

# 2023

**Half-year  
financial  
report ●**



## 1

**MANAGEMENT REPORT OF THE BOARD OF DIRECTORS FOR THE 6-MONTH PERIOD ENDED JUNE 30, 2023**

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## 1.1 KEY FIGURES

(in million euros)	H1 2023 vs. H1 2022						
	H1 2022	H1 2023	As reported	FX impact (in points) <sup>(a)</sup>	Change in Perimeter (in points) <sup>(b)</sup>	Argentina impact (in points) <sup>(c)</sup>	Comparative basis
<b>Group</b>							
<b>Net Sales</b>	1,127.2	1,176.9	+4.4%	(0.5)	+0.3	+0.5	+4.1%
Gross Profit	559.8	580.8	-	-	-	-	-
<b>Adjusted Earnings Before Interest and Taxes (EBIT)</b>	202.9	175.1	-	-	-	-	-
<b>Adjusted EBIT Margin</b>	18.0%	14.9%	-	-	-	-	-
EBIT	197.7	174.7	-	-	-	-	-
EBIT Margin	17.5%	14.8%	-	-	-	-	-
<b>Net Income Group Share</b>	139.4	121.6	-	-	-	-	-
<b>Earnings Per Share Group Share (in euros)</b>	3.15	2.81	-	-	-	-	-
Adjusted Net Income Group Share	149.7	126.8	-	-	-	-	-
Adjusted Earnings Per Share Group Share (in euros)	3.39	2.93	-	-	-	-	-
<b>Human Expression (Stationery)</b>							
<b>Net Sales</b>	438.0	460.3	+5.1%	(1.4)	+0.7	+1.0	+4.7%
Adjusted EBIT	35.6	44.6	-	-	-	-	-
<b>Adjusted EBIT Margin</b>	8.1%	9.7%	-	-	-	-	-
EBIT	33.5	44.7	-	-	-	-	-
<b>EBIT Margin</b>	7.7%	9.7%	-	-	-	-	-
<b>Flame for Life (Lighters)</b>							
<b>Net Sales</b>	436.0	434.3	(0.4)%	+0.4	(0.0)	+0.1	(0.9)%
Adjusted EBIT	166.9	153.1	-	-	-	-	-
<b>Adjusted EBIT Margin</b>	38.3%	35.3%	-	-	-	-	-
EBIT	165.9	152.8	-	-	-	-	-
<b>EBIT Margin</b>	38.0%	35.2%	-	-	-	-	-
<b>Blade Excellence (Shavers)</b>							
<b>Net Sales</b>	240.3	268.3	+11.7%	(0.7)	(0.0)	+0.5	+11.9%
Adjusted EBIT	43.3	20.5	-	-	-	-	-
<b>Adjusted EBIT Margin</b>	18.0%	7.6%	-	-	-	-	-
EBIT	41.1	20.3	-	-	-	-	-
<b>EBIT Margin</b>	17.1%	7.6%	-	-	-	-	-
<b>Other products</b>							
<b>Net Sales</b>	12.8	14.0	+9.4%	(0.9)	(0.0)	(0.0)	+10.3%
Adjusted EBIT	(3.8)	(0.8)	-	-	-	-	-
EBIT	(3.8)	(0.8)	-	-	-	-	-
<b>Unallocated costs</b>							
<b>Adjusted EBIT</b>	(39.1)	(42.3)	-	-	-	-	-
EBIT	(39.1)	(42.3)	-	-	-	-	-

(a) Forex impact excluding Argentinian Peso (ARS).

(b) Mainly acquisition of Inkbox.

(c) See Glossary.



## 1.2 H1 2023 HIGHLIGHTS

### RESULTS

**H1 market share gains in most key regions across all divisions, continuing strong growth momentum.**

- **H1 Human Expression:** +9.1% net sales growth at constant currency (CC), driven by a solid back-to-school sell-in in North America and Europe, and double-digit growth in developing markets.
- **H1 Flame for Life:** +0.6% net sales change at CC versus H1 2022. Solid performance in Europe and developing markets partially offset by an exceptional US sales performance in Q1'22, due to positive phasing of sales. Excluding the phasing impact, net sales would have grown 5.5% at CC.

- **H1 Blade Excellence:** +14.7% net sales growth at CC, fueled by added-value products across Europe and Latin America and double-digit growth in the Middle East and Africa.

**H1 adjusted EBIT margin at 14.9%:** negatively impacted by input cost inflation (raw materials and electricity), fixed cost absorption and Forex, partially offset by favorable price and mix.

**Sustained Operating Cash Flow €240.6 million:** free cash flow was slightly positive, at €2.5 million, due to higher trade receivables, driven by strong back-to-school sell-in.

(in million euros)	H1 2022	H1 2023
<b>Group Net Sales</b>	<b>1,127.2</b>	<b>1,176.9</b>
<i>Change as reported</i>	+23.0%	+4.4%
<i>Change on a comparative basis</i>	+13.7%	+4.1%
<b>Change on a constant currency basis</b>	<b>+15.5%</b>	<b>+7.0%</b>
<i>EBIT</i>	197.7	174.7
<b>EBIT Margin</b>	<b>17.5%</b>	<b>14.8%</b>
<i>Adjusted EBIT</i>	202.9	175.1
<b>Adjusted EBIT Margin</b>	<b>18.0%</b>	<b>14.9%</b>
<b>EPS (in euros)</b>	<b>3.15</b>	<b>2.81</b>
<i>Adjusted EPS (in euros)</i>	3.39	2.93
<b>Free Cash Flow before acquisitions and disposals</b>	<b>22.4</b>	<b>2.5</b>
<i>Net Cash Position</i>	229.9	197.6

### NET SALES BY DIVISION

- **Human Expression (Stationery):** 460.3 million euros (+4.7% on a comparative basis and +9.1% at constant currency).
- **Flame for Life (Lighters):** 434.3 million euros (-0.9% on a comparative basis and +0.6% at constant currency).
- **Blade Excellence (Shavers):** 268.3 million euros (+11.9% on a comparative basis and +14.7% at constant currency).



## 1.3 H1 2023 GROUP OPERATIONAL TRENDS

### H1 2023 HIGHLIGHTS

**First half 2023 net sales increased 7.0%, at constant currencies (CC), 4.1% on a comparable basis and 13.3% on a 12-month rolling basis.** Net sales growth was driven by solid commercial execution – online and in-stores, in our Blade Excellence and Human Expression divisions, and in most regions: Europe, Latin America, the Middle East and Africa. Net sales from e-commerce continued to grow, up 9.9% at constant currencies, bringing the total share of online sales to 11.8% compared with 11.3% in H1 2022.

**First half gross profit margin** decreased by 0.4 points to 49.3%, due to: input cost inflation (raw material and electricity costs), fixed cost absorption, and forex (mainly due to USD/MXN and €/TRY, while EUR/USD hedging was favorable). This was partially offset by favorable price, mix, and manufacturing efficiencies.

**H1 23 adjusted EBIT margin was 14.9%, compared to 18.0% in H1 2022,** negatively impacted by gross profit decline and increased opex and brand support investments. As a reminder, Q1 2022 margin benefited from an exceptional net sales performance in US lighters related to phasing.

**Non-recurring items** included:

**For first half 2022:**

- €(2.2) million of acquisition costs related to Inkbox, the Rocketbook earnout, and Djeep price adjustment;
- €(3.0) million related to Ukraine operations impairment.

**For first half 2023:**

- €(0.4) million related to Lucky Stationary Ltd (Nigeria), the Rocketbook earnout, and acquisition costs.

**H1 2023 effective tax rate** was 28.1% vs. 28.0% for H1 2022.

**Operating cash flow** was €240.6 million, resulting from good business performance. The €195.3 million negative change in working capital and others was mainly driven by higher trade and other receivables of €162.8 million linked to increased net sales. As a result, **H1 2023 free cash flow before acquisitions and disposals** was €2.5 million.

**At the end of June 2023, net cash position** was €197.6 million, with €60.4 million in share buybacks.

### Update on *Horizon Plan* execution

#### Consumer-centricity and Innovation

H1 net sales performance was led by our consumer-centric, highly innovative pipeline, as we continued to execute our Horizon Plan. The new BIC® EasyRinse shaver was launched online and in stores in the US, and it has already shown promising results, including a total market share value gain of 1.7% year to date and a #1 rank in new women's products (in unit sales) in the US wet shave segment. BIC® Soleil Escape, our most successful new item from 2022 in the US women's disposable segment, continued to contribute to growth and achieved a 4.0% market share gain in value. The new BIC® Break-Resistant mechanical pencil, with lead that is 75% stronger than the leading US competitor, was launched in the US and performed well online and in stores.

#### Revenue Growth Management (RGM)

Revenue growth management continued to drive momentum in H1 2023, with top-line growth fueled by positive pricing and mix across all three divisions. Our focus on building a consumer-centric portfolio pushed our net sales per SKU growth to +14.5%, and we posted a net SKU reduction of 7%, in line with our 2023 ambition.

#### External Growth and New businesses

Inkbox continued its growth trajectory in H1 2023, delivering low double-digit year-on-year sales increases. This momentum was driven by accelerating our omnichannel development, both online and offline, through its launch at a major US retailer.

Our B2B business, BIC Blade Tech, continued to perform well. In Q2 we delivered high growth, driven by continued momentum with our existing partners, resulting in solid double-digit growth for the first half of 2023.





### Path to Sustainability

We continued to make progress on our sustainable development journey, reducing virgin plastic in our products and packaging, and launching innovative products with reduced environmental impact.

Our new product, the BIC® Ecolutions Gel Pen, made of 78% ocean-bound plastic, has been available since Q4 last year in the US. This new product complements our sustainable stationery range, Ecolutions, which are made of at least 50% recycled materials and sold in packaging in the US that is 100% recycled and recyclable.

## EARNINGS BEFORE INTEREST AND TAXES (EBIT) AND ADJUSTED EBIT

(in million euros)	Q2 2022	Q2 2023	H1 2022	H1 2023
Net Sales	611.4	638.2	1,127.2	1,176.9
Gross Profit	292.6	312.7	559.8	580.8
Gross Profit margin	47.9%	49.0%	49.7%	49.3%
EBITDA	124.0	128.3	247.5	224.1
EBIT	99.8	102.8	197.7	174.7
EBIT margin	16.3%	16.1%	17.5%	14.8%
Non-recurring items	1.3	2.2	5.3	0.4
Adjusted EBIT	101.1	105.0	202.9	175.1
Adjusted EBIT margin	16.5%	16.5%	18.0%	14.9%

**First half gross profit margin** decreased by 0.4 points to 49.3%, due to: input cost inflation (raw material and electricity costs), fixed cost absorption, and forex (mainly due to USD/MXN and €/TRY, while EUR/USD hedging was favorable). This was partially offset by favorable price, mix, and manufacturing efficiencies.

**H1 23 adjusted EBIT margin was 14.9%, compared to 18.0% in H1 2022**, negatively impacted by gross profit decline and increased opex and brand support investments. As a reminder, Q1 2022 margin benefited from an exceptional net sales performance in US lighters related to phasing.

## KEY COMPONENTS OF THE CHANGE IN ADJUSTED EBIT MARGIN

(in points)	Q1 2023 vs. Q1 2022	Q2 2023 vs. Q2 2022	H1 2023 vs. H1 2022
• Change in Gross Profit	(2.0)	+1.1	(0.4)
• Brand Support	(1.2)	+0.3	(0.4)
• OPEX and other expenses <sup>(1)</sup>	(3.6)	(1.4)	(2.3)
<b>TOTAL CHANGE IN ADJUSTED EBIT MARGIN</b>	<b>(6.8)</b>	<b>-</b>	<b>(3.1)</b>

(1) Other expenses include notably Freight & Distribution and R&D.



## NON-RECURRING ITEMS

<i>(in million euros)</i>	H1 2022	H1 2023
EBIT	197.7	174.7
Rocketbook earnout and Djeep price adjustment (2022), Lucky Stationery and Rocketbook earnout (2023)	0.7	(0.5)
Acquisition costs related to Inkbox (January 2022) and other acquisition costs (2023)	1.5	0.9
Ukraine operations impairment	3.0	-
Adjusted EBIT	202.9	175.1

## NET INCOME AND EPS

<i>(in million euros)</i>	H1 2022	H1 2023
EBIT	197.7	174.7
Finance revenue/costs	(4.1)	(5.5)
Income before Tax	193.6	169.2
Net Income Group share	139.4	121.6
Adjusted Net Income Group Share <sup>(1)</sup>	149.7	126.8
Adjusted EPS Group Share <i>(in euros)</i>	3.39	2.93
EPS Group Share <i>(in euros)</i>	3.15	2.81

(a) See glossary.





## NET CASH POSITION

<i>(in million euros)</i>	H1 2022	H1 2023
<b>NET CASH POSITION (BEGINNING OF PERIOD: DECEMBER)</b>	<b>400.1</b>	<b>359.9</b>
Net cash from operating activities	+62.8	+45.3
• <i>Of which operating cash flow</i>	+275.6	+240.6
• <i>Of which change in working capital and others</i>	(212.8)	(195.3)
CAPEX <sup>(a)</sup>	(40.4)	(42.8)
Dividend payment	(94.7)	(110.2)
Share buyback program	(28.8)	(60.4)
Net cash from the liquidity contract	+0.4	(0.8)
Proceed from Pimaco divestiture	+1.1	
Acquisitions <sup>(b)</sup>	(67.8)	
Other items	(2.8)	+6.6
<b>NET CASH POSITION (END OF PERIOD: JUNE)</b>	<b>229.9</b>	<b>197.6</b>

(a) Including -7.3 million euros in 2022 and +1.0 million euros in June 2023 related to assets payable change.

(b) Inkbox, Rocketbook & Djeep in 2022.

At the end of June 2023, Net Cash position was 197.6 million euros, with 60.4 million euros in share buybacks.

## SHAREHOLDERS' REMUNERATION

- **Ordinary dividend of 2.56 euros per share** was paid on May 31, 2023.
- **60.4 million euros in share buybacks** were completed by SOCIÉTÉ BIC at the end of June 2023, 1,041,449 shares were purchased at an average price of 57.97 euros per share.



## 1.4 H1 2023 OPERATIONAL TRENDS BY DIVISION

### HUMAN EXPRESSION

(in million euros)	Q2 2022	Q2 2023	H1 2022	H1 2023
Volumes in million units	-	-	3,519.5	3,306.4
% Change	-	-	+28.3%	(6.1) %
Net Sales	269.7	282.9	438.0	460.3
Change as reported	+33.4%	+4.9%	+31.4%	+5.1%
Change on a comparative basis	+21.9%	+6.7%	+21.7%	+4.7%
Change at constant currency	+25.4%	+9.5%	+25.4%	+9.1%
Adjusted EBIT	24.1	42.2	35.6	44.6
Adjusted EBIT Margin	9.0%	14.9%	8.1%	9.7%

**The Human Expression division's H1** Net Sales grew by 9.1%, at constant currencies, and by 4.7%, on a comparable basis, with a positive price mix in all categories as main driver.

**In Europe**, the 10.3% growth was driven by a good back-to-school season in southern (Portugal, Italy) and Eastern Europe owing to positive price and mix, along with further distribution gains in the traditional channel. In the UK, we gained 0.8 pts <sup>(1)</sup> in value, despite a declining market, as we grew volume and price in the modern mass market channel.

**In the US**, the 7.6% net sales increase was driven by solid back-to-school orders, as well as strong e-commerce performance. BIC remains both a value brand and a valued brand chosen by consumers, gaining +0.8 pts in value <sup>(2)</sup> in a declining market. This performance was fueled by core stationery products. Our semi-permanent tattoo business, Inkbox™, contributed to grow, notably thanks to expansion offline at a major US retailer.

In the Southern Hemisphere, **Brazil's** net sales performance was driven by favorable price and mix, as well as strong back-to-school sell-out driven by a comprehensive marketing plan. **Mexico's** net sales performance was impacted by a back-to-school phasing (from June to July) that was partially offset by growing added value segments such as Coloring. **In the Middle East and Africa**, net sales grew at a double-digit rate, led by our core product, the BIC® Cristal Medium, as well as favorable pricing.

**H1 2023 Human Expression division adjusted EBIT margin** was 9.7% compared to 8.1% in H1 2022. The increase was driven by favorable pricing and mix, lower brand support, and favorable net sales leverage. This was partially offset by unfavorable forex, mainly the US dollar/Mexican peso, and manufacturing costs, as well as higher opex.

(1) Year to date May 2023: IRI.

(2) Year to date May 2023: NPD data.





## FLAME FOR LIFE

(in million euros)	Q2 2022	Q2 2023	H1 2022	H1 2023
Volumes in million units	-	-	850.1	819.8
% Change	-	-	+6.4%	(3.6)%
Net Sales	209.7	205.8	436.0	434.3
Change as reported	+8.7%	(1.8)%	+18.7%	(0.4)%
Change on a comparative basis	(2.5)%	+0.9%	+9.3%	(0.9)%
Change at constant currency	(1.4)%	+2.8%	+10.1%	+0.6%
Adjusted EBIT	79.8	69.2	166.9	153.1
Adjusted EBIT Margin	38.0%	33.6%	38.3%	35.3%

**H1 2023 Flame for Life division** performance was driven by good showings in Europe, Latin America, the Middle East, and Africa. US H1 2023 performance was impacted by H1 2022 phasing. Excluding this impact, net sales would have grown by 5.5% at constant currency.

In the US, the total lighter market declined 5.6% in volume and 1.4% in value<sup>(1)</sup>. However, BIC maintained its leadership position, gaining share in volume, +0.7 pts, and value, +0.9 pts, topping its competitors thanks to positive price and mix. Our innovative utility pocket lighter, BIC EZ Reach, continued to outperform the market, gaining 1.2 pts in value, boosted by advertising campaigns and distribution expansion in all channels. H1 net sales performance in the US was impacted by H1 2022 phasing, which benefited from delayed shipments following supply issues in Q4 2021.

In Europe, net sales grew at a high single-digit pace, driven by favorable price and mix and further distribution gains in Eastern Europe. We pursued our Horizon strategy, moving towards a more value-driven model, as performance also benefited from a positive mix with the success of our premium products, DjEEP and EZ Reach.

In Latin America, Brazil's net sales grew at a double-digit pace, fueled by positive market trends, distribution increases, and new decorated lighter launches.

H1 2023 Flame for Life division adjusted EBIT margin was 35.3% compared to 38.3% in H1 2022. This was the result of unfavorable fixed cost absorption, negative net sales operating leverage in the US, and higher opex investments. Brand support investments were also higher, as we launched a new BIC® EZ Reach advertising campaign in Europe. This was partly offset by favorable pricing and forex (EUR/USD hedging). Input cost inflation was offset by manufacturing efficiencies.

(1) YTD ending June, 2023; IRI, estimated 70% market coverage.



## BLADE EXCELLENCE

(in million euros)	Q2 2022	Q2 2023	H1 2022	H1 2023
Volumes in million units	-	-	1,212.4	1,255.2
% Change	-	-	+1.6%	+3.5%
Net Sales	126.8	143.6	240.3	268.3
Change as reported	+22.0%	+13.3%	+19.9%	+11.7%
Change on a comparative basis	+10.0%	+16.8%	+11.0%	+11.9%
Change at constant currency	+11.1%	+19.7%	+11.8%	+14.7%
Adjusted EBIT	17.9	14.8	43.3	20.5
Adjusted EBIT Margin	14.1%	10.3%	18.0%	7.6%

In the Blade Excellence division, BIC gained market share across all key regions. Added value and new products drove solid performance in the 3 to 5 blade and Hybrid ranges, notably in Europe and Latin America.

In Europe, BIC gained market share by value in all its major countries, including in France (+3.1 pts), Italy (+1.1 pts), and Poland (+1.4 pts)<sup>(1)</sup>, fueled by the success of 3 to 5 blade products in the female and male segments. Net sales grew at a double-digit pace on higher volumes, favorable price and mix, and further distribution gains. Our added-value products in the Flex and Soleil ranges and our sustainable ranges, Hybrid Flex and Click Soleil, contributed to growth, in line with our Horizon goals to increase premium offerings.

We outpaced the US market by +0.4 pts<sup>(2)</sup> driven by the male segment, with the performance of our added-value Flex range. Net sales performance was impacted by competitive promotions in the female wet shave category, however our premium products such as the recent BIC Soleil Escape (4 and 5 blades) and our new

breakthrough innovation BIC® EasyRinse shaver contributed to growth. BIC® EasyRinse achieved 1.7% market share of women's and men's disposables in value.

Our trade-up strategy towards our value-added 3 blade-offering is bearing fruit in Latin America. Notably, in Brazil, net sales grew at a double-digit pace, and we continued to gain market share, up 0.9 pts in value<sup>(3)</sup> thanks to our Comfort 3, Soleil, and Hybrid ranges. In Mexico, we gained +0.7 pts<sup>(4)</sup> in value. Net sales grew at a high single-digit pace, driven by added-value products (Comfort 3) and the listing of new products in the modern trade channel.

H1 2023 Blade Excellence division adjusted EBIT margin was 7.6% compared to 18.0% in H1 2022, due to significant input cost inflation (raw materials and electricity) and unfavorable forex (mainly the US dollar/Mexican peso), partially offset by our manufacturing efficiencies. The margin was also impacted by higher opex and brand support investments, mostly related to the launch of BIC® EasyRinse and a major advertising campaign in the US.

(1) YTD May (except France: June 2023): Nielsen.

(2) YTD June: IRI 2023.

(3) Year to date May 2023: Nielsen data.

(4) Year to date May 2023: Nielsen data.



## OTHER PRODUCTS

<i>(in million euros)</i>	H1 2022	H1 2023
Net Sales	12.8	14.0
Change as reported	(18.4)%	9.4%
Change on a comparative basis	(18.4)%	10.3%
Change at constant currency	(18.4)%	10.3%
Adjusted EBIT	(3.8)	(0.8)
EBIT	(3.8)	(0.8)

## UNALLOCATED COSTS

<i>(in million euros)</i>	H1 2022	H1 2023
Adjusted EBIT	(39.1)	(42.3)
EBIT	(39.1)	(42.3)

# 1.5 GROUP NET SALES BY GEOGRAPHY

H1 net sales by geography <i>(in million euros)</i>	H1 2022	H1 2023	% As reported	% at constant currencies	% On a comparative basis
<b>Group</b>	<b>1,127.2</b>	<b>1,176.9</b>	<b>+4.4%</b>	<b>+7.0%</b>	<b>+4.1%</b>
Europe	327.9	353.9	+7.9%	+10.1%	+10.0%
North America	499.0	476.6	(4.5)%	(4.7)%	(5.3)%
Latin America	179.7	216.9	+20.7%	+29.3%	+13.8%
Middle East and Africa	66.1	83.0	+25.6%	+33.4%	+33.4%
Asia and Oceania (including India)	54.4	46.5	(14.5)%	(9.1)%	(9.1)%



## 1.6 2023 OUTLOOK AND MARKET ASSUMPTIONS

### 2023 OUTLOOK CONFIRMED (1)

Full Year 2023 net sales are expected to grow between 5% and 7% at constant currencies, driven by price and mix. We expect to improve our 2023 adjusted EBIT and adjusted EBIT margin, as well as our gross profit margin, though this will be partially offset by continued investments in our operations and brand support

aimed at driving our Horizon ambition of delivering profitable long-term growth.

Free cash flow is expected to be above €200 million in 2023, for the fifth year in a row.

### 2023 MARKET ASSUMPTIONS

Our 2023 outlook is based on the following market assumptions versus 2022 (2):

#### Market trends (in value):

- Europe:
  - low to mid-single-digit decrease in Stationery,
  - low to mid-single-digit decrease in Lighters,
  - flat to low-single-digit increase in Shavers;
- US:
  - low to mid-single-digit decrease in Stationery market,
  - low to mid-single-digit decrease for total pocket Lighter market,
  - low to mid-single-digit decrease in the total one-piece Shaver market;
- Latin America:
  - low to mid-single-digit increase in Stationery,
  - low to mid-single-digit increase in Lighters,
  - low to mid-single-digit increase in Shavers;
- India: mid to high-single-digit increase in Stationery.

#### EBIT drivers:

- gross profit:
  - increase in prices and mix,
  - raw materials inflation from prior year,
  - energy and labor/overhead inflation,
  - slightly favorable forex (excluding Argentina),
  - manufacturing efficiencies;
- adjusted EBIT:
  - gross profit expansion,
  - increase in brand support to drive net sales growth,
  - increase in R&D and opex to support Horizon's long-term growth and innovation.

#### Free cash flow before acquisitions and disposals drivers:

- approximately €110-120 million in capex.

**Currency:** 2023 EUR-USD hedging rate: 1.08.

## 1.7 RECENT EVENTS THAT OCCURRED AFTER JUNE 30, 2023

Mid-July the Group has internally determined a supply chain driven plan to relocate highlighter business in South Carolina, USA to other BIC locations.

No other subsequent event occurred between July 1<sup>st</sup>, 2023 and the reporting date.

(1) Based on current market assumptions.

(2) Euromonitor and BIC estimates.



## 1.8 IMPACT OF CHANGE IN PERIMETER AND CURRENCY FLUCTUATIONS ON NET SALES (EXCLUDES ARS)

IMPACT OF CHANGE IN PERIMETER AND CURRENCY FLUCTUATIONS ON NET SALES (EXCLUDES ARS) (in %)	Q2 2022	Q2 2023	H1 2022	H1 2023
Perimeter	+1.2	+0.0	+0.9	+0.3
Currencies	+9.5	(2.9)	+7.8	(0.5)
Of which USD	+6.1	(1.0)	+5.2	+0.3
Of which BRL	+1.3	(0.2)	+1.2	+0.1
Of which MXN	+0.8	+0.6	+0.6	+0.6
Of which CAD	+0.3	(0.2)	+0.3	(0.2)
Of which ZAR	+0.0	(0.2)	+0.1	(0.2)
Of which NGN	+0.1	(0.2)	+0.1	(0.1)
Of which TRY	(0.4)	(0.3)	(0.5)	(0.3)
Of which INR	+0.2	(0.2)	+0.2	(0.1)
Of which RUB and UAH	+0.7	(0.7)	+0.3	(0.2)

## 1.9 RECONCILIATION WITH ALTERNATIVE PERFORMANCE MEASURES

### ADJUSTED EBIT RECONCILIATION

(in million euros)	Q2 2022	Q2 2023	H1 2022	H1 2023
<b>EBIT</b>	<b>99.8</b>	<b>102.8</b>	<b>197.7</b>	<b>174.7</b>
Rocketbook earnout and Djeep price adjustment (2022), Lucky Stationery and Rocketbook earnout (2023)	0.7	1.3	0.7	(0.5)
Acquisition costs related to Inkbox (January 2022) and other acquisition costs (2023)	0.6	0.9	1.5	0.9
Ukraine operations impairment	-	-	3.0	-
<b>Adjusted EBIT</b>	<b>101.1</b>	<b>105.0</b>	<b>202.9</b>	<b>175.1</b>



**ADJUSTED EPS RECONCILIATION**

<i>(in euros)</i>	Q2 2022	Q2 2023	H1 2022	H1 2023
<b>EPS</b>	<b>1.62</b>	<b>1.64</b>	<b>3.15</b>	<b>2.81</b>
Rocketbook earnout and Djeep price adjustment (2022), Lucky Stationery and Rocketbook earnout (2023)	+0.06	+0.02	+0.06	(0.01)
Argentina hyperinflationary accounting (IAS29)	+0.09	+0.03	+0.1	+0.06
Acquisition costs related to Inkbox (January 2022) and other acquisition costs (2023)	+0.01	+0.01	+0.02	+0.01
Ukraine operations impairment	-	-	+0.06	-
Virtual Power Purchase Agreement Greece	-	+0.06	-	+0.06
<b>Adjusted EPS</b>	<b>1.78</b>	<b>1.76</b>	<b>3.39</b>	<b>2.93</b>

**NET CASH RECONCILIATION**

<i>(in million euros - rounded figures)</i>	December 31, 2022	June 30, 2023
Cash and cash equivalents (1)	+422.9	+340.2
Current borrowings (2) <sup>(a)</sup>	(63.0)	(142.6)
Non-current borrowings (3)	-	-
<b>NET CASH POSITION (1) - (2) - (3)</b>	<b>359.9</b>	<b>197.6</b>

(a) Excluding financial liabilities following IFRS16 implementation.

**FREE CASH FLOW RECONCILIATION**

<i>(in million euros - rounded figures)</i>	December 31, 2022	June 30, 2023
Net cash from operating activities (1)	300.0	45.3
Capital expenditure (2)	(96.3)	(42.8)
<b>FREE CASH FLOW BEFORE ACQUISITION AND DISPOSALS (1) - (2)</b>	<b>203.7</b>	<b>2.5</b>





## 1.10 SHARE REPURCHASE PROGRAM – CANCELLED SHARES

During the first half of 2023:

- SOCIÉTÉ BIC repurchased 1,041,449 shares under the share repurchase programs authorized by the Annual Shareholders' Meeting held on May 18, 2022 and May 16, 2023 excluding shares acquired under the liquidity agreement;
- SOCIÉTÉ BIC repurchased, under the liquidity agreement Natixis – ODDO BHF, 319,745 shares for a total value of 19.18 million euros and sold 302 996 shares for a total value of 18.39 million euros.

SOCIÉTÉ BIC	Number of shares acquired	Average weighted price (in euros)	Amount (in million euros)
January 2023	0	0	0
February 2023	185,526	61.57	11.4
March 2023	267,468	60.41	16.2
April 2023	70,480	58.16	4.1
May 2023	161,317	57.43	9.3
June 2023	356,658	54.47	19.4
<b>TOTAL</b>	<b>1,041,449</b>	<b>57.97</b>	<b>60.4</b>

The number of free, performance-based shares transferred by SOCIÉTÉ BIC to beneficiaries was 170,160 during the first half 2023. The number of free, non-performance-based shares transferred to beneficiaries by SOCIÉTÉ BIC was 24,485.

Moreover, SOCIÉTÉ BIC proceeded to 184,037 free, performance-based share grants and 102,959 free, non-performance-based share grants.

## 1.11 RELATED-PARTY TRANSACTIONS

This paragraph is aimed at ensuring transparency in the relationship between the Group and its Shareholders (and their representatives), as well as in the links between the Group and related companies that the Group does not exclusively control (i.e. joint ventures or investments in associates).

Significant related-party transactions are described in the Note 25 – *Related parties* on page 287 of BIC's 2022 Universal Registration Document filed with the *Autorité des Marchés Financiers* (AMF) on March 30, 2023. During the first half of 2023, BIC has not identified any significant related-party transactions.

## 1.12 CAPITAL EVOLUTION

As of June 30, 2023, the total number of issued shares of SOCIÉTÉ BIC is 43,952,226 shares, representing:

- 64,832,149 voting rights;
- 63,551,745 voting rights excluding shares without voting rights.

Total number of treasury shares held at the end of June 2023: 1,280,404.



## 1.13 MATERIAL EVENTS THAT OCCURRED IN H1 2023

N/A

## 1.14 MATERIAL EVENTS THAT OCCURRED AFTER JUNE 30, 2023

N/A

## 1.15 DESCRIPTION OF THE PRINCIPAL RISKS AND UNCERTAINTIES FOR H2 2023

BIC pursues an active and dynamic approach to risk management.

The objective of this approach is to enhance the Group's capacity in identifying, managing, preventing, mitigating, and monitoring key risks that could affect:

- the Group's employees, customers, Shareholders, assets, environment or reputation;
- the Group's ability to achieve its objectives, abide and defend its values, ethics, or laws and regulations.

This approach is based on the identification and analysis of the main risks to which the Group is exposed.

A description of the risk management system is disclosed in Chapter § 2.4 Risk management and internal control procedures implemented by the Company and Insurance, in BIC's 2022 Universal Registration Document (URD) filed with the *Autorité des Marchés Financiers* (AMF) on March 30, 2023 and available on BIC's website: [https://us.bic.com/en\\_us/investors](https://us.bic.com/en_us/investors).

## 1.16 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 impact 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.
- **EBITDA:** EBIT before Depreciation and Amortization (excluding amortization of right of use under IFRS 16 standard), and impairment.
- **Adjusted EBIT:** adjusted means excluding normalized items.
- **Adjusted EBIT margin:** adjusted EBIT as a percentage of Net Sales.
- **Net Cash from operating activities:** cash generated from principal activities of the entity and other activities that are not investing or financing activities.
- **Free Cash Flow:** net cash flow from operating activities less capital expenditures (CAPEX). Free cash flow does not include acquisitions and proceeds from the sale of businesses.
- **Net cash position:** cash and cash equivalents + Other current financial assets – Current borrowings – Non-current borrowings (except financial liabilities following IFRS 16 implementation).



# HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

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## 2.1 CONSOLIDATED INCOME STATEMENT

<i>(in thousand euros)</i>	Notes	June 30, 2022	June 30, 2023
Net sales	2-1	1,127,151	1,176,932
Cost of goods	3	(567,398)	(596,152)
<b>Gross profit <sup>(a)</sup></b>		<b>559,753</b>	<b>580,780</b>
Distribution costs	3	(143,256)	(159,168)
Administrative expenses	3	(124,118)	(140,898)
Other operating expenses	3	(92,101)	(105,014)
Other income	4	3,118	4,507
Other expenses	4	(5,739)	(5,521)
<b>Earnings before interest and taxes (EBIT)</b>		<b>197,657</b>	<b>174,686</b>
Income from cash and cash equivalents	5	3,884	11,314
Net finance income/(net finance costs)	5	(7,952)	(16,811)
<b>Income before tax</b>		<b>193,589</b>	<b>169,189</b>
Income tax expense	6	(54,205)	(47,542)
<b>Net income from consolidated entities</b>		<b>139,384</b>	<b>121,647</b>
Net income from continuing operations	8	139,384	121,647
<b>Consolidated income of which:</b>		<b>139,384</b>	<b>121,647</b>
Non-controlling interests		-	-
<b>Net income Group share</b>	<b>7</b>	<b>139,384</b>	<b>121,647</b>
Earnings per share Group share <i>(in euros)</i>		3.15	2.81
Diluted earnings per share Group share <i>(in euros)</i> <sup>(b)</sup>		3.11	2.78

(a) Gross profit is the margin that the Group realizes after deducting its manufacturing costs.

(b) The dilutive elements taken into account are stock options and free shares.

## 2.2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>(in thousand euros)</i>	Notes	June 30, 2022	June 30, 2023
<b>GROUP NET INCOME</b>	<b>A</b>	<b>139,384</b>	<b>121,647</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Actuarial differences on post-employment benefits not recyclable to the income statement <sup>(a)</sup>		15,614	2,415
Deferred tax on actuarial differences on post-employment benefits	6-2	(1,657)	(675)
<b>Other comprehensive income not recyclable to the income statement - net of tax</b>	<b>B</b>	<b>13,957</b>	<b>1,740</b>
Gain/(Loss) on cash flow hedge		(13,316)	(11,033)
Exchange differences arising on translation of overseas operations <sup>(b)</sup>		82,607	1,325
Equity instruments at fair value		(5)	10
Deferred tax and current tax recognized on other comprehensive income	6-2	3,387	2,006
<b>Other comprehensive income recyclable to the income statement - net of tax</b>	<b>C</b>	<b>72,673</b>	<b>(7,692)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>D = A + B + C</b>	<b>226,014</b>	<b>115,695</b>
Attributable to:			
• BIC Group		226,014	115,695
• Non-controlling interests		-	-
<b>TOTAL</b>		<b>226,014</b>	<b>115,695</b>

(a) The impact of actuarial differences is mainly due to U.S., U.K. and France plans.

(b) The main items impacting the translation reserve variance for the period, by currency, are as follows: U.S. dollar (12.4 million euros), Brazilian real (12.9 million euros) and Mexican peso (21.2 million euros).



## 2.3 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### Assets

(in thousand euros)

	Notes	December 31, 2022*	June 30, 2023
Goodwill	8	297,610	288,242
Other intangible assets		109,782	110,547
Property, plant and equipment		612,632	607,387
Investment properties		1,597	1,523
Other non-current assets	9	29,736	29,497
Deferred tax assets		132,609	115,591
Derivative instruments	18	3,464	1
<b>Non-current assets</b>		<b>1,187,431</b>	<b>1,152,788</b>
Inventories	10	588,257	600,649
Income tax advance payments		39,335	7,319
Trade and other receivables	10, 21-1	414,682	569,613
Other current assets		23,022	31,197
Derivative instruments	18	10,802	13,778
Other current financial assets	15, 21-2	6,540	12,965
Cash and cash equivalents	15	416,317	327,189
<b>Current assets</b>		<b>1,498,955</b>	<b>1,562,710</b>
<b>TOTAL ASSETS</b>		<b>2,686,386</b>	<b>2,715,498</b>

\* Corrected to include the accounting of the Virtual Power Purchase Agreement (see Notes 18 & 21).

## Equity and liabilities

(in thousand euros)

	Notes	December 31, 2022*	June 30, 2023
Share capital	11-1	166,307	163,007
Reserves and retained earnings		1,699,698	1,658,511
<b>Shareholders' equity Group share</b>		<b>1,866,005</b>	<b>1,821,518</b>
Non-controlling interests		-	-
<b>Shareholders' equity</b>	<b>SHEQ</b>	<b>1,866,005</b>	<b>1,821,518</b>
Non-current borrowings	12, 21-2	42,839	41,982
Other non-current liabilities		9,338	4,816
Employee benefits obligation		57,419	55,394
Provisions	13	19,124	18,538
Deferred tax liabilities		73,161	50,680
Derivative instruments	18	13,418	29,331
<b>Non-current liabilities</b>		<b>215,299</b>	<b>200,741</b>
Trade and other payables	10	181,108	188,762
Current borrowings	12	76,543	160,218
Current tax due		44,747	24,453
Other current liabilities	14	293,201	315,802
Derivative instruments	18	9,483	4,004
<b>Current liabilities</b>		<b>605,082</b>	<b>693,239</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,686,386</b>	<b>2,715,498</b>

\* Corrected to include the accounting of the Virtual Power Purchase Agreement (see Notes 18 & 21).  
SHEQ: see consolidated statement of changes in equity.

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## 2.4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in thousand euros)	Notes	Share capital	Accumulated profits	Additional paid in capital	Actuarial differences recognized in equity	Translation reserve	Hedge derivatives	Shareholders' equity Group share	Non-controlling interests	Shareholders' equity
<b>At January 1, 2022</b>		<b>169,665</b>	<b>1,820,292</b>	<b>28,232</b>	<b>(76,364)</b>	<b>(211,618)</b>	<b>(6,387)</b>	<b>1,723,820</b>	-	<b>1,723,820</b>
Dividends paid	16	-	(94,744)	-	-	-	-	(94,744)	-	(94,744)
Treasury shares		(1,732)	(26,722)	-	-	-	-	(28,454)	-	(28,454)
Recognition of share-based payments	17	-	-	7,480	-	-	-	7,480	-	7,480
Hyperinflation impact in Argentina		-	4,859	-	-	-	-	4,859	-	4,859
Other		-	4	-	-	-	-	4	-	4
<b>Total transactions with Shareholders</b>		<b>(1,732)</b>	<b>(116,601)</b>	<b>7,480</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(110,853)</b>	<b>-</b>	<b>(110,853)</b>
Net income for the period		-	139,384	-	-	-	-	139,384	-	139,384
Other comprehensive income		-	136	-	13,958	82,607	(10,071)	86,630	-	86,630
<b>Total comprehensive income</b>		<b>-</b>	<b>139,520</b>	<b>-</b>	<b>13,958</b>	<b>82,607</b>	<b>(10,071)</b>	<b>226,014</b>	<b>-</b>	<b>226,014</b>
<b>At June 30, 2022</b>		<b>167,933</b>	<b>1,843,209</b>	<b>35,712</b>	<b>(62,406)</b>	<b>(129,011)</b>	<b>(16,458)</b>	<b>1,838,979</b>	<b>-</b>	<b>1,838,979</b>
<b>At January 1, 2023*</b>		<b>166,307</b>	<b>1,885,619</b>	<b>42,895</b>	<b>(63,567)</b>	<b>(167,171)</b>	<b>1,922</b>	<b>1,866,005</b>	<b>-</b>	<b>1,866,005</b>
Dividends paid	16	-	(110,219)	-	-	-	-	(110,219)	-	(110,219)
Decrease in share capital <sup>(a)</sup>		-	-	-	-	-	-	-	-	-
Increase in share capital		-	-	-	-	-	-	-	-	-
Treasury shares		(3,300)	(57,825)	-	-	-	-	(61,125)	-	(61,125)
Recognition of share-based payments	17	-	-	8,060	-	-	-	8,060	-	8,060
Hyperinflation impact in Argentina		-	3,313	-	-	-	-	3,313	-	3,313
Other		-	(211)	-	-	-	-	(211)	-	(211)
<b>Total transactions with Shareholders</b>		<b>(3,300)</b>	<b>(164,942)</b>	<b>8,060</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(160,182)</b>	<b>-</b>	<b>(160,182)</b>
Net income for the period		-	121,647	-	-	-	-	121,647	-	121,647
Other comprehensive income		-	(349)	-	1,740	1,325	(8,668)	(5,952)	-	(5,952)
<b>Total comprehensive income</b>		<b>-</b>	<b>121,298</b>	<b>-</b>	<b>1,740</b>	<b>1,325</b>	<b>(8,668)</b>	<b>115,695</b>	<b>-</b>	<b>115,695</b>
<b>At June 30, 2023</b>		<b>163,007</b>	<b>1,841,975</b>	<b>50,955</b>	<b>(61,827)</b>	<b>(165,846)</b>	<b>(6,746)</b>	<b>1,821,518</b>	<b>-</b>	<b>1,821,518</b>

\* Corrected to include the accounting of the Virtual Power Purchase Agreement (see Notes 18 & 21).

(a) No shares were cancelled during the first half of 2023.



## 2.5 CONSOLIDATED CASH FLOW STATEMENT

<i>(in thousand euros)</i>	Notes	June 30, 2022	June 30, 2023
<b>Operating activities</b>			
Net income Group share	IS	139,384	121,647
<i>Elimination of expenses and income with no impact on cash flows or non-business related expenses:</i>			
Argentina hyperinflationary accounting		4,161	2,488
Depreciation and amortization of intangible and tangible assets and investment properties	2, 3	57,212	58,134
Impairment loss on tangible and non-tangible assets		1,418	751
Subsidiaries acquisition costs		1,922	(1,844)
Provision for employee benefits		4,665	4,424
Other provisions (excluding provisions on current assets)	13	(152)	291
Unrealized foreign currency gain/loss	15 <sup>(a)</sup>	2,902	4,183
Hedging and derivative instruments		2,891	325
Option premium expense		456	765
Recognition of share-based payments	SHEQ, 17	7,480	8,060
Financial expense/(income)		(370)	(7,602)
Income tax expense		90,783	51,233
Deferred tax variation		(36,578)	(2,316)
(Gain)/loss from disposal of other fixed assets		(577)	88
<b>Cash flow from operations</b>		<b>275,597</b>	<b>240,627</b>
(Increase)/decrease in net working capital	10, 15 <sup>(b)</sup>	(175,338)	(154,826)
Payments related to employee benefits	15 <sup>(c)</sup>	(12,545)	(3,103)
Income tax paid		(24,922)	(37,424)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>62,792</b>	<b>45,274</b>
<b>Investing activities</b>			
Disposal of PIMACO		1,098	-
Disposal of other fixed assets		619	1,280
Purchases of property, plant and equipment	15 <sup>(d)</sup>	(35,864)	(36,464)
Purchases of intangible assets	15 <sup>(d)</sup>	(4,526)	(6,308)
(Increase)/decrease in other investments		(159)	34
Purchase of other current financial assets	15 <sup>(e)</sup>	-	(11,301)
Acquisition of subsidiaries		(67,777)	-
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>(106,610)</b>	<b>(52,759)</b>
<b>Financing activities</b>			
Dividends paid	SHEQ, 15 <sup>(f)</sup> , 16	(94,744)	(110,219)
Net variation of short term borrowings	12, 15 <sup>(g)</sup>	21,308	80,336
Interest (paid)/received		351	9,192
Payments of obligations under leases	12	(8,069)	(7,495)
Purchase of financial instruments		(461)	(1,238)
Increase in treasury shares	15 <sup>(h)</sup>	(28,380)	(61,158)
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>(109,996)</b>	<b>(90,582)</b>
Net cash variation		(153,814)	(98,066)
Opening cash and cash equivalents net of bank overdrafts	BS, 12, 21	468,413	415,219
Exchange difference		4,824	7,973
<b>CLOSING CASH AND CASH EQUIVALENTS NET OF BANK OVERDRAFTS</b>	<b>BS, 12, 21</b>	<b>319,424</b>	<b>325,125</b>

IS: see consolidated income statement.

SHEQ: see consolidated statement of changes in equity.

BS: see consolidated balance sheet.

References from (a) to (h) explained in Note 15.



## 2.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

<i>General</i>		<i>Balance sheet - Equity and liabilities</i>	
<b>NOTE 1</b>	<b>main rules and accounting policies</b>	<b>25</b>	<b>NOTE 11</b> <b>Share capital</b> <b>34</b>
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<i>Income Statement and Statement of Comprehensive Income</i>		<i>Additional information</i>	
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## NOTE 1 MAIN RULES AND ACCOUNTING POLICIES

### 1-1 Accounting policies

#### 1-1-1 General

Pursuant to European regulation n°1606/2002 of July 19, 2002 concerning international accounting standards, the consolidated financial statements of the BIC Group have been prepared in accordance with accounting principles as defined by the International Accounting Standards Board (IASB) as adopted by the European Union. International Financial Reporting Standards are available on the European Union website.

The international standards include the IFRS (International Financial Reporting Standards), the IAS (International Accounting Standards), as well as their SIC (Standing Interpretation Committee) and IFRIC (International Financial Reporting Interpretations Committee) interpretations.

The condensed consolidated financial statements as of June 30, 2023 have been prepared in compliance with IAS 34 "Interim financial reporting". The financial statements have been prepared on the historical cost basis, except for the valuation of certain financial instruments.

IAS 34 allows presentation of a selection of notes to the condensed consolidated financial statements that should be read in conjunction with the consolidated financial statements of December 31, 2022.

The measurement procedures used for the interim condensed consolidated financial statements are as follows:

- interim period income tax expense results from the estimated annual Group effective income tax rate applied to the pre-tax result of the interim period excluding non-recurring material items. The income tax charge related to any non-recurring item in the period is accrued using its actual tax expense;
- regarding the main pension plans and other employee benefits (United States, Canada, France, United Kingdom), actuarial valuations are performed every six months. Amounts recognized in the interim statement of financial position are based on estimates made at the end of the previous year and on the discount rates as of June 30.

Regarding share-based payments and other benefits plans, expenses are recognized in the period on a *pro rata* basis of the estimated costs for the year.

The principal accounting policies remain unchanged compared to last year except for adoption of the following standard, effective since January 1, 2023.

#### 1-1-2 Adoption of new and revised International Financial Reporting Standards, interpretations and amendments

##### New standards, amendments and interpretations of mandatory application for financial years beginning on or after January 1, 2023

The following standards and amendments are effective since January 1, 2023 and have been applied to the consolidated financial statement as of June 30, 2023:

- Amendments to IAS 1 – Presentation of Financial statements: Disclosure of Accounting Policies;
- Amendments to IAS 8 – Definition of Accounting Estimates;
- Amendments to IAS 12 – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction.

The application of these standards and amendments did not have any material impact on the Group's accounts.

##### New standards, interpretations and amendments that may be applied early for financial years beginning on or after January 1, 2023

As of June 30, 2023, the Group did not elect to early apply any standard, interpretation or amendment.

##### Standards, interpretations and amendments that may not be applied early for financial years beginning on or after January 1, 2023

Analysis on the practical consequences of these new regulations is in progress.

The IASB has also published amendments to IAS 12 - International Tax Reform - OECD Pillar Two rules.

These amendments are expected to be published and adopted by the European Union in the second half of 2023. BIC will have to ensure that it is subject to a minimum tax rate of 15% in the countries where it carries out its activities. Work is underway to estimate the impact of these new provisions and put the Group in a position to meet the new reporting obligations.

#### 1-1-3 Climate change and sustainable development

Climate change is one of the most important challenge of mankind in the 21<sup>st</sup> century. The Group has long committed to review, disclose and reduce its activities' impact on the environment. These actions have been rewarded with a renewed A- grade in the leadership category of the Carbon Disclosure Project (CDP).



When preparing financial statements, the Group uses estimates and judgments for valuation and recognition of assets and liabilities. These estimates are linked to identified risks applicable to the Group's activities. Among those, climate-change related risks are being carefully considered.

Those risks are mainly related to:

- increase in carbon-intensive raw material costs (plastic, metal, gaz and chemicals) due to energy-saving programs and other indirect costs to enable an improved access to sustainable raw material, amid global competition;
- destruction of assets linked to physical climate related event directly impacting BIC's operations.

As part of its program "Writing the future, together" and according to the Paris Agreement, the Group has committed by 2030 to reduce its GHG compared to 2019:

- 50% for direct GHG emissions (scope 1), through the use of alternative heat sources and low impact refrigerants;
- 100% for direct GHG emissions (scope 2), thanks to renewable sourcing for all electricity consumption;
- 5% for GHG of scope 3, through the selection of suppliers of low carbon impact raw material.

The Management includes climate-change related risks in its business plans used in impairment tests. The Group's commitments have not triggered any impact on impairment tests.

## 1-2 Change in Group structure

From the December 31<sup>st</sup>, 2022, the structure of the Group had not changed.

## 1-3 Significant events

No subsequent event occurred between January 1<sup>st</sup>, 2023 and June 30<sup>th</sup>, 2023.

## 1-4 Pension reform in France

The French pension reform was enacted the April 14, 2023. To apply IAS 19, it considered as a modification of plan and its consequences booked in net income during the first half-year 2023. The impact is not judged significant in the Group interim financial consolidated statements.

## 1-5 Subsequent events

Mid-July, the Group has internally determined a supply chain driven plan to relocate highlighter business in South Carolina, USA to other BIC locations.

No other subsequent event occurred between July 1<sup>st</sup>, 2023 and the reporting date.

## NOTE 2 OPERATING SEGMENTS

### 2-1 Information by activity

(in million euros)	At June 30, 2022						At June 30, 2023					
	Human Expression	Flame for Life	Blade Excellence	Other Products	Unalloca-ted costs	Total	Human Expression	Flame for Life	Blade Excellence	Other Products	Unalloca-ted costs	Total
<b>Income statement</b>												
• Net sales	438	436	240	13	-	1,127	460	434	268	14	-	1,177
• Depreciation and amortization	(17)	(15)	(16)	(10)	-	(57)	(16)	(14)	(15)	(13)	-	(58)
• Impairment loss	-	-	(1)	-	-	(1)	-	-	(1)	-	-	(1)
• EBIT	34	166	41	(4)	(39)	198	45	153	20	(1)	(42)	175
<b>Restatements made to obtain adjusted EBIT</b>												
• Acquisition costs	1	-	-	-	-	1	0.3	0.3	0.2	-	-	0.9
• Rocketbook earn-out/ Lucky Stationary price adjustment	-	-	-	-	-	1	(0.5)	-	-	-	-	(0.5)
• Ukraine	-	1	2	-	-	3	-	-	-	-	-	-
Adjusted EBIT	36	167	43	(4)	(39)	203	45	153	20	(1)	(42)	175

At June 30, 2023, BIC has identified one customer with which it realized more than 10% of its net sales over the period.

(in million euros)	At June 30, 2022						At June 30, 2023					
	Human Expression	Flame for Life	Blade Excellence	Other Products	Total	Human Expression	Flame for Life	Blade Excellence	Other Products	Total		
Capital additions <sup>(a)</sup> <sup>(b)</sup> (without rights of use)		8	13	9	10	40	8	9	14	12	43	
Net inventories		283	180	156	7	625	281	187	126	7	601	

(a) Excluding 2023 capital additions not cashed out end of June 2023 and including capital additions cashed out in 2023 related to 2022 for a net amount of -1,0 million euros.

(b) Excluding 2022 capital additions not cashed out end of June 2022 and including capital additions cashed out in 2022 related to 2021 for a net amount of +7.3 million euros.



## 2-2 Information by geography

The regions identified by the management are the following:

(in million euros)	At June 30, 2022							At June 30, 2023						
	France	Europe excluding France	North America	Latin America	Middle East and Africa	Asia and Oceania (including Cello)	TOTAL	France	Europe excluding France	North America	Latin America	Middle East and Africa	Asia and Oceania (including Cello)	TOTAL
Net sales	105	223	499	180	66	54	1,127	103	251	477	217	83	47	1,177

The Group may grant year-end rebates. These rebates are booked in net sales and amounted 50 million euros as of June 30, 2023 compared to 52 million euros as of June 30, 2022.

(in million euros)	At December 31, 2022					At June 30, 2023				
	France	Europe excluding France	North America	Developing Markets	TOTAL	France	Europe excluding France	North America	Developing Markets	TOTAL
Non-current assets <sup>(a)</sup>	339	189	341	181	1,050	332	185	331	185	1,033

(a) Other than financial instruments (1 thousand euros in 2023 and 3.5 thousand euros in 2022), and deferred tax assets (115.6 million euros in 2023 and 132.6 million euros in 2022) and deferred pensions (3.7 million euros in 2023 and 4.1 million euros in 2022).

## NOTE 3 OPERATING EXPENSES

Operating expenses breakdown is as follow:

(in thousand euros)	June 30, 2022	June 30, 2023
Raw materials, consumables used and change in inventory	309,336	330,520
Staff costs	270,357	294,081
Depreciation and amortization expenses	57,212	58,134
Other operating expenses	287,651	305,355
Impairment loss on manufacturing equipment	11	736
Profit/(loss) on operational foreign currency translation	2,306	12,406
<b>TOTAL</b>	<b>926,873</b>	<b>1,001,232</b>

Other income and expenses are not included in the total amount and are disclosed in Note 4.

Other operating expenses mainly include outside services.

Research and development costs recognized under "Other operating expenses" for the first half of 2023 amounted to 12.6 million euros, versus 11.2 million euros during the first half of 2022.

They include the French research tax credit for 1.1 million euros, compared to 1.3 million euros in 2022.

The effects of currency hedging are booked in "profit/(loss) on operational foreign currency translation".

## NOTE 4 OTHER INCOME AND EXPENSES

Other income and expenses breakdown is as follow:

<i>(in thousand euros)</i>	June 30, 2022	June 30, 2023
Royalty income	38	-
Gain on disposal of fixed assets	530	340
Rocketbook earn-out adjustment	-	1,447
Other	2,551	2,720
<b>Other income</b>	<b>3,118</b>	<b>4,507</b>
Impairment	(1,397)	-
Cost reduction plans	490	(47)
Lucky Stationary earn-out adjustment	-	(2,746)
Djeep and Rocketbook earn-out adjustment	(701)	-
Other	(4,131)	(2,728)
<b>Other expenses</b>	<b>(5,739)</b>	<b>(5,521)</b>
<b>TOTAL</b>	<b>(2,621)</b>	<b>(1,014)</b>

Other income and expenses incurred in first half of 2023 mainly include:

- 1.4 million euros earn-out adjustment related to Rocketbook acquisition;
- 2.7 million euros earn-out adjustment related to Lucky Stationary acquisition.

Other income and expenses incurred in first half of 2022 mainly include:

- a 2.3 million euros impairment of receivables and a 0.7 million euros impairment of inventories have been booked to reflect the situation in Ukraine;
- 0.7 million euros price and earn-out adjustment related to Djeep and Rocketbook acquisitions.

## NOTE 5 FINANCIAL INCOME

Financial income breakdown is as follow:

<i>(in thousand euros)</i>	June 30, 2022	June 30, 2023
Interest income from cash and cash equivalents	671	6,993
Interest on bank deposits	3,214	4,320
<b>Income from cash and cash equivalents</b>	<b>3,884</b>	<b>11,314</b>
Cost of financial debt	(3,525)	(3,665)
Cost of financial debt – IFRS 16	(501)	(696)
Argentina hyperinflation accounting – IAS 29	(6,639)	(4,738)
Net financial foreign exchange difference	2,714	(4,532)
VPPA - fairvalue	-	(3,181)
<b>Net finance income/(net finance costs)</b>	<b>(7,952)</b>	<b>(16,811)</b>
<b>FINANCE (COSTS)/REVENUE</b>	<b>(4,068)</b>	<b>(5,497)</b>

Financial income decreases during first half of 2023 compared to first half 2022. It comes from several factors:

- the fair value change related to the VPPA signed in Greece for 3.2 million euros (see Note 18);
- the 2023 unfavorable impact of the fair value adjustments to financial assets denominated in U.S. Dollar against the Brazilian Real; partly compensated by:
  - first half of 2023 was less negatively impacted by Argentina hyperinflation accounting than in 2022,

- income from cash and cash equivalents increase compared to the previous period due to higher interest rates of return as a result of rates moving back into positive territory on all currencies, particularly the euro and the US dollar.

In fiscal year 2020, the Group has improved its access to short and medium-term liquidity through the implementation of a 3-year, 200 million euro Revolving Credit Facility (RCF) and a 200 million euro NeuCP program.



The RCF was renewed on June 27, 2023 for a new 3-year period. To date, the RCF has not yet been drawn down, and NeuCP's outstanding balance on June 30, 2023 amounts to 96 million euro. Despite the inflationary environment currently prevailing in the euro zone, generating tensions on the yield curve and credit market.

Short term negative rates environment which prevailed in 2022 has disappeared. Even if NeuCP demand is still high, the emission average rate of the first-half-year amounts to 2.95%.

The NeuCP interest are booked in Cost of financial debt.

## NOTE 6 INCOME TAX

### 6-1 Income tax expense

<i>(in thousand euros)</i>	June 30, 2022	June 30, 2023
Income before tax	193,589	169,189
Tax charge	54,205	47,542
<b>TAX RATE</b>	<b>28.00%</b>	<b>28.10%</b>

At the end of June 2023, the Group effective tax rate is determined on an annual basis. The tax charge is calculated by applying the estimated average rate for the 2023 full year to income before tax (excluding unusual material items), taking into

account any tax rate changes voted by June 30, 2023 and effective after this date. The income tax charge related to any non-recurring items in the period is accrued using the actual tax expense.

### 6-2 Deferred and current tax recognized in other comprehensive income

Deferred and current taxes recognized in other comprehensive income result from the following items:

#### JUNE 30, 2023

<i>(in thousand euros)</i>	Other comprehensive income	Deferred taxes
Actuarial differences on defined-benefit plans (1)	2,415	(675)
Other comprehensive income (2)	(9,699)	2,007
• <i>Hedge derivatives</i>	(11,033)	2,378
• <i>Foreign exchange impact</i>	1,325	(369)
• <i>Other</i>	10	(2)
<b>TOTAL (1)+(2)</b>	<b>(7,284)</b>	<b>1,332</b>

#### JUNE 30, 2022

<i>(in thousand euros)</i>	Other comprehensive income	Deferred taxes
Actuarial differences on defined-benefit plans (1)	15,614	(1,657)
Other comprehensive income (2)	69,285	3,387
• <i>Hedge derivatives</i>	(13,316)	3,245
• <i>Foreign exchange impact</i>	82,607	141
• <i>Other</i>	(5)	1
<b>TOTAL (1)+(2)</b>	<b>84,900</b>	<b>1,730</b>



## NOTE 7 EARNINGS PER SHARE GROUP SHARE

Earnings per share (Group share) and diluted earnings per share (Group share) correspond to the Group net income divided by the relevant number of shares.

The number of shares used to calculate the earnings per share (Group share) is the weighted average number of ordinary shares outstanding during the period less the weighted average number of shares held in treasury stock by SOCIÉTÉ BIC during the period and presented as a reduction to equity.

The number of shares used to calculate the diluted earnings per share (Group share) is the weighted average number of shares potentially in circulation during the period, which corresponds to the number of shares used for basic earnings per share Group share, adjusted for the dilutive effect of free shares and stock options.

As of June 30, 2023, there are no share with relative impact and the maximum dilutive effect from unvested free shares and stock-options are around 1.3% of the share capital.

	June 30, 2022	June 30, 2023
<b>Numerator (in thousand euros)</b>		
Net income Group share from continuing operations	139,384	121,647
<b>Denominator (in number of shares)</b>		
Weighted average number of ordinary shares in circulation	44,210,401	43,229,749
Dilutive effect of free shares	563,608	589,219
Diluted weighted average number of ordinary shares in circulation	44,774,009	43,818,967
<b>Earnings per share Group share from continuing operations (in euros)</b>		
Earnings per share Group share from continuing operations	3.15	2.81
Diluted earnings per share Group share from continuing operations	3.11	2.78

## NOTE 8 GOODWILL

Goodwill breakdown is as follow:

(in thousand euros)	Gross value	Impairment loss	Net value
<b>At January 1, 2022</b>	<b>356,356</b>	<b>(100,298)</b>	<b>256,058</b>
Inkbox Acquisition	26,861	-	26,861
Tattly Acquisition	2,280	-	2,280
AMI Acquisition	2,197	-	2,197
Exchange differences	6,433	3,781	10,214
<b>At January 1, 2023</b>	<b>394,127</b>	<b>(96,517)</b>	<b>297,610</b>
Exchange differences	(10,359)	991	(9,368)
<b>At June 30, 2023</b>	<b>383,768</b>	<b>(95,526)</b>	<b>288,242</b>



The balance, as of June 30, 2023, includes the following principal net goodwill:

<i>(in thousand euros)</i>	December 31, 2022	June 30, 2023
BIC CORPORATION <sup>(a)</sup> – Human Expression	54,911	54,103
BIC CORPORATION <sup>(a)</sup> – Flame for Life	43,794	43,094
BIC Viorex – Blade Excellence	71,873	69,616
Kenya – Human Expression	4,966	4,302
Nigeria – Human Expression	12,738	7,242
Djeep – Flame for Life	29,885	29,885
Rocketbook – Human Expression	27,797	27,286
Inkbox – Human Expression	29,306	28,766
Tattly – Human Expression	2,115	2,076
Advanced Magnetic Interaction – Human Expression	2,197	2,197
Other <sup>(a)</sup>	18,028	19,675
<b>TOTAL</b>	<b>297,610</b>	<b>288,242</b>

(a) These goodwill amounts are linked to cash-generating units represented by distribution subsidiaries.

To perform the impairment tests, the Group used the following discount and perpetual growth rates:

	Weighted average cost of capital (WACC) before tax		Perpetual growth rate	
	2022	2023	2022	2023
BIC CORPORATION				
Human Expression	9.7%	10.5%	1.5%	1.5%
Flame for Life	9.8%	10.0%	1.5%	1.5%
Cello Pens – Human Expression	14.3%	14.4%	4.0%	4.1%
BIC Viorex – Blade Excellence	13.9%	13.6%	1.9%	1.9%
Kenya – Human Expression	19.0%	33.8%	5.0%	5.6%
Nigeria – Human Expression	29.0%	28.1%	11.5%	8.1%
Djeep – Flame for Life	9.5%	10.6%	-	-
Rocketbook – Human Expression	9.2%	9.35%	1.5%	1.5%
Inkbox – Human Expression	17.7%	11.8%	6.7%	2%



Each goodwill item has been allocated to a cash-generating unit ("CGU") representing the lowest level at which goodwill is monitored by the Group.

The goodwill on BIC CORPORATION is thus mainly allocated to cash-generating units linked to the distribution by BIC CORPORATION of stationery products and lighters.

The goodwill on Cello Pens is allocated to the cash-generating units linked to the production and distribution of stationery products by Cello and was fully depreciated.

The remaining goodwill on BIC Violex is allocated to the cash-generating unit linked to shavers developed and/or produced by BIC Violex and sold all over the world. This cash-generating unit also includes the portion of BIC CORPORATION goodwill allocated to shavers.

The goodwill on the Kenya subsidiary is allocated to the cash-generating unit linked to the production and distribution of stationery products by BIC East Africa.

The goodwill on the Nigeria subsidiary is allocated to the cash-generating unit linked to the production and distribution of stationery products by Lucky Stationary Limited.

The goodwill on DjEEP is allocated to the cash-generating unit linked to the production and distribution of lighters by DjEEP.

The goodwill on Rocketbook is allocated to the cash-generating unit linked to the distribution of the Core and Fusion notebooks, reusable notebooks used with erasable pens by Rocketbook.

The goodwill generated on Inkbox is allocated to the cash-generating unit linked to the distribution of semi-permanent tattoos by Inkbox.

As every year, as of June 30, 2023, the Group performed annual impairment tests on these goodwill amounts.

The goodwill impairment test methodology is based on a comparison between the recoverable amount of each of the Group's cash-generating units and the corresponding assets' net book value (including goodwill).

Such recoverable amounts correspond to the value in use and are determined using discounted future cash flow projections over a maximum of five years and a terminal value using the perpetual annuity method, including notably the following:

- the discount rate before taxes used is the weighted average cost of capital. Particular attention has been paid to the analysis of the main market items used for the calculation of the discount rates;
- the perpetual growth rates were determined based on external (inflation rate) and internal (business growth) sources. Perpetual growth rates above 2% take into account market specifics, notably in Nigeria, Kenya and in India.

Considering the impairment on part of the assets on the CGU Cello, any negative variance of drivers (discount rate, performance and perpetual growth rates) would lead to an additional impairment of other assets.

The sensitivity of the other impairment tests to changes in the key assumptions indicates that no reasonably likely change would lead to impairment, taking into account the observed headroom on the other tests conducted.

## NOTE 9 OTHER NON-CURRENT ASSETS

(in thousand euros)

	December 31, 2022	June 30, 2023
Guarantee deposits	5,319	5,329
Deferred pensions	4,056	3,712
Deferred compensation in the U.S. (other than pensions)	5,598	5,495
Other non-current financial assets	5,681	5,596
Other non-current assets	9,082	9,365
<b>TOTAL</b>	<b>29,736</b>	<b>29,497</b>



## NOTE 10 CHANGE IN NET WORKING CAPITAL

Change in net working capital breakdown is as follow:

(in thousand euros)	December 31, 2022	Cash flows impact Operating	Cash flows impact Investing <sup>(a)</sup>	Capital subsidies adjustments	Earn-out clauses Rocketbook and Nigeria	Argentina Hyper-inflation	Other variances	Foreign exchange and other	June 30, 2023
Net inventory	588,257	14,439	-	-	-	228	-	(2,275)	600,649
• Inventory – Gross value	605,973	16,540	-	-	-	228	-	(2,349)	620,392
• Inventory – Impairment	(17,715)	(2,101)	-	-	-	-	-	74	(19,743)
Trade and other receivables	414,682	162,831	-	-	-	-	(591)	(7,309)	569,613
Trade and other payables	(181,108)	(5,284)	(1,040)	-	-	-	(5)	(1,326)	(188,762)
Other receivables and payables <sup>(b)</sup>	(264,840)	(17,159)	-	(260)	1,844	-	3,027	2,829	(274,560)
<b>NET WORKING CAPITAL</b>	<b>556,992</b>	<b>154,826</b>	<b>(1,040)</b>	<b>(260)</b>	<b>1,844</b>	<b>228</b>	<b>2,431</b>	<b>(8,081)</b>	<b>706,940</b>

(a) Cash flows impact Investing includes capital additions cashed out in 2023 relating to 2022 and excludes 2023 capital additions not yet cashed out.

(b) Other receivables and payables are composed of:

	Note	December 31, 2022	June 30, 2023
Other current assets	Asset	23,021	31,199
+ Other non-current assets	Asset	29,736	29,497
- Guarantee deposits	9	(5,319)	(5,329)
- Other non-current financial assets	9	(5,681)	(5,596)
- Deferred pensions	9	(4,056)	(3,712)
- Other current liabilities	Liabilities	(293,201)	(315,802)
- Other non-current liabilities	Liabilities	(9,340)	(4,817)
<b>TOTAL</b>		<b>(264,840)</b>	<b>(274,560)</b>

The working capital is used to finance the Group's operating cycle. Details of the elements used in the calculation are presented above.

## NOTE 11 SHARE CAPITAL

### 11-1 Share capital

(in thousand euros)	December 31, 2022	June 30, 2023
Authorized, issued and fully paid-up share capital	167,898	167,898
Repurchase of shares of the Company	(1,591)	(4,891)
<b>SHARE CAPITAL</b>	<b>166,307</b>	<b>163,007</b>

As of June 30, 2023, the share capital of SOCIÉTÉ BIC was 167,897,503.32 euros divided into 43,952,226 shares of 3.82 euros each. Bearer shares held for more than two years carry double voting rights.

In addition, SOCIÉTÉ BIC holds 1,280,404 treasury shares, acquired at an average price of 57.40 euros in accordance with Article L. 225-209 of the French Commercial Code, which represent 2.91% of the share capital.



## 11-2 SOCIÉTÉ BIC shares held in treasury stock and share repurchase program as of June 30, 2023

Purpose of the repurchase	Number of shares	Average acquisition price (in euros)	% of the share capital
Liquidity agreement <sup>(a)</sup>	40,087	53.41	0.09%
Free share grants <sup>(a)</sup>	1,240,317	57.52	2.82%
<b>TOTAL</b>	<b>1,280,404</b>	<b>57.40</b>	<b>2.91%</b>

(a) Article L. 225-209 of the French Commercial Code.

In accordance with the liquidity agreement, transferred by Natixis to ODDO on June 27, 2018, in respect of SOCIÉTÉ BIC shares, as of June 30, 2023, the liquidity account contained the following:

- 40,087 BIC shares;
- 801,027 euros.

At initial contract set-up, the liquidity account contained the following:

- 2,312 BIC shares;
- 912,744.48 euros.

SOCIÉTÉ BIC obtained authorization from the Annual Shareholders' Meeting on May 16, 2023, to renew its share repurchase program (see 2022 Universal Registration Document, chapter 8, p.341).

### Number of shares purchased in 2023 <sup>(a)</sup>

• Share repurchase program authorized by the Annual Shareholders' Meeting held on May 18, 2022	606,864
• Share repurchase program authorized by the Annual Shareholders' Meeting held on May 16, 2023	434,585
Average share repurchase price for the purchases during the first half of 2023 (in euros)	57.97

(a) Excluding shares repurchased under the liquidity contract.

To the best of the Company's knowledge, as of June 30, 2023, Shareholders holding respectively more than 5%, 10%, 15%, 20%, 25%, 33.33%, 50%, 66.66%, 90% or 95% of the share capital and/or of the voting rights of the Company were as follows:

	At June 30, 2023	
	% of shares (approx.)	% of voting rights (approx.)
SOCIÉTÉ M.B.D.	29.32%	39.75%
Bich family	16.00%	21.50%



## NOTE 12 BORROWINGS AND FINANCIAL LIABILITIES

<i>(in thousand euros)</i>	Bank overdrafts	Short-term borrowings	Current borrowings and financial liabilities	Non-current borrowings and financial liabilities	Current lease liability	Non-current lease liability	Total
<b>At January 1, 2023</b>	<b>1,099</b>	<b>50,000</b>	<b>11,843</b>	-	<b>13,601</b>	<b>42,839</b>	<b>119,382</b>
Cash Flows	966	46,000	34,336	-	(7,308)	(186)	73,806
“Non-cash” changes	(1)	-	(1,579)	-	11,262	(670)	9,012
• Variations of lease debt	-	-	-	-	11,785	178	11,963
• Exchange difference	(1)	-	(1,579)	-	(522)	(848)	(2,951)
<b>At June 30, 2023</b>	<b>2,063</b>	<b>96,000</b>	<b>44,600</b>	-	<b>17,555</b>	<b>41,982</b>	<b>202,201</b>

At June 30, 2023 bank overdrafts, bank loans and financial liabilities are due within one year.

At December 31, 2022 bank overdrafts, bank loans and financial liabilities were due within one year.

Main bank loans/credit lines and financial liabilities are as follows:

Borrowing country <i>(in thousand euros)</i>	Currency	Euro equivalents	
		December 31, 2022	June 30, 2023
• France	EUR	50,140	126,139
• Turkey	TRY	3,443	2,882
• Nigeria	NGN	845	-
• India	INR	7,415	11,579
<b>TOTAL</b>		<b>61,843</b>	<b>140,600</b>

#### Information on interest rates

As of June 30, 2023, outstanding loans and credit lines, apart from NeuCP bonds, were contracted with floating rates ranging between 3.80% and 25.47%.

The borrowings indicated for France consist exclusively of NeuCP bonds, issued on average at 3.83%.

Relative exposure, deemed not significant, has not been hedged.

#### Information on covenants

None of the current loans contains any covenant that could trigger early repayment of the debt.

#### IFRS 16 Liability

BIC uses an incremental borrowing rate for discounting debt. The rate used for each lessee is the rate he would have to pay to borrow, over a similar period and with similar security, the funds necessary to obtain an asset of similar value to the leased asset in a similar economic environment.

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## NOTE 13 PROVISIONS (NON-CURRENT LIABILITIES)

Provisions breakdown is as follow:

<i>(in thousand euros)</i>	Tax and social risks and litigation	Litigation	Product liability	Other risks and charges	Total
<b>At January 1, 2022</b>	<b>3,105</b>	<b>12,658</b>	<b>337</b>	<b>4,228</b>	<b>20,328</b>
Additional provisions	1,744	4,515	-	1,325	7,585
Reversals of provisions utilized	(1,055)	(3,974)	-	(895)	(5,924)
Reversals of provisions not utilized	(209)	(2,896)	-	(157)	(3,261)
Exchange differences	186	573	20	(527)	251
<b>At January 1, 2023</b>	<b>3,734</b>	<b>10,913</b>	<b>356</b>	<b>4,119</b>	<b>19,124</b>
Additional provisions	166	2,002	-	1,153	3,321
Reversals of provisions utilized	(413)	(1,838)	-	(630)	(2,881)
Reversals of provisions not utilized	(1)	(147)	-	(1)	(149)
Exchange differences	137	(538)	(7)	(467)	(877)
Reclassification	651	(651)	-	-	-
<b>At June 30, 2023</b>	<b>4,274</b>	<b>9,741</b>	<b>349</b>	<b>4,174</b>	<b>18,538</b>

### Tax (excluding income tax) and social risks and litigation

Provisions for tax (excluding income tax) and social risks and litigation relate mainly to:

- tax risks;
- U.S. workers' compensation.

Uncertain tax positions relating to IAS 12 income taxes are recognized as deferred tax liabilities if it is considered probable that the tax authorities will reject the position.

### Litigation

As of June 30, 2023, the litigation provision mainly represents litigations in the US for 5.4 million euros.

### Other risks and charges

As of June 30, 2023, other provisions for risks and charges are mainly related to distributor and commercial agent risks.

## NOTE 14 OTHER CURRENT LIABILITIES

Other current liabilities breakdown is as follows:

<i>(in thousand euros)</i>	December 31, 2022	June 30, 2023
Social liabilities	100,829	88,683
Other tax liabilities	5,942	20,639
Accrued business development fund	105,465	118,675
Accrued costs – restructuring	5,780	4,625
Other current liabilities	75,185	83,179
<b>OTHER CURRENT LIABILITIES</b>	<b>293,201</b>	<b>315,802</b>



## NOTE 15 COMMENTS ON THE CONSOLIDATED CASH FLOW STATEMENT

References from (a) to (h) refer to the consolidated cash flow statement.

As of June 30, 2023 cash and cash equivalents amounted to 327.2 million euros and bank overdrafts to 2.1 million euros.

### Net cash from operating activities

First half 2023 net cash from operating activities amounted to 45.3 million euros, compared to 62.8 million euros as at June 30, 2022.

The Group recorded foreign exchange (gains)/losses with no cash impact in financial income and restated these in the consolidated cash flow statement <sup>(a)</sup>.

The net working capital variation on opening (see Note 10 for the definition) has an impact on cash of -154.8 million euros compared to an impact during the first half 2022 of -175.3 million euros. The 2023 change in working capital is mainly impacted by an increase of receivables <sup>(b)</sup>.

The first half 2022 variance is mainly explained by an increase in account receivables (strong Back-to-School sell-in) and inventories (negative impact of input cost inflation, and inventory build-up ahead of second semester shipments) <sup>(b)</sup>.

The payments related to employee benefits were mainly driven by the U.S. and France <sup>(c)</sup>.

### Net cash from investing activities

Net cash from investing activities amounted to -52.7 million euros during the first half 2023 compared to -106.6 million euros during the first half 2022.

During the first half 2023, BIC disbursed 42.8 million euros on property, plant and equipment and intangible assets acquisitions compared to 40.4 million euros in the first half 2022 <sup>(d)</sup>.

“Other current financial assets” refer to investments not eligible for classification as cash & cash equivalents under IAS 7. These investments consisted of units of UCITS and negotiable debt securities, all of which are liquid within two days <sup>(e)</sup>.

### Net cash from financing activities

Net cash from financing activities amounted to -90.6 million euros during the first half 2023 compared to -110.0 million euros during the first half 2022.

The dividends paid represent the dividends paid by SOCIÉTÉ BIC to its Shareholders (see Note 16) <sup>(f)</sup>.

As of June 30, 2023, debt issuance net from reimbursements amounted to 80.3 million euros, compared to 21.3 million euros of net issuance in the first half 2022 <sup>(g)</sup>.

During the first half 2023, 1,041,449 shares were repurchased by SOCIÉTÉ BIC for 60.4 million euros. Under the liquidity agreement, SOCIÉTÉ BIC bought 319,745 shares for 19.2 million euros, and sold 302,996 shares for 18.4 million euros <sup>(h)</sup>.

During the first half 2022, 573,501 shares were repurchased by SOCIÉTÉ BIC for 28.8 million euros. Under the liquidity agreement, SOCIÉTÉ BIC bought 230,388 shares for 11.5 million euros, and sold 237,775 shares for 11.9 million euros <sup>(h)</sup>.





## NOTE 16 DIVIDENDS

For the 2022 fiscal year, an ordinary dividend of 2.56 euros per share was distributed to Shareholders on May 31, 2023.  
For the 2021 fiscal year, an ordinary dividend of 2.15 euros per share was distributed to Shareholders on June 1, 2022.

## NOTE 17 SHARE-BASED PAYMENTS

As of June 30, 2023, the fair value of options and shares granted amounts to 8,060 thousand euros and is booked in staff costs.

The Board of Directors of February 14, 2023 decided to grant 194,037 free shares to 184 beneficiaries subject to performance conditions and 102,959 free shares to 742 beneficiaries without performance conditions. The plans' unit fair value is 59.72 euros.

## NOTE 18 FINANCIAL INSTRUMENTS

### 18-1 Impact of foreign exchange risk hedging on the consolidated financial statements as of June 30, 2023

The following amounts have been booked as the fair value of derivatives as of June 30, 2023 (in thousand euros):

Derivative instruments and revaluation	Hedge qualification/hedged risk	Net financial Income/ (expense) before tax – Note 5	Income from operations – Note 3	Other comprehensive income before tax <sup>(a)</sup>	Current assets <sup>(b)</sup>	Non-current assets	Current Liabilities	Non-current Liabilities
<b>Hedging revaluation impact</b>								
Commercial flows	Cash flow hedge/ foreign exchange risk	473	3,004	1,395	13,682	1	(2,959)	(245)
Energy derivative instrument	Cash flow hedge	(3,181)	-	(12,724)	-	-	-	(29,086)
Dividends	Net investment/ foreign exchange risk	-	-	261	-	-	(971)	-
<b>Subtotal (1)</b>		<b>(2,708)</b>	<b>3,004</b>	<b>(11,068)</b>	<b>13,682</b>	<b>1</b>	<b>(3,930)</b>	<b>(29,331)</b>
Revaluation of cross-currency swaps backed by cash positions in foreign currencies	At fair value through P&L/ foreign exchange risk	(328)	-	-	96	-	(74)	-
<b>Subtotal (2)</b>		<b>(328)</b>	<b>-</b>	<b>-</b>	<b>96</b>	<b>-</b>	<b>(74)</b>	<b>-</b>
<b>TOTAL 1+2</b>		<b>(3,036)</b>	<b>3,004</b>	<b>(11,068)</b>	<b>13,778</b>	<b>1</b>	<b>(4,004)</b>	<b>(29,331)</b>

(a) This corresponds to the market value of hedging instruments in the portfolio at June 30, 2023 restated for the reversal of the market value of the portfolio of hedging instruments as of December 31, 2022.

(b) Including options not yet exercised held by BIC representing current assets for 889 thousand euros.



## 18-2 Impact of foreign exchange risk hedging on the consolidated financial statements as of December 31, 2022

The following amounts have been booked as the fair value of derivatives as of December 31, 2022 (in thousand euros):

Derivative instruments and revaluation	Hedge income qualification/hedged risk	Net financial Income/(expense) before tax – Note 5	Income from operations – Note 3	Other comprehensive income before tax <sup>(a)</sup>	Current assets <sup>(b)</sup>	Non-current assets	Current Liabilities	Non-current Liabilities
<b>Hedging revaluation impact</b>								
Commercial flows	Cash flow hedge/foreign exchange risk	148	2,430	10,083	10,496	3,464	(7,668)	(237)
Dividends	Net investment/foreign exchange risk	-	-	1,644	-	-	(1,435)	-
<b>Subtotal (1)</b>		<b>148</b>	<b>2,430</b>	<b>11,727</b>	<b>10,496</b>	<b>3,464</b>	<b>(9,102)</b>	<b>(237)</b>
Revaluation of cross-currency swaps backed by cash positions in foreign currencies	At fair value through P&L/foreign exchange risk	(151)	-	-	306	-	(381)	-
Energy derivative instrument	At fair value through P&L	(13,181)	-	-	-	-	-	(13,181)
<b>Subtotal (2)</b>		<b>(13,333)</b>	<b>-</b>	<b>-</b>	<b>306</b>	<b>-</b>	<b>(381)</b>	<b>(13,181)</b>
<b>TOTAL 1+2</b>		<b>(13,184)</b>	<b>2,430</b>	<b>11,727</b>	<b>10,802</b>	<b>3,464</b>	<b>(9,483)</b>	<b>(13,418)</b>

(a) This corresponds to the market value of hedging instruments in the portfolio at December 31, 2022 restated for the reversal of the market value of the portfolio of hedging instruments as of December 31, 2021.

(b) Including options not yet exercised held by BIC representing current assets for 415 thousand euros.

In November 2022, our Greek subsidiary BIC Violex signed a Virtual Power Purchasing Agreement (VPPA) as part of our sustainability strategy to meet our climate targets.

Under the terms of this contract, BIC Violex is committed to purchasing 55 GWh at a fixed price for a 15-year period from 2024 to 2039.

Under IFRS 9, a VPPA is structured as a financial product linked to the price of electricity (swap, option, structured product); the contract, or part of it, meets the definition of a financial derivative within the meaning of IFRS 9 (settled on a net basis and not giving rise to a physical delivery of electricity).

This contract, which reduces the Group's exposure to fluctuations in energy prices, has been classified as a cash flow hedge. This qualification is based in particular on the following observations:

- Strong correlation expected between the cost of supplying energy to the Group's Greek assets and the contract's future cash flows;

- High visibility of future electricity consumption by the Greek assets, corroborating the highly probable nature of the cash flows hedged.

The application of IFRS 9 leads to the recognition of:

- an asset of 42 million euros at November 4, 2022 in respect of the fair value of the contract at inception. This amount is offset by a provision for the Day One Gain of 42 million euros, which will be reversed through the income statement on a straight-line basis from the asset's production start-up date;
- a change in fair value of -13 million euros at December 31, 2022;
- an additional -16 million euros change in fair value at June 30, 2023, the effective portion of which is recorded in the statement of comprehensive income (-13 million euros) and the ineffective portion in net financial expense (-3 million euros).

Correction of error: in accordance with IAS 8, the 2022 comparatives have been corrected to take account of this contract.



## NOTE 19 RELATED PARTIES

Pursuant to IAS 24, BIC Group considers the following to be related parties:

- all consolidated subsidiaries (see Note 28 in 2022 Universal Registration Document);
- all members of the Board of Directors (see 2022 Universal Registration Document, section 4.1.3.3. "Offices and responsibilities of the Corporate Officers and Directors" as of December 31, 2022) as well as their close relatives;
- all companies in which a member of the Board of Directors or of the Executive Committee has a significant voting right.

### 19-1 Consolidated subsidiaries

Transactions between the parent company and its subsidiaries as well as transactions between subsidiaries are eliminated through the consolidation process.

### 19-2 Members of the Board of Directors and of the Executive Committee

Transactions concluded during the first half with members of the Board of Directors and of the Executive Committee are as follows:

<i>(in thousand euros)</i>	At June 30, 2022	At June 30, 2023
Short-term employee benefits	5,573	6,350
Post-employment benefits	47	58
Other long-term benefits	81	79
Share-based payments	2,321	2,376
<b>TOTAL TRANSACTIONS</b>	<b>8,022</b>	<b>8,862</b>

### 19-3 Companies in which a member of the Board of Directors or of the Executive Committee has a significant voting right

As of June 30, 2023, no such related parties were identified.

## NOTE 20 CONTINGENT LIABILITIES

As of June 30, 2023, neither SOCIÉTÉ BIC nor its subsidiaries were aware of any contingent liabilities.

Contingent liabilities are defined by IAS 37 as follows:

- possible obligations whose existence will be confirmed by uncertain future events that are not wholly within the control of the entity;
- obligations that are not recognized because:
  - settlement, involving an outflow representing economic benefits, is not probable, or
  - their amount cannot be measured reliably.



**NOTE 21 EXPOSURE TO MARKET RISKS****21-1 Credit risk***(in thousand euros)*

	Note	December 31, 2022	June 30, 2023
<b>Gross trade receivables</b>			
Not yet due or past due for less than 60 days		319,074	493,091
Past due for 60 to 90 days		12,464	11,799
Past due for 90 to 120 days		7,635	4,250
Past due for more than 120 days		35,114	29,476
<b>Total gross trade receivables</b>		<b>374,287</b>	<b>538,616</b>
Doubtful receivables		17,119	16,790
<b>TOTAL BEFORE ALLOWANCE</b>		<b>391,406</b>	<b>555,406</b>
Allowance on trade receivables not yet due or past due for less than 60 days		(4,779)	(6,014)
Allowance on trade receivables past due for 60 to 90 days		(1,394)	(649)
Allowance on trade receivables past due for 90 to 120 days		(1,340)	(254)
Allowance on trade receivables past due for more than 120 days		(28,093)	(28,792)
<b>Total allowance (B)</b>		<b>(35,605)</b>	<b>(35,710)</b>
• Allowance on specific trade receivables		(28,832)	(24,204)
• Allowance on statistically calculated trade receivables		(6,773)	(11,506)
<b>Other receivables (C)</b>		<b>58,882</b>	<b>49,917</b>
<b>TRADE AND OTHER RECEIVABLES - NET (A)+(B)+(C)</b>	<b>10</b>	<b>414,682</b>	<b>569,613</b>

## 21-2 Fair value of financial assets and liabilities

### Accounting categories and fair value of financial instruments

JUNE 30, 2023

Balance sheet items <i>(in thousand euros)</i>	Note	Balance sheet value Fair value		Breakdown by category of instruments				
				At fair value through the income statement	Derivative hedging instruments	Receivables at amortized cost	Debts at amortized cost	At fair value through equity
<b>Financial assets</b>		<b>929,126</b>	<b>929,126</b>	<b>364,300</b>	<b>13,779</b>	<b>551,048</b>	-	-
<b>Non-current</b>								
• Derivative financial instruments	18	1	1	-	1	-	-	-
• Loans accorded to external partners	9	5,522	5,522			5,522		
• Other investments		60	60	60	-	-	-	-
<b>Current</b>								
• Trade and other receivables	10	569,613	569,613	24,087	-	545,526	-	-
• Derivative financial instruments	18	13,778	13,778	-	13,778	-	-	-
• Other current financial assets		12,965	12,965	12,965	-	-	-	-
• Cash and cash equivalents	15	327,189	327,189	327,189	-	-	-	-
<b>Financial liabilities</b>		<b>428,258</b>	<b>428,258</b>	<b>3,961</b>	<b>33,334</b>	-	<b>390,963</b>	-
<b>Non-current</b>								
• Borrowings	12	41,983	41,983	-	-	-	41,983	-
• Derivative instruments	18	29,331	29,331	-	29,331	-	-	-
• Djeep earn-out clause		3,961	3,961	3,961	-	-	-	-
<b>Current</b>								
• Borrowings	12	160,218	160,218	-	-	-	160,218	-
• Derivative instruments	18	4,004	4,004	-	4,004	-	-	-
• Trade and other payables	10	188,762	188,762	-	-	-	188,762	-

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## DECEMBER 31, 2022\*

Balance sheet items (in thousand euros)	Note	Balance sheet value	Fair value	Breakdown by category of instruments				
				At fair value through the income statement	Derivative hedging instruments	Receivables at amortized cost	Debts at amortized cost	At fair value through equity
<b>Financial assets</b>		<b>857,482</b>	<b>857,482</b>	<b>438,823</b>	<b>14,266</b>	<b>404,393</b>	-	-
<b>Non-current</b>								
• Derivatives financial instruments	18	3,464	3,464	-	3,464	-	-	-
• Loans accorded to external partners	9	5,625	5,625	-	-	5,625	-	-
• Other investments		50	50	50	-	-	-	-
<b>Current</b>								
• Trade and other receivables	10	414,682	414,682	15,915	-	398,767	-	-
• Derivative financial instruments	18	10,802	10,802	-	10,802	-	-	-
• Other current financial assets		6,540	6,540	6,540	-	-	-	-
• Cash and cash equivalents	15	416,317	416,317	416,317	-	-	-	-
<b>Financial liabilities</b>		<b>332,125</b>	<b>332,125</b>	<b>8,734</b>	<b>22,901</b>	-	<b>300,489</b>	-
<b>Non-current</b>								
• Borrowings	12	42,839	42,839	-	-	-	42,839	-
• Derivative instruments	18	13,418	13,418	-	13,418	-	-	-
• Djeep earn-out clause		3,961	3,961	3,961	-	-	-	-
<b>Current</b>								
• Borrowings	12	76,543	76,543	-	-	-	76,543	-
• Derivative instruments	18	9,483	9,483	-	9,483	-	-	-
• Rocketbook earn-out clause		4,773	4,773	4,773	-	-	-	-
• Trade and other payables	10	181,108	181,108	-	-	-	181,108	-

\* Corrected to include the accounting of the Virtual Power Purchase Agreement (see Note 18)

The valuation methods adopted for financial instruments are as follows:

- Financial instruments other than derivatives recorded in the balance sheet:

The book values used are reasonable estimates of their market value except for marketable securities whose carrying values are determined based on the last known net asset values as of June 30, 2023;

- Derivative financial instruments:

Market values are either those indicated by financial institutions or have been calculated by an external third-party on the basis of the last known closing prices as of June 30, 2023. They are consistent with the valuation reports provided by the financial institutions.

**Fair value valuation method**

The tables below set out the fair value method for valuing financial instruments, using the following three levels:

- level 1 (quoted prices in active markets): money market UCITS and other current financial assets;
- level 2 (observable inputs): derivatives – hedge accounting;
- level 3 (non-observable inputs): only Virtual Power Purchase agreement (see below).

Category of instruments (in thousand euros)	June 30, 2023			
	Total	Level 1	Level 2	Level 3
At fair value through the income statement – Assets	364,300	364,300	-	-
Derivative hedges – Assets	13,779	-	13,779	-
Derivative hedges – Liabilities	33,334	-	4,248	29,086

In order to reduce its exposure to the risk of fluctuating market energy purchase prices, the Group hedges its future consumption needs in advance, and has entered into (and will continue to enter into) Virtual Power Purchase Agreements (VPPAs), which enable it to cover part of its energy needs on the basis of prices negotiated with suppliers for a given period.

As indicated in note 18, a VPPA has been signed in Greece. The renewable energy production facilities underlying the agreements are managed by their respective operators. BIC has no right of determination or control over the use of the facilities. The benefits deriving from the VPPA agreements are made up of 2 components: a cash flow that depends, among other things, on

the evolution of the spot price of electricity, and the certificates that BIC receives as proof of the origin of the electricity produced from renewable energies.

The difference between the contractually fixed price per MWh of electricity produced and the spot price of electricity at the time the electricity is produced is due between BIC and the operator on a monthly basis.

The contract is valued on the basis of an internal model based on unobservable market parameters. Given the uncertainties involved in valuing this contract, a level 3 classification has been adopted.







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# STATUTORY AUDITORS' REVIEW REPORT ON THE HALF-YEAR FINANCIAL INFORMATION

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*This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.*

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting and in accordance with the requirements of article L. 451-1-2 III of the French monetary and financial code ("code monétaire et financier"), we hereby report to you on:

- the review of the accompanying half-yearly consolidated financial statements of SOCIÉTÉ BIC, for the period from January 1 to June 30, 2023,
- the verification of the information presented in the half-yearly management report.

These half-yearly consolidated financial statements are the responsibility of the of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

## I - Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying half-yearly consolidated financial statements do not give a true and fair view of the assets and liabilities and of the financial position of the group as at June 30, 2023 and of the results of its operations for the period then ended in accordance with IFRSs as adopted by the European Union.

## II - Specific verification

We have also verified the information presented in the half-yearly management report on the half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the half-yearly consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, July, 26 2023

The Statutory Auditors

*French original signed by*

Grant Thornton

*Membre français de Grant Thornton International*

Virginie Palethorpe

ERNST & YOUNG Audit

Jeremy Thurbin



# STATEMENT ON THE HALF-YEAR REPORT 2023

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I hereby declare that, to the best of my knowledge, the condensed consolidated financial statements for the half-year ended June 30, 2023 have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and the profit of the Company and the entities included in the scope of consolidation of the Group and that the First Half Management Report includes a faithful representation of the major events which occurred during the first six months of the financial year, their impact on the financial statements, of the main related-party transactions, as well as a description of the major risks and uncertainties for the remaining six months of the year.

On July 28<sup>th</sup>, 2023  
Gonzalve Bich  
Chief Executive Officer









**SOCIÉTÉ BIC**  
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