October 26, 2023 – 5:40 p.m.

2023 nine-month sales and financial data

CONFIRMED REBOUND IN BUSINESS IN THE THIRD QUARTER - FULL-YEAR OUTLOOK REITERATED

- **Nine-month sales:** €5,532m**, +3.9% LFL** and -0.5% reported
  - Third-quarter sales: €1,920m, **+8.9% LFL** and +1.4% reported
- **Nine-month Operating Result from Activity (ORFA): €389m** vs €319m in 2022 (+22%)
  - Third-quarter ORFA: €209m vs. €120m in 2022 (+74%)
- **Nine-month ORFA margin: 7%** vs**.** 5.7% in 2022
  - Third-quarter ORFA margin: 10.9% vs. 6.3% in 2022
- **Net debt: €2,278m,** down €303m versus 09/30/2022
- **2023 outlook confirmed:**
  - Mid-single digit LFL revenue growth
  - At least 10% growth in ORFA

Statement by Stanislas de Gramont, Chief Executive Officer of Groupe SEB

"Groupe SEB maintains its momentum for a return to historical profitability levels.

Our third-quarter performance is fully in line with the rebound trend anticipated at the start of the year, and confirmed in the second quarter, both in terms of sales growth and improved profitability.

Our Consumer business delivered solid organic growth in sales, on a par with that of the second quarter, driven by our innovation initiatives across all our regions. The global small domestic equipment market continued its normalization to underpin this trajectory.

Our Professional business posts very good results thanks to record sales in coffee. The Group enjoyed a number of commercial successes in 2023 with, in particular, the roll-out of major contracts, as well as a solid core business.

Hence, we confirm our Group objectives for the full year, respectively mid-single digit organic revenue growth and an increase in our Operating Result from Activity of at least 10%."

LFL = organic: on a like-for-like basis (see glossary)

GENERAL COMMENTS ON GROUP SALES

For the first nine months of the year, Groupe SEB reported sales of €5,532m, up 3.9% LFL (and down 0.5% on a reported basis). This difference is due to a currency effect of -5.1% and a scope effect of 0.7% (linked to the acquisitions of Zummo, La San Marco and Pacojet). This performance, delivered in a market environment that remains mostly lackluster, confirms the Group's capacity to bounce back. Indeed, after posting a decline of 3.7% LFL in the first quarter, the Group began to recover in the second quarter, with sales growth of 6.8% LFL. In the third quarter, the Group confirmed this recovery with sales of €1,920m, an increase of 8.9% LFL (+1.4% on a reported basis).

This performance is in line with the rebound trajectory envisaged by the Group at the start of the year, and bears out its ambition to achieve sales growth of around 5% (LFL) for the full year 2023.

For the first nine months of the year, the **Consumer business** generated sales of €4,835m, up 1.2% LFL (and down 4.4% on a reported basis). After a 6.6% drop in sales LFL in the first quarter, third-quarter sales were up 5.5% LFL, in line with the 5.2% LFL growth achieved in the second quarter.

This performance reflects the gradual improvement in business in the three main regions (Americas, EMEA and Asia) over the first nine months of the year, as well as a favorable basis for comparison. It was achieved in a soft market environment, marked by high inflation, which weighed down on consumer confidence and led to consumer spending trade-offs.

In the third quarter, the Group's ongoing solid sales growth was driven by the Americas (North and South), certain Western European countries such as France and Belgium, and Eastern Europe. China posted growth of 0.2%, reflecting Supor's very solid performance in a particularly difficult market environment. The company thus demonstrated its strong resilience, based on a product mix that can be considered less discretionary than that of its competitors (thanks to its overexposure to basic products such as rice cookers and woks), allowing it to be less affected than the average for Small domestic equipment in China. Furthermore, Supor confirmed its ability to gain market share.

Sales in the **Professional business** rose sharply in the first nine months of the year to €697m, up 31% LFL (+38% on a reported basis). This growth is all the more satisfying considering that it was generated by all the regions in which the Group operates (China, North America and Europe), thanks both to the roll-out of several major contracts and to the recurring nature of its core business. Third-quarter sales amounted to €263m, up 43% LFL (+51% on a reported basis), underpinned by strong momentum in Professional Coffee, which achieved record sales.

BREAKDOWN OF REVENUE BY REGION

Revenue in €m	9 months 2022	9 months 2023	Change 2023/2022		Q3 2023 vs. 2022, LFL
			As reported	LFL	
EMEA	**2,302**	**2,282**	**-0.9%**	**+4.5%**	**+7.0%**
Western Europe	1,625	1,562	-3.9%	-3.6%	-3.4%
Other countries	677	720	+6.4%	+24.0%	+29.7%
AMERICAS	**804**	**778**	**-3.2%**	**-0.8%**	**+15.5%**
North America	557	535	-3.9%	-4.0%	+14.9%
South America	247	243	-1.7%	+6.4%	+16.8%
ASIA	**1,950**	**1,775**	**-9.0%**	**-1.9%**	**-1.1%**
China	1,545	1,430	-7.4%	+0.1%	+0.2%
Other countries	405	345	-14.7%	-9.5%	-6.2%
TOTAL Consumer	**5,056**	**4,835**	**-4.4%**	**+1.2%**	**+5.5%**
Professional	**504**	**697**	**+38.3%**	**+31.0%**	**+42.6%**
GROUPE SEB	**5,560**	**5,532**	**-0.5%**	**+3.9%**	**+8.9%**

Rounded figures in €m *% calculated on non-rounded figures*

COMMENTS ON CONSUMER SALES BY REGION

Revenue in €m	9 months 2022	9 months 2023	Change 2023/2022		Q3 2023 vs. 2022, LFL
			As reported	LFL	
EMEA	**2,302**	**2,282**	**-0.9%**	**+4.5%**	**+7.0%**
Western Europe	1,625	1,562	-3.9%	-3.6%	-3.4%
Other countries	677	720	+6.4%	+24.0%	+29.7%

WESTERN EUROPE

For the first nine months of the year, Group sales in Western Europe were down 3.6% LFL.

Whereas sales bounced back in the second quarter, the region's performance in the third quarter was **mixed**. **France**, **Benelux** and the **Nordic countries** reported increased sales, driven by most product categories, notably cookware, kitchen electrics, linen care and floor care.

Germany was affected by a difficult economic environment, which continued to weigh on the morale of households and their propensity to consume. For all that, Group sales in the third quarter, excluding loyalty programs, only fell back slightly. Moreover, recent trends in the German market have been fairly positive, and sales of Group products to end consumers are also following this trend.

Group sales in the UK and Italy were penalized in the third quarter by temporary sequencing problems and the fact that certain customers sought to reduce their inventories, as well as a particularly demanding basis for comparison in the UK.

OTHER EMEA COUNTRIES

For the first nine months of the year, sales in other EMEA countries increased 24% LFL. On a reported basis, sales increased by 6.4% over this period, mainly due to the substantial devaluations of the Turkish lira and the Egyptian pound.

In the third quarter, sales in the region rose by almost 30% LFL, driven by the strong performance of **Eastern Europe**, particularly **Ukraine** and **Poland**. Despite an environment marked by high inflation, the Group was able to build on its historic leadership positions to continue to successfully deploy its innovations in the region. In terms of products, it was the floor care (especially versatile vacuum cleaners), linen care, cookware (Ingénio) and electrical cooking (Optigrill, Cookeo, oil-free deep fryers) categories that contributed most to growth.

In other countries, **Turkey** and **Egypt** were the main contributors to performance, thanks in particular to Groupe SEB's capacity to swiftly implement price increases to offset the sharp devaluations of local currencies. In Turkey, the Group took full advantage of the strong momentum in the Small Domestic Appliances market. In Egypt, it gained market share thanks to solid performance levels in cookware, linen care and food preparation.

Revenue in €m	9 months 2022	9 months 2023	Change 2023/2022		Q3 2023 vs. 2022, LFL
			As reported	LFL	
AMERICAS	**804**	**778**	**-3.2%**	**-0.8%**	**+15.5%**
North America	557	535	-3.9%	-4.0%	+14.9%
South America	247	243	-1.7%	+6.4%	+16.8%

NORTH AMERICA

For the first nine months of the year, sales in North America fell back 4.0% LFL and 3.9% as reported, as the positive effect of the Mexican peso's appreciation was offset by the depreciation of the US and Canadian dollars.

In the third quarter, Groupe SEB sales increased by 14.9% LFL thanks to robust commercial momentum in the United States and Mexico, and a favorable basis for comparison.

In **the United States**, sales of cookware products enabled Groupe SEB to gain market share thanks to the commercial success of its three brands: T-Fal, All-Clad and Imusa. T-Fal is the brand that has gained the most market share since the beginning of the year, confirming its status as market leader in cookware in the United States.

The Group continued its strong winning momentum in **Mexico**, where it took advantage of an especially buoyant market for small domestic appliances. In fact, the Group has gained market share in Mexico since the beginning of the year, thanks to notable successes in food preparation (blenders in particular), fans and linen care (irons and garment steamers).

SOUTH AMERICA

For the first nine months of the year, the Group's sales in South America increased by 6.4% LFL, but fell by 1.7% on a reported basis.

In the third quarter, Groupe SEB posted sales growth of 16.8% LFL.

In **Colombia**, the Group turned in an excellent performance both in cookware, where it is the undisputed market leader, and in small domestic appliances. It continued to gain market share in its main categories, notably fans, blenders, linen care and coffee machines.

Sales in **Brazil** also enjoyed strong growth, thanks to a good season for fan sales on the one hand, and robust sales of single-serve espresso multi-beverage (Dolce Gusto) and oil-less fryers on the other hand.

Revenue in €m	9 months 2022	9 months 2023	Change 2023/2022 As reported	Change 2023/2022 LFL	Q3 2023 vs. 2022, LFL
ASIA	**1,950**	**1,775**	**-9.0%**	**-1.9%**	**-1.1%**
China	1,545	1,430	-7.4%	+0.1%	+0.2%
Other countries	405	345	-14.7%	-9.5%	-6.2%

CHINA

Over the first nine months of the year, Group sales were virtually stable in **China** (up 0.1% LFL), and down 7.4% on a reported basis due to the fall in the Yuan against the Euro over this period.

In the third quarter, sales increased by a mere 0.2% LFL in a market environment that was more difficult than anticipated.

Firstly, Supor benefited from a **product mix** that can be seen as less discretionary than that of its main competitors. Indeed, Supor holds its largest market shares in basic or essential product categories such as woks, rice cookers, electric pressure cookers and kettles, giving it a more resilient profile. Thanks to this structural advantage, it continues to outperform in China's small domestic equipment market.

Secondly, Supor continued to expand into new categories, with promising success in coffee machines.

Finally, Supor continued to **win market share**, thanks notably to its expertise in the online channel (which accounts for around 70% of the market's sales) in its main categories, i.e. cookware and kitchen electrics. This positive momentum ties in with the Group's **capacity for innovation** and new product launches, as well as the success of its trending-up policy and the ensuing beneficial effects in terms of price and product mix. Online sales, particularly those generated by the market's most dynamic platforms such as Douyin (TikTok) and Pinduoduo, helped to offset the slowdown in sales in traditional physical distribution.

OTHER ASIAN COUNTRIES

For the first nine months of the year in the other Asian countries, the Group's sales fell back by 9.5% LFL, and by 14.7% on a reported basis.

In the third quarter, sales fell by 6.2% LFL in a market environment that remained difficult. Inflation levels and the sharp rise in interest rates are weighing down on consumer demand, prompting retailers to operate with lower levels of inventory.

The yen's ongoing weakness had a significant impact on our business in **Japan**, marked by a more intense competitive environment and a normalization of sales post-covid in certain categories (particularly cookware and electric pressure cookers). Impacted by the difficult macro-economic environment, the Group's performance in **South Korea** was also negative – albeit better than the first two quarters of the year – with markets down sharply over the first nine months, notably in cookware and kitchen electrics.

Other countries in Southeast Asia continued to be penalized by sluggish economic conditions, inventory reductions in distribution and a declining store footfall. **Australia**, **Malaysia**, **Hong Kong** and **Taiwan** saw their sales deteriorate over the period. On the other hand, **Thailand** and **Singapore** began to bounce back, thanks in part to a favorable basis for comparison.

COMMENTS ON PROFESSIONAL BUSINESS ACTIVITY

Revenue in €m	9 months 2022	9 months 2023	Change 2023/2022		Q3 2023 vs. 2022, LFL
			As reported	LFL	
Professional	**504**	**697**	**+38.3%**	**+31.0%**	**+42.6%**

PROFESSIONAL

For the first nine months, Groupe SEB's Professional business (professional coffee, hotel equipment, Zummo, Krampouz and Pacojet) reported sales of €697m, up 31% LFL and 38.3% on a reported basis. This performance was mainly driven by record sales in the professional coffee segment, thanks to extremely dynamic business levels in all the Group's main markets (notably China, the United States, the United Kingdom and Germany).

Momentum in the third quarter reached a record level thanks to the roll-out of major contracts around the world, notably Luckin Coffee in China, Greggs in the United Kingdom, and Quiktrip in the United States (boosted by the successful launch of the new Curtis Skyline machine).

This remarkable performance since the start of the year has been driven not only by the roll-out of major contracts, but also by a solid level of activity in the core business (sales of machines and services). It is undergirded by strong underlying demand from end consumers, attesting to the growing popularity and interest in coffee-based beverages worldwide.

OPERATING RESULT FROM ACTIVITY (ORFA)

Operating Result from Activity (ORFA) for the first nine months of the year came in at €389m, an increase of 22% over 2022 (€319m). The figure includes a negative currency effect of €73m and a positive scope effect of €4m. ORFA margin stood at 7.0% for the first nine months of the year, compared to 5.7% in 2022.

In the third quarter alone, the ORFA amounted to €209m, up 74% on 2022, giving an ORFA margin of 10.9%. Hence, the Group returned to margin levels that were more in line with historical levels.

The ORFA improvement over 9 months, as well as in the third quarter, is fully in line with the rebound trajectory of the Consumer business, which benefited from a positive volume effect, and the strong growth of the Professional business. Besides, and as previously disclosed, the Group also took advantage since the second quarter of lower cost of freight and purchasing. Finally, after an unusual year in 2022, it is worth noting that the Group's investments in terms of growth drivers in 2023 will be much more in line with historical standards with a higher proportion to be spent in the upcoming fourth quarter.

NET DEBT AT SEPTEMBER 30, 2023

At September 30, 2023, **the Group's financial debt amounted to €2,278m** (of which €341m in IFRS 16 debt) compared with €2,581m at September 30, 2022 (with IFRS 16 debt of €337m).

This significant reduction in the Group's net debt compared with September 30, 2022 is the result of the sharp reduction in inventories which took place mostly in the last quarter of 2022, as well as a gradual improvement in operating profitability in 2023. The Group's strong free cash flow generation since the beginning of the year has enabled it to self-finance the acquisitions of La San Marco, Pacojet and Forge Adour.

OUTLOOK

The Group confirms its guidance given with the publication of its half-year results, and continues to target the following for the current full year:

- Mid-single digit LFL Group revenue growth with
  - ✓ positive LFL revenue growth in Consumer
  - ✓ strong LFL revenue growth in Professional
- At least 10% growth in Group ORFA

Reminder: The Group anticipates a pronounced negative impact on reported sales due to the appreciation of the euro which, at current exchange rates, is estimated to represent around 5% of Group sales for the full year.

APPENDIX

REVENUE BY REGION – THIRD QUARTER

Revenue in €m	Q3 2022	Q3 2023	Change 2023/2022	
			As reported	LFL
EMEA	**809**	**794**	**-1.9%**	**+7.0%**
Western Europe	553	533	-3.7%	-3.4%
Other countries	256	261	+2.0%	+29.7%
AMERICAS	**289**	**320**	**+10.7%**	**+15.5%**
North America	199	220	+10.8%	+14.9%
South America	90	100	+10.5%	+16.8%
ASIA	**622**	**544**	**-12.5%**	**-1.1%**
China	491	431	-12.1%	+0.2%
Other countries	132	113	-14.1%	-6.2%
TOTAL Consumer	**1,720**	**1,658**	**-3.6%**	**+5.5%**
Professional	**174**	**263**	**+50.6%**	**+42.6%**
GROUPE SEB	**1,894**	**1,920**	**+1.4%**	**+8.9%**

Rounded figures in €m *% calculated 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 expenses, i.e. the cost of sales, innovation expenditure (R&D, strategic marketing and design), advertising, operational marketing as well as sales and marketing expenses. 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.

Free cash flow

Free cash flow corresponds to adjusted EBITDA, after accounting for the change in the operating capital requirement, recurring investments (CAPEX), taxes and financial expense, as well as other non-operational items.

Net financial 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 debt from application of the IFRS 16 standard "Lease contracts" 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, run 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.

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 climate, 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 Universal Registration Document filed with the Autorité des Marchés Financiers, the French financial markets authority.

Conference with management on October 26, at 6:00 p.m. CET

Click here to access the webcast live (in English only)

Replay available on our website
on October 26, at 9:00 p.m. CET at www.groupeseb.com

Access (audio only):
From France: +33 (0)1 7037 7166 – Password: SEB
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Next key dates

December 14, 2023 | 2:00 p.m.	Capital Markets Day in Paris
January 30, 2024 | after market	2023 provisional sales
February 22, 2024 | before market	2023 sales and results
April 25, 2024 | after market	Q1 2024 sales and financial data
May 23, 2024 | 2:30 p.m.	Annual General Meeting
July 25, 2024 | before market	2024 first-half sales and results
October 24, 2024 | after market	Q3 2024 sales and financial data

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Find us on www.groupeseb.com

World reference in small domestic equipment, Groupe SEB operates with a unique portfolio of 33 top brands including Tefal, Seb, Rowenta, Moulinex, Krups, Lagostina, All-Clad, WMF, Emsa, Supor, marketed through multi-format retailing. Selling more than 400 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 near €8 billion in 2022 and has more than 33,000 employees worldwide.

SEB SA
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