

H1 2018 Results

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Agenda

- **H1 2018 at a glance**
- **Building industry outlook 2018**
- **Outlook 2018**



Successful first half of 2018 with strong earnings growth

Sales growth
(reported)

+11.0%

Sales growth
(in local currencies)

+4.3%

EBITDA margin

29.8%

(+20 bp vs. PY adj.)

Adj. net income
growth

+13.1%

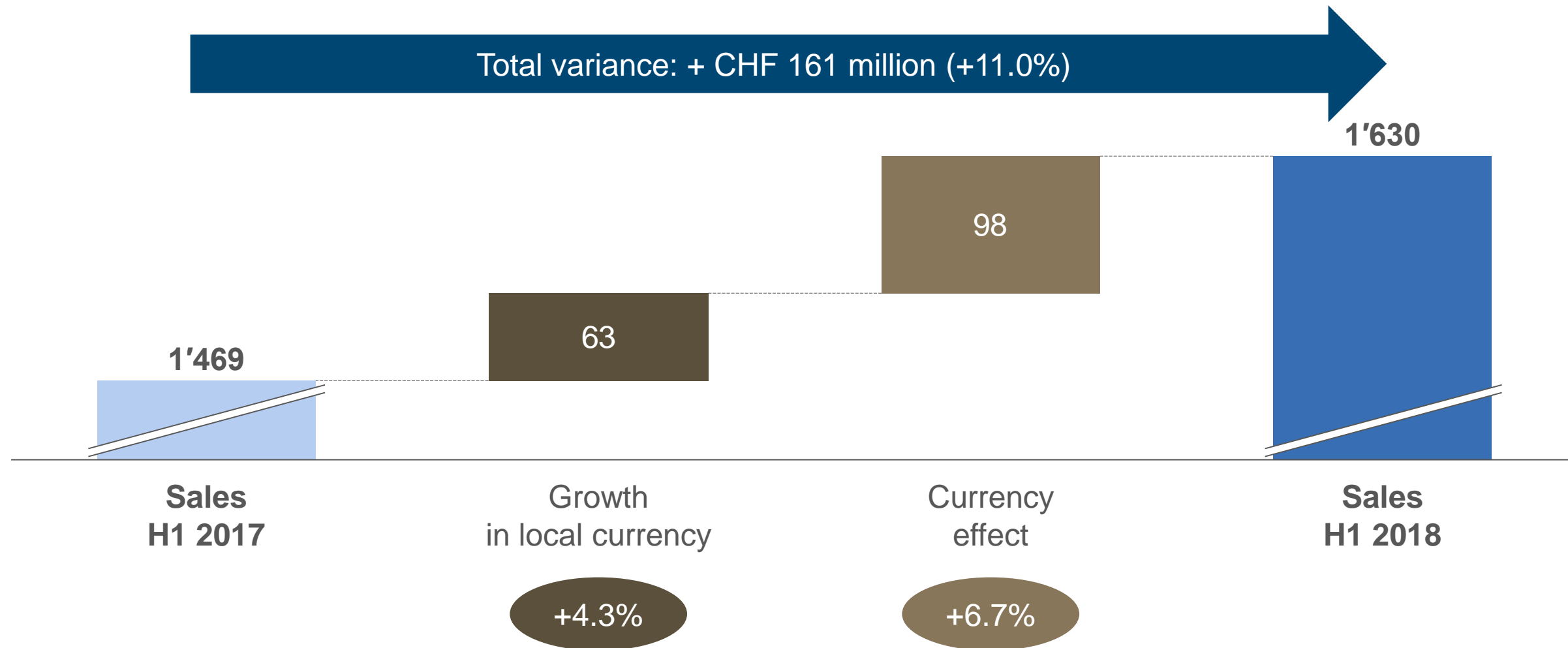
Adj. earning per share
growth

+13.9%

One-off cost related to
Sanitec acquisition of
CHF 15 million on net
income level

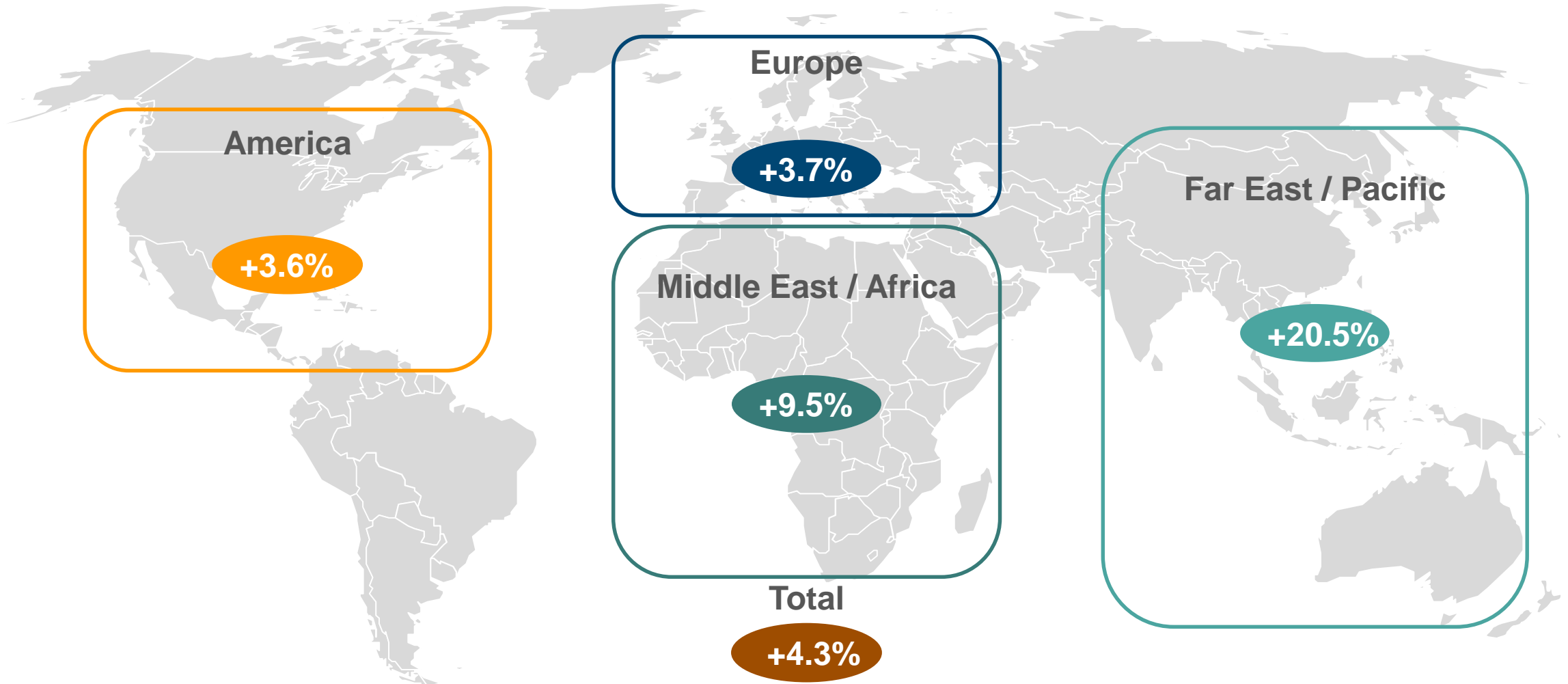
Sales H1 2018 – Strong sales growth achieved in H1 2018

In CHF million

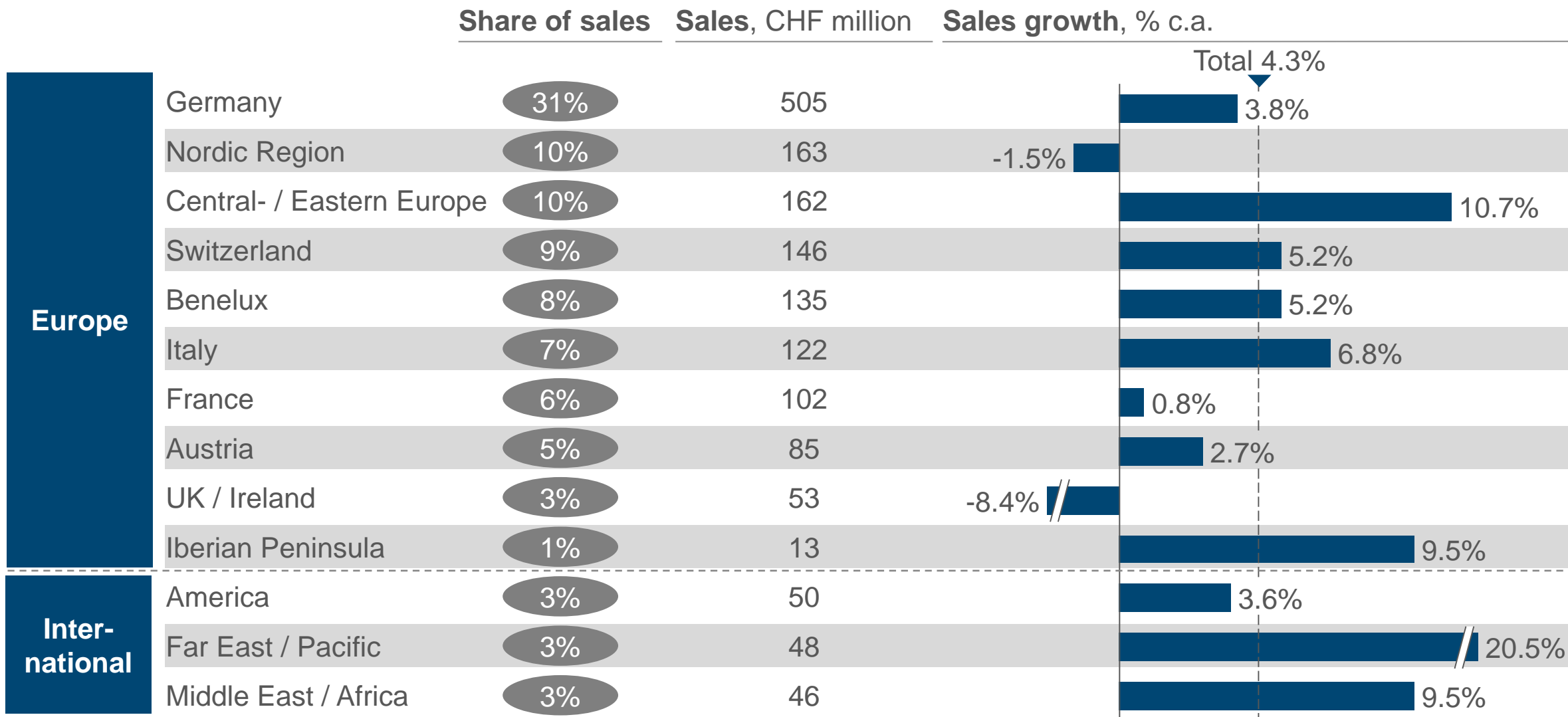


Sales H1 2018 – Positive sales growth in all regions



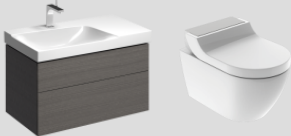
Currency adjusted sales growth H1 2018 by region, in %



H1 2018 – Sales growth in almost all markets



H1 2018 Sales per product area

		<u>Share of sales</u>	<u>Sales, CHF million</u>	<u>Variance to prior year</u>	
				<u>% CHF</u>	<u>% c.a.</u>
Installation & Flushing Systems		38%	613	12.3%	5.1%
Piping Systems		29%	477	12.2%	5.2%
Bathroom Systems		33%	540	8.4%	2.6%



Key figures H1 2018 – Very good results with strong earnings growth

CHF million	H1 2018	H1 2017	% YoY
Sales	1'630	1'469	11.0%
Adj. EBITDA	485	435	11.6%
<i>Margin</i>	29.8%	29.6%	
EBITDA	485	387	25.3%
Adj. EBIT	423	380	11.5%
<i>Margin</i>	26.0%	25.8%	
EBIT	405	315	28.7%
Adj. net income	362	320	13.1%
<i>Margin</i>	22.2%	21.8%	
Net income	347	258	34.4%
Adj. EPS (CHF)	9.90	8.69	13.9%
EPS (CHF)	9.49	7.01	35.4%
Free cashflow	191	160	19.0%
<i>Margin</i>	11.7%	10.9%	

- Further improved profitability; adj. EBITDA margin increased by 20bp
- Higher raw material prices and tariffs compensated by
 - Price increases
 - Volume growth
 - Benefit from site closures in France
 - Continuous efficiency improvements
- No one-off cost related to Sanitec acquisition on EBITDA level as of 2018
- One-off cost related to Sanitec acquisition of CHF 15 million on net income level



Key figures Q2 2018 – Very good results with strong earnings growth

CHF million	Q2 2018	Q2 2017	% YoY
Sales	807	732	10.3%
Adj. EBITDA	240	216	11.0%
<i>Margin</i>	29.7%	29.5%	
EBITDA	240	171	40.5%
Adj. EBIT	208	189	10.3%
<i>Margin</i>	25.8%	25.8%	
EBIT	199	134	48.3%
Adj. net income	179	158	13.4%
<i>Margin</i>	22.1%	21.5%	
Net income	171	105	63.5%
Adj. EPS (CHF)	4.89	4.28	14.3%
EPS (CHF)	4.69	2.84	65.1%
Free cashflow	232	189	22.8%
<i>Margin</i>	28.7%	25.8%	

- Further improved profitability; adj. EBITDA margin increased by 20bp
- Higher raw material prices and tariffs compensated by
 - Price increases
 - Volume growth
 - Benefit from site closures in France
 - Continuous efficiency improvements
- No one-off cost related to Sanitec acquisition on EBITDA level as of 2018
- One-off cost related to Sanitec acquisition of CHF 8 million on net income level

EBITDA margin H1 2018 – Further improved profitability



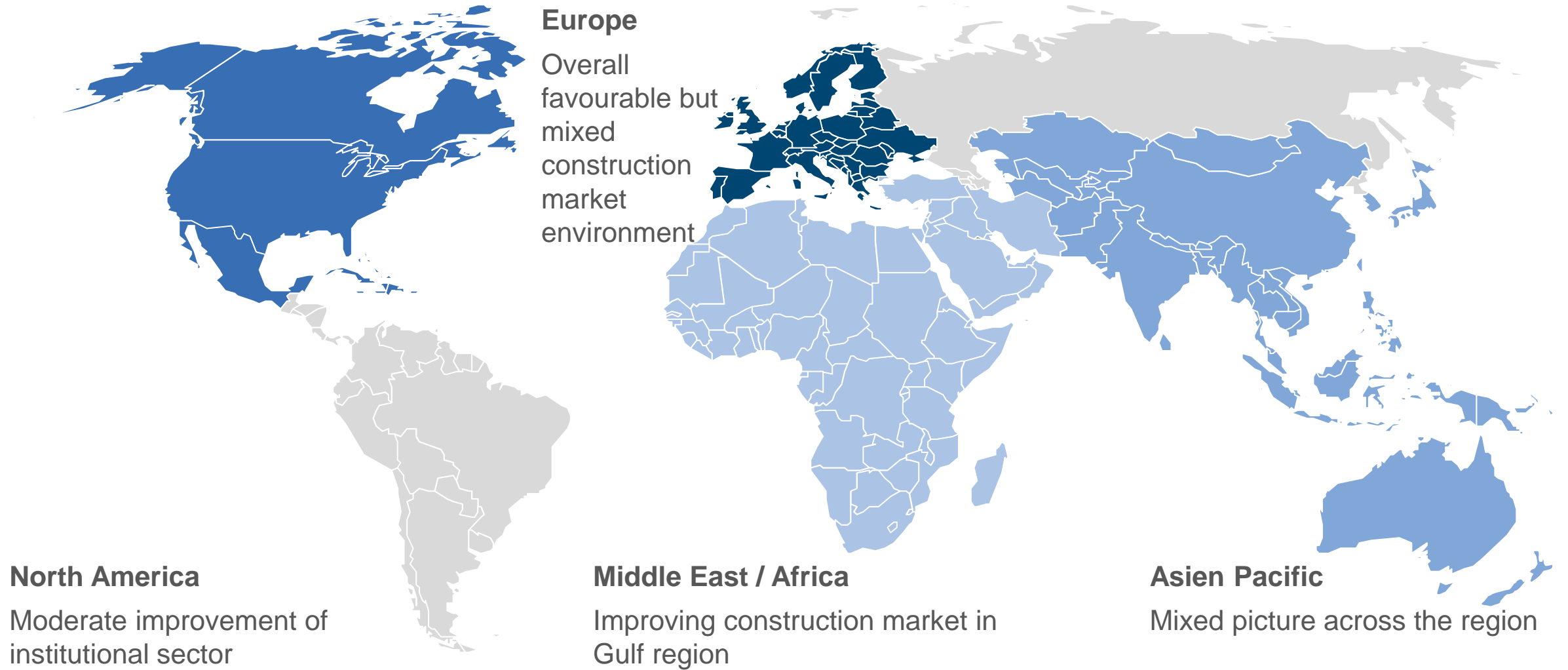
- Positive impact from volume effect
- Net price effect: Higher raw-material prices fully compensated by price increases
- Negative other cost effects mainly due to tariff increases
- Very small currency effect
- No one-off adjustments on EBITDA level as of 2018

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Building industry outlook 2018



Building industry outlook 2018 – Europe

Overall favorable but mixed construction market environment

- Confident about demand in **Germany** – limited qualified installation capacity most likely remains a bottleneck
 - Stable market on high level in **Switzerland**
 - Growing market in **Austria** but at slower pace
 - Mixed and overall stagnating outlook for **Nordic Region** – positive for **Denmark** and **Finland**, stagnation in **Sweden** and **Norway**
 - Positive environment in **Benelux** – ongoing recovery in **NL** leads to shortages of qualified sanitary installers
 - Positive outlook for **France**, although weakened indicators for residential
 - Improving environment in **Italy**
 - Robust residential sector but declining non-residential sector in **UK**
 - Mixed picture in **Eastern Europe**
 - Recovery on **Iberian Peninsula** from low level
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- A world map with Europe highlighted in dark blue. A hatched pattern is overlaid on the Nordic region (Sweden, Finland, Denmark, Norway) and extends across the top of the map.

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Outlook Geberit 2018

- Full year sales growth in local currencies of around 4%
- Full year EBITDA-margin on previous year's level



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