

Lalique Group SA Presentation of half-year results 2021

Zurich, 15 September 2021



Overview

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Overview of H1 2021

Roger von der Weid, Chief Executive Officer

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Financial performance in H1 2021

Alexis Rubinstein, Chief Financial Officer

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Business priorities and outlook

Roger von der Weid, Chief Executive Officer

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Q&A



The Glenturret – Lalique Restaurant, Dining Room

Overview of H1 2021



Lalique Group returned to profitable growth in the first half of 2021

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1

Business continued to be impacted by Covid-19 pandemic, but recovered significantly in the second quarter and achieved profitable growth in H1 2021

2

Lalique segment back at pre-pandemic sales level with improved profitability, particularly driven by strong sales growth at Lalique Parfums

3

Strong performance of perfume brands in all segments more than compensated for lower sales at Ultrasun, which were impacted by ongoing leisure travel restrictions and limited vacation prospects

4

Successful roll-out of new Glenturret whisky range (2020 maiden release) contributed to increased spirit sales in the absence of visitor centre revenues due to lockdown

5

Expansion of hospitality business with the acquisition of the Château Lafaurie-Peyraguey Hôtel & Restaurant Lalique and the opening of The Glenturret Lalique Restaurant in July 2021

Crystal candle – Merles et raisins

H1 2021 key financial takeaways

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1

Operating revenue of EUR 64.7m, up 32% vs. EUR 49.1m in H1 2020 and recovering towards pre-pandemic level of EUR 70.0m in H1 2019

2

Tight cost control across all segments led to reduction of total costs of 17% vs. H1 2020 (6% excluding impairment charge on Lalique brand) and 25% vs. H1 2019

3

Higher sales revenues, downsizing of retail network and loss reduction of overseas subsidiaries in Lalique segment resulted in EBIT of 2.5m at a 7% margin

4

Revenue growth at lower costs led to improved Group EBIT of EUR 4.4m vs. EUR -10.0m in H1 2020 (EUR -5.7m excluding impairment charge) and EUR 0.5m in H1 2019, as well as Group net result of EUR 3.1m

5

Continued solid liquidity and capital positions, with equity ratio of 48.4% at end-June 2021 vs. 46.2% at end-2020

Lalique White in Black – the new fragrance for men

Financial performance in H1 2021



H1 2021 key results

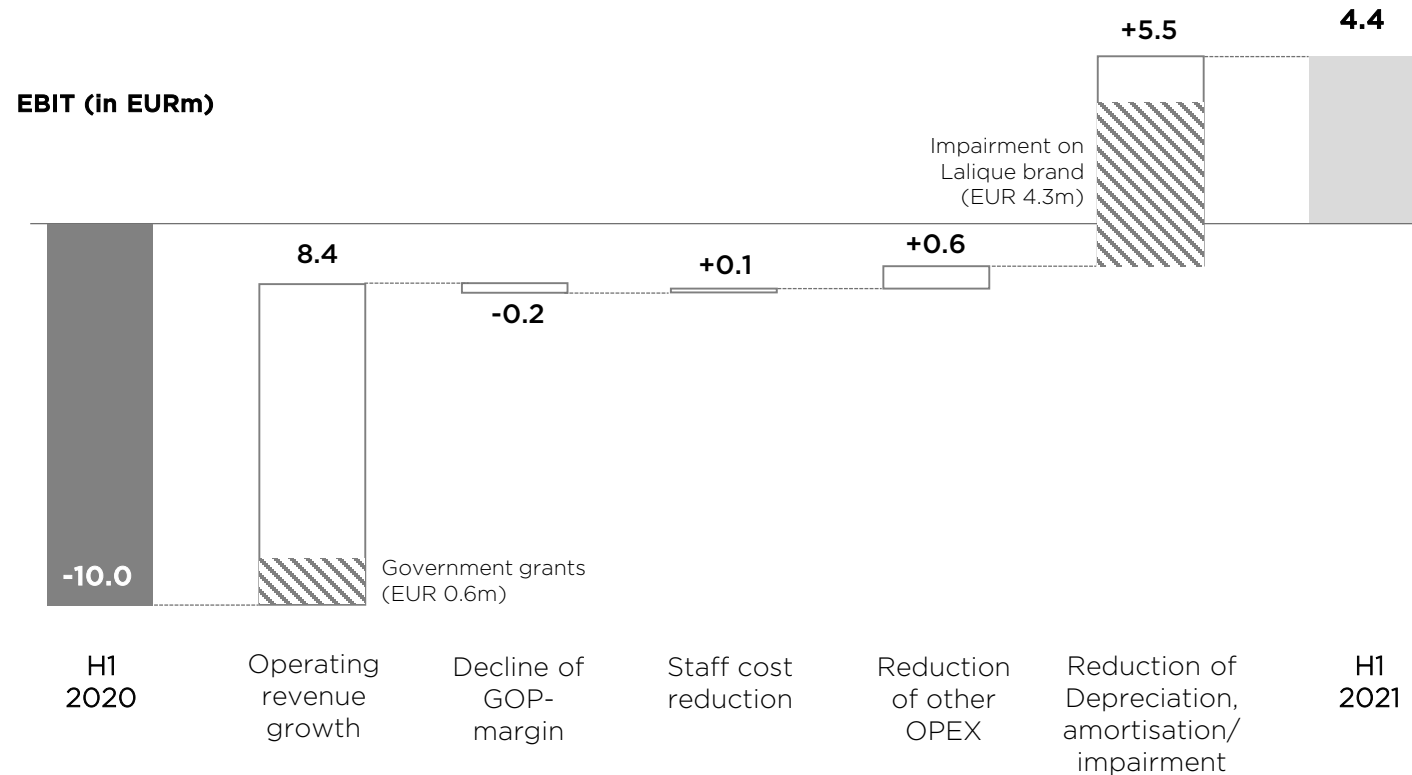
in EURm	H1 2021	H1 2020
Operating revenue	64.7	49.1
<i>Revenue growth</i>	<i>+32%</i>	<i>-30%</i>
Gross profit	34.4	26.3
Personnel costs	-14.0	-14.1
Other operating expenses	-9.3	-10.0
EBITDA	11.1	2.2
EBIT	4.4	-10.0
EBIT margin	6.8%	n.a.
Financial result	-0.5	-0.9
Net Group result	3.1	-10.6
Earnings per share (EUR)	0.58	-1.44
Total equity¹	161.4	156.6
Equity ratio	48.4%	46.2%

- **Operating revenue** up 32%, reflecting strong recovery particularly of the perfume sales in all segments; however, business was still impacted by economic implications from global Covid-19 pandemic in H1 2021
- **Gross Profit** improved by 32% at a Gross Profit Margin of 53.1%
- **EBIT** improved to EUR 4.4m with EBIT margin of 6.8%; EBIT increase of EUR 14.4m includes the non-cash impairment of EUR 4.3m on the brand value of Lalique recognized in H1 2020

EBIT breakdown (in EURm)	H1 2021	<i>Margin</i>	H1 2020
Lalique	2.5	7.0%	-10.7
Ultrasun	0.5	4.7%	2.0
Jaguar	1.5	17.7%	0.2
Glenturret	-1.7	n.a.	-1.1
Other Brands	1.9	16.2%	0.0
Holding and Elim.	-0.3	n.a.	-0.3
Lalique Group	4.4	6.8%	-10.0

¹ Before non-controlling interests

Excluding one-off effects, EBIT improved by EUR 9.5m due to sales recovery and further cost reductions



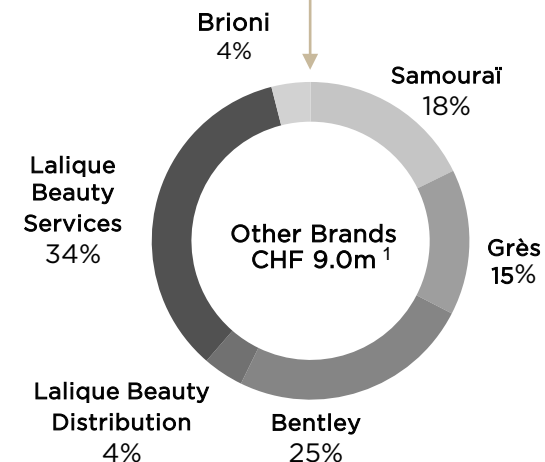
Excluding the one-off impairment charge on Lalique brand booked in H1 2020 for EUR 4.3m and Covid-19-related government grants amounting to EUR 1.2m in H1 2021 (EUR 0.6m in H1 2020), EBIT improved by EUR 9.5m thanks to:

- Growth of operating revenues reflecting sales recovery in all markets (EUR 8.4m)
- Reduction of other operating expenses thanks to strict cost controlling and reduced marketing activities in H1 2021
- Reduction of amortization due to shop closings in 2020 for EUR 1.3m (due to IFRS 16 standard, operating leases are booked in amortization since 2019)

H1 2021 results by segment

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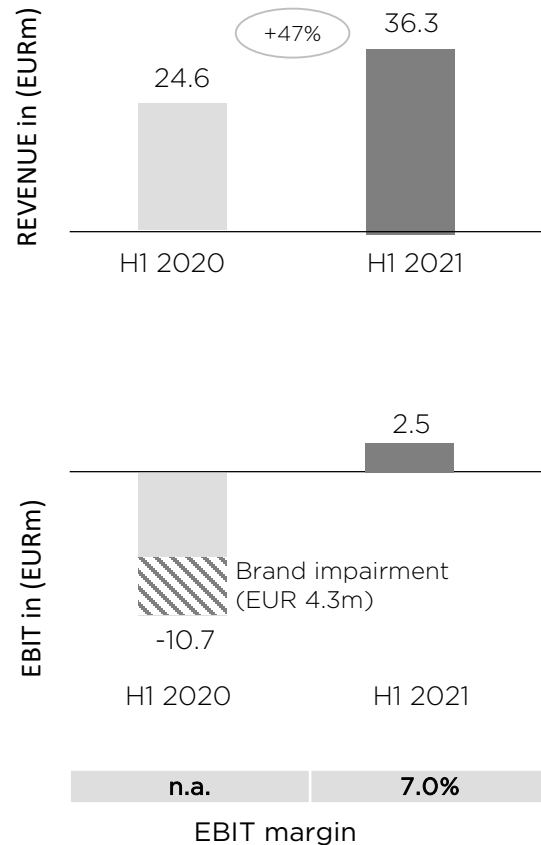
H1 2021 segment results (in EUR thousand)	Lalique	Ultrasun	Jaguar	Glen- turret	Other Brands	Holding and Elim.	Group
Revenue from contracts and other operating income with external customers	35,647	9,865	8,704	1,445	8,998	-11	64,746
Revenue from transactions and other operating income with other segments	623	-	-	137	2,873	-3,535	-
Total operating revenue	36,270	9,865	8,704	1,582	11,871	-3,546	64,746
<i>Revenue growth (vs. H1 2020)</i>	<i>+47%</i>	<i>-21%</i>	<i>+37%</i>	<i>+385%</i>	<i>+54%</i>	<i>n.a.</i>	<i>+32%</i>
EBIT	2,540	463	1,538	-1,743	1,929	-300	4,427
Assets	182,920	27,830	16,955	63,574	50,982	-8,992	333,270
Liabilities	166,700	12,137	5,916	27,206	36,736	-96,079	153,616
Investments in PPE	2,600	101	3	1,353	999	-	5,056
D&A PPE	4,599	156	102	276	903	12	6,048
Investments in Intangibles	19	60	104	70	155	-	408
D&A Intangibles	141	112	44	104	190	4	595



Note: revenue growth in local currencies was at 30%

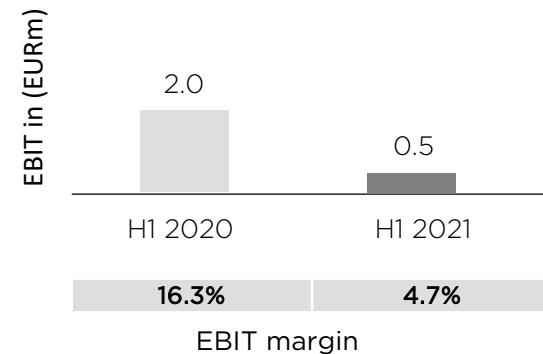
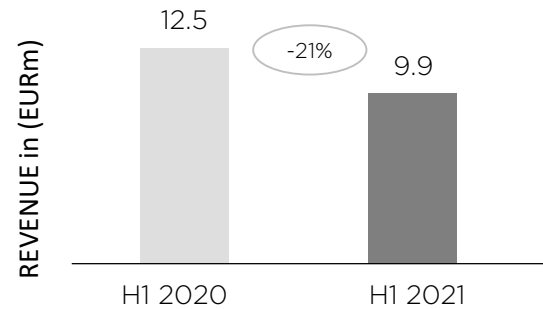
¹ Revenue from contracts and other operating income with external customers

Lalique segment: profitable growth at pre-pandemic levels driven by Lalique Parfums sales and lower costs



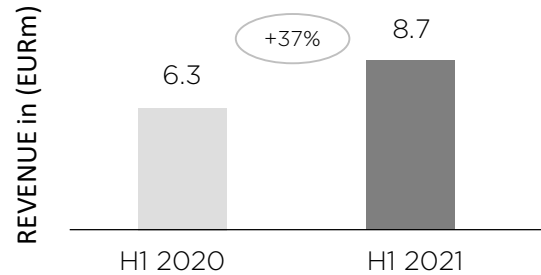
- Overall sales rebounded by 47% vs. H1 2020 and were 2.2% above pre-pandemic levels in H1 2019
- Sales recovery driven by Lalique Parfums (+188%), reflecting particularly strong sales growth in Middle East after realignment of regional distribution activities at the beginning of 2021 as well as in Asia
- Slight decrease in gross profit margin (57.1%) due to the stronger increase in perfume sales with lower margin
- Solid recovery in crystal business (+17%)
- Villa René Lalique and Château Hochberg were closed until June 2021
- Costs reduced by 12% excluding the non-cash impairment of EUR 4.3m on the brand value of Lalique recognized in H1 2020, reflecting organizational restructuring in the retail network
- EBIT reached EUR 2.5m, which implies an improvement of EUR 13.2m and EUR 8.9m excluding the one-off effect from the impairment on the Lalique brand recognized in H1 2020

Ultrasun: sales impacted by long period of travel restrictions

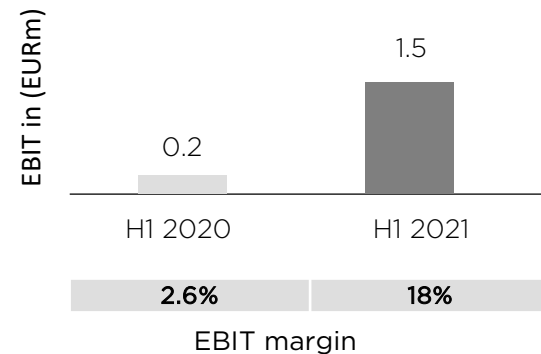


- Operating revenue down 21%, reflecting subdued orders from most markets and high inventory levels due to long period of travel restrictions
 - UK: recovery started after re-opening of department stores in Q2 2021
 - China: lower demand combined with phasing effect; completion of improved formulas for the specific needs of the Asian market
- Costs reduced by 9%, reflecting leaner organization since Covid-19 pandemic; cost-saving measures and significant reduction of marketing expenditures and sponsoring activities
- EBIT reduced to EUR 0.5m with an EBIT margin of 4.7%

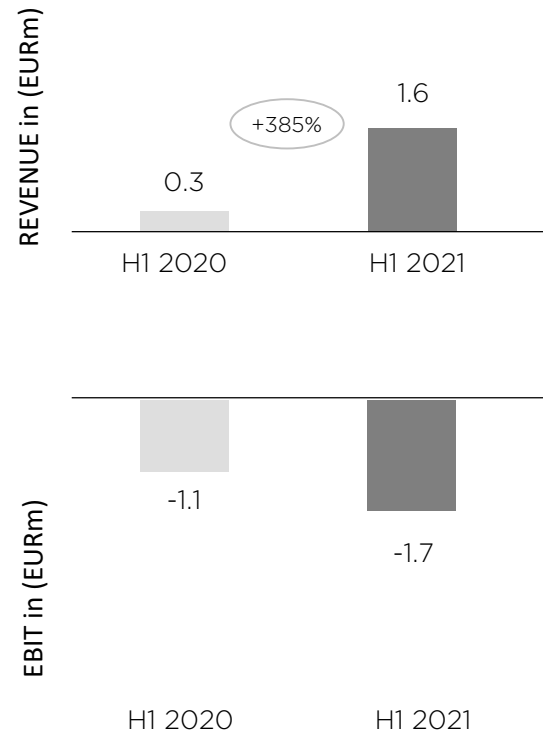
Jaguar: solid rebound in operating revenues and cost reduction led to return to pre-pandemic profitability level



- Operating revenues rebounded by 37%, albeit still below pre-pandemic levels
- Gross profit margin increased from 30.0% to 33.8%
- Strong orders from Middle East and recovering drugstore markets particularly in some European markets
- Based on solid sales growth and reduced operating costs, EBIT improved to EUR 1.5m
- EBIT margin returned to pre-pandemic level of 18%

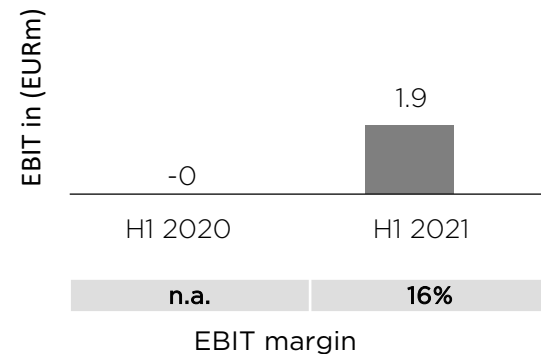
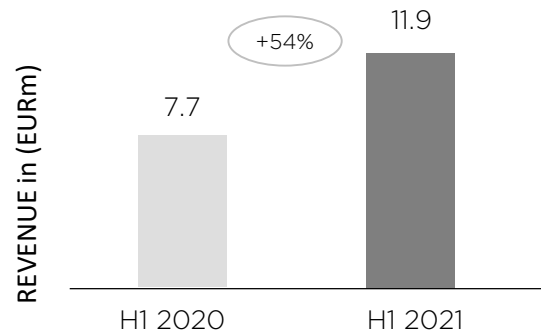


Glenturret: strong growth of whisky exports, but low level of direct sales due to lockdown



- Operating revenue increased strongly thanks to successful exports of new whiskies despite logistical challenges post-Brexit
- Visitor centre at The Glenturret distillery reopened for tourist tours only at the end of April 2021 while touristic activities in 2019 generated EUR 1m revenues
- Glenturret direct sales to hospitality businesses did not increase as planned due to 2021 lockdowns
- Operating costs increased, reflecting staff hiring in H1 2021 for opening of new The Glenturret Lalique Restaurant in July
- EBIT was EUR -1.7m

Other brands: strong sales recovery and increased profitability with 16% EBIT margin



- Bentley Fragrances reported strong revenue rebound (+162%) as well as increased gross profit margin (37.9%) thanks to strong demand from the US and the Middle East
- Parfums Samouraï saw relatively strong growth of revenues (+66%) despite remaining pandemic restrictions in the main market Japan
- Parfum Grès reported small growth of +2% and strong gross profit margin increase from 31.8% to 37.2%
- Successful launch of Brioni perfumes (sales of EUR 0.5m) in March 2021, despite delays due to Covid-19 limitations
- Lalique Beauty Services operated at high capacity, increasing operating revenues by +15% due to higher demand of Group companies as well as third party customers
- EBIT increased to EUR 1.9m with EBIT margin of 16%

Balance sheet remains solid

in EURm	30.6.2021	31.12.2020
Cash and cash equivalents	55.2	66.7
Trade accounts receivable	20.6	15.1
Inventories	78.3	78.0
Other current assets	7.5	8.0
Property, plant and equipment	76.5	76.7
Intangible assets	84.7	84.8
Other non-current assets	10.5	9.9
Total assets	333.3	339.2
Bank overdrafts	37.9	44.3
Trade accounts payable	19.0	17.6
Other current liabilities	26.0	23.7
Non-current financial liabilities	51.6	58.9
Other non-current liabilities	19.1	19.9
Total liabilities	153.6	164.4
Total equity	179.7	174.8
Total liabilities and equity	333.3	339.2

- Net cash position decreased by EUR 5.1m to 17.3m, reflecting higher working capital (namely accounts receivables) as well as re-paid Covid-19-related credits
- Net debt decreased by EUR 11.3m to EUR 43.7m
- Satisfactory net debt / EBITDA ratio reported at 1.9
- Equity ratio increased to a solid level of 48.4% compared to 46.2% as at year end 2020

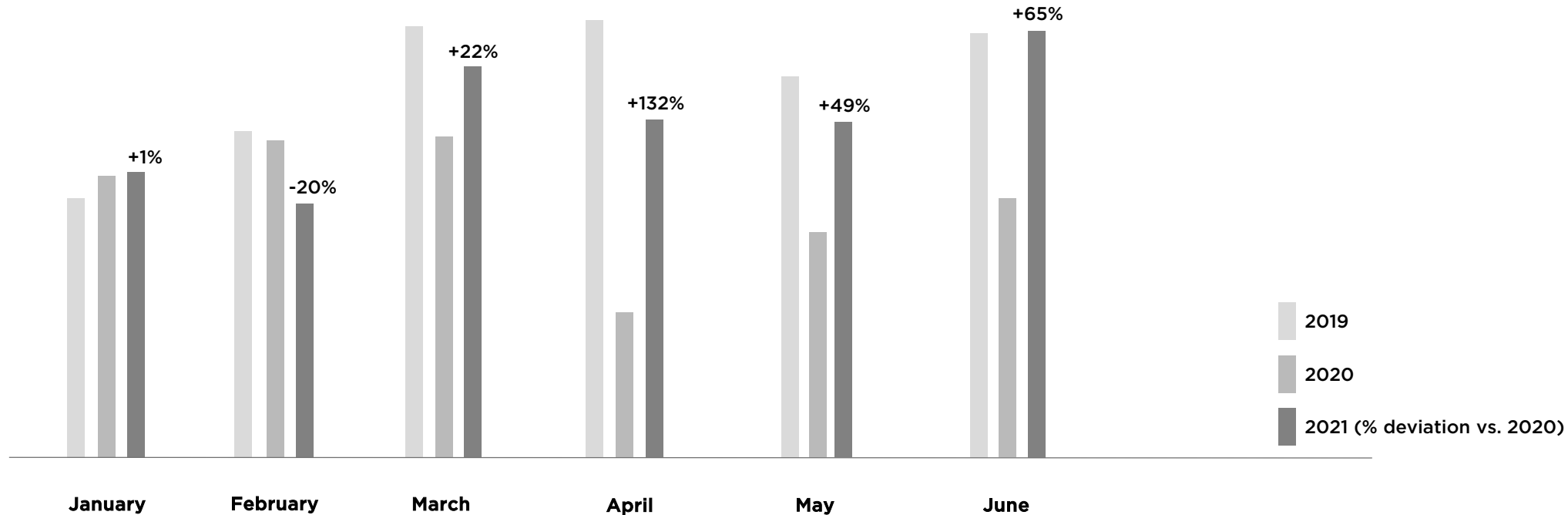
in EURm	30.6.2020	31.12.2020
Total equity before non-controlling interests	161.4	156.6
Equity ratio	48.4%	46.2%

Business priorities and outlook



Pleasant sales development in recent months while negative Covid-19 effects remain

Group net sales to third parties: monthly evolution versus 2020 (in %) and 2019



Business priorities for H2 2021

- Successive normalization of work methods while keeping an eye on development of Covid-19 situation across all regions
- Upholding revenue trend of H1 2021 while increasing Ultrasun sales as Covid-restrictions diminish
- Continued tight cost management, in line with sales developments and improving business environment
- Selected product launches and projects
 - Completion of fragrance launches for Lalique and Jaguar that have been delayed in part
 - Roll-out of second Brioni fragrance from Fall 2021
 - Completion of development and launch of improved Ultrasun formulas for Asian market and China in particular
 - Official press launch of The Glenturret Lalique restaurant and roll-out of 2021 Glenturret new whisky release

FY 2021, barring unforeseeable events or a renewed escalation of the pandemic:

- Lalique Group expects double-digit sales growth vs. 2020, although revenue for 2021 likely to remain slightly below pre-pandemic level recorded in 2019 (as announced earlier in the year)

Mid-term, from today's perspective:

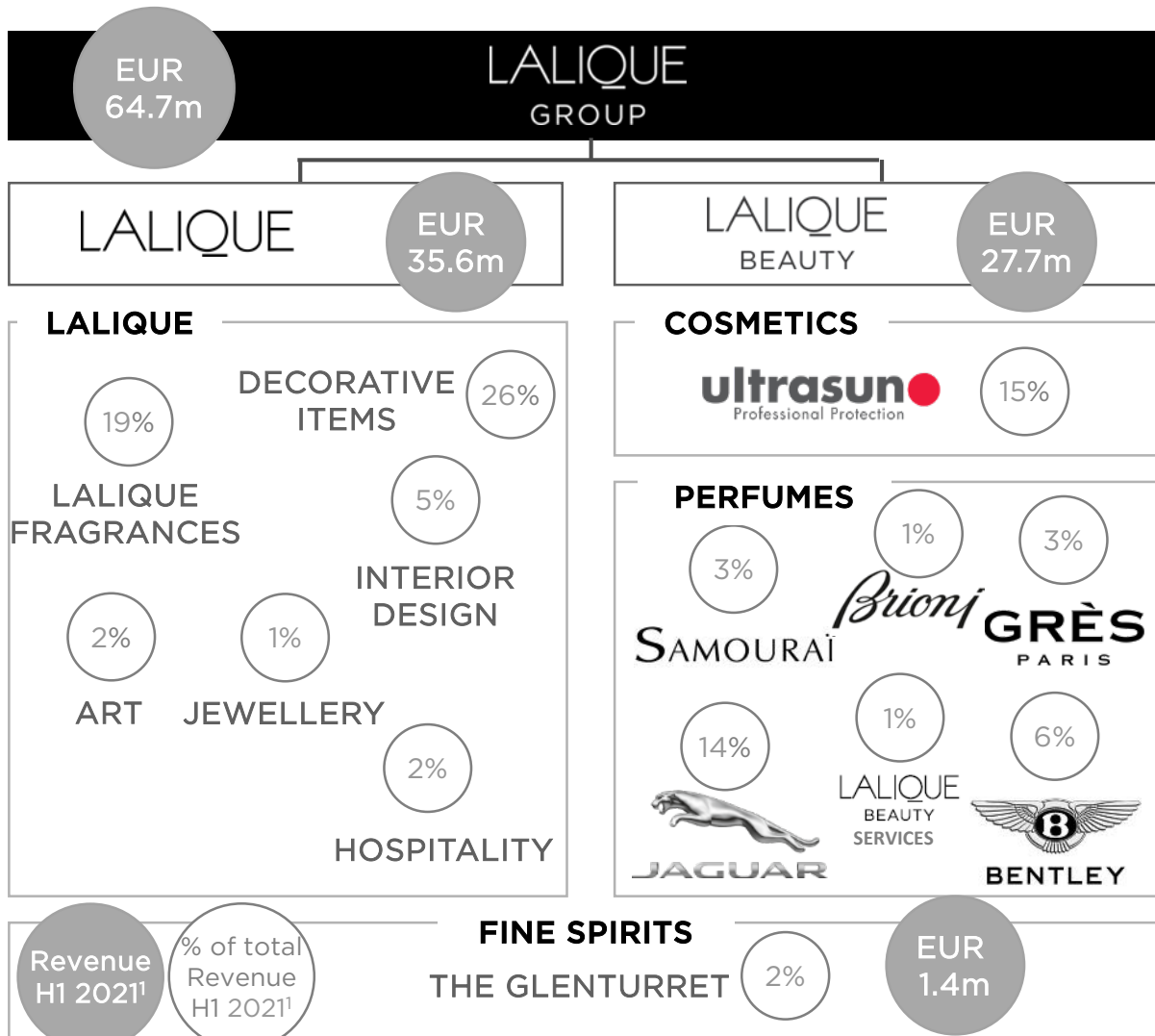
- The Covid-19 situation has led to a delay of around 2 years on the road towards the previously communicated mid-term targets, but Lalique Group is holding on to these targets (mid-single-digit revenue growth in local currencies, gradual increase in EBIT margin to 9-11%)

Appendix



Lalique Group brand and product portfolio reflecting diversification strategy

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Lalique

- Dominated by crystal decorative items and fragrance businesses
- Gastronomy and hospitality business expanded which now comprises four establishments which will also help to further promote the Lalique brand
- Jewelry still small in terms of revenue contribution but strategic to reach a younger and trendier audience

Ultrasun

- Ultrasun is constantly launching innovative, advanced UV protection products, driven by in-house formula expertise
- Strong position in the market thanks to its unmatched formulations

Perfumes

Jaguar Fragrances

- Group's biggest perfume license brand in terms of revenue
- Further growth potential due to strongly performing automotive core business

Brioni

- Youngest brand in the Group's portfolio; first fragrance launched in March 2021

The Glenturret

- Currently low impact on revenue but significant growth potential mid- and long-term

¹ Revenue in H1 2021 from sales to external customers (third party)

Consolidated income statement

in TEUR	H1 2021	H1 2020
Revenue from contracts with customers	63 206	48 122
Other operating income	1 540	981
Operating revenue	64 746	49 103
Material costs	-30 340	-22 817
Gross profit	34 406	26 286
Salaries and wages	-14 011	-14 119
Other operating expenses	-9 325	-9 964
EBITDA	11 070	2 203
Depreciation and amortisation / impairment ¹⁾	-6 643	-12 163
EBIT	4 427	-9 960
Financial income	11	5
Financial expenses	-958	-764
Net foreign exchange differences	417	-155
Group profit/loss before tax	3 897	-10 874
Income taxes	-774	247
Net Group profit	3 123	-10 627
of which attributable to:		
Non-controlling interests	-1 066	-1 999
Owners of the parent company	4189	-8 628
Earnings per share (EUR)	0.58	-1.44

¹⁾ Including an impairment of EUR 4.3m on Lalique brand in H1 2020

Consolidated balance sheet

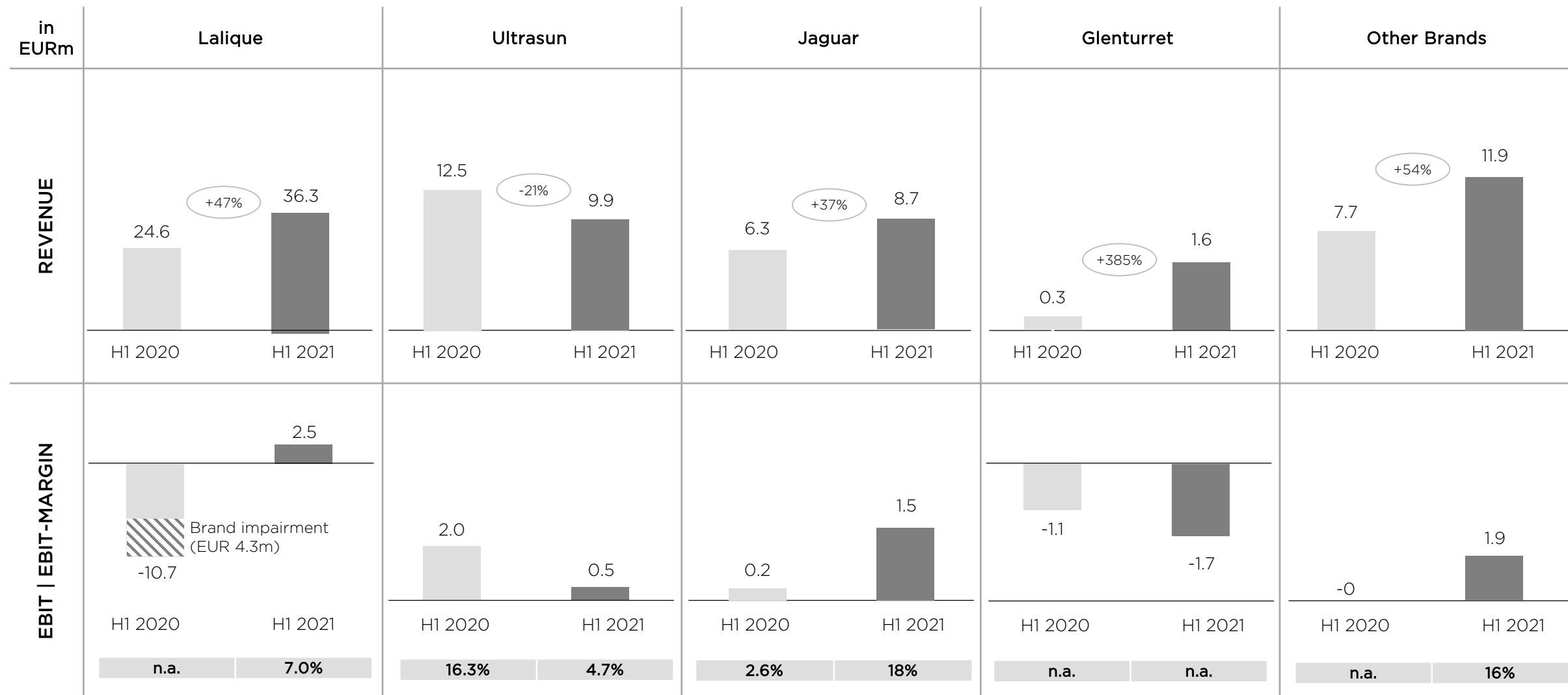
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in TEUR	30.06.2021	31.12.2020
Cash and cash equivalents	55 211	66 697
Trade accounts receivable	20 549	15 101
Inventories	78 306	77 987
Other receivables	7 516	7 957
Total current assets	161 582	167 742
Property, plant and equipment	76 457	76 671
Intangible assets	84 651	84 818
Other non-current assets	6 754	6 101
Deferred tax assets	3 826	3 867
Total non-current assets	171 688	171 457
Total assets	333 270	339 199

in TEUR	30.06.2021	31.12.2020
Bank overdrafts	37 905	44 271
Trade accounts payable	18 974	17 614
Income tax liabilities	915	927
Other current liabilities	25 116	22 723
Total current liabilities	82 910	85 535
Other non-current liabilities	1 730	2 460
Other non-current provisions	485	517
Non-current financial liabilities	51 557	58 923
Defined benefit obligation	5 443	5 427
Deferred tax liabilities	11 491	11 524
Total non-current liabilities	70 706	78 851
Total liabilities	153 616	164 386
Share capital	1 204	1 204
Capital reserves	85 378	85 378
Retained earnings / other reserves ¹	74 857	70 036
Total equity before non-controlling interests	161 439	156 618
Non-controlling interests	18 215	18 195
Total equity	179 654	174 813
Total liabilities and equity	333 270	339 199

Revenue and EBIT by segments H1 2021

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

Global presence

Headquarters ●

Lalique Group SA

- Grubenstrasse 18, Zurich, Switzerland

Lalique SA

- Rue Royale 11, Paris, France

Manufacturing sites ●

- Lalique
- Lalique Beauty Services

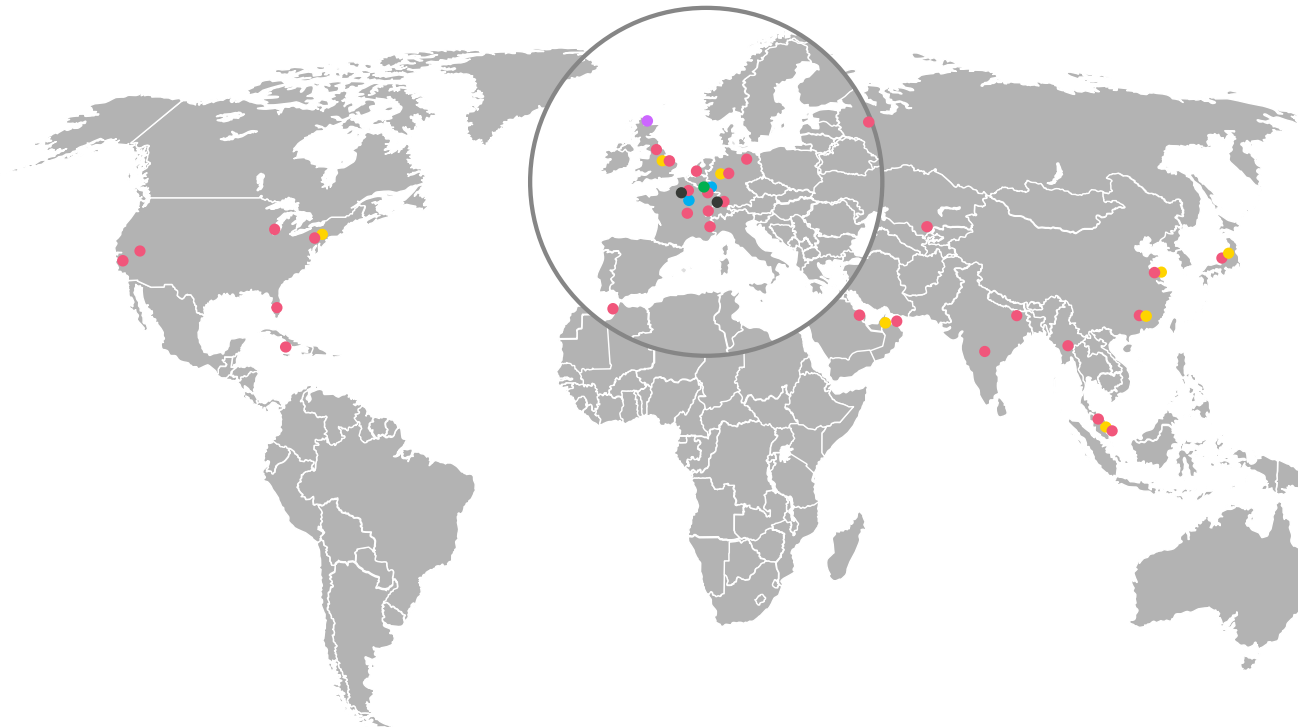
The Glenturret ●

- Whisky Distillery, The Hosh, Crieff, United Kingdom

>14,200 GLOBAL POINTS OF SALE

Lalique division >700

Beauty division: >13,500



LALIQUE GROUP

● Lalique own boutiques

Europe: 10 stores

USA: 6 stores

Asia: 10 stores

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)

● 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

(operates under Lalique brand on licensing basis)

- Five-star Hotel and gourmet restaurant (1* Michelin)

