

WMF ACQUISITION

Strengthening Groupe SEB's leadership
and adding a new growth platform

May 24, 2016



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Groupe SEB and WMF: common roots and aligned missions



Württembergische Metallwarenfabrik
1853



Société d'Emboutissage de Bourgogne
1857

Strengthening Groupe SEB's global leadership and adding a new growth platform

- **Acquiring solid leadership position in highly attractive professional coffee market**
- **Becoming undisputable leader in cookware market in Germany**
- **Accelerating development in kitchenware**
- **Significantly enriching brand portfolio**
- **Getting access to 200 own-retail shops**

Summary

- 1.** WMF at a glance
- 2.** Professional coffee machines: a new growth platform
- 3.** Consumer (SDE): key positions in the German market
- 4.** Hotel Equipment: an adjacent business
- 5.** Transaction terms, proforma financials
- 6.** Q&A

Summary

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WMF Key figures

Sales

€1,060m

Adjusted EBITDA

€118m, 11.1 %

Employees

5,700

Global leadership in Professional Coffee Machines

- Installed base of > 200,000 machines
- 28 % market share

Strong leadership in Cookware in Germany

- 20 % market share



Breakdown of Sales by business



A Group organized around 3 divisions...

Professional Coffee Machines

Sales 2015: €395m
(37% of sales)



- Fully automatic professional coffee machines
- **Global #1 market position**
- Supported by own and distributor sales as well as service networks



Consumer

Sales 2015: €590m
(56% of sales)



- Premium table- & kitchenware + small domestic appliances
- **#1 ranking in cookware in DACH**
- Sold via retail partners, own stores



Hotel Equipment

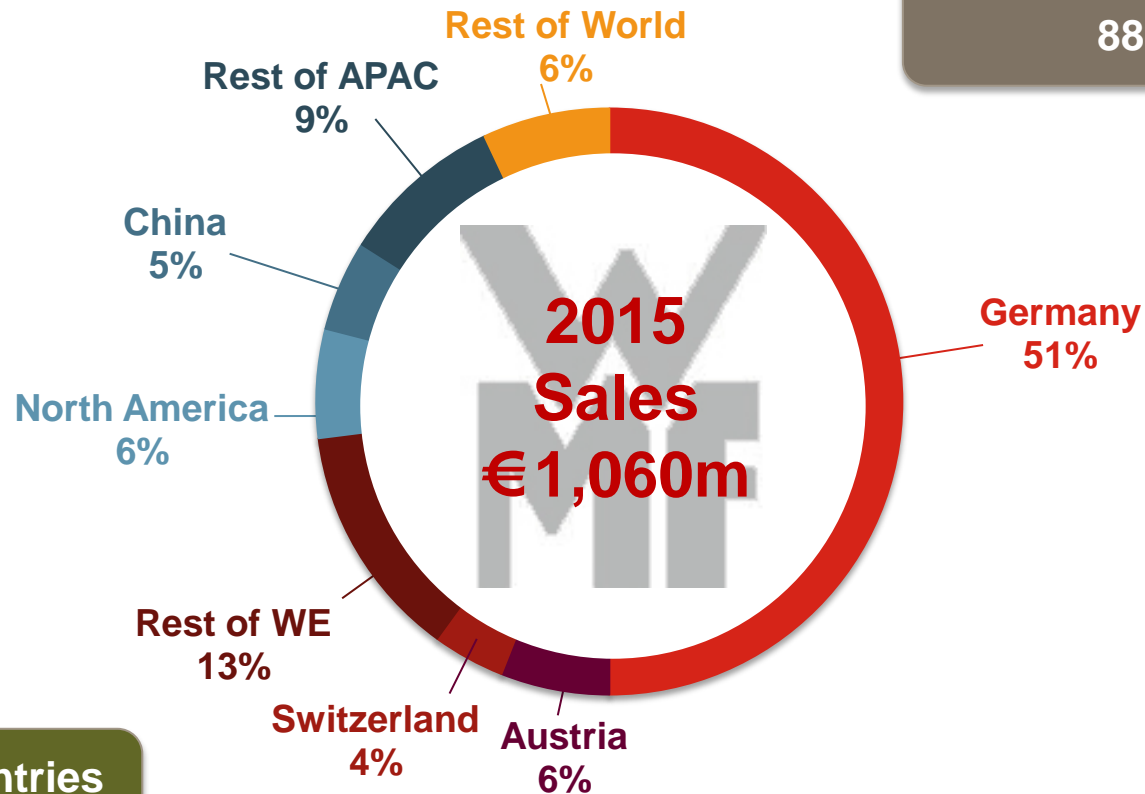
Sales 2015: €75m
(7% of sales)



- Premium tabletop equipment for hotels, restaurants and cruise ships
- **#1 market position in DACH** and global leader in the luxury segment
- Supported by own and distributor channels



Breakdown of Sales by geography

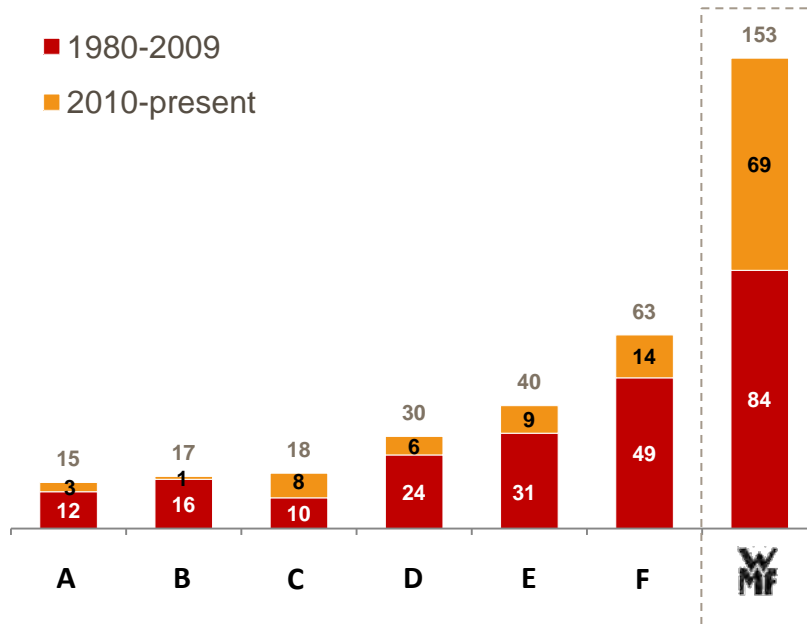


Mature countries
88%

Emerging countries
12%

Proven track-record of product innovation

Registered patents – Coffee machines



➔ Products protected by more than 150 patents

Leading innovations

Professional Coffee Machines



Dynamic Milk



Remote Data Access



Cold technology



Plug & Clean

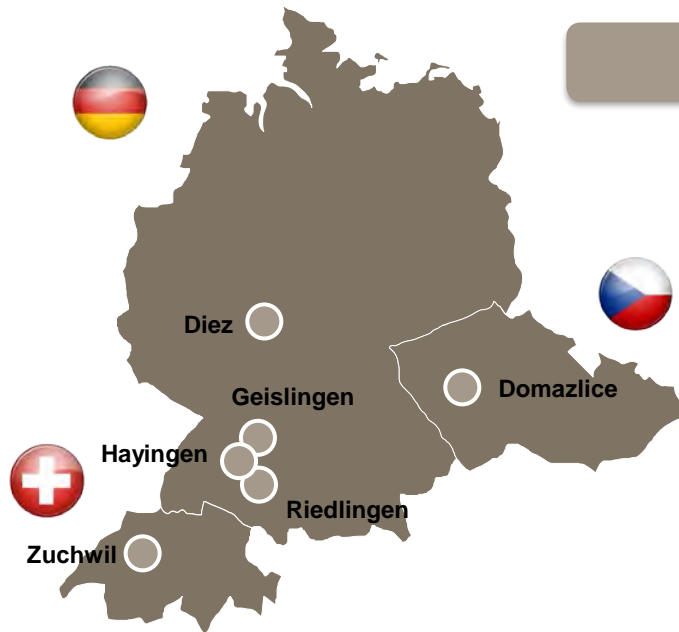
Cookware



NATURamic

Strong in-house manufacturing base

Europe



8 plants

Asia



- In-house manufacturing
- Coffee machines: 100%
 - Consumer products: 40%

WMF: an iconic brand in Germany



Ranking # 5

for the quality
of branded products as
perceived by German
consumers

Ranking # 1

German consumers'
favourite kitchenware, home
appliance and furnishing brand

Source: Deutschland Test Market Research 2014-15 - WMF

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Professional Coffee Machines



**A new
growth platform**



A strong leader in a highly attractive market

Strong market fundamentals

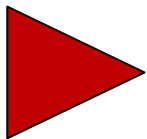
- Global market → €1.5bn
- High and consistent growth: around 8% p.a
- Top 4 players → 65% market share
- Significant growth opportunities to capture
→ Rising out-of-home premium coffee consumption (US, China etc...)

High barriers to entry

- Technology (R&D, patents, quality)
- Powerful brands
- Owned service network
- In-house manufacturing base
→ Strong expertise

Strong quality business model

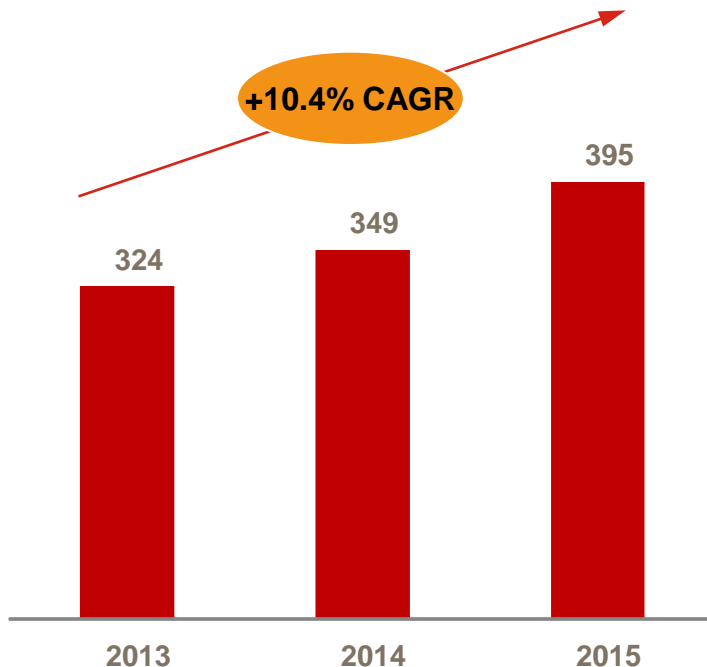
- >1/3 of sales → Recurring revenues
- Strong pricing power
- High profitability



WMF, the global leader in professional coffee market
→ 28% market share
→ Way ahead of #2: relative market share at 1.9 x

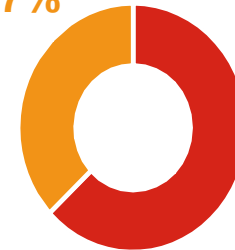
Double-digit growth with a high proportion of service revenues

Evolution of WMF sales in PCM*
(€m)



*Professional Coffee Machines

Service sales
37%



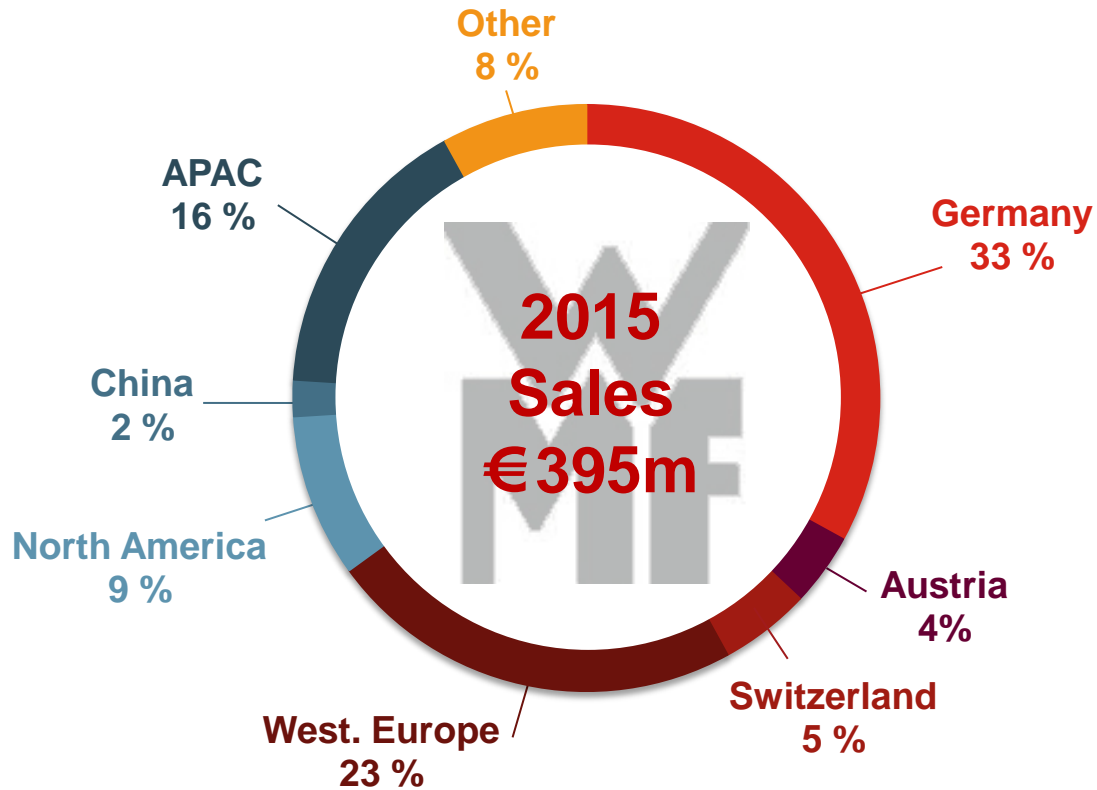
Product sales
63%

- ➔ Installed base of >200,000 machines
- ➔ Extensive service network
 - ➔ Sizeable recurring revenues
- ➔ Largest company-owned service network within the industry ➔
Approx. 500 trained and certified technicians

A global presence











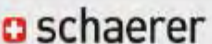

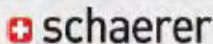









Sales by geography



Diverse, international customer base

Professional coffee machines product range

				
				
Convenience store	Convenience store	Chain restaurant	Chain restaurant	Convenience store
				
				
Client since 2009	Client since 2006	Client since 2003	Client since 2001	Client since 2012

Largest clients
each accounting
for less than
5% of total sales

A complete range of products

Professional coffee machines product range

WMF

Bean to cup coffee machines



Espresso

300 cups/h



8000 S

350 cups/h



5000 S

250 cups/h



1500 S

180 cups/h



1200 S

100 cups/h

Filter coffee machines



CombiNation F

500 cups/h



1200 F

180 cups/h

schaerer

Bean to cup coffee machines



Coffee Quattro

350 cups/h



Coffee Art Plus

350 cups/h



Coffee Soul

100 cups/h



Coffee Vito

100 cups/h



Coffee Prime

60-100 cups/h



Coffee Joy

30-50 cups/h

Filter coffee machine



Coffee Prime Brew

30 litres/hours

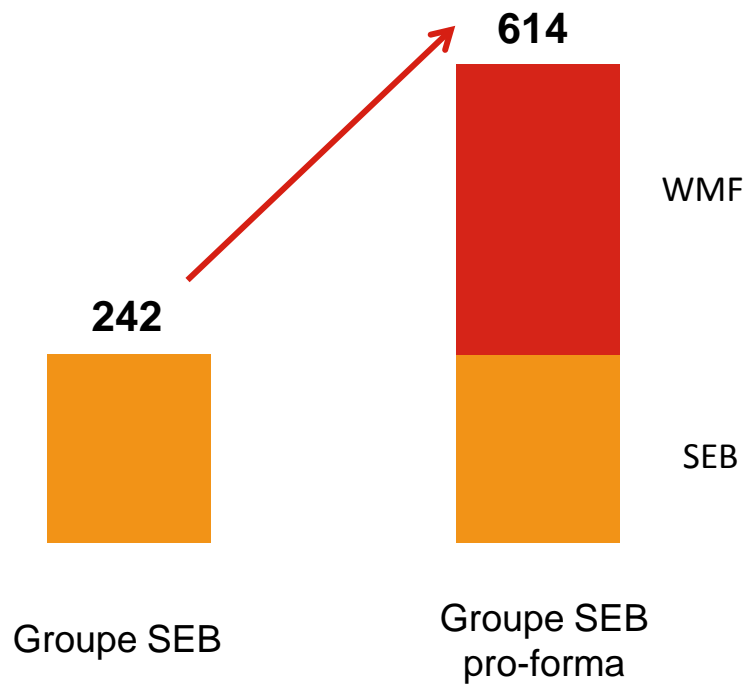
Price ranging
from €3,000
to > €10,000

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Germany to become our #3 market in SDE

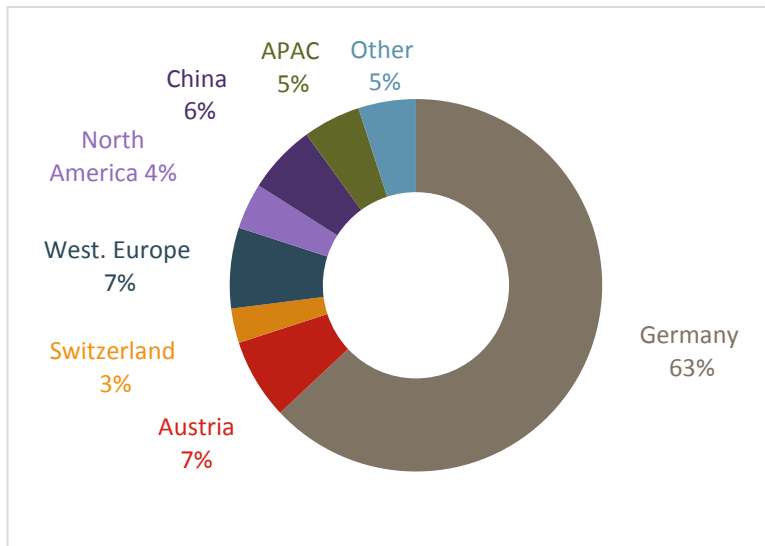
2015 Sales (€m)



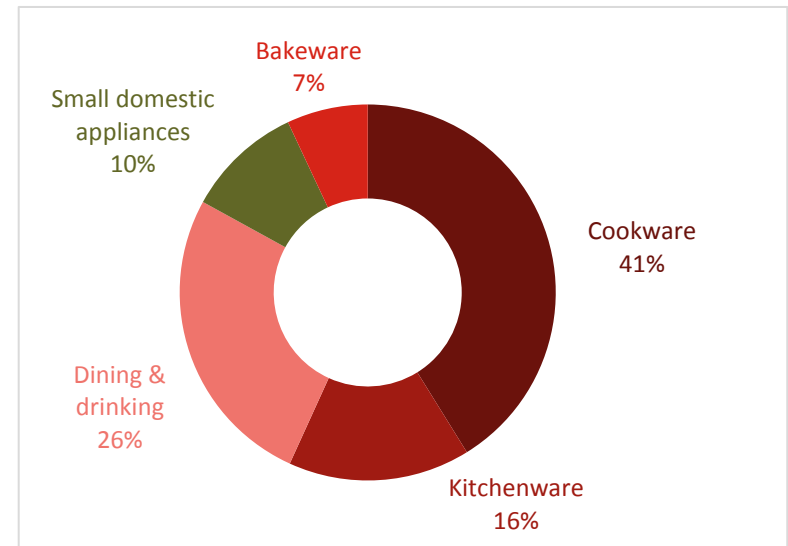
Consumer business breakdown by geography and product category

590m€ sales in 2015

Sales by geography



Sales by product category



Cookware



**#1 position
in the German market**



Strengthening our global leadership in cookware

Highly complementary businesses in Germany

- Premium segment / Stainless steel
- Pots
- Kitchenware, including knives

Development opportunities to be explored

- Leverage WMF brands and products accross geographies

Significant potential to improve performance

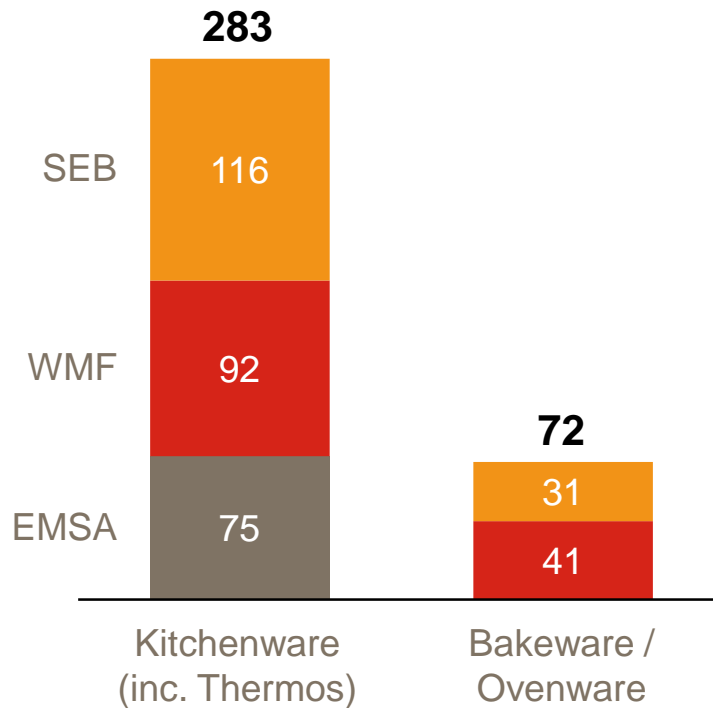
- Improve productivity through manufacturing excellence
- Purchasing / sourcing savings
- Scale effects (optimization of logistics and commercial costs)
- ▶ **Improve WMF consumer business up to Groupe SEB profitability standards**

4 main segments with strong competitive positions in DACH

<i>Segment</i>	<i>2015 MS in DACH</i>	<i>Ranking</i>	<i>Main products</i>
Cookware	21%	#1	Pans
			Pots
			Pressure cookers
Kitchenware	10%	#3	Kitchen knives
			Kitchen gadgets
Bakeware	28%	#2	Baking pans
			Accessories
Dining & Drinking	38%	#1	Cutlery
			Dinnerware
			Beverageware

A new dimension for SEB in Kitchenware, Bakeware and Ovenware

2015 proforma sales (€m)



Conso.
Global rank

#4

#2

- Significant increment of sales for Groupe SEB
- State-of-the-art products range



Three well-established brands



2015 sales / % BU

€443m / 75%

€66m / 11%

€41m / 7%

Geographic reach

Global premium brand

Germany, Austria, Switzerland



Type of products

Table and kitchenware

Silargan® cookware

Bakeware

SDA



**A strong opportunity to
grow in the premium
segment**



A young though dynamic business

WMF Market shares Germany



Kettles: 13%



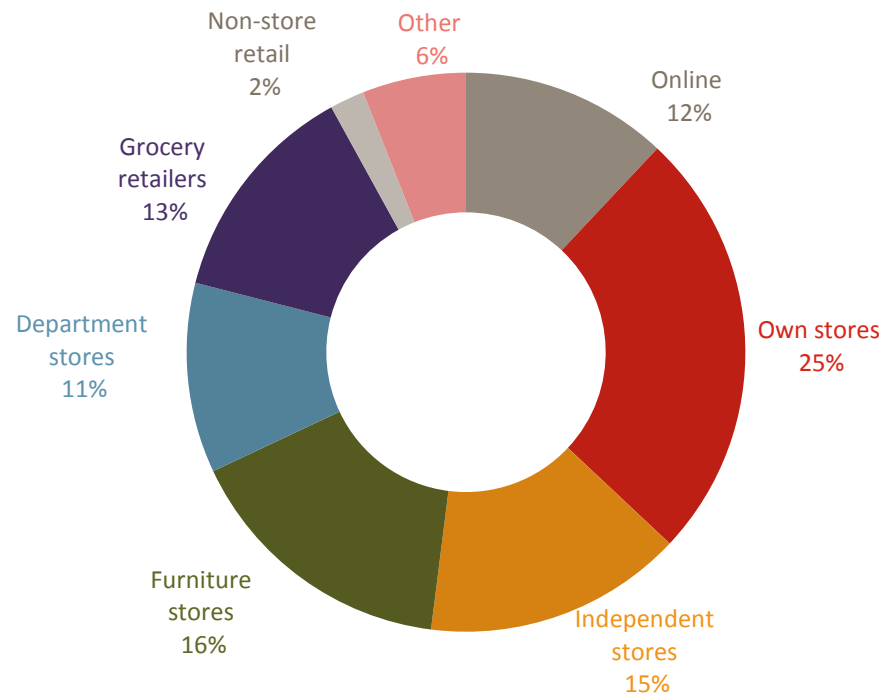
Toasters: 12%



Blenders: 18%

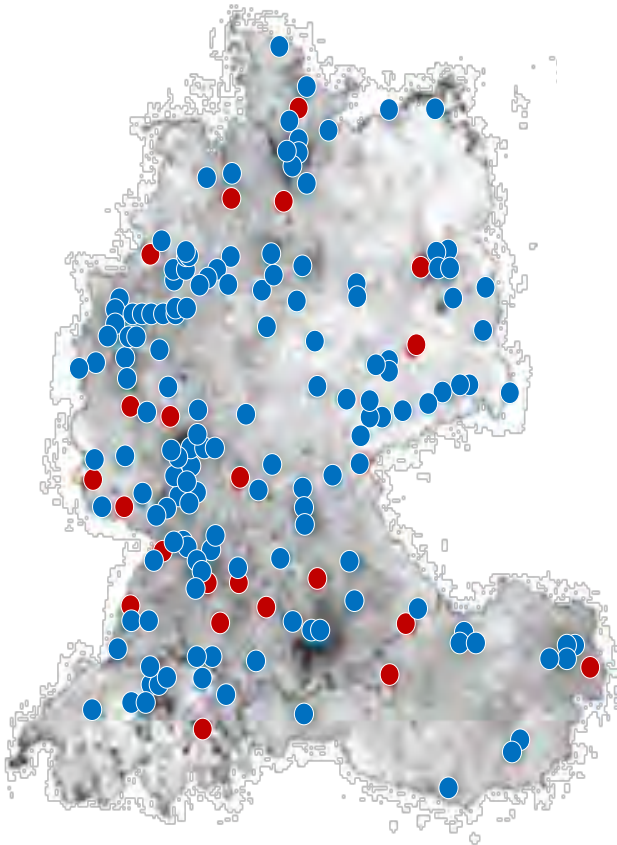
A diversified distribution in DACH

WMF channel mix in DACH (2015)



(1) DACH: Germany, Austria and Switzerland

200 company-owned stores in DACH



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Hotel Equipment



**An adjacent
business**

Kempinski

HOTELS & RESORTS

Fairmont

HOTELS & RESORTS



PRINCESS CRUISES
escape completely



Hilton



AIDA
CRUISES



Sheraton[®]
HOTELS & RESORTS



PROCURIO

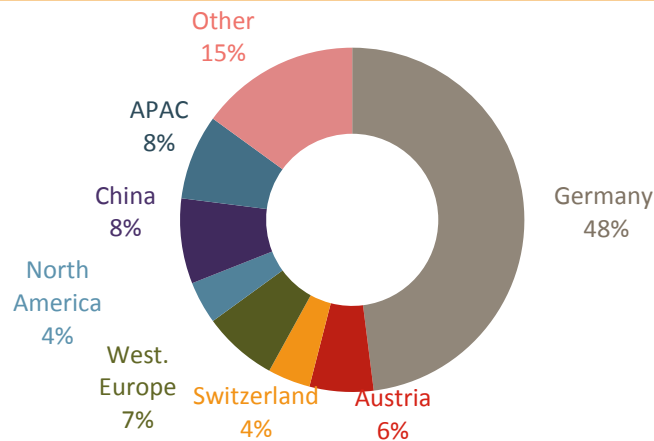
GENERAL TRADING (J.L.C.)



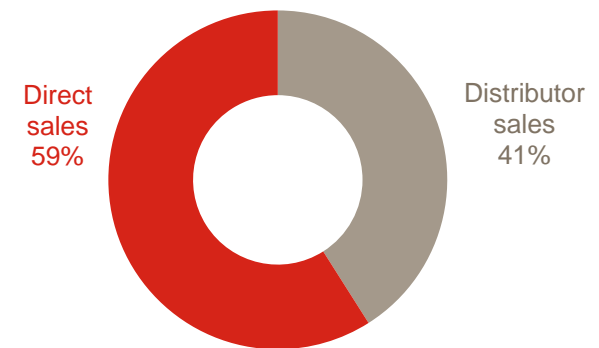
Hotel equipment business overview

- #1 market position in DACH and global leader in the luxury segment
- Offers brand visibility in high-end hotels
- **Complementary business for the Group**

Sales by geography (2015)



Sales by channel (2015)



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Transaction key financials (1/2)

- **€1,585m transaction value**
 - **€565m net financial debt**
 - **€1,020m purchase price**

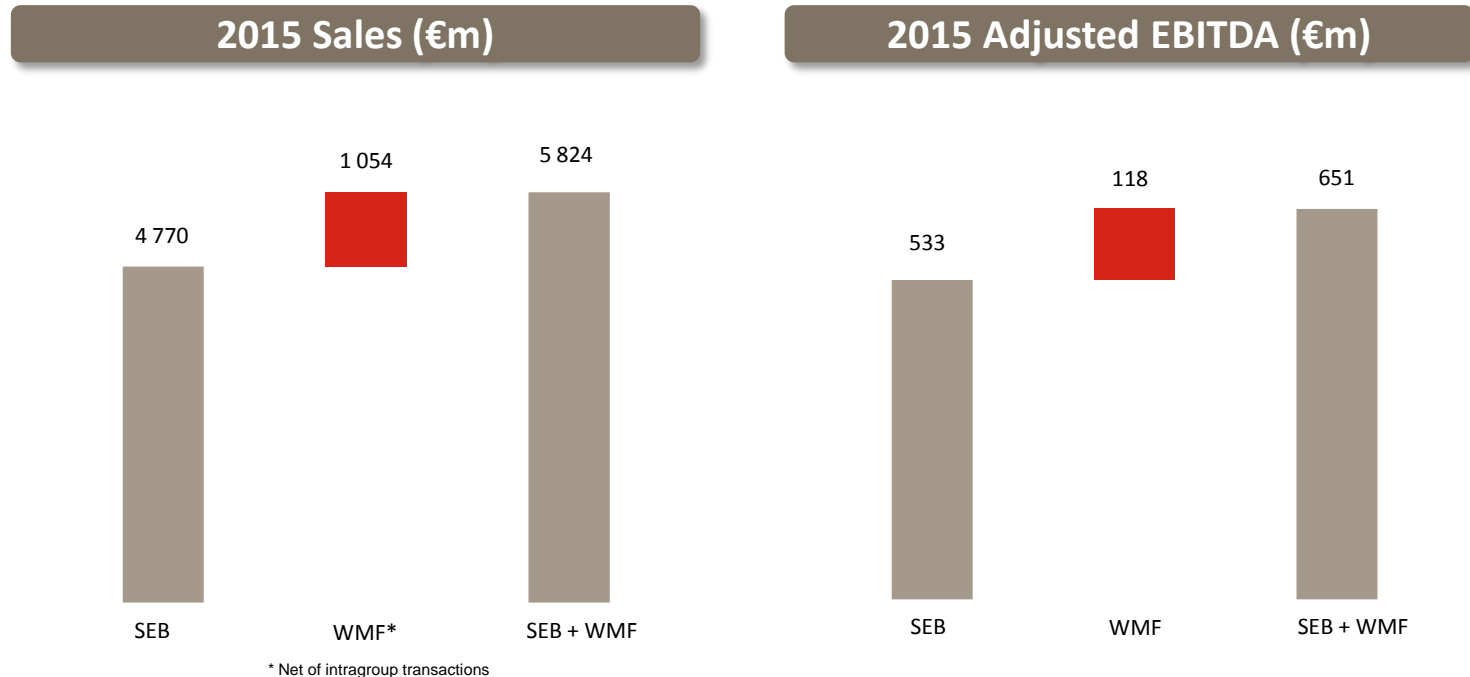
- **Assumption of €125m of retirement liabilities**

- **Closing expected H2 2016**

Transaction key financials (2/2)

- Estimated adjusted 2016 EBITDA of €140m
- Targeted synergies (→ 2020): approx. €40m p.a.
- Peak proforma Net debt / Adjusted EBITDA below 3 X
 - Objective → Below 2 X at year-end 2018
- EPS accretion above 20 %

Groupe SEB 2015 combined financials (proforma)



- Combined sales of 5.8bn€ and Adjusted EBITDA €651m → 11.2 % margin
- Pro-forma 2015 ORfA at €519m

Strong confidence in successful integration

- **Groupe SEB expertise in Small Domestic Equipment**
- **Groupe SEB capability to manage diversified brand and product portfolio**
- **Experienced WMF teams in professional coffee machines**
- **Common culture focused on passion for the product and operational excellence**
- **Groupe SEB proven integration know-how**

A strategic deal and a great step forward

- **Strengthen Groupe SEB's global leadership in Small Domestic Equipment**
- **Build a strong position in Germany**
- **Add a new growth platform through professional coffee**
- **A strongly accretive and value enhancing deal...**
- **... Preserving a sound financial situation**

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Thank you for your attention

WMF Acquisition - May 24, 2016



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