



# Q2/2012 Report Conference Call

## *aap* Implantate AG

Biense Visser, CEO  
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# Highlights Q2/HY1 2012

- **Sales:**

- **Q2:** Growth (products) of 18 % to 9.0 Mio. € (Q2 2011: 7.6 Mio. €)
- **Q2:** Growth driver:
  - » Bone Cements and Cementing Techniques: +0.7 Mio. €
  - » Trauma: +0.4 Mio. €
  - » Contract Manufacturing in Nijmegen: +0.5 Mio. €
- **H1:** Growth (products) of 18 % to 16.7 Mio. € (HY1 2011: 14.2 Mio. €)
- **H1:** Growth (incl. project sales amounting 2.1 Mio. €) of 33 % to 18.9 Mio. €

- **EBITDA:**

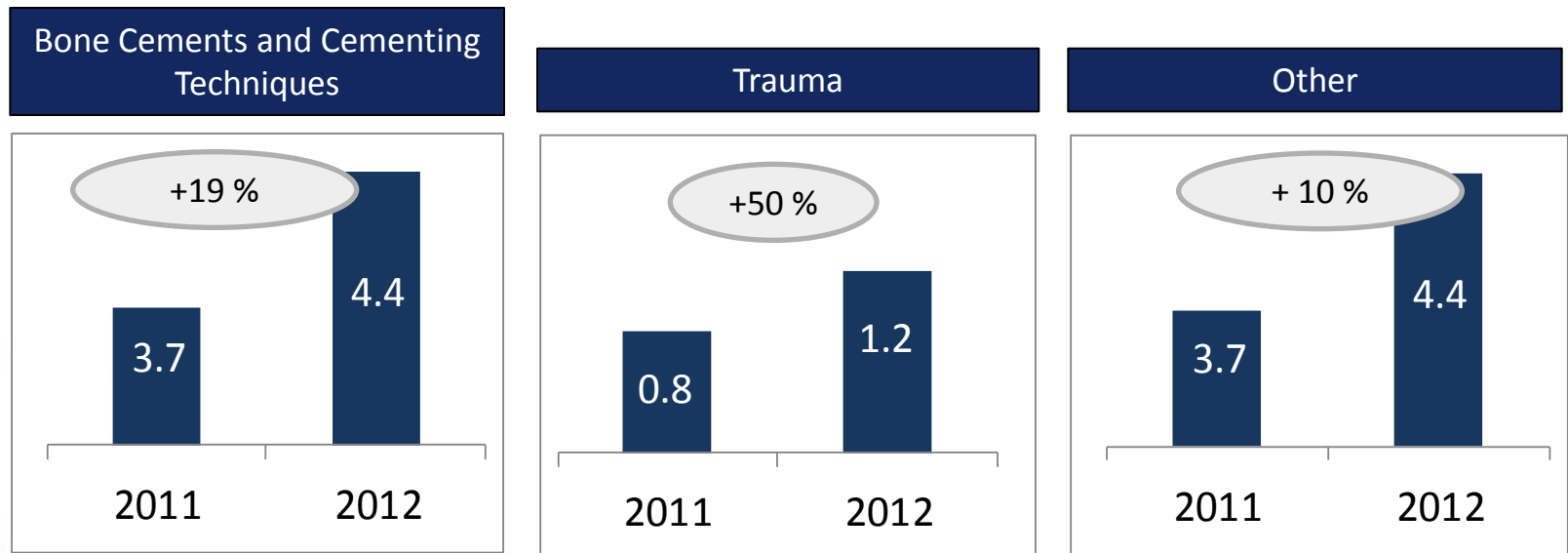
- **Q2:** Growth (products) of 11 % to 1.5 Mio. € (Q2 2011: 1.3 Mio. €)
- **HY1:** Growth (products) of 15 % to 2.4 Mio. € (HY1 2011: 2.1 Mio. €)
- **HY1:** Growth (incl. project sales ) of 66 % to 3.5 Mio. €

- **Operating Cash-Flow:**

- **Q2:** Growth to 3.6 Mio. € (Q2 2011: 0.2 Mio. €)
- **HY1:** Growth to 4.9 Mio. € (HY1 2011: 1.7 Mio. €)

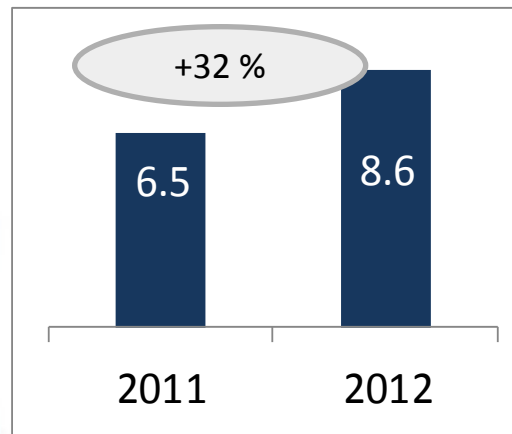
- **AGM 2012:** All resolutions were approved by substantial majorities

# Sales Q2 2012

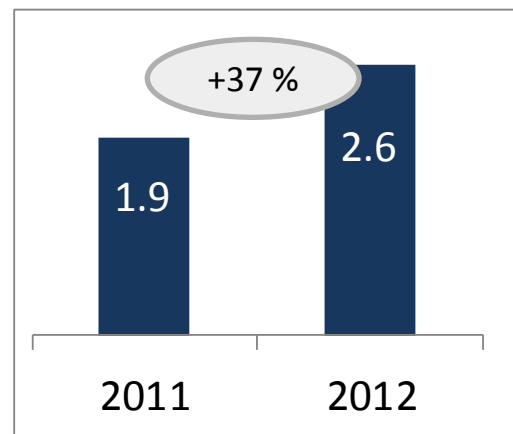


# Sales HY1 2012

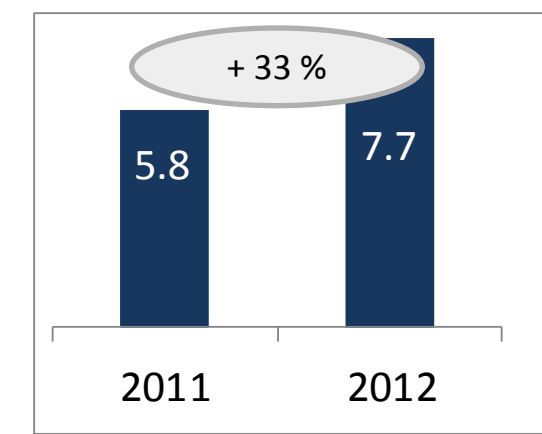
**Bone Cements and Cementing Techniques**



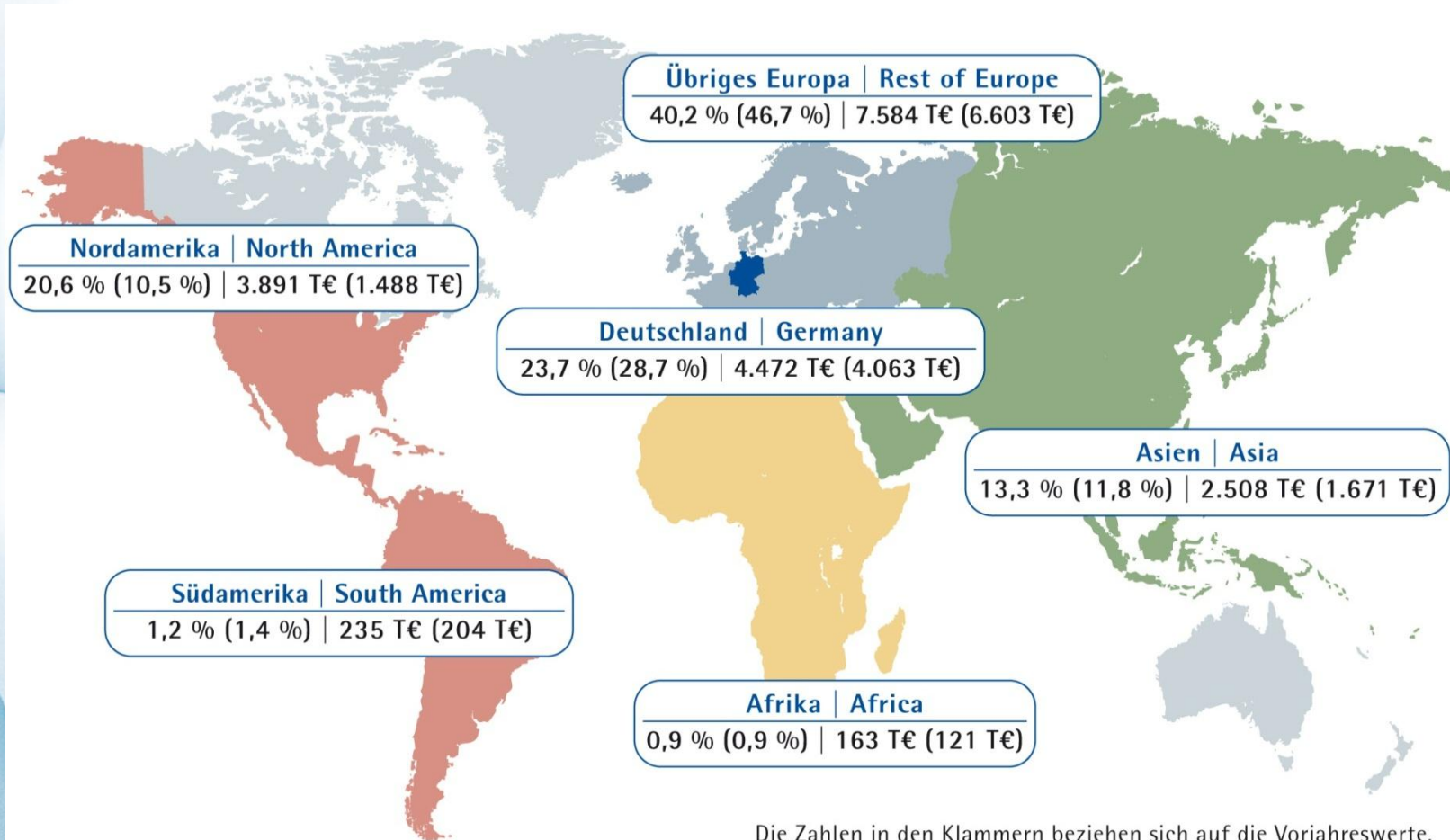
**Trauma**



**Other**



# International Sales HY1/2012



T€ corresponds to €K.

Die Zahlen in den Klammern beziehen sich auf die Vorjahreswerte.  
*Figures in brackets refer to last years' results.*

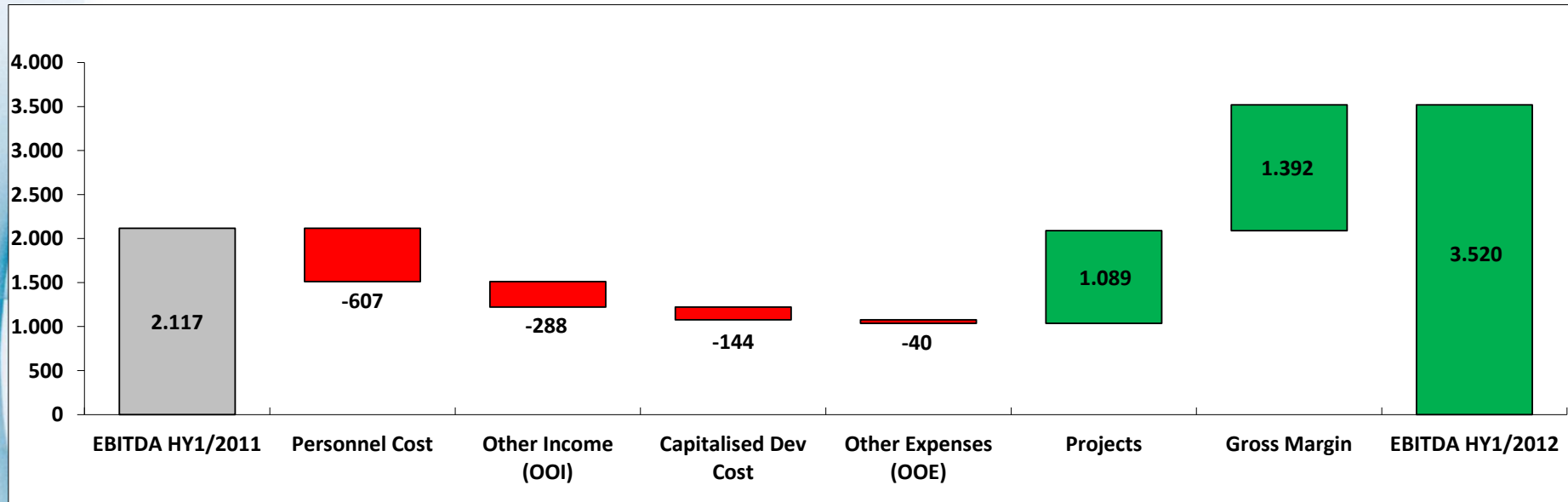
# Products & Markets

- Status FDA-approval LOQTEQ®:
  - First documents for 4 plating systems were filed in Q4 2011 – last questions are currently being processed
  - First approvals expected in Q3
- International activities LOQTEQ®:
  - Huge international interest
  - Agreements signed in Columbia, Italy, Russia, Egypt
  - Agreements under negotiation in USA, China, Brazil, Argentina, Mexico, Spain, Scandinavia, Turkey, Czech Republic
- Sales LOQTEQ® in HY1: 0.4 Mio. € - accumulated sales since start of marketing: 0.9 Mio. €
- Successful event in May: Signing of several distribution agreements for LOQTEQ®
- Supply agreement for Screw System with Integra LifeSciences
  - Initial delivery in Q1/2012
  - Start marketing in USA in Q2/2012
  - Further orders already being placed

# Research and Development

- LOQTEQ®:
  - Marketing of currently 4 plating systems and 6 further plating systems in development
  - Covering 85 % of the LOQTEQ®-indications after successful CE-approval/ first approvals are expected for the end of 2012/beginning of 2013
- Patents LOQTEQ®:
  - International (USA/EU) patents are issued and under examination procedure
- Silver-coating:
  - Surface coating of implants
  - Results from In-vitro- and In-vivo-trials expected before end of the year
- Development of two high viscous bone cements
- Development of a new mixing system

# EBITDA-Bridge HY1/2011 vs. HY1/2012



- Gross Margin = Sales +/- Changes in inventory – material costs



## Highlights Q2/HY1 2012 (Balance Sheet)

- No change in balance sheet total Q2/12: 67.4 Mio. € (Q4/11: 66.2 Mio. €) → +2 %
  - Equity ratio Q2/12: 74 % (Q4/11: 73 %), w/o goodwill and certain intangible assets: 44 % (Q4/11: 42 %)
  - Improved liquidity situation: cash and cash equivalents Q2/12: 3.6 Mio. € (Q4/11: 2.2 Mio. €)
  - Significant reduction of net debt Q2/12 to 4.3 Mio. € (Q4/11: 6.9 Mio. €)
  - Operative Working Capital as % from sales Q2/12 (annualized): 45 % (Q4/11: 53 %)
  - DCR (rolling past 4 quarters) Q2/12: 0.8 (Q4/11: 1.7)
  - ICR (rolling past 4 quarters) Q2/12: 9.3 (Q4/11: 6.8)
  - Average Days outstanding: 48d (Q4/11: 58d) → Benchmark industry: 70 d
- } Above benchmark!

## Highlights Q2/HY1 2012 (Cash-Flow)

- Operative-Cash-Flow Q2/12: 3.6 Mio. € (Q2/11: 0.2 Mio. €) → HY1/12: 4.9 Mio. € (HY1/11: 1.7 Mio. €)
  - Profitable sales growth with improved Working Capital Management
  - Approx. 65 % of the quarterly sales were made in the first 2 months
  - One-time effect: Prepayments from customers for placed orders
- Investment-Cash-Flow Q2/12: -1.2 Mio. € (Q2/11: -1.1 Mio. €) → HY1/12: -2.2 Mio. € (HY1/11: -2.0 Mio. €)
  - Intangible assets (especially own work capitalized): 0.8 Mio. € (HY1/12: 1.7 Mio. €)
  - Tangible assets (technical plants and machinery): 0.4 Mio. € (HY1/12: 0.5 Mio. €)
- Financing-Cash-Flow Q2/12: -1.3 Mio. € (Q2/11: 2.8 Mio. €) → HY1/12: -1.2 Mio. € (HY1/11: +2.0 Mio. €)
  - Repayment of financial liabilities: -0.2 Mio. € (HY1/12: -0.3 Mio. €) → incl. repayment shareholder loans
  - Capital measure: 0.0 Mio. € (HY1/12: -0.1 Mio. €) → Acquisition minority interest ADC
  - Change of credit lines: -1.1 Mio. € (HY1/12: -0.8 Mio. €)
- Cash and Cash equivalents Q2/12: 3.6 Mio. € (Q4/11: 2.2 Mio. €) → Net-Cash-Flow Q2/12: +1.1 Mio. €

# Financial figures Q2/H1 2012

In Mio. €	Q2/2012	Q2/2011	Change
Sales	9.0	7.6	+18 %
EBITDA	1.4	1.3	+8 %
EBIT	0.7	0.6	+17 %
Cash-EBIT	0.2	0.1	+100 %
Operative Cash-Flow	3.6	0.2	>100 %
In Mio. €	H1/2012	H1/2011	Change
Sales	18.9	14.2	+33 %
EBITDA	3.5	2.1	+66 %
EBIT	2.0	0.7	>100 %
Cash-EBIT	1.2	-0.3	>100 %
Operative Cash-Flow	4.9	1.7	>100 %

In Mio. €	30/06/2012	31/12/2011	Change
Equity (ratio)	49.7 (74 %)	48.3 (73 %)	+3 %
Balance sheet total	67.4	66.2	+2 %
Headcount	267	266	no change

# Outlook 2012

- Confirming forecast 2012:
  - Total sales: approx. 35.5 Mio. € (+22 %)
  - EBITDA: approx. 5.2 Mio. € (+25 %)
- Focus 2012:
  - Signing new distributors for LOQTEQ® (USA, China, EU, Latin-America)
  - Regulatory approvals LOQTEQ®
  - Launching extensions for LOQTEQ®
- Hosting an event for tissue and bone banks to present skills for cleaning and sterilizing human bone material
- Completing the evaluation of different alternatives for the recon business (hip and knee)
- Repaying loans of approx. 1.4 Mio. €
- Outlook Q3/2012
  - Sales: between 7.6 Mio. € and 8.0 Mio. € (+10 % to 16 %)
  - EBITDA: between 0.9 Mio. € and 1.2 Mio. € (+13 % to 15 %)

# Contact

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