

eluméo

Full Year 2016 financial presentation
23 March 2017

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



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Highlights in 2016

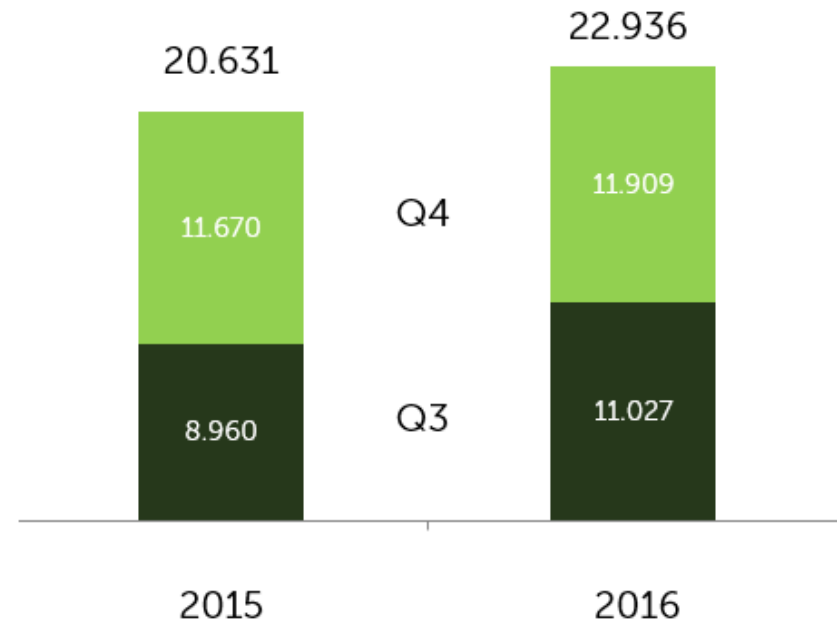
- 1** elumeo has introduced a full new programming schedule in Germany and Italy with new in house collections resulting in good growth figures in Germany in H2 2016. Italy continues to show weak sales figures after challenging H1 2016
- 2** New in-house collections have been developed and introduced across the group and also offered to wholesale customers in markets without a direct presence. First feedback has been very positive
- 3** Activities in the United Kingdom have been successfully restructured in December 2016 and successfully relaunched in March 2017
- 4** eCommerce sales continue to grow strongly
- 5** After a challenging 2016 elumeo SE is on a good path and plans to return to profitability in HY1 2017



New formats resulted in growing revenues in Germany in H2 2016

New programming schedule in Germany

Revenues by Quarter in H2 2015 and 2016
In Euro Mn.



New collections have been developed both for In-house presentation and the developing B2B business ...

Dedicated jewelry collections



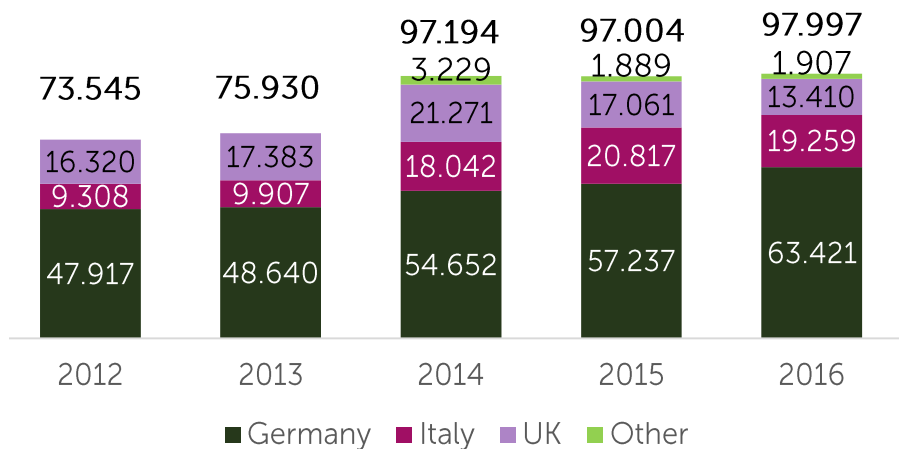
Rationale

- Dedicated jewelry collections have been developed and are being launched across the group
- In order to achieve a better utilization of our production capacity in Thailand these collections have also been offered to wholesale customers in territories without a direct presence
- Feedback after the first test shows has been positive and relevant sales are expected in Q1/2017

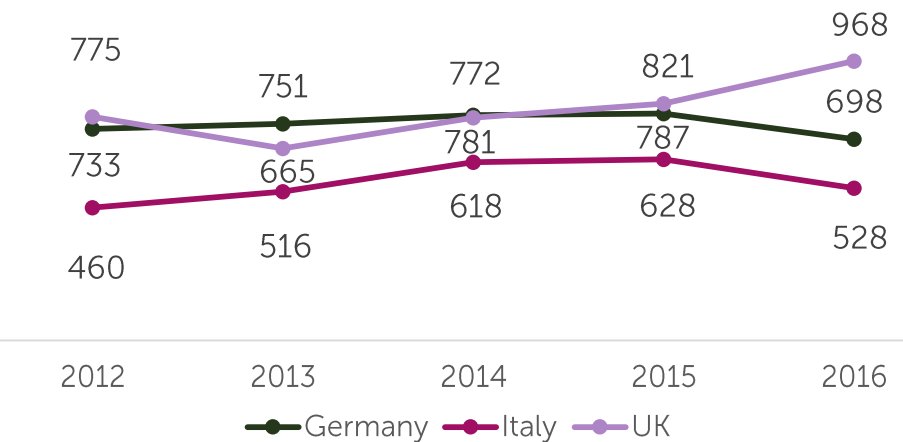


...which should help to return revenue per customer to previous levels

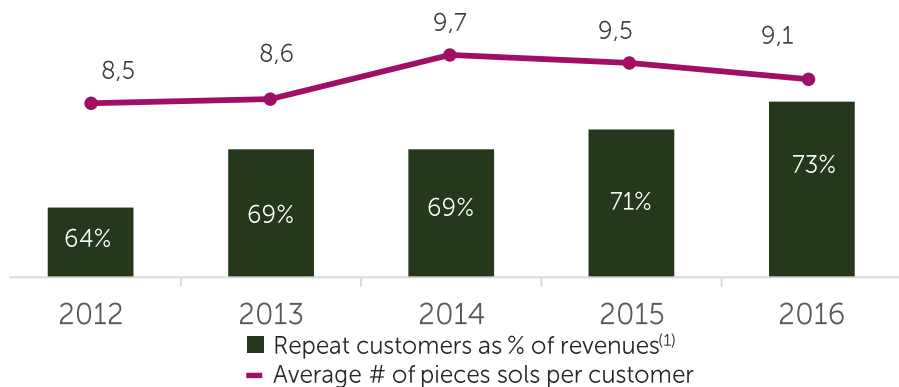
Active Customers 2012-16



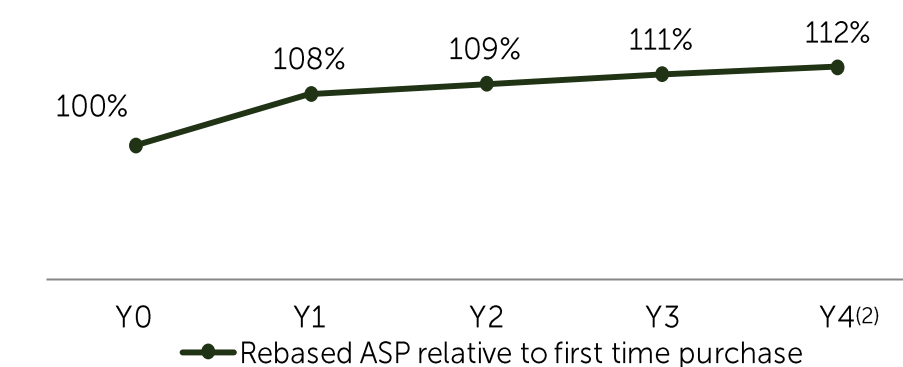
Revenue per Customer 2012-16 (€)



High level of client loyalty



Customer experience driving ASP increase



(1) Calculated as total pieces sold for the year (after returns) divided by total customers;

(2) Average of the percentage increase of the ASP of customer cohorts per year with one cohort created for each business year



In 2016 the GBP lost almost 10% against the THB making the activities in the United Kingdom unsustainable

Exchangerate THB vs. GBP since Jan 2016



Source: exchangerate.com

Key Highlights

- The THB/GBP exchange rate directly drives gemstone and labor cost as well as third party purchases in the COGS for our activities in the United Kingdom
- These cost comprise more than 65% of total COGS
- Following the BREXIT decision the GBP lost almost 10% of its value against the THB and even more against the USD



UK activities restructured in 2016 and relaunched in March 2017

Restructuring approach

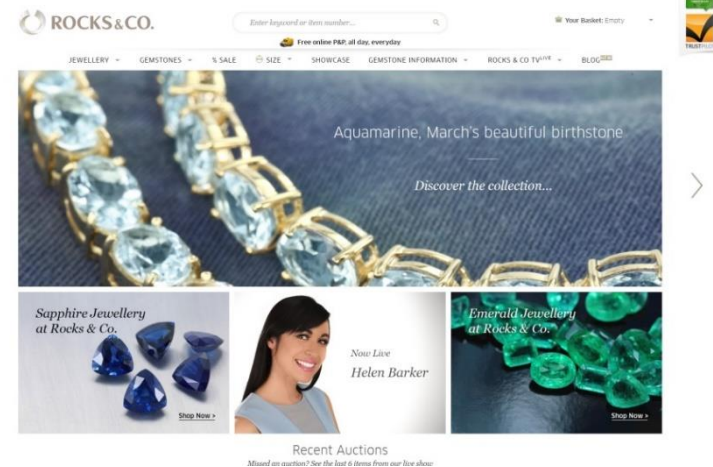
- Rocks & Co has moved from DVB-T to DVB-T2 as distribution standard resulting in a significant reduction in distribution cost
- The workforce has been radically reduced resulting in a much more streamlined organization
- Rocks & Co's positioning in the market has been focused fully on high end jewelry starting at approx. 1.000 GBP

Redesign and relaunch of Rocks & Co



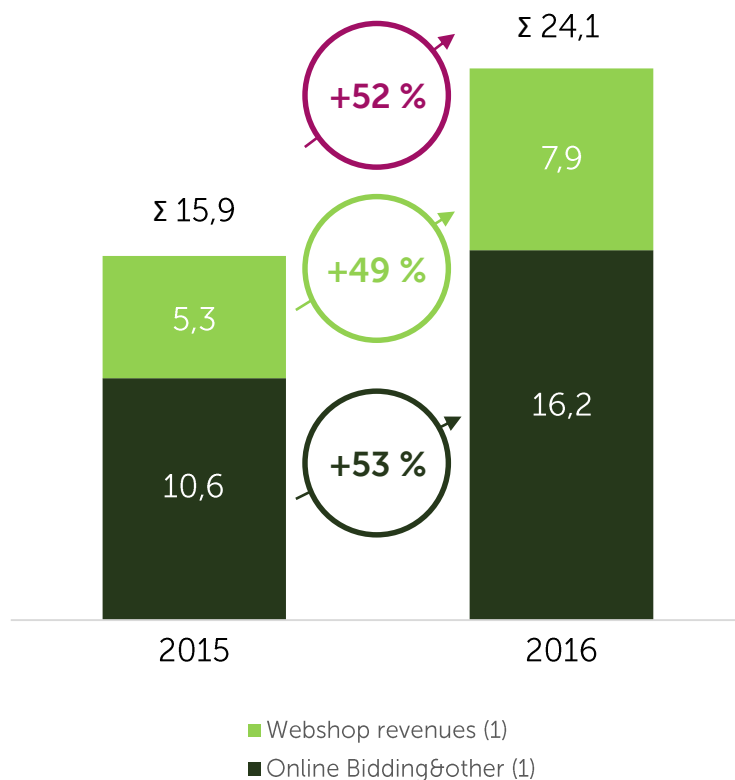
Live-TV

Webshop



eCommerce continues to show highest growth-rates

Development of European eCommerce (€ Mn.)



Key facts

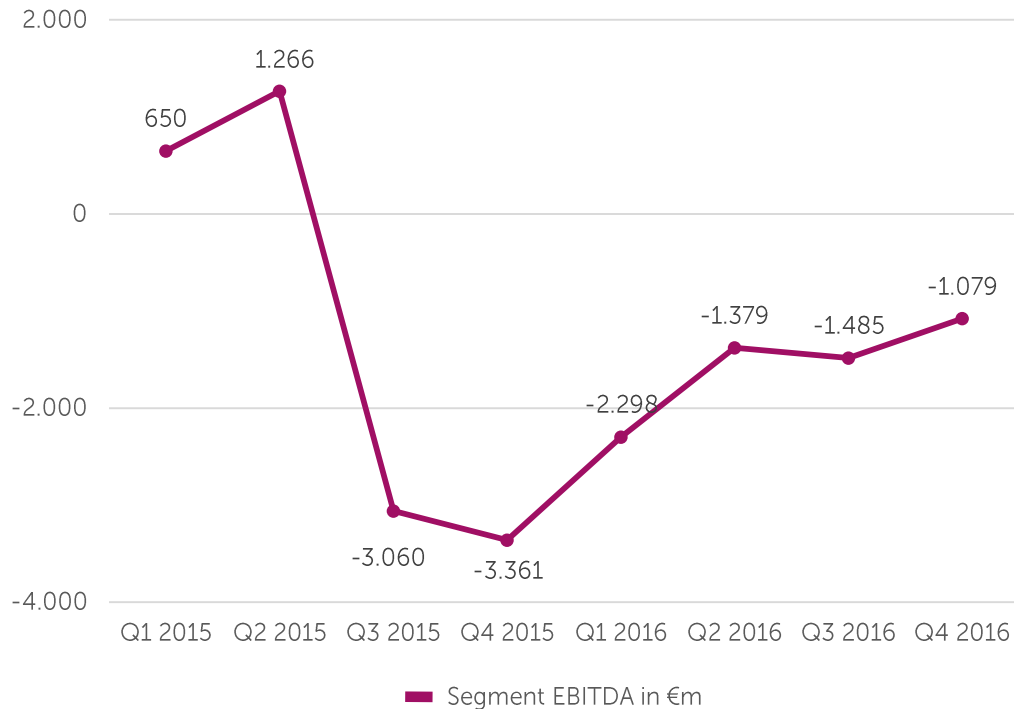
- elumeo's continued investment into eCommerce has resulted in an increase of revenues in this field
- The launch of juwelo.it, juwelo.com and schmuck.de have been successfully completed
- Share of web-only new customers for Germany increased from 47% in 2015 to 55% in 2016⁽¹⁾
- Share of eCommerce sales increased from 25% in 2015 to 34% in 2016

(1) Unaudited
Source: Annual Report, audited (except where marked "unaudited")



elumeo on track to return to profitability in HY1 2017

Development Segment EBITDA (with UK adjusted)¹⁾



Key Highlights

- Restructuring of the activities in the UK successfully completed and relaunch of new program format starting 1st of March
- Significant reduction in operating costs also in Germany and Italy in HY1/2017
- Margin recovery continues to be on track
- B2B activities expected to develop positive contribution in Q1 2017

(1) Q4 2016 without negative result of € 1.5m in the UK



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Summary of Full Year 2016 results

Group's total sales for the year 2016 slightly decreased by 1.6% to EUR 71.5 million after EUR 72.6 million in 2015

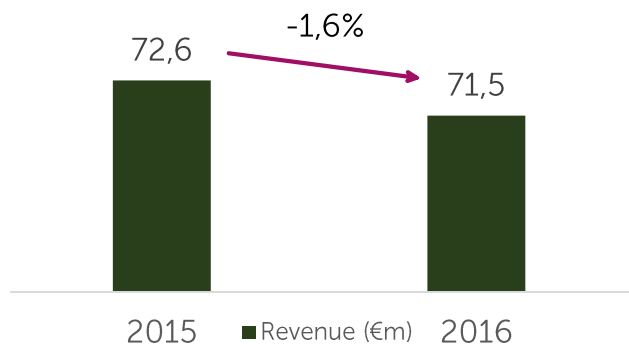
- Germany with good development after challenging periods in 2015 and beginning 2016. New programming schedules have driven revenues and margins and were very well accepted by German customers
- Italy showed delayed development in customer reaction on new programme schedules. Decrease in revenues compared to previous periods has been reduced
- United Kingdom showed improvement in revenues to previous periods but only in GBP due to the devaluation of the GBP. Margins heavily under pressure after sharp drop of the GBP against the THB

Following the implementation of our new gemstone acquisition model, we have been able to raise group margins for our new products significantly. The effect was diluted by strong increase of high value products that from third party suppliers

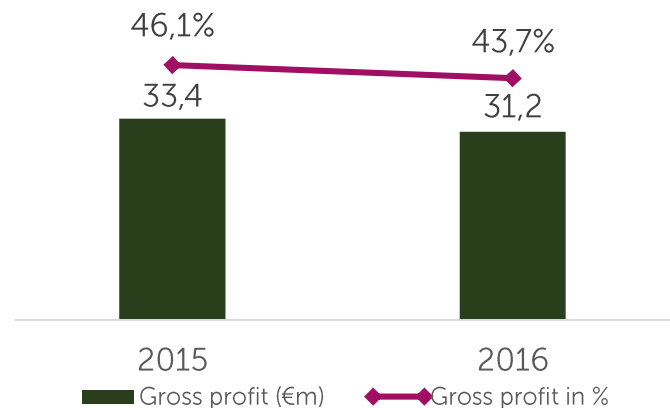


2016 vs. 2015 performance – Overview

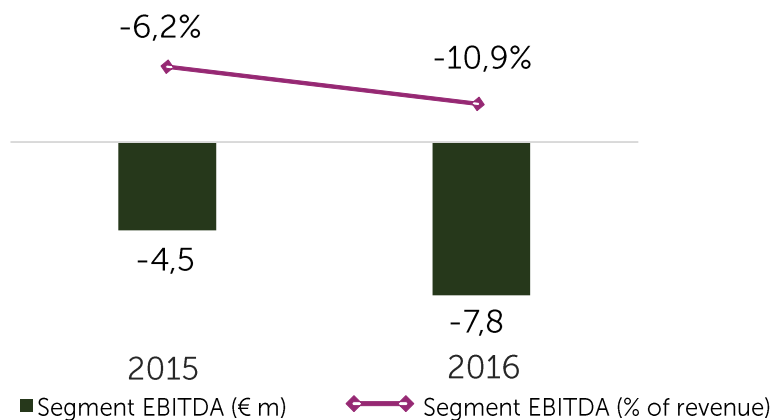
Revenues



Gross profit



Segment EBITDA and margins



Comments

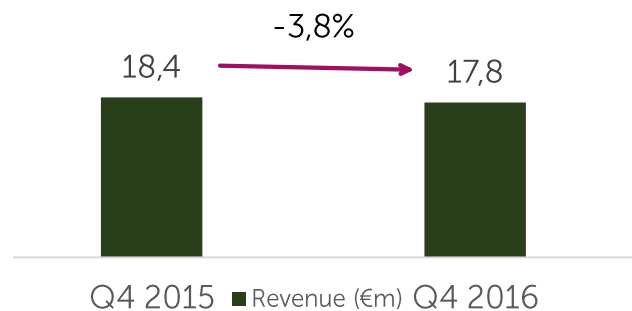
- Slight decline in sales of -1.6% in 2016 compared to 2015 mainly due to Italy and UK
- Strong decline in Segment EBITDA margin due to weak performance HY1 2016
- Positive margin impact of new purchasing model reversely affected by significantly higher share of high value products with lower margin and THB/GBP decline

Source: Annual Report, audited

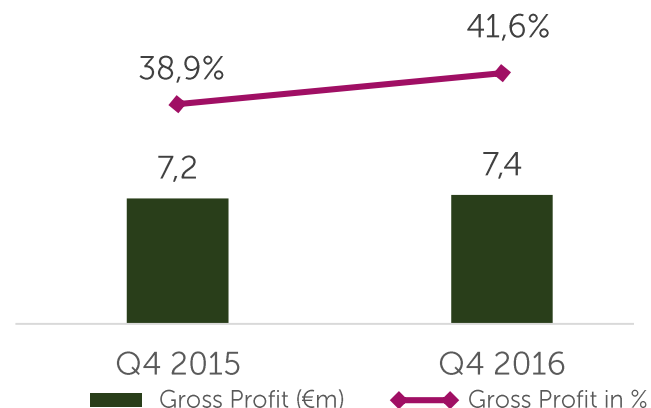


Q4 2016 vs. Q4 2015 performance – Overview

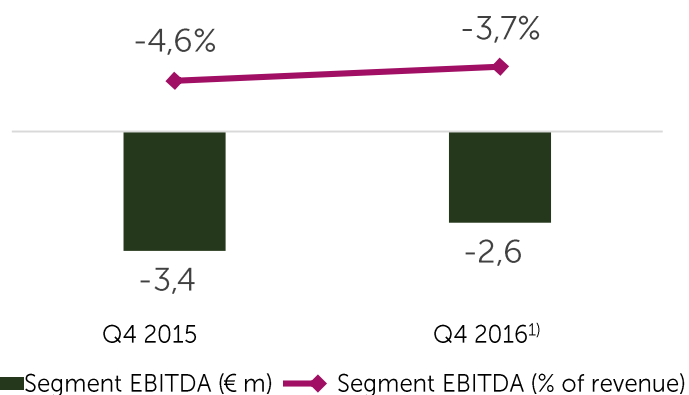
Revenues



Gross profit



Segment EBITDA and margin



Comments

- Revenues down mainly due to Italy and UK. Germany with slight increase versus prior year
- Segment EBITDA shows continued improvement due to cost reductions and margin recovery

Source: Annual Report, audited (1) Including € 1,5m loss in the UK



Consolidated Income Statement

EUR thousand % of revenue	1 Jan - 31 Dec 2016		1 Jan - 31 Dec 2015		YoY in %
Revenue	71.459	100,0%	72.606	100,0%	-1,6%
Cost of goods sold	40.264	56,3%	39.168	53,9%	2,8%
Gross profit	31.195	43,7%	33.438	46,1%	-6,7%
Selling expenses	29.638	41,5%	27.816	38,3%	6,6%
Administrative expenses	15.545	21,8%	12.873	17,7%	20,8%
Other operating income	528	0,7%	79	0,1%	569,7%
Other operating expenses	48	0,1%	1.528	2,1%	-96,9%
Earnings before interest and taxes (EBIT)	-13.508	-18,9%	-8.700	-12,0%	-55,3%
Interest income	2	0,0%	355	0,5%	-99,5%
Interest and similar expenses	-598	-0,8%	-649	-0,9%	7,9%
Financial result	-596	-0,8%	-294	-0,4%	102,7%
Earnings before income taxes (EBT)	-14.105	-19,7%	-8.994	-12,4%	-56,8%
Income tax	-1.419	-2,0%	73	0,1%	<-1.000%
Earnings for the period	-15.523	-21,7%	-8.922	-12,3%	-74,0%



Revenue split by Country

EUR thousand % of revenue from product sales	1 Jan - 31 Dec 2016		1 Jan - 31 Dec 2015		YoY in %
Germany	44.284	62,0%	45.055	62,1%	-1,7%
Italy	10.163	14,2%	13.080	18,0%	-22,3%
United Kingdom	12.982	18,2%	14.013	19,3%	-7,4%
Other countries	3.980	5,6%	388	0,5%	926,2%
Revenue from product sales	71.409	100,0%	72.535	100,0%	-1,6%

EUR thousand % of revenue from product sales	Q4 2016		Q4 2015		YoY in %
Germany	11.920	67,2%	11.674	63,3%	2,1%
Italy	2.425	13,7%	2.920	15,8%	-16,9%
United Kingdom	3.085	17,4%	3.625	19,7%	-14,9%
Other countries	319	1,8%	223	1,2%	43,2%
Revenue from product sales	17.750	100,0%	18.442	100,0%	-3,8%



Segment Report

1 Jan - 31 Dec 2016

EUR thousand % of (segment) revenue	Revenue		Gross profit		Segment-EBITDA	
Sales division Germany & Italy	54.496	76,3%	23.424	43,0%	-3.102	-5,7%
Sales division Others	16.963	23,7%	5.319	31,4%	-3.953	-23,3%
Group functions & eliminations	0	0,0%	2.452	n.a.	-718	n.a.
Total	71.459	100,0%	31.195	43,7%	-7.772	-10,9%

1 Jan - 31 Dec 2015

EUR thousand % of (segment) revenue	Revenue		Gross profit		Segment-EBITDA	
Sales division Germany & Italy	58.206	80,2%	26.465	45,5%	1.224	2,1%
Sales division Others	14.401	19,8%	4.679	32,5%	-5.199	-36,1%
Group functions & eliminations	0	0,0%	2.294	n.a.	-530	n.a.
Total	72.606	100,0%	33.438	46,1%	-4.505	-6,2%



Segment Report

H2 2016

EUR thousand % of (segment) revenue	Revenue		Gross profit		Segment-EBITDA	
	Revenue	%	Gross profit	%	Segment-EBITDA	%
Sales division Germany & Italy	27.948	77,2%	12.157	43,5%	-1.259	-4,5%
Sales division Others	8.258	22,8%	2.039	24,7%	-2.410	-29,2%
Group functions & eliminations	0	0,0%	1.228	n.a.	-427	n.a.
Total	36.206	100,0%	15.424	42,6%	-4.095	-11,3%

H2 2015

EUR thousand % of (segment) revenue	Revenue		Gross profit		Segment-EBITDA	
	Revenue	%	Gross profit	%	Segment-EBITDA	%
Sales division Germany & Italy	26.796	80,9%	11.587	43,2%	-1.570	-5,9%
Sales division Others	6.329	19,1%	930	14,7%	-4.394	-69,4%
Group functions & eliminations	0	0,0%	1.076	n.a.	-457	n.a.
Total	33.125	100,0%	13.594	41,0%	-6.421	-19,4%



Split of Selling expenses

EUR thousand % of revenue	1 Jan - 31 Dec 2016		1 Jan - 31 Dec 2015		YoY in %
Broadcasting and channel rental costs	13.620	19,1%	13.921	19,2%	-2,2%
Personnel expenses	6.611	9,3%	6.495	8,9%	1,8%
Expenses for external personnel services	1.479	2,1%	1.406	1,9%	5,1%
Sales and marketing expenses	2.162	3,0%	1.332	1,8%	62,4%
Depreciation and amortisation	616	0,9%	277	0,4%	122,2%
Other selling expenses	5.151	7,2%	4.385	6,0%	17,5%
Selling expenses	29.638	41,5%	27.816	38,3%	6,6%

- Slight decrease of broadcasting costs
- Sales & Marketing costs up reflecting increased Web-shop business
- Other selling expenses include
 - Payment costs
 - Telephone platform
 - Presenter and Producer
 - Depreciation (Apostore)
 Increase mainly due to depreciation and payment costs



Split of administrative expenses

EUR thousand % of revenue	1 Jan - 31 Dec 2016		1 Jan - 31 Dec 2015		YoY in %
Personnel expenses	6.241	8,7%	5.320	7,3%	17,3%
Depreciation and amortisation	671	0,9%	571	0,8%	17,6%
Equity-settled share-based payments	465	0,7%	359	0,5%	29,5%
Losses from foreign currency translation	3.041	4,3%	1.244	1,7%	144,5%
Other administrative expenses	5.127	7,2%	5.380	7,4%	-4,7%
Administrative expenses	15.545	21,8%	12.873	17,7%	20,8%

- Personnel expenses increased mainly due to IPO
- Losses from foreign currency translation primarily because of devaluation of GBP
- Other administrative expenses include

- Rents
- Directors remuneration
- Travelling expenses
- Fees for consulting and Audit

Including incurred expenses – to be set off with other operating income

Lower costs mainly due to less fees, travelling costs and third party services



Segment EBITDA

EUR thousand % of revenue	1 Jan - 31 Dec 2016		1 Jan - 31 Dec 2015		YoY in %
Total segment EBITDA	-7.772	-10,9%	-4.505	-6,2%	-72,5%
Effects from foreign currency translation	-3.041	-4,3%	-1.244	-1,7%	-144,5%
Equity-settled share-based remuneration	-465	-0,7%	-359	-0,5%	-29,5%
Non-recurring expenses from terminations for severance payments and paid release from work of employees	-445	-0,6%	0	0,0%	n.a
Non recurring expenses related to the restructuring of the business in the United Kingdom	-48	-0,1%	0	0,0%	n.a
Directly attributable transaction cost recognised as expenses as well as other IPO and restructuring related expenses	0	0,0%	-1.258	-1,7%	100,0%
Non-recurring expenses attributable to relocation of R&C	0	0,0%	-269	-0,4%	100,0%
Segment reconciliation items	-3.998	-5,6%	-3.211	-4,4%	-24,5%
EBITDA	-11.771	-16,5%	-7.715	-10,6%	-52,6%

Reconciliation Items

- Effects from foreign currency translation
- Stock-option-programme
- Provisions for severance in connection with restructuring of the business mainly in UK but also Germany and Italy



Balance sheet

ASSETS

EUR thousand % of balance sheet total	31 Dec 2016		31 Dec 2015		YoY in %
Non-current assets					
Intangible assets	925	1,5%	1.011	1,3%	-8,5%
Property, plant and equipment	11.244	18,1%	11.676	15,3%	-3,7%
Other financial assets	522	0,8%	420	0,6%	24,2%
Other non-financial assets	2.020	3,3%	2.088	2,7%	-3,2%
Deferred tax assets	1.465	2,4%	2.645	3,5%	-44,6%
Total non-current assets	16.177	26,1%	17.840	23,4%	-9,3%
Current assets					
Inventories	38.933	62,7%	40.428	53,1%	-3,7%
Trade receivables	3.473	5,6%	2.216	2,9%	56,8%
Receivables due from related parties	279	0,4%	574	0,8%	-51,4%
Other financial assets	82	0,1%	224	0,3%	-63,5%
Other non-financial assets	1.309	2,1%	1.282	1,7%	2,2%
Cash and cash equivalents	1.837	3,0%	13.590	17,8%	-86,5%
Total current assets	45.912	73,9%	58.313	76,6%	-21,3%
Total assets	62.089	100,0%	76.153	100,0%	-18,5%

- In 2016 only smaller investments for maintenance
- Deferred tax assets mainly adjusted by change of intercompany profits
- Inventories: slightly decreased
- Cash down due to operating losses



Balance sheet

EQUITY & LIABILITIES

	31 Dec 2016		31 Dec 2015		YoY
EUR thousand % of balance sheet total					in %
Equity					
Issued capital	5.500	8,9%	5.500	7,2%	0,0%
Capital reserve	33.862	54,5%	33.397	43,9%	1,4%
Retained earnings/losses	-5.408	-8,7%	10.115	13,3%	-153,5%
Foreign currency translation reserve	5.022	8,1%	2.045	2,7%	145,5%
Total equity	38.975	62,8%	51.057	67,0%	-23,7%
Non-current liabilities					
Financial debt	4.011	6,5%	11.771	15,5%	-65,9%
Other non-current financial liabilities	573	0,9%	1.071	1,4%	-46,5%
Provisions	602	1,0%	466	0,6%	29,0%
Other non-financial liabilities	25	0,0%	25	0,0%	0,0%
Summe non-current liabilities	5.211	8,4%	13.333	17,5%	-60,9%
Current liabilities					
Financial debt	8.904	14,3%	1.198	1,6%	643,2%
Other financial liabilities	311	0,5%	568	0,7%	-45,3%
Provisions	684	1,1%	42	0,1%	>1.000%
Liabilities due to related parties	11	0,0%	100	0,1%	-89,5%
Trade payables	6.181	10,0%	7.422	9,7%	-16,7%
Advance payments received	111	0,2%	0	0,0%	n.a
Tax liabilities	0	0,0%	164	0,2%	-100,0%
Other non-financial liabilities	1.701	2,7%	2.269	3,0%	-25,0%
Summe current liabilities	17.903	28,8%	11.762	15,4%	52,2%
Total equity & liabilities	62.089	100,0%	76.153	100,0%	-18,5%

- Equity reduced according to the business development
- Non-current liabilities reduced as financial liabilities reclassified to current liabilities
- Current liabilities increased as financial liabilities reclassified to current liabilities



Cash Flow Statement

EUR thousand	1 Jan - 31 Dec 2016	1 Jan - 31 Dec 2015
Earnings before taxes (EBT)	-14.105	-8.994
+/- Depreciation and amortisation on non-current assets	+1.737	+985
+/- Increase/decrease in provisions	+777	-177
+/- Equity-settled share-based remuneration	+465	+359
+/- Other non-cash expenses/income	+4.127	+61
+/- Loss/gain on disposal of non-current assets	+10	+109
- Non-cash current interest income	-0	-3
- Interest expenses paid related to prior accounting periods	-299	0
+ Non-cash current interest expenses	+102	+254
+ Proceeds from income tax	+5	+6
- Income tax paid	-164	-1.977
-/+ Increase/decrease in inventories	+1.496	-19.009
-/+ Increase/decrease in other assets	-2.275	+945
+/- Increase/decrease in other liabilities	-1.799	+584
= Cash flow from operating activities	-9.922	-26.858

- Other non cash expenses relate to FX translation reserve
- Slight positive impact from reduced Inventories



Cash Flow Statement

EUR thousand	1 Jan - 31 Dec 2016	1 Jan - 31 Dec 2015
- Payments for investments in intangible assets	-121	-404
- Payments for investments in property, plant and equipment and property, plant and equipment	-907	-9.402
= Cash flow from investing activities	-1.028	-9.805
+ Proceeds from increase in financial debt	+1.755	+15.670
- Payments for the redemption of financial debt	-2.170	-2.612
+ Proceeds from increase in financial liabilities	-269	-15
+ Proceeds from capital increase net of transaction cost	0	+34.538
= Cash flow from financing activities	-685	+47.581
+/- Net increase/decrease in cash and cash equivalents	-11.635	+10.918
+/- Effects of foreign currency translation on cash and cash equivalents	-26	+149
+ Cash and cash equivalents on beginning of reporting period	+13.498	+2.431
= Cash and cash equivalents on end of reporting period	+1.836	+13.498



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2017 Outlook

In 2017 elumeo will benefit from a large number of initiatives to reduce operational cost

- Efficiency has been increased in all territories resulting in a higher productivity and lower cost.
- As a result of digitalization cost of distribution has been reduced in many territories

After a challenging first half year in 2016 sales have showed better results in HY2 2016. This trend has gained momentum during the first quarter of 2017

- The newly introduced sales formats continue to produce good results with a rollout of new collections of jewelry across all territories
- In territories without a TV presence elumeo has successfully launched some of its collections resulting in a better utilization of the capacity of the factory

Returning elumeo Group to profitability while improving liquidity is top priority in 2017. After a successful restructuring of the group the group plans to reach operational breakeven during the first half 2017

elumeo will release a full year guidance together with the Q1 figures



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