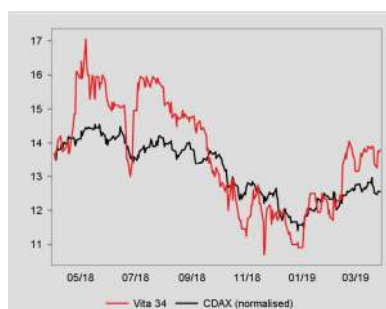


<b>Buy</b> <b>EUR 18.00</b>  Price <b>EUR 13.80</b> Upside <b>30.4 %</b>	<b>Value Indicators:</b> EUR DCF: 18.16 FCF-Value Potential 20e: 14.91	<b>Share data:</b> Bloomberg: V3V GR Reuters: V3VGn.DE ISIN: DE000A0BL849	<b>Description:</b> Cell bank
	<b>Market Snapshot:</b> EUR m Market cap: 56.4 No. of shares (m): 4.1 EV: 57.7 Freefloat MC: 43.3 Ø Trad. Vol. (30d): 49.00 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> 2019e Beta: 1.4 Price / Book: 1.7 x Equity Ratio: 52 % Net Fin. Debt / EBITDA: 0.2 x Net Debt / EBITDA: 0.2 x

## Strong earnings growth reported for 2018; Further margin improvement envisaged

- Vita 34 reported detailed FY 2018 results and provided an initial outlook for 2019 on March 28.
- Very positive earnings outlook given after a successful 2018:** Sales increased by 6.3% to EUR 20.4m in 2018. Even more impressive was the increase in EBITDA to EUR 4.7m (2017: EUR 1.9m), resulting in an EBITDA margin of 23.1%. Operating cash flow tripled to EUR 4.6m. The initial guidance for 2019 calls for sales of EUR 21-23m and EBITDA of EUR 5.0-5.6m. The sales guidance excludes potential acquisition effects. In view of this, the EBITDA margin is expected to increase further to 24.1% at the midpoint of the guidance (range: 23.8% to 24.3%). The main drivers will be economies of scale and full-year realization of effects resulting from the reorganization of Danish business.
- Shifting into “expansion mode” again:** In regard to acquisitions, management is aiming to return to “expansion mode” and is planning at least one acquisition in 2019. With EUR 7m cash at hand and available credit lines, Vita 34 is in a good financial position to deliver on its promise. Potential targets include stem cell-related business areas, management said. This is in line with the recently announced strategic shift from a pure stem-cell bank to a broader cell bank, for example including stem-cell products for adults.
- Buy rating reiterated:** During the conference call, management was very confident of achieving the targets set for 2019. The targeted top-line growth of ~8% at the midpoint of the guidance should be achieved with a continuation of the positive development in Germany but also with a moderate sales contribution from sales partners. These regions faced some headwinds in 2018, which resulted in lower than initially expected sales last year. Revenues from new products do not seem to be included in the guidance. Here, we expect further positive news in the course of the year. Planned activities in the field of stem cell-based products for adults should therefore contribute positively to sales growth in 2020 and beyond. Given the positive earnings and cash flow development, Vita 34 is again in a position of strength, allowing for acquisitions and non-organic business growth. Furthermore, Vita 34 itself remains a potential acquisition target. Buy rating reiterated.

Changes in Estimates:	2019e	+ / -	2020e	+ / -	Comment on Changes:
FY End: 31.12. in EUR m	(old)		(old)		
Sales	25.2	-11.0 %	30.9	-12.7 %	Reduction in sales estimates due to base effects and later than expected contribution from new products.
EBIT	3.5	-0.7 %	5.2	-2.1 %	However, given the more pronounced positive impact of efficiency measures on the EBITDA margin, which were therefore realised earlier, the impact on operating results is rather negligible.
EPS	0.55	-3.6 %	0.83	0.0 %	We have adjusted our estimates for financial net income and tax rate in 2019, which results in slightly lower EPS.

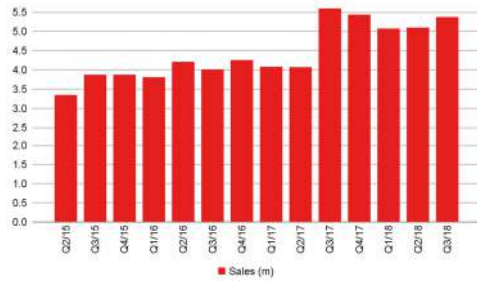


Rel. Performance vs CDAX:	
1 month:	3.2 %
6 months:	11.6 %
Year to date:	18.2 %
Trailing 12 months:	9.1 %

Company events:	
15.05.19	Q1
04.06.19	AGM
29.08.19	Q2
21.11.19	Q3

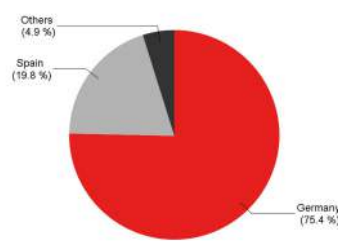
FY End: 31.12. in EUR m	CAGR (18-20e)	2014	2015	2016	2017	2018	2019e	2020e
Sales	14.9 %	13.8	14.2	16.3	19.2	20.4	22.4	26.9
Change Sales yoy		n.a.	2.8 %	15.0 %	17.8 %	6.4 %	10.0 %	20.0 %
Gross profit margin		57.1 %	45.8 %	52.9 %	56.3 %	58.7 %	60.0 %	60.0 %
EBITDA	21.7 %	2.8	3.9	2.3	1.8	4.7	5.4	7.0
Margin		20.1 %	27.5 %	14.1 %	9.6 %	23.1 %	24.0 %	26.0 %
EBIT	39.1 %	1.7	1.6	0.8	0.1	2.6	3.5	5.1
Margin		12.3 %	11.4 %	4.8 %	0.7 %	12.9 %	15.5 %	18.9 %
Net income	102.0 %	1.1	2.0	0.4	-0.3	0.8	2.2	3.4
EPS	103.7 %	0.37	0.67	0.14	-0.09	0.20	0.53	0.83
EPS adj.	103.7 %	0.37	0.67	0.14	-0.09	0.20	0.53	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	0.56	0.54	0.76	1.05
FCF / Market cap		4.4 %	12.6 %	15.9 %	7.0 %	3.8 %	5.4 %	7.5 %
EV / Sales		0.8 x	1.2 x	0.8 x	1.8 x	3.0 x	2.6 x	2.0 x
EV / EBITDA		4.1 x	4.4 x	5.9 x	18.7 x	13.0 x	10.9 x	7.8 x
EV / EBIT		6.7 x	10.7 x	17.4 x	254.3 x	23.4 x	16.8 x	10.6 x
P / E		12.8 x	7.9 x	32.0 x	n.a.	70.1 x	26.0 x	16.6 x
P / E adj.		12.8 x	7.9 x	32.0 x	n.a.	70.1 x	26.0 x	16.6 x
FCF Potential Yield		12.0 %	19.2 %	11.2 %	2.8 %	5.0 %	6.6 %	9.2 %
Net Debt		-2.5	1.6	0.3	5.9	4.4	1.3	-3.0
ROCE (NOPAT)		n.a.	7.7 %	2.8 %	1.0 %	3.3 %	7.0 %	11.1 %
Guidance:		Sales EUR 21.0-23.0m, EBITDA EUR 5.0m to EUR 5.6m						

**Sales development**  
in EUR m



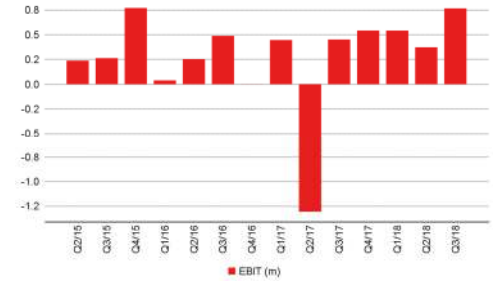
Source: Warburg Research

**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

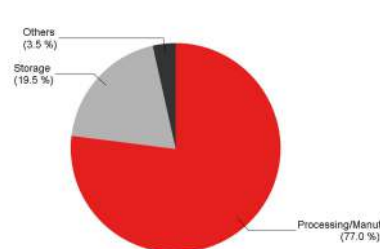
- Vita 34 derives its competitive edge from the combination of its leadership in the "DACH"-region, its extensive network of sales partners in Europe, and its 96% market coverage of German maternity clinics.
- Barriers to entry are high in the stem cell banking market. Vita 34 has successfully overcome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



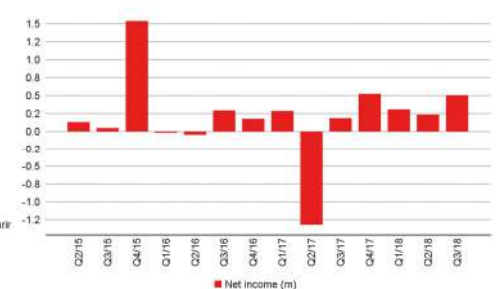
Source: Warburg Research

**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
	2019e	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	
Sales	22.4	26.9	32.1	35.8	37.0	38.1	39.2	40.2	41.2	42.2	43.1	44.0	44.9	
Sales change	10.0 %	20.0 %	19.1 %	11.7 %	3.4 %	3.0 %	2.8 %	2.6 %	2.5 %	2.4 %	2.2 %	2.0 %	2.0 %	2.0 %
EBIT	3.5	5.1	6.6	7.2	7.4	7.6	7.8	8.0	8.2	8.4	8.6	8.8	9.0	
EBIT-margin	15.5 %	18.9 %	20.7 %	20.0 %	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	2.5	3.7	4.8	5.2	5.3	5.5	5.6	5.8	5.9	6.1	6.2	6.3	6.5	
Depreciation	1.9	1.9	1.6	1.8	1.8	1.8	1.8	1.8	1.7	1.7	1.5	1.3	1.3	
in % of Sales	8.5 %	7.1 %	5.0 %	5.0 %	4.9 %	4.8 %	4.6 %	4.4 %	4.2 %	4.0 %	3.4 %	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	0.3	0.2	0.5	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
- Capex	0.7	0.8	1.0	1.1	1.1	1.1	1.2	1.2	1.2	1.3	1.3	1.3	1.3	
Capex in % of Sales	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	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)	3.4	4.6	5.0	5.6	5.9	6.1	6.2	6.3	6.3	6.4	6.3	6.3	6.4	6
PV of FCF	3.2	4.0	4.0	4.1	4.0	3.8	3.5	3.3	3.1	2.9	2.6	2.4	36.8	37
share of PVs	12.24 %			41.93 %										45.84 %

## 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 2031e	43		
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>74</b>	<b>Value per share (EUR)</b>	<b>18.16</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 %	15.04	15.23	15.44	15.67	15.91	16.16	16.44	1.68	9.6 %	14.44	14.85	15.26	15.67	16.08	16.48	16.89
1.56	9.1 %	16.07	16.31	16.56	16.83	17.12	17.43	17.77	1.56	9.1 %	15.52	15.95	16.39	16.83	17.27	17.70	18.14
1.50	8.8 %	16.64	16.90	17.17	17.47	17.79	18.14	18.51	1.50	8.8 %	16.11	16.57	17.02	17.47	17.93	18.38	18.83
1.44	8.6 %	17.24	17.53	17.84	18.16	18.52	18.90	19.32	1.44	8.6 %	16.75	17.22	17.69	18.16	18.63	19.11	19.58
1.38	8.3 %	17.89	18.21	18.55	18.91	19.30	19.73	20.20	1.38	8.3 %	17.44	17.93	18.42	18.91	19.40	19.89	20.38
1.32	8.1 %	18.59	18.94	19.31	19.72	20.16	20.64	21.16	1.32	8.1 %	18.19	18.70	19.21	19.72	20.23	20.74	21.25
1.20	7.6 %	20.15	20.58	21.04	21.55	22.10	22.71	23.38	1.20	7.6 %	19.88	20.44	20.99	21.55	22.10	22.66	23.21

- 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	2018	2019e	2020e
Price / Book	0.6 x	0.7 x	0.6 x	1.0 x	1.7 x	1.7 x	1.7 x
Book value per share ex intangibles	0.52	-0.83	-0.49	-2.49	-1.23	-0.97	-0.20
EV / Sales	0.8 x	1.2 x	0.8 x	1.8 x	3.0 x	2.6 x	2.0 x
EV / EBITDA	4.1 x	4.4 x	5.9 x	18.7 x	13.0 x	10.9 x	7.8 x
EV / EBIT	6.7 x	10.7 x	17.4 x	254.3 x	23.4 x	16.8 x	10.6 x
EV / EBIT adj.*	6.7 x	10.7 x	17.4 x	254.3 x	23.4 x	16.8 x	10.6 x
P / FCF	22.7 x	7.9 x	6.3 x	14.3 x	26.1 x	18.2 x	13.2 x
P / E	12.8 x	7.9 x	32.0 x	n.a.	70.1 x	26.0 x	16.6 x
P / E adj.*	12.8 x	7.9 x	32.0 x	n.a.	70.1 x	26.0 x	16.6 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 %	5.0 %	6.6 %	9.2 %

\*Adjustments made for: No adjustments of earnings

## Consolidated profit and loss

In EUR m	2014	2015	2016	2017	2018	2019e	2020e
<b>Sales</b>	<b>13.8</b>	<b>14.2</b>	<b>16.3</b>	<b>19.2</b>	<b>20.4</b>	<b>22.4</b>	<b>26.9</b>
Change Sales yoy	n.a.	2.8 %	15.0 %	17.8 %	6.4 %	10.0 %	20.0 %
COGS	5.9	7.7	7.7	8.4	8.4	9.0	10.8
<b>Gross profit</b>	<b>7.9</b>	<b>6.5</b>	<b>8.6</b>	<b>10.8</b>	<b>12.0</b>	<b>13.5</b>	<b>16.2</b>
<i>Gross margin</i>	<i>57.1 %</i>	<i>45.8 %</i>	<i>52.9 %</i>	<i>56.3 %</i>	<i>58.7 %</i>	<i>60.0 %</i>	<i>60.0 %</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	4.9	5.4	6.2
Administration expenses	3.3	4.0	3.9	5.0	4.8	4.9	5.0
Other operating expenses	0.1	0.3	0.4	1.0	0.3	0.3	0.3
Other operating income	1.7	4.3	1.6	0.7	0.7	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>4.7</b>	<b>5.4</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>23.1 %</i>	<i>24.0 %</i>	<i>26.0 %</i>
Depreciation of fixed assets	0.0	0.0	1.2	0.5	0.5	0.5	0.5
<b>EBITA</b>	<b>1.7</b>	<b>1.6</b>	<b>1.1</b>	<b>1.3</b>	<b>4.2</b>	<b>4.9</b>	<b>6.5</b>
Amortisation of intangible assets	0.0	0.0	0.3	1.2	1.6	1.4	1.4
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>2.6</b>	<b>3.5</b>	<b>5.1</b>
<i>Margin</i>	<i>12.3 %</i>	<i>11.4 %</i>	<i>4.8 %</i>	<i>0.7 %</i>	<i>12.9 %</i>	<i>15.5 %</i>	<i>18.9 %</i>
<b>EBIT adj.</b>	<b>1.7</b>	<b>1.6</b>	<b>0.8</b>	<b>0.1</b>	<b>2.6</b>	<b>3.5</b>	<b>5.1</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	0.9	0.5	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>1.8</b>	<b>3.0</b>	<b>4.7</b>
<i>Margin</i>	<i>12.3 %</i>	<i>11.2 %</i>	<i>4.2 %</i>	<i>-0.8 %</i>	<i>8.7 %</i>	<i>13.5 %</i>	<i>17.4 %</i>
Total taxes	0.7	-0.1	0.1	0.2	1.0	0.8	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>0.8</b>	<b>2.2</b>	<b>3.4</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>0.8</b>	<b>2.2</b>	<b>3.4</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>0.8</b>	<b>2.2</b>	<b>3.4</b>
<i>Margin</i>	<i>8.0 %</i>	<i>14.0 %</i>	<i>2.5 %</i>	<i>-1.7 %</i>	<i>4.1 %</i>	<i>9.7 %</i>	<i>12.5 %</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>0.20</b>	<b>0.53</b>	<b>0.83</b>
EPS adj.	0.37	0.67	0.14	-0.09	0.20	0.53	0.83

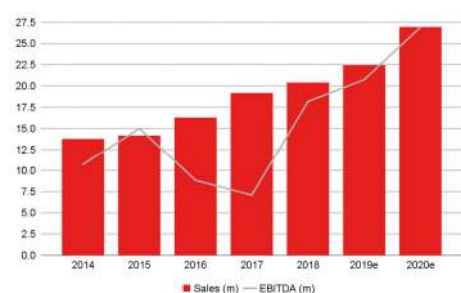
\*Adjustments made for: No adjustments of earnings

**Guidance: Sales EUR 21.0-23.0m, EBITDA EUR 5.0m to EUR 5.6m**

## Financial Ratios

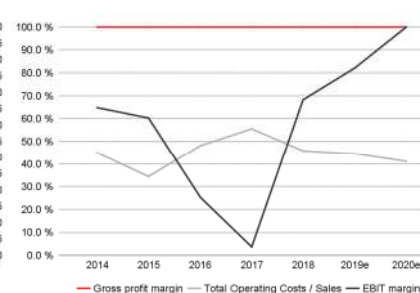
	2014	2015	2016	2017	2018	2019e	2020e
Total Operating Costs / Sales	44.9 %	34.4 %	48.1 %	55.6 %	45.8 %	44.5 %	41.1 %
Operating Leverage	n.a.	-1.6 x	-3.4 x	-4.7 x	290.0 x	3.2 x	2.3 x
EBITDA / Interest expenses	28.9 x	35.4 x	19.0 x	9.2 x	5.3 x	12.0 x	17.5 x
Tax rate (EBT)	41.7 %	-7.2 %	10.3 %	-112.4 %	53.4 %	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	165,927	181,030	217,209

**Sales, EBITDA**  
in EUR m



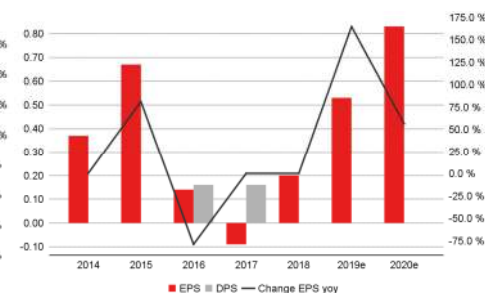
Source: Warburg Research

**Operating Performance**  
in %



Source: Warburg Research

**Performance per Share**



Source: Warburg Research

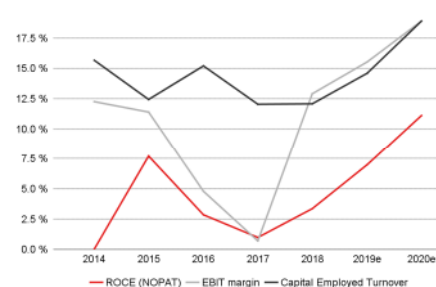
## Consolidated balance sheet

In EUR m	2014	2015	2016	2017	2018	2019e	2020e
<b>Assets</b>							
Goodwill and other intangible assets	20.6	26.2	25.1	39.9	38.3	36.9	35.5
thereof other intangible assets	6.7	12.5	11.7	21.5	20.0	18.6	17.2
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	6.8	7.0	7.3
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>50.7</b>	<b>49.5</b>	<b>48.4</b>
Inventories	0.3	0.4	0.3	0.5	0.5	0.6	0.7
Accounts receivable	3.9	3.7	3.6	3.8	4.0	4.5	5.3
Liquid assets	3.7	2.1	2.8	4.2	4.8	7.9	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>10.6</b>	<b>14.3</b>	<b>19.5</b>
<b>Total Assets</b>	<b>37.1</b>	<b>43.8</b>	<b>43.4</b>	<b>62.0</b>	<b>61.3</b>	<b>63.8</b>	<b>67.9</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	2.1	4.3	7.7
Other equity components	-0.5	-0.4	-0.5	-0.5	3.0	0.5	-1.1
Shareholders' equity	22.2	23.8	23.6	29.5	33.2	32.9	34.7
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>33.3</b>	<b>33.0</b>	<b>34.8</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	2.9	3.2	3.9
Other liabilities	12.7	14.2	15.1	19.4	15.9	18.4	20.1
<b>Liabilities</b>	<b>14.9</b>	<b>20.0</b>	<b>19.8</b>	<b>32.3</b>	<b>27.9</b>	<b>30.8</b>	<b>33.1</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>61.3</b>	<b>63.8</b>	<b>67.9</b>

## Financial Ratios

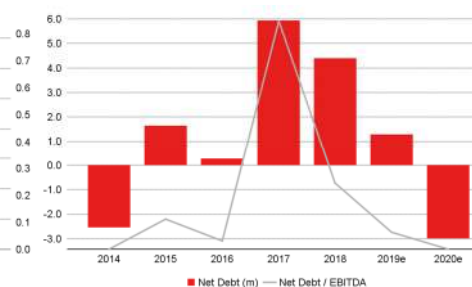
	2014	2015	2016	2017	2018	2019e	2020e
<b>Efficiency of Capital Employment</b>							
Operating Assets Turnover	1.7 x	1.9 x	2.2 x	2.3 x	2.4 x	2.5 x	2.9 x
Capital Employed Turnover	0.7 x	0.6 x	0.7 x	0.5 x	0.5 x	0.7 x	0.8 x
ROA	4.1 %	5.4 %	1.1 %	-0.6 %	1.6 %	4.4 %	7.0 %
<b>Return on Capital</b>							
ROCE (NOPAT)	n.a.	7.7 %	2.8 %	1.0 %	3.3 %	7.0 %	11.1 %
ROE	n.a.	8.6 %	1.7 %	-1.2 %	2.6 %	6.6 %	10.0 %
Adj. ROE	n.a.	8.6 %	1.7 %	-1.2 %	2.6 %	6.6 %	10.0 %
<b>Balance sheet quality</b>							
Net Debt	-2.5	1.6	0.3	5.9	4.4	1.3	-3.0
Net Financial Debt	-2.5	1.6	0.3	5.9	4.4	1.3	-3.0
Net Gearing	-11.5 %	6.9 %	1.1 %	20.0 %	13.2 %	3.9 %	-8.6 %
Net Fin. Debt / EBITDA	n.a.	42.3 %	11.8 %	322.7 %	93.1 %	24.0 %	n.a.
Book Value / Share	7.5	8.0	8.0	7.1	8.0	7.9	8.4
Book value per share ex intangibles	0.5	-0.8	-0.5	-2.5	-1.2	-1.0	-0.2

### ROCE Development



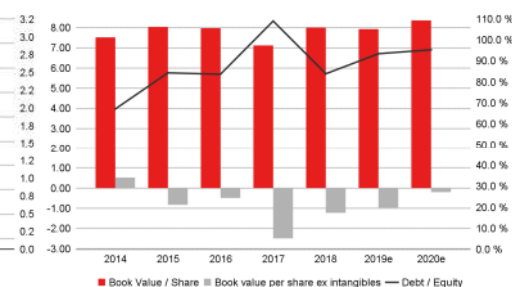
Source: Warburg Research

### Net debt in EUR m



Source: Warburg Research

### Book Value per Share in EUR



Source: Warburg Research

## Consolidated cash flow statement

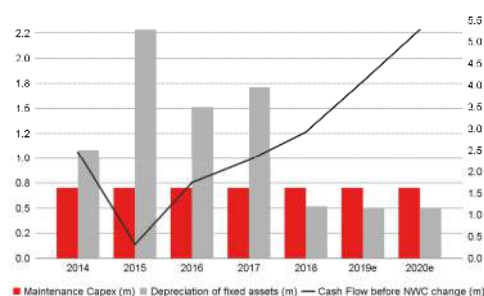
In EUR m	2014	2015	2016	2017	2018	2019e	2020e
Net income	1.7	1.6	0.7	-0.2	0.8	2.2	3.4
Depreciation of fixed assets	1.1	2.3	1.5	1.7	0.5	0.5	0.5
Amortisation of goodwill	0.0	-3.1	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.3	1.2	1.6	1.4	1.4
Increase/decrease in long-term provisions	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>2.3</b>	<b>2.9</b>	<b>4.1</b>	<b>5.3</b>
Increase / decrease in inventory	0.3	-0.1	0.1	0.1	0.0	-0.1	-0.1
Increase / decrease in accounts receivable	-1.5	2.5	0.0	0.1	-0.2	-0.5	-0.8
Increase / decrease in accounts payable	0.0	0.0	0.0	0.0	0.1	0.3	0.7
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	-0.1	-0.3	-0.2
<b>Net cash provided by operating activities [1]</b>	<b>1.1</b>	<b>2.6</b>	<b>2.6</b>	<b>2.7</b>	<b>2.9</b>	<b>3.8</b>	<b>5.1</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	-0.8
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>-0.8</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>2.6</b>	<b>0.6</b>	<b>3.1</b>	<b>4.3</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	5.4	4.8	7.9	12.2

## Financial Ratios

	2014	2015	2016	2017	2018	2019e	2020e
<b>Cash Flow</b>							
FCF	0.6	2.0	2.1	2.0	2.2	3.1	4.3
Free Cash Flow / Sales	4.5 %	13.9 %	12.9 %	10.4 %	10.8 %	13.8 %	15.9 %
Free Cash Flow Potential	1.4	3.3	1.5	1.0	3.1	3.8	5.0
Free Cash Flow / Net Profit	55.9 %	99.2 %	516.4 %	-616.4 %	265.0 %	142.2 %	126.6 %
Interest Received / Avg. Cash	n.a.	3.4 %	3.7 %	0.9 %	1.0 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	n.a.	4.5 %	3.6 %	3.0 %	9.2 %	4.9 %	4.4 %
<b>Management of Funds</b>							
Investment ratio	3.2 %	4.4 %	2.8 %	3.9 %	3.3 %	3.0 %	3.0 %
Maint. Capex / Sales	5.1 %	4.9 %	4.3 %	3.6 %	3.4 %	3.1 %	2.6 %
Capex / Dep	n.a.	n.a.	30.0 %	44.1 %	32.4 %	35.7 %	42.1 %
Avg. Working Capital / Sales	n.a.	20.3 %	14.0 %	10.0 %	7.7 %	7.8 %	7.4 %
Trade Debtors / Trade Creditors	558.0 %	198.1 %	224.0 %	138.0 %	137.9 %	140.6 %	135.9 %
Inventory Turnover	19.9 x	18.2 x	26.4 x	16.8 x	16.9 x	15.0 x	15.4 x
Receivables collection period (days)	103	97	80	72	72	73	72
Payables payment period (days)	43	90	76	120	125	130	132
Cash conversion cycle (Days)	78	27	18	-26	-32	-33	-37

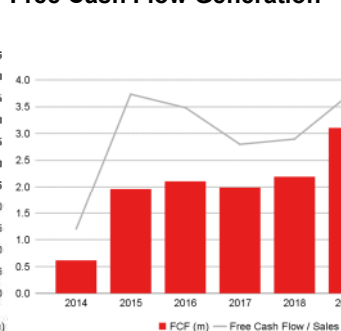
### CAPEX and Cash Flow

in EUR m



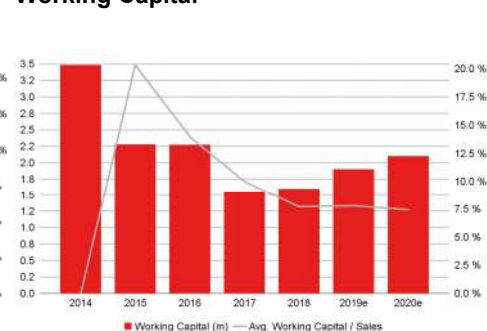
Source: Warburg Research

### Free Cash Flow Generation



Source: Warburg Research

### Working Capital



Source: Warburg Research



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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.

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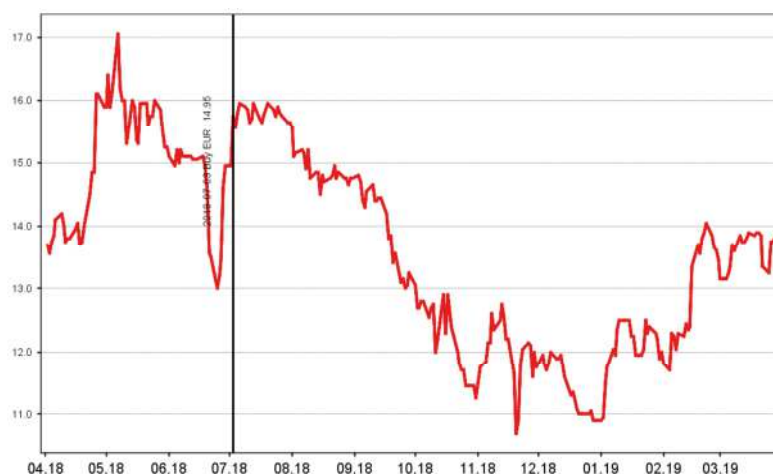
Rating	Number of stocks	% of Universe
Buy	129	65
Hold	56	28
Sell	5	3
Rating suspended	8	4
<b>Total</b>	<b>198</b>	<b>100</b>

## 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	30	77
Hold	7	18
Sell	0	0
Rating suspended	2	5
<b>Total</b>	<b>39</b>	<b>100</b>

## PRICE AND RATING HISTORY VITA 34 AS OF 29.03.2019



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:

Warburg Research [research.mmwarburg.com/en/index.html](http://research.mmwarburg.com/en/index.html)  
Bloomberg MMWA GO  
FactSet [www.factset.com](http://www.factset.com)

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