



# FIRST-HALF 2019 SALES AND RESULTS

Paris | July 24, 2019

Listen to the webcast of the meeting  
on [www.groupeseb.com](http://www.groupeseb.com)



- All-Clad
- ARNO
- ASIA
- calor
- clock
- Curtis
- enja
- esteras
- HEPP
- imusa
- ORIGINAL KAISER
- KRUPS
- Leptonic
- MAHARAMA
- MIRRO
- Moulinex
- OBH
- PANEX
- Rochedo
- ROWENTA
- SanUral
- schaerer
- SEB
- Silit
- SUPOR
- T-fal
- Tefal
- UMCO
- WearEver
- WMF

# FIRST-HALF 2019 SALES AND RESULTS

## NOTE

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

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

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

- 1. General environment and key figures**
- 2. Highlights**
- 3. H1 2019 sales and results**
- 4. Outlook**
- 5. Appendices**



# CONTENTS



# 01

## GENERAL ENVIRONMENT AND KEY FIGURES

# Mixed general environment

- Still difficult macroeconomic context:
  - Geopolitical tensions (USA/China, Gulf...)
  - Uncertainty in emerging countries (Brazil, Turkey)
  - Sluggish dynamics in Europe (Italy, Germany, UK)
- Fast-changing retail market
  - Difficulties of traditional retail vs. continuous development of e-commerce → Promotion-driven environment
- More favorable than expected developments in raw materials' prices during H1
- Lower currency volatility

## Key figures at end-June 2019

Sales  
**€3,337m**

**+10.3%**

**+8.4% LFL**

Consumer

**€2,946m**

**+7.7% +7.2%**

LFL

Professional

**€391m**

**+34.9% +20.1%**

LFL



## Key figures at end-June 2019

Sales

**€3,337m**

+10.3% +8.4% LFL

ORfA

**€230m**

+10.7% +8.1% LFL

Net profit

**€100m**

+9.8%

Net debt

**€2,428m\***

+€313m vs 06/30/2018

\*o/w IFRS 16 debt: €346m



# 02

## HIGHLIGHTS

- Wilbur Curtis
- Egypt
- Employee shareholding plan
- WMF

## Wilbur Curtis: good start in the Group

- Business synergies effective with WMF-Schaerer in professional coffee machines in the US
  - Filter coffee / Automatic espresso
  - Price positioning
  - Client portfolio
  - Geographic foothold
- Ongoing integration process → SEB Professional
- Sales and logistics synergies under development
- Robust growth in sales at June 30
- Extensive pipeline of new products



## Egypt: operating levers implemented

- Strategic market for the Group
- Small Domestic Appliances (SDA)
  - Strong growth in local production → Improving competitiveness
  - Leadership in food preparation
- Cookware
  - Industrial site ramp-up
  - Strong leadership: Zahran/Tefal synergies
- Solid momentum in the Retail business
  - 11 stores refurbished and modernized
  - ~15% of sales



## Employee shareholding plan respected

- Open operation in 33 countries
  - Subscription price: €123.04
  - 20% discount / benchmark price €153.79
- Participation rate: 22.% of the 19,000 eligible employees
- Average amount invested per employee: €4,400
- Total amount: €18.1m including employer contribution
  - 147,300 shares = 0.29% of the share capital
- Employee shareholding at the end of the operation:
  - From 2.74% to 3.04%

HORIZON  
2019

# WMF: contrasting performances



- PCM\*: performances above our expectations
    - 2015 → 2018 sales: **+43%**
  - More complicated Consumer business than expected
    - 2015 → 2018 sales: **-8%**
- Plan to strengthen Consumer business**
- Objective: op. margin at Group level (~10%)
  - Action plan founded on 4 priority areas
    - Resume growth
    - Industrial reorganization: streamline Consumer and investments in PCM
    - Logistics optimization in Germany
    - Reduction of central costs

\*PCM: Professional Coffee Machines





# 03

## H1 2019 SALES AND RESULTS

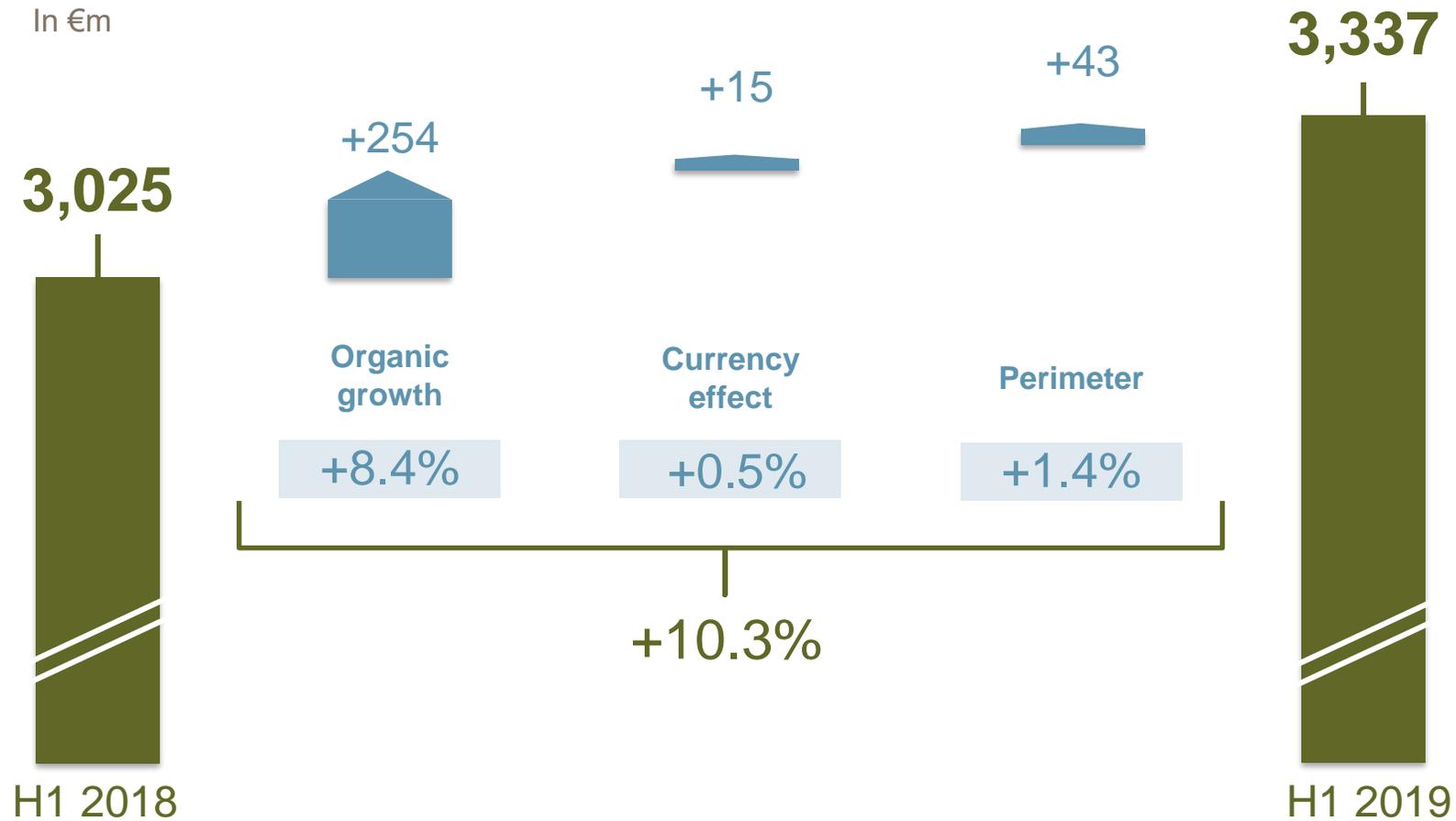
# Robust performances with balanced growth

1 Sales

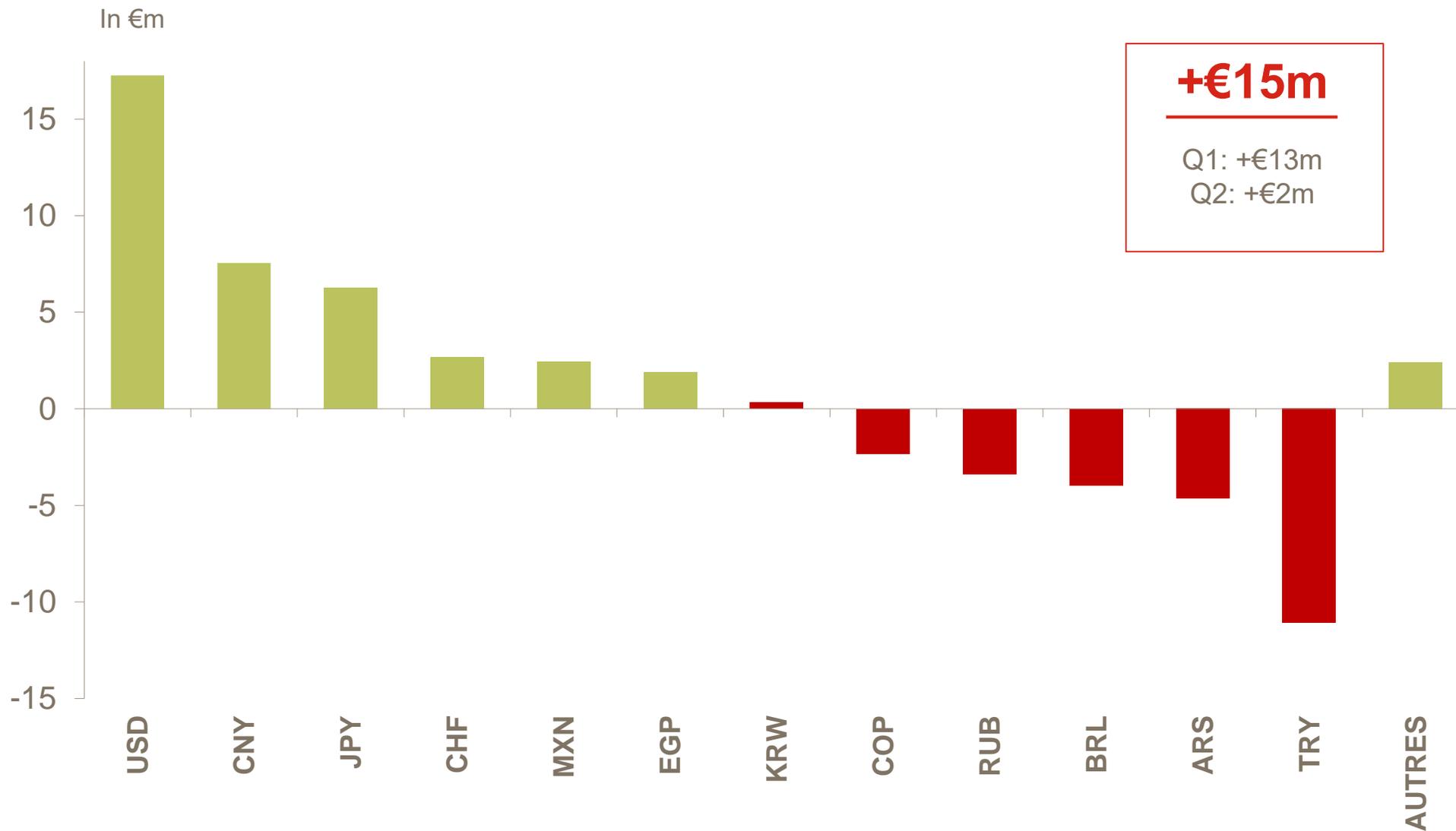
2 Results



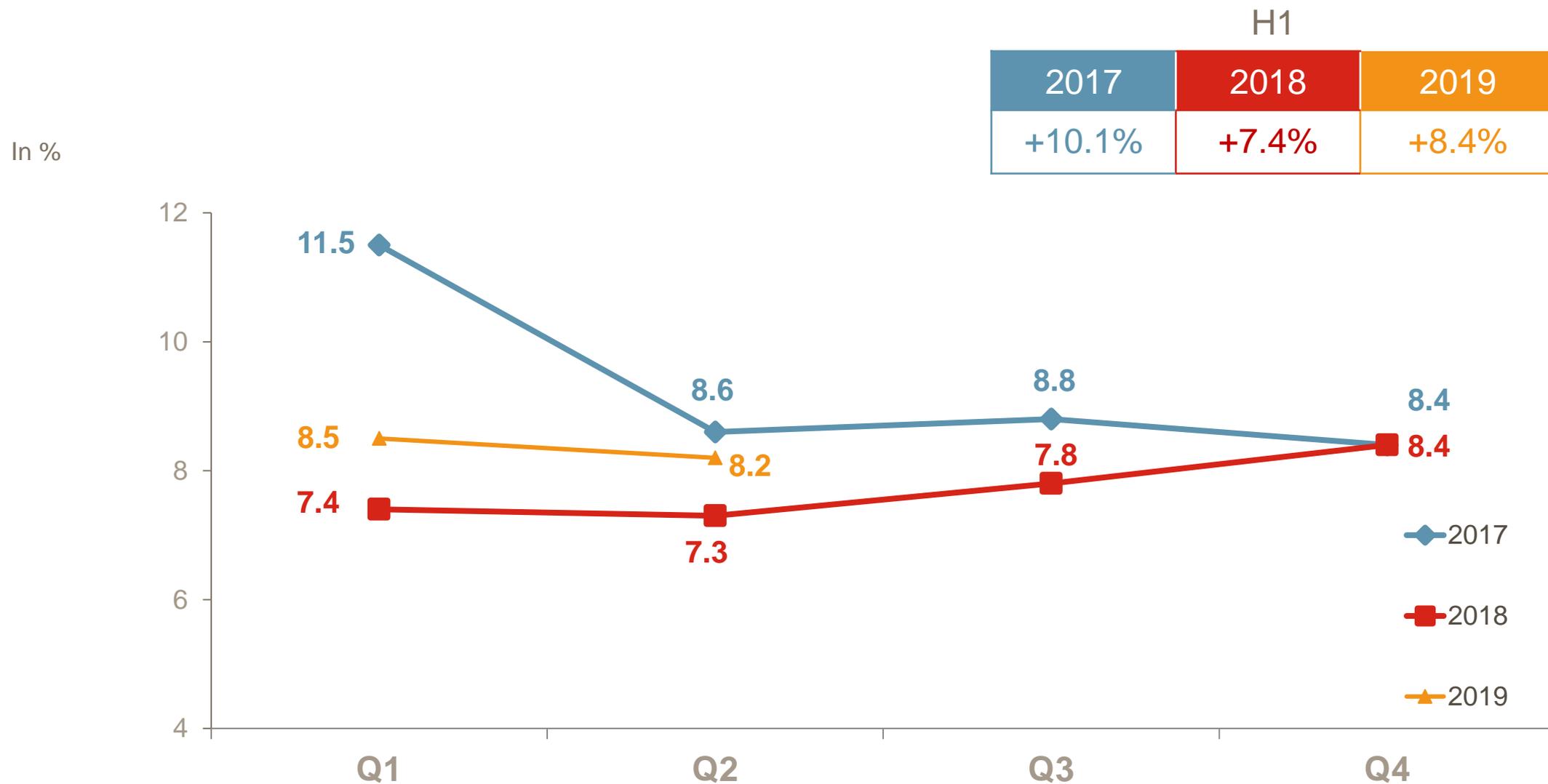
# Change in sales H1 2018 → H1 2019



# Currency impact on H1 2019 sales



# Organic sales growth per quarter



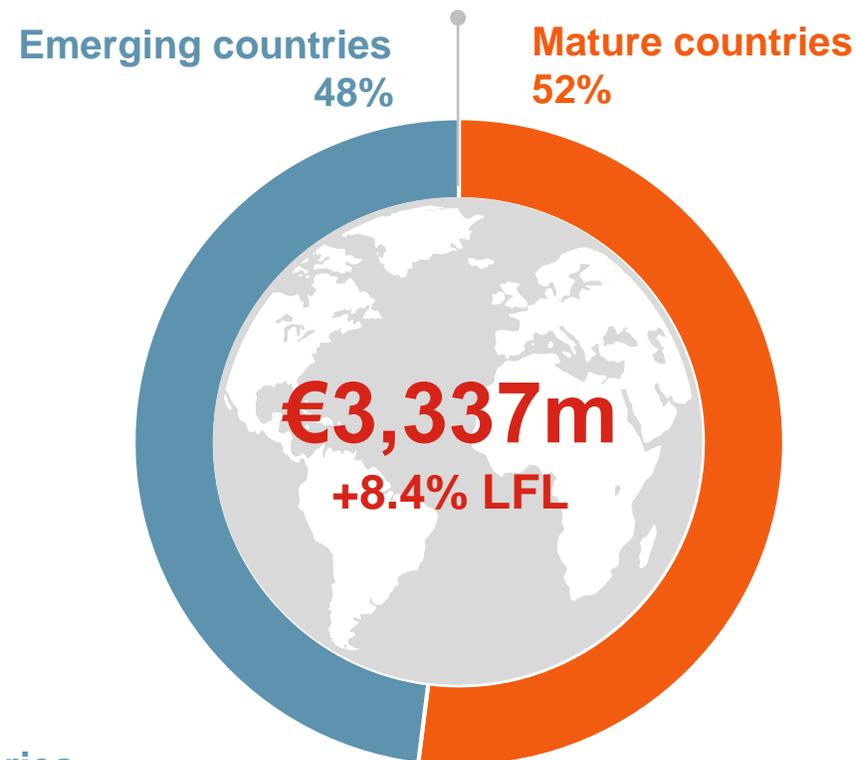
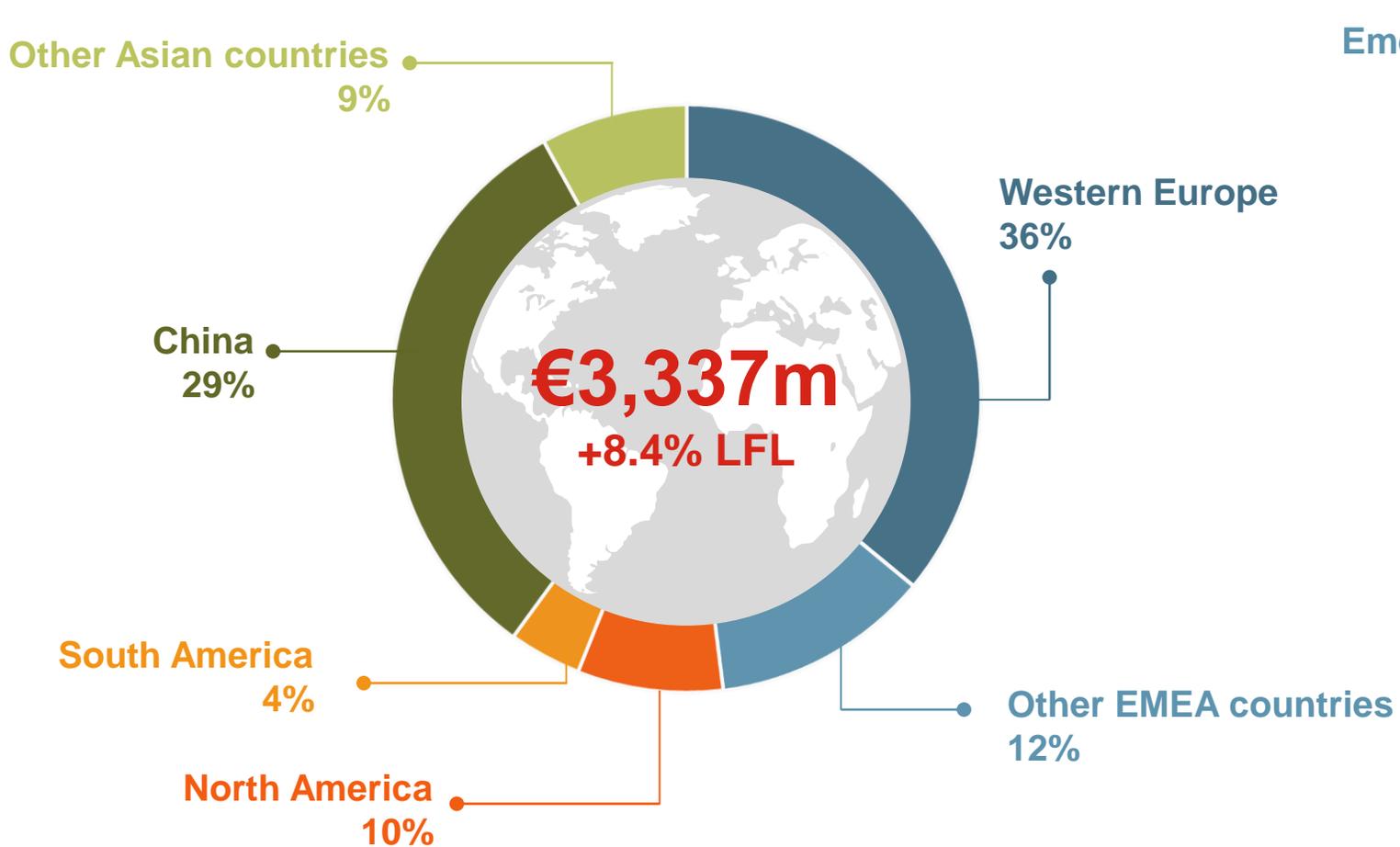
# H1 sales

In €m

		H1 2018	H1 2019	As reported	H1 2019 LFL	Q2 2019 LFL
<b>EMEA</b>	<b>EMEA</b>	<b>1,337</b>	<b>1,401</b>	<b>+4.7%</b>	<b>+5.0%</b>	<b>+5.9%</b>
	Western Europe	997	1,033	+3.6%	+3.6%	+4.1%
	Other countries	340	368	+8.0%	+9.1%	+11.4%
<b>AMERICAS</b>	<b>AMERICAS</b>	<b>338</b>	<b>362</b>	<b>+7.3%</b>	<b>+6.6%</b>	<b>+8.8%</b>
	North America	204	224	+9.5%	+3.0%	+2.3%
	South America	134	138	+3.9%	+12.1%	+19.8%
<b>ASIA</b>	<b>ASIA</b>	<b>1,060</b>	<b>1,182</b>	<b>+11.6%</b>	<b>+10.1%</b>	<b>+8.6%</b>
	China	825	938	+13.7%	+12.8%	+11.9%
	Other countries	235	244	+4.3%	+0.7%	-0.9%
<b>TOTAL Consumer</b>		<b>2,735</b>	<b>2,946</b>	<b>+7.7%</b>	<b>+7.2%</b>	<b>+7.3%</b>
Professional		290	391	+34.9%	+20.1%	+16.3%
<b>Groupe SEB</b>		<b>3,025</b>	<b>3,337</b>	<b>+10.3%</b>	<b>+8.4%</b>	<b>+8.2%</b>

% based on non-rounded figures

# Breakdown of sales by region



# Top 20 countries – Consumer sales



LFL

# Western Europe

H1 sales in €m	2018	2019	AS REPORTED	LFL	Reminder: 2018 LFL
Western Europe	997	1,033	+3.6%	+3.6%	+1.3%

- **Solid growth in sales, slightly accelerating in Q2**
  - ➔ Positive SDA market
  - ➔ Strong core business and major loyalty programs (LPs)
  
- **Activity favorable overall**
  - ➔ France: stable half-year sales vs. 2018, return to growth in Q2
  - ➔ Other countries: growth virtually widespread, excluding UK

# Other countries EMEA

H1 sales in €m	2018	2019	AS REPORTED	LFL	Reminder 2018 LFL
Other countries	340	368	+8.0%	+9.1%	+12.9%

- **Robust organic sales growth of 9.1% in H1, accelerating in Q2**
  - ➔ Momentum driven by both core business and LPs
  - ➔ Sales in Retail Group up > 10%
  - ➔ Virtually widespread milestones in a market that is promising overall, but highly competitive
- **Market share gains across the region (offline and online)**
- **Continued currency volatility**

# North America

H1 sales in €m	2018	2019	AS REPORTED	LFL	Reminder: 2018 LFL
North America	204	224	+9.5%	+3.0%	-11.5%

- **Highly disrupted retail sector, impacting business**
  - Destockings, promotions, store closures...
  
- **Contrasted performance by country:**
  - **United States/Canada:** solid business in cookware. Linen care market declining
  - **Mexico:** brisk growth in cookware and electrical cooking
  
- **Favorable currency effect (USD/€)**

# South America

H1 sales in €m	2018	2019	AS REPORTED	LFL	Reminder 2018 LFL
South America	134	138	+3.9%	+12.1%	-0.7%

- **Strong sales growth in H1, accelerating in Q2**
- **Brazil the main growth driver**
  - ➔ Acceleration in Q2 (+25%) vs. weak Q2 2018
  - ➔ Growth driven by several product categories in a highly competitive market
- **Highly penalizing currency effects on recorded sales (BRL, COP, ARS...)**

# China

ASIA

H1 sales in €m	2018	2019	AS REPORTED	LFL	Reminder: 2018 LFL
China	825	938	+13.7%	+12.8%	+26.6%

- **Competitive and promotion-driven market, still propelled by e-commerce**
- **Solid momentum (10-15% LFL) maintained vs. exceptional 2018 performance**
  - ➔ Reminder: Q2 2018 sales: +30%
- **All product families made a positive contribution to growth:**
  - ➔ Traditional categories: cookware, rice cookers, electric pressure cookers...
  - ➔ New categories: thermal mugs, kettles, health pots, high-speed blenders, garment steamers, versatile vacuum cleaners, extractor hoods...

# Other countries

ASIA

H1 sales in €m	2018	2019	AS REPORTED	LFL	Reminder 2018 LFL
Other countries	235	244	+4.3%	+0.7%	+1.5%

- **Sales stable LFL after a slight organic decline in Q2**
- **Excellent performances across most countries in the region**
  - ➔ Japan: traditional categories (cookware, kettles...) and new (garment steamers, Cook4me...)
  - ➔ Solid growth in Australia, Thailand and Malaysia
- **One-off difficulties in South Korea**
  - ➔ Fragile environment, heightened tensions with Japan

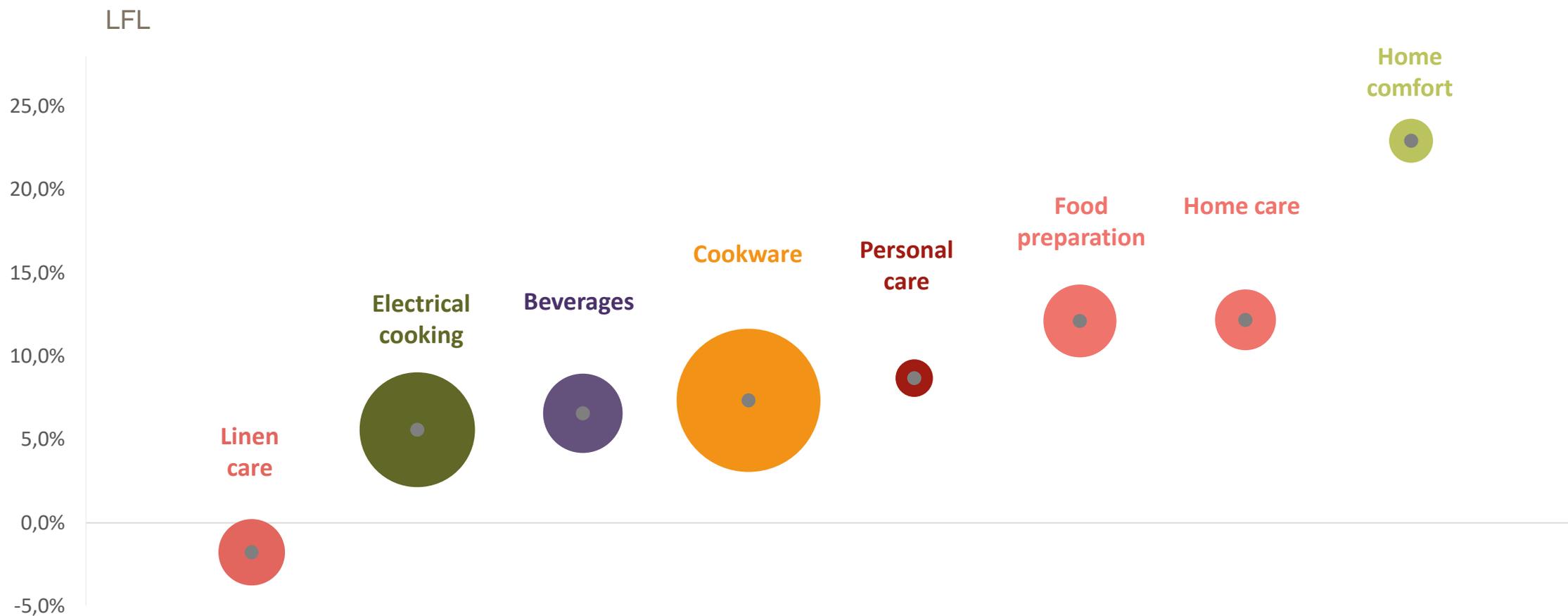
# Professional

PROFESSIONAL

H1 sales in €m	2018	2019	AS REPORTED	LFL	Reminder 2018 LFL
Professional	290	391	+34.9%	+20.1%	+2.4%

- **Professional business = Professional coffee machines+ Hotel equipment**
- **Highly vigorous Professional Coffee business with moderate 2018 comparatives**
  - ➔ Major contracts in the US and Asia
  - ➔ Growth in ordinary activity, with small retailers
- **Acquisition and consolidation of Wilbur Curtis (USA) ➔ Specialist in professional filter coffee**
  - ➔ Sales: €34m over a period of ~5 months
- **Hotel equipment: strong growth in the half-year**

# Top performers by product line - Consumer



# Product news

## Steam'Up



JANUS 2019  
DE L'INDUSTRIE

# Product news

## Air Force Flex

AIR FORCE™

# FILEX



# Product news

## Köpüklüm



# Köpüklüm

**Tefal Köpüklüm ile  
Muhabbeti Köpürtün**



# Product news

## Healthy & Tasty RC



# Product news

## Cookware All Clad



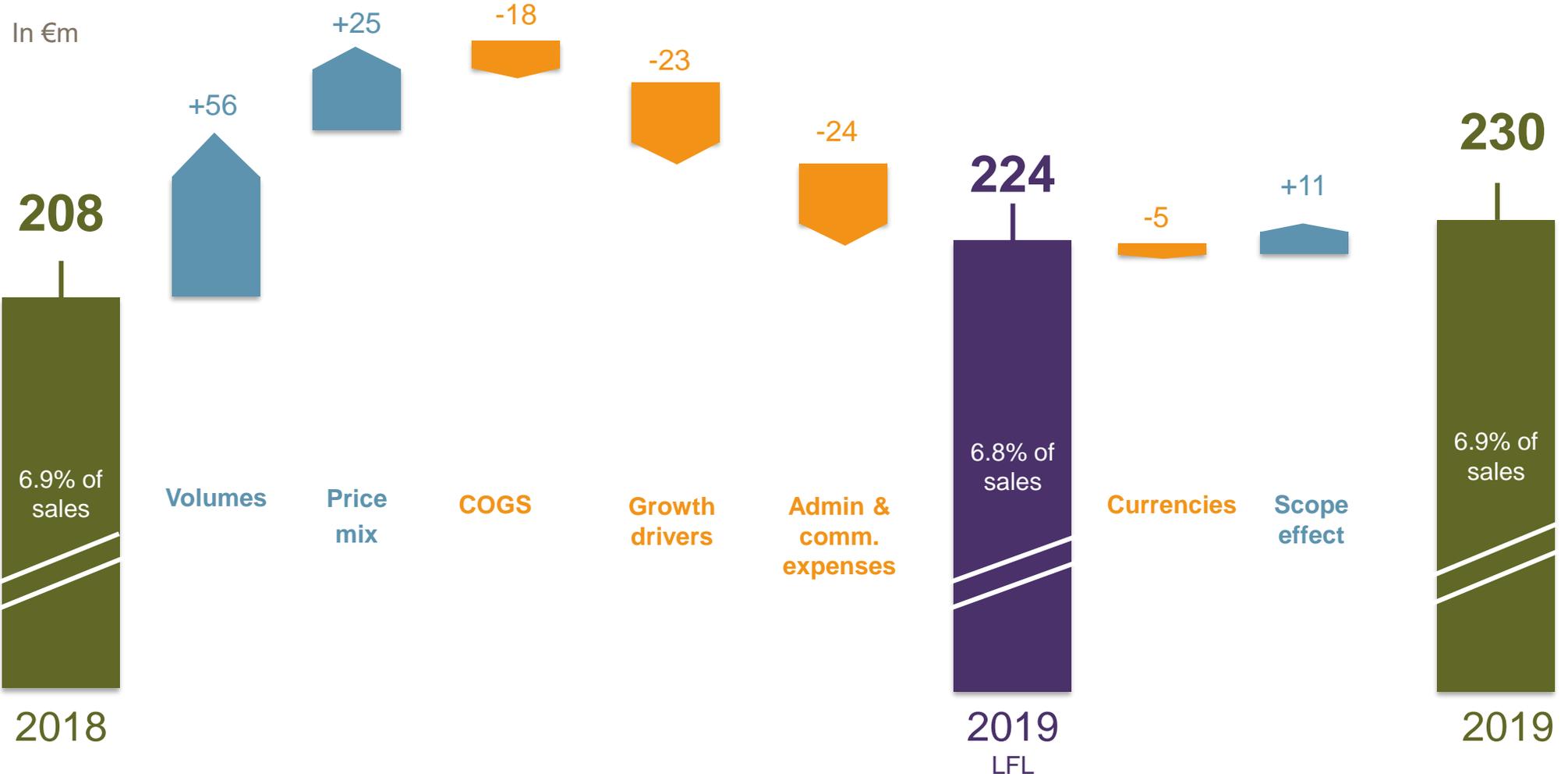
# Robust performances with balanced growth

1 Sales

2 Results



# ORfA construction



# Growth drivers

In €m

Innovation

Advertising and marketing

**Total growth drivers**

	H1 2018	H1 2019	Δ LFL
Innovation	117	128	+8.2%
Advertising and marketing	197	214	+7.9%
<b>Total growth drivers</b>	<b>314</b>	<b>342</b>	<b>+8.0%</b>

*Gross amount, before French research tax credit and capitalization*

# Operating profit

In €m

Operating Result from Activity (ORfA)

Discretionary and non-discretionary  
profit-sharing

Other operating income and expense

**Operating profit**

	H1 2018	H1 2019	
Operating Result from Activity (ORfA)	208	230	+10.7%
Discretionary and non-discretionary profit-sharing	(10)	(9)	
Other operating income and expense	(12)	(8)	
<b>Operating profit</b>	<b>186</b>	<b>213</b>	<b>+14.5%</b>

# Net Profit

In €m

	H1 2018	H1 2019	
Operating profit	186	213	+14.5%
Interest expense	(16)	(21)	
Other financial expense	(20)	(25)	
Tax	(36)	(40)	
Non-controlling interests	(23)	(27)	
<b>Net Profit</b>	<b>91</b>	<b>100</b>	<b>+9.8%</b>

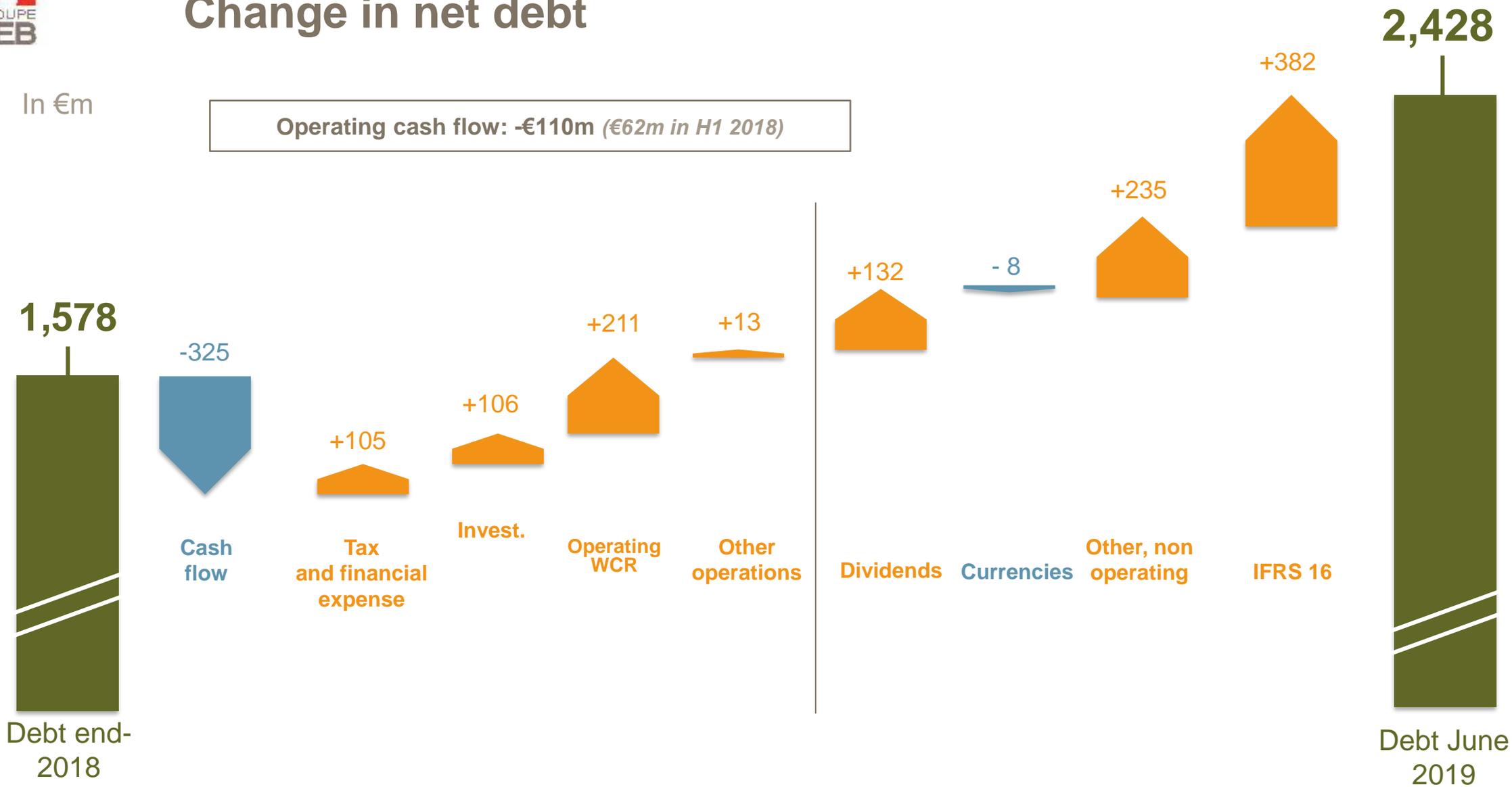
## Simplified balance sheet

In €m	06/30/2018	06/30/2019
Tangible fixed assets	3,540	4,162
Operating WCR	1,219	1,367
<b>Total assets to be financed</b>	<b>4,759</b>	<b>5,529</b>
Equity	1,984	2,323
Provisions	385	417
Other current assets and liabilities	375	361
Net debt	2,015	2,428
<b>Total financing</b>	<b>4,759</b>	<b>5,529</b>

# Change in net debt

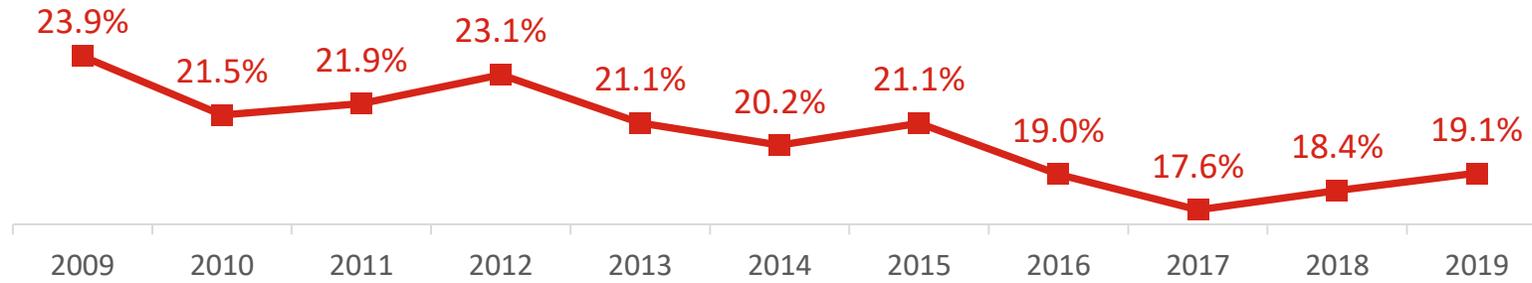
In €m

Operating cash flow: -€110m (€62m in H1 2018)



# Ratios at June 30

## WCR as % of sales



## Net debt-to-equity



## Net debt/adjusted EBITDA\*





04

OUTLOOK

# Guidance for 2019

## H2 2019 expectations:

- More favorable than expected raw material environment
- But overall environment still complex

## 2019 OBJECTIVES

- ➔ Organic sales growth above 7%
- ➔ Based on current exchange rates, and considering the highly demanding second-half 2018: increase of around 6% in reported ORfA.

### Investor/Analyst relations

Groupe SEB  
Financial Communication  
and Investor Relations

**Isabelle Posth**  
**Raphaël Hoffstetter**

[iposth@groupeseb.com](mailto:iposth@groupeseb.com)  
[rhoffstetter@groupeseb.com](mailto:rhoffstetter@groupeseb.com)

Tel: + 33 (0) 4 72 18 16 04

[comfin@groupeseb.com](mailto:comfin@groupeseb.com)

[www.groupeseb.com](http://www.groupeseb.com)



### Media Relations

Groupe SEB  
Corporate Communication Dept  
**Cathy Pianon**

[cpianon@groupeseb.com](mailto:cpianon@groupeseb.com)

Tel: +33 (0) 6 33 13 02 00

Image Sept  
**Caroline Simon**  
**Claire Doligez**  
**Isabelle Dunoyer de Segonzac**

[caroline.simon@image7.fr](mailto:caroline.simon@image7.fr)  
[cdoligez@image7.fr](mailto:cdoligez@image7.fr)  
[isegonzac@image7.fr](mailto:isegonzac@image7.fr)

Tel: +33 (0) 1 53 70 74 48



# CONTACTS



# 05

APPENDIXES

# IFRS 16 implementation - Estimated impacts

1 300 contracts

Stores

Offices

Warehouses

Vehicles

**GROUPE SEB**  
Impact on :

Net Debt (FY 19)	↑
<b>+ 346 M€</b> as of June 30 2019	
Adjusted EBITDA (FY 19)	↑
<b>+ 80 M€</b>	
ORfA (FY 19)	↑
<b>+ 8M€</b>	
Net Income (FY 19)	↓
<b>Around -5M€</b>	

**No cash impact**

## Q2 sales

In €m

		Q2 2018	Q2 2019	As reported	LFL
<b>EMEA</b>	<b>EMEA</b>	<b>652</b>	<b>690</b>	<b>+5.9%</b>	<b>+5.9%</b>
	Western Europe	494	515	+4.2%	+4.1%
	Other countries	158	175	+11.1%	+11.4%
<b>AMERICAS</b>	<b>AMERICAS</b>	<b>177</b>	<b>194</b>	<b>+9.5%</b>	<b>+8.8%</b>
	North America	112	121	+8.3%	+2.3%
	South America	65	73	+11.5%	+19.8%
<b>ASIA</b>	<b>ASIA</b>	<b>481</b>	<b>523</b>	<b>+8.7%</b>	<b>+8.6%</b>
	China	357	396	+11.2%	+11.9%
	Other countries	124	127	+1.6%	-0.9%
<b>TOTAL Consumer</b>		<b>1,310</b>	<b>1,407</b>	<b>+7.4%</b>	<b>+7.3%</b>
Professional		156	208	+33.3%	+16.3%
<b>Groupe SEB</b>		<b>1,466</b>	<b>1,615</b>	<b>+10.1%</b>	<b>+8.2%</b>

% based on non-rounded figures

# 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 non-discretionary 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.

## ***Loyalty program (LP)***

These programs, led by the 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.

## ***Net debt – Net indebtedness***

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 having a maturity of under one year and easily disposed of. Net debt may also include short-term investments with no risk of a substantial change in value but with maturities of over three months.

## ***Operating cash flow***

Operating cash flow corresponds to the “net cash from operating activities / net cash used by operating activities” item in the consolidated cash flow table, restated 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).

## ***Product Cost Optimization (PCO)***

Group program regrouping and formalizing productivity and value-accretive initiatives.

## ***Operation Performance SEB (OPS)***

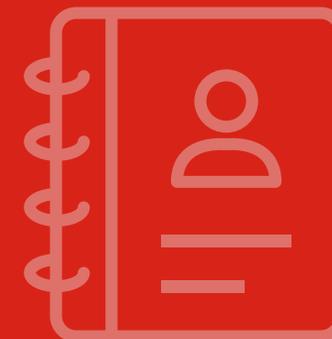
Group program targeting improvement in overall performance, striving for excellence.

## Next key dates

---

**October 29** | after market closes      9-month 2019 sales and financial data

---



AGENDA