March 1, 2018

2017 results

2017: EXCELLENT PERFORMANCES

- **Sales of €6,485m: +29.7%, +9.2% LFL***
    - **of which WMF sales: €1,151m, +5.5%**
- **Operating Result from Activity (ORfA)**
    - **€661m, +30.8%**
    - **€678m, excluding one-off impacts of WMF PPA**, or +34.2%**
- **Net profit: €375m, +45%**
- **Net financial debt: €1,905m, -€114m vs. December 31, 2016**
- **Operating cash flow generation: €322m**
- **Proposed dividend of €2.00 per share: +16.3%**

** Like-for-like: at constant exchange rates and scope of consolidation.*
*** One-off impacts from the WMF purchase price allocation (revaluation of inventories and order books).*

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

"Groupe SEB once again posted an excellent year in 2017. Our organic sales growth was vigorous, up 9.2%, our Operating Result from Activity rose by over 30%, and we ended the year with a debt/EBITDA ratio of 2.4. The performance of WMF was consistent with our expectations, generating an accretion of 22% on net earnings per share. The ambitious objectives we set for ourselves in 2017 have thus been met.

2017 was also a year of transformation for the Group with the integration of WMF. Substantial work was already carried out to implement a new organization – now operational –, harmonize processes, pool certain central functions and start unlocking synergies in purchasing, the supply chain and manufacturing. Value accretive projects were launched, including the first concrete initiatives aimed at developing the Consumer business and activating the acceleration program in Professional Coffee. We are aligned with our roadmap and I would like to thank all the Group's teams for their remarkable commitment.

Obviously, considerable work still remains to be done, and some projects will take time to deliver their full potential. But as with Supor ten years ago, we are confident in our ability to take best advantage of this transformative acquisition. In 2018, the intensification of projects initiated in 2017 will allow us to start generating tangible synergies in line with our objectives for 2020.

Against this backdrop, Groupe SEB in 2018 aims to achieve further organic sales growth, improve its Operating Result from Activity and continue to reduce its indebtedness."

RESULTS

Consolidated financial results (€m)	2016	2017	Change 2016/2017
Sales	5,000	**6,485**	**+29.7%** **+9.2% lfl**
Operating Result from Activity (ORfA)	505	**661**	**+30.8%**
ORfA before one-off PPAs	505	**678**	**+34.2%**
Operating profit	426	**580**	**+35.9%**
Profit attributable to owners of the parent	259	**375**	**+45.0%**
Net debt at 12/31	2,019	**1,905**	**-€114m**

Rounded figures in €m *% calculated on non-rounded figures*

SALES

Groupe SEB reported sales of €6,485 million in 2017, for an increase of nearly 30% year-on-year. This included organic growth of 9.2%, a currency effect of -2% (stemming primarily from the depreciation of the yuan, pound sterling, Turkish lira, Egyptian lira and US dollar), a scope effect of €1,195 million (integration of WMF at January 1 and EMSA for six more months than in 2016) and the reclassification of Supor's marketing expenses as a sales decrease, for -€74 million. Vigorous organic sales growth throughout the year was driven by all product lines and by the vast majority of geographical regions. This growth should be viewed in the light of high comparatives: +8.0% in 2015 and +6.1% in 2016. In parallel, WMF business activity grew 5.5% over the period, bolstered in particular by strong momentum in Professional Coffee.

OPERATING RESULT FROM ACTIVITY

Operating Result from Activity (ORfA) totaled €661 million, up 30.8% and comprising the following:

- excluding WMF, Group ORfA amounted to **€583 million**, up 15% on 2016. Hence, Group operating margin excluding WMF came out at approximately 11%. In addition, the currency effect (-€10 million) was much lower than in previous years (-€122 million in 2016 in particular);
- WMF ORfA excluding one-off PPAs was **€95 million**, up 12% on 2016;
- the one-off impacts of the WMF purchase price allocation (revaluation of inventories and order books) represented **-€17 million** and were fully recognized in first-half 2017. Consequently, WMF's net contribution to Group ORfA totaled **€78 million**.

As such, Group Operating Result from Activity in 2017 excluding one-off impacts of the WMF purchase price allocation amounted to **€678 million, up 34.2%**, for an operating margin of **10.5%.** It should be noted that the integration of WMF's Small Domestic Equipment business into the Group's market companies will not allow for this detailed analysis in 2018.

In addition, organic growth in ORfA can be broken down as follows:

- a positive volume effect of €133 million;
- a positive mix-price effect of €80 million, which, versus previous years, is largely driven by an improvement in the mix;
- a €32 million increase in production costs, particularly reflecting more expensive raw materials starting in the summer period (aluminium, nickel, copper, plastics…). This rise in costs was only partially offset by better absorption of industrial costs, thanks to an increase in volumes;
- a €70m increase in investment in growth drivers; approximately a quarter allocated to innovation and three quarters for advertising and marketing;
- a €22 million increase in commercial and administrative expenses.

OPERATING PROFIT AND NET PROFIT

At end-December 2017, the Group's operating profit in its new scope totaled **€580 million**, compared with €426 million in 2016. The figure takes account of discretionary and non-discretionary profit-sharing expense of **€38 million**, practically stable on last year. It also includes other operating income and expense of -€44 million (-€42 million in 2016), composed primarily of the industrial and logistics reorganization implemented in Brazil (transfer of production from the Mooca and San Bernardo sites to the new Itatiaia site), charges stemming from the integration of WMF and the pooling of Groupe SEB and WMF entities in several countries, and expenses incurred by the creation of the Group's global Innovation Hub in Lyon for the Small Electrical Appliance business.

Net financial expense came out at **-€72 million**, compared with -€58 million in 2016. At **€35 million** (€30 million in 2016), interest expense rose moderately despite the increase in debt, mainly due to the excellent financing conditions for the acquisition of WMF. Other financial expense primarily included a €9 million increase in the fair value of the optional part of the November 2016 convertible bond issue and unfavorable currency translation adjustments.

Net profit amounted to **€375 million**, up 45%. The total included a tax expense of €99 million representing an exceptionally low effective tax rate of **19.5%** in 2017, thanks notably to a non-recurring effect of the tax reform in the United States and the restitution of the tax on dividends in France. It also comprised non-controlling interests of €34 million, up on last year owing to the continued improvement of Supor's performance in China.

BALANCE SHEET

At December 31, 2017, equity stood at **€1,964 million**, an increase of €128 million on end-2016 despite the inclusion of negative translation adjustments of €148 million (penalizing effect of the yuan, US dollar, Brazilian real and Colombian peso).

At end-2017, net debt totaled **€1,905 million**, compared with €2,019 million a year earlier. The €114 million decrease can be attributed to the robust generation of operating cash flow. This last amounted to **€322 million** for the year, used in part, excluding dividend payments and share purchases, to cover non-operational outflows (mainly restructurings under way, WMF integration costs and the acquisition of Swizzz Prozzz).

At end-2017, the working capital requirement stood at €1,222 million, equal to **18.8%** of Group sales (19.6% at end-2016). WMF had a slight negative impact on this ratio, which amounted to 18.2% for the former business scope.

The Group thus ended the year with a **debt to equity ratio of 97%** (110% on a pro forma basis at end-2016) and a **net debt / adjusted EBITDA ratio of 2.4**, compared with 2.8 at December 31, 2016. This ratio is consistent with the debt reduction objectives announced in May 2016.

DIVIDEND

Meeting on February 27, 2018, the Board of Directors proposed the distribution of a dividend of **€2.00 per share in respect of the 2017 financial year, up 16.3%**. The increase reflects both the excellent performances in 2017 and the Board's confidence in the outlook for the Group and in its ability to continue integrating WMF in the best conditions. For shareholders having held shares under the registered form for more than 2 years, the dividend will be increased by a loyalty bonus of 10%, taking the total dividend to **€2.20 per share** (for holdings below 0.5% of the capital).
The coupon detachment date is set for May 21 and the dividend will be paid on May 23, 2018.

POST-BALANCE SHEET EVENTS

Groupe SEB strengthens its position in Egypt

With a view to strengthening their long-standing cooperation, Groupe SEB and the Zahran family have set up a new entity, Groupe SEB Egypt Zahran, owned 55% by Groupe SEB and 45% by Zahran. Bringing together the small electrical appliance and cookware businesses, the company aims to:

- accelerate sales growth in Egypt and take best advantage of the market's strong potential;
- capitalize on the relationship of trust established over a number of years with the Zahran family;
- strengthen the Group's production base in the region to facilitate access to certain markets in Africa and the Middle East.

The transaction has been submitted to the approval of the Egyptian regulatory authorities and should be finalized in second-quarter 2018. Groupe SEB posted sales of around €20 million in Egypt in 2017. The sales of the new entity are expected to be around €40 million.

OUTLOOK FOR 2018

Groupe SEB posted an excellent year in 2017, combining strong performances in line with its objectives and a promising start from WMF.

Like 2017, 2018 will be a rich and busy year marked by a two-fold objective:

- Pursue the Group's profitable growth (former scope) in a small household equipment market that should remain buoyant, by continuing to harness our solid fundamentals – innovation, the power of our brands, broad distribution, international presence, industrial expertise and top-quality execution – to make a difference.
- Pursue in parallel the integration of WMF by rolling out the projects initiated, executing investment and acceleration plans in Professional Coffee, implementing the actions to improve profitability in the Consumer business, and ramping up operational synergies. Delivering on all these topics will once again call for a strong mobilization of the teams.

Moreover, the economic environment is likely to be more challenging in 2018 in terms of commodities and currencies. Despite high comparatives for the former scope and an exceptional 2017 in Professional Coffee for WMF, Groupe SEB's objective in 2018 is to achieve further organic sales growth, improve its Operating Result from Activity and continue to reduce its debt level in order to bring its net debt / adjusted EBITDA ratio down below 2 at the end of 2018.

Groupe SEB's consolidated and company financial statements at December 31, 2017 were approved by the Board of Directors on February 27, 2018.

CONSOLIDATED INCOME STATEMENT

(€ million)	12/31/2017	12/31/2016	12/31/2015
Revenue	6,484.6	4,999.7	4,769.7
Operating expenses	(5,824.0)	(4,494.5)	(4,341.7)
OPERATING RESULT FROM ACTIVITY	**660.6**	**505.2**	**428.0**
Discretionary and non-discretionary profit-sharing	(37.6)	(36.7)	(31.4)
RECURRING OPERATING PROFIT	**623.1**	**468.5**	**396.6**
Other operating income and expense	(43.6)	(42.2)	(25.3)
OPERATING PROFIT	**579.5**	**426.3**	**371.3**
Finance costs	(34.9)	(29.8)	(27.5)
Other financial income and expense	(36.7)	(28.2)	(20.3)
Share of profits of associates			
PROFIT BEFORE TAX	**507.9**	**368.3**	**323.5**
Income tax expense	(99.3)	(77.7)	(82.4)
PROFIT FOR THE PERIOD	**408.6**	**290.8**	**241.1**
Non-controlling interests	(33.6)	(32.2)	(35.2)
PROFIT ATTRIBUTABLE TO SEB S.A.	**375.0**	**258.6**	**205.9**
PROFIT ATTRIBUTABLE TO SEB S.A. PER SHARE *(in units)*			
Basic earnings per share	7.56	5.20	4.20
Diluted earnings per share	7.50	5.15	4.14

CONSOLIDATED BALANCE SHEET

ASSETS (in €m)	**12/31/2017**	**12/31/2016[(1)]**	**12/31/2015**
Goodwill	1,467.5	1,515.0	544.9
Other intangible assets	1,170.6	1,201.6	485.0
Property, plant and equipment	820.5	836.8	596.5
Investments in associates	-	11.1	
Other investments	33.8	18.0	16.7
Other non-current financial assets	15.4	13.3	10.4
Deferred taxes assets	62.9	89.1	50.3
Other non-current assets	10.6	13.3	23.6
Long-term derivative instruments	3.4	0.5	5.0
NON-CURRENT ASSETS	**3,584.7**	**3,698.7**	**1,732.4**
Inventories	1,112.1	1,067.0	820.9
Trade receivables	1,015.8	1,052.9	886.0
Other receivables	100.0	100.6	90.2
Current tax assets	73.6	59.6	44.5
Short-term derivative instruments	45.6	50.6	45.9
Other short term investments	216.8	204.6	244.5
Cash and cash equivalents	538.6	414.5	770.8
CURRENT ASSETS	**3,102.5**	**2,949.8**	**2,902.8**
TOTAL ASSETS	**6,687.2**	**6,648.5**	**4,635.2**
LIABILITIES (in €m)	**12/31/2017**	**12/31/2016[(1)]**	**12/31/2015**
Share capital	50.2	50.2	50.2
Reserves and retained earnings	1,806.6	1,677.6	1,728.6
Treasury stock	(67.3)	(56.8)	(71.2)
Equity attributable to owners of the parent	**1,789.5**	**1,671.0**	**1,707.6**
Non-controlling interests	**174.8**	**165.2**	**200.1**
EQUITY	**1,964.3**	**1,836.2**	**1,907.7**
Deferred taxes	216.7	272.5	70.1
Long-term provisions	354.0	384.1	185.8
Long-term borrowings	2,067.3	1,553.6	707.0
Other non-current liabilities	47.3	45.7	41.7
Long-term derivative instruments	20.7	10.5	3.5
NON-CURRENT LIABILITIES	**2,706.0**	**2,266.4**	**1,008.1**
Short-term provisions	90.0	112.5	61.0
Trade payables	905.8	915.4	695.2
Other current liabilities	351.7	380.0	291.6
Current tax liabilities	51.7	42.3	31.5
Short-term derivative instruments	39.5	23.0	16.6
Short-term borrowings (Note 12)	578.2	1,072.7	623.5
CURRENT LIABILITIES	**2,016.9**	**2,545.9**	**1,719.4**
TOTAL EQUITY AND LIABILITIES	**6,687.2**	**6,648.5**	**4,635.2**

(1) After the finalization of entries relative to the WMF 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 – 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).

This press release 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 press release 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 26, 2017.*

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

● Next key dates●

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

May 16
Annual General Meeting

July 25, before market opens
2017 first-half sales and results

October 25, after market close
Nine-month 2017 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

Find us on… www.groupeseb.com

World reference 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. At December 31 2017, Groupe SEB had around 33,000 employees worldwide.

SEB SA
SEB SA - N° RCS 300 349 636 RCS LYON – with a share capital of €50,169,049 – Intracommunity VAT: FR 12300349636