

Buy (old: Buy)

Price target: EUR 33.00 (old: EUR 33.00)

Price:	EUR 18.90	Next result:	FY'20: tba
Bloomberg:	SANT GR	Market cap:	EUR 1,249.2 m
Reuters:	SANT1.DE	Enterprise Value:	EUR 1,347.6 m

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CMD Feedback: the key takeaways in a nutshell

- **A positive update on current trading** - Management expects to overachieve its FY'20 guidance (€ 1.2bn sales / € 122m EBITDA / raised by c. 4% with Q3 results), citing strong current trading. In our view, **there should be some 5% upside** to our and consensus' expectations of approx. € 1.2bn sales and € 124-125m EBITDA. At the same time, management confirmed its 2023 targets of € 2.0bn revenues and € 220m EBITDA, noting that **visibility is constantly improving** thanks to its growing customer funnel.
- **Demonstrating its technological process** - S&T has more than 3,000 engineers, of which the majority focuses on software, and invests approx. 15% of revenues into R&D. Its key strength lies not only in embedded systems but also in connectivity technology (e.g. SUSiEtec) for end-markets transport, healthcare and industrial. Several customers and divisional managers highlighted specific technology applications during the CMD. **Infineon** relies on S&T's technology to collect and analyze machine data at its Dresden semi fab, so that machine performance can be improved (e.g. discard, speed). **GE Healthcare** uses S&T's software to enable ICU patient monitoring from a central position. Serving clients such as **Network Rail**, S&T's transportation division provides remote train control technology, which has up to 80% software content and is protected by some 50 patents. Finally, for **Getinge AB**, S&T makes the human-machine interface for its ICU ventilators.
- **Furthering its business model transformation & streamlining** - Management plans to shift the business more and more towards software and „IoT as a Service“, and we expect the company to start reporting recurring revenues going forward. The aim is to grow direct software revenues to € 50m in 2021 and € 150m in 2023 (including M&A), from € 35m in 2020E, directly benefitting margins. Indeed, S&T for the first time presented its „Vision 2030“, where it targets gross margins of 50% (vs. c. 40% currently) and an EBITDA margin of 15-20%. It also revealed that it is willing to divest IT Services „at the right price“, which we deem to be 8-10x EBITDA.
- **Promising further improvements in financial metrics & transparency** - Management targets a 60% EBITDA to net income conversion ratio (2019: 44%) and a 75% EBITDA to cash flow ratio (2019: 75%). To achieve this, the company is looking to lower w/c to 12.5% (from 14%), improve financing costs, and maintain a low tax rate of 15% beyond 2023 thanks to tax loss carry forwards. Also, it has largely bought out NCI. Regarding transparency, S&T will regularly provide disclosures on one-offs and M&A effects (both for the P&L and cash flow) as well as on organic growth.

Reiterate **BUY** with a € 33.00 PT based on DCF.

Y/E 31.12 (EUR m)	2016	2017	2018	2019	2020E	2021E	2022E
Sales	503.7	882.0	990.9	1,122.9	1,205.0	1,466.0	1,641.9
Sales growth	8 %	75 %	12 %	13 %	7 %	22 %	12 %
EBITDA	34.4	68.1	90.5	111.7	124.7	153.9	183.4
EBIT	24.1	41.7	61.5	61.8	68.0	93.6	120.9
Net income	14.6	22.5	45.0	49.1	53.8	77.1	101.0
Net debt	-32.0	-101.8	-52.7	91.5	68.1	21.3	-53.9
Net gearing	-20.7 %	-33.4 %	-14.8 %	24.5 %	16.4 %	4.5 %	-9.7 %
Net Debt/EBITDA	0.0	0.0	0.0	0.8	0.5	0.1	0.0
EPS pro forma	0.30	0.51	0.68	0.74	0.81	1.17	1.53
CPS	1.12	0.52	0.35	1.03	1.41	1.32	1.88
DPS	0.10	0.13	0.16	0.19	0.21	0.30	0.39
Dividend yield	0.5 %	0.7 %	0.8 %	1.0 %	1.1 %	1.6 %	2.1 %
Gross profit margin	33.9 %	36.7 %	36.0 %	37.2 %	39.9 %	40.8 %	41.1 %
EBITDA margin	6.8 %	7.7 %	9.1 %	9.9 %	10.4 %	10.5 %	11.2 %
EBIT margin	4.8 %	4.7 %	6.2 %	5.5 %	5.6 %	6.4 %	7.4 %
ROCE	8.8 %	9.4 %	11.9 %	8.8 %	9.4 %	10.1 %	12.2 %
EV/sales	1.8	1.3	1.2	1.2	1.1	0.9	0.7
EV/EBITDA	25.9	16.4	13.4	12.3	10.8	8.5	6.7
EV/EBIT	36.9	26.8	19.7	22.2	19.8	13.9	10.1
PER	62.5	37.1	27.8	25.4	23.2	16.2	12.4
Adjusted FCF yield	2.4 %	3.9 %	5.5 %	6.9 %	7.5 %	9.7 %	12.6 %

Source: Company data, Hauck & Aufhäuser Close price as of: 17.12.2020



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 25.90 / 14.02

Price/Book Ratio: 3.1

Relative performance (TecDAX):

3 months -17.0 %

6 months -17.1 %

12 months -12.8 %

Changes in estimates

		Sales	EBIT	EPS
2020	old:	1,205.0	68.0	0.81
	Δ	-	-	-
2021	old:	1,466.0	93.6	1.17
	Δ	-	-	-
2022	old:	1,641.9	120.9	1.53
	Δ	-	-	-

Key share data:

Number of shares: (in m pcs) 66.1
 Authorised capital: (in € m) 12.1
 Book value per share: (in €) 6.3
 Ø trading volume: (12 months) 60,000

Major shareholders:

Free Float 66.4 %
 Ennoconn 26.6 %
 Investec 5.0 %
 Management 2.0 %

Company description:

Leading IoT solutions provider targeting industrial, medical, avionics, smart energy, and other applications

Financials

Profit and loss (EUR m)	2016	2017	2018	2019	2020E	2021E	2022E
Net sales	503.7	882.0	990.9	1,122.9	1,205.0	1,466.0	1,641.9
<i>Sales growth</i>	7.6 %	75.1 %	12.3 %	13.3 %	7.3 %	21.7 %	12.0 %
Increase/decrease in finished goods and work-in-process	2.8	13.4	15.1	15.5	12.1	14.7	16.4
Total sales	506.5	895.3	1,006.0	1,138.4	1,217.1	1,480.7	1,658.3
Other operating income	6.1	8.5	7.5	8.0	3.0	4.4	4.4
Material expenses	334.8	567.0	644.3	715.4	731.4	876.7	976.9
Personnel expenses	93.5	179.4	194.6	245.2	271.1	337.2	374.4
Other operating expenses	50.0	89.4	84.0	74.2	92.8	117.3	128.1
Total operating expenses	472.1	827.3	915.4	1,026.7	1,092.3	1,326.7	1,474.9
EBITDA	34.4	68.1	90.5	111.7	124.7	153.9	183.4
Depreciation	10.3	7.4	29.0	49.9	11.7	12.3	12.5
EBITA	24.1	60.7	61.5	61.8	113.0	141.6	170.9
Amortisation of goodwill	0.0	0.0	n/a	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	18.9	n/a	0.0	45.0	48.0	50.0
Impairment charges	0.0	0.0	n/a	0.0	0.0	0.0	0.0
EBIT (inc revaluation net)	24.1	41.7	61.5	61.8	68.0	93.6	120.9
Interest income	0.3	0.6	1.0	1.3	2.1	1.8	2.1
Interest expenses	4.4	6.9	6.2	9.0	7.6	5.6	5.6
Other financial result	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-4.0	-6.4	-5.2	-7.7	-5.5	-3.8	-3.5
Recurring pretax income from continuing operations	20.1	35.4	56.3	54.1	62.5	89.8	117.4
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	20.1	35.4	56.3	54.1	62.5	89.8	117.4
Taxes	-0.3	6.0	7.9	4.6	8.1	11.7	15.3
Net income from continuing operations	20.4	29.4	48.5	49.5	54.4	78.1	102.1
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	20.4	29.4	48.5	49.5	54.4	78.1	102.1
Minority interest	5.8	6.9	3.5	0.4	0.6	1.0	1.1
Net profit (reported)	14.6	22.5	45.0	49.1	53.8	77.1	101.0
Average number of shares	44.2	52.5	66.1	66.1	66.1	66.1	66.1
EPS reported	0.33	0.43	0.68	0.74	0.81	1.17	1.53

Profit and loss (common size)	2016	2017	2018	2019	2020E	2021E	2022E
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	0.6 %	1.5 %	1.5 %	1.4 %	1.0 %	1.0 %	1.0 %
Total sales	100.6 %	101.5 %	101.5 %	101.4 %	101.0 %	101.0 %	101.0 %
Other operating income	1.2 %	1.0 %	0.8 %	0.7 %	0.3 %	0.3 %	0.3 %
Material expenses	66.5 %	64.3 %	65.0 %	63.7 %	60.7 %	59.8 %	59.5 %
Personnel expenses	18.6 %	20.3 %	19.6 %	21.8 %	22.5 %	23.0 %	22.8 %
Other operating expenses	9.9 %	10.1 %	8.5 %	6.6 %	7.7 %	8.0 %	7.8 %
Total operating expenses	93.7 %	93.8 %	92.4 %	91.4 %	90.7 %	90.5 %	89.8 %
EBITDA	6.8 %	7.7 %	9.1 %	9.9 %	10.4 %	10.5 %	11.2 %
Depreciation	2.0 %	0.8 %	2.9 %	4.4 %	1.0 %	0.8 %	0.8 %
EBITA	4.8 %	6.9 %	6.2 %	5.5 %	9.4 %	9.7 %	10.4 %
Amortisation of goodwill	0.0 %	0.0 %	n/a	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	0.0 %	2.1 %	n/a	0.0 %	3.7 %	3.3 %	3.0 %
Impairment charges	0.0 %	0.0 %	n/a	0.0 %	0.0 %	0.0 %	0.0 %
EBIT (inc revaluation net)	4.8 %	4.7 %	6.2 %	5.5 %	5.6 %	6.4 %	7.4 %
Interest income	0.1 %	0.1 %	0.1 %	0.1 %	0.2 %	0.1 %	0.1 %
Interest expenses	0.9 %	0.8 %	0.6 %	0.8 %	0.6 %	0.4 %	0.3 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	neg.	neg.	neg.	neg.	neg.	neg.	neg.
Recurring pretax income from continuing operations	4.0 %	4.0 %	5.7 %	4.8 %	5.2 %	6.1 %	7.2 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	4.0 %	4.0 %	5.7 %	4.8 %	5.2 %	6.1 %	7.2 %
Tax rate	-1.6 %	17.0 %	14.0 %	8.4 %	13.0 %	13.0 %	13.0 %
Net income from continuing operations	4.1 %	3.3 %	4.9 %	4.4 %	4.5 %	5.3 %	6.2 %
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	4.1 %	3.3 %	4.9 %	4.4 %	4.5 %	5.3 %	6.2 %
Minority interest	1.2 %	0.8 %	0.4 %	0.0 %	0.1 %	0.1 %	0.1 %
Net profit (reported)	2.9 %	2.6 %	4.5 %	4.4 %	4.5 %	5.3 %	6.2 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2016	2017	2018	2019	2020E	2021E	2022E
Intangible assets	183.2	189.9	207.6	294.9	307.2	282.9	257.6
Property, plant and equipment	27.5	31.9	37.1	99.8	106.2	115.1	125.6
Financial assets	12.1	17.6	0.3	22.8	22.8	22.8	22.8
FIXED ASSETS	222.8	239.4	244.9	417.5	436.2	420.8	406.0
Inventories	84.9	104.0	130.8	146.8	157.5	191.6	214.6
Accounts receivable	168.6	172.4	202.7	212.2	227.7	277.0	310.2
Other current assets	41.5	43.5	68.0	102.6	105.2	107.8	110.5
Liquid assets	125.6	216.9	171.8	312.3	335.7	382.5	457.7
Deferred taxes	25.4	28.6	29.8	34.4	34.4	34.4	34.4
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	445.9	565.5	603.0	808.2	860.5	993.3	1,127.4
TOTAL ASSETS	668.7	804.9	847.9	1,225.7	1,296.7	1,414.1	1,533.5
SHAREHOLDERS EQUITY	154.0	305.1	356.0	372.7	413.9	477.4	558.8
MINORITY INTEREST	87.0	26.7	11.3	12.4	12.4	12.4	12.4
Long-term debt	74.2	68.7	79.4	341.0	341.0	341.0	341.0
Provisions for pensions and similar obligations	11.6	21.2	14.6	30.0	30.3	30.6	30.9
Other provisions	39.1	36.7	28.0	54.4	56.0	57.7	59.4
Non-current liabilities	124.8	126.6	122.0	425.4	427.3	429.3	431.3
short-term liabilities to banks	19.5	46.4	39.6	62.8	62.8	62.8	62.8
Accounts payable	134.3	154.9	177.0	205.0	231.1	281.2	314.9
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)	143.7	135.6	129.4	134.2	134.2	134.2	138.2
Deferred taxes	5.4	9.5	12.6	13.4	15.1	17.0	15.2
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	302.8	346.4	358.6	415.3	443.1	495.1	531.0
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	668.7	804.9	847.9	1,225.7	1,296.7	1,414.1	1,533.5

Balance sheet (common size)	2016	2017	2018	2019	2020E	2021E	2022E
Intangible assets	27.4 %	23.6 %	24.5 %	24.1 %	23.7 %	20.0 %	16.8 %
Property, plant and equipment	4.1 %	4.0 %	4.4 %	8.1 %	8.2 %	8.1 %	8.2 %
Financial assets	1.8 %	2.2 %	0.0 %	1.9 %	1.8 %	1.6 %	1.5 %
FIXED ASSETS	33.3 %	29.7 %	28.9 %	34.1 %	33.6 %	29.8 %	26.5 %
Inventories	12.7 %	12.9 %	15.4 %	12.0 %	12.1 %	13.5 %	14.0 %
Accounts receivable	25.2 %	21.4 %	23.9 %	17.3 %	17.6 %	19.6 %	20.2 %
Other current assets	6.2 %	5.4 %	8.0 %	8.4 %	8.1 %	7.6 %	7.2 %
Liquid assets	18.8 %	27.0 %	20.3 %	25.5 %	25.9 %	27.0 %	29.8 %
Deferred taxes	3.8 %	3.6 %	3.5 %	2.8 %	2.7 %	2.4 %	2.2 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
CURRENT ASSETS	66.7 %	70.3 %	71.1 %	65.9 %	66.4 %	70.2 %	73.5 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	23.0 %	37.9 %	42.0 %	30.4 %	31.9 %	33.8 %	36.4 %
MINORITY INTEREST	13.0 %	3.3 %	1.3 %	1.0 %	1.0 %	0.9 %	0.8 %
Long-term debt	11.1 %	8.5 %	9.4 %	27.8 %	26.3 %	24.1 %	22.2 %
Provisions for pensions and similar obligations	1.7 %	2.6 %	1.7 %	2.4 %	2.3 %	2.2 %	2.0 %
Other provisions	5.8 %	4.6 %	3.3 %	4.4 %	4.3 %	4.1 %	3.9 %
Non-current liabilities	18.7 %	15.7 %	14.4 %	34.7 %	33.0 %	30.4 %	28.1 %
short-term liabilities to banks	2.9 %	5.8 %	4.7 %	5.1 %	4.8 %	4.4 %	4.1 %
Accounts payable	20.1 %	19.2 %	20.9 %	16.7 %	17.8 %	19.9 %	20.5 %
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)	21.5 %	16.9 %	15.3 %	10.9 %	10.3 %	9.5 %	9.0 %
Deferred taxes	0.8 %	1.2 %	1.5 %	1.1 %	1.2 %	1.2 %	1.0 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Current liabilities	45.3 %	43.0 %	42.3 %	33.9 %	34.2 %	35.0 %	34.6 %
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)	2016	2017	2018	2019	2020E	2021E	2022E
Net profit/loss	20.4	29.4	48.5	49.5	54.4	78.1	102.1
Depreciation of fixed assets (incl. leases)	10.3	7.4	29.9	49.9	11.7	12.3	12.5
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	18.9	0.0	0.0	45.0	48.0	50.0
Others	-1.9	-13.6	-17.7	3.7	0.5	0.3	0.3
Cash flow from operations before changes in w/c	28.9	42.1	60.7	103.1	111.6	138.8	164.9
Increase/decrease in inventory	9.3	-17.9	-4.1	-16.0	-10.7	-34.1	-23.0
Increase/decrease in accounts receivable	-1.5	5.5	-23.1	-30.0	-15.5	-49.3	-33.2
Increase/decrease in accounts payable	20.3	15.2	2.1	49.7	26.1	50.1	33.7
Increase/decrease in other working capital positions	4.4	0.0	0.0	-23.5	0.0	0.0	0.0
Increase/decrease in working capital	32.5	2.8	-25.1	-19.8	-0.2	-33.4	-22.5
Cash flow from operating activities	61.4	44.9	35.5	83.4	111.4	105.4	142.5
CAPEX	9.3	23.0	25.1	27.1	31.9	37.4	40.2
Payments for acquisitions	59.2	11.5	39.6	27.2	43.5	7.5	7.5
Financial investments	4.3	5.7	-0.5	4.3	0.0	0.0	0.0
Income from asset disposals	-0.9	1.2	1.1	2.9	0.0	0.0	0.0
Cash flow from investing activities	-73.6	-39.1	-63.1	-55.7	-75.4	-44.9	-47.7
Cash flow before financing	-12.2	5.8	-27.6	27.7	36.0	60.5	94.7
Increase/decrease in debt position	39.8	28.8	1.2	128.1	0.0	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	14.6	0.0	0.0	0.0
Capital measures	44.0	86.9	2.2	0.0	0.0	0.0	0.0
Dividends paid	3.5	4.9	8.3	10.6	12.6	13.6	19.6
Others	-8.5	-17.7	-15.9	-19.1	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	-2.0	0.3	1.1	0.0	0.0	0.0
Cash flow from financing activities	71.8	93.1	-20.9	83.8	-12.6	-13.6	-19.6
Increase/decrease in liquid assets	59.5	97.0	-48.2	112.6	23.4	46.9	75.2
Liquid assets at end of period	125.6	216.9	171.8	312.3	335.7	382.5	457.7

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2016	2017	2018	2019	2020E	2021E	2022E
Domestic	60.1	108.3	98.4	102.2	102.4	117.3	149.4
yoy change	14.8 %	80.1 %	-9.1 %	3.8 %	0.2 %	14.5 %	27.4 %
Rest of Europe	166.3	242.7	300.0	336.9	359.1	429.5	497.5
yoy change	-9.8 %	46.0 %	23.6 %	12.3 %	6.6 %	19.6 %	15.8 %
NAFTA	n/a	132.1	133.2	152.7	171.1	215.5	223.3
yoy change	n/a	n/a	0.8 %	14.7 %	12.0 %	25.9 %	3.6 %
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	277.3	398.9	459.4	531.1	572.4	703.7	761.9
yoy change	19.8 %	43.8 %	15.2 %	15.6 %	7.8 %	22.9 %	8.3 %
TTL	503.7	882.0	990.9	1,122.9	1,205.0	1,466.0	1,641.9
yoy change	7.6 %	75.1 %	12.3 %	13.3 %	7.3 %	21.7 %	12.0 %

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2016	2017	2018	2019	2020E	2021E	2022E
P&L growth analysis							
Sales growth	7.6 %	75.1 %	12.3 %	13.3 %	7.3 %	21.7 %	12.0 %
EBITDA growth	21.3 %	97.9 %	33.0 %	23.4 %	37.7 %	37.8 %	47.1 %
EBIT growth	16.9 %	73.1 %	47.3 %	0.4 %	10.6 %	51.6 %	77.8 %
EPS growth	-9.3 %	29.9 %	58.9 %	9.2 %	19.6 %	57.0 %	87.8 %
Efficiency							
Total operating costs / sales	93.7 %	93.8 %	92.4 %	91.4 %	90.7 %	90.5 %	89.8 %
Sales per employee	223.6	306.0	254.1	259.8	277.4	334.2	748.6
EBITDA per employee	15.3	23.6	23.2	25.9	28.7	35.1	83.6
Balance sheet analysis							
Avg. working capital / sales	16.3 %	13.6 %	14.0 %	13.8 %	12.9 %	11.6 %	11.1 %
Inventory turnover (sales/inventory)	5.9	8.5	7.6	7.7	7.7	7.7	7.7
Trade debtors in days of sales	122.2	71.3	74.6	69.0	69.0	69.0	69.0
A/P turnover [(A/P*365)/sales]	97.3	64.1	65.2	66.6	70.0	70.0	70.0
Cash conversion cycle (days)	68.3	38.6	48.5	39.2	32.2	31.7	31.5
Cash flow analysis							
Free cash flow	52.1	21.9	10.4	56.3	79.5	68.0	102.2
Free cash flow/sales	10.3 %	2.5 %	1.1 %	5.0 %	6.6 %	4.6 %	6.2 %
FCF / net profit	357.3 %	97.3 %	23.2 %	114.6 %	147.7 %	88.2 %	101.2 %
Capex / depre	131.5 %	109.2 %	82.3 %	62.9 %	56.3 %	62.0 %	64.4 %
Capex / maintenance capex	0.0 %	145.7 %	n/a	101.1 %	100.4 %	118.1 %	127.7 %
Capex / sales	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Security							
Net debt	-32.0	-101.8	-52.7	91.5	68.1	21.3	-53.9
Net Debt/EBITDA	0.0	0.0	0.0	0.8	0.5	0.1	0.0
Net debt / equity	neg.	neg.	neg.	0.2	0.2	0.0	neg.
Interest cover	5.5	6.0	10.0	6.9	8.9	16.7	21.6
Dividend payout ratio	33.1 %	36.6 %	23.5 %	25.6 %	25.4 %	25.4 %	25.4 %
Asset utilisation							
Capital employed turnover	1.3	1.7	1.9	1.3	1.3	1.5	1.5
Operating assets turnover	3.4	5.7	5.1	4.4	4.6	4.8	4.9
Plant turnover	18.3	27.7	26.7	11.3	11.3	12.7	13.1
Inventory turnover (sales/inventory)	5.9	8.5	7.6	7.7	7.7	7.7	7.7
Returns							
ROCE	8.8 %	9.4 %	11.9 %	8.8 %	9.4 %	10.1 %	12.2 %
ROE	9.5 %	7.4 %	12.6 %	13.2 %	13.0 %	16.2 %	18.1 %
Other							
Interest paid / avg. debt	6.0 %	6.6 %	5.3 %	3.4 %	2.9 %	1.4 %	1.4 %
No. employees (average)	2252	2882	3900	4322	4343	4387	2193
Number of shares	44.2	52.5	66.1	66.1	66.1	66.1	66.1
DPS	0.1	0.1	0.2	0.2	0.2	0.3	0.4
EPS reported	0.33	0.43	0.68	0.74	0.81	1.17	1.53
Valuation ratios							
P/BV	5.9	3.9	3.5	3.4	3.0	2.6	2.2
EV/sales	1.8	1.3	1.2	1.2	1.1	0.9	0.7
EV/EBITDA	25.9	16.4	13.4	12.3	10.8	8.5	6.7
EV/EBITA	36.9	18.4	19.7	22.2	11.9	9.2	7.2
EV/EBIT	36.9	26.8	19.7	22.2	19.8	13.9	10.1
EV/FCF	17.1	51.1	116.0	24.4	17.0	19.1	12.0
Adjusted FCF yield	2.4 %	3.9 %	5.5 %	6.9 %	7.5 %	9.7 %	12.6 %
Dividend yield	0.5 %	0.7 %	0.8 %	1.0 %	1.1 %	1.6 %	2.1 %

Source: Company data, Hauck & Aufhäuser

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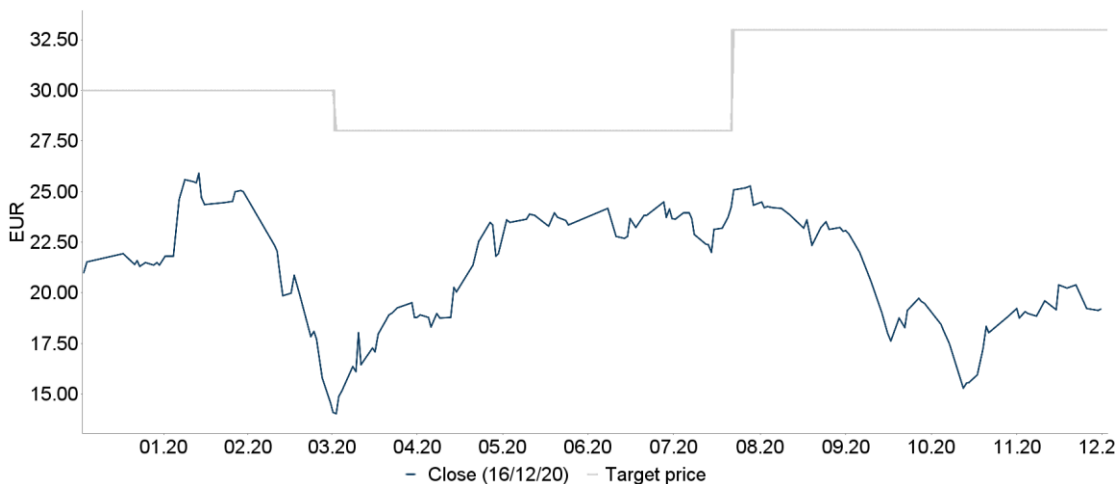
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Company	Disclosure
S&T AG	3

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

**Price and Rating History
S&T AG as of 18/12/20**

Initiation coverage
30-May-12



Company	Date	Analyst	Rating	Target price	Close
S&T AG	05.11.2020	Wunderlich, CFA, Tim	Buy	EUR 33,00	EUR 18,33
	03.11.2020	Wunderlich, CFA, Tim	Buy	EUR 33,00	EUR 15,96
	05.10.2020	Wunderlich, CFA, Tim	Buy	EUR 33,00	EUR 18,77
	11.08.2020	Wunderlich, CFA, Tim	Buy	EUR 33,00	EUR 25,18
	11.08.2020	Wunderlich, CFA, Tim	Buy	EUR 33,00	EUR 25,18

10.08.2020	Wunderlich, CFA, Tim	Buy	EUR 33,00	EUR 25,08
05.08.2020	Wunderlich, CFA, Tim	Buy	EUR 28,00	EUR 23,74
06.05.2020	Wunderlich, CFA, Tim	Buy	EUR 28,00	EUR 21,36
28.04.2020	Wunderlich, CFA, Tim	Buy	EUR 28,00	EUR 18,80
03.04.2020	Wunderlich, CFA, Tim	Buy	EUR 28,00	EUR 17,97
19.03.2020	Wunderlich, CFA, Tim	Buy	EUR 28,00	EUR 14,88
03.03.2020	Wunderlich, CFA, Tim	Buy	EUR 30,00	EUR 20,86

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Buy	69.66 %	79.17 %
Sell	8.28 %	0.00 %
Hold	22.07 %	20.83 %

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