



Company Flash Note

Reason: Company newsflow

3 August 2018

Buy

Recommendation unchanged

Share price: EUR 24.50

closing price as of 02/08/2018

Target price: EUR 27.00

Target Price unchanged

Upside/Downside Potential 10.2%

Reuters/Bloomberg

SANT1.DE/SANT GY

Market capitalisation (EURm) 1,564

Current N° of shares (m) 64

Free float 68%

Daily avg. no. trad. sh. 12 mth 243

Daily avg. trad. vol. 12 mth (m) 4,236.26

Price high/low 12 months 14.46 / 24.72

Abs Perfs 1/3/12 mths (%) 12.59/10.66/67.58

Key financials (EUR) 12/17 12/18e 12/19e

Sales (m) 882 1,001 1,101

EBITDA (m) 68 85 100

EBITDA margin 7.7% 8.5% 9.1%

EBIT (m) 42 60 77

EBIT margin 4.7% 6.0% 7.0%

Net Profit (adj.)(m) 23 45 61

ROCE 8.5% 12.5% 15.6%

Net debt/(cash) (m) (106) (125) (182)

Net Debt Equity -0.3 -0.3 -0.4

Net Debt/EBITDA -1.6 -1.5 -1.8

Int. cover(EBITDA/Fin.int) 10.7 16.7 22.2

EV/Sales 1.2 1.5 1.3

EV/EBITDA 15.7 17.3 14.2

EV/EBITDA (adj.) 15.7 17.3 14.2

EV/EBIT 25.7 24.5 18.4

P/E (adj.) nm 34.8 25.8

P/BV 3.8 4.6 4.0

OpFCF yield 1.9% 1.8% 4.2%

Dividend yield 0.4% 0.5% 0.6%

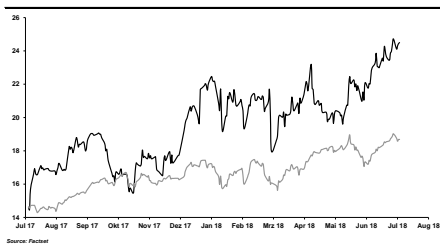
EPS (adj.) 0.35 0.70 0.95

BVPS 4.78 5.35 6.15

DPS 0.10 0.13 0.15

Shareholders

Ennoconn Corp. 24%; Allianz Global Investors GmbH 4%; JPMorgan Asset Management (UK) Ltd. 4%;

**Analyst(s)**

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Good Q2 and guidance confirmed

S&T (SANT) reported good Q2 numbers beating again on revenue on an organic basis. The revenue beat is due to SANT's continued good business in IT services (+22%) and IoT with an increase of +8% yoy. EBITDA, EBIT and net income are all moving into the right direction as SANT is going up in the value chain, offering high margin services and applications especially in the IoT/Industry 4.0 segment. Revenue in IoT stands at EUR 81m, 7% higher compared to EUR 75m in 1Q18 while EBITDA contribution in that segment more than doubled yoy to EUR 12.6m and 37% qoq. Continued streamlining of the acquired Kontron (Embedded Segment) business, cost cutting and better sales efficiency led to flat revenue in Q2 of EUR 37m compared to Q1 of EUR 38m, while EBITDA moved up qoq by 8% to EUR 2.8m. IT services increased revenue by 22% yoy and should lead to cross-selling revenue impact in IoT and Embedded in coming quarters. EBITDA in IT Services was 56% higher yoy. Guidance is reiterated with EUR 1bn in sales for FY18 and EBITDA of EUR 80m, well inline to our estimates.

S&T AG - Review Q2 2018

EUR m	Q2 2018	Q2 2017	% YoY	equinet	Delta vs actual	Cons.	Delta vs actual
Revenues	219.0	199	10%	215	2%	217.5	1%
EBITDA	19.6	15	31%	20	-2%	19.6	0%
EBITDA Margin	8.9%	7.6%	140 BP	9.3%	-35 BP	9.0%	-6 BP
EBIT	12.8	9	49%	13	-2%	13.0	-2%
EBIT Margin	5.8%	4.3%	133 BP	6.0%	-21 BP	6.0%	-4 BP
Net income	9.7	5	81%	10	-3%	9.5	2%
Net margin	4.4%	2.7%	173 BP	4.7%	-23 BP	4.4%	6 BP

Source: S&T AG, Factset, equinet Research

- ✓ Operating cash flow was extremely good in the quarter at EUR 10m despite working capital build up in the quarter.
- ✓ Order backlog at the end of Q2 stands at EUR 516m (Q1: EUR 502m) with a project pipeline growing YoY by EUR 329m (Q1: EUR +200m) to a total of EUR 1.43bn giving a visibility for the next twelve month going forward.
- ✓ SANT reiterated its FY18 guidance of EUR 1bn in sales and EUR 80m in EBITDA and also states to reach EUR 2bn in sales by FY23 of which EUR 1.5bn is organic and EUR 500m via acquisitions especially in software and value-added applications. We feel that SANT has already a short list of potential targets with price tags of EUR 50-100m for each acquisition. EBITDA guidance for FY23 remains above 10%



Exhibit 1: S&T at a glance

Business Units	IT Services	IoT Solutions	Embedded Systems		
Products/ applications	IT services to small and mid-sized enterprises, IT integration and focus on security applications	Applications dedicated to vertical markets with e.g. security offerings for machines (IoT), software in IoT grid, operation of IoT services (cloud, on-premise)	Embedded hardware and software solutions, customized products for niche applications with long-term recurring contracts		
Customers	Small and mid-sized enterprises in DACH and Eastern European region	Industrial applications such as robotics, automotive, health care, avionics, gaming and other high-end niche IoT markets	Communications and avionics customers		
Market share/ positioning	Below 1% in S&T's footprint	Below 1% in S&T's footprint	Only reasonable data from S&T's prospectus reveals market share for Advantech of 8%, Siemens 6% and ADLINK of 3% in the European Economic Area (EWR)		
Drivers	Outsourcing and cost cutting main drivers for GDP-like growth for S&T in IT Services.	Connectivity of devices and increased need for secure platforms in M2M, smart metering and other applications drive market growth and innovation in IoT.	System-on-a-Chip, enhanced software solutions and niche but customized solutions in the automation, infotainment, medical and transportation segments.		
Main competitors	Bechtle, Cancom, HPE, IBM, Accenture, Asesco, Caggemini, Alos and other IT services companies	Check Point Software, Intel, FireEye, Imperva, Secunet, Compugroup, Vilec Software AB, Smart Energy, Landis & Cyt, Schneider Electric, Siemens, Itron, IBM, Cisco, ABB	Advantech, ADLINK, Siemens, Beckhoff and Radisy		
Entry barriers/ competitive advantage	High personnel and R&D intensive business, especially in IT Services (personnel) and Embedded Systems (R&D/pre-financing). S&T has high economies of scale/scope once embedded products are developed and software products included. S&T has a low cost base (c. 50% of workforce is located in low cost Eastern European countries), highly outsourced production to Foxconn and Ennoconn in China and Canada respectively, a strong customer retention effort (e.g. trying to become single source supplier for automotive, industrial, aerospace and energy sector), only embedded and smart metering supplier and services provider with a strong Eastern European production footprint, strong IP portfolio.				
Strategy & Guidance	Strategy: (I) Profitable and cash generating growth (II) Benefit from megatrends (increased device and machine connectivity, security/firewall requirements, outsourcing) (III) Further develop new innovative software solutions in embedded computing, security applications and smart metering (IV) Maintain & strengthen cost and quality leadership and bring gross margin to 40%+ levels		Guidance (2018): Revenue: EUR 1bn y/y: 13.0% EBITDA: 8.0%	equinet Estimates Revenue: EUR 1001m y/y: 13.5% EBIT: 6.0%	Consensus EUR 970m 10.0% 5.7%
2017	Sales (EURm) 882	EBITDA (EURm) 68	EBIT adj. (EURm) 42	Sales 5Y hist. CAGR 21%	
	y/y	Margin 7.7%	Margin 4.7%	Organic growth y/y 14%	
Sales & EBIT Split	Sales split 		Sales split by division 		Group financial development
Shareholder structure & management	CEO Hannes Niederhauser CEO (since 2011) • Hannes Niederhauser joined the company in 2011 as CEO. Following his studies in electrical engineering at the Graz University of Technology, the Austrian-born manager worked as a developer of microchips and in the embedded computer segment. Prior he has been the main shareholder and CEO of Kontron AG from 1999 to 2007, which became the world's largest provider in the field of embedded computing.	CEO Michael Jeske COO (since 2009) • Michael Jeske - CEO of S&T AG since mid-2009 - gathered extensive experience in the area of technology after obtaining a technical degree at the university and was also Vice President Operations at Kontron AG. He has years of management experience in the IT industry behind him and has distinguished himself professionally, particularly in the areas of development, production and quality assurance.	CFO Richard Neuwirth CFO (since 2013) • Richard Neuwirth has degrees in jurisprudence and business administration. He began his career as a lawyer working for a Vienna-based firm. He joined S&T in 2006, and has held a variety of management positions at it, with these including managing director of S&T Bulgaria and country manager and sales director of S&T Austria. As of July 2013, Neuwirth became the company's CFO.	Shareholder structure 	
	COO Dr. Peter Sturz COO (since 2008) • Dr. Peter Sturz is responsible for Eastern Europe. He joined the group in 2007 and was initially appointed regional manager for the Adriatic region. Before joining S&T, Dr. Sturz was the member of the management board of the US IT-services provider CSC, responsible for Austria and Eastern Europe. His professional career began in 1983 at the Algemein Bausparkasse, where he finally served as the management board member responsible for sales, marketing and IT. Dr. Sturz is a qualified lawyer and holds a doctorate from the University of Vienna.	Managing Dir. Carlos Queiroz COO (since 2017) • Carlos Queiroz has been active in the embedded industry for over 30 years and started his career as a development engineer. At Kontron he held a variety of management positions and was the Managing Director of the German GmbH organization from 2000 to 2015. In 2015 he joined the S&T Group assuming a Managing Director position before he was appointed to the Management Board			
# of employees FY 2017	3,918				

Source: equinet Research

**S&T AG : Summary tables**

PROFIT & LOSS (EURm)	12/2014	12/2015	12/2016	12/2017	12/2018e	12/2019e
Sales	386	468	504	882	1,001	1,101
Cost of Sales & Operating Costs	-364	-440	-469	-814	-916	-1,001
Non Recurrent Expenses/Income	1.2	0.0	0.0	0.0	0.0	0.0
EBITDA	22.9	28.4	34.4	68.1	85.1	100
EBITDA (adj.)*	21.7	28.3	34.4	68.1	85.1	100
Depreciation	-7.5	-7.7	-10.3	-26.3	-19.7	-18.8
EBITA	15.4	20.6	24.1	41.7	65.4	81.4
EBITA (adj.)*	14.2	20.6	24.1	41.7	65.4	81.4
Amortisations and Write Downs	0.0	0.0	0.0	0.0	-5.3	-4.3
<i>of which PPA amortisation</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>-5.3</i>	<i>-4.3</i>
EBIT	15.4	20.6	24.1	41.7	60.1	77.1
EBIT (adj.)*	14.2	20.6	24.1	41.7	65.4	81.4
Net Financial Interest	-0.3	-2.6	-4.0	-6.4	-5.1	-4.5
Other Financials	0.0	0.0	0.0	0.0	0.0	0.0
Associates	0.0	0.0	0.0	0.0	0.0	0.0
Other Non Recurrent Items	0.0	0.0	0.0	0.0	0.0	0.0
Earnings Before Tax (EBT)	15.1	18.0	20.1	35.4	55.0	72.6
Tax	-1.0	-0.3	0.3	-6.0	-4.7	-6.9
<i>Tax rate</i>	<i>6.9%</i>	<i>1.9%</i>	<i>n.m.</i>	<i>17.0%</i>	<i>8.5%</i>	<i>9.5%</i>
Discontinued Operations	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	-1.0	-1.8	-5.8	-6.9	-5.4	-5.0
Net Profit (reported)	13.0	15.8	14.6	22.5	44.9	60.7
Net Profit (adj.)	12.2	15.8	14.6	22.5	44.9	60.7
CASH FLOW (EURm)	12/2014	12/2015	12/2016	12/2017	12/2018e	12/2019e
Cash Flow from Operations before change in NWC	21.9	17.5	132	46.8	75.3	88.8
Change in Net Working Capital	-3.7	6.8	-74.5	-1.9	-28.6	-4.0
Cash Flow from Operations	18.2	24.3	57.5	44.9	46.7	84.8
Capex	-5.8	-9.5	-9.3	-23.0	-18.8	-18.8
Net Financial Investments	0.0	0.0	6.0	-16.1	0.0	0.0
Free Cash Flow	12.4	14.8	54.1	5.8	27.9	66.0
Dividends	-3.8	-4.5	-5.1	-6.4	-8.3	-9.6
Other (incl. Capital Increase & share buy backs)	0.0	0.0	0.0	0.0	0.0	0.0
Change in Net Debt	8.6	10.3	49.0	-0.5	19.6	56.4
NOPLAT	9.9	14.4	16.9	29.2	45.8	57.0
BALANCE SHEET & OTHER ITEMS (EURm)	12/2014	12/2015	12/2016	12/2017	12/2018e	12/2019e
Net Tangible Assets	11.4	15.2	27.5	31.9	28.0	25.4
Net Intangible Assets (incl. Goodwill)	57.1	72.8	183	190	188	186
Net Financial Assets & Other	3.8	3.1	12.1	17.3	17.3	17.3
Total Fixed Assets	72.3	91.0	223	239	233	229
Inventories	30.4	28.8	85.4	104	128	132
Trade receivables	95.7	86.4	169	172	213	219
Other current assets	34.8	51.7	62.8	72.4	72.4	72.4
Cash (-)	-39.9	-61.2	-129	-217	-237	-293
Total Current Assets	201	228	446	566	650	716
Total Assets	273	319	669	805	883	945
Shareholders Equity	86.9	99.8	154	305	342	393
Minority	2.8	2.4	87.0	26.7	32.1	37.1
Total Equity	89.7	102	241	332	374	430
Long term interest bearing debt	32.0	41.0	86.2	99.3	98.3	97.3
Provisions	2.3	2.5	11.6	57.9	57.9	57.9
Other long term liabilities	15.5	21.2	47.9	48.6	48.6	48.6
Total Long Term Liabilities	49.8	64.6	146	206	205	204
Short term interest bearing debt	9.0	10.0	11.0	12.0	13.0	14.0
Trade payables	74.2	70.1	134	155	191	196
Other current liabilities	50.4	72.2	137	100	100	100
Total Current Liabilities	134	152	282	267	305	311
Total Liabilities and Shareholders' Equity	273	319	669	805	883	945
Net Capital Employed	109	116	269	333	355	355
Net Working Capital	51.9	45.1	120	122	150	154
GROWTH & MARGINS	12/2014	12/2015	12/2016	12/2017	12/2018e	12/2019e
<i>Sales growth</i>	<i>14.1%</i>	<i>21.4%</i>	<i>7.6%</i>	<i>75.1%</i>	<i>13.5%</i>	<i>10.0%</i>
EBITDA (adj.)* growth	62.3%	30.7%	21.3%	98.0%	25.0%	17.8%
<i>EBITA (adj.)* growth</i>	<i>-0.7%</i>	<i>45.1%</i>	<i>17.0%</i>	<i>73.2%</i>	<i>56.6%</i>	<i>24.5%</i>
<i>EBIT (adj.)* growth</i>	<i>-0.7%</i>	<i>45.1%</i>	<i>17.0%</i>	<i>73.2%</i>	<i>56.6%</i>	<i>24.5%</i>



S&T AG : Summary tables

GROWTH & MARGINS	12/2014	12/2015	12/2016	12/2017	12/2018e	12/2019e
Net Profit growth	3.5%	30.2%	-7.9%	54.5%	99.7%	35.1%
EPS adj. growth	-1.0%	22.7%	-8.9%	6.5%	99.7%	35.1%
DPS adj. growth	n.m.	9.9%	13.0%	-13.9%	30.0%	15.4%
EBITDA (adj)* margin	5.6%	6.1%	6.8%	7.7%	8.5%	9.1%
EBITA (adj)* margin	3.7%	4.4%	4.8%	4.7%	6.5%	7.4%
EBIT (adj)* margin	3.7%	4.4%	4.8%	4.7%	6.5%	7.4%
RATIOS	12/2014	12/2015	12/2016	12/2017	12/2018e	12/2019e
Net Debt/Equity	0.0	-0.1	-0.1	-0.3	-0.3	-0.4
Net Debt/EBITDA	0.0	-0.4	-0.9	-1.6	-1.5	-1.8
Interest cover (EBITDA/Fin.interest)	66.3	10.8	8.5	10.7	16.7	22.2
Capex/D&A	77.3%	122.6%	90.5%	87.4%	75.1%	81.3%
Capex/Sales	1.5%	2.0%	1.8%	2.6%	1.9%	1.7%
NWC/Sales	13.5%	9.6%	23.8%	13.8%	15.0%	14.0%
ROE (average)	15.6%	16.9%	11.5%	9.8%	13.9%	16.5%
ROCE (adj.)	8.3%	10.8%	5.1%	8.5%	12.5%	15.6%
WACC	7.9%	7.9%	7.9%	7.9%	7.9%	7.9%
ROCE (adj.)/WACC	1.0	1.4	0.6	1.1	1.6	2.0
PER SHARE DATA (EUR)***	12/2014	12/2015	12/2016	12/2017	12/2018e	12/2019e
Average diluted number of shares	41.0	43.5	44.0	63.9	63.9	63.9
EPS (reported)	0.32	0.36	0.33	0.35	0.70	0.95
EPS (adj.)	0.30	0.36	0.33	0.35	0.70	0.95
BVPS	2.12	2.29	3.50	4.78	5.35	6.15
DPS	0.09	0.10	0.12	0.10	0.13	0.15
VALUATION	12/2014	12/2015	12/2016	12/2017	12/2018e	12/2019e
EV/Sales	0.4	0.5	0.9	1.2	1.5	1.3
EV/EBITDA	5.9	8.9	12.8	15.7	17.3	14.2
EV/EBITDA (adj.)*	6.3	8.9	12.8	15.7	17.3	14.2
EV/EBITA	8.8	12.2	18.2	25.7	22.5	17.5
EV/EBITA (adj.)*	9.6	12.2	18.2	25.7	22.5	17.5
EV/EBIT	8.8	12.2	18.2	25.7	24.5	18.4
EV/EBIT (adj.)*	9.6	12.2	18.2	25.7	22.5	17.5
P/E (adj.)	10.9	16.4	26.3	n.m.	34.8	25.8
P/BV	1.5	2.6	2.5	3.8	4.6	4.0
Total Yield Ratio	3.4%	2.0%	1.7%	0.5%	0.6%	0.7%
EV/CE	1.1	1.9	1.3	3.1	4.0	3.9
OpFCF yield	9.4%	5.7%	12.6%	1.9%	1.8%	4.2%
OpFCF/EV	9.2%	5.9%	11.0%	2.0%	1.9%	4.6%
Payout ratio	29.5%	28.2%	35.0%	28.4%	18.5%	15.8%
Dividend yield (gross)	2.9%	1.7%	1.3%	0.4%	0.5%	0.6%
EV AND MKT CAP (EURm)	12/2014	12/2015	12/2016	12/2017	12/2018e	12/2019e
Price** (EUR)	3.22	5.95	8.70	17.99	24.50	24.50
Outstanding number of shares for main stock	41.0	43.5	44.0	63.9	63.9	63.9
Total Market Cap	132	259	383	1,148	1,564	1,564
Net Debt	1	-10	-32	-106	-125	-182
<i>o/w Cash & Marketable Securities (-)</i>	<i>-40</i>	<i>-61</i>	<i>-129</i>	<i>-217</i>	<i>-237</i>	<i>-293</i>
<i>o/w Gross Debt (+)</i>	<i>41</i>	<i>51</i>	<i>97</i>	<i>111</i>	<i>111</i>	<i>111</i>
Other EV components	3	2	89	28	34	39
Enterprise Value (EV adj.)	136	251	440	1,071	1,473	1,422

Source: Company, equinet Bank estimates.

Notes

* Where EBITDA (adj.) or EBITA (adj.) = EBITDA (or EBITA) -/+ Non Recurrent Expenses/Income and where EBIT (adj.) = EBIT -/+ Non Recurrent Expenses/Income - PPA amortisation

**Price (in local currency): Fiscal year end price for Historical Years and Current Price for current and forecasted years

Sector: Technology Hardware & Equipment/Technology Hardware & Equipment

Company Description: S&T AG provides information technology solutions and services. It operates through the following three segments: IT Services in the DACH and Eastern European area, Internet of Thing Appliances and Embedded Solutions via its latest Kontron acquisition.



Recommendations and Disclosures

Coverage	Analyst	Target	Rating	Disc.	Coverage	Analyst	Target	Rating	Disc.
1&1DRILLSCHAG	Sen	66.00	Buy		Logwin	Mildner	165.00	Accumulate	2/3
2GEnergy	Rüzgar	23.50	Accumulate	2/3/5	Manz AG	Rüzgar	37.00	Neutral	2/3
Aareal Bank	Häßler	42.00	Neutral		MAXAutomation SE	Becker	6.70	Buy	2/3
adidas	Josefson	228.00	Accumulate		Merck	Berzhanin	112.00	Buy	
Adler Modemaerkte	Josefson	6.35	Buy	7	Merkur Bank	Häßler	10.00	Buy	2/7
ADLER Real Estate	Mayer	18.00	Buy		Metro AG	Bruns	17.00	Buy	2
Aixtron	Sen	14.00	Buy	2/3	MLP	Häßler	7.50	Buy	2/3
Allianz	Häßler	200.00	Neutral		MTU Aero Engines	Rüzgar	148.00	Reduce	2
Axel Springer	Josefson	67.00	Accumulate		MunichRe	Häßler	210.00	Accumulate	
Bayer	Berzhanin	118.00	Buy		Nemetschek SE	Mildner	47.00	Reduce	5
Baywa	Bruns	33.00	Buy	2/7	Norma Group	Schuldt	54.00	Neutral	
BB Biotech	Berzhanin	73.00	Buy	7	OHB SE	Rüzgar	40.00	Neutral	7
Biotest	Berzhanin	25.00	Neutral	2/3	OVH Holding AG	Häßler	20.00	Neutral	2/5/7
BMW	Schuldt	95.00	Buy		Patrizia	Mayer	18.00	Neutral	
Brenntag	Hinkel	59.80	Buy	2	Pfeiffer Vacuum	Sen	162.00	Buy	5
Ceconomy AG	Bruns	8.00	Neutral		Procredit Holding	Häßler	15.00	Buy	2/3/5
comdirect	Häßler	11.20	Neutral		PSI SOFTWARE AG	Mildner	20.00	Buy	2/3
Commerzbank	Häßler	13.00	Neutral		Puma	Josefson	565.00	Buy	
Continental	Schuldt	250.00	Buy		PWO	Schuldt	52.00	Buy	2/3
CORESTATE Capital Holding S.A.	Mayer	72.00	Buy	2/5	Rheinmetall	Rüzgar	103.00	Neutral	
CTS Eventim	Heilmann	37.50	Reduce		RIB Software	Mildner	25.00	Buy	2/3
Daimler AG	Schuldt	71.00	Buy		RTL Group	Josefson	72.00	Accumulate	
Daldrup & Soehne	Becker	13.50	Buy	2/3/5	S&TAG	Sen	27.00	Buy	2/3
Demire	Mayer	4.55	Buy	2/5	SAF-Holland	Schuldt	17.00	Neutral	
Deutsche Bank	Häßler	14.00	Buy		Schaeffler	Tanzer	14.30	Buy	
Deutsche EuroShop	Mayer	30.00	Neutral		Schaltbau Holding AG	Becker	32.70	Buy	2/7
Deutsche Pfandbriefbank	Häßler	14.50	Accumulate		SCOUT24	Heilmann	31.00	Reduce	2
Deutsche Telekom	Sen	13.30	Neutral		Siegfried Holding AG	Berzhanin	338.00	Neutral	7
Duerr	Augustin	43.00	Accumulate		SiemensHealthineers AG	Rüzgar	39.00	Neutral	2
DWS	Häßler	34.00	Buy		SLM Solutions	Sen	24.00	Sell	
EiringKlinger	Schuldt	7.00	Sell		SMTScharf AG	Rüzgar	17.50	Neutral	2/3
elumeo SE	Josefson	10.90	Accumulate		Software AG	Mildner	30.00	Sell	
Epigenomics AG	Berzhanin	3.70	Buy	2/3	Stabilus	Tanzer	91.00	Buy	
Eurocron AG	Becker	11.40	Buy	2/3/5	Suedzucker	Bruns	11.70	Reduce	
Evonik	Hinkel	39.00	Buy		SuessMicroTec	Sen	13.80	Accumulate	2/3
Eyemaxx Real Estate	Mayer	18.00	Buy	2/5/7	Surteco	Mildner	30.50	Buy	2/3
Ferratum	Häßler	23.00	Buy		Symrise AG	Hinkel	67.00	Neutral	
Fielmann	Heilmann	55.00	Reduce		Syzygy AG	Heilmann	11.50	Accumulate	2/3
First Sensor AG	Becker	27.30	Buy	7	TAKKT AG	Bruns	18.50	Neutral	2
Freenet	Sen	36.00	Buy	2	Talanx Group	Häßler	39.00	Buy	
FuchsPetrolub	Hinkel	48.00	Neutral		Technotrans	Becker	45.70	Neutral	2/3
Gea Group	Augustin	33.00	Neutral		TELECOLUMBUS	Sen	9.70	Buy	
Gerresheimer AG	Rüzgar	69.00	Neutral		Telefonica Deutschland	Sen	3.40	Sell	
Gerry Weber	Josefson	5.75	Reduce		United Internet	Sen	63.00	Buy	
Gesco	Becker	34.80	Buy	2/3	Vapiano	Bruns	26.50	Buy	2/7
GFT Technologies	Mildner	15.50	Buy	2/3	va-Q-tec	Sen	17.00	Neutral	2/3
Gigaset	Sen	0.85	Accumulate	2/3	Viscom	Rüzgar	28.00	Buy	2/3
Grenke	Häßler	90.00	Neutral		Volkswagen	Schuldt	154.00	Neutral	
Hannover Re	Häßler	110.00	Neutral		Wacker Neuson SE	Becker	27.20	Neutral	
Heidelberg Pharma	Berzhanin	3.50	Accumulate	2/3	windeln.de	Josefson	3.10	Buy	2
Heidelberger Druck	Augustin	3.60	Buy		XING SE	Heilmann	305.00	Accumulate	
HELLA GmbH & Co. KGaA	Tanzer	55.00	Accumulate		Zalando	Josefson	44.50	Neutral	
Hornbach Holding	Bruns	89.00	Buy						
Hugo Boss	Josefson	81.00	Buy						
Hypoport AG	Häßler	176.00	Accumulate	2/7					
INDUS Holding AG	Becker	64.50	Neutral						
Intershop Communications AG	Mildner	1.85	Accumulate	2/7					
K+S AG	Hinkel	24.40	Neutral						
Koenig & Bauer	Augustin	73.00	Accumulate						
Krones AG	Augustin	123.00	Accumulate						
KWS SAAT	Hinkel	348.00	Buy						
Lanxess	Hinkel	83.00	Buy						
LEG Immobilien AG	Mayer	104.00	Accumulate						
Leoni	Schuldt	57.00	Neutral						
Linde	Hinkel	176.00	Neutral						

* =Coverage suspended

Source: equinet Recommendations



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Recommendation System

Buy - The stock is expected to generate a total return of over 20% during the next 12 months time horizon.

Accumulate - The stock is expected to generate a total return of 10% to 20% during the next 12 months time horizon.

Hold - The stock is expected to generate a total return of 0% to 10% during the next 12 months time horizon

Reduce - The stock is expected to generate a total return of 0 to -10% during the next 12 months time horizon

Sell - The stock is expected to generate a total return below -10% during the next 12 months time horizon

Basis of Valuation

Equinet Bank uses for valuation purposes primarily DCF-Valuations and Sum-Of-The-Parts-Valuations as well as peer group comparisons.

Share prices

Share prices in this analysis are the German closing prices of the last trading day before the publication.

Sources

Equinet Bank has made any effort to carefully research all information contained in the analysis. The information on which the analysis is based has been obtained from sources which we believe to be reliable such as, for example, Reuters, Bloomberg and the relevant press as well as the company which is the subject of the analysis. Only that part of the research note is made available to the issuer, who is the subject of the analysis, which is necessary to properly reconcile with the facts. Should this result in considerable changes a reference is made in the research note.

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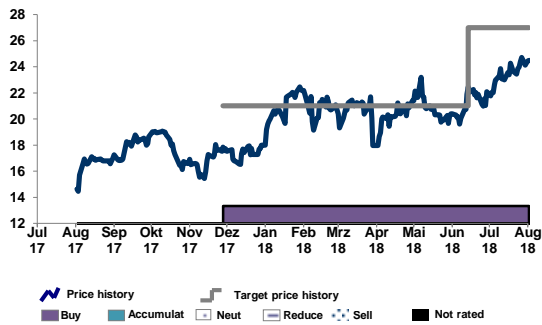


Recommendation history for S&T AG

Date	Recommendation	Target price	Price at change date
14. Jun 18	Buy	27.00	22.46
28. Nov 17	Buy	21.00	17.85

Source: Factset & ESN, price data adjusted for stock splits.

This chart shows equinet Bank continuing coverage of this stock; the current analyst may or may not have covered it over the entire period. Current analyst: Cengiz Sen (since 27/11/2017)





ESN Recommendation System

The ESN Recommendation System is **Absolute**. It means that each stock is rated on the basis of a **total return**, measured by the upside potential (including dividends and capital reimbursement) over a **12 month time horizon**.



The ESN spectrum of recommendations (or ratings) for each stock comprises 5 categories: **Buy (B)**, **Accumulate (A)**, **Neutral (N)**, **Reduce (R)** and **Sell (S)**.

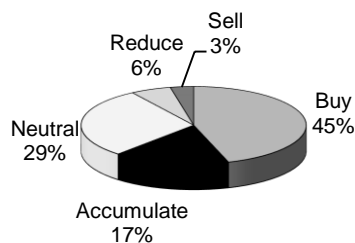
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- **Reduce:** the stock is expected to generate total return of **-5% to -15%** during the next 12 months time horizon
- **Sell:** the stock is expected to generate total return **under -15%** during the next 12 months time horizon
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Certain flexibility on the limits of total return bands is permitted especially during higher phases of volatility on the markets

Equinet Bank Ratings Breakdown



For full ESN Recommendation and Target price history (in the last 12 months) please see ESN Website [Link](#)

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