

Lalique Group SA 2020 Full-Year Results Presentation

Zurich, 21 April 2021



Overview

LALIQUE
GROUP



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Q&A

Tailoring a new scent: Brioni Eau de Parfum

Overview of 2020



2020 affected by Covid-19 crisis – focus on health protection, business continuity and cost discipline

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The Lalique Mûres (blackberries) vase

1

Measures to combat corona pandemic heavily impacted Lalique Group's activities across segments and regions in 2020, especially retail business due to temporary closure of shops

2

Priority was on protection of health of employees, clients and partners; production in the manufacturing sites and product deliveries to clients were ensured during lockdowns thanks to strict sanitary concepts

3

Decline in sales was partly offset by cost-saving measures and introduction of short-time working and other related support measures

4

Online distribution and digital marketing activities have been expanded, resulting in an increased share of online sales in the perfume and crystal businesses; the Group's restaurants in France had to close for four months overall and introduced takeaway services during week-ends

5

Selected product launches were realized, including fragrances, a new crystal collection and a new whisky range by The Glenturret; most recently, first fragrance under exclusive Brioni licence was successfully launched in March 2021

2020 key financial takeaways



1

Operating revenue of EUR 110.7m, down 23% vs 2019 (H1 2020: -30%), reflecting improved sales trends in the second half of the year amid ongoing Covid-19 pandemic

2

Personnel costs down 19% to EUR 28.7m, and other operating expenses down 24% to EUR 22.9m, reflecting substantial cost savings measures

3

Profitability impacted by Covid-19 pandemic and one-off effects, namely non-cash impairment charge of EUR 4.3m before tax recognized on Lalique brand value in H1 2020 and litigation provision of EUR 2.4m before tax in H2 2020

4

EBIT of EUR -12.6m including impairment charge and litigation provision, and EUR -5.9m excluding one-off effects (2019: EUR 1.4m, including EUR 1.2m one-off costs in connection with acquisition of 50% stake in The Glenturret)

5

Continued solid liquidity and capital positions, with equity ratio of 46.2% at end-2020 vs. 50.1% at end-2019. Cashflow from operations stood at EUR 18.7m vs. EUR 9.5m in 2019

6

Solid sales trends in Q1 2021 against the back of ongoing Covid-19 situation; for full-year 2021, Lalique Group expects double-digit sales growth, although 2021 revenue likely to be slightly below 2019 pre-pandemic level

Les Compositions Parfumées candles

Financial Performance 2020



FY 2020 key results

in EURm	2020	2019
Operating revenue	110.7	143.5
<i>Revenue growth</i>	<i>-23%</i>	<i>+5.1%</i>
Gross profit	59.1	81.8
Personnel costs	-28.7	-35.5
Other operating expenses	-22.9	-30.0
EBITDA	7.6	16.2
EBIT	-12.6	1.4
EBIT margin		1.0%
Financial result	-2.5	-1.9
Net Group result	-15.0	1.1
Earnings per share (EUR)	-1.76	0.52
Dividend per share (CHF)	- ¹	-
Total equity²	156.6	171.9
Equity ratio	46.2%	50.1%

¹ Proposal to AGM 2021 ² Before non-controlling interests

- **Operating revenue** down 23% due to economic implications from global Covid-19 pandemic. Affected was mainly the retail business, while wholesale suffered to a lower degree
- **Personnel costs** and **other operating** expenses reduced through substantial cost savings measures and furlough schemes in most Group entities
- Operating costs included a non-cash impairment of EUR 4.3m on the brand value of Lalique, as well as a provision for a legal case in France in an amount of EUR 2.4m
- **EBIT** of EUR -12.6m, or EUR -5.9m excluding above-mentioned one-off effects

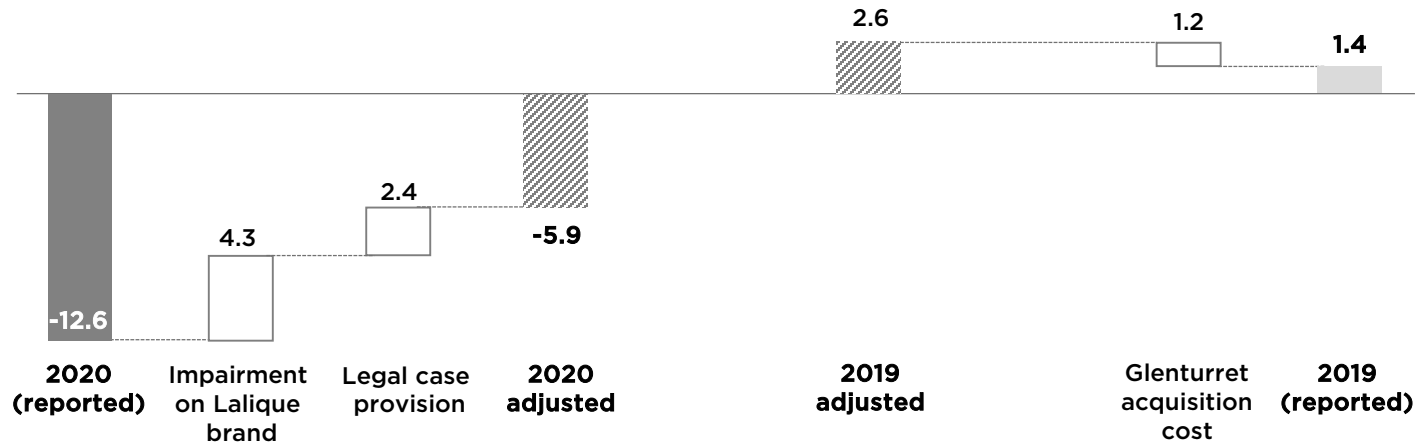
EBIT breakdown (in EURm)	2020	Margin
Lalique	-13.3*	-
Ultrasun	0.9	6.4%
Jaguar	2.0	12.9%
Glenturret	-2.5	-
Other Brands	1.5	7.9%
Holding and Elim.	-1.2	n.a.
Lalique Group	-12.6**	-

*-6.6 including one-off factors

** -5.9 excluding one-off factors

Performance affected by one-off effects

EBIT (in EURm)



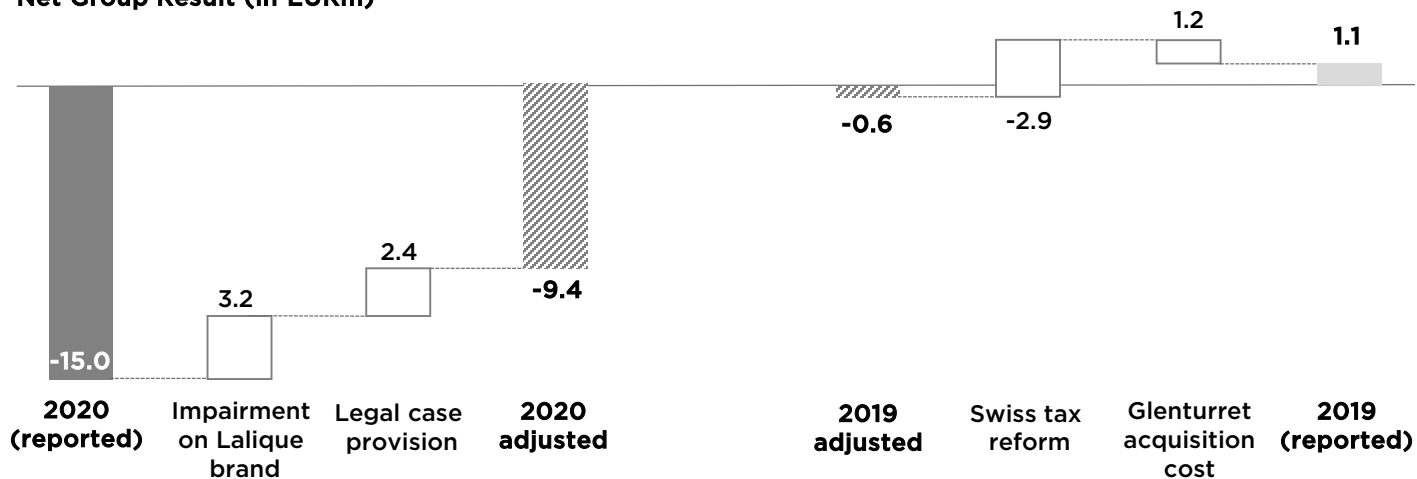
2020:

- Non-cash impairment charge on brand value of Lalique (acquired in 2008), with impact of EUR -4.3m on EBIT and EUR -3.2m (incl. deferred tax) on net Group profit
- Provision for a legal case of EUR 2.4m after a French court has called for a reassessment of the legal situation

2019:

- Swiss tax reform required revaluation of deferred tax positions leading to additional deferred tax expenses (EUR 2.1m), as well as allowing partial step-up of tax values leading to deferred tax income (EUR 5.0m)
- Acquisition costs of EUR 1.2m for Glenturret acquisition

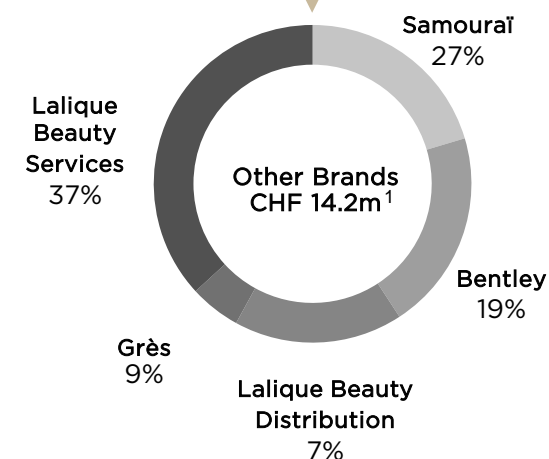
Net Group Result (in EURm)



FY 2020 results by segment

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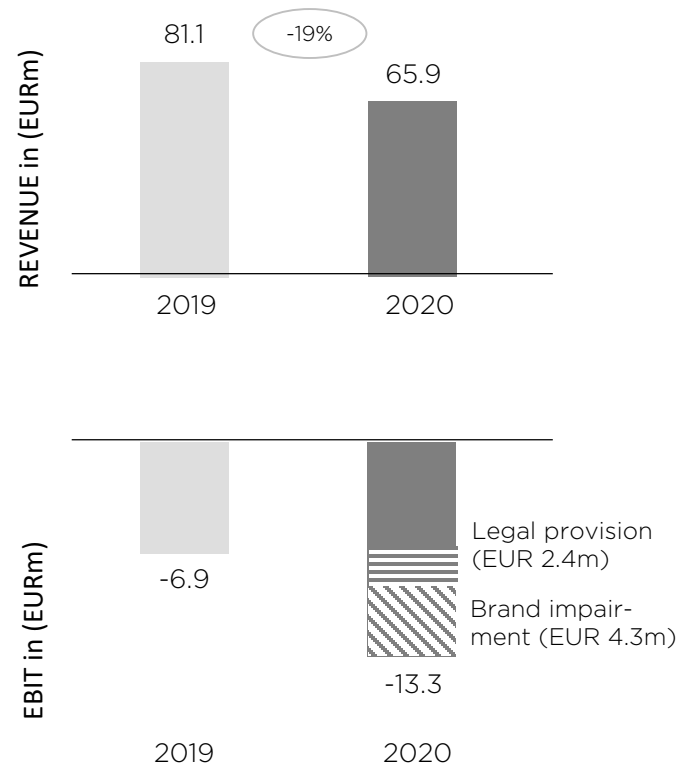
2020 segment results (in EUR thousand)	Lalique	Ultrasun	Jaguar	Glen- turret	Other Brands	Holding and Elim.	Group
Revenue from contracts and other operating income with external customers	64,553	14,783	15,844	1,329	14'241	-23	110,727
Revenue from transactions and other operating income with other segments	1'350	3	17	-	4,634	-6,004	-
Total operating revenue	65,903	14,786	15,861	1,329	18,875	-6,027	110,727
<i>Revenue growth (vs. 2019)</i>	<i>-19%</i>	<i>-32%</i>	<i>-32%</i>	<i>-30%</i>	<i>-18%</i>	<i>n.a.</i>	<i>-23%</i>
EBIT	-13,343	947	2,040	-2,523	1,497	-1,185	-12,567
Assets	184,565	26,427	20,719	59,218	49,692	-1,422	339,199
Liabilities	170,221	11,253	10,845	22,979	37,594	-88,506	164,386
Investments in PPE	9,487	85	4	4,548	1,934	429	16,487
D&A PPE	11,380	308	243	393	1,792	29	14,145
Investments in Intangibles	32	128	52	366	307	70	955
D&A Intangibles	5,111	292	82	81	366	90	6,022



Currency-adjusted growth in 2020 was -24%

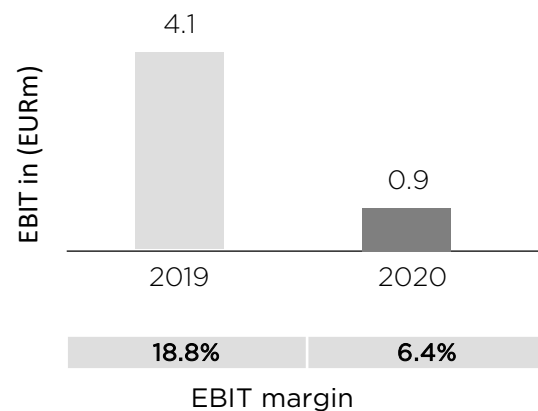
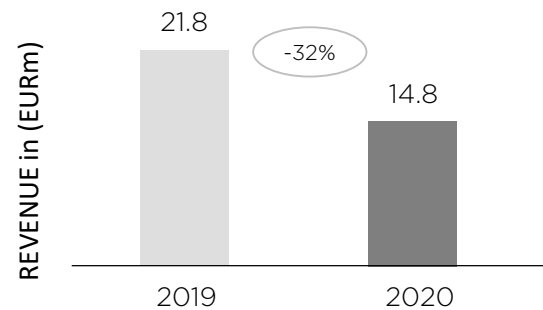
¹ Revenue from contracts and other operating income with external customers; Alain Delon (discontinued) around 1%

Lalique segment: slightly improved operational profitability excluding one-off effects



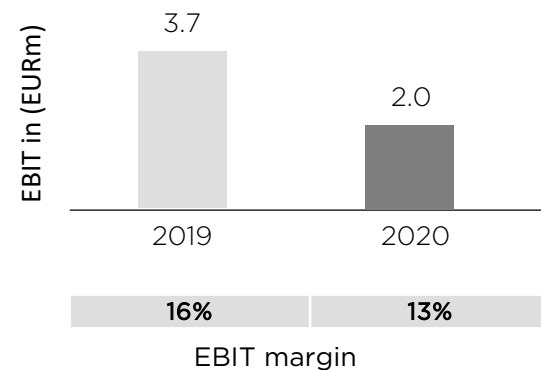
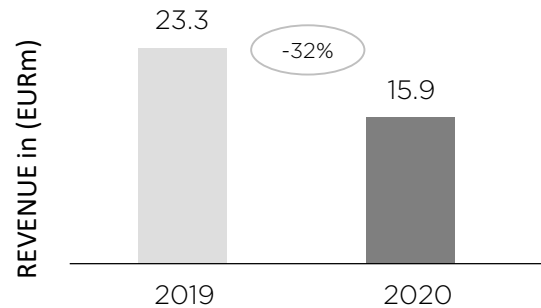
- Sales declined by 25% in perfume business and by 15% in crystal vs 2019; slightly improved sales momentum in perfumes and crystal in 2H versus 1H
- Reduced sales in retail stores (Covid-19 related closures in most countries) were partly compensated by sales through own online channels and to online distributors; in perfumes, online sales doubled to c. 8% of overall sales; in crystal, online sales increased to 8% of retail sales
- Gastronomy/Hospitality establishments closed for more than four months overall
- Costs impacted by brand impairment (EUR 4.3m) and legal provision for a legal case in France (EUR 2.4m); excluding these one-off effects, costs were down 19% vs prior year
- EBIT excluding one-off effects was EUR -6.6m, thanks to improved operating results in Japan and China, as well as cost reductions in all other subsidiaries

Ultrasun: strongly affected by lockdown as well as year-long travel restrictions but achieved positive EBIT



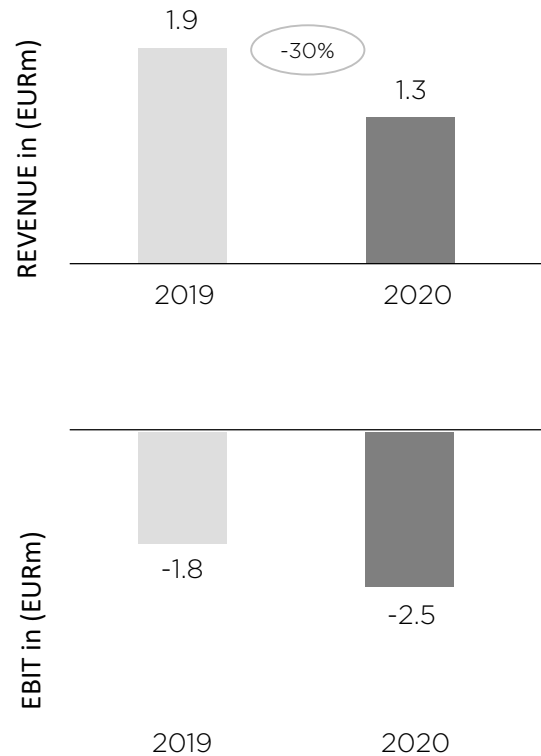
- Operating revenue down -32% as a result of lockdown measures including closing of shops and year-long travel restrictions in most key markets of Ultrasun
- Costs reduced by 15% reflecting furlough measures and cuts in operating expenses
- Focus on pharmacies and drugstores continues to prove successful
- EBIT reduced to EUR 0.9m with an EBIT margin of 6.4%

Jaguar: continued strong profitability despite substantial revenue decline



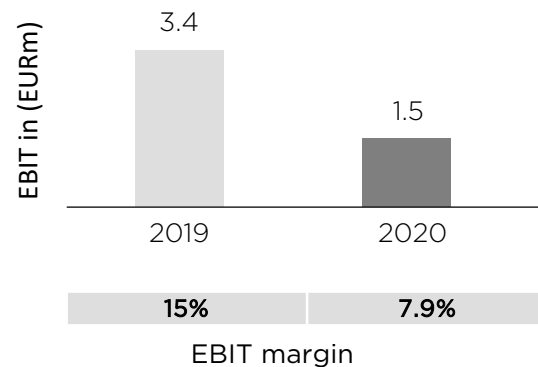
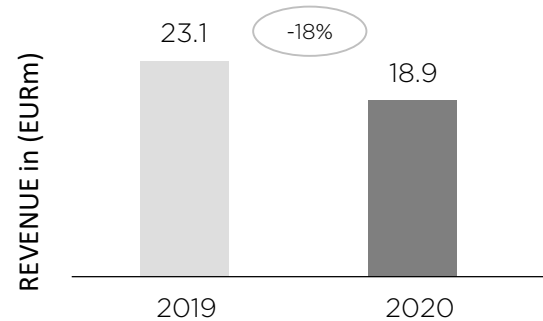
- Operating revenues declined by -32% as a result of business restrictions in the context of the Covid-19 pandemic
- Successful launch of new fragrance in Germany supported sales especially in 2H 2020
- EBIT reached EUR 2.0m
- Profitability remained high with an EBIT margin of 13%

Glenturret: behind plan due to delayed launch of new whisky range and closure of visitor centre



- Operating revenue declined, as launch of new whisky range had to be delayed until autumn 2020
- Visitor centre remained shut for 9 months due to lockdown in the UK
- EBIT stood at EUR -2.5m

Other brands: remained profitable with EBIT-margin of 7.9%



- Bentley Fragrances revenue decline was moderate (-5%) thanks to favourable developments in various markets, as well as online
- Parfums Samouraï saw relatively strong decline of revenues (-21%) as Japan was in state of emergency for several months during 2020
- Parfum Grès reported -23% revenues due to challenging situation in key markets such as Spain and the US
- Production of hand sanitizer for third-party clients partly compensated reduced activity at Lalique Beauty Services
- EBIT declined to EUR 1.5m with EBIT margin of 7.9%

Balance sheet remains solid

in EURm	31.12.2020	31.12.2019
Cash and cash equivalents	66.7	48.8
Trade accounts receivable	15.1	21.1
Inventories	78.0	82.8
Other current assets	8.0	9.7
Property, plant and equipment	76.7	77.9
Intangible assets	84.8	93.0
Other non-current assets	9.9	9.5
Total assets	339.2	342.8
Bank overdrafts	44.3	41.6
Trade accounts payable	17.6	16.0
Other current liabilities	23.7	33.4
Non-current financial liabilities	58.9	36.9
Other non-current liabilities	19.9	22.7
Total liabilities	164.4	150.6
Total equity	174.8	192.2
Total liabilities and equity	339.2	342.8

- Net cash position increased noticeably by EUR 15.2m to 22.4m reflecting significantly improved working capital (inventories, accounts receivables) as well as Covid credits
- Net debt decreased to EUR 44.9m from EUR 49.9 as at 31.12.2019
- Liquidity ratio improved to 2.0 from 1.8
- Equity ratio remains strong at 46.2% compared to 50.1% as at year end 2019

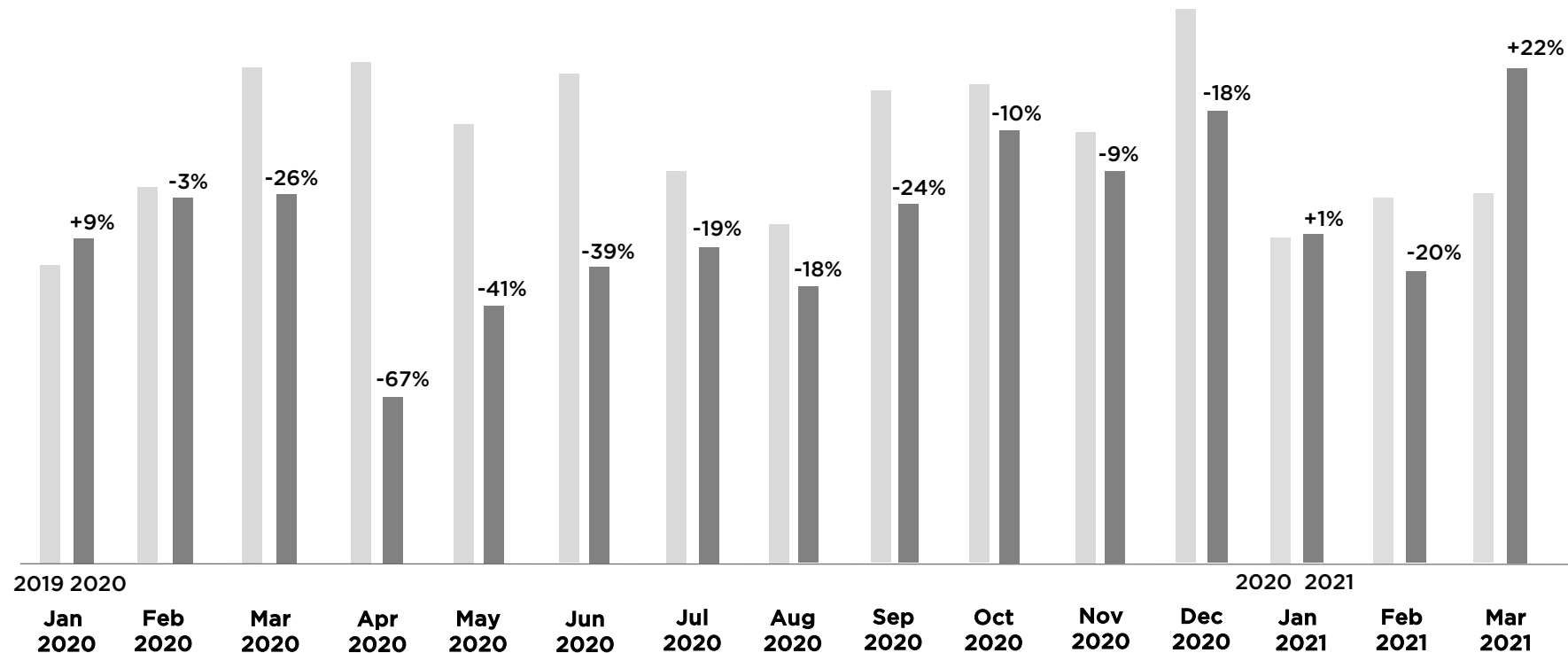
in EURm	31.12.2020	31.12.2019
Total equity before non-controlling interests	156.6	171.9
Equity ratio	46.2%	50.1%

Business Priorities and Outlook



Pleasant sales development in recent months while Covid related risks remain

Group net sales to third parties: monthly deviation versus prior year



- Sharp drop in net sales in March and April 2020
- Slow and steady recovery in Q3 and Q4-2020
- Solid sales development in Q1-2021 despite ongoing Covid-19 pandemic

Business priorities for 2021

- Continued focus on health protection amid persistent Covid-19 pandemic; silver lining thanks to vaccine campaigns
- Continued strict cost management, in line with sales developments and improving business environment
- Selected product launches and projects:
 - First fragrance under new exclusive Brioni licence successfully launched in March 2021
 - Reopening of The Glenturret distillery, including visitor centre and café and shop (planned in April 2021) and the new Lalique fine-dining restaurant headed by Michelin-starred chef Mark Donald (planned in June 2021)
 - Ultrasun: Re-establish sales in key market UK, setup own sales organization in Germany and winning Chinese customers with new product launches
 - Development and launch, in Q3 or Q4-2021, of improved Ultrasun formulas for the Asian region and the Chinese market in particular
- Continued focus on improving profitability in Lalique segment
- Further expansion of digital marketing and online distribution activities for all segments

Financial outlook

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

Mid-term, from today's perspective:

- Lalique Group anticipates that Covid-19 situation will lead to a delay of around 2-3 years in the achievement of its previously communicated mid-term profitability targets (mid-single-digit revenue growth in local currencies, gradual increase in EBIT margin to 9-11%)

Summary

- 2020 business activities heavily impacted by Covid-19 pandemic, although less severely than initially anticipated
- Decline in sales was partly offset by significant cost-saving measures and costs will continue to be tightly managed
- Covid-19 situation is likely to remain unpredictable in 2021, but improved sales trends in Q1 2021
- Liquidity and capital positions remain solid (equity ratio above 46%)
- Focus on improving profitability in Lalique segment, among others in US and Japan markets
- Group diversification strategy maintained with aim to benefit from the broad base of its business segments

Appendix



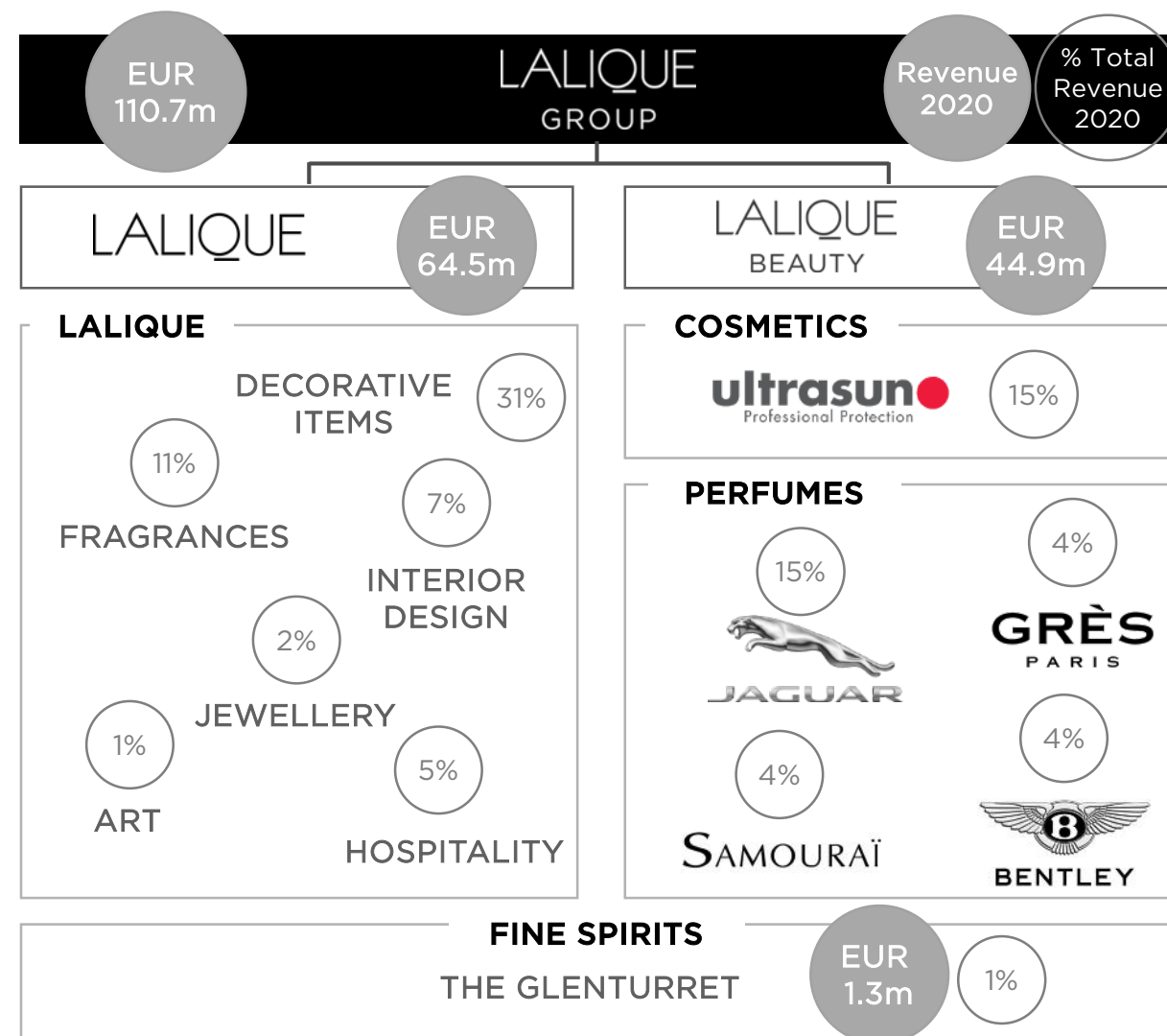
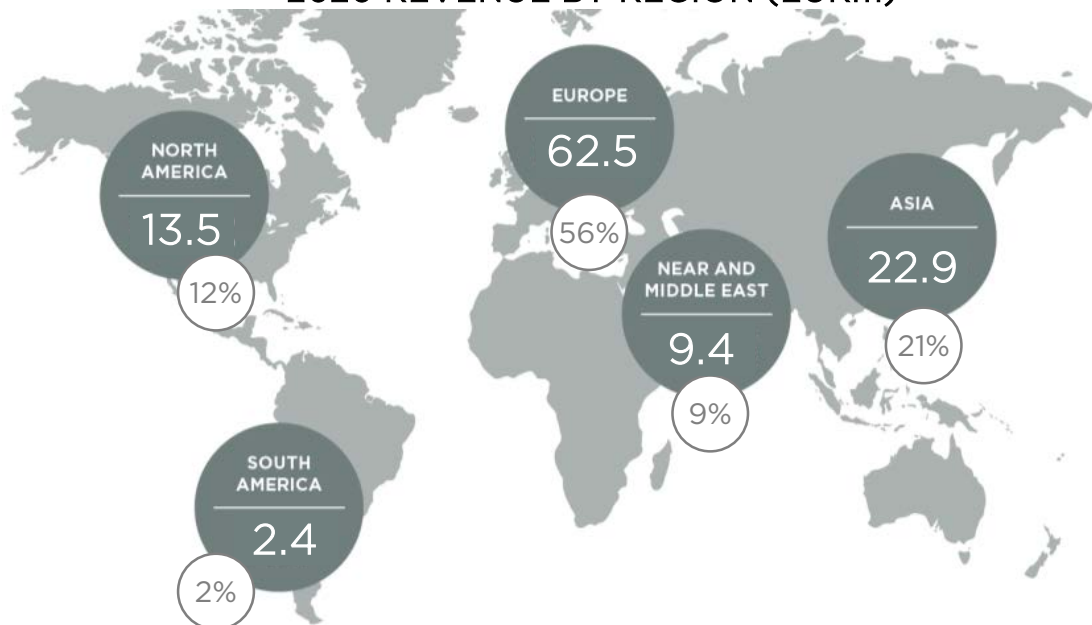
Lalique Group product portfolio reflects diversification strategy

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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
- 678 FTEs (31.12.2020)

2020 REVENUE BY REGION (EURm)



Consolidated income statement

in EUR thousands	2020	2019
Revenue from contracts with customers	109,154	141,795
Other operating income	1,573	1,679
Operating revenue	110,727	143,474
Material costs	-51,600	-61,703
Gross profit	59,127	81,771
Salaries and wages	-28,659	-35,521
Other operating expenses	-22,868	-30,034
EBITDA	7,600	16,216
Depreciation and amortisation / impairment	-20,167	-14,829
EBIT	-12,567	1,387
Financial income	68	61
Financial expenses	-1,258	-1,887
Net foreign exchange differences	-1,268	-105
Group loss before tax	-15,025	-544
Income taxes	-1	1,637
Net Group loss/ profit	-15,026	1,093
of which attributable to:		
Non-controlling interests	-2,402	-2,351
Owners of the parent company	-12,624	3,444
Earnings per share (EUR)	-1.76	0.52

Consolidated balance sheet

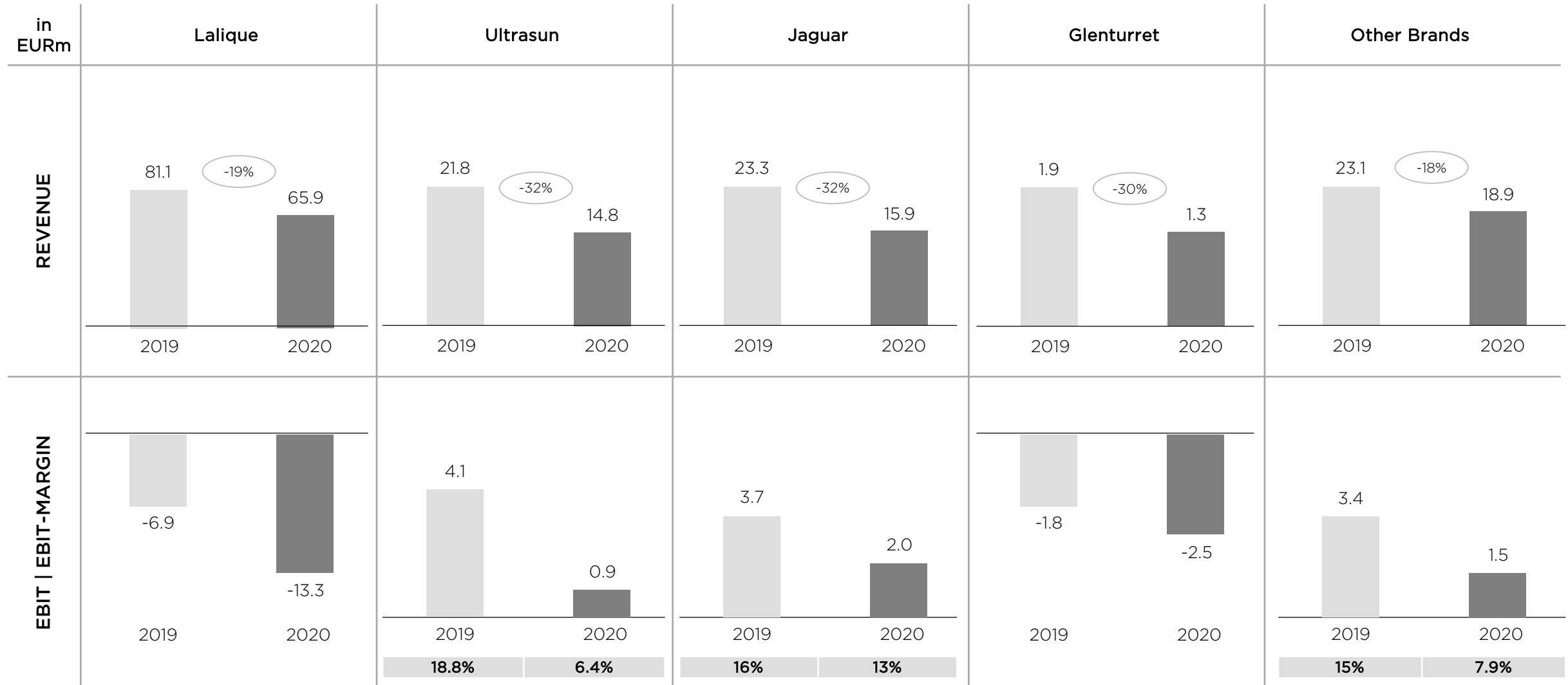
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in TEUR	31.12.2020	31.12.2019
Cash and cash equivalents	66,697	48,845
Trade accounts receivable	15,101	21,070
Inventories	77,987	82,790
Other receivables	7,957	9,679
Total current assets	167,742	162,384
Intangible assets	84,818	93,031
Property, plant and equipment	76,671	77,915
Financial assets	650	-
Other non-current assets	5,451	5,459
Deferred tax assets	3,867	4,025
Total non-current assets	171,457	180,430
Total assets	339,199	342,814

in TEUR	31.12.2020	31.12.2019
Bank overdrafts	44,271	41,623
Trade accounts payable	17,614	15,953
Current provisions	2,526	-
Income tax liabilities	927	1,735
Other current liabilities	20,197	31,667
Total current liabilities	85,535	90,980
Other non-current liabilities	2,460	4,149
Non-current provisions	517	159
Non-current financial liabilities	58,923	36,947
Defined benefit obligation	5,427	5,712
Deferred tax liabilities	11,524	12,687
Total non-current liabilities	78,851	59,654
Total liabilities	164,386	150,634
Share capital	1,204	1,204
Capital reserves	85,378	85,378
Retained earnings / other reserves	70,036	85,276
Total equity before non-controlling interests	156,618	171,858
Non-controlling interests	18,195	20,322
Total equity	174,813	192,180
Total liabilities and equity	339,199	342,814

Revenue and EBIT by segments 2020

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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

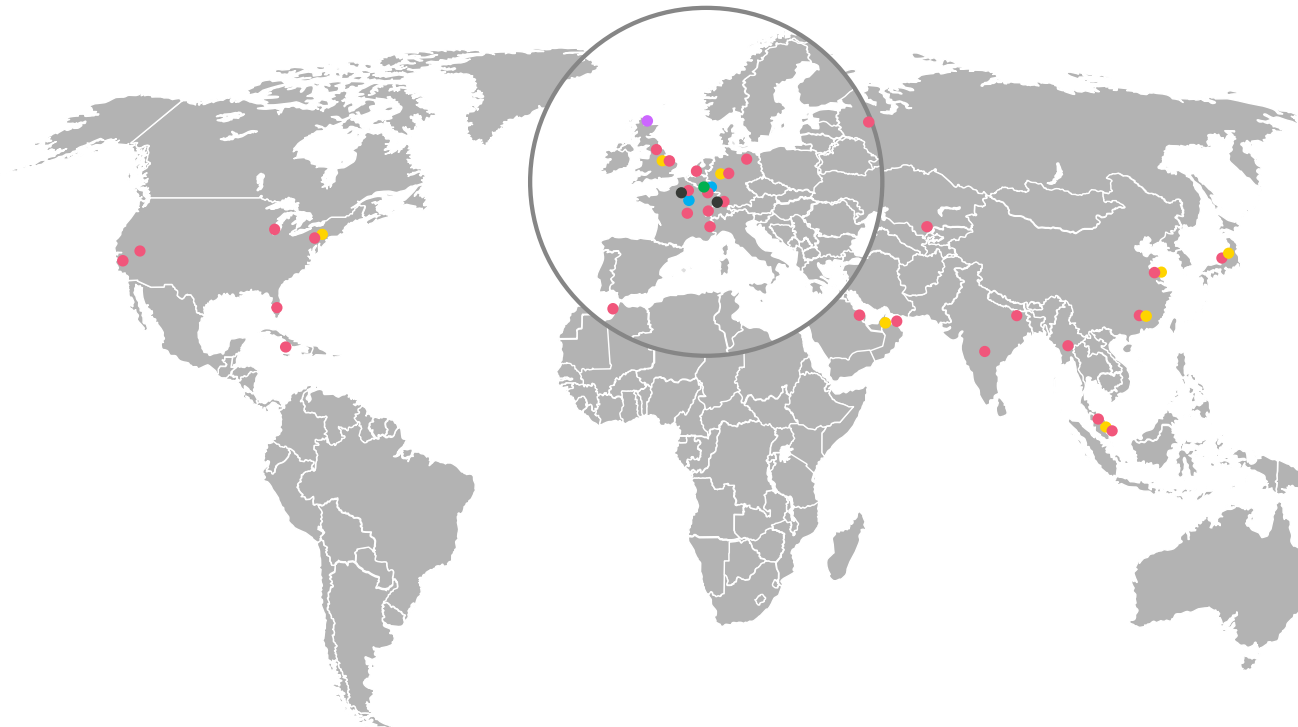
The Glenturret ●

- 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: 11 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)

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