

Lalique Group SA 2022 Half-Year Results Presentation

Zurich, 14 September 2022



Overview



1

Overview of H1 2022

Roger von der Weid, Chief Executive Officer

2

Financial performance in H1 2022

Alexis Rubinstein, Chief Financial Officer

3

Business priorities and outlook

Roger von der Weid, Chief Executive Officer

4

Q&A

Lalique Château Lafaurie-Peyraguey in Bordeaux

Overview of H1 2022



Broad-based sales growth in H1 2022



Crafting the Lalique crystal *Fusion* flacon

- 1 Business recovered significantly in H1 2022, with overall sales exceeding pre-pandemic levels
- 2 Broad-based sales growth reflecting the Group's diversified portfolio: particularly strong performance in perfumes across most brands; solid results in crystal and gastronomy & hospitality
- 3 Ultrasun back to growth compared to prior-year period, but still below pre-pandemic levels mainly due to lower demand from China
- 4 Business expansion: openings and re-openings of various Lalique POS, roll-out of third Brioni fragrance; acquisition of Château Lafaurie-Peyraguey H&R and opening of The Glenturret Lalique Restaurant (both in H2 2021) reflected in H1 2022 results
- 5 Lalique Group on track to reach mid-term profitability targets

H1 2022 key financial takeaways



1

Operating revenue up 29% to EUR 83.2m vs. EUR 64.7m in H1 2021 and EUR 70.0m in H1 2019

2

Total costs up 34% reflecting business expansion, intensified marketing and sales activities as well as reduced H1 2021 cost base on the back of the pandemic

3

EBIT rose to EUR 6.3m with margin of 7.6%, excluding exceptional income of EUR 1.7m; including exceptional income, EBIT was EUR 8.0m at 9.7% margin, up from EUR 4.4m at 6.8% margin in H1 2021

4

Net Group profit rose to EUR 4.6m vs. EUR 3.1m in H1 2021

5

Continued solid liquidity and capital positions, with equity ratio of 50.4% at end-June 2022 vs. 50.9% at end-2021

The Lalique Ginkgo Collection

Financial performance in H1 2022



H1 2022 key results

in EURm	H1 2022	H1 2021
Operating revenue	83.2	64.7
<i>Revenue growth</i>	<i>+29%</i>	<i>+32%</i>
Gross profit	48.1	34.4
Personnel costs	-19.5	-14.0
Other operating expenses	-13.1	-9.3
EBITDA	15.4	11.1
EBIT	8.0	4.4
EBIT margin	9.7%	6.8%
Financial result	-2.1	-0.5
Net Group result	4.6	3.1
Earnings per share (EUR)	0.74	0.58
Total equity¹	175.7	161.4
Equity ratio	50.4%	48.4%

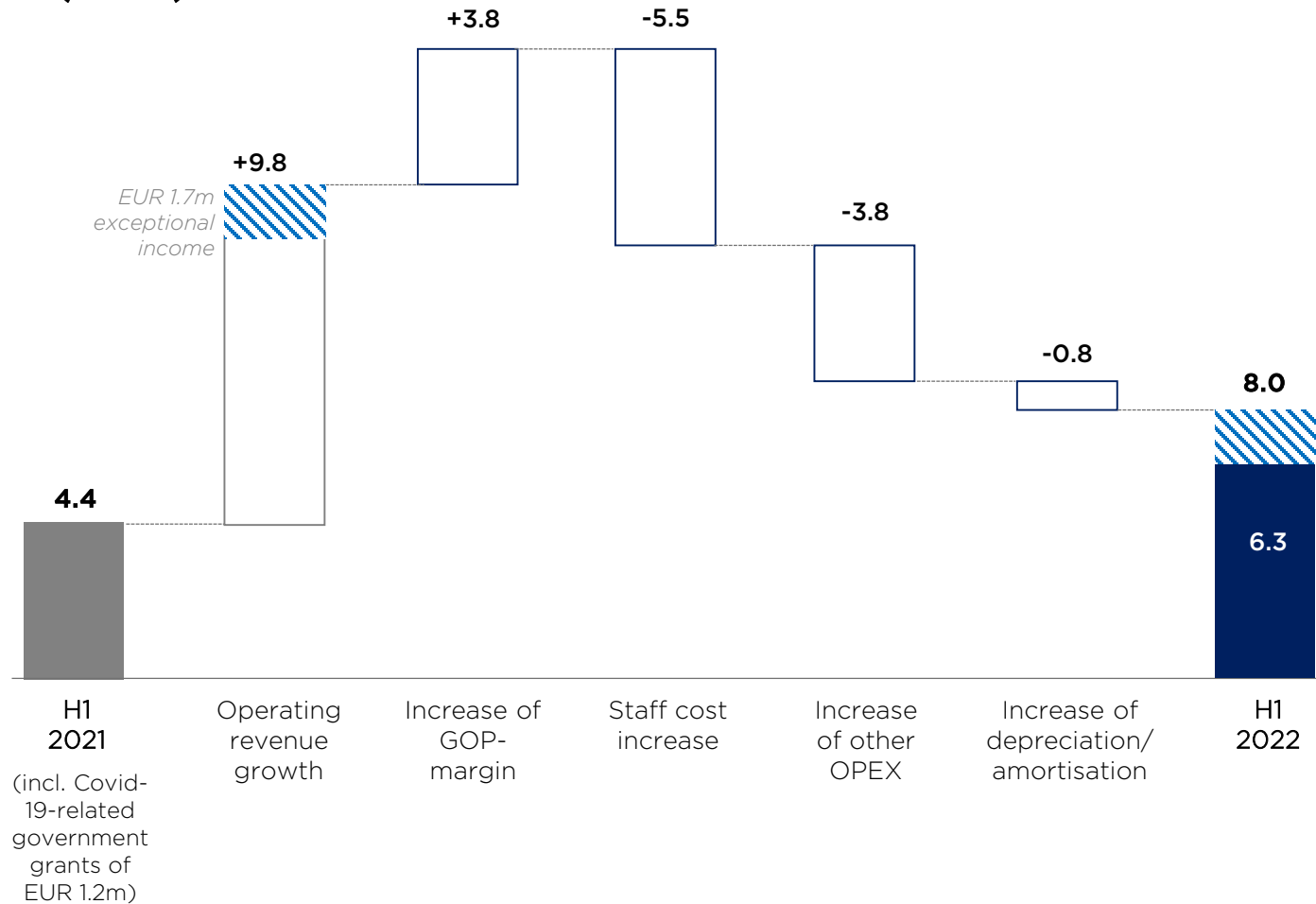
- **Operating revenue** increased by 29%, which includes EUR 1.7m exceptional income in connection with successful legal proceedings in France
- **Total costs** increased by 34% reflecting the acquisition of Château Lafaurie-Peyraguey H&R, opening of The Glenturret Lalique restaurant and expansion of the business as well as reboot of activities after the pandemic
- **EBIT** rose to EUR 8.0m with EBIT margin of 9.7%, or EUR 6.3m with EBIT margin of 7.6% excluding exceptional income of EUR 1.7m

EBIT breakdown (in EURm)	H1 2022	Margin	H1 2021
Lalique	3.8	8.3%	2.5
Ultrasun	1.1	9.5%	0.5
Jaguar	1.8	16.2%	1.5
Glenturret	-1.6	<i>n.a.</i>	-1.7
Other Brands	3.2	19.0%	1.9
Holding and Elim.	-0.4	<i>n.a.</i>	-0.3
Lalique Group	8.0	9.7%	4.4

¹ Before non-controlling interests

EBIT increase driven by higher revenues and margin

EBIT (in EURm)



Year-on-year rise in EBIT of EUR 1.9m (excluding exceptional income of EUR 1.7m) a result of:

- Significant operating revenue growth, reflecting sales recovery in all segments and business expansions
- Rise in gross profit margin by 4.6%

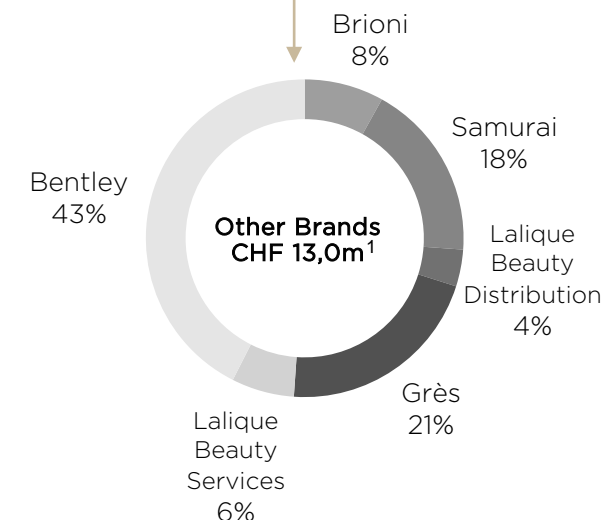
Offsetting:

- Increase in staff costs due to business expansion as well as furlough applied during lockdowns in 2021
- Increase in other operating expenses due to business expansion and intensified marketing after the Covid-19 pandemic
- Slightly increasing depreciation/amortization due to investments in production facilities

H1 2022 results by segment

LALIQUE
GROUP

H1 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	45 703	11 322	11 056	2 174	12 973	-	83 228
Revenue from transactions and other operating income with other segments	796	-	13	67	4 034	-4 910	-
Total operating revenue	46 499	11 322	11 069	2 241	17 007	-4 910	83 228
Revenue growth (vs. H1 2021)	+28%	+15%	+27%	+42%	+54%	<i>n.a.</i>	+29%
EBIT	3 843	1 077	1 798	-1 552	3 223	-352	8 037
Assets	192 505	27 986	16 798	58 067	66 103	-12 664	348 795
Liabilities	147 470	11 728	6 005	24 902	49 972	-85 286	154 791
Investments in PPE	6 819	1 277	-	4 202	1 231	197	13 726
D&A PPE	4 827	178	96	352	920	15	6 388
Investments in Intangibles	92	66	-	31	12 573	-	12 762
D&A Intangibles	572	99	44	103	196	1	1 015



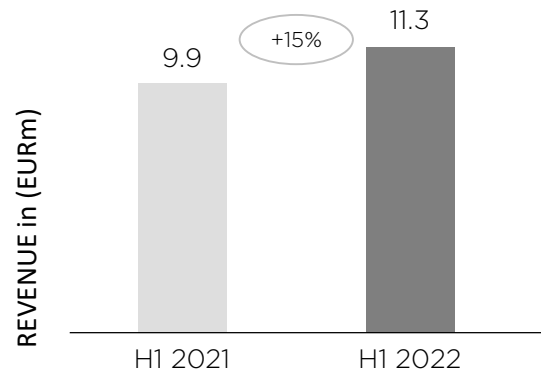
¹ Revenue from contracts and other operating income with external customers

Lalique segment: strong profitable growth exceeding pre-pandemic level

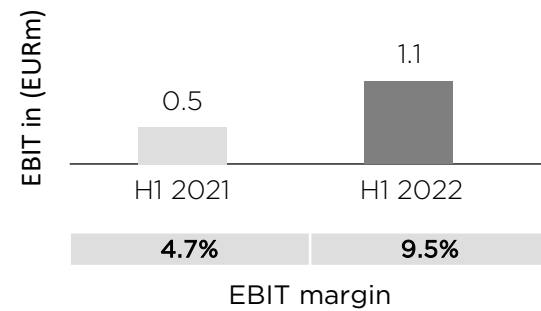


- Overall sales increased by 28% vs. H1 2021 and by 31% vs. H1 2019
- Significant sales increase in all pillars
 - Crystal business up 29 %, including three new points of sales
 - Lalique Parfums up 13%, with particular strong growth in the Middle East
 - Hospitality business up 305 %, after pandemic-related lockdown measures in H1 2021 and the acquisition of Château Lafaurie Peyraguey H&R in July 2021
- Increase in gross profit margin (61.1% vs. 57.1% in H1 2021) due to improved margin in crystal and perfume business
- EBIT up 51% to EUR 3.8m and EBIT margin improved to 8.3%

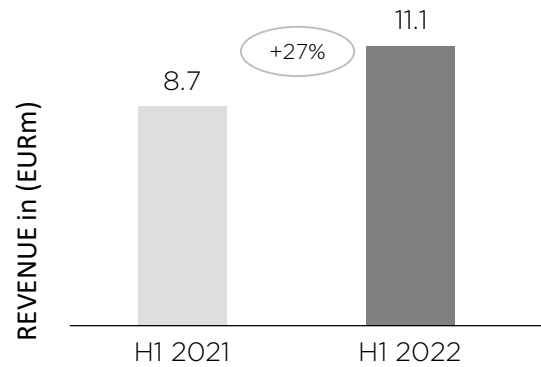
Ultrasun: sales rebounded, but still below pre-pandemic levels



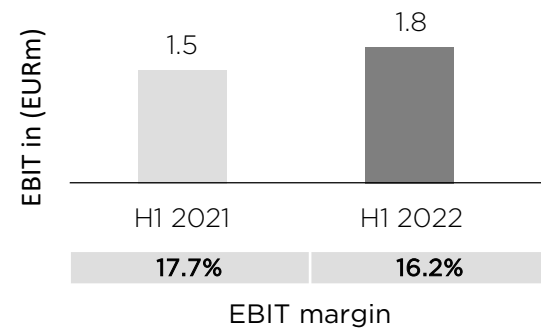
- Ultrasun generated sales of EUR 11.3m in H1 2022, a 15% recovery
- Sales still significantly below pre-pandemic levels (H1 2019: EUR 15.5m), mainly due to sharp decline in demand from China
- All other markets recovered to pre-pandemic levels, with the UK and Switzerland showing strong growth in particular
- EBIT up 133% to EUR 1.1m with 9.5% EBIT margin



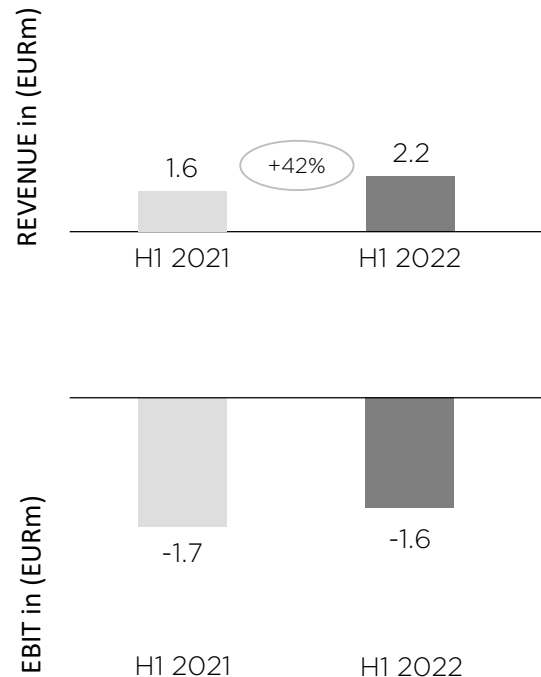
Jaguar: increase in operating revenue to pre-pandemic level



- Operating revenue increased by 27%, returning to pre-pandemic levels
- EBIT improved to EUR 1.8m with slightly lower EBIT margin of 16.2%

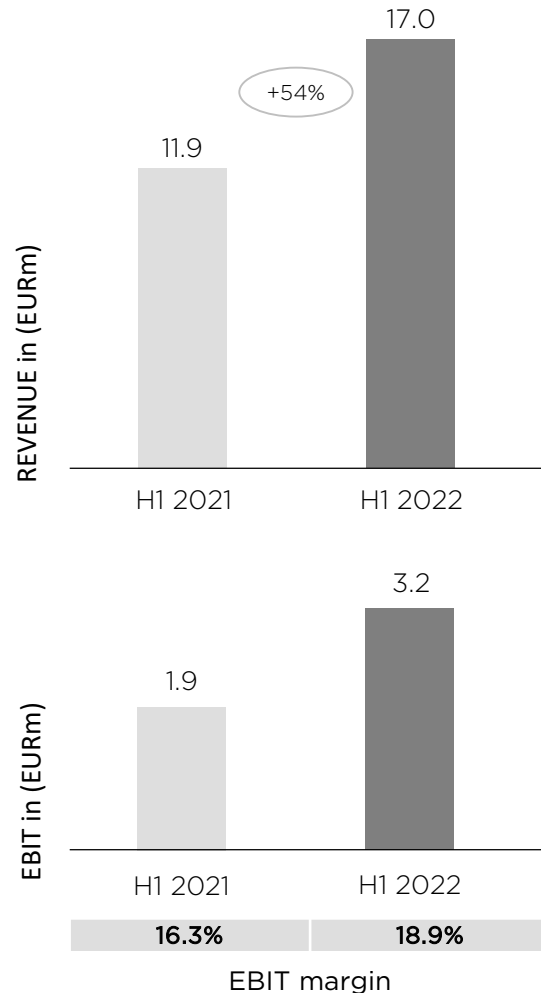


Glenturret: continued growth across business pillars



- The Glenturret segment increased operating revenue to EUR 2.2m
- Growth driven by distillery's visitor center and shop, which reopened in April last year, and The Glenturret Lalique Restaurant, which started operating in July 2021
- Total costs up 27%, in line with expectations and mainly due to the newly launched restaurant business
- EBIT came in at EUR -1.6m in H1 2022

Other brands: significant increase in sales and profitability with 18.9% EBIT margin



- Bentley Fragrances sales continued to grow strongly, up 67%, reflecting broad-based international demand
- Parfums Samourai sales slightly below H1 2021 (-1.7%) due to continued pandemic-related market restrictions in Japan
- Parfums Grès sales increased by 41%, but remained below pre-pandemic levels
- Brioni Perfumes sales up as a result of further market entries and launch of a third fragrance
- Lalique Beauty Services operated at high capacity, increasing operating revenue by 18% due to higher demand of Group companies as well as third party customers
- Overall, segment EBIT up 67% to EUR 3.2m with improved EBIT margin of 18.9%

Balance sheet remains solid

in EURm	30.6.2022	31.12.2021
Cash and cash equivalents	37.3	48.3
Trade accounts receivable	21.7	17.5
Inventories	84.0	80.0
Other current assets	9.5	7.4
Property, plant and equipment	85.7	88.1
Intangible assets	99.6	80.3
Other non-current assets	11.0	10.4
Total assets	348.8	332.0
Bank overdrafts	28.3	26.9
Trade accounts payable	17.7	18.9
Other current liabilities	36.0	41.5
Non-current financial liabilities	42.8	35.9
Other non-current liabilities	30.0	20.3
Total liabilities	154.8	143.5
Total equity	194.0	188.5
Total liabilities and equity	348.8	332.0

- Despite strong operating cash flow of EUR 9.9m, net cash position decreased by EUR 12.4m to EUR 9.0m, after re-payment of EUR 16m 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)
- Net debt increased by EUR 5.0m to EUR 46.0m in connection with financing of industrial investments in production facilities
- Net debt / EBITDA ratio improved to 1.5
- Equity ratio remains solid at 50.4% compared to 50.9% as of end-2021

in EURm	30.6.2022	31.12.2021
Total equity before non-controlling interests	175.7	168.9
Equity ratio	50.4%	50.9%

Business priorities and outlook



Business priorities for H2 2022

- Drive further revenue growth reflecting fundamental optimism for the business, although economic environment is characterized by uncertainties and geopolitical tensions
- Continued tight cost management, in line with sales developments and business environment
- Further expansion of the Group's production capacities:
 - Replacement of the old furnace in Wingen-sur-Moder with a more efficient and powerful furnace
 - Reorganization and expansion of cold glass production, including hiring of additional specialists, to address increasing demand
- Selected product launches and projects, including:
 - Release of the first NFT collection 'The Impossible Vases'
 - Roll-out of Glenturret 2022 whisky release, expected to drive growth in whisky sales in H2 2022
 - Unveiling of art project with Robert Indiana: limited edition of eight 'HOPE' sculptures in Lalique crystal
 - Signing of an agreement to acquire the traditional silk label 'Fabric Frontline'

Financial outlook

FY 2022:

- Lalique Group expects the positive trend to continue in H2 2022, albeit at lower growth rates than in H1 2022 due to the stronger prior-year comparison base

Mid-term targets, as set in April 2019:

- Lalique Group expects to achieve annual mid-single-digit growth in local currencies
- 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%

Our short- and mid-term outlooks are subject to unforeseeable events such as a significant worsening of the global economic environment, e.g. in relation to geopolitical tensions, the energy crisis or due to a renewed aggravation of the Covid-19 pandemic.

Q&A

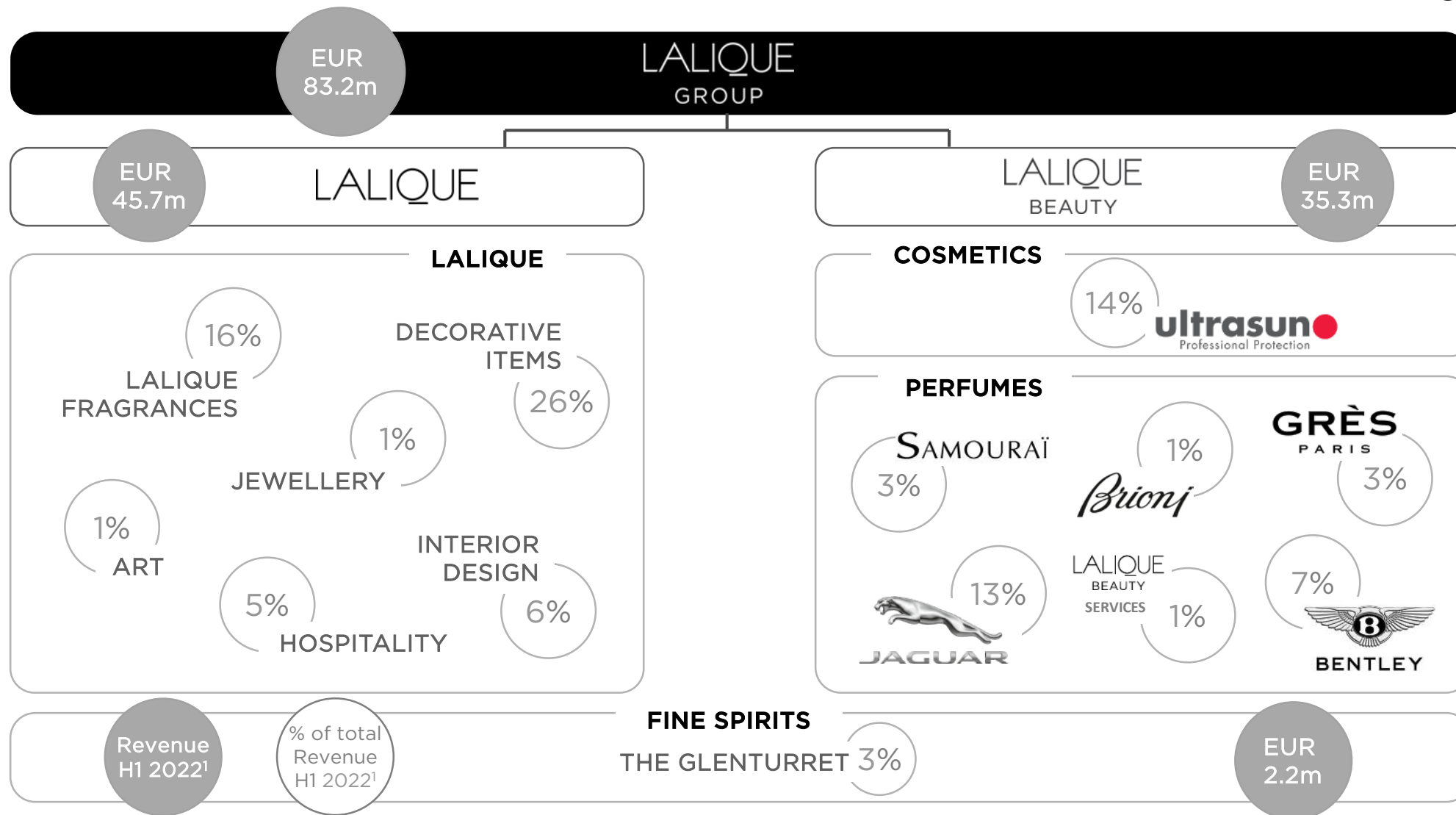
LALIQUE
GROUP



Appendix



Lalique Group brand and product portfolio reflecting diversification strategy



¹ Revenue in H1 2022 from sales to external customers (third party)

Consolidated income statement

in TEUR	H1 2022	H1 2021
Revenue from contracts with customers	81 106	63 206
Other operating income	2 122	1 540
Operating revenue	83 228	64 746
Material costs	-35 168	-30 340
Gross profit	48 060	34 406
Salaries and wages	-19 471	-14 011
Other operating expenses	-13 149	-9 325
EBITDA	15 440	11 070
Depreciation and amortisation	-7 403	-6 643
EBIT	8 037	4 427
Financial income	36	11
Financial expenses	- 748	-958
Net foreign exchange differences	-1 414	417
Group profit/loss before tax	5 911	3 897
Income taxes	-1 269	-774
Net Group profit	4 642	3 123
of which attributable to:		
Non-controlling interests	- 639	-1 066
Owners of the parent company	5 281	4189
Earnings per share (EUR)	0.74	0.58

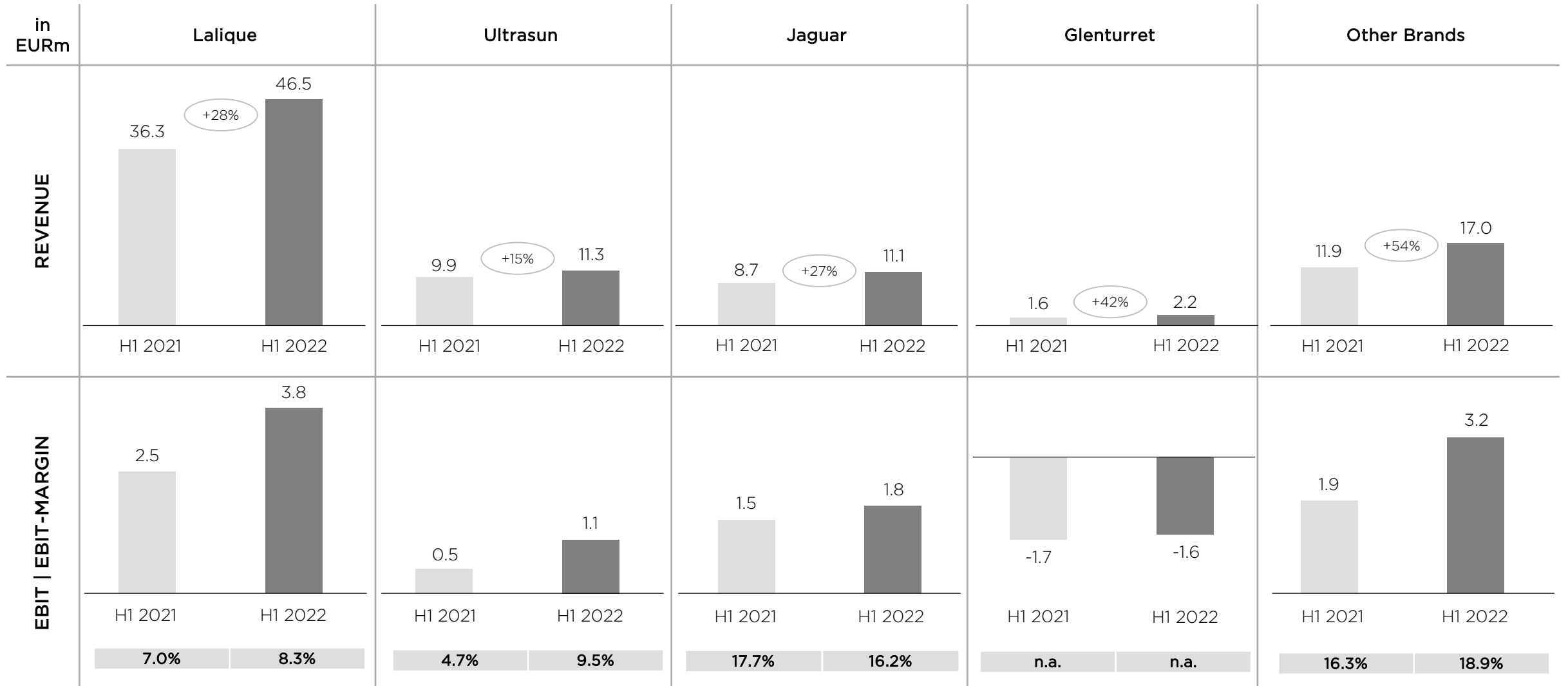
Consolidated balance sheet

LALIQUE
GROUP

in TEUR	30.06.2022	31.12.2021
Cash and cash equivalents	37 294	48 256
Trade accounts receivable	21 669	17 489
Inventories	83 989	80 031
Other receivables	9 526	7 363
Total current assets	152 478	153 139
Intangible assets	99 623	88 121
Property, plant and equipment	85 767	80 293
Other non-current assets	7 320	6 531
Deferred tax assets	3 607	3 906
Total non-current assets	196 317	178 851
Total assets	348 795	331 990

in TEUR	30.06.2022	31.12.2021
Bank overdrafts	28 265	26 852
Trade accounts payable	17 678	18 921
Current provisions	1 900	820
Income tax liabilities	1 709	1 269
Other current liabilities	32 375	40 298
Total current liabilities	81 927	87 340
Other non-current liabilities	12 707	1 219
Other non-current provisions	1 269	1 437
Non-current financial liabilities	42 829	35 864
Defined benefit obligation	3 766	5 432
Deferred tax liabilities	12 293	12 236
Total non-current liabilities	72 864	56 188
Total liabilities	154 791	143 528
Share capital	1 204	1 204
Capital reserves	83 984	85 378
Retained earnings / other reserves ¹	90 558	82 305
Total equity before non-controlling interests	175 746	168 887
Non-controlling interests	18 258	19 575
Total equity	194 004	188 462
Total liabilities and equity	348 795	331 990

Revenue and EBIT by segments H1 2022



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

Lalique own boutiques ●

Europe: 12 stores

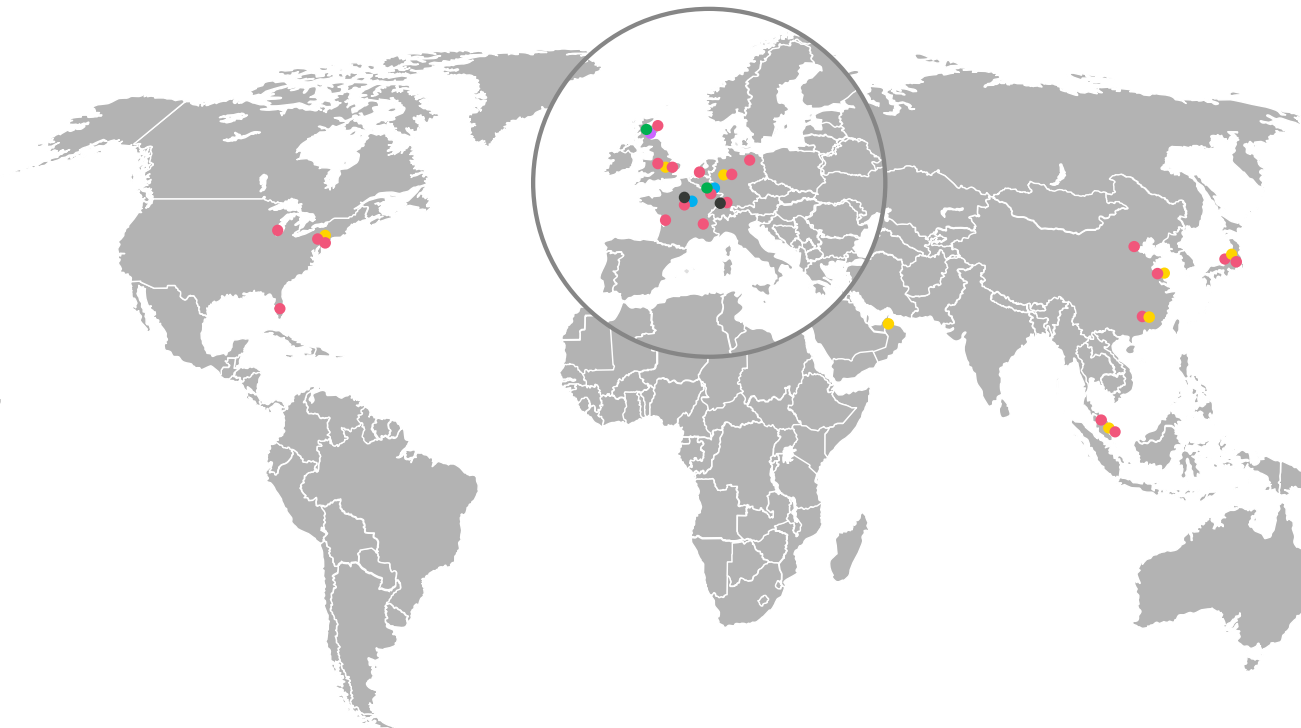
USA: 3 stores

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

(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)

LALIQUE GROUP



NFT collection 'The Impossible Vases': Lalique Group is releasing its first non-fungible token (NFT) collection on 7 October 2022 on OpenSea