

**Buy** (old: Buy)

**Price target: EUR 6.70** (old: EUR 6.10)

<b>Price:</b>	EUR 4.70	<b>Next result:</b>	AGM: 25.06.15
<b>Bloomberg:</b>	SANT GR	<b>Market cap:</b>	EUR 203.4 m
<b>Reuters:</b>	SANT1.DE	<b>Enterprise Value:</b>	EUR 205.1 m

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## Smart energy project win boosts confidence in strategy; Adj. Est. & PT

- **S&T announced it has won a smart energy project in Poland.** The € 10m project is an expansion to the already existing USD 20m project in Poland with the Polish energy company TAURON. Sales will be 60% hardware / 30% services / 10% software. Gross margins are 10-15% / 35-40% / 100% (eH&A). Roughly 60% of the project should be turned into sales this year.
- Winning the project tender shows that **S&T has a strong set-up to thrive on the dynamic growth of the European smart energy market.** Notably, the company is successfully utilising synergies between the recently acquired US-company NES (supplying smart energy hardware and software) and the existing IT services business in Eastern Europe.
- **S&T's project pipeline remains strong.** Within the next year, TAURON should offer a second expansion stage worth USD 40m (eH&A). What's more, in mid 2016, TAURON is expected to tender a USD 500m project to supply South Poland with smart energy. Furthermore, S&T is pitching for a USD 100m (eH&A) smart energy tender in Scandinavia and a USD 40m (eH&A) project in Eastern Europe.
- In light of today's news, management stated it feels "very comfortable" of reaching or even exceeding the € 465m sales target for 2015, suggesting our "old" expectation is too cautious (eH&A "old": € 446m sales). **Action:** Given increased confidence that S&T can execute synergies between its subsidiaries and has the right set-up to participate in the smart energy market growth, we raise estimates for 2015E (+4% for sales / +3% for EBIT), 2016E (+7% for sales / +12% for EBIT) and 2017E (+9% for sales / +17% for EBIT). Evidently, winning any of the above mentioned projects would be a major game changer supplying further upside to the guidance and our estimates. **BUY** with a **new PT of € 6.70** (old: € 6.10) **based on FCFY 2016E.**



Source: Company data, Hauck & Aufhäuser

**High/low 52 weeks:** 4.73 / 2.54

**Price/Book Ratio:** 2.1

**Relative performance (TecDAX):**

3 months 18.1 %

6 months 21.2 %

12 months 29.5 %

### Changes in estimates

		Sales	EBIT	EPS
2015	old:	446.0	18.8	0.30
	Δ	4.3%	3.2%	4.1%
2016	old:	463.1	20.7	0.33
	Δ	6.5%	11.7%	11.7%
2017	old:	481.6	22.6	0.38
	Δ	8.5%	17.1%	16.4%

### Key share data:

Number of shares: (in m pcs)	43.3
Authorised capital: (in € m)	12.1
Book value per share: (in €)	2.2
Ø trading volume: (12 months)	60,000

### Major shareholders:

Free Float	66.3 %
Grosso	18.8 %
CEO Niederhauser	14.9 %

### Company description:

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

Y/E 31.12 (EUR m)	2011	2012	2013	2014	2015E	2016E	2017E
Sales	153.2	339.5	337.9	385.5	465.0	493.1	522.7
Sales growth	90 %	122 %	0 %	14 %	21 %	6 %	6 %
EBITDA	12.3	16.6	20.1	22.9	27.9	31.5	35.0
EBIT	9.5	11.1	14.3	16.6	19.4	23.2	26.5
Net income	6.9	7.7	11.7	13.0	13.5	16.1	18.9
Net debt	27.5	19.4	9.3	1.5	-0.6	-10.4	-23.1
Net gearing	56.0 %	31.4 %	13.5 %	1.7 %	-0.7 %	-9.5 %	-18.5 %
Net Debt/EBITDA	2.2	1.2	0.5	0.1	0.0	0.0	0.0
EPS pro forma	0.29	0.20	0.30	0.30	0.31	0.37	0.44
CPS	-0.09	0.16	0.15	0.35	0.16	0.37	0.40
DPS	0.00	0.00	0.06	0.07	0.10	0.11	0.13
Dividend yield	0.0 %	0.0 %	1.3 %	1.5 %	2.1 %	2.4 %	2.8 %
Gross profit margin	29.9 %	34.4 %	33.1 %	33.2 %	33.9 %	34.2 %	34.3 %
EBITDA margin	8.0 %	4.9 %	5.9 %	5.9 %	6.0 %	6.4 %	6.7 %
EBIT margin	6.2 %	3.3 %	4.2 %	4.3 %	4.2 %	4.7 %	5.1 %
ROCE	10.2 %	8.3 %	10.8 %	12.4 %	13.6 %	15.0 %	15.8 %
EV/sales	0.9	0.6	0.6	0.5	0.4	0.4	0.3
EV/EBITDA	11.7	12.5	9.8	9.1	7.3	6.2	5.2
EV/EBIT	15.1	18.6	13.8	12.5	10.6	8.4	6.9
PER	16.0	23.9	15.8	15.7	15.1	12.6	10.8
Adjusted FCF yield	5.9 %	4.9 %	7.5 %	7.8 %	9.4 %	11.0 %	12.5 %

Source: Company data, Hauck & Aufhäuser Close price as of: 27.05.2015

Financials

Profit and loss (EUR m)	2011	2012	2013	2014	2015E	2016E	2017E
<b>Net sales</b>	<b>153.2</b>	<b>339.5</b>	<b>337.9</b>	<b>385.5</b>	<b>465.0</b>	<b>493.1</b>	<b>522.7</b>
<i>Sales growth</i>	89.9 %	121.5 %	-0.5 %	14.1 %	20.6 %	6.0 %	6.0 %
Increase/decrease in finished goods and work-in-process	0.7	0.3	0.9	1.2	0.9	1.0	1.0
<b>Total sales</b>	<b>153.9</b>	<b>339.8</b>	<b>338.8</b>	<b>386.8</b>	<b>465.9</b>	<b>494.1</b>	<b>523.7</b>
Other operating income	5.2	6.4	6.7	5.0	3.8	4.0	4.1
Material expenses	108.0	222.9	226.7	258.3	308.0	325.0	343.8
Personnel expenses	23.4	71.9	66.2	72.4	90.3	96.0	101.3
Other operating expenses	15.6	34.9	32.5	38.2	43.5	45.6	47.7
Total operating expenses	141.7	323.3	318.7	363.9	438.0	462.6	488.7
<b>EBITDA</b>	<b>12.3</b>	<b>16.6</b>	<b>20.1</b>	<b>22.9</b>	<b>27.9</b>	<b>31.5</b>	<b>35.0</b>
Depreciation	1.1	2.7	2.3	2.2	3.9	4.3	4.8
<b>EBITA</b>	<b>11.1</b>	<b>13.8</b>	<b>17.8</b>	<b>20.7</b>	<b>24.0</b>	<b>27.2</b>	<b>30.2</b>
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.6	2.7	3.5	4.1	4.6	4.0	3.7
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>9.5</b>	<b>11.1</b>	<b>14.3</b>	<b>16.6</b>	<b>19.4</b>	<b>23.2</b>	<b>26.5</b>
Interest income	0.3	0.6	0.5	1.6	0.4	0.4	0.5
Interest expenses	1.3	2.0	2.7	3.2	3.3	3.3	3.3
Other financial result	0.0	0.0	0.0	-0.3	-0.2	-0.2	-0.1
Financial result	-1.0	-1.4	-2.2	-1.8	-3.1	-3.1	-2.9
<b>Recurring pretax income from continuing operations</b>	<b>8.5</b>	<b>9.8</b>	<b>12.1</b>	<b>14.8</b>	<b>16.3</b>	<b>20.1</b>	<b>23.6</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>8.5</b>	<b>9.8</b>	<b>12.1</b>	<b>14.8</b>	<b>16.3</b>	<b>20.1</b>	<b>23.6</b>
Taxes	0.3	0.3	0.1	0.8	1.6	2.0	2.4
<b>Net income from continuing operations</b>	<b>8.2</b>	<b>9.4</b>	<b>11.9</b>	<b>14.0</b>	<b>14.7</b>	<b>18.1</b>	<b>21.3</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>8.2</b>	<b>9.4</b>	<b>11.9</b>	<b>14.0</b>	<b>14.7</b>	<b>18.1</b>	<b>21.3</b>
Minority interest	1.3	1.7	0.2	1.0	1.2	2.0	2.4
<b>Net income (net of minority interest)</b>	<b>6.9</b>	<b>7.7</b>	<b>11.7</b>	<b>13.0</b>	<b>13.5</b>	<b>16.1</b>	<b>18.9</b>
Average number of shares	23.5	28.3	39.2	41.2	43.3	43.3	43.3
<b>EPS reported</b>	<b>0.29</b>	<b>0.27</b>	<b>0.30</b>	<b>0.32</b>	<b>0.31</b>	<b>0.37</b>	<b>0.44</b>

Profit and loss (common size)	2011	2012	2013	2014	2015E	2016E	2017E
<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	0.5 %	0.1 %	0.3 %	0.3 %	0.2 %	0.2 %	0.2 %
<b>Total sales</b>	<b>100.5 %</b>	<b>100.1 %</b>	<b>100.3 %</b>	<b>100.3 %</b>	<b>100.2 %</b>	<b>100.2 %</b>	<b>100.2 %</b>
Other operating income	3.4 %	1.9 %	2.0 %	1.3 %	0.8 %	0.8 %	0.8 %
Material expenses	70.5 %	65.6 %	67.1 %	67.0 %	66.2 %	65.9 %	65.8 %
Personnel expenses	15.3 %	21.2 %	19.6 %	18.8 %	19.4 %	19.5 %	19.4 %
Other operating expenses	10.2 %	10.3 %	9.6 %	9.9 %	9.4 %	9.2 %	9.1 %
Total operating expenses	92.5 %	95.2 %	94.3 %	94.4 %	94.2 %	93.8 %	93.5 %
<b>EBITDA</b>	<b>8.0 %</b>	<b>4.9 %</b>	<b>5.9 %</b>	<b>5.9 %</b>	<b>6.0 %</b>	<b>6.4 %</b>	<b>6.7 %</b>
Depreciation	0.7 %	0.8 %	0.7 %	0.6 %	0.8 %	0.9 %	0.9 %
<b>EBITA</b>	<b>7.2 %</b>	<b>4.1 %</b>	<b>5.3 %</b>	<b>5.4 %</b>	<b>5.2 %</b>	<b>5.5 %</b>	<b>5.8 %</b>
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	1.1 %	0.8 %	1.0 %	1.1 %	1.0 %	0.8 %	0.7 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBIT</b>	<b>6.2 %</b>	<b>3.3 %</b>	<b>4.2 %</b>	<b>4.3 %</b>	<b>4.2 %</b>	<b>4.7 %</b>	<b>5.1 %</b>
Interest income	0.2 %	0.2 %	0.1 %	0.4 %	0.1 %	0.1 %	0.1 %
Interest expenses	0.8 %	0.6 %	0.8 %	0.8 %	0.7 %	0.7 %	0.6 %
Other financial result	0.0 %	0.0 %	0.0 %	-0.1 %	0.0 %	0.0 %	0.0 %
Financial result	-0.7 %	-0.4 %	-0.7 %	-0.5 %	-0.7 %	-0.6 %	-0.5 %
<b>Recurring pretax income from continuing operations</b>	<b>5.5 %</b>	<b>2.9 %</b>	<b>3.6 %</b>	<b>3.8 %</b>	<b>3.5 %</b>	<b>4.1 %</b>	<b>4.5 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>5.5 %</b>	<b>2.9 %</b>	<b>3.6 %</b>	<b>3.8 %</b>	<b>3.5 %</b>	<b>4.1 %</b>	<b>4.5 %</b>
Tax rate	3.4 %	3.4 %	1.1 %	5.2 %	10.0 %	10.0 %	10.0 %
<b>Net income from continuing operations</b>	<b>5.3 %</b>	<b>2.8 %</b>	<b>3.5 %</b>	<b>3.6 %</b>	<b>3.2 %</b>	<b>3.7 %</b>	<b>4.1 %</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>5.3 %</b>	<b>2.8 %</b>	<b>3.5 %</b>	<b>3.6 %</b>	<b>3.2 %</b>	<b>3.7 %</b>	<b>4.1 %</b>
Minority interest	0.8 %	0.5 %	0.1 %	0.3 %	0.3 %	0.4 %	0.5 %
<b>Net income (net of minority interest)</b>	<b>4.5 %</b>	<b>2.3 %</b>	<b>3.5 %</b>	<b>3.4 %</b>	<b>2.9 %</b>	<b>3.3 %</b>	<b>3.6 %</b>

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2011	2012	2013	2014	2015E	2016E	2017E
<b>Intangible assets</b>	<b>40.9</b>	<b>39.7</b>	<b>44.8</b>	<b>57.1</b>	<b>58.3</b>	<b>60.5</b>	<b>59.9</b>
Property, plant and equipment	11.1	9.9	9.0	11.4	9.9	8.0	8.5
Financial assets	4.4	3.8	2.8	3.8	3.8	3.8	3.8
<b>FIXED ASSETS</b>	<b>56.4</b>	<b>53.4</b>	<b>56.5</b>	<b>72.3</b>	<b>72.0</b>	<b>72.3</b>	<b>72.1</b>
Inventories	20.6	23.4	22.7	30.0	36.2	38.4	40.7
Accounts receivable	85.0	81.9	71.6	95.7	114.7	121.6	128.9
Other current assets	25.9	15.4	15.2	22.0	22.6	23.1	23.7
Liquid assets	29.9	29.9	42.9	39.5	41.6	51.3	64.0
Deferred taxes	9.2	9.9	11.1	13.6	13.6	13.6	13.6
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>CURRENT ASSETS</b>	<b>170.6</b>	<b>160.5</b>	<b>163.6</b>	<b>200.8</b>	<b>228.6</b>	<b>248.0</b>	<b>270.9</b>
<b>TOTAL ASSETS</b>	<b>227.0</b>	<b>214.0</b>	<b>220.1</b>	<b>273.1</b>	<b>300.6</b>	<b>320.3</b>	<b>343.0</b>
SHAREHOLDERS EQUITY	49.2	61.8	69.2	86.9	97.2	109.5	124.5
MINORITY INTEREST	5.4	2.2	2.1	2.8	2.8	2.8	2.8
Long-term debt	23.3	11.5	23.9	26.1	26.1	26.1	26.1
Provisions for pensions and similar obligations	5.4	3.0	2.9	2.3	2.3	2.4	2.4
Other provisions	18.4	17.2	3.9	4.6	4.7	4.8	5.0
<b>Non-current liabilities</b>	<b>47.0</b>	<b>31.7</b>	<b>30.7</b>	<b>33.0</b>	<b>33.2</b>	<b>33.3</b>	<b>33.5</b>
short-term liabilities to banks	34.2	37.8	28.4	14.8	14.8	14.8	14.8
Accounts payable	60.6	53.7	46.6	74.2	89.4	94.8	100.5
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)	29.4	25.6	41.8	59.9	61.7	63.6	65.5
Deferred taxes	1.4	1.2	1.4	1.5	1.5	1.5	1.5
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Current liabilities</b>	<b>125.5</b>	<b>118.3</b>	<b>118.1</b>	<b>150.3</b>	<b>167.4</b>	<b>174.7</b>	<b>182.3</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>227.0</b>	<b>214.0</b>	<b>220.1</b>	<b>273.1</b>	<b>300.6</b>	<b>320.3</b>	<b>343.0</b>

Balance sheet (common size)	2011	2012	2013	2014	2015E	2016E	2017E
<b>Intangible assets</b>	<b>18.0 %</b>	<b>18.6 %</b>	<b>20.3 %</b>	<b>20.9 %</b>	<b>19.4 %</b>	<b>18.9 %</b>	<b>17.5 %</b>
Property, plant and equipment	4.9 %	4.6 %	4.1 %	4.2 %	3.3 %	2.5 %	2.5 %
Financial assets	2.0 %	1.8 %	1.3 %	1.4 %	1.3 %	1.2 %	1.1 %
<b>FIXED ASSETS</b>	<b>24.9 %</b>	<b>25.0 %</b>	<b>25.7 %</b>	<b>26.5 %</b>	<b>23.9 %</b>	<b>22.6 %</b>	<b>21.0 %</b>
Inventories	9.1 %	10.9 %	10.3 %	11.0 %	12.0 %	12.0 %	11.9 %
Accounts receivable	37.5 %	38.3 %	32.6 %	35.0 %	38.1 %	38.0 %	37.6 %
Other current assets	11.4 %	7.2 %	6.9 %	8.1 %	7.5 %	7.2 %	6.9 %
Liquid assets	13.2 %	14.0 %	19.5 %	14.5 %	13.8 %	16.0 %	18.7 %
Deferred taxes	4.0 %	4.6 %	5.1 %	5.0 %	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>75.1 %</b>	<b>75.0 %</b>	<b>74.3 %</b>	<b>73.5 %</b>	<b>76.1 %</b>	<b>77.4 %</b>	<b>79.0 %</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	21.7 %	28.9 %	31.4 %	31.8 %	32.3 %	34.2 %	36.3 %
MINORITY INTEREST	2.4 %	1.0 %	0.9 %	1.0 %	0.9 %	0.9 %	0.8 %
Long-term debt	10.2 %	5.4 %	10.9 %	9.6 %	8.7 %	8.2 %	7.6 %
Provisions for pensions and similar obligations	2.4 %	1.4 %	1.3 %	0.8 %	0.8 %	0.7 %	0.7 %
Other provisions	8.1 %	8.0 %	1.8 %	1.7 %	1.6 %	1.5 %	1.5 %
<b>Non-current liabilities</b>	<b>20.7 %</b>	<b>14.8 %</b>	<b>14.0 %</b>	<b>12.1 %</b>	<b>11.0 %</b>	<b>10.4 %</b>	<b>9.8 %</b>
short-term liabilities to banks	15.1 %	17.7 %	12.9 %	5.4 %	4.9 %	4.6 %	4.3 %
Accounts payable	26.7 %	25.1 %	21.2 %	27.2 %	29.8 %	29.6 %	29.3 %
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)	12.9 %	11.9 %	19.0 %	21.9 %	20.5 %	19.8 %	19.1 %
Deferred taxes	0.6 %	0.6 %	0.6 %	0.5 %	0.5 %	0.5 %	0.4 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Current liabilities</b>	<b>55.3 %</b>	<b>55.3 %</b>	<b>53.7 %</b>	<b>55.1 %</b>	<b>55.7 %</b>	<b>54.5 %</b>	<b>53.1 %</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)	2011	2012	2013	2014	2015E	2016E	2017E
Net profit/loss	8.2	9.4	11.9	14.0	14.7	18.1	21.3
Depreciation of fixed assets (incl. leases)	1.1	2.7	2.3	2.2	3.9	4.3	4.8
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.6	2.7	3.5	4.1	4.6	4.0	3.7
Others	-8.1	2.3	-10.6	4.1	0.0	0.0	0.0
Cash flow from operations before changes in w/c	2.8	17.2	7.2	24.4	23.2	26.4	29.8
Increase/decrease in inventory	-0.1	-2.8	0.7	-7.4	-6.2	-2.2	-2.3
Increase/decrease in accounts receivable	-17.6	3.1	10.3	-24.0	-19.0	-6.9	-7.3
Increase/decrease in accounts payable	15.3	-6.9	-7.1	27.6	15.3	5.4	5.7
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	-2.3	-6.6	3.9	-3.8	-9.9	-3.7	-3.9
<b>Cash flow from operating activities</b>	<b>0.5</b>	<b>10.6</b>	<b>11.1</b>	<b>20.6</b>	<b>13.3</b>	<b>22.7</b>	<b>25.9</b>
CAPEX	2.8	3.2	5.8	5.8	8.1	8.6	8.4
Payments for acquisitions	11.6	0.2	-4.6	5.5	0.0	0.0	0.0
Financial investments	2.6	-0.6	0.2	1.7	0.0	0.0	0.0
Income from asset disposals	0.2	0.5	1.4	0.4	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-16.8</b>	<b>-2.2</b>	<b>0.0</b>	<b>-12.6</b>	<b>-8.1</b>	<b>-8.6</b>	<b>-8.4</b>
Cash flow before financing	-16.3	8.4	11.1	8.0	5.2	14.1	17.5
Increase/decrease in debt position	11.9	-13.2	1.9	3.1	0.0	0.0	0.0
Purchase of own shares	0.0	0.0	1.3	0.0	0.0	0.0	0.0
Capital measures	2.4	1.7	-0.1	10.5	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	2.4	3.0	4.3	4.8
Others	-0.1	-0.3	-2.1	1.3	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.1	0.5	-0.5	-1.1	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>14.3</b>	<b>-11.8</b>	<b>-1.6</b>	<b>12.5</b>	<b>-3.0</b>	<b>-4.3</b>	<b>-4.8</b>
Increase/decrease in liquid assets	-2.0	-2.9	9.1	19.5	2.1	9.7	12.7
<b>Liquid assets at end of period</b>	<b>29.9</b>	<b>29.9</b>	<b>42.9</b>	<b>39.5</b>	<b>41.6</b>	<b>51.3</b>	<b>64.0</b>

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2011	2012	2013	2014	2015E	2016E	2017E
Domestic	43.2	70.0	68.4	65.1	65.1	64.1	67.9
yoy change	51.2 %	62.2 %	-2.4 %	-4.8 %	0.1 %	-1.5 %	6.0 %
Rest of Europe	110.1	269.5	269.6	320.5	399.9	429.0	454.7
yoy change	111.0 %	144.8 %	0.0 %	18.9 %	24.8 %	7.3 %	6.0 %
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	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>153.2</b>	<b>339.5</b>	<b>337.9</b>	<b>385.5</b>	<b>465.0</b>	<b>493.1</b>	<b>522.7</b>
yoy change	89.9 %	121.5 %	-0.5 %	14.1 %	20.6 %	6.0 %	6.0 %

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2011	2012	2013	2014	2015E	2016E	2017E
<b>P&amp;L growth analysis</b>							
Sales growth	89.9 %	121.5 %	-0.5 %	14.1 %	20.6 %	6.0 %	6.0 %
EBITDA growth	169.3 %	35.1 %	21.3 %	14.0 %	21.9 %	12.7 %	11.2 %
EBIT growth	194.2 %	17.4 %	28.2 %	16.2 %	16.8 %	19.4 %	14.4 %
EPS growth	53.2 %	-6.6 %	9.3 %	5.4 %	-1.4 %	19.7 %	17.4 %
<b>Efficiency</b>							
Total operating costs / sales	92.5 %	95.2 %	94.3 %	94.4 %	94.2 %	93.8 %	93.5 %
Sales per employee	161.1	203.6	211.9	203.5	208.5	218.9	229.8
EBITDA per employee	12.9	9.9	12.6	12.1	12.5	14.0	15.4
<b>Balance sheet analysis</b>							
Avg. working capital / sales	18.2 %	14.2 %	14.7 %	12.9 %	12.1 %	12.8 %	12.8 %
Inventory turnover (sales/inventory)	7.4	14.5	14.9	12.8	12.8	12.8	12.8
Trade debtors in days of sales	202.6	88.1	77.4	90.6	90.0	90.0	90.0
A/P turnover [(A/P*365)/sales]	144.3	57.7	50.3	70.2	70.2	70.2	70.2
Cash conversion cycle (days)	67.5	38.5	38.9	28.2	26.9	26.6	26.5
<b>Cash flow analysis</b>							
Free cash flow	-2.3	7.5	5.3	14.8	5.2	14.1	17.5
Free cash flow/sales	-1.5 %	2.2 %	1.6 %	3.8 %	1.1 %	2.9 %	3.4 %
FCF / net profit	-34.0 %	96.4 %	45.3 %	114.1 %	38.3 %	87.3 %	92.6 %
Capex / depre	196.1 %	46.9 %	103.4 %	119.1 %	95.7 %	104.0 %	98.4 %
Capex / maintenance capex	52.0 %	n/a	78.4 %	37.3 %	35.8 %	36.3 %	61.5 %
Capex / sales	3.5 %	n/a	n/a	n/a	n/a	n/a	n/a
<b>Security</b>							
Net debt	27.5	19.4	9.3	1.5	-0.6	-10.4	-23.1
Net Debt/EBITDA	2.2	1.2	0.5	0.1	0.0	0.0	0.0
Net debt / equity	0.6	0.3	0.1	0.0	0.0	-0.1	-0.2
Interest cover	7.5	5.6	5.3	5.2	5.9	7.1	8.1
Dividend payout ratio	0.0 %	0.0 %	20.1 %	23.3 %	32.1 %	30.0 %	30.0 %
<b>Asset utilisation</b>							
Capital employed turnover	1.1	2.5	2.6	2.8	3.1	3.1	3.0
Operating assets turnover	2.7	5.5	6.0	6.1	6.5	6.7	6.7
Plant turnover	13.8	34.2	37.6	33.7	47.1	61.4	61.8
Inventory turnover (sales/inventory)	7.4	14.5	14.9	12.8	12.8	12.8	12.8
<b>Returns</b>							
ROCE	10.2 %	8.3 %	10.8 %	12.4 %	13.6 %	15.0 %	15.8 %
ROE	14.0 %	12.5 %	17.0 %	14.9 %	13.9 %	14.7 %	15.2 %
<b>Other</b>							
Interest paid / avg. debt	3.6 %	3.7 %	5.3 %	6.8 %	8.0 %	8.0 %	8.0 %
No. employees (average)	952	1668	1595	1895	2230	2252	2275
Number of shares	23.5	28.3	39.2	41.2	43.3	43.3	43.3
DPS	0.0	0.0	0.1	0.1	0.1	0.1	0.1
EPS reported	0.29	0.27	0.30	0.32	0.31	0.37	0.44
<b>Valuation ratios</b>							
P/BV	2.2	3.0	2.7	2.3	2.1	1.9	1.6
EV/sales	0.9	0.6	0.6	0.5	0.4	0.4	0.3
EV/EBITDA	11.7	12.5	9.8	9.1	7.3	6.2	5.2
EV/EBITA	12.9	15.0	11.1	10.0	8.5	7.2	6.1
EV/EBIT	15.1	18.6	13.8	12.5	10.6	8.4	6.9
EV/FCF	-61.2	27.8	37.1	14.0	39.8	13.9	10.4
Adjusted FCF yield	5.9 %	4.9 %	7.5 %	7.8 %	9.4 %	11.0 %	12.5 %
Dividend yield	0.0 %	0.0 %	1.3 %	1.5 %	2.1 %	2.4 %	2.8 %

Source: Company data, Hauck & Aufhäuser

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**Price and Rating History  
S&T AG as of 28/05/15**

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