

Business Report

Editorial

**Dear shareholders,**

Another demanding business year is behind us. Despite challenging conditions in the building construction industry in Europe, we were able to significantly increase sales and sales volumes. In this regard, the development of newly introduced products, broad-based growth in the markets and high market acceptance were all very pleasing. Operating margins were only slightly below the previous year's level. Without the one-off costs resulting from a plant closure, operating margins would have increased, thanks in part to efficiency improvements. At the same time, investments continued in the innovation pipeline and all important, larger investment projects were carried out as planned. This enabled us to further expand and strengthen our market position as leading supplier of sanitary products.

Sales growth significantly above market development

In 2025, net sales for the Geberit Group increased by 2.5% to CHF 3,163 million. Adjusted for negative currency effects of CHF 72 million, the increase came to 4.8%. This was driven by strong volume growth as a result of the continuing very pleasing development of newly introduced products and growth in most European countries/regions. With a share of 25%, the countries outside Europe made a disproportionately high contribution to the pleasing sales growth of the Group – despite the market collapse in China.

Convincing operating results

In a continuing challenging market environment, operating margins were slightly below the previous year's level – this includes the one-off costs for the closure of a German ceramics plant, which was announced in January 2025, of EUR 18 million (60 basis points) at the EBITDA level and EUR 24 million at the EBIT level. Excluding these one-off costs, the EBITDA margin would have increased

by 40 basis points. The pleasing volume growth, increases in efficiency and the slightly lower direct material costs compared to the previous year had a positive impact on margins. Wage inflation, higher energy prices, investments in growth initiatives in selected developing markets, various digitalisation and IT projects and negative currency developments had a reducing impact.

In total, we posted an operating cashflow (EBITDA) of CHF 931 million, corresponding to an increase of 2.0%; after currency adjustments, we achieved an increase of 5.3%. As a result of the aforementioned one-off costs, the EBITDA margin was slightly below the previous year's level of 29.6% at 29.4%. Net income reached the prior-year level at CHF 598 million (+0.1%), corresponding to a return on net sales of 18.9% (previous year 19.4%). If the one-off costs were excluded, net income would amount to CHF 617 million, with a return on net sales of 19.5%. Compared to the developments recorded in net income, earnings per share recorded a more positive development of +0.5% to CHF 18.15 (previous year CHF 18.06) due to the positive effects of the share buyback programme; excluding the one-off costs and in local currencies, earnings per share would be CHF 19.59, corresponding to a significant increase of 8.5%.

Free cashflow developed positively, with an increase of 7.4% to CHF 659 million (previous year CHF 613 million). The main reasons for the increase were the higher operating cashflow and the lower investment volume compared to the previous year. The free cashflow margin was 20.8% (previous year 19.9%).

Survey confirms high level of commitment and satisfaction among employees

At the end of 2025, we employed a total of 11,278 people (FTE) worldwide. This corresponds to an increase of 168 employees or +1.5% compared to the previous year. The increase is due to capacity adjustments in production and logistics as a result of the higher volumes compared to the previous year, as well as a reinforcement and expansion in sales.

A Group-wide survey carried out during the reporting year confirmed the high level of commitment among employees and their high satisfaction regarding the working conditions. The response rate was 82% and thus three percentage points higher than the last survey in 2021. The results show that we were able to follow up on the strong results from the survey in 2021 and achieve significant improvements in several areas, such as development opportunities for employees. In general, the results reflect the positive perception of the employees while also giving

valuable impetus for further development in individual fields of action. Pleasingly, the vast majority of results were also significantly above the reference values from industrial companies.

Inclusion as part of social commitment

We see the integration of disadvantaged people in the labour market as part of the company's social commitment. An inclusive culture is cultivated in which jobs are created for people with disabilities. At the end of 2025, 291 (FTE) of these inclusive jobs were located directly in the company, which corresponds to 2.6% of the total workforce. In addition, external workshops specialising in integrating people with disabilities in the workforce are contracted for various assembly and packaging jobs. In the reporting year, the volume of work contracted to such external partners was equivalent to 447 FTE. This means that a total of 738 full-time positions were created for people with disabilities, which corresponds to 6.5% of our total workforce.

Customer proximity leads to high levels of customer satisfaction

The most important part of the diverse market cultivation activities is carried out by the employees in field service at the various local sales companies. They are in daily contact with wholesalers, plumbers, sanitary engineers, showroom employees, real estate investors and architects. Despite the continued weak building construction industry, our sales organisation maintained the number of individual customer contacts at a high level. In the reporting year, we also presented the concept of "Mastering Water" for the first time at the International Sanitary and Heating Fair (ISH) in Frankfurt (DE), where we demonstrated our extensive expertise in managing, directing and using the flow of water in buildings, thereby further strengthening our brand values. We are convinced that a solid presence on the market, looking for direct contact with professional customers, and fostering and enlarging the network of contacts is important – particularly in a challenging market environment.

In the reporting year, we were able to provide around 88,000 professionals with face-to-face training on products, tools, software tools and installation skills at the 30 Geberit Information Centres in Europe and overseas. At the same time, counter days and local and digital events were organised in numerous markets – often together with wholesalers – to inform craftsmen about new products. 102,000 customers took part in such events. Web-based seminars and training courses now occupy a firm and important place in our training offer. 20,000 participants took part in the past year.

We offer support to our professional customers in their daily work that meets their needs as much as possible with digital tools. Various applications are used to assist professionals in the planning and calculation of sanitary installations or in the commissioning and maintenance of devices. End users can find inspiration for their bathroom design in a range of different applications.

New products for our markets worldwide

In 2025, we once again expanded our product range, launching numerous new products on the market. The most important new products in 2025 centred around the WC System, whereby the successful launch of the new Duofix installation element with many new functions and simplified assembly stood out in particular. Additionally, there was again a focus on products that have been successfully launched in previous years – such as the Geberit FlowFit and Mapress Therm piping systems or the Alba shower toilet.

Our innovative strength, which is above average for the sector, is based on our own, wide-ranging research and development activities. In the reporting year, a total of CHF 86 million – or 2.7% of net sales – was invested in the development and improvement of products, processes and technologies. In order to protect our know-how, we have applied for a total of 144 patents over the past five years.

Strategic stability in the plants in a challenging market environment

Investments in property, plant and equipment and intangible assets amounted to CHF 173 million in 2025. As a percentage of net sales, the investment ratio was 5.5%. We carried out all important, larger investment projects as planned.

In the reporting year, an increase in productivity at the production sites of 4% was reached. We achieved this increase primarily through targeted measures aimed at improving efficiency as well as higher volumes.

Sustainability as an integral part of the corporate strategy

Sustainability is an integral part of our business model. An initial environmental strategy was presented as far back as 1990. Since then, we have developed the topic consistently and expanded it with the addition of focal points relating to social aspects and business ethics. Today, the sustainability strategy is firmly embedded in the corporate strategy.

The materiality assessment forms the basis of the Group sustainability strategy and is regularly

updated. In 2024, this was carried out for the first time as a double materiality assessment in line with the European Sustainability Reporting Standards (ESRS), and was updated in the reporting year. The sustainability strategy was updated based on this, and reflects the results of the materiality assessment, the internal risk analysis process together with external requirements from the value chain, national regulations and global frameworks. It interprets the results as operational processes and thus brings together the aspects of economic efficiency, environmental responsibility and social impact.

CO₂ footprint significantly improved

Compared to the previous year, absolute Scope 1 and Scope 2 greenhouse gas emissions at the Geberit Group decreased in 2025 mainly due to efficiency improvements in ceramic production by 2.4% to 108,446 tonnes. Currency-adjusted net sales rose by 4.8%. As a result, relative CO₂ emissions (Scope 1 and 2 greenhouse gas emissions in relation to currency-adjusted net sales) improved by 6.9% compared with the previous year. Since the acquisition of the energy-intensive ceramics production in 2015, relative CO₂ emissions have been improved by 69.3% overall, which corresponds to an average reduction of 11.1% per year.

Durability makes an important contribution to saving resources and the circular economy

The responsible use of materials and contribution to the circular economy are key for us. Thanks to their high quality and durability, our products are designed for long use. Their service life often exceeds 50 years, for example in the case of plastic drainage pipes. Ceramic products in selected series come with a lifetime guarantee. The quality and longevity of products is supported by long-term spare parts availability – 50 years for concealed cisterns and their mechanical components, and 25 years for a significant proportion of the rest of the product range. Newly developed products and components are also largely backwards-compatible. The durability, reparability and backwards compatibility of products is one of our key contributions to the circular economy and minimising the use of resources.

Information technology and artificial intelligence

In addition to various specific initiatives, our current priorities in information technology (IT) are on increasing efficiency and creating added value for the customers. We continued with the establishment of a Group-wide competence centre for artificial intelligence (AI). The team identified business opportunities and created the digital basis for processing

data with AI. The awareness of employees for AI was significantly raised through internal training courses and hackathons. The main goal of the AI programme is to create medium- to long-term business advantages while also improving efficiency.

At Geberit, we are continually working to improve and further develop our information technology (IT) security. This includes taking defensive measures against cyberthreats as well as detecting and dealing with any cyberattacks efficiently. Extensive measures have been established in the interests of business continuity. The latest external checks confirmed a good level of security. All in all, the Geberit Group is at least on par with industrial companies of a similar size and complexity in terms of IT security.

Continued attractive distribution policy

As in previous years, we will maintain the attractive distribution policy. Therefore, we will propose to the General Meeting an increase in the dividend of 0.8% to CHF 12.90. The payout ratio of 71.1% of net income is just above the 50% to 70% corridor defined by the Board of Directors.

In 2025, we paid out CHF 422 million to shareholders as dividends. As part of the ongoing share buyback programme, a total of 145,231 shares were acquired at a sum of CHF 81 million in the reporting year. As a result, we distributed CHF 503 million, or 76% of the free cashflow, to shareholders as part of the dividend payment and the share buyback programme in 2025, which equates to 2.4% of Geberit's market capitalisation as of 31 December 2025. Over the last five years, around CHF 3.3 billion has been paid back to shareholders in the form of distributions or share buybacks, which corresponds to 100% of the free cashflow in this period.

Sincere gratitude

Our customers again deserve special thanks for their trust and constructive collaboration. Taking into account the continued challenging environment, we owe the very good results in the reporting year to the high degree of motivation, commitment and flexibility of our employees. We wish to express our thanks and appreciation to them. Last but not least, we also wish to express our gratitude to you, esteemed shareholders, for your continued trust in our company.

Outlook for the year 2026

Geopolitical risks and the associated macro-economic uncertainties have increased significantly following the escalation of the conflict in the Middle East, which makes it difficult to provide an outlook for the macroeconomic environment and developments in inflation, interest rates and consumer sentiment, which are important for the building construction industry. Overall, the global economy will be exposed to significant uncertainties. Europe is expected to face subdued growth prospects as before.

After the sharp declines since mid-2022, demand in the building construction industry stabilised overall in 2025, with different developments in the new construction and renovation business depending on the country/market. In Europe, we expect slight market growth in 2026 overall – but no market recovery yet. This assessment is based on a stabilisation in the number of building permits in 2025 with a corresponding stable outlook for the new construction business in the current year. We again expect a slightly positive development in the renovation business, which accounts for around 60% of Geberit's sales; several indicators relevant to this area suggest this, including the increase in real estate transactions. Outside Europe, our outlook for the building construction industry is mixed. Strong demand is forecast in several markets, such as India. However, a continued decline in market demand is expected in China due to the collapse in new construction activities.

Given the slight improvement in the market environment, the goal for 2026 is again to further expand our market position through targeted strategic initiatives, including:

- the new products of the year 2026 as well as the focus on products that have been successfully launched in previous years – such as the Geberit FlowFit and Mapress Therm piping systems, the Alba shower toilet and the Duofix installation element,
- investments in IT, digitalisation and artificial intelligence,
- new marketing activities aimed at end customers, architects and designers, and
- the expansion and renewal of logistics capacities.

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Both the Board of Directors and the Group Executive Board see Geberit as very well positioned to master current and upcoming challenges, consistently exploit opportunities and to further expand our market position. 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. The strong corporate culture practised by our experienced and highly motivated employees, a number of promising growth initiatives, the products that have been launched in recent years and the promising development pipeline, a lean and customer-oriented organisation, an established cooperation based on trust with our market partners in both commerce and

trade, and the Group's continued very solid financial foundation are vital to our future success.

Yours sincerely,



Albert M. Baehny
Chairman of the Board of Directors



Christian Buhl
CEO