

# elumeo

**The leading electronic retailer for  
gemstone jewelry in Europe**

H1 2020 Financials Earnings Call 14.8.2020



## Summary of key developments

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- After a challenging first quarter elumeo was able to quickly adapt to the new situation caused by the COVID 19 pandemic and returned to profitability. Key driver was a optimized broadcasting schedule which reduced the live time from 18 to 12 hours with a similar reduction of broadcasting cost. At the same time overall revenue stabilized resulting in a much improved financial performance.
- During the first week of June which is known to all customers as the “Juwelo Birthday Week” elumeo was for the first time able to present the full scope of the new procurement system. Customers were very favorable to this, resulting in the best birthday week in Juwelo’s history.
- elumeo’s webshops continued to deliver an increasing contribution to the overall result by growing 69% in revenue and 74% in gross profit.
- elumeo continues to monitor the consequences of the COVID 19 crisis very closely in order to be able to react quickly if the situation deteriorates again.



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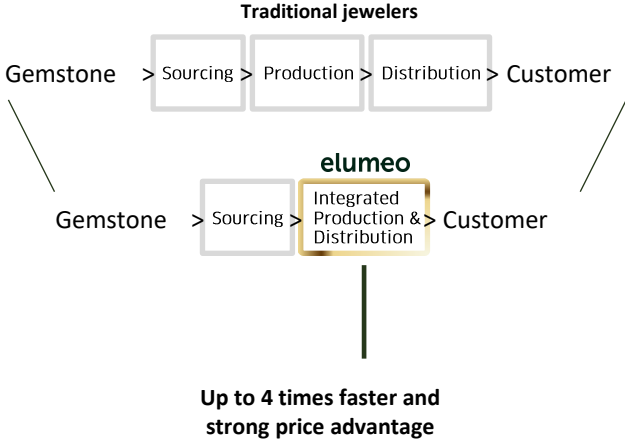
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1	elumeo at a glance
2	Key developments in H1 2020
3	Financials H1 2020
4	Outlook for 2020 and COVID 19 crisis



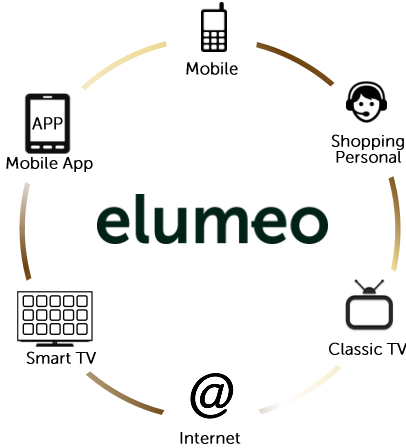
# elumeo's business model is founded on three pillars

Vertically integrated and scalable value chain



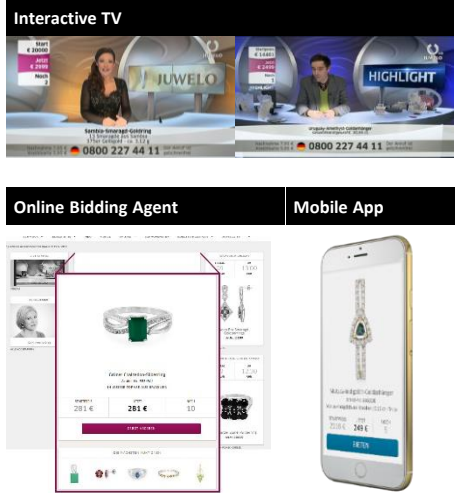
Fast reaction times and low production cost

Multiple electronic distribution channels



Presence in all electronic distribution channels

Live and interactive sales features



Video content transports both facts and emotion



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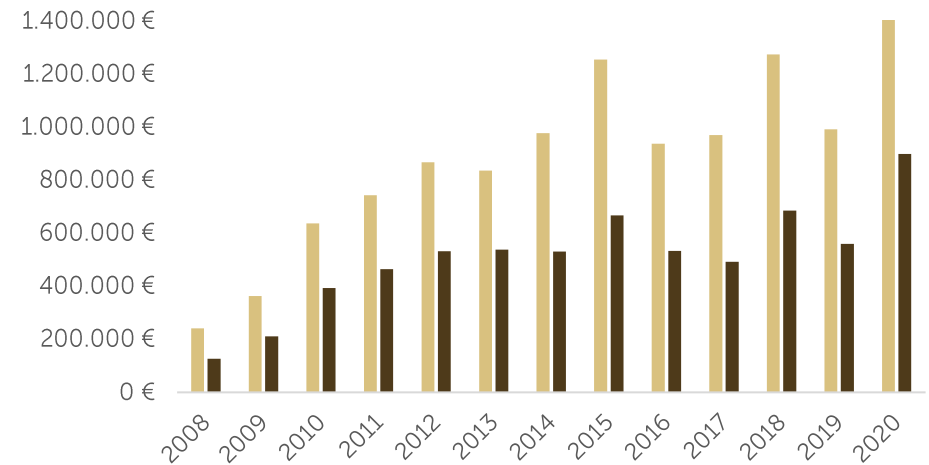


## June 2020 with best Juwelo Birthday special of all times

### Juwelo Birthday Special

- 7 days full of guest shows, gemstone specials, birthday deals and attractive live show entertainment
- Most successful birthday special in history of company  
=> Highest revenue and highest margin of all times

### Revenue and margin (1.-7. June)



Source: Internal ERP system, sum of confirmed revenue based on first 7 days of June for each year





## Successful launch of shows with guests from abroad via PiP livestream

Livestream from NY  
(guest: Anuja)



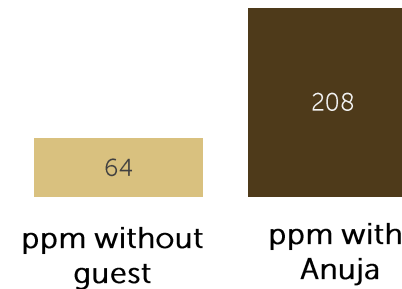
Liveshow from Elumeo studio



Final TV signal (PiP)



Profit-per-minute of PiP-Liveshow  
compared to shows w/o guest

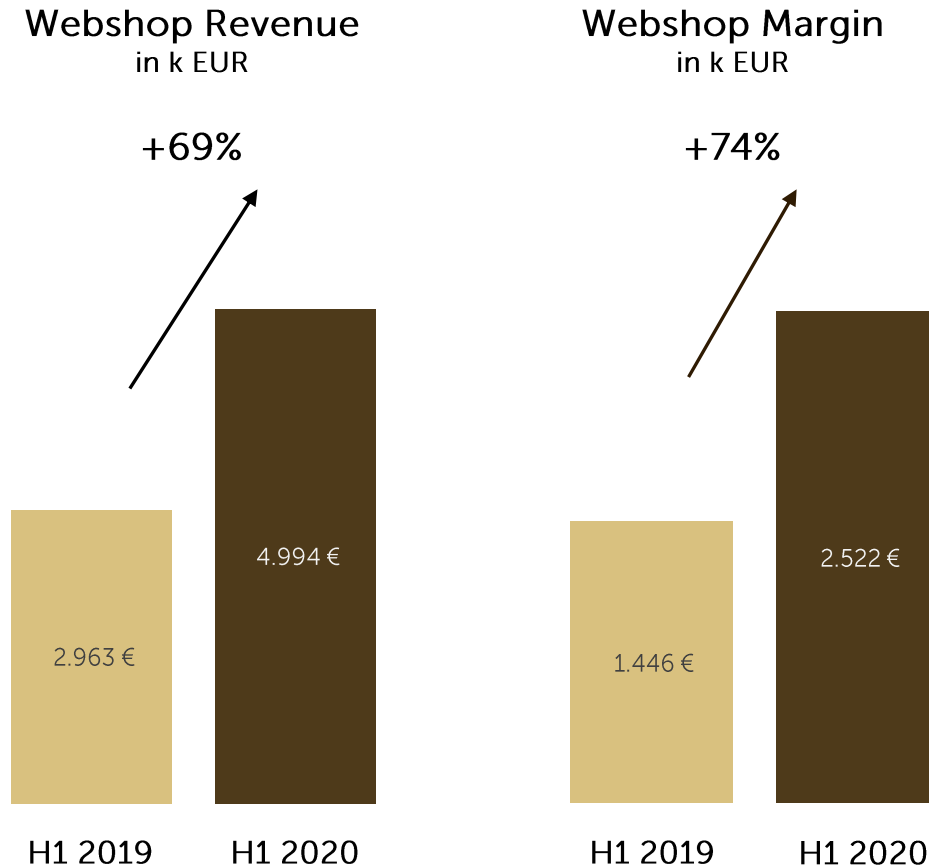


- The introduction of Picture-in-picture live broadcasts during worldwide COVID-19 travel restrictions allowed us to bring international guests into our show, leading to an increase of 225% of the LIVE ppm compared to the average ppm without guests
- Planned expansion to other territories (next: Jaipur)

Source: Internal ERP system, data from Q2 2020, ppm = gross margin per show minute



## Webshop Revenue and Margin with strong growth in H1 2020 vs H1 2019



### Main growth driver

- Continuous optimizations in search engine marketing
- Optimization of checkout process, reducing complexity and increasing conversion rate
- Increased number of newsletter subscribers
- Further improvements of KPI-based product sorting showing customers recommended products based on their shopping history and main performance KPIs
- Improvements of website experience, creating interactive content and using video content as competitive advantage

Source: Internal ERP system, based on static webshop performance (=without TV livestream)

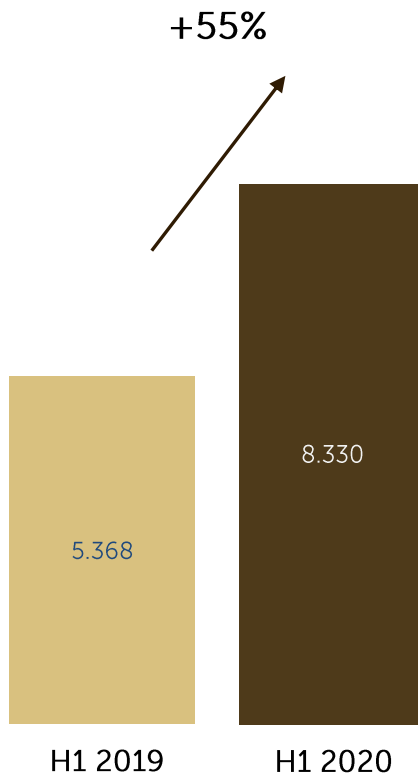




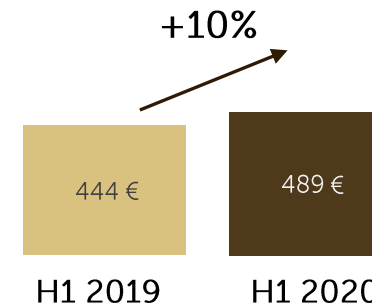
# New web customers clearly increased in H1 2020 vs H1 2019 thanks to optimized online marketing

Online

New web customers  
H1 19 vs. H1 20



Sales & Marketing Expenses Web  
in k EUR



## Online marketing optimizations

- Better budget allocation, reduced cost per new customer (CPA) and improved targeting of potential customers allowed to increase the pace with paid traffic channels
- Implementation of several search engine optimizations (SEO) in order to improve Google ranking for relevant keywords

Source: Internal ERP system, new customers with at least one demand order in a static webshop source



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## Financials H1 2020 – Segment reporting H1 2020 shows improved EBITDA

IFRS 8: Segment information  in thousand EUR	H1 2020			H1 2019		
	Segment- information (without branch Rome)	<i>Local sales division Italy (closure)</i>	Segment- information (Continuing Operations)	Segment- information (without branch Rome)	<i>Local sales division Italy (closure)</i>	Segment- information (Continuing Operations)
Revenue	19,995 100.0%	-9	19,986 100.0%	19,913 100.0%	3,349	23,262 100.0%
Cost of goods sold	9,874 49.4%	-16	9,859 49.3%	11,209 56.3%	1,973	13,182 56.7%
<b>Gross profit</b>	<b>10,121 50.6%</b>	<b>7</b>	<b>10,127 50.7%</b>	<b>8,704 43.7%</b>	<b>1,376</b>	<b>10,080 43.3%</b>
Selling expenses	8,181 40.9%	24	8,205 41.1%	7,034 35.3%	2,087	9,121 39.2%
Administrative expenses	3,003 15.0%	143	3,146 15.7%	3,002 15.1%	424	3,425 14.7%
Other operating income	43 0.2%	0	43 0.2%	16 0.1%	13	29 0.1%
<b>Segment EBIT</b>	<b>-1,020 -5.1%</b>	<b>-159</b>	<b>-1,180 -5.9%</b>	<b>-1,315 -6.6%</b>	<b>-1,121</b>	<b>-2,436 -10.5%</b>
Financial result	-56 -0.3%	0	-56 -0.3%	-99 -0.5%	-19	-118 -0.5%
<b>Earnings for the period</b>	<b>-1,076 -5.4%</b>	<b>-159</b>	<b>-1,235 -6.2%</b>	<b>-1,414 -7.1%</b>	<b>-1,140</b>	<b>-2,554 -11.0%</b>
Depreciation and amortization	472 2.4%	0	472 2.4%	445 2.2%	183	628 2.7%
<b>Segment EBITDA</b>	<b>-548 -2.7%</b>	<b>-159</b>	<b>-708 -3.5%</b>	<b>-870 -4.4%</b>	<b>-939</b>	<b>-1,809 -7.8%</b>

Source: H1 2020 Financials



## Financials Q2 2020 – Segment reporting Q2 2020 shows improved EBITDA

IFRS 8: Segment information  in thousand EUR	Q2 2020			Q2 2019		
	Segment- information (without branch Rome)	<i>Local sales division Italy (closure)</i>	Segment- information (Continuing Operations)	Segment- information (without branch Rome)	<i>Local sales division Italy (closure)</i>	Segment- information (Continuing Operations)
Revenue	9,657 100.0%	-1	9,656 100.0%	9,814 100.0%	1,488	11,302 100.0%
Cost of goods sold	4,164 43.1%	0	4,164 43.1%	5,236 53.4%	934	6,171 54.6%
<b>Gross profit</b>	<b>5,493 56.9%</b>	<b>-1</b>	<b>5,492 56.9%</b>	<b>4,578 46.6%</b>	<b>554</b>	<b>5,132 45.4%</b>
Selling expenses	3,833 39.7%	18	3,851 39.9%	3,153 32.1%	1,047	4,200 37.2%
Administrative expenses	1,431 14.8%	78	1,509 15.6%	1,519 15.5%	174	1,692 15.0%
Other operating income	8 0.1%	0	8 0.1%	10 0.1%	0	11 0.1%
<b>Segment EBIT</b>	<b>237 2.5%</b>	<b>-97</b>	<b>140 1.5%</b>	<b>-83 -0.8%</b>	<b>-667</b>	<b>-750 -6.6%</b>
Financial result	-26 -0.3%	0	-26 -0.3%	-45 -0.5%	-9	-54 -0.5%
<b>Earnings for the period</b>	<b>211 2.2%</b>	<b>-97</b>	<b>115 1.2%</b>	<b>-128 -1.3%</b>	<b>-676</b>	<b>-804 -7.1%</b>
Depreciation and amortization	233 2.4%	0	233 2.4%	218 2.2%	92	310 2.7%
<b>Segment EBITDA</b>	<b>470 4.9%</b>	<b>-97</b>	<b>374 3.9%</b>	<b>135 1.4%</b>	<b>-575</b>	<b>-440 -3.9%</b>

Source: H1 2020 Financials



## Statement of income from 1 January to 30 June 2020

EUR thousand   % of revenue	Q2 2020		Q2 2019 restated*		QoQ in %	1 Jan - 30 June 2020		1 Jan - 30 June 2019 restated*		HoH in %
Revenue	9,656	100.0%	11,302	100.0%	-14.6%	19,986	100.0%	23,262	100.0%	-14.1%
Cost of goods sold	4,164	43.1%	6,171	54.6%	-32.5%	9,859	49.3%	13,182	56.7%	-25.2%
<b>Gross profit</b>	<b>5,492</b>	<b>56.9%</b>	<b>5,132</b>	<b>45.4%</b>	<b>7.0%</b>	<b>10,127</b>	<b>50.7%</b>	<b>10,080</b>	<b>43.3%</b>	<b>0.5%</b>
Selling expenses	3,851	39.9%	4,200	37.2%	-8.3%	8,205	41.1%	9,121	39.2%	-10.0%
Administrative expenses	1,514	15.7%	1,708	15.1%	-11.3%	3,159	15.8%	3,455	14.9%	-8.6%
Other operating income	-40	-0.4%	-41	-0.4%	4.6%	43	0.2%	760	3.3%	-94.3%
Other operating expenses	4	0.0%	251	2.2%	-98.4%	4	0.0%	275	1.2%	-98.5%
<b>Earnings before interest and taxes (EBIT)</b>	<b>83</b>	<b>0.9%</b>	<b>-1,068</b>	<b>-9.4%</b>	<b>107.8%</b>	<b>-1,197</b>	<b>-6.0%</b>	<b>-2,011</b>	<b>-8.6%</b>	<b>40.5%</b>
Interest income	0	0.0%	0	0.0%	-96.6%	0	0.0%	0	0.0%	-93.2%
Interest and similar expenses	-33	-0.3%	-67	-0.6%	50.3%	-73	-0.4%	-143	-0.6%	48.7%
Financial result	-33	-0.3%	-67	-0.6%	50.3%	-73	-0.4%	-143	-0.6%	48.7%
<b>Earnings before income taxes (EBT)</b>	<b>50</b>	<b>0.5%</b>	<b>-1,135</b>	<b>-10.0%</b>	<b>104.4%</b>	<b>-1,270</b>	<b>-6.4%</b>	<b>-2,153</b>	<b>-9.3%</b>	<b>41.0%</b>
Income tax	0	0.0%	0	0.0%	n.a.	0	0.0%	0	0.0%	n.a.
<b>Earnings for the period</b>	<b>50</b>	<b>0.5%</b>	<b>-1,135</b>	<b>-10.0%</b>	<b>104.4%</b>	<b>-1,270</b>	<b>-6.4%</b>	<b>-2,153</b>	<b>-9.3%</b>	<b>41.0%</b>

Source: H1 2020 Financials



## Consolidated assets as of 30 June 2020

### ASSETS

	30 Jun 2020		31 Dec 2019		Change in %
EUR thousand   % of balance sheet total					
<b>Non-current assets</b>					
Intangible assets	468	2.3%	480	2.2%	-2.4%
Property, plant and equipment	4,137	20.3%	4,483	20.8%	-7.7%
Other financial assets	177	0.9%	177	0.8%	-0.2%
Other non-financial assets	247	1.2%	247	1.1%	0.0%
<b>Total non-current assets</b>	<b>5,028</b>	<b>24.7%</b>	<b>5,386</b>	<b>25.0%</b>	<b>-6.6%</b>
<b>Current assets</b>					
Inventories	12,040	59.1%	13,392	62.0%	-10.1%
Trade receivables	1,013	5.0%	1,398	6.5%	-27.6%
Receivables due from related parties	2	0.0%	1	0.0%	102.3%
Other financial assets	142	0.7%	198	0.9%	-28.1%
Other non-financial assets	929	4.6%	328	1.5%	183.3%
Cash and cash equivalents	1,211	5.9%	880	4.1%	37.6%
<b>Total current assets</b>	<b>15,336</b>	<b>75.3%</b>	<b>16,197</b>	<b>75.0%</b>	<b>-5.3%</b>
<b>Total assets</b>	<b>20,364</b>	<b>100.0%</b>	<b>21,583</b>	<b>100.0%</b>	<b>-5.6%</b>

Source: H1 2020 Financials





## Consolidated equity & liabilities as of 31 December 2020

EQUITY & LIABILITIES					
EUR thousand   % of balance sheet total	30 Jun 2020		31 Dec 2019		Change in %
<b>Equity</b>					
Issued capital	5,500	27.0%	5,500	25.5%	0.0%
Capital reserve	34,436	169.1%	34,423	159.5%	0.0%
Accumulated losses	-39,233	-192.7%	-37,963	-175.9%	-3.3%
Foreign currency translation reserve	2,159	10.6%	2,159	10.0%	0.0%
<b>Total equity</b>	<b>2,862</b>	<b>14.1%</b>	<b>4,118</b>	<b>19.1%</b>	<b>-30.5%</b>
<i>Attributable to shareholders of elumeo SE</i>	<i>2,862</i>	<i>14.1%</i>	<i>4,118</i>	<i>19.1%</i>	<i>-30.5%</i>
<b>Non-current liabilities</b>					
Other financial liabilities	2,419	11.9%	2,596	12.0%	-6.8%
Provisions	4,545	22.3%	4,528	21.0%	0.4%
Other non-financial liabilities	25	0.1%	25	0.1%	0.0%
<b>Total non-current liabilities</b>	<b>6,989</b>	<b>34.3%</b>	<b>7,148</b>	<b>33.1%</b>	<b>-2.2%</b>
<b>Current liabilities</b>					
Financial debt	0	0.0%	447	2.1%	-100.0%
Other financial liabilities	338	1.7%	319	1.5%	5.8%
Provisions	615	3.0%	1,400	6.5%	-56.1%
Liabilities due to related parties	0	0.0%	43	0.2%	-100.0%
Trade payables	6,534	32.1%	5,639	26.1%	15.9%
Advance payments received	238	1.2%	248	1.1%	-4.3%
Tax liabilities	100	0.5%	100	0.5%	0.0%
Other non-financial liabilities	2,688	13.2%	2,119	9.8%	26.8%
<b>Total current liabilities</b>	<b>10,513</b>	<b>51.6%</b>	<b>10,316</b>	<b>47.8%</b>	<b>1.9%</b>
<b>Total equity &amp; liabilities</b>	<b>20,364</b>	<b>100.0%</b>	<b>21,583</b>	<b>100.0%</b>	<b>-5.6%</b>

Source: H1 2020 Financials



## Cashflow Statement from 1 January to 30 June 2020 (I)

EUR thousand	1 Jan - 30 Jun 2020	1 Jan - 30 Jun 2019 restated*	HoH in %
<b>Earnings before taxes (EBT)</b>	<b>-1,270</b>	<b>-2,153</b>	<b>41.0%</b>
+/- Depreciation and amortization on non-current assets	+472	+628	-24.8%
+/- Increase/decrease in provisions	-731	-415	-76.1%
+/- Increase/decrease in provisions for in terms of nature, amount and utilization uncertain obligations in connection with the discontinued operation PWK	-54	0	n.a.
+/- Equity-settled share-based remuneration	+13	+29	-55.7%
+/- Other non-cash expenses/income	+0	-727	100.0%
+/- Loss/gain on disposal of non-current assets	0	+0	-100.0%
- Interest expenses paid related to prior accounting periods	-1	0	n.a.
+ Non-cash current interest expenses	+19	+58	-68.2%
-/+ Increase/decrease in inventories	+1,352	+4,271	-68.3%
-/+ Increase/decrease in other assets	-160	+646	-124.8%
+/- Increase/decrease in other liabilities	+1,409	-2,498	156.4%
<b>= Cash flow from operating activities</b>	<b>+1,049</b>	<b>-160</b>	<b>753.7%</b>

Source: H1 2020 Financials



## Cashflow Statement from 1 January to 30 June 2020 (II)

EUR thousand	1 Jan - 30 Jun 2020	1 Jan - 30 Jun 2019 restated*	HoH in %
- Payments for investments in intangible assets	-37	-5	-611.4%
- Payments for investments in property, plant and equipment	-77	-101	23.7%
<b>= Cash flow from investing activities</b>	<b>-114</b>	<b>-106</b>	<b>-7.3%</b>
- Payments for the redemption of financial debt	-446	-1,200	62.8%
- Payments (net) for redemption of other financial liabilities	-158	-341	53.6%
<b>= Cash flow from financing activities</b>	<b>-605</b>	<b>-1,541</b>	<b>-60.8%</b>
+/- Net increase/decrease in cash and cash equivalents	+330	-1,807	118.3%
+/- Effects of foreign currency translation on cash and cash equivalents	+0	+1	-64.9%
+/- Changes in cash and cash equivalents due to changes in scope of consolidation in connection with the discontinued operation UK under IFRS 5	0	-121	100.0%
+ Cash and cash equivalents at beginning of period	+880	+2,608	-66.3%
<b>= Cash and cash equivalents at end of period</b>	<b>+1,211</b>	<b>+681</b>	<b>77.9%</b>

Source: H1 2020 Financials



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## Outlook 2020 (I)

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The COVID 19 crises makes it currently very difficult to predict the further development in 2020. After a challenging first quarter, where elumeo had to cope with an unforeseen supply chain disruption in two of its three main production markets, elumeo has been able to improve the situation in Q2 2020.

elumeo introduced several immediate cost reduction and margin improvement measures that started to take effect in April 2020. Cost of operations have been reduced significantly and gross profit has been increased resulting in a much-improved operational performance.

Regarding sales and margin the forecast compared to the previous year is based on the Segments Sales division Germany and Others as well as Group functions & eliminations, excluding the site in Rome that was closed.



## Outlook 2020 (II)

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elumeo expects revenue to grow in the low single-digit percentage range compared to the previous year. At the same time, gross profit is expected to grow in the low double-digit % range.

Operating costs are expected to be slightly lower than the first quarter of 2020, which equates to only a moderate year-on-year increase.

elumeo maintains its previous forecast that earnings will only improve slightly compared to the previous year (total segment EBITDA in 2019: EUR -2.1 million) due to the still volatile economic situation caused by the COVID-19 crisis. In particular, recent considerable difficulties in the just-in-time supply chain could impair a further positive development in terms of the margin and earnings.





## Points of contact

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### **Executive Board**

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