

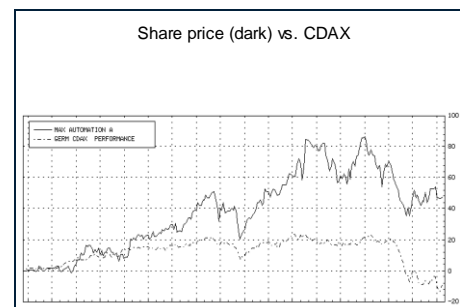
Recommendation: **BUY** (BUY) Risk: **MEDIUM** (MEDIUM) Price Target: **EUR 5.60** (5.60)

08 September 2011

## IWM: Highest order intake in

### ... the company's history

- M.A.X. Automation announced that its holding company IWM received 2 major orders totaling EUR 15m. IWM, a system integration specialist, develops and produces custom-built production systems, innovative cutting-edge plants and standard plants.
- Order I: IWM will deliver an automated production line for vehicle transmission to an important European car manufacturer. Its volume is in the lower double-digit EURm area, and is thus the biggest order in IWM's history. The production plant starts operations end of FY 2012. This order again demonstrates IWM's know how in the car industry.
- Order II: IWM will build a production system for electric motors for a Korean car supplier. These motors are part of a car's steering. The plant is to be set up until mid-2012 in South Korea. Order volume is in the mid single-digit EURm area.
- We estimate IWM's order intake at approx. EUR 20m until now. This implies a considerable success as FY 2010 sales amounted to EUR 19.6m. Furthermore, IWM did a significant step towards internationalization.
- These orders as well as the Group's order intake (1H 2011: EUR 154.3m) are a comfortable cushion for FY 2012.
- 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):	<b>4.00</b>
Shares outstanding (m):	26.8
Market capitalisation (EUR m):	107.3
Enterprise value (EUR m):	107.3
Ø daily trading volume (3 m., no. of shares):	44,134

#### Performance data:

High 52 weeks (EUR):	5.21
Low 52 weeks (EUR):	2.72
Absolute performance (12 months):	44.3%
Relative performance vs. CDAX:	
1 month	15.6%
3 months	17.6%
6 months	32.8%
12 months	58.6%

#### Shareholders:

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

#### Financial calendar:

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	7.1	24.4	8.1	5.6	4.7	4.2
EV/EBIT	9.1	n.m.	11.3	7.1	5.7	5.1
P/E	10.2	n.m.	17.3	10.9	8.6	7.7

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
<b>Sales</b>			<b>224.5</b>	<b>231.9</b>	<b>156.5</b>	<b>189.7</b>	<b>217.4</b>	<b>238.3</b>	<b>251.3</b>
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
<b>Total revenues</b>			<b>224.5</b>	<b>238.2</b>	<b>150.9</b>	<b>191.2</b>	<b>220.4</b>	<b>241.8</b>	<b>254.8</b>
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%
<b>Gross income</b>			<b>110.7</b>	<b>114.2</b>	<b>80.1</b>	<b>92.5</b>	<b>118.2</b>	<b>132.2</b>	<b>139.2</b>
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
<b>EBITDA</b>			<b>22.1</b>	<b>18.0</b>	<b>4.4</b>	<b>13.2</b>	<b>19.1</b>	<b>23.0</b>	<b>25.4</b>
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%
<b>EBIT</b>			<b>18.6</b>	<b>14.1</b>	<b>0.5</b>	<b>9.5</b>	<b>15.1</b>	<b>18.8</b>	<b>20.9</b>
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
<b>EBT</b>			<b>16.9</b>	<b>11.6</b>	<b>0.5</b>	<b>8.0</b>	<b>14.0</b>	<b>17.8</b>	<b>20.0</b>
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%
<b>Net income including minorities</b>			<b>11.0</b>	<b>10.6</b>	<b>0.2</b>	<b>6.2</b>	<b>9.8</b>	<b>12.5</b>	<b>14.0</b>
Minority interests/discontinued operations			0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income attributable to shareholders</b>			<b>11.0</b>	<b>10.6</b>	<b>0.2</b>	<b>6.2</b>	<b>9.8</b>	<b>12.5</b>	<b>14.0</b>
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
<b>Earnings per share (EUR)</b>			<b>0.41</b>	<b>0.39</b>	<b>0.01</b>	<b>0.23</b>	<b>0.37</b>	<b>0.47</b>	<b>0.52</b>

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

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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
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
8 September 2011	BUY	EUR 4.00	EUR 5.60

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