



**STRONG RESILIENCE AND SOLIDITY OF THE GROUP
IN THE FACE OF THE CRISIS**

Consolidated financial results (€m)	2019	2020	Change 2019/2020
Sales	7,354	6,940	-5.6% -3.8% LFL
Operating Result from Activity (ORfA)	740	605	-18.2% -4.8% LFL
Operating profit	621	503	-18.9%
Profit attributable to owners of the parent	380	301	-20.9%
Net debt at 12/31	1,997*	1,518*	-€479m
Proposed dividend per share	€1.43	€2.14**	

* incl. IFRS 16 impact of €334m and €339m respectively in 2019 and 2020

% calculated on non-rounded figures

** dividend proposed to the Annual Shareholders' general meeting of May 20, 2021 (after free allocation of 1 new share per 10 existing)

Statement by T. de La Tour d'Artaise, Chairman and CEO of Groupe SEB:

“The Group successfully adapted to the global pandemic by leaning on its committed teams, to whom I would like to present my warmest thanks. In the current difficult context, our very satisfying results demonstrate the resilience of our model.

This year more than ever has shown consumers' enthusiasm for home cooking. Faithful to its corporate mission, the Group brings consumers durable, high-quality and repairable products meeting all their needs, while developing at the same time its range of services and contents. Our strength also lies in our multi-channel distribution model, combining physical retail sales, e-commerce, and social media.

With restrictions still in place, our Consumer business remains sustained at the start of this year and we anticipate our Professional business to gradually return to normal, potentially as of the second half of the year. As such, we are confident in the fact that the Group should return to organic sales growth and higher Operating Result from Activity in 2021.”

SALES

In the difficult and uncertain environment caused by the COVID-19 crisis, Groupe SEB posted full-year 2020 turnover of €6,940m, down 5.6% including a limited organic decrease of 3.8%, a currency effect of -€219m (-3.0%) and a scope effect (mainly StoreBound, acquired in July 2020) of +€81m (+1.2%).

The resilience of annual sales stems from the Consumer business, which ended the year practically stable on a like-for-like basis (-0.5%), the rebound in the second half (+7.8% LFL) having largely made up for the decline at end-June (-10.6% LFL). Indeed, the positive trend in household consumption, particularly in products for the home, and a sharp ramp-up in online sales as of the initial lockdowns, offset in part the substantial contraction in in-store sales (mandatory closures and/or decreased footfall).

Professional revenue fell 30.7% LFL in 2020, impacted by extremely low business activity in the hospitality and catering sectors from the second quarter onwards. This situation led our customers to suspend, postpone or reduce their investments in equipment (coffee machines) and significantly limited maintenance interventions.

2

OPERATING RESULT FROM ACTIVITY (ORfA)

The Group posted Operating Result from Activity (ORfA) of **€605m** in 2020. Though **down 18.2%** from 2019, ORfA was better than expected thanks to stronger than anticipated sales in the fourth quarter. Negatively impacted by currency effects (-€109m versus -€5m in 2019), ORfA included a scope effect of €9m, owing primarily to the consolidation of StoreBound.

As such, 2020 ORfA at constant exchange rates and scope stands at €705m, down 4.8%, with the following components:

- A volume effect of -€126m owing to the contraction in business activity, particularly Professional;
- A price-mix effect of +€60m, reflecting an overall less promotional small domestic equipment market, continued upgrading of offer in numerous countries, and price increases made to offset the depreciation of some currencies;
- A €9m decrease in the cost of sales, purchasing and productivity gains having exceeded the industrial under-absorption in the first half and inflation;
- Practically stable investments (-€1m) in growth drivers (innovation, operational marketing and advertising), maintained at around 10% of turnover with strong catch-up at the end of the year;
- A €23m decrease in sales, marketing and administrative expenses, stemming from both the aid received in some countries in respect of short-time work (notably France and Germany) and a reduction in costs.

Amid the exceptional circumstances of 2020, the Group generated over 80% of its Operating Result from Activity in the second half, against a backdrop of worsened exchange rates. This performance can be attributed to the recovery in the Consumer business and the remarkable mobilization of all the teams.

OPERATING PROFIT AND NET PROFIT

Groupe SEB reported operating profit of €503m in 2020, versus €621m in 2019. The total includes a non-discretionary and discretionary employee profit-sharing expense of €24m, compared with €35m in 2019, the decrease reflecting the downturn in the results of French entities. It also comprises other operating income and expense of -€78m (-€82m in 2019). Two-thirds of these expenses resulted from the finalization of the restructuring of WMF's Consumer business, as well as from a reorganization of the Professional business, strongly impacted by the drop of activity in the hospitality and catering sectors. The remainder of these expenses came from several items relating to structure resizing, acquisition/disposal costs or write-downs of assets.

Financial result came out at -€61m, the same as in 2019. It notably comprised an external debt cost of €40m (close to that in 2019), including an IFRS 16-related expense of €12.5m.

In these conditions, profit attributable to owners of the parent amounted to €301m, compared with €380m in 2019. This comes after a tax charge of €94m, representing an effective tax rate of 21.2% in 2020 (23.5% in 2019) and non-controlling interests of €48m, practically similar to the amount of 2019, the slight decrease in Supor results being offset by the inclusion of the minority interests of StoreBound.

3

BALANCE SHEET

At December 31, 2020, consolidated equity totaled €2,735m, up €107m on end-2019.

At December 31, 2020, net debt amounted to €1,518m (of which €339m in IFRS 16 debt), versus €1,997m a year earlier, showing a decrease of €479m. The substantial reduction in debt mainly stemmed from a considerable improvement in the working capital requirement (WCR), which totaled €848m, down €367m on 2019 and representing 12.2% of sales. In addition to the continued structural optimization efforts led for more than 10 years, this new and significant drop in the WCR also resulted from cyclical favorable seasonality effects in 2020, including:

- strong collections of customer receivables at the end of the year;
- delayed purchases of some products and services (for example, investments in growth drivers);
- the positive impact of the downturn in Professional business on the Customers item.

This very low WCR/sales level thus stands as an exception and should not be extrapolated for 2021.

At December 31, 2020, the Group's net debt/consolidated equity ratio was 56% (compared with 76% at end-2019) and 43% excluding IFRS 16. The net debt/Adjusted EBITDA ratio came out at 1.8x, and 1.6x excluding the IFRS 16 effect.

FREE ALLOCATION OF SHARES

In order to earn the loyalty of its shareholders, Groupe SEB is proceeding with a free allocation of shares to their benefit.

Meeting on February 23, 2021, the Board of Directors, making use of the authorization it has been given by the Combined Annual Shareholders' General Meeting of May 19, 2020 under the 19th resolution, has decided to increase the share capital by €5,030,706 through the incorporation of reserves and/or retained earnings. This will take the share capital from €50,307,064 to €55,337,770.

The increase of share capital will be completed on March 3rd, 2021 through the creation of 5,030,706 new, entirely freed up shares with a nominal value of €1. The shares will be freely allocated to all shareholders registered on March 2nd, 2021, to the tune of ONE new share per TEN existing shares. It is specified that all shares making up the share capital, or 50,307,064 shares, will carry the same allocation right of 1 new share per 10 existing shares.

The attribution right will be detached on March 1st, 2021 on the opening for trade of the Paris-Euronext stock exchange and will lead to a corresponding adjustment of the share price. The new shares will bear rights on January 1, 2020 and will be immediately assimilated to existing shares. They will carry the same rights as the original shares in terms of double voting rights and dividend loyalty bonus. They will give right to a dividend in respect of 2020 financial year, paid in 2021.

Rights forming fractional shares shall not be tradeable, nor can they be sold, and ownership of the related shares shall be fully or partially maintained by SEB SA as shares held in treasury. SEB SA will compensate the holders of the fractional shares in respect of the amounts due at the latest thirty (30) days after the full number of shares has been recorded in their accounts. The remainder of potential rights forming fractional shares not maintained by SEB SA will be sold.

New shares stemming from shares featuring separation of the legal and beneficial ownership will maintain the same structure:

- the new share shall be booked to the original account: as such, it will be divided in the same way as existing shares;
- fractional amounts will, however, be allocated to the bare owner only.

Transactions will be centralized by BNP Paribas Securities Services – Grands Moulins de Pantin, 9 Rue du Débarcadère, 93500 Pantin.

This free share allocation will be the subject of a detailed Euronext release as of today.

DIVIDEND

Meeting on February 23, 2021, the Board of Directors proposed the distribution of a dividend of €2.14 per share* in respect of the 2020 financial year.

As a reminder, in February 2020, the dividend initially proposed in respect of full-year 2019 was €2.26 per share. It was then reduced by 33% to €1.43, given the effects of the COVID-19 pandemic and in line with the recommendations of AFEP (Association Française des Entreprises Privées) at the time.

The proposal to return to a more normative level in the dividend is based on the satisfactory 2020 performances thanks to the Consumer business' rebound in the second half of the year, as well as on the Board's trust in the Group's continued profitable growth over the long term.

Shareholders having held shares under the registered form for more than two years will receive a loyalty bonus of 10%, taking the total dividend to €2.35 per share (for holdings below 0.5% of the capital for a given shareholder).

The coupon detachment date is set for May 25 and the dividend will be paid on May 27, 2021.

OUTLOOK

Following an atypical year, Groupe SEB is confirming its trust in its business model, which once again demonstrated its resilience and solidity in the face of a major crisis.

The general environment at the start of 2021 is highly uncertain. Despite the initiation of vaccination campaigns, health conditions continue to be unstable, reflected in movement restriction measures in many countries, notably in Europe, and ongoing difficulties in the hospitality and catering sectors, still severely impacted.

However, as in the second half of 2020, our Consumer business activity is solid at the beginning of the year on a favorable comparison basis. The momentum is based on firm demand, new products launchings supported by strong advertising and marketing activation and stepped-up e-commerce. A gradual return to normal of the Professional business could materialize as of the second half of the year.

Given the limited visibility on the coming months and the seasonal nature of our business, we are not in a position to specify our objectives for full-year 2021 at this stage. The currency effects as well as the high price levels of raw materials and freight are currently headwinds. Nevertheless, the Group is well equipped and firmly on track to return to organic sales growth and higher Operating Result from Activity in 2021.

In any case, the Group remains entirely mobilized and agile, ready to adapt its systems and processes to health requirements and to any measures implemented by the public authorities in all of its countries.

*After free allocation of 1 new share per 10 existing

Gruppe SEB's consolidated and company financial statements at December 31, 2020 were approved by the Board of Directors on February 23, 2021.

CONSOLIDATED INCOME STATEMENT

(€ million)	31/12/2020	31/12/2019	31/12/2018
Revenue	6,940.0	7,353.9	6,812.2
Operating expenses	(6,334.6)	(6,614.1)	(6,117.4)
OPERATING RESULT FROM ACTIVITY	605.4	739.8	694.8
Statutory and discretionary profit-sharing*	(24.2)	(37.2)	(33.6)
RECURRING OPERATING PROFIT	581.2	702.6	661.2
Other operating income and expense	(77.9)	(82.1)	(35.6)
OPERATING PROFIT	503.3	620.5	625.6
Finance costs	(39.8)	(41.1)	(32.8)
Other financial income and expense	(21)	(19.6)	0.9
Share of profits of associates			
PROFIT BEFORE TAX	442.5	559.8	593.7
Income tax	(93.8)	(131.5)	(131.2)
PROFIT FOR THE PERIOD	348.7	428.3	462.5
Non-controlling interests	(48.2)	(48.6)	(43.5)
PROFIT ATTRIBUTABLE TO SEB S.A.	300.5	379.7	419.0
PROFIT ATTRIBUTABLE TO SEB S.A. PER SHARE <i>(in units)</i>			
Basic earnings per share	6.00	7.63	8.44
Diluted earnings per share	5.96	7.58	8.38

* including 2019 employee share ownership plan expenses

CONSOLIDATED BALANCE SHEET

ASSETS (in €m)	31/12/2020	31/12/2019	31/12/2018
Goodwill	1,642.4	1,611.3	1,484.9
Other intangible assets	1,261.6	1,261.9	1,183.2
Property, plant and equipment	1,219.5	1,248.0	839.5
Investments in associates	-	-	-
Other investments	108.0	100.4	51.0
Other non-current financial assets	15.9	38.6	16.9
Deferred taxes	107.7	96.3	79.2
Other non-current assets	47.2	58.0	57.1
Long-term derivative instruments - assets	17.9	3.4	2.5
NON-CURRENT ASSETS	4,420.2	4,417.9	3,714.3
Inventories	1,211.5	1,189.1	1,180.5
Trade receivables	965.4	1,159.7	1,087.2
Other receivables	160.6	175.1	144.7
Current tax assets	42.0	57.4	36.3
Short-term derivative instruments - assets	36.2	20.5	40.1
Financial investments and other financial assets	664.7	10.2	260.7
Cash and cash equivalents	1,769.4	785.5	612.7
CURRENT ASSETS	4,849.8	3,397.5	3,362.2
TOTAL ASSETS	9,270.0	7,815.4	7,076.5
LIABILITIES (in €m)	31/12/2020	31/12/2019	31/12/2018
Share capital	50.3	50.3	50.2
Reserves and retained earnings	2,436.8	2,395.1	2,130.2
Treasury stock	(19.6)	(52.8)	(82.4)
Equity attributable to owners of the parent	2,467.5	2,392.6	2,098.0
Non-controlling interests	267.3	234.9	208.6
EQUITY	2,734.8	2,627.5	2,306.6
Deferred taxes	191.0	222.3	235.8
Employee benefit and other non-current provisions	355.9	339.5	334.1
Long-term borrowings	2,285.8	2,301.8	1,857.9
Other non-current liabilities	52.0	55.2	45.8
Long-term derivative instruments - liabilities	15.5	17.1	7.9
NON-CURRENT LIABILITIES	2,900.2	2,935.9	2,481.5
Employee benefit and other current provisions	122.9	107.8	73.9
Trade payables	1,260.3	1,044.8	1,029.9
Other current liabilities	493.3	527.6	519.3
Current tax liabilities	35.9	74.1	52.6
Short-term derivative instruments - liabilities	50.4	27.1	25.7
Short-term borrowings	1,672.2	470.6	587.0
CURRENT LIABILITIES	3,635.0	2,252.0	2,288.4
TOTAL EQUITY AND LIABILITIES	9,270.0	7,815.4	7,076.5

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 adjusted EBITDA, after considering changes in operating working capital, recurring capital expenditures (CAPEX), taxes and financial expenses, and other non-operating items.

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. 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.

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 Universal 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, 2020, examined by SEB SA's Statutory Auditors and approved by the Group's Board of Directors, dated February 23, 2021.

Conference with management on February 25 at 2:30 p.m. CET

Please click on the [following link](#) to access the live webcast

The webcast will also be available at www.groupeseb.com
on February 25 as of 8:00 p.m. CET

Access (audio only):

From France: +33 (0) 1 7037 7166- Password: SEB EN

From other countries: +44 (0) 33 0551 0200- Password: SEB EN

8

Next key dates - 2021

April 22 after market closes	Q1 2021 sales and financial data
May 20 3:00 pm (Paris time)	Annual General Meeting
July 23 before market opens	H1 2021 sales and results
October 26 after market closes	9-month 2021 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 30 top brands including Tefal, Seb, Rowenta, Moulinex, Krups, Lagostina, All-Clad, WMF, Emsa, Supor, marketed through multi-format retailing. Selling more than 360 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 €6.9 billion in 2020 and has more than 34,000 employees worldwide.

SEB SA ■

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