

elumeo

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

H1 2022 Financials Earnings Call 12.08.2022



Summary of key developments

- Business development slowed down. Partially explained by the exceptionally strong growth in the corona lockdown of 30.3% in H1 2021. In addition, macroeconomic developments in the first half of 2022, in particular high inflation exacerbated by the war in Ukraine, had a negative impact on customer confidence in our markets.
- LIVE business clearly outperformed the market and stopped revenue decline in 2nd half of Q2.
- In Q2 Jooli improved the scalability of channels and users further.
- 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.



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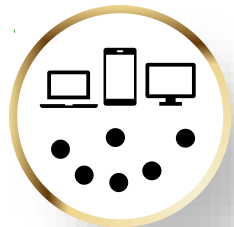


elumeo's business model is founded on three pillars



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



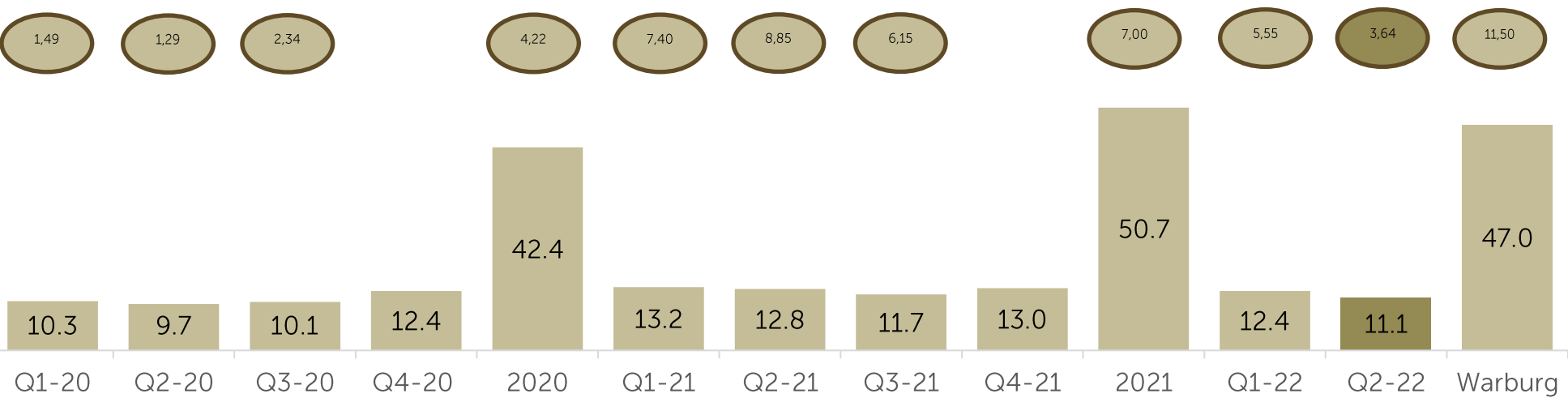
Integrated value chain

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



Nine consecutive profitable quarters

Stock price and Revenues (m€)



Adjusted EBITDA (m€)

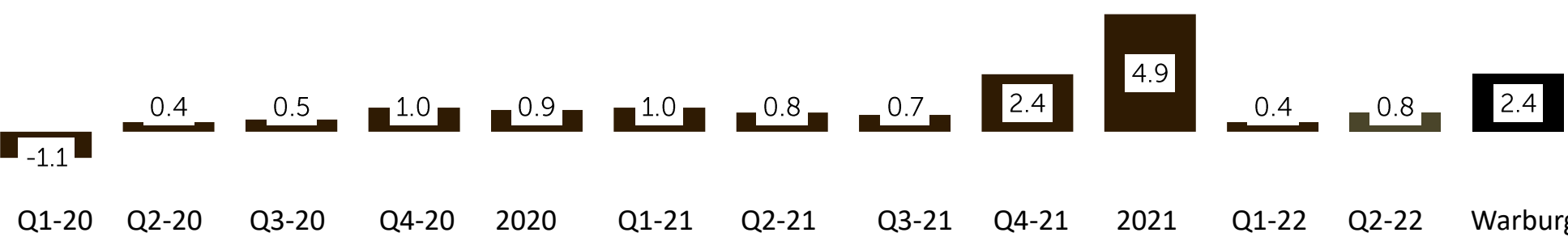


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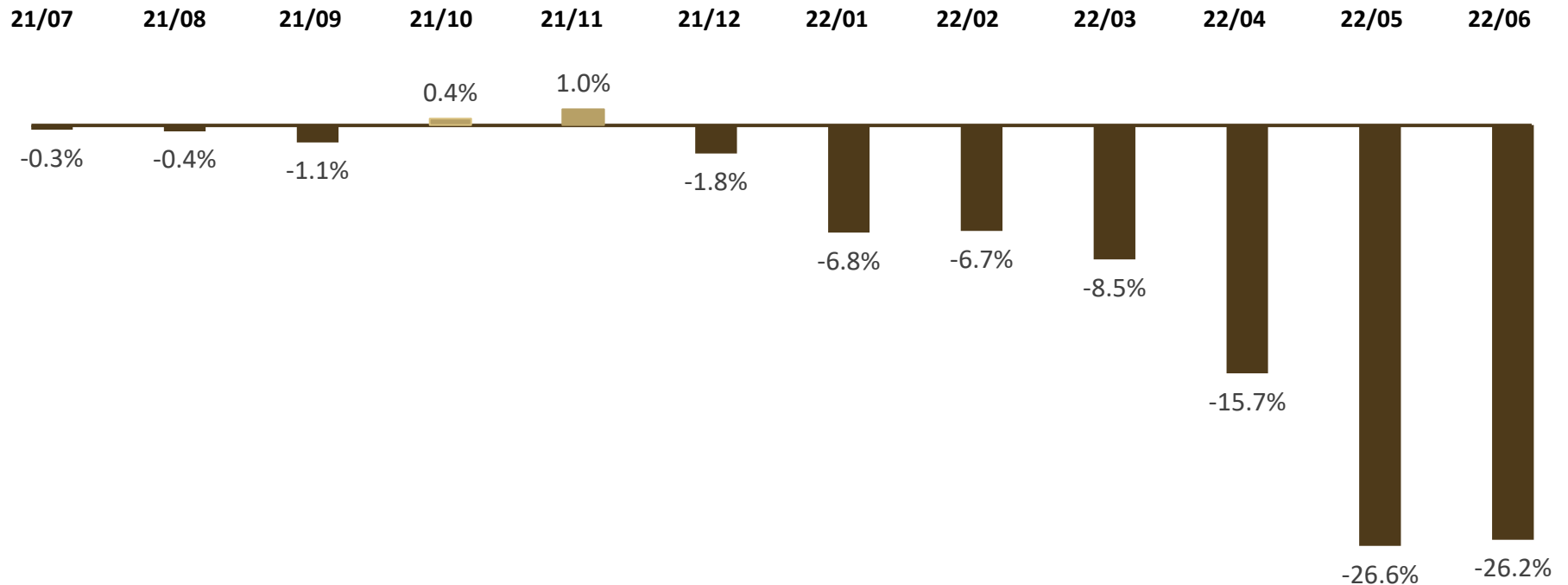
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In Q2, GfK consumer index fell to its lowest level ever measured

GfK consumer sentiment index for Germany

July 2021 to June 2022



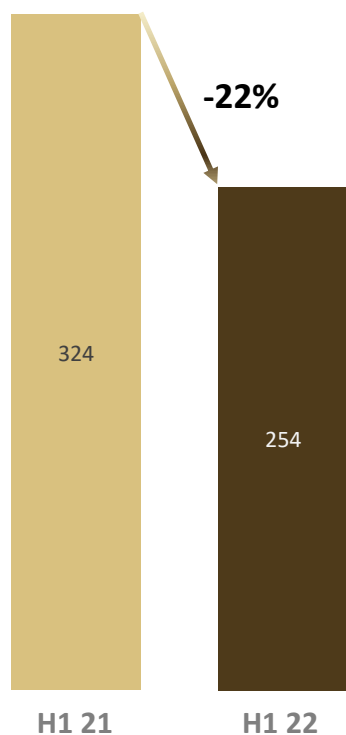
Source: Study conducted by Gesellschaft für Konsumforschung "GfK-Konsumklima MAXX"



elumeo LIVE business clearly outperformed the market and stopped revenue decline in 2nd half of Q2

LIVE

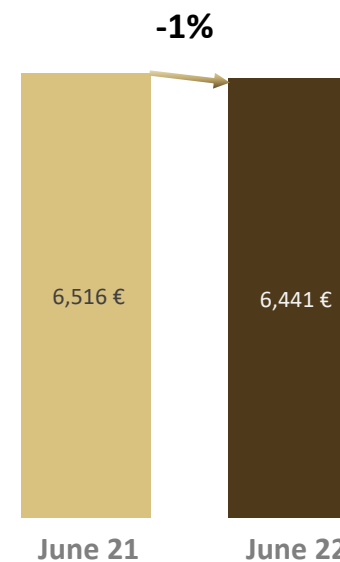
**Revenue of German
Teleshopping segment**
in m EUR
(Bundesverband E-Commerce und Versandhandel e.V.)



**Revenue of our LIVE
Business in H1**
in k EUR



**Demand Revenue of our LIVE
business in June**
In k EUR, both years before returns



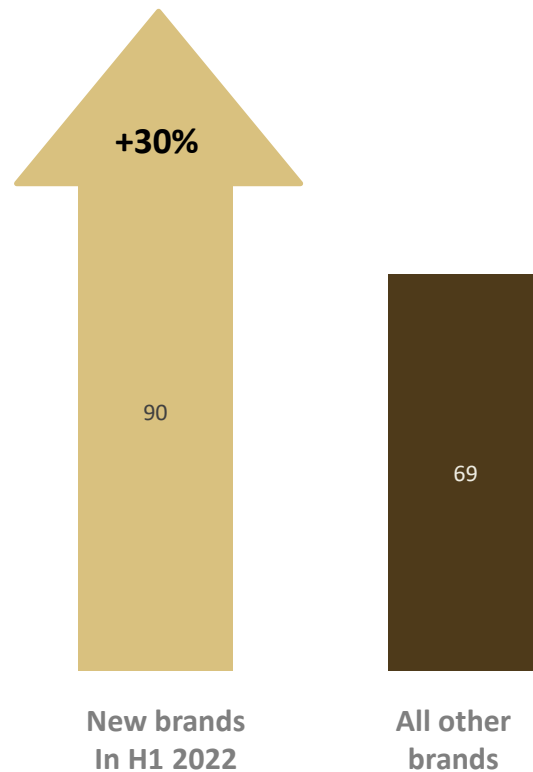
Source: BEVH Bundesverband E-Commerce und Versandhandel e.V. & Internal ERP system, data for June 2021 and June 2022 shows demand revenue = gross revenue, before returns



Our fast supply chain allowed us to quickly react to customer preferences and successfully launch 4 new higher priced brands

LIVE

Profit-per-show-minute in EUR



New brands with ppm above average

- Merchandise focused on higher priced items (>100 EUR) and successfully launched 4 new brands in H1 2022.
- All four new brands clearly outperformed the average elumeo brand ppm.
- Main impact of new brands expected for H2 2022 as 3 of the 4 new brands have only been launched in Q2.

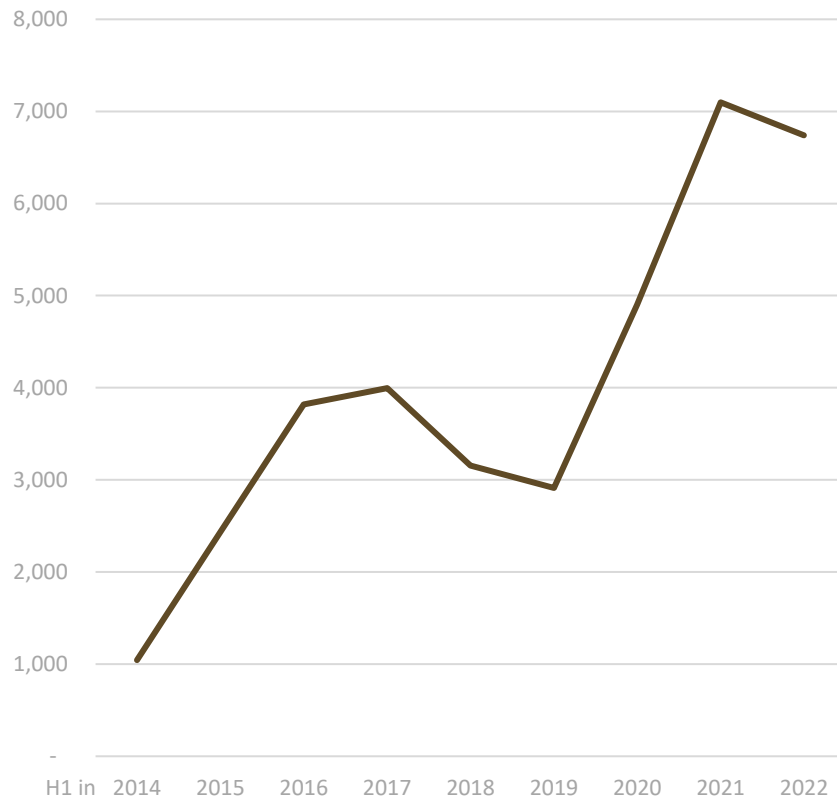
Source: Internal ERP system



Revenue of Elumeo Webshop clearly above pre-pandemic level

Webshop Revenues in H1 2014-2022

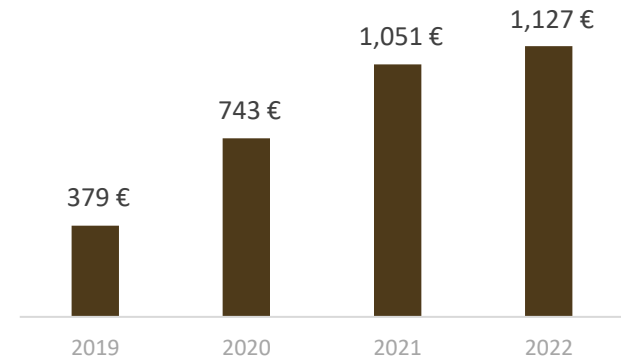
in k EUR



Source: Internal ERP system, based on static webshop performance (=without TV livestream)

Best Juwelo birthday ever

Revenue in k EUR of first 2 weeks in June, before returns



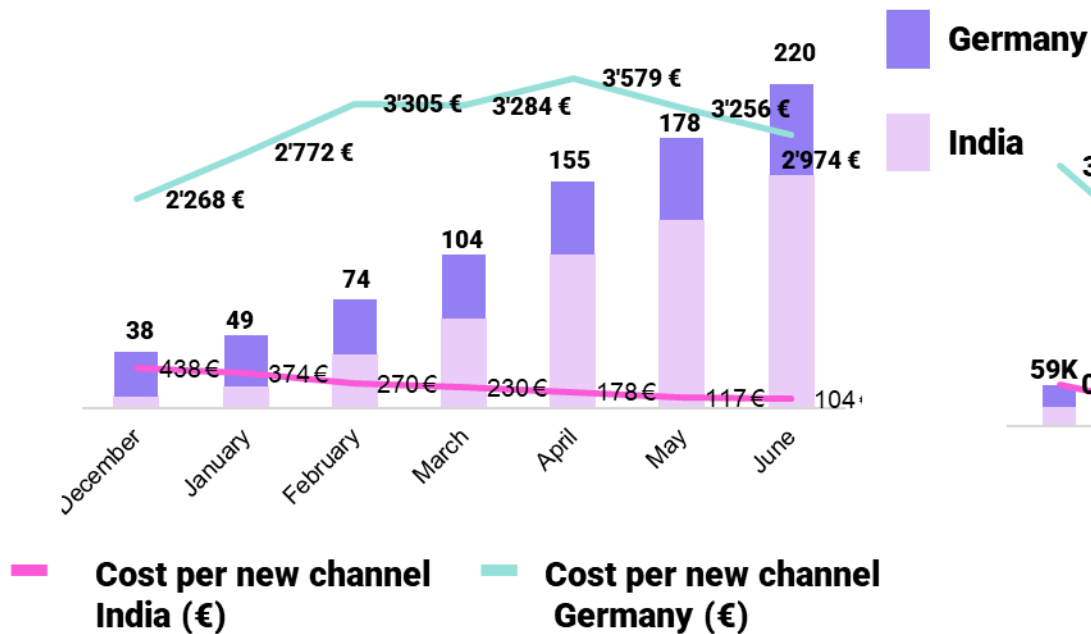
- Drop in new customers after outbreak of war
- Increased average basket size by 6,2% in June vs. PY
- Birthday with highest revenue und margin per customer ever
- Conversionrate improved by 6,6%



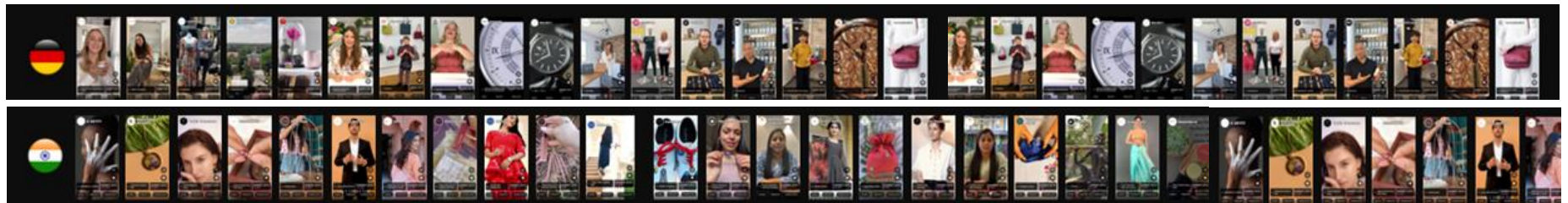
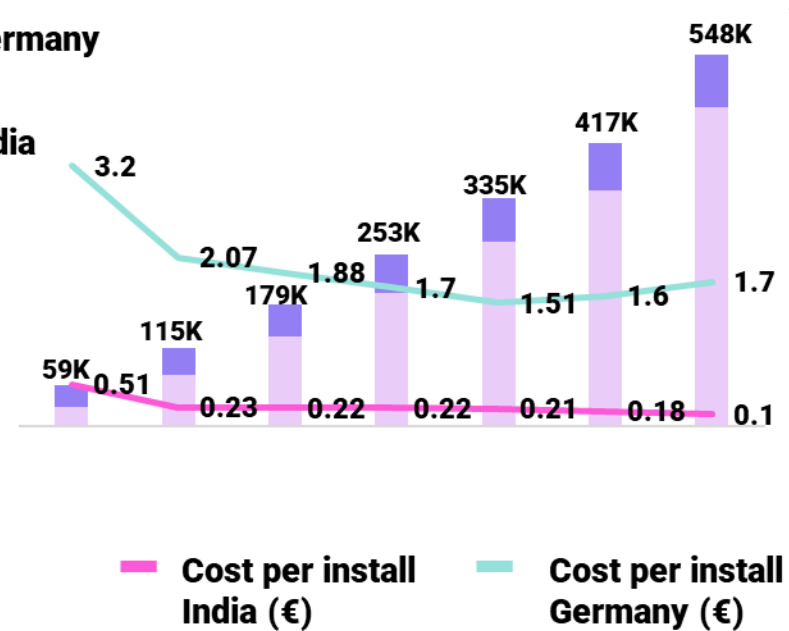
In Q2 Jooli improved the scalability of channels and users further



Development of Channels



Development of Users



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

Progress in three main areas

Launch of jooli in the USA

- jooli has been launched in the USA with a jewelry only approach
- Together with the launch in Italy and France, jooli is now present in five countries

Improvements of AI-Algorithm

- The AI-based algorithm has been improved to near real-time
- Implementation of real time algorithm expected to be completed by end of Q4/2022

Headless platform

- The back-end data management has been improved
- Joolis headless platform can now play videos to multiple devices
- The prototype for Oculus 2 has been finished



Way forward: 3 examples of sales performance improvements

%

SALES EVENT

Huge Pre-autumn sales event with high density of special offers and promotions



LOYALTY PROGRAM

New loyalty program to increase buying frequency and revenue and margin per customer



CROSS PROMOTION jooli & Juwelo

Cross promotion in order to accelerate growth of Jooli and improve sales performance of Juwelo



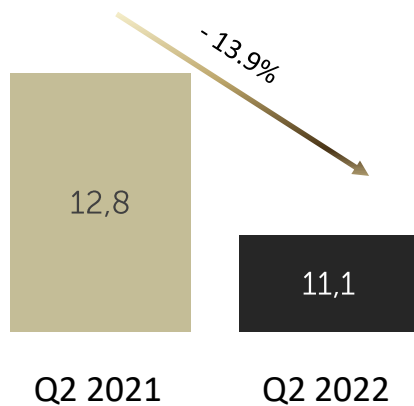
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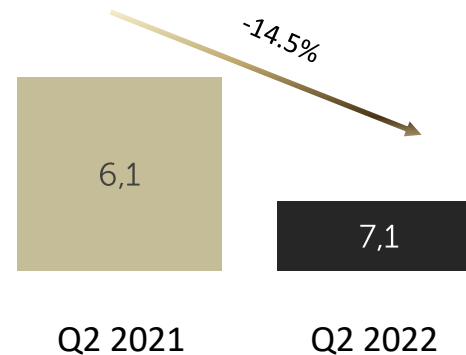


Q2 2022 vs. Q2 2021 performance – Overview

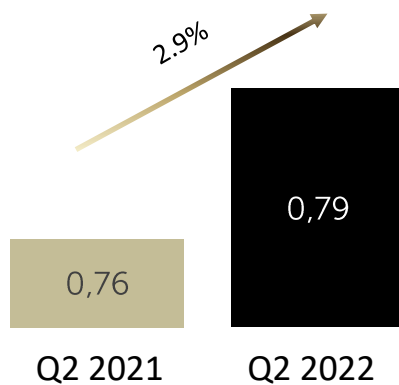
Revenues (m€)



Gross profit (m€) and margin



Adjusted EBITDA (m€)



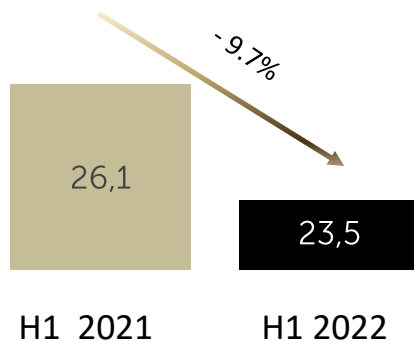
- Adjusted EBITDA slightly higher in Q2 2021 driven by cost cutting measures

Source: Q2 2022, unaudited

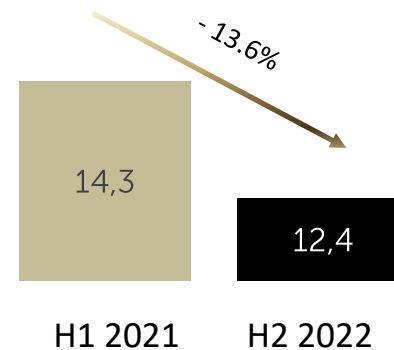


H1 2022 vs. H1 2021 performance – Overview

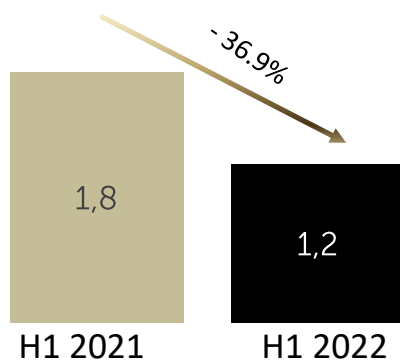
Revenues (m€)



Gross profit (m€) and margin



Adjusted EBITDA (m€)



- Reach costs decreased by 8.3%
- Slightly decrease of total personnel costs despite high investments in sales and development in Jooli
- Nine consecutive positive Adjusted EBITDA

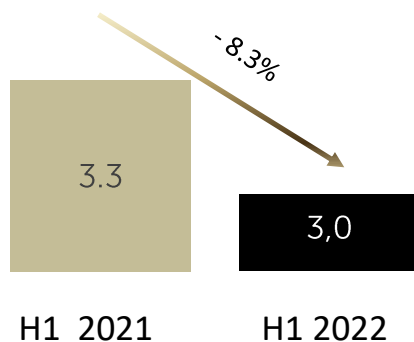
Source: Q2 2022, unaudited



The cost cutting measures initiated in Q1 start showing results

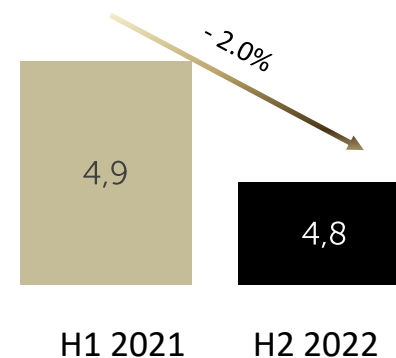
Decrease in reach costs thanks to optimized TV business Italy

Reach costs (m€)



Stable personnel costs despite high investments in jooli

Personnel costs (m€)



Source: Q2 2022, unaudited



Key performance indicators (I)

EUR thousand	H1 2022		H2 2021		HoH in %	Q2 2022		Q2 2021		QoQ in %
Revenue	23,523	100.0%	26,051	100.0%	-9.7%	11,063	47.0%	12,842	49.3%	-13.9%
Gross profit	12,370	52.6%	14,312	54.9%	-13.6%	6,076	54.9%	7,102	55.3%	-14.5%
EBITDA	122	0.5%	1,718	6.6%	-92.9%	-253	-2.3%	644	5.0%	-139.3%
Adjusted-EBITDA	1,158	4.9%	1,836	7.0%	-36.9%	785	7.1%	763	5.9%	2.9%
Depreciation and amortisation	453	1.9%	482	1.9%	-6.0%	218	2.0%	250	1.9%	-13.0%
EBIT	-332	-1.4%	1,236	4.7%	-126.8%	-471	-4.3%	394	3.1%	-219.6%
Total comprehensive income	-442	-1.9%	1,171	4.5%	-137.8%	-547	-4.9%	379	3.0%	-244.4%
Selling and administrative expenses	13,233	56.3%	13,171	50.6%	0.5%	6,616	59.8%	6,701	52.2%	-1.3%
Total assets ¹	25,919		27,874		-7.0%					
Total equity	13,422	51.8%	13,714	49.2%	-2.1%					
Working capital	8,331	32.1%	6,478	23.2%	28.6%					
Net cash flow from operating activities	-1,580		1,617		-197.7%					
Net cash flow from investing activities	-23		-177		86.9%					
Net cash flow from financing activities	-183		-196		6.4%					



Key performance indicators (II)

EUR thousand	H1 2022	H2 2021	HoH in %	Q2 2022	Q2 2021	QoQ in %
Items sold [pieces] ²	272,720	288,668	-5.5%	127,099	142,559	-10.8%
Average number of items sold per active customer [pieces]	3.4	4.9	-31.7%	1.6	2.4	-35.5%
Average sales price (ASP) [EUR]	86	90	-4.4%	87	90	-3.4%
Gross profit per item sold [EUR]	45	50	-8.5%	48	50	-4.0%
Average basket [EUR] ³	200	202	-1.0%	211	202	4.5%
Share marketing expenses of revenue webshop	19%	16%	3.0 p.p.	17%	11%	6.1 p.p.
Customer Value after one year ⁴	360	471	-23.6%	356	479	-25.7%
Customer Value after five years ⁴	1,004	1,204	-16.6%	1,067	1,349	-20.9%
<u>Web traffic breakdown</u>						
[in % of channel]						
Organic	23.0%	25.4%	-2.4 p.p.	23.7%	25.1%	-1.4 p.p.
Direct	10.8%	10.2%	0.6 p.p.	11.7%	10.1%	1.6 p.p.
Paid	39.2%	34.6%	4.6 p.p.	38.5%	35.6%	2.9 p.p.
Mail	7.7%	6.5%	1.2 p.p.	8.8%	7.9%	0.9 p.p.
Other	19.3%	23.3%	-4.0 p.p.	17.3%	21.3%	-4.0 p.p.
<u>New customers breakdown</u>						
TV	3,580	4,433	-19.2%	1,497	2,015	-25.7%
Web	14,535	18,410	-21.0%	6,104	8,414	-27.5%



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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 40%.
- For the web shop, 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

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