

A large, stylized graphic of the letter 'G' in a lighter shade of blue, positioned on the left side of the slide. It has a thick, rounded stroke and a curved top edge.

# 9M 2023 Results

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November 2, 2023

# Agenda

- **Q3 2023**
- **9M 2023**
- **Outlook 2023**



# Key figures Q3 2023 – Strong bottom-line results despite volume decline

Net sales growth (in CHF)

**-7.9%**

Net sales growth (c.a.)

**-4.8%**

EBITDA margin

**30.6%**

+450 bps vs PY

EPS growth (c.a.)

**+13.8%**

CAPEX (in CHF)

**47 million**

+7 million vs PY

Share buyback (in CHF)

**61 million**

132'000 shares




- Net sales decline in extraordinarily difficult market environment
- Strong negative currency development
- Strong profitability increase despite volume decline
- Double-digit growth of EBITDA, EBIT, net income and EPS in local currencies
- Continued share buyback program in Q3 2023

# Net sales Q3 2023 – By region

CHF million	Net sales	Variance to PY	
		% CHF	% c.a.
<b>Geberit Group</b>	<b>728</b>	<b>-7.9%</b>	<b>-4.8%</b>
Central Europe			
– Germany	217	-11.0%	-9.9%
– Switzerland	80	-10.6%	-10.6%
– Italy	55	-7.9%	-6.7%
– Benelux	54	-0.1%	+1.1%
– Austria	46	+1.5%	+2.7%
Western Europe <sup>1</sup>	70	-4.2%	-2.8%
Northern Europe	64	-9.1%	-3.0%
Eastern Europe	60	+11.8%	+12.6%
Middle East / Africa <sup>2</sup>	29	-20.3%	+2.0%
Far East / Pacific	29	-22.0%	-11.2%
America	24	-13.5%	-5.5%

- Net sales decline in local currencies
  - Volume/mix effect: around -11%
  - Price effect: around +6%
- Overall decline in European building construction mainly driven by
  - Declining new residential buildings
  - Declining sanitary renovation sector
- Decline in Far East / Pacific driven by China, partially offset by India

# Net sales Q3 2023 – By product area

CHF million	Net sales	Variance to PY		
		% CHF	% c.a.	
<b>Installation &amp; Flushing Systems</b> 	254	35%	-11.3%	-8.1%
<b>Piping Systems</b> 	257	35%	-1.4%	+1.1%
<b>Bathroom Systems</b> 	217	30%	-10.9%	-7.3%

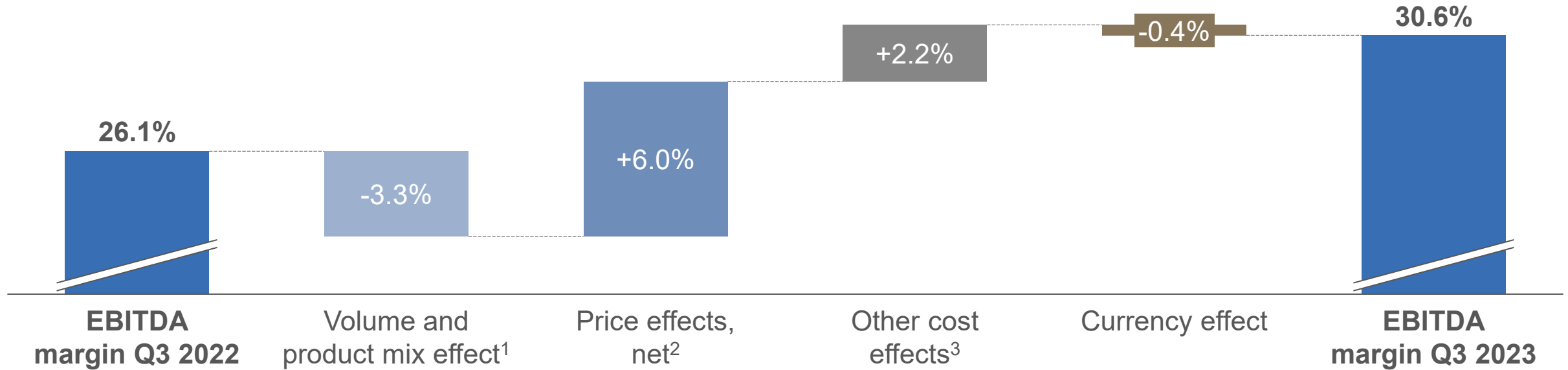
- Net sales decline in installation & flushing systems and bathroom systems
- Growth in piping systems driven by FlowFit

## Key figures Q3 2023 – Double digit growth of all bottom-line results (c.a.)

CHF million	Q3 2023	Q3 2022	Variance to PY	
			% CHF	% c.a.
<b>Net sales</b>	<b>728</b>	<b>791</b>	<b>-7.9%</b>	<b>-4.8%</b>
<b>EBITDA</b>	<b>223</b>	<b>206</b>	<b>+8.1%</b>	<b>+13.4%</b>
<i>Margin</i>	30.6%	26.1%		
<b>EBIT</b>	<b>181</b>	<b>170</b>	<b>+6.8%</b>	<b>+12.8%</b>
<i>Margin</i>	24.9%	21.5%		
<b>Net income</b>	<b>148</b>	<b>139</b>	<b>+6.2%</b>	<b>+10.8%</b>
<i>Margin</i>	20.3%	17.6%		
<b>EPS (CHF)</b>	<b>4.42</b>	<b>4.05</b>	<b>+9.1%</b>	<b>+13.8%</b>
<b>Free cashflow</b>	<b>236</b>	<b>221</b>	<b>+6.8%</b>	<b>n/a</b>
<i>Margin</i>	32.4%	27.9%		

- Strong negative currency development
  - Negative effect on all P/L items
  - Limited margin impact due to strong natural hedge
- Strong profitability increase despite volume decline due to
  - High operational flexibility and cost discipline
  - Lower energy and raw material prices
  - Consequent pricing management
- Double digit growth of EBITDA, EBIT, net income in local currencies
- Double digit growth of EPS supported by accelerated share buyback in H2 2022

# EBITDA margin Q3 2023 – Substantial margin increase despite volume decline



- Negative operating leverage from volume decline mitigated by high operational flexibility
- Sales price increases compensating last year's raw material price inflation
- Positive other cost effect due to record-high energy prices last year partly offset by wage inflation
- Natural hedge mitigating currency effect on EBITDA margin

# Agenda

- Q3 2023
- **9M 2023**
- Outlook 2023





# Key figures 9M 2023 – Substantial margin growth despite volume decline

Net sales growth (in CHF)

**-12.3%**

Net sales growth (c.a.)

**-7.9%**

EBITDA margin

**31.3%**

+320 bps vs PY

EPS growth (c.a.)

**+5.2%**

CAPEX (in CHF)

**128 million**

+34 million vs PY

Share buyback (in CHF)

**184 million**

379'000 shares




- Net sales decline due to record high comparison basis and declining market environment
- Strong negative currency development
- Improved profitability despite strong volume contraction
- Growth of EBITDA, EBIT, net income and EPS in local currencies despite volume contraction
- Substantial increase of CAPEX due to strategic investments
- Continued share buyback program in 9M 2023

# Net sales 9M 2023 – By region

CHF million	Net sales	Variance to PY	
		% CHF	% c.a.
<b>Geberit Group</b>	<b>2'390</b>	<b>-12.3%</b>	<b>-7.9%</b>
Central Europe			
– Germany	702	-16.5%	-13.4%
– Switzerland	253	-5.8%	-5.8%
– Benelux	202	-7.2%	-3.8%
– Italy	193	-4.7%	-1.1%
– Austria	143	-15.5%	-12.5%
Western Europe <sup>1</sup>	241	-5.9%	-1.4%
Northern Europe	209	-14.9%	-7.5%
Eastern Europe	182	-21.6%	-18.0%
Middle East / Africa <sup>2</sup>	105	-7.1%	+11.5%
Far East / Pacific	84	-14.5%	-4.7%
America	77	-6.5%	-1.3%

- Record high volumes in previous year
- Net sales decline in local currencies
  - Volume/mix effect: around -18%
  - Price effect: around +10%
- Decline in Europe due to
  - Base effect and destocking effect
  - Declining building construction market
  - Shift from sanitary to heating
- Strong result in Middle East / Africa
- Decline in Far East / Pacific due to China and Australia

# Net sales 9M 2023 – By product area

CHF million	Net sales	Variance to PY		
		% CHF	% c.a.	
<b>Installation &amp; Flushing Systems</b> 	880	<b>37%</b>	-14.5%	-10.1%
<b>Piping Systems</b> 	792	<b>33%</b>	-9.4%	-5.4%
<b>Bathroom Systems</b> 	717	<b>30%</b>	-12.6%	-7.9%

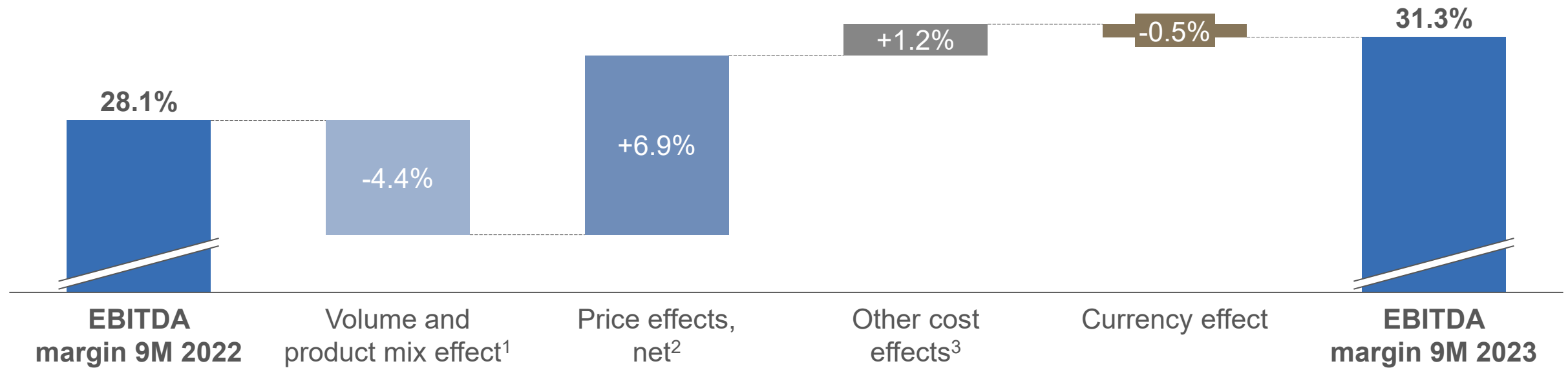
- Net sales decline across all product areas
- Stronger stocking effects at wholesalers for Installation & Flushing Systems
- Strong growth of new supply piping system FlowFit

## Key figures 9M 2023 – Growth of all bottom-line results in local currencies

CHF million	9M 2023	9M 2022	Variance to PY	
			% CHF	% c.a.
<b>Net sales</b>	<b>2'390</b>	<b>2'725</b>	<b>-12.3%</b>	<b>-7.9%</b>
<b>EBITDA</b>	<b>749</b>	<b>767</b>	<b>-2.4%</b>	<b>+4.0%</b>
<i>Margin</i>	<i>31.3%</i>	<i>28.1%</i>		
<b>EBIT</b>	<b>634</b>	<b>653</b>	<b>-2.9%</b>	<b>+3.9%</b>
<i>Margin</i>	<i>26.5%</i>	<i>24.0%</i>		
<b>Net income</b>	<b>516</b>	<b>541</b>	<b>-4.6%</b>	<b>+2.1%</b>
<i>Margin</i>	<i>21.6%</i>	<i>19.9%</i>		
<b>EPS (CHF)</b>	<b>15.35</b>	<b>15.62</b>	<b>-1.7%</b>	<b>+5.2%</b>
<b>Free cashflow</b>	<b>421</b>	<b>412</b>	<b>+2.3%</b>	<b>n/a</b>
<i>Margin</i>	<i>17.6%</i>	<i>15.1%</i>		

- Strong negative currency development
  - Negative effect on all P/L items
  - Limited margin impact due to strong natural hedge
- Improved profitability despite volume decline due to
  - High operational flexibility and cost discipline
  - Lower energy prices
  - Consequent pricing management
- Growth of currency adjusted EBITDA, EBIT and net income
- Substantial growth of EPS supported by accelerated share buyback in H2 2022

# EBITDA margin 9M 2023 – Substantial margin increase despite volume decline

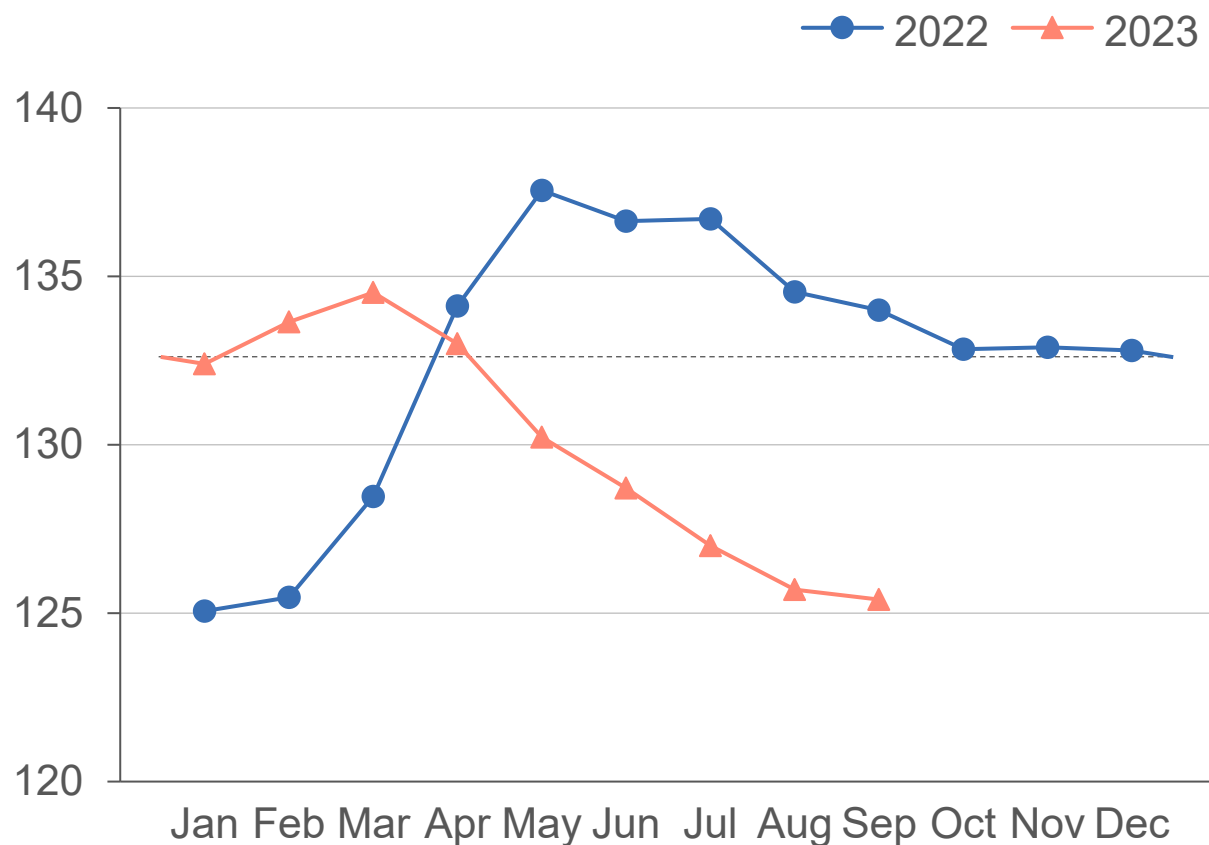


- Negative operating leverage from volume decline mitigated by high operational flexibility
- Sales price increases compensating last year's raw material price inflation
- Positive other cost effect due to lower energy prices and positive one-time effects partly offset by wage inflation
- Natural hedge mitigating currency effect on EBITDA margin

# Raw material prices – Avg. 9M raw material prices below previous year's level

Geberit: Monthly raw material prices<sup>1</sup> (currency adj.)

Index: Jan 2021 = 100



- Raw material prices in 9M 2023 -1% vs. 9M 2022
- Decreasing raw material prices in Q3 2023
  - -4% vs. Q2 2023
  - -6% vs. Q3 2022
- Expected raw material prices in Q4 2023
  - on level of Q3 2023
  - below Q4 2022

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- 9M 2023
- **Outlook 2023**



# Outlook 2023

## Market

- Significantly increased geopolitical risks
  - Overall declining building construction market, especially in sanitary sector driven by
    - Building cost inflation
    - Increased interest rates
    - Pull-forward effects from COVID-19 induced home improvement trend
    - Shift from sanitary to heating related renovation in selected European countries
  - Increased volume uncertainties from inventory strategies of wholesalers in declining market environment
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## Geberit

- Mid-single digit net sales decline in local currencies for the full year
- Full year EBITDA margin of 29% - 30%



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