



# ANNUAL SHAREHOLDERS' MEETING

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MAY 16<sup>th</sup> 2018





*Honor the past... invent the future.*

*People are the cornerstone of  
our philosophy.*



# BIC IN 2017

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# FULL YEAR 2017 KEY MESSAGES AND FIGURES

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BRUNO BICH

# KEY MESSAGES

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Strong  
performance in  
Europe

Inventory reduction in  
lighters and continued  
disruption in US wet  
shave market

Soft Brazilian  
economy

Cost of production  
increase  
Selected Brand Support  
investments  
Operational expenses'  
increase

# BIC IN 2017

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**NET SALES\***

**+1,4%**



**NORMALIZED IFO  
MARGIN\***

**19,8%**



**EPS GROUP  
SHARE**

**6,20 €**

**NORMALIZED**

**6,28 €**



**NET CASH  
POSITION**

**204,9 M€**

\*As reported (before IFRS15 restatement) – growth on a comparative basis

# USE OF CASH

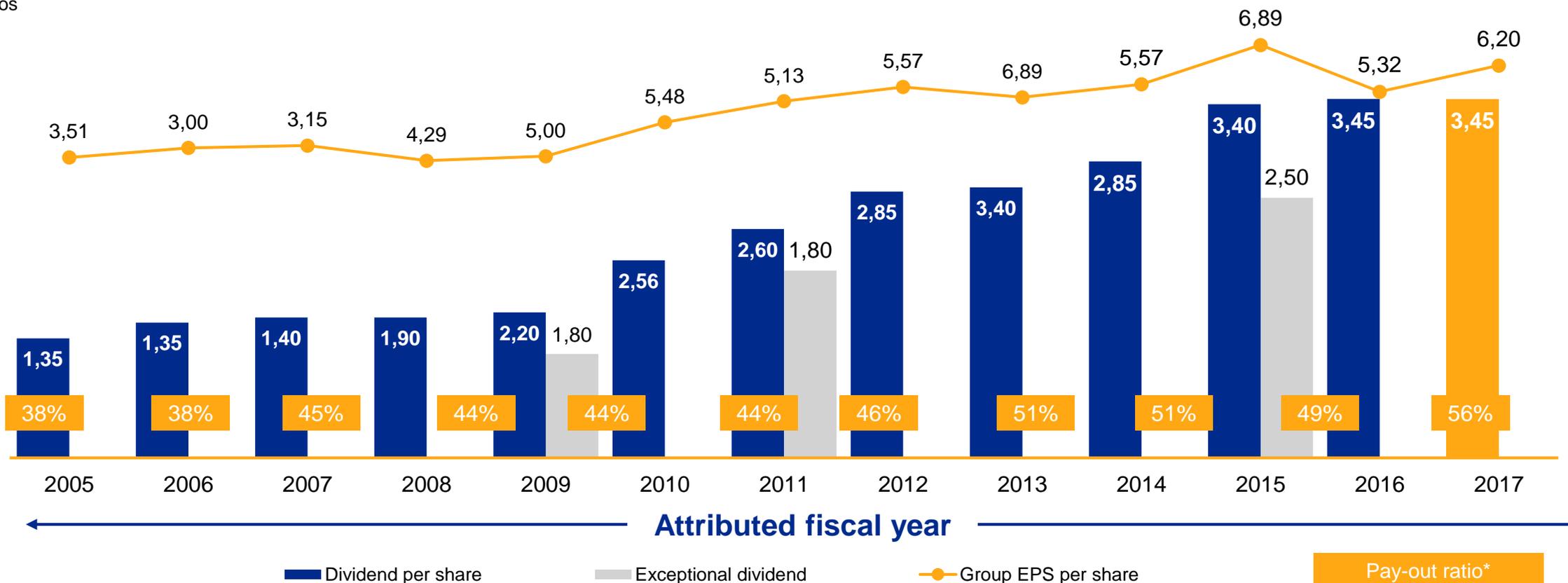
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- 1 Invest to prepare the future**
  - Capex
  - Bolt-on strategic acquisitions
- 2 Ensure a regular growth of the ordinary dividend**
- 3 Share buy-back**
- 4 Exceptional dividend**

# BIC IN 2017

## Proposal of 3,45 euros ordinary dividend per share

In euros



\* Sur la base du dividende ordinaire.



FULL YEAR 2017  
**CONSOLIDATED  
RESULTS**

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JIM DIPIETRO

# 2017

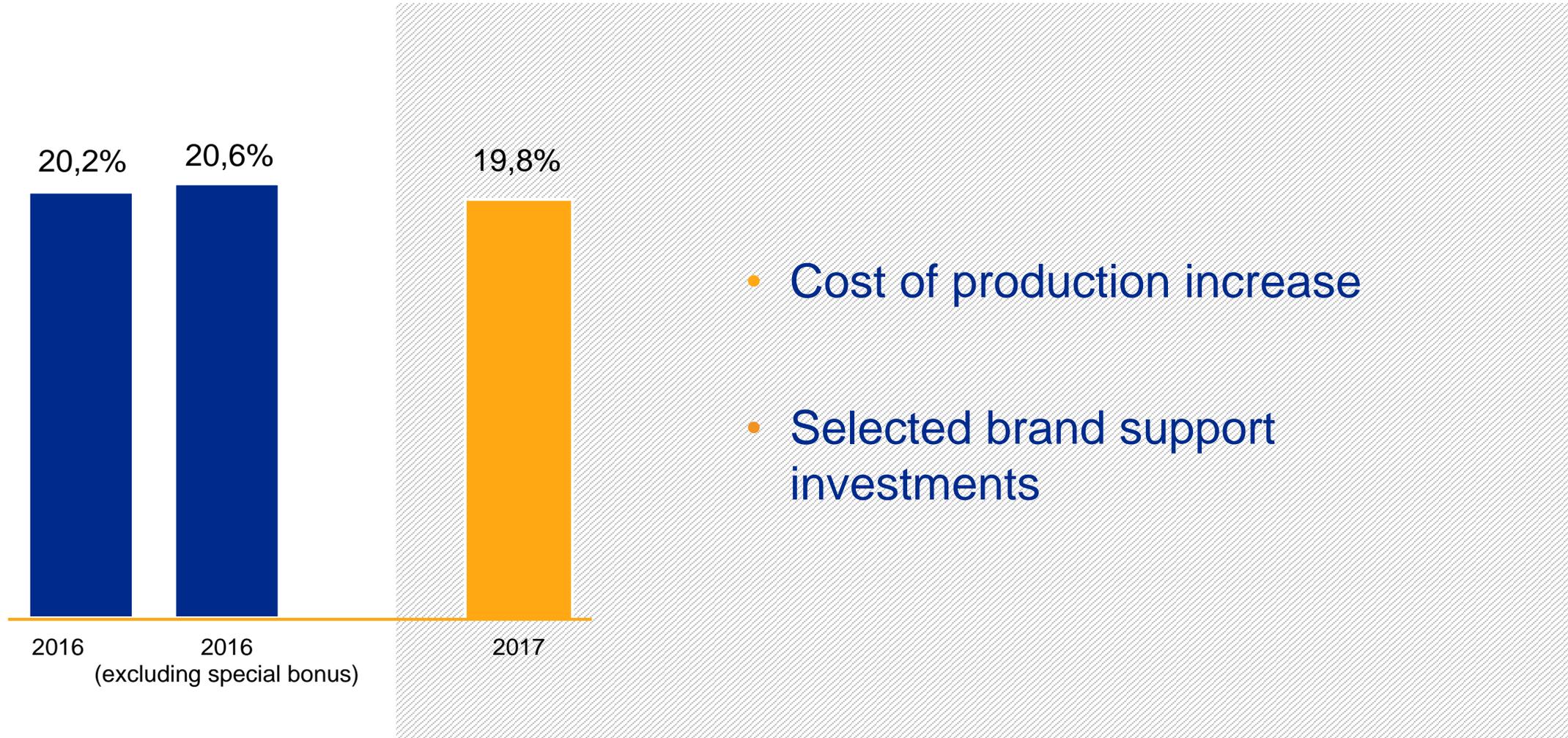
## FROM NET SALES TO EPS

<b>BIC Group</b> In million euros	<b>2016</b>	<b>2017</b>	<b>Change as reported</b>	<b>Change on a comparative basis</b>
Net sales	2,025.8	<b>2 020.3</b>	-0.3%	+1.4%
Gross profit	1,065.3	<b>1 047.6</b>	-1.7%	
Normalized IFO	409.1	<b>400.9</b>	-2.0%	
Income from operations	403.4	<b>376.2</b>	-6.7%	
Effective tax rate	30.0%	<b>25.9%</b>		
Net Income Group share	249.7	<b>288.3</b>	+15.5%	
EPS Group share	5.32	<b>6.20</b>	+16.5%	
Normalized EPS Group share	6.24	<b>6.28</b>	+0.6%	

As reported (before IFRS 15 restatement)

2017

# NORMALIZED IFO MARGIN

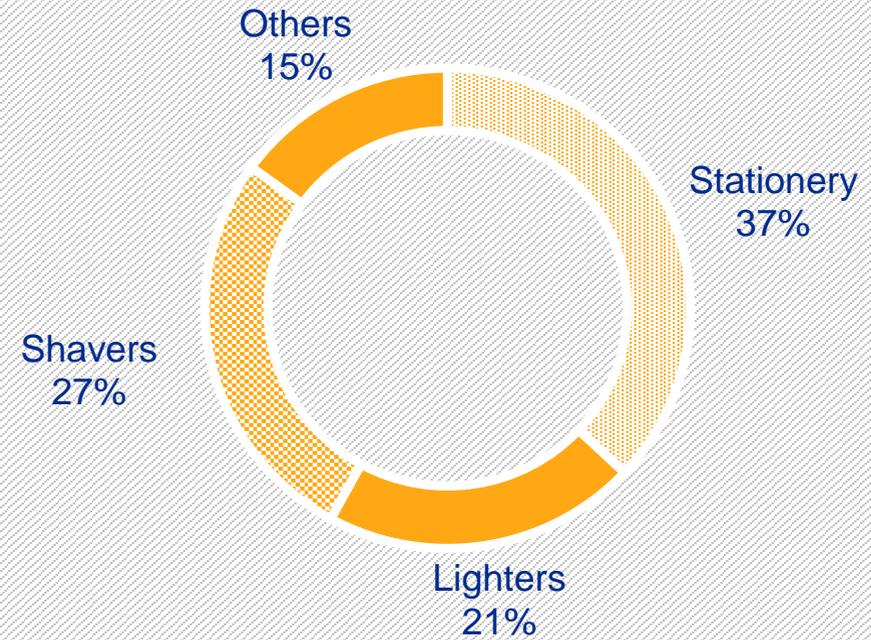
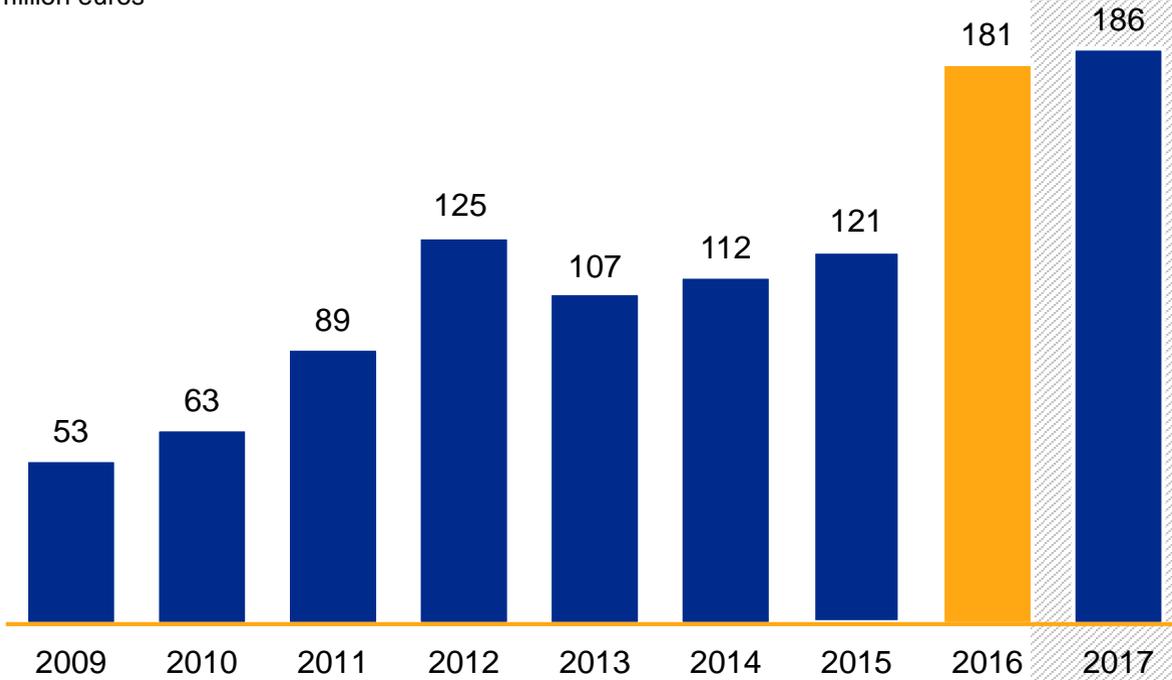


As reported (before IFRS 15 restatement)

# 2017 CAPEX

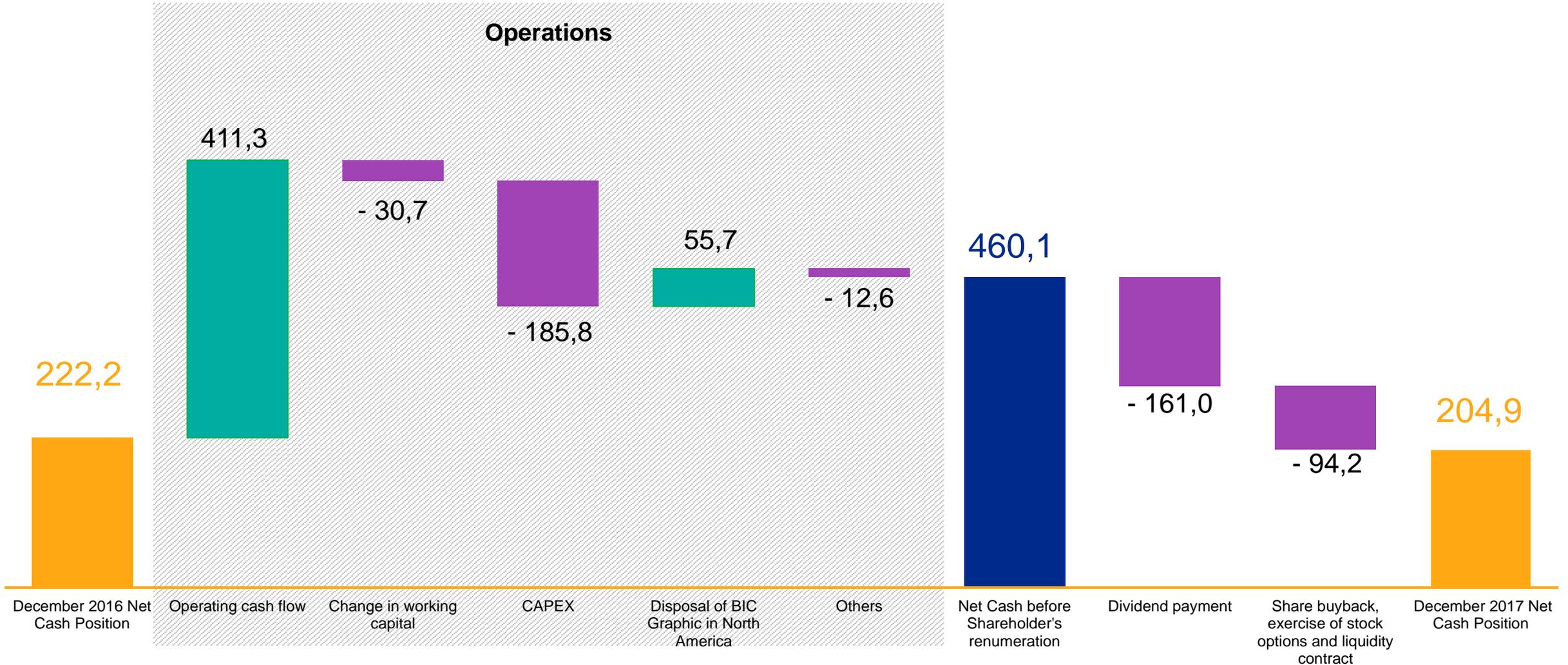
## CAPEX

In million euros



# 2017 NET CASH POSITION

In million euros





FULL YEAR 2017  
**OPERATIONAL  
RESULTS**

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GONZALVE BICH

# STATIONERY IN 2017

## NET SALES

791.8M€

+3,4%\*

## NORMALIZED INCOME FROM OPERATIONS

66.5 M€

8,4%

## CAPEX

69 M€

+53%

\* On a comparative basis / Before IFRS 15 restatement



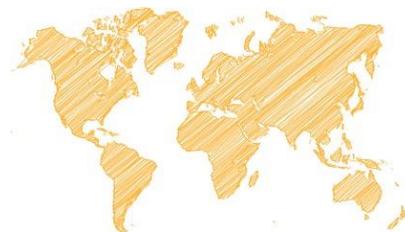
## EUROPE

- Good back-to school sales (Western and Eastern Europe)
- Successful new products introduction



## NORTH AMERICA

- Very good back-to-school season
- Succès des produits à valeur ajoutée



## DEVELOPING MARKETS

- In Latin America, growth sustained through efficient promotional campaigns. Market share gains in Mexico during back-to-school season
- Solid growth in Africa and the Middle-East
- Strong increase in Cello pens domestic sales in India (success of your champion brands and of new products launching)

# LIGHTERS IN 2017

NET SALES

**703.9M€**

**+2.2%\***

NORMALIZED INCOME  
FROM OPERATIONS

**278.3M€**

**39.5%**

CAPEX

**39 M€**

**=**

\* On a comparative basis / Before IFRS 15 restatement



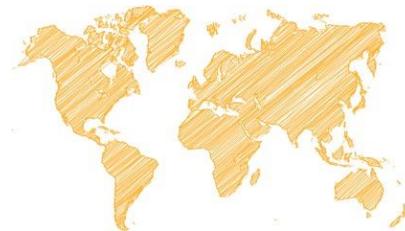
## EUROPE

- Good performance in Western Europe
- Distribution gains in Eastern Europe



## NORTH AMERICA

- Slight market share gains
- Continued strategy on sleeve lighters with added value



## DEVELOPING MARKETS

- Distribution gains in Mexico
- Inventory reductions in Brazil by distributors

# SHIVERS IN 2017

## NET SALES

454.4 M€

-2.2%\*

## NORMALIZED INCOME FROM OPERATIONS

60.6 M€

13.3%

## CAPEX

51 M€

-28%

\* On a constant currency basis / Before IFRS 15 restatement



## EUROPE

- Good performance in Eastern Europe (success of products BIC® Flex 3 Hybrid and Miss Soleil)
- Very good « fidelity rate » for BIC® Shave Club



## NORTH AMERICA

- Marché très fortement destabilisé
- Gains de part de marché dans les rasoirs masculins 5-lames



## DEVELOPING MARKETSE

- Distribution gains in Latin America
- Solid growth in Africa and Middle East (success of the one and two-blade razors)



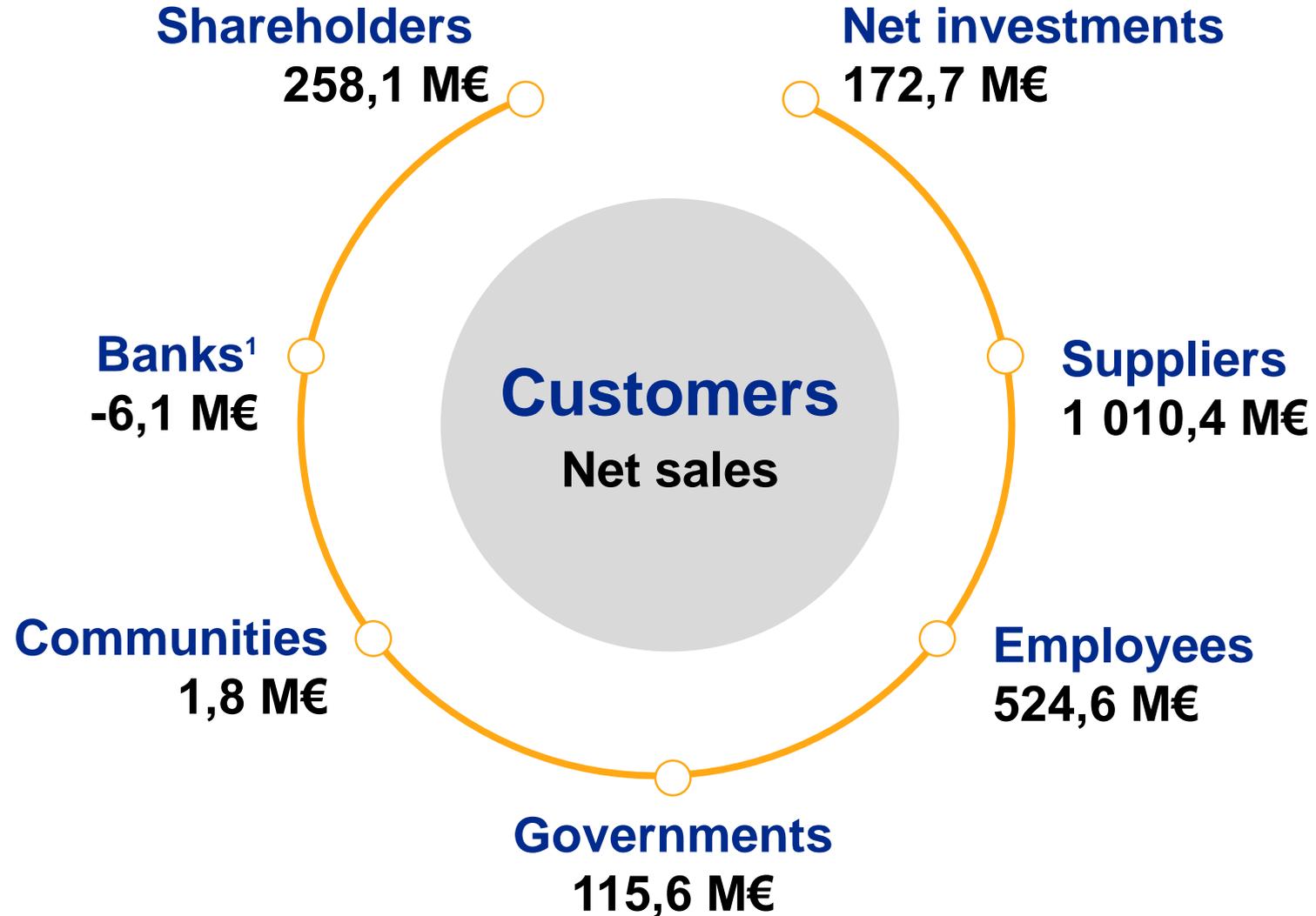
# SUSTAINABLE DEVELOPMENT PROGRAM

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MARIE-AIMÉE BICH-DUFOUR  
GONZALVE BICH

2017

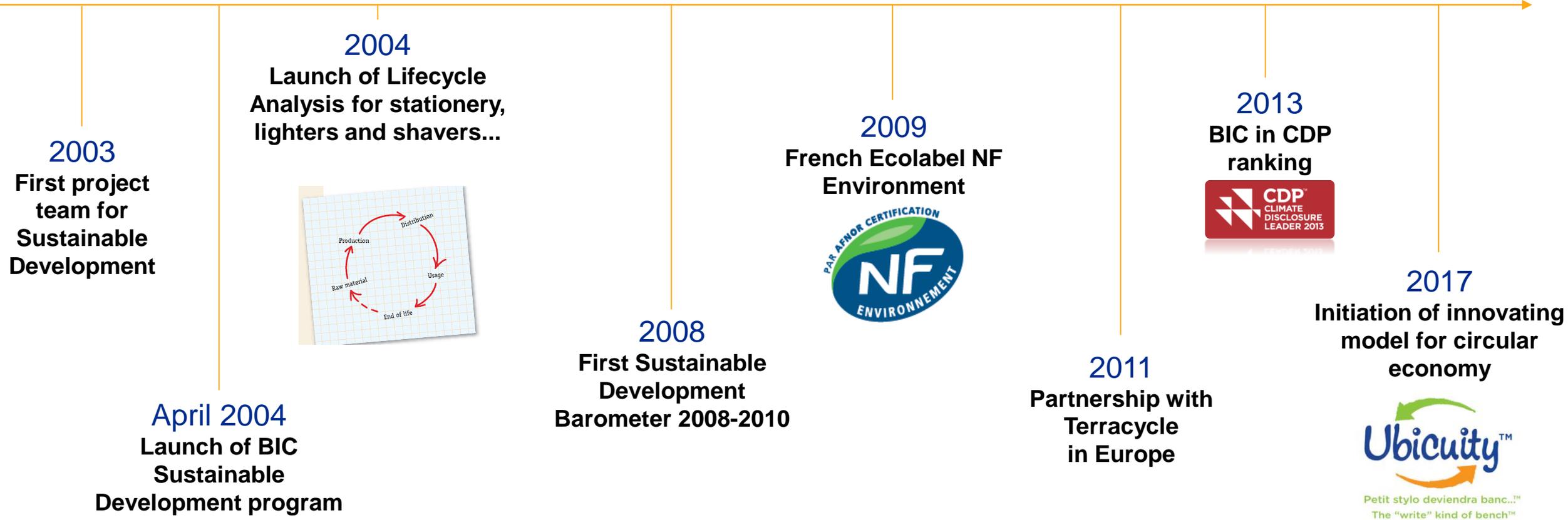
# DISTRIBUTION TO STAKEHOLDERS



1) Interests received

2003 - 2017

# 14 YEARS OF ENGAGEMENT



2003 - 2017

# 14 YEARS OF ENGAGEMENT

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**ENERGY  
CONSUMPTION**

**-24%**



**WATER  
CONSUMPTION**

**-85%**



**WORKPLACE  
ACCIDENT**

**-45%**

# 7 YEARS, 5 NEW COMMITMENTS

## Writing the Future, Together

**#1 Fostering sustainable innovation in BIC® products.**

By 2025, the environmental and/or societal footprint of BIC® products will be improved.

**#2 Acting against climate change.**

By 2025, BIC will use 80% renewable electricity.

**#3 Committing to a safe work environment.**

By 2025, BIC aims for zero accidents across all operations.

**#4 Proactively involving suppliers.**

By 2025, BIC will work responsibly with its strategic suppliers to ensure the most secure, innovative and efficient sourcing.

**#5 Improving lives through education.**

By 2025, BIC will improve learning conditions for 250 million children, globally.



# GOVERNANCE

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BRUNO BICH  
JOHN GLEN  
ELIZABETH BASTONI

# BOARD OF DIRECTORS' ACTIVITY IN 2017

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## MISSION

**Determines the broad lines of the Company's business activities and ensures their implementation**

## EN 2017

- Establishment of financial statements
- Review of quarterly results
- Validation of annual budget
- Approval of Compensation of Corporate Officers and Directors

- Strategy related to growth acceleration on all of our markets
- Continued analysis of the strategy for BIC Graphic
- Goodwill amortization and depreciation tests
- Group's Sustainable Development Program
- Share buy-back program
- Update of procedure rules

# BOARD OF DIRECTORS' COMPOSITION AND ACTIVITY IN 2017

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**11**   
**DIRECTORS**

 **40%**  
**WOMEN**

**4**   
**NATIONALITIES**

**40%**   
**INDEPENDENCE RATE**

**9**   
**MEETINGS**

**91%**   
**ATTENDANCE RATE**

# A BOARD OF DIRECTORS SERVING THE GROUP'S STRATEGY

## SUPPORT FROM THREE SPECIALIZED COMMITTEES

Split up of Compensation and Nomination Committees into two committees in October 2017

### AUDIT COMMITTEE

**John Glen**  
Pierre Vareille  
Edouard Bich

5 meetings

66,66%

Independence rate

100%

Attendance rate

### COMPENSATION COMMITTEE

**Elizabeth Bastoni**  
Vincent Bedhome  
Candice Matthews  
Marie-Henriette Poinot

2 + 1 meeting

66,66%

Independence rate

100%

Attendance rate

### NOMINATIONS, GOVERNANCE AND CSR COMMITTEE

**Elizabeth Bastoni**  
Marie-Henriette Poinot  
Candice Matthews

2 + 1 meeting

66,66%

Independence rate

100%

Attendance rate

# A BOARD OF DIRECTORS SERVING THE GROUP'S STRATEGY

## RENEWAL OF DIRECTORS' MANDATES

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**JOHN GLEN**



Member of BIC Board of Directors since December 2008  
Chairman of the Audit Committee  
Independent Director

**MARIE-HENRIETTE POINSOT**



Member of BIC Board of Directors since since May 1997  
Member of Compensation Committee  
Member of the Nominations, Governance and CSR Committee

**MDB**

(PERMANENT REPRESENTATIVE:  
EDOUARD BICH)



Member of BIC Board of Directors since May 2006  
Member of the Audit Committee

**PIERRE VAREILLE**



Member of BIC Board of Directors since May 2009  
Vice-President and Lead Director  
Member of the Audit Committee  
Independent Director

# A BOARD OF DIRECTORS SERVING THE GROUP'S STRATEGY

## **APPOINTMENT OF GONZALVE BICH AS DIRECTOR; TAKING OVER BRUNO BICH'S ROLE**



**Age** : 39 years old

**Nationalities** : French and American

► **Chief Operating Officer (COO) since January 2017**

### **Biography:**

Joined BIC Asia in 2003, where he developed the regional business for four years and then moved on to serve as Group People Development Director before joining the Shaver category as Group Shaver Marketing Director.

From 2008 to 2012, he led the Northern European business. In 2012, he was named Deputy General Manager and then promoted to General Manager, Developing Markets (including Latin America) in July 2013 and took the responsibility for BIC Consumer business Categories operations in spring 2016.

# A BOARD OF DIRECTORS SERVING THE GROUP'S STRATEGY

## BOARD OF DIRECTORS'S NEW ORGANIZATION FOLLOWING THE BOARD MEETING ON MAY 16TH AND PENDING ON THE ANNUAL SHAREHOLDERS' MEETING VOTE.



**Pierre Vareille**  
Chairman



**Gonzalve Bich**  
Chief Executive Officer



**Elizabeth Bastoni**



**François Bich**



**Vincent Bedhome**  
Director representing  
the employees



**Marie-Pauline Chandon-Moët**



**John Glen**



**Mario Guevara**



**Candace Matthews**



**Marie-Henriette Poinot**



**Société MBD**  
represented by Edouard Bich



Independent Director



Mandate for nomination/renewal

# AUDIT COMMITTEE MAIN ACTIVITIES

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- Goodwill amortization and impairment tests
- Analysis of the Group's effective tax rate
- Group's Internal Control and Audit findings
- Review of treasury arrangements including liquidity, banking arrangements and FX Hedging Policy
- Rules relating to the Audit Committee's composition, remits and operating methods
- Updating of the procedure for delegating authority within the Group

2017

## NOMINATIONS, GOVERNANCE AND CSR COMMITTEE MAIN ACTIVITIES

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- Review of Chief Operating Officer performance and development progress
- Succession plans for the Chairman and Board of Directors
- Update on progress of actions taken following the Board and Committees' assessment
- On-boarding of the Director representing the employees

# COMPENSATION POLICY

## GENERAL PRINCIPLES

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### PRINCIPLES

Internal equity

Pay for  
Performance

Competitiveness

Communication

### METHOD OF DETERMINING

International  
Benchmark

Analysis of the  
performance of  
individuals

Ensure the  
group's policies  
and priorities are  
reflected

Analysis of the total  
reward (including  
pension)

### ALLOCATION OF THE VARIABLE AND EXCEPTIONAL PAY ELEMENTS

Requires a positive ex post vote of the shareholder's meeting

# COMPENSATION POLICY

## PARTICULAR PRINCIPLES GOVERNING COMPENSATION (CHAIRMAN, CHIEF EXECUTIVE OFFICER AND EXECUTIVE VICE-PRESIDENTS)

### ANNUAL FIXED COMPENSATION

 Supplementary pension plan and benefits in kind

Fixed by the Board

Reflects the responsibilities of the Executive Corporate Officer, his/her experience and his/her skills..

### ANNUAL VARIABLE COMPENSATION

SHORT TERM

Calculated based **on six criterias** determined by the compensation committee

### PERFORMANCE SHARES

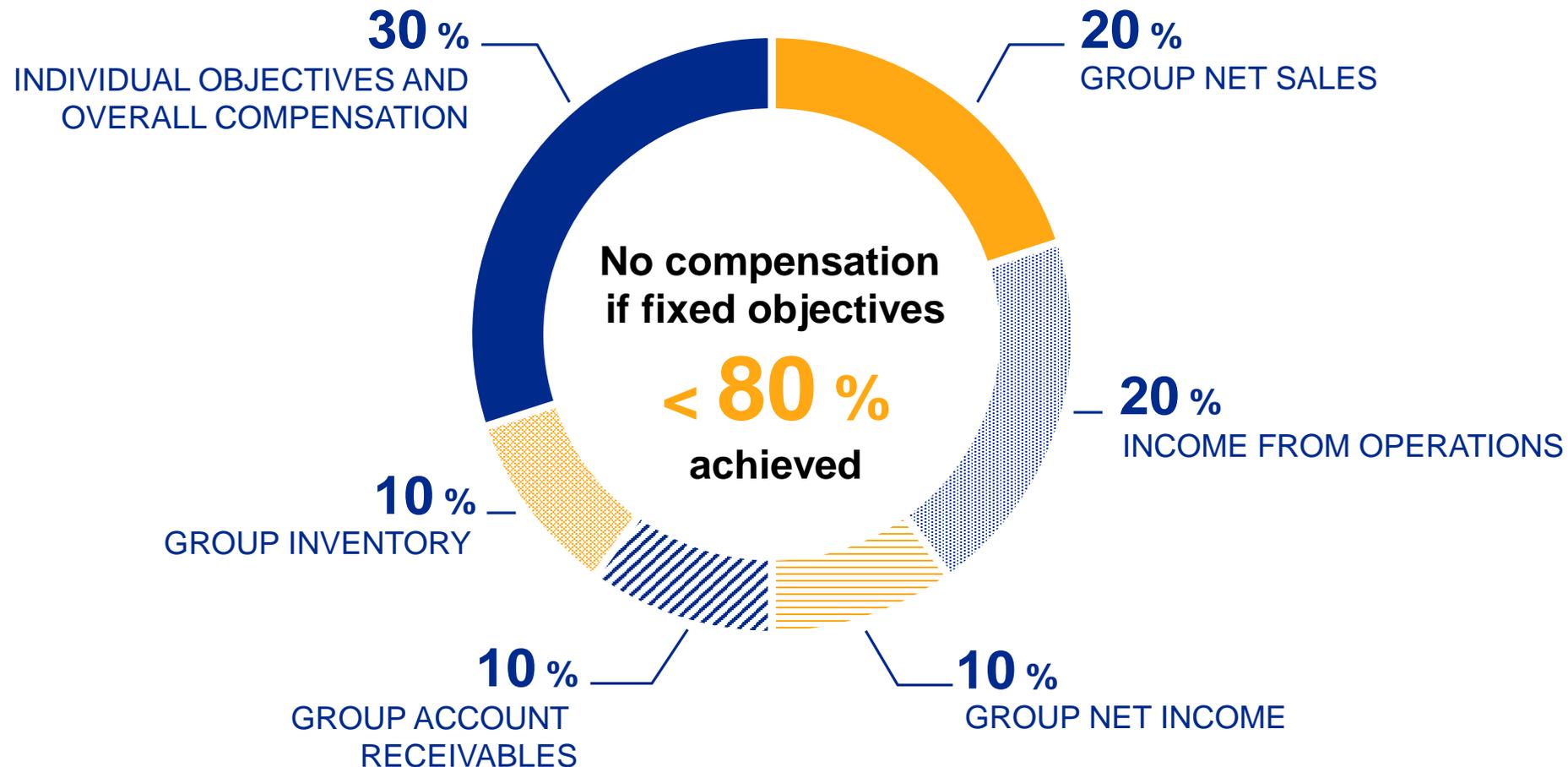
LONG TERM

Board decision based **on recommendation from Compensation committee**

Performance calculated based **on two criterias**

# VARIABLE COMPENSATION STRUCTURE

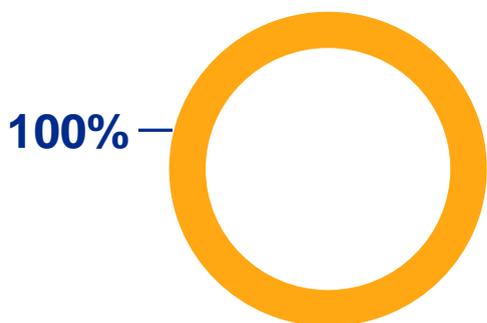
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# DIRECTORS' COMPENSATION STRUCTURE

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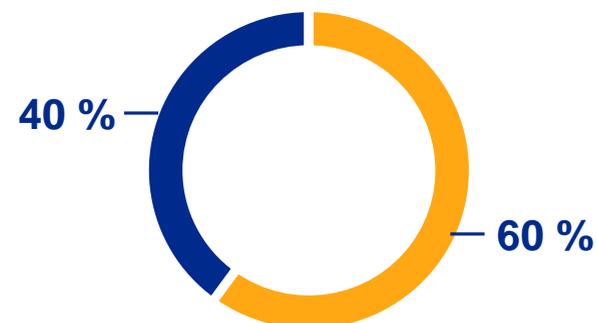
BRUNO BICH



GONZALVE BICH



JIM DIPIETRO



MARIE-AIMÉE BICH-DUFOUR



Fixed compensation Annual bonus in 2017

# DIRECTORS' COMPENSATION FOR 2017

	Compensation structure	Annual fixed compensation in 2017	Target variable compensation for 2017 (if 100% achievement of the objectives)	Variable compensation granted for 2017
<b>Bruno Bich</b> Chairman and Chief Executive Officer	Fixed 100 %	<b>204 000 €</b>		
<b>Gonzalve Bich</b> Executive Vice-President	Fixed 56 % Variable 44 %	<b>500 000 USD</b> <b>(442 478 €)</b>	85,00 %	<b>79,48 %</b>
<b>James Dipietro</b> Executive Vice-President	Fixed 60 % Variable 40 %	<b>515 000 USD</b> <b>(455 752 €)</b>	75,00 %	<b>66,76 %</b>
<b>Marie-Aimée Bich-Dufour</b> Executive Vice-President	Fixed 71 % Variable 29 %	<b>300 900 €</b>	45,00 %	<b>40,06 %</b>

In %  
of fixed part



# MANAGERIAL TRANSITION

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BRUNO BICH

PIERRE VAREILLE

GONZALVE BICH

# METHOD OF PERFORMANCE OF GENERAL MANAGEMENT

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## BOARD ON FEBRUARY 13TH 2018

Bruno Bich's decision to resign as Chairman and Chief Executive Officer and from his mandate as Director (effective as of May 16 2018 Annual General Meeting)

## POST-AGM BOARD MEETING ON MAY 16, 2018:

- Separation of functions Chairman and Chief Executive Officer
- Nomination of Pierre Vareille as Chairman of the Board
- Nomination of Gonzalve Bich as Chief Executive Officer

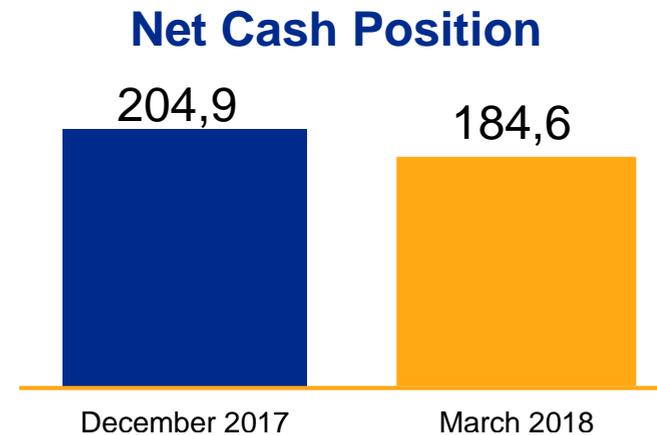
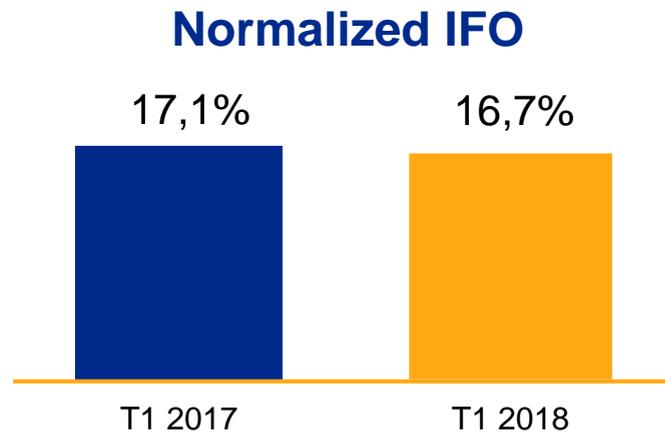
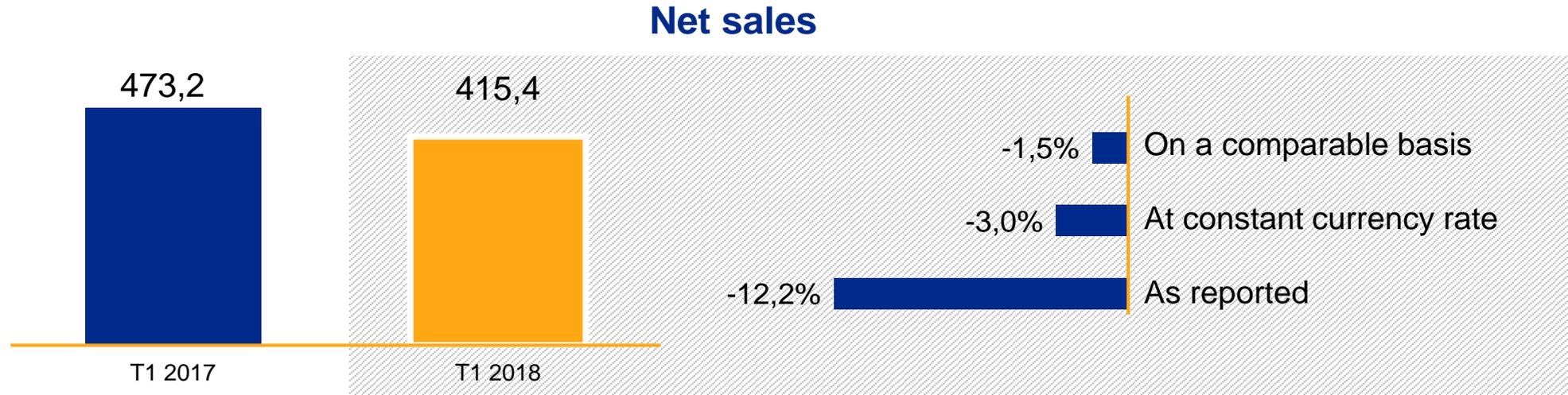


# OPERATIONAL PRIORITIES AND 2018 OBJECTIVES

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GONZALVE BICH

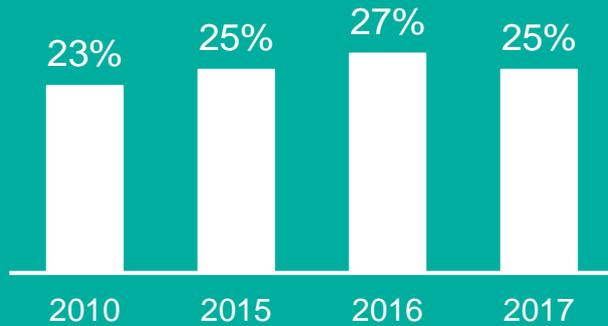
# 2018 FIRST QUARTER KEY FIGURES



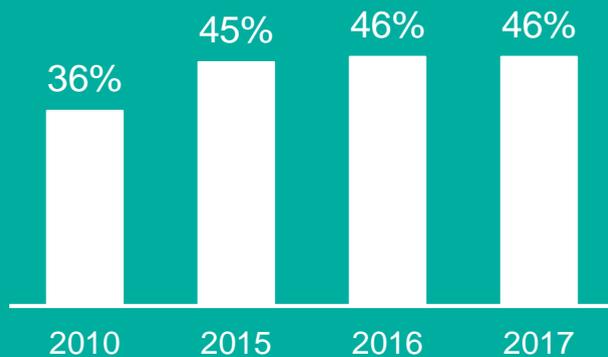
After IFRS15 restatement

# STATIONERY IN 2018

## NEW PRODUCTS IN % OF NET SALES



## CHAMPION BRANDS IN % OF NET SALES



BIC® Cristal® Fashion



BIC® Cristal® Bold



BIC® Gel-Ocity Decor



BIC® Evolution Cap

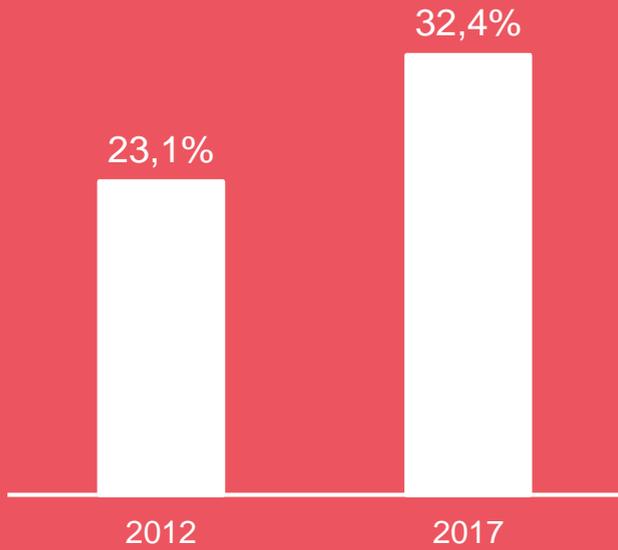


Highlighters



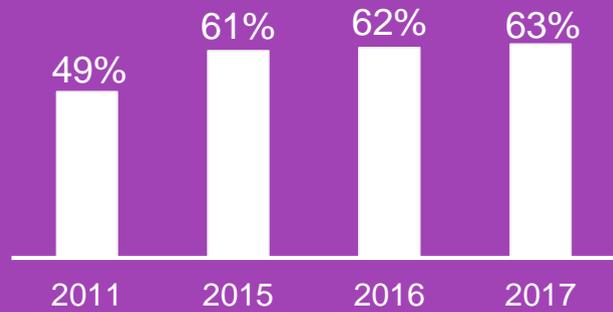
# LIGHTERS IN 2018

DECORATED LIGHTERS IN % OF NET SALES (USA)

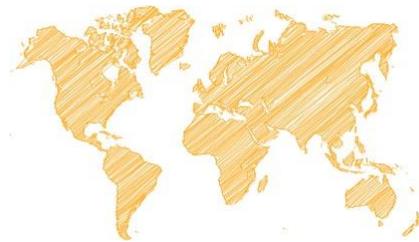


# SHIVERS IN 2018

ADDED-VALUE PRODUCTS IN % OF NET SALES



NUMBER OF SUSCRIBERS FOR BIC SHAVE CLUB



2018

# OBJECTIVES

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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%.**



# PAVING THE WAY FOR FUTURE GROWTH

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GONZALVE BICH  
PETER DALSBURG  
THOMAS BRETTE  
BENOIT MAROTTE  
NICOLAS LAUNAY

# PAVING THE WAY FOR FUTURE GROWTH

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Industrial  
performance

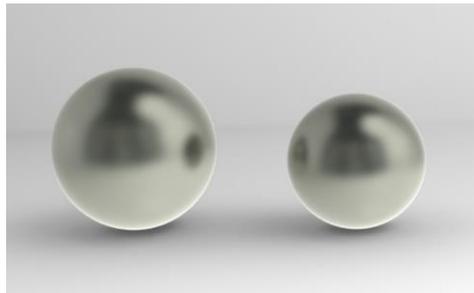
Personnalization

Innovation

E-commerce

# IMPROVE INDUSTRIAL PERFORMANCE

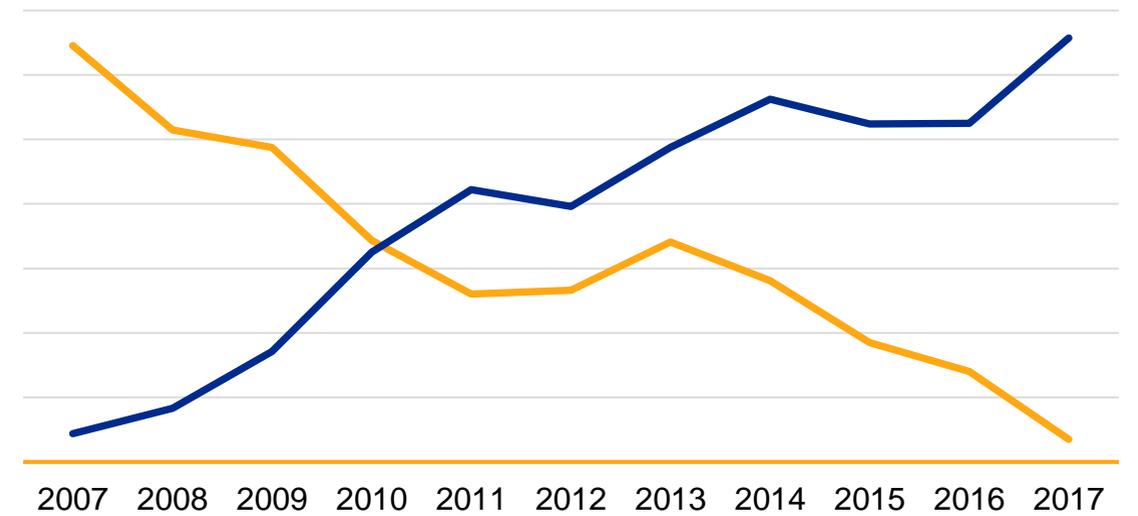
## MARNE LA VALLÉE IN FRANCE



### Improve Productivity

Cost of production BIC  
Cristal

Productivity



# IMPROVE INDUSTRIAL PERFORMANCE

## MARNE LA VALLÉE IN FRANCE

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### TODAY



Benchmark  
Factory



Center of Excellence  
for Ball Pen



Continuous  
improvement

Cobot  
(Collaborative Robot)



### TOMORROW

*L'usine 4.0*

Digital printing  
direct on pen



AGV  
Automated  
Guided Vehicle

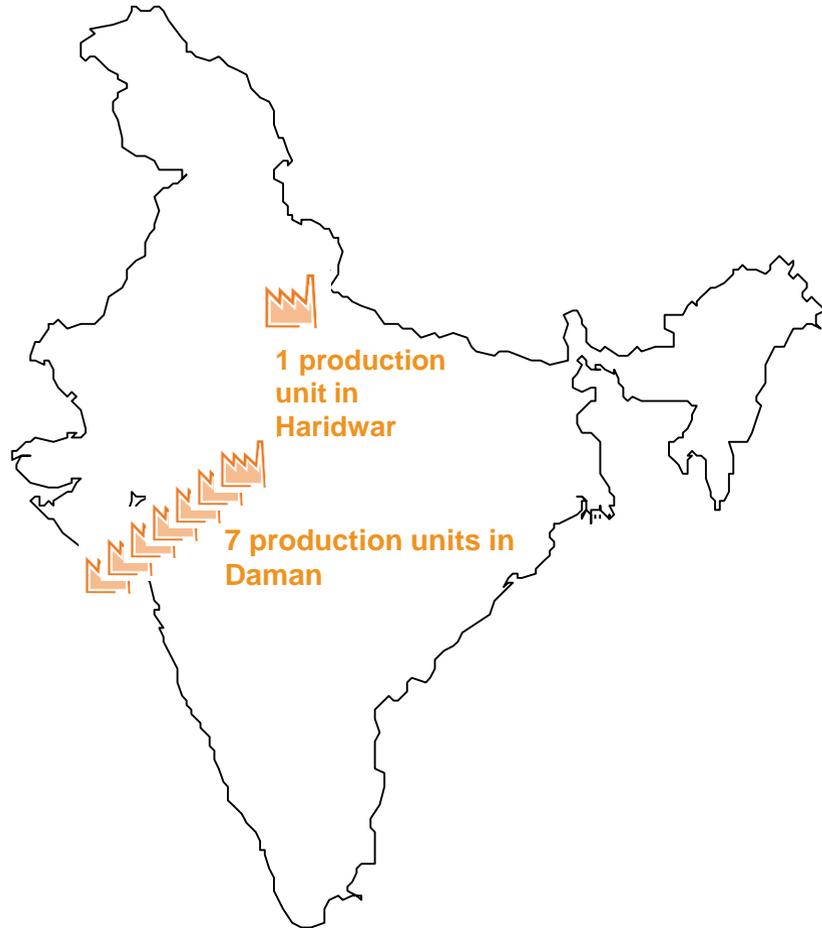


# IMPROVE INDUSTRIAL PERFORMANCE

## CELLO PENS IN INDIA

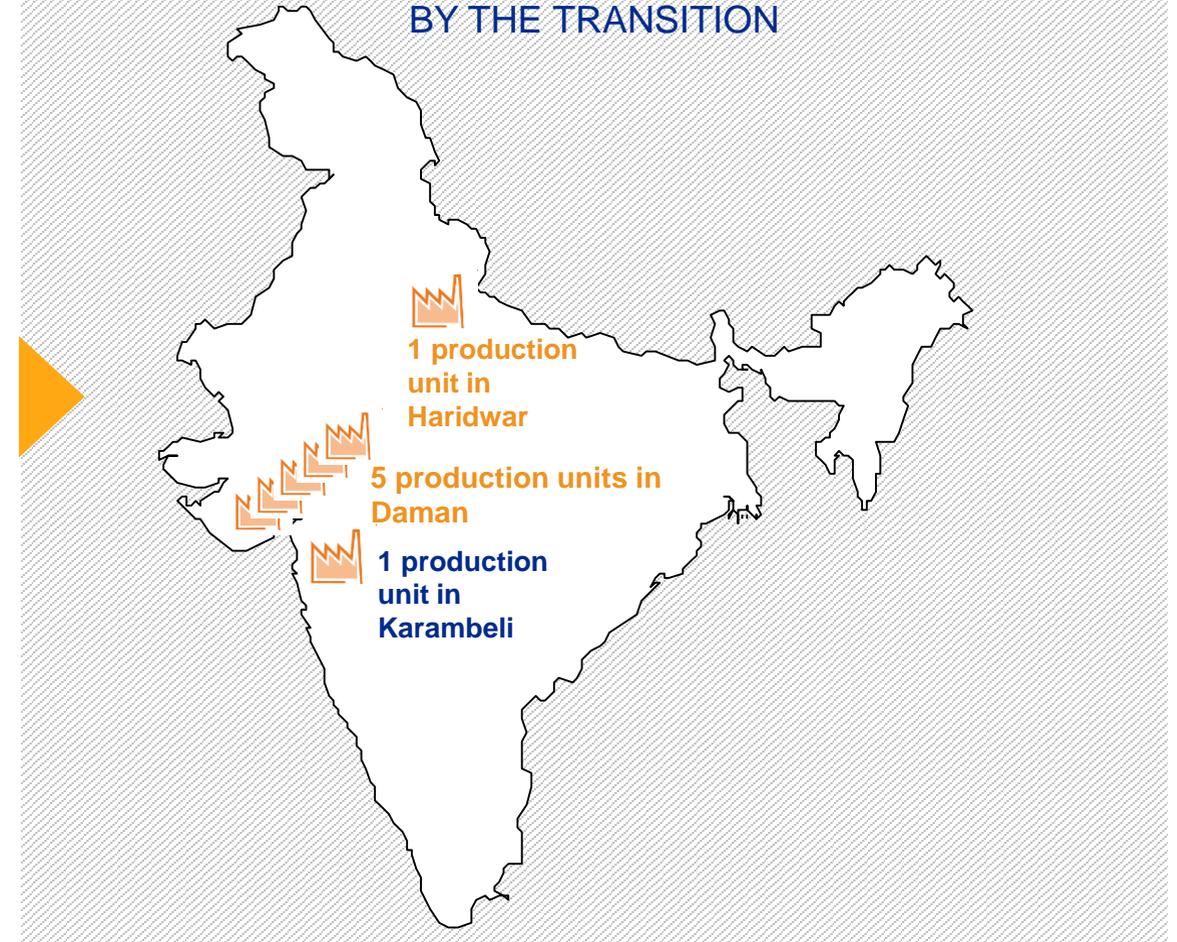
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End 2017



End 2018

FOR THAN 3 000 EMPLOYEES CONCERNED BY THE TRANSITION



# IMPROVE INDUSTRIAL PERFORMANCE

## CELLO PENS IN INDIA

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# REINVENTING INNOVATION CONSUMERS' NEEDS AT THE HEART OF THE PRODUCT DEVELOPMENT PROCESS

Operational excellence at the heart of our business model



+



+



Technology

Production Process

Mass Production



Quality  
consistency

&

Right price

# REINVENTING INNOVATION CONSUMERS' NEEDS AT THE HEART OF THE PRODUCT DEVELOPMENT PROCESS

YESTERDAY

NEEDS



Consumers



Market



Competitors



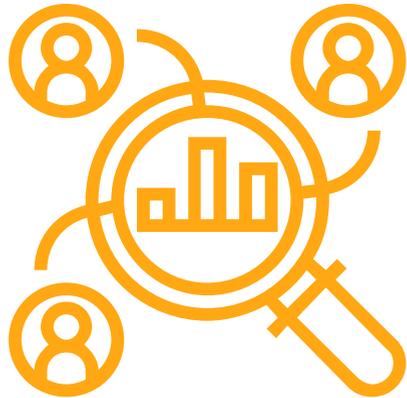
SOLUTIONS



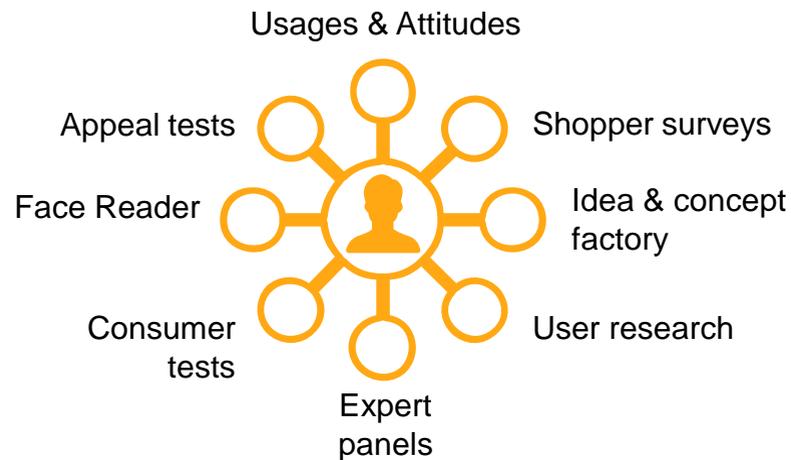
# REINVENTING INNOVATION CONSUMERS' NEEDS AT THE HEART OF THE PRODUCT DEVELOPMENT PROCESS

TODAY

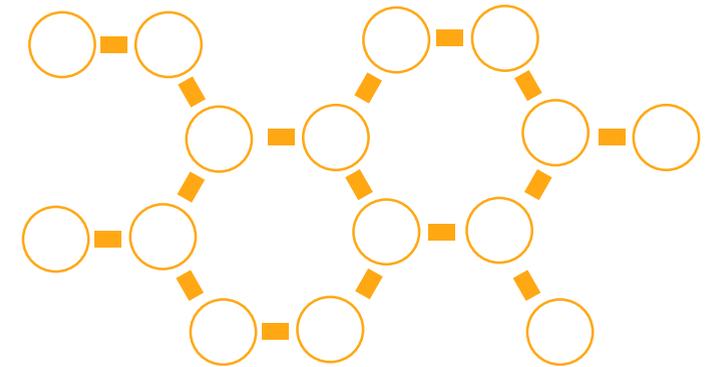
Consumer needs at the heart  
of R&D



Real-time access to a variety  
of interactive tools with  
consumers

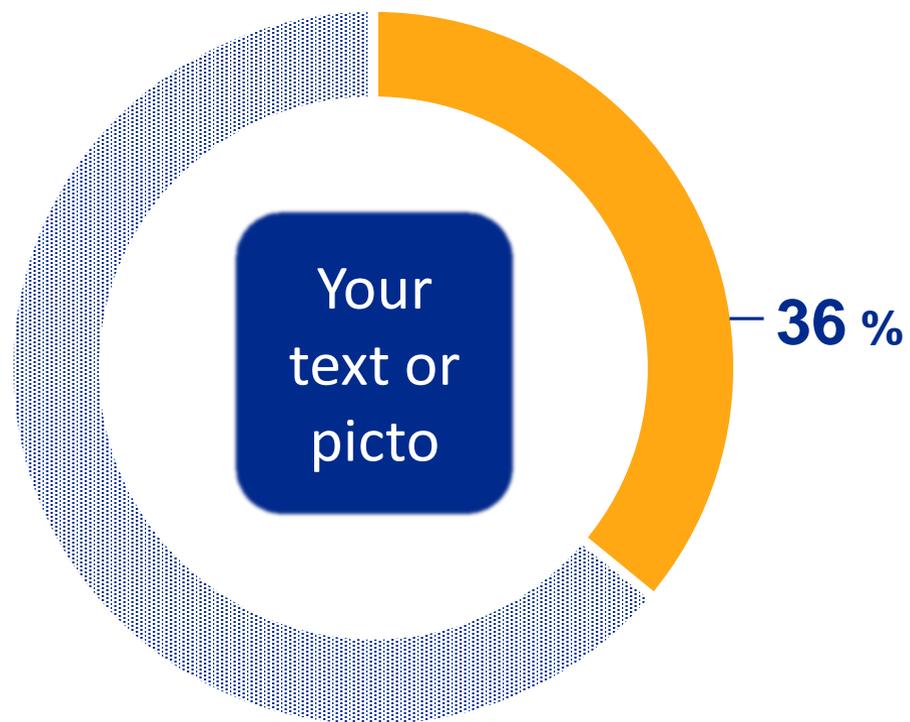


Area of expertise organized in  
networks

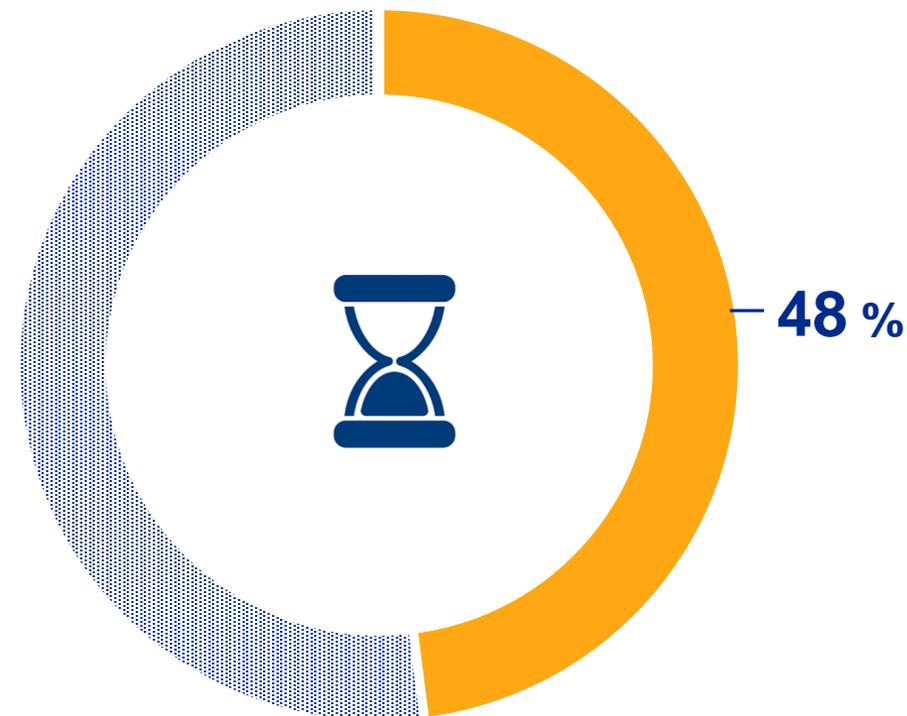


# ADAPTING TO NEW CONSUMER WAYS

36% of consumers interested in buying personalized products



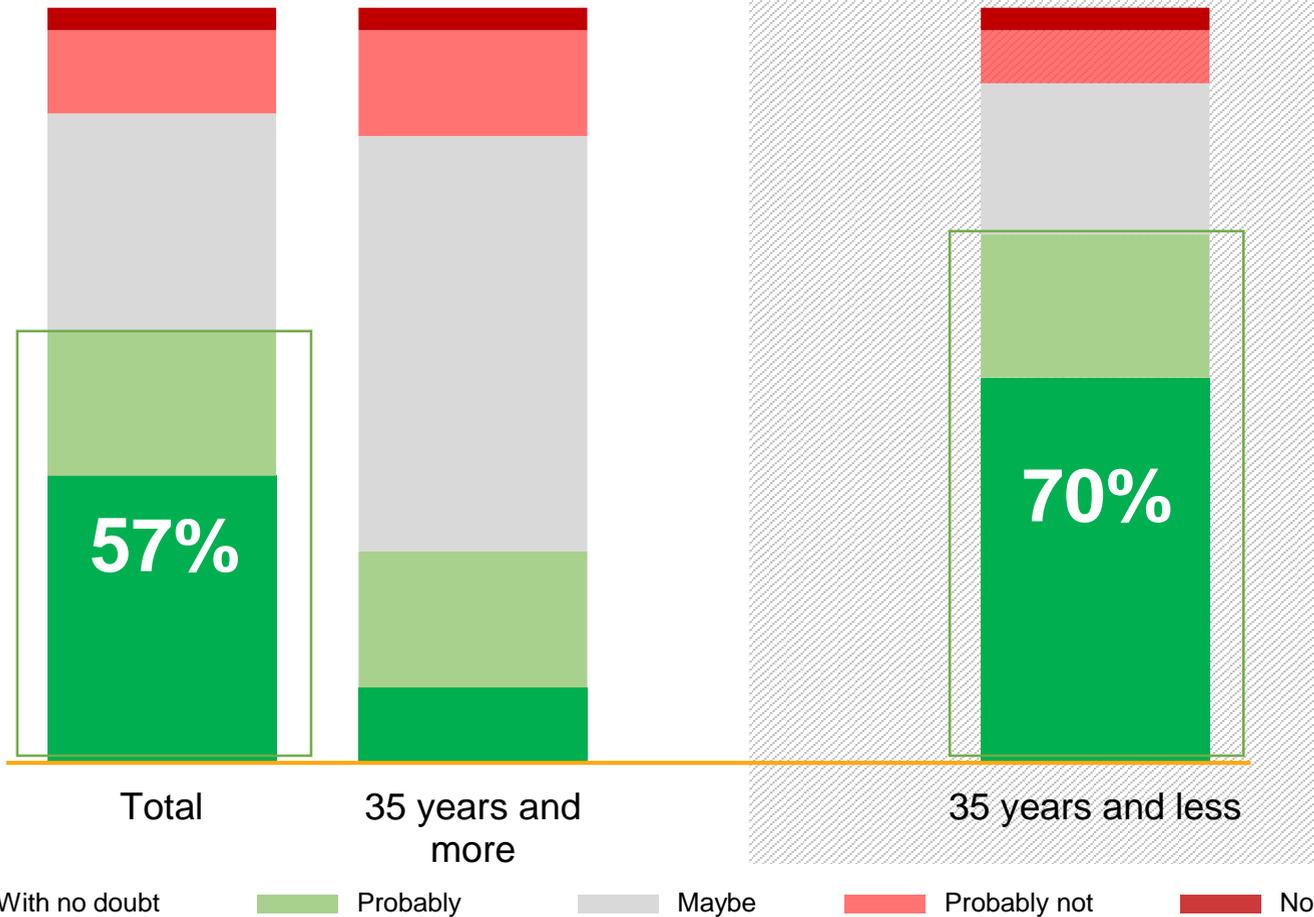
48% of consumers ready to wait for a personalized product



Deloitte – “Mass-to-Order: the rise of mass personalization”

# ADAPTING TO NEW CONSUMER WAYS

## PERSONNALIZATION DEVELOPMENT



*70% of young American consumers asked were “with no doubt” or “probably” ready to buy personalized lighters*

# ADAPTING TO NEW CONSUMER WAYS

# PERSONNALIZATION DEVELOPMENT



CONTACT US

BIC, More for your money... Always!®



LOGIN

CART (2)

PRODUCTS

SHOP BUNDLES



SHOP DEALS

BIC LIFE



[Home](#) > [Lighters](#) > [Personalized Lighters](#) > Design My BIC® Lighters



## Design My BIC® Lighters

LW6DMBDC

Now you can create a BIC® Lighter with your own image and text! **FREE SHIPPING!**

**PLEASE NOTE: THIS ITEM CONTAINS 6 PERSONALIZED LIGHTERS**

- Upload your own image and text
- Personalized lighters require a minimum of two (2) weeks for processing before they are shipped
- Child-resistant, safe and reliable, 100% quality inspected
- Up to 2 times the lights vs. the next full size leading brand
- Every BIC® Lighter undergoes more than 50 separate, automatic quality checks during the manufacturing process

Price: **\$29.99**

Quantity:

Personalize Product

This item ships within the United States only

# ADAPTING TO NEW CONSUMER WAYS



## MASS DISTRIBUTION



## CONVENIENCE STORES



## E-COMMERCE



# ADAPTING TO NEW CONSUMER WAYS

## E-COMMERCE

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1

### BUILD THE FOUNDATION

- Teams
- Know-how
- Tools

2

### ACCELERATE AND GAIN MARKET SHARE

- Reinforce teams
- Optimize digital visibility
- Invest in programs on demand generating
- Ensure presence on key platforms

3

### ENSURE PROFITABLE GROWTH

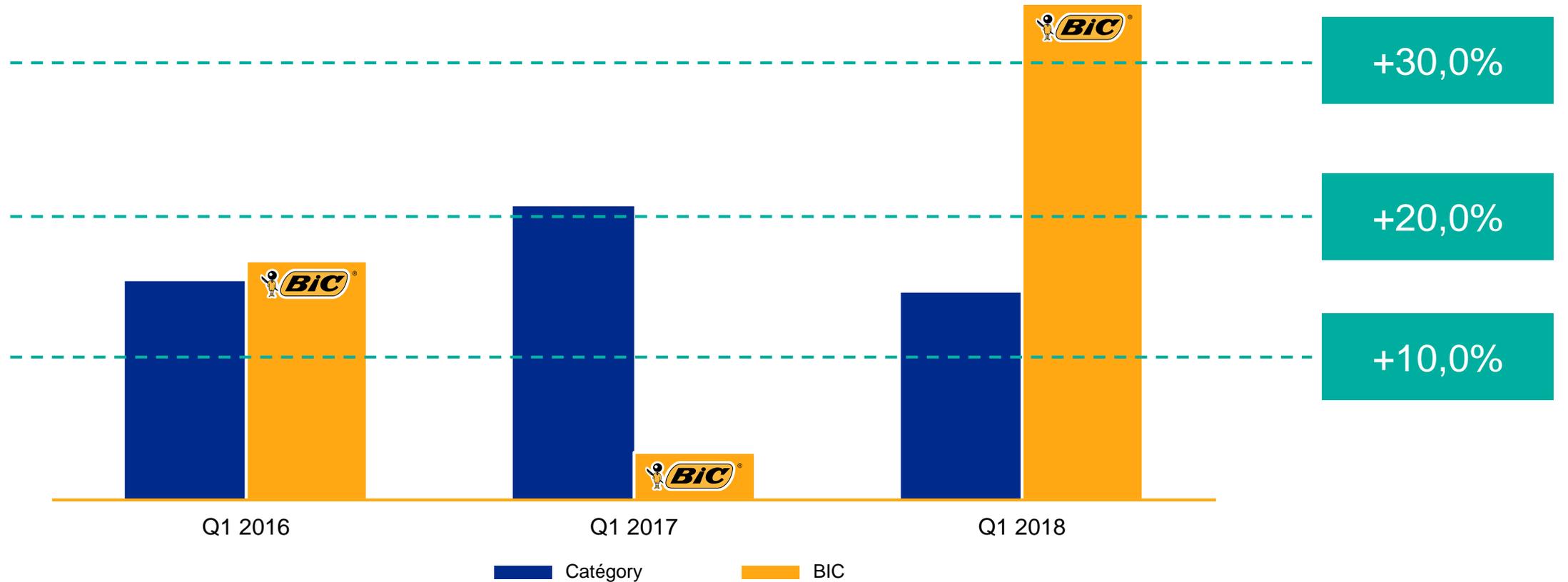
- Profit from operational synergies (packaging, supply, etc.)
- Address new distribution platforms
- Develop new markets

# ADAPTING TO NEW CONSUMER WAYS

## E-COMMERCE

USA

### Stationery: e-commerce sales in value



# ADAPTING TO NEW CONSUMER WAYS E-COMMERCE

## EUROPE

### European contest on Facebook page My BIC Pen

#PICKYOURBIC



### Online purchase

Internet website created and managed by BIC Graphic Europe  
Home delivery



### In-store purchase

2 of 4 colored pens decorated  
available in stores for  
Back-to-school 2018





The background of the image features a light grey floor with several colorful circular markers in shades of blue, pink, orange, and yellow. Various office supplies, including pens, pencils, and glasses, are scattered on these markers. In the upper portion of the image, the lower legs and feet of several people are visible, wearing dark blue trousers and white sneakers, and light blue trousers and tan shoes. A large white circle is centered on the image, containing the text for the meeting.

# ANNUAL SHAREHOLDERS' MEETING

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MAY 16<sup>th</sup> 2018

