October 30, 2017

Nine-month 2017 Sales and Financial Data

Strong momentum continued
2017 guidance confirmed

- **9-month sales: €4,459m, +32.4% and +9.6% LFL***
- **Third-quarter sales: €1,518m, +26.1% and +8.8% LFL***
- **9-month Operating Result from Activity: €389m, +25% and €406m, +30 %, before one-off impacts of WMF purchase price allocation**
- **Net financial debt: €2,075m, up €56m on December 31, 2016**

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

GENERAL COMMENTS ON GROUP PERFORMANCE

In third-quarter 2017, Groupe SEB continued its strong growth momentum and its performance at September 30 was consistent with the good results of the first half year as well as with the Group's 2017 guidance.

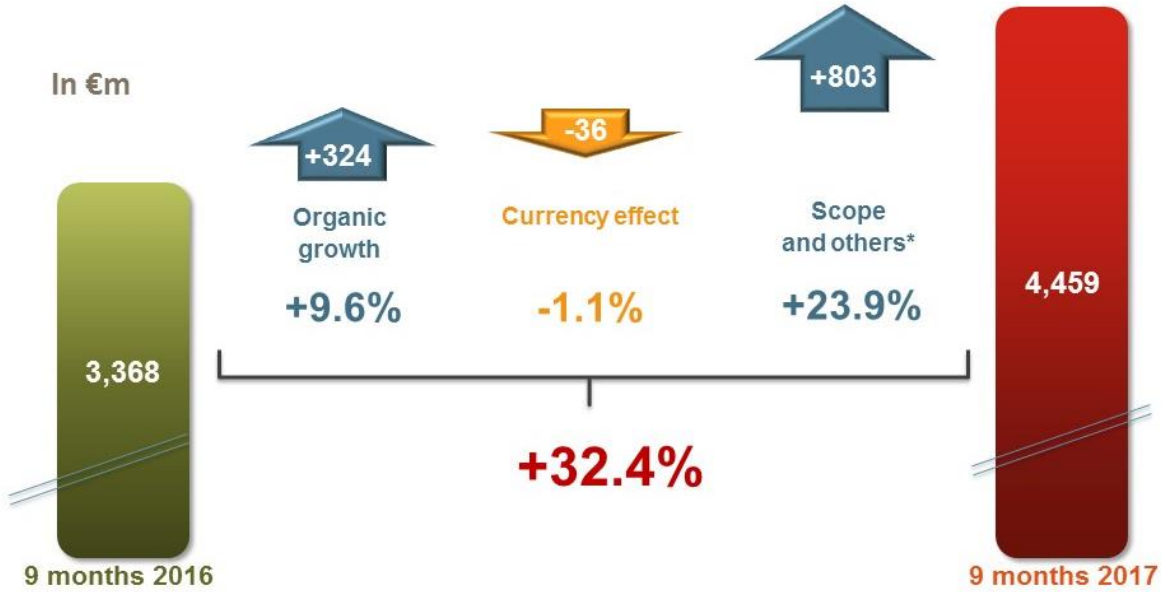
Third-quarter sales totaled **€1,518 million**, **up 26.1% and comprising organic growth of 8.8% (+€106 million), a currency effect of -3.6% (-€44 million) and a scope and reclassification effect of +20.9% (+€251 million).** The latter includes WMF sales, consolidated since January 1, 2017, for €269 million, and the €18 million reclassification of some of Supor's marketing spend to sales deductions, with no impact on Operating Result from Activity. It should be noted that EMSA, consolidated since July 1, 2016, no longer has an impact on scope as of the third quarter.

Group sales in the first nine months came out at **€4,459 million**. The **32.4%** increase comprises **organic growth of 9.6%** (+€324 million), which continued to be driven by all the product lines, a **currency effect of -1.1%** (-€36 million) and a **scope and reclassification effect of +23.9%**, or €803 million (WMF and EMSA for +€813 million and +€44 million, respectively, together with the Supor reclassification of -€54 million).

Operating Result from Activity (Résultat Opérationnel d'Activité, ROPA) amounted to €389 million in the first nine months, up 25% on end-September 2016. It reached **€406 million before one-off impacts of WMF purchase price allocation**, divided into €351 million for the Group excluding WMF (+12.5 %), and **€55 million of WMF contribution**, up 22%. The currency effect in the first nine months was -€5 million, compared with -€104 million at end-September 2016.

Net financial debt stood at €2,075 million at September 30, 2017, compared with €2,019 million at end-2016.

SALES BRIDGE BETWEEN 9-MONTH REVENUE, 2016 ➔ 2017



REVENUE BY REGION

	Revenue (€m)	Nine-months 2016	Nine-months 2017	Change 2017/2016 As reported	Change 2017/2016 Like-for-like*
EMEA	**EMEA**	**1.586**	**1.723**	**+8.7%**	**+7.4%**
	Western Europe	1.148	1.224	+6.7%	+4.4%
	Other countries	438	499	+13.8%	+15.3%
AMERICAS	**AMERICAS**	**617**	**646**	**+4.7%**	**+2.6%**
	North America	374	388	+3.5%	+3.6%
	South America	243	258	+6.4%	+1.1%
ASIA	**ASIA**	**1.165**	**1.277**	**+9.6%**	**+16.3%**
	China	844	944	+11.8%	+21.5%
	Other countries	321	333	+3.9%	+2.5%
	TOTAL, EXCL. WMF	**3.368**	**3.646**	**+8.3%**	**+9.6%**
	WMF		**813**	+8.0%	
	Groupe SEB	**3.368**	**4.459**	**+32.4%**	

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

Rounded figures in € million

Percentages based on non-rounded figures

Sales (€m)	Third-quarter 2016	Third-quarter 2017	Change 2017/2016 As reported	Change 2017/2016 Like-for-like
EMEA	**570**	**604**	**+6.2%**	**+8.2%**
Western Europe	416	427	+2.8%	+3.8%
Other countries	154	177	+15.3%	+20.3%
AMERICAS	**265**	**246**	**-7.4%**	**-3.3%**
North America	160	145	-9.7%	-6.1%
South America	105	101	-3.8%	+0.9%
ASIA	**369**	**399**	**+8.0%**	**+18.3%**
China	259	285	+10.5%	+23.4%
Other Asian countries	110	114	+2.3%	+6.5%
TOTAL, EXCL. WMF	**1.204**	**1.249**	**+3.8%**	**+8.8%**
WMF		**269**	+4.0%	
Groupe SEB	**1.204**	**1.518**	**+26.1%**	

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

SALES BY REGION

EMEA

WESTERN EUROPE

In a European market that continued to trend positively as a whole, the Group posted organic growth of 3.8% for the quarter and 4.4% for the first nine months. Business activity in the third quarter was more contrasted, with excellent performances in some markets, serving to substantially strengthen our positions, and more complicated contexts in others. Our ongoing development in physical retail together with our rapid growth on e-commerce platforms contributed to the increase in our sales.

In France, third-quarter sales, down 3.5%, reflected a mixed picture. In cookware, following a first half-year strongly impacted by the non-repeat of 2016 loyalty programs, the situation improved. In contrast, in small electrical appliances, business activity was characterized by a major divergence between “sell-in” (our sales to our clients), which decreased, and “sell-out” (resale to final consumers), which posted double-digit growth and led to significant market share gains. This disparity is related to stock clearances on the part of some retailers and logistics disruptions at end-September leading to delivery postponements, in a context of still robust final demand. The end of the year should see an improvement in “sell-in”.

In Germany, the impressive momentum of the first half-year gathered yet more speed owing to two reasons. First, the core business continued to be fueled by the continuous roll-out of our flagship products (cookware, automatic espresso machines, Dolce Gusto, Optigrill, Actifry, vacuum cleaners), bolstered by wide-ranging marketing and advertising campaigns and by gains in product listings. Second, new loyalty programs were started up with retail customers. In Switzerland and Austria, the new Nespresso partnerships are generating significant additional revenue this year. In Spain, growth at end-September, driven by almost all categories, remained solid, despite a third quarter penalized by a complicated general backdrop. In Italy, we consolidated our market shares through our mainstays (vacuum cleaners, ironing, electrical cooking), both in physical and online retail. The Group trend in the UK remained positive despite the uncertain economic and currency environment. Business was much softer in Belgium, the Netherlands and Scandinavia.

The third quarter also saw the continuation of the takeover of WMF’s Consumer business by Groupe SEB market companies in Europe, apart from Germany, Austria and Switzerland. While the new organization led to a few temporary disruptions, it also served to strengthen activation plans for the coming months with a view to reversing the difficult trend of early 2017, due in part to high stock levels in the trade.

OTHER EMEA COUNTRIES

In the other EMEA countries, demand is rising sharply overall. At +20.3%, organic growth in Group sales accelerated once again in the third quarter, driven by the vast majority of countries and reflected in market share gains.

In Central Europe (and Romania in particular), in the Balkan countries and Ukraine, the robust increase in our business activity was based on the geographical roll-out of our innovations, solid relationships with retailers, reinforced over the years, and powerful marketing support. In Russia, the Group continued in the third quarter to largely outperform the market in both cookware and small electrical appliances, thanks to new headway in ironing, coffee making (automatic espresso machines and Dolce Gusto), hand-held mixers and grills, as well as substantial progress in vacuum cleaners. We are also shoring up our positions in the retail, notably through the network of Group proprietary stores. In Turkey, despite price hikes made to offset the depreciation of the Turkish lira, the Group posted organic growth of nearly 40% in the third quarter, driven notably by cookware, electrical cooking and vacuum cleaners. Growth is underpinned by increasingly local production and the output of our plant in Egypt. However, this strong momentum should be placed in perspective with the generally unstable environment, which calls for a certain amount of caution.

The third quarter confirmed the difficult stance in Saudi Arabia and India, whereas growth in local currency remained strong in Egypt.

AMERICAS

NORTH AMERICA

Following a soft second quarter, revenues for the third quarter declined by roughly 6%. The decrease resulted from underperforming United States and Canada.

In the former, while the overall impact of the launch of the new Krups electrical cooking range at the start of the year has faded over the months, despite substantial stock replenishment, third-quarter sales were negatively impacted on three counts:

- as reported in recent quarters, the difficulties of several US retail companies have led to store closures, stock clearances limiting sell-in or voluntary measures to reduce our customer risk. These effects are not fully offset yet by the increase in online sales;
- competition in the cookware market has grown fiercer, with the arrival of new players;
- in a contracting ironing market, Rowenta sales were down, with the strong momentum in garment steamers failing to neutralize the downturn in irons.

To respond to these issues, the Group is rolling out initiatives to limit the impacts, but does not expect to right the situation by year's end.

Similarly, in Canada, following an excellent first half, the third quarter proved difficult both in cookware and small electrical appliances. Yet the launch of new products, gains in product listings, retail expansion and large-scale promotional campaigns all stand as positive factors for the end of the year. In contrast, third-quarter business activity in Mexico was particularly robust, with growth of over 50% in pesos. The performance was fueled by the Group's mainstay categories (including cookware, irons and blenders) and by the introduction of a new loyalty program with one of our key customers.

SOUTH AMERICA

The third quarter saw a turnaround in the exchange rate trend, with the Group's main operating currencies in Latin America, the Brazilian real and Colombian peso, once again depreciating against the euro. As a result, for the continent and in the first nine months, the difference between reported sales (+6.4%) and LFL sales (+1.1%) shrank considerably compared with the first half. The third quarter ended with the Group posting a slight increase in sales on a like-for-like basis.

In Brazil, the overall environment remains complicated. Yet economic indicators are showing signs of improvement, with consumption initiating a slight recovery. Group sales in the third quarter remained stable overall in real. The decline in fans (due to mediocre weather) and food preparation was offset by an increase in cookware (particularly pressure cookers), linen care (new iron models and strong performances in semi-automatic washing machines) and single-serve coffee machines (Dolce Gusto). In a more positively trending market, the ramp-up at the new Itatiaia site will enable the Group to take optimum advantage of increased competitiveness. In Colombia, the sales drop in pesos stemmed, as in the first half, entirely from a downturn in fans, which continued to be impacted by poor weather, while cookware, blenders and irons enjoyed growth. Lastly, the Group benefited from strong momentum in Argentina, similar to that in the first half of the year.

ASIA

CHINA

In a market that remained structurally buoyant, the Group achieved an over 23% rise in sales in the third quarter on a like-for like basis, once again reinforcing its positions in an environment that is still extremely competitive. The vigorous growth was fueled by all business activities and a policy of constant innovation. It is based on Supor's ongoing rapid development of online sales, its continued territorial expansion, and powerful in-store and online marketing campaigns. In cookware, while the Group's main pillars – frying pans and saucepans, pressure cookers, product sets, and woks – remained robust contributors, momentum was driven in particular by accessories and kitchen tools, especially vacuum flasks and thermos mugs. In small kitchen electrical appliances, sales were boosted mainly by rice cookers, electric pressure cookers, high-speed blenders, baking pans and slow cookers. Supor also confirmed its headway in non-kitchen electrics, scoring major successes in air purifiers and garment steamers and stepping up vacuum cleaner sales.

As a reminder, to better reflect the nature of some expenses and ensure full consistency with other Group entities in terms of financial statements, an adjustment was made to the accounting format, whereby in the first nine months €54 million in marketing expenses was reclassified as a sales decrease (of which €18 million in the third quarter), with no impact on Operating Result from Activity.

OTHER ASIAN COUNTRIES

Business activity continued to improve in non-China Asia in the third quarter, with sales up 6.5% like-for-like, accelerating sharply on the second quarter (+4.6%). However, excluding Japan and South Korea, the driving forces of the region, it remained contrasted by market.

In Japan, in a somewhat lackluster market, the momentum established in the second quarter continued, underpinned in particular by cookware and kitchen tools, kettles, small food preparation appliances and ironing, with a special mention going to garment steamers, a fast-growing but increasingly competitive segment. All our flagship products were supported by major growth drivers. Our self-owned stores also contributed to the strong sales performance. In South Korea, the Group maintained the solid momentum of the second quarter, fueled by cookware, food preparation (blenders and mini-blenders) and a special oven campaign with a retail customer. In Australia, we delivered an excellent third quarter, with the successful launch of new cookware ranges, a strong performance by Optigrill and our ongoing development in linen care.

In the other South-East Asian countries, apart from the sharp drop in sales in Singapore resulting from the non-repeat of a special deal in 2016, revenue continued to recover progressively in Thailand and Vietnam, while growth gathered speed in Malaysia.

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WMF

At end-September 2017, WMF sales totaled €813 million, up 8% compared to 2016 first 9 months, driven by the professional business (coffee and hotel equipment: €426 million, +18%) when the small domestic equipment business showed a slight decrease (€387 million, -1%).

WMF sales came out at €269 million in the third quarter, up 4% year on year. The professional business was up 11%, and small domestic equipment, down 3%. Compared to the first 6 months, the slowdown in growth, which was expected, reflects the gradual dilution of the major effect of the two large deals signed in 2016 with Canadian and Japanese customers for Professional Coffee Machines, the large share of which has been delivered in fourth-quarter 2016 and in the first half of 2017. Apart from these contracts, WMF's core business in professional coffee continues to post double-digit growth with an excellent performance across all markets. At end-September, despite a slight improvement in the third quarter, the hotel equipment business remains on a negative trend.

In parallel, following a positive second quarter, WMF's Consumer business slowed somewhat in the third quarter, down 3%, as a result of a slight decrease in cookware sales in Germany and one-off disruptions in activity in Europe, linked to the sales reorganization of subsidiaries. However, WMF is showing:

- a satisfying sales growth in its stores in Germany;
- the continued development of sales in small electrical appliances, with the notable success of the Mini ranges and the Kult X Mix&Go blender;
- solid growth in Asia-Pacific (China, South Korea, etc.), heightened by a cookware loyalty program in Taiwan.

OPERATING RESULT FROM ACTIVITY

At end-September 2017, Operating Result from Activity (Résultat Opérationnel d'Activité, ROPA) totaled €389 million. The amount factors in the impacts of the WMF purchase price allocation:

- non-recurring impacts, fully integrated in the first half, of -€17 million and concerning the re-evaluation of WMF stocks and the order book;
- recurring impacts (depreciation) of -€7 million (-€9 million on an annual basis).

ROPA excluding the non-recurring impacts of the WMF purchase price allocation amounted to €406 million, compared with €312 million in the first nine months of 2016. It includes a +€55 million contribution from WMF, up 22%, and a currency effect of -€5 million.

Third-quarter ROPA came to €175 million, including a scope effect of +€24 million and currency effects of +€12 million. Beyond the first impact of the increase in commodity prices, it includes a rise of nearly €25 million in growth driver investments versus last year, ahead of a fourth quarter expected to be much more moderate. Indeed, compared to 2016, the phasing of our R&D, advertising and marketing investments in 2017 reflects our will to better balance the allocated amounts over the quarters.

DEBT AT SEPTEMBER 30, 2017

At September 30, 2017, net financial debt stood at €2,075 million, up €56 million on end-December 2016; this evolution reflects the usual seasonality of the Group's activity. The generation of operating cash flow for the period totaled €124 million, based on a further improvement in the working capital requirement. This amount is in line with our expectations and our announced deleveraging objectives.

OUTLOOK

The Group's high quality nine-month performance is consistent with our expectations.

It leads us to confirm our 2017 objectives as stated at end-July. For 2017, and despite recent changes in exchange rates, the Group is targeting:

- organic sales growth exceeding 7% and an increase in reported revenue by more than 30%;
- an increase in Operating Result from Activity, before one-off impacts of WMF purchase price allocation, by at least 30%;
- an accretion of the consolidation of WMF of over 20% on 2017 net earnings per share. before the impact of the purchase price allocation.

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 (or 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).

Listen to the recorded audiocast of the presentation on our website on 30 October from 9:00 PM CET onwards:
www.groupeseb.com or click here

● 2018 SCHEDULE●

January 23, after trading Provisional 2017 sales	**May 16** Annual General Meeting
March 1, before trading 2017 sales and results	**July 24, before trading** H1 2018 sales and results
April 26, after trading Q1 2018 sales and financial data	**October 25, after trading** 9-month 2018 sales and financial data

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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, WMF and Supor, marketed through multi-format retailing. Selling some 250 million products a year, it deploys a long-term strategy focused on innovation, international development, competitiveness and service to clients. Groupe SEB has nearly 32,900 employees worldwide.