

Investor Insights

BIC Investor Relations Newsletter



Deep Dive in BIC's Horizon Plan: Flame For Life

In November 2020, BIC unveiled Horizon, a multi-year strategic plan designed to drive sustainable growth and maintain robust cash flow by reframing its historical core categories through a consumer lens. With Horizon, **Human Expression** goes beyond Stationery into Creative Expression and Digital Writing, **Flame for Life** expands the Lighter category to all lighting occasions and moves to a value-driven business model, and **Blade Excellence** reinforces the Shaver category through consumer-driven and sustainable products while leveraging our capabilities to transform into a high-precision blade manufacturer for other Brands.

In this issue of BIC "Investor Insights", we answer your most frequent questions on BIC's Flame for Life division and demonstrate how our strategy will drive sustainable growth and contribute to protecting the Lighter division's operating margins going forward.

In this issue:

How BIC is focusing on all flame usages and value-driven sustainable innovation, to drive growth and maintain the profitability of its Lighter business

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Executive Summary

FREQUENTLY ASKED QUESTIONS

FACTS


PROOF POINTS



Page 3 TO WHAT EXTENT ARE THE GLOBAL LIGHTER MARKET AND BIC LIGHTERS' SALES LINKED TO CIGARETTE CONSUMPTION?

THE GLOBAL LIGHTER MARKET AND BIC LIGHTERS' NET SALES ARE NOT ONLY LINKED TO CIGARETTE CONSUMPTION


Between 2010 and 2020, the worldwide cigarette consumption declined by **1.2%** annually, while the Pocket Lighter market grew **2.0%** in volume. **Similar trends are expected between 2021 and 2025.** BIC Lighters' Net Sales have increased by **4.5%** per year on average since 2010.



Page 4 TO WHAT EXTENT ARE FLAME USAGES NOT RELATED TO SMOKING?

A FLAME IS AN ESSENTIAL ITEM, ITS USAGES ARE NOT LIMITED TO SMOKING

2/3 of Flame usage are non-smoking related globally
90% in Developing Countries
77% in Developed Countries



Page 6 WOULD YOU AGREE THAT NON-SMOKING-RELATED FLAME USAGES ARE DECLINING AND MEANT TO DISAPPEAR DUE TO THE DEVELOPMENT OF ELECTRIC DEVICES?

NON-SMOKING-RELATED FLAME USAGES ARE GROWING


The Global Candle market is expected to grow more than **8%** between 2021 and 2028. Barbecues using charcoal - which require a flame to function - are expected to grow approximately **4%** annually until 2025. More than **2/3** of both developed and developing countries households are equipped with a stove, of which more than **1/3** are gas stoves.



Page 8 IS BIC LIGHTERS' VOLUME-DRIVEN BUSINESS MODEL ADAPTED TO CURRENT MARKET TRENDS?

BIC IS EVOLVING ITS STRATEGY TO ADAPT TO CURRENT AND FUTURE MARKET TRENDS

By 2025, approximately **50%** of BIC Lighters Net Sales will come from added-value products. Added-value Pocket Lighters' Gross Profit margin is **9 points higher** than Total Pocket Lighters' Launched 18 months ago, BIC EZ Reach already accounts for almost **5%** of total Lighters Net Sales.



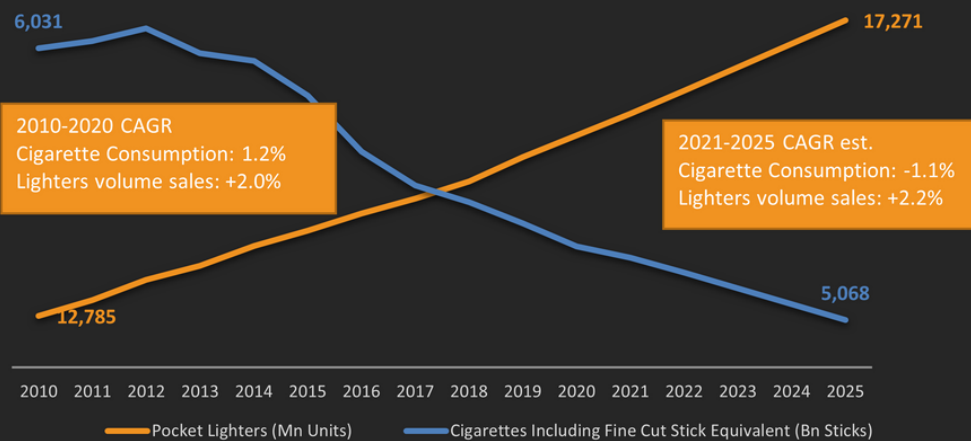
Page 11 AREN'T BIC DISPOSABLE PLASTIC LIGHTERS HARMFUL TO THE ENVIRONMENT ?

BIC PIONEERS THE LIGHTER INDUSTRY SUSTAINABILITY TO BUILD LONG-TERM COMPETITIVE ADVANTAGE

2/3 of the BIC Lighter range is expected to evolve within the next 5 years to improve environmental performance. **100%** of BIC pocket lighter bodies will be made of bio-attributed POM by 2030. Per flame, matches use **70%** more plastic than BIC Maxi Lighters.

Lighters and BIC Lighters' Sales are not only linked to cigarette consumption

Pocket Lighters vs. Cigarettes - Worldwide Volume Sales - 2010-2025



From 2010 to 2020, worldwide cigarette consumption declined by 1.2% annually (CAGR), while the pocket lighter market grew 2.0% in volume (CAGR).

Trends are expected to be similar from 2021 to 2025, with Lighters growing 2.2% and cigarettes declining -1.1% over the period.

During the same period, BIC Lighter volumes increased 2.3% per year on average, and Net Sales grew 4.5%.

Source: Cigarette Sales: Euromonitor from trade sources/national statistics - Pocket Lighter Sales: QY Research - Global Disposable Lighters Market Report, History and Forecast 2010-2025

The overall Lighter market growth is fueled by the increase of the worldwide population, consumers shifting from matches to lighters, and non-smoking-related flame usages.

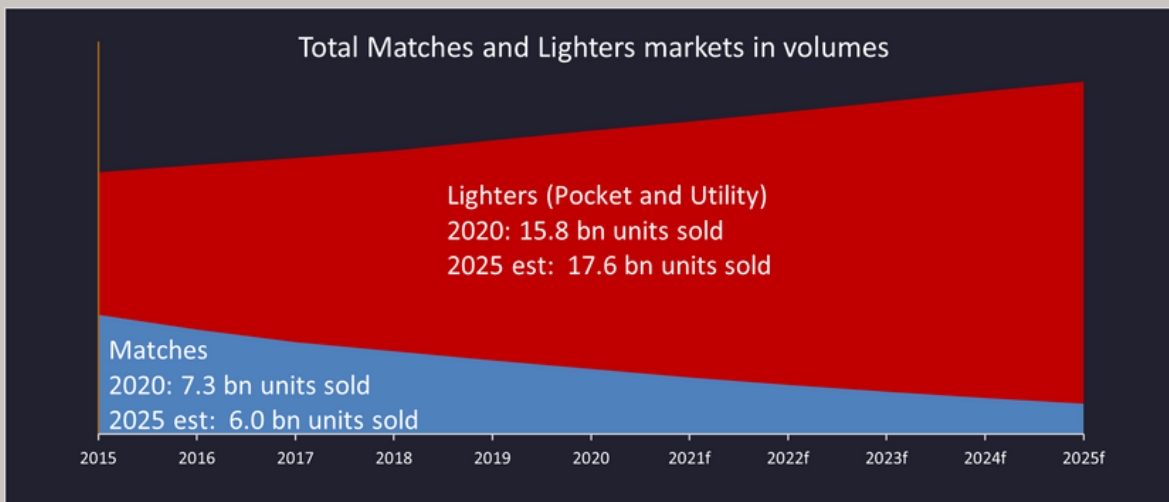
BIC Lighters' sales outperform the overall market thanks to a unique selling proposition combining safety, quality, which enabled distribution and market share gains.



FOCUS ON THE EVOLUTION OF CONSUMERS HABITS: FROM MATCHES TO LIGHTERS

One of the drivers of the lighters' market growth is the evolution of consumer habits, which is fueled by increasing purchasing power. **Pocket and Utility Lighters account for more than 60% of the Flame devices market.** They are expected to grow 2.1% in volume on average between 2021 and 2025, while the volume of matches should decline by -3.6% over the same period.

Total Matches and Lighters markets in volumes



Source: Q.Y. Research - Global Market Reports for Matches, Utilities and Disposable Pocket Lighters - 2019

A Flame is an essential item, used by everyone, everywhere

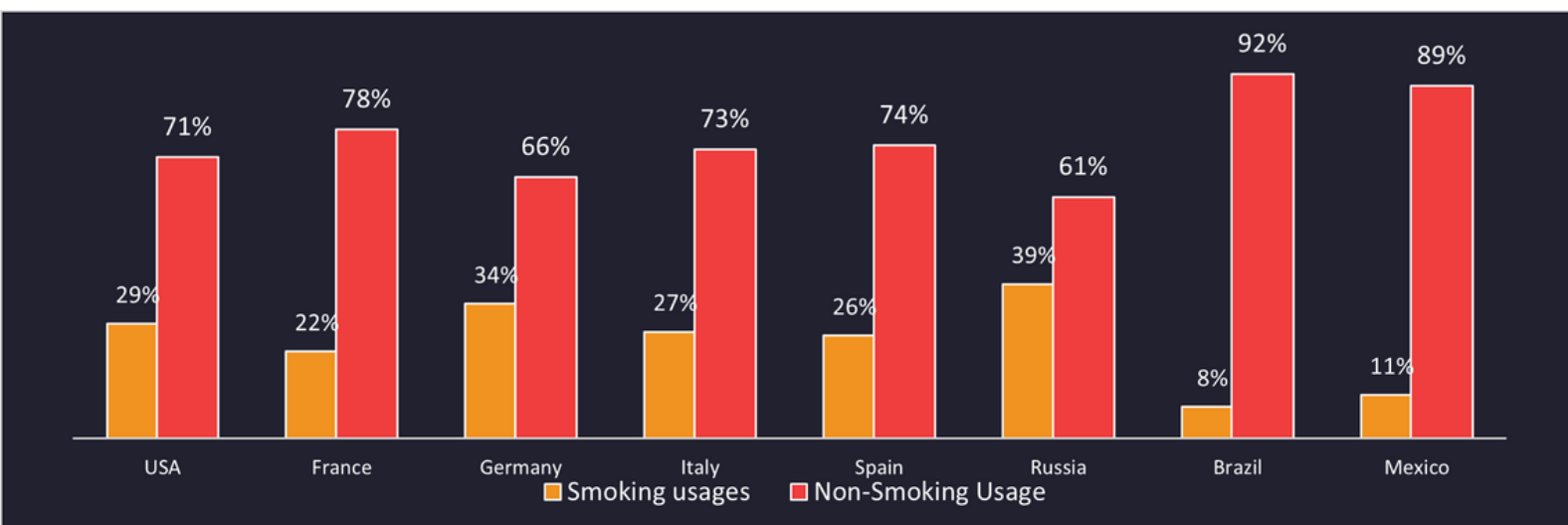
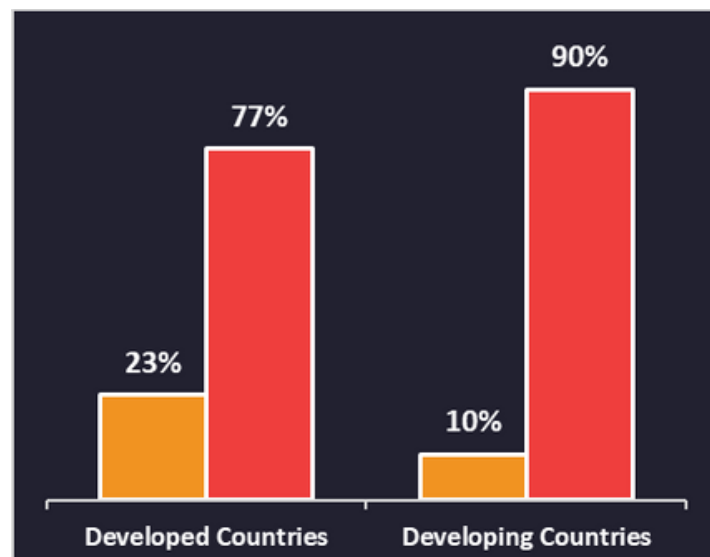
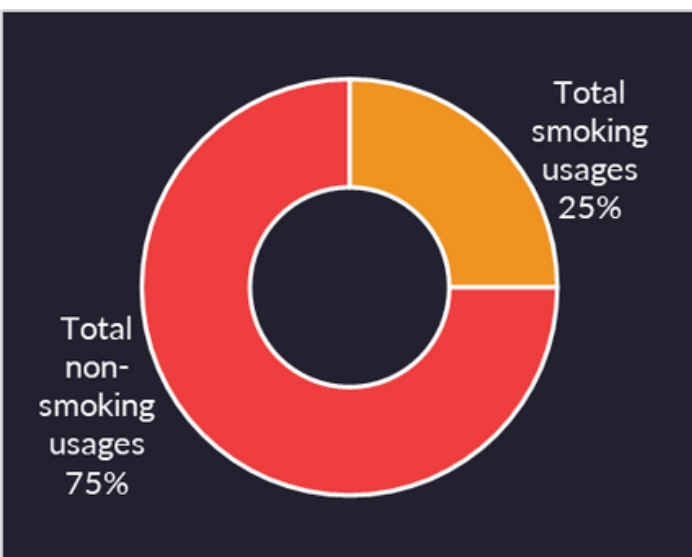
A lighter device aims to produce a flame, an essential item used by everyone, everywhere, smokers and non-smokers. Extensive studies on the prevention of risks, notably those related to domestic hazards such as fires or floods, have been conducted by risk experts and insurance companies to deepen their knowledge of the different household flame usages.

These studies confirm that Flame usages are not only related to tobacco and cigarette consumption:

- In Developing countries, non-tobacco usages include primary needs such as lighting (candles, gas-filled lamps), cooking (gas stoves), and heating.
- In Developed countries, usages are linked to indoor comfort and outdoor leisure, and flames are needed to light candles or barbecues.

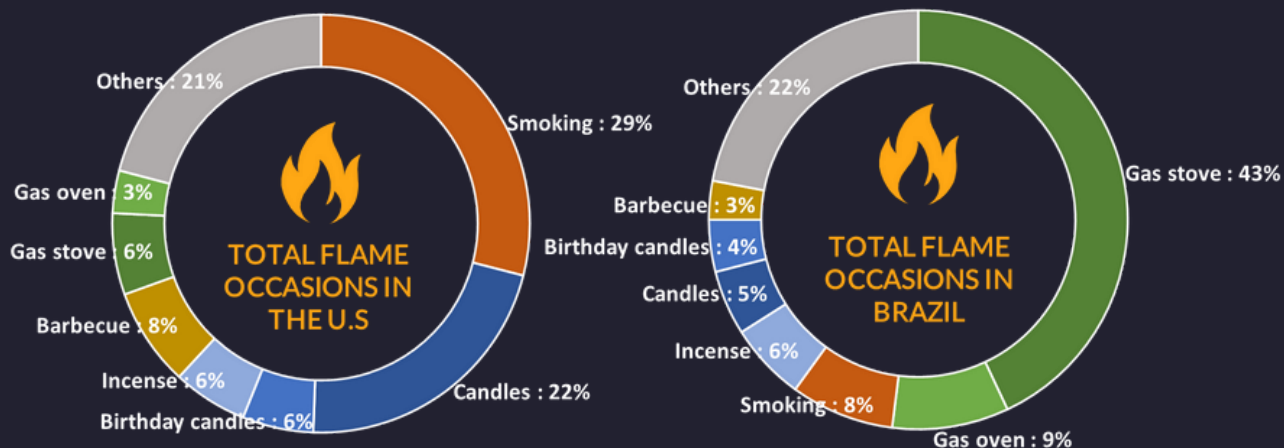
The Flame For Life strategy aims to leverage all non-tobacco usages to fuel long-term growth. This will be notably done through innovative and adapted new products, such as the BIC EZ Reach.

Total Flame Devices - Flame sizing - Ipsos Study for Calyxis - October 2021



Focus on Flame usages in the U.S. and Brazil

Ipsos' study on flame occasions in the U.S. and Brazil demonstrate that a significant part of flame usage is not related to tobacco.



Source: Ipsos study for Calyxis - USA and Brazil - 2021

*Others include items such as: mosquito coil, chimney, camp fire, kitchen blow torch, gardening activities, etc. Each of these items represent less than 2%



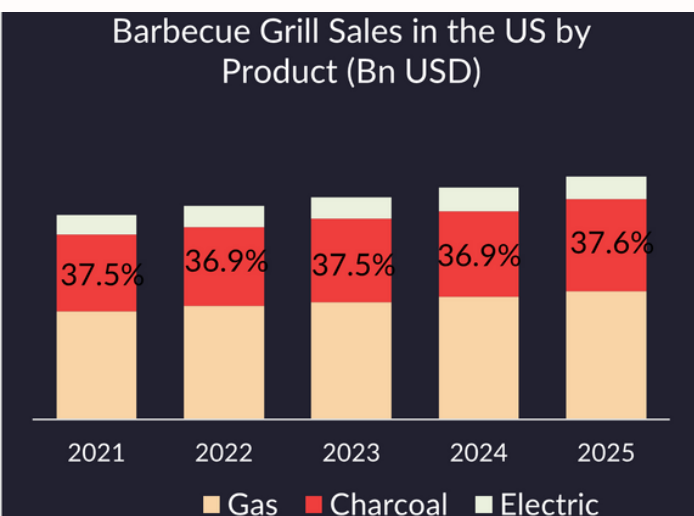
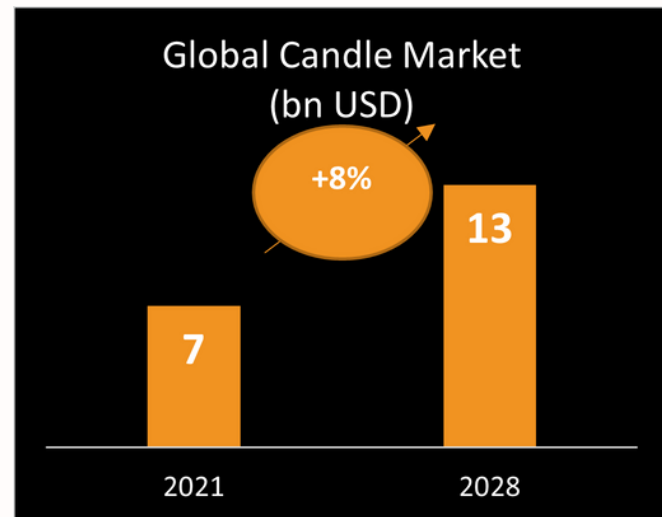
Non-smoking-related Flame usages are growing

Candles, gas stoves, and barbecues are the most important non-tobacco related flame usages in both developed and developing regions, and are growing in sales.

CANDLES

The Global Candle market is expected to grow more than 8% between 2021 and 2028, reaching more than \$13 billion by 2028. Increasing demand for house decorations and celebrations, boosted by increasing disposable incomes will drive this growth. In the U.S., the market is set to grow by more an 8% CAGR (or \$3.4 billion) between 2020 and 2025.

Source: Verified Market Research – July 2021, and Technavio - 2021



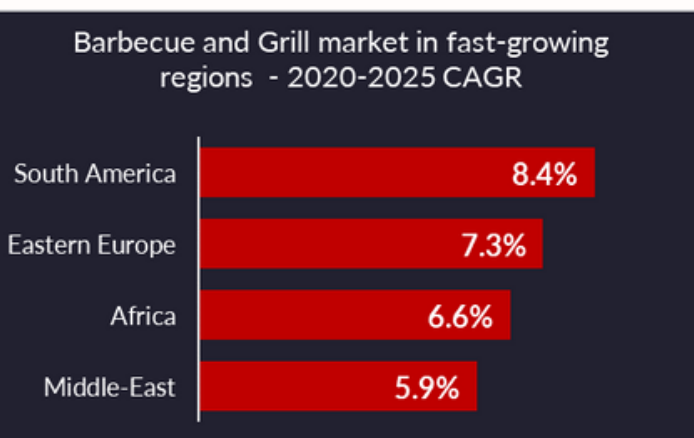
BARBECUES

U.S. market

In the US, barbecues and gas stoves sales are expected to grow 20% between 2021 and 2025.

Barbecues using charcoal - which require a flame to function - should grow between approximately 4% annually until 2025 and represent close to 40% of total barbecue sales in 2025.

Source: Statista - 2021



Fast-growing developing regions

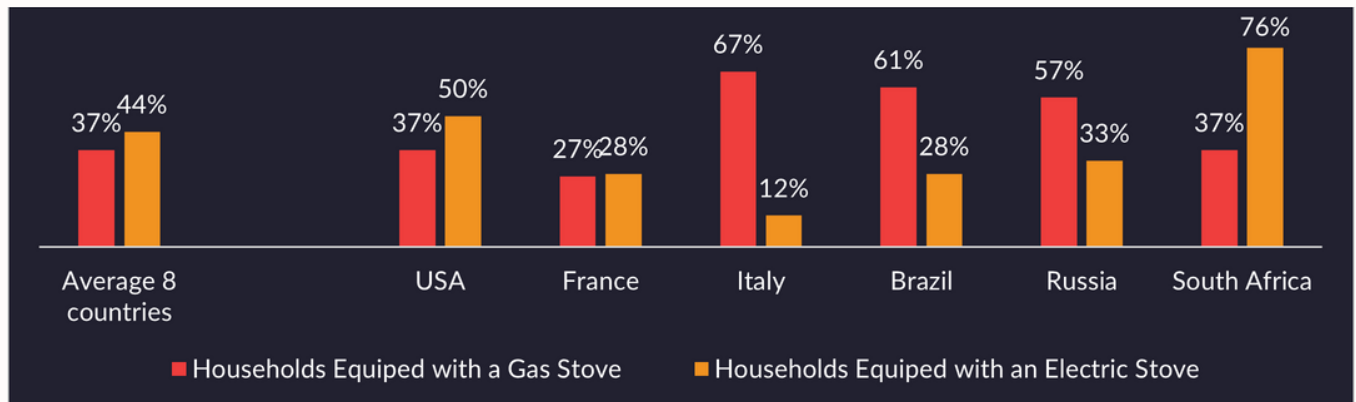
In Latin America, Eastern Europe, the Middle East, and Africa, the barbecue and grill market should grow mid to high single-digit annually until 2025. In Brazil, almost 50% of the population use charcoal and wood for barbecues, in South Africa over 50%, and in Italy and France approximately 30%.

Source: Statista - 2021

GAS STOVES

More than 2/3 of both developed and developing countries households are equipped with a stove, of which more than 1/3 are gas stoves.

Source: You Gov for BIC - June 2021 - 8 countries - 9,289 respondents)



While growth opportunities for BIC's Lighter division will come from non-related tobacco usage of flames, there are still pockets of growth left to address flame occasions **related to tobacco usage in some markets**, notably emerging countries in the Middle-East, Africa, and Asia regions, which are expected to grow +0.95% (CAGR) between 2020 and 2025.

Source: Euromonitor 2021 -cigarette volume and retail sale

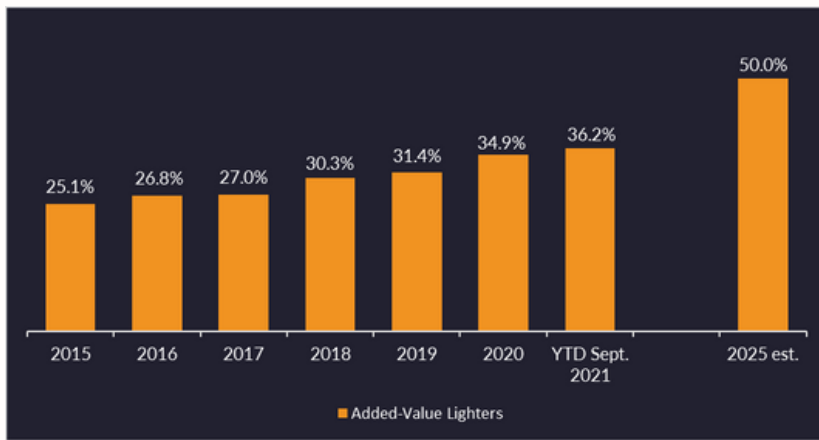


BIC is evolving its strategy to adapt to current and future market trends

BIC's shift to a more value-driven model started years ago, with the trade-up offering of decorated lighters. Today, decorated lighters represent close to 1/3 of BIC's total Lighter Net Sales. The acquisition of DjEEP in June 2020, and the deployment of Revenue Growth Management capabilities, are accelerating this transformation.

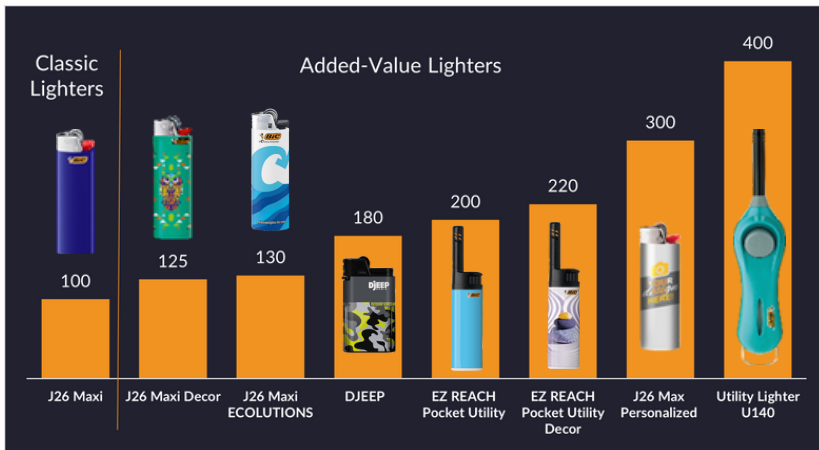


Added-Value lighters as a % of total BIC Lighters Net Sales



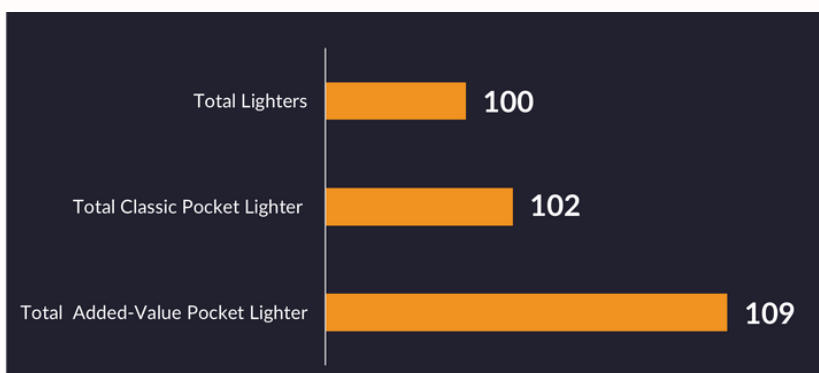
By 2025, approximately **50% OF TOTAL BIC LIGHTERS NET SALES** will come from Added-Value Lighters.

BIC Lighters Price Ladder- 2021 - Index 100 vs. BIC J26 Maxi Lighter



UP TO 3 TIMES PRICE PREMIUM for a Pocket personalized lighters compared to the Classic J26 Maxi lighter

BIC Added-Value Pocket Lighters Gross Profit Margin YTD Sept 2021 - Index 100 vs. BIC Lighters Gross Profit Margin



Added-Value Pocket Lighters' **GROSS PROFIT MARGIN IS 9 POINTS** higher than total BIC Lighters' GP margin

Transforming the Utility Lighter market eco-system to accelerate profitable growth

THE EXAMPLE OF EZ REACH

The launch of the BIC's EZ Reach pocket utility lighter in July 2020 was the first step of an **accelerated innovation roadmap** aimed to complement the move to Flame for Life, and support long-term profitable growth. Combining the iconic BIC Pocket Lighter and the longer-reaching BIC Multi-purpose Lighter, EZ Reach offers a **unique design that helps light hard-to-reach places, while keeping your fingers away from the flame.**

EZ Reach is manufactured in BIC's Tarragona Spanish factory, where operations are consistent with the classic BIC Lighters' manufacturing model: high level of automatization, stringent safety/quality controls, and high production volumes.

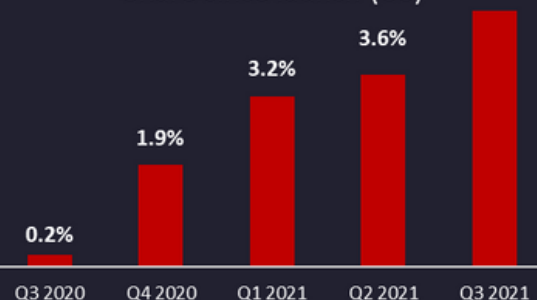
With a 2.99 USD retail price, a 150 index to Classic BIC Pocket Lighters, EZ Reach provides retailers with an opportunity for growth and profitability, **in line with BIC's Horizon strategy to lean towards a more balanced model between volume and value.**



Did you know that?

- ▶ BIC EZ Reach received an **overwhelmingly positive response and strong ratings from consumers**, with over 1,500 ratings online and on Amazon.com, and a current rating of 4.5/5.0 stars!
- ▶ EZ Reach **gained 5% of the total U.S. Pocket Lighter since its launch**, demonstrating the category is eager for innovation.
- ▶ EZ Reach was launched in France in April 2021 and in several other European countries during the year. A continued gradual expansion is planned in 2022 in Europe and will reach full speed in 2023.

BIC EZ Reach Quarterly Market Share since launch (US)



Testimonial from one of BIC's customers



EZ Reach is greatly appreciated by our consumers, but also by our customers. We've asked Kurt Fraschetti, Marketing Director at Circle K - Gulf Coast, provide his feedback on BIC's innovation and Flame For Life strategy

As one of the US largest Convenience Store channels, are you familiar with BIC's "all lighting occasions/Flame for Life" strategy? Does it make sense for you as a customer?

"Absolutely! As a non-smoker, you quickly learn how often a lighter is needed when it is not readily at your disposal. Whether it's being used for candles, recreational/campfires, lighting the grill. I could fill a page. The EZ Reach really is the ultimate lighter! Doing any of the tasks I mentioned with a standard lighter is far from comfortable. They require an extended period of flame, which a standard lighter is not built to sustain, ask your finger when you're done! The EZ reach isn't too long but long enough to maintain a safe distance from the flame, providing ease of storage, portability, and accessibility."

We've seen changes in overall consumer buying and usage habits since the beginning of the pandemic, with increasing "Flame occasions." Is it something you've experienced, and do you think this is sustainable?

"I do. It has been determined that it takes 21 days, on average, to form a habit and much longer to break one. We know how the pandemic has impacted our lives.

Some of these impacts have been entrenched into our everyday lifestyle, which led to these increased flame occasions.

Compared to traditional torch lighters, the EZ Reach has demonstrated higher units sold per store per day with consistency over a longer period of time. The consistency that we see in the data suggests that our customers have adopted increased or new "flame occasions." The EZ Reach has been a welcomed addition to our programming and has established itself as a permanent SKU."

How is BIC EZ Reach lighter welcome by your consumers?

"BIC's solid market share in the lighter space speaks to the strong brand equity. Customers in my opinion buy with confidence when they see the BIC logo embossed on their lighter purchase!"



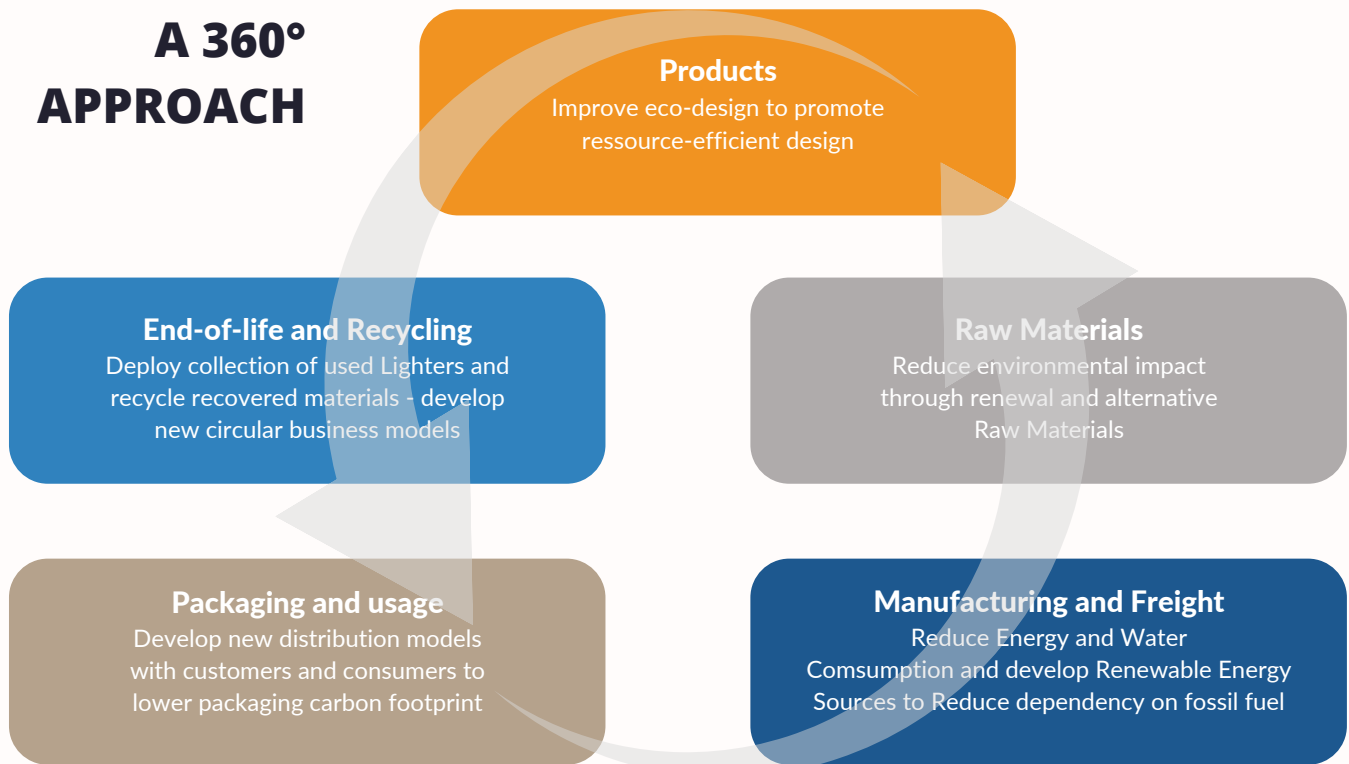
BIC pioneers the Lighter Industry Sustainability to build long-term competitive advantage

Initiated two years ago and based on an extensive five-year scientific research program, BIC Lighters' Sustainable Development plan aims at increasing our competitive advantage and long-term profitable growth. It is fully consistent with BIC's commitments to safety and quality.

Our objective is to pioneer the Lighter Industry Sustainability journey by addressing two major environmental challenges: climate change and pollution from plastic debris. We will achieve this by:

Reducing our carbon footprint with the ultimate goal of reaching carbon neutrality

Reducing the use of raw plastic and the dissemination of plastic waste



Did you know that?

- ▶ The BIC Maxi offers the lowest CO2 equivalent per flame on the market.
- ▶ Polyoxymethylene (POM) has a lower environmental impact than any other plastics used by BIC competitors.
- ▶ 100% of BIC pocket lighter bodies will be made of bio-attributed POM by 2030.

BIC Ecolutions: the Iconic BIC J26 Lighter with 30% less Carbon Emissions*

BIC Maxi *ECOLUTIONS* fully redesigned

J26 Standard

- PUSHER**
Red pusher in nylon
- FORK & CHEEKS**
Cheeks in Zamak
- SPARK WHEEL**
métal
- BODY & BASE**
POM (Delrin),
Assorted Colors & BIC logo (Colorants)
- SLEEVE**
PVC
- OTHERS**
100% Green Electricity
90% of industrial waste recovery
- PACKAGING**
Tray of 50 in recycled PS + plastic film
Multipack in PET and PP



J26 Ecolutions

- PUSHER**
Biosourced POM (Delrin) in mass balance
- FORK & CHEEKS**
100% recycled Zamak (93% of
Zamak volumes used in J26 are for Fork & Cheeks)
- SPARK WHEEL**
100% recycled scrap metal
- BODY & BASE**
Biosourced POM (Delrin) in mass
balance. No colorant (white natural body)
- SLEEVE**
PET
- OTHERS**
PVC free,
100% Green Electricity(certificates),
90% of industrial waste recovery
Recyclable with Collection Program
- PACKAGING**
Tray of 50 with tray içn cellulose + cardboard box
Multipack in cardboard

***: including Carbon compensation**

A closer look at the environmental impact of matches versus lighters

- For the same number of flames, the environmental impact of matches is six times higher than that of a BIC Maxi lighter
- Per flame, matches use 70% more plastic than BIC Maxi lighters

CO2 emissions per flame

