

Under Review (Buy) under review (EUR 6.65) Price EUR 11.32 n/a	Value Indicators: EUR	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: 200.2 No. of shares (m): 17.7 EV: 197.7 Freefloat MC: 117.4	Shareholders: Freefloat 58.7 % Bauerfeind AG 26.8 % Dr. Bernd Wegener 14.5 %	Risk Profile (WRe): 2017e Beta: 1.4 Price / Book: 40.0 x Equity Ratio: 76 %

EU Commission approval for new product Spherox enables European roll-out

The eagerly-awaited EU Commission approval for CO.DON's pharmaceutical product Spherox was announced by the company in an ad-hoc release Wednesday afternoon. Spherox - Spheroids made from human autologous (i.e. generated with the patient's own tissue) matrix-associated chondrocytes – is thus approved for marketing and distribution EU-wide.

The approved indication is the repair of symptomatic cartilage defects in the knee with sizes of up to 10 square centimeters. This means that patients (in general 18-50 years old) suffering from cartilage-related knee pain **now have a lasting regenerative alternative to the existing treatments**, such as debridement, microfracturing or knee implants, which are all less favourable, especially for younger patients, than regenerative treatment options like Spherox.

Spherox is the improved product for the EU market developed from the existing CO.DON chondrosphere product, which has been marketed in Germany since 2003 under a Paul Ehrlich Advanced Therapy Medicinal Product exemption in a stationary setting. The main differences to the existing product are improved markers for added patient safety and a shorter cell cultivation time.

This major milestone comes on the back of the positive opinion in May 2017 of the Committee for Medicinal Products for Human Use ("CHMP"), responsible for conducting the initial assessment of EU-wide marketing authorization applications. In March 2017, the UK Department of Health appointed the National Institute for Health and Care Excellence (NICE) to carry out a single technology appraisal of Spherox®, paving the way for NHS funding.

We estimate the EU market volume at some EUR 1.2 billion. The company is the sole provider of purely autologous cartilage repair therapy for the foreseeable future, with closest competitor TETEC AG, a subsidiary of medtech conglomerate B. Braun, still recruiting patients for phase III trials for a similar product that is however not strictly autologous. **From our point of view, TETEC AG's product launch is therefore still a couple of years down the road.**

We are currently reworking our financial projections and fair value assessment based on conversations with management.

Price target and recommendation are under review.

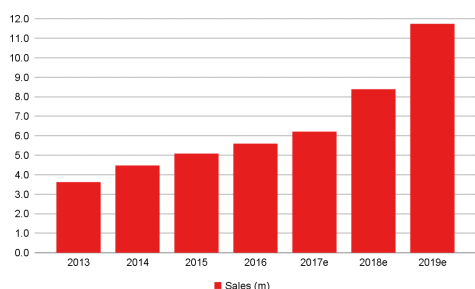


Rel. Performance vs CDAX:	
1 month:	14.8 %
6 months:	228.8 %
Year to date:	308.2 %
Trailing 12 months:	237.7 %

Company events:
31.08.17 Q2

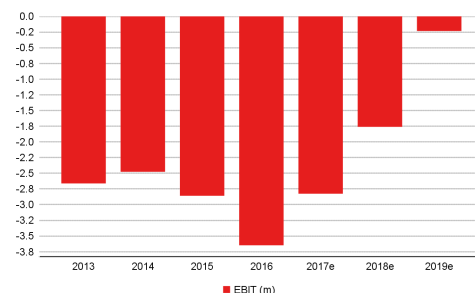
FY End: 31.12. in EUR m	CAGR (16-19e)	2013	2014	2015	2016	2017e	2018e	2019e
Sales	28.0 %	3.6	4.5	5.1	5.6	6.2	8.4	11.7
Change Sales yoy		34.5 %	23.6 %	13.6 %	10.1 %	11.0 %	35.0 %	40.0 %
Gross profit margin		62.7 %	85.4 %	87.6 %	87.0 %	87.0 %	87.0 %	87.0 %
EBITDA	-	-2.5	-2.3	-2.6	-3.4	-2.5	-1.3	0.4
Margin		-68.4 %	-50.6 %	-51.3 %	-60.9 %	-41.0 %	-16.0 %	3.0 %
EBIT	-	-2.7	-2.5	-2.9	-3.6	-2.8	-1.8	-0.2
Margin		-73.5 %	-55.3 %	-56.2 %	-65.2 %	-45.5 %	-21.0 %	-2.0 %
Net income	-	-2.7	-2.5	-2.9	-3.6	-2.8	-1.9	-0.5
EPS	-	-0.24	-0.18	-0.18	-0.23	-0.16	-0.11	-0.03
DPS	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividend Yield		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FCFPS		-0.19	-0.47	-0.26	-0.24	-0.26	-0.20	-0.02
FCF / Market cap		-21.0 %	-19.6 %	-10.6 %	-9.3 %	-2.3 %	-1.8 %	-0.2 %
EV / Sales		2.5 x	6.4 x	6.8 x	7.9 x	31.8 x	24.0 x	17.2 x
EV / EBITDA		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	570.1 x
EV / EBIT		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
P / E		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FCF Potential Yield		-27.8 %	-23.5 %	-7.5 %	-7.7 %	-1.3 %	-0.7 %	0.2 %
Net Debt		-1.2	-4.3	-5.7	-2.0	-2.5	1.1	1.5
ROCE (NOPAT)		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Guidance:		Revenue growth on par with 2016; Net income loss at least on par with 2016						

Sales development
in EUR m



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

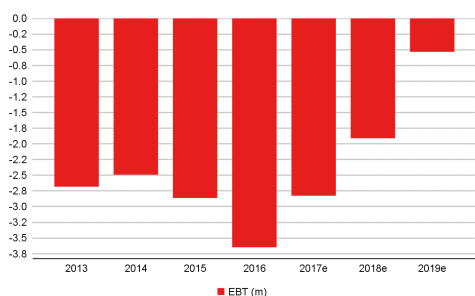
Company Background

- 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 with more than 11,000 patients. co.don chondrosphere is currently the most important co.don product to be on sale.
- The EMA authorisation would mean the product could be distributed in all EU countries. The authorisation is expected in H2 2017.

Competitive Quality

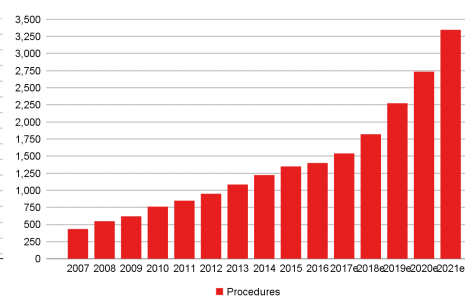
- With its joint-preserving product, co.don competes with manufacturers of surgical (i.g. metal knee implants), which can pose a considerably higher risk for the patients.
- A knee replacement procedure is considerably complex, while a cartilage replacement from co.don can be inserted by a minimally-invasive 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 200 clinics.
- As co.don chondrosphere is already being distributed, co.don has a clear competitive advantage over new entrants.
- In light of the more than 11,000 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



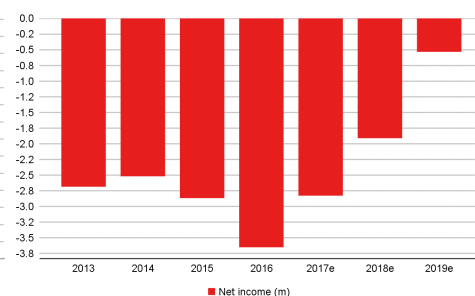
Source: Warburg Research

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
	2017e	2018e	2019e	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	
Sales	6.2	9.3	14.0	22.4	35.8	57.3	85.9	111.7	145.2	159.7	175.6	175.6	193.2	3.0 %
Sales change	11.0 %	50.0 %	50.0 %	60.0 %	60.0 %	60.0 %	50.0 %	30.0 %	30.0 %	10.0 %	10.0 %	0.0 %	10.0 %	
EBIT	-2.8	-1.8	-0.2	0.9	2.9	7.1	11.9	17.9	26.1	32.7	38.6	38.6	42.5	
EBIT-margin	-45.5 %	-18.9 %	-1.7 %	4.0 %	8.0 %	12.3 %	13.9 %	16.0 %	18.0 %	20.5 %	22.0 %	22.0 %	22.0 %	
Tax rate (EBT)	0.0 %	0.0 %	0.0 %	5.0 %	5.0 %	10.0 %	12.0 %	12.0 %	12.0 %	15.0 %	28.0 %	28.0 %	28.0 %	
NOPAT	-2.8	-1.8	-0.2	0.9	2.7	6.3	10.5	15.7	23.0	27.8	27.8	27.8	30.6	
Depreciation	0.3	0.4	0.6	0.8	1.1	1.7	2.6	3.3	4.4	4.8	5.3	5.3	5.8	
in % of Sales	4.5 %	4.5 %	4.2 %	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	0.0	0.1	-0.1	0.4	0.3	0.4	0.6	0.5	0.7	0.3	0.3	0.0	0.4	
- Capex	2.0	2.0	0.5	0.9	3.6	5.7	4.3	3.3	4.4	4.8	5.3	5.3	5.8	
Capex in % of Sales	32.2 %	21.5 %	3.6 %	4.0 %	10.0 %	10.0 %	5.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	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)	-4.5	-3.4	0.0	0.3	-0.1	1.9	8.2	15.2	22.3	27.5	27.5	27.8	30.3	
PV of FCF	-4.2	-2.9	0.0	0.2	0.0	1.1	4.5	7.6	10.3	11.6	10.6	9.9	9.8	168
share of PVs	-3.15 %			29.03 %										74.11 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	0.00 %	Financial Strength	1.30
Cost of debt (after tax)	3.5 %	Liquidity (share)	1.30
Market return	7.00 %	Cyclicality	1.10
Risk free rate	1.50 %	Transparency	1.40
		Others	1.80
WACC	9.09 %	Beta	1.38

Valuation (m)

Present values 2029e	59		
Terminal Value	168		
Financial liabilities	0		
Pension liabilities	0		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	2	No. of shares (m)	17.7
Equity Value	228	Value per share (EUR)	12.90

Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Beta	WACC	Delta EBIT-margin						
		2.25 %	2.50 %	2.75 %	3.00 %	3.25 %	3.50 %	3.75 %			-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.56	10.1 %	9.64	9.86	10.09	10.33	10.60	10.88	11.19	1.56	10.1 %	9.49	9.77	10.05	10.33	10.61	10.89	11.17
1.47	9.6 %	10.67	10.93	11.21	11.51	11.83	12.19	12.57	1.47	9.6 %	10.59	10.89	11.20	11.51	11.82	12.12	12.43
1.43	9.3 %	11.24	11.53	11.84	12.17	12.54	12.93	13.36	1.43	9.3 %	11.20	11.53	11.85	12.17	12.50	12.82	13.14
1.38	9.1 %	11.86	12.18	12.52	12.90	13.30	13.74	14.23	1.38	9.1 %	11.88	12.22	12.56	12.90	13.24	13.58	13.92
1.33	8.8 %	12.53	12.88	13.27	13.69	14.14	14.64	15.18	1.33	8.8 %	12.61	12.97	13.33	13.69	14.04	14.40	14.76
1.29	8.6 %	13.25	13.65	14.08	14.55	15.06	15.63	16.25	1.29	8.6 %	13.41	13.79	14.17	14.55	14.93	15.31	15.69
1.20	8.1 %	14.91	15.41	15.95	16.55	17.21	17.94	18.76	1.20	8.1 %	15.27	15.70	16.12	16.55	16.97	17.40	17.83

- Europe-wide authorisation is expected in H2 2017.
- Upstream sales activities in 2017 are expected to lead to a significant revenue increase from 2018 onwards.
- Break-even is expected at EBITDA level in 2019 with expenses for market roll-out burdening until then.

Valuation							
	2013	2014	2015	2016	2017e	2018e	2019e
Price / Book	5.6 x	7.7 x	6.3 x	16.7 x	40.0 x	64.6 x	81.2 x
Book value per share ex intangibles	0.14	0.30	0.39	0.16	0.19	0.00	-0.04
EV / Sales	2.5 x	6.4 x	6.8 x	7.9 x	31.8 x	24.0 x	17.2 x
EV / EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	570.1 x
EV / EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EV / EBIT adj.*	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
P / FCF	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
P / E	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
P / E adj.*	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Dividend Yield	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FCF Potential Yield (on market EV)	-27.8 %	-23.5 %	-7.5 %	-7.7 %	-1.3 %	-0.7 %	0.2 %

*Adjustments made for: -

Company Specific Items							
	2013	2014	2015	2016	2017e	2018e	2019e
Surgeries	1,085	1,223	1,291	1,497	2,000	636	2,000

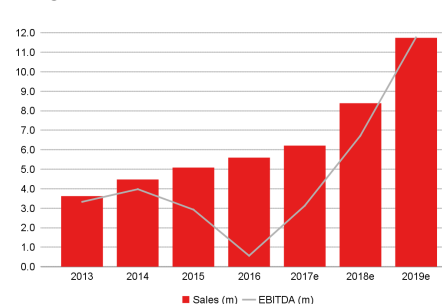
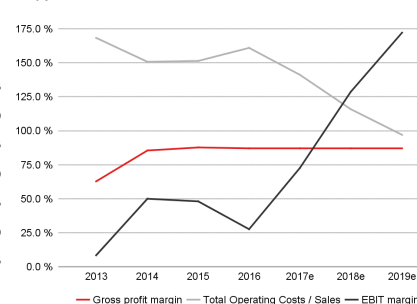
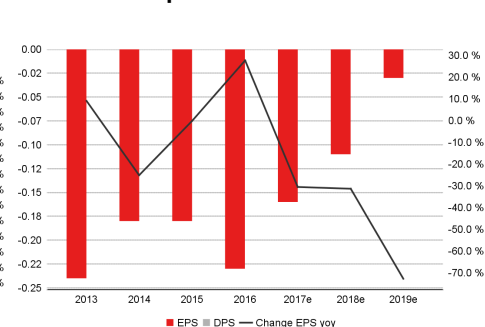
Consolidated profit & loss

In EUR m	2013	2014	2015	2016	2017e	2018e	2019e
Sales	3.6	4.5	5.1	5.6	6.2	8.4	11.7
Change Sales yoy	34.5 %	23.6 %	13.6 %	10.1 %	11.0 %	35.0 %	40.0 %
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	3.6	4.5	5.1	5.6	6.2	8.4	11.7
Material expenses	1.4	0.7	0.6	0.7	0.8	1.1	1.5
Gross profit	2.3	3.8	4.5	4.9	5.4	7.3	10.2
<i>Gross profit margin</i>	<i>62.7 %</i>	<i>85.4 %</i>	<i>87.6 %</i>	<i>87.0 %</i>	<i>87.0 %</i>	<i>87.0 %</i>	<i>87.0 %</i>
Personnel expenses	2.8	3.6	3.7	4.6	4.0	5.0	6.3
Other operating income	0.5	0.5	0.2	0.1	0.1	0.2	0.2
Other operating expenses	2.4	2.9	3.6	3.8	4.0	3.8	3.8
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	-2.5	-2.3	-2.6	-3.4	-2.5	-1.3	0.4
<i>Margin</i>	<i>-68.4 %</i>	<i>-50.6 %</i>	<i>-51.3 %</i>	<i>-60.9 %</i>	<i>-41.0 %</i>	<i>-16.0 %</i>	<i>3.0 %</i>
Depreciation of fixed assets	0.2	0.2	0.2	0.2	0.3	0.4	0.6
EBITA	-2.7	-2.5	-2.9	-3.6	-2.8	-1.8	0.9
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	-2.7	-2.5	-2.9	-3.6	-2.8	-1.8	-0.2
<i>Margin</i>	<i>-73.5 %</i>	<i>-55.3 %</i>	<i>-56.2 %</i>	<i>-65.2 %</i>	<i>-45.5 %</i>	<i>-21.0 %</i>	<i>-2.0 %</i>
EBIT adj.	-2.7	-2.5	-2.9	-3.6	-2.8	-1.8	-0.2
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	0.2	0.3
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	-2.7	-2.5	-2.9	-3.6	-2.8	-1.9	-0.5
<i>Margin</i>	<i>-74.0 %</i>	<i>-55.6 %</i>	<i>-56.3 %</i>	<i>-65.2 %</i>	<i>-45.5 %</i>	<i>-22.8 %</i>	<i>-4.5 %</i>
Total taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income from continuing operations	-2.7	-2.5	-2.9	-3.6	-2.8	-1.9	-0.5
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	-2.7	-2.5	-2.9	-3.6	-2.8	-1.9	-0.5
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	-2.7	-2.5	-2.9	-3.6	-2.8	-1.9	-0.5
<i>Margin</i>	<i>-74.1 %</i>	<i>-56.3 %</i>	<i>-56.3 %</i>	<i>-65.2 %</i>	<i>-45.5 %</i>	<i>-22.8 %</i>	<i>-4.5 %</i>
Number of shares, average	11.1	13.7	16.2	16.2	17.7	17.7	17.7
EPS	-0.24	-0.18	-0.18	-0.23	-0.16	-0.11	-0.03
EPS adj.	-0.24	-0.18	-0.18	-0.23	-0.16	-0.11	-0.03

*Adjustments made for:

Guidance: Revenue growth on par with 2016; Net income loss at least on par with 2016
Financial Ratios

	2013	2014	2015	2016	2017e	2018e	2019e
Total Operating Costs / Sales	168.4 %	150.6 %	151.3 %	160.9 %	141.0 %	116.0 %	97.0 %
Operating Leverage	0.3 x	-0.3 x	1.1 x	2.7 x	-2.0 x	-1.1 x	-2.2 x
Tax rate (EBT)	-0.1 %	-1.1 %	-0.1 %	-0.1 %	0.0 %	0.0 %	0.0 %
Dividend Payout Ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Sales per Employee	72,443	75,864	80,734	72,699	69,040	88,298	117,436

Sales, EBITDA
in EUR m

Operating Performance
in %

Performance per Share


Source: Warburg Research

Source: Warburg Research

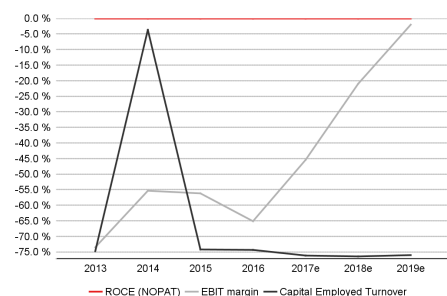
Source: Warburg Research

Consolidated balance sheet

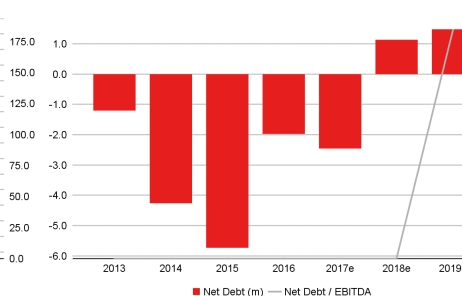
In EUR m	2013	2014	2015	2016	2017e	2018e	2019e
Assets							
Goodwill and other intangible assets	0.2	0.2	0.1	0.1	1.6	3.1	3.1
thereof other intangible assets	0.2	0.2	0.1	0.1	1.6	3.1	3.1
thereof Goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	0.9	0.9	1.4	1.4	1.6	1.7	1.6
Financial assets	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	1.1	1.1	1.5	1.5	3.2	4.8	4.7
Inventories	0.1	0.1	0.1	0.1	0.1	0.2	0.2
Accounts receivable	0.5	0.4	0.4	0.5	0.6	0.8	1.1
Liquid assets	1.2	4.3	5.7	2.0	2.5	3.9	3.5
Other short-term assets	0.5	0.2	0.2	0.2	0.2	0.2	0.2
Current assets	2.3	5.0	6.6	2.8	3.4	5.1	5.0
Total Assets	3.4	6.1	8.1	4.3	6.6	9.9	9.7
Liabilities and shareholders' equity							
Subscribed capital	11.1	13.7	16.2	16.2	17.7	17.7	17.7
Capital reserve	0.4	2.8	5.2	5.2	5.2	5.2	5.2
Retained earnings	-9.7	-12.2	-15.1	-18.7	-21.5	-23.4	-24.0
Other equity components	0.0	0.0	0.0	0.0	3.6	3.6	3.5
Shareholders' equity	1.8	4.3	6.4	2.8	5.0	3.1	2.5
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	1.8	4.3	6.4	2.8	5.0	3.1	2.5
Provisions	1.0	1.2	0.6	0.7	0.7	0.7	0.7
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	5.0	5.0
thereof short-term financial liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	0.4	0.3	0.9	0.6	0.7	0.9	1.3
Other liabilities	0.2	0.3	0.2	0.2	0.2	0.2	0.2
Liabilities	1.6	1.8	1.7	1.5	1.6	6.8	7.2
Total liabilities and shareholders' equity	3.4	6.1	8.1	4.3	6.6	9.9	9.7

Financial Ratios

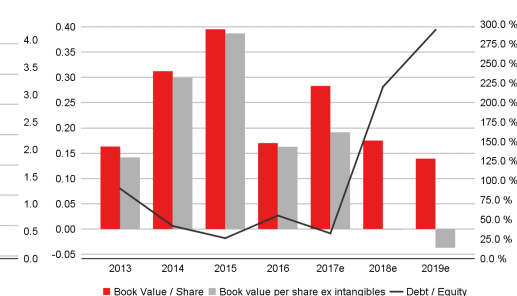
	2013	2014	2015	2016	2017e	2018e	2019e
Efficiency of Capital Employment							
Operating Assets Turnover	3.5 x	4.2 x	4.4 x	4.0 x	4.0 x	4.8 x	7.5 x
Capital Employed Turnover	5.9 x	184.4 x	7.5 x	7.1 x	2.4 x	2.0 x	3.0 x
ROA	-233.7 %	-237.9 %	-185.2 %	-247.4 %	-88.4 %	-40.0 %	-11.4 %
Return on Capital							
ROCE (NOPAT)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
ROE	-92.2 %	-82.6 %	-53.6 %	-79.6 %	-72.8 %	-47.1 %	-19.2 %
Adj. ROE	-92.2 %	-82.6 %	-53.6 %	-79.6 %	-72.8 %	-47.1 %	-19.2 %
Balance sheet quality							
Net Debt	-1.2	-4.3	-5.7	-2.0	-2.5	1.1	1.5
Net Financial Debt	-1.2	-4.3	-5.7	-2.0	-2.5	1.1	1.5
Net Gearing	-66.3 %	-99.4 %	-89.4 %	-71.4 %	-49.0 %	36.7 %	60.1 %
Net Fin. Debt / EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	418.9 %
Book Value / Share	0.2	0.3	0.4	0.2	0.3	0.2	0.1
Book value per share ex intangibles	0.1	0.3	0.4	0.2	0.2	0.0	0.0

ROCE Development


Source: Warburg Research

Net debt in EUR m


Source: Warburg Research

Book Value per Share in EUR


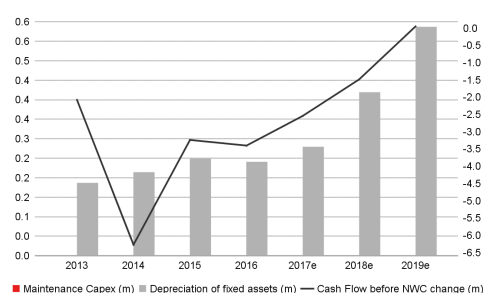
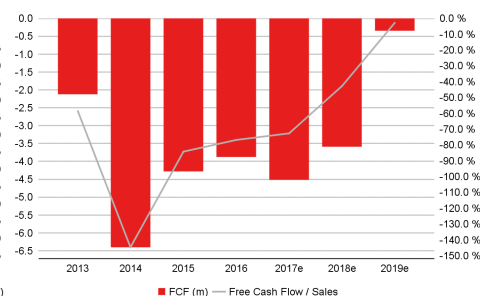
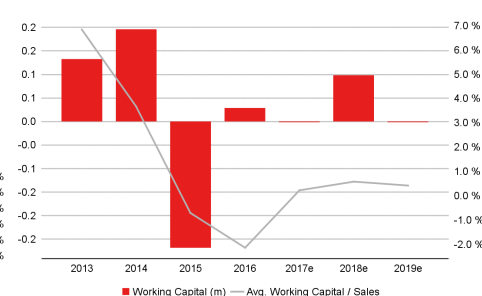
Source: Warburg Research

Consolidated cash flow statement

In EUR m	2013	2014	2015	2016	2017e	2018e	2019e
Net income	-2.7	-7.0	-2.9	-3.6	-2.8	-1.9	-0.5
Depreciation of fixed assets	0.2	0.2	0.2	0.2	0.3	0.4	0.6
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	0.2	-0.6	0.0	0.0	0.0	0.0
Other non-cash income and expenses	0.3	0.3	0.0	0.0	0.0	0.0	0.0
Cash Flow before NWC change	-2.1	-6.3	-3.2	-3.4	-2.5	-1.5	0.1
Increase / decrease in inventory	0.2	0.0	0.0	0.0	0.0	-0.1	0.0
Increase / decrease in accounts receivable	0.0	0.0	-0.2	-0.1	-0.1	-0.2	-0.3
Increase / decrease in accounts payable	0.3	0.0	0.5	-0.3	0.1	0.2	0.4
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 (total)	0.5	0.0	0.3	-0.3	0.0	-0.1	0.1
Net cash provided by operating activities [1]	-1.6	-6.3	-3.0	-3.7	-2.5	-1.6	0.2
Investments in intangible assets	-0.3	-0.1	-0.1	-0.1	-1.5	-1.5	0.0
Investments in property, plant and equipment	-0.3	-0.1	-1.2	-0.5	-0.5	-0.5	-0.5
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash provided by investing activities [2]	-0.6	-0.1	-1.3	-0.2	-2.0	-2.0	-0.5
Change in financial liabilities	0.0	0.0	0.0	0.0	0.0	5.0	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	5.0	5.0	0.0	5.0	0.0	0.0
Other	0.5	0.0	0.8	0.0	0.0	0.0	0.0
Net cash provided by financing activities [3]	0.5	5.0	5.8	0.0	5.0	5.0	0.0
Change in liquid funds [1]+[2]+[3]	-1.6	-1.4	1.5	-3.8	0.5	1.4	-0.3
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	1.2	-0.2	5.7	1.9	2.5	3.9	3.5

Financial Ratios

	2013	2014	2015	2016	2017e	2018e	2019e
Cash Flow							
FCF	-2.1	-6.4	-4.3	-3.9	-4.5	-3.6	-0.3
Free Cash Flow / Sales	-58.6 %	-144.7 %	-84.2 %	-76.9 %	-72.7 %	-42.8 %	-2.9 %
Free Cash Flow Potential	-2.5	-6.8	-2.6	-3.4	-2.5	-1.3	0.4
Free Cash Flow / Sales	-58.6 %	-144.7 %	-84.2 %	-76.9 %	-72.7 %	-42.8 %	-2.9 %
Free Cash Flow / Net Profit	79.1 %	257.3 %	149.4 %	118.0 %	159.8 %	188.0 %	64.9 %
Interest Received / Avg. Cash	0.0 %	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	n.a.	557.5 %	87.9 %	0.0 %	0.0 %	6.0 %	6.0 %
Management of Funds							
Investment ratio	15.5 %	4.5 %	25.7 %	10.7 %	32.2 %	23.8 %	4.3 %
Maint. Capex / Sales	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Capex / Dep	299.8 %	93.3 %	524.1 %	249.0 %	715.3 %	476.9 %	85.2 %
Avg. Working Capital / Sales	6.8 %	3.7 %	-0.7 %	-2.1 %	0.2 %	0.6 %	0.4 %
Trade Debtors / Trade Creditors	111.6 %	129.1 %	52.4 %	85.8 %	85.7 %	88.9 %	84.6 %
Inventory Turnover	15.4 x	6.2 x	4.5 x	6.2 x	8.1 x	5.4 x	7.6 x
Receivables collection period (days)	48	35	32	34	35	35	34
Payables payment period (days)	116	184	495	304	317	302	311
Cash conversion cycle (Days)	-91	-122	-407	-240	-268	-229	-259

CAPEX and Cash Flow
in EUR m

Free Cash Flow Generation

Working Capital


Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

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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.
-S-	Sell:	The price of the analysed financial instrument is expected to fall over the next 12 months.
“-“	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	106	54
Hold	83	42
Sell	8	4
Rating suspended	1	1
Total	198	100

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

... taking into account only those companies which were provided with major investment services in the last twelve months.

Rating	Number of stocks	% of Universe
Buy	29	71
Hold	9	22
Sell	2	5
Rating suspended	1	2
Total	41	100

PRICE AND RATING HISTORY CO.DON AS OF 13.07.2017


Markings in the chart show rating changes by Warburg Research GmbH in the last 12 months. Every marking details the date and closing price on the day of the rating change.

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