

Investor Insights

BIC Investor Relations Newsletter



BIC's Distribution Network

At BIC, we take pride in making high-quality, affordable everyday products that bring simplicity and joy to consumers around the world. One of the main pillars of our success is the depths and quality of our distribution network, following the motto "A BIC seen is a BIC sold". In line with our Horizon Strategy we continue to optimize the availability of our products online and in-store by ensuring that consumers can find them when they need them, where they want them, and at the right price. In this new edition of Investor Insights, you will learn more about BIC's main markets and distribution networks and our plans to drive sales growth thanks to our deep distribution channel expertise. This will give you a better understanding of how our commercial excellence helps us achieve our ambitious goals for growth.

In this issue:

Overview of BIC Net Sales by distribution channels (page 2), our categories' distribution networks by region (page 3), an interview with Lorène Schantz, Head of our Commercial Strategy Center of Excellence (page 5)

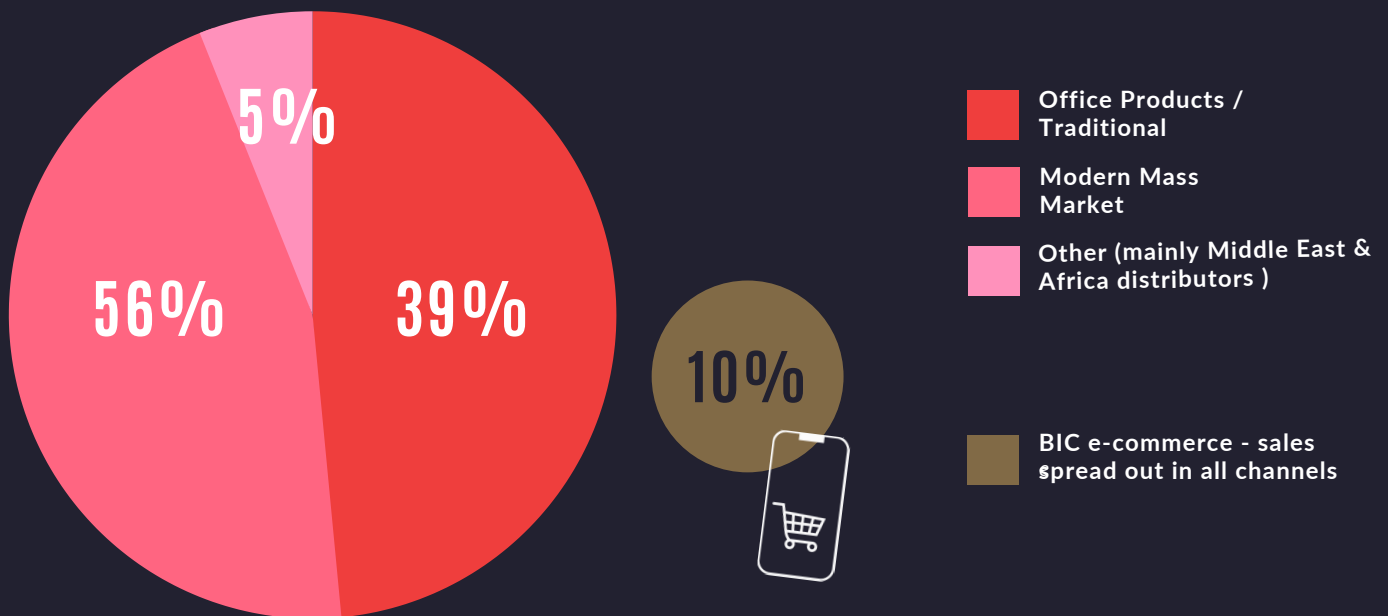
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Overview of BIC's Net Sales by distribution channel

BIC products can be found almost everywhere. No matter if you're looking for them in the big retail mass-market, small traditional shops and convenience stores, e-commerce with all its different facets including pure players, marketplaces, B2B and B2C omnichannel retailers, or specialized office product suppliers. Our products are where consumers look for them. The data below will provide further insight into BIC's Net Sales by channel.

TOTAL BIC 2021 NET SALES BY CHANNEL



Where are BIC products sold?

Our products are where the consumers are. At a global level, they often shop in mass market retail. Indeed, more than 50% of total BIC sales are generated through Modern Trade, followed by Traditional Stores making up for about 40%. E-commerce is also growing fast, representing already 10% of our sales at the end of 2021 (including Rocketbook).

What's the dynamic by division?

In Human Expression, Modern Trade sales represents about 50% of our sales and is strongly fueled by the Back-to-School season, which remains the most important time of the year for our stationery business. E-commerce is also a key driver for this category, with a share of 17% in 2021. For our Flame for Life division, most of our sales (about 60%) are made through traditional channels, something we were able to amplify over the past decade through successful distribution gains in smaller shops throughout our regions. Finally, in Blade Excellence, Modern Trade remains the #1 channel by far, with close to 70% of BIC sales, and we continue to invest in brand support to enhance our presence in this network.

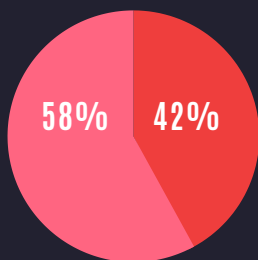
What's next?

Pursuing our Horizon strategic plan to become an omnichannel specialist both offline and online, we will continue to strengthen our distribution networks, build key relations with our strategic customers and continue to optimize the split between channels. To become a true omnichannel specialist, we will continue to grow the e-commerce portion of our business, as today's consumers are omnichannel shoppers and, as such, channel agnostic.

Stationery, Lighter and Shaver categories' distribution networks by region

■ Modern Mass Market
 ■ Office Products / Traditional

EUROPEAN MARKET



The market in a nutshell

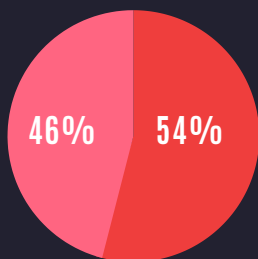
In Europe, the Stationery, Lighter and Shaver category products are primarily sold in Modern Trade. This is driven by the Shaver category, where the Modern Mass channel represents 90% of consumer purchases. Consumer behaviors for Stationery and Lighter products are a bit different: the traditional channel represents about 50% and over 70% of European purchases for those categories, respectively. Lighter purchases are supported by impulse buying from consumers in Tobacco Shops or Convenience Stores, while stationery products tend to be bought more often in Office Product Supply Stores. In Europe the e-commerce channel is becoming increasingly important, representing already about 15% of consumer purchases.

What about BIC?

In Europe, about 2/3rd of BIC's Net Sales come from Modern Trade, driven by the Stationery and Shaver categories.

In line with Horizon, we continue to grow our e-commerce business, which represented almost 11% of our Net Sales in the region in 2021.

NORTH AMERICAN MARKET



The market in a nutshell

In North America, the traditional channel is where Stationery, Lighter and Shaver products are sold the most, strongly driven by the weight of the lighter category in which traditional stores account for almost 80% of purchases. Traditional stores remain the consumers' first choice and win through their easy accessibility. In the US, for example, there is a tight network of 150 000 convenience stores, making products quickly accessible, even in remote areas. The trend is the opposite for Stationery and Shaver products, mostly sold through Modern trade. The e-commerce channel represents a growing portion of purchases in this region, accounting for 1/3 of purchases in Stationery and about 20% in shavers due to direct-to-consumer (subscription model) players.

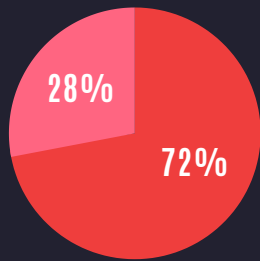
What about BIC?

2/3 of our **North American** Net Sales come from the Modern Trade channel. **Walmart** alone accounts for about 1/4 of BIC's sales in the region.

Sales in the Traditional Channel are driven by the Flame For Life BALLER. Approximately 70% of BIC Lighters in the US are sold through proximity channels such as Convenience Store, Food and Drug.



LATIN AMERICAN MARKET



The market in a nutshell

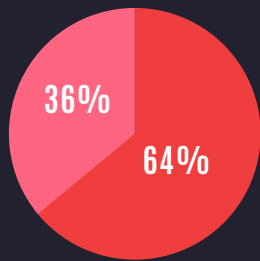
In Latin America, the traditional channel is king, with 70% of consumer purchases for the three product categories stemming from this channel. This is supported by the vast number of Mom and Pop stores spread throughout the whole region and consumers' strong preference to shop in small corner shops, especially when it comes to lighter and stationery products. On the other hand, shaver products are mostly sold in Modern Trade, with over 60% of purchases made in this channel.

What about BIC?

These market trends are well reflected in BIC's sales in the region across all divisions.

In Flame of Life, between 80% and 90% of sales in countries such as Mexico and Brazil are made through the Traditional channel, supported by BIC's aggressive strategy to gain distribution in corner shops. This resulted in significant market share growth in the region (over 60% in value in Mexico and Brazil).

MIDDLE EAST AND AFRICAN MARKET



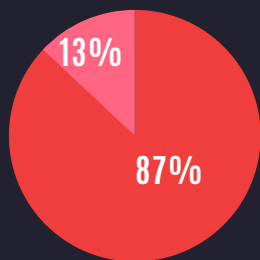
The market in a nutshell

In the Middle East and Africa region, the three product categories are mainly sold through the traditional channel, accounting for 60% of consumer purchases in the region. This is driven by Stationery and lighter categories as consumers prefer to shop for those products in small corner shops. Modern trade accounts for 1/3 of the purchases in this region and is mainly driven by the shaver category.

What about BIC?

BIC has two ways of distributing its products in the region: through our subsidiaries and via distributors. Globally, subsidiaries sales are evenly split between Modern Mass and Traditional Stores; however, we see significant differences depending on the region. In South Africa, 2/3 of sales occur in the Modern Trade, while in Nigeria, over 90% of sales are made through the traditional channel. Distributors' sales mainly come from traditional stores.

INDIAN MARKET



The market in a nutshell

In India, the market is highly fragmented, with thousands of small shops spread throughout the country. Unsurprisingly, stationery products are purchased by consumers mainly in the traditional channel (which accounts for about 80% of purchases).

What about BIC?

Consistent with the market structure, BIC's sales in India come mostly from the Traditional Channel. Modern trade is a growing segment representing less than 10% of BIC's Stationery sales. E-commerce is ramping-up quickly, fueled by changing shopping behavior post Covid pandemic. Online sales have grown high-double digit since the beginning of 2022.





Four questions to Lorène Schantz

Lorène Schantz is in charge of our Commercial Strategy Center of Expertise. Her objectives: elevate our Commercial Operations efficiency and drive sales growth through deep distribution channel expertise.

1

Can you explain the mission of BIC's Commercial Strategy Center of Excellence?

The Commercial Strategy CoE (Center of Excellence) was created in 2019 to answer a clear need for globalizing our divisions' in-store growth strategies, strengthening our customer/retailer approach, and expanding successful sales initiatives, in alignment with BIC's Horizon strategy. Our CoE consists of a global team of 10 seasoned sales experts, supporting all regions and countries on a regular basis.

One of our main goals is to create customized business tools that are designed to strengthen our partnerships with key customers and our in-store business execution. For example, we create merchandising guidelines on how our products should be displayed in-store.

Our mission is to standardize our "Go To Market" approach and deliver best-in-class execution. This includes defining our "Where to Play" geographies for maximum success and strategies in our key channels to win across our three divisions and deliver our Horizon Strategy. The Category Management team helps our customers grow each category and thus our overall business within that category; the Channel leadership team aligns the best approaches to win in the different channels notably Modern Trade, Stationers, Tobacconists, Traditional trade and more. Finally, the Capabilities team helps us to develop the competences and skills required to excel.

2

Tell us about BIC's distribution channels ecosystem? Are there differences between the three divisions and between the different regions?

At BIC, we operate through a variety of channels because we are addressing a very large array of shoppers with varying needs and expectations.

First we have the Traditional Channels, where we sell products through distributors or wholesalers, who then resell to smaller shops or companies. This channel accounted for 39% of BIC's total sales in 2021 and is particularly important for our Lighter products (about 60% of 2021 sales), followed by our Stationery products (about 40% of 2021 sales). Examples of traditional channels for

Stationery include Office Supply, where BIC sells its products to distributors such as Lyreco or Staples, or Stationers channels, where BIC sells to wholesalers (who will then resell them to numerous small stationers' shops). For example, in the Flame for life division, BIC sells its lighters to wholesalers that supply a large number of tobacconists or convenience stores. In the US, about 70% of lighter products are sold through the convenience store channel, and keep in mind there are about 150,000 convenience stores in the country!

"Our mission is to standardize our "Go To Market" approach and deliver best-in-class execution."

The traditional channel is particularly strong in developing regions such as Latin America, the Middle East, Africa and India, where corner stores often called "mom and pop stores", remain the favorite place for consumers to buy BIC products.

The second channel is the Modern Trade channel, with retail chains selling directly to consumers. This includes hypermarkets and supermarkets, like Walmart (mass), Kroger (food) in the US, or Carrefour in Europe, as well as Discounter stores like Lidl, Aldi and Dollar General. This channel is dominant in several regions including North America (the US notably) and Europe (UK and France notably) with more than 50% of Net Sales realized through this channel.

All our product categories are sold in Modern Trade, with the most significant portion in Blade Excellence (around 70% of Net Sales), followed by Human Expression, with close to 50% of Net Sales.

And lastly there is e-commerce.

E-commerce players can be split in four groups: Pure Players, such as Amazon, who operate exclusively

online, Direct-To-Consumer websites, including bic.com, Rocketbook.com and Inkbox.com, Omnichannel retailers, such as Walmart.com but also B2B customers, who sell their products both online and through brick-and-mortar stores and last but not least Marketplaces such as eBay where brands or sellers can sell their products to consumers through a third-party platform. E-commerce is today our fastest-growing channel (+21% growth in 2021).

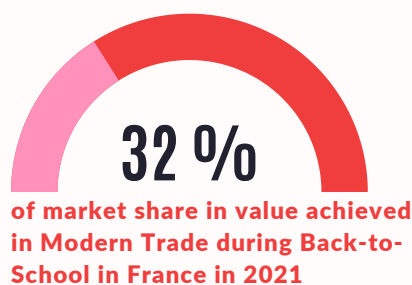
The majority of BIC's e-commerce sales today are in stationery products (e-commerce is close to 20% of Net Sales in Human Expression) and the bulk of this is in Europe and North America (about 10% in both regions), followed by India which is rapidly growing following the pandemic. Our goal is to continue to grow in all regions in e-commerce, in line with our Horizon strategy.

3 BIC is widely recognized for our strength in building long-lasting relationships with customers. How would you describe our strengths and what areas can we continue to grow in?

Our key strength is certainly the expertise we have in our product categories, our broad and deep distribution network to reach wherever shoppers shop, and our ability to build massive in-store events. This is evidenced best for Stationery products during Back-to-School season when the "orange wave" enters stores! In France, for example, we animate more than 1,500 stores with dedicated promotional areas during this key period for the Stationery sales. In Modern Trade, BIC achieved 32% of market share in value, and more

than 50%* in volume during 2021 Back-to-School – which means that every other pen purchased during Back-to-School was a BIC pen!

Over the years, we've built a strong distribution presence, with a particular focus on traditional and modern trade channels and more specifically specialty channels like Tobacconists and Stationers. Going forward, we will focus on growing our market share within the fast-growing channels, such as e-commerce and discount, where we still have a lot of room to grow our presence. To succeed in e-commerce, we will continue to leverage our SPARC framework, focusing on Search - Pricing - Assortment - Review & Ratings - Content to accelerate growth in all channels.



4 You mentioned the Discount channel as a priority in an increasingly inflationary environment? Could you tell us more about BIC's strategy for this channel?

The Discount channel has been growing for several years, especially in North America and Europe. Most likely, the current inflationary environment will accelerate this growth even further over the next several years. The good news is that BIC already has strong momentum in Discount, through solid partnerships with major retailers such as Dollar General in the US. Our strong value for money proposition, which our brand is known for amongst consumers, has helped us grow and we will continue to strengthen our presence in the channel by filling distribution gaps and ensuring that we offer the right products at the right place and at the right price. I'm very proud of the great progress we've made in 2021, growing sales double-digit in Discount, with strong growth both in North America and in Europe, outperforming the total channel growth in both regions, and we will continue on this path!

*Source: IRI - STATIONERY / GLUES = HMSM+DRIVE + ACCESSOIRES = HMSM - RDC 2021

