

Quarterly report as of 31 March 2020

Very good results in the first quarter of 2020

Geberit AG, Rapperswil-Jona, 30 April 2020

The Geberit Group posted very good results in a challenging environment in the first quarter of 2020. Currency-adjusted net sales rose by 1.5%. In Swiss francs, this figure fell by 3.9% to CHF 798 million. Operating results in local currencies saw disproportionate increases on all levels. In Swiss francs, operating cashflow decreased only slightly by 0.7% to CHF 260 million. The COVID-19 pandemic started to have a negative effect in practically all markets from the second half of March. Due to the volatile and uncertain situation, an outlook for the construction industry is not possible at the moment.

As previously reported on 6 April 2020, net sales for the Geberit Group decreased by 3.9% to CHF 798 million in the first quarter of 2020. This decrease is due to negative currency effects totalling CHF 45 million. In local currencies, an increase of 1.5% was recorded. Currency-adjusted net sales rose by 2.7% in Europe and 0.8% in America. In contrast, this figure fell by 15.3% in the Middle East/Africa region and 21.6% in the Far East/Pacific region. In the product areas, net sales in local currencies increased by 2.2% in Installation and Flushing Systems and 2.3% in Piping Systems, with a slight fall of 0.2% in Bathroom Systems.

The results were affected by negative currency effects. In local currencies, there was a disproportionate increase in results on all levels. In Swiss francs, operating cashflow (EBITDA) fell by 0.7% to CHF 260 million. In contrast, the EBITDA margin increased by 100 basis points to 32.6% compared to the same quarter in the previous year. Operating profit (EBIT) fell by 1.6% to CHF 224 million, corresponding to an EBIT margin of 28.0% (previous year 27.4%). The operating results were positively affected by lower raw material prices, enhancements in efficiency, high cost discipline, and price increases. Tariff-related increases in personnel expenses had a negative impact, as did the higher depreciation due to increased investments made in previous years. Net income dropped by 4.4% to CHF 184 million, with a return on net sales of 23.0% (previous year 23.1%). The disproportionate decrease when compared with operating results is due to a lower financial result as a consequence of foreign currency developments, and a slightly higher tax rate. Earnings per share fell by 4.3% to CHF 5.10.

With regard to the publication from 6 April, the current situation in the construction industry – which has been negatively impacted by restrictions in connection with COVID-19 since mid-March – has not changed significantly. In several countries – at present Italy, France, the United Kingdom, South Africa and India – most construction sites are largely closed. However, construction activities have also been negatively affected in other countries as well. In contrast, showrooms are currently being reopened in several countries. At Geberit, the supply chain remains intact and product availability guaranteed.

As a result of the volatile and uncertain situation, it is currently not possible to provide an outlook for the construction industry. However, thanks to its strong foundations and very solid balance sheet, Geberit will continue to pursue its strategic and operative priorities as before. There should be no compromises made when it comes to the existing strengths of the company, nor should any

measures be taken that would harm its current position or future potential – such as a reduction in R&D efforts and budgets, for example.

Management is convinced that Geberit is well equipped and positioned to meet current and upcoming challenges in order to emerge stronger from the global economic crisis caused by the COVID-19 pandemic.

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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 6 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 2019. 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 2020

Millions of CHF	1/1 – 31/03/2020	1/1 – 31/03/2019
Net sales	798	830
Change in %	-3.9	+0.9
Change in %, currency-adjusted	+1.5	+3.6
Operating cashflow (EBITDA)	260	262
Change in %	-0.7	+6.8
Margin in % of net sales	32.6	31.6
Operating profit (EBIT)	224	227
Change in %	-1.6	+5.8
Margin in % of net sales	28.0	27.4
Net income	184	192
Change in %	-4.4	+4.9
Margin in % of net sales	23.0	23.1
Earnings per share (CHF)	5.10	5.33
Change in %	-4.3	+6.6
	31/03/2020	31/12/2019
Equity	1900	1899
Equity ratio in %	51.4	51.0
Net debt	511	409
Number of employees	11,679	11,619

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