



GROUPE SEB PRESENTATION

May 2020



- All-Clad
- ARNO
- ASIA
- calor
- clock
- Curtis
- emsa
- esteras
- HEPP
- imusa
- ORIGINAL KAISER
- Krampouz
- KRUPS
- Logaster
- MAHARAJA WHITELINE
- MIRRO
- Moulinex
- OBH NORICA
- PANEX
- Rochedo
- Rowenta
- samuraï
- schaerer
- SEB
- Silit
- SUPOR
- T-fal
- Tefal
- UMCO
- WearEver
- WMF

Disclaimer

NOTE

This presentation may contain certain forward-looking statements regarding Groupe SEB's activity, results and financial situation. These forecasts are based on assumptions which seem reasonable at this stage, but which depend on external factors including trends in commodity prices, exchange rates, the economic environment, demand in the Group's large markets and the impact of new product launches by competitors.

As a result of these uncertainties, Groupe SEB cannot be held liable for potential variance on its current forecasts, which result from unexpected events or unforeseeable developments.

The factors which could considerably influence Groupe SEB's economic and financial result are presented in the Annual Financial Report and Registration Document filed with the *Autorité des Marchés Financiers*, the French Financial Markets Authority. The balance sheet and income statement included in this press release are excerpted from financial statements consolidated as of December 31, 2019 examined by SEB SA's Statutory Auditors and approved by the Group's Board of Directors, dated February 25, 2020.

1. Groupe SEB in a nutshell
2. ESG: a committed Group
3. Covid-19: general context
4. Q1 sales review
5. Q1 ORFA & debt/liquidity
6. Action plan and outlook

CONTENTS





**GROUPE SEB IN A
NUTSHELL**

2019 Key Figures

€7,354m
Sales, + 5.8%
LFL

€740m
Operating Result
from Activity

€380m
Net income

34,000
employees

€267m
Investments in
innovation

1,345
own
retail stores

42
industrial sites

An extensive and diversified offering

SMALL ELECTRIC APPLIANCES

KITCHEN ELECTRICS



HOME AND PERSONAL CARE



COOKWARE - KITCHENWARE

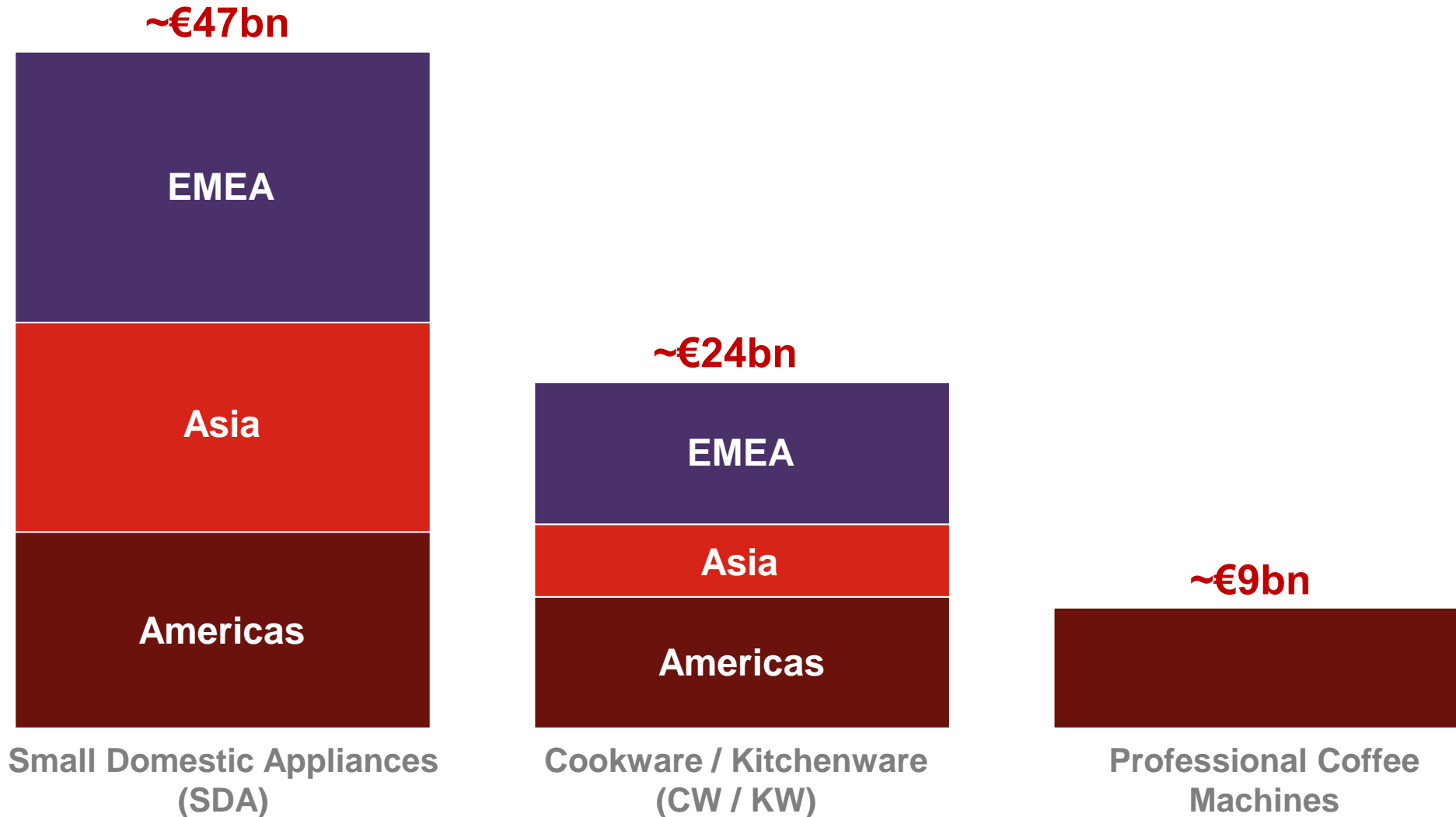


PROFESSIONAL



Competing on a playfield exceeding €75bn

Global market sizes and breakdown by geography

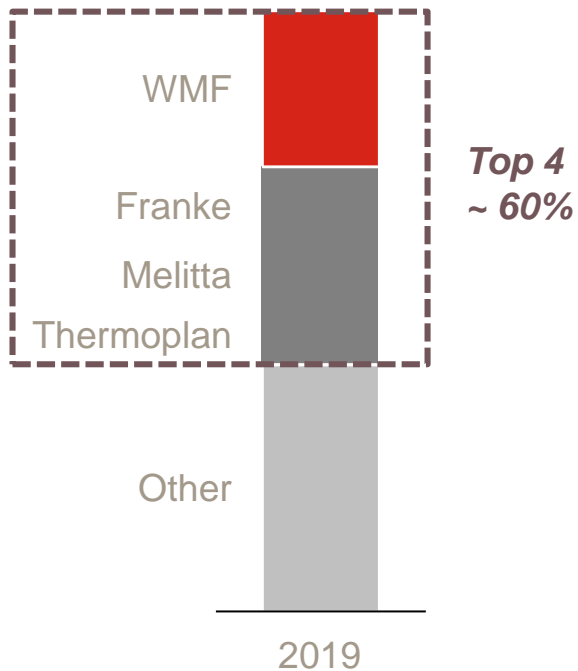


Professional coffee:

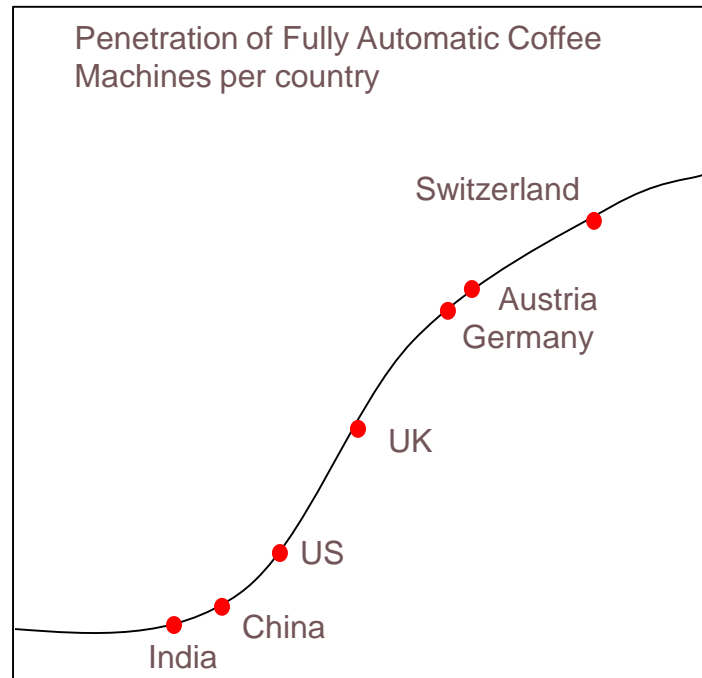
new opportunities in espresso full-auto and filter coffee machines

Full autos – around 25% of the global market

Global market Fully Automatic Coffee Machines – "Equipment"



Penetration of Fully Automatic Coffee Machines per country

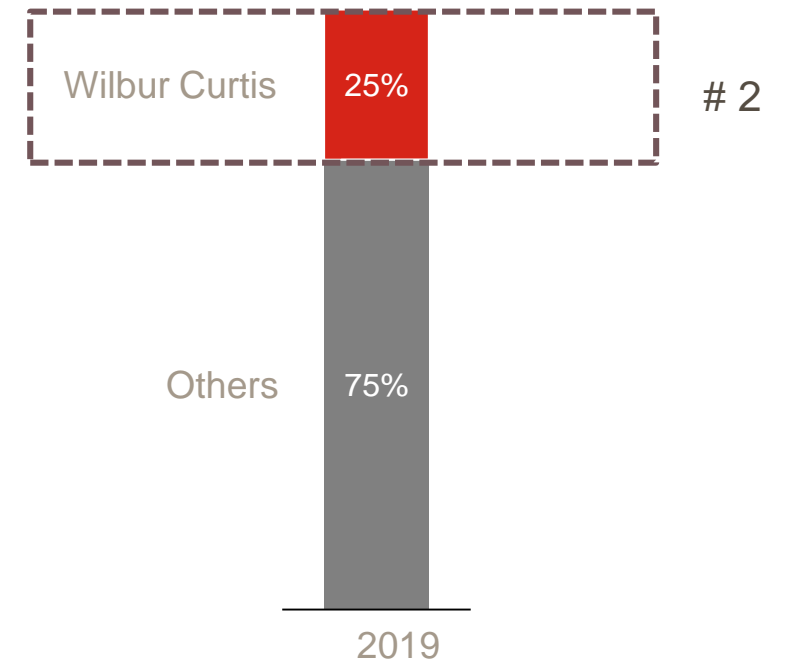


Source: Estin & Co.

A concentrated market with **strong growth potential**

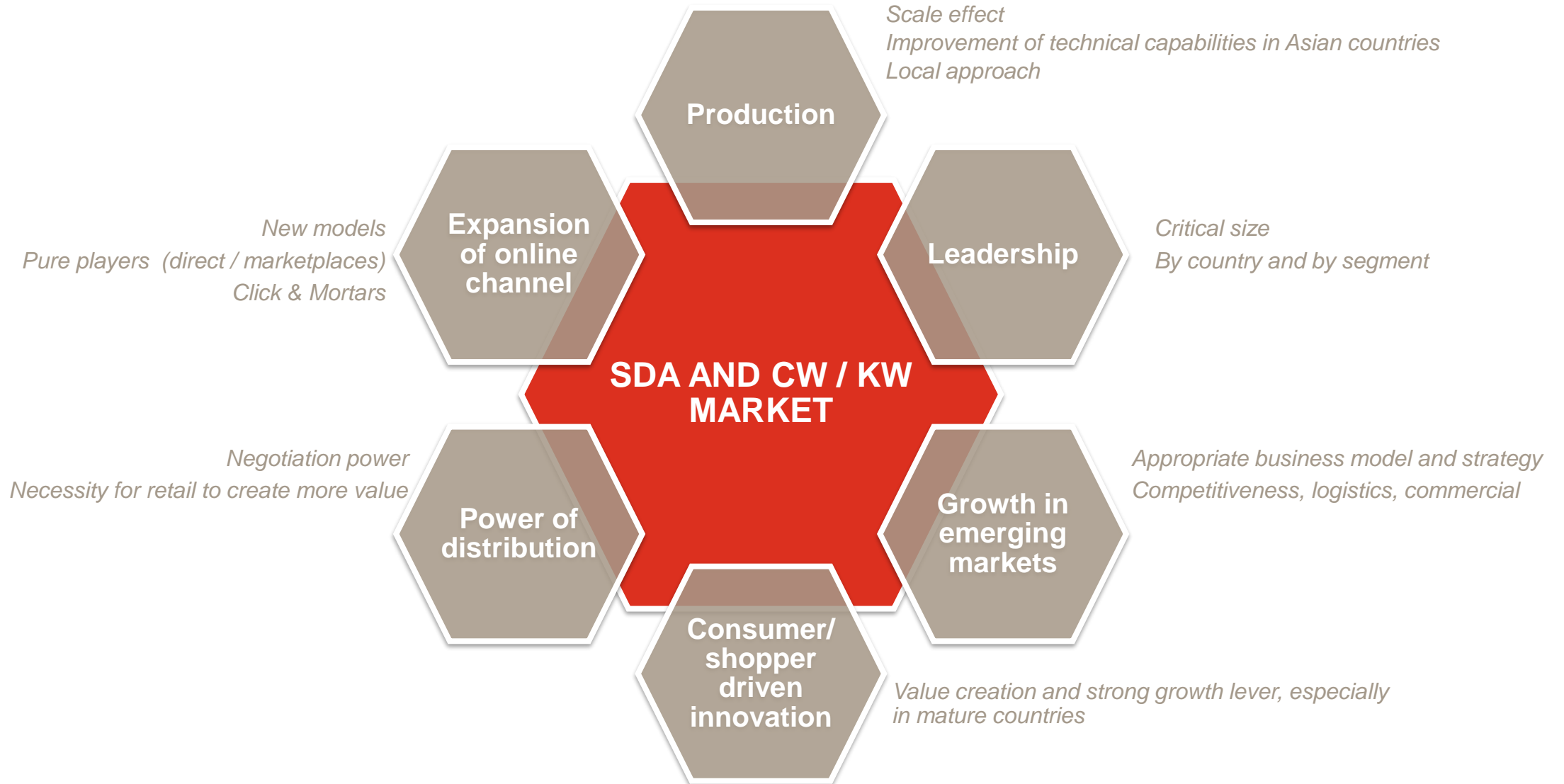
Filter – < 10% of the global market

U.S market Filter Coffee Machines "Equipment"⁽²⁾



Filter coffee: **a long-standing tradition in the US**

Main trends structuring our industry



A consumer in constant transformation...

Simplification



Ease of use,
versatility and
time saved

Health & Wellness



Healthy eating
and emphasizing
home-made trend

New uses



Personalized and
multicultural
experience

Commitment



A quest for meaning,
naturalness, and
circular economy

Digitization



E-commerce,
connections and
communities

... source of new opportunities for the Group

Groupe SEB: a long-term value-creation strategy

Focus on growth

Strength and complementarity of our brands

Product innovation

Multi-channel distribution strategy

International expansion

Development in the professional market

Active acquisition strategy



Strengthen our competitiveness

Optimize our industrial facilities...

Optimize purchasing and logistics

Improve industrial productivity

Simplify structures and processes

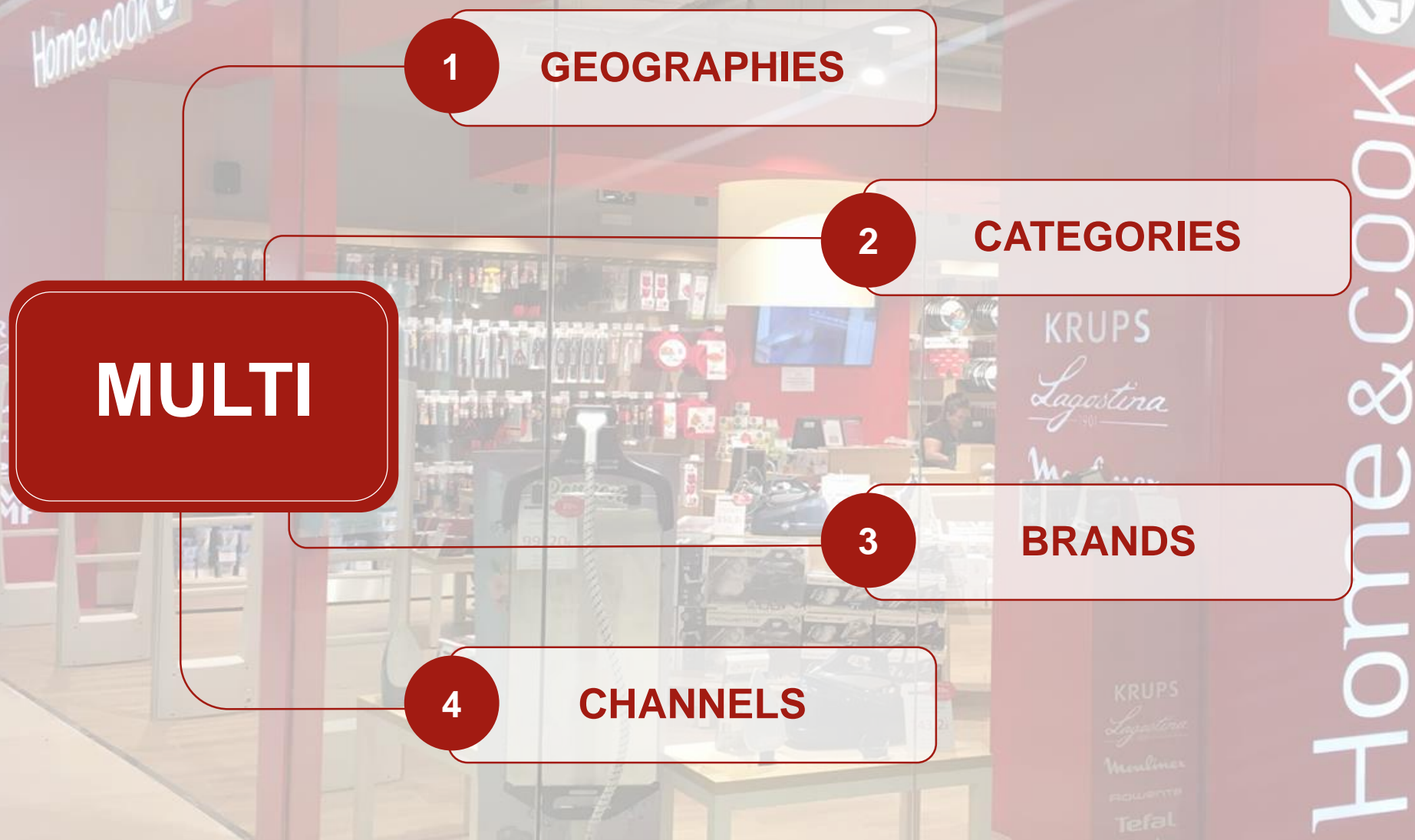
... and develop our assets

High value technological products manufactured in mature countries

Basic products outsourced

Focus on the circular economy

Relevance of our balanced model



A global and balanced presence...

1

Unrivalled global footprint, strong local positions

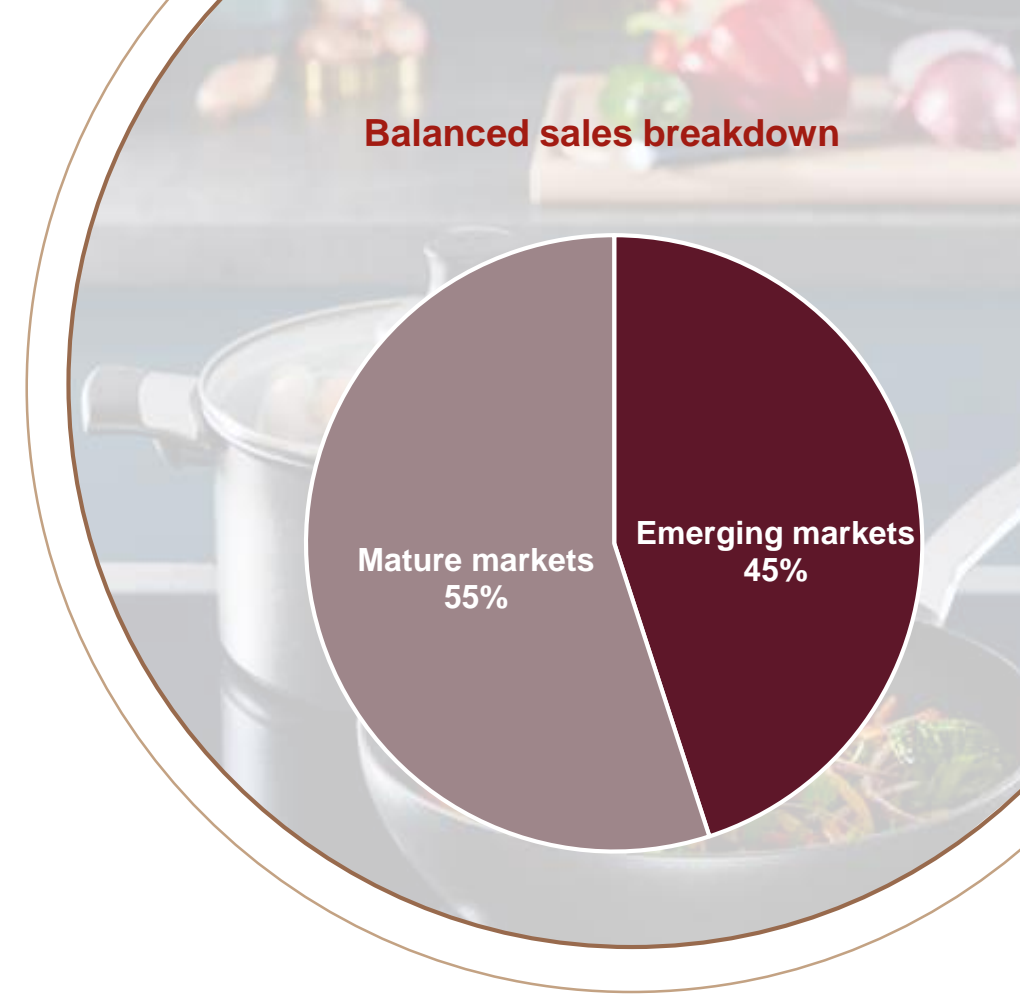
- ¾ of sales in countries where we are #1 or #2
- Continued product offering expansion in markets

Acquisitions as an additional catalyst

Long-term growth enablers

- Heterogeneous equipment rates
- Development of mature markets → Renewal, upselling
- Emerging countries' strong potential :
 - Middle class development
 - +14% organic sales CAGR since 2016

Balanced sales breakdown



...and accelerating growth across new economies

1

Increased critical mass across countries

- 20th country in 2019: **Sales ~ €60m** vs. ~ €35m in 2016

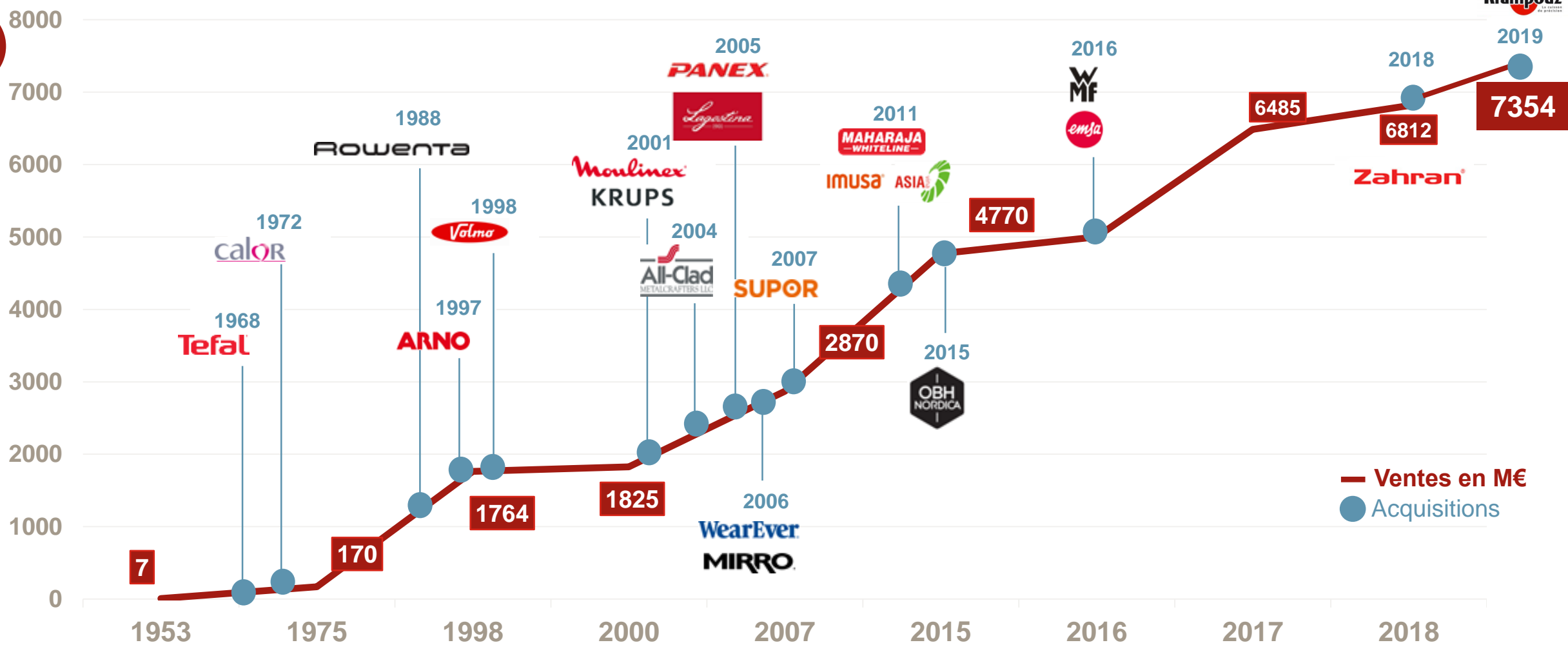
Pool of fast-growing countries

- **EMEA:** Slovakia, Ukraine, Kazakhstan, Egypt...
- **Asia:** Thailand, Malaysia
- **Americas:** Mexico, Colombia, ...



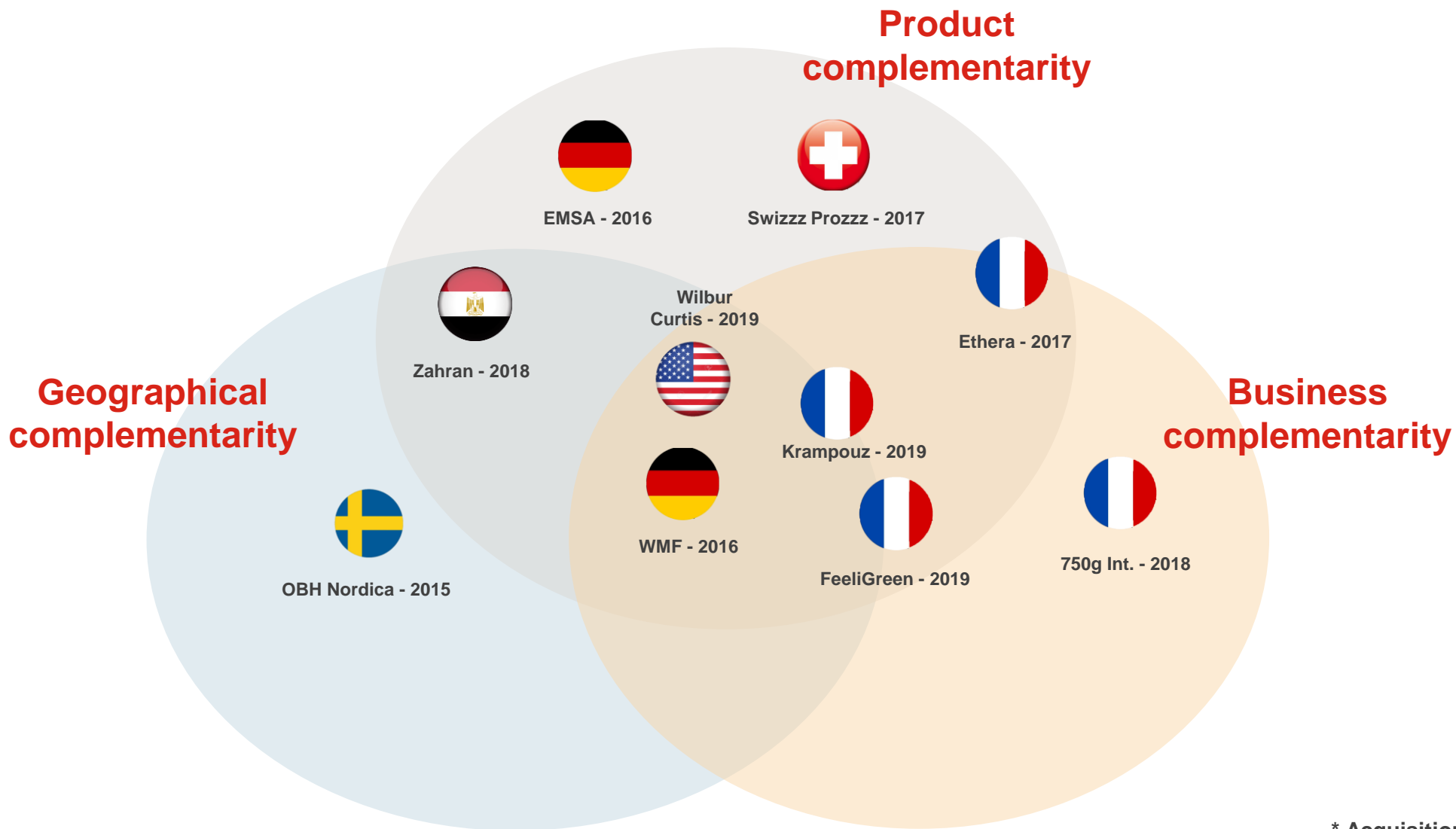
Acquisitions as an additional catalyst

1



M&A strategy: focus on complementarity

1



* Acquisitions of the last 5 years

A presence on numerous product categories...

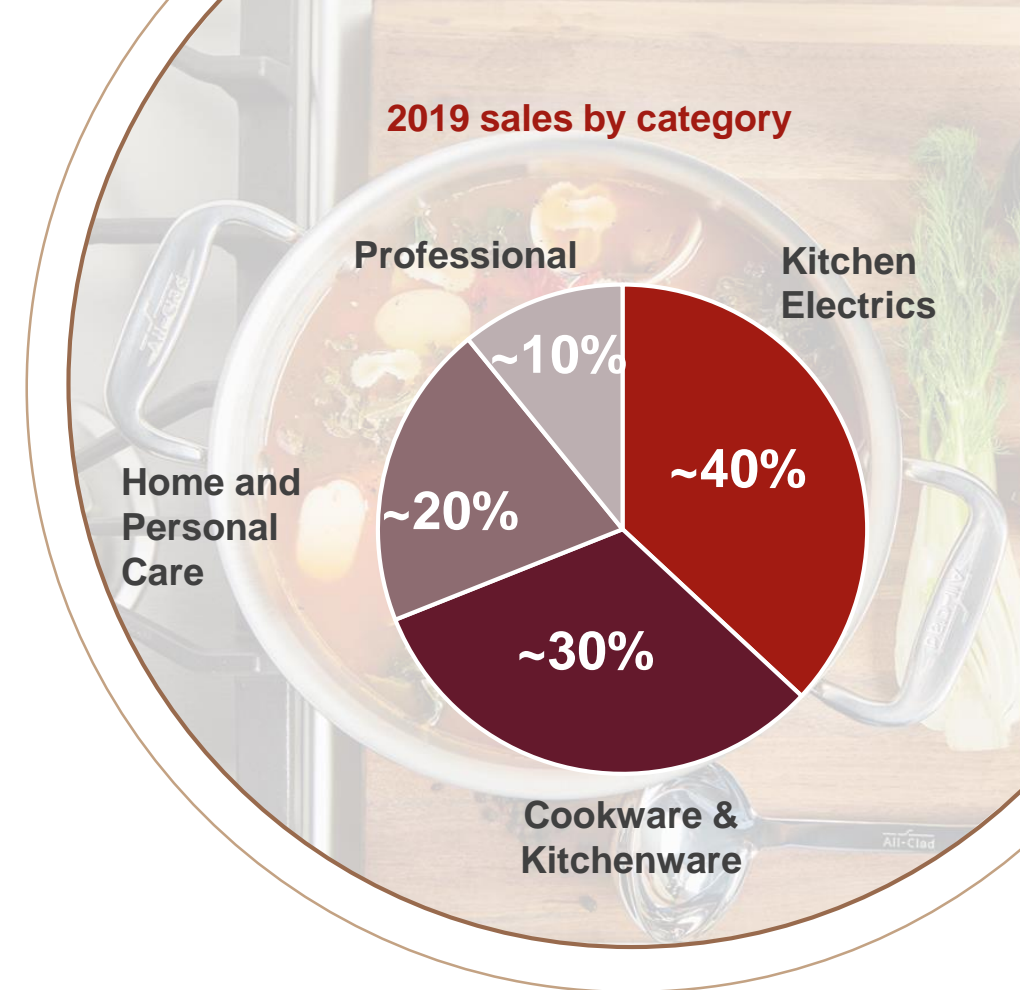
2

Global leader in Cookware, Kitchen Electrics and Linen care

Growing steadily in all Consumer categories

Global leader in Professional Coffee (automatic espresso machines): growth and expanding global reach

- Sales CAGR +16% LFL in 3 years
- Key milestones in the US and China
- Acquisitions: Wilbur Curtis and Krampouz



...and a capacity to reinvent ourselves constantly

2

Creating new product opportunities by leveraging:

- Technological developments and consumer trends
- Our innovation capabilities
- Targeted external growth acquisitions

Constantly speeding-up road-to-market and the Consumer journey

Driving the circular economy



Sales 2016 - 2019

A constant focus on innovation

2



~1,500
people

(R&D, Marketing, Design)



€267m
Investments



~500
patents
(worldwide)



**Passion for
Innovation,**
one of the 5 values
of the Group

2019 figures



Seb/Tefal Actifry
Original



Supor
Steam Pro RC



Tefal
Ixeo



Tefal Ingenio
Asteroid



Moulinex
Cookeo Connect +



Rowenta
Air force 560 - Flex



Krups
Evidence



Moulinex
i-Companion



Rowenta
Intense Pure Air



Tefal
Optigrill

A unique brand portfolio...

3

Strong, diversified and complementary brands

- Consumer, global and regional
- Premium
- Professional

Organized on platforms → Coordination, dissemination, consistency

Responsible and inspiring brands



...and strong local roots

3

Emblematic local brands appealing to consumers in their day-to-day lives for 3 generations

- Heritage and credibility

Supported by local brand ambassadors

- Chefs, influencers, communities of consumers, etc.

Stakeholders in society:

- Imusa: “Tinteros Day” in Colombia
- Supor: Financing the construction of schools in China
- France: Moulinex “Malin” initiative



A multi-channel approach...

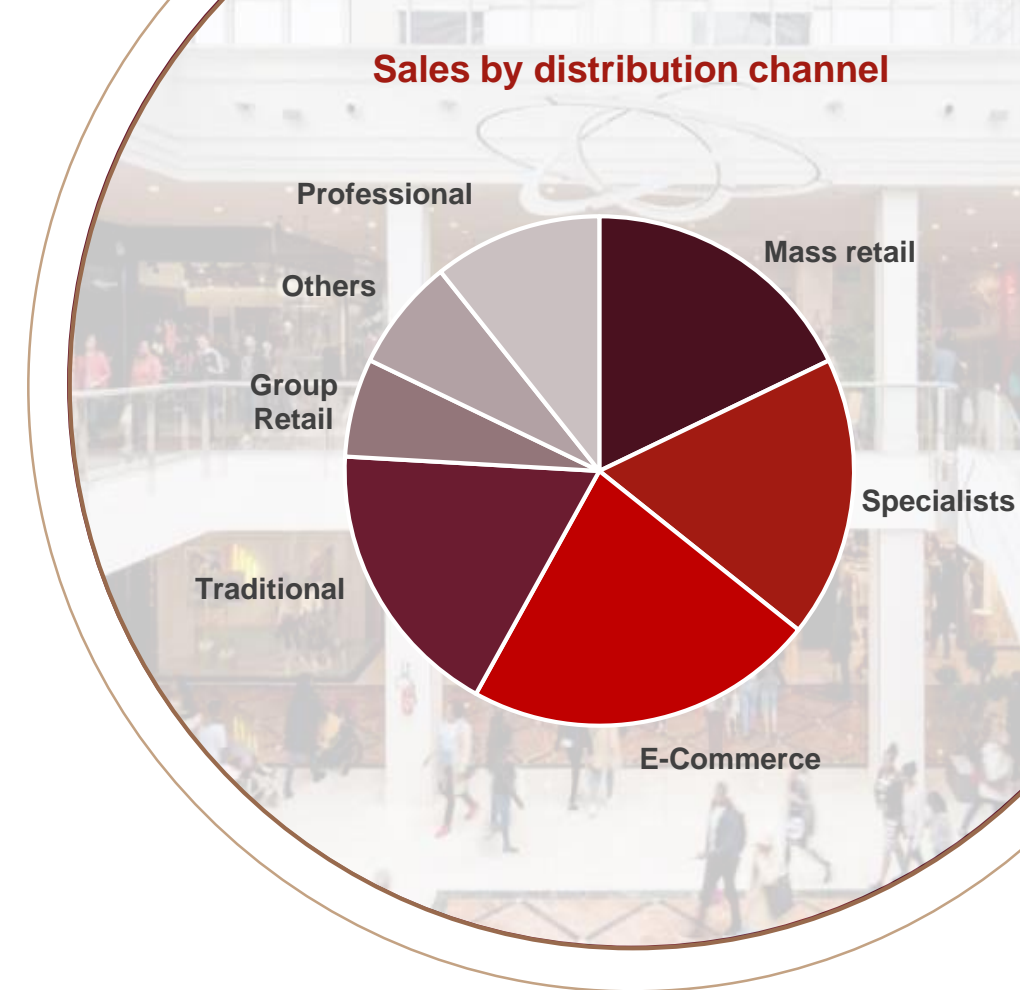
4

Network synergies

- Accessing all consumers
- Adapting to local characteristics

Long-term partnerships with retailers

- Execution, category management, merchandising
- Specific sales offers, LPs



...and an increased proximity
with end-consumers

4

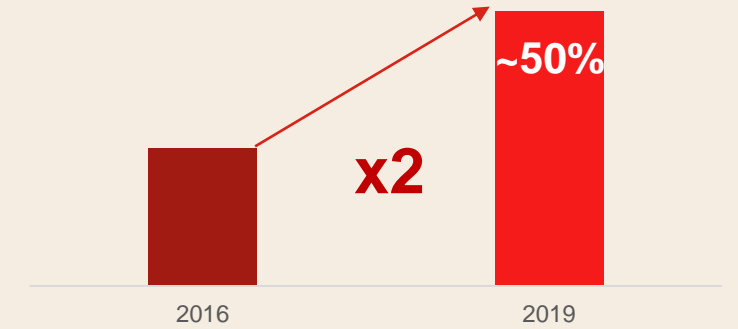
Targeted digital approaches

- E-Commerce
- Digital investments
- Direct relationship with Consumers (CRM)
- Communities & apps

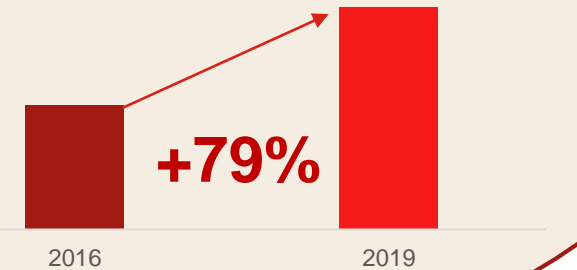
Direct approaches

- Group Retail = 1,345 stores o/w 730 Supor Lifestores in China
→ +135 vs. 2016
- “Online DTC” development

Digital share in media investment



Traffic on Group websites



A worldwide industrial organization

2/3 of products
manufactured in-
house

42 industrial sites

100 %
ISO 14001 certified
entities



Figures at end 2019

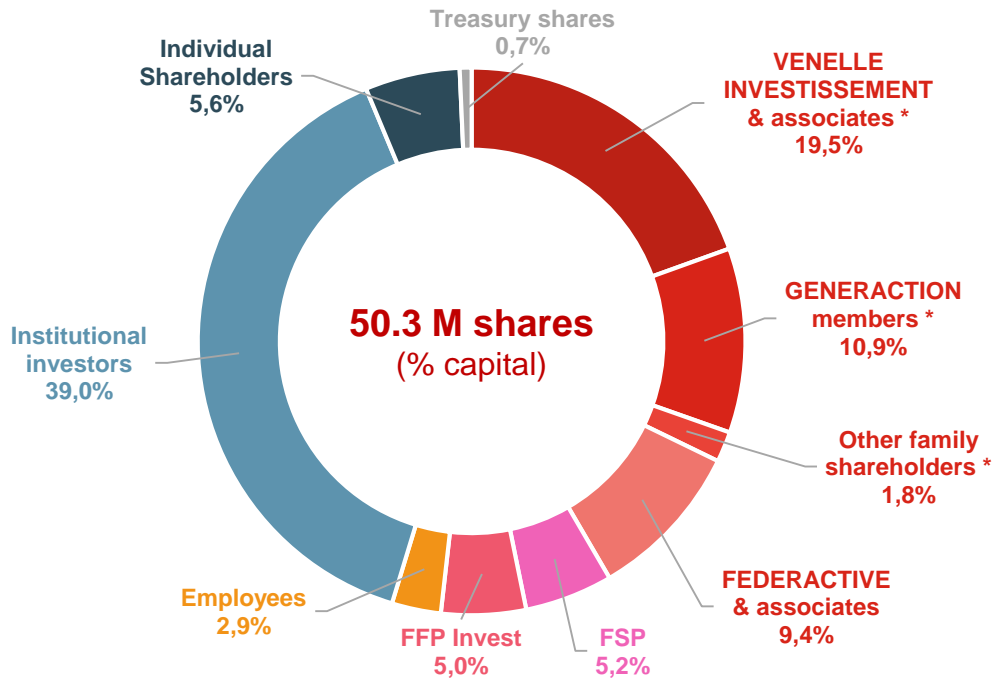


02

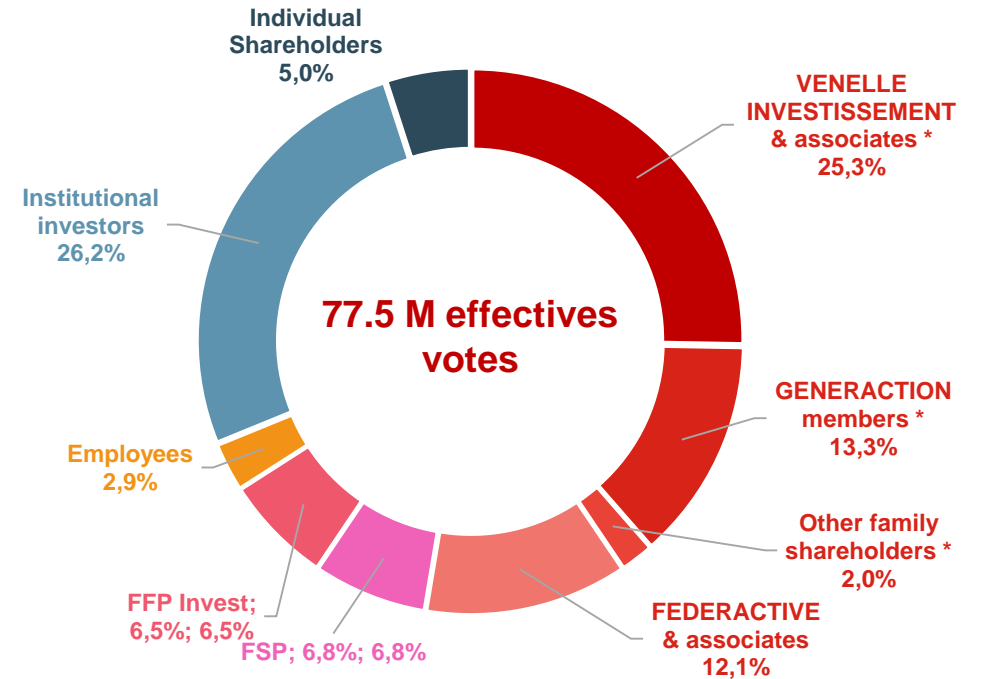
**ESG:
A COMMITTED
GROUP**

Structure of shareholding and voting rights at 31/12/2019 (EGM)

Structure of shareholding at 31/12/2019



Distribution of voting rights at 31/12/2019



Free-Float
44.6 % of capital

Shareholders from Founder Group
41.5 % of capital

Free-Float
31.2 % of voting rights

Shareholders from Founder Group
52.7 % of voting rights

* Total Concerted Voting Block (Agreement of Feb. 27th 2019): 32.1% of capital and 40.6% of voting rights

Groupe SEB Executive Committee

Thierry de La Tour d'Artaise
Chairman and CEO

Stanislas de Gramont
Chief Operating Officer

Nathalie Lomon
*Senior Executive VP,
Finance*

Vincent Tai
Executive VP, Asia

Harry Touret
*Senior Executive VP,
Human Resources*

Cyril Buxtorf
Executive VP, EMEA

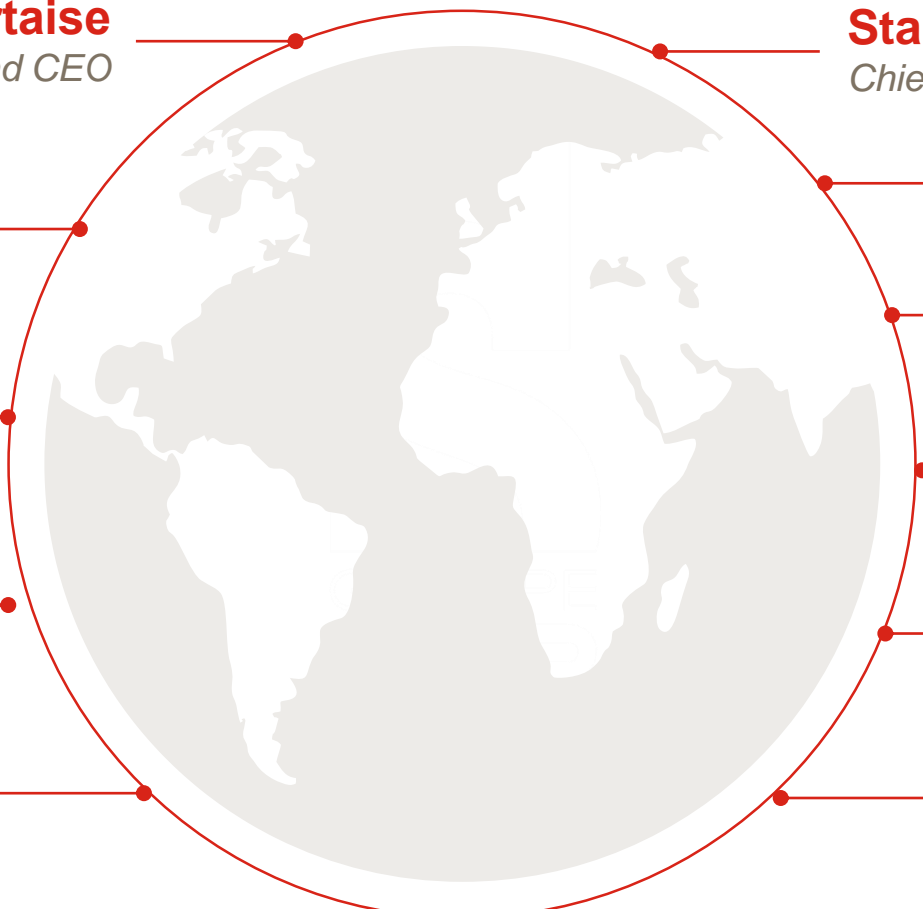
Alain Leroy
*Executive VP,
Industrial Operations*

Martin Zouhar
*Executive VP, North and Central
America*

Olivier Naccache
Executive VP, SDA

Patrick Llobregat
Executive VP, Cookware

To be appointed
Executive VP, Products and Innovation

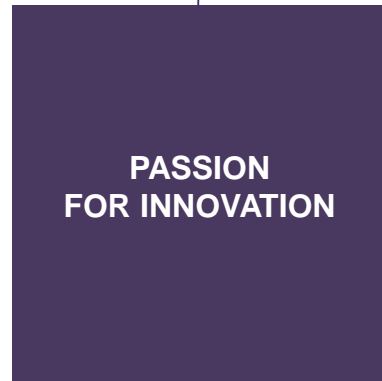


Our values

Global vision
Leadership for change
Determination
Agility



Passion for Products
Innovator
Daring



Pragmatism
Know-how
High standards



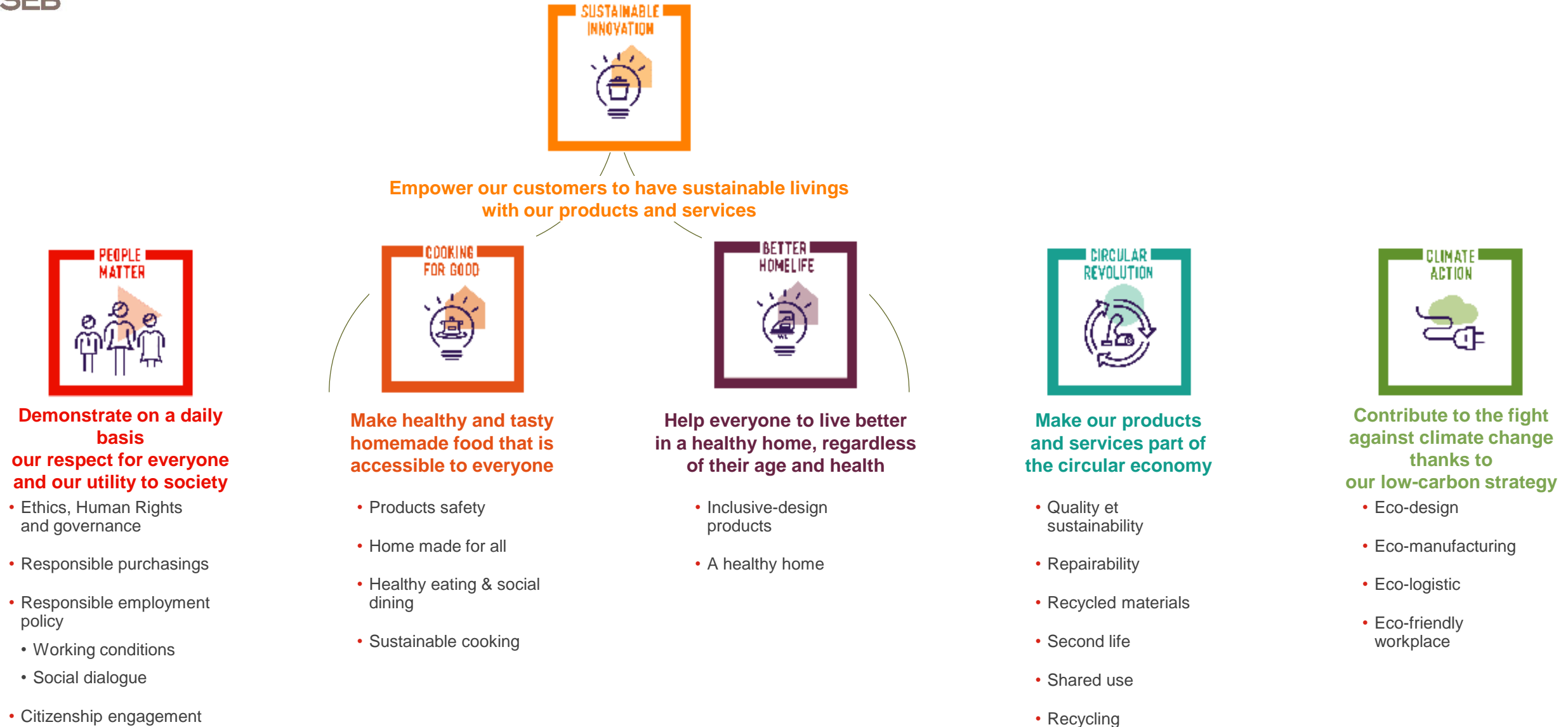
Respect
Loyalty
Corporate Social
Responsibility



Shared ambition
Trust
Transparency



Sustainable development pillars





People matter

Ethics

- Code of ethics
- Responsible purchasing
- Audits



Human resources

- Social protection floor :
 - ✓ Death benefit
 - ✓ Medical plan
 - ✓ Parenthood
- Health & safety
- Diversity



Philanthropy

- Fight against exclusion:
 - > **400 projects** aiming for “a better life for all”
- Employees commitment:
 - Charity week & days
 - Mentoring, team buildings...



Cooking for good

1 Homemade

- Help families in difficulty to improve the diet of their children from 0 to 3 years old
 - 2019: **15.000** families
 - Goal for 2022: **160.000** families
 - **Private sales** with discounted products



2 Healthy

- Creation of a **Healthy and sustainable recipe Charter**



- Develop new solutions to promote **healthy & nutritive eating**

3 Sustainable

- Meet new **consumer and dietary trends**
- Promotes more **responsible everyday habits**

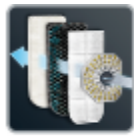


Better homelife

Better indoor quality

• Intense Pur Air & Clean & Steam

- Filters up to 99.95% of pollution and permanently destroys formaldehyde
- Clean & Steam range: clean floor without **detergents**: kills up to **99% of bacteria**



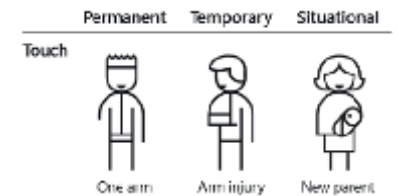
NETTOYAGE SAIN

1

Good design

• Improve the ergonomics of all products

- Permanent: one arm
- Temporary: arm injury
- Situational: baby in the arm



- **Good practices** (*legibility, ergonomics and interaction, materials, sounds, colors...*) in open source



2



Circulation revolution

1

Repair

- **94%** of electrical appliances are mainly repairable
- **40 000** spare parts references
- **6 200** repair center worldwide



2

Recycling

- **1 000 000** pots & pans collected since 2012
- **Eco-Respect range:** in 100% recycled aluminum



3

Give more than one life

- Renting programs
- Recrafting
- Products donations



Climate action

1

Eco design

- **Eco design politic :**
 - Durable & recyclable
 - Energy efficiency or use of alternative materials
- **Eco pack :**
 - 0 EPS
 - 90% recycled carboard
 - 0 plastic packaging




2

Eco manufacturing

- Eco innovative projects
- **> 150** best practices
- **Renewable** energies in France, Egypt, Colombia and Brazil




3

Eco logistic

- Prioritizes non-road transport: transport by rail and river.
- In EMEA, **41%** of alternative journeys


36%



avoided

3%

Logistic costs



avoided



03

**COVID-19:
GENERAL CONTEXT**

General overview: an unprecedented health and economic crisis

- Fast spreading epidemic, including 2 “phases” at this stage → China (Asia) / Rest of world
- +
- Massive lockdown – shutdowns: factories, offices, public spaces, retail, restaurants, hotels...

→ All areas of global economy heavily impacted

- Answers to the crisis differing from one country to the other
- Lack of visibility regarding the end of the epidemic
 - Phasing of de-confinement
 - Speed of recovery
- Significant currency devaluation in emerging countries and collapsing oil prices

Groupe SEB's top priorities

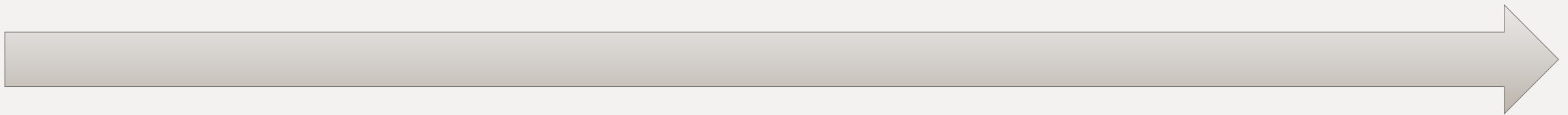
**Health & safety
of employees**

Group: 33 Covid-sick people*

**Business continuation
plan and service to
customers**

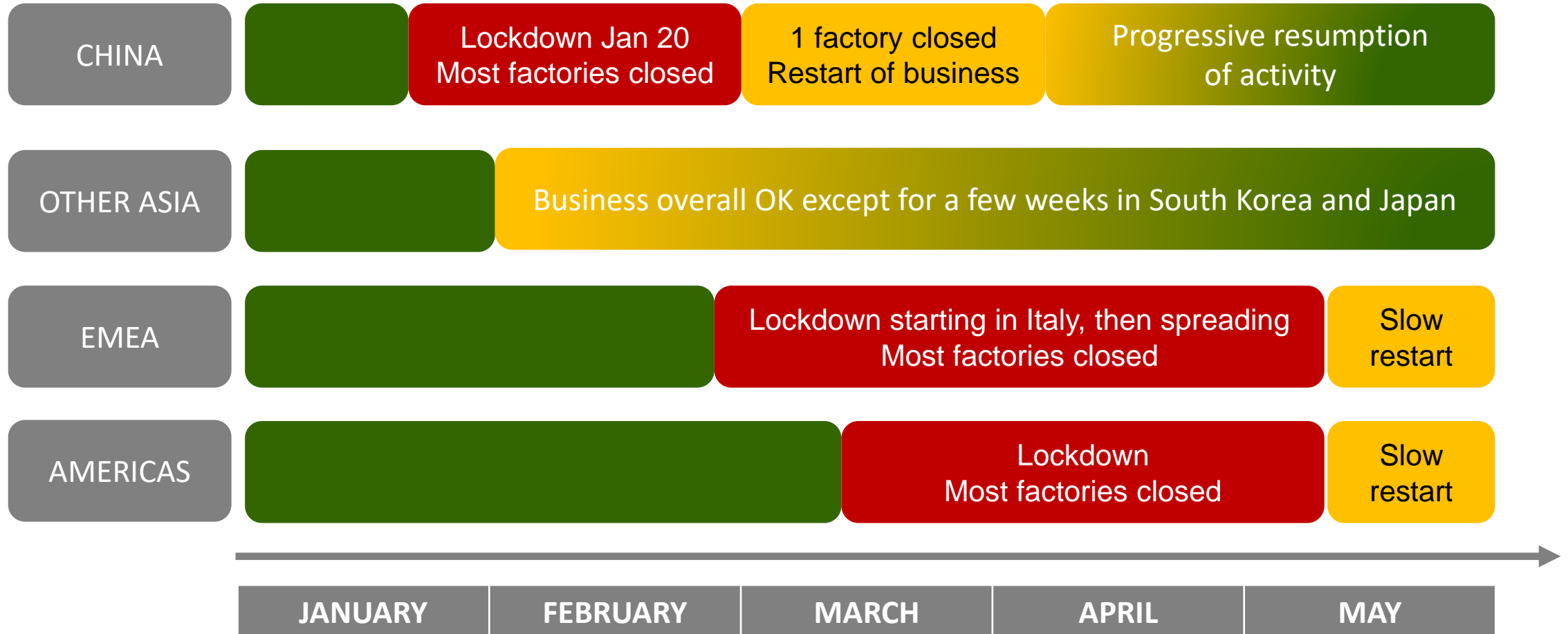
**Liquidity
preservation and
cost reduction
action plans**

**Gradual activity
resumption**

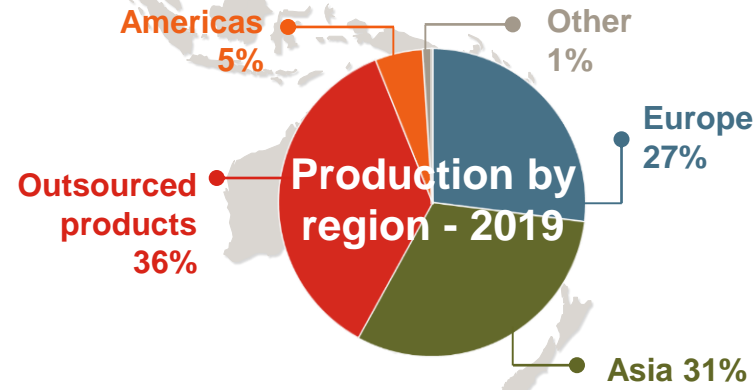
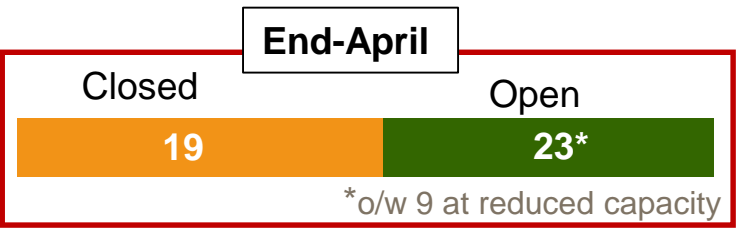
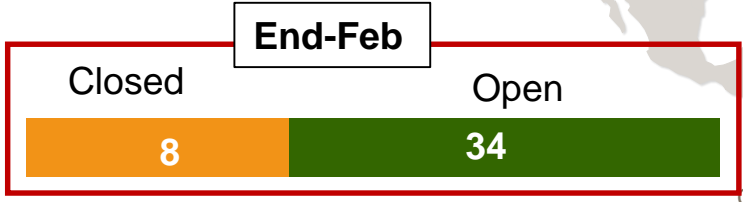
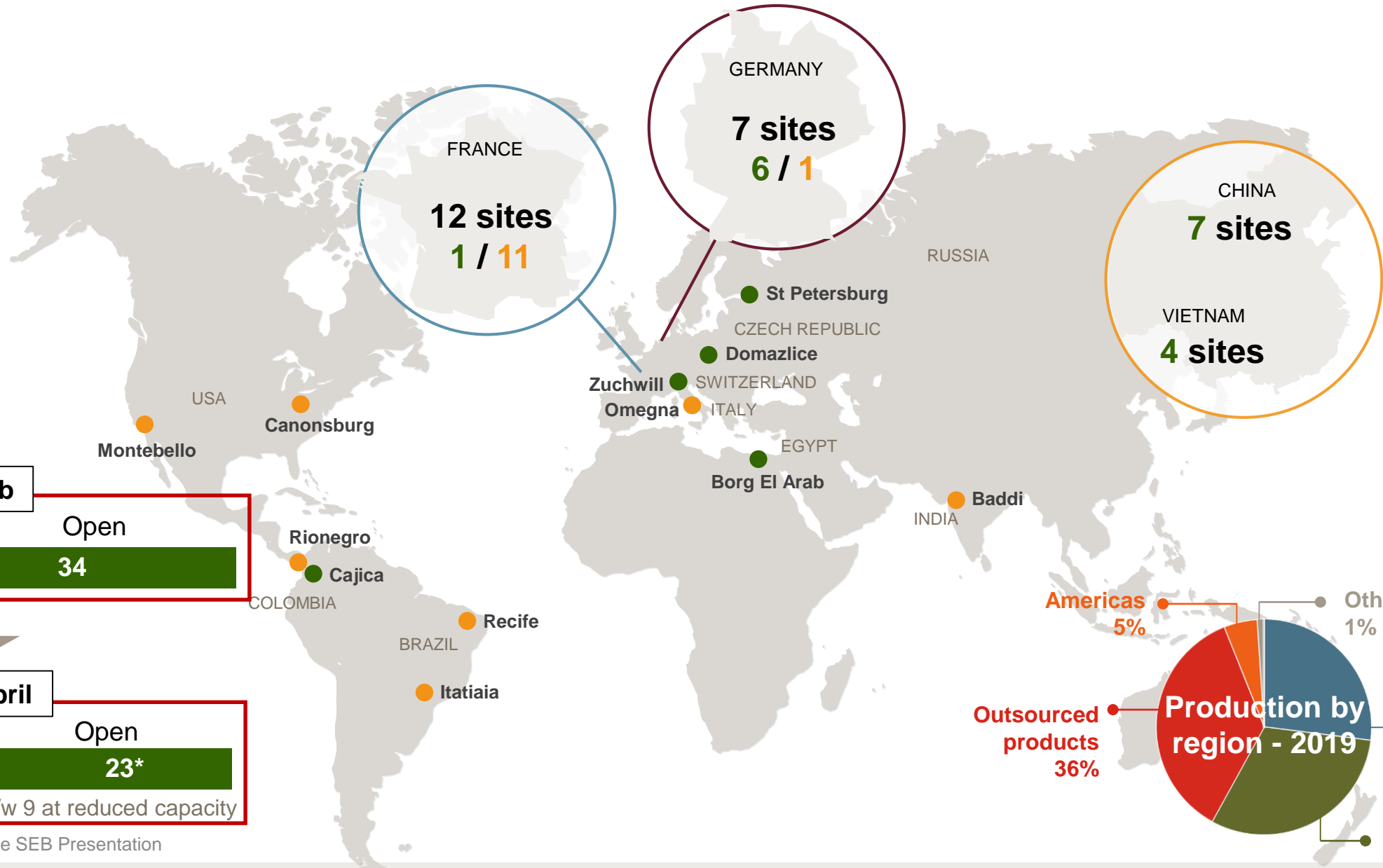


*at April 27.

Outbreak and spread of the crisis

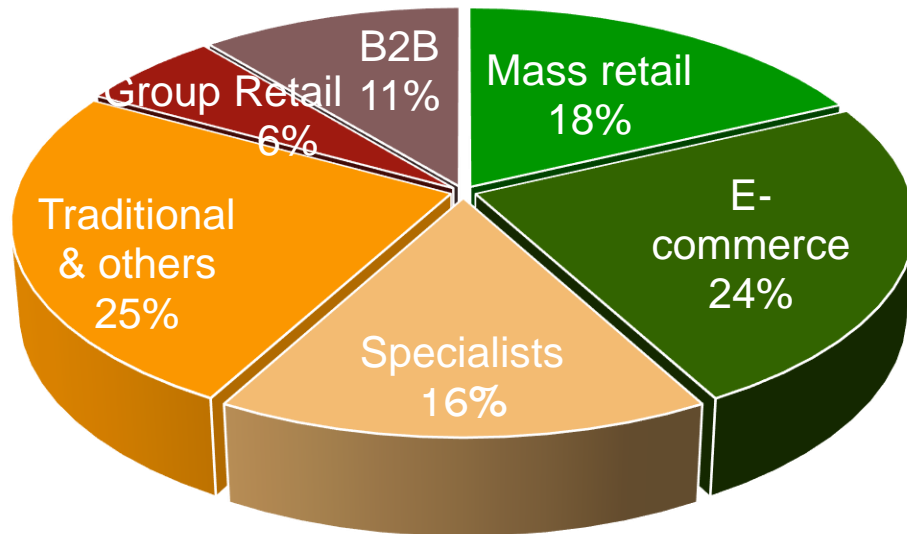


Groupe SEB's industrial sites: situation at end-April



Customers' situation

2019 sales breakdown by distribution channel



Based on 2019 Annual Financial Report

Current situation

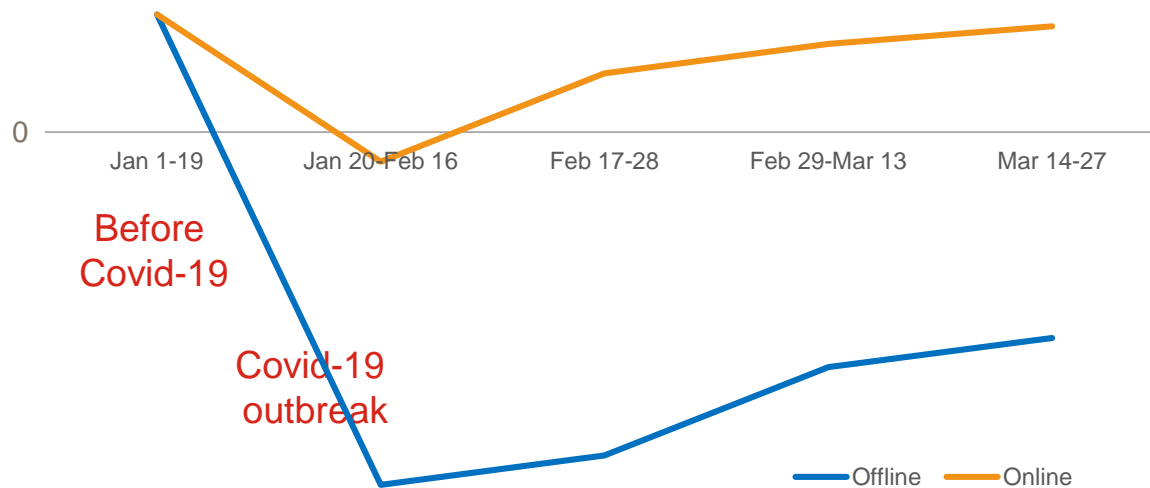
- E-commerce and mass retail
→ **42 %** of sales
- Specialists, trad. stores, B2B...
→ **58%** of sales

OPEN

CLOSED

Our Chinese experience

SDA + Cookware offtake momentum



- **Offline: slow improvement**
 - Re-opened stores with shortened opening hours
 - In-store traffic still low especially for electro-specialists
 - Shortages in cookware (Wuhan plant longer shutdown)
 - Risk of store rationalization in the B&M* retail industry

- **Online: back to steady growth**
 - Q1 2020: 55% of revenue vs 45% in Q1 2019
 - Progressive trade replenishment in cookware
➔ Ramp-up of the Wuhan plant
 - Rebuilding inventories ahead of June promo event

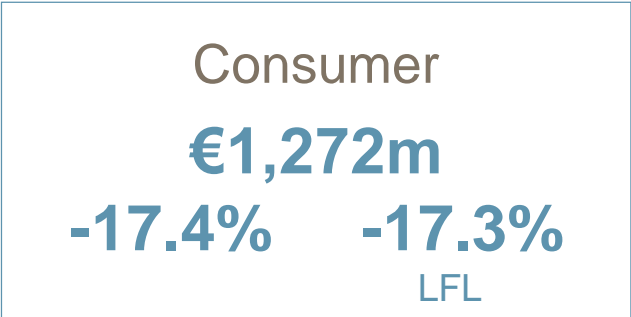
*B&M: Brick & Mortar



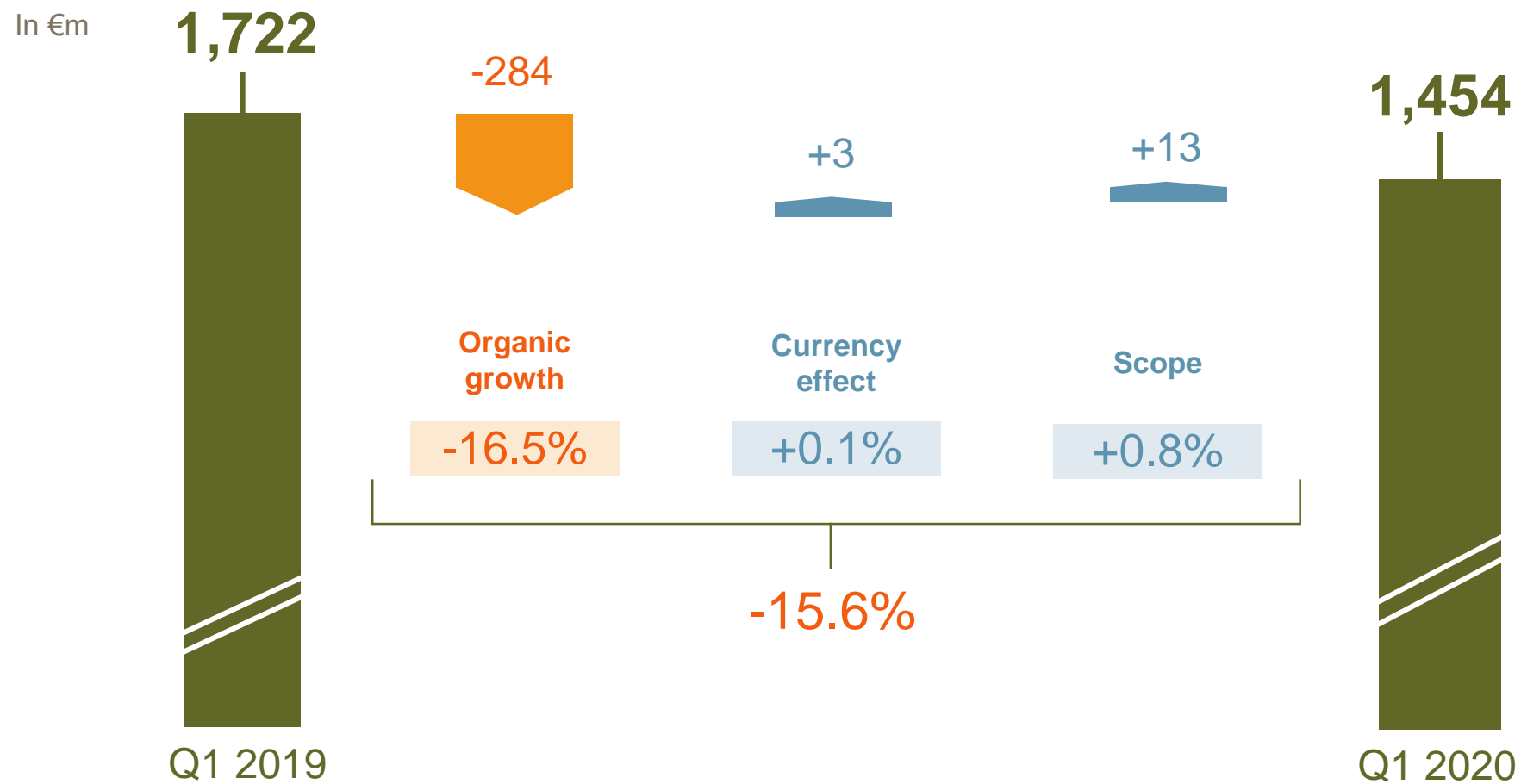
04

Q1 SALES REVIEW

Revenue by business activity



Analysis of Q1 2020 sales



Q1 2020 revenue by region

In €m

		Q1 2019	Q1 2020	As reported	Q1 LFL	March LFL
EMEA	EMEA	711	641	- 9,9%	- 10,4%	- 25,5%
	Western Europe	519	443	- 14,6%	- 14,7%	- 33,4%
	Other countries	192	198	+ 2,6%	+ 1,0%	- 3,7%
AMERICAS	AMERICAS	169	149	- 11,7%	- 8,6%	- 23,1%
	North America	103	97	- 5,2%	- 7,2%	- 22,7%
	South America	66	52	- 21,9%	- 10,9%	- 23,8%
ASIA	ASIA	659	482	- 26,8%	- 26,9%	- 32,9%
	China	541	365	- 32,6%	- 32,4%	- 37,4%
	Other countries	118	117	- 0,2%	- 1,5%	- 14,4%
	TOTAL Consumer	1,539	1,272	- 17,4%	- 17,3%	- 28,2%
	Professional	183	182	- 0,7%	- 9,7%	- 29,1%
	Groupe SEB	1,722	1,454	- 15,6%	- 16,5%	- 28,3%

% based on non-rounded figures

Western Europe

EMEA

Q1 sales / €m	2019	2020	REPORTED	LFL	Reminder LFL 2019
Western Europe	519	443	-14.6%	-14.7%	+3.0%

- **Overall business impacted by Covid-19 epidemic spread across Western Europe, yet with various magnitudes. Almost all product categories hit.**
- **France: revenue down ~8% including:**
 - SDA sales down in a contracting market as from March, while positive in Jan-Feb
 - Cookware sales up, driven notably by a loyalty program
- **Germany: decline in sales due to unfavorable comparatives**
 - Core business fairly positive in Jan-Feb, sharply hit in March (store closures)
- **Italy: severe sales drop in Q1, due to early Covid-19 impact and 2019 high comparatives (LP)**
- **Spain activity also negatively impacted by the epidemic in March**

Other EMEA Countries

EMEA

Q1 sales / €m	2019	2020	REPORTED	LFL	Reminder LFL 2019
Other EMEA countries	192	198	+2.6%	+1.0%	+6.9%

- Q1 sales slightly up LFL, with core business (excl. LPs) quite dynamic, at + 7%
- Robust growth in Jan-Feb, based on Group’s main growth engines. March activity dropping due to confinement and store closures
- Good momentum driven by champion products and new categories
 - **Central Europe:** core business (excl. LPs) up featuring softer business in Poland and brisk momentum in Central Asia (particularly in Kazakhstan).
 - **Russia:** brisk momentum before start of confinement (end March) and strengthened leadership in SDA
 - **Turkey:** Q1 sales sharply up LFL despite market disruption due to combined COVID-19 + depreciation of TRY
 - **Middle East:** Q1 sales strongly LFL.

Q1 sales / €m	2019	2020	REPORTED	LFL	Reminder LFL 2019
North America	103	97	-5.2%	-7.2%	+3.8%

- **Q1 reported sales decrease reflecting LFL 7.2% decline due to Covid-19 spread in March and positive FX effects**
- **Mixed performance across the 3 countries**
- **Q1 sales down in the US, LFL**
 - Strong performances in Jan-Feb, driven by listing gains at B&M retailers and ongoing online sales growth
 - Good momentum for All-Clad cookware and Rowenta linen care business.
 - March sales down stemming from COVID-19 effects and unfavorable 2019 comparatives
- **Canada:** fewer online players and ongoing penalizing listing reallocation by a major customer
- **Mexico:** robust growth dynamic fuelled by a major LP in fans

Q1 sales / €m	2019	2020	REPORTED	LFL	Reminder LFL 2019
South America	66	52	-21.9%	-10.9%	+4.8%

- **Q1 reported sales drop stemming from depreciation of BRL and COP against € and negative impact of Covid-19 on business in March**
- **Strong hit in Brazil**
 - Mixed activity in Jan-Feb. including weak fan season (unfavorable summer, high 2019 comps) but firmer sales in other categories (Dolce Gusto, kitchen machines,...)
 - Major impact of Covid-19 on demand from mid-March onwards
- **Solid LFL growth in Colombia** despite the epidemic and FX issues
 - Fueled by fans, cookware and oil-less fryers...

China

ASIA

Q1 sales / €m	2019	2020	REPORTED	LFL	Reminder LFL 2019
China	541	365	-32.6%	-32.4%	+13.4%

- **First country hit by Covid-19 mid-January**
 - Drastic confinement and shutdown → Unprecedented downturn in consumption
 - SDA market more resilient than other industries

- **Supor Q1 domestic sales down 32% LFL**
 - Including sharp slump in physical distribution and a more moderate drop in online sales
 - Shortages and supply-chain issues
 - Cookware more impacted than SDA, more resilient (blenders, garment steamers, vacuum cleaners, air and water purifiers)
 - Sell-in for Chinese New Year in Dec 2019 → Lacking in Q1 2020, as expected

- **All industrial sites back to normal level of manufacturing**

Other Asian countries

ASIA

Q1 sales / €m	2019	2020	REPORTED	LFL	Reminder LFL 2019
Other Asian countries	118	117	-0.2%	-1.5%	+2.5%

- **Reported sales are flat but mixed picture across countries**
- **Japan: stable LFL sales in Q1**
 - No general shutdown, most stores open, nevertheless with a strong traffic decrease
→ Switch to e-commerce
 - Solid momentum for cookware, linen care and electrical pressure cooker / multicooker
- **South Korea: sharp fall in Q1 sales, both in cookware and SDA**
 - Early impact of Covid-19 (Feb), partial shift to e-commerce
- **Mixed situations in South-East Asia**
 - Sales slightly down in Thailand and Malaysia
 - Robust growth in Hong-Kong (LP), Taiwan, Vietnam

Professional

PROFESSIONAL

Q1 sales / €m	2019	2020	REPORTED	LFL	Reminder LFL 2019
Professional	183	182	-0.7%	-9.7%	+24.4%

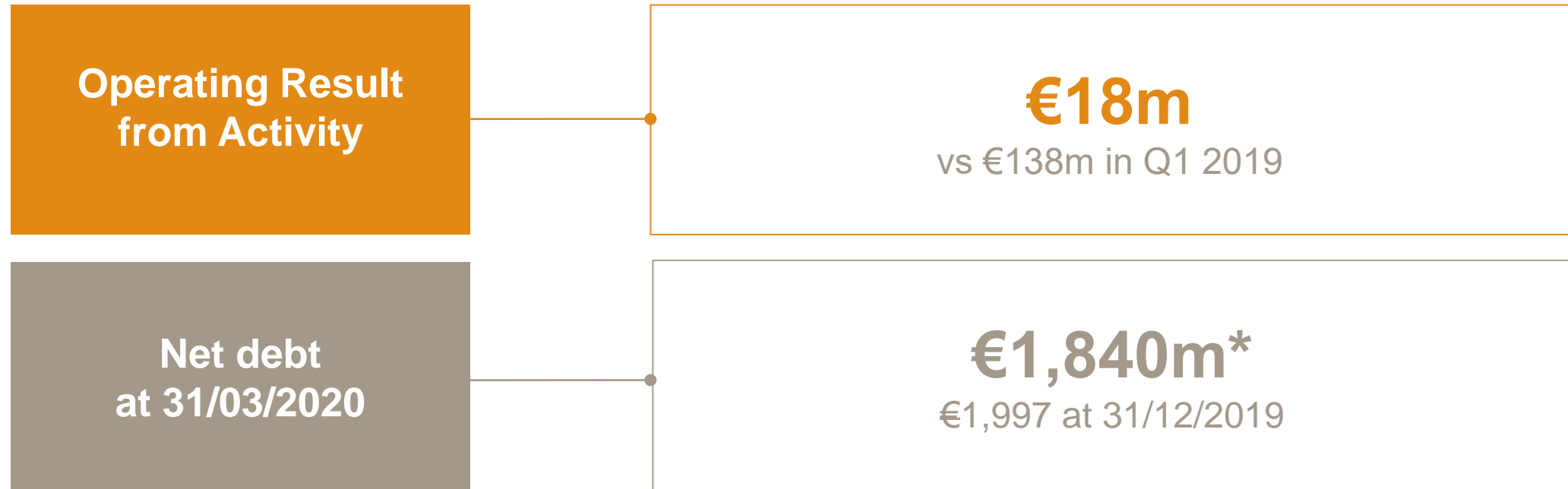
- **Q1 sales flat as reported but down 9.7% LFL**
 - FX and scope effect (Wilbur Curtis for 1 month, Krampouz for 3 months)
 - Positive start to the year (Jan-Feb)
- **LFL drop in sales, for both Professional Coffee Machines (PCM) and Hotel Equipment due to:**
 - High comparatives in PCM in Q1 2019
 - Containment measures + the closure of most hotels, restaurants, coffee shops, fast-food chains...
- **No cancellation of major projects at this stage, but postponement of orders and deliveries**

* Professional business = Professional Coffee Machines (PCM) + Hotel Equipment

05

Q1 ORFA
DEBT / LIQUIDITY

ORfA and net debt

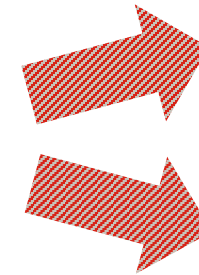


*incl. IFRS 16 debt and others: €389m

Business model based on a c. 1/3 fixed costs weight...

Sales	~€7.4bn
COGS*	~€4.5bn
Purchased RM and goods Direct labor costs Freight costs Other production costs	
OPEX*	~€2.1bn
R&D costs Advertising Distribution and administrative expenses	
ORfA	€740m

Cost base
~€6.6bn

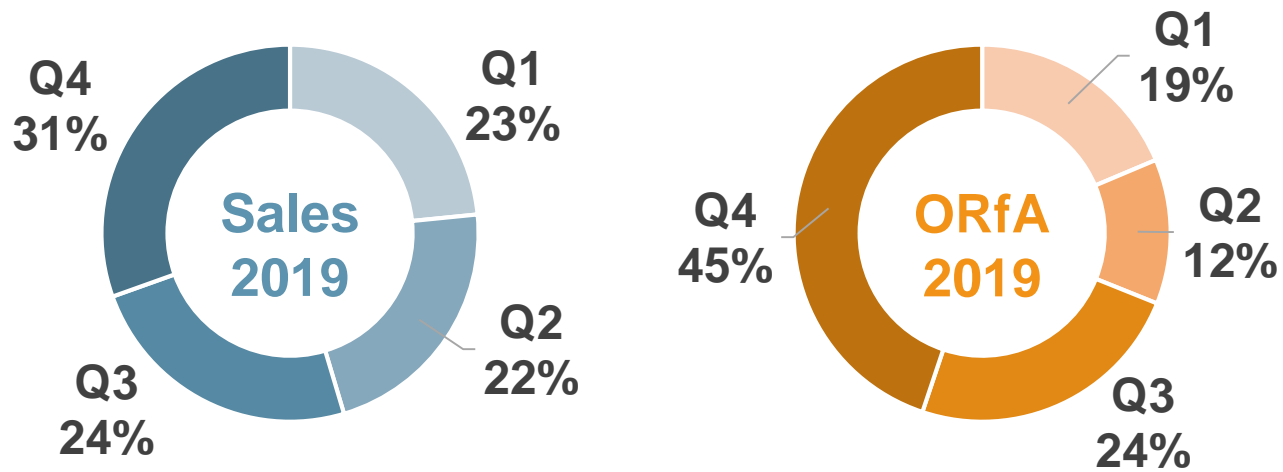


On an annual basis

~70% variable costs
~30% fixed costs

* As detailed in the 2019 Annual Financial Report

... as a consequence, a stronger operating leverage in H2



H1: 45% of FY sales generating **31%** of FY ORfA

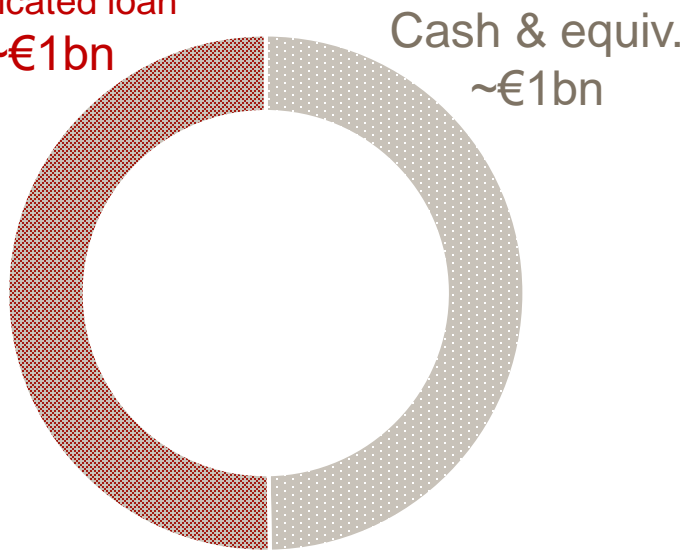
→ H2: 55% of FY sales generating **69%** of FY ORfA

As a reminder, **strong seasonality for sales with back-end loaded year**

- **Consequently for ORfA**
- **Q1 not representative of FY performance and Q2 as a low point in the year**
- **Historically, Q4 as a key contributor of FY ORfA**

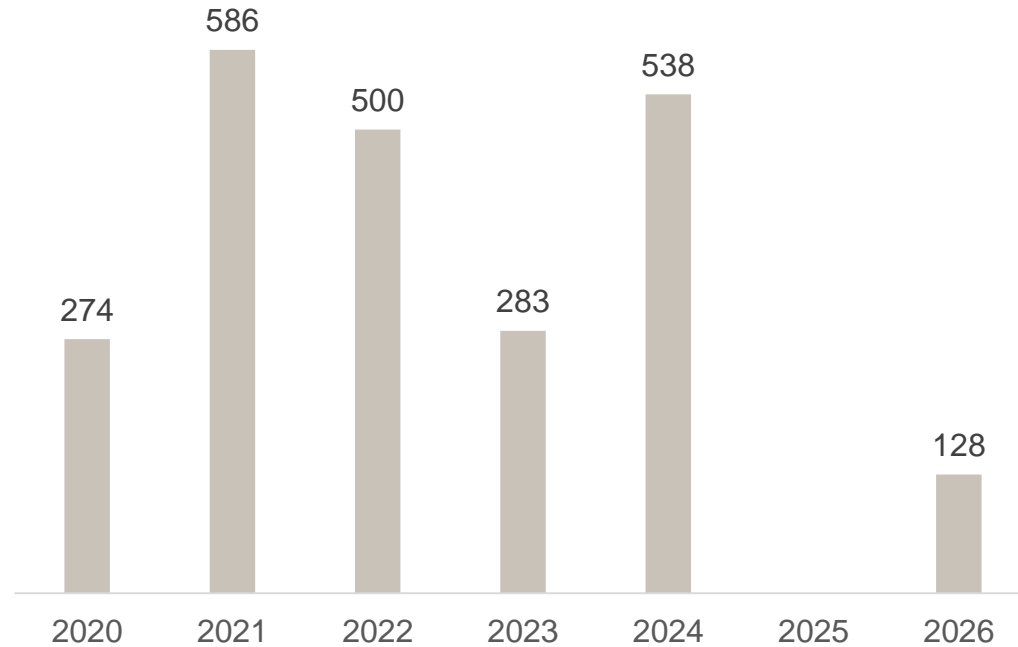
Healthy and well-balanced financing structure

Headroom
incl. undrawn
syndicated loan
~€1bn



Total Liquidity
~€2.0bn

As of April. 28, 2020



Gross financial debt*
~2.3bn

* Excl. IFRS 16 and others

- **Diversified sources of financing** (Bonds, Schuldschein, ORNAE, NEU MTN, NEU CP...)
- **No financial covenants**
- **Significant financial headroom: ~€1bn**
- **Strong core banks offering bilateral credit facilities if necessary**



06

ACTION PLAN AND OUTLOOK

Counter-measures, including cost-reduction actions...

- Payroll flexibility measures: short-time working, paid leave, contract suspensions and reduction of temporary staff, recruitment freeze...
- Growth drivers adapted to markets' current situation
- Systematic cuts in non-essential expenses (travel, event...)
- Renegotiated rents for Group's stores
- Reduction in senior executive officers' and board members' compensation

... and giving priority to cash generation

- **Strict control of cash flow including working capital**
 - Special attention on relationship with fragilized suppliers
 - Strengthened monitoring of receivables
- **No social tax deferral nor government guaranteed loan requested**
- **Dividend cut: -1/3 vs dividend paid in 2019 → Impact on cash: +€43.5m**

2020 Outlook

- 1. Reminder: Q1 and Q2 not representative of full year ORfA, as always said**
- 2. ...All the more due to massive hit from Covid-19 in H1 (which is usually a lower activity period)**
- 3. Expected performance for Q2**
 - ➔ Estimated revenue loss (as of April 28): €450 to €500m
 - ➔ ORfA most probably negative
 - ➔ No liquidity issue
- 4. No FY 2020 guidance due to lack of visibility**
 - ➔ FY sales and ORfA expected significantly down

Looking ahead... Groupe SEB:

- **Is adapting to the short term imperatives**
- **Is getting ready for the resumption of activity**
- **Stays focused on its long term goals**
- **Is confident in its solid and well-balanced business model**

Investor/Analyst relations

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2020 key dates

May 19 3:00 p.m.	2020 Annual General Meeting – Closed door
July 23 before market opens	H1 2020 sales and results
October 26 after market closes	Nine-month 2020 sales and financial data



AGENDA