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MEDIA RELEASE

Lalique Group announces 2019 annual results

Corrigendum to the media release sent on 16 April 2020, 7:00 am CEST: In the table on page 6, the amount for the Net Group profit in the year 2019 has been corrected (EUR 1.1 million instead of EUR 1.6 million). The correction is marked.

Zurich, 16 April 2020 – **Lalique Group SA (SIX: LLQ), which is active in the creation, development, marketing and worldwide distribution of luxury goods, increased Group operating revenue by 5% year-on-year to EUR 143.5 million and reported earnings before interest and taxes (EBIT) of EUR 1.4 million in 2019. As previously announced, Lalique Group expects its results for the current year to be adversely affected by the Covid-19 situation. The Board of Directors therefore proposes to shareholders that no dividend be distributed for the 2019 financial year.**

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

As announced on 25 March 2020, and in line with the guidance published in October 2019, Lalique Group achieved further moderate growth in sales in the financial year 2019 in a challenging market environment. This was driven primarily by continued strong growth in the Ultrasun segment and positive developments of almost all brands in the perfume business and the Lalique crystal business. The newly acquired stake in the Scottish whisky distillery The Glenturret also contributed to growth. Sales were negatively impacted in particular by a significant decline in higher-margin sales at Lalique Parfums in the Middle East. Overall, Group operating revenue increased by 5% to EUR 143.5 million compared with the previous year. This corresponds to growth in local currencies of 5%.

Personnel costs increased to EUR 35.5 million during the year under review (previous year: EUR 32.6 million), reflecting the expansion of the business as planned. Other operating expenses decreased from EUR 32.4 million to EUR 30.0 million year-on-year, while depreciation rose from EUR 7.7 million to EUR 14.8 million. This reflects the first-time application of IFRS 16, due to which other operating expenses declined by EUR 7.7 million and depreciation increased by EUR 6.9 million. If IFRS 16 is not applied, other operating expenses would have increased by 16% to EUR 37.7 million and depreciation would have risen by 3% to EUR 7.9 million due to growth and investments. The growth and investment-related expenses reflect the planned costs for international expansion and for restructuring in the US; this also includes EUR 1.2 million of one-off expenses in connection with the acquisition of a 50% stake in The Glenturret.

Earnings before interest and taxes (EBIT) totaled EUR 1.4 million in 2019 (previous year: EUR 6.1 million including extraordinary income of EUR 2.4 million related to legal proceedings) and was therefore at the upper end of the guidance provided in October 2019. The EBIT margin was 1.0% compared with 4.5% in the previous year. Excluding one-off costs related to the acquisition of a 50% stake in The Glen-

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turret, EBIT for the year under review was EUR 2.6 million and the EBIT margin was 1.8%. Net Group profit was EUR 1.1 million compared with EUR 5.2 million in the previous year. The result for the reporting year contains a positive effect of EUR 2.9 million arising from the Swiss corporate tax reform, while the previous year's result contained a positive effect of EUR 1.0 million due to the tax reform in France.

Segment results
The Lalique segment recorded a 2% decrease in sales to EUR 81.1 million in 2019. The crystal business grew by 7% year-on-year, whereby China and Russia in particular developed very positively. In contrast, the perfume business recorded a decline of 18%, which is mainly attributable to the aforementioned difficult market and operating conditions in the Middle East. Costs rose by 4% and reflect the expansion of the business, particularly in Asia, where a new boutique in Beijing and four new shop-in-shops in Japan were opened in 2019, as well as restructuring in the US. EBIT was EUR -6.9 million (previous year: EUR -1.7 million, including an extraordinary income of EUR 2.4 million).

Ultrasun once again achieved a very good result for the year under review. Especially in China, Switzerland and the Netherlands, the segment recorded continued growth, and new markets such as Taiwan and Korea also closed the year with solid results. The strategy adopted, which places increased focus on distribution through pharmacies and drugstores, continued to pay off. Overall, sales rose by 25% to EUR 21.8 million with a higher gross profit margin, while expenses increased by 19%, also reflecting higher personnel and marketing costs resulting from the expansion of the business. EBIT increased to EUR 4.1 million (previous year: EUR 2.2 million).

In the other segments, Jaguar Fragrances recorded a further increase in sales of 5% following a good result in the previous year. A significant decline in the Middle East was offset by sales growth in other markets – in particular in Europe, but also in North America and Asia. With sales growth of 20%, Parfums Grès reported a very positive result for 2019, benefiting from a strong recovery in key markets such as Spain, France, Latin America and Israel. The launch of the perfume "Cabochard chérie" and the re-launch of "Cabochard" also contributed to the positive development of Parfums Grès.

Among the other brands, Bentley Fragrances ended 2019 with growth of 5%, which is primarily attributable to higher sales in the US and the UK. Following a decline in 2018, Parfums Samouraï reported an appreciable recovery and grew by 9%. Two new launches and strong follow-up orders for existing product lines were the foundation for the positive growth in 2019. The perfume filling and logistics operation Lalique Beauty Services also developed positively. With the new filling facility that began operations in the fall of 2018, the productivity and capacities for new portfolio brands such as Brioni as well as for third-party clients were significantly increased. The whisky distillery The Glenturret, which has been fully consolidated in the accounts of Lalique Group since the acquisition on 28 March 2019, generated sales of EUR 1.9 million for the months from April until December 2019, which is in line with expectations.

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Outlook

As previously announced, before the lockdown measures imposed by the authorities around the world in mid-March 2020 to combat Covid-19, Lalique Group's business was less affected than initially expected when the crisis began in China. However, the company expects its business operations to be adversely affected during the remainder of the year, in particular due to the closure of points of sale and interruptions in supply chains.

In light of this situation, Lalique Group swiftly introduced measures to maintain the company's solid capital and liquidity position. In a first step, marketing activities were significantly reduced and a number of projects for the development and launch of new collections and product lines were suspended until further notice. In addition, Lalique Group has applied for short-time work or comparable support measures for the majority of employees at its headquarters in Zurich, all locations in France, including the crystal manufactory in Wingen-sur-Moder and the perfume filling plant in Ury, as well as overseas. In contrast, digital marketing and online distribution activities will be further expanded. The preparations for the launch of the first perfume under the new Brioni license scheduled for the fourth quarter of 2020 are proceeding according to plan. The Rebranding of the Glenturret distillery is also making progress and will be launched simultaneously with the new whisky range developed under the lead of renowned whisky Maker Bob Dalgarno.

Further to this, the Board of Directors has decided that in light of the Covid-19 situation, it will propose to the Annual General Meeting on 8 May 2020 that no divided be distributed for the 2019 financial year. For their part, the members of the Board of Directors and the Executive Board have announced that they will contribute to the measures to preserve liquidity in the form of decreased salaries and bonuses.

Due to the unpredictability of the further developments, it is not possible to provide more specific information on the course of business of Lalique Group at this point in time. This depends on the duration of the Covid-19 pandemic and the related restrictions on business operations, as well as on how long it takes for the economic recovery in the various market regions to take hold. Lalique Group expects that in its portfolio, demand is likely to increase fastest for products for everyday use and in the lower price segment. For luxury products, namely in the Lalique segment, a rise in demand could be slower, although Lalique Group has a loyal customer base in this area that reacts less sensitively to general economic conditions, as has been demonstrated to some extent in the course of the year to date.

Lalique Group is convinced that the diversification strategy it has been pursuing for a number of years and the breadth of its business are fundamental strengths that will benefit the Group, also if the difficult economic environment persists for an extended period. Taking into account the Covid-19 situation, Lalique Group will continue to systematically implement its strategy and will also place a focus on specific regions. With regard to the medium-term goals communicated to date (sales growth in the mid-single digit percentage range in local currencies and a gradual increase in the EBIT margin to 9%-11%), Lalique Group currently expects that the achievement of these targets will be delayed, depending on how markets recover from the current crisis.

Roger von der Weid, CEO of Lalique Group: “In 2019, we achieved further growth and made significant investments in our business’s broad base. We are convinced that diversification is a key strength of Lalique Group, particularly in the current, very difficult economic situation. We are following the developments in the coronavirus pandemic as well as its impact on the economy very closely, and I would like to thank all our employees for their professionalism in this extraordinary situation. We have introduced stringent measures to protect our profitability and to maintain Lalique Group’s solid financial position. At the same time, we are continuing to concentrate on the implementation of our strategic initiatives.”

Proposal for election to the Board of Directors

At the Annual General Meeting on 8 May 2020, the Board of Directors will propose to shareholders the election of Sanjeev Malhan as a new Board member. Sanjeev Malhan (49) has been Chief Financial Officer of India-based DS Group’s confectionery business since October 2018. DS Group, founded in 1929 as a small perfume business, is today a broadly diversified conglomerate with headquarters in Noida, India, and in June 2019, acquired 12.3% of Lalique Group. Among other industries, its portfolio spans food & beverage, hospitality, packaging and agriculture.

Sanjeev Malhan is an Indian citizen and graduated with a Bachelor of Commerce from the University of Delhi. He has over 25 years of experience as a financial specialist and has worked at a number of Fortune 500 companies in the energy, engineering, electronics and consumer goods industries. In addition to his capital market know-how, he has proven expertise in the areas of strategic financial planning as well as cost and working capital management. The Board of Directors is convinced that as a Board member, Sanjeev Malhan will make an important contribution to the future success of the Group.

All of the existing Board members and Silvio Denz as Chairman are standing for re-election for a further term of office of one year. The invitation containing the full agenda can be found on Lalique Group’s website.

Note to the 2018 annual financial statements: agreement reached with SIX Exchange Regulation

Lalique Group has reached an agreement with SIX Exchange Regulation in connection with breaches of financial reporting standards (IFRS) in the 2018 financial statements. In the cash flow statement of the IFRS annual financial statements 2018, Lalique Group recognized bank overdrafts drawn as an integral part of cash and cash equivalents. In consequence, the opening and closing balance of cash and cash equivalents was reported as a negative amount in the cash flow statement. As a result, the changes in these bank overdrafts drawn were not recognized in cash flows from financing activities. This breach led to adjustments in the cash flow statement. As part of the agreement, Lalique Group undertook to correct this in the IFRS 2019 annual financial statements and to donate CHF 15,000 to the IFRS Foundation.

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Documentation on full-year results 2019

The following documents are available on Lalique Group's website:
Media release www.lalique-group.com/media
Results presentation www.lalique-group.com/financial?section=presentations
Annual Report www.lalique-group.com/financial?section=reporting
Invitation to the General Assembly www.lalique-group.com/assembly

Conference call for investors, analysts and the media

Date: Thursday, 16 April 2020
Time: 10:00 a.m. CEST
Speakers: Roger von der Weid, CEO; Alexis Rubinstein, CFO

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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.

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Development of key figures for Lalique Group

In EUR million

	2019	2018
Operating revenue	143.5	136.4
Gross result	81.8	78.8
Salaries and wages	-35.5	-32.6
Other operating expenses	-30.0	-32.4
EBITDA	16.2	13.8
Depreciation and amortisation / impairment	-14.8	-7.7
EBIT	1.4	6.1
EBIT margin	1.0%	4.5%
Financial result	-1.9	-0.4
Net Group profit	1.1	5.2

In EUR

Earnings per share	0.52	1.09

In EUR million

	31.12.2019	31.12.2018 (restated[1])
Total equity (before shares with non-controlling interests)	171.9	128.1
Equity ratio	50.1%	54.0%

[1] The Group has restated the comparative period as at 31 December 2018 for the correction of an error in deferred taxes

The complete consolidated financial statements for 2019 are available at **www.lalique-group.com/financial**.

(Corrected version dated 16 April 2020, 5:30 pm CEST)