

Well on track in challenging market environment - Buy

MAX has reported solid figures for Q4, which were in-line with the in July 2023 upgraded full year guidance. Despite the clouded market environment, which had negatively impacted orders (Q4: -5%, 2023: -16%), MAX has shown a convincing development. With operations in attractive end markets (e.g. bdtronic, Vecoplan and NSM Jücker) MAX Automation is well positioned to continue on its improving path. The finalization of the MA micro exit and further portfolio optimizations are the potential catalysts for the shares. On operational basis, we leave our estimates, which are in-line with the cautious FY 2024e guidance unchanged. We merely deduct the MA micro impact from our estimates. With a new TP of EUR 8.70 (prev. EUR 7.00), we continue to rate the shares a Buy.

Solid results for Q4 – customer uncertainties still visible

On group level (incl. discontinued MA micro) Q4 revenues increased by 3% yoy to EUR 116.7m, which is a beat of 9.5% to our estimate of EUR 106.6m. Adjusted for the MA micro segment (disc. business), Q4 revenues increased even by 8% yoy, which was almost entirely driven by bdtronic (Q4: +90%, 2023: +59%). MAX' largest segment Vecoplan reported a decline in Q4 (-13%, 2023: +2%), as customer restraint continued to burden order intake. The weaker topline development at Vecoplan also affected the operating EBITDA in Q4. Nevertheless, despite a decline to EUR 6.2m, Q4 EBITDA came in better than expected by us (PAsE: EUR 3.6m). The decline in order intake has lost momentum in Q4 (-5% yoy, 2023: -16% yoy). A slight positive aspect is that except for bdtronic all segments could achieve an increase in order intake.

FY 2024e guidance not demanding

The lower end of the revenue guidance in the range of EUR 390-450m looks cautious und considers the overall uncertainties, in our view. This is also reflected in the guidance range for the operating EBITDA of EUR 31-38m, which calls at the mid-point for a stable yoy development. We leave our estimates unchanged, however adjust for the discontinued operations. We forecast for FY 2024e revenues of EUR 407m (prev. EUR 455m incl. EUR 47.7m for MA micro) and an EBITDA of EUR 35.3m (prev. EUR 41.7m incl. EUR 6.4m for MA micro).

EURm	2022	2023	2024e	2025e	2026e
Revenues	343	397	407	427	449
EBITDA	29	35	35	38	40
EBIT	24	24	26	28	30
EPS	0.40	0.37	0.30	0.30	0.33
EPS adj	-	-	-	-	-
DPS	-	-	-	0.10	0.15
EV/EBITDA	10.1	10.1	9.5	8.2	7.5
EV/EBIT	12.2	14.7	12.8	10.9	10.0
P/E adj	-	-	-	-	-
P/B	2.14	2.08	1.91	1.74	1.63
ROE (%)	22.1	14.6	10.1	9.2	9.5
Div yield (%)	-	-	-	1.7	2.6
Net debt	96	112	94	65	60

Source: Pareto Securities

Target price (EUR)	8.7	▲	BUY
Share price (EUR)	5.9	–	HOLD
		▼	SELL

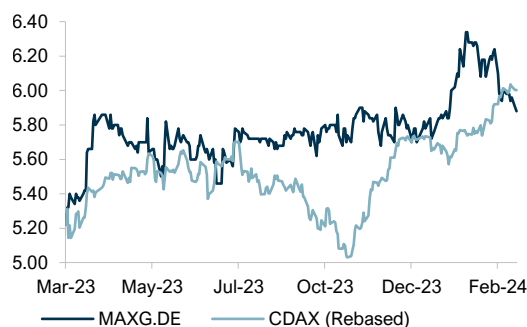
Forecast changes

%	2024e	2025e	2026e
Revenues	(10)	(10)	NM
EBITDA	(15)	NM	NM
EBIT adj	(17)	(17)	NM
EPS reported	(42)	(34)	NM
EPS adj	NM	NM	NM

Source: Pareto Securities

Ticker	MAXG.DE, MXH GR
Sector	Industrials
Shares fully diluted (m)	41.2
Market cap (EURm)	243
Net debt (EURm)	94
Minority interests (EURm)	0
Enterprise value 24e (EURm)	337
Free float (%)	37

Performance



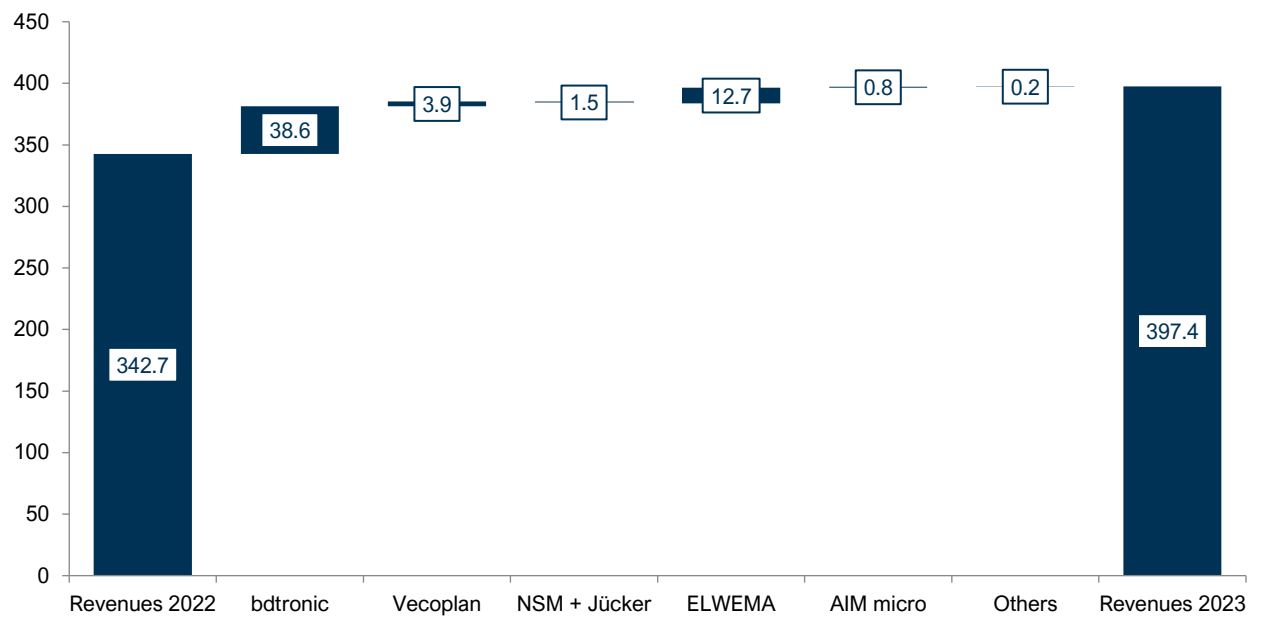
Source: FactSet

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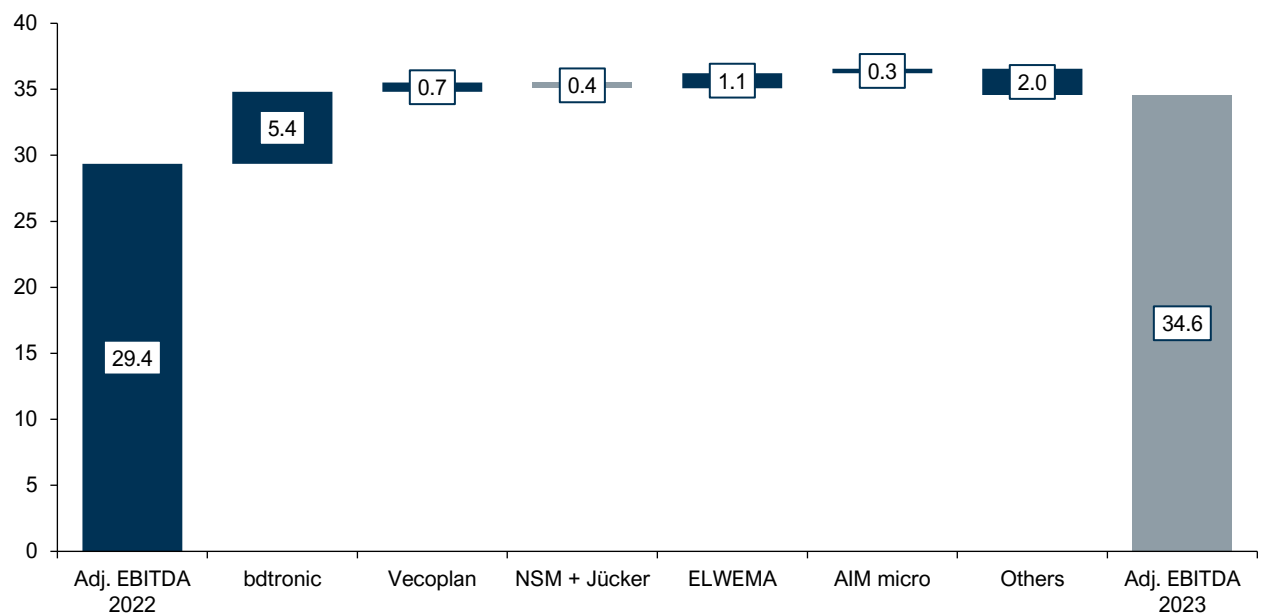
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Revenue bridge FY 2022-2023



Source: MAX Automation, Pareto Securities

EBITDA bridge FY 2022-2023



Source: MAX Automation, Pareto Securities

FY 2024e guidance

EURm	2023	Guidance FY 2024e	PASe 2024e	yoy	delta*
Revenues	397	EUR 390m to EUR 450m	407	2.4%	-3.1%
EBITDA	34.6	EUR 31m to EUR 38m	35.3	2.1%	2.3%
EBITDA margin	8.7%	7.9% to 8.4%	8.7%	-3 BP	46 BP

* compared to the mid-point

Source: MAX Automation, Pareto Securities

We now value the shares based only on our DCF model. The valuation based on a peer group of German holding companies makes increasingly less sense, as weak development of some peers is leading to distorted valuation results.

We include in our DCF model the company's listed investment Zeal Network (TIMA) with the corresponding share (5.69%) of the related market capitalization (1.27m shares at a share price of EUR 30). Furthermore, we have now also included the MA micro in our valuation, since the company is now considered as discontinued operations. Considering EV/EBITDA multiples for this business in the range of 10-14x and the FY 2023 EBITDA of 9m, we derive a blended EV of EUR 108m. After deducting net debt of EUR 7m and applying a safety valuation margin of 20%, we calculate for MA micro a potential equity value of EUR 80m.

We rolled forward our DCF model and on the basis of adjusted estimates (MA micro excluded from KPIs), we derive a TP of EUR 8.70 (prev. EUR 7.00).

DCF model

EURm	Phase I					Phase II					Phase III	
	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e		
Revenues	407	427	449	471	495	517	538	556	573	587		
growth rate	2.4%	5.0%	5.0%	5.0%	5.0%	4.5%	4.0%	3.5%	3.0%	2.5%		
EBIT	25	27	29	31	35	37	40	42	45	47		
EBIT margin	6.2%	6.3%	6.5%	6.6%	7.0%	7.2%	7.4%	7.6%	7.8%	8.0%		
Tax	(1.3)	(7.6)	(8.1)	(8.7)	(9.7)	(10.4)	(11.1)	(11.8)	(12.5)	(13.2)		
Tax rate	5%	28%	28%	28%	28%	28%	28%	28%	28%	28%		
Depr. & Amort.	10.2	10.7	11.2	11.8	12.4	12.8	13.2	13.6	14.0	14.3		
% of sales	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.4%	2.4%	2.4%	2.4%		
Capex	(10.2)	(10.9)	(11.5)	(12.1)	(12.7)	(13.1)	(13.5)	(14.0)	(14.3)	(14.7)		
% of sales	2.5%	2.6%	2.6%	2.6%	2.6%	2.5%	2.5%	2.5%	2.5%	2.5%		
Change in WC & P	0.6	17.3	(3.2)	(3.4)	(3.5)	(3.6)	(3.8)	(3.9)	(4.0)	(4.1)		
% of sales	-0.1%	-4.0%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%		
Free Cash Flow	24.4	36.5	17.4	18.8	21.1	22.9	24.5	26.2	27.8	29.4	436	
growth rate	nm	49.4%	-52.2%	7.6%	12.3%	8.4%	7.4%	6.8%	6.2%	5.5%	2.0%	
Present Value FCF	22.8	31.3	13.8	13.6	14.0	14.0	13.8	13.5	13.2	12.8	190	
PV Phase I		96				Risk free rate	3.0%		Targ. equity ratio	80%		
PV Phase II		67				Premium Equity	5.0%		Beta	1.4		
PV Phase III		190				Premium Debt	3.0%		WACC	8.9%		
Enterprise value	353					Sensitivity		Growth in phase III				
- Net Debt (Cash)	112							1.0%	1.5%	2.0%	2.5%	3.0%
- Pension Provisions	1					8.0%		6.2	6.6	7.1	7.7	8.3
- Minorities & Peripherals	-					8.4%		5.7	6.0	6.4	6.9	7.4
+ MV of financial assets	119					8.9%		5.2	5.5	5.8	6.2	6.7
- Paid-out dividends for last FY	-					9.3%		4.8	5.0	5.3	5.6	6.0
+/- Other EV items	-					9.8%		4.4	4.6	4.8	5.1	5.4
Equity value	359											
Number of shares	41.2											
Value per share (€)	8.71											
Current Price (€)	5.90											
Upside	48%											

Source: Pareto Securities

PROFIT & LOSS (fiscal year) (EURm)	2019	2020	2021	2022	2023	2024e	2025e	2026e
Revenues	425	307	349	343	397	407	427	449
EBITDA	(1)	6	26	29	35	35	38	40
Depreciation & amortisation	(15)	(25)	(14)	(8)	(15)	(10)	(11)	(11)
EBIT	(31)	(19)	12	24	24	26	28	30
Net interest	(4)	(9)	(8)	(8)	(13)	(14)	(11)	(11)
Other financial items	-	-	-	-	-	-	-	-
Profit before taxes	(34)	(29)	3	16	11	13	17	19
Taxes	(1)	2	(4)	1	(6)	(1)	(5)	(5)
Minority interest	1	(0)	(1)	(0)	0	-	-	-
Net profit	(35)	(26)	(1)	15	15	12	12	14
EPS reported	(1.18)	(0.90)	(0.05)	0.40	0.37	0.30	0.30	0.33
EPS adjusted	-	-	-	-	-	-	-	-
DPS	0.23	-	-	-	-	-	0.10	0.15
BALANCE SHEET (EURm)	2019	2020	2021	2022	2023	2024e	2025e	2026e
Tangible non current assets	64	59	55	57	62	62	62	62
Other non-current assets	69	50	49	86	74	74	74	74
Other current assets	184	125	143	197	226	202	167	175
Cash & equivalents	41	48	30	36	23	41	70	75
Total assets	357	282	278	376	385	378	373	387
Total equity	68	40	41	94	115	127	139	149
Interest-bearing non-current debt	-	114	1	117	121	-	-	-
Interest-bearing current debt	-	1	86	1	1	-	-	-
Other Debt	289	127	150	165	149	251	233	238
Total liabilities & equity	357	282	278	376	385	378	373	387
CASH FLOW (EURm)	2019	2020	2021	2022	2023	2024e	2025e	2026e
Cash earnings	(68)	58	36	(20)	(17)	32	69	30
Change in working capital	44	(33)	(9)	17	34	(1)	(17)	3
Cash flow from investments	(7)	(9)	(3)	(8)	(9)	(0)	(11)	(11)
Cash flow from financing	35	(20)	(42)	16	(17)	(14)	(11)	(16)
Net cash flow	7	7	(18)	6	(12)	17	29	6
VALUATION (EURm)	2019	2020	2021	2022	2023	2024e	2025e	2026e
Share price (EUR end)	4.59	4.22	4.40	4.83	5.8	5.9	5.9	5.9
Number of shares end period	29	29	29	41	41	41	41	41
Net interest bearing debt	101	85	73	96	112	94	65	60
Enterprise value	237	210	204	296	350	337	308	302
EV/Sales	0.6	0.7	0.6	0.9	0.9	0.8	0.7	0.7
EV/EBITDA	-	37.1	7.9	10.1	10.1	9.5	8.2	7.5
EV/EBIT	-	-	17.6	12.2	14.7	12.8	10.9	10.0
P/E reported	-	-	-	12.1	15.7	19.8	19.9	17.8
P/E adjusted	-	-	-	-	-	-	-	-
P/B	2.0	3.1	3.3	2.1	2.1	1.9	1.7	1.6
FINANCIAL ANALYSIS	2019	2020	2021	2022	2023	2024e	2025e	2026e
ROE adjusted (%)	-	-	-	-	-	-	-	-
Dividend yield (%)	5.0	-	-	-	-	-	1.7	2.6
EBITDA margin (%)	-	1.8	7.4	8.6	8.7	8.7	8.8	9.0
EBIT margin (%)	-	-	3.3	7.0	6.0	6.5	6.6	6.8
NIBD/EBITDA	(113.10)	15.08	2.84	3.26	3.23	2.68	1.73	1.48
EBITDA/Net interest	-	-	1.52	3.51	-	-	-	-

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Appendix A

Disclosure requirements in accordance with Commission Delegated Regulation (EU) 2016/958 and the FINRA Rule 2241

The below list shows companies where Pareto Securities AS - together with affiliated companies and/or persons – owns a net long position of the shares exceeding 0,5 % of the total issued share capital in any company where a recommendation has been produced or distributed by Pareto Securities AS.

Companies	No. of shares	Holdings in %
Austevoll Seafood	1,051,640	0.52 %
Bonheur	243,488	0.57 %
Pareto Bank	16,183,849	21.08 %
Pexip Holding	736,595	0.71 %
SpareBank 1 Nord-Norge	5,006,421	4.99 %
SpareBank 1 SMN	2,945,805	2.27 %
SpareBank 1 SR-Bank	2,468,407	0.97 %
SpareBank 1 Østfold Akerhus	1,234,613	9.97 %
SpareBank 1 Østlandet	6,991,341	6.58 %
Sparebanken Sør	495,000	1.19 %
Sparebanken Vest	9,124,657	8.32 %
SpareBank 1 Sør-Øst-Norge	2,871,822	4.55 %

Pareto Securities AS may hold financial instruments in companies where a recommendation has been produced or distributed by Pareto Securities AS in connection with rendering investment services, including Market Making.

Please find below an overview of material interests in shares held by employees in Pareto Securities AS, in companies where a recommendation has been produced or distributed by Pareto Securities AS. "By material interest" means holdings exceeding a value of NOK 50 000.

Company	Analyst holdings*	Total holdings
2020 Bulker s		13,924
2G Energy		340
ABB Ltd.		580
ABL Group		34,508
Aker ASA	500	2,241
Aker BP		9,055
Aker Carbon Capture		8,976
Aker Horizons		452,071
AMSC ASA		3,640
Aprila Bank		22,675
Atlantic Sapphire		37,912
Austevoll Seafood		2,923
B3 Consulting Group		2,000
BB Biotech		460
Beer enberg		20,000
Biolinvent		15,000
BlueNord		100
Bonheur		30,618
Bouvet		3,500
BW Energy		50,959
BW LPG		450
BW Offshore		5,222
Cool Company		610
Crayon		23,914
Deep Value Driller		8,400
Dermapharm Holding SE		750
DNB		16,402
DNO		82,731
DOF		1,250
Elkem		75,670
Elmera Group ASA		32,755

Company	Analyst holdings*	Total holdings
Embracer Group		42,520
Encavis AG		630
Eneti		525
Equinor		5,156
Europris		15,018
Flex LNG		295
Frontline		7,429
Gaming Innovation Group		10,010
Genel Energy		5,700
Getinge		260
GFT Technologies		270
Gjensidige Forsikring	519	3,010
Greg Seafood		11,801
Hallin Ltd.		90,403
Hannes & Mauritz B		1,085
Høegh Autoliners		2,463
International Petroleum Corp		7,676
International Seaways		192
Kambi Group plc		430
Kinnvik AB		495
Kitron		21,138
Komplett ASA		197,114
Kontron AG		350
Leabank		16,355
Lerøy Seafood Group		116,775
Link Mobility Group		125,000
Lundin Mining Corp.		7,652
Morrow Bank		171,200
Mowi		10,476
MPC Container Ships		6,290
Multitude		2,443
Mutar es SE & Co. KGaA		433
NorAm Drilling		6,883
NORBIT		4,070
Nordic Semiconductor		21,096
Norsk Hydro		77,351
Norske Skog		81,764
Norwegian Air Shuttle		63,507
Okeanis Eco Tankers		8,012
Orkla		7,086
Otovo ASA		25,400
Panoro Energy		36,833
Pareto Bank		827,365
Petro Tal		20,000
Pexip Holding		736,595
Protector Forsikring		9,436
PSI Software		300
Quantafuel		16,665
REC Silicon		5,739
Salmor		224
Sandnes Sparebank		2,500
Scorpio Tankers		5,306
Seadrill Ltd		10,910
Securitas AB		656
Solstad Offshore		1,500
SpareBank 1 Nord-Norge	725	744
SpareBank 1 SMN		7,443
SpareBank 1 SR-Bank		10,577
SpareBank 1 Østlandet	1,100	1,850
Sparebanken Møre		950
Sparebanken Sør		15,000
Sparebanken Vest		966
Standard Supply		20,000
Stolt-Nielsen		2,000
Stora Enso		1,396
Storbrand	100	2,400
Storitel		22,115
Subsea 7		21,141
Telenor		3,563
Telia Company		5,000
TGS		11,530
Thule Group		800
TORM		2,000
Transeocean		10,000
Valaris		3,427
Vestas Wind Systems		1,275
Viscom		1,300
Volue		69,415
Vår Energi		290,158
Wallenius Wilhelmsen	0	2,500
Yara	0	18,449
Zaptec	0	24,500

This overview is updated monthly (last updated 15.02.2024).

*Analyst holdings refer to positions held by the Pareto Securities AS analyst covering the company.

Appendix B

Disclosure requirements in accordance with Article 6(1)(c)(iii) of Commission Delegated Regulation (EU) 2016/958

Overview over issuers of financial instruments where Pareto Securities AS have prepared or distributed investment recommendation, where Pareto Securities AS have been lead manager/co-lead manager or have rendered publicly known not immaterial investment banking services over the previous 12 months:

Acr oud AB	ReFuels
Advanzia Bank S.A.	Rely On Nutec A/S
Alva Industrier AS	Saga Robotics ASA
AMSC ASA	Salmon Evolution
APK AS	Seacrest Petroleum Bermuda Ltd
Ar cher	Shamar an Petroleum
Ar geo AS	Skandia GreenPower
Austevoll Seafood	Spar ebanken Sar
Ayfie Group AS	SSCP Lager Bidco AB
Beer enber g Services AS	Talos Production Inc.
Bonheur ASA	Tasik Toba Subsea AS
Bor r Drilling	Tr easur e ASA
BP Inv3 Topco Limited (TWMA)	Vantage Drilling International
BW Ener gy	Vester ålen Havbruk AS
BW Epic Kosan	Waldorf Production Ltd.
BW Group Limited	wheel.me
Cabonline Group Holding	Ziton A/S
Cadeler	
CEMAsys AS	
Clemens Kraft AS	
DEAG Deutsche Entertainment AG	
Delignit	
Desert Control AS	
DOF	
Dolphin Drilling	
Edda Wind	
Eidesvik Offshore	
EIK Servicing AS	
Ener gy Drilling Pte. Ltd.	
Far liberia Corporate S.L.U.	
Fishbase Group AS	
Floatel	
Fr edrikstad Energi AS	
Fr oy ASA	
GC Rieber Shipping ASA	
Gjensidige Forsikring ASA	
Golar LNG	
Golden Energy Offshore Services AS	
Gr entvedt AS	
Her tha BSC GmbH & Co. KGaA	
HMH Holding B.V.	
Huddly AS	
HydrogenPro	
HÖRMANN Industries GmbH	
Inin Group AS	
Insr ASA	
Instabank ASA	
International Petroleum Corp. ("IPC")	
Katjes International GmbH&CO	
Kezzler AS	
Klaviness Combination Carriers ASA	
KMC Properties	
Krow Bidco AS	
Lifefit Group Midco GmbH	
Logistic Contractors AS	
LoneStar Group	
Mime Petroleum	
Minerva Topco AS	
Mintra Group	
Mintra holding AS	
Morrow Bank	
Mutar es SE & Co. KGaA	
NEXT Biometrics Group ASA	
Nordic Aqua Partners AS	
Nordic Hallbut AS	
Nordic Unmanned	
Norse Atlantic ASA	
OKEA	
Otovo ASA	
Par eto Bank	
Pentfield Shipping LLC	
PGSASA	
PHM Group Holding	
Point Resources Holding AS	
Prosafe	
Protector Forsikring ASA	
Proximar Seafood AS	
Quality Living Residential AS	

This overview is updated monthly (this overview is for the period 01.02.2023 – 31.01.2024).

Appendix C

Disclosure requirements pursuant to the Norwegian Securities Trading Regulation § 3-11 (4)

Distribution of recommendations	
Recommendation	% distribution
Buy	76%
Hold	23%
Sell	2%

Distribution of recommendations (transactions*)	
Recommendation	% distribution
Buy	94%
Hold	6%
Sell	0%

* Companies under coverage with which Pareto Securities Group has on-going or completed public services in the previous 12 months

This overview is updated monthly (last updated 15.02.2024).

Appendix D

This section applies to research reports prepared by Pareto Securities AB.

Disclosure of positions in financial instruments

The beneficial holding of the Pareto Group is 1 % or more of the total share capital of the following companies included in Pareto Securities AB's research coverage universe: None

The Pareto Group has material holdings of other financial instruments than shares issued by the following companies included in Pareto Securities AB's research coverage universe: None

Disclosure of assignments and mandates

Overview over issuers of financial instruments where Pareto Securities AB has prepared or distributed investment recommendation, where Pareto Securities AB has been lead manager or co-lead manager or has rendered publicly known not immaterial investment banking services over the previous twelve months:

ADDVise Group AB	Gaming Innovation Group	Xbrane Biopharma AB
Artificial Solutions International AB	HANZA AB	Xspray Pharma AB
Awardit AB	Hexicon AB	VEFAB
Biovica International AB	Media & Games Invest plc	Vicore Pharma Holding AB
Camurus	Renewcell AB	VNV Global AB
Cibus Nordic Real Estate AB		

Members of the Pareto Group provide market making or other liquidity providing services to the following companies included in Pareto Securities AB's research coverage universe:

Adtraction AB	Mentice AB	Sedana Medical AB
Implantica AG	Modelon AB	VEF
Lundin Gold		

Members of the Pareto Group have entered into agreements concerning the inclusion of the company in question in Pareto Securities AB's research coverage universe with the following companies: None

Member of the Pareto Group is providing Business Management services to the following companies:

Aarhus Residentials	Hallsell Property Invest AB	Mälarsén AB
Backaheden Fastighets AB	Korsängen Fastighets AB (publ)	One Publicus Fastighets AB
Bonäsudden Holding AB (publ)	Krona Public Real Estate AB	Origo Care AB (publ)
Borglunda Fastighets AB	Logistri Fastighets AB	Preserium Property AB
Fleming Properties AB		

Members of the Pareto Group have entered into agreements concerning the inclusion of the company in question in Pareto Securities AB's research coverage universe with the following companies: None

This overview is updated monthly (last updated 15.02.2024).

Appendix E

Disclosure requirements in accordance with Article 6(1)(c)(i) of Commission Delegated Regulation (EU) 2016/958

Designated Sponsor

Pareto Securities acts as a designated sponsor for the following companies, including the provision of bid and ask offers. Therefore, we regularly possess shares of the company in our proprietary trading books. Pareto Securities receives a commission from the company for the provision of the designated sponsor services.

2G Ener gy AG	IVU Traffic AG	Pr yme B.V.
ad pepper media International N.V.	Kontron AG	PSI AG
Biotech AG	Logwin AG	Pyrum Innovations AG
Biotech AG Pf.d.	manz AG	Salmones Camanchaca S.A.
Cor estate Capital Holding S.A.	MAX Automation SE	Seven Principles AG
Daldrup & Söhne AG	Mer kur Privatbank AG	SHOP APOTHEKE EUROPE N.V.
DEMIRE AG	Meta Wolf AG	SMT Schar f AG
DF Deutsche Forfait AG	MLP SE	Surteco AG
epigenomics AG	MPC Container Ships ASA	SYZGY AG
Foris AG	Muehlhahn AG	TTL Beteiligungs- und Grundbesitz AG
Gesco AG	Mutar es SE & Co. KGaA	Uzin Utz SE
GFT Technologies SE	OVB Holding AG	VERIANOSSE
Heidelber g Pharma AG	Pr oCredit Holding AG	Viscom AG
INTERSHOP Communications AG	Pr ogress-Werk Oberkir ch AG	WPU - Waste Plastic Upcycling AS

Appendix F

Disclosure requirements in accordance with Article 6(1)(c)(iv) of Commission Delegated Regulation (EU) 2016/958

Sponsored Research

Pareto Securities has entered into an agreement with these companies about the preparation of research reports and – in return – receives compensation.

2G Ener gy AG	Expr es2ion Biotech Holding AB	Mutar es SE & Co. KGaA
BB Biotech AG	Gesco AG	Mynaric AG
Biotech AG	GFT Technologies SE	OHB SE
Biotech AG Pf.d.	Heidelber g Pharma AG	Pr oCredit Holding AG
Cliq Digital AG	Hypoport SE	Pr ogress-Werk Oberkir ch AG
Daldrup & Söhne AG	INTERSHOP Communications AG	PSI AG
Delignit	Kontron AG	Siegrfried Holding AG
Der maphar m Holding SE	Logwin AG	SMT Schar f AG
Enapter AG	MAX Automation SE	Surteco AG
epigenomics AG	Mer kur Privatbank AG	SYZGY AG
exceed Group	MLP SE	Viscom AG

This overview is updated monthly (last updated 15.02.2024).