

# Lalique Group SA 2022 Full-Year Results Presentation

Zurich, 19 April 2023



# Overview

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## Overview 2022

Roger von der Weid, Chief Executive Officer

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## Financial Performance 2022

Alexis Rubinstein, Chief Financial Officer

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Roger von der Weid, Chief Executive Officer

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Q&A

James Turrell & Lalique, Purple Sage

# Overview 2022



# 2022 key financial takeaways

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1

Solid sales growth across business lines and markets – operating revenue of EUR 170.0m, up 20% vs. 2021 (EUR 142.0m) and 2019 (EUR 143.5m)

2

Perfumes business delivered strong performance across most brands, while Lalique segment grew at double-digit rates and Ultrasun returned back to growth

3

Overall cost increase reflects higher business volumes, intensified marketing and investments in enhanced production capacities

4

EBIT rose to EUR 13.2m (vs. EUR 9.6m in 2021) with EBIT margin of 7.7%; net Group profit of EUR 9.6m, up from EUR 6.8m in 2021

5

Board of Directors proposes 2022 dividend of CHF 0.50 per share, up from CHF 0.40 per share in 2021

Lalique Empreinte Animale crystal limited edition 2023

# 2022 business highlights

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1

The Glenturret Lalique Restaurant, opened in July 2021, was awarded a Michelin star in February 2022; Château Lafaurie-Peyraguey Hôtel & Restaurant Lalique, acquired in July 2021, was awarded a second Michelin star in March 2022

2

New perfume licencing agreement to create and market fragrances for global brand “Superdry” announced in April 2022

3

Strengthening of production capacities for further growth, including new electric furnace and cold glass equipment in crystal glass manufacture, as well as new mash tun at whisky distillery

4

As announced in July 2022, Lalique Group to operate Hotel and Restaurant ‘Villa Florhof’ – reopening planned for fall 2024

5

Acquisition of silk label Fabric Frontline announced in September 2022 – relaunch planned for 2024

Lalique Empreinte Animale collection 2023

# Financial Performance 2022



# FY 2022 key results

in EURm	2022	2021
<b>Operating revenue</b>	<b>170.0</b>	<b>142.0</b>
<i>Revenue growth</i>	<i>+20%</i>	<i>+28%</i>
<b>Gross profit</b>	<b>98.7</b>	<b>80.2</b>
Personnel costs	-42.0	-34.6
Other operating expenses	-27.8	-21.8
<b>EBITDA</b>	<b>28.9</b>	<b>23.8</b>
Depreciation and amortization	-15.7	-14.2
<b>EBIT</b>	<b>13.2</b>	<b>9.6</b>
EBIT margin	7.7%	6.8%
Financial result	-2.0	-1.1
Income taxes	-1.5	-1.7
<b>Net Group result</b>	<b>9.6</b>	<b>6.8</b>
Earnings per share (EUR)	1.35	1.14
Dividend per share (CHF)	0.50 <sup>1</sup>	0.40
<b>Total equity<sup>2</sup></b>	<b>178.8</b>	<b>168.9</b>
Equity ratio	50.0%	50.9%

- **Operating revenue** up 20% vs. 2021 (up 14% in local currencies)
- **Costs** reflect continued disciplined expense management as well as return to higher business volumes
- **EBIT** of EUR 13.2m vs. EUR 9.6m in 2021; excluding exceptional income of CHF 1.7m in H1 in connection with the resolution of a legal matter, 2022 EBIT was EUR 11.5m
- Covid-19 related government grants of EUR 0.1m vs. EUR 1.4m in 2021
- Furlough grants of EUR 0.1m vs. EUR 1.2m in 2021

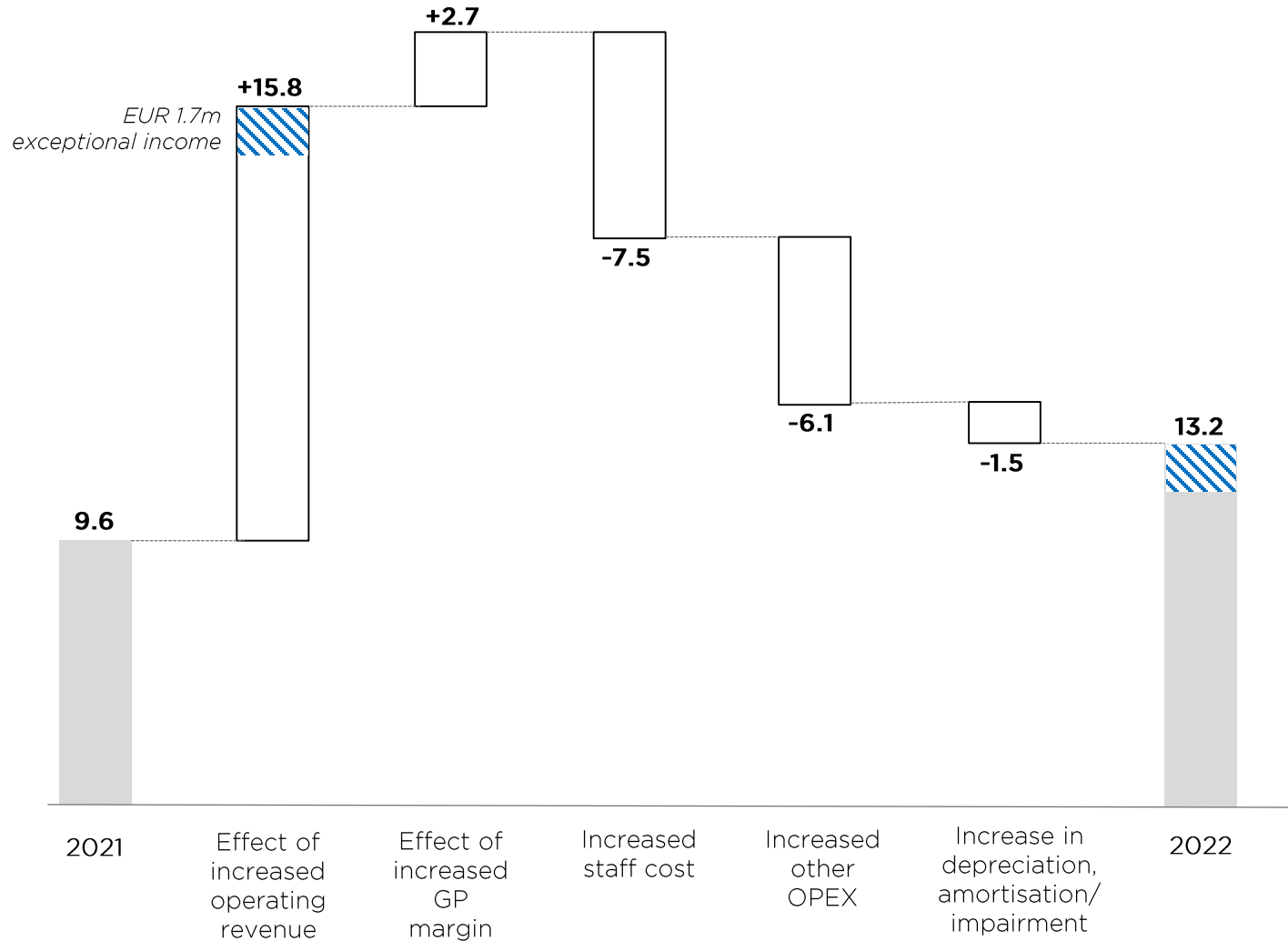
EBIT breakdown (in EURm)	2022	Margin
Lalique	4.3	4.5%
Ultrasun	0.5	3.2%
Jaguar	4.3	16.2%
Glenturret	-0.9	-
Other Brands	5.4	14.1%
Holding and eliminations	-0.4	-
<b>Lalique Group</b>	<b>13.2</b>	<b>7.7%</b>

<sup>1</sup> Proposal to AGM 2023

<sup>2</sup> Before non-controlling interests

# 2022 EBIT improved by EUR 3.6m

EBIT (in EURm)



Increase in 2022 EBIT driven by:

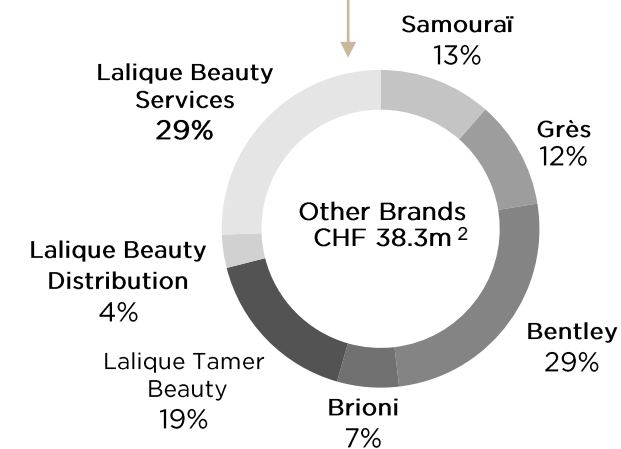
- Growth of operating revenue due to sales recovery in all markets resulting in EBIT increase of EUR 15.8m
- Improved gross profit margin of 58.1% vs. 56.5% in 2021
- Increased staff costs and other operating expenses reflecting higher business volumes, investments in FTE as well as intensified marketing



# FY 2022 results by segment

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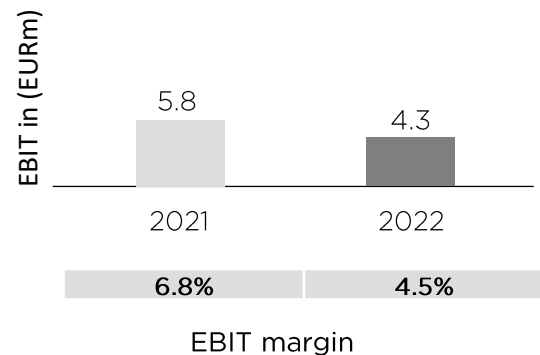
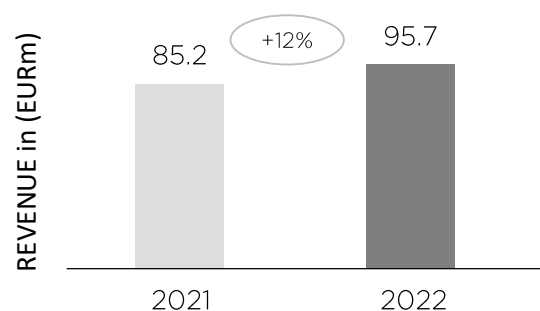
2022 segment results (in EUR thousand)	Lalique	Ultrasun	Jaguar	Glenturret	Other Brands	Holding and Elim.	Group
Revenue from contracts and other operating income with external customers	91,817	14,832	24,890	7,357	30,974	131	170,001
Revenue from transactions and other operating income with other segments	3,859	-	1,503	221	7,365	-12,948	-
<b>Total operating revenue</b>	<b>95,676</b>	<b>14,832</b>	<b>26,393</b>	<b>7,578</b>	<b>38,339</b>	<b>-12,817</b>	<b>170,001</b>
<i>Revenue growth (vs. 2021)</i>	12.3%	12.5%	27.7%	53.7%	48.5%	n.a.	19.8%
<b>EBIT</b>	<b>4,294</b>	<b>476</b>	<b>4,286</b>	<b>- 887</b>	<b>5,390</b>	<b>- 405</b>	<b>13,154</b>
Assets	201,033	21,950	22,016	60,247	66,974	-14,426	357,794
Liabilities	155,569	6,883	8,853	27,825	48,955	-86,980	161,105
Investments in PPE	21,913	1,275	60	5,147	2,046	241	30,682
D&A PPE	10,605	314	232	728	1,847	33	13,759
Investments in Intangibles	135	204	6	262	13,269	-	13,876
D&A Intangibles	1,103	180	102	167	392	4	1,948



<sup>1</sup> Currency-adjusted growth in 2021 was +29%

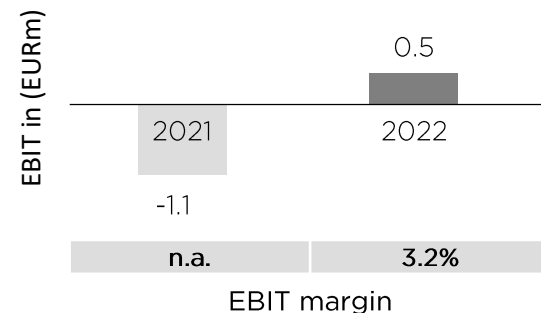
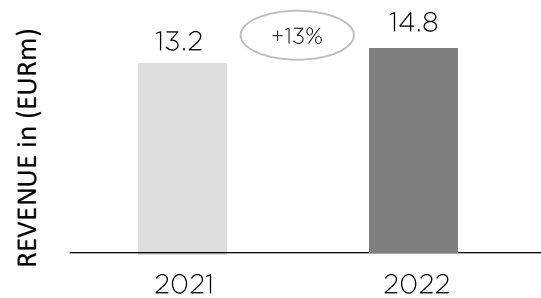
<sup>2</sup> Includes revenues from transactions with other segments (-13%)

# Lalique segment: strong revenue growth



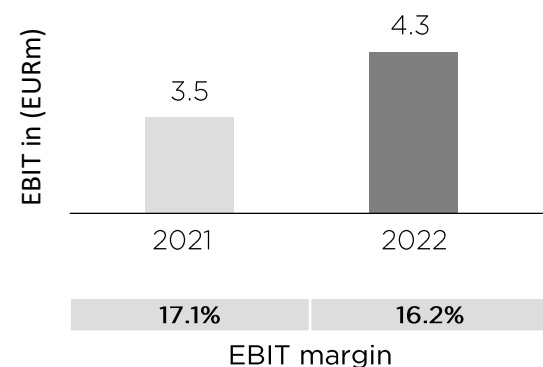
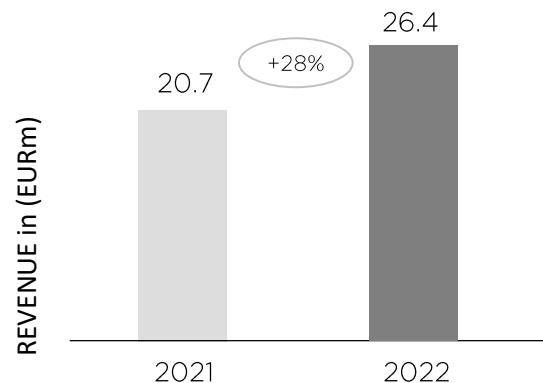
- Segment revenue up 12% vs. strong 2021 reflecting sales increases mainly in perfumes and crystal businesses
- Perfumes: operating revenue up 13%, with growth particularly driven by Near/Middle East markets and online retailers – strong EBIT increase by 27%
- Crystal: operating revenue up 11% with growth across almost all markets
- Gastronomy/hospitality: operating revenue up 44% particularly reflecting Château Lafaurie-Peyraguey Hotel & Restaurant acquired in 2021
- Segment costs up 22% due to intensified business activities following end of pandemic restrictions and investments in production capacities of crystal manufacture
- As a result, EBIT down to EUR 4.3m, from EUR 5.8m in 2021

# Ultrasun segment: business back on growth track



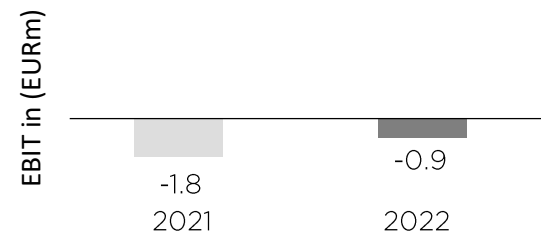
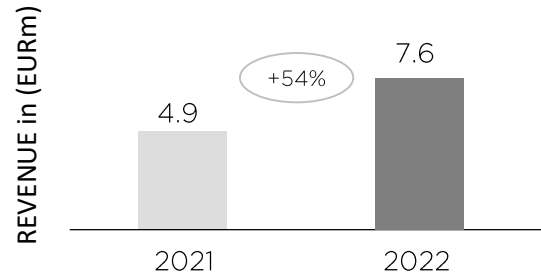
- Segment revenue up 13%
- Strong performance in particular in:
  - UK: 41% operating revenue growth vs. 2021 with online now being strongest distribution channel
  - CH: operating revenue up 30% vs 2021
  - China: revenue down in view of change of distribution partner
- Segment costs up 9% versus 2021 mainly due to intensified marketing activities (free goods, samples for new POS)
- EBIT reached EUR 0.5m in 2022 vs. EUR -1.1m in 2021

# Jaguar segment: strong profitability



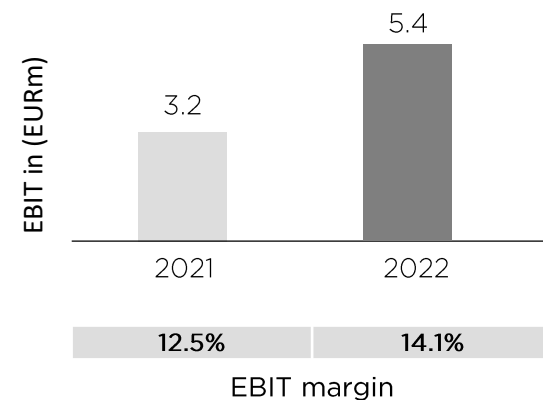
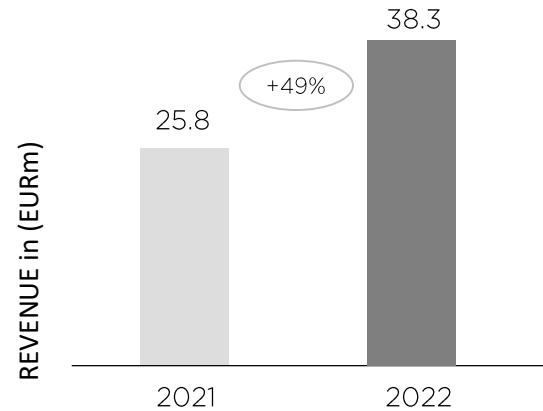
- Jaguar accelerated operating revenue growth over the 2022 period towards overall growth rate of 28% vs 2021
- Based on solid sales growth and controlled operating costs, EBIT improved to EUR 4.3m

# The Glenturret segment: strong growth of whisky sales



- Whisky sales noticeably increased in 2022 (up 54%), although new whisky range was launched later than originally planned in H2 2022
- Visitor centre, refurbished Café and new Lalique Restaurant contributed positively, with the former affected by poor international travel to Scotland
- Operating expenses increased as a result of expanded range of services, the launch of the Lalique Restaurant in particular
- EBIT reached EUR -0.9m, break-even expected in 2023

# Other brands segment: strong EBIT growth and margin improvement



- Bentley: operating revenue up 59% vs 2021; strong brand visibility across main markets worldwide
- Parfums Grès: 4% sales growth – approaching pre-pandemic level – driven by Latin American key markets
- Parfums Samouraï: 14% sales growth – approaching pre-pandemic level – driven by Japan key market despite difficult H1 with Covid-19 restrictions only lifted in H2
- Brioni: accelerated growth following launch of third Brioni perfume line
- Lalique Beauty Services: turnover up 19% as a result of sales growth in the perfumes business
- Segment EBIT improved noticeably to EUR 5.4m at EBIT margin of 14.1%

# Balance sheet remains solid

in EURm	31.12.2022	31.12.2021
Cash and cash equivalents	40.1	48.3
Trade accounts receivable	20.1	17.5
Inventories	86.5	80.0
Other current assets	7.1	7.4
Intangible assets	98.7	88.1
Property, plant and equipment	94.9	80.3
Other non-current assets	10.4	10.4
<b>Total assets</b>	<b>357.8</b>	<b>332.0</b>
Bank overdrafts	29.5	26.9
Trade accounts payable	23.0	18.9
Other current liabilities	33.4	41.5
Non-current financial liabilities	47.3	35.9
Other non-current liabilities	27.9	20.3
<b>Total liabilities</b>	<b>161.1</b>	<b>143.5</b>
<b>Total equity</b>	<b>196.7</b>	<b>188.5</b>
<b>Total liabilities and equity</b>	<b>357.8</b>	<b>332.0</b>

- Despite strong operating cash flow of EUR 25m, net cash position decreased by EUR 10.7m, after re-payment of EUR 15.4m Covid-19-related credits in H1 2022
- Intangible assets and other non-current liabilities increased due to capitalisation of Superdry licence rights and extended Bentley licence agreement (EUR 12.5m)
- Increase in property, plant and equipment mainly reflects investments in crystal, perfumes and whisky facilities for EUR 15.2m in order to increase production capacities.
- Other non current liabilities increase mainly reflects new lease commitments for EUR 5.9m as well as new loans from NCI shareholders at Glenturret for EUR 3.8m
- Net debt / EBITDA ratio remained stable at 1.7
- Strong equity ratio at 50.0% (2021: 50.9%)

in EURm	31.12.2022	31.12.2021
Total equity before non-controlling interests	178.8	168.9
Equity ratio	50.0%	50.9%

# Business Priorities and Outlook





# Business priorities for 2023

- Lalique Group will continue to consistently implement its diversification strategy as the breadth of its business has proven to be a strength in a global economic environment characterized by challenges and uncertainties
- Perfumes:
  - Various new launches in the pipeline, including a fourth Brioni fragrance, Bentley unisex perfume, Jaguar «Era» flanker as well as a completely new Lalique men's pillar
  - First fragrance under new perfume licensing agreement with global fashion brand Superdry scheduled for Spring 2024
- Ultrasun:
  - Launch of new ultralight fluids for Far Eastern markets and mineral sunscreen formulas for European markets
  - Continued revenue growth expected although slowed down by restructuring of China distribution
- Lalique:
  - Continued development of the Lalique brand by leveraging the group's gastronomy and hospitality business in particular
  - Roll-out of Empreinte Animale crystal collection, collaboration with Magritte Foundation and launch of new James Turrell art project
- The Glenturret:
  - Focus on further growth in whisky sales, with planned releases including the annual new range of whiskies and other exclusive or limited editions

# Financial outlook<sup>\*</sup>

## Full-year 2023 guidance:

- Lalique Group expects sales growth in the low ten percentage range
- Profitability is expected to be slightly lower than in 2022 due to higher energy costs in particular

## Mid-term targets, as set in April 2019:

- Lalique Group expects to achieve annual mid-single-digit % growth in local currencies
- The Covid-19 pandemic has led to a delay of around 2 years towards the achievement of a gradual increase in EBIT margin to 9-11%

<sup>\*</sup> Our short- and mid-term outlooks are subject to unforeseeable events such as a significant worsening of the global economic environment.

Q & A

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# Appendix



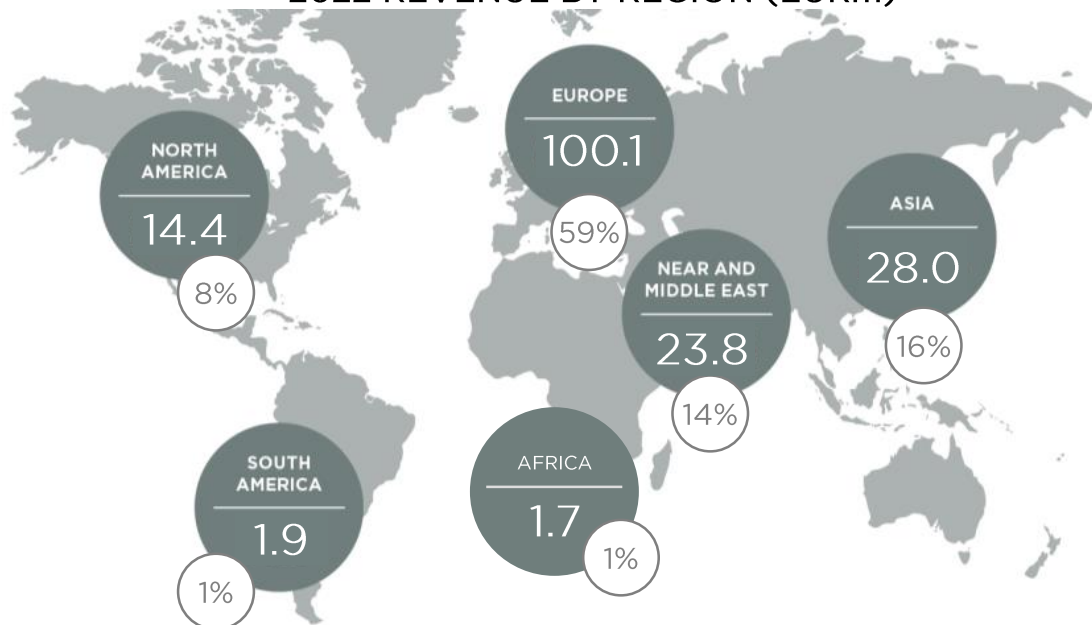
# Lalique Group product portfolio reflects diversification strategy

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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
- 766 FTEs (31.12.2022)

2022 REVENUE BY REGION (EURm)



Revenues from transactions with third party customers



<sup>1</sup> Lalique Beauty Services 1%, Lalique Beauty Distribution 1%, Lalique Tamer Beauty 4%



# Consolidated income statement

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in EUR thousands	2022	2021
Revenue from contracts with customers	167,530	138,645
Other operating income	2,471	3,306
<b>Operating revenue</b>	<b>170,001</b>	<b>141,951</b>
Material costs	-71,287	-61,789
<b>Gross profit</b>	<b>98,714</b>	<b>80,162</b>
Salaries and wages	-42,034	-34,554
Other operating expenses	-27,819	-21,763
<b>EBITDA</b>	<b>28,861</b>	<b>23,845</b>
Depreciation and amortisation / impairment	-15,707	-14,226
<b>EBIT</b>	<b>13,154</b>	<b>9,619</b>
Financial income	100	44
Financial expenses	-1,891	-1,517
Net foreign exchange differences	-210	396
<b>Group profit before tax</b>	<b>11,153</b>	<b>8,542</b>
Income taxes	-1,511	-1,722
<b>Net Group loss/ profit</b>	<b>9,642</b>	<b>6,820</b>
of which attributable to:		
Non-controlling interests	-12	-1,367
Owners of the parent company	9,654	8,187
Earnings per share (EUR)	1.35	1.14

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# Consolidated balance sheet

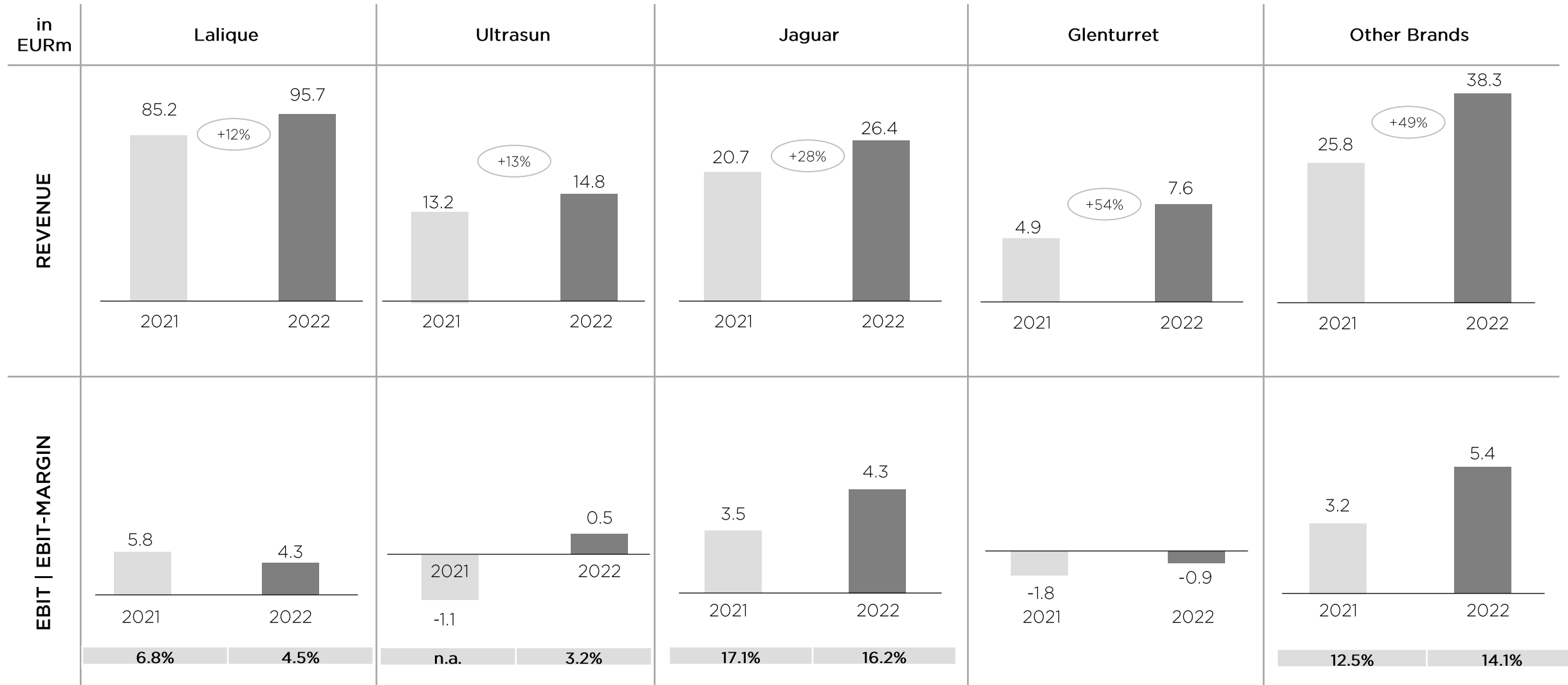
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in TEUR	31.12.2022	31.12.2021
Cash and cash equivalents	40,147	48,256
Trade accounts receivable	20,088	17,489
Inventories	86,505	80,031
Other receivables	7,068	7,363
<b>Total current assets</b>	<b>153,808</b>	<b>153,139</b>
Intangible assets	98,680	88,121
Property, plant and equipment	94,851	80,293
Financial assets	1,730	1,050
Other non-current assets	5,502	5,481
Deferred tax assets	3,223	3,906
<b>Total non-current assets</b>	<b>203,986</b>	<b>178,851</b>
<b>Total assets</b>	<b>357,794</b>	<b>331,990</b>

in TEUR	31.12.2022	31.12.2021
Bank overdrafts	29,487	26,852
Trade accounts payable	22,996	18,921
Current provisions	327	820
Income tax liabilities	2,454	1,269
Other current liabilities	30,664	39,478
<b>Total current liabilities</b>	<b>85,928</b>	<b>87,340</b>
Other non-current liabilities	12,272	1,219
Non-current provisions	1,096	1,437
Non-current financial liabilities	47,286	35,864
Defined benefit obligation	3,173	5,432
Deferred tax liabilities	11,350	12,236
<b>Total non-current liabilities</b>	<b>75,177</b>	<b>56,188</b>
<b>Total liabilities</b>	<b>161,105</b>	<b>143,528</b>
Share capital	1,204	1,204
Capital reserves	83,984	85,378
Retained earnings	93,569	82,305
<b>Total equity before non-controlling interests</b>	<b>178,757</b>	<b>168,887</b>
Non-controlling interests	17,932	19,575
<b>Total equity</b>	<b>196,689</b>	<b>188,462</b>
<b>Total liabilities and equity</b>	<b>357,794</b>	<b>331,990</b>

# Revenue and EBIT by segments 2022

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



# Global presence

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## Headquarters ●

### Lalique Group SA

- Grubenstrasse 18, Zurich, Switzerland

### Lalique SA

- 30 rue de Prony, Paris, France  
(from end of June 2023)

## Manufacturing sites ●

- Lalique
- Lalique Beauty Services

## The Glenturret ●

- Whisky Distillery, The Hosh, Crieff, United Kingdom

## Lalique own boutiques ●

**Europe:** 12 stores

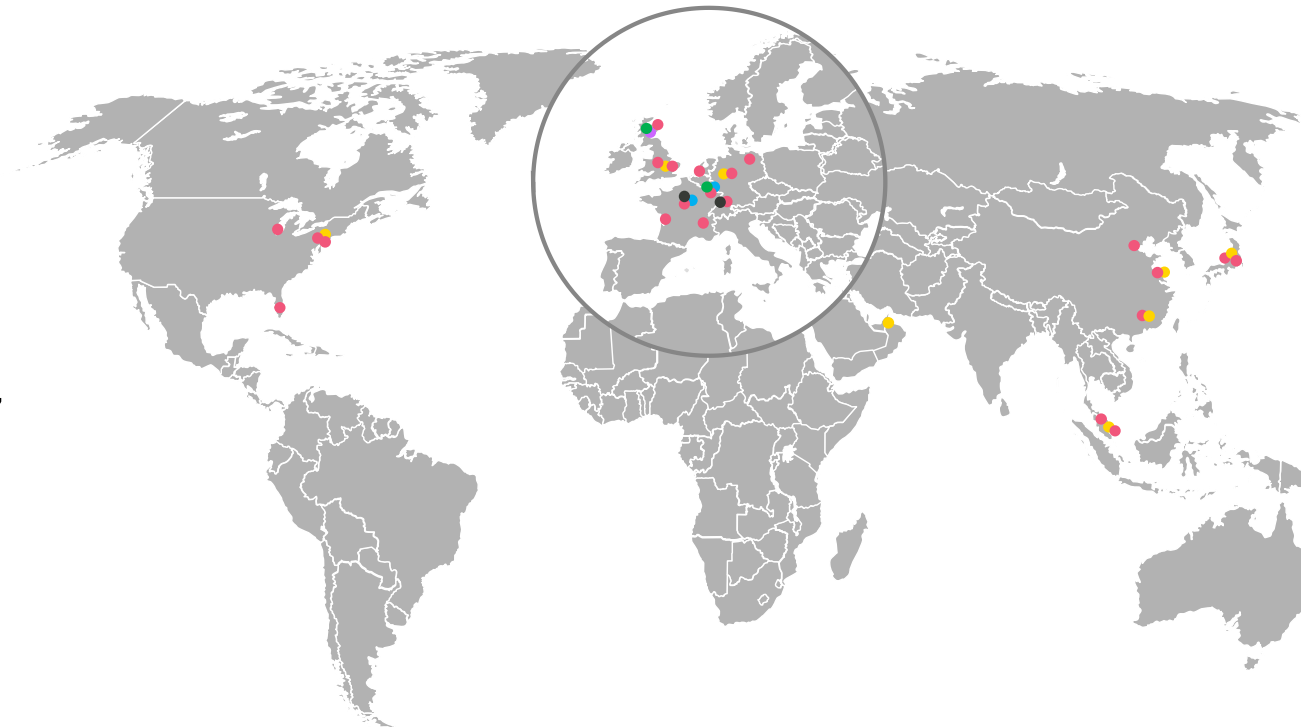
**USA:** 2 stores

**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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