



# German Equity Forum 2011

## *aap* Implantate AG

Biense Visser, CEO  
Marek Hahn, CFO

November 23, 2011

## Safe Harbor Statement

*Our publication may include predictions, estimates or other information that might be considered forward-looking. While these forward-looking statements represent our current judgment on what the future holds, they are subject to risks and uncertainties that could cause actual results to differ materially. You are cautioned not to place undue reliance on these forward-looking statements, which reflect our opinions only as of the date of this presentation. Please keep in mind that we are not obligating ourselves to revise or publicly release the results of any revision to these forward-looking statements in light of new information or future events. Throughout today's discussion, we will attempt to present some important factors relating to our business that may affect our predictions.*

## aap Overview

- German based and listed international MedTech company,
  - WKN: 506660, Prime Standard, public since 1999
  - Market Cap: approx. €28 million (as of 10/2011)
- Strategy: Profitable growth with IP-protected products under own label; Focus on Trauma and Cement & Cementing Techniques
- Sites in Germany (Berlin and Dieburg) and The Netherlands (Nijmegen), 249 employees (as of 30/09/2011)
- Transformation from a highly diversified Healthcare company (2007) to a focused Medical Technology company
- Goals 2011: Sales growth on product level of 6%-8% , 2 license deals, Break even/positive Cash-EBIT\*, Extending US-business, International launch of the LOQTEQ® product line

\*Cash-EBIT: EBIT excluding internally produced and capitalized assets and depreciation of them

# Latest-News

## Center of Excellence for

Trauma	Cement and Cementing Techniques	Contract Manufacturing
<ul style="list-style-type: none"> <li>• Sales increase in 2011 of 8% (YTD 9M/2011)</li> <li>• International launch of LOQTEQ®</li> <li>• Reinforcing sales- and marketing-staff for strengthening (inter)national marketing power</li> </ul>	<ul style="list-style-type: none"> <li>• Sales increase in 2011 of 19% (YTD 9M/2011)</li> <li>• Discharged from a €30 million law suit</li> <li>• New development agreement under negotiation</li> </ul>	<ul style="list-style-type: none"> <li>• Extending a contract with existing customer</li> <li>• Signed two new contracts in Biomaterial segment</li> <li>• Positive outcome of FDA-Inspection</li> <li>• Merging of two legal entities with EMCM</li> </ul>

# Product Focus



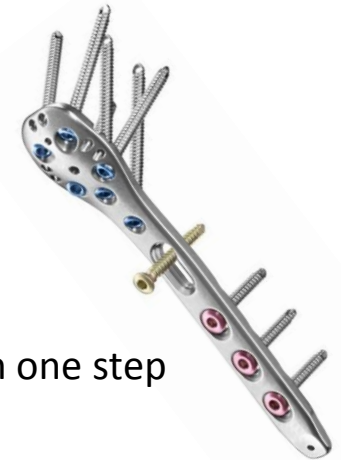
Trauma

Cement & Cementing Techniques

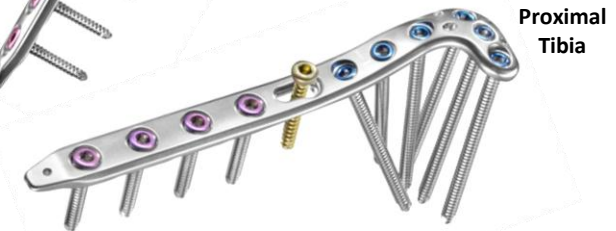
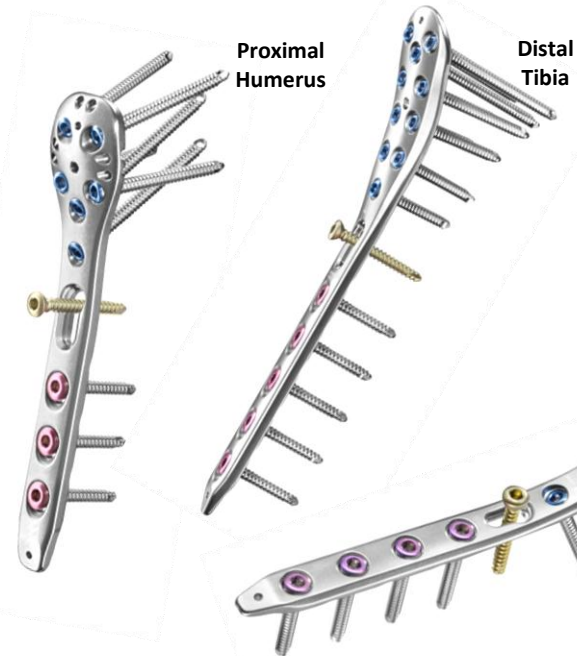
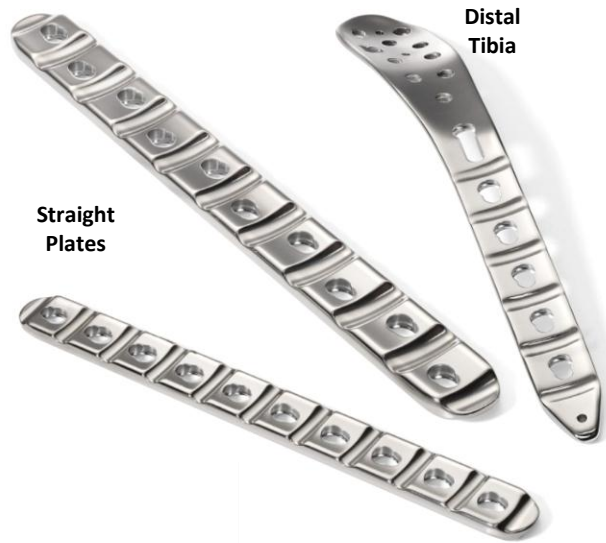


## aap's Anatomical Plating System with Locking-Compression-Technology

- Locking-Compression Technology
  - IP protected: issued and pending European, worldwide
  - Compression and angular stability in one hole with one screw in one step
  - New compact fixation technology with cone and thread
  - Non-locking screw fixation with variable axis (+/- 15°)
- Anatomical Plating System
  - State of the Art Anatomical Plating System for diverse anatomical regions and extremities
  - Optimal state of art design of the anatomical plates: variable compression, minor contact, six lobe screw, reduced screw head design
- Product Development and Launch
  - Benchmarking against the market leader (Synthes' LCP)
  - Developed by leading trauma experts
  - Launch of the main system in Q4 2011



## Locking-Compression Technology



→ Currently we cover 70% of the major occurring indications

# Snapshot of Transformation

Strategy point of view : FOCUS on core business				
	2008	2009	2010	2011
Dental	+			
Analytics	+			
Medical Aesthetics	+			
Recon	+	+	+	(+)
Trauma	+	+	+	+
Cement & Cementing Techniques	+	+	+	+

Efficiency point of view				
	2008	2009	2010	2011 LE
Number of Sites	6	5	4	3
Legal Entities	11	10	7	5
Employees (Heads)	315	242	256	249
Sales (Products) /FTE*	€114k	€110k	€117k	€124k
EBITDA (Products) /FTE*	€13k	€5k	€12k	€16k

\*Full-time-equivalents excluding Analytics business

# Snapshot of Transformation

<b>Profit &amp; Loss point of view</b>					
<b>in € million</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011 LE</b>	<b>Q1-Q3/2011</b>
Product sales*	29.5	25.8	27.5	29.2	21.0
EBITDA (products)*	3.4	1.2	2.8	3.7	2.9
Cash-EBIT (products)*	-6.6	-3.7	-2.2	0	-0.6

- Figures adjusted: 2008, 2009 & 2010 excluding effects of Analytics segment and project business

<b>Balance Sheet point of view</b>				
<b>in € million</b>	<b>12/31/2008</b>	<b>12/31/2009</b>	<b>12/31/2010</b>	<b>09/30/2011</b>
Equity (ratio)	41.3 (62%)	44.7 (71%)	44.9 (70%)	48.1 (73%)
Net debt	13.2	7.6	9.3	7.2
DCR rolling (last 4 quarters)	3.6	1.2	2.7	2.5
ICR rolling (last 4 quarters)	4.0	7.7	6.1	5.4
Balance Sheet Total	67.0	62.7	63.6	66.1

# aap – World Class Products

**Global Ortho/Spine League**

2004

**Global Ortho/Spine League**

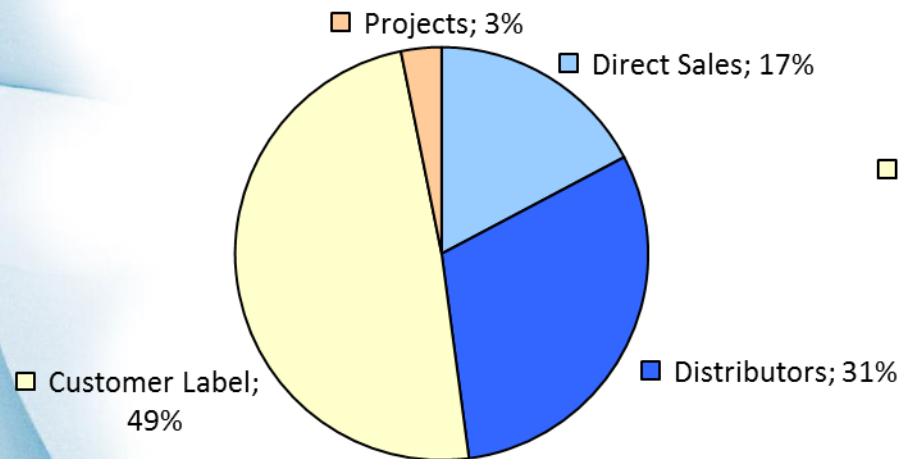
2011

→ aap develops and supplies products of world class standard - both in Cement and Trauma

# Sales by Distribution Channels

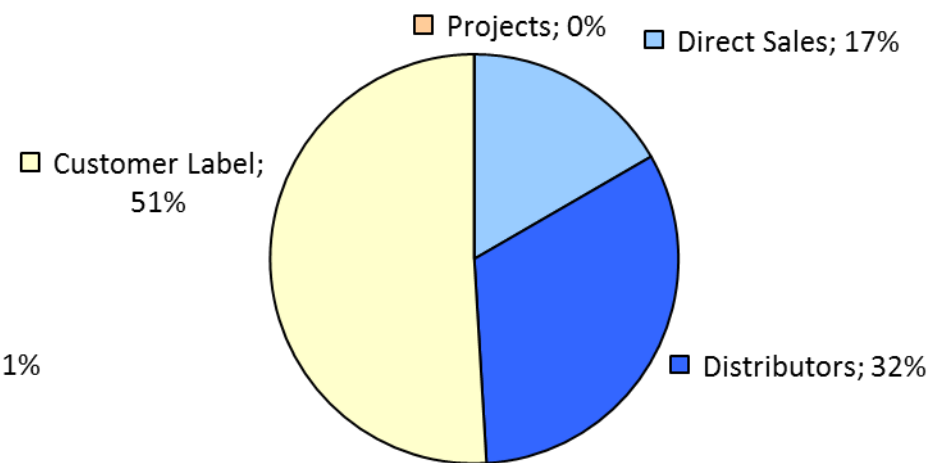
2010

Total sales: €28.4 million

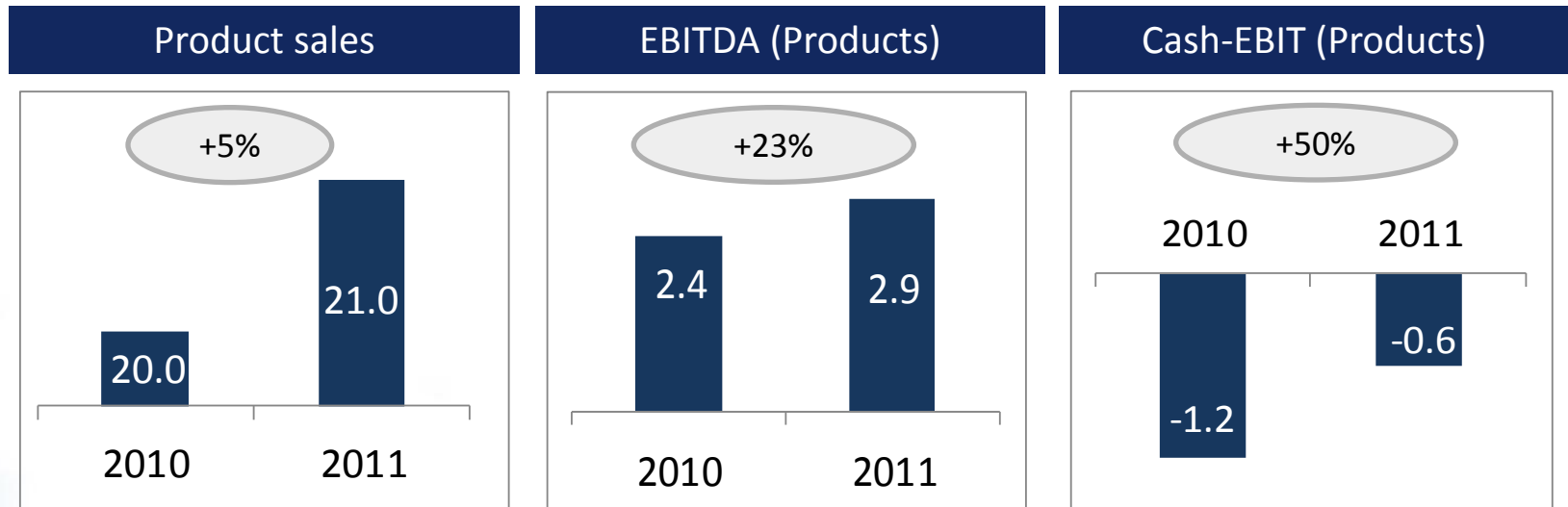


9M 2011

Total sales: €21.0 million



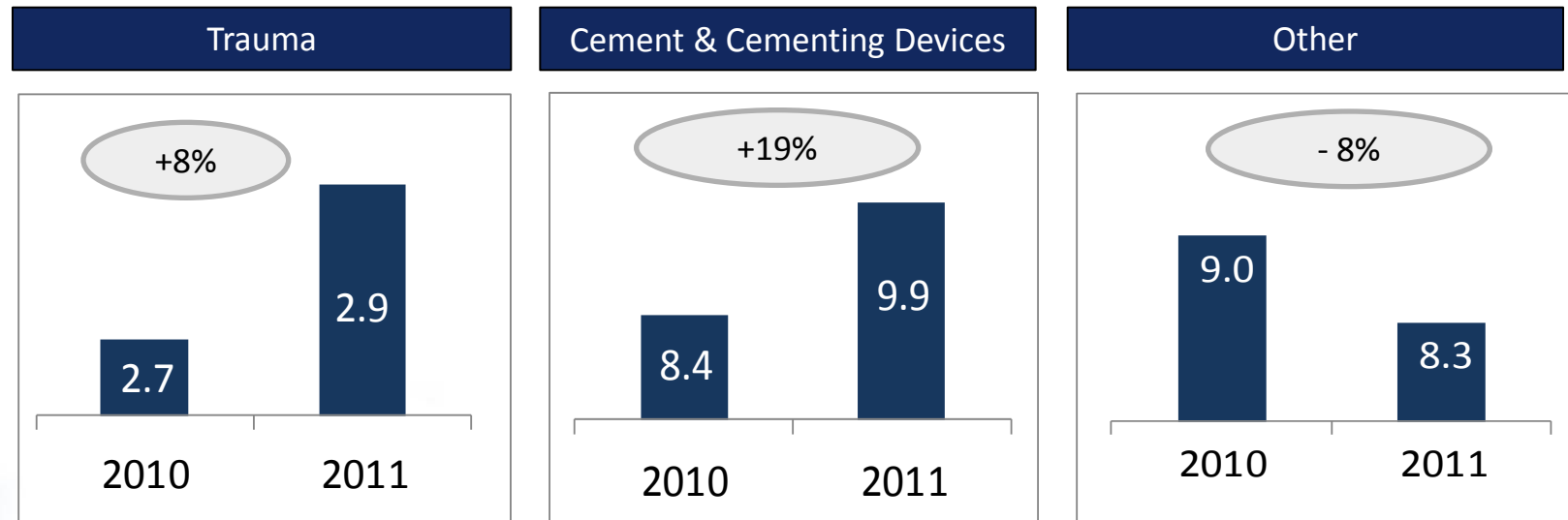
# Performance Figures Q1-Q3/2011 €million



- Growth in Core Business (Cement and Cementing Techniques, Trauma and Biomaterials)

- Profitable Growth
- Positive development Cash-EBIT in Core Business

# Strong Sales Growth in Core Business (Q1-Q3/2011 €million)



# Analyst Opinion

## aap Implantate

Reuters: AAQG.DE

Bloomberg: AAQ GY

Year *	Sales		Adj. IFRS- Earnings per sh.		Cash flow per share		PER	PCF	Dividend per share
	EUR m		EUR		EUR				
2010	28.4	(28.4)	0.00	(0.00)	0.10	(0.10)	n.a.	10.9	0.00
2011e	29.3	(31.3)	0.03	(0.04)	0.12	(0.14)	34.3	7.4	0.00
2012e	32.3	(34.3)	0.04	(0.05)	0.13	(0.15)	24.8	6.9	0.00
2013e	36.1	(38.3)	0.07	(0.09)	0.17	(0.18)	13.2	5.4	0.00

\* Fiscal year end December – In brackets: Figures from the last publication

Analyst: Michael Bissinger

Rating History	
Date	Recommendation
Since March 31, 2010	Buy
April 29, 2009	Hold
September 2, 2008	Buy

EQUITIES	
Flash	
10 Nov 2011	
<b>Buy</b> (prev. Buy)	
Closing price 9 Nov 2011	
(in EUR):	0.90
Fair value:	1.10 (prev. 1.20)

Source: Research Report 10/11/2011 by

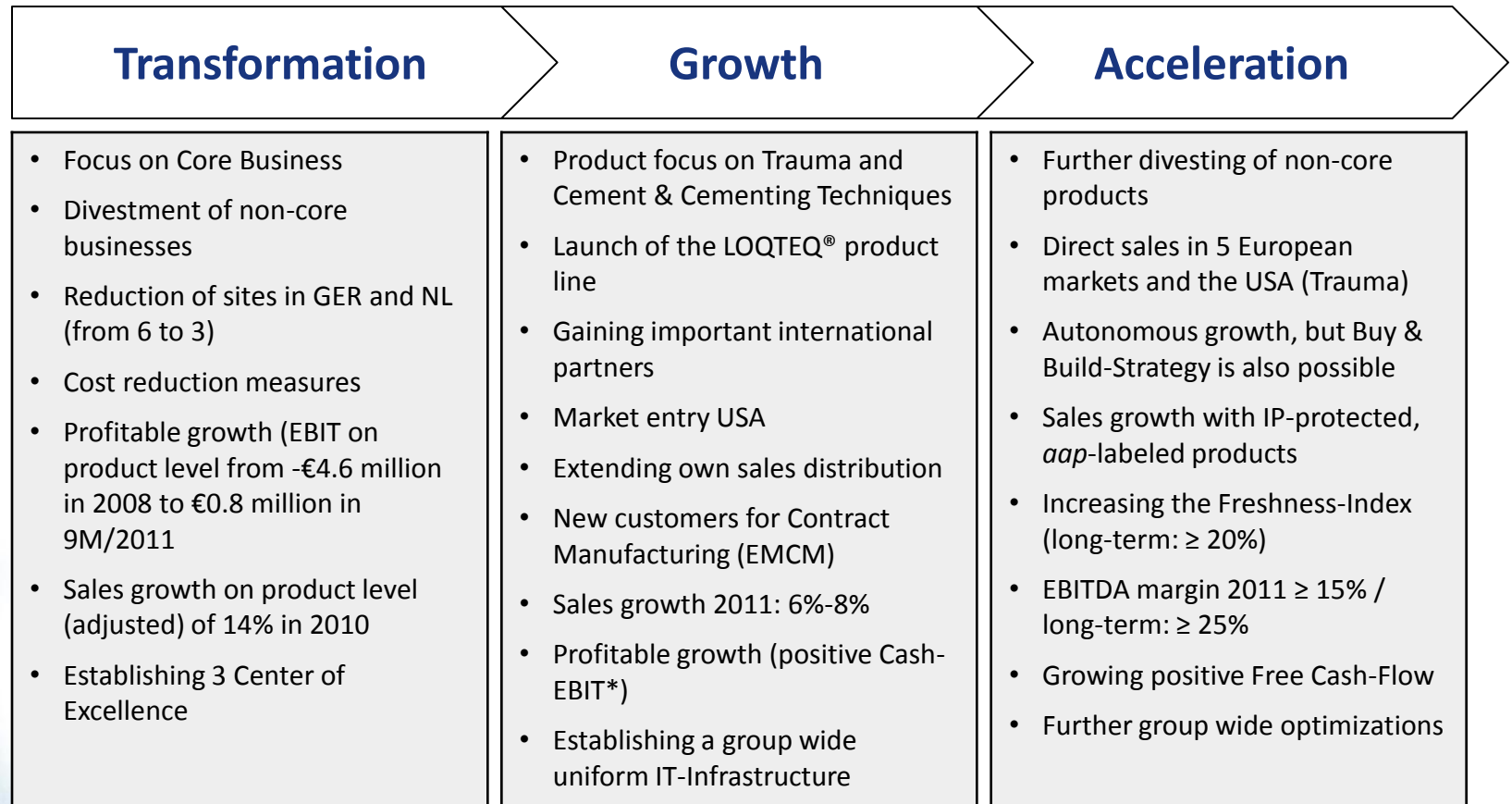
# Stockholder Structure

direct and indirect, according to our information

	<u>30.09.2011</u>	<u>31.12.2010</u>
	<b>Capital Stock: 30.670.056</b>	<b>Capital Stock: 27.881.870</b>
Elocin B.V.	20.89%	14.05%
Noes Beheer B.V.	17.82%	19.60%
Jürgen W. Krebs	11.70%	11.79%
Deepblue Holding AG	5.29%	5.82%
Other Investors with a close relationship to <i>aap</i>	approx. 10%	approx. 10%
Total (Holdings of Investors close to <i>aap</i> )	approx. 65%	approx. 61%
Free-Float*	44.31%	48.74%

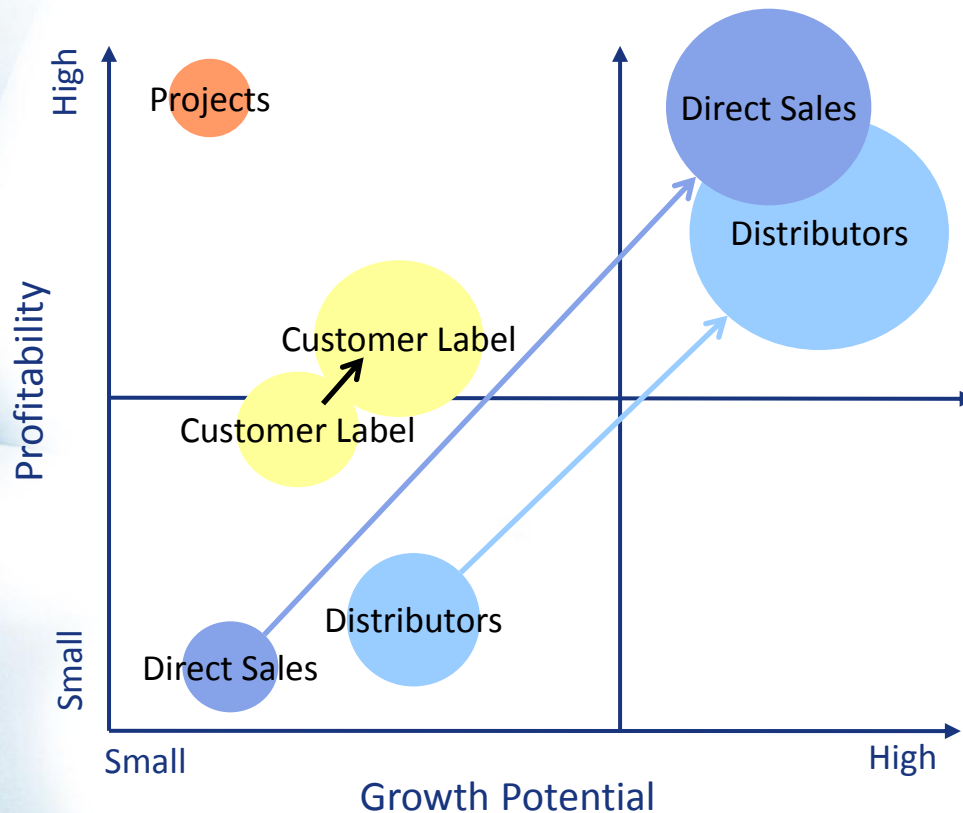
\* According to Deutsche Börse

# Past and Future



\*Cash-EBIT: EBIT excluding internally produced and capitalized assets and depreciation of them

# Growth Drivers by Distribution Channel



Direct Sales/ Distributors	<u>Markets:</u> DACH, BRICS, USA <u>Products:</u> Trauma (LOQTEQ®), Infection Care, Vertebroplasty & Kyphoplasty
Customer Label	<u>Market:</u> USA <u>Products:</u> Bone Cement & Cementing Techniques

→ Growth mainly driven by sales of *aap*-labeled products

Thank you for your Attention



# Contact

*aap* Implantate AG

Lorenzweg 5

12099 Berlin

Marc Heydrich

Investor Relations

Tel.: +49 30 750 19 – 134

Fax: +49 30 750 19 – 290

E-Mail: [ir@aap.de](mailto:ir@aap.de)

Website *aap*: [www.aap.de](http://www.aap.de)