



BIC launches its “Horizon” strategic plan

Accelerated Growth

- As we accelerate towards a *mid-single digit annual Net Sales growth trajectory*, we are reframing our three core categories:
 - from Stationery to *Human Expression*
 - from Lighters to *Flame for Life*
 - from Shavers to *Blade Excellence*

Improved Efficiency and robust Cash Flow Generation

- On track to deliver “BIC 2022 – Invent the Future” operational targets
- At least 200 million euros annual Free Cash Flow Generation through 2022

Sustainability

- Taking our Sustainable Development journey to the next level and transforming our approach to plastics
 - o By 2025, 100% of packaging will be reusable, recyclable, or compostable
 - o By 2030, we will use 50% non-virgin petroleum plastic in our products

Capital Allocation Policy

- Investment in operations to sustain organic growth (CAPEX)
- Targeted acquisitions to strengthen existing activities and develop into adjacent businesses
- Sustainable Shareholder Returns

Clichy, France – 10 November 2020 - BIC today unveils its new “Horizon” strategy, a comprehensive plan aimed at driving growth and ensuring sustainable returns to shareholders. This strategy, which is an extension of the ongoing “BIC 2022 - Invent the Future” transformation plan, is focused on a set of initiatives that build on BIC’s strengths, with an intensified focus on consumer needs and sustainability.

The strategy is grounded in BIC’s new vision of “*We bring joy and simplicity to everyday life,*” and Raison d’Être of “*creating high quality, safe, affordable, essential products trusted by everyone.*”

“The goal of our Horizon plan is not only to amplify the core capabilities that have propelled our company for the last 75 years, but to go beyond them into adjacent segments to ensure our long-term sustainable growth and profitability. My vision is to transform BIC from a manufacturing and distribution-led company into one which is more consumer-centric and fit for purpose, consistently seeking greater efficiency and reduced complexity in everything we do. This strategy will accelerate growth and prioritize sustained Cash Flow generation to ensure sustainable returns to shareholders, and value creation for all stakeholders, for many years to come.” **said Gonzalve Bich, Chief Executive Officer of BIC.**

Reframing our three core categories through a heightened consumer lens for an accelerated growth trajectory

The Horizon strategy seeks to deliver a mid-single-digit annual Net Sales Growth trajectory. Boosted by advanced commercial capabilities and Revenue Growth Management, the growth trajectory will be achieved by:

- Significantly expanding total addressable markets in fast-growing adjacent segments and evolving BIC's business model to capture an increasing value share of our markets, with a strong focus on execution and return on investments,
- leveraging innovation capabilities and manufacturing excellence to generate incremental revenues through new routes-to-market,
- capitalizing on the BIC brand in our core markets and building on new lifestyles to grow a comprehensive portfolio of consumer-led brands.

In Stationery, we are evolving our focus to "**Human Expression**," which goes beyond writing instruments and into creative expression and digital writing. Human Expression is a mid to high single-digit growth segment, with a total addressable market expected to reach 80 billion euros by 2025. Current examples of our move towards this new frame include an extensive skin creative product pipeline for Bodymark, our temporary tattoo marker. The recent announcement of the agreement to acquire Rocketbook, the leading smart and reusable notebook brand in the US, is the first demonstrative step in creating our digital writing platform.

Lighters are expanding to "**Flame for Life**," focusing on all consumer lighting occasions in and out of home and on a more value-driven model to drive incremental growth and maintain profitability. This will be powered by trade-up and personalization, innovation, and a push toward sustainability to enhance our competitive advantage. An example is the recent acquisition of Djeep and the launch of BIC's new EZ Reach multi-purpose lighter during the summer.

In Shavers, we will reinforce and grow our one-piece core business with consumer-driven and sustainable products, such as our new Sustainable Development (SD) Hybrid range. We are capitalizing on our advanced Research & Development and Manufacturing capabilities and leveraging our "**Blade Excellence**" to best utilize these assets by building a selective new business as a high precision blade manufacturer to power other brands.

Improved efficiency, and robust Cash Flow generation

BIC's "Invent the Future" transformation plan is on track to achieve operational targets:

- **Effectiveness** - We will achieve 50 million euros annual savings by 2022, with 80% of the target completed in 2020 and 2021.
- **Innovation** - We will increase the number of new patent submissions by 20% per year.
- **Consumer-Centric Brands** - We will engage directly with consumers by allocating above 2/3rd of total brand support in Digital Media by 2022 in our top markets
- **Omnichannel Distribution** - E-commerce will represent at least 10% of Net Sales by the end of 2022.

Focused on consumers, our operating model supports our Horizon plan. To deliver sustainable and consumer-driven innovation, we are fostering an open, agile, and fast ecosystem.

We have redesigned our Global Supply Chain with an end-to-end organization focused on simplifying processes and reducing product complexity. These shifts will lead to cost reduction, and in turn, cash optimization. In 2020, our focus on working capital management will generate at least 15 million euros in inventory reduction. Among the recent initiatives to improve our manufacturing footprint, we closed our Ecuador factory in May, and we will shut down one of India's facilities.

We are raising the bar on value-driven commercial excellence, building capabilities to scale our operations to drive profitable growth. This includes implementing a market portfolio management approach to allocate resources better, accelerate e-commerce, and our new Revenue Growth Management capability, which will improve Net Sales and profitability in slow or declining markets.

We will maintain strong Cash Flow Conversion and deliver at least 200 million euros of annual Free Cash Flow generation through 2022. This will be driven by disciplined management of operational investments, with a 1 to 1.2 CAPEX to Depreciation & Amortization ratio target, and strict control of our Working Capital levers (Inventories, Receivables, and Payables).

Taking our Sustainable Development journey to the next level and transforming our approach to plastics

In line with our “Writing the Future, Together” 2025 Sustainable Development program, we will significantly improve our products' environmental footprint and reduce our carbon emissions by transforming our approach to plastics. Our bold new commitments encompass both our packaging and our products:

- by 2025, 100% of BIC packaging will be reusable, recyclable, or compostable
- by 2030, BIC will use 50% non-virgin petroleum plastic in our products, with an intermediate target of 20% by 2025

Funding organic growth and acquisitions in adjacent markets while ensuring sustainable Shareholder Returns

Consistent with our ambitions for accelerated Net Sales growth and Free Cash Flow generation, BIC's capital allocation policy is designed to enhance profitable growth and deliver long-term sustainable value through:

- Funding Profitable Growth
 - **Investment into Operations** to sustain and enhance organic growth with approximately €100 million euros annual CAPEX investments,
 - **Targeted Acquisitions** to strengthen existing activities and develop in adjacent categories, with an average of €100 million euros invested annually
- Return to Shareholders
 - Objective of **Ordinary Dividend** pay-out ratio in the range of 40% to 50% of Normalized EPS
 - **Regular Share buybacks**

The Board of Directors may consider adjusting Return to Shareholders in the context of exceptional market and business conditions.

Unveiling our new Vision and our Mission (Raison d'Être)

The "Horizon" plan led us to reflect on our "purpose." BIC's Vision and renewed Mission (Raison d'Être) are a lens through which we evaluate business decisions and choices for our current businesses and those to come. They were designed through a collaborative process including BIC's Board of Directors, the Executive Committee, and BIC team members.

Our Vision

We Bring Simplicity and Joy to Everyday Life.

Our ambition is **to create a sense of ease and delight in the millions of moments that make up the human experience.** It is this passion for bringing simplicity and joy to people all over the world that drives our team members each day. We **reimagine everyday essentials**, designing products that are a part of **every heart and home.**

We believe we **positively impact the world** by offering sustainable solutions that respect the planet through **smart design** and the creation of **products that last.**

Our Mission (Raison d'Être)

We create **high quality, safe, affordable, essential products trusted by everyone.**

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This document contains certain forward-looking statements concerning SOCIETE BIC. Such forward-looking statements represent trends or objectives and cannot be construed as constituting forecasts regarding the future SOCIETE BIC's results or any other performance indicator. Forward-looking statements in this document include, but are not limited to, financial projections and estimates and their underlying assumptions.

Although BIC believes its expectations are based on reasonable assumptions, investors are cautioned that these forward-looking statements are subject to numerous various risks, whether known or unknown, and uncertainties and other factors, including currency fluctuations, the ongoing global impact of the COVID-19 pandemic, and the duration and severity of this pandemic on BIC's business and operations, all of which may be beyond BIC's control and could cause actual results to differ materially from those anticipated in these forward-looking statements. A description of the risks borne by BIC appears in the section "Risks" in BIC's 2019 Universal Registration Document filed with the French financial markets authority (AMF) on March 31, 2020. Any information relating to past performance contained herein is not a guarantee of future performance. Nothing herein should be construed as an investment recommendation.

ABOUT BIC

BIC is a world leader in stationery, lighters, and shavers. For more than 75 years, the Company has honored the tradition of providing high-quality, affordable products to consumers everywhere. Through this unwavering dedication, BIC has become one of the most recognized brands and is a trademark registered worldwide. Today, BIC products are sold in more than 160 countries around the world and feature iconic brands such as Cello®, Conté®, BIC Flex™, Lucky Stationery, Made For YOU™, Soleil®, Tipp-Ex®, Wite-Out® and more. In 2019, BIC Net Sales were 1,949.4 million euros. The Company is listed on "Euronext Paris," is part of the SBF120 and CAC Mid 60 indexes and is recognized for its commitment to sustainable development and education. It received an A-Leadership score from CDP. For more, visit www.bicworld.com or follow us on [LinkedIn](#), [Instagram](#), [Twitter](#), or [YouTube](#).

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AGENDA – ALL DATES TO BE CONFIRMED

Capital Markets Day	November 10, 2020	Virtual event
Full Year 2020 Results	17 February 2021	Conference call and webcast
First Quarter 2021 results	28 April 2021	Conference call and webcast