BIC® Shavers 40th anniversary Athens factory visit

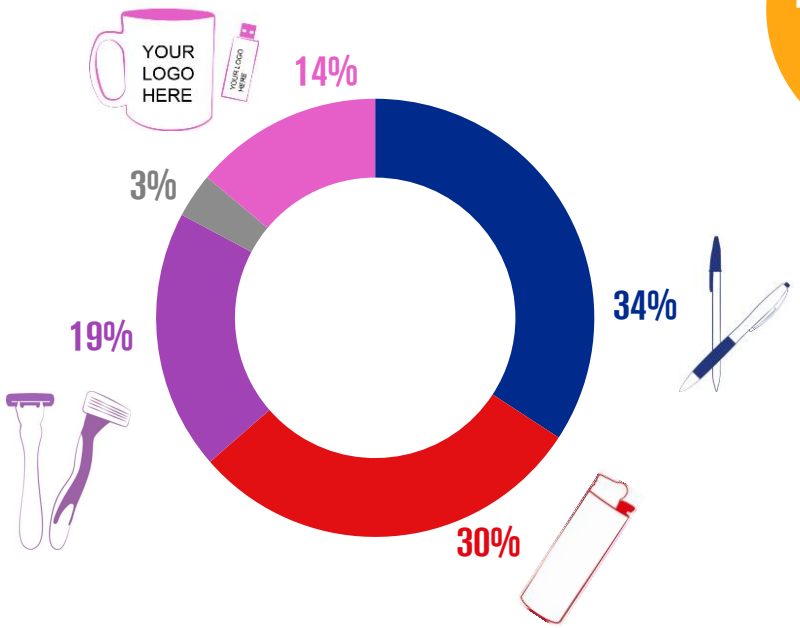
29/30 June 2015

40 YEARS

Introduction

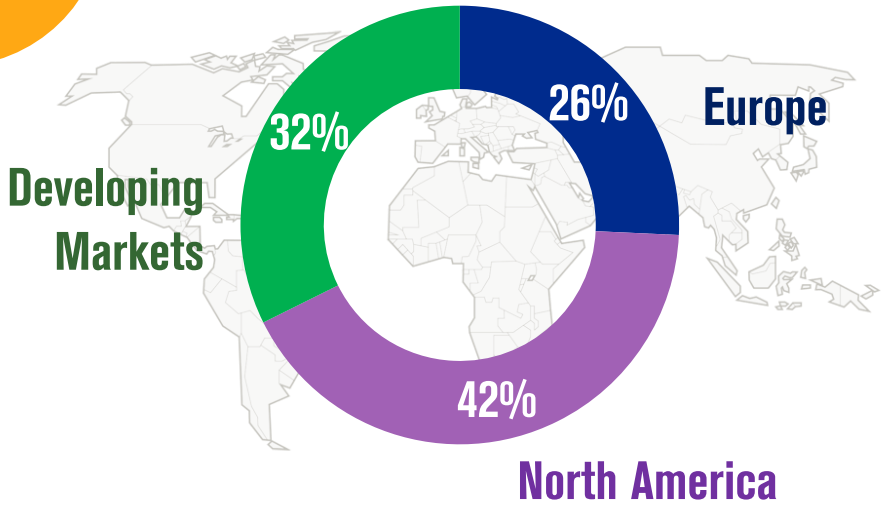
BIC in a nutshell

FY 2014 sales breakdown by category



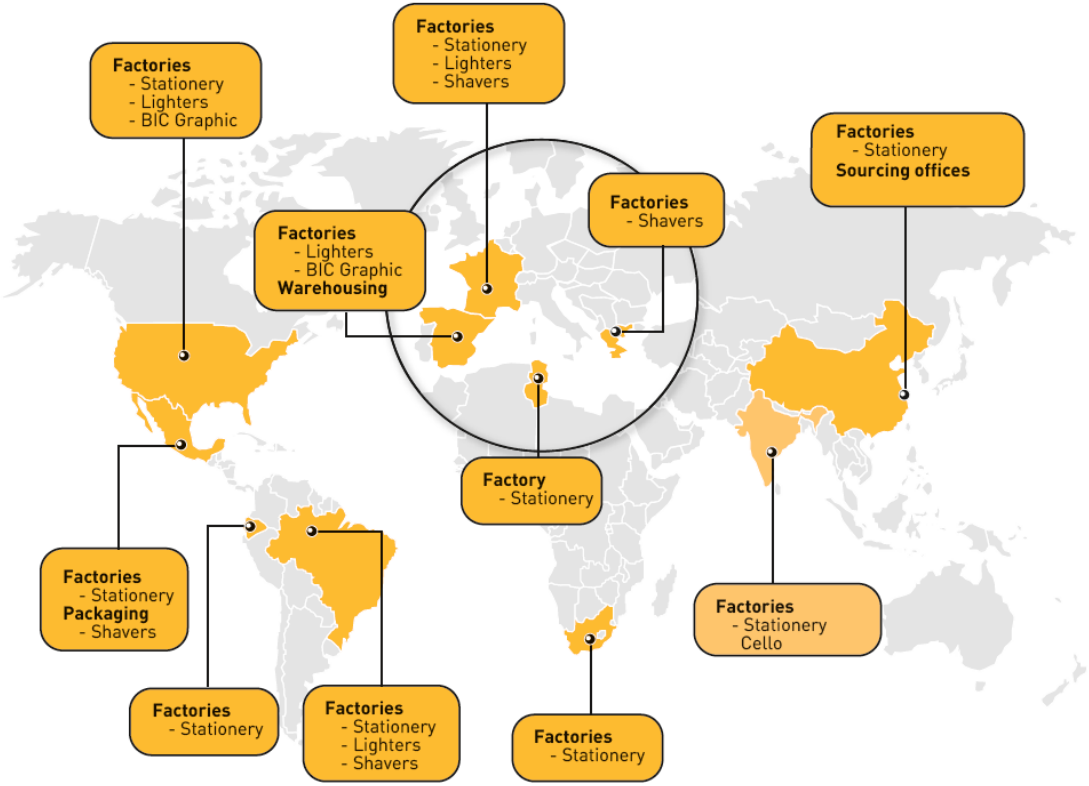
1 979,1 M€
Net sales

FY 2014 sales breakdown by geography



BIC Group Industrial Footprint

85% of Group net sales realized are generated in BIC owned factories



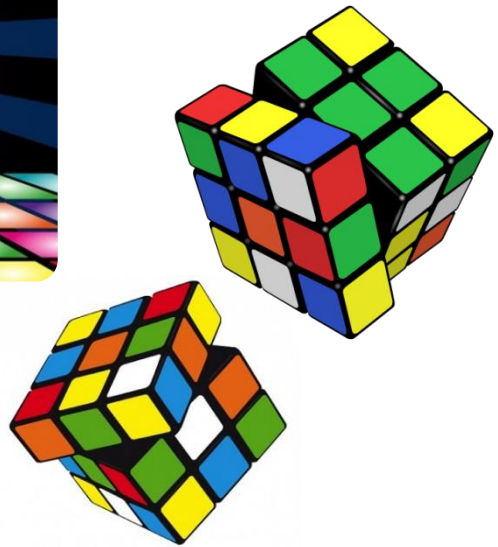
Cello: 2 factories

1975

An Iconic year!

1975 … An Iconic year!

Microsoft



1975 … An Iconic year!

1975 … An Iconic year!

BIC 1 – A real revolution to simplify consumer's life

« Sold at the same price as a similar quality blade, this price point is entirely justified by a better cutting angle and an improved blade housing, with a single edge capable of shaving at least as many beards as the two edges of an ordinary blade. Eliminating the second edge pays for the plastic part of the shaver. »*

Marcel Bich, 1975

*: Double-edge blade

1975 … An Iconic year!

BIC® Shavers

1975 … 2015

40 years of innovation

for an ever increasing shaving performance, always at a fair price

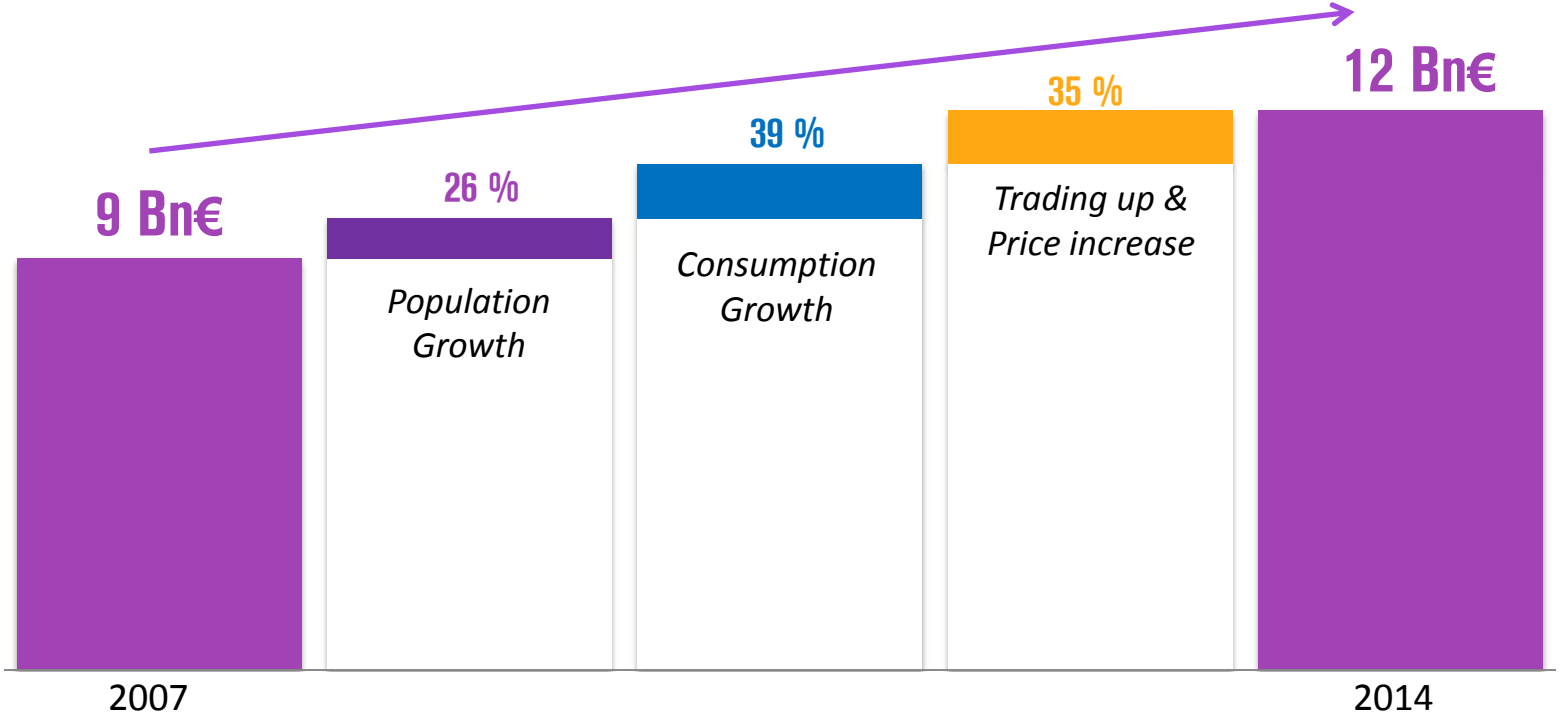
BIC® Shavers – 40 years of innovation

BIC® Shavers – 40 years of innovation

BIC shaver today

A growing market

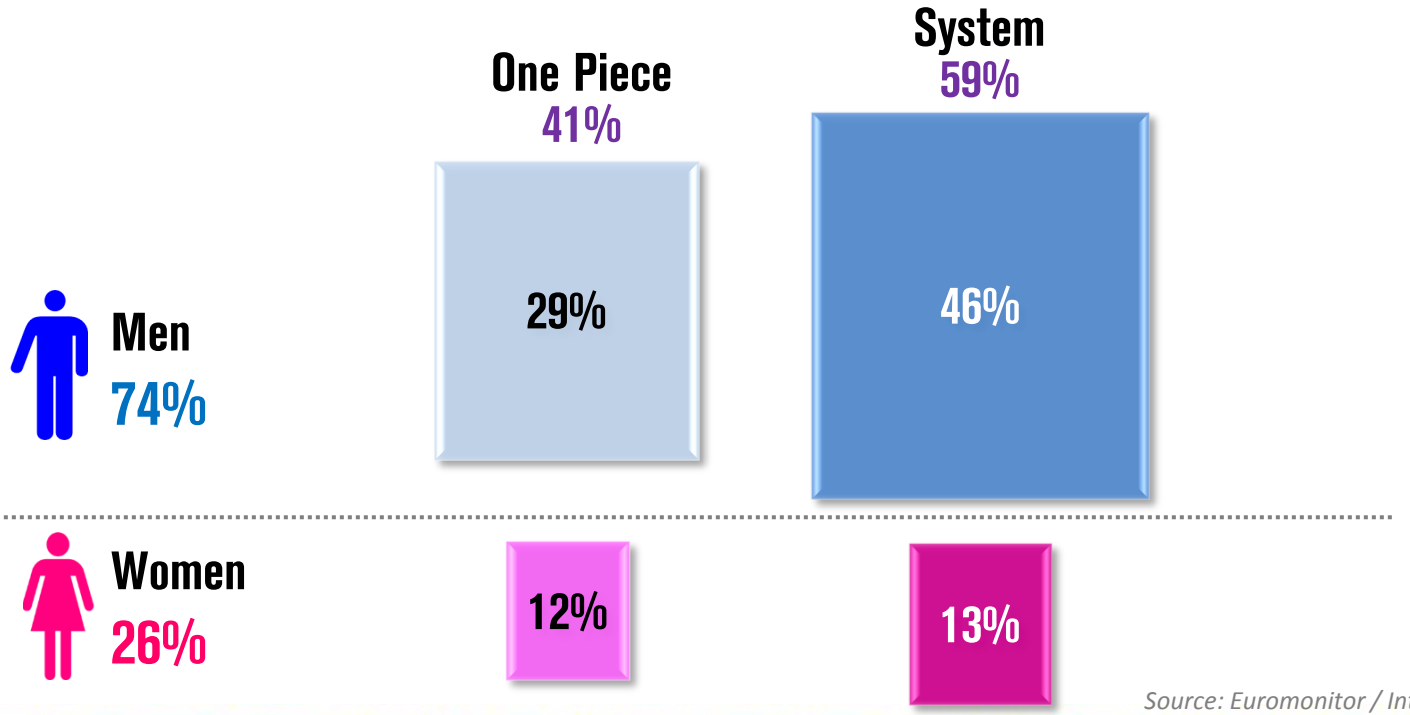
Wet shave average annual growth rate : +4.2%



Source : Euromonitor 2014 + Industry publications

Market Structure (Value 2014)

Total Wet Shave Market (value 2014) = 12B Euro



Source: Euromonitor / Internal

BIC Shavers category today

380 million euros net sales in 2014

3 factories

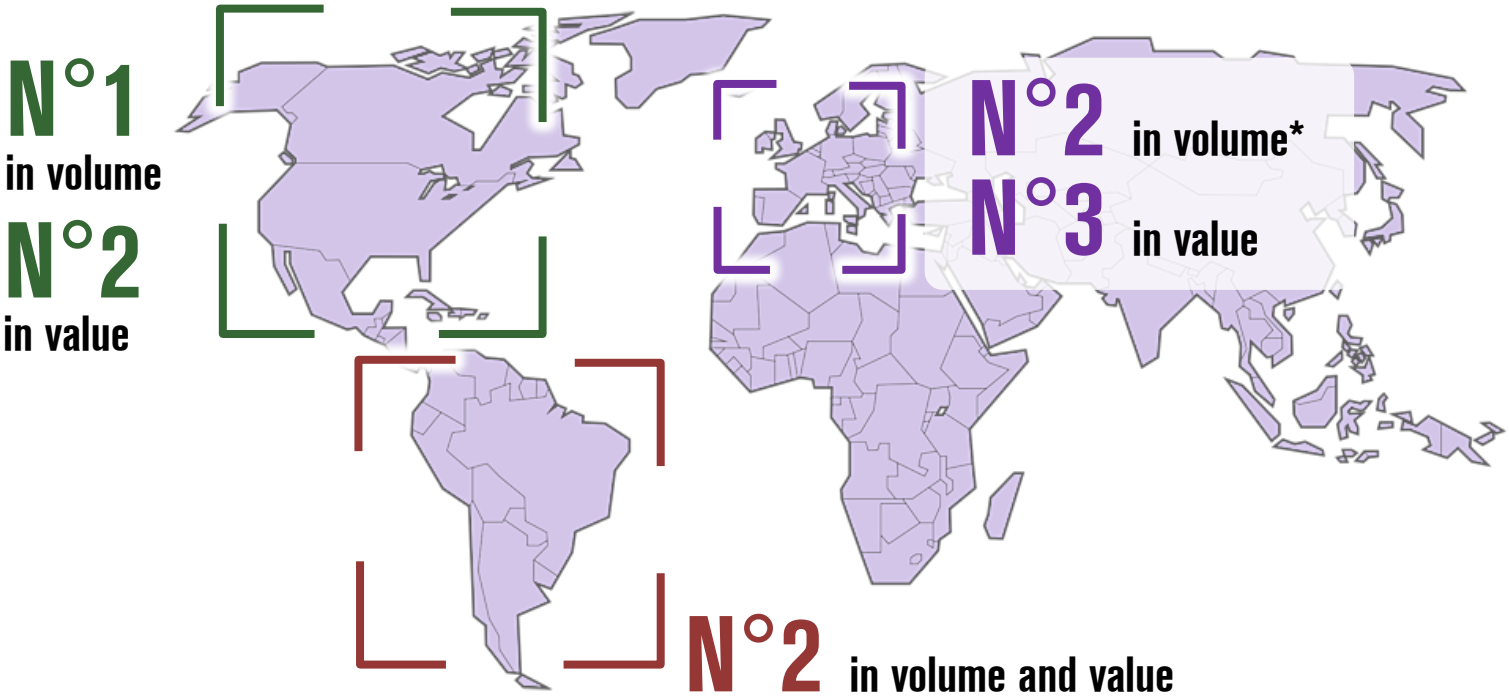
17.8% normalized IFO margin in 2014

2,6 billion BIC® shavers purshased in 2014

cc. 20.0% value market share* (Non Refillable)

**: Europe, US, Brazil*

Holding a N°2 position on the global non refillable market

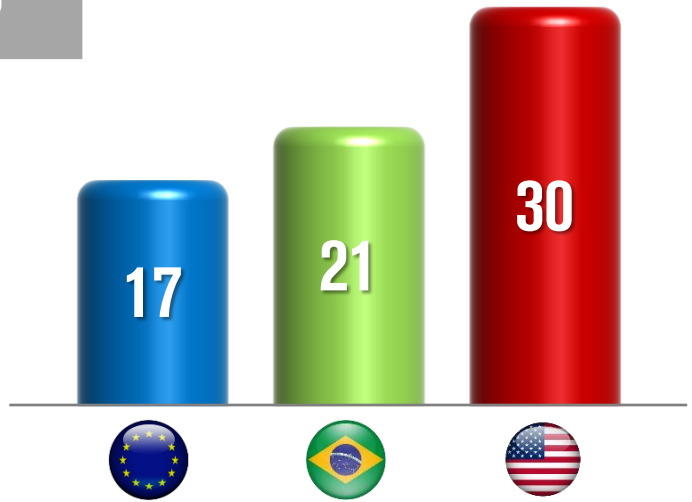


Source: IRI / Nielsen - Retail volume & value sales - YTD Dec 2014 ** Excluding distributor's own brands*

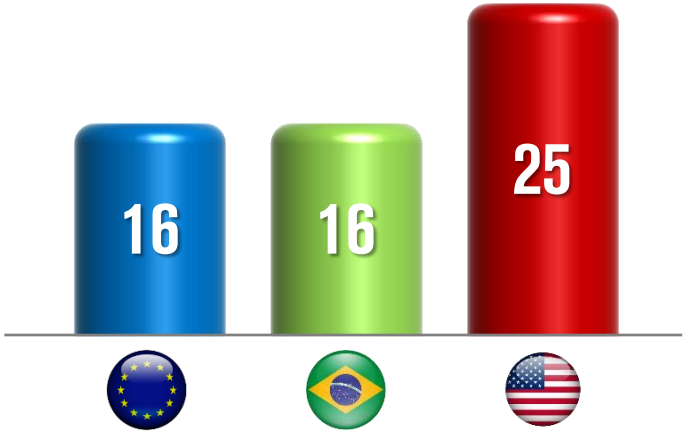
BIC Market Shares in the disposable shavers segment

(Based on IRI, AC Nielsen figures and BIC estimates Dec. 2014)

IN VOLUME (%)



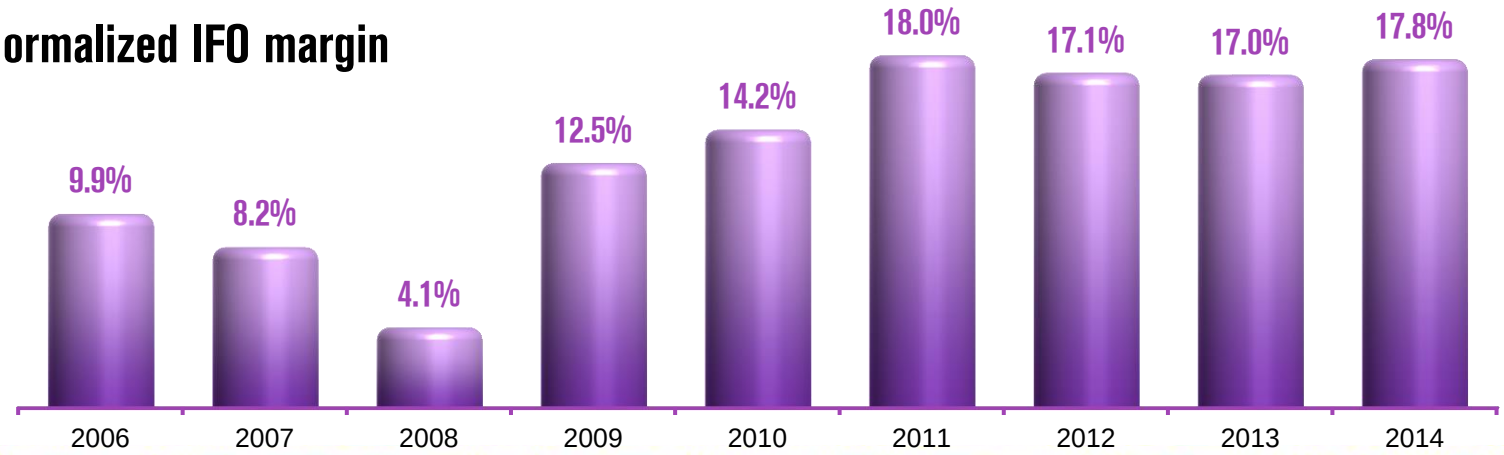
IN VALUE (%)



2006 – 2014 BIC shaver key figures

Net sales change on a comparative basis								
+ 6.2 %	+ 9.2 %	+ 3.9 %	+ 2.4 %	+ 7.6 %	+ 9.1 %	+ 10.1 %	+ 6.5 %	+ 4.1 %

Normalized IFO margin



Long Term Priorities - Developed markets

Trading up

Developed markets

Long Term Priorities - Developing markets

BIC® Shavers

40 YEARS

60 Billion BIC® Shavers

40 YEARS

Category review

BIC® Shavers

We offer
simple, Inventive
& reliable products,

to make
shaving performance
affordable to everyone,
everywhere, everytime

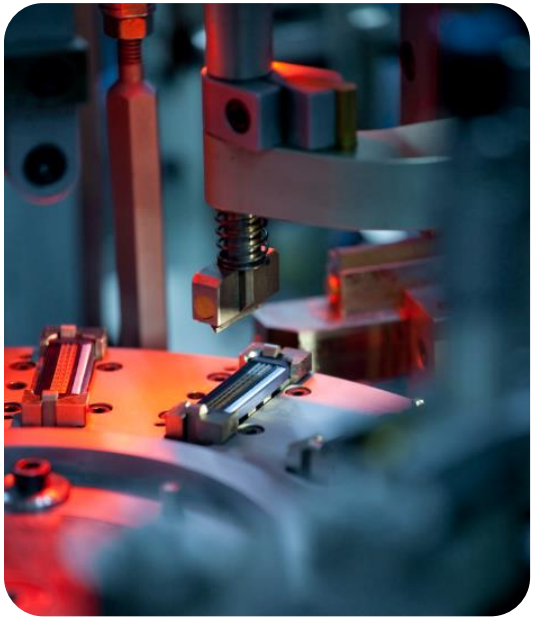
BIC® Shavers

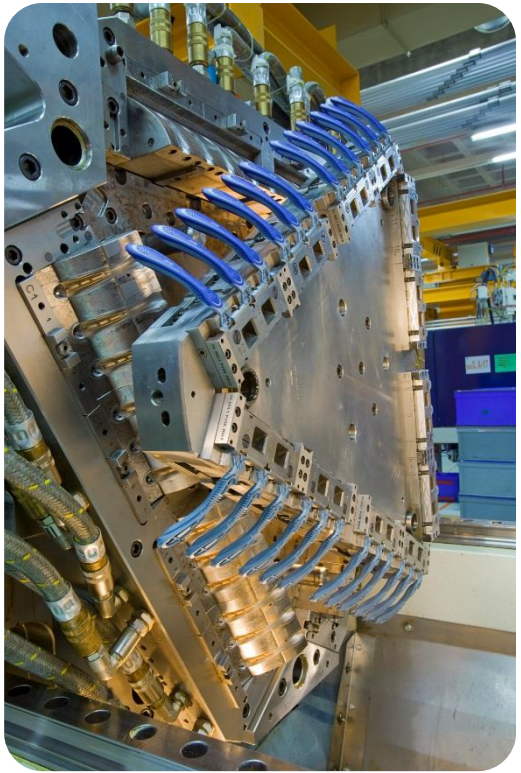
We offer
simple, Inventive
& reliable products,

40 years of Manufacturing excellence

Internal industrialisation & production

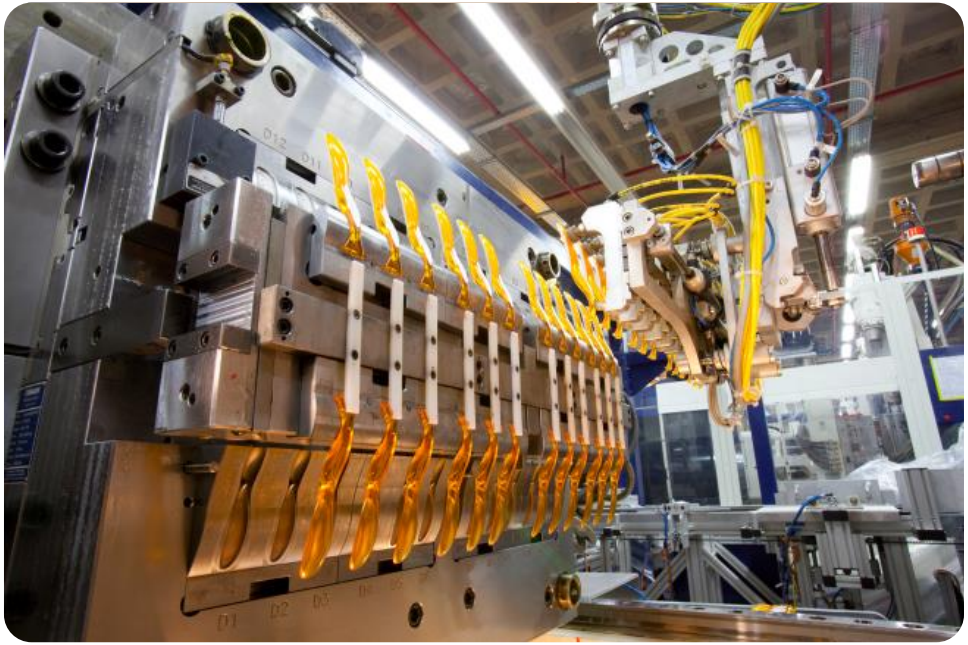
Same manufacturing process





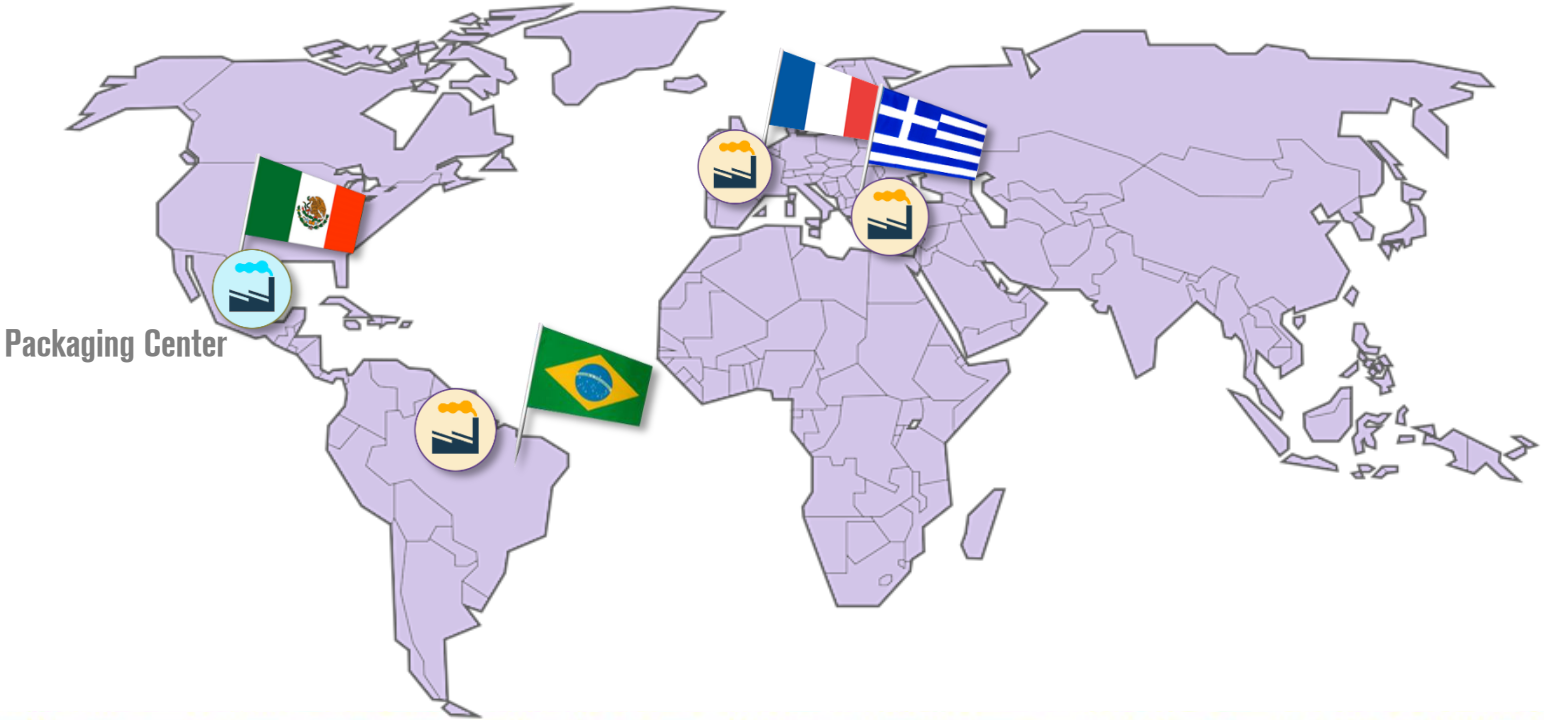
Internal industrialisation & production

Manufacturing equipment designed and developed internally



Internal industrialisation & production

100% of BIC® shavers are produced in BIC's factories



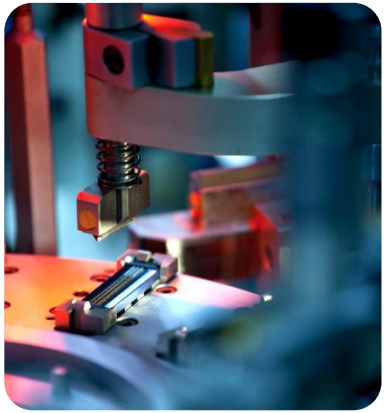
Mass Production

We produce **more than**

2,6 Billion shavers

&

4,9 Billion blades



every year

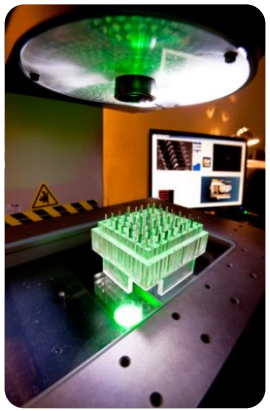
High quality standards

100% of the blades are visually controlled

&

every shaver assembled undergoes around

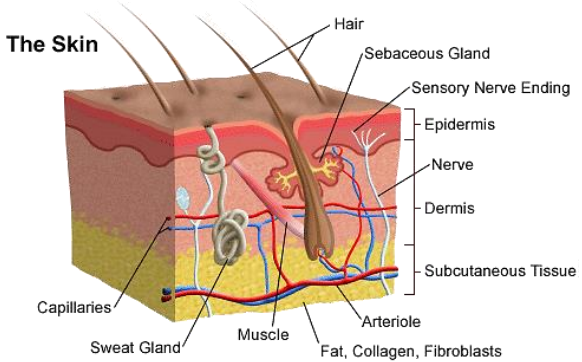
30 visual or technical tests



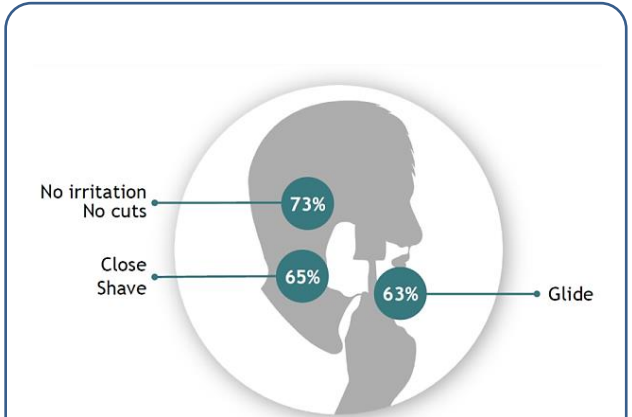
40 years of R&D excellence…

40 years of R&D excellence…

From Consumer understanding…



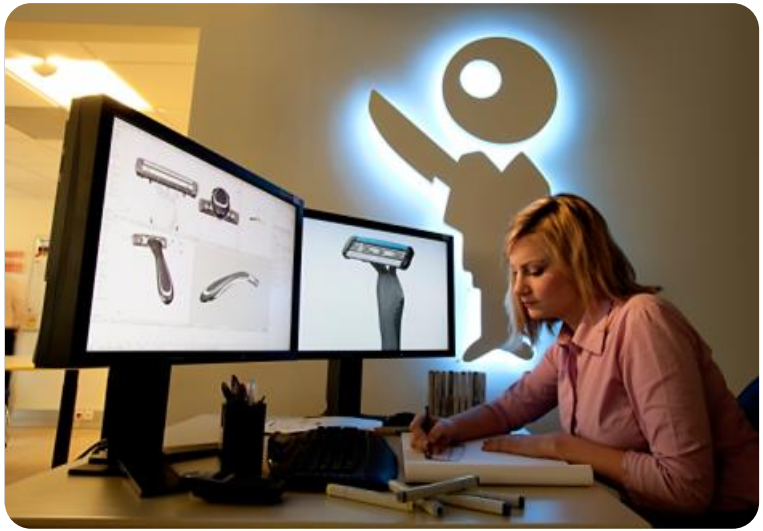
≈ **90%** *of the body surface covered by hair*



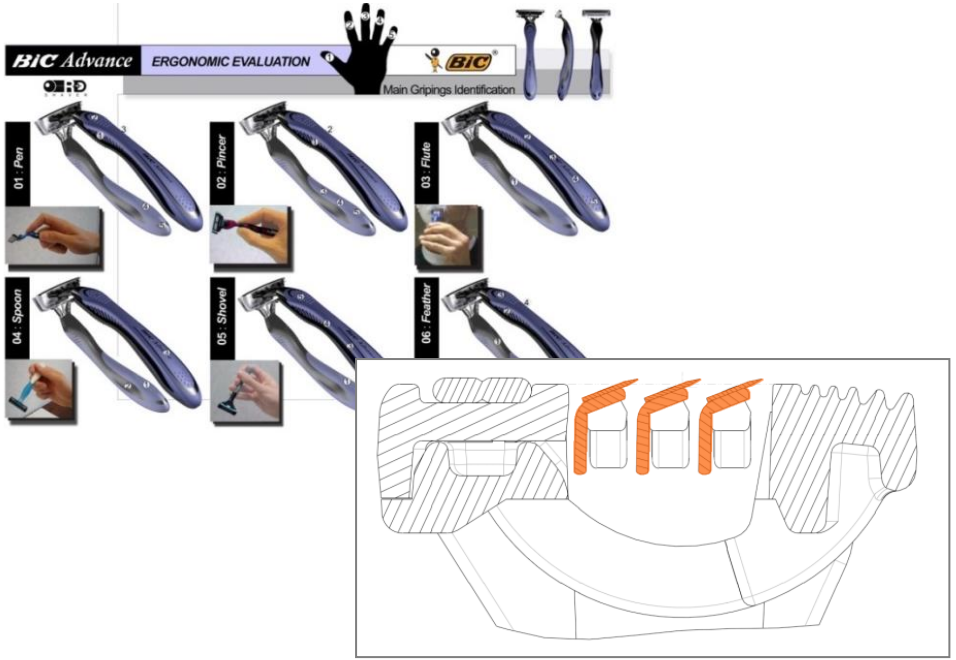
≈ **57 000** *consumers interviewed*

≈ **124 000** *shaving tests*

40 years of R&D excellence…



… To product design

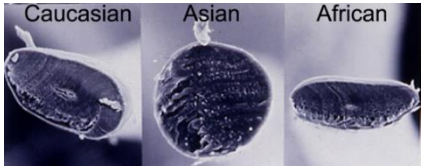


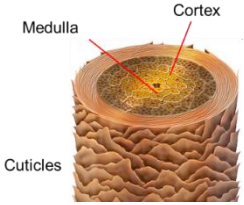
BIC® Shavers

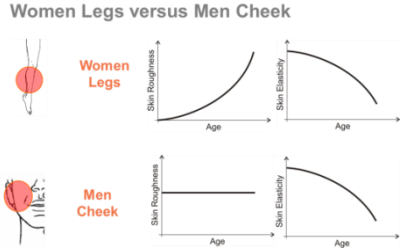
We offer
simple, Inventive
& reliable products,

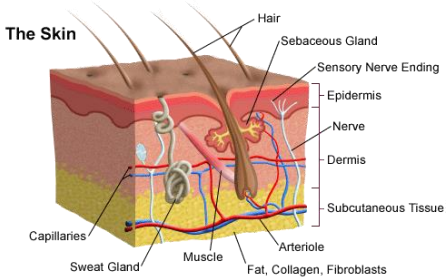
to make shaving
performance
affordable to everyone,
everywhere, everytime

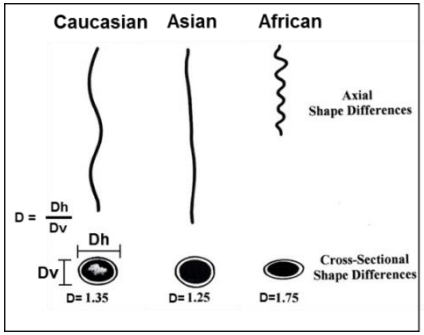
The shaving performance world


Caucasian
Asian
African

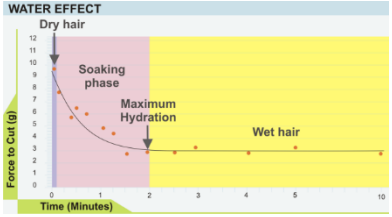

Medulla
Cortex
Cuticles

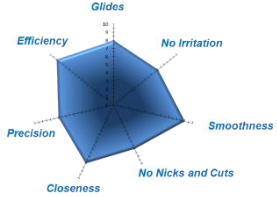

Women Legs versus Men Cheek
Women Legs
Men Cheek
Skin Roughness
Skin Elasticity
Age

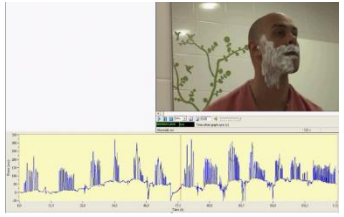

The Skin
Hair
Sebaceous Gland
Sensory Nerve Ending
Epidermis
Nerve
Dermis
Subcutaneous Tissue
Capillaries
Sweat Gland
Muscle
Arteriole
Fat, Collagen, Fibroblasts

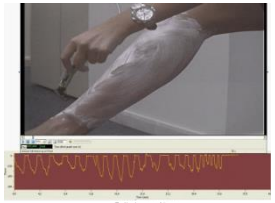

Caucasian
Asian
African
Axial Shape Differences
D = Dh/Dv
Dh
Dv
Cross-Sectional Shape Differences
D= 1.35
D= 1.25
D=1.75

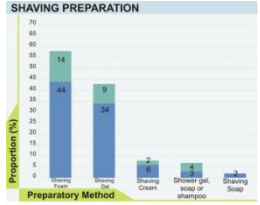
Performance
Hair
Skin
Shaver Anatomy
User
Shaving Process
Environment
Types
Structure
Properties
Sensitivity
Growth
Anatomy
Shaver Handle
Pivot
Shaver Head
Blades
Water
Season
Closeness
Fluidity / Gideness
Easy to handle
Precision
Sensitivity
Frequency
Duration
Direction
Preparation


WATER EFFECT
Dry hair
Soaking phase
Maximum Hydration
Wet hair
Force to Cut (g)
Time (Minutes)


Glides
Efficiency
No Irritation
Smoothness
Precision
No Nicks and Cuts
Closeness


Full shave of face
Total # of strokes: 143
Strokes frequency: 1.6 strokes/s


Full shave of leg
Total # of strokes: 22
Strokes frequency: 0.6 strokes/s


SHAVING PREPARATION
Proportion (%)
Preparatory Method

A very complex science

$$V^4M = \frac{Performance}{Price} =$$

$$\frac{\partial^n \operatorname{agm}(a,b)}{\partial a^n} = \operatorname{agm}(a,b)\,\delta_n + \frac{\pi}{4\,b^n}\left(\frac{b\,\delta_{n-1}}{K\left(\left(\frac{a-b}{a+b}\right)^2\right)} + b\,n\,n!\sum_{q=1}^{n-1}\frac{\textbf{Closeness}}{(q+1)!\,(n-q-1)!}K\left(\left(\frac{a-b}{a+b}\right)^2\right)^{-}\right.$$ Smoothness

$$\sum_{k_1=0}^{n-\sum_{j=1}^{p}k_j-1}\sum_{k_2=0}^{n-\sum_{j=1}^{p}k_j-1}\cdots\sum_{k_{q-1}=0}^{n-\sum_{j=1}^{p}k_j-1}\left(\prod_{p=1}^{q-1}\binom{n-\sum_{j=1}^{p-1}k_j-1}{k_p}\right)\left(\prod_{i=1}^{q-1}A(k_i,a,b)\right)A\Big(\textbf{Smoothness}\Big)+$$ Precision

No Irritation $$\sum_{q=1}^{n}\frac{\textbf{Glides}}{(q+1)!\,(n-q)!}K\left(\left(\frac{a-b}{a+b}\right)^2\right)^{-q-1}$$

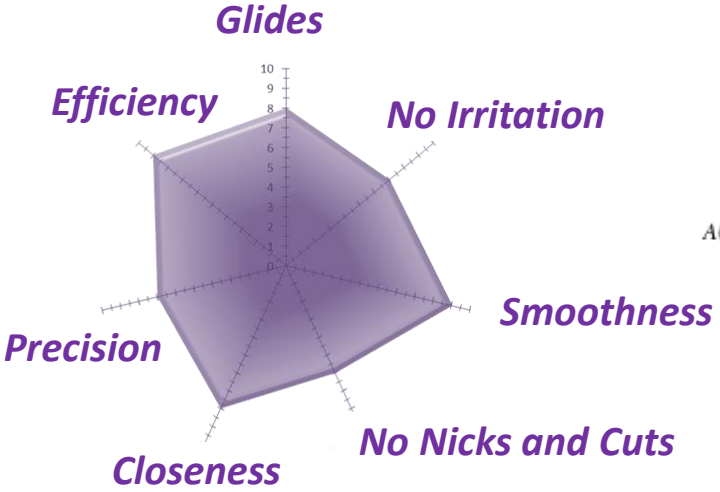
$$\sum_{k_1=0}^{n-\sum_{j=1}^{p}k_j}\sum_{k_2=0}^{n-\sum_{j=1}^{p}k_j}\cdots\sum_{k_{p-1}=0}^{n-\sum_{j=1}^{p}k_j}\left(\prod_{p=1}^{q-1}\binom{n-\sum_{j=1}^{p-1}k_j}{k_p}\right)\left(\prod_{i=1}^{q-1}\right)\Big)/:\textbf{Closeness}$$ No Nicks and Cuts

Efficiency

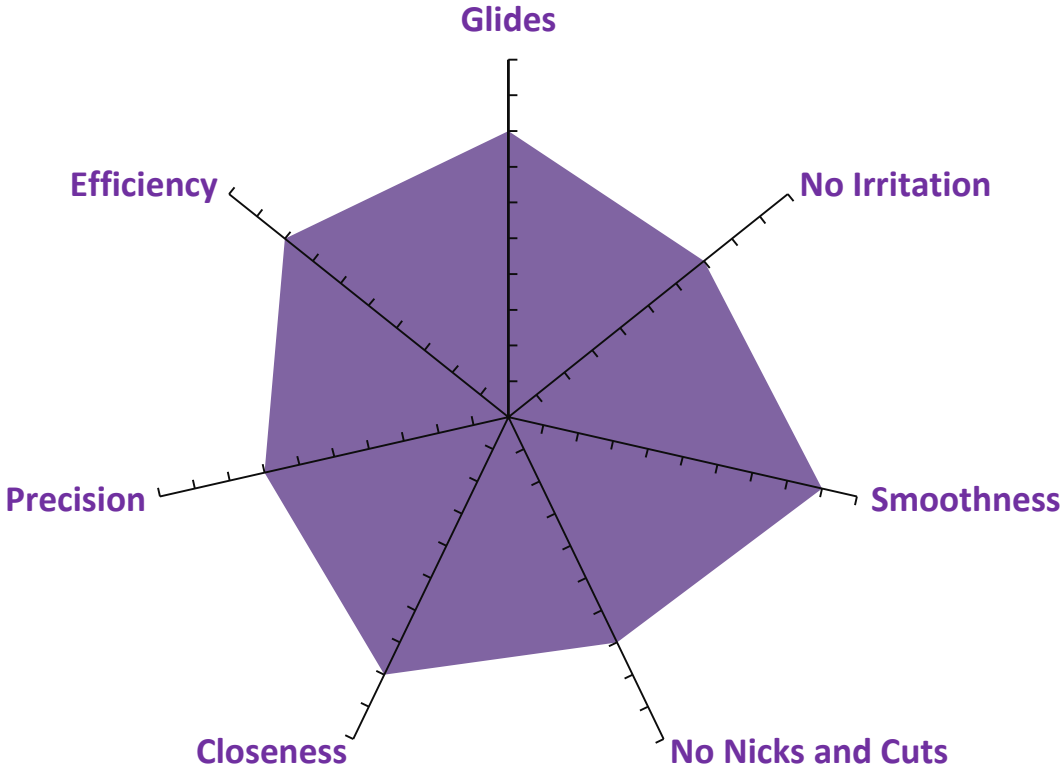
$$A(r,a,b) = K\left(\left(\frac{a-b}{a+b}\right)^2\right)\delta_r + \frac{\pi}{2}\sum_{m=1}^{r}\frac{1}{m!}\sum_{s=0}^{m}\frac{1}{(m-s)!\,2^{m-2\,s}}\Big(\textbf{Precision}\quad\left(\frac{a+b}{a-b}\right)^m$$ No Nicks and Cuts

$${}_2\tilde{F}_1\left(\frac{1}{2},\frac{1}{2};1-s;\left(\frac{a-b}{a+b}\right)^2\right)\sum_{q=0}^{m}(-1)^q\binom{m}{q}\left(\frac{a-b}{a+b}\right)^q\sum_{u_1=0}^{r}\sum_{u_2=0}^{r}\cdots\sum_{u_{m-q}=0}^{r}\delta_{r,\sum_{i=1}^{m-q}u_i}$$

$$(u_1+u_2+\ldots+\ \textbf{Efficiency}\ )\prod^{m-q}\Big(\textbf{No Irritation}\Big)/;\ n\in\mathbb{N}.$$ Glides



Made of 7 interdependent dimensions



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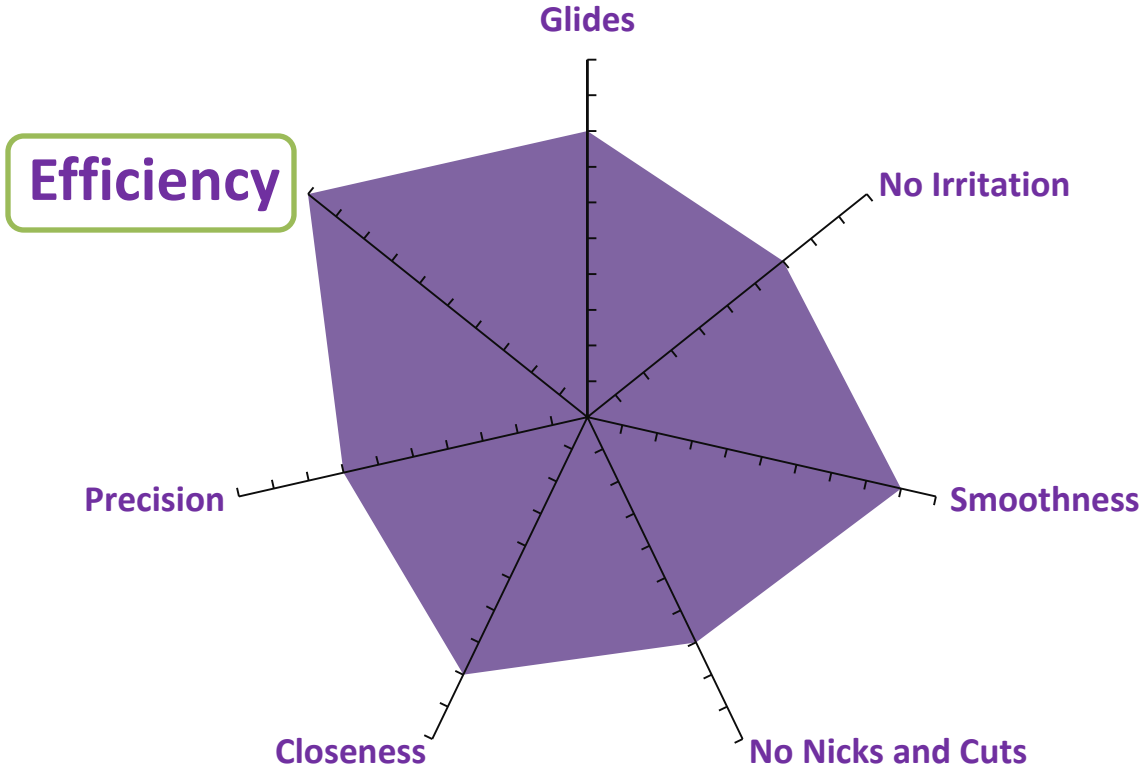

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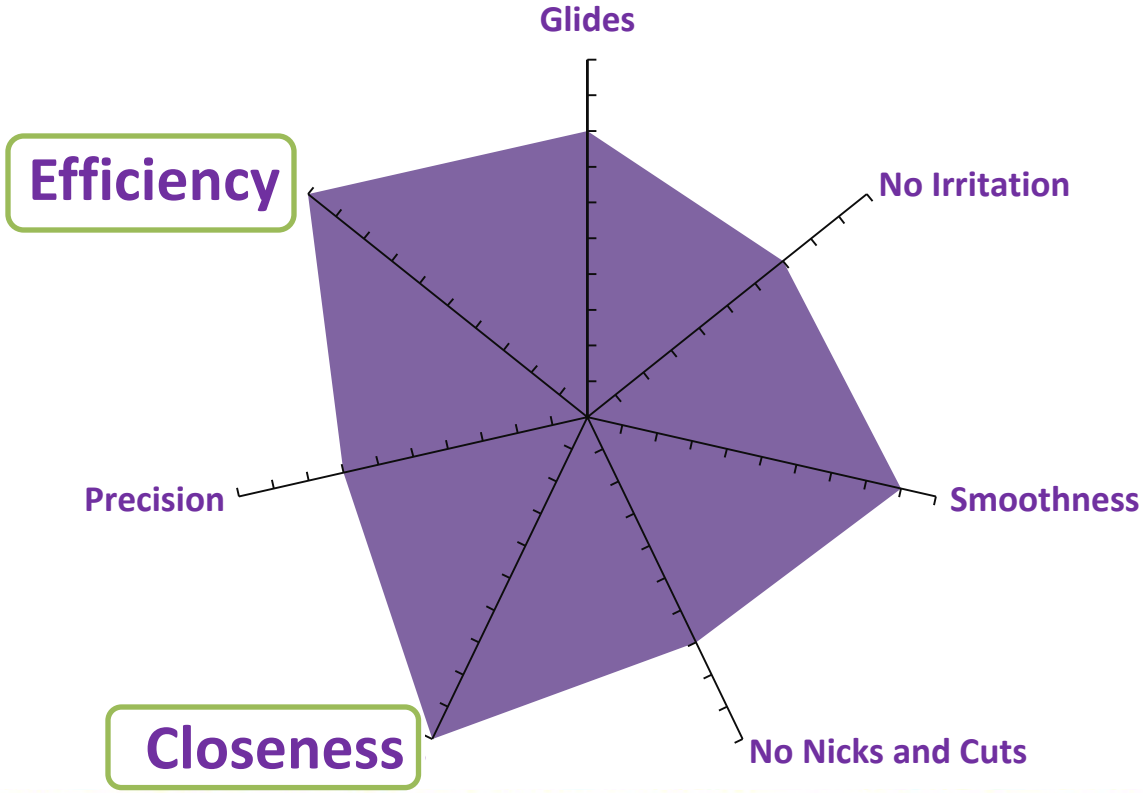

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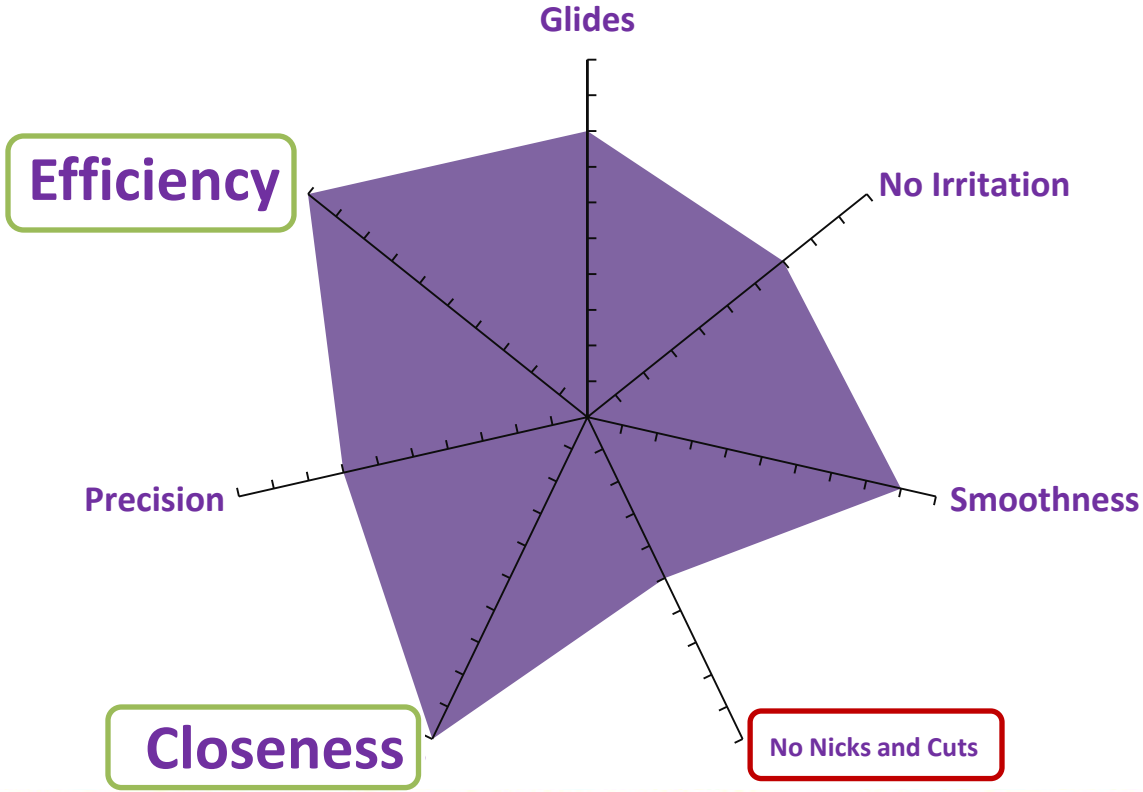
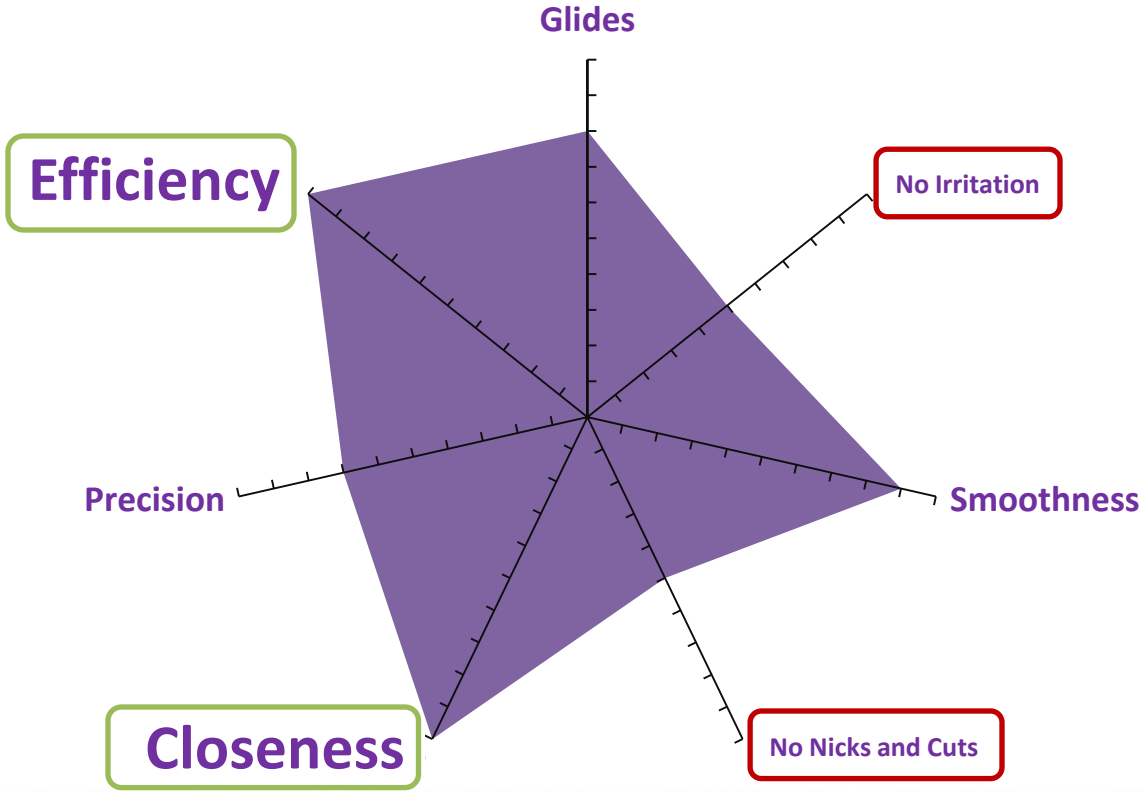


Made of 7 interdependent dimensions



A complex science that BIC®shavers have tamed over time

BIC Shaving performance

1 blade

2 blades

3 blades

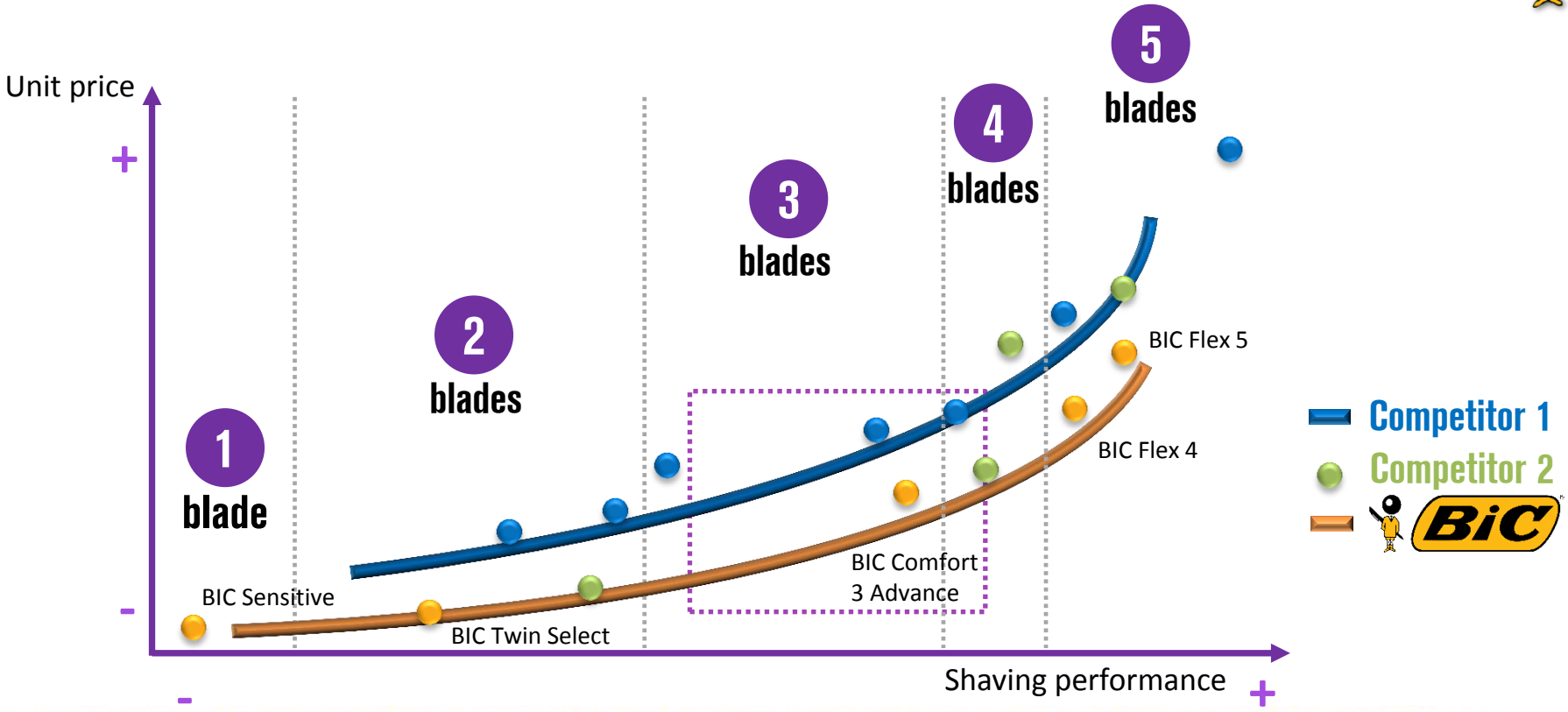
4 blades

5 blades

Competitor 1

1980 1983 1986 1989 1992 1995 1998 2001 2004 2007 2010 2015

Always being honest to our consumers



Our latest example on the male segment...

BIC® Flex 5™

*BIC's **best technology** at an **affordable price***

- **5 flexible blades** for a comfortable and close shave
- **Balancing sphere** for better shave control
- **Precision edging blade**

Source: Price Ladder | IRI 10-NOV-14 Ending period

Our latest example on the male segment...

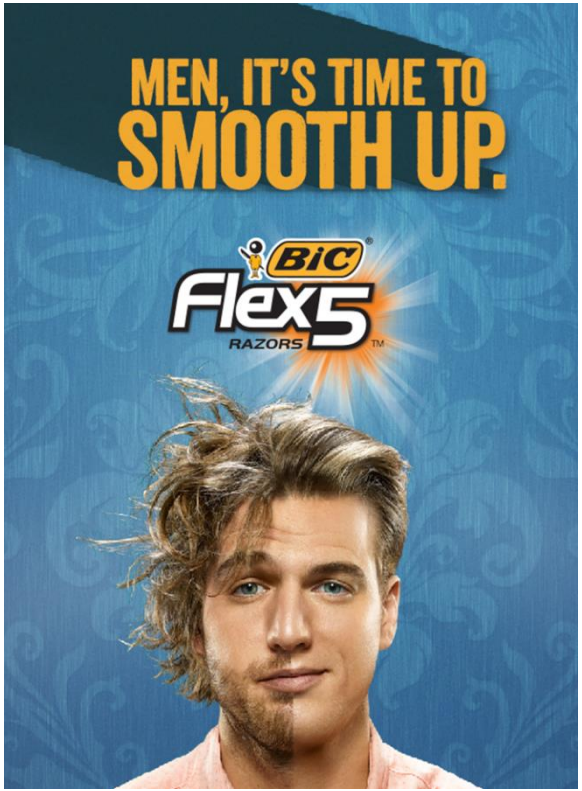
BIC Flex5 RAZORS

#1

on the 5 blades segment

Source: IRI – US - Multi-Outlet – Volume sales - 4/5 weeks ending 26-APR-15

Heavily supported in North America



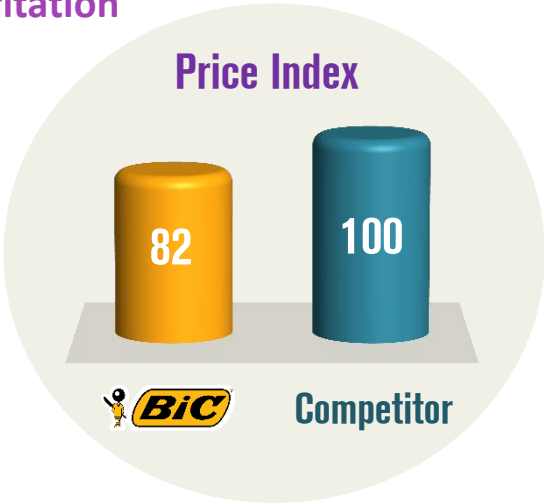
Our latest examples on the female segment…

BIC® Soleil® Glow™

*An **Effortless glide** for **silky smooth skin***

COMFORT SHIELD™ head evenly distributes pressure, glides and helps protect your skin from irritation

- **3 flexible blades** individually adjust to all your curves
- **Lubricating Strips** with Vitamin E and Aloe to pamper your skin
- **Pivoting Head and Rubber Grip** for ultimate comfort

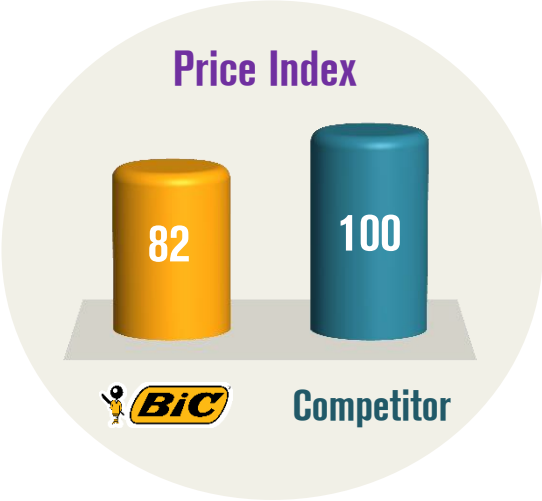


Our latest examples on the female segment…

BIC® Soleil®

*A female shaver **specially adapted to Latin America Market** where half of women use male shavers*

- A shaver handle ergonomically designed for women
- 3 blades, pivoting head and lubra strip for a premium shaving performance
- Colorful and vibrant colors



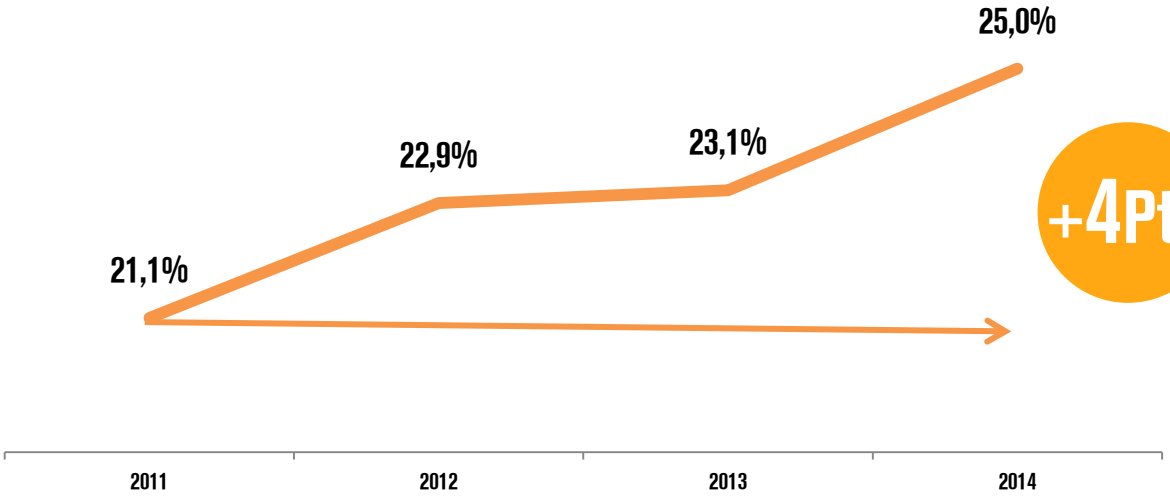
BIC® Shavers

40 YEARS

of shaving performance
improvement
leading to success

BIC® Shavers in US – Success story

One-Piece market share in value



+4Pts

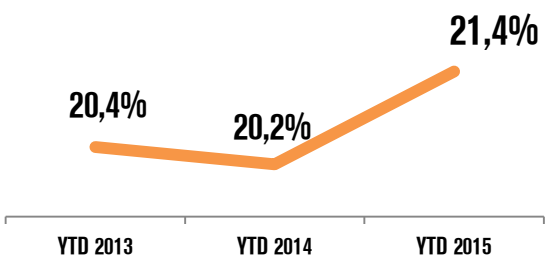
+2Pts COMPETITOR 1

-3Pts COMPETITOR 2

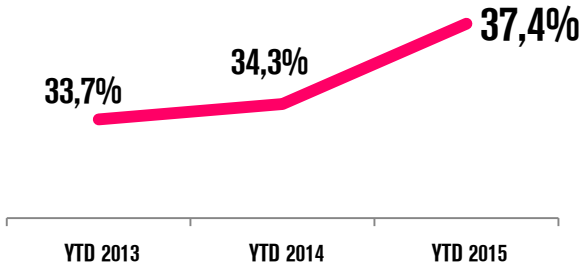
Source: IRI - Retail value sales – 2011-2014 - US

BIC® Shavers in France – Success story

BIC Value share Male Non refillable



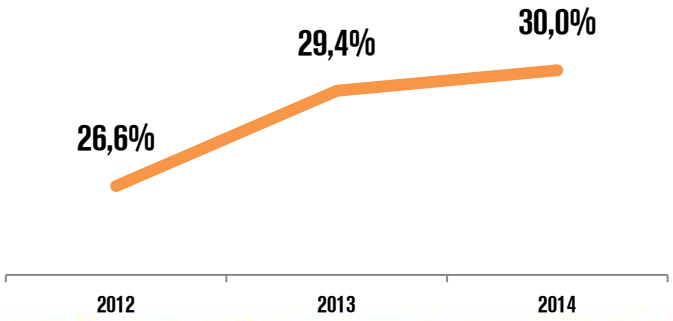
BIC Value share Female Non refillable



Source Nielsen, P5 2015

BIC® Shavers in Africa - Success story

Afrique du Sud
BIC Value share Total Non refillable

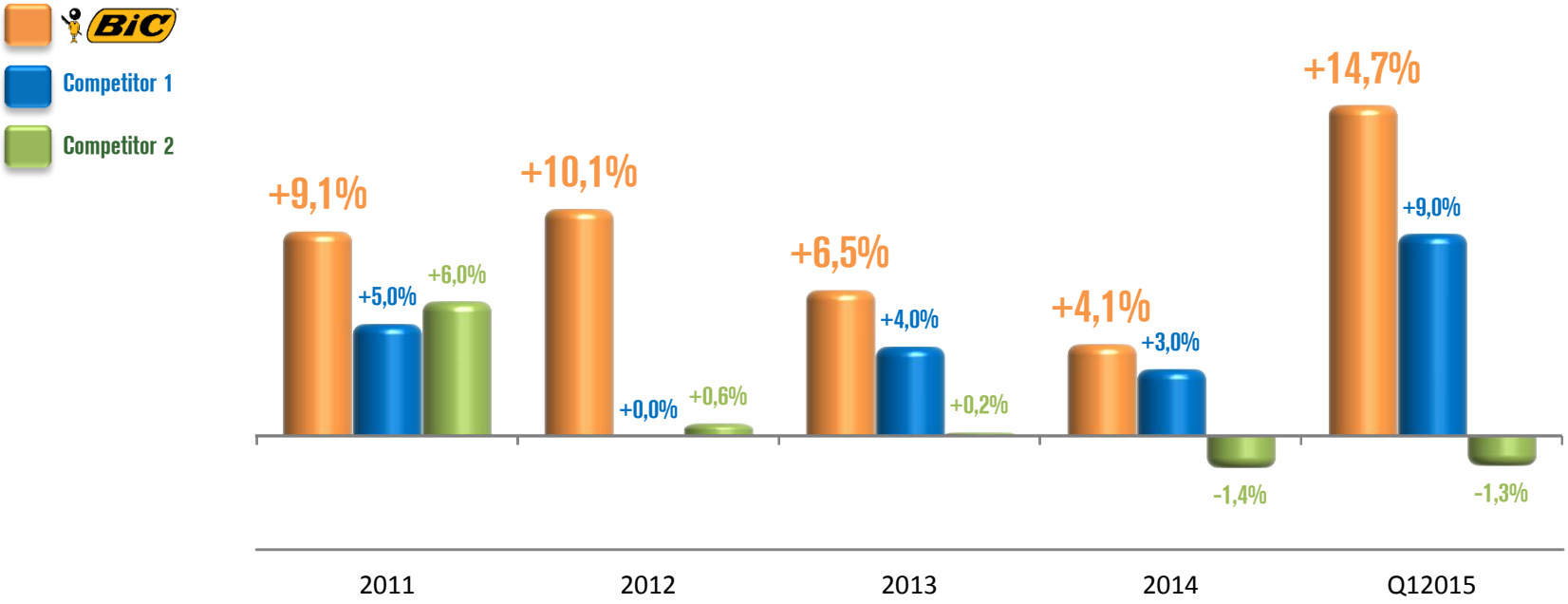


Why do you shave
with BIC 1 razor ?

Source : Nielsen MAT Jan – DEC (2012, 2013, 2014)

BIC® Shavers Net Sales

YoY growth In %



Source : net sales organic growth – Companies press releases

What is next?

Men Facial Hair Styles are trending upwards

FACIAL HAIR STYLE (%)

(Current Style)

	2011	2014	Trends
Clean Shaven	44	41	👎
Mustache / Goatee	22	14	👎
Short Beard / Stubble	15	19	👍
Full Beard	7	11	👍
Other styles	12	15	👍

Source: TNS U&A 2014 and Synovate U&A 2011

Men Shaving Frequency is trending downwards

FACIAL SHAVING FREQUENCY

(Average amount of shaves per month)

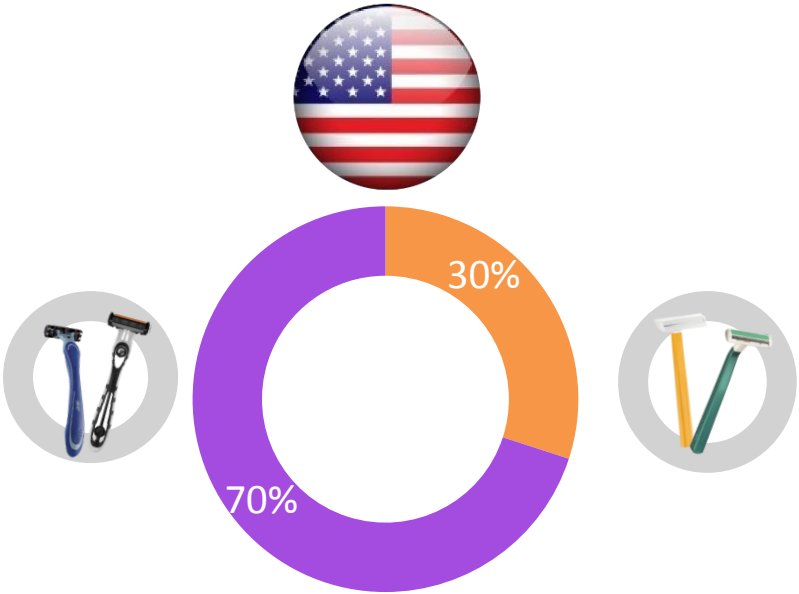
Trends 2011-2014

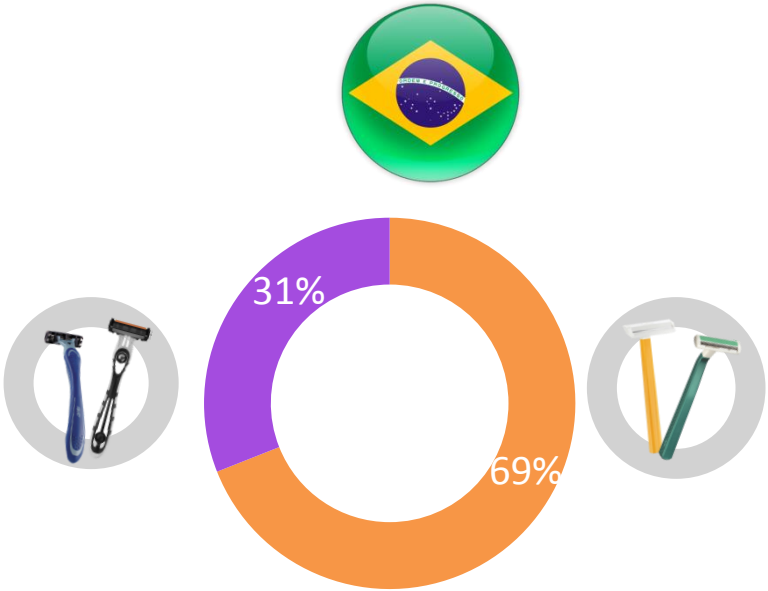
"The vogue for stubble, growing acceptance of the unshaven look in the workplace and, most importantly, the ever increasing cost of shaving have all been damaging to men's shaving"

Source: TNS U&A 2014 and Synovate U&A 2011

Source: Euromonitor, 2013
http://blog.euromonitor.com/2013/07/civil-war-in-mens-shaving.html

A big part of the consumers still use basic shavers





Men Body Grooming is trending upwards

	2011	2014	Trends
BODY SHAVING (%) *(Past 12 Months)*	41	44	
Chest	12	18	👍
Underarms	12	13	👍
Groin Area	23	26	👍
BODY TRIMMING (%) *(Past 12 Months)*	39	47	
Chest	12	14	👍
Underarms	15	15	=
Groin Area	30	36	👍

Source: TNS U&A 2014 and Synovate U&A 2011

"A hairy chest used to be a sign of virility. But a new survey has revealed that one in seven British men now regularly remove their chest hair"

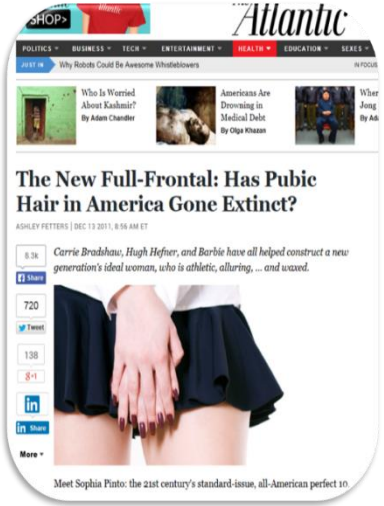
Source: The Guardian, 2014
http://www.theguardian.com/fashion/shortcuts/2014/oct/08/when-did-male-body-hair-become-such-a-bad-thing

Women Bikini Grooming is trending upwards

BIKINI GROOMING (%)

(Current Style)

	2011	2014	Trends
▼	58	37	👎
▼	23	16	👎
△	19	47	👍

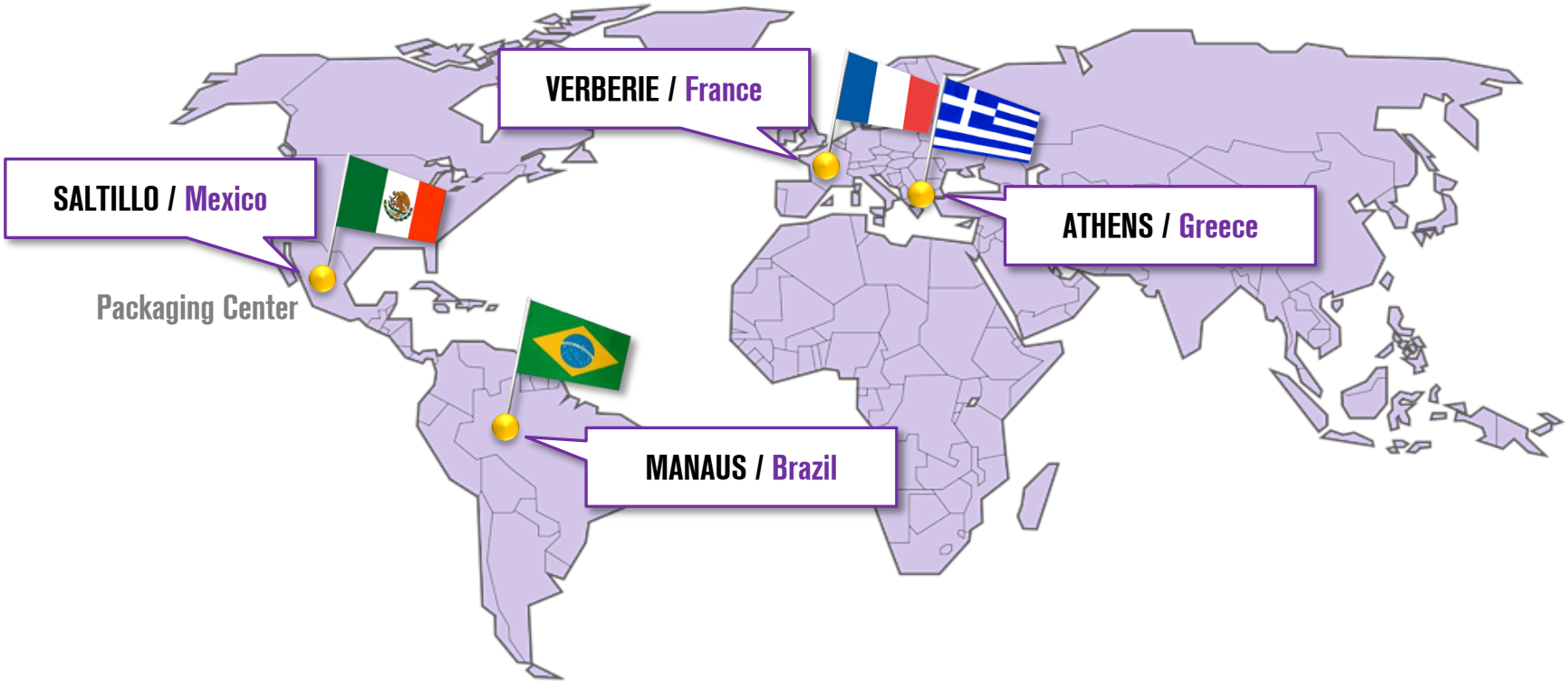


"THE 80s saw bushes in all sorts of glorious shapes and sizes. The 90s had us pruning and trimming our wild manes and the 00s had us making our vaginas completely furless."

Source: Express, 2014
http://www.express.co.uk/life-style/style/470716/Pubic-hair-trends-2014-The-full-waxed-look-is-out-the-bush-is-back

Source: TNS U&A 2014 and Synovate U&A 2011

40 YEARS

Industrial Footprint

Shaver Factories