

Buy (old: Buy)

Price target: EUR 28.50 (old: EUR 28.50)

Price: EUR 26.10 **Next result:** Q3'18: tba
Bloomberg: SANT@GR **Market cap:** EUR 1,655.8 m
Reuters: SANT1.DE **Enterprise Value:** EUR 1,572.7 m

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Strong Q2 points to FY guidance upside – Reiterate BUY

- **Q2 figures largely beat expectations** (see next page). Note that the outstanding net income growth reflects an optimised financing structure (financial result up € 0.6m yoy) and lower minorities (down € 2.1m yoy) due to the acquisition of a majority stake in Kontron. **Both effects will be sustainable**, in our view. Strong Q2 performers on segment level were IoT and IT Services:
 - **IoT sales grew by 7% yoy to € 81m while EBITDA almost doubled yoy to € 12.6m** (record 16% margin). Key drivers: Brisk demand from Industrial Automation applications (top-line); higher software content and cost synergies (bottom-line). USD headwinds should have eaten up 1-2pp of top-line growth in Q2 (in H1 the burden was even 5pp yoy).
 - **IT Services sales rose by 22% yoy to € 102m and EBITDA by 50% yoy to € 4.1m.** This was especially driven by large projects in Poland (customer: Federal Ministry of Justice) and Romania coupled with strong growth execution in Hungary by the local management.
- **H2'18 outlook: Biggest potential lies with Embedded Systems**, H1's underperformer (segment sales -12% yoy to € 74m / segment EBITDA -40% yoy to € 5.4m). The segment looks on track to show 5% yoy sales growth in H2'18 as FX headwinds subside (10pp growth burden in H1), latest customer wins start contributing to growth, demand from two key clients is rebounding and the aviation end-market is showing brisk growth (S&T provides in-flight WiFi with security / eH&A: 50%+ yoy sales growth to € 35-40m in FY'18E).
- **Strategic repositioning on track.** Management plans to enhance the product portfolio of Embedded Systems through software – similar to what it has successfully done with the IoT segment in 2017. The announced take-over of Canadian software company Inocybe (USD 3.3m purchase price) is a step to boost local software expertise; we expect management to be able **to move the segment up to a 14% EBITDA margin** by 2020E from currently 7-8%.
- **Expect a FY guidance hike in the course of Q3** (eH&A). Management will have sufficient visibility on Q4 at the end of September; that is when we expect S&T to increase the FY EBITDA margin guidance (currently: 8.0% / eH&A: 8.8%). The € 1bn revenue guidance should remain intact and looks well in reach.

Reiterate BUY with a € 28.50 PT based on DCF.

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	2.9	2.4	2.5	1.8	1.6	1.4	1.2
EV/EBITDA	49.5	39.6	36.0	23.1	17.8	14.3	11.6
EV/EBIT	68.2	54.4	51.3	37.7	24.6	18.3	14.4
PER	86.9	72.7	86.3	51.2	32.7	23.7	19.0
Adjusted FCF yield	1.4 %	1.8 %	1.7 %	2.8 %	4.4 %	5.5 %	6.7 %

Source: Company data, Hauck & Aufhäuser Close price as of: 02.08.2018



High/low 52 weeks: 24.72 / 15.45
Price/Book Ratio: 4.5
Relative performance (TecDAX):
 3 months 3.6 %
 6 months 3.5 %
 12 months 29.7 %

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.

EUR	Q2 18	Q2 18 est	Q2 18 cons.	Q2 17	yoy	Q1 18	qoq	H1 18	H1 17	yoy
Sales	219	215	218	199	10%	204	8%	423	381	11%
EBITDA	19.6	19.1	19.2	15.0	31%	17.1	15%	36.7	27.2	35%
EBITDA margin	8.9%	8.9%	8.8%	7.5%	+14 pp	8.4%	+0.6 pp	8.7%	7.1%	+16 pp
Net after minorities	9.7	9.1	9.5	2.4	302%	7.4	31%	17.2	4.8	255%
Net margin	4.4%	4.2%	4.4%	1.2%	+3.2 pp	3.6%	+0.8 pp	4.1%	1.3%	+2.8 pp
EPS	0.14	0.14	0.15	0.05	188%	0.12	17%	0.26	0.10	166%

Source: Company data, Hauck & Aufhäuser

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	neg.	neg.	neg.	neg.	neg.	neg.	neg.
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	-483.0 %	-	1483.0 %	-463.9 %	518.4 %	175.0 %	1000.0 %
Rest of Europe	320.5	184.3	166.3	247.0	281.4	312.4	331.3
yoy change	1888.6 %	-	-980.9 %	4853.2 %	1394.9 %	1100.0 %	607.1 %
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	1979.2 %	10832.3 %	1481.9 %	1184.1 %	1165.4 %
TTL	385.5	468.2	503.7	882.0	1,005.0	1,115.6	1,227.1
yoy change	1408.8 %	2143.5 %	758.2 %	7510.4 %	1394.9 %	1100.0 %	1000.0 %

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 / depn	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	neg.	neg.	neg.	neg.	neg.	neg.
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	13.0	11.5	8.2	5.4	4.8	4.1	3.4
EV/sales	2.9	2.4	2.5	1.8	1.6	1.4	1.2
EV/EBITDA	49.5	39.6	36.0	23.1	17.8	14.3	11.6
EV/EBITA	54.8	54.4	51.3	26.0	19.9	15.8	12.8
EV/EBIT	68.2	54.4	51.3	37.7	24.6	18.3	14.4
EV/FCF	76.4	65.3	23.8	71.9	50.8	28.7	21.9
Adjusted FCF yield	1.4 %	1.8 %	1.7 %	2.8 %	4.4 %	5.5 %	6.7 %
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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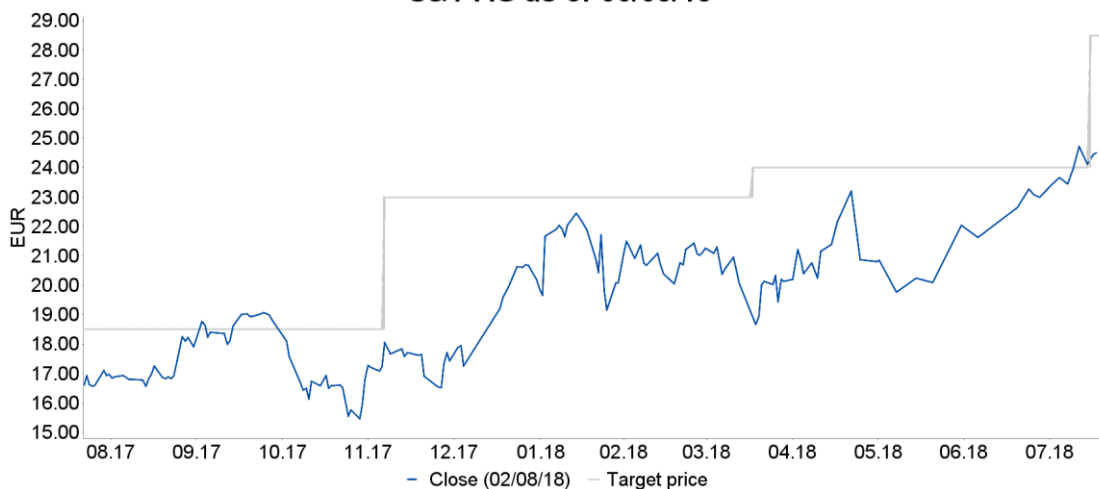
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Company	Disclosure
S&T AG	3

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

**Price and Rating History
S&T AG as of 06/08/18**

Initiation coverage
30-May-12



Company	Date	Analyst	Rating	Target price	Close
S&T AG	31.07.2018	Wunderlich, CFA, Tim	Buy	EUR 28,50	EUR 24,30
	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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