



Q4 and Full Year 2018 Results ¹

2018 OUTLOOK ACHIEVED

FY18 NET SALES AT 1,949.8 MILLION EUROS, UP 1.5% ON A COMPARATIVE BASIS

FY18 NORMALIZED INCOME FROM OPERATION MARGIN AT 18.1%

PROPOSED DIVIDEND FOR 2018 OF 3.45 EUROS ²

“In 2018, while the global trading environment was challenging, we achieved our full year objectives and grew in each of our categories on a comparative basis.

Stationery’s performance was driven by e-commerce growth, robust Back-to-School sell-in and the success of our added-value products. Growth in Lighters was fueled by on-going distribution gains globally. Our Shaver business grew thanks to successful new product launches and enlarged distribution, despite continued market disruption in the US. We continued to invest in growth opportunities as we expanded our geographical footprint. In Africa, one of the most promising markets for BIC products, we acquired the Stationery leader Haco Industries, in Kenya.”

Gonzalve Bich, Chief Executive Officer.

Q4 AND FY 2018 KEY FIGURES³

In million euros	Q4	FY18
Group Net Sales	511.0	1,949.8
Change on a comparative basis	+5.4%	+1.5%
Normalized Income From Operations	87.1	352.4
Normalized IFO margin	17.0%	18.1%
Net Income Group Share	49.8	173.4
EPS Group Share (in euros)	1.09	3.80
Normalized EPS Group Share (in euros)	1.66	5.87
Net Cash Position	161.5	161.5

2019 OUTLOOK

We expect 2019 Group Net Sales **to grow slightly on a comparative basis⁴** and Normalized Income from Operations margin **to be between 16.5% and 18%.**

- In a continued challenging trading environment, overall sales performance may be subject to macro-economic uncertainties and continued competitive pressure in Shavers in the U.S. Growth drivers include distribution gains and success with added-value products.
- Gross Profit will be impacted by increasing raw material costs, the impact of unfavorable foreign exchange trends and the potential impact of sales volumes on cost of production. Normalized Income from Operations will also be affected by additional Brand Support Investments.

Audited figures

¹ 2018 financials take into account application of IAS29 (hyperinflation) to Argentina starting January 1st, 2018. Net Sales reported on a comparable basis thus exclude the effect of this change. Normalized IFO and EPS also exclude this impact.

² Payable from May 30, 2019 subject to the approval at the AGM of May 22, 2019.

³ See Glossary page 15

⁴ For 2019 Net Sales, on a comparative basis will exclude Full Year 2018 BIC Sport’s Net Sales and 2019 Haco Industries’ incremental Net Sales. Since Argentina is now considered as hyperinflationary, BIC will also exclude from its comparative basis the contribution of its Argentinian entity for both 2018 and 2019.

KEY FIGURES (in million euros)	Q4 2018 vs. Q4 2017					FY 2018 vs. FY 2017				
	Q4 2017 (restated for IFRS15)	Q4 2018	As reported	Constant currency basis	Comparative basis	FY 2017 (restated for IFRS15)	FY 2018	As reported	Constant currency basis	Comparative basis
GROUP										
Net Sales	497.4	511.0	+2.7%	+5.4%	+5.4%	2,041.4	1,949.8	(4.5)%	+0.9%	+1.5%
Gross Profit	267.7	260.1				1,069.5	1,014.3			
Normalized Income From Operations (NIFO)	98.1	87.1				399.6	352.4			
Normalized IFO margin	19.7%	17.0%				19.6%	18.1%			
Income From Operations (IFO)	98.1	62.5				374.9	258.8			
IFO margin	19.7%	12.2%				18.4%	13.3%			
Net Income Group Share	101.1	49.8				287.3	173.4			
Normalized Earnings Per Share Group Share (in euros)	2.17	1.66				6.26	5.87			
Earnings Per Share Group Share (in euros)	2.17	1.09				6.18	3.80			
STATIONERY										
Net Sales	176.3	170.4	(3.3)%	+0.6%	+0.6%	804.2	771.9	(4.0)%	+1.2%	+1.7%
Normalized IFO	12.0	5.4				66.3	62.8			
Normalized IFO margin	6.8%	3.2%				8.3%	8.1%			
IFO	12.0	(2.6)				54.7	(14.1)			
IFO margin	6.8%	(1.5)%				6.8%	(1.8)%			
LIGHTERS										
Net Sales	189.6	204.3	+7.7%	+9.0%	+9.0%	707.4	685.8	(3.1)%	+2.4%	+2.4%
Normalized IFO	71.8	70.9				277.6	247.0			
Normalized IFO margin	37.9%	34.7%				39.2%	36.0%			
IFO	71.8	66.5				277.3	242.5			
IFO margin	37.9%	32.5%				39.2%	35.4%			
SHAVERS										
Net Sales	116.5	123.1	+5.7%	+9.2%	+9.2%	459.4	438.0	(4.7)%	+1.7%	+1.7%
Normalized IFO	14.7	10.3				60.0	45.4			
Normalized IFO margin	12.6%	8.4%				13.1%	10.4%			
IFO	14.7	8.8				59.8	43.7			
IFO margin	12.6%	7.1%				13.0%	10.0%			
OTHER PRODUCTS										
Net Sales	15.0	13.2	(12.3)%	(11.8)%	(11.8)%	70.4	54.0	(23.3)%	(22.0)%	(11.6)%
Normalized IFO	(0.4)	0.4				(4.4)	(2.8)			
IFO	(0.4)	(10.2)				(17.0)	(13.4)			

GROUP OPERATIONAL TRENDS

NET SALES

FY 2018 Net Sales were 1,949.8 million euros, down 4.5% as reported, up 0.9% at constant currency and up 1.5% on a comparative basis. The unfavorable impact of currency fluctuations (4.8%) was mainly due to the depreciation of the U.S. dollar and Brazilian real against the euro. Europe grew by 1.8% while North America grew by 1.4%, and Developing Markets grew by 1.5% all on a comparative basis. The application of hyperinflation accounting (IAS29) in Argentina from July 1st, 2018 and unfavorable evolution of the Argentinian pesos, had a negative impact of 0.6 points.

INCOME FROM OPERATIONS AND NORMALIZED INCOME FROM OPERATIONS

FY 2018 Gross Profit margin came in at 52.0%, compared to 52.4% for 2017. **Q4 2018 Gross Profit margin** came in at 50.9%, compared to 53.8% for Q4 2017.

FY 2018 Normalized IFO was 352.4 million euros (i.e., a Normalized IFO margin of 18.1%). **Q4 2018 Normalized IFO** was 87.1 million euros (i.e., a Normalized IFO margin of 17.0%).

KEY COMPONENTS OF THE CHANGE IN NORMALIZED IFO MARGIN (in % points)	Q4 2018 vs. Q4 2017	FY 2018 vs. FY 2017
• Change in cost of production ⁵	(2.7)	(0.5)
• Total Brand Support ⁶	(1.0)	(0.1)
○ Of which, promotions and investments related to consumer and business development support accounted for in Gross Profit Margin	(0.2)	-
○ Of which, advertising, consumer and trade support	(0.8)	(0.1)
• OPEX and other expenses	+1.0	(0.9)
Total change in Normalized IFO margin	(2.7)	(1.5)

NON-RECURRING ITEMS (in million euros)	9M		Q4		FY	
	2017 (restated from IFRS15)	2018	2017 (restated from IFRS15)	2018	2017 (restated from IFRS15)	2018
Income From Operations	276.7	119.5	98.1	62.5	374.9	258.8
As % of Net Sales	17.9%	12.5%	19.7%	12.2%	18.4%	13.3%
<i>Restructuring costs related primarily to BIC Graphic</i>	24.7	-	-	-	24.7	-
<i>Cello and Pimaco goodwill impairment</i>	-	68.7	-	5.5	-	74.2
<i>Restructuring expenses (Stationery and Lighters manufacturing reorganization, Organizational review, Haco Industries acquisition related costs)</i>	-	-	-	15.4	-	15.4
<i>BIC Sport Divestiture</i>	-	-	-	4.9	-	4.9
<i>Argentina hyperinflationary accounting (IAS29)</i>	-	0.3	-	(1.2)	-	(0.9)
Normalized IFO	301.4	188.2	98.1	87.1	399.6	352.4
As % of Net Sales	19.5%	19.6%	19.7%	17.0%	19.6%	18.1%

Cello goodwill impairment is explained by lower growth perspectives in both domestic and export sales.

⁵ Gross Profit margin excluding promotions and investments related to consumer and business development support.

⁶ Total Brand Support: consumer and business development support + advertising and trade support.

NET INCOME AND EPS

Income before tax for 2018 was 261.6 million euros, compared to 396.7 million euros in 2017. **Net income Group Share** was 173.4 million euros, down 39.7% as reported. **Net finance revenue** was 2.8 million euros compared to 21.8 million euros in 2017. 2018 was negatively impacted by Argentina hyperinflation accounting for 5.9 million euros and 2017 benefited from 18.2 million euros related to the exchange difference on intercompany loan repayment following the sale of BIC Graphic.

The 2018 effective tax rate was 33.7% and 26.3% excluding Cello and Pimaco goodwill impairment compared to 25.9% in 2017 that included the favorable income related to the invalidation of 3% additional French Corporate income Tax on dividends, net of the French exceptional Corporate Income Tax contribution.

FY 2018 EPS Group share was 3.80 euros, compared to 6.18 euros for the same period last year, down 38.5%. Normalized EPS Group share decreased to 5.87 euros, compared to 6.26 euros. EPS Group Share in Q4 2018 was 1.09 euros, compared to 2.17 euros in Q4 2017. Normalized EPS Group Share in Q4 2018 was 1.66 euros, compared to 2.17 euros in Q4 2017.

NET CASH POSITION

At the end of December 2018, **the Group's Net Cash position** stood at 161.5 million euros.

CHANGE IN NET CASH POSITION <i>(in million euros)</i>	2017 <i>(restated for IFRS15)</i>	2018
NET CASH POSITION (BEGINNING OF THE PERIOD – DECEMBER)	222.2	204.9
• Net cash from operating activities	380.6	303.9
○ <i>Of which operating cash flow</i>	+409.9	+394.6
○ <i>Of which change in working capital and others</i>	(29.3)	(90.7)
• CAPEX	(185.8)	(125.4)
• Dividend payment	(161.0)	(157.8)
• Share buy-back program	(97.1)	(54.1)
• Net cash from the exercise of stock options and the liquidity contract	+2.9	+4.2
• Haco Industries acquisition	-	(6.3)
• Proceeds from disposal of BIC Graphic North America and Asian Sourcing	+55.7	+9.2
• Proceeds from disposal of BIC Sport	-	+2.7
• Other items	(12.6)	(19.8)
NET CASH POSITION (END OF THE PERIOD - DECEMBER)	204.9	161.5

Net Cash from operating activities was 303.9 million euros, including 394.6 million euros in Operating Cash Flow. The Net Cash Position was also impacted by investments in CAPEX, dividend payments and share buy-backs as well as the acquisition of Haco Industries, proceeds from the sale of BIC Sport and from the 2017 disposal of BIC Graphic North America and Asian Sourcing.

SHAREHOLDERS' REMUNERATION

In 2018, Shareholders' Remuneration totaled 211.8 million euros:

- 157.8 million euros related to the payment of dividends (for the 2017 fiscal year): ordinary dividend of 3.45 euros per share paid in May 2018.
- 54.0 million euros in share buy-backs at the end of December 2018 by Société BIC (687,396 shares purchased at an average price of 78.59 euros per share). BIC Corporation has share buy-backs for 0.1 million euros.

STATIONERY

Stationery Full Year 2018 Net Sales decreased by 4.0% as reported and increased by 1.7% on a comparative basis. Full Year 2018 volumes were relatively flat. Fourth quarter 2018 Net Sales were slightly up 0.6% on a comparative basis.

- In **Europe**, while markets remained soft, BIC's Net Sales grew low-single digit, fueled by a robust Back-to-School season across most European countries, notably in France and in the UK where BIC outperformed the market gaining 0.7 points in value share (Year-to-date December 2018). This was driven by the ongoing success of BIC® Gelocity Illusion erasable pen, BIC® 4-Color Shine pen in Western Europe and the BIC® Round Stic in Eastern Europe.
- **North America's** Net Sales grew mid-single digit, fueled by a strong Back-to-School season where BIC outperformed the market. Our focus towards more value-added products was successful thanks to the performances of the BIC® Gelocity® Quick Dry gel. This resulted in 0.8 points value share gains (Year-to-date December 2018) in the gel segment, the fastest growing segment in Stationery. Growth drivers also included e-commerce sales where BIC outperformed the online market, gaining 0.8 points value share (Year-to-date December 2018).
- In **Latin America**, Net Sales increased mid-single digit driven by a robust Back-to-School season in Mexico, with strong performance in both Ball Pen and in Coloring segments. This more than offset the challenging year for Brazil as we faced on-going inventory adjustments by customers, negative impacts from the transportation strike as well as strong competitive pressure.
- The **Middle-East and Africa region** Net Sales were stable. Growth drivers included market share gains in South Africa, thanks to a good in-store visibility and strong Back-to-School sell-in. This was offset by importation legislation issues in North Africa.
- In **India**, Cello Pens' Domestic Net Sales increased low-single digit as Cello continued its strategy of portfolio streamlining and focused on its champion brands such as Butterflow™ and Butter Gel, allowing BIC to gain 0.8 points value share (Year-to-date December 2018, Market Pulse).

Full Year 2018 Stationery normalized IFO margin was 8.1% compared to 8.3% in 2017 as a result of an increase in raw material costs and operating expenses, only partially offset by lower brand support. **Q4 2018 Normalized IFO margin was 3.2%** compared to 6.8% in Q4 2017 as a result of higher costs of production as well as an increase in brand support.

LIGHTERS

Full Year 2018 Net Sales of Lighters were down by 3.1% as reported and up 2.4% on a comparative basis. Full Year 2018 volumes were up by 1.6%. Fourth quarter 2018 Net Sales were up 9.0% on a comparative basis.

- In **Europe**, Net Sales increased mid-single digit, driven by both Western and Eastern Europe (mainly Russia), gaining further distribution. In the fourth quarter, more specifically, Net Sales were favorably impacted by customers' buy-in ahead of the price adjustment implemented in January 2019.
- In **North America**, in a slightly declining market (down by 0.8% in value Year-to-date December 2018, IRI), BIC continued to outperform, gaining 0.2 points in value. Net Sales grew low single digit, as a result of continued growth of our added-value sleeve designs as well as increased distribution.
- **Latin America** posted mid-single digit growth with continued solid performance in Mexico, fueled by further distribution gains. In Brazil, Net Sales were negatively impacted by inventory adjustments by customers, as well as by the transportation strike.

Full Year 2018 Normalized IFO margin for Lighters was 36.0% compared to 39.2% in 2017, due to higher costs of production and higher investments in brand support and in operating expenses. **Q4 2018 Normalized IFO margin was 34.7%** compared to 37.9% in Q4 2017 due to an increase in raw material costs and depreciation, as well as higher brand support, offsetting lower operating expenses.

SHAVERS

Full Year 2018 Net Sales of Shavers decreased by 4.7% as reported and up 1.7% on a constant currency basis. Full Year 2018 volumes were down by 3.4%. Fourth quarter 2018 Net Sales were up 9.2% on a constant currency basis.

- **Europe's** Net sales increased mid-single digit, driven by Eastern Europe's strong route-to-market execution, largely led by Russia where we outperformed the wet shave market, gaining 5.9% in value share (year-to-date December 2018 – Nielsen) thanks to enlarged distribution, the success of the BIC® Flex 3 Hybrid and the launch in the second half of BIC® Flex 5 Hybrid. In Western Europe, we gained market share by 0.3 points in a declining market (down 0.3% in value Year-to-date December 2018 – EU10) for the one-piece segment.
- **In North America**, Net Sales were relatively flat. In a challenging competitive environment, performance was driven by a positive impact from change in brand support strategy, orders coming in from 2019 pipeline of new products, as well as the success of our 2018 product launches: BIC® Soleil® Balance, BIC® Soleil® Bella Click and BIC® Flex 3 Hybrid.
At the end of December 2018⁷, the U.S. one-piece segment was down 3.8% in value in a continued disruptive market. BIC's market share declined by 0.5 points, due to increasing competitive pressure on price and promotions. However, we continued to gain market share in the added-value segment reaching 37.8% share for the Men's 5 blade one-piece market segment and gaining 6.5 points value share in the Female's 5 blade one-piece market segment compared to last year.
- **Latin America** delivered mid-single-digit growth. BIC outperformed by far the overall market, growing value share in all major countries thanks to an enlarged distribution network and product mix. In Brazil, despite a declining one-piece market (down 3.4% in value)⁸, BIC gained 2.0 points in value with sales boosted by positive mix behind higher volumes of triple blades, such as the BIC® 3 and BIC® Comfort 3. In Mexico, the one-piece market grew 5.0% in value and BIC outperformed gaining 0.3 points in value⁷ with continued expansion in convenience stores.
- In the **Middle-East and Africa**, Net Sales declined high-single digit as the year's performance was overall negatively impacted by unfavorable importation legislation in North Africa.

Full Year 2018 Normalized IFO margin for Shavers was 10.4% compared to 13.1% in 2017 due to an increase in raw material costs and higher operating expenses, in spite of slightly lower brand support investments. **Q4 2018 Normalized IFO margin was 8.4%** compared to 12.6% in Q4 2017 due to higher costs of production and an increase in brand support.

OTHER PRODUCTS

Full Year 2018 Net Sales of Other Products decreased by 23.3% as reported (down 11.6% on a comparative basis). Fourth quarter 2018 Net Sales were down 12.3% as reported (down 11.8% on a comparative basis).

BIC Sport registered a low double-digit decline in its Full Year Net Sales on a constant currency basis.

Full Year 2018 Normalized IFO for Other Products was a negative 2.8 million euros, compared to a negative 4.4 million euros in 2017. **Q4 2018 Normalized IFO for Other Products was a favorable 0.4 million euros**, compared to a negative 0.4 million euros in Q4 2017.

⁷ Source: IRI total market Year-to-date ending 31-DEC-2018 – in value terms.

⁸ Source: Nielsen 62% Coverage Year-to-date ending December 2018

GOVERNANCE

The Board of Directors held a meeting on February 12, 2019 wherein they approved Marie-Aimée Bich-Dufour's decision to resign from her position of Executive Vice-President, effective as of March 31, 2019. On the recommendation of the Nominations, Governance and CSR Committee, the Board of Directors will submit her appointment as Director to the Shareholders' Meeting of May 22, 2019, succeeding Marie-Henriette Poinot, who has resigned.

Since March 25, 1995, Marie-Aimée Bich-Dufour has been Executive Vice-President of SOCIÉTÉ BIC and Board of Directors' Secretary. She is President of the BIC Corporate Foundation for Education. She served as Group General Counsel until February 1, 2016. In 2004, she took on the responsibility of the Sustainable Development Program. Before joining BIC Group, Marie-Aimée served 12 years as a Lawyer at the Paris' bar. She holds a Master's degree in Private Law from Paris Panthéon-Assas University and a Professional Lawyer's Certificate (CAPA).

The Board will also submit to the AGM the appointment of Maëlys Castella, succeeding Mario Guevara.

Maëlys Castella is a member of the Executive Committee of AkzoNobel in the position of Chief Corporate Development Officer, responsible for Strategy, Mergers and Acquisitions, Sustainability and Innovation. She joined AkzoNobel as Chief Financial Officer and as a member of the Board of management in 2014.

Before joining AkzoNobel, Maëlys Castella worked at Air Liquide since 2000, where she held various senior management positions in Finance and Marketing before she was appointed Group Deputy Chief Financial Officer in 2013. Her early career was spent in the oil and gas industry working during eight years for Elf, now part of Total Group.

Maëlys Castella holds a Master's degree in 'Energy Management and Policy' from the University of Pennsylvania (U.S.A.) and the French Institute of Petroleum (IFP). She also holds an Engineering Degree from the École Centrale de Paris.

LIGHTER COMPLAINT

In October 2018, BIC announced that it filed an infringement complaint with the European Commission for lack of surveillance of non-compliant Lighters in France and Germany. The complaint concerns non-compliant Lighters that are either imported or sold on these domestic markets, impacting the entire European Union due to the free movement of goods. While the issue has been resolved in many countries around the world, the lack of effective market surveillance in Europe poses a real threat to consumer safety and is a cause for concern. Since day one, BIC has made the quality and safety of its Lighters an absolute priority. By initiating these new proceedings with the European Union, BIC is acting in the interest of all consumers and is committed to assisting those in pursuit of genuine consumer protection.

HACO INDUSTRIES OPERATION – CLOSING ON DECEMBER 31, 2018

On 31 December 2018, BIC announced the transfer of Haco Industries Kenya Ltd manufacturing facilities in Kenya and distribution of Stationery, Lighters, and Shavers in East Africa to BIC. This acquisition is in line with BIC's continued growth strategy in Africa, one of the most promising markets for BIC® products in the world.

SALE OF BIC SPORT – CLOSING ON DECEMBER 31, 2018

On 31 December 2018, BIC completed the divestiture of BIC Sport, its water sports subsidiary, to Tahe Outdoors for a total Enterprise Value between 6 and 9 million euros, contingent upon BIC Sport's future financial results. Due to BIC Sport's divestiture, BIC may discontinue its writing instrument manufacturing activities located at the Vannes' industrial site and transfer its current production activities to the BIC Ecriture 2000-Marne la Vallée (France) and BIC Bizerte (Tunisia) sites. This project is consistent with BIC's Stationery Operational Excellence strategy, aimed at refocusing French factories on large-scale production and specializing the Bizerte factory for both high complexity production for the European market and on mass production for Africa and the Middle East.

NEW FACTORY OPENING IN INDIA

On January 16th, 2019, BIC's Indian subsidiary BIC Cello in India, inaugurated the new writing instrument facility in Vapi (Gujarat state). The total investment in this project was estimated at around 28 million euros and enhanced the Group's manufacturing footprint in India, enabling BIC to meet consumer demand more effectively in this rapidly-growing market.

APPENDIX

IFRS STANDARDS APPLIED IN 2018

As of January 1, 2018, the BIC Group has applied the following IFRS standards:

- IFRS15 “Revenue from Contracts with Customers.” 2017 financial data has been restated
- IFRS 9 “Financial instruments”
- IFRS 16 “Leases” has been early adopted
- IAS 29: Argentina is now considered as “hyperinflationary” as defined by IFRS rules and therefore IAS 29 rule related to Financial Reporting in Hyperinflationary Economies becomes applicable to the country.

ARGENTINA HYPERINFLATIONARY ACCOUNTING (IAS 29)

IAS 29: Argentina is now considered as “hyperinflationary” as defined by IFRS rules and therefore IAS 29 rule related to Financial Reporting in Hyperinflationary Economies becomes applicable to the country. Consequently, BIC is applying IAS 29 in Argentina from July 1st, 2018 with effect from January 1st, 2018. Adoption of IAS 29 in this hyperinflationary country requires its non-monetary assets and liabilities and its income statement to be restated to reflect the changes in the general pricing power of its functional currency, leading to a gain or loss on the net monetary position included in the net income. Moreover, its financial statements are converted into euro using the closing exchange rate of the relevant period. The opening impact of IAS 29 is reflected in the balance sheet in opening equity at 1 January 2018 and financial statements incorporate IAS29 with effect from January 1st, 2018.

The main effects on the Group financial statements as of 31 December 2018 are:

- Non-monetary items balance sheet restatement prior to 2018: +3.2M€ opening equity as of Jan 1st 2018
- Net Sales increased by 3.8M€ and IFO by 0.9M€ as the inflation is greater than the exchange rate impact (end of month rate vs. average month rate)
- A monetary loss of 5.4M€ is recorded in the PL.

BIC GROUP NET SALES BY GEOGRAPHY <i>(in million euros)</i>	Q4 2018 vs. Q4 2017				FY 2018 vs. FY 2017			
	Q4 2017 (Restated for IFRS15)	Q4 2018	As reported	Comparative basis	FY 2017 (Restated for IFRS15)	FY 2018	As reported	Comparative basis
GROUP								
Net Sales	497.4	511.0	+2.7%	+5.4%	2,041.4	1,949.8	(4.5)%	+1.5%
EUROPE								
Net Sales	119.6	121.4	+1.5%	+2.9%	570.0	559.7	(1.8)%	+1.8%
NORTH AMERICA								
Net Sales	181.3	189.4	+4.5%	+1.4%	786.7	765.6	(2.7)%	+1.4%
DEVELOPING MARKETS								
Net Sales	196.5	200.2	+1.9%	+10.7%	684.7	624.5	(8.8)%	+1.5%

VOLUME <i>(billions of units per year)</i>	2017	2018
Stationery (including Cello Pens)	7.2	7.3
Lighters	1.6	1.6
Shavers	2.7	2.5

IMPACT OF CHANGE IN PERIMETER AND CURRENCY FLUCTUATIONS ON NET SALES <i>(in %)</i>	FY 2017	FY 2018
Perimeter	(0.9)	(0.6)
Currencies	(0.8)	(4.8)
<i>Of which USD</i>	<i>(0.7)</i>	<i>(1.5)</i>
<i>Of which BRL</i>	<i>+0.4</i>	<i>(1.5)</i>
<i>Of which MXN</i>	<i>(0.1)</i>	<i>(0.4)</i>
<i>Of which RUB and UAH</i>	<i>+0.1</i>	<i>(0.2)</i>
<i>Of which INR</i>	<i>-</i>	<i>(0.3)</i>

SENSITIVITY OF NET SALES TO KEY CURRENCY CHANGES <i>(in %)</i>	2017	2018
+/- 5% change in USD	+/-1.8	+/-1.8
+/- 5% change in BRL	+/-0.5	+/-0.4
+/- 5% change in MXN	+/-0.3	+/-0.3

CONDENSED PROFIT AND LOSS ACCOUNT <i>(in million euros)</i>	Q4 2018 vs. Q4 2017				FY 2018 vs. FY 2017			
	Q4 2017 <i>(restated for IFRS15)</i>	Q4 2018	As reported	Comparative basis	FY 2017 <i>(restated for IFRS15)</i>	FY 2018	As reported	Comparative basis
Net sales	497.4	511.0	+2.7%	+5.4%	2,041.4	1,949.8	(4.5)%	+1.5%
Cost of goods	229.7	250.9			971.9	935.5		
Gross Profit	267.7	260.1			1,069.5	1,014.3		
Administrative & other operating expenses	169.6	197.6			694.6	755.5		
Income from operations	98.1	62.5			374.9	258.8		
Finance revenue/costs	22.7	(2.3)			21.8	2.8		
Income before tax	120.8	60.2			396.7	261.6		
Income tax expense	(19.7)	(10.4)			(102.6)	(88.2)		
Net Income From Continuing Operations	101.1	49.8			294.1	173.4		
Net Income From Discontinued Operations	-	-			(6.7)	-		
NET INCOME GROUP SHARE	101.1	49.8			287.3	173.4		
Earnings Per Share From Continuing Operations (in euros)	2.17	1.09			6.33	3.80		
Earnings Per Share From Discontinued Operations (in euros)	-	-			(0.15)	-		
Earnings per share Group share (in euros)	2.17	1.09			6.18	3.80		
Average number of shares outstanding (net of treasury shares)	46,475,249	45,598,109			46,475,249	45,598,109		

CONDENSED BALANCE SHEET <i>(in million euros)</i>	December 31, 2017 <i>(restated for IFRS15)</i>	January 1,2018 (new IFRS implementation)	December 31, 2018
ASSETS			
Property, plant & equipment	631.1	684.6	699.8
Investment properties	1.8	1.8	1.7
Goodwill and intangible assets	350.6	353.1	286.6
Other non-current assets	185.5	184.9	169.9
Non-current assets	1,169.0	1,224.3	1,158.0
Inventories	429.0	430.4	449.2
Trade and other receivables	477.1	473.5	534.7
Other current assets	45.0	45.0	49.5
Other current financial assets and derivative instruments	45.0	45.0	18.1
Cash and cash equivalents	188.6	188.6	157.5
Current assets	1,184.7	1,182.6	1,209.0
TOTAL ASSETS	2,353.7	2,406.9	2,367.0
LIABILITIES & SHAREHOLDERS' EQUITY			
Shareholders' equity	1,702.2	1,701.9	1,638.1
Non-current borrowings	0.2	51.6	32.0
Other non-current liabilities	265.7	266.2	250.1
Non-current liabilities	265.9	317.9	282.1
Trade and other payables	125.5	125.5	137.7
Current borrowings	4.9	6.4	22.6
Other current liabilities	255.2	255.2	286.4
Current liabilities	385.6	387.2	446.7
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	2,353.7	2,406.9	2,367.0

WORKING CAPITAL <i>(in million euros)</i>	December 31, 2017 (restated for IFRS15)	December 31, 2018
Total Working Capital	580.0	621.2
<i>Of which, inventories</i>	429.0	449.2
<i>Of which, Trade and other receivables</i>	477.1	534.7
<i>Of which, Trade and other payables</i>	(125.5)	(137.7)

CASH FLOW STATEMENT <i>(in million euros)</i>	FY 2017 (restated for IFRS15)	FY 2018
Group Net income	287.3	173.4
<i>Net income from discontinued operations</i>	<i>(6.7)</i>	<i>-</i>
<i>Net income from continuing operations</i>	<i>294.1</i>	<i>173.4</i>
Argentina hyperinflationary accounting (IAS29)	-	5.4
Amortization and provisions	120.3	204.1
(Gain)/Loss from disposal of fixed assets	9.0	4.3
Others	(6.7)	7.4
CASH FLOW FROM OPERATIONS	409.9	394.6
(Increase) / decrease in net current working capital	(8.1)	(73.0)
Others	(21.2)	(17.7)
<i>Net Cash from operating activities from continuing operations</i>	<i>374.5</i>	<i>303.9</i>
<i>Net Cash from operating activities from discontinued operations</i>	<i>6.1</i>	<i>-</i>
NET CASH FROM OPERATING ACTIVITIES (A)	380.6	303.9
Capital expenditure	(185.8)	(125.4)
(Purchase)/Sale of other current financial assets	7.1	8.2
Divestiture of Bic Sport	-	2.7
Haco Industries acquisition	-	(6.3)
Divestiture of BIC Graphic North America and Asian Sourcing	55.7	9.2
Others	11.2	1.7
<i>Net Cash from investing activities from continuing operations</i>	<i>(108.4)</i>	<i>(109.9)</i>
<i>Net Cash from investing activities from discontinued operations</i>	<i>(3.4)</i>	<i>-</i>
NET CASH FROM INVESTING ACTIVITIES (B)	(111.8)	(109.9)
Dividends paid	(161.0)	(157.8)
Borrowings/(Repayments)/(loans)	(18.5)	(1.1)
Share buy-back program net of stock-options exercised	(94.2)	(49.9)
Others	(1.7)	(17.7)
<i>Net Cash from financing activities from continuing operations</i>	<i>(273.1)</i>	<i>(226.5)</i>
<i>Net Cash from financing activities from discontinued operations</i>	<i>(2.3)</i>	<i>-</i>
NET CASH FROM FINANCING ACTIVITIES (C)	(275.4)	(226.5)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS NET OF BANK OVERDRAFTS (A+B+C)	(6.6)	(32.5)
OPENING CASH AND CASH EQUIVALENTS NET OF BANK OVERDRAFTS	217.4	187.0
Net increase / decrease in cash and cash equivalents net of bank overdrafts (A+B+C)	(6.6)	(32.5)
Exchange difference	(23.8)	(4.7)
CLOSING CASH AND CASH EQUIVALENTS NET OF BANK OVERDRAFTS	187.0	149.8

RECONCILIATION WITH ALTERNATIVE PERFORMANCE MEASURES

NORMALIZED IFO RECONCILIATION

<i>(in million euros)</i>	FY 2017 (restated for IFRS15)	FY 2018
Income From Operations	374.9	258.8
<i>Restructuring costs related primarily to BIC Graphic</i>	+24.7	-
<i>Cello and Pimaco goodwill impairment</i>	-	+74.2
<i>Restructuring expenses (Stationery and Lighters manufacturing reorganization, Organizational review, Haco Industries acquisition related costs)</i>	-	+15.4
<i>BIC Sport Divestiture</i>	-	+4.9
<i>Argentina hyperinflationary accounting (IAS29)</i>	-	(0.9)
Normalized IFO	399.6	352.4

NORMALIZED EPS RECONCILIATION

<i>(in euros)</i>	FY 2017 (restated for IFRS15)	FY 2018
EPS	6.18	3.80
<i>Net loss from the divestiture of BIC Graphic North America and Asian Sourcing</i>	+0.09	-
Normalized EPS excluding impairment recognized for BIC Graphic North America and Asia Sourcing	6.27	3.80
<i>Restructuring costs related primarily to BIC Graphic</i>	+0.38	-
<i>Cello and Pimaco goodwill impairment</i>	-	1.62
<i>Restructuring expenses (Stationery and Lighters manufacturing reorganization, Organizational review, Haco Industries acquisition related costs)</i>	-	0.23
<i>BIC Sport Divestiture</i>	-	0.10
<i>Argentina hyperinflationary accounting (IAS29)</i>	-	0.12
<i>French Corporate Income Tax (invalidation of 3% additional French Corporate Income Tax on dividends net of the French exceptional Corporate Income Tax contribution)</i>	(0.39)	-
Normalized EPS	6.26	5.87

NET CASH RECONCILIATION

<i>(in million euros – rounded figures)</i>	December 31, 2017	December 31, 2018
Cash and cash equivalents (1)	+188.6	+157.5
Other current financial assets (2) ⁹	+21.4	+12.8
Current borrowings (3) ¹⁰	(4.9)	(8.9)
Non-current borrowings (4)	(0.2)	-
NET CASH POSITION (1) + (2) - (3) - (4)	204.9	161.5

⁹ In the balance sheet at December 31, 2018 and 2017, the line "Other current financial assets and derivative instruments" also includes respectively 5.3M€ and 23.6M€ worth of derivative instruments.

¹⁰ Excluding financial liabilities following IFRS16 implementation

SHARE BUY-BACK PROGRAM

SHARE BUY-BACK PROGRAM – SOCIETE BIC	Number of shares acquired	Average weighted price in €	Amount in M€
January 2018	-	-	-
February 2018	100,009	83.37	8.3
March 2018	165,000	78.07	12.9
April 2018	-	-	-
May 2018	-	-	-
June 2018	31,923	79.74	2.6
July 2018	-	-	-
August 2018	242,282	77.66	18.8
September 2018	148,182	77.24	11.4
October 2018	-	-	-
November 2018	-	-	-
December 2018	-	-	-
Total	687,396	78.59	54.0

CAPITAL AND VOTING RIGHTS, DECEMBER 31, 2018

As of December 31, 2018, the total number of issued shares of SOCIÉTÉ BIC is 46,010,907 shares, representing:

- 67,352,060 voting rights,
- 66,699,647 voting rights excluding shares without voting rights

Total number of treasury shares held at the end of December 2018: 652,413.

GLOSSARY

- **Constant currency basis:** constant currency figures are calculated by translating the current year figures at prior year monthly average exchange rates.
- **Organic growth or Comparative basis:** at constant currencies and constant perimeter. Figures at constant perimeter exclude the impacts of acquisitions and/or disposals that occurred during the current year and/or during the previous year, until their anniversary date. All Net Sales category comments are made on a comparative basis.
- **Gross profit** is the margin that the Group realizes after deducting its manufacturing costs.
- **Normalized IFO:** normalized means excluding non-recurring items as detailed on page 3.
- **Normalized IFO margin:** Normalized IFO as a percentage of Net Sales.
- **Net cash from operating activities:** principal revenue-generating activities of the entity and other activities that are not investing or financing activities.
- **Net cash position:** Cash and cash equivalents + Other current financial assets - Current borrowings - Non-current borrowings (except financial liabilities following IFRS 16 implementation).

SOCIETE BIC consolidated financial statements as of December 31, 2018 were approved by the Board of Directors on February 12, 2019. The Group's Auditors have performed their audit procedures on the consolidated financial statements and the audit reports relating to the certification of the consolidated and statutory financial statements are in the process of being issued. A presentation related to this announcement is also available on the BIC website (at www.bicworld.com). This document contains forward-looking statements. Although BIC believes its expectations are based on reasonable assumptions, these statements are subject to numerous risks and uncertainties. A description of the risks borne by BIC appears in the section, "Risk Factors" in BIC's 2017 Registration Document filed with the French financial markets authority (AMF) on March 21, 2018.

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For more information, please consult the corporate website: www.bicworld.com

2019 AGENDA

First Quarter 2019 results	25 April 2019	Conference call
2019 AGM	22 May 2019	Meeting – BIC Headquarters
First Half 2019 results	31 July 2019	Conference call
First Quarter 2019 results	23 October 2019	Conference call

ABOUT BIC

BIC is a world leader in stationery, lighters and shavers. For more than 70 years, BIC has honored the tradition of providing high-quality, affordable products to consumers everywhere. Through this unwavering dedication BIC has become one of the most recognized brands and is a trademark registered worldwide for identifying BIC products which are sold in more than 160 countries around the world. In 2018, BIC Net Sales were 1,949.8 million euros. The Company is listed on "Euronext Paris" and is part of the SBF120 and CAC Mid 60 indexes. BIC is also part of the following Socially Responsible Investment indexes: CDP's "Leadership Level" (A-) and "Leadership Level" for the additional "Supplier" module, Euronext Vigeo – Eurozone 120, Euronext Vigeo – Europe 120, FTSE4Good indexes, Ethibel Pioneer and Ethibel Excellence Investment Registers, Ethibel Sustainability Index (ESI) Excellence Europe, Stoxx Global ESG Leaders Index.

