October 29, 2019 – 06:00 pm

Nine-month 2019 Sales and Financial Data

EXCELLENT QUARTER IN A TOUGHER ENVIRONMENT

RESULTS

- **Nine-month sales: €5,114m, +10.5%, +8.1% LFL***
- **Third-quarter sales: €1,777m, +10.9%, +7.7% LFL***
- **Nine-month Operating Result from Activity (ORfA): €407m, +9.3%**
- **Net financial debt: €2,459m** (o/w €344m from IFRS 16)

2019 OBJECTIVES

- **Ongoing solid LFL sales growth, adjusted between +6% and +7%, vs over 7% previously**
- **Increase in reported ORfA confirmed, by around +6%**

GENERAL COMMENTS ON GROUP PERFORMANCE

In a global environment that grew considerably more challenging over the summer (global economic slowdown, US/China trade dispute), Groupe SEB posted excellent performances in the third quarter. The latter were reflected in continued vigorous sales growth and an increase in Operating Result from Activity (ORfA).

Revenue in the first nine months came out at €5,114 million, up 10.5%. The total includes organic growth of +8.1%, a currency effect of +1.0% and a scope effect of +1.4%, stemming from the consolidation of Wilbur Curtis since February 8 and that of our Egyptian joint venture in its new configuration.

ORfA amounted to **€407 million** at end-September, **up 9.3%** on the first nine months of 2018 comprising a **currency effect of -€1 million** and a **scope effect** (Wilbur Curtis and Egyptian JV) **and method effect (IFRS 16) of +€15 million**.

Net financial debt stood at **€2,459 million** at September 30, 2019, compared with €2,105 million at end-September 2018 (on the same seasonal basis). It includes the recognition of IFRS 16 debt as well as the acquisitions of Wilbur Curtis and Krampouz.

* Like-for-like: at constant exchange rates and scope of consolidation

DETAIL OF REVENUE BY REGION

Revenue in €M	Nine-month 2018	Nine-month 2019	Change 2019/2018		Q3 2019 Like-for-like
			As reported	Like-for-like*	
EMEA	**2,053**	**2,180**	**+6.2%**	**+5.7%**	**+7.1%**
Western Europe	1,536	1,586	+3.2%	+3.1%	+2.4%
Other countries	517	594	+15.0%	+13.4%	+21.7%
AMERICAS	**573**	**630**	**+10.2%**	**+8.7%**	**+11.6%**
North America	357	400	+12.2%	+6.5%	+11.2%
South America	216	230	+6.8%	+12.3%	+12.5%
ASIA	**1,544**	**1,715**	**+11.1%**	**+9.3%**	**+7.7%**
China	1,192	1,339	+12.3%	+11.1%	+7.5%
Other countries	352	376	+7.1%	+3.1%	+8.2%
TOTAL Consumer	**4,170**	**4,525**	**+8.5%**	**+7.5%**	**+8.0%**
Professional business	**458**	**589**	**+28.6%**	**+14.4%**	**+4.6%**
GROUPE SEB	**4,628**	**5,114**	**+10.5%**	**+8.1%**	**+7.7%**

** Like-for-like: at constant exchange rates and scope* *Rounded figures in €m* *% calculated in non-rounded figures*

The solid momentum on a like-for-like basis breaks down as follows:

- **Consumer business**, **+7.5%:** growth driven by all geographies and all product lines. In addition to the robust increase in our core business, the number of loyalty programs was considerably higher than in 2018.

- **Professional business**, **+14.4%:** as announced, growth in professional coffee business has slowed down in the third quarter due to highly demanding comparatives in 2018.

SALES BY REGION

EMEA

Revenue in €M	Nine-month 2018	Nine-month 2019	Change 2019/2018		Q3 2019 Like-for-like
			As reported	Like-for-like*	
EMEA	**2,053**	**2,180**	**+6.2%**	**+5.7%**	**+7.1%**
Western Europe	1,536	1,586	+3.2%	+3.1%	+2.4%
Other countries	517	594	+15.0%	+13.4%	+21.7%

WESTERN EUROPE

In a contrasted market, the Group reported organic sales growth of 3.1% at end-September, following growth of +2.4% in the third quarter. This growth was driven by brisk core business and major loyalty programs.

In France, revenue was up slightly at end-September following strong growth of +5% in the third quarter, fueled by a loyalty program and by continued powerful momentum in versatile vacuum cleaners, automatic espresso machines, garment steamers, and brunch ranges. The sales success of the Cake Factory cake maker was confirmed. In contrast, business remained complicated in ironing (irons and steam generators) and canister vacuum cleaners, owing to a contraction in these markets.

In Germany, performance over the past few months confirmed the economic slowdown observed in Spring, reflected in more challenging business activity, despite the success of our flagship products (versatile vacuum cleaners and grills). Revenue in Germany also factors in negative accounting adjustments following the recent findings of business practices at Groupe SEB Deutschland that derogate from the Group's principles.

In Benelux, third-quarter sales in the Netherlands suffered from high 2018 comparatives (Loyalty Programs), while Belgium posted impressive growth, spurred on by several flagship products as well as Cake Factory and yogurt makers.

Traction remained dynamic in Italy (core business and cookware Loyalty Program), and in Portugal which delivered good performances across all product categories. In Spain, third-quarter activity remained well oriented.

OTHER EMEA COUNTRIES

Recording a 22% increase in revenue on a like-for-like basis, the region posted a record performance, becoming the leading contributor to Group's growth in the third quarter. This accelerated growth is due to virtually all our major markets, leveraging all distribution networks. Moreover, the growth in our business on e-commerce platforms and the sharp increase in the sales of our proprietary distribution network significantly contributed to this performance.

Substantial growth in Central Europe was underpinned by vigorous core business – propelled by high-growth markets- and loyalty programs. Growth was reflected in market share gains.

In Russia, we stepped up our outperformance relative to the market and consolidated our positions in small electrical appliances. In parallel, growth momentum remained very solid in Central Asia (particularly in Kazakhstan). Ukraine confirmed its excellent performances, particularly in versatile vacuum cleaners and automatic espresso machines.

In Turkey, the difficult overall environment continued to weigh on business activity. But thanks notably to the local development of products intended for the domestic market, our sales in Turkish lira were stable in the third quarter.

AMERICAS

Revenue in €M	Nine-month 2018	Nine-month 2019	Change 2019/2018 As reported	Change 2019/2018 Like-for-like*	Q3 2019 Like-for-like
AMERICAS	**573**	**630**	**+10.2%**	**+8.7%**	**+11.6%**
North America	357	400	+12.2%	+6.5%	+11.2%
South America	216	230	+6.8%	+12.3%	+12.5%

NORTH AMERICA

In a favorable monetary environment since the start of the year for the three currencies of the region, sales at end-September increased by over 12%, with organic growth of 6.5%, bolstered by a strong third quarter.

The outstanding momentum in the third quarter was driven primarily by the implementation of a specific deal in electrical cooking and the rollout of a Rowenta linen-care assortment at mass retail chains in the United States. Moreover, the Group achieved highly satisfactory performances in the United States under its T-Fal, All-Clad and Imusa brands, in a cookware market that continued to contract, hence strengthening its positions. Nevertheless, the retail environment in the country remains tough and demand is slowing down. In addition, the gradual introduction of customs tariffs as from September on products imported from China will ultimately impact cookware items and small electrical appliances with potential effects on consumption.

In Canada, overall backdrop and core business remain complicated while, conversely, third-quarter revenue in Mexico was particularly brisk, fueled by cookware and the brunch ranges and buoyed by a new loyalty program with one of our key accounts.

SOUTH AMERICA

The notable difference between growth in euros and growth on a like-for-like basis results from the continued depreciation of the Brazilian real, Argentine peso and Colombian peso. Excluding the negative currency impact, our sales in South America rose by over 12%, both for the nine-month period and the third quarter. But this solid organic growth includes contrasting trends.

In Brazil, which accounts for approximately two-thirds of our revenue in the region, the business recovery observed in the first half, on weak 2018 comparatives - particularly in the second quarter - slowed substantially in the third quarter. This softening in growth was offset by the recognition of a tax credit worth €8 million, following that of €32 million accounted for in fourth-quarter 2018. Excluding this exceptional item, our sales in Brazil would increase slightly in the third quarter despite heightened competitive and promotional pressure that affected our sales in several product categories, including ironing and food preparation appliances.

However, our fan sales continued to rise, thanks to favorable weather, while business trended positively in beverage preparation and is developing gradually in electrical cooking.

The Group posted an excellent third quarter in Colombia, driven by strong momentum in fans and the gradual rollout of "oil-less" fryer range. Cookware and kitchen tools sales were stable over the quarter.

ASIA

Revenue in €M	Nine-month 2018	Nine-month 2019	Change 2019/2018		Q3 2019 Like-for-like
			As reported	Like-for-like*	
ASIA	**1,544**	**1,715**	**+11.1%**	**+9.3%**	**+7.7%**
China	1,192	1,339	+12.3%	+11.1%	+7.5%
Other countries	352	376	+7.1%	+3.1%	+8.2%

CHINA

Despite more moderate economic Chinese growth and the US/China trade war, which penalized demand, Supor maintained solid third-quarter momentum, continuing to outperform the market in virtually all product families and to strengthen its positions, both offline and online.

In cookware and kitchenware, sales expansion slowed somewhat versus first-half 2019. But it remained boosted by flagship product families such as woks, pots & pans, thermal mugs and kitchen utensils.

Small electrical appliance business continued to be vibrant in the third-quarter, with, on one hand, ongoing excellent performance in kitchen electrics, in particular in blenders, electrical pressure cookers, baking pans and kettles (both classic and “health pots”). On the other hand, new categories also confirmed their strong sales impetus, particularly garment steamers and vacuum cleaners.

Finally, as in first-half 2019, Supor achieved solid sales growth in large kitchen appliances such as extractor hoods, gas stoves and water purifiers.

At end-September, Supor’s organic sales growth in its domestic market ended at 11.1%, following a third-quarter that saw organic growth of 7.5%. As in the first-half, these performances are to be seen in the context of exceptional comparatives in 2018 (third-quarter revenue at +26.5% LFL), which will slow slightly in the fourth quarter. The Group maintains its full-year target for double-digit growth in China.

OTHER ASIAN COUNTRIES

Excluding China, the Group reported a vigorous third quarter performance, showing a clear acceleration on the first half of the year.

Japan was the main driver of the faster growth. Our revenue in yen increased by nearly 20%, reflecting both the ongoing robust momentum – driven by cookware, kettles and garment steamers, as well as the brisk development of the Cook4me multicooker sales – and purchases made ahead of the VAT increase on October 1. Our 37 proprietary stores continued to make a positive contribution to business expansion.

In South Korea, where consumption is being negatively impacted by tensions relating to the trade conflict with Japan, revenue remained down on 2018 despite highly satisfactory performances in versatile vacuum cleaners.

Conversely, the third quarter in Australia confirmed the return to firmer sales growth, the result of new listings and new product roll-outs in linen care and electrical cooking.

The third quarter in South-East Asia was contrasted. As in the first half, business dynamic remained strong in Thailand, while sales stabilized in Vietnam following a difficult first half. Momentum slowed in Malaysia on demanding comparatives in the same period in 2018, but accelerated in Taiwan, thanks in particular to the extension of our small electrical appliance product range

COMMENTS ON PROFESSIONAL BUSINESS

Revenue in €M	Nine-month 2018	Nine-month 2019	Change 2019/2018		Q3 2019 Like-for-like
			As reported	Like-for-like*	
Professional business	458	589	+28.6%	+14.4%	+4.6%

Revenue for the Professional business (coffee machines and hotel equipment) came to €589 million at end-September, up 29%. The total includes a €52 million contribution from Wilbur Curtis, a US company specialized in professional filter coffee, consolidated since February 8, 2019. On a like-for-like basis, growth came out at 14.4%, reflecting, as anticipated, a more modest sales increase of WMF-Schaerer professional coffee machines in the third quarter. This is due to considerably more demanding comparatives in 2018 stemming from the shipment, starting in summer 2018, of major contracts signed with fast-food and coffee shop companies as well as convenience store chains in the United States and Asia. The 2018 comparative will remain high in the fourth quarter. However, excluding these deals, the core business in Professional Coffee continues to trend positively.

In parallel, growth in Wilbur Curtis revenue at end-September was consistent with our expectations. The integration process still under way is advancing satisfactorily.

Hotel equipment sales in the first nine months of the year rose slightly following a third quarter lacking in major projects.

OPERATING RESULT FROM ACTIVITY (ORfA)

ORfA totaled **€407 million** at end-September, **up 9.3%** on the first nine months of 2018**.** The total includes a **currency effect of -€1 million** and a **scope effect** (Wilbur Curtis and Egyptian joint venture) **and method effect** (IFRS 16 standard relating to lease contracts applied) **of +€15 million**.

Third-quarter ORfA amounted to €178 million, up 8% on the €165 million for the same period in 2018. Operating margin ended at 10%.

DEBT AT SEPTEMBER 30, 2019

At September 30, 2019, net financial debt stood at **€2,459 million**, compared with €2,105 million at end-September 2018 (on the same seasonal basis). The figure includes the recognition of IFRS 16 debt, totaling €344 million, and the acquisitions of Wilbur Curtis and Krampouz. It also includes, as announced, an increase in investments as compared to 2018 (in France and China and in WMF Professional).

OUTLOOK

Despite the very good performances posted so far in 2019, the global economic slowdown and the increasing geopolitical tensions since the summer are prompting us to be more cautious.

In these circumstances, the Group is slightly adjusting its 2019 objective on organic sales growth which is now expected between +6% and +7%, rather than over 7% as announced at end-July. In the current environment, this very solid dynamic outperforms the industry and confirms the relevance of the Group's strategic model.

The Group confirms its objective of around +6% increase in reported Operating Result from Activity in 2019, in a more favorable currency and raw material environment than expected.

APPENDIX

REVENUE BY REGION – THIRD QUARTER

Revenue in €M	Q3 2018	Q3 2019	Change 2019/2018	
			As reported	Like-for-like*
EMEA	**715**	**779**	**+8.8%**	**+7.1%**
Western Europe	539	553	+2.4%	+2.4%
Other countries	176	226	+28.5%	+21.7%
AMERICAS	**235**	**268**	**+14.3%**	**+11.6%**
North America	152	176	+15.7%	+11.2%
South America	83	92	+11.7%	+12.5%
ASIA	**485**	**533**	**+10.0%**	**+7.7%**
China	367	401	+9.1%	+7.5%
Other countries	118	132	+12.9%	+8.2%
TOTAL Consumer	**1,435**	**1,579**	**+10.1%**	**+8.0%**
Professional Business	**168**	**198**	**+17.8%**	**+4.6%**
GROUPE SEB	**1,603**	**1,777**	**+10.9%**	**+7.7%**

** Like-for-like: at constant exchange rates and scope* *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 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

Listen to the audiocast of the presentation on our website on October 29th from 9 pm:
www.groupeseb.com or click here

Next key dates - 2020

January 22 | after market closes	Provisional 2019 sales
February 27 | before market opens	2019 sales and results
April 27 | after market closes	Q1 2020 sales and financial data
May 19 | 3:00 pm (Paris time)	Annual General Meeting
July 23 | before market opens	H1 2020 sales and results
October 26 | after market closes	9-month 2020 sales and financial data

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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 service to clients. With products being present in over 150 countries, Groupe SEB generated sales of approximately €6.8 billion in 2018 and had more than 34,000 employees worldwide.

SEB SA
SEB SA - N° RCS 300 349 636 RCS LYON – with a share capital of €50,307,064 – Intracommunity VAT: FR 12300349636