumes liability for KSB and receives annual remuneration for this amounting to 4 % of its share capital. Accordingly, € 7,430 thousand (previous year: € 6,554 thousand) of the purchases of assets and services from KSB Management SE relate firstly to the remuneration of the members of the governing bodies of KSB Management SE, which is explained in more detail in the "Related parties (persons)" sub-section below. Secondly, they include the liability remuneration in the amount of € 20 thousand (previous year: € 20 thousand) and a further reimbursement of expenses in connection with the management of the Group's business in the amount of € 234 thousand (previous year: € 137 thousand). The liabilities to KSB Management SE are due in the short term.

Relations covering the supply of products and services in relation with Johannes und Jacob Klein GmbH were of minor scope in the reporting year as in the previous year. In addition, Johannes und Jacob Klein GmbH received dividend payments.

Transactions with subsidiaries of Johannes und Jacob Klein GmbH comprise transactions with Palatina Versicherungsservice GmbH, Abacus alpha GmbH, Abacus Resale GmbH, Abacus Experten GmbH and airinotec GmbH.

A services agreement for insurances is in place between Palatina Versicherungsservice GmbH and KSB SE & Co. KGaA.

Abacus Experten GmbH concluded a number of service agreements with KSB SE & Co. KGaA.

A framework delivery and service agreement in particular is in place with Abacus Resale GmbH for the purchase of returns and the provision of additional related services.

Services, receivables and liabilities in dealings with related parties

	Sale of assets and services		Purchases of assets and services		Trade receivables		Trade payables	
€ thousands	**2024**	**2023**	**2024**	**2023**	**31 Dec. 2024**	**31 Dec. 2023**	**31 Dec. 2024**	**31 Dec. 2023**
KSB Management SE*	5	5	7,684	6,711	6	–	15,124	11,344
Klein, Schanzlin & Becker GmbH	–	–	–	–	–	–	–	–
KSB Stiftung and Kühborth-Stiftung GmbH	1	–	–	–	–	–	–	–
Johannes und Jacob Klein GmbH	–	–	7	9	–	–	–	–
Subsidiaries of Johannes und Jacob Klein GmbH	824	647	4,013	3,999	119	136	325	268
Associates / joint ventures of Johannes und Jakob Klein GmbH	–	–	–	–	–	–	–	–
Joint ventures	51,241	44,289	1,977	1,506	38,476	41,811	559	434
Associates	8	3	5,589	6,422	926	1,483	343	544
Companies not consolidated due to immateriality	10,593	8,953	485	411	6,376	5,357	616	398

* Trade payables to KSB Management SE in the reporting year and the previous year include outstanding balances from post-employment benefits to be paid to the Managing Directors.

In addition, products were delivered to Abacus Resale GmbH and to airinotec GmbH as part of the normal business activities. Services were provided by Abacus alpha GmbH to a minor extent.

Further information on joint ventures, associates and companies not consolidated due to immateriality is provided in Section IV. Balance Sheet Disclosures – Notes No. 4 “Other financial assets”, Notes No. 6 “Investments accounted for using the equity method”, Notes No. 8 “Contract assets, trade receivables and other financial and non-financial assets”, Notes No. 13 “Liabilities” and in Section IX. Other Disclosures – Contingent Liabilities. In addition, the cash flows from the granting of loans and from capital measures with the aforementioned companies are shown in the statement of cash flows under cash flows from investing activities.

Related parties (persons)

The members of the Supervisory Board, the Managing Directors of KSB Management SE and the members of the Administrative Board of KSB Management SE, as well as their close family members, are deemed to be related parties of the KSB Group. Further information is provided below, in these consolidated financial statements, before the comments concerning the proposal on the appropriation of the net retained earnings of KSB SE & Co. KGaA.

In the reporting year, three members of the Administrative Board and one member of the Supervisory Board held an immaterial share of interests in KSB SE & Co. KGaA.

The remuneration paid to key management personnel of KSB SE & Co. KGaA, i.e. the Managing Directors and the members of the Administrative Board of KSB Management SE, is listed in the following table. The amounts are paid by KSB under an expense reimbursement agreement.

Management remuneration

€ thousands	2024	2023
Short-term benefits*	4,146	3,930
Post-employment benefits	1,778	1,439
Other long-term benefits*	1,505	1,185
Total	**7,430**	**6,554**

* Other long-term benefits include the amounts that form part of the long-term variable remuneration from the perspective of the Managing Directors.

The remuneration system for the Managing Directors of KSB Management SE consists of components that are not performance-related, in the form of fixed sum plus benefits and pension commitments, as well as short-term and long-term variable remuneration components. In this context, 60 % of the regular annual salary, i.e. the sum of fixed and variable remuneration, is accounted for by the fixed component. The variable remuneration accounts for 40 % of the regular annual salary, with about two thirds of this being allocated to the long-term variable remuneration. The majority of the variable remuneration is thus linked to the long-term performance of the company.

The short-term variable remuneration with an assessment period of one year is designed as a target bonus model and is awarded annually. The target amount, i.e. the amount paid out if 100 % of the target is achieved, corresponds to 15 % of the respective regular annual salary. The Administrative Board of KSB Management SE has set the performance targets of EBIT margin, sales revenue and the overall assessment of the personal performance of the Managing Directors in equal parts as the basis for assessment.

The long-term variable remuneration is structured as an annually granted plan with a three-year, forward-looking assessment period. The target amount corresponds to 25 % of the respective regular annual salary. The Administrative Board has defined the performance target as the equally weighted average of the earnings per share (EPS) over three years with a weighting of 80 % and the achievement of the Environmental, Social and Governance (ESG) sustainability goals with a weighting of 20 %. By considering earnings per share, a focus is placed on the long-term successful performance of the company as well as linking the interests of the Managing Directors with the interests of the shareholders.

The final payment of the long-term variable remuneration is made after the end of the assessment period. For the 2021 and 2022 financial years, a one-time payment on account amounting to 40 % of the target value in the event of 100 % target achievement was agreed and paid. At the end of the assessment period, it will be offset against any amount paid out in excess of this; no repayment has been agreed in the event that the sum falls short of this amount.

As at the reporting date, the Group recognised provisions for pension obligations to current Managing Directors of KSB Management SE amounting to € 645 thousand (previous year: € 644 thousand), and to former members of the Board of Management of KSB AG (excluding the Managing Directors of KSB Management SE) and their surviving dependants amounting to € 29,965 thousand (previous year: € 32,084 thousand). The total remuneration of the latter persons amounted to € 2,648 thousand in the financial year under review (previous year: € 2,761 thousand).

The members of the Supervisory Board receive a fixed remuneration, attendance fees and reimbursement of expenses. In addition, they receive remuneration for activities that require them to devote special time to the tasks of the Supervisory Board that go beyond preparing and holding meetings of the Supervisory Board and its committees. The short-term benefits paid to members of the Supervisory Board amount to € 996 thousand for the 2024 financial year (previous year: € 851 thousand). At the end of the financial year, a liability of € 554 thousand (previous year: € 472 thousand) was recognised towards the members of the Supervisory Board.

Furthermore, in the financial year under review the company concluded a settlement agreement with key management personnel of the company, its general partner and the general partner's parent company on the termination of a rental and lease agreement and on the handling of and purchase of various objects in connection with the termination of the rental and lease agreement. The Agreement provides for a one-off payment of € 107 thousand by the company to the relevant key management personnel, its general partner and the general partner's parent company. The settlement agreement does not include any further obligations for the company. Like all legal transactions with related parties, this transaction was performed at arm's length.

In addition, assets and services amounting to € 20 thousand (previous year: € 20 thousand) were sold to other related parties (corporate bodies) in the reporting year.

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.

The following table shows the total fees for all services that KSB utilised in the reporting year from the global PwC network, to which the group auditors belong. It also shows the specific share of the total amount attributable to the Group auditors based in Germany.

Total fee PricewaterhouseCoopers/ Group auditors in 2024

€ millions	Worldwide PwC network	Attributable to: Pricewaterhouse Coopers GmbH Wirtschafts-prüfungs-gesellschaft
Audit fees	2.4	0.8
Tax advisory services	0.1	–
Other certification services	0.3	0.2
Other services	0.1	0.1
	2.9	**1.2**

The audit fees include costs for the audit of the consolidated financial statements and of the statutory annual financial statements of KSB SE & Co. KGaA and the subsidiaries included in the consolidated financial statements. The fees for other certification services primarily include attestation services outside of the audit of the consolidated financial statements. The fees for other services result in particular from consultancy services in connection with compliance matters and the tender due to the upcoming mandatory rotation of the auditor of the consolidated financial statements and the single-entity financial statements of KSB SE & Co. KGaA.

Use of exemption option

KSB Service GmbH, Frankenthal, KSB Service GmbH, Schwedt, Uder Elektromechanik GmbH, Friedrichsthal, Dynamik-Pumpen GmbH, Stuhr, PMS-BERCHEM GmbH, Neuss, Pumpen-Service Bentz GmbH, Reinbek, KAGEMA Industrieausrüstungen GmbH, Pattensen, and KSB FINANZ GmbH, Frankenthal, have made partial use of the exemption provision pursuant to Section 264(3) HGB [German Commercial Code].

Events after the Reporting Period

There were no events after the end of the financial year 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 12 December 2024. The Statement is accessible to the public at KSB's web site: ksb.com/en-global > Investor Relations > Corporate Governance > Corporate Governance Statement / Statement of Compliance with the German Corporate Governance Code.

List of Shareholdings

Affiliates (national and international)

Cons. No.	Name and seat	Country	Activity[1]	Capital share in %	Group share of capital in %	Held by. No.
1	Canadian Kay Pump Limited, Mississauga / Ontario	Canada	H	100.00	100.00	
2	KSB Limited, Pimpri (Pune)	India	P	40.54	40.54	1
3	KSB MIL Controls Limited, Annamanada	India	P	49.00	19.86	2
				51.00	51.00	
4	Pofran Sales & Agency Limited, Pimpri (Pune)	India	S	100.00	40.54	2
5	Dynamik-Pumpen GmbH, Stuhr	Germany	SVC	100.00	100.00	
6	Hydroskepi GmbH, Amaroussion (Athens)	Greece	H	100.00	100.00	
7	KAGEMA Industrieausrüstungen GmbH, Pattensen	Germany	P	100.00	100.00	
8	KSB Armaturen Verwaltungs- und Beteiligungs-GmbH, Frankenthal	Germany	H	100.00	100.00	
9	OOO “KSB”, Moscow	Russia	SVC	100.00	100.00	8
10	IOOO “KSB BEL”, Minsk	Belarus	S	99.72	99.72	9
				0.28	0.28	8
11	TOO "KSB Kazakhstan", Almaty	Kazakhstan	S	100.00	100.00	9
12	TOV “KSB Ukraine”, Kyiv	Ukraine	S	100.00	100.00	9
13	TOB “KSB Ukraine” LLC, Kyiv	Ukraine	S	100.00	100.00	8
14	KSB Belgium S.A., Bierges-lez-Wavre	Belgium	S	100.00	100.00	
15	KSB Service Belgium S.A./N.V., Bierges-lez-Wavre	Belgium	SVC	100.00	100.00	14
16	KSB, Bombas e Válvulas, SA, Albarraque	Portugal	S	92.00	92.00	
				1.00	1.00	39
				1.00	1.00	60
				1.00	1.00	22
17	KSB Čerpadlá a Armatúry, s.r.o., Bratislava	Slovakia	S	100.00	100.00	
18	KSB Chile S.A., Santiago	Chile	P	100.00	100.00	
19	KSB Colombia S.A.S., Funza (Cundinamarca)	Colombia	S	100.00	100.00	
20	KSB DAG GmbH, Vienna	Austria	P	100.00	100.00	
21	KSB de Mexico, S.A. de C.V., Querétaro	Mexico	P	100.00	100.00	

[1] P = Production / assembly, S = Sales, SVC = Service, H = Holding, T = Technical service provider

Cons. No.	Name and seat	Country	Activity[1]	Capital share in %	Group share of capital in %	Held by No.
22	KSB FINANZ GmbH, Frankenthal	Germany	H	100.00	100.00	
23	Dalian KSB AMRI Valves Co., Ltd., Dalian	China	P	100.00	100.00	22
24	KSB Algérie Eurl, Bordj el Kifane (Alger)	Algeria	S	100.00	100.00	22
25	KSB Argentina S.A., Carapachay (Buenos Aires)	Argentina	P	95.00	95.00	22
				5.00	5.00	
26	KSB Australia Pty Ltd, Bundamba QLD	Australia	P	100.00	100.00	22
27	KSB New Zealand Limited, Albany / Auckland	New Zealand	S	100.00	100.00	26
28	KSB BRASIL LTDA., Várzea Paulista	Brazil	P	100.00	100.00	22
29	KSB Middle East FZE, Dubai	U.A.E.	S	100.00	100.00	22
30	KSB Pumps (S.A.) (Pty) Ltd., Germiston (Johannesburg)	South Africa	H	100.00	100.00	22
31	KSB Pumps and Valves (Pty) Ltd., Germiston (Johannesburg)	South Africa	P	70.00	70.00	30
32	KSB PUMPS AND VALVES LIMITED, Nairobi	Kenya	S	100.00	100.00	30
33	KSB Shanghai Pump Co., Ltd., Shanghai	China	P	80.00	80.00	22
34	KSB Finland Oy, Kerava	Finland	S	100.00	100.00	
35	KSB Hungary Kft., Budapest	Hungary	S	100.00	100.00	
36	KSB Industries B.V., Alphen aan den Rijn	Netherlands	H	100.00	100.00	
37	Duijvelaar Pompen B.V., Alphen aan den Rijn	Netherlands	SVC	100.00	100.00	36
38	KSB Manufacturing B.V., Alphen aan den Rijn	Netherlands	P	100.00	100.00	36
39	KSB Nederland B.V., Zwanenburg	Netherlands	S	100.00	100.00	36
40	KSB Italia S.p.A., Milan	Italy	P	100.00	100.00	
41	KSB ITUR Spain S.A., Zarautz	Spain	P	100.00	100.00	
42	KSB Korea Ltd., Seoul	South Korea	P	100.00	100.00	
43	KSB Limited, Hong Kong	China	S	100.00	100.00	
44	KSB Pump & Valve Technology Service (Tianjin) Co., Ltd, Tianjin	China	P	100.00	100.00	43
45	KSB Limited, Loughborough	United Kingdom	S	100.00	100.00	
46	KSB Ltd., Tokyo	Japan	S	100.00	100.00	
47	KSB Norge AS, Drøbak	Norway	P	100.00	100.00	
48	KSB Österreich Gesellschaft mbH, Vienna	Austria	S	100.00	100.00	
49	KSB Perú S.A., Lurin	Peru	S	100.00	100.00	
50	KSB Polska Sp. z o.o., Ozarow Mazowiecki	Poland	S	100.00	100.00	
51	KSB-Pompa, Armatür Sanayi ve Ticaret A.S., Ankara	Turkey	P	100.00	100.00	
52	KSB Pumps and valves L.t.d., Domžale	Slovenia	S	100.00	100.00	
53	KSB Pumps Co. Ltd., Bangkok	Thailand	P	49.00	49.00	
54	KSB Pumps Company Limited, Lahore	Pakistan	P	72.54	72.54	
55	KSB Pumps Inc., Mississauga / Ontario	Canada	S	100.00	100.00	

[1] P = Production / assembly, S = Sales, SVC = Service, H = Holding, T = Technical service provider

Cons. No.	Name and seat	Country	Activity[1]	Capital share in %	Group share of capital in %	Held by No.
56	KSB-Pumpy+Armatury s.r.o., koncern, Prague	Czech Republic	S	100.00	100.00	
57	KSB REEL S.r.l., Ponte di Nanto	Italy	P	100.00	100.00	
58	KSB S.A.S., Gennevilliers (Paris)	France	P	100.00	100.00	
59	KSB POMPES ET ROBINETTERIES S.à.r.l. d'Associé unique, Casablanca	Morocco	S	100.00	100.00	58
60	KSB (Schweiz) AG, Oftringen	Switzerland	S	100.00	100.00	
61	KSB Seil Co., Ltd., Busan	South Korea	P	100.00	100.00	
62	KSB Service GmbH, Frankenthal	Germany	SVC	100.00	100.00	
63	KSB Service GmbH, Schwedt	Germany	SVC	100.00	100.00	
64	KSB Singapore (Asia Pacific) Pte Ltd, Singapore	Singapore	P	100.00	100.00	
65	KSB Malaysia Pumps & Valves Sdn. Bhd., Shah Alam	Malaysia	P	100.00	100.00	64
66	KSB PHILIPPINES, INC., Makati City	Philippines	S	100.00	100.00	64
67	KSB Vietnam Co., Ltd, Long Thanh District	Vietnam	S	100.00	100.00	64
68	KSB Sverige Aktiebolag, Gothenburg	Sweden	S	100.00	100.00	
69	KSB Sverige Fastighets AB, Gothenburg	Sweden	S	100.00	100.00	68
70	PUMPHUSET Sverige AB, Sollentuna	Sweden	SVC	100.00	100.00	68
71	KSB Taiwan Co., Ltd., New Taipei City	Taiwan	S	100.00	100.00	
72	KSB Tech Pvt. Ltd., Pimpri (Pune)	India	T	100.00	100.00	
73	KSB Valves (Changzhou) Co., Ltd., Jiangsu	China	P	100.00	100.00	
74	KSB Valves Spain S.A., Burgos	Spain	P	100.00	100.00	
75	PAB Pumpen- und Armaturen-Beteiligungsges. mbH, Frankenthal	Germany	H	51.00	51.00	
76	KSB America Corporation, Richmond / Virginia	USA	H	100.00	51.00	75
77	KSB Dubric, Inc., Comstock Park / Michigan	USA	SVC	100.00	51.00	76
78	KSB GIW, Inc., Grovetown / Georgia	USA	P	100.00	51.00	76
79	KSB, Inc., Richmond / Virginia	USA	P	100.00	51.00	76
80	KSB, Inc. – Western Division, Bakersfield / California	USA	SVC	100.00	51.00	76
81	Standard Alloys Incorporated, Port Arthur / Texas	USA	SVC	100.00	51.00	76
82	PMS-BERCHEM GmbH, Neuss	Germany	SVC	100.00	100.00	
83	PT. KSB Indonesia, Cibitung	Indonesia	P	94.06	94.06	
				5.94	5.94	22
84	PT. KSB Sales Indonesia, Cibitung	Indonesia	S	99.00	99.00	83
				1.00	1.00	
85	Pumpen-Service Bentz GmbH, Reinbek	Germany	SVC	100.00	100.00	
86	SISTO Armaturen S.A., Echternach	Luxembourg	P	52.85	52.85	
87	Uder Elektromechanik GmbH, Friedrichsthal	Germany	SVC	100.00	100.00	

[1] P = Production / assembly, S = Sales, SVC = Service, H = Holding, T = Technical service provider

Joint ventures (international)

Cons. No.	Name and seat	Country	Activity[1]	Capital share in %	Group share of capital in %	Held by No.	Equity [2] € millions	Net profit / loss for the year [2] € millions
88	KSB MOTOR TEKNOLOJİLERİ SANAYİ VE TİCARET ANONİM ŞİRKETİ, Ankara	Turkey	P	55.00	55.00	51	0.1	0.0
89	KSB Pumps Arabia Ltd., Riyadh	Saudi Arabia	P	50.00	50.00	22	17.7	3.3
90	KSB Service LLC, Abu Dhabi	U.A.E.	SVC	49.00	49.00		11.3	1.4
91	Shanghai Electric-KSB Nuclear Pumps and Valves Co., Ltd., Shanghai	China	P	45.00	45.00		48.0	3.1
92	1637534 Alberta Ltd., Edmonton*	Canada	P	41.14	41.14	78	3.0	0.0
93	PIP360 Inc., Edmonton*	Canada	SVC	100.00	41.14	92	0.1	0.0

* The companies are included together in the consolidated financial statements as a joint venture accounted for using the equity method.

Associates (international)

Cons. No.	Name and seat	Country	Activity[1]	Capital share in %	Group share of capital in %	Held by No.	Equity [2] € millions	Net profit / loss for the year [2] € millions
94	Motori Sommersi Riavvolgibili S.r.l., Cedegolo	Italy		25.00	25.00		8.9	6.1

[1] P = Production / assembly, S = Sales, SVC = Service, H = Holding, T = Technical service provider

[2] Data according to latest annual financial statements under IFRS

Companies not consolidated because of immateriality – Affiliates (national and international)

Cons. No.	Name and seat	Country	Activity[1]	Capital share in %	Group share of capital in %	Held by No.	Equity [2] € millions	Net profit / loss for the year [2] € millions
95	Geheimrat Dr. Jacob Klein-Unterstützungseinrichtung e.V., Frankenthal	Germany		100.00	100.00		0.1	0.0
96	KSB Bolivia S.R.L., La Paz	Bolivia	SVC	99.00	99.00	28	0.2	-0.1
				1.00	1.00			
97	KSB BOMBAS E VÁLVULAS (Angola), LDA, Belas	Angola	S	65.00	65.00		-0.1	-0.3
98	KSB (CAMBODIA) PUMPS & VALVES CO., LTD., Phnom Penh	Cambodia	S	100.00	100.00	64	0.1	0.0
99	KSB Ecuador S.A., Samborondón	Ecuador	S	100.00	100.00	28	1.4	0.1
100	KSB Egypt SOC, Cairo	Egypt	H	100.00	100.00		0.0	0.0
101	KSB Panama S.A., Panama	Panama	S	100.00	100.00	28	0.8	0.1
102	KSB Pumpe i Armature d.o.o. Belgrade	Serbia	S	100.00	100.00	52	0.4	0.1
103	KSB pumpe i armature d.o.o., Rakov Potok	Croatia	S	100.00	100.00	52	0.2	0.0
104	KSB PUMPS AND VALVES (NAMIBIA) (PROPRIETARY) LIMITED, Klein Windhoek	Namibia	S	100.00	100.00	30	0.0	0.1
105	KSB Pumps and Valves Nigeria Ltd, Lagos	Nigeria	S	60.00	60.00		0.1	0.0
106	KSB Service Egypt LLC, Cairo	Egypt	SVC	48.00	48.00		1.0	0.5
				11.00	11.00	100		
				1.00	1.00	22		
107	KSB ZAMBIA LIMITED, Kitwe	Zambia	S	100.00	100.00	30	0.5	0.0
108	Vari.Co. GmbH, Karlsruhe	Germany	T	51.00	51.00		0.2	0.0

[1] P = Production / assembly, S = Sales, SVC = Service, H = Holding, T = Technical service provider

[2] Data according to latest annual financial statements under IFRS

Supervisory Board

Dr. Bernd Flohr, Dipl.-Kfm., Dipl.-Soz., Geislingen
(Chair)
Former Executive Board Member of WMF AG

Claudia Augustin, Office Management Assistant, Pegnitz
(Deputy Chair)
Chair of the Pegnitz Works Council of KSB SE & Co. KGaA

Klaus Burchards, Dipl.-Kfm., Stuttgart
Independent Auditor

Arturo Esquinca, Dipl.-Chemieing., MBA, Forch, Switzerland
Head of Business Development, Glas Trösch Holding AG

René Klotz, NC Programmer, Heßheim
(Member since 8 May 2024)
Chair of the Frankenthal Works Council of KSB SE & Co. KGaA /
Chair of the General Works Council of KSB SE & Co. KGaA and KSB Service GmbH

Klaus Kühborth, Dipl.-Wirtsch.-Ing., Frankenthal
Managing Director of Johannes und Jacob Klein GmbH

Birgit Mohme, Industrial Business Management Assistant, Frankenthal
1st Delegate and Managing Director of IG Metall Ludwigshafen/Frankenthal

Thomas Pabst, Dipl.-Ing., Freinsheim [1)]
Head of the Energy Market Area of KSB SE & Co. KGaA

Prof. Dr.-Ing. Corinna Salander, Dipl.-Physikerin, Berlin,
Head of the Railways Department of the Federal Ministry for Digital and Transport (BMDV)

Harald Schöberl, Industrial Business Management Assistant, Plech
Full-time Member of the Pegnitz Works Council /
Chair of the Group Works Council of KSB SE & Co. KGaA

Volker Seidel, Electrical and Electronics Installer, Münchberg
(Member until 31 December 2024)
1st Delegate and Treasurer of IG Metall Ostoberfranken

Gabriele Sommer, Dipl.-Geol., Berlin [2)]
Head of Business Development,
Management Systems & Certification, TÜV SÜD AG

Jürgen Walther, IT Coordinator, Offstein
(Member until 8 May 2024)
Deputy Chair of the Frankenthal Works Council of KSB SE & Co. KGaA

Stefan Winnerlein, Industrial Mechanic, Nuremberg
(Member since 1 January 2025)
1st Delegate and Managing Director of IG Metall Ostoberfranken

Mandates of KSB Supervisory Board members on the Supervisory Board / Board of Directors of other companies

1) Shanghai Electric-KSB Nuclear Pumps and Valves Co., Ltd., Shanghai, China
2) TÜV SÜD Industrie Service GmbH, Munich
TÜV SÜD Auto Service GmbH, Stuttgart
(until 31 March 2024)

Legal Representatives

Managing Directors of KSB Management SE

Dr. Stephan Jörg Timmermann, CEO, Augsburg [1)]
Strategy, Human Resources, Communications, Internal Audits, Legal & Compliance, Patents & Trademarks, Service

Dr. Stephan Bross, Weinheim [2)]
Global Operations, Research and Development, Innovation and Complexity Management, Digital Transformation, Committees and Associations

Ralf Kannefass, Regensburg [3)]
Sales and Marketing

Dr. Matthias Schmitz, Frankenthal [4)]
Taxes, Controlling KSB Group, Finance, Accounting, Information Technology and Procurement

Mandates of the Managing Directors on the Board of Directors of KSB companies

1) KSB America Corporation, Richmond / Virginia, USA
KSB GIW, Inc., Grovetown / Georgia, USA

2) KSB Limited, Pimpri (Pune), India
KSB MOTOR TEKNOLOJİLERİ SANAYİ VE TİCARET ANONİM ŞİKETİ, Ankara, Turkey
KSB MIL Controls Limited, Annamanada, India

3) KSB Shanghai Pump Co., Ltd., Shanghai, China
Shanghai Electric-KSB Nuclear Pumps and Valves Co., Ltd., Shanghai, China
KSB Pumps (S.A.) (Pty) Ltd., Germiston (Johannesburg), South Africa
KSB Pumps and Valves (Pty) Ltd., Germiston (Johannesburg), South Africa

4) KSB Industries B.V., Alphen aan den Rijn, Netherlands
Canadian Kay Pump Limited, Mississauga / Ontario, Canada
KSB Limited, Pimpri (Pune), India
KSB Shanghai Pump Co., Ltd., Shanghai, China
KSB Pumps Arabia Ltd., Riyadh, Saudi Arabia
KSB Österreich Gesellschaft mbH, Vienna, Austria

Members of the Administrative Board of KSB Management SE

Oswald Bubel, Chair, Saarbrücken

Monika Kühborth, Deputy Chair, Homburg
Managing Director of Klein, Schanzlin & Becker GmbH

Michael Eckert, Hamburg (since 17 June 2024)

Günther Koch, Ludwigshafen (until 17 June 2024)

Dr. Harald Schwager, Speyer [1)]
Deputy Chairman of the Executive Board of Evonik Industries AG

Andrea Teutenberg, Kaarst [2)]

Mandates on statutory Supervisory Boards

1) Evonik Operations GmbH, Essen
(Chair of the Supervisory Board)
Currenta GmbH & Co. OHG, Leverkusen

Mandates in comparable supervisory bodies

1) Member of the Presidential Board of DEKRA e.V., Stuttgart

2) Member of the Advisory Board,
EJOT Holding GmbH & Co. KG, Bad Berleburg
Member of the Advisory Board,
Talbot Holding GmbH, Aachen

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

The following proposal on the appropriation of the net retained earnings of € 128,166,856.12 of KSB SE & Co. KGaA will be submitted to the Annual General Meeting on 8 May 2025:

Proposal for the appropriation of net retained earnings

€	
Dividend of € 26.50 per ordinary no-par-value share	23,495,297.50
Dividend of € 26.76 per preference no-par-value share	23,139,693.12
Total dividends	**46,634,990.62**
Carried forward to new account	**81,531,865.50**
	128,166,856.12

Frankenthal, 12 March 2025

KSB Management SE

The Managing Directors

The annual financial statements of KSB SE & Co. KGaA were prepared in accordance with German accounting principles. They are published in the *Bundesanzeiger* [German Federal Gazette]. These annual financial statements are also available online: ksb.com/financialstatements