

Quarterly report as of 31 March 2019

Successful first quarter with strong operating results

Geberit AG, Rapperswil-Jona, 2 May 2019

The Geberit Group has got off to a successful start in 2019. Sales increased by 0.9% to CHF 830 million in the first quarter of 2019. Adjusted for currency effects, the increase came to 3.6%. Operating cashflow rose by 6.8% to CHF 262 million.

In the first quarter of 2019, sales for the Geberit Group increased by 0.9% to CHF 830 million. This includes negative currency effects of CHF 23 million. Despite a strong same quarter in the previous year, the increase in local currencies was 3.6%. In the year-on-year comparison, a challenging but positive environment in the construction industry led to this positive sales growth, with successful market cultivation by Geberit the main factor in this growth.

In currency-adjusted terms, Europe grew by 3.5%, Middle East/Africa by 4.8% and America by 2.8%. The Far East/Pacific region posted strong growth of 8.6%. In the product areas, sales in local currencies increased by 5.0% in Installation and Flushing Systems and 7.5% in Piping Systems, while sales in Bathroom Systems declined slightly by 1.6%.

The results in 2019 are no longer impacted by one-off costs related to the Sanitec acquisition, which is why adjusted figures will no longer be shown as of the current year. Operating cashflow (EBITDA) increased by 6.8% to CHF 262 million, which corresponds to an EBITDA margin of 31.6% (previous year 29.8%). Operating profit (EBIT) increased by 5.8% to CHF 227 million, which corresponds to an EBIT margin of 27.4% (adjusted EBIT margin in 2018: 26.1%). The increased year-on-year operating results were above all attributable to lower raw material prices, price increases, higher sales volumes and an improved product mix as well as to enhancements in efficiency and the high cost discipline. In addition, a change to the IFRS accounting standard had a positive impact on the EBITDA development. Tariff-related increases in personnel expenses had a negative impact, while currency effects did not have a significant impact. In line with the increase in the operating results, net income rose by 4.9% to CHF 192 million, with a return on sales of 23.1% (adjusted return on sales in 2018: 22.2%). Earnings per share grew by 6.6% to CHF 5.33.

The forecasts for the current year have not changed significantly since the announcement of the full-year results for 2018 last March. 2019 will be challenging due to a general increase in volatility and the slowdown of construction activity in individual markets. However, the individual regions and sectors will perform differently. The assessment of construction activity in Europe remains positive as a whole. Despite healthy demand, growth potential in Germany is likely to remain limited due to capacity constraints of installers. A favourable market environment can be seen in Austria and the Benelux Countries, although with weaker growth momentum. A stagnating market environment is expected in France. The construction industry in Switzerland is set to decline slightly. In the Nordic Countries, the situation for the individual countries is expected to be mixed, with the market predicted to stagnate in the best case. The Eastern European markets are also performing differently, with a positive environment in Poland, for example. Italy is assessed cautiously due to political circumstances, while a downward trend is foreseeable in the United Kingdom as a result of the uncertainty in relation to Brexit. In North America, a moderate recovery is predicted in the institutional construction industry – which is important to Geberit's business in the USA – along with a decrease in residential construction. In the Far East/Pacific region, the Chinese residential construction sector

should continue to perform positively; the construction industry in Australia is expected to decline, while the situation in India is viewed positively. In the Middle East/Africa region, the outlook for the Gulf States is considered uncertain and the construction market in South Africa is stagnating. Uncertainties related to raw material markets have increased and make an outlook difficult. After a declining environment in the first quarter of 2019, raw material prices are expected to increase again in the second quarter.

The objective for the Geberit Group in 2019 is to perform strongly across the entire product range and in all markets and, as in previous years, to gain market shares.

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About Geberit

The globally operating Geberit Group is a European leader in the field of sanitary products. 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 29 production facilities, of which six are located overseas. The Group is headquartered in Rapperswil-Jona, Switzerland. With around 12,000 employees in around 50 countries, Geberit generated sales of CHF 3.1 billion in 2018. 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 2019

Millions of CHF	1/1 – 31/03/2019	1/1 – 31/03/2018
Sales	830	823
Change in %	+0.9	+11.7
Change in %, currency-adjusted	+3.6	+4.7
Operating cashflow (EBITDA)	262	245
Change in %	+6.8	+12.1
Margin in % of sales	31.6	29.8
Operating profit (EBIT)	227	215 ¹⁾
Change in %	+5.8	+12.7
Margin in % of sales	27.4	26.1
Net income	192	183 ¹⁾
Change in %	+4.9	+12.9
Margin in % of sales	23.1	22.2
Earnings per share (CHF)	5.33	5.00 ¹⁾
Change in %	+6.6	+13.4
	31/03/2019	31/12/2018
Equity	1922	1745
Equity ratio in %	51.7	49.8
Net debt	643	555
Number of employees	11,604	11,630

1) For better comparability with 2019 figures: adjusted for costs in connection with the Sanitec acquisition and integration

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