

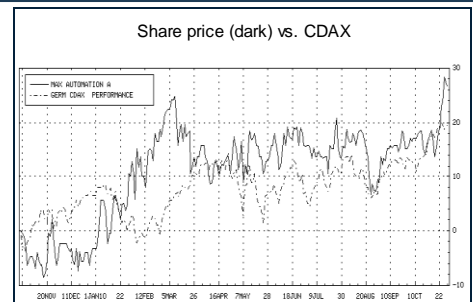
Recommendation: **BUY** (BUY) Risk: **MEDIUM** (MEDIUM) Price Target: **EUR 3.80** (3.80)

1 November 2010

3Q 2010 key figures

... indicate strong mid-term perspectives

- Last week M.A.X. released some figures for the third quarter 2010: the company was able to significantly increase order intake by 60.5% to EUR 59.8m. For the period Jan – Sep total orders amounted to EUR 149.3m (+31.3% yoy).
- Sales in 3Q 2010 were impressive EUR 51.4m (+ 22.2%). EBIT in the quarter could be increased to EUR 2.6m (+27.2%).
- During the first 9 months, sales climbed by 12.1% to EUR 130.2m, the EBIT was EUR 4.4m (EUR 0m in 9M 2009). Net profit in the period under review was EUR 2.6m.
- Based on the promising order situation, M.A.X. confirmed 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.
- So far we estimate order intake to be at EUR 170.0m in the current business year. Considering the EUR 149.3m by the end of September, this forecast may be too conservative. Assuming an order intake of approximately EUR 200m, an increase of our FY 2011E and FY 2012E estimates could be necessary.
- Taking into account this positive order development, we confirm our BUY recommendation with a EUR 3.80 price target.



Source: CBS Research, 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 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):	3.09
Shares outstanding (m):	26.8
Market capitalisation (EUR m):	82.8
Enterprise value (EUR m):	92.9
Ø daily trading volume (3 m., no. of shares):	16,222

Performance data:

High 52 weeks (EUR):	3.14
Low 52 weeks (EUR):	2.15
Absolute performance (12 months):	27.6%
Relative performance vs. CDAX:	
1 month	3.0%
3 months	4.7%
6 months	0.2%
12 months	2.9%

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	4.5	5.8	21.1	8.4	6.3	4.7
EV/EBIT	5.4	7.4	n.m.	12.6	8.6	6.0
P/E	7.6	7.8	n.m.	20.2	13.1	7.9

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
1 November 2010	BUY	EUR 3.09	EUR 3.80

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