

Buy (old: Buy)

Price target: EUR 28.50 (old: EUR 24.00)

Price:	EUR 24.72	Next result:	Q2'18: 03.08.18
Bloomberg:	SANT@GR	Market cap:	EUR 1,530.2 m
Reuters:	SANT1.DE	Enterprise Value:	EUR 1,447.1 m

31-July-18

Tim Wunderlich, CFA
Analyst

tim.wunderlich@ha-ib.de
Tel.: +49 40 4143885 81

Preview Q2: IoT segment on a roll; PT up

Topic: Q2 looks set to be another strong quarter especially on the bottom-line (see below). In light of this, we see upside to S&T's FY EBITDA margin guidance of 8.0% (eH&A: 8.8%) as well as to consensus estimates (8.5% margin).

EUR	Q2 18 est	Q2 18 consensus	Q2 17	yoy	Q1 18	qoq	H1 18 est	H1 17	yoy
Sales	215	218	199	8%	204	5%	419	381	10%
EBITDA	19.1	19.2	15.0	28%	17.1	12%	36.2	27.2	33%
EBITDA margin	8.9%	8.8%	7.5%	+ 1.4 pp	8.4%	+ 0.5 pp	8.6%	7.1%	+ 1.5 pp
Net after minorities	9.1	9.5	2.4	279%	7.4	24%	16.5	4.8	241%
Net margin	4.3%	4.4%	1.2%	+ 3.0 pp	3.6%	+ 0.6 pp	3.9%	1.3%	+ 2.7 pp
EPS	0.14	0.15	0.05	196%	0.12	20%	0.26	0.10	166%

Source: Company data, Hauck & Aufhäuser

Q2 sales to rise by 8% yoy to € 215m: IoT Solutions are seen as the key driver (eH&A: segment sales +12% yoy to € 84m) given strong order momentum from Industrial Automation clients. While yet diluting growth on group level, Embedded Solutions are expected to bounce back from a soft Q1 (eH&A: segment sales +4% yoy / +12% qoq) as key North American clients have resumed order activity and S&T is winning new clients against the backdrop of its R&D push.

Q2 EBITDA looks set to jump by 28% yoy to € 19.1m thanks to strong IoT profitability (eH&A: segment EBITDA margin +3pp yoy to 13%). Three reasons: a growing software sales share, scale and efficiency improvements (lower-cost assembly, Kontron synergies). Even stronger bottom-line growth should have been prevented by Embedded Systems struggling with a high base (segment EBITDA margin -4pp yoy to 9%). Strategic measures (e.g. adding software) are expected to improve the segment's growth trajectory and EBITDA performance by 2019E.

Q2 net income is expected to almost quadruple to € 9.1m thanks to higher EBITDA as well as lower minorities reflecting the full take-over of Kontron.

Guidance: We expect S&T to conservatively reiterate its FY guidance at this point in time (€ 1bn sales / 8.0% EBITDA margin) **but see some 10% upside to the bottom-line outlook** (eH&A: 8.8% EBITDA margin).

Reiterate BUY: We raise the PT to € 28.50 (DCF / prior: € 24.00) to reflect stronger growth and margin potential in the mid-term driven by IoT. *Q2 figures are due Friday, August 3. No conference call scheduled. – cont. –*

Y/E 31.12 (EUR m)	2014	2015	2016	2017	2018E	2019E	2020E
Sales	385.5	468.2	503.7	882.0	1,005.0	1,115.6	1,227.1
Sales growth	14 %	21 %	8 %	75 %	14 %	11 %	10 %
EBITDA	22.9	28.4	34.4	68.1	88.4	107.1	127.0
EBIT	16.6	20.6	24.1	41.7	63.8	83.6	102.5
Net income	13.0	15.8	14.6	22.5	50.7	69.9	87.2
Net debt	1.5	-9.4	-32.0	-101.8	-104.5	-148.3	-204.6
Net gearing	1.7 %	-9.4 %	-20.7 %	-33.4 %	-30.2 %	-36.6 %	-42.6 %
Net Debt/EBITDA	0.1	0.0	0.0	0.0	0.0	0.0	0.0
EPS pro forma	0.30	0.36	0.30	0.51	0.80	1.10	1.37
CPS	0.35	0.50	1.12	0.52	0.73	1.12	1.31
DPS	0.07	0.08	0.10	0.13	0.15	0.17	0.20
Dividend yield	0.3 %	0.3 %	0.4 %	0.5 %	0.6 %	0.7 %	0.8 %
Gross profit margin	33.2 %	34.3 %	33.9 %	36.7 %	37.6 %	38.5 %	39.1 %
EBITDA margin	5.9 %	6.1 %	6.8 %	7.7 %	8.8 %	9.6 %	10.4 %
EBIT margin	4.3 %	4.4 %	4.8 %	4.7 %	6.4 %	7.5 %	8.4 %
ROCE	12.4 %	13.8 %	8.8 %	9.4 %	12.7 %	16.1 %	18.4 %
EV/sales	2.7	2.2	2.3	1.6	1.4	1.3	1.1
EV/EBITDA	45.8	36.6	33.2	21.3	16.4	13.1	10.6
EV/EBIT	63.1	50.3	47.4	34.7	22.7	16.8	13.1
PER	80.3	67.2	79.8	47.3	30.2	21.9	17.6
Adjusted FCF yield	1.5 %	2.0 %	1.9 %	3.0 %	4.8 %	6.0 %	7.4 %

Source: Company data, Hauck & Aufhäuser Close price as of: 27.07.2018



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks:	24.72 / 14.62
Price/Book Ratio:	4.5
Relative performance (TecDAX):	
3 months	3.1 %
6 months	0.1 %
12 months	36.7 %

Changes in estimates

		Sales	EBIT	EPS
2018	old:	1,005.0	63.8	0.80
	Δ	-	-	-
2019	old:	1,115.6	83.6	1.10
	Δ	-	-	-
2020	old:	1,227.1	102.5	1.37
	Δ	-	-	-

Key share data:

Number of shares: (in m pcs)	63.4
Authorised capital: (in € m)	12.1
Book value per share: (in €)	5.5
Ø trading volume: (12 months)	60,000

Major shareholders:

Free Float	77.7 %
Ennoconn	22.3 %
AGI	4.0 %
JP Morgan	4.0 %
grosso Holding	2.9 %
CEO (incl. in Free Float)	2.0 %

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)	2014	2015	2016	2017	2018E	2019E	2020E
Net sales	385.5	468.2	503.7	882.0	1,005.0	1,115.6	1,227.1
<i>Sales growth</i>	14.1 %	21.4 %	7.6 %	75.1 %	13.9 %	11.0 %	10.0 %
Increase/decrease in finished goods and work-in-process	1.2	2.7	2.8	13.4	10.1	11.2	12.3
Total sales	386.8	470.9	506.5	895.3	1,015.1	1,126.7	1,239.4
Other operating income	5.0	6.3	6.1	8.5	5.0	4.5	4.3
Material expenses	258.3	309.3	334.8	567.0	633.2	692.8	754.7
Personnel expenses	72.4	89.5	93.5	179.4	199.0	220.9	240.5
Other operating expenses	38.2	50.0	50.0	89.4	99.5	110.4	121.5
Total operating expenses	363.9	442.6	472.1	827.3	926.6	1,019.6	1,112.4
EBITDA	22.9	28.4	34.4	68.1	88.4	107.1	127.0
Depreciation	2.2	7.7	10.3	7.4	9.5	10.5	11.5
EBITA	20.7	20.6	24.1	60.7	78.9	96.6	115.5
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	4.1	0.0	0.0	18.9	15.1	13.0	13.0
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT (inc revaluation net)	16.6	20.6	24.1	41.7	63.8	83.6	102.5
Interest income	1.6	0.3	0.3	0.6	0.6	0.6	0.7
Interest expenses	3.2	3.0	4.4	6.9	5.3	3.4	3.0
Other financial result	-0.3	0.5	0.0	0.0	0.0	0.0	0.0
Financial result	-1.8	-2.2	-4.0	-6.4	-4.7	-2.8	-2.3
Recurring pretax income from continuing operations	14.8	18.4	20.1	35.4	59.1	80.8	100.2
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	14.8	18.4	20.1	35.4	59.1	80.8	100.2
Taxes	0.8	0.8	-0.3	6.0	5.9	8.1	10.0
Net income from continuing operations	14.0	17.6	20.4	29.4	53.2	72.7	90.2
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	14.0	17.6	20.4	29.4	53.2	72.7	90.2
Minority interest	1.0	1.8	5.8	6.9	2.5	2.8	3.1
Net profit (reported)	13.0	15.8	14.6	22.5	50.7	69.9	87.2
Average number of shares	41.2	43.5	44.2	52.5	63.4	63.4	63.4
EPS reported	0.32	0.36	0.33	0.43	0.80	1.10	1.37

Profit and loss (common size)	2014	2015	2016	2017	2018E	2019E	2020E
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 %	0.6 %	0.6 %	1.5 %	1.0 %	1.0 %	1.0 %
Total sales	100.3 %	100.6 %	100.6 %	101.5 %	101.0 %	101.0 %	101.0 %
Other operating income	1.3 %	1.3 %	1.2 %	1.0 %	0.5 %	0.4 %	0.4 %
Material expenses	67.0 %	66.1 %	66.5 %	64.3 %	63.0 %	62.1 %	61.5 %
Personnel expenses	18.8 %	19.1 %	18.6 %	20.3 %	19.8 %	19.8 %	19.6 %
Other operating expenses	9.9 %	10.7 %	9.9 %	10.1 %	9.9 %	9.9 %	9.9 %
Total operating expenses	94.4 %	94.5 %	93.7 %	93.8 %	92.2 %	91.4 %	90.7 %
EBITDA	5.9 %	6.1 %	6.8 %	7.7 %	8.8 %	9.6 %	10.4 %
Depreciation	0.6 %	1.7 %	2.0 %	0.8 %	0.9 %	0.9 %	0.9 %
EBITA	5.4 %	4.4 %	4.8 %	6.9 %	7.9 %	8.7 %	9.4 %
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	1.1 %	0.0 %	0.0 %	2.1 %	1.5 %	1.2 %	1.1 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT (inc revaluation net)	4.3 %	4.4 %	4.8 %	4.7 %	6.4 %	7.5 %	8.4 %
Interest income	0.4 %	0.1 %	0.1 %	0.1 %	0.1 %	0.0 %	0.1 %
Interest expenses	0.8 %	0.6 %	0.9 %	0.8 %	0.5 %	0.3 %	0.2 %
Other financial result	-0.1 %	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	-0.5 %	-0.5 %	-0.8 %	-0.7 %	-0.5 %	-0.3 %	-0.2 %
Recurring pretax income from continuing operations	3.8 %	3.9 %	4.0 %	4.0 %	5.9 %	7.2 %	8.2 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	3.8 %	3.9 %	4.0 %	4.0 %	5.9 %	7.2 %	8.2 %
Tax rate	5.2 %	4.3 %	-1.6 %	17.0 %	10.0 %	10.0 %	10.0 %
Net income from continuing operations	3.6 %	3.8 %	4.1 %	3.3 %	5.3 %	6.5 %	7.4 %
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	3.6 %	3.8 %	4.1 %	3.3 %	5.3 %	6.5 %	7.4 %
Minority interest	0.3 %	0.4 %	1.2 %	0.8 %	0.2 %	0.3 %	0.2 %
Net profit (reported)	3.4 %	3.4 %	2.9 %	2.6 %	5.0 %	6.3 %	7.1 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2014	2015	2016	2017	2018E	2019E	2020E
Intangible assets	57.1	72.8	183.2	189.9	206.9	207.3	208.4
Property, plant and equipment	11.4	15.2	27.5	31.9	38.5	45.2	52.1
Financial assets	3.8	3.1	12.1	17.6	17.6	17.6	17.6
FIXED ASSETS	72.3	91.0	222.8	239.4	262.9	270.1	278.1
Inventories	30.0	28.7	84.9	104.0	96.6	104.3	114.7
Accounts receivable	95.7	86.4	168.6	172.4	220.3	244.5	269.0
Other current assets	22.0	36.7	41.5	43.5	44.6	45.7	46.9
Liquid assets	39.5	60.3	125.6	216.9	169.5	198.3	254.6
Deferred taxes	13.6	15.9	25.4	28.6	28.6	28.6	28.6
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	200.8	228.0	445.9	565.5	559.7	621.4	713.8
TOTAL ASSETS	273.1	319.1	668.7	804.9	822.6	891.5	991.9
SHAREHOLDERS EQUITY	86.9	99.8	154.0	305.1	346.0	404.9	480.0
MINORITY INTEREST	2.8	2.4	87.0	26.7	26.7	26.7	26.7
Long-term debt	26.1	28.1	74.2	68.7	50.0	35.0	35.0
Provisions for pensions and similar obligations	2.3	2.5	11.6	21.2	21.4	21.6	21.9
Other provisions	4.6	6.0	39.1	36.7	37.8	38.9	40.1
Non-current liabilities	33.0	36.5	124.8	126.6	109.2	95.6	96.9
short-term liabilities to banks	14.8	22.9	19.5	46.4	15.0	15.0	15.0
Accounts payable	74.2	70.1	134.3	154.9	176.5	195.9	215.5
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)	59.9	85.9	143.7	135.6	139.7	143.9	148.2
Deferred taxes	1.5	1.4	5.4	9.5	9.5	9.5	9.5
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	150.3	180.3	302.8	346.4	340.7	364.3	388.2
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	273.1	319.1	668.7	804.9	822.6	891.5	991.9

Balance sheet (common size)	2014	2015	2016	2017	2018E	2019E	2020E
Intangible assets	20.9 %	22.8 %	27.4 %	23.6 %	25.2 %	23.3 %	21.0 %
Property, plant and equipment	4.2 %	4.7 %	4.1 %	4.0 %	4.7 %	5.1 %	5.3 %
Financial assets	1.4 %	1.0 %	1.8 %	2.2 %	2.1 %	2.0 %	1.8 %
FIXED ASSETS	26.5 %	28.5 %	33.3 %	29.7 %	32.0 %	30.3 %	28.0 %
Inventories	11.0 %	9.0 %	12.7 %	12.9 %	11.7 %	11.7 %	11.6 %
Accounts receivable	35.0 %	27.1 %	25.2 %	21.4 %	26.8 %	27.4 %	27.1 %
Other current assets	8.1 %	11.5 %	6.2 %	5.4 %	5.4 %	5.1 %	4.7 %
Liquid assets	14.5 %	18.9 %	18.8 %	27.0 %	20.6 %	22.2 %	25.7 %
Deferred taxes	5.0 %	5.0 %	3.8 %	3.6 %	3.5 %	3.2 %	2.9 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
CURRENT ASSETS	73.5 %	71.5 %	66.7 %	70.3 %	68.0 %	69.7 %	72.0 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	31.8 %	31.3 %	23.0 %	37.9 %	42.1 %	45.4 %	48.4 %
MINORITY INTEREST	1.0 %	0.8 %	13.0 %	3.3 %	3.3 %	3.0 %	2.7 %
Long-term debt	9.6 %	8.8 %	11.1 %	8.5 %	6.1 %	3.9 %	3.5 %
Provisions for pensions and similar obligations	0.8 %	0.8 %	1.7 %	2.6 %	2.6 %	2.4 %	2.2 %
Other provisions	1.7 %	1.9 %	5.8 %	4.6 %	4.6 %	4.4 %	4.0 %
Non-current liabilities	12.1 %	11.5 %	18.7 %	15.7 %	13.3 %	10.7 %	9.8 %
short-term liabilities to banks	5.4 %	7.2 %	2.9 %	5.8 %	1.8 %	1.7 %	1.5 %
Accounts payable	27.2 %	22.0 %	20.1 %	19.2 %	21.5 %	22.0 %	21.7 %
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)	21.9 %	26.9 %	21.5 %	16.9 %	17.0 %	16.1 %	14.9 %
Deferred taxes	0.5 %	0.5 %	0.8 %	1.2 %	1.2 %	1.1 %	1.0 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Current liabilities	55.1 %	56.5 %	45.3 %	43.0 %	41.4 %	40.9 %	39.1 %
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)	2014	2015	2016	2017	2018E	2019E	2020E
Net profit/loss	14.0	17.6	20.4	29.4	53.2	72.7	90.2
Depreciation of fixed assets (incl. leases)	2.2	7.7	10.3	7.4	9.5	10.5	11.5
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	4.1	0.0	0.0	18.9	15.1	13.0	13.0
Others	4.1	-5.2	-1.9	-13.6	0.2	0.2	0.2
Cash flow from operations before changes in w/c	24.4	20.2	28.9	42.1	78.0	96.4	114.9
Increase/decrease in inventory	-7.4	1.3	9.3	-17.9	7.4	-7.6	-10.4
Increase/decrease in accounts receivable	-24.0	9.2	-1.5	5.5	-47.9	-24.2	-24.5
Increase/decrease in accounts payable	27.6	-4.1	20.3	15.2	21.6	19.4	19.6
Increase/decrease in other working capital positions	0.0	0.0	4.4	0.0	0.0	0.0	0.0
Increase/decrease in working capital	-3.8	6.5	32.5	2.8	-18.9	-12.4	-15.3
Cash flow from operating activities	20.6	26.7	61.4	44.9	59.1	84.0	99.6
CAPEX	5.8	9.5	9.3	23.0	28.1	30.7	32.5
Payments for acquisitions	5.5	0.4	59.2	11.5	20.0	0.0	0.0
Financial investments	1.7	0.6	4.3	5.7	0.0	0.0	0.0
Income from asset disposals	0.4	0.9	-0.9	1.2	0.0	0.0	0.0
Cash flow from investing activities	-12.6	-9.6	-73.6	-39.1	-48.1	-30.7	-32.5
Cash flow before financing	8.0	17.1	-12.2	5.8	11.0	53.3	67.1
Increase/decrease in debt position	3.1	6.1	39.8	28.8	-50.1	-15.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	10.5	0.0	44.0	86.9	0.0	0.0	0.0
Dividends paid	2.4	3.1	3.5	4.9	8.2	9.5	10.8
Others	1.3	-3.8	-8.5	-17.7	0.0	0.0	0.0
Effects of exchange rate changes on cash	-1.1	0.5	0.0	-2.0	0.0	0.0	0.0
Cash flow from financing activities	12.5	-0.7	71.8	93.1	-58.4	-24.5	-10.8
Increase/decrease in liquid assets	19.5	16.8	59.5	97.0	-47.4	28.8	56.3
Liquid assets at end of period	39.5	60.3	125.6	216.9	169.5	198.3	254.6

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2014	2015	2016	2017	2018E	2019E	2020E
Domestic	65.1	52.4	60.1	57.3	60.3	61.4	67.5
yoy change	-4.8 %	-19.5 %	14.8 %	-4.6 %	5.2 %	1.8 %	10.0 %
Rest of Europe	320.5	184.3	166.3	247.0	281.4	312.4	331.3
yoy change	18.9 %	-42.5 %	-9.8 %	48.5 %	13.9 %	11.0 %	6.1 %
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	231.5	277.3	577.7	663.3	741.8	828.3
yoy change	n/a	n/a	19.8 %	108.3 %	14.8 %	11.8 %	11.7 %
TTL	385.5	468.2	503.7	882.0	1,005.0	1,115.6	1,227.1
yoy change	14.1 %	21.4 %	7.6 %	75.1 %	13.9 %	11.0 %	10.0 %

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2014	2015	2016	2017	2018E	2019E	2020E
P&L growth analysis							
Sales growth	14.1 %	21.4 %	7.6 %	75.1 %	13.9 %	11.0 %	10.0 %
EBITDA growth	14.0 %	23.9 %	21.3 %	97.9 %	29.9 %	21.1 %	43.6 %
EBIT growth	16.2 %	24.1 %	16.9 %	73.1 %	52.9 %	30.9 %	60.6 %
EPS growth	5.4 %	15.3 %	-9.3 %	29.9 %	86.5 %	37.8 %	71.9 %
Efficiency							
Total operating costs / sales	94.4 %	94.5 %	93.7 %	93.8 %	92.2 %	91.4 %	90.7 %
Sales per employee	203.5	209.9	223.6	306.0	285.7	314.0	343.7
EBITDA per employee	12.1	12.7	15.3	23.6	25.1	30.1	35.6
Balance sheet analysis							
Avg. working capital / sales	12.9 %	10.3 %	16.3 %	13.6 %	13.0 %	13.1 %	12.6 %
Inventory turnover (sales/inventory)	12.8	16.3	5.9	8.5	10.4	10.7	10.7
Trade debtors in days of sales	90.6	67.4	122.2	71.3	80.0	80.0	80.0
A/P turnover [(A/P*365)/sales]	70.2	54.6	97.3	64.1	64.1	64.1	64.1
Cash conversion cycle (days)	28.2	18.6	68.3	38.6	34.0	31.7	31.2
Cash flow analysis							
Free cash flow	14.8	17.2	52.1	21.9	31.0	53.3	67.1
Free cash flow/sales	3.8 %	3.7 %	10.3 %	2.5 %	3.1 %	4.8 %	5.5 %
FCF / net profit	114.1 %	108.6 %	357.3 %	97.3 %	61.1 %	76.2 %	77.0 %
Capex / depre	119.1 %	130.9 %	131.5 %	109.2 %	114.4 %	130.5 %	132.7 %
Capex / maintenance capex	37.3 %	n/a	0.0 %	145.7 %	128.6 %	133.0 %	110.9 %
Capex / sales	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Security							
Net debt	1.5	-9.4	-32.0	-101.8	-104.5	-148.3	-204.6
Net Debt/EBITDA	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Net debt / equity	0.0	-0.1	-0.2	-0.3	-0.3	-0.4	-0.4
Interest cover	5.2	6.9	5.5	6.0	12.0	24.6	34.7
Dividend payout ratio	23.3 %	21.9 %	33.1 %	36.6 %	18.8 %	15.4 %	14.8 %
Asset utilisation							
Capital employed turnover	2.8	2.9	1.3	1.7	2.0	2.1	2.0
Operating assets turnover	6.1	7.8	3.4	5.7	5.6	5.6	5.6
Plant turnover	33.7	30.9	18.3	27.7	26.1	24.7	23.5
Inventory turnover (sales/inventory)	12.8	16.3	5.9	8.5	10.4	10.7	10.7
Returns							
ROCE	12.4 %	13.8 %	8.8 %	9.4 %	12.7 %	16.1 %	18.4 %
ROE	14.9 %	15.9 %	9.5 %	7.4 %	14.7 %	17.3 %	18.2 %
Other							
Interest paid / avg. debt	6.8 %	6.5 %	6.0 %	6.6 %	5.9 %	5.9 %	5.1 %
No. employees (average)	1895	2230	2252	2882	3518	3553	3571
Number of shares	41.2	43.5	44.2	52.5	63.4	63.4	63.4
DPS	0.1	0.1	0.1	0.1	0.2	0.2	0.2
EPS reported	0.32	0.36	0.33	0.43	0.80	1.10	1.37
Valuation ratios							
P/BV	12.0	10.7	7.6	5.0	4.4	3.8	3.2
EV/sales	2.7	2.2	2.3	1.6	1.4	1.3	1.1
EV/EBITDA	45.8	36.6	33.2	21.3	16.4	13.1	10.6
EV/EBITA	50.7	50.3	47.4	23.9	18.3	14.5	11.7
EV/EBIT	63.1	50.3	47.4	34.7	22.7	16.8	13.1
EV/FCF	70.7	60.3	21.9	66.2	46.7	26.3	20.1
Adjusted FCF yield	1.5 %	2.0 %	1.9 %	3.0 %	4.8 %	6.0 %	7.4 %
Dividend yield	0.3 %	0.3 %	0.4 %	0.5 %	0.6 %	0.7 %	0.8 %

Source: Company data, Hauck & Aufhäuser

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Company	Disclosure
S&T AG	3

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

**Price and Rating History
S&T AG as of 31/07/18**

Initiation coverage
30-May-12



Company	Date	Analyst	Rating	Target price	Close
S&T AG	10.07.2018	Wunderlich, CFA, Tim	Buy	EUR 24,00	EUR 23,28
	03.07.2018	Wunderlich, CFA, Tim	Buy	EUR 24,00	EUR 21,62
	07.06.2018	Wunderlich, CFA, Tim	Buy	EUR 24,00	EUR 20,10
	07.05.2018	Wunderlich, CFA, Tim	Buy	EUR 24,00	EUR 23,20
	02.05.2018	Wunderlich, CFA, Tim	Buy	EUR 24,00	EUR 22,14
	11.04.2018	Wunderlich, CFA, Tim	Buy	EUR 24,00	EUR 19,45

03.04.2018	Wunderlich, CFA, Tim	Buy	EUR 24,00	EUR 18,66
18.01.2018	Wunderlich, CFA, Tim	Buy	EUR 23,00	EUR 21,68
22.11.2017	Wunderlich, CFA, Tim	Buy	EUR 23,00	EUR 18,05
07.08.2017	Wunderlich, CFA, Tim	Buy	EUR 18,50	EUR 16,60

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Date of publication creation: 31/07/2018 08:32 AM

Date of publication dissemination: 31/07/2018 08:37 AM

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Contacts: Hauck&Aufhäuser Privatbankiers AG

Hauck & Aufhäuser Research

Hauck & Aufhäuser
Privatbankiers AG
Mittelweg 16/17
20148 Hamburg
Germany

Tel.: +49 (0) 40 414 3885 93
Fax: +49 (0) 40 414 3885 71
Email: research@ha-ib.de
www.ha-research.de

Gunnar Cohrs
Co-Head of Equities
Tel.: +49 40 414 3885 86
E-Mail: gunnar.cohrs@ha-ib.de

Tim Wunderlich, CFA
Head of Research
Tel.: +49 40 414 3885 81
E-Mail: tim.wunderlich@ha-ib.de

Henning Breiter
Head of Research
Tel.: +49 40 414 3885 73
E-Mail: henning.breiter@ha-ib.de

Carlos Becke
Analyst
Tel.: +49 40 414 3885 74
E-Mail: carlos.becke@ha-ib.de

Simon Bentlage
Analyst
Tel.: +49 40 4506342 3096
E-Mail: simon.bentlage@ha-ib.de

Robin Brass, CFA
Analyst
Tel.: +49 40 414 3885 76
E-Mail: robin.brass@ha-ib.de

Christian Glowa
Analyst
Tel.: +49 40 414 3885 95
E-Mail: christian.glowa@ha-ib.de

Pierre Gröning
Analyst
Tel.: +49 40 450 6342 30 92
E-Mail: pierre.groening@ha-ib.de

Marie-Thérèse Grübner
Head of Corporate Brokerage
Tel.: +49 40 4506342 3097
E-Mail: marie-therese.gruebner@ha-ib.de

Aliaksandr Halitsa
Analyst
Tel.: +49 40 414 3885 83
E-Mail: aliaksandr.halitsa@ha-ib.de

Alina Köhler
Analyst
Tel.: +49 40 4506342 3095
E-Mail: alina.koehler@ha-ib.de

Christian Salis
Analyst
Tel.: +49 40 414 3885 96
E-Mail: christian.salis@ha-ib.de

Christian Sandherr
Analyst
Tel.: +49 40 414 3885 79
E-Mail: christian.sandherr@ha-ib.de

Julius Stinauer
Analyst
Tel.: +49 40 414 3885 84
E-Mail: julius.stinauer@ha-ib.de

Hauck & Aufhäuser Sales

Carsten Kinder
Head of Equities
Tel.: +41 43 497 30 24
E-Mail: carsten.kinder@ha-ib.de

Toby Woods
Sales
Tel.: +44 203 9473 245
E-Mail: toby.woods@ha-ib.de

Christian Alisch
Sales
Tel.: +49 40 414 3885 99
E-Mail: christian.alisch@ha-ib.de

Vincent Bischoff
Sales
Tel.: +49 40 414 3885 88
E-Mail: vincent.bischoff@ha-ib.de

Alexander Lachmann
Sales
Tel.: +41 43 497 30 23
E-Mail: alexander.lachmann@ha-ib.de

Hugues Madelin
Sales
Tel.: +33 1 78 41 40 62
E-Mail: hugues.madelin@ha-ib.de

Jan Neynaber
Sales
Tel.: +49 69 2161 1268
E-Mail: jan.neynaber@hauck-aufhaeuser.com

Marco Schumann
Sales
Tel.: +49 69 2161 1250
E-Mail: marco.schumann@hauck-aufhaeuser.com

Christian Schwenkenbecher
Sales
Tel.: +44 203 9473 246
E-Mail: christian.schwenkenbecher@ha-ib.de

Hauck & Aufhäuser Sales Trading

Hauck & Aufhäuser
Privatbankiers AG
Mittelweg 16/17
20148 Hamburg
Germany

Tel.: +49 40 414 3885 75
Fax: +49 40 414 3885 71
Email: info@hauck-aufhaeuser.com
www.hauck-aufhaeuser.com

Mirko Brueggemann
Trading
Tel.: +49 40 414 3885 75
E-Mail: mirko.brueggemann@hauck-aufhaeuser.com

Christian von Schuler
Trading
Tel.: +49 40 414 3885 77
E-Mail: christian.schuler@hauck-aufhaeuser.com

Fin Schaffer
Trading
Tel.: +49 40 414 3885 98
E-Mail: fin.schaffer@hauck-aufhaeuser.com

Kathleen Jonas
Middle-Office
Tel.: +49 40 414 3885 97
E-Mail: kathleen.jonas@hauck-aufhaeuser.com

Carolin Weber
Middle-Office
Tel.: +49 40 414 3885 87
E-Mail: carolin.weber@hauck-aufhaeuser.com