



FIRST-HALF 2020 SALES AND RESULTS

Ecully | July 23, 2020

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FIRST-HALF 2020 SALES AND 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 Universal Registration Document filed with the Autorité des Marchés Financiers, the French financial markets authority.

1. Introduction
2. H1 2020 activity
3. Outlook
4. Appendixes

SUMMARY

01

INTRODUCTION

First-half 2020 sales



Sales
€2,914m -12.6%

Q1: -16.5%

Q2: -8.4%



Consumer

€2,608m -10.6%

Q1: -17.3%

Q2: -3.2%

Professional

€306m -27.6%

Q1: -9.7%

Q2: -43.4%

LFL changes

Key figures at end-June 2020

Sales

€2,914m

-12.7%

-12.6% LFL

ORfA

€103m

vs. €230m in H1 2019

Net profit

€3m

vs. €100m in H1 2019

Net debt

€2,085m

o/w IFRS 16 debt: €306m

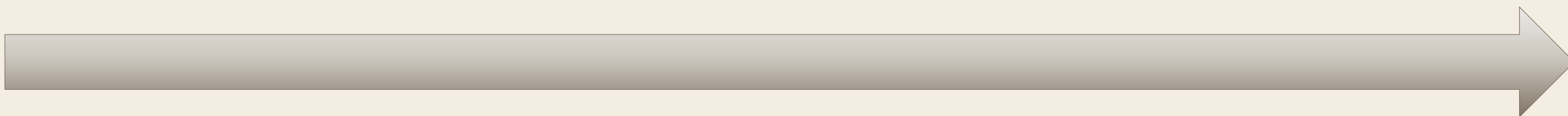
The Group adapted and continued its projects

**Priority to
health & safety
of employees**

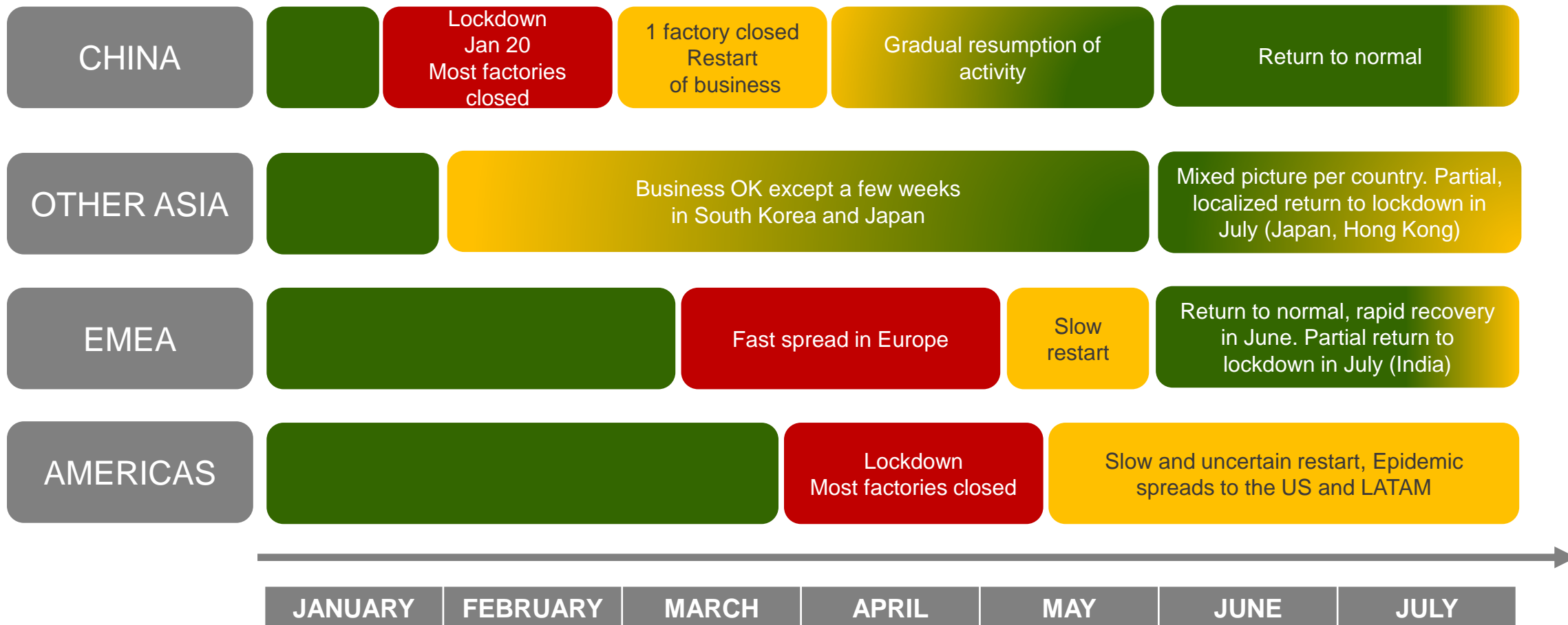
**Business continuation
and restart plan**

**Liquidity
preservation
and cost reduction
action plans**

**Projects
Continued**



Unprecedented health and economic crisis



Significantly impacting retail...

Half-year openings / closures trends

Channel	2019 weight	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
Mass retail*	18%	Green	Green	Green	Green	Green	Green
E-Commerce*	24%						
Specialists	16%						
Traditional & others	25%						
Group retail	6%						
B2B	11%	Green	Yellow	Red	Yellow	Yellow	Yellow

**Priority given to essential products (mid-March to May)*

...and our industrial base

- Temporary closures of our sites (up to 25 sites closed simultaneously)
- Preserving supply chain's flexibility during crisis
- Production sites restart activities
 - Social distancing between workstations
 - Personal Protective Equipment
 - Methods and processes reviewed





**PROJECTS
CONTINUED**

WMF competitiveness plan: update



- July 2019 → Announcement of WMF competitiveness plan
 - September 2019: start of negotiations with employee representatives
 - May 2020: signature of an agreement
- Headcount reduction plan for support functions
 - 312 positions targeted, o/w 237 by end-2020
- Cookware production to be transferred from Geislingen to Selongey (France) and Omega (Italy) in October 2020
 - -150 positions
 - Improved industrial competitiveness and business profitability
- Centralization of warehousing activities for WMF Consumer at Dornstadt
 - Completed end-June 2020



Active liquidity management continued

- New €500m **bond issue**
 - 5-year term (maturing June 16, 2025)
 - Rate: 1.375%
- Renegotiated our **syndicated credit line of €960m**
 - Extended for 12 months → 31/07/2022
 - +6 optional months → 31/01/2023
 - Undrawn to date



Permanent securing of refinancing
Average debt maturity extended
Attractive financing conditions guaranteed

Groupe SEB showed solidarity to fight COVID-19

- **Leveraged industrial expertise**

Industrialized rollout of artificial ventilator, MakAir, at an affordable price with specific focus on treating COVID-19

- **Donated masks, gloves and other products**

- **Launched many local initiatives**

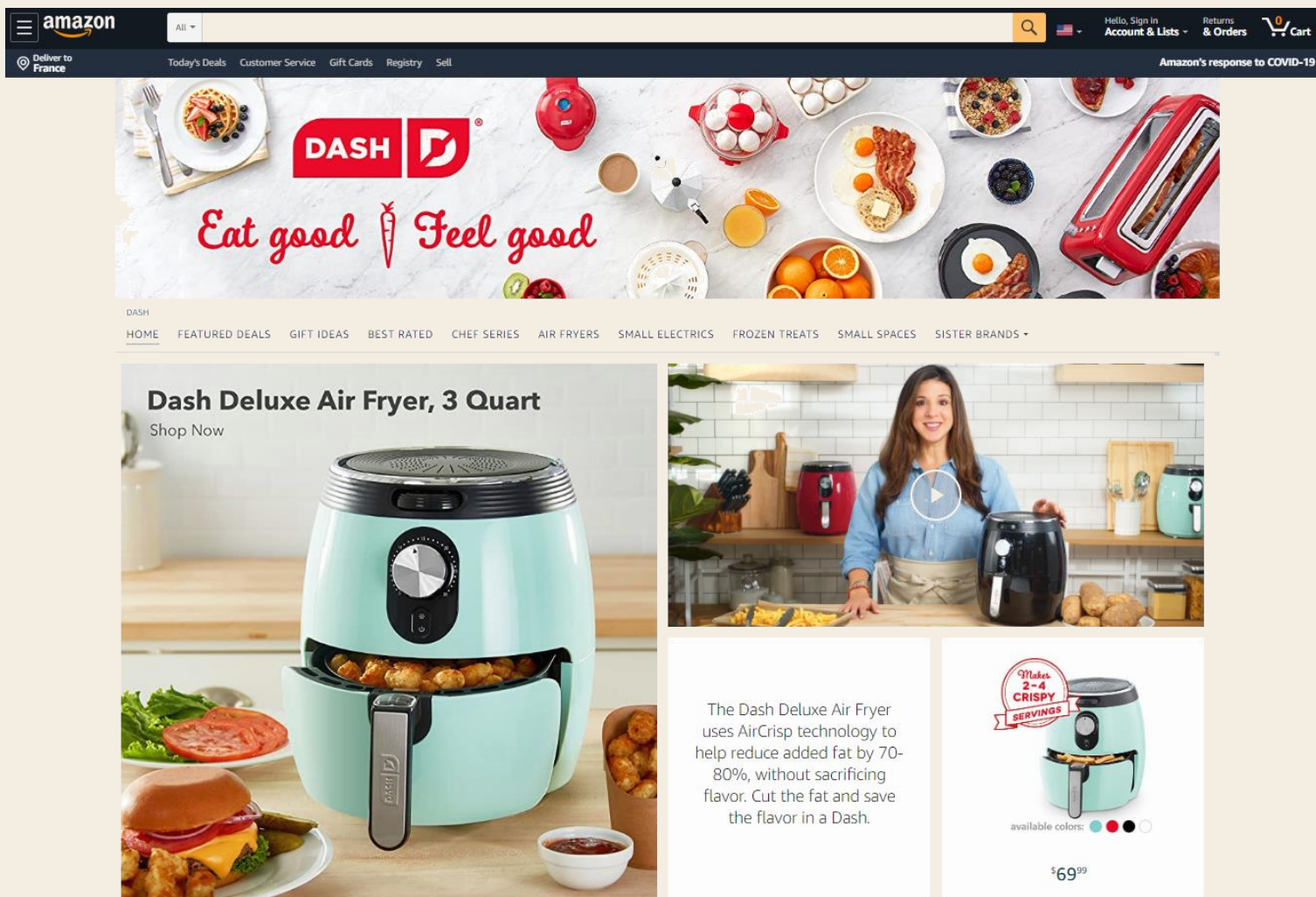
- **Donation of paid leave in France**

400 paid leave days donated by employees
+ 400 complementary days matched by the Group

- **Reduced top management's compensation**



Storebound: a successful scale-up in the US thanks to digital




<https://bydash.com/>

- Start-up created in 2010
➔ 1-million Instagram followers
 - Consumer-centric approach
 - Strong retail expertise

A successful scale-up, leveraging digital technologies

- 2019 sales: ~ \$90m
- Key brand: Dash, a brand with a huge millennial following
- In-house development of products, with production and logistics outsourced,
- **Complementary business model**
Consumer business

Two overlapping light blue squares are located in the top right corner of the slide.

**Stakes in new,
green businesses**

SEB ALLIANCE



angell



CASTALIE

**Sale of non-core
activities:**

**EMSA GARDEN
BOEHRINGER**



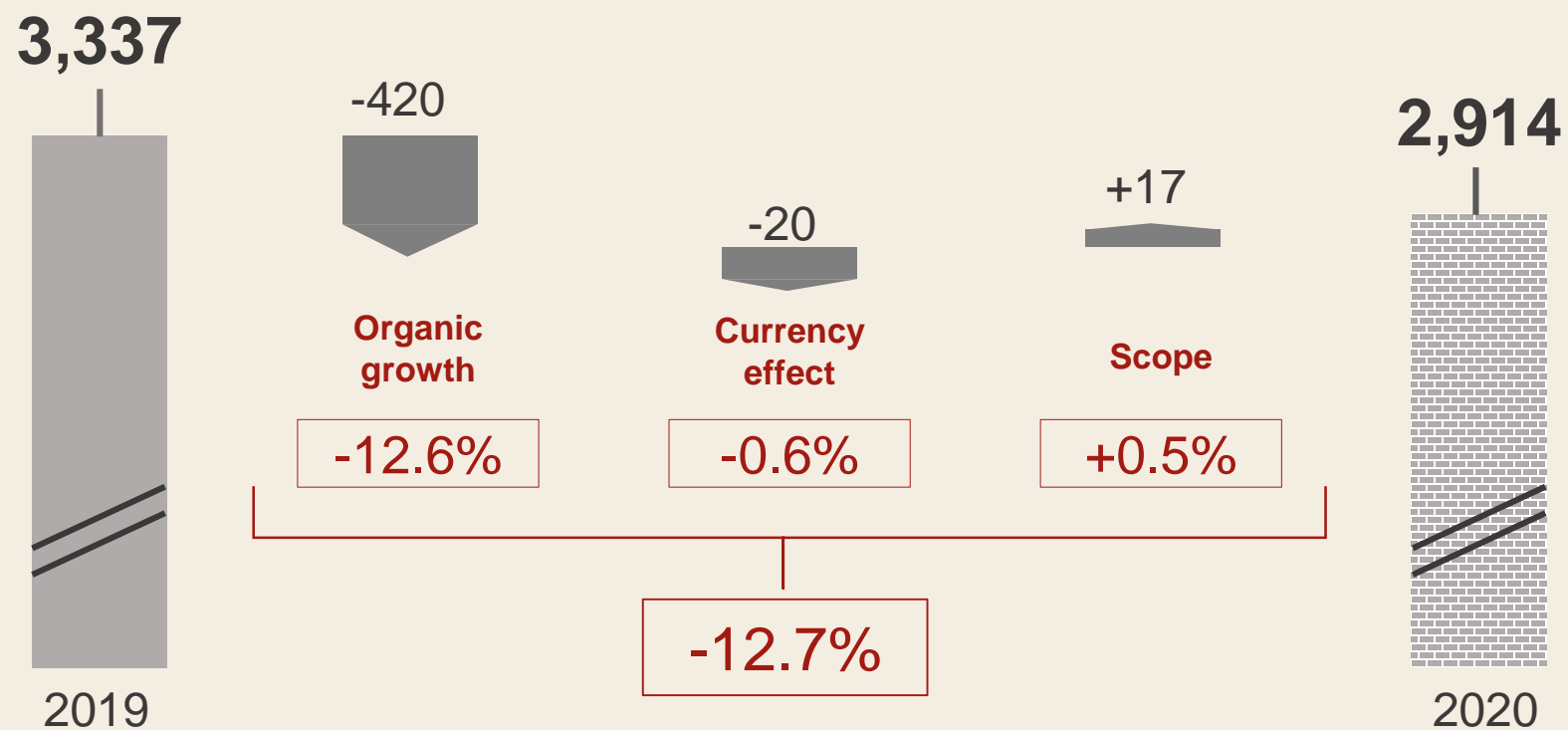


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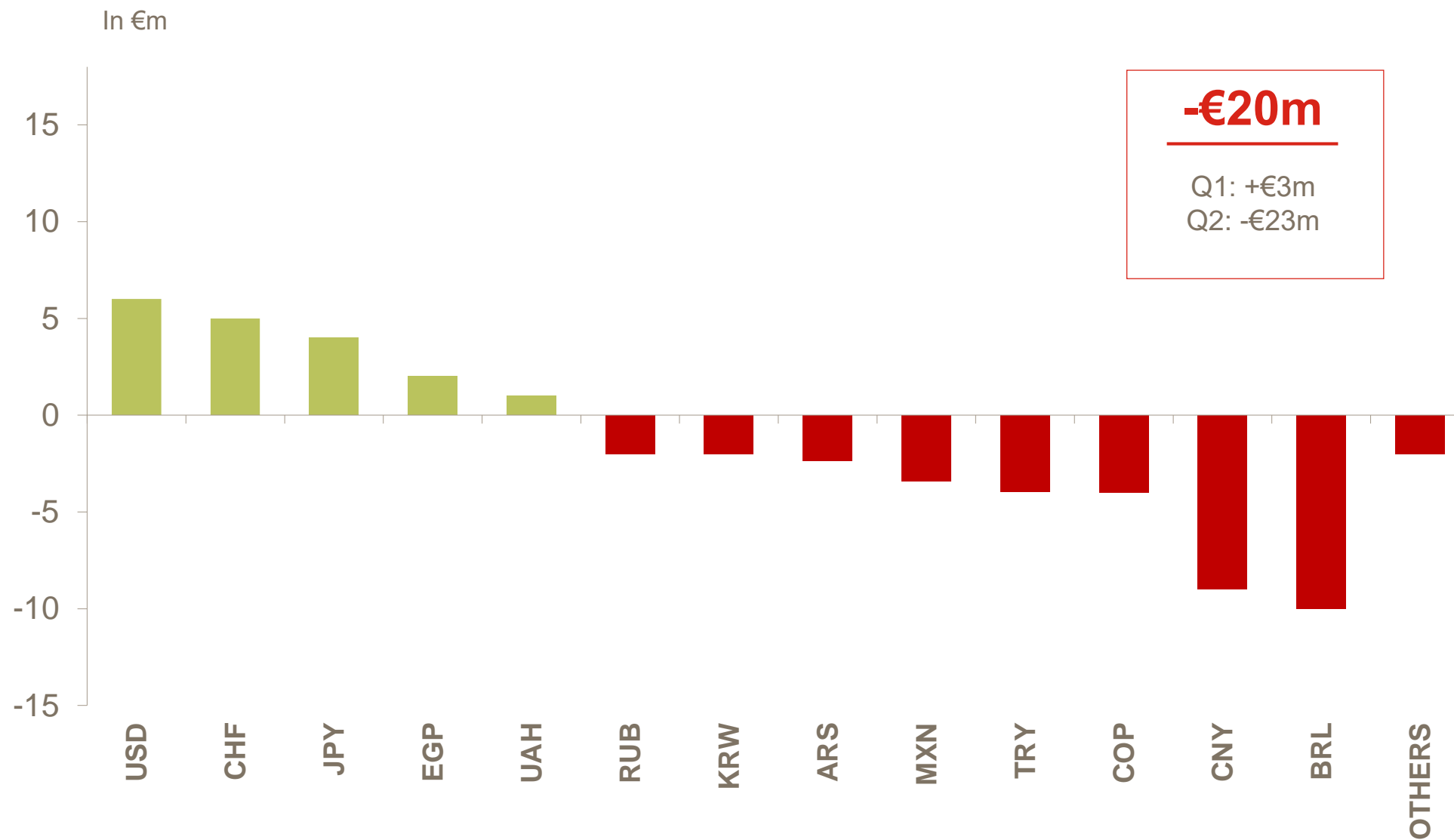
H1 2020 ACTIVITY

Change in sales - H1 2019 → 2020

In €m

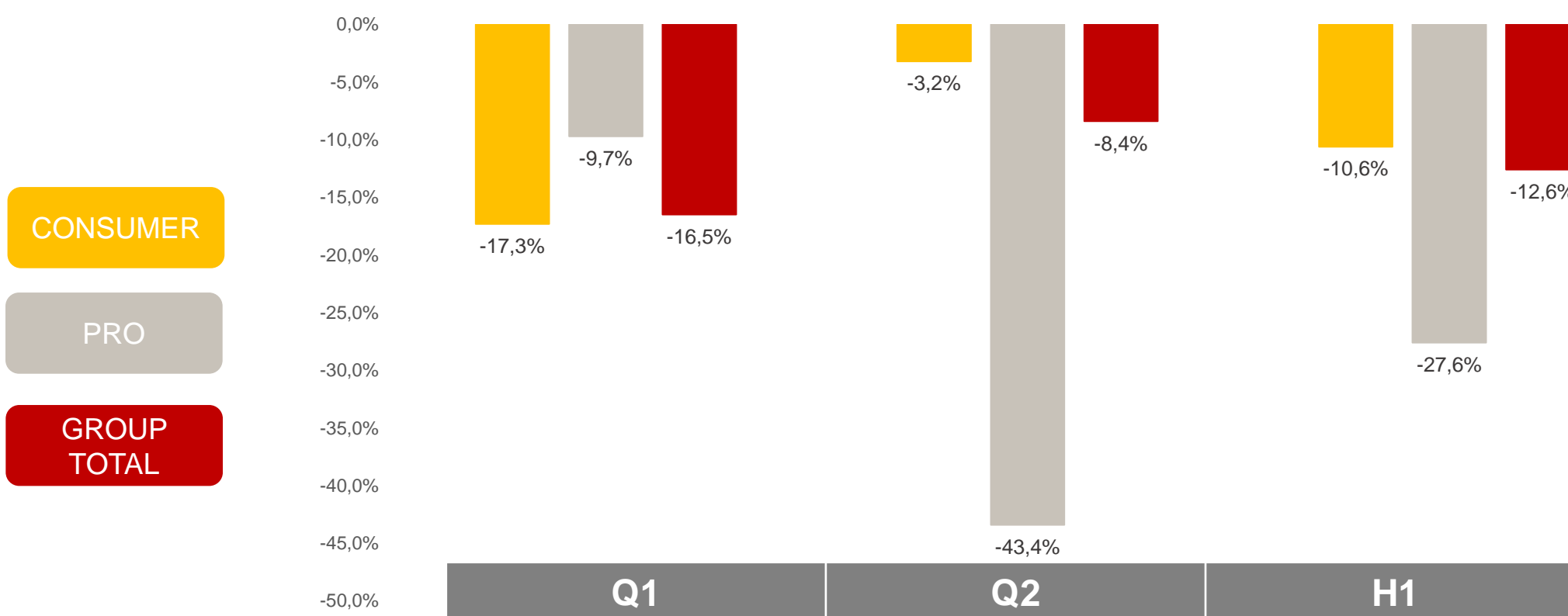


Currency impact on H1 2020 sales

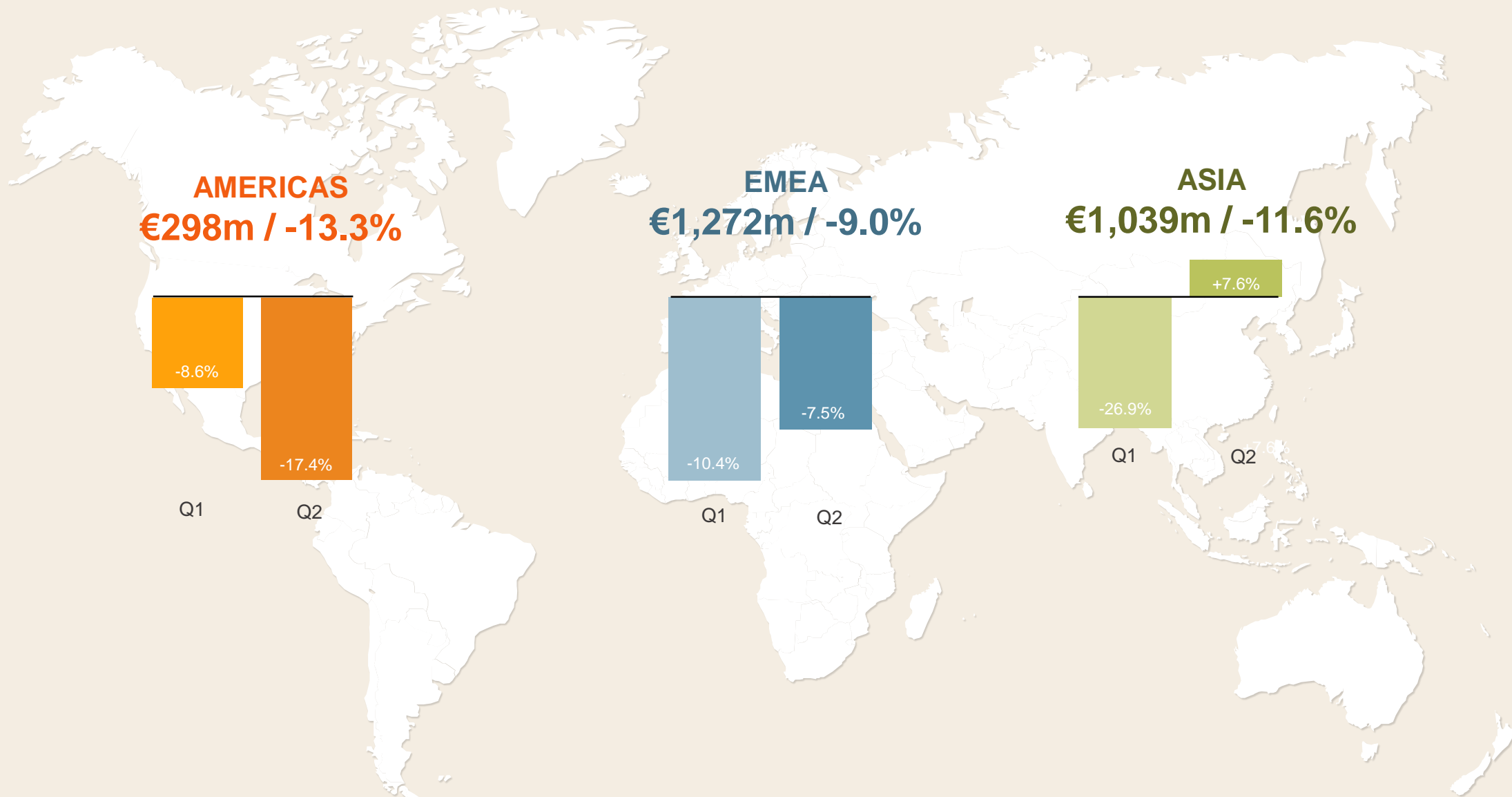


A bumpy road for sales in H1 20

Organic sales growth (% vs. 2019)



H1 2020 sales, LFL - Consumer



Focus Consumer – EMEA

H1 sales: 1,272 M€

Growth vs LY %	Q1 2020 LFL	Q2 2020 LFL	H1 2020 LFL	H1 2020 as reported
Western Europe	-14.7%	-8.3%	-11.5%	-11.4%
Other EMEA countries	+1.0%	-5.2%	-1.9%	-3.0%

- Contrasting situations: Eurasia less impacted than Western Europe
- Robust online sales momentum: c.+45% in H1*
- Gradual store re-openings as of May
 - ➔ Retail inventories rebuilt in June
- Sales' strong volatility: lowest point in April (-50%) vs. recovery in June (+45%)

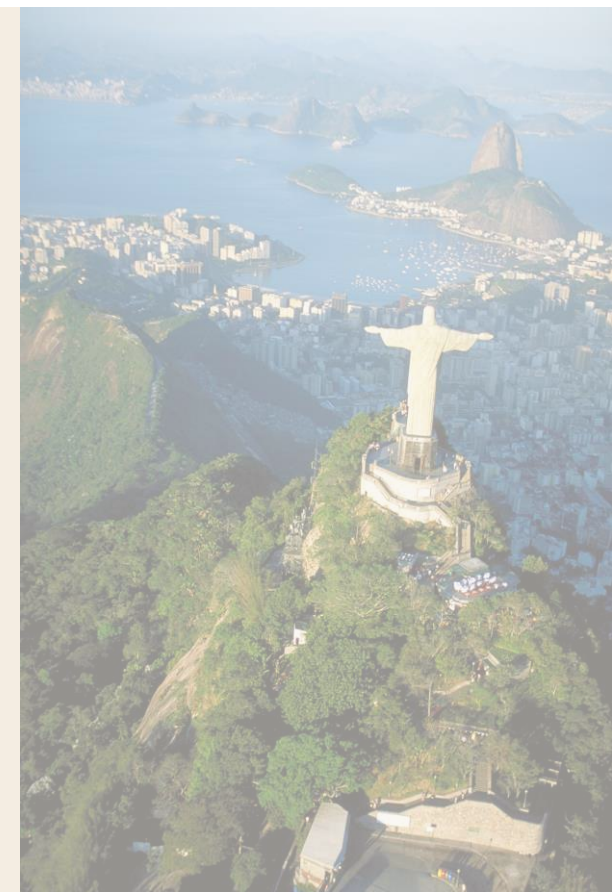
Focus Consumer – Americas

H1 sales: 298 M€

Growth vs LY %	Q1 2020 LFL	Q2 2020 LFL	H1 2020 LFL	H1 2020 as reported
North America	-7.2%	-6.7%	-6.9%	-6.6%
South America	-10.9%	-35.3%	-23.7%	-35.9%



- Health crisis still critical
- Rebound in NAFTA driven by the US and boosted by consumer stimulus plans
- Decline in South America sales, Brazil hardest hit
- Business uptick in Columbia in June



Focus Consumer – Asia

H1 sales: 1,039 M€

Growth vs LY %	Q1 2020 LFL	Q2 2020 LFL	H1 2020 LFL	H1 2020 as reported
China	-32.4%	+10.2%	-14.4%	-15.3%
Other Asian countries	-1.5%	-0.3%	-0.9%	+0.1%



- China's performance driven by SDA and e-commerce
- Cookware impacted by extended closure of Wuhan site
- Excellent Supor performance at mid-year festival: Sales **+64%**
- Mixed picture in other Asian countries:
 - ➔ Japan: Q2 decline - public health state of emergency
 - ➔ South Korea: positive Q2 performance – product and e-commerce momentum



Focus Professional

H1 sales: 306 M€

Growth vs LY %	Q1 2020 LFL	Q2 2020 LFL	H1 2020 LFL	H1 2020 as reported
Professional	-9.7%	-43.4%	-27.6%	-21.7%

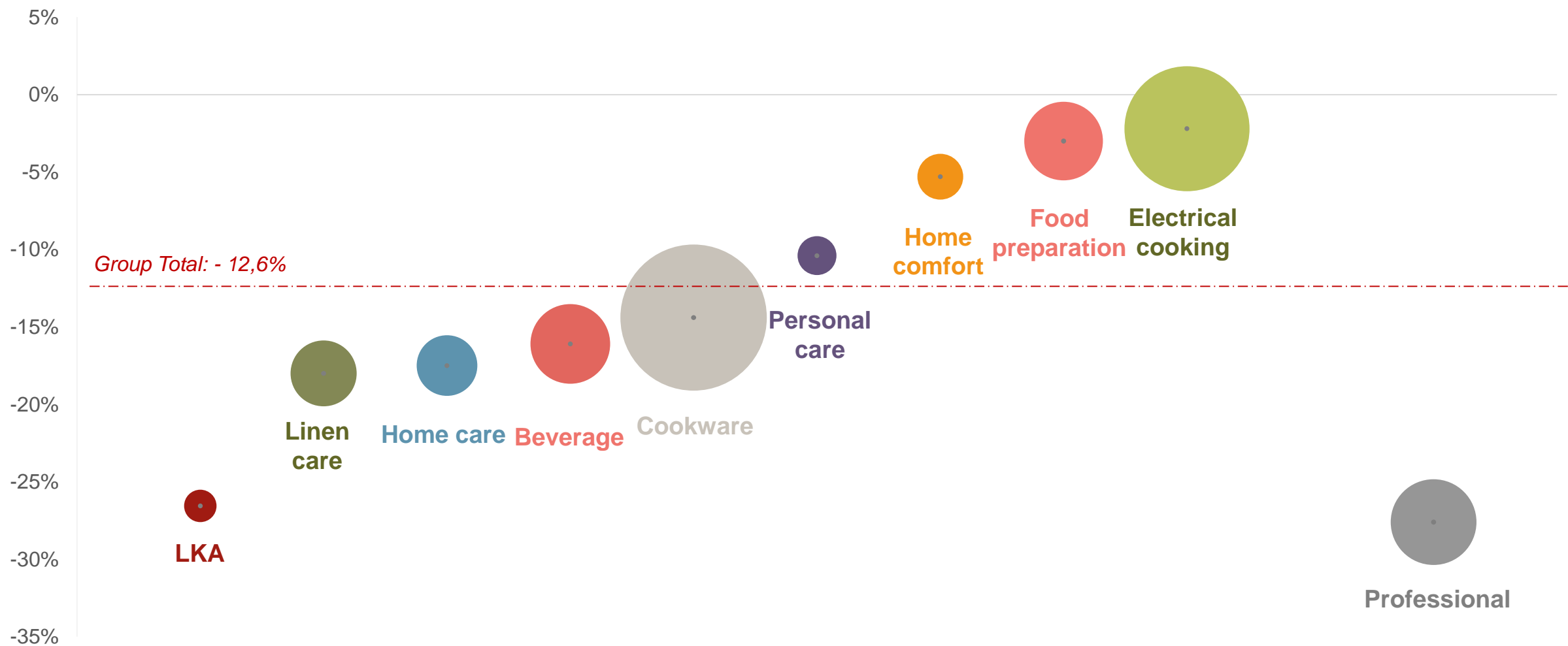


- High PCM comparatives
- Closure of most hotels, restaurants, cafés as of March
- Postponement of investments, postponed or reduced orders



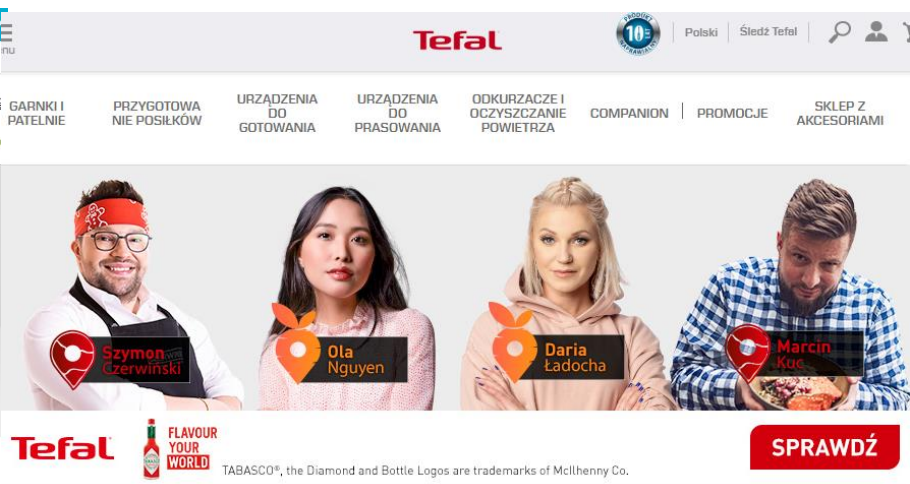
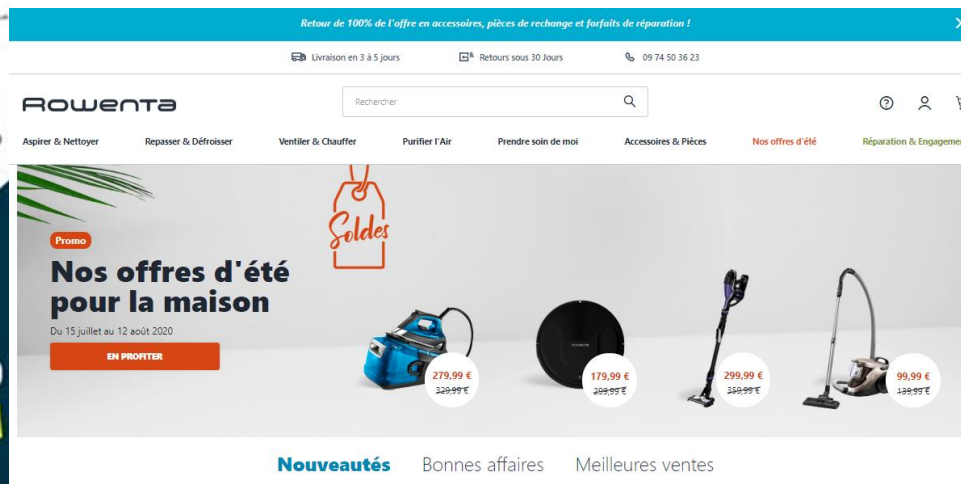
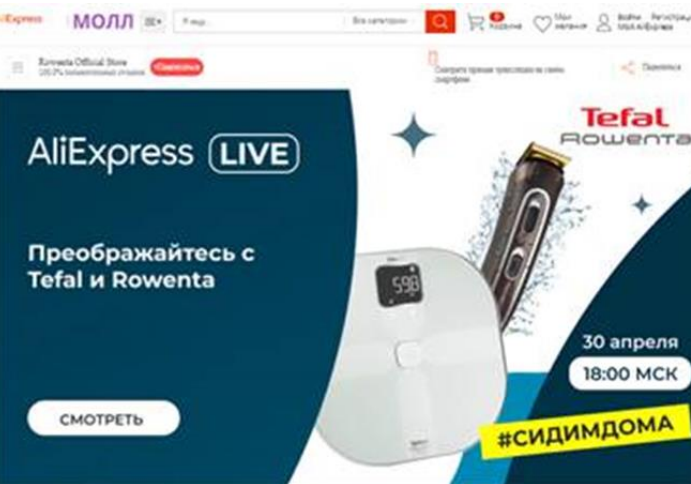
Different impacts per product line

Sales H1 2020, LFL



Continued digital breakthroughs

- Increased weight of online in H1 sales
 - Supor: ~60% of sales (vs. 45% in H1 2019)
 - US: 40% of sales (+10 points)
 - EMEA: ~30% of sales (+10 points)*



Record sales for Supor at “618” Shopping festival



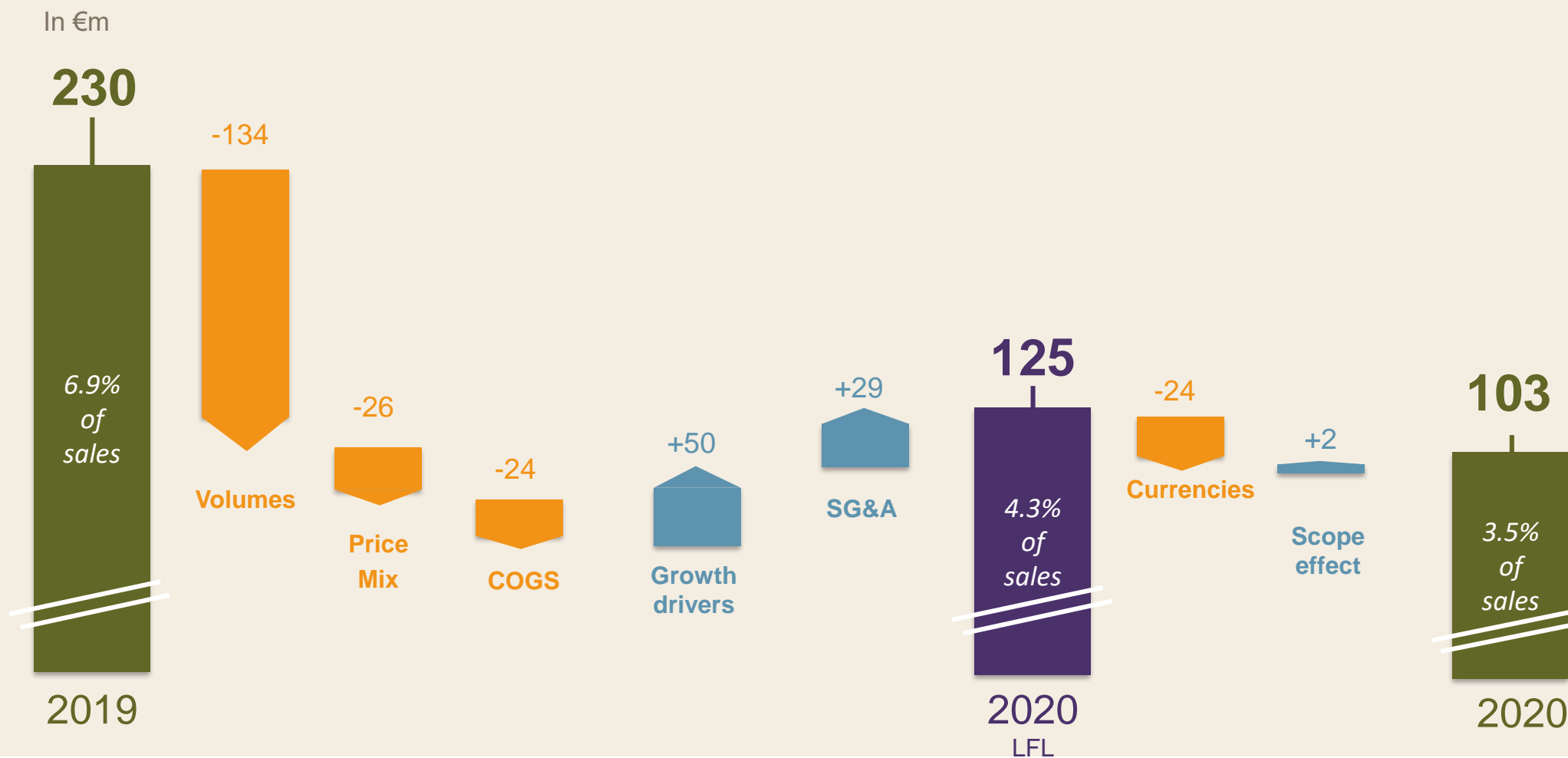
- Sales +64%
- Cookware: No. 1 in 10 categories
- Thermospot: 380 million views on TikTok
- Livestreaming: sales > RMB 80m



Operating Result from Activity (ORfA)

In €m	2019	2020	Δ	Δ LFL
Sales	3,337	2,914	-12.7%	-12.6%
ORfA	230	103	-55.0%	-45.7%
<i>Op. margin</i>	<i>6.9%</i>	<i>3.5%</i>	<i>-3.3 pts</i>	<i>-2.6 pts</i>

ORfA breakdown for H1 2020 vs 2019



From ORfA to net profit

In €m

2019

2020

Operating Result from Activity (ORfA)

230

103

Discretionary and non-discretionary profit-sharing

(9)

(5)

Other operating income and expense

(8)

(40)

Operating profit

213

58

Net financial expense

(46)

(29)

Tax

(40)

(7)

Non-controlling interests

(27)

(19)

Net profit

100

3

Simplified balance sheet

In €m

	30/06/2019	31/12/2019	30/06/2020
Tangible fixed assets	4,162	4,263	4,200
Operating WCR	1,367	1,215	1,168
Total assets to be financed	5,529	5,478	5,368
Equity	2,323	2,628	2,499
Provisions	417	423	424
Other current assets and liabilities	361	430	360
Net financial debt	2,428	1,997	2,085
Total financing	5,529	5,478	5,368

Change in debt

In €m

Free cash flow: +€65m (-€110m in H1 2019)

1,997

-232



Cash flow

+80

Tax and financial expense

+106

Invest.

+14

Operating WCR

-33

Other operations

+100

Dividends

-1

Currencies

+54

Other, non operating

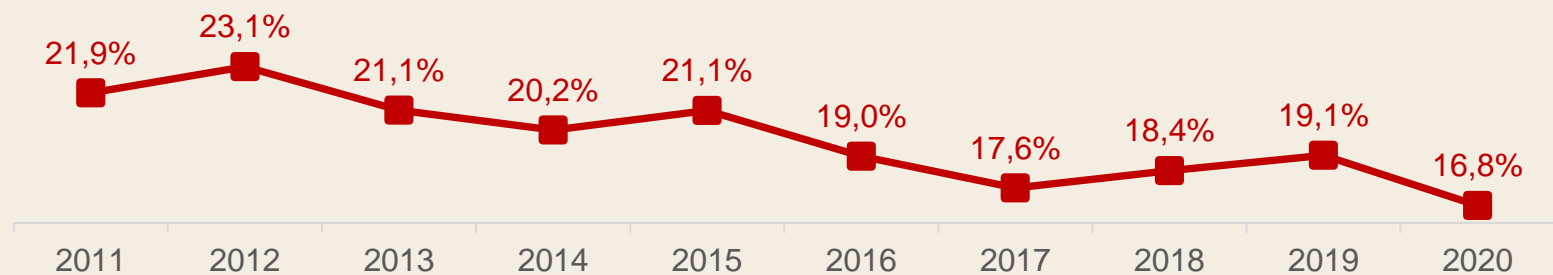
2,085

Debt end-2019

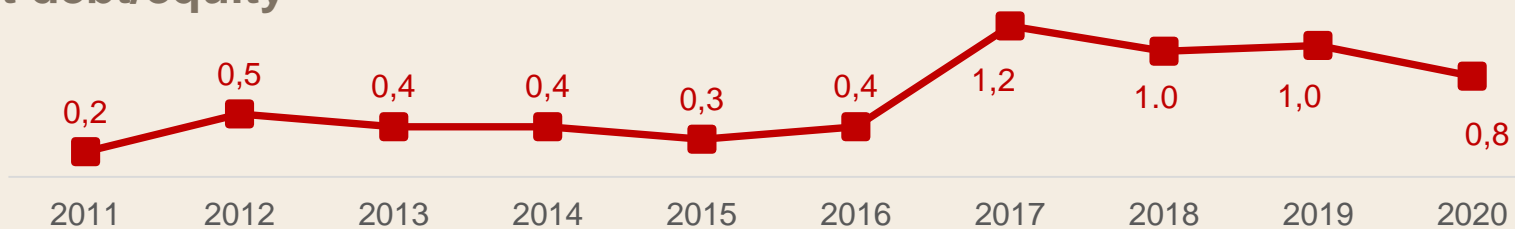
Debt end-June 2020

Ratios at June 30

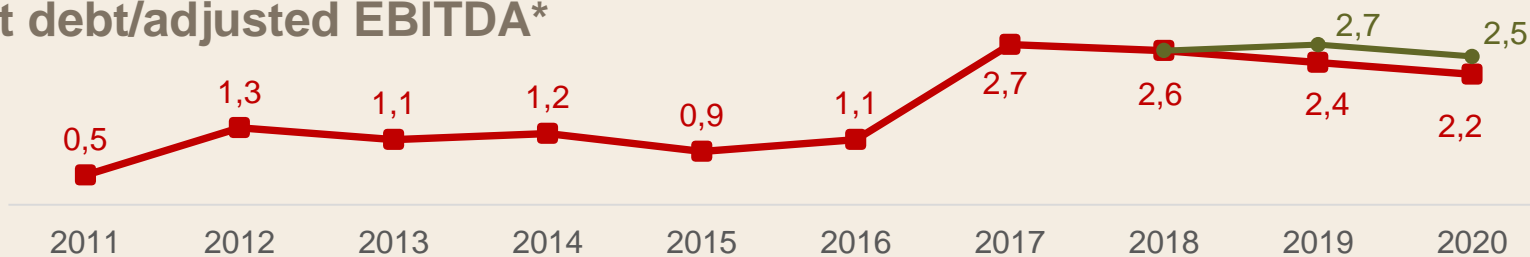
WCR as % of sales



Net debt/equity



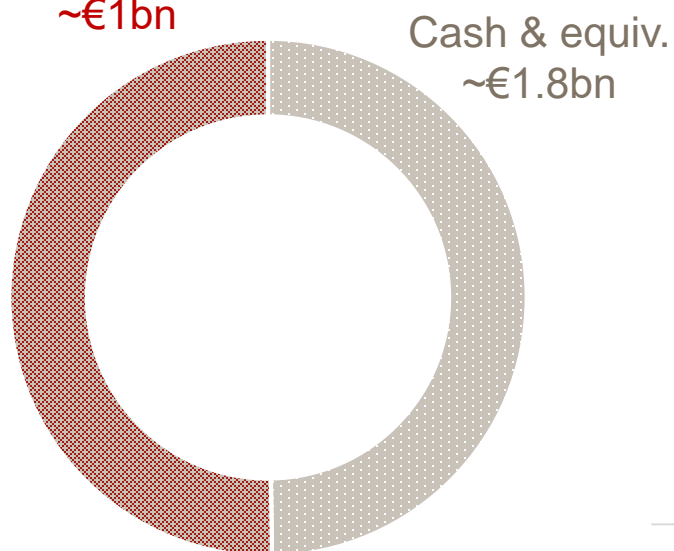
Net debt/adjusted EBITDA*



— With IFRS 16
*12-month moving average

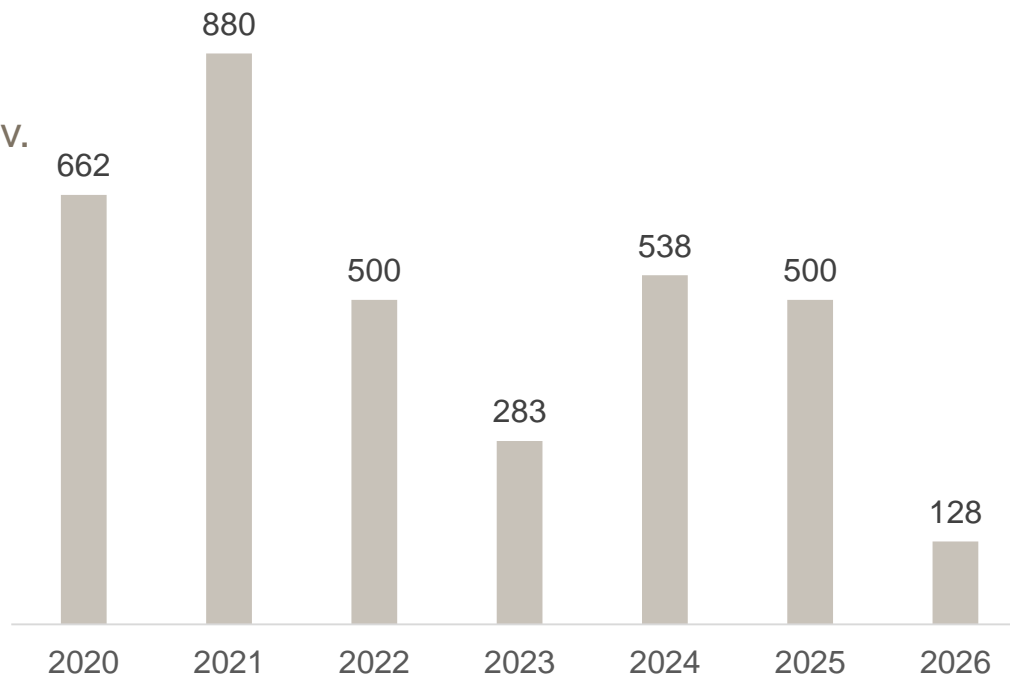
Healthy and well-balanced financials

Confirmed undrawn
credit lines
~€1bn



Total liquidity
~€2.8bn

As of June 30, 2020



Gross financial debt*
~€3.5bn

*Excl. IFRS 16 and others

- **Diversified sources of financing** (Bonds, Schuldschein, ORNAE, NEU MTN, NEU CP, etc.)
- **No financial covenants**
- New €500m bond issue, matures in 2025
- Maturity extension of the syndicated credit line



03

OUTLOOK

2020 Outlook

- Unusual H1-2020: health and economic crisis
- H1 traditionally not representative of full year
- Better-than-expected Q2
- Uncertainty prevails on exit from the crisis:
 - Clouded visibility for Consumer activity
 - Professional Coffee activity likely impacted for FY 2020
- Impossible to quantify full-year impacts of COVID-19 for now
 - Raw materials expected to have a slightly positive impact on ORfA
 - FX impact expected to range between € -70m / -90m on ORfA
 - Sales and ORfA expected significantly down

04

APPENDIXES

H1 sales

In €m

EMEA

AMERICAS

ASIA

EMEA

Western Europe

Other countries

AMERICAS

North America

South America

ASIA

China

Other countries

TOTAL Consumer

Professional

Groupe SEB

	H1 2019	H1 2020	As reported	Like-for-like	Q2 2020 LFL
EMEA	1,401	1,272	-9.2%	-9.0%	-7.5%
Western Europe	1,033	915	-11.4%	-11.5%	-8.3%
Other countries	368	357	-3.0%	-1.9%	-5.2%
AMERICAS	362	298	-17.8%	-13.3%	-17.4%
North America	224	209	-6.6%	-6.9%	-6.7%
South America	138	89	-35.9%	-23.7%	-35.3%
ASIA	1,182	1,039	-12.1%	-11.6%	+7.6%
China	938	794	-15.3%	-14.4%	+10.2%
Other countries	244	245	+0.1%	-0.9%	-0.3%
TOTAL Consumer	2,946	2,608	-11.4%	-10.6%	-3.2%
Professional	391	306	-21.7%	-27.6%	-43.4%
Groupe SEB	3,337	2,914	-12.7%	-12.6%	-8.4%

% based on non-rounded figures

Q1 sales

In €m

EMEA

EMEA

Western Europe

Other countries

AMERICAS

AMERICAS

North America

South America

ASIA

ASIA

China

Other countries

TOTAL Consumer

Professional

Groupe SEB

	Q1 2019	Q1 2020	As reported	LFL
EMEA	711	641	-9.9%	-10.4%
Western Europe	519	443	-14.6%	-14.7%
Other countries	192	198	+2.6%	+1.0%
AMERICAS	169	149	-11.7%	-8.6%
North America	103	97	-5.2%	-7.2%
South America	66	52	-21.9%	-10.9%
ASIA	659	482	-26.8%	-26.9%
China	541	365	-32.6%	-32.4%
Other countries	118	117	-0.2%	-1.5%
TOTAL Consumer	1,539	1,272	-17.4%	-17.3%
Professional	183	182	-0.7%	-9.7%
Groupe SEB	1,722	1,454	-15.6%	-16.5%

% based on non-rounded figures

Q2 sales

In €m

EMEA

EMEA

Western Europe

Other countries

AMERICAS

AMERICAS

North America

South America

ASIA

ASIA

China

Other countries

TOTAL Consumer

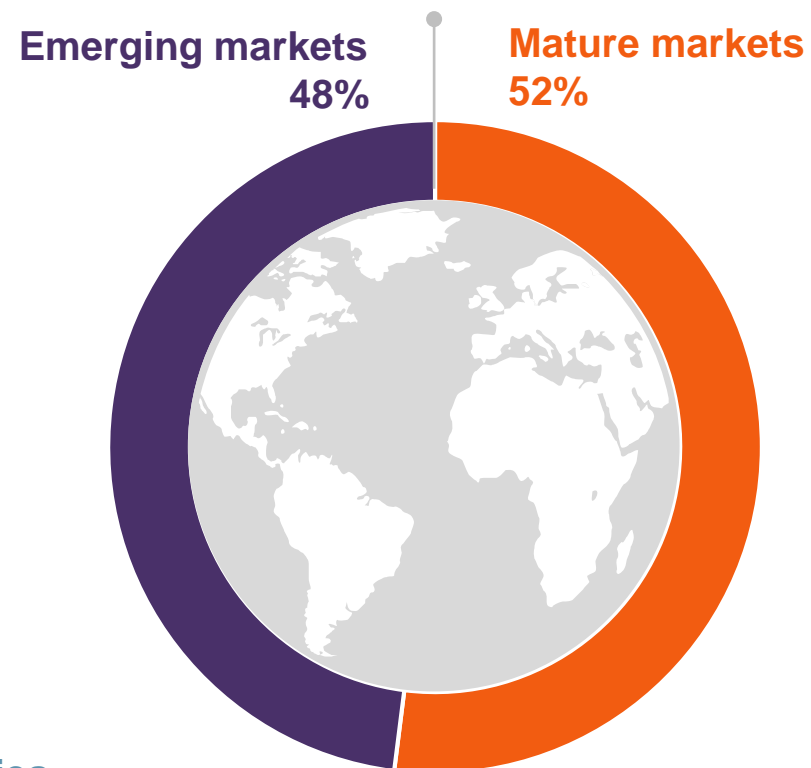
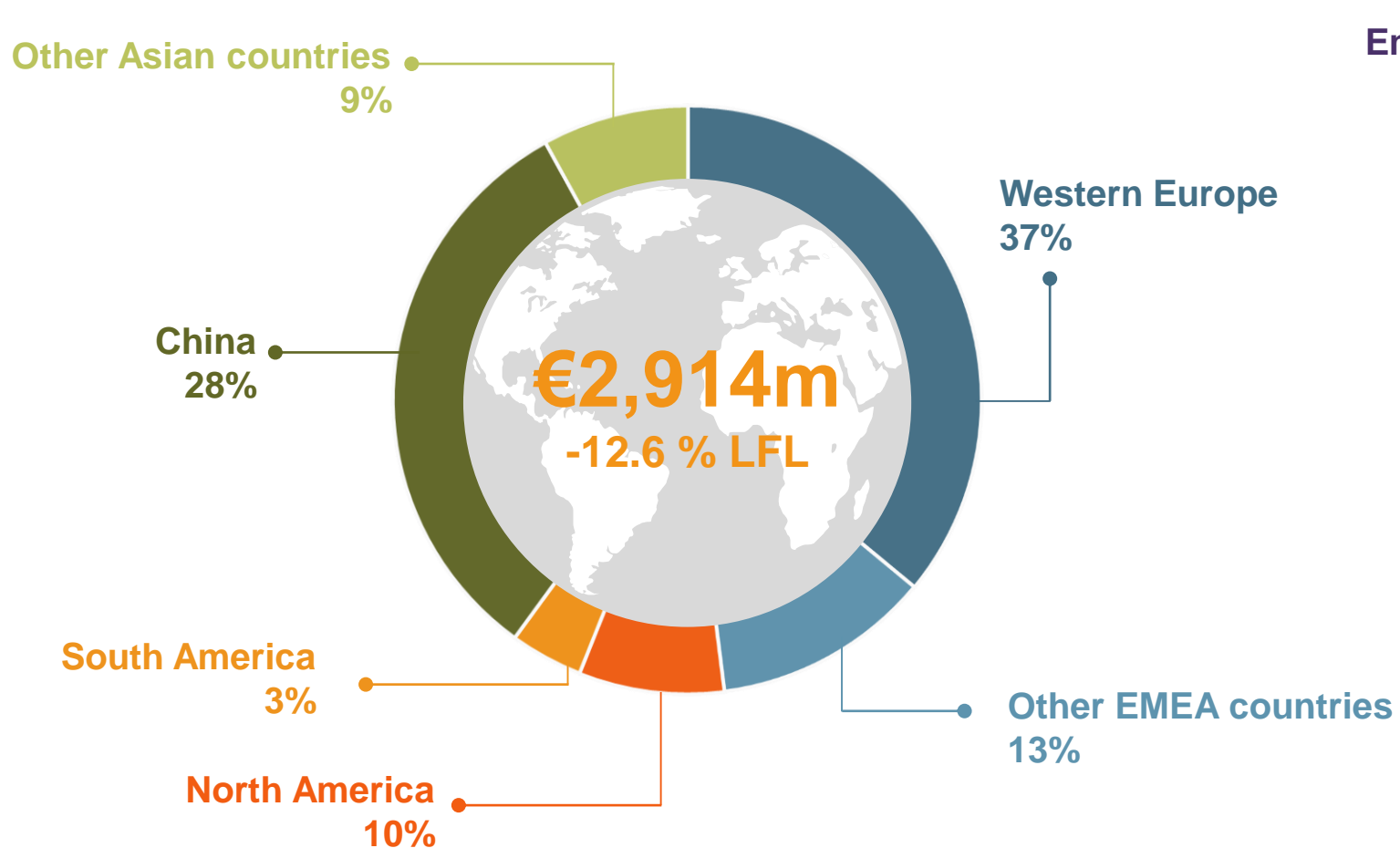
Professional

Groupe SEB

	Q2 2019	Q2 2020	As reported	LFL
EMEA	690	631	-8.5%	-7.5%
Western Europe	515	472	-8.3%	-8.3%
Other countries	175	159	-9.2%	-5.2%
AMERICAS	194	149	-23.1%	-17.4%
North America	121	112	-7.8%	-6.7%
South America	73	37	-48.6%	-35.3%
ASIA	523	556	+6.4%	+7.6%
China	396	429	+8.3%	+10.2%
Other countries	127	127	+0.4%	-0.3%
TOTAL Consumer	1,407	1,336	-5.0%	-3.2%
Professional	208	124	-40.3%	-43.4%
Groupe SEB	1,615	1,460	-9.5%	-8.4%

% based on non-rounded figures

H1 2020 sales by region



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.

Free cash flow

Free cash flow corresponds to the “cash from operating activities” item in the consolidated cash flow statement, adjusted for 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 investment (CAPEX).

Net financial debt

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. It also includes debt from application of the IFRS 16 standard “Leases” in addition to short-term investments with no risk of a substantial change in value but with maturities of over three months.

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 (financial) debt

Loyalty program (LP)

These programs, run by distribution retailers, consist in offering promotional offers on a product category to loyal consumers who have made a series of purchases within a short period of time. These promotional programs allow distributors to boost footfall in their stores and our consumers to access our products at more attractive prices.

SDA

Small Domestic Appliances: Kitchen Electrics, Home and Personal Care.

Operating Result from Activity (ORfA)

Operating Result from Activity (ORfA) is Groupe SEB’s main performance indicator. It corresponds to sales minus operating expenses, i.e. the cost of sales, innovation expenditure (R&D, strategic marketing and design), advertising, operational marketing as well as sales and marketing expenses. ORfA does not include discretionary and non-discretionary profit-sharing or other non-recurring operating income and expense.

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Next key date

October 26 | after market closes

9-month 2020 sales and financial data



AGENDA