



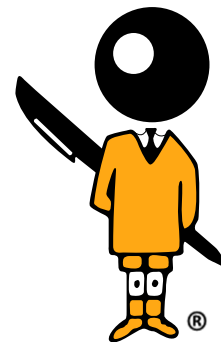
# H1-Q2 2017

# Results Presentation

3 August 2017



*Second quarter and First Half 2016 and 2017 results are accounted for and presented in accordance with IFRS 5; BIC Graphic is no longer considered as a separate category or reporting segment. BIC Graphic Europe reports to European BIC Consumer Product management. In Developing Markets, BIC Graphic operations report to their respective country's Consumer Product management. On June 30, 2017, BIC Graphic North America and Asian Sourcing operations were sold to H.I.G. Capital.*





Group highlights

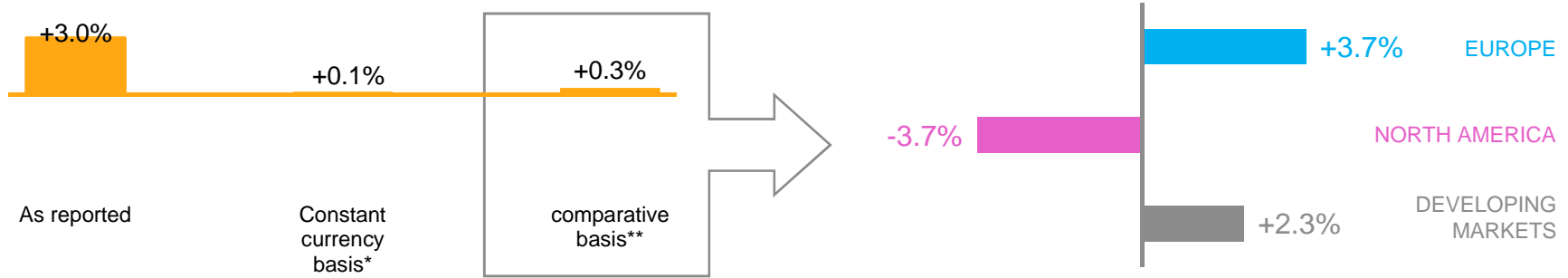
*Bruno Bich*



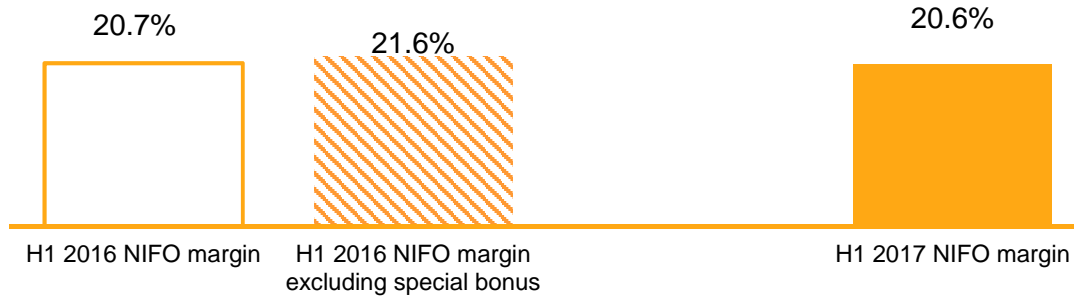
# GROUP H1 2017 KEY FIGURES



➤ Net Sales: 1,062.9 million euros



➤ Normalized\* Income from Operations: 219,4 million euros



\* See glossary

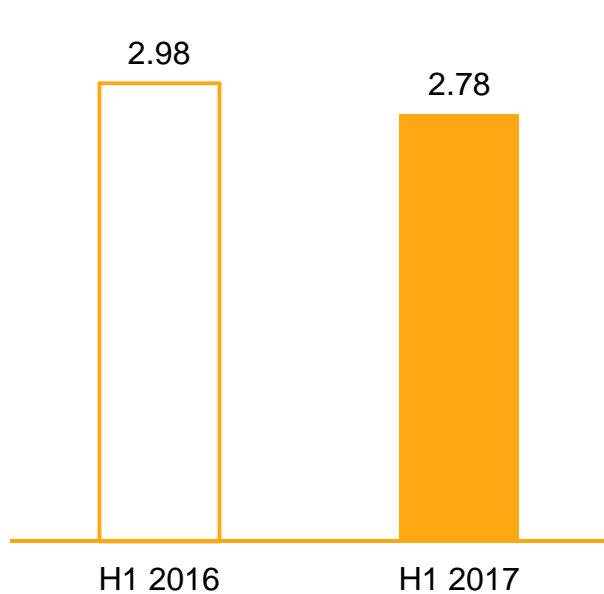
\*\* During the First Half of 2017, certain BIC Graphic operations in Developing Markets without a sustainable business model, were stopped.

# GROUP H1 2017 KEY FIGURES



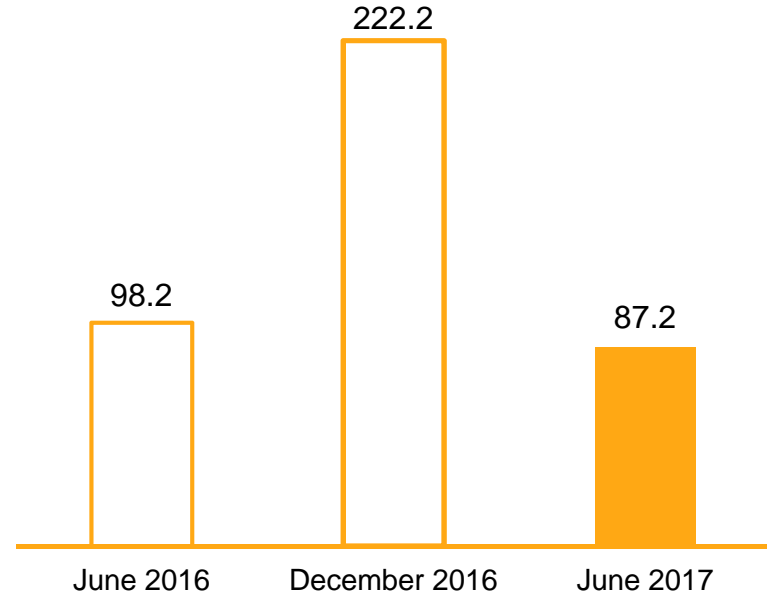
➤ EPS (Group share): -6.7%

In euros



➤ Net Cash Position

In million euros





# Category highlights

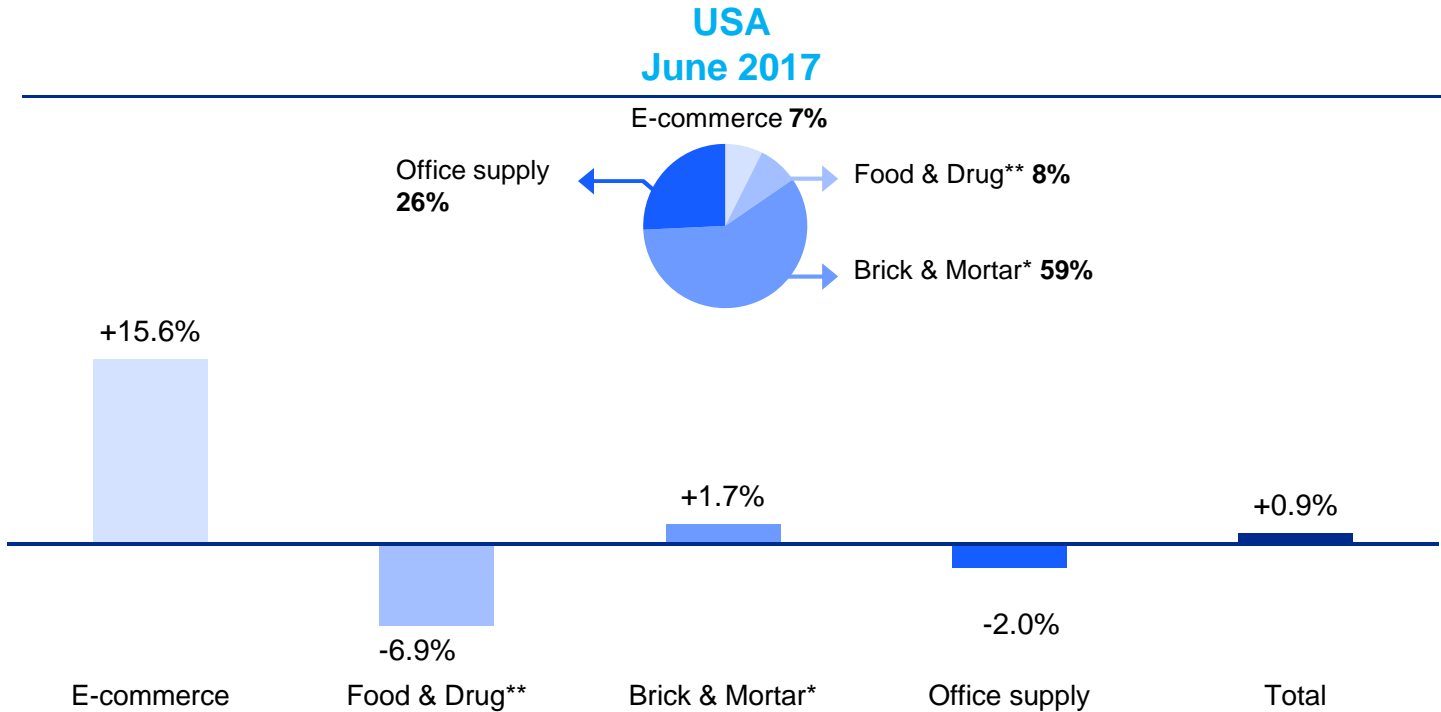
*Gonzalve Bich*



# STATIONERY MARKET EVOLUTION



% change vs YAG – value



Sources: US = NPD/IRI Latest 52 weeks ending June 2017

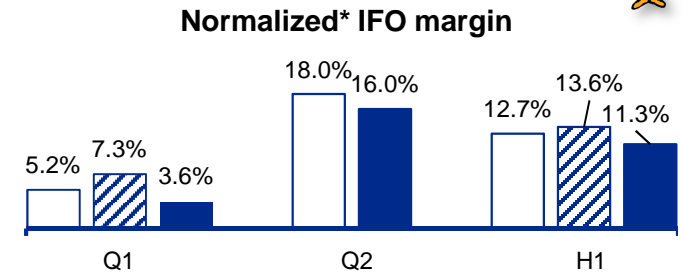
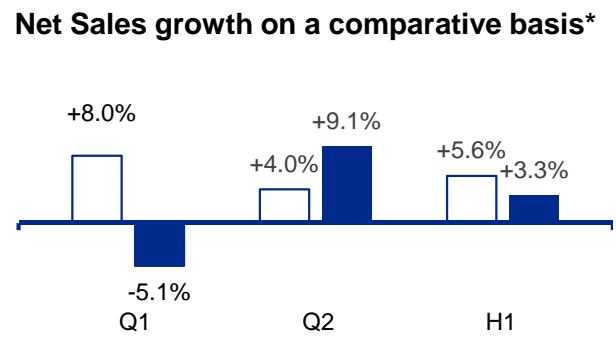
\* Brick & Mortar: Retail & Superstores, including Office Super Stores, Mass Merchandisers, Warehouse Clubs and Dollar Stores

\*\* Food & Drug: other retail outlets and drugstores

# BIC STATIONERY IN H1 2017



H1 2017 Net Sales  
**€428.1M**  
 H1 2017 NIFO  
**€48.2M**



2016 2017 2016 excl. special bonus

## H1 NET SALES

- Europe**  
 Mid-single-digit increase
- ▶ Good back-to-school sell-in in both Western and Eastern Europe
  - ▶ Strong initial sell-in for our new products

- North America**  
 Low-single digit growth
- ▶ Reinforced leadership in Ball Pens, Mechanical Pencils and Correction products
  - ▶ Success of new products

- Developing Markets**  
 Low-single digit increase
- ▶ Latin America: market share and distribution gains in Brazil / Successful Back-to-School sell-in in Mexico
  - ▶ Middle-East and Africa: growth across all regions
  - ▶ Cello Pens: growth in the mid single-digits in domestic Net Sales

## H1 NORMALIZED IFO

This decline is mainly due to the reinforcement of our brand support investment plan, particularly in developing markets, and the increase in OPEX

\*See glossary

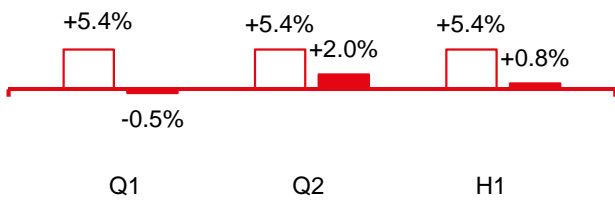


# BIC LIGHTERS IN H1 2017

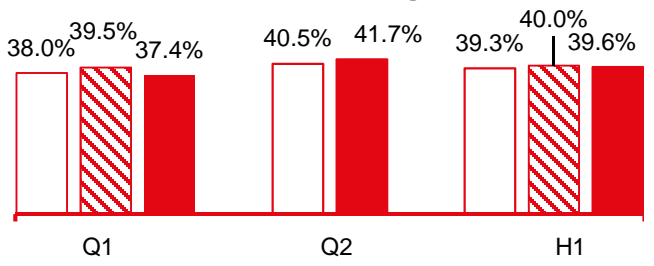


H1 2017 Net Sales  
**€356.9M**  
 H1 2017 NIFO  
**€141.4M**

Net Sales growth on a constant currency basis\*



Normalized\* IFO margin



2016 2017 2016 excl. special bonus

H1 NET SALES

**Europe**

Mid-single-digit growth

- ▶ Good performance in both Western and Eastern Europe

**North America**

Stable net sales

- ▶ Market share gains in the U.S.

**Developing Markets**

Low-single-digit decline

- ▶ Latin America: good performance in Mexico, in Middle-East and Africa

H1 NORMALIZED IFO

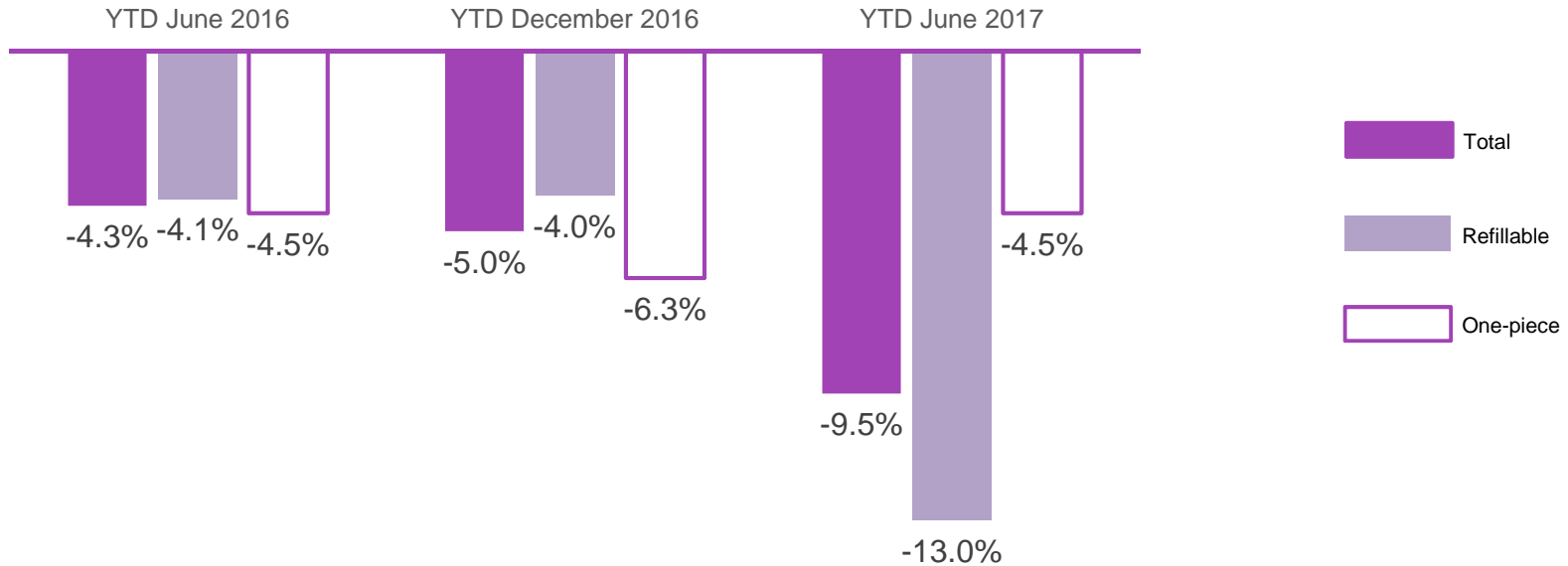
Lower Gross Profit while the increase in operating expenses was more than offset by lower Brand Support investment

\*See glossary





# SHAVER MARKET IN THE U.S.



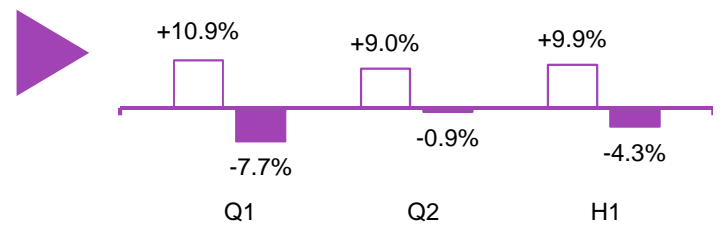
Source: CMR USA MULO (IRI) – % change in value – YTD June 2016, YTD December 2016, YTD June 2017

# BIC SHAVERS IN H1 2017

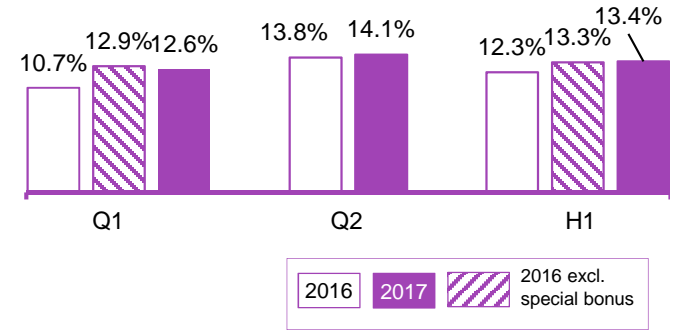


H1 2017 Net Sales  
**€236.4M**  
 H1 2017 NIFO  
**€31.7M**

Net Sales growth on a constant currency basis\*



Normalized\* IFO margin



H1 NET SALES

- Europe**  
 Mid-single-digit growth
- ▶ High-single performance in Q2
  - ▶ Solid growth in Eastern Europe
  - ▶ Success of both core and value-added products

- North America**  
 Double-digit decline
- ▶ Improved trend in the second quarter compared to the first quarter
  - ▶ Market share gains in the 5-blade men's one-piece segment with 34.8%<sup>1</sup> market share

- Developing Markets**  
 Mid-single-digit increase
- ▶ Latin America: high-single growth with all product ranges contributing
  - ▶ Middle-East and Africa: stable net sales thanks to a strong Q2

H1 NORMALIZED IFO

The decline in North American Net Sales and higher operating expenses (including continued investments in R&D) were offset by a lower cost of production and Brand Support compared to H1 2016.

\*See glossary  
 1/ Source: IRI total market YTD ending 02-JULY-2017 – in value terms



# H1 2017 – Consolidated Results



Jim DiPietro



# H1 2017: FROM NET SALES TO NORMALIZED IFO



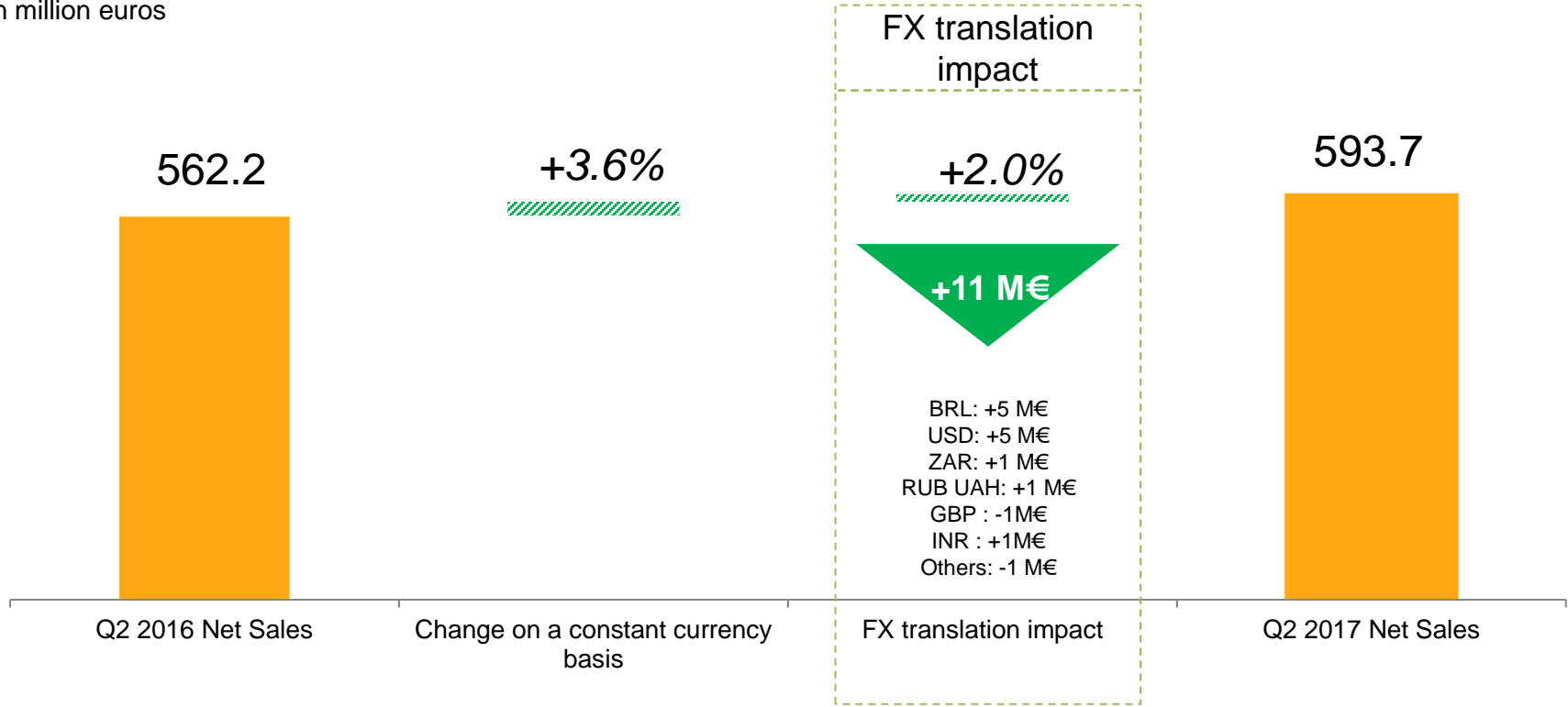
<i>BIC Group</i> In million euros	H1 2016	H1 2017	Change as reported	Change on a comparative basis*
<b>Net Sales</b>	1,031.5	1,062.9	+3.0%	+0.3%
<b>Gross Profit</b>	529.0	550.2	+4.0%	
<b>Normalized* IFO</b>	213.6	219.4	+2.7%	
<b>Income from Operations</b>	209.3	194.9	-6.9%	

\*See glossary

# Q2 2017 NET SALES EVOLUTION



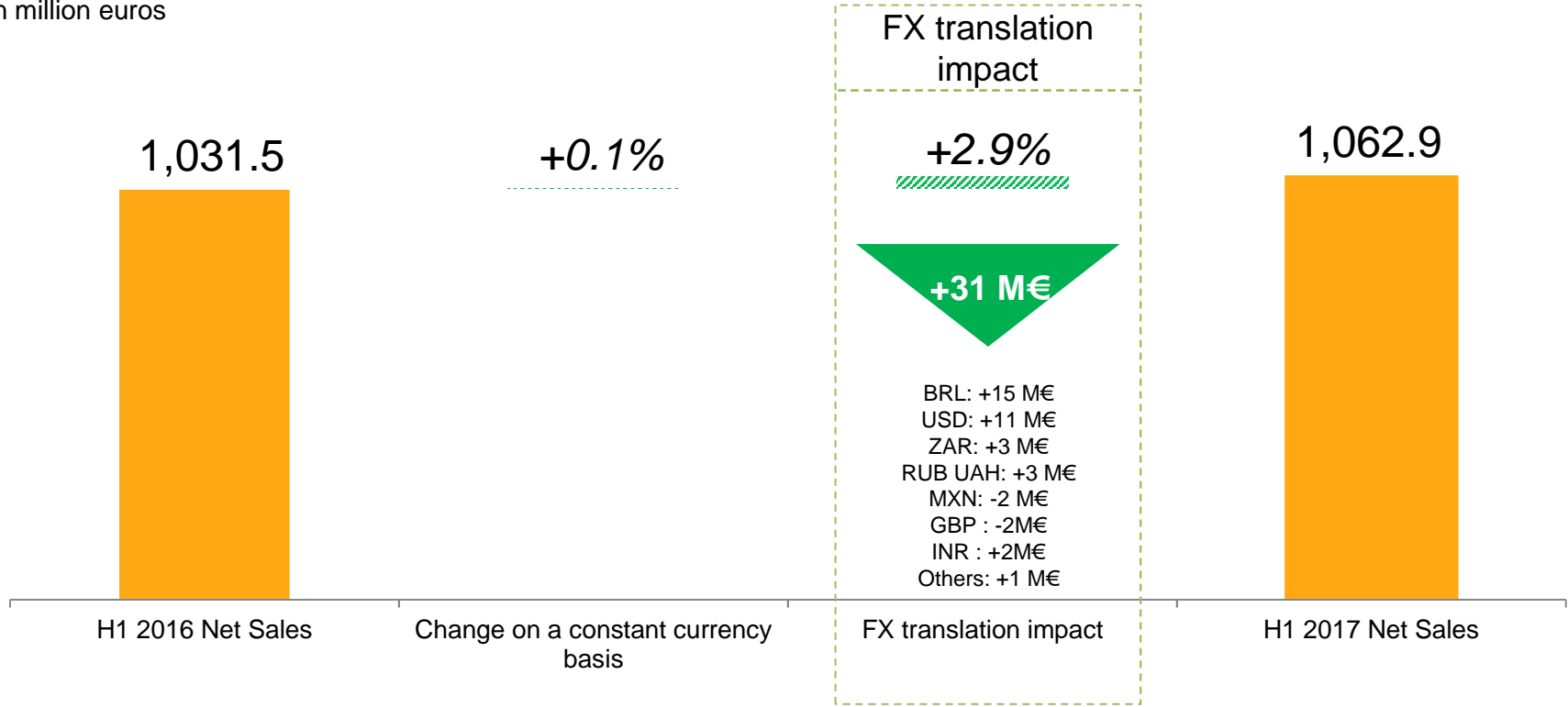
In million euros



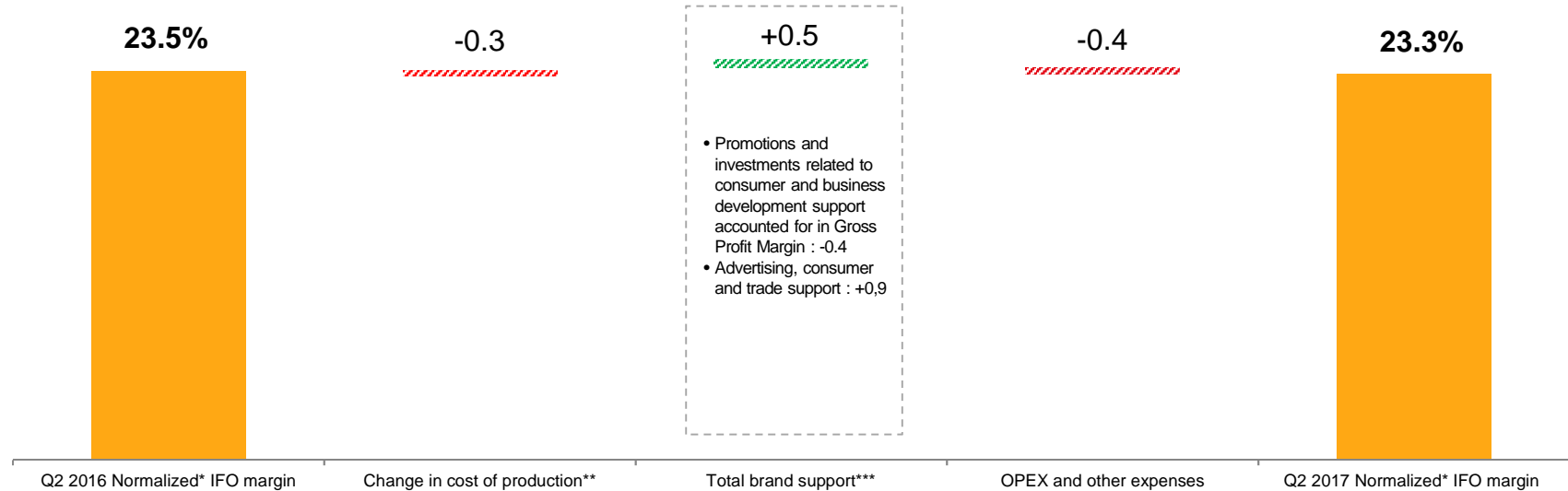
# H1 2017 NET SALES EVOLUTION



In million euros



# KEY COMPONENTS OF Q2 2017 NORMALIZED\* INCOME FROM OPERATIONS MARGIN

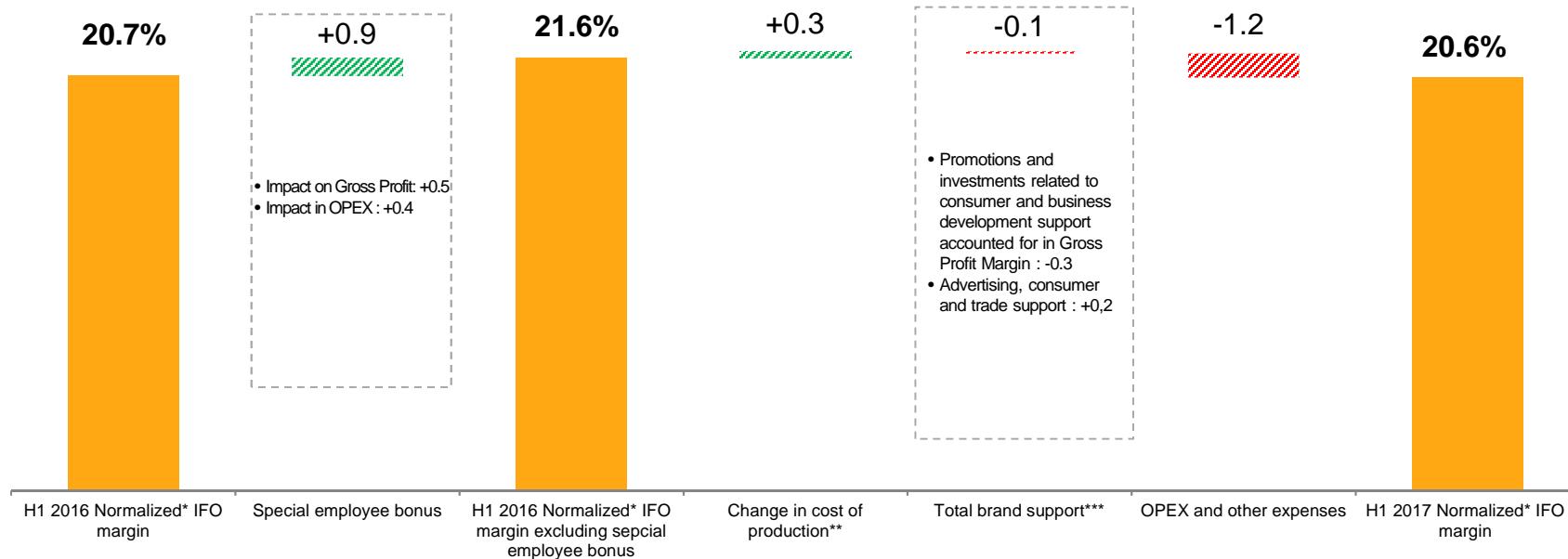


\*See glossary

\*\*Gross Profit margin excluding promotions and investments related to consumer and business development support.

\*\*\*Total Brand Support: consumer and business development Support + advertising, consumer and trade support.

# KEY COMPONENTS OF H1 2017 NORMALIZED\* INCOME FROM OPERATIONS MARGIN



\*See glossary

\*\*Gross Profit margin excluding promotions and investments related to consumer and business development support.

\*\*\*Total Brand Support: consumer and business development Support + advertising, consumer and trade support.



# H1 2017 FROM IFO TO GROUP NET INCOME



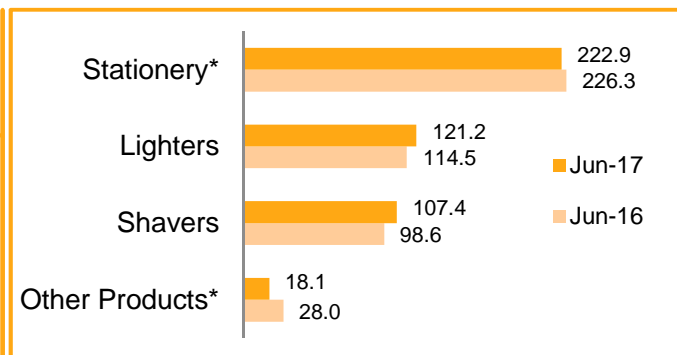
<i>In million euros</i>	H1 2016	H1 2017
<b>IFO</b>	<b>209.3</b>	<b>194.9</b>
Finance revenue/costs	-0.8	0.0
<b>Income before Tax</b>	<b>208.5</b>	<b>194.9</b>
Income tax	-62.6	-58.5
<i>Effective tax rate</i>	30.0%	30.0%
Net Income From Continuing Operations	145.9	136.3
Net Income From Discontinued Operations*	-5.8	-6.7
<b>Net Income Group share</b>	<b>140.1</b>	<b>129.6</b>
<i>Number of shares outstanding net of treasury shares</i>	47,029,831	46,683,913
<b>EPS Group Share</b>	<b>2.98</b>	<b>2.78</b>

\*: Second quarter and First Half 2016 and 2017 results are accounted for and presented in accordance with IFRS 5: BIC Graphic North America and Asia Sourcing Operations' Assets and Liabilities are accounted for as "Non-Current Assets Held For Sale" and "Discontinued Operations" since December 31, 2016.

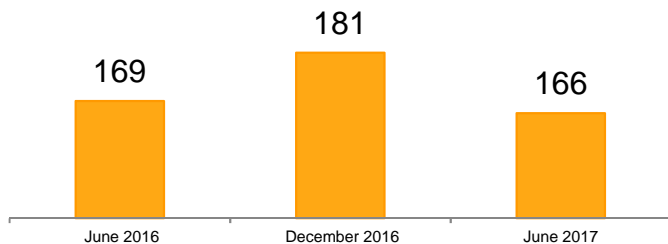
# BALANCE SHEET



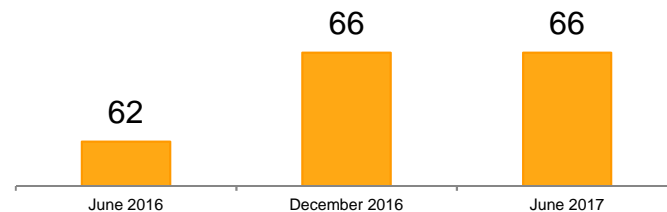
<i>BIC Group</i> In million euros	December 2016	June 2017
<b>Total Working Capital</b>	<b>642.2</b>	<b>733.0</b>
Of which inventories	<b>468.1</b>	<b>469.6</b>
Of which Trade and other receivables	<b>483.1</b>	<b>614.9</b>
Of which Trade and other payables	<b>118.7</b>	<b>136.8</b>



Inventories in days \*



Receivables in days \*

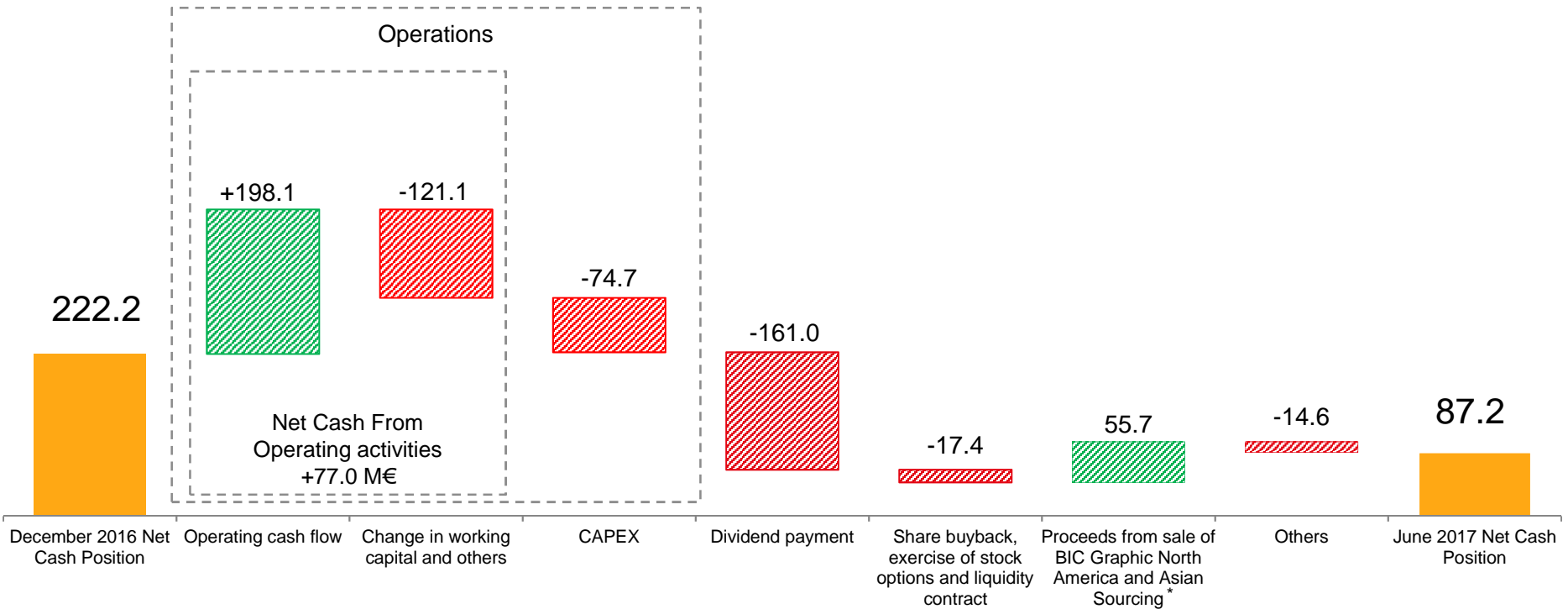


\*Including BIC Graphic Europe and Developing markets and excluding Bic Graphic North America and Asian Sourcing

# NET CASH POSITION



In million euros



\*Excluding 8.8 million euros of subordinated loan



# Full year 2017 outlook

Bruno Bich



# GROUP H1 2017 SUMMARY



## Net sales

- ▶ Good net sales momentum in second quarter
  - *Stationery: successful early back-to-school sell-in in Europe and in North America*
  - *Lighter: good performance in Europe and rebound sell-in in the U.S*
  - *Shaver: solid performance in Europe and in Developing Markets, decline in North America, as the US market continued to be disrupted*

## Normalized IFO margin

- ▶ Slight decline in Normalized IFO margin

## Net Cash Position

- ▶ Sustained cash generation



As markets remain volatile for the balance of the year, coupled with recent signs of lower consumption in Brazil, we now expect to trend between 3% to 4% Full Year Organic Net Sales growth.

While we continue to invest for the long term, we are adjusting our 2017 Brand support due to market dynamics. Therefore, we expect the decrease in 2017 Normalized Income from Operations margin to be less than the – 100 basis points initially expected.



# Appendix

# Q2 AND H1 2017 NET SALES

## MAIN EXCHANGE RATE EVOLUTION VS. EURO

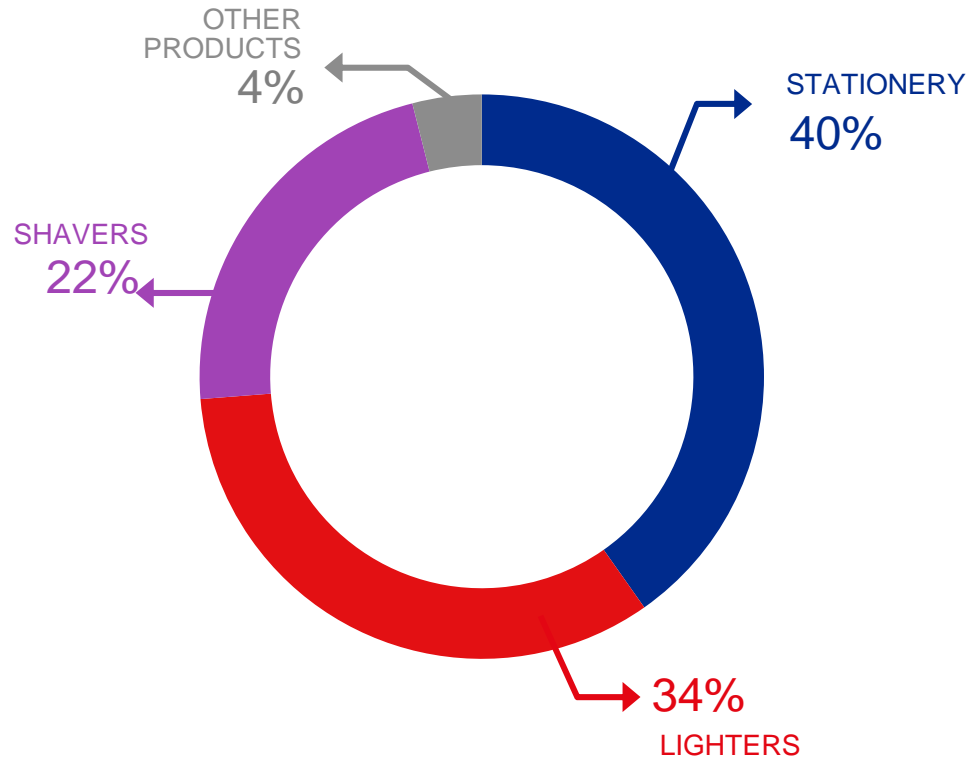


	% of sales	Average rate Q2 2016	Average rate Q2 2017	% of change
US Dollar	39%	1.13	1.10	2.3%
Brazilian Real	7%	3.95	3.55	11.2%
Mexican Peso	6%	20.48	20.45	0.2%
Argentina	1%	16.05	17.42	-7.9%
Canadian dollar	3%	1.45	1.48	-1.9%
Australian dollar	2%	1.52	1.47	3.2%
South African Zar	1%	16.97	14.54	16.7%
Indian Rupee	4%	75.53	71.12	6.2%
Non Euro European countries	7%			
Sweden		9.29	9.69	-4.2%
Russia		74.14	63.17	17.4%
Poland		4.38	4.21	3.9%
British Pound		0.79	0.86	-8.6%

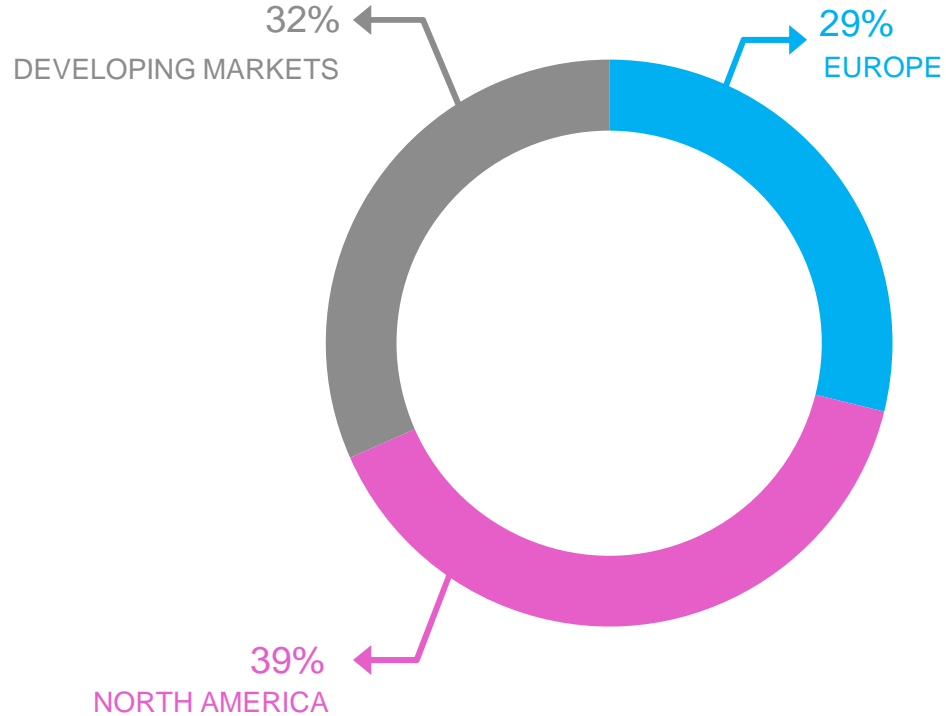
	% of sales	Average rate H1 2016	Average rate H1 2017	% of change
US Dollar	38%	1.12	1.08	3.0%
Brazilian Real	8%	4.12	3.45	19.5%
Mexican Peso	6%	20.19	20.99	-3.8%
Argentina	1%	16.05	17.05	-5.9%
Canadian dollar	3%	1.48	1.45	2.5%
Australian dollar	2%	1.52	1.44	5.9%
South African Zar	2%	17.19	14.30	20.2%
Indian Rupee	4%	75.03	71.16	5.4%
Non Euro European countries	7%			
Sweden		9.31	9.60	-3.1%
Russia		78.10	62.80	24.4%
Poland		4.37	4.27	2.4%
British Pound		0.78	0.86	-9.4%



# H1 2017 NET SALES BREAKDOWN BY CATEGORY



# H1 2017 NET SALES BREAKDOWN BY GEOGRAPHY



# GROUP QUARTERLY FIGURES



<i>In million euros</i>	Including BIC Graphic North America and Asia sourcing					Excluding BIC Graphic North America and Asia sourcing								
	Q1 15	Q2 15	Q3 15	Q4 15	FY 15	Q1 16	Q2 16	H1 16	Q3 16	Q4 16	FY 16	Q1 17	Q2 17	H1 17
Net Sales	510.8	623.2	548.3	559.4	<b>2,241.7</b>	<b>469.3</b>	<b>562.2</b>	<b>1,031.5</b>	<b>490.5</b>	<b>503.8</b>	<b>2025.8</b>	469.2	593.7	1,062.9
<i>YoY actual changes</i>	+17.6%	+16.6%	+10.4%	+8.9%	<b>+13.3%</b>	+0.3%	-1.1%	-0.4%	+1.1%	+6.7%	<b>+1.6%</b>	+0.0%	+5.6%	+3.0%
<i>YoY changes on a constant currencies basis*</i>	+6.2%	+5.2%	+4.1%	+6.9%	<b>+5.6%</b>	+6.7%	+4.6%	+5.5%	+3.0%	+5.4%	<b>+4.9%</b>	-4.1%	+3.6%	+0.1%
<i>YoY changes on a comparative basis*</i>													+3.9%	+0.3%
IFO	97.6	143.9	104.2	94.2	<b>439.9</b>	81.4	127.9	209.3	96.2	97.8	<b>403.4</b>	74.3	120.6	194.9
Normalized IFO*	101.8	137.4	104.2	88.6	<b>432.0</b>	81.4	132.1	213.6	97.4	98.1	<b>409.1</b>	81.3	138.2	219.4
<i>IFO margin</i>	19.1%	23.1%	19.0%	16.8%	<b>19.6%</b>	17.3%	22.7%	20.3%	19.6%	19.4%	<b>19.9%</b>	15.8%	20.3%	18.3%
<i>Normalized IFO margin*</i>	19.9%	22.0%	19.0%	15.8%	<b>19.3%</b>	17.3%	23.5%	20.7%	19.9%	19.5%	<b>20.2%</b>	17.3%	23.3%	20.6%
Net Income Group Share	77.2	99.3	76.3	72.1	<b>325.1</b>	51.0	89.1	140.1	73.6	36.0	<b>249.7</b>	49.7	79.9	129.6
EPS Group Share	1.64	2.10	1.62	1.53	<b>6.89</b>	1.08	1.89	2.98	1.57	0.77	<b>5.32</b>	1.06	1.71	2.78

\* See glossary

# GROUP QUARTERLY FIGURES BY GEOGRAPHY



<i>In million euros</i>	Q1 16	Q2 16	H1 16	Q3 16	Q4 16	FY 16	Q1 17	Q2 17	H1 17
<b>Europe</b>									
Net Sales	126.6	170.0	296.5	131.4	116.8	544.8	129.5	177.5	307.1
<i>YoY actual changes</i>	+7.6%	+6.3%	+6.9%	+0.0%	-1.7%	+3.2%	+2.3%	+4.4%	+3.5%
<i>YoY changes on a comparative basis*</i>	+9.2%	+8.6%	+8.9%	+2.5%	-0.1%	+5.3%	+2.3%	+4.8%	+3.7%
<b>North America</b>									
Net Sales	188.0	236.4	424.4	201.9	185.7	812.0	177.5	242.1	419.7
<i>YoY actual changes</i>	+5.6%	+0.3%	+2.6%	-1.7%	+7.5%	+2.5%	-5.6%	+2.4%	-1.1%
<i>YoY changes on a comparative basis*</i>	+4.1%	+2.8%	+3.4%	-1.3%	+5.8%	+2.7%	-9.2%	+0.7%	-3.7%
<b>Developing markets</b>									
Net Sales	154.8	155.7	310.6	157.2	201.3	668.9	162.1	174.0	336.1
<i>YoY actual changes</i>	-10.2%	-9.8%	-10.0%	+6.0%	+11.5%	-0.7%	+4.7%	+11.7%	+8.2%
<i>YoY changes on a comparative basis*</i>	+7.6%	+3.3%	+5.5%	+9.2%	+8.6%	+7.1%	-3.2%	+7.9%	+2.3%

\* See glossary



<i>In million euros</i>	Q1 15	Q2 15	Q3 15	Q4 15	FY 15	Including BIC Graphic Europe and Developing markets								
						Q1 16	Q2 16	H1 16	Q3 16	Q4 16	FY 16	Q1 17	Q2 17	H1 17
Net Sales	157.1	233.2	184.3	152.4	<b>727.0</b>	167.1	241.1	408.2	193.9	178.2	<b>780.3</b>	163.4	264.7	428.1
<i>YoY actual changes</i>	+9.1%	+10.0%	+8.9%	+0.5%	<b>+7.4%</b>	-0.4%	-1.2%	-0.9%	-0.2%	+7.0%	<b>+1.0%</b>	-2.2%	+9.8%	+4.9%
<i>YoY changes on a constant currencies basis*</i>	-0.2%	+1.1%	+4.0%	+2.9%	<b>+1.9%</b>	+8.0%	+4.0%	+5.6%	+2.2%	+6.3%	<b>+4.9%</b>	-5.1%	+8.3%	+2.8%
<i>YoY changes on a comparative basis*</i>													+9.1%	+3.3%
IFO	19.8	40.7	19.2	4.0	<b>83.7</b>	8.6	41.6	50.2	7.6	10.1	<b>67.9</b>	0.4	36.2	36.6
Normalized IFO*	21.3	39.9	19.2	3.1	<b>83.4</b>	8.6	43.4	52.0	7.7	10.4	<b>70.1</b>	5.9	42.3	48.2
<i>IFO margin</i>	12.6%	17.5%	10.4%	2.6%	<b>11.5%</b>	5.2%	17.3%	12.3%	3.9%	5.7%	<b>8.7%</b>	0.3%	13.7%	8.6%
<i>Normalized IFO margin*</i>	13.6%	17.1%	10.4%	2.0%	<b>11.5%</b>	5.2%	18.0%	12.7%	4.0%	5.8%	<b>9.0%</b>	3.6%	16.0%	11.3%

\* See glossary

# LIGHTERS



<i>In million euros</i>	Q1 15	Q2 15	Q3 15	Q4 15	FY 15	Q1 16	Q2 16	H1 16	Q3 16	Q4 16	FY 16	Q1 17	Q2 17	H1 17
Net Sales	163.5	178.4	158.8	175.0	675.7	163.6	177.2	340.8	167.6	187.9	696.4	171.3	185.5	356.9
YoY actual changes	+22.3%	+22.4%	+10.6%	+10.3%	+16.2%	+0.1%	-0.7%	-0.3%	+5.6%	+7.4%	+3.1%	+4.7%	+4.7%	+4.7%
YoY changes on a constant currency basis*	+9.7%	+9.3%	+5.2%	+8.9%	+8.3%	+5.4%	+5.4%	+5.4%	+6.5%	+5.2%	+5.6%	-0.5%	+2.0%	+0.8%
IFO	61.0	75.6	63.2	61.1	260.9	62.1	70.6	132.7	68.9	73.7	275.3	63.9	77.3	141.2
Normalized IFO*	61.4	74.2	63.2	59.0	257.9	62.1	71.7	133.9	70.0	73.5	277.3	64.1	77.3	141.4
IFO margin	37.3%	42.3%	39.8%	34.9%	38.6%	38.0%	39.8%	38.9%	41.1%	39.2%	39.5%	37.3%	41.7%	39.6%
Normalized IFO margin*	37.6%	41.6%	39.8%	33.7%	38.2%	38.0%	40.5%	39.3%	41.7%	39.1%	39.8%	37.4%	41.7%	39.6%

\* See glossary

# SHAVERS



<i>In million euros</i>	Q1 15	Q2 15	Q3 15	Q4 15	FY 15	Q1 16	Q2 16	H1 16	Q3 16	Q4 16	FY 16	Q1 17	Q2 17	H1 17
Net Sales	112.4	117.8	113.0	108.8	452.0	117.8	120.1	237.9	111.8	117.3	467.0	114.4	122.0	236.4
YoY actual changes	+26.5%	+20.0%	+15.4%	+14.5%	+18.9%	+4.8%	+2.0%	+3.3%	-1.1%	+7.8%	+3.3%	-2.9%	+1.6%	-0.6%
YoY changes on a constant currency basis*	+14.7%	+9.5%	+10.3%	+13.3%	+11.9%	+10.9%	+9.0%	+9.9%	+1.4%	+6.6%	+7.0%	-7.7%	-0.9%	-4.3%
IFO	21.4	23.4	19.2	19.4	83.3	12.6	15.4	28.0	22.2	18.4	68.6	14.3	17.2	31.5
Normalized IFO*	23.9	22.5	19.2	18.0	83.6	12.6	16.6	29.2	22.2	18.2	69.6	14.4	17.2	31.7
IFO margin	19.0%	19.8%	17.0%	17.8%	18.4%	10.7%	12.8%	11.8%	19.8%	15.7%	14.7%	12.5%	14.1%	13.3%
Normalized IFO margin*	21.3%	19.1%	17.0%	16.5%	18.5%	10.7%	13.8%	12.3%	19.8%	15.5%	14.9%	12.6%	14.1%	13.4%

\* See glossary

# OTHER PRODUCTS



<i>In million euros</i>	Q1 15	Q2 15	Q3 15	Q4 15	FY 15	Including BIC Graphic Europe and Developing markets								
						Q1 16	Q2 16	H1 16	Q3 16	Q4 16	FY 16	Q1 17	Q2 17	H1 17
Net Sales	16.8	22.3	13.9	14.6	67.6	20.8	23.8	44.6	17.2	20.3	82.1	20.1	21.4	41.5
<i>YoY actual changes</i>	+4.1%	+16.8%	-8.9%	+0.2%	+3.9%	-14.0%	-14.8%	-14.4%	-9.5%	-6.8%	-11.6%	-3.2%	-10.2%	-6.9%
<i>YoY changes on a constant currency basis*</i>	+1.6%	+8.5%	-10.9%	-0.1%	-0.5%	-13.0%	-13.4%	-13.2%	-8.9%	-6.8%	-10.8%	-4.2%	-10.7%	-7.7%
<i>YoY changes on a comparative basis*</i>													-10.0%	-7.3%
IFO*	-0.5	4.9	-1.8	-3.8	-1.2	-1.9	0.3	-1.6	-2.4	-4.4	-8.4	-4.3	-10.1	-14.4
Normalized IFO*	-0.7	2.9	-1.8	-3.8	-3.4	-1.9	0.4	-1.5	-2.4	-3.9	-7.8	-3.0	1.3	-1.8

\* See glossary





▶ **Capital evolution:**

As of June 30, 2017, the total number of issued shares of SOCIÉTÉ BIC was 47,582,472 shares, representing:

- 69,159,383 voting rights,
- 68,210,891 voting rights excluding shares without voting rights.

▶ Total treasury shares at the end of June 2017: 948,492.

# GLOSSARY - MISCELLANEOUS



*Second quarter and First Half 2016 and 2017 results are accounted for and presented in accordance with IFRS 5; BIC Graphic is no longer considered as a separate category or reporting segment. BIC Graphic Europe reports to European BIC Consumer Product management. In Developing Markets, BIC Graphic operations report to their respective country's Consumer Product management. On June 30, 2017, BIC Graphic North America and Asian Sourcing operations were sold to H.I.G. Capital.*

## **On a constant currency basis**

- *Constant currency figures are calculated by translating the current year figures at prior-year monthly average exchange rates*

## **Comparative basis**

- *On a constant currency basis and constant perimeter*

## **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.*

# DISCLAIMER

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*This document contains forward-looking statements. Although BIC believes its estimates 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 Factors” of BIC “Registration Document” filed with the French financial markets authority (AMF) on March 22, 2017.*

# 2017-2018 AGENDA



<b>Third Quarter 2017 results</b>	<b>25 October 2017</b>	<b>Conference call</b>
<b>Full Year 2017 results</b>	<b>14 February 2018</b>	<b>Meeting – BIC Headquarters</b>
<b>First Quarter 2017 results</b>	<b>25 April 2018</b>	<b>Conference call</b>
<b>2018 AGM</b>	<b>16 May 2018</b>	<b>Meeting – BIC Headquarters</b>

All dates to be confirmed

