



aap Implantate AG Corporate Presentation

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Safe Harbor Statement

Our publication may include predictions, estimates or other information that might be considered forward-looking. While these forward-looking statements represent our current judgment on what the future holds, they are subject to risks and uncertainties that could cause actual results to differ materially. You are cautioned not to place undue reliance on these forward-looking statements, which reflect our opinions only as of the date of this presentation. Please keep in mind that we are not obligating ourselves to revise or publicly release the results of any revision to these forward-looking statements in light of new information or future events. Throughout today's discussion, we will attempt to present some important factors relating to our business that may affect our predictions.

aap Company Overview

- German based international MedTech company
- Listed in Frankfurt, Germany, Prime standard (XETRA: AAQ.DE)
- 2013: sales €40 million, EBITDA ca. €7 million
- 224 employees
- Operating with two Centres of Excellence

Center of Excellence Trauma, Berlin

- Comprehensive plates & screws portfolio
- R&D and manufacturing in-house
- B2C: direct Sales Force in Germany, International distributors, *aap* label
- Distributors worldwide with FOCUS on Europe, BRICS, SMIT, N10



Products and Services

Business Model

Customer Base

Center of Excellence Biomaterials, Dieburg

- Comprehensive Portfolio of bone cements and accessories as well as biomaterials
- Service value chain for third parties: R&D → approval & registration → supply
- B2B: OEM and private label
- Global orthopedic companies



Highlights 9M/2014

Financial Performance

- Sales* +29% (€21.8 million) and EBITDA * >+100% (€1.3 million)
- LOQTEQ® sales +68% (€ 5.3 million); in Q3/2014 +110% (€ 2.4 million)

IP Portfolio extension

- LOQTEQ® system: two US patent/notice of allowance granted
- Silver technology: US patent granted

Business extension

- Strong growth of trauma in strategic markets (BRICS, SMIT)
- Agreement signed with a leading US company to supply bone cement

Evidence based clinical advantages

- Study on Osteotomy System: LOQTEQ® with outstanding characteristics
- Study on Cold Welding: LOQTEQ® so far with no cold welding

Implementation of focusing strategy

- Remaining 50% of non-core dental business divested (€1.0 million in cash)
- Contract manufacturing subsidiary EMCM divested (€18 million in cash)
- *aap* Bio transaction expected to be completed in Q1/2015 at the latest

Guidance 2014

- Sales expected € 30 - 34 million and EBITDA € 2.0 - 4.5 million

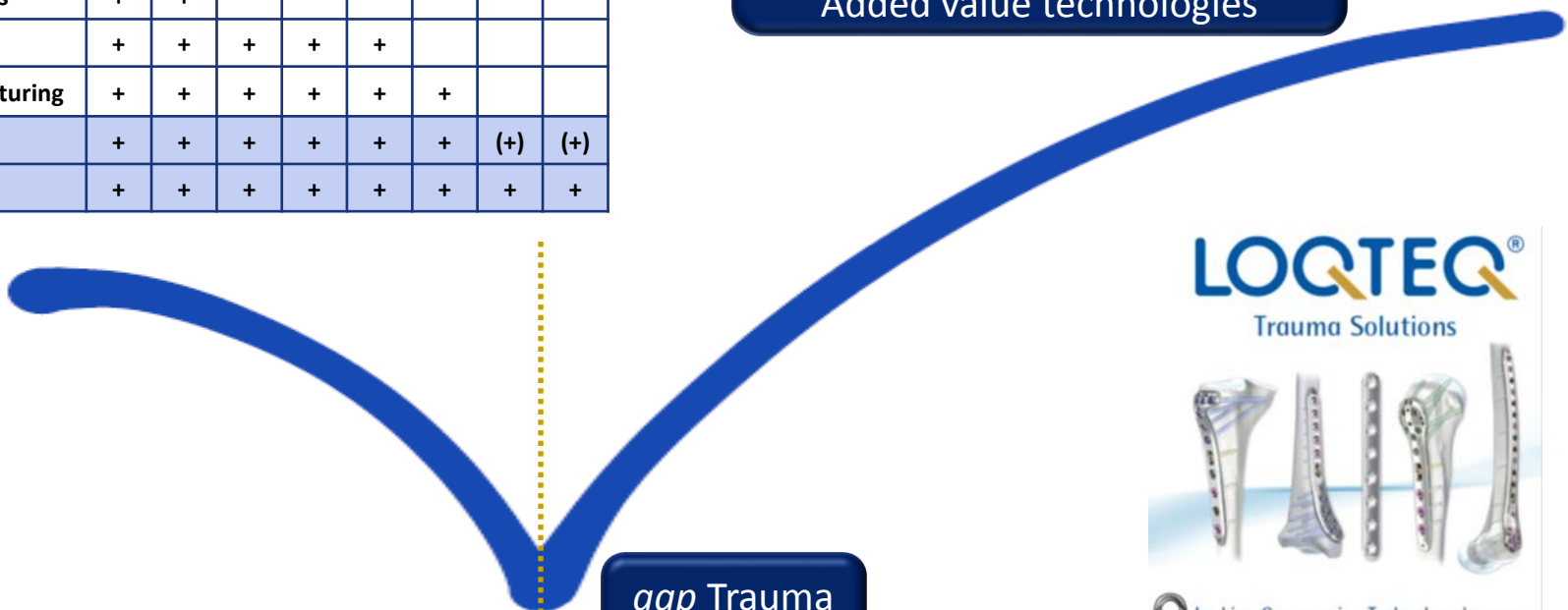
*Normalized sales/EBITDA excluding one-off effects of equity disposals and one-off costs in connection with strategic measures and project proceeds and costs incurred in connection with them

Transformation & Growth Path

Rebounding for focused & accelerated growth

Focus on core business								
	2008	2009	2010	2011	2012	2013	2014	2015
Dental	+							
Analytics	+	+						
Medical Aesthetics	+	+						
Recon	+	+	+	+	+			
Contract Manufacturing	+	+	+	+	+	+		
Biomaterials	+	+	+	+	+	+	(+)	(+)
Trauma	+	+	+	+	+	+	+	+

aap Trauma **LOQTEQ**[®]
Upside Catalysts Silver Coating
Added value technologies



aap Trauma **LOQTEQ**[®]

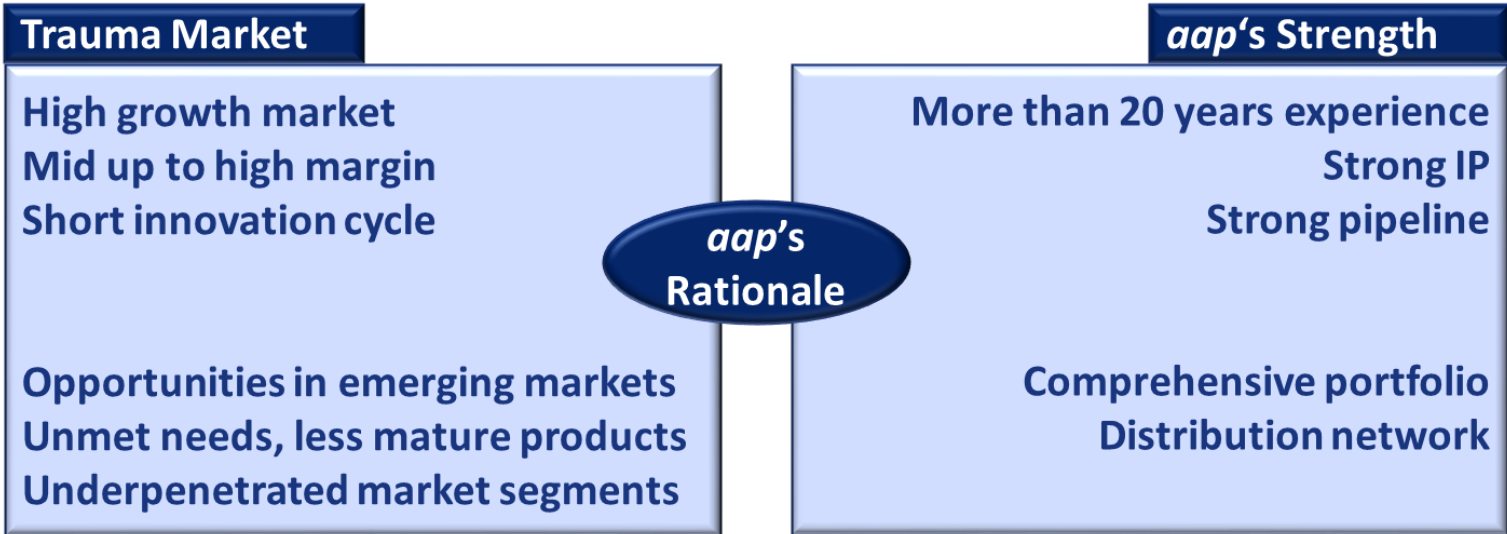
Transformation from diversified to focused MedTech company

Focused growth as pure player in Trauma

2008 – 2014

2015 and beyond

aap's Rationale, Aspiration & Strategic Imperatives



Making trauma treatment better and cost-effective

aap's Aspiration

Become a leading European trauma company

Accelerating value-based innovation

aap's Strategic Imperatives

Optimizing operational efficiency

Enhancing market access

Growth supplemented with acquisition

The New *aap* – 2015 and beyond

Completely transformed business

DIFFERENTIATION

aap with a unique position and opportunity for future growth

Focused on most attractive, higher growth segments of the orthopedics market

Strong IP for all key platform technologies

Comprehensive product offering

Technologies address unmet needs of the industry

GROWTH

aap with multiple drivers for delivering profitable growth

Continuous new product launches

International expansion

Growth catalyst anti-bacterial silver coating

Acquisition fuelled growth

VALUE CREATION

aap with a sound strategy to create value

Profitable growth 2-3 times faster than the market

Attractive valuation as pure & fast-growing trauma player with strong IP

Striving for valuation of 5-6 times sales based on recent transactions

Hidden reserve due to broad application of silver coating outside trauma and ortho

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