GROUPE SEB

HALF-YEAR FINANCIAL REPORT AS AT 30 JUNE 2021

CONTENTS

€3,610 million

H1 2021 SALES

+26.3%

ORGANIC SALES GROWTH

€151 million

H1 2021 NET PROFIT

33,000

EMPLOYEES WORLDWIDE

The world leader in Small Domestic Equipment,

Groupe SEB pursues a **multi-specialist** strategy with top-ranking positions in small electrical appliances and a strong global leadership in cookware. Its mission is **making consumers' everyday lives easier and more enjoyable and contributing to better living all around the world**.

Operating in nearly 150 countries, Groupe SEB has built strong positions across continents through a product offering, both global and local, addressing consumer expectations throughout the world.

This offering is enhanced by an **exceptional brand portfolio**.

On top of the Consumer business, Groupe SEB has recently moved into the professional segment, and in particular the professional coffee market.

The Group's success is rooted in its **long-term vision**, committed to achieving the **right balance between growth and competitiveness** in order to create value for all its stakeholders.

1 Profile

An **extensive and diversified** offering

KITCHEN ELECTRICS

Electrical cooking: deep fryers, rice cookers, electrical pressure cookers, informal meal appliances, waffle makers, grills, toasters, multicookers…

Beverage preparation: coffee makers (filter and pod), espresso machines, electrical kettles, home beer-taps, soy milk makers…

Food preparation: blenders, cooking food processors, kitchen machines, mixers, beaters…

HOME AND PERSONAL CARE

Linen care: irons and steam generators, garment steamers...

Home care: canister vacuum cleaners with or without dust bag, steam and upright vacuum cleaners, vacuum sweepers, versatile vacuums, robots…

Home comfort: fans, heaters, air treatment appliances…

Personal care: hair care appliances, depilators, bathroom scales...

COOKWARE

Frying pans, saucepans, pressure cookers, bakeware, kitchen utensils, food storage containers, vacuum flasks and mugs...

CONSUMER BRANDS

GLOBAL

Tefal · Rowenta · Moulinex · KRUPS

REGIONAL

SUPOR · DASH · T-fal · ARNO · imusa · SEB · Calor · emsa · Original Kaiser · Maharaja Whiteline · Asia Fuda · Mirro · WearEver · Panex · OBH Nordica · samurai · Rochedo · clock · esteras · umco

PREMIUM BRANDS

WMF · Lagostina · All-Clad · Silit

PROFESSIONAL BRANDS

WMF · schaerer swiss coffee competence · HEPP · Curtis · Krampouz

PROFESSIONAL BUSINESS

Coffee machines — Other professional equipments

Business model

OUR RESOURCES (1)

STAFF

Nearly **33,000** employees

12h hours/year of training per employee in average

38% female managers

INNOVATION AND DIGITAL

> 1,500 people in the innovation community

3.5% of sales reinvested in innovation (2)

>60% of media investment in digital

INDUSTRY AND PURCHASING

2/3 of products manufactured in-house

24% of production performed in Europe

€1,7bn direct purchasing

€183m invested(3) i.e. **2.6%** of sales

FINANCES AND SHAREHOLDING

Sales of: **€6,940m**, ORfA of: **€605m**

and profit of: **€301m**

Net debt/Adjusted EBITDA: **1,8** at 31 December 2020

Long-term, major shareholders

SOCIETY AND ENVIRONMENT

100% of sites ISO 14001 certified

~ €3 m spent on philanthropy

1 Code of Ethics with **18** sections, translated into **11** languages

Focus on growth

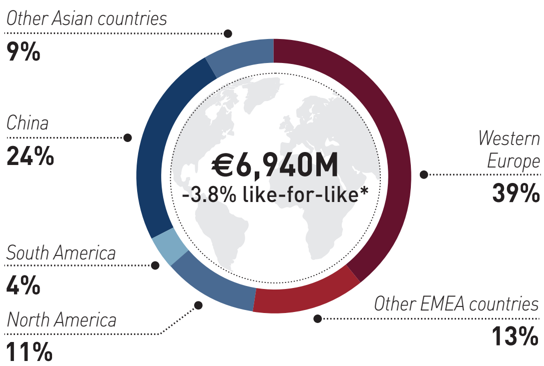
- Strength and complementarity of our brands
- Product innovation
- International expansion

2020

€6,940M Sales

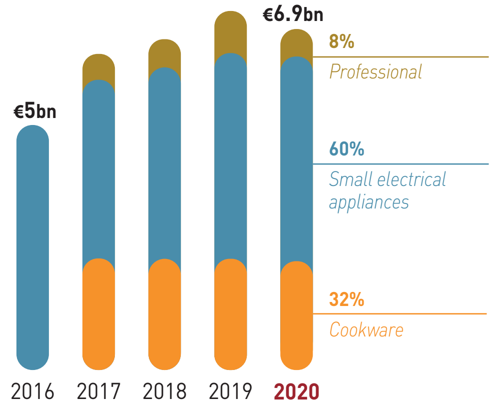
-3.8% Organic growth

A GLOBAL...



* Like-for-like: at constant exchange rates and scope.

ACTIVITIES WITH STRONG POTENTIAL



Optimize our industrial facilities...

- Optimize purchasing and logistics
- Improve industrial productivity
- Simplify structures and processes

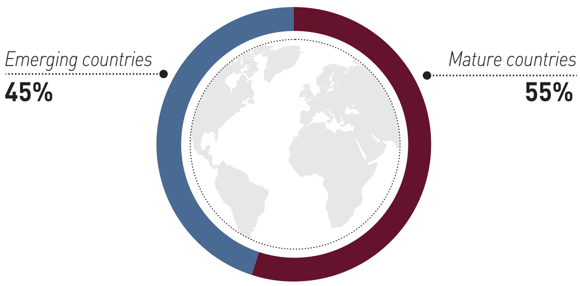
(1) Data 2020. (2) Net investments in R&D, strategic marketing and design. (3) Cash outflow for capital expenditures.

Groupe SEB is the **world leader in Small domestic equipment**.
Its consumer markets are steadily growing, estimated at over **€75bn** in 2020: **over €50bn** for small electrical appliances, **€25bn** for Cookware.

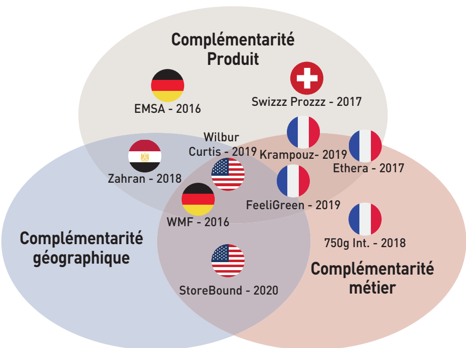
- Multi-channel distribution strategy
- Development in the professional market
- Active acquisition policy

Presence in nearly **150 countries**
Leadership positions in over **25 countries**

...AND BALANCED PRESENCE



TARGETED ACQUISITIONS TO STRENGTHEN ITS LEADERSHIP*



* *Acquisitions of the last 5 years.*

Strengthen **our competitiveness**

... and develop our assets

- High value technological products manufactured in mature countries
- Basic products outsourced
- Focus on the circular economy

(4) Lost-time injuries with temporary replacements.

OUR ADVANCES [1]

1

STAFF

1 global social protection floor

Workplace accidents[4] halved **2** in 5 years

INNOVATION AND DIGITAL

443 patents filed

Nearly **35%** of consumer sales through e-commerce

INDUSTRY AND PURCHASING

Nearly **250 millions** products made

74% of direct purchasing covered by the supplier panel

FINANCES AND SHAREHOLDING

Annual organic sales growth of **5%** in 5 years

8.7% operating margin

Annual net profit growth of **8%** in 5 years

SOCIETY AND ENVIRONMENT

>500 projects supported by the Fonds Groupe SEB in 10 years

> 90% of domestic electrical appliances are mostly repairable

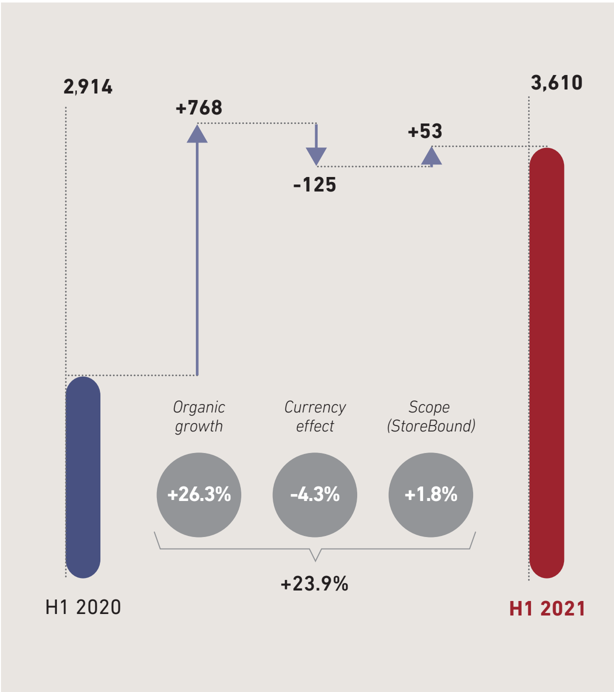
-28.5% energy consumption on production and logistics sites (base year: 2010)

Consolidated results at 30 June 2021

(in € million)	1st semester 2021	1st semester 2020	Change as reported	Change like-for-like
Sales	3,610	2,914	+23.9%	+26.3%
Operating Result from Activity (ORfA)	320	103	x3.1	x3.4
Operating profit	258	58	x4.4	
Profit attribuable to owners of the parent	151	3	x50	
Net debt (at 30 June)	1,850	2,085	-€235M	

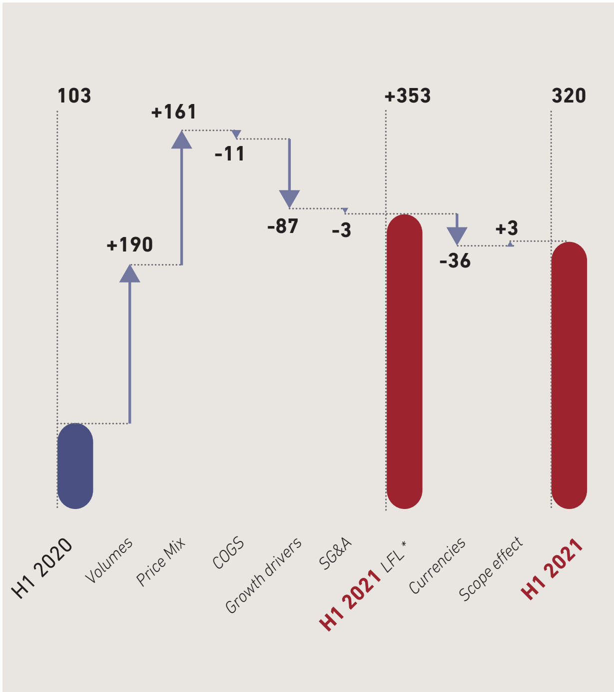
BREAKDOWN OF HALF-YEAR SALES CHANGES

(in € millions)



BREAKDOWN OF ORfA CHANGES

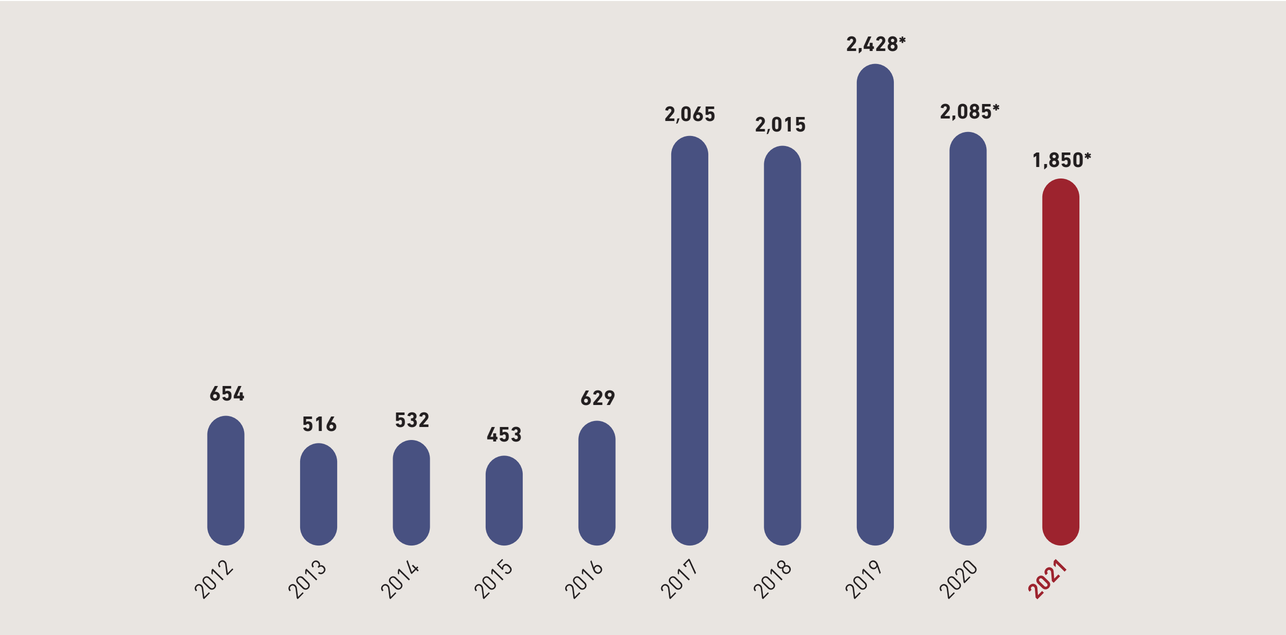
(in € millions)



* *LFL: Like-for-Like*

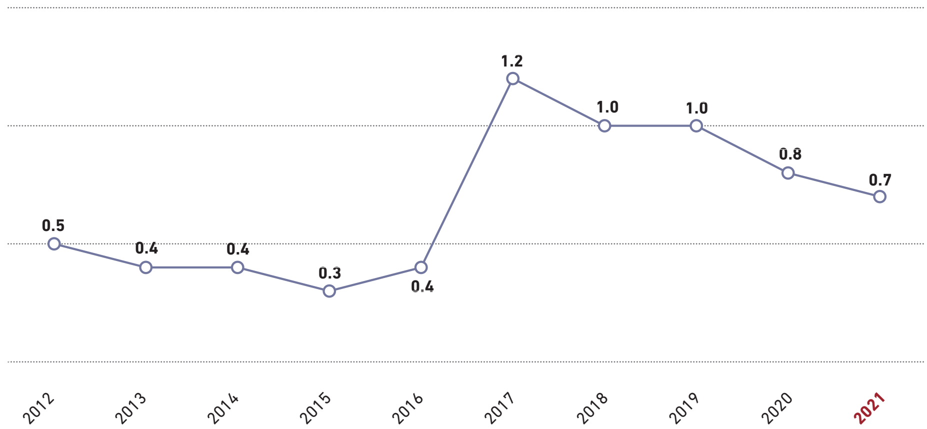
NET DEBT AT 30 JUNE

(in € millions)

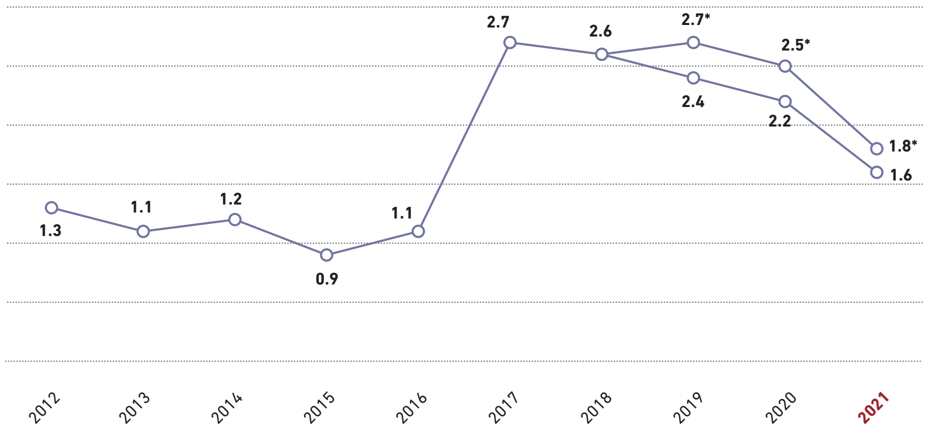


* *including IFRS 16 debt: €346m, €306m and €333m respectively*

NET DEBT/EQUITY AT 30 JUNE



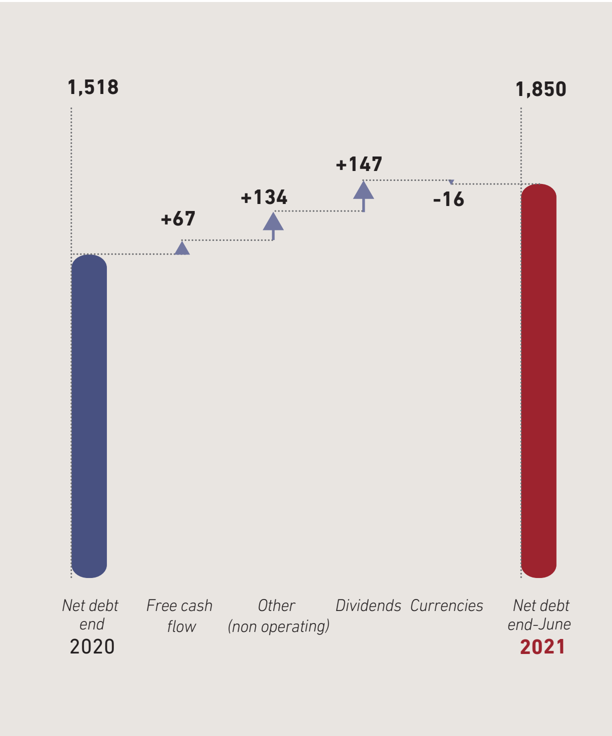
NET DEBT/ADJUSTED EBITDA (ROLLING TWELVE-MONTHS)*



* *Including IFRS 16*

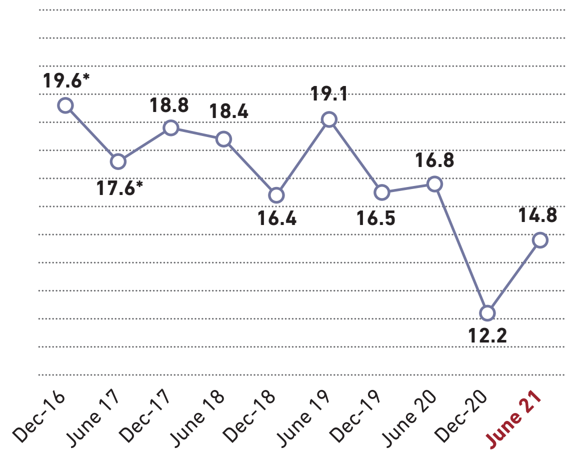
CHANGE IN NET DEBT OVER 6 MONTHS

(in € millions)



CHANGE IN WORKING CAPITAL REQUIREMENT BY HALF-YEAR

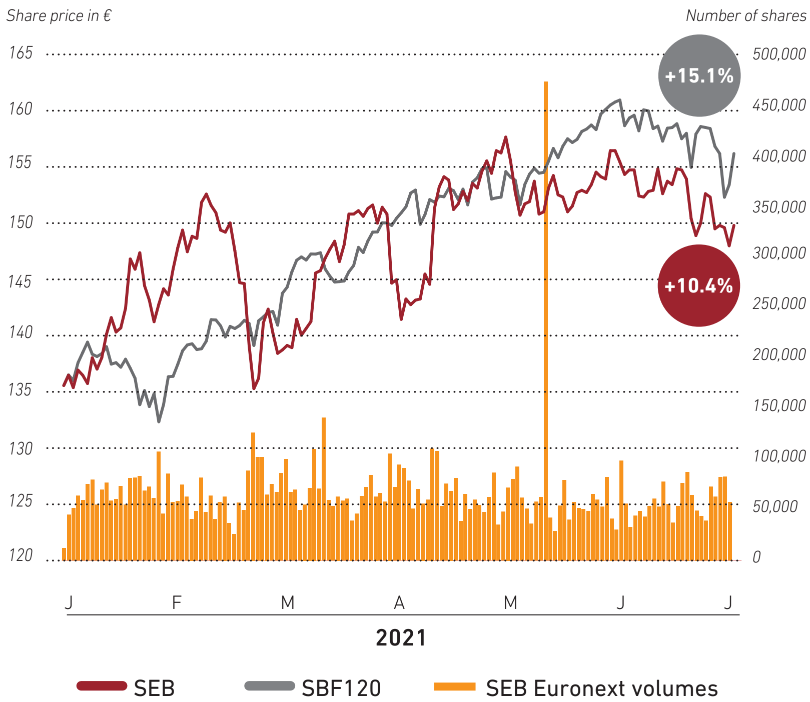
(as a% of revenue)



* Proforma WMF

SHARE PRICE

(to 23 July 2021)



2 Management report

Highlights

GENERAL ENVIRONMENT

The first half of 2021 was again impacted by the Covid-19 epidemic, with the spread of a third wave in many countries. The measures implemented by national governments to combat this wave were generally based around lockdowns and curfews, though often more flexible than in the first half of 2020. This was particularly the case in Europe.

At the same time, the half-year was marked by the development of vaccine campaigns around the world. Although the pace of vaccination and levels of vaccine coverage differed from country to country, this progress in healthcare was accompanied, from the second half of the period, by the gradual reopening of physical retail. In-store shopping resumed, though still regulated by strict health protection measures and potentially by footfall control. However, e-commerce remained the main driver of activity.

2020, a wholly atypical year, led to strong savings being built up by households throughout the crisis, which provide major support to the recovery. However, this remains fragile due to persistent uncertainties and limited visibility, as new variants of the virus emerge and cause epidemic outbreaks.

Specifically by region, in Europe, the United Kingdom was the first to commit to a massive Covid-19 vaccination campaign, followed by other countries. After several months of severe restrictions, economies have reopened gradually, with the trend intensifying over the months. Against this backdrop, in France, the statistics for June thus showed that household morale was at its highest for 15 months.

In the United States, the arrival of the new Biden administration was accompanied by a major stimulus package, including the sending of a check for $1,400 to a large proportion of US households. However, this plan raised fears of a return to inflation, confirmed by the latest statistics.

In China, which was less affected by restrictions than other regions of the world, GDP bounced back sharply during the first half-year, even peaking above pre-crisis 2019 levels. Retail sales generally followed this trend and were up compared to 2019. The recovery is nonetheless uneven, with some sectors, such as tourism and transport, still penalized by the crisis and tighter border controls.

Lastly, the health situation – with its social and economic corollaries – remained particularly worrying in the other emerging countries. For some of them (Brazil, Russia), the low level of vaccine coverage is a major obstacle to a gradual return to normal.

CURRENCIES

It should be remembered that the US dollar and the Chinese yuan are currencies for which the Group is “short,” i.e., the weight of its purchases denominated in these currencies is greater than that of its sales.

In line with the second half of 2020, on average the dollar fell by around 9% against the euro on a rolling basis, while the yuan fell by around 1%.

In terms of “long” currencies, in which the Group’s income exceeds its expenses, exchange rate volatility was significant. Particular mention should be made of the significant – and in some cases ongoing – downturns in several emerging currencies that are important to the Group’s business: for example, the Turkish lira, the Brazilian real, the Russian ruble, or the Colombian peso fell against the euro by 33%, 20%, 17%, and 7.5%, respectively (on average, between the first half of 2020 and the first half of 2021).

Given the ongoing volatility of exchange rates, the Group has pursued its policy of hedging certain currencies in order to limit shocks to its performance or spread the impact over time. At the same time, it has a flexible pricing policy, involving the use of price rises to compensate for the damaging effects of weakened currency on a local subsidiary’s profitability.

In the first half of 2021, exchange rate fluctuations had a €125 million negative effect on Group revenue overall (compared with a €20 million negative effect in the first half of 2020) and a €36 million negative effect on Operating Result from Activity (compared with a €24 million negative effect at 30 June 2020).

RAW MATERIALS, COMPONENTS AND FREIGHT

The Group is exposed to fluctuations in the prices of certain materials, such as metals like aluminum and nickel, which is used to make stainless steel, and copper. It is also exposed to changes in the price of plastic materials used to produce small electrical appliances and of paper for packaging. This exposure is direct (for in-house production) or indirect for products whose manufacture is outsourced to subcontractors.

To smooth out the effects of the sometimes sudden fluctuations in metal prices during the reporting period, the Group partially hedged its requirements (for aluminum, nickel, copper, and some other elements used in the production of plastic materials). Doing so helps to partially shield it from sharp price increases, but involves a certain inertia when prices fall.

On a rolling basis, commodity prices rose exponentially, a direct consequence of the powerful recovery and the current momentum of global demand. These increases affected metals, wood, PVC and cardboard alike.

More specifically, aluminum prices thus rose around 40% over the first six months of the year compared to the same period in 2020 (average price of USD 2,240 per ton versus USD 1,600 the year before). Over the same period, the price of nickel (also up 40%) and, more particularly, copper (up by some 65%) also rocketed, for similar reasons.

Over the period, in addition to the raw materials issue, the entire value chain was also under pressure.

The lack of availability of certain electronic components, particularly semiconductors that power a significant portion of our small domestic appliances, proved to be a critical issue in the first half-year. With demand far outstripping supply, this shortage led to delays in deliveries, adjustments to product assembly lines and a strong inflationary trend, one that is very detrimental.

Lastly, in line with the end of 2020, in the face of a strong recovery in trade, persistent global undercapacity in ocean freight led to a surge in rates and longer transit times, against a backdrop of shortages in both containers and vessels. As a result, the SCFI* composite index increased almost fourfold between the end of June 2020 and the end of June 2021, while expectations for the coming months remain very tight.

CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS

The SEB S.A. Annual General Meeting of 20 May 2021 voted to:

- reappointment of Yseulys Costes as a director;
- reappointment of Peugeot Invest Assets as a director;
- reappointment of Brigitte Forestier as a director representing employee shareholders.

As a result, as of 30 June 2021, the Board of Directors had 17 members:

- the Chairman;
- 8 directors representing the Founder Group:
  - 4 directors from VENELLE INVESTISSEMENT,
  - 2 directors from GÉNÉRACTION, and
  - 2 directors from FÉDÉRACTIVE;
- 5 independent directors;
- 2 directors representing employees; and
- 1 director representing employee shareholders.

* *SCFI : Shanghai Containerized Freight Index.*

CREATION OF A HOLDING COMPANY TO STRENGTHEN FAMILY CONTROL

The family shareholders of Groupe SEB, who signed the shareholders' agreement on 27 February 2019, together hold 31.9% of the share capital. This group of 260 individuals is structured around GÉNÉRACTION and VENELLE INVESTISSEMENT.

To ensure long-term family control and strengthen ties with Groupe SEB, the concerted family shareholders created a family holding company on 12 March 2021 to strengthen its position.

On the same day, this holding company, called HRC (Holding de Renforcement du Contrôle), received a significant portion of the SEB shares held by the concerted parties, i.e. 6.4% of the capital of SEB S.A., with this group continuing to hold 31.9% of the capital. Note that HRC is a party to the shareholders' pact of 27 February 2019 and as such is a member of the concerted group.

Using these assets together with debt, HRC aims to acquire SEB shares. This objective will be pursued gradually and in compliance with current stock market regulations.

This move reflects the family group's strong commitment to Groupe SEB, confirming its confidence in the Group's sustainable growth model and its desire to support it over the long term.

This latest step is in keeping with the shareholders' agreement of February 2019. The holding company will be managed by two members of the seventh generation of the Lescure family.

FREE ALLOCATION OF SHARES

In order to earn the loyalty of its shareholders, Groupe SEB is proceeding with a free allocation of shares to their benefit.

Meeting on 23 February 2021, the Board of Directors, making use of the authorization it has been given by the Combined Annual Shareholders' General Meeting of 19 May 2020 under the 19th resolution, has decided to increase the share capital by €5,030,706 through the incorporation of reserves and/or retained earnings. This will take the share capital from €50,307,064 to €55,337,770.

The increase of share capital will be completed on 3 March 2021 through the creation of 5,030,706 new, entirely freed up shares with a nominal value of €1. The shares will be freely allocated to all shareholders registered on 2 March 2021, to the tune of ONE new share per TEN existing shares. It is specified that all shares making up the share capital, or 50,307,064 shares, will carry the same allocation right of 1 new share per 10 existing shares. The attribution right will be detached on 1 March 2021 on the opening for trade of the Paris-Euronext Stock Exchange and will lead to a corresponding adjustment of the share price. The new shares will bear rights on 1 January 2020 and will be immediately assimilated to existing shares. They will carry the same rights as the original shares in terms of double voting rights and dividend loyalty bonus. They will give right to a dividend in respect of 2020 financial year, paid in 2021.

Rights forming fractional shares shall not be tradeable, nor can they be sold, and ownership of the related shares shall be fully or partially maintained by SEB S.A. as shares held in treasury. SEB S.A. will compensate the holders of the fractional shares in respect of the amounts due at the latest thirty (30) days after the full number of shares has been recorded in their accounts. The remainder of potential rights forming fractional shares not maintained by SEB S.A. will be sold.

New shares stemming from shares featuring separation of the legal and beneficial ownership will maintain the same structure. The new share shall be booked to the original account: as such, it will be divided in the same way as existing shares. Fractional amounts will, however, be allocated to the bare owner only.

Transactions will be centralized by BNP Paribas Securities Services – Grands Moulins de Pantin, 9 rue du Débarcadère, 93500 Pantin.

This free share allocation will be the subject of a detailed EURONEXT release as of today.

STRENGTHENING OF GROUPE SEB'S EXECUTIVE COMMITTEE

To fulfill its strategic ambitions, Groupe SEB has announced on 12 April 2021, the strengthening its Executive Committee, and announcing the appointment of four new members:

- Cathy PIANON joins the Executive Committee in her role as EVP Public Affairs & Communication, as well as Chief of Staff of the CEO office;
- Philippe SCHAILLEE joins the Executive Committee as Senior Executive VP in charge of Products and Innovation;
- Philippe SUMEIRE joins the Executive Committee as EVP Legal;
- Vincent ROUILLER joins the Executive Committee as EVP Research.

GROUPE SEB INVESTS IN CHEFCLUB

Groupe SEB has announced on 25 January 2021 a new partnership agreement with Chefclub, as well as the acquisition of a minority stake via its investment company, SEB Alliance.

Simplifying cooking and making it accessible to all: that's what Chefclub, the start-up created in 2016 by three brothers, Thomas, Jonathan and Axel Lang, has set as its corporate mission. Chefclub has rapidly become a leading brand in the production and dissemination of cooking content. It has already sold 700,000 books and launched a series of innovative products for kids, which more than 150,000 families have enjoyed so far, all created in collaboration with its online community. Groupe SEB decided to partner with Chefclub, in its new round of financing, for its appeal of experiential content and direct access to online communities which represents the future of e-commerce.

This acquisition is also part of joint efforts which will be stepped up in H1 2021 with the launch of a range of products under the brand license “Chefclub by Tefal”, including skillets, saucepans, kitchen tools and small domestic appliances. Created in collaboration with the Chefclub community, this range combines Chefclub's expertise in the development of creative recipes with Tefal's sustainable design for simple products to make cooking easier.

The new brand “Chefclub by Tefal” benefits from unprecedented visibility on social networks and will broaden Groupe SEB's reach, particularly with Millennials, who are discovering or rediscovering the joys of cooking thanks to the start-up's content. By joining forces with Groupe SEB, world reference for small domestic appliances, Chefclub has access to recognized industrial expertise, the renown of the Tefal brand and a broader retail network which will enable its community to discover its products via the Group's retail channels.

CLOSURE OF THE ERBACH PLANT

On 17 March, Rowenta Werke announced to all employees concerned that it would cease its activities in Erbach (Germany) effective 30 June 2022, entailing the closure of the plant.

The structural decline in the global ironing market for several years has been compounded by the effects of the Covid-19 crisis with the increase in remote working. Despite the investments and efforts made to maintain Erbach's activity, the continued drop in volumes has prompted the Group to close this longstanding site and redeploy the industrial ironing activity notably to the Pont-Evêque plant in France. This decision confirms the plant's status as a linen care expertise center.

The Group's top management will do everything in their power to minimize the social impact for each and every employee. They are working closely with the Workers' Committee to find the best solution for everyone concerned.

GROUPE SEB COMMITTED TO CARBON NEUTRALITY

With more than 360 million products sold each year worldwide, Groupe SEB is mindful of its responsibility and has made environmental issues core to its sustainable development strategy. On 20 April 2021 it has pledged to gradually reduce its greenhouse gas emissions to achieve carbon neutrality by 2050, participating in the global effort to limit global warming.

After a first set of targets that reduced emissions, Groupe SEB has set new targets to achieve carbon neutrality by 2050. In 2016, the Group joined the Science-Based Targets (SBT) initiative, encouraging the world's major companies to align their greenhouse gas emissions targets with the recommendations of the Intergovernmental Panel on Climate Change (IPCC) to limit the rise in the average global temperature to 2°C by the end of the century. This puts Groupe SEB among the top 100 companies worldwide and the top 11 French companies that have aligned their low-carbon strategy with the Paris Agreements.

To achieve its ambitious targets, Groupe SEB has set up a specific corporate governance structure and set its priorities:

Low carbon “product manufacturing” strategy:

- reducing greenhouse gas emissions from industrial plants;
- increasing the supply of renewable energy:
  - increasing the share of renewable energy: on-site power generation with solar panels,
  - purchase of renewable energy: Guaranteed origin, Renewable Energy Certificate…

“Product use” low carbon strategy:

- product repairability;
- integration of recycled materials;
- raising consumers' awareness about how to use products correctly;
- reducing the energy consumption of products (eco-design and new technologies).

Commentary on consolidated sales

Revenue *(in € millions)*	1st semester 2021	1st semester 2020	Change in %* As reported	Change in %* Like-for-like
EMEA	**1,662**	**1,272**	**+30.7%**	**+34.9%**
Western Europe	1,172	920	+27.3%	+27.2%
Other countries	490	352	+39.6%	+55.0%
AMERICAS	**480**	**298**	**+61.2%**	**+57.2%**
North America	348	209	+66.6%	+50.8%
South America	132	89	+48.5%	+72.2%
ASIA	**1,178**	**1,039**	**+13.4%**	**+15.3%**
China	898	794	+13.1%	+13.8%
Other countries	280	245	+14.3%	+20.0%
TOTAL CONSUMER	**3,319**	**2,608**	**+27.3%**	**+29.6%**
PROFESSIONAL BUSINESS	**290**	**306**	**-5.1%**	**-1.7%**
GROUPE SEB	**3,610**	**2,914**	**+23.9%**	**+26.3%**

* *% calculated on non-rounded figures*

Revenue *(in € millions)*	2nd trimester 2021	2nd trimester 2020	Change in %* As reported	Change in %* Like-for-like
EMEA	**791**	**631**	**+25.4%**	**+28.2%**
Western Europe	572	475	+20.4%	+20.2%
Other countries	219	156	+40.7%	+52.5%
AMERICAS	**237**	**149**	**+59.3%**	**+53.4%**
North America	170	112	+52.6%	+38.9%
South America	67	37	+79.1%	+96.5%
ASIA	**568**	**556**	**+2.1%**	**+3.3%**
China	430	429	+0.1%	-0.1%
Other countries	138	127	+8.7%	+14.8%
TOTAL CONSUMER	**1,597**	**1,336**	**+19.5%**	**+20.6%**
PROFESSIONAL BUSINESS	**161**	**124**	**+29.5%**	**+34.2%**
GROUPE SEB	**1,758**	**1,460**	**+20.3%**	**+21.8%**

* *% Calculated on non-rounded figures*

PRODUCT PERFORMANCE

In an environment still marked by lockdown measures and the obligation to stay at home in many countries, the market for small domestic appliances remained very buoyant, with kitchen equipment and home care standing out, as ever.

Consumer sales amounted to €3,319 million, up 29.6% on a like-for-like basis.

All product lines contributed to this solid momentum, driven by very strong demand.

COOKWARE

Accounting for around 30% of consumer revenue, **Cookware** covers a wide range of products from pressure cookers to thermal mugs, not to mention frying pans and saucepans – made from a range of materials, coated and non-coated, with fixed and detachable handles –, woks, food storage containers, kitchen utensils or bakeware.

It should be noted that in the first half of 2020, in addition to being penalized by the closure of the majority of physical retail brand outlets for several weeks, in connection with Covid-19, cookware sales were particularly penalized from stockouts in China caused by the extended stoppage of production at the Wuhan factory. In this respect, 2020 represents a historic low in terms of activity.

Against this backdrop, cookware sales in the first half-year were up more than 30% on 2020 in like-for-like terms, also exceeding 2019 levels by more than 10%.

This robust organic growth in sales was driven by frying pans and saucepans with fixed and detachable handles, as well as by utensils and accessories.

Geographically, sales vitality was fairly widespread: in China, particularly in the first quarter, thanks to woks, frying pans and saucepans, insulated mugs and pressure cookers; in Japan, South Korea and Russia, where the Group benefited from the launch of its new G6 range (launched at the end of 2020); and in the United States, thanks to T-fal, All-Clad and Imusa which all contributed to revenue growth. In France, restated for the impacts of a major loyalty program last year, activity was very buoyant in both quarters.

ELECTRICAL COOKING APPLIANCES

The Group achieved good performance in **electrical cooking appliances** in the first half-year. After a particularly strong start to the year, business remained buoyant in the second quarter. The solid growth in half-year sales, set against 2020's record low, was driven by the excellent performance of the consumer market and by the continuing rapid expansion of e-commerce for these product categories. It should also be noted that the Group's sales levels were well above those of 2019.

- **Electrical cooking**, which was the most popular category for cooking at home during lockdown and restaurant closures, remained very promising over the first half-year. In this favorable environment, our half-year sales grew by nearly 30%.

Of our flagship products which contributed to growth, we should particularly mention grills in many geographical areas: in in Asia - in particular in China - rice cookers and electrical pressure cookers (new models in China, ongoing success of Cook4me, the international version of Cookeo, in Japan), along with more Western categories launched more recently, in particular oilless fryers; in Europe, easy-to-use cooking appliances, sandwich makers and devices riding the "homemade" wave (Cake Factory cake makers, yogurt makers, etc.). Oilless fryers are also a major growth driver in South America (Brazil and Colombia).

- In **food preparation,** sales growth in the first half-year is mainly due to blenders, one of the flagship categories, already featuring many variations tailored to local markets: classic, high-speed, vacuum technology, or even juice extractors. The other product families, i.e., kitchen machines – including cooking food processors, mixers, shredders, beaters, and so on – are also making progress across all regions.
- Revenue in **beverage preparation** was up sharply as at 30 June. Sales vitality was widespread, both geographically and by category. Coffee preparation was a major contributor to growth: filter coffee makers, single-serve coffee machines (Nespresso, Dolce Gusto), automatic espresso machines (full auto), whose rapid development is continuing and expanding… Added to this are electric kettles and teapots, whose momentum was excellent in China over the period.

LINEN AND HOME CARE

- In the **linen care** market, a slight uptick is at last visible, marking a return to slight growth after several consecutive quarters of decline, emphasized by the adverse effects the Covid crisis in 2020 had on the ironing business. Revenue in the category was thus up by almost 20% over the half-year, after two positive quarters. From irons to steam generators, and garment steamers to other ironing systems (Ixeo), the entire category received a boost. Europe and the United States were the primary contributors to this growth, driven by the gradual return to face-to-face work and social activities, resulting in a renewed uptick in ironing.
- **Home Care** ended the half-year with sales growth of well over 50% on a like-for-like basis, against an admittedly lackluster track record for 2020. As was the case in the second half of 2020, upright, versatile, and robot vacuums are spearheading growth on a massive scale, while bagged and non-bagged canister models made a more moderate contribution. Western Europe and Eurasia are the traditional drivers in this category, but momentum was also strong in China and South Korea.

- Our sales in **home comfort** posted organic growth in the first half of 2021 of just over 5%. While sales of fans, the category's biggest contributor, fluctuated with the weather (particularly in Brazil), business was shored up by air purifiers, driven especially by the growing interest in virucidal products.

PERSONAL CARE

A small player in the **personal care** product segment, the Group achieved solid performance in the first half of 2021, driven by an especially dynamic Q1 across all the category's product lines: hair care, hair removal, and weighing. As at 30 June, sales growth exceeded 20% in like-for-like terms.

PROFESSIONAL BUSINESS

The Professional division, composed 90% of the Professional Coffee business, posted half-year revenue of €290 million, down 1.7% on a like-for-like basis. The slight decrease resulted from two contrasting trends:

- a 26.2% LFL decrease in the first quarter, impacted by the near-total closures in the hospitality and catering sector and by demanding 2020 comparatives (pre-Covid);
- a substantial rebound in the second quarter, with revenue up by over 34% LFL against extremely low 2020 comparatives. Growth was fueled by a more positive trend in core business (notably in Germany, Switzerland and Austria) and by the fresh implementation or continued roll-out of a few contracts signed with key customers in EMEA and North America. While sales of professional coffee machines were the main contributor to the trend reversal in the second quarter, service (maintenance) also contributed to the change in dynamic.

In contrast, hotel equipment continued to be affected by the extended closure of hotels and restaurants, with a sharp decline in revenue over the period.

PERFORMANCE BY GEOGRAPHY

Western Europe

In what remains a delicate health situation, the Group achieved organic sales growth of 27.2% in Western Europe in the first half of the year. The performance stems from continued sustained demand for Small Domestic Equipment, persistently strong momentum in e-commerce, and the easing of restrictive measures, as well as the gradual reopening of physical retail.

In France, after an extremely vigorous start to the year, the Group maintained a robust pace of growth in the second quarter despite unfavorable comparatives in cookware (owing to a major loyalty program last year with a key customer). Increase in revenue was driven by small electrical appliances, with a positive contribution from almost all our product categories and in particular electrical cooking, notably thanks to the new Cookeo range, and food and beverage preparation (full-automatic espresso coffee machines in particular).

In Germany, the second quarter confirmed the brisk momentum of the start of the year, propelled more specifically by e-commerce. Bestsellers in electrical cooking, our progress in cookware and the positive performances of WMF, notably online, were the main growth drivers.

In all the other key European markets, the Group reported double-digit sales growth, with remarkable scores in Italy, the Netherlands, the UK and Belgium. The leading product categories over the period were electrical cooking and floor care, as well as WMF ranges.

Other EMEA countries

In a still volatile and uncertain overall environment, with the health crisis, lockdowns and currency issues, the Group posted organic growth of 55% in first-half 2021, with similar paces in both quarters. This confirmed the excellent general dynamic in the area over time, based on the consolidation of our positions in the large markets and rapid progress in new territories.

The widespread vigorous performance in the first half of the year was notably fueled by:

- strengthened Group presence in e-commerce, with our electro-specialists or pure players partners;
- ongoing development in direct-to-consumer sales, offline and online;
- further inroads in WMF's Consumer business.

Russia, our largest market in the region, Ukraine, as well as most other Central European countries, Poland, Romania, the Czech Republic, Slovakia, Bulgaria, and Croatia, also achieved substantial business expansion (frequently over 50%), confirming the Group's fresh advances in these markets.

Turkey, which was heavily impacted in 2020 by the pandemic and an unfavorable economic and monetary environment, posted like-for-like growth of nearly 100% in the period.

In the first half of the year, and in a cross-functional manner, the flagship products were versatile and robot vacuum cleaners, cookware, electrical cooking (with a special mention for oil-less fryers) and full-automatic espresso machines.

North America

In North America, the strong rise in revenue in the first half (+66.6% as reported) comprises the integration of StoreBound, acquired in July 2020, along with negative currency effects (US dollar, Mexican peso). Like-for-like growth amounted to 50.8% at 30 June and 38.9% for the second quarter.

As in the first quarter, business momentum was fueled by the three countries of the region.

In the United States, strong demand was fueled by the economic recovery and government stimulus plans, still in place. These consumption incentives, as well as the requirement to stay at and work from home, continued to prove extremely favorable to Small Domestic Equipment. As in 2020, cooking was a powerful growth driver. As a result, we posted record performances in cookware in the first six months of the year, nourished by our three brands, All-Clad, T-fal, and Imusa. StoreBound also reported excellent business activity development, underpinned by the continued expansion of its distribution network.

In Canada and Mexico, sales momentum was extremely buoyant throughout the first half of the year, served primarily by our performances in cookware and electrical cooking.

South America

Although concerns persist regarding the economic and health situation, Group revenue in South America increased 72.2% LFL and 48.5% in euros in the first half. The significant difference between the two figures can be attributed to important currency depreciations (Brazilian real, Colombian peso, Argentinian peso). The surge in turnover at 30 June reflect a strong pick-up in growth in the second quarter, as the Group benefited from a weaker comparison base in 2020. Organic revenue growth came out at 96.5% in the second quarter.

Sales in Brazil, the largest country in the region, more than doubled on a like-for-like basis in the second quarter. However, this performance should be seen in the light of very low 2020 comparatives, strongly impacted by the Covid crisis. Most product categories contributed to growth, both in volume and value terms, mainly owing to price increases made to counter negative currency and raw material effects. Major contributors to this solid sales momentum included food preparation and cookware. In electrical cooking, the stand-out category over the period was oil-less fryers, whose market is developing rapidly.

In Colombia, despite a tense political environment since May, the Group posted a record second quarter with like-for-like sales growth of over 70%, driven by electrical cooking, and in particular by oil-less fryers, as well as blenders and Imusa cookware.

China

In China, in the first half of the year, the Group achieved organic revenue growth of close to 14%. This positive change was the result of opposite dynamics in the first and second quarters, mirroring business volatility in 2020, with sales up 30% at end-March (compared with -32% in 2020) and stable in the second quarter (vs. +10% in 2020). Recovery in cookware (against low 2020 comparatives) and a firm momentum in electrical cooking (flagship products and new, more Western categories such as oil-less fryers) fueled rise in half-year sales. Conversely, following several years of brisk growth, business was more difficult in food preparation.

In a context of milder consumption dynamic and ongoing transformation in the retail industry, footfall in stores remained low versus the continued progress of e-commerce thanks to ramping-up new web platforms. The increased weight of online sales resulted since last year in a drop in average prices, weighing on the growth in value of the Small Domestic Equipment market. The Group is constantly adapting to the changes in the distribution sector. As achieved in the past in the offline channels, Supor is now working on the extension and upgrading of its product offering online, leveraging its strong and proven innovation capabilities. The latter materialize in 2021 in several major launchings and in a rich and diversified new product pipeline.

Other Asian countries

In Asia excluding China, sales at end-June were up 20% LFL following a more modest second quarter yet still showing double-digit organic growth. This stands as an excellent performance relative to the strong business resilience in 2020 over the period in the midst of the Covid crisis.

In Japan, our number-one market in the region, sales continued to trend extremely positively, up double-digit, LFL, in both first and second quarters. The long-term positive momentum in the country is based on flagship product families such as cookware (Ingenio, G6 range) and electrical cooking (Cook4me electric pressure cooker). Following an upsurge of the pandemic, a state of health emergency was decreed again, twice since late April. This led to the closure of some of our physical points of sales over the semester, with an impact on business activity.

In South Korea, following a solid first quarter and a stable second quarter, the Group ended the first half with sustained LFL sales growth. The latter can be attributed to cookware (success of the new Tefal G6 range launched last November) and vacuum cleaners. While the health crisis continues to weigh on store footfall, e-commerce remained our main growth engine at 30 June.

In the other countries in the region, despite the reintroduction of some restrictive measures to address a resurgence of the pandemic (lockdowns, curfews, store closures, etc.), business activity trended positively overall, both for the second quarter and the first half.

Commentary on the consolidated results

OPERATING RESULT FROM ACTIVITY (ORfA)

Operating Result from Activity (ORfA) amounted to €320 million in first-half 2021, versus €103 million at end-June 2020. The total includes a currency effect of -€36 million and a scope effect of +€3 million (StoreBound).

The constituent items of the change in ORfA on a like-for-like basis at end-June 2021 are as follows:

- a highly positive volume effect (+€190 million), directly linked to very robust growth in sales;
- a price-mix effect that was also sharply positive (+€161 million), reflecting a less promotional environment and upselling;
- cost of sales at -€11 million, resulting from strong industrial activity, with excellent absorption of costs but significant headwinds (raw material procurement, components, freight, etc.) as from the second quarter;
- a €87 million increase in growth drivers, compared with very low investments in first-half 2020 ;
- strict control of sales, marketing and administrative expenses (slightly increased by €3 million), despite a buoyant context.

After a completely atypical first-quarter (ORfA increased by a factor of 11 compared with 31 March 2020), second-quarter ORfA came out at €122 million, versus €86 million in 2020 (+42.5%).

It should also be noted that while Operating Result from Activity at 30 June 2021 was three times higher than in first-half 2020, which was heavily impacted by the effects of the Covid-19 crisis, it also shows an increase by 39% on the ORfA achieved in the first semester of 2019.

OPERATING PROFIT AND NET PROFIT

At end-June 2021, Group Operating profit amounted to **€258 million,** versus €58 million at 30 June 2020. This result includes an employee profit-sharing expense of €16 million (€5 million in 2020) and other operating income and expense of -€46 million, compared with -€40 million in first-half 2020. Most of these expenses stem from the costs related to the closure of the Erbach site in Germany, with the remainder relating to several items of modest amounts.

The net financial expense at 30 June 2021 came out at -€27 million, a slight improvement on -€29 million in first-half 2020 (mainly attributable to a decrease in other financial expenses).

In these circumstances, profit attributable to owners of the parent totaled **€151 million** in the first half, compared with €3 million at end-June 2020. This comes after a tax charge of €53 million, based on an estimated effective tax rate of 23%, and after minority interests of €27 million (versus €19 million in first-half 2020) owing to improved results for Supor in China and, to a lesser extent, the consolidation of StoreBound.

FINANCIAL STRUCTURE AT 30 JUNE 2021

Consolidated equity stood at €2,816 million at 30 June 2021, up €81 million from end-2020 and up €317 million from 30 June 2020.

At the same date, the Group's net debt was €1,850 million (including €333 million of IFRS 16 debt), down €235 million versus 30 June 2020 and up €332 million versus 31 December 2020, due to business seasonality as well as to non-operational items, including the payment of dividends (€147 million) and Supor's share buybacks. Capital expenditures were stable in the first half compared with the same period in 2020. At 30 June 2021, the operating working capital requirement amounted to 14.8% of sales, an improvement of 200 basis points compared with the same date last year, but an increase versus the ratio of 12.2% of sales at end-December 2020. The increase largely owes to the exceptional level reached at end-2020 and the usual seasonality effects.

At 30 June 2021, the Group's debt ratio stood at 0.7 (0.5 excluding IFRS 16) and the net debt/adjusted EBITDA ratio at 1.75 (1.6 excluding IFRS 16). The Group continues to rely on a stable financial base, underpinned by a healthy and well-balanced financing structure in terms of instruments and maturity, and free of financial covenants.

Outlook 2021

As a reminder, given the seasonal nature of the Consumer business, the first half of the year is not traditionally representative of the entire year. Furthermore, in 2021, performance should be viewed in light of the very atypical level of business in 2020, disrupted by the effects of the Covid-19 pandemic and the related health crisis.

That said, the Group reported an excellent performance in the first half. Ultimately, the second-quarter showing was better than expected, thanks to maintained robust momentum for the Consumer division and a solid rebound in Professional Coffee.

However, caution remains the watchword for the second half of the year.

Visibility is still limited for the Consumer business, in between the widespread reopening of stores and public places – potentially resulting in a reallocation of consumer spending – and the spread of new variants leading to further health restrictions in some countries.

Moreover, uncertainties persist regarding the pace of recovery for Professional Coffee, despite the low comparison base from the second semester of 2020.

Pulling all this together leads the Group:

- **to upgrade its reported sales growth assumption for 2021, which should exceed 10%** (vs around 10% previously);
- **to maintain its ORfA margin assumption for the full year at close to 10%, despite significantly more penalizing headwinds** (FX, raw materials, components and freight) **than anticipated and currently estimated at more than €250 million on the Operating Result from Activity** (vs. €140 million estimate at end-April). These very negative effects will lead the Group to apply price increases in the fourth quarter 2021.

The Group is on track to ensure the continuation of its profitable and responsible growth.

Post-balance sheet events

CONVENING OF AN ORDINARY GENERAL MEETING OF AUGUST 6, 2021

The Company SEB S.A. has called its shareholders to an Ordinary General Meeting for Friday, August 6, 2021 at 10:00 a.m., at the Company's head office in Ecully, 112 Chemin du Moulin Carron, 69130 ECULLY.

The agenda and the draft text of the resolutions adopted by the Board of Directors at its meeting of June 29, 2021, were supplemented by a draft resolution submitted by shareholders on July 12, 2021.

The agenda for the Ordinary General Meeting of Friday, August 6, 2021 as well as the draft resolutions on which the shareholders will be asked to vote are now as follows:

Agenda adopted by the Board of Directors

1. Revocation of the mandate of FEDERACTIVE as director
2. Powers to carry out formalities

Additional agenda resulting from the tabling of a joint draft resolution by FÉDÉRACTIVE, Ms. Delphine Bertrand, Mr. Pierre Landrieu and Mr. Pascal Girardot

A. Appointment of Mr. Pascal Girardot as director

3 Condensed Consolidated Financial Statements

Financial Statements

Condensed consolidated financial statements for the first six months ended 30 June 2021.

CONSOLIDATED INCOME STATEMENT

(in € millions)	**30/06/2021 6 months**	30/06/2020 6 months	31/12/2020 12 months
Revenue (Note 4)	3,609.6	2,914.4	6,940.0
Operating expenses (Note 5)	(3,289.6)	(2,811.0)	(6,334.6)
OPERATING RESULT FROM ACTIVITY	**320.0**	**103.4**	**605.4**
Statutory and discretionary employee profit-sharing (Note 6)	(15.7)	(5.0)	(24.2)
RECURRING OPERATING PROFIT	**304.3**	**98.4**	**581.2**
Other operating income and expense (Note 7)	(46.3)	(40.2)	(77.9)
OPERATING PROFIT (LOSS)	**258.0**	**58.2**	**503.3**
Finance costs (Note 8)	(21.6)	(16.5)	(39.8)
Other financial income and expense (Note 8)	(5.7)	(12.2)	(21.0)
Share of profits of associates			
PROFIT BEFORE TAX	**230.7**	**29.5**	**442.5**
Income taxe (Note 9)	(53.0)	(7.4)	(93.8)
PROFIT FOR THE PERIOD	**177.7**	**22.1**	**348.7**
Non-controlling interests	(27.2)	(19.4)	(48.2)
PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT	**150.5**	**2.7**	**300.5**
PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT PER SHARE *(IN UNITS)*			
Basic earnings per share (in €)	2.79	0.05	6.00
Diluted earnings per share (in €)	2.78	0.05	5.96

The accompanying Notes 1 to 20 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in € millions)	30/06/2021 6 months	30/06/2020 6 months	31/12/2020 12 months
PROFIT BEFORE MINORITY INTERESTS	**177.7**	**22.1**	**348.7**
Foreign currency translation adjustments	63.3	(57.6)	(109.8)
Gains (losses) on cash flow hedges	30.1	10.2	(12.9)
Change in fair value of financial assets [(a)] (Note 12)	7.6	12.2	26.5
Revaluation of employee benefit [(a)] (Note 15)	28.4		(11.3)
Tax effect	(9.1)	(11.7)	6.6
OTHER COMPREHENSIVE INCOME (EXPENSE)	**120.3**	**(46.9)**	**(100.9)**
COMPREHENSIVE INCOME	**298.0**	**(24.8)**	**247.8**
Non-controlling interests	(34.8)	(16.9)	(41.9)
COMPREHENSIVE INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT	**263.2**	**(41.7)**	**205.9**

(a) Items that will not be reclassified to profit or loss.

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CONSOLIDATED BALANCE SHEET

Assets *(in € millions)*	30/06/2021	30/06/2020	31/12/2020
Goodwill (Note 10)	1,671.6	1,642.6	1,642.4
Other intangible assets (Note 10)	1,272.7	1,259.7	1,261.6
Property plant and equipment (Note 10)	1,201.4	1,189.4	1,219.5
Investments in associates			
Other investments (Note 12)	120.7	87.0	108.0
Other non-current financial assets	15.9	19.0	15.9
Deferred tax assets	120.3	95.7	107.7
Other non-current assets (Note 13)	54.7	48.2	47.2
Long-term derivative instruments - assets (Note 18)	20.1	6.3	17.9
NON-CURRENT ASSETS	**4,477.4**	**4,347.9**	**4,420.2**
Inventories	1,455.3	1,194.0	1,211.5
Trade receivables	785.9	860.5	965.4
Other receivables (Note 13)	188.0	135.9	160.6
Current tax assets	44.9	51.9	42.0
Short-term derivative instruments - assets (Note 18)	64.7	39.1	36.2
Financial investments and other current financial assets (Notes 12 and 18)	686.0	47.4	664.7
Cash and cash equivalents (Notes 17 and 18)	1,437.7	1,746.3	1,769.4
CURRENT ASSETS	**4,662.5**	**4,075.1**	**4,849.8**
TOTAL ASSETS	**9,139.9**	**8,423.0**	**9,270.0**

Liabilities *(in € millions)*	30/06/2021	30/06/2020	31/12/2020
Share capital (Note 14)	55.3	50.3	50.3
Reserves and retained earnings	2,523.6	2,237.0	2,436.8
Treasury stock (Note 14)	(30.5)	(18.8)	(19.6)
Equity attributable to owners of the parent	**2,548.4**	**2,268.5**	**2,467.5**
Non-controlling interests	**268.0**	**230.3**	**267.3**
CONSOLIDATED SHAREHOLDERS' EQUITY	**2,816.4**	**2,498.8**	**2,734.8**
Deferred taxes	176.1	242.2	191.0
Employee benefit and other non-current provisions (Notes 15 and 16)	328.1	340.4	355.9
Long-term borrowings (Note 17)	2,352.8	2,638.2	2,285.8
Other non-current liabilities	56.2	52.5	52.0
Long-term derivative instruments - liabilities (Note 18)	9.4	19.4	15.5
NON-CURRENT LIABILITIES	**2,922.6**	**3,292.7**	**2,900.2**
Employee benefit and other current provisions (Notes 15 and 16)	135.7	106.1	122.9
Trade payables	1,161.4	853.2	1,260.3
Other current liabilities	389.0	415.2	493.3
Current tax liabilities	51.2	1.8	35.9
Short-term derivative instruments -liabilities (Note 18)	48.8	16.8	50.4
Short-term borrowings (Note 17)	1,614.8	1,238.4	1,672.2
CURRENT LIABILITIES	**3,400.9**	**2,631.5**	**3,635.0**
TOTAL EQUITY AND LIABILITIES	**9,139.9**	**8,423.0**	**9,270.0**

The accompanying Notes 1 to 20 are an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

(in € millions)	30/06/2021 6 months	30/06/2020 6 months	31/12/2020 12 months
PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT	**150.5**	**2.7**	**300.5**
Depreciation, amortization and impairment losses	138.9	141.7	273.9
Change in provisions	7.8	(0.8)	25.8
Unrealized gains and losses on financial instruments	5.4	(10.5)	(23.3)
Income and expenses related to stock options and bonus shares	14.1	14.6	29.2
Gains and losses on disposals of assets	0.5	0.4	3.5
Other [(a)]	5.9	4.9	5.0
Non-controlling interests	27.2	19.4	48.2
Current and deferred taxes	53.0	7.4	93.8
Finance costs	20.1	17.1	37.5
CASH FLOW [(b)(c)]	**423.4**	**196.9**	**794.1**
Change in inventories and work in progress	(222.6)	(34.1)	(59.4)
Change in trade receivables	92.2	194.7	107.7
Change in trade payables	(148.7)	(174.6)	251.5
Change in other receivables and payables	(19.3)	33.0	62.0
Income taxes paid	(77.9)	(65.1)	(158.9)
Net interest paid	(20.1)	(15.4)	(34.5)
NET CASH FROM OPERATING ACTIVITIES	**27.0**	**135.4**	**962.5**
Proceeds from disposals of assets	1.5	1.5	6.3
Purchases of property, plant and equipment (Note 10)	(60.2)	(70.7)	(158.4)
Purchases of software and other intangible assets (Note 10)	(12.9)	(13.9)	(24.1)
Purchases of financial assets [(d)]	(32.7)	(52.2)	(675.4)
Acquisitions of subsidiaries, net of cash acquired	(12.9)	0.2	(17.1)
NET CASH USED BY INVESTING ACTIVITIES	**(117.2)**	**(135.1)**	**(868.7)**
Increase in borrowings [(c)]	1197.5	1499.6	1669.2
Decrease in borrowings	(1243.0)	(401.8)	(616.5)
Issue of share capital			
Transactions between owners [(e)]	(33.0)	(27.8)	(48.4)
Change in treasury stock	(35.4)	2.5	1.8
Dividends paid, including to non-controlling interests	(147.0)	(100.2)	(101.0)
NET CASH USED BY FINANCING ACTIVITIES	**(260.9)**	**972.3**	**905.1**
Effect of changes in foreign exchange rates	19.8	(11.8)	(15.0)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(331.3)**	**960.8**	**983.9**
Cash and cash equivalents at beginning of period	1769.4	785.5	785.5
Cash and cash equivalents at end of period	1437.7	1746.3	1769.4

(a) Liquidation of a non-consolidated entity for €4.9 million in 2021 and reclassification in profit and loss of €5 million in foreign currency translation adjustments upon deconsolidation of Boehringer in 2020.

(b) Before net finance costs and income taxes paid.

(c) Excluding IFRS 16, the impact of which is presented in Note 11.

(d) Including a change in financial investments in France for -€52.8 million and financial investments in China for €21.7 million as at 30 June 2021 compared with -€47.8 million (including -€40.2 million of BAD) as at 31 December 2020, and -€38.7 million as at 30 June 2020.

(e) Including purchase of Supor shares for €33.0 million as at 30 June 2021, versus €51.6 million as at 31 December 2020.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in € millions)	Share capital	Share premiums [(a)]	Reserves and retained earnings [(a)]	Translation reserve [(a)]	Treasury stock	Equity attributable to owners of the parent	Non-controlling interests	Consolidated shareholders' equity
AT 31 DECEMBER 2019	**50.3**	**103.7**	**2,235.9**	**55.5**	**(52.8)**	**2,392.6**	**234.9**	**2,627.5**
Profit for the period			2.7			2.7	19.4	22.1
Other comprehensive income			10.7	(55.1)		(44.4)	(2.5)	(46.9)
COMPREHENSIVE INCOME			**13.4**	**(55.1)**		**(41.7)**	**16.9**	**(24.8)**
Dividends paid			(74.6)			(74.6)	(25.6)	(100.2)
Issue of share capital								
Changes in treasury stock					33.9	33.9		33.9
Gains (losses) on sales of treasury stock, after tax			(23.4)			(23.4)		(23.4)
Exercise of stock options			14.3			14.3	0.4	14.7
Other movements [(b)]			(32.6)			(32.6)	3.7	(28.9)
AT 30 JUNE 2020	**50.3**	**103.7**	**2,133.0**	**0.4**	**(18.9)**	**2,268.5**	**230.3**	**2,498.8**
Profit for the period			297.8			297.8	28.8	326.6
Other comprehensive income			(1.8)	(48.4)		(50.2)	(3.8)	(54.0)
COMPREHENSIVE INCOME			**296.0**	**(48.4)**		**247.6**	**25.0**	**272.6**
Dividends paid			0.2			0.2	(1.0)	(0.8)
Issue of share capital								
Changes in treasury stock					(0.7)	(0.7)		(0.7)
Gains (losses) on sales of treasury stock, after tax			(6.8)			(6.8)		(6.8)
Exercise of stock options			14.2			14.2	0.3	14.5
Acquisition of StoreBound			(31.0)			(31.0)	12.3	(18.7)
Other movements [(a)]			(24.5)			(24.5)	0.4	(24.1)
AT 31 DECEMBER 2020	**50.3**	**103.7**	**2,381.1**	**(48.0)**	**(19.6)**	**2,467.5**	**267.3**	**2,734.8**
Profit for the period			150.5			150.5	27.2	177.7
Other comprehensive income			57.0	55.7		112.7	7.6	120.3
COMPREHENSIVE INCOME			**207.5**	**55.7**		**263.2**	**34.8**	**298.0**
Dividends paid			(121.0)			(121.0)	(30.0)	(151.0)
Issue of share capital	5.0					5.0		5.0
Changes in treasury stock					(10.9)	(10.9)		(10.9)
Gains (losses) on sales of treasury stock, after tax			(18.2)			(18.2)		(18.2)
Exercise of stock options			13.9			13.9	0.2	14.1
Acquisition of StoreBound			(16.6)			(16.6)		(16.6)
Other movements [(b)]			(34.5)			(34.5)	(4.3)	(38.8)
AT 30 JUNE 2021	**55.3**	**103.7**	**2,412.2**	**7.7**	**(30.5)**	**2,548.4**	**268.0**	**2,816.4**

(a) Reserves and retained earnings on the balance sheet.
(b) Including purchase of Supor shares for €33 million as of 30 June 2021 (€51.6 million as of 31 December 2020).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021, IN € MILLIONS

Groupe SEB, composed of SEB S.A. and its subsidiaries, is the world leader in the design, manufacture and marketing of cookware and small electrical appliances: non-stick frying pans and saucepans, pressure cookers, irons and steam generators, coffee machines, kettles and food processors in particular. The Group is also world leader of the professional automatic coffee machine market.

SEB S.A. has its registered office at Chemin du Moulin Carron, Campus Seb, Écully (69130), France and it is listed on Euronext-Paris Eurolist market (ISIN code: FR0000121709 SK).

The condensed consolidated financial statements for the first half of 2021 were approved by the Board of Directors on 22 July 2021.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

Note 1.1. Summary of significant accounting policies

The condensed consolidated financial statements for the six months ended 30 June 2021 have been prepared in accordance with IAS 34 – Interim Financial Reporting.

The condensed financial statements do not include all the disclosures required in a full set of annual financial statements under IFRS, and should therefore be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2020, which are included in the Universal Registration Document that was filed with the French Financial Markets Authority (AMF) on 6 April 2021. The Registration Document can be downloaded from the Group's website (www.groupeseb.com) and the AMF website (www.amf-france.org), and is available on request from the Group's registered office at the address shown above.

The condensed interim consolidated financial statements have been prepared in accordance with the IFRS, IAS and related interpretations adopted by the European Union and applicable at 30 June 2021, which can be found on the European Commission's website (https://ec.europa.eu/info/law/international-accounting-standards-regulation-ec-no-1606-2002/amending-and-supplementary-acts/acts-adopted-basis-regulatory-procedure-scrutiny-rps_en).

The accounting policies applied to prepare these financial statements are unchanged compared with those used to prepare the 2020 annual consolidated financial statements, except for income tax expense and statutory and discretionary employee profit-sharing, which are calculated on the basis of full-year projections (see Note 9 – Income taxes, and Note 6 – statutory and discretionary employee profit-sharing). Furthermore, the comparability of the interim and annual financial statements may be affected by the seasonal nature of the Group's activities, which results in higher sales in the second half of the year.

The Group adopted the following amendment applicable as of 1 January 2021. This date of application matches that of the IASB:

- amendment to IFRS 9, IAS 39 and IFRS 7 "Interest Rate Benchmark Reform" – Phase 2. This amendment provides flexibility measures for the consequences of changes in financial instrument contracts measured at amortized cost and hedging relationships. Furthermore, this amendment specifies the information to be provided in the Appendix.

This new standard had no material impact on the Group's financial statements.

Standards and interpretations that are optional as of 30 June 2021 have not been applied early. The Group does not, however, anticipate any material impacts related to the application of these new standards.

Note 1.2. Judgments and estimates

The preparation of the consolidated financial statements in accordance with IFRS implies that the Group must make certain estimates and assumptions which have an impact on the amounts recognized under assets and liabilities.

Despite a contrasting general environment (various country-specific lockdown measures, start of vaccination campaigns, further currency depreciations, etc.), the Group's activity in the first half-year posted strong growth. The Group has not identified any indications of impairment that would require an update to the impairment tests for these long-term assets. Moreover, the review of its commercial loan portfolio did not bring to light any elements requiring the adjustment of expected loss estimates (see Note 18.3).

NOTE 2. CHANGES IN SCOPE OF CONSOLIDATION

StoreBound

On 31 July 2020, Groupe SEB acquired a majority 55% stake in StoreBound, owner of the Dash kitchenware brand, a leading brand for health-conscious consumers in the United States.

Founded in 2010, StoreBound develops kitchenware to improve everyday life under several brands such as Dash, Sobro, Chef Geoffrey Zakarian, and others. The company sells and markets its products through leading US off-line and on-line distributors. In just eight years, StoreBound has developed its industry's largest social media audience in the United States, with more than one million followers on Instagram, generating billions of advertising impressions for the distribution of its products in North and South America, Europe and Asia. StoreBound has launched more than 200 products based onan efficient omnichannel distribution model combining in-store sales, e-commerce and social media. StoreBound is based in New York and employs around 50 people. It has been included in the list of the fastest-growth companies published by Inc. Magazine for four consecutive years and broke into the Top 100 of the Entrepreneur 360 list in 2019.

This investment was accompanied by two earnout clauses estimated at €16.7 million at 31 December 2020. The valuations of these two earnouts are based on an EBITDA multiple. The first of these clauses resulted in the payment of $14 million in the first half of 2021. The second clause valued at $15 million as at 30 June 2021 will be paid at the beginning of 2022.

Furthermore, put options on minority interests were also granted as part of this acquisition of a majority stake. These options, the valuation of which is based on EBITDA multiples, may be exercised no later than 31 March 2025 and no later than 31 March 2028 respectively. This resulted in the recording of estimated borrowings of €28.4 million at 31 December 2020.This debt was revalued as at 30 June 2021 at $54.8 million.

The provisional net fair value of the identifiable assets and liabilities as of 31 July 2020 breaks down as follows:

(in € millions)	31/07/2020
Non-current assets *	37.2
Inventories	20.1
Trade receivables	14.6
Net debt	(21.3)
Trade payables	(17.1)
Other net liabilities	(4,9)
TOTAL NET ASSETS	**28.6**
PERCENTAGE INTEREST	**55%**
TOTAL NET ASSETS ACQUIRED	**15.7**
Non-controlling interests	12.9
PURCHASE PRICE INCLUDING EARN-OUT CLAUSES	**46.1**
Provisional goodwill	**30.4**

* *Including the Dash brand valued by an independent expert at $40 million.*

Coffee Technology

Under a partnership with a subcontractor, the Group acquired a majority 60% stake in the newly created Coffee Technology company.

In addition, the Group consolidated for the first time on January 1, 2021, the company Feeligreen. Note also over the period the liquidation of the company WMF Group Hong Kong Ltd and the merger of the Vietnamese entities Groupe Seb Vietnam and Emsa Vietnam. These transactions have no significant effects over the period.

NOTE 3. HIGHLIGHTS

Bonus shares

A bonus share scheme for SEB S.A. (one share offered for 10 shares held) was approved by the Board of Directors on 23 February 2021. All shares comprising the share capital carried the same right to one new share for ten previous shares, without any increase. The share capital of SEB S.A. increased by 10%, or 5,030,706 shares, i.e., 55,337,770 shares with a par value of €1 each, effective as of 1 March 2021.

Holding company set up to strengthen family control

The family shareholders of Groupe SEB, signatories of the shareholders' agreement signed on 27 February 2019, jointly hold 31.9% of the share capital. This concert party of 260 individuals is organized around GENERACTION and VENELLE INVESTISSEMENT. In order to maintain family control and strengthen ties with Groupe SEB, the concert party of family shareholders set up a strengthening family holding company on 12 March 2021.

On the same day, this holding company, called HRC (Holding de Renforcement du Contrôle), received a significant portion of the SEB shares held by the concert party, i.e., 6.4% of the capital of SEB S.A., with the concert continuing to hold 31.9% of the capital overall. It should be noted that HRC is party to the shareholders' agreement of 27 February 2019 and as such is a member of the concert party.

Closure of the Erbach plant

On 17 March, Rowenta Werke announced to all employees concerned that it would cease its activities in Erbach (Germany) effective 30 June 2022, entailing the closure of the plant. The Group has decided to close this site and redeploy the industrial ironing activity notably to the Pont-Evêque plant in France.

Establishment of a captive reinsurance company

As of 29 June 2021, the Group announced the establishment of a reinsurance captive to optimize the placement of its risks with the creation Groupe SEB Ré, a new legal entity registered in France, which will insure certain risks on behalf of all Group companies. This company, with share capital of €4.4 million, has been approved by the French Prudential Supervisory and Resolution Authority (ACPR).

Investigation by the french competition authority

The French Competition Authority conducted an inquiry into the pricing and listing practices of several domestic appliance manufacturers, including Groupe SEB France and Groupe SEB Retailing, with regard to certain online retailers.

Significant developments in the case are not expected before the end of 2021, and no provision was recognized at 30 June 2021 in view of the uncertain outcome of the proceedings.

Investigation by the Turkish competition authority

As of January 7, 2020, the Turkish competition authority opened an investigation at the headquarters of GS Istanbul, at a retailer and in several stores. Ultimately, two objections were raised against GS Istanbul (imposed resale price, ban on passive sales). Based on the report drafted by the Turkish authority's investigator, a provision of €0.7 million or 1 per cent of turnover was recorded in the accounts on 31 December 2020. Following the authority's decision in early 2021 ordering GS Istanbul to pay a fine of TRY 27 million (€2.7 million), the provision was increased by €1.5 million. GS Istanbul is waiting for notice of the reasoned decision before deciding whether or not to appeal.

Brazil

On 15 March 2017, the Brazilian Federal Supreme Court found the inclusion of the ICMS state-level sales tax in the PIS and COFINS tax bases to be unconstitutional. Our SEB do Brasil manufacturing subsidiary had brought a case on this matter in 2009 and received a favorable verdict on 6 September 2018 in a final judgment confirming the position of the Supreme Court and thereby opening the door to the refunding of the additional tax paid by SEB do Brasil since 2004. As a result, a €32 million tax receivable was recognized in 2018 under "Revenue" for the period in Brazil. Aside from this revenue, interest on arrears of circa €20 million has been recognized. This receivable used to be regularly compensated.

In July 2019, the Brazilian courts had also handed down a final judgment in favor of Seb Comercial, opening the door to the refunding of the additional tax paid since 2013. As a result, an €8 million tax receivable had been recognized under "Revenue" for the period in Brazil. Aside from this revenue, interest on arrears of circa €3 million has been recognized.

Following a referral from the FRB (Federal Revenue of Brazil), the Supreme Court issued a decision on 13 May 2021 validating the method applied by the Group in determining the basis for calculating PIS and COFINS taxes.

Incident at a logistics warehouse in Spain

On 8 January 2021, following the heavy snow caused by storm Filomena, the roof of our Madrid logistics center collapsed, destroying some of the inventory. This warehouse was leased from an external owner and operated by an external service provider. On 13 April 2021, a fire broke out in the same warehouse during the intervention of a company commissioned by the owner, destroying all the inventory in the process of appraisal.

The due diligence of our insurers is underway as both of these claims are covered by our existing insurance policies, and an alternative warehousing solution has been implemented to supply the Spanish market. In the consolidated financial statements at 30 June 2021, inventories were fully written down for a value of €15.6 million. The compensation to be received from the insurers has been adjusted by the valuation to date of the applicable deductibles, resulting in a net charge of €2.5 million in the accounts at 30 June 2021. The valuation of this residual loss will be subject to change during the second half-year in light of the progress of discussions with our insurers.

Because the business interruption compensation receivable is still being assessed, no assets have been recognized in the accounts as at 30 June 2021.

There were no other significant events or significant litigation in the first half of 2021 that impacted the Group's financial position.

NOTE 4. SEGMENT REPORTING

In accordance with IFRS 8 – Operating segments, the information presented below for each operating segment is the same as the information presented to the chief operating decision makers (Executive Committee members) for the purposes of assessing the segments' performance and allocating resources.

The "Professional" business segment, covering professional automatic coffee machines and catering equipment, has been isolated since 1 January 2018 and the integration of WMF within the Group's systems.

The internal reports reviewed and used by the chief operating decision makers present such data by geographical segment. The Executive Committee assesses each segment's performance based on:

- revenue and Operating profit (loss); and
- net capital employed, defined as the segment's assets (goodwill, property, plant and equipment, and intangible assets, inventories and trade receivables) less its liabilities (trade payables, other payables and provisions).

Performance in terms of financing, cash flow and income tax is tracked at Group level, not by operating segment.

Note 4.1. Financial information by location of assets

The data below includes internal transactions carried out on an arm's length basis, under terms and conditions similar to those that would be offered to third parties, i.e., it includes the effects of the Group's internal transfer pricing.

Inter-segment revenue corresponds to sales to external customers located within the geographical segment.

External revenue corresponds to total sales (within the Group and to external customers) generated outside the geographical segment by companies within the geographical segment.

(in € millions)	"Consumer" business			"Professional" business	Intra-Group transactions	Total
	EMEA	Americas	Asia			
30/06/2021						
Revenue						
Inter-segment revenue	1,650.0	456.3	1,170.6	290.4		3,567.3
External revenue	131.2	0.2	852.3		(941.4)	42.3
TOTAL REVENUE						**3,609.6**
Profit (loss)						
Operating Result from Activity	74.9	29.4	228.7	22.1	(35.1)	320.0
Operating profit	22.8	28.8	220.7	20.8	(35.1)	258.0
Finance costs and other financial income and expenses						(27.3)
Profit (loss) attributable to associates						
Income tax						(53.0)
PROFIT						**177.7**
Consolidated balance sheet						
Segment assets	2,870.3	904.3	1,822.5	1,670.2	(637.7)	6,629.6
Financial assets						2,345.1
Tax assets						165.2
TOTAL ASSETS						**9,139.9**
Segment liabilities	(1,270.8)	(293.6)	(750.9)	(297.9)	542.8	(2,070.4)
Borrowings						(4,025.8)
Tax liabilities						(227.3)
Equity						(2,816.4)
TOTAL LIABILITIES						**(9,139.9)**
Other information						
Capital expenditure and purchases of intangible assets *	69.8	5.5	31.3	7.0		113.6
Depreciation and amortization expense	(76.7)	(9.4)	(32.6)	(15.0)		(133.7)
Impairment losses recognized in profit or loss	(4.8)		(0.7)			(5.5)

* *Including IFRS 16 leases.*

(in € millions)	"Consumer" business EMEA	Americas	Asia	"Professional" business	Intra-Group transactions	Total
30/06/2020						
Revenue						
Inter-segment revenue	1,253.3	293.6	1,038.5	306.1		2,891.5
External revenue	104.6	0.1	601.7		(683.5)	22.9
TOTAL REVENUE						**2,914.4**
Profit (loss)						
Operating Result from Activity	(54.2)	(8.2)	162.7	7.7	(4.6)	103.4
Operating profit	(95.3)	(11.4)	162.5	7.0	(4.6)	58.2
Finance costs and other financial income and expenses						(28.7)
Profit (loss) attributable to associates						
Income tax						(7.4)
PROFIT						**22.1**
Consolidated balance sheet						
Segment assets [(a)]	2,831.4	720.2	1,481.3	1,730.9	(433.6)	6,330.2
Financial assets						1,945.2
Tax assets						147.6
TOTAL ASSETS						**8,423.0**
Segment liabilities	(925.8)	(171.0)	(792.6)	(235.9)	358.0	(1,767.3)
Borrowings						(3,912.8)
Tax liabilities						(244.1)
Equity						(2,498.8)
TOTAL LIABILITIES						**(8,423.0)**
Other information						
Capital expenditure and purchases of intangible assets *	68.3	8.7	36.0	2.0		115.0
Depreciation and amortization expense	(79.5)	(10.3)	(30.2)	(14.6)		(134.6)
Impairment losses recognized in profit or loss	(7.3)	(0.1)				(7.4)

* *Including IFRS 16 leases.*

(a) *After reallocation of part of the WMF goodwill within the segment assets of the "Professional" activity for €711 million.*

(in € millions)	"Consumer" business EMEA	Americas	Asia	"Professional" business	Intra-Group transactions	Total
31/12/2020						
Revenue						
Inter-segment revenue	3,273.9	853.6	2,181.6	574.9		6,884.0
External revenue	233.2	0.3	1,529.7		(1,707.2)	56.0
TOTAL REVENUE						**6,940.0**
Profit (loss)						
Operating Result from Activity	136.1	68.5	412.1	2.4	(13.7)	605.4
Operating profit	69.3	58.2	409.4	(19.9)	(13.7)	503.3
Finance costs and other financial income and expenses						(60.8)
Profit (loss) attributable to associates						
Income tax						(93.8)
PROFIT						**348.7**
Consolidated balance sheet						
Segment assets [(a)]	2,867.6	827.6	1,555.1	1,608.4	(350.5)	6,508.2
Financial assets						2,612.1
Tax assets						149.7
TOTAL ASSETS						**9,270.0**
Segment liabilities	(1,185.2)	(235.9)	(922.7)	(211.2)	270.6	(2,284.4)
Borrowings						(4,023.9)
Tax liabilities						(226.9)
Equity						(2,734.8)
TOTAL LIABILITIES						**(9,270.0)**
Other information						
Capital expenditure and purchases of intangible assets *	156.8	16.8	98.6	25.8		298.0
Depreciation and amortization expense	(148.8)	(19.3)	(59.0)	(43.4)		(270.5)
Impairment losses recognized in profit or loss	(4.0)	(0.1)				(4.1)

* *Including IFRS 16 leases.*
(a) *After reallocation of part of the WMF goodwill within the segment assets of the "Professional" activity for €711 million.*

Note 4.2. Revenue by geographical location of the customer and business sector

(in € millions)	30/06/2021 6 months	30/06/2020 6 months *	31/12/2020 12 months
Western Europe	1,171.3	920.3	2,405.5
Other countries	490.4	351.3	901.0
TOTAL EMEA	**1,661.7**	**1,271.6**	**3,306.5**
North America	347.9	208.9	622.5
South America	132.1	89.0	253.6
TOTAL AMERICAS	**480.0**	**297.9**	**876.1**
China	897.8	794.1	1,626.2
Other countries	279.7	244.7	556.3
TOTAL ASIA	**1,177.5**	**1,038.8**	**2,182.5**
TOTAL CONSUMER	**3,319.2**	**2,608.3**	**6,365.1**
TOTAL PROFESSIONAL	**290.4**	**306.1**	**574.9**
TOTAL	**3,609.6**	**2,914.4**	**6,940.0**

* *After non significant reallocation between the 2 EMEA areas.*

(in € millions)	30/06/2021 6 months	30/06/2020 6 months	31/12/2020 12 months
Cookware	1,118.3	889.9	2,197.6
Small electrical appliances	2,200.9	1,718.4	4,167.5
Professional coffee machines and hotels	290.4	306.1	574.9
TOTAL	**3,609.6**	**2,914.4**	**6,940.0**

NOTE 5. OPERATING EXPENSES

(in € millions)	30/06/2021 6 months	30/06/2020 6 months	31/12/2020 12 months
Cost of sales	(2,218.8)	(1,863.4)	(4,280.9)
Research and development costs	(69.8)	(65.1)	(132.3)
Advertising	(83.0)	(31.9)	(143.7)
Distribution and administrative expenses	(918.0)	(850.6)	(1,777.7)
OPERATING EXPENSES	**(3,289.6)**	**(2,811.0)**	**(6,334.6)**

NOTE 6. STATUTORY AND DISCRETIONARY EMPLOYEE PROFIT-SHARING

Statutory and discretionary employee profit-sharing for the half-year has been calculated by multiplying the estimated annual cost by the percentage of annual profit generated during the period by the companies concerned.

NOTE 7. OTHER OPERATING INCOME AND EXPENSES

(in € millions)	30/06/2021 6 months	30/06/2020 6 months	31/12/2020 12 months
Restructuring costs	(33.5)	(19.7)	(50.5)
Impairment losses	(5.5)	(7.1)	(3.7)
Gains and losses on asset disposals and other	(7.3)	(13.4)	(23.7)
OTHER OPERATING INCOME AND EXPENSES	**(46.3)**	**(40.2)**	**(77.9)**

Note 7.1. Restructuring costs

Restructuring costs for the first half of 2021 primarily pertain to the costs of closing the Erbach plant and the Shanghai plant.

As of 30 June 2020, restructuring costs primarily pertain to the WMF reorganization and Riedlingen downsizing plans, and various reorganization costs in the United States, Spain, Colombia and Canada.

Note 7.2. Impairment losses

Due to the seasonal nature of the business, impairment tests are usually conducted at the financial year-end.

Nonetheless, the Group analyzed the absence of any indication of impairment in light of the development of its business in the first half-year and its end-of-year forecasts. No evidence of impairment was identified.

The asset impairments recorded in 2021 and 2020 pertain to the industrial restructuring plans.

Note 7.3. Gains and losses on asset disposals and other

As at 30 June 2021, this item primarily includes an estimate of the risk of remaining expenses pursuant to the Senesa logistics warehouse claim in Spain in the amount of €2.5 million (see Note 3) and a supplement to the provision for the competition authority investigation in Turkey in the amount of €1.5 million (see Note 3).

At 30 June 2020, this item included:

- the impact of the disposal of Boerhinger which generated an accounting loss of €4.9 million;
- additional accounting adjustments recognized at the Groupe SEB Deutschland subsidiary level for previous financial years, for €3.5 million;
- the impact of the disposal of EMSA's "Garden" business which generated an accounting loss of €1.7 million;
- transaction costs relating to M&A transactions for the period for €1.5 million;
- other non-material elements when taken separately.

NOTE 8. FINANCE COSTS AND OTHER FINANCIAL INCOME AND EXPENSES

(in € millions)	30/06/2021 6 months	30/06/2020 6 months	31/12/2020 12 months
FINANCE COSTS	**(21.6)**	**(16.5)**	**(39.8)**
Exchange gains and losses and financial instruments	(4.3)	(10.0)	(12.5)
Interest cost on long-term employee benefit obligations	(0.5)	(1.0)	(2.4)
Fair value of the optional portion of ORNAE bonds net of *calls*	(0.3)	3.0	3.8
Other miscellaneous financial expenses	(0.6)	(4.2)	(9.9)
OTHER FINANCIAL INCOME AND EXPENSES	**(5.7)**	**(12.2)**	**(21.0)**

Gains and losses on borrowings in foreign currencies and related hedges are recognized under "Finance costs."

Gains and losses on intra-Group borrowings in foreign currencies and related hedges are recorded in "Other financial income and expenses."

Exchange gains and losses on manufacturing and sales transactions denominated in foreign currencies and their related hedging transactions are included in Operating Result from Activity.

As at 31 December 2020, the line "Other miscellaneous financial expenses" mainly included the depreciation of the financial current account of the non-consolidated company Feeligreen for €3.2 million. Since 1 January 2021, this company has been consolidated.

NOTE 9. INCOME TAX

Income tax expense for the half-year was calculated by multiplying consolidated pre-tax profit by the estimated average effective tax rate for the year. The calculation was performed separately for each consolidated tax entity.

The difference between the effective tax rate of 23.0% and the statutory French tax rate of 28.41% breaks down as follows:

(in %)	30/06/2021 6 months	30/06/2020 6 months	31/12/2020 12 months
STATUTORY FRENCH TAX RATE	**28.4**	**32.0**	**32.0**
Effect of differences in tax rates [(a)]	(6.6)	(15.3)	(13.0)
Unrecognized and relieved tax loss carry-forwards [(b)]	2.5	4.7	3.7
Prior period tax loss carry-forwards recognized and utilized during the period	(1.8)	(0.4)	(0.8)
Other [(c)]	0.5	4.0	(0.7)
EFFECTIVE TAX RATE	**23.0**	**25.0**	**21.2**

(a) The effect of different tax rates varies depending on France's contribution to consolidated profit.
(b) Unrecognized tax loss carry-forwards mainly concerned certain South American and Asian subsidiaries.
(c) The "Other" line mainly includes retail distribution taxes offset by the effect of the tax revaluation for the Lagostina brand (-0.2) points.

NOTE 10. FIXED ASSETS

Note 10.1. Intangible assets

June 2021 *(in € millions)*	Patents and licenses	Trademarks	Goodwill	Software	Development costs	Intangible assets in progress and other	Total
Cost							
At 1 January	39.7	1,079.3	1,712.0	132.3	29.3	169.1	3,161.7
Acquisitions/additions				1.0	3.5	8.4	12.9
Disposals				(0.2)	(0.3)		(0.5)
Other movements *			9.2	4.4	3.3	(3.7)	13.2
Foreign currency translation adjustments	1.3	11.9	21.9	1.3		3.4	39.8
AT 30 JUNE	**41.0**	**1,091.2**	**1,743.1**	**138.8**	**35.8**	**177.2**	**3,227.1**
Depreciation and impairment losses							
At 1 January	32.9	8.9	69.6	80.0	10.1	56.2	257.7
Foreign currency translation adjustments	1.2	0.3	1.9	1.0	0.1	0.9	5.4
Increases	1.8			8.5	2.8	4.7	17.8
Net impairment losses							
Depreciation and impairment written off on disposals				(0.2)	(0.2)		(0.4)
Other movements *					2.3		2.3
AT 30 JUNE	**35.9**	**9.2**	**71.5**	**89.3**	**15.1**	**61.8**	**282.8**
Carrying amount at 1 January	6.8	1,070.4	1,642.4	52.3	19.2	112.9	2,904.0
CARRYING AMOUNT AT 30 JUNE	**5.1**	**1,082.0**	**1,671.6**	**49.5**	**20.7**	**115.4**	**2,944.3**

* *Including changes in scope of consolidation.*

June 2020 *(in € millions)*	Patents and licenses	Trademarks	Goodwill	Software	Development costs	Intangible assets in progress and other	Total
Cost							
At 1 January	41.2	1,062.9	1,687.7	128.4	36.9	183.1	3,140.2
Acquisitions/additions				2.1	3.5	8.3	13.9
Disposals				(0.8)	(1.4)	(0.3)	(2.5)
Other movements *	0.5	11.9	38.4	(1.8)	(6.9)	(12.8)	29.3
Foreign currency translation adjustments	(1.3)	(9.5)	(8.0)	(3.6)	(0.5)	(1.0)	(23.9)
AT 30 JUNE	**40.4**	**1,065.3**	**1,718.1**	**124.3**	**31.6**	**177.3**	**3,157.0**
Depreciation and impairment losses							
At 1 January	30.4	10.1	76.4	86.1	15.3	48.7	267.0
Foreign currency translation adjustments	(1.0)	(0.4)	(0.9)	(3.1)	(0.4)	(0.2)	(6.0)
Increases	1.9			8.4	2.8	4.1	17.2
Net impairment losses							
Depreciation and impairment written off on disposals				(0.7)	(1.4)	(0.3)	(2.4)
Other movements *	0.5			(14.8)	(6.9)	0.1	(21.1)
AT 30 JUNE	**31.8**	**9.7**	**75.5**	**75.9**	**9.4**	**52.4**	**254.7**
Carrying amount at 1 January	10.8	1,052.8	1,611.3	42.3	21.6	134.4	2,873.2
CARRYING AMOUNT AT 30 JUNE	**8.6**	**1,055.6**	**1,642.6**	**48.4**	**22.2**	**124.9**	**2,902.3**

* *Including changes in scope of consolidation.*

December 2020 *(in € millions)*	Patents and licenses	Trademarks	Goodwill	Software	Development costs	Intangible assets in progress and other	Total
Cost							
At 1 January	41.2	1,062.9	1,687.7	128.4	36.9	183.1	3,140.2
Acquisitions/additions				12.3	4.3	7.4	24.0
Disposals				(6.9)	(2.5)	(0.3)	(9.7)
Other movements *	0.5	46.2	60.0	3.4	(8.7)	(16.9)	84.5
Foreign currency translation adjustments	(2.0)	(29.8)	(35.7)	(4.9)	(0.7)	(4.2)	(77.3)
AT 30 DECEMBER	**39.7**	**1,079.3**	**1,712.0**	**132.2**	**29.3**	**169.1**	**3,161.7**
Depreciation and impairment losses							
At 1 January	30.4	10.1	76.4	86.1	15.3	48.7	267.0
Foreign currency translation adjustments	(1.6)	(1.2)	(6.8)	(4.0)	(0.5)	(1.6)	(15.7)
Increases	3.7			17.4	4.7	9.3	35.1
Net impairment losses							
Depreciation and impairment written off on disposals				(5.0)	(2.6)	(0.3)	(7.9)
Other movements *	0.4			(14.5)	(6.8)	0.1	(20.8)
AT 30 DECEMBER	**32.9**	**8.9**	**69.6**	**80.0**	**10.1**	**56.2**	**257.7**
Carrying amount at 1 January	10.8	1,052.8	1,611.3	42.3	21.6	134.4	2,873.2
CARRYING AMOUNT AT 30 DECEMBER	**6.8**	**1,070.4**	**1,642.4**	**52.3**	**19.2**	**112.9**	**2,904.0**

* *Including changes in scope of consolidation.*

Note 10.2. Property, plant and equipment

June 2021[a] *(in € millions)*	Land	Buildings	Machinery and equipment	Other property, plant and equipment	Fixed assets in progress	Total
Cost						
At 1 January	79.2	1,156.8	1,359.9	431.0	71.9	3,098.8
Acquisitions/additions	0.1	36.6	15.8	10.6	37.6	100.7
Disposals		(10.0)	(22.4)	(8.5)	(0.3)	(41.2)
Other movements [b]	0.1	3.5	20.2	4.4	(28.3)	(0.1)
Foreign currency translation adjustments	0.7	10.4	13.1	0.3	0.7	25.2
AT 30 JUNE	**80.1**	**1,197.3**	**1,386.6**	**437.8**	**81.6**	**3,183.4**
Depreciation and impairment losses						
At 1 January	9.4	501.0	1,071.0	297.9		1,879.3
Foreign currency translation adjustments		2.9	9.3	0.3		12.5
Increases	0.3	48.3	45.3	22.0		115.9
Net impairment losses			5.5			5.5
Depreciation and impairment written off on disposals		(2.0)	(21.9)	(7.5)		(31.4)
Other movements [b]		(0.3)	2.0	(1.5)		0.2
AT 30 JUNE	**9.7**	**549.9**	**1,111.2**	**311.2**		**1,982.0**
Carrying amount at 1 January	69.8	655.8	288.9	133.1	71.9	1,219.5
CARRYING AMOUNT AT 30 JUNE	**70.4**	**647.4**	**275.4**	**126.6**	**81.6**	**1,201.4**

(a) *The share relating to licenses pursuant to the application of IFRS 16 is presented in Note 11 "Leases."*
(b) *Including changes in scope of consolidation.*

Effects of IFRS 16 on property, plant, and equipment in the first half of 2021

Breakdown of acquisitions/increases	Amount *(in € millions)*
New IFRS 16 contracts (Note 11)	24.5
IFRS 16 contracts revised upwards (Note 11)	16.0
Other purchases of property, plant and equipment as per the Consolidated cash flow statement	60.2
TOTAL	**100.7**

June 2020 (a) *(in € millions)*	Land	Buildings	Machinery and equipment	Other property, plant and equipment	Fixed assets in progress	Total
Cost						
At 1 January	84.1	1,061.1	1,332.1	477.2	114.1	3,068.6
Acquisitions/additions		26.9	16.6	13.9	43.7	101.1
Disposals	(1.4)	(10.4)	(14.1)	(6.1)	(0.6)	(32.6)
Other movements (b)	1.5	20.4	38.7	(63.0)	(55.2)	(57.6)
Foreign currency translation adjustments	(2.8)	(21.6)	(16.6)	(4.7)	(1.4)	(47.1)
AT 30 JUNE	**81.4**	**1,076.4**	**1,356.7**	**417.3**	**100.6**	**3,032.4**
Depreciation and impairment losses						
At 1 January	8.2	432.3	1,047.2	332.9		1,820.6
Foreign currency translation adjustments	(0.1)	(2.7)	(10.5)	(2.6)		(15.9)
Increases	0.4	48.4	45.2	23.8		117.8
Net impairment losses		1.1	3.1	3.0		7.2
Depreciation and impairment written off on disposals		(4.7)	(13.8)	(4.9)		(23.4)
Other movements (b)	0.9	(8.7)	9.8	(65.3)		(63.3)
AT 30 JUNE	**9.4**	**465.7**	**1,081.0**	**286.9**		**1,843.0**
Carrying amount at 1 January	75.9	628.8	284.9	144.3	114.1	1,248.0
CARRYING AMOUNT AT 30 JUNE	**72.0**	**610.7**	**275.7**	**130.4**	**100.6**	**1,189.4**

(a) The share relating to licenses pursuant to the application of IFRS 16 is presented in Note 11 "Leases."
(b) Including changes in scope of consolidation.

Effects of IFRS 16 on property, plant, and equipment in the first half of 2020

Breakdown of acquisitions/increases	Amount *(in € millions)*
New IFRS 16 contracts (Note 11)	24.1
IFRS 16 contracts revised upwards (Note 11)	6.3
Other purchases of property, plant and equipment as per the Consolidated cash flow statement	70.7
TOTAL	**101.1**

December 2020 *(in € millions)*	Land	Buildings	Machinery and equipment	Other property, plant and equipment	Fixed assets in progress	Total
Cost						
At 1 January	84.1	1061.1	1332.1	477.2	114.1	3,068.6
Acquisitions/additions	0.1	117.9	60.9	41.6	53.5	274.0
Disposals	(1.9)	(26.4)	(59.0)	(19.2)	(0.6)	(107.1)
Other movements *	1.5	39.8	56.4	(58.9)	(92.9)	(54.1)
Foreign currency translation adjustments	(4.6)	(35.6)	(30.5)	(9.7)	(2.2)	(82.6)
AT 31 DECEMBER	**79.2**	**1,156.8**	**1,359.9**	**431.0**	**71.9**	**3,098.8**
Depreciation and impairment losses						
At 1 January	8.2	432.3	1,047.2	332.9		1,820.6
Foreign currency translation adjustments	(0.1)	(7.5)	(20.5)	(5.7)		(33.8)
Increases	0.8	96.1	91.8	47.2		235.9
Net impairment losses			0.9	2.8		3.7
Depreciation and impairment written off on disposals	(0.4)	(11.1)	(58.3)	(15.5)		(85.3)
Other movements *	0.9	(8.8)	9.9	(63.8)		(61.8)
AT 31 DECEMBER	**9.4**	**501.0**	**1,071.0**	**297.9**		**1,879.3**
Carrying amount at 1 January	75.9	628.8	284.9	144.3	114.1	1,248.0
CARRYING AMOUNT AT 31 DECEMBER	**69.8**	**655.8**	**288.9**	**133.1**	**71.9**	**1,219.5**

* *Including changes in scope of consolidation.*

Effects of IFRS 16 on property, plant and equipment investments for 2020

Breakdown of acquisitions/increases	Amount *(in € millions)*
New IFRS 16 contracts (Note 11)	71.9
IFRS 16 contracts revised upwards (Note 11)	45.9
IFRS 16 impact of the acquisition of StoreBound	(2.2)
Other purchases of property, plant and equipment as per the Consolidated cash flow statement	158.4
TOTAL	**274.0**

NOTE 11. LEASES

As of 1 January 2019, the Group applied IFRS 16 for the first time using the simplified retrospective method. The Group did not use any simplification methods except regarding the creation of fleets of passenger vehicles and computer hardware. These simplifications did not have any material impacts.

Moreover, the final decision by the IFRS IC on 16 December 2019 on lease terms did not have a material impact on the Group's financial statements. Most leases have renewal options but few include tacit renewal clauses.

As at 30 June 2021, debt amounted to €332.6 million compared to €306.5 million at 30 June 2020, compared to €338.9 million at 31 December 2020 and right of use amounted to €322.9 million compared to €300.2 million at 30 June 2020, compared to €331.4 million at 31 December 2020..

As at 30 June 2021, the average term of leases falling within the scope of IFRS 16 was 3.4 years compared to 3.6 years at 30 June 2020.

The average marginal borrowing rate at 30 June 2021 was 3.9% compared with 4.3% at 30 June 2020.

The remaining lease expense related to the variable portion of contracts and other exemptions as at 30 June 2021 amounted to €17.7 million compared with €18.0 million at 30 June 2020.

Note 11.1 Changes in right of use and breakdown by type of asset

CHANGES IN RIGHT OF USE OVER THE PERIOD

NBV *(in € millions)*	01/01/2021	New contracts	Upward revisions to contracts	Downward revisions to contracts	Depreciation and amortization expense	Foreign currency translation adjustments	30/06/2021
Land	1.4	0.1	0.1		(0.1)		1.5
Buildings	296.0	20.4	14.5	(8.4)	(33.6)	1.4	290.3
Machinery and equipment	7.8	1.1	0.2	0.1	(1.3)	0.1	8.0
Other property, plant and equipment	26.2	2.9	1.2	(0.1)	(7.0)	(0.1)	23.1
TOTAL	**331.4**	**24.5**	**16.0**	**(8.4)**	**(42.0)**	**1.4**	**322.9**

These amounts are included in Note 10.2 "Property, plant and equipment."

NBV *(in € millions)*	01/01/2020	New contracts	Upward revisions to contracts	Downward revisions to contracts	Depreciation and amortization expense	Foreign currency translation adjustments	30/06/2020
Land	3.5			(1.4)	(0.2)	(0.2)	1.7
Buildings	293.6	18.2	4.8	(5.5)	(34.6)	(6.6)	269.9
Machinery and equipment	7.4	1.1	0.7	(0.2)	(1.4)	(0.2)	7.4
Other property, plant and equipment	24.3	4.8	0.8	(0.6)	(7.7)	(0.4)	21.2
TOTAL	**328.8**	**24.1**	**6.3**	**(7.7)**	**(43.9)**	**(7.4)**	**300.2**

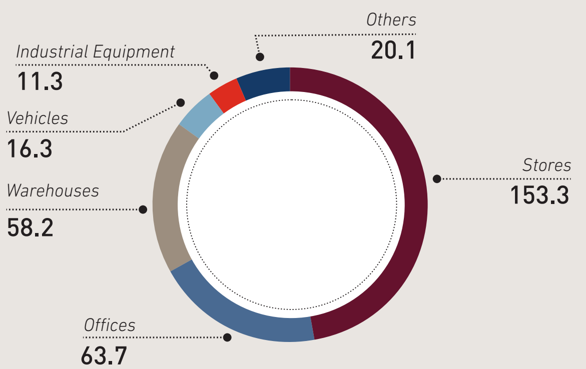
These amounts are included in Note 10.2 "Property, plant and equipment."

NBV *(in € millions)*	01/01/2020	New contracts	Upward revisions to contracts	Downward revisions to contracts	Depreciation and amortization expense	Foreign currency translation adjustments	31/12/2020
Land	3.5			(1.5)	(0.4)	(0.2)	1.4
Buildings	293.6	61.5	33.3	(13.4)	(67.5)	(11.5)	296.0
Machinery and equipment	7.4	2.2	1.5	(0.1)	(2.9)	(0.3)	7.8
Other property, plant and equipment	24.3	8.2	11.2	(2.0)	(14.7)	(0.8)	26.2
TOTAL	**328.8**	**71.9**	**45.9**	**(17.0)**	**(85.5)**	**(12.8)**	**331.4**

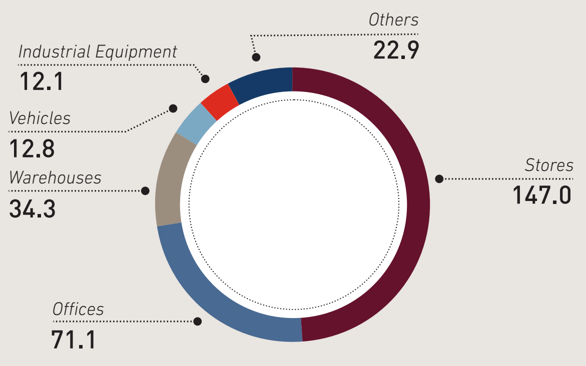
These amounts are included in Note 10.2 "Property, plant and equipment."

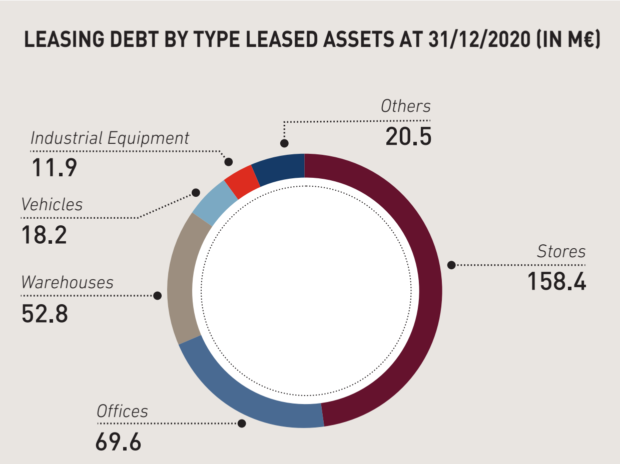
BREAKDOWN BY TYPE OF ASSET

LEASING DEBT BY TYPE LEASED ASSETS AT 30/06/2021 (IN M€)



LEASING DEBT BY TYPE LEASED ASSETS AT 30/06/2020 (IN M€)





Note 11.2 Change in lease liabilities

CHANGE IN LEASE LIABILITIES OVER THE 2021 PERIOD

(in € millions)	01/01/2021	New leases and lease amendments	Repayment	Financial expenses	Foreign currency translation adjustments	30/06/2021
Lease liabilities	338.9	32.7	(46.7)	6.2	1.5	332.6

CHANGE IN LEASE LIABILITIES AT END JUNE 2020

(in € millions)	01/01/2020	New leases and lease amendments	Repayment	Financial expenses	Foreign currency translation adjustments	30/06/2020
Lease liabilities	333.7	22.7	(48.2)	6.3	(8.0)	306.5

CHANGE IN LEASE LIABILITIES AT END DECEMBER 2020

(in € millions)	01/01/2020	New leases and lease amendments	Repayment	Financial expenses	Foreign currency translation adjustments	31/12/2020
Lease liabilities	333.7	100.8	(94.7)	12.5	(13.4)	338.9

The short-term portion of the lease liabilities amounted to €74.5 million as at 30 June 2021 compared with €62.8 million at 30 June 2020 and €70.8 million at 31 December 2020.

NOTE 12. INVESTMENTS AND OTHER FINANCIAL ASSETS

(in € millions)	30/06/2021	30/06/2020	31/12/2020
OTHER INVESTMENTS	**120.7**	**87.0**	**108.0**
OTHER NON-CURRENT FINANCIAL ASSETS	**15.9**	**19.0**	**15.9**
Financial investments	648.8	45.4	622.5
Bank Acceptance Draft in China	34.7		40.2
Other current financial assets	2.5	2.0	2.0
FINANCIAL INVESTMENTS AND OTHER CURRENT FINANCIAL ASSETS	**686.0**	**47.4**	**664.7**

Other investments

The "Other investments" line on the balance sheet mainly includes non-controlling interests in various entities and investments in non-consolidated entities because they are not material to the Group. As at 30 June 2021, this line includes the acquisition of an additional holding in the Angell project for €3.2 million.

In accordance with IFRS9, the non-consolidated investments and securities should be booked at Fair Value. The Group decided to book the change is fair value in Other Comprehensive Income without any reclassification to profit or loss, even if the event of disposal. The change in fair value of these investments amounted to €6.1 million at 30 June 2021 compared with €12.2 million at 30 June 2020 and €26.5 million at 31 December 2020.

Financial investments

These short-term financial investments with a maturity of more than three months at the date of subscription amounted to €648.8 million as at 30 June 2021 (all at SEB SA), compared with €622.5 million as at 31 December 2020 (of which €14.4 million in China) and €5.2 million as of 30 June 2020 (all in China).

Bank acceptance drafts

Bank Acceptance Drafts issued by Chinese senior banks and received in settlement of trade receivables were previously classified under the Group's accounts receivable. As at 31 December 2020, these Bank Acceptance Drafts have been reassigned under "Other investments and other financial assets." These assets with a maturity of less than one year amounted to €34.7 million at 30 June 2021, compared with €40.2 million at 31 December 2020.

Bank Acceptance Drafts recorded within trade receivables at 30 June 2020 amounted to €99.7 million.

NOTE 13. OTHER RECEIVABLES AND NON-CURRENT ASSETS

(in € millions)	30/06/2021	30/06/2020	31/12/2020
Non-current prepaid expenses	0.2	0.1	0.8
Non-current prepaid and recoverable taxes and other receivables *	54.5	48.1	46.4
OTHER NON-CURRENT ASSETS	**54.7**	**48.2**	**47.2**
Current prepaid expenses	15.2	15.2	12.3
Advances paid	82.0	47.1	55.3
Current prepaid and recoverable taxes and other receivables *	90.8	73.6	93.0
OTHER CURRENT RECEIVABLES	**188.0**	**135.9**	**160.6**

* *Including VAT claims amounting to €111.4 million as at 30 June 2021 (€94.2 million as at 30 June 2020 and €122.6 million as at 31 December 2020).*

Non-current tax assets include the PIS CONFINS receivable in Brazil in the amount of €42 million as at 30 June 2021 (€43 million as at 30 June 2020 and €39 million as at 31 December 2020) (see Note 3).

NOTE 14. TREASURY STOCK

As at 30 June 2021, the share capital consisted of 55,337,770 shares each with a par value of €1, following the share capital increase resulting from the bonus share issue approved by the Board of Directors on 23 February 2021 (see Note 3).

The Group holds 202,627 treasury shares, acquired at an average price of €150.57 per share (140,622 shares at 30 June 2020 and 145,328 shares at 31 December 2020, acquired at an average price of €133.69 and €135.20, respectively).

The number of treasury shares held changed as follows:

(in number of shares)	Transactions First half of 2021 6 months	First half of 2020 6 months	Full year 2020 12 months
SHARES HELD IN TREASURY AT OPENING	**145,328**	**362,443**	**362,443**
Purchases	***306,183***	***108,814***	***127,404***
Buyback plan	248,950		4,100
Liquidity contracts	57,233	108,814	123,304
Sales	***(248,884)***	***(330,635)***	***(344,519)***
Disposals	(56,054)	(113,788)	(127,502)
Shares allocated on exercise of stock options, and under performance share and employee share ownership plans	(192,830)	(216,847)	(217,017)
Shares canceled during the period			
SHARES HELD IN TREASURY AT CLOSING	**202,627**	**140,622**	**145,328**

(in € millions)	Transactions First half of 2021 6 months	First half of 2020 6 months	Full year 2020 12 months
SHARES HELD IN TREASURY AT OPENING	**19.6**	**52.8**	**52.8**
Purchases	***44.1***	***13.1***	***15.8***
Buyback plan	35.4		0.6
Liquidity contracts	8.7	13.1	15.2
Sales	***(33.3)***	***(47.7)***	***(49.0)***
Disposals	(8.7)	(13.8)	(15.7)
Shares allocated on exercise of stock options, and under performance share and employee share ownership plans	(24.6)	(33.3)	(33.3)
Shares canceled during the period			
SHARES HELD IN TREASURY AT CLOSING	**30.5**	**18.8**	**19.6**

As a reminder, the Group set up collars on treasury shares in 2019 to cover its performance share and employee share ownership plans. These collars are broken down into call options classified as equity instruments and put options (treated in parallel for an identical amount), classified as financial instruments.

Put options, which are an integral part of the Group's borrowings, are presented in the table below:

Put options	Transactions First half of 2021 6 months	First half of 2020 6 months	Full year 2020 12 months
Number of shares *	282,920	187,200	257,200
Amount (in € millions)	5.0	3.6	5.0
Change in fair value impacting financial result (in € millions)	2.2	0.8	2.1

* *The change in the number of shares in 2021 reflects the share capital increase of 3 March 2021 (see Note 3).*

NOTE 15. EMPLOYEE BENEFITS

On 30 June 2021, the Group updated the discount rate used to calculate pension liabilities in France and Germany, as these two countries represent more than 90% of the Group's total commitment. The rate used as of 30 June 2021 for these two countries is 0.85% instead of 0.35% at 31 December 2020. This rate increase results in a decrease in pension provisions of €28.4 million as at 30 June 2021.

NOTE 16. SHORT-TERM AND LONG-TERM PROVISIONS

	30/06/2021		30/06/2020		31/12/2020	
(in € millions)	non-current	current	non-current	current	non-current	current
Pension and other post-employment benefit obligations	272.1	20.7	286.3	22.2	302.2	20.3
Product warranties	10.0	41.9	7	36.6	7.4	37.6
Claims and litigation and other contingencies	43.9	19.9	43.4	16	44.2	17.8
Restructuring provision	2.1	53.3	3.7	31.3	2.1	47.2
TOTAL	**328.1**	**135.7**	**340.4**	**106.1**	**355.9**	**122.9**

Provisions are classified as short-term or long-term according to whether the obligation is expected to be settled within or beyond one year.

Provision movements (other than for pensions and other post-employment benefit obligations) were as follows:

(in € millions)	01/01/2021	Additions	Reversal amounts not used	Utilizations	Other movements *	30/06/2021
Product warranties	45.0	19.8	(4.1)	(9.1)	0.3	51.9
Claims and litigation and other contingencies	62.0	7.2	(3.3)	(2.4)	0.3	63.8
Restructuring provision	49.3	30.8	(1.0)	(24.2)	0.6	55.4
TOTAL	**156.3**	**57.8**	**(8.4)**	**(35.8)**	**1.2**	**171.1**

* *"Other movements" include foreign currency translation adjustments and the effect of changes in the scope of consolidation.*

(in € millions)	01/01/2020	Additions	Reversal amounts not used	Utilizations	Other movements *	30/06/2020
Product warranties	46.2	7.4	(0.9)	(10.8)	1.8	43.6
Claims and litigation and other contingencies	61.0	2.4	(0.9)	(3.2)	0.0	59.3
Restructuring provision	31.6	16.9	(0.2)	(12.5)	(0.8)	35.0
TOTAL	**138.8**	**26.7**	**(2.0)**	**(26.5)**	**1.1**	**138.0**

* *"Other movements" include foreign currency translation adjustments and the effect of changes in the scope of consolidation.*

(in € millions)	01/01/2020	Additions	Reversal amounts not used	Utilizations	Other movements *	31/12/2020
Product warranties	46.2	14.3	(1.4)	(15.3)	1.2	45.0
Claims and litigation and other contingencies	61.0	12.9	(5.5)	(5.7)	(0.8)	62.0
Restructuring provision	31.6	44.3	(2.2)	(21.9)	(2.4)	49.3
TOTAL	**138.8**	**71.5**	**(9.1)**	**(42.9)**	**(2.0)**	**156.3**

* *"Other movements" include foreign currency translation adjustments and the effect of changes in the scope of consolidation.*

The restructuring provision mainly relates to the costs of closing the Erbach plant for €23 million and the Shanghai plant for €5 million. It also includes residual expenses of €23 million relating to the various WMF reorganization plans.

The breakdown of this provision for restructuring is as follows:

(in € millions)	30/06/2021	30/06/2020	31/12/2020
Severance costs	52.0	33.9	48.7
Site closure costs	3.4	1.1	0.6
TOTAL	**55.4**	**35**	**49.3**

NOTE 17. NET DEBT

(in € millions)	30/06/2021	30/06/2020	31/12/2020
Bonds	1,495.6	1,647.9	1,494.7
Bank borrowings		4.1	
IFRS 16 debt	258.1	243.7	268.1
Negotiable European Medium Term Note (NEU MTN)	195.0	100.5	125.0
Other debt (including private placements)	395.0	625.2	385.4
Nondiscretionary profit-sharing	9.1	16.8	12.6
LONG-TERM BORROWINGS	**2,352.8**	**2,638.2**	**2,285.8**
Bonds	155.5		155.9
Bank borrowings	5.6	7.2	8.1
IFRS 16 debt	74.5	62.8	70.8
Negotiable European Medium Term Note (NEU MTN) and Negotiable European Commercial Paper (NEU CP)	877.0	1,115.5	1,087.9
Current portion of long-term borrowings [(a)]	502.2	52.8	349.5
SHORT-TERM BORROWINGS	**1,614.8**	**1,238.3**	**1,672.2**
TOTAL BORROWINGS	**3,967.5**	**3,876.5**	**3,958.0**
Cash and cash equivalents, net [(b)]	(1,437.7)	(1,746.3)	(1,769.4)
Other short-term investments [(c)]	(683.5)	(45.4)	(662.7)
Derivative instruments (net) [(d)]	4.0	(0.2)	(7.9)
NET DEBT	**1,850.3**	**2,084.6**	**1,518.0**

(a) Including €122 million in BAD issued by Supor and passed on to its suppliers, and €276.5 million in Schuldschein.
(b) Including €518 million in China, versus €440 million at 30 June 2020 and €598 million as at 31 December 2020.
(c) Excluding bonds and guarantees.
(d) Excluding derivative financial instruments relating to commercial activities.

Net debt corresponds to total long-term and short-term borrowings less cash and cash equivalents, other current financial assets and derivative instruments used for Group financing. It also includes financial debt arising from the application of IFRS 16 "Leases" as well as any short-term financial investments with no risk of significant change in value but whose maturity on the subscription date is longer than three months. It should be noted that since January 2021, Supor has issued Bank Acceptance Drafts that are passed on to its suppliers.

NOTE 18. FAIR VALUE OF FINANCIAL INSTRUMENTS

Note 18.1. Financial instruments

Financial assets consist of shares in subsidiaries and affiliates as well as operating receivables (excluding tax and social security claims), debt securities and other cash equivalents classified as current assets.

The fair value of trade and other receivables is equivalent to their carrying amount, in view of their short maturities.

Non-current financial assets consist mainly of investments in non-consolidated companies, certain receivables related to those investments and receivables due beyond one year. In accordance with IFRS 9, these non-current financial assets are recognized at fair value in other items of comprehensive income without subsequent reclassification to profit or loss, even in the event of disposal. The non-current financial assets for which the management model is to collect contractual cash flows are booked at amortized costs.

Financial liabilities include borrowings and other financing, including bank overdrafts, and operating liabilities (excluding accrued taxes and social security claims).

Borrowings that are not quoted in an active market are measured by the discounted cash flow method, applied separately to each individual facility, based on market rates observed at the period end for similar facilities and the average spread obtained by the Group for its own issues. The financial derivatives portfolio of the group to hedge the risk is mainly composed by Foreign Exchange Forwards, options strategies, Interest rate swaps, Commodities swaps. The fair value of those derivatives is computed using the discounted cash flows methods with market values such as spot rates, forwards curves, Interest rate curves, aluminum, copper, nickel and plastics curves.

(in € millions)	30/06/2021 Carrying amount	30/06/2021 Fair value	Fair value through profit or loss (excluding derivatives)	Fair value through other items of comprehensive income	Assets at amortized cost	Borrowings at amortized cost	Derivative instruments
ASSETS							
Other investments	110.8	110.8		110.8			
Other non-current financial assets	15.9	15.9			15.9		
Other non-current assets	3.2	3.2			3.2		
Trade receivables	785.9	785.9			785.9		
Other current receivables, excl. prepaid expenses	106.5	106.5			106.5		
Derivative instruments	84.8	84.8					84.8
Other short-term investments	686.0	686.0			686.0		
Cash and cash equivalents	1,437.7	1,437.7	1,437.7				
TOTAL FINANCIAL ASSETS	**3,230.8**	**3,230.8**	**1,437.7**	**110.8**	**1,597.5**		**84.8**
LIABILITIES							
Long-term borrowings	2,352.8	2,407.4				2,407.4	
Other non-current liabilities	3.5	3.5				3.5	
Trade payables	1,161.4	1,161.4				1,161.4	
Other current liabilities	77.0	77.0				77.0	
Derivative instruments	58.2	58.2					58.2
Short-term borrowings	1,614.8	1,622.2				1,622.2	
TOTAL FINANCIAL LIABILITIES	**5,267.7**	**5,329.7**				**5,271.5**	**58.2**

(in € millions)	30/06/2020 Carrying amount	30/06/2020 Fair value	Fair value through profit or loss (excluding derivatives)	Fair value through other items of comprehensive income	Assets at amortized cost	Borrowings at amortized cost	Derivative instruments
ASSETS							
Other investments	74.4	74.4		74.4			
Other non-current financial assets	19.0	19.0			19.0		
Other non-current assets	1.3	1.3			1.3		
Trade receivables	860.5	860.5			860.5		
Other current receivables, excl. prepaid expenses	60.1	60.1			60.1		
Derivative instruments	45.4	45.4					45.4
Other short-term investments	47.4	47.4	47.4				
Cash and cash equivalents	1,746.3	1,746.3	1,746.3				
TOTAL FINANCIAL ASSETS	**2,854.4**	**2,854.4**	**1,793.7**	**74.4**	**940.9**		**45.4**
LIABILITIES							
Long-term borrowings	2,638.2	2,680.5				2,680.5	
Other non-current liabilities	1.6	1.6				1.6	
Trade payables	853.2	853.2				853.2	
Other current liabilities	118.8	118.8				118.8	
Derivative instruments	36.2	36.2					36.2
Short-term borrowings	1,238.4	1,238.4				1,238.4	
TOTAL FINANCIAL LIABILITIES	**4,886.4**	**4,928.7**				**4,892.5**	**36.2**

Note 18.2. Information on financial assets and liabilities recognized at fair value

In accordance with the amended IFRS 7, fair value measurements are classified using the following fair value hierarchy:

- Level 1: instrument quoted in active markets;
- Level 2: valuation techniques for which all significant inputs are based on observable market data;
- Level 3: valuation techniques for which any significant input is not based on observable market data.

	30/06/2021			
(in € millions)	Total	Level 1	Level 2	Level 3
ASSETS				
Other investments	110.8		110.8	
Derivative instruments	84.8		84.8	
Cash and cash equivalents	1,437.7	1,437.7		
TOTAL FINANCIAL ASSETS MEASURED AT FAIR VALUE	**1,633.3**	**1,437.7**	**195.6**	
LIABILITIES				
Derivative instruments	58.2		58.2	
TOTAL FINANCIAL LIABILITIES MEASURED AT FAIR VALUE	**58.2**		**58.2**	

	30/06/2020			
(in € millions)	Total	Level 1	Level 2	Level 3
ASSETS				
Other investments	74.4		74.4	
Derivative instruments	45.4		45.4	
Other short-term investments	47.4	47.4		
Cash and cash equivalents	1,746.3	1,746.3		
TOTAL FINANCIAL ASSETS MEASURED AT FAIR VALUE	**1,913.5**	**1,793.7**	**119.8**	
LIABILITIES				
Derivative instruments	36.2		36.2	
TOTAL FINANCIAL LIABILITIES MEASURED AT FAIR VALUE	**36.2**		**36.2**	

The portfolio of derivative instruments used by the Group to manage risk mainly includes forward purchases and sales of foreign currencies, option strategies, interest rate swaps, currency swaps and commodity swaps. These instruments are classified as Level 2, as their fair value is calculated using internal valuation models based on observable data.

Note 18.3. Credit risk

As at 30 June 2021, trade receivables broke down as follows based on their age:

	30/06/2021				
		Past due			
(in € millions)	Current	0 –90 days	91–180 days	Over 181 days	Total
Net trade receivables	625.0	129.3	19.6	12.0	785.9

	30/06/2020				
		Past due			
(in € millions)	Current	0 –90 days	91–180 days	Over 181 days	Total
Net trade receivables	646.7	138.1	37.9	37.8	860.5

	31/12/2020				
		Past due			
(in € millions)	Current	0 –90 days	91–180 days	Over 181 days	Total
Net trade receivables	797.2	139.6	12.8	15.8	965.4

The Group's credit risk management policy remains unchanged.

NOTE 19. RELATED PARTY TRANSACTIONS

No material transactions with related parties took place during the period and there were no changes in the nature of transactions as described in Note 30 to the 2020 Universal Registration Document.

NOTE 20. POST-BALANCE SHEET EVENTS

Subject to the absence of third-party appeals and the non-opposition of the Prefecture to the building permit by 30 September 2021 at the latest, the Group has undertaken to acquire a plot of land in Bully (Pas de Calais) and to build a logistics warehouse there for a total amount of €61 million.

At the date on which these financial statements were approved by the Board of Directors, on 22 July 2021, no material event had occurred.

Statutory Auditors' Review Report on the Half-yearly Financial Information

For the period from 1 January to 30 June 2021

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders of SEB S.A.,

In compliance with the assignment entrusted to us by the general meeting of shareholders and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of SEB S.A., for the period from 1 January to 30 June 2021,
- the verification of the information presented in the half-yearly management report.

Due to the global crisis related to the Covid-19 pandemic, the condensed half-yearly consolidated financial statements have been prepared and reviewed under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of our review procedures.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I - CONCLUSION ON THE FINANCIAL STATEMENTS

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

II - SPECIFIC VERIFICATION

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris La Défense, 26 July 2021

The Statutory Auditors

KPMG Audit	Deloitte & Associés	
KPMG S.A. department		
Eric ROPERT	Frédéric MOULIN	Patrice CHOQUET

Statement by the person responsible for the Interim Financial Report

I hereby certify that, to my knowledge,

- the condensed financial statements for the six months ended have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the company and of those companies within the scope of consolidation;
- the interim management report includes a fair review of the significant events of the past six months, their impact on the Interim financial statements and the main related party transactions for the period, as well as a description of the main risks and uncertainties in the second half of the year.

Écully, 30 July 2021

Chairman and CEO

Thierry de La Tour d'Artaise

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Thank you!

to our 33,000 employees,
to our customers,
to our consumers and
to our stakeholders
who have supported
and helped us going
through this so special year.

2021

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