

February 25, 2016

2015 Full-year results

2015: AN EXCELLENT YEAR

- Sales of €4,770 million: up 12.1% in euros and 8.0 % like-for-like*
- Operating Result from Activity (ORfA) of €428 million, up 16.3% in euros and 43.0% LFL*
- Net profit of €206 million, up 21.2%
- Strong generation of operating cash flow: €257 million
- Proposed dividend of €1.54 per share: +6.9%

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

Statement by T. de La Tour d'Artaise, Chairman and CEO of Groupe SEB

"Groupe SEB enjoyed an excellent year in 2015.

The very solid increase in our sales is healthy and well-balanced, covering all major product lines, all regions and all distribution channels. It reflects a very dynamic core business, supplemented by a host of loyalty programs with major clients. It was nurtured by strong product momentum and a considerable boost in growth drivers.

The vigorous growth in Operating Result from Activity was bolstered by strength in sales, price increases and strict cost discipline. Despite some highly complicated market conditions and an unfavorable forex environment, the Group met its commitments and largely exceeded its performance targets set in early 2015.

These excellent results contributed to an extremely strong increase in cash generation, reflected in a substantial decrease in Group debt.

2015 was also a year of major advances, marked in particular by the acquisition of Scandinavia-based OBH Nordica, the signed project of a new increase in the ownership of Supor, the successful launch of our second bond issue and the fast implementation of the Group's digital transformation.

For all these achievements, I would like to praise the commitment and professionalism of all the Group's teams, who were mobilized and gave their best. Strengthened by these exceptional performances, the Group heads into 2016 with confidence while keeping a close eye on economic trends in its markets and exchange rate fluctuations which will continue to impact its revenue and results. Our objective in 2016 is to once again achieve organic sales growth and to ensure a new increase in Operating Result from Activity."

Results

Consolidated results (€m)	2014	2015	Change 2015/2014
Sales	4,253	4,770	+12.1%
<i>LFL* growth</i>			+8.0%
Operating Result from Activity (OrfA)	368	428	+16.3%
<i>LFL* growth</i>			+43.0%
Operating profit	314	371	+18.4%
Profit attributable to owners of the parent	170	206	+21.2%
Net debt at 31/12 (€m)	453	316	- €137m
Diluted earnings per share (€)	3.45	4.14	+20.0%
Dividend (€) Proposed at the AGM of 19/05/16	1.44	1.54	+6.9%
<i>* Like-for-like: at constant exchange rates and scope of consolidation</i>		<i>Rounded figures in €m</i>	<i>Percentages based on non-rounded figures</i>

A year of strong sales growth: +12.1% in euros and +8.0% organic

The global macro-economic environment remained contrasted in 2015, marked by firm mature markets, a deteriorated environment in some emerging countries (particularly Russia and Brazil) and strong tensions in some parts of the world.

Exchange rates continued to be volatile, with substantial depreciation for some currencies (including the Russian rouble, Brazilian real, Colombian peso, Ukrainian hryvnia, and Canadian dollar) and strong appreciation of the US dollar and Chinese yuan against the euro.

Against this backdrop, Groupe SEB posted sales of €4,770 million, up 12.1% in euros and 8.0% on a like-for-like basis. This solid growth was well-balanced between mature countries and new economies, driven by a lot of products and underpinned by massive investments in growth drivers, particularly at the end of the year.

Besides like-for-like growth of 8.0% (+€339 million), the sales increase in 2015 also resulted from a +3.5% (€149 million) currency effect generated by the positive impacts of the dollar and yuan, which largely exceeded the negative impacts of a number of other – mainly emerging – currencies. On top of that was a scope effect of +0.6% (+€29 million), stemming from the integration on September 1, 2015 of the newly-acquired Scandinavian company OBH Nordica.

Operating Result from Activity of €428 million, up 16.3% in euros, and 43.0% LFL

The Group generated Operating Result from Activity (ORfA) of €428 million, up €60 million (+16.3%), despite a negative currency effect of €100 million, resulting largely from the strengthening of the US dollar and Chinese yuan, the Group's main purchasing currencies, against the euro. The depreciation of several emerging currencies, especially in the second half of the year, also contributed to the negative currency effect, though to a lesser extent. At constant exchange rates and scope of consolidation, ORfA came out at €525 million, with growth of 43.0% (+12.6% in 2014), which can be attributed to the following:

- a positive volume effect, stemming from robust organic growth in sales;
- a positive price-mix effect, reflecting the sometimes sharp price increases made in some countries to offset the depreciation of the local currency, as well as the continued improvement of the product mix;
- ongoing efforts to boost industrial competitiveness, together with gains in purchasing attributable both to the fall in commodity prices and to productivity initiatives ;
- strengthened growth drivers, as announced, particularly in operational marketing and advertising (up 16% on a like-for-like basis), which strongly supported business momentum;
- effective control of costs and operating expenses, which rose considerably less than Group activity;
- a scope effect with the consolidation of OBH Nordica for four months of the year.

Harnessing all the above, the Group succeeded in more than offsetting the -€100 million currency impact on ORfA, which grew in a robust manner.

Significant increase in operating profit and net profit

Operating profit totaled €371 million, up 18.4% on 2014, mainly reflecting the improvement in ORfA. Other income and expense stood at -€25 million (-€21 million in 2014), notably including costs and provisions linked to enhancing competitiveness in Brazil and to the workforce reduction plan in Lourdes.

At -€48 million, net financial expense improved slightly on 2014 (-€49 million), with a significant reduction in interest expense (-€27 million, compared with -€31 million in 2014) along with an increase in other financial expense, notably comprising unfavorable currency translation adjustments.

Consequently, net profit came to €206 million (+21.2%) after a tax expense of €82 million, corresponding to an effective tax rate of 25.5% (26.9% in 2014), and non-controlling interests of €35 million, which rose year on year as a result of the continuous improvement in Supor performance in China and the re-evaluation of the yuan.



Better Living

Strong cash generation

At December 31, 2015, equity stood at €1,908 million, up €183 million year on year mainly owing to the profit generated in 2015 and positive currency adjustments worth around €50 million (with the favorable effects of the Chinese yuan and US dollar outweighing the unfavorable effects of the Brazilian real, Colombian peso and Turkish lira).

Net debt at December 31, 2015 amounted to €316 million, down €137 million on last year. That substantial reduction resulted from the generation of strong operating cash flow of €257 million (€175 million in 2014).

The working capital requirement increased in value due to the strong growth in business activity, but improved in ratio terms (21.0% of sales versus 22.4% at the end of 2014).

The Group ended 2015 with a gearing of 17% (26% at end-2014) and a debt/EBITDA ratio of 0.6 (compared with 1.0 at December 31, 2014), further strengthening its financial structure, based on a diversified financing architecture, reinforced by the bond issue in November 2015.

Dividend

Meeting on February 23, 2016, the Board of Directors proposed the distribution of a dividend of €1.54 per share, up 6.9%, for the financial year 2015. The increase reflects the excellent performances achieved in 2015, the Board's confidence in the outlook for the Group in 2016 and beyond as well as the need for a prudent approach in a volatile and complicated macro-economic environment. The coupon detachment date is set for May 24, 2016 and the dividend will be paid on May 26, 2016.

Outlook for 2016

Fiscal year 2015 concluded with excellent performances, both in terms of organic growth in sales and improvement in results.

The first few weeks of 2016 attest to the fact that the global macro-economic environment will remain highly contrasted from one geographical region to the next. Groupe SEB expects demand to remain well oriented in Europe and in China, more subdued in the United States, and anticipates a situation which is likely to remain highly deteriorated in Russia and Brazil.

The Group also expects a continued unfavorable forex configuration in 2016, with its two main purchasing currencies, the dollar and the yuan, having appreciated considerably in 2015 - leading to less favorable hedging rates -, while several emerging currencies depreciated significantly. Together, these factors should translate into a sharply negative currency impact on revenue and on Operating Result from Activity (on which it is currently estimated at around €130-140 million). As in 2015, Groupe SEB will endeavor to more than offset these negative effects by harnessing innovation, the Group's worldwide presence, a proactive pricing policy, strong advertising and marketing investments, together with the competitiveness and flexibility of its manufacturing base and structures.

In this context, Groupe SEB's objective in 2016 is to once again achieve organic growth in its sales and, despite an ongoing adverse currency effect, ensure a new increase in its Operating Result from Activity.

Groupe SEB's 2015 consolidated and company financial statements were approved by the Board of Directors on February 23, 2016.

Consolidated income statement

Year ended December 31

(€ million)	12/31/2015	12/31/2014	12/31/2013
Revenue	4,769.7	4,253.1	4,161.3
Operating expenses	(4,341.7)	(3,885.1)	(3,750.9)
OPERATING RESULT FROM ACTIVITY	428.0	368.0	410.4
Discretionary and non-discretionary profit-sharing	(31.4)	(33.3)	(37.2)
RECURRING OPERATING PROFIT	396.6	334.7	373.2
Other operating income and expense	(25.3)	(21.0)	(9.5)
OPERATING PROFIT	371.3	313.7	363.8
Finance costs	(27.5)	(31.2)	(31.0)
Other financial income and expense	(20.3)	(17.8)	(23.9)
Share of profits of associates			
PROFIT BEFORE TAX	323.5	264.7	308.9
Income tax expense	(82.4)	(71.2)	(87.2)
PROFIT FOR THE PERIOD	241.1	193.5	221.7
Non-controlling interests	(35.2)	(23.6)	(22.0)
PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT	205.9	170.0	199.8
PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT PER SHARE (IN €)			
Basic earnings per share	4.20	3.49	4.13
Diluted earnings per share	4.14	3.45	4.08

Better Living

Consolidated income statement

Year ended December 31

ASSETS (€ million)	12/31/2015	12/31/2014	12/31/2013
Goodwill	544.9	512.1	448.2
Other intangible assets	485.0	464.1	411.8
Property, plant and equipment	596.5	587.1	485.9
Investments in associates			
Other investments	16.7	16.0	57.4
Other non-current financial assets	10.4	13.9	9.5
Deferred tax assets	50.3	34.9	52.0
Other non-current assets	23.6	5.9	6.0
Long-term derivative instruments	5.0	8.5	
NON-CURRENT ASSETS	1,732.4	1,642.5	1,470.8
Inventories	820.9	822.8	731.1
Trade receivables	886.0	768.3	740.2
Other receivables	90.2	137.8	116.7
Current tax assets	44.5	35.0	33.3
Short-term derivative instruments	45.9	50.9	2.8
Other short-term investments	244.5	172.5	
Cash and cash equivalents	770.8	341.4	426.3
CURRENT ASSETS	2,902.8	2,328.7	2,050.4
TOTAL ASSETS	4,635.2	3,971.2	3,521.2
EQUITY & LIABILITIES (€ million)	12/31/2015	12/31/2014	12/31/2013
Share capital	50.2	50.2	50.2
Reserves and retained earnings	1,728.6	1,579.9	1,414.2
Treasury stock	(71.2)	(79.0)	(74.7)
Equity attributable to owners of the parent	1,707.6	1,551.0	1,389.7
Non-controlling interests	200.1	173.5	142.6
EQUITY	1,907.7	1,724.5	1,532.3
Deferred tax liabilities	70.1	65.3	71.3
Long-term provisions	185.8	192.9	180.9
Long-term borrowings	707.0	576.9	627.0
Other non-current liabilities	41.7	38.4	33.3
Long-term derivative instruments	3.5	1.9	
NON-CURRENT LIABILITIES	1,008.1	875.4	912.5
Short-term provisions	61.0	55.6	45.6
Trade payables	695.2	637.3	524.8
Other current liabilities	291.6	260.3	251.3
Current tax liabilities	31.5	20.8	26.6
Short-term derivative instruments	16.6	8.2	13.5
Short-term borrowings	623.5	389.1	214.6
CURRENT LIABILITIES	1,719.4	1,371.3	1,076.4
TOTAL EQUITY & LIABILITIES	4,635.2	3,971.2	3,521.2

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

● Upcoming events ●

April 28
2016 first-quarter sales and financial data

25 July
2016 first-half sales and results

May 19
Annual General Meeting

October 25
2016 Q3 nine-month sales and financial data



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Groupe SEB

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 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 26,000 employees worldwide.

SEB SA ■

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