LALIQUE GROUP

MEDIA RELEASE

Lalique Group announces 2020 half-year results

Zurich, 9 September 2020 – **Lalique Group SA (SIX: LLQ), which is active in the creation, development, marketing and worldwide distribution of luxury goods, generated operating revenue of EUR 49.1 million in the first half of 2020. This 30% decrease compared to the prior year is attributable to the particularly challenging conditions for the luxury goods sector due to the Covid-19 pandemic and was partly offset by savings measures. In addition, the Group recorded a non-cash impairment charge of EUR 4.3 million before taxes on the brand value of Lalique, leading to a reduction in EBIT to EUR -10.0 million. In view of the improved trends in all segments since the second half of May, Lalique Group expects that for the full year 2020, the reduction in sales will be less pronounced than in the first half of the year, provided the severity of the pandemic does not increase again. Barring unforeseen events, the Group expects growth in sales to be in the low double-digit percentage range for 2021 compared to 2020.**

A telephone conference for investors, analysts and the media will be held today at 10.00 CEST.

In the first half of 2020, the Covid-19 pandemic and the resulting disruption to the economy had an adverse impact on the activities of Lalique Group in all segments and market regions. In particular, global lockdown measures – which were in place in most countries from mid-March until around the end of May – led to a significant decline in sales that equally affected the wholesale and the retail businesses. Overall, the Group's operating revenue decreased by 30% to EUR 49.1 million compared to the first half of 2019. In local currencies, the reduction in sales was also 30%.

As a result of the easing of lockdown measures, Lalique Group has seen an improvement in sales trends in all segments since the second half of May, although the global economic downturn and continued protective measures at a local level are continuing to impact on the business.

On the cost side, Lalique Group implemented measures to maintain the company's capital and liquidity position and to generate savings. These included a substantial reduction in marketing initiatives, the deferral of projects to develop and launch new products, a hiring freeze, and salary and bonus waivers by members of the Board of Directors and the Executive Board. The Group also introduced short-time working or equivalent support measures for the majority of employees at its head office in Zurich and in all its locations in France, as well as overseas. Further, it was able to secure rent reductions for points of sale that were temporarily closed. These measures contributed to an 18% decrease in personnel costs to EUR 14.1 million in the first half of 2020. At EUR 10.0 million, other operating expenses were 36% lower than in the prior-year period.

Due to the subdued earnings prospects as a result of the Covid-19 crisis and the anticipated delay in the implementation of its strategic plans, Lalique Group recorded a non-cash impairment charge in the first half of 2020 on the brand value of Lalique that was acquired in 2008, which had an impact of EUR -4.3 million on earnings before interest and taxes (EBIT) and of EUR -3.2 million on net Group profit. As a result, EBIT totalled EUR -10.0 million in the first half of 2020, compared to EUR 0.5 million in the prior-year period. Net Group profit amounted to EUR -10.6 million, compared to EUR -2.8 million in the first half of 2019.

Lalique Group continues to have a solid liquidity and capital position with an equity ratio of 50.7% at the end of June 2020, compared to 50.1% at the end of 2019.

Segment results

The Lalique segment recorded a 31% reduction in sales to EUR 24.6 million in the first half of 2020, with a decrease of 51% in the perfume business and 21% in the crystal business. The decline in sales at the Lalique boutiques was partly offset by higher sales via Lalique's own online channels as well as with online merchants. From a regional perspective, sales in the US were most severely affected by the Covid-19 situation. The segment's costs were reduced by 23%, the impairment charge excluded. Including the impairment charge, this resulted in EBIT of EUR -10.7 million (prior-year period: EUR -4.5 million).

Ultrasun achieved sales of EUR 12.5 million in the seasonally stronger first half of 2020, down 20% compared to the prior-year period. In the key markets Switzerland and the UK in particular, the drop in sales was limited despite the Covid-19 situation, with decreases of 12% and 15%, respectively. In Switzerland, the proportion of sales generated from the distribution of products through pharmacies and drugstores continued to grow. In the UK, distribution via TV and online channels offset a significant portion of the reduction in sales at retail outlets. Overall, costs decreased by 7%. Profitability at EBIT level was EUR 2.0 million (prior-year period: EUR 3.9 million).

In the Jaguar Fragrances segment, sales declined by 40%. However, with EBIT of EUR 0.2 million, the top-selling perfume brand in Lalique Group's portfolio remained profitable (prior-year period: EUR 1.8 million). The Parfums Grès segment saw sales fall by 39% as its core markets in Spain and Latin America were severely affected by the pandemic. EBIT was EUR 0.0 million (prior year: EUR 0.6 million).

Among the other brands, Bentley Fragrances experienced a 34% decline in sales. Parfums Samouraï recorded a decrease of 47%, primarily reflecting strict protective measures in Japan. The perfume filling and logistics operation Lalique Beauty Services achieved a slight increase in sales during the reporting period, reflecting the fact that the filling facility could be used for the production of hand disinfectants for third-party clients. The whisky distillery The Glenturret, which has been fully consolidated by Lalique Group since the acquisition on 28 March 2019, recorded a 53% decrease in sales compared to the period from April to June 2019. On the one hand, the launch of a new whisky range had to be postponed, and on the other hand, there were practically no sales due to the closure of the visitor centre because of the lockdown.

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Outlook

Provided the severity of the Covid-19 pandemic does not increase again – and in view of the improved trends in all segments since the second half of May – Lalique Group expects that for the full year 2020, the decrease in sales will be less pronounced than in the first half of the year.

Aligned with the development in sales, Lalique Group will continue to exercise strict cost management in the second half of 2020. At the same time, the Group is planning to resume preparations for selected projects and new launches that had been deferred. The rebranding of the distillery The Glenturret – together with the launch of the new whisky range led by the renowned whisky maker Bob Dalgarno – is currently planned for the fourth quarter of 2020, depending on the development of Covid-19 in Scotland. The launch of the first perfume under the new Brioni license that was originally scheduled for the fourth quarter of 2020 is now planned for spring 2021. Digital marketing and online activities, as well as distribution via online merchants, will be further expanded for all segments.

Against the backdrop of the corona situation and the ongoing recession, Lalique Group will continue to consistently pursue its diversification strategy to make use of the breadth of its business. Barring a renewed increase in the severity of the Covid-19 pandemic or other unforeseen events, Lalique Group expects growth in sales to be in the low double-digit percentage range for 2021 compared to the anticipated reduced level of sales for 2020. As already announced in April 2020, the Group expects the achievement of its medium-term goals (sales growth in the mid-single digit percentage range and a gradual increase in the EBIT margin to 9%-11%) to be delayed. It will provide a further update when it presents its results for the full year 2020.

Roger von der Weid, CEO of Lalique Group: "In the first half of 2020, the lockdown measures introduced to combat Covid-19 had a very adverse effect on our entire business. Since mid-May, we have seen signs of recovery in all business segments that should continue in the second half of the year, provided the severity of the pandemic does not increase again. Lalique Group has maintained a very solid financial position, and we are convinced of the benefits of our broad-based business – especially in the current difficult economic environment. Against this backdrop, and always taking the corona-related developments into account, we will resume preparations for selected strategic initiatives in the coming months while at the same time pursuing our strict cost management."

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Documentation on half-year results 2020

The following documents are available on Lalique Group's website:
Media release www.lalique-group.com/media
Results presentation www.lalique-group.com/financial?section=presentations
Half-Year Report www.lalique-group.com/financial?section=reporting

Conference call for investors, analysts and the media

Date: Wednesday, 9 September 2020
Time: 10:00 a.m. CEST
Speakers: Roger von der Weid, CEO; Alexis Rubinstein, CFO

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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 as well as single malt whisky. Founded in 2000, the company employs approx. 720 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 SIX Swiss Exchange.

You can find further information at: www.lalique-group.com

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Development of key figures for Lalique Group

In EUR million

	1st half of 2020	1st half of 2019 Restated[1]
Operating revenue	49.1	70.0
Gross result	26.3	40.5
Salaries and wages	-14.1	-17.2
Other operating expenses	-10.0	-15.5
EBITDA	2.2	7.8
Depreciation and amortisation / impairment[2]	-12.2	-7.3
EBIT	-10.0	0.5
EBIT margin	-20%	0.7%
Financial result	-0.9	-0.7
Net Group profit	-10.6	-2.8

1) The Group restated the figures for the comparative period as at 30 June 2019 for the correction of an error in deferred taxes.
2) Non-cash impairment charge of EUR 4.3 million on the Lalique brand in the first half of 2020.

In EUR

Earnings per share	-1.44	-0.24

In EUR million

	30.06.2020	31.12.2019
Total equity **(before shares with non-controlling interests)**	163.4	171.9
Equity ratio	50.7%	50.1%

The complete consolidated financial statements for the first half of 2020 are available at **www.lalique-group.com/financial**