

January 19, 2016

## Provisional sales 2015

### 2015: STRONG GROWTH IN SALES THROUGHOUT THE YEAR

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	SALES	CHANGE reported	CHANGE like-for-like*
2015	€4,770m	+12.1%	+8.0%
Q4 2015	€1,529m	+9.4%	+7.2%

\* Like-for-like: at constant exchange rates and scope of consolidation

#### Sales performance

The global macroeconomic environment remained contrasted in 2015, with a good performance from most mature markets, a deterioration in the large emerging countries (Russia and Brazil in particular), and great tensions in certain parts of the world.

Exchange rates remained extremely volatile, marked on one hand by a substantial depreciation in some currencies (including the Russian rouble, Brazilian real, Colombian peso and Ukrainian hryvnia) and on the other hand by a strong rise in the US dollar and Chinese yuan against the Euro.







Against this backdrop, **Groupe SEB posted an excellent year in 2015**, with vigorous revenue growth, confirmed quarter after quarter. **At €4,770 million**, sales were up **12.1%**, of which **8.0% on a like-for-like basis**. Business remained brisk in the fourth quarter, **up 9.3%**, of which **7.2% on an organic basis**, despite tougher market conditions in Brazil and Russia, as anticipated.

This robust growth was healthy, generated by **all regions and all product categories**. It reflects a highly dynamic core business driven by many champion products as well as an important flow of loyalty programmes organized in partnership with major retailers. It was also fueled by increased investments in growth drivers, especially at the end of the year.

The sales growth of 12.1% (€517 million) breaks down as follows:

- **like-for-like growth of 8%** (+€340 million), generated by volumes, prices and the product mix;
- **currency effect of 3.5%** (+€149 million), resulting from the positive impact of the dollar and yuan, notably, and the negative impact of the real, rouble and peso in particular;
- **scope effect of 0.6%** (+€28 million), arising from the integration as from September 1, 2015, of the newly acquired Scandinavian company OBH Nordica.







## Sales by region

	Sales in €m	2014	2015	% change	
				Reported	Like-for-like
 France		700	739	+5.6%	+5.6%
 Other Western EU countries		849	970	+14.1%	+9.7%
 North America		496	599	+20.8%	+6.7%
 South America		421	374	-11.2%	+3.4%
 Asia-Pacific		1,132	1,453	+28.3%	+12.8%
 Central Europe, Russia and other countries		655	635	-3.0%	+3.9%
<b>TOTAL</b>		<b>4,253</b>	<b>4,770</b>	<b>+12.1%</b>	<b>+8.0%</b>

\*Like-for-like: at constant exchange rates and scope of consolidation

Rounded figures in € millions

Percentages based on non-rounded figures

	Sales in €m	Q4 2014	Q4 2015	% change	
				Reported	Like-for-like
 France		275	281	+2.2%	+2.1%
 Other Western EU countries		305	375	+23.0%	+15.8%
 North America		171	192	+12.4%	+3.5%
 South America		128	99	-22.6%	-0.8%
 Asia-Pacific		315	380	+20.5%	+11.8%
 Central Europe, Russia and other countries		204	202	-1.0%	+2.1%
<b>TOTAL</b>		<b>1,398</b>	<b>1,529</b>	<b>+9.4%</b>	<b>+7.2%</b>

\*Like-for-like: at constant exchange rates and scope of consolidation

Rounded figures in € millions

Percentages based on non-rounded figures

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## Sales by geography



### FRANCE: AN EXCELLENT YEAR

In 2015, the French market continued to trend positively overall and proved particularly dynamic in small electrical appliances, especially in vacuum cleaners and electrical cooking, despite the end-of-year repercussions of the terrorist attacks in Paris in November. The Group achieved a very strong performance with annual sales up 5.6%, fueled by multiple factors such as a very positive contribution of many products, several successful sales and marketing campaigns and improved business with almost all retail customers. After a particularly spritely start to the year, growth softened in the second half, and particularly in the fourth quarter, because of a high comparison basis in 2014 for the same period (+9.2% in fourth-quarter 2014). Through its core business and several loyalty programmes, the Group outperformed the market and significantly strengthened its positions in small electrical appliances and even more so in cookware.

Among the best-sellers of the year, special mention should be made of coffee makers (automatic espresso and single-serve coffee machines), draught beer systems, food preparation appliances such as the Cuisine Companion cooking food processor, the Cookeo multicooker (including the connected version, Cookeo Connect) and fryers, together with vacuum cleaners and steam generators. Most of these products benefited from a powerful media plan in the fourth quarter that considerably boosted sales. On a contrasting note, business was more difficult in personal care products.



### OTHER WESTERN EU COUNTRIES: STRONG GROWTH IN ALL THE MAJOR MARKETS

The European small electrical appliance market was highly favorable in 2015 with sustained growth in most countries and product categories. The situation was more mixed in cookware, although the underlying trend was positive. In this context, Group sales grew sharply in the region, with fourth-quarter growth of 15.8% like-for-like.

In Germany, after a first half-year penalized by the non-recurrence of major loyalty programmes of 2014, the Group had an excellent year-end, combining a strong improvement in core business, boosted by the highly positive impact of consumer tests, new loyalty programmes, fast-rising online sales and enhanced investments in growth drivers.

Revenue also increased sharply in Portugal and Spain (particularly the latter) throughout the year and across all product categories, driven up by considerable sales and marketing support.

In Italy, the Group achieved record sales in 2015, on the back of kitchen electrics, vacuum cleaners and ironing as well as rapid growth in online sales.

Business also trended favorably in the Netherlands, while the strong momentum continued in the UK (despite a slight slowdown in the fourth quarter), generated by both electrical appliances and cookware.



## NORTH AMERICA: SUSTAINED GROWTH

Group performance in North America was marked throughout 2015 by major FOREX impacts. Sales for the year as a whole increased 20.8%, of which 6.7% in organic growth.

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In the United States, in a relatively positive market environment, sales grew 4.5% in 2015 on a like-for-like basis. The performance was largely driven by cookware, with the Group's benchmark brands such as T-Fal, All-Clad and Imusa delivering very good results, and with kitchen tools doing very well. Activity was more subdued in small electrical appliances (ironing, OptiGrill), despite a significant recovery in the last quarter. Meanwhile, the Group continued to rapidly develop online sales across its entire product line-up.

Sales in Canada were impacted by price increases introduced to offset currency effects, but grew year on year owing to a sharp rebound in activity in the fourth quarter.

In Mexico, the Group achieved in 2015 strong organic revenue growth, bolstered by cookware (core business and loyalty programme at Soriana) while business was more volatile in small electrical appliances and contrasted from one product family to the next.



## SOUTH AMERICA: DIFFICULT END OF YEAR IN BRAZIL, AS EXPECTED

Annual sales in South America were down 11.2%, strongly impacted by the depreciation of the Brazilian real and Colombian peso, the Group's two main currencies in the region. However, like-for-like growth came out at 3.3%, reflecting solid business through end-September followed by a downturn in the fourth quarter.

In Brazil, the Group contended throughout the year with a climate of economic crisis, a persistently weak real and major political issues. While business remained positive in the first nine months, the end of the year proved more complicated, as expected, with consumer spending under pressure, heightened competition, and a drastic inventory reduction policy on the part of retailers. As such, fourth-quarter sales contracted. As a matter of fact, growth in food preparation appliances and the ongoing success of Dolce Gusto failed to offset the downward trend in cookware and ironing as well as an unfavorable start to the season for fans owing to weather conditions. Against this troubled backdrop, the Group stepped up the reorganization of its manufacturing, logistics and sales activities.

In Colombia, sustained demand was fueled by strong product momentum and powerful marketing and advertising support. Together they served to generate vigorous sales growth, which accelerated sharply in the fourth quarter on the success of all product categories in small electrical appliances (particularly food preparation and fans) and cookware (Triforce non-stick coating).



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## ASIA-PACIFIC: ROBUST ORGANIC GROWTH OVER THE WHOLE YEAR

The fourth quarter was in line with the first nine months, with brisk organic sales growth driven by the three large markets in the region – China, Japan and South Korea – and the highly positive impact of the year-on-year appreciation of the yuan.

In China, growth in revenue hovered around +17% throughout the year on a like-for-like basis. In the highly competitive Chinese market, Supor achieved this robust performance by continuously enhancing its product line-up with new value-added products (new fast pressure cooker and steam rice cooker), developing new categories (notably kitchen tools), increasing the number of points of sales (presence at over 50,000 stores at end-2015) and growing online sales at a brisk pace.

In Japan, 2015 was a year of business recovery and recapture of market share. Strong organic growth in the year and the fourth quarter was driven by kettles, cookware and recently launched garment steamers.

The Group also enjoyed an excellent year in South Korea with an extended range of flagship products including cookware, vacuum cleaners, food preparation appliances and personal care products.

In nearly all other Asia-Pacific countries, the Group recorded growth, except in Thailand, where the economic environment led to a decline in activity.



## CENTRAL EUROPE, RUSSIA AND OTHER COUNTRIES: CONTRASTED END OF THE YEAR

In this disrupted region, impacted by major currency effects (including the Russian rouble, Ukrainian hryvnia and Turkish lira), Group sales grew solidly in the first half-year and held up well in the second part of the year despite severe downturns in several markets and a high comparison basis in fourth-quarter 2014. As a result, the Group outperformed the market and shored up its positions in almost all the countries in the region.

Group performance in Central Europe was positive overall, with strong end-of-year momentum in most countries.

In Russia, where the small household equipment market collapsed, the Group delivered a satisfactory year although it recorded an organic fall in sales in the fourth quarter, to be put in perspective with a very strong fourth quarter in 2014. In a context of very significant price increases introduced to offset the weakness of the rouble, Group's 2015 sales were stable at constant exchange rate, thanks to sustained growth in cookware, multicookers, rice cookers, and personal care products, and to new loyalty programmes. The result, ultimately, was an increase in market share.

In Ukraine, the deteriorated general environment ended up by weighing on demand, and fourth-quarter revenue dropped. But full-year sales registered solid like-for-like growth and the Group consolidated its positions on the market.

In a resilient Turkish market, sales increased and the Group confirmed its outperformance at the end of the year in small electrical appliances, especially in vacuum cleaners and ironing – the two pillars of the business – as well as in personal care. The renovation of newly integrated Tefal shops together with stronger in-store marketing initiatives substantially boosted performance and market share.

Meanwhile, the Group enjoyed very strong sales growth in local currencies in Egypt and India.

## Highlights for the period

### New bond issue

On November 18, 2015, Groupe SEB successfully launched its **second bond issue. This 7-year €500 million bond (maturing 25 November 2022), bearing interest of 2.375% per annum**, was 5 times over-subscribed by a diversified investor base. The €2,500 million orderbook attested again to investors' confidence in Groupe SEB's strategy and outlook.

The bonds were admitted to trading on NYSE Euronext Paris. Joint lead managers for the issue were BNP Paribas, HSBC, Natixis and Société Générale.

This issue enables Groupe SEB to:

- Secure the refinancing of the 2011 bond ahead of its June 2016 maturity date
- Extend the average maturity of its debt
- Take advantage of attractive financing conditions.

As a reminder, Groupe SEB's short-term debt is rated A2 by Standard & Poor's. Its long-term debt is unrated.

### New increase in ownership of Supor

On December 22, 2015 the Group announced that it had signed an **agreement with Supor Group, the holding company of the Su family, to buy 50 million shares or 7.9% of the capital of Supor at the price of CNY 29 per share**. This transaction follows the purchase of 10 million shares that was completed during the first half of 2015. Subject to approval by the Chinese authorities, it should be finalized mid-2016.

Following the transaction, **Groupe SEB will hold 81.03% of its Chinese subsidiary** and the founding family 1.29%, the remaining stake, i.e. 16.66 %, representing the free float. Groupe SEB does not plan on taking full control of Supor, which will remain listed on the Shenzhen Stock Exchange.

The cost of the transaction amounts to **CNY 1,450 million, or about €205 million**.

This new increase in its ownership of Supor does not change the effective control of Groupe SEB over its subsidiary but confirms the Group's confidence in Supor's ability to further expand on the Chinese domestic market and strengthen its strategic role in the Group's industrial footprint.

### Outlook

Given the strong momentum in sales and increased investments in growth drivers at the end of the year, as announced, Groupe SEB should report an **Operating Result from Activity (ORfA) of close to €430m**.

In addition, the Group ends the year with a strengthened financial situation and **substantially lower debt than at end-2014**.

Listen to the audiocast of the conference call in English  
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● Upcoming events ●

**February 25**

2015 results

**April 28**

Q1 2016 sales and financial data

**May 19**

Annual General Meeting

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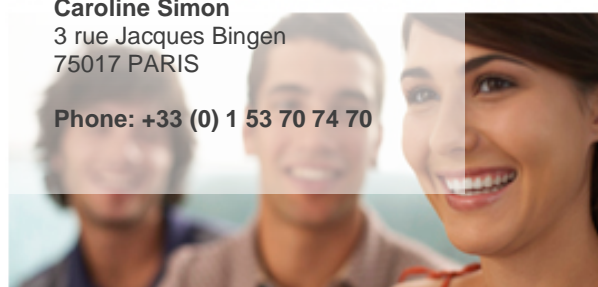


**Isabelle Posth and Emmanuel Fourret**  
Chemin du Petit Bois - BP 172  
69134 ECULLY Cedex  
  
Phone: +33 (0) 4 72 18 16 40  
[comfin@groupeseb.com](mailto:comfin@groupeseb.com)



**Press**  
**Image Sept**

**Claire Doligez**  
**Estelle Guillot-Tantay**  
**Caroline Simon**  
3 rue Jacques Bingen  
75017 PARIS



Phone: +33 (0) 1 53 70 74 70

[www.groupeseb.com](http://www.groupeseb.com)

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The world leader in small domestic equipment, Groupe SEB operates in nearly 150 countries with a unique portfolio of top brands including Tefal, Rowenta, Moulinex, Krups, Lagostina, All-Clad, and Supor, marketed through multi-format retailing. Selling some 200 million products a year, it deploys a long-term strategy focused on innovation, international development, competitiveness and service to clients. Groupe SEB has nearly 25,800 employees worldwide.

**SEB SA** ■

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