



ISSUER RATING
LongTerm

OUTLOOK
Stable



ISSUER RATING
ShortTerm

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Rating Action and Rationale

- EthiFinance Ratings affirms SEB SA's long-term rating at BBB, maintaining a Stable outlook. EthiFinance Ratings also affirms the short-term rating at EF1.
- SEB SA (SEB), also known as Groupe SEB, is a French manufacturer and distributor of small domestic appliances, and professional equipment, particularly coffee machines.
- The ratings are supported by Groupe SEB's strong competitive positioning. The group holds #1 or #2 market positions across most of its product categories and geographies, underpinned by a portfolio of globally recognized brands, proprietary manufacturing expertise, and a sustained innovation pipeline. These structural advantages are complemented by a solid capitalization base, with equity representing 91% of total financial debt at end-2025 and expected to exceed it over the forecast horizon as profitability recovers and net debt stabilize.
- However, the affirmation of our ratings is constrained by the deterioration in credit metrics in FY25, which came below management's own guidance issued at FY24 results. The group had anticipated a marked increase in profitability and another year of organic sales growth, based on buoyant end markets and solid product launch momentum. However, in FY25, Groupe SEB reported revenue of €8.2bn, down 1.2% year-on-year on a reported basis (organic growth: +0.3%; scope: +1.0%; FX: -2.5%). Whilst organic growth was marginally achieved, profitability weakened, with ORfA (Operating Result from Activities) falling to €601m (vs €802m in FY24). The adjusted EBITDA margin deteriorated to 10.0% (vs 12.8% in FY24), driven by three cyclical headwinds: adverse FX translation (-€40m), a tariff-driven slowdown in North America (-€40m), and a high comparison base in Professional vs FY24 (-€40m). At end-2025, the EthiFinance Ratings-adjusted net leverage ratio deteriorated to 3.3x (vs. 2.4x at end-2024). This was linked to significantly lower EBITDA and higher net financial debt, the latter further impacted by the cash payment of the €190m French Competition Authority fine. As an answer to this, management launched the 'Rebound Plan' to improve profitability. It targets €200m in recurring annual savings at run-rate by end-2027, with headcount reduction (of up to 2,100 positions out of c. 30,000 employees), indirect procurement rationalization, and overhead reduction (mainly headcount). Over our forecast horizon (2026-28), we expect net leverage to improve toward approximately 2.1x by end-2028, as profitability is expected to recover from FY26 onwards and net debt to progressively reduce.
- Our ratings are also constrained by the assessment of the sector with macro headwinds and geopolitical uncertainties impacting the levels of profitability and growth prospects. In FY25, the group's revenue decline was largely driven by the Americas (13% of FY25 sales), where sales fell to €1,048m from €1,170m (-10.4% reported, -4.9% LFL). US market was impacted by customer destocking and a "wait-and-see" attitude in Q2-Q3, while the price increases to mitigate US tariffs had a negative impact on volumes. The view on the Chinese market remains cautious despite the group posted encouraging organic performance in FY25. China (23% of FY25 group sales) reached €1,881m, declining -1.3% on a reported basis due to adverse CNY/EUR translation, while posting +2.7% organic growth supported by Supor's momentum. On the professional segment, the new Shaoxing Professional Coffee hub, in ramp-up phase, is expected to support growth.
- The consumer goods sector has medium ESG risks according to our methodology (sector heatmap score between 3 and 3.5) given its impact on the environment. This results in a sector assessment which is not impacted by industry-related ESG considerations. Regarding environmental factors, the sector presents a low impact on climate issues (not heavy manufacturing industry, which limits GHG emissions) and resources (moderate use of resources). However, the sector has a high impact regarding pollution, due to the significant amount of waste generated, and a medium impact on biodiversity linked to goods production and transportation. It involves a medium impact over suppliers and consumers, and a low impact on communities.
- Our assessment of the company's ESG policy is 'positive' (company ESG score of between 0 and 1). SEB stands out in terms of environmental policies, being committed to carbon neutrality related to product manufacturing (scope 1 & 2) and to product energy consumption (scope 3) by 2050. Its carbon strategy related to direct emissions (scope 1 & 2) has been validated by the SBTi (Science Based Targets initiative) within a 1.5°C scenario. In 2025, the group's total energy consumption decreased (4.5% reduction vs 2024), and scope 1 & 2 emissions (location-based) declined by 5.7% year-on-year. On the governance pillar, the profile remains solid in 2025, supported by a meaningful independent representation in the Board of Directors, a separation of the roles of Chair and CEO, and an anti-corruption policy. On the social pillar, the profile is more supportive in 2025, with an increase in training hours per employee (vs 2024), and of women representation in management (from 26.5% to 28.9%).

Issuer Description

Headquartered in Lyon (France), SEB is a world leading manufacturer and distributor of small domestic appliances. Small electrical appliances and cookware accounted for 88% of the group revenues in 2025. The company distributes its products in 150 countries, although sales are concentrated in China and Western Europe (23% and 31% of 2025

total sales, respectively). The company has a number of globally recognized different brands, including: Tefal, Krups, Rowenta, Moulinex, WMF, Lagostina, and Schaerer. SEB has extended its range of activities to the professional market and, in particular, to the professional coffee market. This division accounted for 12% of total sales in 2025. The founding family holds c. 51.4% stake in the group through various vehicles, with the remainder divided among different investors (free float of c. 34.1%). SEB SA is listed on the Euronext Paris stock exchange, with a market capitalization of €2.4bn as of 26 March 2026.

In 2025, the group generated revenues of €8.2bn and adjusted EBITDA of €819m (adjusted EBITDA margin of 10.0%). The adjusted net leverage ratio (NFD/EBITDA) stood at 3.3x at end-2025 (vs 2.4x at end-2024).

Liquidity

We assess the liquidity profile of SEB as “Superior”, reflecting its high level of liquidity at end-2025 (cash and available committed credit lines), well-spread and long-term maturities, in addition to a strong refinancing profile.

Credit Metrics Evolution Expectation (CMEE)

Our CMEE is Stable, reflecting our view that credit metrics will remain broadly unchanged over the next twelve months.

Modifiers

Controversies

In December 2024, the French competition authority imposed a fine of €189.5m on SEB for resale price maintenance practices with distributors between 2007 and 2014, as part of a broader €611m ruling against ten appliance manufacturers and two distributors. The fine was paid in May 2025. The group has appealed to the Paris Court of Appeal seeking annulment of the decision. The case remains pending with no ruling expected in the near term. We consider the reputational impact manageable.

SEB and its Tefal brand faced reputational pressure related to PFAS in non-stick cookware. The French law enacted in February 2025 restricting PFAS-containing products explicitly excluded cookware following active industry lobbying. Nonetheless, in July 2025, three NGOs (France Nature Environnement, Générations Futures and the ACLC) filed a complaint before the Paris prosecutor's office against SEB for allegedly misleading commercial practices regarding the safety of its non-stick coatings. The group contested. Given the materialization of active legal proceedings, this controversy is elevated to active monitoring, although the financial impact remains limited and the issue is not unique to SEB within the industry. The controversy score is maintained at 3, with no impact on ratings.

Main Financial Figures

Main financial figures, millions of EUR						
	FY24	FY25	FY26e	FY27e	FY28e	25vs24
Turnover	8 266	8 169	8 210	8 333	8 542	-1,2%
Adj EBITDA (1)	1 058	819	903	1 012	1 122	-22,7%
Adj EBITDA Margin	12,8%	10,0%	11,0%	12,1%	13,1%	-2,8pp
EBIT	540	502	378	700	803	-7,0%
EBIT Margin	6,5%	6,1%	4,6%	8,4%	9,4%	-0,4pp
EBT	420	370	284	609	712	-11,9%
Total Assets	9 323	9 511	9 365	9 615	9 980	2,0%
Equity	3 540	3 477	3 483	3 733	4 061	-1,8%
Adj Total Financial Debt (2)	3 603	3 810	3 612	3 594	3 602	5,7%
Adj Net Financial Debt (2) (3)	2 510	2 725	2 414	2 516	2 333	8,6%
Equity/TFD	98,3%	91,3%	96,4%	103,9%	112,7%	-7,0pp
Adj NFD/Adj EBITDA	2,4x	3,3x	2,7x	2,5x	2,1x	1,0x
Adj Funds From Operations	699	466	633	420	732	-33,3%
Adj FFO/Adj NFD	27,8%	17,1%	26,2%	16,7%	31,4%	-10,7pp
Adj EBITDA/Adj Interest	9,4x	6,4x	7,5x	7,8x	8,6x	-3,0x

⁽¹⁾ EBITDA adjusted for restructuring costs, and impairments and losses.

⁽²⁾ Total Financial Debt adjusted for pensions, factoring without recourse.

⁽³⁾ Net Financial Debt (NFD) adjusted for financial investments.

Credit Rating

Credit Rating	
Business Risk Profile	BBB-
Industry risk assessment	BB+
Industry's ESG	Neutral
Competitive Positioning	BBB-
Governance	BBB
Financial Risk Profile	BBB
Cash flow and leverage	BBB-
Solvency	BBB
Company's ESG	Positive
Anchor Rating	BBB
Modifiers	-
Rating	BBB

Rating Sensitivity

- Rating positive factors (↑)

A long-term rating upgrade to BBB+ would derive from a positive revenues' growth trend, combined with a positive evolution of profitability and a reduction of debt, sufficient to deliver a net adjusted leverage ratio below 2.0x for a sustained period.

An upgrade of the short-term rating to EF1+ would be entailed by an upgrade of the long-term rating to A along with a Stable CMEF at least, which at this stage is improbable.

- Rating negative factors (↓)

A long-term rating downgrade to BBB- may come from disappointing performance in FY26, should margins remain at FY25 levels or credit metrics remain deteriorated. In particular, an EthiFinance Ratings-adjusted net leverage ratio around 2.8x for a sustained period would entail a rating downgrade.

A short-term rating downgrade to EF2 could be entailed by either a deterioration of SEB's liquidity, a downgrade of the CMEE to Negative, or a downgrade of the long-term rating to BBB-

Sources of information

The credit rating issued in this report is unsolicited. The credit rating is based exclusively on public information, being the main sources the following:

1. Annual Audit Report.
2. Corporate Governance Report.
3. Corporate Website.
4. Information published in the Official Bulletins.

The information was thoroughly reviewed to ensure that it is valid and consistent, and is considered satisfactory. Nevertheless, EthiFinance Ratings assumes no responsibility for the accuracy of the information and the conclusions drawn from it.

Level of the rated entity participation in the rating process

Unsolicited Credit Rating	
With Rated Entity or Related Third Party Participation	NO
With Access to Internal Documents	NO
With Access to Management	NO

Additional information

- The rating was carried out in accordance with Regulation (EC) N°1060/2009 of the European Parliament and the Council of 16 September 2009, on credit rating agencies. Principal methodology used in this research are :
 - Corporate Rating Methodology - General : <https://www.ethifinance.com/download/corporate-rating-methodology-general/?wpdmdl=35203>
- The rating scale used in this report is available at <https://www.ethifinance.com/en/ratings/ratingScale>.
- EthiFinance Ratings publishes data on the historical default rates of the rating categories, which are located in the central statistics repository CEREP, of the European Securities and Markets Authority (ESMA).
- In accordance with Article 6 (2), in conjunction with Annex I, section B (4) of the Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009, it is reported that during the last 12 months EthiFinance Ratings has not provided ancillary services to the rated entity or its related third parties.
- The issued credit rating has been notified to the rated entity, and has not been modified since.

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