



GROUPE SEB PRESENTATION

March 2020



- All-Clad
- ARNO
- ASIA
- calor
- clock
- Curtis
- emsa
- esteras
- HEPP
- imusa
- ORIGINAL KAISER
- Krampouz
- KRUPS
- Logaster
- MAHARAJA WHITELINE
- MIRRO
- Moulinex
- OBH NORICA
- PANEX
- Rochedo
- Rowenta
- samuraï
- schaerer
- SEB
- Silit
- SUPOR
- T-fal
- Tefal
- UMCO
- WearEver
- WMF

Disclaimer

NOTE

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

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

The factors which could considerably influence Groupe SEB's economic and financial result are presented in the Annual Financial Report and Registration Document filed with the *Autorité des Marchés Financiers*, the French Financial Markets Authority. The balance sheet and income statement included in this press release are excerpted from financial statements consolidated as of December 31, 2019 examined by SEB SA's Statutory Auditors and approved by the Group's Board of Directors, dated February 25, 2020.

1. Groupe SEB in a nutshell
2. ESG: a committed Group
3. 2019: another great year
4. Good performance
5. Outlook
6. Appendixes



CONTENTS



**GROUPE SEB IN A
NUTSHELL**

2019 Key Figures

€7,354m
Sales, + 5.8%
LFL

€740m
Operating Result
from Activity

€380m
Net income

34,000
employees

€267m
Investments in
innovation

1,345
own
retail stores

42
industrial sites

An extensive and diversified offering

SMALL ELECTRIC APPLIANCES

KITCHEN ELECTRICS



HOME AND PERSONAL CARE



COOKWARE - KITCHENWARE

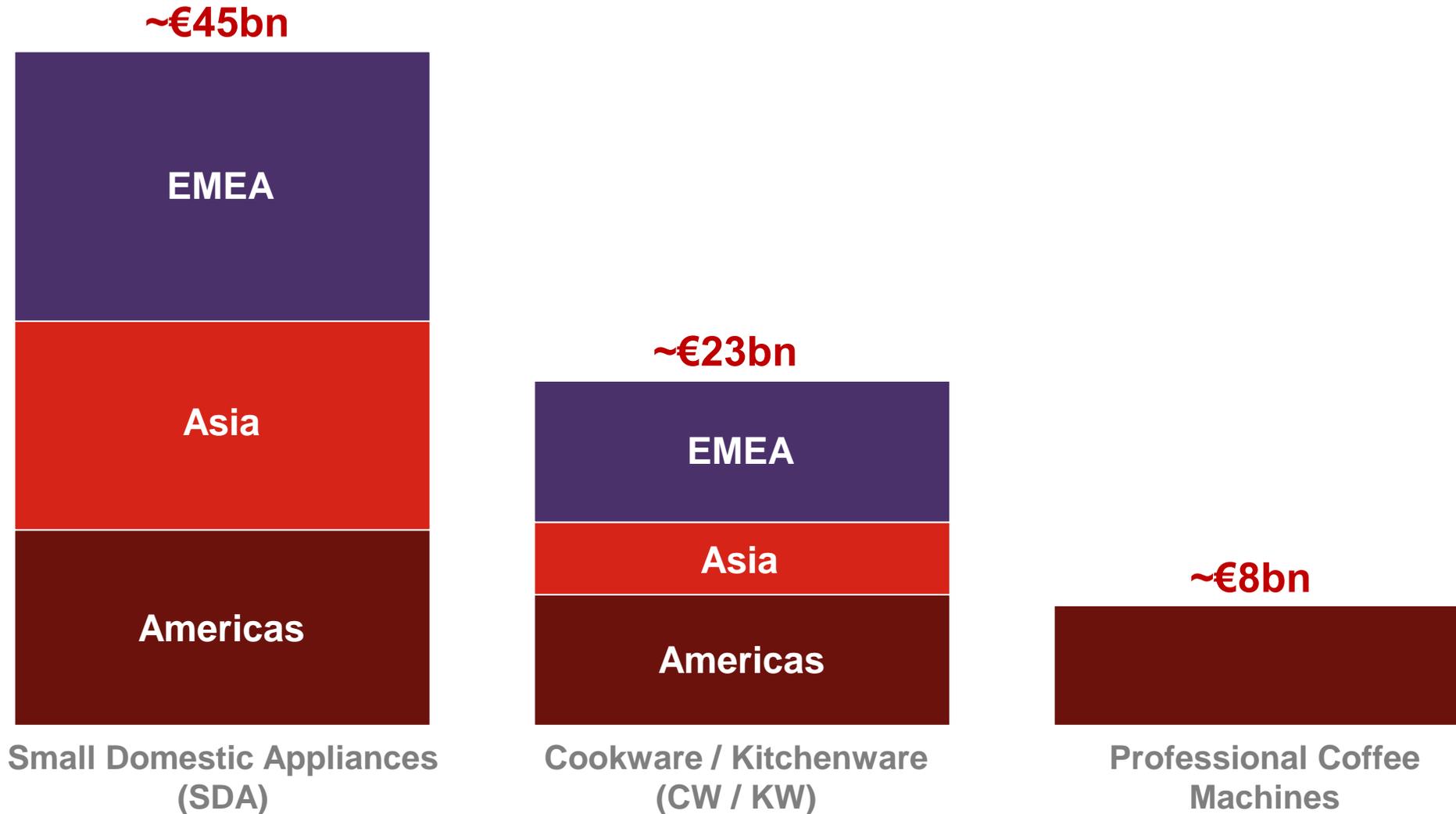


PROFESSIONAL



Competing on a playfield exceeding €75bn

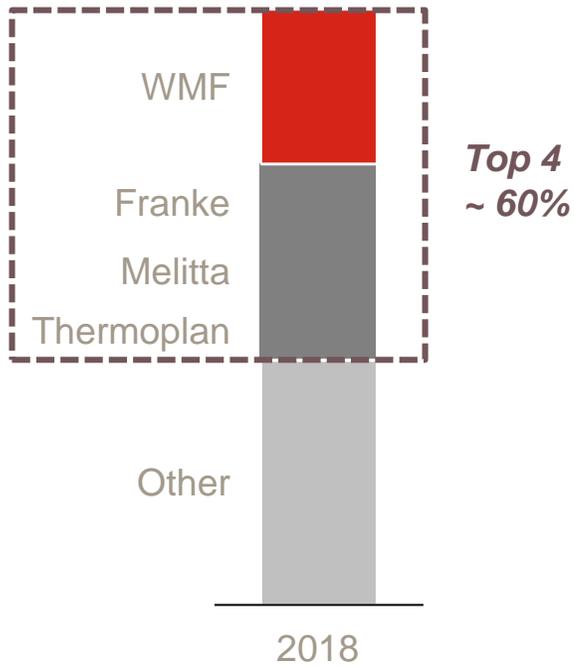
Global market sizes and breakdown by geography



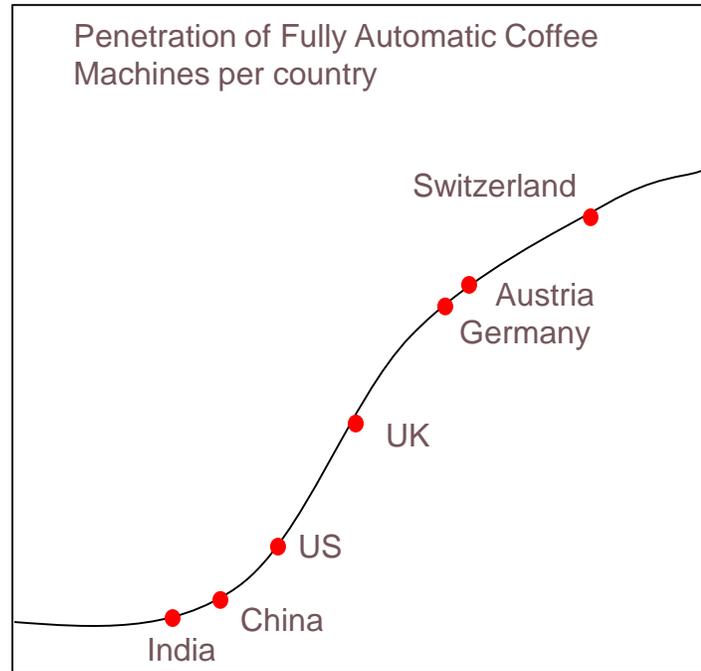
Professional coffee: new opportunities in espresso full-auto and filter coffee machines

Full autos – around 25% of the global market

Global market Fully Automatic Coffee Machines – "Equipment"



Penetration of Fully Automatic Coffee Machines per country

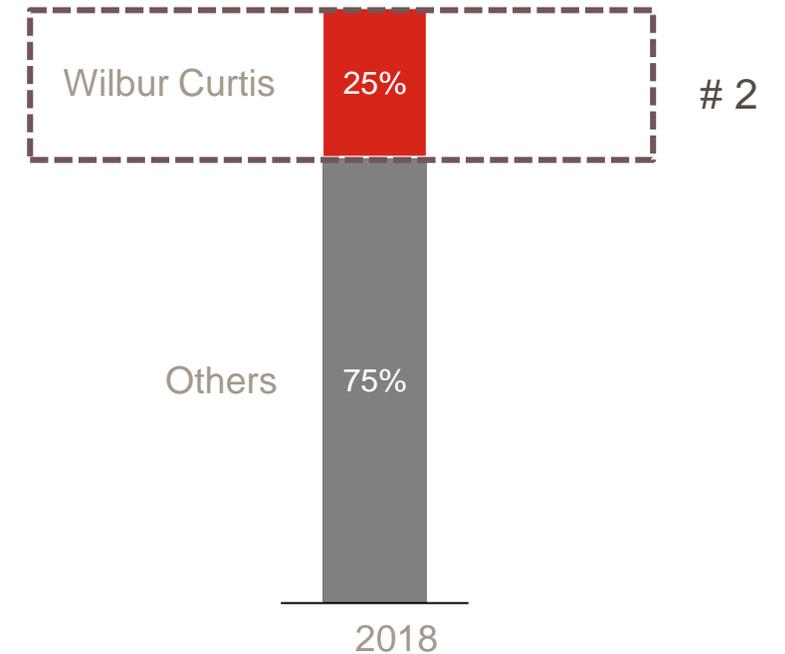


Source: Estin & Co.

A concentrated market with **strong growth potential**

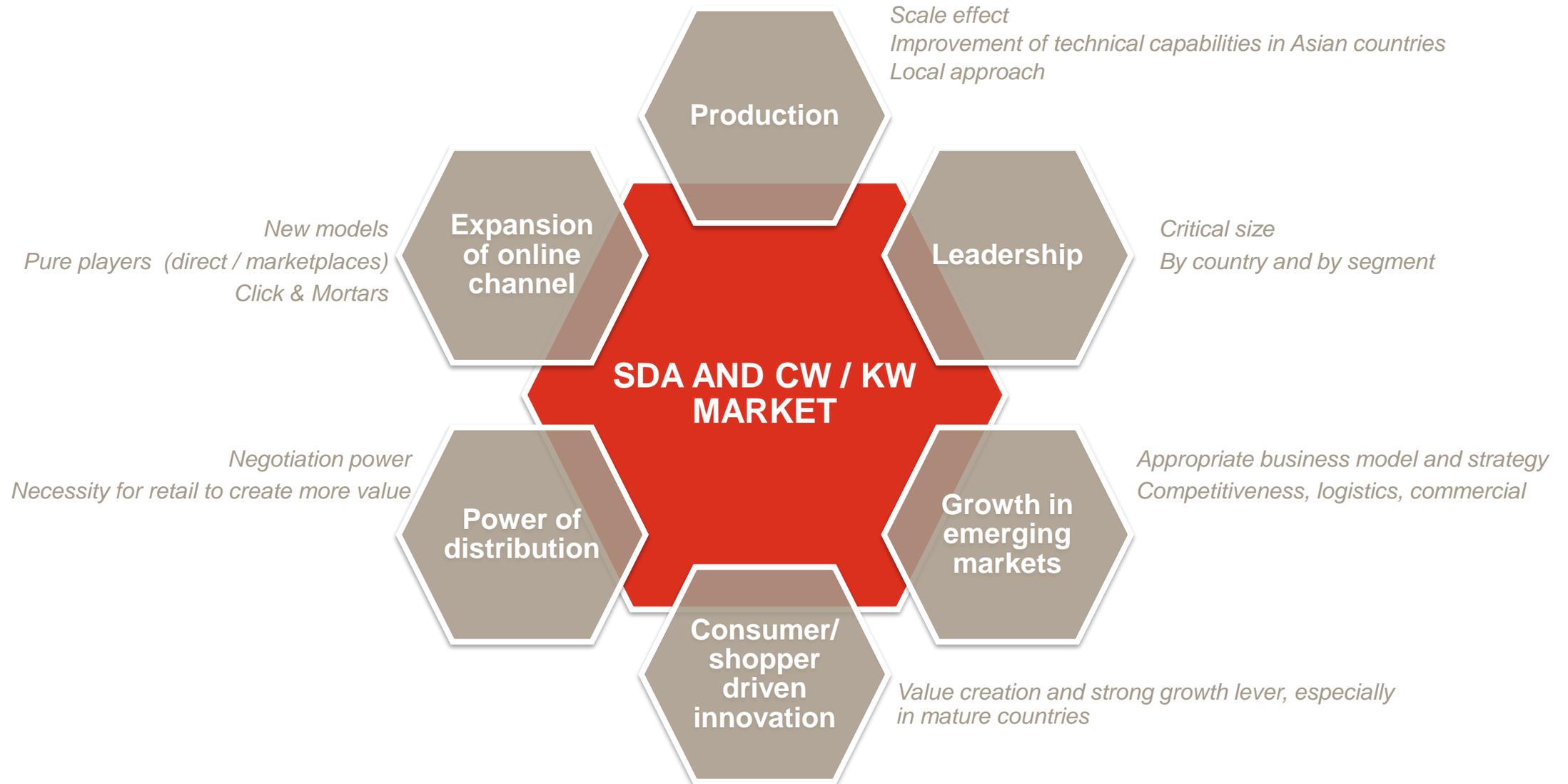
Filter – < 10% of the global market

U.S market Filter Coffee Machines "Equipment"⁽²⁾



Filter coffee: **a long-standing tradition in the US**

Main trends structuring our industry



A consumer in constant transformation...

Simplification



Ease of use,
versatility and
time saved

Health & Wellness



Healthy eating
and emphasizing
home-made trend

New uses



Personalized and
multicultural
experience

Commitment



A quest for meaning,
naturalness, and
circular economy

Digitization



E-commerce,
connections and
communities

... source of new opportunities for the Group

Groupe SEB: a long-term value-creation strategy

Focus on growth

Strength and complementarity of our brands

Product innovation

Multi-channel distribution strategy

International expansion

Development in the professional market

Active acquisition strategy



Strengthen our competitiveness

Optimize our industrial facilities...

Optimize purchasing and logistics

Improve industrial productivity

Simplify structures and processes

... and develop our assets

High value technological products manufactured in mature countries

Basic products outsourced

Focus on the circular economy

Relevance of our balanced model

MULTI

1

GEOGRAPHIES

2

CATEGORIES

3

BRANDS

4

CHANNELS

A global and balanced presence...

1

Unrivalled global footprint, strong local positions

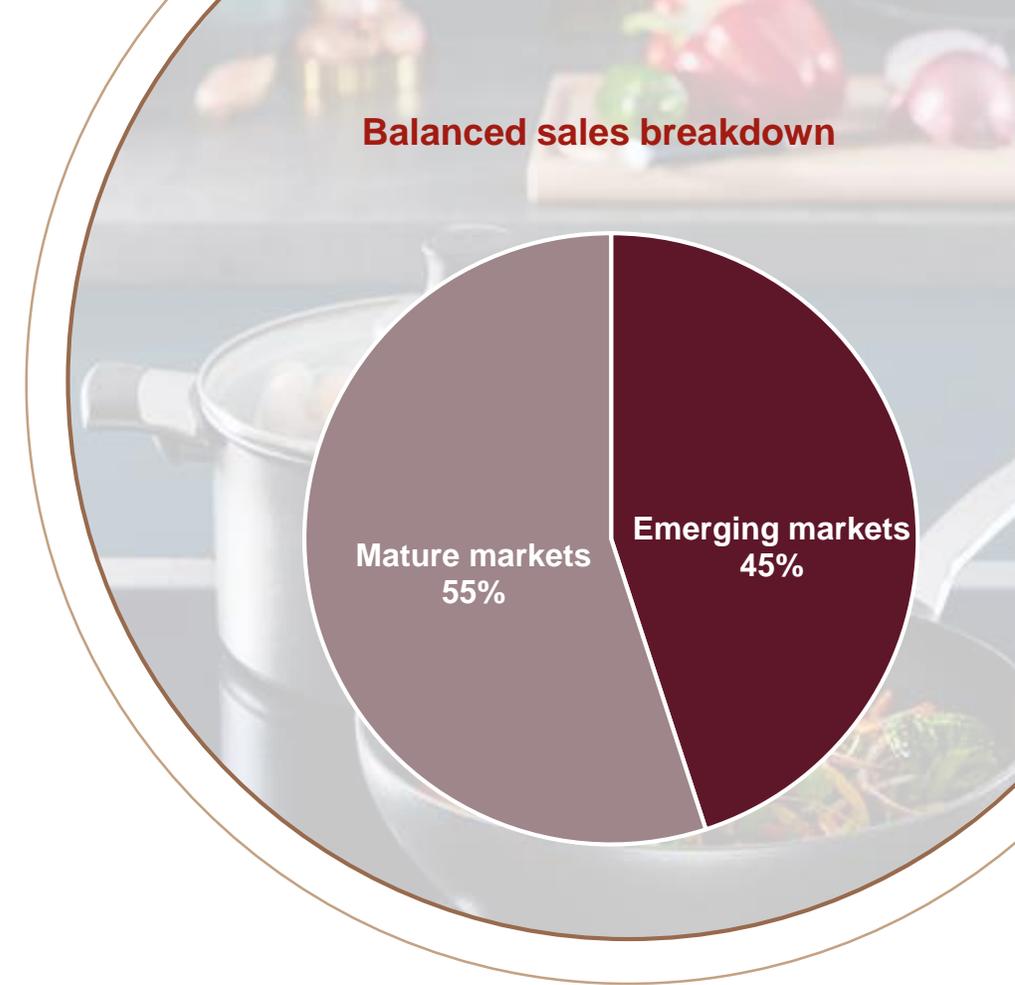
- ¾ of sales in countries where we are #1 or #2
- Continued product offering expansion in markets

Acquisitions as an additional catalyst

Long-term growth enablers

- Heterogeneous equipment rates
- Development of mature markets → Renewal, upselling
- Emerging countries' strong potential :
 - Middle class development
 - +14% organic sales CAGR since 2016

Balanced sales breakdown



...and accelerating growth across new economies

1

Increased critical mass across countries

- 20th country in 2019: **Sales ~ €60m** vs. ~ €35m in 2016

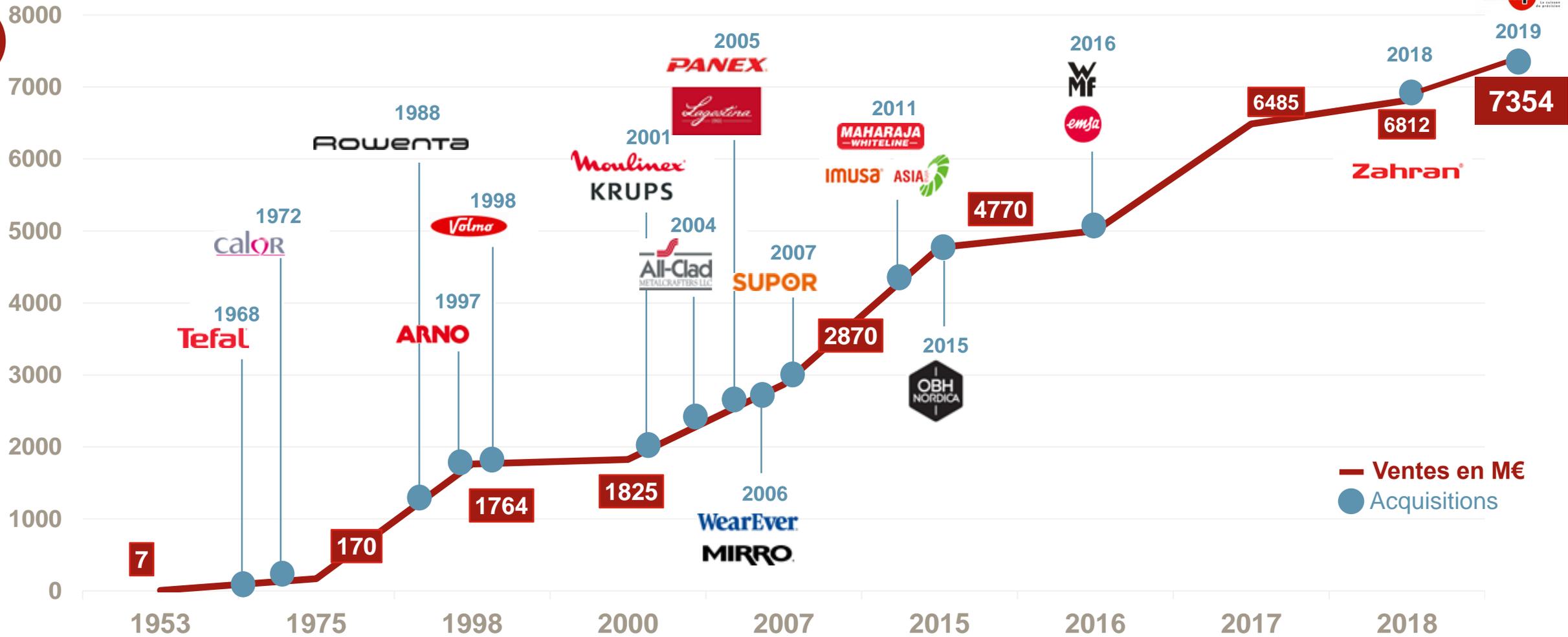
Pool of fast-growing countries

- **EMEA:** Slovakia, Ukraine, Kazakhstan, Egypt...
- **Asia:** Thailand, Malaysia
- **Americas:** Mexico, Colombia, ...



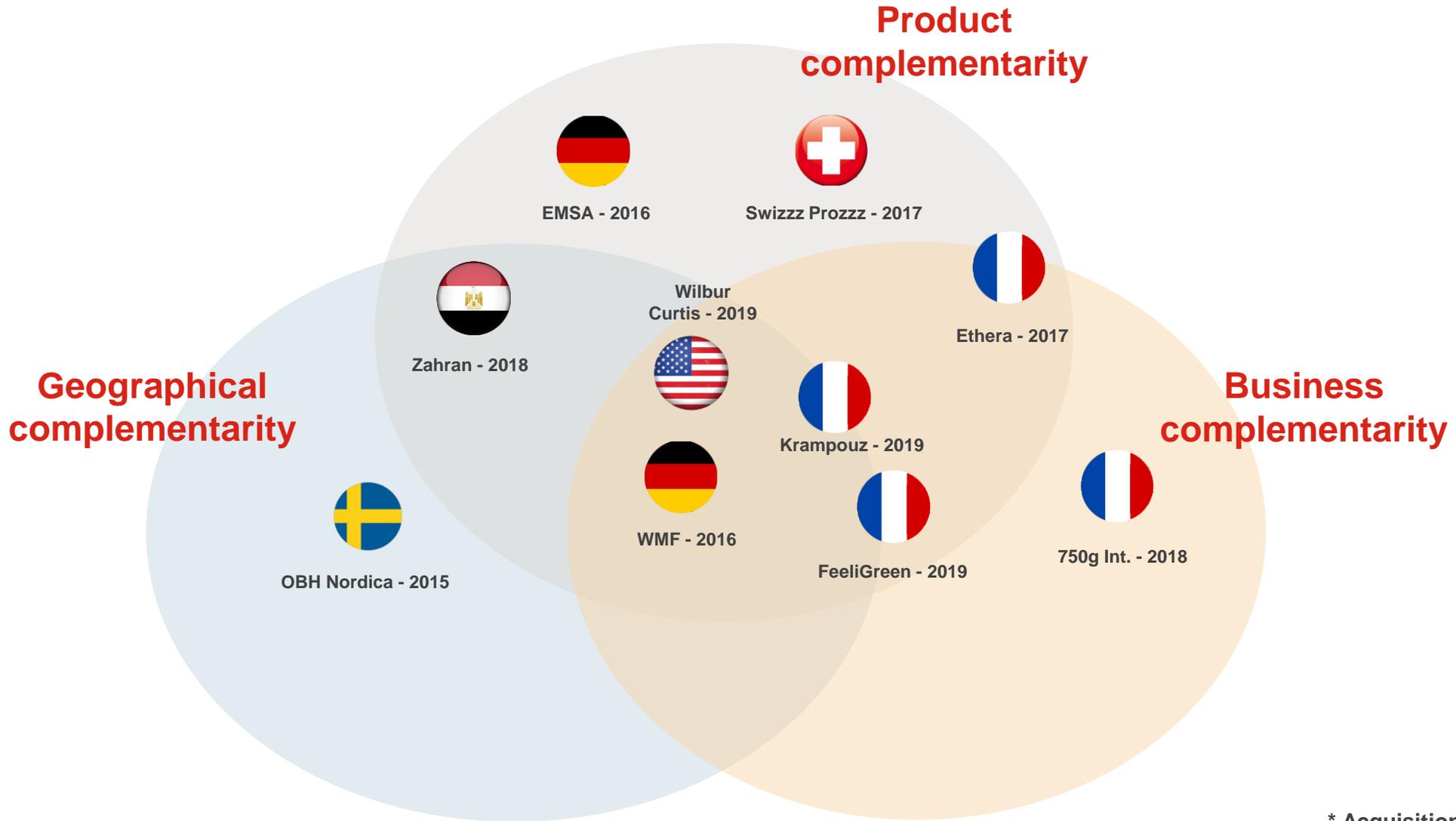
Acquisitions as an additional catalyst

1



M&A strategy: focus on complementarity

1



* Acquisitions of the last 5 years

A presence on numerous product categories...

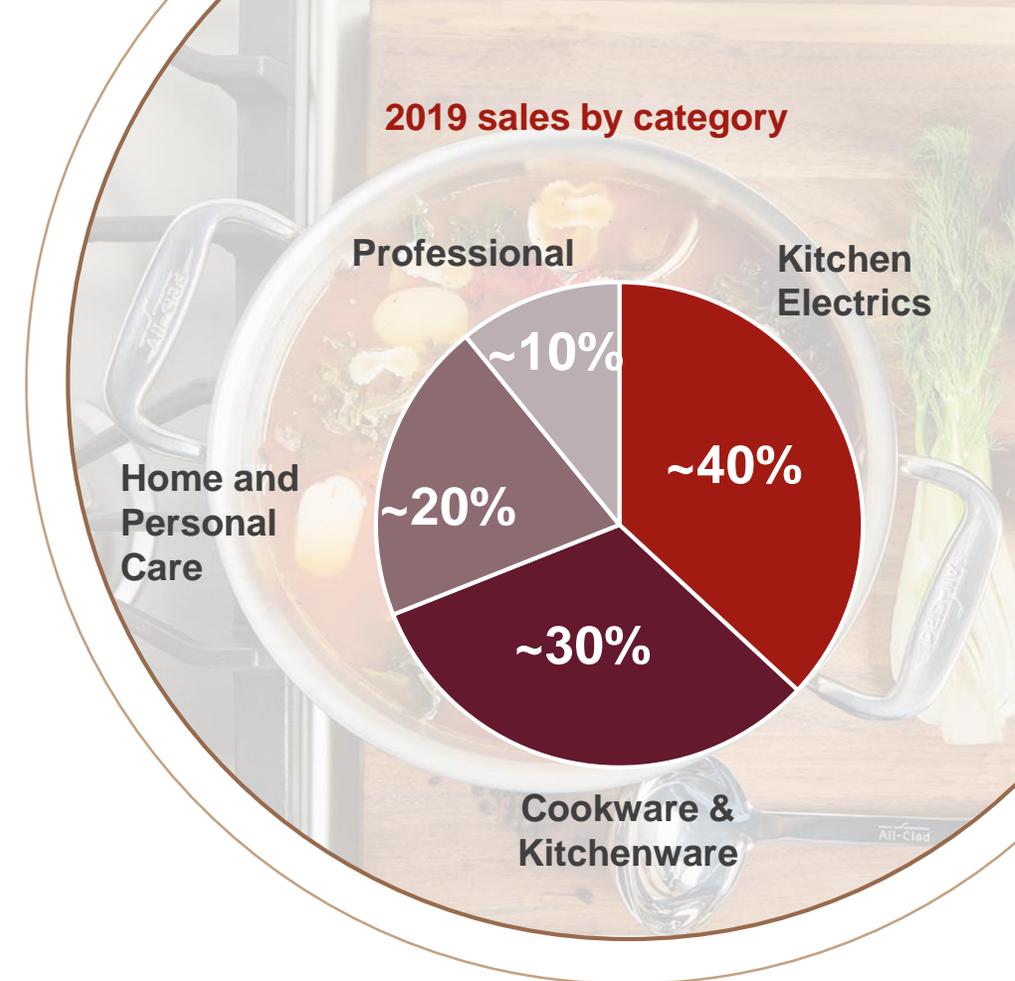
2

Global leader in Cookware, Kitchen Electrics and Linen care

Growing steadily in all Consumer categories

Global leader in Professional Coffee (automatic espresso machines): growth and expanding global reach

- Sales CAGR +16% LFL in 3 years
- Key milestones in the US and China
- Acquisitions: Wilbur Curtis and Krampouz



...and a capacity to reinvent ourselves constantly

2

Creating new product opportunities by leveraging:

- Technological developments and consumer trends
- Our innovation capabilities
- Targeted external growth acquisitions

Constantly speeding-up road-to-market and the Consumer journey

Driving the circular economy



Sales 2016 - 2019

A constant focus on innovation

2



~1,500
people

(R&D, Marketing, Design)



€267m
Investments



~500
patents
(worldwide)



Passion for Innovation,
one of the 5 values
of the Group

2019 figures



Seb/Tefal Actifry Original



Supor Steam Pro RC



Tefal Ixeo



Tefal Ingenio Asteroid



Moulinex Cookeo Connect +



Rowenta Air force 560 - Flex



Krups Evidence



Moulinex i-Companion



Rowenta Intense Pure Air



Tefal Optigrill

A unique brand portfolio...

3

Strong, diversified and complementary brands

- Consumer, global and regional
- Premium
- Professional

Organized on platforms → Coordination, dissemination, consistency

Responsible and inspiring brands



...and strong local roots

3

Emblematic local brands appealing to consumers in their day-to-day lives for 3 generations

- Heritage and credibility

Supported by local brand ambassadors

- Chefs, influencers, communities of consumers, etc.

Stakeholders in society:

- Imusa: “Tinteros Day” in Colombia
- Supor: Financing the construction of schools in China
- France: Moulinex “Malin” initiative



A multi-channel approach...

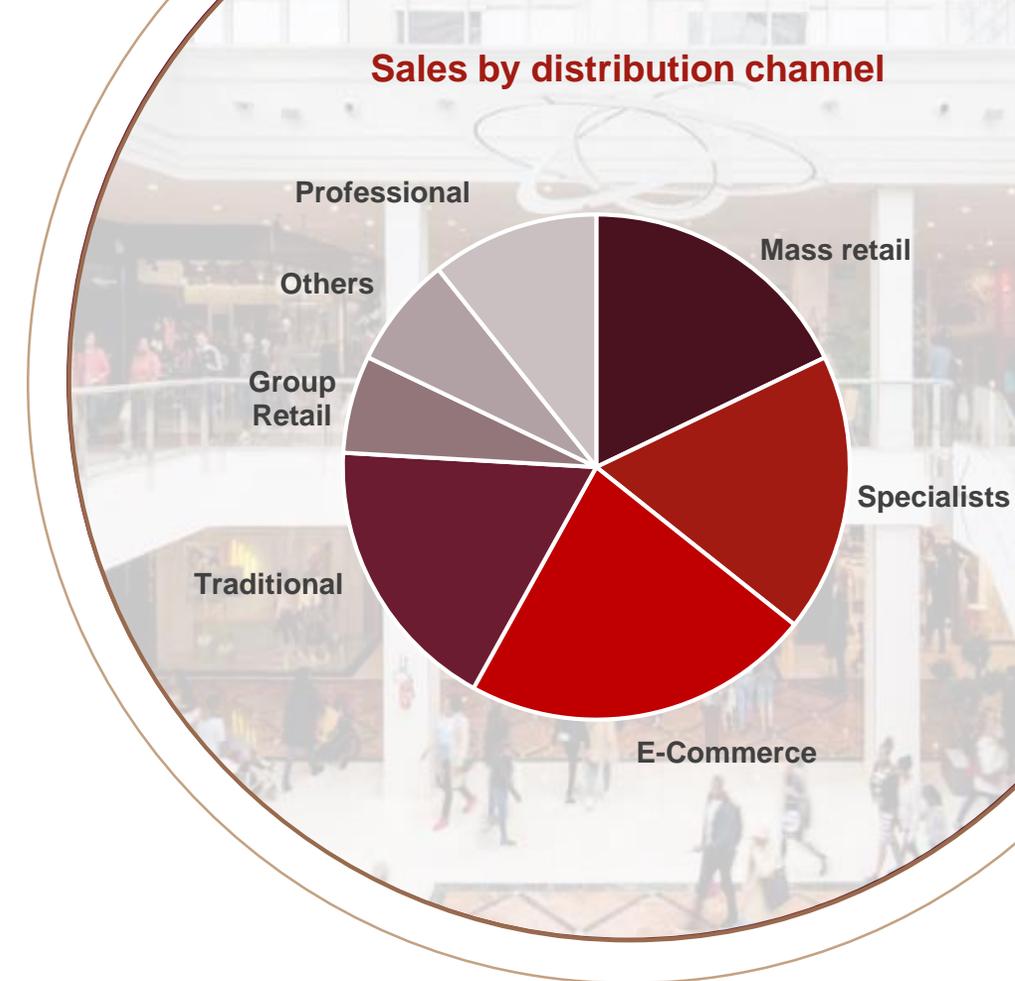
4

Network synergies

- Accessing all consumers
- Adapting to local characteristics

Long-term partnerships with retailers

- Execution, category management, merchandising
- Specific sales offers, LPs



...and an increased proximity
with end-consumers

4

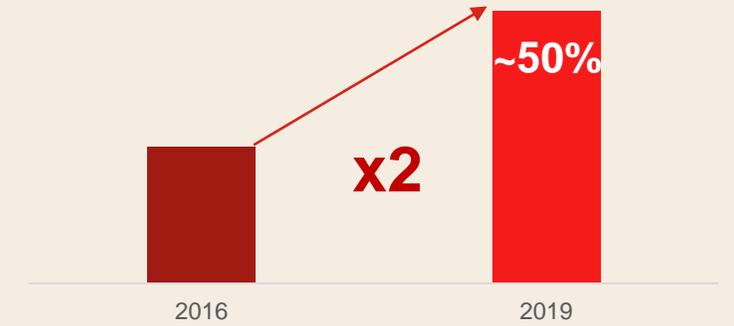
Targeted digital approaches

- E-Commerce
- Digital investments
- Direct relationship with Consumers (CRM)
- Communities & apps

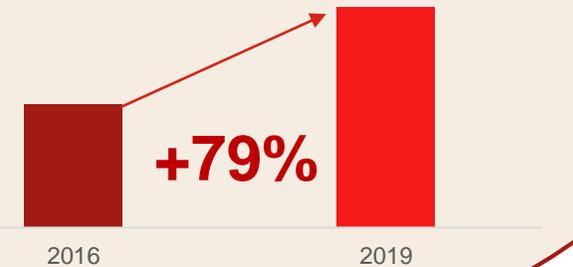
Direct approaches

- Group Retail = 1,345 stores o/w 730 Supor Lifestores in China
→ +135 vs. 2016
- “Online DTC” development

Digital share in media investment



Traffic on Group websites



A worldwide industrial organization

2/3 of products
manufactured in-
house

42 industrial sites

100 %
ISO 14001 certified
entities



Figures at end 2018

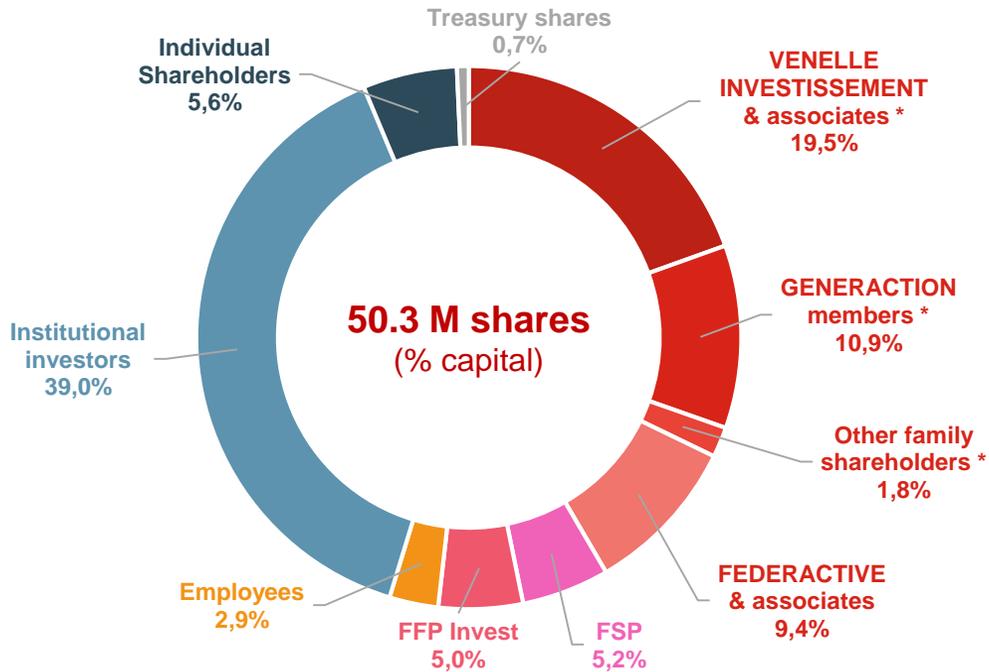


02

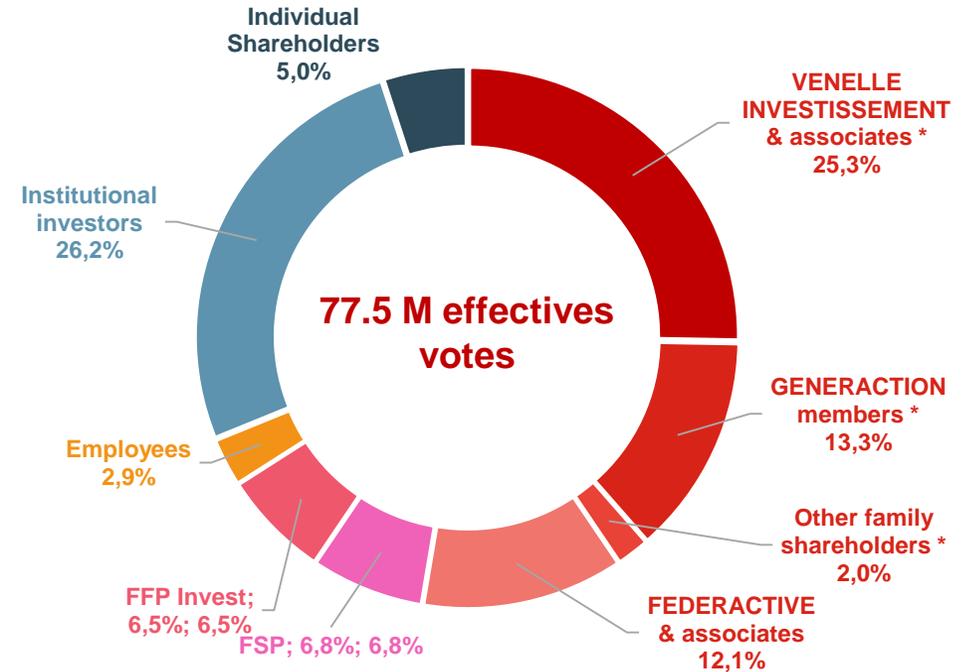
**ESG:
A COMMITTED
GROUP**

Structure of shareholding and voting rights at 31/12/2019 (EGM)

Structure of shareholding at 31/12/2019



Distribution of voting rights at 31/12/2019



Free-Float
44.6 % of capital

Shareholders from Founder Group
41.5 % of capital

Free-Float
31.2 % of voting rights

Shareholders from Founder Group
52.7 % of voting rights

* Total Concerted Voting Block (Agreement of Feb. 27th 2019): 32.1% of capital and 40.6% of voting rights

Groupe SEB Executive Committee

Thierry de La Tour d'Artaise
Chairman and CEO

Stanislas de Gramont
Chief Operating Officer

Nathalie Lomon
*Senior Executive VP,
Finance*

Vincent Tai
Executive VP, Asia

Harry Touret
*Senior Executive VP,
Human Resources*

Cyril Buxtorf
Executive VP, EMEA

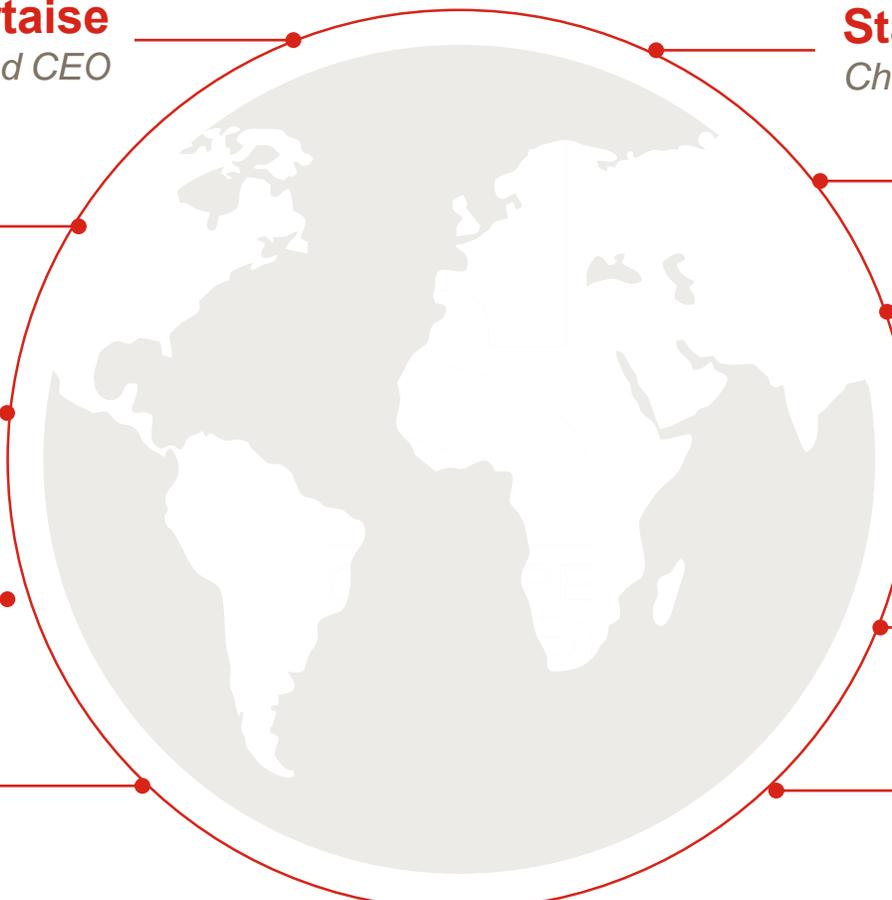
Alain Leroy
*Executive VP,
Industrial Operations*

Martin Zouhar
*Executive VP, North and Central
America*

Olivier Naccache
Executive VP, SDA

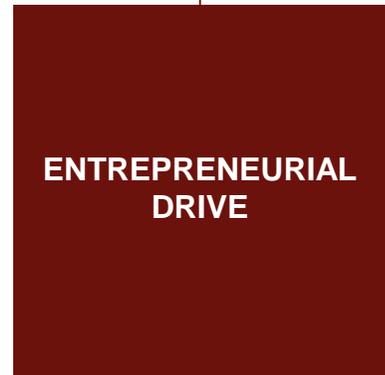
Patrick Llobregat
Executive VP, Cookware

To be appointed
Executive VP, Products and Innovation



Our values

Global vision
Leadership for change
Determination
Agility



Passion for Products
Innovator
Daring



Pragmatism
Know-how
High standards



Respect
Loyalty
Corporate Social
Responsibility



Shared ambition
Trust
Transparency



Sustainable development pillars



Empower our customers to have sustainable livings
our products and se



**Demonstrate on a daily basis
our respect for everyone
and our utility to society**

- Ethics, Human Rights and governance
- Responsible purchasings
- Responsible employment policy
 - Working conditions
 - Social dialogue
- Citizenship engagement



**Make healthy and tasty
homemade food that is
accessible to everyone**

- Products safety
- Home made for all
- Healthy eating & social dining
- Sustainable cooking



**Help everyone to live better
in a healthy home, regardless
of their age and health**

- Inclusive-design products
- A healthy home



**Make our products
and services part of
the circular economy**

- Quality et sustainability
- Repairability
- Recycled materials
- Second life
- Shared use
- Recycling



**Contribute to the fight
against climate change
thanks to
our low-carbon strategy**

- Eco-design
- Eco-manufacturing
- Eco-logistic
- Eco-friendly workplace



People matter

Ethics

- Code of ethics
- Responsible purchasing
- Audits



Human resources

- Social protection floor :
 - ✓ Death benefit
 - ✓ Medical plan
 - ✓ Parenthood
- Health & safety
- Diversity



Philanthropy

- Fight against exclusion:
 - > **400 projects** aiming for “a better life for all”
- Employees commitment:
 - Charity week & days
 - Mentoring, team buildings...



Cooking for good

1 Homemade

- Help families in difficulty to improve the diet of their children from 0 to 3 years old
 - 2019: **15.000** families
 - Goal for 2022: **160.000** families
 - **Private sales** with discounted products



2 Healthy

- Creation of a **Healthy and sustainable recipe Charter**



- Develop new solutions to promote **healthy & nutritive eating**

3 Sustainable

- Meet new **consumer and dietary trends**
- Promotes more **responsible everyday habits**

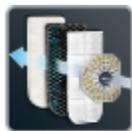


Better homelife

Better indoor quality

• Intense Pur Air & Clean & Steam

- Filters up to 99.95% of pollution and permanently destroys formaldehyde
- Clean & Steam range: clean floor without **detergents**: kills up to **99% of bacteria**



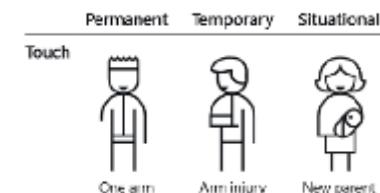
NETTOYAGE SAIN

1

Good design

• Improve the ergonomics of all products

- Permanent: one arm
- Temporary: arm injury
- Situational: baby in the arm



- **Good practices** (*legibility, ergonomics and interaction, materials, sounds, colors...*) in open source



2



Circulation revolution

1 Repair

- **94%** of electrical appliances are mainly repairable
- **40 000** spare parts references
- **6 200** repair center worldwide



2 Recycling

- **1 000 000** pots & pans collected since 2012
- **Eco-Respect range:** in 100% recycled aluminum



3 Give more than one life

- Renting programs
- Recrafting
- Products donations



Climate action

1

Eco design

- **Eco design politic :**
 - Durable & recyclable
 - Energy efficiency or use of alternative materials
- **Eco pack :**
 - 0 EPS
 - 90% recycled carboard
 - 0 plastic packaging




2

Eco manufacturing

- Eco innovative projects
- **> 150** best practices
- **Renewable** energies in France, Egypt, Colombia and Brazil




3

Eco logistic

- Prioritizes non-road transport: transport by rail and river.
- In EMEA, **41%** of alternative journeys

36%



CO2



avoided

3%

Logistic costs



avoided

03

**2019: ANOTHER
GOOD YEAR**

2019: general environment

- Overall still complicated and volatile environment
→ Geopolitical, trade and social tensions
- Buoyant and resilient industry
- More favorable raw material and currency environment
- Ongoing changing retail industry
→ Competitive and promotion-driven climate

Another year of dynamic growth



Sales
€7,354m
+8.0% +5.8% LFL



Professional
€799m
+25.9% +12.1% LFL

Consumer
€6,555m
+6.1% +5.2% LFL

...and good performance

2019 financial key figures

Sales
€7,354m

+8.0% +5.8% LFL

ORfA

€740m

+6.5% +4.7% LFL

Net debt

€1,997m

o/w IFRS 16 debt: €334m

Net profit

€380m

-9.4%

Dividend proposed at the 2020 AGM

in respect of FY 2019

€2.26, +5.6% *vs. 2018 dividend*

Continued development in Professional business



Annual sales: ~€80m



Annual sales: ~€20m



SEB Alliance, a catalyst to our innovation strategy

SEB **ALLIANCE**

Since 2011

15 *direct minority investments*

- **2** *majority investments*

6 *partner funds*



A global active assessment tool in disruptive technologies...

...bolstered by cooperation with funds, leaders in their fields

- ➔ International and sector-wide coverage
- ➔ Tracking key trends

Investment capabilities in targeted and promising segments

In 2019

> 2 000 *accessible projects*

Beauty

FEELIGREEN
DERMO-INNOVATION



Home farming

CLICK & GROW™



Robotics

robart®



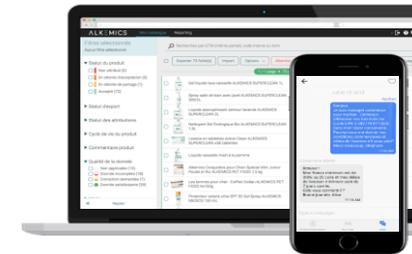
New categories

another
brain



Digital transformation/AI

ALKEMICS



04

**GOOD
PERFORMANCE**

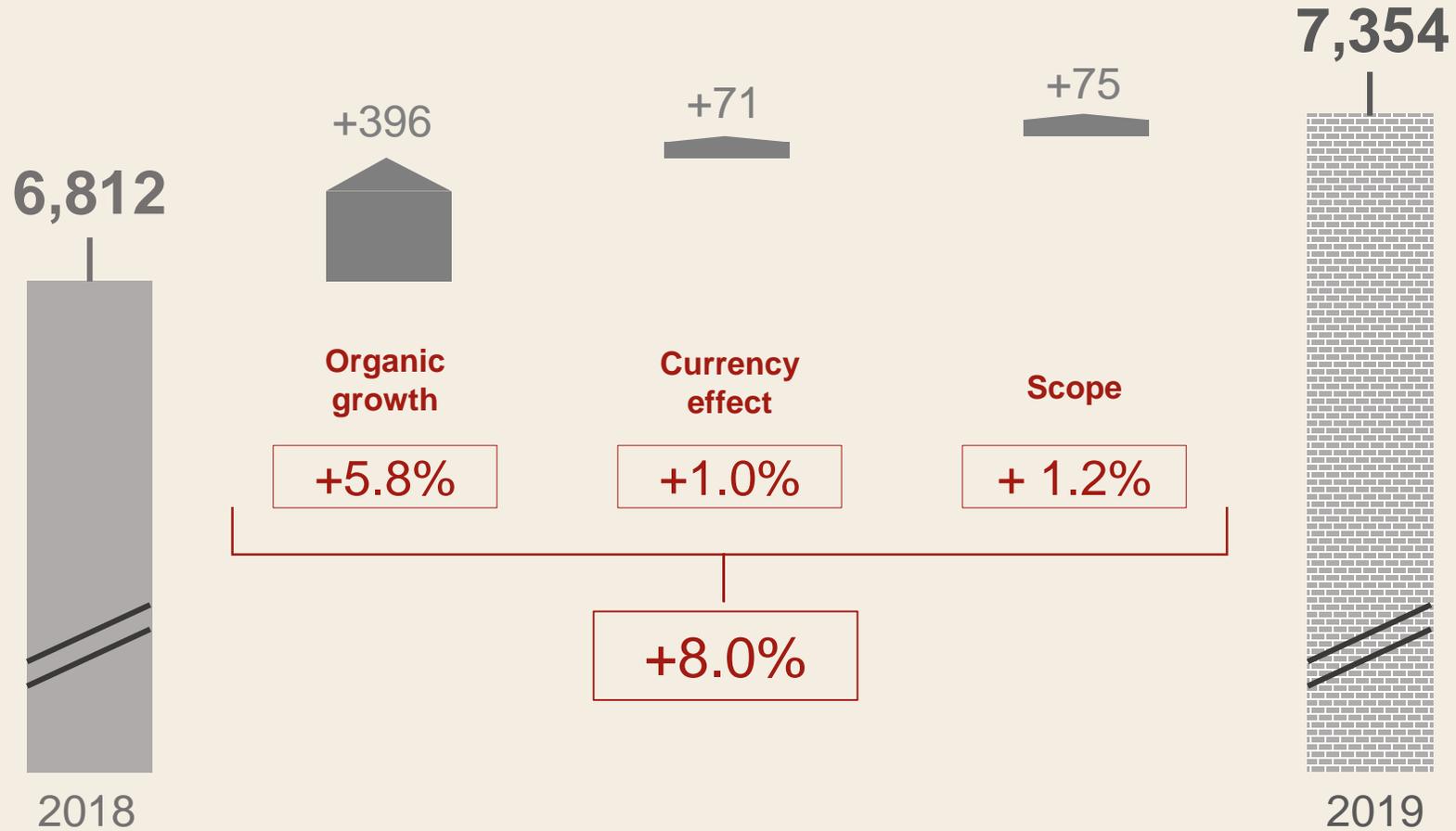
1 Sales

2 Results

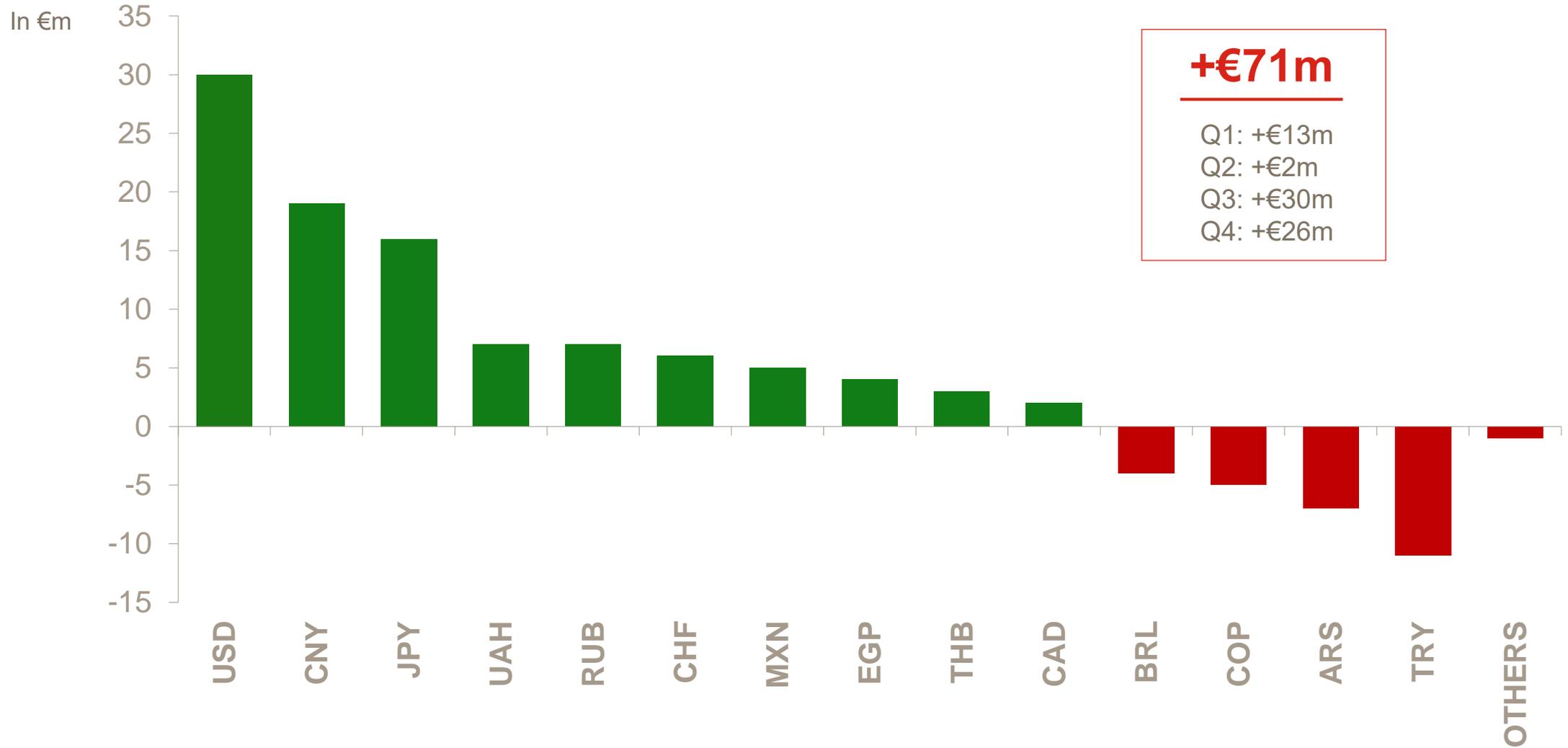


Development in sales 2018 → 2019

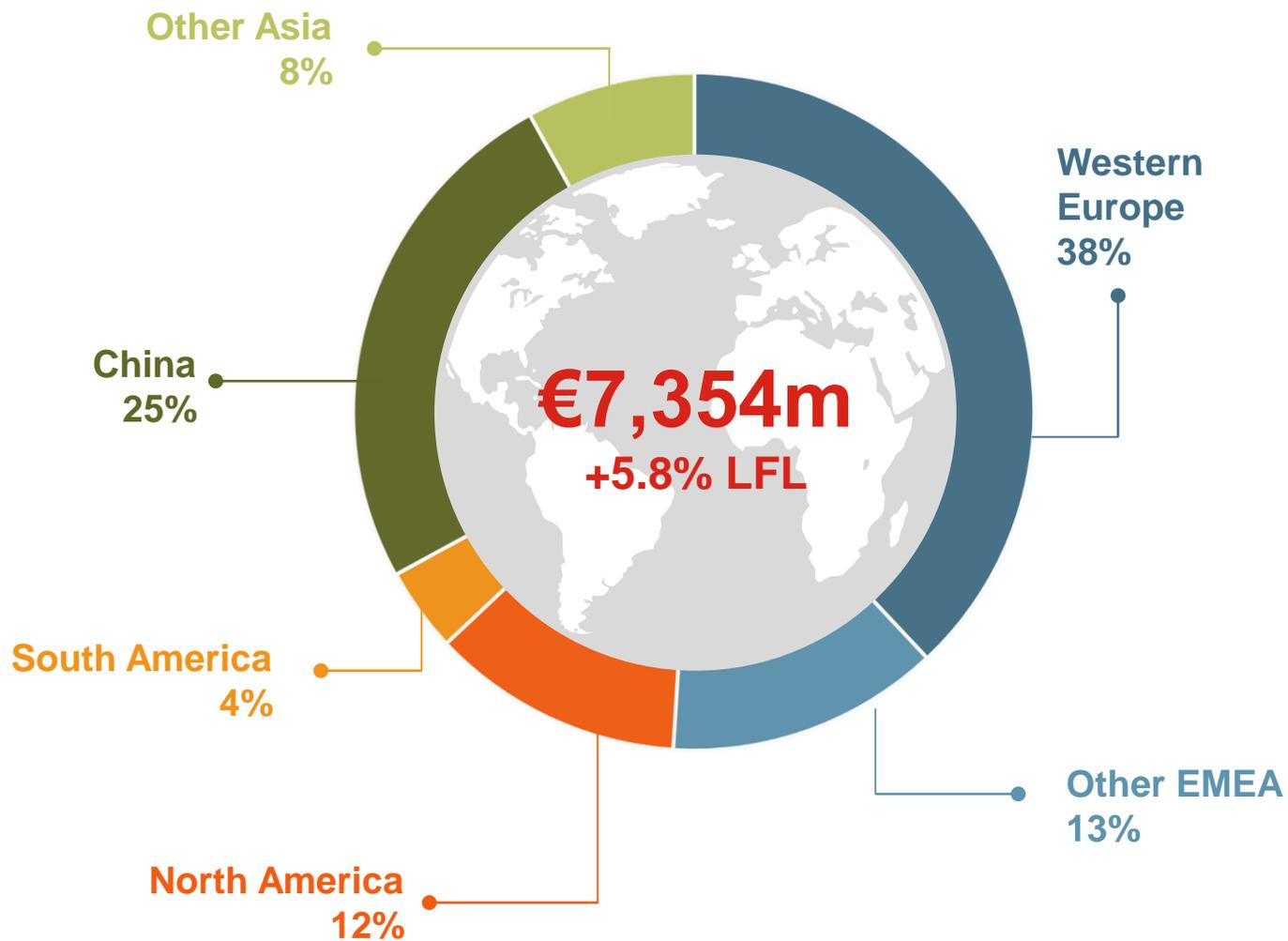
In €m



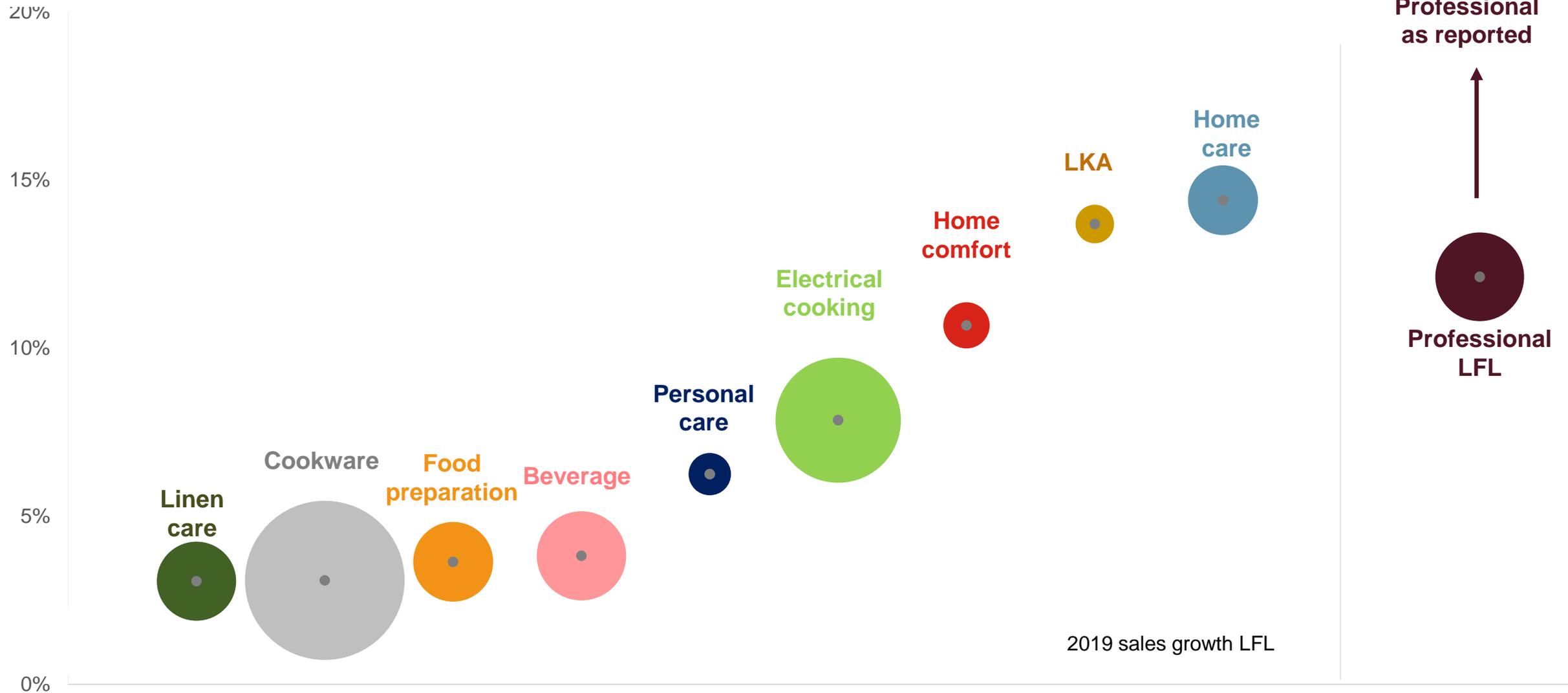
Currency impact on 2019 sales



Breakdown of 2019 sales by region



Growth in all product lines

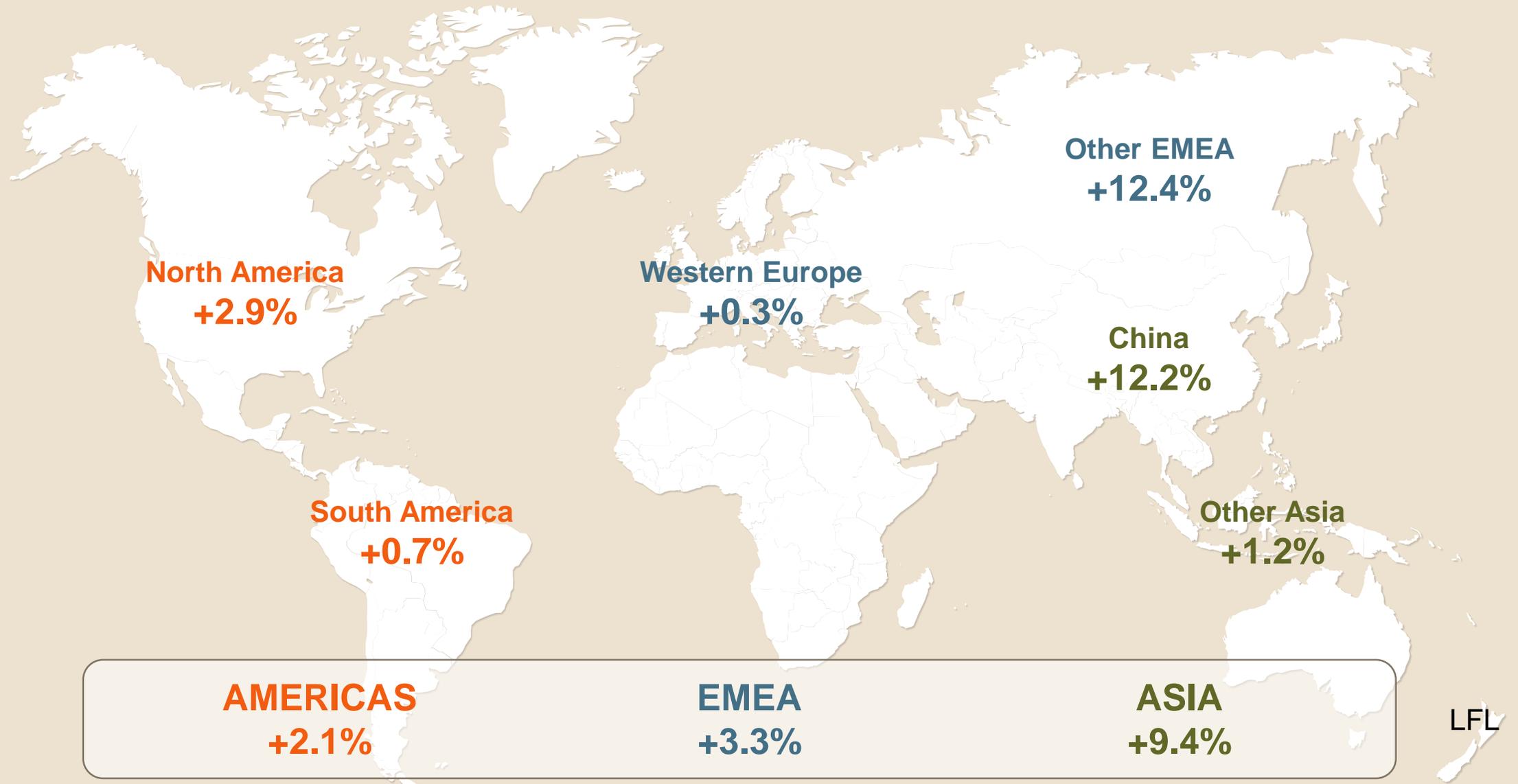


*LKA = Large Kitchen Appliances

Consumer



Growth in all regions



LFL

Top 20 countries



Consumer sales LFL

*Excl. tax receivable (PIS COFINS) impact

Western Europe

Sales
€2,442m

Organic growth
+0.3%

FRANCE

- Stable annual sales
- Performing well in cookware, more difficult in SDA
- Year-end impacted by strikes and order cancellations/postponements

GERMANY

- Bringing Groupe SEB Deutschland's sales practices into compliance

OTHER COUNTRIES

- ↗ Italy, Belgium and Spain
- ↘ Netherlands, United Kingdom



Other EMEA countries

Sales
€897m

Organic growth
+12.4%

Robust growth on buoyant markets

3 strong drivers in the region

- Product dynamics
- Offline and online marketing activation
- Group Retail roll-out

RUSSIA and CENTRAL EUROPE

- Strengthened leadership

TURKEY and MIDDLE EAST

- Recovery



North America



Sales
€589m

Organic growth
+2.9%

USA

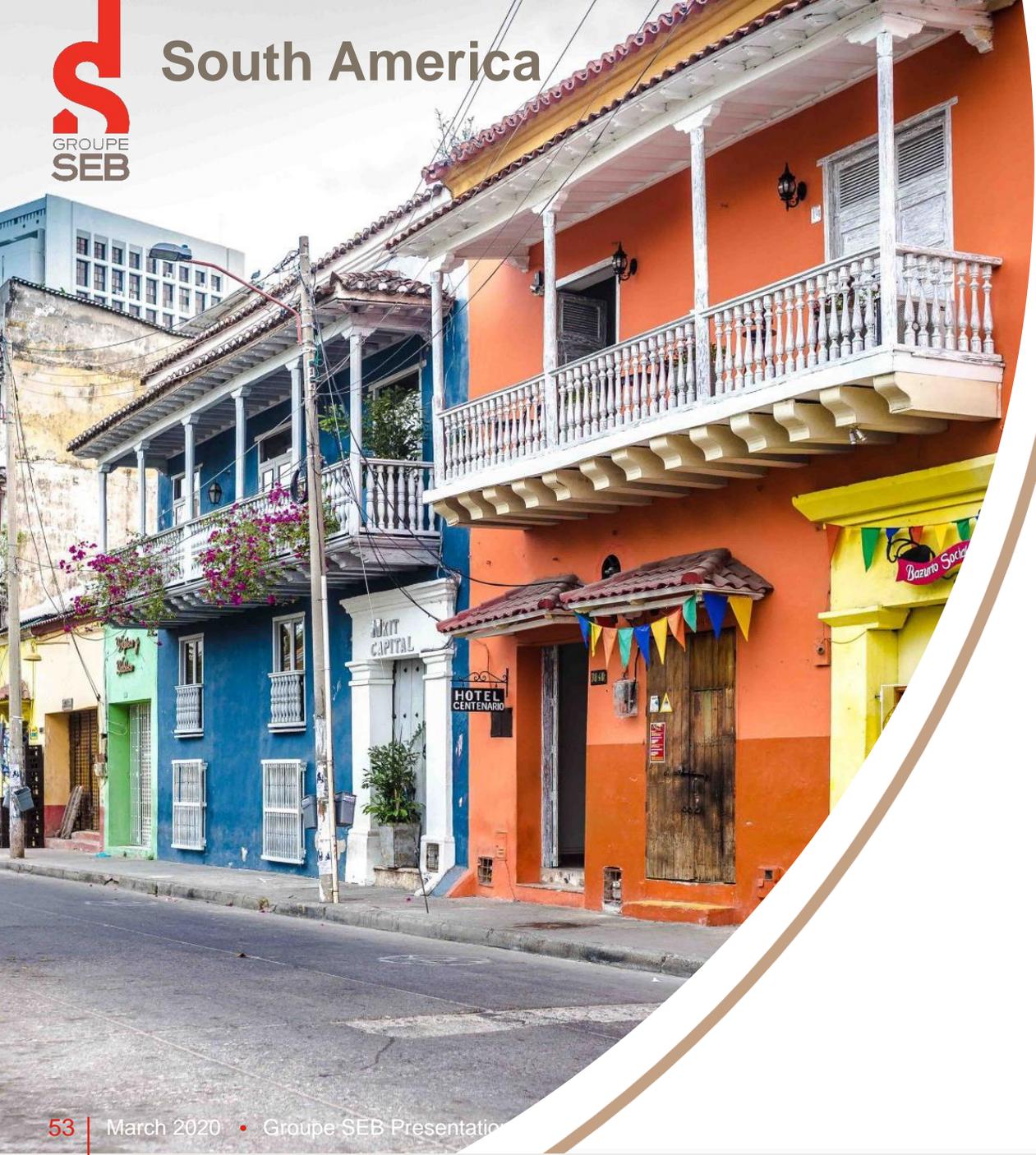
- Continued difficulties in traditional retail
- Market share gains in Cookware and Linen care
- ➔ T-Fal and Rowenta are market leaders

CANADA

- Challenging market environment
- Specific deals driving growth

MEXICO

- Brisk growth in annual sales
- Record Q4 performance



Sales
€326m

Organic growth
+0.7%

BRAZIL

- Sales 2019 +10% LFL excl. PIS-COFINS*
- Good performance in fans and Dolce Gusto
- Expansion of new categories: oil-less fryers, grills...

COLOMBIA

- Growth propelled by fans and cookware, oil-less fryers roll-out
- Remarkable improvement in industrial competitiveness
- Group Retail performed well

*Recognition of tax receivables (€32m in 2018, €8m in 2019)

China

Sales
€1,762m

Organic growth
+12.2%

Sustained growth in Supor's core business against high comps, fueled by e-commerce

COOKWARE

- Flagship products: woks, pots and isothermal mugs

SMALL DOMESTIC APPLIANCES

- Growth nurtured by electrical cooking and new categories (garment steamers, vacuum cleaners, etc)

LARGE KITCHEN APPLIANCES

- Growth engines: extractor hoods, water purifiers

NEW MARKET SHARE GAINS BY SUPOR



Other Asian countries

Sales
€539m

Organic growth
+1.2%

JAPAN

- Flagship product dynamics (cookware and electric kettles) driving continued firm growth
- Encouraging development in new categories
- Confirmed success of Group Retail

SOUTH KOREA

- Declining market, annual sales down LFL

OTHER COUNTRIES

- Restored growth in **Australia**
- Buoyant momentum in **Thailand and Malaysia**
- Sales decrease in **Vietnam**



Professional



1 Sales

2 Results

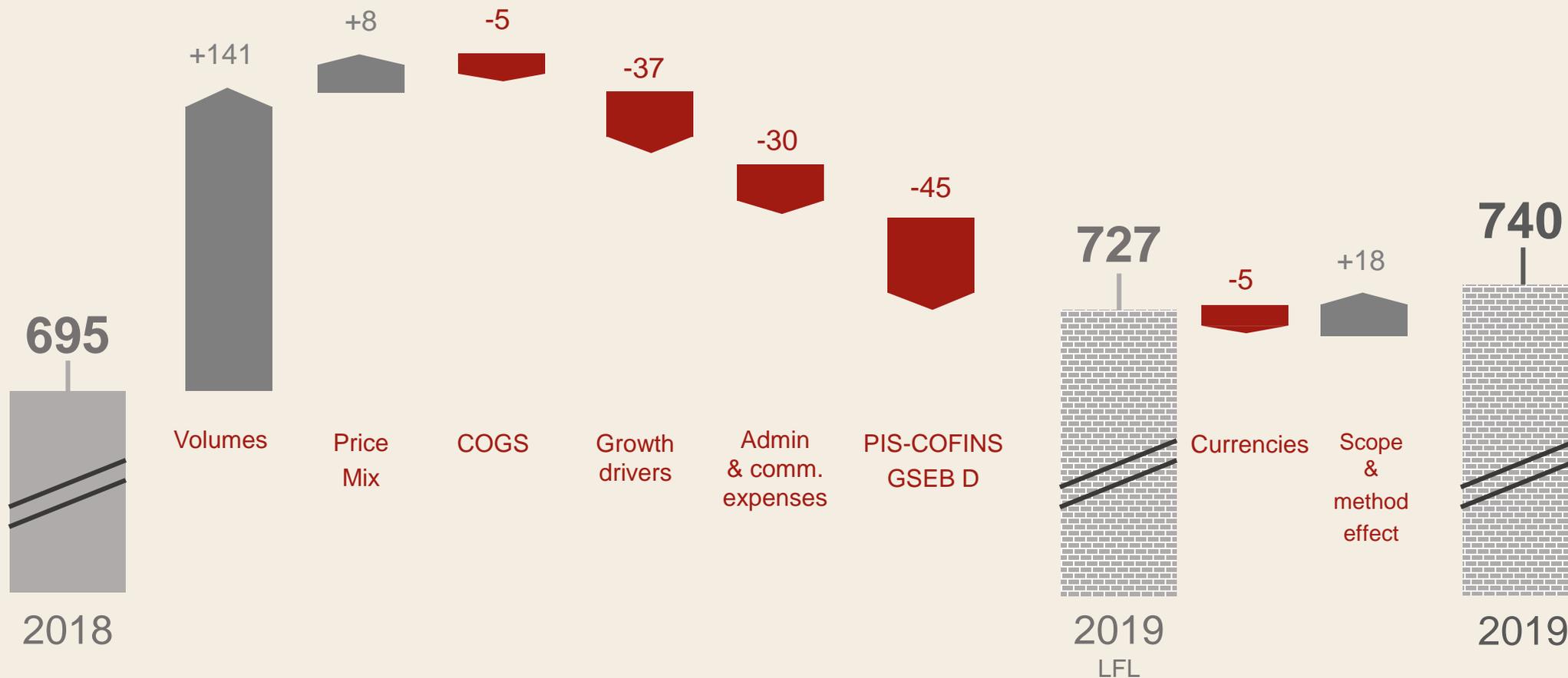


Operating Result from Activity (ORfA)

In €m	2018	2019	Δ	Δ LFL
Sales	6,812	7,354	+8.0%	+5.8%
ORfA	695	740	+6.5%	+4.7%
<i>Op. margin</i>	10.2%	10.1%	-0.1%	-0.1%

ORfA bridge

In €m



Growth drivers

In €m	2018	2019	Δ LFL %
Innovation	247	267	+7.7%
Advertising and marketing	431	461	+5.9%
Total growth drivers	678	728	+6.5%

Innovation: gross amount, before French research tax credit and capitalized costs

Operating profit

In €m	2018	2019	Δ %
Operating Result from Activity (ORfA)	695	740	+6.5%
Discretionary and non-discretionary profit-sharing*	(34)	(37)	
Other operating income and expense	(36)	(82)	
Operating profit	625	621	-0.8%

* *Including 2019 employee share ownership plan expenses for €2m

Net profit

In €m	2018	2019	Δ %
Operating profit	625	621	-0.8%
Net financial expense	(32)	(61)	
Tax	(131)	(131)	
Non-controlling interests	(43)	(49)	
Net profit	419	380	-9.4%

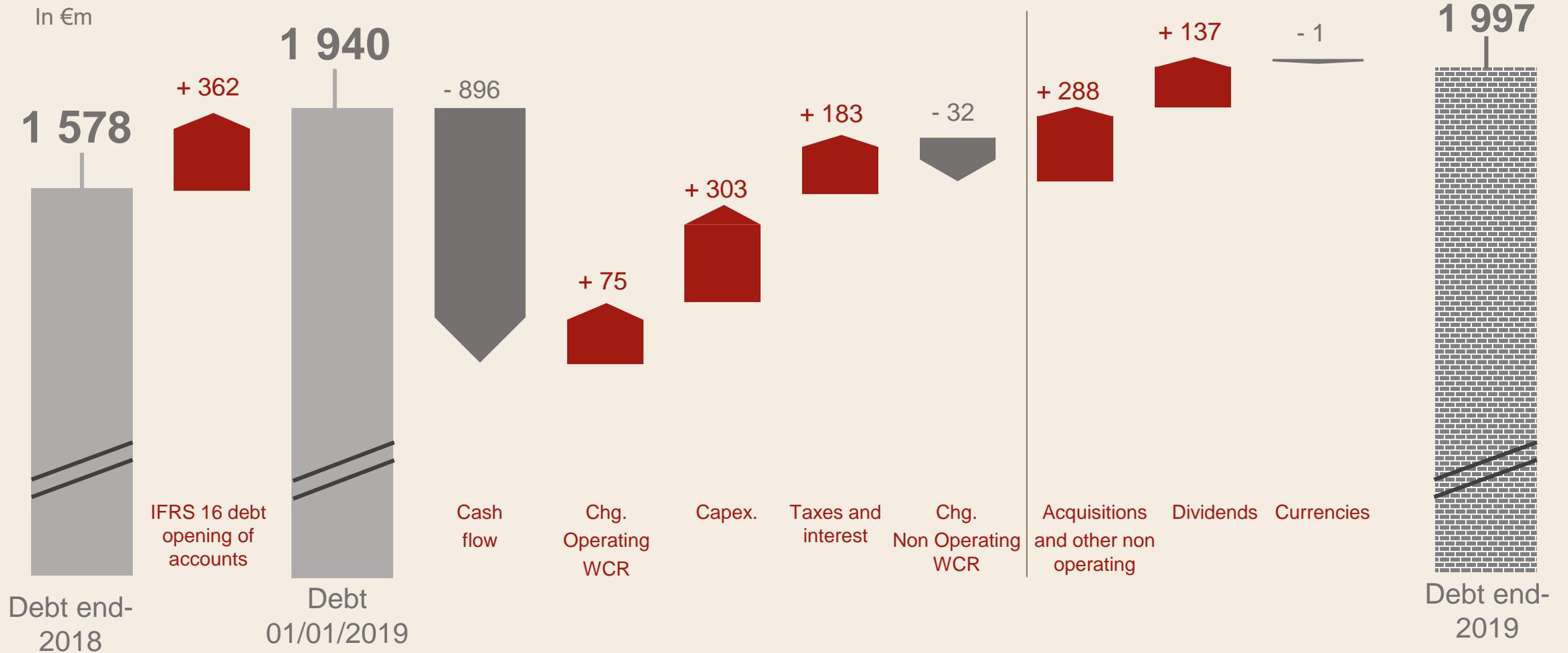
Simplified balance sheet

In €m	31/12/2018	31/12/2019
Tangible fixed assets	3,578	4,263
Operating WCR	1,120	1,215
Total assets to be financed	4,698	5,478
Equity	2,307	2,628
Provisions	383	423
Other current assets and liabilities	430	430
Net debt	1,578	1,997*
Total financing	4,698	5,478

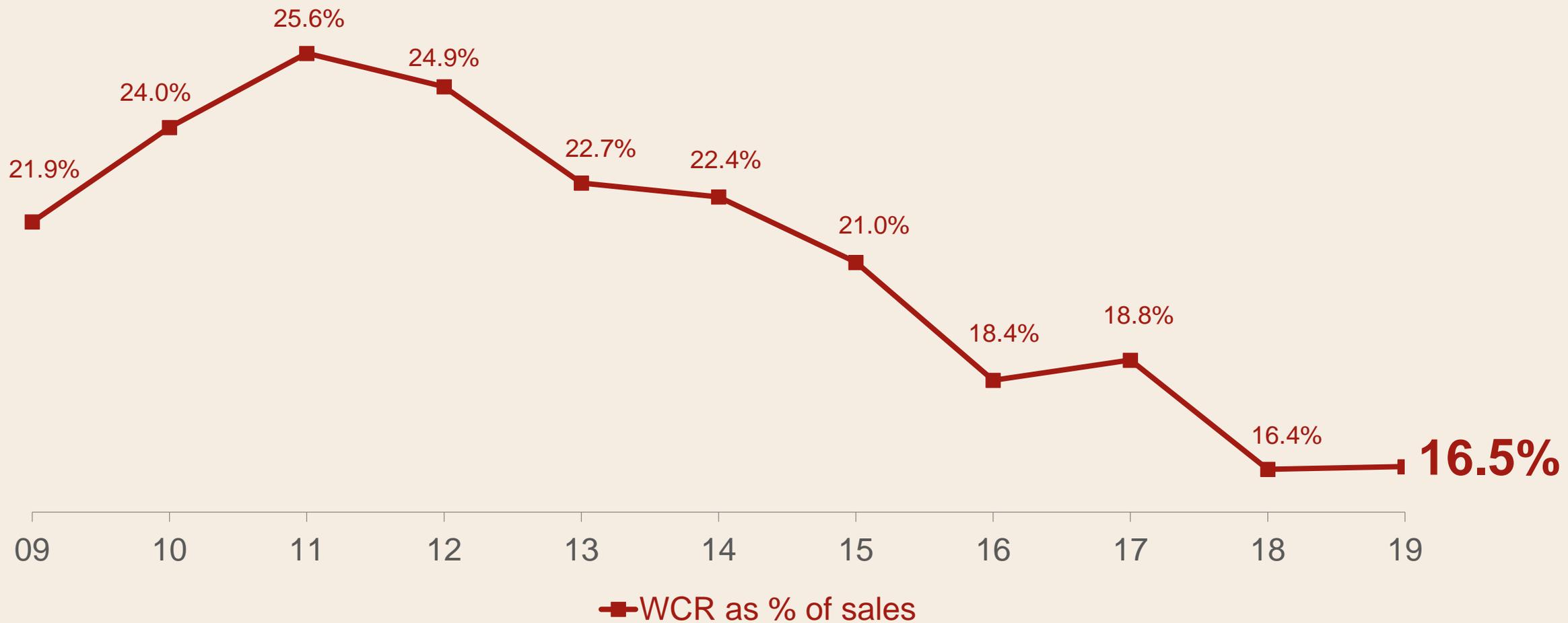
*o/w €334m IFRS16 impact

Change in net debt

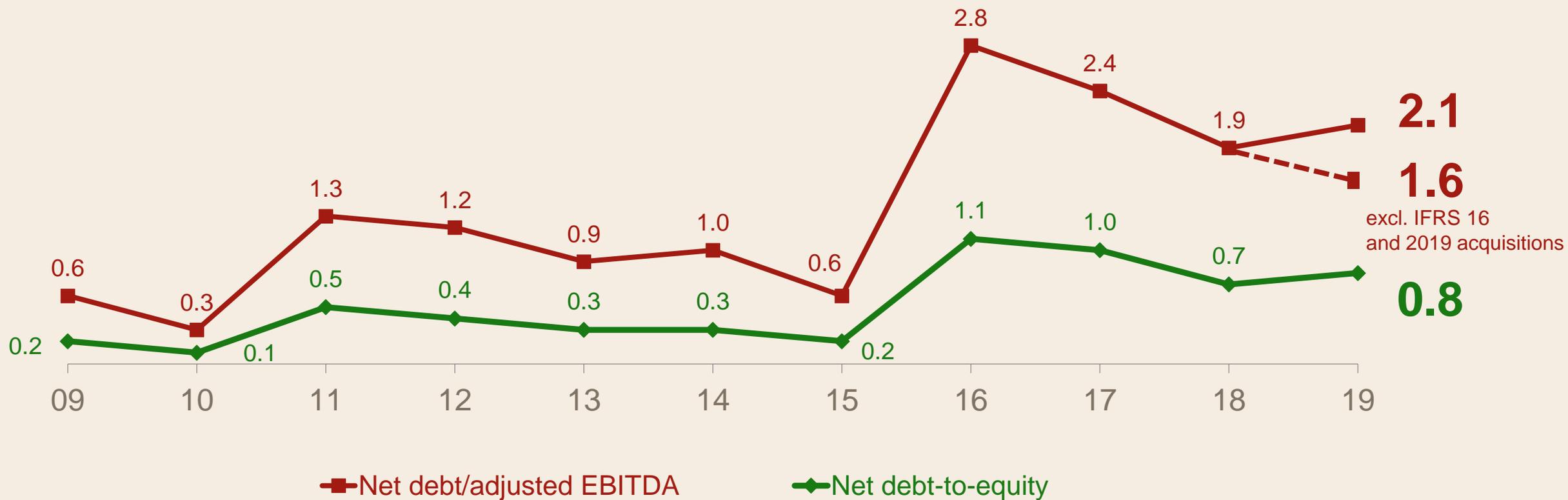
Free cash flow: €367m



Working Capital requirement evolution over 10 years



Financial ratios



Ratios at 31/12



05

OUTLOOK

Covid-19 : status at end-February 2020

Top priority given to employees' health protection

INDUSTRY

- 6 out of our 7 plants restarted production
 - ➔ Increasing to reach full production capacity by the end of March
 - ➔ Wuhan: lock-down lifted mid-March at best and transfer of most urgent productions to other Supor sites or to subcontractors
- To date, no impact on our 35 other manufacturing sites in the world (components and activity)
- To date, no shortage of sourced products (inventories accumulated before Chinese New Year)

COMMERCIAL ACTIVITY

- China as the most impacted country
- Loss in revenue estimated at around €250m in Q1

Groupe SEB: 2020 context – vision at end February 2020

Uncertain over environment and Covid-19 related issues

Higher FX volatility expected compared to 2019

More favorable raw material context at this stage

→ Lower performances expected in Q1

- Covid-19 impacts as from February
- No major impact on our supply chain at this stage
- 2019 base effects: Chinese New Year sell-in and Professional Coffee

→ Group's ability to manage crisis periods

- Flexibility of our manufacturing base
- Long-term vision



06

APPENDIX

IFRS 16 implementation - Impacts in 2019



GROUPE SEB
Impacts on:

Net debt	↑
+€334m as of December 31, 2019	
Capex	↑
+€50m	
Adjusted EBITDA	↑
+€96m	
ORfA	↑
+€9m	
Net Income	↓
-€6m	

→ **No cash impact**

2019 sales by region

In €m, unaudited figures

	2018	2019	As reported	2019 LFL	Q4 2019 LFL	
EMEA	EMEA	3,223	3,339	+3.6%	+3.3%	-1.1%
	Western Europe	2,430	2,442	+0.5%	+0.3%	-4.8%
	Other countries	793	897	+13.1%	+12.4%	+10.7%
AMERICAS	AMERICAS	887	915	+3.2%	+2.1%	-9.8%
	North America	547	589	+7.8%	+2.9%	-3.8%
	South America	340 ⁽¹⁾	326 ⁽²⁾	-4.3%	+0.7%	-19.0%
ASIA	ASIA	2,067	2,301	+11.3%	+9.4%	+9.9%
	China	1,554	1,762	+13.3%	+12.2%	+15.4%
	Other countries	513	539	+5.1%	+1.2%	-2.6%
TOTAL Consumer	6,177	6,555	+6.1%	+5.2%	+0.4%	
Professional	635	799	+25.9%	+12.1%	+6.3%	
Groupe SEB	6,812	7,354	+8.0%	+5.8%	+0.9%	

(1) including €32m in recognition of tax receivables in Brazil

(2) Including €8m in recognition of tax receivables in Brazil

% based on non-rounded figures

2019 Quarterly Sales

In €m

	Q1	Q2	H1	Q3	9-month	Q4	2019
EMEA	711	690	1,401	779	2,180	1,159	3,339
Western Europe	519	515	1,033	553	1,586	856	2,442
Other countries	192	175	368	226	594	303	897
AMERICAS	169	194	362	268	630	285	915
North America	103	121	224	176	400	190	589
South America	66	73	138	92	230	95	326 ⁽¹⁾
ASIA	659	523	1,182	533	1,715	586	2,301
China	541	396	938	401	1,339	423	1,762
Other countries	118	127	244	132	376	163	539
TOTAL Consumer	1,539	1,407	2,946	1,579	4,525	2,030	6,555
Professional	183	208	391	198	589	210	799
Groupe SEB	1,722	1,615	3,337	1,777	5,114	2,240	7,354

(1) Including €8m in recognition of tax receivables in Brazil

Glossary

On a like-for-like basis (LFL) – Organic

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

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

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

Operating Result from Activity (ORfA)

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

Adjusted EBITDA

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

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).

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.

Investor/Analyst relations

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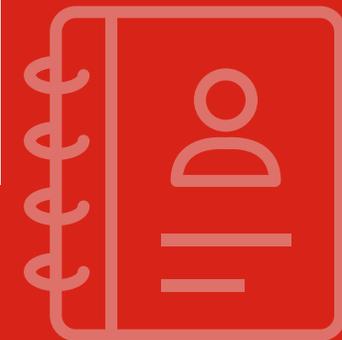
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CONTACTS

2020 key dates

April 28 after market closes	Q1 2020 sales and financial data
May 19 3:00 p.m.	Annual general meeting
July 23 before market opens	H1 2020 sales and results
October 26 after market closes	Nine-month 2020 sales and financial data



AGENDA