

## Expect more M&A, at better prices

*After strong Q2 numbers, chances are good that S&T will deliver full year results that clearly exceed the current outlook. The management has announced that it intends to do more M&A deals, as prices are considered attractive. Given S&T's past price discipline and integration track record, the share remains a buy. We increase our target price from EUR 29 to EUR 33.*

### S&T is winning in the crisis

Driven by buoyant demand of medtech customers and the public sector, S&T has reported Q2 numbers that exceeded consensus' expectations. Against that backdrop, the current full year outlook ("at least revenues and EBITDA of EUR 1,150 m and EBITDA of EUR 115 million") looks well achievable now, we suppose.

### Expect more M&A

A clear focus of the management is M&A at present, which is regarded as a major opportunity in the current crisis. S&T targets the acquisition of EUR 300m revenues for 2020 and 2021. With the recent acquisitions of Citycomp and Iskratel, S&T has already acquired revenues of around EUR 140m in 2020.

### Increasing forecast and price target

We now expect S&T to acquire EUR 150m in 2020 and 2021 each and EUR 100m in subsequent years. Adding 10% of organic growth per year, we arrive at revenues of EUR 2.1bn and EBITDA of EUR 230m in 2023e, well in-line with S&T's mid-term guidance. On these grounds and assuming that S&T will live up to its past price discipline and integration track record, we increase our fair value from EUR 29 to EUR 33 per share and stick to our buy recommendation.

EURm	2018	2019	2020e	2021e	2022e
Revenues	991	1,123	1,237	1,511	1,812
EBITDA	91	112	119	153	190
EBIT	62	62	64	77	95
EPS	0.70	0.74	0.70	0.85	1.08
EPS adj	0.70	0.74	0.70	0.85	1.08
DPS	0.16	-	0.21	0.26	0.32
EV/EBITDA	11.0	12.4	13.8	10.9	8.7
EV/EBIT	16.2	22.4	25.6	21.6	17.3
P/E adj	22.6	28.6	35.7	29.2	23.1
P/B	2.94	3.76	3.95	3.58	3.20
ROE (%)	13.6	13.5	11.6	12.9	14.7
Div yield (%)	1.0	-	0.8	1.0	1.3
Net debt	(58)	(30)	(11)	7	(1)

Source: Pareto



Target price (EUR)	33
Share price (EUR)	25

Forecast changes			
%	2020e	2021e	2022e
Revenues	8	7	9
EBITDA	6	7	9
EBIT adj	8	9	6
EPS reported	9	10	6
EPS adj	9	10	6

Source: Pareto

Ticker	SANT1.DE, SANT GY
Sector	Hardware & Equipment
Shares fully diluted (m)	65.9
Market cap (EURm)	1,642
Net debt (EURm)	-11
Minority interests (EURm)	12
Enterprise value 20e (EURm)	1,638
Free float (%)	59

### Performance



Source: Factset

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### Analysts

Knud Hinkel  
+49 69 58997 419, knud.hinkel@paretosec.com

## Wrap-up Q2 numbers

### Exhibit 1: Q2

S&T AG		Q2 2019	Actual Q2 2020	yoy
<b>Revenues</b>	<b>EURm</b>	<b>249</b>	<b>269</b>	<b>8%</b>
<i>IT Services</i>	"	106	114	8%
<i>IoT Solutions Europe</i>	"	105	157	49%
<i>IoT Solutions America</i>	"	38	36	(4)%
<b>EBITDA</b>	"	<b>23.1</b>	<b>27.0</b>	<b>17%</b>
<i>margin</i>	%	9.3%	10.1%	76 bps
<i>IT Services</i>	"	7.1	9.7	37%
<i>IoT Solutions Europe</i>	"	14.4	16.1	12%
<i>IoT Solutions America</i>	"	1.6	1.2	(25)%

Source: Pareto Securities Research

S&T reported Q2 numbers that clearly exceeded our already optimistic expectations. Revenues rose by 8% to EUR 269m. As the portfolio effect from past acquisitions contributed ~EUR 30m in the quarter, revenues were up ~4% organically, which is a major achievement in times of corona. S&T and the IoT Solutions Europe segment profits on the one hand from being supplier for respirators for Dräger and GE, among others. These applications will contribute additional revenues of EUR 50m in 2020 (+50% yoy). S&T has been qualified as mission critical supplier and respective facilities in Augsburg, Ismaning and San Diego will stay open during Corona crisis. For 2021, the respective revenues are expected to retreat from EUR 150m to EUR 120m, which is still an elevated level compared to pre-corona times. Second, business with the public sector is keeping up well, for instance control systems for high speed trains. The public sector is keen to spend during the crisis; accordingly, it makes up for ~50% of new projects (2019: 32%) in the meantime. These booming fields more than compensate for weak spots such as avionics (IoT America), that will lose EUR 20m in revenues in 2020.

Profitability was also on a good level as the gross margin approached the long-term target of 40% (was at 39.3% after H1). According to the management, the gross margin is driven by technology and service content of products sold and – depending on the service content – can reach up to 60%. For a pure software/hardware bundle, S&T believes 40-45% to be the upper limit. Also, the phasing-out of business with Nokia and Uniper (segment IoT Americas) helped up the gross margin, as this was low margin business.

EBITDA increased by 17% to EUR 27m, which was 14% above consensus. S&T saw EUR 4.5m labour cost reductions in Q2 (total quarterly costs: EUR 65m) and expects a further EUR 2.5m in Q3 as the management and the board waived 20% of salary in Q2 and Q3 and S&T realized 8% of subsidized “reduced hours”.

S&T reported a very strong operating cash flow of EUR 27.2m in the first six months which compares with minus EUR 11.7m in 2019. This was mostly due to the PEC program and related cash inflows from working capital as working capital intensity was down from 22% to 15 % of sales on the 30<sup>th</sup> of June.

One clear focus of the CC was M&A, which is a topic that is regarded as major opportunity in the current crisis as target prices are down from 60% of revenues to 40% at present. This is because (1) lower profits realized by potential targets (2) fewer potential buyers as acquisition financing is harder to obtain, and (3) the

due diligence is not so easy at the moment due to travel restrictions. S&T has usually ~10 M&A projects in the pipeline and targets the acquisition of EUR 300m revenues instead of EUR 200m for 2020 and 2021. With the recent acquisition of Citycomp (closing a matter of weeks) and Iskratel (closing in early Q4), S&T has already acquired EUR 140m in 2020. In general, S&T looks for targets with high synergies, so that these can be turned profitable within 2 years. In order to do more, S&T has cash of EUR 257.7m at hand as of the 30th of June 2020.

The company also increased the full year guidance by one notch, now expecting revenues and EBITDA of “at least” EUR 1,150 m and EBITDA of EUR 115 million, respectively (was “around” before).

## Valuation update

### Exhibit 2: Updated estimates

Profit & Loss	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e	2023e
<b>Revenue</b>	338	386	468	504	882	991	1,123	1,237	1,511	1,812	2,093
% yoy	-0.5%	14.1%	21.4%	7.6%	75.1%	12.3%	13.3%	10.2%	22.1%	19.9%	15.5%
<b>EBITDA</b>	20	23	28	34	68	91	112	119	153	190	230
% of sales	5.9%	5.9%	6.1%	6.8%	7.7%	9.1%	9.9%	9.6%	10.1%	10.5%	11.0%
<b>EBIT</b>	14	17	21	24	42	62	62	64	77	95	124
% of sales	4.2%	4.3%	4.4%	4.8%	4.7%	6.2%	5.5%	5.2%	5.1%	5.2%	5.9%
<b>Pretax Profit</b>	12	15	18	20	35	56	54	54	67	85	115
% of sales	3.6%	3.8%	3.9%	4.0%	4.0%	5.7%	4.8%	4.4%	4.4%	4.7%	5.5%
<b>Net Profit</b>	12	13	16	15	23	45	49	46	56	71	94
% of sales	3.5%	3.4%	3.4%	2.9%	2.6%	4.5%	4.4%	3.7%	3.7%	3.9%	4.5%
<b>EPS</b>	0.30	0.32	0.36	0.33	0.43	0.70	0.74	0.70	0.85	1.08	1.43
% yoy	16.4%	5.8%	14.8%	-8.9%	30.8%	61.3%	6.4%	-6.3%	22.4%	26.5%	32.5%
<b>DPS</b>	0.06	0.07	0.08	0.10	0.13	0.16	0.00	0.21	0.26	0.32	0.43
Payout ratio	20%	22%	22%	30%	30%	23%	0%	30%	30%	30%	30%

Source: Pareto Securities Research

Against the backdrop of the strong Q2 numbers, the full year outlook (“at least revenues and EBITDA of EUR 1,150 m and EBITDA of EUR 115 million”, respectively) now looks “easily” achievable: Given that (1) S&T has realized EUR 649m in the 2<sup>nd</sup> half of 2019 and EUR 539m in the 1<sup>st</sup> half of 2020, (2) we expect an portfolio effect of around EUR 50m in the 2<sup>nd</sup> half of 2020, S&T could “afford” an organic decrease of revenues by 14% ( $1,150 - 50 - 539 = 561 = 649 * (1 - 14\%)$ ) in H2 and still meet the top-line guidance. The underlying assumption is that the recent acquisitions Citycomp and Iskratel will be closed on the 1<sup>st</sup> of September and on the 1<sup>st</sup> of October. However, the current guidance seems to provide enough cushion even if there is a delay of closing dates. The CEO made also some encouraging remarks on IoT America, saying that he does not expect the unit to lose revenues in H2 compared to last year. The prime reason for that seems to be the orders from the gaming platform Twitch, that proves to be one of the winners of the current crisis. Moreover, the order book stands at EUR 910m, which is EUR 68m above the level at the beginning of the year, and S&T had a promising start into Q3, so that target seems to be well in reach.

We arrive at full year revenues of EUR 1,237m and EBITDA of 119m, assuming a bit of margin dilution in H2 2010 by the newly consolidated entities. This compares with a Factset consensus of EUR 1,200m and EUR 120m, respectively, so no major deviation in that regard.

We also adjusted our estimates for the subsequent fiscal years a bit, now expecting S&T to acquire EUR 150m in 2020 and 2021 each and 100m in the following years. We conservatively assume an acquisition multiple of 0.6x revenues, which is clearly above the 0.4x S&T spots in the M&A market at present. Assuming additionally 10% of organic growth per year, we arrive at revenues of EUR 2.1bn and EBITDA of EUR 230m, well in-line with S&T’s mid-term guidance of EUR 2bn and EUR 220m, respectively.

On the grounds of these assumptions, our DCF framework reveals a fair value of EUR 33 per share (was EUR 29 before).

## Exhibit 3: DCF

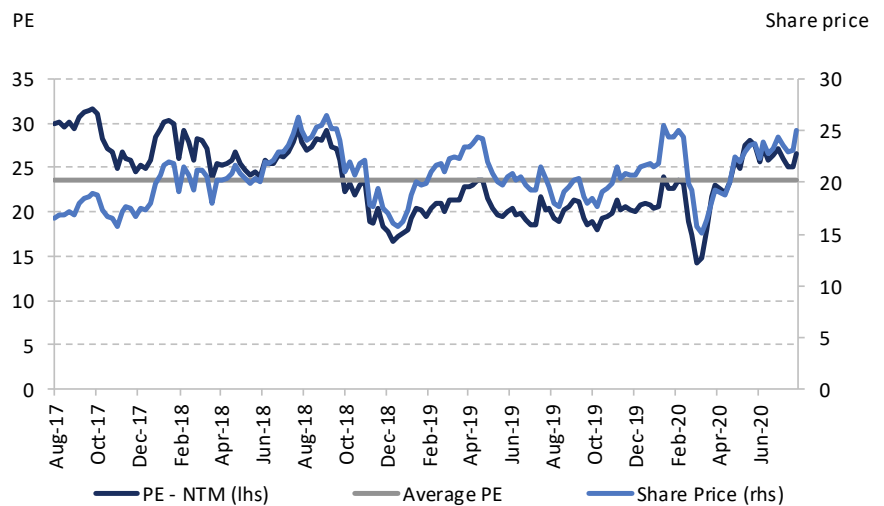
EUR m	Phase I					Phase II					Phase III
	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	
Revenues	1,237	1,511	1,812	2,093	2,293	2,486	2,669	2,836	2,983	3,105	
<i>growth rate</i>	10%	22%	20%	16%	10%	8%	7%	6%	5%	4%	
EBITDA	119	153	190	230	252	273	294	312	328	342	
<i>EBIT margin</i>	9.6%	10.1%	10.5%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	
Depr. & Amort. (FA)	36	53	68	74	81	82	83	82	79	74	
<i>% of sales</i>	2.9%	3.5%	3.7%	3.6%	3.5%	3.3%	3.1%	2.9%	2.6%	2.4%	
Depr. & Amort. (RoU)	19	23	27	32	35	38	40	43	45	47	
<i>% of sales</i>	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	
EBIT	64	77	95	124	136	154	170	187	204	221	
<i>EBIT margin</i>	5.2%	5.1%	5.2%	5.9%	5.9%	6.2%	6.4%	6.6%	6.8%	7.1%	
Tax	(10)	(12)	(16)	(22)	(27)	(31)	(34)	(37)	(41)	(44)	
<i>Tax rate</i>	15%	16%	17%	18%	20%	20%	20%	20%	20%	20%	
Capex	(30)	(38)	(45)	(52)	(57)	(62)	(67)	(71)	(75)	(78)	
<i>% of sales</i>	2.4%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
Acquisitions (ex NWC)	(72)	(72)	(48)	(48)	0	0	0	0	0	0	
<i>% of sales</i>	5.8%	4.8%	2.6%	2.3%	0.0%	1.3%	1.9%	2.2%	2.3%	9.5%	
Change in WC & P	5	(4)	(20)	(22)	(15)	(17)	(18)	(19)	(20)	(21)	
<i>% of sales</i>	-0.4%	0.3%	1.1%	1.1%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	
Free Cash Flow	(6)	4	33	53	118	126	134	142	148	152	3,395
<i>growth rate</i>	nm	nm	nm	62%	nm	7%	7%	5%	4%	3%	3%
Present Value FCF	(6)	4	28	42	85	85	84	82	80	76	1,705

PV Phase I	152	Risk free rate	3.5%	Targ. equity ratio	70%			
PV Phase II	408	Premium Equity	5.0%	Beta	1.2			
PV Phase III	1,705	Premium Debt	0.5%	WACC	7.6%			
Enterprise value	2,265	Sensitivity	Growth in phase III					
- Net debt (cash)	32		2.0%	2.5%	3.0%	3.5%	4.0%	
- Pension provisions	9	6.8%	33.3	36.4	40.4	45.5	52.5	
- Minorities & Peripherals	12	7.2%	30.4	33.0	36.2	40.3	45.6	
- Leasing liabilities	62	WACC	7.6%	33.3	30.1	32.7	36.0	40.2
- Paid-out dividends for last FY	0	8.0%	25.7	27.5	29.8	32.5	35.9	
+/- Other EV items	0	8.4%	23.8	25.4	27.2	29.5	32.3	
Equity value	2,148							
Number of shares (m)	66							
Value per share (€)	33.0							
Current Price (€)	25.0							
Upside	32%							

Source: Pareto Securities Research

Within our DCF model, we book the cash deployed for acquisition ex investments into working capital, which is included in the line "Change of WC & P", though. As S&T intends to reduce the working capital intensity from 13.7% to 12% in 2020 as part of the PEC program, the net contribution from working capital is expected to be positive in 2020.

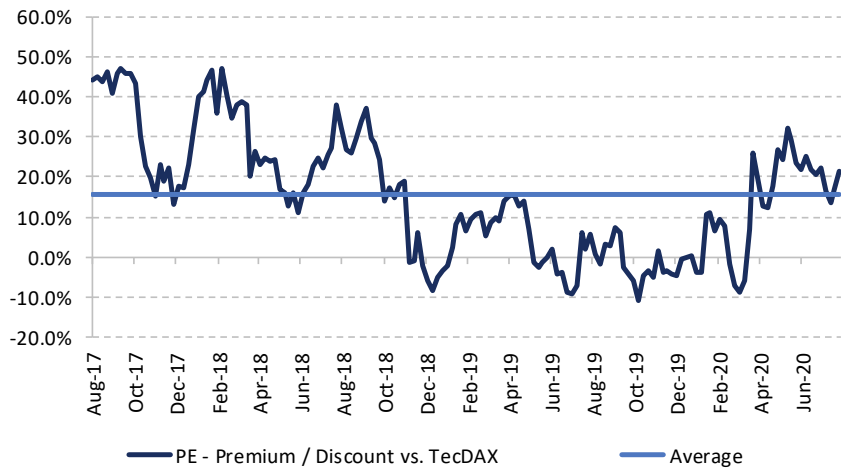
**Exhibit 4: Historical PE (consensus-based)**



Source: Pareto Securities Research

The S&T share has massively outperformed the TecDax by ~30 percentage points since the index reached its bottom in the middle of March. At present, the share trades at a 21% premium to the index which compares with an average of ~15% in the past. The current consensus PE of 25x forward earnings is however on par with the historical average.

**Exhibit 5: Premium vs. TecDAX**



Source: Pareto Securities Research

Regarding S&T’s strong M&A potential, we think a certain premium to historical levels and the TecDax is warranted. Notwithstanding, the investment case is based on the assumption is that S&T can in the future live up to its past M&A track record and does not acquire a “lemon” at some point in time, that costs time, money and an inadequate high share of management attention.

## Appendix: Acquisitions between 2016-20

Exhibit 6: Acquisitions 2016-20

Acquisition	Announced	Region	Initial stake	Rationale	Purchase price (mEUR)	Revenues (mEUR)	Income (kEUR)	Margin (LTP)	EV/LFY sales	Current stake	Consolidation date	Cons.	Segment	First year cons. rev (€)
Citycomp	Jul 20	Dach, Benelux	55.50%	Volume	15.0	38	neg		0.5x	55%	01.09.2020	1	IT Services	13
IskraTel	Jul 20	Slovenia	100.00%	Volume	15.0	115	neg		0.4x	100%	01.10.2020		IoT Solutions Europe	29
ALS Automation GmbH	10/2019	Germany	100.00%	Product extension	13,000	13,610	383	2.8%			01.11.2019	2	IoT Solutions Europe	2,799
Industrial mainboard unit from Fujitsu	07/2019	Germany	100.00%	Product extension										
Bass Systems	08/2019	Germany	51.00%	IT Integration	12,400	23,822	5,039	21.2%			01.08.2019	5	IT Services	10,357
<b>Kapsch CarrierCom</b>	<b>05/2019</b>	<b>Austria</b>	<b>100.00%</b>	<b>R&amp;D</b>	<b>0</b>	<b>120,958</b>	<b>-20</b>	<b>0%</b>		<b>100.00%</b>	<b>01.06.2019</b>	<b>7</b>	IoT Solutions Europe	<b>70,663</b>
XTR0 Holding GmbH	05/2019	Germany	100.00%		979						23.05.2019	7	IT Services	
Epro Electronic	03/2019	Germany	100.00%		2,400	1,849	551	29.8%			13.03.2019	10	IoT Solutions Europe	1,541
Steuatrac System- und Netzwerktechnik GmbH	11/2018	Germany	100.00%		404	721	38	5.3%			01.12.2018	1	IT Services	72
Kontroll Canada Inc.	09/2018	Canada	step-up to 100% (from 51%)		51,220									
S&T Pilscom s.r.o.	09/2018	Czech Rep.	100.00%		1,874	922	85	9.2%			01.10.2018	3	IT Services	322
Open Networking Platform unit from Inccycle Technologies	07/2018	Canada	Asset deal		4,289						30.07.2018	5	IoT Solutions	
Fair Value Com srl	07/2018	Romania	100.00%		834	2,240	238	10.6%			01.08.2018	5	IT Services	895
<b>Four units from Eceet group</b>	<b>06/2018</b>	<b>GER / AUS</b>	<b>100.00%</b>		<b>30,771</b>	<b>68,955</b>	<b>-1,207</b>	<b>-1.8%</b>			<b>27.07.2018</b>	<b>5</b>	IoT Solutions	<b>27,639</b>
Active Internet Performance GmbH	04/2018	Austria	100.00%		500	1,630	37	2.3%			01.05.2018	8	IT Services	955
International Carrier business from Kapsch CarrierCom	04/2018	Austria	100.00%		-119	15,373	-633	-4.1%			01.04.2018	9	IT Services	11,878
XTR0 AG	11/2017	Germany	100.00%		2,500	10,353	375	3.6%			01.12.2017	1	IT Services	1,072
Industrial Computers Ltd.	10/2017	UK	100.00%		2,050	4,506	-96	-2.1%			31.10.2017	2	IoT Solutions	502
Kapsch s.r.o.	06/2017	Slovakia	100.00%		4,084	12,799	-82	-0.6%			01.07.2017	6	IT Services	7,250
Kapsch BusinessCom s.r.o.	04/2017	Hungary	100.00%		796	1,005	-12	-1.2%			07.04.2017	9	IT Services	737
Limforge Technologies GmbH	02/2017	Austria	100.00%		6,084	23,896	-1,091	-4.6%			01.04.2017	9	IT Services	17,799
RAISt GmbH	11/2016	Germany	51.00%		723	1,641	-127	-7.7%			01.12.2016	1	Services DACH	81
BIT IT Service GmbH	10/2016	Germany	29.90%		60,179	385,125	-147,610	-38.3%			01.12.2016	1	Appliances Security	48,861
Hagenberg Software GmbH	10/2016	Austria	100.00%		720	2,060	26	1.3%			01.03.2016	10	Appliances	390
ces pos arielle AG GmbH	09/2016	Germany	100.00%		1,235	2,385	663	27.8%			30.09.2016	3	Services DACH	557
Kapsch Sp z o.o.	09/2016	Poland	100.00%		0	8,038	-942	-11.7%			01.09.2016	4	Services EE	2,554
hamicos IT Service GmbH	08/2016	Germany	49.00%		2,010	8,321	95	1.1%			04.08.2016	5	Services DACH	3,156
Novotech	05/2016	Austria	100.00%		772	5,104	-469	-9.2%			03.05.2016	8	Appliances Security	3,251
Amanox Solutions AG	03/2016	Switzerland	51.20%		666	6,116	413	6.8%			13.04.2016	9	Services DACH	4,469
S&T Smart Energy Services	12/2015	Austria	49.00%		1,249						01.02.2016	11	Appliances Smart Energy	
printing unit from Herrmann Buchner GmbH	12/2016	Austria	100.00%		500						01.01.2016	12	Services DACH	
NISproSipma GmbH	11/2015	Austria	74.90%		27	584	73				01.01.2016	12	Appliances Security	584

Source: Pareto Securities Research

<b>PROFIT &amp; LOSS (fiscal year) (EURm)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>
<b>Revenues</b>	<b>468</b>	<b>504</b>	<b>882</b>	<b>991</b>	<b>1,123</b>	<b>1,237</b>	<b>1,511</b>	<b>1,812</b>
<b>EBITDA</b>	<b>28</b>	<b>34</b>	<b>68</b>	<b>91</b>	<b>112</b>	<b>119</b>	<b>153</b>	<b>190</b>
Depreciation & amortisation	(8)	(10)	(26)	(29)	(50)	(55)	(76)	(95)
<b>EBIT</b>	<b>21</b>	<b>24</b>	<b>42</b>	<b>62</b>	<b>62</b>	<b>64</b>	<b>77</b>	<b>95</b>
Net interest	(3)	(4)	(6)	(5)	(8)	(10)	(10)	(10)
Other financial items	-	-	-	-	-	-	-	-
<b>Profit before taxes</b>	<b>18</b>	<b>20</b>	<b>35</b>	<b>56</b>	<b>54</b>	<b>54</b>	<b>67</b>	<b>85</b>
Taxes	(1)	0	(6)	(8)	(5)	(8)	(11)	(15)
Minority interest	(2)	(6)	(7)	(3)	(0)	-	-	-
<b>Net profit</b>	<b>16</b>	<b>15</b>	<b>23</b>	<b>45</b>	<b>49</b>	<b>46</b>	<b>56</b>	<b>71</b>
EPS reported	0.36	0.33	0.43	0.70	0.74	0.70	0.85	1.08
<b>EPS adjusted</b>	<b>0.36</b>	<b>0.31</b>	<b>0.43</b>	<b>0.70</b>	<b>0.74</b>	<b>0.70</b>	<b>0.85</b>	<b>1.08</b>
DPS	0.08	0.10	0.13	0.16	-	0.21	0.26	0.32
<b>BALANCE SHEET (EURm)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>
Tangible non current assets	15	28	32	37	38	87	129	148
Other non-current assets	76	184	195	273	392	444	458	465
Other current assets	168	331	361	366	483	471	481	536
Cash & equivalents	60	126	217	172	312	284	253	261
<b>Total assets</b>	<b>319</b>	<b>669</b>	<b>805</b>	<b>848</b>	<b>1,226</b>	<b>1,285</b>	<b>1,321</b>	<b>1,410</b>
Total equity	102	241	332	367	385	427	469	523
Interest-bearing non-current debt	51	94	115	113	283	273	260	260
Interest-bearing current debt	-	-	-	-	-	-	-	-
Other Debt	166	332	356	366	549	576	583	618
<b>Total liabilities &amp; equity</b>	<b>319</b>	<b>669</b>	<b>805</b>	<b>848</b>	<b>1,226</b>	<b>1,285</b>	<b>1,321</b>	<b>1,410</b>
<b>CASH FLOW (EURm)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>
Cash earnings	23	131	46	48	82	82	109	139
Change in working capital	3	(70)	(1)	(12)	2	5	(4)	(20)
Cash flow from investments	(10)	(74)	(39)	(63)	(56)	(102)	(110)	(93)
Cash flow from financing	(1)	72	93	(21)	84	(14)	(26)	(17)
Net cash flow	21	65	91	(45)	111	(29)	(31)	8
<b>CAPITALIZATION &amp; VALUATION (EURm)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>
<b>Share price (EUR end)</b>	<b>6.0</b>	<b>8.7</b>	<b>18.0</b>	<b>15.8</b>	<b>21.3</b>	<b>24.9</b>	<b>24.9</b>	<b>24.9</b>
Number of shares end period	44	49	63	66	66	66	66	66
Net interest bearing debt	(9)	(32)	(102)	(58)	(30)	(11)	7	(1)
<b>Enterprise value</b>	<b>254</b>	<b>481</b>	<b>1,066</b>	<b>998</b>	<b>1,385</b>	<b>1,638</b>	<b>1,656</b>	<b>1,648</b>
EV/Sales	0.5	1.0	1.2	1.0	1.2	1.3	1.1	0.9
<b>EV/EBITDA</b>	<b>9.0</b>	<b>14.0</b>	<b>15.7</b>	<b>11.0</b>	<b>12.4</b>	<b>13.8</b>	<b>10.9</b>	<b>8.7</b>
EV/EBIT	12.0	19.9	25.5	16.2	22.4	25.6	21.6	17.3
P/E reported	16.4	26.3	41.5	22.6	28.6	35.7	29.2	23.1
<b>P/E adjusted</b>	<b>16.4</b>	<b>28.4</b>	<b>41.5</b>	<b>22.6</b>	<b>28.6</b>	<b>35.7</b>	<b>29.2</b>	<b>23.1</b>
P/B	2.6	2.8	3.7	2.9	3.8	3.9	3.6	3.2
<b>FINANCIAL ANALYSIS &amp; CREDIT METRICS</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>
ROE adjusted (%)	16.5	7.9	7.9	12.9	13.1	11.3	12.5	14.3
Dividend yield (%)	1.3	1.1	0.7	1.0	-	0.8	1.0	1.3
EBITDA margin (%)	6.1	6.8	7.7	9.1	9.9	9.6	10.1	10.5
EBIT margin (%)	4.5	4.8	4.7	6.2	5.5	5.2	5.1	5.2
NIBD/EBITDA	(0.33)	(0.93)	(1.50)	(0.64)	(0.26)	(0.09)	0.05	(0.00)
EBITDA/Net interest	10.73	8.28	10.72	17.56	14.54	11.60	15.31	19.79



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Pareto Bank ASA	14,901,908	21.33%	Sparebanken Vest	6,370,851	5.94%

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NHST Media Group AS	17,900	1.39%	SpareBank 1Østfold Akersl	1,139,560	9.20%
Pareto Bank ASA	14,901,908	21.33%	Sparebanken Møre	305,239	3.09%
Selvaag Bolig ASA	2,177,497	2.32%	Sparebanken Sør	433,444	2.77%
SpareBank 1BV	1,655,220	2.62%	Sparebanken Vest	6,370,851	5.94%
SpareBank 1Nord-Norge	3,245,605	3.23%	Totens Sparebank	78,246	1.28%

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Company	Analyst holdings*	Total holdings	Company	Analyst holdings*	Total holdings	Company	Analyst holdings*	Total holdings
Adevinta	0	574	Golden Ocean Group	0	1,744	Quantafuel	0	2,540
AF Gruppen	0	19,185	Grieg Seafood	0	6,258	REC Silicon	0	32,708
Aker	0	791	Hafnia Limited	0	30,000	SailMar	0	385
Aker BP	0	23,126	Helgeland Sparebank	0	2,777	Sandnes Sparebank	0	25,782
American Shipping Compar	0	3,500	Ice Group	0	104,391	Sbanken	0	4,520
Atlantic Sapphire	0	1,105	Jæren Sparebank	0	500	Scatec Solar	0	35,000
Austevoll Seafood	0	635	Komplett Bank	0	94,300	Schibsted ASA A Aksjer	0	232
Avance Gas	0	4,456	Kongsberg Gruppen	0	34,274	Schibsted ASA B Aksjer	0	607
Axactor	0	11,376	KWS	75	75	Selvaag Bolig	0	2,350
Bakkafrost	0	204	Lerøy Seafood	0	3,814	SpareBank 1BV	0	22,000
BASF	270	270	Mowi	0	3,779	SpareBank 1Nord-Norge	0	26,050
Bonheur	0	37,076	NORBIT	0	8,155	SpareBank 1SMN	0	18,740
BRABank	0	137,100	Nordic Semiconductor	0	6,765	SpareBank 1SR-Bank	0	42,601
BWEnergy Limited	0	43,075	Norsk Hydro	0	102,321	SpareBank 1Østlandet	0	7,921
BWOffshore	0	8,326	Norske Skog	0	3,550	Sparebanken Sør	0	16,135
DNB	0	31,464	Norwegian Air Shuttle	0	40,028	Sparebanken Vest	0	14,924
DNO	0	499,263	Norwegian Finans Holding	0	3,310	Sparebanken Øst	0	1,500
Elkem	0	5,218	NTS	0	2,172	Stolt-Nielsen	0	41,317
Entra	0	10,537	Ocean Yield	0	46,005	Storebrand	0	7,552
Equinor	0	5,002	Okeanis Eco Tankers	0	2,000	Subsea 7	0	3,198
Europris	0	13,469	Orkla	0	18,699	Telenor	0	2,076
Fjord1	0	50,000	Panoro Energy	0	9,285	TGS-NOPEC	0	2,000
Fjordkraft Holding	0	12,000	Pareto Bank	0	1278,298	VOWASA	0	6,281
Frontline	0	28,710	Pexip Holding	0	7,000	XXL	0	12,573
Gjensidige Forsikring	0	7,280	Protector Forsikring	0	14,000	Yara International	0	14,175

This overview is updated monthly (last updated 10.07.2020).

\*Analyst holdings refer to positions held by the Pareto Securities AS analyst covering the company.

## Appendix B

Disclosure requirements pursuant to the Norwegian Securities Trading Regulation § 3-11, letters e-f, ref the Securities Trading Act Section 3-10

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Acconer AB	Helgeland Sparebank	Pinewood Laboratories	
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Africa Energy	Ice Group	Pioneer Property Group ASA	
African Petroleum Corporation	ICWHolding	Providences Inv. Mngmt Pty	
Aker ASA	Kingfish Zeeland	Salmon Evolution AS	
American Tanker, Inc.	Klaveness Combination Carriers ASA	Sandnes Sparebank	
Aprila Bank ASA	Komplett Bank ASA	Scorpio Bulkers Inc.	
Belships	Kongsberg Automotive	Seadrill	
Boreal Holding AS	LifeFit	Sparebanken Vest	
Borr Drilling Ltd.	Luxaviation Holding	Stolt Nielsen	
BRABank	Mercell Holding AS	TEMPTON Dienstleistungen	
BRABank ASA	Monobank ASA	United Camping AB	
BWEnergy	Mutares SE & Co. KGaA		-
Cabonline Group Holding AB	Navigator Holdings		-
Cibus Nordic Real Estate AB	Next Biometrics Group ASA ("NEXT")		-
Digiplex	Northern Ocean		-
DOFASA	Norwegian Air Shuttle		-
DOF Subsea AS	Nouveau Monde Graphite		-
Erwe Immobilien	Ocean Yield		-
Euromicron AG	Odfjell SE		-
Filo Mining Corp	Pareto Bank		-
Floatel	Petroleum Geo-Services		-

*This overview is updated monthly (this overview is for the period 30.06.2019 – 30.06.2020).*

## Appendix C

Disclosure requirements pursuant to the Norwegian Securities Trading Regulation § 3-11(4)

### Distribution of recommendations

Recommendation	% distribution
Buy	64%
Hold	31%
Sell	4%

### Distribution of recommendations (transactions\*)

Recommendation	% distribution
Buy	75%
Hold	25%
Sell	0%

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Disclosure requirements pursuant to the Norwegian Securities Trading Regulation § 3-11, letter d, ref the Securities Trading Act Section 3-10

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## Appendix F

Disclosure requirements pursuant to the Norwegian Securities Trading Regulation § 3-11, letter g, ref the Securities Trading Act Section 3-10

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Baywa	Dermapharm Holding SE	Leifheit	OHB SE
BB Biotech	First Sensor	MAX Automation SE	OVH Holding AG
B.R.A.I.N.	Godewind Immobilien AG	Merkur Bank	Siegfried Holding AG
comdirect	Hypoport AG	MOBOTIX AG	

*This overview is updated monthly (last updated 15.07.2020).*