

A large, stylized letter 'G' in a lighter shade of blue, positioned on the left side of the slide. It has a thick, rounded stroke and a curved top edge.

# Analyst conference

Full year results 2021

Christian Buhl, CEO

Tobias Knechtle, CFO

March 9, 2022

# Agenda

Overview	C. Buhl
Sales development	C. Buhl
Financial results	T. Knechtle
CO <sub>2</sub> -Strategy	C. Buhl
Building construction outlook	C. Buhl
Geberit outlook	C. Buhl
Summary	C. Buhl

# Key figures 2021

Net sales (c.a.)

**+14.7%**

vs. PY

EBITDA margin

**30.9%**

-10 bps vs. PY

EPS (in CHF)

**+18.9%**

vs. PY

Free cashflow (in CHF)

**+12.8%**

vs. PY

Dividend proposal 2021  
(in CHF)

**12.50**

+9.6% vs. PY

Relative CO<sub>2</sub> emissions

**-8.4%**

vs. PY

- Strongest sales growth rate since IPO in 1999
- Disproportional growth of bottom-line results
- EBITDA with CHF 1'069 Mio. first time above CHF 1 bn
- Very strong EPS growth to CHF 21.34
- 4<sup>th</sup> year of double-digit free cashflow growth to CHF 809 Mio.
- Increased dividend of CHF 12.50
- Significant reduction of relative CO<sub>2</sub>-emissions



# Key figures 2021 – 2-years comparison during COVID-19 pandemic

Net sales (c.a.)

**+16%**

vs. 2019

EBITDA growth (c.a.)

**+24%**

vs. 2019

EPS (c.a.)

**+25%**

vs. 2019

Free cashflow (in CHF)

**+26%**

vs. 2019

Plant productivity (in IM/h<sup>1</sup>)

**+10%**

vs. 2019

Customer contacts<sup>2</sup> (in #)

**+14%**

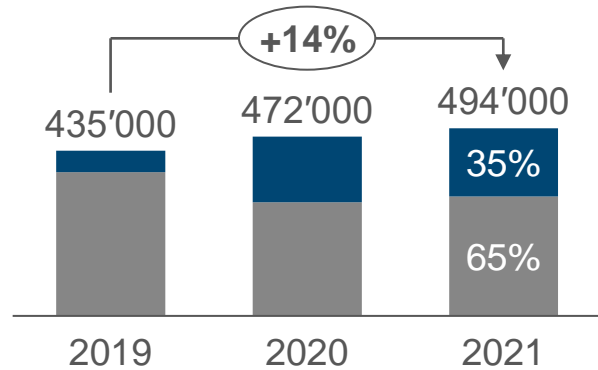
vs. 2019

- Excellent results during COVID-19 crisis in 2020 and 2021
  - Market share gains
  - Strong double digit growth of financial results
  - Strong operational performance despite COVID-19 restrictions
- Focused strategy avoiding distractions
- Successful crisis management
  - No overreaction – “leverage the crisis”
  - Focus on customer relations, availability and flexibility
  - Significant step in digitalization

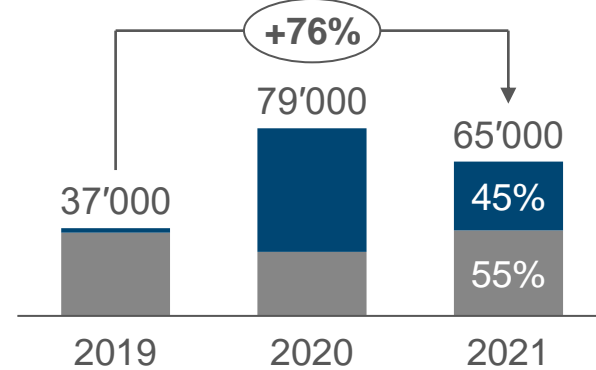
# Key figures 2021 – Customer interactions

■ Digital  
■ Physical

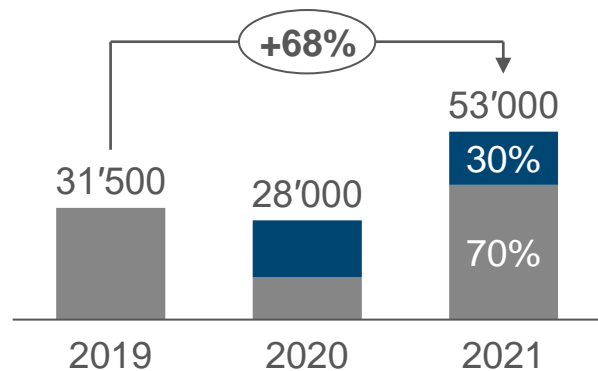
**Customer contacts**  
[# contacts]



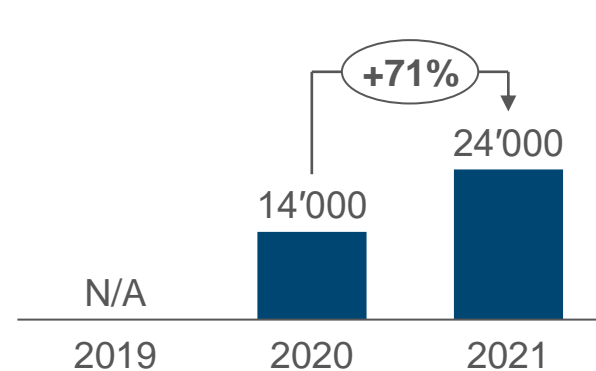
**Customer trainings**  
[# participants]



**Customer events**  
[# participants]

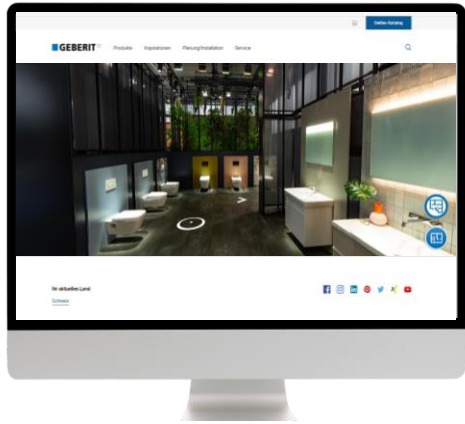


**Virtual showrooms**  
[# visits]



- Significant more customer contacts vs. pre-COVID-19
- Shift back to physical trainings and events in 2021
- However, ongoing high share of digital interactions and formats in 2021, e.g., Geberit Innovation days

# Sales & marketing 2021 – Examples of digital formats to reach customers



## Geberit Innovation Days (“Technical” Pull)

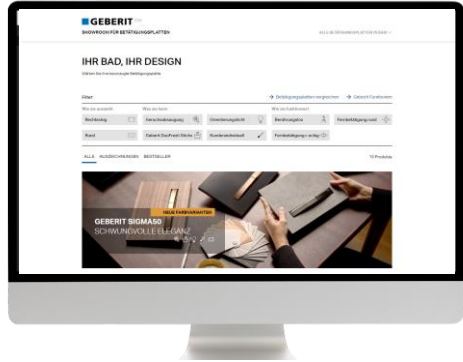
- Global platform to introduce new products as alternative to cancelled fairs in spring 2021
- Streamed from 300 m<sup>2</sup> exhibition in Pfullendorf to over 40 markets in 26 languages
- Over 10'000 registered participants in live event and 50'000 visits of media library
- Managed through digital platform (registration, individual program, live chat)



## Geberit Virtual Showroom (“Showroom” Pull)

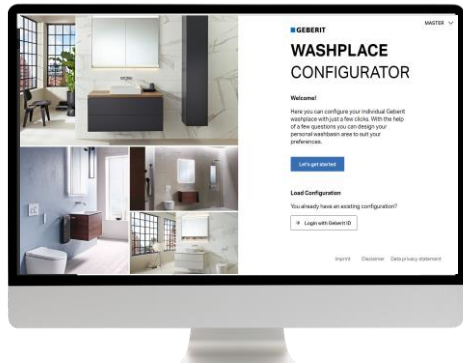
- Virtual showrooms in DE, AT, NL, BE, IT, Nordics and international markets
- Over 24'000 visitors
- Focus on Bathroom Systems incl. Geberit AquaClean (Design Meets Function)

# Sales & marketing 2021 – Examples of digital tools for end-consumers



## Actuator plate showroom

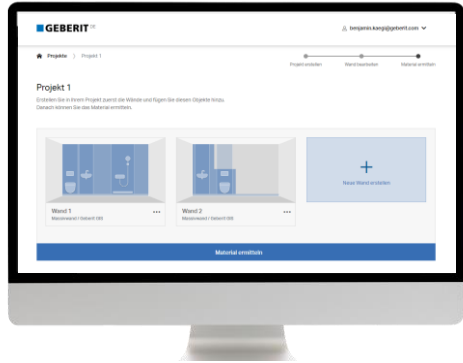
- Updated digital showroom to present actuator plate range supporting product selection
- For end-consumers (and showroom staff)
- Rolled out in 28 markets



## Wash place configurator

- Configuration of Geberit ONE wash place with ~2'000 combinations in an intuitive way incl. real-time 3D-rendering
- For end-consumers (and showroom staff)
- Rolled out in CH and NL as first pilot markets

# Sales & marketing 2021 – Examples of digital tools for professionals



## GIS/Duofix calculator

- Mobile application for planning and calculation of Geberit installation systems on site within just a few minutes
- For installers
- Rolled out in DE, CH, FR and PL



## Building Information Modelling (BIM)

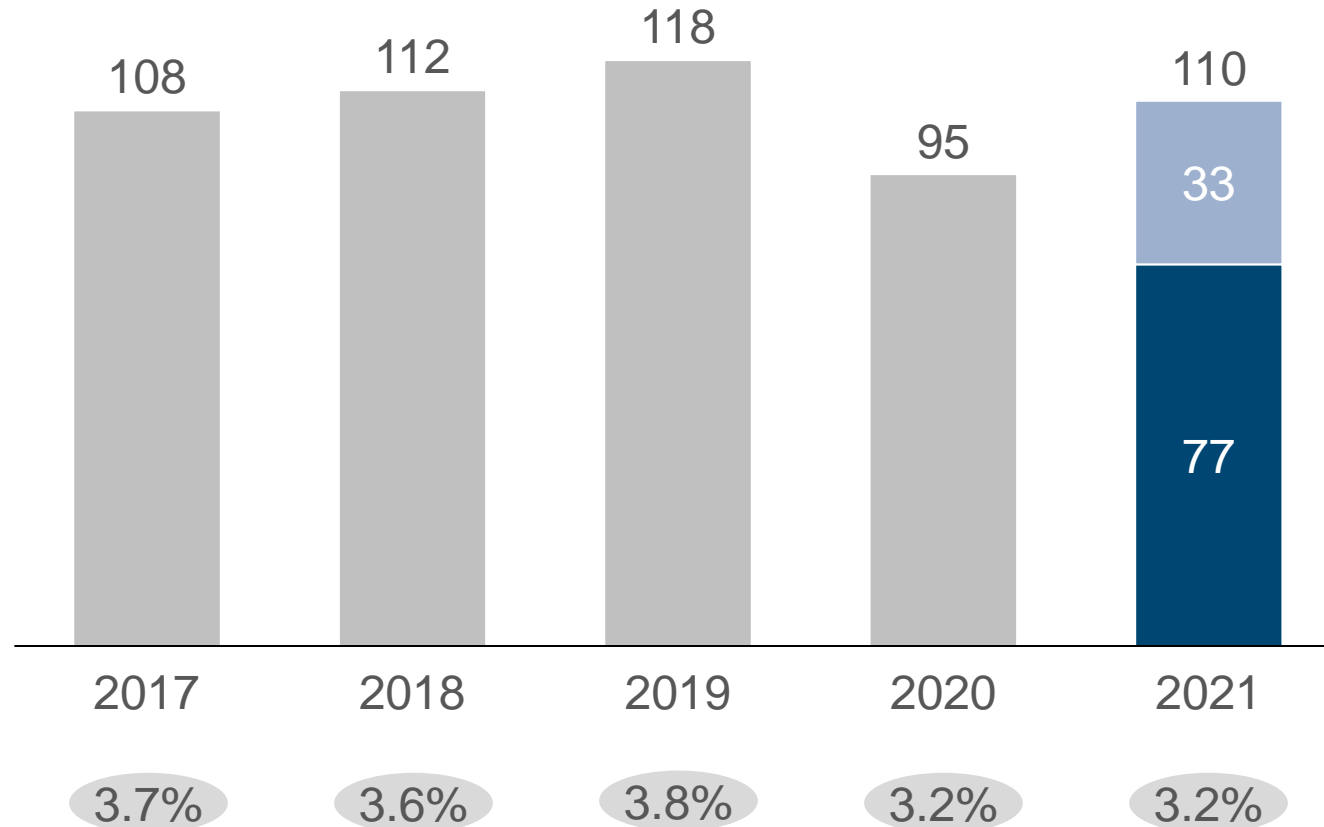
- Updated plug-in for Autodesk BIM software (integration of product catalogue, roof drainage calculation, installation system planning)
- For planners and architects
- Over 6'500 active users and over 200'000 planning sessions in 2021



# Marketing 2021 – Marketing expenses

Marketing expenses  
CHF million

Digital  
Others  
% of net sales



- Marketing spend still below 2019 due to COVID-19 restrictions
- Increasing share of digital marketing activities (e.g. digital trainings, campaigns)
- 30% of total marketing spend for digital tools and digital channels

# Innovations 2021 – New product introductions

## New Geberit FlowFit



New supply piping system with a new pressing technology

*“The new piping standard”*

## New Geberit Alpha 12 cm



New concealed cistern adapted for the needs of international markets

*“Modern flushing technology for the world”*

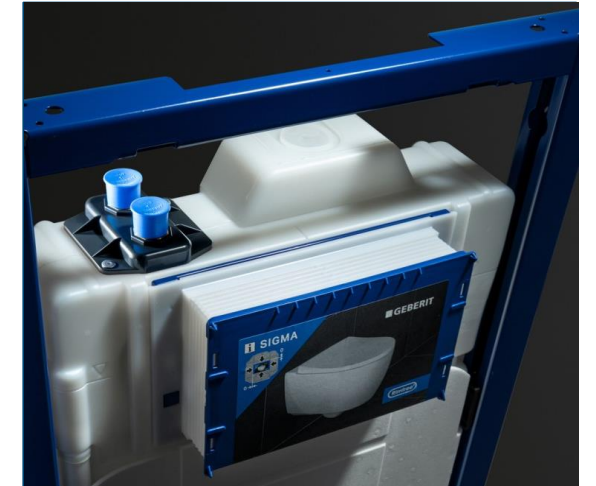
## Geberit ONE



Extension of assortment with >2'000 wash place combinations

*“The new mid- and upper price segment standard”*

## Concealed cistern with hygienic flush



Automated flushing to prevent stagnation

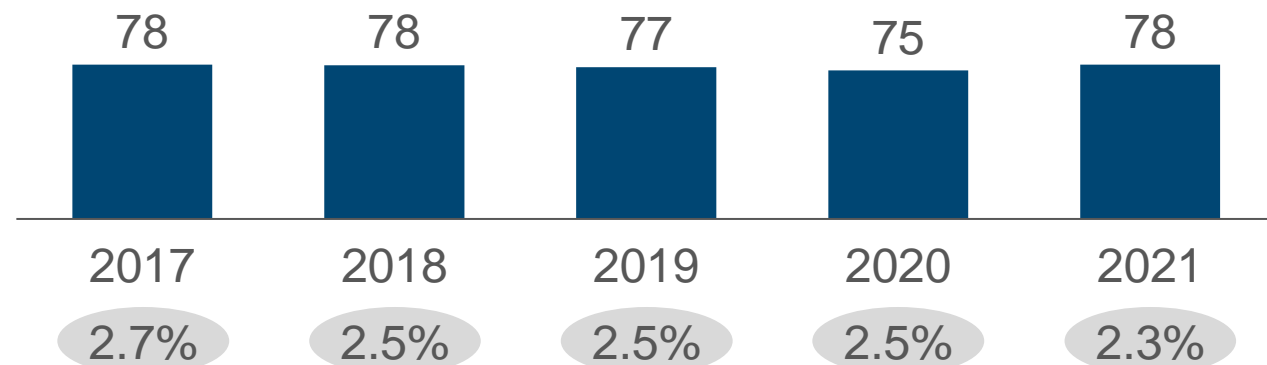
*“Hygienic flushing for everyone”*

# Innovation 2021 – Continuous strengthening of the innovation pipeline

## R&D expenditure

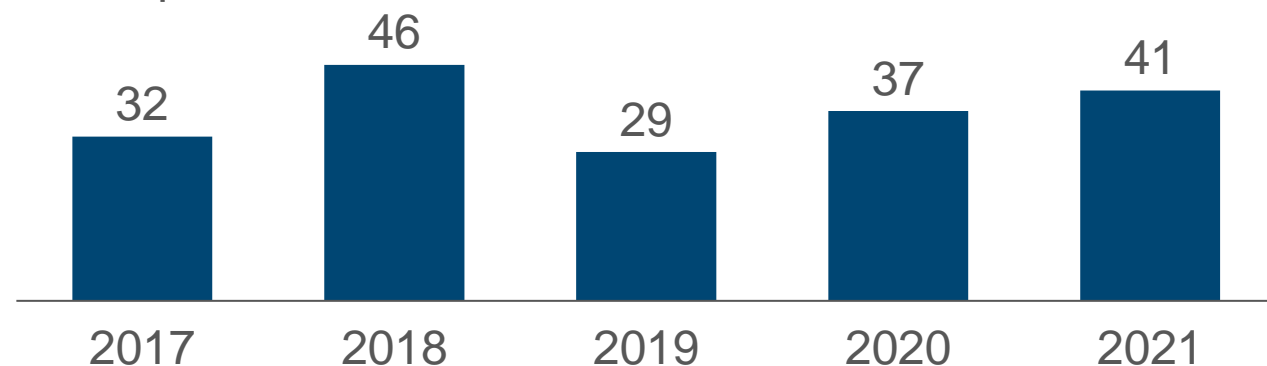
CHF million

 % of net sales



## R&D performance

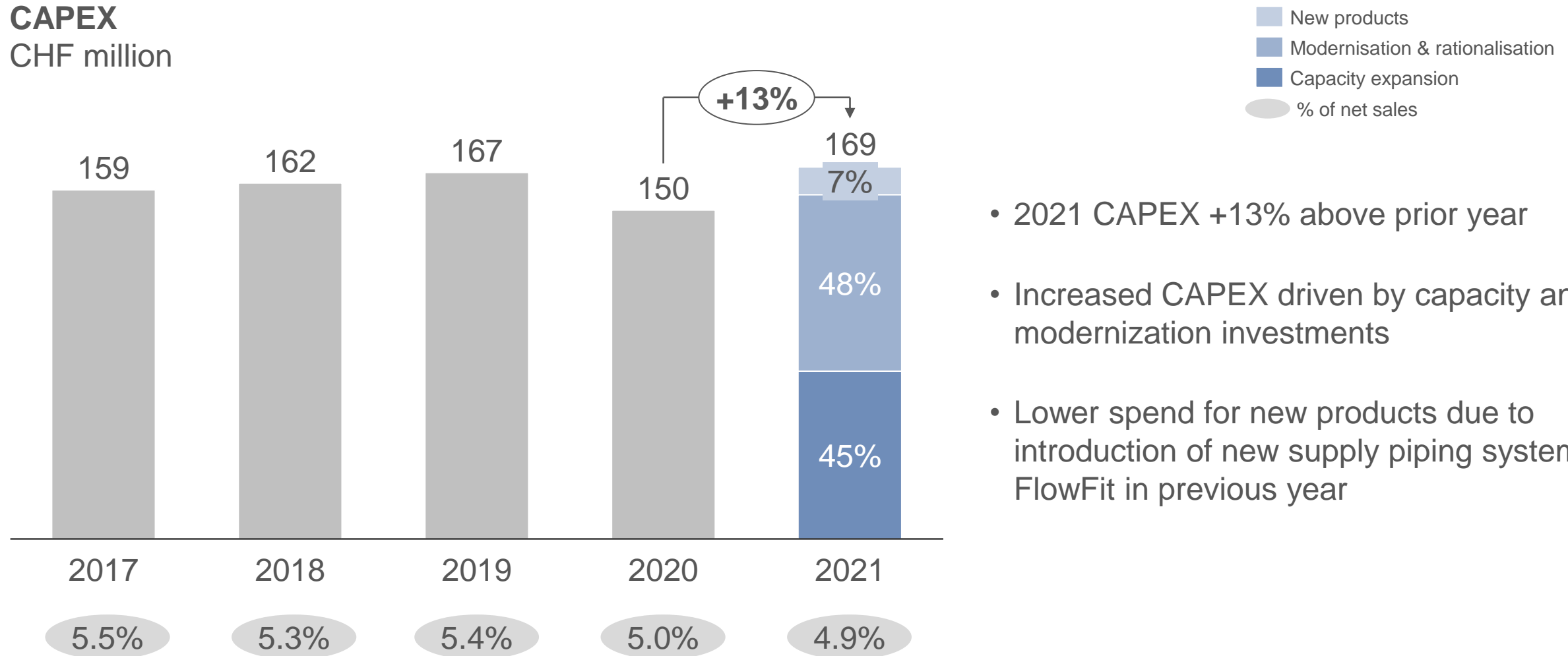
# new patents



- Continuously high investments in innovation pipeline
- R&D expenditure of 2.3% of net sales in 2021
- Significant increase of new patents since Sanitec integration driven by combined innovations behind and in front of the wall

# CAPEX 2021

CAPEX  
CHF million



- 2021 CAPEX +13% above prior year
- Increased CAPEX driven by capacity and modernization investments
- Lower spend for new products due to introduction of new supply piping system FlowFit in previous year

# Investments 2021 – Capacity expansion & efficiency increase



## Capacity and efficiency increase for concealed cisterns, Pfullendorf (DE)

- New assembly line for concealed cisterns
- CAPEX: EUR 3.1 million (2021)
- Payback: 0.9 years



## Capacity expansion & efficiency increase, Villadose (IT)

- Additional extrusion line for drainage piping system Silent-Pro
- CAPEX: EUR 4 million (2020/21)
- Payback: 2.9 years

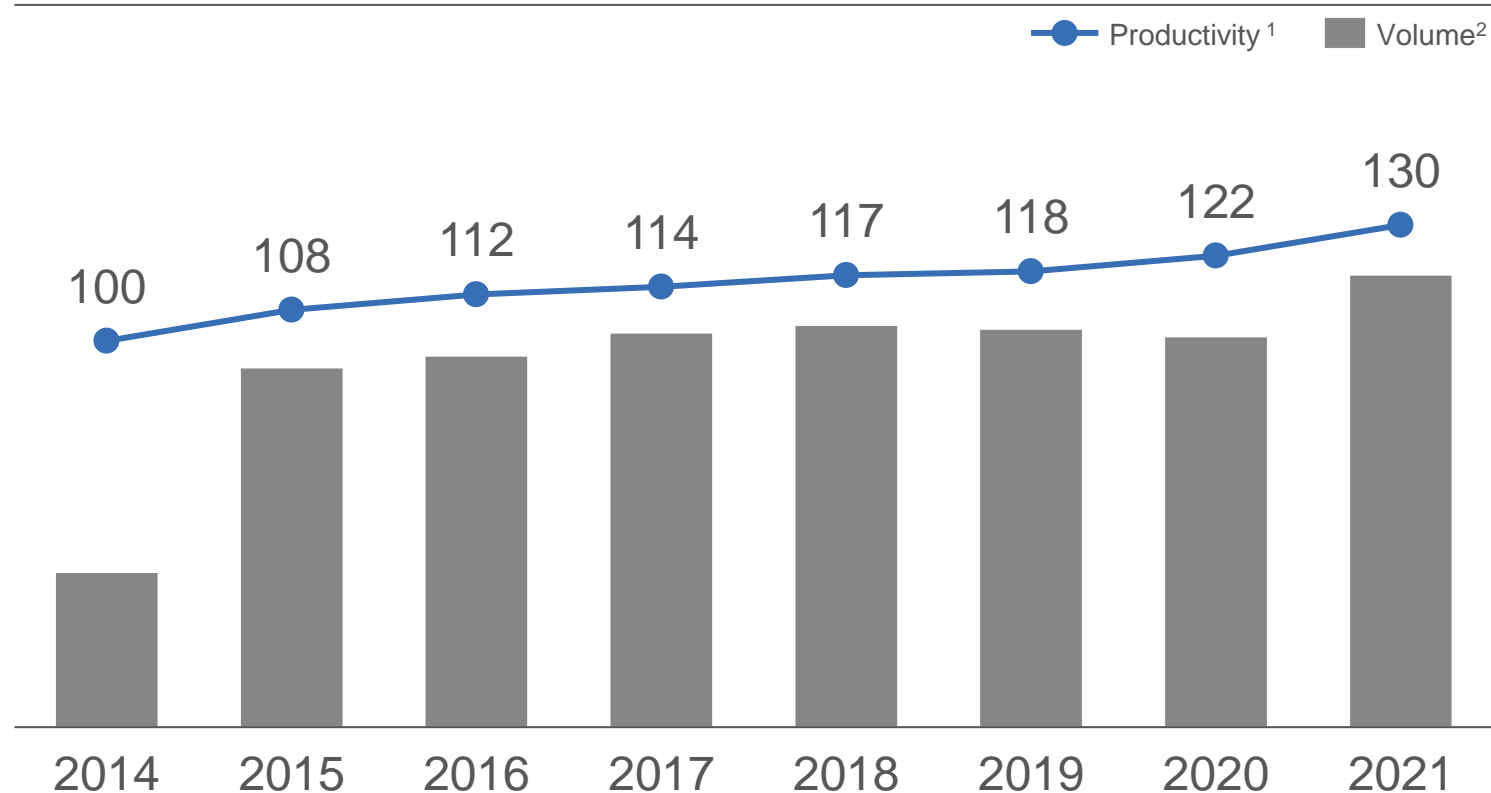


## Capacity increase for wall-hung toilets, Ekenäs (FI)

- New fully automated high pressure casting production cell with 4 tools
- Capacity of 60'000 rimfree wall-hung toilets
- CAPEX: CHF 4 million (2020-2022)

# Continuous productivity improvements of Geberit Plants

Productivity<sup>1</sup> and production volume<sup>2</sup>, indexed (2014 = 100)



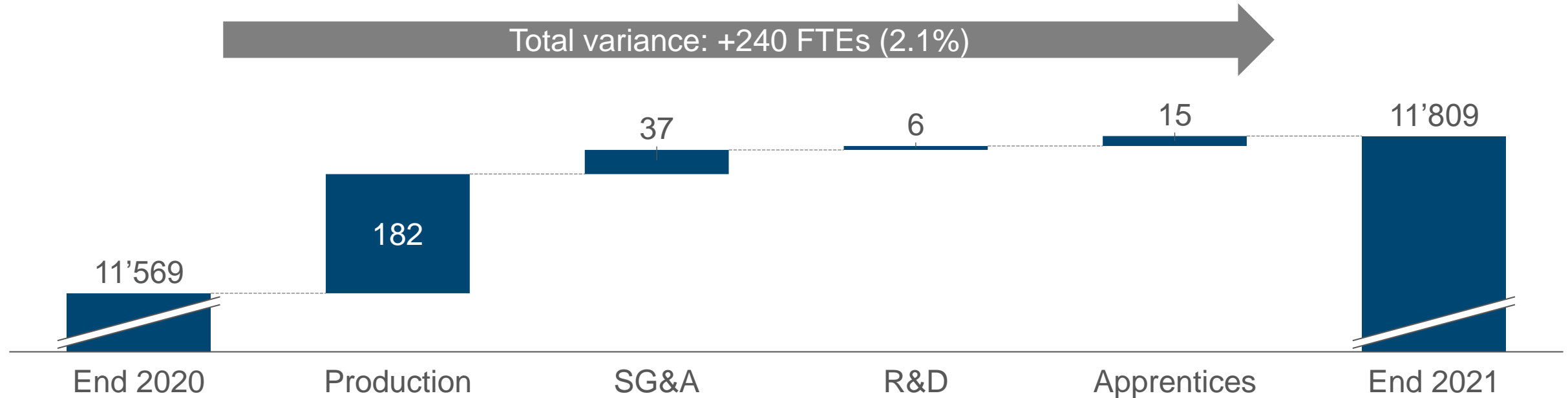
- Productivity improvement of +5.9% in 2021
- Key drivers
  - Closure of 3 smaller plants
  - Automation
  - Process improvements
- Average productivity gain of +3.8% p.a. since 2014

1 Industrial minutes per working hour

2 Industrial minutes

# Employees 2021 – Underproportional increase of number of employees

Number of employees, in FTE

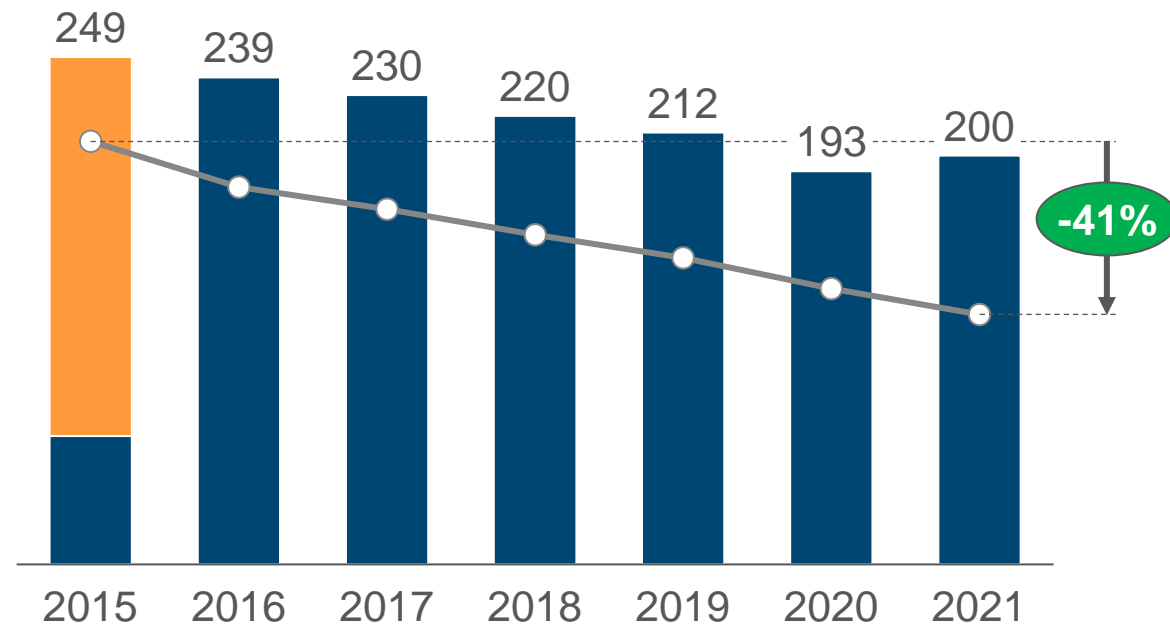


- Underproportional increase of headcount
- Additional employees mainly temps in production driven by strong volume growth

# Sustainability 2021 – Significant reduction of environmental impact since 2015

## Environmental impact 2015-2021

in UBP<sup>1</sup> billion



— Environmental impact in relation to net sales (c.a.) in %    ■ Sanitec  
(index: 2015 = 100)

- Sustainability strategy and team since 1990
- Comprehensive sustainability report since 2004
- Relative environmental impact<sup>2</sup> 2021: -9.3%
- Relative environmental impact<sup>2</sup> since 2015: -41%
- Main drivers
  - Relative energy consumption<sup>2</sup> since 2015: -38%
  - Relative water consumption<sup>2</sup> since 2015: -42%

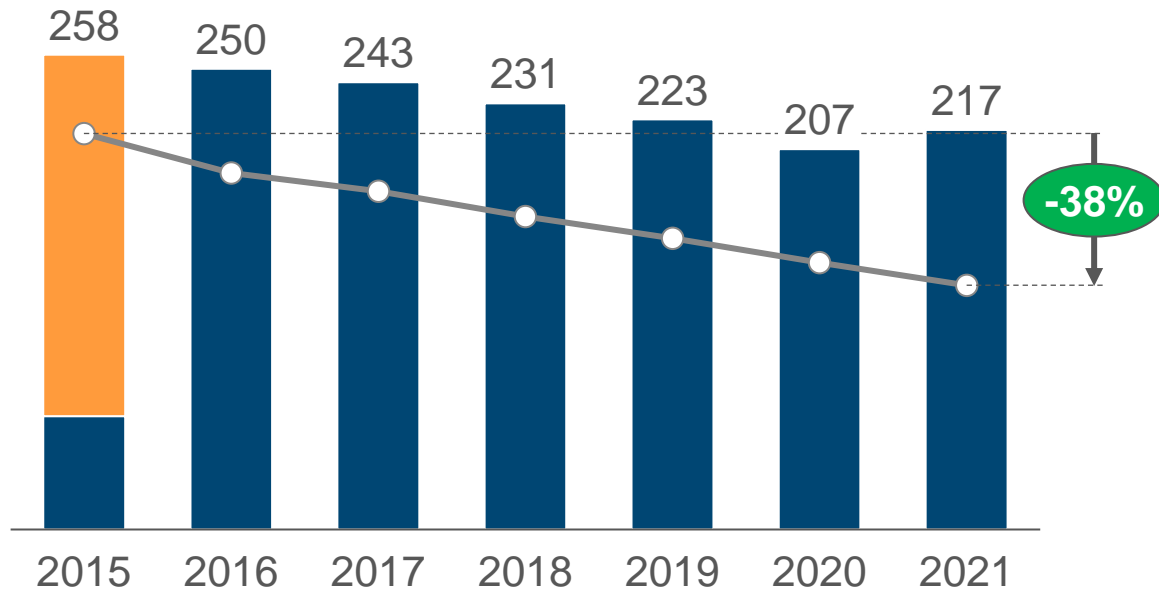
<sup>1</sup> Environmental impact measured in impact points (UBP) according to Swiss impact assessment method of ecological scarcity (version 2013)

<sup>2</sup> Relative to net sales



# Sustainability 2021 – Significant reduction of CO<sub>2</sub> emissions since 2015

## CO<sub>2</sub> emissions (Scope 1&2) 2015-2021 in thousand tonnes



— CO<sub>2</sub> emissions in relation to net sales (c.a.) in %  
(index: 2015 = 100)

■ Sanitec

1 relative to net sales

- Relative<sup>1</sup> CO<sub>2</sub> emissions 2021: -8.4%
- Relative<sup>1</sup> CO<sub>2</sub> emissions since 2015: -38%
- Main drivers
  - Energy saving technology in ceramics plants
  - Renewable energy sourcing
  - Upselling of ceramics portfolio



# Sustainability 2021 – Example of products reducing environmental footprint



## Less water consumption of iCon WC with optimized rimfree

- Reduced water consumption at same flush performance due to new flush diverter
- Reduction of water consumption up to 33%
- WC bowl calibrated and matched with Geberit flush systems



## Energy saving with Supertube & Sovent

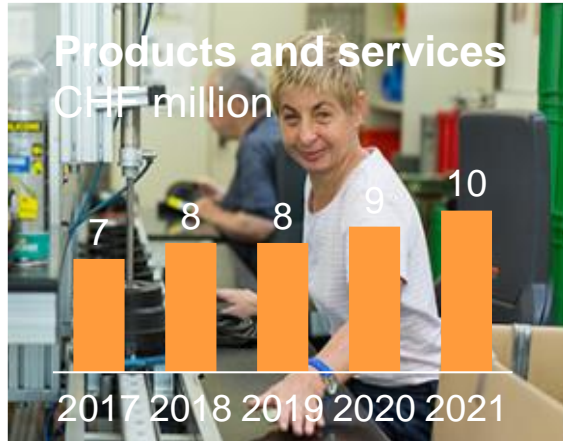
- Saves space, assembly time and material
- Total material savings of 360 t/a of HDPE
- Reduction of 40% or 1'940 t CO<sub>2</sub> per year



## Recyclable and less packaging for Hygienic Flush

- Packaging made of 100% recyclable cardboard, no expanded polystyrene any more
- Packaging volume reduced by 35% and packaging material reduced by 40%
- 85% less CO<sub>2</sub> emissions per article or reduction of 33 t CO<sub>2</sub> per year

# Social responsibility 2021



## Support of disabled and disadvantaged people

- Conscious awarding of contracts to workshops for people with disabilities
- Support of workshops in CH, DE, AT, FR, PL, SI with ~550 people
- Mainly assembly and packaging work
- Increase of sourcing amount from CHF 7 million to 10 million since 2017



## Social projects and donations

- Construction and installation of sanitary equipment in a vocational school with boarding school in Vinnytsia, Ukraine
- Donation of 4 truckloads of sanitary articles for orphanages and children's homes in Tiraspol in Moldova

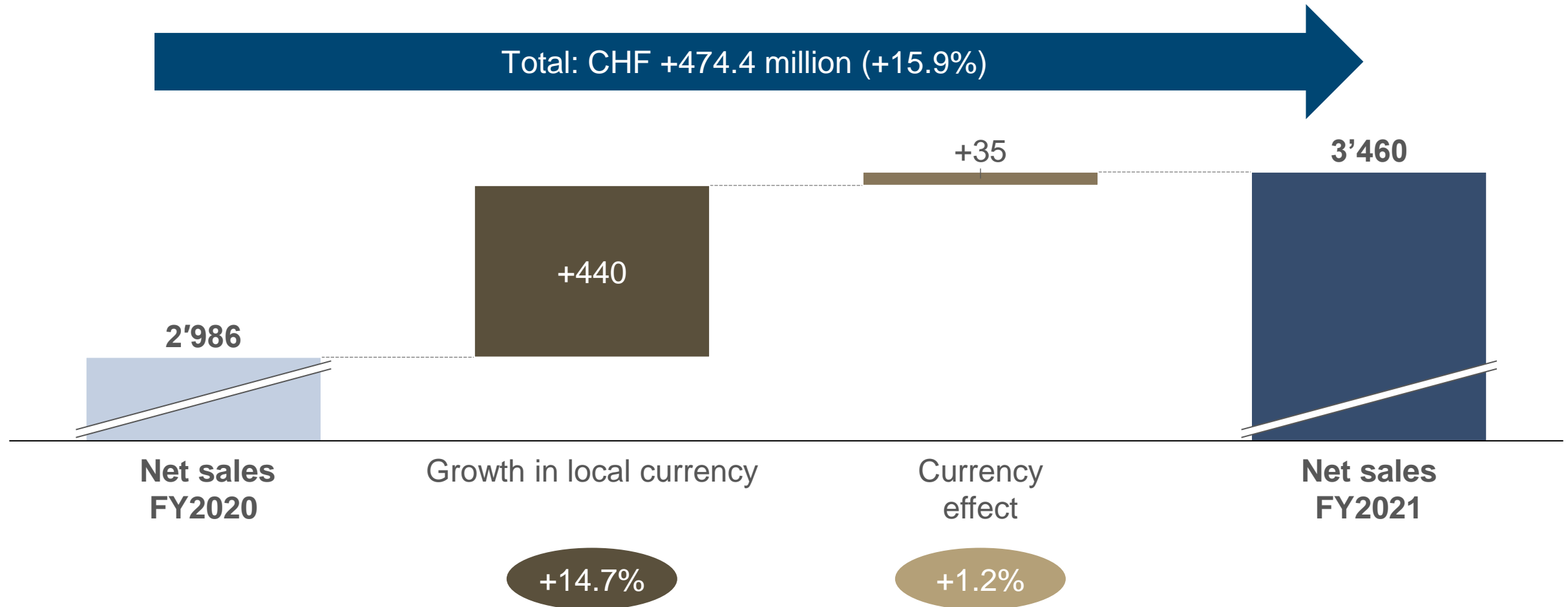
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# FY 2021 – Net sales growth in local currencies of +14.7%

Net sales, CHF million



# Net sales 2021 – Quarterly growth rates

Quarter	Net sales CHF million	Variance to prior year % c.a.	Comment
Q1	910	13.0%	<ul style="list-style-type: none"> <li>• Strong home improvement trend, catch-up from 2020</li> <li>• Base effect from COVID-19 crisis and lockdown in Q2</li> <li>• Home improvement trend</li> <li>• Inventory build-up of wholesalers</li> <li>• Extraordinary price increases</li> </ul>
Q2	924	34.1%	
Q3	855	6.6%	
Q4	773	7.7%	
<b>Full year</b>	<b>3'460</b>	<b>14.7%</b>	

# Net sales 2021 – Development in European mature markets

Country / Region	Net sales CHF million	Variance to PY		Comment	
		% CHF	% c.a.		
Europe – Mature markets	Germany	1'084	13.3%	11.9%	<ul style="list-style-type: none"> <li>• Home improvement trend</li> <li>• Inventory build-up of wholesalers</li> <li>• Price increases</li> </ul>
	Switzerland	329	7.5%	7.5%	
	Benelux	290	15.3%	14.0%	
	Italy	237	27.1%	25.4%	<ul style="list-style-type: none"> <li>• Base effect from hard lockdown of construction sites in Q2 2020</li> </ul>
	Austria	214	21.8%	19.9%	<ul style="list-style-type: none"> <li>• Strong growth after already strong PY</li> </ul>

# Net sales 2021 – Development in European expansion markets

Country / Region	Net sales CHF million	Variance to PY		Comment	
		% CHF	% c.a.		
Europe – Expansion markets	Eastern Europe	350	22.4%	25.4%	<ul style="list-style-type: none"> <li>Forex induced price increases in several countries</li> </ul>
	Nordic Region	331	11.4%	7.9%	<ul style="list-style-type: none"> <li>Double digit growth of behind-the-wall flushing systems</li> </ul>
	France	187	16.3%	14.9%	<ul style="list-style-type: none"> <li>Base effect from hard lockdown of construction sites in Q2 2020</li> </ul>
	UK/Ireland	108	18.1%	13.0%	
	Iberian Peninsula	27	26.5%	25.1%	



# Net sales 2021 – Development outside Europe

Country / Region	Net sales CHF million	Variance to PY		Comment
		% CHF	% c.a.	
Far East / Pacific	123	32.6%	28.8%	<ul style="list-style-type: none"> <li>• Strong performance in China</li> <li>• Strong recovery in India after hard lockdowns in 2020</li> </ul>
America	100	2.4%	5.1%	<ul style="list-style-type: none"> <li>• Component and labour shortages in H2 2021</li> </ul>
Middle East / Africa	82	28.3%	25.7%	<ul style="list-style-type: none"> <li>• Strong growth in North Africa</li> <li>• Double digit growth in South Africa despite difficult market environment</li> </ul>

# Net sales 2021 – Development by product areas

	Net sales CHF million	Variance to PY		Comment
		% CHF	% c.a.	
Installation & Flushing Systems	1'324	18.9%	18.0%	<ul style="list-style-type: none"> <li>• Strong growth of all 3 product areas</li> <li>• Weaker development of Bathroom Systems driven by H2 2021                             <ul style="list-style-type: none"> <li>– Stronger inventory effects in Installation &amp; Flushing and Piping Systems</li> <li>– Signs of slowdown home improvement trend vs. H1</li> </ul> </li> </ul>
Piping Systems	1'055	16.8%	15.3%	
Bathroom Systems	1'081	11.6%	10.4%	

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# Key figures 2021

CHF million	2021	2020	YoY
<b>Net sales</b>	<b>3'460</b>	<b>2'986</b>	<b>15.9%</b>
<b>EBITDA</b>	<b>1'069</b>	<b>925</b>	<b>15.6%</b>
<i>Margin</i>	30.9%	31.0%	
<b>EBIT</b>	<b>902</b>	<b>772</b>	<b>16.9%</b>
<i>Margin</i>	26.1%	25.8%	
<b>Net income</b>	<b>756</b>	<b>642</b>	<b>17.7%</b>
<i>Margin</i>	21.8%	21.5%	
<b>EPS (CHF)</b>	<b>21.34</b>	<b>17.95</b>	<b>18.9%</b>
<b>Free cashflow</b>	<b>809</b>	<b>717</b>	<b>12.8%</b>
<i>Margin</i>	23.4%	24.0%	
<b>ROIC</b>	<b>27.1%</b>	<b>23.2%</b>	<b>3.9%pp</b>

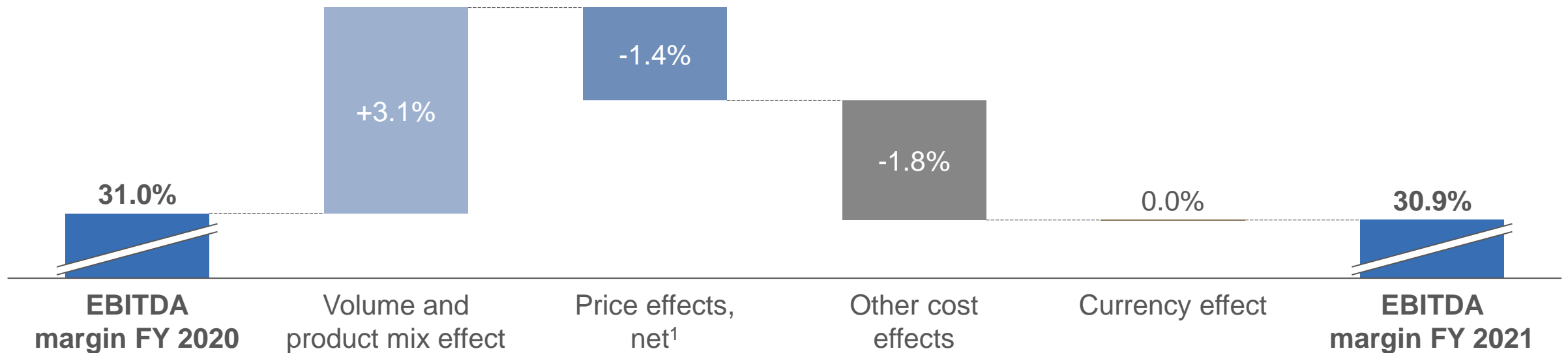
- Strong operational profitability despite significant price increases in raw material price, energy and logistics as well as normalizing marketing costs
  - Sales price increases
  - Strong volume effect
- Over proportional growth of EPS (vs. EBITDA) thanks to lower financing cost and share buyback
- Free cashflow driven by operating results despite higher investments
- ROIC increase driven by operating result improvements

# Income statement 2021

CHF million	2021	%	2020	%	% YoY
<b>Net sales</b>	<b>3'460</b>	<b>100.0%</b>	<b>2'986</b>	<b>100.0%</b>	<b>15.9%</b>
Cost of materials	997	28.8%	789	26.4%	26.4%
Personnel expenses	812	23.5%	750	25.1%	8.2%
Depreciation	134	3.9%	127	4.2%	5.8%
Amortisation of intangibles	34	1.0%	27	0.9%	24.3%
Other operating expenses, net	582	16.8%	522	17.5%	11.6%
<b>Total operating expenses, net</b>	<b>2'559</b>	<b>73.9%</b>	<b>2'215</b>	<b>74.2%</b>	<b>15.5%</b>
<b>Operating profit (EBIT)</b>	<b>902</b>	<b>26.1%</b>	<b>772</b>	<b>25.8%</b>	<b>16.9%</b>
<b>EBITDA</b>	<b>1'069</b>	<b>30.9%</b>	<b>925</b>	<b>31.0%</b>	<b>15.6%</b>

- Over-proportional increase of cost of materials by 26.4% due to strong raw material price increases
- Other cost positions with slower increase than net sales; strong increase of energy and logistics cost in Q4

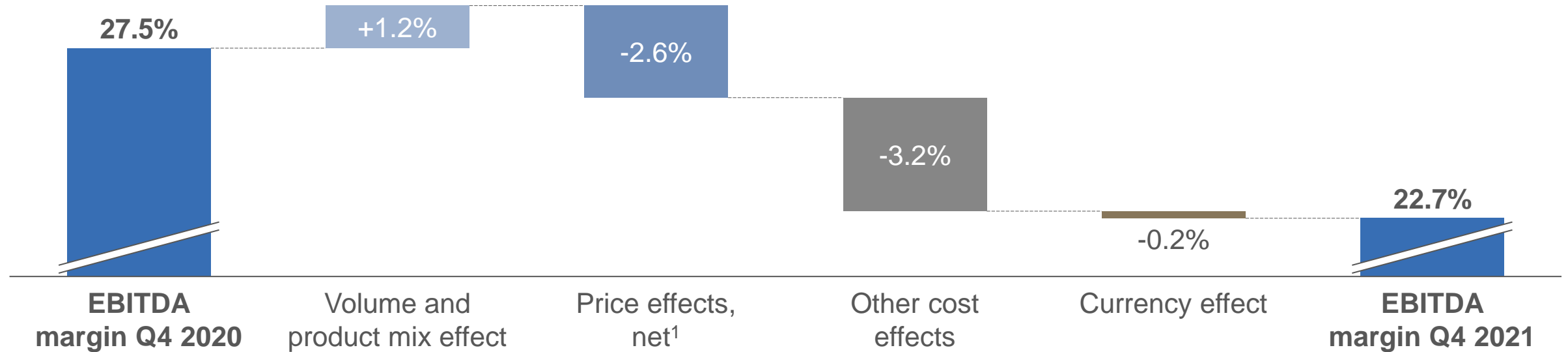
# EBITDA margin 2021 – Profitability remaining on high level



- Economies of scale largely driving profitability
- Negative net price effects due to higher raw material prices
- Negative other cost effects mainly driven by energy and logistics costs and normalizing marketing cost
- No currency effect on margins due to natural hedge

<sup>1</sup> Sales prices and raw material prices

# EBITDA margin Q4 2021 – Lower profitability due to price effects



- Volume effect driving profitability
- Negative net price effects due to higher raw material prices not fully compensated by price increases
- Negative other cost effects mainly driven by energy/freight costs, tariff and further normalizing cost base
- Only minor currency effect on margins due to natural hedge

<sup>1</sup> Sales prices and raw material prices

# Net income and EPS 2021 – Strong increase compared to previous year

CHF million	2021	%	2020	%	% YoY
<b>Operating profit (EBIT)</b>	<b>902</b>	<b>26.1%</b>	<b>772</b>	<b>25.8%</b>	<b>16.9%</b>
Financial result, net	-13	-0.4%	-17	-0.6%	22.7%
<b>Profit before income tax expenses</b>	<b>889</b>	<b>25.7%</b>	<b>754</b>	<b>25.3%</b>	<b>17.8%</b>
Income tax expenses	133	3.8%	112	3.8%	18.4%
<i>in % pre-tax profit</i>	<i>14.9%</i>		<i>14.8%</i>		
<b>Net income</b>	<b>756</b>	<b>21.8%</b>	<b>642</b>	<b>21.5%</b>	<b>17.7%</b>
EPS (CHF)	21.34		17.95		18.9%

- Over-proportional growth of net income due to lower financial expenses
- Further over-proportional growth of EPS driven by share buybacks



# Free cashflow 2021 – Strong increase to record level

CHF million	2021	2020	% YoY
<b>EBITDA</b>	<b>1'069</b>	<b>925</b>	<b>15.6%</b>
Changes in net working capital from operating core activities	21	-6	
Changes in the other positions of the net working capital	7	32	
Changes in provisions	21	29	
Income taxes paid	-134	-94	
Other non-cash income and expenses	15	14	
<b>Net cash from operating activities</b>	<b>999</b>	<b>900</b>	<b>11.0%</b>
<i>in % net sales</i>	<i>28.9%</i>	<i>30.1%</i>	
Purchase of PP&E and intangible assets, net	-166	-147	
Repayments of lease liabilities	-17	-24	
Interest and other financing cost paid, net	-7	-12	
<b>Free cashflow</b>	<b>809</b>	<b>717</b>	<b>12.8%</b>
<i>in % net sales</i>	<i>23.4%</i>	<i>24.0%</i>	

# Balance sheet 2021

CHF million	31.12.2021	31.12.2020
Cash and cash equivalents	511	469
Net working capital	157	181
Property, plant and equipment	956	934
Deferred tax assets	89	126
Other non-current assets and non-current financial assets	94	39
Goodwill and intangible assets	1'493	1'577
<b>Total assets</b>	<b>3'772</b>	<b>3'751</b>
Debt	784	779
Accrued pension obligations	291	347
Tax liabilities	118	130
Deferred tax liabilities	53	80
Deferred tax liabilities	53	80
Other non-current provisions and non-current liabilities	67	69
<b>Equity</b>	<b>1'988</b>	<b>1'922</b>
<i>Equity ratio</i>	<i>52.7%</i>	<i>51.2%</i>
<b>Net debt</b>	<b>273</b>	<b>310</b>
<i>Net debt / EBITDA</i>	<i>0.3</i>	<i>0.3</i>

## Dividend Ex 2021 – Proposed increase to CHF 12.50

CHF thousand	2021	2020
Net income Geberit AG	700'922	600'617
Balance brought forward	5'054	3'038
<b>Total available earnings</b>	<b>705'976</b>	<b>603'655</b>
Transfer to free reserves	250'000	190'000
Proposed / paid dividend	446'465 <sup>1</sup>	408'601 <sup>2</sup>
Balance to be carried forward	9'510	5'054
<b>Total appropriation of available earnings</b>	<b>705'976</b>	<b>603'655</b>

1 The Board of Directors proposes to the Geberit AG annual general meeting on April 13, 2022 a dividend of CHF 12.50 per share with dividend right. The actual amount of shares with dividend rights may change prior to the annual general meeting.

2 Dividend of CHF 11.40 per share

# Share buyback program

## Share buyback 2020 – 2022

	# '000	Avg. price / share	Total
<b>2020</b> (since September)	94	CHF 542	CHF 51 million
<b>2021</b>	250	CHF 664	CHF 166 million
<b>Total</b>	344	CHF 630	CHF 217 million

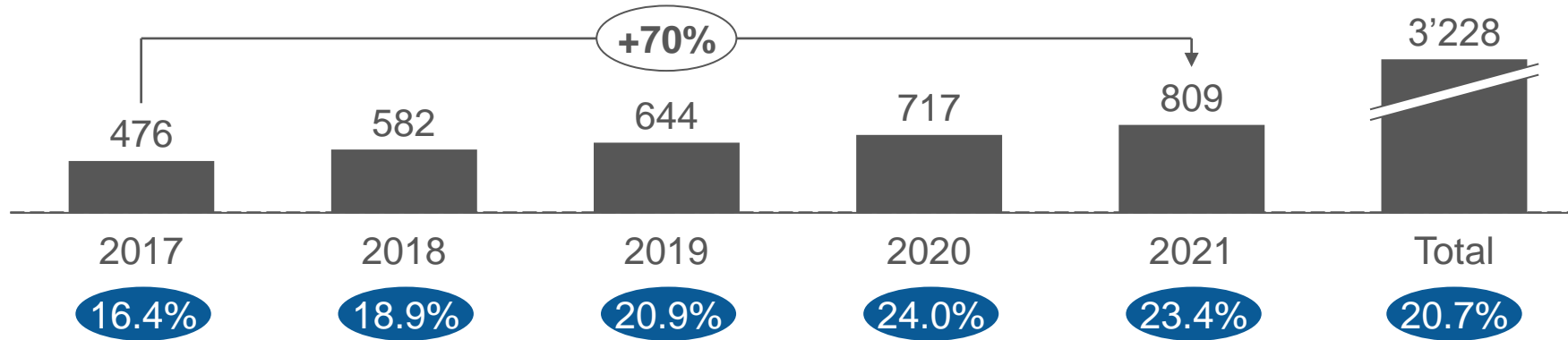
### Share buyback program

- Maximum volume: CHF 500 million
- Execution period: 2 years
- Start: September 17, 2020

# Free cashflow and distribution to shareholders

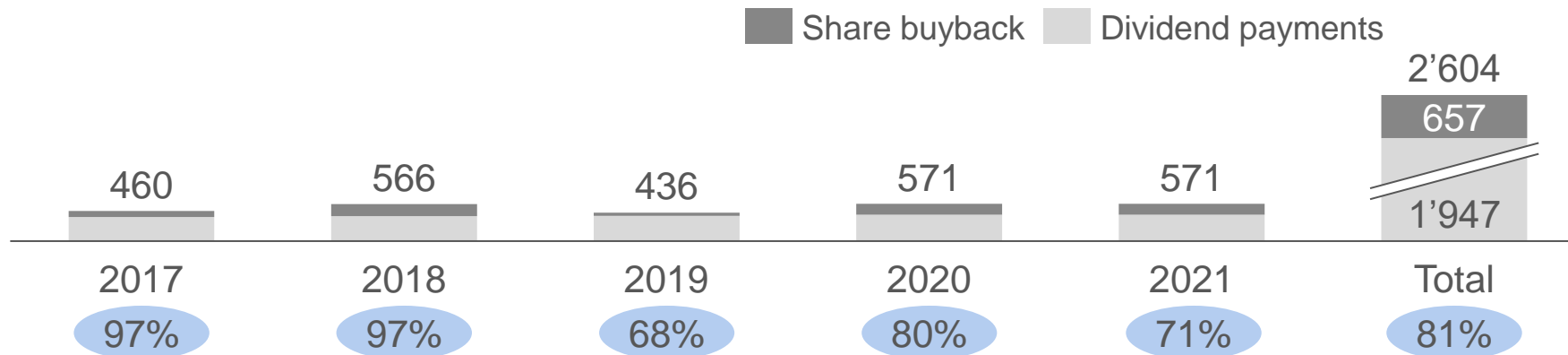
FCF margin  
Payout ratio

## Free cashflow, CHF million



- 4<sup>th</sup> consecutive year of double digit growth
- Average FCF margin 2017-2021 in % of net sales: 20.7%

## Distribution to shareholders, CHF million



- 2.6 billion CHF distributed to shareholders since 2017
- Average distribution to shareholders 2017-2021 in % of free cashflow: 81%

# Agenda

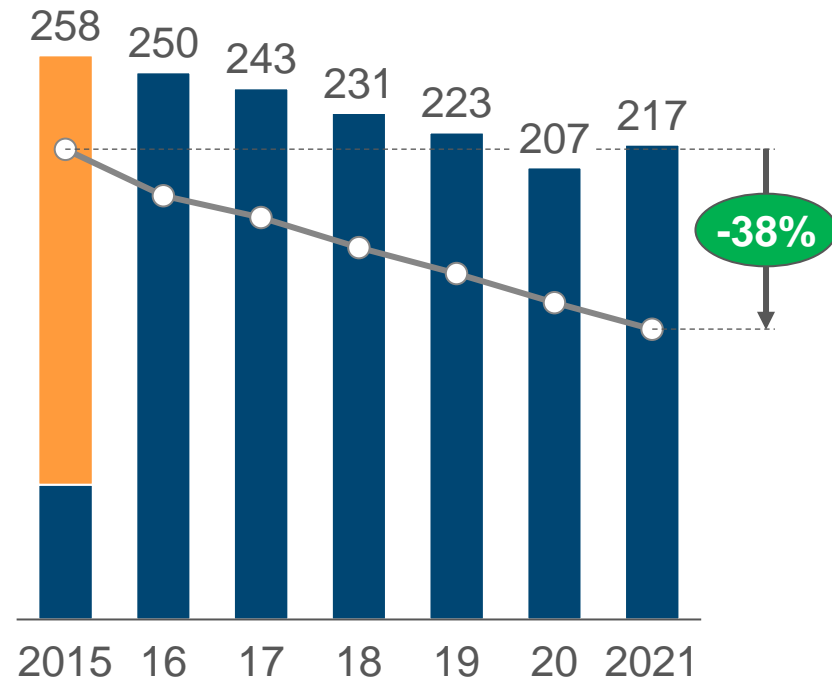
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# CO<sub>2</sub>-Strategy – Footprint and achievement since 2015

Scope 1 & 2

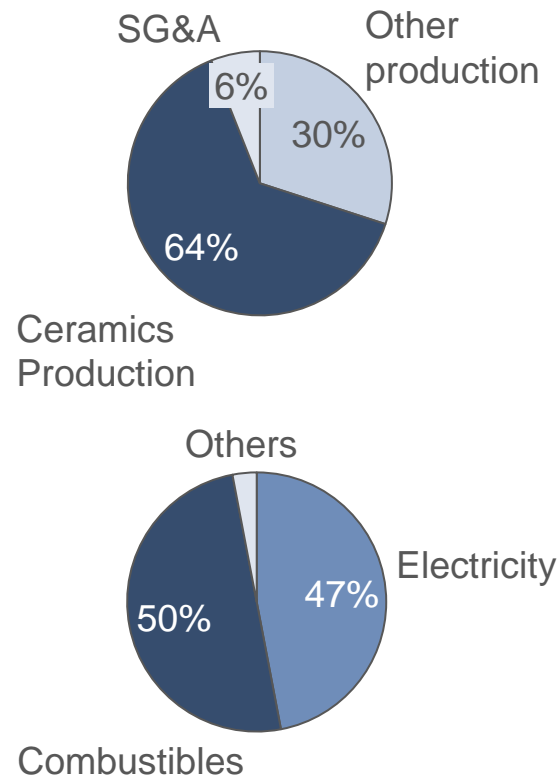
**CO<sub>2</sub> emissions**  
in thousand tonnes



— CO<sub>2</sub> emissions in relation to net sales  
(c.a.) in % (index: 2015 = 100)

Sanitec

**CO<sub>2</sub> emissions by type**  
2021



- Sustainability strategy and team since 1990
- CO<sub>2</sub> emissions since 2015
  - Relative<sup>1</sup>: -38%
  - Absolute: -16%
- Main drivers
  - Energy saving in ceramics plants
  - Renewable energy sourcing
  - Upselling of ceramics portfolio
- Platinum certificate 2021 by Ecovadis<sup>2</sup>

# CO<sub>2</sub>-strategy – overarching principles

## Our principles

- Credibility
- Measurable impact
- Accountability
- Realism
- Efficiency – based on regulated market approaches

## Not our principles

- Green-washing
- Marketing and reputation only
- Transferred responsibilities to future generations
- Ideological or dogmatic thinking
- Inefficient central planner approaches

- 
- Embed CO<sub>2</sub>-strategy in overall business strategy
  - Integrate CO<sub>2</sub> in existing business processes, e.g., Budget, MTP, and business decisions
  - Treat CO<sub>2</sub>-emissions as external costs with a “CO<sub>2</sub>-reduction price”



# CO<sub>2</sub>-Strategy – Measures

## Transparency

- Scope 1 & 2: Monthly CO<sub>2</sub>- and KPI reporting
- Scope 3: Improve transparency of CO<sub>2</sub>-footprint of products

## Accountability

- Focus on short-/mid-term targets
- Annual bonus relevant CO<sub>2</sub>-target (20% weight) and mid-term reduction of CO<sub>2</sub>-intensity by 5% p.a.

## CO<sub>2</sub>-Pricing

- Ecologically/economically efficient decision making
- Internal CO<sub>2</sub>-Pricing: reference price and project specific CO<sub>2</sub>-price

## Energy

- Energy reduction via energy masterplan and rolling CO<sub>2</sub>-forecasting for large plants
- Increase of renewable energy sourcing and evaluation of alternative energy harvesting, e.g., photovoltaics, PPA

## Structural reduction

- Scope 1 & 2: Reduction/reusage of ceramics waste; evaluation of new ceramics production technologies, e.g., H<sub>2</sub>
- Scope 3: Ecodesign for product development

## Offsetting or removal

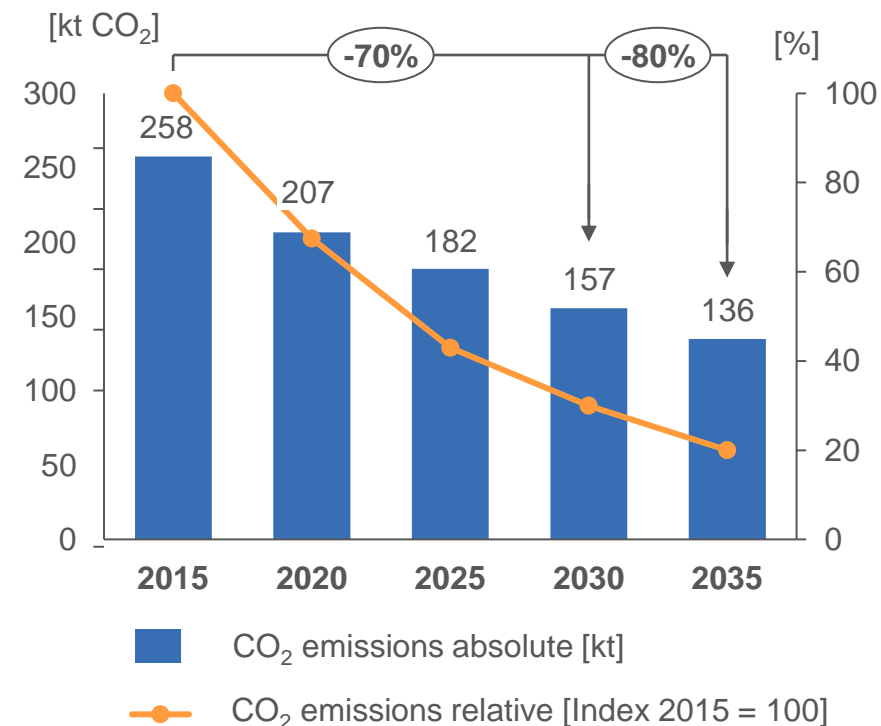
- External CO<sub>2</sub>-offsetting or -removal based on CO<sub>2</sub>-reference price

# CO<sub>2</sub>-targets, KPIs and impact

## Short-/mid-term targets and KPIs

- **Short-term target**
  - Bonus relevant (20% weight), annually defined CO<sub>2</sub>-target
  - Impact: 220 managers and 1'500 employees
- **Mid-term target**
  - Mid-term CO<sub>2</sub>-intensity reduction: -5% p.a.
  - Consistent with financial mid-term targets (Sales, EBITDA, ROIC)
- **Most important KPIs** (monthly monitoring, by plant)
  - Energy consumption [GWh]
  - CO<sub>2</sub>-emissions [tons]
  - Energy efficiency [kWh/piece equivalent]
  - Ceramics waste rate [%]
  - Ceramics CO<sub>2</sub>-efficiency [kg CO<sub>2</sub>/kg Ceramics]

## Long term impact



Absolute CO<sub>2</sub>-emissions in accordance with SBTi<sup>1</sup> well below 2°C target

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# Outlook 2022 – War in Ukraine

## Facts & Figures

- Net sales in Ukraine and Russia: ~2% of Group net sales
- Ukraine
  - Sales company with head office in Kiev and ~40 employees
  - Ceramics factory in Slavuta, mostly for local market, 300km west of Kiev, with ~550 employees
- Russia: Sales company with ~70 employees and headquarter in Moscow

## Current status

- Ukraine:
  - All activities closed
  - Employees: Mostly at home, several drafted to army or voluntary civil services, few fled abroad
- Russia:
  - Sales still possible: non dual-use products addressing basic human need for water and sanitation
  - Financial transactions still possible

# Outlook 2022

## Macro- economics

- Substantially increased geopolitical risk due to war in Ukraine
- Too early to assess potential impact on global and especially European economy

## Building construction

### Key questions for building construction market 2022

- Development of COVID-19 induced home improvement trend
- Recovery of new build segment after subdued development during COVID-19 crisis
- Impact of significant price inflation and interest rate environment on building construction demand
- Building component availabilities in the light of fragile supply chains

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# Product introductions 2022 – Piping Systems



## Further roll-out of new supply piping system FlowFit

- New pressing technology with faster, safer and easier installation
- Optimized flow characteristics, allowing smaller diameters and improved hygiene
- 2021: Successful launch in DE, AT, CH, NL
- 2022: Further roll-out in IT, BE, Nordics, HR, SI



## Offset fitting for Silent-db20 drainage piping system

- Fitting to overcome horizontal offsets often found in vertical drainage pipes between floors
- Tension-free ball-joint – faster and easier vs. common installation with two short bends
- Improved acoustics



# Product introductions 2022 – Installation & Flushing Systems



## Flush valve Typ212 for all 12cm concealed cisterns

- Perfectly adjustable WC-flushing valve
- Compact and easier to install valve due to smaller diameter is easier to install
- Backwards compatible to flush valves from 2001 onwards



## Alpha 8cm – new concealed cistern for India

- Flexible – slim cistern for different local onsite situations
- Way of installation and support made for the local craftsmen
- Geberit quality adapted to the local building costs situation



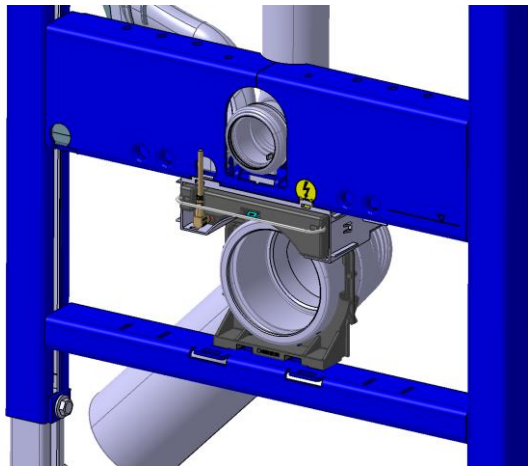


# Product introduction 2022 – “Public” Connectivity and WC power supply



## Connectivity across Public Portfolio

- Simplified connectivity for all public products via standard mobile device and Bluetooth interface
- Improved cleanliness and sustainability through optimized water usage due to systematic data gathering and analytics



## WC Power and Communication Plug

- Power supply and communication box at WC
- Clear separation of trades (electrician / plumber)
- Easy Plug & Play solution for WC upgrades (e.g., AquaClean, odour extraction, WC-Controls, hygiene flush)

# Investments 2022 – Capacity expansion & efficiency increase



## Plant and capacity expansion, Lichtenstein (DE)

- Expansion of plant for installation frames and pre-fab installation systems
- Additional, fully automated production line
- CAPEX: EUR 56 million (2021 - 2024)
- Payback: 3.3 years

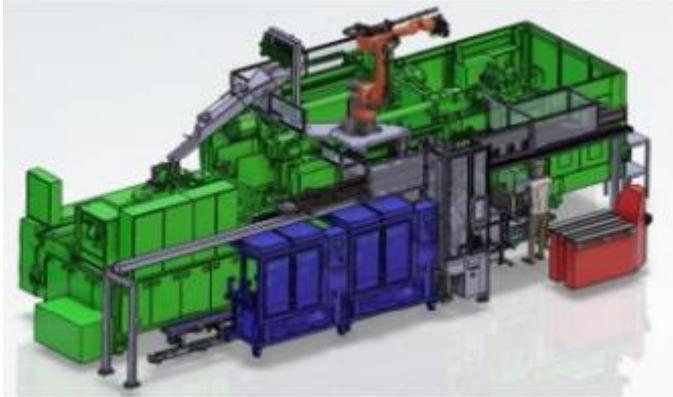


## Capacity expansion flush valves, Pfullendorf (DE)

- New automated assembly line for new Flush valve Typ212
- CAPEX: EUR 1.8 million (2021 - 2024)
- Payback: 0.6 years



# Investments 2022 – Capacity expansion & efficiency increase



## Capacity expansion FlowFit, Jona (CH)

- Additional injection molding machines and assembly lines
- Increase of capacity for FlowFit by 80%
- CAPEX: CHF 7 million (2022 - 2023)
- Payback: 4 years



## Modernization Mapress production, Langenfeld (DE)

- Increase of efficiency and quality of welding of stainless-steel fitting
- Higher flexibility and shorter lead time
- CAPEX: EUR 6 million (2022)
- Payback: 5.8 years

# Investments 2022 – Capacity expansion & efficiency increase



## Automation of glazing, Carregado (PT)

- Automated glazing line with better process control
- Improved yield, better quality and less glaze consumption
- CAPEX: CHF 4.5 million (2021 - 2023)
- Payback: 3.4 years



## Capacity expansion wall-hung WC, Ekenäs (FI) & Haldensleben (DE)

- Installation of new high pressure casting cells and casting benches
- Better utilisation of existing capacities, increase of efficiency and improvement of quality
- Capacity increase 2021 to 2025: +40%
- CAPEX: EUR 19 million

# Further priorities 2022

## Digitalisation

- Further extension and increased capacities for digital product data availability
- Additional IT capacity, e.g., for sales & marketing tools, IT security
- Additional yearly spending of CHF 15 million as of 2022, mainly personnel and OPEX

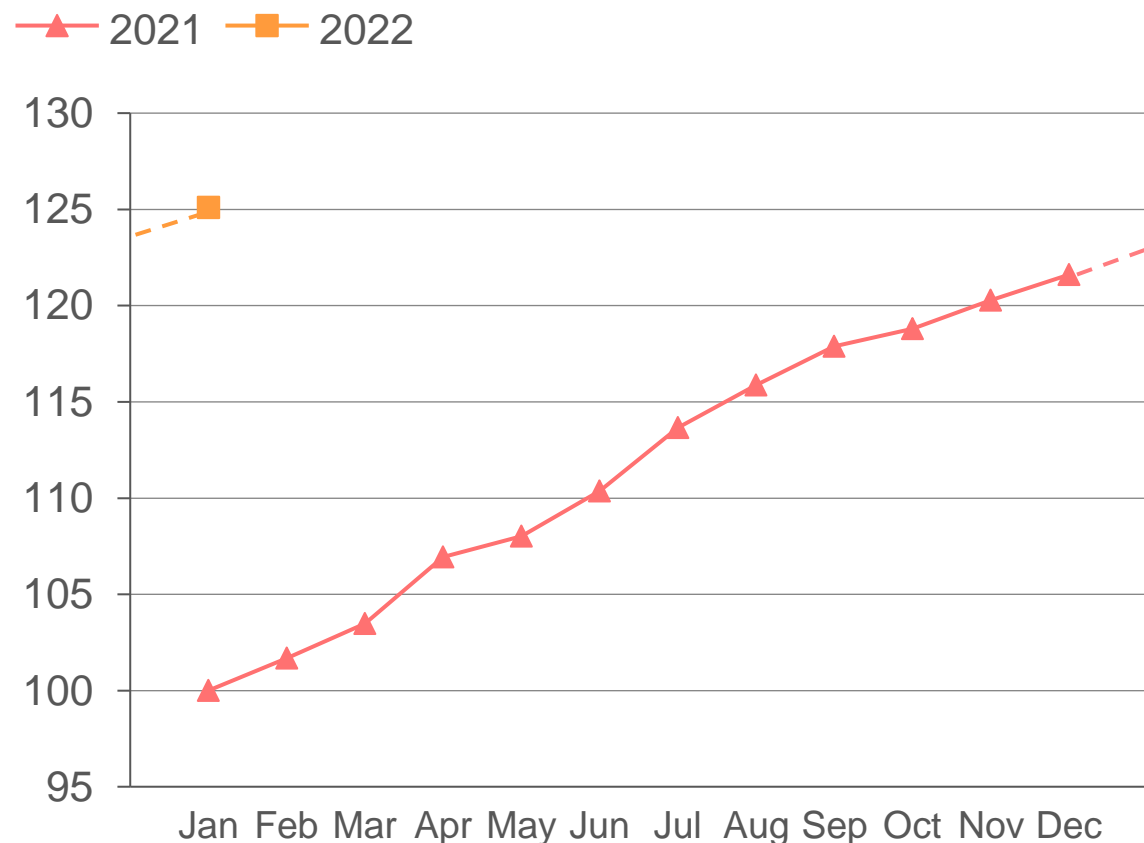
## Marketing

- Further normalization of marketing spend, e.g., for physical events
- New exhibition concept “House of Geberit” and showroom tool for “Geberit ONE”
- Additional spending of CHF 10 million in 2022

# Raw material prices – Historical increase in 2022

## Geberit: Monthly raw material prices (currency adjusted)

Index: Jan 2021 = 100



- Significant headwinds in 2022 from raw material price increase in 2021
- Raw material prices in Jan 2022 +25% vs. Jan 2021
- Significant increase of energy prices since Q3 2021
- Expected raw material price Q1 2022: 5%-6% vs. Q4 2021
- Several sales price increases to mitigate raw material impact
  - April 2021: regular
  - July 2021: extraordinary
  - January 2022: extraordinary
  - April 2022: regular and stronger than usual



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# Summary – 2021 as a record year for Geberit

- Record net sales growth and bottom-line results
- Stable margins on industry leading level due to successful supply chain management and pricing power
- 4<sup>th</sup> consecutive year of double digit growth of free cashflow
- Important new products introduced despite COVID-19 restrictions
- Further expanded, strengthened and digitized customer relations
- Further improvement of productivity despite extraordinary growth and supply chain challenges
- Significant reduction of CO<sub>2</sub>-intensity – new strategy defined with focus on accountability and CO<sub>2</sub>-pricing





# Summary – Outlook 2022

- Substantially increased geopolitical tensions and risks
- Too early to assess impact on global and European economy
- Limited direct business exposure of Geberit in Ukraine and Russia
- Significant headwind from increased raw material / energy prices, wage inflation and supply chain risks
- Priorities for Geberit in 2022
  - Gain further market shares, e.g., with newly introduced products in recent years
  - Leverage pricing power to mitigate cost inflation
  - Further leverage combined position behind and in front of the wall
  - Execute capacity and various improvement projects, e.g. digitalization strategy
  - Further reduction of CO<sub>2</sub>-intensity

# Summary – Strong fundamentals delivering industry leading long-term results

- Focused strategy avoiding distractions
- Decision maker oriented business model
- Innovation & sustainability focus
- Efficiency focus with continuous investments
- Functional and lean organisation
- Strong, down-to-earth company culture

Net sales (c.a.)

**+9%**

CAGR 2014 - 21

EBITDA (c.a.)

**+9%**

CAGR 2014 - 21

EPS (c.a.)

**+11%**

CAGR 2014 - 21

Free cashflow (in CHF)

**+8%**

CAGR 2014 - 21

Plant productivity  
(in IM/h<sup>1</sup>)

**+4%**

CAGR 2015 - 21

Relative CO<sub>2</sub> emissions

**-8%**

CAGR 2015 - 21

Note: all figures include M&A and divestments

# Important dates in 2022

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- April 13, 2022
  - April 21, 2022
  - May 4, 2022
  - August 18, 2022
  - November 3, 2022
  - Annual general meeting
  - Dividend payment
  - Interim report first quarter 2022
  - Media release and conference call
  - Information on the half-year results 2022
  - Media release and conference call
  - Interim report third quarter 2022
  - Media release and conference call
-

# Disclaimer

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The statements in this presentation relating to matters that are not historical facts are forward-looking statements that are not guarantees of future performance and involve risks and uncertainties, including but not limited to: future global economic conditions, foreign exchange rates, regulatory rules, market conditions, the actions of competitors and other factors beyond the control of the company.

All financial information included is audited except quarterly sales, analyses to impact of currencies, non-organic impact, one-off adjustments as well as the development of the EBITDA margin. Quarterly figures are prepared under the same recognition and measurement principles applied for the audited annual financial statements.

