

February 24, 2022 – 5:40pm CET
2021 Full-Year Results

RECORD PERFORMANCES IN 2021

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Consolidated financial results (€m)	2020	2021	Change 2020/2021
Sales	6,940	8,059	+16.1% +15.5% LFL
Operating Result from Activity (ORFA)	605	813	+34.3%
Operating profit	503	715	+42.1%
Profit attributable to owners of the parent	301	454	+51.0%
Adjusted EBITDA	851	1,041	+22.3%
Net financial debt at 12/31	1,518*	1,524 *	+€6m
Dividend per share	€2.14	€2.45**	+14,5%

* including €339m and €335m in IFRS16 impact for 2020 and 2021 respectively

% based on non-rounded figures

** dividend proposed at the May 19, 2022 AGM

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

“Groupe SEB achieved record performances in 2021, with revenue exceeding €8 billion for the first time in its history, Operating Result from Activity up 34% to €813 million and net profit of €454 million, an increase of 51%. As such, the Group continues its strong and profitable growth trajectory. We are proud to present these results which enable us to distribute a dividend of €2.45 per share. SEB is doing fine. SEB is strong.

Both our Consumer and Professional businesses have contributed to this record, benefiting fully from robust structural demand linked to changing consumer behaviors.

With consistency and determination, we are rolling out our strategy based on the appeal of our brands, product innovation, international expansion and the activation of all distribution channels.

This year marks the 165th anniversary of Groupe SEB. It was built on a long-standing family shareholding structure with a strong corporate culture. Both combined helped the Group to successfully address multiple geopolitical, economic and societal challenges throughout its history, and above all, to cement its global leadership in its industry.

I would like to thank all of our employees who are the key to these successes. Their renewed commitment will allow us to reach new heights.”

SALES

Groupe SEB reported sales of €8,059m in 2021, up 16.1% from 2020, with like-for-like growth of 15.5% (or €1,079m). Currency and scope effects were limited over the year, coming out at -€22m and +€62m, (related to StoreBound*) respectively. Compared with 2019, which stands as a more normal base of comparison than atypical 2020, Group's revenue grew by 9.6%

The Consumer business achieved a great year and the Group strengthened its worldwide leadership in the Small domestic equipment market. 2021 sales totaled €7,431m, up 16.7% vs. 2020 and +16% LFL. All of our regions and product lines contributed to this robust performance. E-commerce remained a major growth driver throughout the year and its share in our revenue continued to increase in most of our markets. Solid demand was reflected in high-quality sales in a soft promotional environment.

The Professional business (Coffee at ~90%) generated annual revenue of €628m, up 10.2% LFL. Thus, in 2021, the division returned to positive momentum following a difficult 2020 financial year, marked by the near-total shutdown in the hospitality and catering sector. The rebound in our sales was supported both by the reopening of cafés and restaurants and by the roll-out of specific contracts.

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OPERATING RESULT FROM ACTIVITY (ORFA)

Bolstered by robust business, the Group's Operating Result from Activity (ORFA) hit a **record-high €813m** in 2021, increasing by **more than 34%** compared with 2020 **and nearly 10%** compared with 2019. At **10.1%** (vs. 8.7% in 2020), the operating margin of activity returned to its 2019 level.

Excluding currency and scope effects of -€25m and +€4m, respectively, 2021 ORFA totaled €834m, **up by 38%** vs. 2020 and comprising:

- a **volume effect of +€193m**, stemming directly from the extremely strong momentum in Consumer sales across all regions and the recovery in the Professional business;
- a **price-mix effect of +€387m**, reflecting soft promotional activity in the Small domestic equipment market overall in 2021, mix improvement fueled by innovation, as well as limited price increases made to offset the depreciation of some currencies (including the Brazilian real and the Turkish lira) and to help neutralize the additional costs incurred in the supply chain;
- a **€189m increase in the cost of sales**, including a rise in costs of raw materials, components and sea freight, in part offset by increased productivity in our industrial sites;
- a **€136m rise in investment in growth drivers**, both in R&D and advertising and marketing activation, reaching 10.4% of sales in 2021;
- **controlled structure costs (sales and administrative)**, declining from 12.9% to 11.4% of sales.

OPERATING PROFIT AND NET PROFIT

At **€715m**, operating profit grew by **42%** vs. €503m in 2020.

The total includes a discretionary profit-sharing expense of €39m, up 63% from 2020 (€24m), reflecting the good performance of the French entities in 2021. It also comprises other operating income and expense for €59m (-€78m in 2020), nearly half of which stemming from the costs of the announced closure of the Erbach site in Germany.

* Acquired in July 2020, consolidated from August 1, 2020

The net financial expense came out at -€64m in 2021, close to levels reported in recent years. It comprises the recognition of a €12m expense related to the IFRS-16 norm (€12.5m in 2020).

Consequently, Groupe SEB reported **record profit attributable to owners of the parent in 2021, at €454m**, compared with €301m in 2020 and €380m in 2019, and factoring in:

- a tax charge of €143m, corresponding to an effective tax rate of 21.9% in 2021 (21.2% in 2020)
- minority interests of €54m, vs. €48m in 2020, the €6m increase having been driven by Supor and StoreBound.

Adjusted EBITDA topped the €1bn mark for the first time in 2021, amounting to **€1,041m**, compared with €851m in 2020 and €966m in 2019.

BALANCE SHEET

At December 31, 2021, **consolidated shareholders' equity stood at €3,291m**, for an increase of €556m on end-2020, owing notably to the incorporation of the 2021 net profit and positive currency translation differences (relative to the Chinese yuan in particular).

At the same date, **financial net debt totaled €1,524m** (of which €335m of IFRS-16 debt), practically flat on end-2020. Such stability, despite a €190m increase in adjusted EBITDA, can mainly be attributed to the change in working capital requirement (WCR). At end-2021, **WCR amounted to €1,115m** (compared with €848m at December 31, 2020) and accounted for **13.8% of sales** (12.2% at end-2020). The increase in WCR resulted from a significant rise in inventories intended to secure the availability of finished products. It also reflects higher raw material and transport prices.

Compared with 2019 (16.5%), the WCR/sales ratio is substantially down and marks a new step forward in the structural optimization process that has been ongoing for over ten years.

In this context, the **Free Cash Flow amounted to €306m**.

At December 31, 2021, the **Net financial debt/Adjusted EBITDA ratio came out at 1.46x**, and 1.26x excluding IFRS-16. The ratio improved substantially relative to end-December 2020 (1.78x and 1.56x respectively). The **Group's Net financial debt/equity ratio** was **46%** (compared with 56% at end-2020) and 36% excluding IFRS 16.

DIVIDEND

Meeting on February 24, 2022, the Board of Directors proposed the distribution of a dividend of **€2.45 per share** in respect of the 2021 financial year.

The proposed **14.5% increase** reflects the record performances achieved in 2021 and the Board's confidence in the Group's ability to successfully pursue its strategy of profitable and sustainable growth.

For shareholders having held registered shares for more than two consecutive years, the dividend will be increased by a loyalty bonus of 10%, taking the total dividend to **€2.695 per share** (for holdings below 0.5% of the capital for a single shareholder).

The coupon detachment date is set for **May 31, 2022** and the dividend will be paid on **June 2, 2022**.

OUTLOOK

Against the backdrop of the unstable health situation and disruption in the supply chain, Groupe SEB reported record performances in 2021, both in revenue and in results. Thanks to its anticipation and reactivity to logistics disruptions, rigorous steering of business and tight control of costs, the Group more than offset almost €300 million of headwinds, while also increasing investment in growth drivers. With, as a result, a consolidation of its global leadership in the Small domestic equipment market. The Group has arisen stronger from these two very atypical years.

For 2022, the Group will continue to roll out its flagship products worldwide and will maintain a steady pace of new product launches. Supported by solid advertising and marketing activation, they will be drivers for growth and mix enrichment. Recurring productivity gains, control of internal costs and the effect of price increases will come on top of the above-mentioned levers. All these factors should allow to offset the additional costs stemming from the still high prices in raw materials and sea freight. As such, **for 2022, Groupe SEB is aiming for growth in its sales -both in the Consumer and Professional Activities- as well as in its Operating Result from Activity.**

Groupe SEB's consolidated and company financial statements at December 31, 2021 were approved by the Board of Directors on February 24, 2022.

CONSOLIDATED INCOME STATEMENT

(€ million)	12/31/2021	12/31/2020	12/31/2019
Revenue	8,058.8	6,940.0	7,353.9
Operating expenses	(7,245.5)	(6,334.6)	(6,614.1)
OPERATING RESULT FROM ACTIVITY	813.3	605.4	739.8
Statutory and discretionary employee profit-sharing*	(39.4)	(24.2)	(37.2)
RECURRING OPERATING PROFIT	773.9	581.2	702.6
Other operating income and expense	(59.1)	(77.9)	(82.1)
OPERATING PROFIT	714.8	503.3	620.5
Finance costs	(43.1)	(39.8)	(41.1)
Other financial income and expense	(21.4)	(21.0)	(19.6)
PROFIT BEFORE TAX	650.3	442.5	559.8
Income tax expense	(142.7)	(93.8)	(131.5)
PROFIT FOR THE PERIOD	507.6	348.7	428.3
Non-controlling interests	(53.8)	(48.2)	(48.6)
PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT	453.8	300.5	379.7
PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT PER SHARE (in units)			
Basic earnings per share	8.42	6.00	7.63
Diluted earnings per share	8.36	5.96	7.58

* Including charges relating to the 2019 employee shareholding plan

CONSOLIDATED BALANCE SHEET

ASSETS (in € millions)	12/31/2021	12/31/2020	12/31/2019
Goodwill	1,707.8	1,642.4	1,611.3
Other intangible assets	1,289.9	1,261.6	1,261.9
Property, plant and equipment	1,265.6	1,219.5	1,248.0
Investments in associates	-	-	-
Other investments	162.0	108.0	100.4
Other non-current financial assets	16.3	15.9	38.6
Deferred tax liabilities	129.8	107.7	96.3
Other non-current assets	52.9	47.2	58.0
Long-term derivative instruments - assets	11.6	17.9	3.4
NON-CURRENT ASSETS	4,635.9	4,420.2	4,417.9
Inventories	1,839.6	1,211.5	1,189.1
Customers	934.6	965.4	1,159.7
Other receivables	232.4	160.6	175.1
Current tax assets	38.9	42.0	57.4
Short-term derivative instruments - assets	115.7	36.2	20.5
Financial investments and other current financial assets	60.6	664.7	10.2
Cash and cash equivalents	2,266.5	1,769.4	785.5
CURRENT ASSETS	5,488.3	4,849.8	3,397.5
TOTAL ASSETS	10,124.2	9,270.0	7,815.4
EQUITY & LIABILITIES (in € millions)	12/31/2021	12/31/2020	12/31/2019
Share capital	55.3	50.3	50.3
Reserves and retained earnings	2,969.1	2,436.8	2,395.1
Treasury stock	(34.3)	(19.6)	(52.8)
Equity attributable to owners of the parent	2,990.1	2,467.5	2,392.6
Non-controlling interests	300.6	267.3	234.9
CONSOLIDATED SHAREHOLDERS' EQUITY	3,290.7	2,734.8	2,627.5
Deferred tax liabilities	234.0	191.0	222.3
Employee benefits and other long-term provisions	298.9	355.9	339.5
Long-term borrowings	2,230.8	2,285.8	2,301.8
Other non-current liabilities	54.1	52.0	55.2
Long-term derivative instruments - liabilities	15.3	15.5	17.1
NON-CURRENT LIABILITIES	2,833.1	2,900.2	2,935.9
Employee benefits and other short-term provisions	132.0	122.9	107.8
Trade payables/suppliers	1,614.7	1,260.3	1,044.8
Other current liabilities	546.7	493.3	527.6
Current tax liabilities	51.8	35.9	74.1
Short-term derivative instruments - liabilities	50.0	50.4	27.1
Short-term borrowings	1,605.2	1,672.2	470.6
CURRENT LIABILITIES	4,000.4	3,635.0	2,252.0
TOTAL CONSOLIDATED EQUITY AND LIABILITIES	10,124.2	9,270.0	7,815.4

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.

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. The balance sheet and income statement included in this press release are excerpted from financial statements consolidated as of December 31, 2021, examined by SEB SA's Statutory Auditors and approved by the Group's Board of Directors, dated February 24, 2022. The audit procedures on these consolidated financial statements have been performed. The certification report is currently being issued

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

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

Replay available on our website
on February 25 at 8:00 p.m. at www.groupeseb.com

Access (audio only):

From France: +33 (0)1 7037 7166 – Password: SEB Français
From abroad: +44 (0) 33 0551 0200 – Password: SEB Français

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Upcoming events – 2022

April 28 after market close	Q1 2022 sales and financial data
May 19 3:00 p.m.	Annual General Meeting
July 21 before market opens	H1 2022 sales and results
October 24 after market closes	9-month 2022 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 €8 billion in 2021 and has more than 34,000 employees worldwide.

SEB SA ■

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