

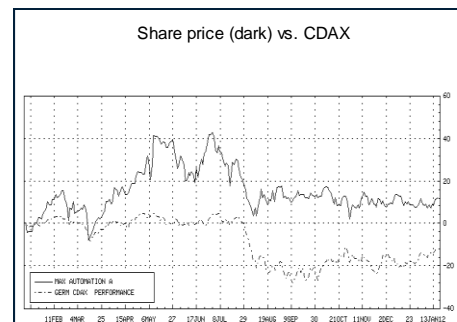
Recommendation: **BUY** (BUY) Risk: **MEDIUM** (MEDIUM) Price Target: **EUR 5.50** (5.60)

18 January 2012

New major orders

Excellent start into FY 2012

- Last week M.A.X. Automation announced some major orders with a total volume of approximately EUR 15m.
- Vecoplan – M.A.X.'s most important holding – delivers a plant for the production of pellets with a capacity of 500,000 tons per year in Woodville/Texas. Its client is the US subsidiary of German Pellets GmbH, the order volume amounts to EUR 10m. This order demonstrates Vecoplan's ability to not only deliver plants and machinery; the company acts as a solution provider by delivering additional equipment such as band-conveyors.
- IWM Automation received orders from two German car manufacturers that support the assembly of steering columns and seat slide adjusters on the one hand and gear boxes on the other hand. Volume of both orders amounts to approximately EUR 10m.
- For FY 2011, M.A.X. plans revenues of about EUR 250m and EBIT in the range of EUR 14 - 15m. We believe that the company will have fulfilled its guidance. Due to ramp-up costs that are difficult to calculate for the time being we adapt our estimates, resulting in a new price target of EUR 5.50. We confirm our BUY recommendation.



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

Change	2011E		2012E		2013E	
	new	old	new	old	new	old
Sales	251.4	251.4	273.3	279.3	283.3	286.3
EBIT	14.4	15.3	17.2	19.5	19.5	23.2
EPS	0.35	0.37	0.42	0.48	0.49	0.58

Internet: maxautomation.de Sector: All Industrial
WKN: 658090 ISIN: DE0006580905
Reuters: MAXX.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):	3.98
Shares outstanding (m):	26.8
Market capitalisation (EUR m):	106.6
Enterprise value (EUR m):	106.7
Ø daily trading volume (3 m., no. of shares):	33,448

Performance data:

High 52 weeks (EUR):	5.21
Low 52 weeks (EUR):	3.21
Absolute performance (12 months):	9.9%
Relative performance vs. CDAX:	
1 month	-8.4%
3 months	-4.5%
6 months	7.0%
12 months	24.1%

Shareholders:

Fortas AG	22.6%
DWS	7.4%
Universal Investment	3.0%
Hans W. Bönninghausen	3.5%
Free float	63.5%

Financial calendar:

2011 Report March 2012

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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	273.3	283.3
EBIT	14.1	0.5	9.5	14.4	17.2	19.5
Net result	10.6	0.2	6.2	9.3	11.3	13.0
EPS	0.39	0.01	0.23	0.35	0.42	0.49
DPS	0.05	0.05	0.10	0.12	0.15	0.17
Gross margin	49.2%	51.2%	48.8%	54.2%	55.3%	55.2%
EBIT margin	6.1%	0.3%	5.0%	5.7%	6.3%	6.9%
ROE	14.5%	0.3%	8.1%	11.1%	12.3%	12.9%
ROA	6.5%	0.1%	3.8%	5.1%	5.7%	6.2%
EV/EBITDA	7.1	24.3	8.1	5.8	5.0	4.4
EV/EBIT	7.6	n.m.	11.2	7.4	6.2	5.5
P/E	10.1	n.m.	17.2	11.4	9.4	8.2

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	273.3	283.3
YoY growth			22.2%	3.3%	-32.5%	21.2%	32.5%	8.7%	3.7%
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	276.8	286.8
COGS			-113.8	-124.0	-70.9	-98.7	-118.2	-125.7	-130.3
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	151.1	156.5
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%	-20.3%	-19.6%
Other operating expenses			-32.4	-36.4	-25.6	-27.6	-62.8	-74.2	-77.0
EBITDA			22.1	18.0	4.4	13.2	18.4	21.4	24.0
in % of sales			9.9%	7.7%	2.8%	7.0%	7.3%	7.8%	8.5%
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	14.4	17.2	19.5
in % of sales			8.3%	6.1%	0.3%	5.0%	5.7%	6.3%	6.9%
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	13.3	16.2	18.6
in % of sales			7.5%	5.0%	0.3%	4.2%	5.3%	5.9%	6.6%
Taxes			-6.0	-1.0	-0.3	-1.8	-4.0	-4.8	-5.6
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	9.3	11.3	13.0
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	9.3	11.3	13.0
in % of sales			4.9%	4.6%	0.1%	3.3%	3.7%	4.1%	4.6%
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	0.35	0.42	0.49

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
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
18 January 2012	BUY	EUR 3.98	EUR 5.50

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