

<p>Buy</p> <p>EUR 2.10</p>	<p>Value Indicators: EUR</p> <p>DCF: 2.09</p> <p>SotP: 2.59</p> <p>Peer Group: 2.97</p>	<p>Share data:</p> <p>Bloomberg: AAQ GR</p> <p>Reuters: AAQG.DE</p> <p>ISIN: DE0005066609</p>	<p>Description:</p> <p>Producer of implants and biomaterials to mend broken bones</p>
	<p>Market Snapshot: EUR m</p> <p>Market cap: 46.7</p> <p>No. of shares (m): 30.8</p> <p>EV: 42.1</p> <p>Freefloat MC: 20.2</p> <p>Ø Trad. Vol. (30d): 39.27 th</p>	<p>Shareholders:</p> <p>Freefloat: 43.3 %</p> <p>Ratio Capital: 13.3 %</p> <p>Jürgen W. Krebs: 12.7 %</p> <p>Noes Beheer B.V.: 10.9 %</p> <p>Taaleritehdas: 6.3 %</p>	<p>Risk Profile (WRe): 2015e</p> <p>Beta: 1.5</p> <p>Price / Book: 1.1 x</p> <p>Equity Ratio: 77 %</p>
<p>Price: EUR 1.52</p> <p>Upside: 38.6 %</p>			

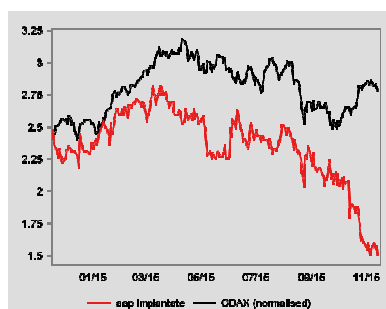
Investment case intact - Q3 figures as expected

<p>Stated Figures Q3/2015:</p>					<p>Comment on Figures:</p> <ul style="list-style-type: none"> ▪ Preliminary sales were already reported. ▪ EBITDA in line with expectations and in the middle of guidance range. ▪ LOQTEQ sales decreased as several issues in emerging markets had a significant impact on customers' order behavior. LOQTEQ was pursuing a growth strategy which was mainly focused on emerging markets and the US. LOQTEQ remains the core growth driver at app. 				
FY End: 31.12. in EUR m	Q3 15	Q3 15e	Q3 14	yoy	9M 15	9M 15e	9M 14	yoy	
Sales	8.4	8.4	7.8	7 %	22.0	22.0	23.0	-4 %	
EBITDA	0.3	0.2	0.8	-60 %	-0.3	-0.4	2.4	n.a.	
Margin	3.8 %	2.1 %	10.3 %		-1.3 %	-2.0 %	10.6 %		
EBIT	-0.4	-0.5	0.2	n.a.	-2.3	-2.4	0.8	n.a.	
Margin	-4.3 %	-6.1 %	3.1 %		-10.3 %	-11.0 %	3.4 %		
EPS	-0.01	-0.02	0.01	n.a.	-0.07	-0.08	0.03	n.a.	

A conference call will be hosted on Monday 16, at 2 p.m. CET. Dial: +49 (0) 69 5060 9538; Access code: 324 797 7597

aap faced several order delays in main Trauma markets in Q3. In the past, aap focused on a distribution strategy mainly based on emerging markets (so-called BRIC and SMIT countries). The company benefitted strongly from the rapid development and growth of these markets in the past. However, these countries are currently suffering from negative economic development as well as unfavourable currency exchange rates, which are affecting aap's distribution partners, resulting in order delays. For the moment, any change in the aforementioned macro-economic trends would seem difficult to predict and as a consequence the order situation remains uncertain. In regard to reducing dependence on these markets, the company is now planning to put greater focus on developed markets such as the DACH-region.

Despite current issues regarding the roll-out of LOQTEQ, there are no doubts about aap's equity story. Based on its competitive quality and the effectiveness of the IP-protected Trauma implant LOQTEQ, we expect the company to get back on track in the near future. Furthermore, aap plans to file for CE approval for its promising silver coating technology by the end of this year. Potential approval is expected in H2 2016. This approval would improve the USP of LOQTEQ and would also further increase barriers for the development of a comparable antibacterial silver coated Trauma implant. Therefore, the rating and price target are being kept unchanged. Current stock prices are perceived to be a buying opportunity as the most recent drop in the share price seems overdone in our view. Buy.



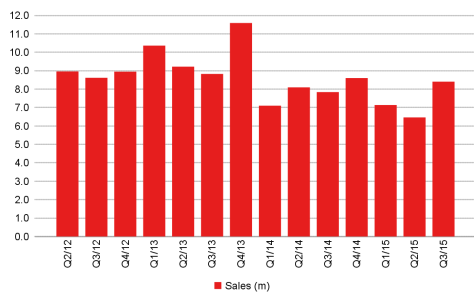
Rel. Performance vs CDAX:

1 month:	-25.6 %
6 months:	-27.8 %
Year to date:	-46.5 %
Trailing 12 months:	-49.6 %

Company events:

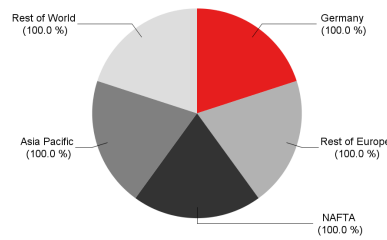
FY End: 31.12. in EUR m	CAGR (14-17e)	2011	2012	2013	2014	2015e	2016e	2017e
Sales	3.0 %	29.2	36.4	40.0	31.6	29.3	31.8	34.5
Change Sales yoy		2.7 %	24.7 %	9.8 %	-21.0 %	-7.2 %	8.5 %	8.4 %
Gross profit margin		85.3 %	78.4 %	72.7 %	68.8 %	65.0 %	71.0 %	73.0 %
EBITDA	12.3 %	4.1	7.1	7.4	2.3	-0.7	2.0	3.2
Margin		14.1 %	19.6 %	18.4 %	7.2 %	-2.3 %	6.1 %	9.4 %
EBIT	-	1.2	3.2	-2.1	0.0	-2.8	-0.3	0.8
Margin		4.0 %	8.8 %	-5.3 %	-0.1 %	-9.6 %	-0.9 %	2.4 %
Net income	-	0.4	2.4	-2.2	-0.5	-2.9	-0.8	0.7
EPS	-	0.01	0.08	-0.07	-0.01	-0.09	-0.03	0.02
DPS	-	0.00	0.00	0.00	0.00	-0.03	-0.01	0.01
Dividend Yield		0.0 %	0.0 %	0.0 %	0.0 %	-2.0 %	-0.7 %	0.7 %
FCFPS		-0.03	0.10	-0.07	-0.26	-0.07	-0.10	-0.05
FCF / Market cap		-2.7 %	10.4 %	-7.3 %	-7.3 %	-4.7 %	-6.7 %	-3.5 %
EV / Sales		1.2 x	0.9 x	1.2 x	2.4 x	1.4 x	1.4 x	1.4 x
EV / EBITDA		8.7 x	4.8 x	6.6 x	33.5 x	n.a.	23.3 x	14.5 x
EV / EBIT		30.8 x	10.7 x	n.a.	n.a.	n.a.	n.a.	57.5 x
P / E		96.9 x	12.5 x	n.a.	n.a.	n.a.	n.a.	75.8 x
FCF Yield Potential		2.6 %	11.0 %	9.3 %	-0.4 %	-7.2 %	-1.9 %	1.2 %
Net Debt		7.1	3.9	3.2	-7.8	-4.7	-1.2	0.1
ROE		0.8 %	4.9 %	-4.4 %	-1.0 %	-6.7 %	-1.9 %	1.6 %
ROCE (NOPAT)		1.4 %	5.2 %	-3.6 %	-0.3 %	-8.1 %	-3.2 %	1.5 %
Guidance:		Guidance 2015: Revenue EUR 27.5-31.5m - EBITDA EUR -1.5-1m						

Sales development
in EUR m



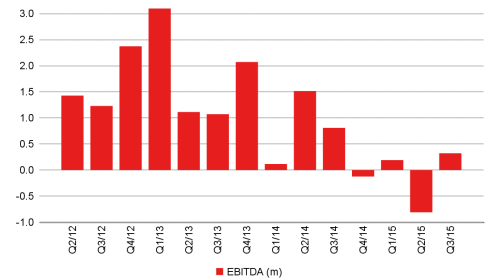
Source: Warburg Research

Sales by regions
2014; in %



Source: Warburg Research

EBITDA development
in EUR m



Source: Warburg Research

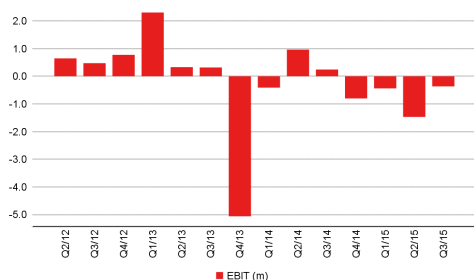
Company Background

- 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

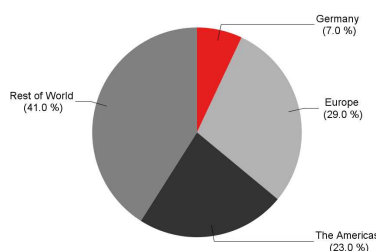
- aap Implantate AG has developed a patent protected Trauma implant (LOQTEQ), which provides significant improvements for surgeons, hospitals and clinics as well as patients.
- Additionally aap has a promising product pipeline with an antibacterial silver coating for the implants as well as resorbable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



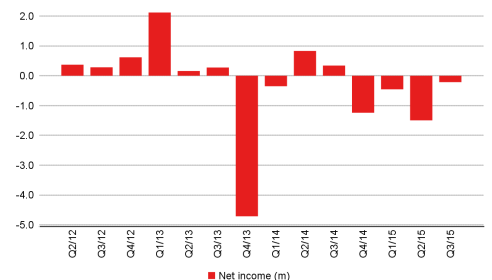
Source: Warburg Research

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	29.3	31.8	34.5	37.4	40.6	44.2	48.2	51.5	55.2	59.3	63.9	69.0	74.6	
Sales change	-7.2 %	8.5 %	8.4 %	8.4 %	8.6 %	8.8 %	9.0 %	6.9 %	7.2 %	7.4 %	7.7 %	7.9 %	8.2 %	2.5 %
EBIT	-2.8	-0.3	0.8	1.4	2.2	3.2	4.2	5.6	7.4	9.7	13.4	14.5	15.7	
EBIT-margin	-9.6 %	-0.9 %	2.4 %	3.9 %	5.5 %	7.2 %	8.8 %	10.9 %	13.4 %	16.4 %	21.0 %	21.0 %	21.0 %	
Tax rate (EBT)	-7.4 %	-347.2 %	28.0 %	25.0 %	25.0 %	25.0 %	25.0 %	25.0 %	25.0 %	25.0 %	25.0 %	25.0 %	25.0 %	
NOPAT	-3.0	-1.2	0.6	1.1	1.7	2.4	3.2	4.2	5.5	7.3	10.1	10.9	11.8	
Depreciation	2.1	2.2	2.4	2.4	2.6	2.9	3.1	3.3	3.6	3.9	4.2	4.5	4.8	
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	-1.9	1.2	1.3	0.4	1.5	1.6	1.8	1.5	-1.1	1.6	1.8	2.0	2.3	
- Capex	3.3	3.4	3.4	2.4	2.6	2.9	3.1	3.3	3.6	3.9	4.2	4.5	4.8	
Capex in % of Sales	11.3 %	10.7 %	9.9 %	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)	-2.3	-3.6	-1.7	0.7	0.2	0.8	1.4	2.7	6.6	5.7	8.3	8.8	9.5	11
PV of FCF	-2.3	-3.3	-1.4	0.5	0.2	0.5	0.8	1.4	3.2	2.5	3.3	3.2	3.1	52
share of PVs	-10.87 %			29.00 %										81.87 %

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	12		
Terminal Value	52		
Financial liabilities	9		
Pension liabilities	0		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	9	No. of shares (m)	30.8
Equity Value	64	Value per share (EUR)	2.09

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 %	1.56	1.60	1.64	1.68	1.72	1.76	1.81	1.66	10.6 %	1.40	1.49	1.58	1.68	1.77	1.86	1.96
1.57	10.1 %	1.73	1.78	1.82	1.87	1.92	1.97	2.03	1.57	10.1 %	1.57	1.67	1.77	1.87	1.97	2.06	2.16
1.52	9.9 %	1.83	1.87	1.92	1.97	2.03	2.09	2.16	1.52	9.9 %	1.67	1.77	1.87	1.97	2.08	2.18	2.28
1.48	9.6 %	1.93	1.98	2.03	2.09	2.15	2.22	2.29	1.48	9.6 %	1.77	1.88	1.98	2.09	2.19	2.30	2.40
1.43	9.4 %	2.03	2.09	2.15	2.21	2.28	2.35	2.43	1.43	9.4 %	1.89	2.00	2.10	2.21	2.32	2.43	2.54
1.38	9.1 %	2.15	2.21	2.28	2.35	2.42	2.50	2.59	1.38	9.1 %	2.01	2.12	2.23	2.35	2.46	2.57	2.68
1.29	8.6 %	2.41	2.48	2.56	2.65	2.74	2.85	2.96	1.29	8.6 %	2.29	2.41	2.53	2.65	2.77	2.89	3.01

- 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.

Valuation							
	2011	2012	2013	2014	2015e	2016e	2017e
Price / Book	0.6 x	0.6 x	1.0 x	1.9 x	1.1 x	1.2 x	1.1 x
Book value per share ex intangibles	0.34	0.37	1.06	0.99	0.84	0.79	0.81
EV / Sales	1.2 x	0.9 x	1.2 x	2.4 x	1.4 x	1.4 x	1.4 x
EV / EBITDA	8.7 x	4.8 x	6.6 x	33.5 x	n.a.	23.3 x	14.5 x
EV / EBIT	30.8 x	10.7 x	n.a.	n.a.	n.a.	n.a.	57.5 x
EV / EBIT adj.*	30.8 x	10.7 x	n.a.	n.a.	n.a.	n.a.	57.5 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.	n.a.	75.8 x
P / E adj.*	96.9 x	12.5 x	n.a.	n.a.	n.a.	n.a.	75.8 x
Dividend Yield	0.0 %	0.0 %	0.0 %	0.0 %	-2.0 %	-0.7 %	0.7 %
Free Cash Flow Yield Potential	2.6 %	11.0 %	9.3 %	-0.4 %	-7.2 %	-1.9 %	1.2 %
*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	29.3	31.8	34.5
Change Sales yoy	2.7 %	24.7 %	9.8 %	-21.0 %	-7.2 %	8.5 %	8.4 %
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	0.9	1.0	1.7
Total Sales	33.0	39.3	41.0	34.0	30.2	32.8	36.2
Material Expenses	8.1	10.8	12.0	12.3	11.1	10.2	11.0
Gross profit	24.9	28.6	29.1	21.7	19.1	22.6	25.2
<i>Gross profit margin</i>	<i>85.3 %</i>	<i>78.4 %</i>	<i>72.7 %</i>	<i>68.8 %</i>	<i>65.0 %</i>	<i>71.0 %</i>	<i>73.0 %</i>
Personnel expenses	11.9	13.5	14.6	12.2	12.6	12.6	13.5
Other operating income	1.9	3.3	4.3	3.1	3.0	3.1	3.3
Other operating expenses	10.8	11.2	11.4	10.3	10.1	11.2	11.8
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	-0.7	2.0	3.2
<i>Margin</i>	<i>14.1 %</i>	<i>19.6 %</i>	<i>18.4 %</i>	<i>7.2 %</i>	<i>-2.3 %</i>	<i>6.1 %</i>	<i>9.4 %</i>
Depreciation of fixed assets	1.1	1.1	2.2	0.8	0.7	0.6	0.7
EBITA	3.1	6.0	5.2	1.5	-1.3	1.3	2.5
Amortisation of intangible assets	1.9	2.8	7.3	1.5	1.5	1.6	1.7
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	-2.8	-0.3	0.8
<i>Margin</i>	<i>4.0 %</i>	<i>8.8 %</i>	<i>-5.3 %</i>	<i>-0.1 %</i>	<i>-9.6 %</i>	<i>-0.9 %</i>	<i>2.4 %</i>
EBIT adj.	1.2	3.2	-2.1	0.0	-2.8	-0.3	0.8
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	-2.7	-0.2	0.9
<i>Margin</i>	<i>2.1 %</i>	<i>7.5 %</i>	<i>-5.7 %</i>	<i>-0.6 %</i>	<i>-9.2 %</i>	<i>-0.5 %</i>	<i>2.7 %</i>
Total taxes	0.2	0.3	-0.2	0.3	0.2	0.6	0.3
Net income from continuing operations	0.4	2.4	-2.0	-0.5	-2.9	-0.8	0.7
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	-2.9	-0.8	0.7
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	-2.9	-0.8	0.7
<i>Margin</i>	<i>1.3 %</i>	<i>6.6 %</i>	<i>-5.4 %</i>	<i>-1.4 %</i>	<i>-9.9 %</i>	<i>-2.4 %</i>	<i>1.9 %</i>
Number of shares, average	29.6	30.7	30.7	30.7	30.8	30.8	30.8
EPS	0.01	0.08	-0.07	-0.01	-0.09	-0.03	0.02
EPS adj.	0.01	0.08	-0.07	-0.01	-0.09	-0.03	0.02

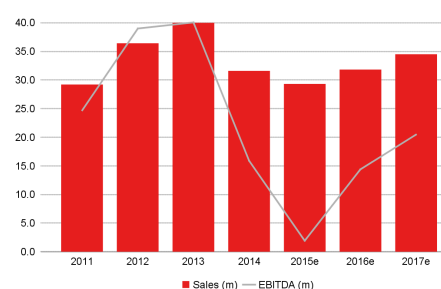
*Adjustments made for:

Guidance: Guidance 2015: Revenue EUR 27.5-31.5m - EBITDA EUR -1.5-1m

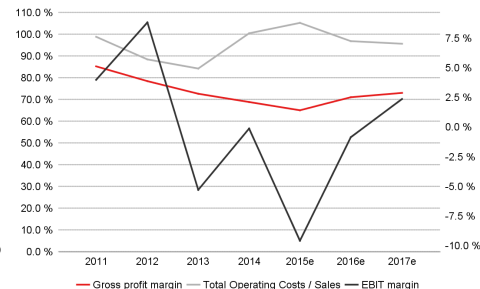
Financial Ratios

	2011	2012	2013	2014	2015e	2016e	2017e
Total Operating Costs / Sales	98.9 %	88.5 %	84.2 %	100.4 %	105.3 %	96.9 %	95.6 %
Operating Leverage	23.1 x	7.1 x	n.a.	4.7 x	-833.4 x	-10.6 x	n.a.
EBITDA / Interest expenses	6.8 x	13.7 x	40.6 x	28.8 x	n.m.	9.8 x	16.2 x
Tax rate (EBT)	36.1 %	11.5 %	10.0 %	-162.1 %	-7.4 %	-347.2 %	28.0 %
Dividend Payout Ratio	0.0 %	0.0 %	0.0 %	0.0 %	31.8 %	39.9 %	46.8 %
Sales per Employee	109,793	137,932	336,042	213,473	n.a.	n.a.	n.a.

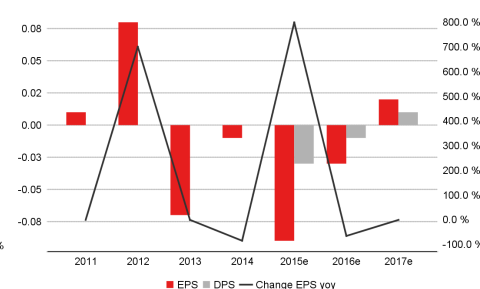
Sales, EBITDA
in EUR m



Operating Performance
in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

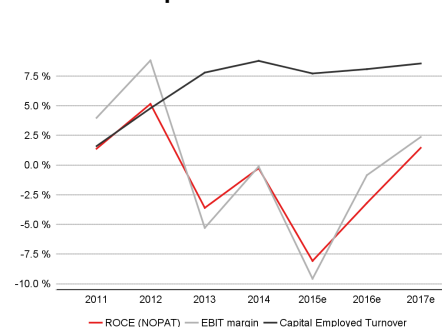
Consolidated balance sheet

In EUR m	2011	2012	2013	2014	2015e	2016e	2017e
Assets							
Goodwill and other intangible assets	38.2	39.4	14.5	15.2	15.7	16.1	16.4
thereof other intangible assets	5.5	5.1	0.9	0.5	1.0	1.5	1.7
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	8.3	9.1	9.8
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	25.7	26.9	27.9
Inventories	14.0	13.9	9.4	9.4	8.6	9.4	10.1
Accounts receivable	5.5	4.2	7.0	9.3	8.0	8.7	9.5
Liquid assets	2.2	3.7	1.6	12.2	9.0	5.6	4.2
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	28.1	26.1	26.3
Total Assets	66.2	68.6	65.2	57.9	53.8	53.0	54.2
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	-3.1	-4.2	-3.2
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	41.6	40.5	41.5
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	41.6	40.5	41.5
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	2.7	3.0	3.2
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	12.2	12.5	12.7
Total liabilities and shareholders' equity	66.2	68.6	65.2	57.9	53.8	53.0	54.2

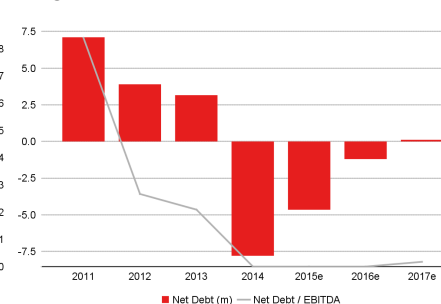
Financial Ratios

	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	1.3 x	1.3 x	1.3 x
Capital Employed Turnover	0.5 x	0.7 x	0.8 x	0.8 x	0.8 x	0.8 x	0.8 x
ROA	0.9 %	5.4 %	-9.7 %	-1.9 %	-11.3 %	-2.9 %	2.4 %
Return on Capital							
ROCE (NOPAT)	1.4 %	5.2 %	-3.6 %	-0.3 %	-8.1 %	-3.2 %	1.5 %
ROE	0.8 %	4.9 %	-4.4 %	-1.0 %	-6.7 %	-1.9 %	1.6 %
Adj. ROE	0.8 %	4.9 %	-4.4 %	-1.0 %	-6.7 %	-1.9 %	1.6 %
Balance sheet quality							
Net Debt	7.1	3.9	3.2	-7.8	-4.7	-1.2	0.1
Net Financial Debt	7.1	3.9	3.1	-7.9	-4.8	-1.3	0.0
Net Gearing	14.7 %	7.7 %	6.7 %	-17.2 %	-11.2 %	-3.0 %	0.3 %
Net Fin. Debt / EBITDA	171.4 %	54.4 %	42.6 %	n.a.	n.a.	n.a.	0.2 %
Book Value / Share	1.6	1.7	1.5	1.5	1.3	1.3	1.3
Book value per share ex intangibles	0.3	0.4	1.1	1.0	0.8	0.8	0.8

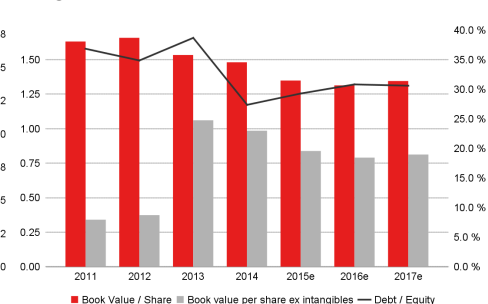
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

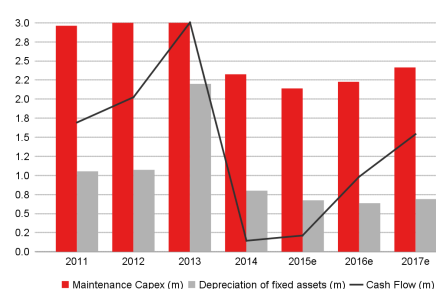
Consolidated cash flow statement

In EUR m	2011	2012	2013	2014	2015e	2016e	2017e
Net income	0.4	2.4	-2.2	-0.5	-2.9	-0.8	0.7
Depreciation of fixed assets	1.1	1.1	2.2	0.8	0.7	0.6	0.7
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	1.5	1.6	1.7
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	-0.8	1.5	3.1
Increase / decrease in inventory	-0.5	1.4	-4.6	-2.0	0.8	-0.8	-0.7
Increase / decrease in accounts receivable	0.0	0.0	0.0	0.0	1.3	-0.7	-0.8
Increase / decrease in accounts payable	0.2	1.3	0.8	0.0	-0.2	0.3	0.2
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	1.9	-1.2	-1.3
Net cash provided by operating activities	3.2	7.1	3.5	-2.9	1.1	0.3	1.8
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	-0.9	-0.3	0.3
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	-0.9	-0.3	0.3
Change in liquid funds	1.2	1.5	-1.2	9.7	-3.1	-3.5	-1.3
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	9.0	5.6	4.2

Financial Ratios

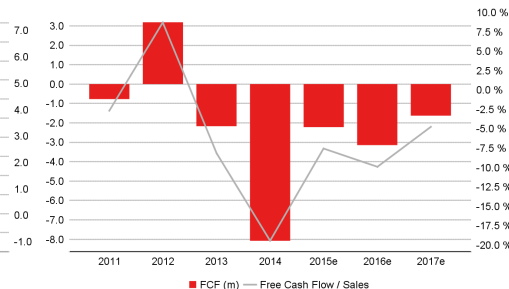
	2011	2012	2013	2014	2015e	2016e	2017e
Cash Flow							
FCF	-0.8	3.2	-2.2	-8.1	-2.2	-3.1	-1.6
Free Cash Flow / Sales	-2.6 %	8.7 %	-8.2 %	-19.4 %	-7.6 %	-9.9 %	-4.7 %
Free Cash Flow Potential	0.9	3.8	4.5	-0.3	-3.0	-0.9	0.6
Free Cash Flow / Net Profit	-197.2 %	132.3 %	151.5 %	1347.6 %	76.3 %	407.0 %	-246.8 %
Interest Received / Avg. Cash	3.8 %	1.0 %	0.0 %	0.0 %	2.8 %	4.1 %	6.1 %
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 %	11.3 %	10.7 %	9.9 %
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 %	154.2 %	152.7 %	140.8 %
Avg. Working Capital / Sales	54.4 %	41.0 %	34.3 %	46.5 %	50.6 %	45.6 %	45.7 %
Trade Debtors / Trade Creditors	176.5 %	129.7 %	246.6 %	315.3 %	296.3 %	290.0 %	296.9 %
Inventory Turnover	0.6 x	0.8 x	1.3 x	1.3 x	1.3 x	1.1 x	1.1 x
Receivables collection period (days)	69	42	64	107	100	100	101
Payables payment period (days)	141	110	87	88	88	108	106
Cash conversion cycle (Days)	595	379	252	274	270	322	320

CAPEX and Cash Flow
in EUR m



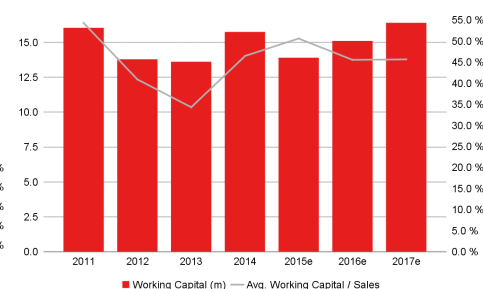
Source: Warburg Research

Free Cash Flow Generation



Source: Warburg Research

Working Capital



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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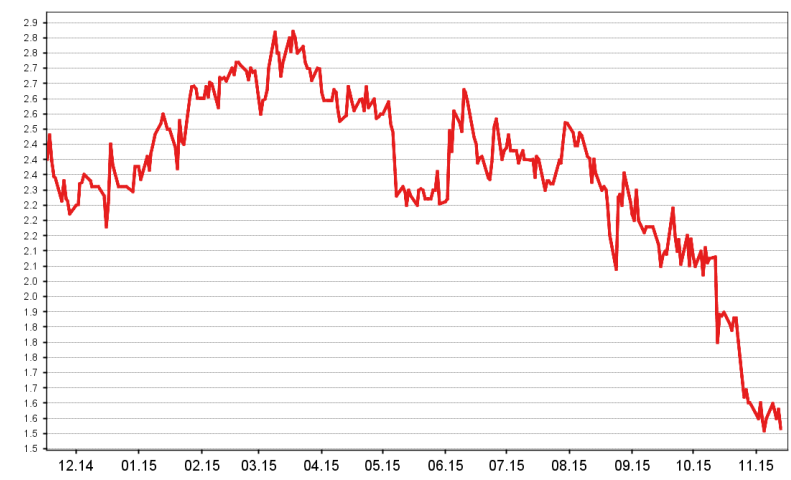
Rating	Number of stocks	% of Universe
Buy	115	63
Hold	56	31
Sell	7	4
Rating suspended	5	3
Total	183	100

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

... taking into account only those companies which were provided with major investment banking services in the last twelve months.

Rating	Number of stocks	% of Universe
Buy	20	69
Hold	6	21
Sell	2	7
Rating suspended	1	3
Total	29	100

PRICE AND RATING HISTORY AAP IMPLANTATE AS OF 16.11.2015



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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