

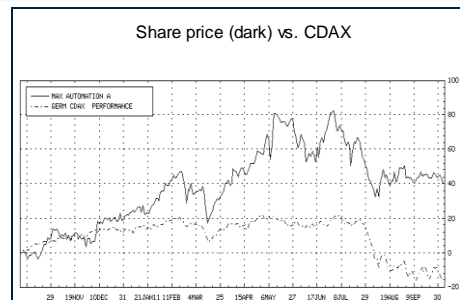
Recommendation: **BUY** (BUY) Risk: **MEDIUM** (MEDIUM) Price Target: **EUR 5.60** (5.60)

05 October 2011

Guidance for FY 2011 increased ...

... and FY 2012 could be even better

- M.A.X. Automation yesterday increased its guidance for the current business year. The company now expects sales of approx. EUR 250m and an EBIT in the range of EUR 14m to EUR 15m. So far the company expected sales above EUR 200m and EBIT of EUR 12.5m to EUR 13.5m. The new guidance is based on the assumption that the European debt crisis has no major impact on M.A.X.'s business.
- In our view, the "Industrial Automation" segment (1H 2011 sales EUR 49.8m, EBIT EUR 4.9m) is the major force behind the increased outlook. IWM Automation GmbH, for example, received significant orders from the car/automotive industry. The "Environmental Technology" unit (1H 2011 sales EUR 72.1m, EBIT EUR 1.3m) can be characterized by higher capex and start-up costs, e.g. the joint venture with Polysius AG, a subsidiary of ThyssenKrupp.
- For the "Environmental Technology" segment, we assume revenues of EUR 150m with an EBIT-margin of 5% for the full year 2011. The "Industrial Automation" segment should generate sales of EUR 103m with EBIT-margin of 9.5%
- For FY 2012 we assume further growth resulting in revenues of approx. EUR 280m for the group. In comparison to the current business year we assume the EBIT-margin of the "Environmental Technology" to rise to 6.5%. A further improvement should be realized in FY 2013.
- Many of M.A.X.'s holdings have reached their capacity limits. We increase our estimates for M.A.X. and 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	251.4	217.4	279.3	238.3	286.3	251.3
EBIT	15.3	15.1	19.5	18.8	23.2	20.9
EPS	0.37	0.37	0.48	0.47	0.58	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):	4.00
Shares outstanding (m):	26.8
Market capitalisation (EUR m):	107.2
Enterprise value (EUR m):	107.2
Ø daily trading volume (3 m., no. of shares):	42,441

Performance data:

High 52 weeks (EUR):	5.21
Low 52 weeks (EUR):	2.72
Absolute performance (12 months):	40.4%
Relative performance vs. CDAX:	
1 month	-1.2%
3 months	15.8%
6 months	33.5%
12 months	60.8%

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	251.4	279.3	286.3
EBIT	14.1	0.5	9.5	15.3	19.5	23.2
Net result	10.6	0.2	6.2	9.9	12.9	15.6
EPS	0.39	0.01	0.23	0.37	0.48	0.58
DPS	0.05	0.05	0.10	0.13	0.17	0.20
Gross margin	49.2%	51.2%	48.8%	54.2%	55.3%	55.2%
EBIT margin	6.1%	0.3%	5.0%	6.1%	7.0%	8.1%
ROE	14.5%	0.3%	8.1%	11.8%	13.8%	14.9%
ROA	6.5%	0.1%	3.8%	5.4%	6.4%	7.3%
EV/EBITDA	7.1	24.4	8.1	5.6	4.5	3.9
EV/EBIT	9.1	n.m.	11.3	7.0	5.5	4.6
P/E	10.2	n.m.	17.3	10.8	8.3	6.9

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	251.4	279.3	286.3
YoY growth			22.2%	3.3%	-32.5%	21.2%	32.5%	11.1%	2.5%
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	254.4	282.8	289.8
COGS			-113.8	-124.0	-70.9	-98.7	-118.2	-128.5	-131.7
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	136.2	154.3	158.1
in % of sales			49.3%	49.2%	51.2%	48.8%	54.2%	55.3%	55.2%
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%	-21.9%	-19.9%	-19.4%
Other operating expenses			-32.4	-36.4	-25.6	-27.6	-62.0	-75.2	-74.9
EBITDA			22.1	18.0	4.4	13.2	19.3	23.7	27.7
in % of sales			9.9%	7.7%	2.8%	7.0%	7.7%	8.5%	9.7%
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%	-1.6%	-1.5%	-1.6%
EBIT			18.6	14.1	0.5	9.5	15.3	19.5	23.2
in % of sales			8.3%	6.1%	0.3%	5.0%	6.1%	7.0%	8.1%
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	14.2	18.5	22.3
in % of sales			7.5%	5.0%	0.3%	4.2%	5.6%	6.6%	7.8%
Taxes			-6.0	-1.0	-0.3	-1.8	-4.3	-5.5	-6.7
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	9.9	12.9	15.6
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	9.9	12.9	15.6
in % of sales			4.9%	4.6%	0.1%	3.3%	3.9%	4.6%	5.5%
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	0.48	0.58

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
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
5 October 2011	BUY	EUR 4.00	EUR 5.60

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