



## INVESTOR RELATIONS PRESENTATION

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May 2021



# IR

# HIGH- AND LOWLIGHTS 2021



## HIGHLIGHTS

- › Q1/2021: Growth of 8.9% in revenues and 12.8% in EBITDA vs Q1/2020
- › Q1/2021: EUR 8.7 Mio. in share buybacks (since 2019 EUR 38 Mio.)
- › 30 cent record dividend for 2020
- › Business model resilient to Covid-19-Pandemic
- › Strong order intake in Q1/2021 of EUR 404 Mio.

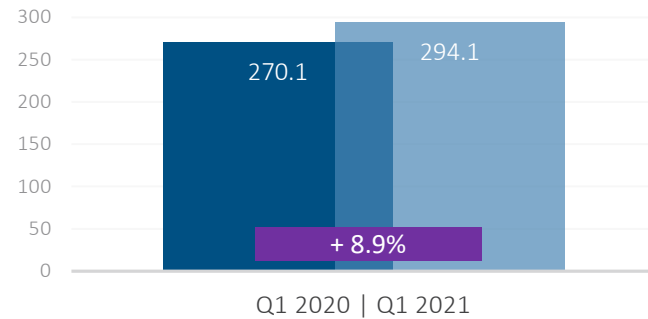
## LOWLIGHTS

- › Chip shortage impact: EUR 10.5 Mio. of not delivered orders in Q1
- › North America weak due to FX USD -9.3%, avionics and chip shortage
- › 6.33% reported short positions (by 3/2021) but decreasing

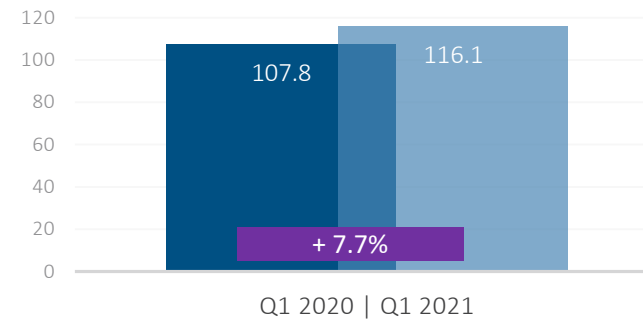
# KPI'S 2021 GOOD RESULTS IN ALL PARAMETERS



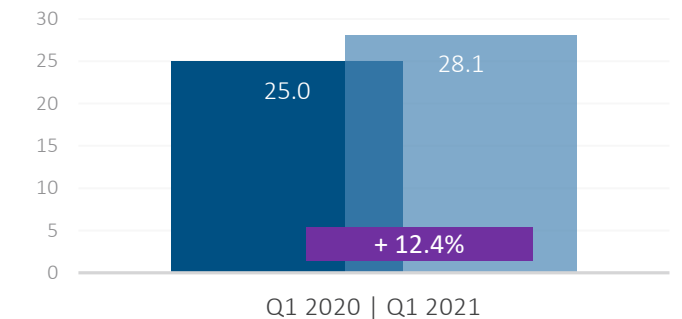
▼  
**REVENUE**  
(in EUR Mio.)



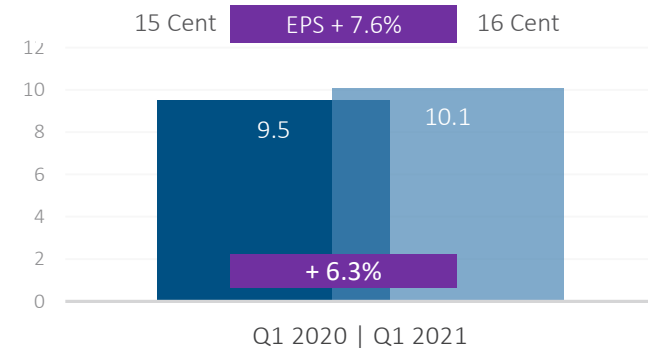
**GROSS PROFIT**  
(in EUR Mio.)



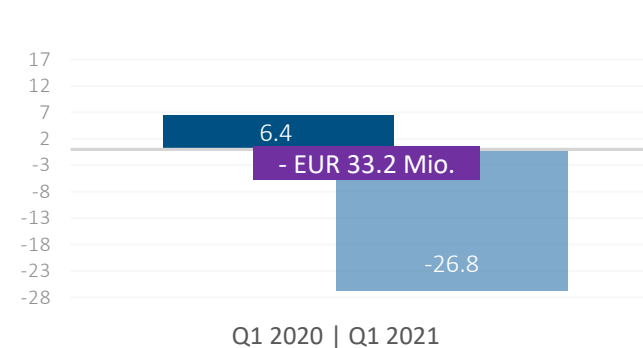
**EBITDA**  
(in EUR Mio.)



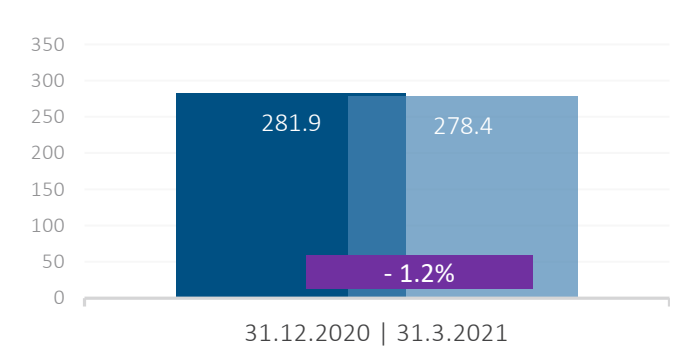
**NET INCOME AFTER NCI**  
(in EUR Mio.)



**OPERATING CASH FLOW**  
(in EUR Mio.)



**CASH AND CASH EQUIVALENTS**  
(in EUR Mio.)



Q1 2021 was impacted by chip shortage and USD | We reiterate our FY 2021 guidance of min. EUR 1.4 Bn. @ min. EUR 140 Mio. EBITDA

# S&T GROUP BALANCE SHEET



Mio. EUR	31/03/2021	31/12/2020
<b>NON-CURRENT ASSETS</b>	<b>506.1</b>	<b>506.0</b>
Fixed Assets	469.7	469.3
as of Property, plant and equipment	133.4	135.1
as of Goodwill	201.2	199.5
Other Assets	36.3	36.6
<b>CURRENT ASSETS</b>	<b>740.8</b>	<b>740.7</b>
Inventories	171.1	159.9
Trade receivables	183.3	204.5
Contract Assets from Customers	28.6	23.6
Cash and cash equivalents	278.4	281.9
Other receivables and prepayments	79.4	70.9
<b>Total Assets</b>	<b>1,246.9</b>	<b>1,246.6</b>

	31/03/2021	31/12/2020
<b>CAPITAL AND RESERVES</b>	<b>412.8</b>	<b>409.5</b>
Equity	412.8	409.5
as of Treasury shares	-34.9	-26.2
<b>NON-CURRENT LIABILITIES</b>	<b>386.5</b>	<b>353.8</b>
Long-term loans and borrowings	251.3	218.8
Other Non-Current Liabilities	135.3	135.0
<b>CURRENT LIABILITIES</b>	<b>447.5</b>	<b>483.4</b>
Trade payables	170.3	210.0
Contract Liabilities from Customers	68.9	69.7
Short-term loans and borrowings	60.1	42.8
Other Current Liabilities	148.3	160.9
<b>Total Liabilities &amp; Equity</b>	<b>1,246.9</b>	<b>1,246.6</b>

> Equity Ratio	33.1%	32.8%
> Net Cash/Net Debt*	-33.0	20.3
> Working Capital excluding IFRS 15**	184.1	154.3

Inventory build up to cover chip shortage | Factoring reduced due to high cash position by ~ EUR 21 Mio.

\* Definition Net Cash: Cash and cash equivalents less non-current and current financing liabilities (excl. liabilities from leasing according to IFRS 16)

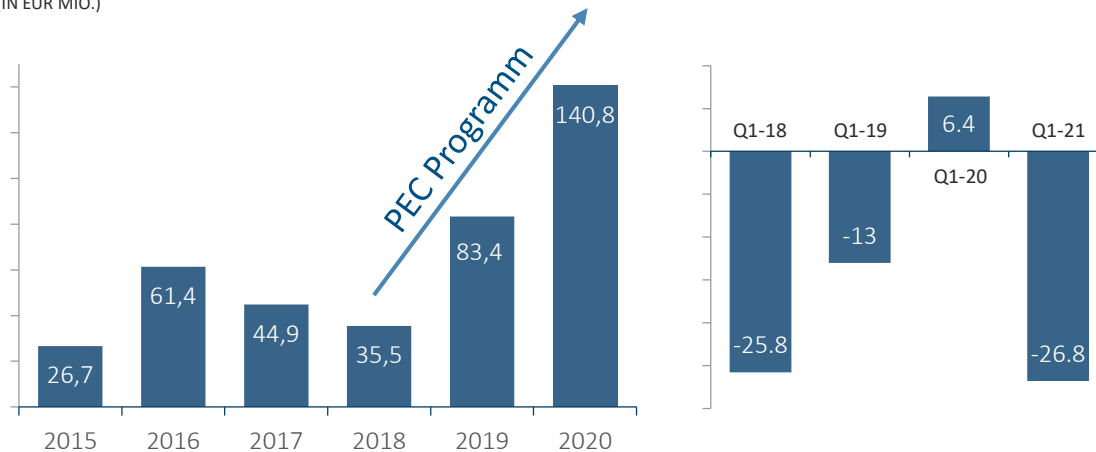
\*\* Definition Working Capital: Inventories plus trade receivables less trade payables (excl. IFRS 15 contract assets and liabilities)

# PEC PROGRAM IMPROVE CASH CONVERSION AND WORKING CAPITAL



## OPERATING CASH FLOW

(IN EUR MIO.)



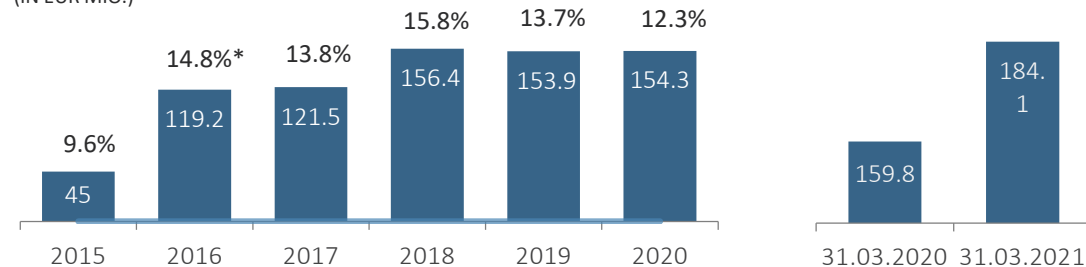
## KPI DEVELOPMENT

(IN EUR MIO.)

in EUR Mio.	2018	2019	2020	Q1-2021
Revenue	990	1,123	1,255	294
Inventory	74 days (131 Mio.)	73 days (147 Mio.)	68 days (160 Mio.)	94 days (171 Mio.)
A/R	75 days (202 Mio.)	69 days (212 Mio.)	59 days (205 Mio.)	57 days (183 Mio.)
Factoring	56 Mio. (20%)	63 Mio. (23%)	77 Mio. (26%)	56 Mio. (23%)

## WORKING CAPITAL | RATIO IN % OF REVENUE

(IN EUR MIO.)



\*Kontron as if

## MID-TERM TARGETS

- › Target: operational cash flow to grow in line with EBITDA
  - › op. cash flow > 75% of EBITDA
- › Q1 2021: EUR 20.5 Mio. factoring reduced due to high liquidity and negative interest on bank accounts
- › Inventory increased to cover chip shortage

# INCREASE TRANSPARENCY ADDITIONAL DISCLOSURES 2021



IN TEUR	EBIT ADJUSTMENTS
<b>12,705</b>	<b>STATED EBIT</b>
-312	Expenses stock options
-296	Restructuring costs Iskratel
-458	Restructuring costs North America
1,033	Change in accruals – settlement AT tax authorities (see next slide)
<b>-33</b>	<b>ONE TIME PROFIT EFFECTS</b>
4,150	R&D Capitalization
-3,109	R&D Amortization
<b>1,041</b>	<b>IMPACT R&amp;D CAPITALIZATION</b>
<b>11,697</b>	<b>ADJUSTED EBIT</b>
-2,554	PPA Amortization
<b>14,251</b>	<b>ADJUSTED EBIT BEFORE PPA</b>

IN TEUR	OP. CASHFLOW ADJUSTMENTS
<b>-26,805</b>	<b>STATED OP. CASHFLOW</b>
20,616	Reduction in A/R factored from 31.12.2020 to 31.03.2021
754	Cash effect from one time profit effects
<b>-5,435</b>	<b>ADJUSTED OP. CASHFLOW</b>

ORGANIC GROWTH		
in TEUR	Q1-2020	Q1-2021
Stated revenue	270,079	294,093
M&A adjust Iskratel		-16,879
M&A adjust Citycomp		-9,948
M&A adjust HCS		-1,427
M&A adjust KAD, MED		1,321
FX adjust		+6,480
<b>ORGANIC GROWTH</b>		<b>1.3%</b>

# INCREASE TRANSPARENCY ADDITIONAL DISCLOSURES 2021



## ACCRUALS ANALYSIS

(in TEUR)	P&L impact	2019	2020	Q1-2021	Comment
<b>TOTAL ACCRUALS</b>	no	84,348	67,319		
Accruals added by acquisitions	no	57,651 *	2,567	502	* EUR 54 Mio. Kapsch
Accruals used via P&L	no	-24,238 **	-21,600 **	-2,670	** EUR 32 Mio. Kapsch
Accruals added via P&L	yes	9,190	8,110	651	
Accruals released via P&L	yes	-14,086	-2,202	-1,714	
P&L impact by accrual changes		4,896	-5,908	1,063	

## RECURRING REVENUES\*

(in EUR Mio.)	2019	in %	2020	in %	Q1-21	in %
Recurring Revenues	288	25.6	344	27.4	101	34.3

\* Stated Recurring revenues include Software, SLAs and maintenance (not Hardware sold with SLA, info to come 12/2021)

## GEOGRAPHICAL SPLIT Q1-2021

(in %)	Revenue	EBITDA
Europe	81.5%	95,1%
North America	7.4%	-2.8%
Asia	6.5%	3.8%
RUS/BY/MD	4.6%	3.9%



# ESG IMPROVEMENTS & GOALS – 2020,2021 AND BEYOND



**COMMUTE & TRAVEL**  
Promotion of train travel, video-conferencing and Home-office work

**PROMOTION OF CLEAN TECHNOLOGIES**  
Expansion of renewable energy usage, e.g. own photovoltaic systems

**STEP-BY-STEP ESG PLAN**  
3 years plan to coordinate ESG topics on group level, clear target to improve ESG Ratings (MSCI to at least BB).

**HUMAN DEVELOPMENT**  
More Information on employee development programs

**DIVERSITY**  
continue to increase share of women in S&T management positions from 21.6% up to 25.6% equaling the current gender distribution in S&T, new female SVB member

**IMPROVED COMPLIANCE TRAINING SYSTEM**  
Group-wide online compliance training tool to be implemented in 2021

**AUDIT COMMITTEE**  
increased audit committee independency since June 2020

**STOCK OPTION PLAN & REMMUNERATION**  
New Stock Option Plan for broad employee base established, further initiatives to secure on fair and equal remuneration planned (including new targets/MTI)

**COMMUNICATION**  
Intensify communication with “Kleinaktionären”, e.g. new shareholder website was set up



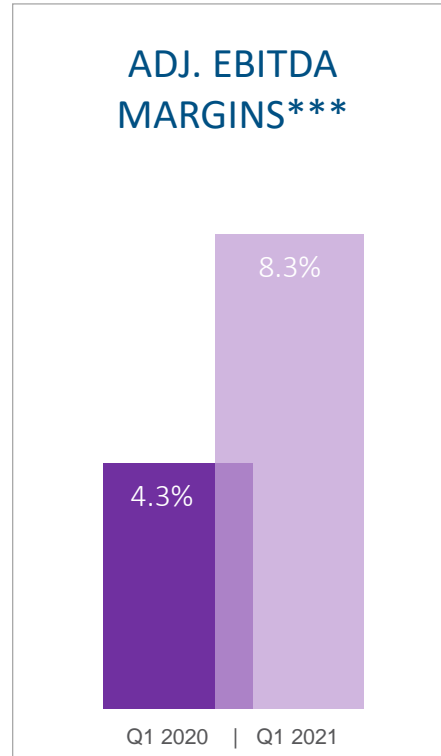
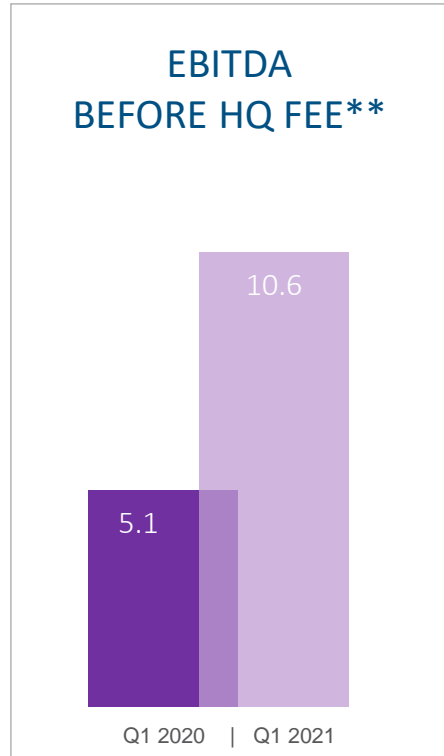
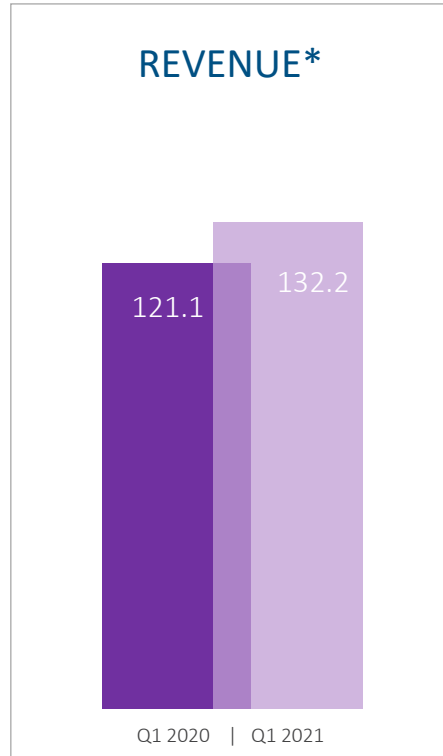
Steps 2021

Steps 2022

Steps 2023



# IT/IOT SERVICES

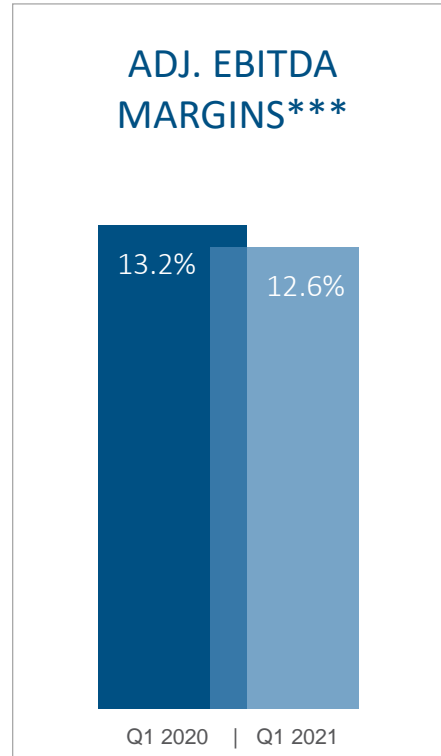
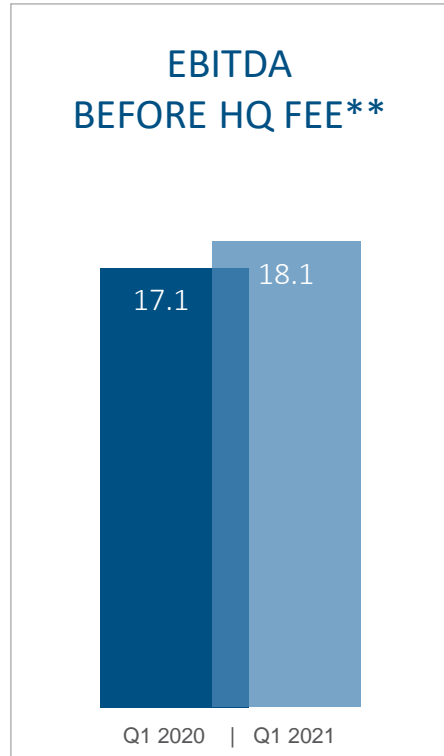
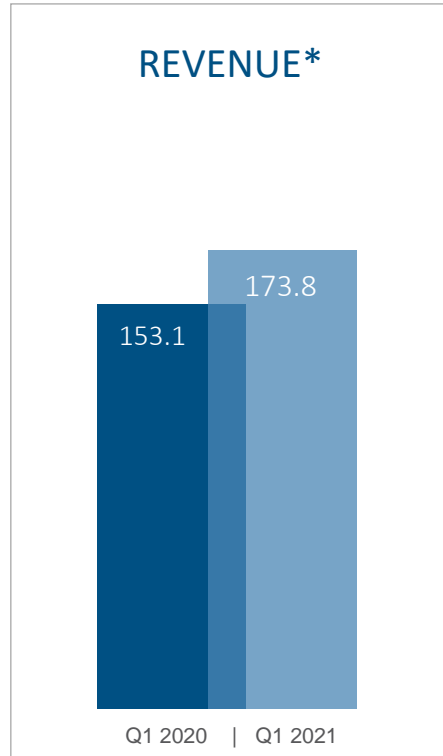


- › Regional target DACH + CEE in European Union
- › Beneficiary of Corona crisis
- › S&T East Europe is the home of several hundred engineers crucial for IoT segment development
- › We started to transfer IoT activities to East Europe which will bring segment EBITDA mid term > 10%
- › We will split segment IT services in:
  - › IoT solutions CEE
  - › IT services
- › IT Services DACH: focus on Germany, EE nearshoring; FC 2021 EUR 70 Mio. grows to FC 2023 > EUR 100 Mio.

**Target: improve EBITDA margin to > 10% (mix of IoT and service revenue)**

\* 3<sup>rd</sup> Party revenue including intercompany revenue in Mio. EUR  
 \*\* EBITDA before charged management fees from S&T AG (part of IT Services Segment); EBITDA after management fees: MEUR 12.3 (Q1-2021), MEUR 7.2 (Q1-2020)  
 \*\*\* HQ-fee adjusted EBITDA in % of external revenue

# IOT SOLUTIONS EUROPE

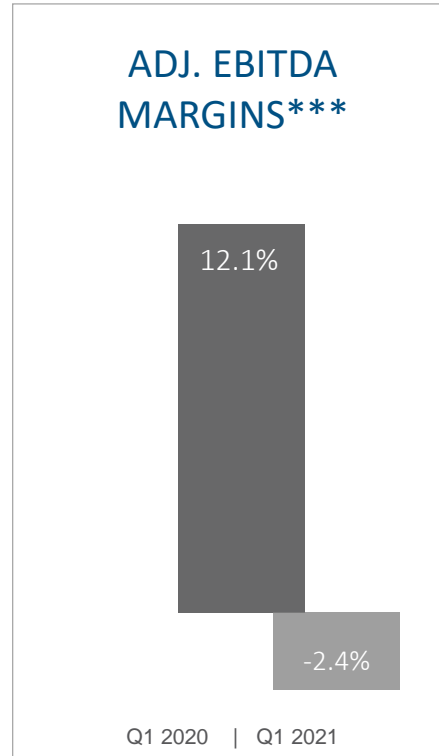
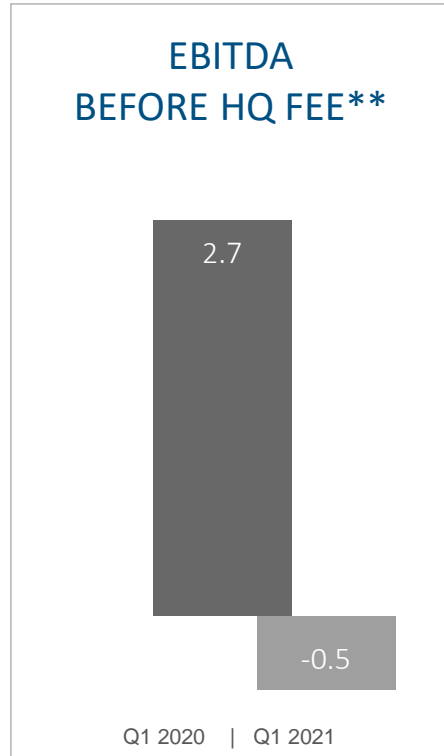
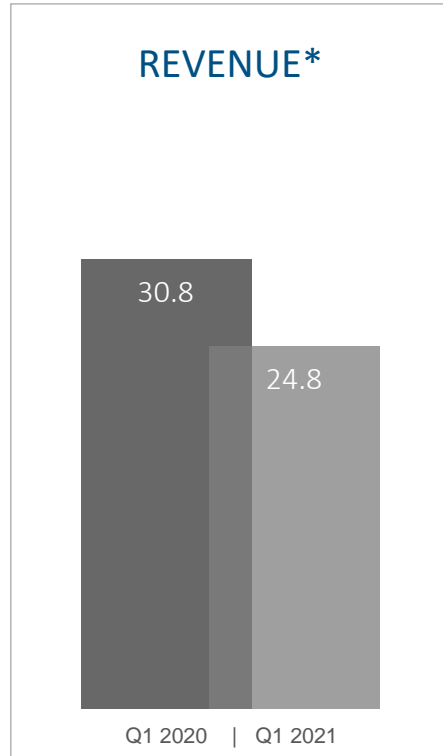


- › Highest EBITDA contributor to the group in 2020
- › Business resilient/profitting from Corona crisis:
  - › Medical booming (Dräger, Maquet, GEHC)
  - › Public business (Transportation)
  - › No more subsidies in 2021 due to full utilization
- › EBITDA margin diluted by M&A (Iskratel)
- › M2M (IIoT) communication expanded by newly acquired 5G know-how (Iskratel)
- › Strong growth due to growing IIoT market
- › Process to transfer more to East Europe for cost reasons

“IoT Solutions Europe” will benefit a lot from 5G implementation in the next 3 years

\* 3<sup>rd</sup> Party revenue including intercompany revenue in Mio. EUR  
 \*\* EBITDA before charged management fees from S&T AG (part of IT Services Segment); EBITDA after management fees: MEUR 16.8 (Q1-2021), MEUR 15.7 (Q1-2020)  
 \*\*\* HQ-fee adjusted EBITDA in % of external revenue

# IOT SOLUTIONS AMERICA



- › Weak results in Q1 2021 based on:
  - › EUR 3.1 Mio. delayed shipments (chip shortage)
  - › EUR 2.5 Mio. on FX, USD lost 9.2% (Q1-21 FX=1.205 vs Q1-20 FX=1.103)
  - › Avionics only EUR 3 Mio. in Q1 but picking up in USA
  - › 458 TEUR further severances
  - › 225 TEUR A/R write-off in avionics
- › Q2 will improve significantly based on delayed shipments
- › FY 2021 at level of 2020 (EUR 152 Mio.) @ 8% EBITDA
- › Mid term: 14% adjusted EBITDA Margin
- › R&D center for autonomous driving and avionics

“IoT Solutions America” hit by chip crisis, USD development and Avionics

\* 3<sup>rd</sup> Party revenue including intercompany revenue in Mio. EUR  
 \*\* EBITDA before charged management fees from S&T AG (part of IT Services Segment); EBITDA after management fees: MEUR -0.8 (Q1-2021), MEUR 2.1 (Q1-2020)  
 \*\*\* HQ-fee adjusted EBITDA in % of external revenue

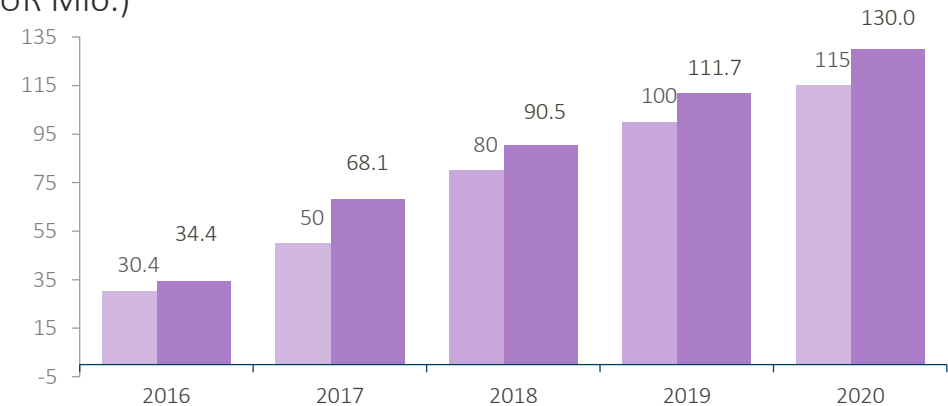
### TTS PROGRAM – REGAIN TRUST

- › Investor Communities lost trust in S&T Management
  - › S&T always achieved or over-achieved its guidance since 2010
  - › While we almost doubled KPI's since 2017, share price is flat
  - › Short Recommendation has raised concerns in respect to profitability and cash flow (addressed via PEC Program) and transparency
- › With our TTS program, we want to
  - › Regain Trust
  - › Provide Transparency via Additional Disclosures
  - › Increase Dividends and SBP as part of Shareholder Focus



### GUIDANCE TRACK RECORD (EBITDA FC VS ACT)

(in EUR Mio.)



### TRANSPARENCY | ADDITIONAL DISCLOSURES

- › New Disclosures
  - › One-time effects on P&L
  - › One-time effects on cash flow
  - › Organic growth
  - › M&A impact on accruals
  - › Geographical exposure on Revenue/EBITDA
  - › Recurring Revenues
  - › Backlog by segments
- › 442 investor meetings in 2020 – 117 in Q1/2021

# SHAREHOLDER FOCUS

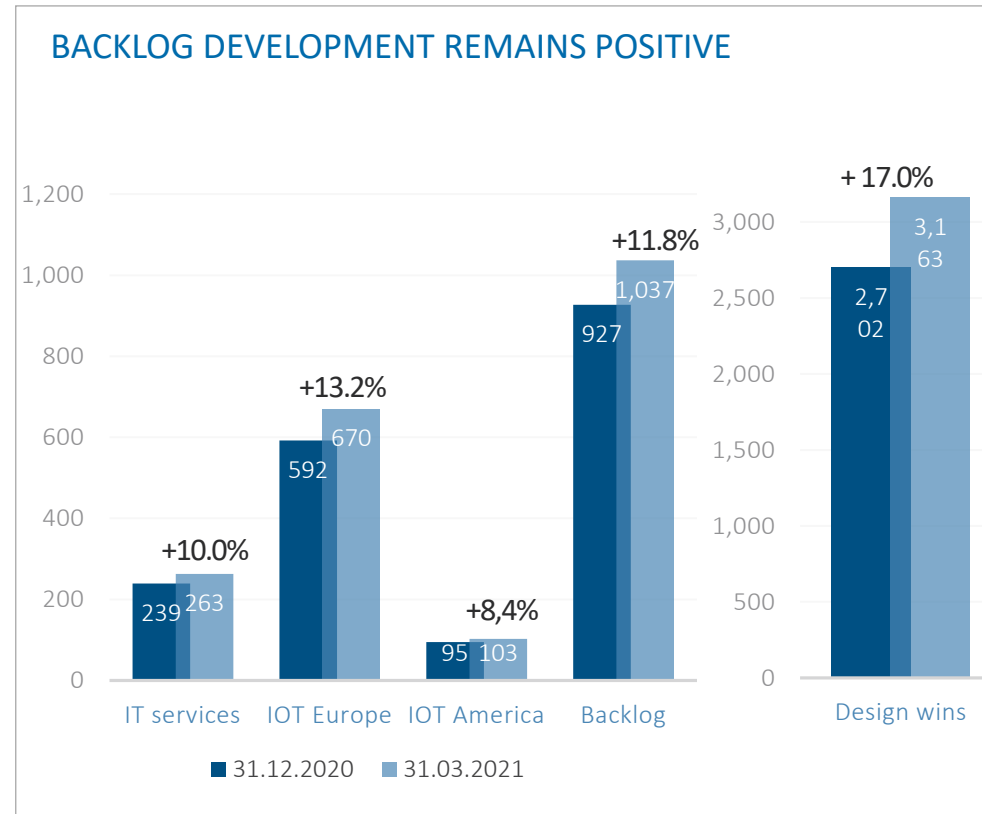
## TTS PROGRAM | DIVIDEND AND SHARE BUY BACKS



- › Strategy: use 50% of net profits as dividend or share buybacks
- › We propose a dividend of 30 Cent for 2020
- › Why do we buy back shares ?
  - › Shares will be used as currency for M&A
  - › Currently S&T is valued at 10 times EBITDA, our M&A targets and peers are valued higher -> we limit buy backs at EUR 22,50
  - › EUR 400 Mio. available funds (cash, lines, own shares and cashflow)
- › EUR 33 Mio. spent since 2019 – EUR 10 Mio. new program starting May

DIVIDEND & SHARE BUY BACKS	2019	2020	2021	Comment
Dividend (cent)	16		30	Dividend for FY 2020 = 1.4% of share price
Total Dividend (EUR Mio.)	10.6		19.5	2019 no dividend (to get Covid-19 subsidies)
Share Buy backs (EUR Mio.)	14.6	20.3	21.0	2021: EUR 11 Mio. spend + new program
<b>TOTAL SPENDINGS (EUR Mio.)</b>	<b>25.2</b>	<b>20.3</b>	<b>40.5</b>	

# BACKLOG & OPPORTUNITIES ORDERS AND DESIGN WINS REMAIN STRONG IN Q1 2021



## RECENT DESIGN WINS

	COUNTRY	VOLUME EUR
Medical respirator machines	GER	62 Mio.
Public contracts	PL	46 Mio.
Control for high-speed train	CZ,LIT,DE,FR,UK	81 Mio.
AI for robots	GER	25 Mio.
Medical surgical robots	USA	20 Mio.

## TOP CUSTOMERS 2020

	COUNTRY	VOLUME EUR
Medical respirator machines	GER	33 Mio.
Social media compression system	USA	25 Mio.
Global leader in medical equipment	USA	22 Mio.
Control for high-speed train	UK	25 Mio.
Avionics Entertainment System	CN	16 Mio.

Top 10 customers account for 19% of Revenues, totally >3000 customers

Record order entry of EUR 404 Mio (Revenues EUR 294 Mio.) indicates strong further growth in FY2021

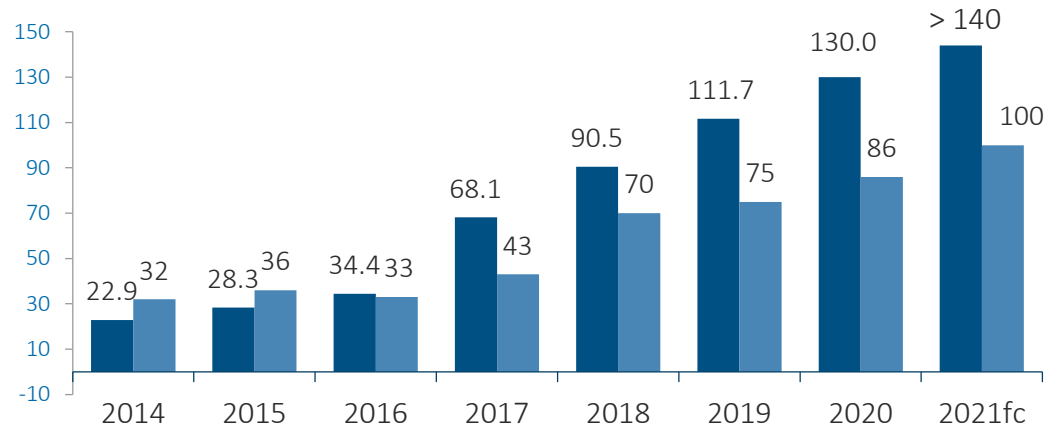
# GUIDANCE 2021

## CONTINUOUS GROWTH IN REVENUES, EBITDA AND EPS



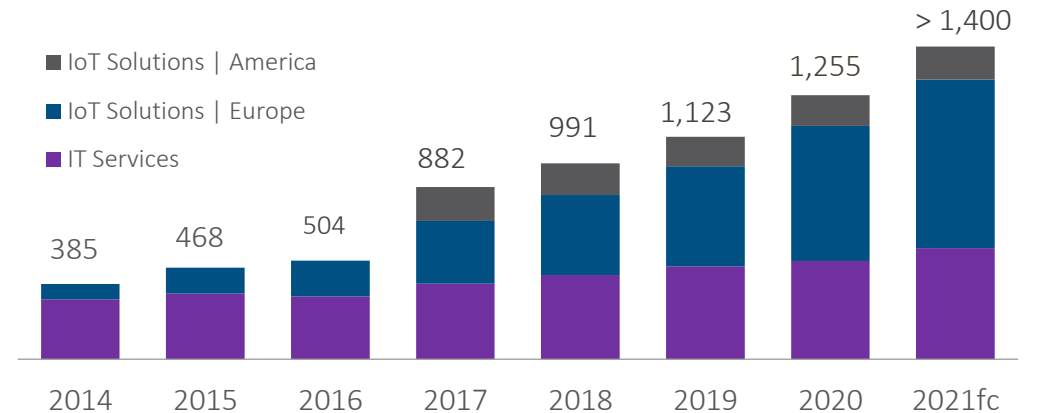
### EBITDA / EPS

(IN EUR MIO. / CENT)



### REVENUE

(IN EUR MIO.)



Backlog EUR Mio.	12/14	12/15	12/16	12/17	12/18	12/19	12/20
Project Pipeline	644	701	1,002	1,105	1,632	2,158	2,702
Scheduled Orders	157	181	306	474	841	841	927

### CONTINUOUS GROSS MARGIN AND EBITDA MARGIN GROWTH

GM	33.0 %	33.9 %	33.5 %	35.7 %	35.0 %	36.3 %	36.3 %	> 37%
EBITDA	5.9 %	6.0 %	6.8 %	7.7 %	9.1 %	9.9 %	10.4 %	>10%

Guidance 2021: min. EUR 1,400 Mio. Revenue – min. EUR 140 Mio. EBITDA – EPS 100 cent



# SHORT AND MIDTERM GOALS | VISION 2030



### GUIDANCE 2021

Revenue: minimum EUR 1,400 Mio.  
 EBITDA: minimum EUR 140 Mio.  
 EPS: minimum 1 Euro

### AGENDA 2023

5 years plan	2018	2023p	Growth
Revenue	990 Mio.	2,000 Mio.	+102%
EBITDA	90.5 Mio.	220 Mio	+143%
EPS	70 cent	175 cent	+150%

## VISION 2030

Digitalization

SMART Technologies

Transformation to  
50% GM, 15% EBITDA

M&A Strategy

Brand Awareness

Based on current forecasts and order backlog we confirm all short – mid and long-term plans

# SUMMARY



## ACHIEVEMENTS

- › Revenue growth of 8.9% and EBITDA growth of 12.8%
- › No economic impact due to Covid-19-Pandemic
- › PEC Program is progressing well



## TARGETS

- › Guidance 2021:
  - › Revenue > EUR 1.4 Bn.
  - › EBITDA > EUR 140 Mio. and EPS ~ 1 EUR
- › EUR 2 Bn. Revenues at > 11% EBITDA in 2023
- › 2030: Transformation to IoT Service Player, EBITDA > 15%
- › Ongoing Working Capital improvement
- › MDAX membership



## RISKS

- › Chip shortage
- › US-Dollar development
- › Address right technology trends
- › Attract sufficient engineers to support growth



## OPPORTUNITIES

- › Leading technologies in the growing IIoT market
- › 5G connectivity for machines
- › Growth areas America + China

# EARNINGS CALL Q&A SESSION



- › Q: Going into Q2, can you shed some light on how the semi shortage developed in April? Is it still a fact or do you see some improvements moving towards the end of Q2? How should we think of the phasing of the semi shortage?
- › Q: Why are the inventories higher due to the chip shortage?
- › Q: Does the strong order intake you showed in the first quarter include any double orders of customers who want to be on the safe side to receive their orders?
- › Q: What was the order intake in Q1 2020?
- › S&T: We would have expected to be over 300 million in Q1 without the shortage. Due to the chip shortage we could not ship EUR 10,5 Mio of requested customer in time. In Q2 we will pick up some of that . Semi shortage will not be zero after Q2, it still will be a problem, but I assume, S&T will be well over 600 million after Q2. We assume that the delinquency will reduce from 10 to 6 million in Q2. By the end of 2021 all problems should be solved.
- › S&T: We face currently 62 chips on allocation. Out of those we could get hold of quantities on 43. Therefore we bought higher quantities of those to prepare for the future. (more than our regular 1 to 2 months approach). This increases the inventory. For the other chips on allocation we still fight to get them.
- › S&T: There are no double orders. We had an order intake of 404 million and 294 million of revenues in Q1. From the difference of 110 million, we estimate roughly 30 million to be orders placed earlier than normal but no double orders. As you can see the pipeline is also strong. We had a lot of design wins recently and more and more of them are ramping up now. Our order intake is also progressing well in April and we expect a strong order intake throughout the full year.
- › S&T: Around EUR 303 million in Q1 2020 (Q1 2021: EUR 404 Mio.).

# EARNINGS CALL Q&A SESSION



- › Q: On the project pipeline when I did the calculation correct, it has grown even more than the order intake. Could you share some information on this in terms of vertical markets?

- › S&T: Yes, the pipeline was growing even more. The public sector does currently extremely well. Surprisingly even in the USA. A country that never touched railways, now has a significant budget under the Biden administration. We compete here for high speed trains in California, which is usually a typically European business. Governments like to spend money for infrastructure projects, and environmental programs, and programs that help them to transform their economy.

We also see industry coming back, with a lot of orders coming from smart factories and smart industrialization. Why coming back? The more robots you have in a factory, the less it is important how much you pay the worker per hour. It is the robot anyway who does the job and the robots cost the same everywhere. So apart from the costs which are similar, also for sustainably reasons, there is a trend of bringing production back.

Still strong is health and medical. We recently won a design win for surgical robots and there is a big trend to get data of all kind of medical systems centralized.

Markets that don't do well now are avionics – we don't see that picking up, and when we talk about industry – the “not so smart” industrial equipment, the not connected equipment. Like human machine interfaces for PLC's, which is a very traditional industrial equipment.

Last segment that is also doing well is e-mobility. S&T designs systems for several autonomous driving vehicles. S&T will never be a big player in the mass market but we see a niche in professional use. We just got a design win for autonomous mining machines.

# EARNINGS CALL Q&A SESSION



- › **Q:** Going into On the avionics business, to get a sense on how this should develop going forward – obviously the industry is still in a very tough stage, on the other hand what we do see from airlines the procurement of new aircraft, which is more efficient, has not ended. The business that you have with upgrade vs. new aircraft delivery's how is that split and in general would you rather see given the Q1 development a steeper decline of the business or not necessarily?
  
- › **Q:** On SusieTec. You mentioned additional revenue of EUR 250 million out of software licenses. Is that a figure that you expect for the near future?
  
- › **Q:** The Iskratel revenue contribution in Q4 was 35 million but only 17 million in Q1 2021. Could you please clarify what is causing the seasonality in Iskratel revenues?
  
- › **S&T:** The split between refurbished and new, we are serving both, and the split is probably 50:50 or a little bit more refurbished than new equipment. In Europe avionics currently is dead, in the US they slowly start to have more in-country flights again. On the other hand, the European industry is in a better shape because of subsidies, whereas the American is in much worse shape. Currently we can get reasonable business only in China. China's in-country flights haven't been affected by any crises and we have good opportunities there. The forecast from avionics department is 18 million this year, we had less than 3 million in Q1.
  
- › **S&T:** This year IOT Software revenue will end up around 55 million euro. Each license pulls some edge IOT devices with it, so to the license revenue you can add 3 times revenues of edge devices that we sell with the software. Our target by 2023 is to get the software license revenue up to 100 million. This will come with at least 250 million IOT devices.
  
- › **S&T:** Iskratel has a lot of seasonality, also this year we are planning again, 35 million or more in Q4 2021. A lot of the Iskratel business is public business, which means it is planned and carried out according to the calendar year. At the end of the year the projects are finalized, you get paid and you can recognize the revenues. We are already working in Q1 on the revenues that we recognize at the end of the year. Midterm we expect that 5G IOT solutions will also attract more private business, which will reduce the seasonality.

# EARNINGS CALL Q&A SESSION



- › Q: On your plan to start a 4<sup>th</sup> segment – from the current IT Services business, proximately which share of revenue will be shifted to the new segment IOT EE?
- › Q: What is the reasoning why you don't just use the existing IT solutions Europe business, as the umbrella for the European operations? It might have been easier to form a single unit for the European market than to have 2 separate ones.
- › Q: Is the profitability of the segments quite comparable or is there a significant difference? And is that's also true for the current operations?
- › Q: On M&A – given that we are in May and you target is 100 million, acquisition of additional revenues, how committed are you in any case to achieve this kind of target? Would you be potentially willing to pay higher prices? Do you push for achieving the revenue target at any price?
- › S&T: We don't have the exact numbers yet but estimate 30-35% to be IoT business and 2/3 to be IT Services. However, the IoT part is growing faster, so by the time we implement the new segment split, it will be already a higher number than the estimated one.
- › S&T: Main reason is that segments are formed on how they are controlled. Since different board members control operations in East and West Europe we opted for 2 segments. Second reason is transparency – to split into IT services and IoT is similar like in the past and therefore it's easier to compare the numbers.
- › S&T: Yes, there is a difference, IOT can make more money than IT Services. Iskratel was just newly acquired so we have some work to do, but let's say in 2 years' time Iskratel will be for sure around 10 % EBITDA, IT services won't achieve that in 2 years.
- › S&T: Internally we have very clear rules how we do acquisitions, for example we declared that we will not do acquisitions in problematic areas, like Russia. Another rule is that since S&T is valued at 10 times EBITDA, we will not buy companies more expensive than S&T. We will walk away from the deal if the price is not in a range where we expect it. This year we walked away from 3 to 4 deals already because they were too expensive. There will be always companies in financial troubles. Private equity cannot restructure them like us they have no synergies to raise. When prices are too high, we will not achieve 100 million this year but probably buy 200 million next year.

# EARNINGS CALL Q&A SESSION



- › Q: What was the M&A contribution in Q1?
- › Q: Looking at Q1 2020 vs. Q1 2021 I would suspect, given the different phasing of Covid-19 and the respective effects allowed for some cost savings vs. Q1 20. Should we see it as a short-term effect that you had rather low operating expenses?
- › Q: On CAPEX, the investments are higher than usually in the first quarter, what are the reasons?
- › Q: How should we think about the decline of factoring? Do you have plans to exit from factoring as you obviously have some access cash?
- › S&T: Around 26 million of revenue.
- › S&T: We had 2020 quite a lot of subsidies in the range of 5.9 million. We will have additional cost savings, less travel cost, less office costs and so forth. It is a challenge to compensate the 2020 subsidies which we will not get in 2021 or at a much reduces level. You should expect even more cost reductions but less subsidies.
- › S&T: 2 reasons for slightly higher CAPEX: 1) we completed some investments for the building in Germany that we acquired by the end of last year, and 2) we also pulled some investments earlier, in the year 2021. For example, in Austria the state is granting the so called “Investitionsprämie” on a twice high amount till end of May for investments into environmentally friendly energy production, etc.
- › S&T: One of the big advantages of the factoring program is the flexibility. We can balance it according to our cash needs, and given the high liquidity position, and the lower flexibility of the banks, what concerns negative interest rates pass on, we decided to reduce the factoring amount for now. Depending on additional the cash needs, for example for M&A transactions, we can ramp it up anytime. Therefore factoring is attractive for us and stays as one of the financing strategies of S&T.



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