

Buy EUR 4.00 Price EUR 2.55 Upside 56.9 %	Value Indicators: EUR DCF: 4.07 SotP: 4.36 Peer Group: 4.62	Share data: Bloomberg: AAQ GR Reuters: AAQG.DE ISIN: DE0005066609	Description: Producer of implants and biomaterials to mend broken bones
	Market Snapshot: EUR m Market cap: 78.2 No. of shares (m): 30.7 EV: 58.1 Freefloat MC: 22.8	Shareholders: Freefloat: 29.2 % Noes de Vries: 14.7 % Elocin B.V: 14.4 % Jürgen W. Krebs: 12.6 % Fidelity Funds: 5.5 %	Risk Profile (WRe): 2014e Beta: 1.4 Price / Book: 1.6 x Equity Ratio: 81 %

Strong Q4 sales lead to higher than expected FY sales

aap Implantate AG reported preliminary sales of EUR 31.7m for FY 2014 which were better than expected (WRe EUR 30.6m). In comparison with 2013, sales were down by 21% yoy due to the deconsolidation of the Dutch subsidiary EMCM (sold in February 2014).

The Biomaterials segment came in as expected (EUR 16.4m, +10% yoy; compared to EUR 16.5m WRe). Projects and Others revenues were also reported in line with an expected sales volume of EUR 2.0m. Apart from that, sales in the Trauma segment were stronger than estimated due to higher order volumes from distribution partners in China, Russia and Turkey. aap reported Trauma sales of EUR 12.3m which were driven by the Trauma product LOQTEQ (EUR 8.2m, +63% yoy). WR forecasted EUR 11.0m for total Trauma sales and thereof EUR 7.1m for the LOQTEQ product. Hence, aap showed strong Q4 sales of the IP-protected Trauma implant which is expected to be the key sales driver in 2015 and thereafter. Main markets for the current fiscal year are US, Brazil and Mexico:

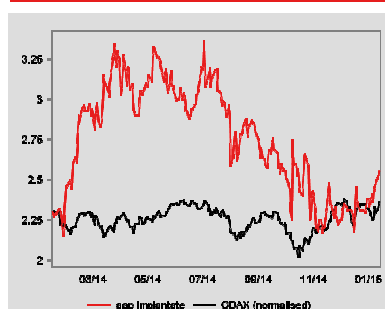
- **LOQTEQ sales in the US:** aap continues negotiation talks with potential distribution partners in the US, the most important Trauma market worldwide. A result could be a first and initial order for the key Trauma product LOQTEQ within the first half of 2015. aap has already achieved the FDA approval, for which, any order could be delivered without additional complexity.
- **Brazil and Mexico are yet to come:** aap is clearly focusing on emerging markets like the BRICS, SMIT and N10 countries. Sales in the Trauma segment grew by 27% yoy, where LOQTEQ was the key driver showing a growth rate of 63%. This growth was achieved with existing customers. In Mexico and Brazil, distribution partners have been named and supply contracts have been closed already. After the product approval of LOQTEQ in these countries, aap will receive the initial orders from its distribution partners. After a reevaluation of the duration of the approval processes in Q4 2014, first orders from Latin America are expected within 2015. However, uncertainties remain as this process is beyond aap's reach.

Furthermore, management confirmed its plans to divest the Biomaterials segment within Q1 2015. WR assumes EUR 36-40m proceeds from this transaction.

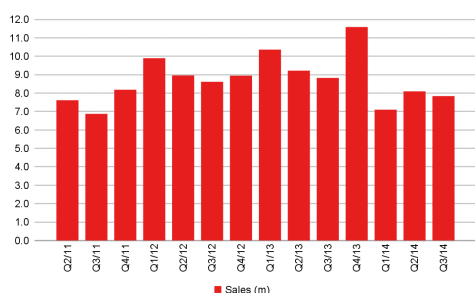
- **Divestment of Biomaterials:** the Biomaterials business is a dedicated OEM manufacturer for bone cements and mixing devices. However, management clearly confirmed the aim to divest this business to become a pure player in the Trauma segment. As a consequence of the positive sales development in the Biomaterial business (+10% yoy in FY 14), the attractiveness of this entity has improved noticeably. Assuming a structural M&A process, management targets to conclude a definitive agreement within the first quarter of 2015.

Conclusion: Taking the stronger than expected sales of LOQTEQ along with its sales potential into account, we forecast sales of above EUR 15m for the total Trauma segment in 2015. With the net cash adjusted market capitalisation of c. EUR 70m (WRe) and a potential cash inflow from the Biomaterials divestment of c. EUR 40m (WRe), the Trauma business is currently valued at just 2.0 EV/Sales 15e. We reiterate our PT of EUR 4.00 and the Buy recommendation.

The guidance announcement for the full-year 2015 is scheduled for the beginning of February.

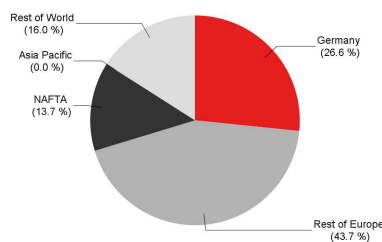


Sales development in EUR m



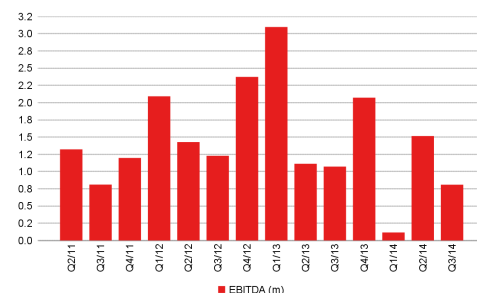
Source: Warburg Research

Sales by regions 2013; in %



Source: Warburg Research

EBITDA development in EUR m



Source: Warburg Research

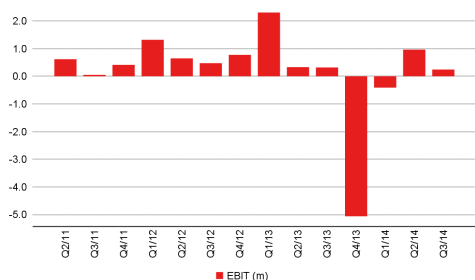
Company Background

- aap Implantate AG develops, produces and sells medical implants, which are primarily used in orthopaedics to mend fractures.
- With the business areas Trauma and Biomaterials, the company covers the entire value chain and sells the products worldwide with the focus on Europe, the USA as well as on the BRICS and SMIT markets.
- The products are sold by direct sale, international sales partners or OEMs (including Stryker, Zimmer, Biomet or Smith& Nephew).
- aap Implantate AG was founded in 1990 as a MBO from the Johnson & Johnson Group and is headquartered in Berlin. The company has 217 employees.

Competitive Quality

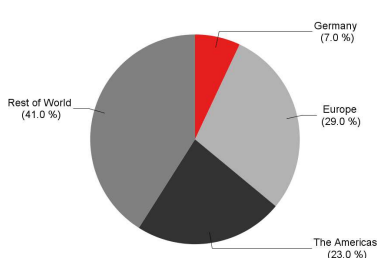
- aap Implantate AG has developed a patent protected Trauma implant (LOQTEQ), which provides significant improvements for surgeons, hospitals and clinics as well as patients.
- Additionally aap has a promising product pipeline with an antibacterial silver coating for the implants as well as resorbable magnesium implants.
- The most recent sale of the Dutch subsidiary has provided the company with sufficient financial funds to grow organically and inorganically.
- In the Biomaterials division, aap has established a network with the largest Medtech companies (e.g. Zimmer, Stryker, Smith & Nephew, Johnson & Johnson).

EBIT development in EUR m



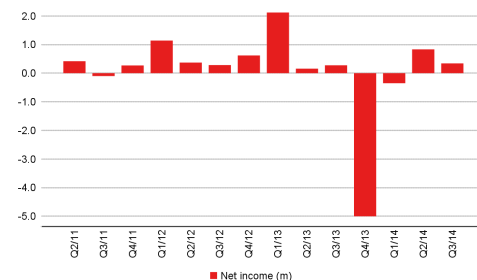
Source: Warburg Research

LOQTEQ - Sales by regions 2013; in %



Source: Warburg Research

Net income development in EUR m



Source: Warburg Research

DCF model

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	2014e	2015e	2016e	2017e	2018e	2019e	2020e	2021e	2022e	2023e	2024e	2025e	2026e	
Sales	30.6	37.8	45.8	53.9	59.7	65.3	70.0	74.8	79.6	84.4	89.6	94.8	100.0	3.5 %
Sales change	-23.6 %	23.9 %	21.1 %	17.6 %	10.6 %	9.5 %	7.1 %	6.8 %	6.4 %	6.1 %	6.1 %	5.8 %	5.5 %	
EBIT	0.2	2.4	3.3	4.7	5.9	7.1	8.2	10.1	12.2	14.5	17.0	19.4	20.5	20.5 %
EBIT-margin	0.8 %	6.4 %	7.3 %	8.8 %	9.9 %	10.8 %	11.7 %	13.5 %	15.3 %	17.2 %	19.0 %	20.5 %	20.5 %	
Tax rate (EBT)	50.7 %	7.9 %	17.4 %	17.0 %	25.0 %	25.0 %	25.0 %	25.0 %	25.0 %	25.0 %	25.0 %	25.0 %	25.0 %	25.0 %
NOPAT	0.1	2.2	2.8	3.9	4.4	5.3	6.1	7.6	9.1	10.9	12.8	14.6	15.4	
Depreciation	2.6	2.8	3.2	3.5	3.9	4.2	4.5	4.9	5.2	5.5	5.8	6.2	6.5	6.5 %
in % of Sales	8.5 %	7.3 %	7.0 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	
Changes in provisions	0.0	0.0	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	-4.8	1.3	1.2	1.7	1.4	1.4	0.8	1.1	1.1	1.1	1.2	0.7	1.2	6.5
- Capex	3.2	3.3	3.4	3.5	3.9	4.2	4.5	4.9	5.2	5.5	5.8	6.2	6.5	
Capex in % of Sales	10.5 %	8.7 %	7.4 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	0.0
Other	0.0	0.0	0.0	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)	4.3	0.4	1.4	2.3	3.1	3.9	5.4	6.4	8.0	9.8	11.6	13.8	14.2	16
PV of FCF	4.2	0.3	1.1	1.7	2.0	2.4	3.0	3.2	3.6	4.0	4.3	4.7	4.4	73
share of PVs	5.07 %			29.76 %										65.17 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	0.00 %	Financial Strength	1.20
Cost of debt (after tax)	4.2 %	Liquidity (share)	1.50
Market return	8.00 %	Cyclicality	1.40
Risk free rate	2.50 %	Transparency	1.40
		Others	1.38
WACC	10.06 %	Beta	1.38

Valuation (m)

Present values 2026e	39		
Terminal Value	73		
Financial liabilities	4		
Pension liabilities	0		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	17	No. of shares (m)	30.7
Equity Value	125	Value per share (EUR)	4.07

Sensitivity Value per Share (EUR)

		Terminal Growth									Delta EBIT-margin						
Beta	WACC	2.75 %	3.00 %	3.25 %	3.50 %	3.75 %	4.00 %	4.25 %	Beta	WACC	-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.56	11.1 %	3.29	3.35	3.40	3.46	3.52	3.59	3.66	1.56	11.1 %	3.16	3.26	3.36	3.46	3.56	3.66	3.76
1.47	10.6 %	3.54	3.61	3.67	3.74	3.82	3.90	3.99	1.47	10.6 %	3.42	3.53	3.64	3.74	3.85	3.96	4.07
1.42	10.3 %	3.68	3.75	3.82	3.90	3.99	4.08	4.18	1.42	10.3 %	3.57	3.68	3.79	3.90	4.02	4.13	4.24
1.38	10.1 %	3.83	3.91	3.99	4.07	4.17	4.27	4.38	1.38	10.1 %	3.72	3.84	3.96	4.07	4.19	4.31	4.43
1.33	9.8 %	3.99	4.07	4.16	4.26	4.37	4.48	4.60	1.33	9.8 %	3.90	4.02	4.14	4.26	4.38	4.50	4.63
1.28	9.6 %	4.16	4.26	4.36	4.46	4.58	4.71	4.85	1.28	9.6 %	4.08	4.21	4.34	4.46	4.59	4.72	4.84
1.19	9.1 %	4.55	4.67	4.79	4.92	5.07	5.24	5.41	1.19	9.1 %	4.51	4.65	4.79	4.92	5.06	5.20	5.34

- In 2013, one-third of the revenue was generated in the Trauma division and two-thirds in the Biomaterials division.
- This ratio will turn around in the medium term. As of 2020, Trauma is expected to generate almost 70% of revenue.
- 2013 EBIT was burdened by one-time effects. In 2015e, the Trauma division is expected to break even.
- The EBIT margin in perpetuity is assumed at 21%. With successful market penetration, higher margins are possible.
- Beta is relatively low owing to the good financial situation and the sector's resistance to cyclicality.

Sum of the parts

■ ...

Valuation	2010	2011	2012	2013	2014e	2015e	2016e
Price / Book	0.8 x	0.6 x	0.6 x	0.9 x	1.6 x	1.5 x	1.4 x
Book value per share ex intangibles	0.28	0.34	0.37	1.11	1.10	1.20	1.33
EV / Sales	1.5 x	1.2 x	0.9 x	1.2 x	1.9 x	1.5 x	1.2 x
EV / EBITDA	12.8 x	8.7 x	4.8 x	6.6 x	20.8 x	11.2 x	8.5 x
EV / EBIT	61.3 x	30.8 x	10.7 x	n.a.	242.0 x	24.0 x	16.6 x
EV / EBIT adj.*	61.3 x	30.8 x	10.7 x	n.a.	242.0 x	24.0 x	16.6 x
P / FCF	n.a.	n.a.	9.6 x	n.a.	17.8 x	161.3 x	53.7 x
P / E	n.a.	96.9 x	12.5 x	n.a.	255.0 x	31.9 x	28.3 x
P / E adj.*	n.a.	96.9 x	12.5 x	n.a.	255.0 x	31.9 x	28.3 x
Dividend Yield	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.8 %	1.2 %
Free Cash Flow Yield Potential	7.5 %	2.6 %	11.0 %	8.6 %	0.1 %	3.8 %	4.9 %
*Adjustments made for: -							

Consolidated profit & loss

In EUR m	2010	2011	2012	2013	2014e	2015e	2016e
Sales	28.4	29.2	36.4	40.0	30.6	37.8	45.8
Change Sales yoy	-14.1 %	2.7 %	24.7 %	9.8 %	-23.6 %	23.9 %	21.1 %
Increase / decrease in inventory	0.8	0.8	0.2	-1.0	-0.3	0.0	0.0
Own work capitalised	3.3	3.0	2.7	2.0	1.5	1.1	1.4
Total Sales	32.6	33.0	39.3	41.0	31.8	39.0	47.2
Material Expenses	9.5	8.1	10.8	12.0	10.1	11.4	13.5
Gross profit	23.0	24.9	28.6	29.1	21.7	27.6	33.7
Gross profit margin	81.0 %	85.3 %	78.4 %	72.7 %	71.0 %	73.0 %	73.5 %
Personnel expenses	12.1	11.9	13.5	14.6	12.4	15.1	18.1
Other operating income	2.6	1.9	3.3	4.3	3.5	3.9	4.5
Other operating expenses	10.1	10.8	11.2	11.4	10.0	11.2	13.5
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	3.4	4.1	7.1	7.4	2.8	5.2	6.6
Margin	12.1 %	14.1 %	19.6 %	18.4 %	9.3 %	13.7 %	14.3 %
Depreciation of fixed assets	1.0	1.1	1.1	2.2	0.9	0.9	0.9
EBITA	2.4	3.1	6.0	5.2	1.9	4.3	5.6
Amortisation of intangible assets	1.7	1.9	2.8	7.3	1.7	1.9	2.3
Goodwill amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	0.7	1.2	3.2	-2.1	0.2	2.4	3.3
Margin	2.5 %	4.0 %	8.8 %	-5.3 %	0.8 %	6.4 %	7.3 %
EBIT adj.	0.7	1.2	3.2	-2.1	0.2	2.4	3.3
Interest income	0.0	0.1	0.0	0.0	0.3	0.3	0.3
Interest expenses	0.6	0.6	0.5	0.2	0.2	0.2	0.2
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	0.2	0.6	2.7	-2.3	0.4	2.5	3.4
Margin	0.7 %	2.1 %	7.5 %	-5.7 %	1.3 %	6.7 %	7.5 %
Total taxes	0.1	0.2	0.3	0.2	0.2	0.2	0.6
Net income from continuing operations	0.1	0.4	2.4	-2.5	0.2	2.3	2.8
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income before minorities	0.0	0.4	2.4	-2.5	0.2	2.3	2.8
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	0.0	0.4	2.4	-2.5	0.2	2.3	2.8
Margin	0.2 %	1.3 %	6.6 %	-6.1 %	0.6 %	6.1 %	6.2 %
Number of shares, average	27.8	29.6	30.7	30.7	30.7	30.7	30.7
EPS	0.00	0.01	0.08	-0.08	0.01	0.08	0.09
EPS adj.	0.00	0.01	0.08	-0.08	0.01	0.08	0.09

*Adjustments made for:

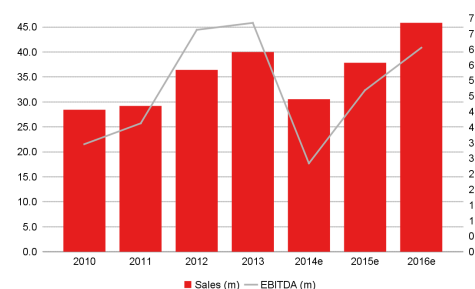
Guidance: Guidance 2014: Revenue EUR 30-34m - EBITDA EUR 2-4.5m

Financial Ratios

	2010	2011	2012	2013	2014e	2015e	2016e
Total Operating Costs / Sales	102.4 %	98.9 %	88.5 %	84.2 %	94.7 %	89.3 %	88.7 %
Operating Leverage	5.7 x	23.1 x	7.1 x	n.a.	n.a.	37.3 x	1.8 x
EBITDA / Interest expenses	6.1 x	6.8 x	13.7 x	40.6 x	18.9 x	25.9 x	32.8 x
Tax rate (EBT)	72.6 %	36.1 %	11.5 %	-7.9 %	50.7 %	7.9 %	17.4 %
Dividend Payout Ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	26.4 %	32.3 %
Sales per Employee	n.a.	109,793	137,932	n.a.	n.a.	n.a.	n.a.

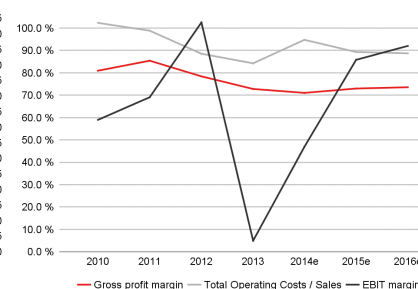
Sales, EBITDA

in EUR m

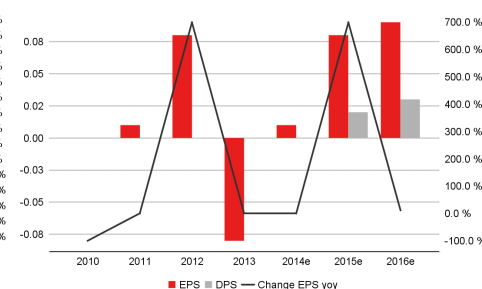


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

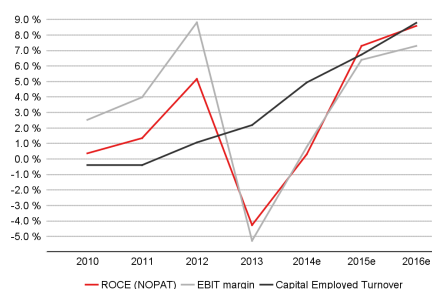
Consolidated balance sheet

In EUR m	2010	2011	2012	2013	2014e	2015e	2016e
Assets							
Goodwill and other intangible assets	37.0	38.2	39.4	14.5	14.8	14.9	14.6
thereof other intangible assets	6.1	5.5	5.1	0.9	1.2	1.3	1.0
thereof Goodwill	12.5	12.5	12.5	1.6	1.6	1.6	1.6
Property, plant and equipment	5.2	5.1	5.1	5.9	6.2	6.6	7.1
Financial assets	0.4	0.4	0.4	1.8	1.8	1.8	1.8
Other long-term assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fixed assets	42.6	43.7	44.9	22.2	22.8	23.3	23.5
Inventories	12.7	14.0	13.9	9.4	6.8	7.6	8.3
Accounts receivable	6.2	5.5	4.2	7.0	4.2	5.2	6.3
Liquid assets	0.9	2.2	3.7	1.6	24.0	25.1	27.5
Other short-term assets	1.3	0.8	1.8	25.0	2.0	2.0	2.0
Current assets	21.1	22.5	23.7	43.0	37.0	39.9	44.1
Total Assets	63.6	66.2	68.6	65.2	59.8	63.2	67.6
Liabilities and shareholders' equity							
Subscribed capital	27.9	30.7	30.7	30.7	30.7	30.7	30.7
Capital reserve	40.0	40.4	18.6	18.8	18.8	18.8	18.8
Retained earnings	0.2	0.2	0.2	0.8	1.0	3.9	7.7
Other equity components	-23.4	-23.0	1.4	-1.7	-1.7	-1.7	-1.7
Shareholder's equity	44.7	48.4	50.9	48.5	48.7	51.6	55.4
Minority interest	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	44.9	48.4	50.9	48.5	48.7	51.6	55.4
Provisions	0.2	0.2	0.2	0.3	0.3	0.3	0.3
thereof provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial liabilities (total)	10.0	9.2	7.6	4.9	4.9	4.9	4.9
thereof short-term financial liabilities	5.5	5.5	4.5	2.6	2.6	2.6	2.6
Accounts payable	3.0	3.1	3.3	2.9	2.2	2.7	3.3
Other liabilities	5.6	5.2	6.7	8.7	3.7	3.7	3.7
Liabilities	18.8	17.8	17.7	16.7	11.1	11.6	12.2
Total liabilities and shareholders' equity	63.6	66.2	68.6	65.2	59.8	63.2	67.6

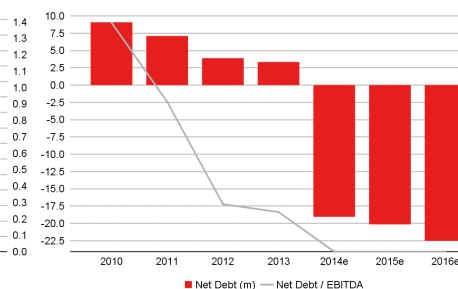
Financial Ratios

	2010	2011	2012	2013	2014e	2015e	2016e
Efficiency of Capital Employment							
Operating Assets Turnover	1.4 x	1.4 x	1.9 x	2.1 x	2.0 x	2.3 x	2.5 x
Capital Employed Turnover	0.5 x	0.5 x	0.7 x	0.8 x	1.0 x	1.2 x	1.4 x
ROA	0.1 %	0.9 %	5.4 %	-11.0 %	0.9 %	9.9 %	12.1 %
Return on Capital							
ROCE (NOPAT)	0.4 %	1.4 %	5.2 %	-4.3 %	0.3 %	7.3 %	8.6 %
ROE	0.1 %	0.8 %	4.9 %	-4.9 %	0.4 %	4.6 %	5.3 %
Adj. ROE	0.1 %	0.8 %	4.9 %	-4.9 %	0.4 %	4.6 %	5.3 %
Balance sheet quality							
Net Debt	9.1	7.1	3.9	3.3	-19.1	-20.2	-22.5
Net Financial Debt	9.1	7.1	3.9	3.3	-19.1	-20.2	-22.6
Net Gearing	20.3 %	14.7 %	7.7 %	6.9 %	-39.1 %	-39.0 %	-40.7 %
Net Fin. Debt / EBITDA	262.8 %	171.4 %	54.4 %	45.2 %	n.a.	n.a.	n.a.
Book Value / Share	1.6	1.6	1.7	1.6	1.6	1.7	1.8
Book value per share ex intangibles	0.3	0.3	0.4	1.1	1.1	1.2	1.3

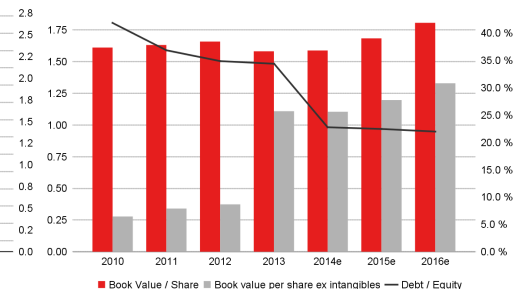
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

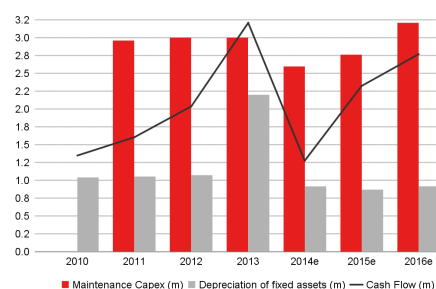
In EUR m	2010	2011	2012	2013	2014e	2015e	2016e
Net income	0.0	0.4	2.4	-2.5	0.2	2.3	2.8
Depreciation of fixed assets	1.0	1.1	1.1	2.2	0.9	0.9	0.9
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.7	1.9	2.8	7.3	1.7	1.9	2.3
Increase/decrease in long-term provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other non-cash income and expenses	0.2	0.2	-1.9	0.0	0.0	0.0	0.0
Cash Flow	3.0	3.5	4.5	7.0	2.8	5.1	6.1
Increase / decrease in inventory	-0.6	-0.5	1.4	-4.3	2.6	-0.8	-0.7
Increase / decrease in accounts receivable	0.0	0.0	0.0	0.0	2.8	-1.0	-1.1
Increase / decrease in accounts payable	0.3	0.2	1.3	0.8	-0.7	0.5	0.6
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)	-0.3	-0.3	2.6	-3.5	4.8	-1.3	-1.2
Net cash provided by operating activities	2.7	3.2	7.1	3.5	7.6	3.8	4.9
Investments in intangible assets	-3.3	-3.1	-2.8	-5.7	-2.0	-2.0	-2.0
Investments in property, plant and equipment	-1.1	-0.9	-1.1	-1.1	-1.2	-1.3	-1.4
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	0.3	0.0	3.5	18.0	0.0	0.0
Net cash provided by investing activities	-4.4	-3.7	-3.9	-3.3	14.8	-3.3	-3.4
Change in financial liabilities	0.3	-1.1	-1.4	-2.5	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.6	0.9
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	3.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	-0.1	-0.2	0.0	0.0	0.0	0.0
Net cash provided by financing activities	0.3	1.8	-1.6	-2.5	0.0	0.6	0.9
Change in liquid funds	-1.5	1.2	1.5	-2.3	22.4	1.1	2.4
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	0.9	2.2	3.7	1.4	24.0	25.1	27.5

Financial Ratios

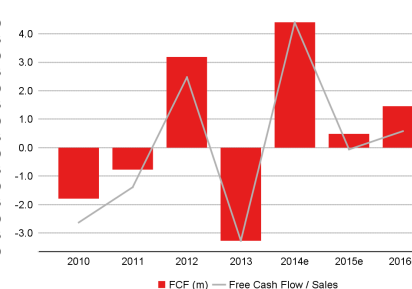
	2010	2011	2012	2013	2014e	2015e	2016e
Cash Flow							
FCF	-1.8	-0.8	3.2	-3.3	4.4	0.5	1.5
Free Cash Flow / Sales	-6.3 %	-2.6 %	8.7 %	-8.2 %	14.4 %	1.3 %	3.2 %
Free Cash Flow Potential	3.3	0.9	3.8	4.2	0.0	2.2	2.7
Free Cash Flow / Sales	-6.3 %	-2.6 %	8.7 %	-8.2 %	14.4 %	1.3 %	3.2 %
Free Cash Flow / Net Profit	-3812.8 %	-197.2 %	132.3 %	133.6 %	2264.8 %	20.9 %	51.2 %
Interest Received / Avg. Cash	2.1 %	3.8 %	1.0 %	0.0 %	2.3 %	1.2 %	1.1 %
Interest Paid / Avg. Debt	5.7 %	6.3 %	6.2 %	2.9 %	3.1 %	4.1 %	4.1 %
Management of Funds							
Investment ratio	15.6 %	13.6 %	10.7 %	17.1 %	10.5 %	8.7 %	7.4 %
Maint. Capex / Sales	0.0 %	10.1 %	8.2 %	7.5 %	8.5 %	7.3 %	7.0 %
Capex / Dep	162.9 %	134.6 %	99.8 %	72.0 %	123.2 %	119.4 %	105.9 %
Avg. Working Capital / Sales	54.0 %	54.4 %	41.0 %	34.2 %	36.6 %	24.9 %	23.3 %
Trade Debtors / Trade Creditors	209.1 %	176.5 %	129.7 %	246.6 %	190.9 %	192.6 %	190.9 %
Inventory Turnover	0.8 x	0.6 x	0.8 x	1.3 x	1.5 x	1.5 x	1.6 x
Receivables collection period (days)	80	69	42	64	50	50	50
Payables payment period (days)	114	141	110	87	80	87	89
Cash conversion cycle (Days)	470	595	379	251	199	190	165

CAPEX and Cash Flow

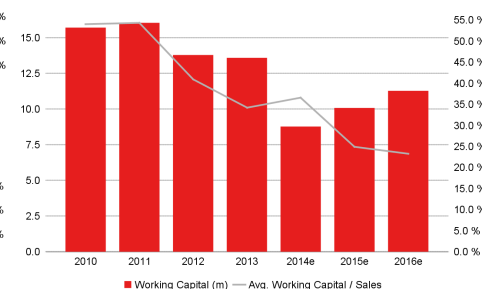
in EUR m



Free Cash Flow Generation



Working Capital



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

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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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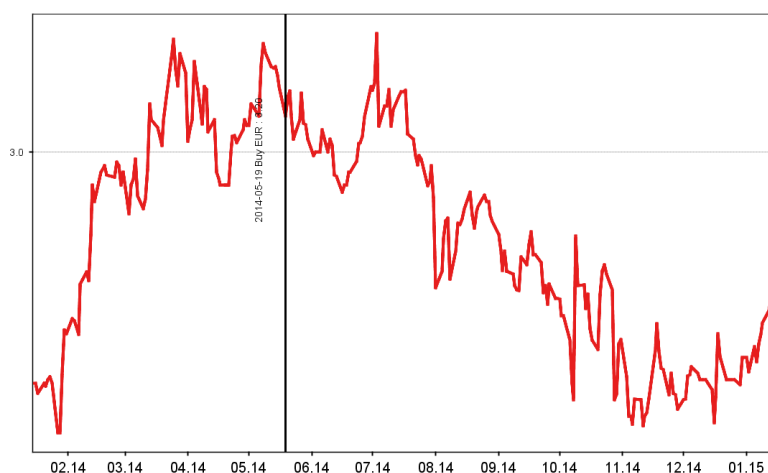
Rating	Number of stocks	% of Universe
Buy	108	57
Hold	68	36
Sell	9	5
Rating suspended	4	2
Total	189	100

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	83	61
Hold	44	33
Sell	5	4
Rating suspended	3	2
Total	135	100

PRICE AND RATING HISTORY AAP IMPLANTATE AS OF 14.01.2015



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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