

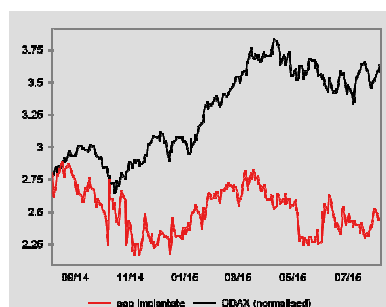
<b>Buy</b> <b>EUR 3.40</b>  Price <b>EUR 2.45</b> Upside <b>39.1 %</b>	<b>Value Indicators:</b> EUR DCF: 3.30 SotP: 3.09 Peer Group: 4.18	<b>Share data:</b> Bloomberg: AAQ GR Reuters: AAQG.DE ISIN: DE0005066609	<b>Description:</b> Producer of implants and biomaterials to mend broken bones
	<b>Market Snapshot:</b> EUR m Market cap: 75.0 No. of shares (m): 30.7 EV: 68.1 Freefloat MC: 32.5 Ø Trad. Vol. (30d): 37.51 th	<b>Shareholders:</b> Freefloat 43.3 % Jürgen W. Krebs 12.7 % Noes Beheer B.V. 10.9 % Ratio Capital 8.2 % Taaleritehdas 6.4 %	<b>Risk Profile (WRe):</b> 2015e Beta: 1.5 Price / Book: 1.6 x Equity Ratio: 78 %

**Preview: Preliminary sales figures surprised; Eyeing earnings**

Friday, August 14: Q2 report

<b>Expected Figures Q2/2015:</b>							<b>Comment on Figures:</b>						
FY End: 31.12. in EUR m	<b>Q2 15e</b>	Q2 14	yoy	<b>6M 15e</b>	6M 14	yoy	<ul style="list-style-type: none"> <li>Preliminary sales figures exceeded the guidance. The yoy decline in Q2 is mainly explained by quarterly fluctuation in the Biomaterial segment.</li> <li>Furthermore, last year's H1 sales were still positively impacted by the Dutch subsidiary EMCM (sold in February 2014). Therefore sales are down by 10% in a yoy comparison.</li> <li>Stronger than expected sales should see earnings slightly exceed the upper end of guidance. An EBITDA of EUR -1.5m to -1.0m was forecast for Q2 '15. (EUR -0.9m WRe)</li> <li>As generally expected for 2015, depreciation is assumed to increase slightly as already seen in Q1. aap made several investments in production capacities to prepare for the roll-out of LOQTEQ. EBIT is assumed to stand at EUR -1.6m.</li> </ul>						
<b>Sales</b>	<b>6.5</b>	8.1	-20 %	<b>13.6</b>	15.2	-10 %							
<b>EBITDA</b>	<b>-0.9</b>	1.5	n.a.	<b>-0.7</b>	1.6	n.a.							
<i>Margin</i>	<i>-14.0 %</i>	<i>18.7 %</i>		<i>-5.2 %</i>	<i>10.7 %</i>								
<b>EBIT</b>	<b>-1.6</b>	1.0	n.a.	<b>-2.0</b>	0.6	n.a.							
<i>Margin</i>	<i>-24.2 %</i>	<i>11.9 %</i>		<i>-14.7 %</i>	<i>3.6 %</i>								
<b>EPS</b>	<b>-0.05</b>	0.03	n.a.	<b>-0.06</b>	0.02	n.a.							

- aap will report Q2 results on Friday, August 14, followed by a conference call on Monday, August 17.
- Preliminary sales of EUR 6.5m for Q2 15 were better than expected (EUR 6.0m WRe). Sales were guided to range between EUR 5.0m and EUR 6.1m.
- LOQTEQ grew by 15% yoy in Q2 15 just with existing customers (WRe). On a full-year basis, aap aims to grow by at least 20% in the Trauma segment. Quarterly results have limited significance owing to seasonal fluctuation and the generally low base.
- However, to achieve the full-year targets of EUR 33-35m sales, H2 has to be stronger than H1. China, Brazil and the US should be the growth drivers in the second half of 2015. Initial shipments are expected in the Americas.



**Rel. Performance vs CDAX:**

1 month:	-6.3 %
6 months:	-15.5 %
Year to date:	-16.6 %
Trailing 12 months:	-41.0 %

**Company events:**

14.08.15	Q2
18.08.15	RS LON
13.11.15	Q3

FY End: 31.12. in EUR m	CAGR (14-17e)	2011	2012	2013	2014	2015e	2016e	2017e
<b>Sales</b>	10.6 %	29.2	36.4	40.0	31.6	33.4	37.8	42.8
Change Sales yoy		2.7 %	24.7 %	9.8 %	-21.0 %	5.8 %	13.1 %	13.1 %
Gross profit margin		85.3 %	78.4 %	72.7 %	68.8 %	73.0 %	73.5 %	76.0 %
<b>EBITDA</b>	35.5 %	4.1	7.1	7.4	2.3	2.7	3.6	5.7
Margin		14.1 %	19.6 %	18.4 %	7.2 %	8.0 %	9.5 %	13.3 %
<b>EBIT</b>	-	1.2	3.2	-2.1	0.0	0.2	1.0	2.7
Margin		4.0 %	8.8 %	-5.3 %	-0.1 %	0.7 %	2.5 %	6.3 %
<b>Net income</b>	-	0.4	2.4	-2.2	-0.5	0.1	0.5	2.0
<b>EPS</b>	-	0.01	0.08	-0.07	-0.01	0.00	0.02	0.07
<b>DPS</b>	-	0.00	0.00	0.00	0.00	0.00	0.01	0.02
Dividend Yield		0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.4 %	0.8 %
<b>FCFPS</b>		-0.03	0.10	-0.07	-0.26	-0.03	-0.08	-0.02
<b>FCF / Market cap</b>		-2.7 %	10.4 %	-7.3 %	-7.3 %	-1.2 %	-3.2 %	-0.9 %
<b>EV / Sales</b>		1.2 x	0.9 x	1.2 x	2.4 x	2.0 x	1.9 x	1.6 x
<b>EV / EBITDA</b>		8.7 x	4.8 x	6.6 x	33.5 x	25.4 x	19.4 x	12.4 x
<b>EV / EBIT</b>		30.8 x	10.7 x	n.a.	n.a.	283.4 x	72.9 x	26.2 x
<b>P / E</b>		96.9 x	12.5 x	n.a.	n.a.	n.a.	122.3 x	34.9 x
<b>FCF Yield Potential</b>		2.6 %	11.0 %	9.3 %	-0.4 %	0.1 %	0.5 %	2.7 %
<b>Net Debt</b>		7.1	3.9	3.2	-7.8	-6.9	-4.8	-4.8
<b>ROE</b>		0.8 %	4.9 %	-4.4 %	-1.0 %	0.3 %	1.0 %	4.2 %
<b>ROCE (NOPAT)</b>		1.4 %	5.2 %	-3.6 %	-0.3 %	0.3 %	1.0 %	4.5 %
<b>Guidance:</b>		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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-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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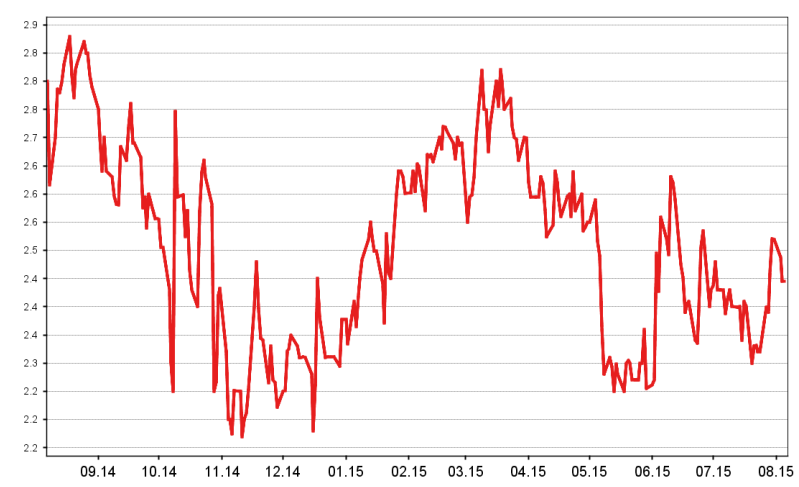
Rating	Number of stocks	% of Universe
Buy	111	60
Hold	65	35
Sell	6	3
Rating suspended	3	2
<b>Total</b>	<b>185</b>	<b>100</b>

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

... 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	94	65
Hold	46	32
Sell	3	2
Rating suspended	2	1
<b>Total</b>	<b>145</b>	<b>100</b>

**PRICE AND RATING HISTORY AAP IMPLANTATE AS OF 06.08.2015**



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.

**EQUITIES**

**Roland Rapelius** +49 40 3282-2673  
Head of Equities rrapelius@mmwarburg.com

**RESEARCH**

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

**Lucas Boventer** +49 40 309537-290  
Renewables, Internet, Media lboventer@warburg-research.com

**Christian Cohrs** +49 40 309537-175  
Engineering, Logistics ccohrs@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

**Harald Hof** +49 40 309537-125  
Medtech hhof@warburg-research.com

**Ulrich Huwald** +49 40 309537-255  
Health Care, Pharma uhuwald@warburg-research.com

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

**Eggert Kuls** +49 40 309537-256  
Engineering ekuls@warburg-research.com

**Frank Laser** +49 40 309537-235  
Construction, Industrials flaser@warburg-research.com

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

**Malte Räther** +49 40 309537-185  
Technology, Telco, Internet mraether@warburg-research.com

**Jochen Reichert** +49 40 309537-130  
Telco, Internet, Media jreichert@warburg-research.com

**Moritz Rieser** +49 40 309537-260  
Real Estate mrieser@warburg-research.com

**Arash Roshan Zamir** +49 40 309537-155  
Engineering, Logistics aroshanzamir@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

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

**Björn Voss** +49 40 309537-254  
Steel, Car Suppliers bvoss@warburg-research.com

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

**INSTITUTIONAL EQUITY SALES**

**Holger Nass** +49 40 3282-2669  
Head of Equity Sales, USA hnass@mmwarburg.com

**Klaus Schilling** +49 40 3282-2664  
Dep. Head of Equity Sales, GER kschilling@mmwarburg.com

**Christian Alisch** +49 40 3282-2667  
Scandinavia, Spain calisch@mmwarburg.com

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

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

**Marie-Therese Grübner** +49 40 3282-2630  
France, Switzerland mgruebner@mmwarburg.com

**Ömer Güven** +49 40 3282-2633  
USA, Germany ogueven@mmwarburg.com

**Michael Kriszun** +49 40 3282-2695  
United Kingdom mkriszun@mmwarburg.com

**Marc Niemann** +49 40 3282-2660  
Germany mniemann@mmwarburg.com

**Sanjay Oberoi** +49 69 5050-7410  
United Kingdom soberoi@mmwarburg.com

**Philipp Stumpfegger** +49 40 3282-2635  
Australia, United Kingdom pstumpfegger@mmwarburg.com

**Juliane Willenbruch** +49 40 3282-2694  
Roadshow/Marketing jwillenbruch@mmwarburg.com

**SALES TRADING**

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

**Thekla Struve** +49 40 3282-2668  
Dep. Head of Sales Trading tstruve@mmwarburg.com

**Gudrun Bolsen** +49 40 3282-2679  
Sales Trading gbolsen@mmwarburg.com

**Michael Ilgenstein** +49 40 3282-2700  
Sales Trading milgenstein@mmwarburg.com

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

**Jörg Treptow** +49 40 3262-2658  
Sales Trading jtreptow@mmwarburg.com

**Jan Walter** +49 40 3262-2662  
Sales Trading jwalter@mmwarburg.com

**MACRO RESEARCH**

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

**Matthias Thiel** +49 40 3282-2401  
Macro Research mthiel@mmwarburg.com

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

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**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