



- 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

# 2020 FIRST-QUARTER SALES AND FINANCIAL DATA

April 28, 2020

Listen to the audiocast (available on April 28 at 9:00 pm), [click here](#)

# 2020 FIRST-QUARTER SALES AND FINANCIAL DATA

## DISCLAIMER

Some of the statements contained in this document may be forward-looking statements concerning Groupe SEB's financial position, results, businesses, strategy or projects. Groupe SEB considers that such statements are based on reasonable assumptions but cannot and does not give any assurance that the Group's future performance will be consistent with those statements. Actual results could differ from those currently anticipated in such statements due to a certain number of inherent risks and uncertainties, most of which are beyond Groupe SEB's control, such as those described in the documents filed or to be filed by Groupe SEB with the French securities regulator (Autorité des Marchés Financiers) and made available for downloading from the Company's website

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

1. Covid-19: general context
2. Q1 sales review
3. Q1 ORFA – Debt / Liquidity
4. Action plan and outlook
5. Appendix



# CONTENTS





# 01

## COVID-19: GENERAL CONTEXT

# General overview: an unprecedented health and economic crisis

- Fast spreading epidemic, including 2 “phases” at this stage → China (Asia) / Rest of world
- +
- Massive lockdown – shutdowns: factories, offices, public spaces, retail, restaurants, hotels...

→ All areas of global economy heavily impacted

- Answers to the crisis differing from one country to the other
- Lack of visibility regarding the end of the epidemic
  - Phasing of de-confinement
  - Speed of recovery
- Significant currency devaluation in emerging countries and collapsing oil prices

# Groupe SEB's top priorities

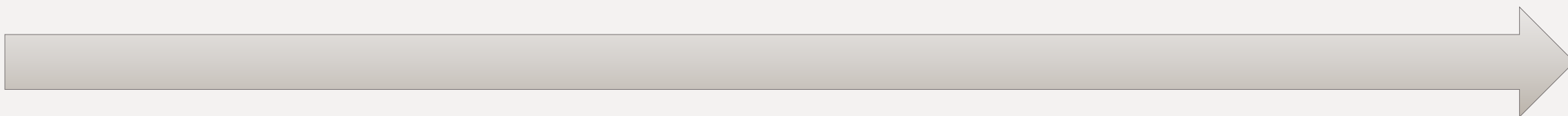
**Health & safety  
of employees**

Group: 33 Covid-sick people\*

**Business continuation  
plan and service to  
customers**

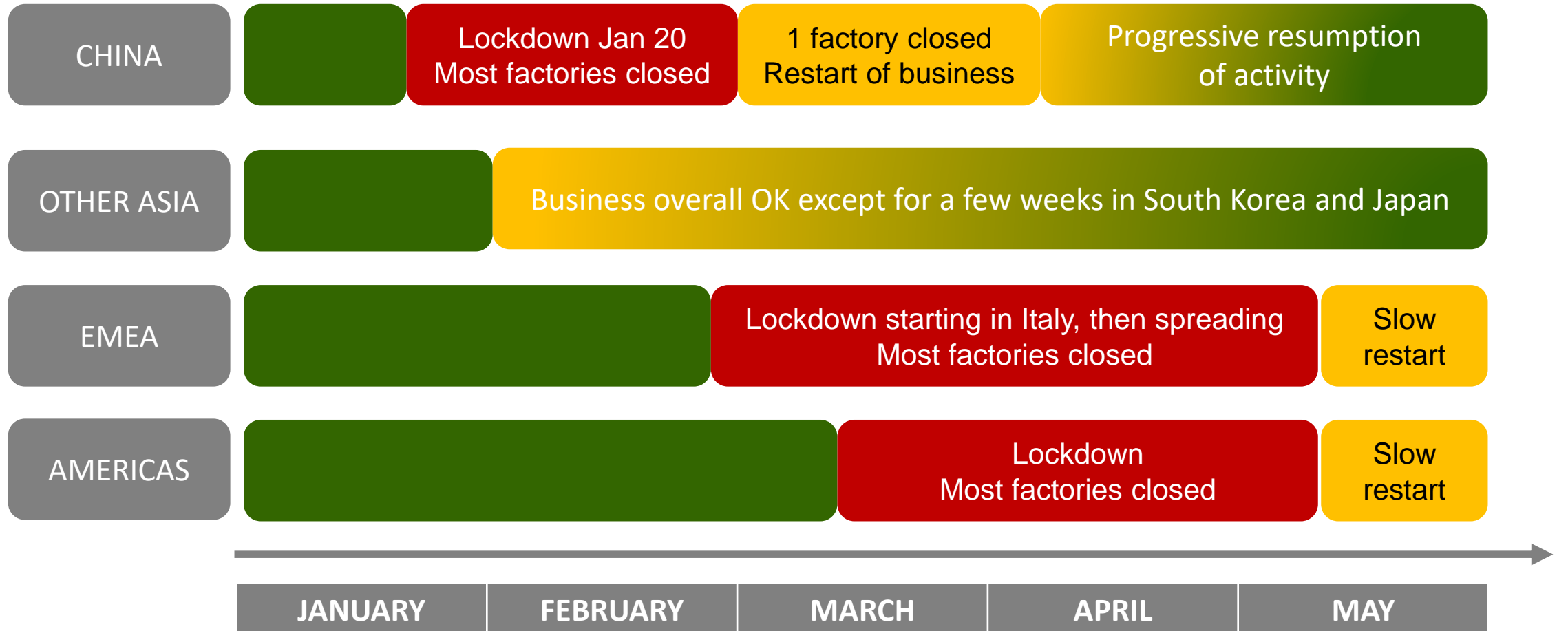
**Liquidity  
preservation and  
cost reduction  
action plans**

**Gradual activity  
resumption**

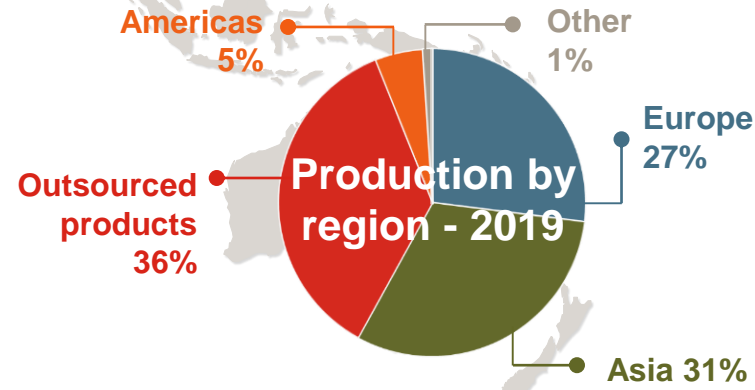
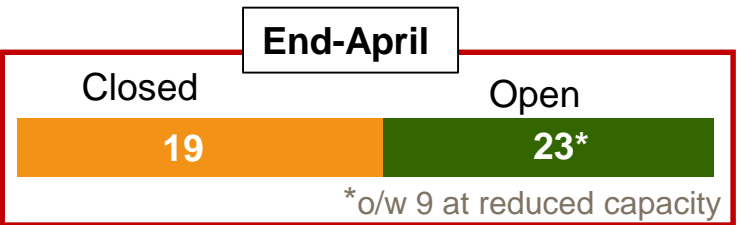
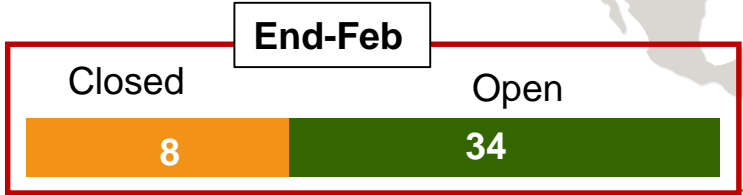
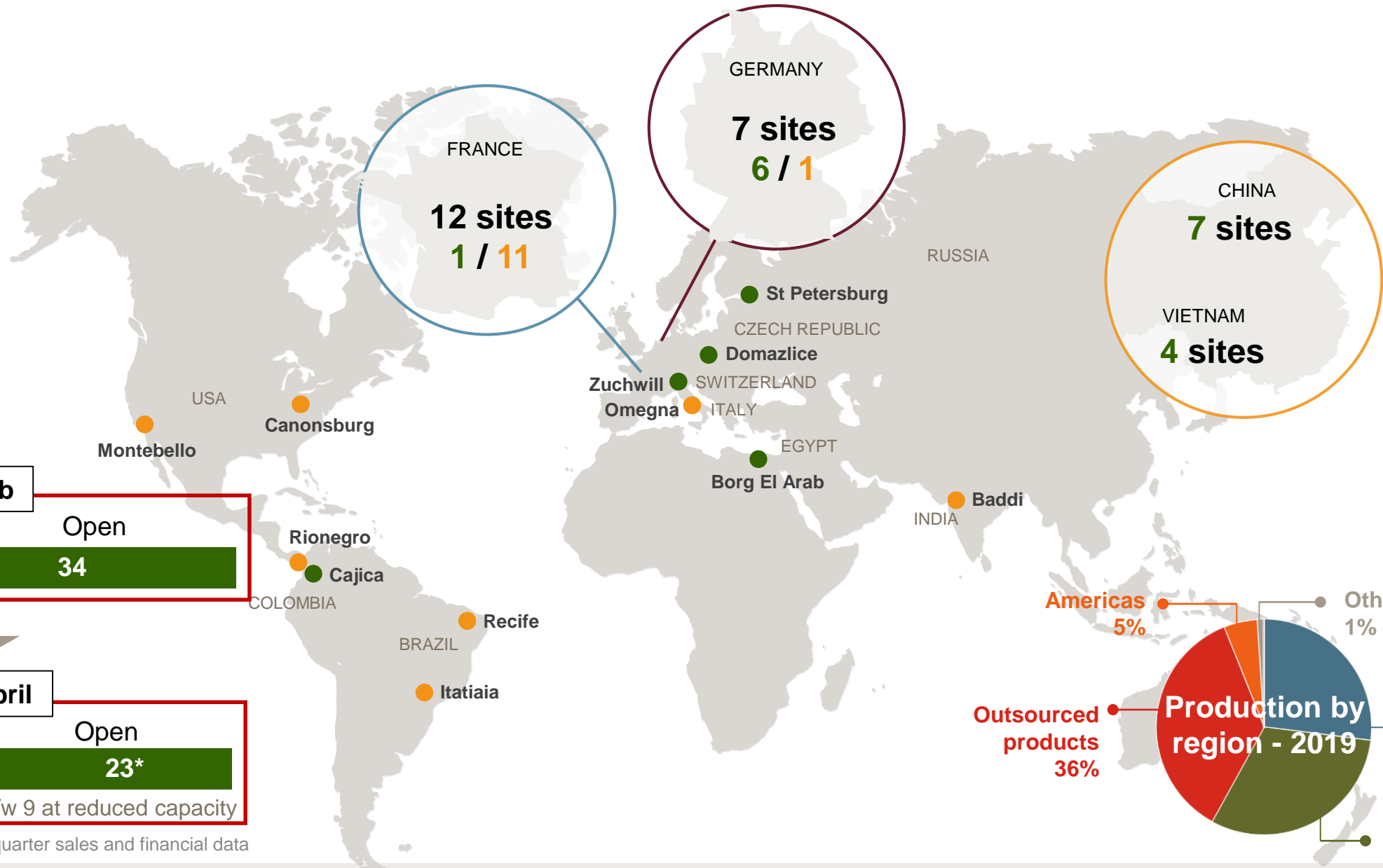


\*at April 27.

# Outbreak and spread of the crisis



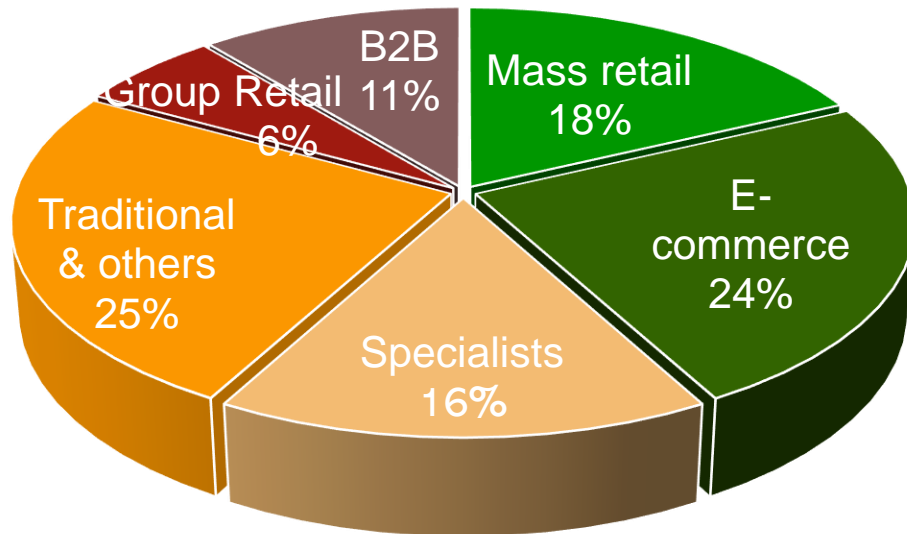
# Groupe SEB's industrial sites: situation at end-April





# Customers' situation

## 2019 sales breakdown by distribution channel



Based on 2019 Annual Financial Report

## Current situation

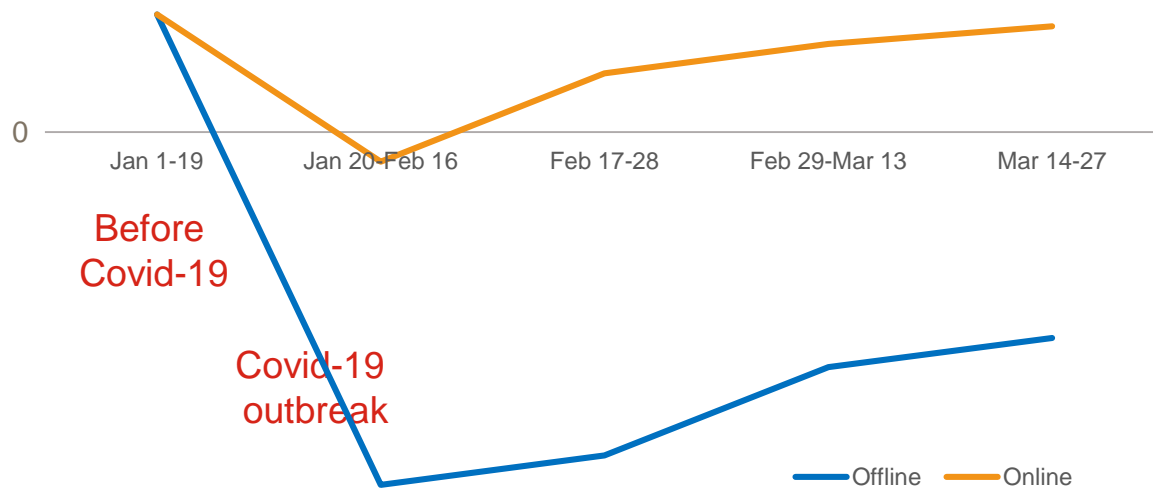
- E-commerce and mass retail  
→ **42 %** of sales
- Specialists, trad. stores, B2B...  
→ **58%** of sales

OPEN

CLOSED

# Our Chinese experience

## SDA + Cookware offtake momentum



- **Offline: slow improvement**
  - Re-opened stores with shortened opening hours
  - In-store traffic still low especially for electro-specialists
  - Shortages in cookware (Wuhan plant longer shutdown)
  - Risk of store rationalization in the B&M\* retail industry
- **Online: back to steady growth**
  - Q1 2020: 55% of revenue vs 45% in Q1 2019
  - Progressive trade replenishment in cookware  
➔ Ramp-up of the Wuhan plant
  - Rebuilding inventories ahead of June promo event

\*B&M: Brick & Mortar

# 02

## Q1 SALES REVIEW

# Revenue by business activity

Revenue  
**€1,454m**  
-15.6%      -16.5% LFL

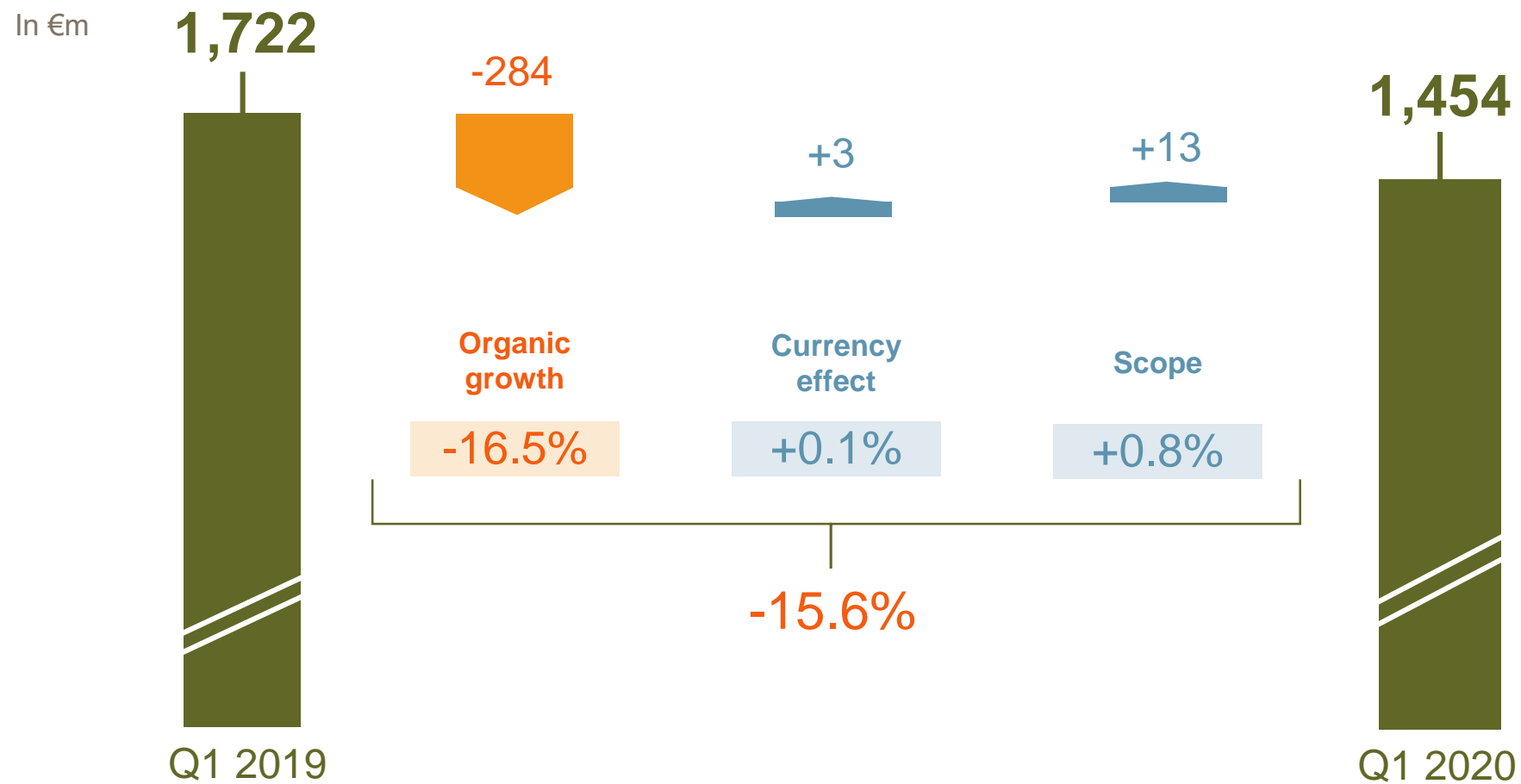
Consumer  
**€1,272m**  
-17.4%      -17.3%  
LFL

Professional  
**€182m**  
-0.7%      -9.7%  
LFL





# Analysis of Q1 2020 sales





# Q1 2020 revenue by region

In €m

		Q1 2019	Q1 2020	As reported	Q1 LFL	March LFL
EMEA	<b>EMEA</b>	711	641	- 9,9%	- 10,4%	- 25,5%
	Western Europe	519	443	- 14,6%	- 14,7%	- 33,4%
	Other countries	192	198	+ 2,6%	+ 1,0%	- 3,7%
AMERICAS	<b>AMERICAS</b>	169	149	- 11,7%	- 8,6%	- 23,1%
	North America	103	97	- 5,2%	- 7,2%	- 22,7%
	South America	66	52	- 21,9%	- 10,9%	- 23,8%
ASIA	<b>ASIA</b>	659	482	- 26,8%	- 26,9%	- 32,9%
	China	541	365	- 32,6%	- 32,4%	- 37,4%
	Other countries	118	117	- 0,2%	- 1,5%	- 14,4%
	<b>TOTAL Consumer</b>	<b>1,539</b>	<b>1,272</b>	<b>- 17,4%</b>	<b>- 17,3%</b>	<b>- 28,2%</b>
	Professional	183	182	- 0,7%	- 9,7%	- 29,1%
	<b>Groupe SEB</b>	<b>1,722</b>	<b>1,454</b>	<b>- 15,6%</b>	<b>- 16,5%</b>	<b>- 28,3%</b>

% based on non-rounded figures

# Western Europe

EMEA

Q1 sales / €m	2019	2020	REPORTED	LFL	Reminder LFL 2019
Western Europe	519	443	-14.6%	-14.7%	+3.0%

- **Overall business impacted by Covid-19 epidemic spread across Western Europe, yet with various magnitudes. Almost all product categories hit.**
- **France: revenue down ~8% including:**
  - SDA sales down in a contracting market as from March, while positive in Jan-Feb
  - Cookware sales up, driven notably by a loyalty program
- **Germany: decline in sales due to unfavorable comparatives**
  - Core business fairly positive in Jan-Feb, sharply hit in March (store closures)
- **Italy: severe sales drop in Q1, due to early Covid-19 impact and 2019 high comparatives (LP)**
- **Spain activity also negatively impacted by the epidemic in March**

# Other EMEA Countries

EMEA

Q1 sales / €m	2019	2020	REPORTED	LFL	Reminder LFL 2019
Other EMEA countries	192	198	+2.6%	+1.0%	+6.9%

- Q1 sales slightly up LFL, with core business (excl. LPs) quite dynamic, at + 7%
- Robust growth in Jan-Feb, based on Group’s main growth engines. March activity dropping due to confinement and store closures
- Good momentum driven by champion products and new categories
  - **Central Europe:** core business (excl. LPs) up featuring softer business in Poland and brisk momentum in Central Asia (particularly in Kazakhstan).
  - **Russia:** brisk momentum before start of confinement (end March) and strengthened leadership in SDA
  - **Turkey:** Q1 sales sharply up LFL despite market disruption due to combined COVID-19 + depreciation of TRY
  - **Middle East:** Q1 sales strongly LFL.

Q1 sales / €m	2019	2020	REPORTED	LFL	Reminder LFL 2019
North America	103	97	-5.2%	-7.2%	+3.8%

- **Q1 reported sales decrease reflecting LFL 7.2% decline due to Covid-19 spread in March and positive FX effects**
- **Mixed performance across the 3 countries**
- **Q1 sales down in the US, LFL**
  - Strong performances in Jan-Feb, driven by listing gains at B&M retailers and ongoing online sales growth
  - Good momentum for All-Clad cookware and Rowenta linen care business.
  - March sales down stemming from COVID-19 effects and unfavorable 2019 comparatives
- **Canada:** fewer online players and ongoing penalizing listing reallocation by a major customer
- **Mexico:** robust growth dynamic fuelled by a major LP in fans

Q1 sales / €m	2019	2020	REPORTED	LFL	Reminder LFL 2019
South America	66	52	-21.9%	-10.9%	+4.8%

- **Q1 reported sales drop stemming from depreciation of BRL and COP against € and negative impact of Covid-19 on business in March**
- **Strong hit in Brazil**
  - Mixed activity in Jan-Feb. including weak fan season (unfavorable summer, high 2019 comps) but firmer sales in other categories (Dolce Gusto, kitchen machines,...)
  - Major impact of Covid-19 on demand from mid-March onwards
- **Solid LFL growth in Colombia** despite the epidemic and FX issues
  - Fueled by fans, cookware and oil-less fryers...



# China

ASIA

Q1 sales / €m	2019	2020	REPORTED	LFL	Reminder LFL 2019
China	541	365	-32.6%	-32.4%	+13.4%

- **First country hit by Covid-19 mid-January**
  - Drastic confinement and shutdown → Unprecedented downturn in consumption
  - SDA market more resilient than other industries
  
- **Supor Q1 domestic sales down 32% LFL**
  - Including sharp slump in physical distribution and a more moderate drop in online sales
  - Shortages and supply-chain issues
  - Cookware more impacted than SDA, more resilient (blenders, garment steamers, vacuum cleaners, air and water purifiers)
  - Sell-in for Chinese New Year in Dec 2019 → Lacking in Q1 2020, as expected
  
- **All industrial sites back to normal level of manufacturing**

# Other Asian countries

ASIA

Q1 sales / €m	2019	2020	REPORTED	LFL	Reminder LFL 2019
Other Asian countries	118	117	-0.2%	-1.5%	+2.5%

- **Reported sales are flat but mixed picture across countries**
- **Japan: stable LFL sales in Q1**
  - No general shutdown, most stores open, nevertheless with a strong traffic decrease  
→ Switch to e-commerce
  - Solid momentum for cookware, linen care and electrical pressure cooker / multicooker
- **South Korea: sharp fall in Q1 sales, both in cookware and SDA**
  - Early impact of Covid-19 (Feb), partial shift to e-commerce
- **Mixed situations in South-East Asia**
  - Sales slightly down in Thailand and Malaysia
  - Robust growth in Hong-Kong (LP), Taiwan, Vietnam

# Professional

PROFESSIONAL

Q1 sales / €m	2019	2020	REPORTED	LFL	Reminder LFL 2019
Professional	183	182	-0.7%	-9.7%	+24.4%

- **Q1 sales flat as reported but down 9.7% LFL**
  - FX and scope effect (Wilbur Curtis for 1 month, Krampouz for 3 months)
  - Positive start to the year (Jan-Feb)
  
- **LFL drop in sales, for both Professional Coffee Machines (PCM) and Hotel Equipment due to:**
  - High comparatives in PCM in Q1 2019
  - Containment measures + the closure of most hotels, restaurants, coffee shops, fast-food chains...
  
- **No cancellation of major projects at this stage, but postponement of orders and deliveries**

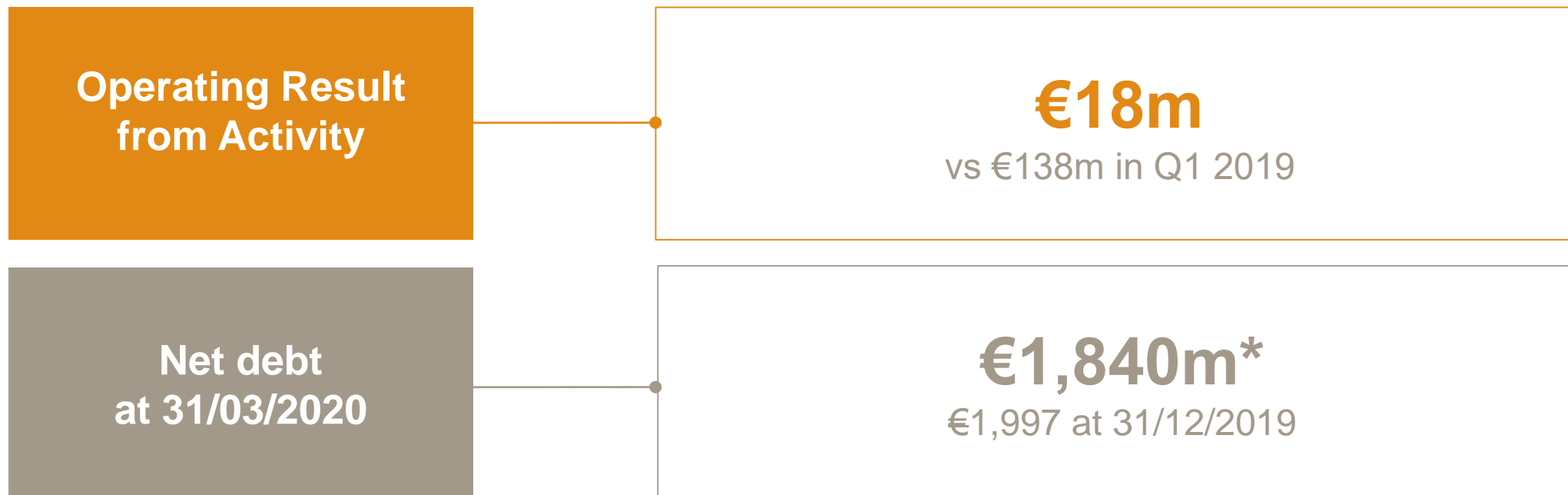
\* Professional business = Professional Coffee Machines (PCM) + Hotel Equipment



# 03

**Q1 ORFA  
DEBT / LIQUIDITY**

## ORfA and net debt



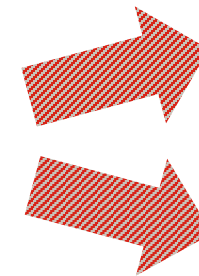
\*incl. IFRS 16 debt and others: €389m



# Business model based on a c. 1/3 fixed costs weight...

<b>Sales</b>	<b>~€7.4bn</b>
<b>COGS*</b>	<b>~€4.5bn</b>
Purchased RM and goods Direct labor costs Freight costs Other production costs	
<b>OPEX*</b>	<b>~€2.1bn</b>
R&D costs Advertising Distribution and administrative expenses	
<b>ORfA</b>	<b>€740m</b>

**Cost base**  
**~€6.6bn**

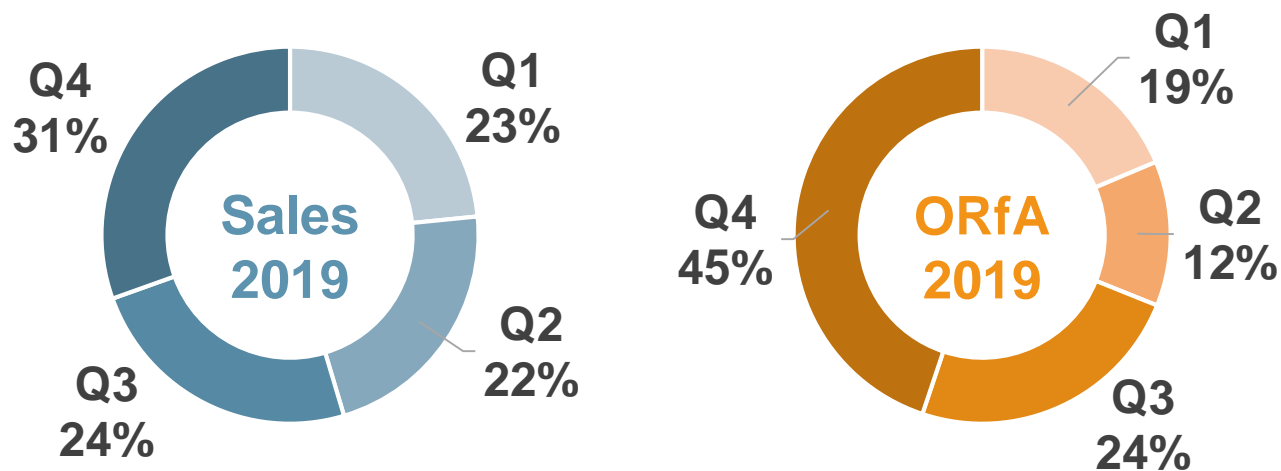


**On an annual basis**

**~70% variable costs**  
**~30% fixed costs**

\* As detailed in the 2019 Annual Financial Report

# ... as a consequence, a stronger operating leverage in H2



**H1: 45%** of FY sales generating **31%** of FY ORfA

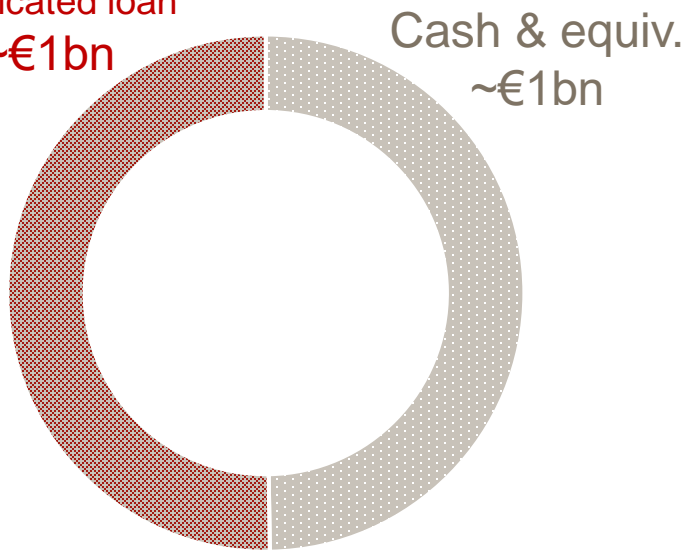
**→ H2: 55%** of FY sales generating **69%** of FY ORfA

As a reminder, **strong seasonality for sales with back-end loaded year**

- **Consequently for ORfA**
- **Q1 not representative of FY performance and Q2 as a low point in the year**
- **Historically, Q4 as a key contributor of FY ORfA**

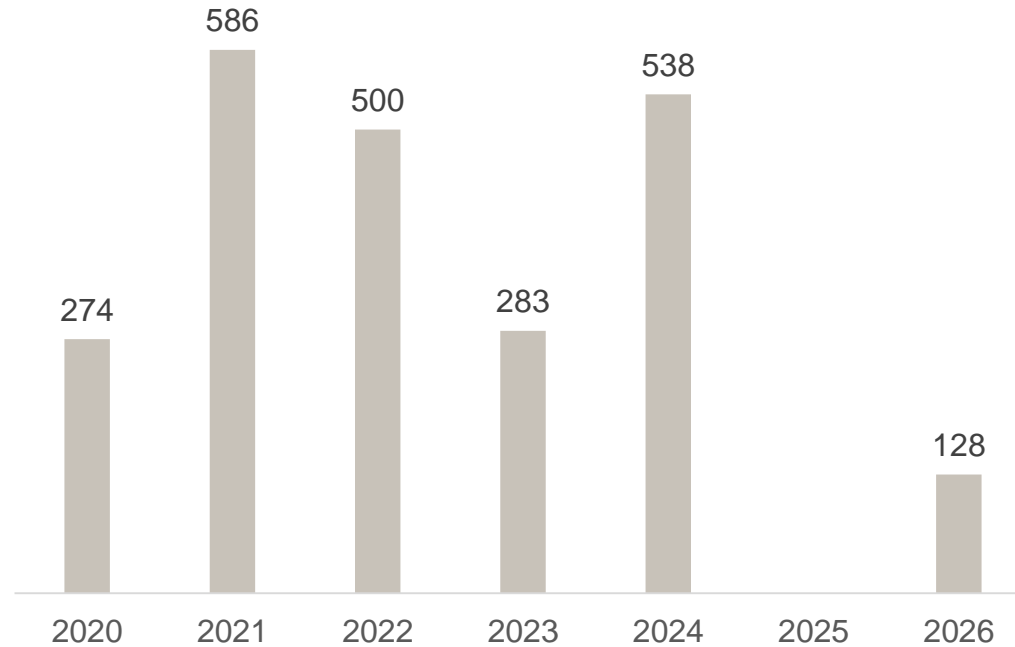
# Healthy and well-balanced financing structure

**Headroom**  
incl. undrawn  
syndicated loan  
~€1bn



**Total Liquidity**  
**~€2.0bn**

As of April. 28, 2020



**Gross financial debt\***  
**~2.3bn**

\* Excl. IFRS 16 and others

- **Diversified sources of financing** (Bonds, Schuldschein, ORNAE, NEU MTN, NEU CP...)
- **No financial covenants**
- **Significant financial headroom: ~€1bn**
- **Strong core banks offering bilateral credit facilities if necessary**

# 04



**ACTION PLAN  
AND OUTLOOK**

## Counter-measures, including cost-reduction actions...

- Payroll flexibility measures: short-time working, paid leave, contract suspensions and reduction of temporary staff, recruitment freeze...
- Growth drivers adapted to markets' current situation
- Systematic cuts in non-essential expenses (travel, event...)
- Renegotiated rents for Group's stores
- Reduction in senior executive officers' and board members' compensation



## ... and giving priority to cash generation

- **Strict control of cash flow including working capital**
  - Special attention on relationship with fragilized suppliers
  - Strengthened monitoring of receivables
  
- **No social tax deferral nor government guaranteed loan requested**
  
- **Dividend cut: -1/3 vs dividend paid in 2019 → Impact on cash: +€43.5m**

## 2020 Outlook

- 1. Reminder: Q1 and Q2 not representative of full year ORfA, as always said**
- 2. ...All the more due to massive hit from Covid-19 in H1 (which is usually a lower activity period)**
- 3. Expected performance for Q2**
  - ➔ Estimated revenue loss (as of April 28): €450 to €500m
  - ➔ ORfA most probably negative
  - ➔ No liquidity issue
- 4. No FY 2020 guidance due to lack of visibility**
  - ➔ FY sales and ORfA expected significantly down

## Looking ahead... Groupe SEB:

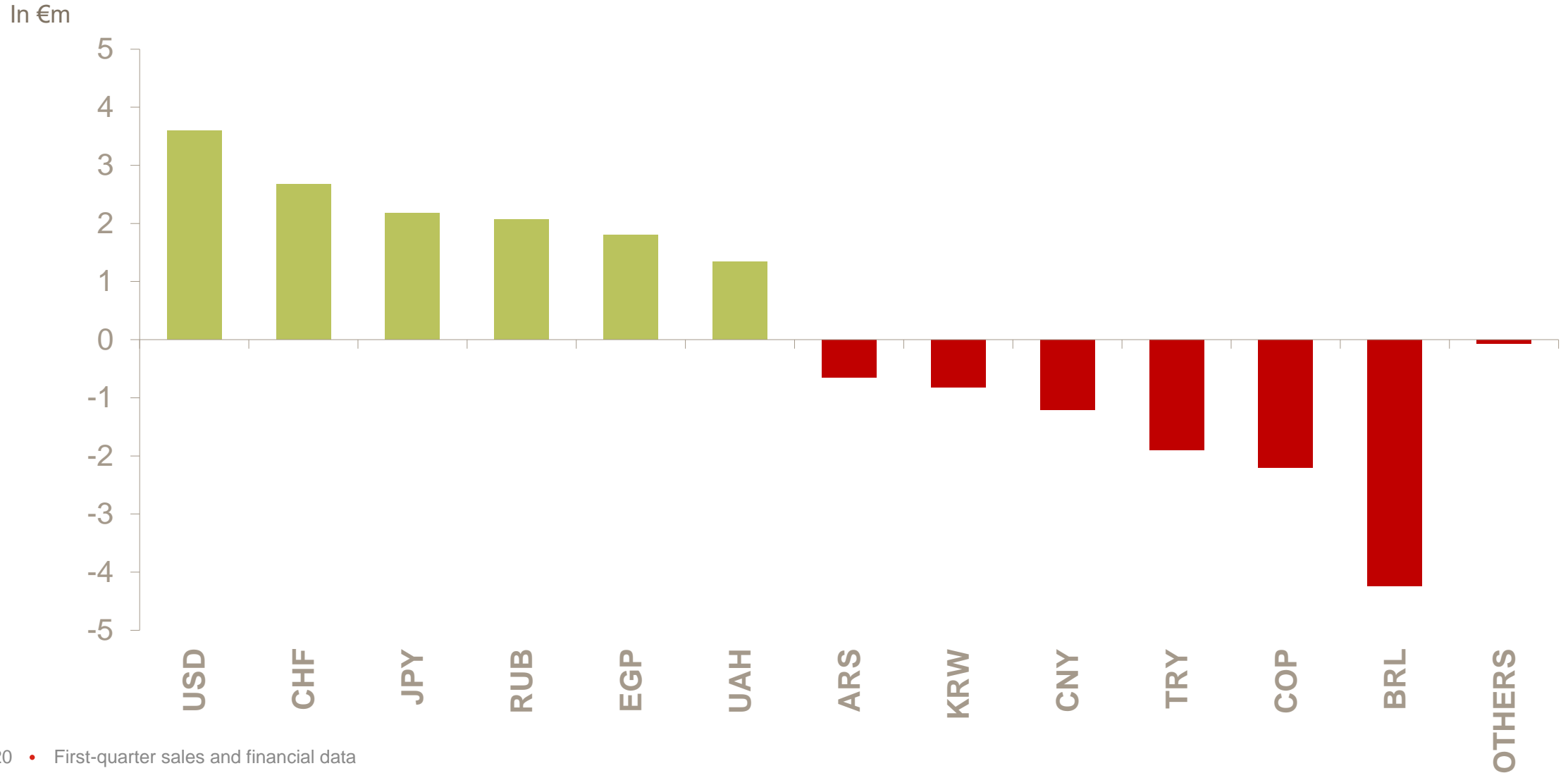
- **Is adapting to the short term imperatives**
- **Is getting ready for the resumption of activity**
- **Stays focused on its long term goals**
- **Is confident in its solid and well-balanced business model**



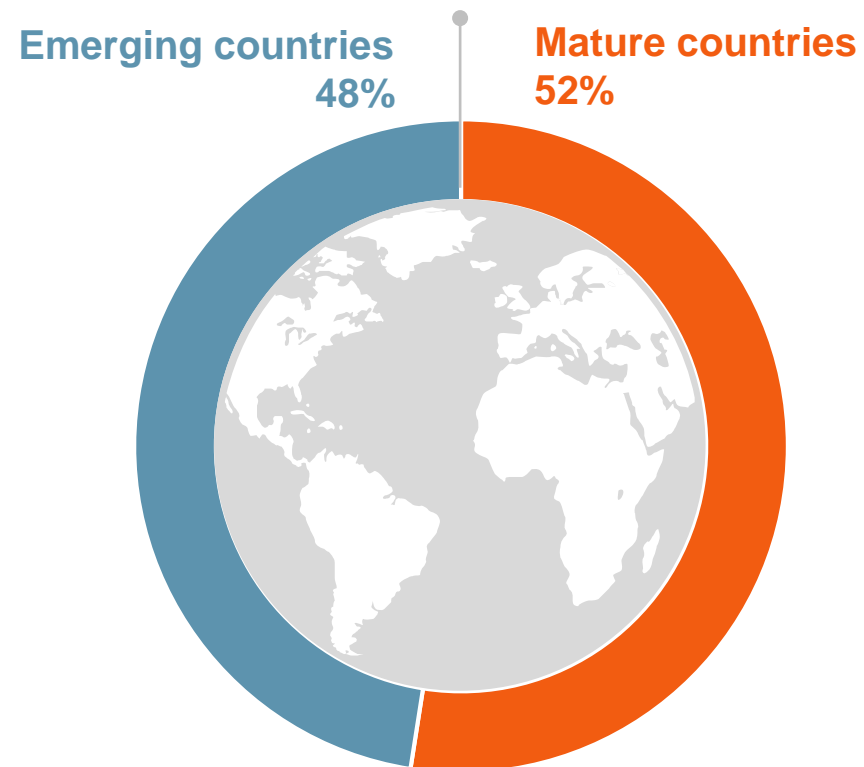
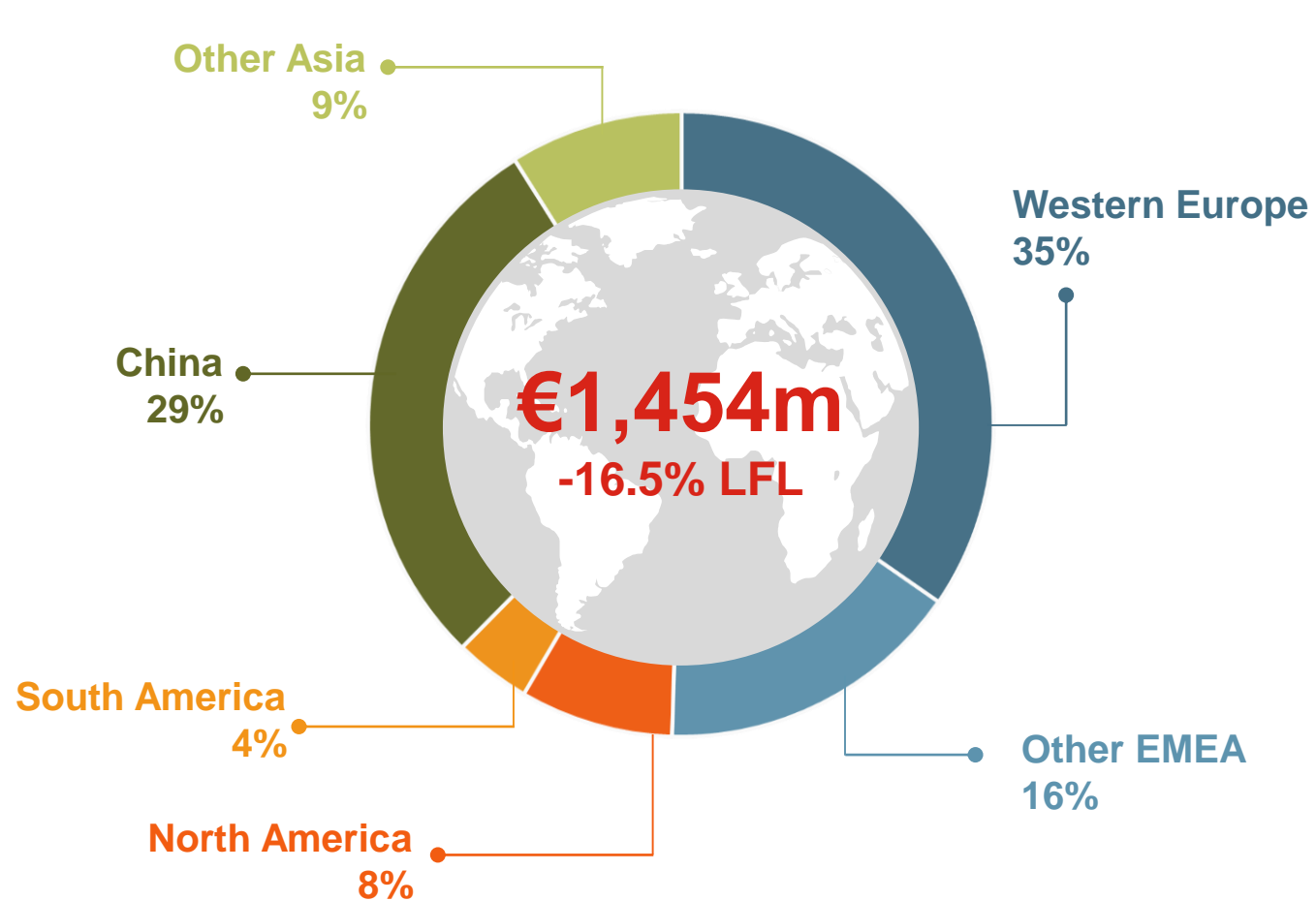
# 05

APPENDIX

# Q1 2020 currency impact on sales: + €3m



# Q1 2020 sales by region





# 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.

## ***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.

## ***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.

## ***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 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.

## ***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).

## ***SDA***

Small Domestic Appliances: Kitchen Electrics, Home and Personal Care

## ***PCM***

Professional Coffee Machines

## Investor/Analyst relations

Groupe SEB  
Financial Communication  
and Investor Relations Dpt

**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**  
**Caroline Philips**

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

Tel: + 33 (0) 6 33 13 02 00  
Tel: + 33 (0) 6 49 82 28 45

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



## Next key dates

<b>May 19</b>   3:00pm	2020 Annual General Meeting – <b>Closed door</b>
<b>July 23</b>   before market opens	H1 2020 sales and results
<b>October 26</b>   after market closes	9-month 2020 sales and financial data



AGENDA