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5.1. OPERATIONS AND CONSOLIDATED RESULTS

THE GROUP IN 2022

2022 Key Events

January	Launch of a new ESG Impact Share Buyback program
February	Acquisition of Inkbox, the leading brand of high quality semi-permanent tattoos
May	Announcement of Greenhouse Gas Emission reduction targets
July	Acquisition of Tattly, a leading decal brand based in the USA
September	Acquisition of AMI (Advanced Magnetic Interaction), a French company specializing in augmented interaction technology
December	Completion of BIC's ESG Impact Share Buyback program amounting to 39.2 million euros

FY 2022 Net Sales increased by 21.9% at actual currencies, 11.0% on a comparative basis and 13.8% at constant currencies. All divisions and regions contributed to the growth. Main drivers included volume increase, favorable mix, and the successful implementation of price increases in all regions as expected.

CONDENSED PROFIT AND LOSS ACCOUNT

(in million euros)	FY 2021	FY 2022
Net sales	1,831.9	2,233.9
Cost of goods	901.1	1,155.9
Gross Profit	930.8	1,078.0
Administrative & other operating expenses	478.8	774.5
EBIT	452.0	303.5
Finance revenue/(costs)	(4.2)	(12.9)
Income before tax	447.8	290.6
Income tax expense	(133.6)	(81.7)
Net Income Group Share	314.2	208.9
Earnings per share (in euros)	7.02	4.75
Average number of shares outstanding (net of treasury shares)	44,778,191	43,974,525

FY 2022 Gross Profit margin decreased by 2.5 points to 48.3% as reported, and by 2.8 points excluding Inkbox. Input cost inflation (-5.7 pts) and unfavorable FX (-0.8 pts), mainly EUR/USD hedging rate (-1.1 pts), were partially offset by favorable fixed cost absorption (+1.5 pts), pricing (+2.1 pts), and the positive contribution of Inkbox (+0.3 pts).

FY 2022 adjusted EBIT margin was 14.0%, a decrease of 1.3 pts compared to FY 2021 as reported and 0.6 pts excluding the impact from 2022 acquisitions. Net Sales operating leverage (+4.3 pts) was more than offset by Gross Profit margin decrease (-2.8 pts), the increase in Brand Support (-0.8 pts), OPEX and others (-1.3 pts), and the negative impact from 2022 acquisitions (-0.7 pts).

Total input cost inflation (including raw material, sea and air freight costs and electricity prices) weighed 105 million euros on FY 2022 adjusted EBIT. The Full Year impact was more than offset by volume increases, price adjustments, and cost savings.

As a result, **FY 2022 Adjusted EBIT** was 311.7 million euros, a 11.4% increase versus prior year.

FY 2022 non-recurring items included:

- 5.2 million euros related to acquisition costs, and 2020 Rocketbook and Djeep acquisitions' price adjustments;
- 3.0 million euros related to an impairment on Ukraine operations.

KEY COMPONENTS OF THE CHANGE IN ADJUSTED EBIT MARGIN

(in % points)	2022 vs. 2021
• Change in cost of production	(2.5)
• Brand Support ^(a)	(0.7)
• OPEX and other expenses ^(a)	1.9
Total change in Adjusted EBIT margin	(1.3)

(a) Brand support, OPEX and other expenses include Net Sales operating leverage impact. Other expenses include notably freight & distribution and R&D.

NON-RECURRING ITEMS

(in million euros)	2021	2022
EBIT	452.0	303.5
As % of Net Sales	24.7%	13.6%
Clichy Headquarters sale gain	(167.7)	-
Pimaco divestiture gain	(3.0)	-
Restructuring costs related to BIC's transformation plan	+4.2	-
Pensions adjustment favorable in France, UK and unfavorable in Greece	(6.9)	-
Acquisition costs, Rocketbook earnout and Djeep price adjustment	+1.2	+5.2
Ukraine operations impairment	-	+3.0
Adjusted EBIT	279.8	311.7
As % of Net Sales	15.3%	14.0%

NET INCOME AND EPS

(in million euros)	FY 2021	FY 2022
EBIT	452.0	303.5
Finance revenue/costs	(4.2)	(12.9)
Income before Tax	447.8	290.6
Net Income Group share	314.2	208.9
Adjusted Net Income Group Share	191.7	225.2
Adjusted EPS (in euros)	4.29	5.12
EPS (in euros)	7.02	4.75

FY 2022 finance revenues/costs decrease was mainly due to Argentina hyperinflation impact in Q4 2022.

FY 2022 effective tax rate was 28.1% vs. 29.8% in 2021 and 2022 Net Income Group share stood at 208.9 million euros versus 314.2 million euros last year. 2021 Net Income Group Share benefitted from the positive impact of BIC's Clichy headquarters' sale (France).



2022 GROUP NON-FINANCIAL PERFORMANCE

Water consumption: There was a 19% decrease in water consumption per ton of production between 2021 and 2022. BIC production is not water intensive and most of the consumption is due to domestic use. In 2022, water management, improvement in cooling process and overall maintenance contributed to this decrease in water consumption.

Energy consumption: In terms of energy efficiency, the Group continues to progress. Over the last 10 years, energy consumption per ton of products has decreased by 10.5%. BIC launched twenty one energy efficiency projects in 2022 of which twelve were completed during the year. The projects included light bulb replacement with LED bulbs, process optimization, energy studies and new energy efficient equipment installation.

Renewable energy: In 2022, 76% of the Group's electricity was renewable. This is a slight decrease from 2021 due to an increase in the electric consumption from non-renewable sources in factories not covered by energy certificates as well as the inclusion of BIC Nigeria in the environmental reporting scope.

Greenhouse gas emissions: Total direct and indirect GHG emissions were estimated at 74,309 t_{eq}CO₂ in 2022. This represents a 11% decrease in total direct and indirect (scopes 1 and 2) GHG emissions.

Waste: There was a 2.2% decrease in the quantity of waste generated per ton of production between 2021 and 2022.

Headcount: In 2022, 63% of the headcount received training (as of December 31, 2022) with an average of 1.5 days per employee.

Diversity: In 2022, women accounted for 43% of permanent team members in the Group:

- 39% of the workforce in Europe;
- 46% in North America;
- 51% in Latin America;
- 37% in Middle East Africa;
- 42% in Asia-Pacific/Oceania; and
- 44% in India.

Health and Safety: In 2022, health and safety management systems were operational on 83% of BIC's sites.

The frequency rate of accidents resulting in lost work time for BIC employees and temporary workers increased from 1.99 to 2.09 in 2022. The development and implementation of actions plans will continue in 2023 and create a stronger safety culture and reduce this rate.

Across the full organization in 2022, there were 70 accidents involving BIC team members and external temporary workers. The incident rate for BIC team members was 0.10 in 2022.

Human Rights: 92% of the Group's Net Sales are of products produced in its factories. 60% of these factories are located in countries with no Human Rights risk according to Freedom House⁽¹⁾.

Sponsorship: In 2022, product donations and financial aid worldwide totaled nine hundred thousand euros (internal valuation), primarily in education⁽²⁾, environment and health.

Education: At end-2022, BIC estimated that 187 million children had their learning conditions improved through direct actions with children or activities with teachers and parents since 2018.

2022 GROUP PERFORMANCE BY CATEGORY

NET SALES AND INCOME FROM OPERATIONS (EBIT) BY PRODUCT CATEGORY 2021-2022

(in million euros)	Net Sales		EBIT	
	2021	2022	2021	2022
Human Expression	683.8	838.8	41.0	21.3
Flame for Life	718.5	871.6	268.5	304.0
Blade Excellence	401.2	497.0	56.2	64.1
Other Products	28.4	26.6	(5.2)	(2.8)

(1) Source: "Freedom in the World 2018", a study by the non-governmental organization Freedom House.

(2) This indicator includes all philanthropic educational actions, including those under commitment # 5.

ADJUSTED EBIT AND EBIT BY PRODUCT CATEGORY 2021-2022

(in million euros)	aEBIT		EBIT	
	2021	2022	2021	2022
Human Expression	36.8	25.4	41.0	21.3
Flame for Life	270.2	305.5	268.5	304.0
Blade Excellence	57.4	66.6	56.2	64.1
Other Products	(5.5)	(2.8)	(5.2)	(2.8)

ADJUSTED EBIT MARGIN AND EBIT MARGINS BY PRODUCT CATEGORY 2021-2022

(in %)	aEBIT Margin		EBIT Margin	
	2021	2022	2021	2022
Human Expression	5.4%	3.0%	6.0%	2.5%
Flame for Life	37.6%	35.0%	37.4%	34.9%
Blade Excellence	14.3%	13.4%	14.0%	12.9%

Human Expression – Stationery

Full Year 2022 Net Sales totaled 838.8 million euros, up 22.7% as reported, +11.8% on a comparative basis and +16.9% at constant currency. Performance was driven by high-single to double-digit in all key regions and both classic and premium segments contributed to the growth.

- **In Europe**, Net Sales grew high single digit, driven by both Western (France, UK, Iberia and Italy) and Eastern Europe (Poland, Romania) with strong results in core Writing Instruments (4-Color) and Creative expression segments (Coloring and the Intensity range). The rebound in our promotional business, BIC Graphic, coupled with a solid Back-to-School season and a double-digit increase in e-commerce sales, all contributed to growth. As we continue to strengthen our offer with increasingly consumer-centric products, we gained market share in 2022 in both core stationery and premium segments in all key countries, notably the U.K. (+2.1 pts) and France (+1.6 pts) ⁽¹⁾.
- **In North America**, the US stationery market grew 0.5% in value ⁽²⁾ and BIC was the clear value share winner in 2022 gaining +0.6pts in value share ahead of its peers. This outperformance was fueled by share gains in both core stationery (mechanical pencil and ball point) and added-value segments such as gel. Net Sales grew low-double digit boosted by a strong Back-to-School season (sell-in and sell-out), and the performance of our key BTS products, notably ball pen and correction.
- **In Latin America**, in Brazil, we grew Net Sales high double-digit driven by a robust Back-to-School season (sell-in)

with growth in all segments from ball pen to coloring. Creative segments such as Marking and Coloring more than doubled Net Sales versus last year. Other contributors to performance included favorable pricing and strong market momentum as the stationery market grew double-digit ⁽³⁾. In Mexico, Net Sales benefitted from the return to classrooms, where the market grew double digit in value and BIC gained share in key segments including correction, coloring and marking. Added-value products, successfully contributed to Net Sales with over 50% of growth, along with a solid Back-to-School season featuring impactful communication campaigns and robust e-commerce performance.

- **In India**, Cello Net Sales increased double-digit, driven by all product segments, including our premium range Butterflow, thanks to efficient brand support investments. Growth was also boosted by a continued rebound of the stationery market (up 45% in value ⁽⁴⁾) and solid double-digit growth in e-commerce thanks to favorable price and mix.
- **In Middle East and Africa**, Net Sales grew double-digit driven by robust Back-to-School seasons in South Africa, the most successful one for the country in the last six years. Kenya, Morocco and Tunisia also contributed to growth with as main contributor the iconic BIC® Cristal® pen.

The Full Year 2022 Human Expression division adjusted EBIT margin was 3.0% compared to 5.4% in 2021. The decrease was driven by input cost inflation, the impact of 2022 acquisitions and investments in Brand Support, partly offset by Net Sales operating leverage and favorable fixed cost absorption.

(1) IRI YTD December 2022.

(2) YTD December 2022 - NPD.

(3) YTD November 2022 – Nielsen, Modern Trade only 16% market coverage.

(4) Market Pulse YTD November 2022.



Flame for Life – Lighters

Full Year 2022 Net Sales stood at 871.6 million euros, up 21.3% as reported, up 10.1% on a comparative basis and up 11.2% at constant currency. Performance was driven by all key regions through the successful implementation of price increases, distribution gains and impactful advertising campaigns.

- **In Europe**, Net Sales grew low double-digit with a robust performance across the region including Western Europe and Eastern Europe, driven by the recovery in traditional channels the implementation of price increases, and efficient promotional activities. In line with our strategy to move towards a more value-driven model, our premium products such as decorated, utility lighters and DjEEP lighters successfully contributed to growth. BIC's innovative EZ Reach lighter is currently being launched progressively across Europe.
- **In North America**, in the US, BIC maintained its leadership and successfully outperformed the total Lighter market (down 9.5% in volume and 2.9% in value⁽¹⁾), gaining share in both volume (+2.3 pts) and value (+1.0 pt). BIC® EZ Reach, was a success throughout the year reaching 5.4% of market share in value (+1.1 pts versus last year), thanks to its fast-growing distribution, reaching at some key retailers 100% of its distribution capacity. In line with our *Horizon Plan* goal to address all flame occasions, we also successfully gained share in the Utility lighter segment, gaining +4.6 points in value versus three years ago, before the Covid pandemic.
- **In Latin America**, robust results contributed significantly to the division's growth with double-digit Net Sales growth. In Brazil, we outpaced the market gaining 1.8 pts in value versus 2019 (pre-pandemic)⁽²⁾, driven by distribution gains, increased visibility, and impactful media plans. Demand for decorated lighters grew, as well as for Utility lighters, which are now manufactured locally in our Manaus facility. In addition to high barriers for imported lighters and the successful implementation of price increases in 2022, the increased demand for more flame occasions fueled Net Sales growth.

The Full Year 2022 Flame for Life division adjusted EBIT margin stood at 35.0% compared to 37.6% in 2021, due to higher input cost inflation and an increase in Brand Support driven by the BIC® EZ Reach advertising campaign in the U.S. This was partially offset by Net Sales operating leverage and favorable fixed cost absorption

Blade Excellence – Shavers⁽³⁾

Full Year 2022 Net Sales were at 497.0 million euros, up 23.9% as reported, up 12.7% on a comparative basis, and up 14.6% at constant currency. Overall performance was driven by added-value segments, with strong results primarily in Europe followed by Latin America and the U.S.

- **In Europe**, BIC effectively gained share in both France (1.9 pts in value) and the UK (+0.2 pts in value)⁽⁴⁾, fueled by the success of 3-blade products in both female and male segments. Net Sales grew double digit driven by all segments (in both Flex® and Soleil® ranges) and notably 5 blade-products (Flex 5®). A continued focus on distribution gains was made, notably in Eastern countries (Romania, Poland, Greece) where we gained sizable market share through efficient promotional activities. Our more recent premium products, such as the BIC® Soleil® Click 5 and BIC® Bamboo, also successfully contributed to growth.
- **In North America**, BIC outperformed the US Disposable market (+0.3 pts in value⁽⁵⁾) driven by the Women's segment, thanks to consumer preference for our "value for money" premium shavers, namely BIC Simply Soleil (3 blade) and BIC® Soleil® Sensitive Advanced (5 blade). Our new innovative shaver, BIC® Soleil® Escape, reached already 2.7% of the Women Disposable market, a remarkable performance only one year after its launch.
- **In Latin America**, Net Sales grew double-digit, contributing significantly to the total division's growth. Our trade-up strategy in Brazil and Mexico was an accomplishment with our 3-blade offering leading to solid double-digit growth in both countries. In Brazil, BIC outpaced the market once more (+1.2 pts in value⁽⁶⁾) thanks share gains in both premium male and female products. In Mexico, BIC also gained share (+0.4 pts in value) in a market up mid-single digit in value. Sell-in performance was attributed to distribution gains in the traditional channel for BIC® Comfort 3® and efficient promotional activities for both Hybrid and Soleil ranges in Modern trade.

FY 2022 Blade Excellence division adjusted EBIT margin stood at 13.4% compared to 14.3% in 2021, driven by input cost inflation. This was partly offset by Net Sales operating leverage, and the positive contribution from BIC Blade-Tech B2B business.

Other Products

Full Year 2022 Net Sales for Other Products totaled 26.6 million euros, down 6.4% as reported and down 6.2% on a comparative basis.

Full Year 2022 Adjusted EBIT for Other Products was a negative 2.8 million euros, compared to a negative 5.5 million euros in 2021.

Unallocated costs

Adjusted EBIT for FY 2022 unallocated costs were negative 83.0 million euros, compared to negative 79.1 million euros in 2021.

(1) YTD December 2022 – IRI, estimated 70% market coverage.

(2) YTD December 2022 - Nielsen.

(3) YTD December 2022, Nielsen

(4) YTD December 2022, Nielsen.

(5) YTD December 2022 - IRI.

(6) YTD December 2022 for Brazil and Mexico – Nielsen, estimated 62% coverage.



2022 GROUP PERFORMANCE BY REGION

NET SALES BREAKDOWN BY REGION

(in million euros)	2021	2022	Change as reported	Change on a comparative basis
Group				
Net Sales	1,831.9	2,233.9	+21.9%	+11.0%
Europe				
Net Sales	570.6	636.7	+11.6%	+10.9%
North America				
Net Sales	779.0	954.9	+22.6%	+6.7%
Latin America				
Net Sales	275.9	390.6	+41.6%	+20.1%
Middle East & Africa				
Net Sales	111.7	136.4	+22.1%	+16.6%
Asia & Oceania (Including India)				
Net Sales	94.8	115.3	+21.7%	+17.0%

IMPACT OF CHANGE IN PERIMETER AND CURRENCY FLUCTUATIONS ON NET SALES

(in %)	2021	2022
Perimeter	+2.9	+1.4
Currencies	(2.8)	+8.8
• Of which USD	(2.1)	+5.7
• Of which BRL	(0.7)	+1.3
• Of which MXN	+0.1	+0.7
• Of which CAD	+0.1	+0.3
• Of which INR	(0.1)	+0.2
• Of which RUB and UAH	(0.2)	+0.6
• Of which ZAR	+0.1	+0.0

SENSITIVITY OF NET SALES TO KEY CURRENCY FLUCTUATIONS

(in %)	2021	2022
+/-5% change in USD	+/-2.0	+/-2.1
+/-5% change in BRL	+/-0.3	+/-0.4
+/-5% change in MXN	+/-0.2	+/-0.3

Europe

Europe includes Western and Eastern Europe. In 2022, Net Sales in Europe totaled 636.7 million euros, a year-on-year increase of 10.9% on a comparative basis.

- **Human Expression:** Net Sales grew high-single digit driven by both Western and Eastern Europe, with strong results in core Writing Instruments and Creative expression segments. BIC gained market share in 2022 in both core stationery and

premium segments in all key countries, notably the U.K and France where it strengthened its #1 position during Back-to-School season, outperforming the market for the 16th consecutive year.

- **Flame for Life:** Net Sales grew high-single digit, with a robust performance across the region including Western Europe and Eastern Europe, driven by the recovery in traditional channels, the implementation of price increases, and efficient promotional activities.



- **Blade Excellence:** Net Sales grew double digit driven by all segments in both Flex® and Soleil® ranges, and notably 5 blade-products. A continued focus on distribution gains was made, notably in Eastern countries where BIC gained sizable market share through efficient promotional activities. Our more recent premium products, such as the BIC® Soleil® Click 5 and BIC® Bamboo, also successfully contributed to growth in the region.

North America

The North America region includes the United States and Canada. In 2022, Net Sales in the region totaled 954.9 million euros, up 6.7% on a comparative basis.

- **Human Expression:** Net Sales grew low-single digit driven by a strong Back-to-School season (sell-in and sell-out), and the performance of our key stationary products, notably Ball Pen and Correction. BIC gained +0.6 pts in value share ahead of its peers. This outperformance was fueled by share gains in both core stationery (Mechanical Pencil and Ball Point) and added-value segments such as Gel pens.
- **Flame for Life:** Net Sales were up high single digit and BIC maintained its leadership and successfully gained market share in both volume (+2.3 pts) and value (+1.0 pt) outperforming the total U.S. Lighter market down -2.9% in value⁽¹⁾. Added-value lighters' Net Sales grew 21% versus prior year to represent close to 50% of the total U.S. lighters' Net Sales. Our Utility pocket lighter, BIC® EZ Reach, was a success throughout the year reaching 5.4% of market share in value (+1.1pts versus last year).
- **Blade Excellence:** Net Sales grew mid-single digit. Performance was driven by the women's segment where BIC outperformed the US Disposable market thanks to the ranges BIC Simply Soleil (3 blade) and BIC® Soleil Sensitive Advanced (5 blade). Also, the new innovative shaver, BIC® Soleil® Escape, reached 2.7% of the Women Disposable U.S. market only one year after its launch.

Latin America

In 2022, Latin America Net Sales totaled 390.6 million euros, a year-on-year increase of 20.1% on a comparative basis.

- **Human Expression:** Net Sales increased double digit, benefitting from the strong market momentum post pandemic. The recovery was particularly strong in Brazil, driven by a robust Back-to-School season (sell-in) with growth in all product categories. In Mexico, Net Sales benefitted from the return to classrooms, where the market grew double digit in value and BIC gained share in key segments including Correction, Coloring and Marking.

- **Flame for Life:** Net Sales grew high-single digit supported by the increased demand for more flame occasions, combined with high barriers for imported lighters and the successful implementation of price increases. In Brazil, BIC outpaced the market gaining 1.8 pts⁽²⁾ in value versus 2019 pre pandemic, driven by distribution gains, increased visibility, and impactful media plans.
- **Blade Excellence:** Net Sales grew double digit in the region driven by the success of our trade-up strategy towards 3 blade in both Brazil and Mexico. In Brazil, we continued to gain market share in the 3-blade segment, driven by both premium male and female products. In Mexico, we also gained market share in value (+0.4 pts in value) in a growing market. Performance was attributed to distribution gains in the traditional channel for BIC Comfort 3 and efficient promotional activities for both Hybrid and Soleil ranges in Modern trade.

Middle East and Africa

In 2022, Net Sales for Middle East and Africa totaled 136.4 million euros, a year-on-year increase of 16.6% on a comparative basis.

- **Human Expression:** Net Sales grew double-digit driven by robust Back-to-School seasons in South Africa. Kenya, Morocco and Tunisia also contributed to growth with as main contributor the iconic BIC Cristal pen.

Asia and Oceania (including India)

In 2022, Net Sales for Asia Oceania (including India) totaled 115.3 million euros, a year-on-year increase of 17.0% on a comparative basis.

- **Human Expression:** In India, Cello Net Sales increased double-digit, driven by all product segments, including our premium range Butterflow, thanks to efficient brand support investments. Growth was also boosted by a continued rebound of the Stationery market (up 45% in value⁽³⁾) and solid double-digit growth in e-commerce thanks to favorable price and mix.
- **Flame for Life:** In Oceania, performance was impacted by supply issues as well as negative market trends, however BIC maintained market share.
- **Blade Excellence:** Net Sales increased, mostly driven by export sales. In Australia, BIC underperformed the declining none-refillable shaver market, hit by a tough competitive environment, but gained share in the female segment.

(1) YTD December 2022 – IRI, estimated 70% market coverage.

(2) YTD December 2022- Nielsen.

(3) Markt Pulse YTD November 2022.



5.2. FINANCIAL AND CASH POSITIONS

At the end of December 2022, the Group's Net Cash position stood at 359.9 million euros. Net Cash from operating activities was positively impacted by a strong operating cashflow of 428.0 million euros. The increase in working capital was due to higher inventory levels, of which 45 million euros of input cost inflation,

partly offset by efficient cash collection of Trade Receivables and increase in Trade Payables. Net Cash was also impacted by the acquisitions of Inkbox (February 2022), Tattly (July 2022), and AMI (September 2022).

MAIN BALANCE SHEET ITEMS

(in million euros)	December 31, 2021	December 31, 2022
Shareholders' equity	1,723.8	1,876.3
Current borrowings and bank overdrafts	63.9	62.9
Non-current borrowings	4.9	-
Cash and cash equivalents – Assets	468.9	416.3
Other current financial assets and derivative instruments	1.7	6.5
Net cash position ^(a)	400.1	359.9
Goodwill and intangible assets	322.1	407.4
TOTAL BALANCE SHEET	2,495.8	2,683.5

NB: SOCIÉTÉ BIC did not request any rating from any credit rating agency nor, to the best of its knowledge, has it been the object of any unsolicited rating by any credit rating agency.

(a) See glossary chapter 9.

CONDENSED CASH FLOW STATEMENT

(in million euros)	December 31, 2021	December 31, 2022
Cash flow from operations	410.3	428.0
(Increase)/Decrease in net working capital	(20.0)	(29.2)
Other operating cash flows	(109.7)	(98.8)
Net cash from operating activities ^(a)	280.6	300.0
Net cash from investing activities	57.6	(172.5)
Net cash from financing activities	(148.3)	(175.2)
Net increase/(decrease) in cash and cash equivalents net of bank overdrafts	189.9	(47.6)
Closing cash and cash equivalents	468.4	415.2

(a) See glossary chapter 9.



5.3. DIVIDENDS

The Board of Directors of SOCIÉTÉ BIC proposes the distribution of dividends primarily based on:

- Group earnings;
- its investment policy;
- balance sheet strength; as well as
- comparisons with industry peers.

BIC does not foresee a material change in this dividend distribution policy.

At the Annual Shareholders' Meeting on May 16, 2023, the Board of Directors will propose 2.56 euros of Ordinary Dividend per share for 2022. The Dividend pay-out ratio was 50% for 2021 and will be 50% for 2022.

The dividends paid for the last three fiscal years were as follows:

	Net ordinary dividend (in euros)	Pay-out ratio*
2021	2.15	50%
2020	1.80	51%
2019	2.45	45%

* Net ordinary dividend divided by adjusted earnings per share.



5.4. INVESTMENTS

KEY INVESTMENTS IN RECENT YEARS

Regarding industrial investments, BIC has split its manufacturing activities into two areas for several years:

- first, in continuous quality improvement for each production line, including ongoing investments in manufacturing processes and new technologies;
- second, in the specialization of focused production sites.

In 2006, it opened a distribution subsidiary in Turkey, and acquired PIMACO, Brazil's leading manufacturer and distributor of adhesive labels.

In December 2008, BIC announced its intent to acquire Antalis Promotional Products entities (Sequana group). The acquisition was completed on March 11, 2009, with an agreement for a total enterprise value of 33.5 million euros. After the purchase of Antalis Promotional Products, in June 2009, the Group announced the acquisition of Norwood Promotional Products. The acquisition was completed on July 6, 2009.

On January 21, 2009, BIC and Cello announced they had signed a definitive agreement whereby the Group acquired 40% of the Cello Writing Instrument business for 7.9 billion Indian rupees. Under the agreement, BIC had a call option in 2013 to increase its stake to 55%. This agreement was partially completed on March 5, 2009, for 3.8 billion Indian rupees.

In April 2009, BIC launched a worldwide cost reduction plan in response to the market slowdown. This initiative negatively impacted the full year 2009 EBIT by 34.4 million euros. The impact on profit was partially offset by the negative goodwill from the acquisition of Antalis Promotional Products. The net impact was 24.1 million euros.

On November 30, 2011, the Group acquired the assets of Angstrom Power Incorporated, a company specializing in the development of portable fuel cell technology.

In February 2012, the Group acquired land for the construction of a writing instrument facility in the fast-growing African and Middle-East region. Located in Tunisia (region of Bizerte). The total investment was 12 million euros.

In September 2013, the Group completed the acquisition of 40% of the final (7th) Stationery Cello Group entity for 3.7 billion Indian rupees (43.3 million euros)⁽¹⁾. On September 27, 2013, the Group announced it had exercised the call option on September 17 to increase its stake in the seven Cello Pens entities from 40% to 55% for 2.9 billion Indian rupees (35.2 million euros)⁽²⁾.

In October 2013, BIC acquired land in Nantong, China (North of Shanghai) for the construction of a Lighter facility. The total investment is around 14 million euros.

In July 2014, BIC purchased shares to increase its stake from 55% to 75% in the seven Cello Pens entities for 4.3 billion Indian rupees (approximately 53 million euros)⁽³⁾. This was as a result of the exercise by Cello Group of its put option in March 2014, allowing it to sell 20% of Cello Pens to the Group.

In October 2015, BIC presented an investment proposal intended to modernize its industrial facilities in the North of France (Pas-de-Calais). Planned for a five-year period, the project includes a 12 million euro investment to extend the production facility at Samer.

In December 2015, BIC increased its stake in Cello Pens to 100% for 5.4 billion Indian rupees (approximately 74 million euros)⁽⁴⁾.

In October 2017, the Indian subsidiary BIC Cello acquired land and buildings for a new writing instrument facility in Vapi (Gujarat state). The total investment is around 28 million euros.

On December 31, 2018, BIC announced the transfer of the manufacturing facilities of Haco Industries Kenya Ltd. in Kenya and the distribution of Stationery, Lighters and Shavers in East Africa to BIC. This acquisition is in line with BIC's continued growth strategy in Africa, one of the most promising markets for BIC® products worldwide.

On January 16, 2019, the Indian subsidiary BIC Cello inaugurated the new writing instrument facility in Vapi (Gujarat state).

On October 23, 2019, BIC completed the acquisition of Lucky Stationery in Nigeria (LSNL), Nigeria #1 Writing Instrument manufacturer. This acquisition is consistent with BIC's continued growth strategy in Africa.

On July 1, 2020 BIC acquired Djeeep. This acquisition aims to strengthen BIC's position in the pocket lighters market and offers substantial growth opportunities in Europe and North America.

On December 15, 2020, BIC acquired Rocketbook, the leading smart and reusable notebook brand in the United States, entering the Digital Writing segment, a fast-growing market.

(1) 84.53 INR = 1 EUR (September 13, 2013, ECB Reference rate).

(2) 83.80 INR = 1 EUR (September 26, 2013, ECB Reference rate).

(3) 81.17 INR = 1 EUR (July 4, 2014, ECB Reference rate).

(4) 72.69 INR = 1 EUR (December 08, 2015, ECB Reference rate).



On February 1, 2022, BIC completed the acquisition of Inkbox, the leading brand of high quality semi-permanent tattoos.

On August 2, 2022, BIC announced having completed the acquisition of Tattly a leading decal brand, diversifying BIC's offering in the rapidly growing Skin Creative market.

On September 6, 2022, BIC completed the acquisition in France of AMI (Advanced Magnetic Interaction), strengthening BIC's R&D capabilities in Digital Expression.

KEY INVESTMENTS IN 2022

2022 Capex totaled 96.3 million euros:

- in **Human Expression**, BIC invested mostly in new molds and machinery. The most significant investments made this year included:
 - additional production capacity for BIC® 4-Color™ in Marne-la-Vallée (France),
 - internal reintegration of the BIC® Cristal pen production in Nigeria that was done before by an external manufacturing distributor;
- in **Flame for Life**, BIC invested in new machines and molds to improve quality and productivity, accelerated investments in Sustainable Development and finalized the construction of a new storage warehouse for finished products near its Redon plant in France. BIC also invested in additional manufacturing capacity for the EZ Reach utility pocket lighter;
- in **Blade Excellence**, major investments were related to new products (notably the new BIC® EasyRinse shaver) and to the development of our new B2B business BIC Blade-Tech.

KEY ONGOING INVESTMENTS: GEOGRAPHIC DISTRIBUTION AND FINANCING METHODS

Not applicable.

KEY FUTURE INVESTMENTS

Not applicable.

