

WMF ACQUISITION

Strengthening Groupe SEB's leadership
and adding a new growth platform

May 24, 2016



AIRBAKE | ALL-CLAD | ARNO | ASIAVINA | CALOR | CLOCK | EMSA | IMUSA | KRUPS | LAGOSTINA | MAHARAJA WHITELINE | MIRRO
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Groupe SEB and WMF: common roots and aligned missions



Württembergische Metallwarenfabrik
1853



Société d'Emboutissage de Bourgogne
1857

Strengthening Groupe SEB's global leadership and adding a new growth platform

- **Acquiring solid leadership position in highly attractive professional coffee market**
- **Becoming undisputable leader in cookware market in Germany**
- **Accelerating development in kitchenware**
- **Significantly enriching brand portfolio**
- **Getting access to 200 own-retail shops**

Summary

- 1.** WMF at a glance
- 2.** Professional coffee machines: a new growth platform
- 3.** Consumer (SDE): key positions in the German market
- 4.** Hotel Equipment: an adjacent business
- 5.** Transaction terms, proforma financials
- 6.** Q&A

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WMF Key figures

Sales

€1,060m

Adjusted EBITDA

€118m, 11.1 %

Employees

5,700

Global leadership in Professional Coffee Machines

- Installed base of > 200,000 machines
- 28 % market share

Strong leadership in Cookware in Germany

- 20 % market share



Breakdown of Sales by business



A Group organized around 3 divisions...

Professional Coffee Machines

Sales 2015: €395m
(37% of sales)



- Fully automatic professional coffee machines
- **Global #1 market position**
- Supported by own and distributor sales as well as service networks



Consumer

Sales 2015: €590m
(56% of sales)



- Premium table- & kitchenware + small domestic appliances
- **#1 ranking in cookware in DACH**
- Sold via retail partners, own stores



Hotel Equipment

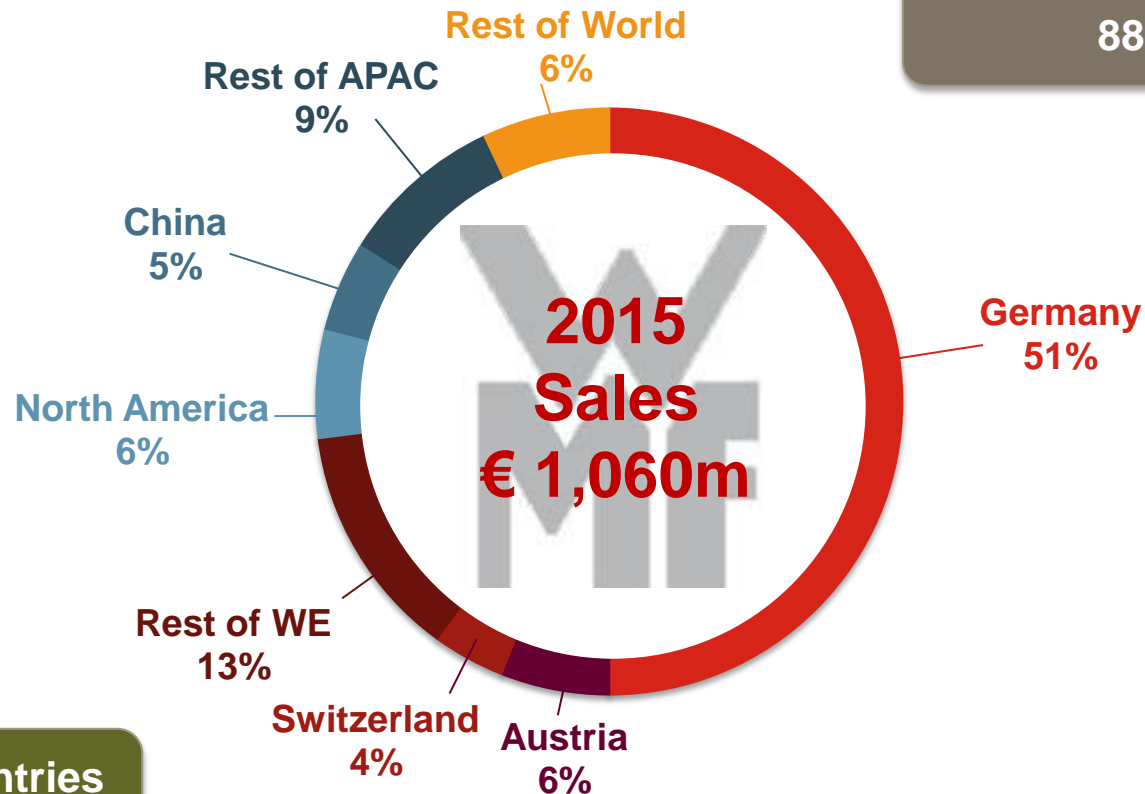
Sales 2015: €75m
(7% of sales)



- Premium tabletop equipment for hotels, restaurants and cruise ships
- **#1 market position in DACH** and global leader in the luxury segment
- Supported by own and distributor channels

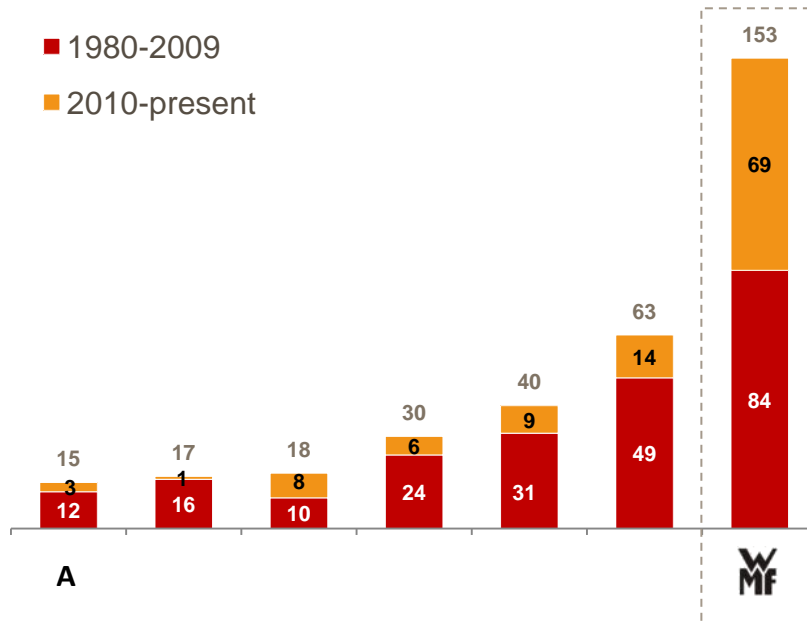


Breakdown of Sales by geography



Proven track-record of product innovation

Registered patents – Coffee machines



➔ Products protected by more than 150 patents

Leading innovations

Professional Coffee Machines



Dynamic Milk



Remote Data Access



Cold technology



Plug & Clean

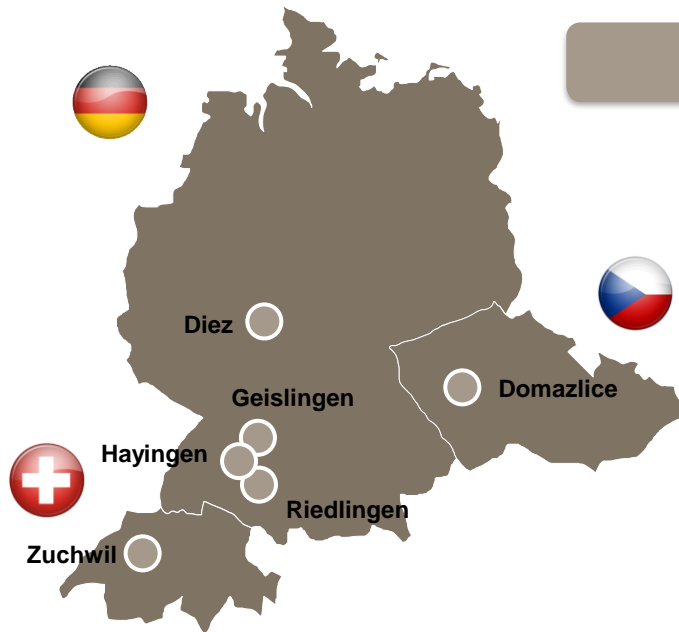
Cookware



NATURamic

Strong in-house manufacturing base

Europe



8 plants

Asia



- In-house manufacturing
- Coffee machines: 100%
 - Consumer products: 40%

WMF: an iconic brand in Germany



Ranking # 5

for the quality
of branded products as
perceived by German
consumers

Ranking # 1

German consumers'
favourite kitchenware, home
appliance and furnishing brand

Source: Deutschland Test Market Research 2014-15 - WMF

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Professional Coffee Machines



**A new
growth platform**



A strong leader in a highly attractive market

Strong market fundamentals

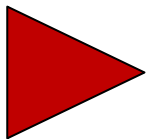
- Global market → €1.5bn
- High and consistent growth: around 8% p.a
- Top 4 players → 65% market share
- Significant growth opportunities to capture
→ Rising out-of-home premium coffee consumption (US, China etc...)

High barriers to entry

- Technology (R&D, patents, quality)
- Powerful brands
- Owned service network
- In-house manufacturing base
→ Strong expertise

Strong quality business model

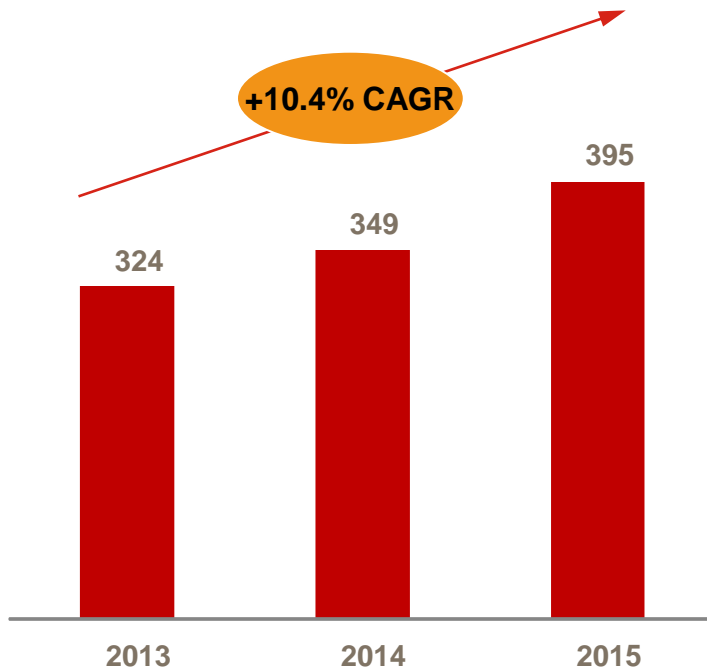
- >1/3 of sales → Recurring revenues
- Strong pricing power
- High profitability



WMF, the global leader in professional coffee market
→ 28% market share
→ Way ahead of #2: relative market share at 1.9 x

Double-digit growth with a high proportion of service revenues

Evolution of WMF sales in PCM*
(€m)



*Professional Coffee Machines

Service sales
37%



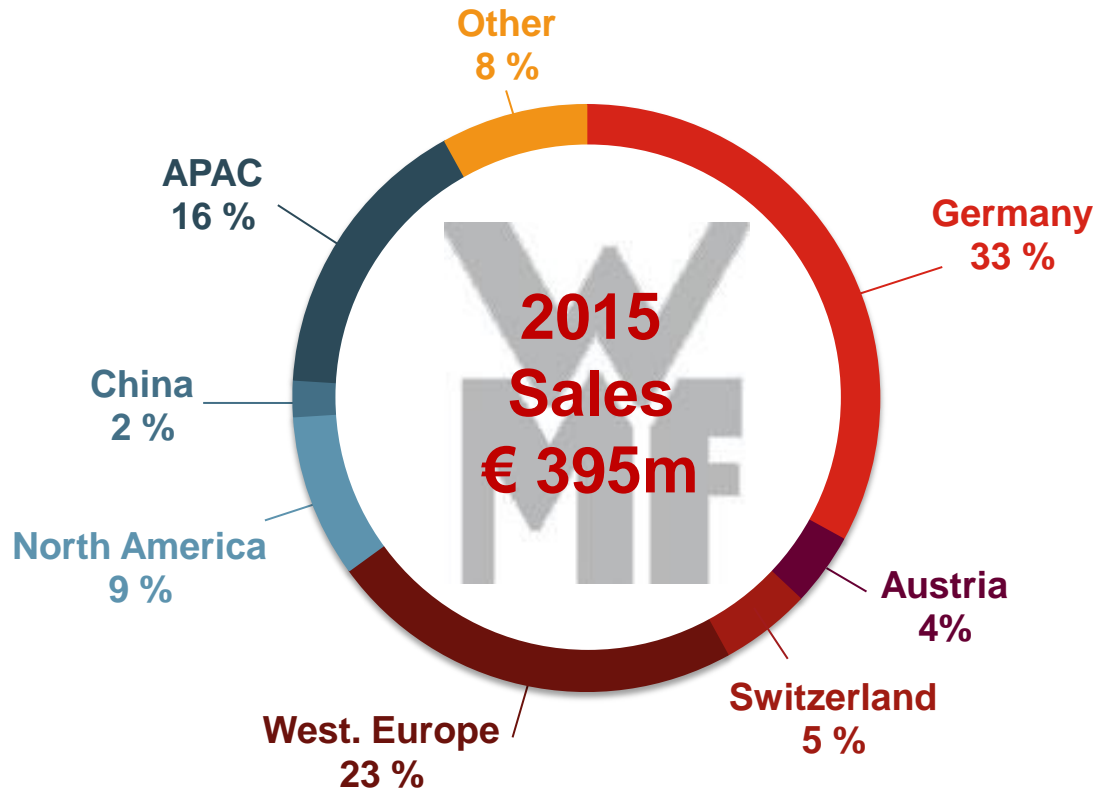
Product sales
63%

- ➔ Installed base of >200,000 machines
- ➔ Extensive service network
 - ➔ Sizeable recurring revenues
- ➔ Largest company-owned service network within the industry ➔
Approx. 500 trained and certified technicians

A global presence



Sales by geography




Diverse, international customer base

Professional coffee machines product range



Convenience store

 **schaerer**



Client since 2009



Convenience store



Client since 2006



Chain restaurant

 **schaerer**



Client since 2003



Chain restaurant



Client since 2001



Convenience store



Client since 2012

Largest clients
each accounting
for less than
5% of total sales

A complete range of products

Professional coffee machines product range

WMF

Bean to cup coffee machines



Filter coffee machines



Price ranging
from €3,000
to > €10,000

schaerer

Bean to cup coffee machines



Filter coffee machine

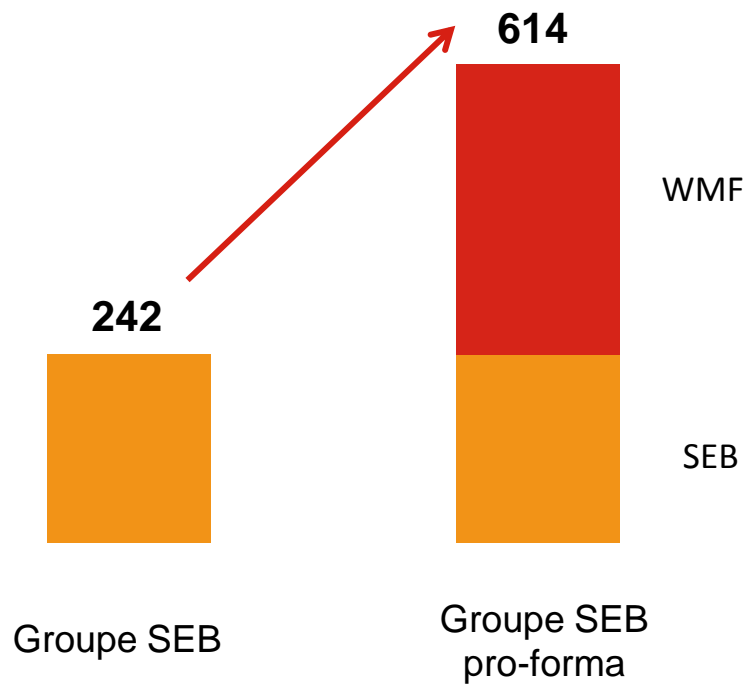


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Germany to become our #3 market in SDE

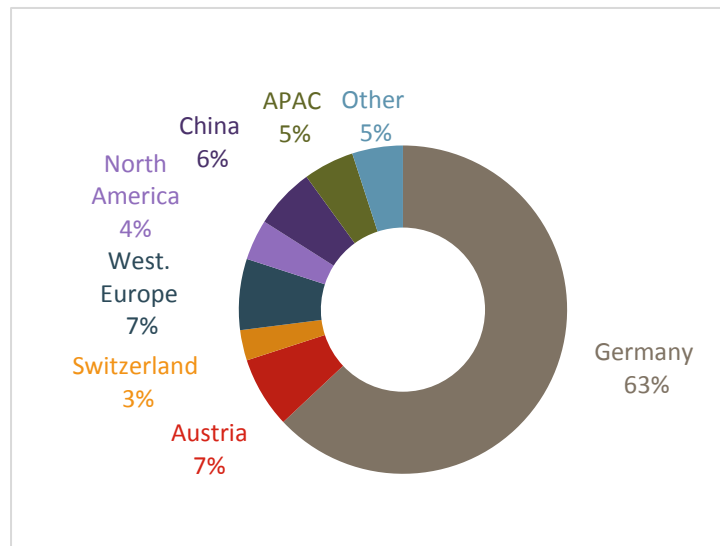
2015 Sales (€m)



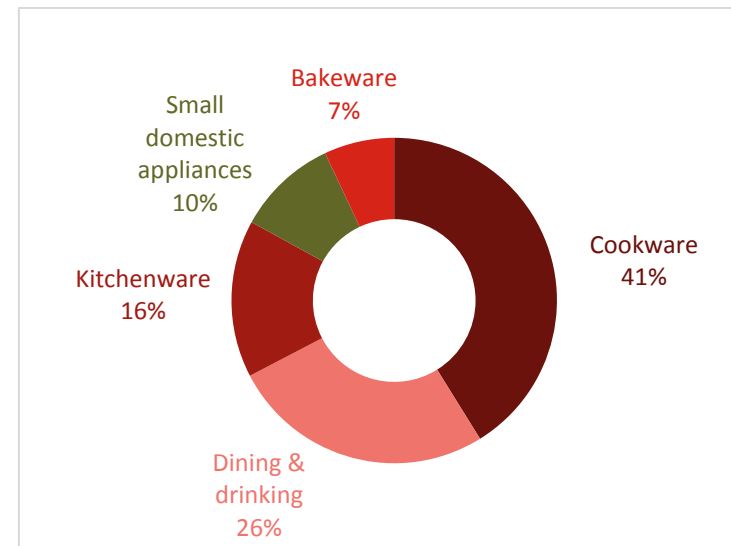
Consumer business breakdown by geography and product category

590m€ sales in 2015

Sales by geography



Sales by product category



Cookware



**#1 position
in the German market**



Strengthening our global leadership in cookware

Highly complementary businesses in Germany

- Premium segment / Stainless steel
- Pots
- Kitchenware, including knives

Development opportunities to be explored

- Leverage WMF brands and products accross geographies

Significant potential to improve performance

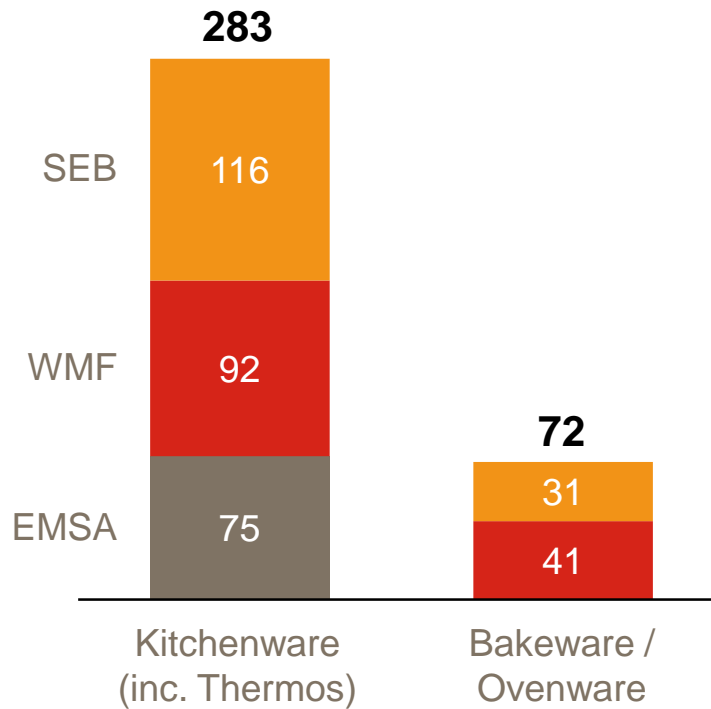
- Improve productivity through manufacturing excellence
- Purchasing / sourcing savings
- Scale effects (optimization of logistics and commercial costs)
- ▶ **Improve WMF consumer business up to Groupe SEB profitability standards**

4 main segments with strong competitive positions in DACH

<i>Segment</i>	<i>2015 MS in DACH</i>	<i>Ranking</i>	<i>Main products</i>
Cookware	21%	#1	<div>Pans</div> <div>Pots</div> <div>Pressure cookers</div>
Kitchenware	10%	#3	<div>Kitchen knives</div> <div>Kitchen gadgets</div>
Bakeware	28%	#2	<div>Baking pans</div> <div>Accessories</div>
Dining & Drinking	38%	#1	<div>Cutlery</div> <div>Dinnerware</div> <div>Beverageware</div>

A new dimension for SEB in Kitchenware, Bakeware and Ovenware

2015 proforma sales (€m)



Conso.
Global rank

#4

#2

- Significant increment of sales for Groupe SEB
- State-of-the-art products range



Three well-established brands



2015 sales / % BU

€443m / 75%

€66m / 11%

€41m / 7%

Geographic reach

Global premium brand

Germany, Austria, Switzerland



Type of products

Table and kitchenware

Silargan® cookware

Bakeware

SDE



**A strong opportunity to
grow in the premium
segment**



A young though dynamic business

WMF Market shares



Kettles: 13%



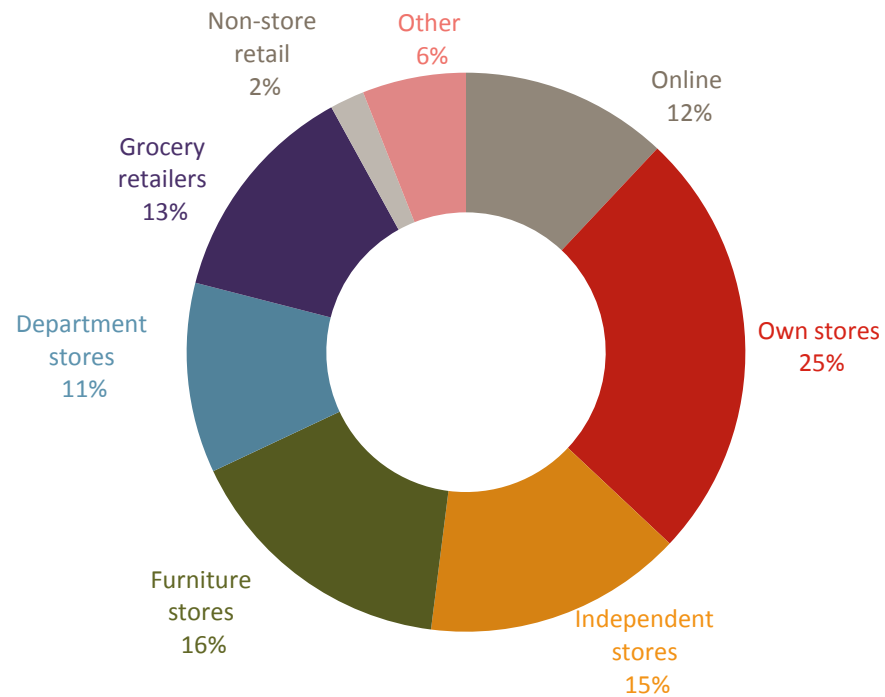
Toasters: 12%



Blenders: 18%

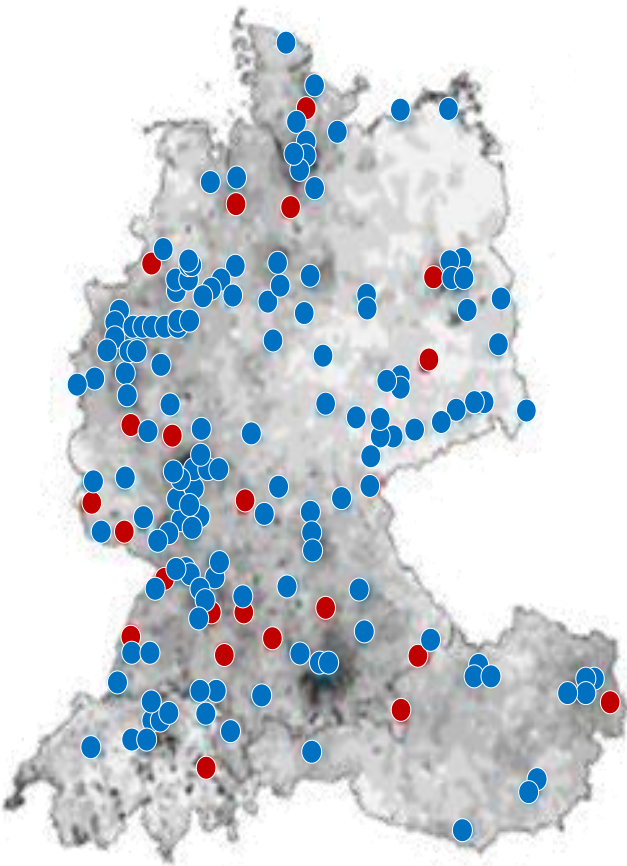
A diversified distribution in DACH

WMF channel mix in DACH (2015)



(1) DACH: Germany, Austria and Switzerland

200 company-owned stores in DACH



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Hotel Equipment



**An adjacent
business**

Kempinski
HOTELS & RESORTS

Fairmont
HOTELS & RESORTS


PRINCESS CRUISES
escape completely


Hilton


AIDA
CROCIERE

 **Sheraton**
HOTELS & RESORTS

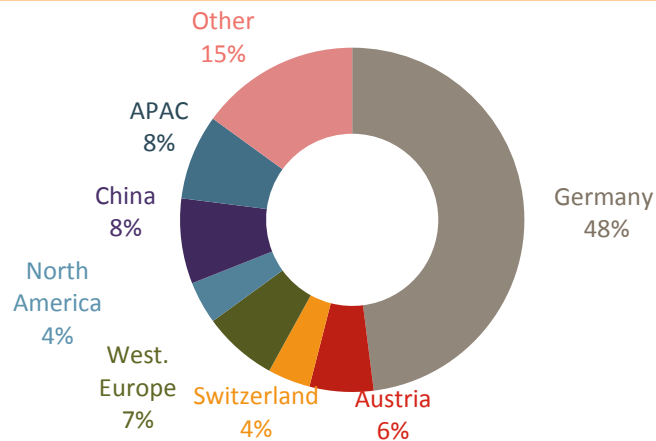

PROCURIO
GENERAL TRADING (L.L.C.)



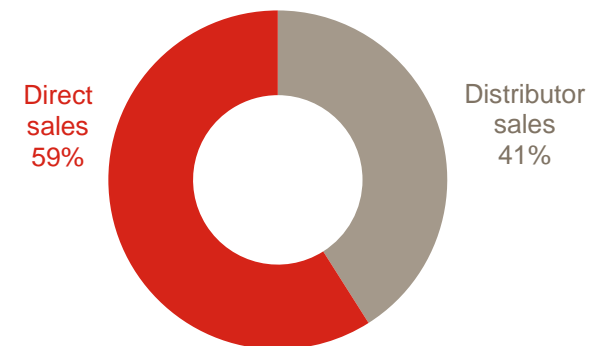
Hotel equipment business overview

- #1 market position in DACH and global leader in the luxury segment
- Offers brand visibility in high-end hotels
- **Complementary business for the Group**

Sales by geography (2015)



Sales by channel (2015)



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Transaction key financials (1/2)

- **€1,585m transaction value**
 - **€ 565m net financial debt**
 - **€ 1,020m purchase price**

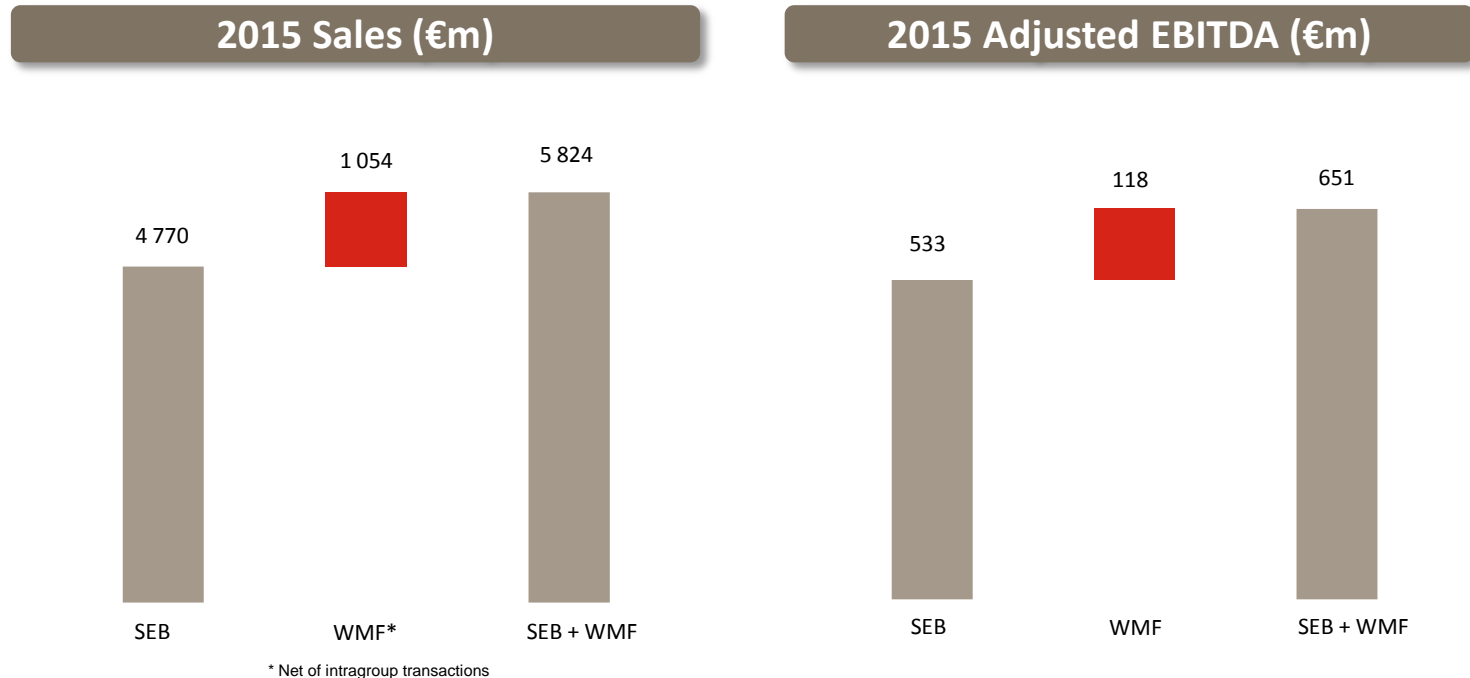
- **Assumption of € 125m of retirement liabilities**

- **Closing expected H2 2016**

Transaction key financials (2/2)

- Estimated adjusted 2016 EBITDA of €140m
- Targeted synergies (→ 2020): approx. € 40m p.a.
- Peak proforma Net debt / Adjusted EBITDA below 3 X
 - Objective → Below 2 X at year-end 2018
- EPS accretion above 20 %

Groupe SEB 2015 combined financials (proforma)



- Combined sales of 5.8bn€ and Adjusted EBITDA €651m → 11.2 % margin
- Pro-forma 2015 ORfA at €519m

Strong confidence in successful integration

- **Groupe SEB expertise in Small Domestic Equipment**
- **Groupe SEB capability to manage diversified brand and product portfolio**
- **Experienced WMF teams in professional coffee machines**
- **Common culture focused on passion for the product and operational excellence**
- **Groupe SEB proven integration know-how**

A strategic deal and a great step forward

- **Strengthen Groupe SEB's global leadership in Small Domestic Equipment**
- **Build a strong position in Germany**
- **Add a new growth platform through professional coffee**
- **A strongly accretive and value enhancing deal...**
- **... Preserving a sound financial situation**

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Thank you for your attention

WMF Acquisition - May 24, 2016



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