

Recommendation: **BUY** (BUY) Risk: **MEDIUM** (MEDIUM) Price Target: **EUR 6.00** (6.00)

12 July 2013

Possible acquisition of AIM Group ...

... would catapult M.A.X. in new sales areas

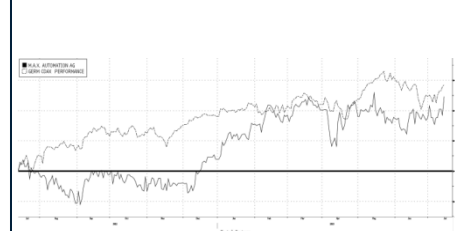
- The M.A.X. Automation AG is currently checking the acquisition of the AIM-Group. It is conducting talks with the company's owner, the Günther Holding GmbH. In the course of their talks and based on a non-binding declaration of intent, M.A.X. Automation AG conducted a provisional due diligence of the AIM-Group. According to that, a proper due diligence will be conducted in the near future.
- In case M.A.X. Automation AG decides to acquire the AIM-Group, Günther Holding GmbH wants to become the major shareholder and would therefore buy up to about 29.9% of the shares from FORTAS AG as well as from other shareholders of the M.A.X. Automation AG. Günther Holding GmbH is the investment arm of the lottery manager Mr. Günther.
- The AIM Group consists out of four companies that mainly address the automotive industries but also other sectors such as medical. Therefore M.A.X. would be able to broaden its customer basis and industrial knowledge.
- According to M.A.X., AIM generated sales of approximately EUR 130m in FY 2012. A successful acquisition would allow the combined M.A.X group to generate approximately EUR 450m in sales and higher earnings in the short-term. However, AIM's margins, its net debt position or purchase price have not been disclosed so far. The transaction could be closed by the end of 3Q/13. M.A.X. plans to finance the acquisition with cash and new debts.
- Based on higher sales and earnings levels, the attractiveness for institutional investors should rise. Therefore M.A.X. plans to switch from the General Standard to the Prime Standard on the stock exchange. Furthermore, M.A.X. aims to become a SDAX member in the mid-term.
- In our view the acquisition of the AIM Group makes sense for M.A.X. Automation. Mr. Bönninghausen (chairman of the supervisory board) today bought 9,973 M.A.X. shares which is a strong commitment to the company. We confirm our BUY recommendation and the EUR 6.00 price target.

Key data

FY 12/31, EUR m	2010	2011	2012	2013E	2014E	2015E
Sales	189.7	260.0	244.3	273.3	288.3	298.3
EBIT	9.5	16.1	13.4	17.7	19.4	20.7
Net result	6.2	12.1	8.4	12.2	13.5	14.5
EPS	0.23	0.45	0.31	0.45	0.50	0.54
DPS	0.10	0.16	0.10	0.15	0.18	0.19
Gross margin	48.8%	43.6%	47.9%	55.3%	55.2%	55.2%
EBIT margin	5.0%	6.2%	5.5%	6.5%	6.7%	6.9%
ROE	8.1%	14.1%	9.5%	12.5%	12.6%	12.4%
ROA	3.8%	6.6%	4.2%	5.8%	6.0%	6.1%
EV/EBITDA	9.1	5.8	6.5	5.3	4.9	4.7
EV/EBIT	12.7	7.5	9.0	6.8	6.2	5.8
P/E	18.2	9.3	13.5	9.3	8.4	7.8

Source: M.A.X. Automation AG, CBS Research AG

Share price (dark) vs. CDAX



Source: CBS Research, Bloomberg, M.A.X. Automation AG

Change	2013E		2014E		2015E	
	new	old	new	old	new	old
Sales	-	273.3	-	288.3	298.3	-
EBIT	-	17.7	-	19.4	20.7	-
EPS	-	0.45	-	0.50	0.54	-

Internet: maxautomation.de Sector: All Industrial
WKN: 658090 ISIN: DE0006580905
Reuters: MAXG.DE Bloomberg: MXH GY

Short company profile:

M.A.X. Automation AG is an international group operating in the two core segments "Environmental Technology" and "Industrial Automation". The company is committed to successfully developing and advancing medium-sized automation specialists.

Share data:

Share price (EUR, latest closing price):	4.23
Shares outstanding (m):	26.8
Market capitalisation (EUR m):	113.3
Enterprise value (EUR m):	120.3
Ø daily trading volume (3 m., no. of shares):	13,862

Performance data:

High 52 weeks (EUR):	4.70
Low 52 weeks (EUR):	3.29
Absolute performance (12 months):	20.4%
Relative performance vs. CDAX:	
1 month	2.4%
3 months	-2.3%
6 months	1.5%
12 months	-6.4%

Shareholders:

Fortas AG	22.6%
DWS	7.4%
Hans W. Bönninghausen	3.7%
Stüber & Co.KG	5.0%
Others	8.2%
Free float	53.1%

Financial calendar:

AGM	18 July 2013
2Q 2013 report	August 2013

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AIM Group

AIM Micro-Systems GmbH (based in Triptis) specializes in highly integrated technology for the production of optoelectronic modules and microoptic components. The company's main target markets include the medical equipment, automotive, sensors and laser industries.

ELWEMA Automotive GmbH (based in Ellwangen, Monschau) develops and builds highly flexible equipment solutions for the production of engine components – such as cylinder heads and crankcases – and supplies a manufacturing technology with its RPM (cleaning, testing, assembly) suite.

Rohwedder Macro Assembly GmbH (based in Bermatingen) specializes in the development and manufacture of semi- and fully automatic assembly lines for gear units, steering systems and clutches, as well as of standardized manufacturing systems for medical equipment.

Rohwedder Micro Assembly GmbH (based in St. Leon-Rot) designs and manufactures high-precision assembly systems for micro-level technology devices such as injectors, printed circuit boards or mobile phone loudspeakers.

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BUY: The expected performance of the share price is above +10%.

HOLD: The expected performance of the share price is between 0% and +10%.

SELL: The expected performance of the share price is below 0%.

Recommendation history over the last 12 months for the company analysed in this report:

Date	Recommendation	Price at change date	Price target
13 August 2012	BUY	EUR 3.64	EUR 5.50
22 November 2012	BUY	EUR 3.51	EUR 5.00
11 March 2013	BUY	EUR 4.49	EUR 6.00
12 July 2013	BUY	EUR 4.23	EUR 6.00

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LOW: The volatility is expected to be lower than the volatility of the benchmark

MEDIUM: The volatility is expected to be equal to the volatility of the benchmark

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