

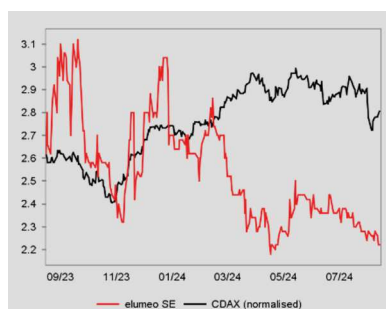
Buy EUR 8.00 Price EUR 2.22 Upside 260.4 %	Value Indicators: EUR DCF: 8.00	Warburg ESG Risk Score: 2.7 ESG Score (MSCI based): 3.0 Balance Sheet Score: 5.0 Market Liquidity Score: 0.0	Description: elumeo is a vertically-integrated, multi-channel, precious jewellery retailer
	Market Snapshot: EUR m Market cap: 12.6 No. of shares (m): 5.7 EV: 13.2 Freefloat MC: 7.9 Ø Trad. Vol. (30d): 3.78 th	Shareholders: Freefloat 62.50 % Blackflint Ltd. (Boyé) 25.80 % Management 11.70 %	Key Figures (WR): 2024e Beta: 1.4 Price / Book: 1.6 x Equity Ratio: 36 % Net Fin. Debt / EBITDA: 1.0 x Net Debt / EBITDA: 1.2 x

Q2 figures cast a mixture of light and shadow

Stated Figures Q2/2024:							Comment on Figures:	
in EURm	actual	Q2 2024(e)	Q2 2023	% change	H1 2024	% change	<ul style="list-style-type: none"> The slight decline in Q2 sales has to be seen against a demanding comparison base which reflected massive market-share gains (Q2 2023: +4% in a market of double-digit decline). Furthermore, elumeo focused on improving profitability. This resulted in an 8%-increase in price-per-piece and an 11%-increase in the average basket value which led to a gross-margin improvement of 110bp (although a touch below our estimates). Operating expenses were broadly stable in the quarter which also reflects some ramp-up expenses for internationalization. In H1, operating expenses declined 2.9% and, while this is already a solid achievement, there was even better development of underlying costs, as elumeo executed cost-saving measures in the order of EUR 0.96m (two-thirds personnel expenses) that will only become visible in H2. 	
Sales	11.18	11.60	11.54	-3.1%	22.51	0.8%		
Gross profit	5.55	5.80	5.83	-4.9%	11.04	-4.8%		
Gross profit margin	49.6%	50.0%	50.5%		49.1%			
selling expenses	3.93	4.20	4.04	-2.7%	8.17	-5.0%		
admin. expenses	2.02	1.90	1.71	17.8%	3.91	1.8%		
EBITDA	-0.25	-0.30	0.29		-0.51			
EBITDA-margin	-2.2%	-2.6%	2.5%		-2.3%			
adj. EBITDA	0.18	0.20	0.27	-33.1%	0.33	>-100%		
adj. EBITDA-margin	1.6%	1.7%	2.3%		1.4%			

- Q2 figures were in line with our estimates for earnings but fell somewhat short of our sales estimates. In H2, the internationalization will be rolled out and while this strengthens our confidence in an acceleration of top-line growth, we have cut our sales estimates somewhat to reflect the weaker Q2 growth. On the positive side, the implementation of cost savings has de-risked the earnings outlook and we continue to expect EUR 2m in adj. EBITDA for the full year.
- The marketing approach has been further refined for Elumeo's video shopping app Jooli, which started the monetization in H2 2023, and is now prioritizing the jewellery category. This has led to an increase of 150% in the monthly GMV to INR 543k (ca EUR 6k) although with a lower order volume. Jooli will now introduce a new third-party technological backbone to allow for additional options. Thus, we should move closer to the point, where a sufficient shortening in the payback of additional marketing spending allows for the rapid scaling of the business.
- We confirm our rating, earnings estimates, and price target as we expect earnings growth to accelerate in H2.

Changes in Estimates:							Comment on Changes:	
FY End: 31.12. in EUR m	2024e (old)	+ / -	2025e (old)	+ / -	2026e (old)	+ / -	<ul style="list-style-type: none"> We assume 5% sales growth for H2, based on the somewhat weaker Q2 growth than expected, and cut our full-year sales forecast. Although we are a touch below management's sales-growth guidance, the earnings outlook is de-risked, as H2 EBITDA should benefit from cost savings of EUR 1m and a positive EBITDA contribution from internationalization. We are expecting H2 adj. EBITDA of EUR 1.9m (i.e. H1 adj. EBITDA of 0.3m + EUR 1m cost savings + EUR 0.4m positive impact growth/internationalization). 	
Sales	48.0	-2.6 %	52.0	-3.8 %	56.0	-3.6 %		
EBITDA adj.	2.0	0.1 %	2.5	0.0 %	3.5	0.0 %		
EBT	-0.9	n.m.	-0.3	n.m.	0.7	0.0 %		
EPS adj.	-0.05	n.m.	0.06	59.8 %	0.21	0.0 %		
Net Debt	1.3	-53.5 %	1.9	-68.1 %	1.7	-75.1 %		



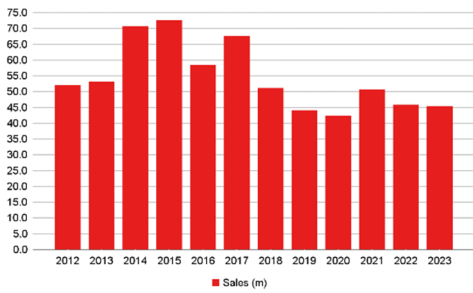
Rel. Performance vs CDAX:

1 month:	-0.8 %
6 months:	-20.4 %
Year to date:	-20.1 %
Trailing 12 months:	-20.6 %

Company events:
14.11.24 Q3

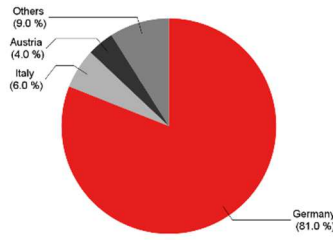
FY End: 31.12. in EUR m	CAGR (23-26e)	2020	2021	2022	2023	2024e	2025e	2026e
Sales	6.0 %	42.4	50.7	45.8	45.4	46.8	50.0	54.0
Change Sales yoy		-3.8 %	19.5 %	-9.5 %	-1.0 %	3.0 %	7.0 %	8.0 %
Gross profit margin		52.4 %	57.0 %	54.9 %	50.0 %	49.5 %	50.0 %	50.0 %
EBITDA adj.		0.9	4.9	2.2	-0.4	2.0	2.5	3.5
Margin		-0.1 %	7.8 %	2.8 %	-2.8 %	2.6 %	3.4 %	5.0 %
EBIT		0.3	2.0	-1.4	-2.9	-0.3	0.2	0.7
Margin		0.7 %	3.9 %	-3.1 %	-6.3 %	-0.6 %	0.4 %	1.3 %
Net income		0.2	5.4	-3.3	-1.1	-0.3	0.1	0.6
EPS		0.03	0.99	-0.60	-0.19	-0.06	0.02	0.10
EPS adj.		-0.03	0.51	-0.12	-0.50	0.02	0.10	0.21
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		0.40	0.15	-0.27	0.01	-0.06	0.07	0.10
EV / Sales		0.3 x	0.7 x	0.5 x	0.3 x	0.3 x	0.3 x	0.2 x
EV / EBITDA		10.7 x	11.8 x	n.a.	n.a.	26.4 x	13.2 x	8.7 x
EV / EBIT		45.3 x	17.4 x	n.a.	n.a.	n.a.	66.1 x	18.6 x
P / E		73.8 x	6.7 x	n.a.	n.a.	n.a.	113.7 x	21.4 x
P / E adj.		n.a.	13.0 x	n.a.	n.a.	119.8 x	22.5 x	10.6 x
FCF Potential Yield		6.3 %	17.6 %	-12.9 %	-17.0 %	1.4 %	4.8 %	8.5 %
Net Financial Debt		-2.3	-2.8	-1.4	-0.2	0.5	0.5	0.3
ROE		3.6 %	60.3 %	-27.0 %	-11.8 %	-4.4 %	1.4 %	7.2 %
ROCE (NOPAT)		4.1 %	64.2 %	n.a.	n.a.	n.a.	1.7 %	7.3 %
Guidance:		4% to 8% sales growth and 1.5 to 3.5 EURm adj. EBITDA						

Sales
in EUR m



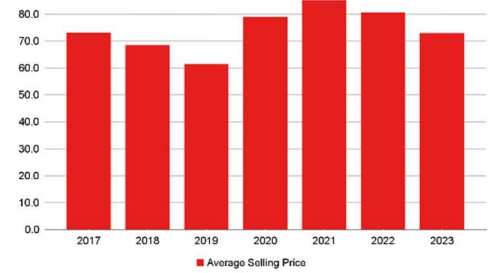
Source: Warburg Research

Sales by regions
2023 in %



Source: Warburg Research

average selling price
in EUR



Source: Warburg Research

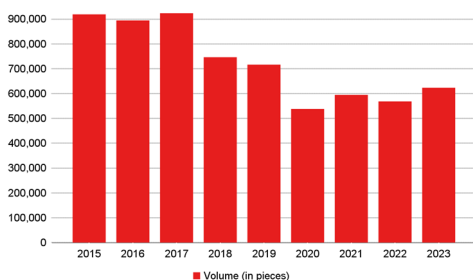
Company Background

- 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 in the live business, shows broadcasted via TV and internet amount to over 60% of sales while e-commerce generates around 30%.
- 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

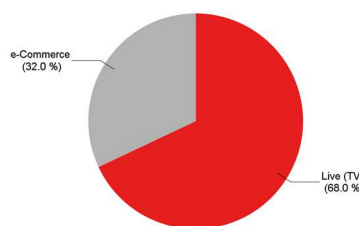
- Elumeo's vertically integrated business model cuts out several steps in the supply chain. It uses its cost leadership for a price differentiation to peers and prices are significantly lower than the competition.
- The integration of design and production processes in combination with distribution via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



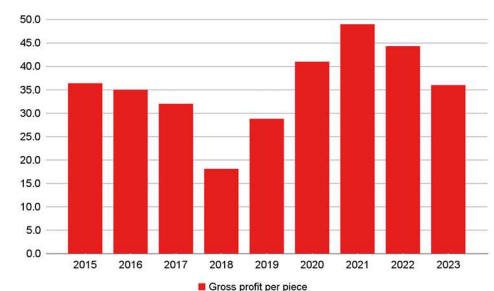
Source: Warburg Research

Sales by channel
2023; 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
	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e	
Sales	46.8	50.0	54.0	58.3	62.4	66.1	69.5	72.9	76.6	80.4	84.4	88.6	90.4	
Sales change	3.0 %	7.0 %	8.0 %	8.0 %	7.0 %	6.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	2.0 %	2.0 %
EBIT	1.2	1.7	2.7	3.5	4.4	4.6	4.9	5.1	5.4	5.6	5.9	6.2	6.3	
EBIT-margin	2.6 %	3.4 %	5.0 %	6.0 %	7.0 %	7.0 %	7.0 %	7.0 %	7.0 %	7.0 %	7.0 %	7.0 %	7.0 %	
Tax rate (EBT)	0.0 %	2.5 %	2.4 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	
NOPAT	1.2	1.7	2.6	3.3	4.1	4.4	4.6	4.8	5.1	5.3	5.6	5.9	6.0	
Depreciation	0.9	0.8	0.8	1.2	1.2	1.3	1.4	1.5	1.5	1.6	1.7	1.8	1.8	
in % of Sales	1.9 %	1.6 %	1.5 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	
Changes in provisions	-0.2	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	0.8	0.6	0.6	0.5	0.5	0.5	0.6	0.6	0.6	0.3	
- Capex	0.1	0.0	0.4	1.2	1.2	1.3	1.4	1.5	1.5	1.6	1.7	1.8	1.8	
Capex in % of Sales	0.1 %	0.0 %	0.7 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	
- Other	0.4	0.4	0.4	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)	1.4	2.0	2.6	2.5	3.5	3.8	4.1	4.3	4.5	4.8	5.0	5.3	5.7	5
PV of FCF	1.4	1.8	2.1	1.8	2.3	2.3	2.2	2.1	2.0	1.9	1.8	1.7	1.7	17
share of PVs	12.55 %			47.58 %										39.87 %

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	8.25 %	Cyclicality	1.00
Risk free rate	2.75 %	Transparency	1.10
		Others	1.00
WACC	10.23 %	Beta	1.36

Valuation (m)

Present values 2036e	25		
Terminal Value	17		
Financial liabilities	0		
Pension liabilities	0		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	3		
Liquidity	3	No. of shares (m)	6.1
Equity Value	49	Value per share (EUR)	8.00

Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Beta	WACC	Delta EBIT-margin						
		1.04 %	1.54 %	1.79 %	2.04 %	2.29 %	2.54 %	3.04 %			-5.0 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+5.0 pp
1.63	11.7 %	6.69	6.78	6.83	6.88	6.93	6.98	7.10	1.63	11.7 %	1.87	5.87	6.38	6.88	7.38	7.88	11.88
1.54	11.2 %	6.99	7.10	7.15	7.21	7.27	7.34	7.48	1.54	11.2 %	1.95	6.16	6.68	7.21	7.74	8.26	12.47
1.45	10.7 %	7.33	7.45	7.51	7.58	7.65	7.73	7.90	1.45	10.7 %	2.03	6.47	7.03	7.58	8.14	8.69	13.14
1.36	10.2 %	7.70	7.84	7.92	8.00	8.09	8.18	8.38	1.36	10.2 %	2.12	6.82	7.41	8.00	8.59	9.17	13.88
1.27	9.7 %	8.11	8.28	8.37	8.47	8.57	8.69	8.93	1.27	9.7 %	2.23	7.22	7.85	8.47	9.09	9.72	14.71
1.18	9.2 %	8.58	8.78	8.89	9.01	9.13	9.27	9.57	1.18	9.2 %	2.35	7.68	8.34	9.01	9.67	10.34	15.66
1.09	8.7 %	9.10	9.35	9.48	9.62	9.78	9.95	10.32	1.09	8.7 %	2.49	8.20	8.91	9.62	10.34	11.05	16.76

- We expect a return to mid single-digit sales growth and assume 2% growth in the terminal value
- The group EBITDA margin should approach the 10%-level, ca. 2/3 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
- More than EUR 50m tax loss carry-forwards are not recognized as tax assets, thus the low tax rate in the outer years

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	2020	2021	2022	2023	2024e	2025e	2026e	
Net Income before minorities	0.2	5.4	-3.4	-3.3	-0.3	0.1	0.6	
+ Depreciation + Amortisation	0.9	1.0	0.9	0.9	0.8	0.8	0.8	
- Net Interest Income	-0.1	-0.1	-0.1	-0.1	0.0	0.0	0.0	
- Maintenance Capex	0.4	0.4	0.4	0.4	0.3	0.3	0.3	
+ Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Free Cash Flow Potential	0.8	6.1	-2.8	-2.6	0.2	0.6	1.1	
FCF Potential Yield (on market EV)	6.3 %	17.6 %	-12.9 %	-17.0 %	1.4 %	4.8 %	8.5 %	
WACC	10.23 %	10.23 %	10.23 %	10.23 %	10.23 %	10.23 %	10.23 %	
= Enterprise Value (EV)	13.1	34.4	21.4	15.5	13.2	13.2	13.0	
= Fair Enterprise Value	8.0	59.3	n.a.	n.a.	1.8	6.2	10.9	
- Net Debt (Cash)	11.3	2.0	0.4	0.0	0.0	0.0	1.1	
- Pension Liabilities	7.5	4.5	4.0	0.5	0.1	0.1	0.1	
- 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.	52.8	n.a.	n.a.	1.6	6.1	9.7	
Number of shares, average	5.5	5.5	5.5	5.7	5.7	5.7	5.7	
= Fair value per share (EUR)	n.a.	9.60	n.a.	n.a.	0.29	1.07	1.70	
premium (-) / discount (+) in %					-87.0 %	-51.6 %	-23.3 %	
Sensitivity Fair value per Share (EUR)								
	13.23 %	n.a.	7.15	n.a.	n.a.	0.23	0.85	1.31
	12.23 %	n.a.	7.83	n.a.	n.a.	0.25	0.92	1.43
	11.23 %	n.a.	8.64	n.a.	n.a.	0.27	1.01	1.58
WACC	10.23 %	n.a.	9.60	n.a.	n.a.	0.29	1.07	1.70
	9.23 %	n.a.	10.77	n.a.	n.a.	0.33	1.23	1.97
	8.23 %	n.a.	12.22	n.a.	n.a.	0.38	1.38	2.24
	7.23 %	n.a.	14.07	n.a.	n.a.	0.43	1.58	2.58

▪ We estimate maintenance capex in line with depreciation

Valuation	2020	2021	2022	2023	2024e	2025e	2026e
Price / Book	2.6 x	2.7 x	2.1 x	1.9 x	1.6 x	1.6 x	1.5 x
Book value per share ex intangibles	0.71	2.43	1.89	1.39	1.33	1.35	1.46
EV / Sales	0.3 x	0.7 x	0.5 x	0.3 x	0.3 x	0.3 x	0.2 x
EV / EBITDA	10.7 x	11.8 x	n.a.	n.a.	26.4 x	13.2 x	8.7 x
EV / EBIT	45.3 x	17.4 x	n.a.	n.a.	n.a.	66.1 x	18.6 x
EV / EBIT adj.*	n.a.	8.7 x	16.9 x	n.a.	11.0 x	7.8 x	4.8 x
P / FCF	5.2 x	44.0 x	n.a.	200.5 x	n.a.	31.4 x	21.6 x
P / E	73.8 x	6.7 x	n.a.	n.a.	n.a.	113.7 x	21.4 x
P / E adj.*	n.a.	13.0 x	n.a.	n.a.	119.8 x	22.5 x	10.6 x
Dividend Yield	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FCF Potential Yield (on market EV)	6.3 %	17.6 %	-12.9 %	-17.0 %	1.4 %	4.8 %	8.5 %

*Adjustments made for: -

Company Specific Items	2020	2021	2022	2023	2024e	2025e	2026e
Active Customers	58,821	81,328	75,195	82,911	90,798	99,878	0
Revenue per Customer	721.00	623.12	609.67	547.00	0.00	0.00	0.00
Average Selling Price	79.00	85.21	80.66	73.00	76.88	76.13	0.00
Volume (in pieces)	538,019	594,730	568,344	623,371	608,128	656,778	0
Gross profit per piece	41.00	49.00	44.32	36.00	38.05	38.06	0.00

Consolidated profit and loss

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Sales	42.4	50.7	45.8	45.4	46.8	50.0	54.0
Change Sales yoy	-3.8 %	19.5 %	-9.5 %	-1.0 %	3.0 %	7.0 %	8.0 %
COGS	20.2	21.8	20.7	22.7	23.6	25.0	27.0
Gross profit	22.2	28.9	25.2	22.7	23.1	25.0	27.0
<i>Gross margin</i>	<i>52.4 %</i>	<i>57.0 %</i>	<i>54.9 %</i>	<i>50.0 %</i>	<i>49.5 %</i>	<i>50.0 %</i>	<i>50.0 %</i>
Research and development	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sales and marketing	15.6	18.7	18.0	16.9	16.1	16.9	18.0
Administration expenses	7.0	8.5	8.8	8.9	7.5	7.8	8.3
Other operating expenses	0.2	0.1	0.4	0.6	0.1	0.2	0.1
Other operating income	0.9	0.5	0.6	0.9	0.3	0.1	0.1
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	1.2	2.9	-0.5	-2.0	0.5	1.0	1.5
<i>Margin</i>	<i>2.9 %</i>	<i>5.8 %</i>	<i>-1.0 %</i>	<i>-4.3 %</i>	<i>1.1 %</i>	<i>2.0 %</i>	<i>2.8 %</i>
Depreciation of fixed assets	0.9	1.0	0.9	0.9	0.8	0.8	0.8
EBITDA adj.	0.9	4.9	2.2	-0.4	2.0	2.5	3.5
Margin	2.1 %	9.7 %	4.8 %	-0.8 %	4.3 %	5.0 %	6.5 %
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	0.3	2.0	-1.4	-2.9	-0.3	0.2	0.7
<i>Margin</i>	<i>0.7 %</i>	<i>3.9 %</i>	<i>-3.1 %</i>	<i>-6.3 %</i>	<i>-0.6 %</i>	<i>0.4 %</i>	<i>1.3 %</i>
EBIT adj.	-0.1	4.0	1.3	-1.3	1.2	1.7	2.7
Interest income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest expenses	0.1	0.1	0.1	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	0.2	1.9	-1.5	-3.0	-0.3	0.2	0.7
<i>Margin</i>	<i>0.4 %</i>	<i>3.8 %</i>	<i>-3.2 %</i>	<i>-6.5 %</i>	<i>-0.7 %</i>	<i>0.3 %</i>	<i>1.2 %</i>
Total taxes	0.0	-3.5	1.9	0.3	0.0	0.0	0.1
Net income from continuing operations	0.2	5.4	-3.4	-3.3	-0.3	0.1	0.6
Income from discontinued operations (net of tax)	0.0	0.0	0.1	2.2	0.0	0.0	0.0
Net income before minorities	0.2	5.4	-3.3	-1.1	-0.3	0.1	0.6
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	0.2	5.4	-3.3	-1.1	-0.3	0.1	0.6
<i>Margin</i>	<i>0.4 %</i>	<i>10.7 %</i>	<i>-7.2 %</i>	<i>-2.4 %</i>	<i>-0.7 %</i>	<i>0.2 %</i>	<i>1.1 %</i>
Number of shares, average	5.5	5.5	5.5	5.7	5.7	5.7	5.7
EPS	0.03	0.99	-0.60	-0.19	-0.06	0.02	0.10
EPS adj.	-0.03	0.51	-0.12	-0.50	0.02	0.10	0.21

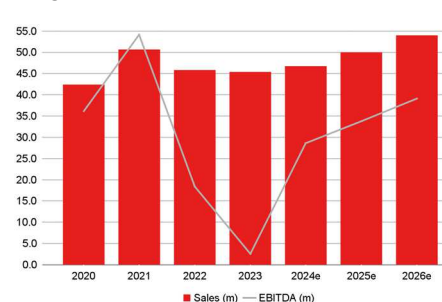
*Adjustments made for:

Guidance: 4% to 8% sales growth and 1.5 to 3.5 EURm adj. EBITDA

Financial Ratios

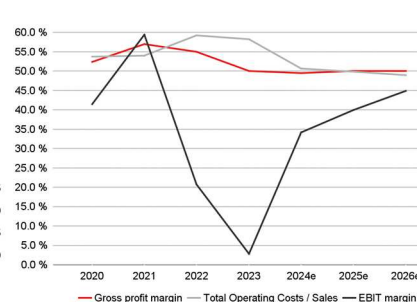
	2020	2021	2022	2023	2024e	2025e	2026e
Total Operating Costs / Sales	53.7 %	54.0 %	59.2 %	58.2 %	50.7 %	49.8 %	48.9 %
Operating Leverage	n.a.	30.0 x	n.a.	-103.8 x	-29.8 x	n.a.	31.2 x
EBITDA / Interest expenses	9.1 x	50.5 x	n.m.	n.m.	10.0 x	20.0 x	30.0 x
Tax rate (EBT)	0.0 %	-183.0 %	-131.5 %	-10.9 %	0.0 %	28.0 %	10.0 %
Dividend Payout Ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Sales per Employee	n.a.	227,251	205,578	n.a.	n.a.	n.a.	n.a.

Sales, EBITDA
in EUR m



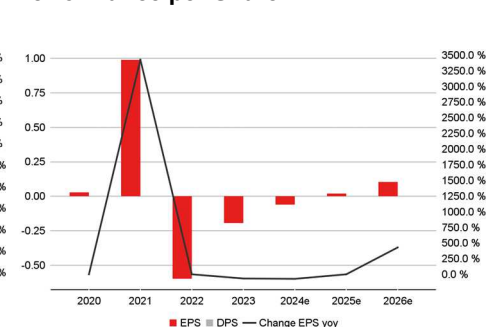
Source: Warburg Research

Operating Performance
in %



Source: Warburg Research

Performance per Share



Source: Warburg Research

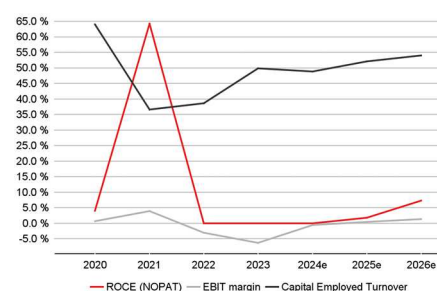
Consolidated balance sheet

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Assets							
Goodwill and other intangible assets	0.4	0.3	0.3	0.2	0.2	0.2	0.2
thereof other intangible assets	0.4	0.3	0.3	0.2	0.2	0.2	0.2
thereof Goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	1.3	1.2	0.8	0.4	0.4	0.5	0.6
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other long-term assets	3.0	2.4	2.3	2.0	2.8	2.4	2.0
Fixed assets	4.7	3.9	3.3	2.6	3.4	3.1	2.8
Inventories	12.1	13.1	13.0	13.2	12.2	13.0	14.0
Accounts receivable	1.2	2.3	1.7	2.3	1.4	1.5	1.6
Liquid assets	2.3	2.8	1.4	1.3	1.8	1.8	2.0
Other short-term assets	0.8	1.6	1.1	1.1	1.1	1.1	1.1
Current assets	16.5	19.8	17.3	18.0	16.5	17.4	18.8
Total Assets	21.2	27.9	22.7	22.2	21.5	22.1	23.0
Liabilities and shareholders' equity							
Total equity	4.3	13.7	11.2	8.1	7.7	7.8	8.4
Provisions	6.9	4.0	3.4	2.6	3.4	3.0	2.6
thereof provisions for pensions and similar obligations	4.0	0.5	0.1	0.1	0.1	0.1	0.1
Financial liabilities (total)	0.0	0.0	0.0	1.1	2.3	2.3	2.3
Short-term financial liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	6.8	5.9	4.9	8.0	5.6	6.5	7.3
Other liabilities	3.2	4.3	3.3	2.4	2.4	2.4	2.4
Liabilities	16.8	14.2	11.6	14.1	13.7	14.2	14.6
Total liabilities and shareholders' equity	21.2	27.9	22.7	22.2	21.5	22.1	23.0

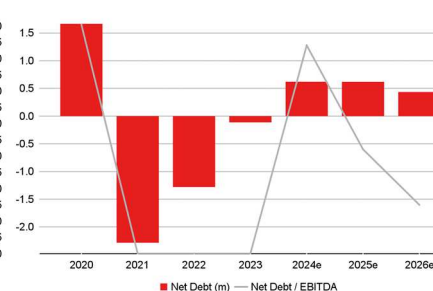
Financial Ratios

	2020	2021	2022	2023	2024e	2025e	2026e
Efficiency of Capital Employment							
Operating Assets Turnover	5.4 x	4.8 x	4.3 x	5.7 x	5.6 x	5.9 x	6.0 x
Capital Employed Turnover	7.1 x	4.4 x	4.6 x	5.7 x	5.6 x	5.9 x	6.1 x
ROA	3.3 %	138.6 %	-98.6 %	-42.8 %	-10.2 %	3.6 %	21.3 %
Return on Capital							
ROCE (NOPAT)	4.1 %	64.2 %	n.a.	n.a.	n.a.	1.7 %	7.3 %
ROE	3.6 %	60.3 %	-27.0 %	-11.8 %	-4.4 %	1.4 %	7.2 %
Adj. ROE	-4.5 %	31.3 %	-5.5 %	-29.9 %	1.3 %	7.2 %	14.6 %
Balance sheet quality							
Net Debt	1.7	-2.3	-1.3	-0.1	0.6	0.6	0.4
Net Financial Debt	-2.3	-2.8	-1.4	-0.2	0.5	0.5	0.3
Net Gearing	38.3 %	-16.7 %	-11.4 %	-1.4 %	8.0 %	7.9 %	5.2 %
Net Fin. Debt / EBITDA	n.a.	n.a.	n.a.	n.a.	97.8 %	48.9 %	20.3 %
Book Value / Share	0.8	2.5	1.9	1.4	1.4	1.4	1.5
Book value per share ex intangibles	0.7	2.4	1.9	1.4	1.3	1.4	1.5

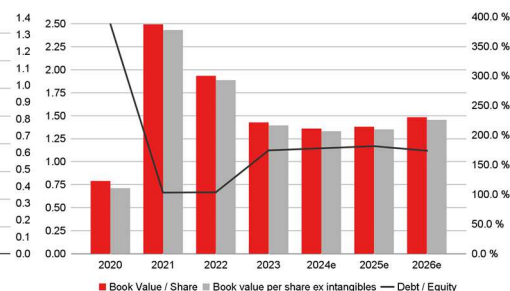
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

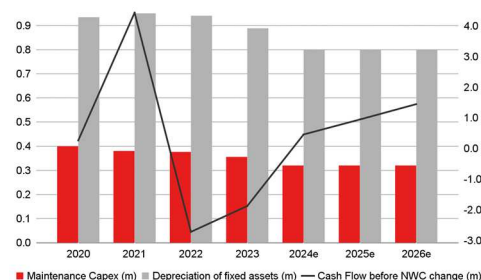
Consolidated cash flow statement

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Net income	0.2	5.4	-3.3	-1.1	-0.3	0.1	0.6
Depreciation of fixed assets	0.9	1.0	0.9	0.9	0.8	0.8	0.8
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	-0.3	-2.4	-2.1	-0.2	0.0	0.0	0.0
Other non-cash income and expenses	-0.5	0.5	1.8	-1.5	0.0	0.0	0.1
Cash Flow before NWC change	0.3	4.4	-2.7	-1.9	0.5	1.0	1.5
Increase / decrease in inventory	1.2	-1.0	0.1	-0.1	1.0	-0.8	-1.0
Increase / decrease in accounts receivable	0.0	-1.6	1.3	-0.9	0.9	-0.1	-0.1
Increase / decrease in accounts payable	0.9	-0.6	-0.1	3.0	-2.3	0.9	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)	2.2	-3.2	1.3	2.0	-0.4	-0.1	-0.4
Net cash provided by operating activities [1]	2.4	1.2	-1.4	0.1	0.1	0.9	1.1
Investments in intangible assets	0.0	0.0	0.0	0.0	0.1	0.1	0.1
Investments in property, plant and equipment	0.2	0.4	0.1	0.0	0.3	0.4	0.4
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	-0.4	-0.1	0.0	-0.4	-0.5	-0.5
Change in financial liabilities	-0.8	-0.4	-0.4	0.1	0.8	-0.4	-0.4
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	0.6	0.0	0.0	0.0	0.0
Other	0.0	0.0	-0.3	0.0	0.0	0.0	0.0
Net cash provided by financing activities [3]	-0.8	-0.4	-0.2	0.1	0.8	-0.4	-0.4
Change in liquid funds [1]+[2]+[3]	1.4	0.5	-1.7	0.1	0.5	0.0	0.2
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	2.3	2.8	1.4	1.3	1.8	1.8	2.0

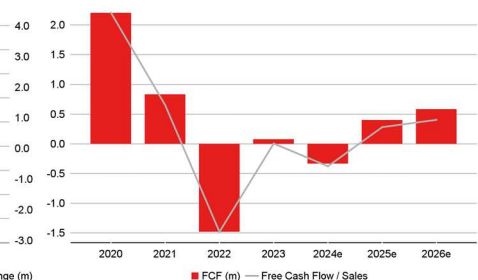
Financial Ratios

	2020	2021	2022	2023	2024e	2025e	2026e
Cash Flow							
FCF	2.2	0.8	-1.5	0.1	-0.3	0.4	0.6
Free Cash Flow / Sales	5.2 %	1.6 %	-3.2 %	0.2 %	-0.7 %	0.8 %	1.1 %
Free Cash Flow Potential	0.8	6.1	-2.8	-2.6	0.2	0.6	1.1
Free Cash Flow / Net Profit	1428.4 %	15.3 %	45.0 %	-7.1 %	96.7 %	362.1 %	99.2 %
Interest Received / Avg. Cash	0.3 %	0.2 %	0.2 %	0.3 %	0.3 %	0.2 %	0.2 %
Interest Paid / Avg. Debt	60.0 %	n.a.	n.a.	18.6 %	2.9 %	2.2 %	2.2 %
Management of Funds							
Investment ratio	0.5 %	0.7 %	0.1 %	0.0 %	0.9 %	1.0 %	0.9 %
Maint. Capex / Sales	0.9 %	0.8 %	0.8 %	0.8 %	0.7 %	0.6 %	0.6 %
Capex / Dep	23.9 %	37.4 %	6.3 %	1.8 %	50.0 %	62.5 %	62.5 %
Avg. Working Capital / Sales	18.6 %	15.8 %	21.0 %	19.1 %	16.6 %	15.9 %	15.2 %
Trade Debtors / Trade Creditors	18.2 %	38.1 %	34.6 %	29.4 %	25.0 %	23.1 %	22.2 %
Inventory Turnover	1.7 x	1.7 x	1.6 x	1.7 x	1.9 x	1.9 x	1.9 x
Receivables collection period (days)	11	16	14	19	11	11	11
Payables payment period (days)	122	100	87	128	87	95	99
Cash conversion cycle (Days)	108	137	157	103	112	106	102

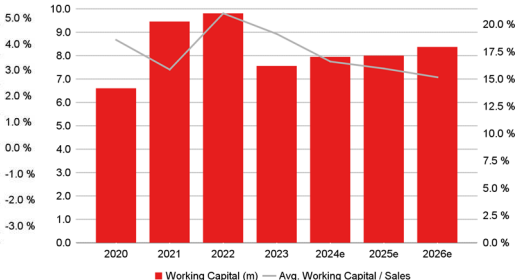
CAPEX and Cash Flow
in EUR m



Free Cash Flow Generation



Working Capital



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

LEGAL DISCLAIMER

This research report ("investment recommendation") was prepared by the Warburg Research GmbH, a fully owned subsidiary of the M.M.Warburg & CO (AG & Co.) KGaA and is passed on by the M.M.Warburg & CO (AG & Co.) KGaA. It is intended solely for the recipient and may not be passed on to another company without their prior consent, regardless of whether the company is part of the same corporation or not. It contains selected information and does not purport to be complete. The investment recommendation is based on publicly available information and data ("information") believed to be accurate and complete. Warburg Research GmbH neither examines the information for accuracy and completeness, nor guarantees its accuracy and completeness. Possible errors or incompleteness of the information do not constitute grounds for liability of M.M.Warburg & CO (AG & Co.) KGaA or Warburg Research GmbH for damages of any kind whatsoever, and M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH are not liable for indirect and/or direct and/or consequential damages. In particular, neither M.M.Warburg & CO (AG & Co.) KGaA nor Warburg Research GmbH are liable for the statements, plans or other details contained in these investment recommendations concerning the examined companies, their affiliated companies, strategies, economic situations, market and competitive situations, regulatory environment, etc. Although due care has been taken in compiling this investment recommendation, it cannot be excluded that it is incomplete or contains errors. M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH, their shareholders and employees are not liable for the accuracy and completeness of the statements, estimations and the conclusions derived from the information contained in this investment recommendation. Provided a investment recommendation is being transmitted in connection with an existing contractual relationship, i.e. financial advisory or similar services, the liability of M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH shall be restricted to gross negligence and wilful misconduct. In case of failure in essential tasks, M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH are liable for normal negligence. In any case, the liability of M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH is limited to typical, expectable damages. This investment recommendation does not constitute an offer or a solicitation of an offer for the purchase or sale of any security. Partners, directors or employees of M.M.Warburg & CO (AG & Co.) KGaA, Warburg Research GmbH or affiliated companies may serve in a position of responsibility, i.e. on the board of directors of companies mentioned in the report. Opinions expressed in this investment recommendation are subject to change without notice. The views expressed in this research report accurately reflect the research analyst's personal views about the subject securities and issuers. Unless otherwise specified in the research report, no part of the research analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in the research report. All rights reserved.

COPYRIGHT NOTICE

This work including all its parts is protected by copyright. Any use beyond the limits provided by copyright law without permission is prohibited and punishable. This applies, in particular, to reproductions, translations, microfilming, and storage and processing on electronic media of the entire content or parts thereof.

DISCLOSURE ACCORDING TO §85 OF THE GERMAN SECURITIES TRADING ACT (WPHG), MAR AND MIFID II INCL. COMMISSION DELEGATED REGULATION (EU) 2016/958 AND (EU) 2017/565

The valuation underlying the investment recommendation for the company analysed here is based on generally accepted and widely used methods of fundamental analysis, such as e.g. DCF Model, Free Cash Flow Value Potential, NAV, Peer Group Comparison or Sum of the Parts Model (see also <http://www.mmwarburg.de/disclaimer/disclaimer.htm#Valuation>). The result of this fundamental valuation is modified to take into consideration the analyst's assessment as regards the expected development of investor sentiment and its impact on the share price.

Independent of the applied valuation methods, there is the risk that the price target will not be met, for instance because of unforeseen changes in demand for the company's products, changes in management, technology, economic development, interest rate development, operating and/or material costs, competitive pressure, supervisory law, exchange rate, tax rate etc. For investments in foreign markets and instruments there are further risks, generally based on exchange rate changes or changes in political and social conditions.

This commentary reflects the opinion of the relevant author at the point in time of its compilation. A change in the fundamental factors underlying the valuation can mean that the valuation is subsequently no longer accurate. Whether, or in what time frame, an update of this commentary follows is not determined in advance.

Additional internal and organisational arrangements to prevent or to deal with conflicts of interest have been implemented. Among these are the spatial separation of Warburg Research GmbH from M.M.Warburg & CO (AG & Co.) KGaA and the creation of areas of confidentiality. This prevents the exchange of information, which could form the basis of conflicts of interest for Warburg Research GmbH in terms of the analysed issuers or their financial instruments.

The analysts of Warburg Research GmbH do not receive a gratuity – directly or indirectly – from the investment banking activities of M.M.Warburg & CO (AG & Co.) KGaA or of any company within the Warburg-Group.

All prices of financial instruments given in this investment recommendation are the closing prices on the last stock-market trading day before the publication date stated, unless another point in time is explicitly stated.

M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH are subject to the supervision of the Federal Financial Supervisory Authority, BaFin. M.M.Warburg & CO (AG & Co.) KGaA is additionally subject to the supervision of the European Central Bank (ECB).

SOURCES

All **data and consensus estimates** have been obtained from FactSet except where stated otherwise.

The **Warburg ESG Risk Score** is based on information © 2020 MSCI ESG Research LLC. Reproduced by permission. Although Warburg Research's information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the "ESG Parties"), obtain information (the "Information") from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The Information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for, or a component, of any financial instruments or products indices. Further, none of the Information can in and of itself be used to determine which securities to buy or sell or when to buy or sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect, special, punitive, consequential or any other damage (including lost profits) even if notified of the possibility.

Additional information for clients in the United States

1. This research report (the "Report") is a product of Warburg Research GmbH, Germany, a fully owned subsidiary of M.M.Warburg & CO (AG & Co.) KGaA, Germany (in the following collectively "Warburg"). Warburg is the employer of the research analyst(s), who have prepared the Report. The research analyst(s) reside outside the United States and are not associated persons of any U.S. regulated broker-dealer and therefore are not subject to the supervision of any U.S. regulated broker-dealer.
2. The Report is provided in the United States for distribution solely to "major U.S. institutional investors" under Rule 15a-6 of the U.S. Securities Exchange Act of 1934 by CIC.
3. CIC (Crédit Industriel et Commercial) and M.M. Warburg & CO have concluded a Research Distribution Agreement that gives CIC Market Solutions exclusive distribution in France, the US and Canada of the Warburg Research GmbH research product.
4. The research reports are distributed in the United States of America by CIC ("CIC") pursuant to a SEC Rule 15a-6 agreement with CIC Market Solutions Inc ("CICI"), a U.S. registered broker-dealer and a related company of CIC, and are distributed solely to persons who qualify as "Major U.S. Institutional Investors" as defined in SEC Rule 15a-6 under the Securities Exchange Act of 1934.
5. Any person who is not a Major U.S. Institutional Investor must not rely on this communication. The delivery of this research report to any person in the United States of America is not a recommendation to effect any transactions in the securities discussed herein, or an endorsement of any opinion expressed herein.

Reference in accordance with section 85 of the German Securities Trading Act (WpHG) and Art. 20 MAR regarding possible conflicts of interest with companies analysed:

- 1- Warburg Research, or an affiliated company, or an employee of one of these companies responsible for the compilation of the research, hold a **share of more than 5%** of the equity capital of the analysed company.
- 2- Warburg Research, or an affiliated company, within the last twelve months participated in the **management of a consortium** for an issue in the course of a public offering of such financial instruments, which are, or the issuer of which is, the subject of the investment recommendation.
- 3- Companies affiliated with Warburg Research **manage financial instruments**, which are, or the issuers of which are, subject of the investment recommendation, in a market based on the provision of buy or sell contracts.
- 4- MMWB, Warburg Research, or an affiliated company, reached an agreement with the issuer to provide **investment banking and/or investment services** and the relevant agreement was in force in the last 12 months or there arose for this period, based on the relevant agreement, the obligation to provide or to receive a service or compensation - provided that this disclosure does not result in the disclosure of confidential business information.
- 5- The company compiling the analysis or an affiliated company had reached an **agreement on the compilation of the investment recommendation** with the analysed company.
- 6a- Warburg Research, or an affiliated company, holds a **net long position of more than 0.5%** of the total issued share capital of the analysed company.
- 6b- Warburg Research, or an affiliated company, holds a **net short position of more than 0.5%** of the total issued share capital of the analysed company.
- 6c- The issuer holds shares of more than 5% of the total issued capital of Warburg Research or an affiliated company.
- 7- The company preparing the analysis as well as its affiliated companies and employees have **other important interests** in relation to the analysed company, such as, for example, the exercising of mandates at analysed companies.

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

INVESTMENT RECOMMENDATION

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

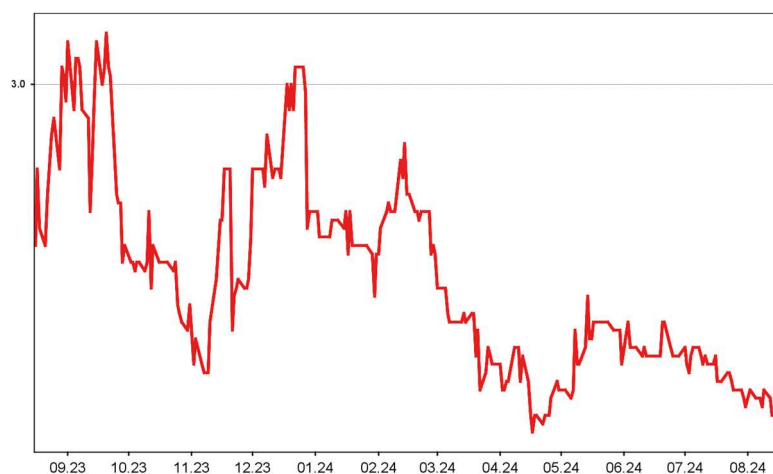
Rating	Number of stocks	% of Universe
Buy	141	70
Hold	43	21
Sell	11	5
Rating suspended	6	3
Total	201	100

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	41	75
Hold	10	18
Sell	2	4
Rating suspended	2	4
Total	55	100

PRICE AND RATING HISTORY ELUMEO AS OF 15.08.2024



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.

EQUITIES

Matthias Rode +49 40 3282-2678
Head of Equities mrode@mmwarburg.com

RESEARCH

Michael Heider +49 40 309537-280
Head of Research mheider@warburg-research.com

Henner Rüschemeyer +49 40 309537-270
Head of Research hrueschmeier@warburg-research.com

Stefan Augustin +49 40 309537-168
Cap. Goods, Engineering saugustin@warburg-research.com

Jan Bauer +49 40 309537-155
Renewables jbauer@warburg-research.com

Christian Cohrs +49 40 309537-175
Industrials & Transportation ccohrs@warburg-research.com

Dr. Christian Ehmann +49 40 309537-167
BioTech, Life Science cehmann@warburg-research.com

Felix Ellmann +49 40 309537-120
Software, IT fellmann@warburg-research.com

Jörg Philipp Frey +49 40 309537-258
Retail, Consumer Goods jfrey@warburg-research.com

Marius Fuhrberg +49 40 309537-185
Financial Services mfuhrberg@warburg-research.com

Fabio Hölscher +49 40 309537-240
Automobiles, Car Suppliers fhoelscher@warburg-research.com

Philipp Kaiser +49 40 309537-260
Real Estate, Construction pkaiser@warburg-research.com

Thilo Kleibauer +49 40 309537-257
Retail, Consumer Goods tkleibauer@warburg-research.com

Hannes Müller +49 40 309537-255
Software, IT hmueller@warburg-research.com

Andreas Pläsier +49 40 309537-246
Banks, Financial Services aplaesier@warburg-research.com

Malte Schaumann +49 40 309537-170
Technology mschaumann@warburg-research.com

Oliver Schwarz +49 40 309537-250
Chemicals, Agriculture oschwarz@warburg-research.com

Simon Stippig +49 40 309537-265
Real Estate, Telco sstippig@warburg-research.com

Marc-René Tonn +49 40 309537-259
Automobiles, Car Suppliers mtonn@warburg-research.com

Robert-Jan van der Horst +49 40 309537-290
Technology rvanderhorst@warburg-research.com

Andreas Wolf +49 40 309537-140
Software, IT awolf@warburg-research.com

INSTITUTIONAL EQUITY SALES

Klaus Schilling +49 69 5050-7400
Head of Equity Sales, Germany kschilling@mmwarburg.com

Tim Beckmann +49 40 3282-2665
United Kingdom tbeckmann@mmwarburg.com

Jens Buchmüller +49 69 5050-7415
Scandinavia, Austria jbuchmueller@mmwarburg.com

Matthias Fritsch +49 40 3282-2696
United Kingdom, Ireland mfritsch@mmwarburg.com

Rudolf Alexander Michaelis +49 40 3282-2649
Germany rmichaelis@mmwarburg.com

Roman Alexander Niklas +49 69 5050-7412
Switzerland, Poland rniklas@mmwarburg.com

Sascha Propp +49 40 3282-2656
France spropp@mmwarburg.com

Antonia Möller +49 69 5050-7417
Roadshow/Marketing amoeller@mmwarburg.com

Charlotte Wernicke +49 40 3282-2669
Roadshow/Marketing cwernicke@mmwarburg.com

Juliane Niemann +49 40 3282-2694
Roadshow/Marketing jniemann@mmwarburg.com

SALES TRADING

Oliver Merckel +49 40 3282-2634
Head of Sales Trading omerckel@mmwarburg.com

Rico Müller +49 40 3282-2685
Sales Trading rmueller@mmwarburg.com

Bastian Quast +49 40 3282-2701
Sales Trading bquast@mmwarburg.com

DESIGNATED SPONSORING

Marcel Magiera +49 40 3282-2662
Designated Sponsoring mmagiera@mmwarburg.com

Sebastian Schulz +49 40 3282-2631
Designated Sponsoring sschulz@mmwarburg.com

Jörg Treptow +49 40 3282-2658
Designated Sponsoring jtreptow@mmwarburg.com

MACRO RESEARCH

Carsten Klude +49 40 3282-2572
Macro Research cklude@mmwarburg.com

Dr. Christian Jasperneite +49 40 3282-2439
Investment Strategy cjasperneite@mmwarburg.com

Our research can be found under:

Warburg Research research.mmwarburg.com/en/index.html
Bloomberg RESP MMWA GO
FactSet www.factset.com

LSEG www.lseg.com
Capital IQ www.capitaliq.com

For access please contact:

Andrea Schaper +49 40 3282-2632
Sales Assistance aschaper@mmwarburg.com

Kerstin Muthig +49 40 3282-2703
Sales Assistance kmuthig@mmwarburg.com