

H1 2019 Results

Christian Buhl, CEO

Roland Iff, CFO

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Agenda

- **H1 2019 at a glance**
- **Building industry outlook 2019**
- **Outlook 2019**



Good first half of 2019 with further improved profitability

Sales growth
(in CHF)



Sales growth
(in local currencies)



EBITDA margin

30.8%
(+100 bps vs. PY)

Earnings per share growth



Free cashflow growth

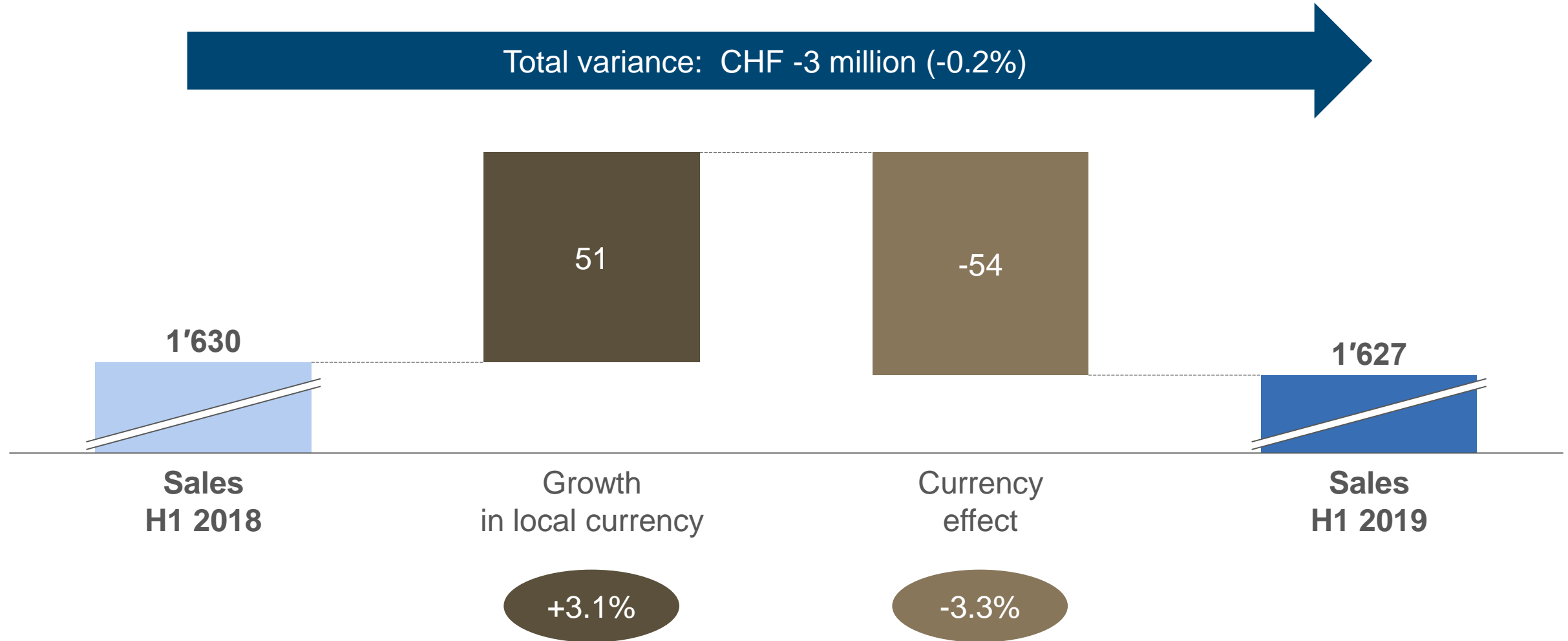


IFRS 16 effect

- EBITDA margin +60 bps
- Assets & liabilities of CHF 67 & 69 million respectively

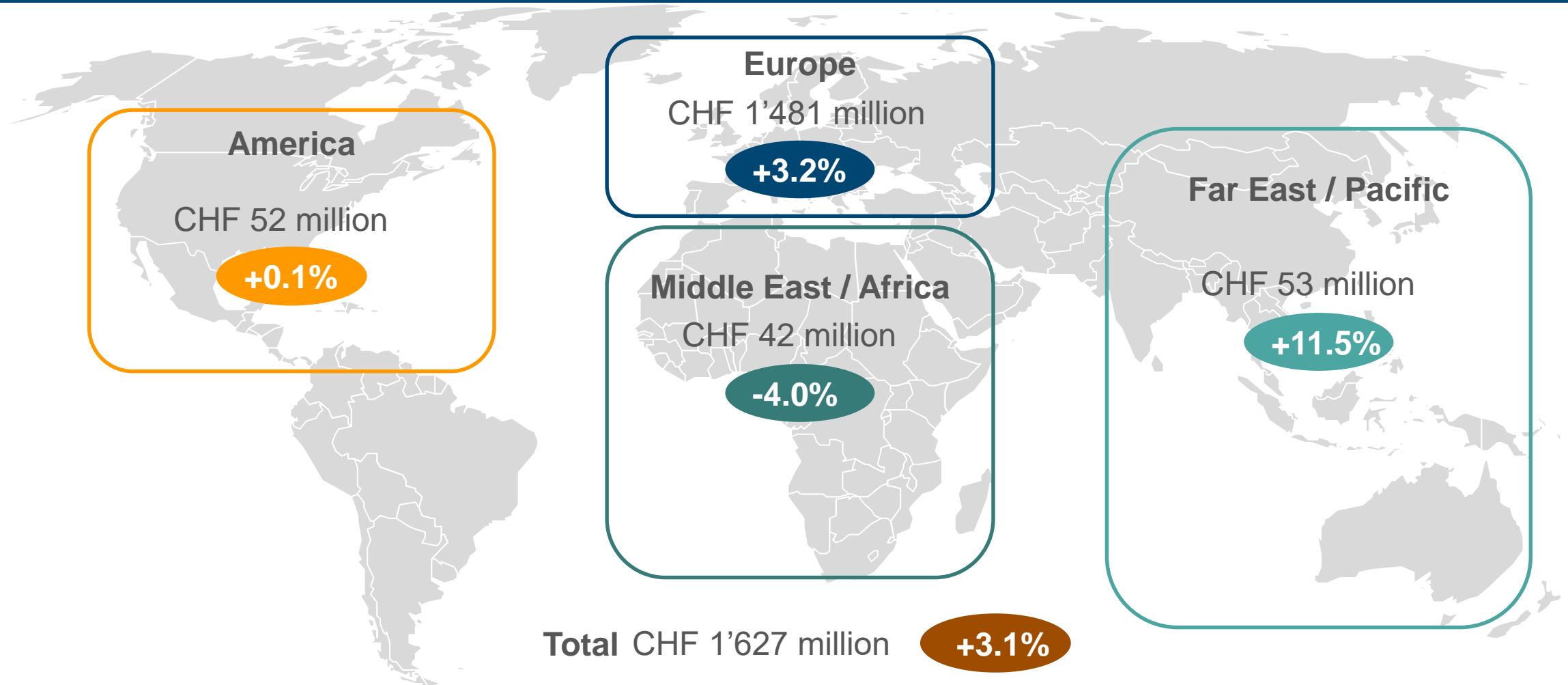
Sales H1 2019 – Good sales growth

CHF million

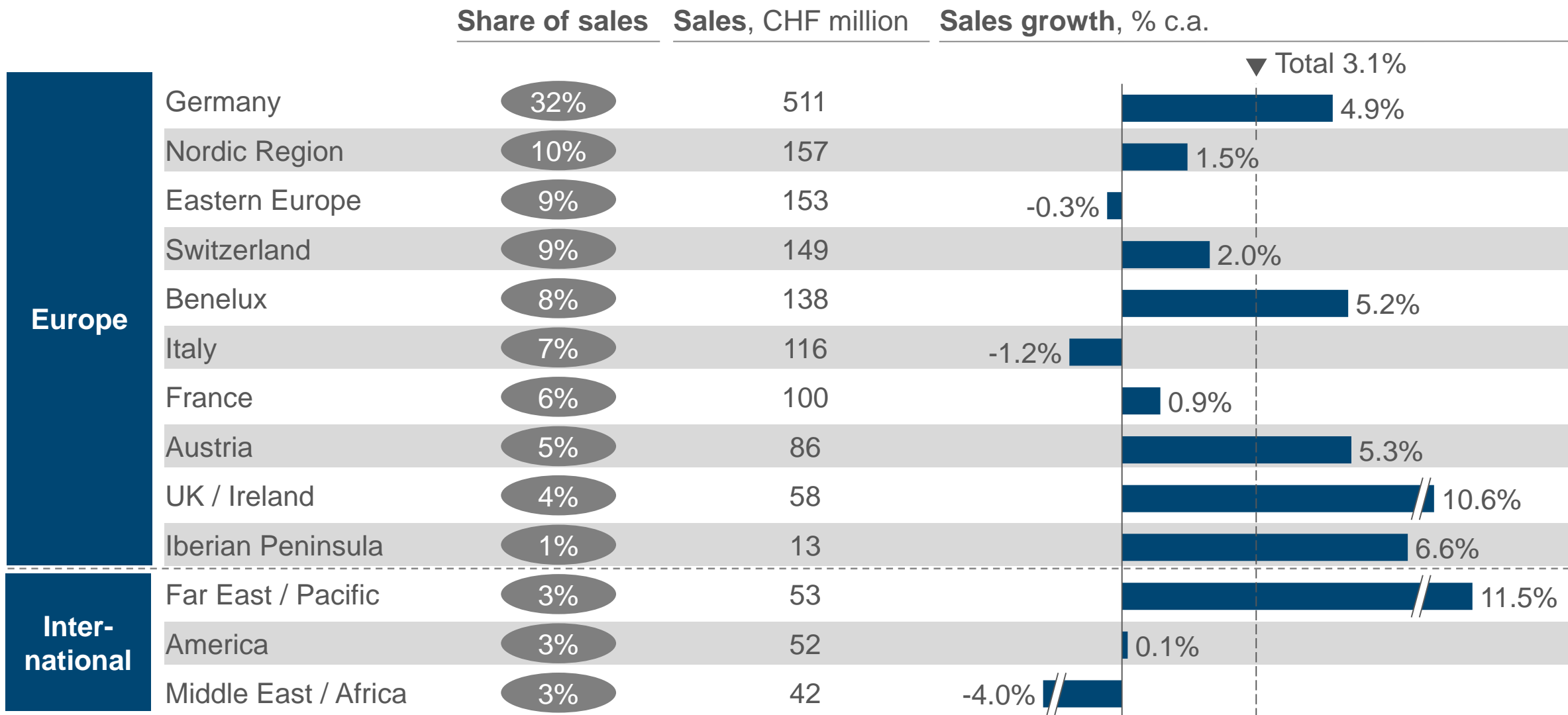


Sales H1 2019 – Sales growth in all regions except MEA



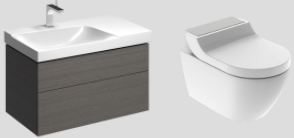
Sales and currency adjusted sales growth H1 2019 by region, in CHF million and %



Sales H1 2019 – Sales growth in most markets



Sales H1 2019 – Sales per product area

		Share of sales	Sales, CHF million	Variance to prior year	
				% CHF	% c.a.
Installation & Flushing Systems		38%	620	1.1%	4.6%
Piping Systems		30%	492	3.2%	6.7%
Bathroom Systems		32%	515	-4.6%	-1.7%



Key figures H1 2019 – Improved profitability

CHF million	H1 2019	H1 2018	% YoY
Sales	1'627	1'630	-0.2%
EBITDA	501	485	3.3%
<i>Margin</i>	30.8%	29.8%	
Adj. EBIT	431	423	1.7%
<i>Margin</i>	26.5%	26.0%	
EBIT	431	405	6.4%
Adj. net income	365	362	0.9%
<i>Margin</i>	22.4%	22.2%	
Net income	365	347	5.2%
Adj. EPS (CHF)	10.14	9.90	2.4%
EPS (CHF)	10.14	9.49	6.8%
Free cashflow	257	190	35.4%
<i>Margin</i>	15.8%	11.6%	

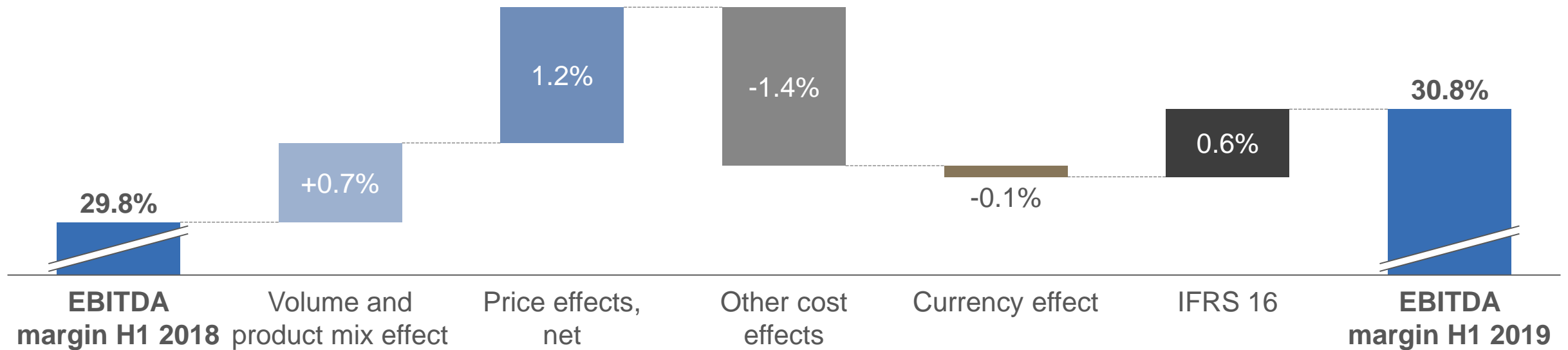
- Improved operational profitability despite significant tariff increases due to
 - Sales price increases
 - Volume growth and improved product mix
 - Slightly lower raw material prices
 - Efficiency and improvement projects
 - Cost discipline
- Very strong free cashflow growth
- YoY growth negatively impacted by currency translation effect
- Increased tax rate

Key figures Q2 2019 – Negative currency effect

CHF million	Q2 2019	Q2 2018	% YoY
Sales	797	807	-1.3%
EBITDA	239	240	-0.3%
<i>Margin</i>	30.0%	29.7%	
Adj. EBIT	203	208	-2.4%
<i>Margin</i>	25.5%	25.8%	
EBIT	203	199	2.2%
Adj. net income	173	179	-3.1%
<i>Margin</i>	21.7%	22.1%	
Net income	173	171	1.1%
Adj. EPS (CHF)	4.81	4.89	-1.6%
EPS (CHF)	4.81	4.69	2.6%
Free cashflow	252	232	8.6%
<i>Margin</i>	31.6%	28.7%	

- Sales growth in local currencies of +2.6%
- Positive effects
 - Increased sales prices
 - Efficiency gains and cost discipline
 - Slightly lower raw material prices
- Negative effects
 - Significant tariff increases
 - Marketing expenses for Keramag brand switch
- Strong free cashflow growth
- YoY growth negatively impacted by substantial currency translation effect

EBITDA margin H1 2019 – Increase of margin by 100 bps



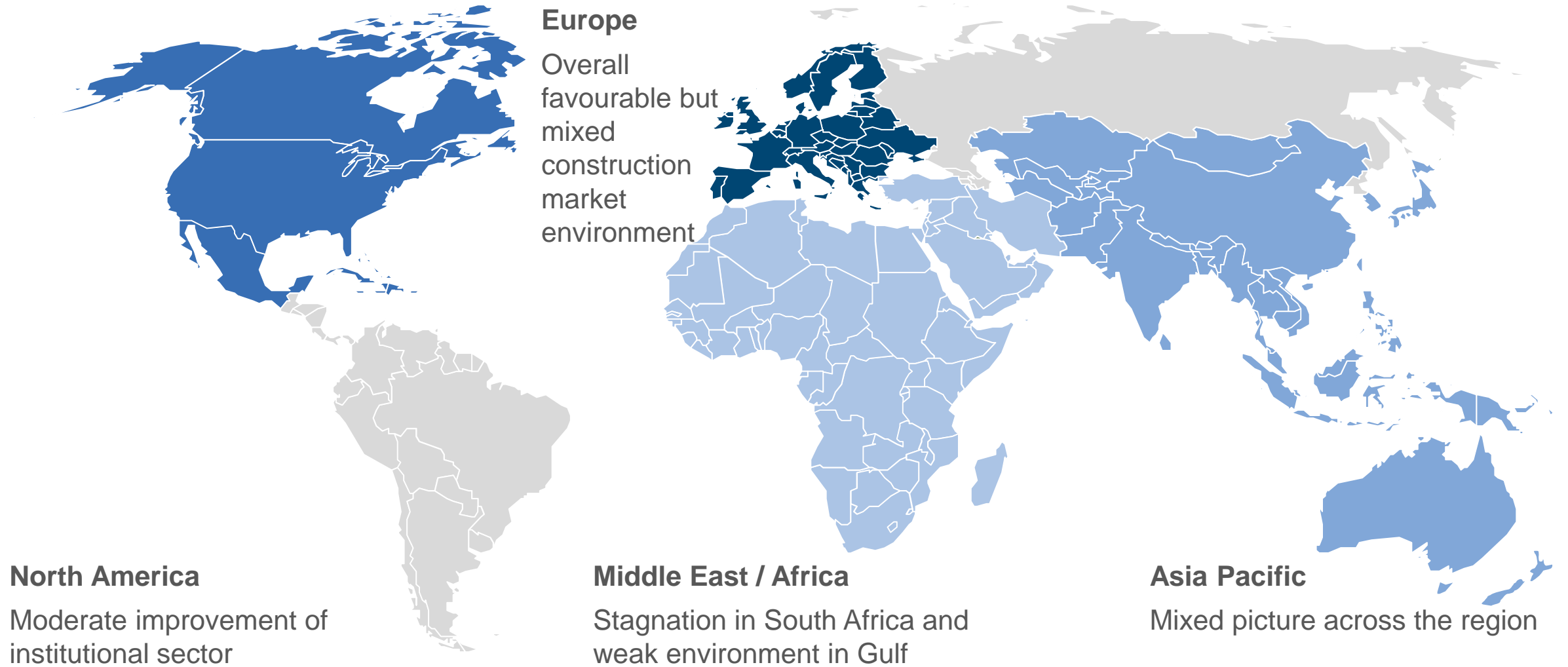
- Positive impact from volume and product mix effect
- Positive net price effect due to price increases
- Negative other cost effects driven by strong tariff increases and higher marketing expenses
- Neglectable currency effect on margins due to natural hedge
- Positive IFRS 16 impact on EBITDA margin

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Building industry outlook 2019



Building industry outlook 2019 – Europe

Mixed construction market environment

- Confident about demand in **Germany** – limited qualified installation capacity most likely remains a bottleneck
- **Switzerland**, slight decline from high level
- **Nordic Region** at best stagnation – positive for **Denmark** and **Norway**, stagnation in **Finland**, decline in **Sweden**
- Stagnation in **Italy** due to political and economical uncertainties
- Stagnation in **France** as indicators for residential sector weakened
- Declining non-residential sector in the **United Kingdom**
- Positive construction market with slight growth in **Austria**
- Positive environment in **Benelux** – shortages of qualified sanitary installers in the **Netherlands**
- Mixed picture in **Eastern Europe** with weak environment in Russia and Turkey
- Ongoing recovery on **Iberian Peninsula** from low level



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Outlook Geberit 2019

- Full year sales growth in local currencies of 3% – 4%
- Full year EBITDA-margin of 28% – 29%



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