



2017 FULL-YEAR RESULTS

Paris | 1st March 2018

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2017 FULL-YEAR RESULTS

NOTE

This presentation 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 presentation are excerpted from financial statements consolidated as of December 31, 2017 examined by SEB SA's Statutory Auditors and approved by the Group's Board of Directors, dated February 27, 2018.

2017 FULL-YEAR RESULTS

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A busy year
- 2**

Exceptional performances
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Appendices

A BUSY YEAR



Market environment

Overall favorable macro-economic environment

Competitive yet buoyant SDA market

Fast-changing market

Less penalizing currency trends versus previous years

Higher raw material prices



Firm demand



Innovation as a driver
Development in equipment in emerging countries



Growth in e-commerce
Connected lifestyle, digitalization
New consumption trends

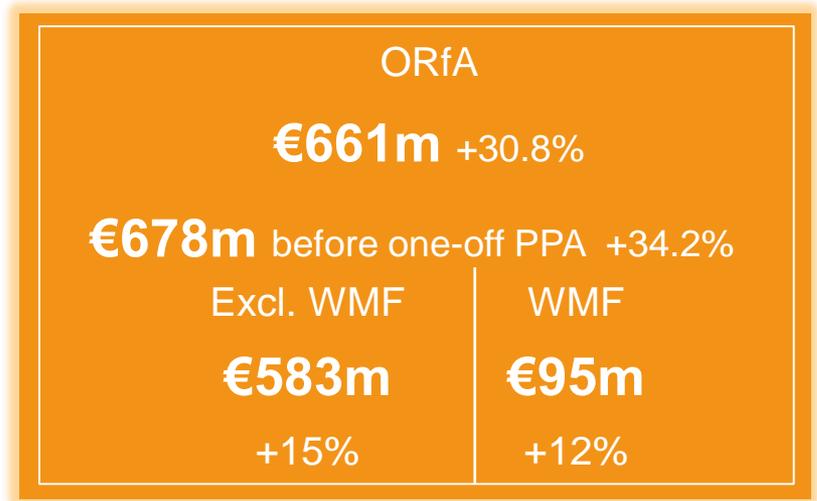


Back to volatility in H2



Limited impact in 2017

2017 key figures



Dividend

proposed at 2018 Annual General Meeting

€2.00

+16.3%

Highlights

WMF integration

10 years of Supor

Strengthened position in Egypt



WMF: a promising start

High-quality 2017 performance

- Better than expected in Professional Coffee
- More complicated in Consumer

Successful WMF plug-in

- Constructive collaboration from teams
- Harmonization of IT systems
- HR / Finance integration

Accretive effect of WMF: 22% on 2017 EPS



WMF integration 2017 summary

Development of the Consumer business

Optimization of the WMF store network

Acceleration in Professional Coffee

Industrial and purchasing synergies

Supply chain optimization

WMF, the story begins: our ambitions



Development of the Consumer business

New organization implemented

- Creation of a Consumer Business Unit (Cookware and SDA)
- Dedicated DACH market organization

Integration of the Consumer business, excluding DACH, within Groupe SEB subsidiaries

- France, Italy, Spain, Asia, US ...
- Takeover of distribution agreements
- Creation of Premium salesforces
- WMF products in Home&Cook stores

Stepped-up product dynamic

- 300 new products showcased at the Ambiente fair in early 2018



Optimization of the WMF store network

162 stores in Germany

- 141 high street stores + 21 outlets
- 13 closures and 2 openings in 2017

Enriched product assortment

- Optigrill, Prep&Cook, 5 second chopper, EMSA products, etc.

New dynamic for the Fischhalle store, Geislingen

- Largest WMF store: 1,000 m²
- Enhanced product offering - Tefal, Krups, Rowenta, Moulinex → Regional event



Acceleration in Professional Coffee

A dedicated organization

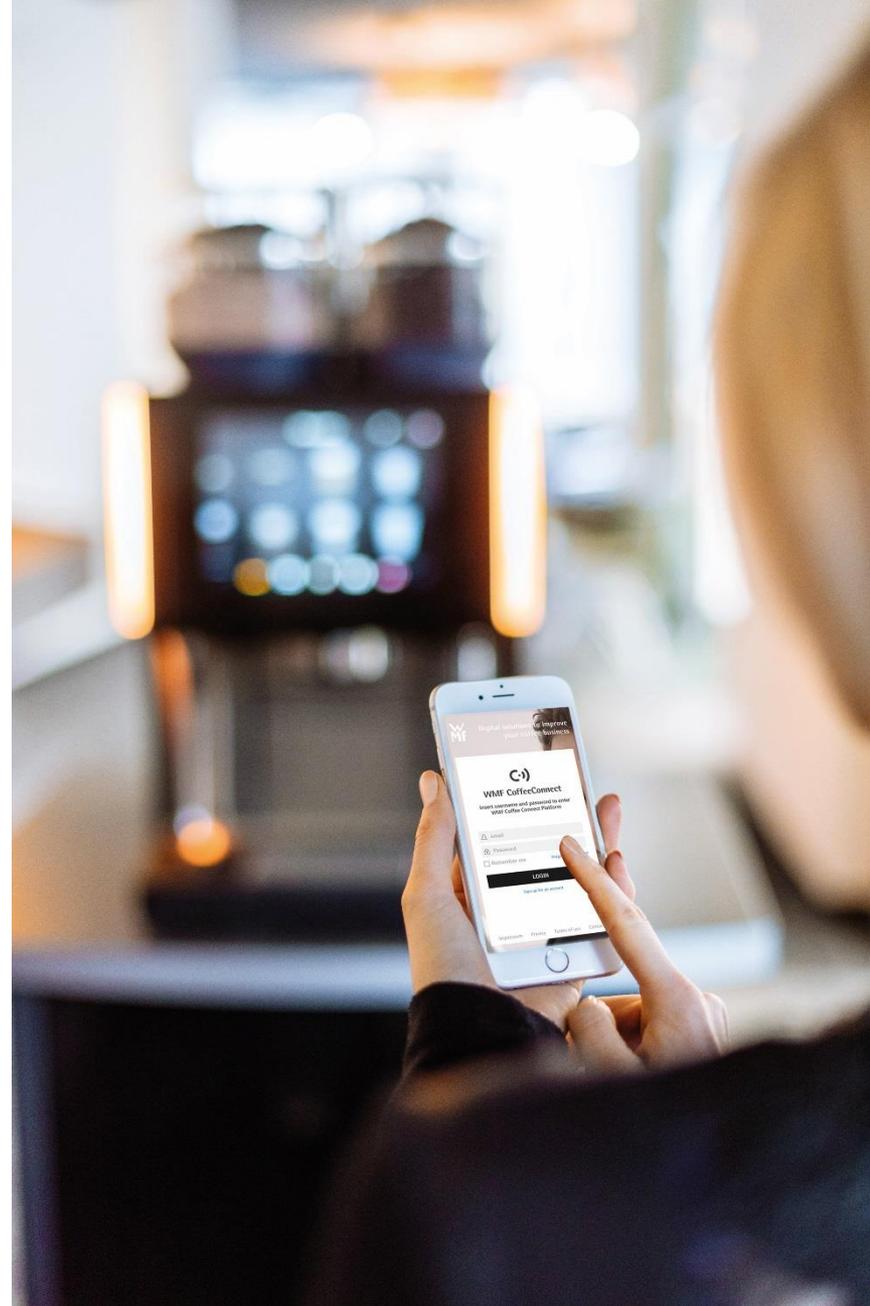
- Arrival of a new executive manager
- Strengthened executive management steering both brands
 - Creation of 3 new management departments
 - ➔ Strategic Marketing, Global Account Management and Service

Innovation and increased digitalization

- New machines systematically connected
- Development of a digital service / maintenance platform

Acceleration plan in main markets : early implementation stage

- DACH, US, France, UK, China, Japan



Industrial and purchasing synergies

"In-housing" production

- At Supor: stainless steel cookware previously outsourced
- At WMF: bakeware products manufactured under Tefal brand

Roll-out of competitiveness plans across WMF plants

- OPS implementation
- 2 initial PCO projects in 2017

Tangible in-roads in purchasing

- Full integration at SEB Asia of finished products purchases
- Centralized management of direct and indirect purchasing



Supply chain optimization

Stabilized logistics for cookware in Germany:
2 warehouses

Implementation of Group supply chain process
at WMF

- Significantly lowered inventories
- Implementation of Group sales / production planning process

Savings started in logistics

- Integration of 3 WMF warehouses excl. DACH completed: US, Spain, Singapore
- Consolidation of sea freight



WMF, the story begins: our ambitions

PCM

- Ensure balance between stepped-up international sales and maintained high profitability
- Strengthen presence with mid-range customers
- Optimize management of both WMF and Schaerer brands

Consumer

- Consolidate WMF's leadership in the Premium segment in Germany
- Pursue internationalization strategy in cookware and SDA business
- Improve competitiveness / profitability
- Improve WCR

Highlights

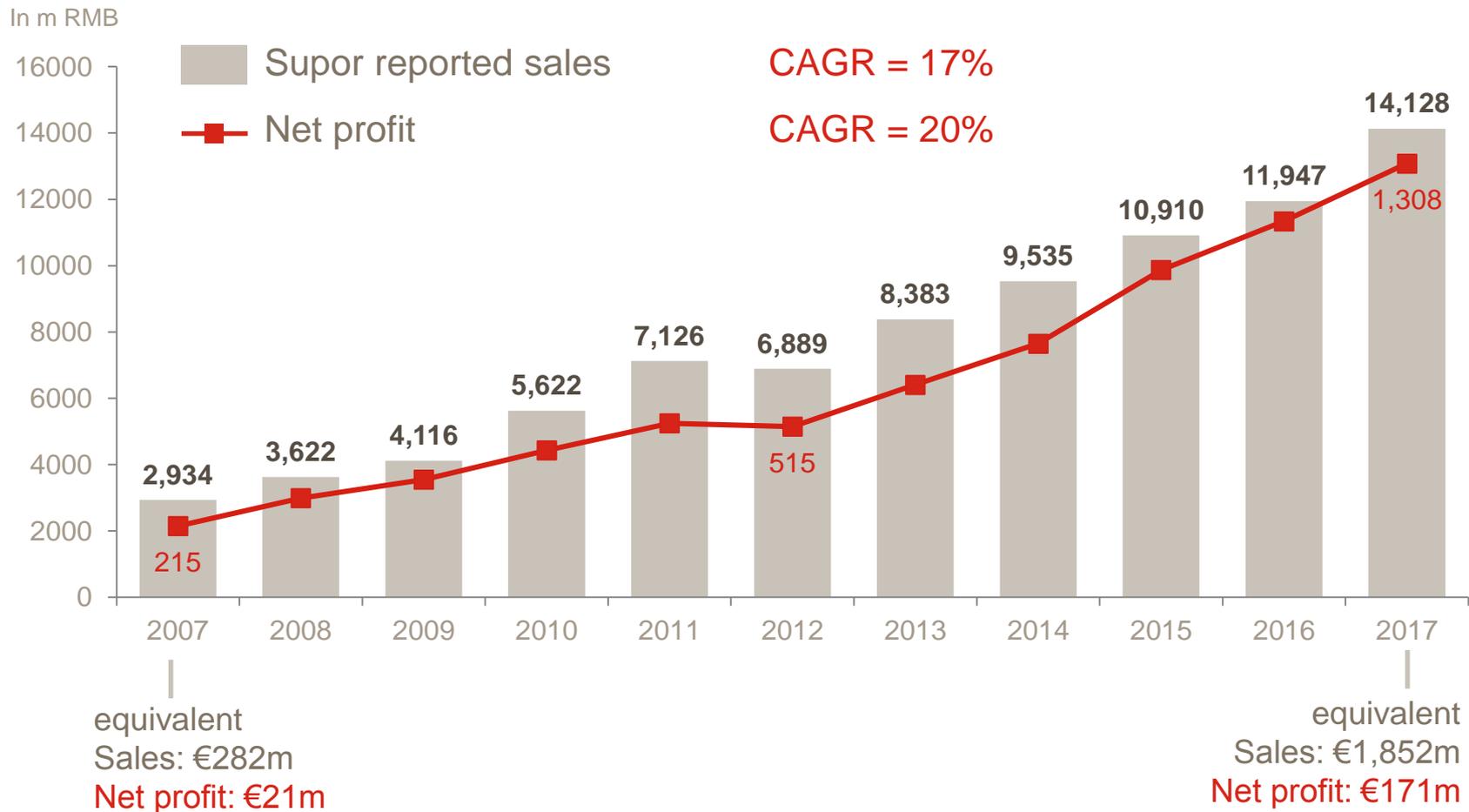
WMF integration

10 years of Supor

Strengthened position in Egypt

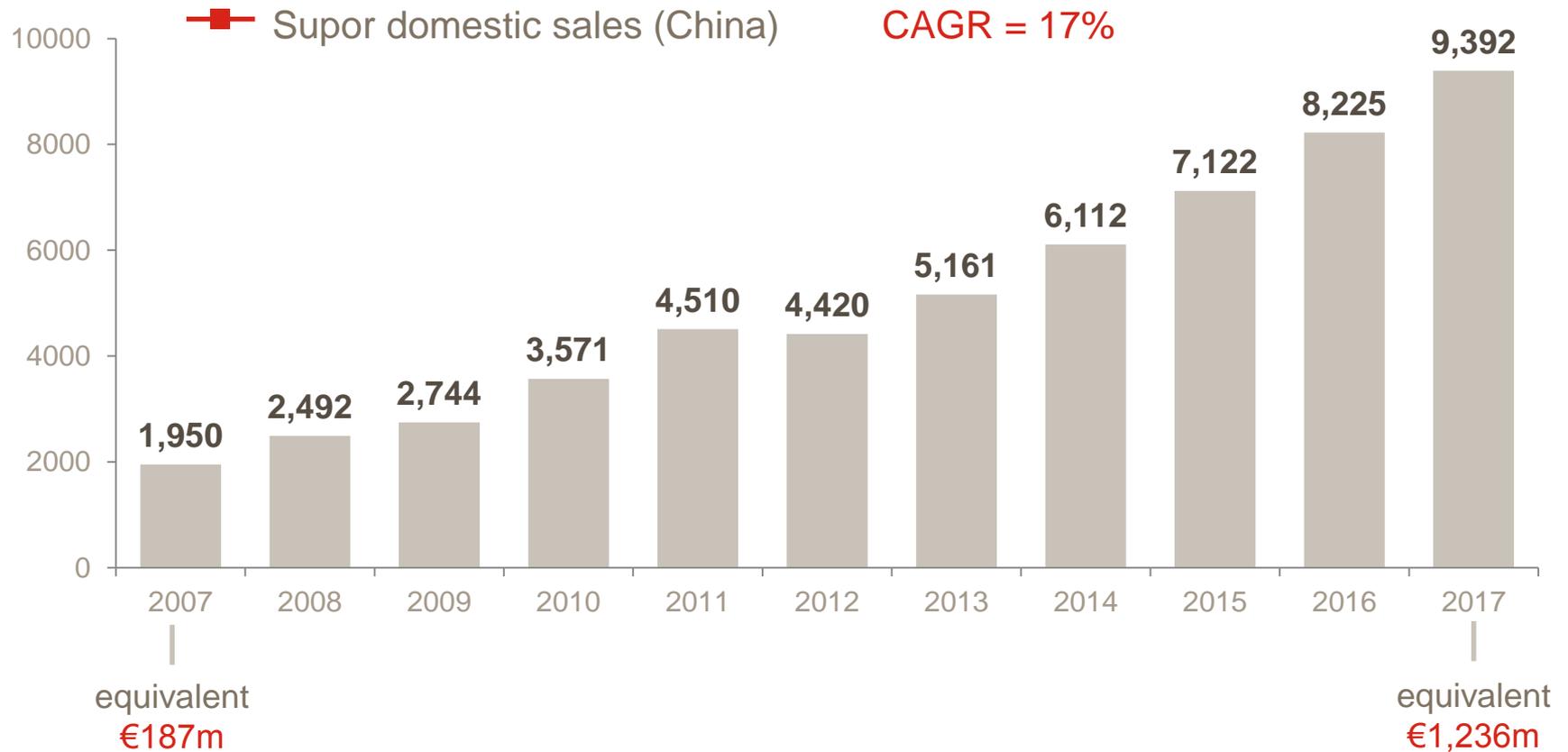


A decade of outstanding performances



A decade of outstanding performances

En M RMB



A powerful brand

Unaided brand awareness: **No.1**

Kitchen electrics
43%

Cookware
50%

Logo changed in 2009

SUPOR
苏泊尔

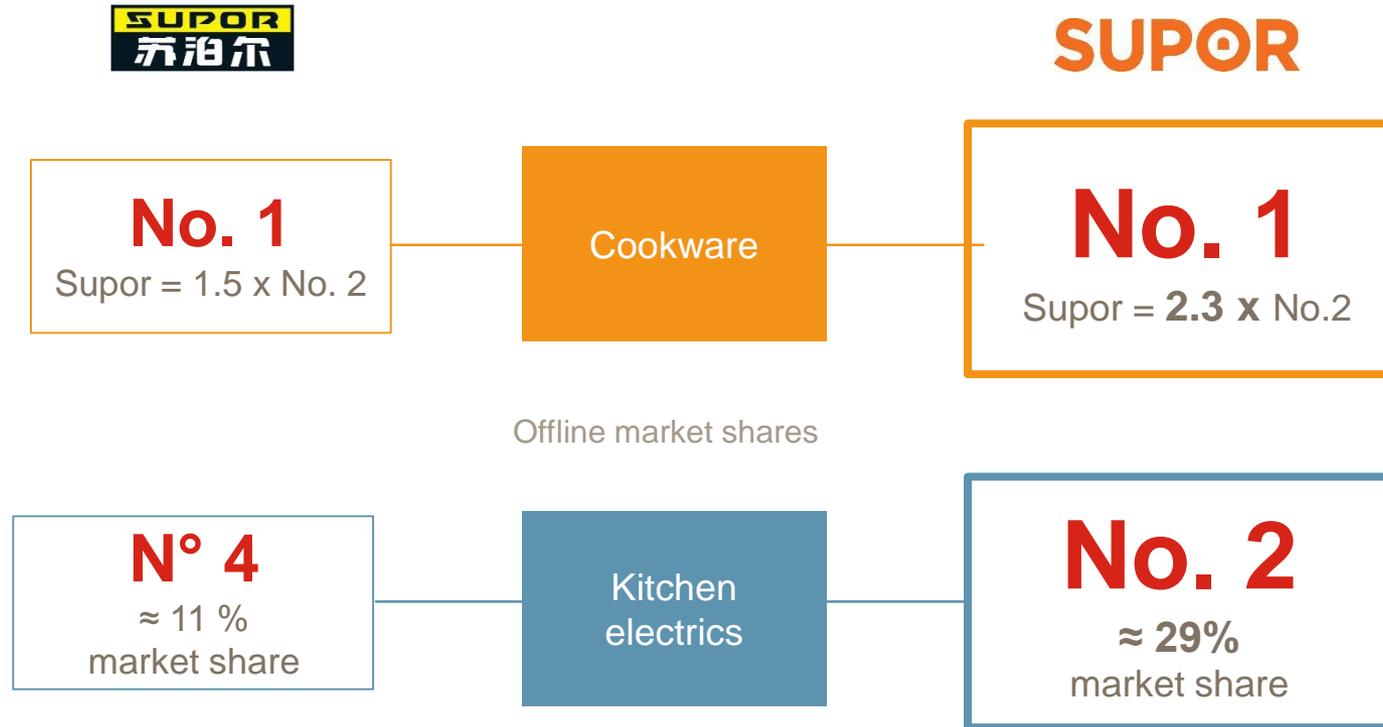


SUPOR

Supor, the most **recognized**
brand in the Chinese SDA market



Considerably strengthened market positions in China



Supor, a **key player** in the Chinese market

Source: CMM – Annual reports

Accelerated product momentum

SUPOR

21 product lines
in SDA

16 product lines
in cookware



SUPOR
苏泊尔

Electrical pressure cookers
Cookware
Rice cookers
...



Supor, the most **innovative**
brand in the Chinese SDA market

Large, multichannel distribution



SUPOR



Supor, an **outstanding** presence in China

Industrial expertise and competitiveness

Cookware

60m items manufactured
320,000 m² | 4,000 people

3 industrial sites:
Wuhan
Yuhuan
Vietnam

Small electrical appliances

47m items manufactured
490,000 m² | 6,400 people

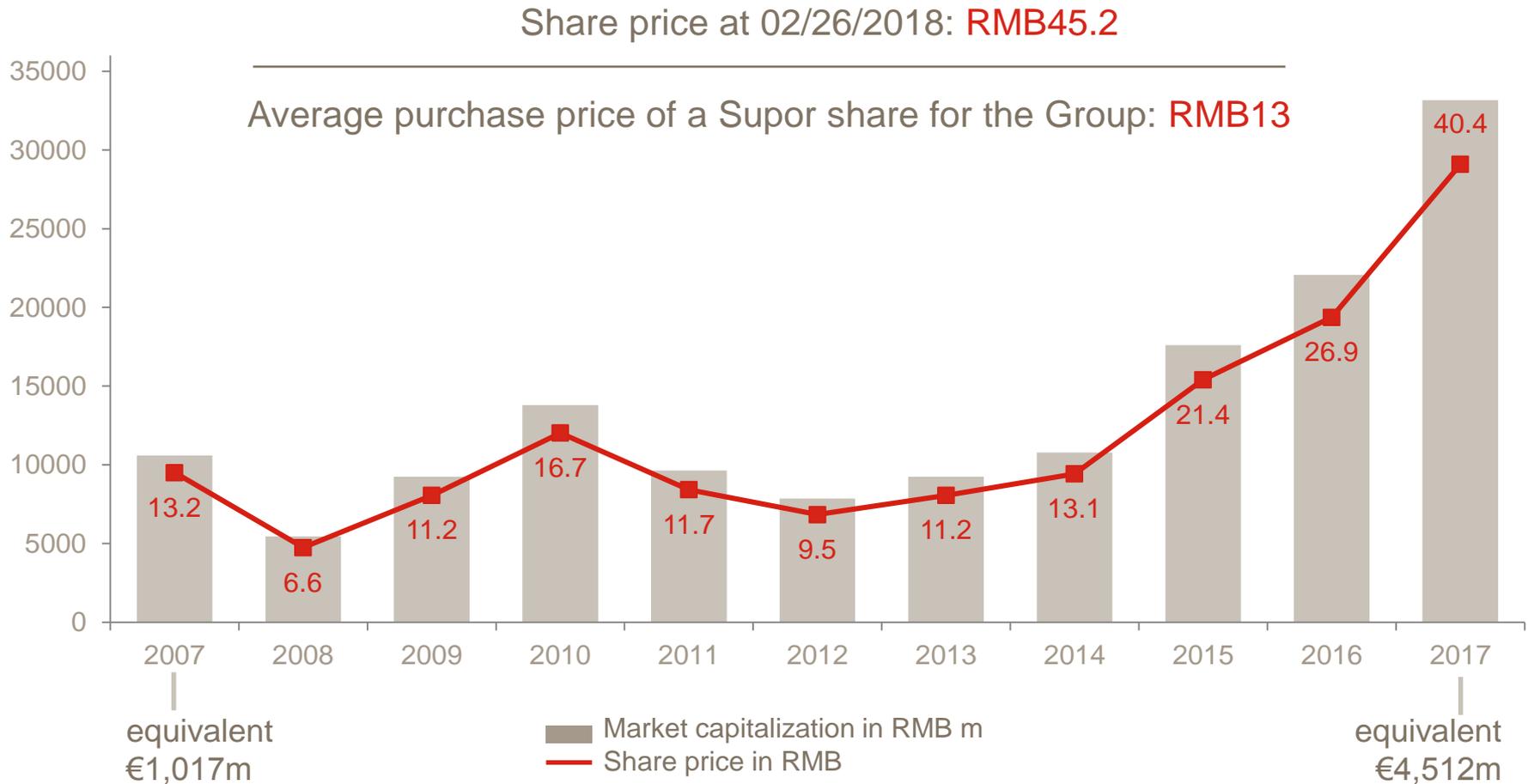
2 industrial sites:
Shaoxing
Hangzhou

28% of Supor sales → Group exports

Supor, a **powerful**
industrial base for the Group



Market capitalization and share price



Supor, the story goes on: continued solid momentum

Ambitions

- Continue to capture Chinese market's brisk dynamic
- Enhance Supor's status of strong industrial base for the Group
- Become a Marketing and R&D competence center for Asia



Priorités

- Innovation
- Continued extension in Tier 3-4 cities
- Ongoing development in new categories (ustensils, non-kitchen SDA and LKA*)
- Capitalization on the online expertise
- Breakfast range, deep fryers, electrical pressure cookers, blenders...
- Startup with rice cookers



*Large Kitchen Appliances: extractors and gas hoods

Highlights

WMF integration

10 years of Supor

Strengthened position in Egypt



Groupe SEB Egypt Zahran

Pooling of Groupe SEB Egypt and Zahran's
SDA and Cookware businesses

- Accelerated growth in a high-potential market (95m inhabitants)
- Capitalization on a long-standing partnership
- Industrial base for Egypt, the Middle East and North Africa

Estimated sales for new entity **≈ €40m**

Zahran®

Long-standing partner for the Group

1973: 1st Tefal licence

Leader in cookware manufacturing

2 industrial sites

11 stores under the Zahran brand name

700 employees



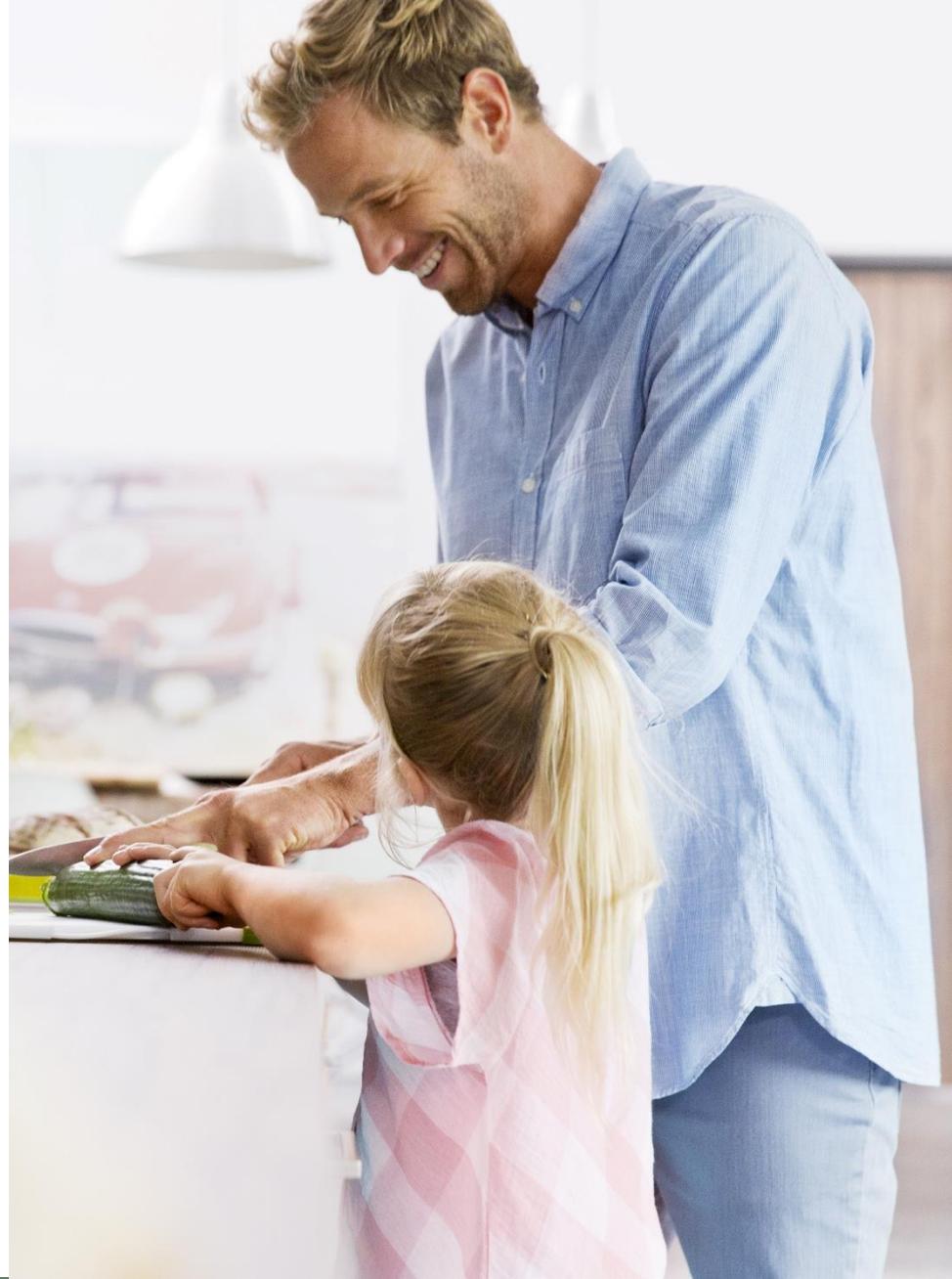
EXCEPTIONAL PERFORMANCES



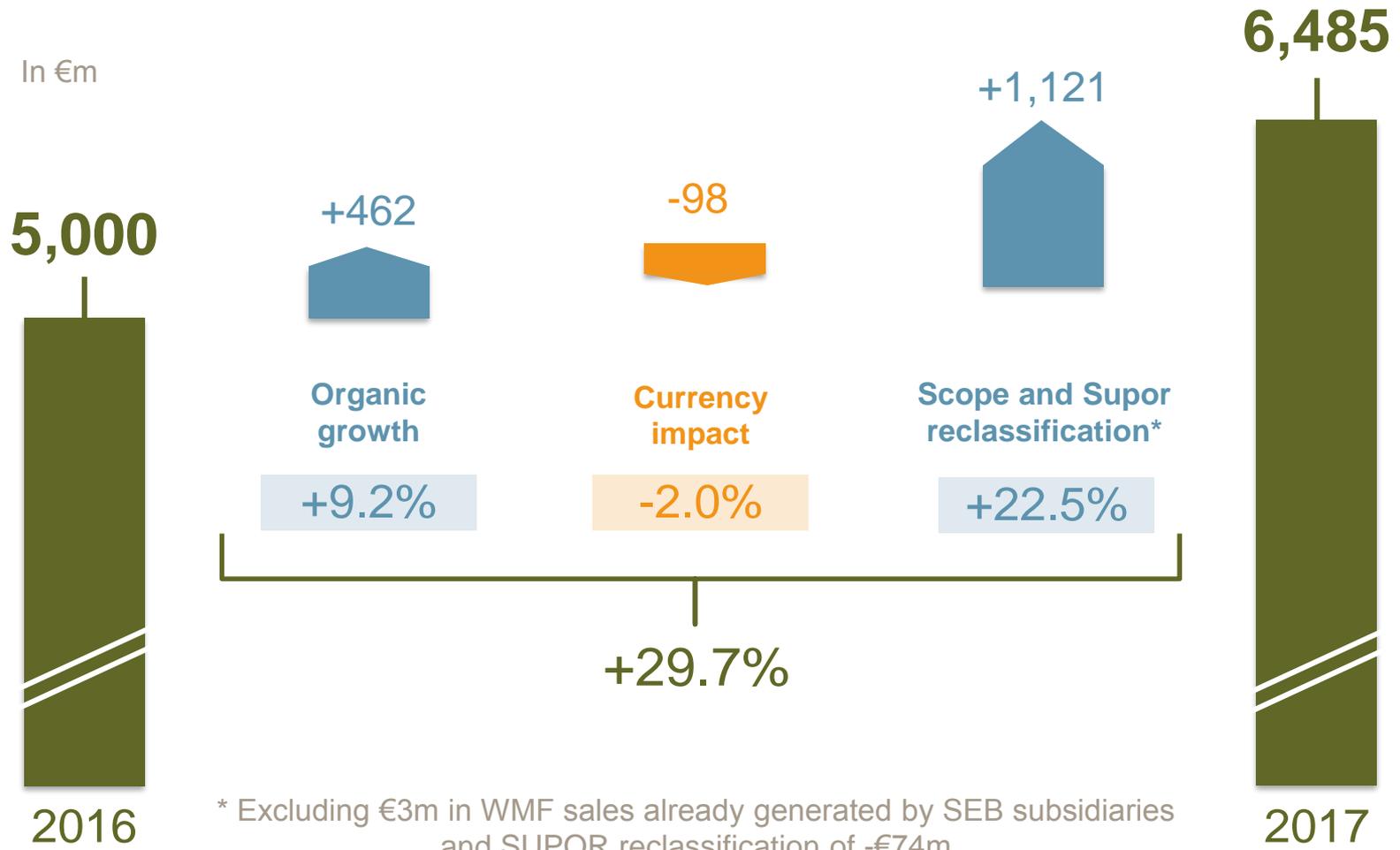
Exceptional performances

1 Sales

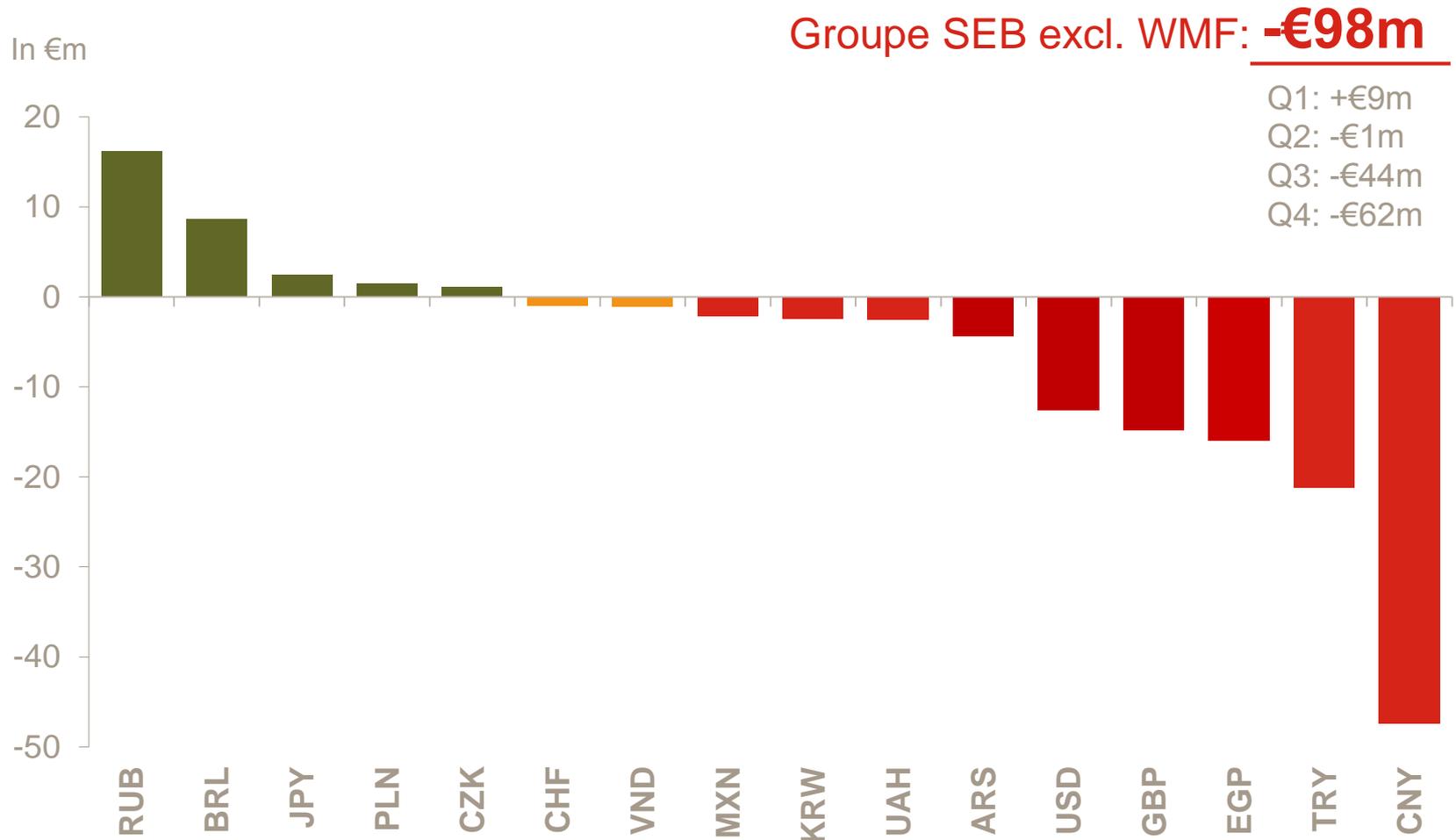
2 Results



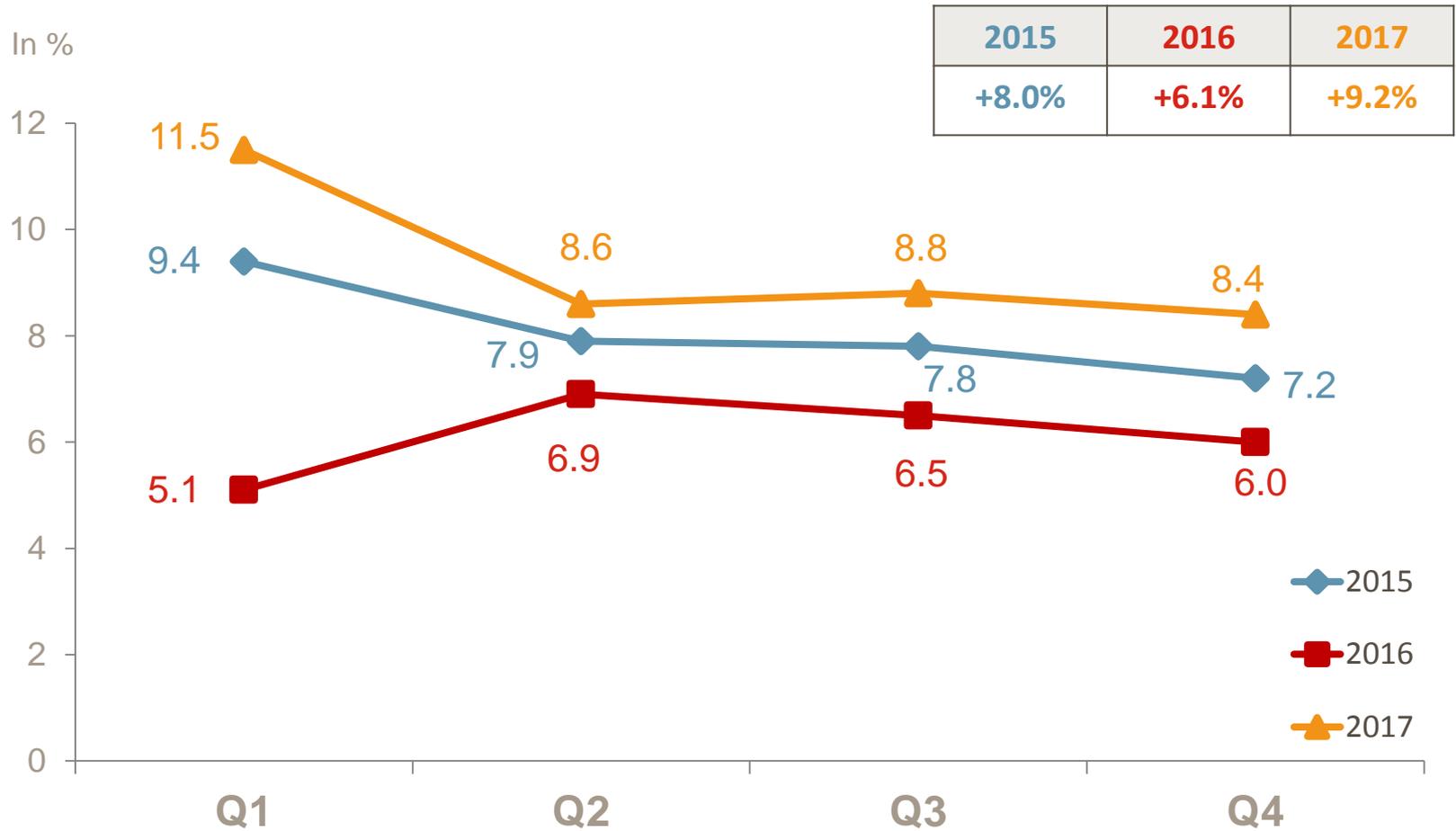
Change in sales 2016 → 2017



Currency impact on 2017 sales



Quarterly organic growth in sales



Annual sales by region

In €m



EMEA

Western Europe

Other countries



AMERICAS

North America

South America



ASIA

China

Other Asian countries

TOTAL excl. WMF

WMF

Groupe SEB

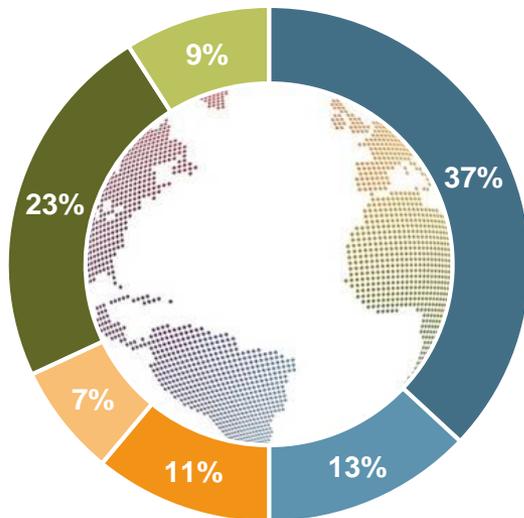
	2016	2017	As reported	LFL
EMEA	2,495	2,690	+7.8%	+7.6%
Western Europe	1,834	1,962	+7.0%	+5.8%
Other countries	661	728	+10.1%	+12.6%
AMERICAS	919	939	+2.2%	+3.1%
North America	564	573	+1.7%	+3.8%
South America	355	366	+3.0%	+2.0%
ASIA	1,586	1,709	+7.7%	+15.3%
China	1,122	1,240	+10.4%	+21.0%
Other Asian countries	464	469	+1.2%	+1.6%
TOTAL excl. WMF	5,000	5,337	+6.7%	+9.2%
WMF		1,148*	+5.1%*	
Groupe SEB	5,000	6,485	+29.7%	

* Excl. €3m in WMF sales generated by SEB subsidiaries

% based on non-rounded figures

Sales breakdown by region

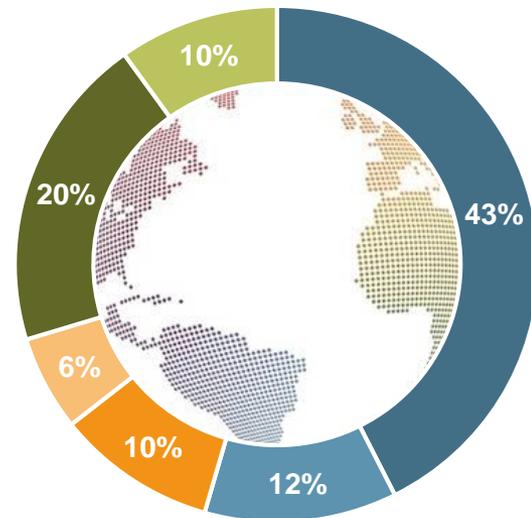
Excl. WMF



Mature countries: 53%
Emerging countries: 47%

- Western Europe
- Other countries EMEA
- North America
- South America
- China
- Other countries Asia-Pacific

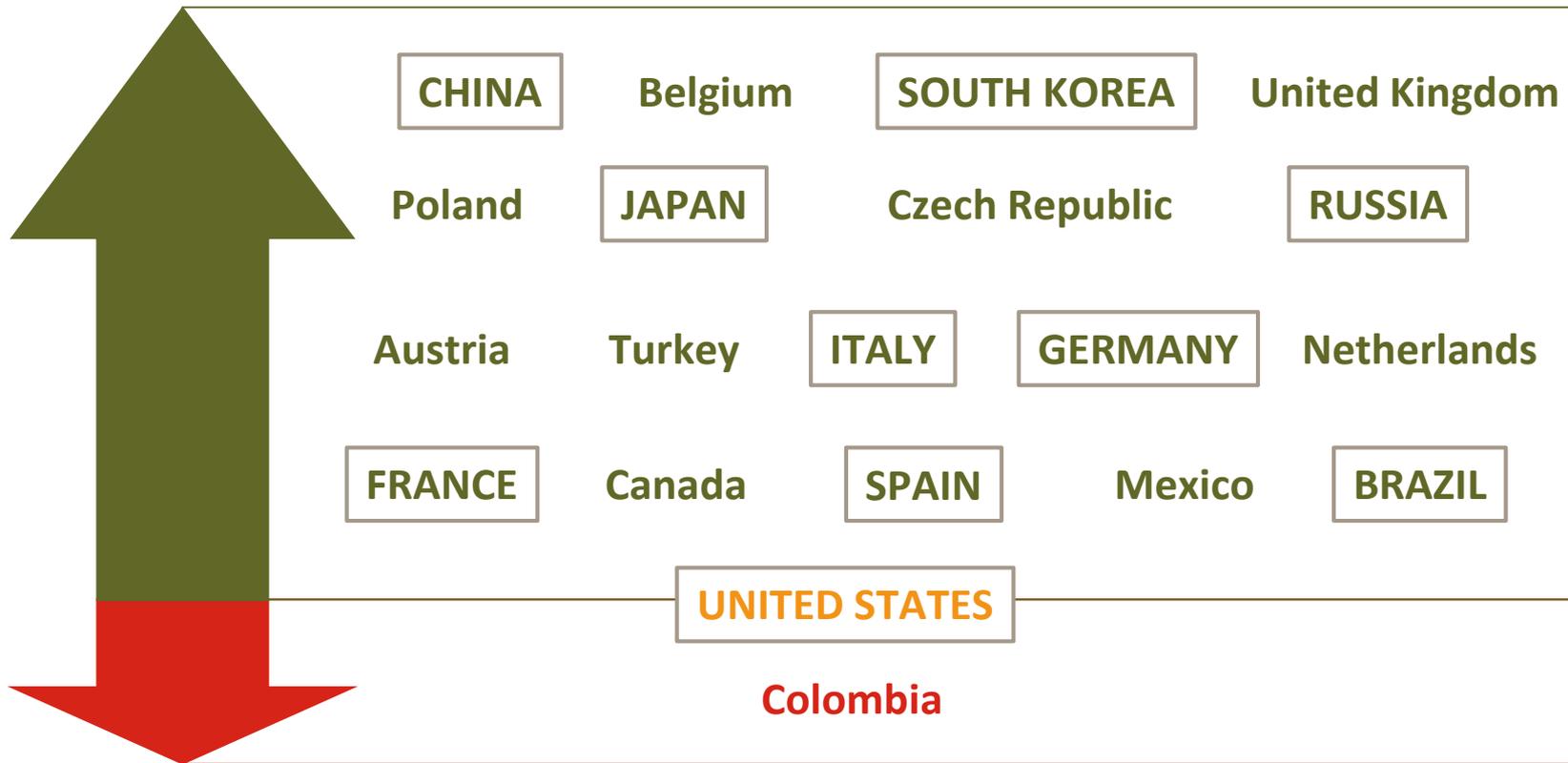
Incl. WMF



Mature countries: 59%
Emerging countries: 41%

Top-20 countries' performance

TOP 10 COUNTRIES



Focus on a few countries

EMEA

Asia

Americas



Germany

Outstanding business activity

2017 sales: +19% lfl

- Excellent performance in SDA and cookware
- Core business +12% and loyalty programs
- Strengthened positions in SDA and cookware



France

A mixed yet positive year

2017 sales +1.1% lfl, +3% excl. LPs

- Strong growth in SDA → Strengthened positions and market leadership
- Difficult year for cookware based on demanding 2016 comps

Portugal

Brisk momentum



EMEA

O SABOR DA EXCELÊNCIA

2017 sales +11% lfl

- Undisputed leadership position in SDA: market share > 20%, +0.9 pt
- No. 2 in cookware

Russia

Successful comeback, growth and profitability

EMEA

2017 sales +14% lfl

- Market share ongoing recovery +1.2 pt in 2017
- Operating margin above Group level

Профессиональный фен
Rowenta EXPERTISE
AC PRO CV9520

Japan

Successful comeback, growth and profitability

ASIA



2017 sales +7% lfl

- Solid momentum in SDA
- Continued growth in cookware
- Profitability above Group level
- 28 proprietary stores

USA

A complicated market for the Group

2017 sales stable lfl

- Sales upturn in Q4
- Difficult cookware business
- Contrasted business depending on brands
- Q1 2018 expected lower than Q1 2017



Mexico

Accelerated growth

CÓMO PREPARAR TU PLANCHA

TIP # 1
DE PLANCHADO

2017 sales +33% lfl

- Healthy growth based on 3 pillars: cookware, irons and blenders
- Stronger leadership position in cookware: > 35% market share - No. 2 in SDA

Brazil

Investing for the future

AMERICAS

2017 sales +1% lfl

- Highly contrasted business, unfavorable weather for fans
- Ramp-up of Itatiaia

QUER TRITURAR TUDO
SEM DEIXAR PEDAÇOS?
AGUARDE!



ARNO

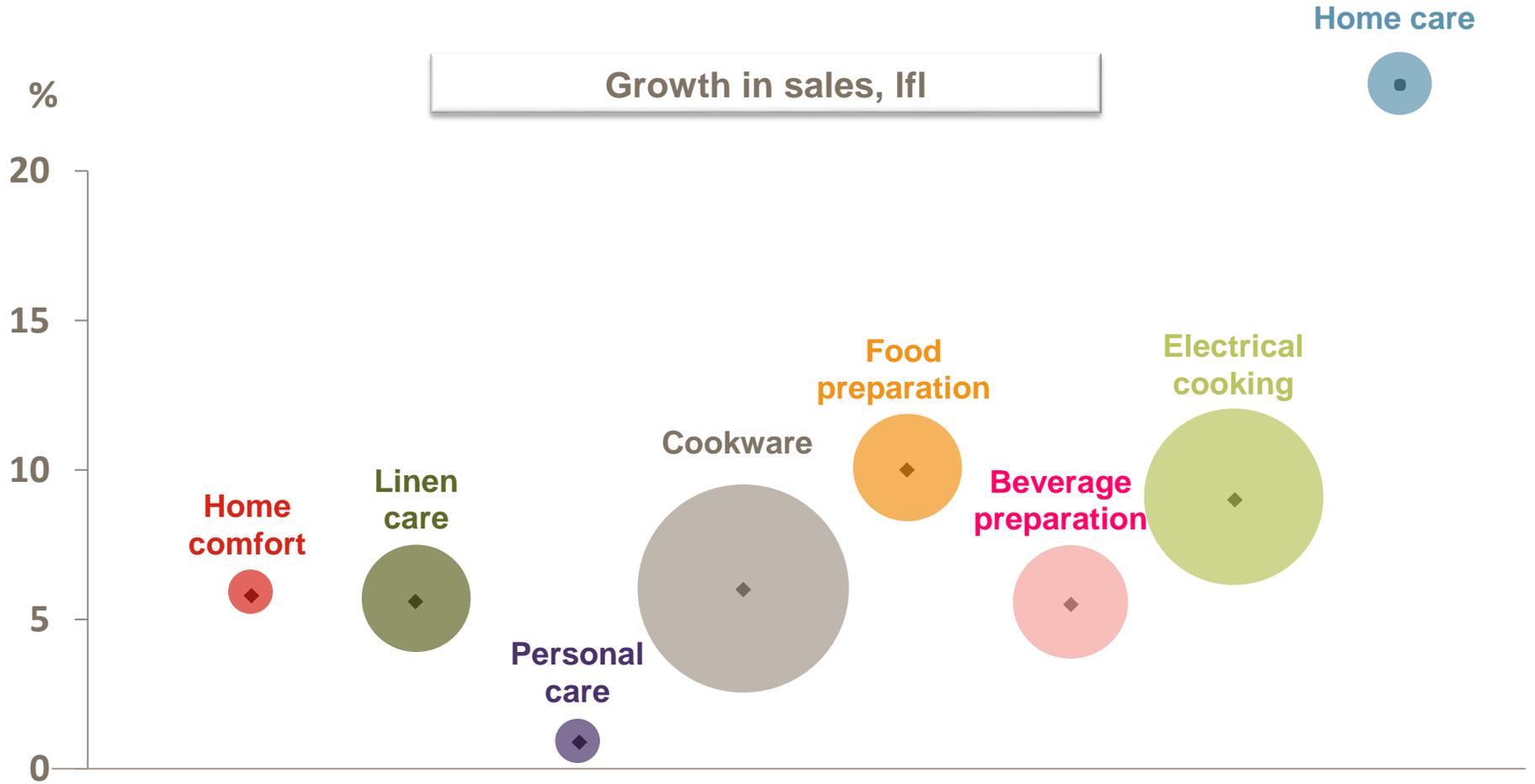
VOCE IMAGINA **CLUB** A ARNO FAZ

Product news

Innovation
as a **driver**



Product line performance



Strengthened premium range...



All-Clad
METALCRAFTERS LLC



Silit
KOCHEXPERTEN. SEIT 1920.

... and boosted mid-range product offering

New concepts



Assisteo



Preserve

Multi-material approach



Meteor



Cast Alu



Hard Titanium



All-in-One

Design, creating consumer desire



Technology, serving result and consumer experience



From the ingredient
to the **cup**

Investments leading to accelerated growth

Canister
with bag



Cyclonic,
bagless



PERFORMANCE
4AAAA

Silent,
wireless



Versatile



From traditional vacuum cleaners to **robots**

Support for new uses



Iron
Steam generators

Tweeny
Garment steamers

Freemove
Compact

Healthy eating choices



Allowing for a balanced and varied daily diet

GENIUS



Reducing the use of fats



Better and healthy preservation



Opening up to an on-the-go lifestyle



Connection: a requirement in the making



Exceptional performances

1 Sales

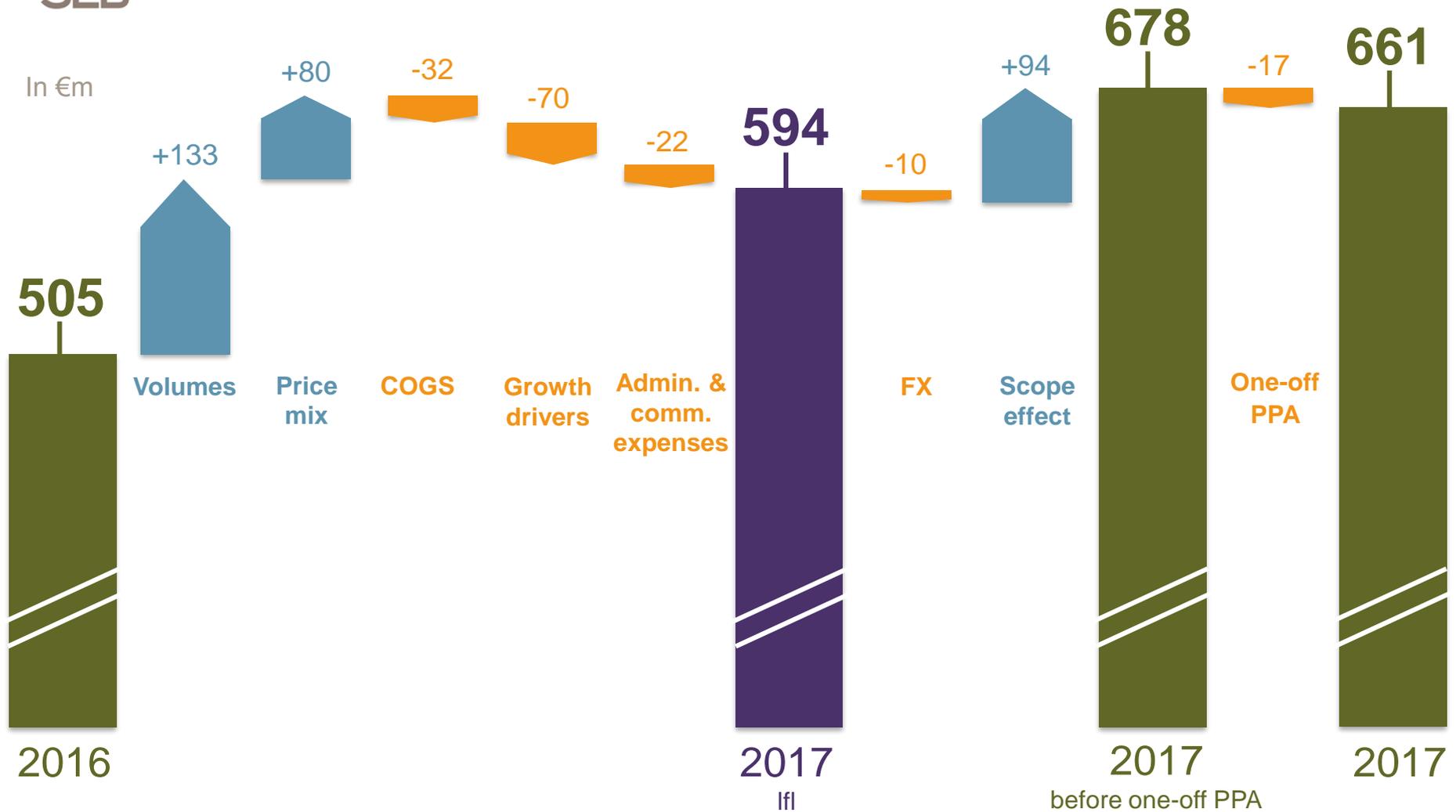
2 Results



Operating Result from Activity (ORfA)

In €m	2016	2017	Δ
Sales	5,000	6,485	+29.7%
Operating expense	4,495	5,807	+29.2%
ORfA before one-off PPA	505	678	+34.2%
o/w Groupe SEB (former scope)	505	583	+15.4%
o/w WMF		95	
Op. margin before one-off PPA	10.1%	10.5 %	+0.4pt
Op. margin Groupe SEB (former scope)	10.1%	10.9 %	+0.8pt
Op. margin WMF		8.3 %	
One-off PPA		17	
Operating Result from Activity	505	661	+30.8%

Operating Result from Activity: 2016-2017 bridge



Growth drivers: Innovation

in €m Excl. WMF	2016	2017	
Strategic marketing	75	81	
R&D	104	112	
TOTAL	179	193	+6.7% lfl

Gross total, before French research tax credit and 2017 capitalization

Growth drivers: Advertising and Marketing

in €m Excl. WMF	2016	2017	
Advertising	131	134	
Operational marketing	304	346*	
TOTAL	435	480*	+ 12.1% lfl

**including €74m reclassified for Supor*

Operating profit

in €m

	2016	2017	
Operating Result from Activity (ORfA)	505	661	+30.8%
Discretionary and non-discretionary profit-sharing	(37)	(38)	
Other operating income and expense	(42)	(44)	
Operating profit	426	580	+35.9%

Net profit

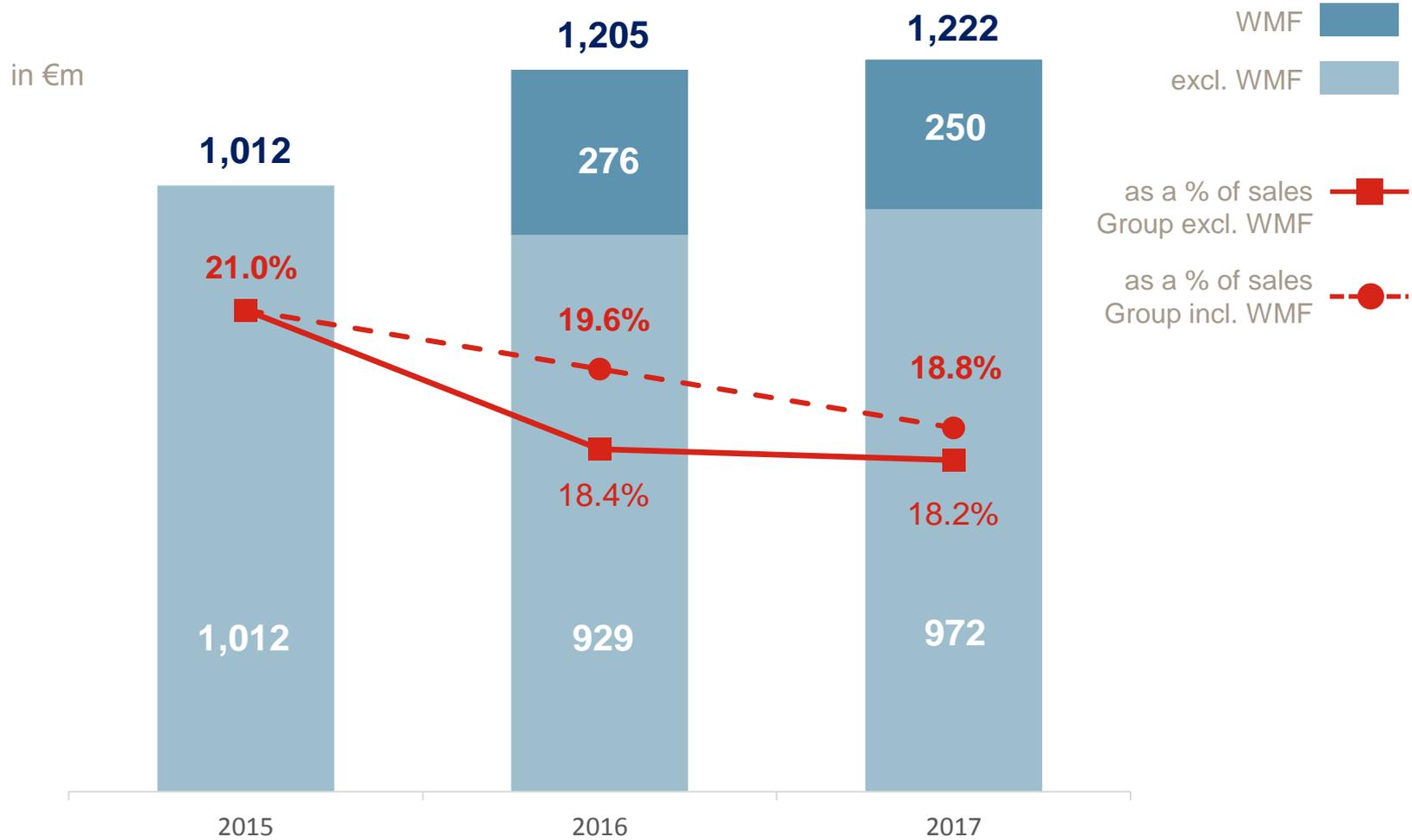
in €m	2016	2017	
Operating profit	426	580	+35.9%
Interest expense	(30)	(35)	
Other financial expense	(28)	(37)	
Tax	(77)	(99)	
Non-controlling interests	(32)	(34)	
Net profit	259	375	+45.0%

Simplified balance sheet

in €m	12/31/2016*	12/31/2017
Tangible fixed assets	3,596	3,512
Operating WCR	1,205	1,222
Total assets to be financed	4,801	4,734
Equity	1,836	1,964
Provisions	448	413
Other current assets and liabilities	498	452
Net debt	2,019	1,905
Total financing	4,801	4,734

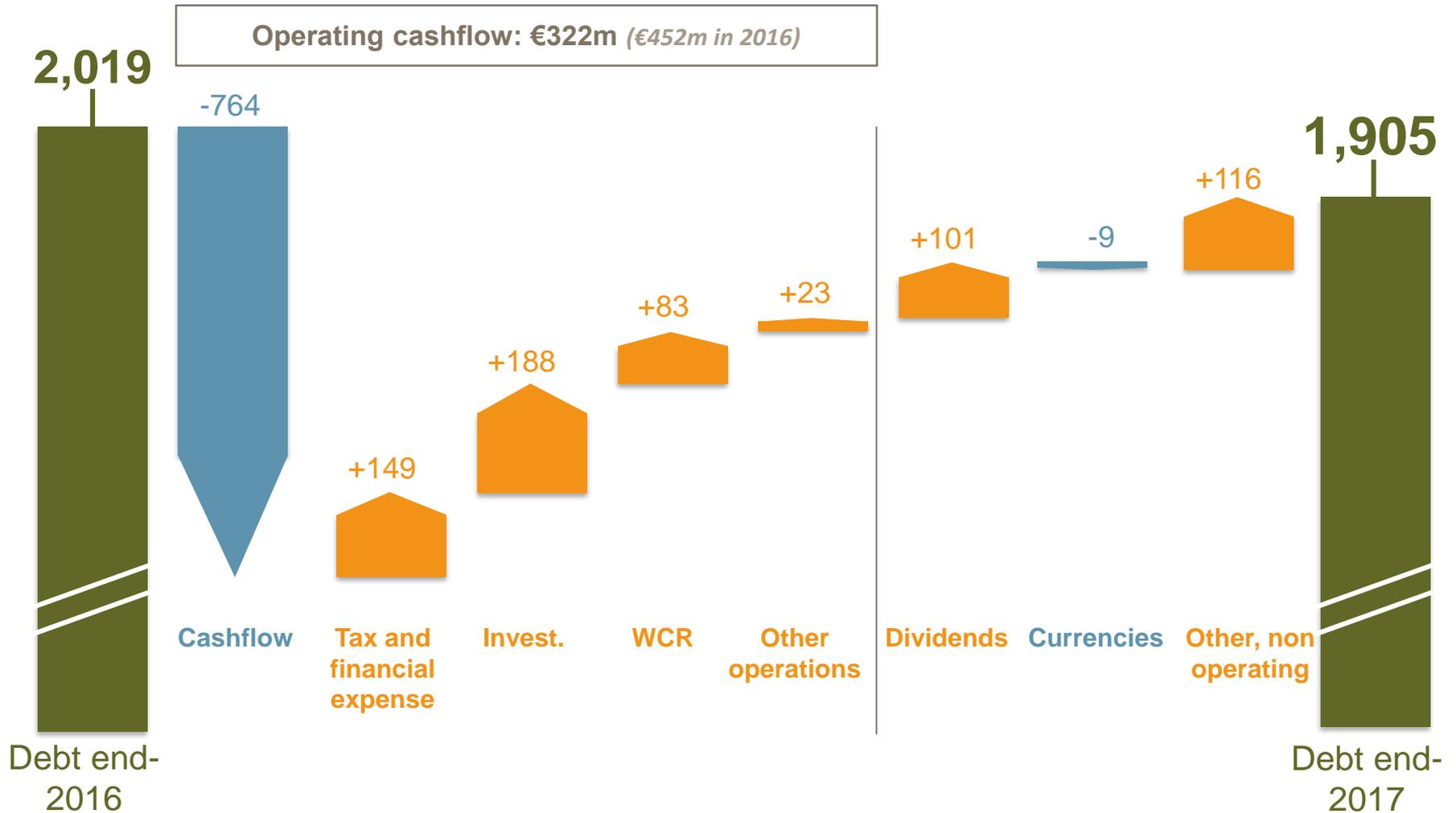
**after finalization of WMF purchase price allocation*

Change in WCR



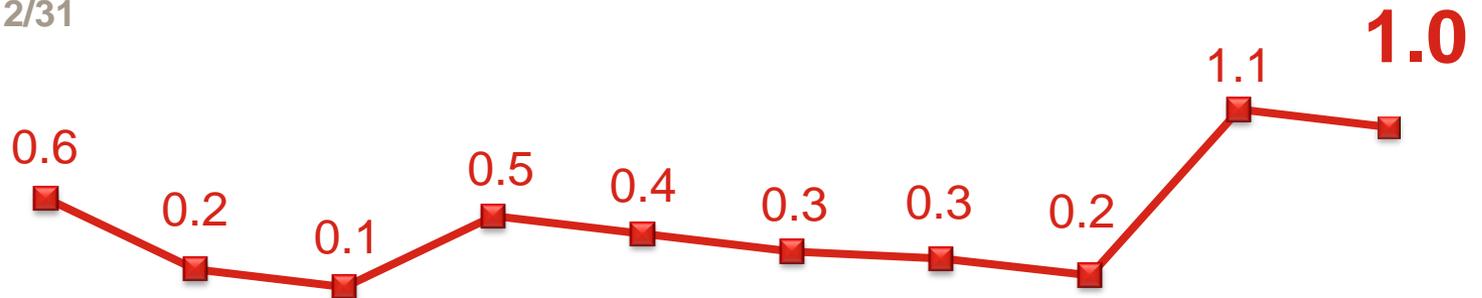
Change in net debt

in €m

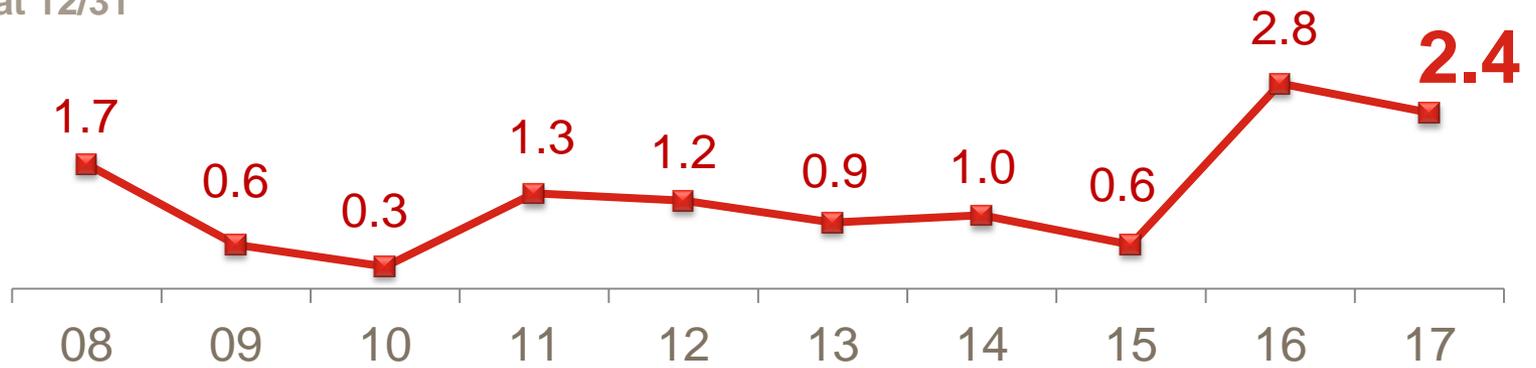


Debt ratios in line with expectations

Net debt-to-equity
Ratio at 12/31



Net debt/adjusted EBITDA
Ratio at 12/31





OUTLOOK

2018: a two-fold objective

Continue Groupe SEB's profitable growth, former consolidation scope

- Strong EMEA dynamic
- Buoyant growth in China
- Stable sales in the US
- Leveraging new set-up in Brazil
- Anticipation of fewer loyalty programs vs. 2017
- Ongoing solid momentum

Continue WMF integration and accelerate

- Roll-out of projects underway
- Execute Consumer business growth plans and gradually improve profitability
- Accelerate in Professional Coffee
- Cost control, roll-out of operating synergies and stock reductions

2018 guidance

A more challenging environment than in 2017

- Macroeconomy: raw materials and currencies, in particular
- Demanding comps for the Group and for WMF

	2015	2016	2017
Sales LFL	+8.0%	+6.1%	+9.2%
ORfA	€428m	€505m	€583m

- **WMF: an exceptional year in the Professional Coffee business in 2017**

2018 Group objectives

- ➔ **Organic growth in sales**
- ➔ **Improvement in Operating Result from Activity**
- ➔ **Debt reduction**

APPENDICES



2017 sales restated

In €m

	2017	Δ LFL
EMEA	3,170	+7.6%
Western Europe	2,424	+5.8%
Other countries	746	+12.6%
AMERICAS	946	+3.1%
North America	579	3.8%
South America	367	2.0%
ASIA	1,807	+15.3%
China	1,286	+21.0%
Other Asian countries	521	+1.6%
TOTAL incl. WMF Consumer	5,923	+9.2%
WMF Professional	562	
Groupe SEB	6,485	

% based on non-rounded figures

2017 quarterly sales, restated

In €m		Q1	Q2	HY1	Q3	9 month	Q4	2017
	EMEA	656	660	1,316	718	2,034	1,136	3,170
	Western Europe	491	497	988	536	1,524	900	2,424
	Other countries	165	163	328	182	510	236	746
	AMERICAS	204	203	407	247	654	292	946
	North America	126	123	249	146	395	184	579
	South America	78	80	158	101	259	108	367
	ASIA	519	406	925	420	1,345	462	1,807
	China	403	277	680	293	973	313	1,286
	Other Asian countries	116	129	245	127	372	149	521
	TOTAL incl. WMF Consumer	1,379	1,269	2,648	1,385	4,033	1,890	5,923
	WMF Professional	148	145	293	133	426	136	562
	Groupe SEB	1,527	1,414	2,941	1,518	4,459	2,026	6,485

% based on non-rounded figures

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).

Product Cost Optimization (PCO)

Group program regrouping and formalizing productivity and value-accretive initiatives.

Opération Performance SEB (OPS)

Group program targeting improvement in overall performance, striving for excellence.



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Upcoming events

April 26 | after market close 2018 first-quarter sales and financial data

May 16 2018 Annual General Meeting

July 15 | before market opens 2018 first-half sales and results

October 25 | after market close 2018 9 month sales and financial data