

**Buy** (old: Buy)

**Price target: EUR 4.40** (old: EUR 4.40)

**Price:** EUR 2.74      **Next result:** Q3 2014: 04.11.13  
**Bloomberg:** SANT GR      **Market cap:** EUR 118.5 m  
**Reuters:** SANT1.DE      **Enterprise Value:** EUR 129.8 m

03-November-14

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### Strong Q3 ahead masked by integration one-offs

EUR	Q3 14 est	Q3 13	yoy	Q2 14	qoq	9m 14 est	9m 13	yoy
<b>Sales</b>	<b>89.0</b>	<b>80.7</b>	10%	<b>85.6</b>	4%	<b>253.8</b>	<b>238.3</b>	7%
Appliances	18	10	84%	14	26%	44	28	59%
Services	52	51	2%	52	1%	147	141	4%
Products	20	20	-5%	20	-3%	63	69	-9%
<b>EBIT</b>	<b>3.2</b>	<b>3.0</b>	6%	<b>3.8</b>	-16%	<b>10.2</b>	<b>8.2</b>	25%
EBIT margin	3.5%	3.7%	-0.1 pp	4.4%	-0.9 pp	4.0%	3.4%	+0.6 pp
<b>Net profit</b>	<b>2.5</b>	<b>2.1</b>	20%	<b>2.5</b>	-1%	<b>7.3</b>	<b>6.1</b>	20%
Net margin	2.8%	2.5%	+0.2 pp	2.9%	-0.1 pp	2.9%	2.5%	+0.3 pp
<b>EPS</b>	<b>0.06</b>	<b>0.05</b>	9%	<b>0.06</b>	-10%	<b>0.18</b>	<b>0.15</b>	17%

Source: Company data, Hauck & Aufhäuser

S&T will report Q3 figures tomorrow. There is no conference call scheduled.

**Q3 sales are expected to rise by 10% yoy to € 89.0m**; 4% should be organic and 6% (or € 5m) contributed by RTSoft, which was consolidated in the month of September.

**Appliances (+84% yoy to € 18m / 30% organic) are seen to be the key Q3 performance driver** benefitting from (1) Healthy demand for security appliances e.g. to protect live betting and industrial applications from manipulation/sabotage; (2) The consolidation of RTSoft.

Meanwhile, the decline of Products sales (-5% yoy to € 20m) reflects restructuring which involves scaling back low-margin or even unprofitable IT hardware sales.

**Q3 EBIT is seen to rise by 6% yoy to € 3.2m.** The expected less-than-proportionate increase to sales should reflect: (1) Some € 0.5m products-related restructuring expenses hurting Q3 '14 profitability; (2) An inflated Q3 '13 amidst a positive € 1.0m one-off. **Adjusted Q3 EBIT growth should amount to c. 80% yoy** driven mainly by strength in Appliances which generates EBIT margins of 20%+. RT Soft's Q3 EBIT contribution should have been slightly positive despite € 0.3m integration expenses.

**Q3 EPS of € 0.06** (+9% yoy) is expected to benefit from a slightly lower tax rate and better financial result largely offset however by dilution from the capital increase executed in July '14.

**S&T is expected to reiterate its FY '14E guidance** of € 375m sales (eH&A: € 369m) and >12m net profit (eH&A: € 12.4m). **Remains a BUY.** The € 4.40 PT is conservatively based on FCFY 2014E.

Y/E 31.12 (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
Sales	80.7	153.2	339.5	337.9	369.0	471.0	488.1
Sales growth	35 %	90 %	122 %	0 %	9 %	28 %	4 %
EBITDA	4.6	12.3	16.6	20.1	22.6	28.3	30.0
EBIT	3.2	9.5	11.1	14.3	15.4	19.8	21.7
Net income	3.8	6.9	7.7	11.7	12.4	14.6	16.6
Net debt	-2.1	27.5	19.4	9.3	8.4	-0.2	-11.8
Net gearing	-6.5 %	56.0 %	31.4 %	13.5 %	10.7 %	-0.3 %	-11.8 %
Net Debt/EBITDA	0.0	2.2	1.2	0.5	0.4	0.0	0.0
EPS pro forma	0.19	0.29	0.20	0.30	0.29	0.34	0.38
CPS	-0.20	-0.09	0.16	0.15	0.06	0.35	0.43
DPS	0.00	0.00	0.00	0.06	0.08	0.10	0.12
Dividend yield	0.0 %	0.0 %	0.0 %	2.2 %	2.9 %	3.7 %	4.2 %
Gross profit margin	24.6 %	29.9 %	34.4 %	33.1 %	35.0 %	34.9 %	35.2 %
EBITDA margin	5.6 %	8.0 %	4.9 %	5.9 %	6.1 %	6.0 %	6.2 %
EBIT margin	4.0 %	6.2 %	3.3 %	4.2 %	4.2 %	4.2 %	4.5 %
ROCE	8.4 %	10.2 %	8.3 %	10.8 %	10.8 %	12.3 %	12.4 %
EV/sales	0.7	0.6	0.4	0.4	0.4	0.3	0.2
EV/EBITDA	11.6	7.9	7.9	6.0	5.7	4.3	3.7
EV/EBIT	16.3	10.3	11.7	8.4	8.4	6.1	5.0
PER	14.3	9.3	13.9	9.2	9.6	8.1	7.1
Adjusted FCF yield	9.5 %	8.8 %	8.0 %	12.5 %	12.3 %	16.3 %	19.5 %

Source: Company data, Hauck & Aufhäuser Close price as of: 31.10.2014



Source: Company data, Hauck & Aufhäuser

**High/low 52 weeks:** 3.10 / 2.54

**Price/Book Ratio:** 1.5

**Relative performance (TecDAX):**

3 months -7.5 %

6 months -2.0 %

12 months -14.9 %

#### Changes in estimates

		Sales	EBIT	EPS
2014	old:	369.0	15.4	0.29
	Δ	-	-	-
2015	old:	471.0	19.8	0.34
	Δ	-	-	-
2016	old:	488.1	21.7	0.38
	Δ	-	-	-

#### Key share data:

Number of shares: (in m pcs) 41.2

Authorised capital: (in € m) 12.1

Book value per share: (in €) 1.8

Ø trading volume: (12 months) 60,000

#### Major shareholders:

Free Float 61.5 %

Grosso 20.6 %

CEO Niederhauser 17.9 %

#### Company description:

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

Financials

Profit and loss (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
<b>Net sales</b>	<b>80.7</b>	<b>153.2</b>	<b>339.5</b>	<b>337.9</b>	<b>369.0</b>	<b>471.0</b>	<b>488.1</b>
<i>Sales growth</i>	34.8 %	89.9 %	121.5 %	-0.5 %	9.2 %	27.6 %	3.6 %
Increase/decrease in finished goods and work-in-process	0.3	0.7	0.3	0.9	0.9	0.9	0.9
<b>Total sales</b>	<b>81.1</b>	<b>153.9</b>	<b>339.8</b>	<b>338.8</b>	<b>369.9</b>	<b>471.9</b>	<b>489.0</b>
Other operating income	0.3	5.2	6.4	6.7	3.6	3.8	4.0
Material expenses	61.1	108.0	222.9	226.7	240.5	307.0	317.0
Personnel expenses	8.1	23.4	71.9	66.2	76.2	96.8	102.0
Other operating expenses	7.6	15.6	34.9	32.5	34.2	43.6	44.0
Total operating expenses	76.5	141.7	323.3	318.7	347.3	443.6	459.0
<b>EBITDA</b>	<b>4.6</b>	<b>12.3</b>	<b>16.6</b>	<b>20.1</b>	<b>22.6</b>	<b>28.3</b>	<b>30.0</b>
Depreciation	0.3	1.1	2.7	2.3	3.5	3.9	4.3
<b>EBITA</b>	<b>4.2</b>	<b>11.1</b>	<b>13.8</b>	<b>17.8</b>	<b>19.1</b>	<b>24.4</b>	<b>25.7</b>
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.0	1.6	2.7	3.5	3.3	4.6	4.0
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>3.2</b>	<b>9.5</b>	<b>11.1</b>	<b>14.3</b>	<b>15.4</b>	<b>19.8</b>	<b>21.7</b>
Interest income	0.0	0.3	0.6	0.5	1.1	1.3	1.6
Interest expenses	0.4	1.3	2.0	2.7	2.0	2.1	2.1
Other financial result	0.0	0.0	0.0	0.0	0.0	-0.2	-0.2
Financial result	-0.4	-1.0	-1.4	-2.2	-0.8	-1.0	-0.7
<b>Recurring pretax income from continuing operations</b>	<b>2.8</b>	<b>8.5</b>	<b>9.8</b>	<b>12.1</b>	<b>14.6</b>	<b>18.8</b>	<b>21.0</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>2.8</b>	<b>8.5</b>	<b>9.8</b>	<b>12.1</b>	<b>14.6</b>	<b>18.8</b>	<b>21.0</b>
Taxes	-1.2	0.3	0.3	0.1	1.5	1.9	2.1
<b>Net income from continuing operations</b>	<b>4.0</b>	<b>8.2</b>	<b>9.4</b>	<b>11.9</b>	<b>13.1</b>	<b>16.9</b>	<b>18.9</b>
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>4.0</b>	<b>8.2</b>	<b>9.4</b>	<b>11.9</b>	<b>13.1</b>	<b>16.9</b>	<b>18.9</b>
Minority interest	0.3	1.3	1.7	0.2	0.7	2.3	2.3
<b>Net income (net of minority interest)</b>	<b>3.8</b>	<b>6.9</b>	<b>7.7</b>	<b>11.7</b>	<b>12.4</b>	<b>14.6</b>	<b>16.6</b>
Average number of shares	19.6	23.5	28.3	39.2	41.2	43.3	43.3
<b>EPS reported</b>	<b>0.19</b>	<b>0.29</b>	<b>0.27</b>	<b>0.30</b>	<b>0.30</b>	<b>0.34</b>	<b>0.38</b>

Profit and loss (common size)	2010	2011	2012	2013	2014E	2015E	2016E
<b>Net sales</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
Increase/decrease in finished goods and work-in-process	0.4 %	0.5 %	0.1 %	0.3 %	0.2 %	0.2 %	0.2 %
<b>Total sales</b>	<b>100.4 %</b>	<b>100.5 %</b>	<b>100.1 %</b>	<b>100.3 %</b>	<b>100.2 %</b>	<b>100.2 %</b>	<b>100.2 %</b>
Other operating income	0.3 %	3.4 %	1.9 %	2.0 %	1.0 %	0.8 %	0.8 %
Material expenses	75.7 %	70.5 %	65.6 %	67.1 %	65.2 %	65.2 %	64.9 %
Personnel expenses	10.0 %	15.3 %	21.2 %	19.6 %	20.7 %	20.6 %	20.9 %
Other operating expenses	9.5 %	10.2 %	10.3 %	9.6 %	9.3 %	9.3 %	9.0 %
Total operating expenses	94.8 %	92.5 %	95.2 %	94.3 %	94.1 %	94.2 %	94.0 %
<b>EBITDA</b>	<b>5.6 %</b>	<b>8.0 %</b>	<b>4.9 %</b>	<b>5.9 %</b>	<b>6.1 %</b>	<b>6.0 %</b>	<b>6.2 %</b>
Depreciation	0.4 %	0.7 %	0.8 %	0.7 %	0.9 %	0.8 %	0.9 %
<b>EBITA</b>	<b>5.2 %</b>	<b>7.2 %</b>	<b>4.1 %</b>	<b>5.3 %</b>	<b>5.2 %</b>	<b>5.2 %</b>	<b>5.3 %</b>
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	1.2 %	1.1 %	0.8 %	1.0 %	0.9 %	1.0 %	0.8 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBIT</b>	<b>4.0 %</b>	<b>6.2 %</b>	<b>3.3 %</b>	<b>4.2 %</b>	<b>4.2 %</b>	<b>4.2 %</b>	<b>4.5 %</b>
Interest income	0.0 %	0.2 %	0.2 %	0.1 %	0.3 %	0.3 %	0.3 %
Interest expenses	0.5 %	0.8 %	0.6 %	0.8 %	0.5 %	0.4 %	0.4 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	-0.5 %	-0.7 %	-0.4 %	-0.7 %	-0.2 %	-0.2 %	-0.1 %
<b>Recurring pretax income from continuing operations</b>	<b>3.5 %</b>	<b>5.5 %</b>	<b>2.9 %</b>	<b>3.6 %</b>	<b>3.9 %</b>	<b>4.0 %</b>	<b>4.3 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>3.5 %</b>	<b>5.5 %</b>	<b>2.9 %</b>	<b>3.6 %</b>	<b>3.9 %</b>	<b>4.0 %</b>	<b>4.3 %</b>
Tax rate	-42.7 %	3.4 %	3.4 %	1.1 %	10.0 %	10.0 %	10.0 %
<b>Net income from continuing operations</b>	<b>5.0 %</b>	<b>5.3 %</b>	<b>2.8 %</b>	<b>3.5 %</b>	<b>3.6 %</b>	<b>3.6 %</b>	<b>3.9 %</b>
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net income</b>	<b>5.0 %</b>	<b>5.3 %</b>	<b>2.8 %</b>	<b>3.5 %</b>	<b>3.6 %</b>	<b>3.6 %</b>	<b>3.9 %</b>
Minority interest	0.3 %	0.8 %	0.5 %	0.1 %	0.2 %	0.5 %	0.5 %
<b>Net income (net of minority interest)</b>	<b>4.7 %</b>	<b>4.5 %</b>	<b>2.3 %</b>	<b>3.5 %</b>	<b>3.4 %</b>	<b>3.1 %</b>	<b>3.4 %</b>

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
<b>Intangible assets</b>	<b>20.6</b>	<b>40.9</b>	<b>39.7</b>	<b>44.8</b>	<b>49.8</b>	<b>48.3</b>	<b>47.4</b>
Property, plant and equipment	2.7	11.1	9.9	9.0	9.9	11.6	13.1
Financial assets	0.1	4.4	3.8	2.8	5.3	5.3	5.3
<b>FIXED ASSETS</b>	<b>23.4</b>	<b>56.4</b>	<b>53.4</b>	<b>56.5</b>	<b>64.9</b>	<b>65.1</b>	<b>65.8</b>
Inventories	13.2	20.6	23.4	22.7	25.4	27.1	28.1
Accounts receivable	8.9	85.0	81.9	71.6	80.9	87.7	90.9
Other current assets	1.2	25.9	15.4	15.2	15.8	16.2	16.6
Liquid assets	15.2	29.9	29.9	42.9	47.9	56.5	68.1
Deferred taxes	2.9	9.2	9.9	11.1	11.1	11.1	11.1
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>CURRENT ASSETS</b>	<b>41.4</b>	<b>170.6</b>	<b>160.5</b>	<b>163.6</b>	<b>181.1</b>	<b>198.7</b>	<b>214.8</b>
<b>TOTAL ASSETS</b>	<b>64.8</b>	<b>227.0</b>	<b>214.0</b>	<b>220.1</b>	<b>246.1</b>	<b>263.8</b>	<b>280.6</b>
SHAREHOLDERS EQUITY	32.8	49.2	61.8	69.2	78.5	88.7	99.9
MINORITY INTEREST	0.6	5.4	2.2	2.1	13.3	15.6	17.9
Long-term debt	9.9	23.3	11.5	23.9	27.9	27.9	27.9
Provisions for pensions and similar obligations	1.2	5.4	3.0	2.9	3.0	3.0	3.0
Other provisions	2.7	18.4	17.2	3.9	4.1	4.2	4.4
<b>Non-current liabilities</b>	<b>13.8</b>	<b>47.0</b>	<b>31.7</b>	<b>30.7</b>	<b>35.0</b>	<b>35.2</b>	<b>35.3</b>
short-term liabilities to banks	3.1	34.2	37.8	28.4	28.4	28.4	28.4
Accounts payable	11.3	60.6	53.7	46.6	46.5	50.3	52.2
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)	3.3	29.4	25.6	41.8	43.0	44.3	45.7
Deferred taxes	0.0	1.4	1.2	1.4	1.4	1.4	1.4
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Current liabilities</b>	<b>17.7</b>	<b>125.5</b>	<b>118.3</b>	<b>118.1</b>	<b>119.3</b>	<b>124.4</b>	<b>127.5</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>64.8</b>	<b>227.0</b>	<b>214.0</b>	<b>220.1</b>	<b>246.1</b>	<b>263.8</b>	<b>280.6</b>

Balance sheet (common size)	2010	2011	2012	2013	2014E	2015E	2016E
<b>Intangible assets</b>	<b>31.8 %</b>	<b>18.0 %</b>	<b>18.6 %</b>	<b>20.3 %</b>	<b>20.2 %</b>	<b>18.3 %</b>	<b>16.9 %</b>
Property, plant and equipment	4.2 %	4.9 %	4.6 %	4.1 %	4.0 %	4.4 %	4.7 %
Financial assets	0.1 %	2.0 %	1.8 %	1.3 %	2.1 %	2.0 %	1.9 %
<b>FIXED ASSETS</b>	<b>36.2 %</b>	<b>24.9 %</b>	<b>25.0 %</b>	<b>25.7 %</b>	<b>26.4 %</b>	<b>24.7 %</b>	<b>23.5 %</b>
Inventories	20.4 %	9.1 %	10.9 %	10.3 %	10.3 %	10.3 %	10.0 %
Accounts receivable	13.8 %	37.5 %	38.3 %	32.6 %	32.9 %	33.3 %	32.4 %
Other current assets	1.8 %	11.4 %	7.2 %	6.9 %	6.4 %	6.1 %	5.9 %
Liquid assets	23.4 %	13.2 %	14.0 %	19.5 %	19.5 %	21.4 %	24.3 %
Deferred taxes	4.4 %	4.0 %	4.6 %	5.1 %	4.5 %	4.2 %	4.0 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>CURRENT ASSETS</b>	<b>63.8 %</b>	<b>75.1 %</b>	<b>75.0 %</b>	<b>74.3 %</b>	<b>73.6 %</b>	<b>75.3 %</b>	<b>76.5 %</b>
<b>TOTAL ASSETS</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
SHAREHOLDERS EQUITY	50.6 %	21.7 %	28.9 %	31.4 %	31.9 %	33.6 %	35.6 %
MINORITY INTEREST	0.9 %	2.4 %	1.0 %	0.9 %	5.4 %	5.9 %	6.4 %
Long-term debt	15.3 %	10.2 %	5.4 %	10.9 %	11.3 %	10.6 %	9.9 %
Provisions for pensions and similar obligations	1.8 %	2.4 %	1.4 %	1.3 %	1.2 %	1.1 %	1.1 %
Other provisions	4.2 %	8.1 %	8.0 %	1.8 %	1.7 %	1.6 %	1.6 %
<b>Non-current liabilities</b>	<b>21.2 %</b>	<b>20.7 %</b>	<b>14.8 %</b>	<b>14.0 %</b>	<b>14.2 %</b>	<b>13.3 %</b>	<b>12.6 %</b>
short-term liabilities to banks	4.8 %	15.1 %	17.7 %	12.9 %	11.5 %	10.8 %	10.1 %
Accounts payable	17.4 %	26.7 %	25.1 %	21.2 %	18.9 %	19.1 %	18.6 %
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)	5.0 %	12.9 %	11.9 %	19.0 %	17.5 %	16.8 %	16.3 %
Deferred taxes	0.0 %	0.6 %	0.6 %	0.6 %	0.6 %	0.5 %	0.5 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Current liabilities</b>	<b>27.3 %</b>	<b>55.3 %</b>	<b>55.3 %</b>	<b>53.7 %</b>	<b>48.5 %</b>	<b>47.2 %</b>	<b>45.4 %</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>

Source: Company data, Hauck & Aufhäuser

Cash flow statement (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
Net profit/loss	4.0	8.2	9.4	11.9	13.1	16.9	18.9
Depreciation of fixed assets (incl. leases)	0.3	1.1	2.7	2.3	3.5	3.9	4.3
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.0	1.6	2.7	3.5	3.3	4.6	4.0
Others	0.3	-8.1	2.3	-10.6	0.1	0.0	0.0
Cash flow from operations before changes in w/c	5.6	2.8	17.2	7.2	19.9	25.5	27.2
Increase/decrease in inventory	-4.6	-0.1	-2.8	0.7	-2.8	-1.6	-1.0
Increase/decrease in accounts receivable	-2.6	-17.6	3.1	10.3	-9.2	-6.9	-3.2
Increase/decrease in accounts payable	-2.1	15.3	-6.9	-7.1	-0.1	3.8	1.8
Increase/decrease in other working capital positions	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	-9.1	-2.3	-6.6	3.9	-12.1	-4.7	-2.3
<b>Cash flow from operating activities</b>	<b>-3.5</b>	<b>0.5</b>	<b>10.6</b>	<b>11.1</b>	<b>7.8</b>	<b>20.8</b>	<b>24.9</b>
CAPEX	1.0	2.8	3.2	5.8	6.8	8.7	9.0
Payments for acquisitions	1.2	11.6	0.2	-4.6	5.9	0.0	0.0
Financial investments	0.1	2.6	-0.6	0.2	2.5	0.0	0.0
Income from asset disposals	0.0	0.2	0.5	1.4	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-2.3</b>	<b>-16.8</b>	<b>-2.2</b>	<b>0.0</b>	<b>-15.2</b>	<b>-8.7</b>	<b>-9.0</b>
Cash flow before financing	-5.8	-16.3	8.4	11.1	-7.4	12.1	15.9
Increase/decrease in debt position	1.3	11.9	-13.2	1.9	4.0	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	1.3	0.0	0.0	0.0
Capital measures	4.2	2.4	1.7	-0.1	10.7	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	2.4	3.5	4.3
Others	0.0	-0.1	-0.3	-2.1	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.1	0.1	0.5	-0.5	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>5.5</b>	<b>14.3</b>	<b>-11.8</b>	<b>-1.6</b>	<b>12.3</b>	<b>-3.5</b>	<b>-4.3</b>
Increase/decrease in liquid assets	-0.2	-2.0	-2.9	9.1	4.9	8.7	11.6
<b>Liquid assets at end of period</b>	<b>12.1</b>	<b>29.9</b>	<b>29.9</b>	<b>42.9</b>	<b>47.9</b>	<b>56.5</b>	<b>68.1</b>

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
Domestic	28.5	43.2	70.0	64.2	70.1	80.1	83.0
yoy change	-34.7 %	51.2 %	62.2 %	-8.3 %	9.2 %	14.2 %	3.6 %
Rest of Europe	52.2	110.1	269.5	273.7	298.9	390.9	405.1
yoy change	223.0 %	111.0 %	144.8 %	1.6 %	9.2 %	30.8 %	3.6 %
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	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
<b>TTL</b>	<b>80.7</b>	<b>153.2</b>	<b>339.5</b>	<b>337.9</b>	<b>369.0</b>	<b>471.0</b>	<b>488.1</b>
yoy change	34.8 %	89.9 %	121.5 %	-0.5 %	9.2 %	27.6 %	3.6 %

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
<b>P&amp;L growth analysis</b>							
Sales growth	34.8 %	89.9 %	121.5 %	-0.5 %	9.2 %	27.6 %	3.6 %
EBITDA growth	78.5 %	169.3 %	35.1 %	21.3 %	12.6 %	25.2 %	6.1 %
EBIT growth	81.4 %	194.2 %	17.4 %	28.2 %	7.8 %	28.6 %	9.8 %
EPS growth	-51.2 %	53.2 %	-6.6 %	9.3 %	0.6 %	12.3 %	13.4 %
<b>Efficiency</b>							
Total operating costs / sales	94.8 %	92.5 %	95.2 %	94.3 %	94.1 %	94.2 %	94.0 %
Sales per employee	429.3	161.1	203.6	211.9	233.3	248.7	221.4
EBITDA per employee	24.2	12.9	9.9	12.6	14.3	14.9	13.6
<b>Balance sheet analysis</b>							
Avg. working capital / sales	8.2 %	18.2 %	14.2 %	14.7 %	14.6 %	13.2 %	13.5 %
Inventory turnover (sales/inventory)	6.1	7.4	14.5	14.9	14.5	17.4	17.4
Trade debtors in days of sales	40.4	202.6	88.1	77.4	80.0	68.0	68.0
A/P turnover [(A/P*365)/sales]	51.1	144.3	57.7	50.3	46.0	39.0	39.0
Cash conversion cycle (days)	51.8	67.5	38.5	38.9	48.0	40.3	40.2
<b>Cash flow analysis</b>							
Free cash flow	-4.5	-2.3	7.5	5.3	1.0	12.1	15.9
Free cash flow/sales	-5.6 %	-1.5 %	2.2 %	1.6 %	0.3 %	2.6 %	3.3 %
FCF / net profit	-119.7 %	-34.0 %	96.4 %	45.3 %	8.1 %	82.8 %	95.7 %
Capex / depre	81.3 %	196.1 %	46.9 %	103.4 %	137.8 %	102.1 %	108.4 %
Capex / maintenance capex	121.8 %	52.0 %	n/a	78.4 %	81.5 %	96.8 %	95.4 %
Capex / sales	1.3 %	3.5 %	n/a	n/a	n/a	n/a	n/a
<b>Security</b>							
Net debt	-2.1	27.5	19.4	9.3	8.4	-0.2	-11.8
Net Debt/EBITDA	0.0	2.2	1.2	0.5	0.4	0.0	0.0
Net debt / equity	-0.1	0.6	0.3	0.1	0.1	0.0	-0.1
Interest cover	7.4	7.5	5.6	5.3	7.8	9.5	10.4
Dividend payout ratio	0.0 %	0.0 %	0.0 %	20.1 %	27.9 %	29.6 %	30.0 %
<b>Asset utilisation</b>							
Capital employed turnover	1.6	1.1	2.5	2.6	2.4	2.8	2.7
Operating assets turnover	5.9	2.7	5.5	6.0	5.3	6.2	6.1
Plant turnover	29.4	13.8	34.2	37.6	37.3	40.6	37.2
Inventory turnover (sales/inventory)	6.1	7.4	14.5	14.9	14.5	17.4	17.4
<b>Returns</b>							
ROCE	8.4 %	10.2 %	8.3 %	10.8 %	10.8 %	12.3 %	12.4 %
ROE	11.5 %	14.0 %	12.5 %	17.0 %	15.8 %	16.5 %	16.6 %
<b>Other</b>							
Interest paid / avg. debt	4.4 %	3.6 %	3.7 %	5.3 %	3.6 %	3.7 %	3.7 %
No. employees (average)	188	952	1668	1595	1582	1894	2205
Number of shares	19.6	23.5	28.3	39.2	41.2	43.3	43.3
DPS	0.0	0.0	0.0	0.1	0.1	0.1	0.1
EPS reported	0.19	0.29	0.27	0.30	0.30	0.34	0.38
<b>Valuation ratios</b>							
P/BV	1.6	1.3	1.7	1.6	1.5	1.3	1.2
EV/sales	0.7	0.6	0.4	0.4	0.4	0.3	0.2
EV/EBITDA	11.6	7.9	7.9	6.0	5.7	4.3	3.7
EV/EBITA	12.5	8.8	9.4	6.8	6.8	5.0	4.3
EV/EBIT	16.3	10.3	11.7	8.4	8.4	6.1	5.0
EV/FCF	-11.7	-41.5	17.4	22.6	129.6	10.0	6.9
Adjusted FCF yield	9.5 %	8.8 %	8.0 %	12.5 %	12.3 %	16.3 %	19.5 %
Dividend yield	0.0 %	0.0 %	0.0 %	2.2 %	2.9 %	3.7 %	4.2 %

Source: Company data, Hauck & Aufhäuser

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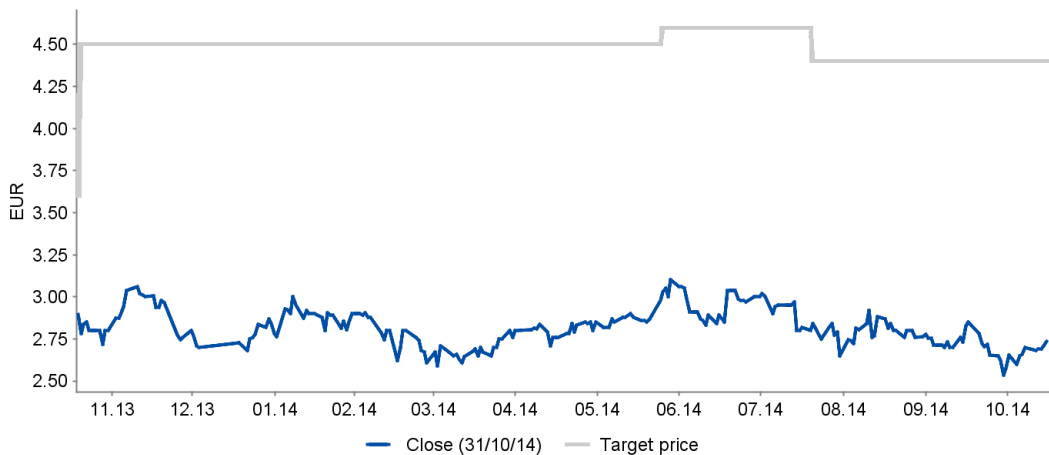
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Company	Disclosure
S&T AG	2, 3, 5

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

**Price and Rating History  
S&T AG as of 03/11/14**

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