

elumeo

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

Q3 2022 Financials Earnings Call 11.11.2022



Summary of key developments

- In Q3 elumeo succeeded in outperforming the market with its live business retuning to growth in September. This has enabled to record the tenth consecutive positive result with an Adjusted EBITDA of EUR 0.71 million
- elumeo's operating Cashflow with EUR 82k positive despite investments in the new video shopping app Jooli
- Jooli grows to almost 600 channels worldwide
- High inflation, low customer confidence and supply chain disruptions continue to make elumeo's market environment challenging
- elumeo confirms its revenue and earnings forecast. In 2022 sales decline in the single-digit percentage range and Adjusted EBITDA in the low million range. Drop in Italian TV sales is accompanied by disproportionately high savings in broadcasting range costs



Table of contents

1	elumeo at a glance
2	Key developments in Q3 2022
3	Financials Q3 2022
4	Outlook



elumeo's business model is founded on three pillars



Videoshopping

- Increased Conversion rates
- Higher Customer Lifetime Value
- Video transports both facts & emotion



Digital Transformation

- Transformation from traditional linear TV to highly personalized individual online product shows



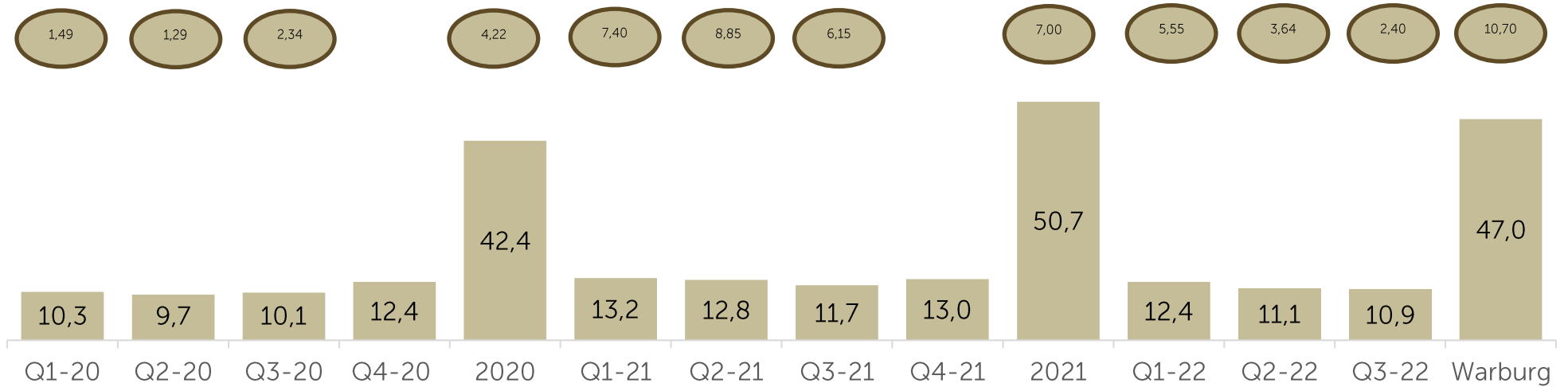
Integrated value chain

- Huge variety of gemstones thanks to more than 30 local manufacturies
- Low level of production cost, strong price advantage
- Fast reaction times



Ten consecutive profitable quarters

Stock price and Revenues (m€)



Adjusted EBITDA (m€)

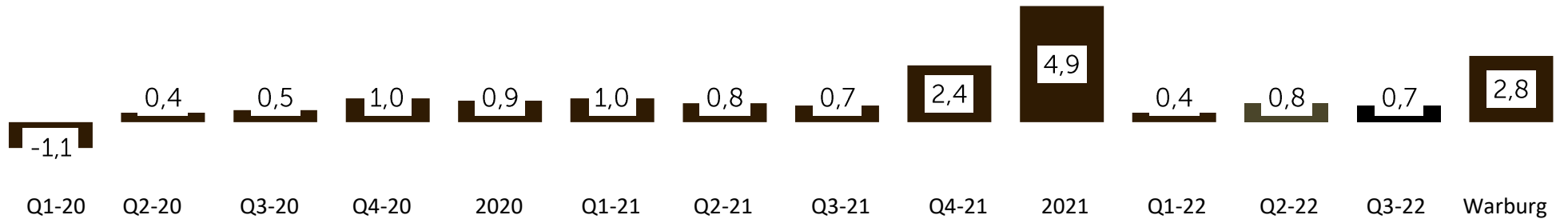


Table of contents

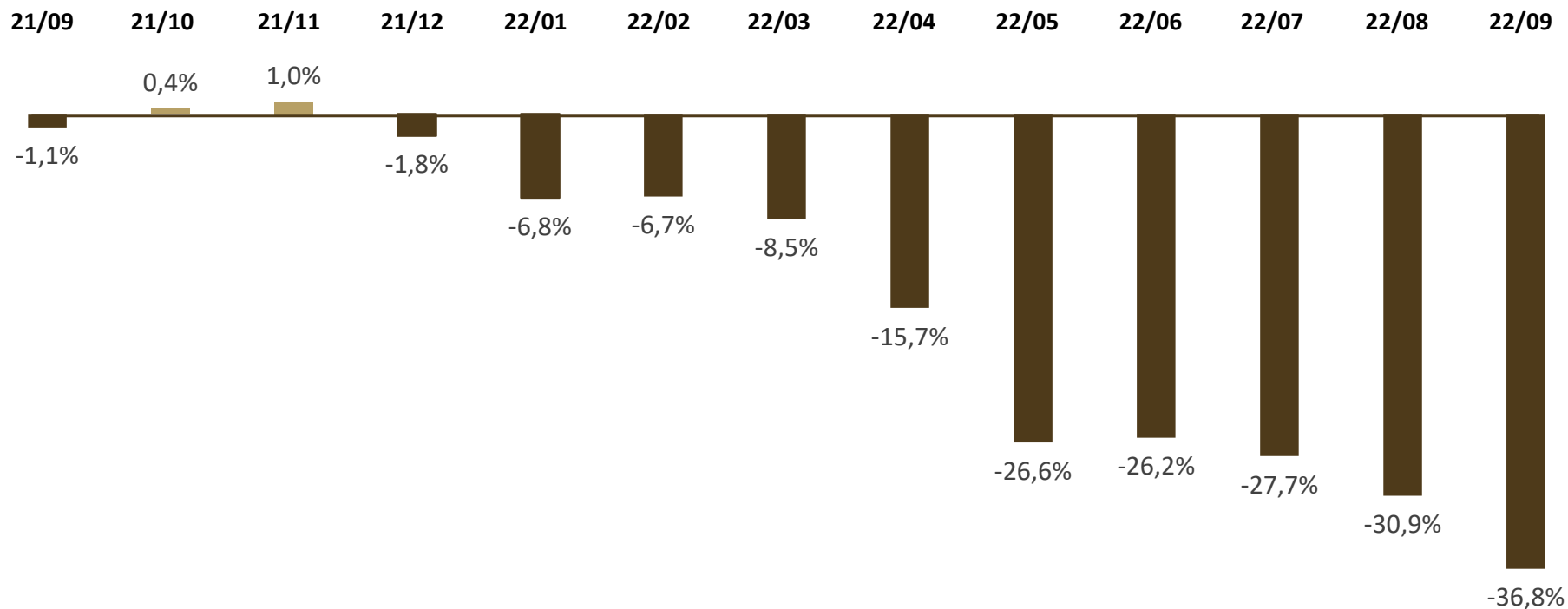
1	elumeo at a glance
2	Key developments in Q3 2022
3	Financials Q3 2022
4	Outlook



Strong decline in purchasing power caused consumer sentiment index to sink further to a new all-time record low

GfK consumer sentiment index for Germany

September 2021 to September 2022



Source: Study conducted by Gesellschaft für Konsumforschung "GfK-Konsumklima MAXX"

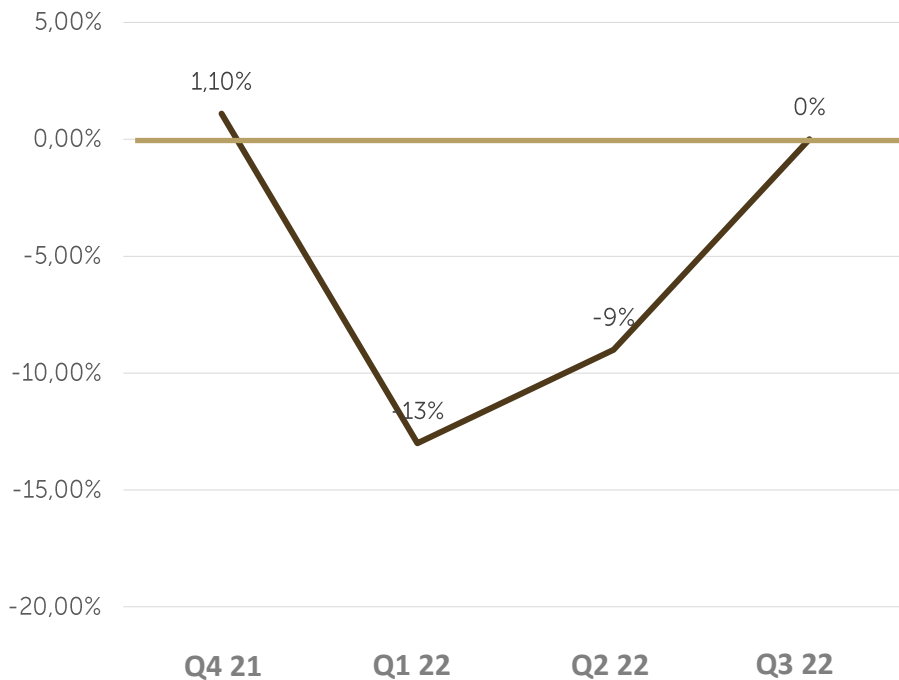


Despite the challenging environment, elumeo LIVE business has stopped revenue decline in Q3 and returned to growth in September

LIVE

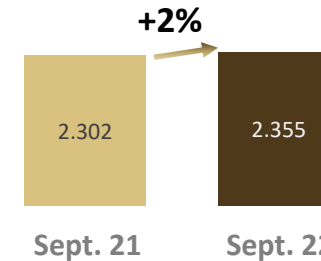
Revenue growth rate of LIVE business compared to PY quarters

QoQ in %, without ITA LIVE



Revenue increased by 2% in September

MoM, LIVE without ITA



- Strong September Sale (+15% active customers compared to last year September sale)
- New brands launched in 2022 continue to outperform the average brand profit-per-show-minute performance by 30%
- Mobile App revenue grew by 6% in Q3oQ3

Source: BEVH Bundesverband E-Commerce und Versandhandel e.V. & Internal ERP system, data for June 2021 and June 2022 shows demand revenue = gross revenue, before returns

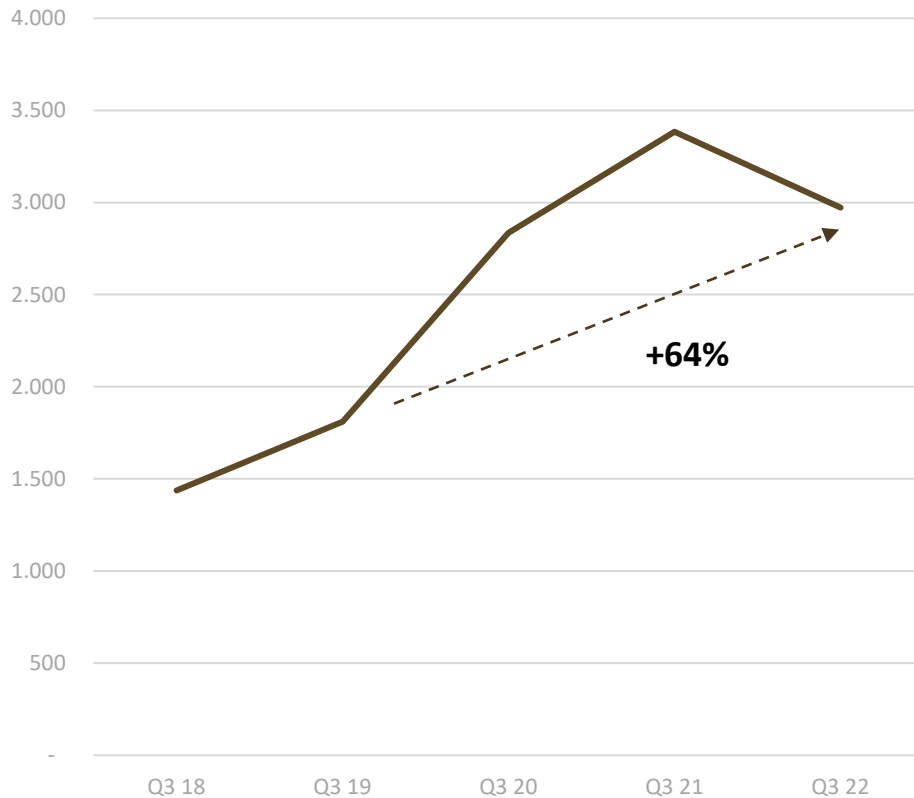


Revenue of elumeo webshop remains clearly above pre-pandemic level and continues to outperform the online jewelry market

WEB

Webshop revenues in Q3 2018-2022

in k EUR



Growth rate of German online jewelry market vs. elumeo webshop

Q3 22 vs. Q3 21

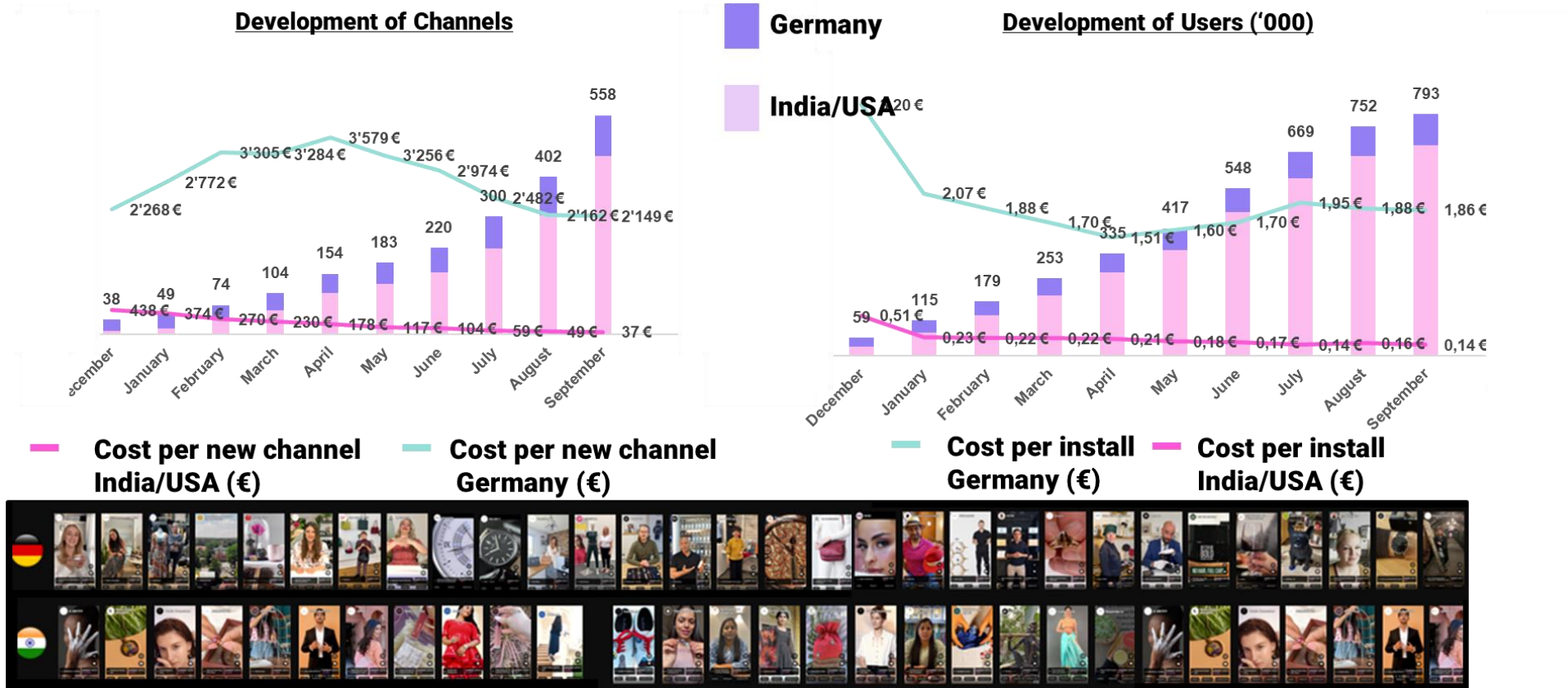


- Challenging market environment also in Q3
- Full focus on mobile optimization led to improvement of mobile conversion rate by 14% QoQ
- We have used the time to make significant structural changes in our online marketing channels, switching to full-AI-bidding, in order to be well prepared for Q4.

Source: Internal ERP system, based on static webshop performance (=without TV livestream); 1) data from Bundesverband eCommerce und Versandhandel BEVH



In Q3 Jooli has grown to almost 600 channels with improved scalability



Cost per new channel: Merchant acquisition cost defined as cumulative total cost of B2B marketing (direct labor cost and direct digital marketing cost)/# of cumulative channels

In Q3 Jooli has continued to make Improvements in many areas

Improvements of Usability

- Jooli has improved the usability:
 - Improved video playout (seeking and pause)
 - Embedding videos in merchants' shops
 - Better statistics for merchants
 - Improved channel presentation with video overview

Improvements of AI-Algorithm

- The AI-based algorithm has been updated and further improved
- First results of A/B testing suggest a 30% uplift in user performance

Testing of first VR prototypes

- After improving the platform and the back-end data management system Jooli has now developed the first two fully functional immersive prototypes for VR Headsets



Way forward: 3 examples of sales performance improvements



%

BLACK FRIDAY SALES

High density of special offers and Black Friday promotions during the whole month of November



FRESH PRODUCT & NEW SHOW FORMATS

Increased share of attractive fresh stock (Premieres) for Christmas show program to increase buying frequency and revenue per customer



DRIVE DIGITALIZATION

Focus on development of new mobile app features, bidding app functions and fully personalized online videoshopping content



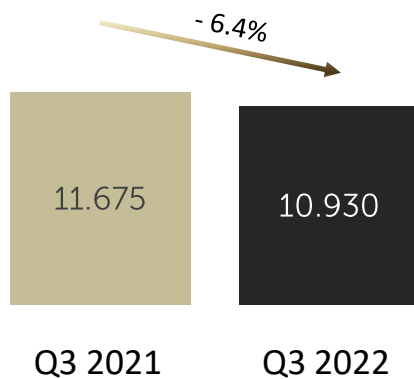
Table of contents

1	elumeo at a glance
2	Key developments in Q3 2022
3	Financials Q3 2022
4	Outlook

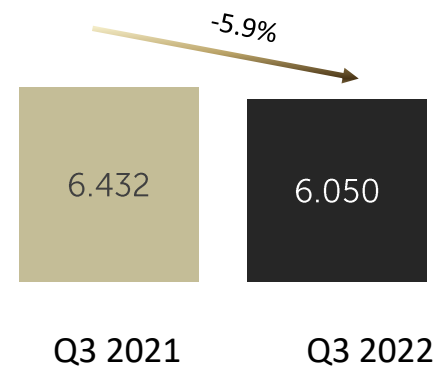


Q3 2022 vs. Q3 2021 performance – Overview

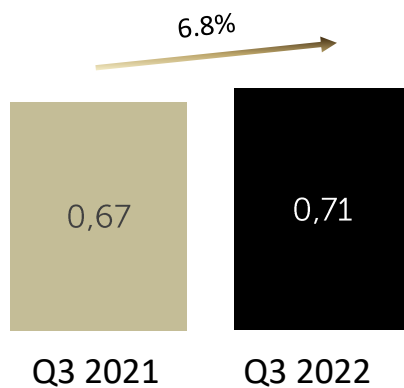
Revenues (m€)



Gross profit (m€)



Adjusted EBITDA (m€)

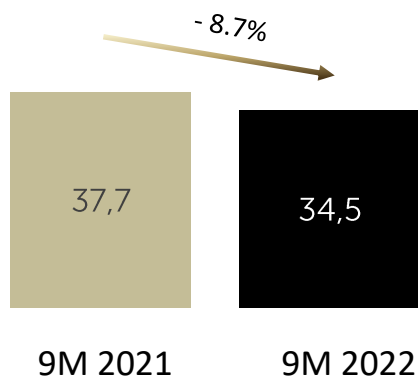


- Live business in Q3 2022 even on the same level as in Q3 2021
- Strong gross profit
- Adjusted EBITDA even stronger than in Q3 2021

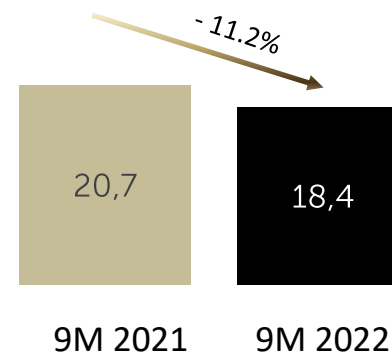


9M 2022 vs. 9M 2021 performance – Overview

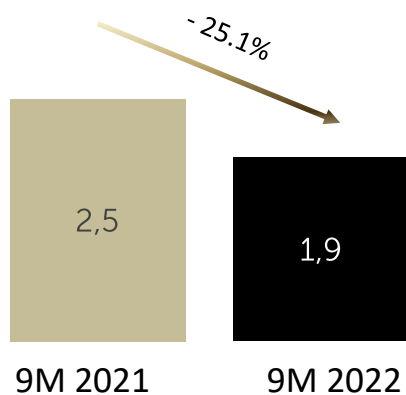
Revenues (m€)



Gross profit (m€)



Adjusted EBITDA (m€)



- Reach costs decreased by 10.5%
- Total personnel costs on same level despite high investments in sales and development in Jooli
- Ten consecutive positive Adjusted EBITDA
- Major adjustments comprise
 - Jooli 1.3m€
 - AOP 0.2m€



Key performance indicators (I)

EUR thousand [unless indicated otherwise]	Q3 2022		Q3 2021		QoQ in %	9M 2022		9M 2021		QoQ in %
Revenue	10.930	100,0%	11.675	100,0%	-6,4%	34.453	100,0%	37.725	100,0%	-8,7%
Gross profit	6.050	55,4%	6.432	55,1%	-5,9%	18.420	53,5%	20.744	55,0%	-11,2%
EBITDA	326	3,0%	573	4,9%	-43,2%	421	1,2%	2.290	6,1%	-81,6%
Adjusted-EBITDA	710	6,5%	665	5,7%	6,8%	1.868	5,4%	2.493	6,6%	-25,1%
Depreciation and amortisation	215	2,0%	244	2,1%	-11,9%	668	1,9%	726	1,9%	-8,0%
EBIT	110	1,0%	329	2,8%	-66,4%	-247	-0,7%	1.564	4,1%	-115,8%
Total comprehensive income	116	1,1%	290	2,5%	-60,0%	-343	-1,0%	1.461	3,9%	-123,5%
Selling and administrative expenses	6.058	55,4%	6.132	52,5%	-1,2%	19.290	56,0%	19.303	51,2%	-0,1%
Total assets ¹	25.919		27.874		-7,0%					
Total equity	13.422	51,8%	13.714	49,2%	-2,1%					
Working capital	8.318	32,1%	6.478	23,2%	28,4%					
Net cash flow from operating activities	82		-39		311,7%	-1.506		1.578		-195,4%
Net cash flow from investing activities	-13		-99		86,8%	-36		-276		87,0%
Net cash flow from financing activities	-93		-97		4,6%	-276		-293		6,1%



Key performance indicators (II)

EUR thousand [unless indicated otherwise]	Q3 2022	Q3 2021	QoQ in %	9M 2022	9M 2021	QoQ in %
Items sold [pieces] ²	138.540	141.867	-2,3%	410.810	430.535	-4,6%
Average number of items sold per active customer [pieces]	4,2	4,0	5,2%	6,2	6,0	3,6%
Average sales price (ASP) [EUR]	79	82	-4,1%	84	88	-4,3%
Gross profit per item sold [EUR]	44	45	-3,7%	45	48	-6,9%
Average basket [EUR] ³	184	181	1,7%	194	195	-0,5%
Share marketing expenses of revenue webshop	19,5%	15,3%	4,2 p.p.	18,8%	15,4%	3,4 p.p.
Customer Value after one year ⁴	309	456	-32,2%			
Customer Value after five years ⁴	892	1.036	-13,9%			
<u>Web traffic breakdown</u>						
[in % of channel]						
Organic	21,4%	25,4%	-4,0 p.p.	22,5%	26,1%	-3,6 p.p.
Direct	12,5%	10,2%	2,3 p.p.	11,3%	11,1%	0,2 p.p.
Paid	41,4%	35,6%	5,8 p.p.	39,9%	36,6%	3,3 p.p.
Mail	8,3%	8,1%	0,2 p.p.	7,9%	7,4%	0,5 p.p.
Other	16,4%	20,7%	-4,3 p.p.	18,4%	18,8%	-0,4 p.p.
<u>New customers breakdown</u>						
TV	1.746	1.958	-10,8%	5.326	6.391	-16,7%
Web	6.448	8.334	-22,6%	20.983	26.925	-22,1%



Table of contents

1	elumeo at a glance
2	Key developments Q3 2022
3	Financials Q3 2022
4	Outlook



Outlook 2022 – single-digit decrease

Adjusted EBITDA low single-digit million

- The management also expects high volatility for 2022 depending on the further development of the COVID-19 pandemic and the currently uncertain effects of the war in Ukraine on global economic development.
- In the second half of the first quarter of 2022, Juwelo recorded an above-average decline in sales in the TV business in Italy. The management therefore decided to reduce the 24-hour broadcasting of Juwelo in Italy to a 7-hour transmission window. The resulting drop in sales is accompanied by disproportionately high savings in broadcasting range costs.



Outlook 2022 – single-digit decrease

Adjusted EBITDA low single-digit million

- Due to the development in the first half of 2022, the management assumes that in 2022 a drop in sales in the single-digit percentage range will be recorded. The drop in sales of the Italian TV business accounts for around 35%.
- For the web business, it is expected that the recent very strong growth will weaken in 2022 and will be in the low single-digit percentage range, still outgrowing the overall market for E-Commerce.
- The gross profit margin should continue to develop stably at >50%.
- Adjusted EBITDA is expected to be in the low single digit millions.



Points of contact

Executive Board

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