

# LALIQUE GROUP

MEDIA RELEASE

Half-year results 2018

## **Lalique Group: Moderate growth and further investment in business expansion in the first half of 2018**

*Zurich, 20 September 2018* – **Lalique Group SA (SIX: LLQ), which is active in the creation, development, marketing and worldwide distribution of luxury goods, increased sales by 4% to EUR 66.9 million in the first half of 2018. Net Group profit reached EUR 1.3 million. Lalique Group is continuing to expand its business, particularly in Asia.**

**Today at 2 pm (14:00) CEST, the results for the first half of 2018 will be presented in a conference call for investors, analysts and the media.**

In the first half of 2018, Lalique Group achieved results in line with expectations and generated further growth. This was mainly driven by continued strong growth in the Ultrasun segment and a solid sales development in the Lalique segment. Overall, operating revenue grew year on year by 4% to EUR 66.9 million. Personnel costs rose by 7% to EUR 16.0 million and other operating expenses by 2% to EUR 15.0 million, increases that are attributable to further investment in business expansion and in particular to the initial costs for the launch of operations of the new Lalique subsidiary in Japan.

Earnings before interests and taxes (EBIT) reached EUR 2.0 million compared with EUR 2.5 million in the previous-year period. Net Group profit came in at EUR 1.3 million (H1 2017: EUR 3.0 million). As in the previous year, net Group profit included a positive tax effect arising from further reforms of company taxation in France (tax effect in H1 2018: EUR 1.0 million; tax effect in H1 2017: EUR 1.9 million).

The Lalique segment reported solid sales growth for the first half of 2018, up 6% to EUR 36.7 million. This result reflects good sales growth at Lalique Parfums (up 9%), with the Asia and South America regions developing particularly well. In the crystal business, the segment's largest business unit, sales remained stable. Both hotels/restaurants – Villa René Lalique and Château Hochberg – recorded high occupancy rates. The segment posted a 6% rise in costs, which includes the above-mentioned initial costs for business expansion in Japan. EBIT was unchanged year on year at EUR -3.3 million.

The Ultrasun segment followed up its very good performance in 2017 with further strong growth that was broadly based across regions, including well-established and newer markets. A newly developed line comprising mineral, sports and fluid products was well received in the market, while the stronger focus on products sold through pharmacies and drugstores is paying off. Overall, sales rose by 20% to EUR 13.2 million and costs by 2%. EBIT increased by 13% to EUR 2.9 million.

In the other segments, Jaguar Fragrances saw sales decrease by 3%, which is mainly attributable to the phasing of sales to distributors into the second half of

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the year in certain markets. At Parfums Grès, sales fell by 21% due to high inventory levels with various distribution partners, although orders have picked up again since the beginning of the second half. Of the other brands, Bentley Fragrances reported sales down by 22%, largely attributable to deteriorating market conditions in the Middle East. At Parfums Samouraï, sales decreased by 10% as a result of seasonal fluctuations in customer orders. Both Bentley and Samouraï expect to return to growth and to offset the first-half decline by the end of 2018. Lalique Beauty Services, the perfume filling and logistics operation, developed in line with expectations following the increase in storage capacity completed in 2017. A new filling facility will come on stream in autumn this year as planned, increasing both productivity and capacity, also for third-party customers.

As previously announced, Lalique Group has obtained a favourable decision from the Paris Court of Appeal and has been awarded compensation in the amount of EUR 2.4 million in proceedings it has brought against a former legal counsel to enforce a claim for damages. The judgement, issued on 11 September 2018, is not yet final and can be referred to the Court of Final Appeal in Paris within a two months deadline. The decision of the Paris Court of Appeal had no effect on the results of Lalique Group for the first half of 2018.

## **Outlook for 2018**

Thanks to its diversification strategy, Lalique Group feels very well positioned to serve a broad international target clientele in the luxury goods market, and, as already announced, the Group expects to achieve moderate growth overall for the 2018 business year. The rights issue carried out in the context of the change of listing from BX Swiss to SIX in the first half of 2018, which primarily sought to strengthen the balance sheet, further increased the company's liquid assets and thus enhanced its flexibility to further invest in the business.

Lalique Group will continue to pursue the expansion of its business in the second half of 2018, maintaining a strong focus on Asia. Targeted initiatives aim to broaden the base of the new subsidiary in Japan. Following the launch of Lalique boutiques in Tokyo, Monaco and Chicago in the first half of 2018, the Group is planning further openings by the end of the year in Bordeaux, Shanghai and Hanoi. The partnership with Singapore Airlines, named "Best Airline of 2018" in the Skytrax World Airline Awards, has started well following its launch in early 2018 and shows great potential to further raise Lalique's international profile. The same is expected by the recently opened hotel/restaurant Château Lafaurie-Peyraguey in the Bordeaux region, which is owned by Lalique Group's main shareholder Silvio Denz and operates under the Lalique brand on a licensing basis.

Roger von der Weid, CEO Lalique Group: "We continued to grow in the first half of 2018 and further expanded our business. We are planning to further invest in the second half of the year with a view to broaden our diversified business model and to develop additional areas of income. In the medium term, we expect these investments to translate into gradually increasing margins."

## **Documentation on first-half results in 2018**

The media release, the slide presentation and the 2018 Half-Year Report are available on Lalique Group's website:

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Media release [www.lalique-group.com/media](http://www.lalique-group.com/media)

Slide presentation [www.lalique-group.com/financial?section=presentations](http://www.lalique-group.com/financial?section=presentations)

Half-Year Report [www.lalique-group.com/financial?section=reporting](http://www.lalique-group.com/financial?section=reporting)

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## **Conference call for investors, analysts and the media**

Date: Thursday, 20 September 2018

Time: 2 pm (14:00) CEST

Speakers: Roger von der Weid, CEO; Alexis Rubinstein, CFO

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Please ask for the Lalique Group first-half 2018 results call.

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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 home accessories, along with art, gastronomy and hospitality. Founded in 2000, the company employs approx. 600 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](http://www.lalique-group.com).

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## Development of key figures for Lalique Group

In EUR million

	1st semester 2018	1st semester 2017
<b>Operating revenue</b>	66.9	64.2
<b>Gross result</b>	36.6	36.1
Salaries and wages	-16.0	-15.0
Other operating expenses	-15.0	-14.8
<b>EBITDA</b>	5.6	6.3
<b>EBIT</b>	2.0	2.5
EBIT margin	2.9%	3.8%
Financial result	-0.7	-0.9
<b>Net Group profit</b>	1.3	3.0

In EUR

<b>Basic earnings per share</b>	0.35	0.66
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In EUR million

	30.06.2018	31.12.2017
<b>Total equity (before shares with noncontrolling interests)</b>	119.3	93.2
Equity ratio	51%	41%

The complete consolidated financial statements for the first half of 2018 are available at [www.lalique-group.com](http://www.lalique-group.com).