



FIRST-HALF 2017 SALES AND RESULTS

Paris – July 26, 2017

Listen to the webcast of the meeting on
www.groupeseb.com



ALL-CLAD | ARNO | ASIAVINA | CALOR | CLOCK | EMSA | ESTERAS | HEPP | IMUSA | KAISER | KRUPS | LAGOSTINA | MAHARAJA WHITELINE | MIRRO | MOULINEX
OBH NORDICA | PANEX | ROCHEDO | ROWENTA | SAMURAI | SCHAEERER | SEB | SILIT | SUPOR | TEFAL | T-FAL | UMCO | WEAREVER | WMF



FIRST-HALF 2017 SALES AND RESULTS

Paris – July 26, 2017

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.

FIRST-HALF 2017 SALES AND RESULTS

Paris – July 26, 2017

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

Key figures at end-June 2017

Sales

€2,941m

+35.9%

Excluding WMF

€2,397m

+10.1% LFL

WMF

€544 m

+10.3%

ORfA

€213m after PPA +24.1%

€230m before PPA one-offs +33.7%

Excluding WMF

€200m

+16.4%

WMF

€30m

+50%

Net Profit

€83m

+33.7%

Debt at 30/06/2017

€2,065m

+€1,436m vs 30/06/2016

FIRST-HALF 2017 SALES AND RESULTS

Paris – July 26, 2017

1. Highlights





Highlights

Swizz Prozzz

Brazil

SDA Global Innovation Hub

Bond issue

WMF

Acquisition of Swizzz Prozzz (June 12, 2017)



- **Swiss company, specialized in mini, manual hand choppers**
 - Complementing existing ranges
 - Simple products, easy-to-use and affordable
- **Annual pro forma sales ≈ €10m**
(not consolidated in first-half 2017)

**Continuing development in
kitchen utensils**

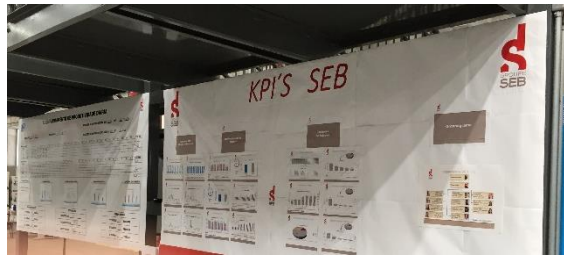


Industrial reorganization in Brazil

- **Transfer of Mooca SDA production to Itatiaia completed**
 - Ramp-up of site in line with plans and expectations
 - Workforce: 400 people on 06/30/2017

- **Transfer of San Bernardo cookware production to Itatiaia started**

Restore competitiveness in Brazil





Itatiaia site | june 2017

Founding of Global Innovation Hub

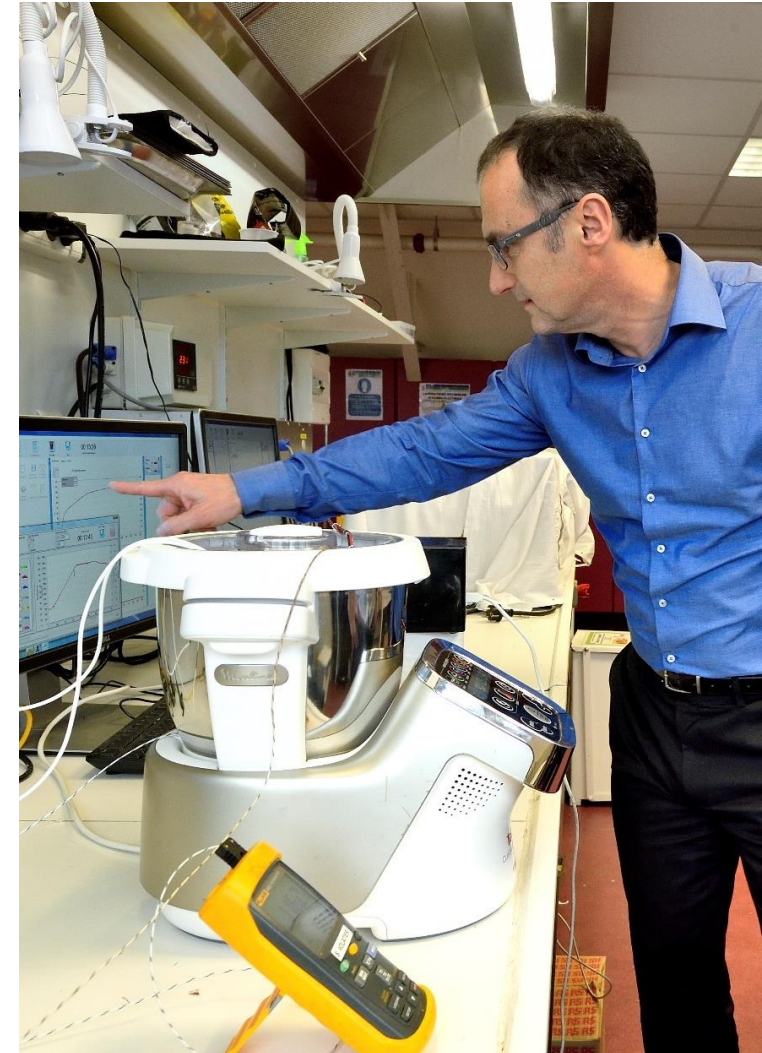
Small domestic appliances (SDA)

- SDA Research, Marketing and Design teams regrouped in Lyon
- 230 people on-site at end 2018

Optimize innovation process

→ Agility

→ Transversality



New bond issue: €500m, 7 years

- **Issue 4 times oversubscribed by a diversified investor base**
- **Debt architecture reinforced**
 - Mid-term refinancing secured
 - Extension of debt's average maturity
 - Attractive financing conditions: 1.50%

Integration of WMF: a structured process

- **A global approach, steered by an integration committee**
- **22 projects**
 - 10 alignment projects
 - 12 value-creating projects
- **Immediate implementation**
 - Initial action plans decided and undertaken
 - Synergies confirmed

Strong integration momentum



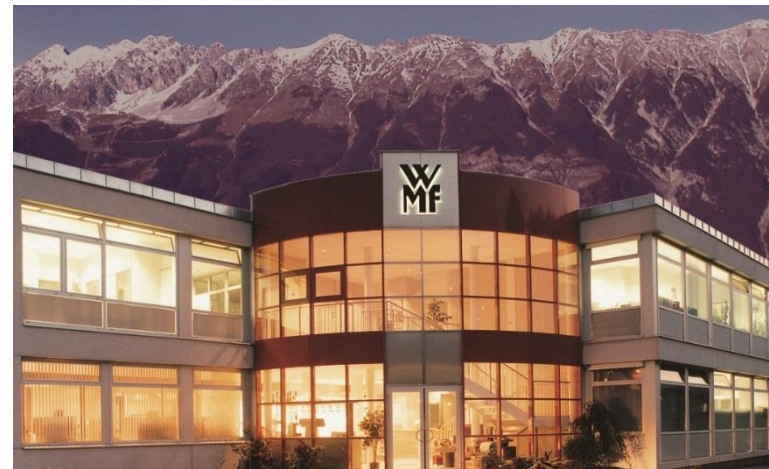
An organization well on track

- **Executive management team strengthened**
- **Involvement of Group experts**
- **Consumer business structured as a BU**
 - Strategic marketing strengthened
 - Creation of a Business Development function
- **Consumer sales reorganization**
 - DACH sales team reporting to WMF's CEO
 - Outside of DACH, business taken over by Group's subsidiaries
- **Specific organization maintained for professional business**



IT systems harmonized

- **A major alignment challenge due to last several years**
 - Gradual migration of WMF Consumer to the Group's ERP
 - Specific ERP in PCM business and development of a digital platform



Rapid integration of the Finance function...

- **Accounting principles harmonized**
- **Accelerated roll-out of Group reporting tools**
 - Management indicators aligned
 - Vision by business, country, product family
- **Corporate functions centralized (treasury, tax, internal auditing...) and processes harmonized**



... and of Human Resources

- **Integration of WMF managers into Group training (IMD, young talents...)**
- **Alignment of variable compensation systems for WMF's executive management**
- **Integration of WMF's and EMSA's personnel into Groupe SEB's European Committee**
- **Implementation of Groupe SEB mobility schemes within WMF**



Development of Consumer business

First steps

- Selection of SEB products sold in WMF stores (Optigrill, Prep&Cook, 5-second chopper and EMSA products)
- First WMF corners in Home & Cook stores
- Opening of the first WMF shop-in-shop in France in Darty Montparnasse, Paris





Home & Cook Bordeaux



LE REMBOURSEMENT
DE LA DIFFÉRENCE
SI VOUS TROUVEZ MOINS CHER MÊME SUR INTERNET

DE CONFIANCE



**Darty Montparnasse:
1st WMF shop-in-shop in France**

Acceleration in Professional Coffee

Actions undertaken

- **Good innovation momentum (1100S, 9000S)**
- **Commercial subsidiaries specialized and focused on coffee**
- **Strengthening plan for sales and service teams started**
 - Priority countries: USA, China, France,...
- **Digitalization of business stepped up**



Synergies initiated in procurement, supply chain and industry

- **Supply chain**
 - Teams and skillsets strengthened
 - ERP stabilized
 - Gradual implementation of Group processes, particularly sales forecasting
 - Alignment of KPIs
- **Standardization and massification of procurement volumes**
- **Warehouses regrouped: Spain, US, Singapore**
- **Implementation of Industrial and Quality KPIs**



FIRST-HALF 2017 SALES AND RESULTS

Paris – July 26, 2017

2. Context, activity and results in the first half of the year



First-half 2017: in a nutshell

➤ **A neutral but mixed currency environment**



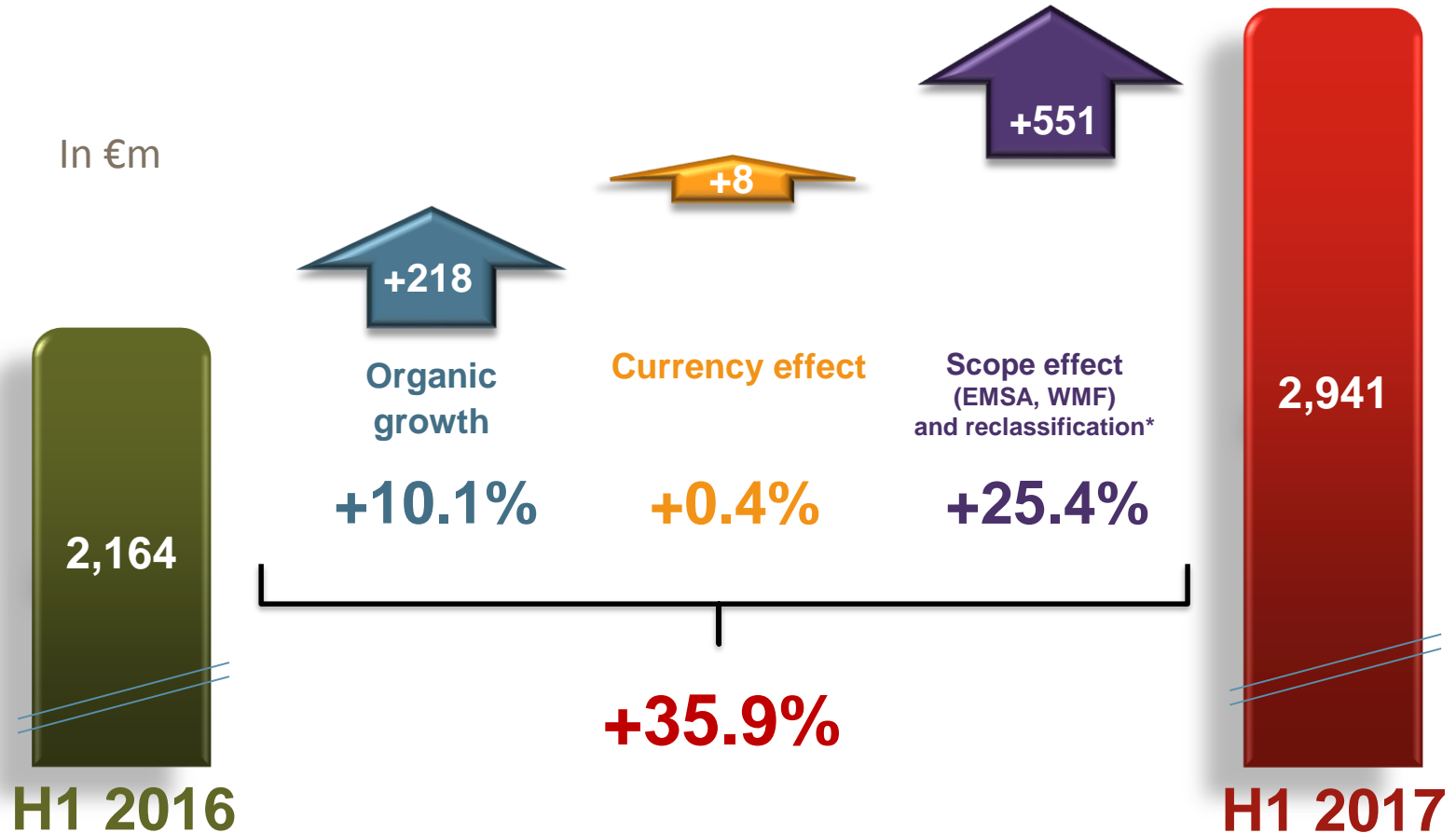
Base: H1 2017 average rates vs H1 2016 (currency vs €)

➤ **Commodity prices trending upwards**

➤ **A generally buoyant environment but a few difficult areas**

- UK: post Brexit visibility
- US: disruptions for retailers
- Brazil: difficult political and macro-economic situation
- India: demonetisation and forthcoming GST tax

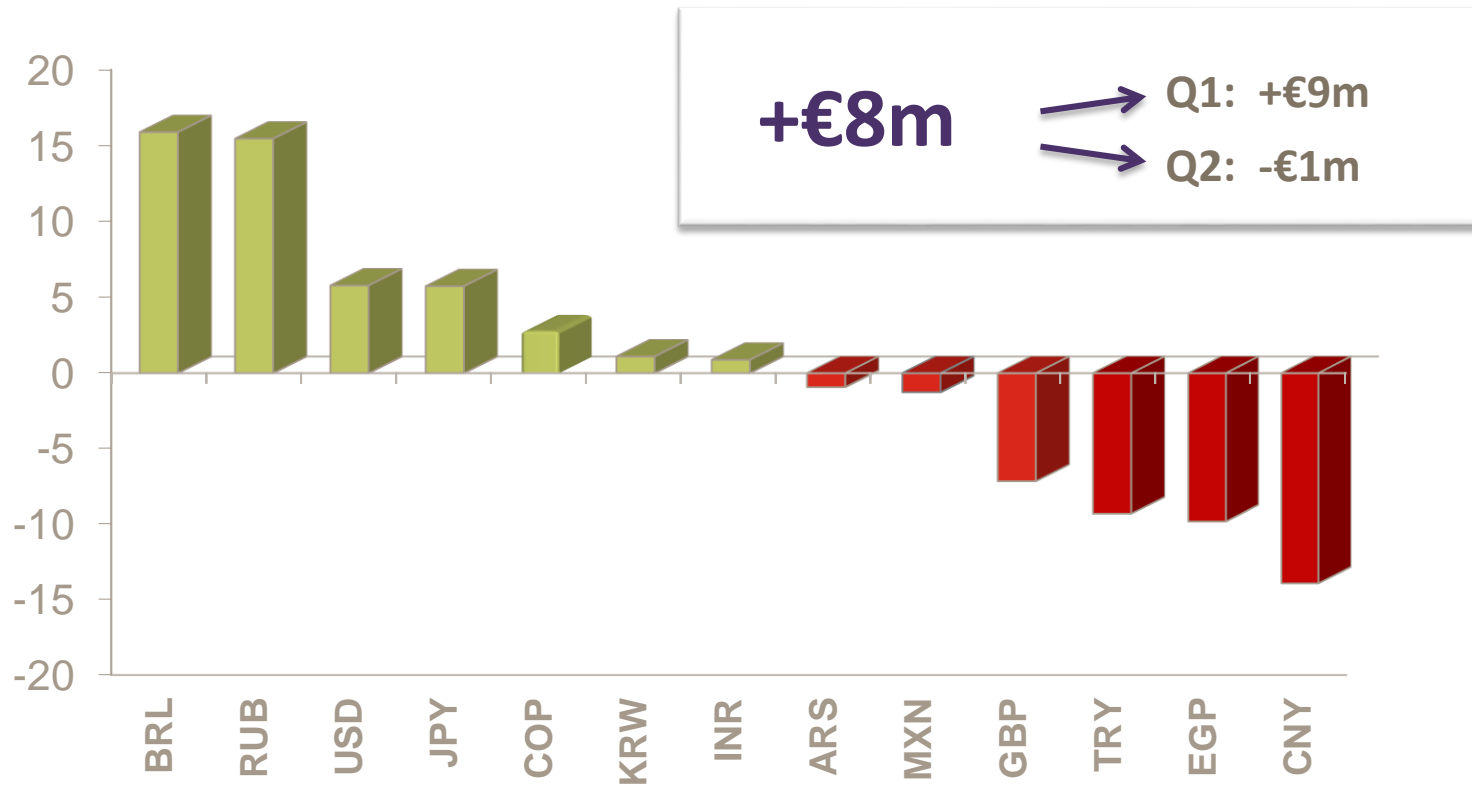
Analysis of sales growth First-half 2016 → 2017



Reclassification of €36 million of some of Supor's marketing spend to sales deductions, offset in the LFL growth calculation

Currency effect on first-half 2017 sales

In €m



First-half sales, 2016 - 2017

	H1 2016	H1 2017	As reported	LFL
EMEA	1,016	1,118	+10.1%	+7.0%
Western Europe	731	797	+9.0%	+4.8%
Other countries	285	321	+13.0%	+12.6%
AMERICAS	352	400	+13.7%	+7.1%
North America	214	243	+13.3%	+10.9%
South America	138	157	+14.3%	+1.3%
ASIA	796	879	+10.4%	+15.3%
China	585	658	+12.3%	+20.7%
Other Asian countries	211	221	+4.8%	+0.4%
TOTAL excluding WMF	2,164	2,397	+10.8%	+10.1%
WMF	na	544	+10.3%	
Groupe SEB		2,941	+35.9%	

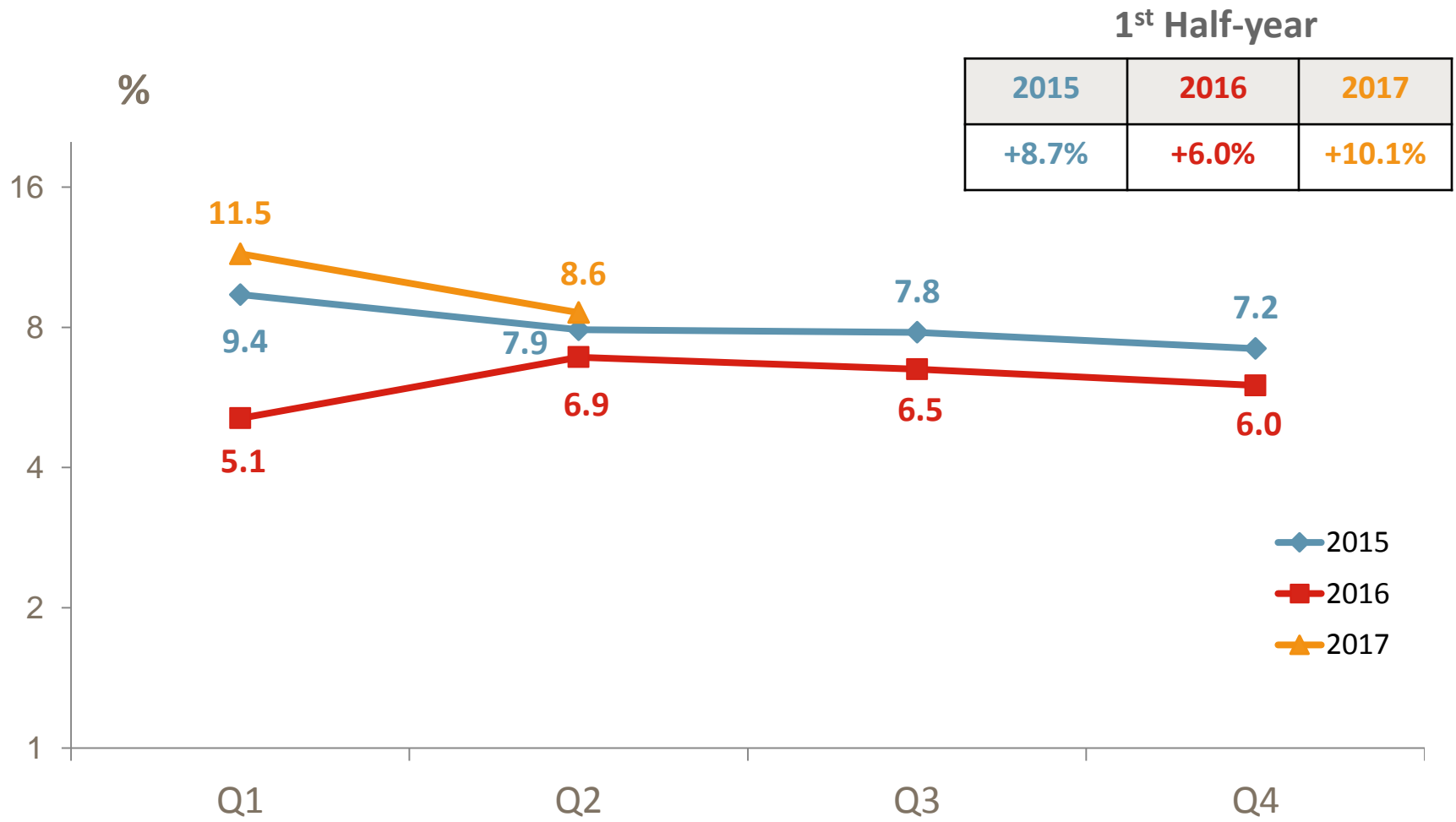
Reclassification of €36 million of some of Supor's marketing spend to sales deductions, offset in the LFL growth calculation

Second-quarter sales, 2016 - 2017

	Q2 2016	Q2 2017	As reported	LFL
EMEA	508	567	+11.7%	+9.2%
Western Europe	372	407	+9.5%	+6.1%
Other countries	136	160	+17.8%	+17.7%
AMERICAS	187	199	+6.4%	+2.8%
North America	114	119	+4.3%	+2.5%
South America	73	80	+9.6%	+3.1%
ASIA	354	377	+6.5%	+10.8%
China	250	265	+5.9%	+13.4%
Other Asian countries	104	112	+8.0%	+4.6%
TOTAL excluding WMF	1,049	1,143	+9.0%	+8.6%
WMF	na	271	+13.0%	
Groupe SEB		1,414	+34.8%	

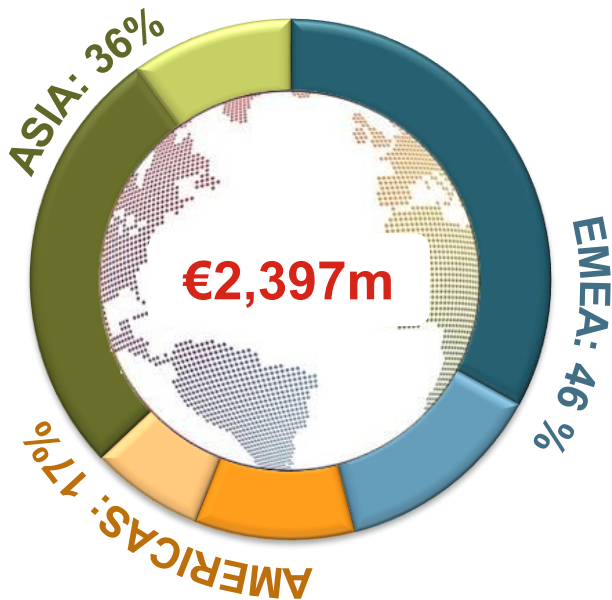
Reclassification of €13 million of some of Supor's marketing spend to sales deductions, offset in the LFL growth calculation

Organic sales growth per quarter



First-half sales by geography

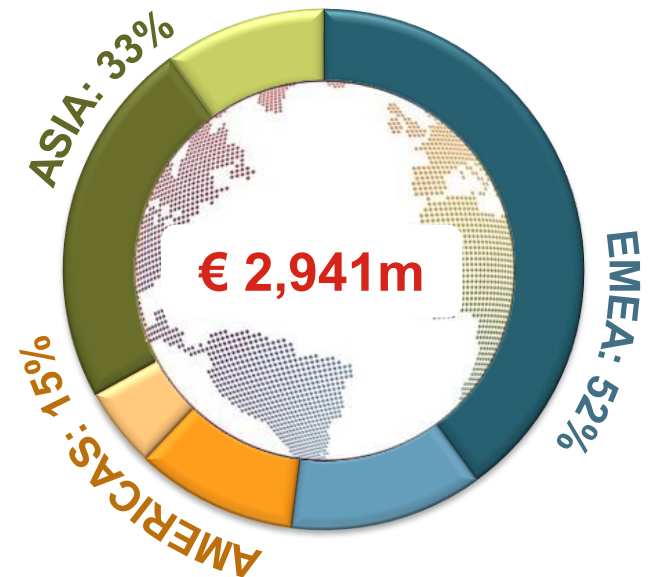
Excluding WMF



Mature countries: 49%
Emerging countries: 51%

- Western Europe
- Other countries EMEA
- North America
- South America
- China
- Other Asian countries

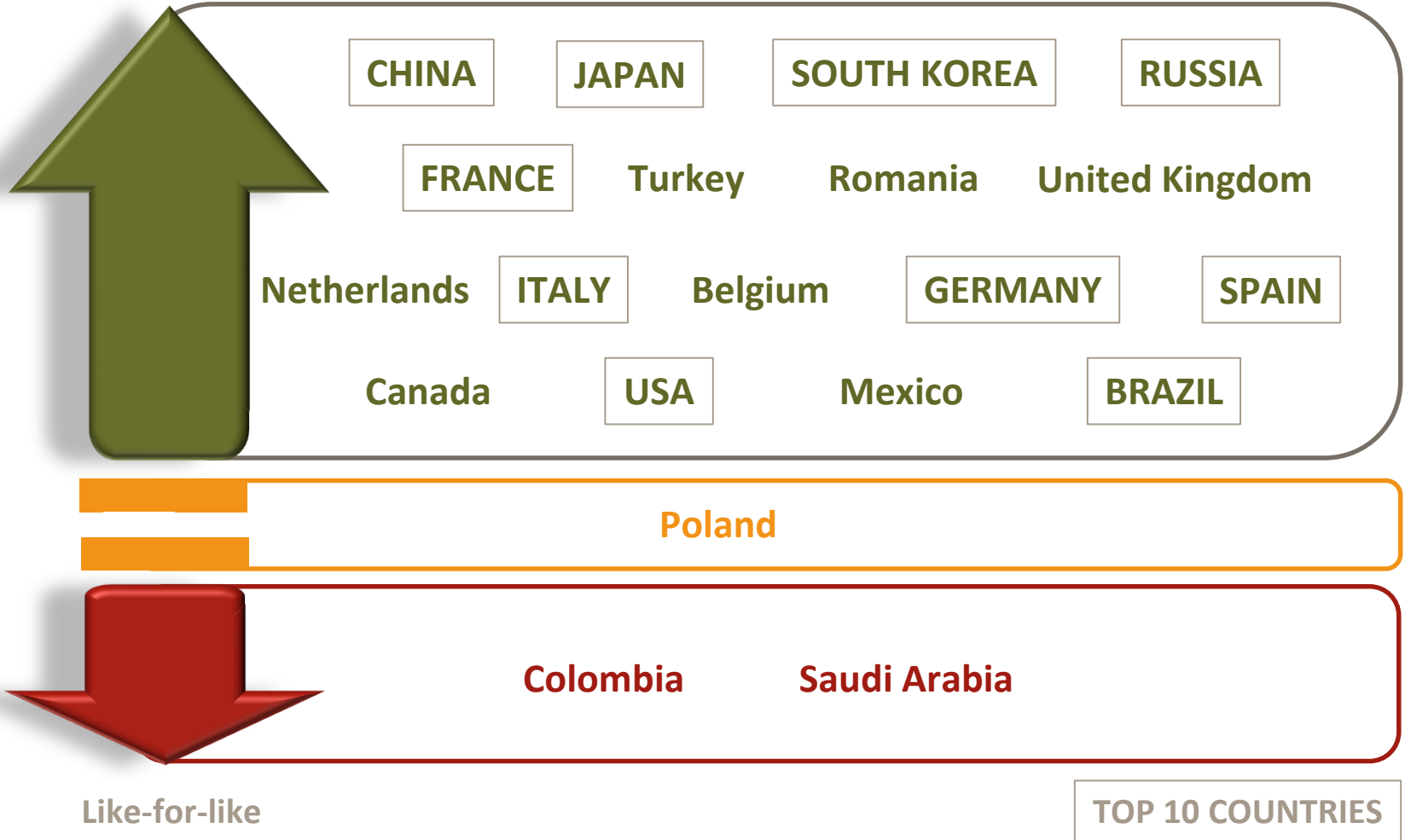
Including WMF



Mature countries: 56%
Emerging countries: 44%

Top 20 countries

11 mature – 9 emerging





- **Focus on countries**

France

Group's no. 2 country

EMEA



H1 2017 sales +0.4% LFL

- Strong momentum in SDA and strengthening of positions
- Unfavorable 2016 base effect in cookware

Germany

Group's no. 4 country



H1 2017 sales +14% LFL

- New market share gains
- Several major growth drivers
- Strong marketing push

Central Europe

Poland, Romania, Czech Republic, Slovakia,
Bulgaria, Croatia, Hungary, Slovenia...

H1 2017 sales +30% LFL

- Sales rise strongly accelerated thanks to investment in growth drivers
- Annual sales > €100m
- Poland and Romania in the Group's Top 20 countries
- Market share gains and strong leadership in several countries





Russia

Group's no. 8 country

H1 2017 sales +22.0% LFL

- Growth in all categories
- Positions strengthened on the market



Tefal
OptiGrill®

Идеальный стейк
ЛЮБОЙ ПРОЖАРКИ

[УЗНАТЬ ПОДРОБНЕЕ](#)

H1 2017 sales +7% LFL

- Severe crisis for some retailers
 - Restructuring / store closures
- Krups: implementation of a kitchen electric range in mass retail and e-commerce
 - Excellent sell-in in Q1 → 2,000 stores
 - Sell-out below expectations at this stage
- Mixed picture in cookware : difficult in core business (T-Fal) and solid in the premium segment (All-Clad)



Brazil

Group' no. 5 country

ARNO

AMÉRIQUES

H1 2017 sales + 0.4% LFL

- Good resilience against a difficult backdrop
- Solid performance in SDA



China

Group's no. 1 country

ASIE



H1 2017 sales +21% LFL

- Strong momentum in SDA and cookware
- Continued development in air purifiers and garment steamers
- Online sales +60%





- **Product news**



First-half 2017 top performers by product line



Cookware



Lagostina
Il piacere italiano di fare buona cucina.



All-Clad
METALCRAFTERS LLC



Silit



WMF

Cookware



Tefal Assisteo
Handle with temperature indicator



Clipsominut' Perfect



Comfort knives



Thermal-Spot Titanium
Pro Fumeless Wok

Electrical cooking



Rice Cooker IH Spherical



OptiGrill



FryDelight XL



Cookeo

Food preparation



High Speed Blender



Wizzo



Multichef



Double Force



i-Companion gourmet

Breakfast and beverage



Home



Subito Select



Evidence



Avanti

Linen care



Pro Express Ultimate



Easygliss



Rowenta Focus



Access Steam



Pro Express Care

Home care



Silence Force cyclonic 4A



Smart Force Extreme



Silence Force 4A+



Clean & Steam



Air Force 360

Personal care



Body Partner
Connected scales



Airforce Ultimate



SteamPod 2.0



Studio Dry



Instant Straight



Fashion Stylist

Home comfort



Artik Crystal



Intense Pure Air II XL



Air Purifier NanoCaptur



Silence Repelente Líquido



Turbo Silence Extreme



WMF

H1 2017 sales: €293m, +21%

- Very strong momentum in coffee: **+27% in H1**
 - Solid growth in core business :
Germany, Central Europe, Asia-Pacific
 - Delivery of new contracts: Canada and Japan
- Sales down in Hotel equipment



Professional business



Schaerer
Coffee Club



WMF 9000S



HEPP | Chafing Dish



HEPP | Profile



WMF | Pichet Auberge

H1 2017 sales: €252m, stable

- Pick-up in sales in Q2
- Cookware -4%
- SDA +13%
 - Flagship products: food preparation appliances
- WMF stores: sales +3%



Consumer



SILIT | Sicomatic



WMF | Impulse thermal flask



WMF | Vitalis steamer



WMF | Spitzenklasse P



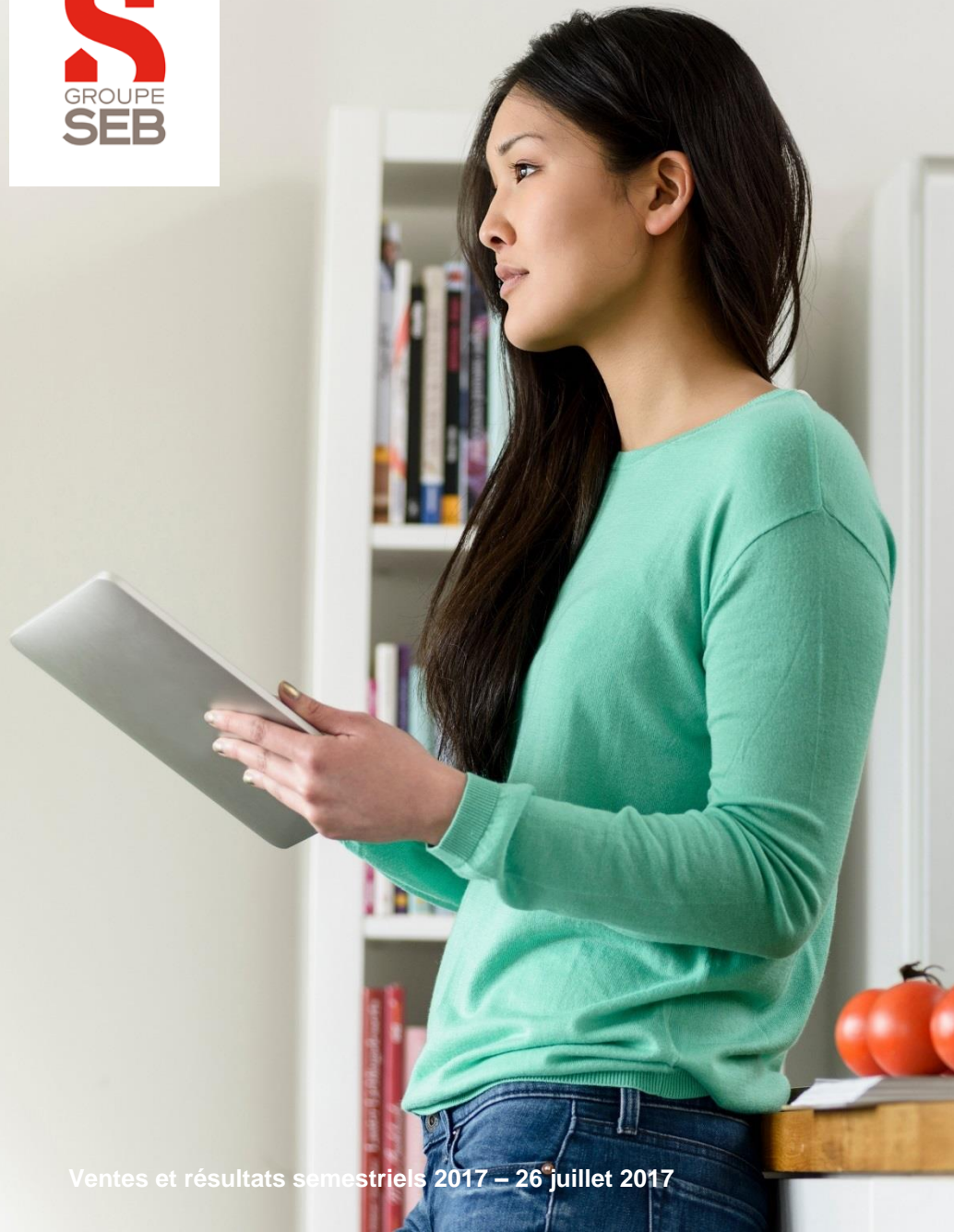
Kaiser | Classic Plus



WMF | Kitchenmini



WMF | KULT Pro Spiralizer



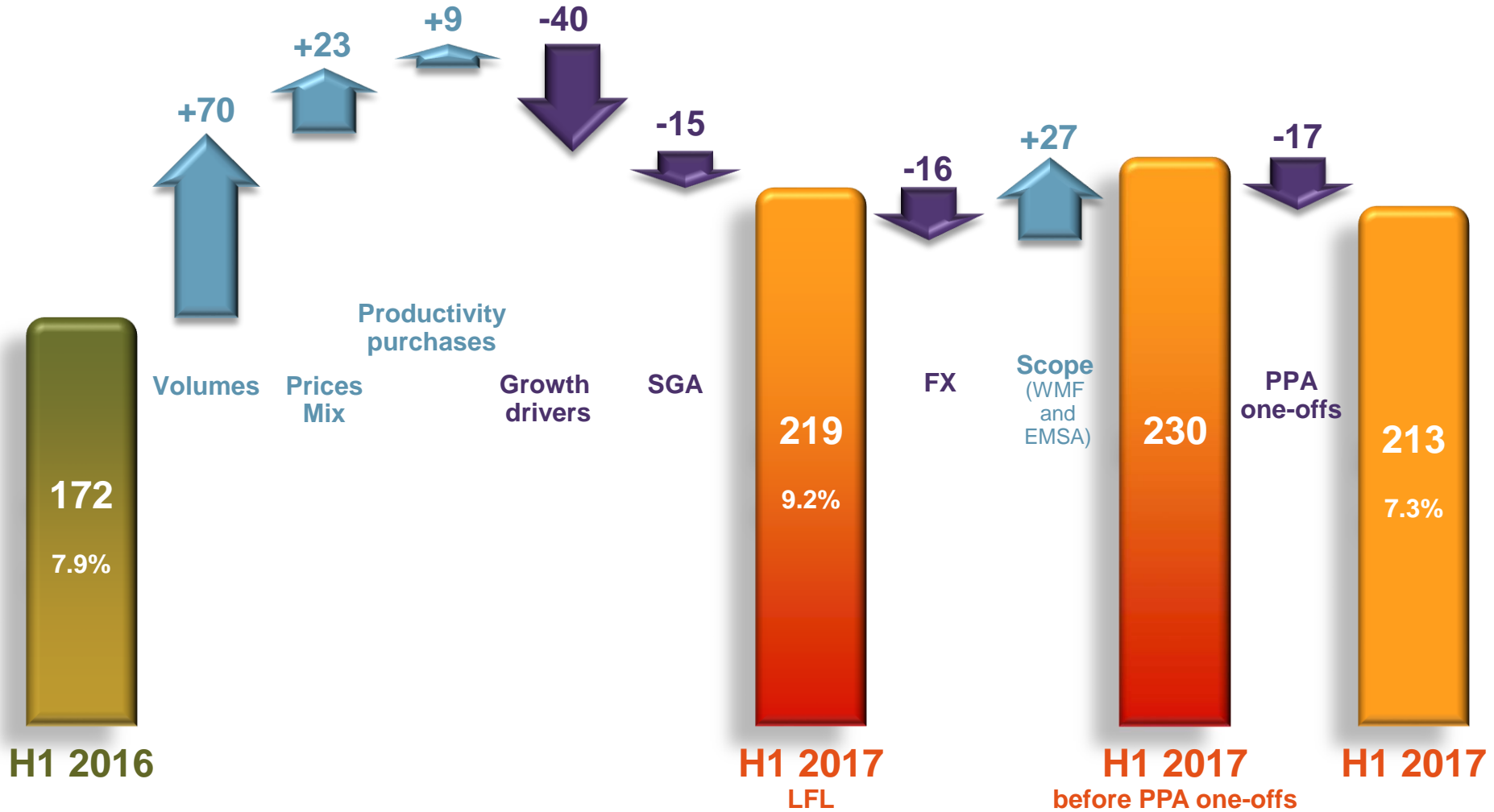
• Financial results

Operating Result from Activity (ORfA)

In €m	H1 2016	H1 2017	Δ
Sales	2,164	2,941	+36%
Operating expense	1,992	2,711	+37%
ORfA before PPA	172	230	+34%
Operating margin before PPA one-offs	7.9%	7.8%	-0.1bp
PPA one-offs		17	
ORfA after PPA	172	213	

Analysis of change in ORfA

First-half 2016 → 2017



Impact: 1st WMF consolidation (provisional, finalisation on 12/31/2017)

- Revaluation of the fair value of assets and liabilities acquired
- Estimation made by an independent expert
- Valuation of brands ~ €700m

 **Provisional goodwill : €906m**

ORfA impact

- **One-offs: -€17m, fully over H1**
 - Revaluation of inventories: -€14m
 - Order books: -€3m
- **Recurring items: -€9m per year (customer relationship, technologies,...)**
 - -€4,5m in first-half 2017

Operating profit

In €m

	H1 2016	H1 2017	
Operating Result from Activity after PPA	172	213	+24%
Discretionary and non-discretionary profit-sharing	(14)	(11)	
Other operating income and expense	(24)	(24)	
Operating profit	134	178	+33%

Net profit

In €m

	H1 2016	H1 2017	
Operating profit	134	178	+33%
Interest expense	(17)	(17)	
Other financial expense	(9)	(27)*	
Tax	(26)	(32)	
Non-controlling interests	(20)	(19)	
Profit attributable to owners	62	83	+34%

* Including a -€12m variation in the fair value of the convertible bond issued in November 2016

Simplified balance sheet

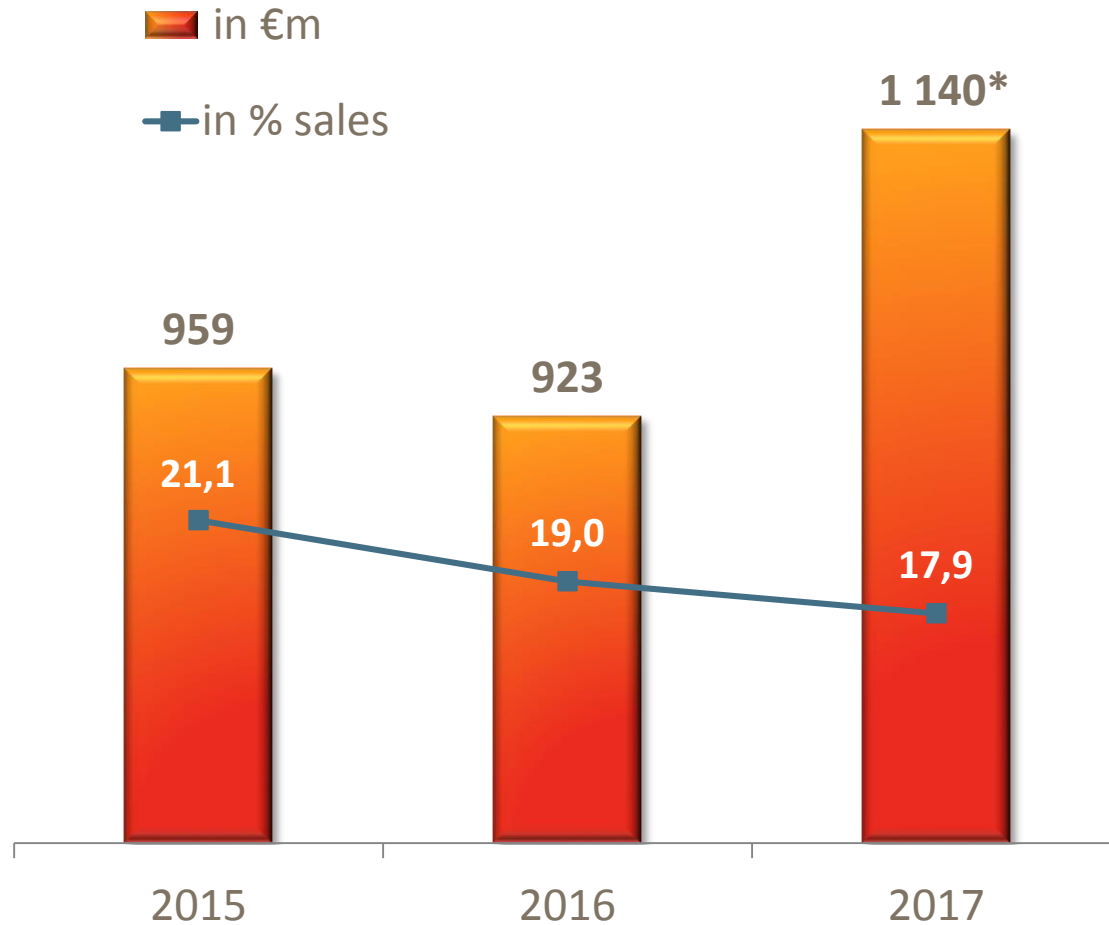
In €m

6/30/2016

6/30/2017

Tangible fixed assets	1,748	3,528
Working capital requirement	923	1,140
Total assets to be financed	2,671	4,668
Equity	1,626	1,739
Provisions	273	457
Other current assets and liabilities	143	407
Net financial debt	629	2,065
Total financing	2,671	4,668

Change in WCR

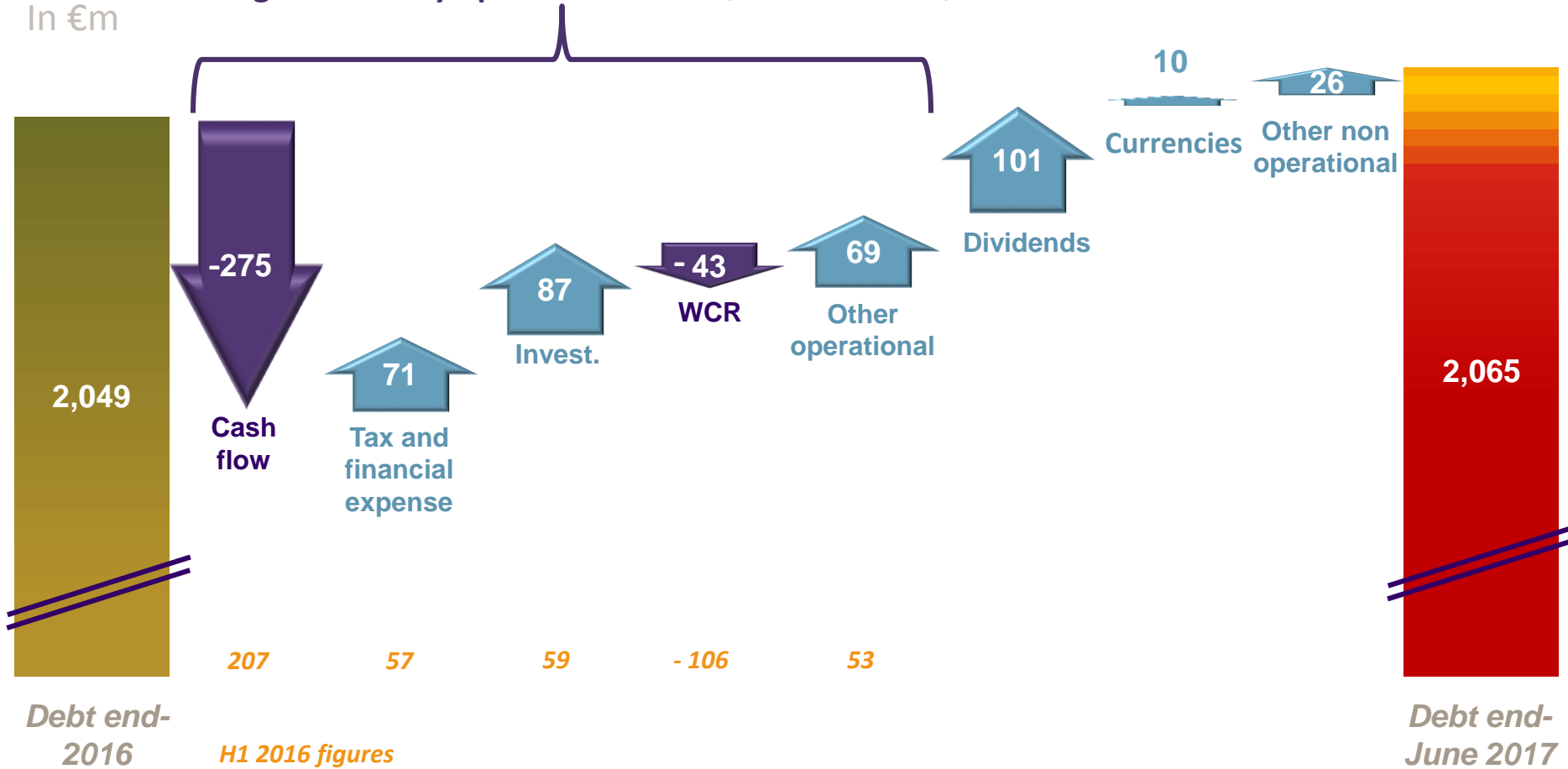


*including WMF €287m

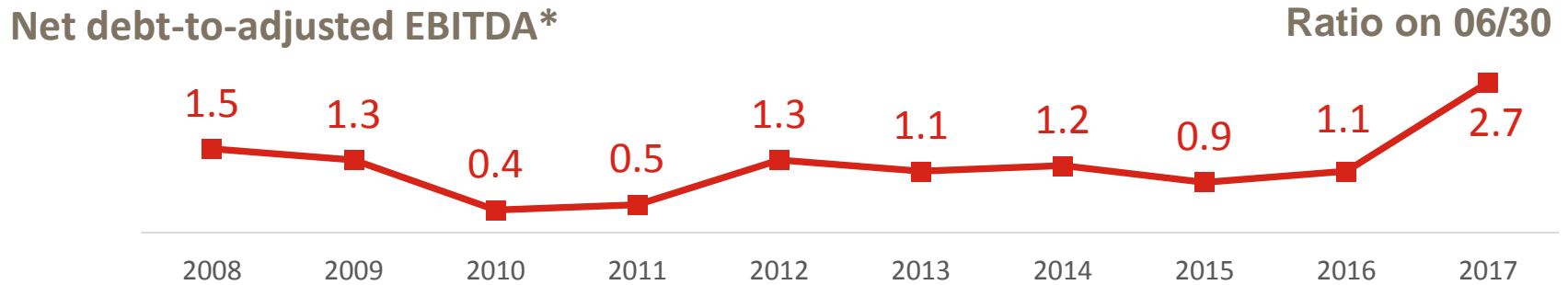
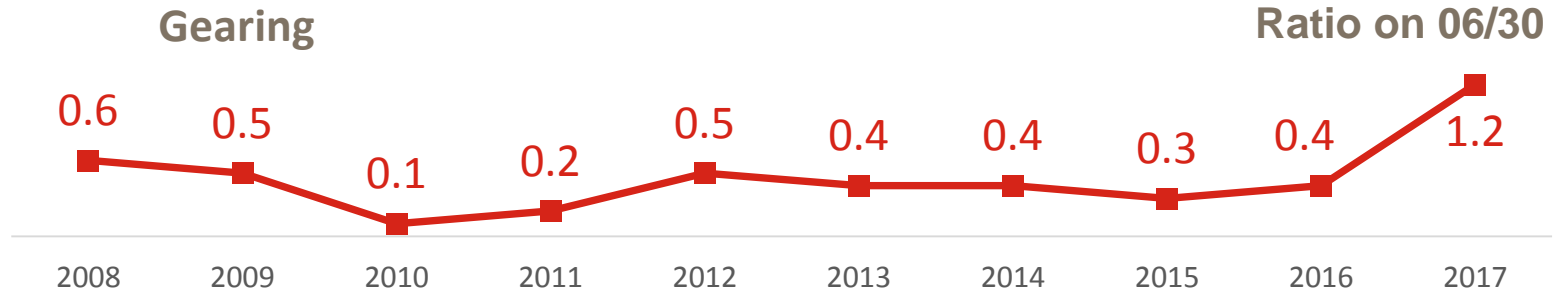
Change in net debt

Cash generated by operations: €91m (vs €144m, H1 2016)

In €m



Debt ratios



*12 rolling months

FIRST-HALF 2017 SALES AND RESULTS

Paris – July 26, 2017

3. Conclusion



Very good first-half performance

- Continued solid momentum in organic growth and market share gains
- Continued growth in Operating Result from Activity and in operating margin on the former scope
- Very satisfactory performance for WMF
- New improvement in the WCR and good cash generation

Groupe SEB specifies its objectives for 2017

- ➔ **Organic sales growth > 7% (published sales growth > 30 %)**
- ➔ **Growth in Operating Result from Activity before PPA one-offs \geq 30%**
- ➔ **Confirmation of WMF's accretive impact \geq at 20% on EPS***

*Before impacts of PPA

Schedule for **upcoming events**



7/26/2017	2017 first-half sales and results
8/01/2017	2017 half-year financial report
9/25/2017	Shareholders' meeting in Strasbourg
10/23/2017	2017 nine-month sales and financial data

Contacts



Investor/Analyst relations

Groupe SEB
Financial Communication and Investor Relations
 Isabelle Posth

iposth@groupeseb.com

Tel.: +33 (0) 4 72 18 16 40
comfin@groupeseb.com

Media relations

Image Sept
 Caroline Simon
 Claire Doligez
 Isabelle Dunoyer de Segonzac

caroline.simon@image7.fr
cdoligez@image7.fr
isegonzac@image7.fr

Tel.: +33 (0) 1 53 70 74 48



www.groupeseb.com

