

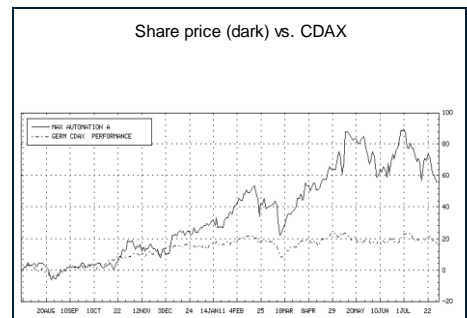
Recommendation: **BUY** (BUY) Risk: **MEDIUM** (MEDIUM) Price Target: **EUR 5.60** (5.60)

01 August 2011

1H 2011: Strong order intake ...

... outperforms VDMA market data

- M.A.X. Automation's business development took up further momentum: Group's order intake increased by 72.3% in the first half of FY 2011, which marks the highest figure in the company's history. Furthermore, the VDMA today published order intake figures for the 1H 2011 period, which amounted to a growth of 23%, clearly below the M.A.X.' results.
- Additionally, M.A.X. reported that sales grew to EUR 121.1m (+53.7%), book to bill-ratio is at 1.27. EBIT climbed from EUR 1.8m to EUR 5.4m, net profit stands at EUR 3.2m (1H 2010: EUR 1.0m).
- Environmental Technology: Sales increased by 55.0% to EUR 72.1m. EBIT was nearly unchanged (EUR 1.3m) due to up-front costs especially for Vecoplan. For the second half of 2011, EBIT will rise as higher-margin orders are realized.
- Industrial Automation: Sales rose to EUR 49.8m (+53.3% yoy), EBIT increased from EUR 1.3m to EUR 4.9m.
- M.A.X. confirmed its outlook for the current business year: Sales should amount to more than EUR 200m, EBIT is expected to come in between EUR 12.5m and EUR 13.5m. Based on excellent 1H results, the company should easily meet its targets.
- In our modelling we assume order intake to be at EUR 245m for FY 2011. Probability has risen that this assumption is too conservative, meaning that our expectations for M.A.X.' sales development in FY 2012 and 2013 allows for further upside.
- For the time being, we leave estimates unchanged. We confirm our BUY recommendation.



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

Change	2011E		2012E		2013E	
	new	old	new	old	new	old
Sales	-	217.4	-	238.3	-	251.3
EBIT	-	15.1	-	18.8	-	20.9
EPS	-	0.37	-	0.47	-	0.52

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):	4.20
Shares outstanding (m):	26.8
Market capitalisation (EUR m):	112.5
Enterprise value (EUR m):	112.6
Ø daily trading volume (3 m., no. of shares):	39,124

Performance data:

High 52 weeks (EUR):	5.21
Low 52 weeks (EUR):	2.48
Absolute performance (12 months):	53.3%
Relative performance vs. CDAX:	
1 month	-12.4%
3 months	-0.1%
6 months	16.1%
12 months	33.0%

Shareholders:

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

Financial calendar:

2Q 2011 Report	August 2011
3Q 2011 Report	November 2011

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Key data

FY 12/31, EUR m	2008	2009	2010	2011E	2012E	2013E
Sales	231.9	156.5	189.7	217.4	238.3	251.3
EBIT	14.1	0.5	9.5	15.1	18.8	20.9
Net result	10.6	0.2	6.2	9.8	12.5	14.0
EPS	0.39	0.01	0.23	0.37	0.47	0.52
DPS	0.05	0.05	0.10	0.13	0.16	0.18
Gross margin	49.2%	51.2%	48.8%	54.4%	55.5%	55.4%
EBIT margin	6.1%	0.3%	5.0%	7.0%	7.9%	8.3%
ROE	14.5%	0.3%	8.1%	11.6%	13.4%	13.6%
ROA	6.5%	0.1%	3.8%	5.6%	6.6%	6.9%
EV/EBITDA	7.4	25.6	8.5	5.9	4.9	4.4
EV/EBIT	9.5	n.m.	11.8	7.5	6.0	5.4
P/E	10.7	n.m.	18.1	11.5	9.0	8.0

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

M.A.X. Automation AG
Profit and loss account

	IFRS	EURm	2007	2008	2009	2010	2011E	2012E	2013E
Sales			224.5	231.9	156.5	189.7	217.4	238.3	251.3
YoY growth			22.2%	3.3%	-32.5%	21.2%	14.6%	9.6%	5.5%
Change in inventories			-0.2	5.9	-5.9	1.3	1.2	1.5	1.5
Other activated own work			0.1	0.4	0.3	0.2	1.8	2.0	2.0
Total revenues			224.5	238.2	150.9	191.2	220.4	241.8	254.8
COGS			-113.8	-124.0	-70.9	-98.7	-102.2	-109.6	-115.6
in % of sales			-50.7%	-53.5%	-45.3%	-52.0%	-47.0%	-46.0%	-46.0%
Gross income			110.7	114.2	80.1	92.5	118.2	132.2	139.2
in % of sales			49.3%	49.2%	51.2%	48.8%	54.4%	55.5%	55.4%
Personnel expenses			-56.2	-59.8	-50.1	-51.7	-55.0	-55.5	-55.5
in % sales			-25.0%	-25.8%	-32.0%	-27.3%	-25.3%	-23.3%	-22.1%
Other operating expenses			-32.4	-36.4	-25.6	-27.6	-44.1	-53.7	-58.3
EBITDA			22.1	18.0	4.4	13.2	19.1	23.0	25.4
in % of sales			9.9%	7.7%	2.8%	7.0%	8.8%	9.7%	10.1%
Depreciation and amortisation			-3.5	-3.9	-3.9	-3.7	-4.0	-4.2	-4.5
in % of total revenues			-1.6%	-1.6%	-2.6%	-2.0%	-1.8%	-1.7%	-1.8%
EBIT			18.6	14.1	0.5	9.5	15.1	18.8	20.9
in % of sales			8.3%	6.1%	0.3%	5.0%	7.0%	7.9%	8.3%
Financial result			-1.7	-2.5	0.0	-1.5	-1.1	-1.0	-0.9
EBT			16.9	11.6	0.5	8.0	14.0	17.8	20.0
in % of sales			7.5%	5.0%	0.3%	4.2%	6.4%	7.5%	8.0%
Taxes			-6.0	-1.0	-0.3	-1.8	-4.2	-5.3	-6.0
as % of EBT			-35.3%	-8.8%	-63.8%	-22.1%	-30.0%	-30.0%	-30.0%
Net income including minorities			11.0	10.6	0.2	6.2	9.8	12.5	14.0
Minority interests/discontinued operations			0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income attributable to shareholders			11.0	10.6	0.2	6.2	9.8	12.5	14.0
in % of sales			4.9%	4.6%	0.1%	3.3%	4.5%	5.2%	5.6%
Shares outstanding (in millions)			26.8	26.8	26.8	26.8	26.8	26.8	26.8
Earnings per share (EUR)			0.41	0.39	0.01	0.23	0.37	0.47	0.52

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

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Date	Recommendation	Price at change date	Price target
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
6 April 2011	BUY	EUR 4.00	EUR 5.60
1 August 2011	BUY	EUR 4.20	EUR 5.60

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