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## **FOURTH QUARTER AND FULL YEAR 2019 RESULTS**

- **FY 2019 Net Sales: 1,949.4 million euros**
  - Down 1.9% on a comparative basis
- **FY 2019 Normalized Income From Operation: 331.8 million euros**
  - Normalized Income From Operations margin: 17.0%
- **FY 2019 Net Income Group Share: 176.1 million euros**
- **FY 2019 EPS Group share: 3.91 euros**
  - FY 2019 Normalized EPS Group share: 5.47 euros
- **FY 2019 Net Cash Position: 146.9 million euros**
- **Proposed Dividend Per Share<sup>1</sup> of 3.45 euros**

*“In a continued volatile and challenging trading environment, our 2019 performance was softer than initially expected. Nevertheless, in spite of market headwinds in our three categories, we grew or maintained market share in most geographies, as our teams remained focused on operational execution, and we seized growth opportunities in promising markets with selected acquisitions in Africa.*

*Our “BIC 2022 - Invent the Future” transformation plan that leads us towards a more efficient, agile, and consumer-centric organization, is on track. I am convinced that, combined with our solid business foundations, this plan will enable BIC to deliver long-term profitable growth and create meaningful value for all our stakeholders.”*

**Gonzalve Bich, Chief Executive Officer**

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### **2020 OUTLOOK<sup>2</sup>**

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**We expect FY 2020 Organic Net Sales growth to be between -1.0% to +1.0% compared to FY 2019, with a year-on-year growth being weighted towards the second half.**

- In flat to declining markets in our main geographies, notably in U.S. lighters, headwinds include macro-economic uncertainties, and competitive pressure. Globally, Net Sales will be driven by new product launches and line extensions, enhanced distribution and route-to-market, as well as relentless execution from our teams.

**Full Year 2020 Normalized Income from Operations margin is expected to be between 16.0% and 17.0% of Net Sales, with a continued focus on cash generation.**

- The stabilization of Gross Profit Margin and the increase in Brand Support efficiency will be more than offset by the costs related to the implementation of the new organization and the impact of higher incentive plan costs versus 2019.

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<sup>1</sup> Payable on 3 June 2020, subject to the approval at the AGM of May 20, 2020

<sup>2</sup> See main market assumptions on page 11

## Q4 & FY 2019 KEY GROUP FINANCIAL FIGURES

<i>in million euros</i>	Q4 2018	Q4 2019	FY 2018	FY 2019
<b>Group Net Sales</b>	511.0	501.2	1,949.8	1,949.4
<i>Change as reported</i>	+2.7%	(1.9) %	(4.5)%	0.0%
<b>Change on a comparative basis</b>	+5.4%	(3.8) %	+1.5%	(1.9) %
Normalized Income From Operations <sup>3</sup>	87.1	90.7	352.4	331.8
<b>Normalized IFO margin</b>	17.0%	18.1%	18.1%	17.0%
Net Income Group Share	49.8	23.5	173.4	176.1
<b>Normalized<sup>4</sup> Net Income Group share</b>	75.6	69.4	267.8	246.7
EPS (in euros)	1.09	0.52	3.80	3.91
<b>Normalized EPS (in euros)</b>	1.66	1.54	5.87	5.47
<b>Net Cash Position</b>	161.5	146.9	161.5	146.9

## FY 2019 KEY GROUP NON- FINANCIAL FIGURES

	FY 2018	FY 2019
<b>Acting against Climate Change</b>		
CO2 Emissions (Scope 1 & 2)	98,283 in tons of CO2 equivalent	97,711 in tons of CO2 equivalent
% of Renewable Electricity ( <i>Writing the Future, Together</i> Commitment: 80% by 2025)	68%	76%
<b>Safe Work Environment</b>		
Work accidents ( <i>Writing the Future, Together</i> Commitment: 0 accident by 2025)	84 reportable accidents <sup>5</sup>	68 reportable accidents <sup>5</sup> 55 sites among which ten factories reached a zero-accident level
<b>Improving Lives through Education</b>		
Improved Children Learning Conditions ( <i>Writing the Future, Together</i> Commitment: 250 million children between 2018 and 2025, globally)	30 million	61 million (cumulative)

<sup>3</sup> See glossary page 17

<sup>4</sup> Excluding 2018 Cello and Pimaco Goodwill Impairment, BIC Sport Divestiture for 2018, restructuring costs & Argentina hyperinflationary accounting for 2018 and 2019, Cello trademark and goodwill impairment for 2019 and U.K pension adjustment for past service costs in 2019.

<sup>5</sup> Employees and external temporary

## GROUP OPERATIONAL TRENDS

### NET SALES BY GEOGRAPHY

<i>in million euros</i>	Q4 2018	Q4 2019	As reported	On a Comparative basis	FY 2018	FY 2019	As reported	On a Comparative basis
Group	511.0	<b>501.2</b>	(1.9)%	(3.8)%	1,949.8	<b>1,949.4</b>	0.0%	(1.9)%
Europe	121.4	<b>124.6</b>	+2.7%	+3.2%	559.7	<b>558.9</b>	(0.1)%	+2.3%
North America	189.4	<b>178.3</b>	(5.9)%	(8.3)%	765.6	<b>764.4</b>	(0.2)%	(4.1)%
Developing Markets	200.2	<b>198.3</b>	(1.0)%	(3.8)%	624.5	<b>626.1</b>	+0.3%	(3.1)%

The favorable impact of currency fluctuations of +2.3% was mainly due to the strong U.S. dollar against the euro<sup>6</sup>.

### INCOME FROM OPERATIONS AND NORMALIZED INCOME FROM OPERATIONS

<i>in million euros</i>	Q4 2018	Q4 2019	FY 2018	FY 2019
<b>Net Sales</b>	511.0	<b>501.2</b>	1,949.8	<b>1,949.4</b>
Gross Profit	260.1	<b>248.4</b>	1,014.3	<b>977.3</b>
Gross Profit margin	50.9%	<b>49.6%</b>	52.0%	<b>50.1%</b>
<b>Income From Operations</b>	62.5	<b>43.6</b>	258.8	<b>252.7</b>
<i>IFO margin</i>	12.2%	<b>8.7%</b>	13.3%	<b>13.0%</b>
Non-recurring items	24.6	<b>47.1</b>	93.6	<b>79.1</b>
<b>Normalized IFO</b>	87.1	<b>90.7</b>	352.4	<b>331.8</b>
<b>Normalized IFO margin</b>	17.0%	<b>18.1%</b>	18.1%	<b>17.0%</b>

**FY 2019 non-recurring items** include notably 44.7 million euros restructuring costs and 44.3 million euros Goodwill and Trademark Impairment on Cello (see details in Appendix).

**FY 2019 Normalized IFO** decline is due to lower Gross Profit margin and increase in Brand Support, mainly in Lighters, partially offset by a decrease in OPEX and other expenses. FY 2019 Normalized IFO was positively impacted by lower incentive plan costs versus 2018 (+ 0.6 points positive impact). **Q4 Normalized IFO** was positively impacted by lower incentive plan costs versus 2018 (+ 1.8 points positive impact).

KEY NORMALIZED COMPONENTS OF THE CHANGE IN NORMALIZED IFO MARGIN <sup>7</sup> (in points)	Q4 2019 vs. Q4 2018	FY 2019 vs. FY 2018
• Change in Gross Profit (Cost of Production)	(1.4)	(1.9)
• Brand Support	(0.1)	(0.4)
• OPEX and other expenses	+2.6	+1.2
<b>Total change in Normalized IFO margin</b>	<b>+1.1</b>	<b>(1.1)</b>

<sup>6</sup> this excludes the Argentinian peso.

<sup>7</sup> This excludes impact of 2018 Argentina hyperinflation

## NET INCOME AND EPS

<i>in million euros</i>	Q4 2018	Q4 2019	FY 2018	FY 2019
<b>IFO</b>	62.5	43.6	258.8	252.7
Finance revenue/costs	(2.3)	(4.1)	2.8	(1.3)
Income before Tax	60.2	39.5	261.6	251.4
Net Income Group share	49.8	23.5	173.4	176.1
<b>Normalized Net Income Group Share<sup>8</sup></b>	75.6	69.4	267.8	246.7
Normalized EPS Group Share (in euros)	1.66	1.54	5.87	5.47
EPS Group Share (in euros)	1.09	0.52	3.80	3.91

FY 2019 finance revenue decrease is explained by 2018 higher favorable impact of the fair value adjustments to financial assets denominated in USD (BRL and EUR).

The 2019 effective tax rate was 30.0% compared to 33.7% in 2018 (27.3% excluding Cello goodwill and trademark impairment and related tax impact in 2019 and 26.3% excluding Cello and Pimaco goodwill impairment impact in 2018).

## NET CASH POSITION

<b>CHANGE IN NET CASH POSITION</b> <i>in million euros</i>	2018	2019
<b>Net Cash position (beginning of period – December)</b>	<b>204.9</b>	<b>161.5</b>
Net cash from operating activities	+303.9	+318.2
• Of which operating cash flow	+394.6	+334.5
• Of which change in working capital and others	(90.7)	(16.3)
CAPEX	(123.8)	(113.6)
Dividend payment	(157.8)	(155.2)
Share buyback program	(54.1)	(39.2)
Net cash from the exercise of stock options and the liquidity contract	+4.2	(0.8)
Haco Industries Ltd acquisition	(6.3)	(2.4)
Lucky Stationery Nigeria Ltd acquisition	-	(13.8)
Proceeds from the sale of BIC Graphic North America and Asian Sourcing	+9.2	-
Proceeds from disposal of BIC Sport	+2.7	-
Other items	(21.4)	(7.8)
<b>Net Cash position (end of period – December)</b>	<b>161.5</b>	<b>146.9</b>

At the end of December 2019, the Group's Net Cash position stood at 146.9 million euros. Net Cash was negatively impacted by CAPEX, as well as the dividend payments, share buybacks, and the acquisition of Lucky Stationery in Nigeria.

## SHAREHOLDERS' REMUNERATION

In 2019, Shareholders' Remuneration totaled 194.4 million euros:

- Ordinary dividend of 3.45 euros per share paid in June 2019.
- 39.2 million euros in share buy-backs by Société BIC at the end of December 2019 (478,667 shares purchased at an average price of 81.83 euros).

<sup>8</sup> Excluding 2018 Cello and Pimaco Goodwill Impairment, BIC Sport Divestiture for 2018, restructuring costs & Argentina hyperinflationary accounting for 2018 and 2019, Cello trademark and goodwill impairment for 2019 and U.K pension adjustment for past service costs in 2019.

## OPERATIONAL TRENDS BY CATEGORY

### STATIONERY

<i>in million euros</i>	Q4 2018	Q4 2019	FY 2018	FY 2019
Volumes sold (in billion units)	-	-	7.3	6.9
Net Sales	170.4	169.3	771.9	774.4
<i>Change as reported vs. prior year</i>	(3.3)%	(0.6)%	(4.0)%	+0.3%
<i>Change on a comparative basis vs. prior year</i>	+0.6%	(4.8)%	+1.7%	(3.4)%
Normalized Income From Operations	5.4	(0.9)	62.8	47.8
Normalized IFO margin	3.2%	(0.5)%	8.1%	6.2%
Income From Operations	(2.6)	(43.1)	(14.1)	(6.7)
Income From Operations Margin	(1.5)%	(25.4)%	(1.8)%	(0.9)%

In Stationery, while markets continued to be challenging, we pursued growth in e-commerce and invested in innovative products. While Europe grew low-single digit and North America was flat, 2019 performance was negatively impacted by the decrease in Cello Net Sales in India.

Full Year 2019 Stationery Normalized IFO margin was 6.2% compared to 8.1% in 2018 due to higher Raw Material costs and unfavorable forex. Q4 2019 Stationery Normalized IFO margin was -0.5% versus 3.2% in 2018 impacted by lower sales, higher manufacturing costs, and higher promotional activities.

By Geography	Market Trends (in value)	BIC FY 2019 Net Sales evolution (on a comparative basis)
Europe	Flat YTD DEC 2019 <sup>9</sup>	Increased low single-digit
North America	+0.5% YTD DEC 2019 <sup>10</sup>	flat
Developing Markets	+10% YTD DEC 2019 (Latin America) <sup>11</sup>	Decreased by approx. 10%

- We outperformed overall flat markets in **Europe**, growing shares in key countries such as France and the U.K<sup>9</sup>. Our added-value products, including BIC® Gelocity Full Grip and BIC® Intensity Medium felt pen performed well. E-commerce business grew 14% versus the prior year.
- **North America's** performance was impacted by a soft sell out during the Back-to-School season. However, we continued to see new products, such as BIC® Gelocity Ultra and BIC® BodyMark tattoo marker, perform well. Year to date, BIC outperformed the Gel, Mechanical Pencil, and Correction Segments and continued to grow in e-commerce, reaching 13.0% market share in value (+0.8 points)<sup>10</sup>.
- In **Latin America**, Net Sales decreased by approx. 10%. Performance at the beginning of the year was negatively impacted by Pimaco (our manufacturer and distributor of adhesive labels) as well as by weak execution in Ecuador during H1. During the 2019 Back-to-School season, while we outperformed a declining market in Brazil, we lost 2.5 points in value<sup>11</sup> in Mexico as a result of the poor performance of Ball Pen and Graphite segments in a highly competitive environment.
- In the **Middle-East and Africa region**, performance was driven by a successful change in route-to-market in East Africa, thanks to the transfer of Haco Industries Ltd' manufacturing and distribution activities, which led to a double-digit increase in Net Sales in the region. Solid 2019 Back-to-School also drove the performance in South-Africa. In Nigeria, Lucky Stationery acquisition was finalized on 23 October 2019.
- In **India**, Cello Pens Domestic Sales decreased double-digit on a comparative basis in a challenging market environment impacted by the high level of superstockists' inventories, as well as our on-going strategy of portfolio streamlining. However, we continued to see improved performance of our Champion Brands such as Butterflow.

<sup>9</sup> GfK - YTD December 2019 - EU7 - in value

<sup>10</sup> NPD - YTD 28DEC 2019 - in value

<sup>11</sup> Nielsen - YTD 28DEC 2019 - Modern Channel only - in value

## LIGHTERS

<i>in million euros</i>	Q4 2018	Q4 2019	FY 2018	FY 2019
Volumes sold (in billion units)	-	-	1.6	1.5
Net Sales	204.3	197.4	685.8	679.0
<i>Change as reported vs. prior year</i>	+7.7%	(3.4)%	(3.1)%	(1.0)%
<i>Change on a comparative basis vs. prior year</i>	+9.0%	(4.9)%	+2.4%	(3.7)%
Normalized Income From Operations	70.9	72.5	247.0	232.1
<b>Normalized IFO margin</b>	34.7%	36.7%	36.0%	34.2%
Income From Operations	66.5	69.2	242.5	217.7
<i>Income From Operations Margin</i>	32.5%	35.1%	35.4%	32.1%

The Lighter category was challenged by the declining US Pocket Lighters market affecting sell-in performance. This was partially offset by a good performance in Europe and Latin America.

Full Year 2019 Normalized IFO margin for Lighters was 34.2% compared to 36.0% in 2018, and is explained by unfavorable forex and higher Brand Support investments.

By Geography	Market Trends (in value)	BIC FY 2019 Net Sales evolution (on a comparative basis)
Europe	-	Increased low single-digit
North America	-5.9% YTD DEC 2019 <sup>12</sup>	Decreased high single-digit
Developing Markets	-	Increased low single-digit

- **In Europe**, a price adjustment was implemented across the region. Our first advertising campaign to address consumers directly was launched in France, Belgium, Germany, and Italy to reinforce BIC's brand image of quality and safety.
- **In North America**, Net Sales were heavily impacted by the decline of the U.S. pocket Lighter market. For the full year, the market was down 8.2% in volume and down 5.9% in value<sup>12</sup>, nonetheless we maintained market share in both volume and value. The U.S. Utility market continued to grow, and BIC was up 12.5% in value<sup>12</sup>, outperforming the market, thanks to additional distribution in the Modern Mass channel.
- **Latin America** posted mid-single-digit growth driven by Brazil with the price increase implementation in June as well as higher volumes in the traditional channel. In Mexico, sales were boosted by distribution gains in the convenience channel.

<sup>12</sup> IRI - YTD period ending 29-DEC-2019 - in value

## SHAVERS

<i>in million euros</i>	Q4 2018	Q4 2019	FY 2018	FY 2019
Volumes sold (in billion units)	-	-	2.5	2.6
Net Sales	123.1	123.5	438.0	463.0
<i>Change as reported vs. prior year</i>	+5.7%	+0.4%	(4.7)%	+5.7%
<i>Change on a comparative basis vs. prior year</i>	+9.2%	(1.6)%	+1.7%	+3.2%
Normalized Income From Operations	10.3	19.3	45.4	56.2
<b>Normalized IFO margin</b>	8.4%	15.6%	10.4%	12.1%
Income From Operations	8.8	18.3	43.7	47.2
<i>Income From Operations Margin</i>	7.1%	14.8%	10.0%	10.2%

**In Shavers**, in spite of adverse market trends, the performance was robust as we gained market share in most of our markets and grew Net Sales mid-single digit throughout our main geographies, fueled by the success of both added value and new products.

**Full Year 2019 Normalized IFO margin** for Shavers was 12.1% compared to 10.4% in 2018. The increase was driven by Net Sales growth, which more than offset unfavorable forex.

By Geography	Market Trends (in value)	BIC FY 2019 Net Sales evolution (on a comparative basis)
Europe	-0.7% YTD DEC 2019 <sup>13</sup>	Increased mid-single-digit
North America	-4.2% YTD DEC 2019 <sup>14</sup>	Increased low single-digit
Developing Markets	+4.8% YTD DEC 2019 (Latin America) <sup>15</sup>	Increased mid-single-digit

- **In Europe**, while the overall market slightly declined, Western Europe's performance was fueled by both added-value products, and recent launches with BIC® Miss Soleil Sensitive. In Russia, we outperformed a flat market, gaining 0.8 points in share value<sup>13</sup> driven by further distribution gains, and the on-going success of the BIC® Flex Hybrid product range.
- **In North America**, the one-piece market continues to be highly competitive and declined by 4.2% in value<sup>14</sup>. We gained 1.9 points to reach 28.1% in share value, fueled by the outperformance in the one-piece female segment, driven by the expanded distribution of BIC® Silky Touch, and the on-going success of the BIC® Soleil franchise. In Men, we outperformed the category with BIC® Flex 5 Hybrid as the primary growth driver thanks to successful in-store promotions. The "Made For YOU" brand was launched in the U.S., offering a 5-blade refillable shaver for Men and Women, in partnership with Amazon.
- **Latin America** performance was driven by Mexico, where in a highly competitive market, we gained 1.0 points in share value<sup>15</sup>, thanks to distribution gains and robust performance of premium products and new launches with BIC® Flex 3 Hybrid and BIC® Soleil Click 5. In Brazil, we outperformed the market, boosted by the performance of our three-blade offering, and reached a historical record in market share with 28.2% in volume and 21.9% in value share<sup>15</sup>.
- In the **Middle-East and Africa**, Net Sales were up low single-digit driven by good performance in North Africa, and by strong promotional activities with BIC®1 during the African Cup of Nations in West African countries and South Africa.

<sup>13</sup> Nielsen - YTD DEC 2019 - in value

<sup>14</sup> IRI - Period ending 29-DEC-19 - in value

<sup>15</sup> Nielsen - Shaver non-refillable - YTD DEC 2019 in value

## OTHER PRODUCTS

<i>in million euros</i>	Q4 2018	Q4 2019	FY 2018	FY 2019
Other Products Net Sales	13.2	10.9	54.0	33.1
<i>Change as reported</i>	(12.3)%	(16.9)%	(23.3)%	(38.7)%
<b><i>Change on a comparative basis</i></b>	(11.8)%	+4.5%	(11.6)%	+1.2%
Normalized Income From Operations	+0.4	(0.2)	(2.8)	(4.3)
<i>Of which BIC Sport</i>	(1.0)	-	(0.7)	-
Income From Operations	(10.2)	(0.9)	(13.4)	(5.5)



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## BIC 2022- INVENT THE FUTURE TRANSFORMATION PLAN PROGRESS

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During 2019, we progressed on the execution of our transformation plan and put in place several initiatives to support our four strategic pillars and achieve our strategic operational targets for 2022.

- **EFFECTIVENESS – target: achieve 45 million euros annual savings**

In 2019 we started delivering savings through a set of efficiency programs, including the establishment of a new centralized procurement organization and the implementation of **End-to-End planning** and integrated Sales & Operating Planning processes across the Group that will enable the optimization of SKUs, logistics and working capital.

- **INNOVATION – target: increase the number of new patent submissions by 20% per year**

The **Global Market and Consumer Insights Team** is up and running and launched several consumer-centric initiatives, such as the Next BIC Thing platform presented during the 2019 CES in Las Vegas. We merged the Stationery and Shavers Design and Engineering teams to create a Global Development Center to foster cross-collaboration and accelerate innovation pipeline and time-to-market.

**Key products** such as BIC® BodyMark temporary tattoo marker, and “Made For YOU” (new direct-to-consumer on-line Shaver brand in the U.S.) were launched in 2019.

- **CONSUMER-CENTRIC BRANDS – target: engage directly with 20% of our consumers**

To connect and engage more effectively with all consumers, a **Global Customer Relationship Management (CRM)** platform was implemented, with over 1 million consumers already engaged in accelerating growth.

- **OMNICHANNEL DISTRIBUTION – target: reach 10% of Net Sales in e-commerce**

A new e-commerce leadership and team are on board, and progress was made in e-commerce across all regions, categories and channels, **with +13% E-commerce Net Sales growth in 2019.**

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## WRITING THE FUTURE, TOGETHER 2025 SUSTAINABLE DEVELOPMENT PLAN UPDATE

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We defined five Sustainable Development commitments in 2017, which will enable BIC to create value over the long term for the benefit of all of its stakeholders.

- **#1 FOSTERING SUSTAINABLE INNOVATION IN BIC® PRODUCTS – Target: by 2025, the environmental and/or societal footprint of BIC® products will be improved.**

In 2019, 90% of the BIC product portfolio was evaluated. 6% of the plastic used in Stationery product manufacturing were recycled plastics.

- **#2 ACTING AGAINST CLIMATE CHANGE – Target: by 2025, BIC will use 80% renewable electricity.**

In 2019, BIC reached 76% renewable electricity across the Group, compared to 68% in 2018.

- **#3 COMMITTING TO A SAFE WORK ENVIRONMENT - Target: by 2025, BIC aims for zero accidents across all operations.**

The number of accidents decreased by 19% in 2019 and more than 46,000 hours of training on health and safety delivered.

- **#4 PROACTIVELY INVOLVING SUPPLIERS - Target: by 2025, BIC will work responsibly with its strategic suppliers to ensure the most secure, innovative, and efficient sourcing.**

In 2019, 292 strategic suppliers and 95 risks were identified, and 43% of contract manufacturers audited.

- **#5 IMPROVING LIVES THROUGH EDUCATION - Target: by 2025, BIC will improve learning conditions for 250 million children globally.**

The learning conditions for more than 61 million children were improved since 2018 through direct actions with children or actions with teachers.

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## CAPEX - ACQUISITIONS – DISPOSALS - MISCELLANEOUS

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### INAUGURATION OF BIC EAST AFRICA FACILITY

On March 11, BIC officially inaugurated its East Africa Facility in Kasarani, Nairobi (Kenya). This new venture comes as BIC transferred its manufacturing in Kenya and distribution in the East African region from HACO Industries Kenya Ltd earlier this year. After forty years of presence through a local distributor, BIC established its subsidiary to implement its proximity strategy and expand its brand presence.

### ACQUISITION OF LUCKY STATIONERY IN NIGERIA

On October 23, 2019, BIC announced the completed acquisition of Lucky Stationery in Nigeria (LSNL). Nigeria #1 Writing Instrument manufacturer. LSNL's brand, product portfolio and distribution network will strengthen BIC's position in Nigeria, the largest economy and also number one in the Pens market in the region.

### BIC WINS RESOLUTION WITH ARROW LIGHTER, INC

In January 2020, BIC defeated Arrow Lighter, Inc. (Arrow) in BIC's lawsuit filed with the International Trade Commission (ITC). Arrow has agreed to no longer sell certain low-quality, knockoff lighter models anywhere in the world. The lighters, branded "MK" and produced by Arrow, imitate the iconic shape and design of BIC's lighters without upholding BIC's stringent safety standards.

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## GOVERNANCE

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On December 10, 2019, following the resignation of François BICH, and the recommendation of its Nomination, Governance and CSR Committee, the Board of Directors of SOCIETE BIC, co-opted Timothée Bich to serve as director until the end of François BICH's mandate in May 2020. The Board also decided to submit to the 20 May 2020 General Shareholders' Meeting the appointment of Jake Schwartz, Managing Director and co-founder of General Assembly, as Independent Director.

## APPENDIX

Our 2020 outlook is based on the following assumptions<sup>16</sup>:

- **Currency:** 2020 USD-Euro hedging rate: 1.1445
- **Market Trends:**
  - Europe: Flat to slight decline for the three categories, in value
  - North America:
    - Flat to slight increase in U.S. Stationery market, in value
    - -4.0% to -5.0% decrease in total US pocket Lighters market, in value
    - -4.0% to -5.0% decrease in total US one-piece Shavers market, in value
  - Latin America: low-single digit increase for the three categories, in value
- **NIFO drivers:**
  - Stable Gross Profit Margin with negative fixed cost absorption offset by a decrease in Raw Materials costs and positive price impacts
  - Increase in Brand Support investments efficiency
  - Higher OPEX and other expenses notably due to the impact of higher incentive plan costs vs. 2019 and the cost of the implementation of the new organization

NET SALES BY CATEGORY in million euros	Q4 2018	Q4 2019	Change as reported	FX impact <sup>17</sup> (in pts)	Change in Perimeter <sup>18</sup> (in pts)	Argentina impact <sup>19</sup> (in pts)	Change on a Comparative basis
Group	511.0	501.2	(1.9)%	+1.6	+0.1	+0.2	(3.8)%
Stationery	170.4	169.3	(0.6)%	+0.9	+2.9	+0.4	(4.8)%
Lighters	204.3	197.4	(3.4)%	+1.5	+0.1	(0.1)	(4.9)%
Shavers	123.1	123.5	+0.4%	+1.6	+0.1	+0.3	(1.6)%
Other Products	13.2	10.9	(16.9)%	(0.2)	(21.2)	0.0	+4.5%

NET SALES PER CATEGORY in million euros	FY 2018	FY 2019	Change as reported	FX impact <sup>17</sup> (in pts)	Change in Perimeter <sup>18</sup> (in pts)	Argentina impact <sup>19</sup> (in pts)	Change on a Comparative basis
Group	1,949.8	1,949.4	(0.0)%	+2.3	(0.4)	0.0	(1.9)%
Stationery	771.9	774.4	+0.3%	+1.8	+2.0	(0.1)	(3.4)%
Lighters	685.8	679.0	(1.0)%	+2.7	0.0	0.0	(3.7)%
Shavers	438.0	463.0	+5.7%	+2.3	+0.3	(0.1)	+3.2%
Other Products	54.0	33.1	(38.7)%	(0.1)	(39.8)	0.0	+1.2%

<sup>16</sup> BIC internal estimates based on Market panels (IRI, Nielsen) and Euromonitor

<sup>17</sup> Forex impact excluding Argentinian Peso (ARS)

<sup>18</sup> Haco Industries Ltd and BIC Sport

<sup>19</sup> See glossary page 17

## NON-RECURRING ITEMS

<i>in million euros</i>	Q4 2018	Q4 2019	FY 2018	FY 2019
<b>Income From Operations</b>	62.5	43.6	258.8	252.7
<ul style="list-style-type: none"> <li>Cello Trademark and goodwill impairment in 2019 and Cello and Pimaco goodwill impairment in 2018</li> </ul>	5.5	44.3	74.2	44.3
<ul style="list-style-type: none"> <li>Restructuring costs (Transformation plan in 2018 and 2019, 2018 Stationery and Lighters manufacturing reorganization, 2018 Haco Industries acquisition-related costs)</li> </ul>	15.4	12.8	15.4	44.7
<ul style="list-style-type: none"> <li>U.K pension adjustment for past service costs in 2019</li> </ul>	-	(9.9)	-	(9.9)
<ul style="list-style-type: none"> <li>BIC Sport Divestiture</li> </ul>	4.9	-	4.9	-
<ul style="list-style-type: none"> <li>Argentina hyperinflationary accounting (IAS29)</li> </ul>	(1.2)	-	(0.9)	-
<b>Normalized IFO</b>	87.1	90.7	352.4	331.8

- Restructuring costs are mostly associated with the transformation plan “BIC-2022 Invent The Future”.
- In December 2019, the transfer of the Cello trademark from India to France required to fair value the trademark. As a result of this appraisal, the trademark was written down by 21 million euros to 24 million euros. Also, in light of the adverse business environment both in India and in Cello’s major export markets, BIC performed an additional impairment test of the Cello unit, which led to depreciate the Cello goodwill by 23 million euros fully.
- The UK's favorable impact is coming from pension adjustment for past service costs related to initial benefits contracts changes no longer to be paid.

<b>IMPACT OF CHANGE IN PERIMETER AND CURRENCY FLUCTUATIONS ON NET SALES (EXCLUDES ARS)</b> <i>(in %)</i>	Q4 2018	Q4 2019	FY 2018	FY 2019
<b>Perimeter</b>	(0.0)	+0.1	(0.6)	(0.4)
<b>Currencies</b>	(1.8)	+1.6	(4.8)	+2.3
<i>Of which USD</i>	+1.2	+1.3	(1.5)	+1.9
<i>Of which BRL</i>	(1.7)	(0.7)	(1.5)	(0.2)
<i>Of which INR</i>	(0.3)	+0.2	(0.3)	+0.1
<i>Of which MXN</i>	(0.1)	+0.4	(0.4)	+0.3
<i>Of which RUB and UAH</i>	(0.2)	+0.3	(0.2)	+0.1

<b>CONDENSED PROFIT AND LOSS</b> <i>in million euros</i>	<b>Q4 2018</b>	<b>Q4 2019</b>	<b>As reported</b>	<b>Comparative basis</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>As reported</b>	<b>Comparative basis</b>
<b>Net Sales</b>	511.0	501.2	(1.9)%	(3.8)%	1,949.8	1,949.4	0.0%	(1.9)%
- Cost of goods	250.9	252.8			935.5	972.1		
<b>Gross profit</b>	260.1	248.4			1,014.3	977.3		
- <i>Administrative &amp; other operating expenses (goodwill and trademark impairment)</i>	197.6	204.8			755.5	724.6		
<b>Income from Operations</b>	62.5	43.6			258.8	252.7		
- Finance revenue/costs	(2.3)	(4.1)			2.8	(1.3)		
<b>Income before tax</b>	60.2	39.5			261.6	251.4		
- Income tax expense	(10.4)	(16.0)			(88.2)	(75.3)		
<b>Net Income Group Share</b>	49.8	23.5			173.4	176.1		
<b>Earnings per Share Group Share (In euros)</b>	1.09	0.52			3.80	3.91		
Average number of shares outstanding (net of treasury shares)	45,598,109	45,056,076			45,598,109	45,056,076		

<b>CONDENSED BALANCE SHEET</b> <i>in million euros</i>	<b>December 31, 2018</b>	<b>January 1, 2019 (restated from IFRIC 23)</b>	<b>December 31, 2019</b>
<b>ASSETS</b>			
• Property, plant & equipment	699.8	699.8	713.5
• Investment properties	1.7	1.7	1.7
• Goodwill and intangible assets	286.6	286.6	257.7
• Other non-current assets	169.9	169.9	176.3
<b>Non-current assets</b>	1,158.0	1,158.0	1,149.2
• Inventories	449.2	449.2	455.6
• Trade and other receivables	534.7	534.7	545.6
• Other current assets	49.5	49.5	36.5
• Other current financial assets and derivative instruments	18.1	18.1	6.7
• Cash and cash equivalents	157.5	157.5	198.6
<b>Current assets</b>	1,209.0	1,209.0	1,243.0
<b>TOTAL ASSETS</b>	2,367.0	2,367.0	2,392.2
<b>LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>			
Shareholders' equity	1,638.1	1,625.3	1,608.1
• Non-current borrowings	32.0	32.0	32.3
• Other non-current liabilities	250.1	263.0	263.3
Non-current liabilities	282.1	295.0	295.6
• Trade and other payables	137.7	137.7	126.4
• Current borrowings	22.6	22.6	65.5
• Other current liabilities	286.4	286.4	296.5
Current liabilities	446.7	446.7	488.5
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	2,367.0	2,367.0	2,392.2

<b>WORKING CAPITAL</b> (in million euros)	<b>December 31, 2018</b>	<b>December 31, 2019</b>
<b>Total Working Capital</b>	621.2	637.8
Of which, inventories	449.2	455.6
Of which, Trade and other receivables	534.7	545.6
Of which, Trade and other payables	(137.7)	(126.4)

<b>CASH FLOW STATEMENT</b> (in million euros)	<b>FY 2018</b>	<b>FY 2019</b>
<b>Group Net income</b>	<b>173.4</b>	<b>176.1</b>
- Net income Group share	173.4	176.1
- Argentina hyperinflationary accounting (IAS29)	5.4	3.4
- Amortization and provisions	204.1	168.7
- (Gain)/Loss from disposal of fixed assets	4.3	0.2
- Others	7.4	(13.9)
<b>CASH FLOW FROM OPERATIONS</b>	<b>394.6</b>	<b>334.5</b>
- (Increase)/decrease in net current working capital	(73.0)	(21.1)
- Others	(17.7)	4.8
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>303.9</b>	<b>318.2</b>
Capital expenditures <sup>20</sup>	(125.4)	(104.9)
(Purchase)/Sale of other current financial assets	8.2	9.0
Divestiture of Bic Sport	2.7	-
Haco Industries Ltd acquisition	(6.3)	(2.4)
Lucky Stationery Nigeria Ltd acquisition	-	(13.8)
Divestiture of BIC Graphic North America and Asian Sourcing	9.2	-
Others	1.7	1.3
<b>NET CASH FROM INVESTING ACTIVITIES (B)</b>	<b>(109.9)</b>	<b>(110.8)</b>
Dividends paid	(157.8)	(155.2)
Borrowings/(Repayments)/(Loans)	(1.1)	2.9
Share buy-back program net of stock-options exercised	(49.9)	(40.0)
Others	(17.7)	(18.5)
<b>NET CASH FROM FINANCING ACTIVITIES (C)</b>	<b>(226.5)</b>	<b>(210.8)</b>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS NET OF BANK OVERDRAFTS (A+B+C)</b>	<b>(32.5)</b>	<b>(3.4)</b>
<b>OPENING CASH AND CASH EQUIVALENTS NET OF BANK OVERDRAFTS</b>	<b>187.0</b>	<b>149.8</b>
Net increase / decrease in cash and cash equivalents net of bank overdrafts (A+B+C)	(32.5)	(3.4)
Exchange difference	(4.7)	0.4
<b>CLOSING CASH AND CASH EQUIVALENTS NET OF BANK OVERDRAFTS</b>	<b>149.8</b>	<b>146.8</b>

<sup>20</sup> Including respectively -1.6 million euros and +8.7 million euros in 2018 and 2019 related to assets payable change

## RECONCILIATION WITH ALTERNATIVE PERFORMANCE MEASURES

<b>NORMALIZED IFO RECONCILIATION</b> <i>in million euros</i>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Income from Operations</b>	<b>258.8</b>	<b>252.7</b>
<i>Cello Trademark and goodwill impairment in 2019 and Cello and Pimaco goodwill impairment in 2018</i>	+74.2	+44.3
<i>Restructuring costs (Transformation plan in 2018 and 2019, 2018 Stationery and Lighters manufacturing reorganization, 2018 Haco Industries acquisition-related costs)</i>	+15.4	+44.7
<i>U.K pension adjustment for past service costs in 2019</i>	-	(9.9)
<i>BIC Sport Divestiture</i>	+4.9	-
<i>Argentina hyperinflationary accounting (IAS29)</i>	(0.9)	-
<b>Normalized IFO</b>	<b>352.4</b>	<b>331.8</b>

<b>NORMALIZED EPS RECONCILIATION</b> <i>in million euros</i>	<b>FY 2018</b>	<b>FY 2019</b>
<b>EPS</b>	<b>3.80</b>	<b>3.91</b>
<i>Cello Trademark and goodwill impairment in 2019 and Cello and Pimaco goodwill impairment in 2018</i>	+1.62	+0.98
<i>Restructuring costs (Transformation plan in 2018 and 2019, 2018 Stationery and Lighters manufacturing reorganization, 2018 Haco Industries acquisition related costs)</i>	+0.23	+0.69
<i>U.K pension adjustment for past service costs in 2019</i>	-	(0.18)
<i>BIC Sport Divestiture</i>	+0.10	-
<i>Argentina hyperinflationary accounting (IAS29)</i>	+0.12	+0.07
<b>Normalized EPS</b>	<b>5.87</b>	<b>5.47</b>

<b>NET CASH RECONCILIATION</b> <i>(in million euros - rounded figures)</i>	<b>December 31, 2018</b>	<b>December 31, 2019</b>
<b>Cash and cash equivalents (1)</b>	<b>+157.5</b>	<b>+198.6</b>
<b>Other current financial assets (2)<sup>21</sup></b>	<b>+12.8</b>	<b>4.1</b>
<b>Current borrowings (3)<sup>22</sup></b>	<b>(8.9)</b>	<b>(52.8)</b>
<b>Non-current borrowings (4)</b>	<b>-</b>	<b>(2.9)</b>
<b>NET CASH POSITION (1) + (2) - (3) - (4)</b>	<b>161.5</b>	<b>146.9</b>

<sup>21</sup> In the balance sheet at December 31, 2019 and 2018, the line "Other current financial assets and derivative instruments" also includes respectively 2.7M€ and 5.3M€ worth of derivative instruments.

<sup>22</sup> Excluding financial liabilities following IFRS16 implementation

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## SHARE BUYBACK PROGRAM

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SHARE BUY-BACK PROGRAM – SOCIETE BIC	Number of shares acquired	Average weighted price (in €)	Amount (in M€)
February 2019	272,388	83.24	22.7
March 2019	126,408	82.41	10.4
April 2019	44,871	76.63	3.4
May 2019	35,000	75.42	2.6
June 2019	31,923	79.74	2.6
July 2019	-	-	-
August 2019	-	-	-
September 2019	-	-	-
October 2019	-	-	-
November 2019	-	-	-
December 2019	-	-	-
<b>Total</b>	<b>478,667</b>	<b>81.83</b>	<b>39.2</b>

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## CAPITAL AND VOTING RIGHTS

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As of December 31, 2019, the total number of issued shares of SOCIÉTÉ BIC was 45,532,240 shares, representing:

- 67,035,094 voting rights,
- 66,494,526 voting rights, excluding shares without voting rights.

Total number of treasury shares held at the end of December 2019: 540,568.



## GLOSSARY

- **Constant currency basis:** constant currency figures are calculated by translating the current year figures at prior year monthly average exchange rates.
- **Organic change 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. Organic change excludes Argentina Net Sales for both 2018 and 2019.
- **Gross profit** is the margin that the Group realizes after deducting its manufacturing costs.
- **Normalized IFO:** normalized means excluding non-recurring items.
- **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 12 February 2020 were approved by the Board of Directors on 11 February 2020. A presentation related to this announcement is also available on the BIC website ([www.bicworld.com](http://www.bicworld.com)). The Group's Statutory Auditors have performed their audit procedures on these consolidated financial statements and the audit report relating to the certification of these financial statements will be issued upon completion of the procedures required for the filing of the universal registration document. 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, "Risks" in BIC's 2018 Registration Document filed with the French financial markets authority (AMF) on March 20, 2019.

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For more information, please consult the corporate website: [www.bicworld.com](http://www.bicworld.com)

## 2020 AGENDA – ALL DATES TO BE CONFIRMED

First Quarter 2020 results	23 April 2020	Conference call and Webcast
Capital Markets Day	19 May 2020	Meeting
2020 AGM	20 May 2020	Meeting
First Half 2020 results	29 July 2020	Conference call and Webcast
Third Quarter 2020 results	28 October 2020	Conference call and Webcast

## ABOUT BIC

BIC is a world leader in stationery, lighters, and shavers. For 75 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 2019, BIC Net Sales were 1,949.4 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 A list and CDP "Supplier Engagement rating Leader board," 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.

