LALIQUE
GROUP

MEDIA RELEASE

Lalique Group specifies its outlook for 2019

Zurich, 21 October 2019 – **Lalique Group SA (SIX: LLQ), which is active in the creation, development, marketing and worldwide distribution of luxury goods, specifies that for the full year 2019, it expects an estimated increase of around 3% (1% in local currencies) in operating revenue to around EUR 140 million, in line with guidance, and an estimated EBIT of around EUR 0.3 million to EUR 1.5 million, corresponding to an estimated EBIT margin in the area of 0.6%, following its previous guidance of a lower EBIT margin in 2019 compared to 2018.**

In line with the guidance provided with the half-year results on 11 September 2019, Lalique Group continues to expect further moderate sales growth in the low single digit percentage range (in local currencies) for 2019, with operating revenue expected to increase from EUR 136.4 million in 2018 to around EUR 140 million in 2019 (around +3% or +1% in local currencies).

While sales in the Ultrasun, Grès, Jaguar and other brands segments as well as the Lalique crystal business continued to grow in line with expectations in the year to date, the company foresees a pronounced shortfall in higher-margin sales at Lalique Parfums in the Middle East for the full year 2019. As previously explained, the difficult market and operating conditions in the Middle East, including the embargo in Iran that forced Lalique Group to discontinue its business activities in the country, had already impacted Lalique and in particular Lalique Parfums sales in the first half of 2019. This situation has exacerbated in the second half of the year to date, hampering profitability.

The lower profitability expected in 2019 compared to 2018 also reflects the planned continued expenses in the Lalique segment for the business expansion in Japan, China and the US, in addition to the operating loss of The Glenturret and one-off costs related to the acquisition in the first half of the year, as envisaged and announced previously. Also, macroeconomic uncertainties and political unrest in Hong Kong are increasingly affecting business performance.

Against this backdrop, Lalique Group expects an estimated EBIT of around EUR 0.3 million to EUR 1.5 million, representing an estimated EBIT margin in the area of 0.6%, for 2019. Excluding the one-off costs related to the acquisition of 50% of The Glenturret, EBIT for 2019 is estimated to be around EUR 1.5 million to EUR 2.7 million, with an EBIT margin in the area of 1.5%. This compares to an EBIT of EUR 6.1 million and an EBIT margin of 4.5% in 2018, which included extraordinary income of EUR 2.4 million.

Lalique Group confirms that it expects to conclude an agreement for an additional perfume license in the second half of 2019, as previously communicated.

Lalique Group remains committed to delivering on its strategic initiatives and believes that with its diversification strategy, it is well positioned to serve a broad international target clientele in the luxury goods market. With a view to prioritize profitability, the company expects markedly improved results for 2020 compared to 2019, reflecting tighter cost control, progress of the businesses in Asia and the US, as well as stabilisation in the Middle East as a result of steps being taken to realign distribution and marketing activities in the region.

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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.