

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

01 October 2013

AIM Group: Contract of purchase signed Increased competence in the automotive sector

- M.A.X. Automation AG recently announced a purchase agreement for the AIM Group, a subsidiary of Günther Holding GmbH. It is the biggest acquisition in the company's history and M.A.X. Automation AG is going to expand its core business for industrial automation.
- The AIM Group operates in the areas of cleaning-, inspections-, assembly and automation technology with a focus on the automotive and medicine industry. It consists of the holding company AIM-Assembly in Motion GmbH, Ellwangen Jagst, with its subsidiaries ELWEMA Automotive GmbH, Ellwangen Jagst, Rohwedder Macro Assembly GmbH, Bermatingen, Rohwedder Micro Assembly GmbH, St. Leon-Rot, and AIM Micro Systems GmbH, Triptis. The AIM Group revenues for FY 2014E are estimated between EUR 130m and 140m with an EBIT margin of 5% to 6%. The closing is expected to become effective in 4Q 2013 when several preconditions, including the antitrust approval, are fulfilled.
- Connected with the acquisition of the AIM-group, the Fortas AG, Rösrath, as well as other investors are going to submit their shares of M.A.X. Automation AG to a company of the Günther Group. The Günther Group is then going to become a new anchor shareholder and intends to acquire up to 29.9% of M.A.X. Automation AG shares.
- Financial details with regard to purchase price and net debt of AIM group were not disclosed. A rough estimate for the new M.A.X.Group may be:

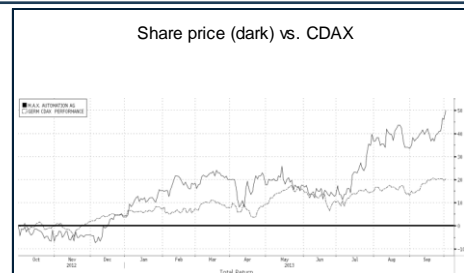
FY 12/31, EUR m	2014E	2015E
Sales	423.3	438.3
EBIT	25.0	27.2
Net result	16.0	17.5
EPS	0.60	0.65
EBIT margin	5.9%	6.2%
EV/EBITDA	6.2	5.8
EV/EBIT	7.5	6.9
P/E	8.7	8.0

- Via the acquisition of the AIM Group, M.A.X. will clearly improve its competence in the automotive sector and thus increase its clients' base. Our recommendation remains BUY and PT EUR 6.00.

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	0.15	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%	12.6%	12.7%	12.5%
ROA	3.8%	6.6%	4.2%	5.8%	6.1%	6.2%
EV/EBITDA	11.1	7.1	7.9	6.5	6.0	5.7
EV/EBIT	15.5	9.1	11.0	8.3	7.6	7.1
P/E	22.6	11.5	16.7	11.5	10.4	9.7

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



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):	5.23
Shares outstanding (m):	26.8
Market capitalisation (EUR m):	140.1
Enterprise value (EUR m):	147.1
Ø daily trading volume (3 m., no. of shares):	22,116

Performance data:

High 52 weeks (EUR):	5.47
Low 52 weeks (EUR):	3.34
Absolute performance (12 months):	45.3%
Relative performance vs. CDAX:	
1 month	5.7%
3 months	13.9%
6 months	8.6%
12 months	20.7%

Shareholders:

Fortas AG	22.6%
DWS	7.4%
Hans W. Bönninghausen	3.7%
Stüber & Co.KG	3.7%
Others	6.2%
Free float	56.4%

Financial calendar:

3Q 2013 report	November 2013
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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
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
16 August 2013	BUY	EUR 5.00	EUR 6.00

01 October 2013	BUY	EUR 5.23	EUR 6.00
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Close Brothers Seydler Research AG uses a 3-level risk-scaling system. The ratings pertain to a time horizon of up to 12 months:

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

HIGH: The volatility is expected to be higher than the volatility of the benchmark

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