

Buy (old: Buy)

Price target: EUR 11.00 (old: EUR 11.00)

Price:	EUR 9.35	Next result:	Q3 '16: 04.11.16
Bloomberg:	SANT GR	Market cap:	EUR 409.9 m
Reuters:	SANT1.DE	Enterprise Value:	EUR 388.8 m

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Game-changing co-operation with Foxconn and Kontron

What has happened: The world's largest electronics contract manufacturer Foxconn (Taiwan) has announced its subsidiary Ennoconn will buy a 29.4% stake in S&T – a **strong sign of confidence in S&T's technology and potential**. The respective shares should mostly come from Private Equity Grosso (c. 15%) and a 10% capital raise fully subscribed for by Foxconn (new shares subscribed at € 10 per share).

What is important to know: CEO Niederhauser will only sell c. 2% of his personal shareholdings to Foxconn. After the transaction, CEO Niederhauser will continue to own slightly more than 5% of S&T (eH&A; total holdings) **thus remaining committed to the company**.

With the proceeds from the capital increase, S&T will acquire a 29.9% stake in Kontron. **Key details have not yet been provided**. The capital increase will yield c. € 44m proceeds while S&T agreed to pay **€ 60m (c. € 3.60 per share) for the Kontron stake**.

Our view on the transaction is positive.

- **Lifting S&T to a whole new level.** The triumvirate S&T / Foxconn / Kontron will strive to become the market leader for embedded computers targeting IoT applications. To this end, Foxconn will take care of engineering and manufacturing, Kontron will customise the product to meet customer / end-market demands and S&T will contribute its software solutions. **Investors should expect new products to hit the market within 3-6 months**. Further, Foxconn will serve as a new distribution channel for S&T in APAC massively expanding the addressable market.
- **Turning Kontron around.** While we consider Kontron a weak standalone investment case (last rating: Sell), we expect S&T to soon take action to turn Kontron around. Importantly, **S&T's CEO Niederhauser knows Kontron inside out** having led the company to glory from 2000-2007. First actions should include cost-cutting (i.e. trimming bloated admin) and technology/production optimisation (i.e. adding software to Kontron's embedded computers; sourcing hardware from Asia rather than Europe). **Niederhauser is confident to make Kontron profitable within 6 months** (H1 '16: € -15m adjusted EBIT). Note that his turnaround execution was excellent with former targets NES (USA) and the "old" S&T (Austria). – *continued* –



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 10.96 / 4.46

Price/Book Ratio: 4.0

Relative performance (TecDAX):

3 months	29.1 %
6 months	48.8 %
12 months	124.5 %

Changes in estimates

		Sales	EBIT	EPS
2016	old:	500.0	23.7	0.40
	Δ	-	-	-
2017	old:	560.0	27.4	0.50
	Δ	-	-	-
2018	old:	602.0	32.2	0.60
	Δ	-	-	-

Key share data:

Number of shares: (in m pcs)	43.8
Authorised capital: (in € m)	12.1
Book value per share: (in €)	2.6
Ø trading volume: (12 months)	60,000

Major shareholders:

Free Float	86.0 %
Grosso	14.0 %
CEO (incl. in Free Float)	>5.0 %

Company description:

S&T combines an IT system house business with a portfolio of security appliances targeting Cloud Computing applications.

Y/E 31.12 (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
Sales	339.5	337.9	385.5	468.2	500.0	560.0	602.0
Sales growth	122 %	0 %	14 %	21 %	7 %	12 %	8 %
EBITDA	16.6	20.1	22.9	28.4	32.5	36.4	41.2
EBIT	11.1	14.3	16.6	20.6	23.7	27.4	32.2
Net income	7.7	11.7	13.0	15.8	17.8	21.8	26.3
Net debt	19.4	9.3	1.5	-9.4	-23.5	-37.7	-58.4
Net gearing	31.4 %	13.5 %	1.7 %	-9.4 %	-20.4 %	-28.3 %	-37.6 %
Net Debt/EBITDA	1.2	0.5	0.1	0.0	0.0	0.0	0.0
EPS pro forma	0.20	0.30	0.30	0.36	0.40	0.50	0.60
CPS	0.16	0.15	0.35	0.50	0.44	0.47	0.62
DPS	0.00	0.06	0.07	0.08	0.09	0.10	0.12
Dividend yield	0.0 %	0.6 %	0.7 %	0.9 %	1.0 %	1.1 %	1.3 %
Gross profit margin	34.4 %	33.1 %	33.2 %	34.3 %	33.9 %	34.2 %	34.5 %
EBITDA margin	4.9 %	5.9 %	5.9 %	6.1 %	6.5 %	6.5 %	6.8 %
EBIT margin	3.3 %	4.2 %	4.3 %	4.4 %	4.7 %	4.9 %	5.3 %
ROCE	8.3 %	10.8 %	12.4 %	13.8 %	14.9 %	16.6 %	17.3 %
EV/sales	1.1	1.1	1.1	0.8	0.8	0.7	0.6
EV/EBITDA	23.6	18.9	17.8	14.0	12.0	10.3	8.6
EV/EBIT	35.0	26.6	24.6	19.3	16.4	13.7	11.0
PER	47.5	31.3	31.1	26.0	23.2	18.9	15.7
Adjusted FCF yield	2.6 %	3.9 %	3.9 %	5.2 %	6.0 %	7.2 %	8.8 %

Source: Company data, Hauck & Aufhäuser Close price as of: 12.10.2016

The next steps: We expect S&T to consolidate Kontron – and possibly merge with the target – only after a successful restructuring. This should hence be 6-12 months out, in our view. We will incorporate the Foxconn / Kontron transaction into our model once contracts are signed (currently: final stages) and the capital increase has been carried out.

The capital market is yet busy digesting the deal – investors are advised to use share price weakness to BUY as the co-operation with Foxconn and Kontron should herald the start of a new growth era for S&T. The € 11.00 PT is based on FCFY 2018E.

Financials

Profit and loss (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
Net sales	339.5	337.9	385.5	468.2	500.0	560.0	602.0
<i>Sales growth</i>	121.5 %	-0.5 %	14.1 %	21.4 %	6.8 %	12.0 %	7.5 %
Increase/decrease in finished goods and work-in-process	0.3	0.9	1.2	2.7	1.0	1.0	1.1
Total sales	339.8	338.8	386.8	470.9	501.0	561.0	603.1
Other operating income	6.4	6.7	5.0	6.3	4.0	3.3	3.3
Material expenses	222.9	226.7	258.3	309.3	331.0	369.4	394.9
Personnel expenses	71.9	66.2	72.4	89.5	95.9	107.4	115.4
Other operating expenses	34.9	32.5	38.2	50.0	45.6	51.1	54.9
Total operating expenses	323.3	318.7	363.9	442.6	468.5	524.6	561.9
EBITDA	16.6	20.1	22.9	28.4	32.5	36.4	41.2
Depreciation	2.7	2.3	2.2	7.7	4.3	4.8	5.0
EBITA	13.8	17.8	20.7	20.6	28.2	31.6	36.2
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	2.7	3.5	4.1	0.0	4.5	4.2	4.0
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	11.1	14.3	16.6	20.6	23.7	27.4	32.2
Interest income	0.6	0.5	1.6	0.3	0.3	0.3	0.4
Interest expenses	2.0	2.7	3.2	3.0	2.6	2.0	2.0
Other financial result	0.0	0.0	-0.3	0.5	-0.2	-0.1	0.0
Financial result	-1.4	-2.2	-1.8	-2.2	-2.5	-1.7	-1.6
Recurring pretax income from continuing operations	9.8	12.1	14.8	18.4	21.1	25.7	30.6
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	9.8	12.1	14.8	18.4	21.1	25.7	30.6
Taxes	0.3	0.1	0.8	0.8	1.5	1.8	2.1
Net income from continuing operations	9.4	11.9	14.0	17.6	19.6	23.9	28.5
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	9.4	11.9	14.0	17.6	19.6	23.9	28.5
Minority interest	1.7	0.2	1.0	1.8	1.9	2.0	2.2
Net income (net of minority interest)	7.7	11.7	13.0	15.8	17.8	21.8	26.3
Average number of shares	28.3	39.2	41.2	43.5	43.8	43.8	43.8
EPS reported	0.27	0.30	0.32	0.36	0.41	0.50	0.60

Profit and loss (common size)	2012	2013	2014	2015	2016E	2017E	2018E
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	0.1 %	0.3 %	0.3 %	0.6 %	0.2 %	0.2 %	0.2 %
Total sales	100.1 %	100.3 %	100.3 %	100.6 %	100.2 %	100.2 %	100.2 %
Other operating income	1.9 %	2.0 %	1.3 %	1.3 %	0.8 %	0.6 %	0.5 %
Material expenses	65.6 %	67.1 %	67.0 %	66.1 %	66.2 %	66.0 %	65.6 %
Personnel expenses	21.2 %	19.6 %	18.8 %	19.1 %	19.2 %	19.2 %	19.2 %
Other operating expenses	10.3 %	9.6 %	9.9 %	10.7 %	9.1 %	9.1 %	9.1 %
Total operating expenses	95.2 %	94.3 %	94.4 %	94.5 %	93.7 %	93.7 %	93.3 %
EBITDA	4.9 %	5.9 %	5.9 %	6.1 %	6.5 %	6.5 %	6.8 %
Depreciation	0.8 %	0.7 %	0.6 %	1.7 %	0.9 %	0.9 %	0.8 %
EBITA	4.1 %	5.3 %	5.4 %	4.4 %	5.6 %	5.6 %	6.0 %
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	0.8 %	1.0 %	1.1 %	0.0 %	0.9 %	0.8 %	0.7 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT	3.3 %	4.2 %	4.3 %	4.4 %	4.7 %	4.9 %	5.3 %
Interest income	0.2 %	0.1 %	0.4 %	0.1 %	0.1 %	0.1 %	0.1 %
Interest expenses	0.6 %	0.8 %	0.8 %	0.6 %	0.5 %	0.3 %	0.3 %
Other financial result	0.0 %	0.0 %	-0.1 %	0.1 %	0.0 %	0.0 %	0.0 %
Financial result	-0.4 %	-0.7 %	-0.5 %	-0.5 %	-0.5 %	-0.3 %	-0.3 %
Recurring pretax income from continuing operations	2.9 %	3.6 %	3.8 %	3.9 %	4.2 %	4.6 %	5.1 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	2.9 %	3.6 %	3.8 %	3.9 %	4.2 %	4.6 %	5.1 %
Tax rate	3.4 %	1.1 %	5.2 %	4.3 %	7.0 %	7.0 %	7.0 %
Net income from continuing operations	2.8 %	3.5 %	3.6 %	3.8 %	3.9 %	4.3 %	4.7 %
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	2.8 %	3.5 %	3.6 %	3.8 %	3.9 %	4.3 %	4.7 %
Minority interest	0.5 %	0.1 %	0.3 %	0.4 %	0.4 %	0.4 %	0.4 %
Net income (net of minority interest)	2.3 %	3.5 %	3.4 %	3.4 %	3.6 %	3.9 %	4.4 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
Intangible assets	39.7	44.8	57.1	72.8	74.5	73.7	72.7
Property, plant and equipment	9.9	9.0	11.4	15.2	13.4	14.2	14.6
Financial assets	3.8	2.8	3.8	3.1	3.1	3.1	3.1
FIXED ASSETS	53.4	56.5	72.3	91.0	91.0	90.9	90.4
Inventories	23.4	22.7	30.0	28.7	30.7	34.3	36.9
Accounts receivable	81.9	71.6	95.7	86.4	92.3	103.4	111.1
Other current assets	15.4	15.2	22.0	36.7	37.6	38.5	39.5
Liquid assets	29.9	42.9	39.5	60.3	53.5	67.7	88.4
Deferred taxes	9.9	11.1	13.6	15.9	15.9	15.9	15.9
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	160.5	163.6	200.8	228.0	230.0	259.9	291.8
TOTAL ASSETS	214.0	220.1	273.1	319.1	321.0	350.8	382.2
SHAREHOLDERS EQUITY	61.8	69.2	86.9	99.8	115.1	133.1	155.3
MINORITY INTEREST	2.2	2.1	2.8	2.4	2.4	2.4	2.4
Long-term debt	11.5	23.9	26.1	28.1	15.0	15.0	15.0
Provisions for pensions and similar obligations	3.0	2.9	2.3	2.5	2.5	2.5	2.6
Other provisions	17.2	3.9	4.6	6.0	6.1	6.3	6.5
Non-current liabilities	31.7	30.7	33.0	36.5	23.7	23.9	24.1
short-term liabilities to banks	37.8	28.4	14.8	22.9	15.0	15.0	15.0
Accounts payable	53.7	46.6	74.2	70.1	74.9	83.8	90.1
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)	25.6	41.8	59.9	85.9	88.5	91.1	93.8
Deferred taxes	1.2	1.4	1.5	1.4	1.4	1.4	1.4
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	118.3	118.1	150.3	180.3	179.8	191.4	200.4
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	214.0	220.1	273.1	319.1	321.0	350.8	382.2

Balance sheet (common size)	2012	2013	2014	2015	2016E	2017E	2018E
Intangible assets	18.6 %	20.3 %	20.9 %	22.8 %	23.2 %	21.0 %	19.0 %
Property, plant and equipment	4.6 %	4.1 %	4.2 %	4.7 %	4.2 %	4.0 %	3.8 %
Financial assets	1.8 %	1.3 %	1.4 %	1.0 %	1.0 %	0.9 %	0.8 %
FIXED ASSETS	25.0 %	25.7 %	26.5 %	28.5 %	28.3 %	25.9 %	23.6 %
Inventories	10.9 %	10.3 %	11.0 %	9.0 %	9.6 %	9.8 %	9.7 %
Accounts receivable	38.3 %	32.6 %	35.0 %	27.1 %	28.8 %	29.5 %	29.1 %
Other current assets	7.2 %	6.9 %	8.1 %	11.5 %	11.7 %	11.0 %	10.3 %
Liquid assets	14.0 %	19.5 %	14.5 %	18.9 %	16.7 %	19.3 %	23.1 %
Deferred taxes	4.6 %	5.1 %	5.0 %	5.0 %	5.0 %	4.5 %	4.2 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
CURRENT ASSETS	75.0 %	74.3 %	73.5 %	71.5 %	71.7 %	74.1 %	76.4 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	28.9 %	31.4 %	31.8 %	31.3 %	35.9 %	38.0 %	40.6 %
MINORITY INTEREST	1.0 %	0.9 %	1.0 %	0.8 %	0.8 %	0.7 %	0.6 %
Long-term debt	5.4 %	10.9 %	9.6 %	8.8 %	4.7 %	4.3 %	3.9 %
Provisions for pensions and similar obligations	1.4 %	1.3 %	0.8 %	0.8 %	0.8 %	0.7 %	0.7 %
Other provisions	8.0 %	1.8 %	1.7 %	1.9 %	1.9 %	1.8 %	1.7 %
Non-current liabilities	14.8 %	14.0 %	12.1 %	11.5 %	7.4 %	6.8 %	6.3 %
short-term liabilities to banks	17.7 %	12.9 %	5.4 %	7.2 %	4.7 %	4.3 %	3.9 %
Accounts payable	25.1 %	21.2 %	27.2 %	22.0 %	23.3 %	23.9 %	23.6 %
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)	11.9 %	19.0 %	21.9 %	26.9 %	27.6 %	26.0 %	24.6 %
Deferred taxes	0.6 %	0.6 %	0.5 %	0.5 %	0.4 %	0.4 %	0.4 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Current liabilities	55.3 %	53.7 %	55.1 %	56.5 %	56.0 %	54.6 %	52.4 %
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)	2012	2013	2014	2015	2016E	2017E	2018E
Net profit/loss	9.4	11.9	14.0	17.6	19.6	23.9	28.5
Depreciation of fixed assets (incl. leases)	2.7	2.3	2.2	7.7	4.3	4.8	5.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	2.7	3.5	4.1	0.0	4.5	4.2	4.0
Others	2.3	-10.6	4.1	-5.2	0.0	0.0	0.0
Cash flow from operations before changes in w/c	17.2	7.2	24.4	20.2	28.5	32.9	37.5
Increase/decrease in inventory	-2.8	0.7	-7.4	1.3	-2.0	-3.7	-2.6
Increase/decrease in accounts receivable	3.1	10.3	-24.0	9.2	-5.9	-11.1	-7.8
Increase/decrease in accounts payable	-6.9	-7.1	27.6	-4.1	4.8	9.0	6.3
Increase/decrease in other working capital positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	-6.6	3.9	-3.8	6.5	-3.1	-5.8	-4.0
Cash flow from operating activities	10.6	11.1	20.6	26.7	25.4	27.1	33.5
CAPEX	3.2	5.8	5.8	9.5	8.8	9.0	8.4
Payments for acquisitions	0.2	-4.6	5.5	0.4	0.0	0.0	0.0
Financial investments	-0.6	0.2	1.7	0.6	0.0	0.0	0.0
Income from asset disposals	0.5	1.4	0.4	0.9	1.0	0.0	0.0
Cash flow from investing activities	-2.2	0.0	-12.6	-9.6	-7.8	-9.0	-8.4
Cash flow before financing	8.4	11.1	8.0	17.1	17.6	18.1	25.1
Increase/decrease in debt position	-13.2	1.9	3.1	6.1	-21.0	0.0	0.0
Purchase of own shares	0.0	1.3	0.0	n/a	0.0	0.0	0.0
Capital measures	1.7	-0.1	10.5	0.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	2.4	3.1	3.5	3.9	4.4
Others	-0.3	-2.1	1.3	-3.8	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.5	-0.5	-1.1	0.5	0.0	0.0	0.0
Cash flow from financing activities	-11.8	-1.6	12.5	-0.7	-24.4	-3.9	-4.4
Increase/decrease in liquid assets	-2.9	9.1	19.5	16.8	-6.8	14.2	20.7
Liquid assets at end of period	29.9	42.9	39.5	60.3	53.5	67.7	88.4

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
Domestic	70.0	68.4	65.1	65.5	65.0	72.8	78.3
yoy change	62.2 %	-2.4 %	-4.8 %	0.7 %	-0.8 %	12.0 %	7.5 %
Rest of Europe	269.5	269.6	320.5	402.6	435.0	487.2	523.7
yoy change	144.8 %	0.0 %	18.9 %	25.6 %	8.0 %	12.0 %	7.5 %
NAFTA	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
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	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
TTL	339.5	337.9	385.5	468.2	500.0	560.0	602.0
yoy change	121.5 %	-0.5 %	14.1 %	21.4 %	6.8 %	12.0 %	7.5 %

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
P&L growth analysis							
Sales growth	121.5 %	-0.5 %	14.1 %	21.4 %	6.8 %	12.0 %	7.5 %
EBITDA growth	35.1 %	21.3 %	14.0 %	23.9 %	14.4 %	12.2 %	13.2 %
EBIT growth	17.4 %	28.2 %	16.2 %	24.1 %	14.7 %	15.9 %	17.5 %
EPS growth	-6.6 %	9.3 %	5.4 %	15.3 %	11.5 %	22.9 %	20.5 %
Efficiency							
Total operating costs / sales	95.2 %	94.3 %	94.4 %	94.5 %	93.7 %	93.7 %	93.3 %
Sales per employee	203.6	211.9	203.5	209.9	222.0	246.2	262.0
EBITDA per employee	9.9	12.6	12.1	12.7	14.4	16.0	17.9
Balance sheet analysis							
Avg. working capital / sales	14.2 %	14.7 %	12.9 %	10.3 %	9.3 %	9.1 %	9.3 %
Inventory turnover (sales/inventory)	14.5	14.9	12.8	16.3	16.3	16.3	16.3
Trade debtors in days of sales	88.1	77.4	90.6	67.4	67.4	67.4	67.4
A/P turnover [(A/P*365)/sales]	57.7	50.3	70.2	54.6	54.6	54.6	54.6
Cash conversion cycle (days)	38.5	38.9	28.2	18.6	18.7	18.5	18.2
Cash flow analysis							
Free cash flow	7.5	5.3	14.8	17.2	16.6	18.1	25.1
Free cash flow/sales	2.2 %	1.6 %	3.8 %	3.7 %	3.3 %	3.2 %	4.2 %
FCF / net profit	96.4 %	45.3 %	114.1 %	108.6 %	93.6 %	83.1 %	95.1 %
Capex / depre	46.9 %	103.4 %	119.1 %	130.9 %	99.4 %	99.6 %	93.6 %
Capex / maintenance capex	n/a	78.4 %	37.3 %	44.8 %	41.0 %	88.9 %	86.0 %
Capex / sales	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Security							
Net debt	19.4	9.3	1.5	-9.4	-23.5	-37.7	-58.4
Net Debt/EBITDA	1.2	0.5	0.1	0.0	0.0	0.0	0.0
Net debt / equity	0.3	0.1	0.0	-0.1	-0.2	-0.3	-0.4
Interest cover	5.6	5.3	5.2	6.9	9.0	14.1	16.5
Dividend payout ratio	0.0 %	20.1 %	23.3 %	21.9 %	22.2 %	20.1 %	20.0 %
Asset utilisation							
Capital employed turnover	2.5	2.6	2.8	2.9	3.2	3.2	3.1
Operating assets turnover	5.5	6.0	6.1	7.8	8.1	8.2	8.3
Plant turnover	34.2	37.6	33.7	30.9	37.4	39.6	41.3
Inventory turnover (sales/inventory)	14.5	14.9	12.8	16.3	16.3	16.3	16.3
Returns							
ROCE	8.3 %	10.8 %	12.4 %	13.8 %	14.9 %	16.6 %	17.3 %
ROE	12.5 %	17.0 %	14.9 %	15.9 %	15.4 %	16.4 %	17.0 %
Other							
Interest paid / avg. debt	3.7 %	5.3 %	6.8 %	6.5 %	6.5 %	6.5 %	6.5 %
No. employees (average)	1668	1595	1895	2230	2252	2275	2298
Number of shares	28.3	39.2	41.2	43.5	43.8	43.8	43.8
DPS	0.0	0.1	0.1	0.1	0.1	0.1	0.1
EPS reported	0.27	0.30	0.32	0.36	0.41	0.50	0.60
Valuation ratios							
P/BV	6.0	5.3	4.7	4.1	3.6	3.1	2.7
EV/sales	1.1	1.1	1.1	0.8	0.8	0.7	0.6
EV/EBITDA	23.6	18.9	17.8	14.0	12.0	10.3	8.6
EV/EBITA	28.2	21.4	19.8	19.3	13.8	11.9	9.8
EV/EBIT	35.0	26.6	24.6	19.3	16.4	13.7	11.0
EV/FCF	52.3	71.5	27.5	23.1	23.4	20.6	14.1
Adjusted FCF yield	2.6 %	3.9 %	3.9 %	5.2 %	6.0 %	7.2 %	8.8 %
Dividend yield	0.0 %	0.6 %	0.7 %	0.9 %	1.0 %	1.1 %	1.3 %

Source: Company data, Hauck & Aufhäuser

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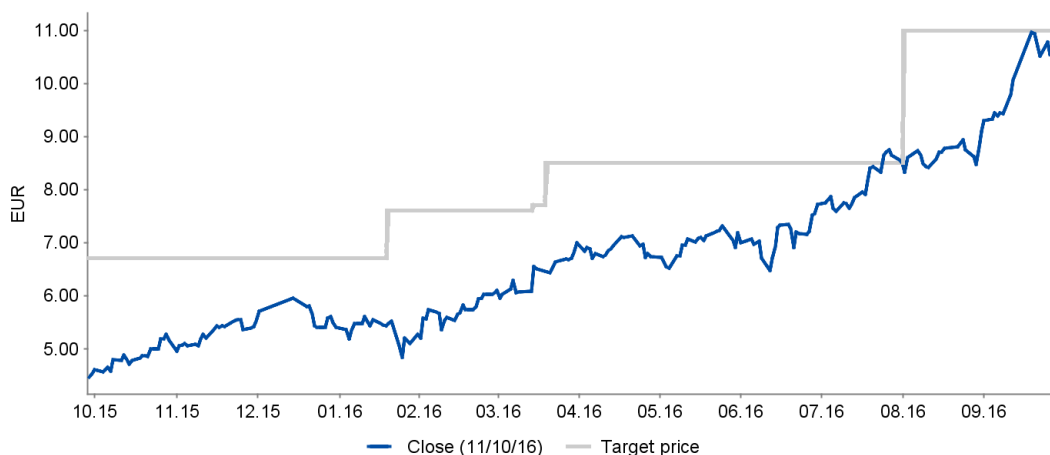
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Company	Disclosure
S&T AG	2, 3

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

**Price and Rating History
S&T AG as of 13/10/16**

Initiation coverage
30-May-12



Company	Date	Analyst	Rating	Target price	Close
S&T AG	17.08.2016		Buy	EUR 11.00	-
	03.08.2016		Buy	EUR 8.50	-
	04.05.2016		Buy	EUR 8.50	-
	29.04.2016		Buy	EUR 8.50	-
	05.04.2016		Buy	EUR 8.50	-
	30.03.2016		Buy	EUR 7.70	-

24.03.2016	Buy	EUR 7.60	-
04.02.2016	Buy	EUR 7.60	-
20.01.2016	Buy	EUR 6.70	-
01.12.2015	Buy	EUR 6.70	-
04.11.2015	Buy	EUR 6.70	-

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