

**Ad hoc announcement pursuant to Art. 53 LR**

First information on 2023

**Sales growth in the fourth quarter**

Geberit AG, Rapperswil-Jona, 17 January 2024

**In an extraordinarily difficult environment with a declining building construction industry in Europe, the Geberit Group recorded a currency-adjusted decline in net sales of 4.8% in 2023. Net sales in Swiss francs decreased by 9.1% to CHF 3,084 million. Despite the decline in sales, Management expects an EBITDA margin of 30% for full-year 2023. The financial statements and annual report for 2023 will be released on 13 March 2024.**

**Net sales in 2023**

In 2023, the Geberit Group's net sales fell by 9.1% to CHF 3,084 million. This decrease was strongly influenced by negative currency effects of CHF 147 million as a result of the Swiss franc, which was significantly stronger compared to most other currencies. In local currencies, this resulted in a decline of 4.8%. Price increases of around 8% had a positive impact on the development. Volumes were significantly lower due to the high prior-year period and the declining building construction industry in Europe. Furthermore, the sanitary industry in some countries was negatively impacted by the shift in demand from sanitary to heating solutions.

**Net sales in the fourth quarter of 2023**

Net sales in the fourth quarter reached CHF 694 million, which is equivalent to an increase of 4.1% compared to the same quarter in the previous year. After currency adjustments, the increase came to 8.3%, whereby 2% resulted from a positive price effect.

**Net sales by markets and product areas**

In 2023, the European markets suffered the most from the extraordinarily difficult underlying conditions for the building construction industry. Currency-adjusted net sales in *Europe* decreased by 6.0% overall. Slight growth was seen in Italy and Western Europe (United Kingdom/Ireland, France, Iberian Peninsula) with +1.9% and +0.4%, respectively. In contrast, Benelux (-1.9%), Switzerland (-4.0%), Northern Europe (-6.0%), Austria (-8.4%), Eastern Europe (-9.4%) and Germany (-10.5%) recorded declines. Also in decline was the *Far East/Pacific* region (-3.8%). In contrast, growth was achieved in the regions *Middle East/Africa* (+17.1%) and *America* (+1.5%).

In the product areas, currency-adjusted net sales decreased by 2.2% in Piping Systems, by 5.7% in Bathroom Systems and by 6.2% in Installation and Flushing Systems.

**Expectations for the operating margin for full-year 2023**

Despite the very difficult market environment with significantly lower volumes and considerable wage inflation, operating margins will be significantly higher compared to the previous year. This is primarily due to the high level of operational flexibility, especially in the plants and logistics, the significant fall in energy prices, and consistent price management. In contrast, raw material prices – which fell during the course of the year – will only have a minor impact on profitability. Accordingly, an operating cashflow margin (EBITDA margin) of 30% is expected for full-year 2023.

The complete financial statements and annual report for 2023 will be released at the analyst and media conference in Zurich on 13 March 2024.

Please visit our website [www.geberit.com](http://www.geberit.com) for additional information.

**Market outlook for 2024**

Due to the challenging macroeconomic conditions and the ongoing geopolitical risks, the building construction industry is expected to decline overall in the current year.

In the past two years, increased construction costs and interest rates have significantly dampened demand in the European building construction industry – especially in the new building sector. Driven by the weak development in residential construction, the number of building permits in Europe decreased by around 20% in the first nine months of 2023, leading to a corresponding decline in new building activities in 2024. In contrast, a more robust development is expected in renovations business, which accounts for around 60% of Geberit sales. This is primarily due to the following reasons:

- a fundamental need for renovations in several European countries, and
- no additional pressure caused by the shift in demand from sanitary to heating solutions, as seen in the previous year.

Despite the negative overall forecasts for the European building construction industry in 2024, the expected reduction in interest rates during the course of the year and the structural trend towards higher sanitary standards should positively stimulate demand.

In the markets outside Europe in which Geberit is active, a mixed picture is expected for this year, with strong demand in India, the Gulf Region and Egypt, for example, and with a decline in China and Australia.

Regardless of the challenging market environment, the objective for 2024 remains to gain further market shares. This should be achieved by the two guiding principles of 1) strategic stability and 2) operational flexibility. The objective is to manage the uncertainties and challenges caused by volume development without harming the medium-term potential. As part of strategic stability and despite the declining market environment, various strategic growth initiatives and investment projects – for example, in selected growth markets outside Europe – will be continued or newly launched as planned in 2024.

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**About Geberit:**

The globally operating Geberit Group is a European leader in the field of sanitary products and is celebrating its 150th anniversary in 2024. Geberit operates with a strong local presence in most European countries, providing unique added value when it comes to sanitary technology and bathroom ceramics. The production network encompasses 26 production facilities, of which 4 are located overseas. The Group is headquartered in Rapperswil-Jona, Switzerland. With around 11,000 employees in approximately 50 countries, Geberit generated net sales of CHF 3.1 billion in 2023. The Geberit shares are listed on the SIX Swiss Exchange and have been included in the SMI (Swiss Market Index) since 2012.