



***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)
- 2014: Sales EUR 30.6 million*, EBITDA (norm.) EUR 1.4 million**
- 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, US



Products and Services

Business Model

Customer Base

Center of Excellence Biomaterials, Dieburg

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



*Figures relate solely to continued operations

**EBITDA excluding one-off effects of equity disposal, one-off costs in connection with strategic measures and project proceeds and costs incurred in connection with them

aap's Aspiration and Imperatives

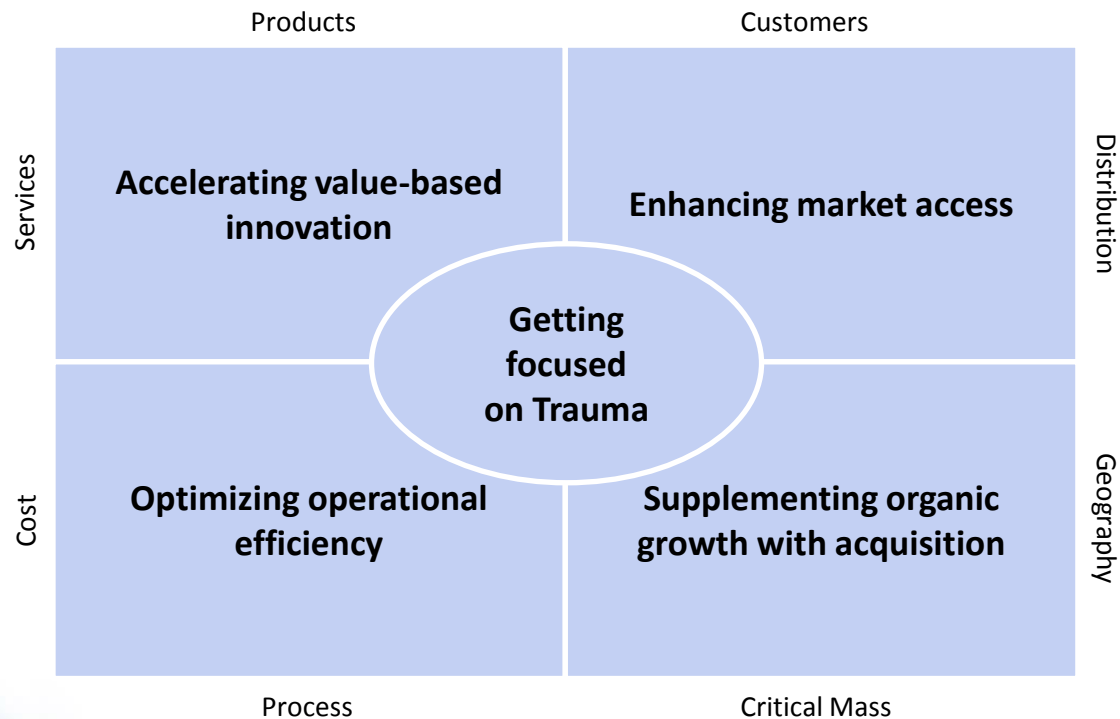
MISSION

Making trauma treatment better and cost-effective

VISION

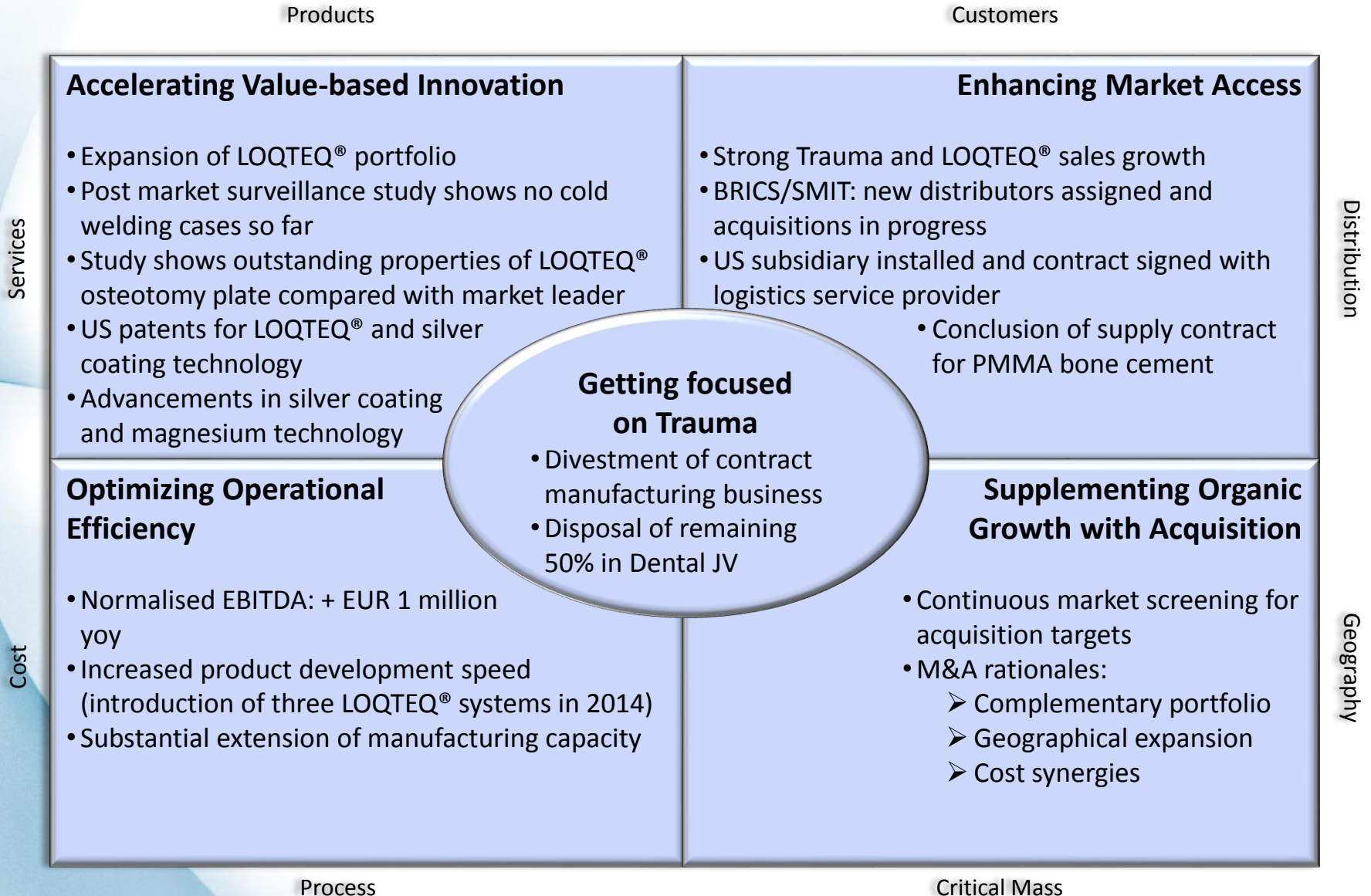
Become a leading European trauma company

STRATEGIC IMPERATIVES



Implementation of Strategic Imperatives

Progress in 2014



Financial Figures FY/2014

(in EUR million)

	FY/2014	FY/2013*	Change
Sales continued operations	30.6	28.6	7%
Trauma	12.2	9.6	27%
<i>of which LOQTEQ®</i>	8.2	5.0	63%
Biomaterials	16.4	15.0	10%
Projects	1.2	2.8	-58%
Other	0.8	1.2	-31%

	FY/2014	FY/2013*	Change
EBITDA continued operations	2.3	5.1	-55%
<i>of which projects</i>	0.8	4.4	-82%
<i>of which one-off effects</i>	0.1	0.3	-67%
EBITDA continued operations normalised**	1.4	0.4	> +100%
EBIT continued operations	-0.1	0.8	< -100%

*Figures relate solely to continued operations, with previous year's figures adjusted accordingly

**EBITDA excluding one-off effects of equity disposal, one-off costs in connection with strategic measures and project proceeds and costs incurred in connection with them

	31/12/2014	31/12/2013	Change
Total Assets	57.9	65.2	-11%
Intangible Assets	15.2	14.5	5%
Intangible Assets ratio	26%	22%	-
Equity ratio	79%	72%	-
Net cash (FY/2013: net debt)	+7.7	-3.4	> +100%
DCR rolling (last four quarters)	2.0	0.8	> +100%
ICR rolling (last four quarters)	16.8	22.7	-39%

Global Trauma Market

Key dynamics, trends and valuation

Development Global Market

- Trauma is fastest growing segment in Orthopedics
 - Orthopedics: total: \$6 billion revenue, 3% growth
 - Relevant Trauma segment: \$3 billion revenue, 6-7% growth
- Emerging markets are the future major market players
- Industry consolidations will continue to reshape the trauma devices competitive landscape
- Mostly non-elective, hence, less price sensitive than other segments

Technologies

- Innovation and differentiation remain key-factors for growth
- Growth driving: locking-plates, Minimal Invasive Surgery (MIS), small bone initiatives, nails
- Hybrid technologies: Implants with bio-active surfaces to address infection care (e.g. silver coating)
- Biodegradable implants to bolster growth in trauma fixation

Date	Buyer	Target firm	EV/ Sales	Transaction
2014	Stryker	Small Bone Innovations	5.94	M&A
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	Tornier		3.38	IPO
2011	Stryker	Memometal	5.40	M&A
2010	China Kanghui		5.55	IPO
Mean			4.80	



Current valuation* aap: 1.9x - 2.4x

*above mentioned companies are pure Trauma/extremities companies; aap is still a mixed company

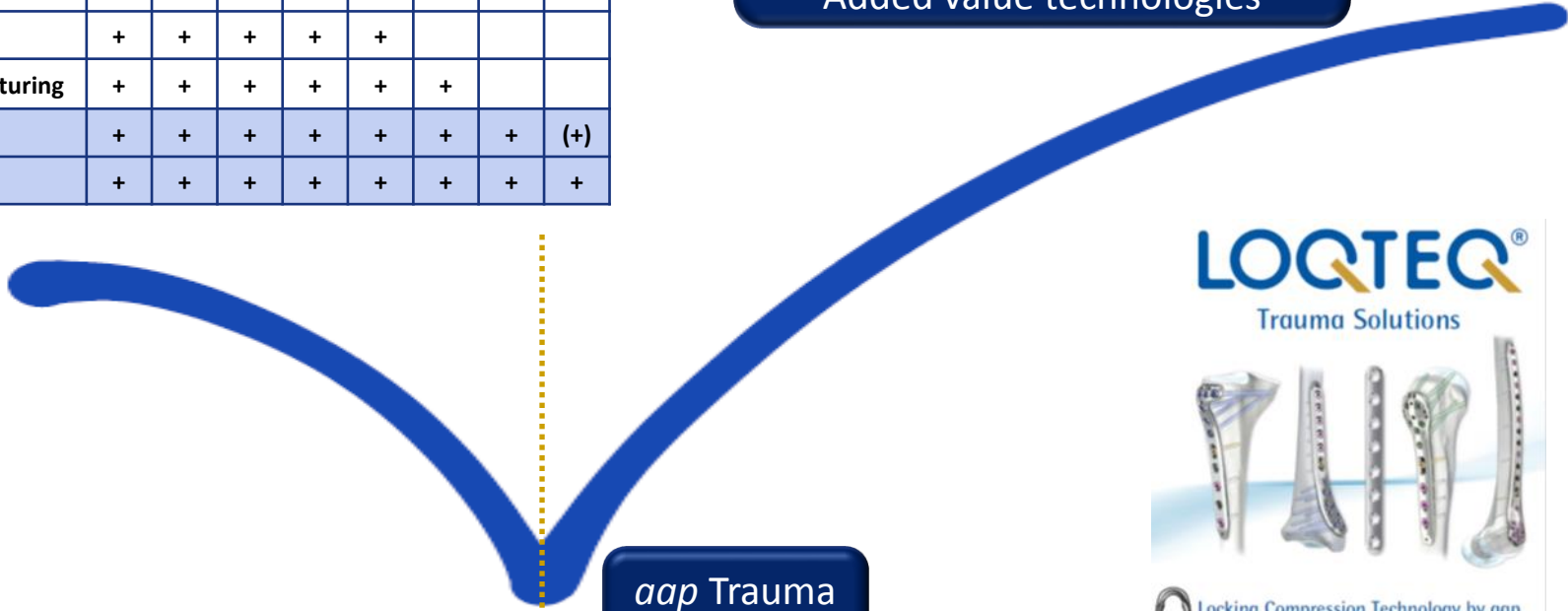
Source: Warburg Research

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

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



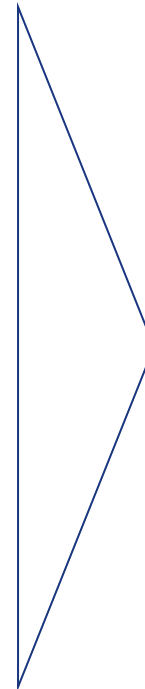
VALUE CREATION

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

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



Implementation of Strategic Imperatives

Accelerating value-based innovation – LOQTEQ®

The Concept



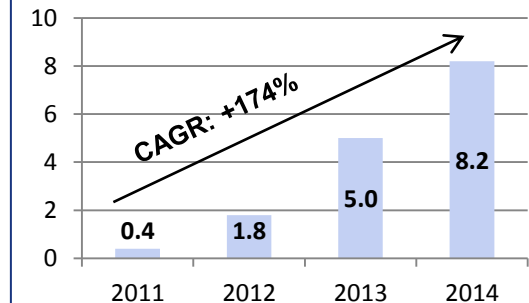
The Application



The Growth

LOQTEQ® sales

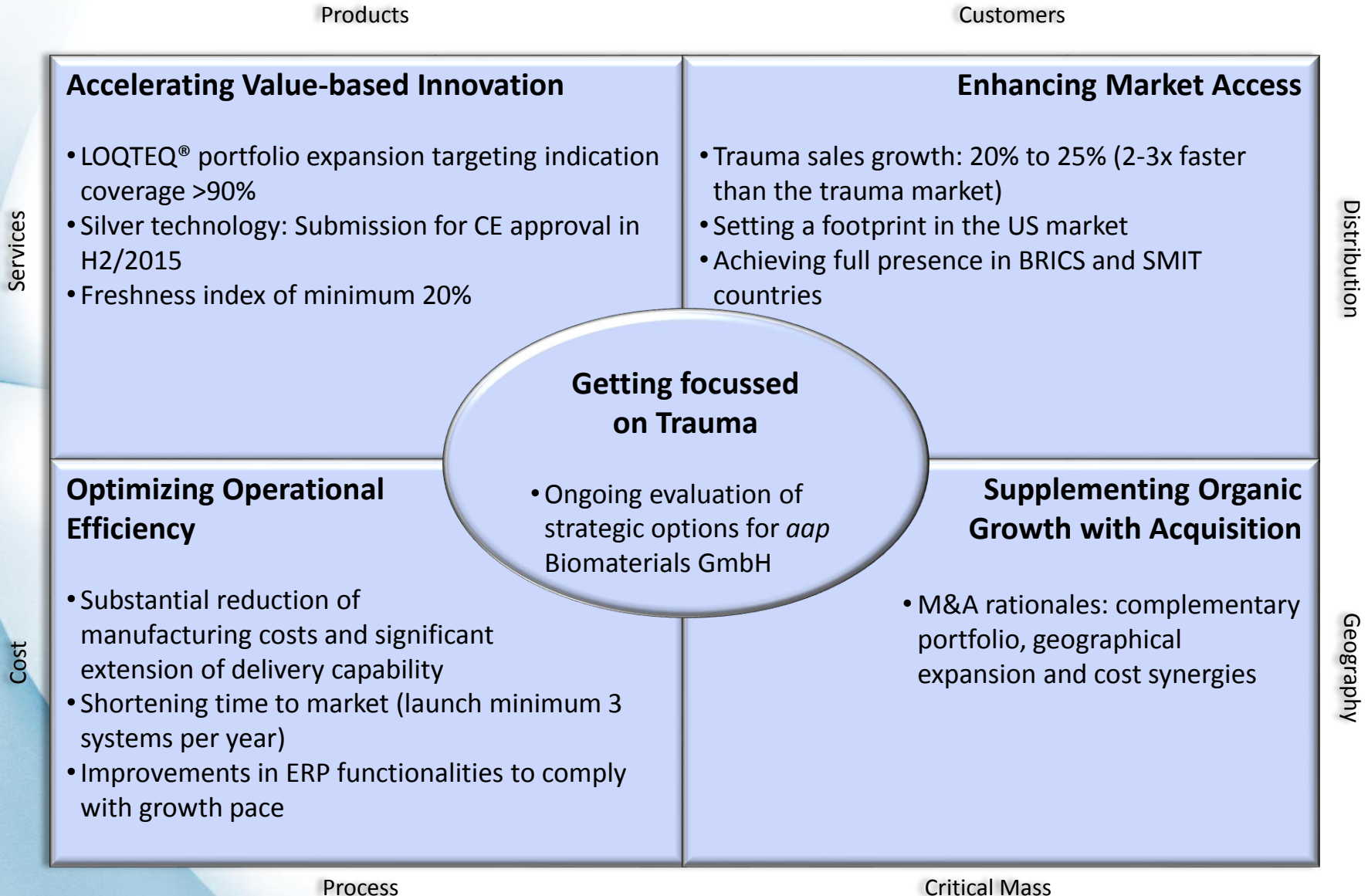
in EUR million



The Value

- Patented locking compression technology
- Genuine alternative to the gold standard with new and additional features
- Clinical and economical advantages:
 - Efficient procedures,
 - Excellent anatomical fit,
 - Optimum instrumentation,
 - Strong clinical evidence of no cold-welding,
 - Competitive price

Management Agenda 2015



Financial Outlook 2015

- Strategic goal is to create a **focused pure trauma player**
- **Sales:** EUR 33 million – EUR 35 million (+8% to +14%; FY/2014: EUR 30.6 million)
 - **Trauma:** EUR 14.8 million – EUR 15.4 million (+20% to +25%; FY/2014: EUR 12.2 million)
 - **Biomaterials:** 10% growth
- **EBITDA:** EUR 2.5 million – EUR 3.5 million (+9% to +52%; FY/2014: EUR 2.3 million)

Notes

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