



## FIRST HALF 2018 RESULTS

### CHALLENGING TRADING ENVIRONMENT - 2018 OUTLOOK UNCHANGED

- H1 Net Sales: 959.3 million euros, down 1.9% on a comparative basis:
  - Challenging market and business environment
  - Continued solid performance in Eastern Europe
  - Soft Second Quarter performance in U.S. Lighters, as expected
- H1 Normalized Income From Operation margin: 19.6%, down 70 basis points:
  - H1 favorable Cost of Production offsetting increase in Raw Materials and Depreciation
  - Continued targeted investments in Brand Support and Operations
- 68.7 million euros of Goodwill Impairment on Cello (India) as a result of lower growth perspectives in both domestic and export sales.
- Solid Operating Cashflow generation

*“Faced with market headwinds in the first half, we continued to invest in our business and drive operational effectiveness, thus enabling us to seize opportunities to deliver future growth.*

*In the balance of the year, we expect Net Sales growth across all categories. We will deliver solid growth in e-commerce in US Stationery, strengthen our distribution in Lighters, while new product launches will drive Shavers’ performance.*

*Our outlook for the full year is unchanged. We remain focused on delivering on our goals and leveraging the value of our brand as we continue to engage effectively with our consumers.”*

**Gonzalve Bich, Chief Executive Officer**

#### Q2 AND H1 2018 KEY FIGURES<sup>1</sup>

<i>In million euros</i>	<b>Q2</b>	<b>H1</b>
Group Net Sales	<b>543.9</b>	<b>959.3</b>
<b>Change on a comparative basis</b>	<b>-2.3%</b>	<b>-1.9%</b>
Normalized Income From Operations	<b>118.7</b>	<b>188.2</b>
<b>Normalized IFO margin</b>	<b>21.8%</b>	<b>19.6%</b>
Net Income Group Share	<b>22.2</b>	<b>70.8</b>
EPS Group Share	<b>0.49</b>	<b>1.55</b>
<b>Normalized EPS Group Share</b>	<b>1.99</b>	<b>3.05</b>
Net Cash Position	<b>55.1</b>	<b>55.1</b>

<sup>1</sup> See Glossary page 11

KEY FIGURES (in million euros)	Q2 2018 vs. Q2 2017					H1 2018 vs. H1 2017				
	Q2 2017 (restated for IFRS15)	Q2 2018	As reported	Constant currency basis	Comparative basis	H1 2017 (restated for IFRS15)	H1 2018	As reported	Constant currency basis	Comparative basis
<b>GROUP</b>										
Net Sales	599.0	543.9	-9.2%	-3.1%	-2.3%	1,072.3	959.3	-10.5%	-3.1%	-1.9%
Gross Profit	310.5	283.9				560.5	507.4			
Normalized Income From Operations (NIFO)	137.1	118.7	-13.4%			218.2	188.2	-13.7%		
<b>Normalized IFO margin</b>	<b>22.9%</b>	<b>21.8%</b>				<b>20.3%</b>	<b>19.6%</b>			
Income From Operations (IFO)	119.6	50.0	-58.2%			193.6	119.5	-38.3%		
IFO margin	20.0%	9.2%				18.1%	12.5%			
Net Income Group Share	79.2	22.2	-72.0%			128.7	70.8	-45.0%		
<b>Net Income Group Share excluding Cello Goodwill Impairment</b>	<b>79.2</b>	<b>90.9</b>	<b>+14.8%</b>			<b>128.7</b>	<b>139.5</b>	<b>+8.4%</b>		
<b>Normalized Earnings Per Share Group Share (in euros)</b>	<b>2.04</b>	<b>1.99</b>	<b>-2.5%</b>			<b>3.21</b>	<b>3.05</b>	<b>-5.0%</b>		
Earnings Per Share Group Share (in euros)	1.70	0.49	-71.2%			2.76	1.55	-43.8%		
<b>STATIONERY</b>										
Net Sales	267.8	249.5	-6.8%	-1.7%	-1.4%	433.4	401.3	-7.4%	-1.1%	-0.1%
Normalized IFO	41.6	37.4				47.6	47.0			
<b>Normalized IFO margin</b>	<b>15.5%</b>	<b>15.0%</b>				<b>11.0%</b>	<b>11.7%</b>			
IFO	35.5	-31.3				36.0	-21.8			
IFO margin	13.2%	-12.6%				8.3%	-5.4%			
<b>LIGHTERS</b>										
Net Sales	186.4	165.0	-11.5%	-4.5%	-4.5%	358.6	317.7	-11.4%	-2.7%	-2.6%
Normalized IFO	77.0	63.3				141.0	117.7			
<b>Normalized IFO margin</b>	<b>41.3%</b>	<b>38.4%</b>				<b>39.3%</b>	<b>37.1%</b>			
IFO	77.0	63.3				140.8	117.7			
IFO margin	41.3%	38.4%				39.3%	37.1%			
<b>SHAVERS</b>										
Net Sales	123.4	113.5	-8.0%	-0.3%	-0.3%	238.7	210.5	-11.8%	-3.1%	-3.1%
Normalized IFO	17.2	16.9				31.4	24.6			
<b>Normalized IFO margin</b>	<b>14.0%</b>	<b>14.9%</b>				<b>13.1%</b>	<b>11.7%</b>			
IFO	17.2	16.9				31.2	24.6			
IFO margin	13.9%	14.9%				13.1%	11.7%			
<b>OTHER PRODUCTS</b>										
Net Sales	21.5	15.9	-25.8%	-24.2%	-6.9%	41.6	29.8	-28.5%	-26.8%	-10.4%
Normalized IFO	1.2	1.2				-1.8	-1.0			
IFO	-10.1	1.2				-14.4	-1.0			

As of January 1, 2018, the BIC Group has applied the following IFRS standards:

- IFRS15 "Revenue from Contracts with Customers." 2017 financial data has been restated
- IFRS 9 "Financial instruments,"
- IFRS 16 "Leases" has been early adopted.

## GROUP OPERATIONAL TRENDS

### NET SALES

**H1 2018 Net Sales** totaled 959.3 million euros, down 10.5% as reported and down 1.9% on a comparative basis. The unfavorable impact of currency fluctuations (-7.4%) was mainly due to the depreciation of the U.S. dollar and Brazilian real against the euro. Europe grew by 0.8% on a comparative basis. North America and Developing Markets declined by 0.5% and by 6.3%, respectively.

### INCOME FROM OPERATIONS AND NORMALIZED INCOME FROM OPERATIONS

**H1 2018 Gross Profit margin** was 52.9%, compared to 52.3% in H1 2017.

**H1 2018 Normalized IFO** was 188.2 million euros compared to 218.2 million euros in H1 2017, with Normalized IFO margin of 19.6% vs. 20.3% in H1 2017.

KEY COMPONENTS OF THE CHANGE IN NORMALIZED IFO MARGIN (in points)	H1 2017 vs. H1 2016 <sup>2</sup>	Q1 2018 vs. Q1 2017	Q2 2018 vs. Q2 2017	H1 2018 vs. H1 2017
• Change in cost of production <sup>3</sup>	+0.3	+1.6	+0.5	+1.0
• Total Brand Support <sup>4</sup>	-0.1	-0.2	+0.2	-0.1
○ Of which, promotions and investments related to consumer and business development support accounted for in Gross Profit Margin	-0.3	-0.6	-0.1	-0.4
○ Of which, advertising, consumer and trade support	+0.2	+0.4	+0.3	+0.3
• OPEX and other expenses	-1.2	-1.8	-1.8	-1.6
<b>Total change in Normalized IFO margin excluding the special employee bonus</b>	<b>-1.0</b>	<b>-0.4</b>	<b>-1.1</b>	<b>-0.7</b>
<b>Special employee bonus</b>	<b>+0.9</b>	-	-	-
• Of which, impact on Gross Profit	+0.5	-	-	-
• Of which, impact on OPEX	+0.4	-	-	-
<b>Total change in Normalized IFO margin</b>	<b>-0.1</b>	<b>-0.4</b>	<b>-1.1</b>	<b>-0.7</b>

NON-RECURRING ITEMS (in million euros)	Q1		Q2		H1	
	2017 (restated from IFRS15)	2018	2017 (restated from IFRS15)	2018	2017 (restated from IFRS15)	2018
<b>Income From Operations</b>	<b>74.1</b>	<b>69.6</b>	<b>119.6</b>	<b>50.0</b>	<b>193.6</b>	<b>119.5</b>
<b>As % of Net Sales</b>	<b>15.7%</b>	<b>16.7%</b>	<b>20.0%</b>	<b>9.2%</b>	<b>18.1%</b>	<b>12.5%</b>
Restructuring costs related primarily to BIC Graphic	7.0	-	17.5	-	24.6	-
Cello goodwill impairment	-	-	-	68.7	-	68.7
<b>Normalized IFO</b>	<b>81.1</b>	<b>69.6</b>	<b>137.1</b>	<b>118.7</b>	<b>218.2</b>	<b>188.2</b>
<b>As % of Net Sales</b>	<b>17.1%</b>	<b>16.7%</b>	<b>22.9%</b>	<b>21.8%</b>	<b>20.3%</b>	<b>19.6%</b>

Cello goodwill impairment is explained by lower growth perspectives in both domestic and export sales.

### NET INCOME AND EPS

**Income before tax** was at 125.3 million euros, compared to 193.6 million euros in H1 2017. Net finance revenue was 5.8 million euros compared to nil in H1 2017. H1 2018 was positively impacted, particularly in Q2, by fair value adjustments to financial assets denominated in USD when compared to December 2017.

<sup>2</sup> Before 2017 IFRS15 restatement as 2016 was not restated.

<sup>3</sup> Gross Profit margin excluding promotions and investments related to consumer and business development support.

<sup>4</sup> Total Brand Support: consumer and business development support + advertising, consumer and trade support.

**H1 2018 Net income Group Share** was 70.8 million euros, a 45.0% drop as reported (139.5 million euros, increasing 8.4%, before the Cello goodwill impairment). The effective tax rate was 43.5% and 28.1% excluding the impact of Cello goodwill impairment. Q2 2018 Net Income Group Share was 22.2 million euros and would have been 90.9 million euros excluding Cello goodwill impairment.

**EPS Group share** was 1.55 euros, compared to 2.76 euros in H1 2017, i.e., down by 43.8%. Normalized H1 EPS Group share decreased 5.0% to 3.05 euros, compared to 3.21 euros in H1 2017. EPS Group Share in Q2 2018 was 0.49 euros compared to 1.70 euros in Q2 2017, down 71.2%. Normalized Q2 EPS Group share decreased 2.5% to 1.99 euros, compared to 2.04 euros in Q2 2017.

## NET CASH POSITION

At the end of June 2018, the Group's net cash position stood at 55.1 million euros.

CHANGE IN NET CASH POSITION (in million euros)	2017 (restated for IFRS15)	2018
<b>NET CASH POSITION (BEGINNING OF PERIOD - DECEMBER)</b>	<b>222.2</b>	<b>204.9</b>
• Net cash from operating activities	+77.0	+83.1
○ Of which operating cash flow	+196.9	+197.7
○ Of which change in working capital and others	-119.9	-114.6
• CAPEX	-74.7	-51.6
• Dividend payment	-161.0	-157.8
• Share buyback program	-18.0	-23.9
• Net cash from the exercise of stock options and the liquidity contract	+0.6	+1.4
• Proceeds from the sale of BIC Graphic North America and Asian Sourcing <sup>5</sup>	+55.7	+9.2
• Others	-14.6	-10.2
<b>NET CASH POSITION (END OF PERIOD - JUNE)</b>	<b>87.2</b>	<b>55.1</b>

Net cash from operating activities was +83.1 million euros, including +197.7 million euros in operating cash flow. The negative 114.6 million euros change in working capital, and others was mainly driven by accounts receivables and inventory increased when compared to December 2017 mainly due to seasonality. Net cash was also negatively impacted by investments in CAPEX as well as the dividend payments and share buybacks.

## SHAREHOLDERS' REMUNERATION

- Ordinary dividend of 3.45 euros per share paid in May 2018.
- 23.8 million euros in share buy-backs by Société BIC at the end of June 2018 (296,932 shares purchased at an average price of 80.04 euros). BIC Corporation had share buy-backs for 0.1 million euros.

<sup>5</sup> 2017 Net Cash Position excluded 8.8 million euros of subordinated loan.

**STATIONERY**

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**Stationery H1 2018 Net Sales decreased by 7.4% as reported and by 0.1% on a comparative basis. Second quarter 2018 Net Sales were down 6.8% as reported and down 1.4% on a comparative basis.**

- In **Europe**, while the market declined 2.2% in value<sup>6</sup>, Net Sales were flat with continued solid performance in Southern Europe (Spain and Turkey) partially offset by negative back-to-school phasing in France (shipment to customers postponed from June to July, versus last year).
- In **North America**, Net Sales increased mid-single digit with a strong performance in e-commerce, the on-going success of our BIC® Gelocity Quick Dry pen, as well as positive back-to-school phasing. Year-to-date June 2018, BIC outperformed the declining U.S. Stationery market (-0.9%), gaining 0.5 points market share in value<sup>7</sup>.
- In **Latin America**, Net Sales decreased low-single digit, negatively impacted by the 10-day transportation strike in May in Brazil, combined with on-going inventory adjustments by customers, as well as a negative back-to-school phasing in Mexico.
- **Cello Pens** Domestic Sales were flat on a comparable basis as Cello continues its product trade-up strategy and portfolio streamlining.

**H1 2018 Normalized IFO margin for Stationery was 11.7%**, compared to 11.0% in H1 2017 with favorable Sales Mix and cost efficiency, offsetting increasing Raw Material costs. **Q2 2018 Normalized IFO margin was 15.0%**, compared to 15.5% in Q2 2017.

**LIGHTERS**

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**H1 2018 Net Sales of Lighters decreased by 11.4% as reported and by 2.6% on a comparative basis. Second quarter 2018 Net Sales were down 11.5% as reported and down 4.5% on a comparative basis.**

- **Europe** Net Sales were flat in H1. In Western Europe, in spite of unchanged market conditions and distribution channels for BIC, performance was impacted by the decision to adjust a part of our route-to-market in traditional networks. In Eastern Europe, we continued to grow market share.
- **North American** Net Sales decreased slightly in H1. Following pre-buys from retailers in Q1 ahead of the April 1<sup>st</sup> price increase, Q2 performance was soft, as expected. The non-refillable pocket lighter market in the US declined by 0.3%<sup>8</sup>.
- In **Latin America**, Net Sales decreased high-single digit, due to on-going inventory adjustments by customers in Brazil. In addition to this, Brazil's performance was impacted by the 10-day transportation strike in May. Mexico performed well with a positive trend in Q2, driven by enlarged distribution in traditional stores.

**H1 2018 Normalized IFO margin for Lighters was 37.1%**, compared to 39.3% in H1 2017, reflecting an increase in Raw Materials and Brand Support, as well as unfavorable fixed cost absorption. **Q2 2018 Normalized IFO margin was 38.4%**, compared to 41.3% in Q2 2017.

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<sup>6</sup> Source: GFK - YTD May 2018 – Europe 7 (France, UK, Germany, Italy, Spain, Belgium, Greece)

<sup>7</sup> Source: NPD - YTD June 2018

<sup>8</sup> Source: IRI CMULO - YTD 1-JUL-2018

## SHAVERS

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**H1 2018 Net Sales of Shaver's decreased by 11.8% as reported, and by 3.1% on a constant currency basis. Second quarter 2018 Net Sales decreased by 8.0% as reported and by 0.3% on a constant currency basis.**

- The performance was solid in **Europe** with Net Sales increasing mid-single digit. This was mainly due to continued growth in Eastern Europe, notably in Russia with a market share increase driven by BIC® Flex 3 Hybrid and new distribution gains. Western Europe Net Sales were flat in spite of a declining market (down 1.1% in value, YTD May 2018<sup>9</sup>) for the one-piece segment.
- In **North America**, Net Sales decreased mid-single digit, negatively impacted by the on-going market disruption including competitive pressure. BIC underperformed the U.S. one-piece market (down 3.9% in value), losing 0.5 points resulting with 26.4% market share in value (YTD June 2018<sup>10</sup>), in spite of the continued success of our new products BIC® Soleil® Balance, N°1 new product on the female one-piece market, BIC® Flex 3 Hybrid and BIC® Soleil® Bella Click.
- In **Latin America**, Net Sales were flat. In Brazil, the impact of the 10-day transportation strike was more than offset by our distribution expansion and market share momentum, while market declined 2.7% in value (YTD May 2018<sup>11</sup>). BIC gained 2.5 points to reach 21.2% market share in value, driven by BIC® 3 and our latest launches such as BIC® Flex 3 and BIC® Soleil Sensitive.
- In the **Middle-East and Africa**, Net Sales decreased double-digit with performance negatively impacted by a decrease in promotional activities and current unfavorable importation legislation in North Africa.

**H1 2018 Normalized IFO margin for Shaver's was 11.7%** compared to 13.1% in H1 2017, driven by low volumes, unfavorable product mix, increase in Raw Material costs partially offset by lower Brand Support compared to last year.

**Q2 2018 Normalized IFO margin was 14.9%**, compared to 14.0% in Q2 2017.

## OTHER PRODUCTS

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**H1 2018 Net Sales of Other Products decreased by 28.5% as reported and by -10.4% on a comparative basis. Second quarter 2018 Net Sales decreased by 25.8% as reported and by 6.9% on a comparative basis.**

BIC Sport posted a low double-digit decrease in its Net Sales on a comparative basis.

**H1 2018 Normalized IFO for Other Products was a negative 1.0 million euros**, compared to a negative 1.8 million euros in H1 2017. **Q2 2018 Normalized IFO for Other Products was a positive 1.2 million euros**, flat vs. last year.

## 2018 OUTLOOK

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We expect 2018 Group Net Sales to **increase between +1 and +3% on a comparative basis**, with all categories contributing to the growth. Major factors affecting sales performance could include continued competitive pressures in Shaver, further inventory reductions from retailers, and continued softness in the Brazilian economy.

Gross Profit will be impacted by an increase in raw material costs, higher depreciation, while we will continue to invest in targeted Brand Support and Operating Expenses.

2018 Normalized Income from Operations will also be impacted by sales performance. Based on these factors we expect **Normalized Income from Operations margin to be between 17% and 18%**.

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<sup>9</sup> Source: MAT Nielsen - May 2018

<sup>10</sup> Source: IRI total market YTD ending 01-JULY-2018

<sup>11</sup> Source: Retail Index, YTD May 2018

<b>BIC GROUP NET SALES BY GEOGRAPHY</b> <i>(in million euros)</i>		<b>Q2 2018 vs. Q2 2017</b>			<b>H1 2018 vs. H1 2017</b>			
		<b>Q2 2017</b> (Restated for IFRS15)	<b>Q2 2018</b>	<b>As reported</b>	<b>Comparative basis</b>	<b>H1 2017</b> (Restated for IFRS15)	<b>H1 2018</b>	<b>As reported</b>
<b>GROUP</b>								
Net Sales	599.0	543.9	-9.2%	-2.3%	1,072.3	959.3	-10.5%	-1.9%
<b>EUROPE</b>								
Net Sales	181.2	176.1	-2.8%	+1.7%	312.8	300.3	-4.0%	+0.8%
<b>NORTH AMERICA</b>								
Net Sales	241.9	224.9	-7.0%	-0.7%	420.4	379.8	-9.7%	-0.5%
<b>DEVELOPING MARKETS</b>								
Net Sales	175.9	142.9	-18.7%	-8.5%	339.1	279.1	-17.7%	-6.3%

<b>IMPACT OF CHANGE IN PERIMETER AND CURRENCY FLUCTUATIONS ON NET SALES</b> <i>(in %)</i>	<b>Q2 2017</b>	<b>Q2 2018</b>	<b>H1 2017</b>	<b>H1 2018</b>
<b>Perimeter</b>	-0.3%	-0.8%	-0.2%	-1.2%
<b>Currencies</b>	+2.0%	-6.1%	+2.9%	-7.4%
<i>Of which USD</i>	+0.8%	-2.6%	+1.1%	-3.6%
<i>Of which BRL</i>	+0.8%	-1.2%	+1.4%	-1.3%
<i>Of which ARS</i>	-0.1%	-0.4%	-0.1%	-0.6%
<i>Of which INR</i>	+0.2%	-0.3%	+0.2%	-0.4%
<i>Of which MXN</i>	+0.0%	-0.7%	-0.2%	-0.5%
<i>Of which RUB and UAH</i>	+0.2%	-0.3%	+0.2%	-0.3%

CONDENSED PROFIT AND LOSS ACCOUNT (in million euros)	Q2 2018 vs. Q2 2017				H1 2018 vs. H1 2017			
	Q2 2017 (restated for IFRS15)	Q2 2018	As reported	Comparative basis	H1 2017 (restated for IFRS15)	H1 2018	As reported	Comparative basis
<b>Net Sales</b>	599.0	543.9	-9.2%	-2.3%	1,072.3	959.3	-10.5%	-1.9%
Cost of goods	-288.5	-260.0			-511.8	-451.9		
<b>Gross Profit</b>	<b>310.5</b>	<b>283.9</b>			<b>560.5</b>	<b>507.4</b>		
Administrative & other operating expenses (incl. Cello goodwill impairment in 2018)	-190.9	-233.9			-366.9	-387.9		
<b>Income from operations</b>	<b>119.6</b>	<b>50.0</b>			<b>193.6</b>	<b>119.5</b>		
Finance revenue/costs	-0.8	7.8			0.0	5.8		
<b>Income before tax</b>	<b>118.8</b>	<b>57.8</b>			<b>193.6</b>	<b>125.3</b>		
Income tax expense	-35.7	-35.5			-58.1	-54.5		
Net Income From Continuing Operations	83.1	22.2			135.5	70.8		
Net Income From Discontinued Operations	-3.9	-			-6.7	-		
<b>NET INCOME GROUP SHARE</b>	<b>79.2</b>	<b>22.2</b>			<b>128.7</b>	<b>70.8</b>		
Earnings Per Share From Continuing Operations (in euros)	<b>1.78</b>	<b>0.49</b>			<b>2.90</b>	<b>1.55</b>		
Earnings Per Share From Discontinued Operations (in euros)	<b>-0.08</b>	<b>-</b>			<b>-0.14</b>	<b>-</b>		
<b>Earnings per share Group share (in euros)</b>	<b>1.70</b>	<b>0.49</b>			<b>2.76</b>	<b>1.55</b>		
Average number of shares outstanding (net of treasury shares)	46,683,913	45,755,483			46,683,913	45,755,483		

CONDENSED BALANCE SHEET (in million euros)	June 30, 2017 (restated for IFRS15)	December 31, 2017 (restated for IFRS15)	January 1, 2018 (new IFRS implementation)	June 30, 2018
<b>ASSETS</b>				
Property, plant & equipment	586.5	631.1	684.6	676.9
Investment properties	1.9	1.8	1.8	1.8
Goodwill and intangible assets	359.1	350.6	350.6	278.6
Other non-current assets	233.1	185.5	185.5	150.7
<b>Non-current assets</b>	<b>1,180.6</b>	<b>1,169.0</b>	<b>1,222.5</b>	<b>1,108.0</b>
Inventories	469.7	429.0	429.0	470.2
Trade and other receivables	615.2	477.1	473.5	574.0
Other current assets	38.3	45.0	45.0	30.4
Other current financial assets and derivative instruments	12.6	45.0	45.0	34.4
Cash and cash equivalents	291.2	188.6	188.6	170.5
<b>Current assets</b>	<b>1,427.0</b>	<b>1,184.7</b>	<b>1,181.1</b>	<b>1,279.5</b>
<b>TOTAL ASSETS</b>	<b>2,607.6</b>	<b>2,353.7</b>	<b>2,403.6</b>	<b>2,387.5</b>
<b>LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>				
<b>Shareholders' equity</b>	<b>1,707.1</b>	<b>1,702.2</b>	<b>1,698.6</b>	<b>1,569.6</b>
Non-current borrowings	0.2	0.2	51.6	35.3
Other non-current liabilities	271.4	265.7	266.2	216.3
<b>Non-current liabilities</b>	<b>271.6</b>	<b>265.9</b>	<b>317.8</b>	<b>251.6</b>
Trade and other payables	136.8	125.5	125.5	130.7
Current borrowings	208.4	4.8	6.4	154.0
Other current liabilities	283.7	255.3	255.3	281.6
<b>Current liabilities</b>	<b>628.9</b>	<b>385.6</b>	<b>387.2</b>	<b>566.3</b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	<b>2,607.6</b>	<b>2,353.7</b>	<b>2,403.6</b>	<b>2,387.5</b>



<b>CASH FLOW STATEMENT</b> (in million euros)	<b>H1 2017</b> (restated for IFRS15)	<b>H1 2018</b>
Group Net income	128.7	70.8
<i>Net income from discontinued operations</i>	-6.7	-
<i>Net income from continuing operations</i>	135.4	70.8
Amortization and provisions	61.8	131.4
(Gain)/Loss from disposal of fixed assets	10.2	-
Others	-3.8	-4.5
<b>CASH FLOW FROM OPERATIONS</b>	<b>196.9</b>	<b>197.7</b>
(Increase) / decrease in net current working capital	-123.9	-134.4
Others	4.0	19.8
<i>Net Cash from operating activities from continuing operations</i>	70.9	83.1
<i>Net Cash from operating activities from discontinued operations</i>	6.1	-
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>77.0</b>	<b>83.1</b>
Net capital expenditure	-73.9	-51.0
(Purchase)/Sale of other current financial assets	24.7	5.0
Divestiture of BIC Graphic North America and Asian Sourcing	55.7	-
Other Investments	-0.4	0.1
<i>Net Cash from investing activities from continuing operations</i>	9.5	-45.9
<i>Net Cash from investing activities from discontinued operations</i>	-3.4	-
<b>NET CASH FROM INVESTING ACTIVITIES (B)</b>	<b>6.1</b>	<b>-45.9</b>
Dividends paid	-161.0	-157.8
Borrowings/(Repayments)/(loans)	130.6	100.9
Share buy-back program net of stock-options exercised	-17.4	-22.5
Others	-2.7	-7.9
<i>Net Cash from financing activities from continuing operations</i>	-48.2	-87.3
<i>Net Cash from financing activities from discontinued operations</i>	-2.3	-
<b>NET CASH FROM FINANCING ACTIVITIES (C)</b>	<b>-50.5</b>	<b>-87.3</b>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS NET OF BANK OVERDRAFTS (A+B+C)</b>	<b>32.6</b>	<b>-50.1</b>
<b>OPENING CASH AND CASH EQUIVALENTS NET OF BANK OVERDRAFTS</b>	<b>217.4</b>	<b>187.0</b>
Net increase/decrease in cash and cash equivalents net of bank overdrafts (A+B+C)	32.6	-50.1
Exchange difference	-14.7	-3.2
<b>CLOSING CASH AND CASH EQUIVALENTS NET OF BANK OVERDRAFTS</b>	<b>235.3</b>	<b>133.7</b>

<b>SHARE BUY-BACK PROGRAM – SOCIETE BIC</b>	<b>Number of shares acquired</b>	<b>Average weighted price in €</b>	<b>Amount in M€</b>
February 2018	100,009	83.37	8.3
March 2018	165,000	78.07	12.9
April 2018	-	-	-
May 2018	-	-	-
June 2018	31,923	79.74	2.6
<b>Total</b>	<b>296,932</b>	<b>80.04</b>	<b>23.8</b>

## RECONCILIATION WITH ALTERNATIVE PERFORMANCE MEASURES

### NORMALIZED IFO RECONCILIATION

<i>(in million euros)</i>	H1 2017 (restated for IFRS15)	FY 2017 (restated for IFRS15)	H1 2018
<b>Income From Operations</b>	<b>193.6</b>	<b>374.9</b>	<b>119.5</b>
<i>Restructuring costs related primarily to BIC Graphic</i>	+24.6	+24.7	-
<i>Cello goodwill impairment</i>	-	-	+68.7
<b>Normalized IFO</b>	<b>218.2</b>	<b>399.6</b>	<b>188.2</b>

### NORMALIZED EPS RECONCILIATION

<i>(in euros)</i>	H1 2017 (restated for IFRS15)	FY 2017 (restated for IFRS15)	H1 2018
<b>EPS</b>	<b>2.76</b>	<b>6.18</b>	<b>1.55</b>
<i>Net loss from the divestiture of BIC Graphic North America and Asian Sourcing</i>	+0.09	+0.09	-
<b>Normalized EPS excluding impairment recognized for BIC Graphic North America and Asia Sourcing</b>	<b>2.85</b>	<b>6.27</b>	<b>1.55</b>
<i>Restructuring costs related primarily to BIC Graphic</i>	+0.36	+0.38	-
<i>Cello goodwill impairment</i>	-	-	+1.50
<b>Normalized EPS</b>	<b>3.21</b>	<b>6.65</b>	<b>3.05</b>

<b>NET CASH RECONCILIATION</b> <i>(in million euros – rounded figures)</i>	December 31, 2017	June 30, 2018
Cash and cash equivalents (1)	188.6	170.5
Other current financial assets (2) <sup>12</sup>	21.4	25.1
Current borrowings (3) <sup>12</sup>	-4.9	-140.5
Non-current borrowings (4)	-0.2	-
<b>NET CASH POSITION (1) + (2) - (3) - (4)</b>	<b>204.9</b>	<b>55.1</b>

### CAPITAL AND VOTING RIGHTS, JUNE 30, 2018

As of June 30, 2018, the total number of issued shares of SOCIÉTÉ BIC was 46,645,433 shares, representing:

- 68,003,531 voting rights,
- 67,055,750 voting rights excluding shares without voting rights.

Total number of treasury shares held at the end of June 2018: 947,781.

<sup>12</sup> In the balance sheet at December 31, 2017 and at June 30, 2018, the line "Other current financial assets and derivative instruments" also includes respectively 23.6 million euros and 9.3 million euros worth of derivative instruments. In the balance sheet at December 31, 2017 and at June 30, 2018, the line "Current borrowings" includes also respectively 1.7 million euros and 36.7 million euros worth of bank overdrafts and 3.1 million euros and 103.7 million euros worth of current borrowings.

## GLOSSARY

- **Constant currency basis:** constant currency figures are calculated by translating the current year figures at prior year monthly average exchange rates.
- **Organic growth 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.
- **Gross profit** is the margin that the Group realizes after deducting its manufacturing costs.
- **Normalized IFO:** normalized means excluding non-recurring items as detailed on page 3.
- **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 June 30, 2018, were approved by the Board of Directors on July 31, 2018. A presentation related to this announcement is also available on the BIC website (at [www.bicworld.com](http://www.bicworld.com)).

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, "Risk Factors" in BIC's 2017 Registration Document filed with the French financial markets authority (AMF) on March 21, 2018.

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For more information, please consult the corporate website: [www.bicworld.com](http://www.bicworld.com)

## 2018 – 2019 AGENDA (ALL DATES TO BE CONFIRMED)

Third Quarter 2018 results	24 October 2018	Conference call
Full Year 2018 results	13 February 2019	Meeting – BIC Headquarters
First Quarter 2019 results	25 April 2019	Conference call
AGM 2019	22 May 2019	Meeting– BIC Headquarters

## ABOUT BIC

BIC is a world leader in stationery, lighters, shavers and promotional products. For more than 70 years, BIC has honored the tradition of providing high-quality, affordable products to consumers everywhere. Through this unwavering dedication and thanks to everyday efforts and investments, 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 2017, BIC recorded Net Sales of 2,041.4 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's "Leadership Level" (A-) and "Leadership Level" for the additional "Supplier" module, 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.

