

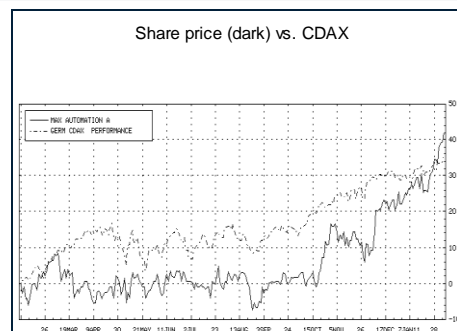
Recommendation: **BUY** (BUY) Risk: **MEDIUM** (MEDIUM) Price Target: **EUR 5.20** (4.15)

07 February 2011

FY 2010: Excellent set of figures

4Q EBIT-margin at approx. 8.5%

- Today M.A.X. Automation released some key preliminary figures for FY 2010, highlights are as follows:
- Order intake rose by approximately 28% to EUR 210.6m, we had assumed EUR 200m. 4Q 2010 order intake amounted to more than EUR 60m!
- Revenues climbed to EUR 190m (+21% yoy). EBIT rose to EUR 9.5m after EUR 0.5m in FY 2009. We had estimated EUR 7.8m. EBIT-margin for the M.A.X. group was 5.0% according to preliminary calculations in FY 2010. In 4Q EBIT-margin reached a level of 8.5%, reflecting the realisation of attractive and quality orders. Its former guidance – dated December 2010 – was sales of EUR 180 – 185m and EBIT of EUR 8m for FY 2010.
- Liquidity amounted to EUR 27.3m (31 December 2009: EUR 24.4m). Net debt dropped to approx. zero, which lies ahead of our estimates, too.
- Outlook: According to M.A.X., the company continued its growth path in both business divisions “Environmental Technology” and “Industrial Automation” in 1Q 2011. For the full year 2011, sales of more than EUR 200m and an EBIT in the range from EUR 12.5m to 13.5m are expected.
- We adjusted our estimates upwards, resulting in a new price target of EUR 5.20 (old: EUR 4.15). We therefore 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	190.0	182	212.4	203.4	232.3	222.3
EBIT	9.5	7.8	13.8	11.2	17.0	15.8
EPS	0.21	0.16	0.34	0.25	0.43	0.40

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):	3.88
Shares outstanding (m):	26.8
Market capitalisation (EUR m):	104.0
Enterprise value (EUR m):	103.9
Ø daily trading volume (3 m., no. of shares):	19,746

Performance data:

High 52 weeks (EUR):	4.03
Low 52 weeks (EUR):	2.48
Absolute performance (12 months):	41.3%
Relative performance vs. CDAX:	
1 month	9.2%
3 months	16.0%
6 months	21.1%
12 months	4.6%

Shareholders:

Fortas AG	22.6%
DWS	7.4%
Universal Investment	3.0%
Hans W. Bönninghausen	3.1%
Free float	63.9%

Financial calendar:

FY 2010 annual report April 2011

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Key data

FY 12/31, EUR m	2007	2008	2009	2010E	2011E	2012E
Sales	224.5	231.9	156.5	190.0	212.4	232.3
EBIT	18.6	14.1	0.5	9.5	13.8	17.0
Net result	11.0	10.6	0.2	5.7	9.0	11.5
EPS	0.41	0.39	0.01	0.21	0.34	0.43
DPS	0.10	0.05	0.05	0.07	0.12	0.14
Gross margin	49.3%	49.2%	51.2%	53.3%	54.4%	55.5%
EBIT margin	8.3%	6.1%	0.3%	5.0%	6.5%	7.3%
ROE	17.0%	14.5%	0.3%	7.5%	10.8%	12.7%
ROA	7.3%	6.5%	0.1%	3.6%	5.2%	6.2%
EV/EBITDA	5.5	6.9	23.6	7.8	5.9	4.9
EV/EBIT	6.5	8.9	n.m.	10.9	7.6	6.1
P/E	9.5	9.8	n.m.	18.2	11.5	9.0

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

Research



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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
8 December 2010	BUY	EUR 3.04	EUR 4.15
7 February 2011	BUY	EUR 3.88	EUR 5.20

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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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