

Buy (old: Buy)

Price target: EUR 24.00 (old: EUR 24.00)

Price:	EUR 20.32	Next result:	Q1 '18: 04.05.18
Bloomberg:	SANT@GR	Market cap:	EUR 1,289.1 m
Reuters:	SANT1.DE	Enterprise Value:	EUR 1,206.0 m

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Key insights from S&T roadshow

Customer wins continue at a dynamic pace underpinning our growth expectations and the successful turnaround of Kontron. CEO Niederhauser pointed out that S&T had very recently **regained a major US gaming company** (i.e. a client who had previously abandoned Kontron) thanks to its latest technology innovations (e.g. connectivity, security, data analytics). Also, avionics (i.e. part of embedded systems segment) is turning into a major field of growth (eH&A: € 30m sales and strongly growing) as S&T can now offer embedded hardware, security and connectivity as a one-stop-shop for e.g. in-flight Wi-Fi. Next to Luthansa Systems, **S&T has scored 5-6 design wins** with airlines in Asia, Russia, the USA and Turkey and has **another 25 in the pipe**. The co-operation with Foxconn remains strong and we would expect the partner to raise its shareholding in S&T again to 29% following the latest dilution (currently: 22%).

Financial targets: S&T confirmed that it plans to double sales to € 2bn within the next five years implying a 15% growth CAGR (above estimates). 5% of the growth should come from M&A and 10% should be organic (thereof 15% in IoT and Embedded Systems and 5% in IT Services). The company targets an **EBITDA margin of above 10%** (eH&A: 10.4% by 2020E). This should be driven by mix (i.e. disproportionate growth of high-margin IoT applications) and **moving up the value-chain** e.g. by adding software to embedded systems (note: S&T expects to raise the gross margin of Embedded Systems to 45% from 30% by 2020E thanks to software).

Expect more M&A already in the short-term: S&T has € 100m discretionary cash to use for smaller bolt-on technology / software acquisitions to strengthen its core IoT / Embedded Systems segments. € 15m of cash on hand should be used to squeeze out the remaining 5% Kontron shareholders and some € 35m to redeem debt, both of which should provide tailwind for EPS growth this year.

Current trading looks sound: Expect solid double-digit Q1 yoy sales growth as S&T sees brisk demand for its differentiated IoT solutions (customers include Industrial Automation players like Emerson, Siemens, Rockwell etc.). **EPS growth should be strongly disproportionately** thanks to reduced minorities (i.e. Kontron takeover) while lower interest expenses (i.e. debt redemption) should further boost the bottom-line in the course of 2018E.

Remains a BUY with a € 24.00 PT based on DCF.



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks:	22.46 / 12.14
Price/Book Ratio:	3.9
Relative performance (TecDAX):	
3 months	1.3 %
6 months	3.7 %
12 months	37.2 %

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 €)	5.1
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.

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 %	-32.1 %	-38.5 %	-44.5 %
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 %	0.4 %	0.5 %	0.6 %	0.7 %	0.8 %	1.0 %
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 %	13.0 %	16.7 %	19.1 %
EV/sales	2.3	1.9	1.9	1.4	1.2	1.0	0.9
EV/EBITDA	38.6	30.8	27.9	17.8	13.6	10.9	8.7
EV/EBIT	53.2	42.3	39.8	29.0	18.9	13.9	10.8
PER	67.7	56.6	67.2	39.8	25.4	18.4	14.8
Adjusted FCF yield	1.8 %	2.4 %	2.3 %	3.6 %	5.7 %	7.3 %	9.0 %

Source: Company data, Hauck & Aufhäuser Close price as of: 10.04.2018

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	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 income (net of minority interest)	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	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 income (net of minority interest)	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	186.9	187.3	188.4
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	242.9	250.1	258.1
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	802.6	871.5	971.9
SHAREHOLDERS EQUITY	86.9	99.8	154.0	305.1	326.0	384.9	460.0
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	802.6	871.5	971.9

Balance sheet (common size)	2014	2015	2016	2017	2018E	2019E	2020E
Intangible assets	20.9 %	22.8 %	27.4 %	23.6 %	23.3 %	21.5 %	19.4 %
Property, plant and equipment	4.2 %	4.7 %	4.1 %	4.0 %	4.8 %	5.2 %	5.4 %
Financial assets	1.4 %	1.0 %	1.8 %	2.2 %	2.2 %	2.0 %	1.8 %
FIXED ASSETS	26.5 %	28.5 %	33.3 %	29.7 %	30.3 %	28.7 %	26.6 %
Inventories	11.0 %	9.0 %	12.7 %	12.9 %	12.0 %	12.0 %	11.8 %
Accounts receivable	35.0 %	27.1 %	25.2 %	21.4 %	27.4 %	28.1 %	27.7 %
Other current assets	8.1 %	11.5 %	6.2 %	5.4 %	5.6 %	5.2 %	4.8 %
Liquid assets	14.5 %	18.9 %	18.8 %	27.0 %	21.1 %	22.8 %	26.2 %
Deferred taxes	5.0 %	5.0 %	3.8 %	3.6 %	3.6 %	3.3 %	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 %	69.7 %	71.3 %	73.4 %
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 %	40.6 %	44.2 %	47.3 %
MINORITY INTEREST	1.0 %	0.8 %	13.0 %	3.3 %	3.3 %	3.1 %	2.8 %
Long-term debt	9.6 %	8.8 %	11.1 %	8.5 %	6.2 %	4.0 %	3.6 %
Provisions for pensions and similar obligations	0.8 %	0.8 %	1.7 %	2.6 %	2.7 %	2.5 %	2.2 %
Other provisions	1.7 %	1.9 %	5.8 %	4.6 %	4.7 %	4.5 %	4.1 %
Non-current liabilities	12.1 %	11.5 %	18.7 %	15.7 %	13.6 %	11.0 %	10.0 %
short-term liabilities to banks	5.4 %	7.2 %	2.9 %	5.8 %	1.9 %	1.7 %	1.5 %
Accounts payable	27.2 %	22.0 %	20.1 %	19.2 %	22.0 %	22.5 %	22.2 %
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)	21.9 %	26.9 %	21.5 %	16.9 %	17.4 %	16.5 %	15.3 %
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 %	42.4 %	41.8 %	39.9 %
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 %	46.8 %	34.8 %	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	2.1	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 %	13.0 %	16.7 %	19.1 %
ROE	14.9 %	15.9 %	9.5 %	7.4 %	15.6 %	18.2 %	18.9 %
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	10.1	9.0	6.4	4.2	4.0	3.3	2.8
EV/sales	2.3	1.9	1.9	1.4	1.2	1.0	0.9
EV/EBITDA	38.6	30.8	27.9	17.8	13.6	10.9	8.7
EV/EBITA	42.7	42.3	39.8	19.9	15.3	12.0	9.6
EV/EBIT	53.2	42.3	39.8	29.0	18.9	13.9	10.8
EV/FCF	59.6	50.7	18.4	55.2	38.9	21.8	16.5
Adjusted FCF yield	1.8 %	2.4 %	2.3 %	3.6 %	5.7 %	7.3 %	9.0 %
Dividend yield	0.3 %	0.4 %	0.5 %	0.6 %	0.7 %	0.8 %	1.0 %

Source: Company data, Hauck & Aufhäuser

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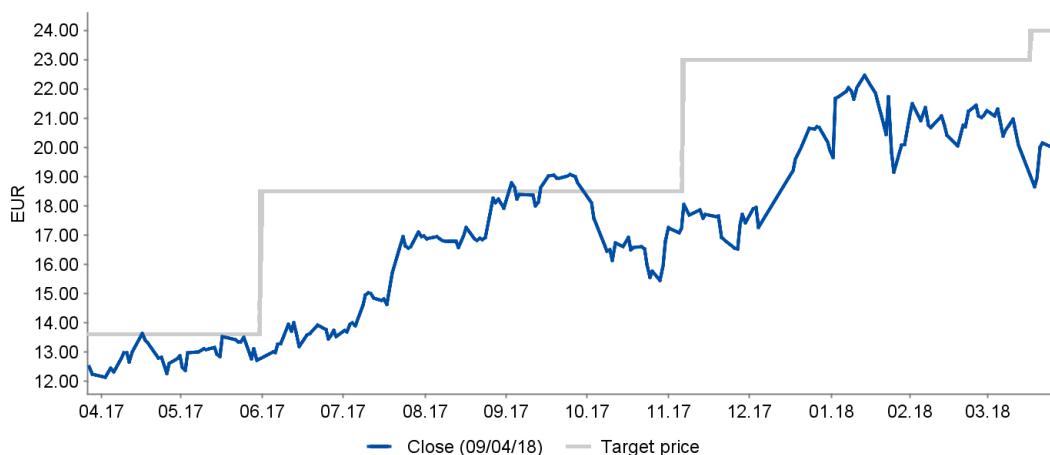
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Company	Disclosure
S&T AG	3

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

**Price and Rating History
S&T AG as of 11/04/18**

Initiation coverage
30-May-12



Company	Date	Analyst	Rating	Target price	Close
S&T AG	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
	16.06.2017	Wunderlich, CFA, Tim	Buy	EUR 18,50	EUR 12,70
	27.04.2017	Wunderlich, CFA, Tim	Buy	EUR 13,60	EUR 12,65

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