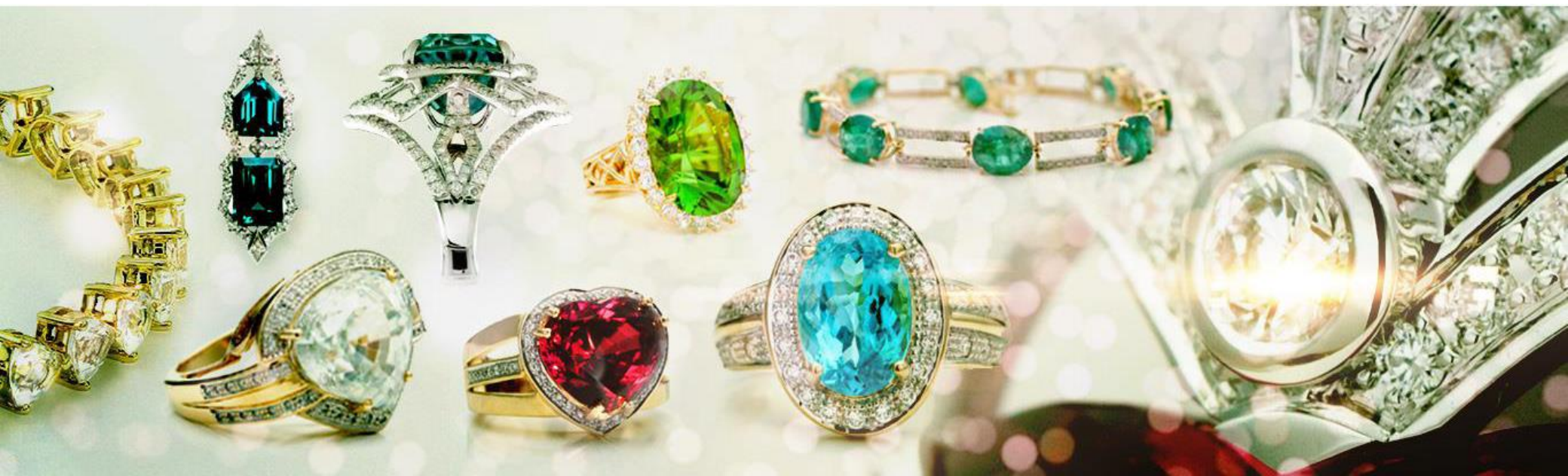


# elumeo

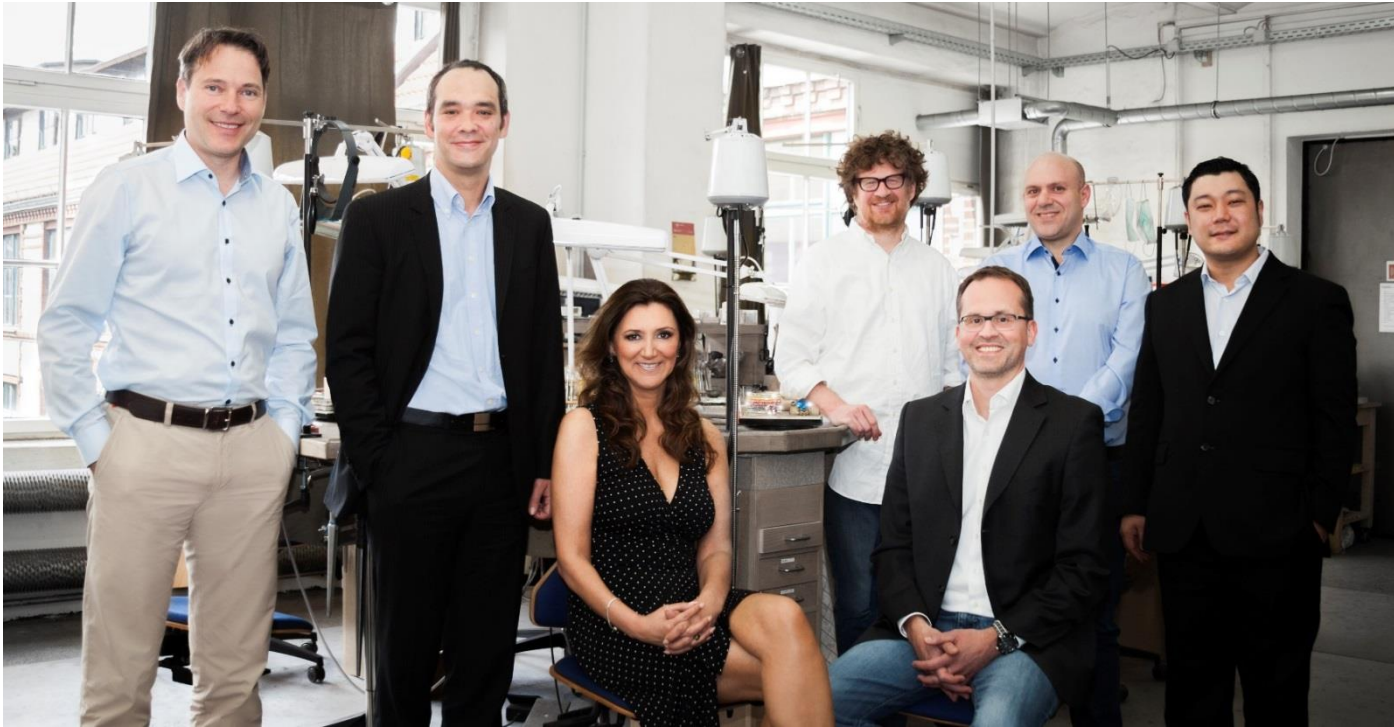
**Full Year 2015 financial presentation**  
30 March 2016

**One of the leading electronic jewelers in Europe**



## Management team: more than 70 years of combined professional experience

---



**Boris Kirn**

Chief Operating Officer  
CEO at K1010 and various management  
positions at Hewlett-Packard

**Deborah Cavill**

Non-executive Board member  
Experienced jewelry designer since  
2003

**Bernd Fischer**

Chief Financial Officer  
More than 10 years of  
management experience as CFO

**Mitsunari Yoshimoto**

Chief Production Officer  
Gemstone buyer with more than  
10 years of experience

**Thomas Jarmuske**

Chief Merchandising Officer  
15 years of media and TV experience  
6 years in gemstone merchandising

**Wolfgang Boyé**

Chairman of the Board  
10 years of electronic  
retailing experience

**Don Kogen**

Vice Chairman of the Board  
More than 20 years of experience in the  
gemstone and jewelry industry



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# elumeo at a glance

## Key facts

- elumeo is a manufacturer and electronic retailer of gemstone jewelry
- Our mission is to make fine jewelry an affordable luxury for everyone
- We are positioned as the price leader, selling one of the widest product ranges at the most competitive prices

## Key financials and key performance indicators

	2009 <sup>(1)</sup>	2015 <sup>(2)</sup>	CAGR 09-15
Revenues (€m)	19.2	72.6	24.8%
Products sold <sup>(3)</sup>	291k	919k	21.1%
Active customers <sup>(3)(4)</sup>	35k	97k	18.5%
Unique visitors	237k	2,015k	42.9%
Countries	1	12	

## elumeo's success story

2008

- Foundation of elumeo
- Germany launched
- Launch of first online shop in Germany

2010/11

- UK acquired
- Italy launched

2012

- Webshop France

2014

- Formal merger<sup>(5)</sup> creating elumeo SE
- Webshop in Spain and the Netherlands
- Launch of Mobile App
- Launch of TV App

2015

- Webshop Belgium
- Webshop USA
- Webshop Italy
- Schmuck.de acquired
- Juwelo France S.A.S formed
- Cost leadership enhanced



(1) Juwelo Germany; (2) elumeo Group; (3) 2014 data shown post returns for Germany, UK and Italy; (4) Active customers defined as customers who purchased and did not return at least one product during the corresponding year; (5) Merger between the production, trading and distribution companies, which started their operations through a Joint Venture formed in 2008



# elumeo share price



- IPO on 3 July 2015 with an issue price of EUR 25.00 per share
- Drop to EUR 14.40 on 12 November 2015 after Ad-Hoc resulting from UK activities
- Recovery since then, in particular after publication of 9M figures

Source: Frankfurt Stock Exchange



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# elumeo made progress on all three strategic areas in 2015

1

Enhance cost leadership

- New Factory in Chanthaburi
- Automated warehouse in the UK and Germany
- Agile integrated gem buying



2

Drive digitalisation

- Enhanced customer experience in Germany
- Mobile Apps in GER, ITA, FR
- Mobile App in the UK
- Smart TV Apps for Samsung, Android TV, Amazon Fire TV



3

Expand

- Webshop Belgium
- Webshop USA
- Schmuck.de acquired
- Webshop USA
- Webshop Italy
- Juwelo France S.A.S. formed



# Initiatives to enhance the cost leadership

---

## New factory in Chanthaburi (Thailand)



- The factory building has been completed and all equipment installed
- Official opening ceremony in November 2015, factory now fully operational
- After a very attractive financing offer by SCB (Siam Commercial Bank) the factory was purchased (fully debt financed) to secure the strategically indispensable production site

## Automated warehouses in GER and the UK

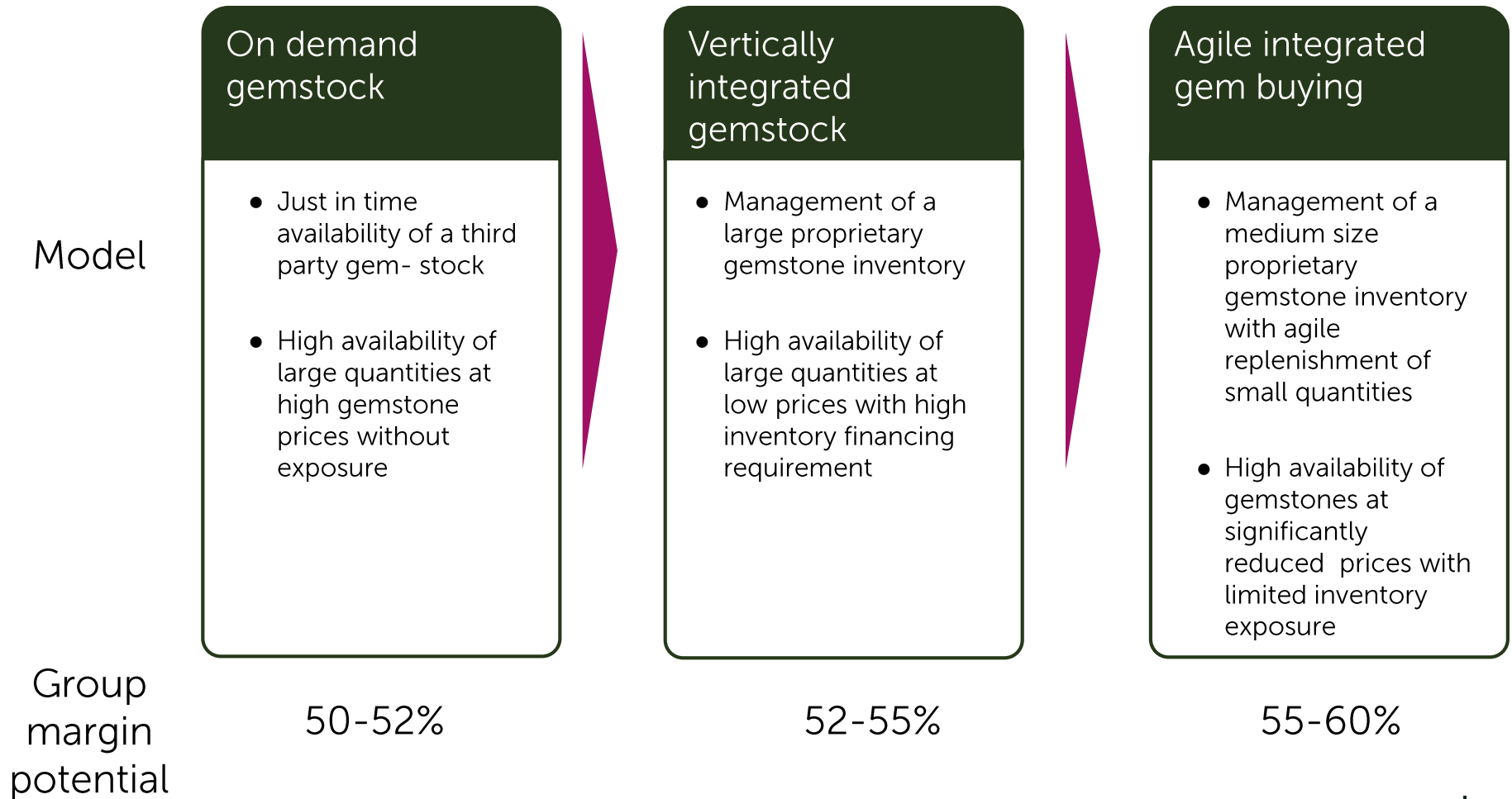


- Fully automated commissioning systems in our warehouses in Germany and the UK implemented in Sep/Oct 2015
- Initial problems with warehousing system in the UK now solved
- We have refined our vertically integrated value chain model by reducing our fulfillment costs through automated logistics
- These new systems have increased efficiency across production and shipping of our products to the end customer and reduced friction and human error

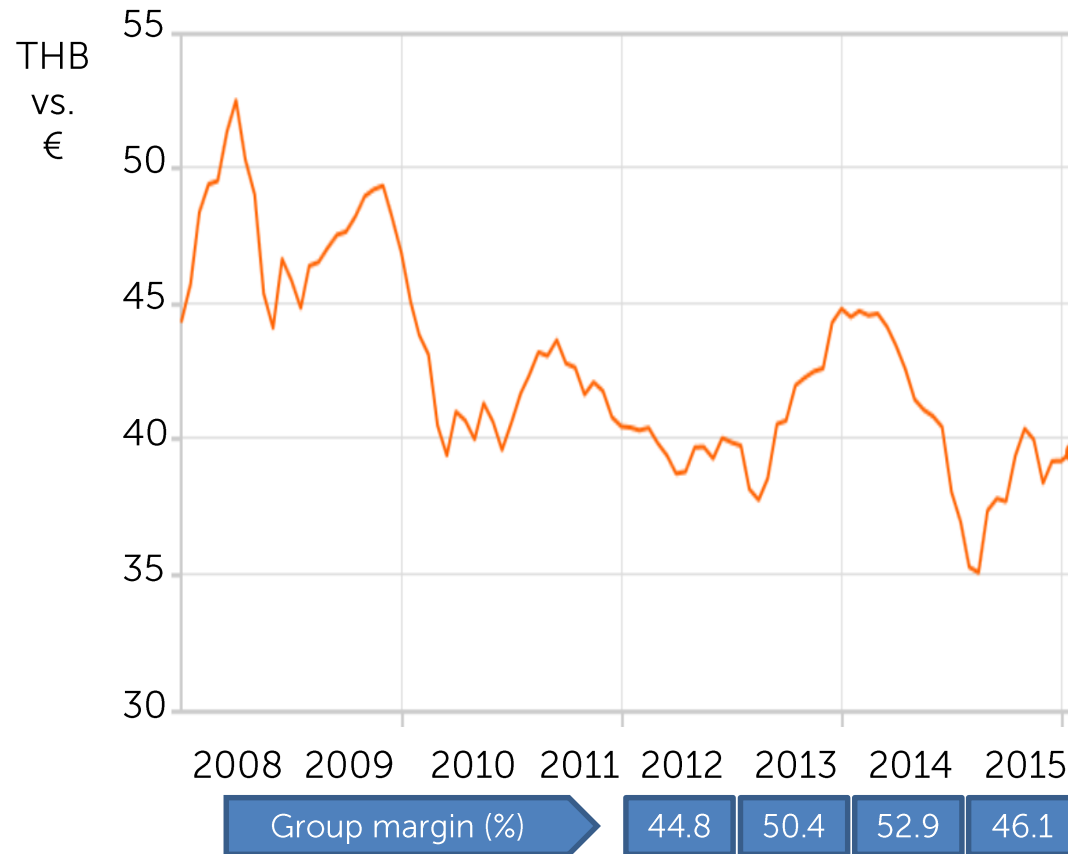




# Agile integrated gemstone-buying: In 2015 elumeo has driven integration one level further



## In 2015 part of the gains in efficiency have been offset by historically low exchange rate between Thai Baht and Euro

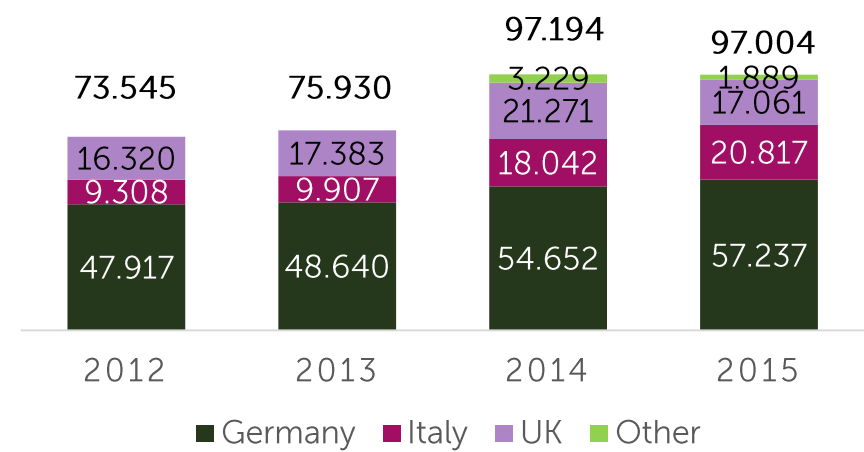


- The THB/€ exchange rate directly drives gemstone and labor cost as well as third party purchases in the COGS
- These cost comprise more than 65% of total COGS
- Due to our flexible pricing model fluctuations in exchange rates can be compensated, albeit with a time lag

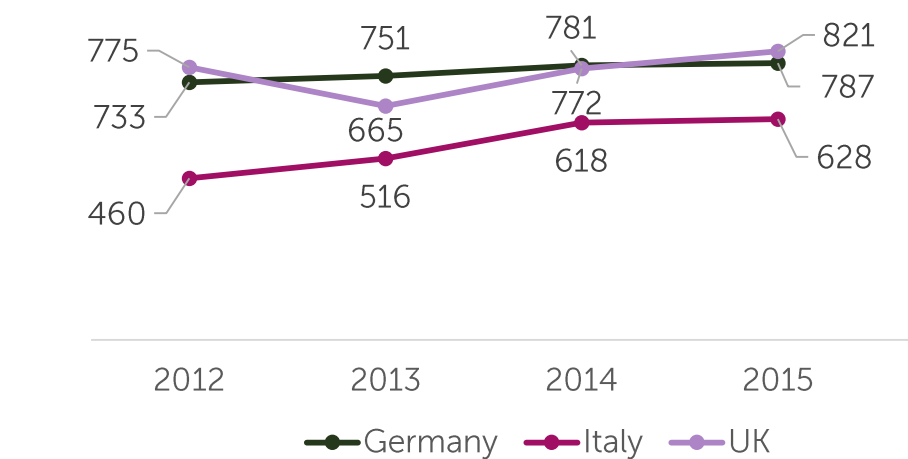


# elumeo's customers continue to show high level of loyalty

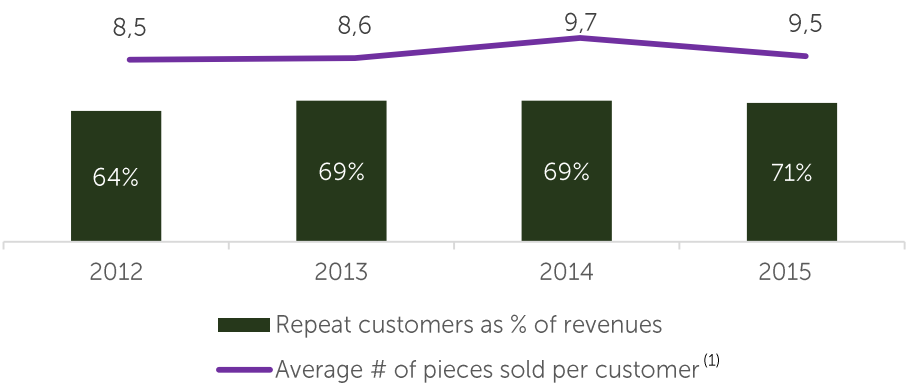
Active Customers 2012-15



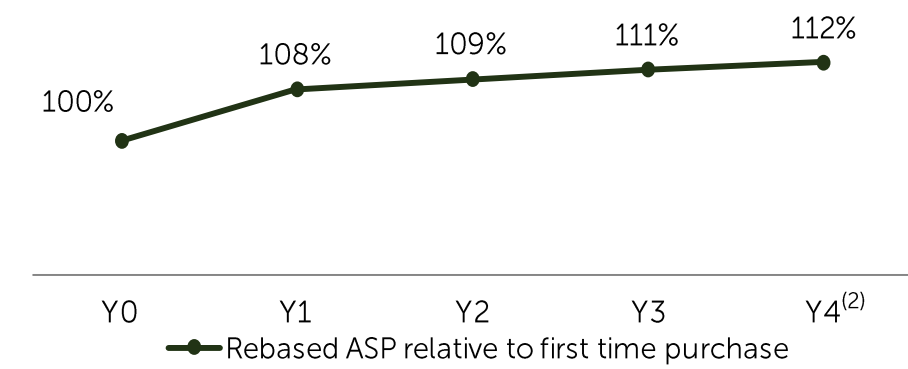
Revenue per Customer 2012-15 (€)



High level of client loyalty



Customer experience driving ASP increase



(1) Calculated as total pieces sold for the year (after returns) divided by total customers;  
 (2) Average of the percentage increase of the ASP of customer cohorts per year with one cohort created for each business year



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# Summary of Full Year 2015 results

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Group's total sales for the year 2015 increased by around 3% to EUR 72.6 million after EUR 70.8 million in 2014

- Following the relocation of the UK activities from Leamington Spa to Birmingham the UK warehouse faced a number of technical issues. This resulted in a large-scale and unexpected unavailability of products impacting sales for the months of September until November. Since end of November sales have reached the previous levels, but under the original expectations
- In a move to raise margins for newly produced product by raising Average Selling Prices (ASPs) we have experienced an expected short-term reduction in sales volumes. In Q4 2015 the sales volumes have started to get back to the previous growth trajectory

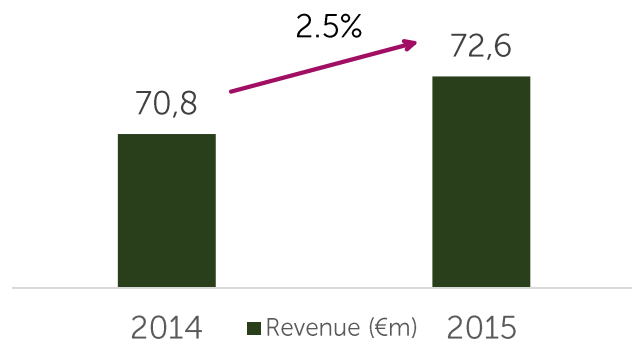
Following the implementation of our new gemstone acquisition model, we have been able to raise group margins for our new products significantly, thus increasing our potential for gross margin in 2016.

- FY 2015 margins do not yet fully reflect this change due to existing legacy product and the low THB/Euro exchangerate

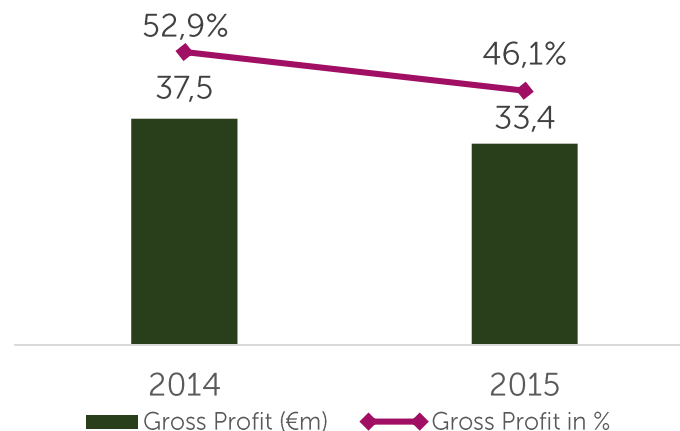


# 2015 vs. 2014 performance – Overview

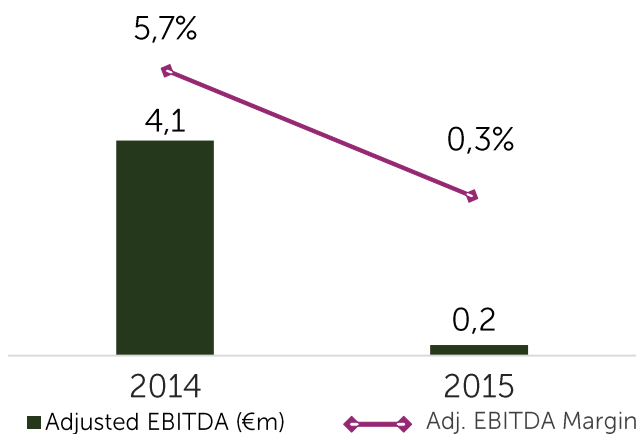
## Revenues



## Gross profit



## Adjusted EBITDA and margin



## Comments

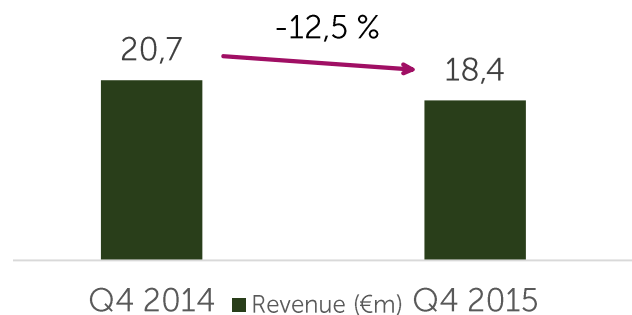
- Total increase in sales of 2.5% in 2015 compared to 2014
- Strong decline in adjusted EBITDA margin due significant drop in performance in UK
- Positive margin impact of new purchasing model not yet reflected in group margins due to existing product and THB/EUR decline

Source: Annual Report, audited

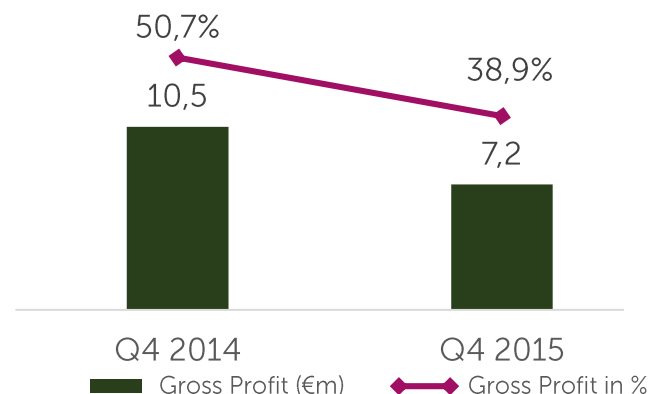


## Q4 2015 vs. Q4 2014 performance – Overview

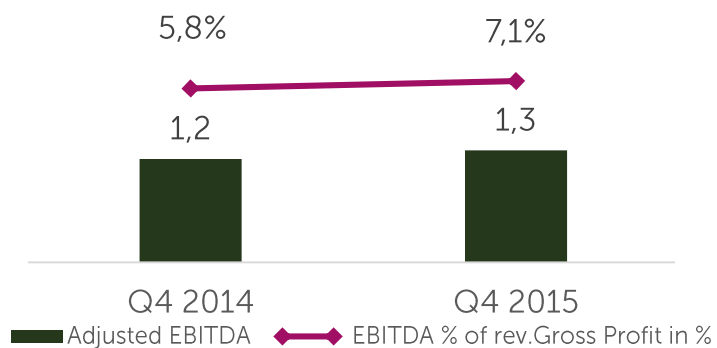
### Revenues



### Gross profit



### Adjusted EBITDA and margin



### Comments

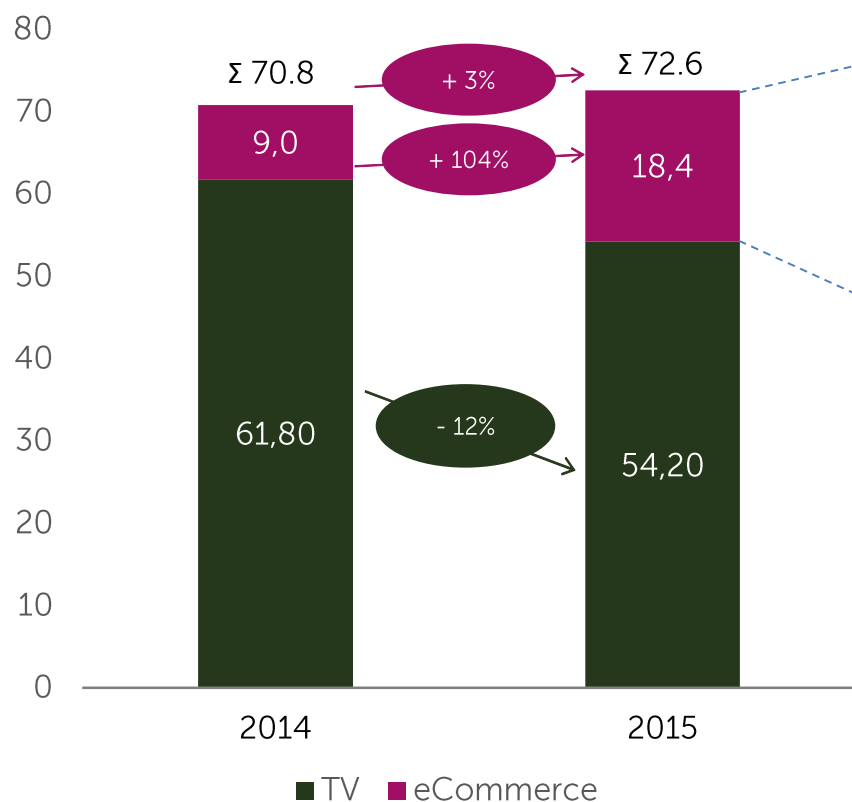
- Revenues down mainly due to UK (-34%). Germany on level of prior year and Italy slightly decreases in sales
- Drop in margin due to massive sales activities in UK
- Significant drop in high-margin revenues in UK

Source: Annual Report, audited

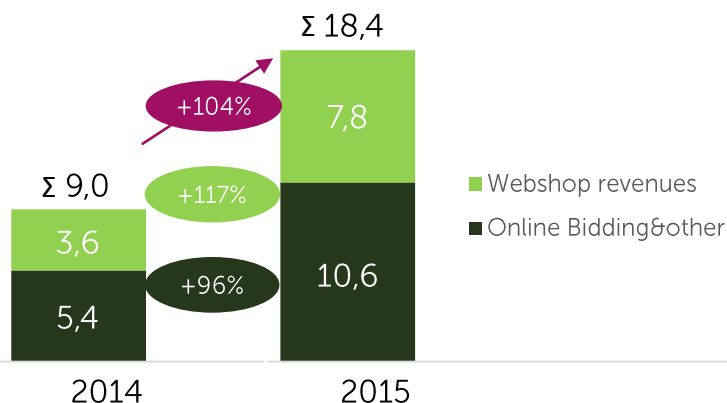


# eCommerce continues to show highest growth-rates

## Revenue in EURm



## Development of eCommerce (€ Mn.)



## Key facts

- elumeo's continued investment into eCommerce has resulted in an increase of revenues in this field
- The launch of juwelo.it and juwelo.com have been successfully completed
- Share of web-only new customers for Germany increased from 30% in 2014 to 47% in 2015<sup>(1)</sup>
- Share of eCommerce sales increased from 13% in 2014 to 25% in 2015

(1) Unaudited  
Source: Annual Report, audited (except where marked "unaudited")





# Consolidated Income Statement

	01.01. - 31.12.2015		01.01. - 31.12.2014	
Revenue	72.606	100%	70.770	100%
Cost of goods sold	39.168	53,9%	33.322	47,1%
<b>Gross profit</b>	<b>33.438</b>	<b>46,1%</b>	<b>37.448</b>	<b>52,9%</b>
Selling expenses	27.816	38,3%	26.729	37,8%
Administrative expenses	12.873	17,7%	9.736	13,8%
Other operating income	79	0,1%	2.711	3,8%
Other operating expenses	1.528	2,1%	1.181	1,7%
<b>Earnings before interest and taxes (EBIT)</b>	<b>-8.700</b>	<b>-12,0%</b>	<b>2.513</b>	<b>3,6%</b>
Interest income	355	0,5%	6	0,0%
Interest and similar expenses	-649	-0,9%	-3	0,0%
Financial result	-294	-0,4%	3	0,0%
<b>Earnings before income taxes (EBT)</b>	<b>-8.994</b>	<b>-12,4%</b>	<b>2.516</b>	<b>3,6%</b>
Income tax	73	0,1%	235	0,3%
<b>Earnings for the period</b>	<b>-8.922</b>	<b>-12,3%</b>	<b>2.751</b>	<b>3,9%</b>



# Revenue split by Country

EUR thousands (if not specified differently)	Q4 2015		Q4 2014		Q4.15 ./ Q4.14		01.01. - 31.12.2015		01.01. - 31.12.2014		2015 ./ 2014	
Revenue	18.442	100%	20.731	100%	-2.290	-11%	72.606	100%	70.770	100%	1.836	3%
<u>Product revenue by regions</u> [absolutely and in % of product revenue]												
Germany	11.670	63%	11.875	57%	-204	-2%	45.055	62%	42.205	60%	2.850	7%
Italy	2.920	16%	3.273	16%	-353	-11%	13.080	18%	11.344	16%	1.736	15%
United Kingdom	3.625	20%	5.480	26%	-1.854	-34%	14.013	19%	16.608	23%	-2.595	-16%
Other countries	223	1%	93	0%	130	140%	388	1%	596	1%	-208	-35%
<u>Product revenue by distribution channels</u> [absolutely and in % of product revenue]												
TV Revenue	12.870	70%	19.574	94%	-6.704	-34%	54.181	75%	61.751	87%	-7.570	-12%
eCommerce Revenue	5.568	30%	1.146	6%	4.422	386%	18.354	25%	9.002	13%	9.352	104%



# Segment Report

	Sales Division GE/IT		Sales Division other		Segment Overhead	GROUP CONS.
EUR thousand	2015		2015		2015	2015
Revenue	58.206	100%	14.401	100%	0	72.606
Cost of goods sold	-31.740	-54,5%	-9.722	-67,5%	2.294	-39.168
Gross profit	26.465	45,5%	4.679	32,5%	2.294	33.438
Segment - EBITDA	1.224	2,1%	-5.199	-36,1%	-530	-4.505



# Split of Selling expenses

	01.01. - 31.12.2015	01.01. - 31.12.2014	2015 % of revenues	2014 % of revenues	Variance 2015/2014
Broadcasting and channel rental cost	13.921	12.558	19,2%	17,7%	1.363
Personnel expenses	6.495	6.134	8,9%	8,7%	361
Other selling expenses	4.385	5.363	6,0%	7,6%	-978
Personnel services	1.406	1.356	1,9%	1,9%	51
Marketing expenses	1.332	1.102	1,8%	1,6%	230
Depreciation and amortisation	277	217	0,4%	0,3%	60
<b>Selling expenses</b>	<b>27.816</b>	<b>26.729</b>	<b>38,3%</b>	<b>37,8%</b>	<b>1.087</b>

- Increase of Broadcasting costs mainly due to additional reach in Italy
- Decline in other selling expenses due to better conditions for our telephone plattform





# Split of administrative expenses

	01.01. - 31.12.2015	01.01. - 31.12.2014	2015 % of revenues	2014 % of revenues	Variance 2015/2014
Personal expenses	5.679	3.958	7,8%	5,6%	1.721
Depreciation and amortisation	571	421	0,8%	0,6%	149
Other administrative expenses	6.624	5.357	9,1%	7,6%	1.267
<b>Administrative expenses</b>	<b>12.873</b>	<b>9.736</b>	<b>17,7%</b>	<b>13,8%</b>	<b>3.137</b>

- Personnel expenses incl. development of overhead structure as well as expenses for the stock options program
- Other administrative expenses are higher due to:
  - Consulting fees,
  - Directors remuneration,
  - FX-losses,
  - Insurance
  - Loss on disposal of non-current assets



# Adjusted EBITDA

## Adjusted EBITDA

from 1 January to 31 December 2015

	01.01. - 31.12.2015	01.01. - 31.12.2014
<b>EBITDA (before special influences)</b>	<b>-7.715</b>	<b>3.210</b>
Result of R&C from relocation of business activities	4.699	0
Effects from foreign currency translation	1.244	1.004
IPO and restructuring related expenses	1.258	1.165
Equity-settled share-based remuneration	359	0
Extraordinary expenses attributable to relocation of R&C	269	0
Extraordinary losses from disposal of assets in connection with the semi-automatic picking, warehousing and conveying systems	80	0
Income from TV production services	0	-1.517
Selling and administrative expenses from TV-Production Services	0	1.237
Income from negative Goodwill of PWK	0	-805
Income relating to past accounting periods	0	-229
Special influences	7.910	855
<b>Adjusted EBITDA</b>	<b>194</b>	<b>4.065</b>



# Balance sheet

## ASSETS

	Notes	31/12/2015	31/12/2014
<b>Non-current assets</b>			
Intangible assets	(12.)	1,011	727
Property, plant and equipment	(13.)	11,676	2,286
Receivables due from related parties	(16.)	0	74
Other financial assets	(17.)	420	388
Other non-financial assets	(18.)	2,088	509
Deferred tax assets	(29.)	2,645	2,167
<b>Total non-current assets</b>		<b>17,840</b>	<b>6,152</b>
<b>Current assets</b>			
Inventories	(14.)	40,428	21,419
Trade receivables	(15.)	2,216	1,961
Receivables due from related parties	(16.)	574	635
Other financial assets	(17.)	224	77
Other non-financial assets	(18.)	1,282	2,170
Cash and cash equivalents	(19.)	13,590	2,431
<b>Total current assets</b>		<b>58,313</b>	<b>28,694</b>
<b>Total assets</b>		<b>76,153</b>	<b>34,846</b>

- Property: Investment in Factory in Thailand and Apostores in Germany and UK
- Other non-financial assets: Advance payment in connection with Thai Board of Investment.
- Inventories: Increase mainly due to higher levels of raw-materials
- Other non-financial assets: decline due to lower prepaid expenses



# Split of Inventories

	31.12.2015	31.12.2014
Raw materials, consumables and supplies	12.608	479
Unfinished goods	739	1.049
Finished goods and merchandise	26.958	19.892
Advance payments	124	0
<b>Inventories</b>	<b>40.428</b>	<b>21.419</b>

- Majority of increase of stock from bulk gemstone purchase in Q1 2015
- Remaining increase from enhanced product offer





# Balance sheet

## EQUITY & LIABILITIES

	Notes	31/12/2015	31/12/2014
<b>Equity</b>			
Issued capital	(20.)	5,500	4,000
Capital reserve	(20.), (21.)	33,397	0
Retained earnings	(20.)	10,115	19,037
Foreign currency translation reserve	(11.)	2,045	1,489
<b>Total equity</b>		<b>51,057</b>	<b>24,525</b>
<b>Non-current liabilities</b>			
Financial debt	(22.)	11,771	0
Other non-current financial liabilities	(23.)	1,071	176
Provisions	(24.)	466	365
Other non-financial liabilities	(27.)	25	25
<b>Summe non-current liabilities</b>		<b>13,333</b>	<b>566</b>
<b>Current liabilities</b>			
Financial debt	(22.)	1,198	0
Other financial liabilities	(23.)	568	10
Provisions	(24.)	42	320
Liabilities due to related parties	(25.)	100	9
Trade payables		7,422	7,342
Tax liabilities	(26.)	164	117
Other non-financial liabilities	(27.)	2,269	1,957
<b>Summe current liabilities</b>		<b>11,762</b>	<b>9,755</b>
<b>Total equity &amp; liabilities</b>		<b>76,153</b>	<b>34,846</b>

Financial debt (non-current): Financing of the purchase of the factory as well as working-capital

Other non-current financial liabilities: Increase in connection with the lease-agreements of the Apostores in Germany and UK

Financial debt – current liabilities: short term financing of working capital

Other financial liabilities – current: short term component of above mentioned lease-agreement



# Cash Flow Statement

EUR thousand	Notes	1 Jan - 31/12/2015	1 Jan - 31/12/2014
<b>Earnings before taxes (EBT)</b>		<b>-8,994</b>	<b>+2,516</b>
+/- Depreciation and amortisation on non-current assets	(12.),(13.)	+985	+696
+/- Increase/decrease in provisions	(24.)	-177	+290
+/- Equity-settled share-based remuneration	(21.)	+359	0
+/- Other non-cash expenses/income		+61	+118
+/- Loss/gain on disposal of non-current assets	(13.)	+109	-6
- Non-cash interest income		-3	0
+ Non-cash interest expenses		+254	0
+ Proceeds from income tax		+6	+14
- Income tax paid	(8.),(26.)	-1,977	-5
-/+ Increase/decrease in inventories	(14.)	-19,009	-10,792
-/+ Increase/decrease in other assets		+945	+2,169
+/- Increase/decrease in other liabilities		+584	+3,634
<b>= Cash flow from operating activities</b>	<b>(28.)</b>	<b>-26,858</b>	<b>-1,366</b>



# Cash Flow Statement

	Notes	01.01. - 31/12/2015	01.01. - 31/12/2014
- Payments for investments in intangible assets	(12.)	-404	-751
- Payments for investments in property, plant and equipment and property, plant and equipment	(13.)	-9,402	-935
+ Proceeds from acquisition of subsidiaries (including cash and cash equivalents)		+1	+11
		0	+16
<b>= Cash flow from investing activities</b>	<b>(28.)</b>	<b>-9,805</b>	<b>-1,659</b>
+ Proceeds from increase in financial debt	(22.)	+15,670	0
- Payments for the redemption of financial debt	(22.)	-2,612	0
+ Proceeds from increase in financial liabilities	(23.)	-15	+62
+ Proceeds from capital increase net of transaction cost	(20.)	+34,538	0
+ Other proceeds from shareholders		0	+3,608
<b>= Cash flow from financing activities</b>	<b>(28.)</b>	<b>+47,581</b>	<b>+3,670</b>
<b>= Cash and cash equivalents on end of reporting period</b>		<b>+13,498</b>	<b>+2,431</b>



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# 2016 Outlook

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Following a large number of sales initiatives the outlook for 2016 is positive

- The cooperation with Kat Florence Jeweller and the usage of Sarah Jesscia Parker as brand testimonial will increase visibility of Juwelo in many markets
- Relaunch of the webshop in the United Kingdom
- Launch of the new webshop in Italy
- Relaunch of schmuck.de
- Launch of Juwelo.com in the United States

Based on these initiatives we expect revenues to grow in 2016 between 15% and 20% which is slightly lower than previous expectations due to postponing the launch of Juwelo France to Q4 2016/Q1 2017

In 2016 we expect a positive impact from our new purchasing model and a continuous increase of group margin as the share of sales of these products increases.

- Currently the gross margin achieved with the new products is slightly above 57%
- We do not expect the exchange rate between the Euro and the Thai Baht to deteriorate further and therefore expect to retain these positive effects





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## Points of contact

**Executive Board:** Wolfgang Boyé, Don Kogen, Bernd Fischer, Boris Kirn, Thomas Jarmuske, Deborah Cavill, Anette Bronder, Roland Sand

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