

Recommendation: **BUY** (Buy) Risk: **Medium** (Medium) Price Target: **EUR 3.50** (3.50)

4 February 2010

Booming order intake...

...clearly indicates recovery in 2010

- On 28 January M.A.X. Automation AG announced that its subsidiary altmeyerBTD received the second major order from RWE Power. altmeyerBTD will be responsible for the development, delivery, assembly and implementation of a system for handling brown coal in power stations. The plant provides the power station boiler with additional energy from coal. The plant is to be built up in 2Q 2010, its volume lies in the middle single-digit EURm area – we assume EUR 5m. This order reflects altmeyerBTD's technological leadership in the field of bulk materials. Its clients will be able to reduce energy costs significantly.
- M.A.X. Automation is successful in its second business unit (Industrial Automation), too: On 4 February the company announced that its holding NSM Magnettechnik received a major order from the German subsidiary of a leading, international car supplier: NSM will build a feed system, its order volume amounts to EUR 4.1m.
- At the Close Brothers Seydler Bank's Small & Mid Cap conference, CEO Mr. Priske explained that order intake in 4Q 2009 grew in the double-digit area yoy, mainly driven by its Environmental Technology segment. We assume an increase of at least 20%. Furthermore, order intake in 1Q 2010 should be impressive, too, given the above mentioned orders.
- Impressive working capital management: During the investors' conference, Mr. Priske told that net debt fell into the single-digit area by the end of FY 2009. Currently we assume EUR 12.1m. Hence, when final figures for the past business year are released in April, there is room for increasing our price target.
- The company's latest news confirm our positive view on the stock. Especially the company's Environmental Technology division will benefit from rising raw material and energy prices as well as CO2 emission standards. The Industrial Automation unit will in the mid-term take-up momentum, too. We confirm our BUY rating with a EUR 3.50 price target.



Source: CBS Research AG, Bloomberg

Change	2009E		2010E		2011E	
	new	old	new	old	new	old
Sales	-	162.8	-	174.5	-	188.4
EBIT	-	0.3	-	7.4	-	10.8
EPS	-	0.00	-	0.14	-	0.23

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

Share data:

Share price (yesterday's closing):	EUR 2.65
Shares outstanding (m):	26.8
Market capitalisation (m):	EUR 71.00
Enterprise value (m):	EUR 83.04
Ø daily trading volume (shares):	20,680

Performance data:

High 52 weeks (EUR):	3.22
Low 52 weeks (EUR):	1.67
Absolute performance (12 months):	33.2%
Relative performance:	CDAX
1 month	19.0%
3 months	12.8%
6 months	2.1%
12 months	5.4%

Shareholders:

Fortas AG	22.6%
DWS	7.4%
Pioneer	7.1%
Hans W. Böninghausen	3.1%
Freefloat	59.9%

Financial calendar:

FY 2009 results	April 2010
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Key data

FY 12/31, EUR m	2007	2008	2009E	2010E	2011E
Sales	224.5	231.9	162.8	174.5	188.4
EBIT	18.6	14.1	0.3	7.4	10.8
Net result	11.0	10.6	0.0	3.8	6.1
EPS	0.41	0.39	0.00	0.14	0.23
DPS	0.10	0.05	0.05	0.05	0.05
Gross margin	49.3%	49.2%	52.4%	53.4%	54.6%
EBIT margin	8.3%	6.1%	0.2%	4.2%	5.7%
ROE	17.0%	14.5%	-0.1%	5.2%	7.7%
ROA	7.3%	6.5%	0.0%	2.5%	3.7%
EV/EBITDA	4.0	5.1	21.6	7.4	5.5
EV/EBIT	4.8	6.5	n.m.	11.1	7.5
P/E	6.5	6.7	n.m.	18.5	11.7

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

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

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

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

Recommendation history for the company analysed in this report:

Date	Recommendation	Price at change date	Price target
18 January 2010	BUY (Initiating Coverage)	EUR 2.55 (Initiating Coverage)	EUR 3.50
4 February 2010	BUY	EUR 2.65	EUR 3.50

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