Marne-La-Vallée factory and BIC Technologies visits
27 SEPTEMBER 2016
INTRODUCTION
BIC STATIONERY - HISTORY

1944 Marcel Bich buys a factory in Clichy, France, and sets up business with his partner, Édouard Buffard, as a maker of writing instruments parts

1950 Launch of the ballpoint pen (“pointe BIC®”) on the French market

1953 Creation of SOCIÉTÉ BIC to manufacture and distribute BIC® ballpoint pens

1954-1960 International expansion: Italy, Brazil, United Kingdom, North America, Africa and Middle-East

1992 Acquisition of WiteOut®

1997 Acquisition of Tipp-Ex® and Sheaffer®

2009 Expansion in India with Cello Pens

2015 Acquisition of 100% of Cello Pens
BIC STATIONERY MANUFACTURING FOOTPRINT

France (Samer, Marne-La-Vallée, Cernay)
Ball pens, pencils, coloring pencils, leads, dyes

South Africa
Ball pens, coloring felt pens, markers

Brazil (Manaus and Rio de Janeiro)
Ball pens, markers, graphic pencils, coloring pencils and Stickers

Tunisia
Ball pens

Mexico
Ball pens, mechanical pencils, correction tapes

United States
Markers

India (Daman and Haridwar)
Writing instruments
## INNOVATION IN A NUTSHELL

<table>
<thead>
<tr>
<th>Year</th>
<th>Innovation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>Easy glide ink</td>
</tr>
<tr>
<td>2006</td>
<td>Cushion point</td>
</tr>
<tr>
<td>2012</td>
<td>Stylus 2 in 1</td>
</tr>
<tr>
<td>2013</td>
<td>Cristal® Stylus</td>
</tr>
<tr>
<td>2014</td>
<td>4 colors Stylus</td>
</tr>
<tr>
<td></td>
<td>Atlantis Ultra comfort</td>
</tr>
<tr>
<td></td>
<td>with Extra soft grip</td>
</tr>
<tr>
<td>2015</td>
<td>BIC Kids (learning range)</td>
</tr>
</tbody>
</table>
18.5 million BIC® Stationery products purchased every day worldwide

727.0 million euros net sales in 2015

11.5% Normalized IFO margin in 2015

9.2% value market share

9.2% value market share

14 factories

n°1 in Europe, Africa, Latin America, India

n°2 in North America, Oceania

1 Base 365 days
2 BIC Estimate & Published Research – 2015 – Manufacturers figures – Pens, pencils, markers, coloring, correction
A GROWING STATIONERY MARKET

CAGR 2010-2015*
+3.6% in value
+1.5% in volume

*BIC Estimate & Published Research – Manufacturers figures – Pens, pencils, markers, coloring, correction
BIC POSITIONS IN MAJOR MARKET SEGMENTS*

N° 2 worldwide
cc. 9.2% market share

- N°1 in Ball Pen
  (22% market share)
- N°1 in Mechanical Pencils
  (13% market share)
- N°1 in correction
  (19% market share)
- N°2 in marking
  (5% market share)

* BIC Estimates – 2015
STRONG INTERNATIONAL POSITIONS*

* BIC Estimates – 2015
ENGAGEMENT FOR SAFETY AND QUALITY

• 92% of BIC stationery products are produced in BIC owned factories
• A team dedicated to Safety and Quality with more than 70 managers and engineers around the world, in order to guarantee the quality of our products every day
• All Stationery products are controlled with the latest technology, from raw materials to the final products and directly on the production line
2016 - A YEAR OF INVESTMENTS

**CAPEX**
- **FRANCE**
  - Additional capacities in Samer and Marne-La-Vallée
- **CELLO PENS (INDIA)**
  - Additional capacities
  - New factory

**BRAND SUPPORT**
- Accompany New Product launches
- Reinforce positions in developing markets
- Improve in-store visibility
- Strengthen Brand awareness

**R & D**
- Product quality and performance
- New added-value products
BIC ECRITURE 2000 – MARNE LA VALLEE

WELCOME!
Agenda

BIC MLV factory:

- Key Figures

- What are the pens we produce at MLV?

- What are the key stages to produce a pen?
A strong dedication to Quality:

70 Quality controls for a BIC Cristal

In-depth checking tests on points
An obsession for Safety

- Since the 1st Cristal pen, BIC has produced and sold more than 140 Billion pens.
- All of our products respect all of the international norms and standards edited by Scientists and Governments.
- All of our products are controlled internally in our labs but also in external labs internationally recognized (SGS/Duke University) to guarantee their Quality and Safety.
BIC ECRITURE 2000 – MARNE LA VALLEE

A strong focus on Sustainability

ISO 9001 & ISO 14001
A strong focus on Sustainability

Electricity Consumption Reduction

- In 2010: 32.7 kWh/thousand pens
- In 2016: 23.5 kWh/thousand pens (-28%)
A strong focus on Sustainability

LIGHT BARREL


Material gain: 900 ton/year
BIC ECRITURE 2000 – MARNE LA VALLEE

Impressive production center...

- Ground area: 60,000m² (15 acres)
- Factory area: 28,000 m² (7 acres), equivalent to 4 soccer fields
BIC ECRIPTURE 2000 – MARNE LA VALLEE

MLV production per day

- 16 Million Pellets / day
- 7 Million Balls / day
- 7 Million Points / day
- 2.5 Tons of inks / day
- 3.5 Million cartridges / day
- 3 Million pens / day
An advanced technology developed internally
A sophisticated manufacturing process
Key products produced at MLV

Cristal Medium
Cristal Grip
Orange
Cristal Fine 0.8mm
Cristal Soft 1.2mm
M10
4 colors
**BIC® Cristal 1006**

Welded button and non welded cartridge
BIC® Cristal Grip

Refillable Cartridge
Support (Polypropylene)
Cap (styrene-Butadiene)
Grip Barrel (Polystyrene GPPS)
Bouchon (Polystyrene HIPS)

Welded button and non welded cartridge
BIC® Orange

Cap

Barrel

Cartridge

Button
BIC ECRITURE 2000 – MARNE LA VALLEE

BIC® Cristal fine 0.8

Cap

Cartridge

Barrel

Button
BIC® Cristal M10

Welded barrel and section

Cartridge

Spring

Inners (Polypropylene)

Section (Polystyrene GPPS)

Barrel (Polystyrene HIPS)

Pusher (Methyl Polymetacrylate)
The plant consists of 3 sectors corresponding to 3 different technologies

- Point: Metallurgy
- Ink: Chemistry
- Plastic Processing & Pen Assembly
The Ball Processing Stages

1. The « pellet » (blank) manufacturing

- The Pellet is made by compressing a powder of tungsten carbide.
- Then the steps are as follow:
  - Pre-Sintering
  - Drumming
  - Sintering
The Ball Processing Stages

2. The Ball Grinding

- Here, the pellets are becoming balls of perfectly spherical shape.

- To obtain the balls, we grind the pieces between two heavy plates (one is fixed, the other one rotates) with an adequate mix of abrasive powders and oils.
The Point

Blank  Short Point  Slug  Long Point
Chemistry: The Ink Workshop

- Development & Qualification of inks manufactured in BE 2000

- Production: 2.5 Tons of inks per day.
The Molding Workshop

46 injection machines

3,000,000 units of each component are produced in a daily basis.
The Cartridge Assembly Workshop

3.5 Million cartridges / day
The Ink System
The Pen Assembly Workshop

3 Million pens / day
The plant tour in 3’24’’

Youtube link
We hope that you enjoy the tour of the factory

Slippery floors → Safety shoe shells to be worn

No pictures
VERTICAL INTEGRATED PROCESS

TECHNOLOGY

MACHINES
MOULDS

COMPONENTS

FINISHED
PRODUCTS
ACTIVITY: MOLDS & MACHINES

- Mold development from engineering to production start-up and support (up to 3,000 kg each)
- Machines development from engineering to production start-up and support (up to 10 assembled components)
TECHNICAL EXCELLENCE

**WHAT?**

- Moulds & machines as a **competitive advantage**
  - Best quality @ best cost
  - Innovation => performance
    => process
    => new technologies
  - Technical support for all factories in real time

**HOW?**

Strong technical skills in **precision mechanical machining** (1 µm precision).
- Advanced industrial tools
- Highly-developed design and analysis abilities
BIC Tech. challenged with Worldwide competition to:

- Provide more efficient results at same cost
- Provide same results at lower cost

We provide flexible offer inc. added value
**TECHNICAL FLEXIBLE OFFER**

- **Adjusted capacity and cost** depending on project (size and sustainability)

- **Technical support**: «Only result counts!»
  - We are responsible for molding AND assembly
  - Full parts assembly tests before machine shipment
  - People technical training
  - Technical support for local start-up
**Standardisation**

- Worldwide exchangeable molds 1 machines
- Worldwide exchangeable spare parts
- Limited type of mould & machines frames
- Limited type of components

**Time to market**

- **Cost optimization**
- **Quality control**
ADDED VALUE

- **Global expertise** in molds and machines development
- **Best synergy during engineering/debugging**
- **High precision** machining and adjustment
- **Long wall plastic part** injection know how
- **Flexible offer** adjusted to market needs
- **Innovation**
  - **Cycle time optimization**
  - **Part weight optimization**
Ball pen Retail prices in France
In euros

Source: PVC recommended, 2016, BIC France CP, France Modern Mass Market
## 2010-2015 KEY FIGURES

### FY 2015 Net Sales

<table>
<thead>
<tr>
<th>Year</th>
<th>€727.0M</th>
</tr>
</thead>
</table>

### FY 2015 IFO

<table>
<thead>
<tr>
<th>Year</th>
<th>€83.7M</th>
</tr>
</thead>
</table>

### Net sales change on a comparative basis

<table>
<thead>
<tr>
<th>Year</th>
<th>Volume</th>
<th>Value</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>+7.0%</td>
<td>+6.7%</td>
<td>+3.4%</td>
</tr>
<tr>
<td>2011</td>
<td>+6.0%</td>
<td>+4.1%</td>
<td>+3.9%</td>
</tr>
<tr>
<td>2012</td>
<td>+1.0%</td>
<td>+2.6%</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>+0.3%</td>
<td>+2.1%</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>+4.0%</td>
<td>+4.2%</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>+2.0%</td>
<td>+3.6%</td>
<td></td>
</tr>
</tbody>
</table>

### Normalized IFO margin

- 2010: 12.1%
- 2011: 14.0%
- 2012: 15.0%
- 2013: 12.7%
- 2014: 12.5%
- 2015: 11.5%

Average: 12.9%
This document contains forward-looking statements. Although BIC believes its expectations are based on reasonable assumptions, these statements are subject to numerous risks and uncertainties.

A description of the risks borne by BIC appears in section “Risks and Opportunities” of BIC “Registration Document” filed with the French financial markets authority (AMF) on March 23, 2016.
### 2016-2017 AGENDA

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
<th>Format</th>
</tr>
</thead>
<tbody>
<tr>
<td>3rd Quarter 2016 Results</td>
<td>October 26, 2016</td>
<td>Conference Call</td>
</tr>
<tr>
<td>Full Year 2016 results</td>
<td>15 February 2017</td>
<td>Meeting – BIC Headquarters</td>
</tr>
<tr>
<td>First quarter 2017 results</td>
<td>26 April 2017</td>
<td>Conference Call</td>
</tr>
<tr>
<td>2016 AGM</td>
<td>10 May 2017</td>
<td>Meeting – BIC Headquarters</td>
</tr>
</tbody>
</table>

All dates to be confirmed