

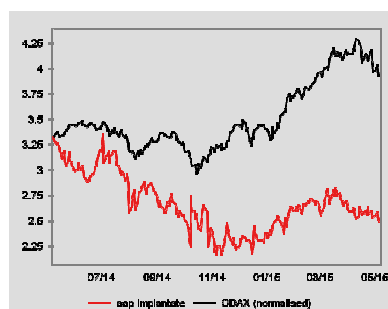
<b>Buy</b> <b>EUR 3.40</b>  Price <b>EUR 2.49</b> Upside <b>36.5 %</b>	<b>Value Indicators:</b> EUR DCF: 3.33 SotP: 3.89 Peer Group: 4.58	<b>Share data:</b> Bloomberg: AAQ GR Reuters: AAQG.DE ISIN: DE0005066609	<b>Description:</b> Producer of implants and biomaterials to mend broken bones
	<b>Market Snapshot:</b> EUR m Market cap: 76.4 No. of shares (m): 30.7 EV: 58.0 Freefloat MC: 22.3 Ø Trad. Vol. (30d; EUR): 32.99 th	<b>Shareholders:</b> Freefloat: 29.2 % Noes de Vries: 14.7 % Jürgen W. Krebs: 12.6 % Ratio Capital: 8.2 % Fidelity Funds: 5.5 %	<b>Risk Profile (WRe):</b> 2014e Beta: 1.5 Price / Book: 1.6 x Equity Ratio: 81 %

## Preview: Strong preliminary sales reported - eyes on earnings

Friday, May 15: Q1 final figures

Expected Figures Q1/2015:				Comment on Figures:			
FY End: 31.12. in EUR m	Q1 15e	Q1 14	yoy	15e	14	yoy	
Sales	7.1	7.1	0 %	33.4	31.7	5 %	<ul style="list-style-type: none"> <li>Preliminary sales figures were reported and showed a strong improvement. Last year's sales of EUR 7.1m include EUR 1m from the divested Dutch subsidiary EMCM (sold in Q1 14) – continued operations EUR 6.1m (+16% yoy)</li> <li>Q1 '15 sales were driven by LOQTEQ (+45% yoy) and a surprisingly strong sales increase in the Biomaterials business (+23% yoy)</li> <li>However, earnings are expected to be burdened by costs regarding the preparations for the divestment of the Biomaterials business, which in the end did not take place.</li> </ul>
EBITDA	0.1	0.1	22 %	2.7	2.4	12 %	
Margin	2.0 %	1.6 %		8.0 %	7.5 %		
EBIT	-0.5	-0.4	n.a.	0.2	0.1	300 %	
Margin	-6.5 %	-5.8 %		0.7 %	0.2 %		
EPS	-0.01	-0.01	n.a.	0.00	-0.01	n.a.	

- aap will report Q1 results on Friday, May 15, followed by a conference call.
- Preliminaries were reported already and hence, focus will rest on earnings and Q2 guidance.
- An EBITDA of EUR 0.1m is expected due to costs (c. EUR 0.4m WRe) related to entering new markets with the LOQTEQ product (e.g. Brazil and US) and as the preparation of the divestment of the Biomaterials business should burden the EBITDA.
- However, the divestment of the subsidiary aap Biomaterials was stopped shortly before completion. Management aimed to finish the transaction within the first quarter of 2015, but aap's final transaction conditions could not be met. Given that management confirmed it was not under pressure to sell the subsidiary, it is expected that the strong cashflow-generating Biomaterials business will now support the roll-out of LOQTEQ.
- Nevertheless, quarterly figures play a minor roll at aap as the growth strategy can cause a distinct fluctuation within a fiscal year.



**Rel. Performance vs CDAX:**

1 month:	0.8 %
6 months:	-11.6 %
Year to date:	-10.9 %
Trailing 12 months:	-43.1 %

**Company events:**

15.05.15	Q1
12.06.15	AGM
14.08.15	Q2
13.11.15	Q3

FY End: 31.12. in EUR m	CAGR (14-16e)	2010	2011	2012	2013	2014e	2015e	2016e
Sales	9.2 %	28.4	29.2	36.4	40.0	31.7	33.4	37.8
Change Sales yoy		-14.1 %	2.7 %	24.7 %	9.8 %	-20.7 %	5.5 %	13.1 %
Gross profit margin		81.0 %	85.3 %	78.4 %	72.7 %	71.0 %	73.0 %	73.5 %
EBITDA	10.7 %	3.4	4.1	7.1	7.4	2.9	2.7	3.6
Margin		12.1 %	14.1 %	19.6 %	18.4 %	9.3 %	8.0 %	9.5 %
EBIT	94.8 %	0.7	1.2	3.2	-2.1	0.3	0.2	1.0
Margin		2.5 %	4.0 %	8.8 %	-5.3 %	0.8 %	0.7 %	2.5 %
Net income	50.6 %	0.0	0.4	2.4	-2.5	0.2	0.1	0.5
EPS	41.4 %	0.00	0.01	0.08	-0.08	0.01	0.00	0.02
DPS	-	0.00	0.00	0.00	0.00	0.00	0.00	0.01
Dividend Yield		0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.4 %
FCFPS		-0.06	-0.03	0.10	-0.11	0.14	-0.02	-0.03
EV / Sales		1.5 x	1.2 x	0.9 x	1.2 x	1.8 x	1.7 x	1.5 x
EV / EBITDA		12.8 x	8.7 x	4.8 x	6.6 x	19.5 x	21.6 x	16.2 x
EV / EBIT		61.3 x	30.8 x	10.7 x	n.a.	226.4 x	241.6 x	60.8 x
P / E		n.a.	96.9 x	12.5 x	n.a.	249.0 x	n.a.	124.5 x
FCF Yield Potential		7.5 %	2.6 %	11.0 %	8.6 %	0.1 %	0.1 %	0.6 %
Net Debt		9.1	7.1	3.9	3.3	-19.0	-18.3	-17.9
ROE		0.1 %	0.8 %	4.9 %	-4.9 %	0.4 %	0.3 %	0.9 %
ROCE (NOPAT)		0.4 %	1.4 %	5.2 %	-4.3 %	0.3 %	0.3 %	1.3 %
Guidance:		Guidance 2015: Revenue EUR 33-35m - EBITDA EUR 2.5-3.5m						

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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
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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-	<b>Buy:</b>	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	<b>Hold:</b>	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-S-	<b>Sell:</b>	The price of the analysed financial instrument is expected to fall over the next 12 months.
“-“	<b>Rating suspended:</b>	The available information currently does not permit an evaluation of the company.

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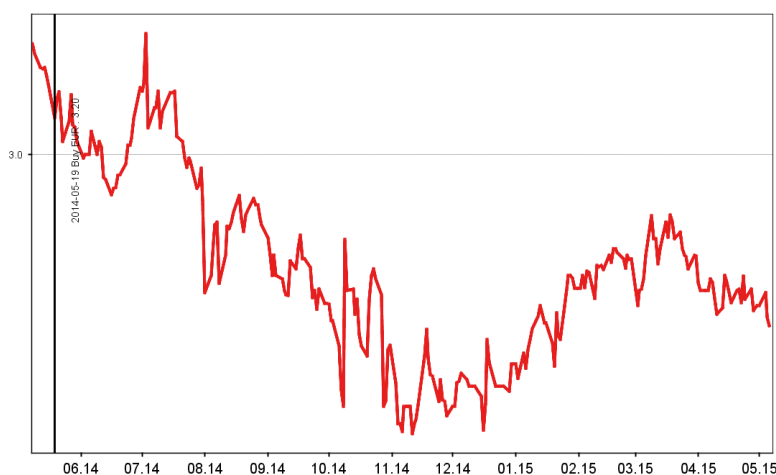
Rating	Number of stocks	% of Universe
Buy	99	54
Hold	72	39
Sell	8	4
Rating suspended	4	2
<b>Total</b>	<b>183</b>	<b>100</b>

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... Looking only at companies for which a disclosure according to § 34b of the Germany Securities Trading Act and the FinAnV has to be made.

Rating	Number of stocks	% of Universe
Buy	81	59
Hold	48	35
Sell	5	4
Rating suspended	3	2
<b>Total</b>	<b>137</b>	<b>100</b>

**PRICE AND RATING HISTORY AAP IMPLANTATE AS OF 07.05.2015**



The chart has markings if Warburg Research GmbH changed its rating in the last 12 months. Every marking represents the date and closing price on the day of the rating change.

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