



Buy (old: Buy)

Price target: EUR 13.60 (old: EUR 11.40)

Price:	EUR 9.59	Next result:	Q1 '17: tba
Bloomberg:	SANT GR	Market cap:	EUR 462.4 m
Reuters:	SANT1.DE	Enterprise Value:	EUR 467.6 m

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Kontron deal execution fully on track; Adj. Est. & PT

During our roadshows to Paris and London, management has shown strong conviction to achieve the merger with and turnaround of Kontron in H1 2017. Most importantly, Kontron is on track for a 27-28% gross margin in Q1 and should break-even in Q2. Key takeaways:

- Measures to save € 18m of costs (of € 20m initial target) at Kontron have been implemented** (key measure: axing 220 employees, 70 of which earned € 100,000 on average). Cost savings should kick-in shortly: **Management expects Kontron to achieve break-even in Q2**. Additional cost savings of € 8-10m (reduction of double admin functions, no more listing and accounting expenses etc.) should be achieved once the merger has been completed by mid 2017.
- Management is very confident that the merger with Kontron will be achieved at c. € 3.00 per share value for Kontron** (in-line with eH&A). While S&T should own c. 40% of Kontron directly after the pending capital raise, management has convinced a large number of Kontron investors to support the deal. Votes will be cast at the AGM on May 30. The direct benefits of the merger include additional cost savings potential (€ 8-10m; see above) but also access to substantial tax loss carry forwards and higher transparency / lower complexity of the business.
- Strong current trading should underpin confidence in the investment case.** (1) S&T is on track to reach our FY 2016 expectations despite an unaccounted for € 2m cost burden from Kontron (consolidated in Dec. 2016). This underlines the strong organic performance of the business especially in Security Appliances; (2) Showing substantial progress already in Q1, **Kontron's gross margin has so far moved up to 27-28%** vs. 21% achieved in 9m 2016 (Q4 not yet reported). Clearly, measures are taking effect i.e. adding software to Kontron's products and shifting production to Foxconn (25% of Kontron's production has already been shifted). New products have a 40% GM vs. 25% for the "old" products; (3) Management confirmed it expects more than € 50m EBITDA in 2017E - ahead of consensus' estimate of c. €45m.

S&T is expected to re-rate higher once the market becomes aware of the successful turnaround of Kontron. Given the increased visibility, we switch valuation to halfway 2018/2019E (old: 2018E) **yielding a new PT of € 13.60. BUY. – chg. on next page –**

Y/E 31.12 (EUR m)	2013	2014	2015	2016E	2017E	2018E	2019E
Sales	337.9	385.5	468.2	475.0	870.0	971.9	1,039.9
Sales growth	0 %	14 %	21 %	1 %	83 %	12 %	7 %
EBITDA	20.1	22.9	28.4	32.5	50.3	75.4	83.5
EBIT	14.3	16.6	20.6	23.7	27.1	51.8	59.5
Net income	11.7	13.0	15.8	17.8	19.9	43.1	51.0
Net debt	9.3	1.5	-9.4	2.6	-10.7	-30.3	-55.7
Net gearing	13.5 %	1.7 %	-9.4 %	1.6 %	-3.9 %	-9.6 %	-15.5 %
Net Debt/EBITDA	0.5	0.1	0.0	0.1	0.0	0.0	0.0
EPS pro forma	0.30	0.30	0.36	0.37	0.45	0.72	0.85
CPS	0.15	0.35	0.50	0.45	0.45	0.58	0.71
DPS	0.06	0.07	0.08	0.09	0.10	0.12	0.14
Dividend yield	0.6 %	0.7 %	0.8 %	0.9 %	1.0 %	1.3 %	1.5 %
Gross profit margin	33.1 %	33.2 %	34.3 %	34.9 %	32.5 %	34.4 %	34.4 %
EBITDA margin	5.9 %	5.9 %	6.1 %	6.8 %	5.8 %	7.8 %	8.0 %
EBIT margin	4.2 %	4.3 %	4.4 %	5.0 %	3.1 %	5.3 %	5.7 %
ROCE	10.8 %	12.4 %	13.8 %	11.8 %	9.0 %	13.9 %	15.0 %
EV/sales	1.2	1.1	0.9	1.0	0.7	0.6	0.5
EV/EBITDA	19.4	18.3	14.4	14.4	11.3	7.3	6.3
EV/EBIT	27.3	25.2	19.8	19.7	20.9	10.6	8.8
PER	32.1	31.9	26.7	25.9	21.4	13.3	11.3
Adjusted FCF yield	3.8 %	3.8 %	5.1 %	6.0 %	5.6 %	10.1 %	11.8 %

Source: Company data, Hauck & Aufhäuser Close price as of: 10.03.2017



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks:	10.96 / 5.95
Price/Book Ratio:	2.8
Relative performance (TecDAX):	
3 months	-0.2 %
6 months	0.1 %
12 months	37.7 %

Changes in estimates

		Sales	EBIT	EPS
2016	old:	475.0	23.7	0.37
	Δ	-	-	-
2017	old:	870.0	17.3	0.30
	Δ	-	57%	51%
2018	old:	971.9	46.0	0.63
	Δ	-	13%	14%

Key share data:

Number of shares: (in m pcs)	44.2
Authorised capital: (in € m)	12.1
Book value per share: (in €)	3.4
Ø trading volume: (12 months)	60,000

Major shareholders:

Free Float	70.7 %
Ennoconn	29.3 %
CEO (incl. in Free Float)	3.0 %

Company description:

S&T combines an IT system house business with a portfolio of security appliances targeting Cloud Computing applications.

Action: 2017E EBIT is increased by 57% due to better visibility on successful cost savings measures and reduced expectations for D&A including PPA amortisation. EBIT expectations for 2018E are increased by 13% exclusively reflecting lower D&A assumptions. 2019E is introduced.

Financials

Profit and loss (EUR m)	2013	2014	2015	2016E	2017E	2018E	2019E
Net sales	337.9	385.5	468.2	475.0	870.0	971.9	1,039.9
<i>Sales growth</i>	-0.5 %	14.1 %	21.4 %	1.5 %	83.2 %	11.7 %	7.0 %
Increase/decrease in finished goods and work-in-process	0.9	1.2	2.7	0.9	5.0	5.0	5.0
Total sales	338.8	386.8	470.9	475.9	875.0	976.9	1,044.9
Other operating income	6.7	5.0	6.3	4.0	8.5	9.0	9.0
Material expenses	226.7	258.3	309.3	310.0	591.0	641.0	685.1
Personnel expenses	66.2	72.4	89.5	92.9	168.1	187.0	198.4
Other operating expenses	32.5	38.2	50.0	44.5	74.1	82.5	86.9
Total operating expenses	318.7	363.9	442.6	443.4	824.7	901.5	961.4
EBITDA	20.1	22.9	28.4	32.5	50.3	75.4	83.5
Depreciation	2.3	2.2	7.7	4.3	8.3	8.5	8.5
EBITA	17.8	20.7	20.6	28.2	42.0	66.9	75.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	3.5	4.1	0.0	4.5	14.9	15.1	15.5
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	14.3	16.6	20.6	23.7	27.1	51.8	59.5
Interest income	0.5	1.6	0.3	0.3	0.4	0.4	0.5
Interest expenses	2.7	3.2	3.0	2.6	3.8	3.5	2.6
Other financial result	0.0	-0.3	0.5	-0.2	-0.1	0.0	0.0
Financial result	-2.2	-1.8	-2.2	-2.5	-3.5	-3.0	-2.2
Recurring pretax income from continuing operations	12.1	14.8	18.4	21.2	23.6	48.8	57.4
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	12.1	14.8	18.4	21.2	23.6	48.8	57.4
Taxes	0.1	0.8	0.8	1.6	1.6	3.4	4.0
Net income from continuing operations	11.9	14.0	17.6	19.6	21.9	45.3	53.4
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	11.9	14.0	17.6	19.6	21.9	45.3	53.4
Minority interest	0.2	1.0	1.8	1.8	2.0	2.2	2.4
Net income (net of minority interest)	11.7	13.0	15.8	17.8	19.9	43.1	51.0
Average number of shares	39.2	41.2	43.5	44.2	54.1	60.0	60.0
EPS reported	0.30	0.32	0.36	0.40	0.37	0.72	0.85

Profit and loss (common size)	2013	2014	2015	2016E	2017E	2018E	2019E
Net sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Increase/decrease in finished goods and work-in-process	0.3 %	0.3 %	0.6 %	0.2 %	0.6 %	0.5 %	0.5 %
Total sales	100.3 %	100.3 %	100.6 %	100.2 %	100.6 %	100.5 %	100.5 %
Other operating income	2.0 %	1.3 %	1.3 %	0.8 %	1.0 %	0.9 %	0.9 %
Material expenses	67.1 %	67.0 %	66.1 %	65.3 %	67.9 %	66.0 %	65.9 %
Personnel expenses	19.6 %	18.8 %	19.1 %	19.6 %	19.3 %	19.2 %	19.1 %
Other operating expenses	9.6 %	9.9 %	10.7 %	9.4 %	8.5 %	8.5 %	8.4 %
Total operating expenses	94.3 %	94.4 %	94.5 %	93.3 %	94.8 %	92.8 %	92.4 %
EBITDA	5.9 %	5.9 %	6.1 %	6.8 %	5.8 %	7.8 %	8.0 %
Depreciation	0.7 %	0.6 %	1.7 %	0.9 %	1.0 %	0.9 %	0.8 %
EBITA	5.3 %	5.4 %	4.4 %	5.9 %	4.8 %	6.9 %	7.2 %
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	1.0 %	1.1 %	0.0 %	0.9 %	1.7 %	1.6 %	1.5 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT	4.2 %	4.3 %	4.4 %	5.0 %	3.1 %	5.3 %	5.7 %
Interest income	0.1 %	0.4 %	0.1 %	0.1 %	0.0 %	0.0 %	0.0 %
Interest expenses	0.8 %	0.8 %	0.6 %	0.5 %	0.4 %	0.4 %	0.3 %
Other financial result	0.0 %	-0.1 %	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	-0.7 %	-0.5 %	-0.5 %	-0.5 %	-0.4 %	-0.3 %	-0.2 %
Recurring pretax income from continuing operations	3.6 %	3.8 %	3.9 %	4.5 %	2.7 %	5.0 %	5.5 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	3.6 %	3.8 %	3.9 %	4.5 %	2.7 %	5.0 %	5.5 %
Tax rate	1.1 %	5.2 %	4.3 %	7.4 %	7.0 %	7.0 %	7.0 %
Net income from continuing operations	3.5 %	3.6 %	3.8 %	4.1 %	2.5 %	4.7 %	5.1 %
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	3.5 %	3.6 %	3.8 %	4.1 %	2.5 %	4.7 %	5.1 %
Minority interest	0.1 %	0.3 %	0.4 %	0.4 %	0.2 %	0.2 %	0.2 %
Net income (net of minority interest)	3.5 %	3.4 %	3.4 %	3.8 %	2.3 %	4.4 %	4.9 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2013	2014	2015	2016E	2017E	2018E	2019E
Intangible assets	44.8	57.1	72.8	74.2	255.5	259.8	265.1
Property, plant and equipment	9.0	11.4	15.2	13.2	10.1	7.0	4.2
Financial assets	2.8	3.8	3.1	80.1	3.1	3.1	3.1
FIXED ASSETS	56.5	72.3	91.0	167.5	268.7	269.9	272.4
Inventories	22.7	30.0	28.7	29.1	50.0	64.8	74.3
Accounts receivable	71.6	95.7	86.4	87.7	106.1	125.1	136.8
Other current assets	15.2	22.0	36.7	37.6	38.5	39.5	40.5
Liquid assets	42.9	39.5	60.3	64.4	81.7	85.3	95.7
Deferred taxes	11.1	13.6	15.9	15.9	15.9	15.9	15.9
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	163.6	200.8	228.0	234.7	292.2	330.6	363.1
TOTAL ASSETS	220.1	273.1	319.1	402.2	560.9	600.5	635.5
SHAREHOLDERS EQUITY	69.2	86.9	99.8	163.1	278.8	316.2	360.3
MINORITY INTEREST	2.1	2.8	2.4	2.4	2.4	2.4	2.4
Long-term debt	23.9	26.1	28.1	52.0	52.0	40.0	25.0
Provisions for pensions and similar obligations	2.9	2.3	2.5	2.5	2.5	2.6	2.6
Other provisions	3.9	4.6	6.0	6.1	6.3	6.5	6.7
Non-current liabilities	30.7	33.0	36.5	60.7	60.9	49.1	34.3
short-term liabilities to banks	28.4	14.8	22.9	15.0	19.0	15.0	15.0
Accounts payable	46.6	74.2	70.1	71.1	107.3	122.5	125.4
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	41.8	59.9	85.9	88.5	91.1	93.8	96.7
Deferred taxes	1.4	1.5	1.4	1.4	1.4	1.4	1.4
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	118.1	150.3	180.3	176.0	218.8	232.8	238.5
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	220.1	273.1	319.1	402.2	560.9	600.5	635.5

Balance sheet (common size)	2013	2014	2015	2016E	2017E	2018E	2019E
Intangible assets	20.3 %	20.9 %	22.8 %	18.4 %	45.5 %	43.3 %	41.7 %
Property, plant and equipment	4.1 %	4.2 %	4.7 %	3.3 %	1.8 %	1.2 %	0.7 %
Financial assets	1.3 %	1.4 %	1.0 %	19.9 %	0.6 %	0.5 %	0.5 %
FIXED ASSETS	25.7 %	26.5 %	28.5 %	41.7 %	47.9 %	44.9 %	42.9 %
Inventories	10.3 %	11.0 %	9.0 %	7.2 %	8.9 %	10.8 %	11.7 %
Accounts receivable	32.6 %	35.0 %	27.1 %	21.8 %	18.9 %	20.8 %	21.5 %
Other current assets	6.9 %	8.1 %	11.5 %	9.3 %	6.9 %	6.6 %	6.4 %
Liquid assets	19.5 %	14.5 %	18.9 %	16.0 %	14.6 %	14.2 %	15.1 %
Deferred taxes	5.1 %	5.0 %	5.0 %	4.0 %	2.8 %	2.6 %	2.5 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
CURRENT ASSETS	74.3 %	73.5 %	71.5 %	58.3 %	52.1 %	55.1 %	57.1 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	31.4 %	31.8 %	31.3 %	40.6 %	49.7 %	52.7 %	56.7 %
MINORITY INTEREST	0.9 %	1.0 %	0.8 %	0.6 %	0.4 %	0.4 %	0.4 %
Long-term debt	10.9 %	9.6 %	8.8 %	12.9 %	9.3 %	6.7 %	3.9 %
Provisions for pensions and similar obligations	1.3 %	0.8 %	0.8 %	0.6 %	0.5 %	0.4 %	0.4 %
Other provisions	1.8 %	1.7 %	1.9 %	1.5 %	1.1 %	1.1 %	1.1 %
Non-current liabilities	14.0 %	12.1 %	11.5 %	15.1 %	10.9 %	8.2 %	5.4 %
short-term liabilities to banks	12.9 %	5.4 %	7.2 %	3.7 %	3.4 %	2.5 %	2.4 %
Accounts payable	21.2 %	27.2 %	22.0 %	17.7 %	19.1 %	20.4 %	19.7 %
Advance payments received on orders	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other liabilities (incl. from lease and rental contracts)	19.0 %	21.9 %	26.9 %	22.0 %	16.2 %	15.6 %	15.2 %
Deferred taxes	0.6 %	0.5 %	0.5 %	0.4 %	0.3 %	0.2 %	0.2 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Current liabilities	53.7 %	55.1 %	56.5 %	43.8 %	39.0 %	38.8 %	37.5 %
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

Source: Company data, Hauck & Aufhäuser

Cash flow statement (EUR m)	2013	2014	2015	2016E	2017E	2018E	2019E
Net profit/loss	11.9	14.0	17.6	19.6	21.9	45.3	53.4
Depreciation of fixed assets (incl. leases)	2.3	2.2	7.7	4.3	8.3	8.5	8.5
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	3.5	4.1	0.0	4.5	14.9	15.1	15.5
Others	-10.6	4.1	-5.2	0.0	0.0	0.0	0.0
Cash flow from operations before changes in w/c	7.2	24.4	20.2	28.5	45.1	69.0	77.4
Increase/decrease in inventory	0.7	-7.4	1.3	-0.4	-20.9	-14.8	-9.5
Increase/decrease in accounts receivable	10.3	-24.0	9.2	-1.3	-18.4	-19.1	-11.6
Increase/decrease in accounts payable	-7.1	27.6	-4.1	1.0	36.1	15.2	2.9
Increase/decrease in other working capital positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	3.9	-3.8	6.5	-0.7	-3.1	-18.6	-18.2
Cash flow from operating activities	11.1	20.6	26.7	27.8	42.0	50.3	59.2
CAPEX	5.8	5.8	9.5	8.3	24.4	24.8	26.5
Payments for acquisitions	-4.6	5.5	0.4	0.0	0.0	0.0	0.0
Financial investments	0.2	1.7	0.6	77.0	0.0	0.0	0.0
Income from asset disposals	1.4	0.4	0.9	1.0	0.0	0.0	0.0
Cash flow from investing activities	0.0	-12.6	-9.6	-84.3	-24.4	-24.8	-26.5
Cash flow before financing	11.1	8.0	17.1	-56.5	17.7	25.5	32.6
Increase/decrease in debt position	1.9	3.1	6.1	16.0	4.0	-16.0	-15.0
Purchase of own shares	1.3	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	-0.1	10.5	0.0	48.0	0.0	0.0	0.0
Dividends paid	0.0	2.4	3.1	3.5	4.3	6.0	7.2
Others	-2.1	1.3	-3.8	0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	-0.5	-1.1	0.5	0.0	0.0	0.0	0.0
Cash flow from financing activities	-1.6	12.5	-0.7	60.6	-0.3	-22.0	-22.2
Increase/decrease in liquid assets	9.1	19.5	16.8	4.1	17.3	3.5	10.4
Liquid assets at end of period	42.9	39.5	60.3	64.4	81.7	85.3	95.7

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2013	2014	2015	2016E	2017E	2018E	2019E
Domestic	68.4	65.1	65.5	61.8	113.1	126.3	0.0
yoy change	-2.4 %	-4.8 %	0.7 %	-5.8 %	83.2 %	11.7 %	n/a
Rest of Europe	269.6	320.5	402.6	413.3	756.9	845.6	0.0
yoy change	0.0 %	18.9 %	25.6 %	2.6 %	83.2 %	11.7 %	n/a
NAFTA	n/a	n/a	n/a	n/a	n/a	n/a	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Asia Pacific	n/a	n/a	n/a	n/a	n/a	n/a	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rest of world	n/a	n/a	n/a	n/a	n/a	n/a	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TTL	337.9	385.5	468.2	475.0	870.0	971.9	0.0
yoy change	-0.5 %	14.1 %	21.4 %	1.5 %	83.2 %	11.7 %	n/a

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2013	2014	2015	2016E	2017E	2018E	2019E
P&L growth analysis							
Sales growth	-0.5 %	14.1 %	21.4 %	1.5 %	83.2 %	11.7 %	7.0 %
EBITDA growth	21.3 %	14.0 %	23.9 %	14.6 %	54.8 %	49.9 %	10.8 %
EBIT growth	28.2 %	16.2 %	24.1 %	14.9 %	14.3 %	91.1 %	14.9 %
EPS growth	9.3 %	5.4 %	15.3 %	10.9 %	-8.7 %	95.1 %	18.2 %
Efficiency							
Total operating costs / sales	94.3 %	94.4 %	94.5 %	93.3 %	94.8 %	92.8 %	92.4 %
Sales per employee	211.9	203.5	209.9	210.9	382.4	423.0	900.7
EBITDA per employee	12.6	12.1	12.7	14.4	22.1	32.8	72.4
Balance sheet analysis							
Avg. working capital / sales	14.7 %	12.9 %	10.3 %	9.6 %	5.4 %	6.0 %	7.4 %
Inventory turnover (sales/inventory)	14.9	12.8	16.3	16.3	17.4	15.0	14.0
Trade debtors in days of sales	77.4	90.6	67.4	67.4	44.5	47.0	48.0
A/P turnover [(A/P*365)/sales]	50.3	70.2	54.6	54.6	45.0	46.0	44.0
Cash conversion cycle (days)	38.9	28.2	18.6	18.0	9.1	14.1	20.8
Cash flow analysis							
Free cash flow	5.3	14.8	17.2	19.5	17.7	25.5	32.6
Free cash flow/sales	1.6 %	3.8 %	3.7 %	4.1 %	2.0 %	2.6 %	3.1 %
FCF / net profit	45.3 %	114.1 %	108.6 %	109.3 %	88.8 %	59.2 %	64.0 %
Capex / depre	103.4 %	119.1 %	130.9 %	969.5 %	105.0 %	105.0 %	110.5 %
Capex / maintenance capex	78.4 %	37.3 %	44.8 %	38.9 %	34.3 %	34.3 %	34.5 %
Capex / sales	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Security							
Net debt	9.3	1.5	-9.4	2.6	-10.7	-30.3	-55.7
Net Debt/EBITDA	0.5	0.1	0.0	0.1	0.0	0.0	0.0
Net debt / equity	0.1	0.0	-0.1	0.0	0.0	-0.1	-0.2
Interest cover	5.3	5.2	6.9	9.1	7.1	14.9	22.8
Dividend payout ratio	20.1 %	23.3 %	21.9 %	24.3 %	30.1 %	16.7 %	16.5 %
Asset utilisation							
Capital employed turnover	2.6	2.8	2.9	2.0	2.4	2.5	2.5
Operating assets turnover	6.0	6.1	7.8	8.1	14.8	13.1	11.6
Plant turnover	37.6	33.7	30.9	35.9	85.7	139.0	246.8
Inventory turnover (sales/inventory)	14.9	12.8	16.3	16.3	17.4	15.0	14.0
Returns							
ROCE	10.8 %	12.4 %	13.8 %	11.8 %	9.0 %	13.9 %	15.0 %
ROE	17.0 %	14.9 %	15.9 %	10.9 %	7.1 %	13.6 %	14.1 %
Other							
Interest paid / avg. debt	5.3 %	6.8 %	6.5 %	4.4 %	5.5 %	5.5 %	5.5 %
No. employees (average)	1595	1895	2230	2252	2275	2298	1155
Number of shares	39.2	41.2	43.5	44.2	54.1	60.0	60.0
DPS	0.1	0.1	0.1	0.1	0.1	0.1	0.1
EPS reported	0.30	0.32	0.36	0.40	0.37	0.72	0.85
Valuation ratios							
P/BV	5.5	4.8	4.2	2.8	2.1	1.8	1.6
EV/sales	1.2	1.1	0.9	1.0	0.7	0.6	0.5
EV/EBITDA	19.4	18.3	14.4	14.4	11.3	7.3	6.3
EV/EBITA	21.9	20.3	19.8	16.6	13.5	8.2	7.0
EV/EBIT	27.3	25.2	19.8	19.7	20.9	10.6	8.8
EV/FCF	73.3	28.3	23.7	24.0	32.1	21.4	16.0
Adjusted FCF yield	3.8 %	3.8 %	5.1 %	6.0 %	5.6 %	10.1 %	11.8 %
Dividend yield	0.6 %	0.7 %	0.8 %	0.9 %	1.0 %	1.3 %	1.5 %

Source: Company data, Hauck & Aufhäuser

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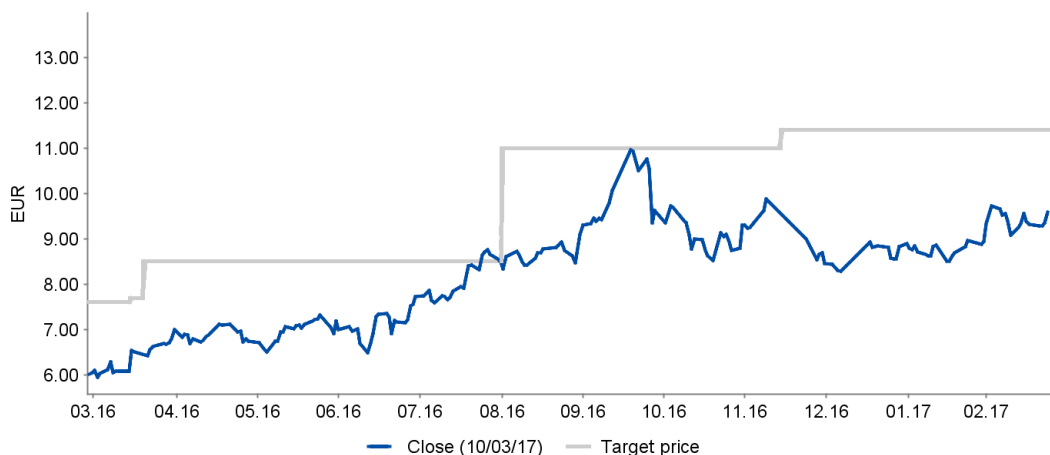
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Company	Disclosure
S&T AG	3

Historical target price and rating changes for S&T AG in the last 12 months

**Price and Rating History
S&T AG as of 13/03/17**

Initiation coverage
30-May-12



Company	Date	Analyst	Rating	Target price	Close
S&T AG	05.12.2016	Wunderlich, CFA, Tim	Buy	EUR 11.40	EUR 9.88
	03.11.2016	Wunderlich, CFA, Tim	Buy	EUR 11.00	EUR 8.62
	02.11.2016	Wunderlich, CFA, Tim	Buy	EUR 11.00	EUR 8.62
	13.10.2016	Wunderlich, CFA, Tim	Buy	EUR 11.00	EUR 9.63
	17.08.2016	Wunderlich, CFA, Tim	Buy	EUR 11.00	EUR 8.33
	03.08.2016	Wunderlich, CFA, Tim	Buy	EUR 8.50	EUR 8.17

04.05.2016	Wunderlich, CFA, Tim	Buy	EUR 8.50	EUR 7.10
29.04.2016	Wunderlich, CFA, Tim	Buy	EUR 8.50	EUR 6.95
05.04.2016	Wunderlich, CFA, Tim	Buy	EUR 8.50	EUR 6.43
30.03.2016	Wunderlich, CFA, Tim	Buy	EUR 7.70	EUR 6.54
24.03.2016	Wunderlich, CFA, Tim	Buy	EUR 7.60	EUR 6.07

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