WMF ACQUISITION
Strengthening Groupe SEB’s leadership and adding a new growth platform

May 24, 2016
Groupe SEB and WMF: common roots and aligned missions

Württembergische Metallwarenfabrik
1853

Société d’Emboutissage de Bourgogne
1857
Strengthening Groupe SEB’s global leadership and adding a new growth platform

- Acquiring solid leadership position in highly attractive professional coffee market
- Becoming undisputable leader in cookware market in Germany
- Accelerating development in kitchenware
- Significantly enriching brand portfolio
- Getting access to 200 own-retail shops
Summary

1. WMF at a glance
2. Professional coffee machines: a new growth platform
3. Consumer (SDE): key positions in the German market
4. Hotel Equipment: an adjacent business
5. Transaction terms, proforma financials
6. Q&A
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WMF Key figures

Sales

€1,060m

Adjusted EBITDA

€118m, 11.1%

Employees

5,700

Global leadership in Professional Coffee Machines

- Installed base of > 200,000 machines
- 28 % market share

Strong leadership in Cookware in Germany

- 20 % market share
Breakdown of Sales by business

2015 Sales
€ 1,060m

Professional Coffee Machines 37%
Consumer 56%
Hotel Equipment 7%
A Group organized around 3 divisions…

**Professional Coffee Machines**
- **Sales 2015:** €395m (37% of sales)
- Fully automatic professional coffee machines
- Global #1 market position
- Supported by own and distributor sales as well as service networks

**Consumer**
- **Sales 2015:** €590m (56% of sales)
- Premium table- & kitchenware + small domestic appliances
- #1 ranking in cookware in DACH
- Sold via retail partners, own stores

**Hotel Equipment**
- **Sales 2015:** €75m (7% of sales)
- Premium tabletop equipment for hotels, restaurants and cruise ships
- #1 market position in DACH and global leader in the luxury segment
- Supported by own and distributor channels
Breakdown of Sales by geography

- **Mature countries 88%**
  - Germany 51%
  - Austria 6%
  - Switzerland 4%

- **Emerging countries 12%**
  - North America 6%
  - China 5%
  - Rest of APAC 9%

- **Rest of World 6%**
  - Rest of WE 13%
  - Rest of World 6%

2015 Sales €1,060m
Proven track-record of product innovation

Registered patents – Coffee machines

- 1980-2009
- 2010-present

Products protected by more than 150 patents

Leading innovations

Professional Coffee Machines

- Dynamic Milk
- Remote Data Access

Cookware

- Cold technology
- Plug & Clean
- NATURamic
Strong in-house manufacturing base

In-house manufacturing
- Coffee machines: 100%
- Consumer products: 40%

8 plants

Europe
- Domazlice
- Geislingen
- Riedlingen
- Diez
- Hayingen
- Zuchwil

Asia
- Heshan
- Bangalore
WMF: an iconic brand in Germany

Ranking # 5
for the quality of branded products as perceived by German consumers

Ranking # 1
German consumers' favourite kitchenware, home appliance and furnishing brand

Source: Deutschland Test Market Research 2014-15 - WMF
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Professional Coffee Machines

A new growth platform
A strong leader in a highly attractive market

**Strong market fundamentals**
- Global market ➔ €1.5bn
- High and consistent growth: around 8% p.a
- Top 4 players ➔ 65% market share
- Significant growth opportunities to capture ➔ Rising out-of-home premium coffee consumption (US, China etc…)

**High barriers to entry**
- Technology (R&D, patents, quality)
- Powerful brands
- Owned service network
- In-house manufacturing base ➔ Strong expertise

**Strong quality business model**
- >1/3 of sales ➔ Recurring revenues
- Strong pricing power
- High profitability

WMF, the global leader in professional coffee market ➔ 28% market share ➔ Way ahead of #2: relative market share at 1.9 x
Double-digit growth with a high proportion of service revenues

Evolution of WMF sales in PCM*

(€m)

- 2013: 324
- 2014: 349
- 2015: 395

+10.4% CAGR

- Installed base of >200,000 machines
- Extensive service network
  - Sizeable recurring revenues
- Largest company-owned service network within the industry
  - Approx. 500 trained and certified technicians

*Professional Coffee Machines
A global presence

Sales by geography

2015 Sales
€ 395m

Germany 33%

West. Europe 23%

APAC 16%

North America 9%

Austria 4%

Switzerland 5%

Other 8%

China 2%

Other 8%

Germany 33%

West. Europe 23%

APAC 16%

North America 9%

Austria 4%

Switzerland 5%

Other 8%

China 2%
Diverse, international customer base

Professional coffee machines product range

Largest clients each accounting for less than 5% of total sales

<table>
<thead>
<tr>
<th>Convenience store</th>
<th>Convenience store</th>
<th>Chain restaurant</th>
<th>Chain restaurant</th>
<th>Convenience store</th>
</tr>
</thead>
<tbody>
<tr>
<td>schaerer</td>
<td>schaerer</td>
<td>WMF</td>
<td>WMF</td>
<td>WMF</td>
</tr>
<tr>
<td>Client since 2009</td>
<td>Client since 2009</td>
<td>Client since 2003</td>
<td>Client since 2001</td>
<td>Client since 2012</td>
</tr>
</tbody>
</table>
A complete range of products

Professional coffee machines product range

Bean to cup coffee machines

<table>
<thead>
<tr>
<th>Machine</th>
<th>Quantity/hour</th>
</tr>
</thead>
<tbody>
<tr>
<td>Espresso</td>
<td>300</td>
</tr>
<tr>
<td>8000 S</td>
<td>350</td>
</tr>
<tr>
<td>5000 S</td>
<td>250</td>
</tr>
<tr>
<td>1500 S</td>
<td>180</td>
</tr>
<tr>
<td>1200 S</td>
<td>100</td>
</tr>
</tbody>
</table>

Filter coffee machines

<table>
<thead>
<tr>
<th>Machine</th>
<th>Quantity/hour</th>
</tr>
</thead>
<tbody>
<tr>
<td>CombiNation F</td>
<td>500</td>
</tr>
<tr>
<td>1200 F</td>
<td>180</td>
</tr>
</tbody>
</table>

Bean to cup coffee machines

<table>
<thead>
<tr>
<th>Machine</th>
<th>Quantity/hour</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coffee Quattro</td>
<td>350</td>
</tr>
<tr>
<td>Coffee Art Plus</td>
<td>350</td>
</tr>
<tr>
<td>Coffee Soul</td>
<td>100</td>
</tr>
<tr>
<td>Coffee Vito</td>
<td>100</td>
</tr>
<tr>
<td>Coffee Prime</td>
<td>60-100</td>
</tr>
<tr>
<td>Coffee Joy</td>
<td>30-50</td>
</tr>
</tbody>
</table>

Filter coffee machine

<table>
<thead>
<tr>
<th>Machine</th>
<th>Quantity/hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coffee Prime Brew</td>
<td>30 litres</td>
</tr>
</tbody>
</table>

Price ranging from €3,000 to > €10,000
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Germany to become our #3 market in SDE

2015 Sales (€m)

Groupe SEB

WMF

SEB

Groupe SEB pro-forma

242

614

WMF
Consumer business breakdown by geography and product category

590m€ sales in 2015

Sales by geography

- Germany: 63%
- Other: 5%
- APAC: 5%
- China: 6%
- North America: 4%
- Switzerland: 3%
- Austria: 7%
- West Europe: 7%
- Other: 5%

Sales by product category

- Cookware: 41%
- Bakeware: 7%
- Small domestic appliances: 10%
- Dining & drinking: 26%
- Kitchenware: 16%

590m€ sales in 2015
Cookware

#1 position in the German market
Strengthening our global leadership in cookware

**Highly complementary businesses in Germany**

- Premium segment / Stainless steel
- Pots
- Kitchenware, including knives

**Significant potential to improve performance**

- Improve productivity through manufacturing excellence
- Purchasing / sourcing savings
- Scale effects (optimization of logistics and commercial costs)

**Development opportunities to be explored**

- Leverage WMF brands and products accross geographies

**Improves WMF consumer business up to Groupe SEB profitability standards**
4 main segments with strong competitive positions in DACH

<table>
<thead>
<tr>
<th>Segment</th>
<th>2015 MS in DACH</th>
<th>Ranking</th>
<th>Main products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cookware</td>
<td>21%</td>
<td>#1</td>
<td>Pans</td>
</tr>
<tr>
<td>Kitchenware</td>
<td>10%</td>
<td>#3</td>
<td>Pots</td>
</tr>
<tr>
<td>Bakeware</td>
<td>28%</td>
<td>#2</td>
<td>Pressure cookers</td>
</tr>
<tr>
<td>Dining &amp; Drinking</td>
<td>38%</td>
<td>#1</td>
<td>Kitchen knives</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Kitchen gadgets</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Baking pans</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Accessories</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Cutlery</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Dinnerware</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Beverageware</td>
</tr>
</tbody>
</table>
A new dimension for SEB in Kitchenware, Bakeware and Ovenware

2015 proforma sales (€m)

<table>
<thead>
<tr>
<th></th>
<th>Kitchenware (inc. Thermos)</th>
<th>Bakeware / Ovenware</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEB</td>
<td>116</td>
<td>72</td>
</tr>
<tr>
<td>WMF</td>
<td>92</td>
<td>41</td>
</tr>
<tr>
<td>EMSA</td>
<td>75</td>
<td>31</td>
</tr>
</tbody>
</table>

- Significant increment of sales for Groupe SEB
- State-of-the-art products range

Conso. Global rank

#4  #2
Three well-established brands

**WMF**
- **2015 sales / % BU**: €443m / 75%
- **Geographic reach**: Global premium brand
- **Type of products**: Table and kitchenware

**Silit**
- **2015 sales / % BU**: €66m / 11%
- **Geographic reach**: Germany, Austria, Switzerland
- **Type of products**: Silargan® cookware

**Kaiser**
- **2015 sales / % BU**: €41m / 7%
- **Geographic reach**:
- **Type of products**: Bakeware
A strong opportunity to grow in the premium segment
A young though dynamic business

WMF Market shares
Germany

Blenders: 18%
Kettles: 13%
Toasters: 12%
A diversified distribution in DACH

**WMF channel mix in DACH (2015)**

- **Own stores**: 25%
- **Independent stores**: 15%
- **Furniture stores**: 16%
- **Department stores**: 11%
- **Grocery retailers**: 13%
- **Non-store retail**: 2%
- **Online**: 12%
- **Other**: 6%

(1) DACH: Germany, Austria and Switzerland
200 company-owned stores in DACH
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Hotel Equipment

An adjacent business
Hotel equipment business overview

- #1 market position in DACH and global leader in the luxury segment
- Offers brand visibility in high-end hotels

Complementary business for the Group

Sales by geography (2015)
- Germany: 48%
- Other: 15%
- APAC: 8%
- China: 8%
- North America: 4%
- West. Europe: 7%
- Switzerland: 4%
- Austria: 6%

Sales by channel (2015)
- Direct sales: 59%
- Distributor sales: 41%
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Transaction key financials (1/2)

- €1,585m transaction value
  - € 565m net financial debt
  - € 1,020m purchase price
- Assumption of € 125m of retirement liabilities
- Closing expected H2 2016
Transaction key financials (2/2)

- Estimated adjusted 2016 EBITDA of €140m


- Peak proforma Net debt / Adjusted EBITDA below 3 X
  - Objective ➔ Below 2 X at year-end 2018

- EPS accretion above 20 %
Groupe SEB 2015 combined financials (proforma)

- Combined sales of 5.8bn€ and Adjusted EBITDA €651m ➔ 11.2% margin
- Pro-forma 2015 ORfA at €519m
Strong confidence in successful integration

- Groupe SEB expertise in Small Domestic Equipment
- Groupe SEB capability to manage diversified brand and product portfolio
- Experienced WMF teams in professional coffee machines
- Common culture focused on passion for the product and operational excellence
- Groupe SEB proven integration know-how
A strategic deal and a great step forward

- Strengthen Groupe SEB’s global leadership in Small Domestic Equipment
- Build a strong position in Germany
- Add a new growth platform through professional coffee
- A strongly accretive and value enhancing deal…
- … Preserving a sound financial situation
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