

The Essential

2019



Chairman's Message



2018: SOLID PERFORMANCES

In an overall environment that was more complicated than expected, Groupe SEB delivered a good 2018 performance, with organic growth of nearly 8%, an Operating Result from Activity up 2.5% – despite negative commodity and currency effects of more than €100m – and a Net Profit above €400m for the first time. Continued debt reduction reflected in a net debt / adjusted EBITDA ratio below 2 at end December, in line with the target we had set.

“ In a tense environment, overall, we must act effectively, always better target our actions and seize all the levers for profitable growth. ”

Our main growth drivers have been leveraged successfully: China, of course, where Supor continues to outperform a still promising market, Japan, South Korea, Central Europe, Ukraine and Russia. On the activity side, the dynamic was robust in Home Care, Electrical Cooking, Food Preparation and Professional Coffee. Lastly, e-commerce was a strong contributor to the increase in sales and now accounts for nearly 25% of Group revenue.

A LONG-TERM STRATEGY

Our profitable growth strategy, which is based on the strength of our brand portfolio, solid product momentum, and a foothold in all distribution channels across the globe, gives us a major competitive advantage. This strategy is implemented daily by our dedicated teams who are always ready to meet new

challenges. I would like to thank them for their professionalism and commitment. This strategy is designed for the long-term through a responsible approach on the social, societal and environmental fronts which is widely recognized and creates value for everyone.

STRATEGIC ACQUISITIONS

The Group also made several strategic acquisitions in 2018. On the international side, we signed with our long-standing partner in Egypt, the Zahran family, an agreement on the merger of small electrical appliances and cookware businesses with a view to strengthening our local manufacturing base in the market. More recently, the acquisition of Wilbur Curtis, the second largest American manufacturer of professional coffee equipment, confirms following the acquisition of WMF in 2016, our ambition to become a leader in the professional coffee business in the United States. Groupe SEB also reinforced its digital expertise with the acquisition of 750g International, provider of websites and culinary services. These acquisitions, complementary to those made in recent years, will allow us to pursue our dynamic sales operations, enhance our expertise and will offer us new international opportunities.

OUTLOOK FOR 2019

2019 has started with an environment that remains uncertain. More specifically, the Group is expecting a continued penalizing impact of commodities and currencies, but to a lesser extent than in 2018. The Group is well prepared and aims in 2019 to achieve further organic sales growth and improve Operating Result from Activity.

A handwritten signature in black ink that reads "Thierry de La Tour d'Artaise". The signature is written in a cursive, slightly stylized font.

Thierry de La Tour d'Artaise
Chairman and Chief Executive Officer

Our **mission**

TO MAKE CONSUMERS'
EVERYDAY LIVES
EASIER AND MORE ENJOYABLE
ALL AROUND THE WORLD

Our **values**

Driven by deep-seated values passed down by its founders that place people at the heart of its strategy, the Group aims to respect a company philosophy based **on modernity, a sense of responsibility, solidarity and commitment.**



ENTREPRENEURIAL
DRIVE



PASSION FOR
INNOVATION



PROFESSIONALISM



RESPECT
FOR PEOPLE



GROUP SPIRIT



SMALL DOMESTIC APPLIANCES

Everywhere at home, Groupe SEB supports consumers on a daily basis. In the kitchen with **Electrical cooking, Food preparation and Beverage preparation products**: deep fryers, rice cookers, electrical pressure cookers, informal meal appliances, waffle makers, grills, toasters, multicookers, coffee makers (filter and pod), espresso machines, electrical kettles, home beer-taps, soy milk makers, blenders, cooking food processors, kitchen machines, mixers, beaters...

In the other parts of the house with our **Linen, Home and Personal Care products**: irons and steam generators, garment steamers, canister vacuum cleaners with or without dust bag, steam and upright vacuum cleaners, vacuum sweepers, versatile vacuums, fans, heaters, air treatment appliances, hair care appliances, epilators, bathroom scales...

3 product universes



COOKWARE

Whether they are made from aluminium, stainless steel, copper, cast iron, coated or not, glass or even plastic, Groupe SEB's cookware products **meet all the consumers' expectations in the kitchen or**



on-the-go: frying pans, saucepans pots, pressure cookers, bakeware, kitchen utensils, food storage containers, carafes, flasks, thermo mugs, cutlery...



PROFESSIONAL

With the acquisition of WMF in 2016 and Wilbur Curtis in early 2019, Groupe SEB became a key player in the **professional coffee market** and confirms its determination to pursue its expansion in this sector with both fully automatic machines, filters or hybrids, connected.



The professional segment is completed by an extensive and diversified premium **Hotel Equipment** offering.



BETTER ANTICIPATION of consumer demand is about detecting trends, interpreting user behavior and identifying the small domestic equipment of the future.

Providing **A BETTER RESPONSE** to the desires and expectations of our consumers across the world means offering them relevant, useful and high-quality products and services. It also means we need to adapt our distribution channels to develop a trusting relationship with our customers.

BETTER INNOVATION means being at the forefront of our sector, constantly enriching our scientific, technological and social expertise and continually rethinking our work methods with the support of recognized partners.

BETTER PRODUCTION is about becoming more competitive and efficient by closely monitoring our industrial facilities and our entire production chain. It's also about constant innovation to aim for operational excellence while respecting our commitments.



Providing **BETTER SUPPORT** for our employees is about recognising the value of expertise and diversity to help us construct a shared culture. It's also about encouraging our employees to get involved in meaningful projects.



Better living



COMMITMENT AND ENGAGEMENT is about opening the Group up to its ecosystem and providing sustainable support in response to the major issues affecting our society. Sustainable development is at the heart of the Group's strategy. Capitalizing on the progress made in terms of human rights and ethics, responsible labor relations policy, solidarity, sustainable innovation and environment, the Group moved on to the next phase in 2018, proactively focusing on the specific issues related to its business.

THE GROUP ENCOURAGES EMPLOYEE ENGAGEMENT AROUND RESPONSIBLE PROJECTS.

Above, in Colombia, Imusa supports Tinteros, street vendors of coffee.

On the right, awareness of recycling within the Egyptian subsidiary.



Hong Kong – Preparation of Food Angel meals.

In China, Supor supports the development of education in disadvantaged rural areas.



A **growth** story

Groupe SEB's expansion is based on a strategy of steady organic growth, driven by a strong product innovation policy, a global presence, an unrivalled brand portfolio and a capacity to work with all distribution channels. It also relies on a constant search for competitiveness, which is achieved via an in-house manufacturing base that is unique in its industry. External growth completes the Group's growth strategy, since its origin.



SINCE 1857



**MORE THAN 20
STRATEGIC ACQUISITIONS**



**1ST RANKING POSITIONS
IN MORE THAN 25 COUNTRIES**

THE GROUP'S CONSOLIDATION CONTINUED THIS YEAR WITH MAJOR OPERATIONS:



Acquisition, in early 2019, of **Wilbur Curtis, the second largest American manufacturer** of professional coffee equipment



Strengthening of its digital expertise with the acquisition of **750g International**



Creation of a joint venture in Egypt with our historic partner **Zahran**





Sales **€6,812m** Operating Result from Activity **€695m** Net income **€419m**

2018 in figures



More than **1,300**
own retail stores



€247m
investment in innovation



34,000
employees



6,200
approved repair centres

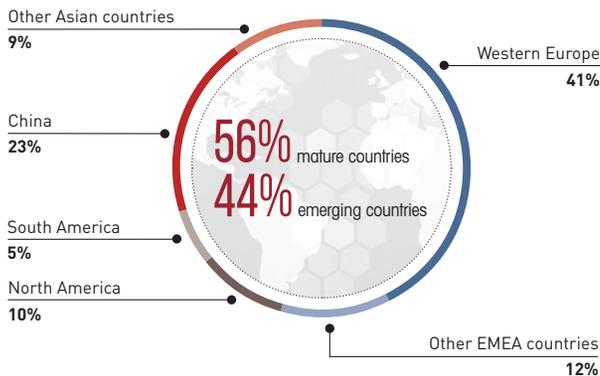


30
brands worldwide



41
industrial sites

BREAKDOWN OF THE SALES BY GEOGRAPHICAL ZONE



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OUR BRANDS

Core brands

Worldwide

KRUPS

Moulinex
Rowenta

Tefal

Local

ARNO

ASIA

calor
clock

emsa

esteras

Imusa

ORIGINAL
KAISER

MAHARAJA
WHITELINE

MIRRO

OBH
INDONESIA

PANEX

Rochedo

samurai

SEB

SUPOR

T-fal

Wmco

WearEver

Premium brands

All-Clad

Lagostina

Silit

Wf

Professional brands

Curtia

HEPP

schaerer

Wf