

**Ad hoc announcement pursuant to Art. 53 LR**

Quarterly report as of 30 September 2021

**Very strong results after nine months**

Geberit AG, Rapperswil-Jona, 3 November 2021

**The Geberit Group posted very strong results in the first nine months of 2021. Overall, net sales increased by 18.8% to CHF 2688 million. Adjusted for currency effects, the increase was 17.0%. Operating cashflow increased by 23.1% to CHF 894 million, which corresponds to a significant increase in the operating cashflow margin of 120 basis points. Net income increased by 29.6% to CHF 653 million, with a return on net sales of 24.3%. For 2021 as a whole, Management expects growth in net sales in local currencies of between 12 and 14% and an EBITDA margin of 30 to 31%.**

**Consolidated net sales**

In the first three quarters of 2021, net sales for the Geberit Group increased by 18.8% to CHF 2688 million. This increase includes positive currency effects of CHF 42 million. In local currencies, this resulted in an increase of 17.0%. The exceptional sales growth was primarily down to the positive base effect due to the decline in sales as a result of COVID-19 in the previous year, the ongoing home improvement trend and an inventory build-up in the construction industry in the first half of the year. When compared with the first three quarters of 2019 – and thus with net sales before the COVID-19 pandemic – an exceptionally strong growth of 16.8% after currency adjustments was also seen across all regions.

This growth was achieved despite significant challenges on the raw material markets, and was due mainly to the outstanding performance and flexibility in procurement, at the production plants and in logistics.

Net sales in the third quarter reached CHF 855 million, which is equivalent to an increase of 7.6% compared to the same quarter in the previous year. After currency adjustments, an increase of 6.6% was achieved. The weaker growth compared to the first half of the year was due to the base effects in the previous year, a normalisation in stock levels at wholesalers and first signs of a slowdown in the home improvement trend. Nonetheless, there was still a pleasing growth of 17.4% after currency adjustments compared to the third quarter of 2019.

**Net sales by market and product area**

The very strong performance in the European markets continued after nine months of the year, with growth in net sales of 16.4% after currency adjustments. Italy (+31.6%), United Kingdom/Ireland (+27.6%), the Iberian Peninsula (+25.4%) and France (+19.1%) – which were particularly affected by the COVID-19 pandemic in the first half of 2020 – saw above-average growth. However, all other markets and regions also saw growth – with substantial double-digit growth posted in the majority of cases: Austria posted increases of +26.7%, Eastern Europe +26.6%, the Benelux Countries +17.6%, Germany +11.3%, Switzerland +9.2% and the Nordic Countries +8.8%. The Far East/Pacific (+36.1%) and Middle East/Africa (+32.1%) regions also saw very strong growth. Growth in America was +7.5%.

All three product areas developed very positively in the first nine months of the year. Net sales in local currencies increased by 19.8% in Installation and Flushing Systems, 17.2% in Piping Systems and 13.4% in Bathroom Systems.

### **Results**

Results saw significant double-digit increases at all levels in the first nine months of 2021 and saw disproportionate increases compared with net sales growth. Operating cashflow (EBITDA) increased by 23.1% to CHF 894 million, which corresponds to an EBITDA margin of 33.3% (previous year 32.1%). The significant margin increase of 120 basis points was largely due to the exceptional volume growth. Raw material prices, which have risen considerably since the end of 2020, and the markedly higher energy and freight costs had a negative impact on margins, although this was partially offset by both ordinary and extraordinary price increases. Margins were also reduced by the partial normalisation of marketing costs compared to the previous year. Currency effects had no significant impact on operating margins. Operating profit (EBIT) grew by 26.8% to CHF 777 million, corresponding to an EBIT margin of 28.9% (previous year 27.1%). The increase in the operating result, an improvement in the financial result and a lower tax rate led to an increase in net income of 29.6% to CHF 653 million, corresponding to a return on net sales of 24.3% (previous year 22.3%). By comparison, earnings per share saw a disproportionate increase of 30.9% to CHF 18.41 due to the positive impact of the share buyback programme.

The significant increase in free cashflow of 35.0% to CHF 613 million was down to the strong operating cashflow. Meanwhile, the higher tax payments had a negative impact.

### **Financial situation**

The Geberit Group's financial situation remains very solid. When compared with the figures after the first nine months of the previous year, net debt (debt less liquid funds) decreased from CHF 511 million to CHF 370 million. The equity ratio increased to 52.7% (previous year 46.0%).

The share buyback programme launched on 17 September 2020 was continued. Over a maximum period of two years, registered shares amounting to a maximum purchase value of CHF 500 million will be repurchased. By 30 September 2021, around 268,000 shares had been acquired at a sum of CHF 162 million, of which CHF 111 million were repurchased in 2021.

### **Outlook**

The unexpectedly strong performance of the economy seen in the first nine months of 2021 has highlighted how difficult it is to provide an outlook in the current situation. Significant uncertainties remain in connection with the COVID-19 pandemic and its economic impact. This applies in particular to availabilities and price developments on the raw material markets and the development of energy and freight costs. Raw material prices relevant to Geberit are expected to rise further in the fourth quarter compared to the third quarter at around 3% – although this figure is lower than that seen in the first nine months of the year. The significant increases in energy prices are also expected to have a negative impact.

The exceptionally good results seen since the second half of 2020 show that Geberit is emerging stronger from the global economic crisis caused by the pandemic and has gained further market shares. For 2021 as a whole, Management thus expects growth in net sales in local currencies of between 12 and 14% and an EBITDA margin of 30 to 31%.

**For further information, please contact:**

Geberit AG

Schachenstrasse 77, CH-8645 Jona

Christian Buhl, 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

**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 approximately 50 countries, Geberit generated net sales of CHF 3.0 billion in 2020. 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 30 September 2021**

<b>Millions of CHF</b>	<b>1/1 – 30/09/2021</b>	<b>1/1 – 30/09/2020</b>
Net sales	2688	2262
Change in %	+18.8	-5.0
Change in %, currency-adjusted	+17.0	-0.4
Operating cashflow (EBITDA)	894	726
Change in %	+23.1	-0.9
Margin in % of net sales	33.3	32.1
Operating profit (EBIT)	777	613
Change in %	+26.8	-2.1
Margin in % of net sales	28.9	27.1
Net income	653	504
Change in %	+29.6	-6.0
Margin in % of net sales	24.3	22.3
Earnings per share (CHF)	18.41	14.06
Change in %	+30.9	-5.5
	<b>30/09/2021</b>	<b>30/09/2020</b>
Equity	2020	1837
Equity ratio in %	52.7	46.0
Net debt	370	511
Number of employees	11,908	11,513

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