

Buy (old: Buy)

Price target: EUR 11.00 (old: EUR 8.50)

Price:	EUR 8.50	Next result:	Q3 '16: 04.11.16
Bloomberg:	SANT GR	Market cap:	EUR 372.4 m
Reuters:	SANT1.DE	Enterprise Value:	EUR 351.4 m

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S&T remains on a roll; Adj. Est. & PT

While Q2 results were sound, **the initial outlook on FY '17E was the real eye catcher in the release**. Management expects sales to grow by 15% yoy next year easily beating expectations (eH&A "old": +6% yoy / eCons: +11% yoy). Visibility on a strong 2017 is granted by an excellent project pipeline of above € 850m (+25% since Jan. '16) and a book-to-bill of 1.2x in H1 '16.

This reflects above all strong demand for Security Appliances (eH&A: € 100m sales in '16E / 14% EBITDA margins). S&T has won several multi-year projects worth € 3-4m p.a. each. Projects mostly involve the secure evaluation and transmission of data such as test data in automotive applications, surveillance data in transport applications and patient data in medical applications. New customers include e.g. a global household name for medical systems. The excellent customer and design win activity **underpins S&T's differentiated security expertise for niche applications**.

Design win activity was supported by investments into sales & marketing. S&T has hired three specialised sales employees for its security appliances business. An incremental benefit: The own sales channel will lower dependence on partners such as Siemens as well as on referrals from Microsoft. For 2017E, **management expects segment sales to grow by 20-25% yoy**.

Smart Energy (eH&A: € 57m sales in '16E) should be another major growth driver: Segment sales are seen to grow by 20% yoy in 2017E. S&T has won smart energy projects in Switzerland, Austria, and Russia and expects business with Polish utility Tauron to further expand in 2017. At the same time, it is in the pole position for a major smart energy project in Romania (eH&A: € 30m sales) having already implemented three pilots for the customer.

Meanwhile, **segments Services DACH and Services Eastern Europe are expected to grow at 5-10% each next year** given solid IT demand in Poland, Romania and the Czech Republic especially for private cloud solutions as well as S&T's ambitions to expand its IT service business in Germany.

High visibility on growth supported by structural drivers (e.g. Internet of Things, growing penetration of smart grid to save electricity) allow for a look beyond 2017E to value S&T: **BUY with a new € 11.00 PT based on FCFY 2018E**. – see next page for changes –



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks:	8.75 / 4.30
Price/Book Ratio:	3.3
Relative performance (TecDAX):	
3 months	22.4 %
6 months	43.6 %
12 months	77.9 %

Changes in estimates

		Sales	EBIT	EPS
2016	old:	500.0	23.7	0.40
	Δ	-	-	-
2017	old:	530.0	27.0	0.48
	Δ	5.7%	1.5%	3.5%
2018	old:	561.8	31.3	0.57
	Δ	7.2%	2.9%	4.7%

Key share data:

Number of shares: (in m pcs)	43.8
Authorised capital: (in € m)	12.1
Book value per share: (in €)	2.6
Ø trading volume: (12 months)	60,000

Major shareholders:

Free Float	86.0 %
Grosso	14.0 %
CEO (incl. in Free Float)	5.0 %

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)	2012	2013	2014	2015	2016E	2017E	2018E
Sales	339.5	337.9	385.5	468.2	500.0	560.0	602.0
Sales growth	122 %	0 %	14 %	21 %	7 %	12 %	8 %
EBITDA	16.6	20.1	22.9	28.4	32.5	36.4	41.2
EBIT	11.1	14.3	16.6	20.6	23.7	27.4	32.2
Net income	7.7	11.7	13.0	15.8	17.8	21.8	26.3
Net debt	19.4	9.3	1.5	-9.4	-23.5	-37.7	-58.4
Net gearing	31.4 %	13.5 %	1.7 %	-9.4 %	-20.4 %	-28.3 %	-37.6 %
Net Debt/EBITDA	1.2	0.5	0.1	0.0	0.0	0.0	0.0
EPS pro forma	0.20	0.30	0.30	0.36	0.40	0.50	0.60
CPS	0.16	0.15	0.35	0.50	0.44	0.47	0.62
DPS	0.00	0.06	0.07	0.08	0.09	0.10	0.12
Dividend yield	0.0 %	0.7 %	0.8 %	0.9 %	1.1 %	1.2 %	1.4 %
Gross profit margin	34.4 %	33.1 %	33.2 %	34.3 %	33.9 %	34.2 %	34.5 %
EBITDA margin	4.9 %	5.9 %	5.9 %	6.1 %	6.5 %	6.5 %	6.8 %
EBIT margin	3.3 %	4.2 %	4.3 %	4.4 %	4.7 %	4.9 %	5.3 %
ROCE	8.3 %	10.8 %	12.4 %	13.8 %	14.9 %	16.6 %	17.3 %
EV/sales	1.1	1.0	1.0	0.8	0.7	0.6	0.5
EV/EBITDA	21.5	17.3	16.2	12.7	10.8	9.3	7.7
EV/EBIT	32.0	24.2	22.4	17.5	14.9	12.3	9.8
PER	43.1	28.5	28.3	23.7	21.1	17.2	14.2
Adjusted FCF yield	2.8 %	4.3 %	4.3 %	5.8 %	6.7 %	8.0 %	9.9 %

Source: Company data, Hauck & Aufhäuser Close price as of: 16.08.2016

Action: Future growth prospects look excellent. Sales estimates are raised by 6-7% for 2017E and 2018E to account for the strong outlook for the appliances segments. EBIT is increased less-than-proportionately by 2-3% for '17E and '18E reflecting that (1) New appliances customers typically yield lower profitability in the beginning. Product margins rise over the product lifecycle as material expenses for S&T decline thanks to deflationary IT prices; (2) S&T will invest into its IT Service network in the German-speaking regions. Meanwhile, EPS estimates are increased by 4-5% accounting for lower minority interest.

S&T: Top-line growth 2012-18E							
	2012	2013	2014	2015	2016E	2017E	2018E
Sales	339.5	337.9	385.5	468.2	500.0	560.0	602.0
y-o-y	122%	0%	14%	21%	7%	12%	8%
Appliances Security	37	42	50	83	100	124	140
y-o-y		11%	20%	65%	21%	24%	13%
in % of sales	11%	12%	13%	18%	20%	22%	23%
Appliances Smart Energy			29	51	57	68	76
y-o-y				76%	12%	20%	12%
in % of sales			7%	11%	11%	12%	13%
Services EE	197	200	217	264	268	286	299
y-o-y	284%	1%	9%	22%	1%	7%	5%
in % of sales	58%	59%	56%	56%	54%	51%	50%
Services DACH	97	97	90	71	75	82	87
y-o-y	31%	-1%	-7%	-21%	7%	9%	6%
in % of sales	29%	29%	23%	15%	15%	15%	14%

Source: Company data, Hauck & Aufhäuser

Financials

Profit and loss (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
Net sales	339.5	337.9	385.5	468.2	500.0	560.0	602.0
<i>Sales growth</i>	121.5 %	-0.5 %	14.1 %	21.4 %	6.8 %	12.0 %	7.5 %
Increase/decrease in finished goods and work-in-process	0.3	0.9	1.2	2.7	1.0	1.0	1.1
Total sales	339.8	338.8	386.8	470.9	501.0	561.0	603.1
Other operating income	6.4	6.7	5.0	6.3	4.0	3.3	3.3
Material expenses	222.9	226.7	258.3	309.3	331.0	369.4	394.9
Personnel expenses	71.9	66.2	72.4	89.5	95.9	107.4	115.4
Other operating expenses	34.9	32.5	38.2	50.0	45.6	51.1	54.9
Total operating expenses	323.3	318.7	363.9	442.6	468.5	524.6	561.9
EBITDA	16.6	20.1	22.9	28.4	32.5	36.4	41.2
Depreciation	2.7	2.3	2.2	7.7	4.3	4.8	5.0
EBITA	13.8	17.8	20.7	20.6	28.2	31.6	36.2
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	2.7	3.5	4.1	0.0	4.5	4.2	4.0
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	11.1	14.3	16.6	20.6	23.7	27.4	32.2
Interest income	0.6	0.5	1.6	0.3	0.3	0.3	0.4
Interest expenses	2.0	2.7	3.2	3.0	2.6	2.0	2.0
Other financial result	0.0	0.0	-0.3	0.5	-0.2	-0.1	0.0
Financial result	-1.4	-2.2	-1.8	-2.2	-2.5	-1.7	-1.6
Recurring pretax income from continuing operations	9.8	12.1	14.8	18.4	21.1	25.7	30.6
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	9.8	12.1	14.8	18.4	21.1	25.7	30.6
Taxes	0.3	0.1	0.8	0.8	1.5	1.8	2.1
Net income from continuing operations	9.4	11.9	14.0	17.6	19.6	23.9	28.5
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	9.4	11.9	14.0	17.6	19.6	23.9	28.5
Minority interest	1.7	0.2	1.0	1.8	1.9	2.0	2.2
Net income (net of minority interest)	7.7	11.7	13.0	15.8	17.8	21.8	26.3
Average number of shares	28.3	39.2	41.2	43.5	43.8	43.8	43.8
EPS reported	0.27	0.30	0.32	0.36	0.41	0.50	0.60

Profit and loss (common size)	2012	2013	2014	2015	2016E	2017E	2018E
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	0.1 %	0.3 %	0.3 %	0.6 %	0.2 %	0.2 %	0.2 %
Total sales	100.1 %	100.3 %	100.3 %	100.6 %	100.2 %	100.2 %	100.2 %
Other operating income	1.9 %	2.0 %	1.3 %	1.3 %	0.8 %	0.6 %	0.5 %
Material expenses	65.6 %	67.1 %	67.0 %	66.1 %	66.2 %	66.0 %	65.6 %
Personnel expenses	21.2 %	19.6 %	18.8 %	19.1 %	19.2 %	19.2 %	19.2 %
Other operating expenses	10.3 %	9.6 %	9.9 %	10.7 %	9.1 %	9.1 %	9.1 %
Total operating expenses	95.2 %	94.3 %	94.4 %	94.5 %	93.7 %	93.7 %	93.3 %
EBITDA	4.9 %	5.9 %	5.9 %	6.1 %	6.5 %	6.5 %	6.8 %
Depreciation	0.8 %	0.7 %	0.6 %	1.7 %	0.9 %	0.9 %	0.8 %
EBITA	4.1 %	5.3 %	5.4 %	4.4 %	5.6 %	5.6 %	6.0 %
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	0.8 %	1.0 %	1.1 %	0.0 %	0.9 %	0.8 %	0.7 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT	3.3 %	4.2 %	4.3 %	4.4 %	4.7 %	4.9 %	5.3 %
Interest income	0.2 %	0.1 %	0.4 %	0.1 %	0.1 %	0.1 %	0.1 %
Interest expenses	0.6 %	0.8 %	0.8 %	0.6 %	0.5 %	0.3 %	0.3 %
Other financial result	0.0 %	0.0 %	-0.1 %	0.1 %	0.0 %	0.0 %	0.0 %
Financial result	-0.4 %	-0.7 %	-0.5 %	-0.5 %	-0.5 %	-0.3 %	-0.3 %
Recurring pretax income from continuing operations	2.9 %	3.6 %	3.8 %	3.9 %	4.2 %	4.6 %	5.1 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	2.9 %	3.6 %	3.8 %	3.9 %	4.2 %	4.6 %	5.1 %
Tax rate	3.4 %	1.1 %	5.2 %	4.3 %	7.0 %	7.0 %	7.0 %
Net income from continuing operations	2.8 %	3.5 %	3.6 %	3.8 %	3.9 %	4.3 %	4.7 %
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	2.8 %	3.5 %	3.6 %	3.8 %	3.9 %	4.3 %	4.7 %
Minority interest	0.5 %	0.1 %	0.3 %	0.4 %	0.4 %	0.4 %	0.4 %
Net income (net of minority interest)	2.3 %	3.5 %	3.4 %	3.4 %	3.6 %	3.9 %	4.4 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
Intangible assets	39.7	44.8	57.1	72.8	74.5	73.7	72.7
Property, plant and equipment	9.9	9.0	11.4	15.2	13.4	14.2	14.6
Financial assets	3.8	2.8	3.8	3.1	3.1	3.1	3.1
FIXED ASSETS	53.4	56.5	72.3	91.0	91.0	90.9	90.4
Inventories	23.4	22.7	30.0	28.7	30.7	34.3	36.9
Accounts receivable	81.9	71.6	95.7	86.4	92.3	103.4	111.1
Other current assets	15.4	15.2	22.0	36.7	37.6	38.5	39.5
Liquid assets	29.9	42.9	39.5	60.3	53.5	67.7	88.4
Deferred taxes	9.9	11.1	13.6	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	160.5	163.6	200.8	228.0	230.0	259.9	291.8
TOTAL ASSETS	214.0	220.1	273.1	319.1	321.0	350.8	382.2
SHAREHOLDERS EQUITY	61.8	69.2	86.9	99.8	115.1	133.1	155.3
MINORITY INTEREST	2.2	2.1	2.8	2.4	2.4	2.4	2.4
Long-term debt	11.5	23.9	26.1	28.1	15.0	15.0	15.0
Provisions for pensions and similar obligations	3.0	2.9	2.3	2.5	2.5	2.5	2.6
Other provisions	17.2	3.9	4.6	6.0	6.1	6.3	6.5
Non-current liabilities	31.7	30.7	33.0	36.5	23.7	23.9	24.1
short-term liabilities to banks	37.8	28.4	14.8	22.9	15.0	15.0	15.0
Accounts payable	53.7	46.6	74.2	70.1	74.9	83.8	90.1
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)	25.6	41.8	59.9	85.9	88.5	91.1	93.8
Deferred taxes	1.2	1.4	1.5	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	118.3	118.1	150.3	180.3	179.8	191.4	200.4
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	214.0	220.1	273.1	319.1	321.0	350.8	382.2

Balance sheet (common size)	2012	2013	2014	2015	2016E	2017E	2018E
Intangible assets	18.6 %	20.3 %	20.9 %	22.8 %	23.2 %	21.0 %	19.0 %
Property, plant and equipment	4.6 %	4.1 %	4.2 %	4.7 %	4.2 %	4.0 %	3.8 %
Financial assets	1.8 %	1.3 %	1.4 %	1.0 %	1.0 %	0.9 %	0.8 %
FIXED ASSETS	25.0 %	25.7 %	26.5 %	28.5 %	28.3 %	25.9 %	23.6 %
Inventories	10.9 %	10.3 %	11.0 %	9.0 %	9.6 %	9.8 %	9.7 %
Accounts receivable	38.3 %	32.6 %	35.0 %	27.1 %	28.8 %	29.5 %	29.1 %
Other current assets	7.2 %	6.9 %	8.1 %	11.5 %	11.7 %	11.0 %	10.3 %
Liquid assets	14.0 %	19.5 %	14.5 %	18.9 %	16.7 %	19.3 %	23.1 %
Deferred taxes	4.6 %	5.1 %	5.0 %	5.0 %	5.0 %	4.5 %	4.2 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
CURRENT ASSETS	75.0 %	74.3 %	73.5 %	71.5 %	71.7 %	74.1 %	76.4 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	28.9 %	31.4 %	31.8 %	31.3 %	35.9 %	38.0 %	40.6 %
MINORITY INTEREST	1.0 %	0.9 %	1.0 %	0.8 %	0.8 %	0.7 %	0.6 %
Long-term debt	5.4 %	10.9 %	9.6 %	8.8 %	4.7 %	4.3 %	3.9 %
Provisions for pensions and similar obligations	1.4 %	1.3 %	0.8 %	0.8 %	0.8 %	0.7 %	0.7 %
Other provisions	8.0 %	1.8 %	1.7 %	1.9 %	1.9 %	1.8 %	1.7 %
Non-current liabilities	14.8 %	14.0 %	12.1 %	11.5 %	7.4 %	6.8 %	6.3 %
short-term liabilities to banks	17.7 %	12.9 %	5.4 %	7.2 %	4.7 %	4.3 %	3.9 %
Accounts payable	25.1 %	21.2 %	27.2 %	22.0 %	23.3 %	23.9 %	23.6 %
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)	11.9 %	19.0 %	21.9 %	26.9 %	27.6 %	26.0 %	24.6 %
Deferred taxes	0.6 %	0.6 %	0.5 %	0.5 %	0.4 %	0.4 %	0.4 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Current liabilities	55.3 %	53.7 %	55.1 %	56.5 %	56.0 %	54.6 %	52.4 %
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)	2012	2013	2014	2015	2016E	2017E	2018E
Net profit/loss	9.4	11.9	14.0	17.6	19.6	23.9	28.5
Depreciation of fixed assets (incl. leases)	2.7	2.3	2.2	7.7	4.3	4.8	5.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	2.7	3.5	4.1	0.0	4.5	4.2	4.0
Others	2.3	-10.6	4.1	-5.2	0.0	0.0	0.0
Cash flow from operations before changes in w/c	17.2	7.2	24.4	20.2	28.5	32.9	37.5
Increase/decrease in inventory	-2.8	0.7	-7.4	1.3	-2.0	-3.7	-2.6
Increase/decrease in accounts receivable	3.1	10.3	-24.0	9.2	-5.9	-11.1	-7.8
Increase/decrease in accounts payable	-6.9	-7.1	27.6	-4.1	4.8	9.0	6.3
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	-6.6	3.9	-3.8	6.5	-3.1	-5.8	-4.0
Cash flow from operating activities	10.6	11.1	20.6	26.7	25.4	27.1	33.5
CAPEX	3.2	5.8	5.8	9.5	8.8	9.0	8.4
Payments for acquisitions	0.2	-4.6	5.5	0.4	0.0	0.0	0.0
Financial investments	-0.6	0.2	1.7	0.6	0.0	0.0	0.0
Income from asset disposals	0.5	1.4	0.4	0.9	1.0	0.0	0.0
Cash flow from investing activities	-2.2	0.0	-12.6	-9.6	-7.8	-9.0	-8.4
Cash flow before financing	8.4	11.1	8.0	17.1	17.6	18.1	25.1
Increase/decrease in debt position	-13.2	1.9	3.1	6.1	-21.0	0.0	0.0
Purchase of own shares	0.0	1.3	0.0	n/a	0.0	0.0	0.0
Capital measures	1.7	-0.1	10.5	0.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	2.4	3.1	3.5	3.9	4.4
Others	-0.3	-2.1	1.3	-3.8	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.5	-0.5	-1.1	0.5	0.0	0.0	0.0
Cash flow from financing activities	-11.8	-1.6	12.5	-0.7	-24.4	-3.9	-4.4
Increase/decrease in liquid assets	-2.9	9.1	19.5	16.8	-6.8	14.2	20.7
Liquid assets at end of period	29.9	42.9	39.5	60.3	53.5	67.7	88.4

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
Domestic	70.0	68.4	65.1	65.5	65.0	72.8	78.3
yoy change	62.2 %	-2.4 %	-4.8 %	0.7 %	-0.8 %	12.0 %	7.5 %
Rest of Europe	269.5	269.6	320.5	402.6	435.0	487.2	523.7
yoy change	144.8 %	0.0 %	18.9 %	25.6 %	8.0 %	12.0 %	7.5 %
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	339.5	337.9	385.5	468.2	500.0	560.0	602.0
yoy change	121.5 %	-0.5 %	14.1 %	21.4 %	6.8 %	12.0 %	7.5 %

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
P&L growth analysis							
Sales growth	121.5 %	-0.5 %	14.1 %	21.4 %	6.8 %	12.0 %	7.5 %
EBITDA growth	35.1 %	21.3 %	14.0 %	23.9 %	14.4 %	12.2 %	13.2 %
EBIT growth	17.4 %	28.2 %	16.2 %	24.1 %	14.7 %	15.9 %	17.5 %
EPS growth	-6.6 %	9.3 %	5.4 %	15.3 %	11.5 %	22.9 %	20.5 %
Efficiency							
Total operating costs / sales	95.2 %	94.3 %	94.4 %	94.5 %	93.7 %	93.7 %	93.3 %
Sales per employee	203.6	211.9	203.5	209.9	222.0	246.2	262.0
EBITDA per employee	9.9	12.6	12.1	12.7	14.4	16.0	17.9
Balance sheet analysis							
Avg. working capital / sales	14.2 %	14.7 %	12.9 %	10.3 %	9.3 %	9.1 %	9.3 %
Inventory turnover (sales/inventory)	14.5	14.9	12.8	16.3	16.3	16.3	16.3
Trade debtors in days of sales	88.1	77.4	90.6	67.4	67.4	67.4	67.4
A/P turnover [(A/P*365)/sales]	57.7	50.3	70.2	54.6	54.6	54.6	54.6
Cash conversion cycle (days)	38.5	38.9	28.2	18.6	18.7	18.5	18.2
Cash flow analysis							
Free cash flow	7.5	5.3	14.8	17.2	16.6	18.1	25.1
Free cash flow/sales	2.2 %	1.6 %	3.8 %	3.7 %	3.3 %	3.2 %	4.2 %
FCF / net profit	96.4 %	45.3 %	114.1 %	108.6 %	93.6 %	83.1 %	95.1 %
Capex / depre	46.9 %	103.4 %	119.1 %	130.9 %	99.4 %	99.6 %	93.6 %
Capex / maintenance capex	n/a	78.4 %	37.3 %	44.8 %	41.0 %	88.9 %	86.0 %
Capex / sales	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Security							
Net debt	19.4	9.3	1.5	-9.4	-23.5	-37.7	-58.4
Net Debt/EBITDA	1.2	0.5	0.1	0.0	0.0	0.0	0.0
Net debt / equity	0.3	0.1	0.0	-0.1	-0.2	-0.3	-0.4
Interest cover	5.6	5.3	5.2	6.9	9.0	14.1	16.5
Dividend payout ratio	0.0 %	20.1 %	23.3 %	21.9 %	22.2 %	20.1 %	20.0 %
Asset utilisation							
Capital employed turnover	2.5	2.6	2.8	2.9	3.2	3.2	3.1
Operating assets turnover	5.5	6.0	6.1	7.8	8.1	8.2	8.3
Plant turnover	34.2	37.6	33.7	30.9	37.4	39.6	41.3
Inventory turnover (sales/inventory)	14.5	14.9	12.8	16.3	16.3	16.3	16.3
Returns							
ROCE	8.3 %	10.8 %	12.4 %	13.8 %	14.9 %	16.6 %	17.3 %
ROE	12.5 %	17.0 %	14.9 %	15.9 %	15.4 %	16.4 %	17.0 %
Other							
Interest paid / avg. debt	3.7 %	5.3 %	6.8 %	6.5 %	6.5 %	6.5 %	6.5 %
No. employees (average)	1668	1595	1895	2230	2252	2275	2298
Number of shares	28.3	39.2	41.2	43.5	43.8	43.8	43.8
DPS	0.0	0.1	0.1	0.1	0.1	0.1	0.1
EPS reported	0.27	0.30	0.32	0.36	0.41	0.50	0.60
Valuation ratios							
P/BV	5.4	4.8	4.2	3.8	3.3	2.8	2.4
EV/sales	1.1	1.0	1.0	0.8	0.7	0.6	0.5
EV/EBITDA	21.5	17.3	16.2	12.7	10.8	9.3	7.7
EV/EBITA	25.8	19.5	18.0	17.5	12.5	10.7	8.7
EV/EBIT	32.0	24.2	22.4	17.5	14.9	12.3	9.8
EV/FCF	47.8	65.2	25.1	21.0	21.1	18.6	12.6
Adjusted FCF yield	2.8 %	4.3 %	4.3 %	5.8 %	6.7 %	8.0 %	9.9 %
Dividend yield	0.0 %	0.7 %	0.8 %	0.9 %	1.1 %	1.2 %	1.4 %

Source: Company data, Hauck & Aufhäuser

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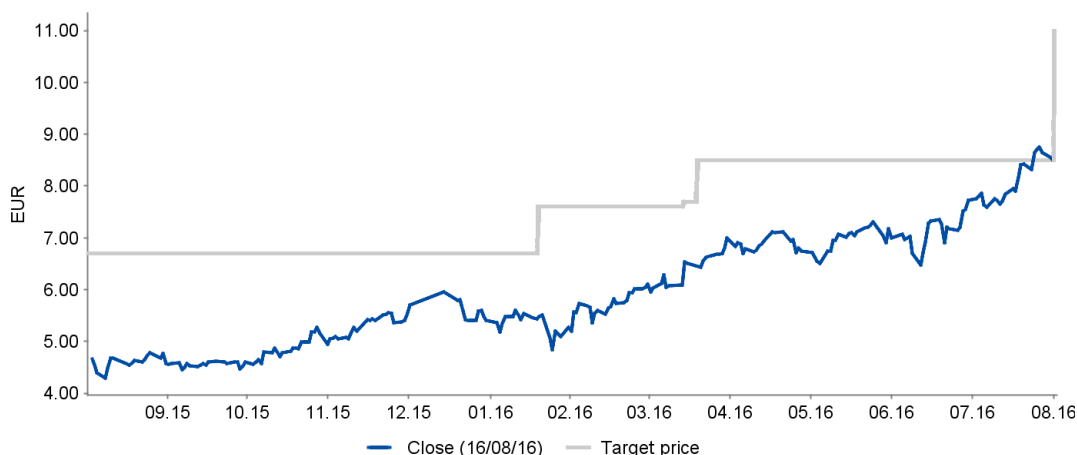
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Company	Disclosure
S&T AG	2, 3, 5

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

**Price and Rating History
S&T AG as of 17/08/16**

Initiation coverage
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