

# NINE-MONTH 2018 SALES AND FINANCIAL DATA

25 October 2018



# NINE-MONTH 2018 SALES AND FINANCIAL DATA

## DISCLAIMER

---

*Some of the statements contained in this document may be forward- looking statements concerning Groupe SEB's financial position, results, businesses, strategy or projects. Groupe SEB considers that such statements are based on reasonable assumptions but cannot and does not give any assurance that the Group's future performance will be consistent with those statements. Actual results could differ from those currently anticipated in such statements due to a certain number of inherent risks and uncertainties, most of which are beyond Groupe SEB's control, such as those described in the documents filed or to be filed by Groupe SEB with the French securities regulator (Autorité des Marchés Financiers) and made available for downloading from the Company's website*

**[www.groupeseb.com](http://www.groupeseb.com)**

---

# NINE-MONTH 2018 SALES AND FINANCIAL DATA

**1** 

---

 Figures

**2** 

---

 Business review by geography

**3** 

---

 2018 Outlook

**4** 

---

 Appendix



FB

FIGURES

Moulinex

## Key figures at 30 September 2018

Revenue

**€4,628m**

+3.8% in €

+7.5% LFL

Operating Result from Activity

**€373m**

as reported  
-4.1% in €

**€405m**

LFL and excl. 2017 PPA one-off  
-0.2%

Net debt at 30/09

**€2,105m**

+€200m vs 31/12/2017

## 9-month revenue by region

In €m	2017	2018	As reported	LFL
<b>EMEA</b>	<b>2,033</b>	<b>2,053</b>	<b>+1.0%</b>	<b>+3.4%</b>
Western Europe	1,524	1,536	+0.8%	+1.1%
Other countries	509	517	+1.3%	+10.3%
<b>AMERICAS</b>	<b>655</b>	<b>573</b>	<b>-12.5%</b>	<b>-4.8%</b>
North America	395	357	-9.8%	-6.5%
South America	260	216	-16.6%	-1.8%
<b>ASIA</b>	<b>1,345</b>	<b>1,544</b>	<b>+14.8%</b>	<b>+18.8%</b>
China	973	1,192	+22.6%	+26.6%
Other Asian countries	372	352	-5.4%	-1.5%
<b>TOTAL Consumer</b>	<b>4,033</b>	<b>4,170</b>	<b>+3.4%</b>	<b>+7.2%</b>
<b>WMF Professional</b>	<b>426</b>	<b>458</b>	<b>+7.4%</b>	<b>+10.2%</b>
<b>Groupe SEB</b>	<b>4,459</b>	<b>4,628</b>	<b>+3.8%</b>	<b>+7.5%</b>

Rounded figures

% based on non-rounded figures

## Q3 revenue by region

In €m	Q3 2017	Q3 2018	As reported	LFL*
<b>EMEA</b>	<b>718</b>	<b>715</b>	<b>-0.4%</b>	<b>+2.0%</b>
Western Europe	536	539	+0.6%	+0.7%
Other countries	182	176	-3.5%	+5.9%
<b>AMERICAS</b>	<b>247</b>	<b>235</b>	<b>-5.1%</b>	<b>-0.3%</b>
North America	146	152	+4.0%	+1.8%
South America	101	83	-18.4%	-3.5%
<b>ASIA</b>	<b>419</b>	<b>485</b>	<b>+15.7%</b>	<b>+16.3%</b>
China	293	367	+25.2%	+26.5%
Other Asian countries	126	118	-6.4%	-7.4%
<b>TOTAL Consumer</b>	<b>1,384</b>	<b>1,435</b>	<b>+3.6%</b>	<b>+5.9%</b>
<b>WMF Professional</b>	<b>134</b>	<b>168</b>	<b>+26.3%</b>	<b>+27.2%</b>
<b>Groupe SEB</b>	<b>1,518</b>	<b>1,603</b>	<b>+5.6%</b>	<b>+7.8%</b>

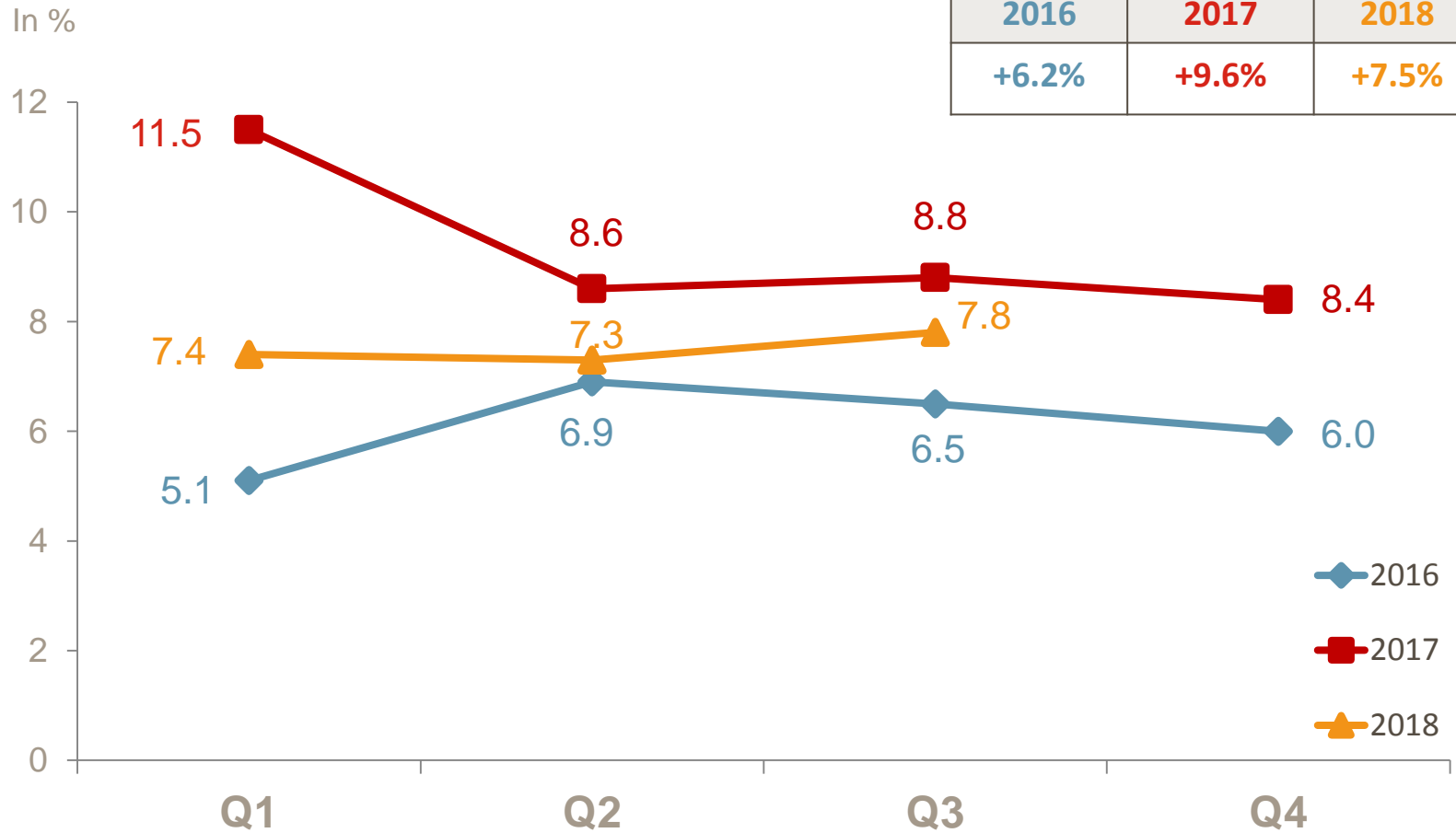
Rounded figures

% based on non-rounded figures

# Organic sales growth, by quarter

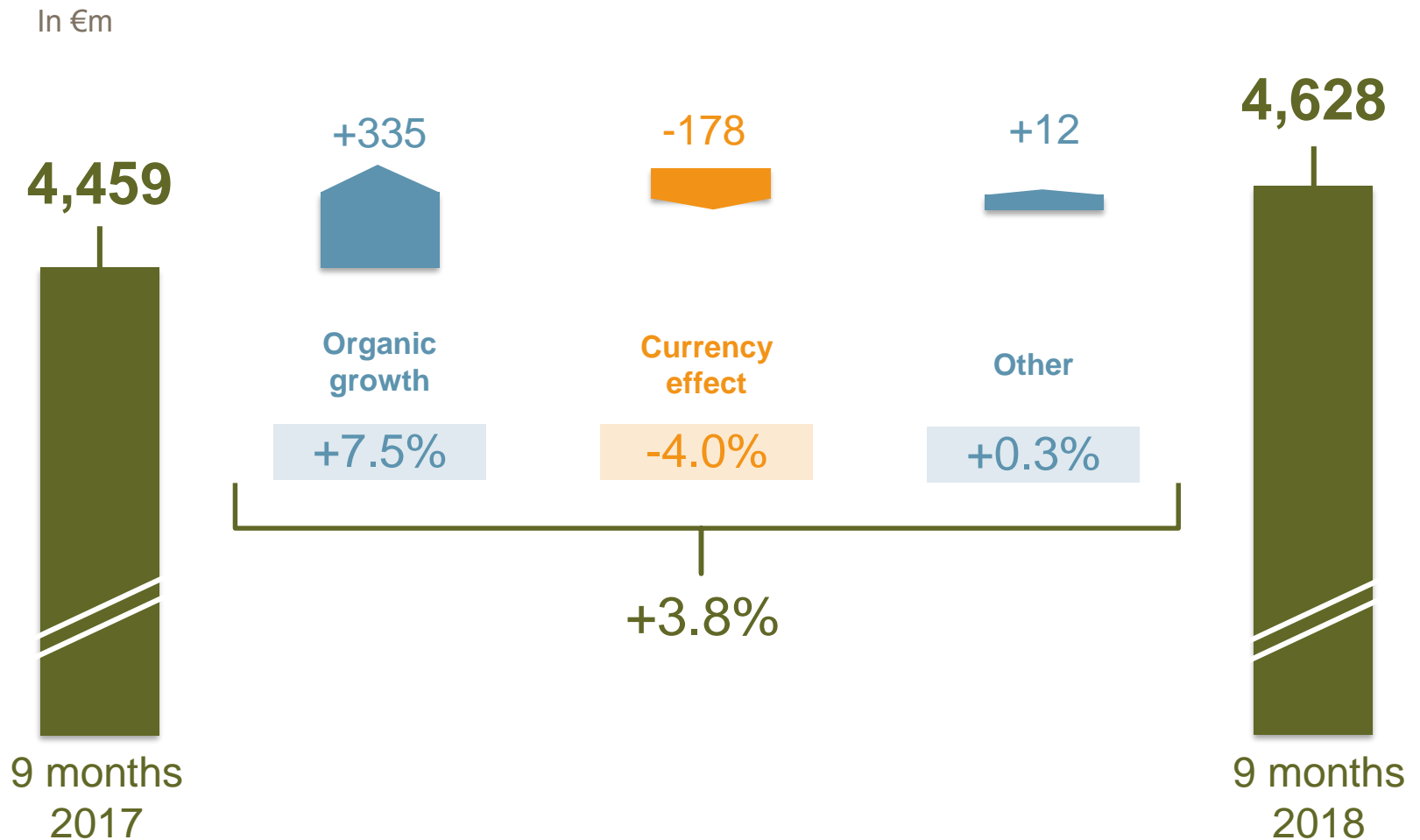
9-month performance

2016	2017	2018
+6.2%	+9.6%	+7.5%

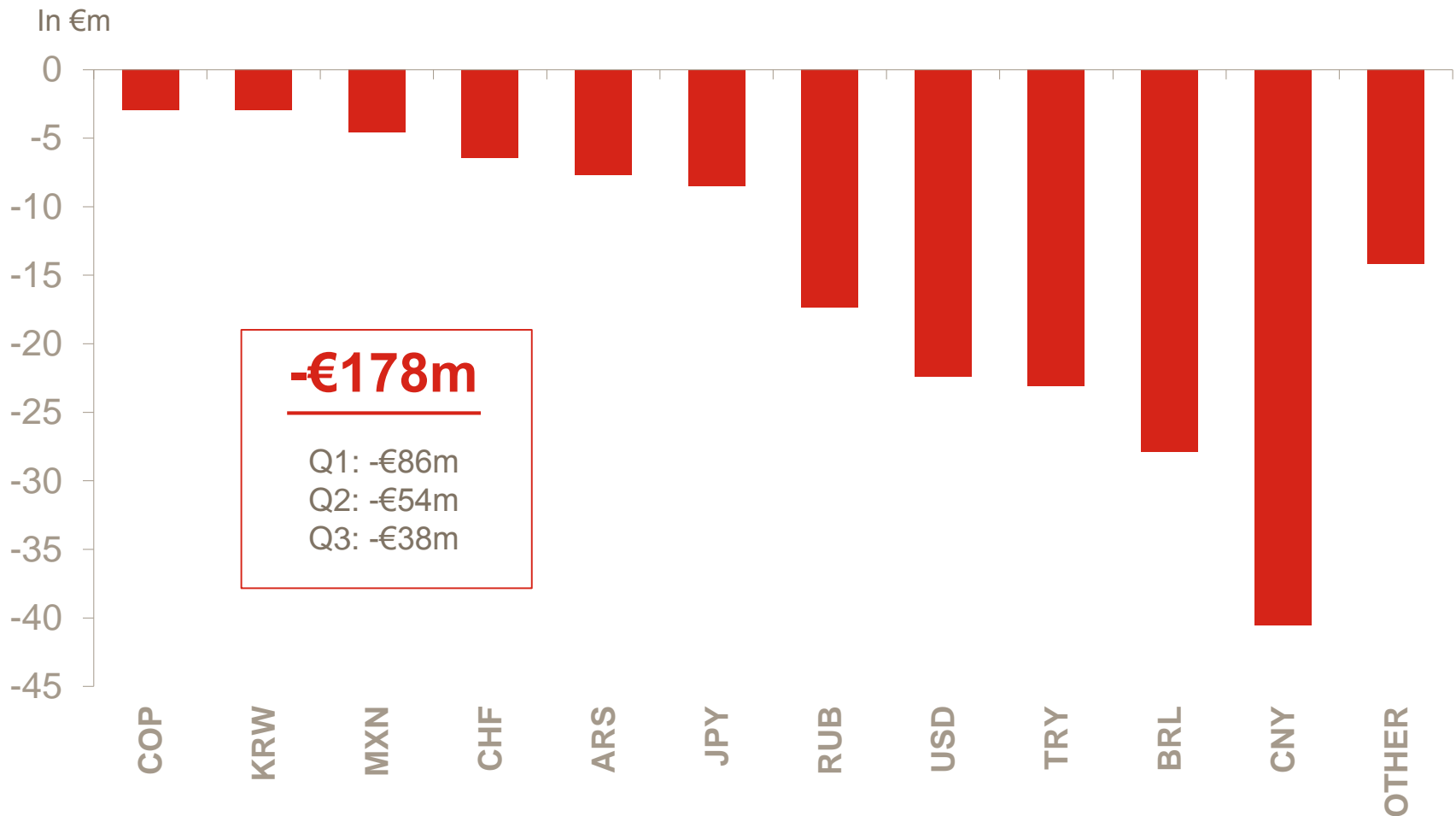




# Analysis of 9-month 2018 sales growth

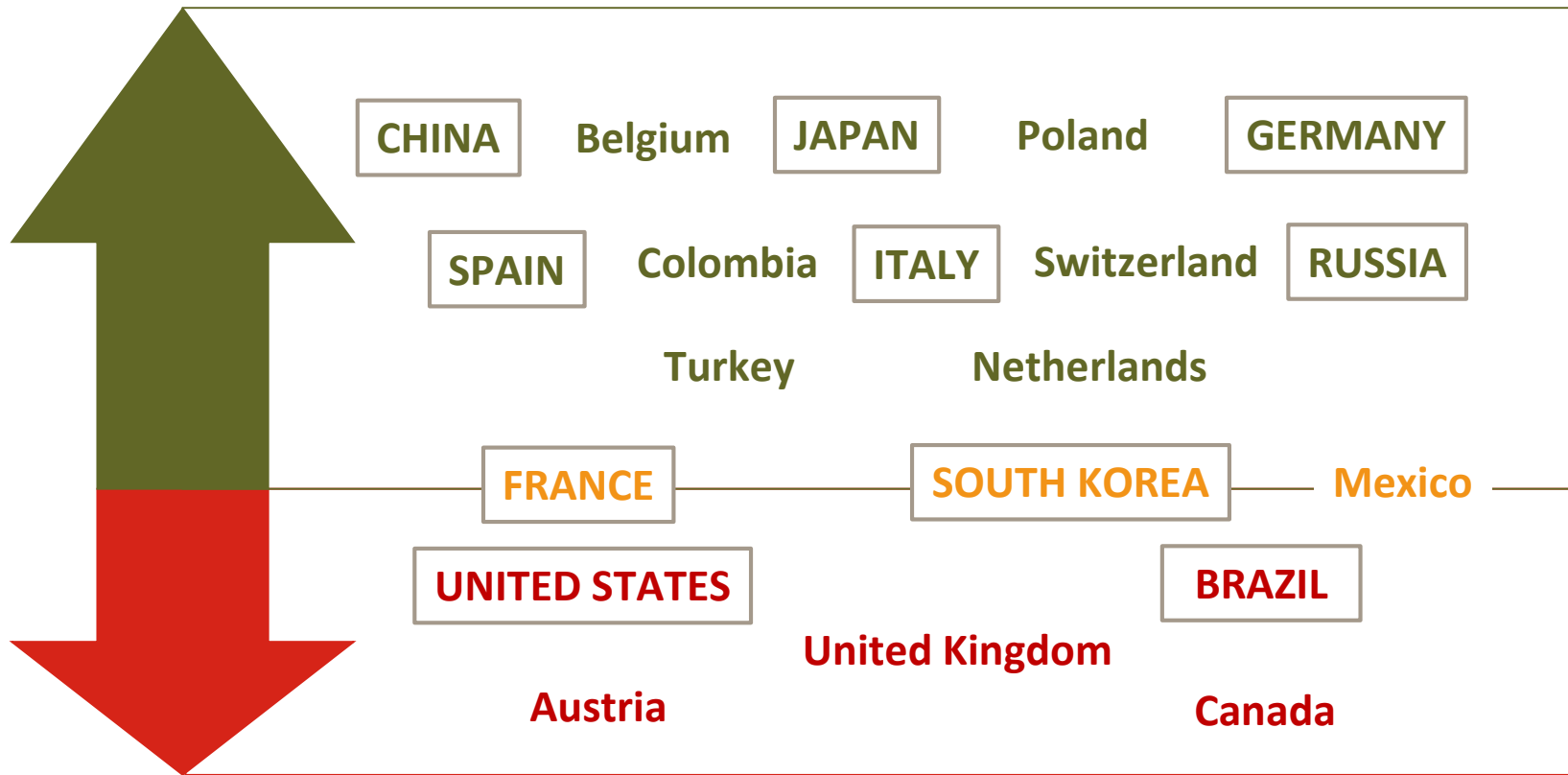


# Currency impact on 9-month 2018 sales



# Top-20 Countries 9-month revenue growth, LFL

TOP 10 COUNTRIES



Consumer, excl. Professional business

## WMF Professional

Professional	2017	2018	REPORTED	LFL	Reminder 2017
9 months	426	458	+7.4%	+10.2%	+17.7%
Q3	134	168	+26.3%	+27.2%	+10.8%

- **PCM: sales growth accelerating strongly in Q3**
  - ➔ Core business enjoying firm momentum overall
  - ➔ Shipment of large deals signed in Q1: 2 in the US (among which Race Track) and 1 in China (Luckin Coffee)
  - ➔ Investment in capacity in Zuchwill (Switzerland)
- **Slight decline in 9-month revenue in Hotel equipment**
  - ➔ Fewer deals in Q3

---

# BUSINESS REVIEW BY GEOGRAPHY



# Western Europe



EMEA

Western Europe	2017	2018	REPORTED	LFL	Reminder LFL 2017
9 months	1,524	1,536	+0.8%	+1.1%	+4.4%
Q3	536	539	+0.6%	+0.7%	+3.8%

- **Sharp volatility in SDA market: buoyant demand in July-August, driven by fans, vs much slower in September**
- **Groupe SEB LFL growth penalized by 2 factors**
  - ➔ Non-repeat of 2017 LPs
  - ➔ Slight decline (around 3%) in WMF Consumer sales, mainly stemming from Germany
- **Excluding LPs and WMF Consumer business, 9-month revenue up 4%**
  - ➔ Contrasting situations within the region but positive market share dynamic overall
  - ➔ Sales slightly down in **France** in a tougher environment and SDA market
  - ➔ **Germany**: sharp momentum in core business (vacuum cleaners, full-auto espresso machines, Optigrill...)
  - ➔ Continued robust growth in **Spain**, fueled by virtually all product lines and WMF Consumer
  - ➔ Firm activity confirmed in **Italy**
  - ➔ Positive trend in the **Netherlands, Belgium and Scandinavia**
  - ➔ **UK**: revenue down amid a difficult pre-Brexit market

## Other EMEA countries



Other EMEA countries	2017	2018	REPORTED	LFL	Reminder LFL 2017
9 months	509	517	+1.3%	+10.3%	+15.3%
Q3	182	176	-3.5%	+5.9%	+20.3%

- **Q3 impacted by significant FX headwinds (TRY, RUB, especially)**
  - ➔ Price increases implemented to offset impact of currency depreciation vs €
- **Yet, very good performances despite lacking LPs, and stronger market shares**
  - ➔ **Central Europe:** continued development driven mainly by excellent progress in Poland, based on our flagship products
  - ➔ Ongoing solid growth momentum in **Russia** fuelled by the whole range ➔ New market share gains and Group leadership in SDA reasserted.
  - ➔ Sales growth above 50% LFL in **Ukraine**
  - ➔ Tougher backdrop in **Turkey:** further depreciation of the TRY leading to the Group's 5th price hike since January, nurturing organic growth. However, good resilience of volumes in Q3
  - ➔ Marked decline in sales in the **Middle East.**

North America	2017	2018	REPORTED	LFL	Reminder LFL 2017
<b>9 months</b>	<b>395</b>	<b>357</b>	<b>-9.8%</b>	<b>-6.5%</b>	<b>+3.6%</b>
Q3	146	152	+4.0%	+1.8%	-6.1%

- **Improved performance in Q3**

- Following difficult H1 due to high comps and poor performance in Canada

- **Contrasting situations amid markets**

- **US:** market environment disrupted by the profound transformation -offline / online- of the retail industry. Sales slightly up LFL, driven by cookware and Rowenta garment steamers.

- Stabilized revenue in **Canada** thanks to strong recovery in cookware and growth in deep fryers. More challenging in linen care.

- Q3 sales down in **Mexico:** ongoing sharp momentum in core business (cookware, blenders, fans), but non-repeat of 2017 LP.



South America	2017	2018	REPORTED	LFL	Reminder LFL 2017
9 months	260	216	-16.6%	-1.8%	+1.1%
Q3	101	83	-18.4%	-3.5%	+0.9%

- **Amplified depreciation of local currencies in Q3 (BRL, COP, ARS)**
- **Highly contrasting business, depending on countries**
  - ➔ **Brazil:** sales down and no recovery in Q3 activity due to cookware, suffering from slower ramp-up of the Itatiaia manufacturing site. Industrial transition completed in SDA with positive impact on fans, blenders, electrical cooking appliances... Tougher business in irons and beverage preparation.
  - ➔ Very good performances in **Colombia** in Q3, with widespread organic growth, across all distribution channels ➔ Leadership consolidated in both cookware and SDA.
  - ➔ Severely deteriorated context in **Argentina** leading to collapsing demand and sales.

China	2017	2018	REPORTED	LFL	Reminder LFL 2017
9 months	973	1,192	+22.6%	+26.6%	+21.5%
Q3	293	367	+25.2%	+26.5%	+23.4%

- **Another outstanding performance by Supor in Q3, essentially driven by e-commerce**
- **Continued solid performance in cookware**
  - ➔ All flagship products contributing to robust growth, with successful new product launches
  - ➔ Drinkware (thermal mugs) and kitchenware adding impetus
- **Ongoing vigorous momentum in SDA: sales +30% in Q3**
  - ➔ All major categories contributing to development: induction hubs, electrical pressure cookers, rice cookers, kettles, high speed blenders...
  - ➔ Revenue x 2 in vacuum cleaners and garment steamers
  - ➔ LKA sales booming, with enriched product offering, incl. water purifiers

## Other Asian countries

ASIA

Other asian countries	2017	2018	REPORTED	LFL	Reminder LFL 2017
9 months	372	352	-5.4%	-1.5%	+2.5%
Q3	126	118	-6.4%	-7.4%	+6.5%

- **Marked decline in revenue in Q3 due to non-repeat of 2017 WMF LP in Taiwan**
- **Excl. LP impact, overall firm business**
  - ➔ **Japan:** strong impetus in Q3 owing to Ingenio cookware, thermal mugs, garment steamers, blenders, kettles,...
  - ➔ Sales momentum in **South Korea** driven by core business and newly launched products (high speed blenders, Air Force 360 all-in-one vacuum cleaner...), mitigated by declining WMF Consumer business
  - ➔ **Australia:** decline in sales
  - ➔ **Contrasting performances in other SE Asia countries :** sustained activity in Thailand (blenders, steam generators), strong dynamic in Malaysia driven by cookware and rice cookers, drop in sales in Vietnam due to fans...

---

# OUTLOOK



## 2018 guidance

- ➔ **Organic growth in sales of around 8% vs. > 7% previously**
- ➔ **Growth of around 3% in ORfA before WMF one-off PPA vs. > 5% previously**
- ➔ **Debt reduction:  
confirmation of a net debt/adjusted EBITDA ratio < 2 at end-2018**

## Glossary

*Signature*

## ***On a like-for-like basis (LFL) – Organic***

The amounts and growth rates at constant exchange rates and consolidation scope in a given year compared with the previous year are calculated:

- using the average exchange rates of the previous year for the period in consideration (year, half-year, quarter);
- on the basis of the scope of consolidation of the previous year.

This calculation is made primarily for sales and Operating Result from Activity.

## ***Operating Result from Activity (ORfA)***

Operating Result from Activity (ORfA) is Groupe SEB's main performance indicator. It corresponds to sales minus operating costs, i.e. the cost of sales, innovation expenditure (R&D, strategic marketing and design), advertising, operational marketing as well as commercial and administrative costs. ORfA does not include discretionary and non-discretionary profit-sharing nor other non-recurring operating income and expense.

## ***Adjusted EBITDA***

Adjusted EBITDA is equal to Operating Result from Activity minus discretionary and non-discretionary profit-sharing, to which are added operating depreciation and amortization.

## ***Net debt – Net indebtedness***

This term refers to all recurring and non-recurring financial debt minus cash and cash equivalents as well as derivative instruments linked to Group financing having a maturity of under one year and easily disposed of. Net debt may also include short-term investments with no risk of a substantial change in value but with maturities of over three months.

## ***Operating cash flow***

Operating cash flow corresponds to the “net cash from operating activities / net cash used by operating activities” item in the consolidated cash flow table, restated from non-recurring transactions with an impact on the Group's net debt (for example, cash outflows related to restructuring) and after taking account of recurring investments (CAPEX).



## Upcoming events

<b>January 23</b>   after market close	Provisional 2018 sales
<b>February 28</b>   before market opens	2018 sales and results
<b>April 25</b>   after market close	Q1 2019 sales and financial data
<b>May 22</b>   14:30	Annual general meeting
<b>July 24</b>   before market opens	H1 2019 sales and results
<b>October 24</b>   after market close	Nine-month 2019 sales and financial data

## CONTACT US

### Investor/Analyst relations

Groupe SEB  
Financial Communication and Investor  
Relations

**Isabelle Posth**  
**Raphaël Hoffstetter**

[iposth@groupeseb.com](mailto:iposth@groupeseb.com)  
[rhoffstetter@groupeseb.com](mailto:rhoffstetter@groupeseb.com)

Tel.: +33 (0) 4 72 18 16 40  
[comfin@groupeseb.com](mailto:comfin@groupeseb.com)

### Media relations

Image Sept  
**Caroline Simon**  
**Claire Doligez**  
**Isabelle Dunoyer de Segonzac**

[caroline.simon@image7.fr](mailto:caroline.simon@image7.fr)  
[cdoligez@image7.fr](mailto:cdoligez@image7.fr)  
[isegonzac@image7.fr](mailto:isegonzac@image7.fr)

Tel.: +33 (0) 1 53 70 74 48

[www.groupeseb.com](http://www.groupeseb.com)

