

Buy (old: Buy)

Price target: EUR 5.50 (old: EUR 4.40)

Price:	EUR 2.74	Next result:	Q4 2014: tba
Bloomberg:	SANT GR	Market cap:	EUR 118.3 m
Reuters:	SANT1.DE	Enterprise Value:	EUR 130.6 m

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Sound Q3; Strong backlog grants high visibility; Chg. Est. & PT

Q3 figures were largely in-line with expectations. Q3 sales rose by 10% yoy to € 89m (eH&A: € 89m): Organic growth should have amounted to c. 4% yoy as RTSoft was consolidated for the first time in the month of September (eH&A: € 5m sales contribution). Appliances were the key growth driver (+105% yoy to € 20m sales / +50% yoy organically) thriving on strong demand for security solutions to protect e.g. live betting applications, computer networks (of SMEs) and welding robots from cyber attacks. Products sales declined (-2% yoy to € 20m) reflecting restructuring which involves scaling back low-margin or even unprofitable IT hardware sales.

Q3 EBITDA rose by 18% yoy to € 5.2m (eH&A: € 4.9m). Key driver was a higher gross margin (+5.4pp yoy to 34.8%) due to (1) A mix shift towards Appliances which offer 56% gross margins; (2) The reduction of low-margin product sales.

Notably, organic EBITDA performance was even stronger growing by 68% yoy (eH&A) when adjusted for € 0.5m restructuring expenses (to downsize the value-dilutive Products segment) AND the inflated Q3 '13 comparison base (helped by a € 1m positive one-off). RTSoft's Q3 EBITDA contribution should have been slightly positive despite € 0.3m integration costs – **the integration is seen to be well on track.**

Q3 net profit of € 2.4m (+17% yoy) slightly missed expectations due to a weaker-than-expected financial result. The decrease in Q3 EPS (-4% yoy) exclusively reflects dilution from the recent capital increase.

The outlook remains favourable. As of 9m '14, S&T had a record order backlog of € 157m (vs. € 106m as of 6m '14) supported by the RTSoft take-over, the smart energy project win in Poland (\$ 20m sales volume / to be turned into revenue starting Q1 '15E) and dynamic demand for appliances. This grants **excellent visibility** on a strong Q4 and beyond: Accordingly, **S&T confirms its FY '14E guidance** (€ 375m sales; >€ 12m net income / in-line with eH&A) and reiterates its 20% yoy sales growth forecast for 2015E (eH&A: 28% yoy).

Action: Lower D&A largely explain the 12% increase in EBIT expectations for 2014E. Still, EPS estimates are cut for 2014-16E reflecting higher interest expenses in light of needed intermediate w/c and M&A financing. Still, **valuation remains extremely undemanding** trading on merely 9x earnings 2015E. Given the improved visibility from the order backlog, valuation is rolled from FCFY '14E to '15E yielding a **new PT of € 5.50: BUY.** – cont. –

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	23.6	28.3	30.0
EBIT	3.2	9.5	11.1	14.3	17.3	19.8	21.7
Net income	3.8	6.9	7.7	11.7	12.1	12.8	14.6
Net debt	-2.1	27.5	19.4	9.3	9.3	2.5	-7.1
Net gearing	-6.5 %	56.0 %	31.4 %	13.5 %	11.9 %	2.9 %	-7.4 %
Net Debt/EBITDA	0.0	2.2	1.2	0.5	0.4	0.1	0.0
EPS pro forma	0.19	0.29	0.20	0.30	0.28	0.30	0.34
CPS	-0.20	-0.09	0.16	0.15	0.04	0.29	0.37
DPS	0.00	0.00	0.00	0.06	0.08	0.10	0.10
Dividend yield	0.0 %	0.0 %	0.0 %	2.2 %	2.9 %	3.7 %	3.7 %
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 %	6.4 %	6.0 %	6.2 %
EBIT margin	4.0 %	6.2 %	3.3 %	4.2 %	4.7 %	4.2 %	4.5 %
ROCE	8.4 %	10.2 %	8.3 %	10.8 %	12.1 %	12.4 %	12.7 %
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	5.5	4.4	3.8
EV/EBIT	16.3	10.2	11.7	8.4	7.5	6.3	5.3
PER	14.3	9.3	13.9	9.2	9.8	9.2	8.1
Adjusted FCF yield	9.5 %	8.8 %	8.0 %	12.5 %	12.8 %	15.5 %	18.2 %

Source: Company data, Hauck & Aufhäuser Close price as of: 03.11.2014



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 3.10 / 2.54

Price/Book Ratio: 1.5

Relative performance (TecDAX):

3 months -8.5 %

6 months -2.7 %

12 months -15.3 %

Changes in estimates

		Sales	EBIT	EPS
2014	old:	369.0	15.4	0.29
	Δ	-	12%	-3%
2015	old:	471.0	19.8	0.34
	Δ	-	-	-13%
2016	old:	488.1	21.7	0.38
	Δ	-	-	-12%

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.

EUR	Q3 14	Q3 14 est	Q3 13	yoy	Q2 14	qoq	9m 14	9m 14 est	9m 13	yoy
Sales	88.8	89.0	80.7	10%	85.6	4%	253.6	253.8	238.3	6%
Appliances	20	18	10	105%	14	41%	46	44	28	66%
Services	49	52	51	-3%	52	-4%	144	147	141	2%
Products	20	20	20	-2%	20	0%	64	63	69	-8%
EBITDA	5.2	4.9	4.4	18%	5.2	0%	15.1	15.1	12.5	21%
EBITDA margin	5.9%	5.5%	5.5%	+ 0.4 pp	6.1%	- 0.2 pp	6.0%	6.0%	5.3%	+ 0.7 pp
Net profit	2.4	2.5	2.1	17%	2.5	-3%	7.4	7.3	6.1	22%
Net margin	2.7%	2.8%	2.5%	+ 0.2 pp	2.9%	- 0.2 pp	2.9%	2.9%	2.5%	+ 0.4 pp
EPS	0.05	0.06	0.05	-4%	0.06	-20%	0.17	0.18	0.15	10%

Source: Company data, Hauck & Aufhäuser

Financials

Profit and loss (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
Net sales	80.7	153.2	339.5	337.9	369.0	471.0	488.1
<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
Total sales	81.1	153.9	339.8	338.8	369.9	471.9	489.0
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	75.2	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	346.3	443.6	459.0
EBITDA	4.6	12.3	16.6	20.1	23.6	28.3	30.0
Depreciation	0.3	1.1	2.7	2.3	3.3	3.9	4.3
EBITA	4.2	11.1	13.8	17.8	20.3	24.4	25.7
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	3.0	4.6	4.0
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	3.2	9.5	11.1	14.3	17.3	19.8	21.7
Interest income	0.0	0.3	0.6	0.5	0.4	0.5	0.5
Interest expenses	0.4	1.3	2.0	2.7	3.1	3.3	3.3
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	-2.7	-3.0	-2.9
Recurring pretax income from continuing operations	2.8	8.5	9.8	12.1	14.6	16.8	18.8
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	2.8	8.5	9.8	12.1	14.6	16.8	18.8
Taxes	-1.2	0.3	0.3	0.1	1.9	1.7	1.9
Net income from continuing operations	4.0	8.2	9.4	11.9	12.7	15.1	16.9
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	4.0	8.2	9.4	11.9	12.7	15.1	16.9
Minority interest	0.3	1.3	1.7	0.2	0.6	2.3	2.3
Net income (net of minority interest)	3.8	6.9	7.7	11.7	12.1	12.8	14.6
Average number of shares	19.6	23.5	28.3	39.2	41.2	43.3	43.3
EPS reported	0.19	0.29	0.27	0.30	0.29	0.30	0.34

Profit and loss (common size)	2010	2011	2012	2013	2014E	2015E	2016E
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	0.4 %	0.5 %	0.1 %	0.3 %	0.2 %	0.2 %	0.2 %
Total sales	100.4 %	100.5 %	100.1 %	100.3 %	100.2 %	100.2 %	100.2 %
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 %	20.4 %	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 %	93.8 %	94.2 %	94.0 %
EBITDA	5.6 %	8.0 %	4.9 %	5.9 %	6.4 %	6.0 %	6.2 %
Depreciation	0.4 %	0.7 %	0.8 %	0.7 %	0.9 %	0.8 %	0.9 %
EBITA	5.2 %	7.2 %	4.1 %	5.3 %	5.5 %	5.2 %	5.3 %
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 %	0.8 %	1.0 %	0.8 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT	4.0 %	6.2 %	3.3 %	4.2 %	4.7 %	4.2 %	4.5 %
Interest income	0.0 %	0.2 %	0.2 %	0.1 %	0.1 %	0.1 %	0.1 %
Interest expenses	0.5 %	0.8 %	0.6 %	0.8 %	0.9 %	0.7 %	0.7 %
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 %	-0.7 %	-0.6 %	-0.6 %
Recurring pretax income from continuing operations	3.5 %	5.5 %	2.9 %	3.6 %	3.9 %	3.6 %	3.9 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	3.5 %	5.5 %	2.9 %	3.6 %	3.9 %	3.6 %	3.9 %
Tax rate	-42.7 %	3.4 %	3.4 %	1.1 %	13.0 %	10.0 %	10.0 %
Net income from continuing operations	5.0 %	5.3 %	2.8 %	3.5 %	3.4 %	3.2 %	3.5 %
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	5.0 %	5.3 %	2.8 %	3.5 %	3.4 %	3.2 %	3.5 %
Minority interest	0.3 %	0.8 %	0.5 %	0.1 %	0.2 %	0.5 %	0.5 %
Net income (net of minority interest)	4.7 %	4.5 %	2.3 %	3.5 %	3.3 %	2.7 %	3.0 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
Intangible assets	20.6	40.9	39.7	44.8	50.1	48.5	47.7
Property, plant and equipment	2.7	11.1	9.9	9.0	10.1	11.8	13.3
Financial assets	0.1	4.4	3.8	2.8	5.3	5.3	5.3
FIXED ASSETS	23.4	56.4	53.4	56.5	65.4	65.6	66.3
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	47.0	53.8	63.4
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
CURRENT ASSETS	41.4	170.6	160.5	163.6	180.2	196.0	210.1
TOTAL ASSETS	64.8	227.0	214.0	220.1	245.6	261.5	276.4
SHAREHOLDERS EQUITY	32.8	49.2	61.8	69.2	78.2	86.5	95.8
MINORITY INTEREST	0.6	5.4	2.2	2.1	13.2	15.5	17.8
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
Non-current liabilities	13.8	47.0	31.7	30.7	35.0	35.2	35.3
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
Current liabilities	17.7	125.5	118.3	118.1	119.3	124.4	127.5
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	64.8	227.0	214.0	220.1	245.6	261.5	276.4

Balance sheet (common size)	2010	2011	2012	2013	2014E	2015E	2016E
Intangible assets	31.8 %	18.0 %	18.6 %	20.3 %	20.4 %	18.6 %	17.3 %
Property, plant and equipment	4.2 %	4.9 %	4.6 %	4.1 %	4.1 %	4.5 %	4.8 %
Financial assets	0.1 %	2.0 %	1.8 %	1.3 %	2.1 %	2.0 %	1.9 %
FIXED ASSETS	36.2 %	24.9 %	25.0 %	25.7 %	26.6 %	25.1 %	24.0 %
Inventories	20.4 %	9.1 %	10.9 %	10.3 %	10.4 %	10.4 %	10.1 %
Accounts receivable	13.8 %	37.5 %	38.3 %	32.6 %	32.9 %	33.6 %	32.9 %
Other current assets	1.8 %	11.4 %	7.2 %	6.9 %	6.4 %	6.2 %	6.0 %
Liquid assets	23.4 %	13.2 %	14.0 %	19.5 %	19.1 %	20.6 %	22.9 %
Deferred taxes	4.4 %	4.0 %	4.6 %	5.1 %	4.5 %	4.3 %	4.0 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
CURRENT ASSETS	63.8 %	75.1 %	75.0 %	74.3 %	73.4 %	74.9 %	76.0 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	50.6 %	21.7 %	28.9 %	31.4 %	31.8 %	33.1 %	34.6 %
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 %	11.4 %	10.7 %	10.1 %
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 %
Non-current liabilities	21.2 %	20.7 %	14.8 %	14.0 %	14.2 %	13.4 %	12.8 %
short-term liabilities to banks	4.8 %	15.1 %	17.7 %	12.9 %	11.5 %	10.8 %	10.3 %
Accounts payable	17.4 %	26.7 %	25.1 %	21.2 %	18.9 %	19.2 %	18.9 %
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 %	17.0 %	16.5 %
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 %
Current liabilities	27.3 %	55.3 %	55.3 %	53.7 %	48.6 %	47.6 %	46.1 %
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)	2010	2011	2012	2013	2014E	2015E	2016E
Net profit/loss	4.0	8.2	9.4	11.9	12.7	15.1	16.9
Depreciation of fixed assets (incl. leases)	0.3	1.1	2.7	2.3	3.3	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	3.0	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	19.0	23.6	25.2
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
Cash flow from operating activities	-3.5	0.5	10.6	11.1	6.9	19.0	22.9
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
Cash flow from investing activities	-2.3	-16.8	-2.2	0.0	-15.2	-8.7	-9.0
Cash flow before financing	-5.8	-16.3	8.4	11.1	-8.3	10.3	13.9
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
Cash flow from financing activities	5.5	14.3	-11.8	-1.6	12.3	-3.5	-4.3
Increase/decrease in liquid assets	-0.2	-2.0	-2.9	9.1	4.0	6.8	9.6
Liquid assets at end of period	12.1	29.9	29.9	42.9	47.0	53.8	63.4

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
TTL	80.7	153.2	339.5	337.9	369.0	471.0	488.1
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
P&L growth analysis							
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 %	17.6 %	19.9 %	6.1 %
EBIT growth	81.4 %	194.2 %	17.4 %	28.2 %	21.1 %	14.5 %	9.8 %
EPS growth	-51.2 %	53.2 %	-6.6 %	9.3 %	-2.1 %	1.0 %	14.1 %
Efficiency							
Total operating costs / sales	94.8 %	92.5 %	95.2 %	94.3 %	93.8 %	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	14.9	14.9	13.6
Balance sheet analysis							
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
Cash flow analysis							
Free cash flow	-4.5	-2.3	7.5	5.3	0.1	10.3	13.9
Free cash flow/sales	-5.6 %	-1.5 %	2.2 %	1.6 %	0.0 %	2.2 %	2.8 %
FCF / net profit	-119.7 %	-34.0 %	96.4 %	45.3 %	1.0 %	80.3 %	95.2 %
Capex / depre	81.3 %	196.1 %	46.9 %	103.4 %	147.6 %	102.1 %	108.4 %
Capex / maintenance capex	121.8 %	52.0 %	n/a	78.4 %	81.5 %	86.4 %	85.6 %
Capex / sales	1.3 %	3.5 %	n/a	n/a	n/a	n/a	n/a
Security							
Net debt	-2.1	27.5	19.4	9.3	9.3	2.5	-7.1
Net Debt/EBITDA	0.0	2.2	1.2	0.5	0.4	0.1	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	5.5	6.1	6.7
Dividend payout ratio	0.0 %	0.0 %	0.0 %	20.1 %	28.7 %	33.8 %	30.0 %
Asset utilisation							
Capital employed turnover	1.6	1.1	2.5	2.6	2.4	2.8	2.8
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	36.6	39.9	36.6
Inventory turnover (sales/inventory)	6.1	7.4	14.5	14.9	14.5	17.4	17.4
Returns							
ROCE	8.4 %	10.2 %	8.3 %	10.8 %	12.1 %	12.4 %	12.7 %
ROE	11.5 %	14.0 %	12.5 %	17.0 %	15.4 %	14.8 %	15.3 %
Other							
Interest paid / avg. debt	4.4 %	3.6 %	3.7 %	5.3 %	5.8 %	5.8 %	5.8 %
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	0.29	0.30	0.34
Valuation ratios							
P/BV	1.6	1.3	1.7	1.6	1.5	1.4	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	5.5	4.4	3.8
EV/EBITA	12.5	8.8	9.4	6.7	6.4	5.1	4.4
EV/EBIT	16.3	10.2	11.7	8.4	7.5	6.3	5.3
EV/FCF	-11.7	-41.5	17.4	22.5	1124.6	12.0	8.2
Adjusted FCF yield	9.5 %	8.8 %	8.0 %	12.5 %	12.8 %	15.5 %	18.2 %
Dividend yield	0.0 %	0.0 %	0.0 %	2.2 %	2.9 %	3.7 %	3.7 %

Source: Company data, Hauck & Aufhäuser

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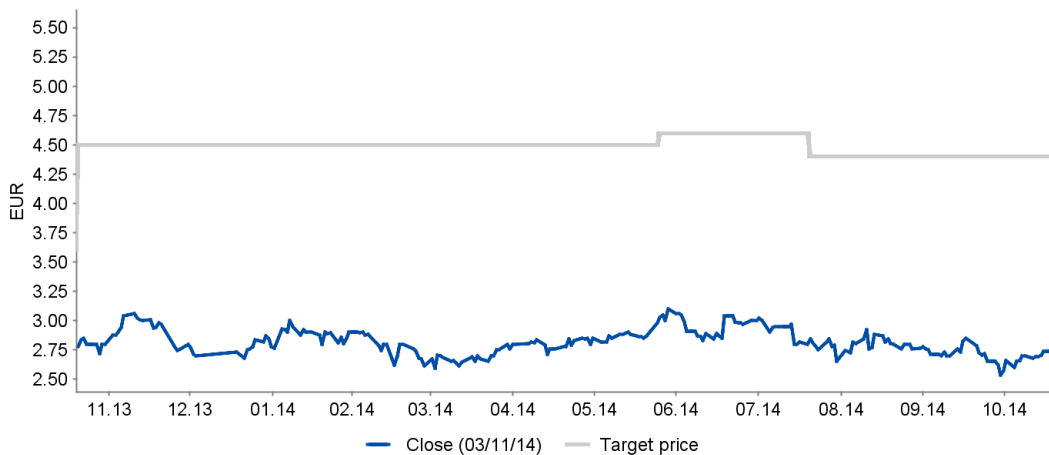
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Company	Disclosure
S&T AG	2, 3, 5

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

**Price and Rating History
S&T AG as of 04/11/14**

Initiation coverage
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