



Buy (old: Buy)

Price target: EUR 13.60 (old: EUR 13.60)

Price:	EUR 12.97	Next result:	Q1 '17: 05.05.17
Bloomberg:	SANT GR	Market cap:	EUR 702.0 m
Reuters:	SANT1.DE	Enterprise Value:	EUR 684.6 m

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One step closer to merger; Dilution could surprise positively

S&T yesterday announced that external reviewers have **calculated a fair value for Kontron of € 3.11 per share**. This fair value will provide the basis for the planned merger between S&T and Kontron in May/June 2017. The fair value calculation for S&T AG is still ongoing. Key insights:

- The fair value for Kontron of € 3.11 is some 4% higher-than-expected i.e. we have assumed a fair value of € 3.00 for Kontron in our calculation regarding the merger and the related dilution. However, **this is nothing to worry about**. The key is that we have assumed a fair value of only € 9.70 per share for S&T in the merger leading to a fully-diluted 60m share count for S&T after the merger. This is evidently a **very conservative scenario** as S&T's share price stands at c. € 13.00 currently.
- Scenario analysis: Total dilution could be lower than expected** (see next page). Assuming the external reviewers calculate a fair value of € 12.00 per share for S&T, the total share count after the merger would amount to 57.8m (vs. our current 60m expectation) boosting our 2018E EPS expectation by 4%. At a fair value of € 13.00 per share, our EPS estimate would rise by 5%. Note that the external reviewers rely on a **conservative valuation approach** not accounting for synergies from the merger.
- The **"1:1 share exchange ratio"** mentioned in the press release deserves some explaining. This exchange ratio does NOT mean Kontron shareholders will receive one S&T AG share per Kontron share. Rather, S&T has set up a shell company in Germany (S&T Holding) whose ONLY assets are Kontron shares (i.e. those Kontron shares which S&T already owns). The exchange ratio exclusively concerns Kontron and this S&T Holding shell company. Only in a second step will the shell company merge with the Austrian S&T AG. For this to happen, the external reviewers will still have to decide on the fair value for S&T AG.
- Next steps:** (1) External reviewers will calculate the fair value for S&T AG; (2) Kontron's AGM will vote on the merger in late May. S&T is seen to have access to the needed majority; (3) Kontron shareholders can decide whether they want to receive € 3.11 in cash or S&T shares; S&T will own 100% of Kontron.

Remains a **BUY** with a **€ 13.60 PT** based on halfway FCFY 2018/19E. – cont. –

Y/E 31.12 (EUR m)	2013	2014	2015	2016	2017E	2018E	2019E
Sales	337.9	385.5	468.2	503.7	870.0	971.9	1,039.9
Sales growth	0 %	14 %	21 %	8 %	73 %	12 %	7 %
EBITDA	20.1	22.9	28.4	34.4	50.3	75.4	83.5
EBIT	14.3	16.6	20.6	24.1	27.1	51.8	59.5
Net income	11.7	13.0	15.8	14.6	18.9	42.7	51.1
Net debt	9.3	1.5	-9.4	-32.0	-29.1	-50.3	-83.5
Net gearing	13.5 %	1.7 %	-9.4 %	-20.7 %	-7.0 %	-11.1 %	-16.9 %
Net Debt/EBITDA	0.5	0.1	0.0	0.0	0.0	0.0	0.0
EPS pro forma	0.30	0.30	0.36	0.30	0.43	0.71	0.85
CPS	0.15	0.35	0.50	1.12	0.19	0.62	0.84
DPS	0.06	0.07	0.08	0.10	0.11	0.12	0.14
Dividend yield	0.5 %	0.6 %	0.7 %	0.9 %	0.9 %	1.0 %	1.2 %
Gross profit margin	33.1 %	33.2 %	34.3 %	33.9 %	32.5 %	34.4 %	34.4 %
EBITDA margin	5.9 %	5.9 %	6.1 %	6.8 %	5.8 %	7.8 %	8.0 %
EBIT margin	4.2 %	4.3 %	4.4 %	4.8 %	3.1 %	5.3 %	5.7 %
ROCE	10.8 %	12.4 %	13.8 %	8.8 %	5.7 %	9.2 %	10.3 %
EV/sales	1.4	1.3	1.1	1.1	0.8	0.7	0.6
EV/EBITDA	23.5	22.3	17.6	15.8	13.6	8.8	7.5
EV/EBIT	33.1	30.7	24.2	22.5	25.3	12.8	10.6
PER	39.2	39.0	32.6	38.7	27.1	16.4	13.7
Adjusted FCF yield	3.1 %	3.1 %	4.2 %	4.0 %	4.7 %	8.3 %	9.8 %

Source: Company data, Hauck & Aufhäuser Close price as of: 26.04.2017



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks:	12.97 / 6.48
Price/Book Ratio:	1.9
Relative performance (TecDAX):	
3 months	35.7 %
6 months	24.7 %
12 months	65.7 %

Changes in estimates

		Sales	EBIT	EPS
2017	old:	870.0	27.1	0.43
	Δ	-	-	-
2018	old:	971.9	51.8	0.71
	Δ	-	-	-
2019	old:	1,039.9	59.5	0.85
	Δ	-	-	-

Key share data:

Number of shares: (in m pcs)	54.1
Authorised capital: (in € m)	12.1
Book value per share: (in €)	7.0
Ø trading volume: (12 months)	60,000

Major shareholders:

Free Float	70.7 %
Ennoconn	29.3 %
CEO (incl. in Free Float)	3.0 %

Company description:

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

Fair value S&T	S&T share count after merger	Positive EPS impact (2018E)
9.7*	60.0	-
10.0	59.7	1%
11.0	58.6	2%
12.0	57.8	4%
12.7	57.2	5%
13.0**	57.0	5%

* Current base case

** Current share price

Financials

Profit and loss (EUR m)	2013	2014	2015	2016	2017E	2018E	2019E
Net sales	337.9	385.5	468.2	503.7	870.0	971.9	1,039.9
<i>Sales growth</i>	-0.5 %	14.1 %	21.4 %	7.6 %	72.7 %	11.7 %	7.0 %
Increase/decrease in finished goods and work-in-process	0.9	1.2	2.7	2.8	5.0	5.0	5.0
Total sales	338.8	386.8	470.9	506.5	875.0	976.9	1,044.9
Other operating income	6.7	5.0	6.3	6.1	8.5	9.0	9.0
Material expenses	226.7	258.3	309.3	334.8	591.0	641.0	685.1
Personnel expenses	66.2	72.4	89.5	93.5	168.1	187.0	198.4
Other operating expenses	32.5	38.2	50.0	50.0	74.1	82.5	86.9
Total operating expenses	318.7	363.9	442.6	472.1	824.7	901.5	961.4
EBITDA	20.1	22.9	28.4	34.4	50.3	75.4	83.5
Depreciation	2.3	2.2	7.7	10.3	8.3	8.5	8.5
EBITA	17.8	20.7	20.6	24.1	42.0	66.9	75.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	3.5	4.1	0.0	0.0	14.9	15.1	15.5
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	14.3	16.6	20.6	24.1	27.1	51.8	59.5
Interest income	0.5	1.6	0.3	0.3	0.6	0.6	0.6
Interest expenses	2.7	3.2	3.0	4.4	5.1	4.1	2.6
Other financial result	0.0	-0.3	0.5	0.0	-0.1	0.0	0.0
Financial result	-2.2	-1.8	-2.2	-4.0	-4.6	-3.5	-2.0
Recurring pretax income from continuing operations	12.1	14.8	18.4	20.1	22.5	48.3	57.5
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	12.1	14.8	18.4	20.1	22.5	48.3	57.5
Taxes	0.1	0.8	0.8	-0.3	1.6	3.4	4.0
Net income from continuing operations	11.9	14.0	17.6	20.4	20.9	44.9	53.5
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	11.9	14.0	17.6	20.4	20.9	44.9	53.5
Minority interest	0.2	1.0	1.8	5.8	2.0	2.2	2.4
Net income (net of minority interest)	11.7	13.0	15.8	14.6	18.9	42.7	51.1
Average number of shares	39.2	41.2	43.5	44.2	54.1	60.0	60.0
EPS reported	0.30	0.32	0.36	0.33	0.35	0.71	0.85

Profit and loss (common size)	2013	2014	2015	2016	2017E	2018E	2019E
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	0.3 %	0.3 %	0.6 %	0.6 %	0.6 %	0.5 %	0.5 %
Total sales	100.3 %	100.3 %	100.6 %	100.6 %	100.6 %	100.5 %	100.5 %
Other operating income	2.0 %	1.3 %	1.3 %	1.2 %	1.0 %	0.9 %	0.9 %
Material expenses	67.1 %	67.0 %	66.1 %	66.5 %	67.9 %	66.0 %	65.9 %
Personnel expenses	19.6 %	18.8 %	19.1 %	18.6 %	19.3 %	19.2 %	19.1 %
Other operating expenses	9.6 %	9.9 %	10.7 %	9.9 %	8.5 %	8.5 %	8.4 %
Total operating expenses	94.3 %	94.4 %	94.5 %	93.7 %	94.8 %	92.8 %	92.4 %
EBITDA	5.9 %	5.9 %	6.1 %	6.8 %	5.8 %	7.8 %	8.0 %
Depreciation	0.7 %	0.6 %	1.7 %	2.0 %	1.0 %	0.9 %	0.8 %
EBITA	5.3 %	5.4 %	4.4 %	4.8 %	4.8 %	6.9 %	7.2 %
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	1.0 %	1.1 %	0.0 %	0.0 %	1.7 %	1.6 %	1.5 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT	4.2 %	4.3 %	4.4 %	4.8 %	3.1 %	5.3 %	5.7 %
Interest income	0.1 %	0.4 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %
Interest expenses	0.8 %	0.8 %	0.6 %	0.9 %	0.6 %	0.4 %	0.3 %
Other financial result	0.0 %	-0.1 %	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	-0.7 %	-0.5 %	-0.5 %	-0.8 %	-0.5 %	-0.4 %	-0.2 %
Recurring pretax income from continuing operations	3.6 %	3.8 %	3.9 %	4.0 %	2.6 %	5.0 %	5.5 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	3.6 %	3.8 %	3.9 %	4.0 %	2.6 %	5.0 %	5.5 %
Tax rate	1.1 %	5.2 %	4.3 %	-1.6 %	7.0 %	7.0 %	7.0 %
Net income from continuing operations	3.5 %	3.6 %	3.8 %	4.1 %	2.4 %	4.6 %	5.1 %
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	3.5 %	3.6 %	3.8 %	4.1 %	2.4 %	4.6 %	5.1 %
Minority interest	0.1 %	0.3 %	0.4 %	1.2 %	0.2 %	0.2 %	0.2 %
Net income (net of minority interest)	3.5 %	3.4 %	3.4 %	2.9 %	2.2 %	4.4 %	4.9 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2013	2014	2015	2016	2017E	2018E	2019E
Intangible assets	44.8	57.1	72.8	183.2	364.5	368.8	374.1
Property, plant and equipment	9.0	11.4	15.2	27.5	24.4	21.3	18.5
Financial assets	2.8	3.8	3.1	12.1	3.1	3.1	3.1
FIXED ASSETS	56.5	72.3	91.0	222.8	392.0	393.2	395.7
Inventories	22.7	30.0	28.7	84.9	87.0	97.2	104.0
Accounts receivable	71.6	95.7	86.4	168.6	190.7	213.0	227.9
Other current assets	15.2	22.0	36.7	41.5	42.5	43.6	44.7
Liquid assets	42.9	39.5	60.3	125.6	122.3	105.3	123.5
Deferred taxes	11.1	13.6	15.9	25.4	25.4	25.4	25.4
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	163.6	200.8	228.0	445.9	467.9	484.5	525.4
TOTAL ASSETS	220.1	273.1	319.1	668.7	859.9	877.7	921.1
SHAREHOLDERS EQUITY	69.2	86.9	99.8	154.0	418.2	451.9	493.5
MINORITY INTEREST	2.1	2.8	2.4	87.0	2.5	2.5	2.5
Long-term debt	23.9	26.1	28.1	74.2	74.2	40.0	25.0
Provisions for pensions and similar obligations	2.9	2.3	2.5	11.6	11.7	11.8	12.0
Other provisions	3.9	4.6	6.0	39.1	40.3	41.5	42.7
Non-current liabilities	30.7	33.0	36.5	124.8	126.1	93.3	79.7
short-term liabilities to banks	28.4	14.8	22.9	19.5	19.0	15.0	15.0
Accounts payable	46.6	74.2	70.1	134.3	140.6	157.1	168.1
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)	41.8	59.9	85.9	143.7	148.0	152.4	157.0
Deferred taxes	1.4	1.5	1.4	5.4	5.4	5.4	5.4
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	118.1	150.3	180.3	302.8	313.0	329.9	345.5
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	220.1	273.1	319.1	668.7	859.9	877.7	921.1

Balance sheet (common size)	2013	2014	2015	2016	2017E	2018E	2019E
Intangible assets	20.3 %	20.9 %	22.8 %	27.4 %	42.4 %	42.0 %	40.6 %
Property, plant and equipment	4.1 %	4.2 %	4.7 %	4.1 %	2.8 %	2.4 %	2.0 %
Financial assets	1.3 %	1.4 %	1.0 %	1.8 %	0.4 %	0.4 %	0.3 %
FIXED ASSETS	25.7 %	26.5 %	28.5 %	33.3 %	45.6 %	44.8 %	43.0 %
Inventories	10.3 %	11.0 %	9.0 %	12.7 %	10.1 %	11.1 %	11.3 %
Accounts receivable	32.6 %	35.0 %	27.1 %	25.2 %	22.2 %	24.3 %	24.7 %
Other current assets	6.9 %	8.1 %	11.5 %	6.2 %	4.9 %	5.0 %	4.8 %
Liquid assets	19.5 %	14.5 %	18.9 %	18.8 %	14.2 %	12.0 %	13.4 %
Deferred taxes	5.1 %	5.0 %	5.0 %	3.8 %	3.0 %	2.9 %	2.8 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
CURRENT ASSETS	74.3 %	73.5 %	71.5 %	66.7 %	54.4 %	55.2 %	57.0 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	31.4 %	31.8 %	31.3 %	23.0 %	48.6 %	51.5 %	53.6 %
MINORITY INTEREST	0.9 %	1.0 %	0.8 %	13.0 %	0.3 %	0.3 %	0.3 %
Long-term debt	10.9 %	9.6 %	8.8 %	11.1 %	8.6 %	4.6 %	2.7 %
Provisions for pensions and similar obligations	1.3 %	0.8 %	0.8 %	1.7 %	1.4 %	1.3 %	1.3 %
Other provisions	1.8 %	1.7 %	1.9 %	5.8 %	4.7 %	4.7 %	4.6 %
Non-current liabilities	14.0 %	12.1 %	11.5 %	18.7 %	14.7 %	10.6 %	8.6 %
short-term liabilities to banks	12.9 %	5.4 %	7.2 %	2.9 %	2.2 %	1.7 %	1.6 %
Accounts payable	21.2 %	27.2 %	22.0 %	20.1 %	16.4 %	17.9 %	18.2 %
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)	19.0 %	21.9 %	26.9 %	21.5 %	17.2 %	17.4 %	17.0 %
Deferred taxes	0.6 %	0.5 %	0.5 %	0.8 %	0.6 %	0.6 %	0.6 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Current liabilities	53.7 %	55.1 %	56.5 %	45.3 %	36.4 %	37.6 %	37.5 %
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)	2013	2014	2015	2016	2017E	2018E	2019E
Net profit/loss	11.9	14.0	17.6	20.4	20.9	44.9	53.5
Depreciation of fixed assets (incl. leases)	2.3	2.2	7.7	10.3	8.3	8.5	8.5
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	3.5	4.1	0.0	0.0	14.9	15.1	15.5
Others	-10.6	4.1	-5.2	-1.9	0.1	0.1	0.1
Cash flow from operations before changes in w/c	7.2	24.4	20.2	28.9	44.2	68.6	77.6
Increase/decrease in inventory	0.7	-7.4	1.3	9.3	-2.1	-10.2	-6.8
Increase/decrease in accounts receivable	10.3	-24.0	9.2	-1.5	-22.1	-22.3	-14.9
Increase/decrease in accounts payable	-7.1	27.6	-4.1	20.3	6.3	16.5	11.0
Increase/decrease in other working capital positions	0.0	0.0	0.0	4.4	0.0	0.0	0.0
Increase/decrease in working capital	3.9	-3.8	6.5	32.5	-17.9	-16.1	-10.7
Cash flow from operating activities	11.1	20.6	26.7	61.4	26.4	52.6	66.9
CAPEX	5.8	5.8	9.5	9.3	24.4	24.8	26.5
Payments for acquisitions	-4.6	5.5	0.4	59.2	0.0	0.0	0.0
Financial investments	0.2	1.7	0.6	4.3	0.0	0.0	0.0
Income from asset disposals	1.4	0.4	0.9	-0.9	0.0	0.0	0.0
Cash flow from investing activities	0.0	-12.6	-9.6	-73.6	-24.4	-24.8	-26.5
Cash flow before financing	11.1	8.0	17.1	-12.2	2.0	27.8	40.4
Increase/decrease in debt position	1.9	3.1	6.1	39.8	-0.5	-38.2	-15.0
Purchase of own shares	1.3	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	-0.1	10.5	0.0	44.0	0.0	0.0	0.0
Dividends paid	0.0	2.4	3.1	3.5	4.8	6.6	7.2
Others	-2.1	1.3	-3.8	-8.5	0.0	0.0	0.0
Effects of exchange rate changes on cash	-0.5	-1.1	0.5	0.0	0.0	0.0	0.0
Cash flow from financing activities	-1.6	12.5	-0.7	71.8	-5.3	-44.8	-22.2
Increase/decrease in liquid assets	9.1	19.5	16.8	59.5	-3.3	-17.0	18.2
Liquid assets at end of period	42.9	39.5	60.3	125.6	122.3	105.3	123.5

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2013	2014	2015	2016	2017E	2018E	2019E
Domestic	68.4	65.1	65.5	65.5	113.1	126.3	0.0
yoy change	-2.4 %	-4.8 %	0.7 %	-0.1 %	72.7 %	11.7 %	n/a
Rest of Europe	269.6	320.5	402.6	438.2	756.9	845.6	0.0
yoy change	0.0 %	18.9 %	25.6 %	8.8 %	72.7 %	11.7 %	n/a
NAFTA	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
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	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
TTL	337.9	385.5	468.2	503.7	870.0	971.9	0.0
yoy change	-0.5 %	14.1 %	21.4 %	7.6 %	72.7 %	11.7 %	n/a

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2013	2014	2015	2016	2017E	2018E	2019E
P&L growth analysis							
Sales growth	-0.5 %	14.1 %	21.4 %	7.6 %	72.7 %	11.7 %	7.0 %
EBITDA growth	21.3 %	14.0 %	23.9 %	21.3 %	46.3 %	49.9 %	10.8 %
EBIT growth	28.2 %	16.2 %	24.1 %	16.9 %	12.4 %	91.1 %	14.9 %
EPS growth	9.3 %	5.4 %	15.3 %	-9.3 %	5.9 %	103.5 %	19.7 %
Efficiency							
Total operating costs / sales	94.3 %	94.4 %	94.5 %	93.7 %	94.8 %	92.8 %	92.4 %
Sales per employee	211.9	203.5	209.9	223.6	382.4	423.0	900.7
EBITDA per employee	12.6	12.1	12.7	15.3	22.1	32.8	72.4
Balance sheet analysis							
Avg. working capital / sales	14.7 %	12.9 %	10.3 %	16.3 %	14.7 %	14.9 %	15.2 %
Inventory turnover (sales/inventory)	14.9	12.8	16.3	5.9	10.0	10.0	10.0
Trade debtors in days of sales	77.4	90.6	67.4	122.2	80.0	80.0	80.0
A/P turnover [(A/P*365)/sales]	50.3	70.2	54.6	97.3	59.0	59.0	59.0
Cash conversion cycle (days)	38.9	28.2	18.6	68.3	46.9	45.9	45.8
Cash flow analysis							
Free cash flow	5.3	14.8	17.2	52.1	2.0	27.8	40.4
Free cash flow/sales	1.6 %	3.8 %	3.7 %	10.3 %	0.2 %	2.9 %	3.9 %
FCF / net profit	45.3 %	114.1 %	108.6 %	357.3 %	10.6 %	65.1 %	79.0 %
Capex / depre	103.4 %	119.1 %	130.9 %	131.5 %	105.0 %	105.0 %	110.5 %
Capex / maintenance capex	78.4 %	37.3 %	44.8 %	33.3 %	34.3 %	34.3 %	34.5 %
Capex / sales	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Security							
Net debt	9.3	1.5	-9.4	-32.0	-29.1	-50.3	-83.5
Net Debt/EBITDA	0.5	0.1	0.0	0.0	0.0	0.0	0.0
Net debt / equity	0.1	0.0	-0.1	-0.2	-0.1	-0.1	-0.2
Interest cover	5.3	5.2	6.9	5.5	5.3	12.7	22.8
Dividend payout ratio	20.1 %	23.3 %	21.9 %	33.1 %	34.9 %	16.9 %	16.4 %
Asset utilisation							
Capital employed turnover	2.6	2.8	2.9	1.3	1.5	1.7	1.8
Operating assets turnover	6.0	6.1	7.8	3.4	5.4	5.6	5.7
Plant turnover	37.6	33.7	30.9	18.3	35.6	45.7	56.2
Inventory turnover (sales/inventory)	14.9	12.8	16.3	5.9	10.0	10.0	10.0
Returns							
ROCE	10.8 %	12.4 %	13.8 %	8.8 %	5.7 %	9.2 %	10.3 %
ROE	17.0 %	14.9 %	15.9 %	9.5 %	4.5 %	9.4 %	10.4 %
Other							
Interest paid / avg. debt	5.3 %	6.8 %	6.5 %	6.0 %	5.5 %	5.5 %	5.5 %
No. employees (average)	1595	1895	2230	2252	2275	2298	1155
Number of shares	39.2	41.2	43.5	44.2	54.1	60.0	60.0
DPS	0.1	0.1	0.1	0.1	0.1	0.1	0.1
EPS reported	0.30	0.32	0.36	0.33	0.35	0.71	0.85
Valuation ratios							
P/BV	6.7	5.8	5.2	3.7	1.7	1.6	1.4
EV/sales	1.4	1.3	1.1	1.1	0.8	0.7	0.6
EV/EBITDA	23.5	22.3	17.6	15.8	13.6	8.8	7.5
EV/EBITA	26.6	24.7	24.2	22.5	16.3	9.9	8.4
EV/EBIT	33.1	30.7	24.2	22.5	25.3	12.8	10.6
EV/FCF	88.9	34.4	29.1	10.4	342.0	23.9	15.6
Adjusted FCF yield	3.1 %	3.1 %	4.2 %	4.0 %	4.7 %	8.3 %	9.8 %
Dividend yield	0.5 %	0.6 %	0.7 %	0.9 %	0.9 %	1.0 %	1.2 %

Source: Company data, Hauck & Aufhäuser

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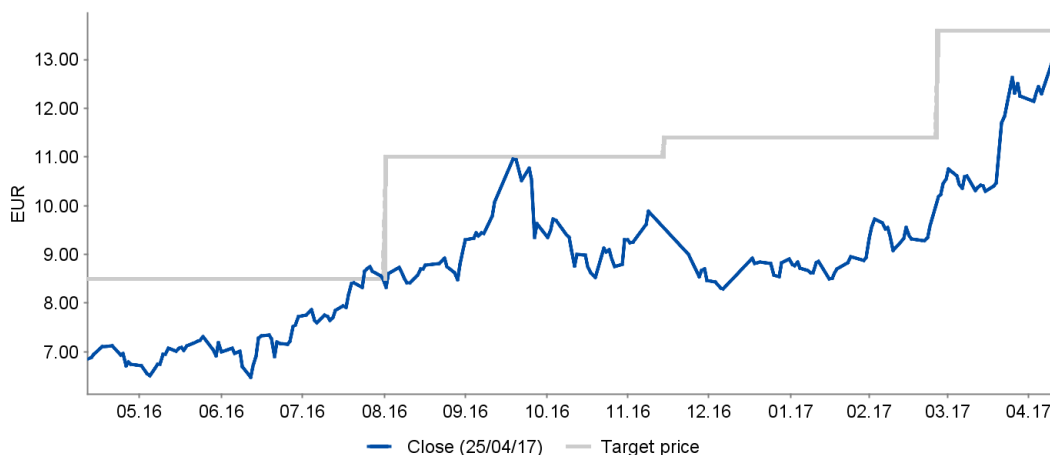
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Company	Disclosure
S&T AG	3

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

**Price and Rating History
S&T AG as of 26/04/17**

Initiation coverage
30-May-12



Company	Date	Analyst	Rating	Target price	Close
S&T AG	07.04.2017	Wunderlich, CFA, Tim	Buy	EUR 13.60	EUR 11.85
	13.03.2017	Wunderlich, CFA, Tim	Buy	EUR 13.60	EUR 10.19
	05.12.2016	Wunderlich, CFA, Tim	Buy	EUR 11.40	EUR 9.88
	03.11.2016	Wunderlich, CFA, Tim	Buy	EUR 11.00	EUR 8.62
	02.11.2016	Wunderlich, CFA, Tim	Buy	EUR 11.00	EUR 8.62
	13.10.2016	Wunderlich, CFA, Tim	Buy	EUR 11.00	EUR 9.63

17.08.2016	Wunderlich, CFA, Tim	Buy	EUR 11.00	EUR 8.33
03.08.2016	Wunderlich, CFA, Tim	Buy	EUR 8.50	EUR 8.17
04.05.2016	Wunderlich, CFA, Tim	Buy	EUR 8.50	EUR 7.10
29.04.2016	Wunderlich, CFA, Tim	Buy	EUR 8.50	EUR 6.95

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