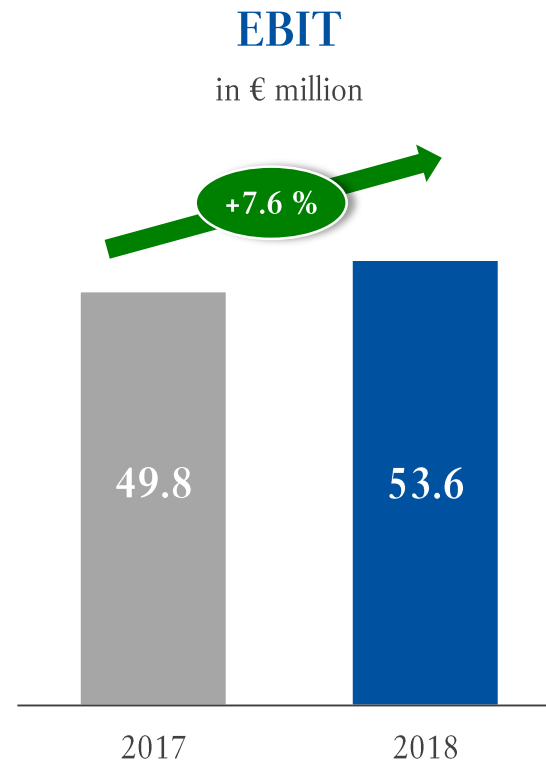
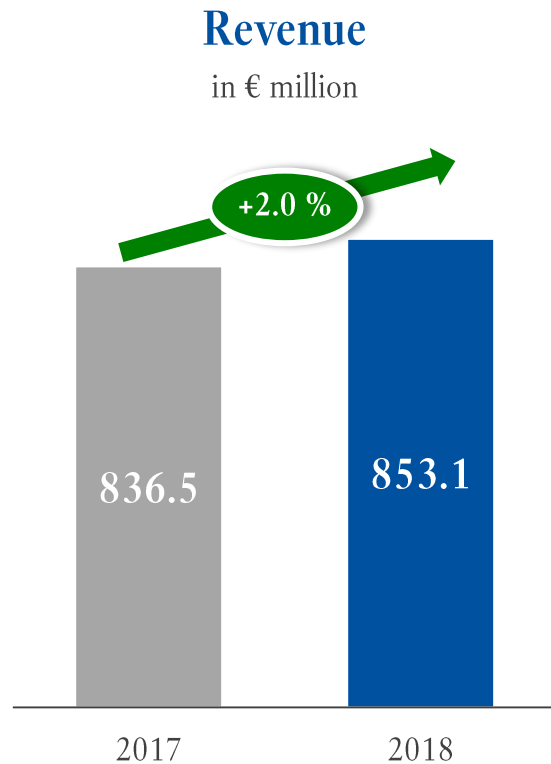


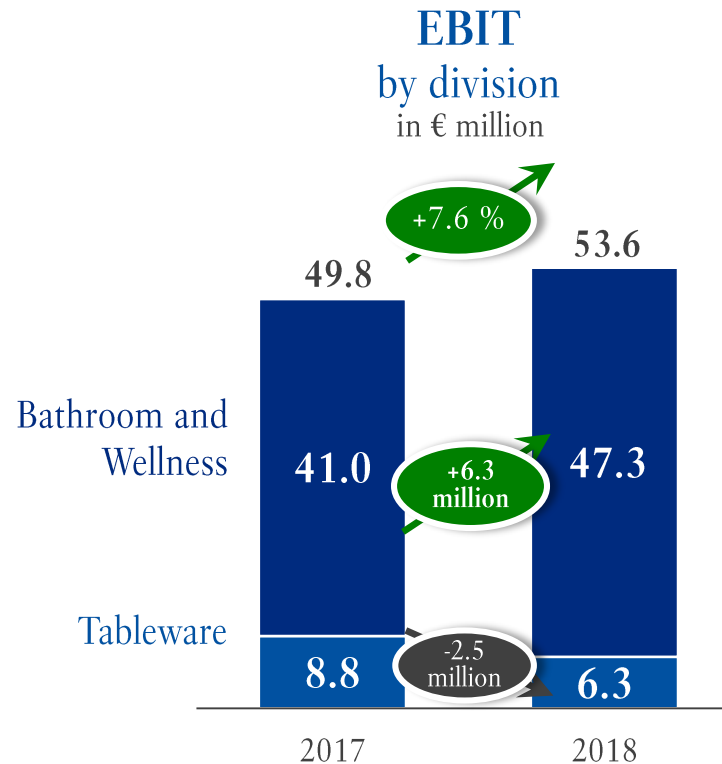
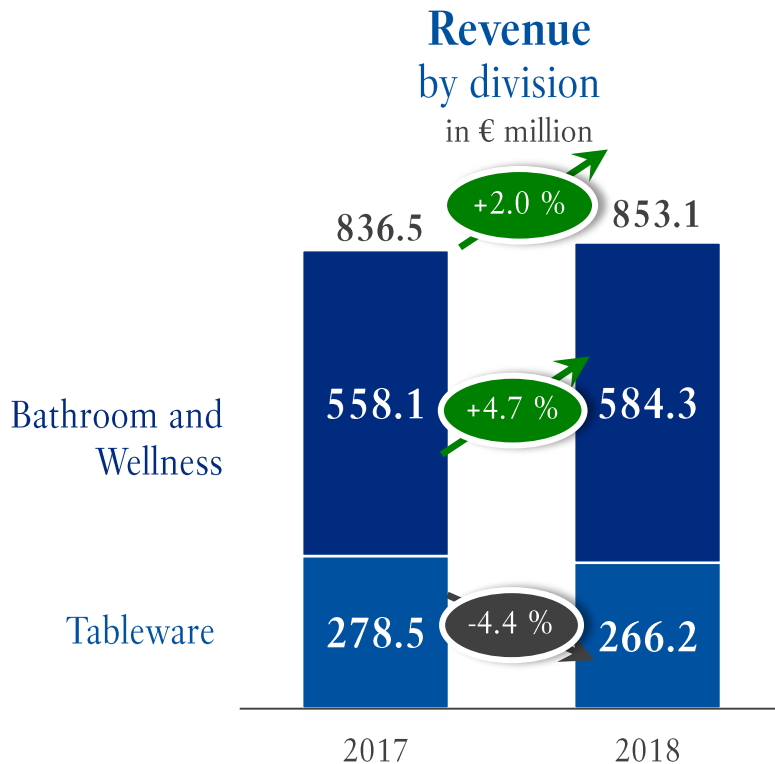
Villeroy & Boch Analysts' / Balance Sheet Press Conference

Frankfurt, 7 February 2019

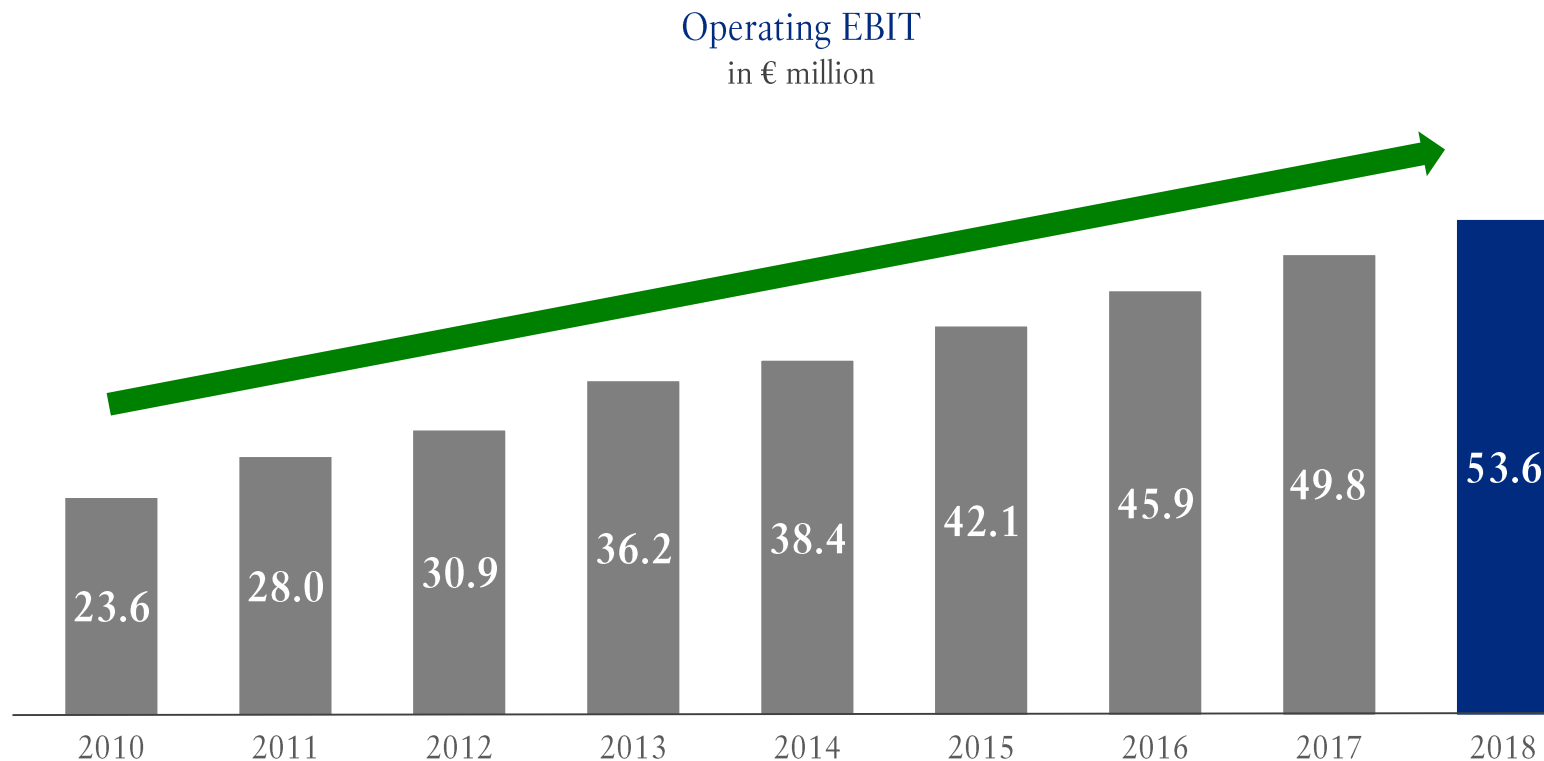
Revenue and EBIT increased



Development in the divisions



Continuous increase in operating EBIT



Sales by region: Strong growth in Asia



(€ million; Fx adjusted) 2018 Δ % vs. PY

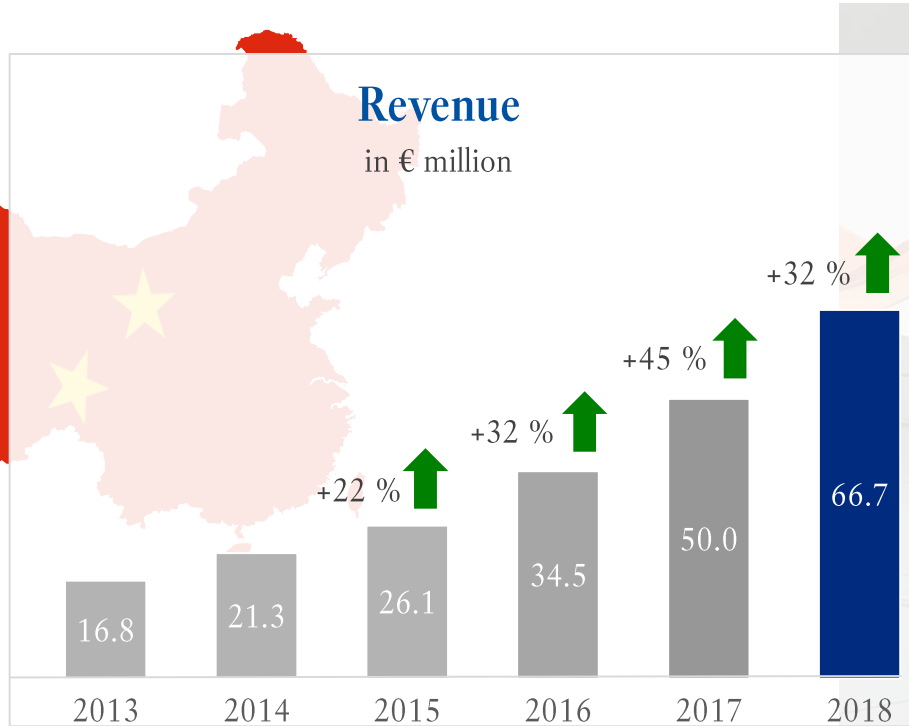
Total Bathroom and Wellness	584.3	+ 6.3 %
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Europe	453.7	+ 2.0 %
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Overseas	130.1	+ 24.4 %
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APAC	100.1	+ 33.4 %
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Sales in China increase by +32 %



ViClean shower toilets continue to develop very well

€ million

+ 44 %

19.1

27.5

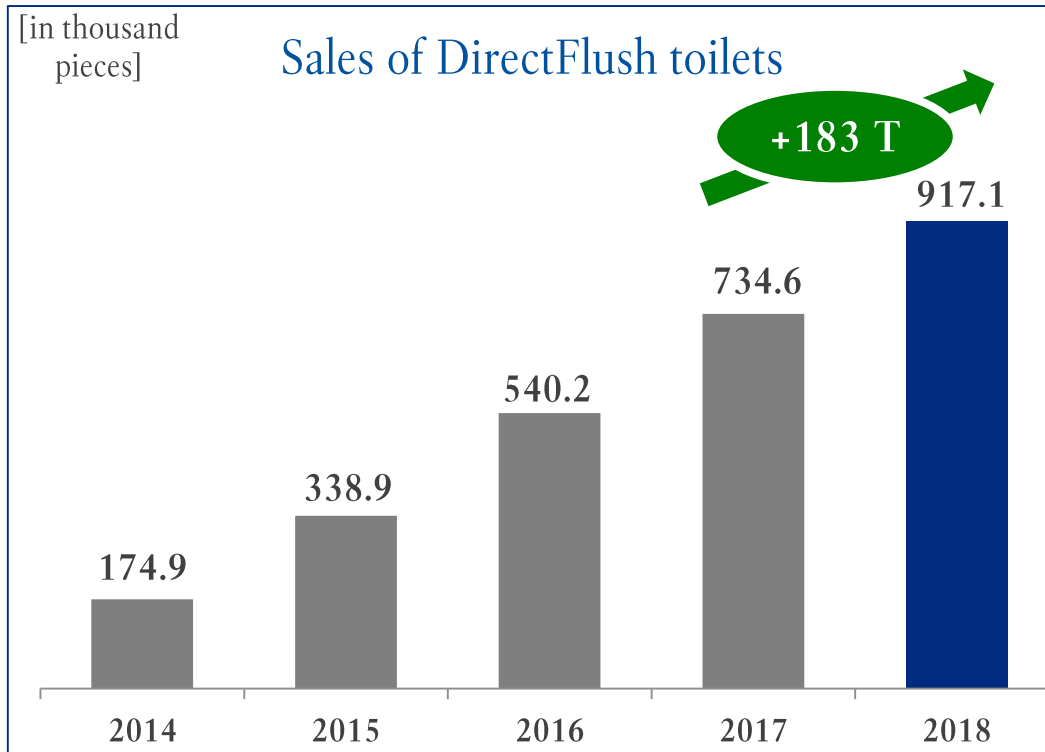
2017

2018

Sales of sanitary ware ceramics increased by 6.2 % overall



Strong increase in sales of DirectFlush toilets



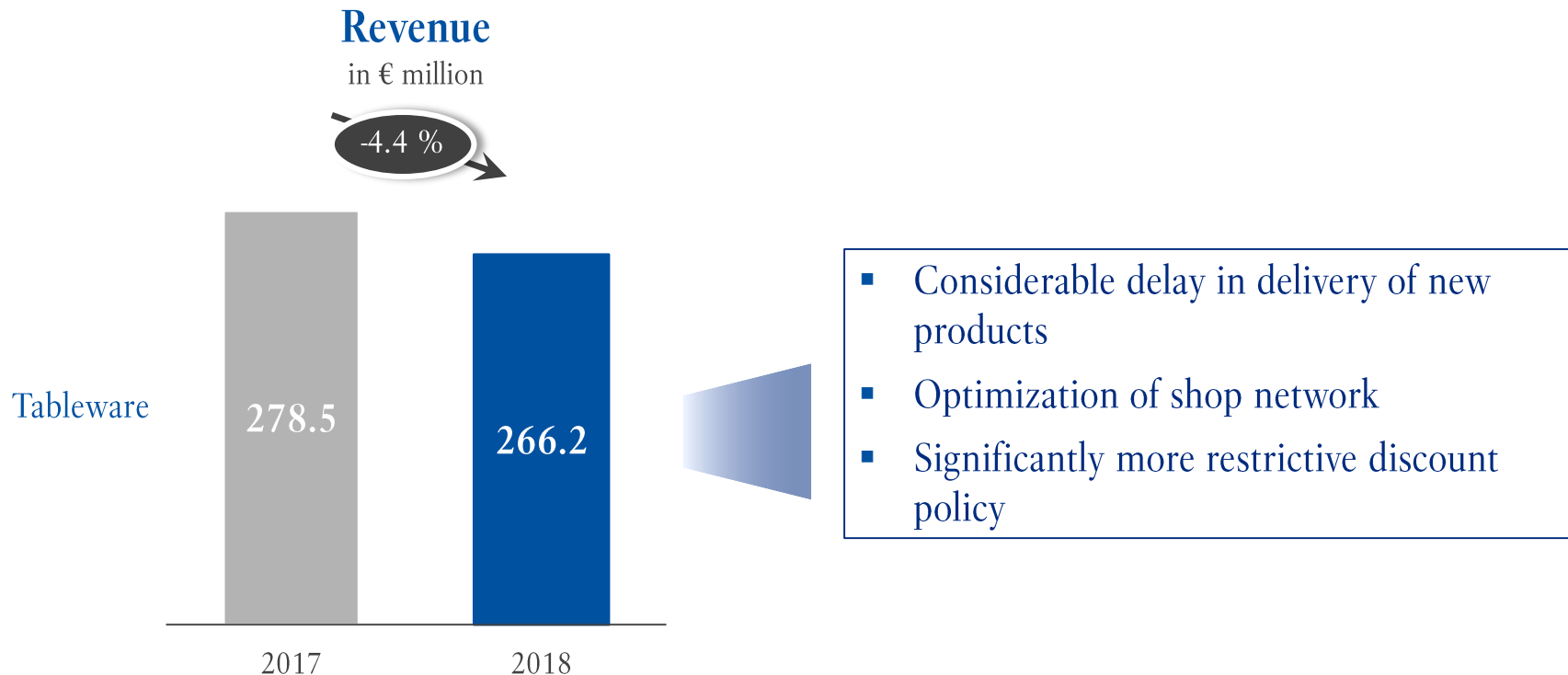
Project business sales up +8 %



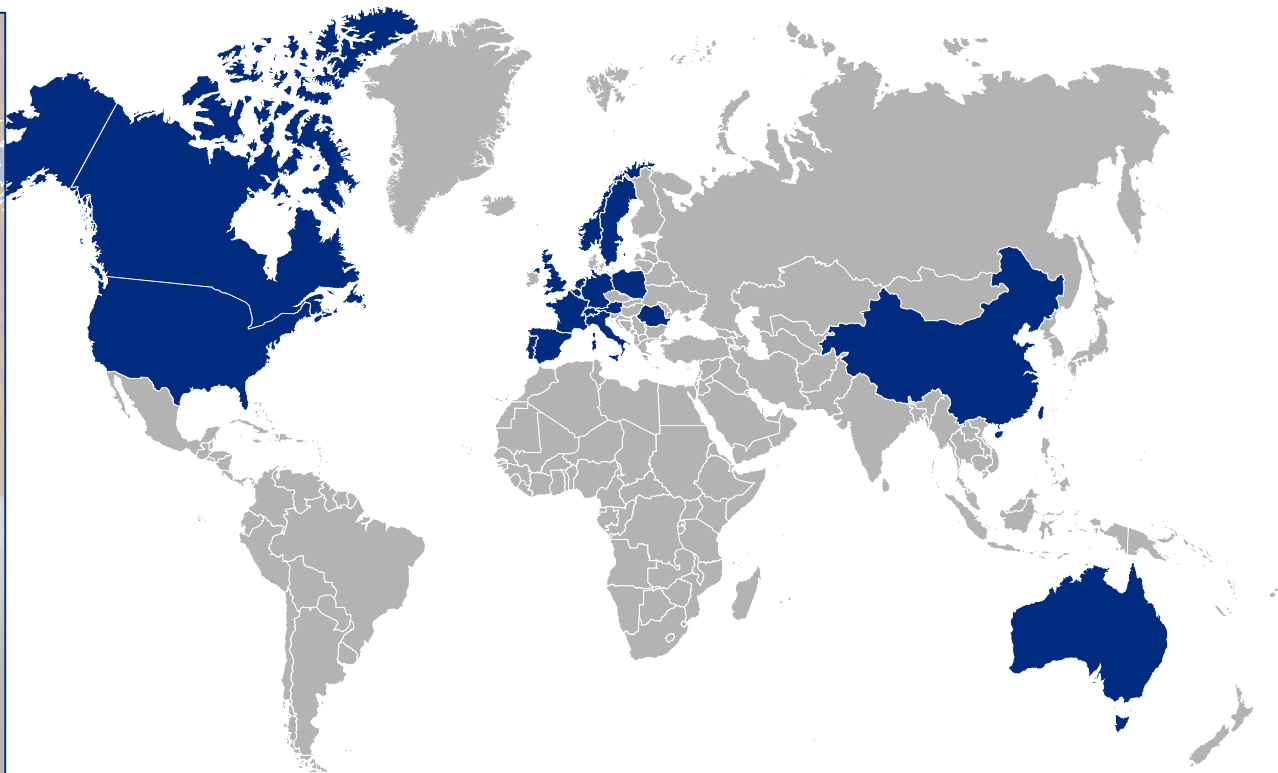
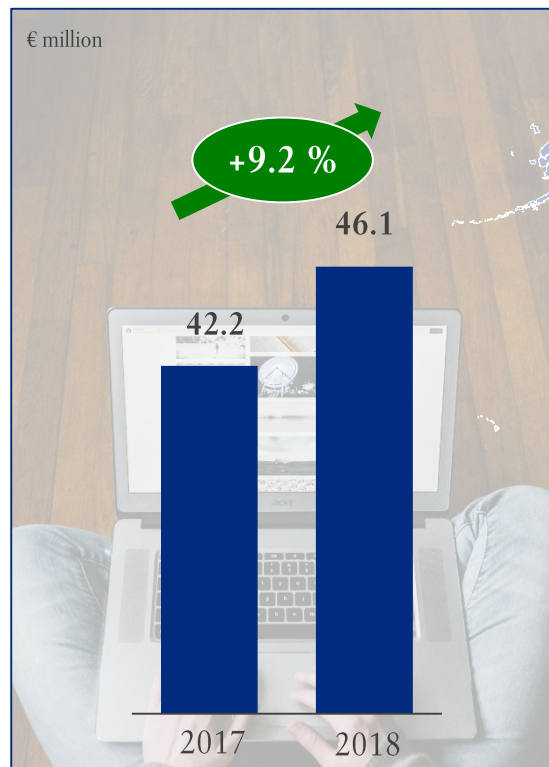
Raffles City in Chongqing, China



Aftereffects of operational and strategic decisions



Online business share in tableware sales up to more than 17 %



Strong presence in social media

 **facebook** 2018
725,000

2012
80,000



 **Instagram** 2018
112,000

2012
1,200



 **Pinterest** 2018
126,000

2012
0



 **YouTube** 2018
3,100,000

2012
25,000



Goal: Broader positioning of our product range

Popular individual articles:
4 x per year ø € 30 UVP



Modern short series:
2 x per year ø € 60 UVP



Complete crockery sets:
every 10 years ø € 1.200 UVP



Our product range becomes more "gifty"



Successful revitalization of our classics

Old Luxembourg Brindille 2018



French Garden 2019











Brand architecture

Expansion of digital business

Realignment of the product range structure

Earnings targets reached in 2018, sales meet expectations after Q3/2018

	Forecast concretisation Q3/2018	Actual 2018	
Increase in revenue	+2 % to 3 %	2.0 % (adjusted for currency effects and changes in licence revenue disclosure: 2.8 %)	
EBIT increase	+5 % to 10 %	7.6 %	
Return on net operating assets	17 %	16.7 %	
Investments	> € 40 million	€ 43.6 million	

Operating result rises disproportionately by 7.6 % to € 53.6 million

Consolidated income statement in € million

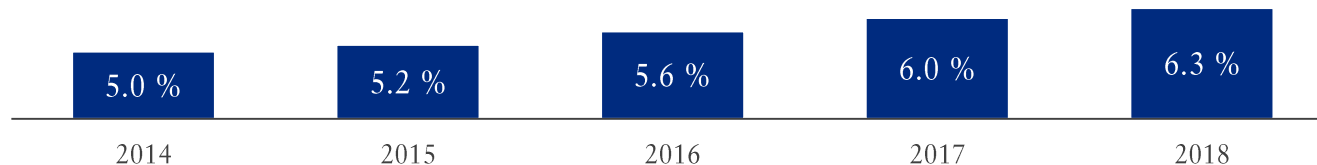
	2018	2017
Revenue	853.1	836.5
Cost of sales	- 487.3	- 466.4
Gross profit on sales	365.8	370.1
Selling, marketing and development costs	- 266.9	- 275.3
General and administrative expenses	- 43.8	- 47.2
Other operating expenses/income	- 1.5	2.2
EBIT	53.6	49.8

+2.0 %

*Over-proportionate
growth of EBIT*

+7.6 %

5-year development of operating EBIT margin



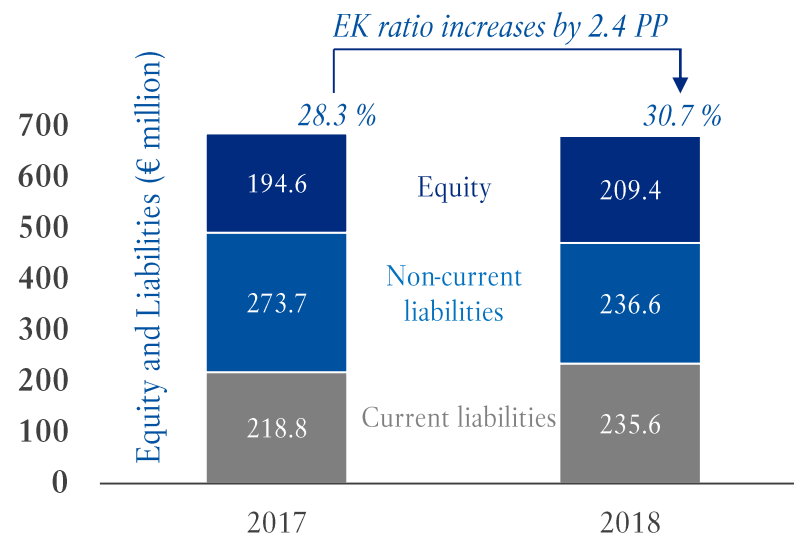
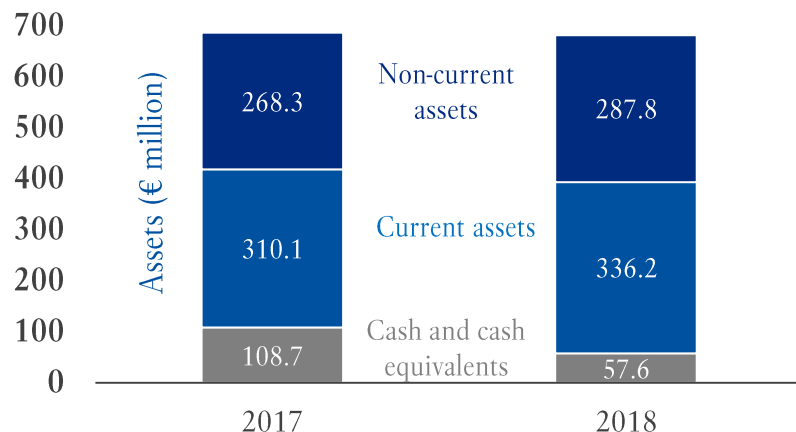
Group result rises significantly by 13.8 % to € 33.9 million

Consolidated income statement in € million

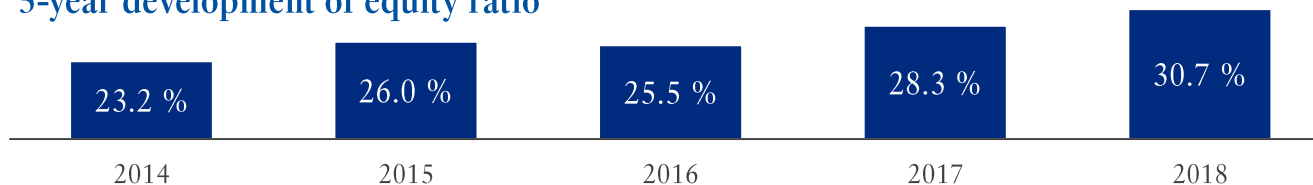
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General and administrative expenses	- 43.8	- 47.2	
Other operating expenses/income	- 1.5	2.2	
EBIT	53.6	49.8	+7.6 %
Financial result	- 4.4	- 4.4	
EBT	49.2	45.4	
Income taxes	- 15.3	- 15.6	
Group result	33.9	29.8	+13.8 %

Balance sheet structure: Equity ratio climbs above the 30 % mark

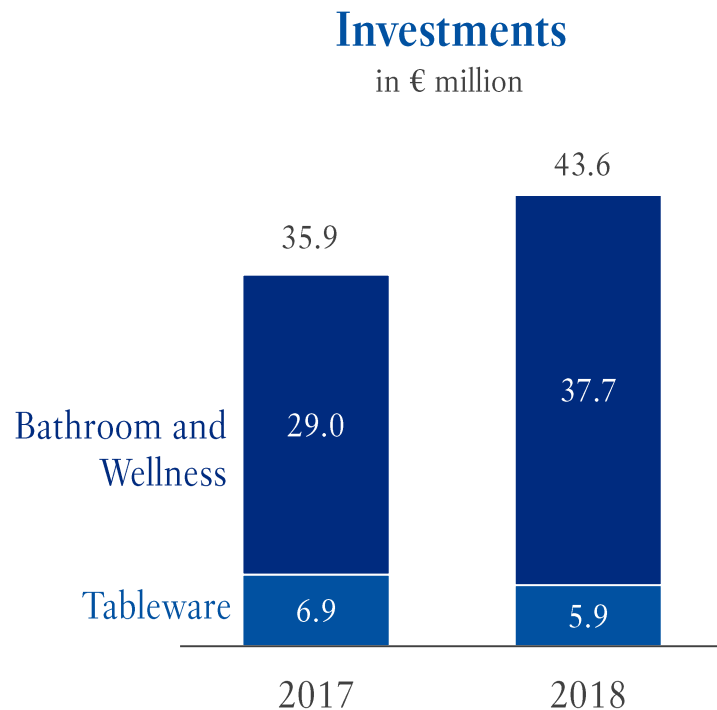
Balance sheet structure



5-year development of equity ratio



Investments in capacity and productivity increases continued



Investment focus 2018

Bathroom and Wellness

- New production facilities to increase capacity and productivity in sanitary ware ceramics plants (especially Germany and Thailand)

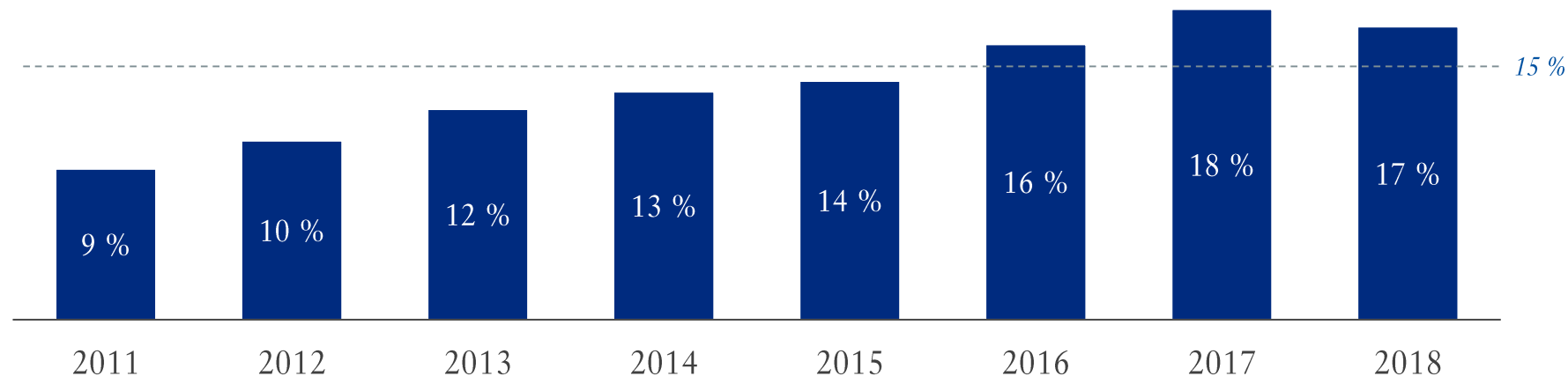
Tableware

- Opening or renovation of own shops (e.g. Saarbruecken, Colmar, Zurich and Madrid)
- Replacement investments in the Merzig and Torgau plants

Return on net operating assets remains high despite investment surge

Return on net operating assets

in %

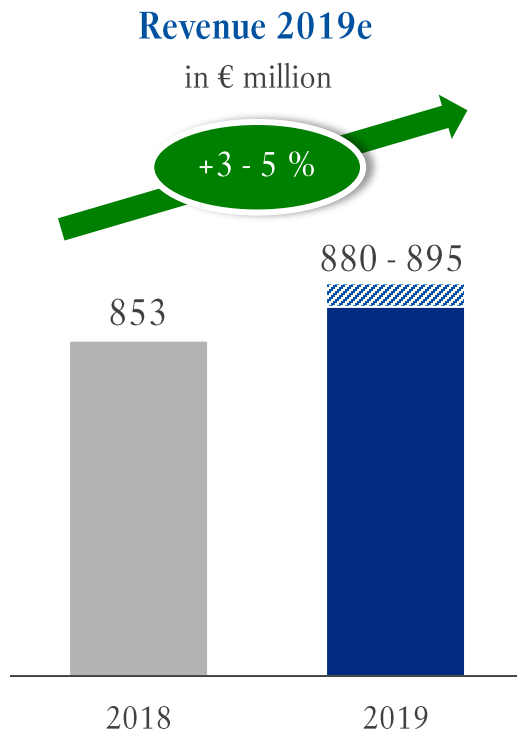


Earnings per share notably improved – dividend proposal increased

	2017	2018
Earnings per share	1.13	1.27

Dividend per ordinary share	0.52	0.55
Dividend per preference share	0.57	0.60

Outlook 2019: Further increase in revenue and earnings expected



KPI	Forecast 2019
Revenue growth	+3 to 5 %
EBIT increase	+3 to 5 %
Return on net operating assets	~ 16 %
Investments	> 40 Mio. €