

# Lalique Group SA 2023 Half-Year Results Presentation

Zurich, 13 September 2023





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## Overview of H1 2023

Roger von der Weid, Chief Executive Officer

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Alexis Rubinstein, Chief Financial Officer

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# Overview of H1 2023



# H1 2023 key financial takeaways



1

Continued profitable growth amid challenging market conditions, driven by perfumes business, Ultrasun and The Glenturret – operating revenue of EUR 87.7m, up 8% excl. exceptional income in H1 2022

2

Costs impacted by higher energy costs, but also by persistent overall inflation with higher production and salary costs

3

EBIT of EUR 2.5m (vs. EUR 6.3m in H1 2022 excl. exceptional income) with EBIT margin of 2.8%; net Group profit of EUR 0.6m – improved business momentum in Q2 also thanks to price increases

4

Continued solid balance sheet with equity ratio of 47.8% at end-June 2023

5

For 2023, Lalique Group now expects sales growth in the upper single-digit % range and profitability at EBIT level to be higher than in the first half of 2023, but well below full-year 2022

# H1 2023 business highlights



1

Solid sales at Lalique Parfums and Lalique Crystal – opening of two new Lalique stores in China, move to new Lalique flagship store in Zurich

2

Higher sales in overall perfumes business – supported by new Brioni and Bentley fragrances launched in H1 2023

3

Ultrasun back on growth track with improved profitability – new formulas launched for Far Eastern markets

4

The Glenturret with strong whisky sales in H1 2023; The Glenturret Lalique Restaurant awarded as “Best Restaurant in Scotland” at the 2023 National Restaurant Awards

5

Chef Jérôme Schilling (at Château Lafaurie-Peyraguey Hôtel & Restaurant) recognised as “Meilleur ouvrier de France” (MOF)

Bentley Beyond Magnetic Amber

# Financial Performance in H1 2023



# H1 2023 key results

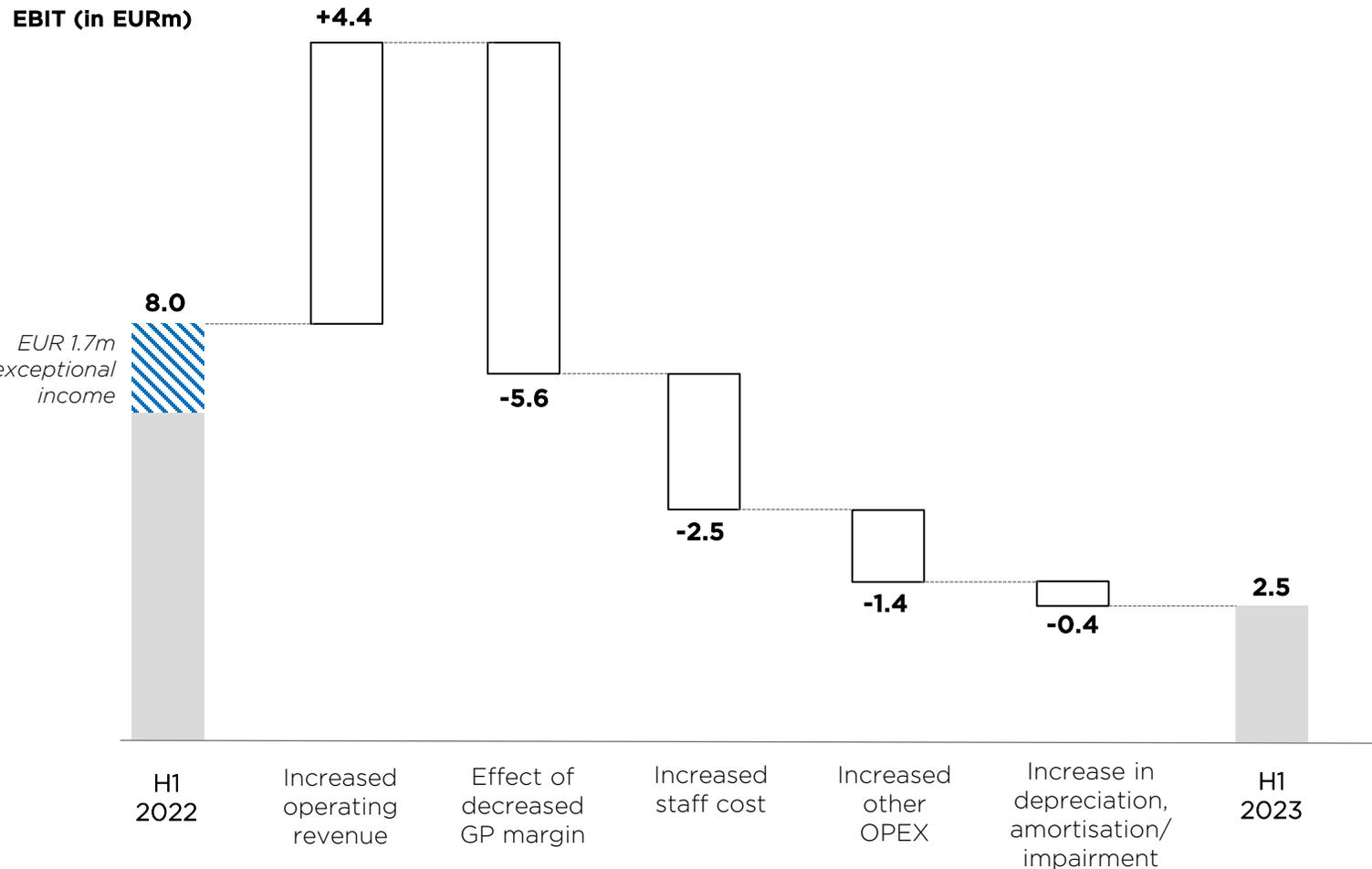
in EURm	H1 2023	H1 2022
<b>Operating revenue</b>	<b>87.7</b>	<b>83.2</b>
<i>Revenue growth</i>	<i>+5.3%</i>	<i>+28.5%</i>
<b>Gross profit</b>	<b>46.9</b>	<b>48.1</b>
Personnel costs	-22.0	-19.5
Other operating expenses	-14.6	-13.1
<b>EBITDA</b>	<b>10.3</b>	<b>15.4</b>
<b>EBIT</b>	<b>2.5</b>	<b>8.0</b>
EBIT margin	2.8%	9.7%
Financial result	-1.4	-2.1
Income taxes	-0.5	-1.3
<b>Net Group result</b>	<b>0.6</b>	<b>4.6</b>
Earnings per share (EUR)	0.15	0.74
<b>Total equity<sup>1</sup></b>	<b>175.1</b>	<b>175.7</b>
Equity ratio	47.8%	50.4%

- **Operating revenue** up 5% vs. H1 2022, or up 8% excl. exceptional income of CHF 1.7m in H1 2022
- **Costs** reflect inflation-related salary increases, increased year-on-year FTE levels of +7% and intensified marketing and sales activities in line with revenue growth
- **EBIT** of EUR 2.5m vs. EUR 8.0m in H1 2022, or EUR 6.3m excl. exceptional income

EBIT breakdown (in EURm)	H1 2023	Margin
Lalique	-1.7	-3.7%
Ultrasun	2.4	17.9%
Jaguar	1.4	11.0%
Glenturret	-0.9	-30.7%
Other Brands	1.8	8.0%
Holding and eliminations	-0.5	-
<b>Lalique Group</b>	<b>2.5</b>	<b>2.8%</b>

<sup>1</sup> Before non-controlling interests

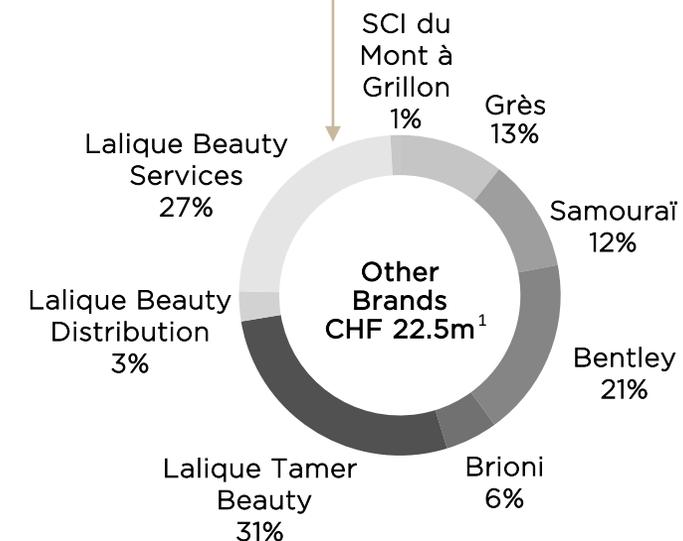
# H1 2023 EBIT impacted by higher production costs and increased operating expenses



- Growth of operating revenue due to sales recovery in largely all markets did not result in EBIT increase
- Revenue growth more than offset by decreased gross profit margin of 53.5% vs 57.7% in H1 2022, mainly driven by higher energy and production costs
- Increased staff costs and other operating expenses reflecting inflation-related higher salary expenses, revenue growth as well as business expansion

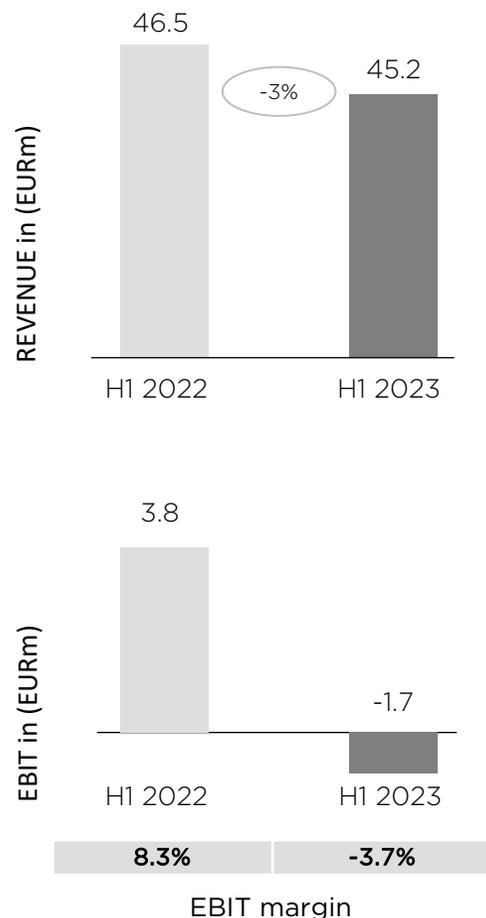
# H1 2023 results by segment

H1 2023 segment results (in EUR thousand)	Lalique	Ultrasun	Jaguar	The Glenturret	Other Brands	Holding and Elim.	Group
Revenue from contracts and other operating income with external customers	42,050	13,236	10,806	2,934	18,654	-3	87,677
Revenue from transactions and other operating income with other segments	3,104	-	2,140	77	3,877	-9,198	-
<b>Total operating revenue</b>	<b>45,154</b>	<b>13,236</b>	<b>12,946</b>	<b>3,011</b>	<b>22,531</b>	<b>-9,201</b>	<b>87,677</b>
<i>Revenue growth (vs. H1 2022)</i>	-2.9%	16.9%	17.0%	34.4%	32.5%	n.a.	5.3%
<b>EBIT</b>	<b>-1,668</b>	<b>2,368</b>	<b>1,429</b>	<b>-924</b>	<b>1,806</b>	<b>- 530</b>	<b>2,481</b>
Assets	207,795	27,325	22,711	61,377	68,371	-21,561	366,018
Liabilities	170,137	9,845	13,330	28,806	50,644	-99,635	173,127
Investments in PPE	7,275	18	127	1,027	1,796	50	10,293
D&A PPE	5,454	177	104	390	958	18	7,101
Investments in Intangibles	943	99	2,710	86	529	-	4,367
D&A Intangibles	321	72	54	133	194	1	775



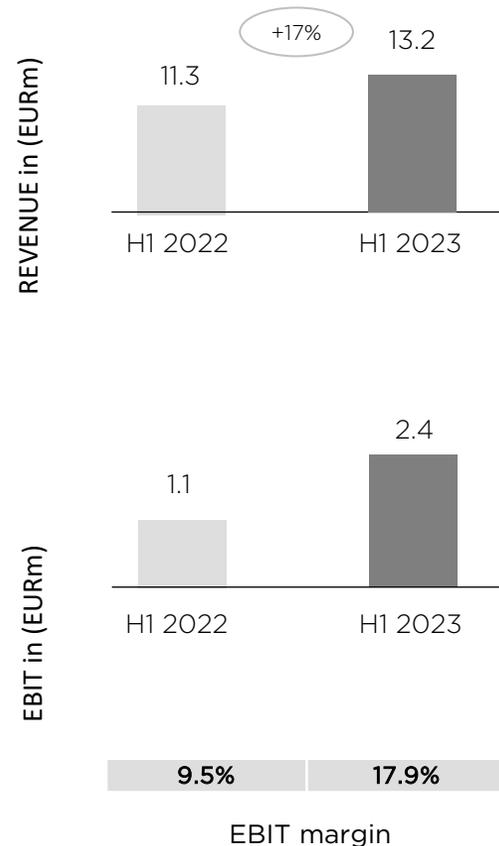
<sup>1</sup> Includes revenues from transactions with other segments (-20%)

# Lalique segment: solid sales, but lower profitability



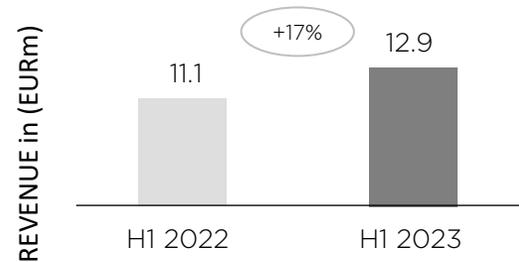
- Segment revenue of EUR 45.2m, stable vs. H1 2022 excl. exceptional income
- Lalique Parfums: sales down by 3% compared to strong prior-year period
- Lalique Crystal: operating revenues around H1 2022 levels; production and sales subdued in H1 due to technical problems with new melting furnace
- Gastronomy/hospitality: operating revenue up 7% particularly reflecting strong growth at Château Lafaurie-Peyraguey Hôtel & Restaurant
- Lower gross profit margin (56.8% vs 61.1% in H1 2022) due to higher energy and production costs in particular
- Segment costs up 11%
- As a result, EBIT down to EUR -1.7m, from EUR 3.8m in H1 2022
- Q2 2023 profitability reflecting improved business momentum and price increases

# Ultrasun: continued recovery

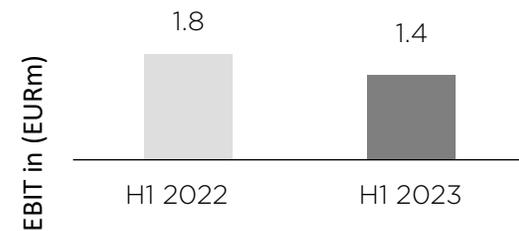


- Segment revenue up 17%
- Strong performance driven in particular by the booming UK market (up 21% vs. H1 2022)
- Decrease in segment costs by 17% due to normalised marketing activities in H1 2023, which were excessive in H1 2022 after the pandemic (free goods, samples for new POS)
- EBIT reached EUR 2.4m in H1 2023 vs. EUR 1.1m in H1 2022

# Jaguar: strong sales growth

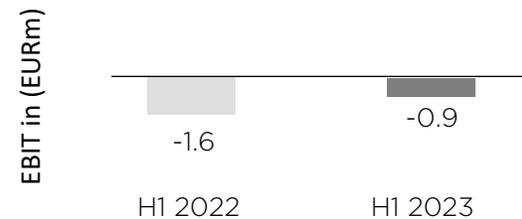
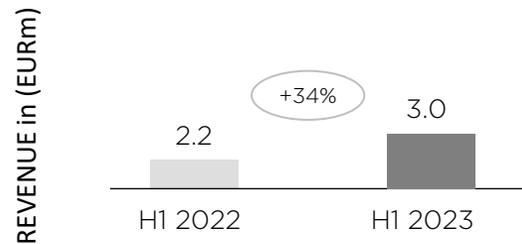


- Jaguar with operating revenue growth of 17% vs. H1 2022
- US, India and Benelux as strong sales growth drivers
- Profitability impacted by higher component and production costs as well as increased personnel expenses and other operating costs
- EBIT decreased to EUR 1.4m



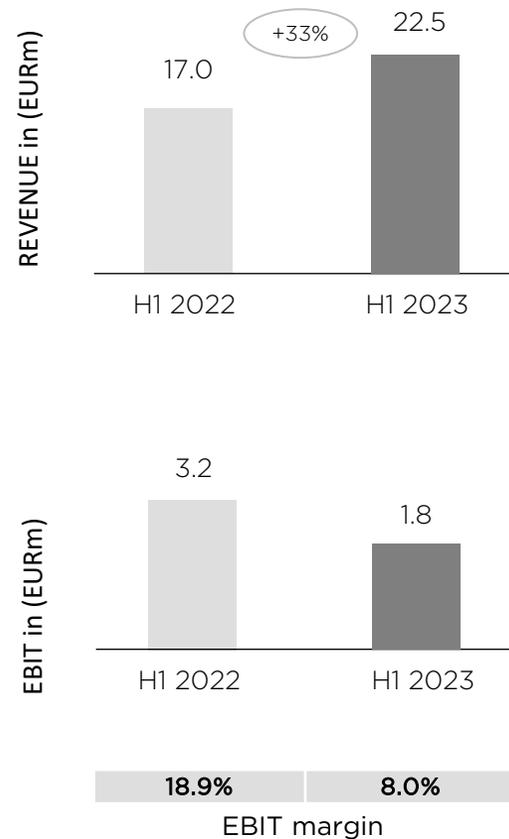
Revenues include IC sales to other segments

# The Glenturret: strong growth of whisky sales



- Whisky sales noticeably increased in H1 2023 (up 34%) as new whisky range was launched later than originally planned in H2 2022
- Visitor centre, refurbished Café and new Lalique Restaurant contributed positively, with significantly higher amounts of visitors
- Overall cost increase reflects higher business volume as well as higher personnel costs due to inflation-related salary increases and increase in headcount
- EBIT reached EUR -0.9m in H1 2023, break-even expected end of 2023

# Other brands: sales growth offset by higher costs



- Bentley: operating revenue down by 16% vs. H1 2022, mainly due to component supply difficulties which led to out of stock situations
- Parfums Grès: 5% sales growth - approaching pre-pandemic level - driven by European and Latin American key markets
- Parfums Samourai: 17% sales growth - approaching pre-pandemic level - driven by Japan key market launches of new innovations accompanied by relaxation of Covid-19-restrictions
- Brioni: accelerated growth following launch of Brioni Éclat and Essentiel
- Lalique Beauty Services: operating revenue up 16% as a result of sales growth in the perfumes business, with increasing capacity utilization in the course of the semester
- Segment EBIT decreased to EUR 1.8m, reflecting higher operating and personnel costs

# Balance sheet remains solid

in EURm	30.06.2023	31.12.2022
Cash and cash equivalents	19.2	40.1
Trade accounts receivable	26.8	20.1
Inventories	99.1	86.5
Other current assets	10.2	7.1
Intangible assets	101.1	97.8
Property, plant and equipment	98.1	94.9
Other non-current assets	11.5	10.5
<b>Total assets</b>	<b>366.0</b>	<b>357.0</b>
Bank overdrafts	30.0	29.5
Trade accounts payable	28.8	23.0
Current financial liabilities	16.1	14.3
Other current liabilities	17.1	19.1
Non-current financial liabilities	65.2	58.7
Other non-current liabilities	15.9	15.7
<b>Total liabilities</b>	<b>173.1</b>	<b>160.3</b>
<b>Total equity</b>	<b>192.9</b>	<b>196.7</b>
<b>Total liabilities and equity</b>	<b>366.0</b>	<b>357.0</b>

- Operating cash flow decreased to EUR -9.2m vs. EUR 11.3m in H1 2022, mainly driven by significantly increased stock levels as well as higher energy costs
- Non-current financial liabilities have increased by EUR 6.5m, reflecting the adjustment to consider liabilities resulting from licence agreements as financial liabilities.
- Increase in property, plant and equipment reflects mainly investments in crystal, perfume and whisky facilities in order to increase production capacities
- Net debt / EBITDA ratio increased to 4.4 vs. 1.7 in H1 2022
- Strong equity ratio at 47.8% (2022: 50.0%)

in EURm	30.06.2023	31.12.2022
Total equity before non-controlling interests	175.1	178.8
Equity ratio	47.8%	50.0%

# Business Priorities and Outlook



# Business priorities for H2 2023

- Lalique Group will continue to consistently implement its diversification strategy and is convinced the breadth of its business is a strength in a global economic environment characterized by uncertainties
- While energy costs will remain high in H2 2023, Lalique Group expects a significant decrease in energy costs from next year on the back of forward contracts concluded for 2024 and 2025; due to general inflation, personnel and other operating expenses are expected to remain at elevated levels in H2 2023 and beyond
- Selected product launches and projects
  - Perfumes: Roll-out of new launches, including new Lalique masculine pillar, and continued leverage of new distribution set-ups in Middle East, Asia and Latin America to further improve market presence across brands
  - Ultrasun: Re-development of Chinese market with newly appointed distribution partner and preparation of U.S. market entry following successful trademark registration proceedings
  - Lalique: Global launch of Art collection with the Magritte Foundation and roll-out of “Rose Nebula” crystal collection as well as ongoing efforts to increase production capacity at the manufacturing site
  - The Glenturret: Focus on further growth in whisky sales by volume and value; planned launch of Aberturret Gin in Autumn 2023
- Projects currently ongoing but planned for 2024 and beyond
  - Re-launch of silk label Fabric Frontline
  - Roll-out of first fragrances under licensing agreement with global fashion brand Superdry
  - Opening of Villa Florhof

## Full-year 2023 guidance:

- Laliq Group now expects sales growth in the upper single-digit % range (previous guidance: low ten percentage range)
- Profitability at EBIT level expected to be higher than in the first half of 2023, but well below full-year 2022 (previous guidance: slightly below 2022)

## Mid-term targets:

- Laliq Group continues to expect annual mid-single-digit % growth in local currencies
- With regard to profitability, the ambition to gradually increase the EBIT margin to 9-11% is maintained, but due to inflation trends, achievement of the target range may be delayed until 2026

Our short- and mid-term outlooks are subject to unforeseeable events such as a significant worsening of the global economic environment.

# Appendix



# Lalique Group product portfolio reflects diversification strategy

# LALIQUE GROUP

## A successful niche player in luxury goods

- Lalique Group, headquartered in Zurich, specializes in the creation, development, production, marketing and global distribution of branded products
- 788.9 FTEs (30.06.2023)



Revenues from transactions with third party customers

<sup>1</sup> Lalique Beauty Services 6%, Lalique Beauty Distribution 1% & Lalique Tamer Beauty 7%

# Consolidated income statement

in TEUR	H1 2023	H1 2022
Revenue from contracts with customers	86 830	81 106
Other operating income	847	2 122
<b>Operating revenue</b>	<b>87 677</b>	<b>83 228</b>
Material costs	-40 790	-35 168
<b>Gross profit</b>	<b>46 887</b>	<b>48 060</b>
Salaries and wages	-21 971	-19 471
Other operating expenses	-14 559	-13 149
<b>EBITDA</b>	<b>10 357</b>	<b>15 440</b>
Depreciation and amortisation	-7 876	-7 403
<b>EBIT</b>	<b>2 481</b>	<b>8 037</b>
Financial income	20	36
Financial expenses	-1 181	-748
Net foreign exchange differences	-241	-1 414
<b>Group profit/loss before tax</b>	<b>1 079</b>	<b>5 911</b>
Income taxes	-511	-1 269
<b>Net Group profit</b>	<b>568</b>	<b>4 642</b>
of which attributable to:		
Non-controlling interests	-496	-639
Owners of the parent company	1 064	5 281
Earnings per share (EUR)	0.15	0.74

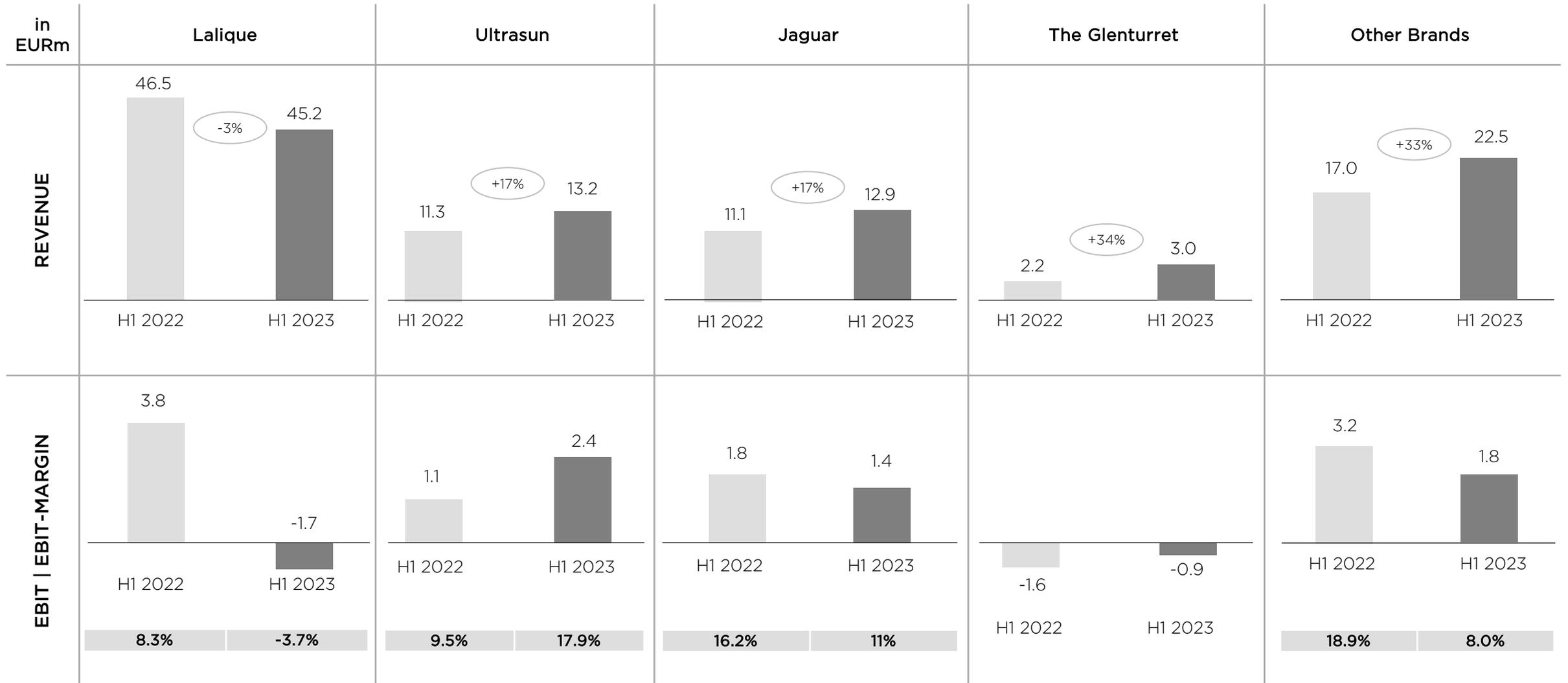
# Consolidated balance sheet

LALIQUE  
GROUP

in TEUR	30.06.2023	31.12.2022
Cash and cash equivalents	19 225	40 147
Trade accounts receivable	26 802	20 088
Inventories	99 142	86 505
Other receivables	10 161	7 068
<b>Total current assets</b>	<b>155 330</b>	<b>153 808</b>
Intangible assets	101 098	97 847
Property, plant and equipment	98 079	94 851
Financial assets	1 874	1 730
Other non-current assets	5 504	5 502
Deferred tax assets	4 133	3 223
<b>Total non-current assets</b>	<b>210 688</b>	<b>203 153</b>
<b>Total assets</b>	<b>366 018</b>	<b>356 961</b>

in TEUR	30.06.2023	31.12.2022
Bank overdrafts	29 954	29 487
Trade accounts payable	28 773	22 996
Current provisions	292	327
Income tax liabilities	2 232	2 454
Current financial liabilities	16 104	14 278
Other current liabilities	14 702	16 385
<b>Total current liabilities</b>	<b>92 057</b>	<b>85 927</b>
Other non-current liabilities	50	50
Non-current provisions	918	1 096
Non-current financial liabilities	65 167	58 676
Defined benefit obligation	3 502	3 173
Deferred tax liabilities	11 433	11 350
<b>Total non-current liabilities</b>	<b>81 070</b>	<b>74 345</b>
<b>Total liabilities</b>	<b>173 127</b>	<b>160 272</b>
Share capital	1 204	1 204
Capital reserves	82 163	83 984
Retained earnings	91 728	93 569
<b>Total equity before non-controlling interests</b>	<b>175 095</b>	<b>178 757</b>
Non-controlling interests	17 796	17 932
<b>Total equity</b>	<b>192 891</b>	<b>196 689</b>
<b>Total liabilities and equity</b>	<b>366 018</b>	<b>356 961</b>

# Revenue and EBIT by segments H1 2023



Note: Total operating revenue incl. revenue from transactions with other segments

# Global presence

## Headquarters ●

### Lalique Group SA

- Grubenstrasse 18, Zurich, Switzerland

### Lalique SA

- 30 rue de Prony, Paris, France

## Manufacturing sites ●

- Lalique
- Lalique Beauty Services

## The Glenturret ●

- Whisky Distillery, The Hosh, Crieff, United Kingdom

## Lalique own boutiques ●

Europe: 12 stores

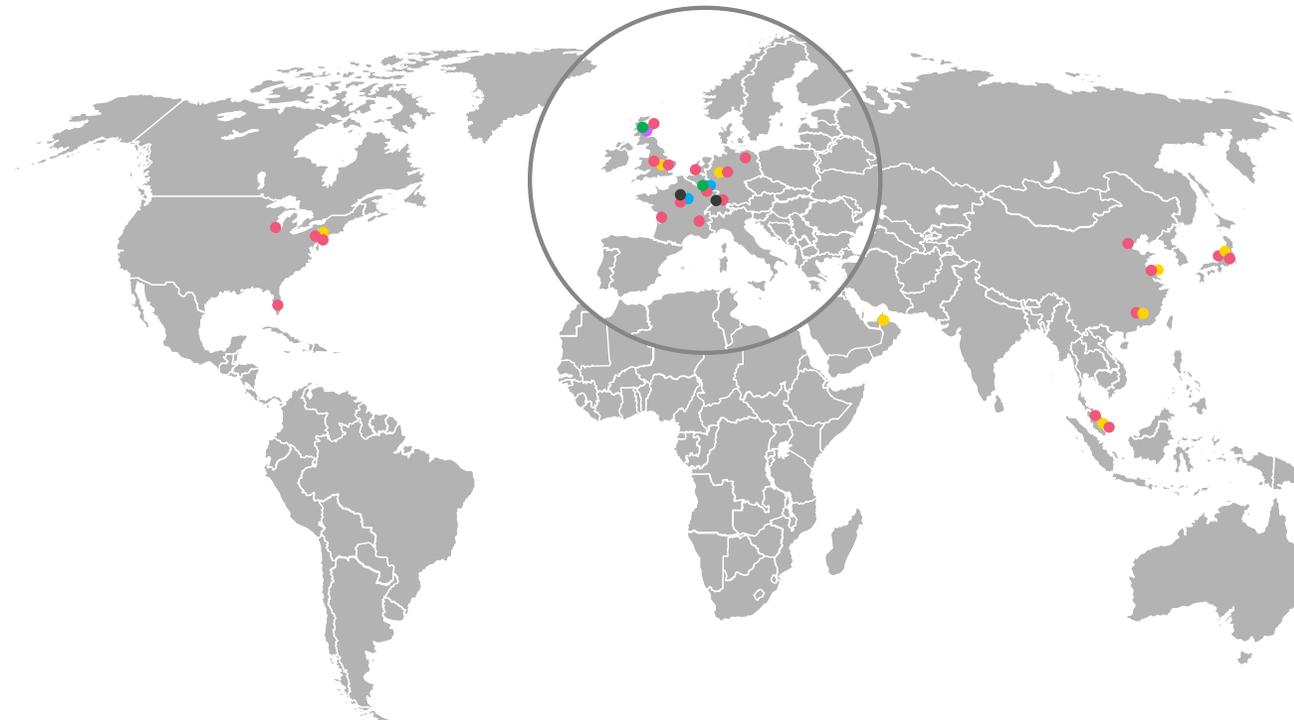
USA: 2 stores

Asia: 14 stores

>14,200 GLOBAL POINTS OF SALE

Lalique division >700

Beauty division: >13,500



## ● Foreign subsidiaries

- Lalique UK (London)
- Lalique Germany (Frankfurt)
- Lalique North America (New York City)
- Lalique Shanghai (Shanghai)
- Lalique Asia (Hong Kong)
- Lalique Singapore (Singapore)
- Lalique Japan (Tokyo)
- Lalique Tamer Beauty UAE (Dubai)

## ● Gastronomy/Hospitality Villa René Lalique

- Five-star hotel and gourmet restaurant (2\* Michelin)

### Château Hochberg

- Four-star hotel and brasserie-style restaurant

Both hotels are located in Alsace, F

### Château Lafaurie-Peyraguey Hôtel & Restaurant Lalique

(operates under Lalique brand on licensing basis)

- Five-star Hotel and gourmet restaurant (2\* Michelin)

### The Glenturret Lalique Restaurant

- Scotland's first distillery to offer fine dining (1\* Michelin)

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