

Buy (old: Buy)

Price target: EUR 30.00 (old: EUR 30.00)

Price: EUR 19.44 **Next result:** Q3'18 07.11.19
Bloomberg: SANT GR **Market cap:** EUR 1,351.0 m
Reuters: SANT1.DE **Enterprise Value:** EUR 1,284.1 m

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Q3 preview: Cash flow strength to surprise positively

EUR	Q3 19 est	Q3 19 cons.	Q3 18	yoy	Q1 19	qoq	9m 19 est	9m 18	yoy
Sales	278	280	237	17%	249	12%	752	660	14%
EBITDA	25.0	25.3	20.5	22%	23.2	8%	69.6	57.2	22%
EBITDA margin	9.0%	9.0%	8.7%	+ 0.3 pp	9.3%	- 0.3 pp	9.3%	8.7%	+ 0.6 pp
Net after minorities	10.3	10.5	11.8	-12%	8.8	17%	28.5	28.0	2%
Net margin	3.7%	3.7%	5.0%	- 1.3 pp	3.5%	+ 0.2 pp	3.8%	4.2%	- 0.5 pp
EPS	0.16	0.16	0.18	-10%	0.13	23%	0.43	0.44	-2%

Source: Company data, Hauck & Aufhäuser

We expect S&T to release a **strong set of Q3 results** on November 7: Q3 sales should reach € 278m, with growth seen at 17% yoy overall / 7% yoy organic. Q3 EBITDA looks set to rise by 22% yoy / 8% qoq to € 25.0m. **Key highlights:**

- **Cash flow improvements.** S&T typically does not generate positive cash flow in Q3 due to seasonal factors. See next page. This year, we expect **€ 15m positive operating cash flow in Q3**, a significant swing from Q3'18 (€ -4m cash flow) and H1'19 (€ -12m cash flow), thanks to initial w/c benefits from S&T's PEC program. Notably, most optimisation measures are yet to take effect, suggesting further w/c and cash flow progress in the coming quarters. **Cash flow strength should put to rest recent controversies over earnings quality.**
- **Margin improvements.** Expected EBITDA growth is even more remarkable when considering that acquired Kapsch should have burdened EBITDA by € 2m in Q3. What is working: (1) The Kapsch integration is running above plan, in our view. Hence, the FY'19E burden should rather amount to € 3-4m versus the initial guidance of € 5m; (2) IoT Americas (20% of group sales) is benefitting from new, higher margin design wins, driving up segment EBITDA margin by 3pp yoy / 4pp qoq to 8.4%, in our view.
- **FY'19E guidance intact – but incremental upside exists.** S&T should confirm its FY'19E guidance of € 1.145bn sales and more than € 100m EBITDA, which is in-line (eCons: € 1.15bn / € 104m). Importantly, in light of Kapsch integration progress and a strong core business, we increasingly see upside to more than € 105m EBITDA, and would not be surprised to see a corresponding guidance upgrade in the coming weeks.

Reiterate BUY with a € 30.00 PT based on DCF.

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: 01.11.2019



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 24.66 / 17.07
Price/Book Ratio: 3.2
Relative performance (TecDAX):
3 months -6.3 %
6 months -18.1 %
12 months -

Changes in estimates

		Sales	EBIT	EPS
2019	old:	1,150.0	62.0	0.77
	Δ	-	-	-
2020	old:	1,311.0	88.2	1.13
	Δ	-	-	-
2021	old:	1,435.5	113.0	1.47
	Δ	-	-	-

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

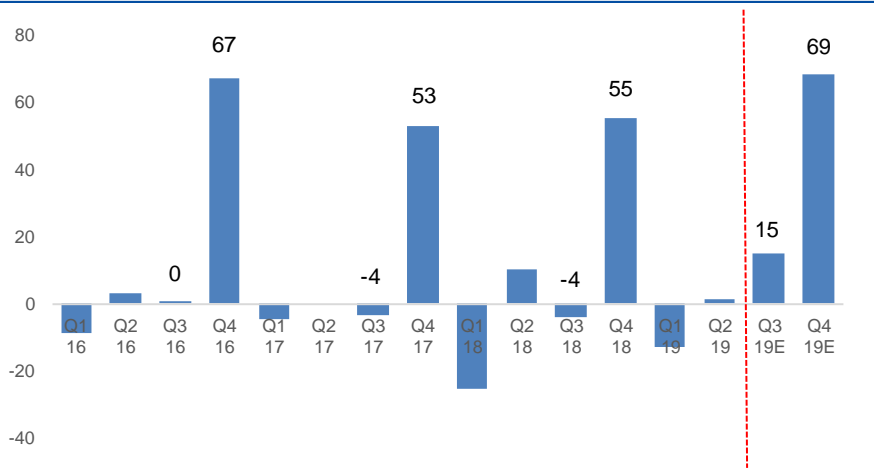
Major shareholders:

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.

Cash Flow generation per quarter (€ m)



Source: Company data, Hauck & Aufhäuser

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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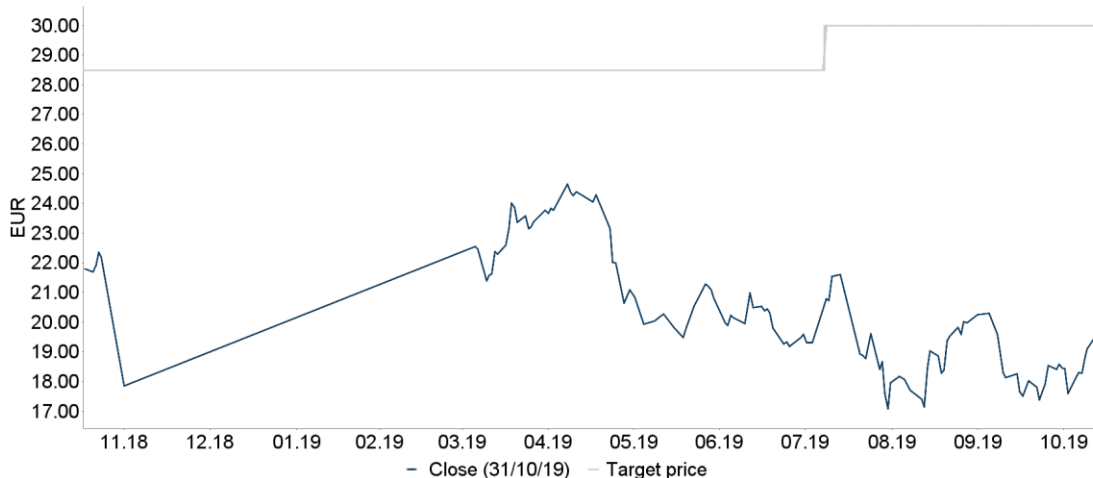
Company	Disclosure
S&T AG	3

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

Price and Rating History S&T AG as of 01/11/19

Initiation coverage

30-May-12



Company	Date	Analyst	Rating	Target price	Close
S&T AG	25.07.2019	Wunderlich, CFA, Tim	Buy	EUR 30,00	EUR 20,72
	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

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