

Quarterly report as of 31 March 2016

Geberit with strong operating results

Geberit AG, Rapperswil-Jona, 28 April 2016

The Geberit Group has made a successful start to the 2016 financial year. Overall, net sales increased by 12.9% to CHF 718.6 million in the first quarter of 2016. Adjusted for acquisition and currency effects, the increase came to 3.1%. The adjusted operating profit increased by 13.0% to CHF 183.8 million, while the adjusted net income rose by 17.5% to CHF 158.7 million.

In the first quarter of 2016, net sales for the Geberit Group increased by 12.9% to CHF 718.6 million. Adjusted for acquisition¹⁾ and currency effects, the growth came to 3.1%. In organic terms and local currencies, Europe – the largest region – grew by 3.7%, with the Middle East/Africa region posting growth of 2.5%. By contrast, America (-3.6%) and the Far East/Pacific region (-7.6%) recorded declines in sales.

In the 2016 financial year, the results of the Geberit Group will once again be negatively affected by acquisition and integration costs in connection with the Sanitec acquisition. However, these costs will be considerably lower than in the previous year. For better comparability, adjusted figures²⁾ are therefore reported and commented on. The adjusted operating cashflow (adj. EBITDA) increased by 13.1% to CHF 209.2 million, which corresponds to an adjusted EBITDA margin of 29.1%. The adjusted operating profit (adj. EBIT) increased by 13.0% to CHF 183.8 million, which corresponds to an adjusted EBIT margin of 25.6%. The higher sales volumes, lower raw material prices and synergies resulting from the integration of Sanitec had a positive effect on the operating margins, while currency effects and increased personnel costs had a negative impact. The adjusted net income increased by 17.5% to CHF 158.7 million, with an adjusted return on net sales of 22.1%. An improved financial result was the primary reason for this disproportionate growth compared with the operating results. The adjusted earnings per share increased by 19.4% to CHF 4.30 (previous year CHF 3.60).

The acquisition and integration costs as a result of the Sanitec acquisition amounted to CHF 10.4 million at the EBIT level and CHF 8.4 million at the net income level.

The forecasts for 2016 have not changed significantly since the announcement of the full-year results for 2015 last March. The situation in the construction industry will remain challenging. The individual regions/markets and construction sectors are developing very differently. In Europe, there are signs that the construction industry could stabilise. For markets such as Germany, the United Kingdom, the Netherlands and Poland, a positive market environment is expected. No growth is forecasted for the Swiss and Austrian construction industry. In the Italian and French markets, which have been in crisis in recent years, a few indicators point towards a stabilisation. In North America, moderate growth is predicted in the public sector construction industry, which is important to the Geberit business in the USA, and a continued recovery in residential construction. The Far East/Pacific region will be shaped

¹⁾ Adjusted for the Sanitec net sales January 2016 of CHF 55 million (organic)

²⁾ Adjusted for acquisition and integration costs relating to the Sanitec acquisition

by a further weakening of the residential construction segment in China. In the Middle East/Africa region, the outlook in South Africa remains positive, whereas in the Gulf States a weak construction industry due to the low oil price is expected. Fluctuations in the Swiss franc will continue to affect sales and earnings.

The Geberit Group's 2016 financial year is expected to be further impacted by the integration of Sanitec's activities. Just as important shall be the focus on the Geberit daily business, which is expected to be a challenging undertaking once again owing to the situation in the European construction markets. The objective is to provide convincing services in all markets with the new joint sales team and, as in previous years, gain market shares.

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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 six 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 2.6 billion. The Geberit shares are listed on the SIX Swiss Exchange and have been included in the SMI (Swiss Market Index) since 2012.

Key financial figures as of 31 March 2016

Millions of CHF	1/1 – 31/03/2016	1/1 – 31/03/2015
Net sales	718.6	636.6
Change in %	+12.9	+14.9
Change in %, currency-adjusted/organic	+3.1	+2.0
Adj. operating cashflow (EBITDA)	209.2	184.9
Change in %	+13.1	+1.5
Margin in % of net sales	29.1	29.0
Operating cashflow (EBITDA)	207.5	174.1
Change in %	+19.2	-4.4
Adj. operating profit (EBIT)	183.8	162.6
Change in %	+13.0	-0.4
Margin in % of net sales	25.6	25.5
Operating profit (EBIT)	173.4	151.8
Change in %	+14.2	-7.0
Adj. net income	158.7	135.1
Change in %	+17.5	-4.8
Margin in % of net sales	22.1	21.2
Net income	150.3	120.6
Change in %	+24.6	-15.0
Adj. earnings per share (CHF)	4.30	3.60
Change in %	+19.4	-4.5
Earnings per share (CHF)	4.08	3.22
Change in %	+26.7	-14.6
	31/03/2016	31/12/2015
Equity	1558.6	1482.2
Equity ratio in %	41.9	41.7
Net debt	780.1	679.6
Adj. return on invested capital (ROIC) in %	19.1	20.1
Number of employees	12,101	12,126

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