

FIRST-HALF 2016 SALES AND RESULTS

Paris – July 25, 2016

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Note

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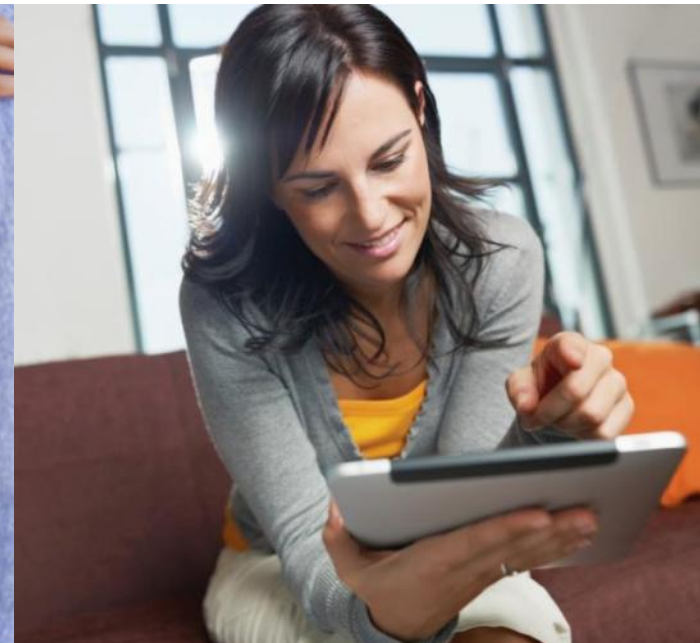
FIRST-HALF 2016 SALES AND RESULTS

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- 1. Highlights**
- 2. Context, activity and results
of first half-year**
- 3. Conclusion**

1. Highlights

- Acquisition of EMSA
- Acquisition of WMF
- Increase in ownership of Supor
- Reorganization in Brazil
- New headquarters



Acquisition of EMSA

Design and know-how

- A German company founded in 1949
Headquartered in Emsdetten
- **Core business**
 - Thermo carafes and mugs
 - Kitchen utensils
 - Food storage containers
- **A culture of innovation**
- **3 production sites:** Germany, China and Vietnam
- 800 employees



Acquisition of EMSA

Top-ranking positions



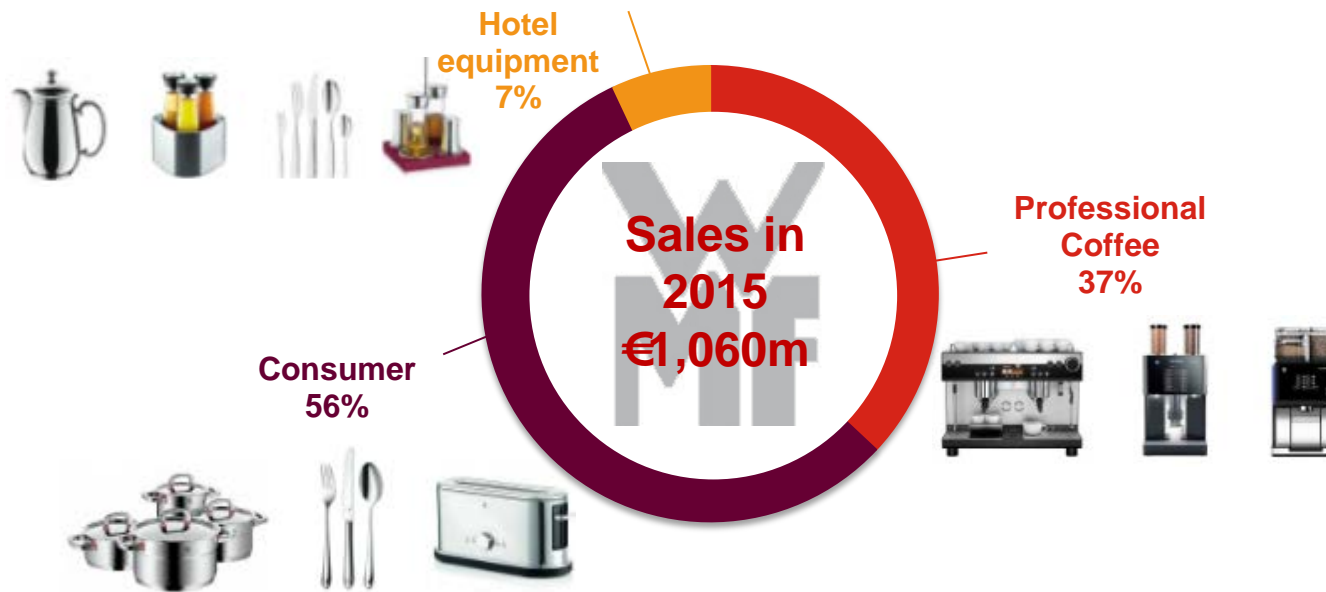
- **Leadership in Germany**
 - Carafes, jugs and bottles thermo mugs → **28% MS**
 - Food storage containers → **> 40% MS**
- Very strong brand awareness in Germany → **81%**

Sales in 2015
€92m



Acquisition of WMF, Württembergische Metallwarenfabrik

- A German company founded in 1853



2015 sales
€1,060m

2015 EBITDA
€118m 11.1%

5,700 employees

8 production sites
o/w 6 in Europe

A strategic acquisition

- Move into the highly attractive **professional coffee machine** market
- Strengthening of our position in **Germany**
- Accelerated development in **kitchen utensils**
- Extension of our **brand portfolio**
- Strengthening of our network of **Group-owned stores**



Professional coffee: a new growth platform

2015 sales: €395m

- **World no. 1 → 28% MS**
- Installed base of more than 200,000 machines
- Maintenance by 500 technicians in D-A-CH region
- Strong innovation policy
- Extremely broad professional customer base

WMF  **schaerer**



Consumer: positions strengthened in Germany

2015 sales: €590m

- The cookware leader in the D-A-CH region
- Expertise in stainless steel
- Premium positioning
- Rapid growth in SEA
- Diversified distribution
+ 200 company-owned stores



Silit



Hotel equipment: an adjacent, stable and ongoing business

Sales in 2015: €75m



- No. 1 in D-A-CH region
- Premium table accessories and utensils for hotels, restaurants and cruise ships
- Complementary activity for the Group



Acquisition: key figures (1/2)

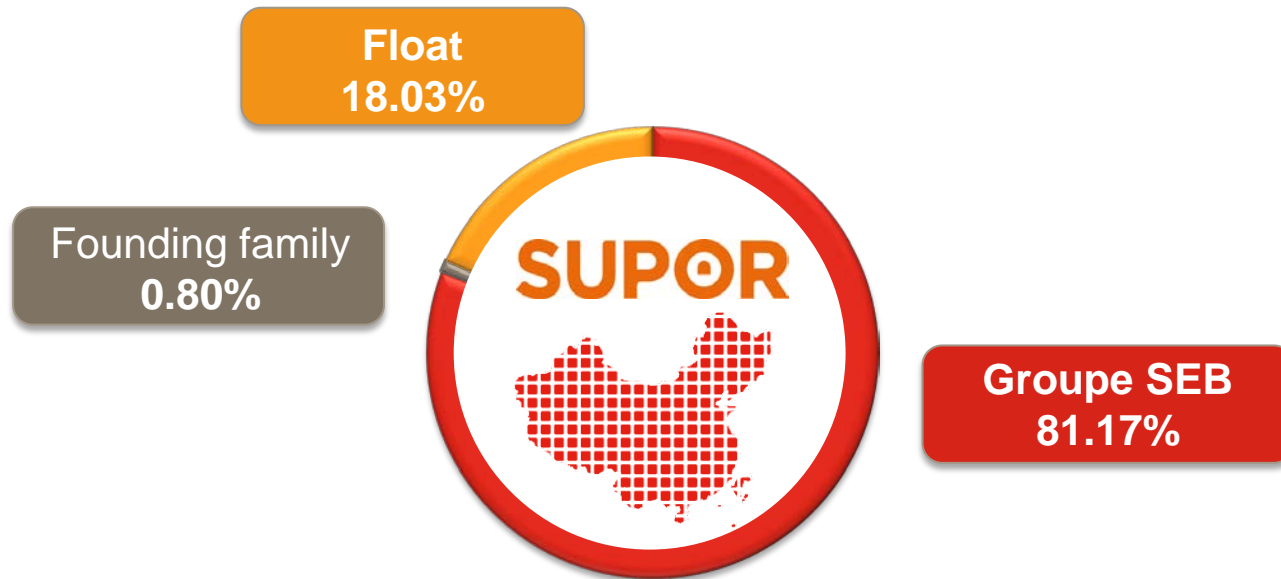
- **Transaction amount → €1,585m**
 - Sales price: **€1,020m**
 - Assumption of net debt: **€565m**
- Retirement and early-retirement provisions: **€125m**
- Transaction to be closed in second-half 2016

Acquisition: key figures (2/2)

- Estimated 2016 adjusted EBITDA: **€140m**
- Targeted synergies: ~ **€40m a year by 2020**
- Proforma net debt / adjusted EBITDA ratio:
 - **Below 3 at 31/12/2016**
 - **Back to less than 2 by end-2018**
- EPS accretion > **20% in first year**

Increase in ownership of Supor

- December 22, 2015 → Agreement to purchase **50 million shares** or 7.9% of the capital of Supor from the Su family / Unit price of RMB 29
- June 2, 2016 → Approval from Chinese authorities
- June 24, 2016 → Transfer of shares - **Cost = €196m**



Cost price of a Supor share for Groupe SEB = RMB 17

Industrial reorganization in Brazil

Group industrial activity



- Severely deteriorated environment in Brazil
- Persistent weakness of the real
- The Group's long-standing SEA plant in São Paulo insufficiently productive and land locked
- Group profitability and market share under pressure in Brazil



Partial transfer of production to Recife
in last three years (~ 20%)

**Gradual transfer of the remaining SEA
production from São Paulo to Itatiaia**

Relocating SEA production

Itatiaia (Rio de Janeiro State) → Close to the Group's 3 largest regional markets in Brazil: São Paulo, Minas Gerais, Rio de Janeiro



Substantial increase in production capacity

- New plant under construction > 56,000 m² with extension possibility



Improved logistics capacity

- New 36,000 m² industrial warehouse

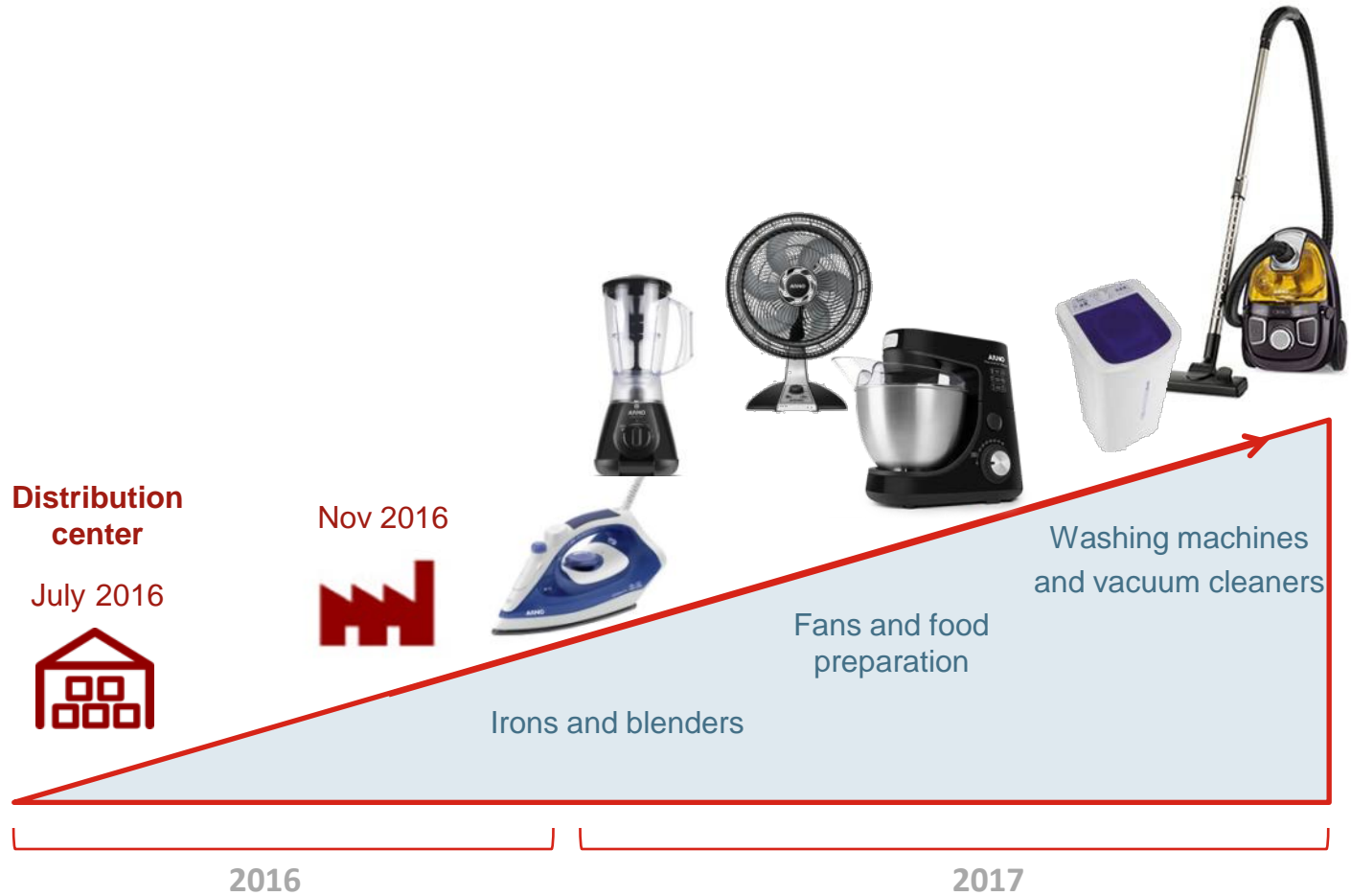


Increased sales efficiency

- 9,500 m² distribution center



Gradual ramp-up at Itatiaia plant



New headquarters, a unique CAMPUS...



... modern and environment-friendly

- **"Tertiary site"**

- 6 ha / 25,000 m² office space
- ~ 1,000 employees
- Nearly 60 meeting rooms

- **Sustainable approach**

- Selected sustainable materials, reduced energy consumption

INCREASED WORK EFFICIENCY
COLLABORATIVE WORK EASIER
IMPROVED QUALITY OF LIFE
TEAM COHESION

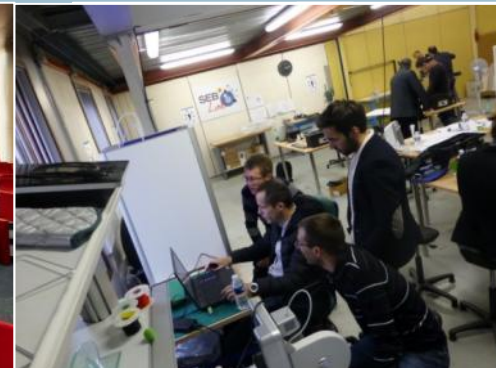
**Areas for
co-working**



**Auditorium
290 seats**



**SEB
Lab**



**digital
ROOM**



2. Context, activity and results of first half-year



First half-year in a nutshell



- Sharp currency volatility
- Difficult environment in Brazil
- Europe relatively promising
- Brexit
- Raw materials favorable



- Positive sales momentum
- Price environment trending well
- Gains in purchasing
- Increased investments in growth drivers
- Very good cash generation

Key figures at end-June 2016

Like-for-like: at constant exchange rates and scope

	Q1	Q2	H1
Sales	€1,115m	€1,049m	€2,164m
Change in €	+2.3%	+2.5%	+2.4%
LFL change	+5.1%	+6.9%	+6.0%
Operating Result from Activity	€93m	€79m	€172m
Change in €	+1.1%	+46.0%	+17.7%
LFL change	+50%	+76%	+60%
Cash generation	€144m	€81m H1 2015	
Debt at 6/30	€629m	+€13m vs. 12/31/2015	

Sales in first-half 2016

	H1 2015	H1 2016	As reported	LFL	2015/2014 like-for-like
EMEA	966	1,016	+5.1%	+5.6%	+6.6%
Western Europe	684	731	+6.8%	+4.7%	+6.4%
Other countries	282	285	+0.9%	+7.9%	+7.0%
AMERICAS	420	352	-16.2%	-5.4%	+6.1%
North America	246	214	-12.8%	-9.5%	+8.4%
South America	174	138	-21.0%	+0.4%	+3.5%
ASIA	727	796	+9.6%	+13.1%	+14.0%
China	522	585	+12.3%	+17.2%	+17.0%
Other Asian countries	205	211	+2.8%	+2.7%	+7.6%
Total	2,113	2,164	+2.4%	+6.0%	+8.7%

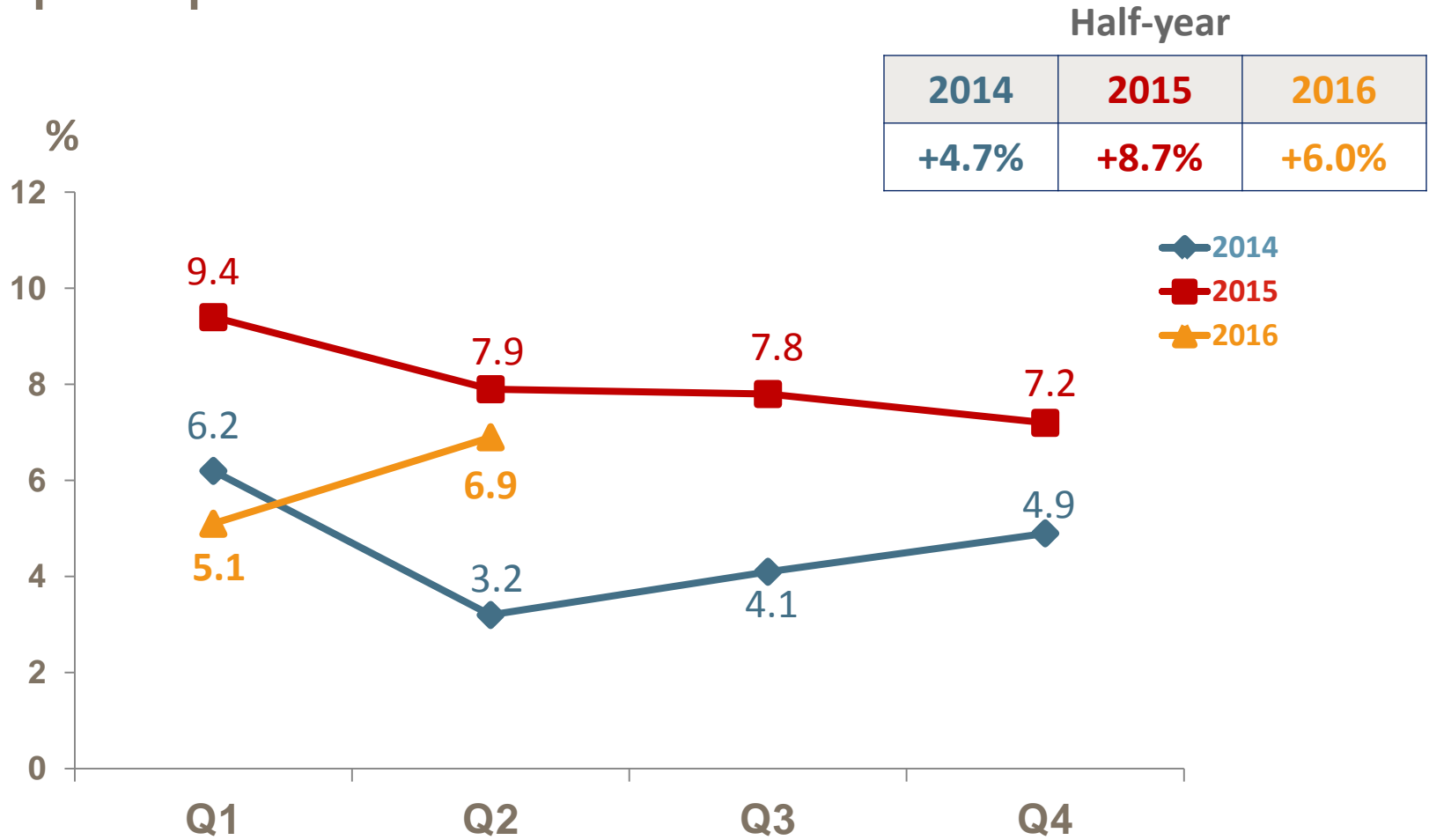
% calculated on non-rounded figures

Sales in second-quarter 2016

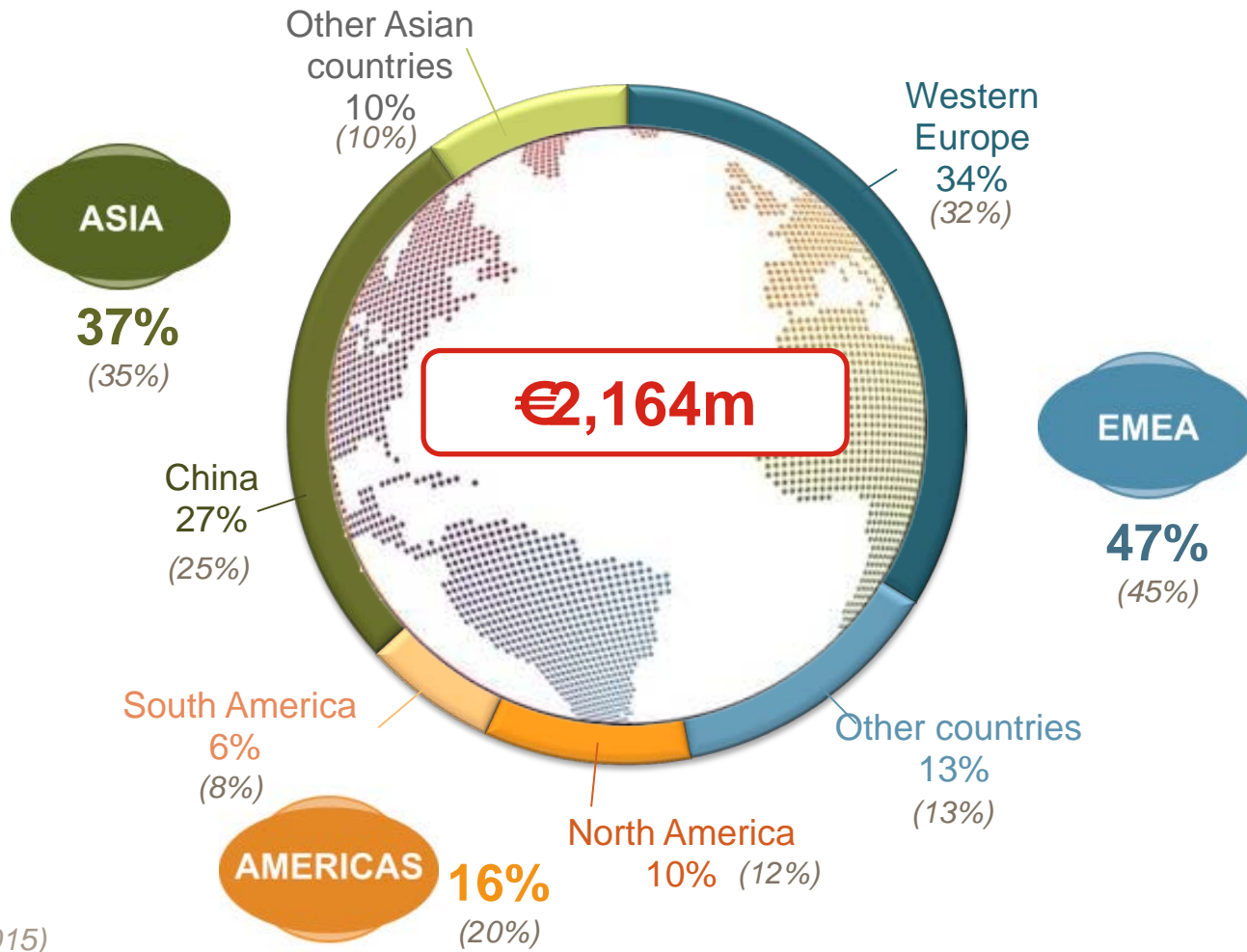
	Q2 2015	Q2 2016	As reported	LFL	2015/2014 like-for-like
EMEA	483	508	+5.0%	+6.0%	+5.2%
Western Europe	348	372	+6.7%	+5.0%	+7.6%
Other countries	135	136	+0.6%	+8.5%	-0.2%
AMERICAS	221	187	-15.1%	-5.3%	+8.6%
North America	129	114	-11.4%	-6.9%	+10.3%
South America	92	73	-20.4%	-3.0%	+6.7%
ASIA	320	354	+10.8%	+16.8%	+12.7%
China	218	250	+14.7%	+23.5%	+16.2%
Other Asian countries	102	104	+2.3%	+2.4%	+6.6%
Total	1,024	1,049	+2.5%	+6.9%	+7.9%

% calculated on non-rounded figures

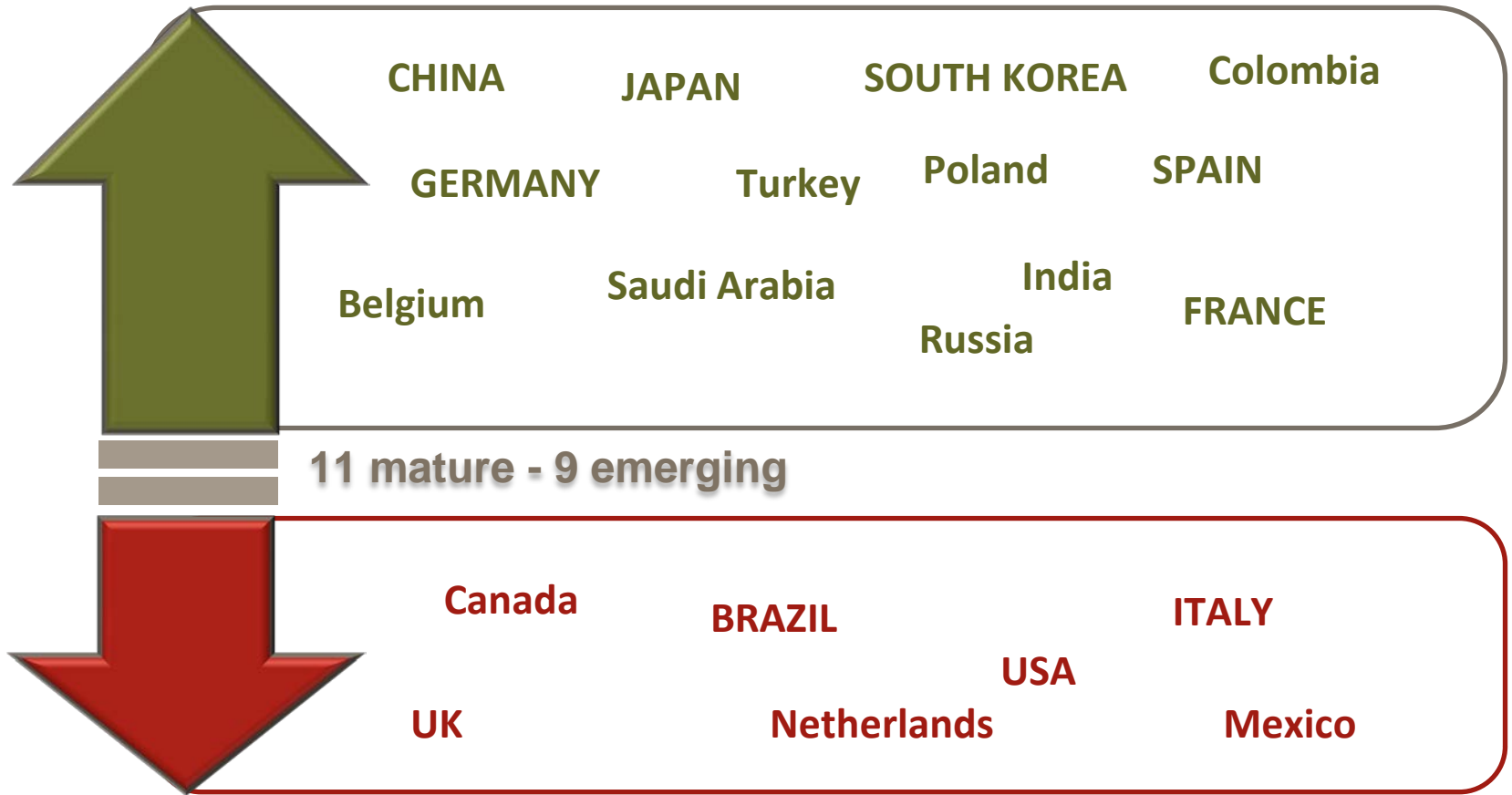
Organic sales growth per quarter



First-half sales by geography



Top 20 countries



TOP 10 COUNTRIES



Focus on countries

- Dynamic market, SEA and cookware
- H1 sales, 2016: **€311m, +5.7%**
→ **+9.1%** excluding LPs
- Cookware → Main growth driver in Q1
- SEA growth driver in Q2
→ Cookeo, Nespresso + Dolce Gusto machines, Cuisine Companion, vacuum cleaners...



GERMANY

Group's no. 4 country



- Growing SEA market
- H1 sales, 2016: **+13.5%**
 - ➔ Cookware: **+30%** excl. LP
 - ➔ SEA: **+10%**
Vacuum cleaners (4A), full-automatic espresso machines, OptiGrill



Strengthened position



- SEA market stable
- Growth in cookware market, driven by private labels
- H1 sales, 2016: **-8% LFL**
 - ➔ Stock clearance by retailers
 - ➔ Decline in T-fal cookware
 - ➔ Fall in electrical cooking (Optigrill, Actifry)
 - ➔ Robust growth for All-Clad
 - ➔ Slight decrease in ironing, but **+20%** in garment steamers



X-CEL STEAM
The Most Powerful
Handheld Steamer

Discover this product



BRAZIL

Group's no. 5 country

AMERICAS

- **Economic recession**
 - ➔ Market contraction, SEA and cookware
 - ➔ Development in entry-level products
- **H1 sales, 2016: -9% LFL**
 - ➔ In Q2 **-16% LFL**
 - ➔ Continued fall in cookware
 - ➔ Sharp decrease in SEA in Q2
- **Competitiveness initiatives underway**



CHINA

Group's no. 1 country

ASIA

- Growing market, driven by online sales
- SUPOR H1 sales, 2016: **+17% LFL**
→ Strong acceleration in Q2: **+24% LFL**
- Continued outperformance in small kitchen electrics
→ No. 2 market position strengthened
- Cookware dynamic
- Ongoing distribution extension
+3,000 POS in H1 → **53,000 POS**
- Sales **x 2** in H1



- Downturn in SEA market
- H1 sales, 2016: **+11% LFL**
 - ➔ Growth in all distribution channels
- Solid momentum in cookware : sales **+13%**
 - ➔ Tefal's 60th Anniversary
 - ➔ Business stepped in ustensils
- Successful transfer of Rowenta brand ➔ Tefal
 - ➔ Hair care: **sales +52%**
 - ➔ Vacuum cleaners: **sales +15%**





Product news

Home care



Clean & Steam



X-trem Power Cyclonic



X-trem Power



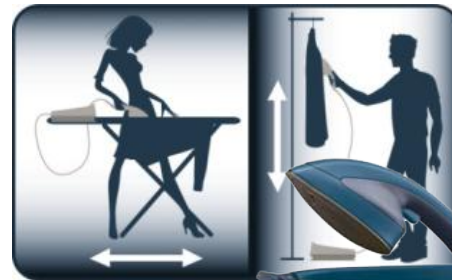
Silence Force Liquid Repellent
Open anti-mosquito system

Linen care

Pro Express Care



Steamcare



Tweeny



X-Cel / Access steam
Fast uncreasing solution



Personal care



Brush & Straight
Premium Care



Steampod 2.0
Ongoing success story



Expertise Pro AC

Food preparation appliances



i-Companion
*The connected
food processor*



Quick Chef



**Soup & Co heating
blender**



Infiny force



Planetaria

Electrical cooking

Rice cooker
Supor expertise



OptiGrill + XL

Plancha des saveurs



Fry Delight



Cookeo / Cook4me

Beverage preparation appliances



*Success story
in Japan*

**QUATTRO
FORCE** KRUPS



Tefal's 60th Anniversary

eXperience
by Tefal



Cookware



A local approach

Rochedo
Riquezas do mundo



SUPOR



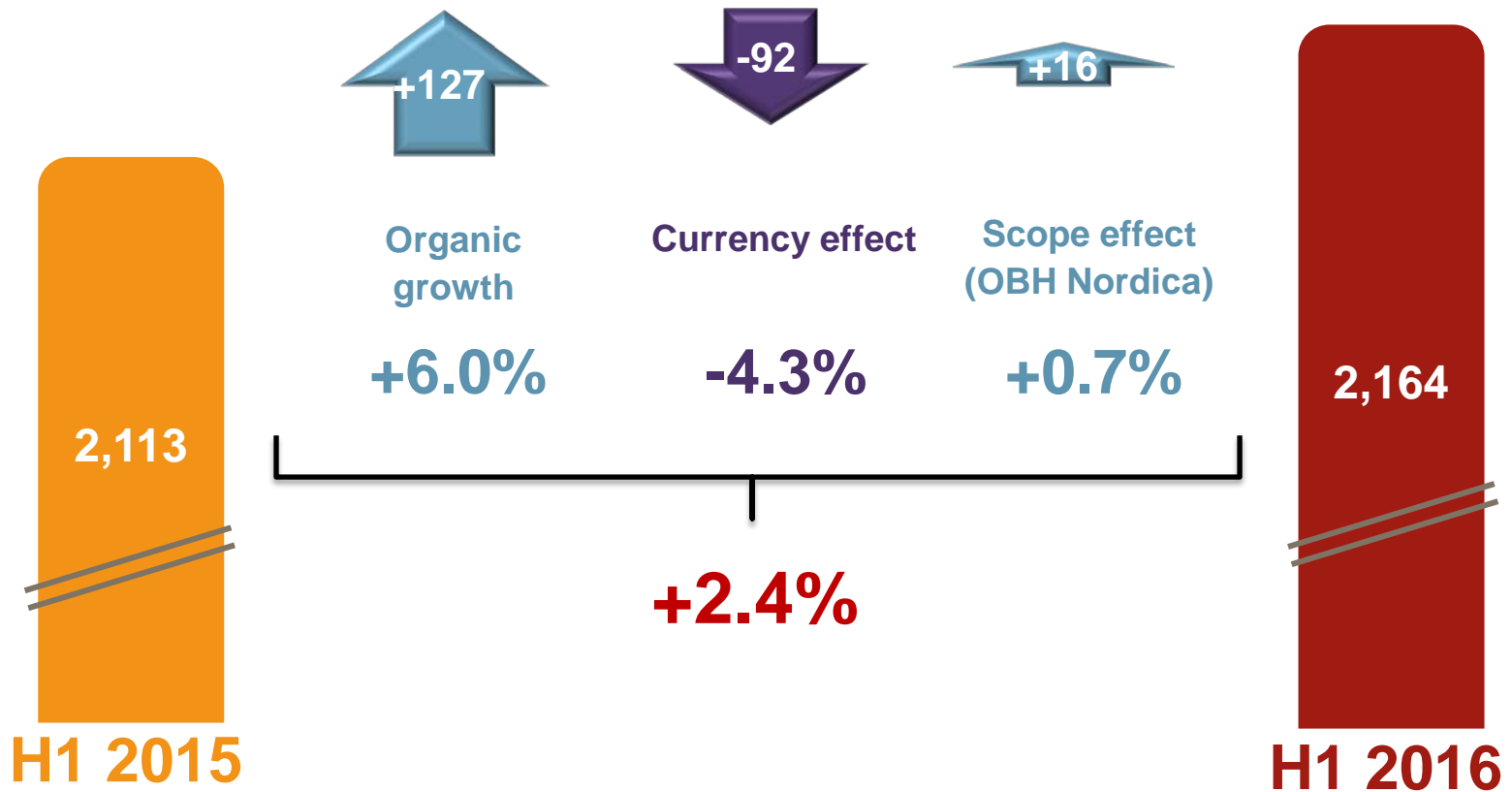
Imusa
Caldero
El Original
SE CREO EN 1984
Ahora es más seguro
Fondo antideslizante
Asas más gruesas*



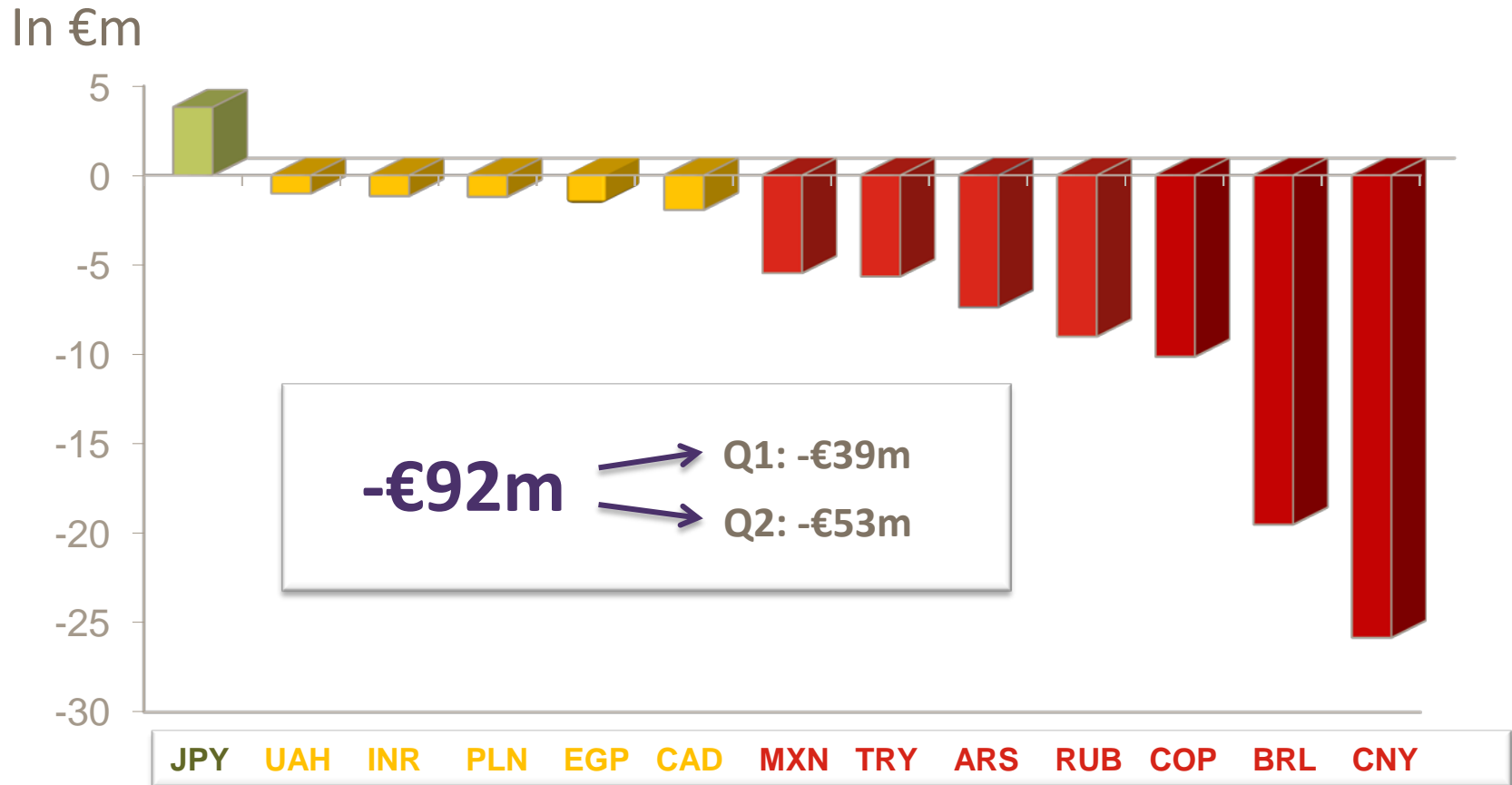
Calderos IMUSA, el sabor de tus comidas y la seguridad en tu cocina!
*Comparadas con asas anteriores de calderos Imusa

Analysis of sales growth first-half 2015 → 2016

In €m



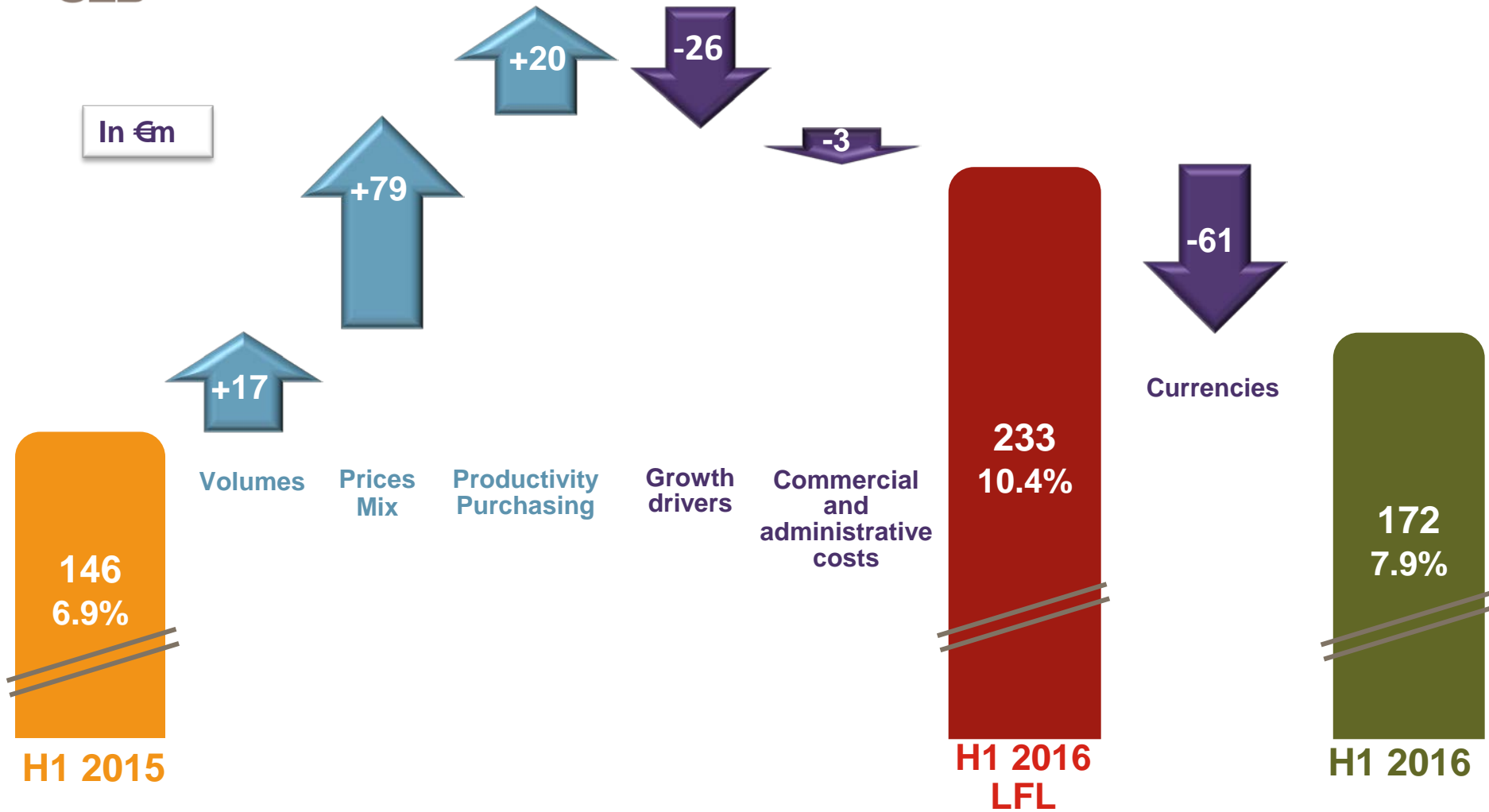
Currency effect on first-half 2016 sales



Operating Result from Activity (ORfA)

	H1 2015	H1 2016	△ In €m	△ LFL
In €m				
Sales	2,113	2,164	+2.4%	+6.0%
Operating expenses	1,967	1,992	+1.3%	+2.0%
Operating Result from Activity (ORfA)	146	172	+17.7%	+60.0%
Operating margin	6.9%	7.9%	+1.0 pt	+3.5 pts

Analysis of change in ORfA, first-half 2015 → 2016



Operating profit

In €m

	H1 2015	H1 2016	
Operating Result from Activity (ORfA)	146	172	+17.7%
Discretionary and non-discretionary profit-sharing	(9)	(14)	
Other operating income and expense	(15)	(24)	
Operating profit	122	134	+9.1%

Attributable profit

In €m

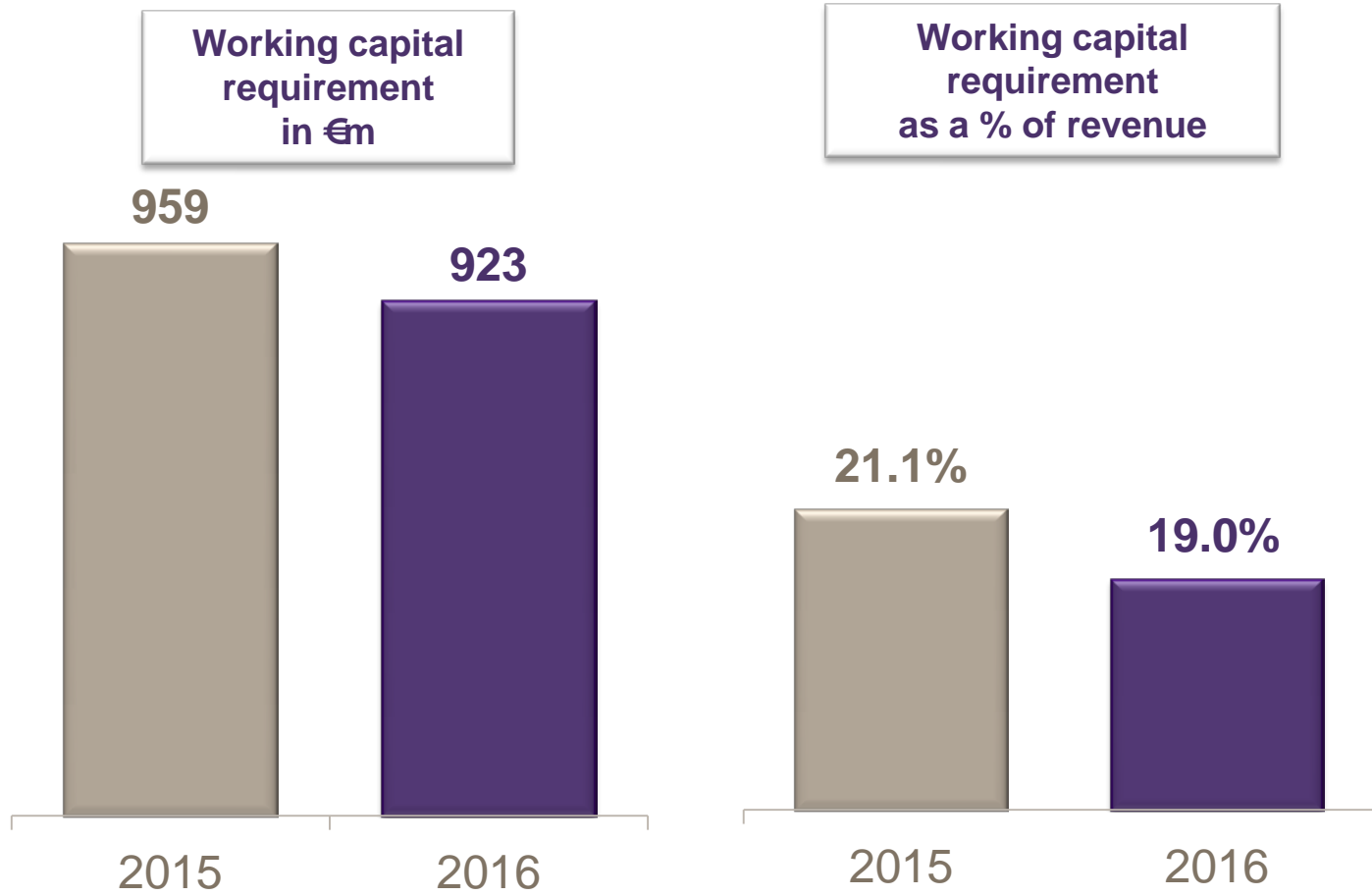
	H1 2015	H1 2016	
Operating profit	122	134	+9.1%
Interest expense	(14)	(17)	
Other financial expense	(9)	(8)	
Income tax	(25)	(26)	
Non-controlling interests	(20)	(20)	
Attributable profit	54	62	+15.0%

Summarized balance sheet

In €m

	6/30/2015	6/30/2016
Non-current assets	1,675	1,748
Operating working capital requirement	959	923
Total capital employed	2,634	2,671
Equity	1,841	1,626
Provisions	249	273
Other current assets and liabilities	91	143
Net financial debt	453	629
Total financing	2,634	2,671

Change in operating WCR at June 30 2015 → 2016



Analysis of change in debt

In €m

Cash generated by operations: €144m (€81m)

H1 2015

-192

49

57

-13

53

316

-207

Cash flow

57

Tax and financial expense

59

Invest.

-106

WCR

53

Other operational

92

Dividends

54

Currencies

311

Other Non operational

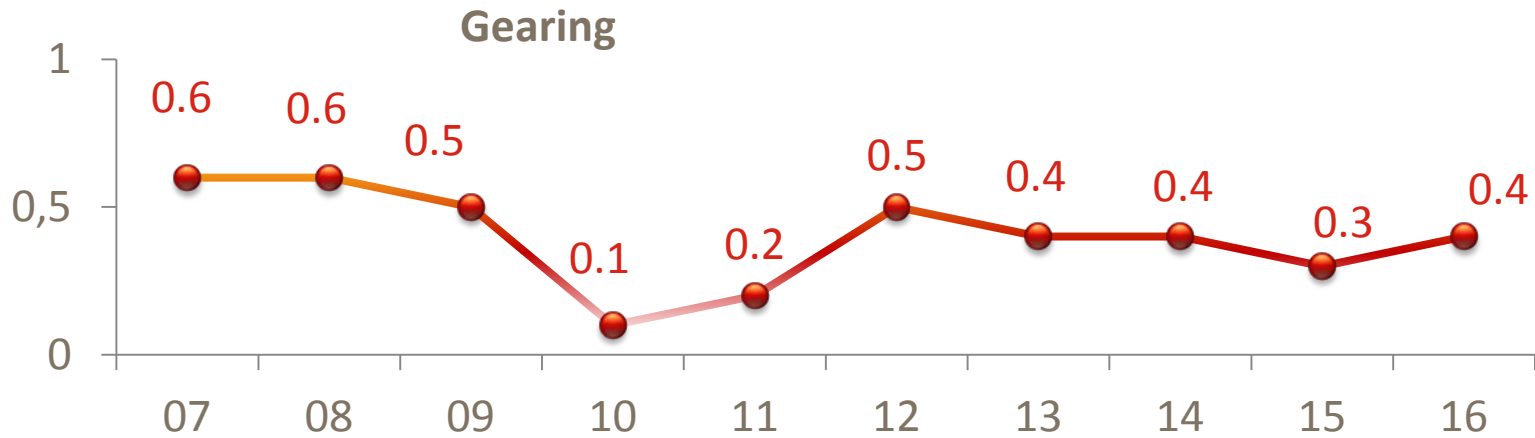
629

Debt end-2015

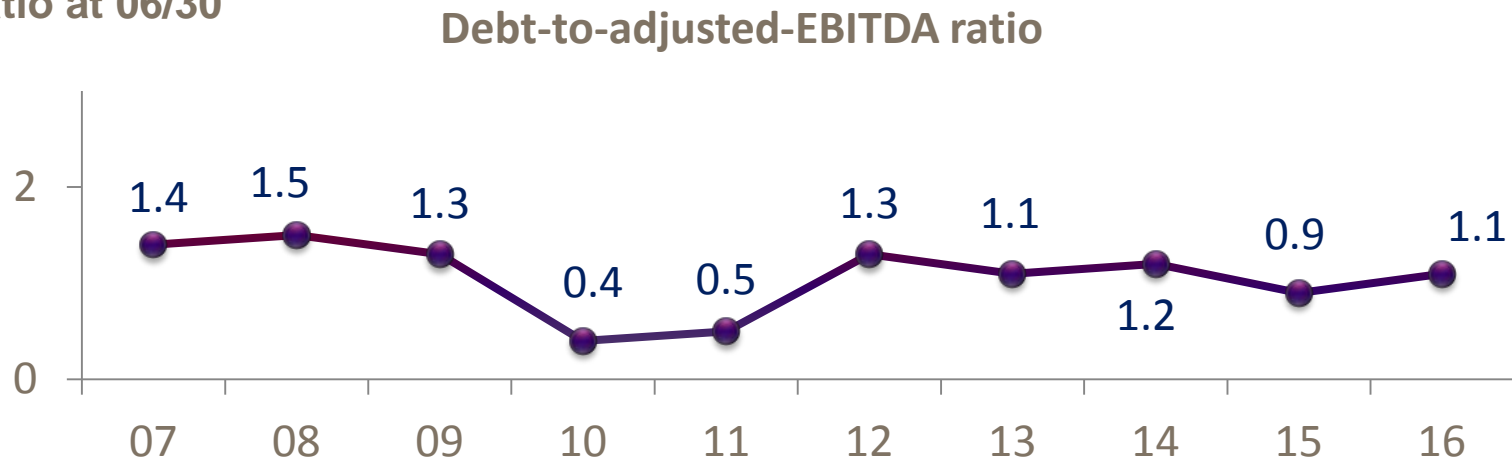
Debt end-June 2016

Healthy debt ratios

Ratio at 06/30



Ratio at 06/30



3. Conclusion



A very good first half-year

Positive sales momentum

- Driven by EMEA and Asia
- Growth across practically all product lines

Record ORfA and strong increase in Operating margin

- Favorable price-mix
- Major offset of currency effects
- Investments in growth drivers
- Gains in productivity purchasing

Solid generation of operating cash flow

- €144m

Outlook 2016

Sales

Organic sales growth above **5%**

ORfA

Increase in Operating Result from Activity above **10%**
Currency effect currently estimated at around **-€120m**

Calendar of **upcoming events**



7/25/2016	H1 2016 sales and results
8/1/2016	2016 half-year report
10/25/2016	Nine-month 2016 Sales and Financial data

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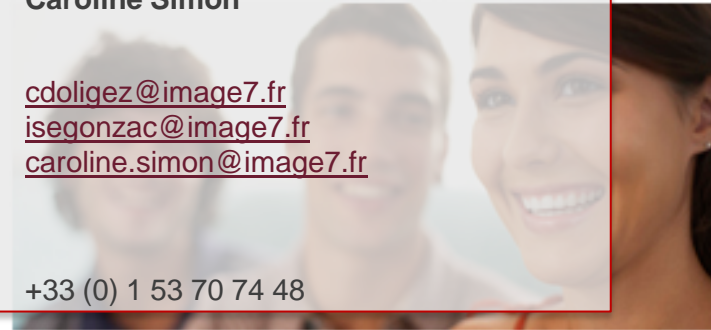
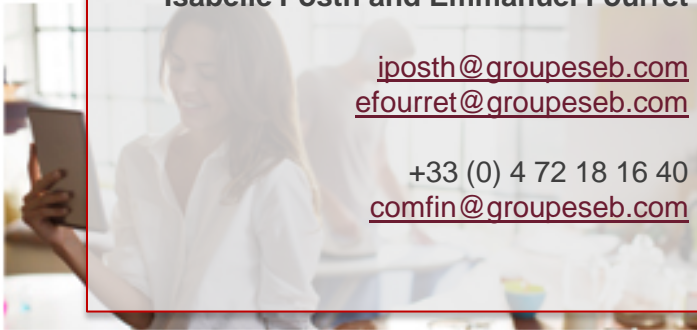
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