

2016 ANNUAL RESULTS

Paris – February 21, 2017

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2016 ANNUAL RESULTS

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Note

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 environment, 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 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, 2016 examined by SEB SA's Statutory Auditors and approved by the Group's Board of Directors, dated February 17, 2017.

2016 ANNUAL RESULTS

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- 1. A great year for the Group**
- 2. Record results**
- 3. A new dimension**
- 4. Appendix**

2016 ANNUAL RESULTS

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1. A great year for the Group



Record results

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

Sales

€5,000m

+ 4.8%

+ 6.1% LFL

Operating Result from Activity

€505m

+18.0%

+47.0% LFL

Operating margin 10.1%

Net Profit

€259m

+26.0%

Operating cashflow generation

€452m

Dividend

proposed at the 2017 Annual General Meeting

€1.72

+ 11,7%



- **Highlights**

Supor
EMSA
WMF
Brazil
Campus SEB

New increase in ownership of Supor

Purchase of **50 millions shares** i.e. 7.9% of Supor capital from the Su family

Price per share CNY 29

Transaction cost = CNY 1,450 million → **€196m**

SUPOR

Free float
19%



Groupe
SEB
81%



Cost price of a Supor share for Groupe SEB = **CNY 17**

EMSA acquisition

First-ranking positions



→ Leadership in Germany

- Vacuum jugs and carafes, thermo mugs
→ **28% MS**
- Food storage containers → **~ 40% MS**
excluding party-sales

→ Very strong brand awareness → **81%**

→ Presence in 95% of points of sale selling kitchen tools

→ Innovation, design and industrial expertise

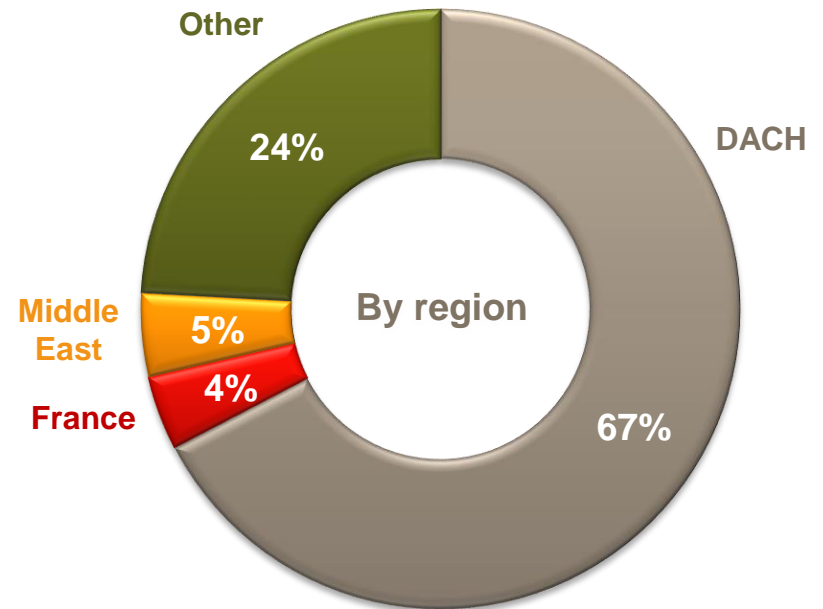
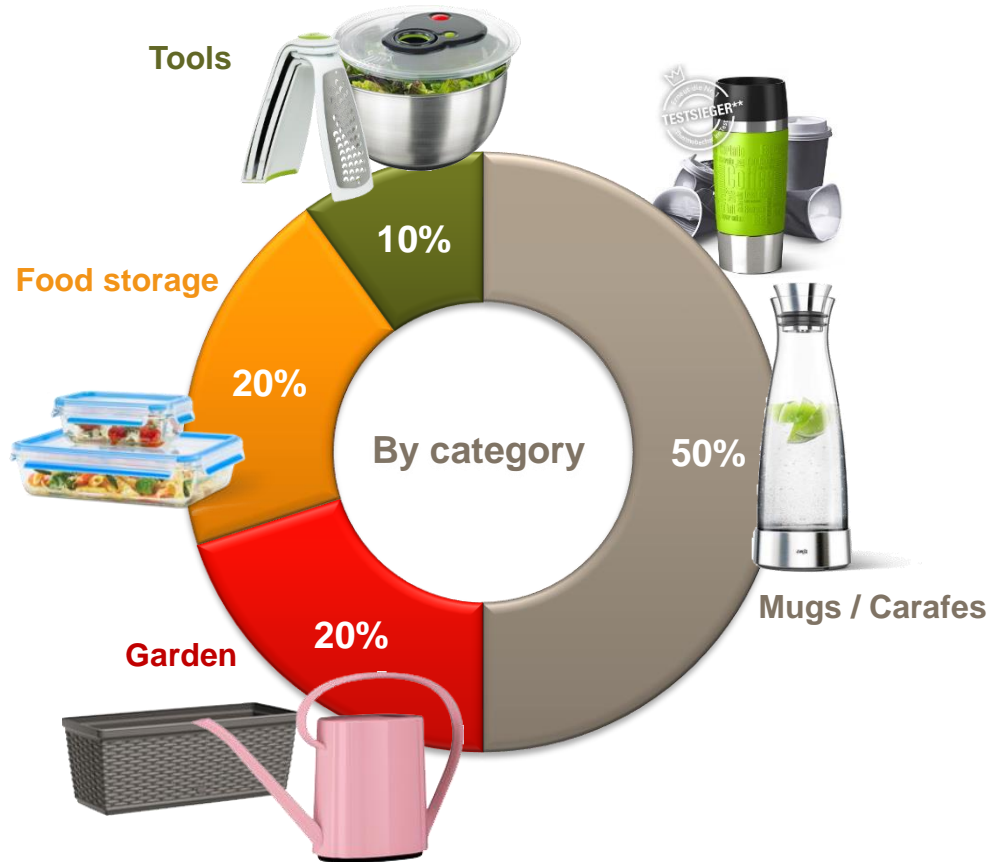


EMSA estimates

EMSA in 2016



2016 sales: €85m



WMF acquisition

2016 sales: €1,100m: +4.2%

38%

55%

7%

Professional Coffee Machines

Consumer

Hotel Equipment



Professional Coffee

World leadership in automatic Professional Coffee Machines: **28% MS**

Sales: €421m, +7%

- New developments
 - Tim Hortons' (Canada)
 - Family Mart (Japan)
 - Costa Coffee
 - Dunkin' Donuts
 - ...

- Innovation: 2 flagship products in 2015-2016
 - 5000s
 - Espresso

- High profitability



« Consumer » business

Leadership in Germany in Cookware: **20% MS**

Sales: €601m, + 3 %

- Temporary difficulties in Germany
 - Impact of supply-chain reorganization
 - LPs lower than in 2015
- Strong increase in EMEA + Asia-Pacific
- Continued growth in SDA → **+10%**
- Profitability impacted in 2016



Hotel equipment

Sales: €78m, +5%

- 2 complementary brands: WMF + Hepp
- Leader in Germany / Switzerland / Austria
- Distribution in more than 100 countries
- Clients: hotels, restaurants & bars, cruise companies, company restaurants, hospitals, schools...



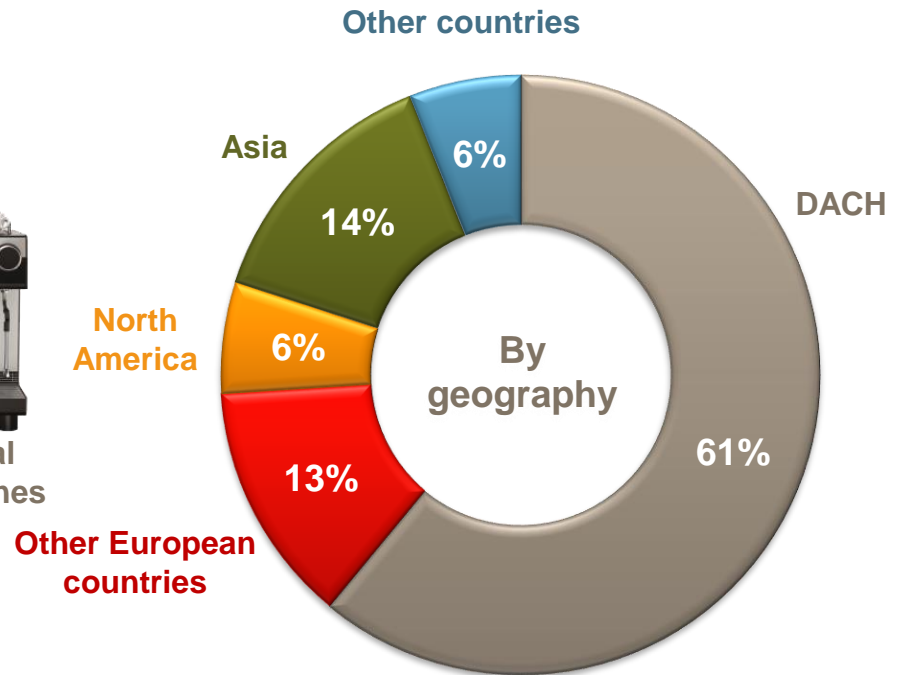
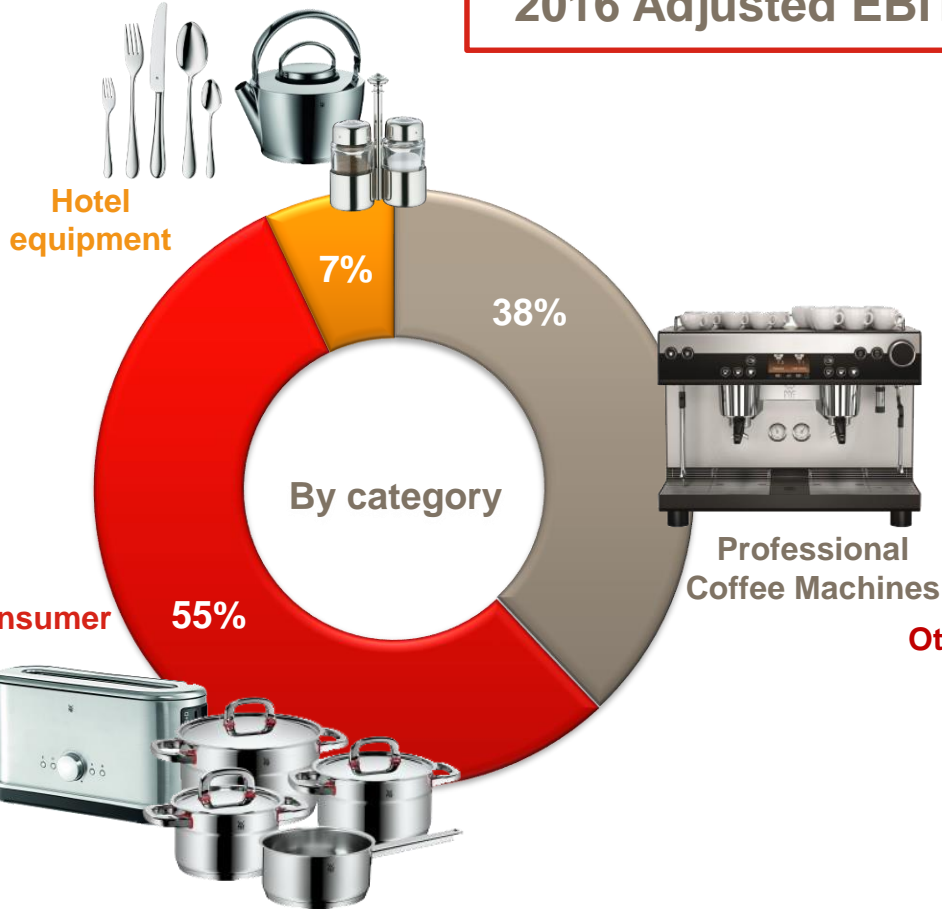
WMF in 2016

2016 sales: €1,100m

+4.2%

2016 Adjusted EBITDA: €128m

+8.5%



Financing for WMF acquisition

- ➔ Long-term resources secured swiftly with immediate effect
- ➔ Implementation of varied and innovative instruments
 - Commercial paper
 - Syndicated loan
 - Convertible bond (ORNAE)
 - Schuldschein
- ➔ Scheduling of maturities
- ➔ Very attractive total financing cost

Restoring competitiveness in Brazil

Context:

- Largest market in South America
- Solid positions for the Group
- 2 historic sites (Mooca and São Bernardo) in the center of São Paulo
 - High production costs and poor competitiveness



Need for industrial and logistical reorganization in Brazil

Reorganization stages

1st stage

2013 - 2015

DEVELOPMENT OF A SITE IN NORTH-EAST BRAZIL (RECIFE)

→ Partial transfer of SDA production from Mooca to Recife

2nd stage

2016 - 2017

SDA TRANSFER TO RIO DE JANEIRO STATE (ITATIAIA)

→ New site built in Itatiaia

→ Production and logistical hub operational since Nov. 2016

→ Gradual transfer of production during 2017 from Mooca to Itatiaia

3rd stage

2017 - 2018

COOKWARE TRANSFER TO ITATIAIA

→ 16 February 2017: announcement of transfer of production from São Bernardo

→ Implementation over one year as from July



New headquarters



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2. 2016: record results



2016 ANNUAL RESULTS

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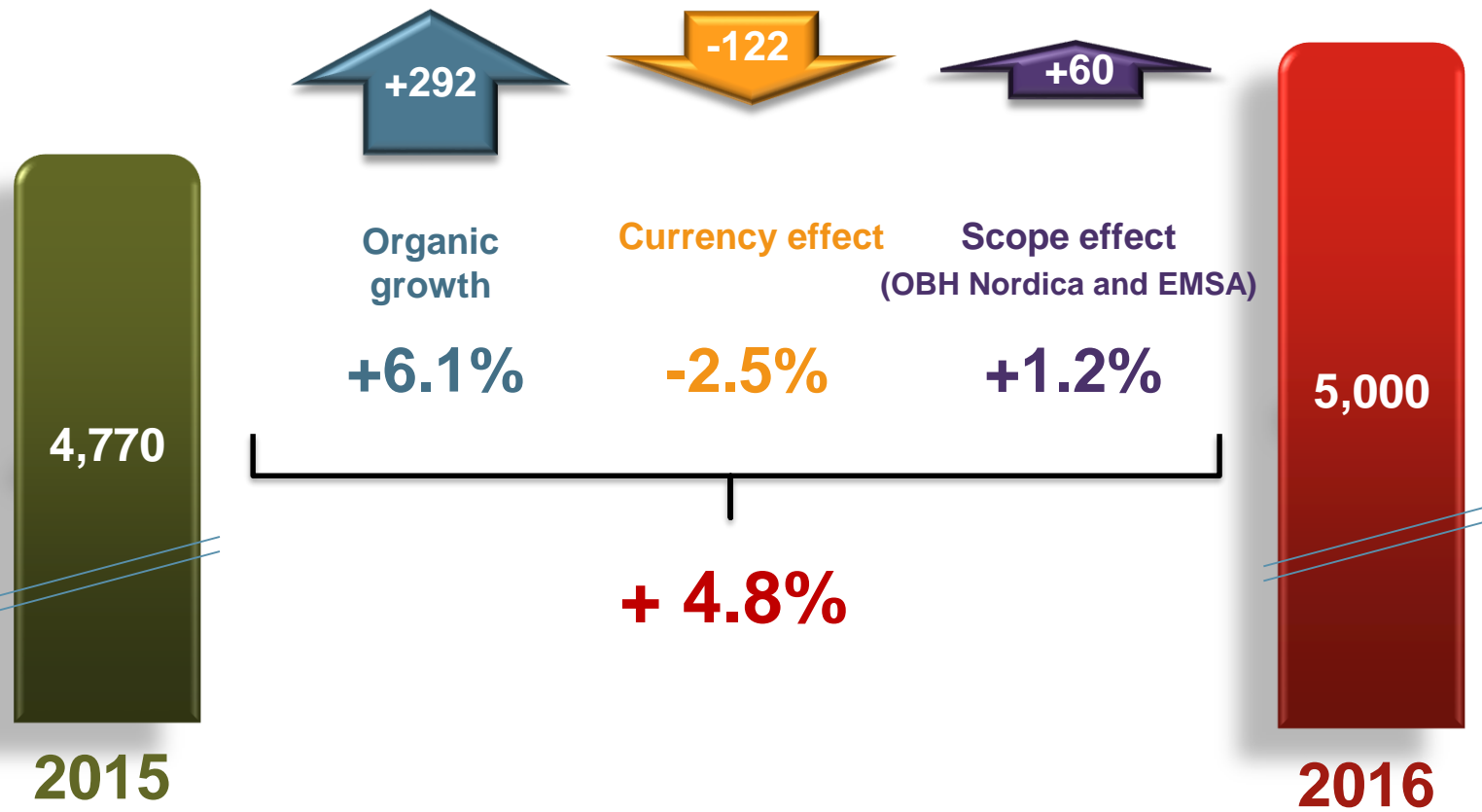
2. Record results

1. Sales

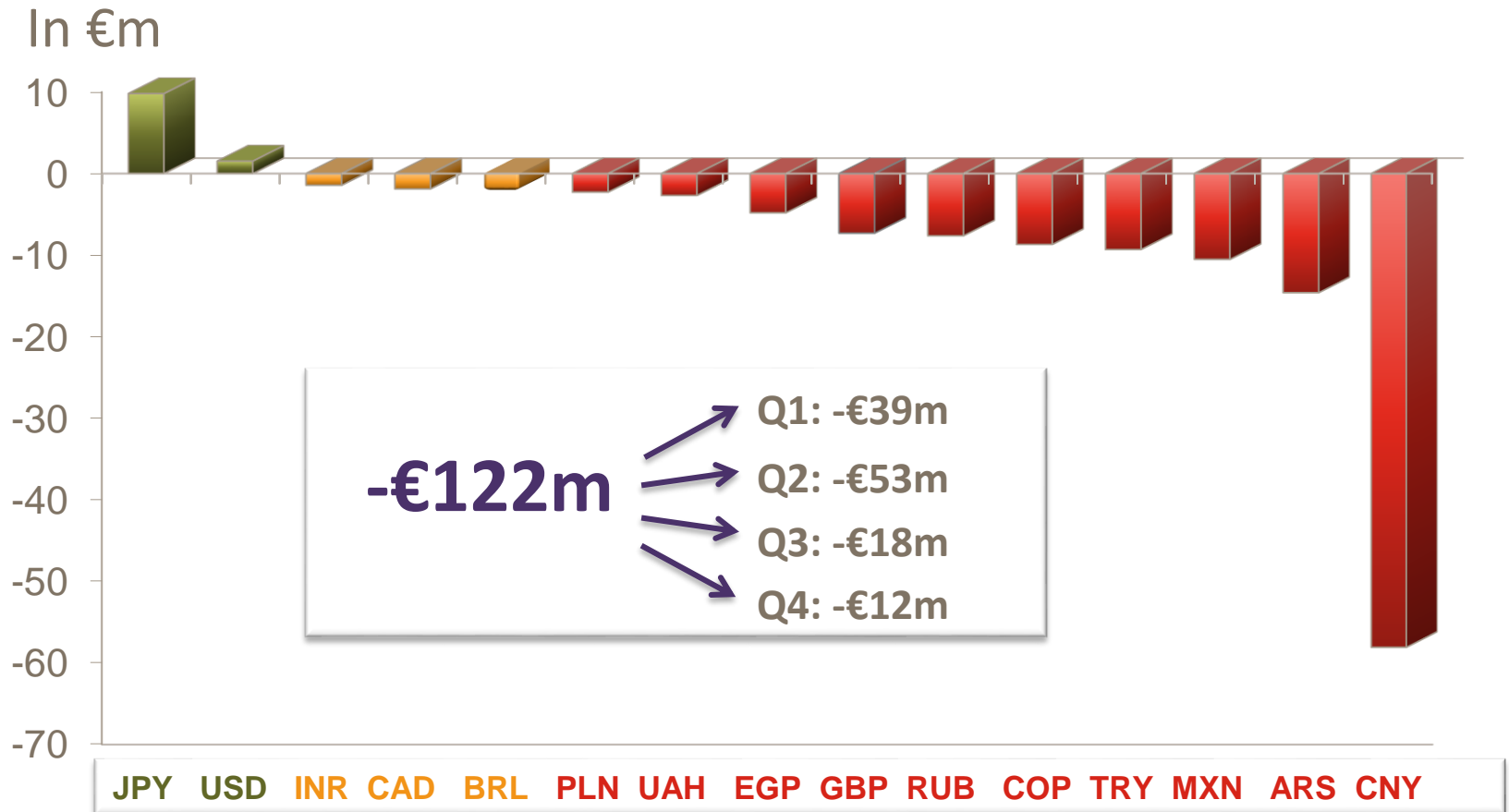
2. Results

Change in revenue, 2015 → 2016

In €m

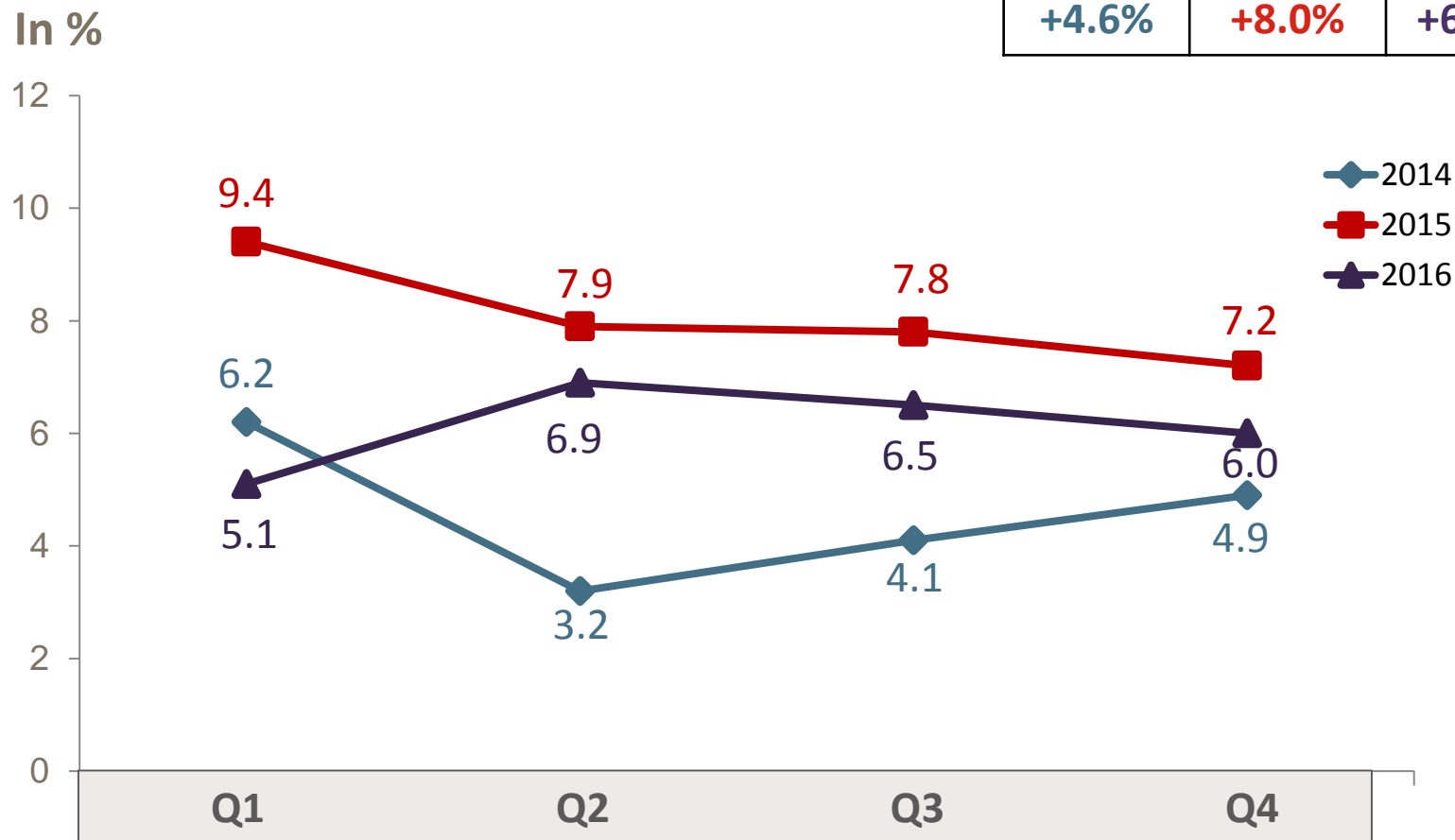


Currency impact on sales in 2016



Organic sales growth by quarter

Year		
2014	2015	2016
+4.6%	+8.0%	+6.1%



Q4 sales by geography

	Q4 2015	Q4 2016	As reported	Like-for-like	2015/2014 LFL
EMEA	858	910	+6.0%	+4.8%	+7.5%
Western Europe	669	687	+2.7%	+0.7%	+9.1%
Other countries	189	223	+17.7%	+19.5%	+2.4%
AMERICAS	291	301	+3.4%	+0.1%	+1.6%
North America	192	189	-1.9%	-1.5%	+3.4%
South America	99	112	+13.8%	+3.1%	-0.9%
ASIA	380	421	+10.8%	+13.3%	+11.8%
China	251	278	+10.9%	+17.1%	+17.4%
Other Asian countries	129	143	+10.5%	+6.0%	+2.7%
Total	1,529	1,632	+6.7%	+6.0%	+7.2%

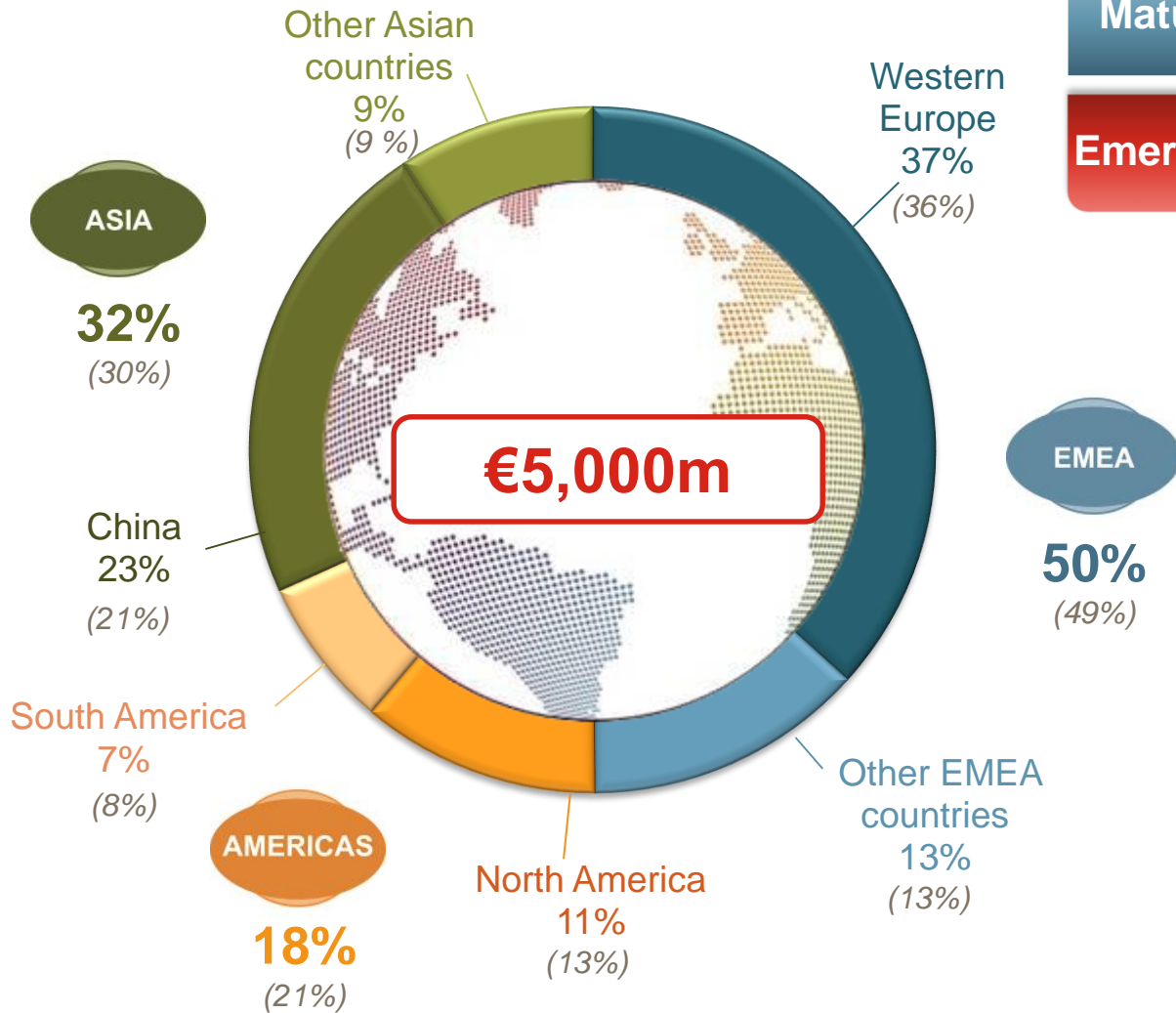
% based on non-rounded figures

Full-year sales by geography

	2015	2016	As reported	Like-for-like	Reminder: 2015/2014 LFL
EMEA	2,344	2,495	+6.4%	+5.6%	+6.7%
Western Europe	1,736	1,834	+5.6%	+3.1%	+7.7%
Other countries	608	661	+8.7%	+12.7%	+4.2%
AMERICAS	973	919	-5.5%	-1.8%	+5.1%
North America	599	564	-5.9%	-4.0%	+6.7%
South America	374	355	-5.0%	+1.8%	+3.3%
ASIA	1,453	1,586	+9.2%	+12.3%	+12.8%
China	1,020	1,122	+10.0%	+15.4%	+16.6%
Other Asian countries	433	464	+7.1%	+4.8%	+5.3%
Total	4,770	5,000	+4.8%	+6.1%	+8.0%

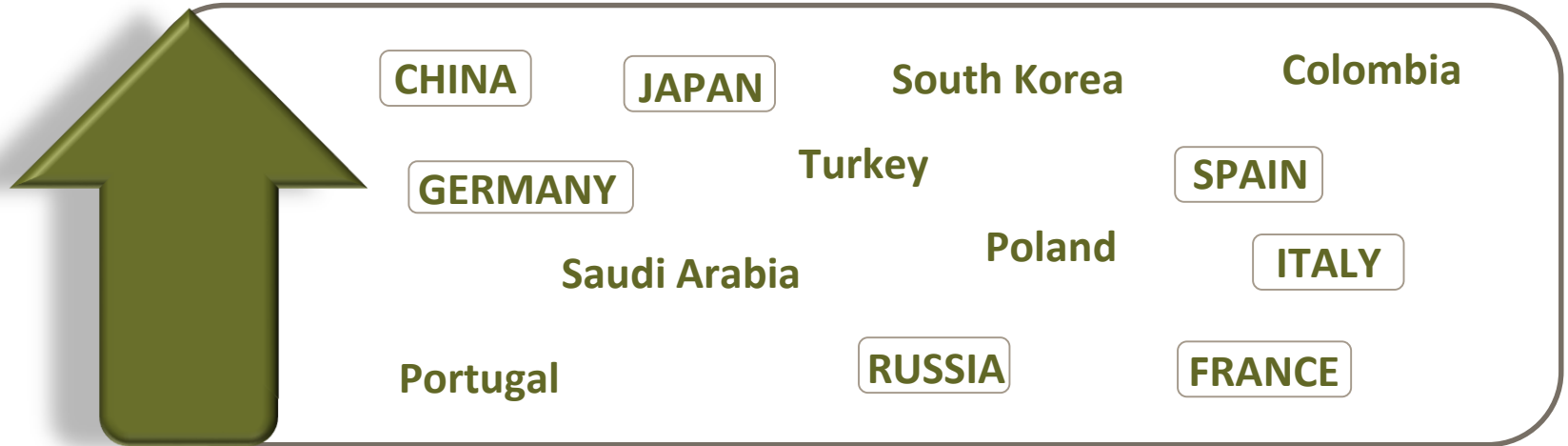
% based on non-rounded figures

Breakdown of sales by geography



(2015 sales)

Top 20 countries



12 mature - 8 emerging



*positive excluding LPs

TOP 10 COUNTRIES



- **Focus on countries**

France

No. 2 Group country

EMEA

2016 sales +5.4%

A successful year in a difficult environment

- Excellent performance driven by our innovations: Cookeo, Cuisine Companion, Full-auto espresso coffeemakers, Vacuum cleaners
- Growth drivers significantly increased
- Market share gains



Germany

No. 4 Group country



2016 sales +4.6% (+14.3% excl. LPs)
Solid momentum continued

- ➔ Widespread growth : Full-auto espresso coffeemakers, OptiGrill, Actifry, Vacuum cleaners...
- ➔ Strong commercial dynamics in the field:
 > 70 shop-in-shops
- ➔ Market share gains



Italy

No. 7 Group country

EMEA

- 2016 sales +5.4%
- Growth in all SDA product families
- Leadership in vacuum cleaners
- Market share gains



The advertisement features a blue and black Silence Force Multi-Cyclonic vacuum cleaner on the left. In the center, a man in a grey sweater is shown from the waist up, looking down and holding the handle of the vacuum. The background is a bright window with greenery outside. The text 'SILENCE FORCE MULTI-CYCLONIC' is prominently displayed in white, bold letters. Below it, the tagline 'Estremamente performante e ultra silenzioso' is written in a smaller, italicized font. A blue button with the text 'Scopri i prodotti' is positioned below the tagline. The overall aesthetic is clean and modern.

SILENCE FORCE MULTI-CYCLONIC

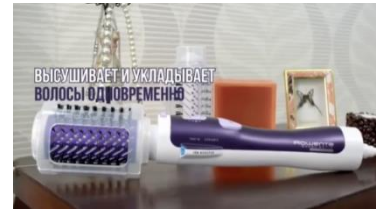
*Estremamente performante
e ultra silenzioso*

Scopri i prodotti



2016 sales +20% LFL
Successful turnaround after 2 years of deep recession

- ➔ Sales up practically across the board: Cookware, Ironing, Vacuum cleaners, Full-auto espresso coffeemakers, OptiGrill
- ➔ In-store execution stepped up
- ➔ Market share gains



КОНСТАНТИН ИВЛЕВ

Tefal OptiGrill

ИДЕАЛЬНЫЙ СТЕЙК

ПРОЖАРКА

О чем ты мечтаешь? Все успевать и оставлять себе время на настоящее счастье? Тебе стоит воспользоваться легким умом, в своего мужчину. Крути стейком. И пограти на это... всего несколько минут.

УНИКАЛЬНЫЙ ЭЛЕКТРОНИКАЛЬНЫЙ ОПТИГРАЙЛ ОТ ТЕФАЛ ГАРАНТ УСПЕХА!

Специально разработанная технология стейка, автоматическая программа для жарки стейка. Идеально для каждого.

Стеклокерамическая поверхность с антипригарным покрытием. Легко чистится.

Съемные пластины. Легко отсоединить для мытья. Съемный лоток для сбора жира.

ОДИН КОМПАКТНЫЙ ПРИБОР - СОТНИ ВАРИАНТОВ

4 основные программы: стейк, рыба, гамбургер/сосиски, бургеры и рулеты. Также для приготовления овощей.

Благодаря интеллектуальной системе точного нагрева без масла.

Наибольшее время 30 минут для приготовления мяса или стейка, и 57 - для овощей.

ИЗМЕНЕНИЯ	ПРЕИМУЩЕСТВА
Возможность приготовления овощей	Возможность приготовления стейка
Съемные пластины	Легко чистится
Стеклокерамическая поверхность	Антипригарное покрытие
Съемный лоток для сбора жира	Легко отсоединить для мытья

USA

No. 3 Group country

2016 sales -3.7% LFL

A subdued performance after 2 years of strong growth

- Excellent year for All-Clad
- Continued development of Rowenta and Imusa
- More difficult for mid-range cookware (T-fal)



Brazil

No. 5 Group country

- 2016 sales - 4%
- Market down
- Market share gains



2016 sales +15% LFL

Another outstanding performance

- Strong increase in cookware and SDA
- Growth in linen and home care
- New gains in points of sale
> 55,000 at end-2016
- "Double 11" day: €65 million in sales
achieved online over the day



Japan

No. 6 Group country

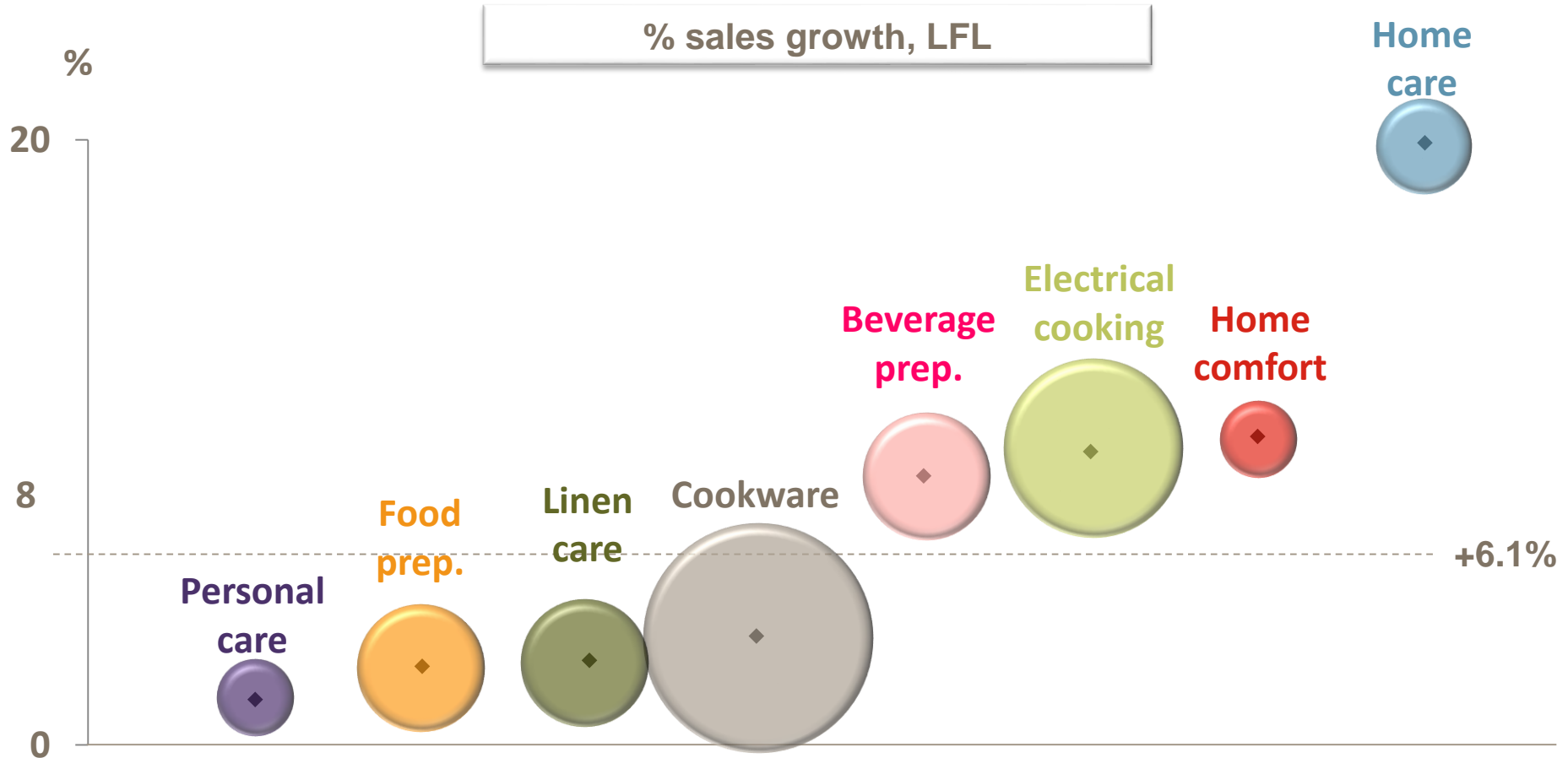


- ➔ 2016 sales +8%
- ➔ Return to historic market share in kettles > 50%
- ➔ Strong performance for Group Retail



• **Flagship products**

2016 top performers by product line



Breakfast and beverage

- Reinforced leadership in breakfast in Europe
- Strong growth in kettles
 - Production > 10m units in 2016 in Shaoxing
- Continued development of full automatic espresso coffeemakers
 - Sales up 50% in 2 years
- Groupe SEB, **No. 1 partner** of Nespresso and Dolce Gusto worldwide



Electrical cooking

- Continued solid growth in rice cookers
- Confirmed success for Cookeo, especially in France
 - Sales > 1m units since launch
 - Cookeo Connect = 15% of sales
- Continued development of OptiGrill
 - Sales > 1m units since launch
- Reinforced world leadership in traditional deep fryers



Food preparation

- Continued development of cooking food processors
 - Cuisine Companion > 300 000 units in 3 years
 - iCompanion > 20% of Cuisine Companion sales

- Sales growth > 10% for Soup & Co

- Increase of +25% in blenders
 - China (high-speed blenders)
 - India
 - Latin America



Linen care

- Stable steam iron sales
- Slight downturn in steam generator sales
 - Successful launch of Pro-Express Care in high-end segment
- **Sales growth > 60%** for garment steamers
 - China, Japan, USA, Europe...
- Launch of Tweeny 2 in 1 in Europe



Home care

- Ongoing solid momentum in cylinder vacuum cleaners
 - **Sales up 17%** in bag vacuum cleaners → Silence Force 4A: **sales x 5**
 - **Sales up 40%** in bagless vacuum cleaners
- Successful launch of Clean&Steam in 2016
- Launch of Air Force 360 in 2017
- Leadership in France, Italy, Spain and Portugal
 - Market share gains in Europe: +1.8 pts in 1 year



Cookware

- Worldwide leadership confirmed in 2016
- Growth despite contraction in LPs vs 2015
- Launch of Clipso Minut and Clipso Minut Duo pressure cookers
- Strong growth in kitchen tools and accessories



2016 FULL-YEAR RESULTS

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2. Activity and results

1. Sales

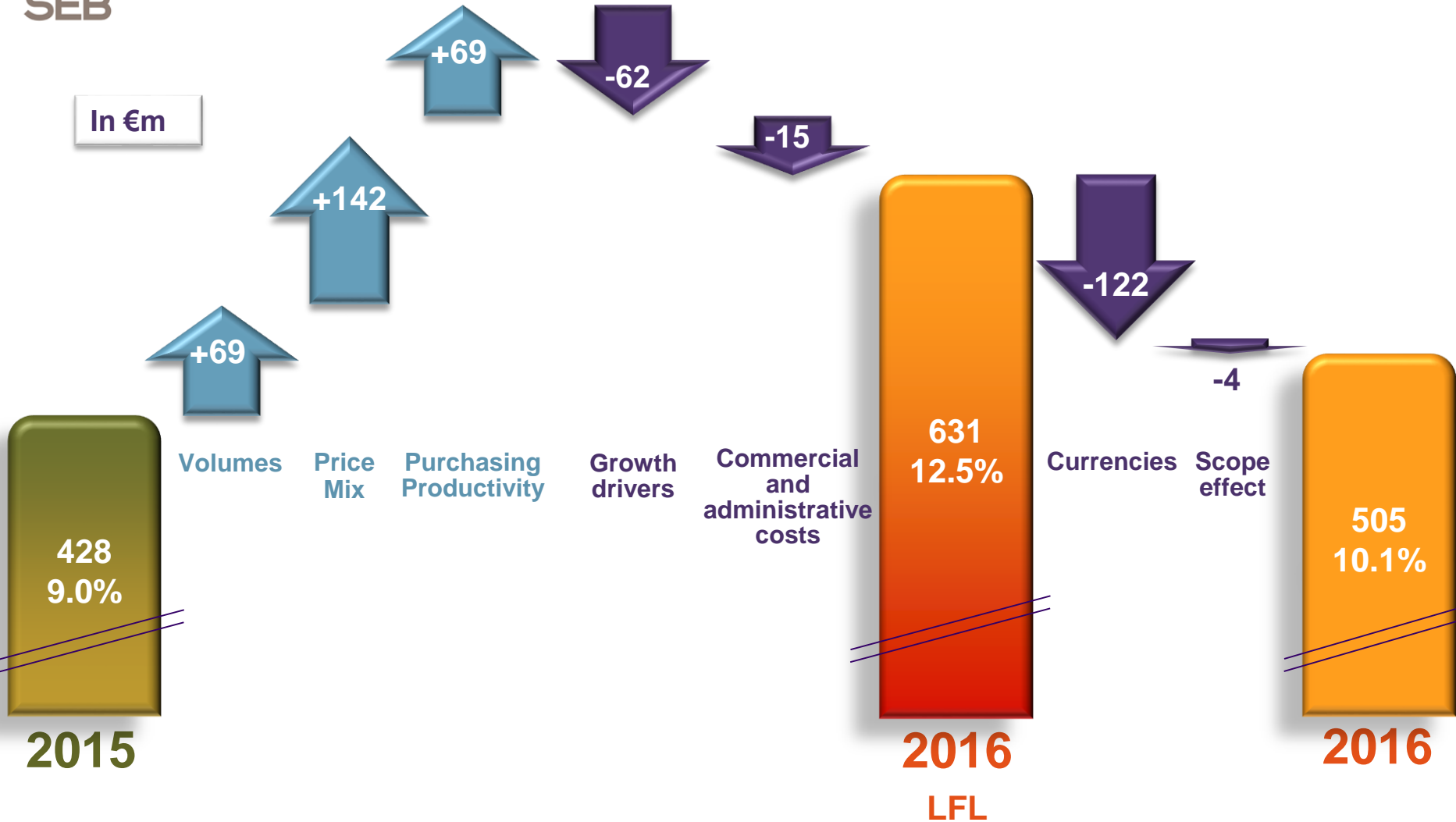
2. Results

Operating Result from Activity (ORfA)

In €m	2015	2016	Δ In €m	Δ LFL
Sales	4,770	5,000	+4.8%	+6.1%
Operating expenses	4,342	4,495		
Operating Result from Activity (ORfA)	428	505	+18.0%	+47.0%
Operating margin	9.0%	10.1%	+1.1 pt	+3.5 pts

ORfA bridge, 2015 → 2016

In €m



Growth drivers: Innovation

In €m	2015	2016	
Strategic marketing	68	75	
R&D	100	104	
TOTAL	168	179	+6.8% LFL

Gross amount , before research tax credit and capitalization

Growth drivers: Advertising and marketing

In €m	2015	2016	
Advertising	121	131	
Operational marketing	269	304	
TOTAL	390	435	+13.2% LFL

Operating profit

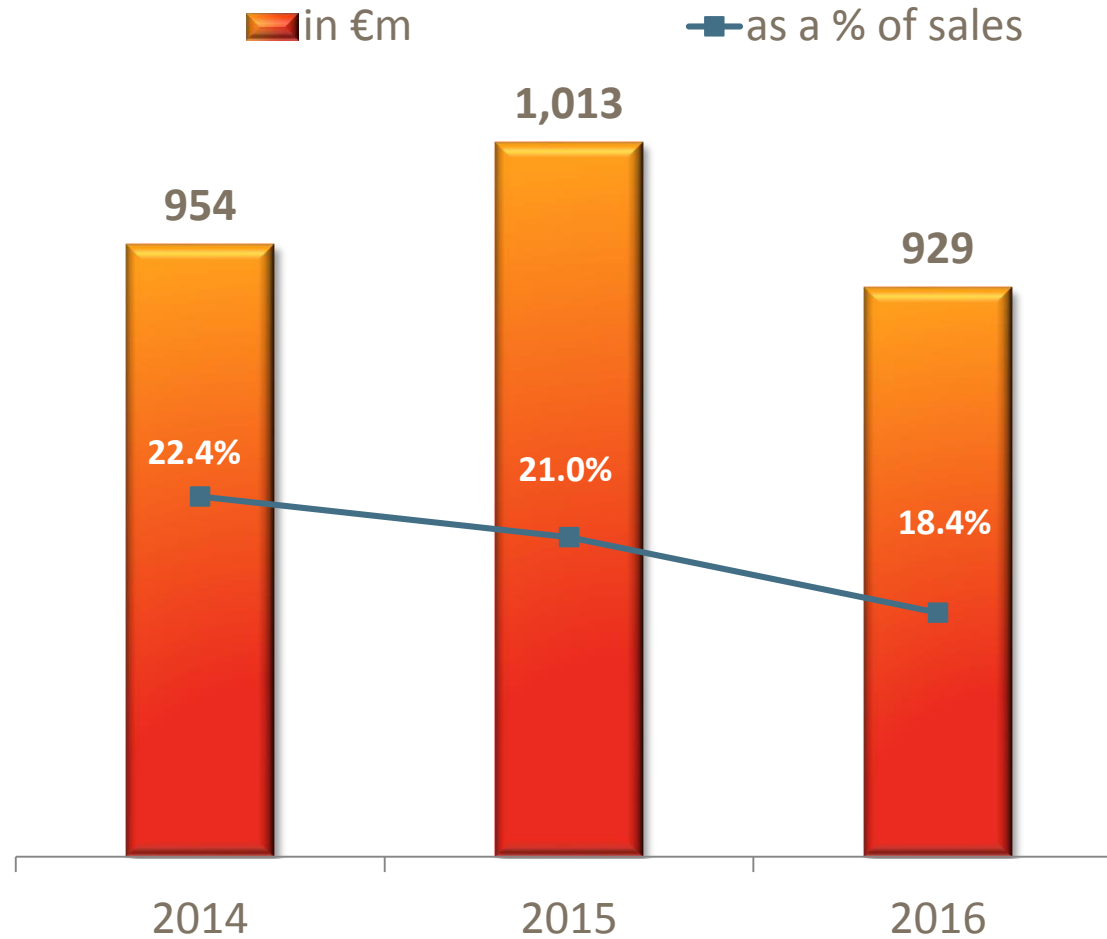
In €m	2015	2016	
Operating Result from Activity (ORfA)	428	505	+18%
Discretionary and non-discretionary profit-sharing	(31)	(37)	
Other operating income and expense	(26)	(42)	
Operating profit	371	426	+15%

Net profit

In €m

	2015	2016	
Operating profit	371	426	+15%
Interest expense	(28)	(30)	
Other financial expense	(20)	(28)	
Tax	(82)	(77)	
Non-controlling interests	(35)	(32)	
Profit attributable to owners of the parent	206	259	+26%

Significant improvement in WCR



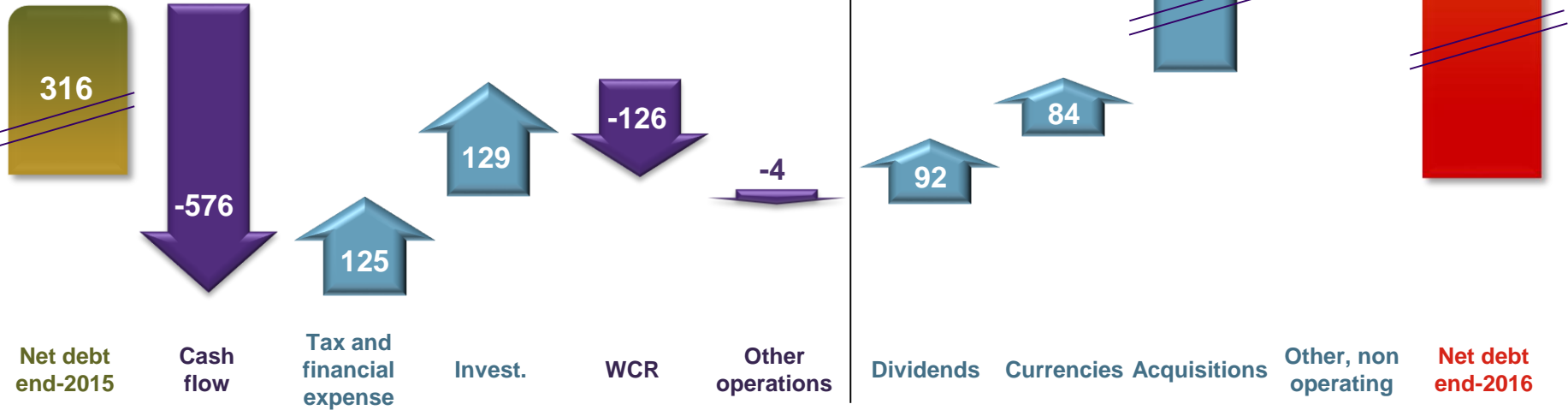
Change in debt

In €m

Operating cashflow: €452m (€257m)

2015

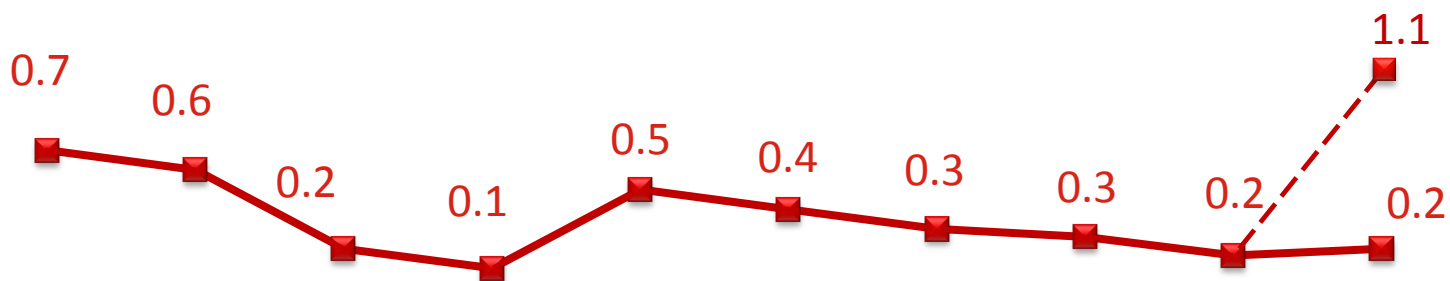
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Debt ratios in line with expectations

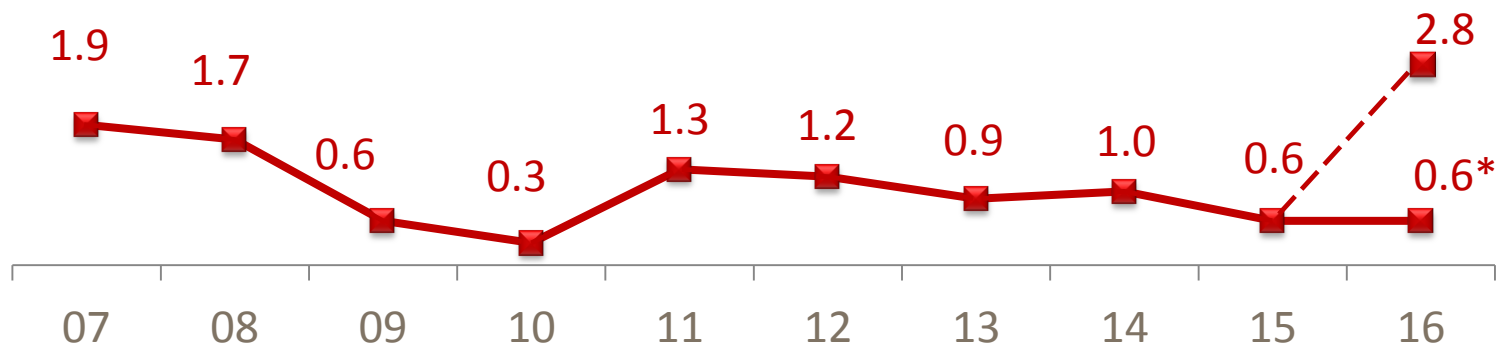


Net debt-to-equity



Ratio at 12/31

Net debt/EBITDA

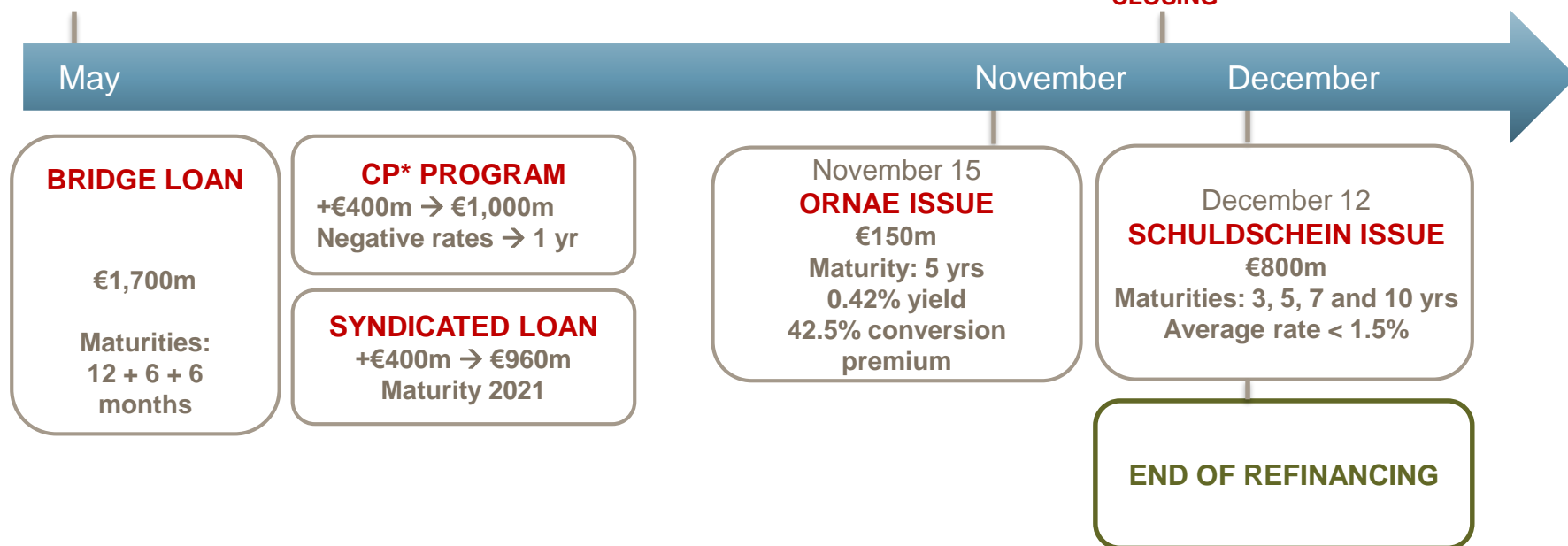


*pro forma debt / adjusted EBITDA ratio

Financing the WMF acquisition

ANNOUNCEMENT
OF ACQUISITION
PROJECT

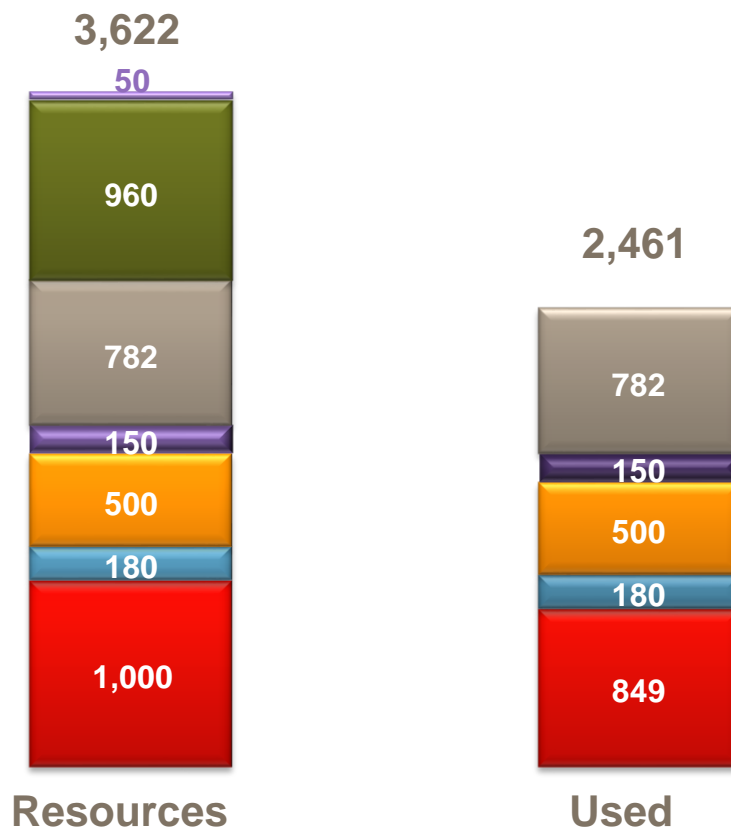
NOVEMBER 30
CLOSING



* Commercial paper

Solid financing architecture

In €m



Dec. 31, 2016

Average maturity
(excl. commercial paper)

→ 4.8 yrs

Average financing rate
(on debt used over 1 year)

→ 1.88%

- Bilateral - back up
- Syndicated - back up
- 2016 Schuldschein
- ORNAE
- Bond
- 2012 Schuldschein
- Commercial paper

Simplified balance sheet

In €m

12/31/2015

12/31/2016

Tangible fixed assets	1,655	3,418*
Working capital requirement	1,013	1,225
Total assets to be financed	2,668	4,643
Equity	1,908	1,836
Provisions	240	443
Other current assets and liabilities	204	345
Net financial debt	316	2,019
Total financing	2,668	4,643

*Including provisional goodwill of €1,283m

2016 pro forma income statement

In €m	Groupe SEB	Pro forma WMF	Pro forma* Groupe SEB + WMF
Sales	5,000	1,100	6,095
Adjusted EBITDA	591	128	719
ORfA <i>Operating margin</i>	505 10.1%	94 8,5%	599 9.8%
Operating profit	426	78	504
Net profit	259	45	305

* After elimination of inter-company transactions and before the impact of purchase price allocation (in particular, revaluation of inventories – which will exceptionally reduce by €14m the results reported in 2017 – and possible amortization of intangible assets).

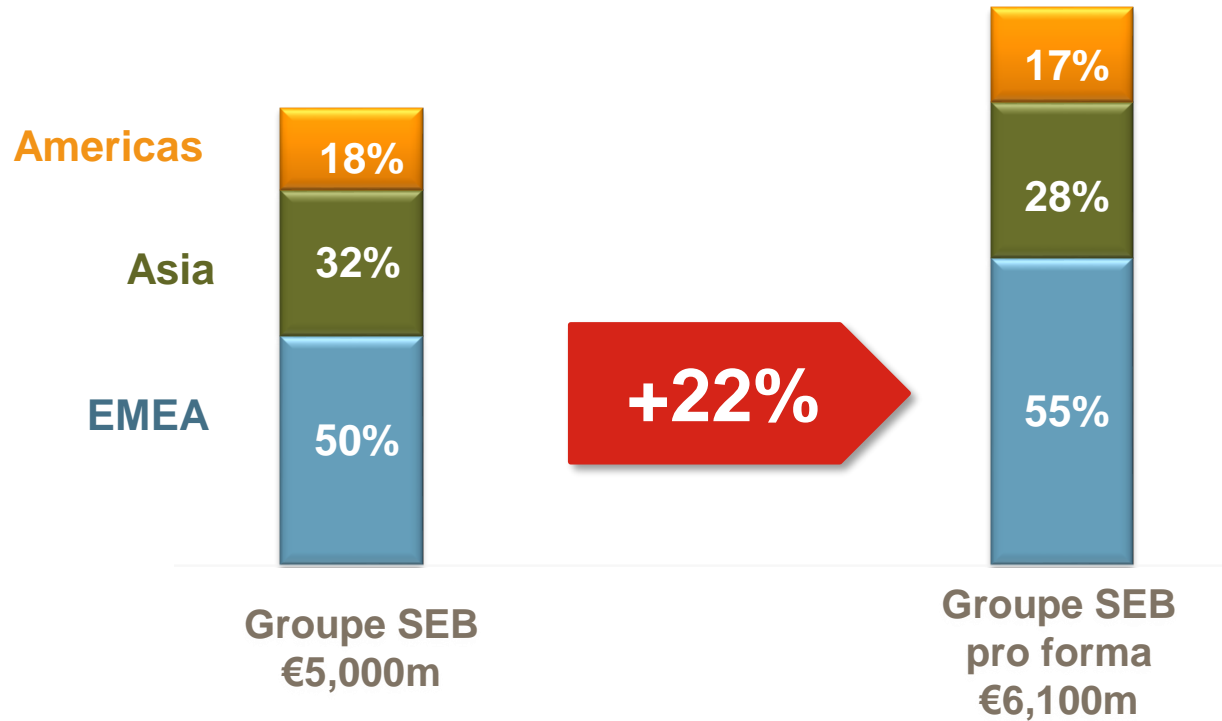
2016 FULL-YEAR RESULTS

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3. A new dimension



Breakdown of sales by geography

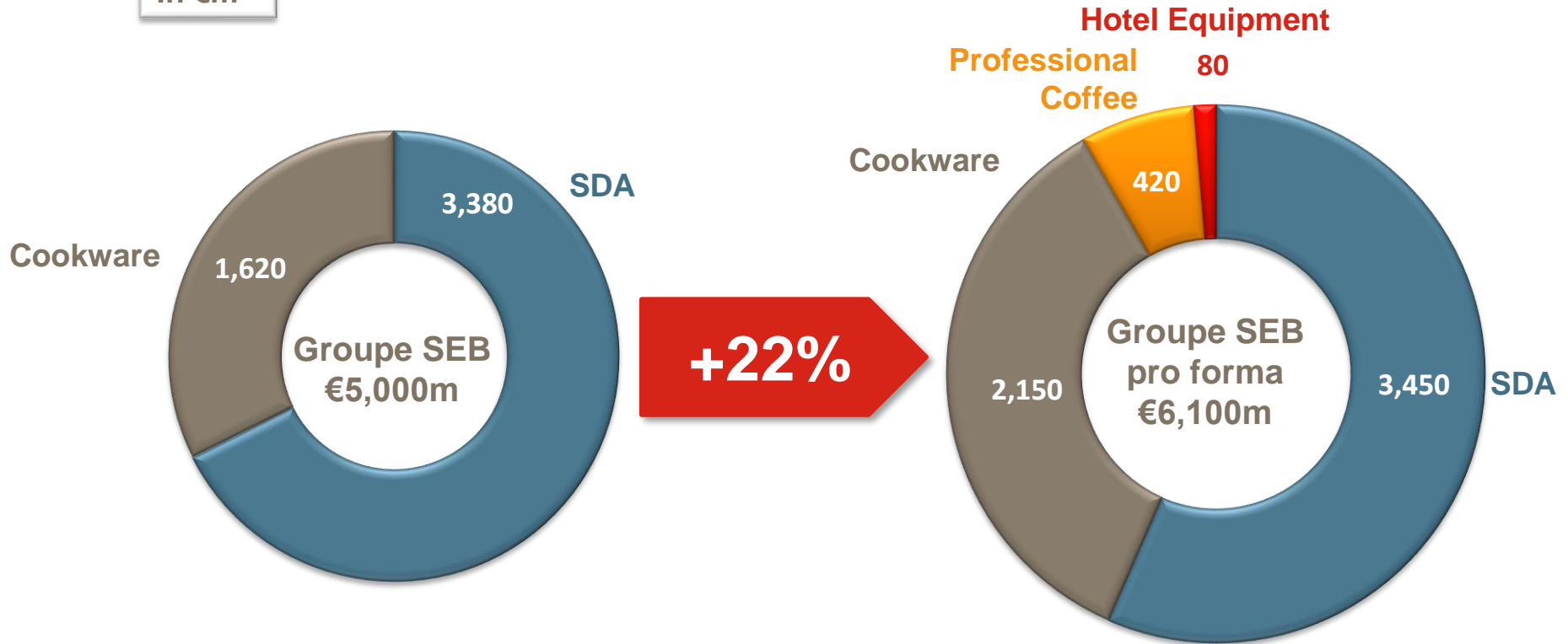


54%	Mature countries	60%
46%	Emerging countries	40%

2016 figures

A new business profile

In €m



2016 figures

EMSA and WMF integration process

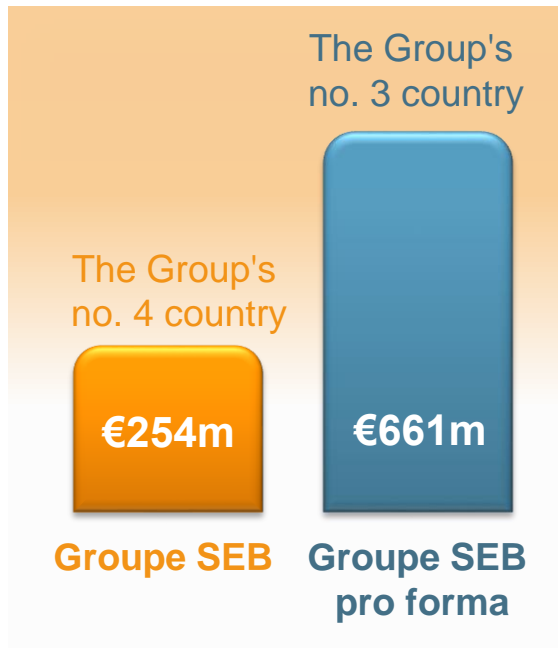
- EMSA closing June 28 and WMF closing November 30, 2016
- Integration committees
 - Mixed teams Groupe SEB / EMSA / WMF
- Top management team in place
- Integration plans: 2 types of “workshops”
 - Alignment with Groupe SEB organization and systems
 - Value creation

Development in professional coffee



- Strengthening of leadership in Germany
- Acceleration in international expansion (US, China, France...), by capitalizing on both WMF and Schaerer brands
- Cross-fertilization Professional / Consumer businesses

New dimension in Germany in Small Domestic Equipment



- > 30% market share in cookware
- Complementary fit between Groupe SEB / WMF / EMSA distribution networks
- Introduction of Groupe SEB SEB and EMSA products in WMF stores

Accelerated growth in kitchen tools and accessories



- International expansion stepped up
 - 10 key countries
 - Cross implementation of the offer
- Creation of complementary expertise poles
 - Knives - WMF
 - Thermo jugs / mugs - EMSA
 - Food storage containers - EMSA

Development in premium cookware



- Complementary brands: All-Clad, Lagostina, WMF and Silit
- Significant increase in premium cookware market share

Synergies in costs

Critical mass



- Procurement massification
- Utilization of industrial capacities

Cross expertise
& Operations



- R&D
- Industrial efficiency
- Supply-chain optimization

Structure and
support functions




- Pooled functions
- Groupe SEB / WMF organization and IT systems

2017 guidance

	2014	2015	2016	pro forma 2016
Sales	+4.6%	+8.0%	+6.1%	+5.7%
ORfA	€368m	€428m	€505m	€599m

2017 Objectives

-  Organic sales growth
-  Increase in Operating Result from Activity
-  Confirmed WMF relation > 20% on 2017 EPS*

* Before the impact of purchase price allocation (in particular, revaluation of inventories – which will exceptionally reduce by €14m the results reported in 2017 – and possible amortization of intangible assets).

2016 FULL-YEAR RESULTS

February 21, 2017

4. Appendixes



Substantial variations in exchange rates

- Collapse of certain currencies vs. €

- In last years (change in average rates in 2016 vs. 2015)

RUB	BRL	JPY	TRY	COP	CAD	UAH	ARS	USD	CNY
-6%	-4%	+13%	-9%	-8%	-2%	-11%	-35%	+0%	-4%

- In last two years (change in average rates in 2016 vs. 2014)

RUB	BRL	JPY	TRY	COP	CAD	UAH	ARS	USD	CNY
-30%	-19%	+18%	-12%	-20%	+1%	-42%	-32%	+19%	+12%

Currency effect / quarter on sales and ORfA 2014 → 2016, in €m

Currency impact on sales	Q1	Q2	Q3	Q4	Total Year	Sales
2016	-39	-53	-18	-12	-122	5,000
2015	+60	+67	+12	+10	+149	4,770
2014	-53	-54	-19	-6	-132	4,253

Currency impact on ORfA	Q1	Q2	Q3	Q4	Total Year	ORfA
2016	-45	-26	-43	-18	-122	505
2015	-15	-17	-16	-52	-100	428
2014	-24	-21	-12	-37	-94	368

Trend in sales and ORfA

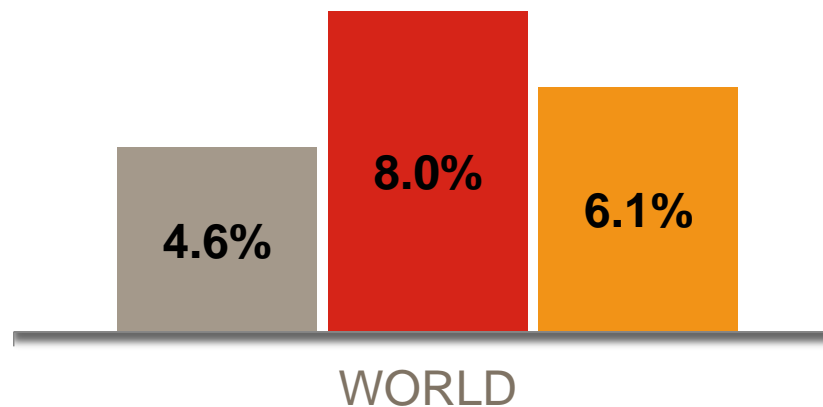
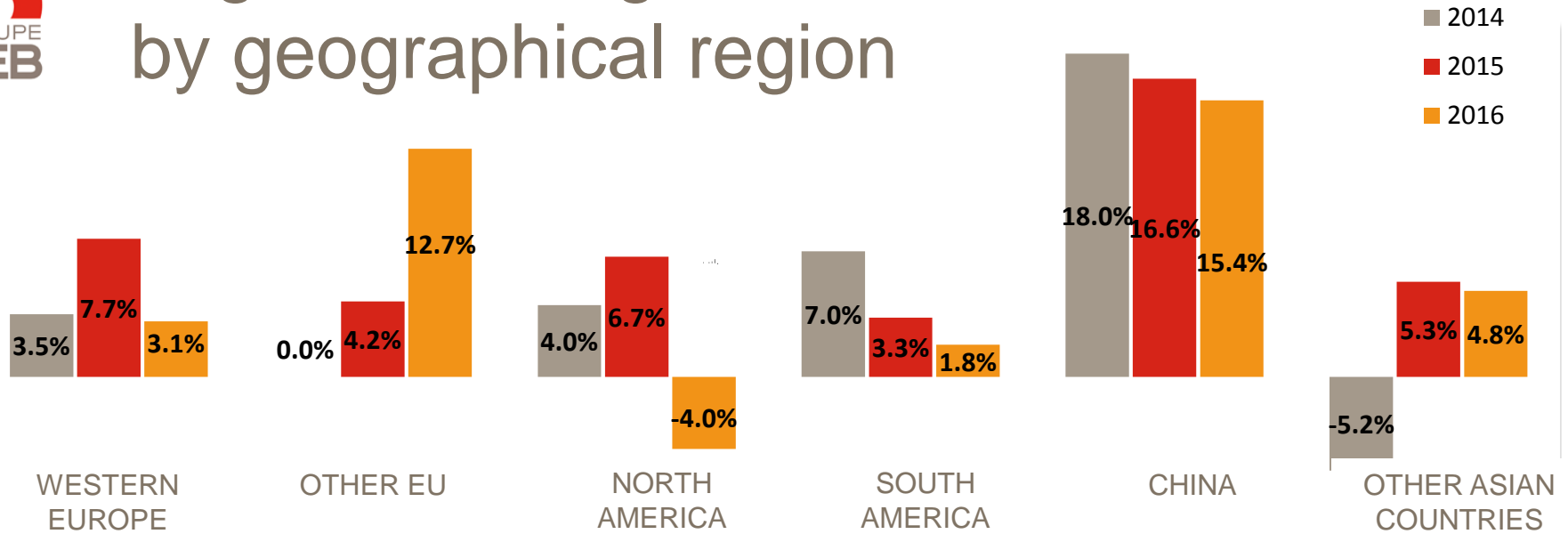
2015 – 2016

By half-year, in €m

	Sales 2015	Organic growth	Currencies	Scope	Sales 2016
H1	2,113	+127	-92	+16	2,164
H2	2,657	+165	-30	+44	2,836
Year	4,770	+292	-122	+60	5,000

	ORfA 2015	Volumes	Price mix	Productivity Purchasing	Growth drivers	Other costs	2016 ORfA LFL	Currencies	Scope	ORfA 2016
H1	146	+17	+79	+20	-26	-3	233	-61	0	172
H2	282	+52	+63	+49	-26	-12	398	-61	-4	333
Year	428	+69	+142	+69	-62	-15	631	-122	-4	505

Organic sales growth by geographical region





• Glossary

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 costs, i.e. the cost of sales, innovation expenditure (R&D, strategic marketing and design), advertising, operational marketing as well as commercial and administrative costs. ORfA does not include discretionary and non-discretionary profit-sharing nor 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.

Net debt – Net indebtedness

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 having a maturity of under one year and easily disposed of. Net debt may also include short-term investments with no risk of a substantial change in value but with maturities of over three months.

Operating cash flow

Operating cash flow corresponds to the “net cash from operating activities / net cash used by operating activities” item in the consolidated cash flow table, restated from non-recurring transactions with an impact on the Group's net debt (for example, cash outflows related to restructuring) and after taking account of recurring investments (CAPEX).

Schedule for **upcoming events**



21/02/2017 6:30 am	2016 annual results
27/04/2017 5:40 pm	2017 first-quarter sales and financial data
11/05/2017 2:30 pm	2017 Annual General Meeting
26/07/2017 6:30 am	2017 first-half sales and results

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