



2018 FULL-YEAR RESULTS

Paris | February 28, 2019

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2018 FULL-YEAR RESULTS

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, 2018 examined by SEB SA's Statutory Auditors and approved by the Group's Board of Directors, dated February 26, 2019.

1. A good year
2. Solid performances
3. Outlook
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01

A GOOD YEAR

A complicated environment that got tenser over the months

HIGHLIGHTS

- Difficult macroeconomic context
 - Turkey/Middle-East/Brazil
 - US/China trade war
 - Europe (UK, Italy, France)
- Fast-changing retail market
 - Difficulties for some offline retailers vs continued development of e-commerce
 - Promotion-driven environment
- Higher commodity prices
- Sharp volatility of emerging currencies



2018 key figures – Another great year of growth

Sales

€6,812m

+5.1%

+7.8% LFL

Consumer

€6,177m

+4.3%

+7.2%
LFL

Professional

€635m

+12.8%

+14.3%
LFL



2018 key figures – Solid performances

Sales

€6,812m

+5.1% +7.8% LFL

Operating Result from Activity (ORfA)

€695m

+2.5% +8.5% LFL*

*Before PPA one-offs

Net profit

€419m

+11.8%

Net debt

€1,578m

-€327m vs 12/31/2017

Net debt/Adjusted EBITDA

1.90

2.36 at 12/31/2017

Dividend

proposed at the 2019 Annual General Meeting

€2.14

+7.0%

A strong and resilient strategy

A STRONG AND COMPLEMENTARY BRAND PORTFOLIO

A BROAD AND DIVERSIFIED PRODUCT OFFERING

A MULTI-CHANNEL DISTRIBUTION STRATEGY

BALANCED GLOBAL FOOTPRINT

OPTIMIZED AND COMPETITIVE SUPPLY CHAIN

CONSUMER BRANDS

GLOBAL
REGIONAL

PREMIUM BRANDS

PROFESSIONAL BRANDS

COOKWARE
& KITCHENWARE

KITCHEN
ELECTRICS

HOME AND
PERSONAL CARE

PROFESSIONAL
COFFEE
MACHINES

MAJOR FOOD
RETAILERS

SPECIALISTS

TRADITIONAL
STORES

E-COMMERCE

GROUP RETAIL

B TO B

ACTIVE IN 150
COUNTRIES

LEADER IN MORE
THAN 25
COUNTRIES

MATURE
COUNTRIES
56% OF SALES

EMERGING
COUNTRIES 44%
OF SALES

IN-HOUSE
MANUFACTURING: 2/3
OF SOLD PRODUCTS

41 INDUSTRIAL SITES

INDUSTRIAL,
PURCHASING, AND
LOGISTICS EXPERTISE

97% OF SITES
ISO 14001 CERTIFIED

2018: further inroads

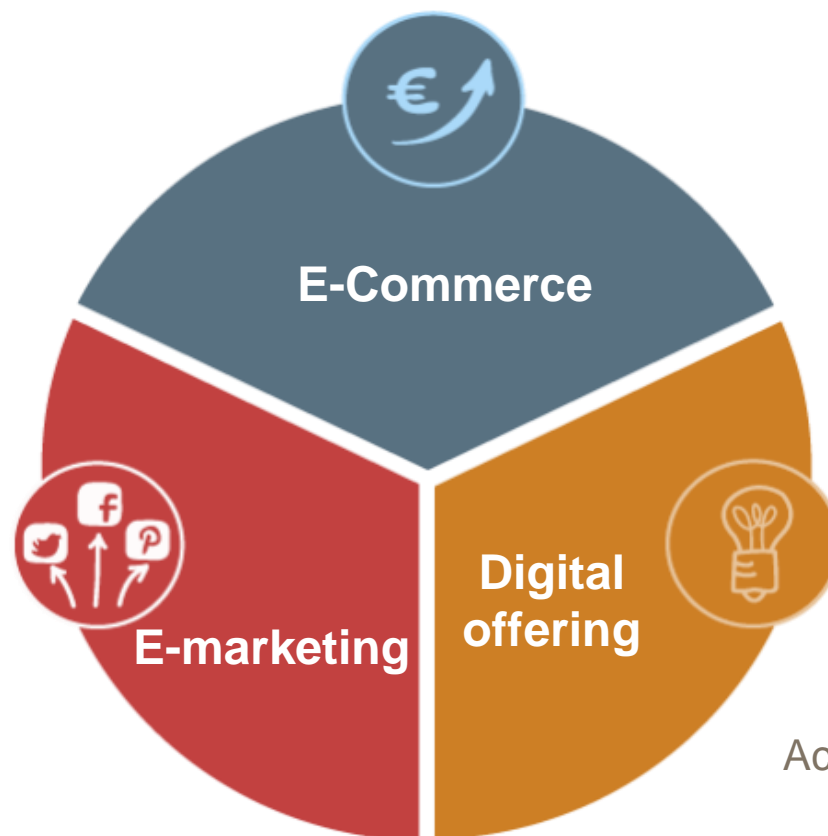
- Continued **digital transformation**
- Shared commitment in **social responsibility**
- Strengthened footprint through **targeted acquisitions**
 - Zahran in Egypt
 - Wilbur Curtis in the US



Continued digital transformation



Continued digital transformation



15 connected products launched in 5 years

Cookeo Connect: **25%** of Cookeo sales

Applications: **> 800,000** monthly users

Acquisition of **750g International**

Connected professional machines:
Coffee connect

Continued digital transformation

Media investment:

>40% digital

> 60 million visits on
Group websites

Recruitment of data experts:

170 since 2015

Success of **digital communities**:

Cuisine Companion / Cookeo / Cake Factory



Continued digital transformation

Recent success: Cake Factory



1st Facebook brand community dedicated to Cake Factory in September 2018

- **20,000** members in 5 months in the Facebook group
- active community: **4** new conversations a minute

Active influence campaign:

- **350** influencers' posts on Instagram
- **+1 million** people impacted
- **45,000** interactions on influencers' posts

Launch of a Cake Factory **app**

- **36,600** app downloads
- **90%** of app users at least once a week.
- **450** recipes published on the app o/w 250 users recipes



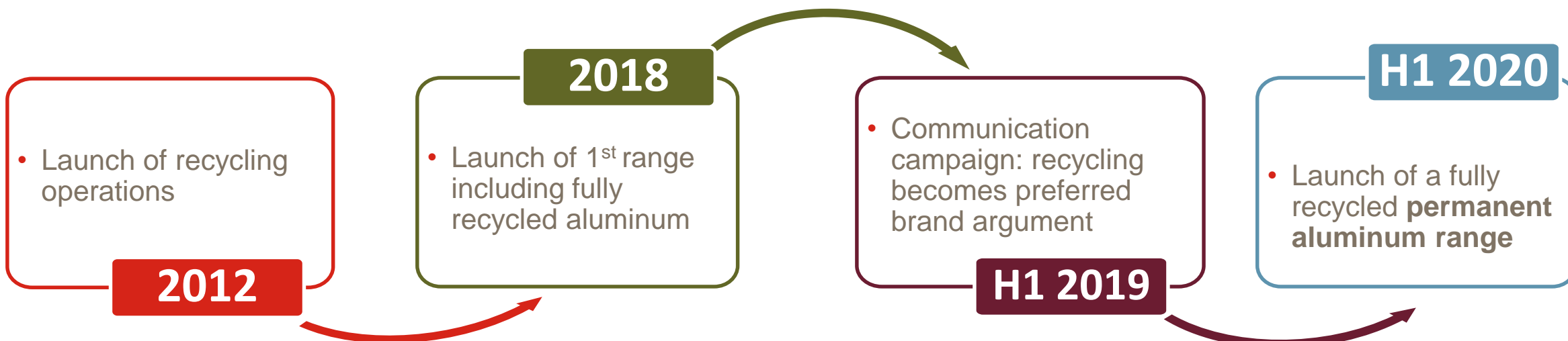
2018: further inroads

- Continued **digital transformation**
- Shared commitment in **social responsibility**
- Strengthened footprint through **targeted acquisitions**
 - Zahran in Egypt
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Recycling to leverage circular economy

- **38%** of recycled materials for all material purchases (metals, plastics and packagings) for products manufactured in 2018
- Group voluntary commitment to **double the use of recycled plastic** in France by 2025



A meaningful example in France:
Cookware recycling

→ 20 operations since 2012

→ 1 million products collected

*



Repairability to leverage circular economy

- In 2018, **93%** of SDA* volumes were repairable (75% fully and 18% mostly)
 - **6,200 certified repairers** around the globe
 - **6m spare parts** stocked in Faucogney for Europe
- ➔ Consumers subscribe: Repaired products in Europe (out of warranty) **+40%** in 5 years

Innovation: a **flat-rate repair** offer, tailored to each product family
(less than a third of the price whatever the failure and the device's age)

➔ Rowenta brand pilot

*excl. US

A shared commitment in social responsibility



- **Groupe SEB fund's objective:** combat exclusion
- For 10 years, among the **500 supported projects:**
 - ➔ In **China**, creation and construction of **22 schools**
 - ➔ In **Vietnam** and **India** creation of **3 centers** for young adults living under the poverty line with an 18-month long training program. **1,500 youngsters** welcomed and **600 job** opportunities.
 - ➔ In **Brazil**, healthy eating training program for 3,600 children in the favelas of Sao Paulo
 - ➔ In **Colombia**, a social business program to benefit 2,000 street coffee vendors in Medellin (Tinteros)
 - ➔ In **France** for the Agence des Dons en Nature over **€9m donated** in 10 years
 - ➔ In **France** with the Institut Télémaque since 2005, **940 youngsters supported**.
- Global sponsorship: over **€8m spent** over the last 3 years
- And **our employees are committed** to International Charity Week in **33 countries/53 sites** for initiatives to combat exclusion on a daily basis.



2018: further inroads

- Continued **digital transformation**
- Shared commitment in **social responsibility**
- Strengthened footprint through **targeted acquisitions**
 - Zahran in Egypt
 - Wilbur Curtis in the US





Strengthened footprint Group expansion in Egypt

Zahran

Sales **x 2 in 2018**

- Long-standing **Group partner**
- **2018**: JV Groupe SEB Egypt Zahran
- **No. 1** in cookware and food preparation
- **2** industrial sites
- **> 2m** products manufactured per year
- **860** employees
- Local market of **100m** inhabitants
- **Exports** to neighboring countries



Strengthened footprint

Wilbur Curtis acquisition in the United States

2018 sales

> \$90m

- No. **2** in professional filter coffee in the US
- **25%** market share
- Filter coffee market: **1/3** professional coffee in the US
→ Long-standing and strong tradition in the US



WMF-Schaerer / Wilbur Curtis

Multiple complementary features...

PRODUCTS

- Filter coffee machines + automatic espresso machines
- **2/3** of professional coffee market in the US
- Opportunities of double equipment

PRICES

- From **\$800** to **\$1,000** for filter coffee machines
- From **\$3,500** to **\$10,000** for automatic espresso machines



CUSTOMERS

- **Local and national accounts**



Ambition: become leader in professional coffee in the US



schaerer
swiss coffee competence

WMF

Curtis®



02

**SOLID
PERFORMANCES**

Solid performances

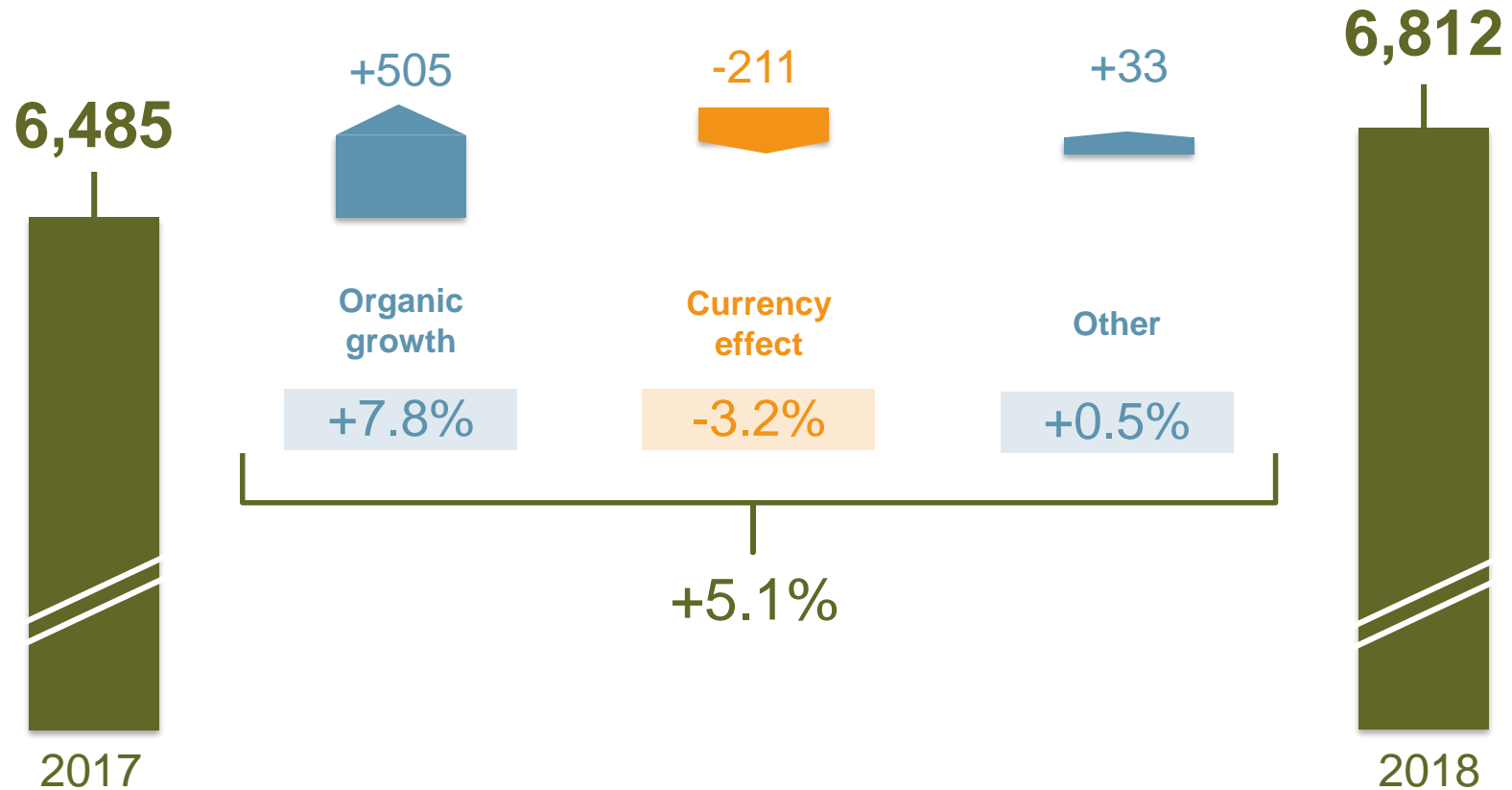
1 Sales

2 Results

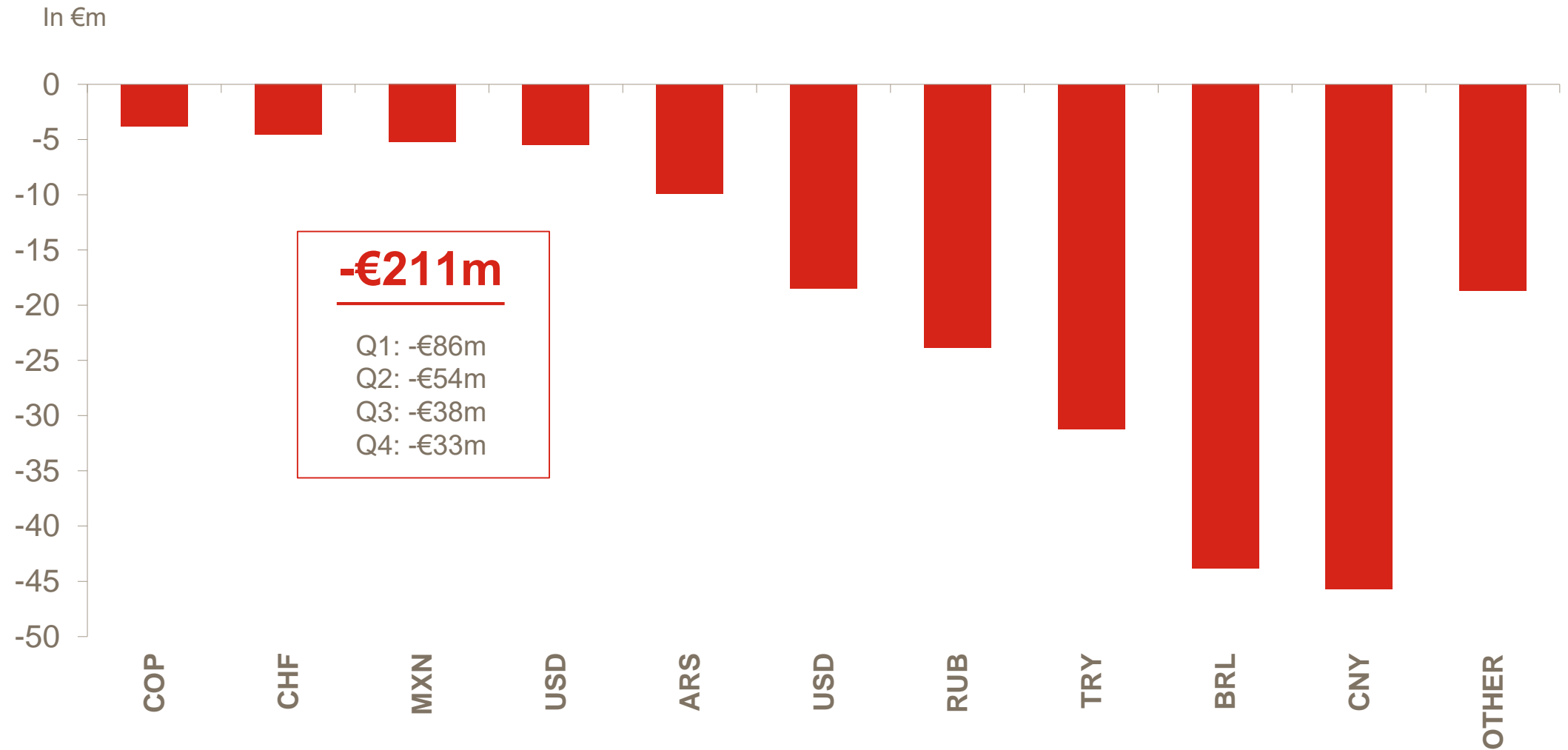


Change in sales, 2017 → 2018

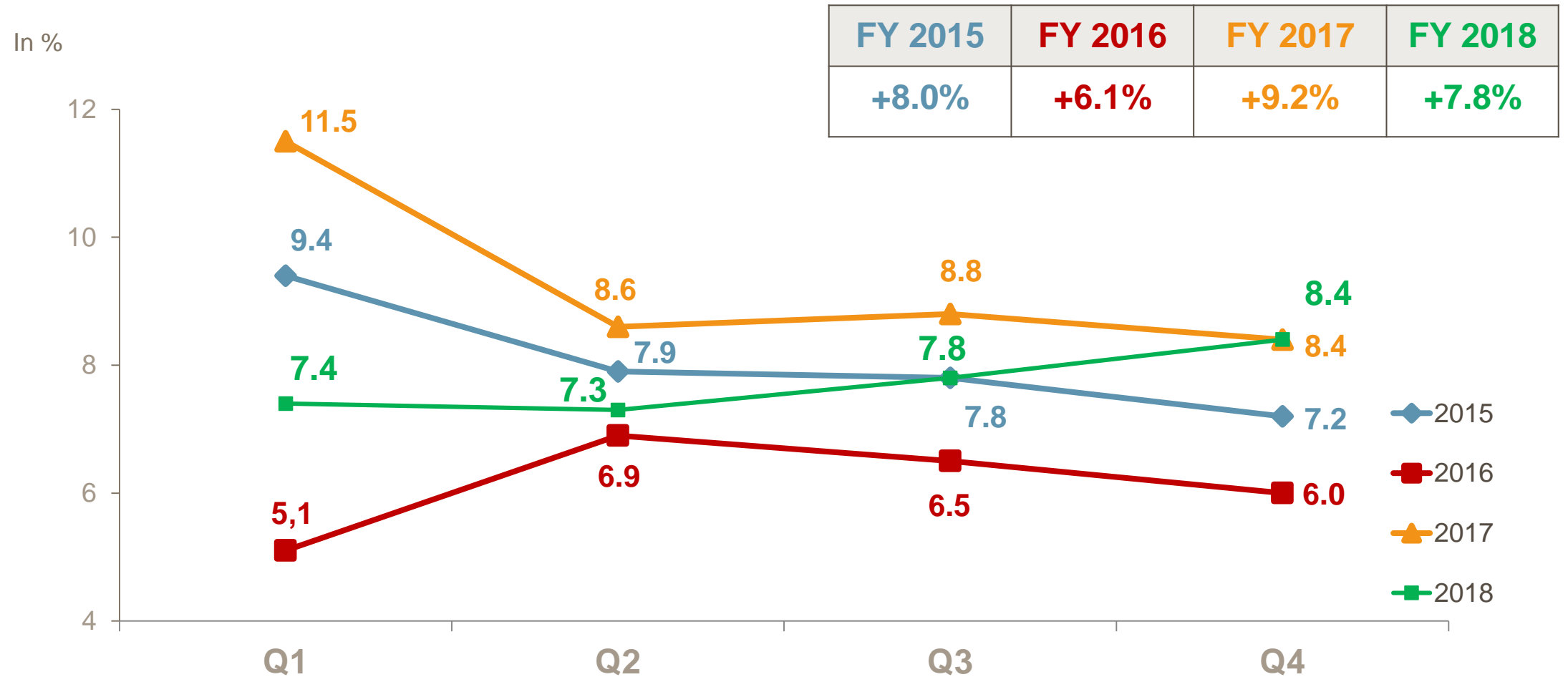
In €m



2018 currency impact on sales



Organic sales growth per quarter

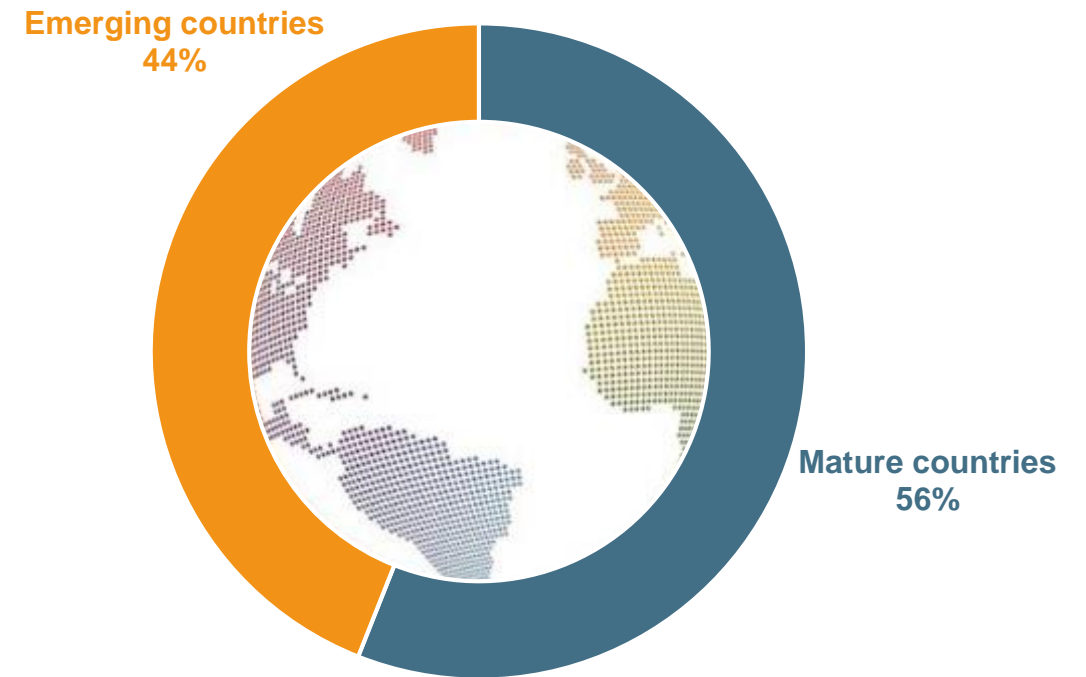
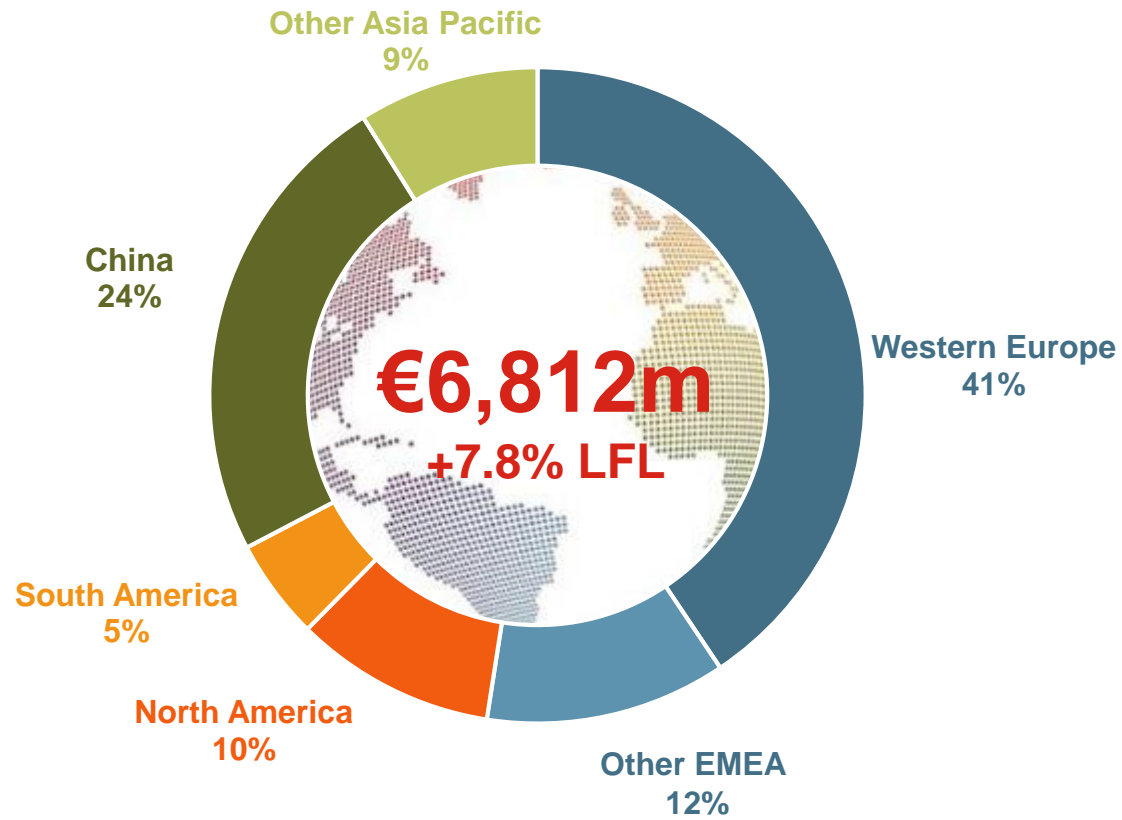


Full-year sales by region

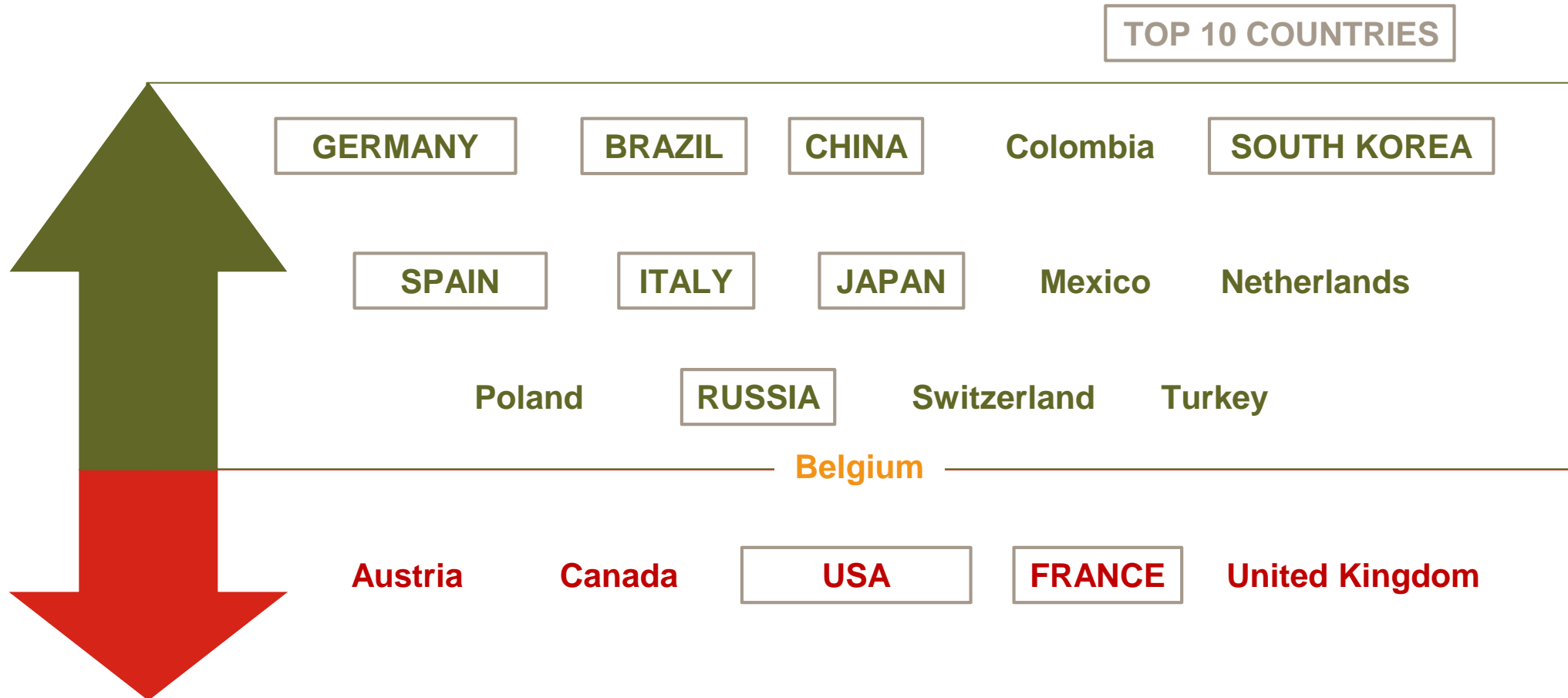
In €m		2017	2018	As reported	LFL
EMEA	EMEA	3,170	3,223	+1.7%	+3.3%
	Western Europe	2,424	2,430	+0.2%	+0.4%
	Other countries	746	793	+6.4%	+12.5%
AMERICAS	AMERICAS	946	887	-6.3%	+0.4%
	North America	579	547	-5.5%	-4.4%
	South America	367	340	-7.4%	+8.2%
ASIA	ASIA	1,806	2,067	+14.5%	+17.6%
	China	1,286	1,554	+20.9%	+24.3%
	Other countries	520	513	-1.2%	+0.9%
TOTAL Consumer		5,922	6,177	+4.3%	+7.2%
Professional		563	635	+12.8%	+14.3%
Groupe SEB		6,485	6,812	+5.1%	+7.8%

% based on non-rounded figures

Breakdown of sales by region

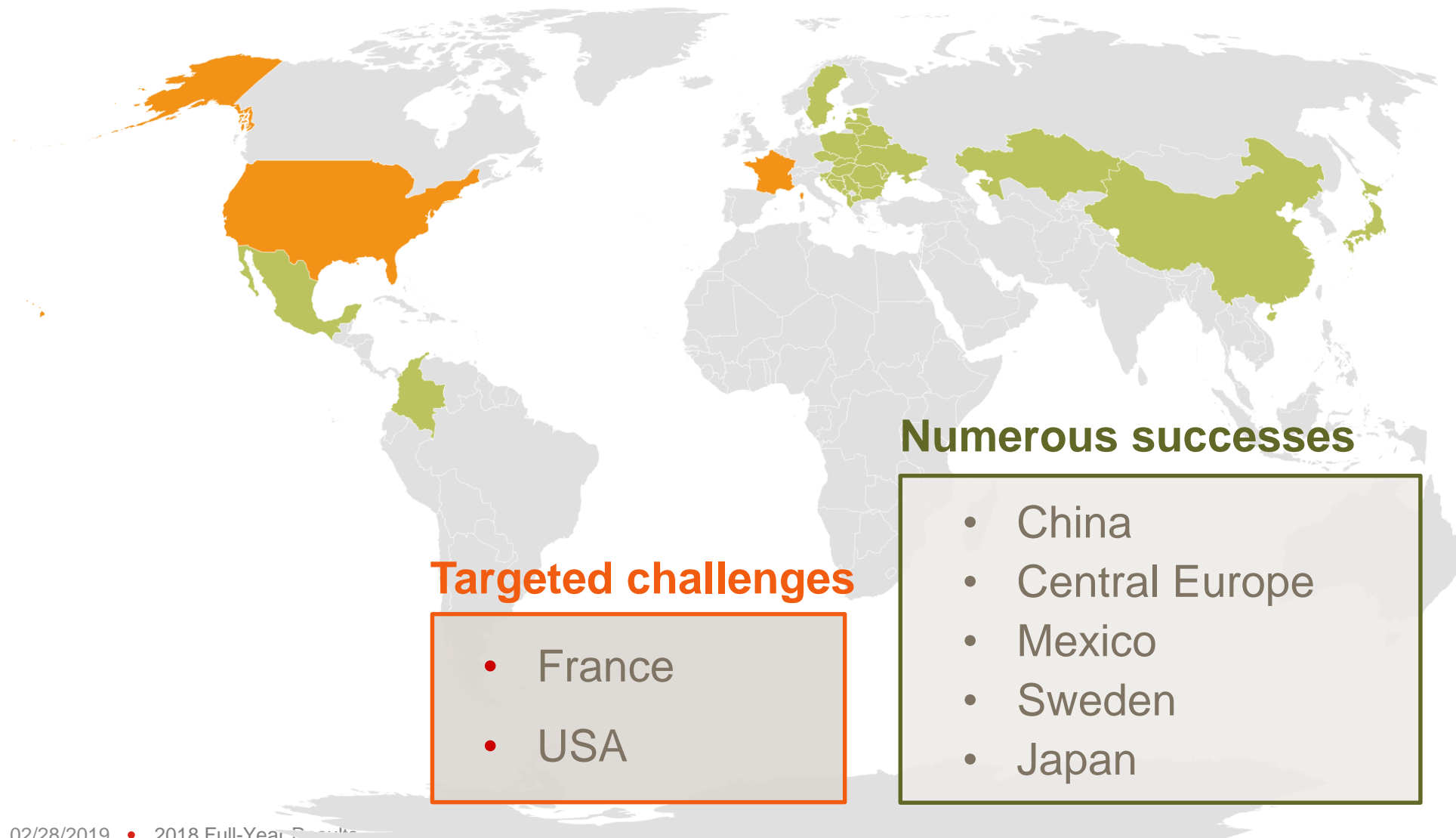


Top 20 countries – Consumer sales



LFL

Focus on a few countries



France

2018 sales **-3%**

- A sluggish market
- Consolidation of purchasing centers
- Promotional context
- Fewer LPs vs 2017
- One-off “yellow vest” effect



**Automatic espresso coffee makers
2018 sales +35%**

United States

2018 sales **-6%** LFL

- Activity penalized by difficulties of offline retailers
- Decline in our SDA sales, especially Krups
- Resilience in our Cookware sales
- Good profitability



Leadership in Cookware
2018 sales +1%

China: another exceptional year



Supor sales in 2018

+25%

+30% in SDA

+13% in Cookware

+72% in Home care
and Linen care

No. 1 in Cookware

No. 2 in Kitchen Electrics

LFL figures

China: another exceptional year

绛红



G U L E S

桃粉



P I N K

墨黑



B L A C K

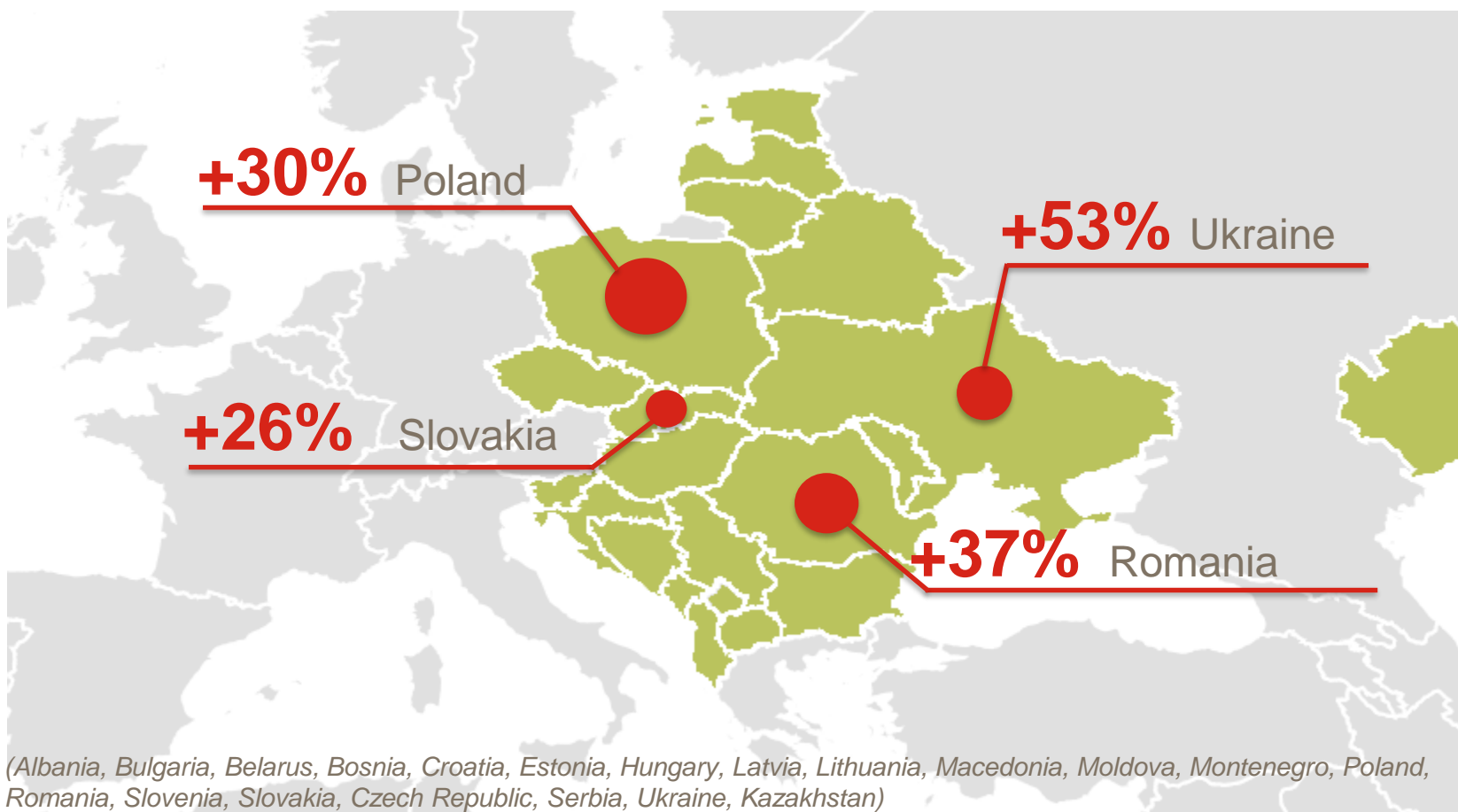
Mugs, food storage containers

+40%

LFL



Central and Eastern Europe: accelerated growth



2018 sales

> €300m, +21%

+40% in Electrical cooking



Widespread market share gains

LFL figures

Poland: remarkable momentum



Vacuum cleaners

2018 sales **x 3.5**

LFL



Mexico: continued excellent dynamics



2018 sales

+9%

+40% Electrical cooking

+14% Linen care

Flagship products:

Blenders, filter
coffee machines, fans
garment steamers

+40%



LFL figures

Sweden: a promising market



2018 sales

+15%

Flagship products:

Cookware, steam cookers, linen care, male clippers, Optigrill...

+16%



LFL figures

Japan: widespread growth



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クックフォーミーならマニュアル操作でも簡単ラクラク調理！
美味しく作れるレシピをご紹介します！



2018 sales

+9%

+63% Cook4me

Flagship products:

Cookware (incl. Ingenio), garment steamers, kettles...

+21%



LFL figures

Japan: widespread growth



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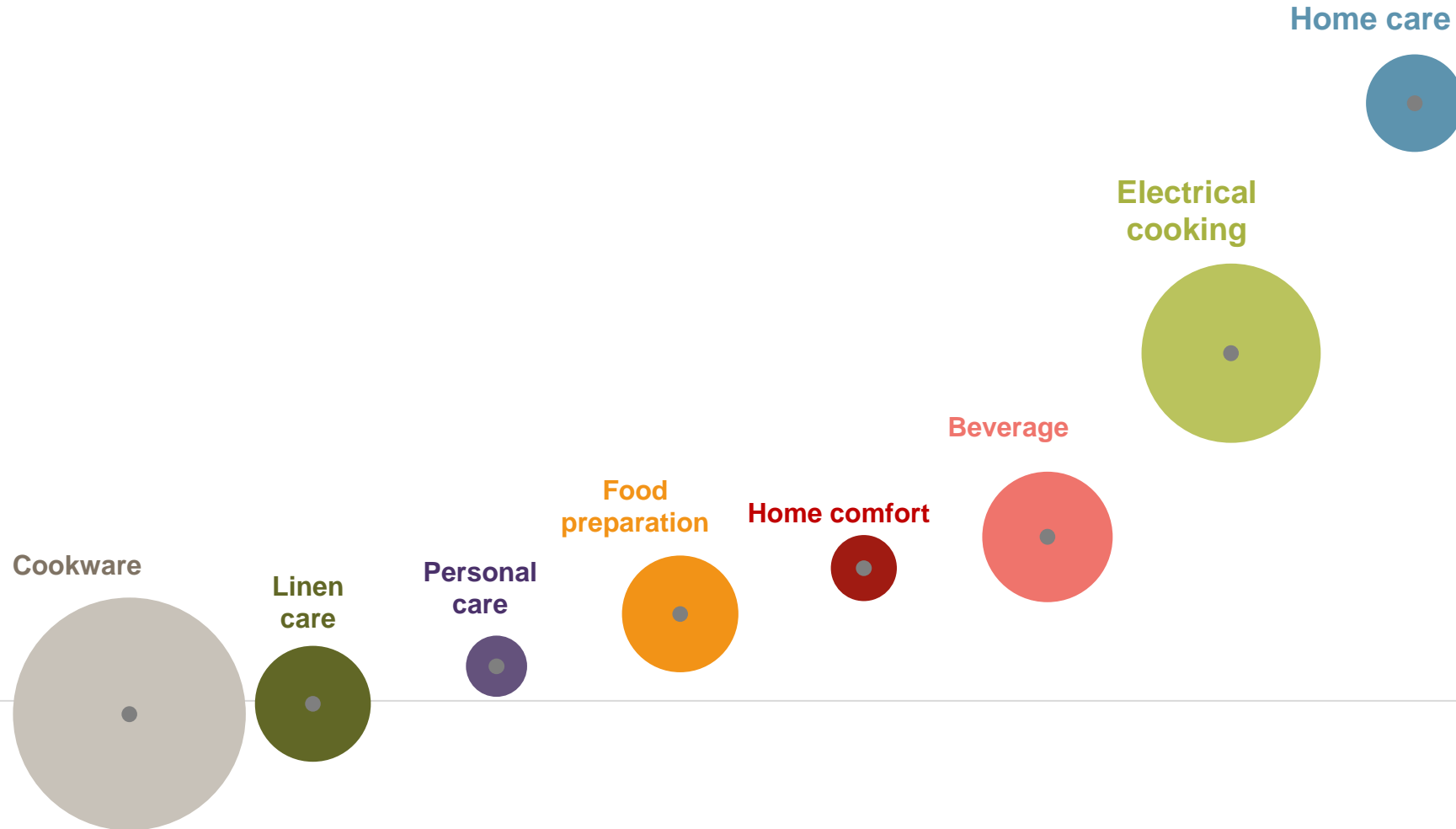


33 T-Fal stores

>20% of sales in Japan

Top performers by product line

35%
30%
25%
20%
15%
10%
5%
0%
-5%



Flagship products Vacuum cleaners

2018 sales **+27%** LFL

Significant foothold in **30 countries**

2018: market share gains in over **20 countries**



Flagship products

Blenders

Significant foothold in **40 countries**

Global market share: **12% (+1.3 pt)**

High-speed blenders: **+ 70% LFL**



Flagship products

Garment steamers

2018 sales **+28% LFL**

Foothold in **over 65 countries**

Global market share: **21% (+2 pts)**



Flagship products

Thermal mugs

2018 sales **+42% LFL**

Foothold in **over 75 countries**



Solid performances

1 Sales

2 Results



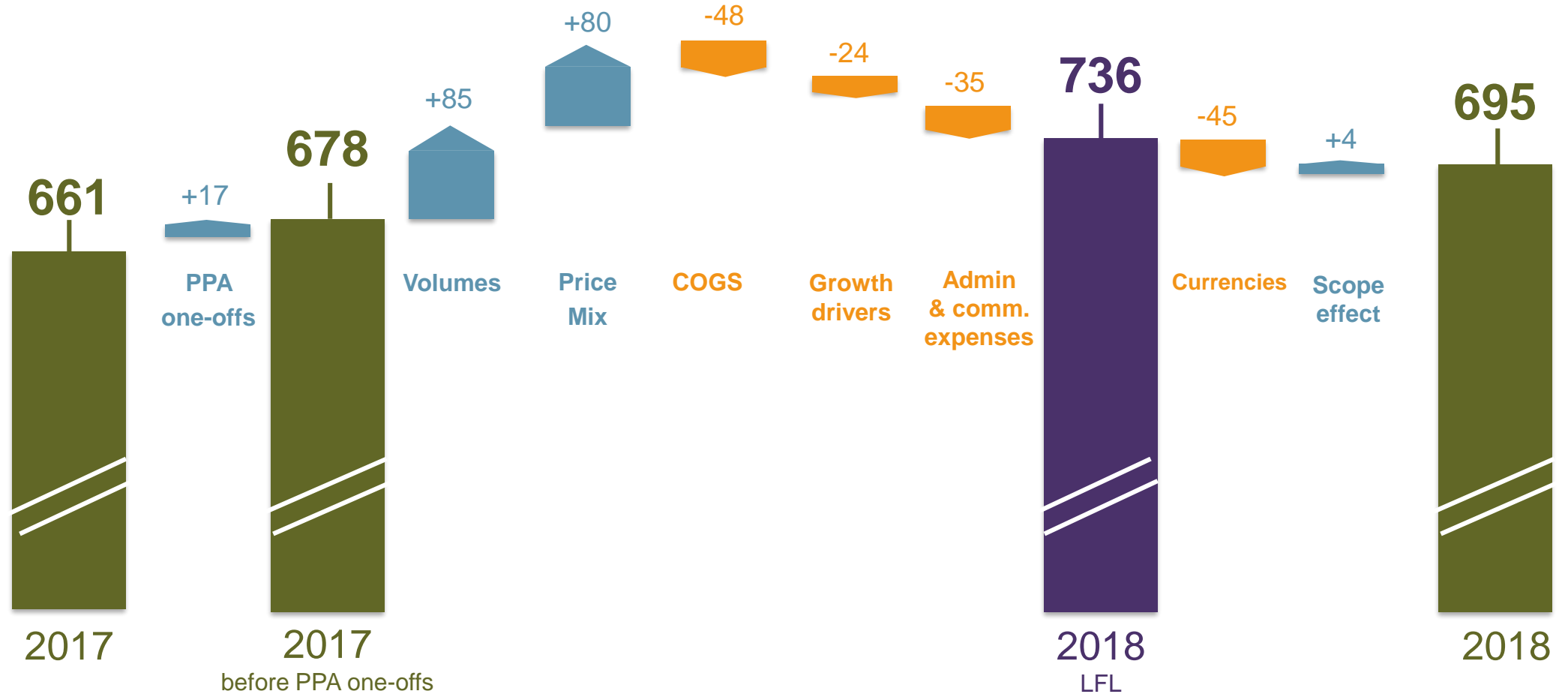
Operating Result from Activity (ORfA)

In €m	2017	2018	Δ	Δ LFL
Sales	6,485	6,812	+5.1%	+7.8%
ORfA	678*	695	+2.5%	+8.5%
<i>Operating margin</i>	<i>10.5%*</i>	<i>10.2%</i>	<i>-0.3 pt</i>	<i>=</i>
Reported ORfA	661	695	+5.2%	+11.3%
<i>Reported operating margin</i>	<i>10.2%</i>	<i>10.2%</i>	<i>=</i>	<i>+0.3 pt</i>

*before PPA one-offs

ORfA bridge

In €m



Growth drivers

In €m

Innovation

Advertising and marketing

Total growth drivers

2017 *	2018	Δ LFL
235	247	+6.0%
432	431	+2.7%
667	678	+3.7%

**Including WMF*

Gross amount, before French Research Tax Credit and 2018 capitalization

Operating profit

In €m	2017	2018	
Operating Result from Activity (ORfA)	661	695	+5.1%
Discretionary and non-discretionary profit-sharing	(38)	(34)	
Other operating income and expense	(43)	(36)	
Operating profit	580	625	+8.0%

Net Profit

In €m	2017	2018	
Operating profit	580	625	+8.0%
Interest expense	(35)	(33)	
Other financial income and expense	(37)	1	
Tax	(99)	(131)	
Non-controlling interests	(34)	(43)	
Net profit	375	419	+11.8%

Simplified balance sheet

In €m

Tangible fixed assets

Operating WCR

Total assets to be financed

Equity

Provisions

Other current assets and liabilities

Net debt

Total financing

12/31/2017

3,512

1,222

4,734

1,964

413

452

1,905

4,734

12/31/2018

3,578

1,120

4,698

2,307

383

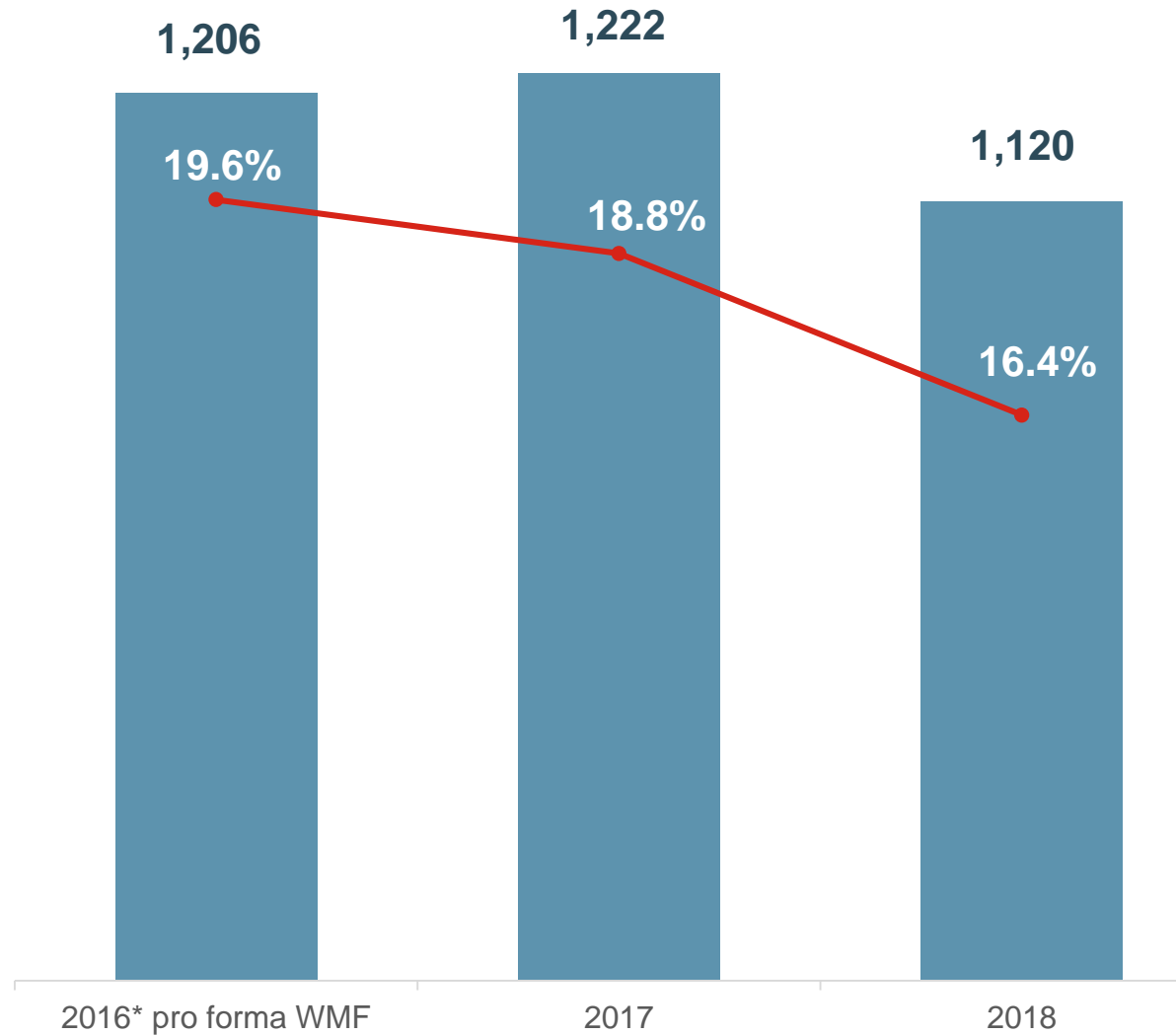
430

1,578

4,698

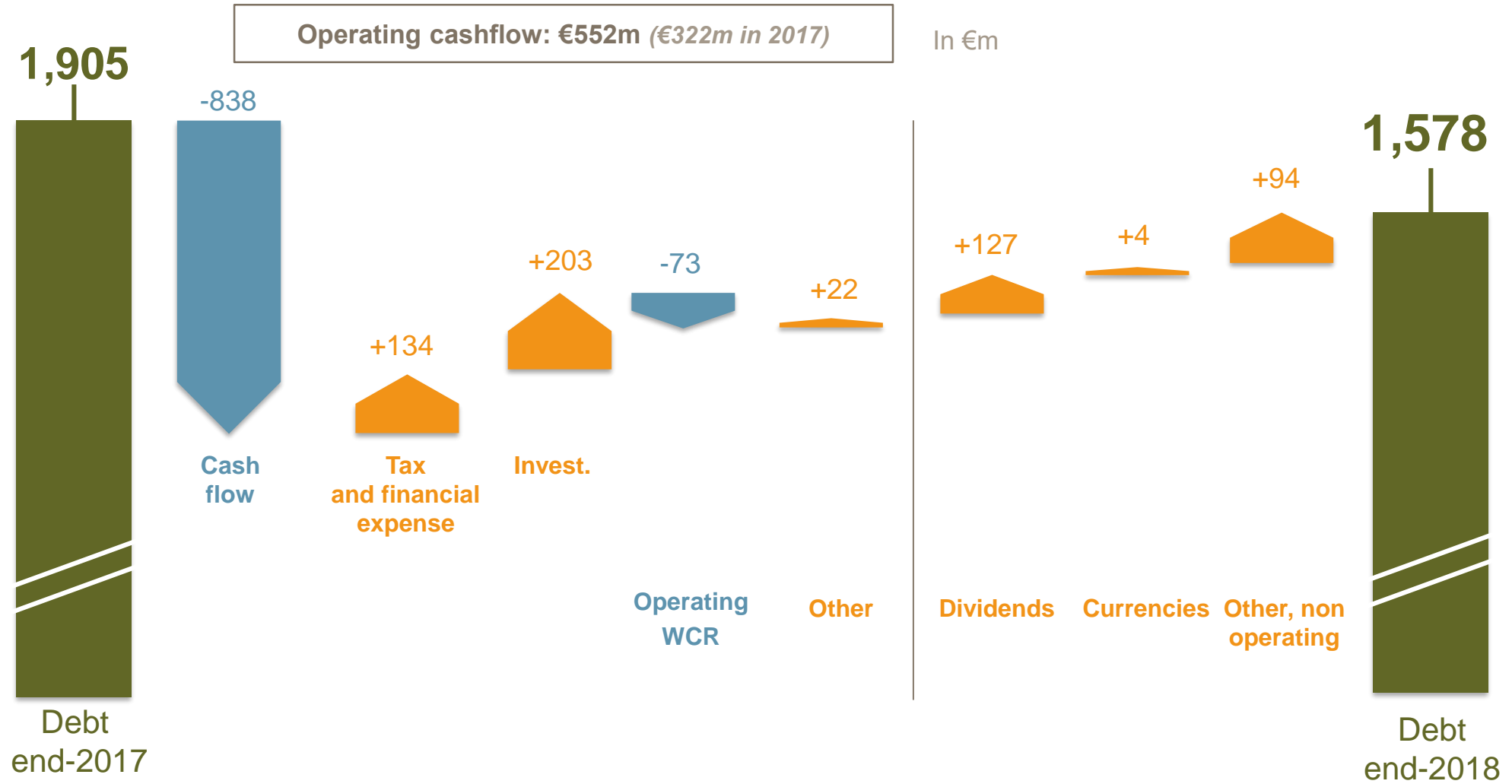
Change in operating WCR

In €m



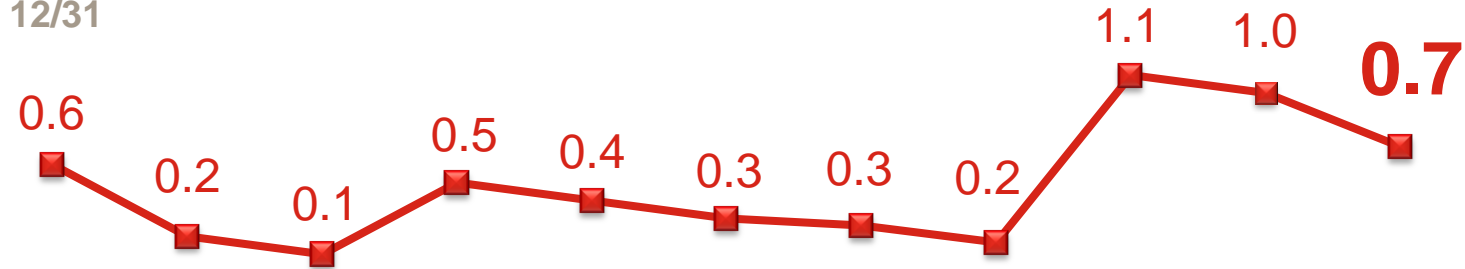
—●—
as a % of Group sales

Change in net debt

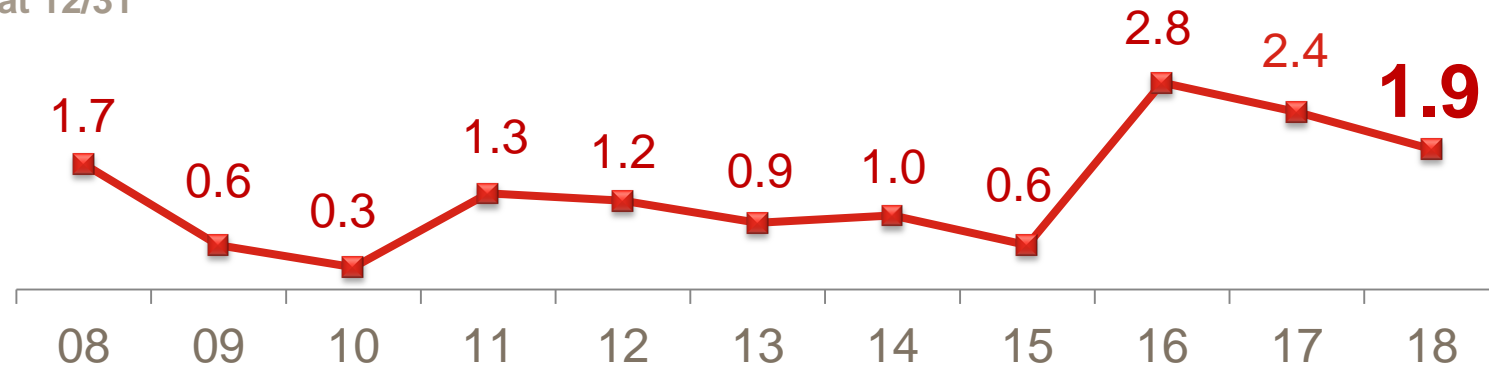


Debt ratios in line with expectations

Net debt/ Equity
Ratio at 12/31



Net debt/Adjusted EBITDA
Ratio at 12/31





03

OUTLOOK

Guidance for 2019

- Overall environment still uncertain
- Expected negative currency and commodity effects yet less penalizing than in 2018

2019 OBJECTIVES

Further organic sales growth

Further increase in Operating Result from Activity (ORfA)

Consumer activity:

- More balanced growth across Europe (incl. France), Eurasia and China
- Eurasia, China → Favorable momentum
- US: Priority to maintain profitability
- Brazil: Capitalization on regained competitiveness in SDA

Professional activity:

- Continued growth in professional coffee
- Initial effects of Wilbur Curtis' integration in the US

- Sustained Capex in China, Switzerland and France

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04

APPENDICES

2018 quarterly sales

In €m

		Q1	Q2	H1	Q3	9 months	Q4	2018
	EMEA	686	652	1,337	715	2,053	1,171	3,223
	Western Europe	503	494	997	539	1,536	894	2,430
	Other countries	183	158	340	176	517	277	793
	AMERICAS	161	177	338	235	573	314	887
	North America	92	112	204	152	357	190	547
	South America	69	65	134	83	216	124	340
	ASIA	578	481	1,060	485	1,544	523	2,067
	China	469	357	825	367	1,192	362	1,554
	Other countries	109	124	235	118	352	161	513
	TOTAL incl. WMF Consumer	1,425	1,310	2,735	1,435	4,170	2,008	6,177
	WMF Professional	134	156	290	168	458	176	635
	Groupe SEB	1,559	1,466	3,025	1,603	4,628	2,184	6,812

% based on non-rounded 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.

Next key dates

April 25	after market closes	Q1 2019 sales and financial data
May 22		2019 Annual General Meeting
July 24	before market opens	H1 2019 sales and results
October 29	after market closes	9-month 2019 sales and financial data



AGENDA