



# NINE-MONTH 2017 SALES AND FINANCIAL DATA

30 October 2017



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



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## Disclaimer

*Some of the statements contained in this document may be forward-looking statements concerning Groupe SEB's financial position, results, businesses, strategy or projects. Groupe SEB considers that such statements are based on reasonable assumptions but cannot and does not give any assurance that the Group's future performance will be consistent with those statements. Actual results could differ from those currently anticipated in such statements due to a certain number of inherent risks and uncertainties, most of which are beyond Groupe SEB's control, such as those described in the documents filed or to be filed by Groupe SEB with the French securities regulator (Autorité des Marchés Financiers) and made available for downloading from the Company's website*

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# NINE-MONTH 2017 SALES AND FINANCIAL DATA

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- 1. Figures**
- 2. Business review by geography**
- 3. 2017 Outlook**



# NINE-MONTH 2017 SALES AND FINANCIAL DATA

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## 1. Figures



# Key figures at 30 September, 2017

## Sales

**€4,459m**

+32.4%

Excl. WMF  
**€3,646m**  
+9.6% LFL

WMF  
**€813m**  
+8%

## ROPA\*

**€389m** after PPA +25%

**€406m** before PPA one-offs +30%

Excl. WMF  
**€351m**  
+12.5%

WMF  
**€55m**  
+22%

## Net debt

**€2,075m**

+ €56m vs Dec. 31, 2016

## Cash generated from operations

**€124m**

over the 9 first months

\* ROPA: Résultat Opérationnel d'Activité → Operating Result from Activity

## 9-month revenue by region

		2016	2017	As reported	LFL
EMEA	<b>EMEA</b>	<b>1,586</b>	<b>1,723</b>	<b>+8.7%</b>	<b>+7.4%</b>
	Western Europe	1,148	1,224	+6.7%	+4.4%
	Other countries	438	499	+13.8%	+15.3%
AMERICAS	<b>AMERICAS</b>	<b>617</b>	<b>646</b>	<b>+4.7%</b>	<b>+2.6%</b>
	North America	374	388	+3.5%	+3.6%
	South America	243	258	+6.4%	+1.1%
ASIA	<b>ASIA</b>	<b>1,165</b>	<b>1,277</b>	<b>+9.6%</b>	<b>+16.3%</b>
	China	844	944	+11.8%	+21.5%
	Other Asian countries	321	333	+3.9%	+2,5%
SCOPE	<b>TOTAL excl. WMF</b>	<b>3,368</b>	<b>3,646</b>	<b>+8.3%</b>	<b>+9.6%</b>
	<b>WMF</b>		<b>813</b>	<b>+8.0%</b>	
	<b>Groupe SEB</b>	<b>3,368</b>	<b>4,459</b>	<b>+32.4%</b>	

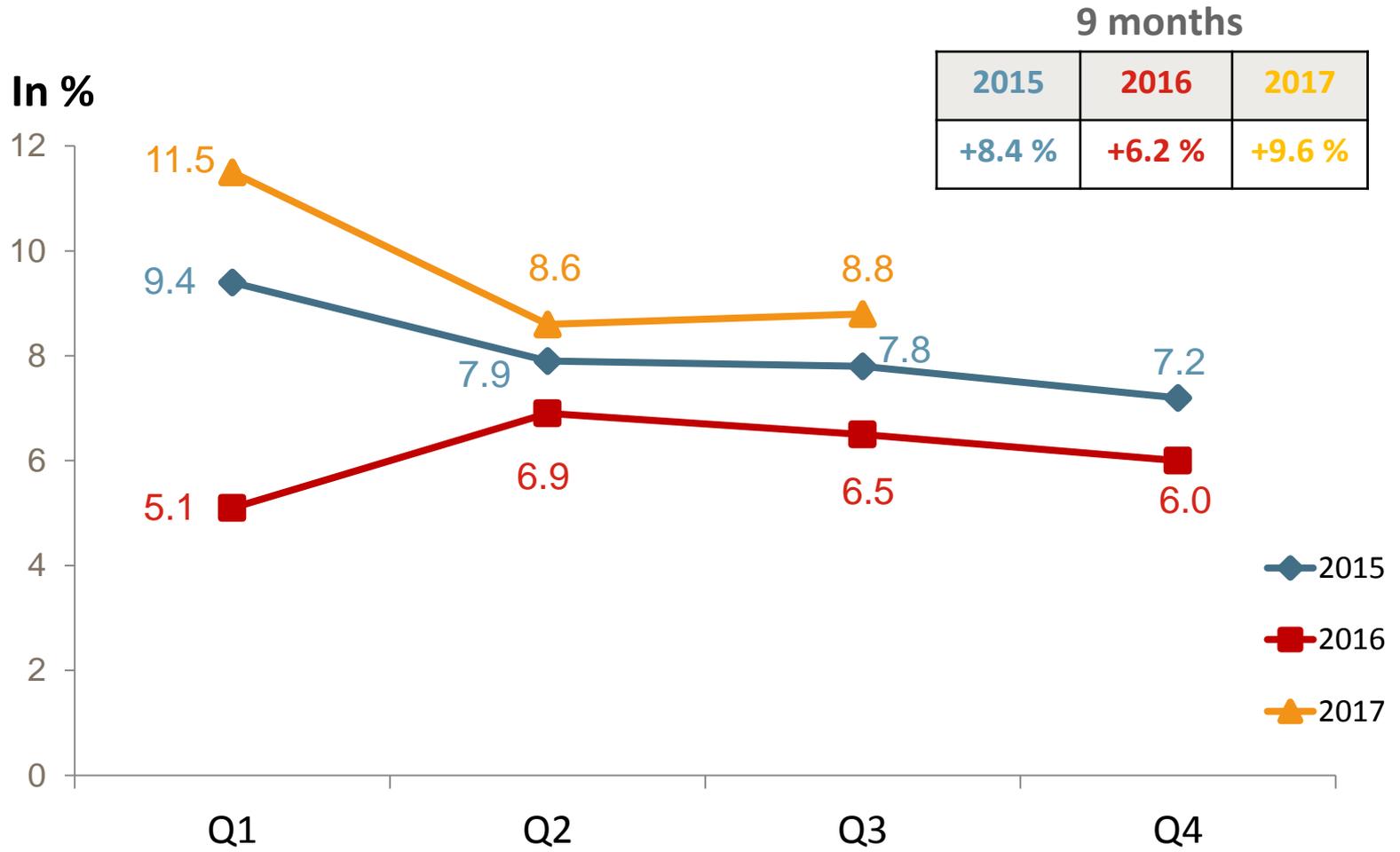
% based on non-rounded figures

## Q3 revenue by region

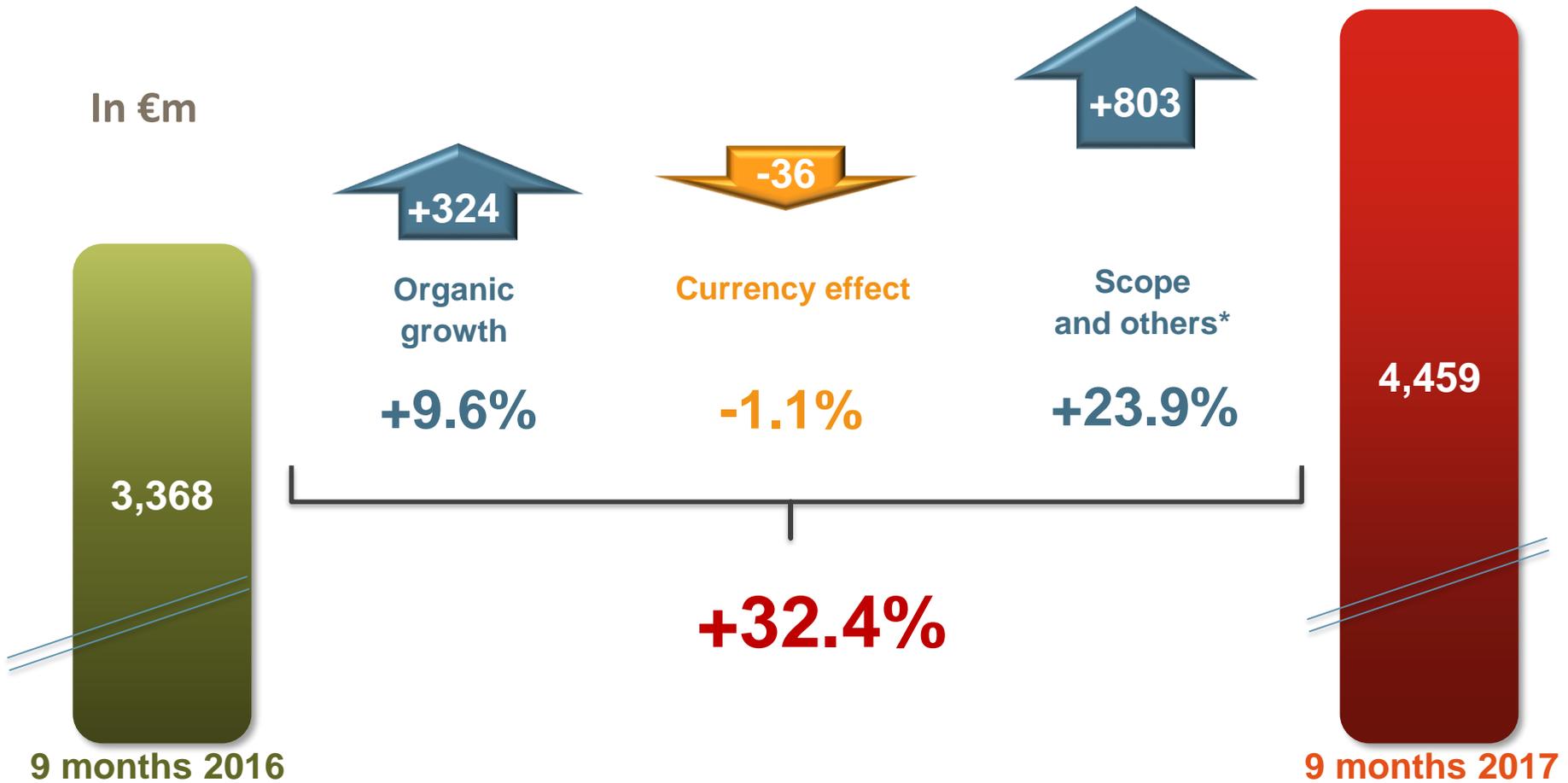
	Q3 2016	Q3 2017	As reported	LFL
<b>EMEA</b>	<b>570</b>	<b>604</b>	<b>+6.2%</b>	<b>+8.2%</b>
Western Europe	416	427	+2.8%	+3.8%
Other countries	154	177	+15.3%	+20.3%
<b>AMERICAS</b>	<b>265</b>	<b>246</b>	<b>-7.4%</b>	<b>-3.3%</b>
North America	160	145	-9.7%	-6.1%
South America	105	101	-3.8%	+0,9%
<b>ASIA</b>	<b>369</b>	<b>399</b>	<b>+8.0%</b>	<b>+18.3%</b>
China	259	285	+10.5%	+23.4%
Other Asian countries	110	114	+2.3%	+6.5%
<b>TOTAL excl. WMF</b>	<b>1,204</b>	<b>1,249</b>	<b>+3.8%</b>	<b>+8.8%</b>
<b>WMF</b>		<b>269</b>	<b>+4.0%</b>	
<b>Groupe SEB</b>	<b>1,204</b>	<b>1,518</b>	<b>+26.1%</b>	

% based on non-rounded figures

# Organic growth in sales, by quarter



# Analysis of 9-month revenue growth

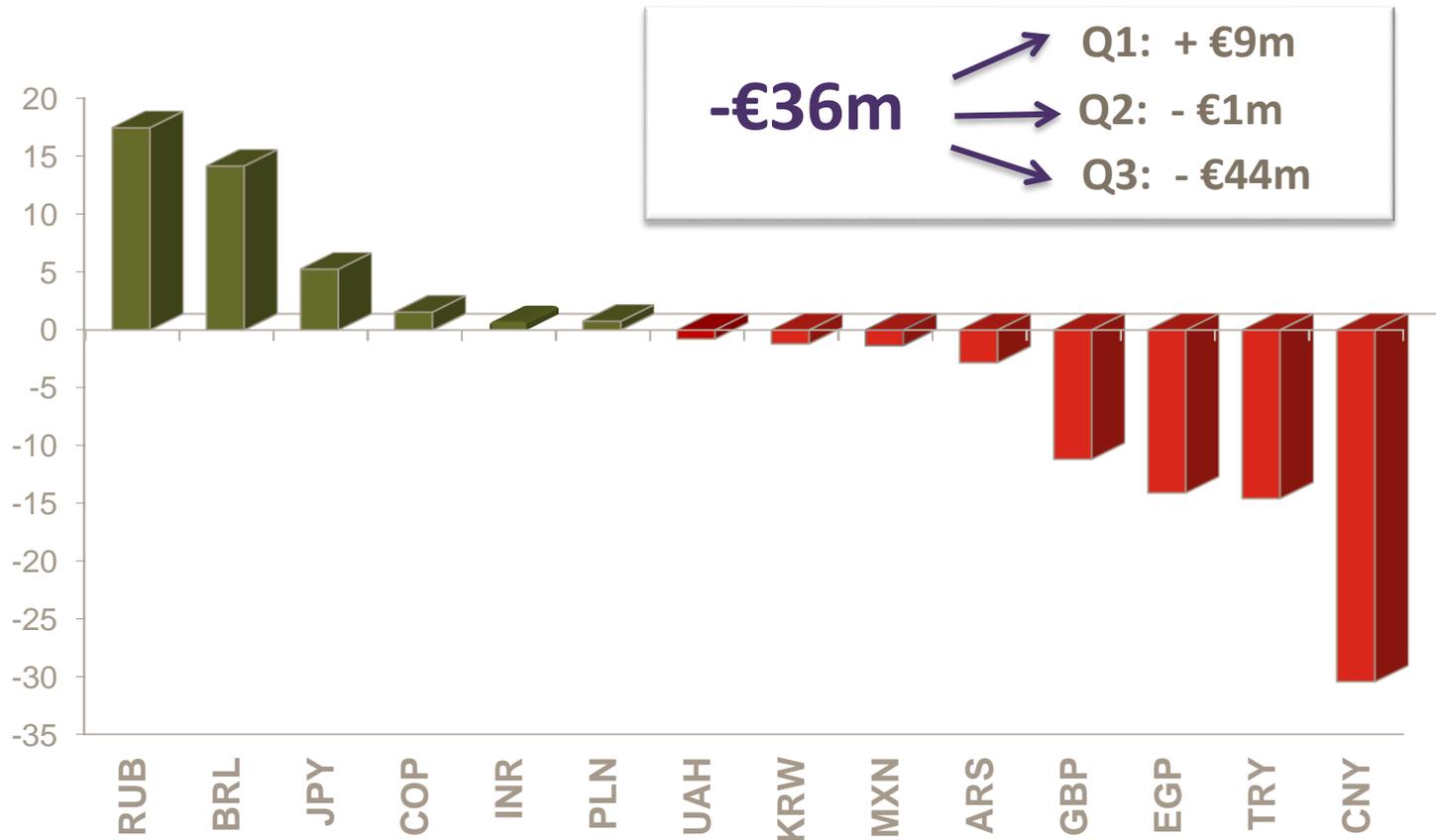


\* Includes reclassification in China of €54m from marketing spend to sales deduction

# Currency impact on 9-month 2017 revenue

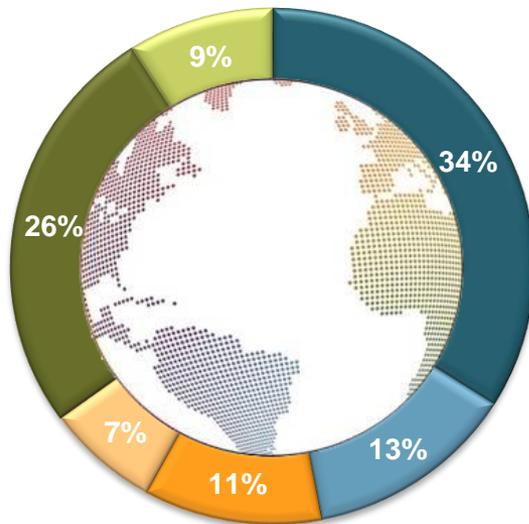
**Groupe SEB excl. WMF: - €36m**

In €m



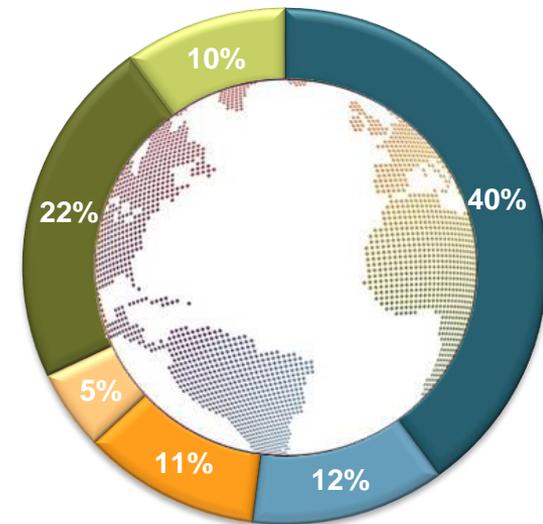
# 9-month 2017 revenue by region

## Excluding WMF



Mature countries: 50%  
Emerging countries: 50%

## With WMF



Mature countries: 56%  
Emerging countries: 44%

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

# TOP-20 countries 9-month revenue LFL growth



# WMF business review

**9-month revenue: €813m, +8%**  
**Q3 Revenue: €269m, +4%**

## Professional

**9-months: €426m, +18 %**  
**Q3: €133m, +11%**

- **Double-digit growth in PCM**
  - Gradual dilution of the Tim Horton's and Family Mart deals signed in 2016
  - PCM core business still up double-digit
- **Revenue down in Hotel Equipment**
  - Logistics and information systems transitions

## Consumer

**€9-months: €387m, -1%**  
**Q3: €135m, -3%**

- Slight decrease in cookware sales in Germany
- One-off business disruption in Europe due to reorganisation of Group market companies
- Good performance of WMF stores in Germany
- Ongoing solid momentum in SDA
- Strong dynamic in Asia-Pacific

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## 2. Business review by geography

Groupe SEB, 2017 scope



Western Europe	2016	2017	REPORTED	LFL	Reminder LFL 2016
9 months	1,148	1,224	+6.7%	+4.4%	+4.7%
Q3	416	427	+2.8%	+3.8%	+4.6%

- **Overall ongoing positive momentum, vs solid 2016 comps**
  - Growth fuelled by both offline expansion and rapid progress online
- **More contrasted business activity**
  - **France:** revenue down 3.5% in Q3 with cookware sales up again and SDA sales down => Yet strong SDA sell-out and significant market share gains.  
9-month sales up excluding impact of non-repeat of 2016 LPs.
  - **Germany:** strengthened impetus in core business + new LPs with retailers
  - **Austria and Switzerland:** new Nespresso partnerships driving solid momentum
  - Highly satisfying business activity in **Italy**, fuelled by mainstays
  - **Spain:** overall good 2017 performance but Q3 more challenging (country's backdrop)
  - Positive trend but uncertain outlook in **the UK**
  - Mixed picture in **Belgium / the Netherlands / Scandinavia**

# Other EMEA countries



Other EMEA countries	2016	2017	REPORTED	LFL	Reminder LFL 2016
9 months	438	499	+13.8%	+15.3%	+9.6%
Q3	154	177	+15.3%	+20.3%	+13.1%

- **Stepped-up growth in Q3**

- ➔ Buoyed by the vast majority of countries and reflected in market share gains

- **Ongoing strong Group dynamic**

- ➔ Robust growth in **Central Europe, the Balkans et Ukraine**

- ➔ **Russia:** continued large outperformance in both cookware and SDA with an extended product offering: irons, coffee machines, food prep., grills, vacuum cleaners...). Strengthened position in the retail.

- ➔ **Turkey:** unstable environment but strong LFL growth despite price hikes. Increased local manufacturing (Turkey + Egyptian plant).

- ➔ More complicated business in **Saudi Arabia** and in **India**.

- ➔ Strong LFL sales growth in **Egypt**.

North America	2016	2017	REPORTED	LFL	Reminder LFL 2016
9 months	374	388	+3.5%	+3.6%	-5.3%
Q3	160	145	-9.7%	-6.1%	+1.4%

- **Q3 sales down 6% due to underperformance in the US and Canada**

### USA

- Crisis in the offline retail industry leading to store closures, destocking, etc.
- Fierce competition in cookware, new entrants
- Lower Rowenta sales in a contracting market despite solid momentum in garment steamers

### Canada

- Difficult Q3 after an outstanding H1, but promising Q4

- **Strong dynamic in Mexico**

- Core business up, nurtured by flagship products (cookware, irons and blenders)
- New LP with Soriana

South America	2016	2017	REPORTED	LFL	Reminder LFL 2016
<b>9 months</b>	<b>243</b>	<b>258</b>	<b>+6.4%</b>	<b>+1.1%</b>	<b>+1.4%</b>
Q3	105	101	-3.8%	+0.9%	+3.0%

- **Turnaround in currency trend: BRL, COP and ARS weakening again vs €**
- **Overall challenging context**

## Brazil – Overall retail environment slightly more positive

- Group revenue stable in Q3, LFL, with decline in fan (poor weather conditions) and food preparation appliance sales offset by growth in cookware, linen care and Dolce Gusto
- Ramp-up of the Itatiaia facility

## Colombia – Soft general environment

- Sales down, exclusively due to fans (unfavourable weather conditions)
- Good momentum in cookware, blenders and irons

## Argentina

- Ongoing strong dynamic

China	2016	2017	REPORTED	LFL	Reminder LFL 2016
9 months	844	944	+11.8%	+21.5%	+14.9%
Q3	259	285	+10.5%	+23.4%	+10.2%

- **Buoyant yet very competitive and promotional Chinese market**
- **Excellent Supor growth in Q3**
  - ➔ Reminder: Q3 2016 “low-teen” growth due to business disruption related to G20 summit in Hangzhou in September
  - ➔ Supor’s strong momentum based on: innovation, continued rapid development in online sales territorial expansion, marketing campaigns...
  - ➔ Cookware growth driven by most product families and in particular kitchen tools
  - ➔ SDA: solid dynamic across all major categories in both kitchen electrics and non-kitchen electrics (ongoing ramp-up)
- **To be noted**
  - ➔ Reclassification of €54m of marketing spend over the 9 first months (€18m in Q3) to sales deduction

Other Asian countries	2016	2017	REPORTED	LFL	Reminder LFL 2016
9 months	321	333	+3.9%	+2.5%	+4.3%
Q3	110	114	+2.3%	+6.5%	+7.6%

- **Accelerated growth in Q3, on strong 2016 comps**
- **Japan and South Korea leading the way, but overall improvement vs H1**
  - ➔ **Japan:** continued good momentum, broadly-based, supported by major growth drivers. Very good contribution of Group Retail.
  - ➔ **South Korea:** core business performing very well, boosted in addition by a special deal (ovens) with a customer
  - ➔ **Australia:** excellent Q3 thanks to successful launch of new cookware ranges + expansion of Optigrill and linen care
  - ➔ Recovering business activity in **Thailand** and **Vietnam**, stepped-up growth in **Malaysia**
  - ➔ Revenue still down in **Singapore** due to non-repeat of a special deal in 2016

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## 3. 2017 Outlook



## Outlook: 2017 objectives confirmed

- High quality 9-month performance, in line with Group's expectations
- **End-July guidance for 2017 confirmed:**
  - ➔ Organic sales growth > 7% (reported sales growth > 30%)
  - ➔ Growth in Operating Result from Activity before PPA one-offs\*  $\geq$  30 %
  - ➔ WMF accretive by  $\geq$  20% on 2017 EPS, before impacts of PPAs

\*PPA one-offs on 2017 ROPA: -€17m, all in H1



## ■ 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 nor 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***

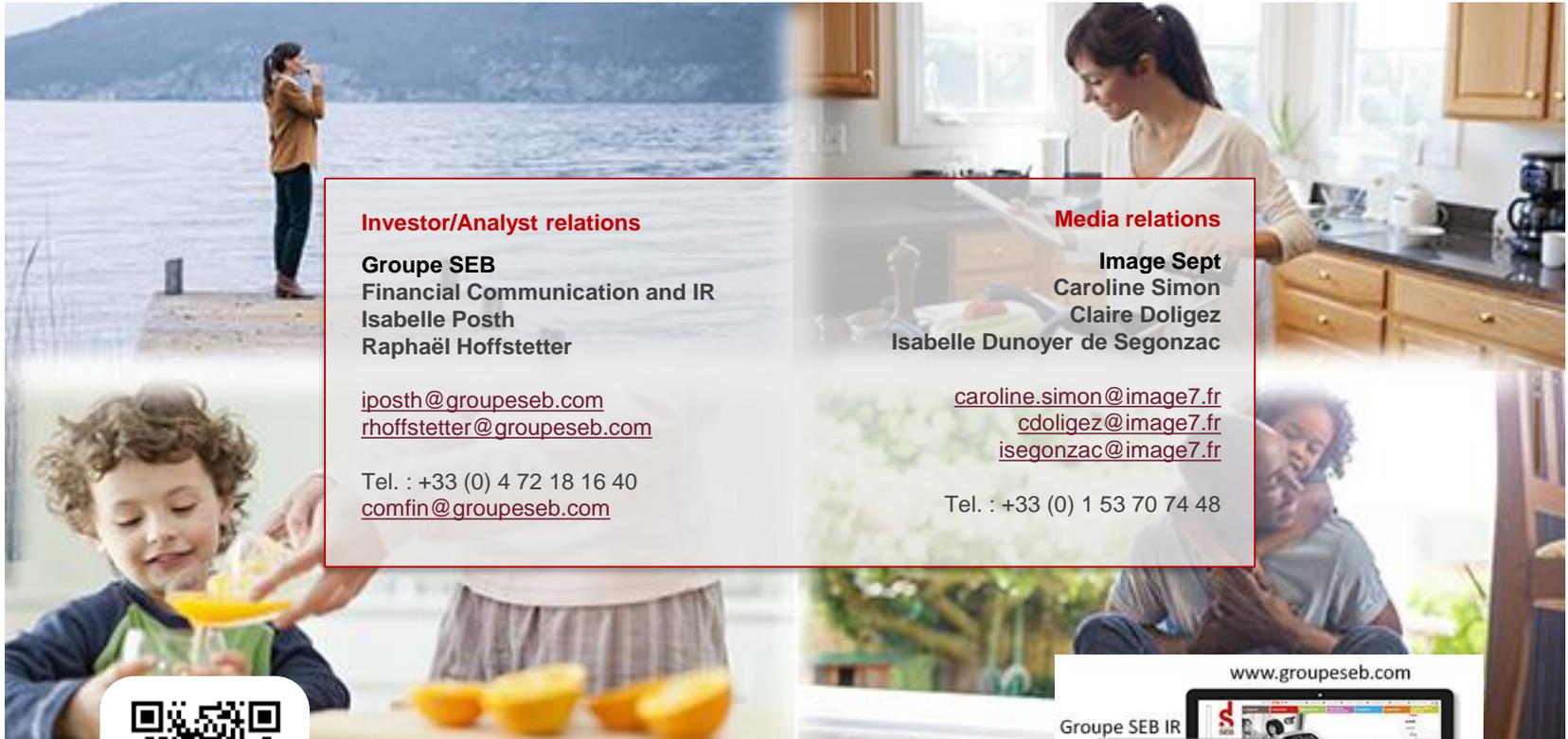
Operating cash flow corresponds to the “net cash from operating activities / net cash used by operating activities” item in the consolidated cash flow table, restated from non-recurring transactions with an impact on the Group's net debt (for example, cash outflows related to restructuring) and after taking account of recurring investments (CAPEX).

# Schedule for **upcoming events**



30/10/2017 5:40 pm	Nine-month 2017 sales and financial data
23/01/2018 5:40 pm	Provisional 2017 sales
01/03/2018 6:30 am	2017 sales and results
26/04/2018 5:40 pm	Q1 2018 sales and financial data
16/05/2018 2:30 pm	Annual general meeting
24/07/2018 6:30 am	H1 2018 sales and results
25/10/2018 5:40 pm	Nine-month 2018 sales and financial data

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