

**Buy** (old: Buy)

**Price target: EUR 31.00** (old: EUR 33.00)

**Price:** EUR 23.80    **Next result:** Q1'21: 06.05.21  
**Bloomberg:** SANT GR    **Market cap:** EUR 1,586.3 m  
**Reuters:** SANT1.DE    **Enterprise Value:** EUR 1,681.0 m

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## Prepare for a muted Q1 release; chg., PT down

S&T is set to release Q1'21 results on Thursday, May 6th. A conference call will be held the same day from 9:00-10:00 am CEST.

**Q1 revenues are expected to grow 9% yoy to € 295m**, which should include an M&A contribution of ~ € 25m, mostly from acquired CITYCOMP and Iskratel. Hence, organic growth is seen to be flat yoy. Yet, S&T had to cope with **two major headwinds** during the quarter, in our view. First, a soft USD ate up € 6m of sales. Second, chip shortages resulted in a c. € 9m revenue shortfall as selected projects had to be postponed.

Still, we expect **Q1 EBITDA to be up 11% yoy to € 27.8m**, and the margin to stay flat yoy. This is noteworthy, considering that M&A contributions should have been below € 1m in Q1 (eH&A), suggesting that the acquired companies were yet margin dilutive. What helped was a natural hedge, as S&T procures chip and other components in USD. At the same time, the software strategy is paying off (e.g. Susitec), which is seen to lift the gross margin to almost 42% (eH&A / +0.4pp yoy / +7.3pp qoq).

S&T is seen to **reiterate its FY'21E guidance**: € 1.4bn sales and € 140m EBITDA.

EUR	Q1'21 est	Q1'20	yoy	Q4'20	qoq
<b>Sales</b>	<b>295.0</b>	<b>270</b>	<b>9%</b>	<b>418</b>	<b>-29%</b>
<b>Gross profit</b>	<b>123</b>	<b>112</b>	<b>10%</b>	<b>144</b>	<b>-14%</b>
Gross margin	41.7%	41.3%	+ 0.4 pp	34.4%	+ 7.3 pp
<b>EBITDA</b>	<b>27.8</b>	<b>25.0</b>	<b>11%</b>	<b>46.4</b>	<b>-40%</b>
EBITDA margin	9.4%	9.3%	+ 0.2 pp	11.1%	- 1.7 pp
<b>EBIT</b>	<b>12.7</b>	<b>11.2</b>	<b>13%</b>	<b>27.1</b>	<b>-53%</b>
EBIT margin	4.3%	4.2%	+ 0.1 pp	6.5%	- 2.2 pp
<b>Net after minorities</b>	<b>10.0</b>	<b>9.5</b>	<b>5%</b>	<b>24.2</b>	<b>-59%</b>
Net margin	3.4%	3.5%	- 0.2 pp	5.8%	- 2.4 pp
<b>EPS</b>	<b>0.15</b>	<b>0.14</b>	<b>5%</b>	<b>0.37</b>	<b>-59%</b>

Source: Company data, Hauck & Aufhäuser

**Action:** We cut FY'21E estimates by 4% for sales and 17% for EBIT to account for USD headwinds, ongoing COVID lockdowns and softer organic growth in the Americas business. For FY'22E we leave *growth* estimates unchanged, resulting in a similar cut to top- and bottom-line as for FY'21E. With this, we take a conservative stance, as pent up demand in a post COVID world with chip shortages resolved could drive growth beyond our revised estimates, which are bang in-line with the FY'21E guidance.

**Reiterate BUY** with a new PT of € 31.00 based on DCF (prior: € 33.00). '23E introduced.

Y/E 31.12 (EUR m)	2017	2018	2019	2020	2021E	2022E	2023E
Sales	882.0	990.9	1,122.9	1,254.8	1,402.0	1,556.2	1,696.3
Sales growth	75 %	12 %	13 %	12 %	12 %	11 %	9 %
EBITDA	68.1	90.5	111.7	130.0	141.6	165.7	190.8
EBIT	41.7	61.5	61.8	68.6	77.6	100.1	124.8
Net income	22.5	45.0	49.1	55.6	64.2	84.3	100.6
Net debt	-101.8	-52.7	91.5	104.1	67.8	8.2	-75.0
Net gearing	-33.4 %	-14.8 %	24.5 %	25.8 %	15.2 %	1.6 %	-12.7 %
Net Debt/EBITDA	0.0	0.0	0.8	0.8	0.5	0.0	0.0
EPS pro forma	0.51	0.68	0.74	0.84	0.97	1.28	1.52
CPS	0.52	0.32	0.88	1.67	1.09	1.47	1.75
DPS	0.13	0.16	0.00	0.30	0.30	0.32	0.34
Dividend yield	0.5 %	0.7 %	0.0 %	1.3 %	1.2 %	1.4 %	1.4 %
Gross profit margin	36.7 %	36.0 %	37.2 %	37.2 %	37.0 %	37.4 %	37.9 %
EBITDA margin	7.7 %	9.1 %	9.9 %	10.4 %	10.1 %	10.7 %	11.3 %
EBIT margin	4.7 %	6.2 %	5.5 %	5.5 %	5.5 %	6.4 %	7.4 %
ROCE	9.4 %	11.9 %	8.8 %	9.9 %	8.7 %	10.9 %	12.8 %
EV/sales	1.6	1.6	1.5	1.4	1.2	1.0	0.9
EV/EBITDA	21.2	17.1	15.3	13.2	11.9	9.8	8.1
EV/EBIT	34.5	25.2	27.6	25.0	21.7	16.2	12.3
PER	47.1	35.3	32.3	28.5	24.7	18.8	15.7
Adjusted FCF yield	3.0 %	4.2 %	4.9 %	5.6 %	6.3 %	7.8 %	9.4 %

Source: Company data, Hauck & Aufhäuser Close price as of: 27.04.2021



Source: Company data, Hauck & Aufhäuser

**High/low 52 weeks:** 25.28 / 15.30

**Price/Book Ratio:** 3.5

**Relative performance (TecDAX):**

3 months 1.6 %

6 months 19.4 %

12 months 6.4 %

### Changes in estimates

		Sales	EBIT	EPS
2021	old:	1,466.0	93.6	1.17
	Δ	-4.4%	-17.1%	-16.7%
2022	old:	1,641.9	120.9	1.53
	Δ	-5.2%	-17.2%	-16.4%
2023	old:			
	Δ			

### Key share data:

Number of shares: (in m pcs) 65.0

Authorised capital: (in € m) 12.1

Book value per share: (in €) 6.8

Ø trading volume: (12 months) 155,000

### Major shareholders:

Free Float 73.4 %

Ennoconn 26.6 %

AGI 5.0 %

Ninety One 4.0 %

### Company description:

Leading IoT solutions provider targeting industrial, medical, avionics, smart energy, and other applications

## Financials

Profit and loss (EUR m)	2017	2018	2019	2020	2021E	2022E	2023E
<b>Net sales</b>	<b>882.0</b>	<b>990.9</b>	<b>1,122.9</b>	<b>1,254.8</b>	<b>1,402.0</b>	<b>1,556.2</b>	<b>1,696.3</b>
<i>Sales growth</i>	75.1 %	12.3 %	13.3 %	11.7 %	11.7 %	11.0 %	9%
Increase/decrease in finished goods and work-in-process	13.4	15.1	15.5	17.6	16.8	17.1	17.8
<b>Total sales</b>	<b>895.3</b>	<b>1,006.0</b>	<b>1,138.4</b>	<b>1,272.4</b>	<b>1,418.8</b>	<b>1,573.3</b>	<b>1,714.1</b>
Other operating income	8.5	7.5	8.0	8.8	8.4	8.6	8.5
Material expenses	567.0	644.3	715.4	799.0	894.5	985.1	1,065.3
Personnel expenses	179.4	194.6	245.2	273.3	302.8	333.0	359.6
Other operating expenses	89.4	84.0	74.2	78.8	88.3	98.0	106.9
Total operating expenses	827.3	915.4	1,026.7	1,142.4	1,277.2	1,407.6	1,523.3
<b>EBITDA</b>	<b>68.1</b>	<b>90.5</b>	<b>111.7</b>	<b>130.0</b>	<b>141.6</b>	<b>165.7</b>	<b>190.8</b>
Depreciation	7.4	29.0	25.9	30.9	31.3	32.6	33.0
<b>EBITA</b>	<b>60.7</b>	<b>61.5</b>	<b>85.8</b>	<b>99.1</b>	<b>110.3</b>	<b>133.1</b>	<b>157.8</b>
Amortisation of goodwill	0.0	n/a	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	18.9	n/a	24.0	30.5	32.7	33.0	33.0
Impairment charges	0.0	n/a	0.0	0.0	0.0	0.0	0.0
<b>EBIT (inc revaluation net)</b>	<b>41.7</b>	<b>61.5</b>	<b>61.8</b>	<b>68.6</b>	<b>77.6</b>	<b>100.1</b>	<b>124.8</b>
Interest income	0.6	1.0	1.3	1.6	1.8	1.6	1.6
Interest expenses	6.9	6.2	9.0	9.3	8.1	8.1	8.1
Other financial result	0.0	0.0	0.0	-0.2	0.0	0.0	0.0
Financial result	-6.4	-5.2	-7.7	-7.9	-6.3	-6.5	-6.5
<b>Recurring pretax income from continuing operations</b>	<b>35.4</b>	<b>56.3</b>	<b>54.1</b>	<b>60.7</b>	<b>71.3</b>	<b>93.6</b>	<b>118.3</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>35.4</b>	<b>56.3</b>	<b>54.1</b>	<b>60.7</b>	<b>71.3</b>	<b>93.6</b>	<b>118.3</b>
Taxes	6.0	7.9	4.6	6.1	7.1	9.4	17.7
<b>Net income from continuing operations</b>	<b>29.4</b>	<b>48.5</b>	<b>49.5</b>	<b>54.6</b>	<b>64.2</b>	<b>84.3</b>	<b>100.6</b>
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>29.4</b>	<b>48.5</b>	<b>49.5</b>	<b>54.6</b>	<b>64.2</b>	<b>84.3</b>	<b>100.6</b>
Minority interest	6.9	3.5	0.4	-1.0	0.0	0.0	0.0
<b>Net profit (reported)</b>	<b>22.5</b>	<b>45.0</b>	<b>49.1</b>	<b>55.6</b>	<b>64.2</b>	<b>84.3</b>	<b>100.6</b>
Average number of shares	52.5	66.1	66.1	65.0	65.0	65.0	65.0
<b>EPS reported</b>	<b>0.43</b>	<b>0.68</b>	<b>0.74</b>	<b>0.86</b>	<b>0.99</b>	<b>1.30</b>	<b>1.55</b>

Profit and loss (common size)	2017	2018	2019	2020	2021E	2022E	2023E
<b>Net sales</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
Increase/decrease in finished goods and work-in-process	1.5 %	1.5 %	1.4 %	1.4 %	1.2 %	1.1 %	1.1 %
<b>Total sales</b>	<b>101.5 %</b>	<b>101.5 %</b>	<b>101.4 %</b>	<b>101.4 %</b>	<b>101.2 %</b>	<b>101.1 %</b>	<b>101.1 %</b>
Other operating income	1.0 %	0.8 %	0.7 %	0.7 %	0.6 %	0.6 %	0.5 %
Material expenses	64.3 %	65.0 %	63.7 %	63.7 %	63.8 %	63.3 %	62.8 %
Personnel expenses	20.3 %	19.6 %	21.8 %	21.8 %	21.6 %	21.4 %	21.2 %
Other operating expenses	10.1 %	8.5 %	6.6 %	6.3 %	6.3 %	6.3 %	6.3 %
Total operating expenses	93.8 %	92.4 %	91.4 %	91.0 %	91.1 %	90.5 %	89.8 %
<b>EBITDA</b>	<b>7.7 %</b>	<b>9.1 %</b>	<b>9.9 %</b>	<b>10.4 %</b>	<b>10.1 %</b>	<b>10.7 %</b>	<b>11.3 %</b>
Depreciation	0.8 %	2.9 %	2.3 %	2.5 %	2.2 %	2.1 %	1.9 %
<b>EBITA</b>	<b>6.9 %</b>	<b>6.2 %</b>	<b>7.6 %</b>	<b>7.9 %</b>	<b>7.9 %</b>	<b>8.6 %</b>	<b>9.3 %</b>
Amortisation of goodwill	0.0 %	n/a	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	2.1 %	n/a	2.1 %	2.4 %	2.3 %	2.1 %	1.9 %
Impairment charges	0.0 %	n/a	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBIT (inc revaluation net)</b>	<b>4.7 %</b>	<b>6.2 %</b>	<b>5.5 %</b>	<b>5.5 %</b>	<b>5.5 %</b>	<b>6.4 %</b>	<b>7.4 %</b>
Interest income	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %
Interest expenses	0.8 %	0.6 %	0.8 %	0.7 %	0.6 %	0.5 %	0.5 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	neg.	neg.	neg.	neg.	neg.	neg.	neg.
<b>Recurring pretax income from continuing operations</b>	<b>4.0 %</b>	<b>5.7 %</b>	<b>4.8 %</b>	<b>4.8 %</b>	<b>5.1 %</b>	<b>6.0 %</b>	<b>7.0 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>4.0 %</b>	<b>5.7 %</b>	<b>4.8 %</b>	<b>4.8 %</b>	<b>5.1 %</b>	<b>6.0 %</b>	<b>7.0 %</b>
Tax rate	17.0 %	14.0 %	8.4 %	10.0 %	10.0 %	10.0 %	15.0 %
<b>Net income from continuing operations</b>	<b>3.3 %</b>	<b>4.9 %</b>	<b>4.4 %</b>	<b>4.4 %</b>	<b>4.6 %</b>	<b>5.4 %</b>	<b>5.9 %</b>
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net income</b>	<b>3.3 %</b>	<b>4.9 %</b>	<b>4.4 %</b>	<b>4.4 %</b>	<b>4.6 %</b>	<b>5.4 %</b>	<b>5.9 %</b>
Minority interest	0.8 %	0.4 %	0.0 %	neg.	0.0 %	0.0 %	0.0 %
<b>Net profit (reported)</b>	<b>2.6 %</b>	<b>4.5 %</b>	<b>4.4 %</b>	<b>4.4 %</b>	<b>4.6 %</b>	<b>5.4 %</b>	<b>5.9 %</b>

Source: Company data, Hauck &amp; Aufhäuser

Balance sheet (EUR m)	2017	2018	2019	2020	2021E	2022E	2023E
<b>Intangible assets</b>	<b>189.9</b>	<b>207.6</b>	<b>294.9</b>	<b>302.3</b>	<b>295.3</b>	<b>288.5</b>	<b>272.4</b>
Property, plant and equipment	31.9	37.1	99.8	135.1	126.3	118.6	112.7
Financial assets	17.6	0.3	22.8	22.1	22.1	22.1	22.1
<b>FIXED ASSETS</b>	<b>239.4</b>	<b>244.9</b>	<b>417.5</b>	<b>459.5</b>	<b>443.7</b>	<b>429.2</b>	<b>407.3</b>
Inventories	104.0	130.8	146.8	159.9	182.1	202.1	220.3
Accounts receivable	172.4	202.7	212.2	204.5	265.0	294.2	320.7
Other current assets	43.5	68.0	102.6	104.2	106.9	109.5	112.3
Liquid assets	216.9	171.8	312.3	281.9	318.2	377.8	461.0
Deferred taxes	28.6	29.8	34.4	36.6	36.6	36.6	36.6
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>CURRENT ASSETS</b>	<b>565.5</b>	<b>603.0</b>	<b>808.2</b>	<b>787.1</b>	<b>908.8</b>	<b>1,020.2</b>	<b>1,150.8</b>
<b>TOTAL ASSETS</b>	<b>804.9</b>	<b>847.9</b>	<b>1,225.7</b>	<b>1,246.6</b>	<b>1,352.5</b>	<b>1,449.4</b>	<b>1,558.1</b>
SHAREHOLDERS EQUITY	305.1	356.0	372.7	404.0	447.2	511.7	588.5
MINORITY INTEREST	26.7	11.3	12.4	5.4	5.4	5.4	5.4
Long-term debt	68.7	79.4	341.0	343.2	343.2	343.2	343.2
Provisions for pensions and similar obligations	21.2	14.6	30.0	26.8	26.8	26.8	26.8
Other provisions	36.7	28.0	54.4	40.5	40.5	40.5	40.5
<b>Non-current liabilities</b>	<b>126.6</b>	<b>122.0</b>	<b>425.4</b>	<b>410.5</b>	<b>410.5</b>	<b>410.5</b>	<b>410.5</b>
short-term liabilities to banks	46.4	39.6	62.8	42.8	42.8	42.8	42.8
Accounts payable	154.9	177.0	205.0	210.0	268.9	298.5	325.3
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)	135.6	129.4	134.2	160.6	160.6	165.4	170.3
Deferred taxes	9.5	12.6	13.4	13.3	17.0	15.2	15.2
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Current liabilities</b>	<b>346.4</b>	<b>358.6</b>	<b>415.3</b>	<b>426.6</b>	<b>489.3</b>	<b>521.8</b>	<b>553.6</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>804.9</b>	<b>847.9</b>	<b>1,225.7</b>	<b>1,246.6</b>	<b>1,352.5</b>	<b>1,449.4</b>	<b>1,558.1</b>

Balance sheet (common size)	2017	2018	2019	2020	2021E	2022E	2023E
<b>Intangible assets</b>	<b>23.6 %</b>	<b>24.5 %</b>	<b>24.1 %</b>	<b>24.2 %</b>	<b>21.8 %</b>	<b>19.9 %</b>	<b>17.5 %</b>
Property, plant and equipment	4.0 %	4.4 %	8.1 %	10.8 %	9.3 %	8.2 %	7.2 %
Financial assets	2.2 %	0.0 %	1.9 %	1.8 %	1.6 %	1.5 %	1.4 %
<b>FIXED ASSETS</b>	<b>29.7 %</b>	<b>28.9 %</b>	<b>34.1 %</b>	<b>36.9 %</b>	<b>32.8 %</b>	<b>29.6 %</b>	<b>26.1 %</b>
Inventories	12.9 %	15.4 %	12.0 %	12.8 %	13.5 %	13.9 %	14.1 %
Accounts receivable	21.4 %	23.9 %	17.3 %	16.4 %	19.6 %	20.3 %	20.6 %
Other current assets	5.4 %	8.0 %	8.4 %	8.4 %	7.9 %	7.6 %	7.2 %
Liquid assets	27.0 %	20.3 %	25.5 %	22.6 %	23.5 %	26.1 %	29.6 %
Deferred taxes	3.6 %	3.5 %	2.8 %	2.9 %	2.7 %	2.5 %	2.4 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>CURRENT ASSETS</b>	<b>70.3 %</b>	<b>71.1 %</b>	<b>65.9 %</b>	<b>63.1 %</b>	<b>67.2 %</b>	<b>70.4 %</b>	<b>73.9 %</b>
<b>TOTAL ASSETS</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
SHAREHOLDERS EQUITY	37.9 %	42.0 %	30.4 %	32.4 %	33.1 %	35.3 %	37.8 %
MINORITY INTEREST	3.3 %	1.3 %	1.0 %	0.4 %	0.4 %	0.4 %	0.3 %
Long-term debt	8.5 %	9.4 %	27.8 %	27.5 %	25.4 %	23.7 %	22.0 %
Provisions for pensions and similar obligations	2.6 %	1.7 %	2.4 %	2.2 %	2.0 %	1.9 %	1.7 %
Other provisions	4.6 %	3.3 %	4.4 %	3.2 %	3.0 %	2.8 %	2.6 %
<b>Non-current liabilities</b>	<b>15.7 %</b>	<b>14.4 %</b>	<b>34.7 %</b>	<b>32.9 %</b>	<b>30.4 %</b>	<b>28.3 %</b>	<b>26.3 %</b>
short-term liabilities to banks	5.8 %	4.7 %	5.1 %	3.4 %	3.2 %	3.0 %	2.7 %
Accounts payable	19.2 %	20.9 %	16.7 %	16.8 %	19.9 %	20.6 %	20.9 %
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)	16.9 %	15.3 %	10.9 %	12.9 %	11.9 %	11.4 %	10.9 %
Deferred taxes	1.2 %	1.5 %	1.1 %	1.1 %	1.3 %	1.0 %	1.0 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Current liabilities</b>	<b>43.0 %</b>	<b>42.3 %</b>	<b>33.9 %</b>	<b>34.2 %</b>	<b>36.2 %</b>	<b>36.0 %</b>	<b>35.5 %</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>

Source: Company data, Hauck & Aufhäuser

Cash flow statement (EUR m)	2017	2018	2019	2020	2021E	2022E	2023E
Net profit/loss	29.4	48.5	49.5	54.6	64.2	84.3	100.6
Depreciation of fixed assets (incl. leases)	7.4	29.9	49.9	30.9	31.3	32.6	33.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	18.9	0.0	0.0	30.5	32.7	33.0	33.0
Others	-13.6	-17.7	3.7	-8.5	0.0	0.0	0.0
Cash flow from operations before changes in w/c	42.1	60.7	103.1	107.5	128.2	149.9	166.6
Increase/decrease in inventory	-17.9	-4.1	-16.0	-13.1	-22.2	-20.0	-18.2
Increase/decrease in accounts receivable	5.5	-23.1	-30.0	41.4	-60.6	-29.2	-26.5
Increase/decrease in accounts payable	15.2	2.1	49.7	5.0	58.9	29.6	26.9
Increase/decrease in other working capital positions	0.0	0.0	-23.5	0.0	0.0	0.0	0.0
Increase/decrease in working capital	2.8	-25.1	-19.8	33.3	-23.9	-19.6	-17.8
<b>Cash flow from operating activities</b>	<b>44.9</b>	<b>35.5</b>	<b>83.4</b>	<b>140.8</b>	<b>104.3</b>	<b>130.3</b>	<b>148.8</b>
CAPEX	23.0	25.1	27.1	33.9	40.7	43.6	44.1
Payments for acquisitions	11.5	39.6	27.2	41.0	7.5	7.5	0.0
Financial investments	5.7	-0.5	4.3	3.6	0.0	0.0	0.0
Income from asset disposals	1.2	1.1	2.9	1.3	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-39.1</b>	<b>-63.1</b>	<b>-55.7</b>	<b>-77.2</b>	<b>-48.2</b>	<b>-51.1</b>	<b>-44.1</b>
Cash flow before financing	5.8	-27.6	27.7	63.6	56.1	79.2	104.7
Increase/decrease in debt position	28.8	1.2	128.1	-40.9	0.0	0.0	0.0
Purchase of own shares	0.0	0.0	14.6	12.2	0.0	0.0	0.0
Capital measures	86.9	2.2	0.0	1.4	0.0	0.0	0.0
Dividends paid	4.9	8.3	10.6	0.0	19.8	19.6	21.4
Others	-17.7	-15.9	-19.1	-14.1	0.0	0.0	0.0
Effects of exchange rate changes on cash	-2.0	0.3	1.1	-8.1	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>93.1</b>	<b>-20.9</b>	<b>83.8</b>	<b>-65.8</b>	<b>-19.8</b>	<b>-19.6</b>	<b>-21.4</b>
Increase/decrease in liquid assets	97.0	-48.2	112.6	-10.2	36.3	59.6	83.2
<b>Liquid assets at end of period</b>	<b>216.9</b>	<b>171.8</b>	<b>312.3</b>	<b>281.9</b>	<b>318.2</b>	<b>377.8</b>	<b>461.0</b>

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2017	2018	2019	2020	2021E	2022E	2023E
Domestic	108.3	98.4	102.2	106.7	112.2	141.6	0.0
yoy change	80.1 %	-9.1 %	3.8 %	4.4 %	5.2 %	26.3 %	n/a
Rest of Europe	242.7	300.0	336.9	373.9	410.8	471.5	0.0
yoy change	46.0 %	23.6 %	12.3 %	11.0 %	9.9 %	14.8 %	n/a
NAFTA	132.1	133.2	152.7	178.2	206.1	211.6	0.0
yoy change	n/a	0.8 %	14.7 %	16.7 %	15.7 %	2.7 %	n/a
Asia Pacific	n/a	n/a	n/a	n/a	n/a	n/a	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rest of world	398.9	459.4	531.1	596.0	673.0	722.1	0.0
yoy change	43.8 %	15.2 %	15.6 %	12.2 %	12.9 %	7.3 %	n/a
<b>TTL</b>	<b>882.0</b>	<b>990.9</b>	<b>1,122.9</b>	<b>1,254.8</b>	<b>1,402.0</b>	<b>1,556.2</b>	<b>0.0</b>
yoy change	75.1 %	12.3 %	13.3 %	11.7 %	11.7 %	11.0 %	n/a

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2017	2018	2019	2020	2021E	2022E	2023E
<b>P&amp;L growth analysis</b>							
Sales growth	75.1 %	12.3 %	13.3 %	11.7 %	11.7 %	11.0 %	n/a
EBITDA growth	97.9 %	33.0 %	23.4 %	43.6 %	26.8 %	27.4 %	34.8 %
EBIT growth	73.1 %	47.3 %	0.4 %	11.5 %	25.6 %	46.0 %	60.9 %
EPS growth	29.9 %	58.9 %	9.2 %	25.7 %	32.9 %	51.5 %	56.7 %
<b>Efficiency</b>							
Total operating costs / sales	93.8 %	92.4 %	91.4 %	91.0 %	91.1 %	90.5 %	89.8 %
Sales per employee	306.0	254.1	259.8	288.9	319.6	709.6	765.8
EBITDA per employee	23.6	23.2	25.9	29.9	32.3	75.6	86.1
<b>Balance sheet analysis</b>							
Avg. working capital / sales	13.6 %	14.0 %	13.8 %	12.4 %	11.8 %	11.3 %	11.6 %
Inventory turnover (sales/inventory)	8.5	7.6	7.7	7.8	7.7	7.7	7.7
Trade debtors in days of sales	71.3	74.6	69.0	59.5	69.0	69.0	69.0
A/P turnover [(A/P*365)/sales]	64.1	65.2	66.6	61.1	70.0	70.0	70.0
Cash conversion cycle (days)	38.6	48.5	39.2	36.6	33.6	33.3	33.0
<b>Cash flow analysis</b>							
Free cash flow	21.9	10.4	56.3	106.9	63.6	86.7	104.7
Free cash flow/sales	2.5 %	1.1 %	5.0 %	8.5 %	4.5 %	5.6 %	6.2 %
FCF / net profit	97.3 %	23.2 %	114.6 %	192.2 %	99.1 %	102.9 %	104.1 %
Capex / depre	109.2 %	82.3 %	62.9 %	61.2 %	63.5 %	66.4 %	66.8 %
Capex / maintenance capex	145.7 %	n/a	74.6 %	70.3 %	70.1 %	75.9 %	82.2 %
Capex / sales	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Security</b>							
Net debt	-101.8	-52.7	91.5	104.1	67.8	8.2	-75.0
Net Debt/EBITDA	0.0	0.0	0.8	0.8	0.5	0.0	0.0
Net debt / equity	neg.	neg.	0.2	0.3	0.2	0.0	neg.
Interest cover	6.0	10.0	6.9	7.4	9.6	12.4	15.4
Dividend payout ratio	36.6 %	23.5 %	0.0 %	35.7 %	30.5 %	25.4 %	22.4 %
<b>Asset utilisation</b>							
Capital employed turnover	1.7	1.9	1.3	1.5	1.5	1.6	1.6
Operating assets turnover	5.7	5.1	4.4	4.3	4.6	4.9	5.2
Plant turnover	27.7	26.7	11.3	9.3	11.1	13.1	15.1
Inventory turnover (sales/inventory)	8.5	7.6	7.7	7.8	7.7	7.7	7.7
<b>Returns</b>							
ROCE	9.4 %	11.9 %	8.8 %	9.9 %	8.7 %	10.9 %	12.8 %
ROE	7.4 %	12.6 %	13.2 %	13.8 %	14.3 %	16.5 %	17.1 %
<b>Other</b>							
Interest paid / avg. debt	6.6 %	5.3 %	3.4 %	3.7 %	2.1 %	2.1 %	2.1 %
No. employees (average)	2882	3900	4322	4343	4387	2193	2215
Number of shares	52.5	66.1	66.1	65.0	65.0	65.0	65.0
DPS	0.1	0.2	0.0	0.3	0.3	0.3	0.3
EPS reported	0.43	0.68	0.74	0.86	0.99	1.30	1.55
<b>Valuation ratios</b>							
P/BV	5.0	4.5	4.3	3.9	3.5	3.1	2.7
EV/sales	1.6	1.6	1.5	1.4	1.2	1.0	0.9
EV/EBITDA	21.2	17.1	15.3	13.2	11.9	9.8	8.1
EV/EBITA	23.8	25.2	19.9	17.3	15.2	12.2	9.7
EV/EBIT	34.5	25.2	27.6	25.0	21.7	16.2	12.3
EV/FCF	65.8	148.3	30.3	16.1	26.4	18.7	14.7
Adjusted FCF yield	3.0 %	4.2 %	4.9 %	5.6 %	6.3 %	7.8 %	9.4 %
Dividend yield	0.5 %	0.7 %	0.0 %	1.3 %	1.2 %	1.4 %	1.4 %

Source: Company data, Hauck & Aufhäuser

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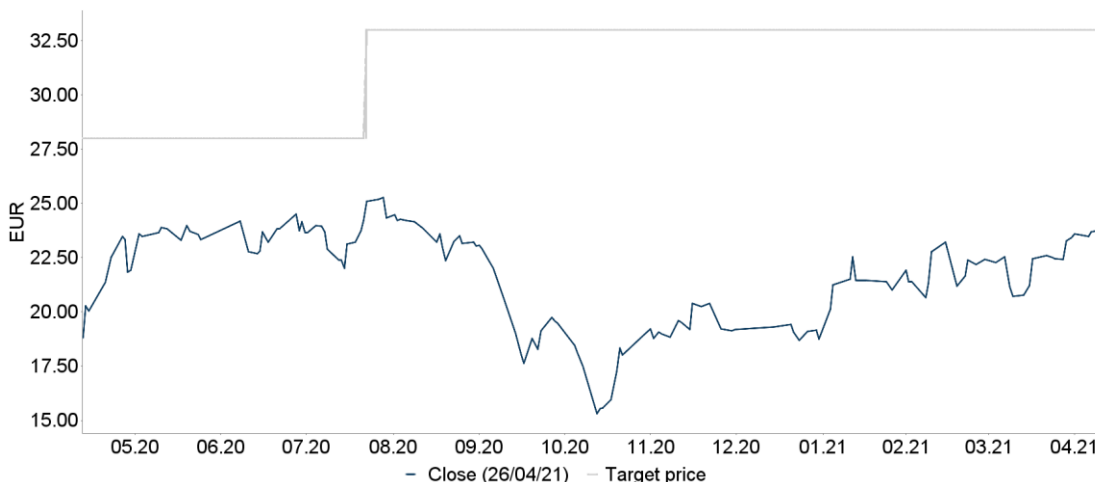
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Company	Disclosure
S&T AG	3

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

**Price and Rating History  
S&T AG as of 27/04/21**

**Initiation coverage**  
30-May-12



Company	Date	Analyst	Rating	Target price	Close
S&T AG	24.02.2021	Wunderlich, CFA, Tim	Buy	EUR 33,00	EUR 22,76
	18.12.2020	Wunderlich, CFA, Tim	Buy	EUR 33,00	EUR 19,20
	05.11.2020	Wunderlich, CFA, Tim	Buy	EUR 33,00	EUR 18,33
	03.11.2020	Wunderlich, CFA, Tim	Buy	EUR 33,00	EUR 15,96
	05.10.2020	Wunderlich, CFA, Tim	Buy	EUR 33,00	EUR 18,77

11.08.2020	Wunderlich, CFA, Tim	Buy	EUR 33,00	EUR 25,18
11.08.2020	Wunderlich, CFA, Tim	Buy	EUR 33,00	EUR 25,18
10.08.2020	Wunderlich, CFA, Tim	Buy	EUR 33,00	EUR 25,08
05.08.2020	Wunderlich, CFA, Tim	Buy	EUR 28,00	EUR 23,74
06.05.2020	Wunderlich, CFA, Tim	Buy	EUR 28,00	EUR 21,36
28.04.2020	Wunderlich, CFA, Tim	Buy	EUR 28,00	EUR 18,80

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