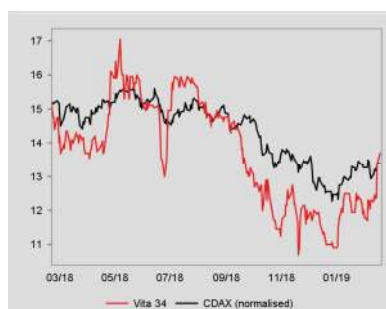


<b>Buy</b> <b>EUR 18.00</b>  Price <b>EUR 13.70</b> Upside <b>31.4 %</b>	<b>Value Indicators:</b> EUR DCF: 18.43 FCF-Value Potential 20e: 14.65	<b>Share data:</b> Bloomberg: V3V GR Reuters: V3VGn.DE ISIN: DE000A0BL849	<b>Description:</b> Cell banking
	<b>Market Snapshot:</b> EUR m Market cap: 56.8 No. of shares (m): 4.1 EV: 57.9 Freefloat MC: 43.6 Ø Trad. Vol. (30d): 101.07 th	<b>Shareholders:</b> Freefloat 76.8 % Management 1.4 % MKBV/Köhler Invest 11.6 % Pool Dr. Gerth-PBKM 11.6 %	<b>Risk Profile (WRe):</b> 2018e Beta: 1.4 Price / Book: 2.0 x Equity Ratio: 46 % Net Fin. Debt / EBITDA: 1.0 x Net Debt / EBITDA: 1.0 x

## Market rewards the strategy to become broader-based cell bank

- Strategy update:** Vita 34's announcement of the development of cell preparations as the source material for immune cell therapies in order to become a more broad-based cell bank rather than a pure stem cell bank was well rewarded by the market. The new strategy foresees the expansion of the product range to offer the cryopreservation of immune cells from peripheral blood and umbilical cord blood. The company expects that approval by the relevant authority, the Paul-Ehrlich-Institute, could be granted as early as next year (2020). The required investment is appropriate to the current business size and R&D expenditure will remain at about 3% of sales in 2019 and 2020.
- Expansion of product range secures sales growth from 2020 onwards:** The decision to expand the business model is driven by the continued progress of individualized medicine. In this field, cell therapies are increasingly emerging from the clinical test phases to approved treatment therapies. Vita 34 is already promoting the introduction of the product AdipoVita which will allow for the storage of endogenous adipose tissue and the contained cells from H2 2019 onwards. Thus not only is the product range expanding but also the range of cell types that can be stored. As the new product addresses people of all ages, the company can rely on its broad existing storage stock of ~230,000 umbilical cord blood preparations. CEO Wolfgang Knirsch expects significant additional sales potential. Management optimism is based on a market survey of existing customers which showed that 90% were interested in such a product offering of which more than one-third were extremely in favour. Assuming that only a mid single-digit percent (WRe: 5%) of those interested in the new product eventually sign a contract, this would amount to 11,500 additional contracts. We welcome the strategic expansion of the product offering. As our model already includes a contribution from new products like AdipoVita as of 2020, our estimates for 2020 and beyond remain unchanged. Given the leverage of the existing labour and storing infrastructure, this should result in proportionately higher earnings and further margin increases.
- Preview Q4/FY 2018 results:** We expect 2018 sales to be at the lower end of the guidance of EUR 21-23m. As indicated in the Q3 conference call, the switch to new distribution partners in Italy and Serbia is expected to take longer than assumed. However, business development remains positive in the more profitable DACH region. This together with restructuring measures (Scandinavia) and synergies from the Seracell acquisition, proportionately greater earnings growth is expected. We expect Q4 sales of EUR 5.4m , EBITDA of EUR 1.0m.
- Buy reiterated:** Given the continued positive news-flow, high top-line growth and continued margin expansion, we reiterate our Buy rating.

Changes in Estimates:				Comment on Changes:			
FY End: 31.12. in EUR m	2018e (old)	+ / -	2019e (old)	+ / -	2020e (old)	+ / -	
Sales	21.4	-2.1 %	26.5	-4.7 %	30.9	-0.2 %	<ul style="list-style-type: none"> <li>Ongoing positive business development in the DACH region but the return to growth in Italy and Serbia is slower than initially expected.</li> <li>Slower uptake factored in for 2019 but, in view of the recent strategy update, we are becoming more confident for 2020.</li> <li>Earnings set to benefit to a greater extent from implemented efficiency measures than we initially calculated.</li> </ul>
EBIT	2.4	3.3 %	3.4	3.1 %	5.2	0.8 %	
EPS	0.35	5.7 %	0.53	3.8 %	0.83	0.0 %	

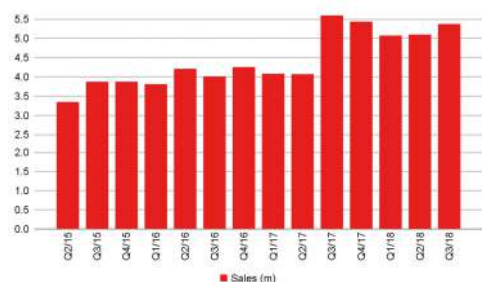


Rel. Performance vs CDAX:	
1 month:	14.0 %
6 months:	1.8 %
Year to date:	18.3 %
Trailing 12 months:	3.8 %

Company events:	
28.03.19	FY 2018
15.05.19	Q1
04.06.19	AGM
29.08.19	Q2

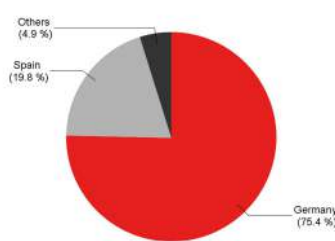
FY End: 31.12. in EUR m	CAGR (17-20e)	2014	2015	2016	2017	2018e	2019e	2020e
Sales	17.2 %	13.8	14.2	16.3	19.2	21.0	25.2	30.9
Change Sales yoy		n.a.	2.8 %	15.0 %	17.8 %	9.3 %	20.3 %	22.3 %
Gross profit margin		57.1 %	45.8 %	52.9 %	56.3 %	58.6 %	59.2 %	59.6 %
EBITDA	56.1 %	2.8	3.9	2.3	1.8	4.3	5.3	7.0
Margin		20.1 %	27.5 %	14.1 %	9.6 %	20.4 %	21.0 %	22.7 %
EBIT	237.8 %	1.7	1.6	0.8	0.1	2.5	3.5	5.2
Margin		12.3 %	11.4 %	4.8 %	0.7 %	11.8 %	13.9 %	16.9 %
Net income		1.1	2.0	0.4	-0.3	1.5	2.3	3.5
EPS		0.37	0.67	0.14	-0.09	0.37	0.55	0.83
EPS adj.		0.37	0.67	0.14	-0.09	0.37	0.55	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	0.58	0.75	1.01
FCF / Market cap		4.4 %	12.6 %	15.9 %	4.5 %	4.2 %	5.4 %	7.4 %
EV / Sales		0.8 x	1.2 x	0.8 x	1.8 x	2.9 x	2.3 x	1.7 x
EV / EBITDA		4.1 x	4.4 x	5.9 x	18.7 x	14.3 x	10.9 x	7.7 x
EV / EBIT		6.7 x	10.7 x	17.4 x	254.3 x	24.7 x	16.5 x	10.3 x
P / E		12.8 x	7.9 x	32.0 x	n.a.	37.0 x	24.9 x	16.5 x
P / E adj.		12.8 x	7.9 x	32.0 x	n.a.	37.0 x	24.9 x	16.5 x
FCF Potential Yield		12.0 %	19.2 %	11.2 %	2.8 %	4.9 %	6.4 %	9.2 %
Net Debt		-2.5	1.6	0.3	5.9	4.2	1.1	-3.1
ROCE (NOPAT)		n.a.	7.7 %	2.8 %	1.0 %	5.2 %	7.9 %	12.1 %
Guidance:		Sales EUR 21.0m to EUR 23.0m (more at lower end), EBITDA EUR 4.0m to EUR 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

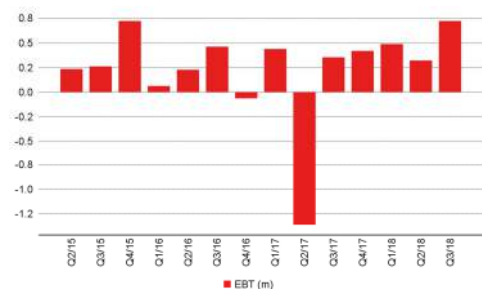
## Company Background

- 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

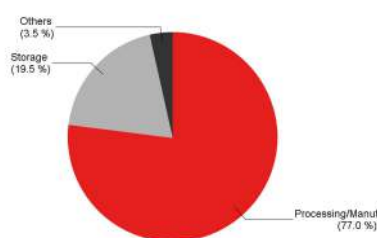
- Vita 34 derives its competitive edge from the combination of its leadership in the "DACH"-region, its extensive network of sales partners in Europe, and its 96% market coverage of German maternity clinics.
- Barriers to entry are high in the stem cell banking market. Vita 34 has successfully overcome 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



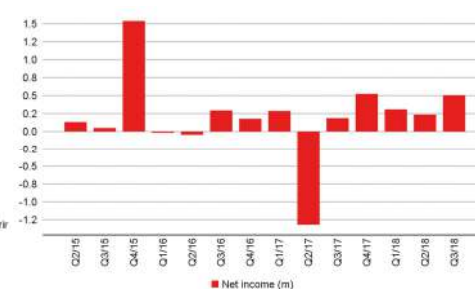
Source: Warburg Research

**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	21.0	25.2	30.9	35.3	36.4	37.4	38.4	39.4	40.4	41.3	42.3	43.2	44.1	
Sales change	9.3 %	20.3 %	22.3 %	14.5 %	3.0 %	2.8 %	2.7 %	2.6 %	2.5 %	2.4 %	2.3 %	2.2 %	2.0 %	2.0 %
EBIT	2.5	3.5	5.2	6.9	7.3	7.5	7.7	7.9	8.1	8.3	8.5	8.6	8.8	
EBIT-margin	11.8 %	13.9 %	16.9 %	19.4 %	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	1.8	2.5	3.7	4.9	5.2	5.4	5.5	5.7	5.8	6.0	6.1	6.2	6.3	
Depreciation	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.7	1.7	1.5	1.2	
in % of Sales	8.6 %	7.1 %	5.8 %	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	0.3	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	0.8	0.8	0.7	0.8	0.8	0.8	0.8	0.8	0.9	0.9	
Capex in % of Sales	3.2 %	2.7 %	2.2 %	2.2 %	2.1 %	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)	2.7	3.3	4.5	5.7	6.2	6.4	6.5	6.6	6.7	6.8	6.9	6.8	6.6	6
PV of FCF	2.7	3.1	3.8	4.5	4.5	4.3	4.0	3.8	3.5	3.3	3.0	2.8	2.5	37
share of PVs	11.70 %			43.91 %										44.39 %

## Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	25.00 %	Financial Strength	1.00
Cost of debt (after tax)	6.1 %	Liquidity (share)	2.00
Market return	7.00 %	Cyclicality	1.00
Risk free rate	1.50 %	Transparency	1.20
		Others	2.00
<b>WACC</b>	<b>8.60 %</b>	<b>Beta</b>	<b>1.44</b>

## Valuation (m)

Present values 2030e	46		
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
<b>Equity Value</b>	<b>76</b>	<b>Value per share (EUR)</b>	<b>18.43</b>

## 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	9.6 %	15.32	15.51	15.72	15.94	16.17	16.42	16.69	1.68	9.6 %	14.69	15.11	15.52	15.94	16.35	16.77	17.18
1.56	9.1 %	16.35	16.59	16.83	17.10	17.38	17.69	18.02	1.56	9.1 %	15.77	16.21	16.65	17.10	17.54	17.98	18.43
1.50	8.8 %	16.92	17.18	17.45	17.74	18.06	18.39	18.76	1.50	8.8 %	16.36	16.82	17.28	17.74	18.20	18.66	19.12
1.44	8.6 %	17.53	17.81	18.11	18.43	18.78	19.16	19.57	1.44	8.6 %	17.00	17.48	17.96	18.43	18.91	19.39	19.86
1.38	8.3 %	18.18	18.49	18.82	19.18	19.56	19.98	20.44	1.38	8.3 %	17.69	18.19	18.68	19.18	19.67	20.17	20.66
1.32	8.1 %	18.88	19.22	19.59	19.98	20.41	20.88	21.40	1.32	8.1 %	18.44	18.95	19.47	19.98	20.50	21.01	21.53
1.20	7.6 %	20.43	20.85	21.31	21.81	22.35	22.95	23.60	1.20	7.6 %	20.13	20.69	21.25	21.81	22.37	22.93	23.48

- 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

Valuation	2014	2015	2016	2017	2018e	2019e	2020e
Price / Book	0.6 x	0.7 x	0.6 x	1.0 x	2.0 x	1.9 x	1.7 x
Book value per share ex intangibles	0.52	-0.83	-0.49	-2.49	-2.50	-1.86	-0.85
EV / Sales	0.8 x	1.2 x	0.8 x	1.8 x	2.9 x	2.3 x	1.7 x
EV / EBITDA	4.1 x	4.4 x	5.9 x	18.7 x	14.3 x	10.9 x	7.7 x
EV / EBIT	6.7 x	10.7 x	17.4 x	254.3 x	24.7 x	16.5 x	10.3 x
EV / EBIT adj.*	6.7 x	10.7 x	17.4 x	254.3 x	24.7 x	16.5 x	10.3 x
P / FCF	22.7 x	7.9 x	6.3 x	22.4 x	23.7 x	18.4 x	13.6 x
P / E	12.8 x	7.9 x	32.0 x	n.a.	37.0 x	24.9 x	16.5 x
P / E adj.*	12.8 x	7.9 x	32.0 x	n.a.	37.0 x	24.9 x	16.5 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 %	4.9 %	6.4 %	9.2 %

\*Adjustments made for: No adjustments of earnings

## Consolidated profit and loss

In EUR m	2014	2015	2016	2017	2018e	2019e	2020e
<b>Sales</b>	<b>13.8</b>	<b>14.2</b>	<b>16.3</b>	<b>19.2</b>	<b>21.0</b>	<b>25.2</b>	<b>30.9</b>
Change Sales yoy	n.a.	2.8 %	15.0 %	17.8 %	9.3 %	20.3 %	22.3 %
COGS	5.9	7.7	7.7	8.4	8.7	10.3	12.5
<b>Gross profit</b>	<b>7.9</b>	<b>6.5</b>	<b>8.6</b>	<b>10.8</b>	<b>12.3</b>	<b>14.9</b>	<b>18.4</b>
<i>Gross margin</i>	<i>57.1 %</i>	<i>45.8 %</i>	<i>52.9 %</i>	<i>56.3 %</i>	<i>58.6 %</i>	<i>59.2 %</i>	<i>59.6 %</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	5.1	5.7	6.4
Administration expenses	3.3	4.0	3.9	5.0	5.0	6.0	6.5
Other operating expenses	0.1	0.3	0.4	1.0	0.3	0.3	0.7
Other operating income	1.7	4.3	1.6	0.7	0.6	0.6	0.4
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>2.8</b>	<b>3.9</b>	<b>2.3</b>	<b>1.8</b>	<b>4.3</b>	<b>5.3</b>	<b>7.0</b>
<i>Margin</i>	<i>20.1 %</i>	<i>27.5 %</i>	<i>14.1 %</i>	<i>9.6 %</i>	<i>20.4 %</i>	<i>21.0 %</i>	<i>22.7 %</i>
Depreciation of fixed assets	0.0	0.0	1.2	1.2	0.8	0.8	0.8
<b>EBITA</b>	<b>1.7</b>	<b>1.6</b>	<b>1.1</b>	<b>0.6</b>	<b>3.5</b>	<b>4.5</b>	<b>6.2</b>
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
<b>EBIT</b>	<b>1.7</b>	<b>1.6</b>	<b>0.8</b>	<b>0.1</b>	<b>2.5</b>	<b>3.5</b>	<b>5.2</b>
<i>Margin</i>	<i>12.3 %</i>	<i>11.4 %</i>	<i>4.8 %</i>	<i>0.7 %</i>	<i>11.8 %</i>	<i>13.9 %</i>	<i>16.9 %</i>
<b>EBIT adj.</b>	<b>1.7</b>	<b>1.6</b>	<b>0.8</b>	<b>0.1</b>	<b>2.5</b>	<b>3.5</b>	<b>5.2</b>
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
<b>EBT</b>	<b>1.7</b>	<b>1.6</b>	<b>0.7</b>	<b>-0.2</b>	<b>2.1</b>	<b>3.2</b>	<b>4.8</b>
<i>Margin</i>	<i>12.3 %</i>	<i>11.2 %</i>	<i>4.2 %</i>	<i>-0.8 %</i>	<i>10.1 %</i>	<i>12.5 %</i>	<i>15.6 %</i>
Total taxes	0.7	-0.1	0.1	0.2	0.6	0.9	1.3
<b>Net income from continuing operations</b>	<b>1.0</b>	<b>1.7</b>	<b>0.6</b>	<b>-0.3</b>	<b>1.5</b>	<b>2.3</b>	<b>3.5</b>
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income before minorities</b>	<b>1.0</b>	<b>1.7</b>	<b>0.6</b>	<b>-0.3</b>	<b>1.5</b>	<b>2.3</b>	<b>3.5</b>
Minority interest	-0.1	-0.3	0.2	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>1.1</b>	<b>2.0</b>	<b>0.4</b>	<b>-0.3</b>	<b>1.5</b>	<b>2.3</b>	<b>3.5</b>
<i>Margin</i>	<i>8.0 %</i>	<i>14.0 %</i>	<i>2.5 %</i>	<i>-1.7 %</i>	<i>7.3 %</i>	<i>9.0 %</i>	<i>11.2 %</i>
Number of shares, average	2.9	3.0	3.0	3.5	4.1	4.1	4.1
<b>EPS</b>	<b>0.37</b>	<b>0.67</b>	<b>0.14</b>	<b>-0.09</b>	<b>0.37</b>	<b>0.55</b>	<b>0.83</b>
EPS adj.	0.37	0.67	0.14	-0.09	0.37	0.55	0.83

\*Adjustments made for: No adjustments of earnings

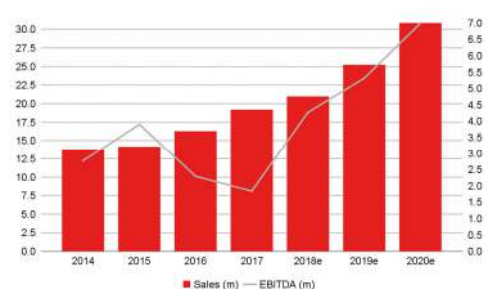
**Guidance: Sales EUR 21.0m to EUR 23.0m (more at lower end), EBITDA EUR 4.0m to EUR 4.6m**

## Financial Ratios

	2014	2015	2016	2017	2018e	2019e	2020e
Total Operating Costs / Sales	44.9 %	34.4 %	48.1 %	55.6 %	46.8 %	45.3 %	42.7 %
Operating Leverage	n.a.	-1.6 x	-3.4 x	-4.7 x	186.3 x	2.1 x	2.2 x
EBITDA / Interest expenses	28.9 x	35.4 x	19.0 x	9.2 x	12.2 x	15.2 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	169,098	203,391	248,847

### Sales, EBITDA

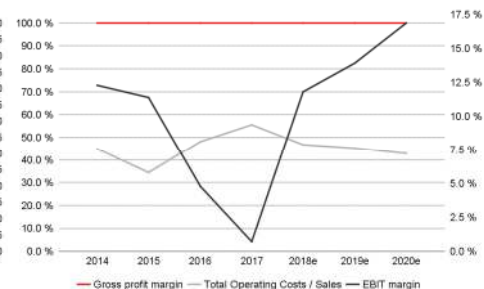
in EUR m



Source: Warburg Research

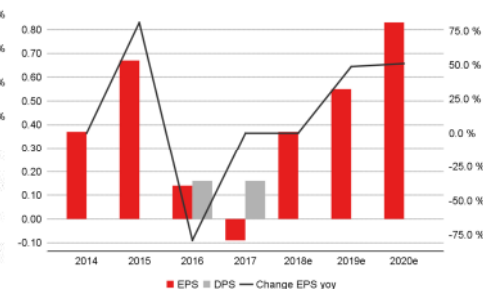
### Operating Performance

in %



Source: Warburg Research

### Performance per Share



Source: Warburg Research

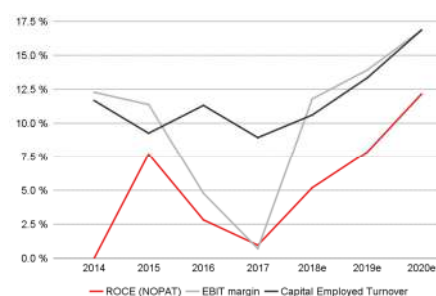
## Consolidated balance sheet

In EUR m	2014	2015	2016	2017	2018e	2019e	2020e
<b>Assets</b>							
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
<b>Fixed assets</b>	<b>27.1</b>	<b>36.5</b>	<b>35.7</b>	<b>52.2</b>	<b>51.0</b>	<b>49.9</b>	<b>48.8</b>
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	4.2	5.0	6.1
Liquid assets	3.7	2.1	2.8	4.2	5.0	8.1	12.2
Other short-term assets	2.1	1.1	1.1	1.3	1.3	1.3	1.3
<b>Current assets</b>	<b>10.0</b>	<b>7.3</b>	<b>7.7</b>	<b>9.8</b>	<b>11.1</b>	<b>15.1</b>	<b>20.5</b>
<b>Total Assets</b>	<b>37.1</b>	<b>43.8</b>	<b>43.4</b>	<b>62.0</b>	<b>62.1</b>	<b>65.0</b>	<b>69.3</b>
<b>Liabilities and shareholders' equity</b>							
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	2.8	5.1	8.5
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	28.5	30.2	33.3
Minority interest	0.0	0.0	0.0	0.1	0.1	0.1	0.1
<b>Total equity</b>	<b>22.2</b>	<b>23.8</b>	<b>23.6</b>	<b>29.6</b>	<b>28.6</b>	<b>30.3</b>	<b>33.4</b>
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	3.0	3.6	4.4
Other liabilities	12.7	14.2	15.1	19.4	21.3	21.9	22.3
<b>Liabilities</b>	<b>14.9</b>	<b>20.0</b>	<b>19.8</b>	<b>32.3</b>	<b>33.5</b>	<b>34.7</b>	<b>35.9</b>
<b>Total liabilities and shareholders' equity</b>	<b>37.1</b>	<b>43.8</b>	<b>43.4</b>	<b>62.0</b>	<b>62.1</b>	<b>65.0</b>	<b>69.3</b>

## Financial Ratios

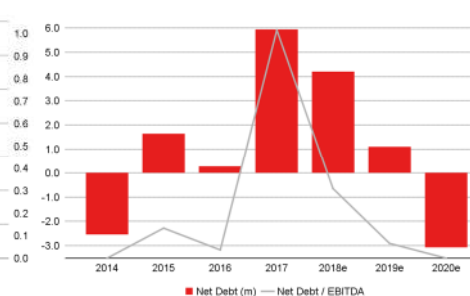
	2014	2015	2016	2017	2018e	2019e	2020e
<b>Efficiency of Capital Employment</b>							
Operating Assets Turnover	1.7 x	1.9 x	2.2 x	2.3 x	2.5 x	3.0 x	3.5 x
Capital Employed Turnover	0.7 x	0.6 x	0.7 x	0.5 x	0.6 x	0.8 x	1.0 x
ROA	4.1 %	5.4 %	1.1 %	-0.6 %	3.0 %	4.6 %	7.1 %
<b>Return on Capital</b>							
ROCE (NOPAT)	n.a.	7.7 %	2.8 %	1.0 %	5.2 %	7.9 %	12.1 %
ROE	n.a.	8.6 %	1.7 %	-1.2 %	5.3 %	7.7 %	10.9 %
Adj. ROE	n.a.	8.6 %	1.7 %	-1.2 %	5.3 %	7.7 %	10.9 %
<b>Balance sheet quality</b>							
Net Debt	-2.5	1.6	0.3	5.9	4.2	1.1	-3.1
Net Financial Debt	-2.5	1.6	0.3	5.9	4.2	1.1	-3.1
Net Gearing	-11.5 %	6.9 %	1.1 %	20.0 %	14.7 %	3.7 %	-9.2 %
Net Fin. Debt / EBITDA	n.a.	42.3 %	11.8 %	322.7 %	98.4 %	20.9 %	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



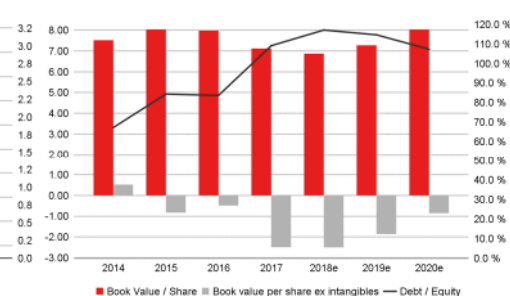
Source: Warburg Research

### Net debt in EUR m



Source: Warburg Research

### Book Value per Share in EUR



Source: Warburg Research

## Consolidated cash flow statement

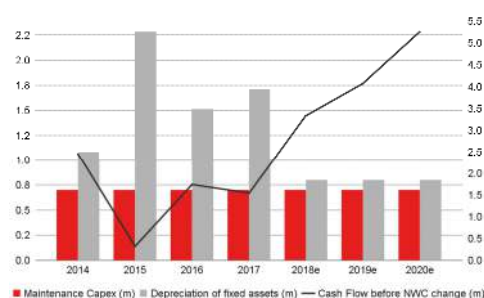
In EUR m	2014	2015	2016	2017	2018e	2019e	2020e
Net income	1.7	1.6	0.7	-0.2	1.5	2.3	3.5
Depreciation of fixed assets	1.1	2.3	1.5	1.7	0.8	0.8	0.8
Amortisation of goodwill	0.0	-3.1	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.3	0.5	1.0	1.0	1.0
Increase/decrease in long-term provisions	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
<b>Cash Flow before NWC change</b>	<b>2.5</b>	<b>0.3</b>	<b>1.7</b>	<b>1.5</b>	<b>3.3</b>	<b>4.1</b>	<b>5.3</b>
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	-0.4	-0.8	-1.1
Increase / decrease in accounts payable	0.0	0.0	0.0	0.0	0.2	0.6	0.8
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	-0.3	-0.4
<b>Net cash provided by operating activities [1]</b>	<b>1.1</b>	<b>2.6</b>	<b>2.6</b>	<b>2.0</b>	<b>3.1</b>	<b>3.8</b>	<b>4.9</b>
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
<b>Net cash provided by investing activities [2]</b>	<b>-0.4</b>	<b>-4.7</b>	<b>-0.6</b>	<b>-13.1</b>	<b>-0.7</b>	<b>-0.7</b>	<b>-0.7</b>
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
<b>Net cash provided by financing activities [3]</b>	<b>0.2</b>	<b>0.4</b>	<b>-1.0</b>	<b>13.0</b>	<b>-1.6</b>	<b>0.0</b>	<b>0.0</b>
<b>Change in liquid funds [1]+[2]+[3]</b>	<b>0.8</b>	<b>-1.6</b>	<b>1.0</b>	<b>1.9</b>	<b>0.8</b>	<b>3.1</b>	<b>4.2</b>
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	5.0	8.1	12.2

## Financial Ratios

	2014	2015	2016	2017	2018e	2019e	2020e
<b>Cash Flow</b>							
FCF	0.6	2.0	2.1	1.3	2.4	3.1	4.2
Free Cash Flow / Sales	4.5 %	13.9 %	12.9 %	6.6 %	11.4 %	12.3 %	13.5 %
Free Cash Flow Potential	1.4	3.3	1.5	1.0	3.0	3.7	5.0
Free Cash Flow / Net Profit	55.9 %	99.2 %	516.4 %	-393.2 %	157.0 %	136.2 %	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 %
<b>Management of Funds</b>							
Investment ratio	3.2 %	4.4 %	2.8 %	3.9 %	3.2 %	2.7 %	2.2 %
Maint. Capex / Sales	5.1 %	4.9 %	4.3 %	3.6 %	3.3 %	2.8 %	2.3 %
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 %	8.0 %	7.7 %	7.5 %
Trade Debtors / Trade Creditors	558.0 %	198.1 %	224.0 %	138.0 %	140.0 %	138.9 %	138.6 %
Inventory Turnover	19.9 x	18.2 x	26.4 x	16.8 x	14.5 x	14.7 x	15.6 x
Receivables collection period (days)	103	97	80	72	73	72	72
Payables payment period (days)	43	90	76	120	126	128	129
Cash conversion cycle (Days)	78	27	18	-26	-28	-31	-33

### CAPEX and Cash Flow

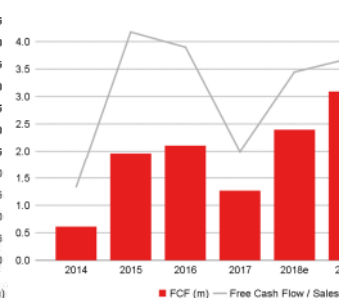
in EUR m



Source: Warburg Research

### Free Cash Flow Generation

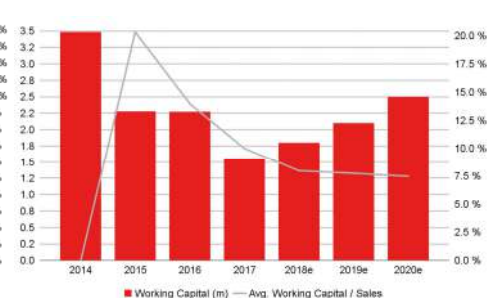
in EUR m



Source: Warburg Research

### Working Capital

in EUR m



Source: Warburg Research



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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-	<b>Buy:</b>	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	<b>Hold:</b>	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-S-	<b>Sell:</b>	The price of the analysed financial instrument is expected to fall over the next 12 months.
“-“	<b>Rating suspended:</b>	The available information currently does not permit an evaluation of the company.

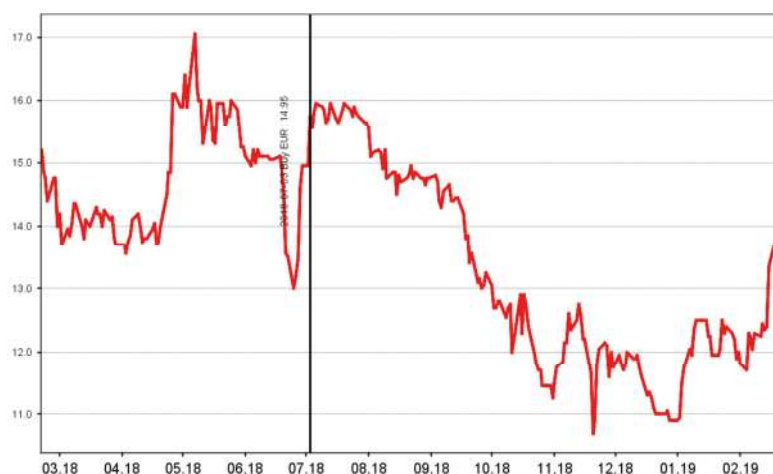
**WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING**

Rating	Number of stocks	% of Universe
Buy	133	65
Hold	60	29
Sell	6	3
Rating suspended	7	3
<b>Total</b>	<b>206</b>	<b>100</b>

**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	31	76
Hold	8	20
Sell	0	0
Rating suspended	2	5
<b>Total</b>	<b>41</b>	<b>100</b>

**PRICE AND RATING HISTORY VITA 34 AS OF 19.02.2019**


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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**Our research can be found under:**

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