



FIRST QUARTER 2018 RESULTS

Net Sales: 415.4 million euros, down 1.5% on a comparative basis¹

Normalized¹ Income From Operations: 69.6 million euros

Normalized¹ IFO margin: 16.7%

Net Income Group Share: 48.6 million euros, down 1.9%

Normalized EPS Group Share: 1.06 euros compared to 1.17 in 2017

Net cash position: 184.6 million euros

Q1 2018 KEY OPERATIONAL FIGURES

	Change in Net Sales on a comparative basis¹	Normalized¹ IFO margin
GROUP	-1.5%	16.7%
STATIONERY	+2.0%	6.3%
LIGHTERS	-0.5%	35.7%
SHAVERS	-6.0%	7.9%

Commenting on the Q1 2018 results, Bruno Bich, Chairman, and Chief Executive Officer said: *“Stationery Q1 2018 Net Sales are encouraging. In Lighters, we benefited from distribution gains in Traditional Channels and increased in-store visibility. In Shavers, Net Sales continued to be impacted by category disruption. Yet, our new product launches have been well received by consumers. As anticipated, Brazil performance remains weak, as a result of challenging market conditions and retailers’ inventory adjustments. In this volatile environment, we continued to invest in Human Resources and Brand Support to sustain our long-term goals.*

We remain committed to achieving our Full Year 2018 objectives.”

2018 Outlook

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%.

Unaudited figures

¹ See glossary page 9

KEY FIGURES (in million euros)	Q1 2017	Q1 2018	Change as reported	Change on a comparative basis
GROUP				
Net Sales	473.2	415.4	-12.2%	-1.5%
Gross Profit	250.0	223.5		
Normalized Income From operations	81.1	69.6		
<i>Normalized IFO margin</i>	<i>17.1%</i>	<i>16.7%</i>		
Income From Operations	74.1	69.6		
<i>IFO margin</i>	<i>15.7%</i>	<i>16.7%</i>		
Net Income Group Share	49.5	48.6		
Earnings Per Share Group Share (in euros)	1.06	1.06		
STATIONERY				
Net Sales	165.5	151.8	-8.3%	+2.0%
IFO	0.6	9.6		
<i>IFO margin</i>	<i>0.3%</i>	<i>6.3%</i>		
<i>Normalized IFO margin</i>	<i>3.6%</i>	<i>6.3%</i>		
LIGHTERS				
Net Sales	172.2	152.7	-11.3%	-0.5%
IFO	63.8	54.5		
<i>IFO margin</i>	<i>37.0%</i>	<i>35.7%</i>		
<i>Normalized IFO margin</i>	<i>37.2%</i>	<i>35.7%</i>		
SHAVERS				
Net Sales	115.3	97.0	-15.9%	-6.0%
IFO	14.0	7.7		
<i>IFO margin</i>	<i>12.2%</i>	<i>7.9%</i>		
<i>Normalized IFO margin</i>	<i>12.3%</i>	<i>7.9%</i>		
OTHER PRODUCTS				
Net Sales	20.2	13.8	-31.4%	-14.0%
IFO	-4.3	-2.2		
<i>Normalized IFO</i>	<i>-3.0</i>	<i>-2.2</i>		

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

Q1 2018 Net Sales totaled 415.4 million euros, down 12.2% as reported and down 1.5% on a comparative basis. The unfavorable impact of currency fluctuations (-9.2%) was mainly due to the depreciation of the U.S. dollar and Brazilian real against the euro. On a comparative basis, Europe Net Sales decreased by 0.4%, North America by 0.1%, and Developing markets by 3.8%.

INCOME FROM OPERATIONS AND NORMALIZED INCOME FROM OPERATIONS

Q1 2018 Gross Profit margin was 53.8%, compared to 52.8% in Q1 2017.

Q1 2018 Normalized IFO was 69.6 million euros.

KEY COMPONENTS OF THE CHANGE IN NORMALIZED IFO MARGIN (in points)	Q1 2017 vs. Q1 2016 ²	Q1 2018 vs. Q1 2017
○ Change in cost of production ³	+0.8	+1.6
○ Total Brand Support ⁴	-0.8	-0.2
○ Of which, promotions and investments related to consumer and business development support accounted for in Gross Profit Margin	-0.1	-0.6
○ Of which, advertising, consumer, and trade support	-0.7	+0.4
○ OPEX and other expenses	-1.9	-1.8
Total change in Normalized IFO margin	-1.9	-0.4
Special employee bonus	+1.9	-
○ Of which impact on Gross Profit	+1.2	-
○ Of which impact on OPEX	+0.7	-
Total change in Normalized IFO margin	0.0	-0.4

NON-RECURRING ITEMS (in million euros)	Q1 2017	Q1 2018
Income From Operations	74.1	69.6
As % of Net Sales	15.7%	16.7%
<i>Restructuring costs related primarily to BIC Graphic</i>	7.0	-
Normalized IFO	81.1	69.6
As % of Net Sales	17.1%	16.7%

NET INCOME AND EPS

Income before tax decreased to 67.6 million euros, compared to 74.8 million euros in Q1 2017. Net finance revenue decreased to a negative 2.0 million euros compared to a positive 0.7 million euros in Q1 2017. Q1 2018 was negatively impacted by fair value adjustments to financial assets denominated in USD when compared to December 2017.

Net income Group Share was 48.6 million euros, a 1.9% decrease as reported. The effective tax rate was 28.1%.

EPS Group share was 1.06 euros, flat compared to Q1 2017. Normalized EPS Group share decreased by 9.4% to 1.06 euros, compared to 1.17 euros in Q1 2017.

² Before 2017 IFRS15 restatement as 2016 was not restated.

³ Gross Profit margin excluding promotions and investments related to consumer and business development support.

⁴ Total Brand Support: consumer and business development Support + advertising, consumer and trade support.

NET CASH POSITION

At the end of March 2018, the Group's net cash position stood at 184.6 million euros.

CHANGE IN NET CASH POSITION <i>(in million euros)</i>	2017	2018
NET CASH POSITION (BEGINNING OF DECEMBER)	222.2	204.9
• Net cash from operating activities	+25.9	+37.0
○ <i>Of which operating cash flow</i>	+76.3	+75.2
○ <i>Of which change in working capital and others</i>	-50.4	-38.2
• CAPEX	-31.5	-27.4
• Share buyback program	-9.4	-21.2
• Net cash from the exercise of stock options and the liquidity contract	+0.2	-
• Others	-1.2	-8.7
NET CASH POSITION (END OF MARCH)	206.2	184.6

Net cash from operating activities was +37.0 million euros, with +75.2 million euros in operating cash flow. The negative 38.2 million euros change in working capital was mainly driven by inventory increases when compared to December 2017 to prepare for expected sales activity for the rest of the year. Net cash was also impacted by investments in CAPEX as well as share buybacks.

SHAREHOLDERS' REMUNERATION

- Ordinary dividend of 3.45 euros per share proposed at the Annual Shareholders' Meeting on May 16, 2018.
- 21.2 million euros in share buy-backs at the end of March 2018 (265,009 shares purchased at an average price of 80.07 euros).

STATIONERY

Stationery Net Sales decreased by 8.3% as reported but increased by 2.0% on a comparative basis.

- **In Europe**, Net Sales were flat, with a slight decline in France and the UK, partially offset by distribution gains in Southern Europe.
- **In North America**, Net Sales increased low-single digit thanks to a good start to the year in the Modern Mass Market and a strong performance in online sales. Our market share grew by 0.9 points⁵.
- **In Latin America**, we achieved a low-single digit increase with solid execution in Mexico, offsetting a weak performance in Brazil, due to inventory adjustments by several retailers.
- **In the Middle-East and Africa regions**, Net Sales increased double-digits mainly due to a robust back-to-school season in South Africa, which resulted in market share gains.
- **In India, Cello Pens** Domestic Net Sales were flat on a comparative basis. Cello continues to streamline its portfolio through a product trade-up strategy and is gaining awareness through impactful Brand Support initiatives. In March, the “Surprise Test” video was recognized as the #1 advertisement amongst the Top 5 Advertisements worldwide, reaching 13 million views in its first month.

Q1 2018 Normalized IFO margin for Stationery was 6.3% compared to 3.6% in Q1 2017, with manufacturing efficiency’s improvement offsetting the unfavorable effect of Raw Materials.

LIGHTERS

Q1 2018 Net Sales of Lighters decreased by 11.3% as reported and by 0.5% on a comparative basis.

- **In Europe**, Net Sales increased mid-single digit with performance driven by distribution gains and increased visibility in Traditional Channels in France and Russia.
- **In North America** Net Sales increased low-single digit, reflecting increased visibility and a favorable mix effect in the Modern Mass Market, distribution gains in Traditional Channels, and lastly, retailers’ buy-in ahead of the price increase implemented on April 1, 2018.
- **In Latin America**, we experienced a low-double digit decrease, due to on-going inventory adjustments by retailers in Brazil.

Q1 2018 Normalized IFO margin for Lighters was 35.7% compared to 37.2% in Q1 2017. The increase in Raw Materials and Brand Support, as well as unfavorable absorption of fixed costs (mostly OPEX), partially offset manufacturing efficiency’s improvement.

⁵ Source: IRI total market YTD 14 weeks ending 07-APRIL-2018 – in value terms

Q1 2018 Shavers' Net Sales decreased by 15.9% as reported and by 6.0% on a comparative basis.

- **In Europe** Net Sales decreased low-single digit reflecting a soft market environment in France and Southern Europe, in spite of the strong performance in Eastern Europe with Net Sales in Russia growing four times faster than the market thanks to the BIC® Flex 3 hybrid.
- Net Sales declined high-single digit **in North America**, affected by on-going market disruption and retailer changes in planogram and inventory management. At the end of March, the U.S. one-piece wet shave market was down -2.8% in value⁶. BIC underperformed the market, losing 0.2 points resulting in 27.4% market share, in spite of the encouraging performance of new products launches.
- In **Latin America**, we experienced a low-single digit decline, reflecting on-going pricing pressure and increased competition in Mexico. We outperformed a declining Brazilian market, growing share in both the male and female segments.
- In the **Middle-East and Africa**, Net Sales decreased double-digits, due to a decrease in promotional activities (strong Brand Support investments during the African football championship in Q1 2017).

Q1 2018 Normalized IFO margin for Shavers was 7.9% compared to 12.3% in Q1 2017, as a result of Net Sales decline (notably in North America), increase in Raw Materials and unfavorable absorption of fixed costs (mostly OPEX).

OTHER PRODUCTS

Q1 2018 Net Sales of Other Products decreased by 31.4% as reported and by 14.0% on a comparative basis.

BIC Sport registered a low double-digit decrease in its Net Sales on a constant currency basis.

Q1 2018 Normalized IFO for Other Products was a negative 2.2 million euros, compared to a negative -3.0 million euros in Q1 2017.

⁶ Source: IRI total market YTD 13 weeks ending 02-APRIL-2018 – in value terms

APPENDIX

BIC GROUP CHANGE IN NET SALES BY GEOGRAPHY (in million euros)

Q1 2018 vs Q1 2017

	Q1 2017	Q1 2018	As reported	Comparative basis
GROUP				
Net Sales	473.2	415.4	-12.2%	-1.5%
EUROPE				
Net Sales	131.5	124.3	-5.5%	-0.4%
NORTH AMERICA				
Net Sales	178.5	154.9	-13.2%	-0.1%
DEVELOPING MARKETS				
Net Sales	163.2	136.2	-16.5%	-3.8%

IMPACT OF CHANGE IN THE PERIMETER AND CURRENCY FLUCTUATIONS ON NET SALES (in %)

Q1 2017

Q1 2018

	Q1 2017	Q1 2018
Perimeter	-	-1.5
Currencies	+4.1	-9.2
Of which USD	+1.3	-5.0
Of which BRL	+2.1	-1.3
Of which ARS	-0.1	-0.7
Of which INR	+0.2	-0.4
Of which MXN	-0.4	-0.4
Of which ZAR	+0.4	-0.1
Of which Russia and Ukraine	+0.3	-0.2

IFO AND NORMALIZED IFO BY CATEGORY (in million euros)

Q1 2017

Q1 2018

	Q1 2017	Q1 2018
GROUP		
Income From Operations	74.1	69.6
Normalized Income From operations	81.1	69.6
STATIONERY		
Income From Operations	0.6	9.6
Normalized Income From operations	6.0	9.6
LIGHTERS		
Income From Operations	63.8	54.5
Normalized Income From operations	64.0	54.5
SHAVERS		
Income From Operations	14.0	7.7
Normalized Income From operations	14.1	7.7
OTHER PRODUCTS		
Income From Operations	-4.3	-2.2
Normalized Income From operations	-3.0	-2.2

CONDENSED PROFIT AND LOSS ACCOUNT <i>(in million euros)</i>	Q1 2017	Q1 2018	Change as reported	Change on a comparative basis
Net sales	473.2	415.4	-12.2	-1.5
Cost of goods	223.2	191.9		
Gross Profit	250.0	223.5		
Administrative & other operating expenses	175.9	153.9		
Income from operations	74.1	69.6		
Finance revenue/costs	0.7	-2.0		
Income before tax	74.8	67.6		
Income tax expense	-22.4	-19.0		
Net Income From Continuing Operations	52.4	48.6		
Net Income From Discontinued Operations	-2.8	-		
Net Income Group Share	49.5	48.6		
Earnings Per Share From Continuing Operations (in euros)	1.12	1.06		
Earnings Per Share From Discontinued Operations (in euros)	-0.06	-		
Earnings per share Group share (in euros)	1.06	1.06		
Average number of shares outstanding net of treasury shares	46,685,992	45,794,745		

CONDENSED BALANCE SHEET <i>(in million euros)</i>	Mar. 31, 2017 (not restated from IFRS15)	Jan. 1, 2018 (new IFRS implementation)	Mar. 31, 2018
ASSETS			
Non-current assets	1,169.0	1,227.2	1,172.4
Current assets	1,314.8	1,181.1	1,195.5
○ <i>Of which cash & cash equivalents</i>	251.8	188.6	206.8
Assets Held For Sale	125.8	-	-
TOTAL ASSETS	2,609.6	2,408.4	2,367.9
LIABILITIES & SHAREHOLDERS' EQUITY			
Shareholders' equity	1,857.5	1,698.6	1,703.2
Non-current liabilities	301.6	334.0	277.1
Current liabilities	415.7	375.8	387.6
Liabilities Held For Sale	34.8	-	-
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	2,609.6	2,408.4	2,367.9

SHARE BUY-BACK PROGRAM	Number of shares acquired	Average weighted price in €	Amount in M€
February 2018	100,009	83.37	8.3
March 2018	165,000	78.07	12.9
Total	265,009	80.07	21.2

CAPITAL AND VOTING RIGHTS, MARCH 31, 2018

As of March 31, 2018, the total number of issued shares of SOCIÉTÉ BIC was 46,635,693 shares, representing:

- 68,083,950 voting rights,
- 67,158,810 voting rights excluding shares without voting rights.

Total number of treasury shares held at the end of March 2018: 925,140

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).

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SOCIETE BIC consolidated and statutory financial statements as of March 31, 2018, were approved by the Board of Directors on April 24, 2018. A presentation related to this announcement is also available on the BIC website (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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2018 AGENDA (ALL DATES TO BE CONFIRMED)

2018 AGM	16 May 2018	Meeting – BIC Headquarters
First Half 2018 results	1 st August 2018	Conference call
Third Quarter 2018 results	24 October 2018	Conference call

ABOUT BIC

BIC is a world leader in stationery, lighters, shavers and promotional products. For more than 60 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 Climate A List, CDP's Supplier Climate A List, 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.

