

Ad hoc announcement pursuant to Art. 53 LR

Half-Year Report as of 30 June 2024

Convincing results in the first half of the year

Geberit AG, Rapperswil-Jona, 15 August 2024

The Geberit Group posted convincing results in a very challenging environment in the first half of 2024. Despite the declining building construction industry and unfavourable currency developments, it was possible to achieve slight volume growth and maintain profitability at a high level. In Swiss francs, net sales decreased by 1.4% to CHF 1,638 million, but rose in currency-adjusted terms by 1.7%. Operating cashflow (EBITDA) reached CHF 518 million. The EBITDA margin fell by 10 basis points to 31.6%; in local currencies, an increase of 40 basis points was generated. Earnings per share fell by 3.3% to CHF 10.57. In local currencies, however, the increase was 0.9% despite a significantly higher tax rate due to the OECD minimum taxation law. For 2024 as a whole, Management expects net sales in local currencies to be at the prior-year level and an EBITDA margin of around 29%.

Net sales

In the first half of 2024, net sales for the Geberit Group decreased by 1.4% to CHF 1,638 million. Adjusted for negative currency effects in the amount of CHF 52 million, however, an increase of 1.7% was achieved. This development was positively influenced by a weak prior-year period and the rebuilding of inventories at wholesalers. However, demand and the corresponding sales volumes in the end markets continued to decline.

Net sales in the second quarter reached CHF 801 million, which is equivalent to an increase of 4.1% compared to the same quarter in the previous year. Adjusted for currency effects, this resulted in an increase of 5.2%.

Net sales by markets and product areas

The European markets continued to suffer the most from the very challenging conditions for the sanitary industry. Nevertheless, currency-adjusted net sales in Europe increased by +1.1%. Significant increases were achieved in Eastern Europe (+11.3%) and Italy (+5.7%). Germany (+1.7%) and Benelux (+1.1%) also made slight gains. Currency-adjusted net sales in Switzerland (-0.5%) and Austria (-1.2%) were slightly down on the previous year. By contrast, Western Europe (Great Britain/Ireland, France, Iberian Peninsula) and Northern Europe recorded more pronounced declines of -3.3% and -5.1% respectively. Outside Europe, positive currency-adjusted increases were achieved in the Middle East/Africa (+9.4%), the Far East/Pacific (+6.0%) and America (+2.0%).

In the product areas, currency-adjusted net sales in Installation and Flushing Systems and Piping Systems both increased by +2.5%. Bathroom Systems, on the other hand, recorded a slight decline of -0.3%.

Results

The unfavourable currency developments had a strong negative impact on the results of the first half of the year at all levels. In currency-adjusted terms, however, positive development was recorded on all levels with the exception of net income. Volumes were slightly higher than the weak prior-year period, as declining market demand was offset by the rebuilding of inventories at wholesalers. The lower direct material costs compared to the previous year had a positive impact. On the other hand, high wage inflation in many countries had a negative impact. Furthermore, investments were made in various projects to strengthen the company's market position; these included growth initiatives in selected developing markets, marketing expenses for the launch of new products and for celebrating the 150th anniversary of the Geberit Group, plus various digitalization and IT projects.

Overall, operating cashflow (EBITDA) fell by 1.6% to CHF 518 million, but in currency-adjusted terms this resulted in an increase of 3.1%. Compared to the strong prior-year period, the EBITDA margin fell by only 10 basis points to 31.6%; after adjusting for currency effects, the increase was 40 basis points. Operating profit (EBIT) declined by 1.9% to CHF 444 million (currency-adjusted +3.2%), corresponding to an EBIT margin of 27.1% (previous year 27.2%). Net income decreased by 5.0% to CHF 350 million, corresponding to a return on net sales of 21.4% (previous year 22.2%). The reason for the sharper decline in net income was the significantly higher tax rate, which was primarily driven by the OECD minimum taxation law in force since 2024. In terms of earnings per share, the positive effects of the share buyback programme led to a smaller decline compared to the development of net income. Earnings per share decreased by 3.3% to CHF 10.57 (previous year CHF 10.93). In local currencies, earnings per share increased by 0.9%. Despite the very challenging environment, free cashflow increased by 17.0% to CHF 217 million due to positive effects from the change in net working capital and lower capital expenditure.

Financial situation

The Geberit Group's financial situation remains very solid. Net debt (debt less liquid funds) increased by CHF 56 million to CHF 1,340 million compared with the figure after the first six months of the previous year. The equity ratio decreased accordingly to 32.9% (previous year 35.1%).

The share buyback programme started in June 2022 was concluded on 20 June 2024. In total, 1,266,678 registered shares – representing a total of CHF 600 million and corresponding to 3.6% of the share capital currently entered in the Commercial Register – were repurchased. The buyback was carried out via a separate trading line for the purpose of a capital reduction.

Number of employees

At the end of June 2024, the Geberit Group employed 11,067 people worldwide (FTE; end of 2023: 10,947). The slight increase is due to capacity adjustments in production and logistics due to the once again slightly higher volumes compared to the previous year as well as the aforementioned growth initiatives in developing markets.

Outlook full year 2024

Due to the challenging conditions, the building construction industry is expected to decline overall in 2024. In the past two years, increased construction costs and interest rates have significantly dampened demand in the European building construction industry – especially in the new building sector. Driven by the weak development in residential construction, the number of building permits in Europe decreased by around -15% in 2023, leading to a corresponding decline in new building activities in the current year. Building permits in Europe continued to decline by -5% in the first quarter of 2024. The sharpest decline is expected in Northern Europe, Germany and Austria. However, new building activities in Switzerland are expected to develop more positively due to the lower inflation and lower interest rates. In contrast, a more robust

development is expected in the global renovations business, which accounts for around 60% of Geberit sales. This is primarily due to the following reasons:

- a fundamental need for renovations in several European countries, and
- no additional pressure caused by the shift in demand from sanitary to heating solutions, as seen in the previous year.

Despite the negative overall forecasts for the European building construction industry in 2024, the interest rate cuts that have already taken place in some cases and any further reductions that may take place over the course of the year as well as the structural trend towards higher sanitary standards should positively stimulate demand. In the markets outside Europe in which Geberit is active, a mixed picture is expected for this year, with strong demand in India, the Gulf Region and Egypt, for example, and with a decline in China.

Regardless of the challenging market environment, the objective for 2024 remains to further strengthen the company's market position. This should be achieved by the two guiding principles of 1) strategic stability and 2) operational flexibility. The objective is to overcome the challenges caused by the uncertain volume development without harming the medium-term potential.

As already announced on 7 May 2024, a new share buyback programme is to be launched in the third quarter of 2024. Over a period of two years, registered shares amounting to a maximum of CHF 300 million are to be repurchased. The registered shares will be repurchased via a second trading line on the SIX Swiss Exchange for the purpose of a capital reduction.

For 2024 as a whole, Management expects net sales in local currencies to be at the prior-year level and an EBITDA margin of around 29%. The EBITDA margin in the second half of the year is always lower than in the first half due to seasonal factors.

Management is convinced that it will emerge stronger from this challenging and declining market environment. This assessment is based on the stable and long-term strategy, the proven business model with strong customer relationships and the industry-leading financial stability.

For further information, please contact:

Geberit AG

Schachenstrasse 77, CH-8645 Jona

Christian Buhl, CEO

Tel. +41 (0)55 221 63 46

Tobias Knechtle, 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 and is celebrating its 150th anniversary in 2024. 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 26 production facilities, of which 4 are located overseas. The Group is headquartered in Rapperswil-Jona, Switzerland. With around 11,000 employees in approximately 50 countries, Geberit generated net sales of CHF 3.1 billion in 2023. 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 June 2024

Millions of CHF	1/1 – 30/06/2024	1/1 – 30/06/2023
Net sales	1,638	1,662
Change in %	-1.4	-14.1
Change in %, currency-adjusted	+1.7	-9.2
Operating cashflow (EBITDA)	518	526
Change in %	-1.6	-6.2
Margin in % of net sales	31.6	31.7
Operating profit (EBIT)	444	453
Change in %	-1.9	-6.3
Margin in % of net sales	27.1	27.2
Net income	350	369
Change in %	-5.0	-8.4
Margin in % of net sales	21.4	22.2
Earnings per share (CHF)	10.57	10.93
Change in %	-3.3	-5.4
	30/06/2024	30/06/2023
Equity	1,176	1,227
Equity ratio in %	32.9	35.1
Net debt	1,340	1,284
	30/06/2024	31/12/2023
Number of employees (FTE)	11,067	10,947

Please visit our website www.geberit.com as well as our half-year report on www.geberit.com/halfyearreport for additional information.