

Buy (old: Buy)

Price target: EUR 30.00 (old: EUR 28.50)

Price: EUR 20.78 **Next result:** Q2'19 03.08.19
Bloomberg: SANT GR **Market cap:** EUR 1,351.0 m
Reuters: SANT1.DE **Enterprise Value:** EUR 1,284.1 m

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Preview Q2; H2 is when the magic happens; chg. est. & PT

Topic: Expect S&T to report decent Q2'19 results on August 3rd and reiterate its FY'19 guidance (€ 1.15bn sales / >€ 100m EBITDA). More importantly, management should confirm the outlook for an acceleration of organic growth starting H2'19E driven by customer wins. Meanwhile, a new buyback program (€ 30m volume / € 20 cap vs. € 18 prior) is seen to provide share price support, resulting in a favourable risk/reward. **We adjust est. & PT to include latest M&A and confirm our BUY recommendation.**

EUR	Q2 19 est	Q2 18	yoy	Q1 19	qoq	H 1 19 est	H 1 18	yoy
Sales	238	219	9%	225	6%	463	423	10%
EBITDA	22.8	19.6	16%	21.2	8%	44.0	36.7	20%
EBITDA margin	9.6%	8.9%	+0.6 pp	9.4%	+0.2 pp	9.5%	8.7%	+0.8 pp
Net after minorities	9.8	8.9	10%	9.4	4%	19.2	16.2	18%
Net margin	4.1%	4.1%	+0.1 pp	4.2%	-0.1 pp	4.7%	3.8%	+0.3 pp
EPS	0.15	0.15	0%	0.14	4%	0.29	0.26	11%

Source: Company data, Hauck & Aufhäuser

- Decent Q2 expected** (sales +9% yoy / EBITDA +16% yoy) supported by M&A (3pp sales growth impact) and IFRS 16 (€ 2m EBITDA impact). Top performer should be IoT Europe (eH&A: sales +20% yoy to € 97m) driven by customer wins. Meanwhile, IoT America is yet seen to suffer from the phase-out of lower-margin legacy contracts (eH&A: sales -1% yoy to € 36m). On group level, pre-investments into growth should explain the flat underlying margin and EPS performance. Importantly, **new IoT customers look set to strongly accelerate top- and bottom-line growth from H2'19E onwards.**

- Bolt-on transaction.** S&T announced the take-over of Fujitsu's industrial embedded operations – a business very similar to Kontron. Key assets include engineering know-how and customer access. Metrics (eH&A): € 20m sales p.a., 30%+ gross margin, € 3m purchase price.

Action: Estimates are adjusted to include the value-accretive deals Kapsch (2019E: € 50m sales; € -5m EBITDA / 2020E: € 100m sales, € 5m EBITDA) and Fujitsu. Also, we incorporate higher D&A estimates due to IFRS 16 and PPA (sole reason for EPS cut).

Reiterate BUY with a new PT of € 30.00 (DCF / prior: € 28.50) thanks to value-accretive M&A while higher D&A estimates have no negative valuation impact.

Y/E 31.12 (EUR m)	2015	2016	2017	2018	2019E	2020E	2021E
Sales	468.2	503.7	882.0	990.9	1,150.0	1,311.0	1,435.5
Sales growth	21 %	8 %	75 %	12 %	16 %	14 %	10 %
EBITDA	28.4	34.4	68.1	90.5	104.1	130.4	154.3
EBIT	20.6	24.1	41.7	61.5	62.0	88.2	113.0
Net income	15.8	14.6	22.5	45.0	51.1	74.4	97.3
Net debt	-9.4	-32.0	-101.8	-52.7	-81.7	-128.0	-195.1
Net gearing	-9.4 %	-20.7 %	-33.4 %	-14.8 %	-20.6 %	-27.8 %	-36.1 %
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS pro forma	0.36	0.30	0.51	0.68	0.77	1.13	1.47
CPS	0.50	1.12	0.52	0.35	0.89	1.14	1.56
DPS	0.08	0.10	0.13	0.16	0.17	0.24	0.32
Dividend yield	0.4 %	0.5 %	0.6 %	0.8 %	0.8 %	1.2 %	1.6 %
Gross profit margin	34.3 %	33.9 %	36.7 %	36.0 %	38.9 %	39.3 %	39.6 %
EBITDA margin	6.1 %	6.8 %	7.7 %	9.1 %	9.1 %	10.0 %	10.8 %
EBIT margin	4.4 %	4.8 %	4.7 %	6.2 %	5.4 %	6.7 %	7.9 %
ROCE	13.8 %	8.8 %	9.4 %	11.9 %	11.1 %	14.9 %	17.0 %
EV/sales	1.9	1.9	1.4	1.3	1.1	0.9	0.8
EV/EBITDA	31.0	28.1	17.9	14.5	12.3	9.5	7.6
EV/EBIT	42.6	40.0	29.1	21.3	20.7	14.0	10.4
PER	56.9	67.6	40.1	30.0	26.5	18.2	13.9
Adjusted FCF yield	2.4 %	2.2 %	3.6 %	5.1 %	6.7 %	8.5 %	10.9 %

Source: Company data, Hauck & Aufhäuser Close price as of: 24.07.2019



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 27.30 / 17.85

Price/Book Ratio: 3.4

Relative performance (TecDAX):

3 months -16.7 %
6 months -
12 months -13.7 %

Changes in estimates

		Sales	EBIT	EPS
2019	old:	1,115.6	83.6	1.04
	Δ	3%	-26%	-26%
2020	old:	1,227.2	102.5	1.29
	Δ	7%	-11%	-11%
2021	old:	1,343.7	124.7	1.61
	Δ	7%	-9%	-8%

Key share data:

Number of shares: (in m pcs) 66.1
Authorised capital: (in € m) 12.1
Book value per share: (in €) 6.0
Ø trading volume: (12 months) 60,000

Major shareholders:

Free Float 64.0 %
Ennoconn 26.4 %
AGI 3.9 %
JP Morgan 3.9 %
CEO (incl. in Free Float) 1.9 %

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)	2015	2016	2017	2018	2019E	2020E	2021E
Net sales	468.2	503.7	882.0	990.9	1,150.0	1,311.0	1,435.5
<i>Sales growth</i>	21.4 %	7.6 %	75.1 %	12.3 %	16.1 %	14.0 %	9.5 %
Increase/decrease in finished goods and work-in-process	2.7	2.8	13.4	15.1	11.5	13.1	14.4
Total sales	470.9	506.5	895.3	1,006.0	1,161.5	1,324.1	1,449.9
Other operating income	6.3	6.1	8.5	7.5	4.6	4.6	5.0
Material expenses	309.3	334.8	567.0	644.3	709.6	803.6	875.7
Personnel expenses	89.5	93.5	179.4	194.6	272.8	308.1	331.6
Other operating expenses	50.0	50.0	89.4	84.0	79.7	86.5	93.3
Total operating expenses	442.6	472.1	827.3	915.4	1,057.4	1,193.7	1,295.6
EBITDA	28.4	34.4	68.1	90.5	104.1	130.4	154.3
Depreciation	7.7	10.3	7.4	29.0	11.4	11.7	12.3
EBITA	20.6	24.1	60.7	61.5	92.7	118.7	142.0
Amortisation of goodwill	0.0	0.0	0.0	n/a	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	18.9	n/a	30.7	30.5	29.0
Impairment charges	0.0	0.0	0.0	n/a	0.0	0.0	0.0
EBIT (inc revaluation net)	20.6	24.1	41.7	61.5	62.0	88.2	113.0
Interest income	0.3	0.3	0.6	1.0	0.6	0.7	1.5
Interest expenses	3.0	4.4	6.9	6.2	5.2	5.6	5.6
Other financial result	0.5	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-2.2	-4.0	-6.4	-5.2	-4.6	-4.9	-4.1
Recurring pretax income from continuing operations	18.4	20.1	35.4	56.3	57.4	83.4	108.9
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	18.4	20.1	35.4	56.3	57.4	83.4	108.9
Taxes	0.8	-0.3	6.0	7.9	5.7	8.3	10.9
Net income from continuing operations	17.6	20.4	29.4	48.5	51.7	75.1	98.0
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	17.6	20.4	29.4	48.5	51.7	75.1	98.0
Minority interest	1.8	5.8	6.9	3.5	0.6	0.7	0.7
Net profit (reported)	15.8	14.6	22.5	45.0	51.1	74.4	97.3
Average number of shares	43.5	44.2	52.5	66.1	66.1	66.1	66.1
EPS reported	0.36	0.33	0.43	0.68	0.77	1.13	1.47

Profit and loss (common size)	2015	2016	2017	2018	2019E	2020E	2021E
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	0.6 %	0.6 %	1.5 %	1.5 %	1.0 %	1.0 %	1.0 %
Total sales	100.6 %	100.6 %	101.5 %	101.5 %	101.0 %	101.0 %	101.0 %
Other operating income	1.3 %	1.2 %	1.0 %	0.8 %	0.4 %	0.4 %	0.4 %
Material expenses	66.1 %	66.5 %	64.3 %	65.0 %	61.7 %	61.3 %	61.0 %
Personnel expenses	19.1 %	18.6 %	20.3 %	19.6 %	23.7 %	23.5 %	23.1 %
Other operating expenses	10.7 %	9.9 %	10.1 %	8.5 %	6.9 %	6.6 %	6.5 %
Total operating expenses	94.5 %	93.7 %	93.8 %	92.4 %	92.0 %	91.1 %	90.3 %
EBITDA	6.1 %	6.8 %	7.7 %	9.1 %	9.1 %	10.0 %	10.8 %
Depreciation	1.7 %	2.0 %	0.8 %	2.9 %	1.0 %	0.9 %	0.9 %
EBITA	4.4 %	4.8 %	6.9 %	6.2 %	8.1 %	9.1 %	9.9 %
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	n/a	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	0.0 %	0.0 %	2.1 %	n/a	2.7 %	2.3 %	2.0 %
Impairment charges	0.0 %	0.0 %	0.0 %	n/a	0.0 %	0.0 %	0.0 %
EBIT (inc revaluation net)	4.4 %	4.8 %	4.7 %	6.2 %	5.4 %	6.7 %	7.9 %
Interest income	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %
Interest expenses	0.6 %	0.9 %	0.8 %	0.6 %	0.4 %	0.4 %	0.4 %
Other financial result	0.1 %	0.0 %	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	3.9 %	4.0 %	4.0 %	5.7 %	5.0 %	6.4 %	7.6 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	3.9 %	4.0 %	4.0 %	5.7 %	5.0 %	6.4 %	7.6 %
Tax rate	4.3 %	-1.6 %	17.0 %	14.0 %	10.0 %	10.0 %	10.0 %
Net income from continuing operations	3.8 %	4.1 %	3.3 %	4.9 %	4.5 %	5.7 %	6.8 %
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	3.8 %	4.1 %	3.3 %	4.9 %	4.5 %	5.7 %	6.8 %
Minority interest	0.4 %	1.2 %	0.8 %	0.4 %	0.1 %	0.1 %	0.1 %
Net profit (reported)	3.4 %	2.9 %	2.6 %	4.5 %	4.4 %	5.7 %	6.8 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2015	2016	2017	2018	2019E	2020E	2021E
Intangible assets	72.8	183.2	189.9	207.6	193.7	178.3	165.0
Property, plant and equipment	15.2	27.5	31.9	37.1	41.2	49.2	57.7
Financial assets	3.1	12.1	17.6	0.3	0.3	0.3	0.3
FIXED ASSETS	91.0	222.8	239.4	244.9	235.2	227.7	223.0
Inventories	28.7	84.9	104.0	130.8	151.3	172.5	188.9
Accounts receivable	86.4	168.6	172.4	202.7	235.2	268.1	293.6
Other current assets	36.7	41.5	43.5	68.0	69.7	71.5	73.3
Liquid assets	60.3	125.6	216.9	171.8	221.3	267.6	334.7
Deferred taxes	15.9	25.4	28.6	29.8	29.8	29.8	29.8
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	228.0	445.9	565.5	603.0	707.3	809.5	920.2
TOTAL ASSETS	319.1	668.7	804.9	847.9	942.5	1,037.2	1,143.3
SHAREHOLDERS EQUITY	99.8	154.0	305.1	356.0	396.4	459.6	540.7
MINORITY INTEREST	2.4	87.0	26.7	11.3	11.3	11.3	11.3
Long-term debt	28.1	74.2	68.7	79.4	100.0	100.0	100.0
Provisions for pensions and similar obligations	2.5	11.6	21.2	14.6	14.8	14.9	15.0
Other provisions	6.0	39.1	36.7	28.0	28.8	29.7	30.6
Non-current liabilities	36.5	124.8	126.6	122.0	143.6	144.6	145.7
short-term liabilities to banks	22.9	19.5	46.4	39.6	39.6	39.6	39.6
Accounts payable	70.1	134.3	154.9	177.0	205.4	234.1	256.4
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)	85.9	143.7	135.6	129.4	133.3	133.3	133.3
Deferred taxes	1.4	5.4	9.5	12.6	12.9	14.6	16.2
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	180.3	302.8	346.4	358.6	391.2	421.7	445.5
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	319.1	668.7	804.9	847.9	942.6	1,037.2	1,143.2

Balance sheet (common size)	2015	2016	2017	2018	2019E	2020E	2021E
Intangible assets	22.8 %	27.4 %	23.6 %	24.5 %	20.5 %	17.2 %	14.4 %
Property, plant and equipment	4.7 %	4.1 %	4.0 %	4.4 %	4.4 %	4.7 %	5.0 %
Financial assets	1.0 %	1.8 %	2.2 %	0.0 %	0.0 %	0.0 %	0.0 %
FIXED ASSETS	28.5 %	33.3 %	29.7 %	28.9 %	25.0 %	22.0 %	19.5 %
Inventories	9.0 %	12.7 %	12.9 %	15.4 %	16.1 %	16.6 %	16.5 %
Accounts receivable	27.1 %	25.2 %	21.4 %	23.9 %	25.0 %	25.9 %	25.7 %
Other current assets	11.5 %	6.2 %	5.4 %	8.0 %	7.4 %	6.9 %	6.4 %
Liquid assets	18.9 %	18.8 %	27.0 %	20.3 %	23.5 %	25.8 %	29.3 %
Deferred taxes	5.0 %	3.8 %	3.6 %	3.5 %	3.2 %	2.9 %	2.6 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
CURRENT ASSETS	71.5 %	66.7 %	70.3 %	71.1 %	75.0 %	78.0 %	80.5 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	31.3 %	23.0 %	37.9 %	42.0 %	42.1 %	44.3 %	47.3 %
MINORITY INTEREST	0.8 %	13.0 %	3.3 %	1.3 %	1.2 %	1.1 %	1.0 %
Long-term debt	8.8 %	11.1 %	8.5 %	9.4 %	10.6 %	9.6 %	8.7 %
Provisions for pensions and similar obligations	0.8 %	1.7 %	2.6 %	1.7 %	1.6 %	1.4 %	1.3 %
Other provisions	1.9 %	5.8 %	4.6 %	3.3 %	3.1 %	2.9 %	2.7 %
Non-current liabilities	11.5 %	18.7 %	15.7 %	14.4 %	15.2 %	13.9 %	12.7 %
short-term liabilities to banks	7.2 %	2.9 %	5.8 %	4.7 %	4.2 %	3.8 %	3.5 %
Accounts payable	22.0 %	20.1 %	19.2 %	20.9 %	21.8 %	22.6 %	22.4 %
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)	26.9 %	21.5 %	16.9 %	15.3 %	14.1 %	12.9 %	11.7 %
Deferred taxes	0.5 %	0.8 %	1.2 %	1.5 %	1.4 %	1.4 %	1.4 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Current liabilities	56.5 %	45.3 %	43.0 %	42.3 %	41.5 %	40.7 %	39.0 %
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)	2015	2016	2017	2018	2019E	2020E	2021E
Net profit/loss	17.6	20.4	29.4	48.5	51.7	75.1	98.0
Depreciation of fixed assets (incl. leases)	7.7	10.3	7.4	29.9	11.4	11.7	12.3
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	18.9	0.0	30.7	30.5	29.0
Others	-5.2	-1.9	-13.6	-17.7	2.8	0.3	0.1
Cash flow from operations before changes in w/c	20.2	28.9	42.1	60.7	96.6	117.6	139.5
Increase/decrease in inventory	1.3	9.3	-17.9	-4.1	-20.6	-21.2	-16.4
Increase/decrease in accounts receivable	9.2	-1.5	5.5	-23.1	-32.5	-32.9	-25.5
Increase/decrease in accounts payable	-4.1	20.3	15.2	2.1	28.4	28.8	22.2
Increase/decrease in other working capital positions	0.0	4.4	0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	6.5	32.5	2.8	-25.1	-24.7	-25.4	-19.6
Cash flow from operating activities	26.7	61.4	44.9	35.5	71.9	92.2	119.9
CAPEX	9.5	9.3	23.0	25.1	29.3	34.7	36.6
Payments for acquisitions	0.4	59.2	11.5	39.6	3.0	0.0	0.0
Financial investments	0.6	4.3	5.7	-0.5	0.0	0.0	0.0
Income from asset disposals	0.9	-0.9	1.2	1.1	0.0	0.0	0.0
Cash flow from investing activities	-9.6	-73.6	-39.1	-63.1	-32.3	-34.7	-36.6
Cash flow before financing	17.1	-12.2	5.8	-27.6	39.6	57.5	83.3
Increase/decrease in debt position	6.1	39.8	28.8	1.2	20.6	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	44.0	86.9	2.2	0.0	0.0	0.0
Dividends paid	3.1	3.5	4.9	8.3	10.6	11.2	16.2
Others	-3.8	-8.5	-17.7	-15.9	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.5	0.0	-2.0	0.3	0.0	0.0	0.0
Cash flow from financing activities	-0.7	71.8	93.1	-20.9	10.0	-11.2	-16.2
Increase/decrease in liquid assets	16.8	59.5	97.0	-48.2	49.6	46.3	67.1
Liquid assets at end of period	60.3	125.6	216.9	171.8	221.3	267.6	334.7

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2015	2016	2017	2018	2019E	2020E	2021E
Domestic	52.4	60.1	108.3	98.4	104.7	111.4	114.8
yoy change	-19.5 %	14.8 %	80.1 %	-9.1 %	6.3 %	6.5 %	3.1 %
Rest of Europe	184.3	166.3	242.7	300.0	345.0	390.7	420.6
yoy change	-42.5 %	-9.8 %	46.0 %	23.6 %	15.0 %	13.2 %	7.7 %
NAFTA	n/a	n/a	132.1	133.2	156.4	186.2	211.0
yoy change	n/a	n/a	n/a	0.8 %	17.4 %	19.0 %	13.4 %
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	231.5	277.3	398.9	459.4	544.0	622.7	689.1
yoy change	n/a	19.8 %	43.8 %	15.2 %	18.4 %	14.5 %	10.7 %
TTL	468.2	503.7	882.0	990.9	1,150.0	1,311.0	1,435.5
yoy change	21.4 %	7.6 %	75.1 %	12.3 %	16.1 %	14.0 %	9.5 %

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2015	2016	2017	2018	2019E	2020E	2021E
P&L growth analysis							
Sales growth	21.4 %	7.6 %	75.1 %	12.3 %	16.1 %	14.0 %	9.5 %
EBITDA growth	23.9 %	21.3 %	97.9 %	33.0 %	14.9 %	44.1 %	48.3 %
EBIT growth	24.1 %	16.9 %	73.1 %	47.3 %	0.8 %	43.5 %	82.4 %
EPS growth	15.3 %	-9.3 %	29.9 %	58.9 %	13.5 %	65.4 %	90.6 %
Efficiency							
Total operating costs / sales	94.5 %	93.7 %	93.8 %	92.4 %	92.0 %	91.1 %	90.3 %
Sales per employee	209.9	223.6	306.0	254.1	266.1	301.9	327.3
EBITDA per employee	12.7	15.3	23.6	23.2	24.1	30.0	35.2
Balance sheet analysis							
Avg. working capital / sales	10.3 %	16.3 %	13.6 %	14.0 %	14.7 %	13.8 %	14.2 %
Inventory turnover (sales/inventory)	16.3	5.9	8.5	7.6	7.6	7.6	7.6
Trade debtors in days of sales	67.4	122.2	71.3	74.6	74.6	74.6	74.6
A/P turnover [(A/P*365)/sales]	54.6	97.3	64.1	65.2	65.2	65.2	65.2
Cash conversion cycle (days)	18.6	68.3	38.6	48.5	46.8	46.7	46.5
Cash flow analysis							
Free cash flow	17.2	52.1	21.9	10.4	42.6	57.5	83.3
Free cash flow/sales	3.7 %	10.3 %	2.5 %	1.1 %	3.7 %	4.4 %	5.8 %
FCF / net profit	108.6 %	357.3 %	97.3 %	23.2 %	83.4 %	77.3 %	85.6 %
Capex / depre	130.9 %	131.5 %	109.2 %	82.3 %	69.7 %	82.3 %	88.6 %
Capex / maintenance capex	n/a	0.0 %	145.7 %	n/a	119.4 %	118.5 %	125.4 %
Capex / sales	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Security							
Net debt	-9.4	-32.0	-101.8	-52.7	-81.7	-128.0	-195.1
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net debt / equity	neg.	neg.	neg.	neg.	neg.	neg.	neg.
Interest cover	6.9	5.5	6.0	10.0	12.0	15.8	20.2
Dividend payout ratio	21.9 %	33.1 %	36.6 %	23.5 %	22.0 %	21.8 %	21.8 %
Asset utilisation							
Capital employed turnover	2.9	1.3	1.7	1.9	1.9	2.0	1.9
Operating assets turnover	7.8	3.4	5.7	5.1	5.2	5.1	5.1
Plant turnover	30.9	18.3	27.7	26.7	27.9	26.7	24.9
Inventory turnover (sales/inventory)	16.3	5.9	8.5	7.6	7.6	7.6	7.6
Returns							
ROCE	13.8 %	8.8 %	9.4 %	11.9 %	11.1 %	14.9 %	17.0 %
ROE	15.9 %	9.5 %	7.4 %	12.6 %	12.9 %	16.2 %	18.0 %
Other							
Interest paid / avg. debt	6.5 %	6.0 %	6.6 %	5.3 %	4.0 %	4.3 %	4.0 %
No. employees (average)	2230	2252	2882	3900	4322	4343	4387
Number of shares	43.5	44.2	52.5	66.1	66.1	66.1	66.1
DPS	0.1	0.1	0.1	0.2	0.2	0.2	0.3
EPS reported	0.36	0.33	0.43	0.68	0.77	1.13	1.47
Valuation ratios							
P/BV	9.0	6.4	4.3	3.8	3.4	2.9	2.5
EV/sales	1.9	1.9	1.4	1.3	1.1	0.9	0.8
EV/EBITDA	31.0	28.1	17.9	14.5	12.3	9.5	7.6
EV/EBITA	42.6	40.0	20.0	21.3	13.9	10.4	8.2
EV/EBIT	42.6	40.0	29.1	21.3	20.7	14.0	10.4
EV/FCF	51.0	18.5	55.5	125.8	30.2	21.5	14.1
Adjusted FCF yield	2.4 %	2.2 %	3.6 %	5.1 %	6.7 %	8.5 %	10.9 %
Dividend yield	0.4 %	0.5 %	0.6 %	0.8 %	0.8 %	1.2 %	1.6 %

Source: Company data, Hauck & Aufhäuser

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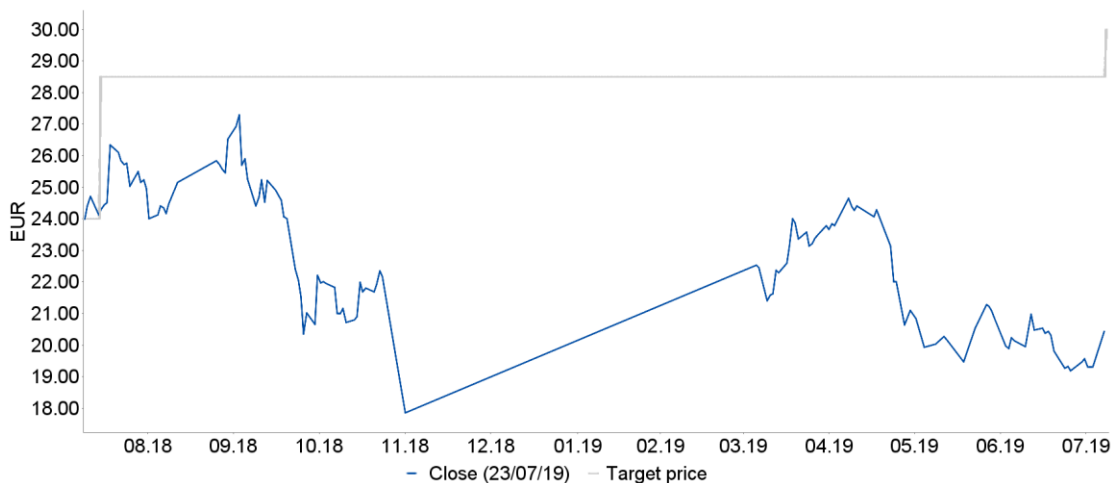
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Company	Disclosure
S&T AG	3

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

**Price and Rating History
S&T AG as of 24/07/19**

Initiation coverage
30-May-12



Company	Date	Analyst	Rating	Target price	Close
S&T AG	18.06.2019	Wunderlich, CFA, Tim	Buy	EUR 28,50	EUR 19,98
	01.04.2019	Wunderlich, CFA, Tim	Buy	EUR 28,50	EUR 22,60
	10.01.2019	Wunderlich, CFA, Tim	Buy	EUR 28,50	EUR 17,85
	17.09.2018	Wunderlich, CFA, Tim	Buy	EUR 28,50	EUR 26,92
	03.09.2018	Wunderlich, CFA, Tim	Buy	EUR 28,50	EUR 25,16
	28.08.2018	Wunderlich, CFA, Tim	Buy	EUR 28,50	EUR 25,16

07.08.2018	Wunderlich, CFA, Tim	Buy	EUR 28,50	EUR 25,84
31.07.2018	Wunderlich, CFA, Tim	Buy	EUR 28,50	EUR 24,30

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The adj. FCF method is based on the assumption that investors purchase assets only at a price (enterprise value) at which the operating cash flow return after taxes on this investment exceeds their opportunity costs in the form of a hurdle rate of 7.5%. The operating cash flow is calculated as EBITDA less maintenance capex and taxes.

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