

Buy (old: Buy)

Price target: EUR 23.00 (old: EUR 18.50)

Price:	EUR 17.23	Next result:	tbd
Bloomberg:	SANT GR	Market cap:	EUR 1,092.0 m
Reuters:	SANT1.DE	Enterprise Value:	EUR 990.8 m

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Firing on all cylinders; chg. est. & PT

S&T has executed a 10% capital increase at € 15.30 resulting in a **gross cash inflow of some € 88m**. In our view, the cash should be used for:

- Buying out the remaining 8% Kontron minorities at a cost of c. € 20m (eH&A).
- Financing several smaller technology/software bolt-on acquisitions in the field of embedded systems - € 50-60m in total (not included in our estimates).
- Investments into production capacity in Asia to improve manufacturing costs and delivery times for embedded hardware - € 10m.

We consider these planned investments to be sensible as they should **further S&T's standing as a leader for embedded systems and IoT solutions**. Equipping a customer's machine with intelligence, security, real time data analytics and remote maintenance capabilities, S&T's technology is seen to be a key enabler for "internet of things" networks.

S&T's strong positioning in the IoT field and success in integrating Kontron was underpinned by excellent quarterly results: Q3 sales doubled to € 206m (>15% yoy organic growth) while Q3 EBITDA almost tripled to € 16m.

Most notably, the IoT Solutions business (36% of sales) showed an outstanding gross margin of c. 45% (eH&A) and an EBITDA margin of 13% in Q3 (vs. 8% in H1'17) reflecting the benefit of adding S&T's software to Kontron's embedded hardware. Note: The IoT Solutions segment comprises S&T's former security appliance business and Kontron former business in Europe.

We expect further profitability improvements to be realised in the coming quarters as (1) Production outsourcing to low-cost producer Foxconn should continue (current share: 20-25%); (2) Kontron's delisting is seen to yield an additional € 8m annualised cost savings; (3) The strategy to enhance Kontron's products through software should continue to support gross margin expansion.

As such, we are confident that even S&T's **new EBITDA guidance of € 60m for FY'17E is conservative** (prior: € 50m). Our new FY'17E estimate for EBITDA of € 63m is some 5% above guidance, reflecting strong cost control and mix improvements and **suggesting that news flow will remain positive**.

Remains a BUY with a new PT of € 23.00 (prior: € 18.50) now based on DCF to better account for S&T's long-term structural growth prospects within the IoT market and sales synergies with Foxconn.

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	1,069.1
Sales growth	0 %	14 %	21 %	8 %	73 %	12 %	10 %
EBITDA	20.1	22.9	28.4	34.4	63.0	84.2	102.4
EBIT	14.3	16.6	20.6	24.1	38.2	60.6	78.9
Net income	11.7	13.0	15.8	14.6	22.9	49.6	67.2
Net debt	9.3	1.5	-9.4	-32.0	-112.9	-123.8	-171.7
Net gearing	13.5 %	1.7 %	-9.4 %	-20.7 %	-23.1 %	-24.4 %	-30.4 %
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	0.47	0.78	1.06
CPS	0.15	0.35	0.50	1.12	0.35	0.79	1.07
DPS	0.06	0.07	0.08	0.10	0.11	0.12	0.14
Dividend yield	0.3 %	0.4 %	0.5 %	0.6 %	0.6 %	0.7 %	0.8 %
Gross profit margin	33.1 %	33.2 %	34.3 %	33.9 %	38.5 %	39.6 %	40.2 %
EBITDA margin	5.9 %	5.9 %	6.1 %	6.8 %	7.2 %	8.7 %	9.6 %
EBIT margin	4.2 %	4.3 %	4.4 %	4.8 %	4.4 %	6.2 %	7.4 %
ROCE	10.8 %	12.4 %	13.8 %	8.8 %	7.4 %	9.5 %	12.1 %
EV/sales	2.0	1.9	1.6	1.6	1.1	1.0	0.9
EV/EBITDA	34.4	32.7	26.1	23.6	15.7	11.6	9.1
EV/EBIT	48.3	45.1	35.8	33.6	25.9	16.2	11.8
PER	57.7	57.4	48.0	57.0	36.5	22.0	16.2
Adjusted FCF yield	2.1 %	2.1 %	2.8 %	2.7 %	4.3 %	6.6 %	8.7 %

Source: Company data, Hauck & Aufhäuser Close price as of: 21.11.2017



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 19.08 / 8.28

Price/Book Ratio: 2.2

Relative performance (TecDAX):

3 months -11.4 %

6 months 16.5 %

12 months 37.8 %

Changes in estimates

		Sales	EBIT	EPS
2017	old:	870.0	31.2	0.43
	Δ	-	22.5%	9.4%
2018	old:	971.9	52.8	0.72
	Δ	-	14.7%	9.3%
2019	old:	1,069.1	72.2	1.04
	Δ	-	9.3%	2.3%

Key share data:

Number of shares: (in m pcs) 54.1

Authorised capital: (in € m) 12.1

Book value per share: (in €) 7.7

Ø trading volume: (12 months) 60,000

Major shareholders:

Free Float 76.2 %

Ennoconn 23.8 %

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.

Action: We raise EBITDA estimates for FY'17E through FY'19E by some 10-15% accounting for stronger than expected execution regarding cost cutting, efficiency gains (e.g. production) and sales mix improvements (e.g. adding software to embedded systems). Further, we include the 10% capital increase in our model resulting in a new number of shares outstanding totalling 63.4m.

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	1,069.1
<i>Sales growth</i>	-0.5 %	14.1 %	21.4 %	7.6 %	72.7 %	11.7 %	10.0 %
Increase/decrease in finished goods and work-in-process	0.9	1.2	2.7	2.8	3.0	3.0	3.0
Total sales	338.8	386.8	470.9	506.5	873.0	974.9	1,072.1
Other operating income	6.7	5.0	6.3	6.1	4.4	4.4	4.3
Material expenses	226.7	258.3	309.3	334.8	536.8	589.0	641.5
Personnel expenses	66.2	72.4	89.5	93.5	182.7	202.2	220.2
Other operating expenses	32.5	38.2	50.0	50.0	94.8	104.0	112.3
Total operating expenses	318.7	363.9	442.6	472.1	810.0	890.7	969.7
EBITDA	20.1	22.9	28.4	34.4	63.0	84.2	102.4
Depreciation	2.3	2.2	7.7	10.3	8.3	8.5	8.5
EBITA	17.8	20.7	20.6	24.1	54.7	75.7	93.9
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	16.5	15.1	15.0
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	38.2	60.6	78.9
Interest income	0.5	1.6	0.3	0.3	0.7	0.6	0.6
Interest expenses	2.7	3.2	3.0	4.4	6.9	4.4	2.8
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	-6.3	-3.8	-2.2
Recurring pretax income from continuing operations	12.1	14.8	18.4	20.1	31.9	56.8	76.7
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	31.9	56.8	76.7
Taxes	0.1	0.8	0.8	-0.3	4.8	5.7	7.7
Net income from continuing operations	11.9	14.0	17.6	20.4	27.1	51.1	69.0
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	27.1	51.1	69.0
Minority interest	0.2	1.0	1.8	5.8	4.2	1.5	1.8
Net income (net of minority interest)	11.7	13.0	15.8	14.6	22.9	49.6	67.2
Average number of shares	39.2	41.2	43.5	44.2	54.1	63.4	63.4
EPS reported	0.30	0.32	0.36	0.33	0.42	0.78	1.06

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 %	0.3 %	0.3 %	0.3 %
Total sales	100.3 %	100.3 %	100.6 %	100.6 %	100.3 %	100.3 %	100.3 %
Other operating income	2.0 %	1.3 %	1.3 %	1.2 %	0.5 %	0.5 %	0.4 %
Material expenses	67.1 %	67.0 %	66.1 %	66.5 %	61.7 %	60.6 %	60.0 %
Personnel expenses	19.6 %	18.8 %	19.1 %	18.6 %	21.0 %	20.8 %	20.6 %
Other operating expenses	9.6 %	9.9 %	10.7 %	9.9 %	10.9 %	10.7 %	10.5 %
Total operating expenses	94.3 %	94.4 %	94.5 %	93.7 %	93.1 %	91.7 %	90.7 %
EBITDA	5.9 %	5.9 %	6.1 %	6.8 %	7.2 %	8.7 %	9.6 %
Depreciation	0.7 %	0.6 %	1.7 %	2.0 %	1.0 %	0.9 %	0.8 %
EBITA	5.3 %	5.4 %	4.4 %	4.8 %	6.3 %	7.8 %	8.8 %
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 %	1.9 %	1.6 %	1.4 %
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 %	4.4 %	6.2 %	7.4 %
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 %	0.8 %	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 %	-0.7 %	-0.4 %	-0.2 %
Recurring pretax income from continuing operations	3.6 %	3.8 %	3.9 %	4.0 %	3.7 %	5.8 %	7.2 %
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 %	3.7 %	5.8 %	7.2 %
Tax rate	1.1 %	5.2 %	4.3 %	-1.6 %	15.0 %	10.0 %	10.0 %
Net income from continuing operations	3.5 %	3.6 %	3.8 %	4.1 %	3.1 %	5.3 %	6.5 %
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 %	3.1 %	5.3 %	6.5 %
Minority interest	0.1 %	0.3 %	0.4 %	1.2 %	0.5 %	0.2 %	0.2 %
Net income (net of minority interest)	3.5 %	3.4 %	3.4 %	2.9 %	2.6 %	5.1 %	6.3 %

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	362.9	367.1	371.2
Property, plant and equipment	9.0	11.4	15.2	27.5	24.4	21.3	18.7
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	390.4	391.5	393.0
Inventories	22.7	30.0	28.7	84.9	87.0	93.5	99.9
Accounts receivable	71.6	95.7	86.4	168.6	190.7	213.0	234.3
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	206.1	178.8	211.7
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	551.7	554.2	616.0
TOTAL ASSETS	220.1	273.1	319.1	668.7	942.0	945.7	1,009.0
SHAREHOLDERS EQUITY	69.2	86.9	99.8	154.0	487.9	507.4	564.1
MINORITY INTEREST	2.1	2.8	2.4	87.0	15.0	15.0	15.0
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	172.8
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	350.2
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	220.1	273.1	319.1	668.7	942.0	945.7	1,009.0

Balance sheet (common size)	2013	2014	2015	2016	2017E	2018E	2019E
Intangible assets	20.3 %	20.9 %	22.8 %	27.4 %	38.5 %	38.8 %	36.8 %
Property, plant and equipment	4.1 %	4.2 %	4.7 %	4.1 %	2.6 %	2.2 %	1.8 %
Financial assets	1.3 %	1.4 %	1.0 %	1.8 %	0.3 %	0.3 %	0.3 %
FIXED ASSETS	25.7 %	26.5 %	28.5 %	33.3 %	41.4 %	41.4 %	38.9 %
Inventories	10.3 %	11.0 %	9.0 %	12.7 %	9.2 %	9.9 %	9.9 %
Accounts receivable	32.6 %	35.0 %	27.1 %	25.2 %	20.2 %	22.5 %	23.2 %
Other current assets	6.9 %	8.1 %	11.5 %	6.2 %	4.5 %	4.6 %	4.4 %
Liquid assets	19.5 %	14.5 %	18.9 %	18.8 %	21.9 %	18.9 %	21.0 %
Deferred taxes	5.1 %	5.0 %	5.0 %	3.8 %	2.7 %	2.7 %	2.5 %
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 %	58.6 %	58.6 %	61.1 %
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 %	51.8 %	53.7 %	55.9 %
MINORITY INTEREST	0.9 %	1.0 %	0.8 %	13.0 %	1.6 %	1.6 %	1.5 %
Long-term debt	10.9 %	9.6 %	8.8 %	11.1 %	7.9 %	4.2 %	2.5 %
Provisions for pensions and similar obligations	1.3 %	0.8 %	0.8 %	1.7 %	1.2 %	1.3 %	1.2 %
Other provisions	1.8 %	1.7 %	1.9 %	5.8 %	4.3 %	4.4 %	4.2 %
Non-current liabilities	14.0 %	12.1 %	11.5 %	18.7 %	13.4 %	9.9 %	7.9 %
short-term liabilities to banks	12.9 %	5.4 %	7.2 %	2.9 %	2.0 %	1.6 %	1.5 %
Accounts payable	21.2 %	27.2 %	22.0 %	20.1 %	14.9 %	16.6 %	17.1 %
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)	19.0 %	21.9 %	26.9 %	21.5 %	15.7 %	16.1 %	15.6 %
Deferred taxes	0.6 %	0.5 %	0.5 %	0.8 %	0.6 %	0.6 %	0.5 %
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 %	33.2 %	34.9 %	34.7 %
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	27.1	51.1	69.0
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	16.5	15.1	15.0
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	52.0	74.8	92.7
Increase/decrease in inventory	0.7	-7.4	1.3	9.3	-2.1	-6.5	-6.5
Increase/decrease in accounts receivable	10.3	-24.0	9.2	-1.5	-22.1	-22.3	-21.3
Increase/decrease in accounts payable	-7.1	27.6	-4.1	20.3	6.3	16.5	15.7
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	-12.3	-12.1
Cash flow from operating activities	11.1	20.6	26.7	61.4	34.2	62.5	80.6
CAPEX	5.8	5.8	9.5	9.3	24.4	24.7	25.0
Payments for acquisitions	-4.6	5.5	0.4	59.2	10.0	20.0	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	-34.4	-44.7	-25.0
Cash flow before financing	11.1	8.0	17.1	-12.2	-0.2	17.8	55.6
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	86.0	0.0	0.0
Dividends paid	0.0	2.4	3.1	3.5	4.8	7.0	7.6
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	80.7	-45.1	-22.6
Increase/decrease in liquid assets	9.1	19.5	16.8	59.5	80.5	-27.3	33.0
Liquid assets at end of period	42.9	39.5	60.3	125.6	206.1	178.8	211.7

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2013	2014	2015	2016	2017E	2018E	2019E
Domestic	68.4	65.1	52.4	60.1	56.6	58.3	58.8
yoy change	-2.4 %	-4.8 %	-19.5 %	14.8 %	-5.9 %	3.1 %	0.8 %
Rest of Europe	269.6	320.5	184.3	166.3	243.6	272.1	299.3
yoy change	0.0 %	18.9 %	-42.5 %	-9.8 %	46.5 %	11.7 %	10.0 %
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	231.5	277.3	569.9	641.5	710.9
yoy change	n/a	n/a	n/a	19.8 %	105.5 %	12.6 %	10.8 %
TTL	337.9	385.5	468.2	503.7	870.0	971.9	1,069.1
yoy change	-0.5 %	14.1 %	21.4 %	7.6 %	72.7 %	11.7 %	10.0 %

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 %	10.0 %
EBITDA growth	21.3 %	14.0 %	23.9 %	21.3 %	83.3 %	33.5 %	21.7 %
EBIT growth	28.2 %	16.2 %	24.1 %	16.9 %	58.5 %	58.4 %	30.3 %
EPS growth	9.3 %	5.4 %	15.3 %	-9.3 %	28.3 %	84.9 %	35.6 %
Efficiency							
Total operating costs / sales	94.3 %	94.4 %	94.5 %	93.7 %	93.1 %	91.7 %	90.7 %
Sales per employee	211.9	203.5	209.9	223.6	301.9	276.3	300.9
EBITDA per employee	12.6	12.1	12.7	15.3	21.9	23.9	28.8
Balance sheet analysis							
Avg. working capital / sales	14.7 %	12.9 %	10.3 %	16.3 %	14.7 %	14.7 %	14.5 %
Inventory turnover (sales/inventory)	14.9	12.8	16.3	5.9	10.0	10.4	10.7
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	43.5	40.6	38.5
Cash flow analysis							
Free cash flow	5.3	14.8	17.2	52.1	9.8	37.8	55.6
Free cash flow/sales	1.6 %	3.8 %	3.7 %	10.3 %	1.1 %	3.9 %	5.2 %
FCF / net profit	45.3 %	114.1 %	108.6 %	357.3 %	42.8 %	76.2 %	82.7 %
Capex / depre	103.4 %	119.1 %	130.9 %	131.5 %	98.2 %	104.6 %	106.5 %
Capex / maintenance capex	78.4 %	37.3 %	44.8 %	33.3 %	43.5 %	42.8 %	45.2 %
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	-112.9	-123.8	-171.7
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	-0.2	-0.2	-0.3
Interest cover	5.3	5.2	6.9	5.5	5.5	13.9	28.2
Dividend payout ratio	20.1 %	23.3 %	21.9 %	33.1 %	30.4 %	15.3 %	13.2 %
Asset utilisation							
Capital employed turnover	2.6	2.8	2.9	1.3	1.3	1.5	1.6
Operating assets turnover	6.0	6.1	7.8	3.4	5.4	5.7	5.9
Plant turnover	37.6	33.7	30.9	18.3	35.6	45.7	57.3
Inventory turnover (sales/inventory)	14.9	12.8	16.3	5.9	10.0	10.4	10.7
Returns							
ROCE	10.8 %	12.4 %	13.8 %	8.8 %	7.4 %	9.5 %	12.1 %
ROE	17.0 %	14.9 %	15.9 %	9.5 %	4.7 %	9.8 %	11.9 %
Other							
Interest paid / avg. debt	5.3 %	6.8 %	6.5 %	6.0 %	7.4 %	5.9 %	5.9 %
No. employees (average)	1595	1895	2230	2252	2882	3518	3553
Number of shares	39.2	41.2	43.5	44.2	54.1	63.4	63.4
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	0.42	0.78	1.06
Valuation ratios							
P/BV	9.8	8.6	7.6	5.4	2.2	2.2	1.9
EV/sales	2.0	1.9	1.6	1.6	1.1	1.0	0.9
EV/EBITDA	34.4	32.7	26.1	23.6	15.7	11.6	9.1
EV/EBITA	38.9	36.3	35.8	33.6	18.1	13.0	9.9
EV/EBIT	48.3	45.1	35.8	33.6	25.9	16.2	11.8
EV/FCF	129.8	50.6	43.0	15.6	101.2	25.9	16.8
Adjusted FCF yield	2.1 %	2.1 %	2.8 %	2.7 %	4.3 %	6.6 %	8.7 %
Dividend yield	0.3 %	0.4 %	0.5 %	0.6 %	0.6 %	0.7 %	0.8 %

Source: Company data, Hauck & Aufhäuser

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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 22/11/17**

Initiation coverage
30-May-12



Company	Date	Analyst	Rating	Target price	Close
S&T AG	07.08.2017	Wunderlich, CFA, Tim	Buy	EUR 18,50	EUR 16,60
	16.06.2017	Wunderlich, CFA, Tim	Buy	EUR 18,50	EUR 12,70
	27.04.2017	Wunderlich, CFA, Tim	Buy	EUR 13,60	EUR 12,65
	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

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The adj. FCF method is based on the assumption that investors purchase assets only at a price (enterprise value) at which the operating cash flow return after taxes on this investment exceeds their opportunity costs in the form of a hurdle rate of 7.5%. The operating cash flow is calculated as EBITDA less maintenance capex and taxes.

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