

BIC

Investor Update 2023

September 11, 2023



The BIC Growth Proposition



A world leader

One of the **most recognized brands**, creating high **quality, safe, affordable, essentials.**

Trusted in
>160 countries

A consumer-centric brand, meeting rapidly changing needs

- **29 million** BIC products **bought daily**, driven by value and strong brand
- BIC is successfully **expanding** into new segments to meet **new needs**
- Strong track record for **growing above market rates** in all global territories
- **Blue chip** commercial and operational **capabilities** being deployed
- **Ambitious sustainable development** goals

Agenda

Investor Update 2023

Introduction: Horizon Interim Review

1. Deliver Sustainable Growth
2. Execute Operating Efficiencies
3. Capture Cash Every Day

Closing Remarks

Horizon Strategic Plan: Ensure Profitable Growth

Expand total addressable **markets** in fast-growing segments, and apply enhanced commercial execution

Leverage innovation capabilities and global manufacturing **excellence**

Capitalizing on **BIC's** unique **identity**, consumer-centric **brands** and market **reach**

PIVOT FOR GROWTH

— *bring* —
SIMPLICITY & JOY
— TO *everyday* LIFE. —

The *Horizon* plan has 5 key objectives:

- **Reframe** our 3 categories to **accelerate top-line growth**
- Take our **sustainable development** journey to the next level
- Remain on a mid-single digit **growth trajectory**
- Maintain **strong cash-flow** conversion
- Sustain **solid return to shareholders**

Horizon Strategic Plan Interim Review

Horizon objectives (November 2020):

01 Accelerate growth: reframe categories to accelerate towards **mid-single digit annual Net Sales growth** trajectory

02 Improve efficiency and robust **Free Cash Flow generation:** >€200 million

03 Take Sustainable Development to the next level and transform approach to recycling and plastics

04 Funding profitable growth

05 Sustainable shareholder returns

On track to **deliver or exceed objectives**



Net Sales added: **~€600 million¹**



Expected for the **5th successive year** in 2023



70% out of packaging (2025)²



Capex: ~€370 million³
M&A completed: ~€170 million³



Shareholder Return: **€550 million⁴**

See Disclaimer

¹ Year-end 2020 to year-end 2022

² As of December 31, 2022

³ Cumulated 2020 - 2023 estimates;

⁴ Shareholder Return = dividends + total share buybacks; full year 2020 to first half 2023

Objectives for Horizon: 2025

Balancing key initiatives to maximize returns

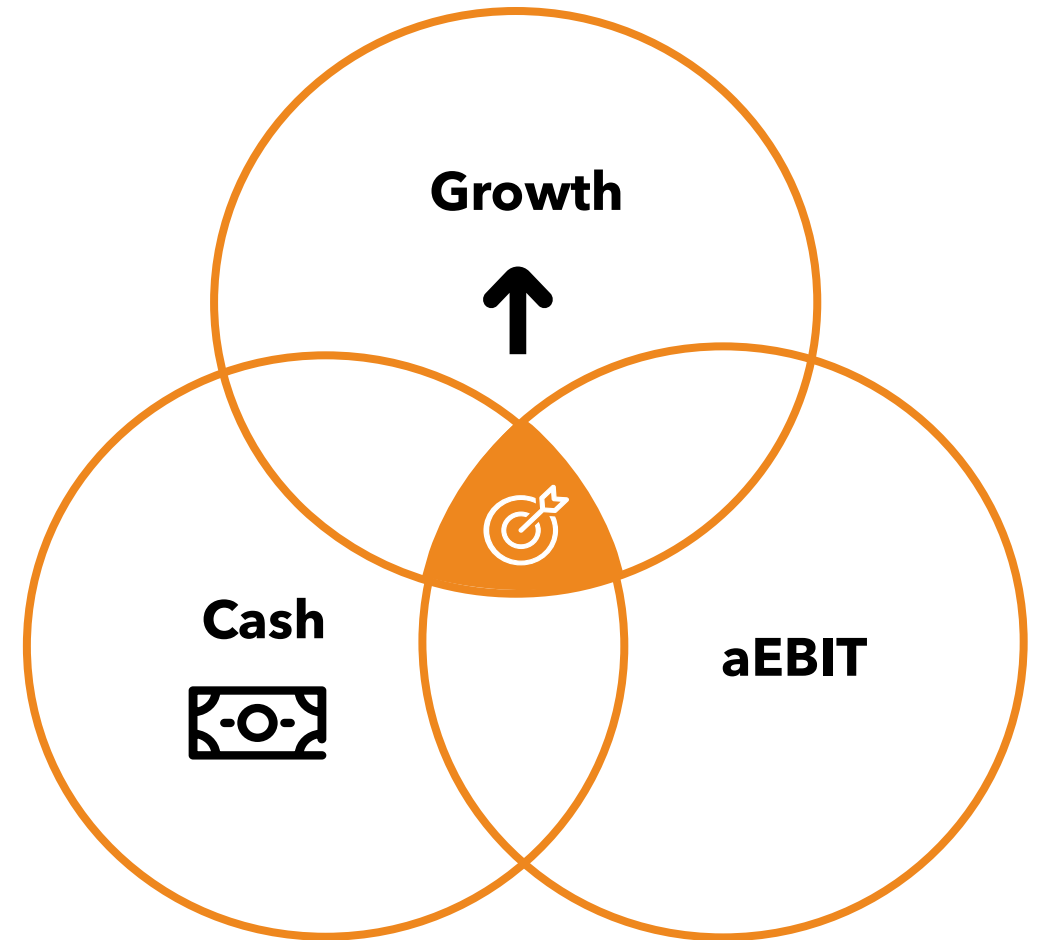
Annual net sales **growth**:

5 - 7%*

Adjusted EBIT **margin improvement**:

~150 bps from 2022 level of 14.0%

Free Cash Flow objectives: generation of an **additional €20 million annually** from 2024, above its current >€200 million objective



Horizon Priorities to 2025

Invested in new **Horizon Capabilities** to drive **growth and margin**

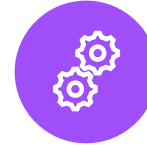


Growth enablers



Deliver Sustainable Growth

1. Unleash power of our **Core Products** via **Commercial Growth Drivers**
2. **Innovate** New Products and Business Models to reach new segments
3. Extend through **targeted M&A**



Execute Operating Efficiencies

1. **Procurement** to lower costs
2. **Value Engineering** for lower COGS
3. **Manufacturing and Supply Chain** Efficiencies



Capture Cash Every Day

1. Reducing **Cash Conversion Cycle** through Working Capital Management and Capex discipline
2. **Accounts Receivable** Improving collections
3. Focusing on **Inventory Management**

1. Deliver Sustainable Growth

Chester Twigg, Chief Commercial Officer

Sara LaPorta, Chief Strategy and Business Development Officer

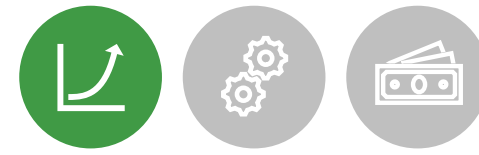


Deliver Sustainable Growth

Commercial Growth Drivers

Innovation

M&A



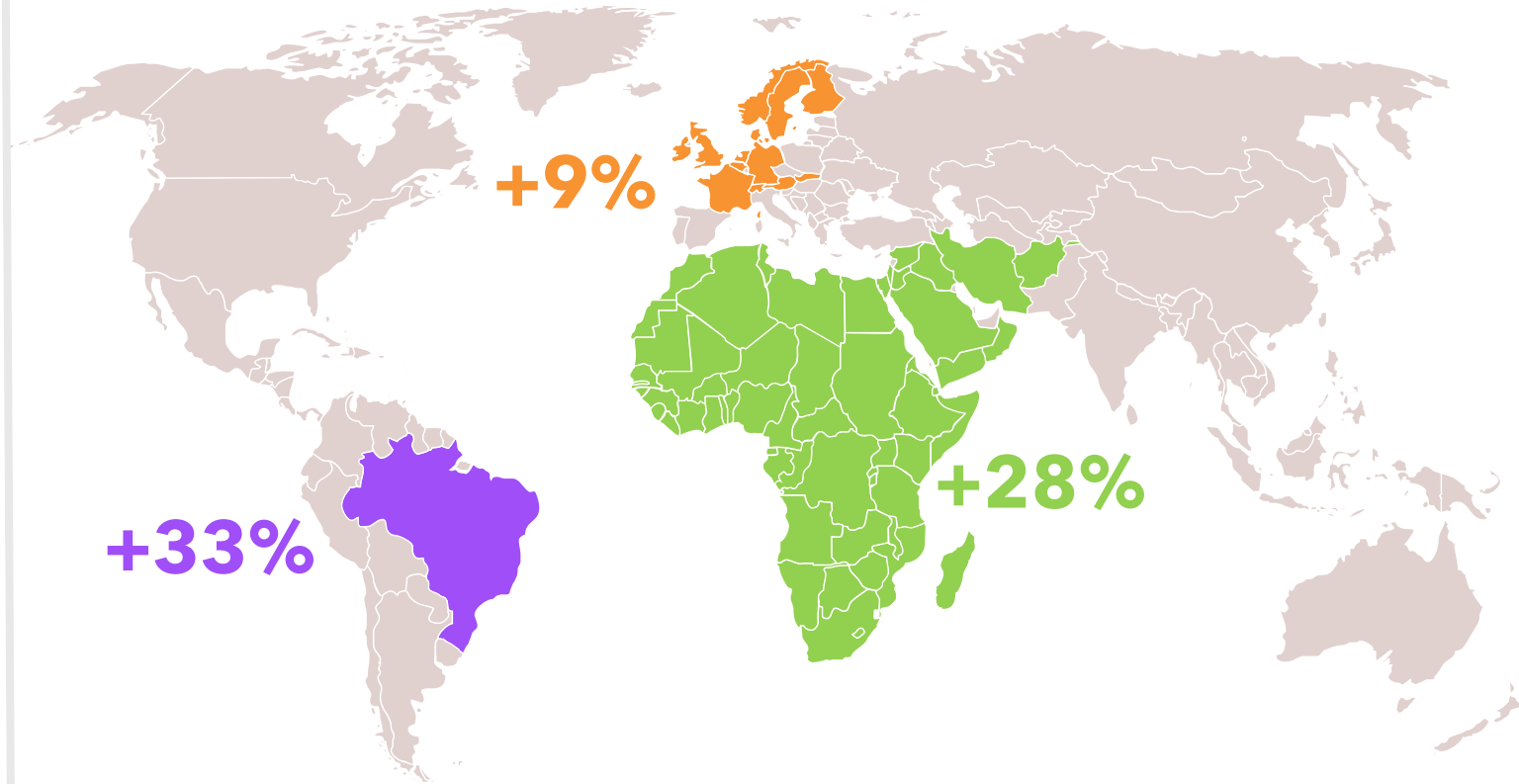
*RGM: Revenue Growth Management

Go-to-Market Excellence Drives Growth in Developed and Developing Markets

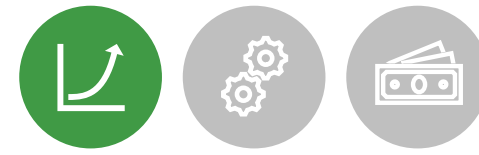


- **Western Europe leveraging mental and physical availability** to outpace low single-digit market growth
- **Distribution and in-store gains in Brazil** delivered strong growth:
 - +47% in Human Expression & Flame for Life
 - +37% in Flame for Life
 - +25% in Blade Excellence
- **Regional transformation in Middle East Africa** has delivered greater than 15% CAGR in volume which is >300 million units year-to-date

Regional Net Sales Growth Highlights (All Segments)



Marketing Excellence Drives Growth across Categories



- EZ Reach drove **5.7% value share¹** and **sold 35 million units** since launch
- EasyRinse delivered **1.2% value share²** and was #1 mentioned sub-brand on social media, **2.8x more than Gillette**
- Rocketbook achieved **8.2% market share³** of the notebook category during Amazon's Prime day / Holiday season

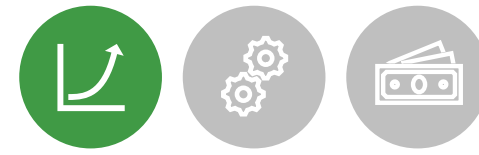


1) Source: Circana year-to-date ending July 30, 2023, Non-Refillable Pocket Lighter, Total US Multi-Outlet + Convenience

2) Source: Circana data year-to-date ending July 30, 2023, Unit sales in Total Shave, Total US Multi-Outlet

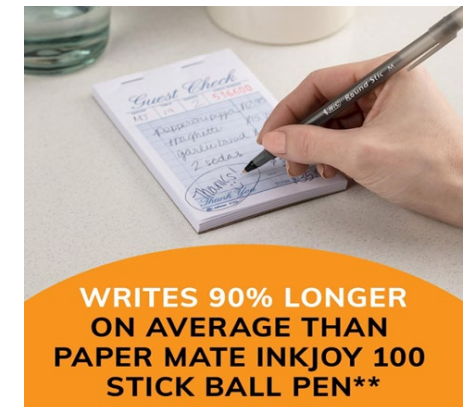
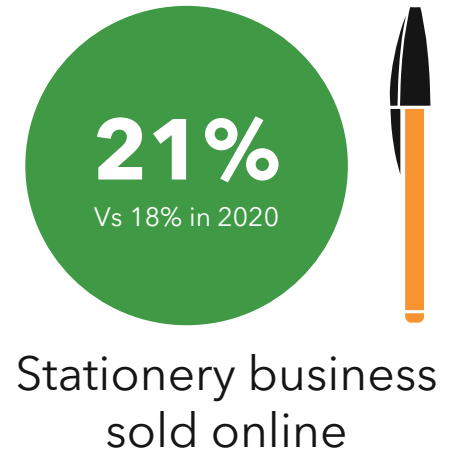
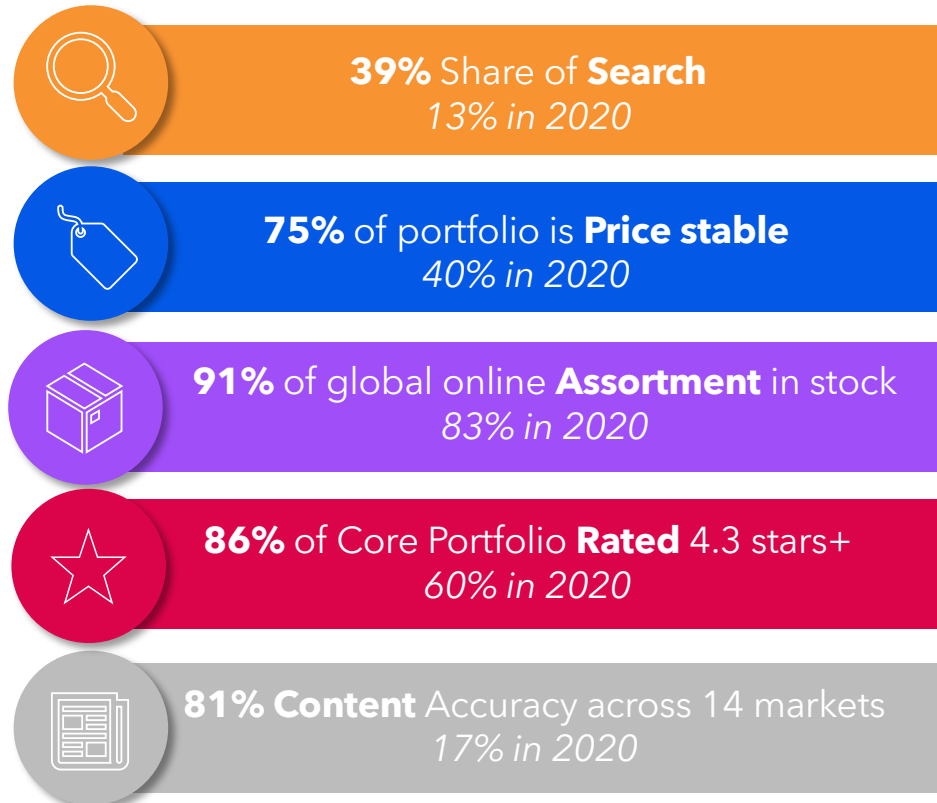
3) Source: Stackline, 2022 Retail Sales on Amazon.com

Delivering Growth in eCommerce



- **10.5% of net sales sold online**
- **27% net sales** CAGR vs 10% Market CAGR and outpacing market **>2x** in 2023
- **75% retail revenue growth** for US Amazon Prime Day vs 2022
- **eB2B delivered 51% of net sales** in eCommerce

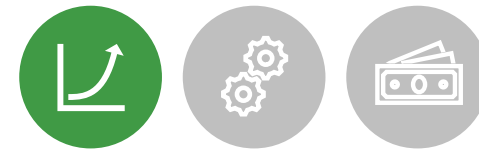
Focus on driving results



Source: BIC data 2020 - 2023, year-to-date June 30, 2023, unless otherwise stated.

*Kantar RetailIQ; EDGE by Ascential digital shelf data 2020; Profitero digital shelf data June 2023

Delivering Growth via Revenue Management

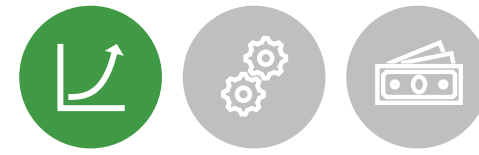


- Approximately **+1%** Price + Mix benefit ahead of inflation.
- **7%** decrease in Trade Spend as a percentage of net sales from more effective investments.



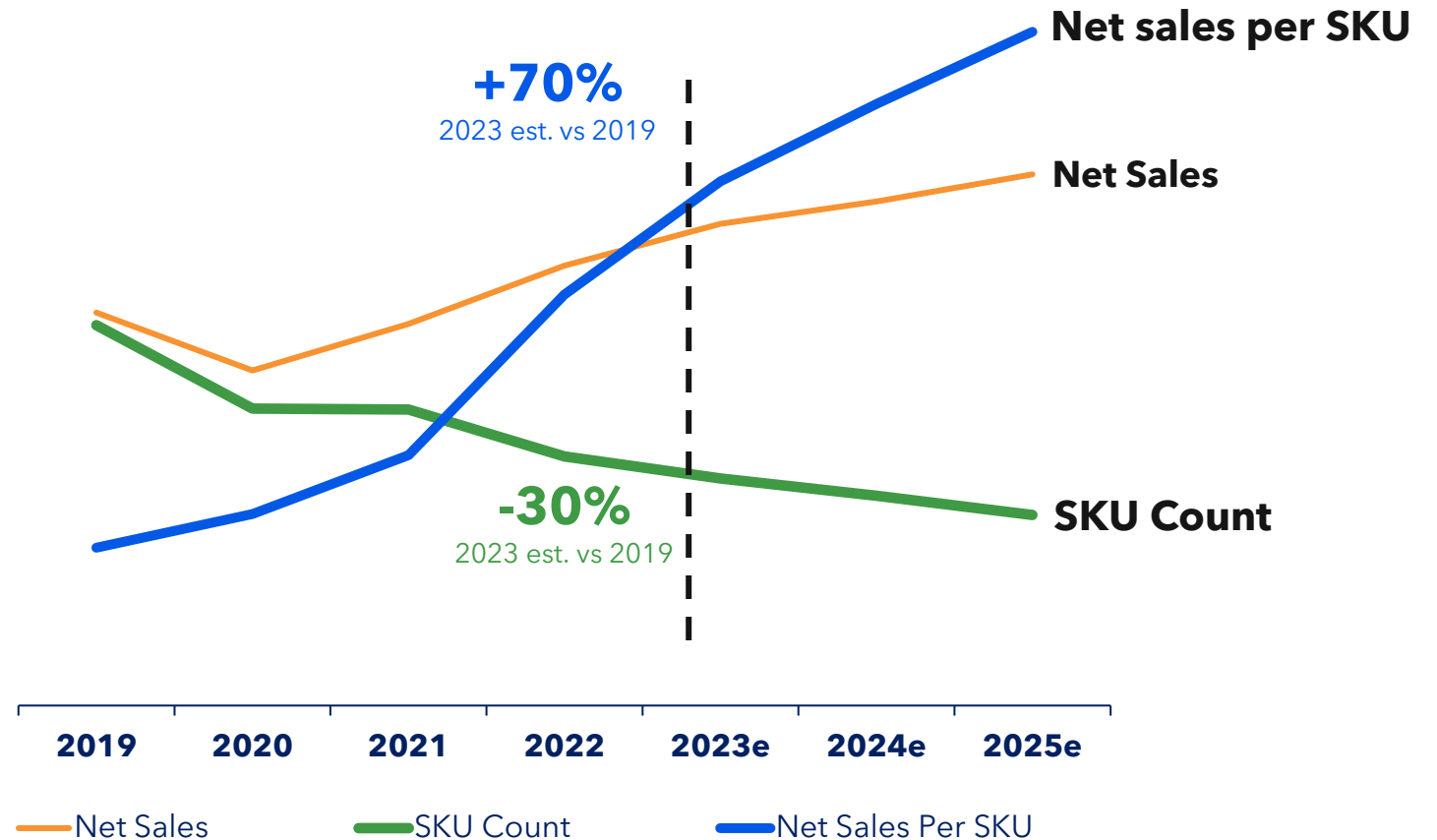
Source: BIC data for full year 2021, 2022, and 2023 projected Price + Mix benefits.

Driving Value Through Simplified Portfolio



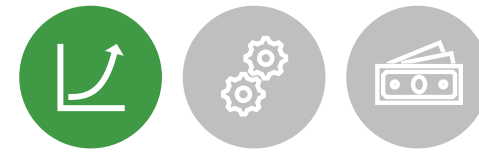
- **4,400 SKUs**
30% eliminated
Simplifies our portfolio and makes it easier to shop
- **Increasing gross profit per SKU**
Intentional shift toward higher net sales and gross profit per SKU

Portfolio Simplification Results



Source: BIC data 2019 – 2023 year end estimates, Net Sales and SKU reduction estimated year end 2023, Gross profit year-to-date June 30, 2023 vs 2019

People & Capability Excellence



- **Shared KPIs** across 2,500 team members
- **Right team** in place with proven **track record**
- **Perfect Store** rollout in Brazil and France in 2023 embodies **local store level approach**

Upskilled Talent to Value

- Organization built with combination of legacy and acquired talent
- Investment in training & development



OneBIC Global Scale-Local Relevance

- Center of excellence creation to establish and drive global best practice
- Simplified and delayed regional structure to win locally



Performance Culture

- One global commercial scorecard
- “Perfect Store” initiative
- Sales force automation





Deliver Sustainable Growth

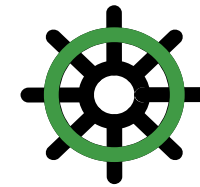
Commercial Growth Drivers

Innovation

M&A

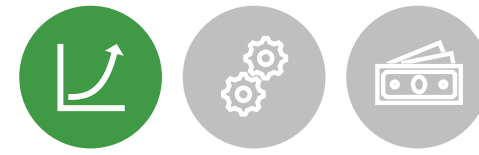


Product Innovation



Business Model Innovation

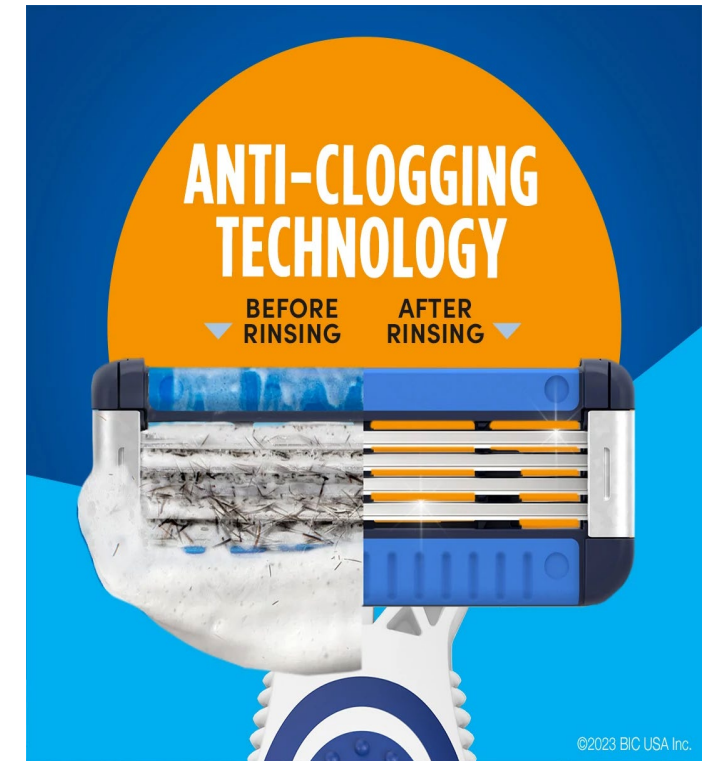
Product Innovation Contributing to Growth



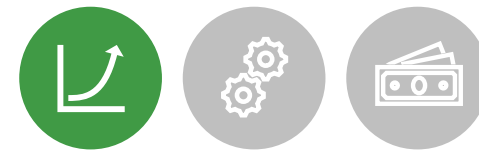
- **Innovation vitality growth: ~10%** of net sales from innovation introduced in last 3 years
- **Patents granted**
2022: 311

Consumer-Driven Innovation Approach: Example EasyRinse

- Insight** 92% users dislike **razor clogging**
- ▼
- Tech** 21 **patents** filed
- ▼
- Results**
- 94% of consumers love rinsability
 - Faster Shave: 60% less time rinsing
 - “Superstar” innovation
 - #1, #2 new product ranking in US disposables



Innovation Driving Trade-up in Core



**4Color Commercial
Innovation Driving Trade-up**



**EZ Reach Expanding
Consumer Occasions**



**Soleil Sensorial
Driving Growth**

**ANSP vs.
BIC cat
avg.**

~6x

**Unit
Growth**

+10%

~2x

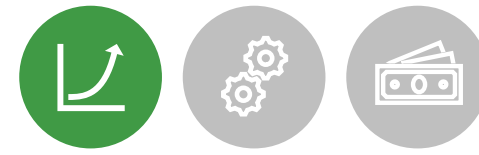
+40%

~4x

+40%

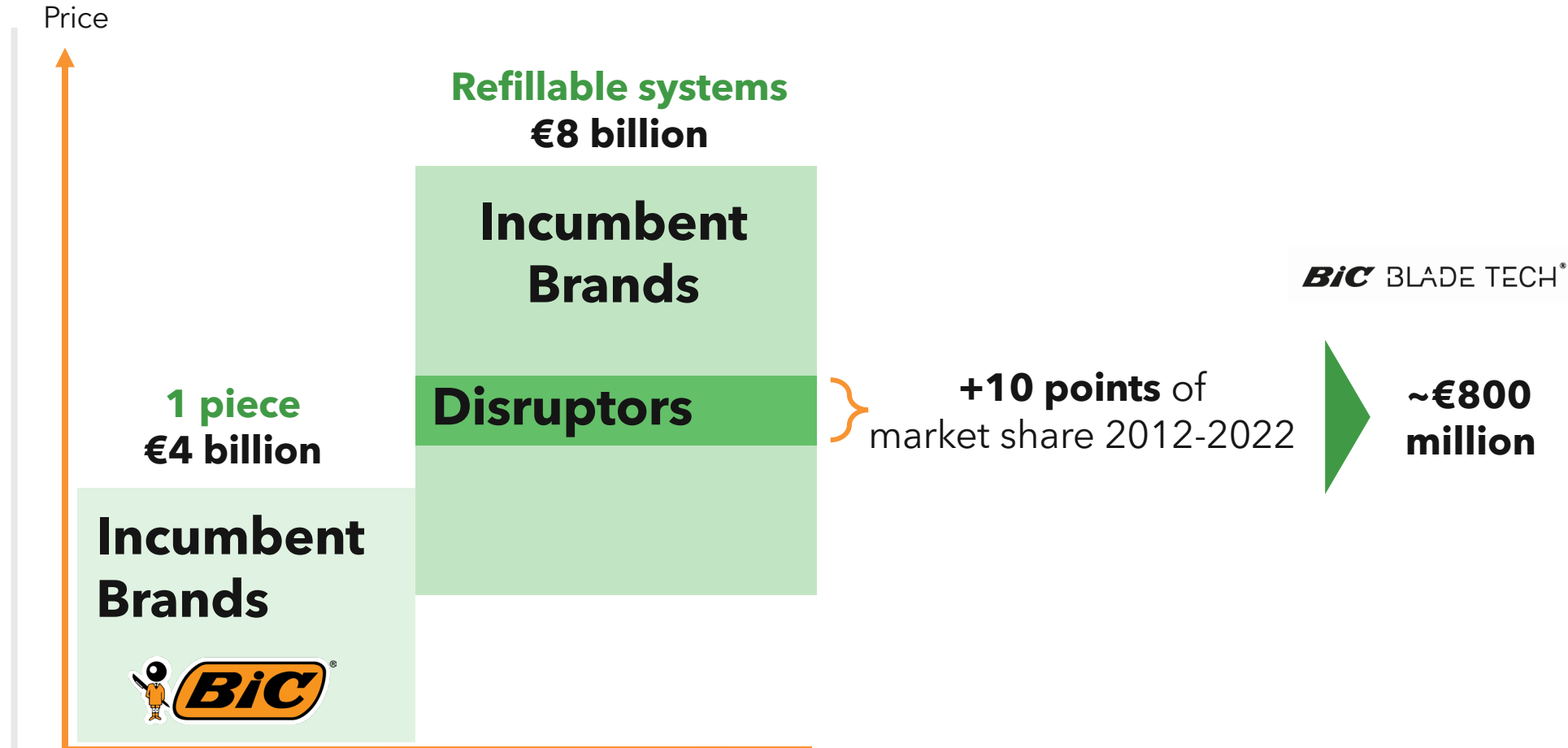
Source: BIC Financials (SFM, HFM), Unit Growth year-to-date June 30, 2023 vs 2022
ANSP: Average Net Selling Price

Business Model Innovation Adding Growth through BIC Blade Tech



Wet Shave - Total Addressable Market

- **B2B partnerships** with fast growing, aspirational shave **disruptor** brands
- Contributed **15%** of **Blade Excellence growth** in 2022



Source: Euromonitor and internal category data



Deliver Sustainable Growth

Commercial Growth Drivers

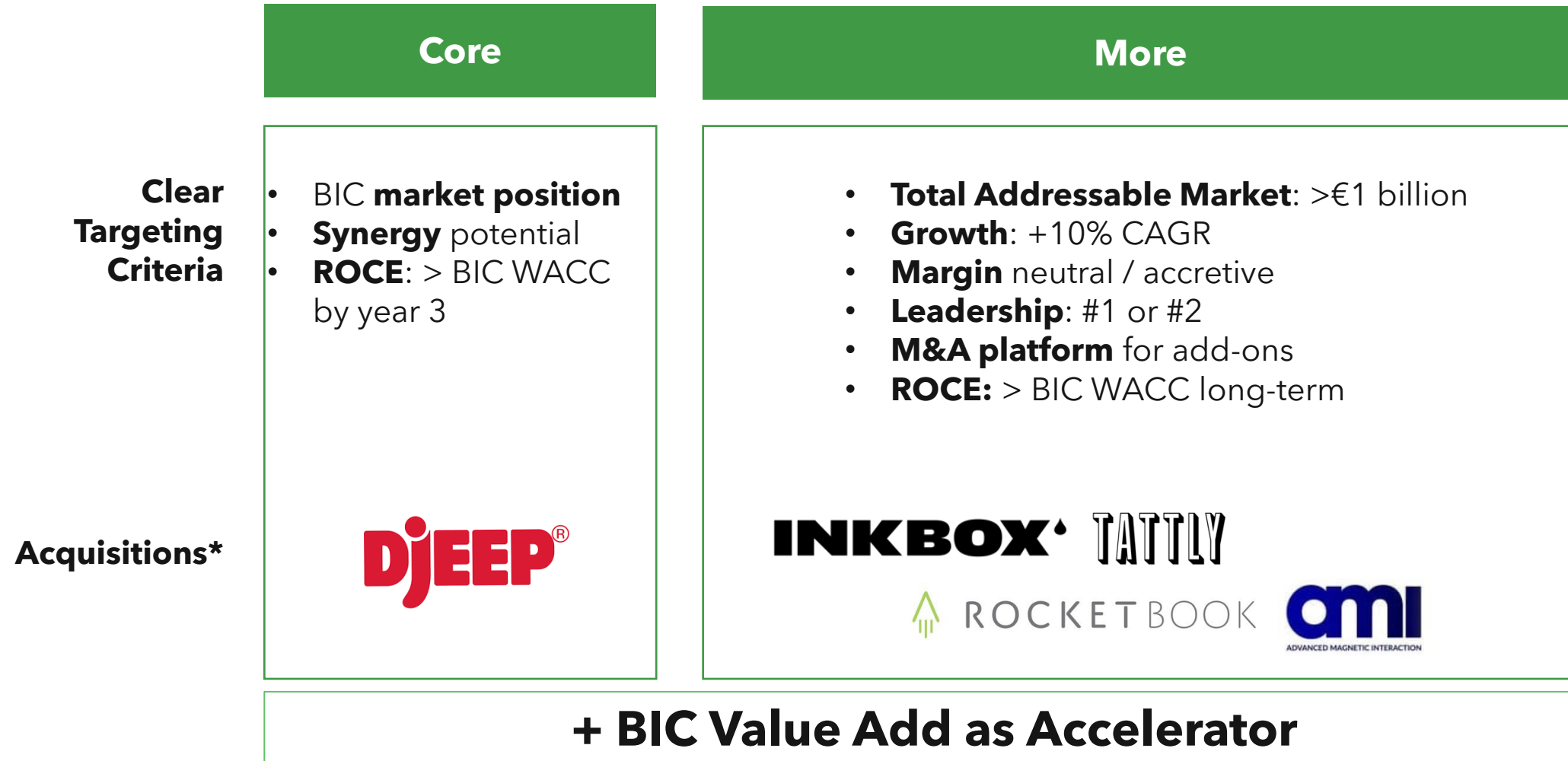
Innovation

M&A



M&A Strategy

BIC's M&A Framework



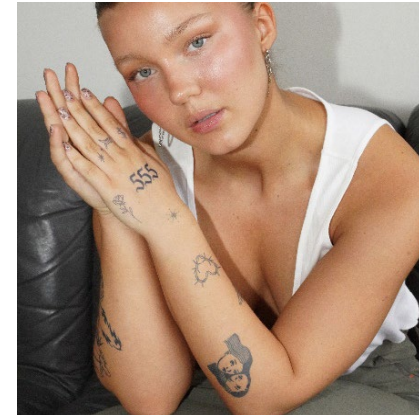
*€170 million capital deployed 2020-2023 year-to-date

Tapping New Growth Areas Through M&A



- **€170 million** capital **deployed** through Horizon*
- **M&A contributed €75 million** to **Net Sales** in 2022

New Focus Area:
Temporary Tattoos



INKBOX

TATTLY



New Focus Area:
Digital Writing



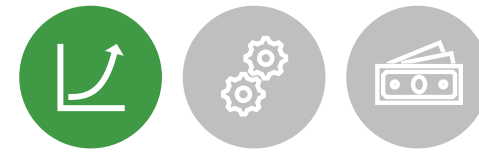
ROCKETBOOK

ami
ADVANCED MAGNETIC INTERACTION

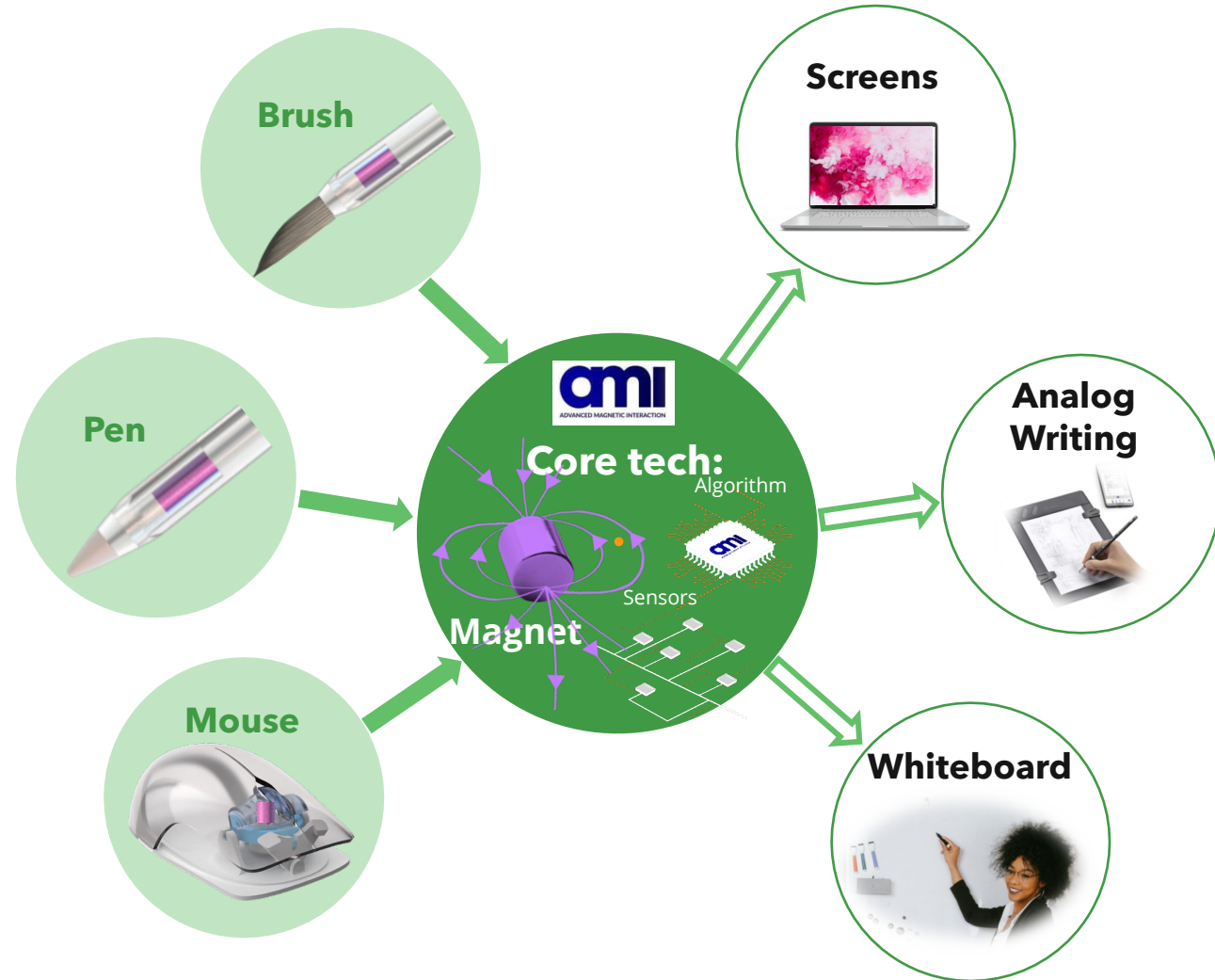


*BIC data from full year 2020 - June 30, 2023

Acquiring New Capabilities: AMI



- **Disruptive magnetic technology** to enable Digital Writing and Expression
- B2B partnership opportunities with Consumer Electronic Manufacturer
- Large **€17 billion total addressable market by 2025** (Computer accessories & e-Writers)



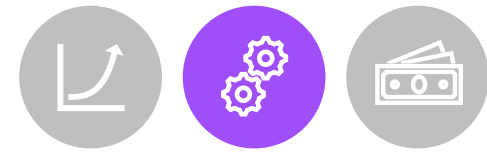
Source: BIC Internal estimate+ Computer accessories market: NPD US data extrapolated based on Statista, TechNavio and other sources / E-writer market: E-writer > Volumes from Smart Notebook and Digital Writing Analysis Nfluence2020

2. Execute Operating Efficiencies

Chad Spooner
Chief Financial Officer



Horizon Priorities to 2025



Deliver Sustainable Growth

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Execute Operating Efficiencies

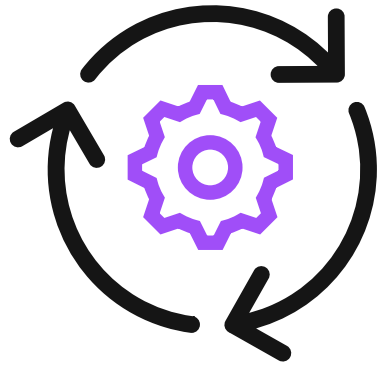
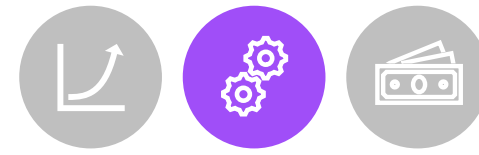
1. **Procurement** to lower Costs
2. **Value Engineering** for lower COGS
3. **Manufacturing and Supply Chain** Efficiencies



Capture Cash Everyday

1. Reducing **Cash Conversion Cycle** through Working Capital Management
2. **Accounts Receivable** Improving collections
3. Focusing on **Inventory Management**

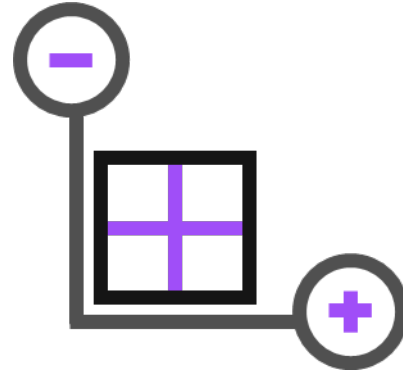
New Capabilities Delivering Efficiencies



Procurement

Centralized procurement policies and execution, leveraging BIC's global operations

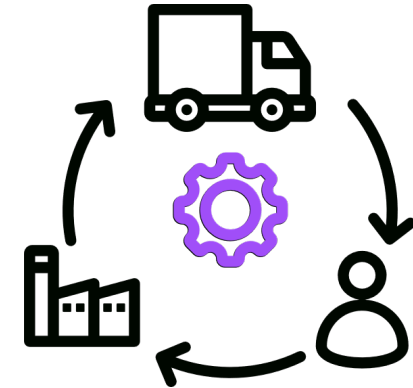
€40 million saved since 2019



Value Engineering

Leverage **Capability** to focus on **consumer value** through **product optimization**

€7 million of savings validated since launch

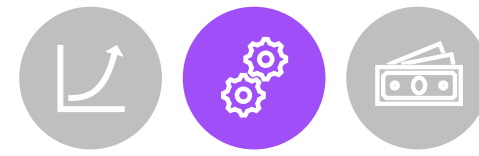


Manufacturing & Supply Chain Efficiencies

From **cost of production** to landed cost and **service levels** consideration

Objective: Generate ~€30 million recurring savings through 2025

Value Added Procurement Lowering Operating Costs



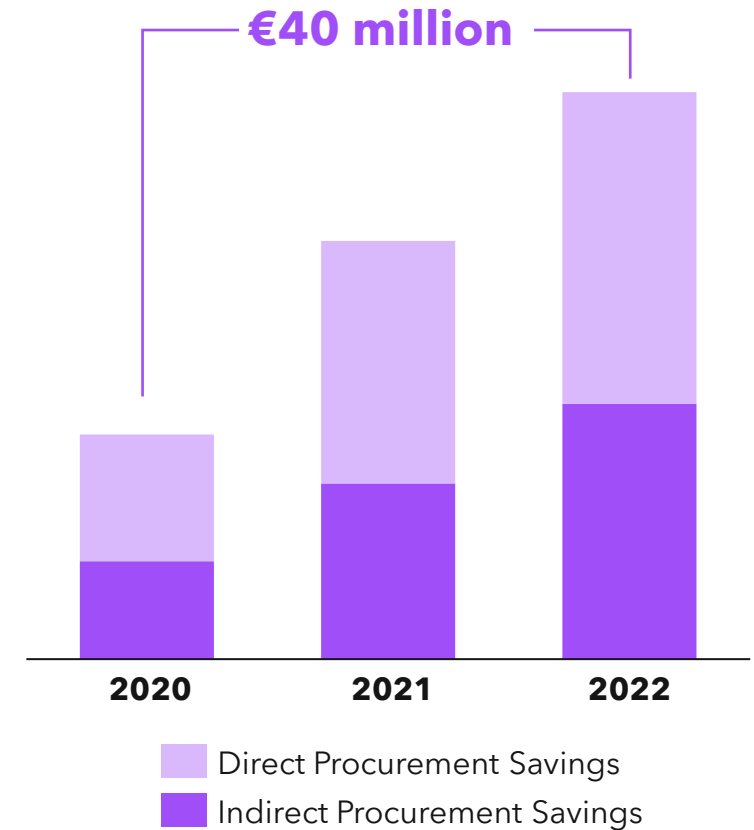
- **Direct** and **indirect procurement** = cost savings and efficiency gains
- **Counters input cost inflation** and enables strategic investments
- Following a **proven path** at an **accelerated rate**

Value Added Procurement lowers costs and mitigates supply risk

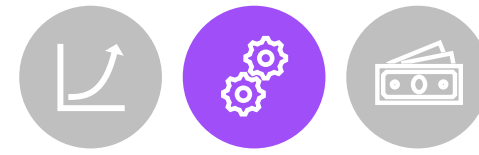
Cross-functional execution and collaboration helps BIC unlock hidden potential:

- Growth
- Profitability
- Reliability
- Sustainability

Driving incremental cost savings



Value Engineering Lifts all our 3 Categories



Launched Value Engineering in 2022:

- **200** ideas submitted
- **50+** ideas approved
- **15** ideas implemented
- **€7 million** of full-year savings validated since 2022

Contributing to **sustainability benefits**

Eco-conception

First major revamp of iconic BIC 4 color: lighter, modern clip

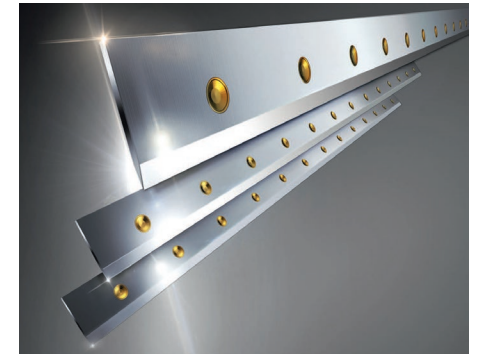


Recycled plastic in new displays **reduces costs***

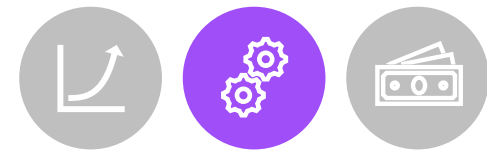


Reduction in metal consumption: **blade thickness reduced** with same quality

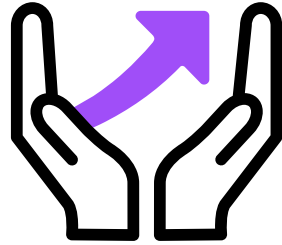
-26% Thickness



Manufacturing and Supply Chain Efficiencies

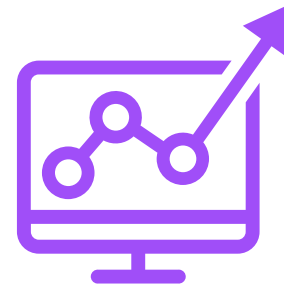


- **End-to-End** supply chains in Europe, Americas and Middle East Africa
- **Optimize footprint** to counter global supply chain challenges
- Increase **flexibility** and **agility** in our supply chains to enable **long-term growth**
- Leverage **OEM network** to grow new products, gain speed to market and innovation



Service Level

Reduce lead time to shelf to build and maintain customer excellence



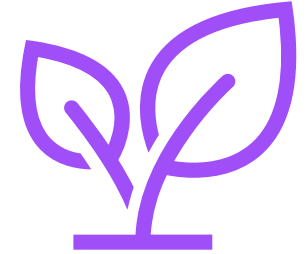
Profitability

Lower landed cost: Driven by reduced **transportation**, optimized sourcing and **localized supply**



Flexibility & Reliability

Supply security: Increased agility through reduced lead time to shelf and localization



Environment

Reduce **CO²** emissions: **fewer miles**

3. Capture Cash Every Day

Chad Spooner
Chief Financial Officer

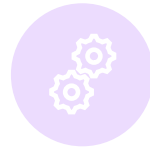


Horizon Priorities to 2025



Deliver Sustainable Growth

1. Unleash power of our **Core Products** via **Commercial Growth Drivers**
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Execute Operating Efficiencies

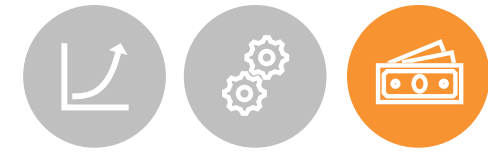
1. **Procurement** to lower Costs
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Maximise Free Cash Flow

1. Reducing **Cash Conversion Cycle** through Working Capital Management
2. **Accounts Receivable** Improving collections
3. Focusing on **Inventory Management**

Maximizing Free Cash Flow



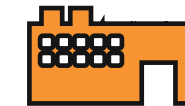
- **Delivering >€200 million Free Cash Flow** for 5th successive year
- **Free Cash Flow** objectives: generation of an **additional €20 million annually** from 2024, above its current >€200 million objective

Adding Cash Conversion Cycle (CCC) discipline across BIC

Yearly CCC Reduction



Stringent Capex Controls



Accounts Receivable

- **Reduced DSO** by **11 days** since start of Horizon

Maintaining **~€100 million** annual **average Capex**

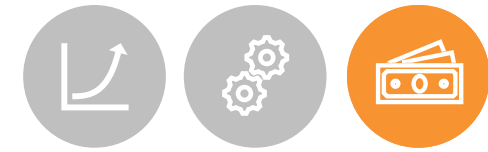
Inventory

- **DIO down 17 days** from pandemic peak
- **Targeting DIO reduction** by at least **10 days** per year through the rest of Horizon

IRR models run on all Capex initiatives to select the **best return** profiles

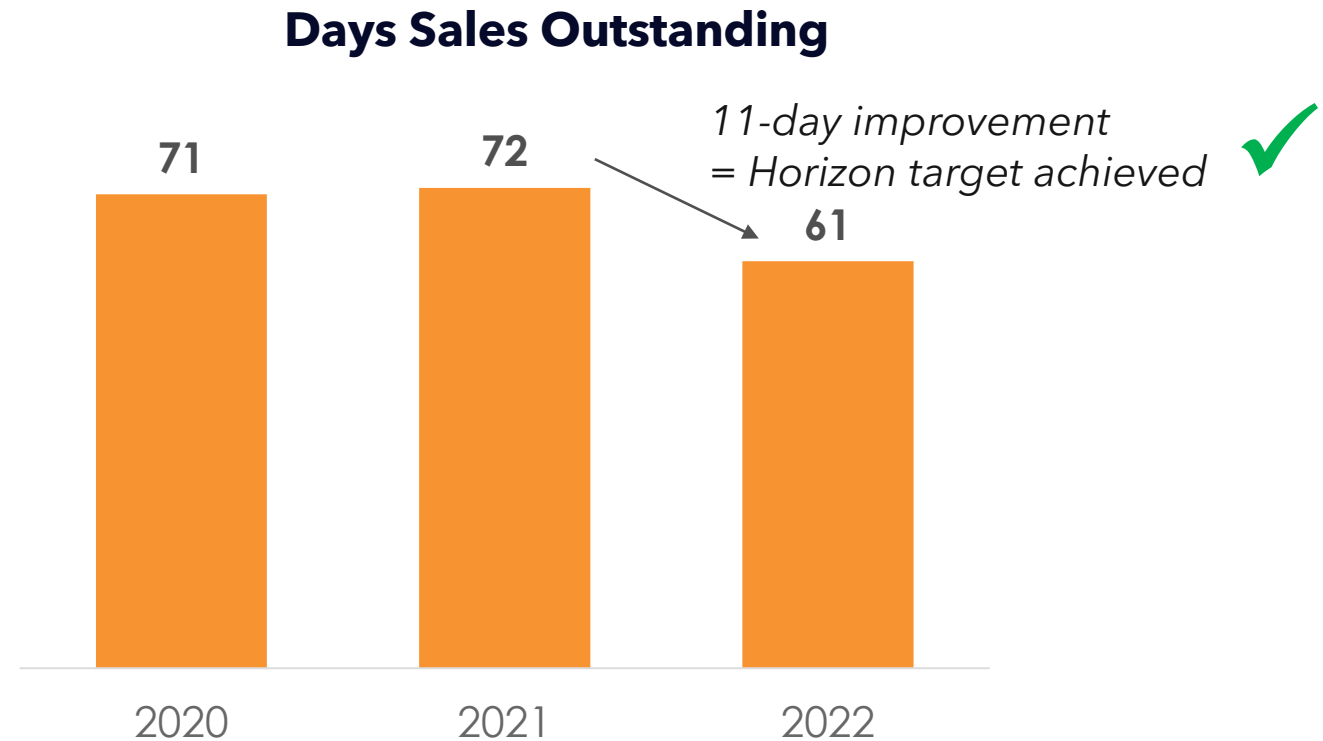
Source: BIC data based on FY2020 to FY2022
DIO: Days of inventory outstanding
DSO: Days sales outstanding
IRR: Internal Rate of Return

Reducing Collection Time in Accounts Receivable



- Operational excellence to drive **faster collections**
- **Improved terms** with customers to **reduce DSO**
- Resulted in **11 days reduction in DSO**

Improved processes and strong relationships driving lower DSO

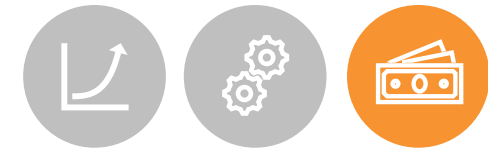


Source: BIC data based on Full year 2020 to full year 2022

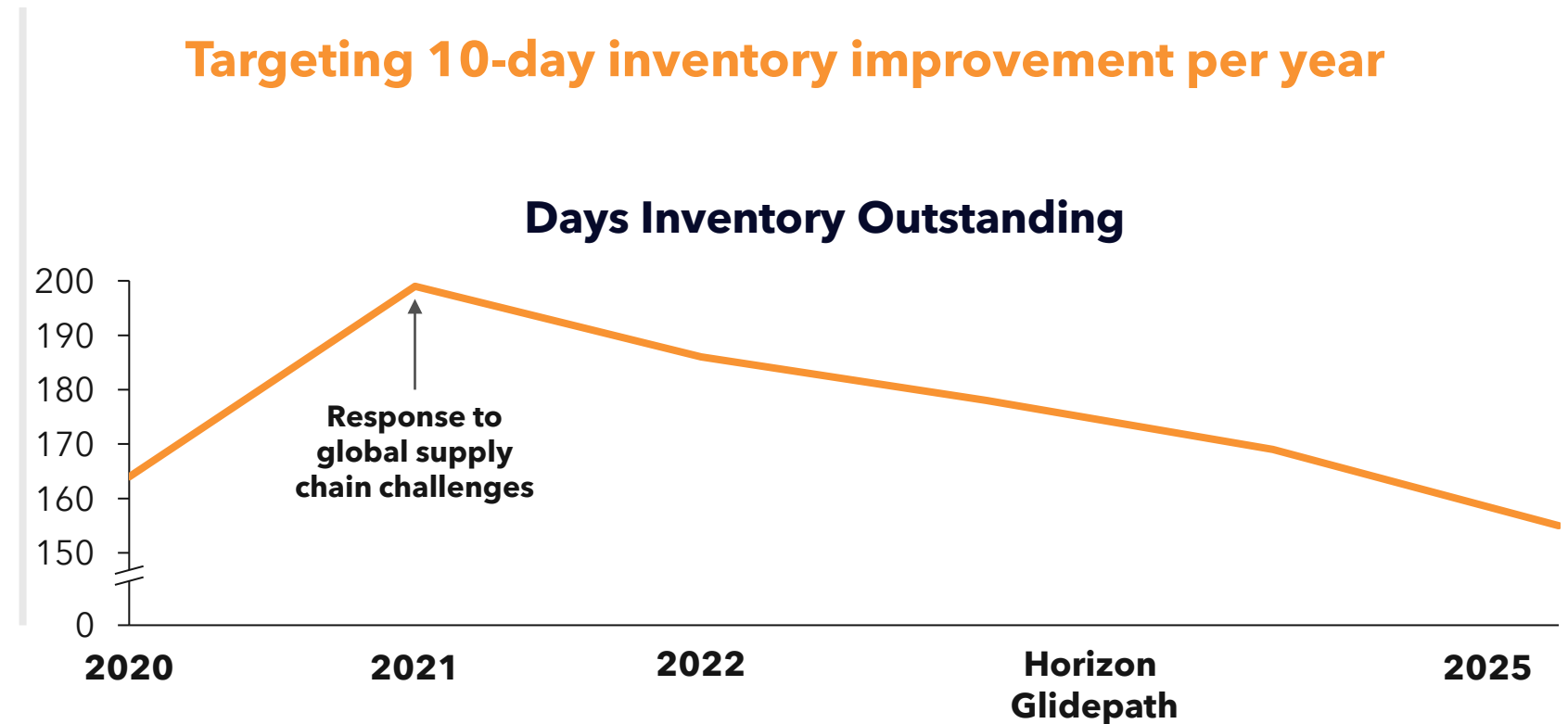
DIO: Days of inventory outstanding

DSO: Days sales outstanding

Streamlined Inventory Management



- Driving inventory optimization through **Integrated Business Process**
- Network optimization: bringing inventory **closer to customers**
- Portfolio simplification and **SKU reduction** plays a critical role in decreasing inventory levels



Increased forecasting accuracy and increased **service levels allow further reduction of inventory levels**

Source: BIC data based on full year 2020 to full year 2022 and estimates

05 Closing Remarks



A Great Deal Achieved...

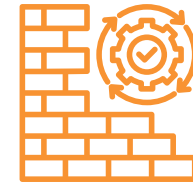
with more to do!

- RGM momentum
- Maximize use of integrated supply chain
- Impact of data insights and new management talent
- Inventory optimization
- Category growth
- Improved integration

Significant opportunity upside:
Work in progress on multiple key initiatives



Capabilities
developed and
integrated



Impact to be
captured

Objectives for Horizon: 2025

Balancing key initiatives to maximize returns



Deliver Sustainable Growth

Annual net sales **growth:**
5 - 7%*



Execute Operating Efficiencies

Adjusted EBIT **margin improvement:**
~150 bps from 2022 level of 14.0%



Capture Cash Every Day

Free Cash Flow objectives: generation of an **additional €20 million annually** from 2024, above its current >€200 million objective



Sustainable Development

100% of BIC packaging will be reusable, recyclable, or compostable

Improving the learning conditions of 250 million students

BIC

Investor Update 2023

September 11, 2023



05 Appendix



Glossary

- **Constant currency basis:** constant currency figures are calculated by translating the current year figures at prior year monthly average exchange rates.
- **Adjusted EBIT:** adjusted means excluding normalized items.
- **Adjusted EBIT margin:** adjusted EBIT as a percentage of Net Sales.
- **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.



Disclaimer

DISCLAIMER

A press release related to this presentation is also available on the BIC website (www.bic.com).

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