



Press release

24 October 2024 – 5:40 p.m. CET

2024 nine-month sales and financial data

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SOLID GROWTH IN Q3 ON A DEMANDING COMPARISON BASE – FULL-YEAR OUTLOOK CONFIRMED

- **Nine-month sales:** €5,725m, +5.6% LFL¹ and +3.5% reported
- **Third-quarter sales:** €1,985m, +4.0% LFL and +3.4% reported
- **Nine-month Operating Result from Activity:** €444m, +14%
- **Nine-month operating margin:** 7.8% vs 7.0% in 2023
- **Outlook for 2024 confirmed:**
 - Organic sales growth of around 5%
 - Operating margin close to 10%

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

“Sales momentum was strong in the first nine months of the year, and we continue to generate robust organic growth in the third quarter.

Small Domestic Equipment markets have remained buoyant in recent months. In this context, the Group’s sales growth accelerated and was bolstered by the rollout of innovations, in particular in Western Europe and North America.

Sales in Professional decreased compared to an exceptional third quarter last year, reflecting the phasing of large deals rollout. The core business excluding large deals, however, has seen a noteworthy increase over the quarter.

Our Operating Result from Activity rose by 14% over the nine-month period. We remain on track to achieve an organic sales growth of around 5% and an operating margin close to 10% for the full year.”

¹ On a like-for-like basis (organic)

GENERAL COMMENTS ON GROUP SALES

Groupe SEB reported revenue of €5,725m, up 5.6% LFL (+3.5% on a reported basis), for the first nine months of the year. This difference is due to a currency effect of -3.0% and a positive scope effect of 0.9% (related to the acquisitions of La San Marco, Pacojet, Forge Adour and Sofilac).

The Group's sales showed a good level of organic growth of +4.0%(+3.4% on a reported basis) in the third quarter. They benefited from the acceleration in Consumer growth, which was dampened by the high comparison base in Professional.

Despite the still uncertain geopolitical and macroeconomic environment, the Small Domestic Equipment market continued to trend positively overall, driven by product innovation. Certain product categories, such as versatile vacuum cleaners, oil-less fryers and full auto coffee machines, were particularly dynamic and have significantly contributed to the market's good performance.

Sales in the Consumer business stood at €4,999m, up 6.6% LFL (+3.4% on a reported basis), for the first nine months of the year. This positive trend accelerated in the third quarter with organic sales growth of 8.1% (after +5.9% in the first half of the year). Europe and North America, which account for almost two-thirds of the Group's Consumer sales, were behind this momentum, with revenue up sharply by around 13% LFL. This growth was fueled by the rollout of innovations in the categories that drive the market. In China, Supor continued to gain market shares in its key categories and all distribution channels, despite a still muted consumer environment.

Sales in the Professional business rose by 4.1% on a reported basis (-1.6% LFL) to €726m for the first nine months of the year. Sales in the third quarter were lower than last year (-22.2% LFL), reflecting an exceptional comparison base (43% organic sales growth in the third quarter of 2023). Growth in core business (excluding large deals) remained positive, above 5% over the quarter.

In addition, the Sofilac Group businesses that were acquired in April were consolidated in the Group's financial statements for the first time during the past quarter.

BREAKDOWN OF SALES BY REGION

Sales in €m	9-month 2023	9-month 2024	Change 2023/2024		Q3 2024 vs 2023, LFL
			As reported	LFL	
EMEA	2,282	2,447	7.2%	10.3%	13.6%
Western Europe	1,562	1,630	4.4%	3.5%	12.6%
Other EMEA	720	816	13.3%	25.2%	15.8%
AMERICAS	778	840	8.1%	11.6%	9.8%
North America	535	577	7.8%	8.7%	13.1%
South America	243	263	8.5%	18.1%	+2.4%
ASIA	1,775	1,712	-3.5%	-0.3%	-0.8%
China	1,430	1,381	-3.4%	-0.6%	-1.9%
Other countries	345	332	-4.0%	1.1%	3.5%
TOTAL Consumer	4,835	4,999	3.4%	6.6%	8.1%
Professional	697	726	4.1%	-1.6%	-22.2%
GROUPE SEB	5,532	5,725	3.5%	5.6%	4.0%

Rounded figures in €m

% calculated on non-rounded figures

COMMENTS ON CONSUMER SALES BY REGION

Sales in €m	9-month 2023	9-month 2024	Change 2023/2024		Q3 2024 vs 2023, LFL
			As reported	LFL	
EMEA	2,282	2,447	7.2%	10.3%	13.6%
Western Europe	1,562	1,630	4.4%	3.5%	12.6%
Other EMEA	720	816	13.3%	25.2%	15.8%

WESTERN EUROPE

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Sales in Western Europe were up 3.5% LFL (+4.4% on a reported basis) for the first nine months of the year.

This reflects a sharp acceleration in the third quarter, with organic sales growth of 12.6%.

As expected, the strong start of the loyalty programs in September contributed to this momentum. Excluding the impact of these programs, the core business achieved strong organic growth of 9% for the quarter, versus +1.5% in the first half of the year. In favorable markets, the Group's sales were driven by the rollout of product innovations, mainly oil-less fryers, versatile vacuum cleaners, full auto coffee machines and cookware.

All major countries in the region have experienced growth. In France, the core business rose by 7% in the third quarter due to the ramp-up of our innovations in multiple categories. The growth recovery continued in Germany, bolstered by commercial synergies following the reorganization of SEB and WMF teams, effective since the beginning of 2024. New product listings at our retailers, as well as strong momentum of our sales in the most dynamic categories, contributed to this recovery.

The performance was also remarkable in Southern Europe. Sales in Spain, Portugal and Italy contributed to the overall acceleration, with double-digit growth in the third quarter.

The Netherlands and the Nordic countries also showed solid progress, while the United Kingdom experienced growth on a favorable comparison base.

OTHER EMEA COUNTRIES

Sales in other EMEA countries rose by a sharp 25.2% LFL for the first nine months of the year. On a reported basis, the increase over this period was 13.3%, after accounting for the effects of currency depreciation.

The trend remained very positive in the third quarter, with organic sales growth of 15.8%, and a level close to the first half in reported figures, at +11.8%. On buoyant markets, Eastern Europe continued to enjoy sustained growth, in particular in Poland, Czech Republic, Romania and Bulgaria. This robust growth in the Group's business was driven, as in Western Europe, by innovation in key categories such as floor care (canister and versatile vacuum cleaners), electrical cooking (oil-less fryers) and cookware.

Volumes in Turkey remained strong, particularly in the cookware, food preparation, floor care and linen care segments, despite a challenging and volatile environment overall.

Sales in €m	9-month 2023	9-month 2024	Change 2023/2024		Q3 2024 vs 2023, LFL
			As reported	LFL	
AMERICAS	778	840	8.1%	11.6%	9.8%
North America	535	577	7.8%	8.7%	13.1%
South America	243	263	8.5%	18.1%	+2.4%

NORTH AMERICA

For the first nine months, sales in North America rose by 8.7% LFL, and 7.8% on a reported basis, due to the depreciation of the US dollar and the Mexican peso against the euro.

In the third quarter, the Group experienced an acceleration of its growth to 13.1% LFL thanks to a good commercial momentum in the United States and the ongoing expansion of the Group's footprint in Mexico.

In the United States, the performance was driven by new product listings and a solid level of deliveries to retailers ahead of the major year-end commercial events. Our cookware sales continued to grow across all our brands. Linen care sales were also very robust, mainly due to garment steamers and new products launches.

The Group also continued its strong expansion in Mexico, in what proved to be a more volatile monetary environment during the summer. The rollout of the Group's innovations in multiple categories (electrical cooking, blenders, linen care, full auto coffee machines, etc.) resulted in numerous new product listings at traditional and specialized retailers. Organic sales growth in Mexico has thus been above 15% since the beginning of the year.

SOUTH AMERICA

The Group's sales in South America rose by 18.1% LFL and 8.5% on a reported basis for the first nine months of the year.

This performance slowed in the third quarter due to the sharp decline in the fan market as the El Niño weather phenomenon came to an end. Organic sales growth was 2.4% in the last three months, which also reflects the price hikes implemented to offset the depreciation of local currencies. Revenue was down 16.4% on a reported basis.

Excluding fans, the Group's sales in Colombia continued to post double-digit growth in the third quarter. The Group strengthened its local leadership position in several key categories (cookware, electrical cooking, etc.) while also improving its product mix, with effective sales activations in the linen care and coffee machine segments.

Sales in Brazil were down in the third quarter, in a heightened promotional environment and in the context of currency depreciation. Over the nine-month period, sales growth remained positive as a result of the Group's performance in fans, beverages (single-serve coffee machines) and steam irons.

Sales in €m	9-month 2023	9-month 2024	Change 2023/2024		Q3 2024 vs 2023, LFL
			As reported	LFL	
ASIA	1,775	1,712	-3.5%	-0.3%	-0.8%
China	1,430	1,381	-3.4%	-0.6%	-1.9%
Other countries	345	332	-4.0%	1.1%	3.5%

CHINA

For the first nine months of the year, the Group's sales were nearly stable in China at -0.6% LFL. Sales are down by 3.4% on a reported basis due to the decline in the yuan against the euro over the period.

Sales were down by 1.9% LFL in the third quarter, in a still muted consumer environment. Supor continued to gain market share during the quarter in its key categories, both offline and online. The steady rollout of its innovations (woks, thermal mugs, rice cookers, kettles, etc.), combined with its expertise in multichannel activation, allowed it to strengthen its leadership position despite a highly promotional environment.

For the full year, sales in China are expected to remain broadly stable on an organic basis, on a declining Small Domestic Equipment market.

OTHER ASIAN COUNTRIES

For the first nine months of the year, the Group's revenue in other Asian countries increased by 1.1% LFL. On a reported basis, sales were down 4%, mainly due to the persistent weakness of the yen.

Sales increased by 3.5% LFL and by 1% on a reported basis in the third quarter.

Sales in Japan were sharply higher in the third quarter, mainly due to a favorable base effect. Cookware and kettles, which account for a significant share of sales in the country, fueled this nearly 10% organic growth. The performance with online pure players was very positive.

Sales in South Korea have slightly declined LFL in the third quarter. Performances were mixed, with strong momentum in cookware while small domestic appliances had to contend with a market that was under heightened promotional pressure.

Among other South-East Asian countries, the good performances in Vietnam and Malaysia were particularly notable, due to new product listings and a broader category presence.

Lastly, the Group continued its successful expansion in Australia, thanks to the broadening of its product portfolio, particularly in electrical cooking (oil-less fryers, rice cookers), and the development of its retail network.

COMMENTS ON PROFESSIONAL BUSINESS

Sales in €m	9-month 2023	9-month 2024	Change 2023/2024		Q3 2024 vs 2023, LFL
			As reported	LFL	
Professional	697	726	4.1%	-1.6%	-22.2%

The Professional business generated revenue of €726m, down 1.6% on an organic basis, for the first nine months of the year. On a reported basis, sales growth was 4.1% due to a scope effect related to the acquisitions of La San Marco and Pacojet in 2023 and Sofilac in 2024.

Sales in the third quarter were lower than last year (-22.2% LFL), reflecting an exceptional base effect, with a +43% organic growth in third-quarter 2023 when delivery volumes for large deals were simultaneously high in both China and the United States.

By nature, these large deals, which are drivers of the expansion of the Professional Coffee market, generate some volatility in the business. In 2024, for the Group, the rollout and deliveries of these deals were more concentrated in the first half than initially anticipated. The base effect linked to large deals will still be present in the fourth quarter.

Growth in core business (excluding large deals) remained positive, above 5% over the quarter.

It should also be noted that the first consolidation of Sofilac into the Group's accounts took place in the third quarter.

OPERATING RESULT FROM ACTIVITY (ORfA)

Operating Result from Activity (ORfA) for the first nine months of the year reached €444m, up 14.2% compared with 2023 (€389m). This figure includes a negative currency effect of €118m and a positive scope effect of €5m. The operating margin increased by 80 basis points to 7.8% versus 7.0% in 2023.

For the third quarter alone, ORfA came to €200m, a slight decline of 4.0% from 2023. The operating margin was thus 10.1% versus 10.9% in the third quarter of 2023, which, as a reminder, included an exceptional level of activity in the Professional business.

The operating margin for Q3 2024, close to the Group's historical standards, reflects the good performance of the Consumer business margins, driven by a favorable volume effect. In addition, despite the rising cost of sea freight, the Group benefited from the continued decline in the cost of sales, some of which was reinvested to support sales momentum.

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NET DEBT AS OF 30 SEPTEMBER 2024

As of 30 September 2024, **the Group's net financial debt stood at €2,480m**, versus €2,278m as of 30 September 2023.

This increase in net debt stemmed from inventory levels that are reflective of the seasonality of the business, the continued "in-transit inventories" impact associated with Red Sea disruptions, as well as shares buy-back and acquisitions (Sofilac, partnership in Saudi Arabia over the last 12 months). Debt is expected to decline in the fourth quarter, in line with the usual seasonality.

OUTLOOK

The Group continues to anticipate for full-year 2024:

- organic sales growth of around 5%; and
- an operating margin close to 10%.

APPENDIX

SALES BY REGION – 3RD QUARTER

Sales in €m	Q3 2023	Q3 2024	Change 2023/2024	
			As reported	LFL
EMEA	794	892	+12.4%	13.6%
Western Europe	533	600	12.7%	12.6%
Other EMEA	261	291	11.8%	15.8%
AMERICAS	320	324	1.2%	9.8%
North America	220	241	9.2%	13.1%
South America	100	83	-16.4%	+2.4%
ASIA	544	538	-1.2%	-0.8%
China	431	424	-1.7%	-1.9%
Other countries	113	114	1.0%	3.5%
TOTAL Consumer	1,658	1,754	5.8%	8.1%
Professional	263	231	-11.9%	-22.2%
GROUPE SEB	1,920	1,985	3.4%	4.0%

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, amortization and impairment.

Free cash flow

Free cash flow corresponds to adjusted EBITDA, after accounting for changes in operating working capital, recurring capital expenditure (CAPEX), taxes and financial expenses, and other non-operating 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 effect 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 each year with the Autorité des Marchés Financiers, the French financial markets authority.

Conference with management on 24 October at 6:00 p.m. CET

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

Replay available on our website
on 24 October as from 8:00 p.m. at www.groupeseb.com

or connect as from 5:50 p.m. and dial:

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From the United States:	+1 786 697 3501	

Next key dates – 2024

12 December | 2:00 p.m. ESG Investor Day

Key dates – 2025

23 January | after market closes Provisional sales 2024

27 February | pre-market 2024 Results

24 April | after market closes Q1 2025 sales and financial data

20 May | 2:30 p.m. Annual General Meeting

23 July | after market closes First-half 2025 sales and results

23 October | after market closes 2025 Nine-month sales and financial data

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World reference in Small Domestic Equipment and professional coffee machines, Groupe SEB operates with a unique portfolio of 40 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 31,000 employees worldwide.

SEB S.A. ■