

| | | | |
|---|---|---|---|
| Buy EUR 6.10 (EUR 7.00) Price EUR 3.77 Upside 61.8 % | Value Indicators: EUR DCF: 6.06 | Share data: Bloomberg: MXHN GR Reuters: MAXG.DE ISIN: DE000A2DA588 | Description: High-tech automation specialist |
| | Market Snapshot: EUR m Market cap: 111.1 No. of shares (m): 29.5 EV: 197.0 Freefloat MC: 54.9 Ø Trad. Vol. (30d): 106.98 th | Shareholders: Freefloat: 49.4 % Günther-Gruppe: 34.9 % Werner O. Weber: 5.5 % Axxion: 5.1 % LOYS: 5.1 % | Risk Profile (WRe): 2019e Beta: 1.4 Price / Book: 1.4 x Equity Ratio: 21 % Net Fin. Debt / EBITDA: 3.1 x Net Debt / EBITDA: 3.1 x |

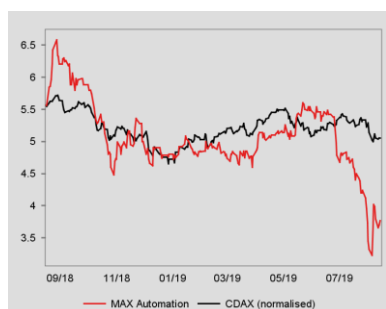
Core business is strong, the rest weak

| Stated Figures Q2/2019: in EUR m | <table border="1"> <thead> <tr> <th></th> <th>Q2/19</th> <th>Q2/19e</th> <th>Q2/18</th> <th>yoy</th> <th>6M/19</th> <th>6M/18</th> <th>yoy</th> </tr> </thead> <tbody> <tr> <td>Sales</td> <td>79.0</td> <td>76.7</td> <td>112.9</td> <td>-30.0%</td> <td>148.2</td> <td>203.6</td> <td>-27.2%</td> </tr> <tr> <td>EBITDA</td> <td>8.4</td> <td>7.0</td> <td>-2.1</td> <td>-</td> <td>14.5</td> <td>3.1</td> <td>359.8%</td> </tr> <tr> <td><i>margin</i></td> <td>10.6%</td> <td>9.1%</td> <td>-1.8%</td> <td>-</td> <td>9.8%</td> <td>1.5%</td> <td>-</td> </tr> <tr> <td>EBIT</td> <td>6.4</td> <td>5.0</td> <td>-5.0</td> <td>-</td> <td>10.4</td> <td>-2.0</td> <td>-</td> </tr> <tr> <td><i>margin</i></td> <td>8.1%</td> <td>6.5%</td> <td>-4.4%</td> <td>-</td> <td>7.0%</td> <td>-1.0%</td> <td>-</td> </tr> </tbody> </table> | | Q2/19 | Q2/19e | Q2/18 | yoy | 6M/19 | 6M/18 | yoy | Sales | 79.0 | 76.7 | 112.9 | -30.0% | 148.2 | 203.6 | -27.2% | EBITDA | 8.4 | 7.0 | -2.1 | - | 14.5 | 3.1 | 359.8% | <i>margin</i> | 10.6% | 9.1% | -1.8% | - | 9.8% | 1.5% | - | EBIT | 6.4 | 5.0 | -5.0 | - | 10.4 | -2.0 | - | <i>margin</i> | 8.1% | 6.5% | -4.4% | - | 7.0% | -1.0% | - | Comment on Figures: <ul style="list-style-type: none"> Max Automation presented strong figures for its core business. However this strength is not visible in the yoy-comparison as last year's period still included the discontinued automotive activities. Adjusted for this effect, the revenue rose by 11% and the EBITDA by 25% in the first half of the year. As the basis for the further course of the year, the order backlog in the core business rose by 23% to EUR 192m. |
|--|--|--------|-------|--------|-------|-------|--------|-------|-----|--------------|------|------|-------|--------|-------|-------|--------|---------------|-----|-----|------|---|------|-----|--------|---------------|-------|------|-------|---|------|------|---|-------------|-----|-----|------|---|------|------|---|---------------|------|------|-------|---|------|-------|---|---|
| | Q2/19 | Q2/19e | Q2/18 | yoy | 6M/19 | 6M/18 | yoy | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sales | 79.0 | 76.7 | 112.9 | -30.0% | 148.2 | 203.6 | -27.2% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| EBITDA | 8.4 | 7.0 | -2.1 | - | 14.5 | 3.1 | 359.8% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>margin</i> | 10.6% | 9.1% | -1.8% | - | 9.8% | 1.5% | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| EBIT | 6.4 | 5.0 | -5.0 | - | 10.4 | -2.0 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>margin</i> | 8.1% | 6.5% | -4.4% | - | 7.0% | -1.0% | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

In the Process Technologies segment, MAX is active in the development of proprietary solutions (e.g. dosage, impregnation) especially for the automotive and electronics sectors. In the Environmental Technologies segment the group develops systems for the recycling industry, the energy sector and raw materials industry. Evolving Technologies offers optical solutions, solutions for medical technology, industrial robotics and automation as well as packaging solutions. **This attractive core business of MAX is showing good development, as in the previous quarters.**

The discontinued operations (automotive area) remain challenging. The profitable subsidiaries ELWEMA Automotive GmbH and IWM Automation Group are still for sale. The minority stake ESSERT GmbH has already been divested but the loss-making IWM Automation Bodensee GmbH will be shut down on December 31, 2019. The more valuable possibility of a divestment could not be implemented within a reasonable timeframe. This triggers costs for an orderly wind-up. In addition to the operative losses, the shutdown leads to costs of a high single-digit million. With this, however, the loss-generator will be shut down: From 2018 to the end of 2019, this unit generated a loss at EBITDA-level of more than EUR 40m. From the current perspective, it is unclear how high the remaining losses will actually be. Likewise, in the current market environment, it is very difficult to estimate the divestment gain/value of the automotive subsidiaries. The entire field of automotive at MAX, which was last reflected in WR estimates with a value contribution of EUR 32m, mainly for potential divestments, will now no longer be considered in the calculation of the price target. Together with slight adjustments to the model, the price target is now EUR 6.10 (7.00). The share continues to be rated Buy.

| Changes in Estimates: FY End: 31.12. in EUR m | <table border="1"> <thead> <tr> <th></th> <th>2019e (old)</th> <th>+ / -</th> <th>2020e (old)</th> <th>+ / -</th> <th>2021e (old)</th> <th>+ / -</th> </tr> </thead> <tbody> <tr> <td>Sales</td> <td>302.5</td> <td>0.0 %</td> <td>332.8</td> <td>0.0 %</td> <td>366.0</td> <td>0.0 %</td> </tr> <tr> <td>EBIT</td> <td>17.7</td> <td>17.1 %</td> <td>21.0</td> <td>7.9 %</td> <td>22.9</td> <td>8.0 %</td> </tr> <tr> <td>EPS</td> <td>0.01</td> <td>n.m.</td> <td>0.44</td> <td>9.1 %</td> <td>0.49</td> <td>8.2 %</td> </tr> </tbody> </table> | | 2019e (old) | + / - | 2020e (old) | + / - | 2021e (old) | + / - | Sales | 302.5 | 0.0 % | 332.8 | 0.0 % | 366.0 | 0.0 % | EBIT | 17.7 | 17.1 % | 21.0 | 7.9 % | 22.9 | 8.0 % | EPS | 0.01 | n.m. | 0.44 | 9.1 % | 0.49 | 8.2 % | Comment on Changes: <ul style="list-style-type: none"> The data shown for the core business triggers expectations of a robust rise in revenue for 2019. The earnings forecast (WRe) is raised slightly based on the good half-year data and an IFRS effect (EUR 2m for 2019 and beyond). The EPS for 2019 is not a true representation owing to the discontinued operations. |
|--|--|--------|-------------|-------|-------------|-------|-------------|-------|--------------|-------|-------|-------|-------|-------|-------|-------------|------|--------|------|-------|------|-------|------------|------|------|------|-------|------|-------|--|
| | 2019e (old) | + / - | 2020e (old) | + / - | 2021e (old) | + / - | | | | | | | | | | | | | | | | | | | | | | | | |
| Sales | 302.5 | 0.0 % | 332.8 | 0.0 % | 366.0 | 0.0 % | | | | | | | | | | | | | | | | | | | | | | | | |
| EBIT | 17.7 | 17.1 % | 21.0 | 7.9 % | 22.9 | 8.0 % | | | | | | | | | | | | | | | | | | | | | | | | |
| EPS | 0.01 | n.m. | 0.44 | 9.1 % | 0.49 | 8.2 % | | | | | | | | | | | | | | | | | | | | | | | | |

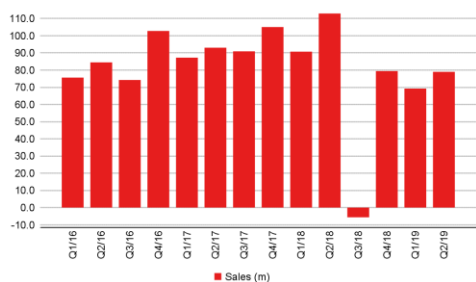


| | |
|----------------------------------|---------|
| Rel. Performance vs CDAX: | |
| 1 month: | -15.2 % |
| 6 months: | -22.7 % |
| Year to date: | -28.5 % |
| Trailing 12 months: | -23.8 % |

Company events:
14.11.19 Q3

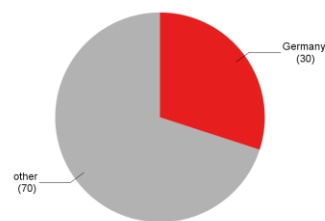
| | | | | | | | | |
|----------------------------|---------------|--|-------------|-------------|-------------|--------------|--------------|--------------|
| FY End: 31.12. in EUR m | CAGR (18-21e) | 2015 | 2016 | 2017 | 2018 | 2019e | 2020e | 2021e |
| Sales | 9.7 % | 384.0 | 337.1 | 376.2 | 277.4 | 302.5 | 332.8 | 366.0 |
| Change Sales yoy | | 9.3 % | -12.2 % | 11.6 % | -26.3 % | 9.1 % | 10.0 % | 10.0 % |
| Gross profit margin | | 48.2 % | 49.6 % | 48.9 % | 53.5 % | 54.7 % | 54.6 % | 54.5 % |
| EBITDA | 11.2 % | 32.3 | 24.4 | 28.9 | 24.1 | 27.7 | 30.3 | 33.1 |
| Margin | | 8.4 % | 7.2 % | 7.7 % | 8.7 % | 9.2 % | 9.1 % | 9.0 % |
| EBIT | 22.1 % | 19.9 | 12.4 | 20.2 | 13.6 | 20.8 | 22.6 | 24.7 |
| Margin | | 5.2 % | 3.7 % | 5.4 % | 4.9 % | 6.9 % | 6.8 % | 6.7 % |
| Net income | - | 10.2 | 8.3 | 14.0 | -30.8 | -17.6 | 13.7 | 15.1 |
| EPS | - | 0.38 | 0.31 | 0.50 | -1.08 | -0.62 | 0.48 | 0.53 |
| DPS | - | 0.15 | 0.15 | 0.15 | 0.00 | 0.15 | 0.15 | 0.15 |
| Dividend Yield | | 3.0 % | 2.6 % | 2.1 % | n.a. | 4.0 % | 4.0 % | 4.0 % |
| FCFPS | | 0.91 | -0.92 | 0.39 | 0.48 | -0.90 | 0.30 | 0.35 |
| FCF / Market cap | | 18.0 % | -16.0 % | 5.4 % | 7.1 % | -23.0 % | 7.8 % | 8.9 % |
| EV / Sales | | 0.5 x | 0.7 x | 0.7 x | 0.9 x | 0.7 x | 0.6 x | 0.5 x |
| EV / EBITDA | | 5.5 x | 9.2 x | 8.6 x | 10.5 x | 7.1 x | 6.4 x | 5.6 x |
| EV / EBIT adj. | | 7.1 x | 13.0 x | 11.2 x | 12.8 x | 8.9 x | 8.2 x | 7.3 x |
| P / E | | 13.4 x | 18.6 x | 14.5 x | n.a. | n.a. | 7.9 x | 7.1 x |
| FCF Potential Yield | | 12.3 % | 8.4 % | 8.9 % | -9.8 % | -6.4 % | 10.1 % | 11.6 % |
| Net Debt | | 40.8 | 70.9 | 48.1 | 62.2 | 86.0 | 81.6 | 76.0 |
| ROCE (NOPAT) | | 8.8 % | 6.6 % | 9.1 % | 9.5 % | 9.2 % | 9.7 % | 10.2 % |
| Guidance: | | 2019e: Sales of EUR 300+m, EBITDA 30+m | | | | | | |

Sales development in EUR m



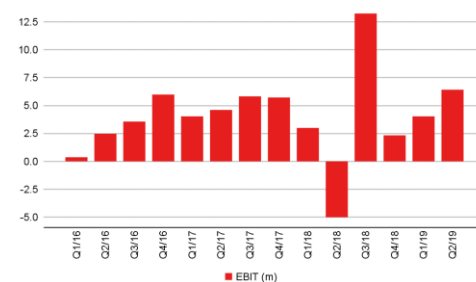
Source: Warburg Research

Sales by regions 2019e; in %



Source: Warburg Research

EBIT development in EUR m



Source: Warburg Research

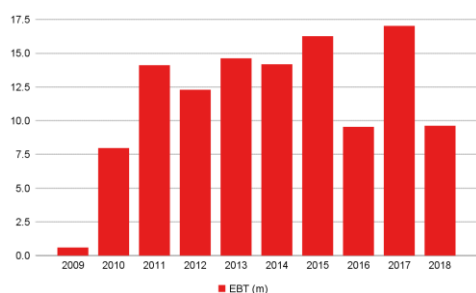
Company Background

- MAX Automation AG (MAX) is a globally active group of companies operating in the industrial automation and environmental technology segments.
- In its Process Technologies and Evolving Technologies segments, MAX develops and produces automated applications for customers in the automotive, medical, electrical and food industries.
- In Environmental technology MAX offers solutions for the disposal and recycling of waste (high-performance systems for shredding, conveying and preparing primary and secondary raw materials).
- The markets that MAX targets are situated mainly in Europe, North America, South America, and Asia. The subsidiaries are represented partly by its own sales companies on international markets.

Competitive Quality

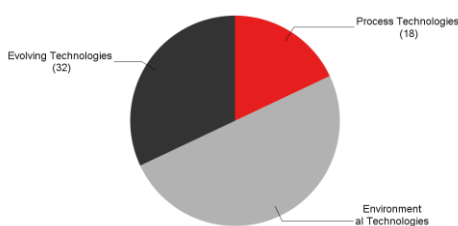
- All subsidiaries of MAX are positioned as technologically leading providers in their respective markets, offering individual automation and process solutions.
- MAX focuses on the development and production of technologically complex components and systems solutions based on extensive, in-depth process know-how.
- As MAX offers individual technical components (35% WRe), automation systems (55% WRe) as well as services (10% WRe)...
- ... MAX has an important competitive advantage and is able to provide customer-specific, integrated automation solutions with a high degree of technical complexity on a one-stop shop basis.
- As MAX operates in an environment characterized by intense global competition and permanent technological progress, innovation is key to MAX's success.

EBT development in EUR m



Source: Warburg Research

Sales by segments 2019; in %



Source: Warburg Research

Net income development in EUR m



Source: Warburg Research

DCF model

| Figures in EUR m | Detailed forecast period | | | Transitional period | | | | | | | | | | Term. Value |
|-----------------------------|--------------------------|--------|--------|---------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------------|
| | 2019e | 2020e | 2021e | 2022e | 2023e | 2024e | 2025e | 2026e | 2027e | 2028e | 2029e | 2030e | 2031e | |
| Sales | 302.5 | 332.8 | 366.0 | 382.5 | 398.3 | 413.3 | 427.5 | 441.1 | 453.8 | 465.9 | 477.2 | 487.8 | 497.7 | |
| Sales change | 9.1 % | 10.0 % | 10.0 % | 4.5 % | 4.1 % | 3.8 % | 3.5 % | 3.2 % | 2.9 % | 2.6 % | 2.4 % | 2.2 % | 2.0 % | 2.0 % |
| EBIT | 20.8 | 22.6 | 24.7 | 25.8 | 26.6 | 27.4 | 28.1 | 28.7 | 29.3 | 29.8 | 30.2 | 30.6 | 30.9 | |
| EBIT-margin | 6.9 % | 6.8 % | 6.7 % | 6.7 % | 6.7 % | 6.6 % | 6.6 % | 6.5 % | 6.4 % | 6.4 % | 6.3 % | 6.3 % | 6.2 % | |
| Tax rate (EBT) | 30.0 % | 30.0 % | 30.0 % | 30.0 % | 30.0 % | 30.0 % | 30.0 % | 30.0 % | 30.0 % | 30.0 % | 30.0 % | 30.0 % | 30.0 % | |
| NOPAT | 14.5 | 15.8 | 17.3 | 18.1 | 18.6 | 19.2 | 19.7 | 20.1 | 20.5 | 20.8 | 21.1 | 21.4 | 21.6 | |
| Depreciation | 7.0 | 7.7 | 8.4 | 8.8 | 9.2 | 9.5 | 9.8 | 10.1 | 10.4 | 10.7 | 11.0 | 11.2 | 11.4 | |
| in % of Sales | 2.3 % | 2.3 % | 2.3 % | 2.3 % | 2.3 % | 2.3 % | 2.3 % | 2.3 % | 2.3 % | 2.3 % | 2.3 % | 2.3 % | 2.3 % | |
| Changes in provisions | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Change in Liquidity from | | | | | | | | | | | | | | |
| - Working Capital | 4.8 | 2.7 | 3.7 | 1.8 | 1.7 | 1.6 | 1.5 | 1.4 | 1.4 | 1.3 | 1.2 | 1.1 | 1.1 | |
| - Capex | 10.0 | 10.0 | 10.0 | 10.7 | 10.4 | 9.9 | 9.8 | 10.1 | 10.4 | 10.7 | 11.0 | 11.2 | 11.4 | |
| Capex in % of Sales | 3.3 % | 3.0 % | 2.7 % | 2.8 % | 2.6 % | 2.4 % | 2.3 % | 2.3 % | 2.3 % | 2.3 % | 2.3 % | 2.3 % | 2.3 % | |
| Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Free Cash Flow (WACC Model) | 6.6 | 10.8 | 12.0 | 14.4 | 15.8 | 17.1 | 18.1 | 18.6 | 19.1 | 19.5 | 19.9 | 20.3 | 20.6 | 21 |
| PV of FCF | 6.5 | 9.7 | 10.0 | 11.1 | 11.2 | 11.2 | 11.0 | 10.4 | 9.9 | 9.3 | 8.8 | 8.3 | 7.8 | 126 |
| share of PVs | 10.43 % | | | 39.45 % | | | | | | | | | | 50.12 % |

Model parameter

| | | | |
|--------------------------|---------------|---------------------|-------------|
| Derivation of WACC: | | Derivation of Beta: | |
| Debt ratio | 15.00 % | Financial Strength | 1.30 |
| Cost of debt (after tax) | 2.8 % | Liquidity (share) | 1.70 |
| Market return | 7.00 % | Cyclicality | 1.30 |
| Risk free rate | 1.50 % | Transparency | 1.30 |
| | | Others | 1.40 |
| WACC | 8.24 % | Beta | 1.40 |

Valuation (m)

| | | | |
|----------------------------|------------|------------------------------|-------------|
| Present values 2031e | 125 | | |
| Terminal Value | 126 | | |
| Financial liabilities | 93 | | |
| Pension liabilities | 1 | | |
| Hybrid capital | 0 | | |
| Minority interest | 2 | | |
| Market val. of investments | 0 | | |
| Liquidity | 24 | No. of shares (m) | 29.5 |
| Equity Value | 179 | Value per share (EUR) | 6.06 |

Sensitivity Value per Share (EUR)

| Beta | WACC | Terminal Growth | | | | | | | Beta | WACC | Delta EBIT-margin | | | | | | |
|------|-------|-----------------|--------|--------|--------|--------|--------|--------|------|-------|-------------------|---------|---------|---------|---------|---------|---------|
| | | 1.25 % | 1.50 % | 1.75 % | 2.00 % | 2.25 % | 2.50 % | 2.75 % | | | -1.5 pp | -1.0 pp | -0.5 pp | +0.0 pp | +0.5 pp | +1.0 pp | +1.5 pp |
| 1.61 | 9.2 % | 4.54 | 4.63 | 4.74 | 4.85 | 4.96 | 5.09 | 5.22 | 1.61 | 9.2 % | 2.89 | 3.54 | 4.19 | 4.85 | 5.50 | 6.15 | 6.80 |
| 1.51 | 8.7 % | 5.04 | 5.15 | 5.28 | 5.41 | 5.55 | 5.71 | 5.88 | 1.51 | 8.7 % | 3.31 | 4.01 | 4.71 | 5.41 | 6.11 | 6.81 | 7.51 |
| 1.45 | 8.5 % | 5.31 | 5.44 | 5.58 | 5.72 | 5.88 | 6.06 | 6.24 | 1.45 | 8.5 % | 3.54 | 4.27 | 5.00 | 5.72 | 6.45 | 7.18 | 7.91 |
| 1.40 | 8.2 % | 5.61 | 5.75 | 5.90 | 6.06 | 6.24 | 6.43 | 6.65 | 1.40 | 8.2 % | 3.79 | 4.55 | 5.31 | 6.06 | 6.82 | 7.58 | 8.33 |
| 1.35 | 8.0 % | 5.92 | 6.08 | 6.25 | 6.43 | 6.63 | 6.85 | 7.09 | 1.35 | 8.0 % | 4.07 | 4.86 | 5.64 | 6.43 | 7.22 | 8.01 | 8.80 |
| 1.29 | 7.7 % | 6.26 | 6.44 | 6.63 | 6.83 | 7.06 | 7.30 | 7.57 | 1.29 | 7.7 % | 4.37 | 5.19 | 6.01 | 6.83 | 7.65 | 8.48 | 9.30 |
| 1.19 | 7.2 % | 7.04 | 7.25 | 7.49 | 7.75 | 8.03 | 8.35 | 8.70 | 1.19 | 7.2 % | 5.05 | 5.95 | 6.85 | 7.75 | 8.65 | 9.55 | 10.45 |

- The Beta reflects the cyclicality of the business.
- The most important non-operating value component of the DCF model is the Automotive segment, which is for sale.
- Here, however, no value added is set for security reasons.

| Valuation | 2015 | 2016 | 2017 | 2018 | 2019e | 2020e | 2021e |
|-------------------------------------|--------|--------|--------|--------|--------|--------|--------|
| Price / Book | 1.3 x | 1.4 x | 1.4 x | 2.0 x | 1.4 x | 1.2 x | 1.1 x |
| Book value per share ex intangibles | 1.28 | 1.58 | 2.45 | 1.71 | 1.19 | 1.54 | 1.96 |
| EV / Sales | 0.5 x | 0.7 x | 0.7 x | 0.9 x | 0.7 x | 0.6 x | 0.5 x |
| EV / EBITDA | 5.5 x | 9.2 x | 8.6 x | 10.5 x | 7.1 x | 6.4 x | 5.6 x |
| EV / EBIT | 8.9 x | 18.2 x | 12.3 x | 18.7 x | 9.5 x | 8.5 x | 7.6 x |
| EV / EBIT adj.* | 7.1 x | 13.0 x | 11.2 x | 12.8 x | 8.9 x | 8.2 x | 7.3 x |
| P / FCF | 5.6 x | n.a. | 18.4 x | 14.1 x | n.a. | 12.4 x | 10.9 x |
| P / E | 13.4 x | 18.6 x | 14.5 x | n.a. | n.a. | 7.9 x | 7.1 x |
| P / E adj.* | 10.0 x | 14.4 x | 14.5 x | n.a. | n.a. | 7.9 x | 7.1 x |
| Dividend Yield | 3.0 % | 2.6 % | 2.1 % | n.a. | 4.0 % | 4.0 % | 4.0 % |
| FCF Potential Yield (on market EV) | 12.3 % | 8.4 % | 8.9 % | -9.8 % | -6.4 % | 10.1 % | 11.6 % |

*Adjustments made for: -

Consolidated profit & loss

| In EUR m | 2015 | 2016 | 2017 | 2018 | 2019e | 2020e | 2021e |
|--|---------------|---------------|---------------|----------------|---------------|---------------|---------------|
| Sales | 384.0 | 337.1 | 376.2 | 277.4 | 302.5 | 332.8 | 366.0 |
| Change Sales yoy | 9.3 % | -12.2 % | 11.6 % | -26.3 % | 9.1 % | 10.0 % | 10.0 % |
| Increase / decrease in inventory | -3.5 | 2.6 | 1.7 | -1.8 | 1.0 | 1.0 | 1.0 |
| Own work capitalised | 2.0 | 3.1 | 2.4 | 1.3 | 1.0 | 1.0 | 1.0 |
| Total Sales | 382.6 | 342.8 | 380.3 | 276.8 | 304.5 | 334.8 | 368.0 |
| Material expenses | 197.4 | 175.6 | 196.3 | 128.4 | 139.2 | 153.1 | 168.4 |
| Gross profit | 185.2 | 167.2 | 184.0 | 148.4 | 165.4 | 181.7 | 199.7 |
| <i>Gross profit margin</i> | <i>48.2 %</i> | <i>49.6 %</i> | <i>48.9 %</i> | <i>53.5 %</i> | <i>54.7 %</i> | <i>54.6 %</i> | <i>54.5 %</i> |
| Personnel expenses | 110.2 | 106.6 | 112.3 | 90.0 | 99.8 | 109.8 | 120.8 |
| Other operating income | 14.1 | 9.8 | 7.2 | 8.2 | 9.1 | 8.3 | 9.2 |
| Other operating expenses | 56.7 | 46.0 | 50.0 | 42.6 | 46.9 | 49.9 | 54.9 |
| Unfrequent items | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EBITDA | 32.3 | 24.4 | 28.9 | 24.1 | 27.7 | 30.3 | 33.1 |
| <i>Margin</i> | <i>8.4 %</i> | <i>7.2 %</i> | <i>7.7 %</i> | <i>8.7 %</i> | <i>9.2 %</i> | <i>9.1 %</i> | <i>9.0 %</i> |
| Depreciation of fixed assets | 5.2 | 5.0 | 4.1 | 4.3 | 3.3 | 3.7 | 4.0 |
| EBITA | 27.0 | 19.4 | 24.7 | 19.7 | 24.4 | 26.6 | 29.1 |
| Amortisation of intangible assets | 7.1 | 7.0 | 4.5 | 6.2 | 3.6 | 4.0 | 4.4 |
| Goodwill amortisation | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EBIT | 19.9 | 12.4 | 20.2 | 13.6 | 20.8 | 22.6 | 24.7 |
| <i>Margin</i> | <i>5.2 %</i> | <i>3.7 %</i> | <i>5.4 %</i> | <i>4.9 %</i> | <i>6.9 %</i> | <i>6.8 %</i> | <i>6.7 %</i> |
| EBIT adj. | 24.8 | 17.4 | 22.2 | 19.7 | 22.1 | 23.6 | 25.7 |
| Interest income | 0.2 | 0.1 | 0.4 | 0.0 | 0.4 | 0.4 | 0.4 |
| Interest expenses | 3.8 | 2.9 | 3.5 | 2.7 | 3.5 | 3.5 | 3.5 |
| Other financial income (loss) | 0.0 | 0.0 | 0.0 | -1.2 | 0.0 | 0.0 | 0.0 |
| EBT | 16.3 | 9.5 | 17.0 | 9.6 | 17.7 | 19.5 | 21.6 |
| <i>Margin</i> | <i>4.2 %</i> | <i>2.8 %</i> | <i>4.5 %</i> | <i>3.5 %</i> | <i>5.8 %</i> | <i>5.9 %</i> | <i>5.9 %</i> |
| Total taxes | 5.7 | 1.2 | 2.9 | -1.9 | 5.3 | 5.9 | 6.5 |
| Net income from continuing operations | 10.6 | 8.3 | 14.1 | 11.5 | 12.4 | 13.7 | 15.1 |
| Income from discontinued operations (net of tax) | 0.0 | 0.0 | 0.0 | -47.1 | -30.0 | 0.0 | 0.0 |
| Net income before minorities | 10.6 | 8.3 | 14.1 | -35.6 | -17.6 | 13.7 | 15.1 |
| Minority interest | 0.4 | 0.0 | 0.2 | -4.8 | 0.0 | 0.0 | 0.0 |
| Net income | 10.2 | 8.3 | 14.0 | -30.8 | -17.6 | 13.7 | 15.1 |
| <i>Margin</i> | <i>2.7 %</i> | <i>2.5 %</i> | <i>3.7 %</i> | <i>-11.1 %</i> | <i>-5.8 %</i> | <i>4.1 %</i> | <i>4.1 %</i> |
| Number of shares, average | 26.8 | 26.8 | 27.8 | 28.4 | 28.4 | 28.4 | 28.4 |
| EPS | 0.38 | 0.31 | 0.50 | -1.08 | -0.62 | 0.48 | 0.53 |
| EPS adj. | 0.51 | 0.40 | 0.50 | -1.08 | -0.62 | 0.48 | 0.53 |

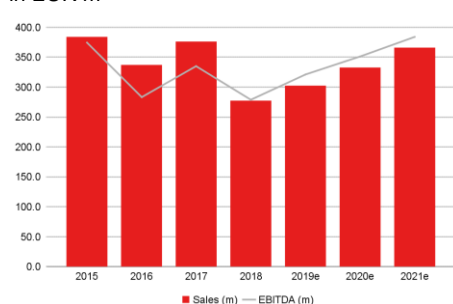
*Adjustments made for:

Guidance: 2019e: Sales of EUR 300+m, EBITDA 30+m

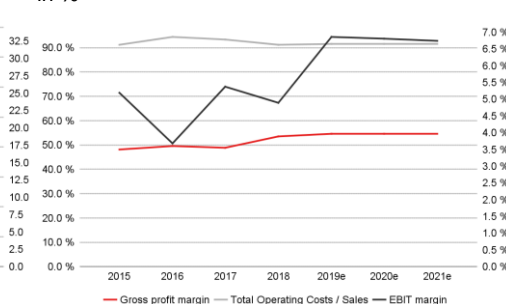
Financial Ratios

| | 2015 | 2016 | 2017 | 2018 | 2019e | 2020e | 2021e |
|-------------------------------|---------|---------|---------|---------|---------|---------|---------|
| Total Operating Costs / Sales | 91.2 % | 94.4 % | 93.4 % | 91.1 % | 91.5 % | 91.5 % | 91.5 % |
| Operating Leverage | 1.2 x | 3.1 x | 5.4 x | 1.3 x | 5.9 x | 0.9 x | 0.9 x |
| EBITDA / Interest expenses | 8.5 x | 8.3 x | 8.1 x | 8.9 x | 7.9 x | 8.7 x | 9.5 x |
| Tax rate (EBT) | 34.9 % | 12.6 % | 17.0 % | -19.5 % | 30.0 % | 30.0 % | 30.0 % |
| Dividend Payout Ratio | 38.0 % | 48.2 % | 29.5 % | 0.0 % | 34.5 % | 31.2 % | 28.2 % |
| Sales per Employee | 224,439 | 192,540 | 214,837 | 158,414 | 172,758 | 190,034 | 209,038 |

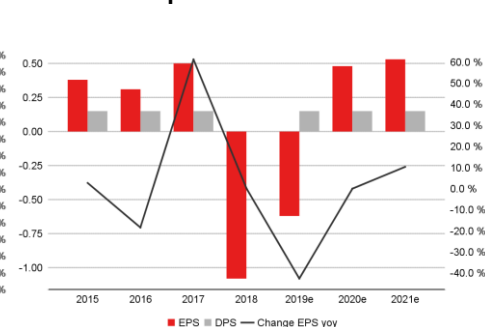
Sales, EBITDA
in EUR m



Operating Performance
in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

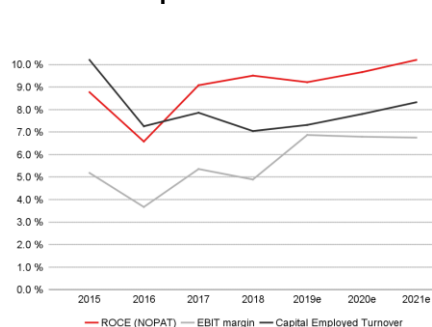
Consolidated balance sheet

| In EUR m | 2015 | 2016 | 2017 | 2018 | 2019e | 2020e | 2021e |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Assets | | | | | | | |
| Goodwill and other intangible assets | 72.0 | 68.5 | 66.8 | 45.7 | 45.1 | 44.1 | 42.7 |
| thereof other intangible assets | 18.8 | 15.4 | 13.7 | 3.6 | 3.0 | 2.0 | 0.6 |
| thereof Goodwill | 53.1 | 53.1 | 53.1 | 42.1 | 42.1 | 42.1 | 42.1 |
| Property, plant and equipment | 32.5 | 31.6 | 31.5 | 25.1 | 28.8 | 32.1 | 35.1 |
| Financial assets | 6.0 | 3.7 | 7.5 | 10.3 | 10.3 | 10.3 | 10.3 |
| Other long-term assets | 0.4 | 0.3 | 0.6 | 0.3 | 0.3 | 0.3 | 0.3 |
| Fixed assets | 110.9 | 104.2 | 106.4 | 81.5 | 84.5 | 86.9 | 88.4 |
| Inventories | 39.7 | 41.2 | 42.1 | 49.0 | 35.6 | 39.1 | 43.1 |
| Accounts receivable | 99.8 | 121.2 | 138.3 | 50.0 | 74.6 | 82.0 | 90.3 |
| Liquid assets | 21.4 | 23.0 | 26.2 | 31.8 | 8.0 | 12.3 | 17.9 |
| Other short-term assets | 11.5 | 16.7 | 10.4 | 152.2 | 152.2 | 152.2 | 152.2 |
| Current assets | 172.3 | 202.2 | 217.0 | 282.9 | 270.4 | 285.7 | 303.5 |
| Total Assets | 283.2 | 306.3 | 323.3 | 364.4 | 354.9 | 372.5 | 392.0 |
| Liabilities and shareholders' equity | | | | | | | |
| Subscribed capital | 26.8 | 26.8 | 29.5 | 29.5 | 29.5 | 29.5 | 29.5 |
| Capital reserve | 3.1 | 3.1 | 18.9 | 18.9 | 18.9 | 18.9 | 18.9 |
| Retained earnings | 75.7 | 80.0 | 90.6 | 47.8 | 30.2 | 39.6 | 50.4 |
| Other equity components | 0.7 | 1.0 | 0.1 | -0.1 | 1.6 | 1.6 | 1.7 |
| Shareholders' equity | 106.2 | 110.8 | 139.0 | 96.1 | 80.2 | 89.6 | 100.5 |
| Minority interest | 0.0 | 0.0 | 0.0 | -4.5 | -4.5 | -4.5 | -4.5 |
| Total equity | 106.2 | 110.8 | 139.0 | 91.6 | 75.6 | 85.1 | 96.0 |
| Provisions | 16.9 | 10.6 | 12.5 | 11.3 | 11.3 | 11.3 | 11.3 |
| thereof provisions for pensions and similar obligations | 1.1 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Financial liabilities (total) | 61.1 | 92.9 | 73.3 | 93.0 | 93.0 | 93.0 | 93.0 |
| thereof short-term financial liabilities | 12.3 | 28.8 | 8.4 | 16.2 | 16.2 | 16.2 | 16.2 |
| Accounts payable | 54.3 | 61.8 | 72.6 | 71.1 | 77.5 | 85.7 | 94.3 |
| Other liabilities | 44.6 | 30.2 | 25.9 | 97.5 | 97.5 | 97.5 | 97.5 |
| Liabilities | 176.9 | 195.5 | 184.3 | 272.8 | 279.2 | 287.4 | 296.0 |
| Total liabilities and shareholders' equity | 283.2 | 306.3 | 323.3 | 364.4 | 354.9 | 372.5 | 392.0 |

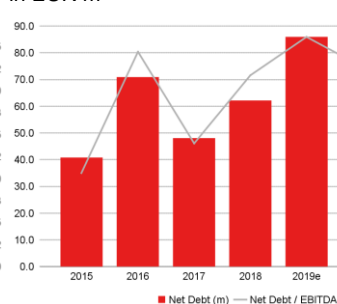
Financial Ratios

| | 2015 | 2016 | 2017 | 2018 | 2019e | 2020e | 2021e |
|---|---------|---------|---------|---------|---------|---------|---------|
| Efficiency of Capital Employment | | | | | | | |
| Operating Assets Turnover | 3.3 x | 2.5 x | 2.7 x | 5.2 x | 4.9 x | 4.9 x | 4.9 x |
| Capital Employed Turnover | 2.6 x | 1.9 x | 2.0 x | 1.8 x | 1.9 x | 2.0 x | 2.1 x |
| ROA | 9.2 % | 8.0 % | 13.1 % | -37.8 % | -20.9 % | 15.7 % | 17.1 % |
| Return on Capital | | | | | | | |
| ROCE (NOPAT) | 8.8 % | 6.6 % | 9.1 % | 9.5 % | 9.2 % | 9.7 % | 10.2 % |
| ROE | 9.9 % | 7.7 % | 11.2 % | -26.2 % | -20.0 % | 16.1 % | 15.9 % |
| Adj. ROE | 13.2 % | 10.0 % | 11.2 % | -26.2 % | -20.0 % | 16.1 % | 15.9 % |
| Balance sheet quality | | | | | | | |
| Net Debt | 40.8 | 70.9 | 48.1 | 62.2 | 86.0 | 81.6 | 76.0 |
| Net Financial Debt | 39.7 | 69.9 | 47.1 | 61.2 | 85.0 | 80.6 | 75.1 |
| Net Gearing | 38.4 % | 64.0 % | 34.6 % | 67.9 % | 113.6 % | 95.9 % | 79.2 % |
| Net Fin. Debt / EBITDA | 123.1 % | 286.1 % | 163.2 % | 254.5 % | 306.7 % | 266.3 % | 226.7 % |
| Book Value / Share | 4.0 | 4.1 | 4.7 | 3.3 | 2.7 | 3.0 | 3.4 |
| Book value per share ex intangibles | 1.3 | 1.6 | 2.5 | 1.7 | 1.2 | 1.5 | 2.0 |

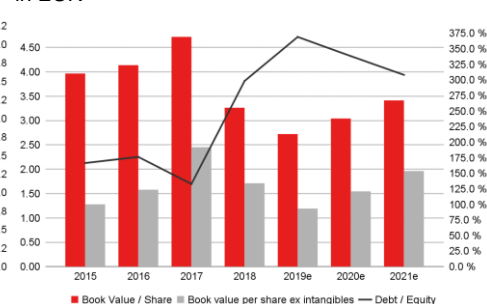
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

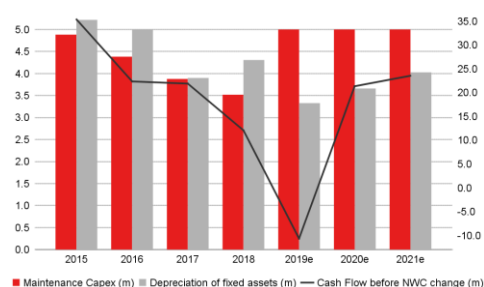
Consolidated cash flow statement

| In EUR m | 2015 | 2016 | 2017 | 2018 | 2019e | 2020e | 2021e |
|--|--------------|--------------|-------------|--------------|--------------|--------------|--------------|
| Net income | 10.6 | 8.3 | 14.1 | -35.6 | -17.6 | 13.7 | 15.1 |
| Depreciation of fixed assets | 5.2 | 5.0 | 3.9 | 4.3 | 3.3 | 3.7 | 4.0 |
| Amortisation of goodwill | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Amortisation of intangible assets | 7.1 | 7.0 | 4.5 | 6.2 | 3.6 | 4.0 | 4.4 |
| Increase/decrease in long-term provisions | 0.1 | 0.0 | -0.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other non-cash income and expenses | 12.4 | 2.0 | -0.6 | 37.3 | 0.0 | 0.0 | 0.0 |
| Cash Flow before NWC change | 35.4 | 22.4 | 21.9 | 12.1 | -10.7 | 21.3 | 23.5 |
| Increase / decrease in inventory | 2.3 | -4.2 | -0.9 | -6.9 | 13.4 | -3.5 | -4.0 |
| Increase / decrease in accounts receivable | -14.3 | -22.0 | -17.1 | 88.4 | -24.6 | -7.4 | -8.3 |
| Increase / decrease in accounts payable | 4.1 | 7.4 | 10.8 | -1.6 | 6.4 | 8.2 | 8.6 |
| Increase / decrease in other working capital positions | 6.8 | -19.6 | 4.0 | -71.5 | 0.0 | 0.0 | 0.0 |
| Increase / decrease in working capital (total) | -1.2 | -38.3 | -3.2 | 8.4 | -4.8 | -2.7 | -3.7 |
| Net cash provided by operating activities [1] | 34.2 | -15.9 | 18.7 | 20.5 | -15.5 | 18.6 | 19.8 |
| Investments in intangible assets | -3.4 | -3.7 | -3.3 | -2.5 | -3.0 | -3.0 | -3.0 |
| Investments in property, plant and equipment | -6.3 | -5.0 | -4.4 | -4.5 | -7.0 | -7.0 | -7.0 |
| Payments for acquisitions | -7.6 | -1.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Financial investments | 1.7 | 0.3 | 3.9 | 0.0 | 0.0 | 0.0 | 0.0 |
| Income from asset disposals | 3.3 | 1.6 | 5.1 | -6.4 | 0.0 | 0.0 | 0.0 |
| Net cash provided by investing activities [2] | -15.8 | -9.0 | -6.5 | -13.5 | -10.0 | -10.0 | -10.0 |
| Change in financial liabilities | -41.6 | 32.3 | -22.9 | -22.9 | 0.0 | 0.0 | 0.0 |
| Dividends paid | -4.0 | -4.0 | -4.0 | -4.2 | 0.0 | -4.3 | -4.3 |
| Purchase of own shares | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Capital measures | 0.0 | 0.0 | 18.5 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other | -4.1 | -1.9 | 0.0 | 27.2 | 0.0 | 0.0 | 0.0 |
| Net cash provided by financing activities [3] | -49.8 | 26.4 | -8.4 | 0.1 | 0.0 | -4.3 | -4.3 |
| Change in liquid funds [1]+[2]+[3] | -31.3 | 1.5 | 3.7 | 7.2 | -25.5 | 4.4 | 5.6 |
| Effects of exchange-rate changes on cash | 0.3 | 0.1 | -0.6 | 0.1 | 0.0 | 0.0 | 0.0 |
| Cash and cash equivalent at end of period | 21.4 | 23.0 | 26.2 | 33.5 | 8.0 | 12.3 | 17.9 |

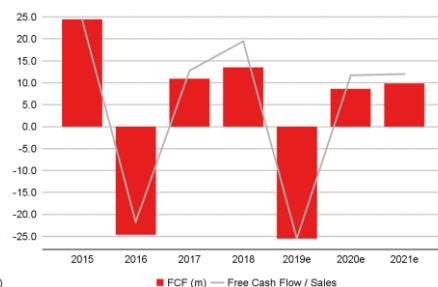
Financial Ratios

| | 2015 | 2016 | 2017 | 2018 | 2019e | 2020e | 2021e |
|--------------------------------------|---------|----------|---------|---------|---------|---------|---------|
| Cash Flow | | | | | | | |
| FCF | 24.5 | -24.6 | 10.9 | 13.5 | -25.5 | 8.6 | 9.8 |
| Free Cash Flow / Sales | 6.4 % | -7.3 % | 2.9 % | 4.9 % | -8.4 % | 2.6 % | 2.7 % |
| Free Cash Flow Potential | 21.7 | 18.8 | 22.1 | -24.7 | -12.6 | 19.4 | 21.6 |
| Free Cash Flow / Net Profit | 239.7 % | -296.2 % | 78.3 % | -43.9 % | 144.7 % | 63.1 % | 65.1 % |
| Interest Received / Avg. Cash | 0.5 % | 0.4 % | 1.6 % | 0.0 % | 2.0 % | 3.9 % | 2.6 % |
| Interest Paid / Avg. Debt | 4.7 % | 3.8 % | 4.3 % | 3.2 % | 3.8 % | 3.8 % | 3.8 % |
| Management of Funds | | | | | | | |
| Investment ratio | 2.5 % | 2.6 % | 2.1 % | 2.5 % | 3.3 % | 3.0 % | 2.7 % |
| Maint. Capex / Sales | 1.3 % | 1.3 % | 1.0 % | 1.3 % | 1.7 % | 1.5 % | 1.4 % |
| Capex / Dep | 79.0 % | 72.8 % | 89.4 % | 67.0 % | 143.7 % | 130.7 % | 118.8 % |
| Avg. Working Capital / Sales | 21.3 % | 27.5 % | 27.7 % | 24.5 % | 10.0 % | 10.2 % | 10.2 % |
| Trade Debtors / Trade Creditors | 183.6 % | 196.2 % | 190.5 % | 70.3 % | 96.3 % | 95.7 % | 95.8 % |
| Inventory Turnover | 5.0 x | 4.3 x | 4.7 x | 2.6 x | 3.9 x | 3.9 x | 3.9 x |
| Receivables collection period (days) | 95 | 131 | 134 | 66 | 90 | 90 | 90 |
| Payables payment period (days) | 100 | 128 | 135 | 202 | 203 | 204 | 204 |
| Cash conversion cycle (Days) | 68 | 88 | 77 | 3 | -20 | -21 | -21 |

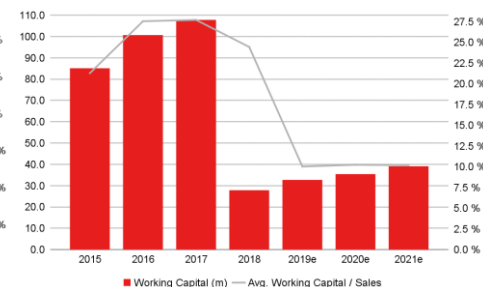
CAPEX and Cash Flow
in EUR m



Free Cash Flow Generation



Working Capital



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

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|----------------|------------|---|
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| | | |
|-----|--------------------------|---|
| -B- | Buy: | The price of the analysed financial instrument is expected to rise over the next 12 months. |
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WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING

| Rating | Number of stocks | % of Universe |
|------------------|------------------|---------------|
| Buy | 120 | 60 |
| Hold | 67 | 34 |
| Sell | 7 | 4 |
| Rating suspended | 5 | 3 |
| Total | 199 | 100 |

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING ...

... taking into account only those companies which were provided with major investment services in the last twelve months.

| Rating | Number of stocks | % of Universe |
|------------------|------------------|---------------|
| Buy | 33 | 79 |
| Hold | 7 | 17 |
| Sell | 0 | 0 |
| Rating suspended | 2 | 5 |
| Total | 42 | 100 |

PRICE AND RATING HISTORY MAX AUTOMATION AS OF 15.08.2019



Markings in the chart show rating changes by Warburg Research GmbH in the last 12 months. Every marking details the date and closing price on the day of the rating change.

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Our research can be found under:

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