

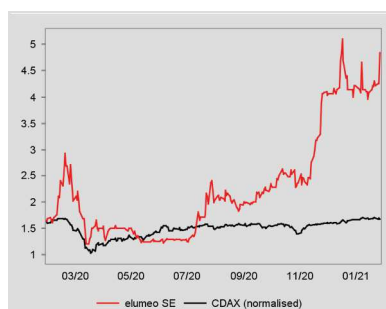
Buy EUR 8.50 (EUR 3.70) Price EUR 4.84 Upside 75.6 %	Value Indicators: EUR Warburg ESG Risk Score: 1.2 ESG Score (MSCI based): 3.0 Balance Sheet Score: 0.5 Market Liquidity Score: 0.0	Description: elumeo is a vertically-integrated, multi-channel, precious jewellery retailer
	Market Snapshot: EUR m Market cap: 26.6 No. of shares (m): 5.5 EV: 25.5 Freefloat MC: 5.8 Ø Trad. Vol. (30d): 18.69 th	Shareholders: Freefloat 21.8 % Blackflint Ltd. (Boyé) 26.6 % Ottoman Strategy Holdings 26.2 % Universal Investment 9.6 % Sycamore Asset Management 5.1 %

Q4 heralds profitable growth ahead

elumeo reported strong preliminary figures for FY 2020 on Tuesday after the close.

- Full-year sales reached EUR 42m and the gross margin improved 440bp to 52.6%. Coupled with strong cost management, this led to a full year adj. EBITDA of EUR 0.9m. These figures imply not only a substantial top-line acceleration to around 12% growth in Q4 (Q3 flat) but also a very strong Q4 adj. EBITDA of around EUR 1.1m equivalent of a margin of around 9%. With this, elumeo has smashed our estimates. The full set of results and guidance for 2021 will be released March 30.
- Q4 adj. EBITDA more than doubled from Q3, clearly confirming the high operational leverage once there is top-line growth. This improvement is testament to the successful turnaround and should not be disregarded as a seasonal Christmas impact. Historically there is no clear-cut Christmas boost in sales as the vast majority of elumeo's customers are woman, buying for their own use rather than gifting. That said, the lockdown and the resulting limitation of spending alternatives has certainly helped elumeo.
- Particularly the strong new customer increase of the webshop (22k new customers, +75%yoy) bodes well for 2021. In its release, management confirmed that the strong Q4 dynamics have continued in Q1. We are therefore confident that elumeo will achieve high single-digit sales growth in 2021. With the lockdown and an easier comparison base, there should even be double-digit growth in H1 2021.
- Bearing in mind that in Q2 to Q4 2020, elumeo generated adj. EBITDA of nearly EUR 2.0m (Q1 2020 EUR -1.1m) we increase our adj. EBITDA estimate for 2021 to EUR 2.8m. As elumeo has aggressively restructured in the last couple of quarters the company is now in an excellent position to improve margins (e.g. more than 30% workforce reduction).
- We consider the Q4 margin as the long-awaited proof that the company is able to achieve the double-digit EBITDA margin that it was generating before the IPO, the kinds of margin-levels that can be expected from a vertically integrated e-com retailer in a high (gross) margin category like jewellery. Therefore, we now start to value elumeo based on an EBITDA margin of 10% (as of 2026) i.e. an increase of 300bp. Furthermore we cut our beta and our WACC declines from 10.1% to 9.2%. Our price target increases to EUR 8.50. The Buy rating is confirmed.

Changes in Estimates:				Comment on Changes:			
FY End: 31.12. in EUR m	2020e (old)	+ / -	2021e (old)	+ / -	2022e (old)	+ / -	
Sales	41.3	1.7 %	44.0	2.3 %	47.5	2.1 %	We increase our 2021 sales estimate by EUR 1m, reflecting the higher base and a slightly higher growth rate (60bp). On the back of the excellent cost-cutting and considering the high operating leverage, we increase our EBITDA estimates for 2021 and 2022 by EUR 1.3m and EUR 1m respectively.
EBITDA adj.	0.2	275.3 %	1.5	87.1 %	2.8	35.9 %	
EBT	-0.9	n.m.	0.4	317.3 %	1.7	49.8 %	
EPS adj.	-0.17	n.m.	0.07	358.5 %	0.31	58.5 %	
Net Debt	1.3	-43.0 %	0.7	n.m.	-0.5	n.m.	

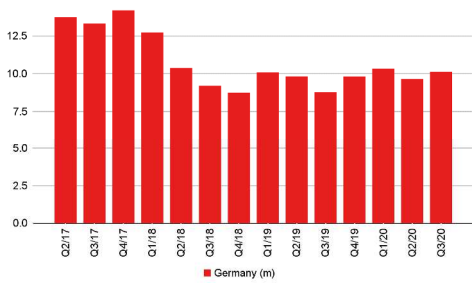


Rel. Performance vs CDAX:	
1 month:	16.7 %
6 months:	93.2 %
Year to date:	14.2 %
Trailing 12 months:	200.5 %

Company events:	

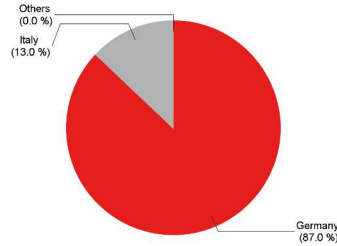
FY End: 31.12. in EUR m	CAGR (19-22e)	2016	2017	2018	2019	2020e	2021e	2022e
Sales	3.2 %	58.5	67.6	51.1	44.1	42.0	45.0	48.5
Change Sales yoy		-19.5 %	15.5 %	-24.3 %	-13.7 %	-4.7 %	7.1 %	7.8 %
Gross profit margin		45.6 %	44.1 %	26.4 %	46.8 %	52.5 %	54.5 %	55.5 %
EBITDA adj.	-	-4.2	-0.6	-17.5	-0.3	0.9	2.8	3.8
Margin		-10.0 %	-3.2 %	-36.1 %	-5.3 %	-0.3 %	3.9 %	5.7 %
EBIT	-	-9.0	-1.6	-18.4	-2.3	-0.3	1.6	2.6
Margin		-15.5 %	-2.4 %	-36.1 %	-5.3 %	-0.7 %	3.6 %	5.4 %
Net income	-	-15.5	-6.0	-27.4	-2.6	-0.4	1.5	2.6
EPS	-	-2.82	-1.10	-4.98	-0.47	-0.08	0.28	0.47
EPS adj.	-	-1.29	-0.49	-3.73	-0.47	-0.05	0.30	0.49
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		-2.34	0.90	-1.22	0.11	0.62	0.42	0.49
EV / Sales		1.4 x	0.9 x	0.8 x	0.3 x	0.7 x	0.6 x	0.5 x
EV / EBITDA		n.a.	n.a.	n.a.	n.a.	36.6 x	9.6 x	6.4 x
EV / EBIT		n.a.	n.a.	n.a.	n.a.	n.a.	15.8 x	8.9 x
P / E		n.a.	n.a.	n.a.	n.a.	n.a.	17.5 x	10.4 x
P / E adj.		n.a.	n.a.	n.a.	n.a.	n.a.	15.9 x	9.8 x
FCF Potential Yield		-11.6 %	-1.8 %	-49.7 %	-15.7 %	0.1 %	7.5 %	12.6 %
Net Financial Debt		11.4	9.8	-0.6	-0.4	-3.8	-5.6	-7.8
ROE		-34.5 %	-17.0 %	-141.9 %	-47.8 %	-11.0 %	32.5 %	37.5 %
ROCE (NOPAT)		n.a.	n.a.	n.a.	n.a.	n.a.	36.0 %	56.1 %
Guidance:		n.a.						

Sales Germany in EUR m



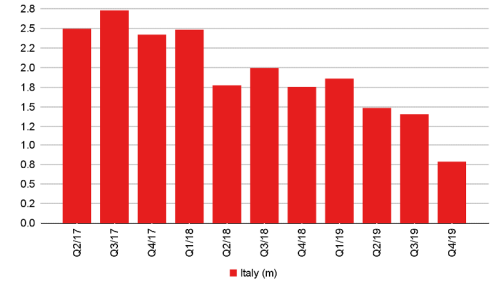
Source: Warburg Research

Sales by regions 2019 in %



Source: Warburg Research

Sales Italy in EURm



Source: Warburg Research

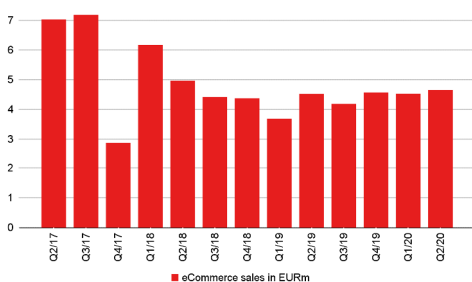
Company Background

- 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

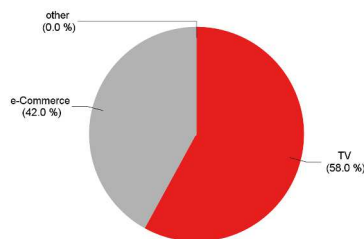
- Elumeo's vertically integrated business model cuts out several steps in the supply chain. It uses its cost leadership for a price differentiation to peers and prices are significantly lower than the competition.
- The integration of design and production processes in combination with distribution via 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.

e-Commerce sales in EURm



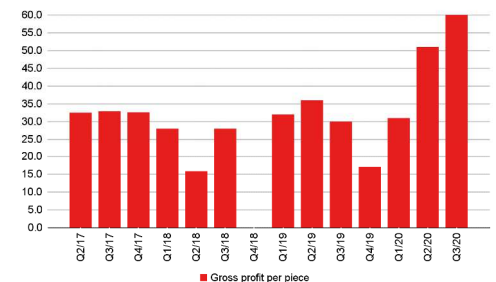
Source: Warburg Research

Sales by channel 2019; 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	
	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e		
Sales	42.0	45.0	48.5	52.9	57.1	61.1	64.8	68.0	71.4	75.0	78.7	82.6	85.1		
Sales change	-4.7 %	7.1 %	7.8 %	9.0 %	8.0 %	7.0 %	6.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	3.0 %	2.0 %
EBIT	-0.1	1.8	2.8	3.5	4.0	4.6	5.2	5.4	5.7	6.0	6.3	6.6	6.8		
EBIT-margin	-0.3 %	3.9 %	5.7 %	6.6 %	7.0 %	7.5 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %		
Tax rate (EBT)	0.0 %	0.0 %	0.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %		
NOPAT	-0.1	1.8	2.8	3.3	3.8	4.4	4.9	5.2	5.4	5.7	6.0	6.3	6.5		
Depreciation	1.0	1.0	1.0	1.1	1.1	1.2	1.3	1.4	1.4	1.5	1.6	1.7	1.7		
in % of Sales	2.5 %	2.3 %	2.1 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %		
Changes in provisions	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Change in Liquidity from															
- Working Capital	0.0	0.0	0.0	0.6	0.5	0.5	0.5	0.4	0.4	0.5	0.5	0.5	0.3		
- Capex	0.3	0.4	0.6	1.1	1.1	1.2	1.3	1.4	1.4	1.5	1.6	1.7	1.7		
Capex in % of Sales	0.7 %	0.9 %	1.2 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %		
Other	0.5	0.5	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Free Cash Flow (WACC Model)	-0.2	1.9	2.7	2.8	3.2	3.8	4.4	4.7	5.0	5.2	5.5	5.8	6.1	5	
PV of FCF	-0.2	1.8	2.3	2.1	2.3	2.5	2.6	2.6	2.5	2.4	2.3	2.2	2.2	24	
share of PVs	7.39 %			45.73 %										46.89 %	

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	0.00 %	Financial Strength	1.40
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	9.20 %	Beta	1.40

Valuation (m)

Present values 2032e	28		
Terminal Value	24		
Financial liabilities	0		
Pension liabilities	5		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	-1		
Liquidity	1	No. of shares (m)	5.5
Equity Value	47	Value per share (EUR)	8.50

Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Beta	WACC	Delta EBIT-margin						
		1.00 %	1.50 %	1.75 %	2.00 %	2.25 %	2.50 %	3.00 %			-2.0 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+2.0 pp
1.67	10.7 %	6.44	6.60	6.68	6.77	6.86	6.96	7.17	1.67	10.7 %	4.37	5.57	6.17	6.77	7.36	7.96	9.16
1.58	10.2 %	6.89	7.07	7.17	7.27	7.38	7.50	7.76	1.58	10.2 %	4.74	6.01	6.64	7.27	7.91	8.54	9.80
1.49	9.7 %	7.40	7.61	7.72	7.85	7.98	8.12	8.43	1.49	9.7 %	5.16	6.51	7.18	7.85	8.52	9.19	10.53
1.40	9.2 %	7.96	8.21	8.35	8.50	8.66	8.83	9.21	1.40	9.2 %	5.64	7.07	7.78	8.50	9.21	9.93	11.35
1.31	8.7 %	8.60	8.90	9.07	9.25	9.44	9.65	10.13	1.31	8.7 %	6.19	7.72	8.48	9.25	10.01	10.78	12.30
1.22	8.2 %	9.32	9.69	9.90	10.12	10.36	10.62	11.22	1.22	8.2 %	6.83	8.48	9.30	10.12	10.94	11.76	13.40
1.13	7.7 %	10.16	10.61	10.86	11.14	11.44	11.77	12.54	1.13	7.7 %	7.59	9.36	10.25	11.14	12.03	12.92	14.70

- 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	2016	2017	2018	2019	2020e	2021e	2022e
Net Income before minorities	-10.6	-2.1	-20.5	-2.6	-0.4	1.5	2.6
+ Depreciation + Amortisation	1.6	1.6	0.9	2.0	1.0	1.0	1.0
- Net Interest Income	-0.6	-0.6	-0.2	-0.2	-0.1	-0.1	0.0
- Maintenance Capex	1.1	1.1	0.7	1.4	0.7	0.7	0.7
+ Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0
= Free Cash Flow Potential	-9.6	-1.0	-20.0	-1.7	0.0	1.9	2.9
FCF Potential Yield (on market EV)	-11.6 %	-1.8 %	-49.7 %	-15.7 %	0.1 %	7.5 %	12.6 %
WACC	9.20 %	9.20 %	9.20 %	9.20 %	9.20 %	9.20 %	9.20 %
= Enterprise Value (EV)	82.3	58.5	40.2	11.1	27.4	25.5	23.3
= Fair Enterprise Value	n.a.	n.a.	n.a.	n.a.	0.2	20.9	31.8
- Net Debt (Cash)	13.0	13.2	11.3	2.0	0.4	0.0	0.0
- Pension Liabilities	7.5	7.5	7.5	7.5	4.5	4.5	4.5
- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Market value of minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+ Market value of investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
= Fair Market Capitalisation	n.a.	n.a.	n.a.	n.a.	n.a.	16.4	27.3
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.	n.a.	n.a.	2.98	4.97
premium (-) / discount (+) in %						-38.4 %	2.6 %
Sensitivity Fair value per Share (EUR)							
	12.20 %	n.a.	n.a.	n.a.	n.a.	2.05	3.54
	11.20 %	n.a.	n.a.	n.a.	n.a.	2.30	3.93
	10.20 %	n.a.	n.a.	n.a.	n.a.	2.61	4.40
WACC	9.20 %	n.a.	n.a.	n.a.	n.a.	2.98	4.97
	8.20 %	n.a.	n.a.	n.a.	n.a.	3.45	5.67
	7.20 %	n.a.	n.a.	n.a.	n.a.	4.04	6.57
	6.20 %	n.a.	n.a.	n.a.	n.a.	4.83	7.77

▪ We estimate maintenance capex in line with depreciation

Valuation							
	2016	2017	2018	2019	2020e	2021e	2022e
Price / Book	1.8 x	1.5 x	5.0 x	1.7 x	6.9 x	4.8 x	3.2 x
Book value per share ex intangibles	6.92	5.67	1.11	0.66	0.62	0.93	1.43
EV / Sales	1.4 x	0.9 x	0.8 x	0.3 x	0.7 x	0.6 x	0.5 x
EV / EBITDA	n.a.	n.a.	n.a.	n.a.	36.6 x	9.6 x	6.4 x
EV / EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	15.8 x	8.9 x
EV / EBIT adj.*	n.a.	n.a.	n.a.	n.a.	n.a.	14.5 x	8.4 x
P / FCF	n.a.	9.7 x	n.a.	11.5 x	7.8 x	11.4 x	9.8 x
P / E	n.a.	n.a.	n.a.	n.a.	n.a.	17.5 x	10.4 x
P / E adj.*	n.a.	n.a.	n.a.	n.a.	n.a.	15.9 x	9.8 x
Dividend Yield	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FCF Potential Yield (on market EV)	-11.6 %	-1.8 %	-49.7 %	-15.7 %	0.1 %	7.5 %	12.6 %

*Adjustments made for: -

Company Specific Items							
	2016	2017	2018	2019	2020e	2021e	2022e
Active Customers	84,587	82,062	74,198	59,750	64,246	69,024	75,340
Revenue per Customer	691.31	823.28	688.90	737.87	653.74	651.95	643.75
Average Selling Price	69.72	73.16	68.50	61.54	55.84	56.97	58.48
eCommerce sales in % of group sales	41.9 %	34.5 %	39.0 %	41.8 %	51.7 %	105.2 %	310.5 %
eCommerce sales in EURm	25	23	20	18	22	47	151
Volume (in pieces)	894,407	923,476	746,254	716,395	752,215	789,825	829,317
Gross profit per piece	35.00	32.00	18.11	28.80	29.31	31.05	32.46

Consolidated profit and loss

In EUR m	2016	2017	2018	2019	2020e	2021e	2022e
Sales	58.5	67.6	51.1	44.1	42.0	45.0	48.5
Change Sales yoy	-19.5 %	15.5 %	-24.3 %	-13.7 %	-4.7 %	7.1 %	7.8 %
COGS	31.8	37.7	37.6	23.5	20.0	20.5	21.6
Gross profit	26.7	29.8	13.5	20.6	22.1	24.5	26.9
<i>Gross margin</i>	<i>45.6 %</i>	<i>44.1 %</i>	<i>26.4 %</i>	<i>46.8 %</i>	<i>52.5 %</i>	<i>54.5 %</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	23.4	23.7	23.7	18.1	16.2	16.5	17.5
Administration expenses	12.8	8.9	7.7	8.3	6.2	6.4	6.8
Other operating expenses	0.0	0.0	0.6	1.2	0.1	0.1	0.1
Other operating income	0.5	1.1	0.1	4.7	0.1	0.1	0.1
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	-7.5	0.0	-17.5	-0.3	0.7	2.7	3.7
<i>Margin</i>	<i>-12.8 %</i>	<i>0.0 %</i>	<i>-34.2 %</i>	<i>-0.7 %</i>	<i>1.8 %</i>	<i>5.9 %</i>	<i>7.5 %</i>
Depreciation of fixed assets	1.6	1.6	0.9	2.0	1.0	1.0	1.0
EBITDA adj.	-4.2	-0.6	-17.5	-0.3	0.9	2.8	3.8
<i>Margin</i>	<i>-7.2 %</i>	<i>-0.8 %</i>	<i>-34.2 %</i>	<i>-0.7 %</i>	<i>2.1 %</i>	<i>6.2 %</i>	<i>7.8 %</i>
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	-9.0	-1.6	-18.4	-2.3	-0.3	1.6	2.6
<i>Margin</i>	<i>-15.5 %</i>	<i>-2.4 %</i>	<i>-36.1 %</i>	<i>-5.3 %</i>	<i>-0.7 %</i>	<i>3.6 %</i>	<i>5.4 %</i>
EBIT adj.	-5.8	-2.2	-18.4	-2.3	-0.1	1.8	2.8
Interest income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest expenses	0.6	0.6	0.2	0.2	0.2	0.1	0.1
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	-9.6	-2.2	-18.6	-2.6	-0.4	1.5	2.6
<i>Margin</i>	<i>-16.5 %</i>	<i>-3.3 %</i>	<i>-36.5 %</i>	<i>-5.9 %</i>	<i>-1.0 %</i>	<i>3.4 %</i>	<i>5.3 %</i>
Total taxes	1.0	-0.1	1.8	0.0	0.0	0.0	0.0
Net income from continuing operations	-10.6	-2.1	-20.5	-2.6	-0.4	1.5	2.6
Income from discontinued operations (net of tax)	-4.9	-3.9	-6.9	0.0	0.0	0.0	0.0
Net income before minorities	-15.5	-6.0	-27.4	-2.6	-0.4	1.5	2.6
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	-15.5	-6.0	-27.4	-2.6	-0.4	1.5	2.6
<i>Margin</i>	<i>-26.5 %</i>	<i>-8.9 %</i>	<i>-53.6 %</i>	<i>-5.9 %</i>	<i>-1.0 %</i>	<i>3.4 %</i>	<i>5.3 %</i>
Number of shares, average	5.5	5.5	5.5	5.5	5.5	5.5	5.5
EPS	-2.82	-1.10	-4.98	-0.47	-0.08	0.28	0.47
EPS adj.	-1.29	-0.49	-3.73	-0.47	-0.05	0.30	0.49

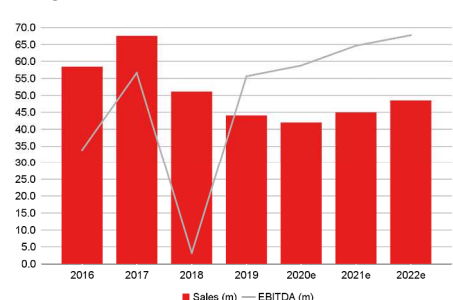
*Adjustments made for:

Guidance: n.a.

Financial Ratios

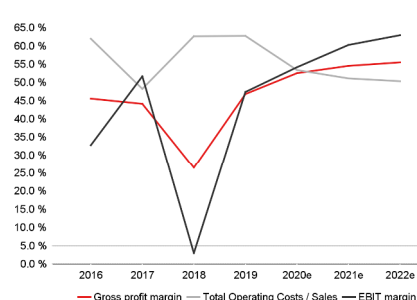
	2016	2017	2018	2019	2020e	2021e	2022e
Total Operating Costs / Sales	62.0 %	48.2 %	62.7 %	62.8 %	53.4 %	51.1 %	50.3 %
Operating Leverage	-0.2 x	-5.3 x	-43.4 x	6.3 x	18.5 x	n.a.	8.0 x
EBITDA / Interest expenses	n.m.	0.0 x	n.m.	n.m.	5.0 x	26.5 x	73.1 x
Tax rate (EBT)	-10.2 %	3.3 %	-9.9 %	0.0 %	0.0 %	0.0 %	0.0 %
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



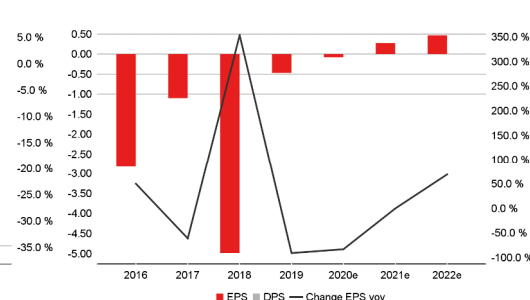
Source: Warburg Research

Operating Performance
in %



Source: Warburg Research

Performance per Share



Source: Warburg Research

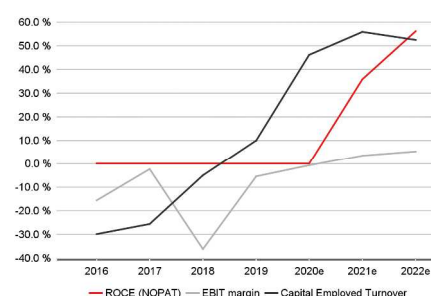
Consolidated balance sheet

In EUR m	2016	2017	2018	2019	2020e	2021e	2022e
Assets							
Goodwill and other intangible assets	0.9	0.8	0.6	0.5	0.4	0.4	0.4
thereof other intangible assets	0.9	0.8	0.6	0.5	0.4	0.4	0.4
thereof Goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	11.2	9.4	2.2	1.6	1.4	1.3	1.4
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other long-term assets	2.5	2.3	0.4	3.3	2.8	2.3	1.8
Fixed assets	14.7	12.4	3.2	5.4	4.6	4.0	3.6
Inventories	38.9	33.5	20.5	13.4	8.4	8.6	9.2
Accounts receivable	3.5	3.0	1.4	1.4	1.3	1.4	1.5
Liquid assets	1.8	1.5	2.6	0.9	3.8	5.6	7.8
Other short-term assets	1.7	2.4	1.0	0.5	0.5	0.5	0.5
Current assets	45.9	40.5	25.5	16.2	14.0	16.1	19.0
Total Assets	62.1	54.7	28.8	21.6	18.6	20.1	22.6
Liabilities and shareholders' equity							
Total equity	39.0	32.0	6.7	4.1	3.8	5.5	8.2
Provisions	1.2	1.0	7.8	7.5	7.2	6.7	6.2
thereof provisions for pensions and similar obligations	0.6	0.7	7.5	4.5	4.5	4.5	4.5
Financial liabilities (total)	13.2	11.3	2.0	0.4	0.0	0.0	0.0
thereof short-term financial liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	6.2	7.3	9.0	5.6	3.8	4.1	4.4
Other liabilities	2.5	3.1	3.4	3.8	3.8	3.8	3.8
Liabilities	23.1	22.8	22.2	17.5	14.8	14.6	14.4
Total liabilities and shareholders' equity	62.1	54.7	28.8	21.6	18.6	20.1	22.6

Financial Ratios

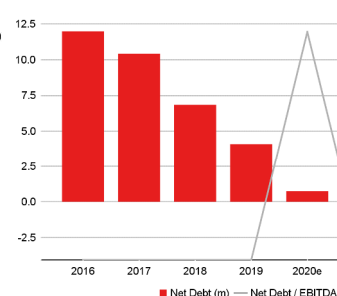
	2016	2017	2018	2019	2020e	2021e	2022e
Efficiency of Capital Employment							
Operating Assets Turnover	1.2 x	1.8 x	3.4 x	4.1 x	5.7 x	6.3 x	6.3 x
Capital Employed Turnover	1.1 x	1.6 x	3.8 x	5.4 x	9.2 x	10.2 x	9.9 x
ROA	-105.5 %	-48.8 %	-858.0 %	-47.9 %	-9.4 %	37.9 %	72.0 %
Return on Capital							
ROCE (NOPAT)	n.a.	n.a.	n.a.	n.a.	n.a.	36.0 %	56.1 %
ROE	-34.5 %	-17.0 %	-141.9 %	-47.8 %	-11.0 %	32.5 %	37.5 %
Adj. ROE	-15.7 %	-7.6 %	-106.1 %	-47.8 %	-7.2 %	35.8 %	39.7 %
Balance sheet quality							
Net Debt	12.0	10.4	6.8	4.1	0.7	-1.1	-3.3
Net Financial Debt	11.4	9.8	-0.6	-0.4	-3.8	-5.6	-7.8
Net Gearing	30.8 %	32.6 %	102.5 %	99.4 %	19.4 %	-19.9 %	-40.2 %
Net Fin. Debt / EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Book Value / Share	7.1	5.8	1.2	0.7	0.7	1.0	1.5
Book value per share ex intangibles	6.9	5.7	1.1	0.7	0.6	0.9	1.4

ROCE Development



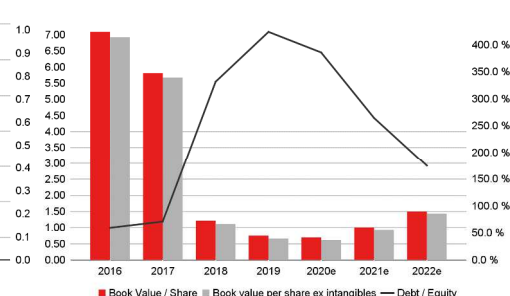
Source: Warburg Research

Net debt in EUR m



Source: Warburg Research

Book Value per Share in EUR



Source: Warburg Research

Consolidated cash flow statement

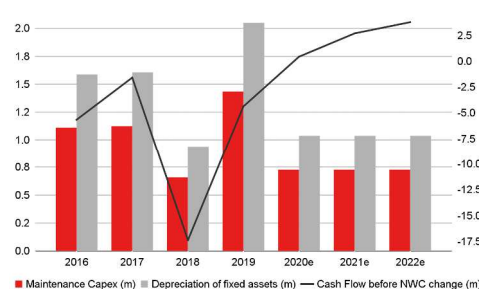
In EUR m	2016	2017	2018	2019	2020e	2021e	2022e
Net income	-15.5	-6.0	-27.4	-2.6	-0.4	1.5	2.6
Depreciation of fixed assets	1.6	1.6	0.9	2.0	1.0	1.0	1.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in long-term provisions	0.7	0.0	0.2	0.6	-0.3	0.0	0.0
Other non-cash income and expenses	7.6	2.8	8.9	-4.4	0.2	0.2	0.2
Cash Flow before NWC change	-5.7	-1.6	-17.4	-4.4	0.4	2.7	3.8
Increase / decrease in inventory	-2.5	4.6	4.4	7.1	5.0	-0.2	-0.7
Increase / decrease in accounts receivable	-1.5	-0.4	1.9	0.6	0.1	-0.1	-0.1
Increase / decrease in accounts payable	-2.2	2.6	4.7	-2.5	-1.9	0.3	0.3
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)	-6.2	6.8	11.1	5.1	3.3	0.0	-0.5
Net cash provided by operating activities [1]	-11.9	5.2	-6.3	0.8	3.7	2.7	3.3
Investments in intangible assets	0.1	0.0	0.1	0.0	0.1	0.1	0.1
Investments in property, plant and equipment	0.9	0.2	0.4	0.2	0.2	0.3	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]	-1.0	-0.2	-0.5	-0.2	-0.3	-0.4	-0.6
Change in financial liabilities	-0.7	-2.0	-3.3	-2.2	-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	1.9	-3.2	10.5	0.0	0.0	0.0	0.0
Net cash provided by financing activities [3]	1.2	-5.2	7.2	-2.2	-0.5	-0.5	-0.5
Change in liquid funds [1]+[2]+[3]	-11.7	-0.3	0.4	-1.6	2.9	1.8	2.2
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	1.8	1.5	2.6	0.9	3.8	5.6	7.8

Financial Ratios

	2016	2017	2018	2019	2020e	2021e	2022e
Cash Flow							
FCF	-12.8	5.0	-6.7	0.6	3.4	2.3	2.7
Free Cash Flow / Sales	-22.0 %	7.4 %	-13.2 %	1.4 %	8.1 %	5.2 %	5.6 %
Free Cash Flow Potential	-9.6	-1.0	-20.0	-1.7	0.0	1.9	2.9
Free Cash Flow / Net Profit	82.8 %	-82.2 %	24.6 %	-23.5 %	-780.7 %	153.9 %	105.2 %
Interest Received / Avg. Cash	0.0 %	0.0 %	0.2 %	0.2 %	0.2 %	0.1 %	0.1 %
Interest Paid / Avg. Debt	4.6 %	5.0 %	3.3 %	19.5 %	67.1 %	n.a.	n.a.
Management of Funds							
Investment ratio	1.7 %	0.3 %	0.9 %	0.4 %	0.7 %	0.9 %	1.2 %
Maint. Capex / Sales	1.9 %	1.7 %	1.3 %	3.3 %	1.7 %	1.6 %	1.5 %
Capex / Dep	61.3 %	14.4 %	48.2 %	8.7 %	28.9 %	38.5 %	57.8 %
Avg. Working Capital / Sales	61.1 %	48.4 %	41.2 %	25.0 %	17.9 %	13.0 %	12.5 %
Trade Debtors / Trade Creditors	56.2 %	40.4 %	15.8 %	24.8 %	33.3 %	33.3 %	33.3 %
Inventory Turnover	0.8 x	1.1 x	1.8 x	1.8 x	2.4 x	2.4 x	2.3 x
Receivables collection period (days)	22	16	10	12	11	11	11
Payables payment period (days)	71	71	87	88	69	72	74
Cash conversion cycle (Days)	397	270	122	132	95	91	93

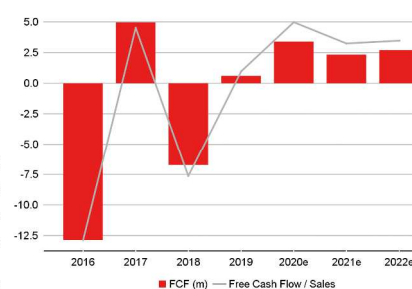
CAPEX and Cash Flow

in EUR m



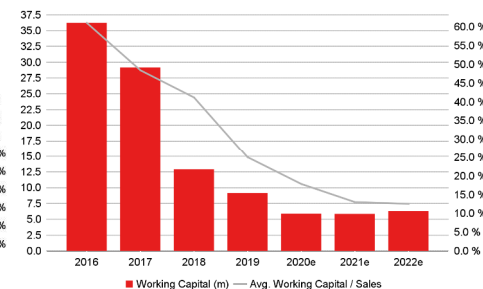
Source: Warburg Research

Free Cash Flow Generation



Source: Warburg Research

Working Capital



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.

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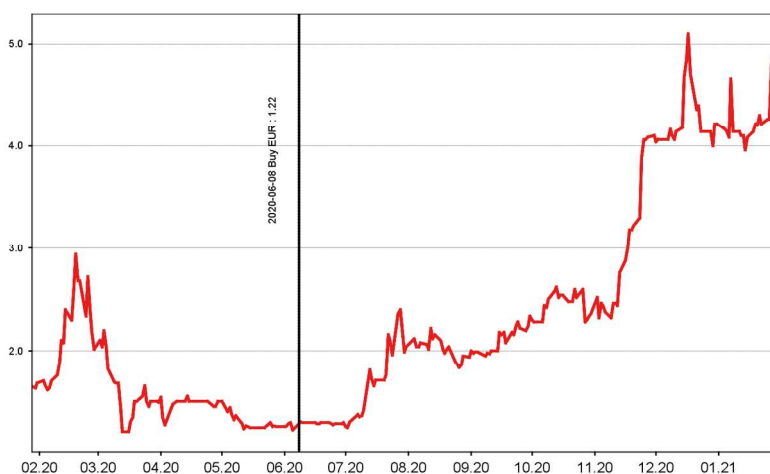
Rating	Number of stocks	% of Universe
Buy	129	63
Hold	60	29
Sell	8	4
Rating suspended	7	3
Total	204	100

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	37	80
Hold	6	13
Sell	0	0
Rating suspended	3	7
Total	46	100

PRICE AND RATING HISTORY ELUMEO AS OF 28.01.2021



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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