

eluméo

9M 2017 financial presentation
09th November 2017

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



Table of contents

1 Highlights in Q3 2017

2 Financials

3 Outlook

4 Points of contact



Highlights in Q3 2017

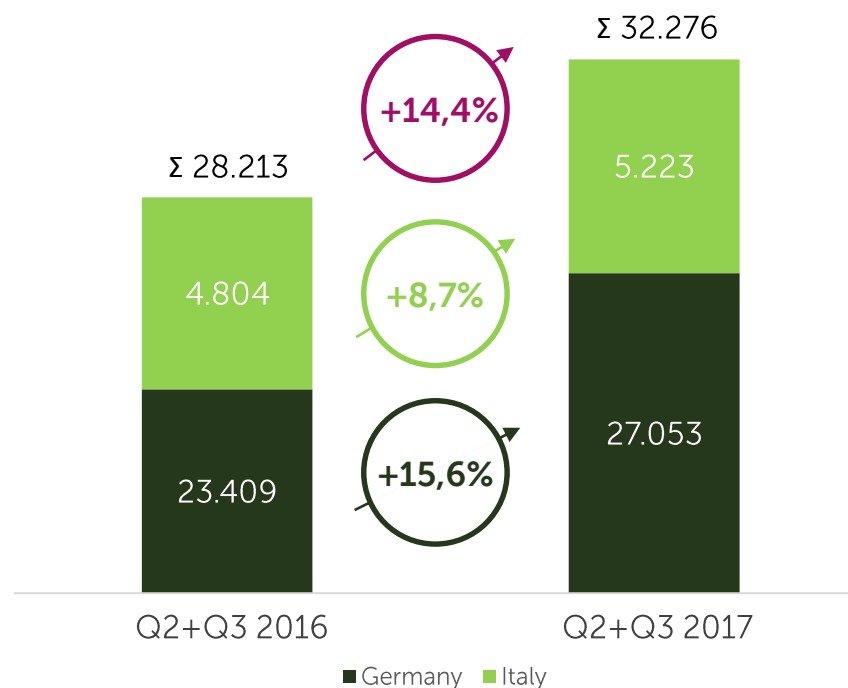
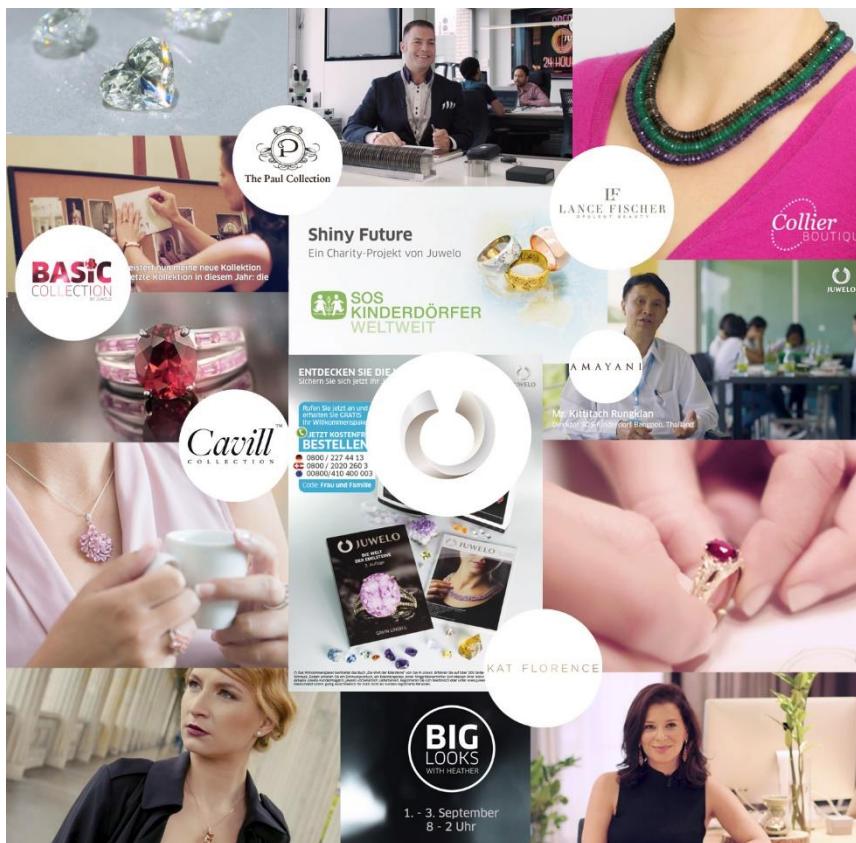
- 1 Strong growth in continental Europe with lower operating cost
- 2 The newly developed B2B-business grew again strongly in the third quarter
- 3 In Q3 2017 eCommerce revenues continue to grow +19% QoQ – TV-revenues +2% QoQ
- 4 Total segment EBITDA in Q3 TEUR is +217, strong EUR led to positive FX-effect in Q3 with a positive EBITDA of TEUR 495
- 5 elumeo SE has improved profitability significantly and expects to continue growing profitability



Germany and Italy show sustainable growth

New formats and sales initiatives continue to show positive impacts

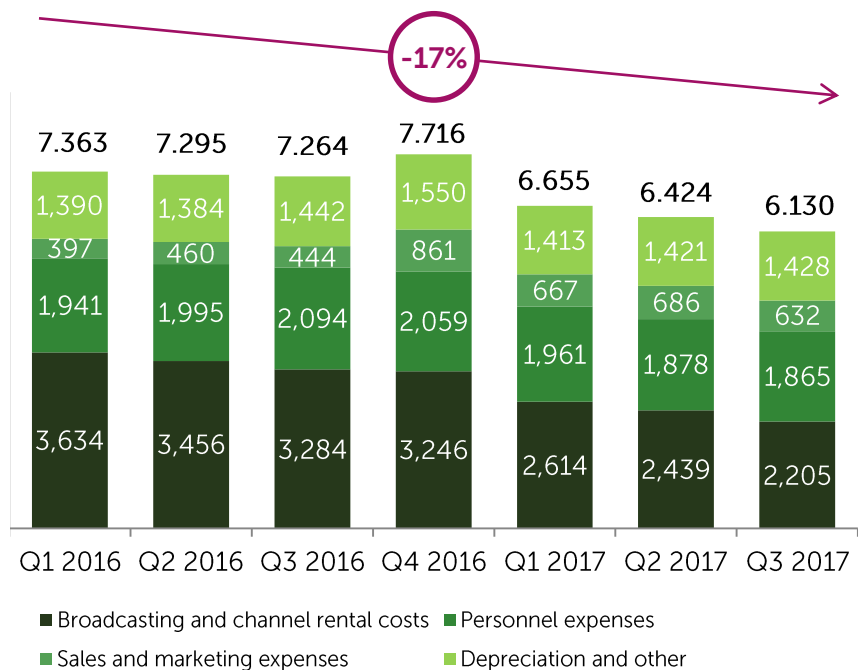
Revenue Development Germany and Italy (€)⁽¹⁾



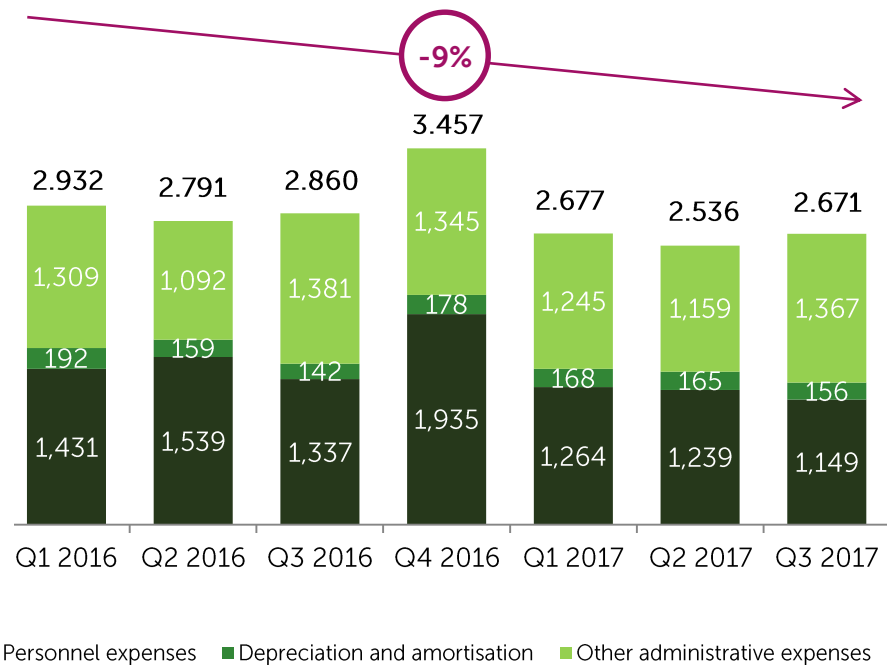
(1) Unaudited
Source: Quarterly release Q3 2017, unaudited

Cost of operations continue to decline in Q3

Selling Expenses



Administrative Expenses ⁽¹⁾



(1) Excluding costs for sharebased remuneration (SOP) and foreign currency translation efforts

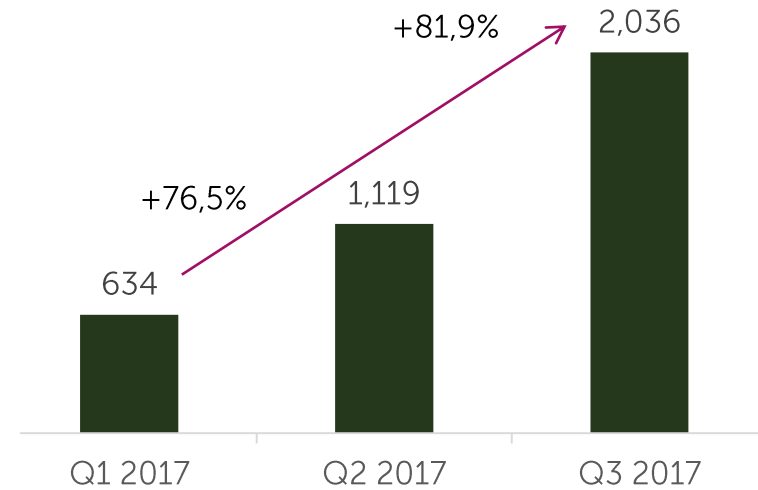


The newly introduced B2B business shows strong growth again

Dedicated jewelry collections



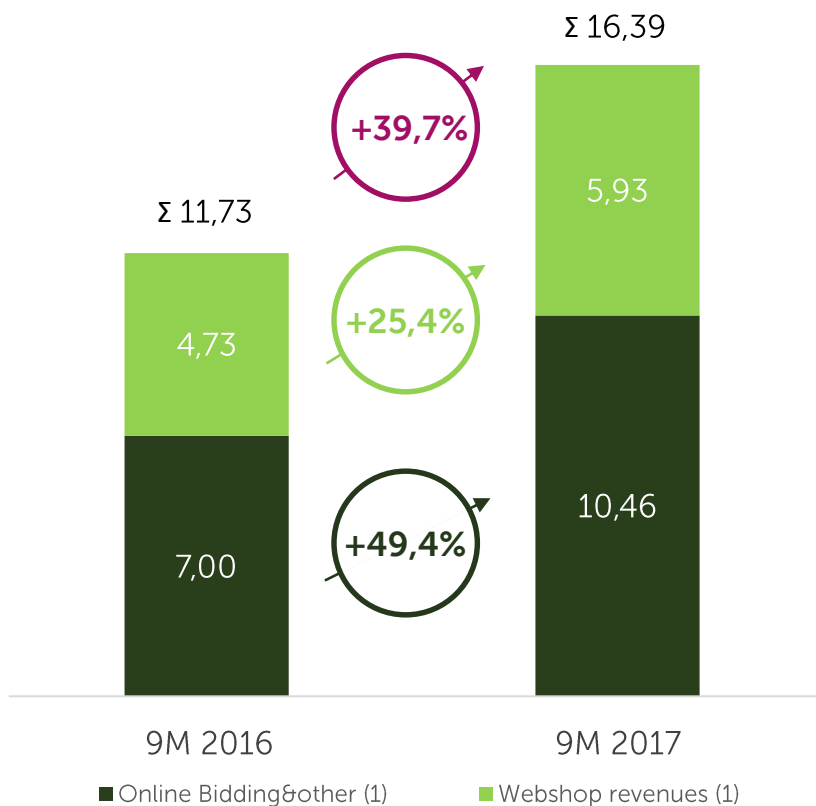
Revenue Development (€ '000)



eCommerce continues to show highest growth rates

Development of continental European eCommerce (€ mn)

Key facts



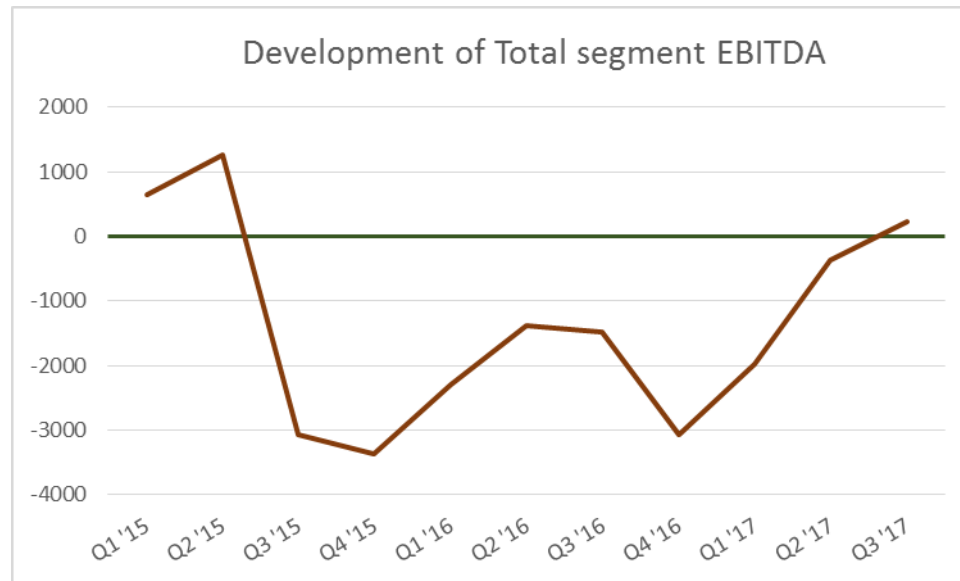
- elumeo's continued investment into eCommerce has resulted in an increase of revenues in this field
- Highest growth rates for mobile applications
- Share of web-only new customers for Germany increased from 54% in 9M 2016 to 59% in 9M 2017⁽¹⁾
- Share of eCommerce revenues increased from 32,7% in 9M 2016 to 36,2% in 9M 2017

(1) Unaudited
Source: Quarterly release Q3 2017, unaudited



elumeo has returned to profitability as expected

Development Total segment EBITDA



■ Total segment EBITDA in € mn

Key facts

- After challenging results in 2015/2016 elumeo SE shows significantly improved profitability in 2017 again
- Significant reduction in operating costs in all major sales territories and in overhead costs
- B2B activities further improved



Table of contents

1 Highlights in Q3 2017

2 Financials

3 Outlook

4 Points of contact



Summary of 9M 2017 results

Group's total revenues for 9M 2017 increased by 5% to EUR 56,5 million after EUR 53,7 million in 9M 2016

- Germany with strong growth of 20% in 9M 2017 and 21% in Q3 2017 against the respective prior year period. New programme schedules have driven revenues and have been very well received by German customers.
- Italy back on sustainable growth path with 11% in Q2 2017 and 6% in Q3 against respective prior year period. New programme schedules and guest shows are driving revenues and start being accepted by Italian customers.
- United Kingdom showed decline in revenues in Q3 2017 as expected. Costs have been significantly reduced leading to reduced losses. Further steps needed to return to profitability in the United Kingdom.
- B2B business showed strong growth in Q3 2017 versus Q2 2017 from kEUR 1,119 to kEUR 2,052

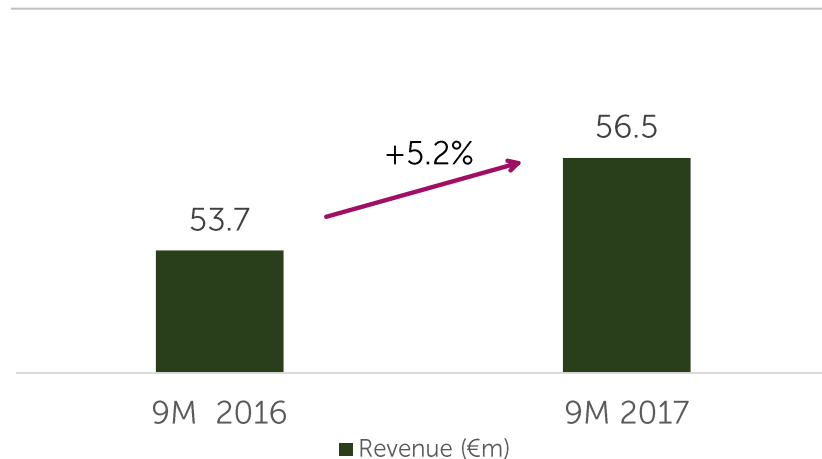
Gross profit margin Q3 2017 with 42.1% on same level as Q2 2017 42.5%.

Strong EUR resulted in FX gains of kEUR 352 leading to a positive EBITDA of kEUR 495 in Q3 2017

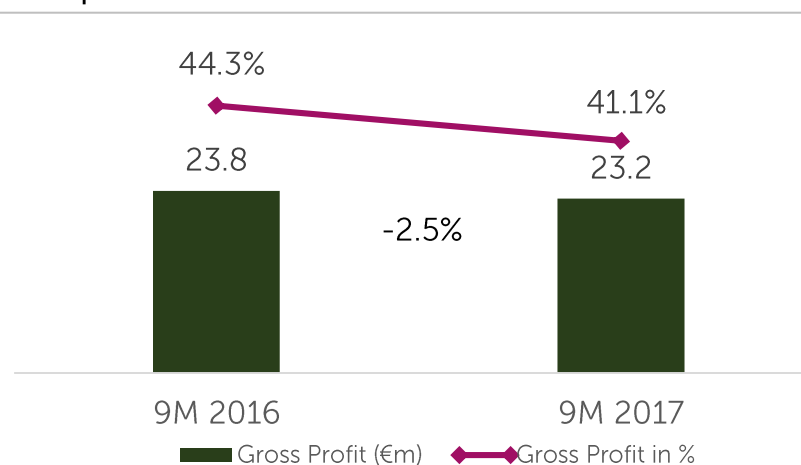


9M 2017 vs. 9M 2016 performance – Overview

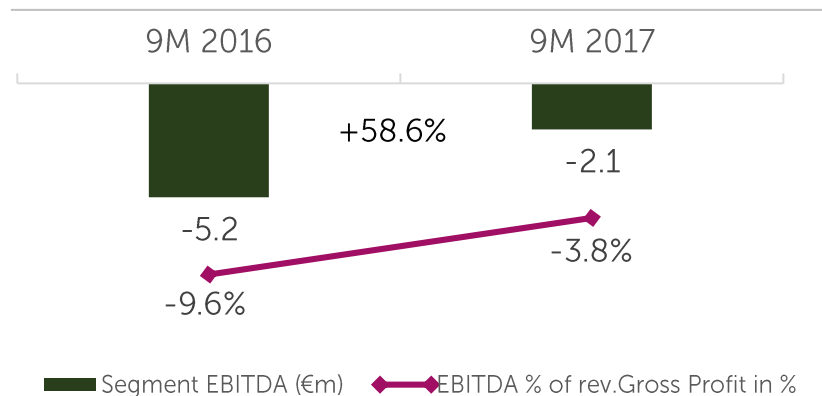
Revenues



Gross profit



Total segment EBITDA and margin



Comments

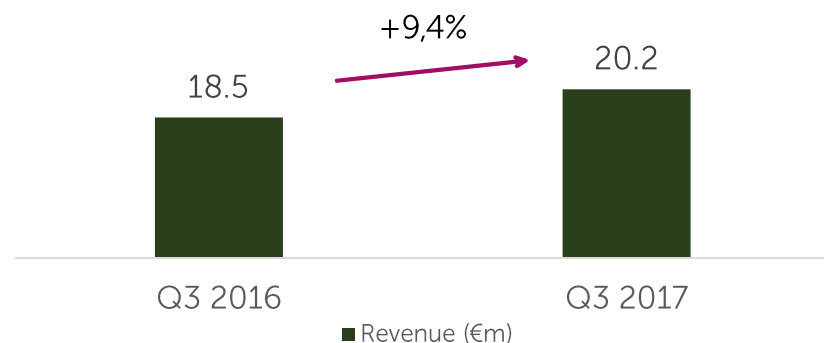
- Germany is driving revenue growth with 19.6% higher revenues in 9M 2017 compared to 9M 2016
- Italy revenues now almost on prior year level
- UK still under pressure in gross profit margins
- Total segment EBITDA significantly improved

Source: Quarterly release Q3 2017, unaudited

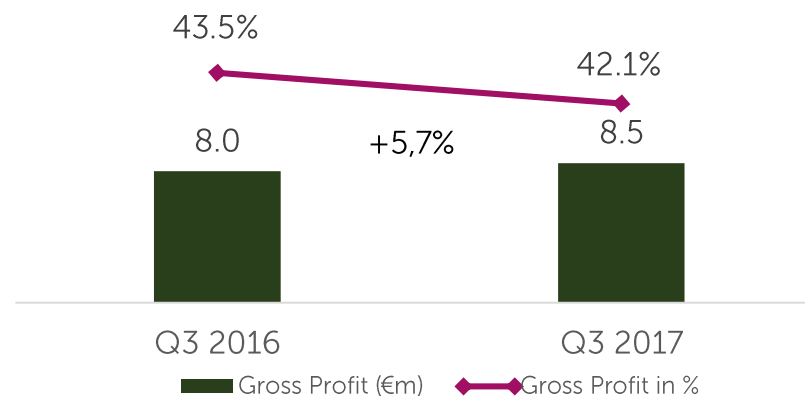


Q3 2017 vs. Q3 2016 performance – Overview

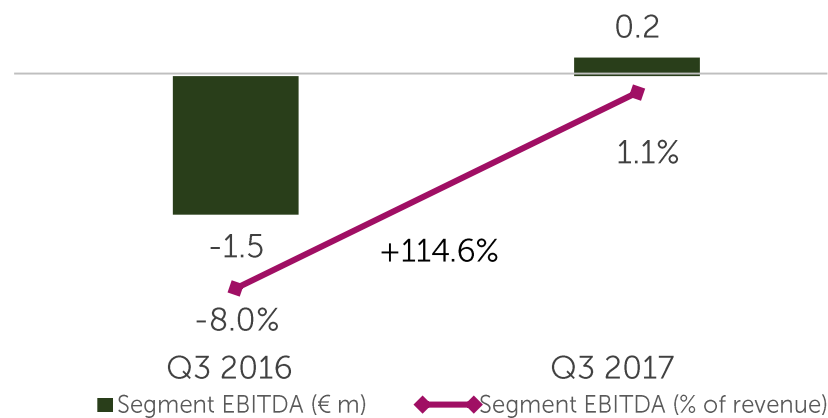
Revenues



Gross profit



Total Segment EBITDA and margin



Comments

- Germany continues to show strong revenue growth in Q3 2017
- Italy again with positive development against comparable prior year period
- UK shows positive revenue development in Q3 2017 versus Q2 2017
- Total Segment EBITDA now positive again

Source: Quarterly release Q3 2017, unaudited



Consolidated statement of income

EUR thousand % of revenue	Note	Q3 2017		Q3 2016		QoQ in %	1 Jan - 30 Sep 2017		1 Jan - 30 Sep 2016		9Mo9M in %
Revenue	(2.)	20,192	100.0%	18,456	100.0%	9.4%	56,511	100.0%	53,709	100.0%	5.2%
Cost of goods sold		11,700	57.9%	10,422	56.5%	12.3%	33,281	58.9%	29,904	55.7%	11.3%
Gross profit	(3.)	8,492	42.1%	8,034	43.5%	5.7%	23,230	41.1%	23,806	44.3%	-2.4%
Selling expenses	(4.)	6,130	30.4%	7,264	39.4%	-15.6%	19,208	34.0%	21,923	40.8%	-12.4%
Administrative expenses	(5.)	2,745	13.6%	3,749	20.3%	-26.8%	8,172	14.5%	11,624	21.6%	-29.7%
Other operating income	(7.)	467	2.3%	157	0.8%	198.2%	1,132	2.0%	241	0.4%	370.3%
Earnings before interest and taxes (EBIT)		85	0.4%	-2,822	-15.3%	103.0%	-3,019	-5.3%	-9,501	-17.7%	68.2%
Interest income		0	0.0%	0	0.0%	-100.9%	0	0.0%	1	0.0%	-81.4%
Interest and similar expenses		-149	-0.7%	-142	-0.8%	-4.8%	-479	-0.8%	-427	-0.8%	-12.1%
Financial result		-149	-0.7%	-142	-0.8%	-4.9%	-478	-0.8%	-426	-0.8%	-12.3%
Earnings before income taxes (EBT)		-64	-0.3%	-2,964	-16.1%	97.8%	-3,497	-6.2%	-9,927	-18.5%	64.8%



Revenue split by region

EUR thousand % of revenue from product sales	Q3 2017		Q3 2016		QoQ in %	1 Jan - 30 Sep 2017		1 Jan - 30 Sep 2016		9Mo9M in %
Germany	13,313	66.0%	11,027	59.8%	20.7%	38,715	68.6%	32,375	60.3%	19.6%
Italy	2,729	13.5%	2,564	13.9%	6.4%	7,589	13.4%	7,738	14.4%	-1.9%
United Kingdom	2,075	10.3%	3,158	17.1%	-34.3%	6,297	11.2%	9,897	18.4%	-36.4%
Other countries	2,052	10.2%	1,695	9.2%	21.0%	3,861	6.8%	3,661	6.8%	5.5%
Revenue from product sales	20,168	100.0%	18,444	100.0%	9.3%	56,461	100.0%	53,671	100.0%	5.2%



Group segment reporting – 9M

EUR thousand % of (segment) revenue	1 Jan - 30 Sep 2017					
	Revenue		Gross profit		Segment-EBITDA	
Sales division Germany & Italy	46,354	82.0%	19,241	41.5%	127	0.3%
Sales division Others	10,158	18.0%	2,049	20.2%	-1,844	-18.2%
Group functions & eliminations	0	0.0%	1,940	n.a.	-420	n.a.
Total	56,511	100.0%	23,230	41.1%	-2,137	-3.8%

EUR thousand % of (segment) revenue	1 Jan - 30 Sep 2016					
	Revenue		Gross profit		Segment-EBITDA	
Sales division Germany & Italy	40,150	74.8%	17,098	42.6%	-2,478	-6.2%
Sales division Others	13,559	25.2%	4,890	36.1%	-2,195	-16.2%
Group functions & eliminations	0	0.0%	1,818	n.a.	-490	n.a.
Total	53,709	100.0%	23,806	44.3%	-5,163	-9.6%



Group segment reporting – Q3

EUR thousand % of (segment) revenue	Q3 2017					
	Revenue		Gross profit		Segment-EBITDA	
Sales division Germany & Italy	16,066	79.6%	7,030	43.8%	793	4.9%
Sales division Others	4,127	20.4%	834	20.2%	-423	-10.2%
Group functions & eliminations	0	0.0%	628	n.a.	-153	n.a.
Total	20,192	100.0%	8,492	42.1%	217	1.1%

EUR thousand % of (segment) revenue	Q3 2016					
	Revenue		Gross profit		Segment-EBITDA	
Sales division Germany & Italy	13,603	73.7%	5,831	42.9%	-635	-4.7%
Sales division Others	4,853	26.3%	1,610	33.2%	-652	-13.4%
Group functions & eliminations	0	0.0%	593	n.a.	-199	n.a.
Total	18,456	100.0%	8,034	43.5%	-1,485	-8.0%



Split of selling expenses

EUR thousand % of revenue	Q3 2017		Q3 2016		QoQ in %	1 Jan - 30 Sep 2017		1 Jan - 30 Sep 2016		9Mo9M in %
Broadcasting and channel rental costs	2,205	10.9%	3,284	17.8%	-32.9%	7,258	12.8%	10,374	19.3%	-30.0%
Personnel expenses	1,631	8.1%	1,729	9.4%	-5.7%	4,835	8.6%	4,949	9.2%	-2.3%
Expenses for external personnel services	234	1.2%	365	2.0%	-35.8%	869	1.5%	1,081	2.0%	-19.6%
Sales and marketing expenses	632	3.1%	444	2.4%	42.4%	1,985	3.5%	1,301	2.4%	52.5%
Depreciation and amortisation	141	0.7%	189	1.0%	-25.6%	421	0.7%	471	0.9%	-10.5%
Other selling expenses	1,287	6.4%	1,253	6.8%	2.7%	3,840	6.8%	3,746	7.0%	2.5%
Selling expenses	6,130	30.4%	7,264	39.4%	-15.6%	19,208	34.0%	21,923	40.8%	-12.4%

- Decrease of broadcasting costs – mainly UK and Italy
- Sales & marketing costs are reflecting increased web shop business
- Other selling expenses include
 - Payment costs
 - Telephone platform expenses
 - Presenter and producer fees



Split of administrative expenses

EUR thousand % of revenue	Q3 2017		Q3 2016		QoQ in %	1 Jan - 30 Sep 2017		1 Jan - 30 Sep 2016		9Mo9M in %
Personnel expenses	1,149	5.7%	1,337	7.2%	-14.0%	3,652	6.5%	4,307	8.0%	-15.2%
Depreciation and amortisation	156	0.8%	142	0.8%	9.4%	488	0.9%	493	0.9%	-1.0%
Equity-settled share-based payments	73	0.4%	153	0.8%	-52.1%	262	0.5%	403	0.8%	-35.1%
Losses from foreign currency translation	0	0.0%	736	4.0%	-100.0%	0	0.0%	2,639	4.9%	-100.0%
Other administrative expenses	1,367	6.8%	1,381	7.5%	-1.0%	3,771	6.7%	3,782	7.0%	-0.3%
Administrative expenses	2,745	13.6%	3,749	20.3%	-26.8%	8,172	14.5%	11,624	21.6%	-29.7%

- Personnel expenses decreased (cost saving)
- Losses from foreign currency translation from Q1 2017 reversed in Q2 2017
- Other administrative expenses include
 - Rent and ancillary costs
 - Executive Board remuneration
 - Travelling expenses
 - Fees for consulting and audit



Total segment EBITDA

EUR thousand % of revenue	Q3 2017		Q3 2016		QoQ in %	1 Jan - 30 Sep 2017	
Total segment EBITDA	217	1.1%	-1,485	-8.0%	114.6%	-2,137	-3.8%
Effects from foreign currency translation	352	1.7%	-736	-4.0%	147.8%	639	1.1%
Equity-settled share-based remuneration	-73	-0.4%	-153	-0.8%	52.1%	-262	-0.5%
Segment reconciliation items	278	1.4%	-889	-4.8%	131.3%	377	0.7%
EBITDA	495	2.5%	-2,374	-12.9%	120.9%	-1,760	-3.1%
Depreciation and amortization on property, plant and equipment and intangible assets	-410	-2.0%	-448	-2.4%	8.4%	-1,259	-2.2%
EBIT	85	0.4%	-2,822	-15.3%	103.0%	-3,019	-5.3%
Income tax	-78	-0.4%	78	0.4%	-200.3%	-144	-0.3%
Financial result	-149	-0.7%	-142	-0.8%	-4.9%	-478	-0.8%
Earnings for the period	-142	-0.7%	-2,886	-15.6%	95.1%	-3,641	-6.4%



Consolidated statement of financial position

ASSETS					
EUR thousand % of balance sheet total	30 Sep 2017		31 Dec 2016		Change in %
Non-current assets					
Intangible assets	780	1.3%	925	1.5%	-15.7%
Property, plant and equipment	9,997	16.7%	11,244	18.1%	-11.1%
Other financial assets	508	0.8%	522	0.8%	-2.8%
Other non-financial assets	1,863	3.1%	2,020	3.3%	-7.8%
Deferred tax assets	1,506	2.5%	1,465	2.4%	2.8%
Total non-current assets	14,653	24.5%	16,177	26.1%	-9.4%
Current assets					
Inventories	36,872	61.5%	38,933	62.7%	-5.3%
Trade receivables	4,481	7.5%	3,473	5.6%	29.0%
Receivables due from related parties	225	0.4%	279	0.4%	-19.4%
Other financial assets	85	0.1%	82	0.1%	4.3%
Other non-financial assets	1,767	2.9%	1,309	2.1%	34.9%
Cash and cash equivalents	1,832	3.1%	1,837	3.0%	-0.2%
Total current assets	45,262	75.5%	45,912	73.9%	-1.4%
Total assets	59,915	100.0%	62,089	100.0%	-3.5%



Consolidated statement of financial position

EQUITY & LIABILITIES					
EUR thousand % of balance sheet total	30 Sep 2017		31 Dec 2016		Change in %
Equity					
Issued capital	5,500	9.2%	5,500	8.9%	0.0%
Capital reserve	34,123	57.0%	33,862	54.5%	0.8%
Retained losses	-9,049	-15.1%	-5,408	-8.7%	-67.3%
Foreign currency translation reserve	3,447	5.8%	5,022	8.1%	-31.4%
Total equity	34,021	56.8%	38,975	62.8%	-12.7%
Non-current liabilities					
Financial debt	3,481	5.8%	4,011	6.5%	-13.2%
Other non-current financial liabilities	349	0.6%	573	0.9%	-39.2%
Provisions	648	1.1%	602	1.0%	7.7%
Other non-financial liabilities	25	0.0%	25	0.0%	0.0%
Total non-current liabilities	4,503	7.5%	5,211	8.4%	-13.6%
Current liabilities					
Financial debt	8,948	14.9%	8,904	14.3%	0.5%
Other financial liabilities	318	0.5%	311	0.5%	2.2%
Provisions	359	0.6%	684	1.1%	-47.4%
Liabilities due to related parties	21	0.0%	11	0.0%	96.1%
Trade payables	9,735	16.2%	6,181	10.0%	57.5%
Advance payments received	169	0.3%	111	0.2%	51.6%
Other non-financial liabilities	1,841	3.1%	1,701	2.7%	8.2%
Total current liabilities	21,392	35.7%	17,903	28.8%	19.5%
Total equity & liabilities	59,915	100.0%	62,089	100.0%	-3.5%



Consolidated statement of cash flows

EUR thousand	Note	1 Jan - 30 Sep 2017	1 Jan - 30 Sep 2016	9Mo9M in %
Earnings before taxes (EBT)		-3,019	-9,501	68.2%
+/- Depreciation and amortisation on non-current assets		+1,259	+1,296	-2.9%
+/- Increase/decrease in provisions		-278	+181	-253.6%
+/- Equity-settled share-based remuneration		+262	+403	-35.1%
+/- Other non-cash expenses/income and items		-1,504	+1,639	-191.8%
+/- Loss/gain on disposal of non-current assets		+4	0	n.a
+ Proceeds from interest income		+0	+1	-91.9%
- Interest expenses paid		-511	-658	22.5%
- Income tax paid		0	-164	100.0%
-/+ Increase/decrease in inventories	(11.)	+2,061	-2,067	199.7%
-/+ Increase/decrease in other assets		-1,437	-2,072	30.7%
+/- Increase/decrease in other liabilities		+3,765	+1,352	178.5%
= Cash flow from operating activities	(14.)	+603	-9,590	106.3%
- Payments for investments in intangible assets		-2	-121	98.1%
- Payments for investments in property, plant and equipment		-194	-888	78.1%
+ Proceeds from sale of intangible assets and property, plant and equipment		+1	0	n.a
= Cash flow from investing activities	(14.)	-196	-1,008	80.6%
+ Proceeds from increase in financial debt		+2,336	+1,933	20.8%
- Payments for the redemption of financial debt		-3,009	-2,554	-17.8%
+ Proceeds from increase in financial liabilities		-215	-190	-13.4%
= Cash flow from financing activities	(14.)	-889	-811	-9.6%
+/- Net increase/decrease in cash and cash equivalents		-481	-11,409	95.8%
+/- Effects of foreign currency translation on cash and cash equivalents		-22	-61	63.9%
+ Cash and cash equivalents on beginning of reporting period		+1,836	+13,498	-86.4%
= Cash and cash equivalents on end of reporting period		+1,333	+2,028	-34.3%

- Other non-cash expenses mainly relate to FX-effects



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.
- In particular broadcasting costs and personnel costs have been reduced in all territories.

After a challenging first half year in 2016 sales have shown better results in HY2 2016. This trend has gained momentum during 9M 2017

- The newly introduced sales formats continue to produce strong results with a rollout of new collections of jewelry across all territories.
- In the USA elumeo SE has successfully launched some of its collections in B2B transactions resulting in a better utilization of the capacity of the factory.

Returning elumeo Group to profitability while improving liquidity remains the top priority. Following the successful restructuring of the Group, elumeo SE plans to achieve a positive Total segment EBITDA in Q2-Q4 2017.



