

elumeo increases revenue in Q2 2016 significantly compared to Q1 2016

Berlin, 18 August 2016 – elumeo SE, a leading electronic retailer of gemstone jewelry in Europe, published its sales and earnings figures for the first half / second quarter of 2016 today. These figures confirm that the developments published in the press release dated 21 June 2016 have fortunately continued.

“We set various priorities in the first half of 2016. During the first quarter, the focus was on stabilising the gross profit margin at a level slightly above 50%. We succeeded in achieving this objective,” commented Wolfgang Boyé, Chairman of the Executive Board of elumeo SE.

“Then we initiated several sales measures aimed at increasing revenue in the second quarter that have had a positive impact on sales,” added Bernd Fischer, CFO and Speaker of the Executive Board of elumeo SE.

elumeo SE had already announced these sales-related measures in a Corporate News release dated 21 June 2016. They include new television program formats and special programs for the KAT FLORENCE Collection.

These developments led to a 36.2% increase in sales in the second quarter to EUR 20.3 million compared to the first quarter of 2016 (EUR 14.9 million) and a 2% increase compared to the second quarter of 2015 (EUR 20.0 million). Compared to the very strong first half of 2015, revenues decreased by 10.5% to EUR 35.3 million in the first half of 2016 (first half of 2015: EUR 39.5 million). The relatively high share of higher priced items, which the company did not produce itself, counteracted the positive effects of introducing the new procurement model in the second quarter of 2016. Therefore, the gross profit margin declined from 50.7% in the first quarter of 2016 to 40% in the second quarter of 2016 and resulted in a gross margin of 44.8% on average in the first half of 2016. Compared to the same period of last year, gross profit declined by 20.5% from EUR 19.8 million to EUR 15.8 million in the first half of 2016. Gross profit developed positively overall, however, and amounted to EUR 7.6 million in the first quarter of 2016 and particularly in the second quarter of 2016 at EUR 8.2 million after a challenging second half of 2015. Cumulative segment EBITDA developed similarly. Here, the company managed to lower the loss of EUR -2.3 million in the first quarter of 2016 by 39% to EUR -1.4 million in the second quarter of 2016. Special items in the first half of 2016 can be attributed mainly to foreign currency translation of EUR -1.9 million (first half of 2015: -EUR 0.4 million).

Earnings before interest, taxes, depreciation and amortisation adjusted for non-operating special items (EBITDA) declined from EUR 1.3 million in the first half of 2015 to EUR -5.8

million in the first half of 2016. Total comprehensive income amounted to EUR -6.2 million in the first half of 2016 after EUR 1.5 million in the first half of 2015.

In contrast to the many sales promotion measures that the company has implemented, the current overall market development in Europe is causing considerable uncertainty. The British referendum on 23 June 2016 that calls for Britain to leave the EU prompted elumeo SE to revise its guidance and its forecasts for 2016. Due to the devaluation of the British pound (GBP) against the functional currency of the Group's factory, the Thai baht (THB), that has already taken place and can be expected to continue in the future, the company does not expect its British subsidiary Rocks & Co. Productions Ltd. to return to profitability in financial year 2016. This company contributed 19.3% to the consolidated sales of elumeo SE in 2015. The management team therefore expects this to have significant effects on the Group's results for financial year 2016. elumeo SE will continue to follow market developments and exchange rate trends and inform on further actions in due course, especially with respect to the British subsidiary Rocks & Co. Ltd.

The positive impact of the measures implemented in Germany makes the company feel confident about the further development of the business in the German market. The company has already started implementing a comparable package of measures in Italy and expects these to have positive effects in this market as well.

The complete half-year financial report 2016 is available for downloading from the company's website <http://www.elumeo.com> in the Investor Relations / Financial Reports section starting today.

About elumeo SE:

The elumeo Group, which has its headquarters in Berlin, is a leading European online retailer of high-quality gemstone jewelry, which the Group mostly produces itself in Thailand. The publicly traded company elumeo offers its customers in Europe colored gemstone jewelry at comparatively low prices via a number of electronic distribution channels (including television, the Internet, smart TV and a smartphone app). Its distribution model relies exclusively on direct sales made via the elumeo Group's home-shopping TV channels in Germany, the UK and Italy, and via online stores in Germany, the UK, Italy, France, the Netherlands, Spain, Belgium and the USA. Lower cost items are marketed to customers worldwide via the Hong Kong-based "New York Gemstones" online stores. Furthermore, the company will also be offering a full line of jewelry on schmuck.de.

The elumeo Group's product range includes jewelry made from a variety of different gemstones, with some of the pieces designed partly by the customers themselves. The Group is also represented in the market for high-end gemstone jewelry with its premium brand AMAYANI and the distribution of the KAT FLORENCE jewelry line.

The elumeo Group was founded in Berlin, Germany, and Chanthaburi, Thailand, as a joint venture in 2008 and has grown very successfully ever since. In 2014, the companies that comprised the Group underwent a formal merger to bundle the operating business under the holding company elumeo SE. The elumeo Group employs approximately 1,100 people at five different locations worldwide.



Corporate News

Contact:
elumeo SE
Investor Relations
Alexander Enge
Erkelenzdamm 59/61, 10999 Berlin
Phone: +49 30 69 59 79-231
Fax: +49 30 69 59 79-650
e-mail: ir@elumeo.com
<http://www.elumeo.com>