
February 21, 2017

**2016 sales and results**



# 2016: record performances

- **Sales: €5,000m, +4.8% as reported and +6.1% like-for-like***
- **Operating Result from Activity: €505m, +18% as reported +47% LFL***
- **Net profit: €259m, +26%**
- **Operating cashflow generation of €452m**
- **Proposed dividend at the AGM: 1.72 per share, +11.7%**

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

***Statement of Thierry de La Tour d'Artaise, Chairman and Chief Executive Officer of Groupe SEB:***

"2016 was a great year for Groupe SEB.

It ended with record performances: we reached the €5 billion mark in sales, exceeded €500 million in Operating Result from Activity and €250 million in net profit. We generated over €450 million in operating cashflow.

2016 was also a year of strategic and transforming acquisitions. WMF enables us to become the world leader in the high-potential and profitable market of professional coffee machines, significantly strengthens our positions in Germany, and reinforces our global leadership in small domestic equipment. Combined with EMSA, WMF also gives us critical mass in the world market of kitchen tools and accessories. In its new configuration, Groupe SEB represents more than € 6bn of sales and €600m of Operating Result from Activity.

In 2017 the Group is aiming for further organic sales growth and an increase in its Operating Result from Activity, in its former scope as well as in its new configuration.

I would like to thank all the teams who worked to achieve these record Group performances and contributed to the successful completion of these acquisitions. Their professionalism and commitment are crucial to our success."

| Consolidated financial results (€m) | 2015 | 2016 | Change 2015/2016 As reported |
|---|---|---|---|
| Sales | 4,770 | **5,000** | **+4.8%** |
| *LFL growth** | | | *+6.1%* |
| Operating Result from Activity | 428 | **505** | **+18.0%** |
| *LFL growth** | | | *+47%* |
| Operating profit | 371 | **426** | **+14.8%** |
| Profit attributable to owners of the parent | 206 | **259** | **+25.6%** |
| Net debt at 12/31 | 316 | **2,019** | **+€1,703m** |
| Diluted earnings per share (€) | 4.14 | **5.15** | **+24.4%** |
| Dividend proposed at the AGM (€) | 1.54 | **1.72** | **+11.7%** |
| **Like-for-like: at constant exchange rates and scope* | *Rounded figures in €m<br>% calculated on non-rounded figures* | | |

## GENERAL COMMENTS ON SALES

Following 2015, 2016 continued to be affected by an uncertain and mixed environment as well as forex volatility: strengthening of the dollar and the Brazilian real against the euro, depreciation of the pound sterling following the BREXIT vote, and of most of the South American currencies, the yuan, and the Turkish lira.

Against this backdrop, Groupe SEB reached for the first time the €5 billion mark in sales, up 4.8% as reported and 6.1% at constant exchange rates and structure, excluding a currency effect of -€122 million and a scope effect of +€60 million (eight additional months for OBH Nordica, acquired in 2015, and six months for EMSA).

This performance is all the more remarkable considering the high comparatives of an excellent year in 2015 (organic growth of 8%). All our product categories contributed to this growth, with home care (vacuum cleaners), home comfort (fans, air purifiers), electrical cooking (rice cookers, electric pressure cookers and multicookers, toasters) and beverage preparation (coffee makers, kettles) achieving organic growth rates exceeding that of the Group.

It should be noted that the acquisition of WMF, finalized on November 30, is not consolidated in Groupe SEB's 2016 income statement.




## BREAKDOWN OF REVENUE BY REGION



| Sales (€m) | 2015 | 2016 | Change 2016/2015 As reported | Change 2016/2015 Like-for-like |
|---|---|---|---|---|
| **EMEA** | **2,344** | **2,495** | **+6.4%** | **+5.6%** |
| Western Europe | 1,736 | **1,834** | +5.6% | +3.1% |
| Other countries | 608 | **661** | +8.7% | +12.7% |
| **AMERICAS** | **973** | **919** | **-5.5%** | **-1.8%** |
| North America | 599 | **564** | -5.9% | -4.0% |
| South America | 374 | **355** | -5.0% | +1.8% |
| **ASIA** | **1,453** | **1,586** | **+9.2%** | **+12.3%** |
| China | 1,020 | **1,122** | +10.0% | +15.4% |
| Other Asian countries | 433 | **464** | +7.1% | +4.8% |
| **TOTAL** | **4,770** | **5,000** | **+4.8%** | **+6.1%** |

| Sales (€m) | Q4 2015 | Q4 2016 | Change 2016/2015 As reported | Change 2016/2015 Like-for-like |
|---|---|---|---|---|
| **EMEA** | **858** | **910** | **+6.0%** | **+4.8%** |
| Western Europe | 669 | **687** | +2.7% | +0.7% |
| Other countries | 189 | **223** | +17.7% | +19.5% |
| **AMERICAS** | **291** | **301** | **+3.4%** | **+0.1%** |
| North America | 192 | **189** | -1.9% | -1.5% |
| South America | 99 | **112** | +13.8% | +3.1% |
| **ASIA** | **380** | **421** | **+10.8%** | **+13.3%** |
| China | 251 | **278** | +10.9% | +17.1% |
| Other Asian countries | 129 | **143** | +10.5% | +6.0% |
| **TOTAL** | **1,529** | **1,632** | **+6.7%** | **+6.0%** |

** Like-for-like: at constant exchange rates and scope of consolidation*　　*Rounded figures in € million*　　*% calculated on non-rounded figures*

Figures and information given by geographical area are presented on the basis of the new organization implemented in September 2015. 2015 data have been restated consequently.

## REVENUE BY REGION



EMEA

### WESTERN EUROPE

The European small electrical appliance market continued to trend positively overall in 2016, increasing, particularly in the first half, in most countries with the notable exception of the UK. The situation was more contrasted in terms of product categories:  growth in floor care, electrical cooking, beverage preparation and personal care against a downward trend in linen care and food preparation. The cookware market, down slightly year-on-year, was contrasted according to the time period and country and often linked to the loyalty program implementation. In this context, Group sales in Western Europe increased 5.6% in 2016, including a positive effect from the consolidation of 6 months of EMSA and an extra 8 months of OBH Nordica; at constant exchange rates and scope, sales were up 3.1%, following a 0.7% growth in the fourth quarter. These performances should be put into perspective with demanding comparatives in 2015, with organic growth of 7.7% for the year and 9.1% for the fourth quarter.

Group sales in France came out at €780 million, up 5.5% on 2015. The fourth quarter, up 4.1%, was driven by small electrical appliances and loyalty campaigns in cookware. Major contributors to the healthy core business in 2016 included Cookeo, which confirmed its impressive success both in regular and connected versions, vacuum cleaners (cylinders, uprights and the newly launched Steam & Clean) along with the Cuisine Companion and Soup & Co cooking and heating food processors.

In other Western European countries, the Group posted a good year, though with contrasting performances from one country to the next. Sales grew considerably in Germany despite the end-of-year impact of the non-repeat of large loyalty programs. However, core business was excellent across practically all product categories, with confirmed strong momentum in vacuum cleaners, automatic espresso coffee makers, deep fryers and Optigrill, all bolstered by significant growth drivers. In Italy, at the end of a vigorous second half-year, driven by vacuum cleaners, ironing and a new special Cuisine Companion campaign, sales were up strongly in 2016. The same momentum was also to be seen in Spain. In the UK, in a market environment marked in the last few months by price increase announcements, the Group posted a sales decrease in 2016 at constant exchange rate.

### OTHER COUNTRIES

In the other EMEA countries, the Group recorded very strong performances in 2016, improving as the year went on. After a fourth quarter ending with organic growth of 19.5%, up sharply on the third quarter (+13.1%), total sales for the year rose 12.7% like-for-like. As in the third quarter, this momentum was fueled by the large markets, which continued to post double-digit growth.

This was notably the case in Poland and Southeastern Europe, where 2016 proved a record-setting year and one in which we considerably strengthened our market positions. In Russia, after two years of severe recession, the market began to recover from the summer onwards. Organic sales growth was around the 20% mark for the year, buoyed by sharply increasing volumes in almost all product families, an adapted pricing policy and a step up in growth drivers in store. This tremendous vitality was reflected in substantial


increases in market share. The situation was much the same in Ukraine. In Turkey, despite the difficult environment and the continued depreciation of the Turkish lira, the Group achieved double-digit sales growth in local currency throughout the year, thanks in particular to major progress in vacuum cleaners, cookware and personal care. The momentum was largely driven by the substantial rise in online sales. In the Middle East and Egypt, business activity was highly positive in 2016, albeit marked by sharp volatility and by the massive devaluation of the Egyptian pound at the end of the year. In India, although business in the fourth-quarter was penalized by the withdrawal of large denomination bills, the Group ended the year with moderate organic growth.



## AMERICAS

### NORTH AMERICA

The Group had something of a subdued year in this region in 2016. After a tough first half, business activity rather improved in the third quarter but unfortunately did not maintain that positive trend in the last three months. The 4% like-for-like decrease in sales should however be put into perspective with the high comparatives of 2015. In the United States, the downturn resulted from the combined impact of several factors: inventory clearances and stock reductions at most retailers, the development of private labels, the adaptation of the Group's sales policy to the financial difficulties of some customers and the non-repeat of certain 2015 promotional campaigns. The slowdown was mainly due to the T-Fal core-range activity, while All-Clad enjoyed double-digit sales growth, fueled by the extended distribution of its hard-anodized ranges, the continuous development of online business, and the ongoing improvement in competitiveness of the Canonsburg plant. Rowenta delivered a good year in ironing thanks in particular to the success of new irons and to the development of garment steamers.

In Canada, in a lackluster environment and with a currency situation having led to price increases, the Group had a contrasted year. A substantial fall in sales in the first half-year was followed by slight growth in the second (owing notably to ironing and Actifry), the latter failing though to offset the shortfall recorded at end-June. In Mexico, despite the price increases made to offset peso depreciation, business activity excluding loyalty programmes was highly satisfactory, both in cookware, all families combined, and in small electrical appliances, with a special mention going to linen care, filter coffee makers and kettles, as well as the successful launch of blenders, the largest segment in the market.

### SOUTH AMERICA

In a tense environment, overall, ill conducive to consumption and marked by the sharp depreciation of practically all the continent's currencies with the exception of the real, the Group ended the year with organic growth of 1.8%, including 3.1% in the fourth quarter. The increase comprised disparate performances according to country and period.

In Brazil, the lasting deteriorated economic context was reflected in major inventory clearances by retailers and an increase in promotional deals to limit the effect of price rises. Group activity ultimately proved resilient, with the end of the year benefiting from better weather conditions, favorable to sales of fans, and from strong momentum in linen care, driven by semi-automatic washing machines. But sales continued to suffer from the high and outstanding comparatives of Dolce Gusto in 2015 and to decrease in cookware. The current reorganization, notably based on the gradual transfer (already well under way) of small electrical appliance production from the historic Sao Paolo site to a newly built plant in Itatiaia in Rio de Janeiro State, is going according to plan. On that matter, on February 16, 2017, the Group announced that it was planning to also transfer the cookware production - currently based in Sao Bernardo in the agglomeration of Sao Paulo - to the new Itatiaia site with the same objective of improving competitiveness.

In Colombia, after a third quarter disrupted by the summer transport strikes, the last three months of the year saw a return to growth on a like-for-like basis amid an economic environment that has nonetheless lost some of its former vitality. Major contributors to performance included blenders (Infini Force), pressure cookers and kitchen tools whereas fan business was penalized by unfavorable weather conditions. Lastly, the Group posted a good year in Argentina, against a backdrop marked by major political and regulatory changes.

## ASIA

### CHINA

In a small household equipment market where growth continues to be mainly driven by online sales, Supor confirmed its excellent performance in the fourth quarter with organic sales growth of over 17%. The increase was driven by all cookware and kitchen tool categories (woks, pressure cookers, frying pans and saucepans, thermal cups) and by all small kitchen electrics (rice cookers, electric pressure cookers, kettles, high-speed blenders) apart from soy milk makers, which overall market is down significantly. At the same time, while still playing a minor role in Supor business activity, sales of air purifiers, vacuum cleaners, irons and garment steamers started to show encouraging dynamics.

As in 2015, growth was fueled by a strong product dynamic based on innovation, by the pursuit of territorial expansion with new increases in points of sale, and by strengthened advertising and marketing investments both in physical retail and e-commerce.

### OTHER ASIAN COUNTRIES

Group activity in this region was robust throughout the year, underpinned by excellent performances in large mature markets, which more than offset declines in a few emerging countries. After a dynamic third quarter, growth remained strong at the end of the year. In Japan, sales rose strongly in 2016. Consumption climate was less favorable in the fourth quarter but the lead acquired in cookware and kettles, together with the successful deployment of garment steamer models and the promising launch of the Cook4me pressure multi-cooker, led to a strengthening of our positions in the market segments concerned. In South Korea, despite the recent delicate environment, the Group enjoyed an excellent year, posting solid increases in almost all product families, capitalizing on the switch of the Rowenta brand to the Tefal brand, and investing substantially in growth drivers. Performance was also very satisfactory in Australia, with powerful momentum at the end of the year fueled by cookware, Cook4me, and ironing (irons and garment steamers). The fourth quarter also saw a turnaround in Thailand, where consumption was resurgent, and in Vietnam, where the fan season was good overall.

## OPERATING RESULT FROM ACTIVITY

The Group reported record Operating Result from Activity (ORfA) in 2016, at €505m, up 18% on 2015. As in 2015, ORfA comprises a substantial negative currency effect of €122m, as anticipated, stemming from numerous currencies including the dollar, rouble, Turkish lira, South American currencies, pound sterling, and more recently the Egyptian pound. On a like-for-like basis, ORfA came out at €631m, up 47%, based on the following factors:

- a positive volume effect of €69m, to be linked to organic sales growth of 6.1%;
- a positive price-mix effect of €142m, mainly relating to price increases and the move up-market enabled by innovation
- gains of €69m thanks to purchasing (fall in commodities prices) and productivity improvements ;
- a further increase in investments in growth drivers, up €62m on 2015, particularly in operational marketing (activation in stores and online, merchandising, promotions, and store dispays);
- strict control of operating costs.

These drivers allowed Groupe SEB to largely compensate the negative currency effect on Operating Result from Activity which reached a new high of €505m in 2016, delivering an operating margin of 10.1%.

## OPERATING PROFIT AND NET PROFIT

Operating profit in 2016 totaled €426m, up 15 %.

At €37m, discretionary and non-discretionary profit sharing increased €5m on 2015 due to the improved results of the French entities in 2016.

Other operating income and expense came out at -€42m, compared with -€25m in 2015. The increase in expenses is mainly due to two items:

- costs stemming from the industrial reorganization implemented in Brazil, with the progressive transfer of small electrical appliance production from the historic São Paulo plant, now set to close, to the new Itatiaia site in the Rio de Janeiro State;
- acquisition and consulting fees, together with taxes relating to the acquisitions of EMSA and WMF in 2016, totaling €15m.

Net financial expense came to -€58m, an increase of €10m on 2015, notably due to the carry of two bond issues. The increase in debt, linked to the finalization of the WMF acquisition on November 30, had a minor effect on financial expense in 2016. The rise in other financial expense resulted largely from the commitment fees involved in the implementation of financing for WMF.

Profit attributable to owners of the parent amounted to €259m, compared with €206m in 2015. The figure is net of tax, at a rate of 21%, down sharply on the 25.5% rate in 2015, thanks to the utilization of tax loss carryforwards in the United States. The total also includes the elimination of the non-controlling interests in Supor, for €32m.




## BALANCE SHEET / FINANCIAL STRUCTURE AT DECEMBER 31, 2016

At end-2016, Groupe SEB's balance sheet integrated the acquisitions made over the year, notably those of EMSA and WMF.

In this new configuration, equity comes out at €1,836m, unaffected by the acquisitions of EMSA and WMF but reduced by the increased stake in Supor. However, the acquisition of WMF does increase fixed assets, notably through the inclusion of provisional goodwill – prior to the re-evaluation of assets (mainly brands) and liabilities – totaling €1,283m.

Net financial debt stood at €2,019m at December 31, 2016. The total included the debt financing of acquisitions (notably WMF) for €1,655m, on the basis of an enterprise value of €1,585m, together with a €70m payment to the seller in compensation for Groupe SEB retaining WMF's results from January 1, 2016. Following this acquisition, the balance sheet of Groupe SEB at December 31, remains healthy. The net debt to equity ratio stands at 110% and its net debt-to-adjusted pro forma EBITDA ratio, at 2.81 x, remains under 3, in line with what was announced initially.

Based on the "SEB" scope alone, the Group generated record operating cashflow of €452m, reflecting further progress on the working capital requirement, which came out at 18.4% of sales compared with 21% at end-2015.

## DIVIDEND

In the light of the Group's excellent performance in 2016, the Board of Directors, meeting on February 17, 2017, decided to propose to the Annual General Meeting of May 11, 2017 the distribution of a dividend of €1.72 per share in respect of the 2016 financial year, an increase of 11.7%. For shareholders having held shares for more than 2 years, this dividend will be increased by a loyalty bonus of 10%, taking the total dividend at €1.89 (for holdings below 0.5% of the capital).

The coupon detachment date is set for May 16, 2017 and the dividend will be paid on May 18, 2017.

## POST-BALANCE SHEET EVENTS

**Project to create an Innovation Pole for the Small Electrical Appliance business at Ecully**

Following on from the creation of the Products and Innovation Department 18 months ago, the Group has decided to gather at its global headquarters site in Ecully the Electrical Cooking Marketing and Research teams, currently based at Selongey, with these of Home and Personal Care. The aim is to step up the development and launch of new electrical products.

The installation of the teams is due to take place progressively from the summer 2017.

**Pursuit of the industrial organization in Brazil**

On February 16, 2017 Groupe SEB Brazil announced its decision to transfer the production of cookware currently carried out at the São Bernardo site (in the São Paulo agglomeration) to the new Itatiaia site (in the Rio de Janeiro state), where manufacturing and logistics operations started up a few months ago. This project follows that of the small electrical appliance production initiated in November 2016, which is gradually being transferred from the historic Mooca plant in the heart of São Paulo to Itatiaia. The transfer of activity from the São Bernardo plant, involving around 170 people, should be carried out from July 2017


## OUTLOOK FOR 2017



2016 has therefore been an excellent year for Groupe SEB.

For WMF, 2016 went well for professional coffee and for hotel equipment, but the consumer business in Germany was impacted by the implementation of a major supply-chain reorganization, penalizing sales and profitability. Against this backdrop, WMF delivered a 4.2% sales increase and an adjusted EBITDA of €128m, up 8.5% compared with 2015.

2017 will be a year in which the Group changes dimension with the integration of WMF on January 1.

In an economic and monetary environment that remains uncertain, Groupe SEB is aiming for further organic sales growth and a new increase in its Operating Result from Activity, in its former 2016 scope as well as in its new configuration. The Group also confirms that the consolidation of WMF should be accretive by over 20% - before the impact of the purchase price allocation* - on earnings per share as of 2017.

* in particular revaluation of inventories - which will exceptionally reduce by €14m the results reported in 2017 - and possible amortization of intangible assets.



## CONSOLIDATED INCOME STATEMENT

| (€ million) | 12/31/2016 | 12/31/2015 | 12/31/2014 |
|---|---|---|---|
| Revenue | 4,999.7 | 4,769.7 | 4,253.1 |
| Operating expenses | (4,494.5) | (4,341.7) | (3,885.1) |
| **OPERATING RESULT FROM ACTIVITY** | **505.2** | **428.0** | **368.0** |
| Discretionary and non-discretionary profit-sharing | (36.7) | (31.4) | (33.3) |
| **RECURRING OPERATING PROFIT** | **468.5** | **396.6** | **334.7** |
| Other operating income and expense | (42.2) | (25.3) | (21.0) |
| **OPERATING PROFIT** | **426.3** | **371.3** | **313.7** |
| Finance costs | (29.8) | (27.5) | (31.2) |
| Other financial income and expense | (28.2) | (20.3) | (17.8) |
| Share of profits of associates | 0.0 | 0.0 | 0.0 |
| **PROFIT BEFORE TAX** | **368.3** | **323.5** | **264.7** |
| Income tax expense | (77.7) | (82.4) | (71.2) |
| **PROFIT FOR THE PERIOD** | **290.8** | **241.1** | **193.5** |
| Non-controlling interests | (32.2) | (35.2) | (23.6) |
| **PROFIT ATTRIBUTABLE TO SEB S.A.** | **258.6** | **205.9** | **170.0** |
| **PROFIT ATTRIBUTABLE TO SEB S.A. PER SHARE** *(in units)* | | | |
| Basic earnings per share | 5.20 | 4.20 | 3.49 |
| Diluted earnings per share | 5.15 | 4.14 | 3.45 |





## CONSOLIDATED BALANCE SHEET

| ASSETS (in €m) | 12/31/2016 | 12/31/2015 | 12/31/2014 |
|---|---|---|---|
| *Goodwill* | 1,847.0 | 544.9 | 512.1 |
| Other intangible assets | 720.0 | 485.0 | 464.1 |
| Property, plant and equipment | 807.7 | 596.5 | 587.1 |
| Investments in associates | 11.1 | | |
| Other investments | 18.0 | 16.7 | 16.7 |
| Other non-current financial assets | 13.3 | 10.4 | 13.9 |
| Deferred taxes assets | 71.1 | 50.3 | 34.9 |
| Other non-current assets | 13.3 | 23.6 | 5.9 |
| Long-term derivative instruments | 0.5 | 5.0 | 8.5 |
| **NON-CURRENT ASSETS** | **3,502.0** | **1,732.4** | **1,642.5** |
| Inventories | 1 076.3 | 820.9 | 822.8 |
| Trade receivables | 1 060.1 | 886.0 | 768.3 |
| Other receivables | 100.6 | 90.2 | 137.8 |
| Current tax assets | 59.6 | 44.5 | 44.5 |
| Short-term derivative instruments | 50.6 | 45.9 | 50.9 |
| Other short term investments | 204.6 | 244.5 | 172.5 |
| Cash and cash equivalents | 414.5 | 770.8 | 341.4 |
| **CURRENT ASSETS** | **2,966.3** | **2,902.8** | **2,328.7** |
| **TOTAL ACTIF** | **6,468.3** | **4,635.2** | **3,971.2** |
| **LIABILITIES** (in €m) | **12/31/2016** | **12/31/2015** | **12/31/2014** |
| Share capital | 50.2 | 50.2 | 50.2 |
| Reserves and retained earnings | 1,677.6 | 1,728.6 | 1,579.9 |
| Treasury stock | (56.8) | (71.2) | (79.0) |
| Equity attributable to owners of the parent | 1,671.0 | 1,707.6 | 1,551.0 |
| Non-controlling interests | 165.2 | 200.1 | 173.5 |
| **EQUITY** | **1,836.2** | **1,907.7** | **1,724.5** |
| Deferred taxes | 111.4 | 70.1 | 65.3 |
| Long-term provisions | 378.7 | 185.8 | 192.9 |
| Long-term borrowings | 1553.6 | 707.0 | 576.9 |
| Other non-current liabilities | 45.7 | 41.7 | 38.4 |
| Long-term derivative instruments | 10.5 | 3.5 | 1.9 |
| **NON-CURRENT LIABILITIES** | **2,099.9** | **1,008.1** | **875.4** |
| Short-term provisions | 102.5 | 61.0 | 55.6 |
| Trade payables | 911.7 | 695.2 | 637.3 |
| Other current liabilities | 380.0 | 291.6 | 260.3 |
| Current tax liabilities | 42.3 | 31.5 | 20.8 |
| Short-term derivative instruments | 23.0 | 16.6 | 8.2 |
| Short-term borrowings (Note 12) | 1,072.7 | 623.5 | 389.1 |
| **CURRENT LIABILITIES** | **2,532.2** | **1,719.4** | **1,371.3** |
| **TOTAL EQUITY AND LIABILITIES** | **6,468.3** | **4,635.2** | **3,971.2** |

## APPENDIX – 2016 PRO FORMA INCOME STATEMENT, WITH WMF

| *(€ million)* | Groupe SEB Reported | Pro forma WMF 2016 | Pro forma Groupe SEB + WMF* |
|---|---|---|---|
| Sales | 5,000 | 1,100 | 6,095 |
| Operating expenses | (4,495) | (1,006) | (5,496) |
| Adjusted EBITDA | 590 | 128 | 719 |
| OPERATING RESULT FROM ACTIVITY | 505 | 94 | 599 |
| OPERATING PROFIT | 426 | 78 | 504 |
| PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT | 259 | 45 | 305 |

**Comments on the 2016 pro forma income statement for Groupe SEB + WMF**

The acquisition of WMF was finalized on November 30, 2016 and the Group will consolidate WMF as of January 1, 2017.

However, a 2016 Groupe SEB + WMF pro forma income statement has been prepared, restating the exceptional items of the financial year (relating for example to the financing of the transaction) and eliminating inter-company transactions to provide a global view of the major financial indicators of the Group in its new configuration.

The 2016 Groupe SEB + WMF pro forma income statement includes the following information:

- sales of €6,095m, including WMF sales of €1,100m, growing 4.2% on 2015.
- an adjusted EBITDA of €719m, integrating a pro forma contribution of €128m from WMF, representing a growth of 8.5% versus 2015, but below forecast due to the consumer business being impacted by the major supply-chain reorganization implemented during the year. This reorganization also resulted in exceptional costs accounted for in the operating result. The two new warehouses are now fully operational.
- an Operating Result from Activity (ORfA) of €599m, including ORfA for WMF of €94m.
- a Net Profit of €305m, including a €45m contribution from WMF.

*These pro forma accounts are understood 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).



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 or 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).

*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.*


Watch the webcast and presentation at 2.30 pm
on our website: [www.groupeseb.com](http://www.groupeseb.com) or click here



## Next key dates

| | |
|---|---|
| **February 21**<br>2016 full-year results | **May 11**<br>Annual General Meeting |
| **April 27**<br>2017 first-quarter sales and financial data | **July 26**<br>2017 first-half sales and results |

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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. As of December 31 2016, Groupe SEB has around 32,000 employees worldwide.*

**SEB SA**
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