

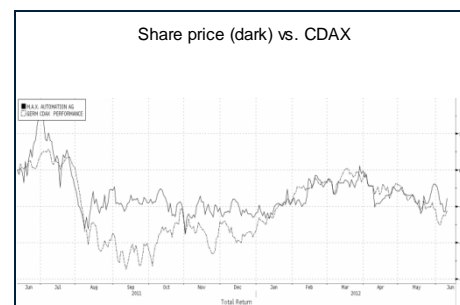
Recommendation: **BUY** (BUY) Risk: **MEDIUM** (MEDIUM) Price Target: **EUR 5.50** (5.50)

11 June 2012

IWM Automation:

Highest single order in company's history

- M.A.X. Automation announced that its holding company IWM received two major orders totaling EUR 22m. IWM, a system integration specialist, develops and produces custom-built production systems, innovative cutting-edge plants and standard plants.
- IWM will deliver an automated production line for vehicle gear components to a major German car manufacturer. Its volume is in the lower double-digit EUR million area, and is thus the biggest order in IWM's history. The production plant starts operations by the end of FY 2013. This order again demonstrates IWM's know how in the car industry. Furthermore, there is the possibility for follow-up orders.
- For the same client, another automated production line for vehicle gear components is to be built up in Romania. Its volume is in the higher single-digit EUR million area.
- IWM is part of M.A.X.' "Industrial Automation" segment. In FY 2011, this unit generated revenues of EUR 114m. We estimate that 70% to 75% of sales are realized within the car sector. Given the strong position of German car manufactures, we remain optimistic for this unit in the mid- and long-term, too.
- Having received many orders from the car industry in the past, these orders underline IWM's competence once more. We confirm our BUY recommendation with a price target of EUR 5.50.



Source: CBS Research, 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):	3.90
Shares outstanding (m):	26.8
Market capitalisation (EUR m):	104.5
Enterprise value (EUR m):	119.2
Ø daily trading volume (3 m., no. of shares):	21,648

Performance data:

High 52 weeks (EUR):	5.15
Low 52 weeks (EUR):	3.30
Absolute performance (12 months):	-9.8%
Relative performance vs. CDAX:	
1 month	4.2%
3 months	4.0%
6 months	-3.7%
12 months	1.6%

Shareholders:

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

Financial calendar:

AGM	28 June 2012
2Q 2012 Report	August 2012

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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	27.1	9.0	5.7	5.6	4.9	4.7
EV/EBIT	n.m.	12.5	7.4	6.9	6.1	5.8
P/E	n.m.	16.8	9.1	9.1	7.9	7.5

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

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BUY: The expected performance of the share price is above +10%.

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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 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
11 June 2012	BUY	EUR 3.90	EUR 5.50

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HIGH: The volatility is expected to be higher than the volatility of the benchmark

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