

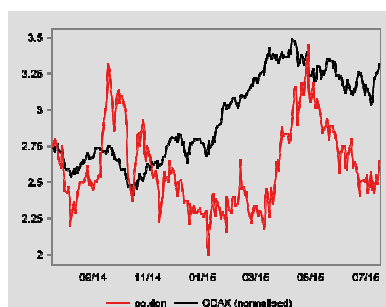
Buy EUR 4.40 Price EUR 2.65 Upside 66.4 %	Value Indicators: EUR DCF: 4.62	Share data: Bloomberg: CNWK GR Reuters: CNWKK ISIN: DE000A1K0227	Description: co.don develops, manufactures and distributes biopharmaceutical articular cartilage.
	Market Snapshot: EUR m Market cap: 36.3 No. of shares (m): 13.7 EV: 34.7 Freefloat MC: 16.0 Ø Trad. Vol. (30d; EUR): 13.09 th	Shareholders: Freefloat 44.0 % Dr. Bernd Wegener 19.3 % Osemifaro Investments 14.6 % Transnova Investments 14.6 % Klaus Stuffer 3.6 %	Risk Profile (WRe): 2015e Beta: 1.8 Price / Book: 13.3 x Equity Ratio: 57 %

Meeting with Dr. Andreas Baltrusch and Dirk Hessel (new CEO)

After the meeting with Dr. Andreas Baltrusch (CEO until July 14) and Dirk Hessel, the new CEO of co.don (since July 15), the company is perceived to be well on track to gain European-wide approval from the European Medicines Agency (EMA) for its key product co.don chondrosphere in 2017 (WRe). Therefore, the overall investment case remains unchanged:

- Already approved in Germany:** At the end of 2013, co.don was granted a permit by the Paul-Ehrlich-Institute (PEI) to market the biopharmaceutical tissue transplants co.don chondrosphere in Germany. This allowed co.don to carry out over 7,200 transplantations, which has helped the company to amass a deeper knowledge of the effectiveness and security of its product. However, to finally secure EMA-approval, co.don must successfully conclude a clinical Phase-III trial on the effectiveness and safety of its product, co.don chondrosphere. The product can offer patients an alternative to traditional joint replacements (e.g. metal implants), which come with considerable risks during insertion (e.g. infections, allergies). Currently, co.don chondrosphere is mainly (c. 95%) used to treat defects in the knee joint.
- Operating in an oligopoly:** Besides co.don, just two other manufacturers have obtained valid sales approval for the German market. However, one competitor is not active in Germany due to an outdated and overpriced product. co.don alone markets a third-generation product, which has clinical and economical advantages over direct competitors, and the company thus holds a 45% market share in Germany.
- Impressive market volume in Europe:** Considering the more than 180,000 knee implant procedures in Germany annually, co.don addresses a market worth EUR 110m (WRe). EMA approval would give the company access to an EU-wide market (only knee indication) worth an additional c. EUR 240m (WRe). Hence, co.don operates in an oligopoly worth ca. EUR 350m. While former CEO Dr. Baltrusch implemented the structural and administrative framework to prepare co.don for a European roll-out of co.don chondrosphere, the new CEO will be responsible for penetrating these markets. Mr. Hessel offers the experience of multinational launches of medical and pharmaceutical products. During his career at international pharmaceutical corporations (e.g. Bayer Healthcare and Grünenthal), he was responsible for several cross-border product launches. Management has already started to screen and evaluate the European regional markets and contact has been established with first distribution partners and the payers (e.g. state insurance companies). In summary, co.don has accomplished a smooth and successful handover.
- Newsflow H1 2015:** According to preliminary figures, revenues increased by 18% yoy in H1 to EUR 2.5m (WRe +15% yoy). More importantly, the company significantly improved its bottom line by +28% yoy. The loss stood at EUR -1.2m in H1 last year but this figure has narrowed to EUR -0.85m this year. While strategic costs for EMA approval are weighing on co.don's bottom line, the company is expected to have passed the break-even point on an operational basis. Further details should be provided with the H1 report on August 5.

Valuation: As already mentioned above, the investment case remains fully intact. Considering the potential of a European roll-out, the derived price target stands at EUR 4.40 (DCF-based). The recent decline in the share price is seen as a buying opportunity. Buy.

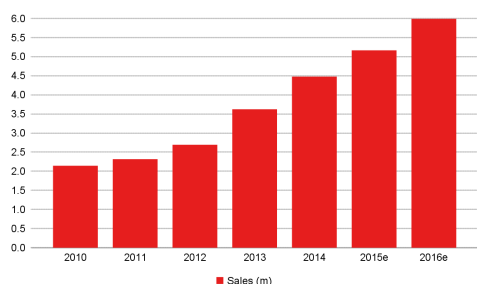


Rel. Performance vs CDAX:	
1 month:	-5.0 %
6 months:	-4.3 %
Year to date:	-3.7 %
Trailing 12 months:	-26.2 %

Company events:	
05.08.15	Q2
16.10.15	Q3

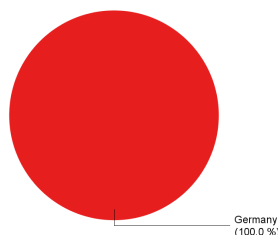
FY End: 31.12. in EUR m	CAGR (14-17e)	2011	2012	2013	2014	2015e	2016e	2017e
Sales	24.7 %	2.3	2.7	3.6	4.5	5.2	6.0	8.7
Change Sales yoy		8.0 %	16.3 %	34.5 %	23.6 %	15.3 %	16.0 %	44.8 %
Gross profit margin		41.2 %	49.2 %	62.7 %	85.4 %	67.0 %	70.0 %	85.0 %
EBITDA	-	-0.9	-2.2	-2.5	-2.3	-1.7	-0.7	0.9
Margin		-37.1 %	-83.1 %	-68.4 %	-50.6 %	-33.0 %	-12.0 %	10.0 %
EBIT	-	-1.0	-2.4	-2.7	-2.5	-2.0	-1.0	0.4
Margin		-43.9 %	-88.4 %	-73.5 %	-55.3 %	-38.0 %	-17.0 %	5.0 %
Net income	-	-1.0	-2.4	-2.7	-2.5	-2.0	-1.0	0.4
EPS	-	-0.14	-0.22	-0.24	-0.18	-0.14	-0.07	0.03
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 %
FCFPS		-0.21	-0.23	-0.19	-0.14	-0.19	-0.07	0.04
FCF / Market cap		-15.3 %	-22.3 %	-20.5 %	-5.9 %	-7.2 %	-2.5 %	1.4 %
EV / Sales		3.6 x	3.0 x	2.5 x	6.6 x	6.7 x	5.9 x	4.0 x
EV / EBITDA		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	40.4 x
EV / EBIT		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	80.9 x
P / E		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	88.2 x
FCF Yield Potential		-10.3 %	-28.2 %	-27.0 %	-7.7 %	-4.9 %	-2.0 %	2.3 %
Net Debt		-1.3	-2.8	-1.2	-4.3	-1.6	-0.7	-1.2
Guidance:		Positive revenue and yearly earnings development.						

Sales development
in EUR m



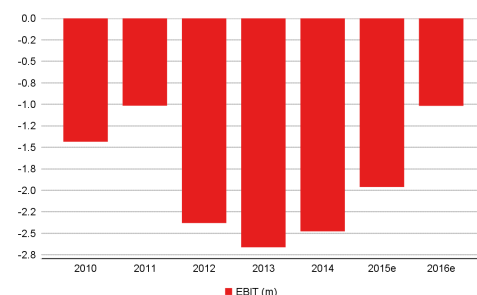
Source: Warburg Research

Sales by regions
2014; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

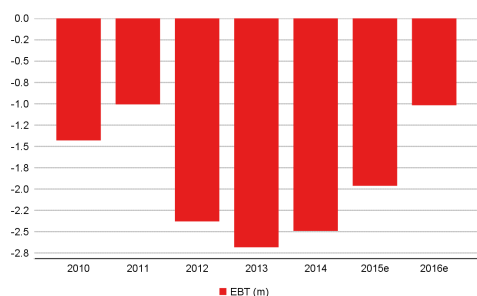
Company Background

- co.don AG is a manufacturer of biopharmaceutical transplants. The company is specialised in the treatment of articular cartilage defects and spinal disc defects.
- A transplant is created from the patient's own cartilage and blood in the laboratory. This is then transplanted to the cartilage defect as autologous cells: an own-body, cell-based replacement for the defect.
- The authorisation process for the product co.don chondrosphere was necessary after the introduction of new EU regulations for the authorisation of medical products by the central European Medicines Agency.
- co.don chondrosphere was however already in distribution in 2004 and has since been used for about 6,500 patients. co.don chondrosphere is currently the most important co.don product on sale.
- The EMA authorisation would mean the product could be distributed in all EU countries. The authorisation is not expected until 2017.

Competitive Quality

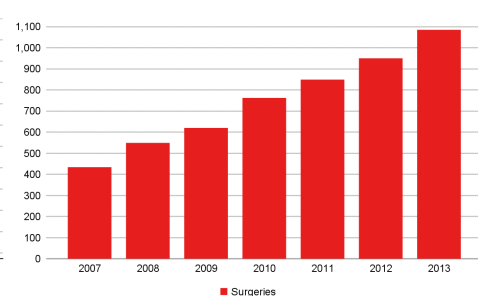
- With its joint-preserving product, co.don competes with manufacturers of surgical (i.g. metal knee implants), which can pose a considerably higher risk for the patients.
- A knee replacement procedure is considerably complex, while a cartilage replacement from co.don can be inserted by a minimally-invasive knee arthroscopy. Costs for both procedures are approximately comparable.
- Both procedures are covered by health insurance companies in Germany. The co.don procedure is currently being employed in more than 120 clinics (incl. Asklepios).
- As co.don chondrosphere is already being distributed, co.don has a clear competitive advantage over new entrants.
- In light of the 6,500 procedures that have already taken place and the now-confirmed effectiveness and safety of the procedure, the likelihood of a successful approval of the product is increased.

EBT development
in EUR m



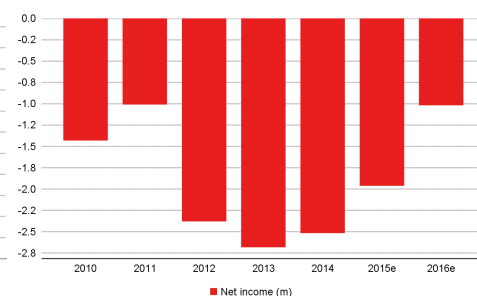
Source: Warburg Research

Number of surgeries
in thousand



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	5.2	6.0	8.7	12.6	19.9	28.9	36.7	46.4	55.8	64.5	73.3	82.4	88.6	
Sales change	15.3 %	16.0 %	44.8 %	44.8 %	58.4 %	45.3 %	27.2 %	26.4 %	20.1 %	15.7 %	13.6 %	12.4 %	7.5 %	2.0 %
EBIT	-2.0	-1.0	0.4	0.5	1.8	4.2	5.9	9.1	13.8	16.1	18.3	20.6	22.2	
EBIT-margin	-38.0 %	-17.0 %	5.0 %	3.9 %	9.0 %	14.7 %	16.2 %	19.6 %	24.7 %	25.0 %	25.0 %	25.0 %	25.0 %	
Tax rate (EBT)	-0.1 %	-0.2 %	12.0 %	12.0 %	12.0 %	12.0 %	12.0 %	12.0 %	12.0 %	15.0 %	28.0 %	28.0 %	28.0 %	
NOPAT	-2.0	-1.0	0.4	0.4	1.6	3.7	5.2	8.0	12.1	13.7	13.2	14.8	16.0	
Depreciation	0.3	0.3	0.4	0.4	0.6	0.9	1.1	1.4	1.7	1.9	2.2	2.5	2.7	
in % of Sales	5.0 %	5.0 %	5.0 %	3.5 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	
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	0.5	0.0	0.1	0.2	0.4	0.5	0.4	0.5	0.5	0.4	0.4	0.5	0.3	
- Capex	0.7	0.2	0.2	1.3	2.0	1.2	1.5	1.9	2.2	2.6	2.9	3.3	2.7	
Capex in % of Sales	13.6 %	3.3 %	2.3 %	10.0 %	10.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	3.0 %	
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)	-2.9	-0.9	0.5	-0.6	-0.2	3.0	4.5	7.1	11.1	12.6	12.0	13.6	15.6	16
PV of FCF	-2.5	-0.7	0.4	-0.4	-0.1	1.5	2.0	2.8	4.0	4.1	3.5	3.5	3.6	40
share of PVs	-4.60 %			39.69 %										64.91 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	0.00 %	Financial Strength	1.90
Cost of debt (after tax)	4.2 %	Liquidity (share)	1.70
Market return	7.00 %	Cyclicality	1.80
Risk free rate	1.50 %	Transparency	1.60
		Others	2.00
WACC	11.40 %	Beta	1.80

Valuation (m)

Present values 2027e	22		
Terminal Value	40		
Financial liabilities	0		
Pension liabilities	0		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	2	No. of shares (m)	13.7
Equity Value	63	Value per share (EUR)	4.62

Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Beta	WACC	Delta EBIT-margin						
		1.25 %	1.50 %	1.75 %	2.00 %	2.25 %	2.50 %	2.75 %			-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.98	12.4 %	3.72	3.77	3.82	3.88	3.94	4.00	4.06	1.98	12.4 %	3.58	3.68	3.78	3.88	3.98	4.08	4.18
1.89	11.9 %	4.04	4.10	4.16	4.23	4.29	4.37	4.44	1.89	11.9 %	3.91	4.01	4.12	4.23	4.33	4.44	4.55
1.85	11.7 %	4.22	4.28	4.35	4.42	4.49	4.57	4.65	1.85	11.7 %	4.08	4.20	4.31	4.42	4.53	4.64	4.75
1.80	11.4 %	4.40	4.47	4.54	4.62	4.70	4.78	4.87	1.80	11.4 %	4.27	4.39	4.50	4.62	4.73	4.85	4.96
1.75	11.2 %	4.60	4.67	4.75	4.83	4.92	5.01	5.11	1.75	11.2 %	4.47	4.59	4.71	4.83	4.95	5.07	5.19
1.71	10.9 %	4.81	4.89	4.97	5.06	5.16	5.26	5.36	1.71	10.9 %	4.69	4.81	4.94	5.06	5.19	5.31	5.44
1.62	10.4 %	5.26	5.36	5.46	5.57	5.68	5.80	5.93	1.62	10.4 %	5.16	5.30	5.43	5.57	5.70	5.84	5.97

- Europe-wide authorisation is earliest expected in 2017.
- Upstream sales activities in 2016 are expected to lead to a significant revenue increase in 2017.
- Break-even is operationally expected on an EBITDA level (2015) but expenses for the authorisation still burden.
- After reduced expenses for the authorisation beyond 2017, total break-even is expected.

Valuation

	2011	2012	2013	2014	2015e	2016e	2017e
Price / Book	3.9 x	2.7 x	5.7 x	7.9 x	13.3 x	22.6 x	17.4 x
Book value per share ex intangibles	0.32	0.36	0.14	0.30	0.18	0.09	0.11
EV / Sales	3.6 x	3.0 x	2.5 x	6.6 x	6.7 x	5.9 x	4.0 x
EV / EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	40.4 x
EV / EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	80.9 x
EV / EBIT adj.*	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	80.9 x
P / FCF	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	70.5 x
P / E	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	88.2 x
P / E adj.*	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	88.2 x
Dividend Yield	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Free Cash Flow Yield Potential	-10.3 %	-28.2 %	-27.0 %	-7.7 %	-4.9 %	-2.0 %	2.3 %

*Adjustments made for: -

Company Specific Items

	2011	2012	2013	2014	2015e	2016e	2017e
Surgeries	849	950	1,085	1,223	1,291	1,497	n.a.

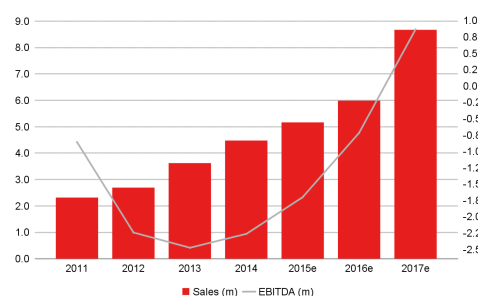
Consolidated profit & loss

In EUR m	2011	2012	2013	2014	2015e	2016e	2017e
Sales	2.3	2.7	3.6	4.5	5.2	6.0	8.7
Change Sales yoy	8.0 %	16.3 %	34.5 %	23.6 %	15.3 %	16.0 %	44.8 %
Increase / decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Own work capitalised	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Sales	2.3	2.7	3.6	4.5	5.2	6.0	8.7
Material Expenses	1.4	1.4	1.4	0.7	1.7	1.8	1.3
Gross profit	1.0	1.3	2.3	3.8	3.5	4.2	7.4
Gross profit margin	41.2 %	49.2 %	62.7 %	85.4 %	67.0 %	70.0 %	85.0 %
Personnel expenses	1.8	2.1	2.8	3.6	3.0	3.4	4.7
Other operating income	1.4	1.0	0.5	0.5	0.8	0.9	0.9
Other operating expenses	1.4	2.5	2.4	2.9	2.9	2.5	2.7
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	-0.9	-2.2	-2.5	-2.3	-1.7	-0.7	0.9
Margin	-37.1 %	-83.1 %	-68.4 %	-50.6 %	-33.0 %	-12.0 %	10.0 %
Depreciation of fixed assets	0.2	0.1	0.2	0.2	0.3	0.3	0.4
EBITA	-1.0	-2.4	-2.7	-2.5	-2.0	-1.0	0.4
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Goodwill amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	-1.0	-2.4	-2.7	-2.5	-2.0	-1.0	0.4
Margin	-43.9 %	-88.4 %	-73.5 %	-55.3 %	-38.0 %	-17.0 %	5.0 %
EBIT adj.	-1.0	-2.4	-2.7	-2.5	-2.0	-1.0	0.4
Interest income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	-1.0	-2.4	-2.7	-2.5	-2.0	-1.0	0.4
Margin	-43.5 %	-88.3 %	-74.0 %	-55.6 %	-38.0 %	-17.0 %	5.0 %
Total taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Net income from continuing operations	-1.0	-2.4	-2.7	-2.5	-2.0	-1.0	0.4
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income before minorities	-1.0	-2.4	-2.7	-2.5	-2.0	-1.0	0.4
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	-1.0	-2.4	-2.7	-2.5	-2.0	-1.0	0.4
Margin	-43.7 %	-88.4 %	-74.1 %	-56.3 %	-38.0 %	-17.0 %	4.4 %
Number of shares, average	7.1	10.7	11.1	13.7	13.7	13.7	13.7
EPS	-0.14	-0.22	-0.24	-0.18	-0.14	-0.07	0.03
EPS adj.	-0.14	-0.22	-0.24	-0.18	-0.14	-0.07	0.03

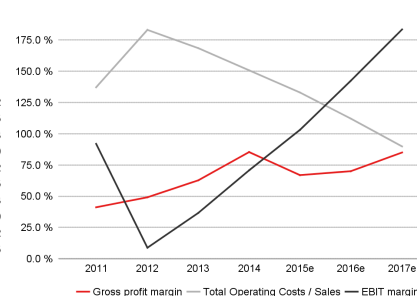
*Adjustments made for:

Guidance: Positive revenue and yearly earnings development.
Financial Ratios

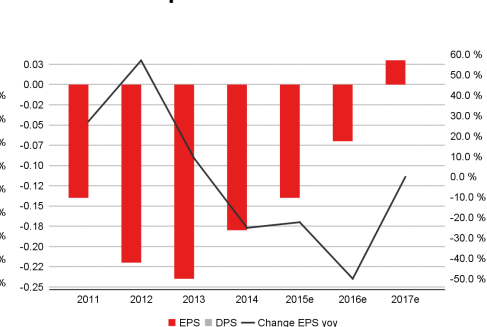
	2011	2012	2013	2014	2015e	2016e	2017e
Total Operating Costs / Sales	137.1 %	183.1 %	168.4 %	150.6 %	133.0 %	112.0 %	90.0 %
Operating Leverage	-3.7 x	8.3 x	0.3 x	-0.3 x	-1.4 x	-3.0 x	n.a.
Tax rate (EBT)	-0.2 %	-0.1 %	-0.1 %	-1.1 %	-0.1 %	-0.2 %	12.0 %
Dividend Payout Ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Sales per Employee	59,385	62,628	72,443	75,864	87,506	101,483	144,500

Sales, EBITDA
in EUR m


Source: Warburg Research

Operating Performance
in %


Source: Warburg Research

Performance per Share


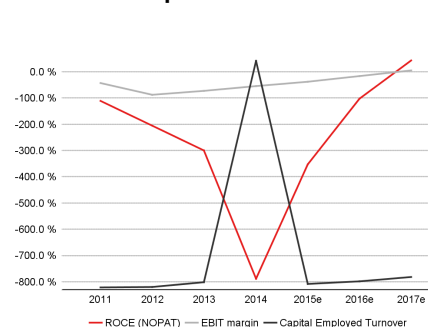
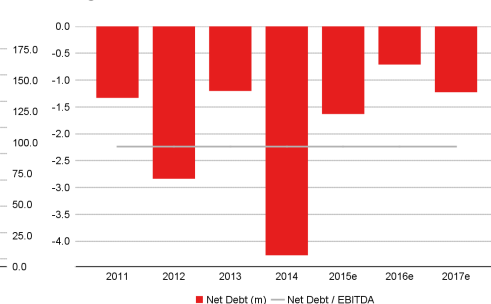
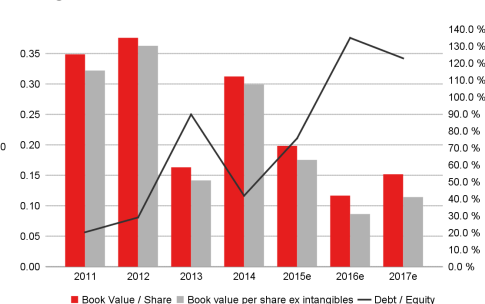
Source: Warburg Research

Consolidated balance sheet

In EUR m	2011	2012	2013	2014	2015e	2016e	2017e
Assets							
Goodwill and other intangible assets	0.2	0.1	0.2	0.2	0.3	0.4	0.5
thereof other intangible assets	0.2	0.1	0.2	0.2	0.3	0.4	0.5
thereof Goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	0.7	0.6	0.9	0.9	1.2	1.0	0.7
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other long-term assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fixed assets	0.8	0.8	1.1	1.1	1.5	1.4	1.2
Inventories	0.1	0.1	0.1	0.1	0.2	0.2	0.3
Accounts receivable	0.2	0.6	0.5	0.0	0.7	0.8	1.2
Liquid assets	1.3	2.8	1.2	4.3	1.6	0.7	1.2
Other short-term assets	0.5	0.8	0.5	0.7	0.7	0.7	0.7
Current assets	2.1	4.4	2.3	5.1	3.2	2.4	3.4
Total Assets	3.0	5.2	3.4	6.1	4.8	3.8	4.6
Liabilities and shareholders' equity							
Subscribed capital	7.1	10.7	11.1	13.7	13.7	13.7	13.7
Capital reserve	0.0	0.4	0.4	2.8	2.8	2.8	2.8
Retained earnings	-4.6	-7.0	-9.7	-12.2	-14.2	-15.2	-14.8
Other equity components	0.0	0.0	0.0	0.0	0.4	0.3	0.4
Shareholders' equity	2.5	4.0	1.8	4.3	2.7	1.6	2.1
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	2.5	4.0	1.8	4.3	2.7	1.6	2.1
Provisions	0.3	0.7	1.0	1.2	1.2	1.2	1.2
thereof provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial liabilities (total)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
thereof short-term financial liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	0.2	0.4	0.4	0.3	0.6	0.7	1.1
Other liabilities	0.1	0.1	0.2	0.3	0.3	0.3	0.3
Liabilities	0.5	1.2	1.6	1.8	2.1	2.2	2.6
Total liabilities and shareholders' equity	3.0	5.2	3.4	6.1	4.8	3.8	4.6

Financial Ratios

	2011	2012	2013	2014	2015e	2016e	2017e
Efficiency of Capital Employment							
Operating Assets Turnover	2.8 x	2.7 x	3.5 x	6.9 x	3.4 x	4.5 x	8.0 x
Capital Employed Turnover	2.0 x	2.3 x	5.9 x	184.4 x	4.7 x	6.7 x	10.1 x
ROA	-119.5 %	-307.2 %	-233.7 %	-237.9 %	-127.9 %	-71.0 %	31.7 %
Return on Capital							
ROCE (NOPAT)	-111.6 %	-205.7 %	-299.3 %	-788.6 %	-352.2 %	-102.9 %	43.6 %
ROE	-41.3 %	-73.4 %	-92.2 %	-82.6 %	-56.0 %	-47.2 %	20.7 %
Adj. ROE	-41.3 %	-73.4 %	-92.2 %	-82.6 %	-56.0 %	-47.2 %	20.7 %
Balance sheet quality							
Net Debt	-1.3	-2.8	-1.2	-4.3	-1.6	-0.7	-1.2
Net Financial Debt	-1.3	-2.8	-1.2	-4.3	-1.6	-0.7	-1.2
Net Gearing	-53.7 %	-70.8 %	-66.3 %	-99.4 %	-59.9 %	-44.4 %	-58.8 %
Net Fin. Debt / EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Book Value / Share	0.3	0.4	0.2	0.3	0.2	0.1	0.2
Book value per share ex intangibles	0.3	0.4	0.1	0.3	0.2	0.1	0.1

ROCE Development

Net debt in EUR m

Book Value per Share in EUR


Source: Warburg Research

Source: Warburg Research

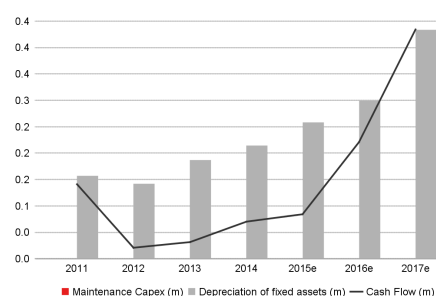
Source: Warburg Research

Consolidated cash flow statement

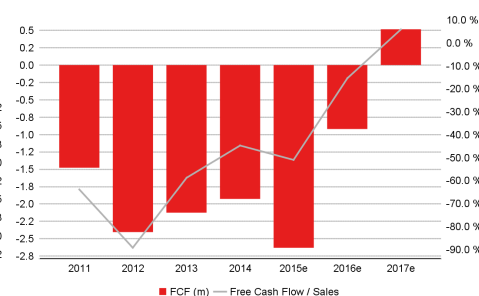
In EUR m	2011	2012	2013	2014	2015e	2016e	2017e
Net income	-1.0	-2.4	-2.7	-2.5	-2.0	-1.0	0.4
Depreciation of fixed assets	0.2	0.1	0.2	0.2	0.3	0.3	0.4
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in long-term provisions	-0.1	0.4	0.1	0.2	0.0	0.0	0.0
Other non-cash income and expenses	-0.3	-0.4	0.3	0.3	0.0	0.0	0.0
Cash Flow	-1.3	-2.2	-2.1	-1.8	-1.7	-0.7	0.8
Increase / decrease in inventory	-0.1	-0.4	0.2	0.0	-0.1	0.0	-0.1
Increase / decrease in accounts receivable	0.0	0.0	0.0	0.0	-0.7	-0.1	-0.4
Increase / decrease in accounts payable	0.0	0.2	0.3	0.0	0.3	0.1	0.4
Increase / decrease in other working capital positions	0.0	0.0	0.0	0.0	0.3	0.0	0.0
Increase / decrease in working capital (total)	-0.1	-0.2	0.5	0.0	-0.2	0.0	-0.1
Net cash provided by operating activities	-1.4	-2.3	-1.6	-1.8	-1.9	-0.7	0.7
Investments in intangible assets	0.0	0.0	-0.3	-0.1	-0.1	-0.1	-0.1
Investments in property, plant and equipment	0.0	0.0	-0.3	-0.1	-0.6	-0.1	-0.1
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash provided by investing activities	-0.1	-0.1	-0.6	-0.1	-0.7	-0.2	-0.2
Change in financial liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	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	0.0	0.0	0.0	5.0	0.0	0.0	0.0
Other	1.1	3.9	0.5	0.0	0.0	0.0	0.0
Net cash provided by financing activities	1.1	3.9	0.5	5.0	0.0	0.0	0.0
Change in liquid funds	-0.4	1.5	-1.6	3.0	-2.6	-0.9	0.5
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	1.3	2.8	1.2	4.2	1.6	0.7	1.2

Financial Ratios

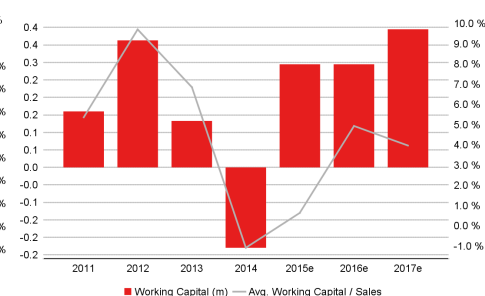
	2011	2012	2013	2014	2015e	2016e	2017e
Cash Flow							
FCF	-1.5	-2.4	-2.1	-1.9	-2.6	-0.9	0.5
Free Cash Flow / Sales	-63.8 %	-89.3 %	-58.6 %	-44.7 %	-50.9 %	-15.4 %	5.9 %
Free Cash Flow Potential	-0.9	-2.2	-2.5	-2.3	-1.7	-0.7	0.8
Free Cash Flow / Sales	-63.8 %	-89.3 %	-58.6 %	-44.7 %	-50.9 %	-15.4 %	5.9 %
Free Cash Flow / Net Profit	146.2 %	101.0 %	79.1 %	79.5 %	133.9 %	90.3 %	135.0 %
Interest Received / Avg. Cash	0.5 %	0.1 %	0.0 %	0.1 %	0.0 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	n.a.	n.a.	n.a.	557.5 %	0.0 %	0.0 %	0.0 %
Management of Funds							
Investment ratio	3.5 %	2.6 %	15.5 %	4.5 %	13.6 %	3.3 %	2.3 %
Maint. Capex / Sales	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Capex / Dep	51.6 %	49.3 %	299.8 %	93.3 %	271.2 %	66.8 %	46.1 %
Avg. Working Capital / Sales	5.4 %	9.7 %	6.8 %	-1.1 %	0.6 %	4.9 %	4.0 %
Trade Debtors / Trade Creditors	155.6 %	182.7 %	111.6 %	0.0 %	116.7 %	114.3 %	109.1 %
Inventory Turnover	16.4 x	18.0 x	15.4 x	6.2 x	8.5 x	9.0 x	4.3 x
Receivables collection period (days)	39	87	48	0	49	49	51
Payables payment period (days)	43	94	116	184	129	142	309
Cash conversion cycle (Days)	-21	-70	-91	-128	-81	-97	-214

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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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
co.don	5	http://www.mmwarburg.com/disclaimer/disclaimer_en/DE000A1K0227.htm

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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.
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“-“	Rating suspended:	The available information currently does not permit an evaluation of the company.

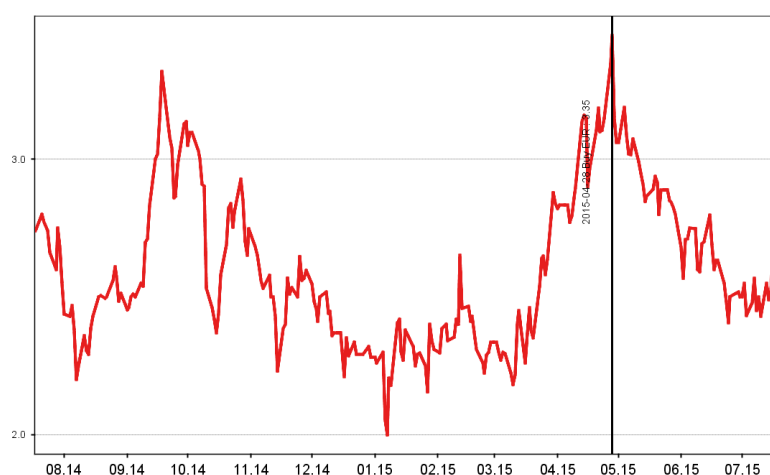
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Rating	Number of stocks	% of Universe
Buy	105	57
Hold	68	37
Sell	7	4
Rating suspended	3	2
Total	183	100

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

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Rating	Number of stocks	% of Universe
Buy	89	63
Hold	45	32
Sell	5	4
Rating suspended	2	1
Total	141	100

PRICE AND RATING HISTORY CO.DON AS OF 17.07.2015


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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