

Quarterly report as of September 30, 2014

## Geberit with very pleasing nine-month figures

Geberit AG, Rapperswil-Jona, October 30, 2014

**Despite a continued challenging environment, the Geberit Group experienced very satisfying first three quarters in 2014, with results clearly exceeding the good figures achieved during the same period in the previous year. Sales grew by 5.8% to CHF 1869.1 million. After currency adjustment, the increase came to 7.4%. Operating profit rose by 13.6% to CHF 477.3 million, while net income rose by 14.7% to CHF 413.7 million. For 2014 as a whole, Management expects to achieve currency-adjusted sales growth at the upper end of the medium-term target range of four to six percent and an operating cashflow margin slightly above the previous year's level.**

In the third quarter, Geberit Group sales increased by 3.4% to CHF 612.7 million. Despite a strong same quarter in the previous year, this resulted in growth of 5.1% in local currencies (first quarter: 11.0%; second quarter: 6.2%), which is in line with the medium-term targets.

In the first three quarters of 2014 as a whole, sales rose by 5.8% to CHF 1869.1 million. After currency adjustment, the increase came to 7.4%. The sales include currency losses of just under CHF 30 million.

**Europe** recorded a currency-adjusted increase in sales of 7.2%, with all markets reporting increases. Double-digit growth was posted in the United Kingdom/Ireland (+18.3%) and Central/Eastern Europe (+14.8%). Germany (+8.8%), the Iberian Peninsula (+8.7%), Switzerland (+6.9%), Austria (+4.2%), France (+3.8%) and the Benelux Countries (+3.2%) also reported satisfying sales growth. A slight increase was recorded in Italy (+1.8%) and the Nordic Countries (+0.2%). Despite the ongoing unfavorable conditions in the public sector – an area of importance to Geberit in this region – **America** posted growth of 4.2%. The **Middle East/Africa** (+17.9%) and **Far East/Pacific** (+11.9%) regions reported significant sales growth. In the product areas, at 7.8% (+6.4% in Swiss francs) **Piping Systems** posted stronger currency-adjusted growth than **Sanitary Systems**, which achieved growth of 7.1% (+5.4% in Swiss francs).

The positive trend with the results continued, which was not a given – particularly in the third quarter in light of the very good same period in the previous year. The positive results were once again mainly due to the clear volume growth. Higher customer bonuses and an increase in personnel expenses negatively affected the results. The higher personnel expenses are attributable to an increase in the number of employees as well as salary increases. The partly substantial depreciation of some currencies – which however are of lesser significance to Geberit – resulted in a negative currency effect on the operating results of just under CHF 10 million. Operating cashflow (EBITDA) increased by 11.5% to CHF 535.9 million, resulting in an EBITDA margin of 28.7% (previous year 27.2%). Operating profit (EBIT) rose by 13.6% to CHF 477.3 million, resulting in an EBIT margin of 25.5% (previous year 23.8%). An improved financial result compared with the previous year in combination with a slightly lower tax rate led to a slightly stronger increase in net income (up 14.7% to CHF 413.7 million) compared with the operating results. The return on sales amounted to 22.1% (previous year 20.4%). Earnings per share reached CHF 11.01 (previous year CHF 9.59), which represents a plus of 14.8%. The share buyback program, which was launched at the end of April and is currently

suspended, did not yet have any significant impact on this key figure. Despite a higher net cashflow compared with the previous year, higher levels of investment in property, plant and equipment plus negative effects from the changes in net working capital resulted in a decrease in free cashflow of 3.1% to CHF 323.3 million.

The financial situation remains very healthy. The equity ratio decreased slightly in comparison to the level at the end of 2013, from 74.8% to 73.2%. Despite the dividend payment to the shareholders in the amount of CHF 282.0 million and the launch of the share buyback program, net cash (liquid funds less debt) increased slightly from CHF 601.1 million as per December 31, 2013, to CHF 605.4 million.

Hopes for a moderate global economic upturn have been dampened in recent months, which is expected to directly impact the construction industry. The challenges in this sector remain complex and, viewed from today's perspective, are expected to become more pronounced in the medium term. The individual regions/markets and construction sectors are developing very differently. In **Europe**, volumes in the construction industry are continuing to contract overall. With the exception of a few markets such as Germany, Switzerland and the United Kingdom that are performing positively, most other markets have been seeing a clear fall in demand for some time. However, this downturn is expected to flatten out somewhat in many places during the current year. Non-residential construction is failing to recover, but this is at least partially being compensated by a flat to slightly positive trend in residential construction. In **North America**, the indicators in public construction projects are currently not pointing to a recovery on a relevant scale, which is significantly affecting the Geberit business in this market. In contrast, robust growth with rising prices and substantial piling up of demand can be seen in residential construction. In the **Far East/Pacific** region, China has seen a decrease in the sale of homes and the number of new construction projects; the construction industry overall is showing a downward trend. The outlook for the **Middle East** and South Africa remains positive.

The results achieved by the Geberit Group in the first three quarters despite the tense situation in many European markets give the company every reason to be confident of achieving convincing results for 2014 as a whole. Management expects to achieve currency-adjusted sales growth at the upper end of the medium-term target range of four to six percent and an EBITDA margin slightly above the previous year's level.

As a European market leader in the field of sanitary technology, the Geberit Group is a global provider with sales of CHF 2.3 billion. It employs 6300 people in 41 countries around the world.

## Financial key figures as of September 30, 2014

Millions of CHF	1/1 – 09/30/2014	1/1 – 09/30/2013
Sales	1869.1	1766.3
Change in %	+5.8	+4.7
Revenue from sales	1619.8	1540.3
Change in %	+5.2	+4.4
Operating cashflow (EBITDA)	535.9	480.8
Change in %	+11.5	+9.9
Margin in %	28.7	27.2
Operating profit (EBIT)	477.3	420.1
Change in %	+13.6	+11.0
Margin in %	25.5	23.8
Net income	413.7	360.7
Change in %	+14.7	+11.5
Margin in %	22.1	20.4
Earnings per share (CHF)	11.01	9.59
Change in %	+14.8	+13.5
	09/30/2014	12/31/2013
Equity	1742.0	1664.1
Equity ratio in %	73.2	74.8
Net cash	605.4	601.1
Number of employees	6321	6226

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

For further information, please contact:

Geberit AG  
Schachenstrasse 77, CH-8645 Jona

Albert M. Baehny, CEO	Tel. +41 (0)55 221 63 46
Roland Iff, CFO	Tel. +41 (0)55 221 66 39
Roman Sidler, Corporate Communications & IR	Tel. +41 (0)55 221 69 47