

# elumeo

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

2022 FY Financial Earnings Call 28.04.2023



## Summary of key developments

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- **2022 was marked by a highly challenging economical environment.**
- **elumeo succeeded in outperforming the market, stabilizing its live business in H2 2022. In Q4, elumeo recorded the eleventh consecutive positive quarter.**
- **In line with our forecast, 2022 sales declined by 9.5% to EUR 45.8 million. Adjusted EBITDA remains positive at EUR 2.2 million.**
- **Positive operating Cash flow in H2 of EUR 149 k**
- **After restructuring, Italian business returned to profitability in 2022.**
- **Our video shopping app Jooli grew to more than 1,237 channels. Since its inception, over 8 million videos have been played.**
- **Outlook 2023: Sales are expected to be remain stable compared to last year and adjusted EBITDA is expected to be in the low single-digit million range.**



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# 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



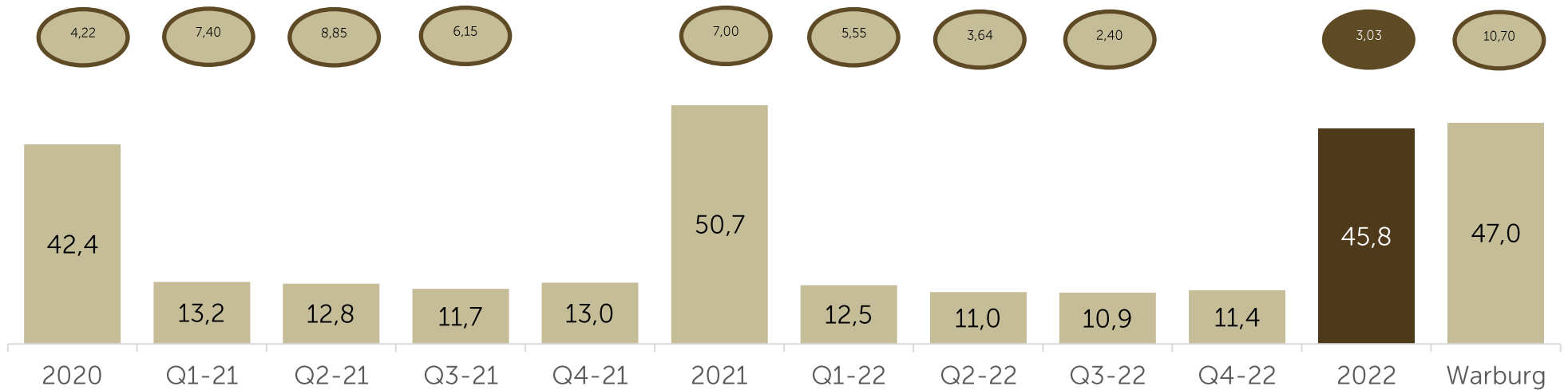
## Integrated value chain

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

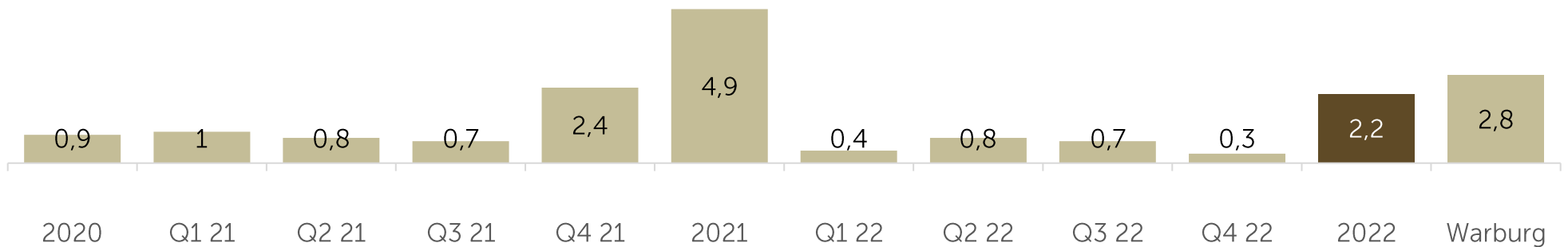


# Eleven consecutive profitable quarters

Stock price and Revenues (m€)



Adjusted EBITDA (m€)



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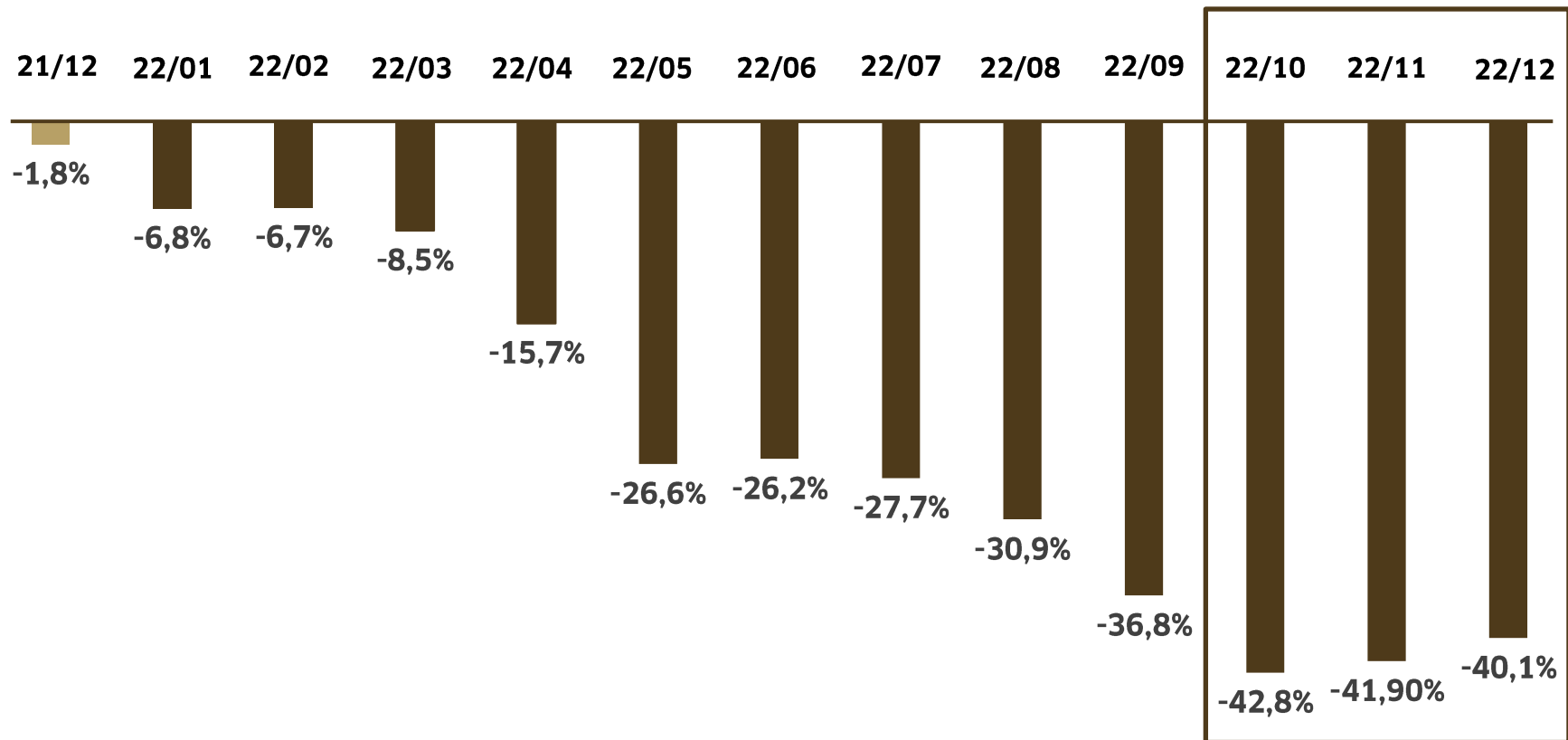
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# Consumer sentiment dramatically decreased throughout the whole year, achieving its record-low in Q4 2022

## GfK consumer sentiment index for Germany December 2021 to December 2022



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

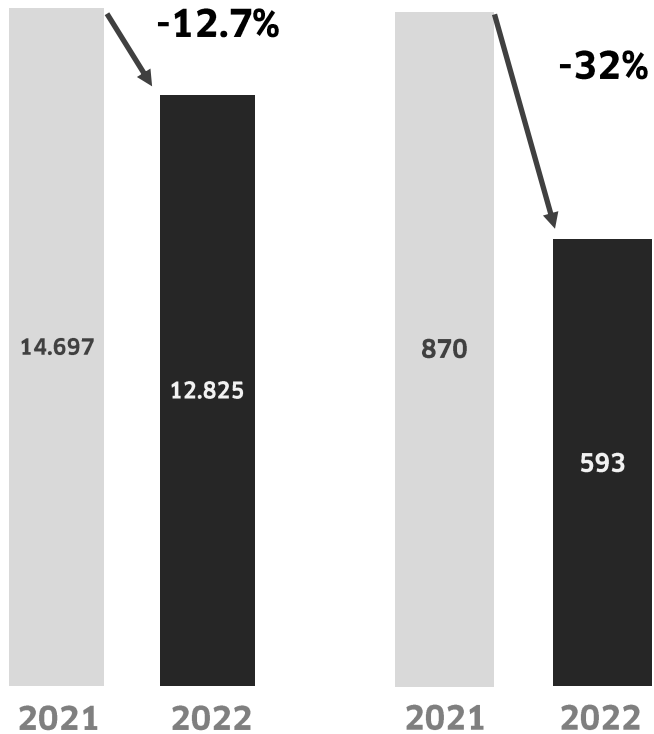


# Elumeo LIVE business outperformed the market and stabilized the revenue in H2

LIVE

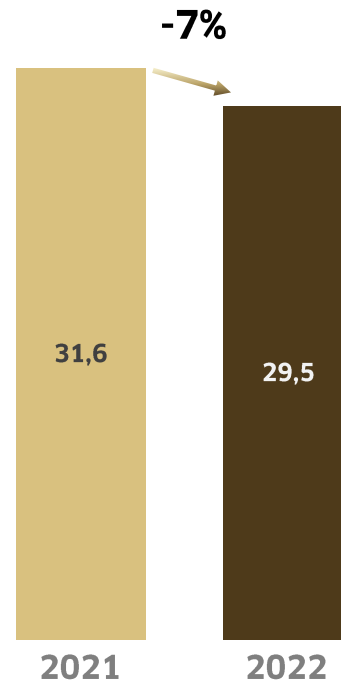
## Revenue of German Multichannel & Teleshopping market

in m EUR  
(Bundesverband E-Commerce und Versandhandel e.V.)



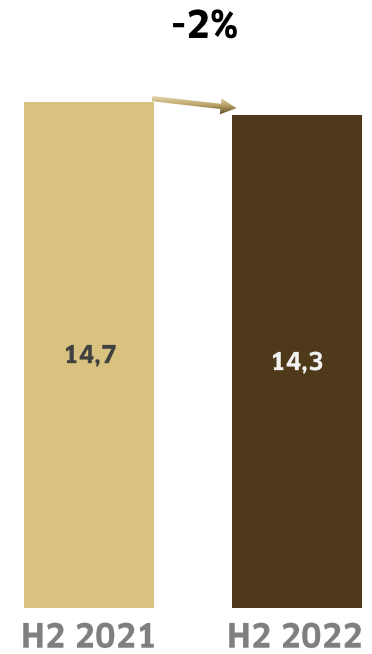
## Revenue of elumeo LIVE business FY vs. FY

in m EUR, without ITA



## Revenue of elumeo LIVE business H2 vs. H2

in m EUR, without ITA



Source: BEVH Bundesverband E-Commerce und Versandhandel e.V. & Internal ERP system



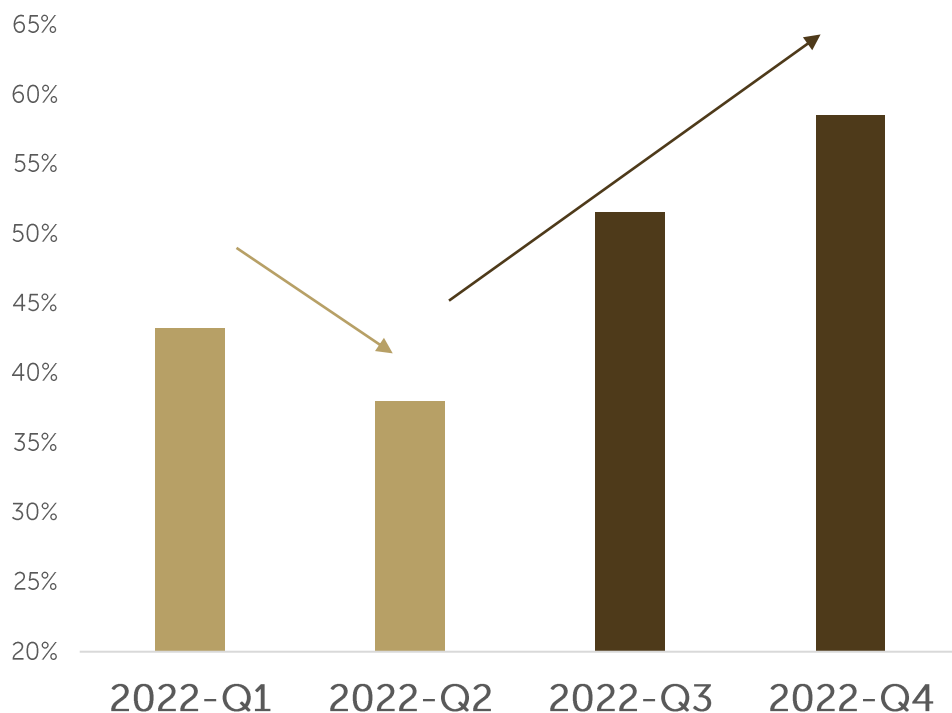


# Our fast supply chain allowed us to quickly react to changed customer preferences, keeping stable the stock level and gross profit margin

MERCH

## Thanks to quick reduction of line sizes, sales-rate clearly improved

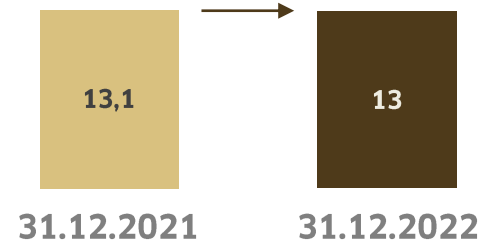
Sales rate in % of SKU lines after 90 days



## Stock level remained stable

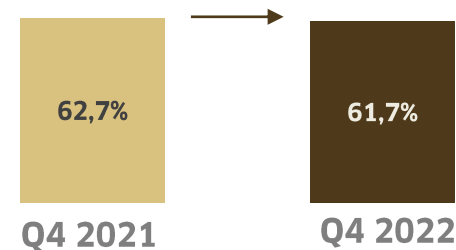
in m EUR

-0.7%



## Gross profit margin stable in Q4

In %



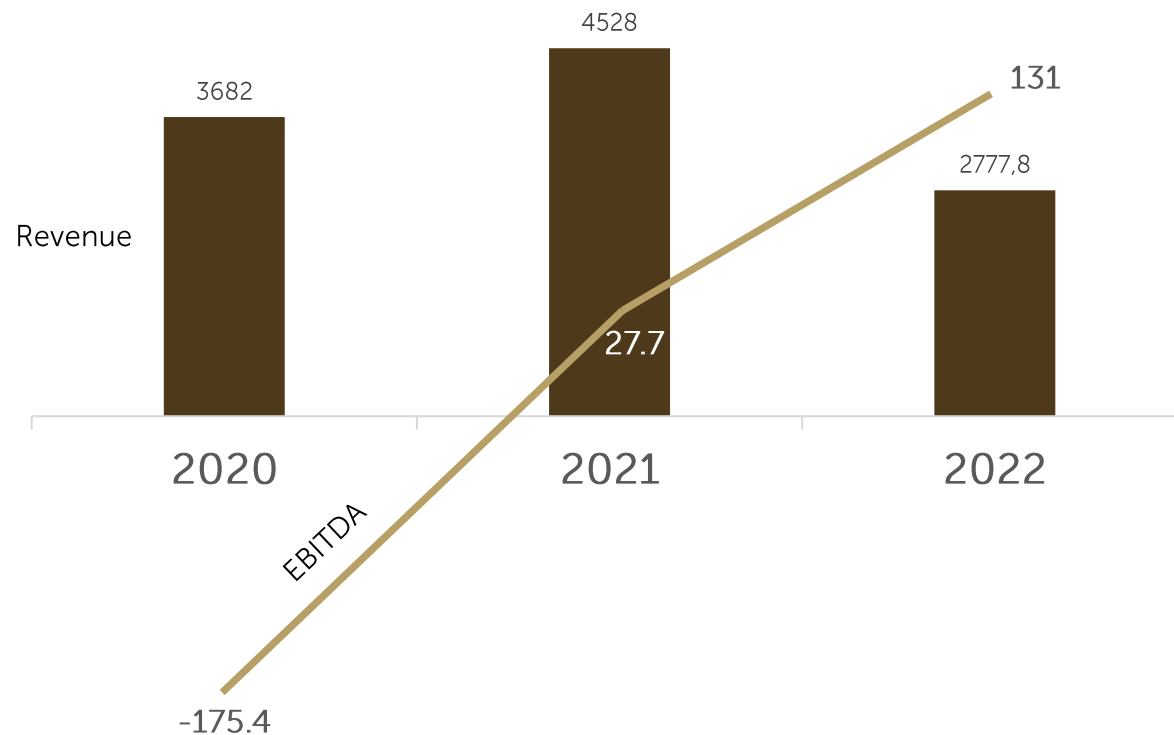
Source: Internal ERP system



## After restructuring, Italian business returned to profitability

### Revenue and EBITDA development of Italian market

TV + Online business



- After a strong sales decline in Q1 2022, Italian business was restructured, reducing the 24-hour broadcasting to a 7-hour transmission window.
- This was accompanied in disproportionately high savings in broadcasting range costs.
- The Italian market returned to profitability of 131k EBITDA.

Source: Internal ERP system

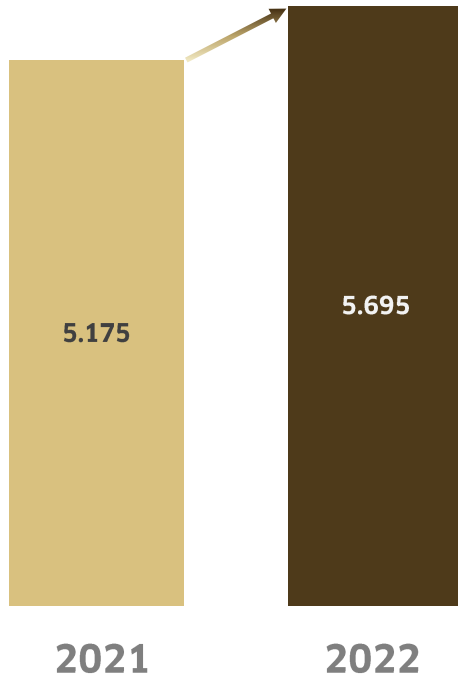


# Non-live & non-linear videoshopping channels are getting traction

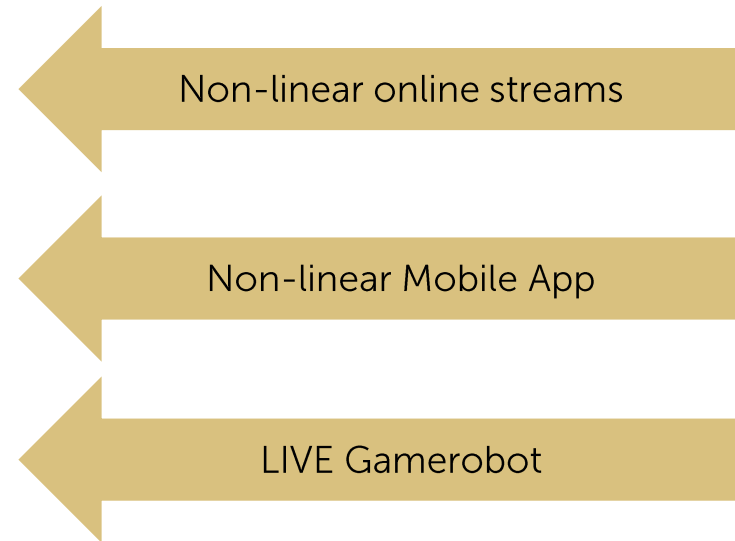
## Digital videoshopping revenue

in k EUR

+10%



## Revenue Channels



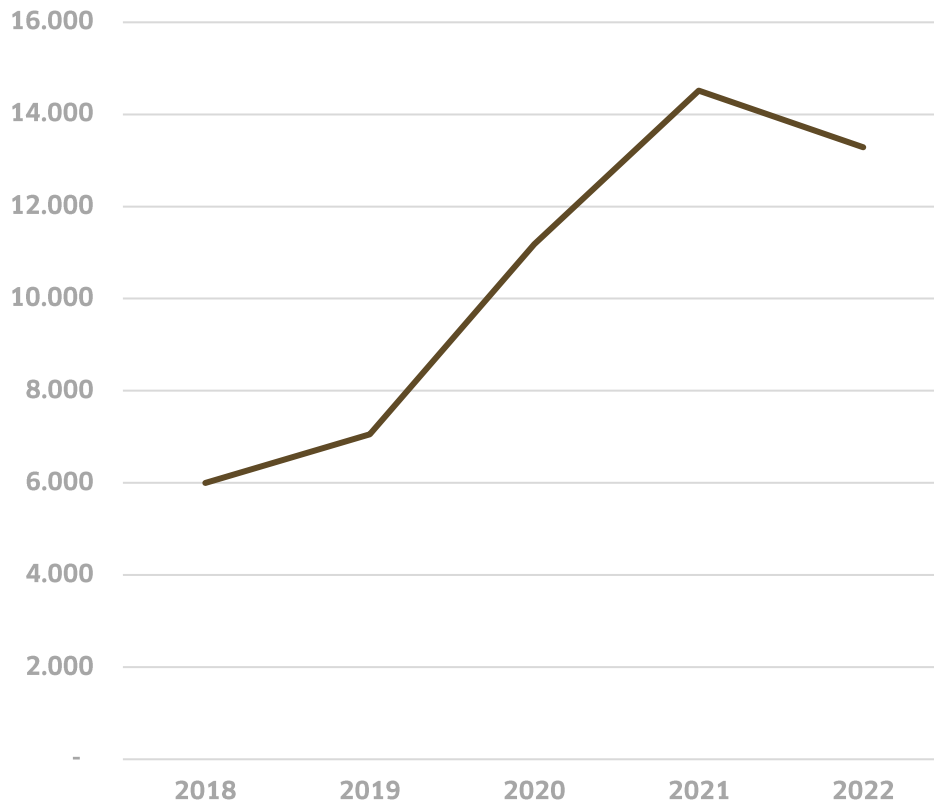
Source: Internal ERP system



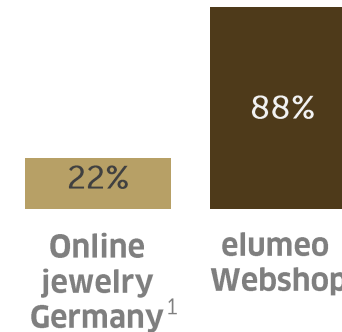
# Revenue of elumeo webshop remains clearly above pre-pandemic level and outperformed the market by factor 4

WEB

## Webshop revenues in 2018-2022 in k EUR



## Consolidated growth rate of German online jewelry market vs. elumeo webshop 2019 - 2022



- Web revenue decreased by 8% vs. PY, but remains clearly above pre-pandemic level
- Due to the challenging market environment, search volume for gemstone jewelry decreased, resulting in drop of new customers

Source: Internal ERP system, based on static webshop performance (=without livestream or other online non-linear channels); 1) data from Bundesverband eCommerce und Versandhandel BEVH



# Our Videoshopping App Jooli made great progress throughout 2022



Personalized AI video feed

Re-designed app from scratch

Voucher system

Multi-region & multi-language



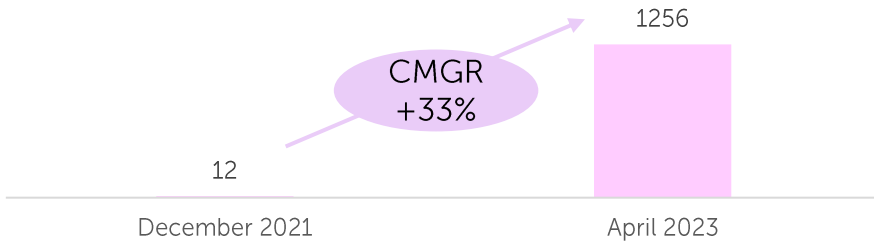
First metaverse prototype



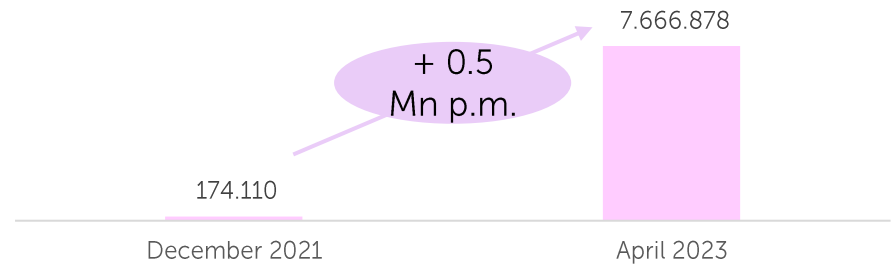
# It is live since December 2021 and growing fast

## Active in India and Europe

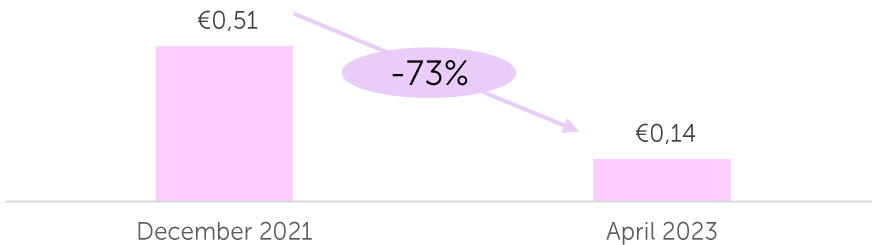
Fast Growth of Channels  
(Example: India)



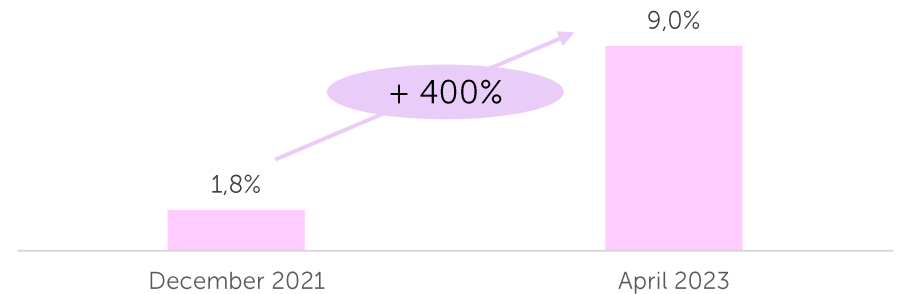
Cumulative video views India



Improved Download Cost  
(Example: India)



Significant improvement in daily retention



Daily retention: significant improvement on next day retention



## Major progress on product maturity also in 2023

### AI-based real-time video feed

- Adapting to the interests of a user instantly in real-time within same session backed by AI
- Increase of video impressions, retention and conversion highly expected
- Proof of jooli's high-tech capabilities in lean setup

jooliPay



- In-app based checkout for customers with all major Indian payment methods
- Will be launched with Kotak Mahindra as banking partner to fulfill payment in highly regulated Indian market

### Outlook

Additional new features in H2 2023 features are

- AI-supported voice assistant for shopping
- Merchant self-onboarding capabilities
- API based Integration of major shopping platforms
- Release of Metaverse app in collaboration with HSD



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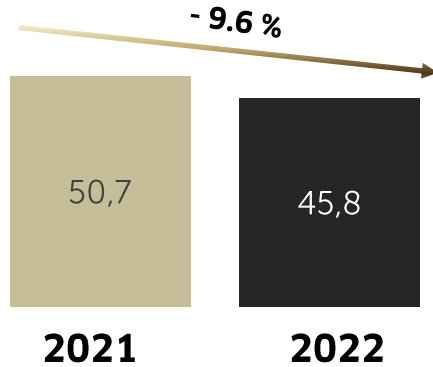
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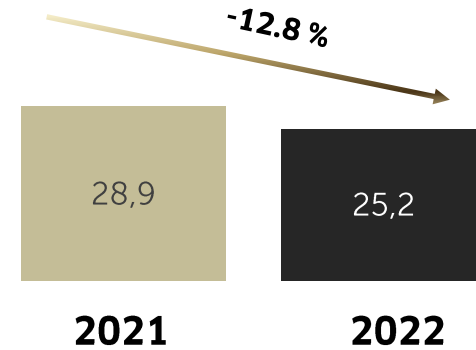


# 2022 vs. 2021 performance - Overview

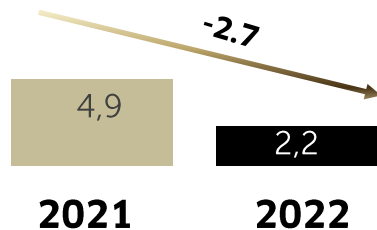
Revenues (m€)



Gross profit (m€)



Adjusted EBITDA (m€)



**Revenue:** Decline in sales in 2022 can also be partly explained by the exceptionally strong growth of 19.5% in the same period of the previous year when European countries were in Corona lockdown.

**Gross profit:** Weaker performance of Euro against Indian rupee, US dollar and Thai baht led to decline in gross profit margin.

**Adjusted EBITDA:** Despite headwinds positive Adjusted EBITDA.



## Positive Adjusted EBITDA, despite sales decline

	in kEUR 2022	in kEUR 2021
EBITDA (kEUR)	-463	2.928
(+/-) Currency translation expenses and income	-20	-54
(+) Share-based payment expenses – stock option program	253	126
(+) Personnel expenses - share program <sup>1)</sup>	1.111	0
(+) Research, development and sales expenses Jooli	1.251	467
(+) Expenses for termination of Italian reach contract	0	1.250
(+) Expenses Juwelo Italia s.r.l.	72	136
<b>Adjusted EBITDA</b>	<b>2.203</b>	<b>4.853</b>

1) Was adjusted in Q4 2022 and will be re-adjusted in Q2 2023



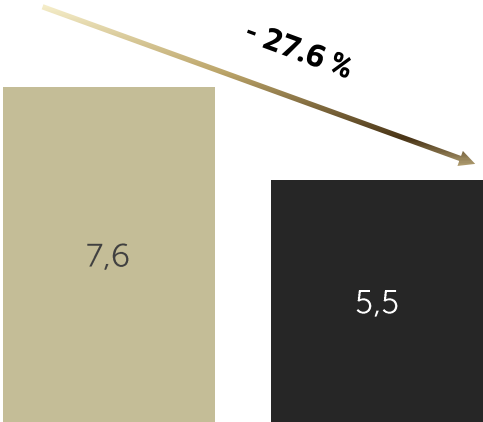
## Decline in group result driven by active deferred taxes

	in kEUR
	2022
EBITDA	-463
(+/-) Amortization	-941
EBIT	-1.404
(+/-) Interests	-65
(+/-) Active Deferred Taxes	-1.926
(+/-) Provision PWK Disclosure	100
Earnings after Tax	-3.295



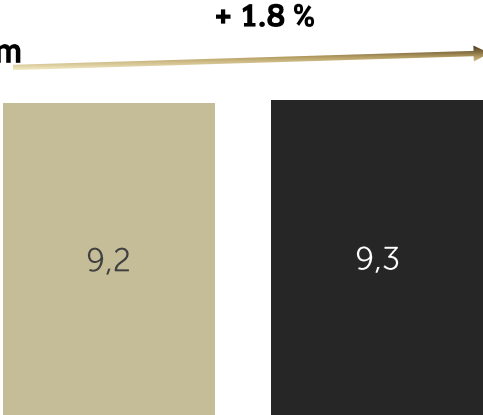
# 2022 vs. 2021 clear declining reach costs and stable personnel costs

Reach costs (m€)



Reach costs: Clear decrease in reach costs thanks to optimization of Italian TV business

Personnel costs (m€)  
w/o share based program



Personnel costs: stable personnel costs, despite investments in jooli

2021

2022



# Key performance indicators (I)

EUR thousand [unless indicated otherwise]	2022		2021		YoY in %
<b>Revenue</b>	<b>45,844</b>	100.0%	<b>50,677</b>	100.0%	-9.5%
[the following disclosures represent: absolute value and in % of revenue]					
<b>Gross Profit</b>	<b>25,187</b>	54.9%	<b>28,875</b>	57.0%	-12.8%
<b>EBITDA</b>	<b>-463</b>	-1.0%	<b>2,928</b>	5.8%	-115.8%
<b>Adjusted-EBITDA</b>	<b>2,203</b>	4.8%	<b>4,853</b>	9.6%	-54.6%
<b>Depreciation</b>	<b>941</b>	2.1%	<b>951</b>	1.9%	-1.0%
<b>EBIT</b>	<b>-1,404</b>	-3.1%	<b>1,977</b>	3.9%	-171.0%
<b>Group Result</b>	<b>-3,333</b>	-7.3%	<b>9,241</b>	18.2%	-136.1%
<b>Selling and administrative expense</b>	<b>26,744</b>	58.3%	<b>27,090</b>	53.5%	-1.3%
<b>Total assets</b>	<b>22,746</b>		<b>27,874</b>		-18.4%
<b>Total equity</b>	<b>10,634</b>	46.8%	<b>13,714</b>	49.2%	-22.5%
[absolutely and in % of balance sheet total]					
<b>working Capital</b>	<b>7,328</b>	32.2%	<b>6,478</b>	23.2%	13.1%
[absolutely and in % of balance sheet total]					
<b>Net cash flow from operating activities</b>	<b>-1,421</b>		<b>1,190</b>		-219.4%
<b>Net cash flow from investing activities</b>	<b>-60</b>		<b>-355</b>		83.2%
<b>Net cash flow financing activities</b>	<b>131</b>		<b>-384</b>		134.1%



## Key performance indicators (II)

	2022	2021	YoY in %
[the following disclosures represent: KPIs of the internal controlling system]			
Item sold [pieces]	568.344	594.730	-4,4%
Number of a active customer (rounded)	75.195	81.328	-7,5%
Average number of items sold per active customer	7,6	7,3	3,4%
Average sales price	81	85	-5,3%
Gross profit per item sold	44	49	-8,7%
Average basket	191	191	0,2%
Share marketing expense of revenue webshop	19%	16%	3,0 p.p.
Customer Value after one year	314	423	-25,8%
Customer Value after five years	967	1.015	-4,7%
[in % of channel]			
Organic	21,4%	24,7%	-3,3 p.p.
Direct	11,4%	10,4%	1,0 p.p.
Paid	42,0%	36,3%	5,7 p.p.
Mail	7,5%	6,8%	0,7 p.p.
Other	17,7%	21,8%	-4,1 p.p.
New customer breakdown			
TV	7.545	8.723	-13,5%
Webshop	30.153	38.867	-22,4%
Other	124	135	-8,1%



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## Outlook 2023 – stable development Adjusted EBITDA low single-digit million

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- Management expects high volatility also in 2023 due to the economical effects caused by the war in Ukraine.
- As a result, the forecast is based on a cautious approach to future development and takes into account possible further negative influences from collapses in demand and supply bottle-necks.
- The first two months of 2022 were still marked by positive COVID effects before the outbreak of the war in Ukraine.





## **Outlook 2023 - stable development**

### **Adjusted EBITDA low single-digit million**

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- Management expects sales to develop between a mid-positive and mid-negative single-digit % corridor. The reduction of the broadcast window in Italy results a decline in sales of around 50% of the Italian live business.
- For the webshop, sales growth in 2023 is expected to be in the low single-digit percentage range.
- The gross profit margin is expected to remain stable at > 50%
- Adjusted EBITDA is expected to be in the low single-digit million range.



# Points of contact

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## **Executive Board**

Wolfgang Boyé, Boris Kirn, Frank Broer, Gregor Faßbender, Claudia Erning, Deepa Gautam-Nigge

## **Managing Directors**

Florian Spatz, Dr. Riad Nourallah, Boris Kirn

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