Quarterly report as of March 31, 2013

Geberit: Off to a good start in 2013

Geberit AG, Rapperswil-Jona, April 30, 2013

Despite the challenging comparative figures of the prior year, the Geberit Group was able to post further growth in the first quarter of 2013. Sales grew by 2.4% to CHF 582.6 million. After currency adjustment, this represents an increase of 1.0%. Compared to sales, the results increased disproportionately: operating profit rose by 6.2% to CHF 137.0 million, net income by 7.5% to CHF 118.8 million. Management expects to be able to achieve solid results again for 2013 as a whole.

In the first quarter of 2013, the Geberit Group generated sales of CHF 582.6 million, which corresponds to growth of 2.4%. The increase in local currencies was 1.0%. The trend in sales gave rise to optimism, especially in light of the high basis for comparison and the fact that there were three less working days than in the prior year. Europe, the largest region, grew by 1.3% on a currency-adjusted basis, although the development of the individual markets varied considerably. Among the other regions, Middle East/Africa performed well, posting growth of 22.8%. In America on the other hand, Geberit was affected by the persistently weak construction activity in the public sector (-9.9%). The Far East/Pacific region was not yet able to recover from the decline it experienced in the second half of 2012 – mainly as a result of the drop in project business – and posted a further decrease (-8.4%).

The results benefited from the lower cost of materials compared with the prior year – attributable to the insourcing of the shower toilet business – and from reduced marketing expenses. Higher customer bonuses had a negative impact. As a result of the increased number of employees, salary increases and greater expenditure on training and development of employees, personnel expenses rose disproportionately as compared to sales. Energy costs also rose by a disproportionate amount. Compared to the prior year, currency effects no longer had any material impact on the operating results. Operating cashflow (EBITDA) increased by 5.7% to CHF 156.8 million, with an EBITDA margin of 26.9% (prior year 26.1%). Operating profit (EBIT) rose by 6.2% to CHF 137.0 million, corresponding to an EBIT margin of 23.5% (prior year 22.7%). Lower interest payments, made possible by repayments of debts, and foreign exchange gains led to an improved financial result. Consequently, net income climbed 7.5% to CHF 118.8 million. The return on sales came to 20.4% (prior year 19.4%). Earnings per share reached CHF 3.16 (prior year CHF 2.87), which represents a plus of 10.1%.

The forecasts for 2013 have not changed since the announcement of the full-year results 2012 last March. The construction industry will remain challenging in the current year under pressure of less growth momentum and political and macroeconomic uncertainties. The different regions/markets and construction sectors will develop very differently. In Europe, volumes in the construction industry are likely to contract overall in the wake of the saving measures introduced in the public sector largely influenced by a lower readiness to provide debt financing. The non-residential construction sector will still not recover, but this will at least partially be compensated by a flat to slightly positive trend for residential construction. The renovation sector can also be expected to develop better than the new building sector. North America will see an upswing in the construction of residential units, but public outlays for construction projects will continue to decline. Since the fourth quarter of 2011, China has been clearly feeling the impact of government measures to prevent the real estate market from overheating. This will continue to dampen residential construction for at least the first half of 2013. In contrast, the Chinese non-residential construction sector remains robust. Generally speaking, many Chinese indicators are currently trending flatter than the long-term growth rates. In the face of the uncertain political situation in many parts of the Middle East, it is difficult to formulate an outlook for this region. The objective of the Geberit Group, not only in the construction markets that are still healthy but also in those that are shrinking, is to provide a convincing market performance and to continue to gain market shares as in previous years. The convincing first-quarter results give Management cause to be confident that solid results will be achieved again in 2013.

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As the European market leader in the field of sanitary technology, the Geberit Group is a global provider with sales of CHF 2.2 billion. It employs 6200 people in 41 countries around the world. Additional information at www.geberit.com.

Financial key figures as of March 31, 2013

Millions of CHF	1/1 – 31/03/2013	1/1 – 31/03/2012[1)]
Sales	582.6	568.9
Change in %	+2.4	+1.0
Revenue from sales	507.9	497.7
Change in %	+2.0	+0.1
Operating cashflow (EBITDA)	156.8	148.4
Change in %	+5.7	
Margin in % of sales	26.9	26.1
Operating profit (EBIT)	137.0	129.0
Change in %	+6.2	
Margin in % of sales	23.5	22.7
Net income	118.8	110.5
Change in %	+7.5	
Margin in % of sales	20.4	19.4
Earnings per share (CHF)	3.16	2.87
Change in %	+10.1	

	31/03/2013	31/12/2012
Equity	1580.1	1431.3
Equity ratio in %	73.7	71.3
Liquid funds less debt	406.7	408.4
Number of employees	6212	6134

1) Due to a change in the accounting standards for pension plans, the previous-year values were adjusted for comparative purposes. For the same reason, the changes 2012/2011 are not indicated in the results.