

# eluméo

Half-year financial presentation  
(H1/2015)

August 2015

One of the leading electronic jewelers in Europe



# Table of contents

1 elumeo at a glance

2 Highlights in 2015

3 Financials

4 Key investment highlights

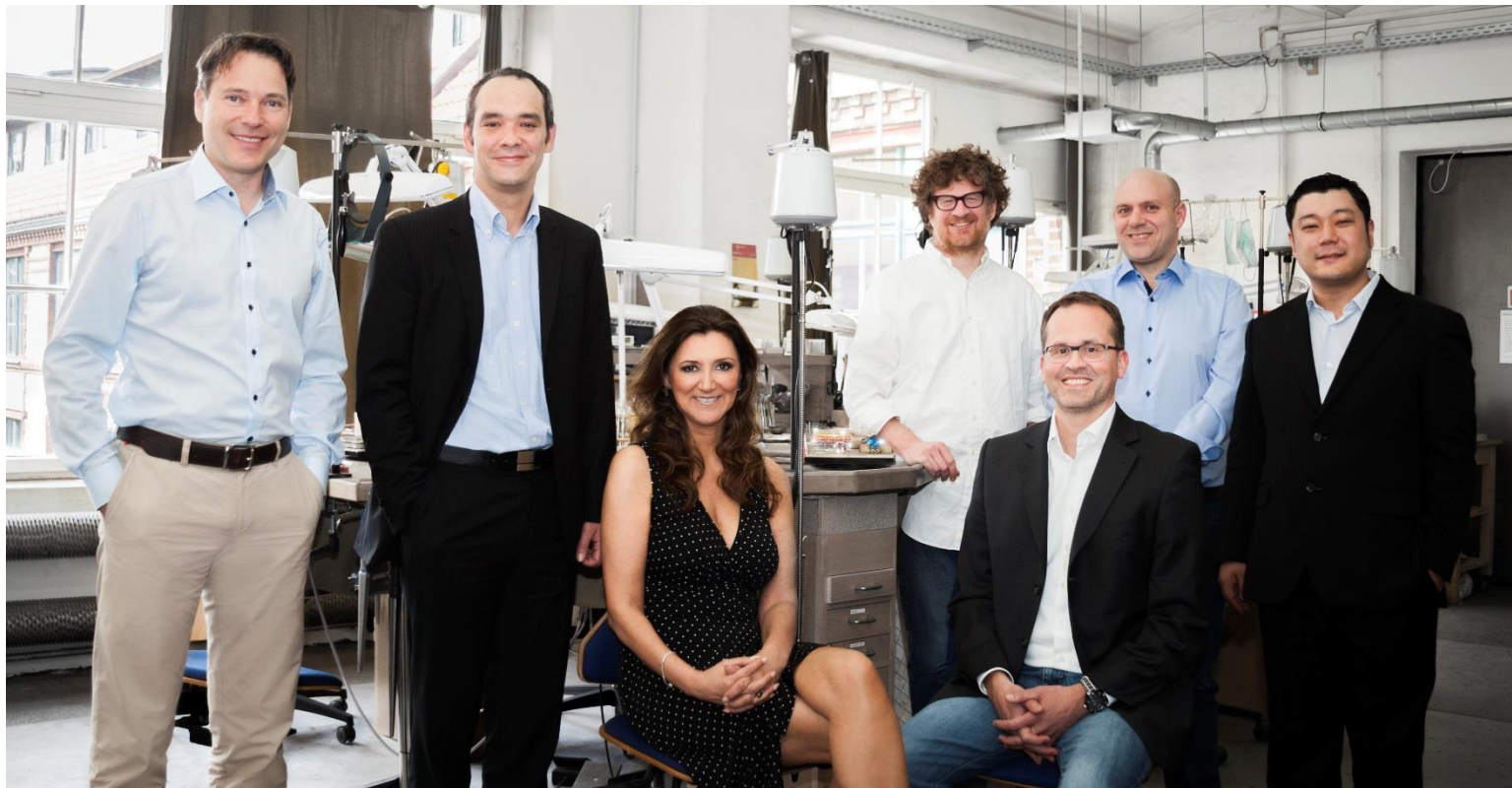
5 Points of Contact

6 Appendix



# Highly experienced management team with more than 70 years of combined professional experience

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**Boris Kirn**  
Chief Operating Officer

**Debby Cavill**  
Non executive board member

**Bernd Fischer**  
Chief  
Financial Officer

**Mitsunari Yoshimoto**  
Chief Production Officer

**Thomas Jarmuske**  
Chief Merchandising Officer

**Wolfgang Boyé** **Don Kogen**  
Chairman of the Board Vice Chairman of the Board



# elumeo at a glance

## Key facts

- elumeo is a manufacturer and electronic retailer of gemstone jewelry
- Our mission is to make fine jewelry an affordable luxury for everyone
- We are positioned as price leader, selling one of the widest product ranges at the most competitive prices
- Pre-IPO elumeo's growth solely financed by an initial investment of €4m that turned into €24.5m equity end of FY 2014

## Key financials and key performance indicators

	2009 <sup>(1)</sup>	2014 <sup>(2)</sup>	CAGR 09-14
Revenues (€m)	19.2	70.8	29.8%
Products sold <sup>(3)</sup>	291k	947k	26.6%
Active customers <sup>(3)(4)</sup>	35k	97k	22.6%
Unique visitors	237k	2,015k	53.4%
Countries	1	8	

## elumeo's success story

### 2008

- Foundation of elumeo
- Germany launched
- Launch of first online shop in Germany

### 2010/11

- UK acquired
- Italy launched

### 2012

- France (eCommerce platform) launched

### 2014

- Formal merger<sup>(5)</sup> creating elumeo SE
- Spain and Netherlands launched (eCommerce platforms)
- Launch of Bidding agent in France
- Launch of Samsung Smart TV App in Germany
- Launch of Mobile App in Germany
- Launch of New York Gemstones

### 2015

- Webshop Belgium
- Website USA
- Juwelo France S.A.S formed
- Mobile App across Europe
- TV APPs on multiple platforms

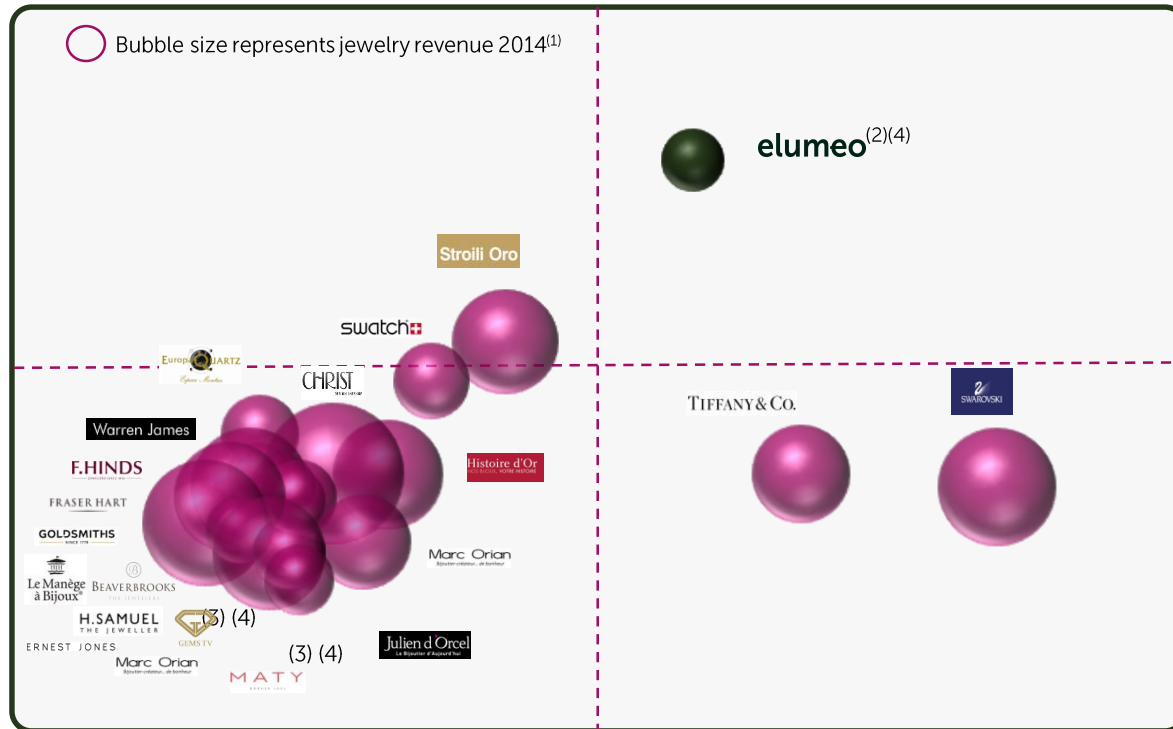
(1) Juwelo Germany; (2) elumeo Group; (3) 2014 data shown post returns for Germany, UK and Italy; (4) Active customers defined as customers who purchased and did not return at least one product during the corresponding year; (5) Merger between the production, trading and distribution companies, which started their operations through a JV formed in 2008



# Huge transformation opportunity ahead

## The top 20 players in the European market for fine jewelry

2009-2014 jewelry revenue CAGR<sup>(1)</sup>



European presence (# of countries)<sup>(5)</sup>

## Key Facts

- Sizeable market of € 34.2 bn
- Italy, France, UK and Germany account for 70% of the market
- Highly fragmented, no player holds more than 2% market share
- Still very national market with only three of the players active in multiple countries
- elumeo is the only electronic jeweler with presences in all major European markets

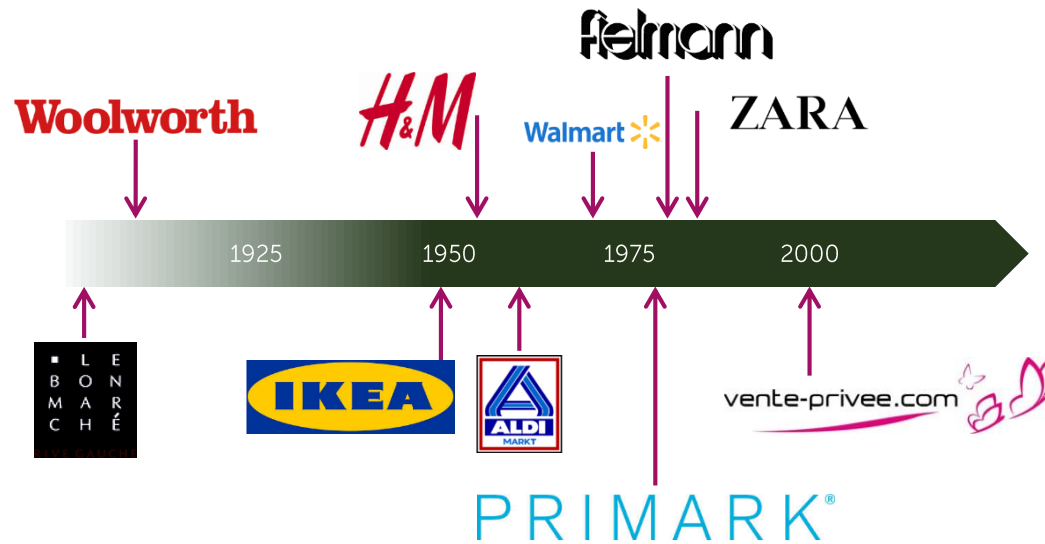
(1) Top 20 European jewelry retailers according to Euromonitor (Real jewelry only excluding high-end segment such as Cartier or Bulgari). Based on 2014 revenues, 2014 estimated by elumeo's management based on 2013 revenues and historical growth; (2) elumeo added by elumeo's management, 2009 and 2014 revenue based on elumeo's accounts; (3) Gems TV and Maty added by elumeo's management, CAGR shown for 2008 – 2014, 2008 and 2013 figures from company filings, 2014 estimated by elumeo's management based on 2013 revenues and historical growth; (4) Blue Spirit (59 €m); Pandora (58 €m); mappin@webb (50 €m) excl. from Top 20; (5) Information gathered by elumeo's management from public sources as of April 2015



# Transformation will be driven by four forces

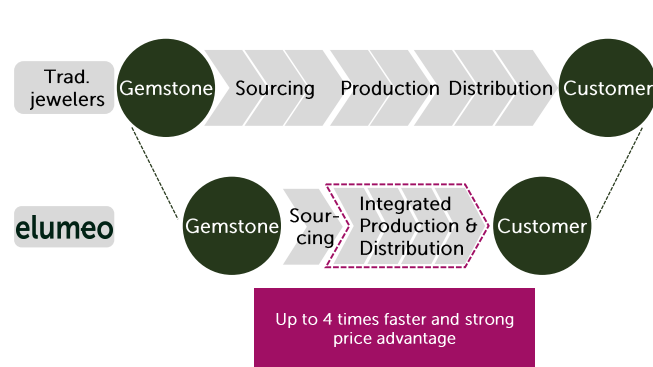
Lessons learned from innovation in retail

70-80 % of market non branded



# Three pillars providing strong competitive advantage

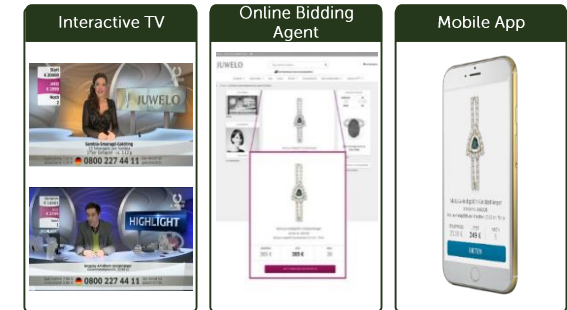
Vertically integrated and scalable value chain



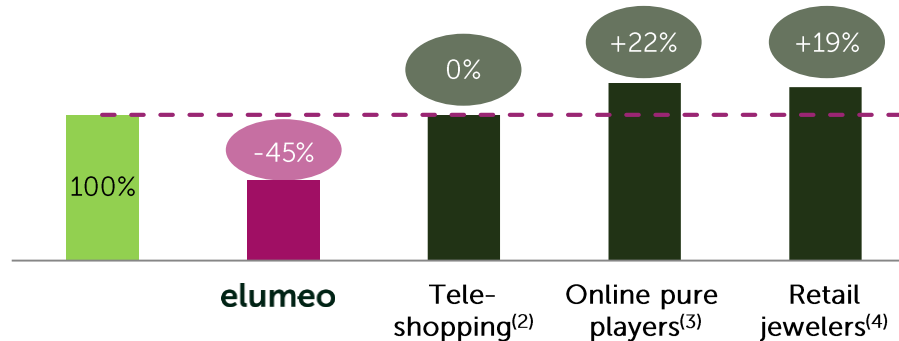
Multiple electronic distribution channels



Live and interactive sales features



## Most competitive product price range<sup>(1)</sup>



(1) Based on elumeo's market observations between Nov-14 and May-15. Based on the average variance of each item of a selection of 12 comparable jewelry items to the average price of this selection; (2) HSE24, QVC and GEMS TV; (3) Amazon.de, Rakuten.de and Valmano.de; (4) Include Berlin branches of Christ, Wempe, Juwelier Fidan, Goldschmiede Hahs, Juwelier und Goldschmied Lutz Bugday, Beckmann & Schönherr, Schmuckmanufaktur, Juwelier am Tauentzien; (5) Number of gemstone variations; (6) Pricing position relative to competitors, based on elumeo's market observation as explained in footnote (1), (2), (3) and (4)



# Key Projects have been successfully completed or launched in HY1 2015

## Strategic focus

### 1 Enhance cost leadership

- Optimise production
- Automate logistics
- Leverage purchasing power

### 2 Drive digitalisation

- Rollout of Mobile App and Bidding Agent across Europe
- Mobile App including video stream
- Further development of Smart TV App

### 3 Expand

- Broaden product offering
- Establish at least 10 more local language websites
- Launch of two new markets with local operations by 2019

## Projects and level of completion

- New Factory (80%)
- Bulk purchase of Gemstone inventory (100%)
- Automated warehouse UK (90%)
- Automated warehouse GER (50%)

- Enhance customer experience GER (100%)
- Mobile Apps in GER, ITA, FR (100%)
- Mobile App in UK (80%)
- Smart TV Apps for Samsung, Android TV, Amazon Fire TV (100%)

- Webshop Belgium (100%)
- Website USA (100%)
- Webshop USA (60%)
- Webshop Scandinavia (60%)
- Juwelo France S.A.S. formed (100%)





# Table of contents

1 elumeo at a glance

2 Highlights in 2015

3 Financials

4 Key investment highlights

5 Points of Contact

6 Appendix



# Building of the new factory in Chanthaburi well advanced

Move expected in Oct. 2015

Key objectives of the project

1. Increase scalability and the (cost-)efficiency of the production process by approximately 5 - 10% factory. Achieved mainly through an improved cooperation between the different production departments and a more efficient workflow.
2. Enable elumeo Group to handle almost twice the revenue we generated in the financial year 2014.
3. We plan to integrate the production operations into the new factory by November 2015.



# Automated warehouses in the UK and Germany almost complete

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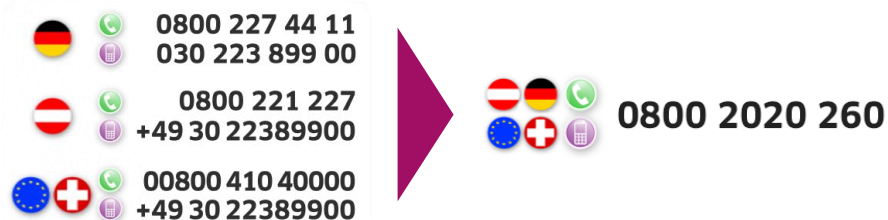
- We will refine our vertically integrated value chain model by reducing our fulfillment costs through automated logistics.
- We are investing and implementing fully automated commissioning systems in our warehouses in Germany and the UK in Sep/Oct 2015.
- These new systems will make many human tasks between production and shipping of our products and their delivery to the end customer redundant and reduce friction and human error.



# Customer experience has been enhanced in Germany

## Free calling

In order to ease the telephone access to Juwelo, we have reintroduced free calling for mobile phone customers and have unified the telephone numbers for the DACH region



## Startprice

In order to increase credibility with potential customers, we have reduced the startprices by 60%



## New payment

In order to increase revenue and to attract new customers, we have introduced „Payment by Invoice“; „Payment by Direct Debit“ and „Payment by Installments“

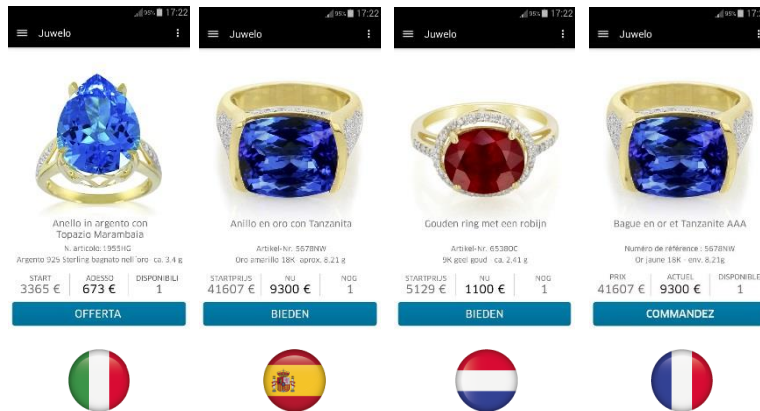


# Multiple Apps launched all across Europe

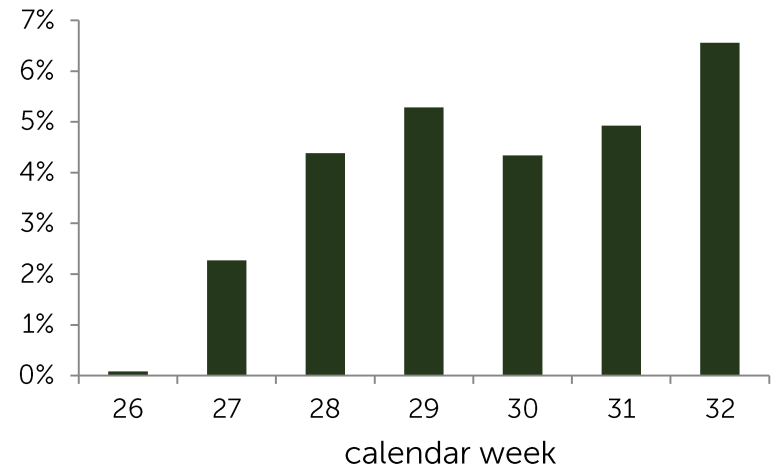
SMART-TV Apps



MOBILE-PHONE Apps



## Mobile App Revenue Share Italy



Source: Derived from elumeos internal systems, unaudited

elumeo|13



# Table of contents

1 elumeo at a glance

2 Highlights in 2015

3 Financials

4 Key investment highlights

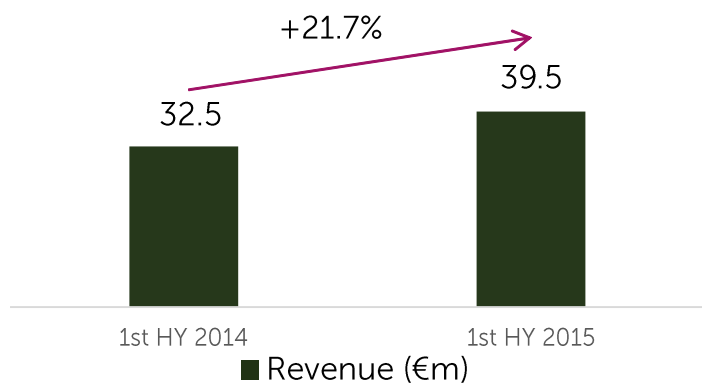
5 Points of Contact

6 Appendix

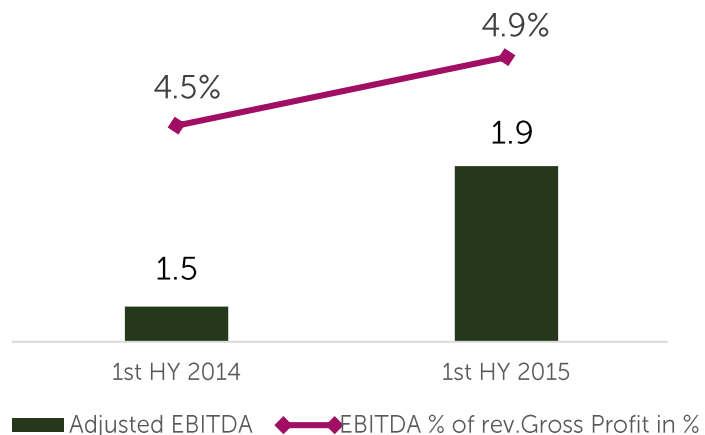


# 1<sup>st</sup> HY performance – Overview

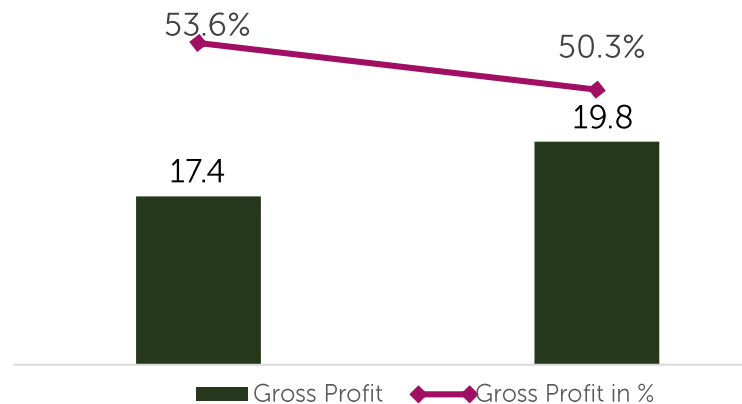
## Revenues



## Adjusted EBITDA and margin



## Gross profit



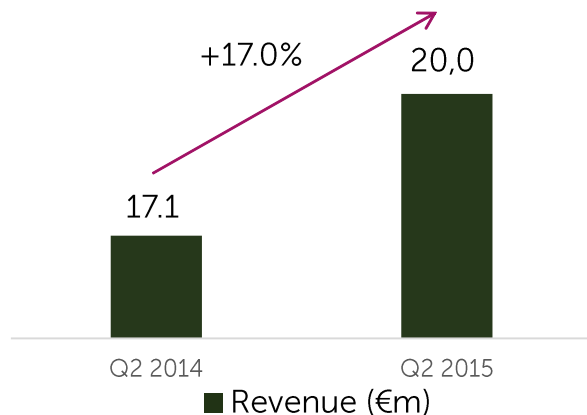
## Comments

- Total increase in sales of 21.7% and in pieces sold of 35.9% in 1<sup>st</sup> HY 2015 compared to 1<sup>st</sup> HY 2014
- Share of new Customers for Germany from Web-Only increased from 22% in 1<sup>st</sup> HY 2014 to 45% in 1<sup>st</sup> HY 2015
- Reduced margin due to EUR/THB development, extended winter-sale.
- New products and new highlights giving impulse for revenues and margin to arrive in 3<sup>rd</sup> and 4<sup>th</sup> quarter.

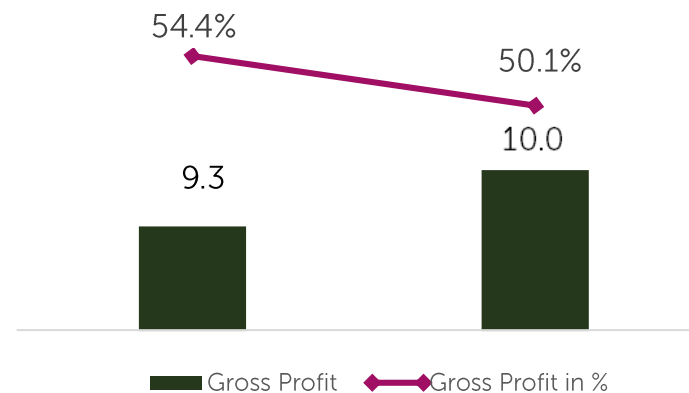


# Q2 performance – Overview

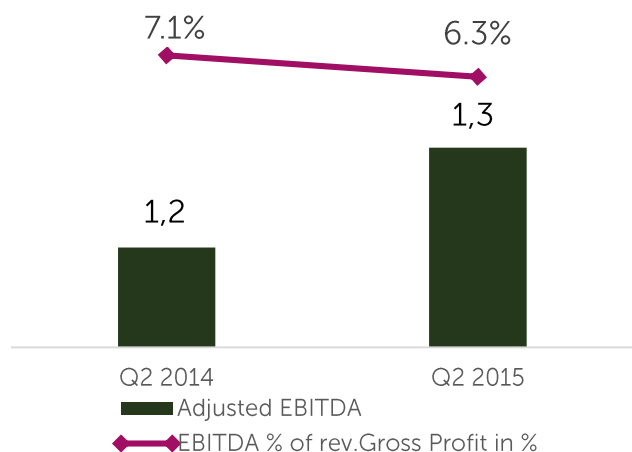
## Revenues



## Gross profit



## Adjusted EBITDA and margin



## Comments

- Total increase in sales of 17.0% and in pieces sold of 33.4% in Q2 2015 compared to Q2 2014
- Share of new Customers for Germany from Web-Only increased from 25% in Q1 2014 to 54% in Q2 2015
- Reduced margin due to EUR/THB development, extended winter-sale.
- New products and new highlights giving impulse for revenues and margin to arrive in 3<sup>rd</sup> and 4<sup>th</sup> quarter.

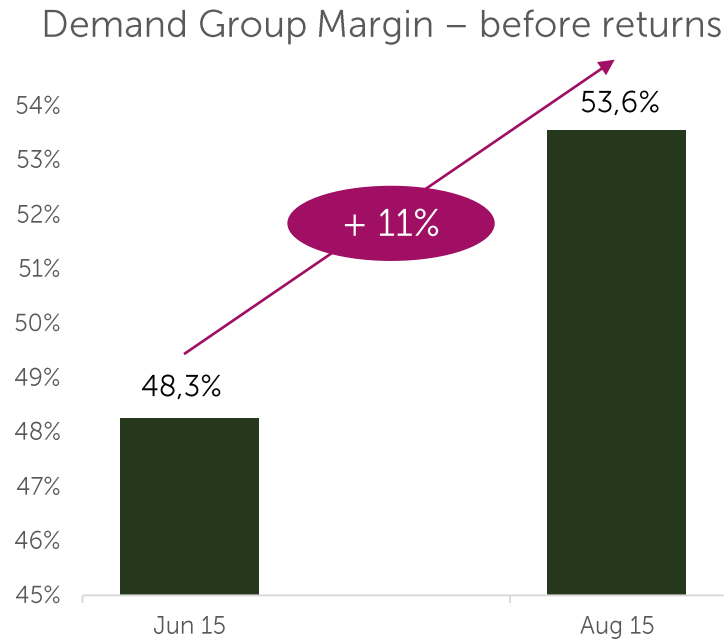
Source: elumeo accounting, IFRS, unaudited





# Recovery of Gross Margin in 3rd Quarter

## Development of Group Margin before returns in Q3



## Key Drivers

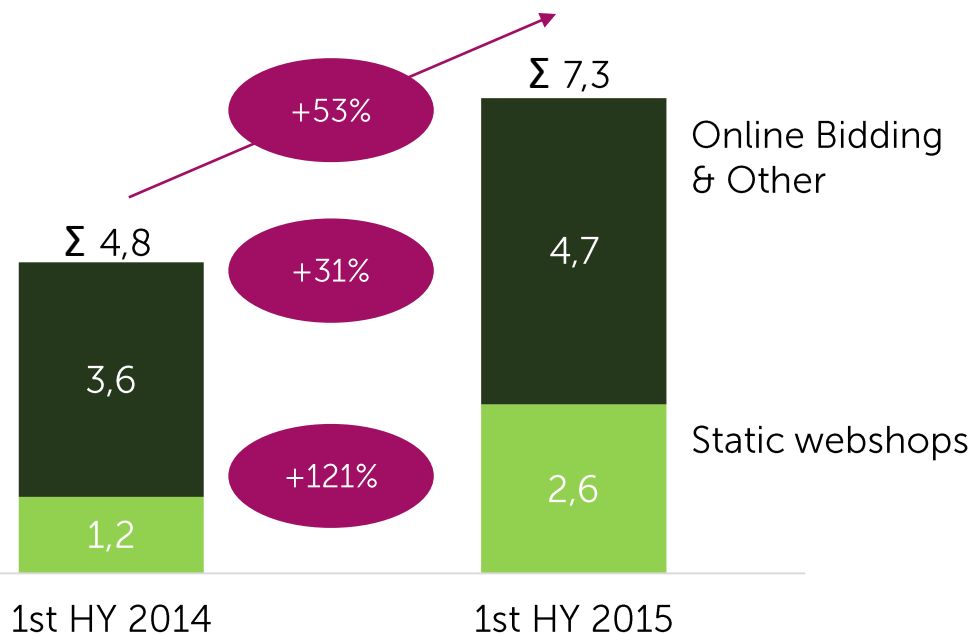
- Reduction of Gem prices due to bulk purchase of gemstone inventory
- Reduced Gold Price
- Increase of Euro against Thai Baht

Source: Derived from elumeos internal systems, unaudited



# Static webshops growing fastest in elumeos eCommerce

## Development of European eCommerce (€ Mn.)



## Key Drivers

- Increase of acceptance of Jewelry as an online product resulting in a younger "online audience"
- Better cross promotion of offering between TV and online

Source: Derived from elumeos internal systems, unaudited



# Profit and Loss Statement

## elumeo Group P&L statement: Q2 2015 and Q2 2014

<i>(in '000 EUR / %)</i>	Q2 2015 <i>(unaudited)</i>		Q2 2014 <i>(unaudited)</i>	
<b>Revenue</b>	<b>20,003</b>	<b>100.0</b>	<b>17,102</b>	<b>100.0</b>
Cost of goods sold	(9,989)	(49.9)	(7,805)	(45.6)
<b>Gross profit</b>	<b>10,014</b>	<b>50.1</b>	<b>9,297</b>	<b>54.4</b>
Selling expenses	(6,415)	(32.1)	(6,524)	(38.1)
Administrative expenses	(1,470)	(7.3)	(1,984)	(11.6)
<b>Total SG&amp;A</b>	<b>(7,884)</b>	<b>(39.4)</b>	<b>(8,508)</b>	<b>(49.7)</b>
Other operating income	15	0.1	16	0.1
Other operating expenses	(111)	(0.6)	(154)	(0.9)
<b>EBITDA</b>	<b>2,238</b>	<b>11.2</b>	<b>817</b>	<b>4.8</b>
<b>Operating result (EBIT)</b>	<b>2,034</b>	<b>10.2</b>	<b>651</b>	<b>3.8</b>
Interest income	2	0.0	3	0.0
Income expense	(-105)	(0.5)	(0)	(0.0)
<b>Income before income taxes (EBT)</b>	<b>1,931</b>	<b>9.7</b>	<b>653</b>	<b>3.8</b>
Income taxes	(738)	(3.7)	(6)	(0.0)
<b>Net Income</b>	<b>1,193</b>	<b>6.0</b>	<b>647</b>	<b>3.8</b>

## H1 2015 and H1 2014

	H1 2015 <i>(unaudited)</i>		H1 2014 <i>(unaudited)</i>	
<b>Revenue</b>	<b>39,481</b>	<b>100.0</b>	<b>32,453</b>	<b>100.0</b>
Cost of goods sold	(19,637)	(49.7)	(15,073)	(46.4)
<b>Gross profit</b>	<b>19,844</b>	<b>50.3</b>	<b>17,380</b>	<b>53.6</b>
Selling expenses	(13,639)	(34.5)	(12,942)	(39.9)
Administrative expenses	(5,137)	(13.0)	(4,257)	(13.1)
<b>Total SG&amp;A</b>	<b>(18,776)</b>	<b>(47.6)</b>	<b>(17,200)</b>	<b>(53.0)</b>
Other operating income	56	0.1	1,534	4.7
Other operating expenses	(173)	(0.4)	(185)	(0.6)
<b>EBITDA</b>	<b>1,341</b>	<b>3.4</b>	<b>1,848</b>	<b>5.7</b>
<b>Operating result (EBIT)</b>	<b>951</b>	<b>2.4</b>	<b>1,528</b>	<b>4.7</b>
Interest income	3	0.0	3	0.0
Income expense	(-131)	(0.3)	(0)	(0.0)
<b>Income before income taxes (EBT)</b>	<b>823</b>	<b>2.1</b>	<b>1,531</b>	<b>4.7</b>
Income taxes	(288)	(0.7)	(227)	(0.7)
<b>Net Income</b>	<b>536</b>	<b>1.4</b>	<b>1,305</b>	<b>4.0</b>

Source: elumeo accounting, IFRS, unaudited



# Balance sheet

## elumeo Group balance sheet: 30 June 2015 and 31 December 2014

(in '000 EUR / %)

	30 Jun 2015 (unaudited)		31 Dec 2014 (audited)	
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	2,959	5.5	2,431	7.0
Trade and other receivables	6,376	11.9	4,844	13.9
Inventories	35,214	65.7	21,419	61.4
<b>Total current assets</b>	<b>44,549</b>	<b>83.1</b>	<b>28,694</b>	<b>82.3</b>
<b>Non-current assets</b>				
Property, plant and equipment and intangible assets	4,145	7.7	3,014	8.7
Other non-current assets	2,928	5.5	971	2.8
Deferred tax assets	2,001	3.7	2,167	6.2
<b>Total non-current assets</b>	<b>9,074</b>	<b>16.9</b>	<b>6,152</b>	<b>17.7</b>
<b>TOTAL ASSETS</b>	<b>53,623</b>	<b>100.0</b>	<b>34,846</b>	<b>100.0</b>
<b>EQUITY &amp; LIABILITIES</b>				
<b>Total equity</b>	<b>26,035</b>	<b>48.6</b>	<b>24,525</b>	<b>70.4</b>
<b>Current liabilities</b>				
Trade payables	12,633	23.6	7,342	21.1
Provisions, accruals and other liabilities	3,118	5.8	2,403	6.9
Financial debt and other financial liabilities	3,673	6.8	10	0.0
<b>Total current liabilities</b>	<b>19,424</b>	<b>36.2</b>	<b>9,755</b>	<b>28.0</b>
<b>Non-current liabilities</b>				
Provisions, accruals and other liabilities	473	0.9	390	1.1
Financial debt and other financial liabilities	7,691	14.3	176	0.5
<b>Total non-current liabilities</b>	<b>8,164</b>	<b>15.2</b>	<b>566</b>	<b>1.6</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>53,623</b>	<b>100.0</b>	<b>34,846</b>	<b>100.0</b>

Source: elumeo accounting, IFRS, unaudited



# Cash Flow Statement

## elumeo Group cash flow statement: H1 2015 and H1 2014

(in '000 EUR / %)

	H1 2015 (unaudited)	H1 2014 (unaudited)
<b>Cash balance at beginning of period</b>	<b>2,431</b>	<b>1,674</b>
EBIT	951	1,528
+ Depreciation and amortisation	390	320
+/- Increase/decrease in provisions	(128)	(31)
+/- Non-cash expenses/income	992	(516)
+ Interest income receipts	1	3
- Interest expense payments	(121)	(0)
+/- Net income tax receipts/payments	(1,988)	1
-/+ Increase/decrease in inventories and other assets	(15,644)	(8,445)
+/- Increase/decrease in other liabilities	5,831	7,709
<b>Net cash flow from operations</b>	<b>-9,716</b>	<b>570</b>
- Capital expenditures for intangible assets	(26)	(3)
- Capital expenditures for property, plant and equipment	(1,448)	(566)
-/+ Others expenditures/receipts	0	16
<b>Net cash flow from investing</b>	<b>(1,474)</b>	<b>(554)</b>
<b>Net cash flow from financing</b>	<b>(11,592)</b>	<b>79</b>
+/- Effects of foreign currency translation on cash and cash equivalents	126	29
<b>Cash balance at end of period</b>	<b>2,959</b>	<b>1,797</b>

Source: elumeo accounting, IFRS, unaudited



# Adjusted EBITDA

## elumeo Group Adjusted EBITDA: H1 2015 and H1 2014

(in '000 EUR)

	H1 2015 (unaudited)	H1 2014 (unaudited)
<b>Earnings for the period</b>	<b>536</b>	<b>1.305</b>
+ Income taxes	288	227
+ Financial result	127	(3)
+ Depreciation and amortisation	390	320
<b>EBITDA (before special influences)</b>	<b>1,341</b>	<b>1,848</b>
+/- Losses/gains from foreign currency translation	402	46
+ IPO and restructuring expenses	173	185
- Income from TV production services	0	(697)
+ Selling and administrative expenses for the provision of TV production services	0	907
+ Income from the release of the negative goodwill from the acquisition of PWK	0	(805)
- Income relating to past accounting periods	0	(19)
<b>Total special influences</b>	<b>575</b>	<b>-382</b>
<b>Adjusted EBITDA</b>	<b>1,916</b>	<b>1,467</b>

Source: elumeo accounting, IFRS, unaudited



# Outlook 2nd HY 2015

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- Revenue growth rate to remain at about the same level as the first half year
- Gross Margin to be improved slightly due to change in gemstone purchasing and expanded product range
- Economy of scales to continue in 3rd and 4th Quarter
- Adjusted EBITDA therefore should develop positively



# Table of contents

1 elumeo at a glance

2 Highlights in 2015

3 Financials

4 Key investment highlights

5 Points of Contact

6 Appendix





# elumeo is driving the transformation of the jewelry industry

1

A sizeable and fast growing market

- €34bn European market<sup>(1)</sup>
- Highly fragmented
- Undergoing a major transformation
- Offering significant growth potential
- Driven by strong fundamentals in eCommerce

2

elumeo is best positioned to capture significant growth opportunities

One of the leading electronic jewellers in Europe

Fully integrated and scalable value chain

Multiple live and interactive distribution channels

One of the widest product ranges sold at most competitive prices

+

3

Strong track record of growth and margin expansion

(1) TechSci Research 2013, data shown for 2012, USD/ EUR 0.8854 as of 24-Jan-15



# Table of contents

1 elumeo at a glance

2 Highlights in 2015

3 Financials

4 Key investment highlights

5 Points of Contact

6 Appendix





## Points of Contact

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# Table of contents

1 elumeo at a glance

2 Highlights in 2015

3 Financials

4 Key investment highlights

5 Points of Contact

6 Appendix



## Key transaction parameters

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WKN	<ul style="list-style-type: none"><li>• A11Q05</li></ul>
ISIN	<ul style="list-style-type: none"><li>• DE000A11Q059</li></ul>
Listing	<ul style="list-style-type: none"><li>• Frankfurt Stock Exchange (Prime Standard)</li></ul>
First day of trade	<ul style="list-style-type: none"><li>• 3. July 2015</li></ul>
Issue price	<ul style="list-style-type: none"><li>• 25 €</li></ul>
Net issue proceeds for the Company	<ul style="list-style-type: none"><li>• About 32.1 Mio. €</li></ul>
Use of proceeds	<ul style="list-style-type: none"><li>• Broaden product offering, enhance cost leadership, invest in digital and international expansion</li></ul>

## Financial calendar

27 Nov 2015	<ul style="list-style-type: none"><li>• Publication of quarterly financial report (Q3/2015)</li></ul>
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# Disclaimer

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