

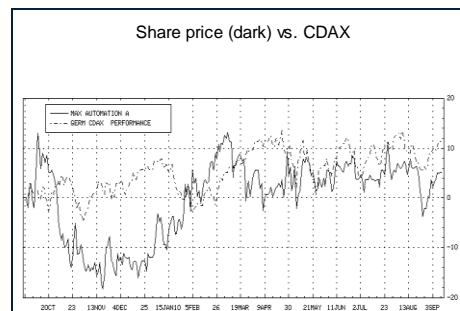
Recommendation: **BUY** (BUY) Risk: **MEDIUM** (MEDIUM) Price Target: **EUR 3.80** (3.80)

14 September 2010

A good second half 2010 ahead

M.A.X. announced some major orders

- NSM Magnettechnik GmbH is one of the leading international manufacturers for handling systems for metals. NSM automates the material flow in the most different production applications according to the most modern technical points of view. Last week, M.A.X. announced that NSM will produce a destacker for a German car manufacturer. The order volume is in the middle, single-digit EURm area.
- Order intake: During the period January to August 2010, M.A.X. group received orders amounting to EUR 124m (+21%) whilst the increase after the first 6 months of 2010 was just 17%. NSM's order intake was EUR 6m – one of the highest in the company's history.
- Based on the promising order situation, M.A.X. concretised its outlook for the current business year. Management expects sales of at least EUR 175m, EBIT should amount to more than EUR 7m. In our view, this guidance should be easily fulfilled.
- By the end of 2Q 2010 (30 June), liquidity amounted to EUR 19.2m that can be used to strengthen M.A.X.'s segments "Environmental Technology" and "Industrial Automation" via acquisition.
- M.A.X.'s outlook looks promising, the company is clearly back on its growth path. We leave estimates and the price target (EUR 3.80) unchanged. We confirm our BUY recommendation.



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

Change	2010E		2011E		2012E	
	new	old	new	old	new	old
Sales	-	174.5	-	188.4	-	204.8
EBIT	-	7.4	-	10.8	-	15.5
EPS	-	0.15	-	0.24	-	0.39

Internet: maxautomation.de Sektor: 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):	2.79
Shares outstanding (m):	26.8
Market capitalisation (EUR m):	74.8
Enterprise value (EUR m):	84.9
Ø daily trading volume (3 m., no. of shares):	16,199

Performance data:

High 52 weeks (EUR):	3.22
Low 52 weeks (EUR):	2.15
Absolute performance (12 months):	4.1%
Relative performance vs. CDAX:	
1 month	-4.1%
3 months	-2.3%
6 months	-6.6%
12 months	-7.1%

Shareholders:

Fortas AG	22.6%
DWS	7.4%
Pioneer	7.1%
Hans W. Bönninghausen	3.1%
Free float	59.9%

Financial calendar:

3Q figures: November 2010

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Key data

FY 12/31, EUR m	2007	2008	2009	2010E	2011E	2012E
Sales	224.5	231.9	156.5	174.5	188.4	204.8
EBIT	18.6	14.1	0.5	7.4	10.8	15.5
Net result	11.0	10.6	0.2	4.1	6.3	10.5
EPS	0.41	0.39	0.01	0.15	0.24	0.39
DPS	0.10	0.05	0.05	0.05	0.05	0.07
Gross margin	49.3%	49.2%	51.2%	53.4%	54.6%	55.7%
EBIT margin	8.3%	6.1%	0.3%	4.2%	5.7%	7.6%
ROE	17.0%	14.5%	0.3%	5.5%	7.9%	12.0%
ROA	7.3%	6.5%	0.1%	2.6%	3.8%	5.9%
EV/EBITDA	4.2	5.3	19.3	7.6	5.7	4.3
EV/EBIT	5.0	6.8	n.m.	11.5	7.9	5.5
P/E	6.8	7.1	n.m.	18.3	11.8	7.1

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 is between 0% and +10%.

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Recommendation history over the last 12 months 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
23 February 2010	BUY	EUR 2.91	EUR 3.80
6 May 2010	BUY	EUR 2.79	EUR 3.80
14 September 2010	BUY	EUR 2.79	EUR 3.80

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

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