

elumeo SE outsources its production and appoints Chief Restructuring Officer

Berlin, 9 November 2018

elumeo SE announced today that it will be outsourcing its production in the future by relocating its factory from Chanthaburi to Bangkok (Thailand) and Jaipur (India). After elumeo SE had already significantly reduced the capacity of its group-owned manufacturing facility, the rest of production is now being relocated to two smaller sites operated in close cooperation with local partners. "We expect this step to lead to a sustained improvement in our gross profit margin while at the same time increasing our flexibility," said Wolfgang Boyé, Chairman of the Executive Board of elumeo SE. "We will mainly manufacture our high-quality brand collections at the Bangkok factory in the future. India, on the other hand, offers significant unit cost advantages for higher volume collections," he added.

As a result of increased costs and an unfavourable appreciation of the Thai Baht against the Euro, elumeo SE had already announced at the beginning of August that it would increasingly open up the vertical value chain for third-party suppliers in order to reduce costs. "The relocation to two manufacturing plants represents an important step towards gaining considerable flexibility in production and at the same time improving our fixed cost structure," explained Bernd Fischer, CFO of elumeo SE. "Manufacturing of the products will be controlled via a central, vertically integrated platform in order to ensure uniform compliance with our high quality and social standards."

The shows with products from the Jaipur factory from August through October are already delivering very good results. "We fully focus on the change process to offer our customers a lot of innovation by further developing our collections and broadcasting formats," said Boyé.

On 9 November 2018, the Executive Board also appointed Ingo Stober Chief Restructuring Officer (CRO) of elumeo SE. As Executive Director, he will assume responsibility for Restructuring, Merchandising and Controlling with immediate effect. The focus of his activities will be on the development and implementation of a comprehensive restructuring and transformation programme to restore the sustainable profitability of elumeo.

Ingo Stober has many years of extensive experience in the turnaround of retail companies. He successfully worked as a restructuring expert for Roland Berger Strategy Consultants, private equity companies and various companies in the retail sector.

About elumeo SE:

The elumeo Group, headquartered in Berlin, is the leading European Company in the electronic distribution of high-quality gemstone jewelry, most of which the elumeo Group produces itself in India and Thailand. Via a variety of electronic distribution channels, such as TV, the Internet, Smart TV and Smartphone apps, the listed company offers its European customers coloured gemstone jewelry in particular at comparatively low prices. Most of the products are sold through direct sales. For example, the elumeo Group operates home shopping television channels in Germany and Italy as well as web shops in Germany, the UK, Italy, France, the Netherlands, Spain, Belgium and the US. Cheaper jewelry is sold worldwide through the online shops of New York Gemstones.

Corporate News

elumeo

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