GANÉ Value Event Fund (WKN A3D05P)

Investment Report March 2024 **Aschaffenburg, 5th April 2024**

We invest in winners. This means we invest in strong companies that create value for their shareholders with sustainable business models, solid balance sheets and high margins. We keep the risks low and invest when our position is fuelled by a positive event. We refer to that as the combination of value and event.

Geberit AG

The Geberit Group is the European market leader for sanitary products. It will be celebrating its 150th anniversary in 2024. The Swiss company generates 70% of its CHF 3.1 billion in 'behind-the-wall' sales with sanitary technology. This includes installation and piping systems for fresh and waste water as well as cisterns. Bathroom components 'in front of the wall' such as washbasins, toilets and showers contribute 30% of sales. Geberit is the only supplier of complete systems on both sides of the wall. The two worlds are connected through installation systems, product innovations and distribution channels. Around 90% of the items are sold directly to installers via wholesalers. A strong local presence, training courses and specialist seminars establish a close relationship between these parties. Europe accounts for 89% of sales, while the US and emerging markets took in only 11% of sales. Even in Europe, the growth potential is still great and market penetration is not evenly distributed. While Germany, Switzerland, Italy and Austria belong to the more mature core markets with 54% of sales volume, countries in Scandinavia and Southern and Eastern Europe are considered fragmented expansion markets. The slump in European housing caused the sales volume to shrink by 13% in 2023. In addition, negative currency effects reduced revenues by 4%. In such crises, Geberit's resilience, market power and unique operational flexibility are evident: Geberit compensated for negative effects with price increases (+8%), market share gains and plant productivity (-3%), which could be kept at a high level. The EBITDA and FCF margin improved countercyclically (table).

in CHF	2023	2022	2021	2020	2019
Revenue in bn	3.1	3.4	3.0	3.1	2.9
EBITDA margin	30%	27%	31%	31%	29%
FCF margin	20%	17%	23%	24%	21%

Earnings per share declined by 10%, mainly due to positive tax effects in the previous year. Adjusted for currency effects, the decrease was only 4%. The share buyback programme, with which Geberit took advantage of the attractive price level of recent years, had a positive effect (table).

in CHF	2023	2022	2021	2020	2019
Earnings per share	18.4	20.5	21.3	18.0	18.0
Buy back in millions	238	570	166	167	47
Σ Share reduction	-1.9%	-3.5%	-1.3%	-1.1%	-0.1%

We regard the share as an equity bond with monetary protection and (by 5-6% p.a.) growing coupons. Our return on investment is 4%. Geberit has solid long-term earnings drivers. This is based on a proven customer-oriented business model with a strong competitive position and high innovative strength, as well as a down-to-earth corporate culture and sustainable corporate management.

Sincerely yours

J. Henrik Muhle Dr. Uwe Rathausky