

LALIQUE GROUP

MEDIA RELEASE – Ad hoc announcement pursuant to Art. 53 LR

Lalique Group announces its 2023 results

Zurich, 17 April 2024 – Lalique Group SA (SIX: LLQ), which is active in the creation, development, marketing and global distribution of luxury goods, generated annual operating revenue of EUR 179.2 million in 2023, a 5% increase on the previous year. With costs up year-on-year, especially for energy and in production, EBIT for 2023 amounted to EUR 7.0 million (EBIT margin of 3.9%), and net Group profit for the year totalled EUR 2.4 million. At the upcoming Annual General Meeting, the Board of Directors will propose that no dividend be distributed for the 2023 business year. For 2024, Lalique Group expects to report a high single-digit percentage increase in revenues and a higher EBIT margin than in 2023.

A telephone conference for investors, analysts and media representatives will be held today at 10:00 CEST.

As pre-announced on 20 March 2024, Lalique Group achieved solid sales growth in the 2023 financial year to which all business segments contributed. After facing challenging market and production conditions in the first half period in particular, business improved in the seasonally stronger second six months, although the shortfall from the first semester could not be fully compensated. The perfume business developed solidly overall following the strong growth in 2022 but suffered intermittently from supply-chain shortages of production components. The crystal business ended the year with good momentum after a difficult start. The Ultrasun sunscreen brand recorded further encouraging progress, and The Glenturret whisky distillery maintained its growth trajectory. Business in the gastronomy and hospitality segment also showed positive trends.

Total operating revenue for Lalique Group rose to EUR 179.2 million, a 5% increase on the prior-year result, which had been marked by post-pandemic recovery. Excluding the previously announced extraordinary income of EUR 1.7 million in the 2022 result, operating revenue for 2023 increased 6% on the previous year.

Operating expense in 2023 particularly reflected general inflationary trends and higher energy costs. These effects were offset to some degree by corresponding price increases, albeit with a certain delay. Lalique Group continued to make targeted investments in expanding its workforce and in its marketing and sales activities. Personnel costs for 2023 amounted to EUR 46.9 million, a year-on-year increase of 12%. Other operating expense rose 13% to EUR 31.5 million. Depreciation and amortization were 9% below their 2022 level at EUR 14.4 million, reflecting a EUR 1.5 million impairment reversal.

Earnings before interest and taxes (EBIT) for the year totalled EUR 7.0 million, down from EUR 13.2 million in 2022. In line with guidance, EBIT margin for 2023 was 3.9%, following an EBIT margin of 7.7% for 2022, or 6.8% excluding the year's extraordinary income item. Lalique Group reported a net profit for 2023 of EUR 2.4 million, compared to EUR 9.6 million for the prior year.

LALIQUE GROUP

Lalique Group remains in sound financial health with a 2023 year-end equity ratio of 47.3% (2022: 50.0%). Net cash at year-end was below its prior-year level, owing largely to higher inventories of production components maintained during the year, in response to longer delivery lead times and in order to safeguard production.

In the light of the 2023 results, the Board of Directors will recommend to shareholders at the Annual General Meeting on 29 May 2024 that no dividend be distributed for the 2023 financial year (dividend for 2022: CHF 0.50 per share).

“We achieved solid growth in 2023,” said Roger von der Weid, executive Vice Chairman of Lalique Group. “However, market and production conditions were challenging, especially in the first-half period, and intermittently impacted our business performance. In addition, profitability was impacted by inflation and high energy costs. Therefore, and in view of further investments that we have planned in our production capacities and new project ventures, the Board of Directors proposes that no dividend be paid for 2023. Looking ahead, we are well equipped with our strong brands at Lalique to take advantage of the opportunities within the luxury goods market.”

Segment results

The Lalique segment recorded solid sales of EUR 98.4 million for 2023, a 3% improvement on the prior-year period. This development reflects higher sales in the crystal business (up 5%), while sales in the perfume business were 5% down on the strong 2022, owing to a restructuring of distribution in certain markets and the fact that additional perfume sales opportunities had to remain unexploited as a result of insufficient inventory levels. In the gastronomy and hospitality field, the Group's three establishments – the Villa René Lalique and the Château Hochberg in Alsace and the Château Lafaurie-Peyraguey Lalique hotel-restaurant in the Bordeaux region – all reported encouraging business demand. On the expenditure side, personnel costs were up 6% year-on-year while other operating expenses increased by 9%. Profitability was significantly stronger in the second half of the year compared to the first, which saw the segment contend not only with higher costs (especially on the energy and salary fronts) but also with disruptions to production in the crystal business following a technical problem with the electrodes in the new furnace. Following the negative first-half EBIT of EUR -1.7 million, the Lalique segment reported a positive full-year EBIT for 2023 of EUR 1.2 million (2022: EUR 4.3 million, or EUR 2.6 million excluding the year's extraordinary income item).

Ultrasun achieved sales of EUR 16.4 million for 2023, a 10% year-on-year improvement. The segment thus further continued its recovery since the pandemic, which had brought a decline in the demand for sunscreen products. The prime growth drivers in the year under review included the UK market, where sales increases were seen in all distribution channels and the online share of total sales rose to about a third, and the Swiss market, where Ultrasun's point-of-sale focus on pharmacies and drugstores helped raise sales to new record highs. Very strong sales growth was also seen in Germany, both at physical points of sale and on online channels. While production costs were up in the face of general inflation, operating expenses saw a slight year-on-year decline, with higher personnel costs

LALIQUE GROUP

offset by lower other operating expense. The segment's EBIT for the year amounted to EUR 0.6 million (2022: EUR 0.5 million).

The Jaguar Fragrances segment, the Group's strongest perfume brand in sales terms, achieved 7% further growth in 2023 to report sales of EUR 28.2 million. Sales volumes in Europe in particular remained buoyant. But earnings for the year were reduced by higher production, personnel and operating costs, and the annual EBIT of EUR 2.0 million was down on its prior-year level (2022: EUR 4.3 million).

The Wine & Spirits segment, which includes The Glenturret whisky distillery in Scotland and (since 27 November 2023) the Château Lafaurie-Peyraguey winery, posted sales for 2023 of EUR 9.7 million. The Glenturret reported sales growth of 21%, thanks not only to increased whisky sales but also to the distillery's local tourist appeal and the associated sales of high-quality The Glenturret crystal products such as exclusive Lalique whisky carafes. The rise in the segment's costs remained within expectations, reflecting salary increases and overall business expansion. While The Glenturret's EBIT for 2023 was just below breakeven, the segment posted a positive overall EBIT result of EUR 0.8 million (2022: EUR -0.9 million).

Sales for the Other brands segment rose 16% to EUR 44.4 million. After two years of exceptionally strong growth, the Bentley fragrance brand saw its sales decline 25%, largely as a result of the previously mentioned supply chain shortages of production components. Parfums Samourai (+11%) recorded further sales growth on the strength of the broader market recovery in Japan, and Parfums Grès (+42%) saw a leap in its sales thanks to very high demand for its products in Southern Europe and in key Latin American markets. The Brioni Fragrances brand, which was launched in 2021, also continued to show positive business trends, with its sales up a further 17% on their prior-year levels. The Lalique Beauty Services perfume filling and logistics business reported a 26% increase in its annual revenues, thanks to rising utilization of its capacities as the year progressed. With the segment also experiencing higher production and operating costs, EBIT for the year declined to EUR 3.0 million (2022: EUR 5.4 million).

Outlook

With its diversified business, Lalique Group is well positioned in the luxury goods market and offers an attractive range of products. While the global economic environment and the geopolitical situation look set to remain uncertain for some time to come, Lalique Group expects inflationary trends to have less of an impact on production and operating expenses in 2024. Energy costs for the year are also likely to be well below the peak levels seen in 2023.

Lalique Group will continue to proceed with selected new product launches and further business projects, and will also be investing in strengthening its production capacities and in its strategic market presence over the course of 2024. This includes the planned autumn opening of the new Lalique flagship store in New York. Further major projects include the continuing refurbishment of the Villa Florhof hotel and restaurant in Zurich, whose reopening is scheduled for May 2025. Spring of next year should also bring the relaunch of the Fabric Frontline silk label.

LALIQUE GROUP

In the perfume business, the first fragrance to be produced under the licence agreement with the Superdry global fashion brand will be launched in late summer 2024. The intensified collaborations which have been pursued by the Ultrasun sunscreen brand over the past few months to distribute its products via Müller drugstores in Germany and in other European countries should also be further expanded; and Ultrasun has further embarked this year on a collaboration with a new distribution partner in the Chinese market. In the Wines & Spirits segment, the Scottish Aberturret gin, which made its market début in the UK at the end of 2023, is being launched internationally since spring 2024 and enjoys an encouraging initial reception. After being awarded its second Michelin star in February 2024, The Glenturret Lalique Restaurant in Scotland is also reporting higher diner volumes.

The Group will further continue its efforts to exploit synergies between the Lalique brand and its gastronomy and hospitality products. As has already been done with The Glenturret whisky distillery in Scotland, the Château Lafaurie-Peyraguey winery in the Bordeaux region, in which the Group acquired a 71% majority holding in 2023, should now also be brought more closely into the world of the Lalique experience.

Barring unforeseen events, Lalique Group expects to report high-single-digit percentage growth in its revenues for 2024 and a higher EBIT margin than in 2023. The Group remains committed to its medium-terms goals of maintaining mid-single-digit annual sales growth and gradually raising its EBIT margin to between 9% and 11%. As already communicated, the latter objective is expected to be achieved in 2026, given the present inflationary trends.

“I see huge potential for the Lalique brand and our group’s various businesses,” concluded Lalique Group CEO Nina Müller. “And, while keeping a clear and close eye on the diversity and the tradition that are such Lalique hallmarks, I will continue to work consistently with my team to establish Lalique Group as a first-class address in the luxury goods market. By taking targeted advantage of growth opportunities and carefully utilizing the synergies between our businesses, we will continue to make every effort to delight our customers with an exceptional and inspiring range of products – all with the aim of creating sustainable value by striving for excellence and further consolidating our market position.”

LALIQUE GROUP

Documentation on the 2023 annual results

The following documents are available on Lalique Group's website:

Media release www.lalique-group.com/news

Presentation www.lalique-group.com/presentations#publication-list-2

Annual report www.lalique-group.com/financial-reports#publication-list-2

Conference call for investors, analysts and media representatives

Date: Wednesday 17 April 2024

Time: 10:00 CEST

Speakers: Nina Müller, CEO; Roger von der Weid, Executive Vice President;
Alexis Rubinstein, CFO

Dial-in numbers:

Switzerland / Europe: +41 (0) 58 310 50 00

UK: +44 (0) 207 107 06 13

USA: +1 (0) 631 570 56 13

To view the synchronized presentation (without sound), click on the following link:

<https://media.choruscall.eu/mediaframe/webcast.html?webcastid=1SQSua4J>

LALIQUE GROUP

Media contact

Lalique Group SA
Elle Steinbrecher
Head of Communication & PR
Grubenstrasse 18
CH-8045 Zurich

Phone: +41 43 499 45 58

Email: elle.steinbrecher@lalique-group.com

Lalique Group

Lalique Group is a niche specialist in the creation, development, marketing and global distribution of luxury goods. Its business areas comprise perfumes, cosmetics, crystal, jewellery, high-end furniture and lifestyle accessories, along with art, gastronomy and hospitality as well as fine spirits and wine. Founded in 2000, the company is headquartered in Zurich and employs some 810 (full-time-equivalent) personnel. The Lalique brand, from which the Group derives its name, was created by master glassmaker and jewellery designer René Lalique in Paris in 1888. The shares of Lalique Group SA (LLQ) are listed on the SIX Swiss Exchange.

For further information visit: www.lalique-group.com

LALIQUE GROUP

Key figures for Lalique Group

in EUR million

	2023	2022
Operating revenue	179.2	170.0 ¹⁾
Gross result	99.9	98.7
Salaries and wages	-46.9	-42.0
Other operating expenses	-31.5	-27.8
EBITDA	21.4	28.9
Depreciation and amortization/impairment	-14.4	-15.7
EBIT	7.0	13.2
EBIT margin	3.9%	7.7%
Financial result	-3.8	-2.0
Income taxes	-0.9	-1.5
Net Group profit	2.4	9.6

¹⁾ Includes extraordinary income of EUR 1.7 million relating to a legal case

in EUR

Earnings per share	0.34	1.35
---------------------------	------	------

in EUR million

	31.12.2023	31.12.2022 restated
Total equity (before shares with non-controlling interests)	195.8	178.8
Equity ratio	47.3%	50.1%

The full consolidated financial statements are available at www.lalique-group.com/financial-reports#publication-list-2