

2014 ANNUAL RESULTS

Paris – 26 February 2015

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2014 ANNUAL RESULTS

Paris – 26 February 2015

- 1.** 2014 Achievements
- 2.** Business and Results
- 3.** Outlook

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Paris – 26 February 2015

1. 2014 Achievements

A complex economic environment in 2014

Le Monde

L'UE adopte de nouvelles sanctions
économiques contre la Russie

29/07/2014

Le Parisien

Sanctions contre Moscou: le rouble au
plus bas face au dollar

Le Parisien | 12 Sept. 2014, 08h36

Les Echos

Rien n'arrête la chute du pétrole

LE 08/10/14

LE FIGARO

La croissance économique mondiale ralentit
selon le FMI

24/07/2014

Le Monde

Le ralentissement de l'économie du
Brésil en trois graphiques

10/09/2014



- Tense geopolitical climate
 - ➔ Crises in Russia/Ukraine, Egypt, Thailand, Syria/Middle East, etc.
- Global economic growth sluggish and uneven / Slump in oil prices
- Massive currency fluctuations

Massive currency fluctuations

- Certain currencies fell sharply against the euro
- One-year change in average exchange rates 2014 vs. 2013:

RUB	BRL	JPY	TRY	COP	CAD	UAH	ARS
- 17%	- 8%	- 8%	- 13%	- 6%	- 7%	- 32%	- 32%

- Two-year change in average exchange rates 2014 vs. 2012:

RUB	BRL	JPY	TRY	COP	CAD	UAH	ARS
- 22%	- 20%	- 27%	- 20%	- 13%	- 12%	- 35%	- 46%

2014 Financial Highlights

Revenue

€4,253m

+ 4.6% LFL
+ 2.2% reported

Operating result from activity

Reported

€368m

-10.3% reported

Op. margin: 8.7%

LFL

€462m

+ 12.6% LFL

Op. margin: 10.6%

Attributable profit

€170m

- 14.9% reported

Net debt at 31 Dec.

€453m

+ €37m vs 2013

Dividend

proposed at the 2015 Annual Meeting

€1.44

+ 3.6%

Commitments and achievements in 2014

1/ Boost growth	Achieved
<ul style="list-style-type: none"> • Innovation → Improved product mix • Increased marketing and advertising resources • Stepped up sales with key accounts • Medium-term investments preserved 	<p>Inno. spending: €154m</p> <p>€318m up 7% LFL</p> <p>Top 10 growth >10% LFL</p> <p>Full automatic espresso machines, vacuum cleaners, Africa</p>

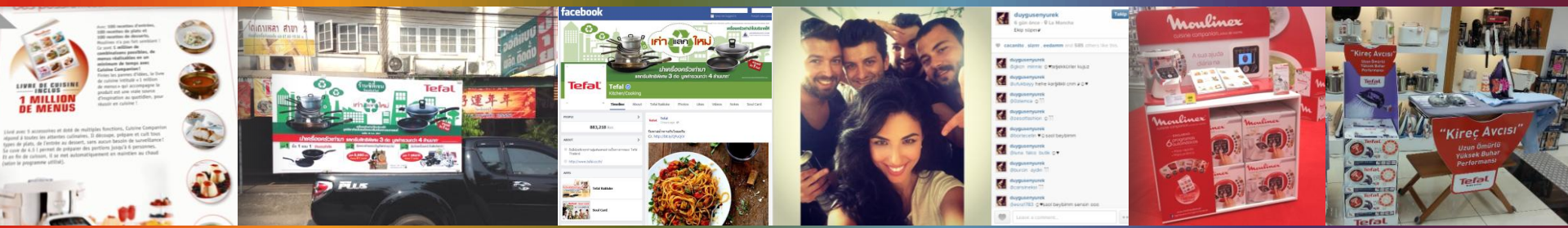
2/ Competitiveness programmes

1.1 Innovation, a key growth driver



- **Spending on innovation in 2014: €154m**
- Growth driven by new **value-added** products:
Cuisine Companion – Air Force – OptiGrill –
Supor woks – Cookeo – Steam generators, etc.
- **Positive product mix** in all continents

1.2 Increased marketing and advertising resources



- **Investments: €318m, up 7% like-for-like**
- Improved in-store execution → Perfect Store
- Fast ramp-up of digital marketing

Improved in-store execution → Perfect Store



**Vacuum cleaners
Rowenta**
Italy



Cuisine Companion – Moulinex
Darty, France



Ultimate AntiCalc – Tefal
Turkey

Improved in-store execution → Perfect Store



Pro style range – Tefal
Kaufland, Germany



Maharaja Whiteline
India



SDA – Imusa
Colombia



Sensorielle and Clipso+ ranges – Tefal
UAE



SDA – Moulinex
Carrefour, Spain

Fast ramp-up of digital marketing

- **>12%** of advertising spending
- **>200 brand sites** worldwide
- Numerous blogging campaigns



1.3 Stepped up sales with key accounts



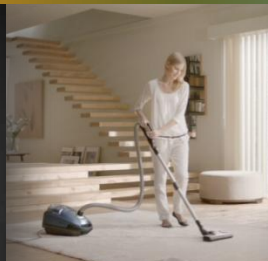
Sharp recovery in activity with Carrefour

- Robust sales growth
- Effective sales campaigns
- Joint efforts to regain market share on the French SDA market

E-tailing: T-Mall in China

- T-Mall → Top 20 Group customers
→ Top 5 Supor customers
- Sales **x 2**
 - ↗ Cookware up 80%
 - ↘ SDA up 140%
- Development of dedicated cookware SKUs

1.4 Medium-term investments preserved



Full Automatic espresso machines

- 2014 sales **up 30%**
- Positions in Europe strengthened

Vacuum cleaners

- 2014 sales **up 11%**
- Wide product offering: 5 VC families
- Market share gains in Europe
Local leadership positions strengthened

International

- Asean countries: **100% Asia Fan**
- India: **100% Maharaja Whiteline**
- Egypt 2014 sales: **up 50% LFL**

Commitments and achievements in 2014

1/ Boost growth

2/ Competitiveness programmes	Achieved
<ul style="list-style-type: none"> • Optimised manufacturing productivity and Purchasing performance • Other competitiveness initiatives <ul style="list-style-type: none"> - Simplification - Targeted local actions - Reducing operating expenses 	<p>Direct cost savings: + €37m</p> <p>No. of SKUs -19%</p> <p>Price increases to offset FOREX issues</p>

2.1 Optimised manufacturing productivity and Purchasing performance: + €37m



OPS and PCO projects

- 85 OPS projects
- ≈ 40 PCO initiatives in 2 years
- Return rate <2%



€21m

Technical platforms

Broader roll-out:
fryers, filter coffeemakers,
linen care, etc.



Productivity gains
8-10%

Purchasing



Gains
€16m

Reorganisation

- Discontinuation of scales manufacturing in Rumilly
- Actions underway in South America

2.2 Other competitiveness initiatives



Reducing operating expenses

- Rigorous cost control, excluding sales and marketing investments and one-off costs
- Reduction in obsolete product inventory
down 25%

Simplification

No. Of SKUs
down 19%
(objective: 15% reduction)



1 new SKUs created for
2.3 SKUs discontinued

Targeted local actions

- Price increases → positive price effect in emerging markets
- Action plans focused on specific products
- France, Turkey, etc.

2014

**Numerous
initiatives**

**Highly-mobilized
teams**

A quality year

2014 ANNUAL RESULTS

Paris – 26 February 2015

2. Business and Results

1. Sales

2. Results

2014 ANNUAL RESULTS







Paris – 26 February 2015

2. Business and Results

1. Sales

2. Results

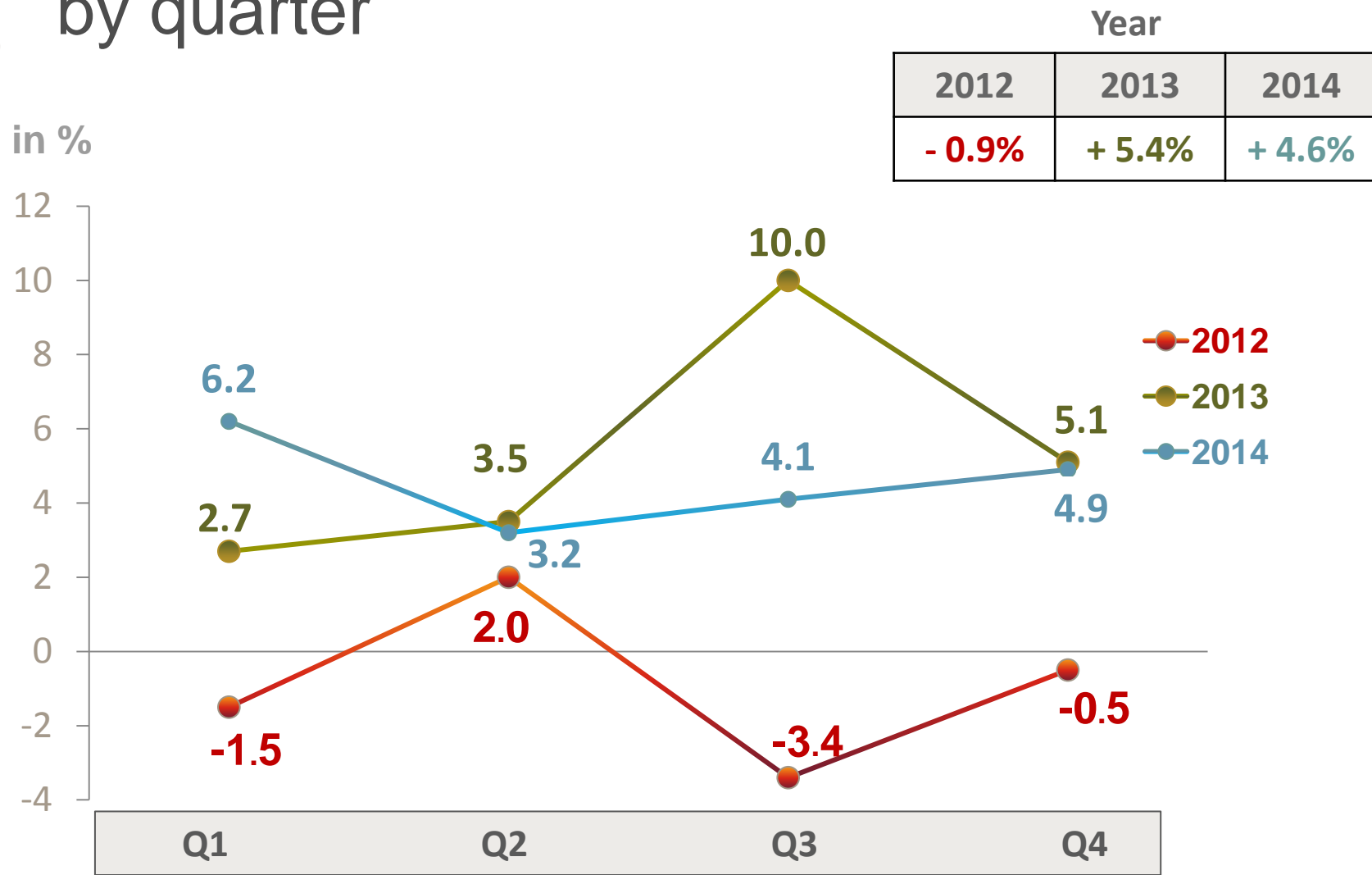
2014 sales by region

	2013	2014	Reported	LFL**	2013/2012 LFL**
 France	666	700	+ 5.1%	+ 5.1%	- 3.3%
 Other Western EU countries	821	849	+ 3.5%	+ 2.8%	+ 8.8%
 North America	468	496	+ 5.9%	+ 4.0%	+ 5.6%
 South America	426	421	- 1.3%	+ 6.9%	+ 6.5%
 Asia-Pacific	1,087	1,132	+ 4.2%	+ 7.9%	+ 11.4%
 Central Europe, Russia and other countries	693	655	- 5.6%	+ 0.4%	+ 0.7%
TOTAL	4,161	4,253	+ 2.2%	+ 4.6%	+ 5.4%

Percentages based on non-rounded figures

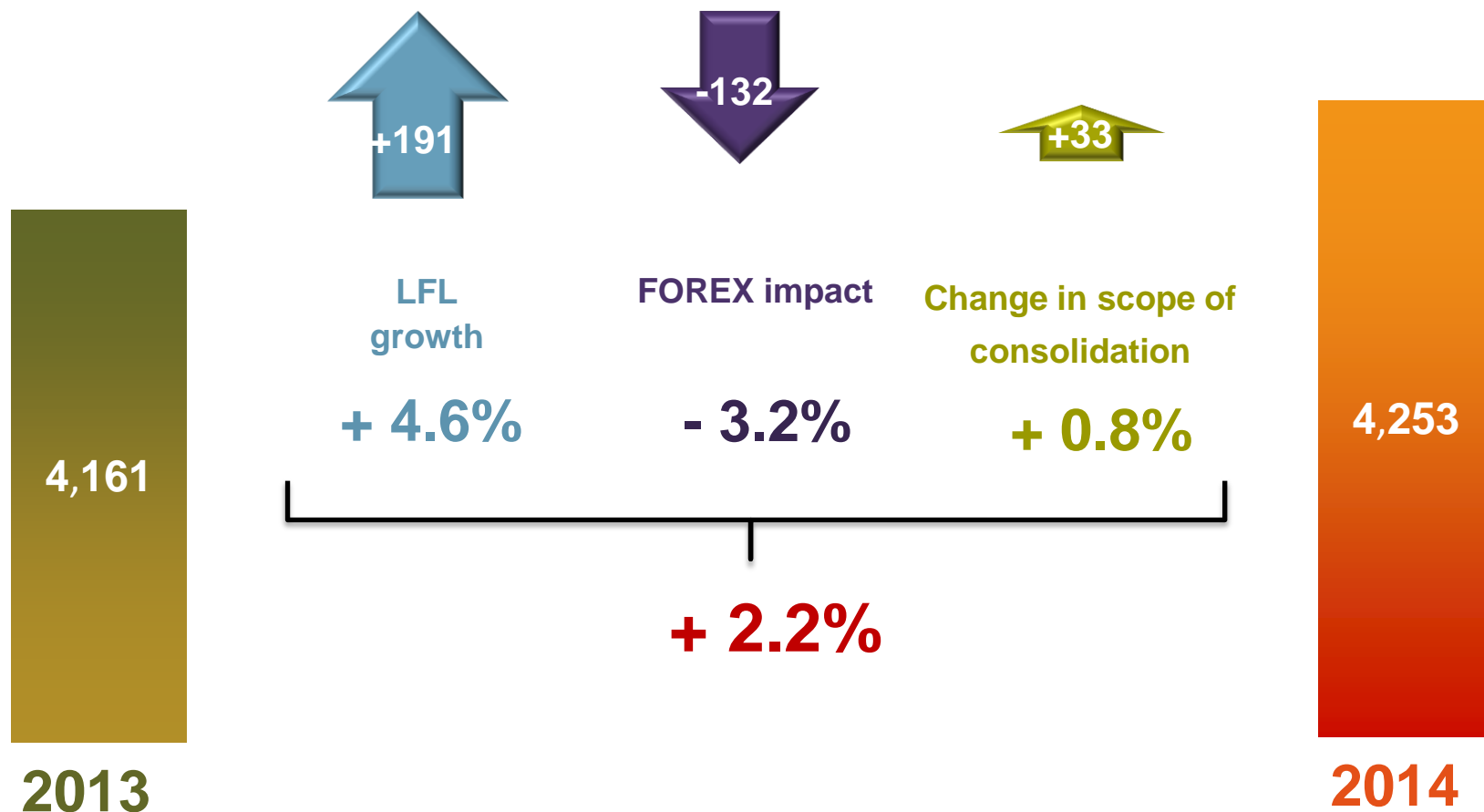
**Like-for-like: At constant exchange rates and scope of consolidation*

Organic revenue growth by quarter



Change in revenue, 2013 → 2014

In €m



Currency impact on 2014 revenue

In €m

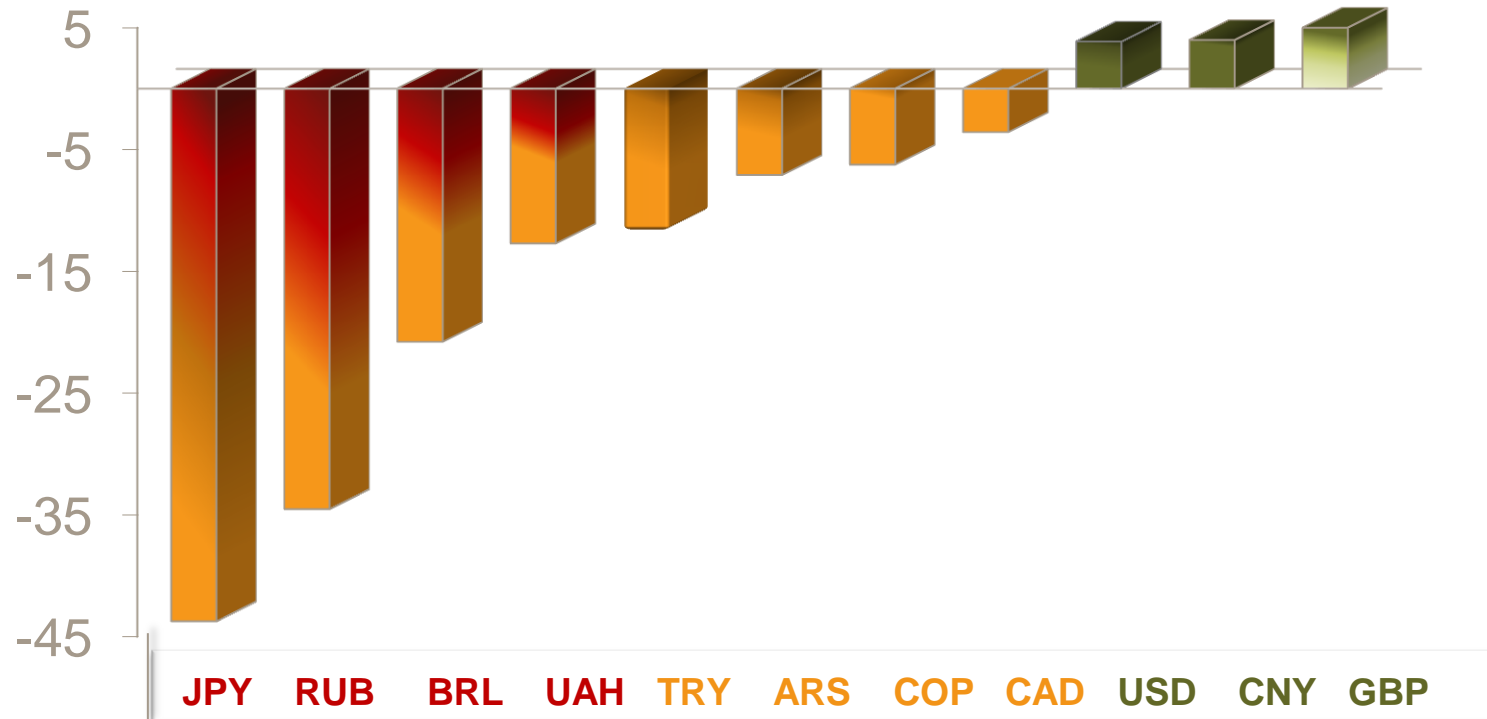
- €132m

Q1: - €53m

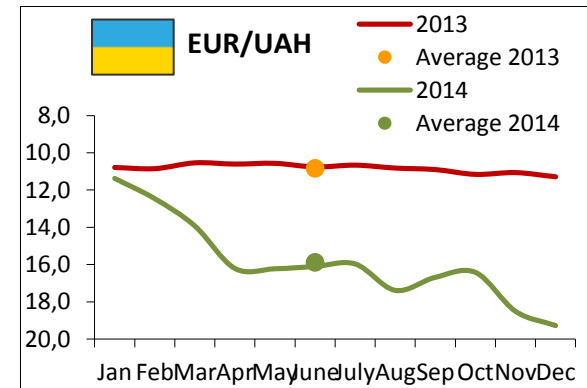
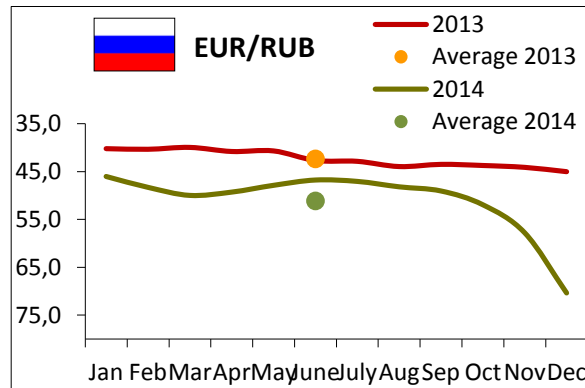
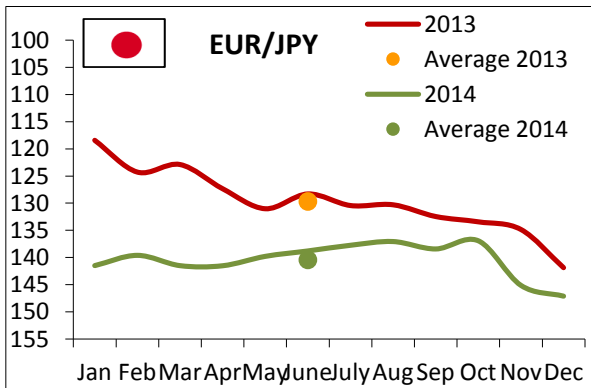
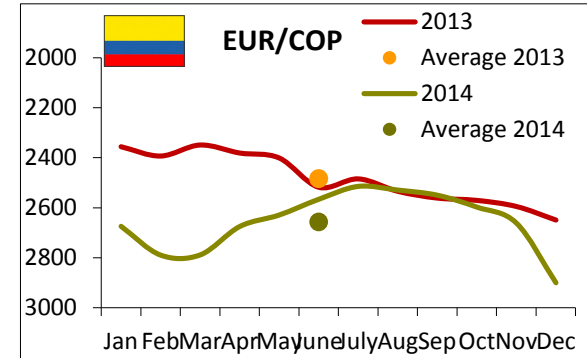
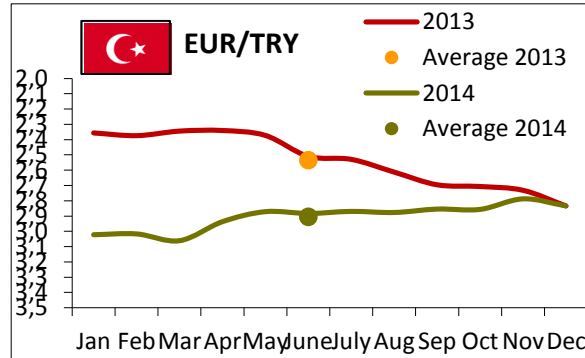
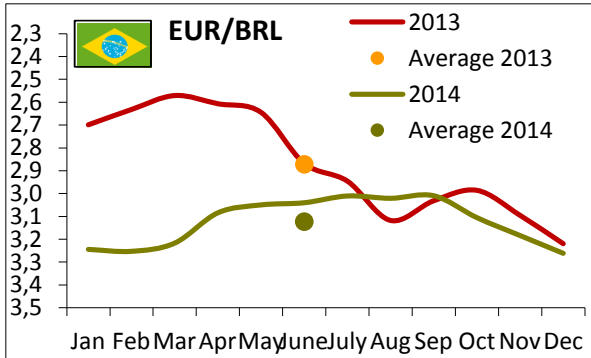
Q2: - €54m

Q3: - €19m

Q4: - €6m

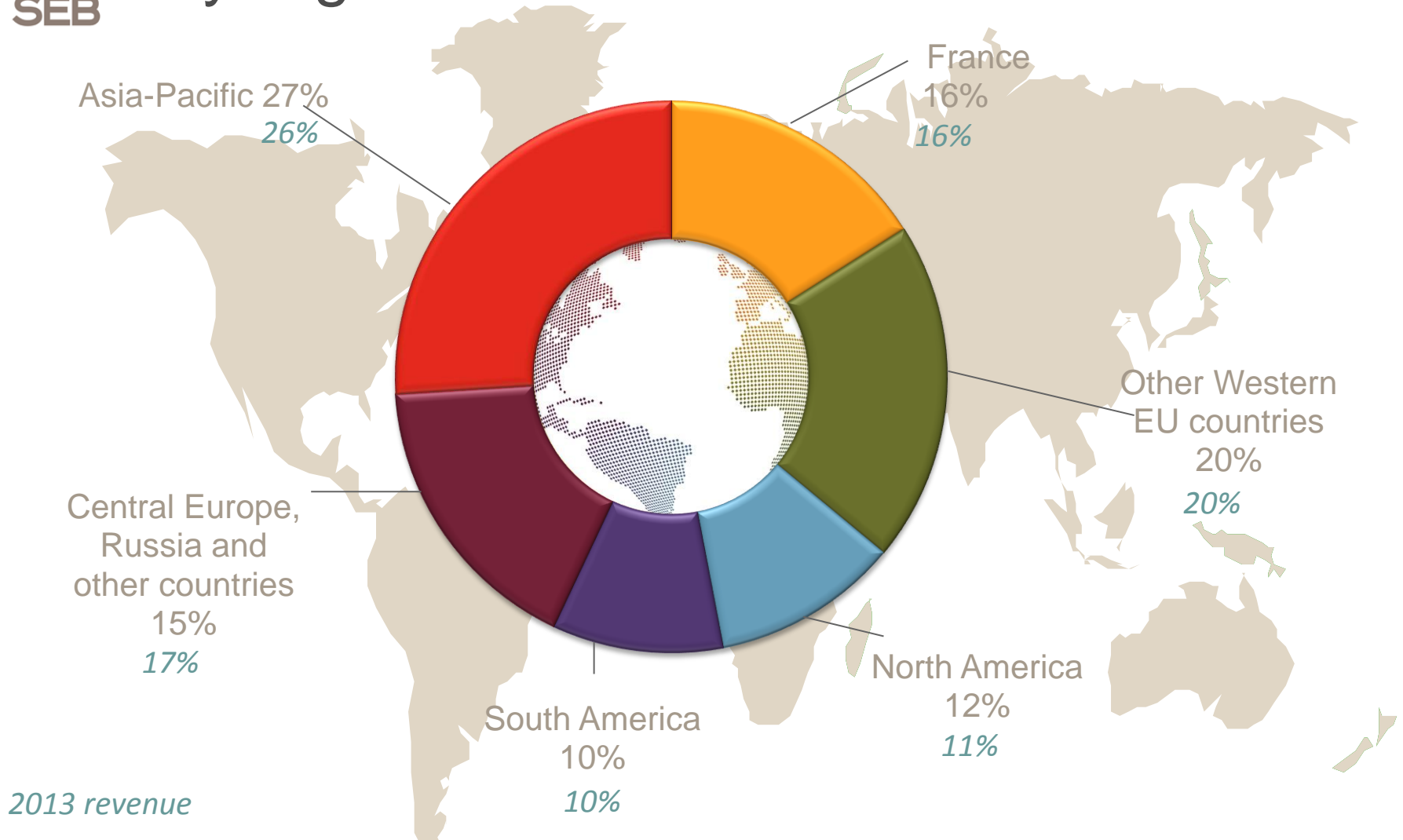


Massive currency fluctuations

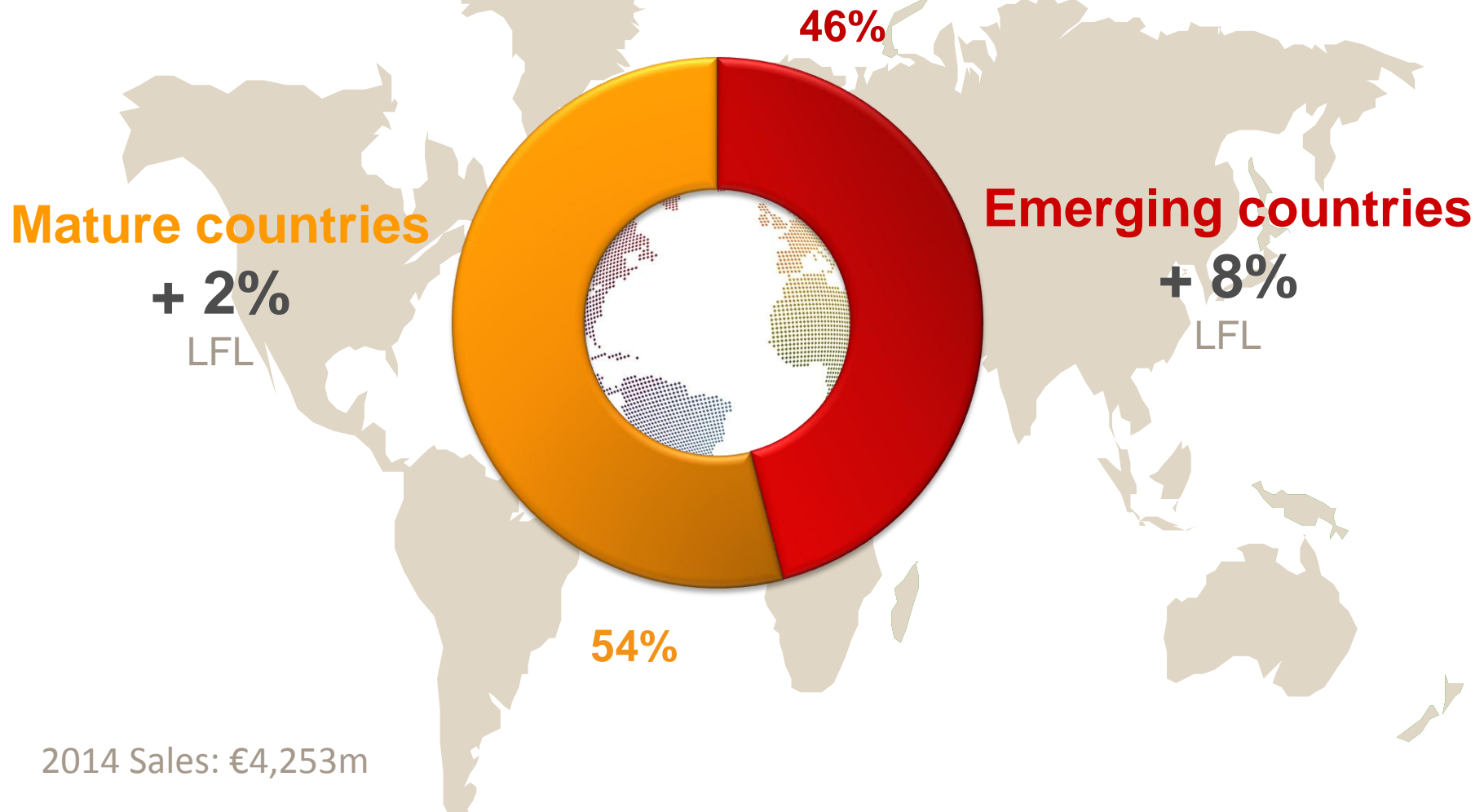


* Average EUR/JPY exchange rate for 2013 (after hedging): 102.2 for Groupe SEB

2014 consolidated revenue by region



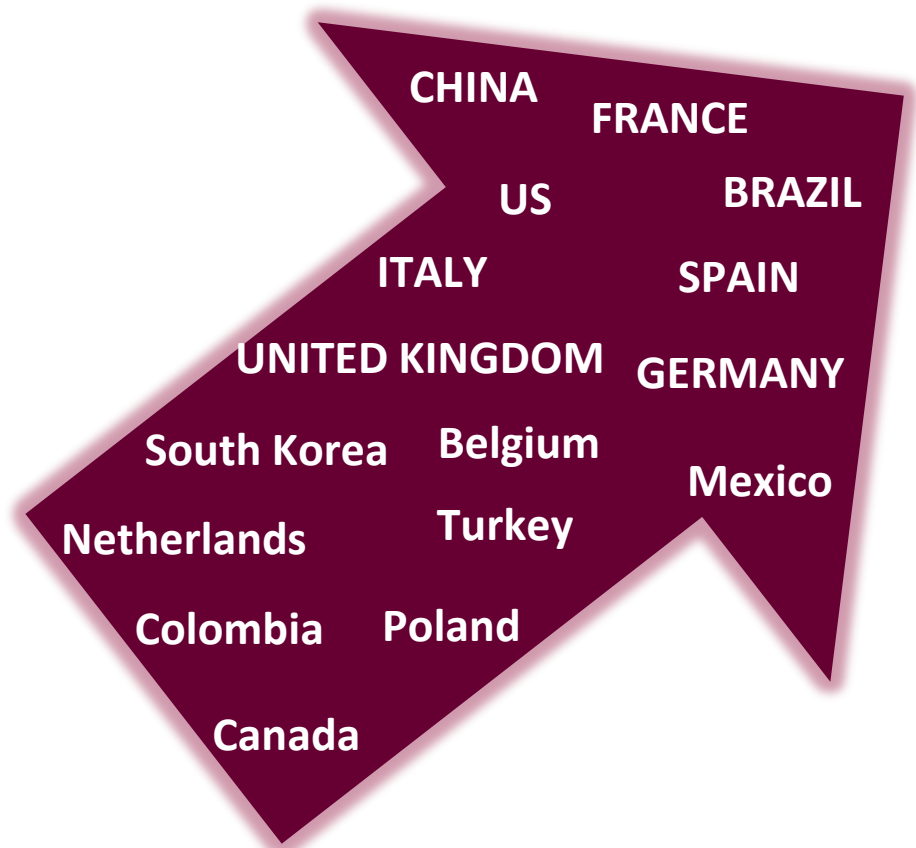
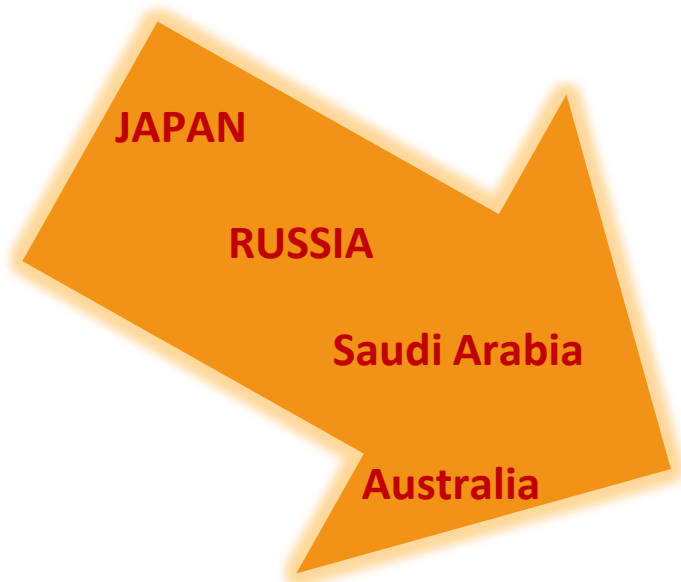
A well-balanced exposure between mature and emerging markets



2014 Sales: €4,253m

Top 20 markets

85% of Group revenue



TOP 10 COUNTRIES

Russia

Group's 6th largest country



2014 revenue

down 20% LFL

No.1 in Cookware

No.2 in SDA

- Worsening economic environment, collapse of rouble, Ukraine crisis → declining market
- Group business heavily penalised by price rises → contraction in market share
- Q4 better overall (sales, market share)
- Outlook for 2015 uncertain and new price increases in early 2015



Мультиварка-скороварка

Moulinex cook 4 me

8 мин 14 мин 15 мин 25 мин

100 БЛЮД В ОДНОЙ КНОПКЕ

Tefal ingenio

ОДНО ДВИЖЕНИЕ — И ВСЕ СЛОЖИТСЯ

ШЁЛК!

ВЫДЕРЖИТ 10 КГ ГАРАНТИЯ 10 ЛЕТ*

*Гарантия 10 лет. Условия гарантии на упаковке товара.

Japan

Group's 8th largest country



2014 revenue

down 18% LFL



No. 1 in Kettles

No. 1 in Cookware

No. 3 in Irons

- Overall unfavourable climate, weakness of the JYP vs €, high levels of retailer inventories in early 2014, VAT increase, etc.
- Price increases at 1 January 2014
 - Aggressive competition → Decrease in volumes
 - Market share under pressure (kettles)
- 2 positive points:
 - Satisfactory business levels in Group Retail (22 stores)
 - Amazon sales +30%

China

Group's largest country



2014 revenue

up 18% LFL



No.1 in Cookware

No.3 in Kitchen Electrics

- Ongoing market share strengthening in cookware and kitchen electrics
- **45,000** sales outlets of which:
 - One third in Tier 3 + 4 cities
- Online sales
 - ↗ **up 100%** in Cookware
 - ↘ **up 45%** in Kitchen Electrics
- Continued improvement in Supor brand awareness
- Launch of non-cooking products at end-2014: irons, steamers, vacuum cleaners, air purifiers

Supor: market share up **7.6 points** in **3 years**

Kitchen Electrics

MS
Dec. 2011

MS
Dec. 2014



Rice cookers

23.1%

29.7%



Induction hobs

16.6%

20.1%



Electric pressure cookers

23.4%

31.1%



Kettles

14.0%

22.0%



Soy milk extractors

4.1%

8.5%

TOTAL

16.2%

23.8%

France

Group's 2nd largest country



2014 revenue

up 5%

No. 1 in SDA - Group MS >30%

No. 1 in Cookware - Group MS >45%

- Growth accelerated, driven by small electrical appliances
- Carrefour loyalty programme launched in Q4 (cookware)
- 50% of the top 30 best sellers in France are Groupe SEB products
 - Cuisine Companion: **No. 3**
 - Cookeo: **No. 4**
 - Air Force: **No. 6**



South Korea

Group's 12th largest country



2014 revenue

up 8% LFL

No. 1 in Kettles

No. 2 in Cookware

No. 3 in Food Preparation

- Firm activity in cookware and kettles
- Growth via all channels excluding traditional distribution
- Expansion of SDA product offering
- Concentration on the Tefal brand since September 2014 in vacuum cleaners



"손잡이가 분리되어 설거지는 쉽게,
정리는 깔끔하게" 테팔 매직핸즈!



United States

Group's 3rd largest country



2014 revenue

up 5.5% LFL

No.1 in Cookware

No.1 in irons

- Cookware: strengthened position for T-fal, vibrant momentum for All-Clad
- Success of OptiGrill: **sales x 5**
- Fast expansion for T-fal irons, Rowenta holding firm
- Launch of fans and humidifiers by Rowenta
- Stepped-up online sales



Turkey

Group's 13th largest country



2014 revenue

up 9% LFL



No. 2 in SDA

- Sharp rebound in activity
- Group market share strengthened
- Best sellers: irons and generators, all vacuum cleaners, meat mincers, handblenders
- **Named No. 1 supplier in 2014** by Media Markt Turkey and Evkur

Poland

Group's 18th largest country



2014 revenue

up 15% LFL

No. **1** in Cookware

No. **3** in SDA

- Improved Cookware market share

Kaufland loyalty programme

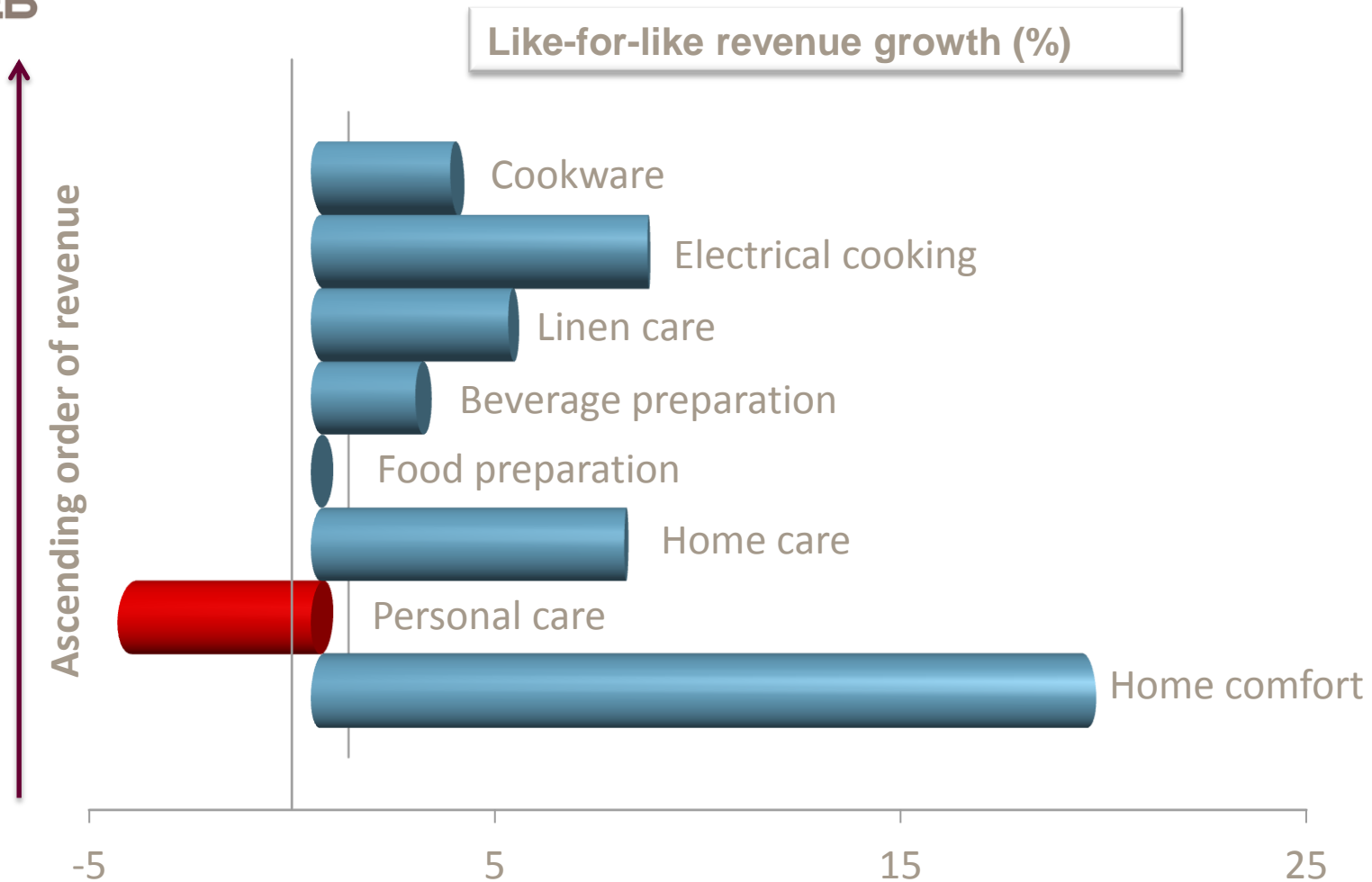
- More shelf space for small electrical appliances

Personal care : **5** → **7.1** products in store

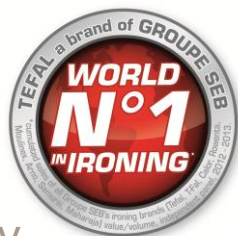
Dolce Gusto: **2** → **3.4** products in store



2014 top performers by product line



A selection of Champion products



Smart technology
steam generators



Air Force



Fans

HARMONY
IONIC



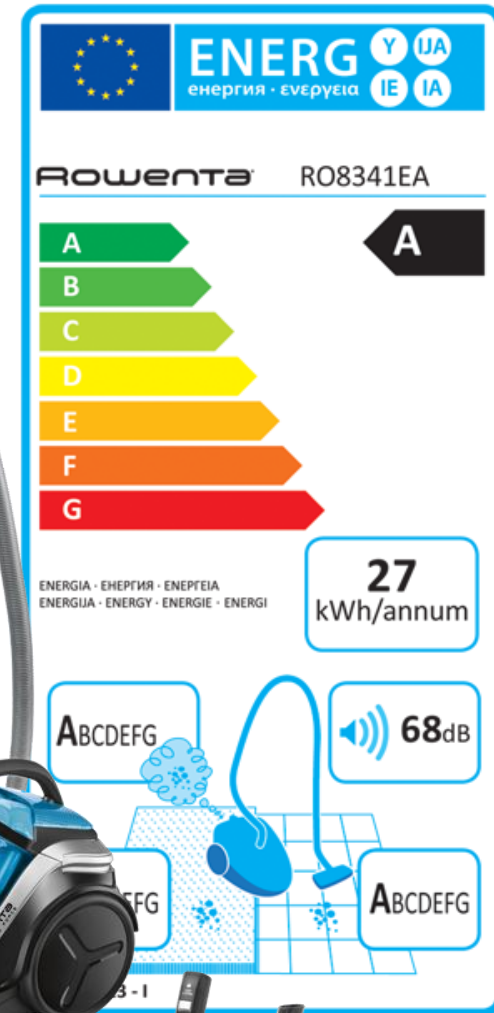
A step ahead in Eco vacuum cleaners

- New **Ecodesign-Ecolabel** standard since 1 September 2014 in Europe

100%

new Rowenta ranges
already **2017**
standard compliant

Silence Force Extreme Multi-Cyclonic
750 Watts
68 dB



A selection of Champion products



BeerTender



Coffee machines



A selection of Champion products



Fryers,
including
Actifry



Cookeo



Cuisine Companion

Supor woks



OptiGrill



Spherical Pot Rice
Cooker



Welcome to the kitchen of the future

Cookeo Connect: prize winner at the Connected Objects Awards
"Special Award for Kitchen and Household Appliances"



2014 ANNUAL RESULTS

Paris – 26 February 2015

2. Business and Results

1. Sales

2. Results

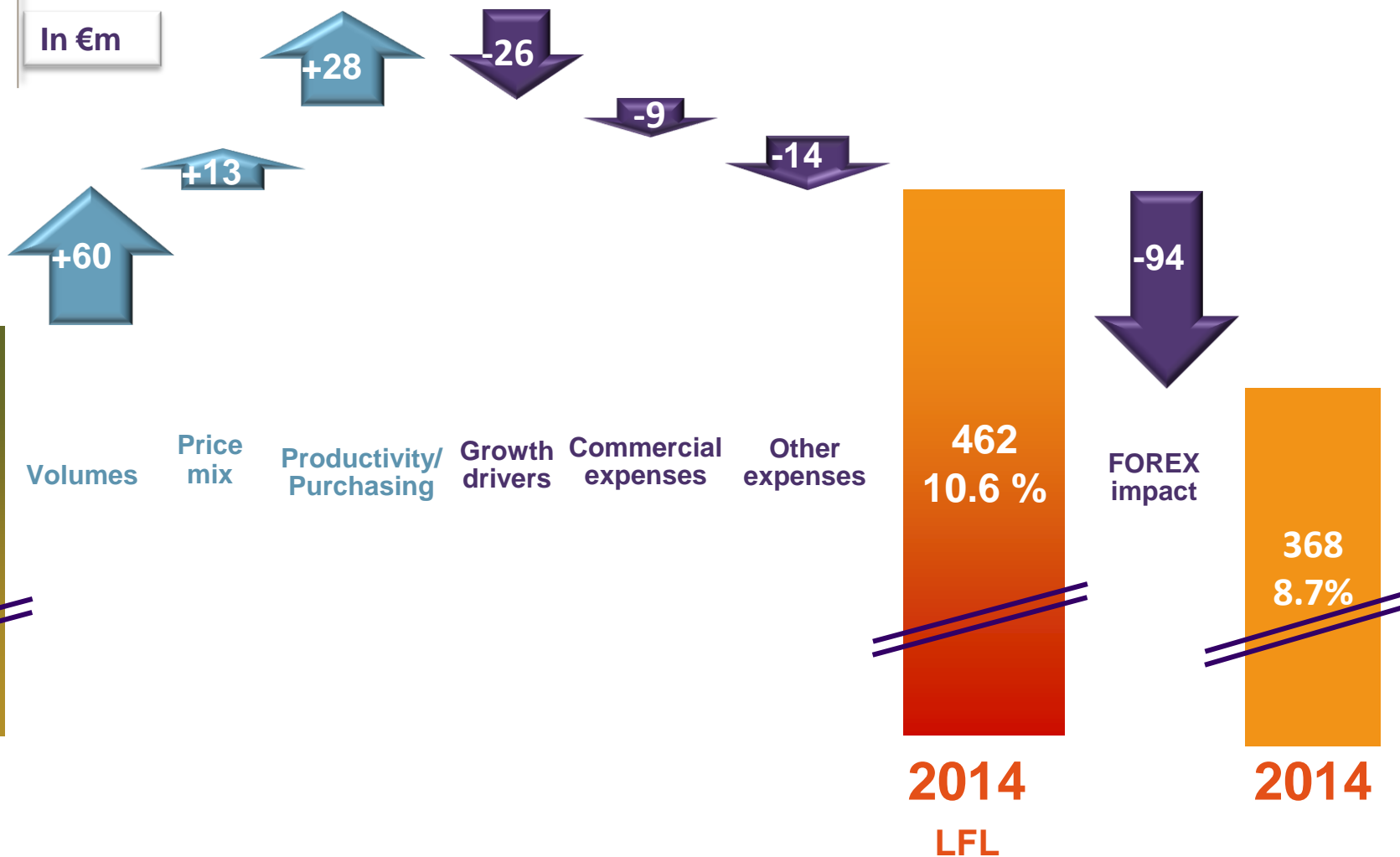
Operating result from activity

In €m	2013	2014	▲ Reported	▲ LFL*
Sales	4,161	4,253	+ 2.2%	+ 4.6%
Operating expenses	3,751	3,885		
Operating result from activity	410	368	- 10.3%	+ 12.6%
as a % of revenue	9.9%	8.7%	- 1.2bp	+ 0.7bp

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

Operating result from activity: 2013 – 2014 bridge

In €m



Growth drivers: innovation

In €m	2013	2014	
Strategic marketing	62	60	
R&D spending	87	94	
TOTAL	149	154	up 3% LFL

** Gross, before French research tax credit and capitalised costs*

Growth drivers: investment in advertising and marketing

In €m	2013	2014	
Advertising	109	105	
Operational marketing	196	213	
TOTAL	305	318	up 7% LFL
Retail operations and consumer promotions	88	96	

Operating profit

In €m

Operating result from activity

Discretionary and non-discretionary profit-sharing

Other operating income and expense, net

Operating profit

2013

2014

410

368

- 10.3%

(37)

(33)

(9)

(21)

364

314

- 13.8%

Attributable profit

In €m

	2013	2014	
Operating profit	364	314	- 13.8%
Financial expense	(31)	(31)	
Other financial expenses	(24)	(18)	
Income tax expense	(87)	(71)	
Minority interests	(22)	(24)	
Attributable profit	200	170	- 14.9%

Balance sheet

In €m

Capital employed

Non-current assets

Operating working capital requirement

Total capital employed

Financing

Equity

Provisions

Other current assets and liabilities

Net debt

Total financing

31 Dec. 2013

31 Dec. 2014

1,413

1,593

946

954

2,359

2,547

1,532

1,725

219

243

192

126

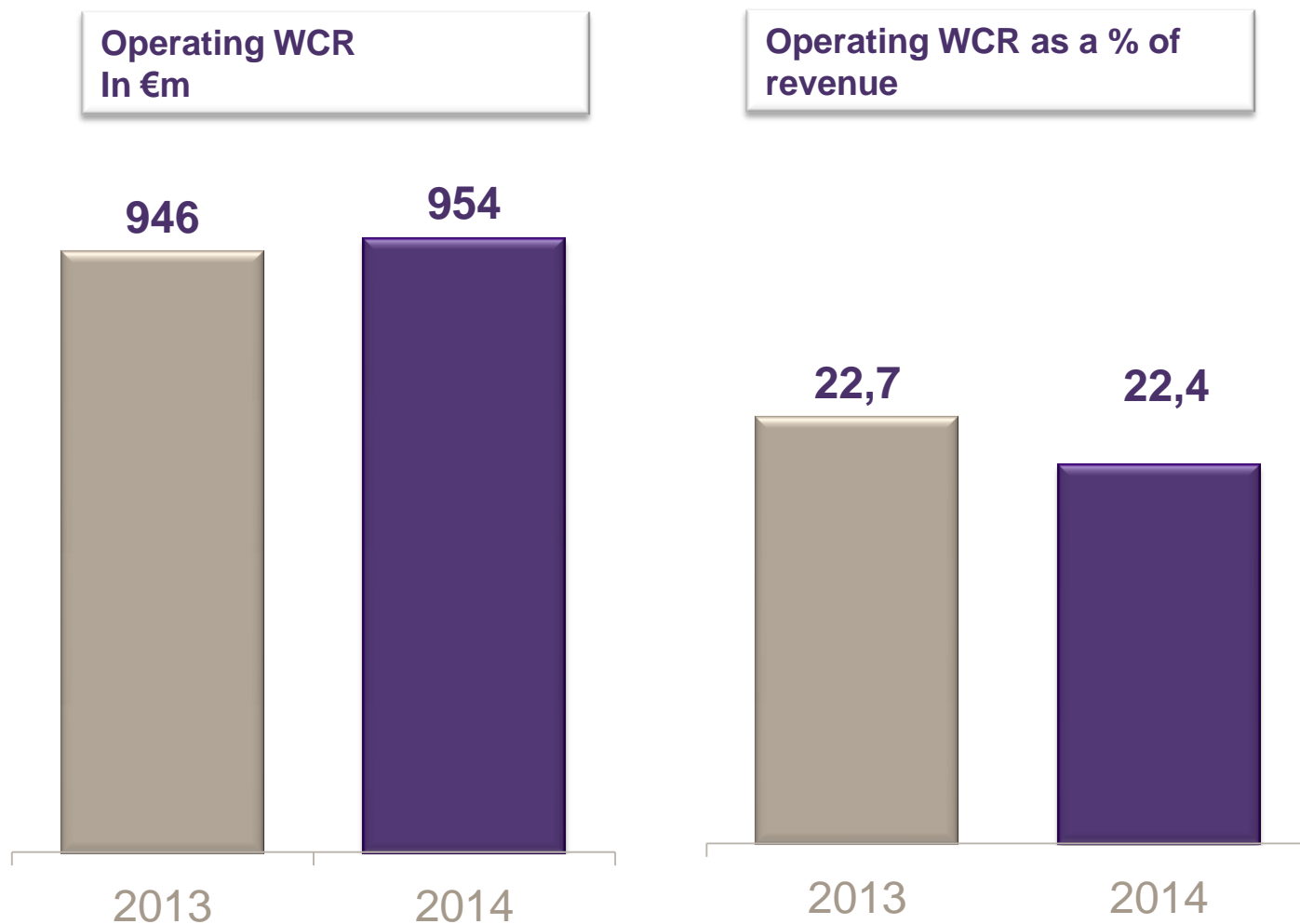
416

453

2,359

2,547

Change in Operating WCR 2013 - 2014



Analysis of change in debt: 2013 – 2014 waterfall

In €m

Cash generated by operating activities:

€175m (€201m)

2013

-467

122

123

16

5

416

-448

+ 0

+26

WCR

Other
operations

+121

Capex

+126

Taxes and
interest

Cash
flow

+78

Dividends

-5

Currencies

+139

Other

453

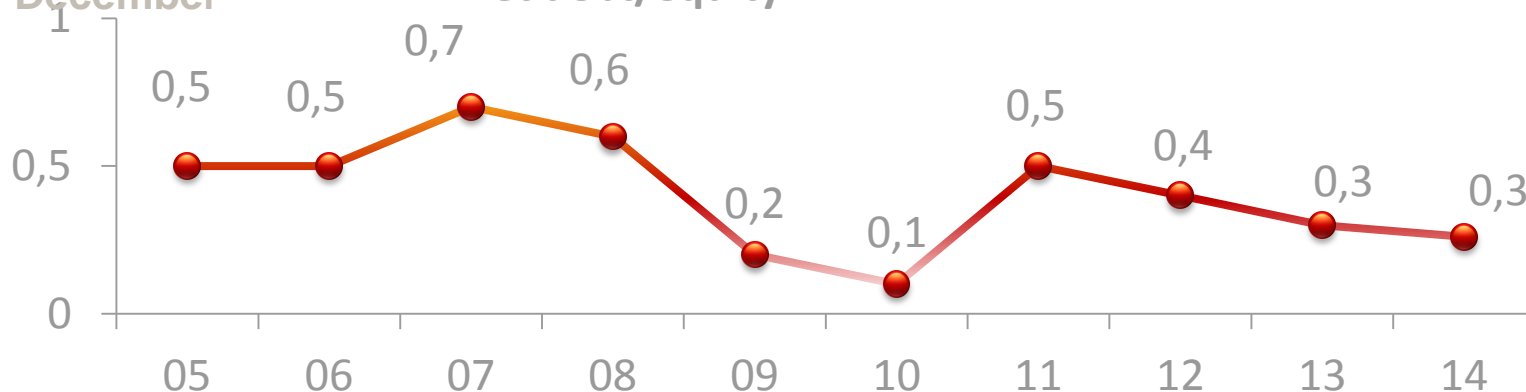
Debt at
Year-end
2014

Debt at
Year-end
2013

Healthy debt ratios

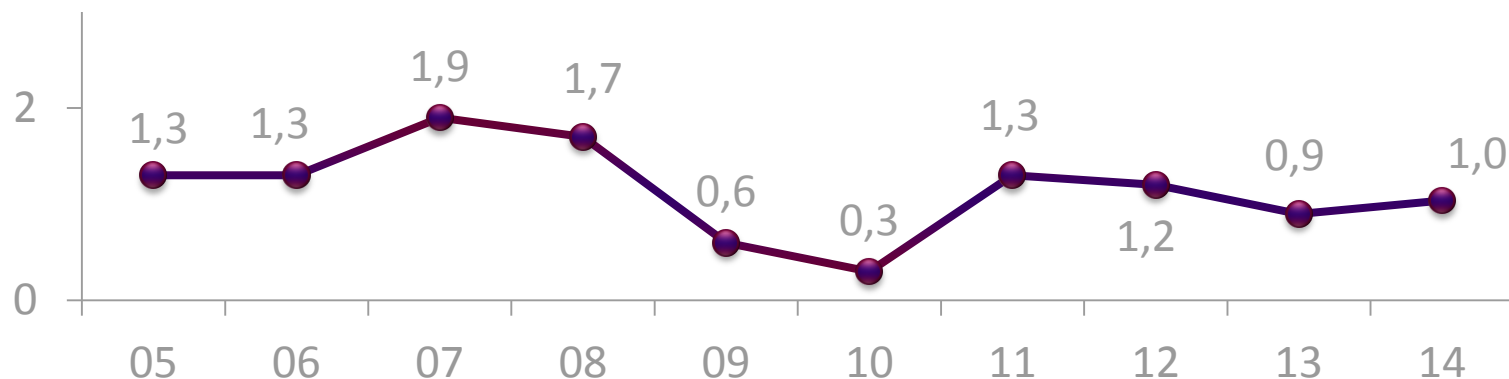
Ratio at
31 December

Net debt/equity



Ratio at
31 December

Net debt/EBITDA



Conclusion: a good year, despite headwinds and currencies

Solid operating performances, in line with expectations

Robust like-for-like* revenue growth up 4.6%

**12,6% LFL* growth in Operating Result From Activity:
higher than in 2013**

Solid operating cash flow generation

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

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3. Outlook

A valid long-term business model

Multi-category



Multi-brand



Multi-country




Multi-channel



**SEIZE ALL OPPORTUNITIES TO
ACHIEVE PROFITABLE GROWTH**








Overall environment in 2015

- Ongoing macro-economic uncertainty
→ No major upturn in the economy expected
- Tense geopolitical climate
- Currencies remaining volatile



€/currency	RUB	BRL	UAH	COP	USD	CNY
2014	51	3.1	16	2,656	1.33	8.19
Spot rate 19 Feb	70	3.3	31	2,781	1.14	7.16
Change vs EUR	- 27%	- 4%	- 49%	- 5%	+ 17%	+ 14%

Our vision of the markets in 2015, by geography

	Markets
 France/Europe	Rather Positive
 North America	Uneven in SDA and depending on country Stable in cookware
 South America	Brazil: uncertain Colombia: growing
 China	Demand remaining firm
 Japan	Consumption under pressure
 Russia	Highly uncertain Consumption affected by inflation
 Turkey	Growing

Our priorities for 2015

- Maintain product dynamic
- Step-up competitiveness programmes underway
- Tackle **2** major issues

JAPAN Restore sales growth and regain market shares

RUSSIA Ensure a product and commercial dynamic
while preserving profitability

2015 guidance


Sales	<ul style="list-style-type: none">• Sustained like-for-like growth
Operating result from activity	<ul style="list-style-type: none">• Accelerated like-for-like growth vs 2014

Investor agenda and **upcoming events (all times CET)**



26 Feb. 2015 6:30 am	2014 FY results
23 April 2015 5:40 pm	Q1 2015 revenue and financial information
23 July 2015 8:30 am	H1 2015 revenue and results
12 May 2015 2:30 pm	2015 Annual General Meeting

Contacts



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