

# LALIQUE GROUP

MEDIA RELEASE

Annual results for 2017

## **Lalique Group publishes 2017 annual results and announces rights issue as well as listing on SIX Swiss Exchange**

*Zurich, 26 April 2018* - **Lalique Group SA (BX: LLQ), which is active in the creation, development, marketing and worldwide distribution of luxury goods, achieved a good result in 2017. Operating revenue grew by 4% year-on-year to EUR 128.8 million. Net Group profit rose to EUR 6.9 million, compared with EUR 1.0 million in the previous year. The company also announced that the previously disclosed partnership agreement with Damian Limited is not to go ahead. The Board of Directors of Lalique Group has decided to propose a capital increase in the form of a rights issue up to a maximum of 1,000,000 new shares at the Annual General Meeting on 8 June 2018, with the primary goal of strengthening the company's balance sheet by converting shareholder loans into new shares. In the course of the capital increase, Lalique Group intends to pursue a listing of its shares on the SIX Swiss Exchange.**

Lalique Group achieved a good result in 2017. Operating revenue increased by 4% year-on-year to EUR 128.8 million, reflecting solid growth both in the beauty division and the crystal and interior design business. Personnel costs increased by 6% to EUR 30.5 million, mainly due to the continuing expansion of the business. Other operating expenses fell by 2% to EUR 30.2 million.

Earnings before interests and taxes (EBIT) rose to EUR 7.5 million compared with EUR 3.6 million in the previous year, which had been adversely affected by an extraordinary impairment of EUR 1.7 million in the Lalique segment. Including a positive tax effect of EUR 1.9 million in connection with the company tax reform in France, net Group profit increased to EUR 6.9 million (previous year: EUR 1.0 million).

The Lalique segment recorded a 4% decrease in sales in 2017, which came in at EUR 77.7 million. While the crystal business saw modest growth, Lalique Parfums had to take a drop in sales in the USA and the Middle East in order to consolidate international distribution of the brand. In the interior design business, new projects such as the co-branding partnership with Japanese jeweller Mikimoto contributed to a positive performance. The Lalique Art business reported pleasing growth, further raising its profile thanks to the renewed collaboration with artist Damien Hirst. The segment's costs fell by 6% overall, mainly reflecting the above-mentioned impairment in 2016. EBIT in 2017 amounted to EUR -0.5 million (previous year: EUR -2.5 million).

The Ultrasun segment reported further healthy growth in the year under review, both in existing and in new markets. Geographic reach across diverse regions was further strengthened in 2017, and the entry into the Chinese market exceeded expectations. While the newly introduced product formulations allowed a greater

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focus on the dermatology market and stronger sales through pharmacies and drugstores, Ultrasun's "Face" line, developed for daily use, increased the potential for a year-round presence at points of sale. Sales grew overall by 19% to EUR 13.0 million. At the same time, costs rose by 26%, primarily due to the removal of old stocks from the range. EBIT came in at EUR 0.8 million, compared with EUR 1.2 million in the previous year.

In the other segments, Jaguar Fragrances (sales up 35%) once again reported a very positive performance across all product lines in its largest regions. Both product launches in the past year were positively received in the market and contributed to this result. On the other hand, sales of Parfums Grès declined (-9%), largely due to negative business performance in the USA. The other brands all posted higher sales. Bentley Fragrances developed very positively, especially in Asia and Europe, achieving sales growth of 16%. Parfums Samouraï benefitted from a particularly positive market response, generating a 19% increase in sales.

The perfume filling and logistics operation Lalique Beauty Services had a successful year. Thanks to the newly built extension inaugurated in July 2017, storage capacity at the logistics centre was doubled. In September 2018, a new filling facility is set to come on stream, further increasing the plant's capacity and productivity.

## **Dividend**

For the 2017 financial year, the Board of Directors will propose an unchanged dividend of CHF 0.50 per share at the Annual General Meeting on 8 June 2018.

## **Update on previously announced partnership agreement**

The partnership agreement with Damian Limited of Hong Kong, announced on 7 November 2017, which would have entailed a rights issue, will not go ahead. Damian Limited withdrew from the planned partnership for internal reasons.

## **Rights issue and listing on SIX Swiss Exchange**

The Board of Directors of Lalique Group has decided to propose an ordinary capital increase in the form of a rights issue at the Annual General Meeting on 8 June 2018. The principal aim is to further strengthen the company's balance sheet.

Subject to shareholder approval, the current share capital of CHF 1,000,000 will be increased by up to 1,000,000 new shares, representing a total nominal amount of up to CHF 200,000. The existing shareholders will be granted subscription rights, entitling them to subscribe to one new share of Lalique Group for every five shares held at an offer price of CHF 30. As part of the capital increase, Silvio Denz, Chairman of Lalique Group and majority shareholder with 72.04%, will convert shareholder loans granted to the company in an amount of CHF 21,612,000 into 720,400 new shares.

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The capital increase is expected to be concluded in June 2018. The gross proceeds of up to CHF 8,388,000 from the cash capital increase (excluding conversion of the shareholder loans) will further strengthen Lalique Group's liquid assets, ensuring even greater flexibility with regard to future investments in the business.

Lalique Group is considering various measures to enhance its profile with the capital market and further broaden its investor base. Against this background, the Group intends to pursue a change of listing from the BX Berne eXchange to the SIX Swiss Exchange. Subject to the corresponding applications receiving approval from both stock exchanges, listing on the SIX Swiss Exchange is expected to coincide with the planned capital increase in June 2018, and delisting from the BX Berne eXchange should follow no later than August 2018.

### **Outlook**

Lalique Group is developing well with its strategy and expects to achieve further moderate growth in 2018. Its business model based on diversification and global orientation places the group in a very good position with its broad-based target clientele in the luxury goods market. Going forward, Lalique Group aims to further broaden its reach through targeted investments and cooperative ventures, which include the promising partnership with Singapore Airlines launched in January 2018. To mark the 130th anniversary of the Lalique brand in 2018, Lalique has launched the "Hirondelles" crystal and perfume collections under the sign of the swallow, the emblematic symbol of the brand, to give further impetus to its growth. A particular focus will continue to be placed on growth opportunities in the Far East.

Roger von der Weid, CEO of Lalique Group: "Lalique Group is well positioned with its diversified business model and continues to benefit from its geographic reach and product range, as underlined by our 2017 financial results. We aim to build on this solid basis and are confident that our businesses will further develop positively. It is regrettable that the intended partnership in the Far East will not go ahead, and we will continue to look out for targeted opportunities to enhance the presence of the Lalique brand in Asia. The proposed rights issue will help Lalique Group to pursue its development from an even stronger position."

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## **Lalique Group**

Lalique Group is a niche player in the creation, development, marketing and global distribution of luxury goods. Its business areas comprise perfumes, cosmetics, crystal, jewellery, high-end furniture and living accessories, along with art, gastronomy and hospitality. Founded in 2000, the company employs approx. 600 staff and has its headquarters in Zurich. The Lalique brand, from which the Group derives its name, was created in Paris in 1888 by the master glassmaker and jewellery designer René Lalique.

The registered shares of Lalique Group SA (LLQ) are listed on the BX Berne eXchange.

You can find further information at [www.lalique-group.com](http://www.lalique-group.com).

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## Development of key figures for Lalique Group

In EUR million

	2017	2016
<b>Operating revenue</b>	128.8	123.6
<b>Gross profit</b>	75.3	70.3
Personnel costs	-30.5	-28.9
Other operating expenses	-30.2	-30.9
<b>EBITDA</b>	14.6	10.6
<b>EBIT</b>	7.5	3.6
EBIT margin	5.8%	2.9%
Financial result	-1.0	-1.6
<b>Net Group result</b>	6.9	1.0

In EUR

<b>Earnings per share</b>	1.40	0.39
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In EUR million

	31.12.2017	31.12.2016
<b>Total equity (before shares with noncontrolling interests)</b>	93.2	89.3
Equity ratio	40.4%	41.5%

The complete consolidated financial statements for 2017 are available at  
**[www.lalique-group.com/financial](http://www.lalique-group.com/financial)**