First-quarter 2020 Sales and financial data

A START TO THE YEAR
MARKED BY THE IMPACTS OF COVID-19

- Sales: €1,454m, -15.6% as reported and -16.5% LFL*
- Operating Result from Activity: €18m, vs. €138m in Q1 2019
- Net financial debt: €1,840m, vs. €1,997m at 31/12/2019

GENERAL COMMENTS ON GROUP SALES

Against a backdrop of an unprecedented global health and economic crisis, Groupe SEB sales in first-quarter 2020 came out at €1,454 million, down 15.6%, including a 16.5% like-for-like contraction (-€284 million), a currency effect of +0.1% (+€3 million) and a scope effect of +0.8% (+€13 million; Wilbur Curtis for one month and Krampouz for three). This substantial and unseen decrease in turnover can be attributed to:

- the Consumer business, down 17.3% LFL, stemming mainly from China, impacted as of January by the effects of the COVID-19 epidemic;
- the Professional business, down 9.7% LFL, against demanding 2019 comparatives.

In both cases, the downturn in our sales is closely related to government confinement measures and the restricted movement of people, as well as the closure of non-food stores in most countries. While e-commerce helped softening somewhat the impact, it was however constrained by sanitary limitations, by priority given to essential products and logistical issues.

* Like-for-like: at constant exchange rates and scope of consolidation.
Statement of Thierry de La Tour d’Artaise, Chairman and Chief Executive Officer of Groupe SEB:

“The entire world is currently facing an economic and health crisis with unprecedented and large-scale consequences. Our number-one objective has been and remains to safeguard the health and safety of our teams. Our second priority has been to satisfy our customers and partners by ensuring service continuity.

The commitment of our employees has been outstanding in this respect, and I would like to express to them my pride and gratitude. Our teams have also deployed their energy and expertise to contribute to the fight against the pandemic. They mobilized to study the design and manufacture of respirators, the distribution of masks to hospitals, and the production of hand sanitizer.

We made a positive start to the first quarter around the world, apart from in China, already impacted by the crisis. At the end of the quarter, most countries introduced confinement measures, while China was on its way to a recovery.

Today, we are preparing for recovery with the authorities of the countries in which we operate, the aim being for the Group to resume activity at its sites in the best possible conditions and as soon as possible. Given today’s economic and health environment, the second quarter will also be considerably impacted by the crisis.

We have protected the solidity of our cash situation and our balance sheet. We quickly took measures to adapt in order to limit as much as possible the impacts on our results without hampering the long term. As the situation evolves, we will be able to assess the full economic impact of the crisis, which will be substantial.

Groupe SEB is grounded on a solid and well-balanced business model, one that enables it to look to the future serenely and prepare for the post-crisis period.”

DETAIL OF REVENUE BY REGION

<table>
<thead>
<tr>
<th>Revenue in €M</th>
<th>First-quarter 2019</th>
<th>First-quarter 2020</th>
<th>Change 2020/2019</th>
<th>Q1 2019 Like-for-like</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>As reported</td>
<td>Like-for-like*</td>
</tr>
<tr>
<td>EMEA</td>
<td>711</td>
<td>641</td>
<td>-9.9%</td>
<td>-10.4%</td>
</tr>
<tr>
<td>Western Europe</td>
<td>519</td>
<td>443</td>
<td>-14.6%</td>
<td>-14.7%</td>
</tr>
<tr>
<td>Other countries</td>
<td>192</td>
<td>198</td>
<td>+2.6%</td>
<td>+1.0%</td>
</tr>
<tr>
<td>AMERICAS</td>
<td>169</td>
<td>149</td>
<td>-11.7%</td>
<td>-8.6%</td>
</tr>
<tr>
<td>North America</td>
<td>103</td>
<td>97</td>
<td>-5.2%</td>
<td>-7.2%</td>
</tr>
<tr>
<td>South America</td>
<td>66</td>
<td>52</td>
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<td>-10.9%</td>
</tr>
<tr>
<td>ASIA</td>
<td>659</td>
<td>482</td>
<td>-26.8%</td>
<td>-26.9%</td>
</tr>
<tr>
<td>China</td>
<td>541</td>
<td>365</td>
<td>-32.6%</td>
<td>-32.4%</td>
</tr>
<tr>
<td>Other countries</td>
<td>118</td>
<td>117</td>
<td>-0.2%</td>
<td>-1.5%</td>
</tr>
<tr>
<td>TOTAL Consumer</td>
<td>1,539</td>
<td>1,272</td>
<td>-17.4%</td>
<td>-17.3%</td>
</tr>
<tr>
<td>Professional business</td>
<td>183</td>
<td>182</td>
<td>-0.7%</td>
<td>-9.7%</td>
</tr>
<tr>
<td>GROUPE SEB</td>
<td>1,722</td>
<td>1,454</td>
<td>-15.6%</td>
<td>-16.5%</td>
</tr>
</tbody>
</table>

* Like-for-like: at constant exchange rates and scope  Rounded figures in €m  % calculated in non-rounded figures
COMMENTS ON CONSUMER SALES BY REGION

<table>
<thead>
<tr>
<th>Revenue in €M</th>
<th>First-quarter 2019</th>
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<th>Q1 2019 LFL</th>
</tr>
</thead>
<tbody>
<tr>
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<td>711</td>
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<td>-9.9%</td>
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</tr>
<tr>
<td>Western Europe</td>
<td>519</td>
<td>443</td>
<td>-14.6%</td>
<td>+3.0%</td>
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<tr>
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<td>192</td>
<td>198</td>
<td>+2.6%</td>
<td>+6.9%</td>
</tr>
</tbody>
</table>

WESTERN EUROPE

The rapid spread of the COVID-19 epidemic across Europe impacted business in all markets, the scale varying according to when confinement measures were introduced and stores were closed. Group turnover fell by nearly 15% like-for-like in the first quarter, owing primarily to the decline in physical distribution sales, with most stores having been closed since mid-March.

In France, after a positive start to the year, the small electrical appliance market dipped in March as a result of confinement measures and store closures (except food). Group sales decreased by nearly 8% in the first quarter, the downturn concerning almost all product categories, with the exception of automatic espresso machines and air purifiers. However, cookware sales saw sustained growth, driven notably by a loyalty program.

In Germany, the decrease in sales in the first quarter was mainly the result of unfavorable comparatives (a major loyalty program and the impacts of bringing the sales practices of Groupe SEB Deutschland into compliance with the Group’s principles). Ordinary activity continued to trend positively but was impacted in March by the closure of specialists’ retailers and our WMF retail stores.

In Italy, affected at an early stage by the epidemic, our sales contracted sharply, relative to a strong first-quarter in 2019 due to a loyalty program. The Netherlands were also affected by demanding comparatives. Elsewhere in Europe, Spain was one of the most heavily impacted countries.

Sales were down across almost all product categories, but some appliances held up better than others, including breadmaking machines and garment steamers.

OTHER EMEA COUNTRIES

Sales increased slightly on an organic basis in first-quarter 2020. Excluding the effect of the non-repeat of 2019 loyalty programs, organic sales growth comes out at 7%. The extremely contrasted region was less impacted overall by the epidemic than Western Europe in the first quarter. After two months of robust growth fueled by our main growth drivers—product dynamic, partnerships with our key accounts, the continued ramp-up of e-commerce and the extension of Group Retail—business activity decreased in March as a result of the initial confinement measures and store closures. In this deteriorated economic environment, the good level of sales in the quarter is stemming from our flagship products (including Ingenio cookware and OptiGrill…) and the development of new categories (versatile vacuum cleaners, garment steamers and the IXEO ironing system).

In geographical terms, business trended positively in most of our major markets. In Russia, where confinement measures were not introduced before the end of March, sales were brisk in cookware as well as in small electrical appliances, a segment in which the Group reinforced its leadership. In Central Europe, ordinary activity excluding loyalty programs increased. While momentum slowed considerably in Poland, it remained very solid in Central Asia (particularly in Kazakhstan).

In Turkey, the health measures introduced to fight COVID-19 together with the further depreciation of the Turkish lira significantly disrupted the market, but our turnover increased considerably in the first quarter on a like-for-like basis.

Lastly, in the Middle East and Egypt, sales at end-March were up strongly in organic terms.
NORTH AMERICA

The decline of 5.2% in the reported turnover for the first quarter reflects a 7.2% drop in revenue on an organic basis and an overall positive currency effect in the region. Performances varied from one country to the other, the solid growth in Mexico failing to offset the negative trend in the United States and Canada.

In the United States, the Group achieved firm performances in January-February, driven by listing gains with certain retailers and ongoing development in e-commerce sales. Starting in March, the effects of COVID-19, which came later than in other regions, were combined with unfavorable comparatives relating to a major sales and marketing operation with a customer in 2019. The biggest impact was on cookware, even though the premium All Clad brand outperformed the market over the period. Linen care also held up well, bolstered primarily by the expanded distribution of Rowenta irons and garment steamers initiated in summer 2019.

In Canada, the less substantial presence of online players and the ongoing refocus of a major retailer customer continued to negatively impact our business activity in the first quarter.

In Mexico, however, the Group ended the quarter on solid organic sales growth, in an environment that nevertheless remains fragile. The core business is contracting, notably in cookware, but this was offset by a major loyalty program with a key account, focused mainly on fans.

SOUTH AMERICA

The Group’s quarterly sales in South America were once again marked by the rapid and major depreciations of the Brazilian real and Colombian peso since February, against a backdrop of global crisis and collapsing oil prices. Looking beyond currency aspects, business activity was impacted by the COVID-19 epidemic and the health measures implemented as of March. These weighed on consumption and retail in markets where the share of e-commerce remains limited.

Brazil, the largest market in the region, was also the hardest hit in the first quarter. Business was contrasted in January-February: fan sales were affected by unfavorable summer season and penalized by demanding comparatives in 2019; Dolce Gusto coffee machines continued to enjoy strong momentum while kitchen machines and washing machines staged a recovery. From mid-March onwards, the confinement measures and physical retail closures in the various states aimed at limiting the spread of the virus had a considerable impact on consumption and our revenue, despite the shift to online sales.

In Colombia, first quarter turnover was solidly up like-for-like, fueled in particular by fans, cookware and oil-less fryers. Demand has however been penalized by the combined negative effects of the health measures introduced to fight the epidemic and the depreciation of the Colombian peso in March.
CHINA

China was the first country to be seriously impacted by the COVID-19 epidemic, starting in mid-January in the midst of Chinese New Year celebrations. The country’s drastic confinement measures, the industrial sites shutdown and the closing of stores in most provinces—starting with Hubei—were reflected in an unprecedented decrease in consumption. Against this backdrop, the Small domestic equipment market proved overall more resilient than other industries.

Supor sales in its domestic market fell 32% LFL, featuring a sharp slump in offline sales and a more moderate drop in online sales. Moreover, activity was also considerably disrupted by logistics issues and out-of-stocks, particularly in the e-commerce. The substantial decline in revenue was primarily due to cookware while SDA business held up better. In the electrical cooking category, blenders posted an increase in revenue over the quarter. In the linen care and home cleaning segments, the downturn was slightly softer owing to demand for homecare appliances such as garment steamers or vacuum cleaners, as well as for air and water purifiers.

This critical situation was compounded by the impact of anticipated sell-in in December 2019 for the Chinese New Year, which also penalized growth in the first quarter, as anticipated.

As for manufacturing, all of our plants in China were shut down for an average of three weeks following the Chinese New Year vacation. Production resumed gradually starting on February 17 and our sites are now operating again at full capacity, including the one in Wuhan, at the epicenter of the epidemic, where production only resumed around March 20.

OTHER ASIAN COUNTRIES

In Asia excluding China, despite the early breakout of the epidemic, our first-quarter sales held up fairly firmly, but with contrasting performances from one country to the next, based on their response to the crisis.

In Japan, our sales at end-March were stable on a like-for-like basis, boosted by solid momentum in certain products, including cookware, irons and garment steamers, as well as the Cook4me multicooker. Facing the COVID-19 crisis, the authorities have not implemented mandatory confinement, but instead recommended social distancing. Hence, most of retail stores remained open, yet with store traffic sharply down and consumption massively switching to e-commerce.

In South Korea, affected at an early stage by COVID-19, the impacts on business activity became apparent as early as February. First-quarter sales fell sharply, both in cookware and small electrical appliances, despite a partial shift of consumption to e-commerce. But the management of the epidemic helped to curb its spread, with a potential gradual return to normal business activity in the second quarter.

In the other countries, our quarterly performances were mixed. Sales were down slightly in Thailand and Malaysia but up in Australia, while momentum was solid in Hong Kong (owing to a loyalty program), Taiwan and Vietnam.
COMMMENTS ON PROFESSIONAL BUSINESS ACTIVITY

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<thead>
<tr>
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<td>183</td>
<td>182</td>
<td>-0.7%</td>
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On a reported basis, sales were practically stable for the Group’s Professional business in the first quarter. Adjusted for currency effects (mainly the US dollar) and the scope effect (Wilbur Curtis for one month and Krampouz for three), turnover was down 9.7% to €182 million in organic terms.

The decline in sales LFL in the first three months of the year owed both to high comparatives in first-quarter 2019 in Professional Coffee—the result of major contracts delivered in the United States—and to the impact of COVID-19 on business activity.

After a good start in January and February, the Professional Coffee business, as well as the Hotel equipment business, were negatively impacted in March by the quarantine measures introduced in numerous countries and by the closure of the majority of customer retailers, including hotels, cafés, coffee shops, restaurants, fast-food chains and convenience stores.

Having now been introduced across the main markets of the Professional business, these measures are generating delivery delays, with no major order cancellations reported at this stage.
OPERATING RESULT FROM ACTIVITY

Operating Result from Activity (ORfA) totaled €18 million in the first quarter of 2020, significantly impacted by the effects of COVID-19 on business activity.

As a reminder, the first quarter’s ORfA, as well as the second quarter one, are not representative of the full year performance as our activity is stronger in the second half of the year, while operational costs are more evenly distributed over the year.

In this context, the significant decrease in the Operating Result from Activity at March 31, 2020 is due:
- mainly to the sharp drop in sales during the first quarter;
- to extra costs linked to the production shutdown in most of our plants, first in China, then in our other geographies and in particular in Europe.

DEBT AT MARCH 31, 2020

Net financial debt amounted to €1,840 million at March 31, 2020, compared with €1,997 million at end-December 2019. The total includes €389 million of IFRS 16 and other debt.

The €157 million decrease versus December 31, 2019 is due to an improvement in the operating working capital requirement (WCR), a result primarily of customer receivables and inventories, directly related to the dip in activity in the first quarter.

Groupe SEB highlights that it has a solid financial situation as it is based on a healthy financial structure that is well-balanced in terms of instruments and maturities and does not comprise financial covenants. It also has an undrawn syndicated credit line of €960 million, and at April 28, 2020 can rely on a total of €1 billion in cash and cash equivalents on its balance sheet.

COVID-19 ACTION PLAN

In today’s particularly critical environment, the Group’s number-one priority remains the health and safety of its employees around the world. Further priorities include maintaining service for our customers, implementing business continuity plans in the best possible safety conditions for our teams and all our partners, and preserving our liquidity.

Impacted initially in China and then in the rest of the world starting in March, the Group has been led to temporarily close over half of its plants, a large part of its retail network and most of its market companies and offices. In response to the crisis, we quickly initiated an action plan and took numerous practical measures to contain our cost base:
- Flexibilization of payroll, in accordance with labor regulations, through the implementation of short-time working, mandatory paid-leaves, the suspension of contracts and the discontinuation of temporary contracts, as well as a recruitment freeze;
- Adaptation of growth drivers to market situations;
- General reduction in non-essential expenses (travel, events, etc.);
- Renegotiation of amounts and payment schedule for the rent of our stores;
- Decrease in the compensation of senior executive officers and board members.

However, this action plan will not offset the under-absorption of some fixed costs, and notably the under activity of our industrial sites stemming from the crisis.

At the same time, the Group is conducting a rigorous policy to preserve its liquidity by adapting the management of its working capital requirement to the crisis situation. The policy is based both on special attention in maintaining the quality of relations with its suppliers and on the reinforced supervision of client receivables. Moreover, the decision taken by the Board of Directors to revise downwards by one-third the amount of dividends paid out in 2020 in respect of 2019 serves to improve cash flow situation by €43.5 million. The Group has not requested a delay in the payment of charges and taxes in France and has not taken out the state-guaranteed loan.
OUTLOOK

The situation in China is progressively improving, in an overall still highly cautious context in terms of sanitary measures. Consumption in the country is showing signs of a gradual resumption, driven primarily by e-commerce, with store footfall still contracting for now. Our seven Chinese plants have restarted activity and, following a ramp-up phase, have returned to normal production levels, including in Wuhan. In other Asian countries, the situation is generally in progress without being stabilized everywhere. In Europe, Eurasia and in the Americas, confinement measures remain widely in place in various forms, with a large part of physical distribution outlets closed and consumption having sharply shifted to e-commerce. Against this backdrop, 19 of our factories worldwide remain overall closed for the moment, while 23 are operating (out of which 9 at lower capacity).

Despite the numerous uncertainties concerning crisis exit scenarios, we are already preparing for business resumption, both in terms of manufacturing and consumption.

Given the impact of the crisis on performance in the first quarter, the scale of the epidemic, and the extension of the confinement period in numerous countries, the Group is expecting a deterioration in business activity in the second quarter. This will materialize through a drop in sales currently estimated at around €450 million to €500 million, which will most probably lead to negative ORfA for the period.

The cost reduction plan combined with a gradual return to “normalized” business activity in the second semester, which generally accounts for approx. 55% of annual sales and over two-thirds of annual ORfA, should enable the Group to progressively get back to its profitable growth model. However, while it is impossible at this stage to precisely quantify the impacts of COVID-19 on the year as a whole, revenue and Operating Result from Activity will fall significantly in 2020.

In this particularly complicated environment, the Group reaffirms its confidence in its solid and well-balanced strategic model. While adapting to the immediate imperatives, it stays focused on its long-term goals and intends to get through the present crisis in a resolute and responsible manner.

Conference call with management on April 28 at 6:00 p.m. CET

Numbers:
From France: +33 (0) 1 72 72 74 03 - PIN : 15412853#
From other countries: +33 (0) 1 72 72 74 03 - PIN : 15412853#

Listen to the audiocast and the presentation on our website on April 28 from 9:00 p.m.: www.groupeseb.com or click here
On a like-for-like basis (LFL) - Organic

The amounts and growth rates at constant exchange rates and consolidation scope in a given year compared with the previous year are calculated:

- using the average exchange rates of the previous year for the period in consideration (year, half-year, quarter),
- on the basis of the scope of consolidation of the previous year.

This calculation is made primarily for sales and Operating Result from Activity.

Adjusted EBITDA

Adjusted EBITDA is equal to Operating Result from Activity minus discretionary and non-discretionary profit-sharing, to which are added operating depreciation and amortization.

Operating Result from Activity (ORfA)

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

Net debt

This term refers to all recurring and non-recurring financial debt minus cash and cash equivalents, as well as derivative instruments linked to Group financing. It also includes financial debt from application of the IFRS 16 standard “Leases” in addition to short-term investments with no risk of a substantial change in value but with maturities of over three months.

Loyalty program (LP)

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

Free cash flow

Free cash flow corresponds to the “net cash from operating activities” item in the consolidated cash flow statement, adjusted from non-recurring transactions with an impact on the Group’s net debt (for example, cash outflows related to restructuring) and after taking account of recurring investments (CAPEX).

SDA

Small Domestic Appliances: Kitchen Electrics, Home and Personal care

PCM

Professional Coffee Machines

This press release may contain certain forward-looking statements regarding Groupe SEB’s activity, results and financial situation. These forecasts are based on assumptions which seem reasonable at this stage, but which depend on external factors including trends in commodity prices, exchange rates, the economic environment, demand in the Group’s large markets and the impact of new product launches by competitors.

As a result of these uncertainties, Groupe SEB cannot be held liable for potential variance on its current forecasts, which result from unexpected events or unforeseeable developments.

The factors which could considerably influence Groupe SEB’s economic and financial result are presented in the Annual Financial Report and Registration Document filed with the Autorité des Marchés Financiers, the French financial markets authority.
Next key dates - 2020

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 19</td>
<td>Annual General Meeting – Closed door</td>
</tr>
<tr>
<td>July 23</td>
<td>H1 2020 sales and results</td>
</tr>
<tr>
<td>October 26</td>
<td>9-month 2020 sales and financial data</td>
</tr>
</tbody>
</table>

World reference in small domestic equipment, Groupe SEB operates with a unique portfolio of 30 top brands including Tefal, Seb, Rowenta, Moulinex, Krups, Lagostina, All-Clad, WMF, Emsa, Supor, marketed through multi-format retailing. Selling more than 350 million products a year, it deploys a long-term strategy focused on innovation, international development, competitiveness and client service. Present in over 150 countries, Groupe SEB generated sales of €7.3 billion in 2019 and has more than 34,000 employees worldwide.