BIC cash planning and performance analysis

George Dharma

My base plan uses BIC's full €40m buyback ceiling for 2026. I would wait for the seasonal cash inflow before proposing a larger programme. With €1.56bn of reported sales through September, my base plan calls for €503m of fourth-quarter sales, €303m of full-year operating profit and €669m of year-end cash.

BIC's nine-month sales declined 2.5% in reported euros while rising 1.0% organically. The quarterly release updated sales but did not provide a new balance sheet. I therefore forecast the remaining quarter of sales and the second half of profit and cash from different starting points.[1]

What changes between the cases

Operating case	Q4 sales	FY2026 sales	FY2026 EBIT	Year-end cash
Base	**€503m**	**€2,059m**	**€303m**	**€669m**
Downside	€456m	€2,012m	€230m	€448m
Upside	€515m	€2,071m	€336m	€774m

The base assumes Q4 reported sales rise 1.5% against the prior fourth quarter. For context, reported third-quarter sales were €516m versus €519m a year earlier. Shavers and brushes grew organically, while stationery and lighters contracted. The downside allows an 8% fall in Q4 sales together with slower cash conversion.[2]

The full-year sales figure uses rounded nine-month disclosures. The model's EBIT follows the reported financial statements. BIC's guidance for an adjusted EBIT margin slightly above 14% uses a different earnings definition.[3]

1 BIC, H1 2026 financial report · BIC, third-quarter and nine-month net sales · BIC, third-quarter investor presentation, share buyback programme

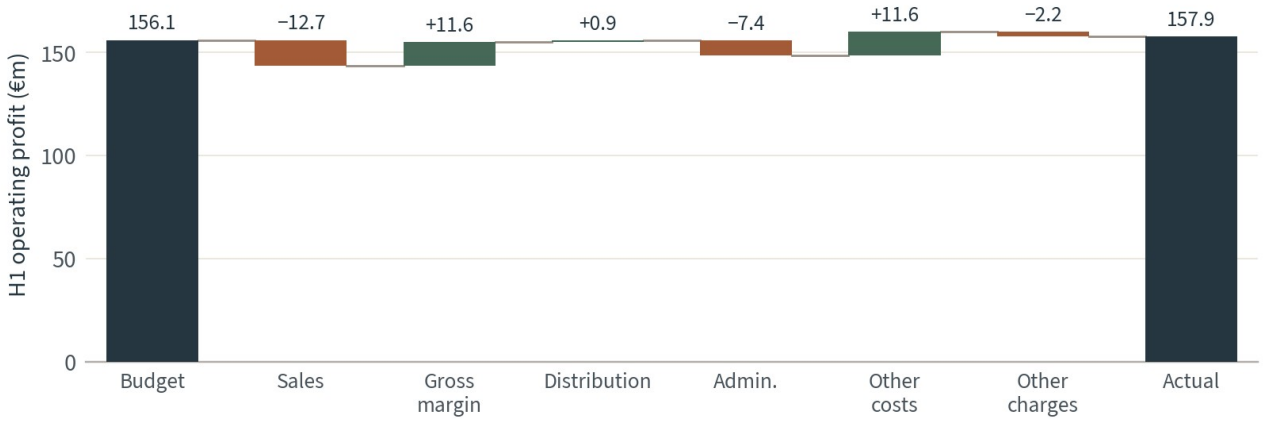
2 BIC, FY2025 universal registration document · BIC, third-quarter and nine-month net sales

3 BIC, third-quarter and nine-month net sales

The first half beat its profit budget on lower sales

First-half revenue missed my illustrative budget by €91.7m. Operating profit nevertheless finished €1.8m above that budget. Gross margin and lower other recurring costs offset the sales shortfall and higher administrative spending.

From budgeted to reported first-half operating profit



Sales reduced profit by €12.7m at the budgeted margin. Gross margin and lower other recurring costs added €11.6m each. Higher administrative costs absorbed €7.4m. The remaining movements take reported EBIT to €157.9m.[4]

The budget assumes 3% volume growth, 2% price and mix improvement, and a 50% gross margin against the comparable first half. The volume and price effects compound. The bridge prices the sales shortfall at the original operating margin before attributing the remaining variance to individual cost rates.[5]

Under the refreshed case, reported operating profit reaches €303m in FY2026, €326m in FY2027 and €339m in FY2028. A substantial other expense depressed the FY2025 reported comparison. I would track the individual gross-margin and overhead assumptions when evaluating that forecast.[6]

4 George Dharma, BIC cash planning and performance analysis, Excel workbook, Budget review.

5 BIC, H1 2026 financial report · George Dharma, BIC cash planning and performance analysis, Excel workbook, Budget review.

6 BIC, FY2025 universal registration document

How long collections can slip before borrowing

June cash was €427m. I expect €189m of working capital to return as cash in the second half. BIC spent €17.6m on programme purchases in the first half, leaving €22.4m to reach the annual ceiling.

Case	H2 working-capital cash movement	Cash above €250m floor	Extra receivable days to floor	Days left if stock slips 15 days
Base	€189m	€419m	74.3	66.9
Downside	€15m	€198m	35.8	28.2
Upside	€273m	€524m	92.3	85.0

Year-end cash above the €250m floor

Extra collection days	+0 stock days	+10 stock days	+20 stock days	+30 stock days
0	**€419.0m**	€391.2m	€363.5m	€335.7m
30	€249.8m	€222.0m	€194.3m	€166.5m
60	€80.6m	€52.8m	€25.1m	−€2.6m

The base-case grid holds all other assumptions fixed. With 60 extra collection days and 30 extra inventory days, cash falls €2.6m below the floor before borrowing.

In the base case, each additional receivable day uses about €5.64m. A single year-end delay of 74 days beyond the planned 75 days would consume the pre-borrowing cushion. In the downside case the same headroom is only 36 extra collection days. The calculation keeps payment terms, prices and other flows fixed.[7]

The company paid €97.6m of dividends in the first half. I assume no further 2026 dividend. For 2027 and 2028, my annual plan includes €100m in dividends and €40m in buybacks. I would release any additional buyback only after checking the monthly collections and inventory profile. A comfortable fiscal year-end can conceal an earlier cash trough.[8]

7 George Dharma, BIC cash planning and performance analysis, Excel workbook, Statements and Cash thresholds.

8 BIC, H1 2026 financial report