

3 April 2008

## MBB Industries AG

<b>Buy</b>	€8.1
(Remains Unchanged)	
Target Price:	€15.4 (14.0)
Reuters Code:	MBBG.DE
Bloomberg Ticker:	MBB GR
EPS adj.	
Dec 2006A	€0.59
Dec 2007E	€2.07 (1.09)
Dec 2008E	€1.47 (1.18)
Dec 2009E	€1.92 (1.52)
WestLB Research estimates	
Market Cap:	€ 54m

Current recommendation since  
Previous recommendation was

For disclosures and statements required by  
regulatory bodies, please see the last page.

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## MBB Industries AG

### Increased earnings and target price post prelims

- After a strong set of FY2007 preliminary figures and a management contact with CEO Nesemeier, we lift our earnings estimates as well as our target price. We lift our FY2008 and FY2009 EPS estimates by 22% and 24% to reflect a stronger than expected margin improvement especially at the biggest affiliate Reimelt-Henschel. We initiate our FY2010 EPS view with EUR2.07. Our new fair value range is EUR13.9 to EUR17.4 based on a 2008 peer group analysis as well as a NAV multiplier approach. We set a new target price of EUR15.4 as a mid-point of both valuation approaches, which yields 82% upside. The key trigger points for the MBB share for FY2008 will be an increase of the current low free float of 25% as well as further success on the exit front. In any case a company with a low risk profile and a significant RoE premium to its cost of equity does not deserve a discount to its current book value.

- We will issue an indepth note in the course of the morning.

### MBB Industries AG forecasts and multiples

Year End	Sales	EBT	EPS adj.	P/E	EV/EBITDA	Yield
Dec	(€m)	(€m)	(€)	(x)	(x)	(%)
2006A	63	4	0.59	13.9	7.2	0.0
2007E	114	12	2.07	3.9	2.6	0.0
2008E	178	13	1.47	5.5	2.6	0.0
2009E	190	17	1.92	4.2	1.9	0.0
Net cash/Share <sup>1</sup>	€0.2					
NAV/Share	€3.8					

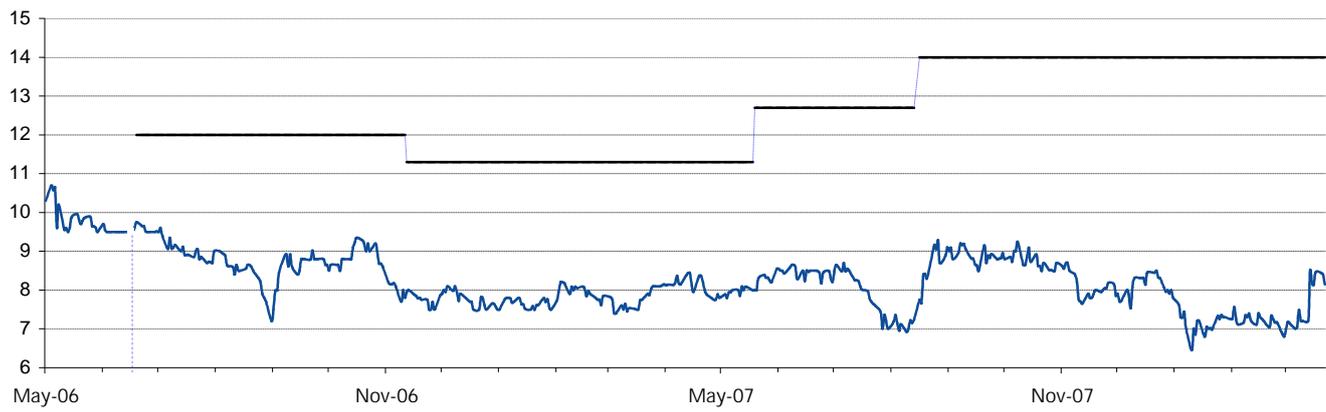
<sup>1</sup> Cash/debt at end of current year

Source MBB Industries AG, WestLB Research estimates

Wolfgang Fickus

03 April 2008

### MBB Industries AG MBBG.DE



Date	Price	Changed to...	Date	Price	Changed to...	Date	Price	Changed to...
30-Jun-06	9.75	Buy						

Coverage History      No Rating as of 12/05/2006      Source FactSet/JCF, WestLB Research  
 Change of analyst as of 19 Sept 2006  
 Initiation of coverage as of 30 June 2006

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Hold	68	27	Hold	9	16
Sell/Reduce	14	6	Sell/Reduce	3	5

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