

Buy EUR 13.50 Price EUR 8.34 Upside 61.9 %	Value Indicators: EUR DCF: 13.36	Share data: Bloomberg: CNWK GR Reuters: CNWkK ISIN: DE000A1K0227	Description: Develops, produces and markets a tissue-engineering based cartilage repair product
	Market Snapshot: EUR m Market cap: 147.5 No. of shares (m): 17.7 EV: 148.8 Freefloat MC: 86.5 Ø Trad. Vol. (30d): 160.10 th	Shareholders: Freefloat 58.7 % Bauerfeind AG 26.8 % Dr. Bernd Wegener 14.5 %	Risk Profile (WRe): 2017e Beta: 1.2 Price / Book: 99.4 x Equity Ratio: 4 %

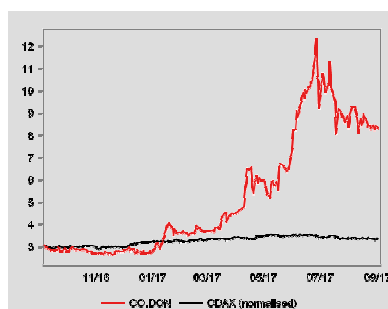
Plans for cash capital increase announced

CO.DON's Executive Board intends to launch a cash capital increase of up to 10% excluding subscription rights by issuing new shares from authorised capital, according to a press release issued on Wednesday (30.08.2017). The resolution is still subject to the approval of the Supervisory Board. At its latest AGM, the company secured authorised capital of 8,845,824 new shares until June 2022. This provides for the raising of up to EUR 74m in fresh equity at current share price levels. The precise timing of the transaction has yet to be defined.

According to CEO Mr. Hessel, the proceeds from the capital increase are partly earmarked to finance the EU-wide roll-out of Spherox, CO.DON's autologous human pharmaceutical product for the treatment of degenerative and traumatic cartilage defects of the knee. CO.DON obtained an EMA authorisation for the roll-out of Spherox in July 2017, which offers an up to EUR 1.2 billion market opportunity. Firstly, however, the company needs to expand production capacities to match the expected surge in demand. Spherox is currently the only authorised cell-based pharmaceutical in Europe for the treatment of articular cartilage defects of the knee of up to 10 cm² in size, offering a lasting generative alternative to knee implants or microfracturing procedures. Major competitors are still recruiting patients for clinical trials.

Mr Hessel also indicated in the press release that CO.DON is looking at markets outside the European economic area. As highlighted in our report dated July 3, the next strategic step for the company is market entry to the USA, either alone or in cooperation with a strategic partner. Hence, we believe that the capital increase could also offer a strategic partner, alongside Bauerfeind, the opportunity to acquire a participation in the company.

Remains a Buy. PT EUR 13.50, 61% upside based on DCF analysis.

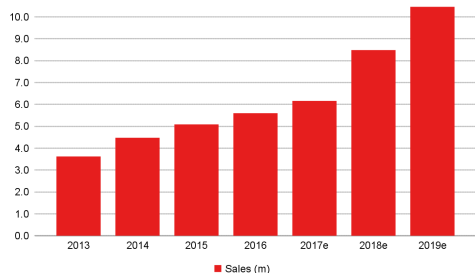


Rel. Performance vs CDAX:	
1 month:	-9.1 %
6 months:	124.7 %
Year to date:	201.6 %
Trailing 12 months:	172.4 %

Company events:

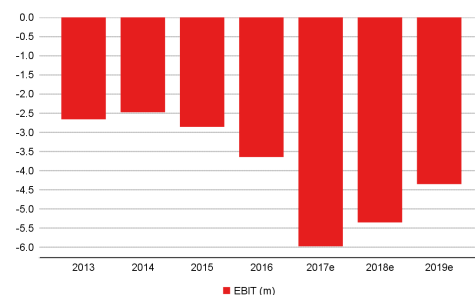
FY End: 31.12. in EUR m	CAGR (16-19e)	2013	2014	2015	2016	2017e	2018e	2019e
Sales	23.2 %	3.6	4.5	5.1	5.6	6.2	8.5	10.5
Change Sales yoy		34.5 %	23.6 %	13.6 %	10.1 %	10.0 %	37.7 %	23.3 %
Gross profit margin		62.7 %	85.4 %	87.6 %	87.0 %	85.0 %	85.0 %	85.0 %
EBITDA	-	-2.5	-2.3	-2.6	-3.4	-5.4	-4.8	-3.8
Margin		-68.4 %	-50.6 %	-51.3 %	-60.9 %	-87.8 %	-56.4 %	-36.2 %
EBIT	-	-2.7	-2.5	-2.9	-3.6	-6.0	-5.4	-4.4
Margin		-73.5 %	-55.3 %	-56.2 %	-65.2 %	-97.1 %	-63.1 %	-41.6 %
Net income	-	-2.7	-2.5	-2.9	-3.6	-6.3	-6.6	-5.6
EPS	-	-0.24	-0.18	-0.18	-0.23	-0.35	-0.37	-0.31
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	-0.47	-0.38	-0.31
FCF / Market cap		-21.0 %	-19.6 %	-10.6 %	-9.3 %	-5.6 %	-4.5 %	-3.8 %
EV / Sales		2.5 x	6.4 x	6.8 x	7.9 x	24.2 x	18.3 x	15.4 x
EV / EBITDA		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
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 %	-4.0 %	-3.4 %	-2.7 %
Net Debt		-1.2	-4.3	-5.7	-2.0	1.3	7.9	13.5
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

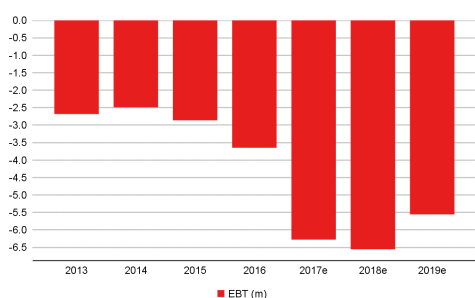
Company Background

- CO.DON AG is a manufacturer of "autologous" 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 own blood in the laboratory. The culture is then transplanted into the cartilage defect.
- Two cell-based products are available in Germany since 2003 under a Paul Ehrlich Institute authorisation: articular cartilage, with 11,000 patients treated successfully and intervertebral disc defects repair.
- An EMA authorisation for a EU-wide distribution of the Company's new product called Spherox, for the treatment of knee cartilage damage was just obtained.

Competitive Quality

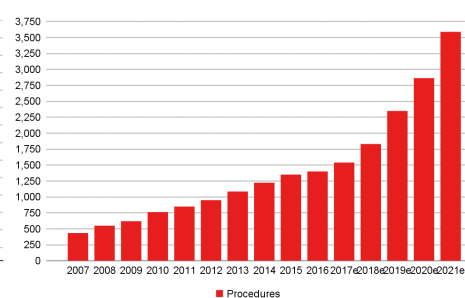
- With its joint-preserving product, CO.DON competes with manufacturers of surgical (i.e. metal) knee implants, which carry higher risk for the patients.
- A knee replacement procedure is considerably complex, while a cartilage replacement from CO.DON can be inserted by a minimally-invasive knee arthroscopy. Costs for both procedures are comparable.
- Both procedures are covered by public health insurance in Germany. The CO.DON procedure is currently performed in more than 200 German clinics and hospitals.
- As CO.DON chondrosphere is already in the market, CO.DON has a clear first mover advantage over new entrants.
- In light of the more than 11,000 procedures that have already taken place and the confirmed effectiveness and safety of the procedure, the likelihood of strong demand in Europe is high.

EBT development
in EUR m



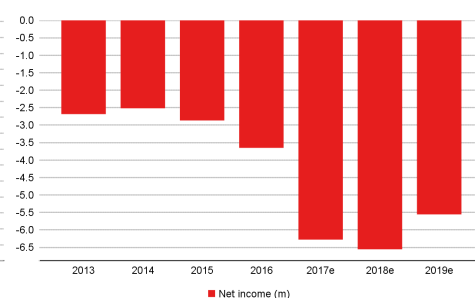
Source: Warburg Research

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	8.5	10.5	20.6	25.0	29.3	34.3	40.4	46.0	52.7	60.6	70.1	80.6	
Sales change	10.0 %	37.7 %	23.3 %	96.9 %	21.3 %	17.1 %	17.4 %	17.6 %	13.9 %	14.4 %	15.0 %	15.7 %	15.0 %	5.0 %
EBIT	-6.0	-5.4	-4.4	2.4	5.0	7.0	6.7	10.0	12.3	12.3	14.9	19.7	22.6	
EBIT-margin	-97.1 %	-63.1 %	-41.6 %	11.8 %	19.9 %	24.0 %	19.5 %	24.6 %	26.6 %	23.3 %	24.6 %	28.1 %	28.0 %	
Tax rate (EBT)	0.0 %	0.0 %	0.0 %	0.0 %	5.0 %	10.0 %	10.0 %	15.0 %	15.0 %	15.0 %	20.0 %	20.0 %	20.0 %	
NOPAT	-6.0	-5.4	-4.4	2.4	4.7	6.3	6.0	8.5	10.4	10.4	11.9	15.7	18.0	
Depreciation	0.6	0.6	0.6	0.6	0.6	1.1	1.1	1.1	1.6	1.6	1.8	1.8	2.0	
in % of Sales	9.3 %	6.7 %	5.5 %	2.8 %	2.3 %	3.7 %	3.1 %	2.7 %	3.5 %	3.0 %	2.9 %	2.5 %	2.5 %	
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	0.0	0.1	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	
- Capex	2.6	0.6	0.6	0.6	0.6	4.1	1.1	1.1	4.6	1.6	2.8	1.8	2.0	
Capex in % of Sales	41.7 %	6.7 %	5.5 %	2.8 %	2.3 %	13.9 %	3.1 %	2.7 %	10.0 %	3.0 %	4.6 %	2.5 %	2.5 %	
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)	-7.9	-5.5	-4.4	2.3	4.7	3.3	6.0	8.4	7.4	10.4	10.8	15.6	18.0	18
PV of FCF	-7.4	-4.7	-3.5	1.7	3.2	2.1	3.5	4.5	3.7	4.8	4.6	6.2	6.6	209
share of PVs	-6.64 %			17.42 %										89.22 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	0.00 %	Financial Strength	1.30
Cost of debt (after tax)	2.8 %	Liquidity (share)	1.10
Market return	7.00 %	Cyclicality	1.00
-	-	Transparency	1.30
		Others	1.30
WACC	8.10 %	Beta	1.20

Valuation (m)

Present values 2029e	25		
Terminal Value	209		
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	236	Value per share (EUR)	13.36

Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Beta	WACC	Delta EBIT-margin						
		4.25 %	4.50 %	4.75 %	5.00 %	5.25 %	5.50 %	5.75 %			-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.38	9.1 %	8.07	8.44	8.84	9.30	9.81	10.40	11.07	1.38	9.1 %	8.70	8.90	9.10	9.30	9.50	9.69	9.89
1.29	8.6 %	9.39	9.87	10.42	11.04	11.75	12.59	13.56	1.29	8.6 %	10.35	10.58	10.81	11.04	11.27	11.50	11.73
1.25	8.4 %	10.17	10.73	11.37	12.11	12.97	13.97	15.17	1.25	8.4 %	11.36	11.61	11.86	12.11	12.36	12.61	12.86
1.20	8.1 %	11.06	11.72	12.48	13.36	14.40	15.63	17.13	1.20	8.1 %	12.55	12.82	13.09	13.36	13.63	13.90	14.18
1.15	7.9 %	12.08	12.86	13.77	14.84	16.11	17.65	19.57	1.15	7.9 %	13.94	14.24	14.54	14.84	15.13	15.43	15.73
1.11	7.6 %	13.25	14.19	15.29	16.60	18.19	20.16	22.67	1.11	7.6 %	15.61	15.94	16.27	16.60	16.93	17.26	17.59
1.02	7.1 %	16.24	17.63	19.32	21.41	24.07	27.56	32.34	1.02	7.1 %	20.16	20.58	21.00	21.41	21.83	22.25	22.66

- 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 2020e 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	99.4 x	n.a.	n.a.
Book value per share ex intangibles	0.14	0.30	0.39	0.16	0.08	-0.29	-0.61
EV / Sales	2.5 x	6.4 x	6.8 x	7.9 x	24.2 x	18.3 x	15.4 x
EV / EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
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 %	-4.0 %	-3.4 %	-2.7 %

*Adjustments made for: -

Company Specific Items							
	2013	2014	2015	2016	2017e	2018e	2019e
Procedures	1,085	1,223	1,350	1,399	1,539	1,830	2,348

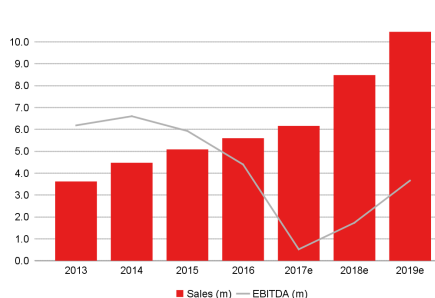
Consolidated profit & loss

In EUR m	2013	2014	2015	2016	2017e	2018e	2019e
Sales	3.6	4.5	5.1	5.6	6.2	8.5	10.5
Change Sales yoy	34.5 %	23.6 %	13.6 %	10.1 %	10.0 %	37.7 %	23.3 %
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	8.5	10.5
Material expenses	1.4	0.7	0.6	0.7	0.9	1.3	1.6
Gross profit	2.3	3.8	4.5	4.9	5.2	7.2	8.9
<i>Gross profit margin</i>	<i>62.7 %</i>	<i>85.4 %</i>	<i>87.6 %</i>	<i>87.0 %</i>	<i>85.0 %</i>	<i>85.0 %</i>	<i>85.0 %</i>
Personnel expenses	2.8	3.6	3.7	4.6	5.6	6.5	6.8
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	5.2	5.6	6.0
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	-5.4	-4.8	-3.8
<i>Margin</i>	<i>-68.4 %</i>	<i>-50.6 %</i>	<i>-51.3 %</i>	<i>-60.9 %</i>	<i>-87.8 %</i>	<i>-56.4 %</i>	<i>-36.2 %</i>
Depreciation of fixed assets	0.2	0.2	0.2	0.2	0.6	0.6	0.6
EBITA	-2.7	-2.5	-2.9	-3.6	-6.0	-5.4	-3.2
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	-6.0	-5.4	-4.4
<i>Margin</i>	<i>-73.5 %</i>	<i>-55.3 %</i>	<i>-56.2 %</i>	<i>-65.2 %</i>	<i>-97.1 %</i>	<i>-63.1 %</i>	<i>-41.6 %</i>
EBIT adj.	-2.7	-2.5	-2.9	-3.6	-6.0	-5.4	-4.4
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	0.3	1.2	1.2
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	-6.3	-6.6	-5.6
<i>Margin</i>	<i>-74.0 %</i>	<i>-55.6 %</i>	<i>-56.3 %</i>	<i>-65.2 %</i>	<i>-101.9 %</i>	<i>-77.3 %</i>	<i>-53.1 %</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	-6.3	-6.6	-5.6
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	-6.3	-6.6	-5.6
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	-6.3	-6.6	-5.6
<i>Margin</i>	<i>-74.1 %</i>	<i>-56.3 %</i>	<i>-56.3 %</i>	<i>-65.2 %</i>	<i>-101.9 %</i>	<i>-77.3 %</i>	<i>-53.1 %</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	-0.35	-0.37	-0.31
EPS adj.	-0.24	-0.18	-0.18	-0.23	-0.35	-0.37	-0.31

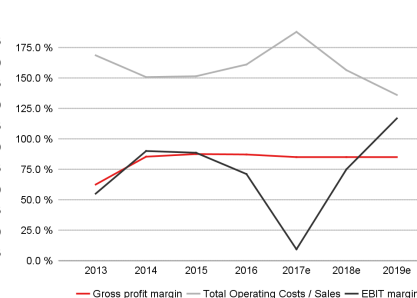
*Adjustments made for:

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

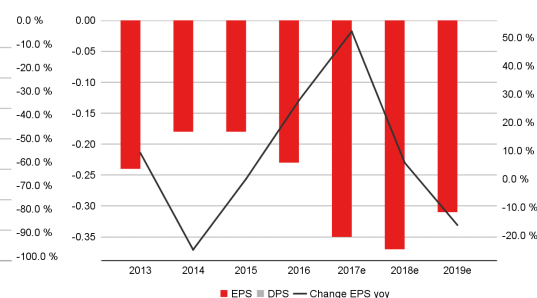
	2013	2014	2015	2016	2017e	2018e	2019e
Total Operating Costs / Sales	168.4 %	150.6 %	151.3 %	160.9 %	187.8 %	156.4 %	136.2 %
Operating Leverage	0.3 x	-0.3 x	1.1 x	2.7 x	6.4 x	-0.3 x	-0.8 x
Tax rate (EBT)	-0.1 %	-1.1 %	-0.1 %	-0.1 %	0.0 %	0.0 %	0.0 %
Dividend Payout Ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Sales per Employee	72,443	75,864	80,734	72,699	69,577	82,342	99,595

Sales, EBITDA
in EUR m


Source: Warburg Research

Operating Performance
in %


Source: Warburg Research

Performance per Share


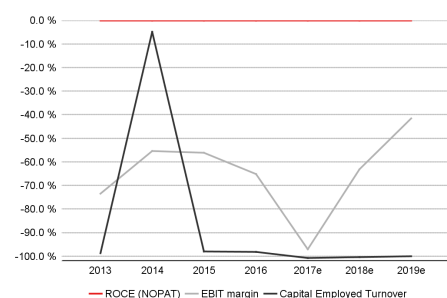
Source: Warburg Research

Consolidated balance sheet

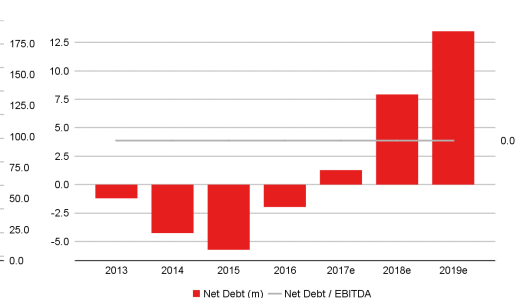
In EUR m	2013	2014	2015	2016	2017e	2018e	2019e
Assets							
Goodwill and other intangible assets	0.2	0.2	0.1	0.1	0.1	0.1	0.1
thereof other intangible assets	0.2	0.2	0.1	0.1	0.1	0.1	0.1
thereof Goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	0.9	0.9	1.4	1.4	3.4	3.4	3.4
Financial assets	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	3.5	3.5	3.5
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	1.0
Liquid assets	1.2	4.3	5.7	2.0	28.7	22.1	16.5
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	29.6	23.3	17.9
Total Assets	3.4	6.1	8.1	4.3	33.1	26.8	21.4
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	8.8	8.8	8.8
Retained earnings	-9.7	-12.2	-15.1	-18.7	-25.0	-31.5	-37.1
Other equity components	0.0	0.0	0.0	0.0	0.0	0.1	0.0
Shareholders' equity	1.8	4.3	6.4	2.8	1.5	-5.0	-10.6
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	1.5	-5.0	-10.6
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	30.0	30.0	30.0
thereof short-term financial liabilities	0.0	0.0	0.0	0.0	30.0	30.0	30.0
Accounts payable	0.4	0.3	0.9	0.6	0.7	0.9	1.1
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	31.6	31.8	32.0
Total liabilities and shareholders' equity	3.4	6.1	8.1	4.3	33.1	26.8	21.4

Financial Ratios

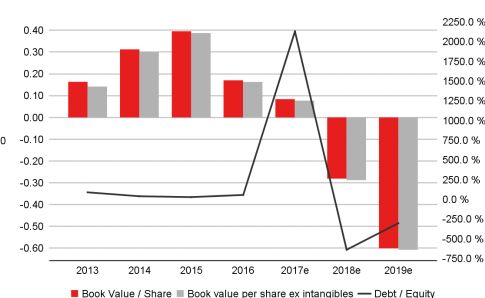
	2013	2014	2015	2016	2017e	2018e	2019e
Efficiency of Capital Employment							
Operating Assets Turnover	3.5 x	4.2 x	4.4 x	4.0 x	1.8 x	2.5 x	3.0 x
Capital Employed Turnover	5.9 x	184.4 x	7.5 x	7.1 x	2.2 x	2.9 x	3.7 x
ROA	-233.7 %	-237.9 %	-185.2 %	-247.4 %	-180.6 %	-188.6 %	-159.8 %
Return on Capital							
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 %	-295.8 %	376.0 %	71.2 %
Adj. ROE	-92.2 %	-82.6 %	-53.6 %	-79.6 %	-295.8 %	376.0 %	71.2 %
Balance sheet quality							
Net Debt	-1.2	-4.3	-5.7	-2.0	1.3	7.9	13.5
Net Financial Debt	-1.2	-4.3	-5.7	-2.0	1.3	7.9	13.5
Net Gearing	-66.3 %	-99.4 %	-89.4 %	-71.4 %	85.9 %	-159.5 %	-126.9 %
Net Fin. Debt / EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Book Value / Share	0.2	0.3	0.4	0.2	0.1	-0.3	-0.6
Book value per share ex intangibles	0.1	0.3	0.4	0.2	0.1	-0.3	-0.6

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

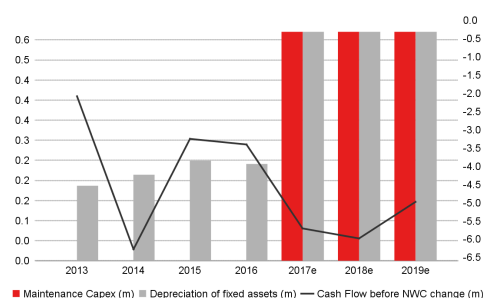
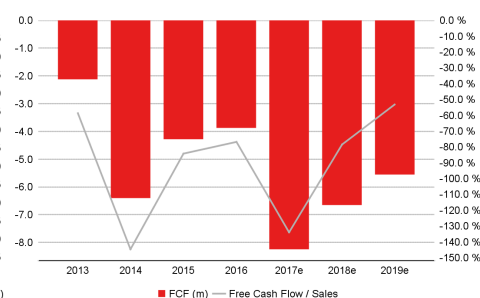
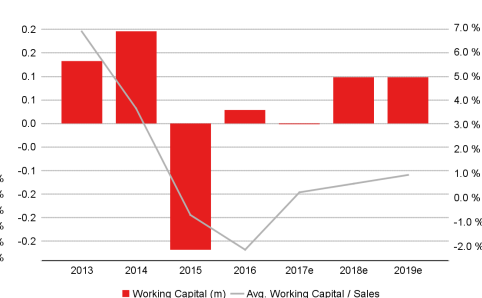
In EUR m	2013	2014	2015	2016	2017e	2018e	2019e
Net income	-2.7	-7.0	-2.9	-3.6	-6.3	-6.6	-5.6
Depreciation of fixed assets	0.2	0.2	0.2	0.2	0.6	0.6	0.6
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in long-term provisions	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	-5.7	-6.0	-5.0
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	-0.2
Increase / decrease in accounts payable	0.3	0.0	0.5	-0.3	0.1	0.2	0.2
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	0.0
Net cash provided by operating activities [1]	-1.6	-6.3	-3.0	-3.7	-5.7	-6.1	-5.0
Investments in intangible assets	-0.3	-0.1	-0.1	-0.1	0.0	0.0	0.0
Investments in property, plant and equipment	-0.3	-0.1	-1.2	-0.5	-2.6	-0.6	-0.6
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	-2.6	-0.6	-0.6
Change in financial liabilities	0.0	0.0	0.0	0.0	30.0	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	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	35.0	0.0	0.0
Change in liquid funds [1]+[2]+[3]	-1.6	-1.4	1.5	-3.8	26.8	-6.7	-5.6
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	28.7	22.1	16.5

Financial Ratios

	2013	2014	2015	2016	2017e	2018e	2019e
Cash Flow							
FCF	-2.1	-6.4	-4.3	-3.9	-8.2	-6.7	-5.6
Free Cash Flow / Sales	-58.6 %	-144.7 %	-84.2 %	-76.9 %	-133.9 %	-78.5 %	-53.1 %
Free Cash Flow Potential	-2.5	-6.8	-2.6	-3.4	-6.0	-5.4	-4.4
Free Cash Flow / Sales	-58.6 %	-144.7 %	-84.2 %	-76.9 %	-133.9 %	-78.5 %	-53.1 %
Free Cash Flow / Net Profit	79.1 %	257.3 %	149.4 %	118.0 %	131.4 %	101.5 %	100.0 %
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 %	2.0 %	4.0 %	4.0 %
Management of Funds							
Investment ratio	15.5 %	4.5 %	25.7 %	10.7 %	41.7 %	6.7 %	5.5 %
Maint. Capex / Sales	0.0 %	0.0 %	0.0 %	0.0 %	9.3 %	6.7 %	5.5 %
Capex / Dep	299.8 %	93.3 %	524.1 %	249.0 %	450.7 %	100.0 %	100.0 %
Avg. Working Capital / Sales	6.8 %	3.7 %	-0.7 %	-2.1 %	0.2 %	0.6 %	0.9 %
Trade Debtors / Trade Creditors	111.6 %	129.1 %	52.4 %	85.8 %	85.7 %	88.9 %	90.9 %
Inventory Turnover	15.4 x	6.2 x	4.5 x	6.2 x	9.2 x	6.4 x	7.8 x
Receivables collection period (days)	48	35	32	34	36	34	35
Payables payment period (days)	116	184	495	304	277	258	256
Cash conversion cycle (Days)	-91	-122	-407	-240	-234	-196	-205

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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-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	109	53
Hold	88	43
Sell	7	3
Rating suspended	1	0
Total	205	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	10	24
Sell	1	2
Rating suspended	1	2
Total	41	100

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