



February 21, 2024 – 8:00pm CET
2023 Full-Year Results

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STRONG PERFORMANCE IN 2023 ACQUISITION PROJECT IN THE PROFESSIONAL SEGMENT

- Annual sales: **€8,006m**; +0.6%, +5.3% LFL¹
- Operating Result from Activity (ORFA): **€726m**, +17% vs. 2022
 - **Operating margin: 9.1%** (7.8% in 2022)
- Net profit: **€386m**, + 22% vs. 2022
- **Free cash flow of €805m** and **leverage ratio of 1.8x** EBITDA
- Proposed dividend at the General Meeting: **€2.62 per share** (+6.9% vs. 2022)
- **Medium-term ambition**: LFL sales CAGR of at least 5% and operating margin toward 11%
- **2024 outlook**: operating margin close to 10%

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

"Groupe SEB posted a strong performance in 2023, in a challenging economic context. As expected, our Consumer business found renewed momentum and the Group reaffirmed its global leadership, on the back of an intensive and efficiently executed product innovation strategy.

In the Professional segment, we continued to make gains and reinforced our position as global leader on coffee machines. Parallel to this, we expanded our reach through targeted acquisitions, furthering our ambition to become a leading player in the Professional Equipment market.

Thanks to a robust sales dynamic, a steadily improving gross margin and disciplined cost control, the Group surpassed its initial target for operating result growth. At the end of 2023, our balance sheet and financial structure are reinforced.

The contemplated acquisition of Sofilac with its flagship brands Charvet and Lacanche confirms the Group's ambition to develop in the professional and semi-professional culinary markets.

We remain committed to our medium-term ambition to deliver a LFL sales CAGR of at least 5% and an operating margin progressing toward 11%. For 2024, we reaffirm our guidance to achieve an operating margin close to 10%.

I want to thank all our employees for their commitment and contribution to these outstanding achievements."

¹ LFL: on a like-for-like basis (= organic)

Consolidated results (€m)	2022	2023	Change 2022/2023
Sales	7,960	8,006	+0.6% +5.3% LFL
Operating Result from Activity (ORFA)	620	726	+17.0%
Operating profit	547	667	+22.0%
Profit attributable to owners of the parent	316	386	+22.1%
Adjusted EBITDA	874	985	+12.7%
Net debt at end December	1,973*	1,769*	-10.3%
Dividend per share	€2.45	€2.62**	+6.9%

* o/w €371m and €358m in IFRS16 impact for 2022 and 2023 respectively

% calculated on non-rounded figures

** dividend proposed at the AGM of May 23, 2024

SALES

Groupe SEB generated 2023 sales of €8,006m, **up 5.3% LFL (and 0.6% on a reported basis)**. This good organic growth 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 figure also includes a limited scope effect linked to the integration of the acquired companies Zummo, La San Marco and Pacojet.

Despite an uncertain environment, this solid momentum was driven by:

- **the continued recovery of the Consumer business (+3.2% LFL)**, which saw growth in all regions, and a resilient Small Domestic Equipment market globally;
- **the excellent performance of the Professional business (+26.5% LFL)**, fueled by the continued international expansion of Professional Coffee.

OPERATING RESULT FROM ACTIVITY (ORFA)

The Group's 2023 **Operating Result from Activity (ORFA) came out at €726m**, up 17.0% from end-December 2022 (€620m). **The operating margin stood at 9.1%** of sales, compared to 7.8% in 2022. The changes in ORFA versus 2022 are due to the following factors:

- **a positive volume effect of €134m**, with a return to rising volumes in Consumer business and strong growth in the Professional segment;
- **a favorable price mix effect (+€160m)** reflecting the enriched product mix and the ability to pass along price increases in some emerging markets with an inflationary environment;
- **a €102m decrease in the cost of sales**, thanks notably to the decline in purchasing costs of raw materials, components, finished products and transportation (sea freight in particular);
- **a slight increase of €28m in growth drivers**, notably in innovation;
- **rising administrative and commercial expenses (up €102m)** driven by sustained dynamic sales activation in an inflationary context;
- **negative currency effects amounting to €166m**, reflecting currency depreciation in certain emerging countries (whose impact is offset by price hikes) and an unfavorable impact in hedging results.

OPERATING PROFIT AND NET PROFIT

At €667m, operating profit was up 22.0%, or an increase of €121m compared to 2022.

This includes a discretionary profit-sharing expense of -€24m (-€18m in 2022). Furthermore, it includes other income and expenses, amounting to -€34m, of which a third is linked to the reorganization plan in Germany, the other components being miscellaneous expenses for lower amounts.

The 2023 net financial result came out at -€81m, stable versus 2022.

Net profit attributable to owners of the parent came to €386m (up 22.1% vs. 2022) factoring in:

- a tax charge of €148 million, representing an effective tax rate of 25% for the 2023 financial year (21% in 2022), with the increase being mainly explained by the fact that prior tax loss carry-forwards recognized in 2022 did not recur in 2023.
- minority interests (mainly related to Supor) of €53m.

Adjusted EBITDA amounted to €985m, up 12.7% from 2022.

BALANCE SHEET

At December 31, 2023, **consolidated shareholders' equity totaled €3,461m**, roughly stable versus end-2022.

At €805M, the free cash flow generated in 2023 substantially improved after an unusual 2022 which led to consumption of €20m. It benefited in particular from the increase in adjusted EBITDA and a sharp decline in operating working capital requirements (WCR) which came in at €1,169m (or 14.6% of sales), versus €1,393m at December 31, 2022 (17.5% of sales).

This improvement can be explained:

- mostly by Group-led actions to reduce inventories, reaching 18.4% of sales at end-2023, compared to 21.1% a year earlier;
- as well as a seasonality effect on production at year-end.

The **free cash flow** generation allowed the Group to finance the acquisitions made in 2023 (including SEB Alliance investments), which amounted to €238m, as well as dividends paid out and share buybacks.

Against this backdrop, net debt at December 31, 2023, notably declined by €204m, to €1,769m (including €358m in IFRS 16 debt). This led to a significant improvement in the **net financial debt/adjusted EBITDA ratio, which stands at 1.8x** (vs. 2.3x at the end of 2022) and **1.6x excluding the IFRS 16 impact** (vs. 2.1x at end 2022).

DIVIDEND

Meeting on February 21, 2024, the Board of Directors proposed the distribution of a dividend per share of €2.62 in respect of the 2023 financial year, up 6.9% versus the dividend paid in 2023. This increase not only illustrates the return to profitable growth observed in 2023, but also the Board's confidence in the Group's ability to continue its trajectory toward responsible development in both Consumer and Professional businesses.

For shareholders having held registered shares for more than two years, the dividend will be increased by a loyalty premium of 10%, taking the total dividend to €2.88 per share (for holdings below 0.5% of the capital for a single shareholder).

With the Annual General Meeting scheduled for May 23, 2024, the coupon detachment date is set for June 3, 2024, and the dividend will be paid on June 5, 2024.

ACQUISITION PROJECT

Today, Groupe SEB begins the process of acquiring **Groupe Sofilac**. Through this acquisition, the Group aims to bolster its expertise in the high-end cooking segment and continue growing in the professional and semi-professional markets.

Sofilac is a family-owned French group, majority-held by the members of the Augagneur family. With €62m in sales posted in 2023, it designs, manufactures and distributes premium cooking equipments targeting the semi-professional (**Lacanche** brand) and professional (especially with the **Charvet** brand) markets.

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This acquisition would enable Groupe SEB to strengthen its presence in the cooking equipment segment by rounding out its existing high-end brand offering (Krampouz, Forge Adour, WMF, All-Clad, and Lagostina). It will also support Groupe SEB's ambition to become the gold standard in the profitable and growing professional and semi-professional equipment markets with complementary brands, products and distribution channels.

This transaction, expected to be completed in April 2024, is conditioned in particular on informing and consulting employee representative bodies within certain Groupe Sofilac companies.

OUTLOOK

At mid-term, the Group reaffirms its ambitions announced in December 2023:

- an LFL sales compound annual growth rate (CAGR) **of at least 5%**;
- an operating margin **progressing toward 11%**;
- continued **substantial generation of free cash flow**.

In 2024, in a still uncertain macroeconomic and geopolitical environment, with a slow economic recovery – especially in China, we expect ongoing resilience in the Small Domestic Equipment market and continued brisk development in Professional markets.

Consumer business should return to more widespread growth in 2024 in mature countries, with a gradual year-round recovery in China and continued good dynamic in emerging markets amidst a still penalizing currency environment. In addition, the Group intends to continue growing its Professional business on a high comparison basis. Given this context, the operating margin is expected to be close to 10%.

Groupe SEB's consolidated and company financial statements at December 31, 2023, were approved by the Board of Directors on February 21, 2024.

CONSOLIDATED INCOME STATEMENT

(€ million)	12/31/2023	12/31/2022	12/31/2021
Revenue	8,006.0	7,959.7	8,058.8
Operating expenses	(7,280.4)	(7,339.4)	(7,245.5)
OPERATING RESULT FROM ACTIVITY	725.6	620.3	813.3
Statutory and discretionary employee profit-sharing	(23.8)	(17.6)	(39.4)
RECURRING OPERATING PROFIT	701.8	602.7	773.9
Other operating income and expense	(34.3)	(55.7)	(59.1)
OPERATING PROFIT	667.5	547.0	714.8
Finance costs	(42.9)	(35.1)	(43.1)
Other financial income and expense	(37.6)	(45.6)	(21.4)
PROFIT BEFORE TAX	587.0	466.3	650.3
Income tax expense	(147.6)	(98.0)	(142.7)
PROFIT FOR THE PERIOD	439.4	368.3	507.6
Non-controlling interests	(53.2)	(52.1)	(53.8)
PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT	386.2	316.2	453.8
PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT PER SHARE <i>(in units)</i>			
Basic earnings per share	7.01	5.74	8.42
Diluted earnings per share	6.97	5.71	8.36

CONSOLIDATED BALANCE SHEET

ASSETS (in € millions)	12/31/2023	12/31/2022	12/31/2021
Goodwill	1,868.4	1,767.9	1,707.8
Other intangible assets	1,347.5	1,305.1	1,289.9
Property, plant and equipment	1,292.2	1,338.8	1,265.6
Other investments	210.6	218.3	162.0
Other non-current financial assets	16.6	18.2	16.3
Deferred tax liabilities	151.6	135.2	129.8
Other non-current assets	65.5	58.3	52.9
Long-term derivative instruments - assets	17.9	26.3	11.6
NON-CURRENT ASSETS	4,970.3	4,868.1	4,635.9
Inventories	1,474.8	1,682.1	1,839.6
Customers	1,018.0	891.5	934.6
Other receivables	185.0	217.1	232.4
Current tax assets	36.8	53.2	38.9
Short-term derivative instruments - assets	40.8	76.8	115.7
Financial investments and other current financial assets	94.7	102.0	60.6
Cash and cash equivalents	1,432.1	1,237.0	2,266.5
CURRENT ASSETS	4,282.2	4,259.7	5,488.3
TOTAL ASSETS	9,252.5	9,127.8	10,124.2
EQUITY & LIABILITIES (in € millions)	12/31/2023	12/31/2022	12/31/2021
Share capital	55.3	55.3	55.3
Reserves and retained earnings	3,170.8	3,146.8	2,969.1
Treasury stock	(27.7)	(33.3)	(34.3)
Equity attributable to owners of the parent	3,198.4	3,168.8	2,990.1
Non-controlling interests	262.3	280.1	300.6
CONSOLIDATED SHAREHOLDERS' EQUITY	3,460.7	3,448.9	3,290.7
Deferred tax liabilities	198.6	212.6	234.0
Employee benefits and other long-term provisions	210.4	213.4	298.9
Long-term borrowings	1,890.4	1,922.6	2,230.8
Other non-current liabilities	58.9	53.8	54.1
Long-term derivative instruments - liabilities	13.9	32.9	15.3
NON-CURRENT LIABILITIES	2,372.2	2,435.3	2,833.1
Employee benefits and other short-term provisions	125.3	138.4	132.0
Trade payables/suppliers	1,160.6	1,027.1	1,614.7
Other current liabilities	609.8	583.8	546.7
Current tax liabilities	58.8	52.6	51.8
Short-term derivative instruments - liabilities	65.0	52.2	50.0
Short-term borrowings	1,400.1	1,389.5	1,605.2
CURRENT LIABILITIES	3,419.6	3,243.6	4,000.4
TOTAL CONSOLIDATED EQUITY AND LIABILITIES	9,252.5	9,127.8	10,124.2

CASH FLOW STATEMENT

(€ million)	12/31/2023	12/31/2022
PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT	386.2	316.2
Depreciation, amortization and impairment losses	294.0	274.3
Change in provisions	(26.9)	(1.6)
Unrealized gains and losses on financial instruments	18.4	(3.9)
Income and expenses related to stock options and bonus shares	25.4	29.2
Gains and losses on disposals of assets	2.6	(3.7)
Other	0.0	(5.2)
Non-controlling interests	53.2	52.1
Current and deferred taxes	147.6	98.0
Finance costs	42.9	34.4
CASH FLOW ^{(1) (2)}	943.4	789.8
Change in inventories and work in progress	193.3	172.7
Change in trade receivables	(161.2)	160.8
Change in trade payables	185.8	(618.1)
Change in other receivables and payables	50.5	(41.0)
Income tax paid	(147.9)	(153.8)
Net interest paid	(42.9)	(34.4)
NET CASH FROM OPERATING ACTIVITIES	1,021.0	276.0
Proceeds from disposals of assets	5.1	13.6
Purchases of property, plant and equipment ⁽²⁾	(143.2)	(199.8)
Purchases of software and other intangible assets ⁽²⁾	(32.5)	(33.0)
Purchases of financial assets	(21.5)	(75.3)
Acquisitions of subsidiaries, net of cash acquired	(163.3)	(71.9)
NET CASH USED BY INVESTING ACTIVITIES	(355.4)	(366.4)
Increase in borrowings ⁽²⁾	1,118.8	976.4
Decrease in borrowings	(1,263.6)	(1,614.0)
Issue of share capital	0.0	0.0
Transactions between owners	(62.8)	(33.6)
Change in treasury stock	(17.8)	(34.6)
Dividends paid, including to non-controlling interests	(195.4)	(203.7)
NET CASH USED BY FINANCING ACTIVITIES	(420.8)	(909.5)
Effect of changes in foreign exchange rates	(49.7)	(29.6)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	195.1	(1,029.5)
Cash and cash equivalents at beginning of period	1,237.0	2,266.5
Cash and cash equivalents at end of period	1,432.1	1,237.0

(1) Before net finance costs and income taxes paid.

(2) Excluding IFRS 16 impact

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, 2023, examined by SEB SA's Statutory Auditors and approved by the Group's Board of Directors, dated February 21, 2024. The audit procedures on these consolidated financial statements have been performed. The certification report is currently being issued.

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.

Conference with management on February 22 at 2:30 p.m. CET
Centre de conférence Etoile Business Center
21 Rue Balzac
75008 PARIS

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

Replay available on our website
on February 22 at 8:00 p.m. at www.groupeseb.com

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Next key dates – 2024

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

Investor/Analyst relations

Groupe SEB
Financial Communication and IR Dept

Raphaël Hoffstetter
Guillaume Baron

comfin@groupeseb.com

Tel. +33 (0) 4 72 18 16 04

Media Relations

Groupe SEB
Corporate Communication Dept

Cathy Pianon
Anissa Djaadi
Marie Leroy

presse@groupeseb.com

Tel. + 33 (0) 6 33 13 02 00
Tel. + 33 (0) 6 88 20 90 88
Tel. + 33 (0) 6 76 98 87 53

Image Sept
Caroline Simon
Claire Doligez
Isabelle Dunoyer de Segonzac

caroline.simon@image7.fr
cdoligez@image7.fr
isegonzac@image7.fr

Tel. +33 (0) 1 53 70 74 70

Find us on www.groupeseb.com



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 31,000 employees worldwide.

SEB SA ■

SEB SA - N° RCS 300 349 636 RCS LYON – with a share capital of €55,337,770 – Intracommunity VAT: FR 12300349636