

## MA micro attracts Hitachi as new owner

*MAX Automation has agreed to sell its portfolio company MA micro to Hitachi (6501 JP). The announcement was expected after the company started the exit process of MA micro back in September 2023. The agreed exit price of EUR 71.5m to EUR 76.5m, depending on the 2024 performance, implies on the back of the 2023 EBITDA an average multiple of c.8x. However, over the past quarters, MA micro has lost traction (FY 2023 revenues down by 28% yoy, order backlog down by 47% yoy), which could also have had something to do with the exit process. Therefore, based on a somewhat more subdued development expected for 2024, the multiple could be clearly above >10x. MAX Automation has announced to use the exit proceeds to reduce its financial liabilities (2023 net debt of EUR 112m, net leverage of 3.2x). Together with an expected positive FCF in 2024e, the net leverage could improve to a low level below 1x by the end of the year. The conclusion of the exit process is clearly positive for MAX and should improve the company's abilities regarding potential future strategic steps. With a TP of EUR 8.7, we continue to rate the shares a Buy.*

### MA micro in 2023

- In FY 2023, MA micro generated revenues of EUR 46.5m (2022: EUR 64.3m). At an EBITDA of EUR 9.3m (EUR 11.2m), the implied EBITDA margin was at 19.9% (17.4%). Per end of 2023, the company had a net debt of EUR 7m. The order backlog significantly declined to EUR 22m (EUR 42m).
- The closing of the transaction is expected for H2 2024e.

Zafer Rüzgar

+49 69 58997 412, zafer.ruezgar@paretosec.com

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