



Results Presentation for Nine Months Ended September 30, 2020

EBARA (6361)

November 12, 2020

Looking ahead,
going beyond expectations

Ahead  *Beyond*

EBARA CORPORATION

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*1. Fluid Machinery & Systems Business / *2. Environmental Plants Business / *3. Precision Machinery Business

✓ "Net Sales by Region" shown in this document indicates sales on the basis of the geographical location where the goods are sold.

Abbreviations

FY: fiscal year (FY20: fiscal year ending December 31, 2020) / 1Q: 1Q figures / 1-2Q, 1-3Q, 1-4Q: cumulative total from 1Q to each quarter

Points of 1-3Q Results

FY20 1-3Q Results

		YoY*	
■ Orders	¥366.0 B	(-3.6%)	➡
■ Net Sales	¥369.3 B	(+0.8%)	➡
■ Operating Income	¥22.2 B	(+9.8%)	⬆

FY20 Forecast

		YoY*	Change from previous forecast
■ Orders	¥493.5 B	(-10.6%)	⬇ ¥-12.5 B
■ Net Sales	¥513.0 B	(-1.8%)	➡ ¥+7.0 B
■ Operating Income	¥32.0 B	(-9.3%)	⬇ ¥+2.0 B

* ⬆ +5% change or more ⬇ -5% change or more ➡ less than ± 5% change

FY20 1-3Q Results

- PM business orders were steady, but down in FMS business due to postponements in capital investment in downstream oil and gas market
- Improved product profitability in FMS business and higher sales in PM business resulted in increased operating income

FY20 Forecast

- Upward revision from the previous forecast in August 2020 by 7.0 billion yen in net sales and 2.0 billion yen in operating income
- Upward revision of sales and operating income in FMS business due to profitability improvement in CT business and Chillers business
- Downward revision of orders in EP business due to postponed ordering time for some large projects

1. FY20 1-3Q Summary of Results

Consolidated



(in billion yen)	FY19 1-3Q Results	FY20 1-3Q Results	Change
Orders	379.8	366.0	-13.7
Net Sales	366.4	369.3	+2.9
Operating Income	20.2	22.2	+1.9
OI Ratio	5.5%	6.0%	+0.5pts
Ordinary Income	20.0	20.5	+0.5
Net Income Attributable to Owners of Parent	11.8	12.3	+0.4
Exchange Rate (USD)	JPY 107.92	JPY 105.80	

1. FY20 1-3Q Summary of Results

Segment



(in billion yen)		FY19 1-3Q Results	FY20 1-3Q Results	Change
Total	Orders	379.8	366.0	-13.7
	Net Sales	366.4	369.3	+2.9
	Operating Income	20.2	22.2	+1.9
	OI Ratio	5.5%	6.0%	+0.5pts
FMS Business	Orders	237.2	221.7	-15.5
	Net Sales	228.0	220.8	-7.2
	Operating Income	8.3	11.3	+2.9
	OI Ratio	3.7%	5.1%	+1.4pts
EP Business	Orders	52.1	47.9	-4.1
	Net Sales	48.4	44.0	-4.4
	Operating Income	5.5	4.0	-1.4
	OI Ratio	11.4%	9.2%	-2.2pts
PM Business	Orders	89.2	95.2	+5.9
	Net Sales	88.7	103.3	+14.6
	Operating Income	6.2	7.4	+1.2
	OI Ratio	7.1%	7.2%	+0.1pts
Others, Adjustment	Orders	1.1	1.1	-0.0
	Net Sales	1.1	1.1	-0.0
	Operating Income	0.1	-0.5	-0.7
	OI Ratio	10.4%	-53.0%	-63.4pts

1. FY20 1-3Q Summary of Results

Net Sales by Region

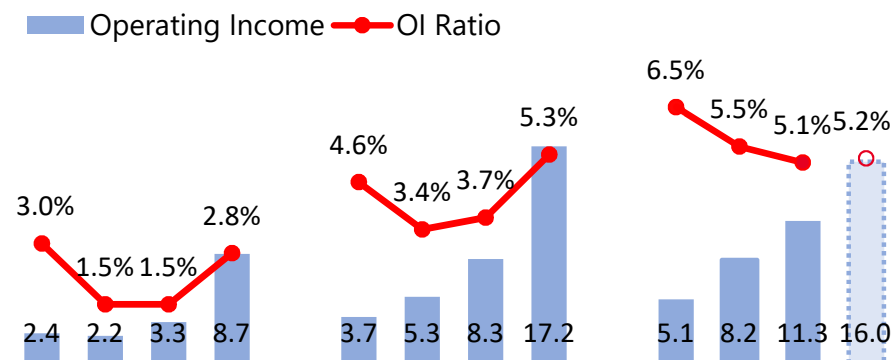
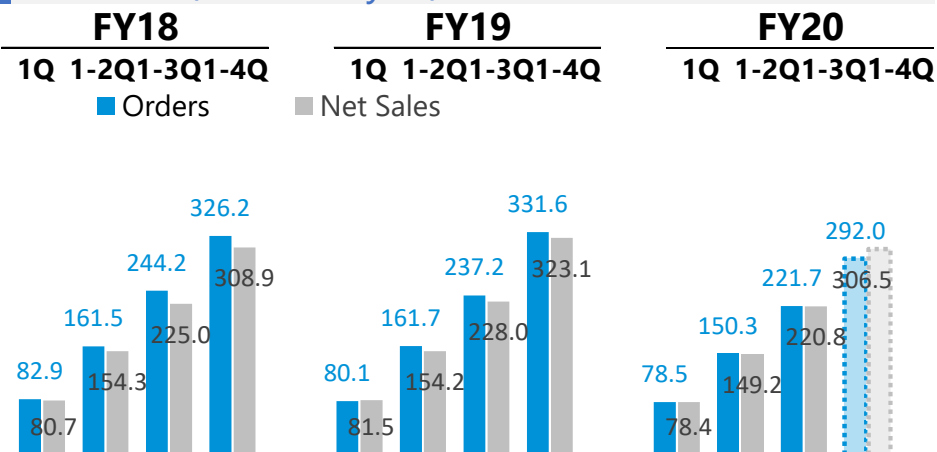
(in billion yen)

	FY19 1-3Q		FY20 1-3Q		Change
	Results	Composition of Net Sales	Results	Composition of Net Sales	
Total	366.4	100.0%	369.3	100.0%	+2.9
In domestic market (Japan)	170.9	46.7%	164.6	44.6%	-6.3
In overseas market	195.4	53.3%	204.6	55.4%	+9.2
China	54.3	14.8%	56.0	15.2%	+1.6
Asia (excl. China)	55.7	15.2%	72.1	19.5%	+16.3
North America	40.8	11.2%	32.6	8.8%	-8.2
Europe	19.2	5.3%	24.5	6.6%	+5.2
Middle East	16.3	4.5%	12.4	3.4%	-3.8
Others	8.8	2.4%	6.8	1.9%	-2.0

2. FY20 1-3Q Results by Segment

FMS Business

Results (in billion yen)



FY20 1-3Q S&S Sales Ratio

	FY19				FY20			
	1Q	1-2Q	1-3Q	1-4Q	1Q	1-2Q	1-3Q	1-4Q
FMS	36.0%	36.2%	34.4%	35.5%	41.3%	38.4%	35.5%	-
PUMP	29.4%	25.1%	23.3%	22.8%	34.6%	29.8%	26.6%	-
CT	54.8%	62.6%	56.8%	59.6%	55.1%	54.8%	52.6%	-

Highlights

Pumps

- Decline in sales and profit of standard pumps mainly in Japan (-)
- Increase in sales and profit of custom pumps mainly in China (+)

Compressors and turbines (CT)

- Decrease in S&S orders due to COVID-19 related limits on sales activities and employee dispatch
- Increase in sales and profits because of increased cryogenic pump sales and better mix of S&S (+)

Chillers

- Chinese market in recovery but slow recovery in Japan
- Decreased expenses and improved profitability of cooling tower business in Japan (+)

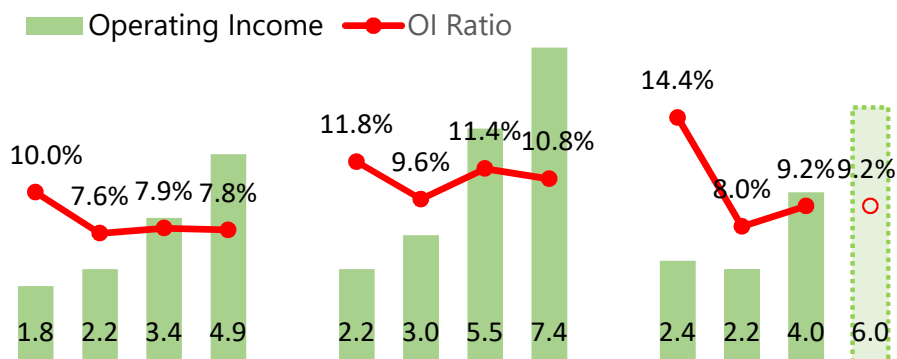
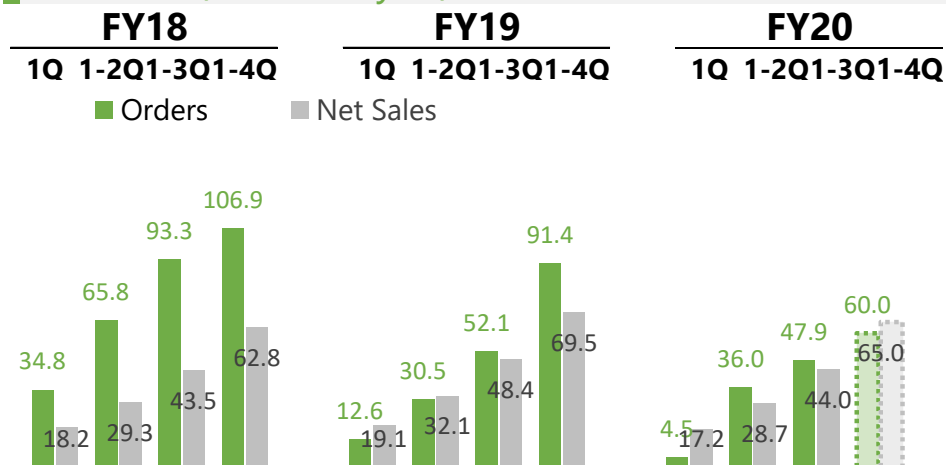
Breakdown of Changes in Operating Income (in billion yen)



2. FY20 1-3Q Results by Segment

EP Business

Results (in billion yen)



FY20 1-3Q Major Orders

FY19 1-3Q	FY20 1-3Q
<ul style="list-style-type: none"> Waste treatment plant EPC*1 project (PJ) : 1 Biomass power plant EPC PJ : 1 Waste treatment plant DBO*2 PJ : 1 (1 in 3Q) Waste treatment plant lifespan extending renovation PJ : 2 (1 in 3Q) 	<ul style="list-style-type: none"> Waste treatment plant DBO PJ : 1 Long-term O&M contract : 1 Waste treatment plant lifespan extending renovation PJ : 1 (1 in 3Q)

*1 Engineering, procurement, and construction *2 Design, build, and operate

Highlights

Orders

- One life-extension service project order in 3Q
- Postponement of some projects to 4Q due to customer reasons

Sales / Operating income

- Lull in sales due to the timing and progress of ongoing construction (-)

Breakdown of Changes in Operating Income

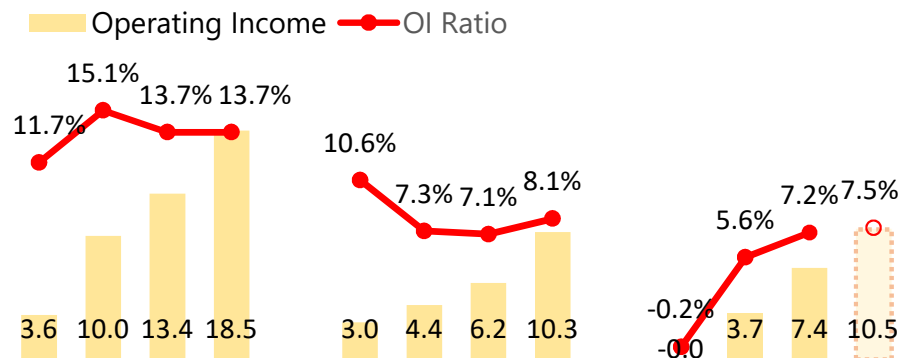
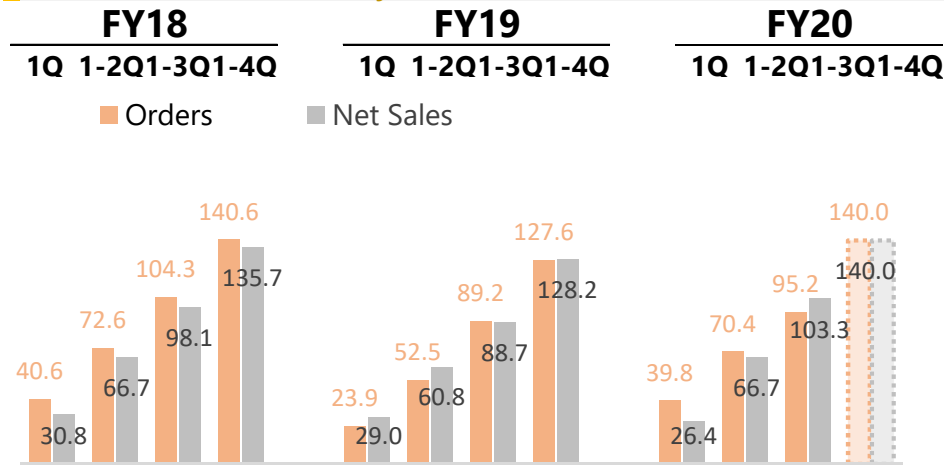
(in billion yen)



2. FY20 1-3Q Results by Segment

PM Business

Results (in billion yen)



FY20 1-3Q Sales by Region

(in billion yen)	Japan	Asia (excl. Japan)	North America	Europe	Middle East	Others	Total
Sales	28.7	59.3	9.7	4.7	0.8	0.0	103.3
Change* (vs FY19 1-3Q)	↗	↗	↘	↘	↘	→	↗

* ↗ is +5% or more, ↘ is -5% or more changes, → is less than ± 5% changes

Highlights

Orders

- Capital investment in semiconductor market is generally steady, despite some delays

Sales

- Increased as a result of swift CMP system start-ups
- S&S, parts and overhaul increased

Operating income

- Sales increased (+)
- Profitability in components and CMP has recently recovered, but decreased YoY (-)
- Fixed costs related to automated plant increased (-)

Breakdown of Changes in Operating Income

(in billion yen)



3. FY20 Forecast

Consolidated



(in billion yen)

Announced date(m/d/y)	FY19 1-4Q Results a	FY20 1-4Q Plan b' Aug/11/20	FY20 1-4Q Plan b Nov/12/20	Change b-a	Change b-b'
Orders	552.2	506.0	493.5	-58.7	-12.5
Net Sales	522.4	506.0	513.0	-9.4	+7.0
Operating Income	35.2	30.0	32.0	-3.2	+2.0
OI Ratio	6.8%	5.9%	6.2%	-0.6pts	+0.3pts
Ordinary Income	35.5	27.0	29.5	-6.0	+2.5
Net Income Attributable to Owners of Parent	23.3	17.0	18.5	-4.8	+1.5
ROIC	6.5%	4.6%	5.0%	-1.5pts	+0.4pts
Annual Dividend per share	¥60	¥60	¥60	-	-
Interim Dividend	¥30	¥30	¥30	-	-
Year-end Dividend	¥30	¥30	¥30	-	-

3. FY20 Forecast

Segment



(in billion yen)

Announced date(m/d/y)		FY19 1-4Q Results a	FY20 1-4Q Plan b' Aug/11/20	FY20 1-4Q Plan b Nov/12/20	Change b-a	Change b-b'
Total	Orders	552.2	506.0	493.5	-58.7	-12.5
	Net Sales	522.4	506.0	513.0	-9.4	+7.0
	Operating Income	35.2	30.0	32.0	-3.2	+2.0
	OI Ratio	6.8%	5.9%	6.2%	-0.6pts	+0.3pts
FMS Business	Orders	331.6	292.0	292.0	-39.6	-
	Net Sales	323.1	300.0	306.5	-16.6	+6.5
	Operating Income	17.2	14.0	16.0	-1.2	+2.0
	OI Ratio	5.3%	4.7%	5.2%	-0.1pts	+0.5pts
EP Business	Orders	91.4	73.0	60.0	-31.4	-13.0
	Net Sales	69.5	65.0	65.0	-4.5	-
	Operating Income	7.4	6.0	6.0	-1.4	-
	OI Ratio	10.8%	9.2%	9.2%	-1.6pts	-
PM Business	Orders	127.6	140.0	140.0	+12.3	-
	Net Sales	128.2	140.0	140.0	+11.7	-
	Operating Income	10.3	10.5	10.5	+0.1	-
	OI Ratio	8.1%	7.5%	7.5%	-0.6pts	-
Others, Adjustment	Orders	1.5	1.0	1.5	-0.0	+0.5
	Net Sales	1.5	1.0	1.5	-0.0	+0.5
	Operating Income	0.1	-0.5	-0.5	-0.6	-
	OI Ratio	10.9%	-50.0%	-33.3%	-44.2pts	+16.7pts

4. Topics

COVID-19 Impacts



- Our main markets, social and industrial infrastructure are stable and in a recovery trend
- There is concern regarding the risk of resurgence of COVID-19 in Europe/the U.S., however the situation from July-September is expected to continue for the remainder of the period

	Projected Impact on Full-year Sales*	Markets	Second Half Situation/Forecast	
			Market Situation	EBARA
Pumps	High	Building equipment	<ul style="list-style-type: none"> ■ Gradual recovery in GDP growth around the world ■ Interruptions in construction and delays will vary by region ■ Postponing budget execution or freezing budget 	<ul style="list-style-type: none"> ■ Decrease in orders and sales in Japan ■ Trend of recovery for orders and sales in China and parts of Europe ■ Decrease in orders and sales due to sluggish recovery in demand in Southeast Asia
		Oil and gas	<ul style="list-style-type: none"> ■ Project order and construction delays in regions other than China ■ Restrictions on the movement of people and quarantine measures in some areas 	<ul style="list-style-type: none"> ■ Decrease in orders and sales due to more selective order-taking ■ Limited sales activities and employee dispatch
CT	Low			
Chillers	Low	Building equipment	<ul style="list-style-type: none"> ■ Postponement or freeze of renewal and maintenance plans in Japan ■ Despite recovery trends in China, competition for orders intensifies 	<ul style="list-style-type: none"> ■ Decrease in orders and sales of S&S in Japan ■ Increase in sales in China
EP	-	Waste treatment plant	<ul style="list-style-type: none"> ■ No impact 	<ul style="list-style-type: none"> ■ No impact
PM	Moderate	Semi-conductor	<ul style="list-style-type: none"> ■ Some delays in capital investment ■ Restrictions on the movement of people in some areas ■ Continued measures in some areas to increase safety stock to reduce risk of production stoppages 	<ul style="list-style-type: none"> ■ Orders are strong due to market conditions despite some impact from COVID-19 ■ Lack of engineers for equipment start-up has improved ■ Increased orders and sales for overhauls and parts

* High: Greater than -10.0 billion yen, Moderate: Between -5.0 to -10.0 billion yen, Low: Less than -5.0 billion yen

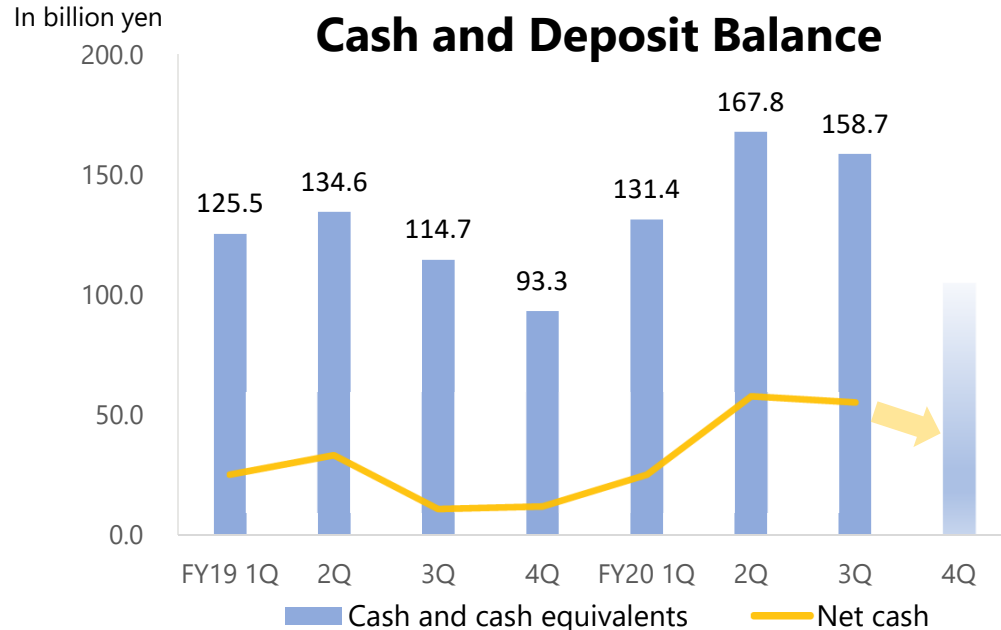
Outlook for Cash and Deposits and Interest-bearing Debt

- We will continue to invest in growth
- To respond swiftly to changes in the business environment, we will maintain financial soundness by securing funds on hand through long-term, stable financing

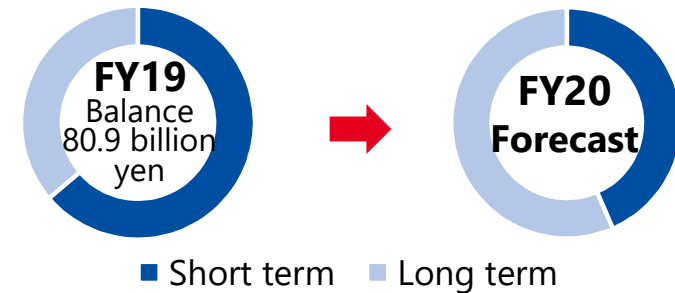
FY20 Forecast

Cash and Deposit Balance

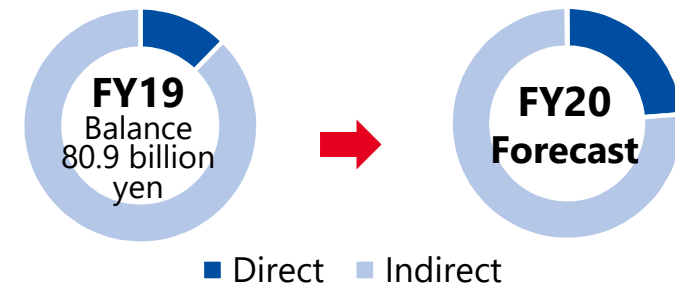
Monthly sales for 2 months plus something extra



- Image of long term to short term interest-bearing debt ratio



- Image of direct/indirect interest-bearing debt ratio



5. Appendix Orders



(in billion yen)

Announced date(m/d/y)	FY19 Results	1-3Q FY20 Results	Change	FY19 Results	FY20 Plan	1-4Q FY20 Plan	Change	Change
	a	b	b-a	c	d' Aug/11/20	d Nov/12/20	d-c	d-d'
Total	379.8	366.0	-13.7	552.2	506.0	493.5	-58.7	-12.5
FMS Business	237.2	221.7	-15.5	331.6	292.0	292.0	-39.6	-
Pumps	128.6	124.0	-4.5	176.3	164.0	164.0	-12.3	-
CT	67.5	60.2	-7.3	102.0	83.0	83.0	-19.0	-
Chillers	30.1	25.7	-4.3	38.1	32.0	32.0	-6.1	-
Others	10.9	11.6	+0.6	15.1	13.0	13.0	-2.1	-
EP Business	52.1	47.9	-4.1	91.4	73.0	60.0	-31.4	-13.0
PM Business	89.2	95.2	+5.9	127.6	140.0	140.0	+12.3	-
Components	39.4	45.7	+6.3	53.5	59.0	59.0	+5.4	-
CMP Systems	45.5	45.1	-0.4	67.7	75.5	75.5	+7.7	-
Others	4.2	4.3	+0.0	6.3	5.5	5.5	-0.8	-
Others	1.1	1.1	-0.0	1.5	1.0	1.5	-0.0	+0.5

5. Appendix

Net Sales



(in billion yen)

Announced date(m/d/y)	FY19 Results	1-3Q FY20 Results	Change	FY19 Results	FY20 Plan	1-4Q FY20 Plan	Change	Change
	a	b	b-a	c	d' Aug/11/20	d Nov/12/20	d-c	d-d'
Total	366.4	369.3	+2.9	522.4	506.0	513.0	-9.4	+7.0
FMS Business	228.0	220.8	-7.2	323.1	300.0	306.5	-16.6	+6.5
Pumps	126.7	120.5	-6.2	174.9	167.0	167.0	-7.9	-
CT	64.0	65.9	+1.9	95.2	89.0	95.0	-0.2	+6.0
Chillers	26.6	24.7	-1.8	37.7	32.0	32.0	-5.7	-
Others	10.6	9.6	-1.0	15.2	12.0	12.5	-2.7	+0.5
EP Business	48.4	44.0	-4.4	69.5	65.0	65.0	-4.5	-
PM Business	88.7	103.3	+14.6	128.2	140.0	140.0	+11.7	-
Components	43.3	43.1	-0.2	58.9	57.5	57.5	-1.4	-
CMP Systems	39.9	56.0	+16.0	62.6	77.5	77.5	+14.8	-
Others	5.3	4.1	-1.2	6.6	5.0	5.0	-1.6	-
Others	1.1	1.1	-0.0	1.5	1.0	1.5	-0.0	+0.5

5. Appendix



Operating Income

(in billion yen)

Announced date(m/d/y)	1-3Q			1-4Q				
	FY19 Results a	FY20 Results b	Change b-a	FY19 Results c	FY20 Plan d' Aug/11/20	FY20 Plan d Nov/12/20	Change d-c	Change d-d'
Total	20.2	22.2	+1.9	35.2	30.0	32.0	-3.2	+2.0
FMS Business	8.3	11.3	+2.9	17.2	14.0	16.0	-1.2	+2.0
Pumps	7.3	6.9	-0.4	11.0	8.5	9.0	-2.0	+0.5
CT	0.9	3.0	+2.0	4.8	4.2	5.0	+0.1	+0.8
Chillers	0.8	1.3	+0.5	1.8	1.1	1.5	-0.3	+0.4
Others	-0.8	0.0	+0.8	-0.4	0.2	0.5	+0.9	+0.3
EP Business	5.5	4.0	-1.4	7.4	6.0	6.0	-1.4	-
PM Business	6.2	7.4	+1.2	10.3	10.5	10.5	+0.1	-
Others, Adjustment	0.1	-0.5	-0.7	0.1	-0.5	-0.5	-0.6	-

5. Appendix



Backlog of Orders

(in billion yen)

Announced date(m/d/y)	FY19 Results	1-3Q FY20 Results	Change	FY19 Results	FY20 Plan	1-4Q FY20 Plan	Change	Change
	a	b	b-a	c	d'	d	d-c	d-d'
					Aug/11/20	Nov/12/20		
Total	468.3	478.6	+10.2	487.4	487.4	467.9	-19.5	-19.5
FMS Business	215.2	210.3	-4.9	216.7	208.7	202.2	-14.5	-6.5
Pumps	97.6	97.6	-0.0	98.0	95.0	95.0	-3.0	-
CT	89.3	84.9	-4.4	93.3	87.3	81.3	-12.0	-6.0
Chillers	19.6	17.6	-1.9	16.8	16.8	16.8	-	-
Others	8.6	10.1	+1.4	8.3	9.3	8.8	+0.5	-0.5
EP Business	217.6	236.1	+18.5	236.1	244.1	231.1	-5.0	-13.0
PM Business	35.4	32.0	-3.3	34.5	34.5	34.5	-	-
Others	0.0	0.0	+0.0	0.0	0.0	0.0	-	-

5. Appendix



Net Sales by Region

(in billion yen)

	1-3Q		Change
	FY19 Results	FY20 Results	
FMS Business	228.0	220.8	-7.2
Japan	100.4	93.2	-7.2
Asia (excl. Japan)	63.3	66.5	+3.1
North America	27.0	22.9	-4.1
Europe	14.1	19.7	+5.5
Middle East	14.1	11.6	-2.5
Others	8.8	6.8	-2.0
EP Business	48.4	44.0	-4.4
Japan	46.4	41.6	-4.8
Asia (excl. Japan)	2.0	2.3	+0.3
PM Business	88.7	103.3	+14.6
Japan	23.8	28.7	+4.8
Asia (excl. Japan)	44.0	59.3	+15.2
North America	13.5	9.7	-3.8
Europe	5.0	4.7	-0.2
Middle East	2.1	0.8	-1.3
Others	0.0	0.0	-0.0

5. Appendix

Balance Sheets



(in billion yen)

	FY19 3Q Results a	FY19 4Q Results b	FY20 3Q Results c	Change c-a	Change c-b
Total Assets	578.8	595.2	624.4	+45.6	+29.2
Current Assets	413.2	421.9	445.9	+32.6	+24.0
Cash and deposits, Securities	116.3	95.1	161.6	+45.2	+66.5
Notes and Accounts Receivable-trade	164.0	192.1	164.6	+0.6	-27.5
Inventories	121.6	121.1	103.6	-17.9	-17.4
Other Current Assets	11.2	13.5	16.0	+4.7	+2.4
Fixed Assets	165.5	173.3	178.5	+12.9	+5.1
Total Liabilities	303.0	303.4	332.8	+29.7	+29.4
Notes and Accounts Payable-trade	102.4	120.4	116.1	+13.6	-4.3
Interest-bearing Debt	103.4	80.9	106.5	+3.0	+25.5
Other Liabilities	97.0	101.9	110.1	+13.0	+8.1
Total Net Assets	275.7	291.8	291.6	+15.8	-0.1
Shareholders' Equity	268.2	283.6	283.6	+15.4	+0.0
Other Net Assets	7.5	8.1	7.9	+0.4	-0.1
Equity Ratio	46.3%	47.7%	45.4%	-0.9pts	-2.3pts
Debt-to-Equity Ratio	0.39	0.29	0.38	-0.01	+0.09

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