

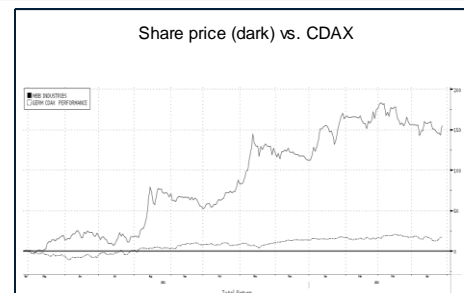
Recommendation: **BUY** (BUY) Risk: **MEDIUM** (MEDIUM) Price Target: **EUR 27.00** (27.00)

25 April 2013

1Q 2013: Improvement of earnings ...

... despite last year's positive one-off effect

- MBB published figures for 1Q 2013: Sales grew by 77% yoy to EUR 55.5m from EUR 31.4m (1Q 2012). Besides a positive development of its holding companies a major contribution came from MBB Fertigungstechnik which was acquired at the end of 1Q 2012 and therefore was not included in the first quarter revenues 2012.
- Adjusted by a positive one-off effect from the consolidation of MBB Fertigungstechnik (EUR 1.7m) in 1Q 2012 the net profit increased by 125% to EUR 3.3m following EUR 1.5m in 1Q 2012. The reported net profit in 1Q 2012 was EUR 3.2 m and EPS stood at EUR 0.49. The 1Q 2013 EPS of EUR 0.51 underlines that MBB was able to increase earnings despite last year's one-off effect.
- MBB's balance sheet figures improved further: The equity amounts to more than EUR 60m and the equity ratio improved from 33% (1Q 2012) to now 37%. By the end of March 2013, cash and cash equivalents stood at EUR 54.3m (FY 2012: EUR 45.2m). Therefore MBB is able to easily finance growth of its existing companies (for example new capacities of Hanke Tissue in Poland) as well as possible acquisitions.
- Today MBB announced that Dr. Niggemann – chairman of the supervisory board – bought 10,000 MBB shares at a price of EUR 18.50. In total he invested EUR 185,000, which underlines his confidence into the further development of the company.
- We leave our estimates and price target unchanged. MBB's valuation remains attractive, we estimate its FY 2013 EV/EBIT at 4.9x. We therefore confirm our BUY recommendation.



Source: CBS Research AG, Bloomberg, MBB Industries AG

Change	2013E		2014E		2015E	
	new	old	new	old	new	old
Sales	-	240.5	-	244.5	251.5	-
EBIT	-	20.2	-	20.6	21.4	-
EPS	-	2.05	-	2.09	2.19	-

Internet: mbbindustries.com Sector: All Industrial
WKN: A0ETBQ ISIN: DE000A0ETBQ4
Reuters: MBBG.DE Bloomberg: MBB GY

Short company profile:

As an industrial holding company, MBB Industries AG purchases, develops and sells holdings in medium-sized industrial companies. Its focus lies on companies that are characterized by a strong position in the relevant industry.

Share data:

Share price (EUR, latest closing price):	17.45
Shares outstanding (m):	6.6
Market capitalisation (EUR m):	115.2
Enterprise value (EUR m):	99.2
Ø daily trading volume (3 m., no. of shares):	7,561

Performance data:

High 52 weeks (EUR):	21.20
Low 52 weeks (EUR):	7.32
Absolute performance (12 months):	142.7%
Relative performance vs. CDAX:	
1 month	-0.2%
3 months	-0.7%
6 months	34.5%
12 months	107.2%

Shareholders:

Management	75.7%
Free float	24.3%

Financial calendar:

1Q 2013 report	31 May 2013
AGM	17 June 2013

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Key data

FY 12/31, EUR m	2010	2011	2012	2013E	2014E	2015E
Sales	99.9	109.6	204.9	240.5	244.5	251.5
EBIT	-7.0	5.7	19.4	20.2	20.6	21.4
Net result	-6.8	3.3	13.4	13.3	13.5	14.2
EPS	-1.04	0.51	2.08	2.05	2.09	2.19
DPS	0.33	0.44	0.50	0.50	0.50	0.55
Gross margin	34.2%	38.4%	44.0%	44.2%	44.2%	44.3%
EBITDA margin	n.m.	8.4%	11.9%	10.8%	10.8%	10.9%
EBIT margin	n.m.	5.2%	9.5%	8.4%	8.4%	8.5%
EV/EBITDA	n.m.	10.7	4.1	3.8	3.7	3.6
EV/EBIT	n.m.	17.5	5.1	4.9	4.8	4.6
P/E	n.m.	34.5	8.4	8.5	8.3	8.0

Source: MBB Industries AG, CBS Research AG

Research



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BUY: The expected performance of the share price is above +10%.

HOLD: The expected performance of the share price is between 0% and +10%.

SELL: The expected performance of the share price is below 0%.

Recommendation history over the last 12 months for the company analysed in this report:

Date	Recommendation	Price at change date	Price Target
31 May 2012	BUY	EUR 9.01	EUR 15.00
26 July 2012	BUY	EUR 8.00	EUR 15.00
14 August 2012	BUY	EUR 11.65	EUR 17.20
06 November 2012	BUY	EUR 14.30	EUR 21.50

28 February 2013	BUY	EUR 19.70	EUR 27.00
25 April 2013	BUY	EUR 17.45	EUR 27.00

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MEDIUM: The volatility is expected to be equal to the volatility of the benchmark

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The figures taken from the income statement, the cash flow statement and the balance sheet upon which the evaluation of companies is based are estimates referring to given dates and therefore subject to risks.

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