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GROUPE
SEB

Press Release

January 30, 2024 – 5:40pm

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2023 provisional sales
- unaudited figures -

**SALES BACK ABOVE THE €8BN MARK FOR GROUPE SEB
AS IT RETURNS TO GOOD ORGANIC GROWTH IN 2023**

- **Annual sales: €8,006m, +5.3% LFL* (+0.6% as reported)**
 - In line with full-year outlook
 - Continued recovery of the Consumer business
 - Outstanding performance by the Professional business
- **A strong fourth quarter: sales of €2,474m, up 8.5% LFL (+3.1% as reported)**
- **2023 Operating Result from Activity now expected to grow by more than 15% (vs. more than 10% previously)**

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

"In 2023, Groupe SEB's sales returned to a good organic growth dynamic, and its sales are back above the €8 billion mark in this financial year.

As expected, our Consumer business returned to a good level of organic growth as of the second quarter and since then continued on this trajectory. This performance is primarily the result of constant investment in a sustained innovation policy, and a solid commercial dynamic. The Small Domestic Equipment market demonstrated its resilience in 2023, in a complex macro-economic environment.

In a very buoyant market, the Group's Professional business achieved a record year, driven by commercial successes in the Coffee business in its main geographies, allowing the Group to consolidate its world leading position.

Based on these solid sales performances and rigorous operational management, the Group is revising upwards its growth forecast for its 2023 Operating Result from Activity, from an increase of at least 10% to at least 15%. "

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

GENERAL COMMENTS ON GROUP SALES

Groupe SEB generated sales of €8,006m in 2023, up 0.6% (i.e. €46m) as reported. Organic growth was of a good level at 5.3%, i.e. +€420m. It was counterbalanced by a negative currency effect of the same magnitude, resulting from the depreciation of a number of currencies against the euro (in particular, the Chinese yuan). The revenue also includes a limited scope effect linked to the integration of the acquired companies, Zummo, La San Marco and Pacojet.

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In a generally unfavorable macro-economic environment, this performance is very satisfactory. It is in line with the Group's objective of achieving mid-single digit organic sales growth in 2023, reflecting a return to growth for the Consumer business and strong sales growth for the Professional business.

Over 2023, Consumer sales reached €7,045m, up 3.2% LFL from 2022. The fourth quarter saw organic growth of 7.7%, compared with 5.5% in the third quarter and 5.2% in the second quarter. Hence, the Group was back on a good LFL growth trajectory in 2023 in a resilient Small Domestic Equipment market, despite an uncertain macro-economic environment.

This positive performance was fueled by our continued development dynamic based on innovation, a constantly enhanced offering, the roll-out of our flagship products in our markets, and an efficient sales execution. In terms of products, the growth was notably driven by linen care, versatile vacuum cleaners, fans, oil-less fryers, rice cookers, kettles, full-automatic coffee machines and cookware (in particular the Ingenio range).

Sales generated by the Professional business amounted €962m in 2023, up 26.5% LFL from 2022, driven by the continued growth of the Professional Coffee business across all major geographies, including in China, the United States, the United Kingdom and the DACH region (Germany, Austria and Switzerland). It was fueled by the roll-out of large contracts and by dynamic core business activity.

The Group's organic growth in the fourth quarter was +8.5% with:

- sales increase of 7.7% LFL in the Consumer business, in all regions, with, in particular, a significant improvement in Western Europe (+6.1%), continued buoyant momentum in other EMEA countries (+21.7%) and growth in business activity in China (+3.3%);
- sustained excellent dynamic in the Professional business (+16.2%), despite demanding comparison base.

REVENUE BY REGION - 2023

Unaudited figures

Revenue in €m	2022	2023	Change 2023/2022	
			As reported	LFL
EMEA	3,444	3,475	+0.9%	+6.6%
Western Europe	2,416	2,401	-0.6%	-0.4%
Other countries	1,028	1,074	+4.5%	+23.2%
AMERICAS	1,130	1,113	-1.5%	+1.4%
North America	797	767	-3.7%	-2.8%
South America	333	345	+3.7%	+11.5%
ASIA	2,660	2,457	-7.6%	-0.6%
China	2,101	1,966	-6.5%	+1.0%
Other countries	559	492	-12.1%	-6.5%
TOTAL Consumer	7,234	7,045	-2.6%	+3.2%
Professional	725	962	+32.6%	+26.5%
GROUPE SEB	7,960	8,006	+0.6%	+5.3%

Rounded figures in €m

% calculated on non-rounded figures

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REVENUE BY REGION - FOURTH QUARTER

Unaudited figures

Revenue in €m	Q4 2022	Q4 2023	Change 2023/2022	
			As reported	LFL*
EMEA	1,142	1,192	+4.4%	+10.9%
Western Europe	791	839	+6.0%	+6.1%
Other countries	350	353	+0.9%	+21.7%
AMERICAS	326	335	+2.6%	+7.0%
North America	240	232	-3.3%	+0.0%
South America	86	103	+19.1%	+26.3%
ASIA	711	682	-4.0%	+2.9%
China	557	536	-3.7%	+3.3%
Other countries	154	146	-5.1%	+1.6%
TOTAL Consumer	2,179	2,209	+1.4%	+7.7%
Professional	221	264	+19.6%	+16.2%
GROUPE SEB	2,400	2,474	+3.1%	+8.5%

Rounded figures in €m

% calculated on non-rounded figures

COMMENTS ON CONSUMER SALES BY REGION

Revenue in €m	2022	2023	Change 2023/2022		Q4 Change 2023/2022	
			As reported	LFL	As reported	LFL
EMEA	3,444	3,475	+0.9%	+6.6%	+4.4%	+10.9%
Western Europe	2,416	2,401	-0.6%	-0.4%	+6.0%	+6.1%
Other countries	1,028	1,074	+4.5%	+23.2%	+0.9%	+21.7%

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WESTERN EUROPE

In the fourth quarter, the Group's sales were up 6.1% LFL thanks to improved performances in its main markets, particularly in France and Germany. This positive momentum was driven by most product categories, in particular cookware, electrical cooking and floor care. Furthermore, the negative impact related to destocking from European distributors is mostly over.

Over the year, revenue fell slightly by 0.4% LFL. The European Small Domestic Equipment market demonstrated a certain degree of resilience, in a difficult economic environment.

In France, the Group generated organic growth of around 5% over the year, driven by strong momentum in cookware (supported by a significant loyalty program in the first half of the year), floor care and electrical cooking (in particular, oil-less fryers).

In Germany, sales decreased in 2023 in a gloomy economic environment. However, the Group ended the year on a much more positive note, delivering double-digit growth in the fourth quarter, confirming an improvement in sell-out in the second half of the year.

The Group generated higher revenue in 2023 in several countries in the region, including Spain, Belgium and the Nordics, benefiting from favorable markets.

OTHER EMEA COUNTRIES

The Group's sales in other EMEA countries increased by 21.7% LFL in the fourth quarter and by 23.2% LFL over the year as a whole, with markets in the region generally posting growth. The reported rise in revenue in 2023 was only 4.5%, mainly due to the significant devaluations of the Turkish lira and the Egyptian pound.

In Central and Eastern Europe, the Group's sales were up sharply in 2023. Throughout the year, the Group leveraged its strong relationships with its main distributors and its excellent commercial execution, both online and offline. It also continued to strengthen its competitive positions in important categories, such as oil-less fryers, floor care or linen care and to roll-out its flagship products such as Optigrill, Ingenio, and Cookeo.

Organic growth has also been robust in Turkey and Egypt, countries in which the Group quickly applied price increases in highly inflationary environments. In Turkey, the Group capitalized on the strong momentum of the Small Domestic Equipment market, particularly in cookware and oil-less fryers. In Egypt, it continued to expand and consolidated its position, particularly in fans, linen care, food preparation and cookware.

Revenue in €m	2022	2023	Change 2023/2022		Q4 Change 2023/2022	
			As reported	LFL	As reported	LFL
AMERICAS	1,130	1,113	-1.5%	+1.4%	+2.6%	+7.0%
North America	797	767	-3.7%	-2.8%	-3.3%	+0.0%
South America	333	345	+3.7%	+11.5%	+19.1%	+26.3%

NORTH AMERICA

In the fourth quarter, sales in North America were stable on a LFL basis (down by 3.3% as reported), after a very strong third quarter (+14,9% LFL). The Group thus delivered an improved sales growth level of 6.8% LFL in the second half.

Over the year, sales decreased by 2.8% LFL and by 3.7% as reported.

In the United States, in a volatile consumer environment marked by retailers' very cautious stock management, the Group continued to outperform the cookware market. Hence, it further strengthened its leadership based on its three complementary brands (T-fal, All-Clad and Imusa).

As in 2022, the Group generated double-digit organic growth in Mexico, fueled by the constant consolidation of its leading position in cookware, and by enhanced market shares in linen care, food preparation (in particular, blenders) and fans. The Group also successfully pursued the roll-out of its full-automatic coffee machine offering and innovations.

SOUTH AMERICA

Revenue grew by 26.3% LFL in the fourth quarter, due in particular to an excellent season for sales of fans in Colombia and Brazil driven by the El Niño climate phenomenon.

Annual sales rose by 11.5% LFL, driven by a solid second half of the year, after a stable first half.

In Colombia, the Group continued to gain market share in a difficult environment due to a strong inflation. As such, it strengthened its leadership in cookware. Moreover, excellent performance in fans and strong market share gains in food preparation (blenders) gave the Group a leading position in small electrical appliances in 2023.

In Brazil, demand for fans fueled growth. Despite an intense competitive context, the Group also successfully increased its sales volumes, particularly in oil-less fryers and single-serve coffee machines.

Revenue in €m	2022	2023	Change 2023/2022		Q4 Change 2023/2022	
			As reported	LFL	As reported	LFL
ASIA	2,660	2,457	-7.6%	-0.6%	-4.0%	+2.9%
China	2,101	1,966	-6.5%	+1.0%	-3.7%	+3.3%
Other countries	559	492	-12.1%	-6.5%	-5.1%	+1.6%

CHINA

In the fourth quarter, sales in China increased by 3.3% LFL. Over the year, Supor's domestic sales grew by 1.0% LFL and declined by 6.5% as reported, with the difference between the two figures being due to the depreciation of the yuan against the euro over the period.

These annual and quarterly performances reflect Supor's strengthened leadership position, in a context of weak consumer confidence in China. Supor consolidated its market position in all its major categories thanks to its numerous assets: a less discretionary product mix than its competitors, significant innovation capabilities with fast roll-out of new products and proven and recognized online expertise in sales activation.

Supor continued to enrich its product offering by constantly revitalizing its flagship categories such as woks, rice cookers, electric pressure cookers, and kettles, and by developing new segments, such as portable coffee machines, auto-frying machine, insulated mugs and floor washers.

OTHER ASIAN COUNTRIES

Group sales in the other Asian countries grew 1.6% LFL in the fourth quarter, thanks to an improved performance in several key markets in the region, such as Japan, South Korea, Australia and Thailand. This stronger momentum at the end of the year was notably underpinned by the commercial success of our kettles in Japan, solid sales of cookware in South Korea and sales upturn in Australia. The pick-up in organic sales growth in the fourth quarter seems to point to a normalization of retailers' inventory levels.

Over the year, revenue were down 6.5% LFL, in a complicated macro-economic environment for most countries in the region. The high levels of inflation and the significant increases in interest rates weighed on consumer demand, while encouraging distributors to reduce their inventory levels. The best performing categories in 2023 were kettles, oil-less fryers, linen care, and floor care.

COMMENTS ON PROFESSIONAL BUSINESS ACTIVITY

Revenue in €m	2022	2023	Change 2023/2022		Q4 Change 2023/2022	
			As reported	LFL	As reported	LFL
Professional	725	962	+32.6%	+26.5%	+19.6%	+16.2%

The Group's Professional business continued its excellent trajectory, generating organic sales growth of 16.2% in the fourth quarter, despite more demanding comparison base. This business encompasses Professional Coffee, which accounts for more than 90% of sales, hotel equipment, Krampouz, Zummo and Pacojet.

In 2023, revenue from the Professional business was €962m, up 26.5% LFL from the previous year.

This outstanding performance was mainly due to record sales of both machines and services in Professional Coffee, achieved in the Group's main markets (China, the United States, Germany and the United Kingdom). Sales of machines relied on an ever broader and more diversified client portfolio, supporting sales recurrence, and on the roll-out of major contracts with key customers such as Luckin Coffee in China, Greggs in the United Kingdom and QuikTrip in the United States. The continuous development of services and their digital dimension are improving the attractiveness of the Group's offering and contributing to its strong revenue growth.

In 2023, the Group also made significant progress in developing its Professional strategy. The acquisition of La San Marco broadens the Group's product offering into traditional coffee machines, while the acquisition of Pacojet strengthens the Group's presence in professional kitchens.

2023 ORFA GROWTH EXPECTATIONS REVISED UPWARDS

As a result of the solid growth in sales in 2023, the continued recovery in its gross margin, and the disciplined management of its operating costs, the Group now expects its Operating Result from Activity to increase by at least 15% over the year (vs. at least 10% previously).

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.

This press release may contain individually rounded data. The arithmetical calculations based on rounded data may present some differences with the aggregates or subtotals reported.

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.

Conference with management on January 30 at 6:00 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 January 30 as of 8:00 p.m. CET

Access (audio only):

From France: +33 (0)1 7037 7166 – Password: SEB
From other countries: +44 (0) 33 0551 0200 – Password: SEB
From USA: +1 786 697 3501 – Password: SEB

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Next key dates – 2024

February 22 before market	2023 results
April 25 after market	Q1 2024 sales and financial data
May 23 2:30 p.m.	Annual General Meeting
July 25 before market	H1 2024 sales and results
October 24 after market	9-month 2024 sales and financial data

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World reference in small domestic equipment, Groupe SEB operates with a unique portfolio of 35 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 of €8 billion in 2023 and has more than 33,000 employees worldwide.

SEB SA ■

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