
CAPEX - ACQUISITIONS – DISPOSALS - MISCELLANEOUS

INAUGURATION OF BIC EAST AFRICA FACILITY

On March 11, BIC officially inaugurated its East Africa Facility in Kasarani, Nairobi (Kenya). This new venture comes as BIC transferred its manufacturing in Kenya and distribution in the East African region from HACO Industries Kenya Ltd earlier this year. After forty years of presence through a local distributor, BIC established its subsidiary to implement its proximity strategy and expand its brand presence.

ACQUISITION OF LUCKY STATIONERY IN NIGERIA

On October 23, 2019, BIC announced the completed acquisition of Lucky Stationery in Nigeria (LSNL). Nigeria #1 Writing Instrument manufacturer. LSNL's brand, product portfolio and distribution network will strengthen BIC's position in Nigeria, the largest economy and also number one in the Pens market in the region.

BIC WINS RESOLUTION WITH ARROW LIGHTER, INC

In January 2020, BIC defeated Arrow Lighter, Inc. (Arrow) in BIC's lawsuit filed with the International Trade Commission (ITC). Arrow has agreed to no longer sell certain low-quality, knockoff lighter models anywhere in the world. The lighters, branded "MK" and produced by Arrow, imitate the iconic shape and design of BIC's lighters without upholding BIC's stringent safety standards.

GOVERNANCE

On December 10, 2019, following the resignation of François BICH, and the recommendation of its Nomination, Governance and CSR Committee, the Board of Directors of SOCIETE BIC, co-opted Timothée Bich to serve as director until the end of François BICH's mandate in May 2020. The Board also decided to submit to the 20 May 2020 General Shareholders' Meeting the appointment of Jake Schwartz, Managing Director and co-founder of General Assembly, as Independent Director.

APPENDIX

Our 2020 outlook is based on the following assumptions¹⁶:

- **Currency:** 2020 USD-Euro hedging rate: 1.1445
- **Market Trends:**
 - Europe: Flat to slight decline for the three categories, in value
 - North America:
 - Flat to slight increase in U.S. Stationery market, in value
 - -4.0% to -5.0% decrease in total US pocket Lighters market, in value
 - -4.0% to -5.0% decrease in total US one-piece Shavers market, in value
 - Latin America: low-single digit increase for the three categories, in value
- **NIFO drivers:**
 - Stable Gross Profit Margin with negative fixed cost absorption offset by a decrease in Raw Materials costs and positive price impacts
 - Increase in Brand Support investments efficiency
 - Higher OPEX and other expenses notably due to the impact of higher incentive plan costs vs. 2019 and the cost of the implementation of the new organization

NET SALES BY CATEGORY in million euros	Q4 2018	Q4 2019	Change as reported	FX impact ¹⁷ (in pts)	Change in Perimeter ¹⁸ (in pts)	Argentina impact ¹⁹ (in pts)	Change on a Comparative basis
Group	511.0	501.2	(1.9)%	+1.6	+0.1	+0.2	(3.8)%
Stationery	170.4	169.3	(0.6)%	+0.9	+2.9	+0.4	(4.8)%
Lighters	204.3	197.4	(3.4)%	+1.5	+0.1	(0.1)	(4.9)%
Shavers	123.1	123.5	+0.4%	+1.6	+0.1	+0.3	(1.6)%
Other Products	13.2	10.9	(16.9)%	(0.2)	(21.2)	0.0	+4.5%

NET SALES PER CATEGORY in million euros	FY 2018	FY 2019	Change as reported	FX impact ¹⁷ (in pts)	Change in Perimeter ¹⁸ (in pts)	Argentina impact ¹⁹ (in pts)	Change on a Comparative basis
Group	1,949.8	1,949.4	(0.0)%	+2.3	(0.4)	0.0	(1.9)%
Stationery	771.9	774.4	+0.3%	+1.8	+2.0	(0.1)	(3.4)%
Lighters	685.8	679.0	(1.0)%	+2.7	0.0	0.0	(3.7)%
Shavers	438.0	463.0	+5.7%	+2.3	+0.3	(0.1)	+3.2%
Other Products	54.0	33.1	(38.7)%	(0.1)	(39.8)	0.0	+1.2%

¹⁶ BIC internal estimates based on Market panels (IRI, Nielsen) and Euromonitor

¹⁷ Forex impact excluding Argentinian Peso (ARS)

¹⁸ Haco Industries Ltd and BIC Sport

¹⁹ See glossary page 17

NON-RECURRING ITEMS

<i>in million euros</i>	Q4 2018	Q4 2019	FY 2018	FY 2019
Income From Operations	62.5	43.6	258.8	252.7
<ul style="list-style-type: none"> Cello Trademark and goodwill impairment in 2019 and Cello and Pimaco goodwill impairment in 2018 	5.5	44.3	74.2	44.3
<ul style="list-style-type: none"> Restructuring costs (Transformation plan in 2018 and 2019, 2018 Stationery and Lighters manufacturing reorganization, 2018 Haco Industries acquisition-related costs) 	15.4	12.8	15.4	44.7
<ul style="list-style-type: none"> U.K pension adjustment for past service costs in 2019 	-	(9.9)	-	(9.9)
<ul style="list-style-type: none"> BIC Sport Divestiture 	4.9	-	4.9	-
<ul style="list-style-type: none"> Argentina hyperinflationary accounting (IAS29) 	(1.2)	-	(0.9)	-
Normalized IFO	87.1	90.7	352.4	331.8

- Restructuring costs are mostly associated with the transformation plan “BIC-2022 Invent The Future”.
- In December 2019, the transfer of the Cello trademark from India to France required to fair value the trademark. As a result of this appraisal, the trademark was written down by 21 million euros to 24 million euros. Also, in light of the adverse business environment both in India and in Cello’s major export markets, BIC performed an additional impairment test of the Cello unit, which led to depreciate the Cello goodwill by 23 million euros fully.
- The UK's favorable impact is coming from pension adjustment for past service costs related to initial benefits contracts changes no longer to be paid.

IMPACT OF CHANGE IN PERIMETER AND CURRENCY FLUCTUATIONS ON NET SALES (EXCLUDES ARS) <i>(in %)</i>	Q4 2018	Q4 2019	FY 2018	FY 2019
Perimeter	(0.0)	+0.1	(0.6)	(0.4)
Currencies	(1.8)	+1.6	(4.8)	+2.3
<i>Of which USD</i>	+1.2	+1.3	(1.5)	+1.9
<i>Of which BRL</i>	(1.7)	(0.7)	(1.5)	(0.2)
<i>Of which INR</i>	(0.3)	+0.2	(0.3)	+0.1
<i>Of which MXN</i>	(0.1)	+0.4	(0.4)	+0.3
<i>Of which RUB and UAH</i>	(0.2)	+0.3	(0.2)	+0.1

CONDENSED PROFIT AND LOSS <i>in million euros</i>	Q4 2018	Q4 2019	As reported	Comparative basis	FY 2018	FY 2019	As reported	Comparative basis
Net Sales	511.0	501.2	(1.9)%	(3.8)%	1,949.8	1,949.4	0.0%	(1.9)%
- Cost of goods	250.9	252.8			935.5	972.1		
Gross profit	260.1	248.4			1,014.3	977.3		
- <i>Administrative & other operating expenses (goodwill and trademark impairment)</i>	197.6	204.8			755.5	724.6		
Income from Operations	62.5	43.6			258.8	252.7		
- Finance revenue/costs	(2.3)	(4.1)			2.8	(1.3)		
Income before tax	60.2	39.5			261.6	251.4		
- Income tax expense	(10.4)	(16.0)			(88.2)	(75.3)		
Net Income Group Share	49.8	23.5			173.4	176.1		
Earnings per Share Group Share (In euros)	1.09	0.52			3.80	3.91		
Average number of shares outstanding (net of treasury shares)	45,598,109	45,056,076			45,598,109	45,056,076		

CONDENSED BALANCE SHEET <i>in million euros</i>	December 31, 2018	January 1, 2019 (restated from IFRIC 23)	December 31, 2019
ASSETS			
• Property, plant & equipment	699.8	699.8	713.5
• Investment properties	1.7	1.7	1.7
• Goodwill and intangible assets	286.6	286.6	257.7
• Other non-current assets	169.9	169.9	176.3
Non-current assets	1,158.0	1,158.0	1,149.2
• Inventories	449.2	449.2	455.6
• Trade and other receivables	534.7	534.7	545.6
• Other current assets	49.5	49.5	36.5
• Other current financial assets and derivative instruments	18.1	18.1	6.7
• Cash and cash equivalents	157.5	157.5	198.6
Current assets	1,209.0	1,209.0	1,243.0
TOTAL ASSETS	2,367.0	2,367.0	2,392.2
LIABILITIES & SHAREHOLDERS' EQUITY			
Shareholders' equity	1,638.1	1,625.3	1,608.1
• Non-current borrowings	32.0	32.0	32.3
• Other non-current liabilities	250.1	263.0	263.3
Non-current liabilities	282.1	295.0	295.6
• Trade and other payables	137.7	137.7	126.4
• Current borrowings	22.6	22.6	65.5
• Other current liabilities	286.4	286.4	296.5
Current liabilities	446.7	446.7	488.5
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	2,367.0	2,367.0	2,392.2

WORKING CAPITAL (in million euros)	December 31, 2018	December 31, 2019
Total Working Capital	621.2	637.8
Of which, inventories	449.2	455.6
Of which, Trade and other receivables	534.7	545.6
Of which, Trade and other payables	(137.7)	(126.4)

CASH FLOW STATEMENT (in million euros)	FY 2018	FY 2019
Group Net income	173.4	176.1
- Net income Group share	173.4	176.1
- Argentina hyperinflationary accounting (IAS29)	5.4	3.4
- Amortization and provisions	204.1	168.7
- (Gain)/Loss from disposal of fixed assets	4.3	0.2
- Others	7.4	(13.9)
CASH FLOW FROM OPERATIONS	394.6	334.5
- (Increase)/decrease in net current working capital	(73.0)	(21.1)
- Others	(17.7)	4.8
NET CASH FROM OPERATING ACTIVITIES (A)	303.9	318.2
Capital expenditures ²⁰	(125.4)	(104.9)
(Purchase)/Sale of other current financial assets	8.2	9.0
Divestiture of Bic Sport	2.7	-
Haco Industries Ltd acquisition	(6.3)	(2.4)
Lucky Stationery Nigeria Ltd acquisition	-	(13.8)
Divestiture of BIC Graphic North America and Asian Sourcing	9.2	-
Others	1.7	1.3
NET CASH FROM INVESTING ACTIVITIES (B)	(109.9)	(110.8)
Dividends paid	(157.8)	(155.2)
Borrowings/(Repayments)/(Loans)	(1.1)	2.9
Share buy-back program net of stock-options exercised	(49.9)	(40.0)
Others	(17.7)	(18.5)
NET CASH FROM FINANCING ACTIVITIES (C)	(226.5)	(210.8)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS NET OF BANK OVERDRAFTS (A+B+C)	(32.5)	(3.4)
OPENING CASH AND CASH EQUIVALENTS NET OF BANK OVERDRAFTS	187.0	149.8
Net increase / decrease in cash and cash equivalents net of bank overdrafts (A+B+C)	(32.5)	(3.4)
Exchange difference	(4.7)	0.4
CLOSING CASH AND CASH EQUIVALENTS NET OF BANK OVERDRAFTS	149.8	146.8

²⁰ Including respectively -1.6 million euros and +8.7 million euros in 2018 and 2019 related to assets payable change

RECONCILIATION WITH ALTERNATIVE PERFORMANCE MEASURES

NORMALIZED IFO RECONCILIATION <i>in million euros</i>	FY 2018	FY 2019
Income from Operations	258.8	252.7
<i>Cello Trademark and goodwill impairment in 2019 and Cello and Pimaco goodwill impairment in 2018</i>	+74.2	+44.3
<i>Restructuring costs (Transformation plan in 2018 and 2019, 2018 Stationery and Lighters manufacturing reorganization, 2018 Haco Industries acquisition-related costs)</i>	+15.4	+44.7
<i>U.K pension adjustment for past service costs in 2019</i>	-	(9.9)
<i>BIC Sport Divestiture</i>	+4.9	-
<i>Argentina hyperinflationary accounting (IAS29)</i>	(0.9)	-
Normalized IFO	352.4	331.8

NORMALIZED EPS RECONCILIATION <i>in million euros</i>	FY 2018	FY 2019
EPS	3.80	3.91
<i>Cello Trademark and goodwill impairment in 2019 and Cello and Pimaco goodwill impairment in 2018</i>	+1.62	+0.98
<i>Restructuring costs (Transformation plan in 2018 and 2019, 2018 Stationery and Lighters manufacturing reorganization, 2018 Haco Industries acquisition related costs)</i>	+0.23	+0.69
<i>U.K pension adjustment for past service costs in 2019</i>	-	(0.18)
<i>BIC Sport Divestiture</i>	+0.10	-
<i>Argentina hyperinflationary accounting (IAS29)</i>	+0.12	+0.07
Normalized EPS	5.87	5.47

NET CASH RECONCILIATION <i>(in million euros - rounded figures)</i>	December 31, 2018	December 31, 2019
Cash and cash equivalents (1)	+157.5	+198.6
Other current financial assets (2) ²¹	+12.8	4.1
Current borrowings (3) ²²	(8.9)	(52.8)
Non-current borrowings (4)	-	(2.9)
NET CASH POSITION (1) + (2) - (3) - (4)	161.5	146.9

²¹ In the balance sheet at December 31, 2019 and 2018, the line "Other current financial assets and derivative instruments" also includes respectively 2.7M€ and 5.3M€ worth of derivative instruments.

²² Excluding financial liabilities following IFRS16 implementation

SHARE BUYBACK PROGRAM

SHARE BUY-BACK PROGRAM – SOCIETE BIC	Number of shares acquired	Average weighted price (in €)	Amount (in M€)
February 2019	272,388	83.24	22.7
March 2019	126,408	82.41	10.4
April 2019	44,871	76.63	3.4
May 2019	35,000	75.42	2.6
June 2019	31,923	79.74	2.6
July 2019	-	-	-
August 2019	-	-	-
September 2019	-	-	-
October 2019	-	-	-
November 2019	-	-	-
December 2019	-	-	-
Total	478,667	81.83	39.2

CAPITAL AND VOTING RIGHTS

As of December 31, 2019, the total number of issued shares of SOCIÉTÉ BIC was 45,532,240 shares, representing:

- 67,035,094 voting rights,
- 66,494,526 voting rights, excluding shares without voting rights.

Total number of treasury shares held at the end of December 2019: 540,568.

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 impacts of acquisitions and/or disposals that occurred during the current year and/or during the previous year, until their anniversary date. All Net Sales category comments are made on a comparative basis. Organic change excludes Argentina Net Sales for both 2018 and 2019.
- **Gross profit** is the margin that the Group realizes after deducting its manufacturing costs.
- **Normalized IFO:** normalized means excluding non-recurring items.
- **Normalized IFO margin:** Normalized IFO as a percentage of Net Sales.
- **Net cash from operating activities:** principal revenue-generating activities of the entity and other activities that are not investing or financing activities.
- **Net cash position:** Cash and cash equivalents + Other current financial assets - Current borrowings - Non-current borrowings (except financial liabilities following IFRS 16 implementation).

SOCIETE BIC consolidated financial statements as of 12 February 2020 were approved by the Board of Directors on 11 February 2020. A presentation related to this announcement is also available on the BIC website (www.bicworld.com). The Group's Statutory Auditors have performed their audit procedures on these consolidated financial statements and the audit report relating to the certification of these financial statements will be issued upon completion of the procedures required for the filing of the universal registration document. 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 the section, "Risks" in BIC's 2018 Registration Document filed with the French financial markets authority (AMF) on March 20, 2019.

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For more information, please consult the corporate website: www.bicworld.com

2020 AGENDA – ALL DATES TO BE CONFIRMED

First Quarter 2020 results	23 April 2020	Conference call and Webcast
Capital Markets Day	19 May 2020	Meeting
2020 AGM	20 May 2020	Meeting
First Half 2020 results	29 July 2020	Conference call and Webcast
Third Quarter 2020 results	28 October 2020	Conference call and Webcast

ABOUT BIC

BIC is a world leader in stationery, lighters, and shavers. For 75 years, BIC has honored the tradition of providing high-quality, affordable products to consumers everywhere. Through this unwavering dedication, BIC has become one of the most recognized brands and is a trademark registered worldwide for identifying BIC products which are sold in more than 160 countries around the world. In 2019, BIC Net Sales were 1,949.4 million euros. The Company is listed on "Euronext Paris" and is part of the SBF120 and CAC Mid 60 indexes. BIC is also part of the following Socially Responsible Investment indexes: CDP A list and CDP "Supplier Engagement rating Leader board," Euronext Vigeo – Eurozone 120, Euronext Vigeo – Europe 120, FTSE4Good indexes, Ethibel Pioneer and Ethibel Excellence Investment Registers, Ethibel Sustainability Index (ESI) Excellence Europe, Stoxx Global ESG Leaders Index.

