

**Buy** (old: Buy)

**Price target: EUR 2.40** (old: EUR 2.40)

**Price:** EUR 0.89      **Next result:** tba  
**Bloomberg:** AA@GR      **Market cap:** EUR 32.3 m  
**Reuters:** AAQG.DE      **Enterprise Value:** EUR 29.2 m

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## Sharpening and extending innovative focus

Last week, aap announced its plans to **exit parts of its standard trauma business** by the end of FY 2019 in an effort to reduce costs and improve efficiency. This should affect c. € 0.7m of FY sales representing c. 20% of the standard trauma business. With that, a **greater focus will be placed on more differentiated products** such as higher-margin LOQTEQ plating systems and cannulated crews.

Furthermore, an **FDA approval for polyaxial LOQTEQ variable angle foot system** was received. Its market launch planned for the beginning of 2020. This product enables flexible treatment of fractures of the fore- and midfoot area which represents the fastest growing field of the trauma market exhibiting annual growth rates of c. 9%. In addition to the FDA approval, **aap is preparing documents for the CE label** to commercialise the systems in the European market.

As a result of this product portfolio add-on aap should become **more competitive in winning new customers** as well as extending the business with existing ones, in our view.

Additionally, the recent portfolio extension not only substantially **increases aap's attractiveness as a supplier** for full-service clinics and purchasing groups, but also makes it **more attractive as an acquisition target**. A natural acquirer would be a mid- or large-size trauma company seeking to expand its offering in the faster growing areas of the trauma market.

Last but not least, aap continues the **proactively develop its innovative silver coating technology** that has the potential to significantly reduce healthcare burden associated with surgical site infection. The **final approval is expected in early 2022** and should result in a licensing deal or other forms of commercialisation that should help to unlock the inherent value of the technology.

**BUY** with a **PT of € 2.4** based on SOTP.

Y/E 31.12 (EUR m)	2017	2018	2019E	2020E	2021E	2022E	2023E
Sales	10.9	10.8	15.0	20.0	24.9	29.6	34.2
Sales growth	4 %	-1 %	39 %	33 %	25 %	19 %	16 %
EBITDA	-6.2	-6.4	-3.2	-0.9	1.3	3.2	5.2
EBIT	-8.0	-8.1	-4.6	-2.3	-0.1	1.2	3.1
Net income	-8.9	-7.8	-4.6	-2.3	-0.1	0.9	2.2
Net debt	-12.1	-3.6	-3.0	3.3	4.2	3.6	2.5
Net gearing	-28.5 %	-10.4 %	-9.4 %	13.7 %	18.0 %	15.0 %	9.8 %
Net Debt/EBITDA	0.0	0.0	0.0	-3.7	3.2	1.1	0.5
EPS pro forma	-0.32	-0.27	-0.16	-0.08	0.00	0.03	0.08
CPS	-0.25	-0.23	-0.06	-0.06	0.03	0.07	0.09
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Gross profit margin	81.9 %	79.0 %	79.6 %	80.2 %	80.8 %	81.4 %	82.0 %
EBITDA margin	-53.2 %	-50.7 %	-18.3 %	-4.0 %	4.7 %	10.1 %	15.0 %
EBIT margin	-68.5 %	-64.3 %	-26.3 %	-10.2 %	-0.4 %	3.9 %	9.0 %
ROCE	-15.5 %	-20.3 %	-13.3 %	-7.1 %	-0.3 %	4.3 %	10.5 %
EV/sales	1.8	2.7	1.9	1.8	1.5	1.2	1.0
EV/EBITDA	n/a	n/a	n/a	n/a	28.1	11.2	6.7
EV/EBIT	n/a	n/a	n/a	n/a	n/a	28.9	11.1
PER	-3.5	-4.2	-7.0	-14.0	-322.7	37.2	14.7
Adjusted FCF yield	-50.4 %	-28.4 %	-15.0 %	-4.6 %	1.7 %	5.7 %	9.8 %

Source: Company data, Hauck & Aufhäuser Close price as of: 15.07.2019



Source: Company data, Hauck & Aufhäuser

**High/low 52 weeks:** 1.97 / 0.87

**Price/Book Ratio:** 0.8

**Relative performance (SDAX):**

3 months -22.4 %

6 months -

12 months -44.9 %

### Changes in estimates

		Sales	EBIT	EPS
2019E	<b>old:</b>	15.0	-4.6	-0.16
	Δ			
2020E	<b>old:</b>	20.0	-2.3	-0.08
	Δ			
2021E	<b>old:</b>	24.9	-0.1	0.00
	Δ			

### Key share data:

Number of shares: (in m pcs) 28.7

Authorised capital: (in € m) 7.0

Book value per share: (in €) 1.1

Ø trading volume: (12 months) 7,448

### Major shareholders:

Free Float	48.7 %
Ratio Capital Management BV	15.8 %
Noes Beeheer B.V.	11.7 %
Jürgen W. Krebs	11.6 %
Taaleri Wealth Management	6.8 %
Deepblue Holding AG	5.4 %

### Company description:

Pure-play trauma company focusing on the extremities market

## Financials

Profit and loss (EUR m)	2017	2018	2019E	2020E	2021E	2022E	2023E
<b>Net sales</b>	<b>10.9</b>	<b>10.8</b>	<b>15.0</b>	<b>20.0</b>	<b>24.9</b>	<b>29.6</b>	<b>34.2</b>
<i>Sales growth</i>	4.0 %	-1.1 %	39.1 %	33.3 %	24.5 %	18.9 %	15.5 %
Increase/decrease in finished goods and work-in-process	0.8	1.9	2.5	2.5	2.5	2.0	0.5
<b>Total sales</b>	<b>11.7</b>	<b>12.6</b>	<b>17.5</b>	<b>22.5</b>	<b>27.4</b>	<b>31.6</b>	<b>34.7</b>
Other operating income	0.8	0.5	0.5	0.5	0.5	0.5	0.5
Material expenses	1.9	2.3	3.2	4.1	4.9	5.6	6.2
Personnel expenses	7.4	7.8	8.3	8.9	9.4	10.0	10.8
Other operating expenses	9.4	9.4	9.7	10.9	12.3	13.3	13.0
Total operating expenses	17.9	19.0	20.7	23.4	26.1	28.4	29.5
<b>EBITDA</b>	<b>-6.2</b>	<b>-6.4</b>	<b>-3.2</b>	<b>-0.9</b>	<b>1.3</b>	<b>3.2</b>	<b>5.2</b>
Depreciation	1.2	1.7	1.3	1.3	1.3	1.4	1.5
<b>EBITA</b>	<b>-7.4</b>	<b>-8.1</b>	<b>-4.5</b>	<b>-2.2</b>	<b>0.0</b>	<b>1.8</b>	<b>3.7</b>
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.6	0.0	0.1	0.1	0.1	0.6	0.6
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT (inc revaluation net)</b>	<b>-8.0</b>	<b>-8.1</b>	<b>-4.6</b>	<b>-2.3</b>	<b>-0.1</b>	<b>1.2</b>	<b>3.1</b>
Interest income	0.0	0.5	0.0	0.0	0.0	0.0	0.0
Interest expenses	1.3	0.0	0.0	0.0	0.0	0.0	0.0
Other financial result	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-1.3	0.5	0.0	0.0	0.0	0.0	0.0
<b>Recurring pretax income from continuing operations</b>	<b>-9.3</b>	<b>-7.6</b>	<b>-4.6</b>	<b>-2.3</b>	<b>-0.1</b>	<b>1.2</b>	<b>3.1</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>-9.3</b>	<b>-7.6</b>	<b>-4.6</b>	<b>-2.3</b>	<b>-0.1</b>	<b>1.2</b>	<b>3.1</b>
Taxes	0.0	0.0	0.0	0.0	0.0	0.4	0.9
<b>Net income from continuing operations</b>	<b>-9.3</b>	<b>-7.7</b>	<b>-4.6</b>	<b>-2.3</b>	<b>-0.1</b>	<b>0.9</b>	<b>2.2</b>
Result from discontinued operations (net of tax)	-0.3	0.2	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>-8.9</b>	<b>-7.8</b>	<b>-4.6</b>	<b>-2.3</b>	<b>-0.1</b>	<b>0.9</b>	<b>2.2</b>
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net profit (reported)</b>	<b>-8.9</b>	<b>-7.8</b>	<b>-4.6</b>	<b>-2.3</b>	<b>-0.1</b>	<b>0.9</b>	<b>2.2</b>
Average number of shares	28.6	28.7	28.7	28.7	28.7	28.7	28.7
<b>EPS reported</b>	<b>-0.31</b>	<b>-0.27</b>	<b>-0.16</b>	<b>-0.08</b>	<b>0.00</b>	<b>0.03</b>	<b>0.08</b>

Profit and loss (common size)	2017	2018	2019E	2020E	2021E	2022E	2023E
<b>Net sales</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
Increase/decrease in finished goods and work-in-process	7.0 %	17.2 %	16.7 %	12.5 %	10.0 %	6.8 %	1.5 %
<b>Total sales</b>	<b>107.0 %</b>	<b>117.2 %</b>	<b>116.7 %</b>	<b>112.5 %</b>	<b>110.0 %</b>	<b>106.8 %</b>	<b>101.5 %</b>
Other operating income	6.9 %	4.3 %	3.3 %	2.5 %	2.0 %	1.7 %	1.5 %
Material expenses	17.2 %	21.7 %	21.1 %	20.3 %	19.6 %	18.9 %	18.3 %
Personnel expenses	67.7 %	72.1 %	55.6 %	44.5 %	37.8 %	33.8 %	31.6 %
Other operating expenses	86.0 %	87.1 %	64.7 %	54.7 %	49.5 %	44.9 %	37.9 %
Total operating expenses	164.0 %	176.7 %	138.0 %	117.0 %	104.8 %	95.9 %	86.3 %
<b>EBITDA</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>5.2 %</b>	<b>10.8 %</b>	<b>15.2 %</b>
Depreciation	10.6 %	16.0 %	8.7 %	6.5 %	5.2 %	4.7 %	4.4 %
<b>EBITA</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>0.0 %</b>	<b>6.1 %</b>	<b>10.8 %</b>
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	5.8 %	0.0 %	0.7 %	0.5 %	0.4 %	1.9 %	1.6 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBIT (inc revaluation net)</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>4.2 %</b>	<b>9.2 %</b>
Interest income	0.0 %	4.5 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Interest expenses	12.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	neg.	4.5 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Recurring pretax income from continuing operations</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>4.2 %</b>	<b>9.2 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>4.2 %</b>	<b>9.2 %</b>
Tax rate	0.3 %	-0.2 %	-0.2 %	-0.2 %	-0.2 %	30.0 %	30.0 %
<b>Net income from continuing operations</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>2.9 %</b>	<b>6.4 %</b>
Income from discontinued operations (net of tax)	-3.0 %	1.6 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net income</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>2.9 %</b>	<b>6.4 %</b>
Minority interest	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net profit (reported)</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>2.9 %</b>	<b>6.4 %</b>

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2017	2018	2019E	2020E	2021E	2022E	2023E
<b>Intangible assets</b>	<b>11.8</b>	<b>13.3</b>	<b>14.7</b>	<b>16.1</b>	<b>17.5</b>	<b>17.9</b>	<b>18.9</b>
Property, plant and equipment	7.2	6.9	6.1	5.3	4.5	4.3	3.8
Financial assets	4.3	3.6	3.2	0.5	0.5	0.5	0.5
<b>FIXED ASSETS</b>	<b>23.3</b>	<b>23.8</b>	<b>24.0</b>	<b>21.9</b>	<b>22.5</b>	<b>22.7</b>	<b>23.1</b>
Inventories	9.6	9.6	9.0	9.5	9.5	9.9	10.9
Accounts receivable	2.5	2.7	2.1	2.7	3.4	4.1	4.7
Other current assets	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Liquid assets	13.3	4.3	3.7	1.3	0.4	1.1	2.1
Deferred taxes	1.4	1.6	1.6	1.6	1.6	1.6	1.6
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>CURRENT ASSETS</b>	<b>27.2</b>	<b>18.5</b>	<b>16.6</b>	<b>15.5</b>	<b>15.3</b>	<b>17.0</b>	<b>19.6</b>
<b>TOTAL ASSETS</b>	<b>50.5</b>	<b>42.2</b>	<b>40.7</b>	<b>37.4</b>	<b>37.8</b>	<b>39.7</b>	<b>42.8</b>
SHAREHOLDERS EQUITY	42.6	34.9	32.3	24.0	23.4	23.7	25.9
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	0.8	0.3	0.3	4.3	4.3	4.3	4.3
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	0.8	0.3	0.5	0.5	0.5	0.5	0.5
<b>Non-current liabilities</b>	<b>1.5</b>	<b>0.6</b>	<b>0.8</b>	<b>4.8</b>	<b>4.8</b>	<b>4.8</b>	<b>4.8</b>
short-term liabilities to banks	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Accounts payable	1.8	2.2	3.1	4.1	5.1	6.0	7.0
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	3.0	2.7	2.7	2.7	2.7	2.7	2.7
Deferred taxes	1.3	1.5	1.5	1.5	1.5	1.5	1.5
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Current liabilities</b>	<b>6.4</b>	<b>6.7</b>	<b>7.6</b>	<b>8.6</b>	<b>9.6</b>	<b>10.5</b>	<b>11.5</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>50.5</b>	<b>42.2</b>	<b>40.7</b>	<b>37.4</b>	<b>37.8</b>	<b>39.1</b>	<b>42.2</b>

Balance sheet (common size)	2017	2018	2019E	2020E	2021E	2022E	2023E
<b>Intangible assets</b>	<b>23.5 %</b>	<b>31.5 %</b>	<b>36.1 %</b>	<b>43.0 %</b>	<b>46.3 %</b>	<b>45.8 %</b>	<b>44.7 %</b>
Property, plant and equipment	14.3 %	16.3 %	14.9 %	14.1 %	12.0 %	10.9 %	8.9 %
Financial assets	8.4 %	8.5 %	8.0 %	1.3 %	1.3 %	1.3 %	1.2 %
<b>FIXED ASSETS</b>	<b>46.2 %</b>	<b>56.3 %</b>	<b>59.1 %</b>	<b>58.5 %</b>	<b>59.6 %</b>	<b>58.1 %</b>	<b>54.8 %</b>
Inventories	19.1 %	22.8 %	22.1 %	25.4 %	25.1 %	25.3 %	25.8 %
Accounts receivable	5.0 %	6.3 %	5.1 %	7.3 %	9.0 %	10.4 %	11.1 %
Other current assets	0.6 %	0.8 %	0.8 %	0.9 %	0.9 %	0.9 %	0.8 %
Liquid assets	26.3 %	10.1 %	9.0 %	3.6 %	1.1 %	2.8 %	5.0 %
Deferred taxes	2.8 %	3.8 %	3.9 %	4.3 %	4.2 %	4.1 %	3.8 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>CURRENT ASSETS</b>	<b>53.8 %</b>	<b>43.7 %</b>	<b>40.9 %</b>	<b>41.5 %</b>	<b>40.4 %</b>	<b>43.4 %</b>	<b>46.4 %</b>
<b>TOTAL ASSETS</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>101.4 %</b>	<b>101.2 %</b>
SHAREHOLDERS EQUITY	84.3 %	82.7 %	79.4 %	64.1 %	61.9 %	60.7 %	61.4 %
MINORITY INTEREST	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Long-term debt	1.6 %	0.8 %	0.8 %	11.6 %	11.5 %	11.1 %	10.3 %
Provisions for pensions and similar obligations	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other provisions	1.5 %	0.7 %	1.2 %	1.3 %	1.3 %	1.3 %	1.2 %
<b>Non-current liabilities</b>	<b>3.1 %</b>	<b>1.4 %</b>	<b>2.0 %</b>	<b>12.9 %</b>	<b>12.8 %</b>	<b>12.4 %</b>	<b>11.4 %</b>
short-term liabilities to banks	0.7 %	0.7 %	0.7 %	0.8 %	0.8 %	0.8 %	0.7 %
Accounts payable	3.5 %	5.2 %	7.5 %	10.9 %	13.5 %	15.4 %	16.5 %
Advance payments received on orders	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other liabilities (incl. from lease and rental contracts)	5.8 %	6.3 %	6.6 %	7.2 %	7.1 %	6.8 %	6.3 %
Deferred taxes	2.6 %	3.6 %	3.7 %	4.1 %	4.0 %	3.9 %	3.6 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Current liabilities</b>	<b>12.6 %</b>	<b>15.9 %</b>	<b>18.6 %</b>	<b>22.9 %</b>	<b>25.4 %</b>	<b>26.9 %</b>	<b>27.2 %</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>

Source: Company data, Hauck & Aufhäuser

Cash flow statement (EUR m)	2017	2018	2019E	2020E	2021E	2022E	2023E
Net profit/loss	-8.9	-7.8	-4.6	-2.3	-0.1	0.9	2.2
Depreciation of fixed assets (incl. leases)	1.2	1.7	1.3	1.3	1.3	1.4	1.5
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.6	0.0	0.1	0.1	0.1	0.6	0.6
Others	0.7	-0.1	0.0	0.0	0.0	0.0	0.0
Cash flow from operations before changes in w/c	-6.5	-6.2	-3.2	-0.9	1.3	2.8	4.3
Increase/decrease in inventory	1.4	0.0	0.6	-0.5	0.0	-0.4	-1.0
Increase/decrease in accounts receivable	0.4	-0.1	0.6	-0.7	-0.7	-0.6	-0.6
Increase/decrease in accounts payable	-0.8	0.4	0.9	1.0	1.0	1.0	0.9
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	1.0	0.3	2.1	-0.2	0.3	-0.1	-0.7
<b>Cash flow from operating activities</b>	<b>-5.4</b>	<b>-5.9</b>	<b>-1.1</b>	<b>-1.1</b>	<b>1.6</b>	<b>2.7</b>	<b>3.6</b>
CAPEX	2.1	3.0	2.5	2.5	2.6	2.7	2.5
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	0.5	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-1.5</b>	<b>-3.0</b>	<b>-2.5</b>	<b>-2.5</b>	<b>-2.6</b>	<b>-2.7</b>	<b>-2.5</b>
Cash flow before financing	-6.9	-8.9	-3.6	-3.6	-0.9	0.1	1.1
Increase/decrease in debt position	-0.1	-0.2	0.0	4.0	0.0	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	-3.4	0.1	3.4	0.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	-0.3	-2.7	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>-3.5</b>	<b>-0.2</b>	<b>3.0</b>	<b>1.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Increase/decrease in liquid assets	-10.5	-9.0	-0.6	-2.3	-0.9	0.1	1.1
<b>Liquid assets at end of period</b>	<b>13.3</b>	<b>4.3</b>	<b>3.7</b>	<b>1.3</b>	<b>0.4</b>	<b>0.5</b>	<b>1.6</b>

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2017	2018	2019E	2020E	2021E	2022E	2023E
Domestic	2.4	3.5	3.0	3.5	4.3	5.0	5.7
yoy change	3.2 %	42.5 %	-13.3 %	16.7 %	22.9 %	16.3 %	14.0 %
Rest of Europe	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
NAFTA	3.1	2.2	3.8	6.4	8.8	11.0	13.5
yoy change	26.1 %	-27.1 %	69.6 %	68.4 %	37.5 %	25.0 %	22.7 %
Asia Pacific	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rest of world	5.1	5.4	8.2	10.1	11.8	13.6	15.0
yoy change	25.9 %	4.9 %	51.8 %	23.2 %	16.8 %	15.3 %	10.3 %
<b>TTL</b>	<b>10.6</b>	<b>11.1</b>	<b>15.0</b>	<b>20.0</b>	<b>24.9</b>	<b>29.6</b>	<b>34.2</b>
yoy change	20.0 %	4.3 %	35.1 %	33.3 %	24.5 %	18.9 %	15.5 %

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2017	2018	2019E	2020E	2021E	2022E	2023E
<b>P&amp;L growth analysis</b>							
Sales growth	4.0 %	-1.1 %	39.1 %	33.3 %	24.5 %	18.9 %	15.5 %
EBITDA growth	-21.3 %	3.2 %	-50.1 %	-71.9 %	-244.4 %	146.2 %	62.5 %
EBIT growth	-21.5 %	1.7 %	-43.4 %	-50.0 %	-95.7 %	-	153.2 %
EPS growth	3.2 %	-12.5 %	-41.3 %	-50.0 %	-95.7 %	-968.0 %	153.2 %
<b>Efficiency</b>							
Total operating costs / sales	164.0 %	176.7 %	138.0 %	117.0 %	104.8 %	95.9 %	86.3 %
Sales per employee	147.3	74.1	102.4	133.3	158.6	180.5	201.2
EBITDA per employee	-83.9	-44.0	-21.8	-6.0	8.3	19.5	30.6
<b>Balance sheet analysis</b>							
Avg. working capital / sales	100.2 %	95.0 %	60.2 %	45.6 %	31.8 %	27.2 %	24.0 %
Inventory turnover (sales/inventory)	1.1	1.1	1.7	2.1	2.6	3.0	3.1
Trade debtors in days of sales	85.1	90.2	50.0	50.0	50.0	50.0	50.0
A/P turnover [(A/P*365)/sales]	58.7	74.5	74.5	74.5	74.5	74.5	74.5
Cash conversion cycle (days)	1,618.6	1,247.1	735.6	537.3	380.7	301.6	279.1
<b>Cash flow analysis</b>							
Free cash flow	-7.5	-8.9	-3.6	-3.6	-0.9	0.1	1.1
Free cash flow/sales	-68.7 %	-82.5 %	-24.1 %	-17.8 %	-3.7 %	0.3 %	3.1 %
FCF / net profit	neg.	neg.	neg.	neg.	neg.	10.7 %	48.5 %
Capex / depre	115.4 %	172.2 %	178.6 %	178.6 %	182.1 %	135.2 %	121.4 %
Capex / maintenance capex	39.3 %	115.7 %	71.4 %	71.4 %	78.6 %	143.8 %	111.1 %
Capex / sales	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Security</b>							
Net debt	-12.1	-3.6	-3.0	3.3	4.2	3.6	2.5
Net Debt/EBITDA	0.0	0.0	0.0	-3.7	3.2	1.1	0.5
Net debt / equity	neg.	neg.	neg.	0.1	0.2	0.1	0.1
Interest cover	0.0	999.0	999.0	999.0	999.0	999.0	999.0
Dividend payout ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Asset utilisation</b>							
Capital employed turnover	0.2	0.3	0.4	0.7	0.9	1.0	1.1
Operating assets turnover	0.6	0.6	1.1	1.5	2.0	2.4	2.8
Plant turnover	1.5	1.6	2.5	3.8	5.5	6.9	9.1
Inventory turnover (sales/inventory)	1.1	1.1	1.7	2.1	2.6	3.0	3.1
<b>Returns</b>							
ROCE	-15.5 %	-20.3 %	-13.3 %	-7.1 %	-0.3 %	4.3 %	10.5 %
ROE	-21.0 %	-22.4 %	-14.3 %	-9.6 %	-0.4 %	3.7 %	8.5 %
<b>Other</b>							
Interest paid / avg. debt	57.8 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
No. employees (average)	74	146	147	150	157	164	170
Number of shares	28.6	28.7	28.7	28.7	28.7	28.7	28.7
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS reported	-0.31	-0.27	-0.16	-0.08	0.00	0.03	0.08
<b>Valuation ratios</b>							
P/BV	0.8	0.9	1.0	1.3	1.4	1.4	1.2
EV/sales	1.8	2.7	1.9	1.8	1.5	1.2	1.0
EV/EBITDA	n/a	n/a	n/a	n/a	28.1	11.2	6.7
EV/EBITA	n/a	n/a	n/a	n/a	n/a	19.9	9.4
EV/EBIT	n/a	n/a	n/a	n/a	n/a	28.9	11.1
EV/FCF	-2.7	-3.2	-8.1	-10.0	-39.6	384.2	32.6
Adjusted FCF yield	-50.4 %	-28.4 %	-15.0 %	-4.6 %	1.7 %	5.7 %	9.8 %
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

Source: Company data, Hauck & Aufhäuser

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Company	Disclosure
aap Implantate AG	2, 8

### Historical target price and rating changes for aap Implantate AG in the last 12 months

Initiation coverage



Company	Date	Analyst	Rating	Target price	Close
aap Implantate AG	20.05.2019	Halitsa, Aliaksandr	Buy	EUR 2,40	EUR 1,07
	05.04.2019	Halitsa, Aliaksandr	Buy	EUR 2,40	EUR 1,25
	23.01.2019	Halitsa, Aliaksandr	Buy	EUR 2,40	EUR 1,10
	04.12.2018	Halitsa, Aliaksandr	Buy	EUR 2,40	EUR 1,18

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