

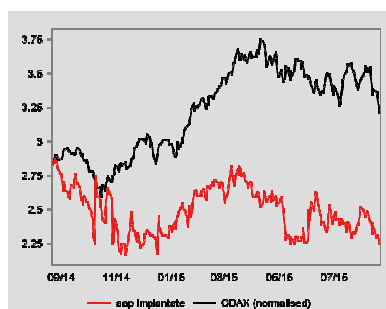
Buy EUR 3.40 Price EUR 2.25 Upside 51.1 %	Value Indicators: EUR DCF: 3.25 SotP: 3.26 Peer Group: 3.93	Share data: Bloomberg: AAQ GR Reuters: AAQG.DE ISIN: DE0005066609	Description: Producer of implants and biomaterials to mend broken bones
	Market Snapshot: EUR m Market cap: 69.2 No. of shares (m): 30.7 EV: 62.2 Freefloat MC: 29.9 Ø Trad. Vol. (30d): 33.97 th	Shareholders: Freefloat: 43.3 % Jürgen W. Krebs: 12.7 % Noes Beheer B.V.: 10.9 % Ratio Capital: 8.2 % Taaleritehdas: 6.4 %	Risk Profile (WRe): 2015e Beta: 1.5 Price / Book: 1.5 x Equity Ratio: 78 %

Roadshow supports our positive stance

A roadshow in London with CEO Bruke Alemu and CFO Marek Hahn supported our positive view, particularly in the following aspects:

- Promising product pipeline:** the management gave further insight into the recent development of aap's silver-coating technology. Silver coating is used to prevent bacterial infection in areas close to the implant. After several positive results from tests and initial trials (e.g. animal trial), the company is undertaking a trial together with a US-based independent research institute, which will be relevant for approval. To obtain CE and FDA approval, a quantitatively and qualitatively broader animal trial is required. Final results are expected in Q4 2015. Based on the trial's outcome, **aap aims to file for CE approval at the end of 2015**. Allowing six months for the approval process, **the CE approval could be granted in H2 2016 at the earliest**. CE approval would allow aap to be the **first company globally** to provide a trauma implant portfolio with silver-coating technology. However, approval processes are beyond the reach of aap and hence, uncertainties remain. aap has limited influence on such processes.
- LOQTEQ and extension of product portfolio:** distribution partners are seeking one-stop-shop solutions. For the moment, aap's product portfolio covers more than 90% of the relevant fracture repair application areas (upper and lower extremities) with LOQTEQ implants. The company provided further details regarding the portfolio extension to further enlarge the coverage in the years to come.
- Roll-out in the US:** the most important trauma market worldwide. Negotiations are ongoing with existing and potential distribution partners in the US. Additional non-stocking distribution partners (currently 10 partners) could be gained in the near future. The company aims to gain 6-8 new partners per quarter. Long term, non-stocking partners could be transformed into stocking distribution partners, which would increase visibility and reduce risks for aap. Initial orders from the US are expected in the second half of 2015. The company has established the infrastructural requirements and has built up an inventory level to meet the demand. However there is limited visibility on customers' order behavior and the further acquisition process.
- Biomaterials:** the Biomaterials business is a dedicated OEM manufacturer for bone cements and mixing devices. This B2B business is a cash generative and highly profitable subsidiary of aap. Within the strategy of becoming a pure-player in the trauma market, aap is still planning to divest this field of activities. A divestment process was stopped in Q1 15 as final transaction conditions could not be met by aap but since then, the company has encountered continuing interest in its subsidiary. Various options are currently being examined. WR is still assuming a potential purchase price of EUR 36-40m which implies an EV/EBITDA multiple of 9x. This is comparable to earlier and similar transactions within the medical industry.

Even though short-term uncertainties remain and could lead to quarterly fluctuation and volatile financial results, the overall investment case is intact. aap is perceived to be a fast-growing, innovative trauma company with a clear focus on its promising and IP protected product line LOQTEQ. Taking a net cash adjusted market capitalization of EUR 66m and the potential value of the Biomaterials segment into account, the trauma segment stands at a fair value of EUR 28m, representing a EV/sales multiple of 2x in 2015. Consequently, aap represents an attractive investment opportunity as well as a potential takeover target at current share price levels. **Buy confirmed – PT EUR 3.40.**

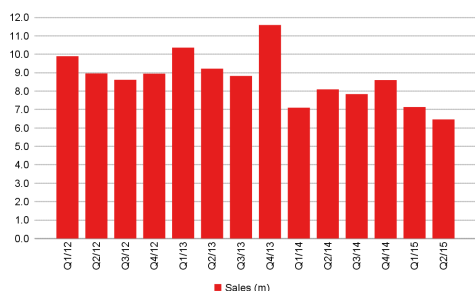


Rel. Performance vs CDAX:	
1 month:	5.8 %
6 months:	-12.4 %
Year to date:	-13.2 %
Trailing 12 months:	-32.9 %

Company events:
13.11.15 Q3

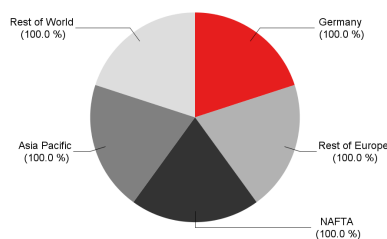
FY End: 31.12. in EUR m	CAGR (14-17e)	2011	2012	2013	2014	2015e	2016e	2017e
Sales	10.6 %	29.2	36.4	40.0	31.6	33.4	37.8	42.8
Change Sales yoy		2.7 %	24.7 %	9.8 %	-21.0 %	5.8 %	13.1 %	13.1 %
Gross profit margin		85.3 %	78.4 %	72.7 %	68.8 %	73.0 %	73.5 %	76.0 %
EBITDA	35.5 %	4.1	7.1	7.4	2.3	2.7	3.6	5.7
Margin		14.1 %	19.6 %	18.4 %	7.2 %	8.0 %	9.5 %	13.3 %
EBIT	-	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 %
Net income	-	0.4	2.4	-2.2	-0.5	0.1	0.5	2.0
EPS	-	0.01	0.08	-0.07	-0.01	0.00	0.02	0.07
DPS	-	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 %	0.9 %
FCFPS		-0.03	0.10	-0.07	-0.26	-0.03	-0.08	-0.02
FCF / Market cap		-2.7 %	10.4 %	-7.3 %	-7.3 %	-1.3 %	-3.5 %	-1.0 %
EV / Sales		1.2 x	0.9 x	1.2 x	2.4 x	1.9 x	1.7 x	1.5 x
EV / EBITDA		8.7 x	4.8 x	6.6 x	33.5 x	23.2 x	17.8 x	11.4 x
EV / EBIT		30.8 x	10.7 x	n.a.	n.a.	259.1 x	66.9 x	24.1 x
P / E		96.9 x	12.5 x	n.a.	n.a.	n.a.	112.5 x	32.1 x
FCF Yield Potential		2.6 %	11.0 %	9.3 %	-0.4 %	0.1 %	0.6 %	3.0 %
Net Debt		7.1	3.9	3.2	-7.8	-6.9	-4.8	-4.8
ROE		0.8 %	4.9 %	-4.4 %	-1.0 %	0.3 %	1.0 %	4.2 %
ROCE (NOPAT)		1.4 %	5.2 %	-3.6 %	-0.3 %	0.3 %	1.0 %	4.5 %
Guidance:		Guidance 2015: Revenue EUR 33-35m - EBITDA EUR 2.5-3.5m						

Sales development
in EUR m



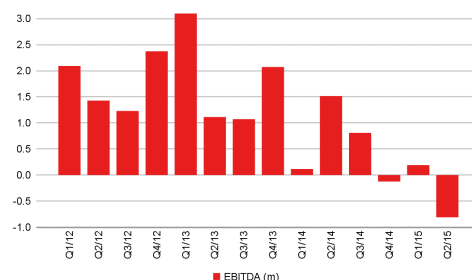
Source: Warburg Research

Sales by regions
2014; in %



Source: Warburg Research

EBITDA development
in EUR m



Source: Warburg Research

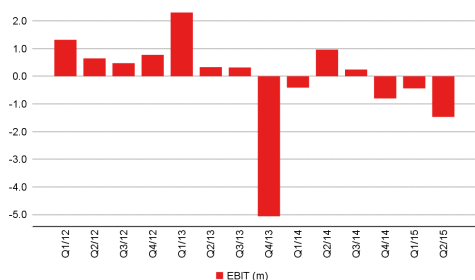
Company Background

- 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

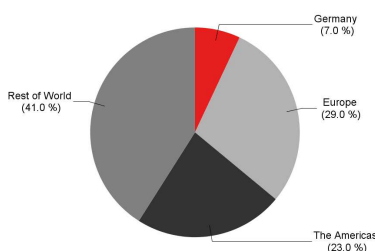
- aap Implantate AG has developed a patent protected Trauma implant (LOQTEQ), which provides significant improvements for surgeons, hospitals and clinics as well as patients.
- Additionally aap has a promising product pipeline with an antibacterial silver coating for the implants as well as resorbable magnesium implants.
- The 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



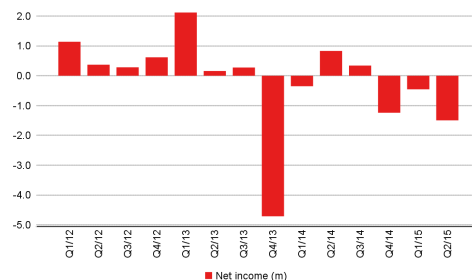
Source: Warburg Research

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
	2015e	2016e	2017e	2018e	2019e	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	
Sales	33.4	37.8	42.8	48.4	54.7	61.0	66.1	71.4	76.7	82.0	87.7	93.4	99.2	
Sales change	5.8 %	13.1 %	13.1 %	13.1 %	13.0 %	11.5 %	8.4 %	8.0 %	7.4 %	6.9 %	6.9 %	6.5 %	6.1 %	2.5 %
EBIT	0.2	1.0	2.7	3.8	5.1	6.7	8.4	10.5	13.2	16.6	18.4	19.6	20.8	
EBIT-margin	0.7 %	2.5 %	6.3 %	7.8 %	9.4 %	11.1 %	12.7 %	14.8 %	17.3 %	20.3 %	21.0 %	21.0 %	21.0 %	
Tax rate (EBT)	58.8 %	56.5 %	28.0 %	25.0 %	25.0 %	25.0 %	25.0 %	25.0 %	25.0 %	25.0 %	25.0 %	25.0 %	25.0 %	
NOPAT	0.1	0.4	1.9	2.8	3.8	5.1	6.3	7.9	9.9	12.5	13.8	14.7	15.6	
Depreciation	2.4	2.6	3.0	3.1	3.6	4.0	4.3	4.6	5.0	5.3	5.7	6.1	6.4	
in % of Sales	7.3 %	7.0 %	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	
Change in Liquidity from														
- Working Capital	0.2	2.1	2.3	1.5	2.8	2.8	2.3	2.4	-1.5	2.1	2.3	2.3	2.3	
- Capex	3.3	3.4	3.4	3.1	3.6	4.0	4.3	4.6	5.0	5.3	5.7	6.1	6.4	
Capex in % of Sales	9.9 %	9.0 %	7.9 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	
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)	-0.9	-2.4	-0.8	1.4	1.0	2.2	4.0	5.5	11.4	10.3	11.6	12.4	13.3	15
PV of FCF	-0.9	-2.2	-0.6	1.0	0.7	1.4	2.2	2.9	5.3	4.4	4.5	4.4	4.3	69
share of PVs	-3.84 %			32.47 %										71.37 %

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	7.00 %	Cyclicality	1.40
Risk free rate	1.50 %	Transparency	1.80
		Others	1.47
WACC	9.61 %	Beta	1.48

Valuation (m)

Present values 2027e	28		
Terminal Value	69		
Financial liabilities	9		
Pension liabilities	0		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	13	No. of shares (m)	30.7
Equity Value	100	Value per share (EUR)	3.25

Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Beta	WACC	Delta EBIT-margin						
		1.75 %	2.00 %	2.25 %	2.50 %	2.75 %	3.00 %	3.25 %			-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.66	10.6 %	2.54	2.59	2.64	2.69	2.75	2.81	2.87	1.66	10.6 %	2.41	2.51	2.60	2.69	2.79	2.88	2.97
1.57	10.1 %	2.78	2.83	2.89	2.95	3.02	3.09	3.17	1.57	10.1 %	2.65	2.75	2.85	2.95	3.05	3.15	3.25
1.52	9.9 %	2.90	2.96	3.03	3.10	3.17	3.25	3.34	1.52	9.9 %	2.78	2.89	2.99	3.10	3.20	3.31	3.41
1.48	9.6 %	3.04	3.11	3.18	3.25	3.33	3.42	3.52	1.48	9.6 %	2.93	3.04	3.14	3.25	3.36	3.47	3.58
1.43	9.4 %	3.19	3.26	3.34	3.42	3.51	3.61	3.71	1.43	9.4 %	3.08	3.19	3.31	3.42	3.53	3.65	3.76
1.38	9.1 %	3.34	3.42	3.51	3.60	3.70	3.81	3.93	1.38	9.1 %	3.25	3.37	3.48	3.60	3.72	3.84	3.96
1.29	8.6 %	3.70	3.79	3.90	4.01	4.14	4.27	4.42	1.29	8.6 %	3.63	3.76	3.88	4.01	4.14	4.27	4.40

- 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 65% of revenue.
- 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

	Sales		EV/ Sales	EV/ Sales	Trauma M&A	fair value 15	fair value 16	fair value 15
	2015e	2016e	2015e	2016e	Multiples			M&A
Trauma	15.56	19.1	3.63	3.20	4.67	56.5	61.0	72.6
Biomaterials	17.88	18.8	2.23	1.90	2.23	39.8	35.7	39.8
Other Assets								
Net Debt (without EMCM)						-2.8	-2.8	-2.8
Joint Venture aap Joints (at equity)						1.5	1.5	1.5
Fair Value						100.6	101.0	116.8
Number of shares						30.7	30.7	30.7
Fair Value per share						3.27	3.29	3.80

M&A Transaction

Date	Buyer	Target company	EV/ (LTM) Sales	Transaction
2014	Wright Medical	OrthoPro	5.50	M&A
2014	Wright Medical	Solana Surgical	5.50	M&A
2013	Wright Medical	Biotech International	5.33	M&A
2013	LDR Holding		2.97	IPO
2013	Wright Medical	WG Healthcare	n.a	M&A
2012	Globus Medical		2.60	IPO
2012	Tornier	OrthoHelix	5.78	M&A
2011	Tonier		3.38	IPO
2011	Stryker	Memometal	5.40	M&A
2010	China Kanghui		5.55	IPO
		Mean	4.67	

Source: Warburg Research, Bloomberg

Valuation							
	2011	2012	2013	2014	2015e	2016e	2017e
Price / Book	0.6 x	0.6 x	1.0 x	1.9 x	1.5 x	1.5 x	1.4 x
Book value per share ex intangibles	0.34	0.37	1.06	0.99	0.98	1.00	1.09
EV / Sales	1.2 x	0.9 x	1.2 x	2.4 x	1.9 x	1.7 x	1.5 x
EV / EBITDA	8.7 x	4.8 x	6.6 x	33.5 x	23.2 x	17.8 x	11.4 x
EV / EBIT	30.8 x	10.7 x	n.a.	n.a.	259.1 x	66.9 x	24.1 x
EV / EBIT adj.*	30.8 x	10.7 x	n.a.	n.a.	259.1 x	66.9 x	24.1 x
P / FCF	n.a.	9.6 x	n.a.	n.a.	n.a.	n.a.	n.a.
P / E	96.9 x	12.5 x	n.a.	n.a.	n.a.	112.5 x	32.1 x
P / E adj.*	96.9 x	12.5 x	n.a.	n.a.	n.a.	112.5 x	32.1 x
Dividend Yield	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.4 %	0.9 %
Free Cash Flow Yield Potential	2.6 %	11.0 %	9.3 %	-0.4 %	0.1 %	0.6 %	3.0 %
*Adjustments made for: -							

Consolidated profit & loss

In EUR m	2011	2012	2013	2014	2015e	2016e	2017e
Sales	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 %
Increase / decrease in inventory	0.8	0.2	-1.0	2.1	0.0	0.0	0.0
Own work capitalised	3.0	2.7	2.0	0.3	1.0	1.1	2.1
Total Sales	33.0	39.3	41.0	34.0	34.4	39.0	44.9
Material Expenses	8.1	10.8	12.0	12.3	10.0	11.2	12.4
Gross profit	24.9	28.6	29.1	21.7	24.4	27.8	32.5
<i>Gross profit margin</i>	<i>85.3 %</i>	<i>78.4 %</i>	<i>72.7 %</i>	<i>68.8 %</i>	<i>73.0 %</i>	<i>73.5 %</i>	<i>76.0 %</i>
Personnel expenses	11.9	13.5	14.6	12.2	13.4	14.9	16.7
Other operating income	1.9	3.3	4.3	3.1	3.4	3.7	4.1
Other operating expenses	10.8	11.2	11.4	10.3	11.8	13.0	14.2
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	4.1	7.1	7.4	2.3	2.7	3.6	5.7
<i>Margin</i>	<i>14.1 %</i>	<i>19.6 %</i>	<i>18.4 %</i>	<i>7.2 %</i>	<i>8.0 %</i>	<i>9.5 %</i>	<i>13.3 %</i>
Depreciation of fixed assets	1.1	1.1	2.2	0.8	0.8	0.8	0.9
EBITA	3.1	6.0	5.2	1.5	1.9	2.9	4.8
Amortisation of intangible assets	1.9	2.8	7.3	1.5	1.7	1.9	2.1
Goodwill amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	1.2	3.2	-2.1	0.0	0.2	1.0	2.7
<i>Margin</i>	<i>4.0 %</i>	<i>8.8 %</i>	<i>-5.3 %</i>	<i>-0.1 %</i>	<i>0.7 %</i>	<i>2.5 %</i>	<i>6.3 %</i>
EBIT adj.	1.2	3.2	-2.1	0.0	0.2	1.0	2.7
Interest income	0.1	0.0	0.0	0.0	0.3	0.3	0.3
Interest expenses	0.6	0.5	0.2	0.1	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	0.6	2.7	-2.3	-0.2	0.3	1.1	2.8
<i>Margin</i>	<i>2.1 %</i>	<i>7.5 %</i>	<i>-5.7 %</i>	<i>-0.6 %</i>	<i>1.0 %</i>	<i>2.8 %</i>	<i>6.5 %</i>
Total taxes	0.2	0.3	-0.2	0.3	0.2	0.6	0.8
Net income from continuing operations	0.4	2.4	-2.0	-0.5	0.1	0.5	2.0
Income from discontinued operations (net of tax)	0.0	0.0	-0.1	0.0	0.0	0.0	0.0
Net income before minorities	0.4	2.4	-2.2	-0.5	0.1	0.5	2.0
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	0.4	2.4	-2.2	-0.5	0.1	0.5	2.0
<i>Margin</i>	<i>1.3 %</i>	<i>6.6 %</i>	<i>-5.4 %</i>	<i>-1.4 %</i>	<i>0.4 %</i>	<i>1.2 %</i>	<i>4.7 %</i>
Number of shares, average	29.6	30.7	30.7	30.7	30.7	30.7	30.7
EPS	0.01	0.08	-0.07	-0.01	0.00	0.02	0.07
EPS adj.	0.01	0.08	-0.07	-0.01	0.00	0.02	0.07

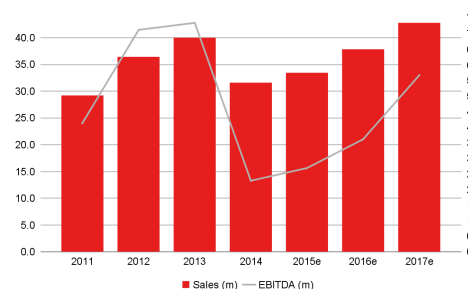
*Adjustments made for:

Guidance: Guidance 2015: Revenue EUR 33-35m - EBITDA EUR 2.5-3.5m

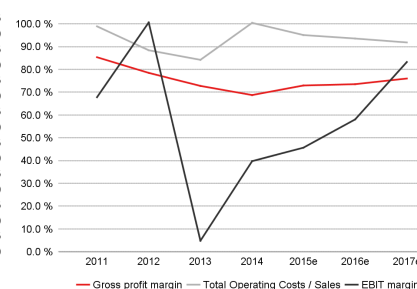
Financial Ratios

	2011	2012	2013	2014	2015e	2016e	2017e
Total Operating Costs / Sales	98.9 %	88.5 %	84.2 %	100.4 %	95.0 %	93.5 %	91.7 %
Operating Leverage	23.1 x	7.1 x	n.a.	4.7 x	n.a.	22.9 x	13.6 x
EBITDA / Interest expenses	6.8 x	13.7 x	40.6 x	28.8 x	13.4 x	18.1 x	28.4 x
Tax rate (EBT)	36.1 %	11.5 %	10.0 %	-162.1 %	58.8 %	56.5 %	28.0 %
Dividend Payout Ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	66.6 %	30.7 %
Sales per Employee	109,793	137,932	336,042	213,473	n.a.	n.a.	n.a.

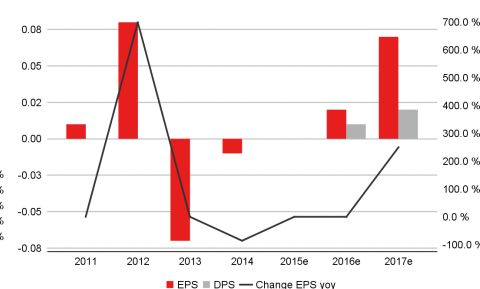
Sales, EBITDA
in EUR m



Operating Performance
in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

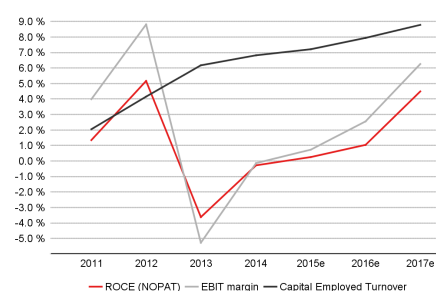
Consolidated balance sheet

In EUR m	2011	2012	2013	2014	2015e	2016e	2017e
Assets							
Goodwill and other intangible assets	38.2	39.4	14.5	15.2	15.5	15.6	15.5
thereof other intangible assets	5.5	5.1	0.9	0.5	0.8	0.9	0.8
thereof Goodwill	12.5	12.5	1.6	1.6	1.6	1.6	1.6
Property, plant and equipment	5.1	5.1	5.9	7.7	8.2	8.9	9.4
Financial assets	0.4	0.4	1.8	1.7	1.7	1.7	1.7
Other long-term assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fixed assets	43.7	44.9	22.2	24.5	25.4	26.2	26.6
Inventories	14.0	13.9	9.4	9.4	9.8	11.1	12.6
Accounts receivable	5.5	4.2	7.0	9.3	9.2	10.4	11.7
Liquid assets	2.2	3.7	1.6	12.2	11.3	9.2	9.1
Other short-term assets	0.8	1.8	25.0	2.4	2.4	2.4	2.4
Current assets	22.5	23.7	43.0	33.3	32.7	33.2	35.9
Total Assets	66.2	68.6	65.2	57.9	58.1	59.3	62.4
Liabilities and shareholders' equity							
Subscribed capital	30.7	30.7	30.7	30.7	30.7	30.7	30.7
Capital reserve	40.4	18.6	18.8	17.6	17.6	17.6	17.6
Retained earnings	0.2	0.2	0.7	0.7	0.9	1.6	4.2
Other equity components	-23.0	1.4	-3.1	-3.6	-3.6	-3.6	-3.6
Shareholders' equity	48.4	50.9	47.0	45.4	45.6	46.3	48.9
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	48.4	50.9	47.0	45.4	45.6	46.3	48.9
Provisions	0.2	0.2	0.3	0.4	0.4	0.4	0.4
thereof provisions for pensions and similar obligations	0.0	0.0	0.0	0.1	0.1	0.1	0.1
Financial liabilities (total)	9.2	7.6	4.7	4.3	4.3	4.3	4.3
thereof short-term financial liabilities	5.5	4.5	2.6	2.0	2.0	2.0	2.0
Accounts payable	3.1	3.3	2.9	2.9	3.1	3.5	4.0
Other liabilities	5.2	6.7	10.4	4.8	4.8	4.8	4.8
Liabilities	17.8	17.7	18.2	12.4	12.6	13.0	13.5
Total liabilities and shareholders' equity	66.2	68.6	65.2	57.9	58.1	59.3	62.4

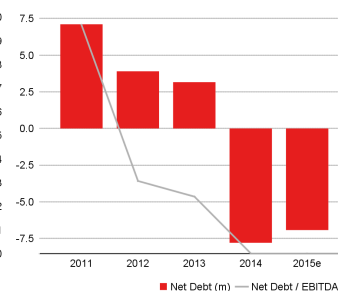
Financial Ratios

	2011	2012	2013	2014	2015e	2016e	2017e
Efficiency of Capital Employment							
Operating Assets Turnover	1.4 x	1.9 x	2.0 x	1.3 x	1.4 x	1.4 x	1.4 x
Capital Employed Turnover	0.5 x	0.7 x	0.8 x	0.8 x	0.9 x	0.9 x	1.0 x
ROA	0.9 %	5.4 %	-9.7 %	-1.9 %	0.6 %	1.8 %	7.5 %
Return on Capital							
ROCE (NOPAT)	1.4 %	5.2 %	-3.6 %	-0.3 %	0.3 %	1.0 %	4.5 %
ROE	0.8 %	4.9 %	-4.4 %	-1.0 %	0.3 %	1.0 %	4.2 %
Adj. ROE	0.8 %	4.9 %	-4.4 %	-1.0 %	0.3 %	1.0 %	4.2 %
Balance sheet quality							
Net Debt	7.1	3.9	3.2	-7.8	-6.9	-4.8	-4.8
Net Financial Debt	7.1	3.9	3.1	-7.9	-7.0	-5.0	-4.9
Net Gearing	14.7 %	7.7 %	6.7 %	-17.2 %	-15.2 %	-10.5 %	-9.7 %
Net Fin. Debt / EBITDA	171.4 %	54.4 %	42.6 %	n.a.	n.a.	n.a.	n.a.
Book Value / Share	1.6	1.7	1.5	1.5	1.5	1.5	1.6
Book value per share ex intangibles	0.3	0.4	1.1	1.0	1.0	1.0	1.1

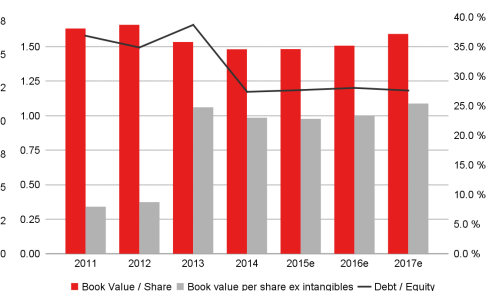
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

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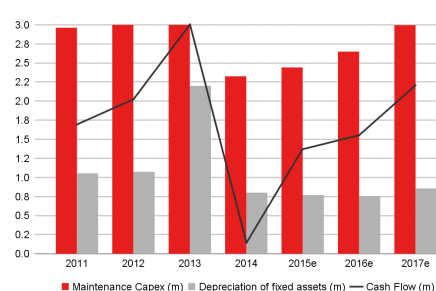
Consolidated cash flow statement

In EUR m	2011	2012	2013	2014	2015e	2016e	2017e
Net income	0.4	2.4	-2.2	-0.5	0.1	0.5	2.0
Depreciation of fixed assets	1.1	1.1	2.2	0.8	0.8	0.8	0.9
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.9	2.8	7.3	1.5	1.7	1.9	2.1
Increase/decrease in long-term provisions	0.0	0.0	0.0	0.2	0.0	0.0	0.0
Other non-cash income and expenses	0.2	-1.9	0.0	-3.0	0.0	0.0	0.0
Cash Flow	3.5	4.5	7.3	-1.0	2.6	3.1	5.0
Increase / decrease in inventory	-0.5	1.4	-4.6	-2.0	-0.4	-1.3	-1.5
Increase / decrease in accounts receivable	0.0	0.0	0.0	0.0	0.1	-1.2	-1.3
Increase / decrease in accounts payable	0.2	1.3	0.8	0.0	0.2	0.4	0.5
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	2.6	-3.8	-2.0	-0.2	-2.1	-2.3
Net cash provided by operating activities	3.2	7.1	3.5	-2.9	2.4	1.0	2.7
Investments in intangible assets	-3.1	-2.8	-5.7	-2.0	-2.0	-2.0	-2.0
Investments in property, plant and equipment	-0.9	-1.1	-1.1	-1.2	-1.3	-1.4	-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	0.3	0.0	3.5	18.3	0.0	0.0	0.0
Net cash provided by investing activities	-3.7	-3.9	-2.2	13.2	-3.3	-3.4	-3.4
Change in financial liabilities	-1.1	-1.4	-1.5	-0.6	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.3	0.6
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	3.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	-0.1	-0.2	-1.0	0.0	0.0	0.0	0.0
Net cash provided by financing activities	1.8	-1.6	-2.5	-0.6	0.0	0.3	0.6
Change in liquid funds	1.2	1.5	-1.2	9.7	-0.9	-2.1	-0.1
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	2.2	3.7	2.5	12.2	11.3	9.2	9.1

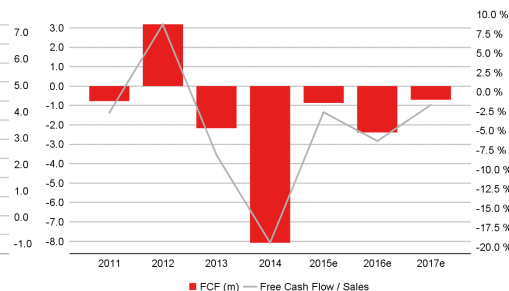
Financial Ratios

	2011	2012	2013	2014	2015e	2016e	2017e
Cash Flow							
FCF	-0.8	3.2	-2.2	-8.1	-0.9	-2.4	-0.7
Free Cash Flow / Sales	-2.6 %	8.7 %	-8.2 %	-19.4 %	-2.6 %	-6.3 %	-1.6 %
Free Cash Flow Potential	0.9	3.8	4.5	-0.3	0.0	0.4	1.9
Free Cash Flow / Net Profit	-197.2 %	132.3 %	151.5 %	1347.6 %	-619.8 %	-517.4 %	-35.3 %
Interest Received / Avg. Cash	3.8 %	1.0 %	0.0 %	0.0 %	2.6 %	2.9 %	3.3 %
Interest Paid / Avg. Debt	6.3 %	6.2 %	2.9 %	1.8 %	4.7 %	4.7 %	4.7 %
Management of Funds							
Investment ratio	13.6 %	10.7 %	17.1 %	10.1 %	9.9 %	9.0 %	7.9 %
Maint. Capex / Sales	10.1 %	8.2 %	7.5 %	7.4 %	7.3 %	7.0 %	7.0 %
Capex / Dep	134.6 %	99.8 %	72.0 %	137.6 %	135.2 %	128.4 %	113.5 %
Avg. Working Capital / Sales	54.4 %	41.0 %	34.3 %	46.5 %	47.3 %	44.8 %	44.8 %
Trade Debtors / Trade Creditors	176.5 %	129.7 %	246.6 %	315.3 %	296.8 %	297.1 %	292.5 %
Inventory Turnover	0.6 x	0.8 x	1.3 x	1.3 x	1.0 x	1.0 x	1.0 x
Receivables collection period (days)	69	42	64	107	100	100	100
Payables payment period (days)	141	110	87	88	113	114	118
Cash conversion cycle (Days)	595	379	252	274	342	348	354

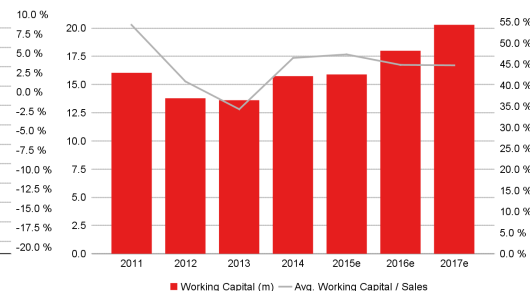
CAPEX and Cash Flow
in EUR m



Free Cash Flow Generation



Working Capital



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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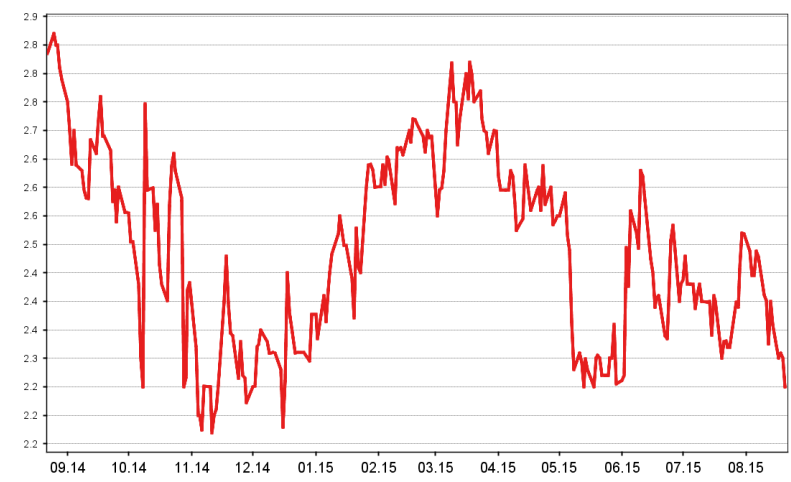
Rating	Number of stocks	% of Universe
Buy	114	61
Hold	62	33
Sell	7	4
Rating suspended	3	2
Total	186	100

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	94	67
Hold	41	29
Sell	3	2
Rating suspended	2	1
Total	140	100

PRICE AND RATING HISTORY AAP IMPLANTATE AS OF 21.08.2015



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

Our research can be found under:

Warburg Research research.mmwarburg.com/en/index.html
Bloomberg MMWA GO
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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