

Buy (old: Buy)

Price target: EUR 18.50 (old: EUR 18.50)

Price:	EUR 15.70	Next result:	Q3 '17: tba
Bloomberg:	SANT GR	Market cap:	EUR 734.5 m
Reuters:	SANT1.DE	Enterprise Value:	EUR 714.8 m

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Q2 out: Remarkable in many ways

Topic: Excellent Q2 shows success of Kontron integration (see next page); FY guidance looks too conservative. Key insights:

- **Kontron turnaround progresses.** Our discussion with S&T's management revealed that Kontron achieved a **strong book to bill of 1.13x in Q2** – this is only the second time in more than two years that it signals expansion. This gives confidence that the company is **on track to return to positive sales growth in 2018** driven by new IoT products. The reason for the strong bookings: Kontron managed to attract new clients such as e.g. a US industrial automation company. Order intake related to this customer was c. € 6m in Q2 but has the potential to move up to € 50m next year (eH&A / compare: Kontron's order intake was € 362m in FY'16).
- **Profitability to rise further in H2.** Management has taken additional steps to improve Kontron's profitability including the introduction of short-term work to **cut excess capacity which should save € 2m** in H2, renting out parts of the HQ in Southern Germany, further trimming Kontron's bloated global management team (currently: 50 people costing Kontron € 10m per year) etc. This should come **on top of "natural" cost savings** arising from the merger between S&T and Kontron e.g. no more listing costs, less accounting expenses etc.
- **FY guidance looks too conservative.** S&T yet guides for ">€50m EBITDA" for FY 2017. This looks too low as the company has **already achieved € 27m EBITDA** in H1 and will benefit from additional cost savings in H2. On top of this, note that Q4 is by far the most profitable quarter in a given year for both S&T and Kontron. While we expect € 55m EBITDA, following the strong Q2 **we would not be surprised to see the company exceed € 60m EBITDA this year.**

We remain bullish as valuation should not adequately reflect the growth and margin expansion potential resulting from S&T's new IoT set-up and its promising Foxconn co-operation. **The € 18.50 PT is based on DCF.** – cont –

Y/E 31.12 (EUR m)	2013	2014	2015	2016	2017E	2018E	2019E
Sales	337.9	385.5	468.2	503.7	870.0	971.9	1,069.1
Sales growth	0 %	14 %	21 %	8 %	73 %	12 %	10 %
EBITDA	20.1	22.9	28.4	34.4	55.0	76.4	96.2
EBIT	14.3	16.6	20.6	24.1	31.2	52.8	72.2
Net income	11.7	13.0	15.8	14.6	18.4	42.1	61.1
Net debt	9.3	1.5	-9.4	-32.0	-31.4	-52.0	-89.8
Net gearing	13.5 %	1.7 %	-9.4 %	-20.7 %	-7.5 %	-11.5 %	-17.8 %
Net Debt/EBITDA	0.5	0.1	0.0	0.0	0.0	0.0	0.0
EPS pro forma	0.30	0.30	0.36	0.30	0.43	0.72	1.04
CPS	0.15	0.35	0.50	1.12	0.28	0.67	1.00
DPS	0.06	0.07	0.08	0.10	0.11	0.12	0.14
Dividend yield	0.5 %	0.6 %	0.6 %	0.8 %	0.9 %	1.0 %	1.1 %
Gross profit margin	33.1 %	33.2 %	34.3 %	33.9 %	36.8 %	37.8 %	38.7 %
EBITDA margin	5.9 %	5.9 %	6.1 %	6.8 %	6.3 %	7.9 %	9.0 %
EBIT margin	4.2 %	4.3 %	4.4 %	4.8 %	3.6 %	5.4 %	6.8 %
ROCE	10.8 %	12.4 %	13.8 %	8.8 %	6.5 %	9.3 %	12.4 %
EV/sales	1.5	1.4	1.1	1.2	0.8	0.7	0.6
EV/EBITDA	25.0	23.7	18.8	16.9	13.0	9.1	6.8
EV/EBIT	35.2	32.7	25.8	24.1	22.9	13.1	9.1
PER	41.8	41.5	34.7	41.2	28.9	17.4	12.0
Adjusted FCF yield	2.9 %	2.9 %	3.9 %	3.8 %	5.1 %	8.4 %	11.6 %

Source: Company data, Hauck & Aufhäuser Close price as of: 04.08.2017



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 15.70 / 8.28

Price/Book Ratio: 2.2

Relative performance (TecDAX):

3 months 10.8 %

6 months 53.4 %

12 months 52.7 %

Changes in estimates

		Sales	EBIT	EPS
2017	old:	870.0	31.2	0.43
	Δ	-	-	-
2018	old:	971.9	52.8	0.72
	Δ	-	-	-
2019	old:	1,069.1	72.2	1.04
	Δ	-	-	-

Key share data:

Number of shares: (in m pcs) 54.1

Authorised capital: (in € m) 12.1

Book value per share: (in €) 7.1

Ø trading volume: (12 months) 60,000

Major shareholders:

Free Float 76.2 %

Ennoconn 23.8 %

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.

EUR	Q2 17	Q2 17 est	Q2 16	yoy	Q1 17	qoq	H1 17	H1 16	yoy
Sales	199.0	197.0	100.0	99%	182.8	9%	381.0	196.4	94%
EBITDA	15.0	13.6	6.8	120%	12.2	23%	27.2	13.1	108%
EBITDA margin	7.5%	6.9%	6.8%	+ 0.7 pp	6.7%	+ 0.9 pp	7.1%	6.7%	+ 0.5 pp
Net after minorities	2.4	3.8	3.1	-23%	2.4	0%	4.8	5.8	-17%
Net margin	1.2%	2.0%	3.1%	- 1.9 pp	1.3%	- 0.1 pp	1.3%	2.9%	- 1.7 pp
EPS	0.05	0.08	0.07	-31%	0.05	0%	0.10	0.13	-25%

Source: Company data, Hauck & Aufhäuser

Note: Q2 organic growth is seen at 9% yoy (sales) and >10% yoy (EBITDA). EPS was burdened by minorities and PPA amortisation. Minorities should largely disappear in H2 due to the merger.

Financials

Profit and loss (EUR m)	2013	2014	2015	2016	2017E	2018E	2019E
Net sales	337.9	385.5	468.2	503.7	870.0	971.9	1,069.1
<i>Sales growth</i>	-0.5 %	14.1 %	21.4 %	7.6 %	72.7 %	11.7 %	10.0 %
Increase/decrease in finished goods and work-in-process	0.9	1.2	2.7	2.8	3.0	3.0	3.0
Total sales	338.8	386.8	470.9	506.5	873.0	974.9	1,072.1
Other operating income	6.7	5.0	6.3	6.1	6.5	6.5	6.5
Material expenses	226.7	258.3	309.3	334.8	551.6	606.0	657.0
Personnel expenses	66.2	72.4	89.5	93.5	186.3	204.4	222.0
Other operating expenses	32.5	38.2	50.0	50.0	86.6	94.6	103.4
Total operating expenses	318.7	363.9	442.6	472.1	818.0	898.5	975.9
EBITDA	20.1	22.9	28.4	34.4	55.0	76.4	96.2
Depreciation	2.3	2.2	7.7	10.3	8.3	8.5	8.5
EBITA	17.8	20.7	20.6	24.1	46.7	67.9	87.7
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	0.0	15.5	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	24.1	31.2	52.8	72.2
Interest income	0.5	1.6	0.3	0.3	0.4	0.3	0.4
Interest expenses	2.7	3.2	3.0	4.4	5.8	4.6	2.9
Other financial result	0.0	-0.3	0.5	0.0	-0.1	0.0	0.0
Financial result	-2.2	-1.8	-2.2	-4.0	-5.5	-4.2	-2.6
Recurring pretax income from continuing operations	12.1	14.8	18.4	20.1	25.7	48.6	69.6
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	20.1	25.7	48.6	69.6
Taxes	0.1	0.8	0.8	-0.3	3.1	4.4	6.3
Net income from continuing operations	11.9	14.0	17.6	20.4	22.6	44.2	63.3
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	20.4	22.6	44.2	63.3
Minority interest	0.2	1.0	1.8	5.8	4.2	2.0	2.2
Net income (net of minority interest)	11.7	13.0	15.8	14.6	18.4	42.1	61.1
Average number of shares	39.2	41.2	43.5	44.2	54.1	58.9	58.9
EPS reported	0.30	0.32	0.36	0.33	0.34	0.72	1.04

Profit and loss (common size)	2013	2014	2015	2016	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 %	0.6 %	0.3 %	0.3 %	0.3 %
Total sales	100.3 %	100.3 %	100.6 %	100.6 %	100.3 %	100.3 %	100.3 %
Other operating income	2.0 %	1.3 %	1.3 %	1.2 %	0.7 %	0.7 %	0.6 %
Material expenses	67.1 %	67.0 %	66.1 %	66.5 %	63.4 %	62.4 %	61.5 %
Personnel expenses	19.6 %	18.8 %	19.1 %	18.6 %	21.4 %	21.0 %	20.8 %
Other operating expenses	9.6 %	9.9 %	10.7 %	9.9 %	10.0 %	9.7 %	9.7 %
Total operating expenses	94.3 %	94.4 %	94.5 %	93.7 %	94.0 %	92.4 %	91.3 %
EBITDA	5.9 %	5.9 %	6.1 %	6.8 %	6.3 %	7.9 %	9.0 %
Depreciation	0.7 %	0.6 %	1.7 %	2.0 %	1.0 %	0.9 %	0.8 %
EBITA	5.3 %	5.4 %	4.4 %	4.8 %	5.4 %	7.0 %	8.2 %
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 %	0.0 %	1.8 %	1.6 %	1.4 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT	4.2 %	4.3 %	4.4 %	4.8 %	3.6 %	5.4 %	6.8 %
Interest income	0.1 %	0.4 %	0.1 %	0.1 %	0.0 %	0.0 %	0.0 %
Interest expenses	0.8 %	0.8 %	0.6 %	0.9 %	0.7 %	0.5 %	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 %	-0.8 %	-0.6 %	-0.4 %	-0.2 %
Recurring pretax income from continuing operations	3.6 %	3.8 %	3.9 %	4.0 %	3.0 %	5.0 %	6.5 %
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 %	4.0 %	3.0 %	5.0 %	6.5 %
Tax rate	1.1 %	5.2 %	4.3 %	-1.6 %	12.0 %	9.0 %	9.0 %
Net income from continuing operations	3.5 %	3.6 %	3.8 %	4.1 %	2.6 %	4.5 %	5.9 %
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 %	2.6 %	4.5 %	5.9 %
Minority interest	0.1 %	0.3 %	0.4 %	1.2 %	0.5 %	0.2 %	0.2 %
Net income (net of minority interest)	3.5 %	3.4 %	3.4 %	2.9 %	2.1 %	4.3 %	5.7 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2013	2014	2015	2016	2017E	2018E	2019E
Intangible assets	44.8	57.1	72.8	183.2	363.9	368.2	374.1
Property, plant and equipment	9.0	11.4	15.2	27.5	24.4	21.3	18.7
Financial assets	2.8	3.8	3.1	12.1	3.1	3.1	3.1
FIXED ASSETS	56.5	72.3	91.0	222.8	391.4	392.6	395.8
Inventories	22.7	30.0	28.7	84.9	87.0	97.2	106.9
Accounts receivable	71.6	95.7	86.4	168.6	190.7	213.0	234.3
Other current assets	15.2	22.0	36.7	41.5	42.5	43.6	44.7
Liquid assets	42.9	39.5	60.3	125.6	124.6	107.0	129.8
Deferred taxes	11.1	13.6	15.9	25.4	25.4	25.4	25.4
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	445.9	470.2	486.2	541.1
TOTAL ASSETS	220.1	273.1	319.1	668.7	861.5	878.8	936.9
SHAREHOLDERS EQUITY	69.2	86.9	99.8	154.0	419.9	453.0	504.6
MINORITY INTEREST	2.1	2.8	2.4	87.0	2.5	2.5	2.5
Long-term debt	23.9	26.1	28.1	74.2	74.2	40.0	25.0
Provisions for pensions and similar obligations	2.9	2.3	2.5	11.6	11.7	11.8	12.0
Other provisions	3.9	4.6	6.0	39.1	40.3	41.5	42.7
Non-current liabilities	30.7	33.0	36.5	124.8	126.1	93.3	79.7
short-term liabilities to banks	28.4	14.8	22.9	19.5	19.0	15.0	15.0
Accounts payable	46.6	74.2	70.1	134.3	140.6	157.1	172.8
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	143.7	148.0	152.4	157.0
Deferred taxes	1.4	1.5	1.4	5.4	5.4	5.4	5.4
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	118.1	150.3	180.3	302.8	313.0	329.9	350.2
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	220.1	273.1	319.1	668.7	861.5	878.8	936.9

Balance sheet (common size)	2013	2014	2015	2016	2017E	2018E	2019E
Intangible assets	20.3 %	20.9 %	22.8 %	27.4 %	42.2 %	41.9 %	39.9 %
Property, plant and equipment	4.1 %	4.2 %	4.7 %	4.1 %	2.8 %	2.4 %	2.0 %
Financial assets	1.3 %	1.4 %	1.0 %	1.8 %	0.4 %	0.4 %	0.3 %
FIXED ASSETS	25.7 %	26.5 %	28.5 %	33.3 %	45.4 %	44.7 %	42.2 %
Inventories	10.3 %	11.0 %	9.0 %	12.7 %	10.1 %	11.1 %	11.4 %
Accounts receivable	32.6 %	35.0 %	27.1 %	25.2 %	22.1 %	24.2 %	25.0 %
Other current assets	6.9 %	8.1 %	11.5 %	6.2 %	4.9 %	5.0 %	4.8 %
Liquid assets	19.5 %	14.5 %	18.9 %	18.8 %	14.5 %	12.2 %	13.9 %
Deferred taxes	5.1 %	5.0 %	5.0 %	3.8 %	2.9 %	2.9 %	2.7 %
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 %	66.7 %	54.6 %	55.3 %	57.8 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	31.4 %	31.8 %	31.3 %	23.0 %	48.7 %	51.6 %	53.9 %
MINORITY INTEREST	0.9 %	1.0 %	0.8 %	13.0 %	0.3 %	0.3 %	0.3 %
Long-term debt	10.9 %	9.6 %	8.8 %	11.1 %	8.6 %	4.6 %	2.7 %
Provisions for pensions and similar obligations	1.3 %	0.8 %	0.8 %	1.7 %	1.4 %	1.3 %	1.3 %
Other provisions	1.8 %	1.7 %	1.9 %	5.8 %	4.7 %	4.7 %	4.6 %
Non-current liabilities	14.0 %	12.1 %	11.5 %	18.7 %	14.6 %	10.6 %	8.5 %
short-term liabilities to banks	12.9 %	5.4 %	7.2 %	2.9 %	2.2 %	1.7 %	1.6 %
Accounts payable	21.2 %	27.2 %	22.0 %	20.1 %	16.3 %	17.9 %	18.4 %
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)	19.0 %	21.9 %	26.9 %	21.5 %	17.2 %	17.3 %	16.8 %
Deferred taxes	0.6 %	0.5 %	0.5 %	0.8 %	0.6 %	0.6 %	0.6 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Current liabilities	53.7 %	55.1 %	56.5 %	45.3 %	36.3 %	37.5 %	37.4 %
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	2016	2017E	2018E	2019E
Net profit/loss	11.9	14.0	17.6	20.4	22.6	44.2	63.3
Depreciation of fixed assets (incl. leases)	2.3	2.2	7.7	10.3	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	0.0	15.5	15.1	15.5
Others	-10.6	4.1	-5.2	-1.9	0.1	0.1	0.1
Cash flow from operations before changes in w/c	7.2	24.4	20.2	28.9	46.5	67.9	87.5
Increase/decrease in inventory	0.7	-7.4	1.3	9.3	-2.1	-10.2	-9.7
Increase/decrease in accounts receivable	10.3	-24.0	9.2	-1.5	-22.1	-22.3	-21.3
Increase/decrease in accounts payable	-7.1	27.6	-4.1	20.3	6.3	16.5	15.7
Increase/decrease in other working capital positions	0.0	0.0	0.0	4.4	0.0	0.0	0.0
Increase/decrease in working capital	3.9	-3.8	6.5	32.5	-17.9	-16.1	-15.3
Cash flow from operating activities	11.1	20.6	26.7	61.4	28.7	51.8	72.1
CAPEX	5.8	5.8	9.5	9.3	24.4	24.8	27.3
Payments for acquisitions	-4.6	5.5	0.4	59.2	0.0	0.0	0.0
Financial investments	0.2	1.7	0.6	4.3	0.0	0.0	0.0
Income from asset disposals	1.4	0.4	0.9	-0.9	0.0	0.0	0.0
Cash flow from investing activities	0.0	-12.6	-9.6	-73.6	-24.4	-24.8	-27.3
Cash flow before financing	11.1	8.0	17.1	-12.2	4.3	27.1	44.9
Increase/decrease in debt position	1.9	3.1	6.1	39.8	-0.5	-38.2	-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	44.0	0.0	0.0	0.0
Dividends paid	0.0	2.4	3.1	3.5	4.8	6.5	7.1
Others	-2.1	1.3	-3.8	-8.5	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	71.8	-5.3	-44.6	-22.1
Increase/decrease in liquid assets	9.1	19.5	16.8	59.5	-1.0	-17.6	22.8
Liquid assets at end of period	42.9	39.5	60.3	125.6	124.6	107.0	129.8

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2013	2014	2015	2016	2017E	2018E	2019E
Domestic	68.4	65.1	52.4	60.1	56.6	58.3	58.8
yoy change	-2.4 %	-4.8 %	-19.5 %	14.8 %	-5.9 %	3.1 %	0.8 %
Rest of Europe	269.6	320.5	184.3	166.3	243.6	272.1	299.3
yoy change	0.0 %	18.9 %	-42.5 %	-9.8 %	46.5 %	11.7 %	10.0 %
NAFTA	n/a	n/a	n/a	n/a	n/a	n/a	n/a
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	n/a
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rest of world	n/a	n/a	231.5	277.3	569.9	641.5	710.9
yoy change	n/a	n/a	n/a	19.8 %	105.5 %	12.6 %	10.8 %
TTL	337.9	385.5	468.2	503.7	870.0	971.9	1,069.1
yoy change	-0.5 %	14.1 %	21.4 %	7.6 %	72.7 %	11.7 %	10.0 %

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2013	2014	2015	2016	2017E	2018E	2019E
P&L growth analysis							
Sales growth	-0.5 %	14.1 %	21.4 %	7.6 %	72.7 %	11.7 %	10.0 %
EBITDA growth	21.3 %	14.0 %	23.9 %	21.3 %	60.0 %	38.9 %	25.9 %
EBIT growth	28.2 %	16.2 %	24.1 %	16.9 %	29.4 %	69.2 %	36.7 %
EPS growth	9.3 %	5.4 %	15.3 %	-9.3 %	3.1 %	110.4 %	45.0 %
Efficiency							
Total operating costs / sales	94.3 %	94.4 %	94.5 %	93.7 %	94.0 %	92.4 %	91.3 %
Sales per employee	211.9	203.5	209.9	223.6	301.9	276.3	300.9
EBITDA per employee	12.6	12.1	12.7	15.3	19.1	21.7	27.1
Balance sheet analysis							
Avg. working capital / sales	14.7 %	12.9 %	10.3 %	16.3 %	14.7 %	14.9 %	15.0 %
Inventory turnover (sales/inventory)	14.9	12.8	16.3	5.9	10.0	10.0	10.0
Trade debtors in days of sales	77.4	90.6	67.4	122.2	80.0	80.0	80.0
A/P turnover [(A/P*365)/sales]	50.3	70.2	54.6	97.3	59.0	59.0	59.0
Cash conversion cycle (days)	38.9	28.2	18.6	68.3	44.5	43.9	43.4
Cash flow analysis							
Free cash flow	5.3	14.8	17.2	52.1	4.3	27.1	44.9
Free cash flow/sales	1.6 %	3.8 %	3.7 %	10.3 %	0.5 %	2.8 %	4.2 %
FCF / net profit	45.3 %	114.1 %	108.6 %	357.3 %	23.3 %	64.2 %	73.5 %
Capex / depre	103.4 %	119.1 %	130.9 %	131.5 %	102.4 %	105.0 %	113.6 %
Capex / maintenance capex	78.4 %	37.3 %	44.8 %	33.3 %	43.5 %	42.8 %	45.2 %
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	-32.0	-31.4	-52.0	-89.8
Net Debt/EBITDA	0.5	0.1	0.0	0.0	0.0	0.0	0.0
Net debt / equity	0.1	0.0	-0.1	-0.2	-0.1	-0.1	-0.2
Interest cover	5.3	5.2	6.9	5.5	5.4	11.5	24.5
Dividend payout ratio	20.1 %	23.3 %	21.9 %	33.1 %	35.2 %	16.8 %	13.5 %
Asset utilisation							
Capital employed turnover	2.6	2.8	2.9	1.3	1.5	1.7	1.8
Operating assets turnover	6.0	6.1	7.8	3.4	5.4	5.6	5.7
Plant turnover	37.6	33.7	30.9	18.3	35.6	45.7	57.3
Inventory turnover (sales/inventory)	14.9	12.8	16.3	5.9	10.0	10.0	10.0
Returns							
ROCE	10.8 %	12.4 %	13.8 %	8.8 %	6.5 %	9.3 %	12.4 %
ROE	17.0 %	14.9 %	15.9 %	9.5 %	4.4 %	9.3 %	12.1 %
Other							
Interest paid / avg. debt	5.3 %	6.8 %	6.5 %	6.0 %	6.2 %	6.2 %	6.2 %
No. employees (average)	1595	1895	2230	2252	2882	3518	3553
Number of shares	39.2	41.2	43.5	44.2	54.1	58.9	58.9
DPS	0.1	0.1	0.1	0.1	0.1	0.1	0.1
EPS reported	0.30	0.32	0.36	0.33	0.34	0.72	1.04
Valuation ratios							
P/BV	7.1	6.2	5.5	3.9	1.7	1.6	1.5
EV/sales	1.5	1.4	1.1	1.2	0.8	0.7	0.6
EV/EBITDA	25.0	23.7	18.8	16.9	13.0	9.1	6.8
EV/EBITA	28.3	26.3	25.8	24.1	15.3	10.2	7.5
EV/EBIT	35.2	32.7	25.8	24.1	22.9	13.1	9.1
EV/FCF	94.6	36.7	31.0	11.2	166.4	25.7	14.6
Adjusted FCF yield	2.9 %	2.9 %	3.9 %	3.8 %	5.1 %	8.4 %	11.6 %
Dividend yield	0.5 %	0.6 %	0.6 %	0.8 %	0.9 %	1.0 %	1.1 %

Source: Company data, Hauck & Aufhäuser

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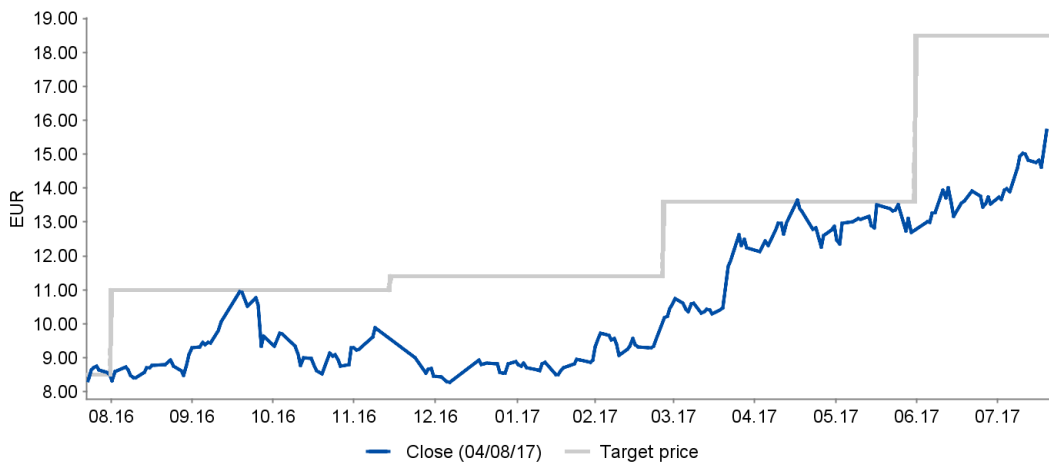
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Company	Disclosure
S&T AG	2

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

**Price and Rating History
S&T AG as of 07/08/17**

Initiation coverage
30-May-12



Company	Date	Analyst	Rating	Target price	Close
S&T AG	16.06.2017	Wunderlich, CFA, Tim	Buy	EUR 18.50	EUR 12.70
	27.04.2017	Wunderlich, CFA, Tim	Buy	EUR 13.60	EUR 12.65
	07.04.2017	Wunderlich, CFA, Tim	Buy	EUR 13.60	EUR 11.85
	13.03.2017	Wunderlich, CFA, Tim	Buy	EUR 13.60	EUR 10.19
	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

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