

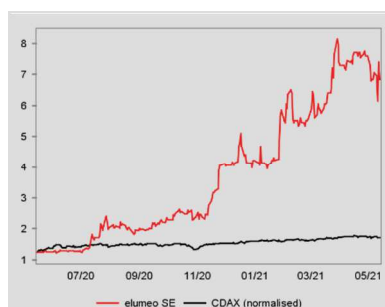
Buy EUR 11.00 (EUR 8.50) Price EUR 6.85 Upside 60.6 %	Value Indicators: EUR Warburg ESG Risk Score: 1.2 ESG Score (MSCI based): 3.0 Balance Sheet Score: 0.5 Market Liquidity Score: 0.0	Description: elumeo is a vertically-integrated, multi-channel, precious jewellery retailer
	Market Snapshot: EUR m Market cap: 37.7 No. of shares (m): 5.5 EV: 37.2 Freefloat MC: 8.2 Ø Trad. Vol. (30d): 37.69 th	Shareholders: Freefloat 21.8 % Blackflint Ltd. (Boyé) 26.6 % Ottoman Strategy Holdings 26.2 % Universal Investment 9.6 % Sycamore Asset Management 5.1 %
		Key Figures (WRe): 2020e Beta: 1.4 Price / Book: 2.6 x Equity Ratio: 21 % Net Debt / EBITDA: 1.4 x

Double-digit growth ahead

Despite its strong run, we still remain bullish for elumeo, as the investment case is morphing from a restructuring story to a growth story.

- In 2020, elumeo delivered the final proof of its successful restructuring as the company returned to positive EBITDA and positive net income and generated EUR 2.2m in free cash flow. In light of EUR 2.3m cash and no bank debt (only EUR 2.4m lease liabilities) the balance sheet is now in good shape. This prompts us to slightly reduce our beta bringing our WACC down 20bp to 9.0%.
- Due to the closure of the loss-making Italian subsidiary in November 2019 and the COVID-related disruptions in the supply chain – bear in mind, elumeo sources its jewellery in China and India – H1 2020 sales declined by a mid-teens percentage rate. However, as elumeo has now overcome both of these issues, it delivered 16% sales growth in Q4 2020 (Q3 2020: flatish). Elumeo generated sales growth of as much as 28% and EUR 1.1m EBITDA in Q1 2021 (compared with a loss of EUR 1.0m in Q1 2020). Certainly, elumeo benefitted from the lockdowns in Q1 2021, however this should not be a flash in the pan. Firstly, from department stores to small jewellers, many brick-and-mortar competitors will never open again. Secondly, much of the turnaround in 2020 was driven by improving the product range and this change was instrumental to the increase in the gross margin, as the fresh merchandise sold at better average prices. Thirdly, over the last couple of years elumeo has consistently increased its e-com business and its multi-channel capabilities, e.g. sales of the “static” webshop alone reached EUR 11.0m in 2020 (+57% or 25% of group sales) and, if we include the bidding agent, the combined multi-channel revenue share should be well over 50%.
- Just a couple of weeks ago, elumeo launched its “mein juwelo” app, this app allows consumers to view a tailor-made video programme. Based on past buying and viewing behaviour, artificial intelligence creates an individual video programme drawing on elumeo’s library. While it is admittedly early days, this is a promising tool that should help elumeo to increase the average annual revenues generated with its customers. Despite the progress of the last two years (+50%), the average annual revenue of its webshop customers is just below EUR 300 whereas its traditional TV customers generate around EUR 700 sales per annum.
- In light of the strong performance in Q1 and the promising initiatives, we increase our earnings estimates significantly. As a result, our DCF based price target increases from EUR 8.5 to EUR 11. We reiterate our Buy rating.

Changes in Estimates:						Comment on Changes:	
FY End: 31.12. in EUR m	2021e (old)	+ / -	2022e (old)	+ / -	2023e (old)	+ / -	
Sales	45.0	4.4 %	48.5	2.1 %	n.a.	n.m.	High operating leverage due to double-digit sales growth and strong cost management.
EBITDA adj.	2.8	24.8 %	3.8	13.1 %	n.a.	n.m.	Strong performance in Q1 2021
EBT	1.5	55.6 %	2.6	25.2 %	n.a.	n.m.	
EPS adj.	0.30	41.6 %	0.49	18.3 %	n.a.	n.m.	
Net Debt	-1.1	n.m.	-3.3	n.m.	n.a.	n.m.	

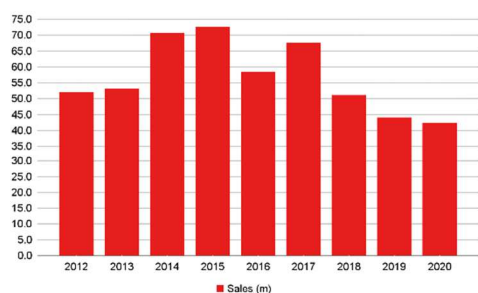


Rel. Performance vs CDAX:	
1 month:	-4.6 %
6 months:	134.1 %
Year to date:	55.1 %
Trailing 12 months:	408.9 %

Company events:

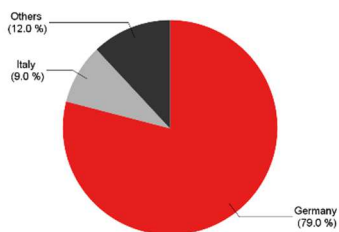
FY End: 31.12. in EUR m	CAGR (20-23e)	2017	2018	2019	2020	2021e	2022e	2023e
Sales	9.1 %	67.6	51.1	44.1	42.4	47.0	49.5	55.0
Change Sales yoy		15.5 %	-24.3 %	-13.7 %	-3.8 %	10.8 %	5.3 %	11.1 %
Gross profit margin		44.1 %	26.4 %	46.8 %	52.4 %	54.0 %	55.0 %	55.5 %
EBITDA adj.	82.1 %	-0.6	-17.5	-0.3	0.9	3.5	4.3	5.3
Margin		-3.2 %	-36.1 %	-5.3 %	-0.1 %	5.2 %	6.6 %	7.7 %
EBIT	145.1 %	-1.6	-18.4	-2.3	0.3	2.5	3.3	4.2
Margin		-2.4 %	-36.1 %	-5.3 %	0.7 %	5.2 %	6.6 %	7.7 %
Net income	195.6 %	-6.0	-27.4	-2.6	0.2	2.4	3.2	4.0
EPS	195.6 %	-1.10	-4.98	-0.47	0.03	0.43	0.59	0.73
EPS adj.	-	-0.49	-3.73	-0.47	-0.03	0.43	0.59	0.73
DPS	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividend Yield		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FCFPS		0.90	-1.22	0.11	0.40	0.48	0.78	0.79
EV / Sales		0.9 x	0.8 x	0.3 x	0.3 x	0.8 x	0.7 x	n.a.
EV / EBITDA		n.a.	n.a.	n.a.	10.7 x	10.6 x	7.8 x	n.a.
EV / EBIT		n.a.	n.a.	n.a.	45.3 x	15.1 x	10.2 x	n.a.
P / E		n.a.	n.a.	n.a.	73.8 x	15.9 x	11.7 x	9.4 x
P / E adj.		n.a.	n.a.	n.a.	n.a.	15.9 x	11.7 x	9.4 x
FCF Potential Yield		-1.8 %	-49.7 %	-15.7 %	4.4 %	7.4 %	10.7 %	n.a.
Net Financial Debt		9.8	-0.6	-0.4	-2.3	-4.4	-8.2	-12.1
ROE		-17.0 %	-141.9 %	-47.8 %	3.6 %	42.8 %	38.7 %	33.4 %
ROCE (NOPAT)		n.a.	n.a.	n.a.	4.1 %	40.2 %	54.9 %	70.2 %
Guidance:	n.a.							

Sales
in EUR m



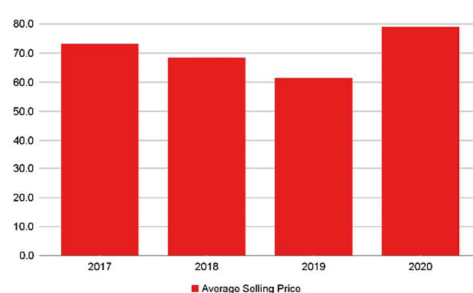
Source: Warburg Research

Sales by regions
2020 in %



Source: Warburg Research

average selling price
in EUR



Source: Warburg Research

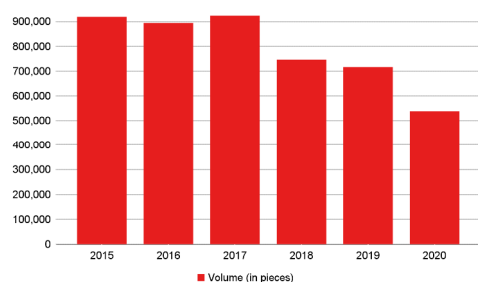
Company Background

- Elumeo is a precious jewellery retailer offering a broad range of gemstones mostly in the price range of EUR 25 to EUR 1,000. Products priced at more than EUR 1,000 generate about 15% of sales.
- Elumeo is a multi-channel retailer. Revenues generated on the company's television channel amount to about 60% of sales while e-commerce generates 35%.
- On its TV channels, Elumeo sells its products exclusively in a Dutch auction-like process. The auction starts with a high price, which is gradually lowered until customers bid at a price level they deem attractive.
- Elumeo has a range of collections targeting a variety of target customers with specific design elements.
- Due to the vertically integrated structure, elumeo is the price leader in (online-) jewellery.

Competitive Quality

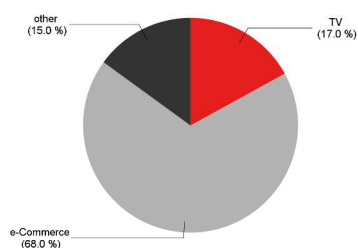
- Elumeo's vertically integrated business model cuts out several steps in the supply chain. It uses its cost leadership for a price differentiation to peers and prices are significantly lower than the competition.
- The integration of design and production processes in combination with distribution via a proprietary TV channel represent high barriers to entry. This model ensures very short lead times and a wide product assortment.
- The auction process leads to a higher customer engagement while the limited product availability coupled with the continuous supply of "fresh" merchandise prompts frequent purchases.
- The internet is already responsible for attracting about 60% of new customers. Structural growth of the internet sales channel should also be a major driver of growth for the company.

pieces sold



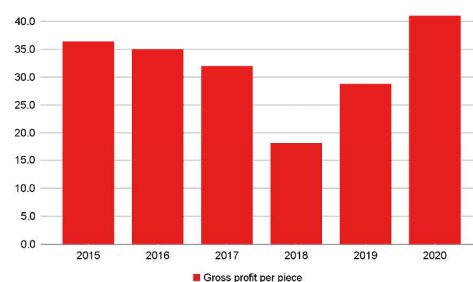
Source: Warburg Research

New customers by channel
2020; in %



Source: Warburg Research

Gross profit per piece
in EUR



Source: Warburg Research

DCF model

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	2020	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	
Sales	42.4	47.0	49.5	55.0	60.0	64.7	69.3	73.4	77.1	81.0	85.0	89.3	93.7	2.0 %
Sales change	-3.8 %	10.8 %	5.3 %	11.1 %	9.0 %	8.0 %	7.0 %	6.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	
EBIT	-0.1	2.5	3.3	4.2	4.8	5.2	5.5	5.9	6.2	6.5	6.8	7.1	7.5	8.0 %
EBIT-margin	-0.1 %	5.2 %	6.6 %	7.7 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	
Tax rate (EBT)	0.0 %	0.0 %	0.0 %	4.9 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	7.1
NOPAT	-0.1	2.5	3.3	4.0	4.6	4.9	5.3	5.6	5.9	6.2	6.5	6.8	7.1	
Depreciation	0.9	1.0	1.0	1.1	1.2	1.3	1.4	1.5	1.5	1.6	1.7	1.8	1.9	2.0 %
in % of Sales	2.2 %	2.2 %	2.1 %	1.9 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	
Changes in provisions	-0.3	-0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5
Change in Liquidity from														
- Working Capital	0.0	0.0	0.0	0.0	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.5	0.5	1.9
- Capex	0.2	0.4	0.6	0.6	1.2	1.3	1.4	1.5	1.5	1.6	1.7	1.8	1.9	
Capex in % of Sales	0.5 %	0.9 %	1.2 %	1.1 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	0.0
Other	0.4	0.5	0.5	0.5	0.5	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Free Cash Flow (WACC Model)	0.0	2.2	3.2	4.0	3.5	4.0	4.8	5.1	5.5	5.7	6.0	6.3	6.6	6
PV of FCF	0.0	2.1	2.8	3.2	2.6	2.7	2.9	2.9	2.8	2.7	2.6	2.5	2.4	
share of PVs	12.94 %			42.79 %										44.27 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	0.00 %	Financial Strength	1.20
Cost of debt (after tax)	3.8 %	Liquidity (share)	2.50
Market return	7.00 %	Cyclicality	1.00
Risk free rate	1.50 %	Transparency	1.10
		Others	1.00
WACC	8.98 %	Beta	1.36

Valuation (m)

Present values 2032e	35		
Terminal Value	28		
Financial liabilities	0		
Pension liabilities	4		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	2	No. of shares (m)	5.5
Equity Value	61	Value per share (EUR)	11.00

Sensitivity Value per Share (EUR)

		Terminal Growth									Delta EBIT-margin						
Beta	WACC	1.00 %	1.50 %	1.75 %	2.00 %	2.25 %	2.50 %	3.00 %	Beta	WACC	-2.0 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+2.0 pp
1.63	10.5 %	8.57	8.74	8.83	8.93	9.04	9.15	9.40	1.63	10.5 %	6.36	7.65	8.29	8.93	9.57	10.22	11.50
1.54	10.0 %	9.10	9.31	9.42	9.54	9.66	9.80	10.10	1.54	10.0 %	6.81	8.17	8.85	9.54	10.22	10.90	12.27
1.45	9.5 %	9.70	9.95	10.08	10.22	10.37	10.54	10.90	1.45	9.5 %	7.31	8.77	9.49	10.22	10.95	11.68	13.13
1.36	9.0 %	10.38	10.67	10.83	11.00	11.19	11.39	11.84	1.36	9.0 %	7.89	9.45	10.23	11.00	11.78	12.56	14.12
1.27	8.5 %	11.14	11.50	11.70	11.91	12.14	12.39	12.95	1.27	8.5 %	8.56	10.23	11.07	11.91	12.75	13.58	15.26
1.18	8.0 %	12.02	12.45	12.70	12.96	13.25	13.56	14.28	1.18	8.0 %	9.33	11.15	12.05	12.96	13.87	14.77	16.59
1.09	7.5 %	13.03	13.57	13.87	14.20	14.57	14.97	15.90	1.09	7.5 %	10.25	12.23	13.22	14.20	15.19	16.18	18.16

- We expect a return to mid single-digit sales growth and assume 2% growth in the terminal value
- The group EBITDA margin should reach the 10%-level, less than 70% of the historical peak margin of 15% in Germany (2014)
- We assume a beta of 1.4 to account for the low liquidity and the execution risk for the gross margin increase
- The tax loss carry-forwards lead to very low tax rate.

Free Cash Flow Value Potential

Warburg Research's valuation tool "FCF Value Potential" reflects the ability of the company to generate sustainable free cash flows. It is based on the "FCF potential" - a FCF "ex growth" figure - which assumes unchanged working capital and pure maintenance capex. A value indication is derived via the perpetuity of a given year's "FCF potential" with consideration of the weighted costs of capital. The fluctuating value indications over time add a timing element to the DCF model (our preferred valuation tool).

in EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Net Income before minorities	-2.1	-20.5	-2.6	0.2	2.4	3.2	n.a.
+ Depreciation + Amortisation	1.6	0.9	2.0	0.9	1.0	1.0	n.a.
- Net Interest Income	-0.6	-0.2	-0.2	-0.1	-0.1	0.0	n.a.
- Maintenance Capex	1.1	0.7	1.4	0.7	0.7	0.7	n.a.
+ Other	0.0	0.0	0.0	0.0	0.0	0.0	n.a.
= Free Cash Flow Potential	-1.0	-20.0	-1.7	0.6	2.8	3.6	n.a.
FCF Potential Yield (on market EV)	-1.8 %	-49.7 %	-15.7 %	4.4 %	7.4 %	10.7 %	n/a
WACC	8.98 %	8.98 %	8.98 %	8.98 %	8.98 %	8.98 %	8.98 %
= Enterprise Value (EV)	58.5	40.2	11.1	13.1	37.2	33.4	n.a.
= Fair Enterprise Value	n.a.	n.a.	n.a.	6.3	30.9	39.8	n.a.
- Net Debt (Cash)	13.2	11.3	2.0	0.4	0.0	0.0	n.a.
- Pension Liabilities	7.5	7.5	7.5	4.5	4.0	4.0	n.a.
- Other	0.0	0.0	0.0	0.0	0.0	0.0	n.a.
- Market value of minorities	0.0	0.0	0.0	0.0	0.0	0.0	n.a.
+ Market value of investments	0.0	0.0	0.0	0.0	0.0	0.0	n.a.
= Fair Market Capitalisation	n.a.	n.a.	n.a.	1.4	26.9	35.9	n.a.
Number of shares, average	5.5	5.5	5.5	5.5	5.5	5.5	5.5
= Fair value per share (EUR)	n.a.	n.a.	n.a.	0.25	4.89	6.52	n.a.
premium (-) / discount (+) in %					-28.6 %	-4.8 %	
Sensitivity Fair value per Share (EUR)							
WACC	11.98 %	n.a.	n.a.	n.a.	3.48	4.71	n.a.
	10.98 %	n.a.	n.a.	n.a.	0.04	5.20	n.a.
	9.98 %	n.a.	n.a.	n.a.	0.13	5.79	n.a.
	8.98 %	n.a.	n.a.	n.a.	0.25	6.52	n.a.
	7.98 %	n.a.	n.a.	n.a.	0.39	7.43	n.a.
	6.98 %	n.a.	n.a.	n.a.	0.58	8.59	n.a.
	5.98 %	n.a.	n.a.	n.a.	0.83	10.15	n.a.

■ We estimate maintenance capex in line with depreciation

Peer Group									
Company	Price	EV / Sales	EV / EBITDA		EV / EBIT		P / E		EPS CAGR
Prices in local currency		20	20	21e	20	21e	20	21e	(20-23e)
Average		-	-	-	-	-	-	-	-
Median		-	-	-	-	-	-	-	-
elumeo	6.85	0.3	10.7	10.6	45.3	15.1	73.8	15.9	-
Delta to median		-	-	-	-	-	-	-	-

Valuation								
	2017	2018	2019	2020	2021e	2022e	2023e	
Price / Book	1.5 x	5.0 x	1.7 x	2.6 x	5.6 x	3.8 x	2.7 x	
Book value per share ex intangibles	5.67	1.11	0.66	0.71	1.15	1.74	2.48	
EV / Sales	0.9 x	0.8 x	0.3 x	0.3 x	0.8 x	0.7 x	n.a.	
EV / EBITDA	n.a.	n.a.	n.a.	10.7 x	10.6 x	7.8 x	n.a.	
EV / EBIT	n.a.	n.a.	n.a.	45.3 x	15.1 x	10.2 x	n.a.	
EV / EBIT adj.*	n.a.	n.a.	n.a.	n.a.	15.1 x	10.2 x	n.a.	
P / FCF	9.7 x	n.a.	11.5 x	5.2 x	14.3 x	8.8 x	8.7 x	
P / E	n.a.	n.a.	n.a.	73.8 x	15.9 x	11.7 x	9.4 x	
P / E adj.*	n.a.	n.a.	n.a.	n.a.	15.9 x	11.7 x	9.4 x	
Dividend Yield	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
FCF Potential Yield (on market EV)	-1.8 %	-49.7 %	-15.7 %	4.4 %	7.4 %	10.7 %	n.a.	

*Adjustments made for: -

Company Specific Items							
	2017	2018	2019	2020	2021e	2022e	2023e
Active Customers	82,062	74,198	59,750	64,246	69,024	75,340	156,403
Revenue per Customer	823.28	688.90	737.87	660.12	680.93	657.03	351.66
Average Selling Price	73.16	68.50	61.54	79.00	59.51	59.69	63.16
eCommerce sales in % of group sales	34.5 %	39.0 %	41.8 %	51.2 %	54.5 %	61.1 %	119.9 %
eCommerce sales in EURm	23	20	18	22	26	30	66
Volume (in pieces)	923,476	746,254	716,395	538,019	789,825	829,317	870,783
Gross profit per piece	32.00	18.11	28.80	41.00	32.13	32.83	35.05

Consolidated profit and loss

In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Sales	67.6	51.1	44.1	42.4	47.0	49.5	55.0
Change Sales yoy	15.5 %	-24.3 %	-13.7 %	-3.8 %	10.8 %	5.3 %	11.1 %
COGS	37.7	37.6	23.5	20.2	21.6	22.3	24.5
Gross profit	29.8	13.5	20.6	22.2	25.4	27.2	30.5
<i>Gross margin</i>	<i>44.1 %</i>	<i>26.4 %</i>	<i>46.8 %</i>	<i>52.4 %</i>	<i>54.0 %</i>	<i>55.0 %</i>	<i>55.5 %</i>
Research and development	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sales and marketing	23.7	23.7	18.1	15.6	15.9	16.8	18.6
Administration expenses	8.9	7.7	8.3	7.0	7.0	7.2	7.7
Other operating expenses	0.0	0.6	1.2	0.2	0.1	0.1	0.1
Other operating income	1.1	0.1	4.7	0.9	0.1	0.1	0.1
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	0.0	-17.5	-0.3	1.2	3.5	4.3	5.3
<i>Margin</i>	<i>0.0 %</i>	<i>-34.2 %</i>	<i>-0.7 %</i>	<i>2.9 %</i>	<i>7.4 %</i>	<i>8.7 %</i>	<i>9.6 %</i>
Depreciation of fixed assets	1.6	0.9	2.0	0.9	1.0	1.0	1.1
EBITDA adj.	-0.6	-17.5	-0.3	0.9	3.5	4.3	5.3
<i>Margin</i>	<i>-0.8 %</i>	<i>-34.2 %</i>	<i>-0.7 %</i>	<i>2.1 %</i>	<i>7.4 %</i>	<i>8.7 %</i>	<i>9.6 %</i>
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	-1.6	-18.4	-2.3	0.3	2.5	3.3	4.2
<i>Margin</i>	<i>-2.4 %</i>	<i>-36.1 %</i>	<i>-5.3 %</i>	<i>0.7 %</i>	<i>5.2 %</i>	<i>6.6 %</i>	<i>7.7 %</i>
EBIT adj.	-2.2	-18.4	-2.3	-0.1	2.5	3.3	4.2
Interest income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest expenses	0.6	0.2	0.2	0.1	0.1	0.1	0.1
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	-2.2	-18.6	-2.6	0.2	2.4	3.2	4.2
<i>Margin</i>	<i>-3.3 %</i>	<i>-36.5 %</i>	<i>-5.9 %</i>	<i>0.4 %</i>	<i>5.0 %</i>	<i>6.5 %</i>	<i>7.6 %</i>
Total taxes	-0.1	1.8	0.0	0.0	0.0	0.0	0.2
Net income from continuing operations	-2.1	-20.5	-2.6	0.2	2.4	3.2	4.0
Income from discontinued operations (net of tax)	-3.9	-6.9	0.0	0.0	0.0	0.0	0.0
Net income before minorities	-6.0	-27.4	-2.6	0.2	2.4	3.2	4.0
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	-6.0	-27.4	-2.6	0.2	2.4	3.2	4.0
<i>Margin</i>	<i>-8.9 %</i>	<i>-53.6 %</i>	<i>-5.9 %</i>	<i>0.4 %</i>	<i>5.0 %</i>	<i>6.5 %</i>	<i>7.3 %</i>
Number of shares, average	5.5	5.5	5.5	5.5	5.5	5.5	5.5
EPS	-1.10	-4.98	-0.47	0.03	0.43	0.59	0.73
EPS adj.	-0.49	-3.73	-0.47	-0.03	0.43	0.59	0.73

*Adjustments made for:

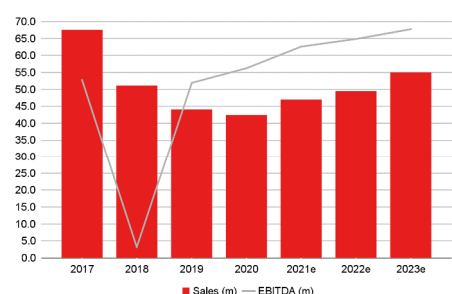
Guidance: n.a.

Financial Ratios

	2017	2018	2019	2020	2021e	2022e	2023e
Total Operating Costs / Sales	48.2 %	62.7 %	62.8 %	53.7 %	49.0 %	48.6 %	48.0 %
Operating Leverage	-5.3 x	-43.4 x	6.3 x	n.a.	69.6 x	6.2 x	2.7 x
EBITDA / Interest expenses	0.0 x	n.m.	n.m.	9.1 x	35.0 x	86.1 x	105.9 x
Tax rate (EBT)	3.3 %	-9.9 %	0.0 %	0.0 %	0.0 %	0.0 %	5.0 %
Dividend Payout Ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Sales per Employee	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

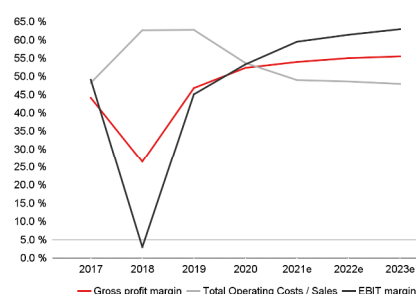
Sales, EBITDA

in EUR m

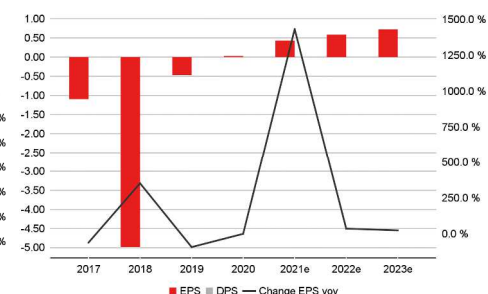


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

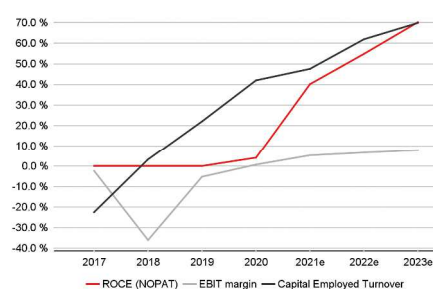
Consolidated balance sheet

In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Assets							
Goodwill and other intangible assets	0.8	0.6	0.5	0.4	0.4	0.3	0.3
thereof other intangible assets	0.8	0.6	0.5	0.4	0.4	0.3	0.3
thereof Goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	9.4	2.2	1.6	1.3	1.2	1.3	1.4
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other long-term assets	2.3	0.4	3.3	3.0	2.5	2.0	1.5
Fixed assets	12.4	3.2	5.4	4.7	4.1	3.6	3.2
Inventories	33.5	20.5	13.4	12.1	11.8	11.4	12.1
Accounts receivable	3.0	1.4	1.4	1.2	1.4	1.5	1.7
Liquid assets	1.5	2.6	0.9	2.3	4.4	8.2	12.1
Other short-term assets	2.4	1.0	0.5	0.8	0.8	0.8	0.8
Current assets	40.5	25.5	16.2	16.5	18.4	21.9	26.6
Total Assets	54.7	28.8	21.6	21.2	22.4	25.5	29.8
Liabilities and shareholders' equity							
Total equity	32.0	6.7	4.1	4.3	6.7	9.9	13.9
Provisions	1.0	7.8	7.5	6.9	6.0	5.5	5.0
thereof provisions for pensions and similar obligations	0.7	7.5	4.5	4.0	4.0	4.0	4.0
Financial liabilities (total)	11.3	2.0	0.4	0.0	0.0	0.0	0.0
Short-term financial liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	7.3	9.0	5.6	6.8	6.6	6.9	7.7
Other liabilities	3.1	3.4	3.8	3.2	3.2	3.2	3.2
Liabilities	22.8	22.2	17.5	16.8	15.7	15.6	15.8
Total liabilities and shareholders' equity	54.7	28.8	21.6	21.2	22.4	25.5	29.8

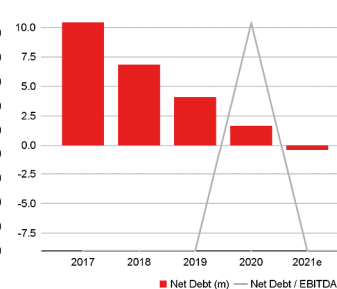
Financial Ratios

	2017	2018	2019	2020	2021e	2022e	2023e
Efficiency of Capital Employment							
Operating Assets Turnover	1.8 x	3.4 x	4.1 x	5.4 x	6.1 x	6.9 x	7.4 x
Capital Employed Turnover	1.6 x	3.8 x	5.4 x	7.1 x	7.5 x	8.7 x	9.4 x
ROA	-48.8 %	-858.0 %	-47.9 %	3.3 %	58.3 %	88.9 %	125.8 %
Return on Capital							
ROCE (NOPAT)	n.a.	n.a.	n.a.	4.1 %	40.2 %	54.9 %	70.2 %
ROE	-17.0 %	-141.9 %	-47.8 %	3.6 %	42.8 %	38.7 %	33.4 %
Adj. ROE	-7.6 %	-106.1 %	-47.8 %	-4.5 %	42.8 %	38.7 %	33.4 %
Balance sheet quality							
Net Debt	10.4	6.8	4.1	1.7	-0.5	-4.3	-8.1
Net Financial Debt	9.8	-0.6	-0.4	-2.3	-4.4	-8.2	-12.1
Net Gearing	32.6 %	102.5 %	99.4 %	38.3 %	-7.0 %	-43.0 %	-58.1 %
Net Fin. Debt / EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Book Value / Share	5.8	1.2	0.7	0.8	1.2	1.8	2.5
Book value per share ex intangibles	5.7	1.1	0.7	0.7	1.1	1.7	2.5

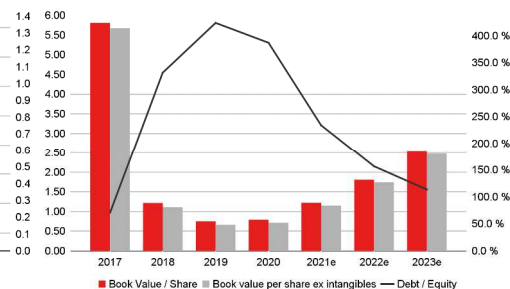
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

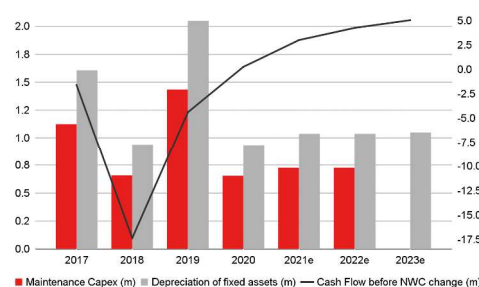
In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Net income	-6.0	-27.4	-2.6	0.2	2.4	3.2	4.0
Depreciation of fixed assets	1.6	0.9	2.0	0.9	1.0	1.0	1.1
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in long-term provisions	0.0	0.2	0.6	-0.3	-0.4	0.0	0.0
Other non-cash income and expenses	2.8	8.9	-4.4	-0.5	0.0	0.0	0.0
Cash Flow before NWC change	-1.6	-17.4	-4.4	0.3	3.0	4.3	5.0
Increase / decrease in inventory	4.6	4.4	7.1	1.2	0.4	0.4	-0.7
Increase / decrease in accounts receivable	-0.4	1.9	0.6	0.0	-0.2	-0.1	-0.2
Increase / decrease in accounts payable	2.6	4.7	-2.5	0.9	-0.2	0.4	0.8
Increase / decrease in other working capital positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase / decrease in working capital (total)	6.8	11.1	5.1	2.2	0.0	0.6	-0.1
Net cash provided by operating activities [1]	5.2	-6.3	0.8	2.4	3.0	4.9	4.9
Investments in intangible assets	0.0	0.1	0.0	0.0	0.1	0.1	0.1
Investments in property, plant and equipment	0.2	0.4	0.2	0.2	0.3	0.5	0.5
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash provided by investing activities [2]	-0.2	-0.5	-0.2	-0.2	-0.4	-0.6	-0.6
Change in financial liabilities	-2.0	-3.3	-2.2	-0.8	-0.5	-0.5	-0.5
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	-3.2	10.5	0.0	0.0	0.0	0.0	0.0
Net cash provided by financing activities [3]	-5.2	7.2	-2.2	-0.8	-0.5	-0.5	-0.5
Change in liquid funds [1]+[2]+[3]	-0.3	0.4	-1.6	1.4	2.1	3.8	3.8
Effects of exchange-rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalent at end of period	1.5	2.6	0.9	2.3	4.4	8.2	12.1

Financial Ratios

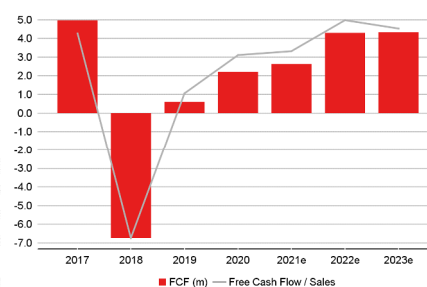
	2017	2018	2019	2020	2021e	2022e	2023e
Cash Flow							
FCF	5.0	-6.7	0.6	2.2	2.6	4.3	4.3
Free Cash Flow / Sales	7.4 %	-13.2 %	1.4 %	5.2 %	5.6 %	8.7 %	7.9 %
Free Cash Flow Potential	-1.0	-20.0	-1.7	0.6	2.8	3.6	n.a.
Free Cash Flow / Net Profit	-82.2 %	24.6 %	-23.5 %	1428.4 %	111.5 %	133.5 %	108.5 %
Interest Received / Avg. Cash	0.0 %	0.2 %	0.2 %	0.3 %	0.1 %	0.1 %	0.0 %
Interest Paid / Avg. Debt	5.0 %	3.3 %	19.5 %	60.0 %	n.a.	n.a.	n.a.
Management of Funds							
Investment ratio	0.3 %	0.9 %	0.4 %	0.5 %	0.9 %	1.2 %	1.1 %
Maint. Capex / Sales	1.7 %	1.3 %	3.3 %	1.5 %	1.5 %	1.5 %	n.a.
Capex / Dep	14.4 %	48.2 %	8.7 %	23.9 %	38.5 %	57.8 %	57.1 %
Avg. Working Capital / Sales	48.4 %	41.2 %	25.0 %	18.6 %	14.0 %	12.6 %	10.9 %
Trade Debtors / Trade Creditors	40.4 %	15.8 %	24.8 %	18.2 %	21.4 %	21.4 %	21.4 %
Inventory Turnover	1.1 x	1.8 x	1.8 x	1.7 x	1.8 x	2.0 x	2.0 x
Receivables collection period (days)	16	10	12	11	11	11	11
Payables payment period (days)	71	87	88	122	111	114	115
Cash conversion cycle (Days)	270	122	132	108	98	84	77

CAPEX and Cash Flow

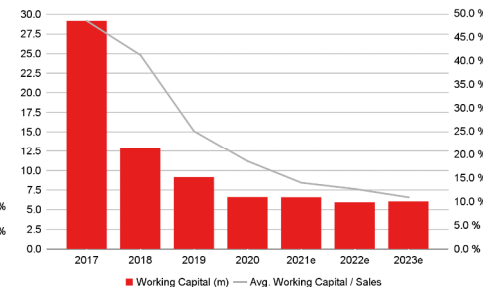
in EUR m



Free Cash Flow Generation



Working Capital



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
elumeo	5	http://www.mmwarburg.com/disclaimer/disclaimer_en/DE000A11Q059.htm

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Investment recommendation: expected direction of the share price development of the financial instrument up to the given price target in the opinion of the analyst who covers this financial instrument.

-B-	Buy:	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	Hold:	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-S-	Sell:	The price of the analysed financial instrument is expected to fall over the next 12 months.
“-“	Rating suspended:	The available information currently does not permit an evaluation of the company.

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING

Rating	Number of stocks	% of Universe
Buy	148	70
Hold	54	25
Sell	5	2
Rating suspended	5	2
Total	212	100

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING ...

... taking into account only those companies which were provided with major investment services in the last twelve months.

Rating	Number of stocks	% of Universe
Buy	42	88
Hold	3	6
Sell	0	0
Rating suspended	3	6
Total	48	100

PRICE AND RATING HISTORY ELUMEO AS OF 14.05.2021



Markings in the chart show rating changes by Warburg Research GmbH in the last 12 months. Every marking details the date and closing price on the day of the rating change.

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