



# 2019 FIRST-QUARTER SALES AND FINANCIAL DATA

25 April 2019

- All-Clad
- ARNO
- ASIA
- calor
- clock
- Curtis
- emsa
- esteras
- HEPP
- IMUSA
- ORIGINAL KAISER
- KRUPS
- Leggierina
- MAHARAJA WHITELINE
- MIRRO
- Moulinex
- OBH NORDICA
- PANEX
- Rochedo
- Rowenta
- samurai
- schaerer
- SEB
- Silit
- SUPOR
- T-fal
- Tefal
- UMCO
- WearEver
- WMF

# 2019 FIRST-QUARTER 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)

- 1. Figures**
- 2. Business review by geography**
- 3. 2019 Outlook**
- 4. Appendix**



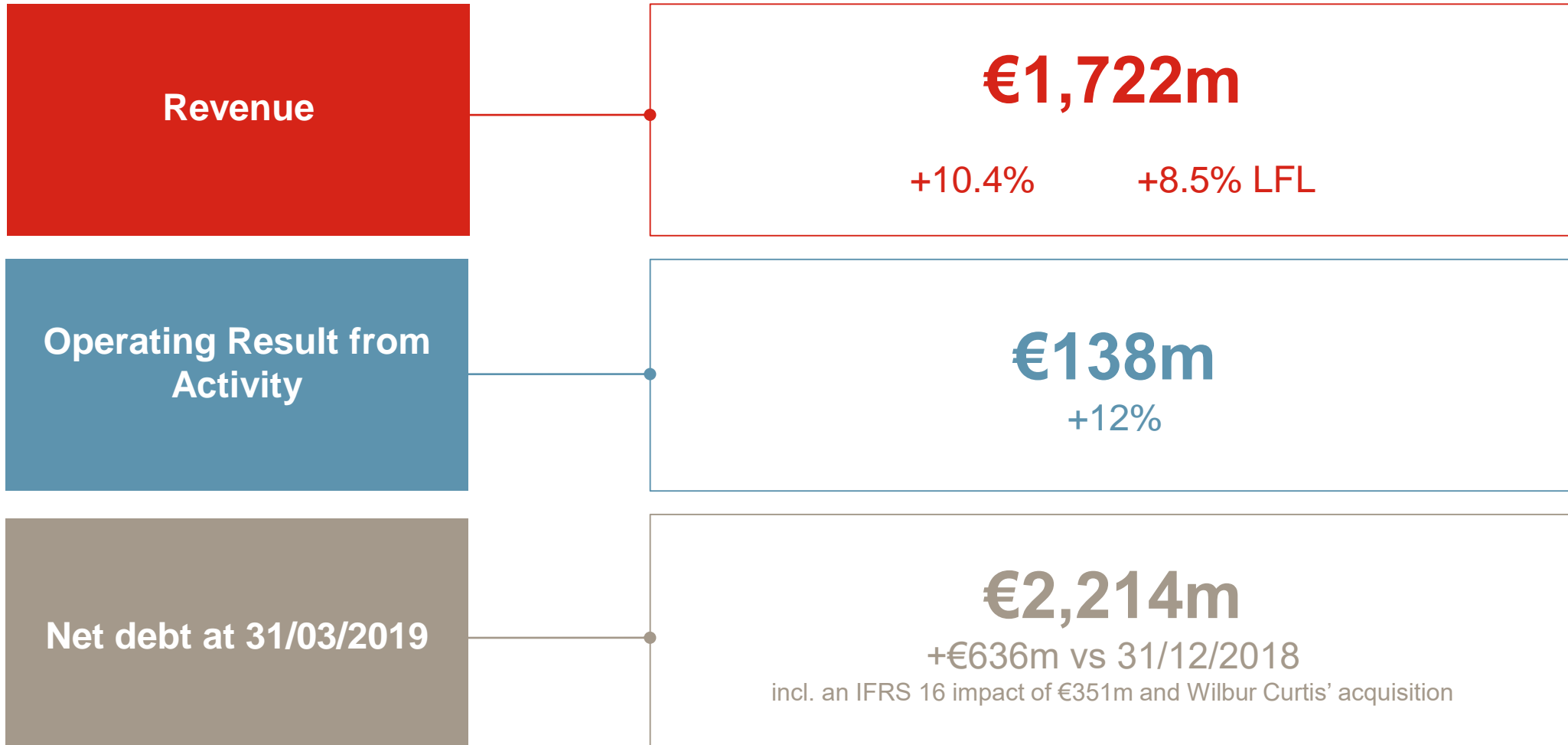
# CONTENTS



# 01

FIGURES

## Key figures – Q1 2019



# Revenue growth detailed by business activity

Revenue  
**€1,722m**

**+10.4%**

**+8.5% LFL**

Consumer

**€1,539m**

**+8.0%**

**+7.0%**

LFL

Professional\*

**€183m**

**+36.6%**

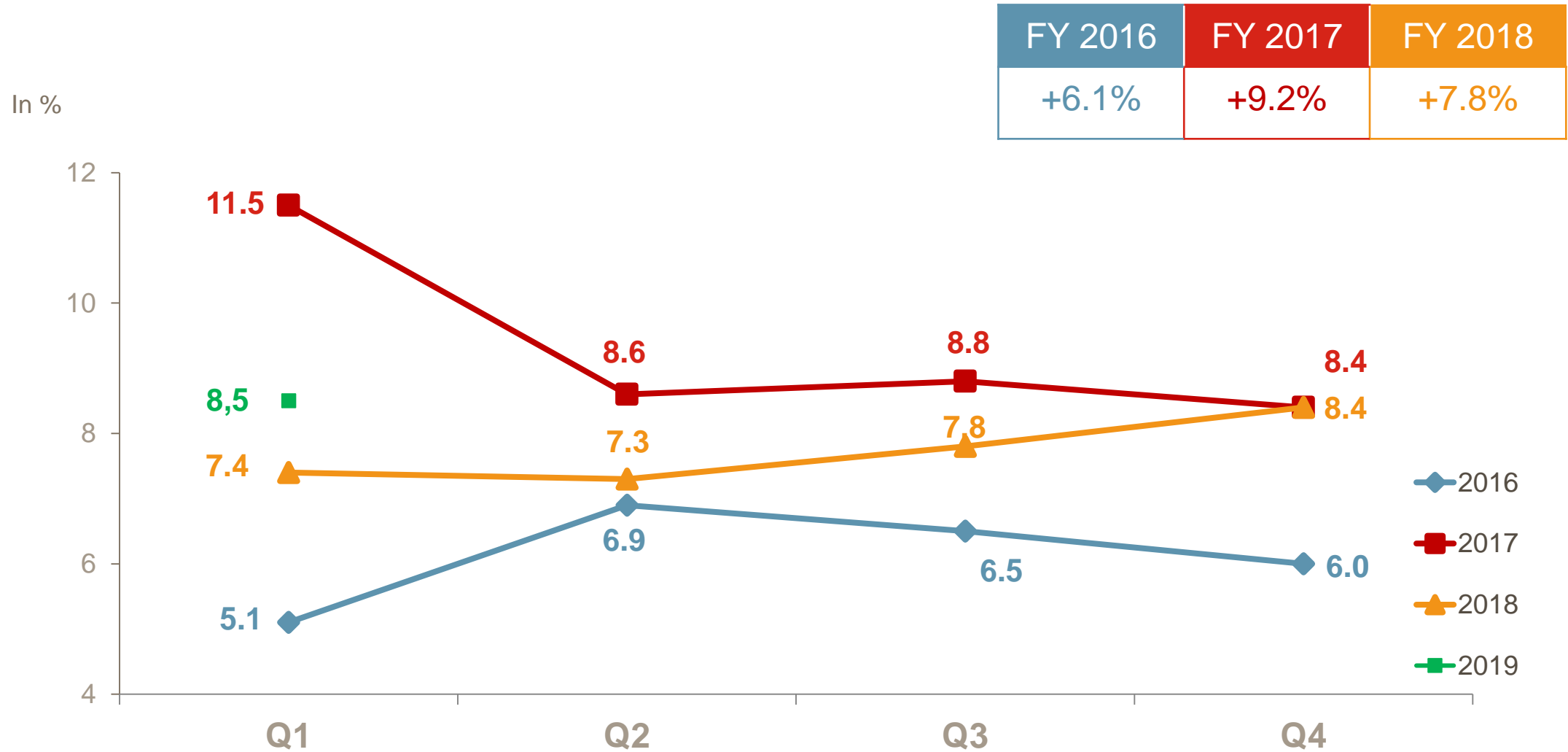
**+24.4%**

LFL



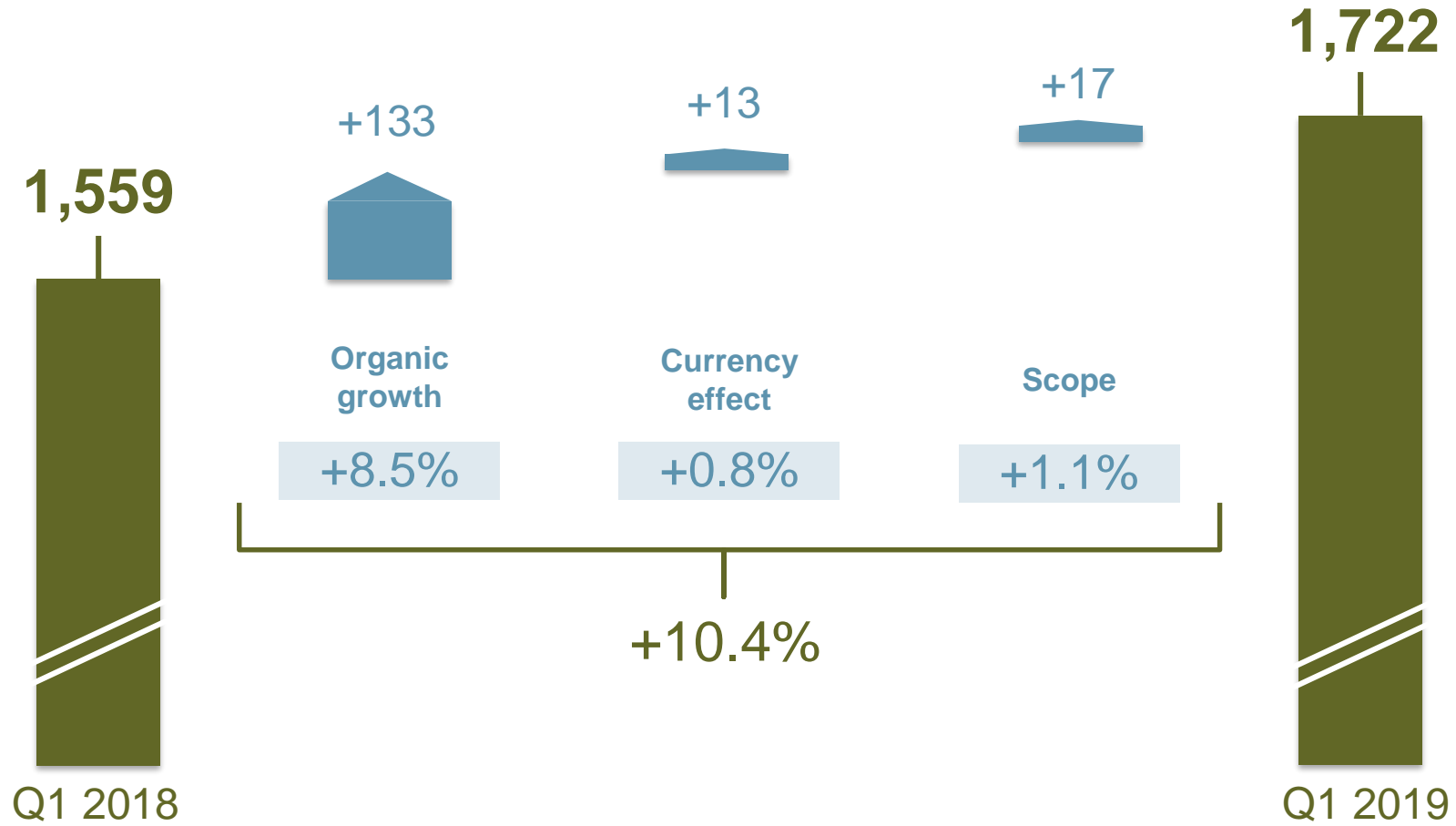
\*incl. €12m sales of Wilbur Curtis, consolidated over 2 months

# Organic sales growth by quarter



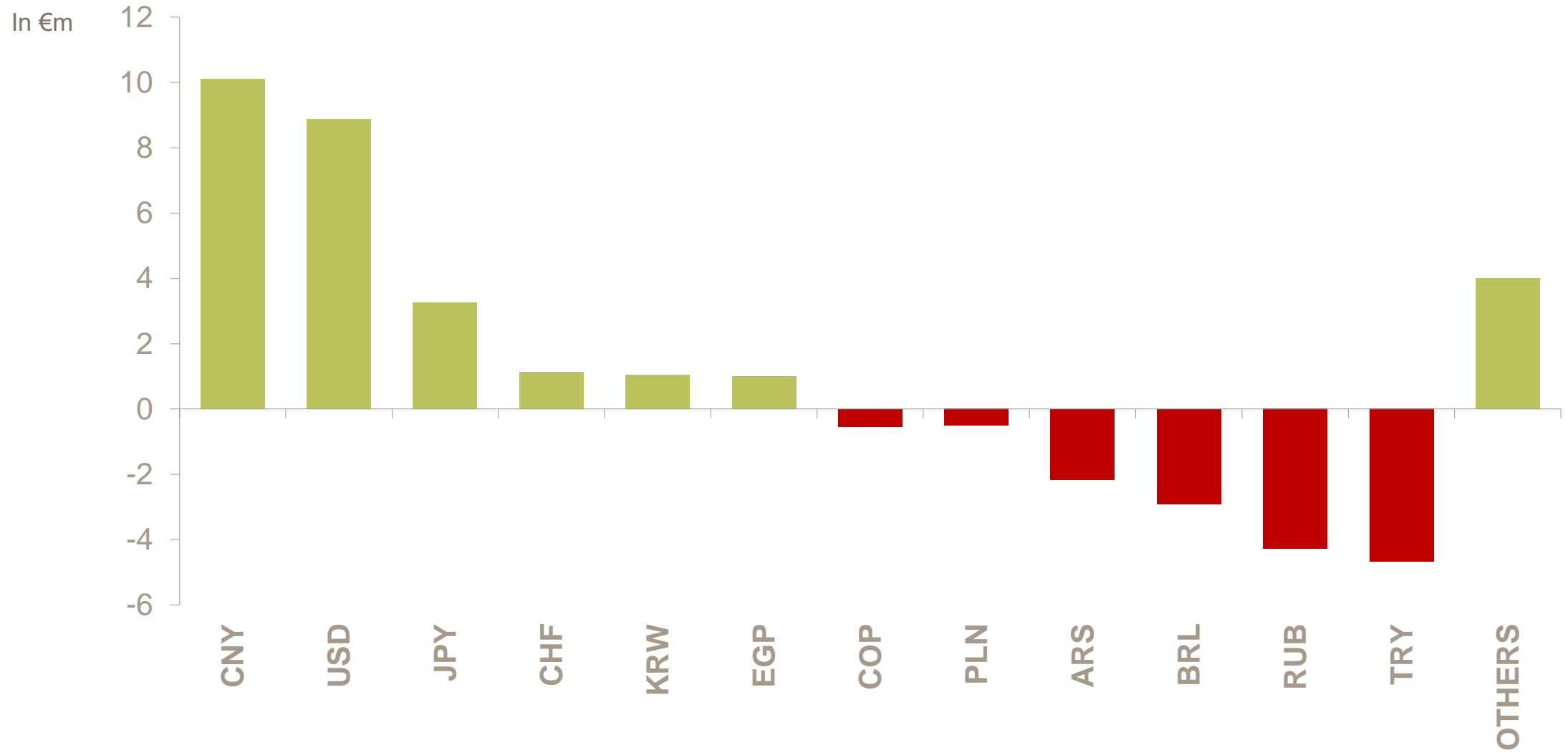
# Analysis of Q1 2019 sales growth

In €m





# Q1 2019 currency impact on sales: + €13m



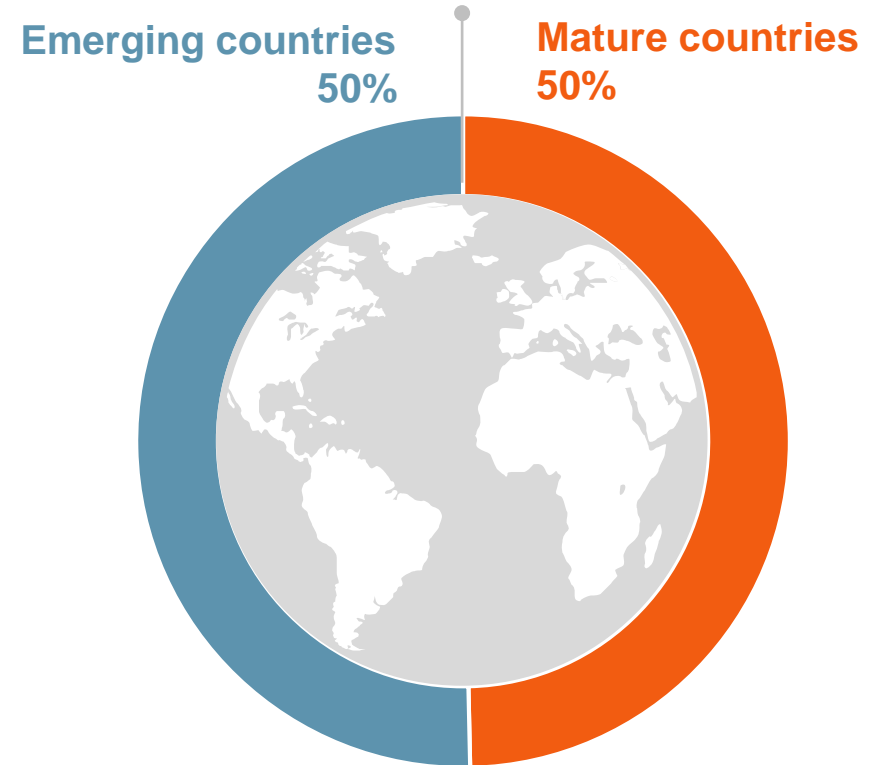
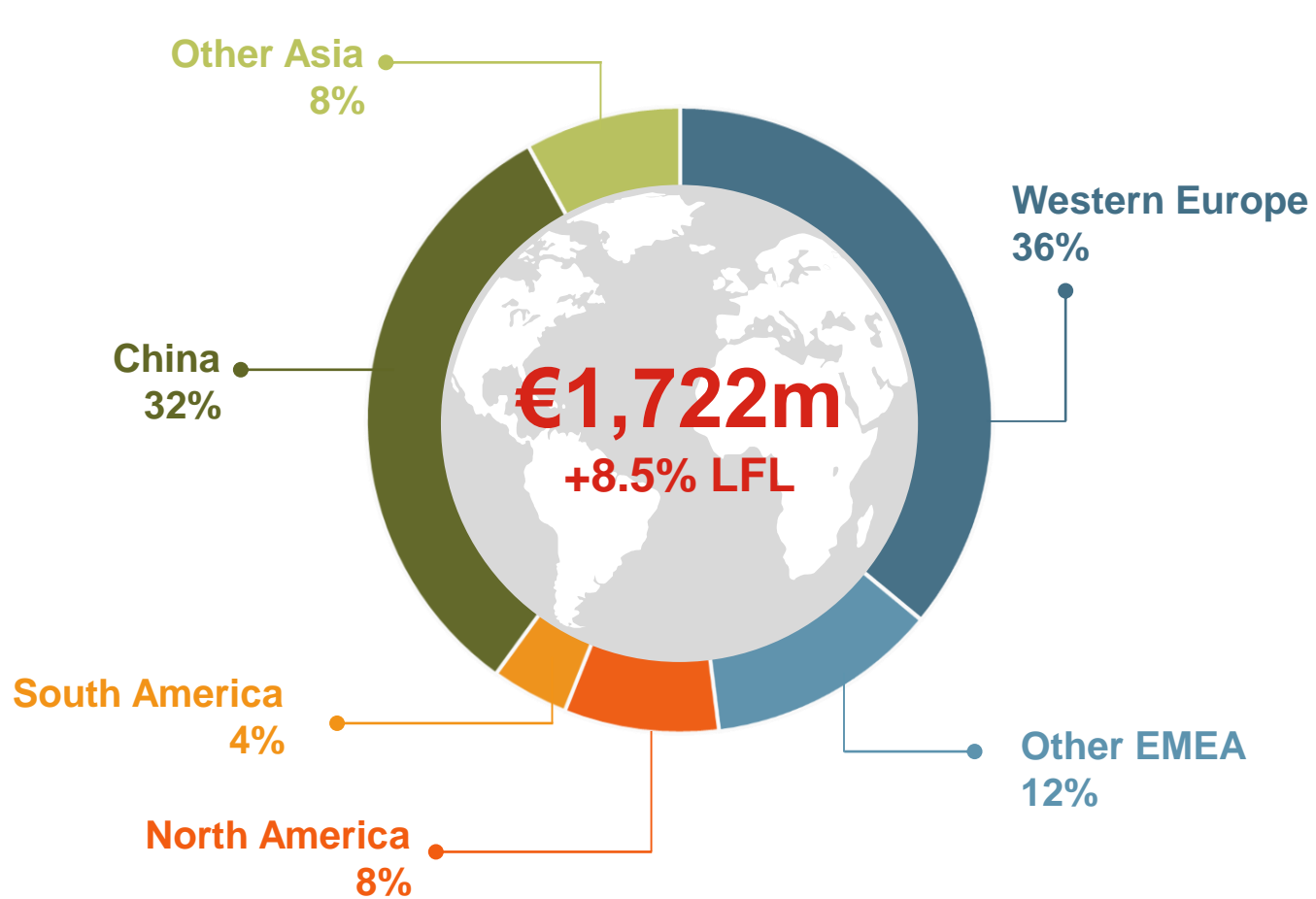
# Q1 2019 revenue by region

In €m

		Q1 2018	Q1 2019	As reported	LFL
<b>EMEA</b>	<b>EMEA</b>	<b>686</b>	<b>711</b>	<b>+3.7%</b>	<b>+4.1%</b>
	Western Europe	503	519	+3.1%	+3.0%
	Other countries	183	192	+5.4%	+6.9%
<b>AMERICAS</b>	<b>AMERICAS</b>	<b>161</b>	<b>169</b>	<b>+4.9%</b>	<b>+4.2%</b>
	North America	92	103	+11.1%	+3.8%
	South America	69	66	-3.4%	+4.8%
<b>ASIA</b>	<b>ASIA</b>	<b>578</b>	<b>659</b>	<b>+14.0%</b>	<b>+11.3%</b>
	China	469	541	+15.5%	+13.4%
	Other countries	109	118	+7.3%	+2.5%
	<b>TOTAL Consumer</b>	<b>1,425</b>	<b>1,539</b>	<b>+8.0%</b>	<b>+7.0%</b>
	Professional	134	183	+36.6%	+24.4%
	<b>Groupe SEB</b>	<b>1,559</b>	<b>1,722</b>	<b>+10.4%</b>	<b>+8.5%</b>

% based on non-rounded figures

# Q1 2019 sales by region



# 02

**BUSINESS REVIEW  
BY GEOGRAPHY**

Q1 sales / €m	2018	2019	REPORTED	LFL	Reminder LFL 2018
Western Europe	503	519	+3.1%	+3.0%	+2.2%

- **LFL growth of 3% driven by firm core business and a higher number of loyalty programs**
  - Subdued by WMF consumer business (mainly in Germany) and end of Nespresso machine sales in Nespresso stores
  
- **Contrasted performances depending on countries**
  - **France:** satisfying Q1 vs. high comps in 2018.  
Cookware sales down, impacted by unsuccessful LP in Q4 2018.  
SDA performance solidly up, thanks to vacuum cleaners, automatic espresso machines, « brunch » ranges, Cake Factory, Cookeo,...
  - **Germany:** ongoing robust momentum bolstered by most product categories → New market share gains.
  - **Spain:** higher sales fueled by cookware and new listings in personal care
  - **Italy / Netherlands:** overall good performances boosted by loyalty programs
  - **UK:** drop in sales due to complicated economic environment and sluggish demand

# Other EMEA Countries

EMEA

Q1 sales / €m	2018	2019	REPORTED	LFL	Reminder LFL 2018
Other EMEA countries	183	192	+5.4%	+6.9%	+18.5%

- **Solid Group performance in light of high comparatives**
  - ➔ Despite FX volatility (RUB, TRY...)
  - ➔ Growing core business + Significant Loyalty Programs ➔ Market shares strengthened in the region
  
- **Overall positive stance in highly competitive markets**
  - ➔ **Central Europe:** almost all countries and product categories supporting growth
  - ➔ **Russia:** strong momentum nurtured by the success of our flagship products (cookware, kettles, blenders, meat mincers...) + LPs
  - ➔ **Turkey:** demand under pressure, leading to fierce competition and highly promotion-driven market. Group sales slightly down following the huge price increases taken in 2018 to offset the TRY depreciation.
  - ➔ Promising start of our expanded joint-venture in **Egypt** incl. further development in SDA (blenders, in particular).

Q1 sales / €m	2018	2019	REPORTED	LFL	Reminder LFL 2018
North America	92	103	+11.1%	+3.8%	-19.8%

- **Q1 sales growing 3.8% LFL, in a still difficult retail environment**
- **Growth stemming from the 3 region countries**
  - ➔ **US:** solid performance in cookware (all 3 brands) but more difficult in SDA (linen care in particular)
  - ➔ **Canada:** higher sales fueled by cookware but penalized by sluggish demand in SDA (linen care and electrical cooking notably)
  - ➔ **Mexico:** modest growth: firm in cookware vs contrasted situation in SDA, fans being the best-sellers thanks to favourable weather conditions.

Q1 sales / €m	2018	2019	REPORTED	LFL	Reminder LFL 2018
South America	69	66	-3.4%	+4.8%	+4.3%

- **Depreciation of BRL and COP against € vs Q1 2018**
- **LFL growth driven by Brazil, posting revenue up 8.3%**
  - ➔ **Brazil:** Slightly more positive backdrop in Q1 2019 but extremely competitive and promotional market  
Overall firm performance in SDA, yet mixed: sales up for fans, Dolce Gusto, electrical cooking vs sales down in linen care and food prep.  
Cookware sales improving solidly on low comps
  - ➔ **Colombia:** slight decline in revenue with mixed performance depending on retail channels and product categories.



Q1 sales / €m	2018	2019	REPORTED	LFL	Reminder LFL 2018
China	469	541	+15.5%	+13.4%	+24.1%

- **Normalizing performance, as expected, but still a very dynamic Q1: +13.4% LFL**
  - ➔ On high comps (Q1 2018) - Consistent with Q4 2018 trend
  - ➔ Supor largely outperforming Chinese market, with e-commerce as a main driver
- **Solid growth in cookware and kitchen utensils**
  - ➔ Driven by woks, frying and saucepans, sets, thermal mugs and bottles...
- **Continued strong momentum in SDA**
  - ➔ Nurtured by innovation in kitchen electrics: rice cookers, electric pressure cookers, mobile induction hobs, health pot kettles, classic and high-speed blenders...
  - ➔ Ongoing robust trend for HPC activity, particularly in garment steamers and vacuum cleaners ➔ New market shares gains
  - ➔ Good performances in Large Kitchen Appliances (LKA)

## Other Asian countries

ASIA

Q1 sales / €m	2018	2019	REPORTED	LFL	Reminder LFL 2018
Other Asian countries	109	118	+7.3%	+2.5%	+2.5%

### Overall growing sales but mixed picture

- **Japan**: vigorous business momentum driven by flagship product lines (cookware, kettles...), new categories (Cook4me) and Group Retail (+2 stores in Q1)
- **South Korea**: sales slightly down LFL, penalized by overstock of WMF products at a distributor's, yet growing excl. this effect → Cookware, vacuum cleaners and garment care - More difficult in food- and beverage preparation.
- Solid growth in **South-East Asia**
  - Robust growth in almost all our markets, notably in **Thailand** thanks to our flagship products, but also Malaysia, Hong-Kong, Singapore, Taiwan...
  - Ongoing difficult business in **Vietnam**
- Revenue down in **Australia** but gains of new listings.

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OUTLOOK

## Guidance for 2019 – Objectives confirmed

- Q1 not representative of full year – nevertheless good start for 2019
- Overall environment still uncertain and volatile, incl. specific challenges in a few countries
- Confidence in ability to achieve ongoing solid development in Small Domestic Equipment and continue progress in PCM

### 2019 OBJECTIVES

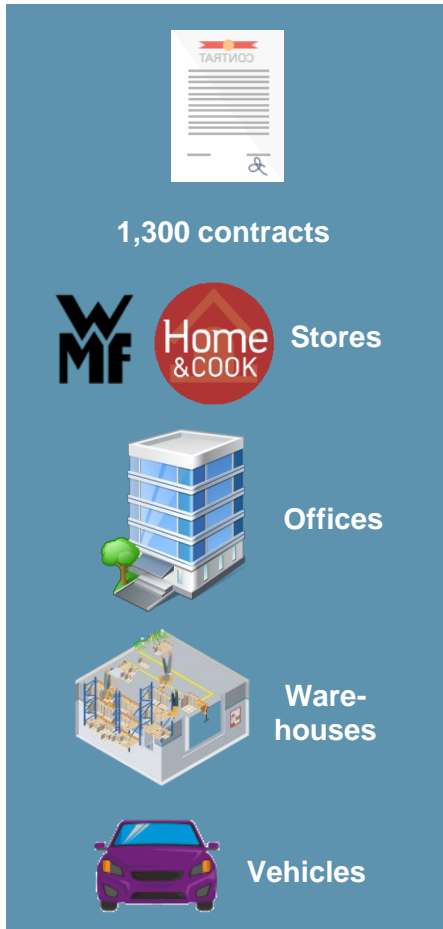
- Further organic sales growth
- Further increase in Operating Result from Activity (ORfA)



04

APPENDIX

# IFRS 16 implementation impacts



1,300 contracts

Stores  
Home & COOK

Offices

Warehouses

Vehicles

**GROUPE SEB**  
Impact on:

Net debt	↑
<b>+€351m*</b> at 31 March 2019	
Adjusted EBITDA	↑
Operating Result from Activity	↑
Net result (FY 19)	↓

→ No cash impact

\* Unaudited figures

# Glossary

## ***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 or 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).

## ***Product Cost Optimization (PCO)***

Group program regrouping and formalizing productivity and value-accretive initiatives.

## ***Opération Performance SEB (OPS)***

Group program targeting improvement in overall performance, striving for excellence.

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## Next key dates

<b>May 22</b>   2:30pm	2019 Annual General Meeting
<b>July 24</b>   before market opens	H1 2019 sales and results
<b>October 29</b>   after market closes	9-month 2019 sales and financial data



AGENDA