



# 1<sup>st</sup> Half 2018 Results

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August 1<sup>st</sup>, 2018





# H1 HIGHLIGHTS & CATEGORY SPOTLIGHTS

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Gonzalve BICH

# First Half 2018 Key Messages

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Challenging  
market and  
business  
environment

Continued  
investment in  
targeted Brand  
Support and  
Operations

Solid  
Operating  
Cash Flow  
Generation

2018 Outlook  
unchanged

# Q2 & H1 2018 Financial Performance



Net Sales  
*Change on a  
comparative basis*



Normalized IFO  
*Margin*



Normalized EPS



Net Cash  
Position



# Category Spotlights

## Stationery

### Net sales

Q2	249.5 M€	- 1.4 %*
H1	401.3 M€	- 0.1 %*

### NIFO margin

Q2	37.4 M€	15.0 %
H1	47.0 M€	11.7 %

- Solid performance in Southern Europe
- Continued e-commerce growth in North America
- Portfolio streamlining for Cello (India)

## Lighters

### Net sales

Q2	165.0 M€	- 4.5 %*
H1	317.7 M€	- 2.6 %*

### NIFO margin

Q2	63.3 M€	38.4 %
H1	117.7 M€	37.1 %

- Traditional Network's Route-to-Market adjustment in Western Europe
- Mid-single digit price increase in the US implemented 1<sup>st</sup> April
- Enlarged Distribution in Traditional stores in Mexico

## Shavers

### Net sales

Q2	113.5 M€	- 0.3 %*
H1	210.5 M€	- 3.1 %*

### NIFO margin

Q2	16.9 M€	14.9 %
H1	24.6 M€	11.7%

- Strong performance in Eastern Europe and especially Russia
- On-going market disruption in the U.S.
- Distribution expansion and market share momentum in Brazil



# CONSOLIDATED RESULTS

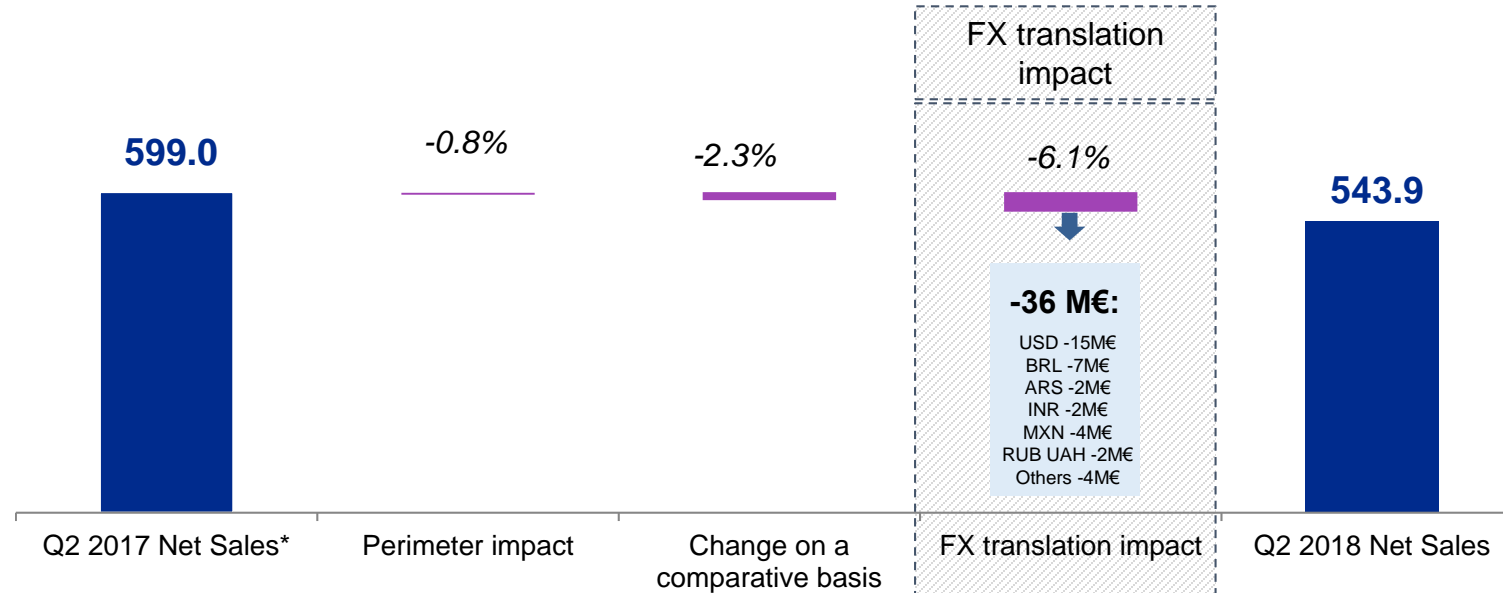
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Jim DiPietro

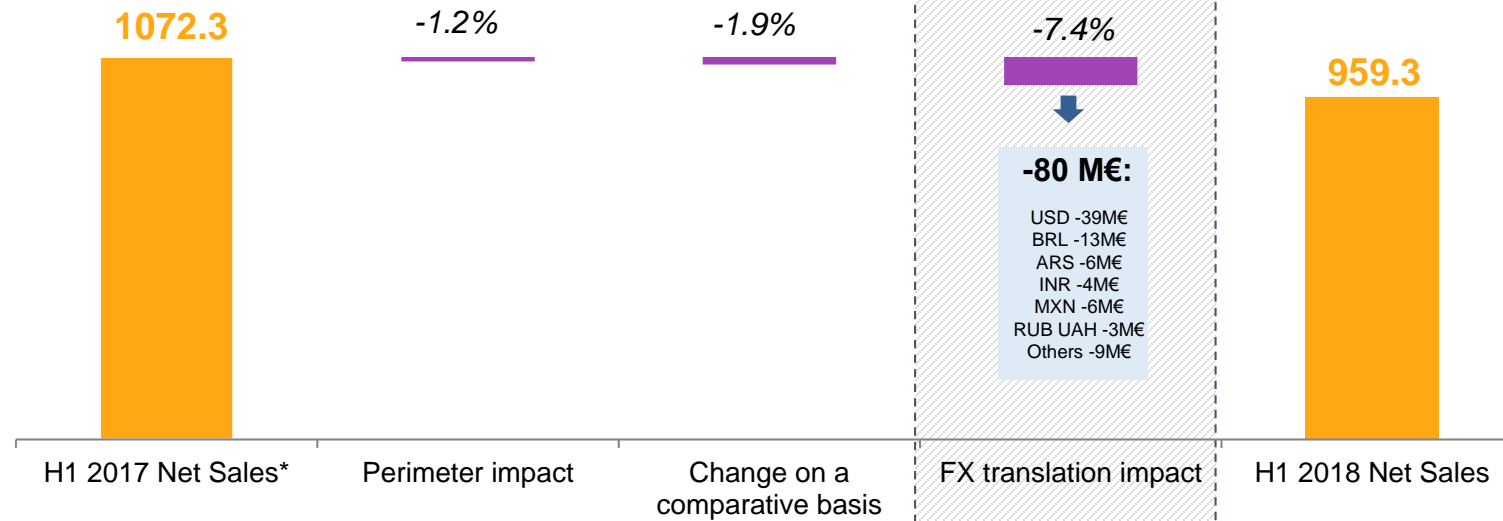


# Q2 and H1 2018 NET SALES EVOLUTION

**Q2  
2018**



**H1  
2018**



\* 2017 figures restated from IFRS15

# H1 2018

## FROM NET SALES TO IFO

<b>BIC Group</b> In million euros	<b>H1 17*</b>	<b>H1 18</b>	<b>Change as reported</b>	<b>Change on a constant currency basis*</b>	<b>Change on a comparative basis*</b>
<b>Net Sales</b>	1072.3	<b>959.3</b>	-10.5%	-3.1%	-1.9%
<b>Gross Profit</b>	560.5	<b>507.4</b>	-9.5%		
<b>Normalized Income from Operations</b>	218.2	<b>188.2</b>	-13.7%		
<b>Income from Operations</b>	193.6	<b>119.5</b>	-38.3%		

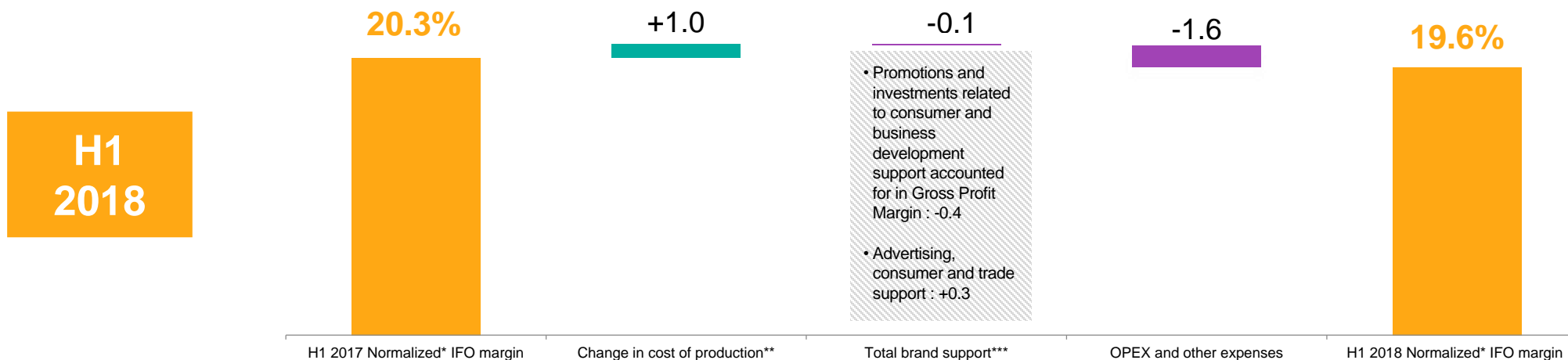
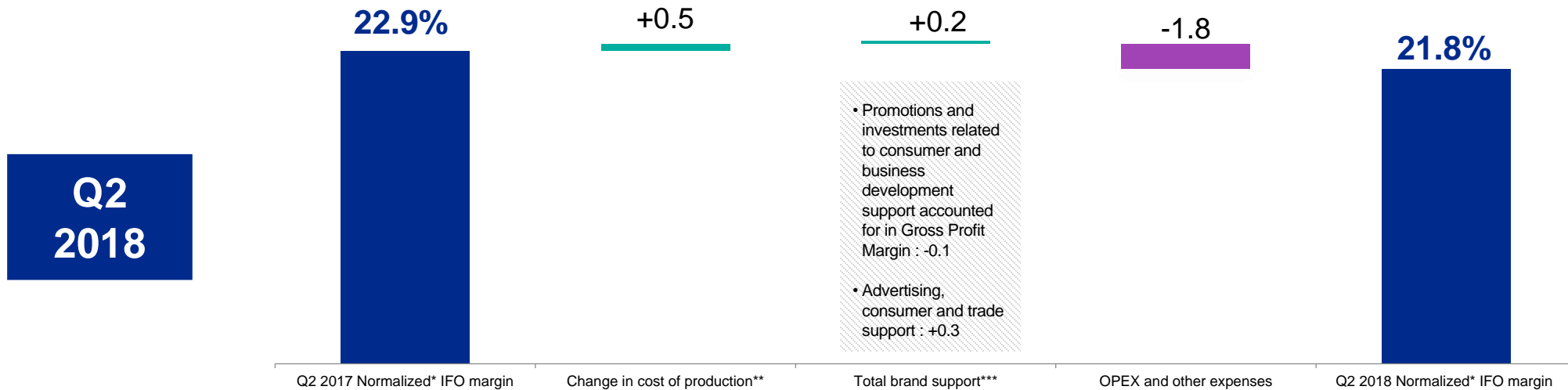
68.7 million euros of Goodwill Impairment on Cello due to lower Net Sales growth outlook

\* 2017 figures restated from IFRS15



# Q2 and H1 2018

## KEY COMPONENTS OF NORMALIZED\* INCOME FROM OPERATIONS MARGIN



\*See glossary

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

\*\*\*Total Brand Support: consumer and business development Support + advertising, consumer and trade support.

# H1 2018

## FROM NIFO TO GROUP NET INCOME

### BIC Group

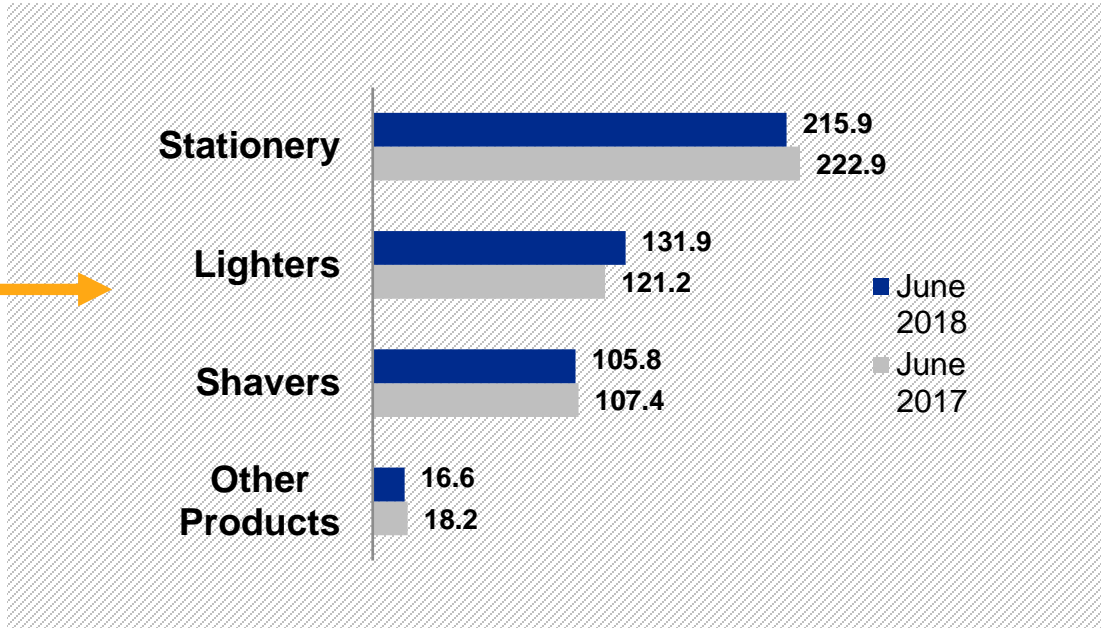
In million euros

	H1 2017*	H1 2018
<b>Normalized IFO</b>	<b>218.2</b>	<b>188.2</b>
<i>Restructuring costs related primarily to BIC Graphic</i>	-24.6	-
<i>Cello Goodwill Impairment</i>	-	-68.7
<b>IFO</b>	<b>193.6</b>	<b>119.5</b>
Finance revenue/costs	0.0	5.8
<b>Income before Tax</b>	<b>193.6</b>	<b>125.3</b>
Income tax	-58.1	-54.5
<i>Effective tax rate</i>	30.0%	43.5%
<i>Effective tax rate excluding Cello Goodwill Impairment</i>	30.0%	28.1%
<b>Net Income Group share</b>	<b>128.7</b>	<b>70.8</b>
<b>Net Income Group share excluding Cello Goodwill Impairment</b>	<b>128.7</b>	<b>139.5</b>
<b>Normalized EPS Group Share</b>	<b>3.21</b>	<b>3.05</b>
<b>EPS Group Share</b>	<b>2.76</b>	<b>1.55</b>

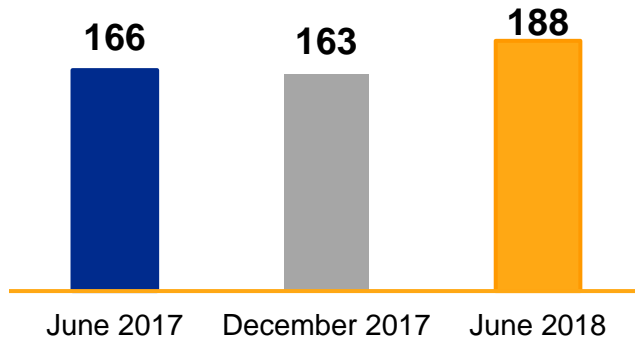
\* 2017 figures restated from IFRS15

# WORKING CAPITAL

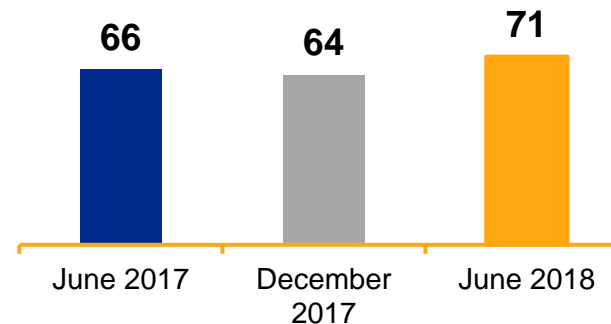
BIC Group In million euros	June 30, 2017 <sup>(1)</sup>	December 31, 2017 <sup>(1)</sup>	June 30, 2018
<b>Total Working Capital</b>	<b>730.8</b>	<b>580.0</b>	<b>695.3</b>
<i>Of which inventories</i>	<b>469.7</b>	<b>429.0</b>	<b>470.2</b>
<i>Of which Trade and other receivables</i>	<b>615.3</b>	<b>477.1</b>	<b>574.0</b>
<i>Of which Trade and other payables</i>	<b>136.8</b>	<b>125.5</b>	<b>130.7</b>



Inventories in days <sup>(1)</sup>

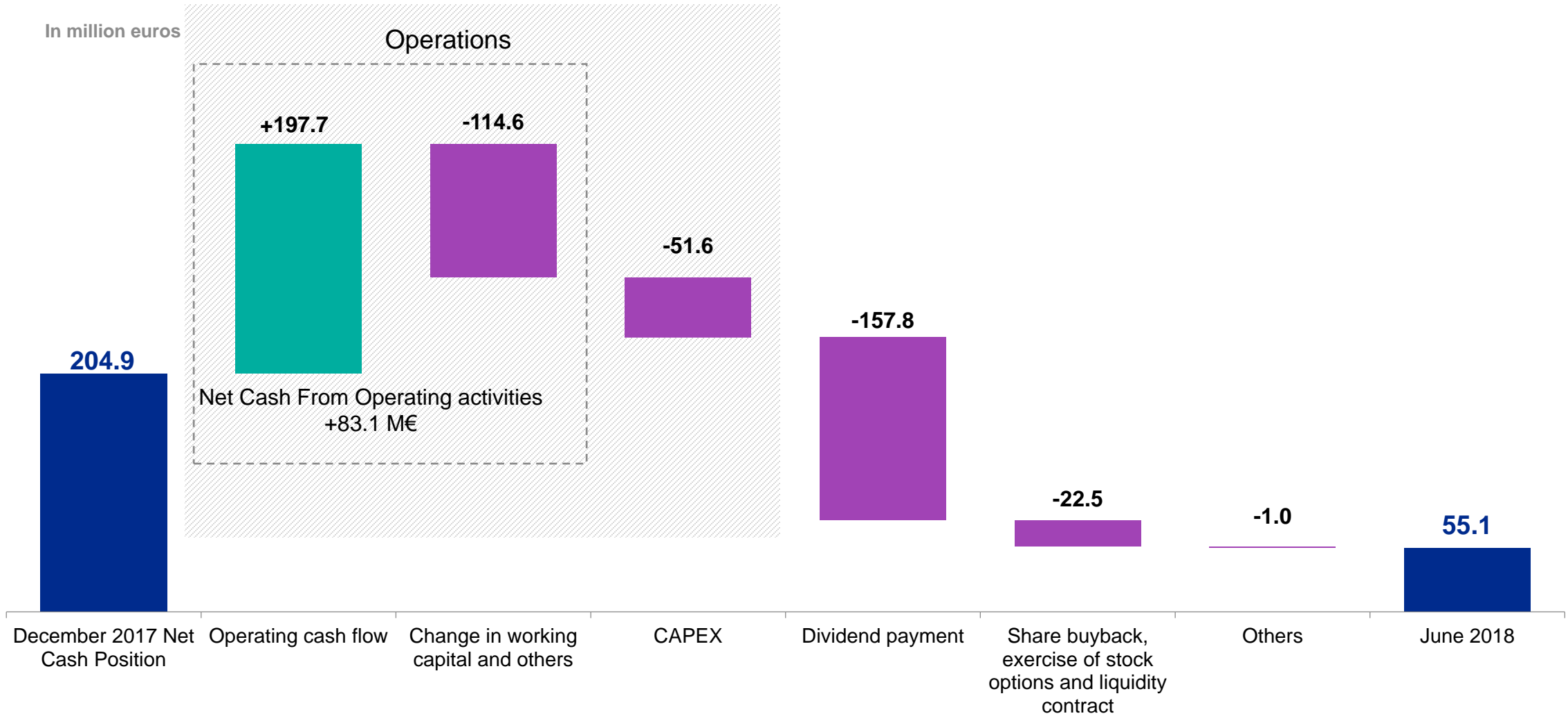


Receivables in days <sup>(1)</sup>



(1) Restated from IFRS15

# NET CASH POSITION





# LOOKING AHEAD

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# 2018 OBJECTIVES

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## NET SALES

We expect Group Net Sales to increase **between +1 and +3% on a comparative basis**, with all categories contributing to the growth



## NORMALIZED IFO MARGIN

We expect Normalized IFO margins to be **between 17% and 18%**



# APPENDIX

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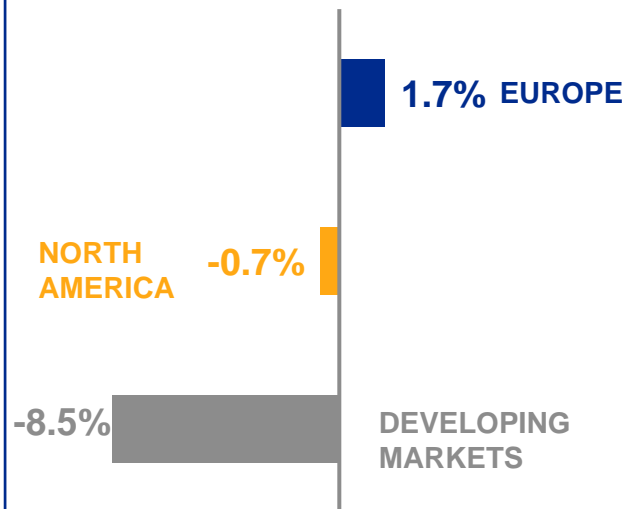


## NET SALES BY GEOGRAPHY



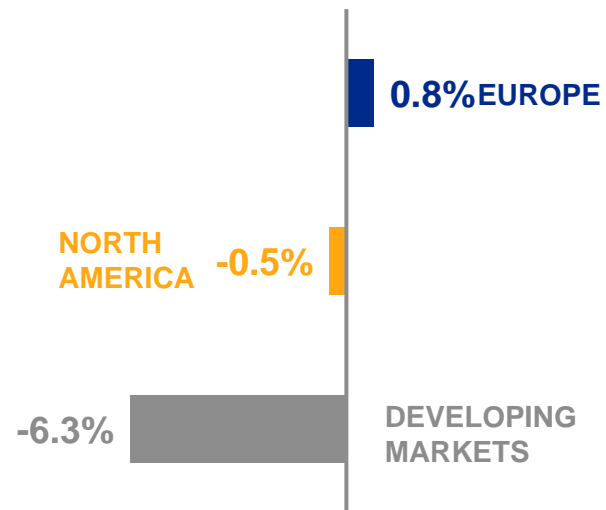
### Q2 NET SALES

-2.3% on a comparative basis



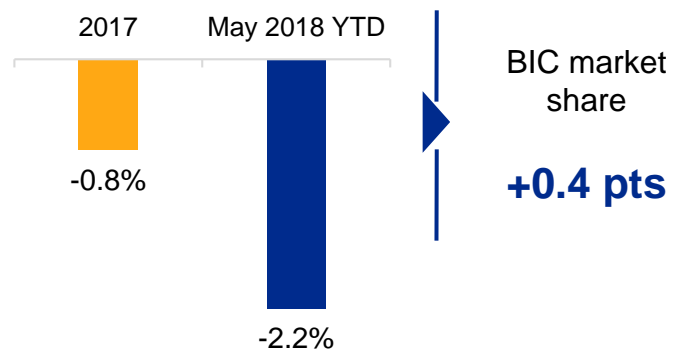
### H1 NET SALES

-1.9% on a comparative basis

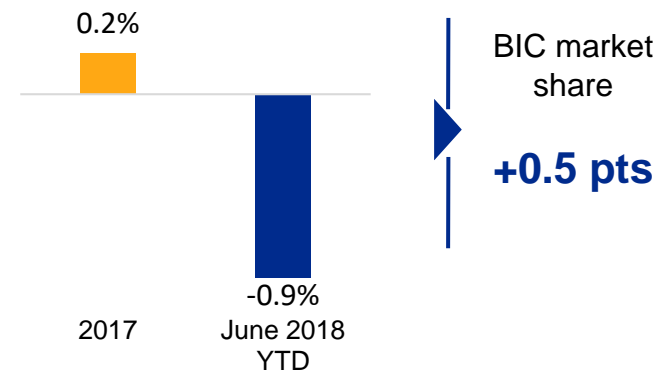


# STATIONERY MARKET PERFORMANCES AND BIC'S MARKET SHARE

## Europe



## U.S.



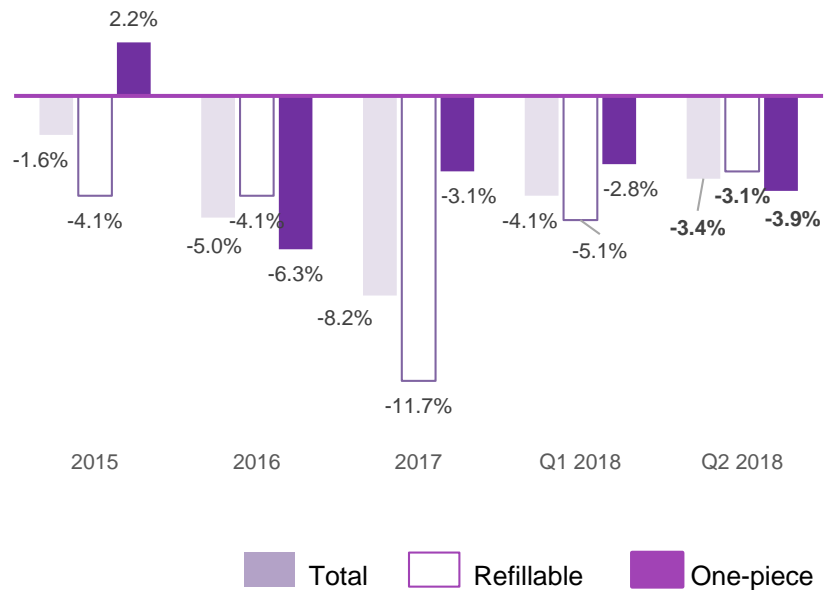
In Value

Source: EU7 GFK MAY-2018 - 60% coverage (France, UK, Germany, Italy, Spain, Belgium, Greece/ US NPD YTD JUN-18 -95% coverage

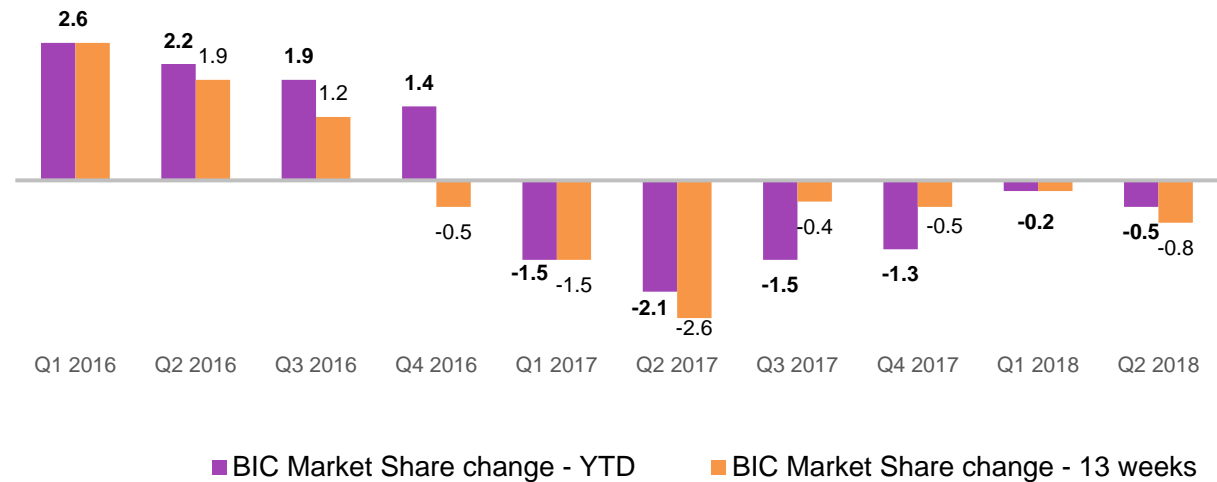
# SHAVERS

## US Market Performances and BIC's Market Share

Off-line Market Sales Q2 2018 (YTD in value)



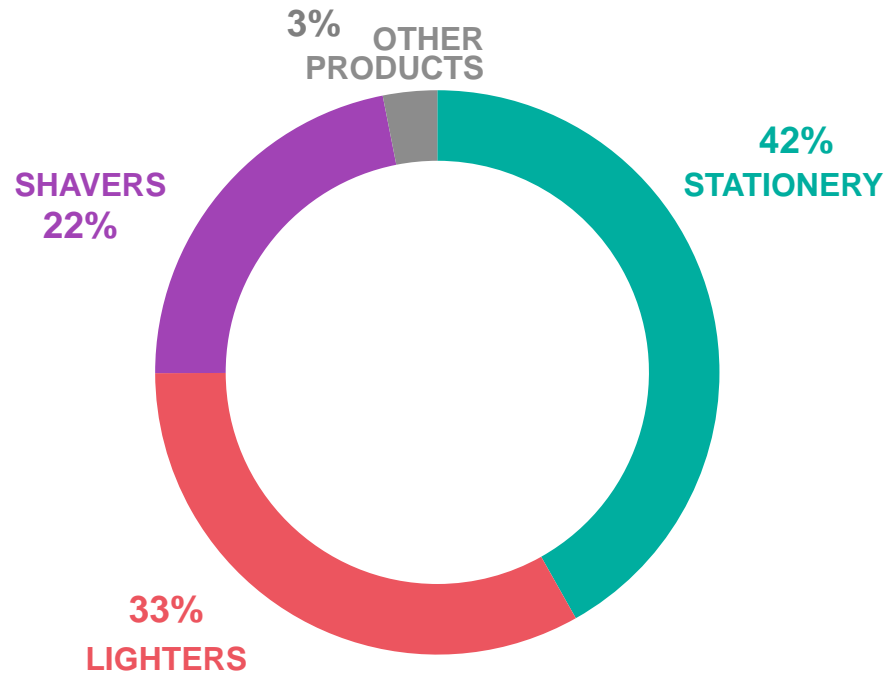
BIC's Market Share Change - One Piece Segment (YTD in value)



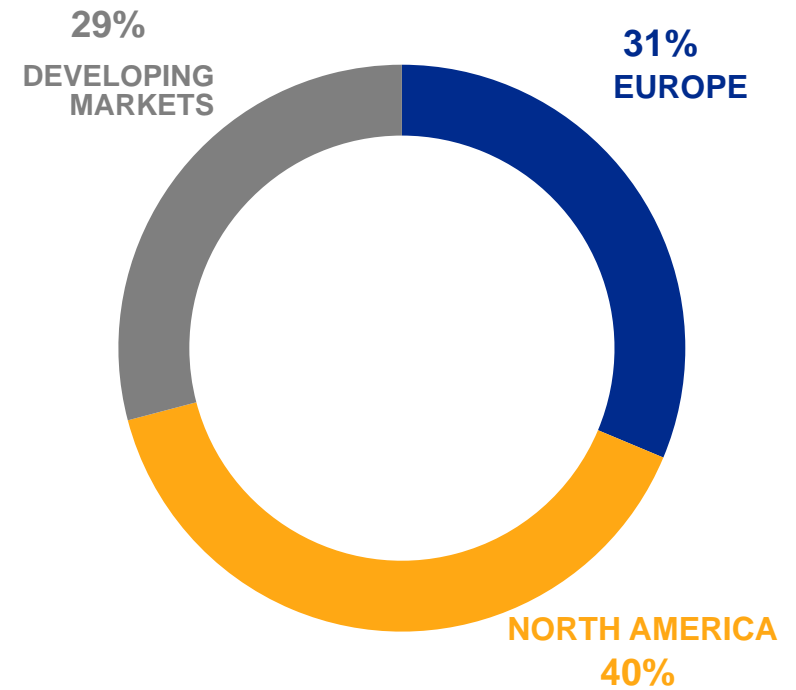
Source: IRI total market YTD ending 1 July 2018 – coverage 87%

# H1 2018 NET SALES BREAKDOWN

## BY CATEGORY



## BY GEOGRAPHY



# Q2 and H1 2018 NET SALES

## Main exchange rate evolution vs. euro

	% of sales	Average rate Q2 2017	Average rate Q2 2018	% of change
US Dollar	41%	1.10	1.19	-7.6%
Brazilian Real	6%	3.55	4.30	-17.4%
Mexican Peso	6%	20.45	23.16	-11.7%
Argentina Peso	1%	17.42	28.25	-38.3%
Canadian dollar	3%	1.48	1.54	-3.9%
Australian dollar	2%	1.47	1.57	-6.4%
South African Zar	1%	14.54	15.08	-3.6%
Indian Rupee	3%	71.12	79.82	-10.9%
Non Euro European countries	8%			
Sweden		9.69	10.33	-6.2%
Russia		63.17	73.93	-14.6%
Poland		4.21	4.27	-1.4%
British Pound		0.86	0.88	-2.3%

	% of sales	Average rate H1 2017	Average rate H1 2018	% of change
US Dollar	39%	1.08	1.21	-10.7%
Brazilian Real	7%	3.45	4.15	-16.9%
Mexican Peso	6%	20.99	23.10	-9.1%
Argentina Peso	1%	17.05	26.26	-35.1%
Canadian dollar	3%	1.45	1.55	-6.5%
Australian dollar	2%	1.44	1.57	-8.3%
South African Zar	2%	14.30	14.89	-4.0%
Indian Rupee	4%	71.16	79.53	-10.5%
Non Euro European countries	8%			
Sweden		9.60	10.16	-5.5%
Russia		62.80	71.96	-12.7%
Poland		4.27	4.22	+1.2%
British Pound		0.86	0.88	-2.3%

# GROUP QUARTERLY FIGURES

<i>In million euros</i>	Q1 16	Q2 16	Q3 16	Q4 16	FY 16	Q1 17	Q2 17	Q3 17	Q4 17	FY 17	Restated for IFRS 15					Q1 18	Q2 18
											Q1 17	Q2 17	Q3 17	Q4 17	FY 17		
Net Sales	469.3	562.2	490.5	503.8	2,025.8	469.2	593.7	465.8	491.6	2,020.3	473.2	599.0	471.7	497.4	2,041.4	415.4	543.9
<i>YoY actual changes</i>	+0.3%	-1.1%	+1.1%	+6.7%	+1.6%	+0.0%	+5.6%	-5.0%	-2.4%	-0.3%						-12.2%	-9.2%
<i>YoY changes on a constant currencies basis*</i>	+6.7%	+4.6%	+3.0%	+5.4%	+4.9%	-4.1%	+3.6%	-2.2%	+3.9%	+0.5%						-3.0%	-3.1%
<i>YoY changes on a comparative basis*</i>							+3.9%	-0.9%	+5.9%	+1.4%						-1.5%	-2.3%
IFO	81.4	127.9	96.2	97.8	403.4	74.3	120.6	83.3	98.0	376.2	74.1	119.6	83.1	98.1	374.9	69.6	50.0
Normalized IFO*	81.4	132.1	97.4	98.1	409.1	81.3	138.2	83.5	98.0	400.9	81.1	137.1	83.2	98.1	399.6	69.6	118.7
<i>IFO margin</i>	17.3%	22.7%	19.6%	19.4%	19.9%	15.8%	20.3%	17.9%	19.9%	18.6%	15.7%	20.0%	17.6%	19.7%	18.4%	16.7%	9.2%
<i>Normalized IFO margin*</i>	17.3%	23.5%	19.9%	19.5%	20.2%	17.3%	23.3%	17.9%	19.9%	19.8%	17.1%	22.9%	17.6%	19.7%	19.6%	16.7%	21.8%
Net Income Group Share	51.0	89.1	73.6	36.0	249.7	49.7	79.9	57.8	101.0	288.3	49.5	79.2	57.6	101.1	287.3	48.6	22.2
EPS Group Share	1.08	1.89	1.57	0.77	5.32	1.06	1.71	1.24	2.17	6.20	1.06	1.70	1.23	2.17	6.18	1.06	0.49

\* see glossary

# GROUP QUARTERLY FIGURES BY GEOGRAPHY

<i>In million euros</i>	Q1 16	Q2 16	Q3 16	Q4 16	FY 16	Q1 17	Q2 17	Q3 17	Q4 17	FY 17	Restated for IFRS 15					Q1 18	Q2 18
											Q1 17	Q2 17	Q3 17	Q4 17	FY 17		
<b>Europe</b>	<b>126.6</b>	<b>170.0</b>	<b>131.4</b>	<b>116.8</b>	<b>544.8</b>	<b>129.5</b>	<b>177.5</b>	<b>135.3</b>	<b>116.9</b>	<b>559.3</b>	<b>131.5</b>	<b>181.2</b>	<b>137.7</b>	<b>119.6</b>	<b>570.0</b>	<b>124.3</b>	<b>176.1</b>
Net Sales																	
<i>YoY actual changes</i>	+7.6%	+6.3%	+0.0%	-1.7%	+3.2%	+2.3%	+4.4%	+2.9%	+0.1%	+2.7%						-5.5%	-2.8%
<i>YoY changes on a comparative basis*</i>	+9.2%	+8.6%	+2.5%	-0.1%	+5.3%	+2.3%	+4.8%	+6.4%	+6.5%	+4.9%						-0.4%	1.7%
<b>North America</b>	<b>188.0</b>	<b>236.4</b>	<b>201.9</b>	<b>185.7</b>	<b>812.0</b>	<b>177.5</b>	<b>242.1</b>	<b>184.0</b>	<b>179.9</b>	<b>783.5</b>	<b>178.5</b>	<b>241.9</b>	<b>184.9</b>	<b>181.3</b>	<b>786.7</b>	<b>154.9</b>	<b>224.9</b>
Net Sales																	
<i>YoY actual changes</i>	+5.6%	+0.3%	-1.7%	+7.5%	+2.5%	-5.6%	+2.4%	-8.9%	-3.1%	-3.5%						-13.2%	-7.0%
<i>YoY changes on a comparative basis*</i>	+4.1%	+2.8%	-1.3%	+5.8%	+2.7%	-9.2%	+0.7%	-4.5%	5.8%	-1.7%						-0.1%	-0.7%
<b>Developing markets</b>	<b>154.8</b>	<b>155.7</b>	<b>157.2</b>	<b>201.3</b>	<b>668.9</b>	<b>162.1</b>	<b>174.0</b>	<b>146.5</b>	<b>194.7</b>	<b>677.4</b>	<b>163.2</b>	<b>175.9</b>	<b>149.1</b>	<b>196.5</b>	<b>684.7</b>	<b>136.2</b>	<b>142.9</b>
Net Sales																	
<i>YoY actual changes</i>	-10.2%	-9.8%	+6.0%	+11.5%	-0.7%	+4.7%	+11.7%	-6.7%	-3.2%	+1.3%						-16.5%	-18.7%
<i>YoY changes on a comparative basis*</i>	+7.6%	+3.3%	+9.2%	+8.6%	+7.1%	-3.2%	+7.9%	-2.2%	+5.6%	+2.2%						-3.8%	-8.5%

\* see glossary



# STATIONERY

<i>In million euros</i>	Q1 16	Q2 16	Q3 16	Q4 16	FY 16	Q1 17	Q2 17	Q3 17	Q4 17	FY 17	Restated for IFRS 15					Q1 18	Q2 18
											Q1 17	Q2 17	Q3 17	Q4 17	FY 17		
Net Sales	167.1	241.1	193.9	178.2	<b>780.3</b>	163.4	264.7	191.3	172.4	<b>791.8</b>	165.5	267.8	194.6	176.3	<b>804.2</b>	151.8	249.5
<i>YoY actual changes</i>	-0.4%	-1.2%	-0.2%	+7.0%	<b>+1.0%</b>	-2.2%	+9.8%	-1.3%	-3.3%	<b>+1.5%</b>						-8.3%	-6.8%
<i>YoY changes on a constant currencies basis*</i>	+8.0%	+4.0%	+2.2%	+6.3%	<b>+4.9%</b>	-5.1%	+8.3%	+1.2%	+2.4%	<b>+2.3%</b>						0.0%	-1.7%
<i>YoY changes on a comparative basis*</i>							+9.1%	+2.6%	+4.6%	<b>+3.4%</b>						+2.0%	-1.4%
IFO	8.6	41.6	7.6	10.1	<b>67.9</b>	0.4	36.2	6.9	11.4	<b>54.9</b>	0.6	35.4	6.7	12.0	<b>54.7</b>	9.6	-31.3
Normalized IFO*	8.6	43.4	7.7	10.4	<b>70.1</b>	5.9	42.3	6.9	11.4	<b>66.5</b>	6.0	41.6	6.7	12.0	<b>66.3</b>	9.6	37.4
<i>IFO margin</i>	5.2%	17.3%	3.9%	5.7%	<b>8.7%</b>	0.3%	13.7%	3.6%	6.6%	<b>6.9%</b>	0.3%	13.2%	3.4%	6.8%	<b>6.8%</b>	6.3%	-12.6%
<i>Normalized IFO margin*</i>	5.2%	18.0%	4.0%	5.8%	<b>9.0%</b>	3.6%	16.0%	3.6%	6.6%	<b>8.4%</b>	3.6%	15.5%	3.5%	6.8%	<b>8.3%</b>	6.3%	15.0%

\* see glossary

# LIGHTERS

<i>In million euros</i>	Q1 16	Q2 16	Q3 16	Q4 16	FY 16	Q1 17	Q2 17	Q3 17	Q4 17	FY 17	Restated for IFRS 15						
											Q1 17	Q2 17	Q3 17	Q4 17	FY 17	Q1 18	Q2 18
Net Sales	163.6	177.2	167.6	187.9	<b>696.4</b>	171.3	185.5	157.9	189.1	<b>703.9</b>	172.2	186.4	159.2	189.6	<b>707.4</b>	152.7	165.0
<i>YoY actual changes</i>	+0.1%	-0.7%	+5.6%	+7.4%	<b>+3.1%</b>	+4.7%	+4.7%	-5.8%	+0.6%	<b>+1.1%</b>						-11.3%	-11.5%
<i>YoY changes on a constant currency basis*</i>	+5.4%	+5.4%	+6.5%	+5.2%	<b>+5.6%</b>	-0.5%	+2.0%	-2.3%	+7.9%	<b>+2.0%</b>						-0.7%	-4.5%
<i>YoY changes on a comparative basis*</i>								-1.7%	+8.2%	<b>+2.2%</b>						-0.5%	-4.5%
IFO	62.1	70.6	68.9	73.7	<b>275.3</b>	63.9	77.3	64.5	72.3	<b>278.0</b>	63.8	77.0	64.7	71.8	<b>277.3</b>	54.5	63.3
Normalized IFO*	62.1	71.7	70.0	73.5	<b>277.3</b>	64.1	77.3	64.6	72.3	<b>278.3</b>	64.0	77.0	64.7	71.8	<b>277.6</b>	54.5	63.3
<i>IFO margin</i>	38.0%	39.8%	41.1%	39.2%	<b>39.5%</b>	37.3%	41.7%	40.8%	38.2%	<b>39.5%</b>	37.0%	41.3%	40.6%	37.9%	<b>39.2%</b>	35.7%	38.4%
<i>Normalized IFO margin*</i>	38.0%	40.5%	41.7%	39.1%	<b>39.8%</b>	37.4%	41.7%	40.9%	38.2%	<b>39.5%</b>	37.2%	41.3%	40.7%	37.9%	<b>39.2%</b>	35.7%	38.4%

# SHAVERS

<i>In million euros</i>	Q1 16	Q2 16	Q3 16	Q4 16	FY 16	Q1 17	Q2 17	Q3 17	Q4 17	FY 17	Restated for IFRS 15					Q1 18	Q2 18
											Q1 17	Q2 17	Q3 17	Q4 17	FY 17		
Net Sales	117.8	120.1	111.8	117.3	467.0	114.4	122.0	102.9	115.1	454.4	115.3	123.4	104.2	116.5	459.4	97.0	113.5
<i>YoY actual changes</i>	+4.8%	+2.0%	-1.1%	+7.8%	+3.3%	-2.9%	+1.6%	-7.9%	-1.9%	-2.7%						-15.9%	-8.0%
<i>YoY changes on a constant currency basis*</i>	+10.9%	+9.0%	+1.4%	+6.6%	+7.0%	-7.7%	-0.9%	-5.1%	+4.8%	-2.2%						-6.0%	-0.3%
IFO	12.6	15.4	22.2	18.4	68.6	14.3	17.2	14.1	14.7	60.4	14.0	17.2	13.9	14.7	59.8	7.7	16.9
Normalized IFO*	12.6	16.6	22.2	18.2	69.6	14.4	17.2	14.2	14.7	60.6	14.1	17.2	14.0	14.7	60.0	7.7	16.9
<i>IFO margin</i>	10.7%	12.8%	19.8%	15.7%	14.7%	12.5%	14.1%	13.7%	12.8%	13.3%	12.2%	13.9%	13.3%	12.6%	13.0%	7.9%	14.9%
<i>Normalized IFO margin*</i>	10.7%	13.8%	19.8%	15.5%	14.9%	12.6%	14.1%	13.8%	12.8%	13.3%	12.3%	14.0%	13.4%	12.6%	13.1%	7.9%	14.9%

\* see glossary

# OTHER PRODUCTS

<i>In million euros</i>	Q1 16	Q2 16	Q3 16	Q4 16	FY 16	Q1 17	Q2 17	Q3 17	Q4 17	FY 17	Restated for IFRS 15					Q1 18	Q2 18
											Q1 17	Q2 17	Q3 17	Q4 17	FY 17		
Net Sales	20.8	23.8	17.2	20.3	82.1	20.1	21.4	13.7	15.0	70.2	20.2	21.5	13.7	15.0	70.4	13.8	15.9
YoY actual changes	-14.0%	-14.8%	-9.5%	-6.8%	-11.6%	-3.2%	-10.2%	-20.4%	-26.3%	-14.5%	-	-	-	-	-	-31.4%	-25.8%
YoY changes on a constant currency basis*	-13.0%	-13.4%	-8.9%	-6.8%	-10.8%	-4.2%	-10.7%	-19.8%	-25.4%	-14.6%	-	-	-	-	-	-29.5%	-24.2%
YoY changes on a comparative basis*							-10.0%	-5.0%	-0.6%	-5.5%	-	-	-	-	-	-14.0%	-6.9%
IFO*	-1.9	0.3	-2.4	-4.4	-8.4	-4.3	-10.1	-2.2	-0.4	-17.0	-4.3	-10.1	-2.2	-0.4	-17.0	-2.2	1.2
Normalized IFO*	-1.9	0.4	-2.4	-3.9	-7.8	-3.0	1.3	-2.2	-0.4	-4.4	-3.0	1.2	-2.2	-0.4	-4.4	-2.2	1.2

\* see glossary

# CAPITAL AND VOTING RIGHTS

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**As of June 30, 2018, the total number of issued shares of SOCIÉTÉ BIC was 46,645,433 shares, representing:**

- 68,003,531 voting rights,
- 67,055,750 voting rights excluding shares without voting rights.

**Total number of treasury shares held at the end of June 2018: 947,781.**

# GLOSSARY

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- **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).

# AGENDA

*(dates to be confirmed)*

<b>Third Quarter 2018 Results</b>	<b>24 October 2018</b>	<b>Conference call</b>
<b>Full year 2018 Results</b>	<b>13 February 2019</b>	<b>Meeting at BIC Headquarters</b>
<b>First Quarter 2019 Results</b>	<b>25 April 2019</b>	<b>Conference call</b>
<b>2019 AGM</b>	<b>22 May 2019</b>	<b>Meeting</b>



# DISCLAIMER

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*This document contains forward-looking statements. Although BIC believes its estimates are based on reasonable assumptions, these statements are subject to numerous risks and uncertainties.*

*A description of the risks borne by BIC appears in section “Risks and Opportunities” of BIC “Registration Document” filed with the French financial markets authority (AMF) on March 21, 2018.*

# 1<sup>st</sup> Half 2018 Results

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