

3 April 2008

MBB Industries AG

Buy	€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 ¹	€0.2					
NAV/Share	€3.8					

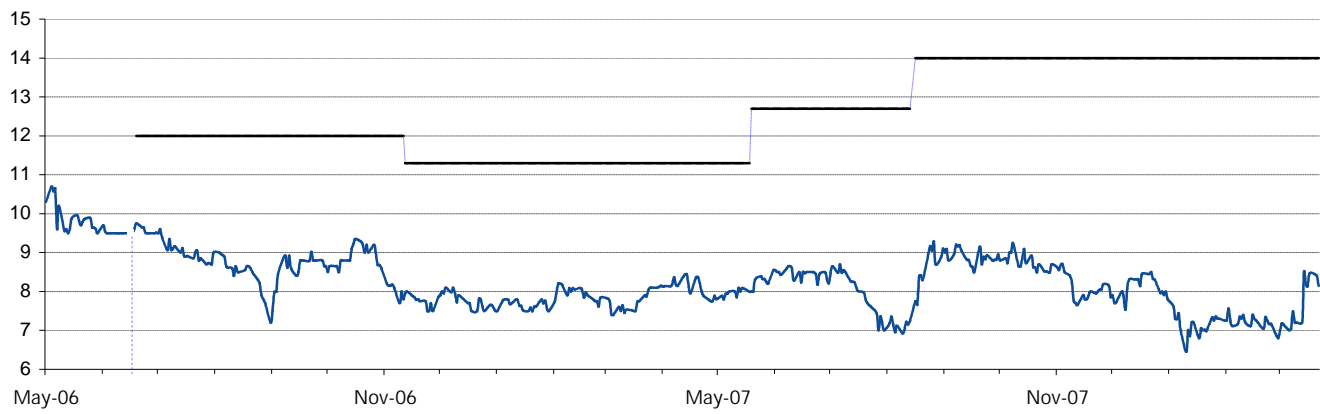
¹ Cash/debt at end of current year

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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