

Quarterly report as of March 31, 2015

Off to a good start in 2015

Geberit AG, Rapperswil-Jona, April 28, 2015

The Geberit Group has made a successful start to the 2015 financial year. The recently acquired Sanitec business is included in the figures for the first time. Overall, net sales increased by 14.9% to CHF 636.6 million in the first quarter of 2015. Adjusted for acquisition and currency effects, the increase came to 2.0%. The adjusted operating profit decreased by 0.4% to CHF 162.6 million, while the adjusted net income dropped by 4.8% to CHF 135.1 million.

In the first quarter of 2015, net sales¹⁾ for the Geberit Group increased by 14.9% to CHF 636.6 million. This growth was strongly influenced by the Sanitec Group, which was consolidated into the Geberit Group as of February 1, 2015, as well as by exchange rate effects resulting from the abandonment of the minimum exchange rate by the Swiss National Bank. Adjusted for these effects, this corresponds to a currency-adjusted, organic²⁾ increase of 2.0%. This positive growth was achieved despite the very difficult market environment still seen in many European markets and an extremely strong equivalent period in the previous year. In organic terms and local currencies, Europe – the largest region – grew by 1.0%. Double-digit growth was posted in the other regions: Middle East/Africa +22.4%, America +12.3% and Far East/Pacific +11.3%. From the beginning of February, Sanitec's product range accounted for CHF 123.6 million of net sales for the quarter.

In the 2015 financial year, the results of the Geberit Group are being negatively affected by various one-off effects in connection with the Sanitec acquisition. For better comparability, adjusted figures³⁾ are therefore reported and commented on. The adjusted operating cashflow (adj. EBITDA) increased by 1.5% to CHF 184.9 million, which corresponds to an adjusted EBITDA margin of 29.0%. The adjusted operating profit (adj. EBIT) decreased by 0.4% to CHF 162.6 million, which corresponds to an adjusted EBIT margin of 25.5%. The slightly lower raw material prices had a positive effect on the operating margins. In contrast, the generally lower margins of the Sanitec business, negative currency effects, increased personnel and pension costs and the currency rebate in the Swiss market as a result of the strong Swiss franc had a negative impact. The adjusted net income decreased by 4.8% to CHF 135.1 million, with an adjusted return on net sales of 21.2%. The adjusted earnings per share declined by 4.5% to CHF 3.60 (previous year CHF 3.77).

The negative one-off effects as a result of the Sanitec acquisition amounted to CHF 10.8 million at the operating results level and CHF 14.5 million at the net income level.

¹⁾ Switch from sales to net sales as the relevant sales figure starting from the 2015 financial year

²⁾ Organic: adjusted for the additional sales from the Sanitec acquisition

³⁾ Adjusted: adjusted for one-off transaction, integration and financing costs relating to the Sanitec acquisition

The forecasts for 2015 have remained largely unchanged since the announcement of the full-year results for 2014 last March. The construction industry is expected to remain challenging 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, the United Kingdom and Poland which are developing positively, no recovery is in sight in most other markets, and markets such as Italy and France are expected to see further falls in demand. 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. Residential construction is seeing a slowdown in growth. In the Far East/Pacific region, developments in China overall are showing a downward trend. The outlook for the Middle East and South Africa remains positive. The significantly strengthened Swiss franc is also contributing to the more difficult conditions. In general, the effects of currency fluctuations are warded off as far as possible with an efficient natural hedging strategy. This entails making sure that costs in the various currency areas are incurred in the same proportion in which sales are generated. The impact on the operating profit margins is, therefore, relatively small. In addition, a currency rebate of 10 percent was established in the Swiss market at the beginning of February 2015 as a result of the stronger Swiss franc. The management remains committed to adjusting itself to the changed exchange rate conditions by continuously enhancing the cost structure.

Accordingly, exceeding the very good results achieved in the previous year represents a challenge. In spite of everything, the objective – not only in the few markets that are healthy but also in the large number of markets that are shrinking or stagnating – is to provide a convincing performance and to continue to gain market shares as in previous years. The integration of Sanitec's activities in the Geberit Group will be driven forward with equally high priority. The management is convinced that the company is very well equipped for the upcoming tasks and challenges.

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The globally operating Geberit Group is a European leader in the field of sanitary products. Geberit operates as an integrated group with a very strong local presence in most European countries, providing unique added value when it comes to sanitary technology and bathroom ceramics. The production network encompasses 35 production facilities, of which 6 are located overseas. The Group is headquartered in Rapperswil-Jona, Switzerland. With more than 12,000 employees in over 40 countries, Geberit generates net sales of CHF 2.9 billion. The Geberit shares are listed on the SIX Swiss Exchange; since 2012, the Geberit share has been included in the SMI (Swiss Market Index).

Key financial figures as of March 31, 2015

Millions of CHF	1/1 –3/31/2015	1/1 –3/31/2014
Net sales	636.6	553.9
Change in %	+14.9	+9.1
Change in %, currency-adjusted/organic	+2.0	+10.5
Adj. operating cashflow (EBITDA)	184.9	182.1
Change in %	+1.5	+16.1
Margin in % of net sales	29.0	32.9
Operating cashflow (EBITDA)	174.1	182.1
Change in %	-4.4	+16.1
Adj. operating profit (EBIT)	162.6	163.2
Change in %	-0.4	+19.1
Margin in % of net sales	25.5	29.5
Operating profit (EBIT)	151.8	163.2
Change in %	-7.0	+19.1
Adj. net income	135.1	141.9
Change in %	-4.8	+19.4
Margin in % of net sales	21.2	25.6
Net income	120.6	141.9
Change in %	-15.0	+19.4
Adj. earnings per share (CHF)	3.60	3.77
Change in %	-4.5	+19.3
Earnings per share (CHF)	3.22	3.77
Change in %	-14.6	+19.3
	3/31/2015	12/31/2014
Equity	1610.8	1717.1
Equity ratio in %	44.6	70.6
Net cash	-648.9	739.2
Number of employees	12644	6247

Please visit our website www.geberit.com for additional information.