

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

26 April 2012

Acquisition of WasteTec GmbH:

Investment in “know how”

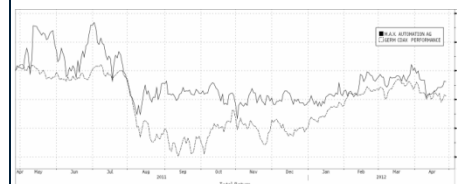
- This week M.A.X. Automation announced that its subsidiary Vecoplan acquired 100% of the stock of WasteTec GmbH located in Wetzlar, Germany.
- WasteTec is a specialist for mechanical biological waste treatment with a particular focus on aerobic biological drying of waste. The company offers a broad range of services in the fields of consulting, project planning, and plant engineering for waste and recycling management.
- The new subsidiary employs a team of 16 experienced engineers and technicians. It furthermore cultivates long-time relationships with clients in Germany, Europe, Africa, and North and South America.
- WasteTec will be in charge of the domestic and commercial waste segment of the Vecoplan Group. Thereby, the acquisition is expected to strengthen the technological competence of Vecoplan, contribute to achieve a broader customer base and support the company's internationalization process.
- WasteTec's know-how ideally complements the service portfolio and enhances the competitiveness of Vecoplan. The acquisition was the next logical step following the joint venture Vecoplan-FuelTrack GmbH founded in 2011. In addition, CEO Mr. Priske emphasized that M.A.X. Automation is constantly screening the market for potential acquisitions in order to seize further growth opportunities for its subsidiaries.
- We expect the new subsidiary to sustainably improve the market position of the Environmental Technology division of M.A.X. Automation. This development, therefore underpins our previous expectations of a strong performance of the division in the future.
- We confirm our BUY recommendation with a price target of EUR 5.50

Key data

FY 12/31, EUR m	2009	2010	2011	2012E	2013E	2014E
Sales	156.5	189.7	260.0	273.3	283.3	293.3
EBIT	0.5	9.5	16.1	17.3	19.6	20.6
Net result	0.2	6.2	11.4	11.4	13.2	14.0
EPS	0.01	0.23	0.43	0.43	0.49	0.52
DPS	0.05	0.10	0.15	0.15	0.17	0.18
Gross margin	51.2%	48.8%	43.6%	55.3%	55.2%	55.2%
EBIT margin	0.3%	5.0%	6.2%	6.3%	6.9%	7.0%
ROE	0.3%	8.1%	13.3%	12.2%	12.9%	12.5%
ROA	0.1%	3.8%	6.2%	5.5%	6.1%	6.1%
EV/EBITDA	29.0	9.6	6.1	5.9	5.3	5.1
EV/EBIT	n.m.	13.4	7.9	7.4	6.5	6.2
P/E	n.m.	18.1	9.8	9.8	8.5	8.1

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

Share price (dark) vs. CDAX



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

Change	2012E		2013E		2014E	
	new	old	new	old	new	old
Sales	-	273.3	-	283.3	293.3	-
EBIT	-	17.3	-	19.6	20.6	-
EPS	-	0.43	-	0.49	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):	127.3
Ø daily trading volume (3 m., no. of shares):	25,799

Performance data:

High 52 weeks (EUR):	5.21
Low 52 weeks (EUR):	3.30
Absolute performance (12 months):	-5.8%
Relative performance vs. CDAX:	
1 month	3.5%
3 months	-2.0%
6 months	-6.0%
12 months	3.2%

Shareholders:

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

Financial calendar:

1Q 2012 Report	May 2012
AGM	June 2012

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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%.

SELL: The expected performance of the share price is below 0%.

Recommendation history over the last 12 months for the company analysed in this report:

Date	Recommendation	Price at change date	Price target
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

16 February 2012	BUY	EUR 4.28	EUR 5.50
26 April 2012	BUY	EUR 4.20	EUR 5.50

Risk-scaling System:

Close Brothers Seydler Research AG uses a 3-level risk-scaling system. The ratings pertain to a time horizon of up to 12 months:

LOW: The volatility is expected to be lower than the volatility of the benchmark

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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