

LALIQUE GROUP

MEDIA RELEASE

Lalique Group announces 2020 annual results

Zurich, 21 April 2021 – **Lalique Group SA (SIX: LLQ), which is active in the creation, development, marketing and worldwide distribution of luxury goods, generated operating revenue of EUR 110.7 million in 2020. The decrease in operating revenue compared to the prior period was reduced to 23% (H1 2020: -30%) and reflects the negative impacts of the corona pandemic on the business – especially on retail activities. EBIT totalled EUR -12.6 million in the reporting year; in addition to the non-cash impairment charge of EUR 4.3 million on Lalique’s brand value recognized in the first half of 2020, it includes a litigation provision of EUR 2.4 million related to long-running legal proceedings in France. Excluding unforeseeable events or a renewed escalation of the pandemic, the Group expects to achieve double-digit sales growth in 2021.**

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

In 2020, the Covid-19 pandemic had a very adverse impact on Lalique Group’s business across all segments and its main markets. After the first global lockdowns in spring 2020, sales trends improved temporarily. However, further lockdowns towards the end of the year led to another partial weakening of sales. After experiencing a 30% decrease in sales in the first half of 2020, Lalique Group closed the full year 2020 with operating revenue of EUR 110.7 million, corresponding to a reduction of 23%. In local currencies, the decline in sales was 24%.

The protective measures introduced to combat the pandemic and the subsequent temporary closure of shops in most international markets impacted primarily on the retail business during the year, while the wholesale business was less severely affected. The Group’s gastronomy operations had to remain closed for more than four months in total. Lalique Group recorded an increase in online sales; in the perfume business, the online component of total sales doubled to around 8% overall, while online sales of Lalique crystal increased to 8% of retail sales.

On the cost side, Lalique Group took a series of measures immediately after the outbreak of the pandemic to maintain the company’s capital and liquidity position and to achieve savings. The Group also introduced short-time working or equivalent support measures for the majority of employees at its head office in Zurich and in all its locations in France, as well as in its international sales network. This helped to partly offset the lower level of sales.

Personnel costs decreased by 19% to EUR 28.7 million in 2020. Other operating expenses fell by 24% to EUR 22.9 million compared to the previous year. They include a litigation provision of EUR 2.4 million related to long-running legal proceedings in France, where the Court of Cassation in Paris annulled a decision reached by the Court of Appeal in 2018 and has called for a reassessment of the legal situation. In 2019, other operating expenses had included EUR 1.2 million of

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one-off costs in connection with the acquisition of a 50% stake in the Scottish whisky distillery The Glenturret. Depreciation, amortisation and value adjustments increased by 36% to EUR 20.2 million compared to 2019 and include the non-cash impairment charge of EUR 4.3 million before tax on Lalique's brand value that was recognized in the first half of 2020.

Earnings before interest and taxes (EBIT) totalled EUR -12.6 million in 2020, compared to EUR 1.4 million in the previous year. Excluding the litigation provision and the brand impairment charge, EBIT for 2020 was EUR -5.9 million. This compares with EUR 2.6 million in the previous year, adjusted for the one-off costs in connection with the acquisition of a 50% stake in The Glenturret. Net Group profit was EUR -15.0 million in 2020, compared to EUR 1.1 million in the previous year, which included a positive effect of EUR 2.9 million that was attributable to the Swiss corporate tax reform.

Lalique Group continues to have a solid liquidity and capital position with an equity ratio of 46.2% at the end of 2020, compared to 50.1% at the end of 2019.

Segment results and adjusted segment structure

Lalique Group has adjusted the segment structure for its financial reporting as follows: The brand The Glenturret, which was previously reported under 'Other brands', is now managed in a dedicated segment. The 'Parfums Grès' brand is now included in the segment 'Other brands'.

The Lalique segment recorded sales of EUR 65.9 million in 2020, down 19% compared to the previous year. Sales decreased by 25% in the perfume business and by 15% in the crystal business; the segment's two main areas of business were thus able to offset part of the significant decline in sales in the first half of the year of 51% and 21%, respectively. The decline in sales at Lalique boutiques was partly offset by higher sales via Lalique's own online channels as well as with online merchants. The segment's costs before the brand impairment charge and the litigation provision decreased by 19%. EBIT totalled EUR -6.6 million before the two exceptional items, or EUR -13.3 million including these items (prior year: EUR -6.9 million).

Ultrasun achieved sales of EUR 14.8 million in 2020, representing a 32% decrease compared to the previous year. Over the year as a whole, the business was strongly impacted by the Covid-19 situation. In addition to the general lockdown measures that affected sales, this was also attributable to the fact that restrictions on holiday travel led to a significant fall in the purchase of sunscreen products in Ultrasun's main markets throughout the year. Costs were reduced by 15%. Profitability at EBIT level was EUR 0.9 million (prior year: EUR 4.1 million).

In the Jaguar Fragrances segment, sales declined by 32% to EUR 15.9 million. However, with EBIT of EUR 2.0 million (EBIT margin: 13%), the top-selling perfume brand in Lalique Group's portfolio remained very profitable (previous year: EUR 3.6 million).

The Glenturret segment recorded a 30% reduction in sales to EUR 1.3 million and an EBIT of EUR -2.5 million (previous year: EUR -1.8 million) due to the corona pandemic, after the launch of the new whisky range had to be delayed until the

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autumn of 2020 and the visitor centre had to close in March 2020 as a result of the lockdown and remained closed for the rest of the year.

Among the other brands, Bentley Fragrances saw sales decline by 5%, and Parfums Samourai recorded a decrease of 21%. At Parfums Grès, sales were down by 23%. The perfume filling and logistics operation Lalique Beauty Services recorded a 14% reduction in sales during the reporting year, with lower capacity utilisation in the area of perfumes being partly offset by the production of hand sanitisers for third-party clients.

Dividend and Annual General Meeting

In view of the Covid-19 situation, the Board of Directors has decided to propose to the Annual General Meeting of 28 May 2021 that no dividend be distributed for the 2020 financial year. In line with the previous year, 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 current difficult economic environment by waiving their entire variable compensation and by taking a partial reduction in their fixed compensation for the current year. All of the existing Board members and Chairman Silvio Denz will stand for re-election for a further term of office of one year. Due to the corona pandemic, the forthcoming Annual General Meeting will once again take place without shareholders being physically present at the event.

Outlook

There is continued uncertainty surrounding the further development of the corona pandemic and its impacts on the economic environment and on Lalique Group's business, even if the ongoing rollout of vaccination programmes in the course of 2021 should essentially lead to improvements in the situation. There are likely to be further regional differences in terms of the rate and scale of the economic recovery, which Lalique Group will consider when prioritising activities and projects.

In the first quarter of 2021, against the backdrop of the ongoing Covid-19 situation, Lalique Group saw solid sales trends with growth compared to the prior-year period. Excluding unforeseeable events or a renewed escalation of the pandemic, Lalique Group expects to generate double-digit sales growth in percentage terms for the full year 2021 compared to 2020, although revenue for 2021 is likely to be slightly below the pre-pandemic level recorded in 2019.

In the current year, Lalique Group will continue to exercise strict cost management that is aligned with the development of sales. At the same time, the Group is moving ahead with selected product launches and projects. In March 2021, for example, the first fragrance created under the exclusive Brioni licence was successfully launched. The reopening of the The Glenturret distillery to the public, together with its visitor centre, café and shop in a new Lalique design, is planned for end-April 2021, while the new Lalique fine-dining restaurant headed by Michelin-starred chef Mark Donald will open in late June 2021. In addition, online activities and distribution via online merchants are to be further expanded for all segments.

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Lalique Group will continue to systematically pursue its diversification strategy to address a broad client base in the luxury good sector. From today's perspective, the Group anticipates that the Covid-19 situation will lead to a delay of around two to three years in the achievement of its mid-term profitability targets.

Roger von der Weid, CEO of Lalique Group: "In 2020, the lockdown measures introduced to combat the corona pandemic had a very adverse effect on our global business – with shops naturally being particularly affected, although the impact was less dramatic than initially feared thanks to our efforts on all levels. The current year also began with corona restrictions in place, and it is likely to remain unpredictable, although we are seeing improved sales trends at present. We will continue to pursue a very disciplined approach to costs and, at the same time, develop our business in a targeted manner to derive the great possible benefits from our broad-based activities."

Documentation on full-year 2020 results

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

Telephone conference for investors, analysts and the media

Date: Wednesday, 21 April 2021

Time: 10:00 a.m. CEST

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

Dial-in numbers:

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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 lifestyle accessories, along with art, gastronomy and hospitality as well as single malt whisky. Founded in 2000, the company employs around 680 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

	2020	2019
Operating revenue	110.7	143.5
Gross result	59.1	81.8
Salaries and wages	-28.7	-35.5
Other operating expenses ¹	-22.9	-30.0
EBITDA	7.6	16.2
Depreciation and amortisation/impairment ²	-20.2	-14.8
EBIT	-12.6	1.4
EBIT margin	-11.3%	1.0%
Financial result	-2.5	-1.9
Net Group profit	-15.0	1.1

1) Includes a litigation provision of EUR 2.4 million.

2) Includes a non-cash impairment charge of EUR 4.3 million on Lalique's brand value.

In EUR

Earnings per share	-1.76	0.52
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In EUR million

	31.12.2020	31.12.2019
Total equity (before shares with non-controlling interests)	156.6	171.9
Equity ratio	46.2	50.1

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