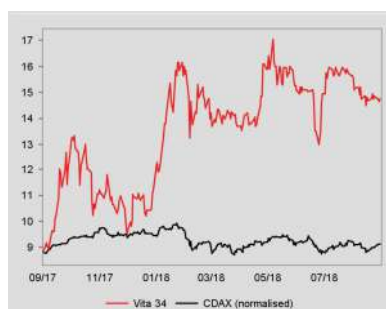


Buy EUR 18.00 Price EUR 14.75 Upside 22.0 %	Value Indicators: EUR DCF: 18.19 FCF-Value Potential 20e: 14.74	Share data: Bloomberg: V3V GR Reuters: V3VGn.DE ISIN: DE000A0BL849	Description: Cell banking
	Market Snapshot: EUR m Market cap: 61.2 No. of shares (m): 4.1 EV: 65.4 Freefloat MC: 47.0 Ø Trad. Vol. (30d): 73.17 th	Shareholders: Freefloat: 76.8 % Management: 1.4 % MKBV/Köhler Invest: 11.6 % Pool Dr. Gerth-PBKM: 11.6 %	Risk Profile (WRe): 2018e Beta: 1.4 Price / Book: 2.2 x Equity Ratio: 46 % Net Fin. Debt / EBITDA: 1.0 x Net Debt / EBITDA: 1.0 x

FY guidance confirmed following positive H1 development

Stated Figures Q2/2018: in EUR m	Q2 / 18	Q2 / 17	yoy	6M / 18	6M / 17	yoy	Comment on Figures: Sales development clearly driven by core market Germany as company returns to market leadership. Cost optimisation: initial measures taken. Despite one-time costs and higher D&A, the net result clearly improved.
Sales	5.1	4.1	25.2%	10.2	8.2	24.8%	
EBITDA margin	18.2%	-	--	19.6%	-	--	
EPS in EUR	0.06	-0.44	-	0.13	-0.35	-	

- Positive H1 results reported and FY guidance confirmed:** Vita 34 reported positive Q2/H1 results on August 30. H1 sales increased by 24.8% to EUR 10.2m and EBITDA increased to EUR 2.0m, resulting in an EBITDA margin of 19.6%. EBITDA includes a negative one-time effect of EUR 0.2m from the cost reduction programme in Scandinavia. Adjusted for this effect, the EBITDA margin would amount to 21.6%. The targeted margin range is 19–20%. Sales benefited from the regained market leadership in Vita 34's core market Germany following the acquisition of Seracell in 2017. According to CEO Dr Wolfgang Knirsch, May, June and July were record months for the German market with order intake at an all-time high.
- Strong business dynamic in Germany continued in Q3 up to now:** Due to the seasonal distribution, the highest number of storages is normally in the time period from (end of) May to September. The same could be observed this year. In view of this, management expects a continued growth trend in its core market Germany. On the other hand, sales dropped by EUR 0.7m to EUR 2.0m in the rest of Europe in H1 due to a change in distribution partners especially in Italy and Romania. However, management anticipates positive effects from new sales channels established in the DACH region. In view of this, the given FY sales guidance range of EUR 21.0–23.0m was confirmed.
- Clear EBITDA improvement:** The same is true for the EBITDA target range of EUR 4.0–4.6m (WRe: EUR 4.2m, H1: EUR 2m) given lower expenses for efficiency measures (namely in Scandinavia) and regulatory affairs in H2. Restructuring expenses for Scandinavia will be less than EUR 0.1m in H2 (H1: EUR 0.2m). The total positive earnings effects of up to EUR 0.6m from the restructuring in Scandinavia and the permitted longer transport time of 72 hours (previously: 48h) for umbilical cord blood and umbilical cord tissue without requiring additional testing will kick in as expected in 2019.
- Buy rating reiterated:** Vita 34 is on track to deliver on its FY guidance. As expected, EBITDA will be more geared towards the lower end of the given range due to one-time costs incurred in 2018 and sales and marketing initiatives taken. Positive is the increased interest in cell banking due to the increased offering of individual cell therapies. As a consequence, Vita 34 has developed the "Adipovita" product, which would allow collecting stem cells from adipose tissue in adults to be used for aesthetic medicine. Buy rating reiterated.



Rel. Performance vs CDAX:

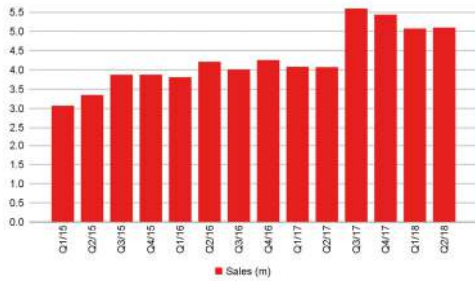
1 month:	-4.9 %
6 months:	5.6 %
Year to date:	34.5 %
Trailing 12 months:	62.9 %

Company events:

05.09.18	RS PAR
05.09.18	RS PAR
20.09.18	RS LON
22.11.18	Q3

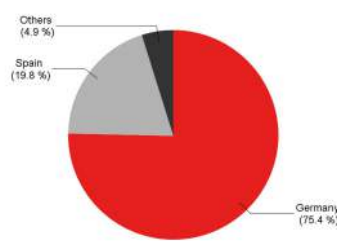
FY End: 31.12. in EUR m	CAGR (17-20e)	2014	2015	2016	2017	2018e	2019e	2020e
Sales	18.1 %	13.8	14.2	16.3	19.2	22.1	27.1	31.6
Change Sales yoy		n.a.	2.8 %	15.0 %	17.8 %	15.1 %	22.9 %	16.3 %
Gross profit margin		57.1 %	45.8 %	52.9 %	56.3 %	57.3 %	58.0 %	59.0 %
EBITDA	56.1 %	2.8	3.9	2.3	1.8	4.2	5.2	7.0
Margin		20.1 %	27.5 %	14.1 %	9.6 %	19.0 %	19.3 %	22.2 %
EBIT	237.6 %	1.7	1.6	0.8	0.1	2.4	3.4	5.2
Margin		12.3 %	11.4 %	4.8 %	0.7 %	10.9 %	12.7 %	16.5 %
Net income	-	1.1	2.0	0.4	-0.3	1.5	2.2	3.5
EPS	-	0.37	0.67	0.14	-0.09	0.36	0.54	0.83
EPS adj.	-	0.37	0.67	0.14	-0.09	0.36	0.54	0.83
DPS	-	0.00	0.00	0.16	0.16	0.00	0.00	0.00
Dividend Yield		n.a.	n.a.	3.6 %	2.0 %	n.a.	n.a.	n.a.
FCFPS		0.21	0.66	0.71	0.36	0.57	0.71	1.01
FCF / Market cap		4.4 %	12.6 %	15.9 %	4.5 %	3.8 %	4.8 %	6.8 %
EV / Sales		0.8 x	1.2 x	0.8 x	1.8 x	3.0 x	2.3 x	1.8 x
EV / EBITDA		4.1 x	4.4 x	5.9 x	18.7 x	15.6 x	11.9 x	8.3 x
EV / EBIT		6.7 x	10.7 x	17.4 x	254.3 x	27.2 x	18.1 x	11.2 x
P / E		12.8 x	7.9 x	32.0 x	n.a.	41.0 x	27.3 x	17.8 x
P / E adj.		12.8 x	7.9 x	32.0 x	n.a.	41.0 x	27.3 x	17.8 x
FCF Potential Yield		12.0 %	19.2 %	11.2 %	2.8 %	4.5 %	5.9 %	8.5 %
Net Debt		-2.5	1.6	0.3	5.9	4.2	1.3	-2.9
ROCE (NOPAT)		n.a.	7.7 %	2.8 %	1.0 %	5.1 %	7.7 %	12.1 %
Guidance:		Sales of EUR 21.0m to EUR 23.0m, EBITDA of between EUR 4.0-4.6m						

Sales development
in EUR m



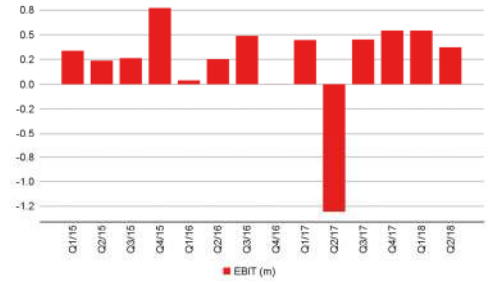
Source: Warburg Research

Sales by regions
2017; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

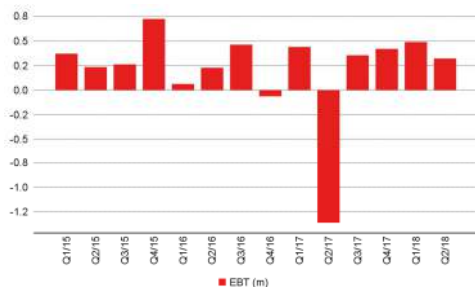
Company Background

- Founded in 1997, Vita 34 AG is the market leader among private stem cell banks in the German-speaking countries.
- As a full-service provider for cryo-preservation, Vita 34 offers the collection, preparation, storage, and use of stem cells from umbilical cord blood and umbilical cord tissue.
- The company expands its reach through the utilization of subsidiaries and sales partners and provides services in more than 20 countries worldwide.
- Through successful M&A activities, Vita 34 raised its stem cell deposits above the level of 215,000 making it the second-largest player in Europe.

Competitive Quality

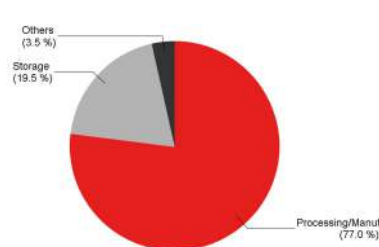
- Vita 34 derives its competitive edge from the combination of its leadership in the "DACH"-region, its extensive network of sales partners in Europe, and its 96% market coverage of German maternity clinics.
- Barriers to entry are high in the stem cell banking market. Vita 34 has successfully overcome the necessary laborious approval processes in its core markets.
- The company has strong presence in the European countries which offer high growth potential due to low penetration rates and higher realizable margins compared to other major markets.
- Consolidation in the European stem cell banking market is very likely. Economies of scale and local market knowledge are important. Vita 34 has a proven capability of completing M&A transactions.

EBT development
in EUR m



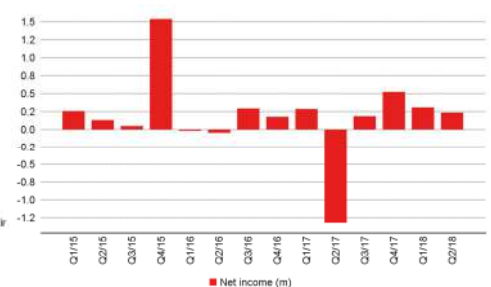
Source: Warburg Research

Sales by segments
2017; in %



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
	2018e	2019e	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	
Sales	22.1	27.1	31.6	36.1	37.1	38.1	39.1	40.1	41.1	42.1	43.0	44.0	44.9	
Sales change	15.1 %	22.9 %	16.3 %	14.2 %	2.9 %	2.7 %	2.6 %	2.5 %	2.4 %	2.4 %	2.3 %	2.2 %	2.0 %	2.0 %
EBIT	2.4	3.4	5.2	7.1	7.4	7.6	7.8	8.0	8.2	8.4	8.6	8.8	9.0	
EBIT-margin	10.9 %	12.7 %	16.5 %	19.7 %	20.0 %	20.0 %	20.0 %	20.0 %	20.0 %	20.0 %	20.0 %	20.0 %	20.0 %	
Tax rate (EBT)	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	
NOPAT	1.7	2.5	3.7	5.1	5.3	5.5	5.6	5.8	5.9	6.1	6.2	6.3	6.5	
Depreciation	1.8	1.8	1.8	1.9	1.9	1.9	1.9	1.8	1.8	1.8	1.7	1.5	1.3	
in % of Sales	8.1 %	6.6 %	5.7 %	5.2 %	5.0 %	4.9 %	4.8 %	4.6 %	4.4 %	4.2 %	4.0 %	3.4 %	2.8 %	
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	0.3	0.4	0.4	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
- Capex	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.9	0.9	0.9	
Capex in % of Sales	3.1 %	2.5 %	2.1 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	
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)	2.6	3.2	4.5	6.0	6.4	6.5	6.7	6.7	6.8	6.9	7.0	6.9	6.7	7
PV of FCF	2.5	2.9	3.7	4.6	4.5	4.2	4.0	3.7	3.5	3.2	3.0	2.7	2.5	37
share of PVs	11.16 %			43.92 %										44.92 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	25.00 %	Financial Strength	1.00
Cost of debt (after tax)	5.8 %	Liquidity (share)	2.00
Market return	7.00 %	Cyclicality	1.00
Risk free rate	1.50 %	Transparency	1.20
		Others	2.00
WACC	8.51 %	Beta	1.44

Valuation (m)

Present values 2030e	45		
Terminal Value	37		
Financial liabilities	10		
Pension liabilities	0		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	4	No. of shares (m)	4.1
Equity Value	75	Value per share (EUR)	18.19

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
1.68	9.5 %	14.99	15.19	15.39	15.61	15.85	16.10	16.37	1.68	9.5 %	14.38	14.79	15.20	15.61	16.02	16.43	16.84
1.56	9.0 %	16.06	16.30	16.55	16.81	17.10	17.41	17.74	1.56	9.0 %	15.49	15.93	16.37	16.81	17.25	17.69	18.13
1.50	8.8 %	16.65	16.91	17.18	17.48	17.80	18.14	18.51	1.50	8.8 %	16.11	16.57	17.02	17.48	17.93	18.39	18.85
1.44	8.5 %	17.28	17.56	17.87	18.19	18.55	18.93	19.34	1.44	8.5 %	16.77	17.25	17.72	18.19	18.67	19.14	19.61
1.38	8.3 %	17.95	18.27	18.60	18.96	19.36	19.79	20.25	1.38	8.3 %	17.49	17.98	18.47	18.96	19.46	19.95	20.44
1.32	8.0 %	18.68	19.02	19.39	19.80	20.24	20.72	21.24	1.32	8.0 %	18.26	18.77	19.29	19.80	20.31	20.83	21.34
1.20	7.5 %	20.29	20.72	21.19	21.69	22.25	22.86	23.54	1.20	7.5 %	20.01	20.57	21.13	21.69	22.25	22.81	23.37

- Long-term sales growth slightly above organic market growth to reflect continued market share gains
- Long-term operating margin does not fully reflect potential of "Vision 2021" as no further acquisitions are included
- Low maintenance capex requirements

Free Cash Flow Value Potential

Warburg Research's valuation tool "FCF Value Potential" reflects the ability of the company to generate sustainable free cash flows. It is based on the "FCF potential" - a FCF "ex growth" figure - which assumes unchanged working capital and pure maintenance capex. A value indication is derived via the perpetuity of a given year's "FCF potential" with consideration of the weighted costs of capital. The fluctuating value indications over time add a timing element to the DCF model (our preferred valuation tool).

in EUR m	2014	2015	2016	2017	2018e	2019e	2020e	
Net Income before minorities	1.0	1.7	0.6	-0.3	1.5	2.2	3.5	
+ Depreciation + Amortisation	1.1	2.3	1.5	1.7	1.8	1.8	1.8	
- Net Interest Income	0.0	0.0	-0.1	-0.3	-0.4	-0.4	-0.4	
- Maintenance Capex	0.7	0.7	0.7	0.7	0.7	0.7	0.7	
+ Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Free Cash Flow Potential	1.4	3.3	1.5	1.0	2.9	3.7	5.0	
FCF Potential Yield (on market EV)	12.0 %	19.2 %	11.2 %	2.8 %	4.5 %	5.9 %	8.5 %	
WACC	8.51 %	8.51 %	8.51 %	8.51 %	8.51 %	8.51 %	8.51 %	
= Enterprise Value (EV)	11.4	17.2	13.6	34.3	65.4	62.5	58.3	
= Fair Enterprise Value	16.1	38.9	17.9	11.4	34.4	43.2	58.2	
- Net Debt (Cash)	5.9	5.9	5.9	5.9	4.2	1.3	-2.9	
- Pension Liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Market value of minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
+ Market value of investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Fair Market Capitalisation	10.1	33.0	12.0	5.4	30.2	41.9	61.1	
Aktienanzahl (Mio.)	2.9	3.0	3.0	3.5	4.1	4.1	4.1	
= Fair value per share (EUR)	3.44	11.16	4.03	1.53	7.28	10.11	14.74	
premium (-) / discount (+) in %					-50.6 %	-31.5 %	-0.1 %	
Sensitivity Fair value per Share (EUR)								
	11.51 %	1.44	5.51	1.76	0.60	5.12	7.39	11.08
	10.51 %	1.71	6.17	2.06	0.79	5.70	8.13	12.07
	9.51 %	2.04	6.97	2.43	1.02	6.41	9.01	13.26
WACC	8.51 %	2.45	7.96	2.88	1.31	7.28	10.11	14.74
	7.51 %	2.96	9.21	3.46	1.68	8.39	11.50	16.61
	6.51 %	3.64	10.84	4.21	2.16	9.84	13.32	19.06
	5.51 %	4.56	13.07	5.24	2.81	11.81	15.79	22.39

■ Low maintenance capex requirements

Valuation	2014	2015	2016	2017	2018e	2019e	2020e
Price / Book	0.6 x	0.7 x	0.6 x	1.0 x	2.2 x	2.0 x	1.8 x
Book value per share ex intangibles	0.52	-0.83	-0.49	-2.49	-2.51	-1.88	-0.88
EV / Sales	0.8 x	1.2 x	0.8 x	1.8 x	3.0 x	2.3 x	1.8 x
EV / EBITDA	4.1 x	4.4 x	5.9 x	18.7 x	15.6 x	11.9 x	8.3 x
EV / EBIT	6.7 x	10.7 x	17.4 x	254.3 x	27.2 x	18.1 x	11.2 x
EV / EBIT adj.*	6.7 x	10.7 x	17.4 x	254.3 x	27.2 x	18.1 x	11.2 x
P / FCF	22.7 x	7.9 x	6.3 x	22.4 x	26.0 x	20.7 x	14.6 x
P / E	12.8 x	7.9 x	32.0 x	n.a.	41.0 x	27.3 x	17.8 x
P / E adj.*	12.8 x	7.9 x	32.0 x	n.a.	41.0 x	27.3 x	17.8 x
Dividend Yield	n.a.	n.a.	3.6 %	2.0 %	n.a.	n.a.	n.a.
FCF Potential Yield (on market EV)	12.0 %	19.2 %	11.2 %	2.8 %	4.5 %	5.9 %	8.5 %

*Adjustments made for: No adjustments of earnings

Consolidated profit and loss

In EUR m	2014	2015	2016	2017	2018e	2019e	2020e
Sales	13.8	14.2	16.3	19.2	22.1	27.1	31.6
Change Sales yoy	n.a.	2.8 %	15.0 %	17.8 %	15.1 %	22.9 %	16.3 %
COGS	5.9	7.7	7.7	8.4	9.4	11.4	12.9
Gross profit	7.9	6.5	8.6	10.8	12.7	15.7	18.6
<i>Gross margin</i>	<i>57.1 %</i>	<i>45.8 %</i>	<i>52.9 %</i>	<i>56.3 %</i>	<i>57.3 %</i>	<i>58.0 %</i>	<i>59.0 %</i>
Research and development	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sales and marketing	4.4	4.8	5.1	5.4	5.4	6.0	6.5
Administration expenses	3.3	4.0	3.9	5.0	5.0	6.1	6.6
Other operating expenses	0.1	0.3	0.4	1.0	0.3	0.6	0.7
Other operating income	1.7	4.3	1.6	0.7	0.4	0.4	0.4
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	2.8	3.9	2.3	1.8	4.2	5.2	7.0
<i>Margin</i>	<i>20.1 %</i>	<i>27.5 %</i>	<i>14.1 %</i>	<i>9.6 %</i>	<i>19.0 %</i>	<i>19.3 %</i>	<i>22.2 %</i>
Depreciation of fixed assets	0.0	0.0	1.2	1.2	0.8	0.8	0.8
EBITA	1.7	1.6	1.1	0.6	3.4	4.4	6.2
Amortisation of intangible assets	0.0	0.0	0.3	0.5	1.0	1.0	1.0
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	1.7	1.6	0.8	0.1	2.4	3.4	5.2
<i>Margin</i>	<i>12.3 %</i>	<i>11.4 %</i>	<i>4.8 %</i>	<i>0.7 %</i>	<i>10.9 %</i>	<i>12.7 %</i>	<i>16.5 %</i>
EBIT adj.	1.7	1.6	0.8	0.1	2.4	3.4	5.2
Interest income	0.1	0.1	0.1	0.0	0.0	0.0	0.0
Interest expenses	0.1	0.1	0.1	0.2	0.4	0.4	0.4
Other financial income (loss)	0.0	0.0	-0.1	-0.1	0.0	0.0	0.0
EBT	1.7	1.6	0.7	-0.2	2.1	3.1	4.8
<i>Margin</i>	<i>12.3 %</i>	<i>11.2 %</i>	<i>4.2 %</i>	<i>-0.8 %</i>	<i>9.3 %</i>	<i>11.4 %</i>	<i>15.2 %</i>
Total taxes	0.7	-0.1	0.1	0.2	0.6	0.9	1.3
Net income from continuing operations	1.0	1.7	0.6	-0.3	1.5	2.2	3.5
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	1.0	1.7	0.6	-0.3	1.5	2.2	3.5
Minority interest	-0.1	-0.3	0.2	0.0	0.0	0.0	0.0
Net income	1.1	2.0	0.4	-0.3	1.5	2.2	3.5
<i>Margin</i>	<i>8.0 %</i>	<i>14.0 %</i>	<i>2.5 %</i>	<i>-1.7 %</i>	<i>6.7 %</i>	<i>8.2 %</i>	<i>10.9 %</i>
Number of shares, average	2.9	3.0	3.0	3.5	4.1	4.1	4.1
EPS	0.37	0.67	0.14	-0.09	0.36	0.54	0.83
EPS adj.	0.37	0.67	0.14	-0.09	0.36	0.54	0.83

*Adjustments made for: No adjustments of earnings

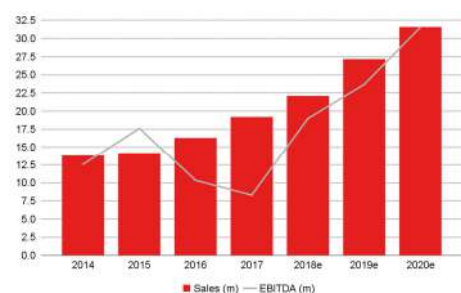
Guidance: Sales of EUR 21.0m to EUR 23.0m, EBITDA of between EUR 4.0-4.6m

Financial Ratios

	2014	2015	2016	2017	2018e	2019e	2020e
Total Operating Costs / Sales	44.9 %	34.4 %	48.1 %	55.6 %	46.4 %	45.3 %	42.5 %
Operating Leverage	n.a.	-1.6 x	-3.4 x	-4.7 x	111.2 x	1.9 x	3.1 x
EBITDA / Interest expenses	28.9 x	35.4 x	19.0 x	9.2 x	12.0 x	15.0 x	17.5 x
Tax rate (EBT)	41.7 %	-7.2 %	10.3 %	-112.4 %	28.0 %	28.0 %	28.0 %
Dividend Payout Ratio	0.0 %	0.0 %	76.9 %	n.m.	0.0 %	0.0 %	0.0 %
Sales per Employee	131,295	101,207	122,481	154,726	178,122	218,900	254,678

Sales, EBITDA

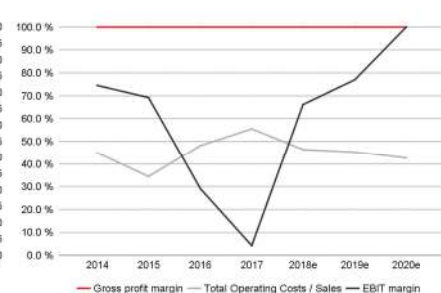
in EUR m



Source: Warburg Research

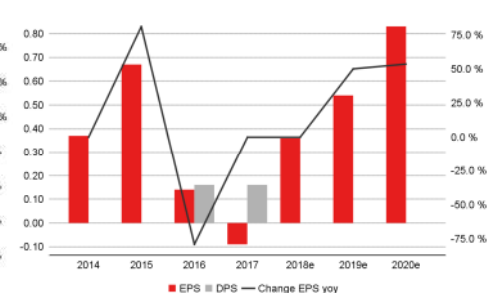
Operating Performance

in %



Source: Warburg Research

Performance per Share



Source: Warburg Research

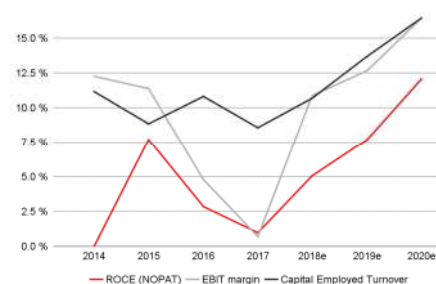
Consolidated balance sheet

In EUR m	2014	2015	2016	2017	2018e	2019e	2020e
Assets							
Goodwill and other intangible assets	20.6	26.2	25.1	39.9	38.9	37.9	36.9
thereof other intangible assets	6.7	12.5	11.7	21.5	20.5	19.5	18.5
thereof Goodwill	13.9	13.7	13.4	18.3	18.3	18.3	18.3
Property, plant and equipment	4.6	5.1	5.0	6.6	6.5	6.4	6.3
Financial assets	0.6	4.0	3.9	3.8	3.8	3.8	3.8
Other long-term assets	1.3	1.1	1.7	1.9	1.9	1.9	1.9
Fixed assets	27.1	36.5	35.7	52.2	51.0	49.9	48.8
Inventories	0.3	0.4	0.3	0.5	0.6	0.7	0.8
Accounts receivable	3.9	3.7	3.6	3.8	4.4	5.4	6.3
Liquid assets	3.7	2.1	2.8	4.2	4.9	7.9	12.1
Other short-term assets	2.1	1.1	1.1	1.3	1.3	1.3	1.3
Current assets	10.0	7.3	7.7	9.8	11.2	15.3	20.5
Total Assets	37.1	43.8	43.4	62.0	62.3	65.2	69.3
Liabilities and shareholders' equity							
Subscribed capital	3.0	3.0	3.0	4.1	4.1	4.1	4.1
Capital reserve	18.2	18.2	18.2	23.9	23.9	23.9	23.9
Retained earnings	1.4	2.9	2.9	1.9	2.7	5.0	8.4
Other equity components	-0.5	-0.4	-0.5	-0.5	-2.4	-3.0	-3.3
Shareholders' equity	22.2	23.8	23.6	29.5	28.4	30.1	33.2
Minority interest	0.0	0.0	0.0	0.1	0.1	0.1	0.1
Total equity	22.2	23.8	23.6	29.6	28.6	30.2	33.3
Provisions	0.3	0.2	0.0	0.0	0.0	0.0	0.0
thereof provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial liabilities (total)	1.2	3.7	3.1	10.1	9.2	9.2	9.2
thereof short-term financial liabilities	0.1	0.6	0.6	1.1	1.1	1.1	1.1
Accounts payable	0.7	1.9	1.6	2.8	3.2	3.9	4.5
Other liabilities	12.7	14.2	15.1	19.4	21.3	21.9	22.3
Liabilities	14.9	20.0	19.8	32.3	33.7	35.0	36.0
Total liabilities and shareholders' equity	37.1	43.8	43.4	62.0	62.3	65.2	69.3

Financial Ratios

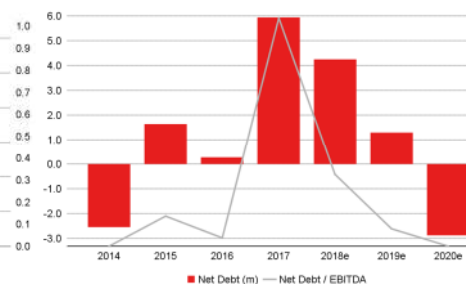
	2014	2015	2016	2017	2018e	2019e	2020e
Efficiency of Capital Employment							
Operating Assets Turnover	1.7 x	1.9 x	2.2 x	2.3 x	2.7 x	3.2 x	3.6 x
Capital Employed Turnover	0.7 x	0.6 x	0.7 x	0.5 x	0.7 x	0.9 x	1.0 x
ROA	4.1 %	5.4 %	1.1 %	-0.6 %	2.9 %	4.5 %	7.1 %
Return on Capital							
ROCE (NOPAT)	n.a.	7.7 %	2.8 %	1.0 %	5.1 %	7.7 %	12.1 %
ROE	n.a.	8.6 %	1.7 %	-1.2 %	5.1 %	7.6 %	10.9 %
Adj. ROE	n.a.	8.6 %	1.7 %	-1.2 %	5.1 %	7.6 %	10.9 %
Balance sheet quality							
Net Debt	-2.5	1.6	0.3	5.9	4.2	1.3	-2.9
Net Financial Debt	-2.5	1.6	0.3	5.9	4.2	1.3	-2.9
Net Gearing	-11.5 %	6.9 %	1.1 %	20.0 %	14.9 %	4.3 %	-8.6 %
Net Fin. Debt / EBITDA	n.a.	42.3 %	11.8 %	322.7 %	101.0 %	24.8 %	n.a.
Book Value / Share	7.5	8.0	8.0	7.1	6.9	7.3	8.0
Book value per share ex intangibles	0.5	-0.8	-0.5	-2.5	-2.5	-1.9	-0.9

ROCE Development



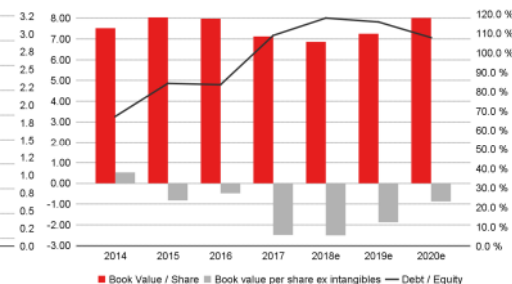
Source: Warburg Research

Net debt in EUR m



Source: Warburg Research

Book Value per Share in EUR



Source: Warburg Research

Consolidated cash flow statement

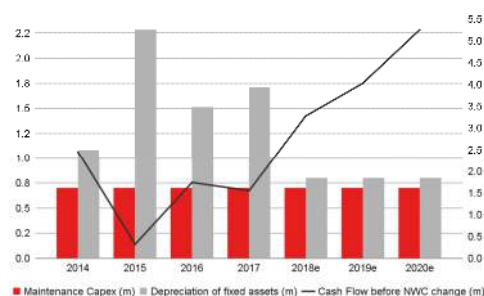
In EUR m	2014	2015	2016	2017	2018e	2019e	2020e
Net income	1.7	1.6	0.7	-0.2	1.5	2.2	3.5
Depreciation of fixed assets	1.1	2.3	1.5	1.7	0.8	0.8	0.8
Amortisation of goodwill	0.0	-3.1	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.3	0.5	1.0	1.0	1.0
Increase/decrease in long-term provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other non-cash income and expenses	-0.3	-0.4	-0.7	-0.5	0.0	0.0	0.0
Cash Flow before NWC change	2.5	0.3	1.7	1.5	3.3	4.0	5.3
Increase / decrease in inventory	0.3	-0.1	0.1	0.1	-0.1	-0.1	-0.1
Increase / decrease in accounts receivable	-1.5	2.5	0.0	0.1	-0.6	-1.0	-0.9
Increase / decrease in accounts payable	0.0	0.0	0.0	0.0	0.4	0.7	0.6
Increase / decrease in other working capital positions	-0.1	-0.2	0.7	0.3	0.0	0.0	0.0
Increase / decrease in working capital (total)	-1.4	2.3	0.8	0.5	-0.3	-0.4	-0.4
Net cash provided by operating activities [1]	1.1	2.6	2.6	2.0	3.0	3.6	4.9
Investments in intangible assets	-0.3	-0.1	-0.1	-0.1	0.0	0.0	0.0
Investments in property, plant and equipment	-0.2	-0.5	-0.4	-0.7	-0.7	-0.7	-0.7
Payments for acquisitions	0.0	-1.1	0.0	-12.4	0.0	0.0	0.0
Financial investments	0.0	2.9	0.1	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]	-0.4	-4.7	-0.6	-13.1	-0.7	-0.7	-0.7
Change in financial liabilities	-0.1	0.9	-0.5	6.7	-0.9	0.0	0.0
Dividends paid	0.0	-0.4	-0.5	-0.5	-0.7	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	6.7	0.0	0.0	0.0
Other	0.3	0.0	0.0	0.0	0.0	0.0	0.0
Net cash provided by financing activities [3]	0.2	0.4	-1.0	13.0	-1.6	0.0	0.0
Change in liquid funds [1]+[2]+[3]	0.8	-1.6	1.0	1.9	0.7	2.9	4.2
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	3.7	2.1	3.1	4.7	4.9	7.9	12.1

Financial Ratios

	2014	2015	2016	2017	2018e	2019e	2020e
Cash Flow							
FCF	0.6	2.0	2.1	1.3	2.4	2.9	4.2
Free Cash Flow / Sales	4.5 %	13.9 %	12.9 %	6.6 %	10.6 %	10.9 %	13.2 %
Free Cash Flow Potential	1.4	3.3	1.5	1.0	2.9	3.7	5.0
Free Cash Flow / Net Profit	55.9 %	99.2 %	516.4 %	-393.2 %	158.9 %	132.4 %	120.9 %
Interest Received / Avg. Cash	n.a.	3.4 %	3.7 %	0.9 %	0.0 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	n.a.	4.5 %	3.6 %	3.0 %	3.6 %	3.8 %	4.4 %
Management of Funds							
Investment ratio	3.2 %	4.4 %	2.8 %	3.9 %	3.1 %	2.5 %	2.1 %
Maint. Capex / Sales	5.1 %	4.9 %	4.3 %	3.6 %	3.2 %	2.6 %	2.2 %
Capex / Dep	n.a.	n.a.	30.0 %	44.1 %	37.7 %	37.7 %	37.7 %
Avg. Working Capital / Sales	n.a.	20.3 %	14.0 %	10.0 %	7.6 %	7.4 %	7.6 %
Trade Debtors / Trade Creditors	558.0 %	198.1 %	224.0 %	138.0 %	137.5 %	138.5 %	140.0 %
Inventory Turnover	19.9 x	18.2 x	26.4 x	16.8 x	15.7 x	16.3 x	16.2 x
Receivables collection period (days)	103	97	80	72	73	73	73
Payables payment period (days)	43	90	76	120	124	125	127
Cash conversion cycle (Days)	-19	-64	-59	-94	-96	-98	-100

CAPEX and Cash Flow

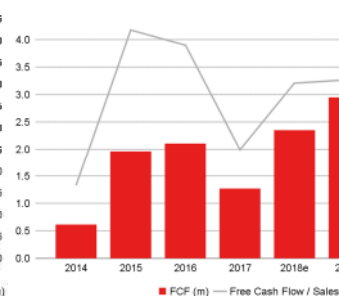
in EUR m



Source: Warburg Research

Free Cash Flow Generation

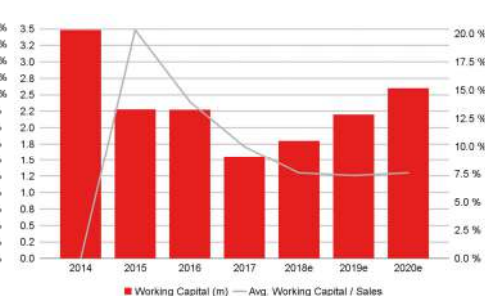
in EUR m



Source: Warburg Research

Working Capital

in EUR m



Source: Warburg Research

LEGAL DISCLAIMER

This research report ("investment recommendation") was prepared by the Warburg Research GmbH, a fully owned subsidiary of the M.M.Warburg & CO (AG & Co.) KGaA and is passed on by the M.M.Warburg & CO (AG & Co.) KGaA. It is intended solely for the recipient and may not be passed on to another company without their prior consent, regardless of whether the company is part of the same corporation or not. It contains selected information and does not purport to be complete. The investment recommendation is based on publicly available information and data ("information") believed to be accurate and complete. Warburg Research GmbH neither examines the information for accuracy and completeness, nor guarantees its accuracy and completeness. Possible errors or incompleteness of the information do not constitute grounds for liability of M.M.Warburg & CO (AG & Co.) KGaA or Warburg Research GmbH for damages of any kind whatsoever, and M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH are not liable for indirect and/or direct and/or consequential damages. In particular, neither M.M.Warburg & CO (AG & Co.) KGaA nor Warburg Research GmbH are liable for the statements, plans or other details contained in these investment recommendations concerning the examined companies, their affiliated companies, strategies, economic situations, market and competitive situations, regulatory environment, etc. Although due care has been taken in compiling this investment recommendation, it cannot be excluded that it is incomplete or contains errors. M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH, their shareholders and employees are not liable for the accuracy and completeness of the statements, estimations and the conclusions derived from the information contained in this investment recommendation. Provided a investment recommendation is being transmitted in connection with an existing contractual relationship, i.e. financial advisory or similar services, the liability of M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH shall be restricted to gross negligence and wilful misconduct. In case of failure in essential tasks, M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH are liable for normal negligence. In any case, the liability of M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH is limited to typical, expectable damages. This investment recommendation does not constitute an offer or a solicitation of an offer for the purchase or sale of any security. Partners, directors or employees of M.M.Warburg & CO (AG & Co.) KGaA, Warburg Research GmbH or affiliated companies may serve in a position of responsibility, i.e. on the board of directors of companies mentioned in the report. Opinions expressed in this investment recommendation are subject to change without notice. All rights reserved.

COPYRIGHT NOTICE

This work including all its parts is protected by copyright. Any use beyond the limits provided by copyright law without permission is prohibited and punishable. This applies, in particular, to reproductions, translations, microfilming, and storage and processing on electronic media of the entire content or parts thereof.

DISCLOSURE ACCORDING TO §85 OF THE GERMAN SECURITIES TRADING ACT (WHPG), MAR AND MIFID II INCL. COMMISSION DELEGATED REGULATION (EU) 2016/958 AND (EU) 2017/565

The valuation underlying the investment recommendation for the company analysed here is based on generally accepted and widely used methods of fundamental analysis, such as e.g. DCF Model, Free Cash Flow Potential, Peer Group Comparison or Sum of the Parts Model (see also <http://www.mmwarburg.de/disclaimer/disclaimer.htm#Valuation>). The result of this fundamental valuation is modified to take into consideration the analyst's assessment as regards the expected development of investor sentiment and its impact on the share price.

Independent of the applied valuation methods, there is the risk that the price target will not be met, for instance because of unforeseen changes in demand for the company's products, changes in management, technology, economic development, interest rate development, operating and/or material costs, competitive pressure, supervisory law, exchange rate, tax rate etc. For investments in foreign markets and instruments there are further risks, generally based on exchange rate changes or changes in political and social conditions.

This commentary reflects the opinion of the relevant author at the point in time of its compilation. A change in the fundamental factors underlying the valuation can mean that the valuation is subsequently no longer accurate. Whether, or in what time frame, an update of this commentary follows is not determined in advance.

Additional internal and organisational arrangements to prevent or to deal with conflicts of interest have been implemented. Among these are the spatial separation of Warburg Research GmbH from M.M.Warburg & CO (AG & Co.) KGaA and the creation of areas of confidentiality. This prevents the exchange of information, which could form the basis of conflicts of interest for Warburg Research in terms of the analysed issuers or their financial instruments.

The analysts of Warburg Research GmbH do not receive a gratuity – directly or indirectly – from the investment banking activities of M.M.Warburg & CO (AG & Co.) KGaA or of any company within the Warburg-Group.

All prices of financial instruments given in this investment recommendation are the closing prices on the last stock-market trading day before the publication date stated, unless another point in time is explicitly stated.

M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH are subject to the supervision of the Federal Financial Supervisory Authority, BaFin. M.M.Warburg & CO (AG & Co.) KGaA is additionally subject to the supervision of the European Central Bank (ECB).

SOURCES

All data and consensus estimates have been obtained from FactSet except where stated otherwise.

Additional information for clients in the United States

1. This research report (the "Report") is a product of Warburg Research GmbH, Germany, a fully owned subsidiary of M.M.Warburg & CO (AG & Co.) KGaA, Germany (in the following collectively "Warburg"). Warburg is the employer of the research analyst(s), who have prepared the Report. The research analyst(s) reside outside the United States and are not associated persons of any U.S. regulated broker-dealer and therefore are not subject to the supervision of any U.S. regulated broker-dealer.
2. The Report is provided in the United States for distribution solely to "major U.S. institutional investors" under Rule 15a-6 of the U.S. Securities Exchange Act of 1934.
3. Any recipient of the Report should effect transactions in the securities discussed in the Report only through J.P.P. Euro-Securities, Inc., Delaware.
4. J.P.P. Euro-Securities, Inc. does not accept or receive any compensation of any kind for the dissemination of the research reports from Warburg.

Reference in accordance with section 85 of the German Securities Trading Act (WpHG) and Art. 20 MAR regarding possible conflicts of interest with companies analysed:

- 1- Warburg Research, or an affiliated company, or an employee of one of these companies responsible for the compilation of the research, hold a **share of more than 5%** of the equity capital of the analysed company.
- 2- Warburg Research, or an affiliated company, within the last twelve months participated in the **management of a consortium** for an issue in the course of a public offering of such financial instruments, which are, or the issuer of which is, the subject of the investment recommendation.
- 3- Companies affiliated with Warburg Research **manage financial instruments**, which are, or the issuers of which are, subject of the investment recommendation, in a market based on the provision of buy or sell contracts.
- 4- MMWB, Warburg Research, or an affiliated company, reached an agreement with the issuer to provide **investment banking and/or investment services** and the relevant agreement was in force in the last 12 months or there arose for this period, based on the relevant agreement, the obligation to provide or to receive a service or compensation - provided that this disclosure does not result in the disclosure of confidential business information.
- 5- The company compiling the analysis or an affiliated company had reached an **agreement on the compilation of the investment recommendation** with the analysed company.
- 6- Companies affiliated with Warburg Research **regularly trade** financial instruments of the analysed company or derivatives of these.
- 6a- Warburg Research, or an affiliated company, holds a **net long position of more than 0.5%** of the total issued share capital of the analysed company.
- 6b- Warburg Research, or an affiliated company, holds a **net short position of more than 0.5%** of the total issued share capital of the analysed company.
- 6c- The issuer holds shares of more than 5% of the total issued capital of Warburg Research or an affiliated company.
- 7- The company preparing the analysis as well as its affiliated companies and employees have **other important interests** in relation to the analysed company, such as, for example, the exercising of mandates at analysed companies.

This report has been made accessible to the company analysed.

Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
Vita 34	5	http://www.mmwarburg.com/disclaimer/disclaimer_en/DE000A0BL849.htm

INVESTMENT RECOMMENDATION

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.

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING

Rating	Number of stocks	% of Universe
Buy	112	54
Hold	90	44
Sell	4	2
Rating suspended	0	0
Total	206	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	32	68
Hold	15	32
Sell	0	0
Rating suspended	0	0
Total	47	100

PRICE AND RATING HISTORY VITA 34 AS OF 31.08.2018


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.

EQUITIES

Roland Rapelius +49 40 3282-2673
Head of Equities rrapelius@mmwarburg.com

RESEARCH

Michael Heider +49 40 309537-280
Head of Research mheider@warburg-research.com

Henner Rüschemeyer +49 40 309537-270
Head of Research hrueschmeier@warburg-research.com

Jonas Blum +40 40 309537-240
Small/Mid Cap Research jblum@warburg-research.com

Christian Cohrs +49 40 309537-175
Engineering, Logistics ccohrs@warburg-research.com

Felix Ellmann +49 40 309537-120
Software, IT fellmann@warburg-research.com

Jörg Philipp Frey +49 40 309537-258
Retail, Consumer Goods jfrey@warburg-research.com

Marius Fuhrberg +49 40 309537-185
Financial Services mfuhrberg@warburg-research.com

Ulrich Huwald +49 40 309537-255
Health Care, Pharma uhuwald@warburg-research.com

Thilo Kleibauer +49 40 309537-257
Retail, Consumer Goods tkleibauer@warburg-research.com

Eggert Kuls +49 40 309537-256
Engineering ekuls@warburg-research.com

Marina Manas Cháfer +49 40 309537-254
Renewables, Small/Mid Cap mmanaschafer@warburg-research.com

Andreas Pläsier +49 40 309537-246
Banks, Financial Services aplaesier@warburg-research.com

Jochen Reichert +49 40 309537-130
Telco, Internet, Media jreichert@warburg-research.com

J. Moritz Rieser +49 40 309537-260
Real Estate mrieser@warburg-research.com

Arash Roshan Zamir +49 40 309537-155
Cap. Goods, Renewables aroshanzamir@warburg-research.com

Franz Schall +40 40 309537-230
Automobiles, Car Suppliers fschall@warburg-research.com

Malte Schaumann +49 40 309537-170
Technology mschaumann@warburg-research.com

Patrick Schmidt +49 40 309537-125
Leisure, Internet pschmidt@warburg-research.com

Oliver Schwarz +49 40 309537-250
Chemicals, Agriculture oschwarz@warburg-research.com

Marc-René Tonn +49 40 309537-259
Automobiles, Car Suppliers mtonn@warburg-research.com

Robert-Jan van der Horst +49 40 309537-290
Technology rvanderhorst@warburg-research.com

Andreas Wolf +49 40 309537-140
Software, IT awolf@warburg-research.com

INSTITUTIONAL EQUITY SALES

Klaus Schilling +49 40 3282-2664
Head of Equity Sales, Germany kschilling@mmwarburg.com

Tim Beckmann +49 40 3282-2665
United Kingdom tbeckmann@mmwarburg.com

Lyubka Bogdanova +49 69 5050-7411
United Kingdom, Australia lbogdanova@mmwarburg.com

Jens Buchmüller +49 69 5050-7415
Scandinavia, Austria jbuchmueller@mmwarburg.com

Matthias Fritsch +49 40 3282-2696
United Kingdom mfritsch@mmwarburg.com

Michael Kriszun +49 40 3282-2695
United Kingdom mkriszun@mmwarburg.com

Sanjay Oberoi +49 69 5050-7410
United Kingdom soberoi@mmwarburg.com

Simon Pallhuber +49 69 5050-7414
Switzerland, France spallhuber@mmwarburg.com

Angelika Flegler +49 69 5050-7417
Roadshow/Marketing aflegler@mmwarburg.com

Juliane Willenbruch +49 40 3282-2694
Roadshow/Marketing jwillenbruch@mmwarburg.com

SALES TRADING

Oliver Merckel +49 40 3282-2634
Head of Sales Trading omerckel@mmwarburg.com

Elyaz Dust +49 40 3282-2702
Sales Trading edust@mmwarburg.com

Michael Ilgenstein +49 40 3282-2700
Sales Trading milgenstein@mmwarburg.com

Bastian Quast +49 40 3282-2701
Sales Trading bquast@mmwarburg.com

Jörg Treptow +49 40 3282-2658
Sales Trading jtreptow@mmwarburg.com

Jan Walter +49 40 3282-2662
Sales Trading jwalter@mmwarburg.com

MACRO RESEARCH

Carsten Klude +49 40 3282-2572
Macro Research cklude@mmwarburg.com

Dr. Christian Jasperneite +49 40 3282-2439
Investment Strategy cjasperneite@mmwarburg.com

Our research can be found under:

Warburg Research research.mmwarburg.com/en/index.html
Bloomberg MMWA GO
FactSet www.factset.com

Thomson Reuters www.thomsonreuters.com
Capital IQ www.capitaliq.com

For access please contact:

Andrea Schaper +49 40 3282-2632
Sales Assistance aschaper@mmwarburg.com

Kerstin Muthig +49 40 3282-2703
Sales Assistance kmuthig@mmwarburg.com