Press release

January 23, 2018

Provisional 2017 sales

An excellent year

WMF off to a promising start as a Group company

- **Annual sales: €6,485m, +29.7% and +9.2% LFL***
  Of which WMF sales: €1,151m, +5.5%
- **Fourth-quarter sales: €2,026m, +24.1% and +8.4% LFL***
  Of which WMF sales: €338m, stable

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

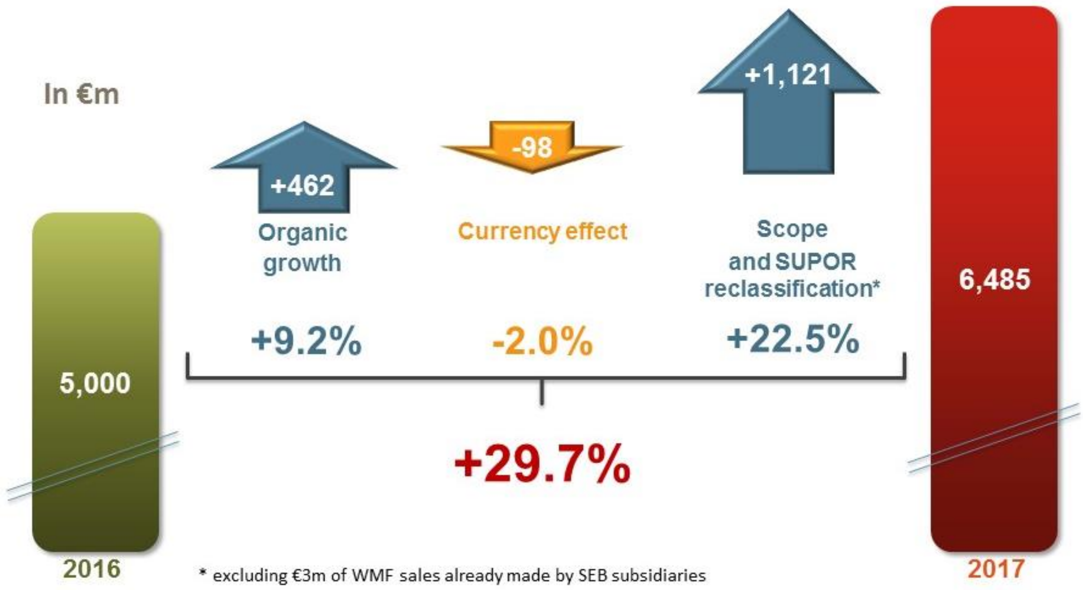
GENERAL COMMENTS ON GROUP PERFORMANCE

After a brisk fourth quarter, Groupe SEB achieved in 2017 an excellent performance, off of already high prior-year comparatives. Vigorous growth was driven by all geographies and product lines.

In the fourth quarter, the 24.1% increase in sales to €2,026 million breaks down as follows: organic growth of 8.4% (+€138 million), a currency effect of -3.8% (-€62 million), a scope effect of €338m (WMF) and a €20m reclassification of some of Supor's marketing spend to sales deductions, with no impact on Operating Result from Activity. It should also be noted that EMSA, consolidated since July 1, 2016, had no further impact on scope in the second half of the year.

The Group's full-year sales amounted to €6,485 million, up 29.7%, with organic growth of 9.2% (+€462 million), driven primarily by volumes, and a currency effect of -2.0% (-€98 million, resulting mostly from the depreciation of the yuan, the Turkish lira, the Egyptian pound and the US dollar); the scope effect amounted to €1,195 million (WMF over 12 months and EMSA over 6 months for €1,151 million and €44 million, respectively) and the reclassification of Supor's marketing spend to -€74 million.

SALES BRIDGE BETWEEN 12-MONTH REVENUE, 2016 ➔ 2017



REVENUE BY REGION

Revenue (€m)	2016	2017	Change 2017/2016 As reported	Change 2017/2016 Like-for-like*
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 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	**6,092**	**6,485**	**+29.7%**	

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

Rounded figures in € million

Percentages based on non-rounded figures

*** excluding €3m of WMF sales already made by SEB subsidiaries*

	Sales (€m)	Fourth-quarter 2016	Fourth-quarter 2017	Change 2017/2016	
				As reported	Like-for-like
EMEA	**EMEA**	**910**	**967**	**+6.3%**	**+7.9%**
	Western Europe	687	738	+7.4%	+8.1%
	Other countries	223	229	+2.8%	+7.4%
AMERICAS	**AMERICAS**	**301**	**293**	**-2.9%**	**+4.1%**
	North America	189	185	-2.0%	+4.2%
	South America	112	108	-4.5%	+3.9%
ASIA	**ASIA**	**421**	**431**	**+2.5%**	**+12.7%**
	China	278	296	+6.2%	+19.4%
	Other Asian countries	143	135	-4.9%	-0.5%
	TOTAL, EXCL. WMF	**1,632**	**1,691**	**+3.6%**	**+8.4%**
	WMF		**335****	**-1.4%****	
	Groupe SEB	**1,972**	**2,026**	**+24.1%**	

**Like-for-like: at constant exchange rates and scope of consolidation*
Rounded figures in € million
Percentages based on non-rounded figures
*** excluding €3m of WMF sales already made by SEB subsidiaries*

SALES BY REGION

EMEA

WESTERN EUROPE

In a European market remaining overall sound, Groupe SEB achieved organic sales growth of 5.8% in 2017 and 8.1% in the fourth quarter. At year-end, and despite their different environments and high comparatives, almost all countries posted like-for-like growth. This robust momentum translated into market share gains.

The Group delivered record performances in France, with fourth-quarter sales of €307 million (+4.7%) and full-year sales of €791 million (+1.4%). Despite a strong year-end, cookware revenue remained sluggish due to the non-repeat of loyalty programs. In small electrical appliances, however, business was excellent, driven by a broad range of products, including vacuum cleaners (bagless, uprights, the Clean & Steam model and the versatile stick Air Force 360), steam generators, Cookeo, the Cuisine Companion cooking food processor, full-automatic espresso machines, Dolce Gusto, etc., and led to a significant improvement in our leadership on the French small electrical appliance market in 2017.

in Germany, the Group's 2017 performance was outstanding. Business was underpinned by the ongoing roll-out of flagship products such as Optigrill, Actifry, vacuum cleaners, coffee makers (full-automatic espresso machines, Nespresso and Dolce Gusto) and cookware – all boosted by major growth drivers – and was further bolstered by loyalty programs with retailers. The sharp increase in sales in Switzerland and Austria can be attributed to new partnerships with Nespresso. Despite the non-renewal of special sales campaigns in 2016, the Group also had a good year in Spain where its growth, fueled by almost all categories, strengthened its leadership offline and online. The core business, excluding special campaigns, was also very strong in Italy due mainly to the confirmed success of vacuum cleaners, steam generators, Optigrill and Dolce Gusto, as well as our continued headway in e-commerce. In the United Kingdom, despite an uncertain overall environment and the price hikes implemented to offset the depreciation of the pound sterling, Group revenue was up like-for-like. In Belgium, the Netherlands and Portugal, the Group achieved a very good year.

Moreover, 2017 was the first year of consolidation for WMF, with, in particular, the progressive takeover of the operational management of WMF's Consumer business by Groupe SEB market companies, apart from Germany, Austria and Switzerland. These first reorganization steps naturally caused some temporary disruptions, but put the Group on the right track for 2018, with powerful action plans to roll-out and accelerate revenue synergies.

OTHER EMEA COUNTRIES

In the other EMEA countries, the Group's organic growth stood at 12.6% for the year, following a fourth quarter posting a still solid growth of +7.4%. The vast majority of countries contributed to this very good performance which, as was the case in Western Europe, led to market share gains.

The Group continued to make headway in Central Europe in 2017, through a combination of development of its core business, underpinned by mainstay categories and supported by strong marketing campaigns, and special sales campaigns with retailers. Our sales in Ukraine have grown tremendously on a quarterly basis, and rose by more than 50% at constant exchange rates for the full year. Momentum slowed significantly in the fourth quarter in Russia, due mainly to the non-repeat of loyalty programs in cookware, but the vigorous growth in core business held steady, driven by all categories except coffee makers, by considerable gains in retail and by the ramp-up in our network of proprietary stores. In Turkey, the continued depreciation of the Turkish lira led us to increase prices substantially. However, sales in volume remained resilient, in both cookware (due in particular to the launch of Ingenio in fourth-quarter) and small electrical appliances, with a strong contribution from vacuum cleaners. Special emphasis should be given to the increasing weight in the business of products manufactured locally or at our plant in Egypt.

The fourth quarter showed growing sales in Saudi Arabia - despite still high inventories at our distributor's - and stable revenue in India in a wait-and-see market context. Nonetheless, the improving trend could not compensate for the decline in turnover accumulated since the beginning of the year.

AMERICAS

NORTH AMERICA

After 4.2% organic growth in the fourth quarter, the Group's 2017 sales were up 3.8% like-for-like in NAFTA countries. This improvement can be attributed to a positive performance in the United States in the fourth quarter and to a good year-end in Canada.

In the United States, despite the favorable impact of the launch of the new Krups kitchen electric range, in particular in the first quarter, the Group had a challenging year: difficulties or weaknesses at several retail brands in light of fast-rising e-commerce; sales of core-range cookware (T-Fal) disrupted by a fierce competitive backdrop; decline in the market of irons, not offset by sharp impetus in garment steamers, etc. While these factors were still relevant at the end of the year, growth resumed in the fourth quarter thanks to the replenishment of Krups products, the rapid development of our sales with online pure players as well as strong momentum in the premium cookware segment with All-Clad and the introduction of the Lagostina brand. Consequently, full-year turnover was stable in dollars.

In Canada, as expected, fourth-quarter sales benefited from a more favorable momentum thanks to better cookware sales and solid growth in linen care (generators and garment steamers). Neverthless, the overall environment remains complicated, especially in the retail industry.

Mexico is the key contributor to growth in the Nafta region in 2017. In spite of the earthquake's impact on consumption, business dynamic remained quite robust in the fourth quarter, driven in particular by cookware, blenders and irons, as well as by a new loyalty program with one of our key clients.

SOUTH AMERICA

The turnaround in the exchange rate trend that began in the summer was confirmed in the fourth quarter, with a significant depreciation of the Brazilian real and the Colombian peso against the euro. However, the Group achieved over the period a somewhat firmer business activity.

The Brazilian economy is showing signs of recovery, which materialize in household consumption, but the overall environment and the political agenda are key uncertainties. The Group posted organic sales growth in the fourth quarter of 3% which contributed to a slight annual increase of 1%. This positive trend was driven mainly by fans and irons - due to new product launches - while sales were down in food preparation and cookware. With cookware manufacturing still in the transfer phase, the segment should soon benefit from the new, more competitive production lines at the Itatiaia site.

In Colombia, the decrease in sales in pesos continued to stem primarily from the drop in fan revenue due to poor weather. In contrast, cookware business remained on track and growth was maintained in blenders. Moreover, the Group achieved a very good year in Argentina and ensured, despite high inflation, a double-digit growth in unit sales.

CHINA

With sales growing organically at around 20%, both in the fourth quarter and over the year, the Group has again recorded a remarkable performance in China, in a market largely driven by e-commerce and which is creating value. Supor continued to implement an innovation strategy and contribute to the trade-up of the market in its flagship products in cookware and kitchenware (woks, thermal flasks and mugs, in particular), kitchen electrics (rice cookers, electrical pressure cookers, high-speed blenders,…) as well as in the non-kitchen small electrical appliance segment (air purifiers, irons and garment steamers, vacuum cleaners). Internet sales continued to expand and e-commerce accounted for more than 35% of 2017 revenue, bolstered by a *Double 11 day* progressing by more than 40% against 2016. All these outstanding performances of Supor must be put in perspective of a rich sales history including several years of double-digit organic growth.

It should be noted that, to better reflect the nature of some expenditure and ensure full consistency with other Group entities in terms of financial statements, an adjustment was made to the accounting format in 2017, whereby for full-year, €74 million in marketing spend was reclassified as a sales decrease (of which €20 million in the fourth quarter), with no impact on Operating Result from Activity.

OTHER ASIAN COUNTRIES

The fourth quarter was slightly down like-for-like in Asia excluding China, reflecting the diverse situations in different countries. While Japan and South Korea, the Group's two largest markets in the region, confirmed their role as strong drivers, momentum slowed somewhat in Australia and business was down - sometimes significantly - in other countries that account for a very small percentage of sales.

In Japan, the Group maintained in the fourth quarter a solid growth rate, grounded in its three mainstays: cookware and kitchen tools; linen care, with continued progress in the expanding garment steamer category and the promising launch of the Freemove Mini compact cordless iron; and kettles, where the robust improvement in sales further strengthened our leadership on the market. This strong momentum was fueled throughout the year by substantial growth drivers. In addition, the excellent performance of our network of about 30 proprietary stores (with six openings in 2017) should be highlighted. In South Korea, as in 2016, the Group had another good year in 2017, mainly owing to the ongoing business development in cookware, blenders and hair dryers. In Australia, after a vigorous third quarter boosted by the introduction of new products, growth in local currency slowed at the end of the year. Sales nevertheless remained on track, in particular in cookware, irons, electrical pressure cookers and Optigrill.

In the other South-East Asian countries, however, 2017 performances were very mixed: revenue improved on a like-for-like basis in Thailand and Malaysia after double-digit growth in the fourth quarter, but fell sharply in Vietnam and was penalized by high 2016 comparatives in Singapore (non-recurring B2B campaigns).

WMF's 2017 sales stood at €1,151 million, up 5.5% year-on-year. In the fourth quarter, WMF's sales amounted to €338 million, practically stable versus 2016.

In the professional business, WMF's annual sales were €563 million, up 13%, with coffee (PCM) contributing +17% and the hotel equipment business down 9% due to the lack of major projects compared with 2016. Turnover for the fourth quarter stood at €137 million and was stable. For professional coffee machines in particular, as has been specified throughout the year, the 2017 performance should be analyzed from two perspectives: on one hand, a core business that continued to grow at a sustained pace in both Germany (with strong year-end momentum) and internationally; on the other hand, the major impact of two large contracts signed in 2016 with Canadian and Japanese clients, but which gradually faded: as most of the deliveries were made between fourth-quarter 2016 and the summer of 2017, the effect strongly mitigated in the third quarter, before disappearing entirely in the fourth quarter.

In the Small Domestic Equipment business ("Consumer"), sales amounted to respectively €588 million and €201 million for full-year and fourth-quarter, almost unchanged versus 2016, due to a combination of several factors: still sluggish cookware sales in Germany, the non-repeat of a major loyalty program of end-2016 in Asia and one-off disruptions caused by the sales reorganizations outside of Germany, Austria and Switzerland. However, growth in sales of small electrical appliances was in the double digits fueled in particular by new product launches; WMF stores achieved a slight growth in sales in Germany; and lastly, international expansion is progressing rapidly.

OUTLOOK

The quality of our 2017 provisional sales leads us to confirm and refine our 2017 earnings guidance.

Despite the unfavorable foreign exchange trends in second-half 2017, the Group is targeting an increase in Operating Result from Activity, before one-off impacts of WMF purchase price allocation, which will be comprised between 30% and 35%.

This will lead to 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 23 January from 9:00 PM CET onwards:
www.groupeseb.com or click here

● 2018 SCHEDULE●

March 1, before trading
2017 sales and results

May 16
Annual General Meeting

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

Investor/Analyst Relations

Groupe SEB
Financial Communication and Investor Relations
Isabelle Posth and Raphaël Hoffstetter
Campus SEB – 112 chemin du Moulin Carron
69130 Ecully

comfin@groupeseb.com

Phone: +33 (0) 4 72 18 16 40

Media Relations

Image Sept
Caroline Simon
Claire Doligez
Isabelle Dunoyer de Segonzac

caroline.simon@image7.fr
cdoligez@image7.fr
isegonzac@image7.fr

Phone: +33 (0) 1 53 70 74 70

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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.