

Buy (old: Buy)

Price target: EUR 31.00 (old: EUR 31.00)

Price:	EUR 22.02	Next result:	Q3'21: 04.11.21
Bloomberg:	SANT GR	Market cap:	EUR 1,586.3 m
Reuters:	SANT1.DE	Enterprise Value:	EUR 1,681.0 m

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A new Alpha Call: getting serious about divesting IT Services

The release of uninspiring Q2 results (*see next page*) yesterday triggered a share price slump, as the market seems concerned about soft cash conversion (€ -13m CFO in H1) and the viability of the FY'21E guidance amidst semi shortages.

We remain bullish following yesterday's conference call, expecting H2'21E to turn out much stronger than H1'21 *beyond* typical seasonality, which should put the guidance well in reach. At the same time, **the divestment of IT Services could happen in the next 6-12 months**, in our view, and thus much sooner than the market thinks, which should be THE major catalyst for a share price re-rating.

- FY'21 guidance well in reach as H2 should see catch-up effects.** Some € 40m of revenues were not realised in Q2'21 due to semi shortages and related project delays. Accordingly, Q2 organic revenue growth would have been almost 20% yoy without shortages, which in conjunction with the excellent order intake (Q2: 1.3x book-to-bill) speaks of a healthy demand environment. Confidence is high that catch-up effects will occur in H2, as S&T's affected customers are ready to pay higher prices to get preferred access to needed chips. S&T expects to recover € 30m of the delayed revenues in H2'21, which by itself would explain 4pp of the 12% yoy growth needed in H2'21 to reach the FY guidance.
- The target remains for 75% EBITDA / cash conversion in FY'21E**, hinting at much stronger cash generation in H2'21E of € 100m+. This looks achievable considering (i) the back-end loaded nature of S&T's cash conversion, with 60-70% of cash typically generated in Q4 and (ii) a targeted reduction of inventories by at least € 20m in H2'21 as security stocks are trimmed and catch-up effects increase inventory turn.
- IT Service divestment could come sooner than advertised.** While officially sticking to its 3-year divestment plan, it seems interested parties have approached S&T (e.g. SPAC's, PE's), which could accelerate the process. More detail should emerge in the next two months, in our view. The targeted 10-12x EBITDA multiple would yield € 500m+ proceeds, earmarked for accelerated share buyback, bolt-on M&A and special dividends. The clean focus on IoT following the divestment would drive a re-rating of the share price, in our view.

In light of this, **S&T is a new Alpha Call**. Confirm BUY with a € 31.00 PT based on DCF.

Y/E 31.12 (EUR m)	2017	2018	2019	2020	2021E	2022E	2023E
Sales	882.0	990.9	1,122.9	1,254.8	1,402.0	1,556.2	1,696.3
Sales growth	75 %	12 %	13 %	12 %	12 %	11 %	9 %
EBITDA	68.1	90.5	111.7	130.0	141.6	165.7	190.8
EBIT	41.7	61.5	61.8	68.6	77.6	100.1	124.8
Net income	22.5	45.0	49.1	55.6	64.2	84.3	100.6
Net debt	-101.8	-52.7	91.5	104.1	67.8	8.2	-75.0
Net gearing	-33.4 %	-14.8 %	24.5 %	25.8 %	15.2 %	1.6 %	-12.7 %
Net Debt/EBITDA	0.0	0.0	0.8	0.8	0.5	0.0	0.0
EPS pro forma	0.51	0.68	0.74	0.84	0.97	1.28	1.52
CPS	0.52	0.32	0.88	1.67	1.09	1.47	1.75
DPS	0.13	0.16	0.00	0.30	0.30	0.32	0.34
Dividend yield	0.5 %	0.7 %	0.0 %	1.3 %	1.2 %	1.4 %	1.4 %
Gross profit margin	36.7 %	36.0 %	37.2 %	37.2 %	37.0 %	37.4 %	37.9 %
EBITDA margin	7.7 %	9.1 %	9.9 %	10.4 %	10.1 %	10.7 %	11.3 %
EBIT margin	4.7 %	6.2 %	5.5 %	5.5 %	5.5 %	6.4 %	7.4 %
ROCE	9.4 %	11.9 %	8.8 %	9.9 %	8.7 %	10.9 %	12.8 %
EV/sales	1.6	1.6	1.5	1.4	1.2	1.0	0.9
EV/EBITDA	21.2	17.1	15.3	13.2	11.9	9.8	8.1
EV/EBIT	34.5	25.2	27.6	25.0	21.7	16.2	12.3
PER	47.1	35.3	32.3	28.5	24.7	18.8	15.7
Adjusted FCF yield	3.0 %	4.2 %	4.9 %	5.6 %	6.3 %	7.8 %	9.4 %

Source: Company data, Hauck & Aufhäuser Close price as of: 04.08.2021



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 25.28 / 15.30
Price/Book Ratio: 3.2
Relative performance (TecDAX):
3 months -9.8 %
6 months -7.5 %
12 months -31.9 %

Changes in estimates

		Sales	EBIT	EPS
2021	old:	1,402.0	77.6	0.97
	Δ	-	-	-
2022	old:	1,556.2	100.1	1.28
	Δ	-	-	-
2023	old:	1,696.3	124.8	1.52
	Δ	-	-	-

Key share data:

Number of shares: (in m pcs) 65.0
Authorised capital: (in € m) 12.1
Book value per share: (in €) 6.8
Ø trading volume: (12 months) 155,000

Major shareholders:

Free Float 73.4 %
Ennoconn 26.6 %
AGI 5.0 %
Ninety One 4.0 %

Company description:

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

EUR	Q2'21	Q2'21 est	Q2'21 cons.	Q2'20	yoy	Q1'21	qoq	H1'21	H1'21 est	H1'20	yoy
Sales	306.5	308	308	269	14%	294	4%	601	602	539	11%
Gross profit	117	124	121	107	9%	120	-3%	233.1	244	218.8	7%
Gross margin	38.2%	40.3%	39.3%	39.9%	- 1.7 pp	40.9%	- 2.7 pp	38.8%	40.6%	40.6%	- 1.8 pp
EBITDA	30.1	30.0	29.8	27.0	12%	28.2	7%	58.3	58.2	52.0	12%
EBITDA margin	9.8%	9.7%	9.7%	10.0%	- 0.2 pp	9.6%	+ 0.2 pp	9.7%	9.7%	9.6%	+ 0.1 pp
EBIT	13.9	14.5	14.9	13.1	6%	12.7	10%	26.6	27.2	24.3	9%
EBIT margin	4.5%	4.7%	4.8%	4.9%	- 0.3 pp	4.3%	+ 0.2 pp	4.4%	4.5%	4.5%	- 0.1 pp
Net after minorities	10.4	11.6	11.4	10.1	3%	10.1	3%	20.5	21.6	19.6	4%
Net margin	3.4%	3.8%	3.7%	3.8%	- 0.4 pp	3.4%	- 0.0 pp	3.4%	3.6%	3.6%	- 0.2 pp
EPS	0.16	0.18	0.17	0.15	5%	0.16	0%	0.31	0.33	0.30	4%

Source: Company data, Hauck & Aufhäuser

Financials

Profit and loss (EUR m)	2017	2018	2019	2020	2021E	2022E	2023E
Net sales	882.0	990.9	1,122.9	1,254.8	1,402.0	1,556.2	1,696.3
<i>Sales growth</i>	75.1 %	12.3 %	13.3 %	11.7 %	11.7 %	11.0 %	n/a
Increase/decrease in finished goods and work-in-process	13.4	15.1	15.5	17.6	16.8	17.1	17.8
Total sales	895.3	1,006.0	1,138.4	1,272.4	1,418.8	1,573.3	1,714.1
Other operating income	8.5	7.5	8.0	8.8	8.4	8.6	8.5
Material expenses	567.0	644.3	715.4	799.0	894.5	985.1	1,065.3
Personnel expenses	179.4	194.6	245.2	273.3	302.8	333.0	359.6
Other operating expenses	89.4	84.0	74.2	78.8	88.3	98.0	106.9
Total operating expenses	827.3	915.4	1,026.7	1,142.4	1,277.2	1,407.6	1,523.3
EBITDA	68.1	90.5	111.7	130.0	141.6	165.7	190.8
Depreciation	7.4	29.0	25.9	30.9	31.3	32.6	33.0
EBITA	60.7	61.5	85.8	99.1	110.3	133.1	157.8
Amortisation of goodwill	0.0	n/a	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	18.9	n/a	24.0	30.5	32.7	33.0	33.0
Impairment charges	0.0	n/a	0.0	0.0	0.0	0.0	0.0
EBIT (inc revaluation net)	41.7	61.5	61.8	68.6	77.6	100.1	124.8
Interest income	0.6	1.0	1.3	1.6	1.8	1.6	1.6
Interest expenses	6.9	6.2	9.0	9.3	8.1	8.1	8.1
Other financial result	0.0	0.0	0.0	-0.2	0.0	0.0	0.0
Financial result	-6.4	-5.2	-7.7	-7.9	-6.3	-6.5	-6.5
Recurring pretax income from continuing operations	35.4	56.3	54.1	60.7	71.3	93.6	118.3
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	35.4	56.3	54.1	60.7	71.3	93.6	118.3
Taxes	6.0	7.9	4.6	6.1	7.1	9.4	17.7
Net income from continuing operations	29.4	48.5	49.5	54.6	64.2	84.3	100.6
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	29.4	48.5	49.5	54.6	64.2	84.3	100.6
Minority interest	6.9	3.5	0.4	-1.0	0.0	0.0	0.0
Net profit (reported)	22.5	45.0	49.1	55.6	64.2	84.3	100.6
Average number of shares	52.5	66.1	66.1	65.0	65.0	65.0	65.0
EPS reported	0.43	0.68	0.74	0.86	0.99	1.30	1.55

Profit and loss (common size)	2017	2018	2019	2020	2021E	2022E	2023E
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	1.5 %	1.5 %	1.4 %	1.4 %	1.2 %	1.1 %	1.1 %
Total sales	101.5 %	101.5 %	101.4 %	101.4 %	101.2 %	101.1 %	101.1 %
Other operating income	1.0 %	0.8 %	0.7 %	0.7 %	0.6 %	0.6 %	0.5 %
Material expenses	64.3 %	65.0 %	63.7 %	63.7 %	63.8 %	63.3 %	62.8 %
Personnel expenses	20.3 %	19.6 %	21.8 %	21.8 %	21.6 %	21.4 %	21.2 %
Other operating expenses	10.1 %	8.5 %	6.6 %	6.3 %	6.3 %	6.3 %	6.3 %
Total operating expenses	93.8 %	92.4 %	91.4 %	91.0 %	91.1 %	90.5 %	89.8 %
EBITDA	7.7 %	9.1 %	9.9 %	10.4 %	10.1 %	10.7 %	11.3 %
Depreciation	0.8 %	2.9 %	2.3 %	2.5 %	2.2 %	2.1 %	1.9 %
EBITA	6.9 %	6.2 %	7.6 %	7.9 %	7.9 %	8.6 %	9.3 %
Amortisation of goodwill	0.0 %	n/a	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	2.1 %	n/a	2.1 %	2.4 %	2.3 %	2.1 %	1.9 %
Impairment charges	0.0 %	n/a	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT (inc revaluation net)	4.7 %	6.2 %	5.5 %	5.5 %	5.5 %	6.4 %	7.4 %
Interest income	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %
Interest expenses	0.8 %	0.6 %	0.8 %	0.7 %	0.6 %	0.5 %	0.5 %
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 %	5.7 %	4.8 %	4.8 %	5.1 %	6.0 %	7.0 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	4.0 %	5.7 %	4.8 %	4.8 %	5.1 %	6.0 %	7.0 %
Tax rate	17.0 %	14.0 %	8.4 %	10.0 %	10.0 %	10.0 %	15.0 %
Net income from continuing operations	3.3 %	4.9 %	4.4 %	4.4 %	4.6 %	5.4 %	5.9 %
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	3.3 %	4.9 %	4.4 %	4.4 %	4.6 %	5.4 %	5.9 %
Minority interest	0.8 %	0.4 %	0.0 %	neg.	0.0 %	0.0 %	0.0 %
Net profit (reported)	2.6 %	4.5 %	4.4 %	4.4 %	4.6 %	5.4 %	5.9 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2017	2018	2019	2020	2021E	2022E	2023E
Intangible assets	189.9	207.6	294.9	302.3	295.3	288.5	272.4
Property, plant and equipment	31.9	37.1	99.8	135.1	126.3	118.6	112.7
Financial assets	17.6	0.3	22.8	22.1	22.1	22.1	22.1
FIXED ASSETS	239.4	244.9	417.5	459.5	443.7	429.2	407.3
Inventories	104.0	130.8	146.8	159.9	182.1	202.1	220.3
Accounts receivable	172.4	202.7	212.2	204.5	265.0	294.2	320.7
Other current assets	43.5	68.0	102.6	104.2	106.9	109.5	112.3
Liquid assets	216.9	171.8	312.3	281.9	318.2	377.8	461.0
Deferred taxes	28.6	29.8	34.4	36.6	36.6	36.6	36.6
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	565.5	603.0	808.2	787.1	908.8	1,020.2	1,150.8
TOTAL ASSETS	804.9	847.9	1,225.7	1,246.6	1,352.5	1,449.4	1,558.1
SHAREHOLDERS EQUITY	305.1	356.0	372.7	404.0	447.2	511.7	588.5
MINORITY INTEREST	26.7	11.3	12.4	5.4	5.4	5.4	5.4
Long-term debt	68.7	79.4	341.0	343.2	343.2	343.2	343.2
Provisions for pensions and similar obligations	21.2	14.6	30.0	26.8	26.8	26.8	26.8
Other provisions	36.7	28.0	54.4	40.5	40.5	40.5	40.5
Non-current liabilities	126.6	122.0	425.4	410.5	410.5	410.5	410.5
short-term liabilities to banks	46.4	39.6	62.8	42.8	42.8	42.8	42.8
Accounts payable	154.9	177.0	205.0	210.0	268.9	298.5	325.3
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)	135.6	129.4	134.2	160.6	160.6	165.4	170.3
Deferred taxes	9.5	12.6	13.4	13.3	17.0	15.2	15.2
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	346.4	358.6	415.3	426.6	489.3	521.8	553.6
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	804.9	847.9	1,225.7	1,246.6	1,352.5	1,449.4	1,558.1

Balance sheet (common size)	2017	2018	2019	2020	2021E	2022E	2023E
Intangible assets	23.6 %	24.5 %	24.1 %	24.2 %	21.8 %	19.9 %	17.5 %
Property, plant and equipment	4.0 %	4.4 %	8.1 %	10.8 %	9.3 %	8.2 %	7.2 %
Financial assets	2.2 %	0.0 %	1.9 %	1.8 %	1.6 %	1.5 %	1.4 %
FIXED ASSETS	29.7 %	28.9 %	34.1 %	36.9 %	32.8 %	29.6 %	26.1 %
Inventories	12.9 %	15.4 %	12.0 %	12.8 %	13.5 %	13.9 %	14.1 %
Accounts receivable	21.4 %	23.9 %	17.3 %	16.4 %	19.6 %	20.3 %	20.6 %
Other current assets	5.4 %	8.0 %	8.4 %	8.4 %	7.9 %	7.6 %	7.2 %
Liquid assets	27.0 %	20.3 %	25.5 %	22.6 %	23.5 %	26.1 %	29.6 %
Deferred taxes	3.6 %	3.5 %	2.8 %	2.9 %	2.7 %	2.5 %	2.4 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
CURRENT ASSETS	70.3 %	71.1 %	65.9 %	63.1 %	67.2 %	70.4 %	73.9 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	37.9 %	42.0 %	30.4 %	32.4 %	33.1 %	35.3 %	37.8 %
MINORITY INTEREST	3.3 %	1.3 %	1.0 %	0.4 %	0.4 %	0.4 %	0.3 %
Long-term debt	8.5 %	9.4 %	27.8 %	27.5 %	25.4 %	23.7 %	22.0 %
Provisions for pensions and similar obligations	2.6 %	1.7 %	2.4 %	2.2 %	2.0 %	1.9 %	1.7 %
Other provisions	4.6 %	3.3 %	4.4 %	3.2 %	3.0 %	2.8 %	2.6 %
Non-current liabilities	15.7 %	14.4 %	34.7 %	32.9 %	30.4 %	28.3 %	26.3 %
short-term liabilities to banks	5.8 %	4.7 %	5.1 %	3.4 %	3.2 %	3.0 %	2.7 %
Accounts payable	19.2 %	20.9 %	16.7 %	16.8 %	19.9 %	20.6 %	20.9 %
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)	16.9 %	15.3 %	10.9 %	12.9 %	11.9 %	11.4 %	10.9 %
Deferred taxes	1.2 %	1.5 %	1.1 %	1.1 %	1.3 %	1.0 %	1.0 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Current liabilities	43.0 %	42.3 %	33.9 %	34.2 %	36.2 %	36.0 %	35.5 %
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)	2017	2018	2019	2020	2021E	2022E	2023E
Net profit/loss	29.4	48.5	49.5	54.6	64.2	84.3	100.6
Depreciation of fixed assets (incl. leases)	7.4	29.9	49.9	30.9	31.3	32.6	33.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	18.9	0.0	0.0	30.5	32.7	33.0	33.0
Others	-13.6	-17.7	3.7	-8.5	0.0	0.0	0.0
Cash flow from operations before changes in w/c	42.1	60.7	103.1	107.5	128.2	149.9	166.6
Increase/decrease in inventory	-17.9	-4.1	-16.0	-13.1	-22.2	-20.0	-18.2
Increase/decrease in accounts receivable	5.5	-23.1	-30.0	41.4	-60.6	-29.2	-26.5
Increase/decrease in accounts payable	15.2	2.1	49.7	5.0	58.9	29.6	26.9
Increase/decrease in other working capital positions	0.0	0.0	-23.5	0.0	0.0	0.0	0.0
Increase/decrease in working capital	2.8	-25.1	-19.8	33.3	-23.9	-19.6	-17.8
Cash flow from operating activities	44.9	35.5	83.4	140.8	104.3	130.3	148.8
CAPEX	23.0	25.1	27.1	33.9	40.7	43.6	44.1
Payments for acquisitions	11.5	39.6	27.2	41.0	7.5	7.5	0.0
Financial investments	5.7	-0.5	4.3	3.6	0.0	0.0	0.0
Income from asset disposals	1.2	1.1	2.9	1.3	0.0	0.0	0.0
Cash flow from investing activities	-39.1	-63.1	-55.7	-77.2	-48.2	-51.1	-44.1
Cash flow before financing	5.8	-27.6	27.7	63.6	56.1	79.2	104.7
Increase/decrease in debt position	28.8	1.2	128.1	-40.9	0.0	0.0	0.0
Purchase of own shares	0.0	0.0	14.6	12.2	0.0	0.0	0.0
Capital measures	86.9	2.2	0.0	1.4	0.0	0.0	0.0
Dividends paid	4.9	8.3	10.6	0.0	19.8	19.6	21.4
Others	-17.7	-15.9	-19.1	-14.1	0.0	0.0	0.0
Effects of exchange rate changes on cash	-2.0	0.3	1.1	-8.1	0.0	0.0	0.0
Cash flow from financing activities	93.1	-20.9	83.8	-65.8	-19.8	-19.6	-21.4
Increase/decrease in liquid assets	97.0	-48.2	112.6	-10.2	36.3	59.6	83.2
Liquid assets at end of period	216.9	171.8	312.3	281.9	318.2	377.8	461.0

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2017	2018	2019	2020	2021E	2022E	2023E
Domestic	108.3	98.4	102.2	106.7	112.2	141.6	0.0
yoy change	80.1 %	-9.1 %	3.8 %	4.4 %	5.2 %	26.3 %	n/a
Rest of Europe	242.7	300.0	336.9	373.9	410.8	471.5	0.0
yoy change	46.0 %	23.6 %	12.3 %	11.0 %	9.9 %	14.8 %	n/a
NAFTA	132.1	133.2	152.7	178.2	206.1	211.6	0.0
yoy change	n/a	0.8 %	14.7 %	16.7 %	15.7 %	2.7 %	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	398.9	459.4	531.1	596.0	673.0	722.1	0.0
yoy change	43.8 %	15.2 %	15.6 %	12.2 %	12.9 %	7.3 %	n/a
TTL	882.0	990.9	1,122.9	1,254.8	1,402.0	1,556.2	0.0
yoy change	75.1 %	12.3 %	13.3 %	11.7 %	11.7 %	11.0 %	n/a

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2017	2018	2019	2020	2021E	2022E	2023E
P&L growth analysis							
Sales growth	75.1 %	12.3 %	13.3 %	11.7 %	11.7 %	11.0 %	n/a
EBITDA growth	97.9 %	33.0 %	23.4 %	43.6 %	26.8 %	27.4 %	34.8 %
EBIT growth	73.1 %	47.3 %	0.4 %	11.5 %	25.6 %	46.0 %	60.9 %
EPS growth	29.9 %	58.9 %	9.2 %	25.7 %	32.9 %	51.5 %	56.7 %
Efficiency							
Total operating costs / sales	93.8 %	92.4 %	91.4 %	91.0 %	91.1 %	90.5 %	89.8 %
Sales per employee	306.0	254.1	259.8	288.9	319.6	709.6	765.8
EBITDA per employee	23.6	23.2	25.9	29.9	32.3	75.6	86.1
Balance sheet analysis							
Avg. working capital / sales	13.6 %	14.0 %	13.8 %	12.4 %	11.8 %	11.3 %	11.6 %
Inventory turnover (sales/inventory)	8.5	7.6	7.7	7.8	7.7	7.7	7.7
Trade debtors in days of sales	71.3	74.6	69.0	59.5	69.0	69.0	69.0
A/P turnover [(A/P*365)/sales]	64.1	65.2	66.6	61.1	70.0	70.0	70.0
Cash conversion cycle (days)	38.6	48.5	39.2	36.6	33.6	33.3	33.0
Cash flow analysis							
Free cash flow	21.9	10.4	56.3	106.9	63.6	86.7	104.7
Free cash flow/sales	2.5 %	1.1 %	5.0 %	8.5 %	4.5 %	5.6 %	6.2 %
FCF / net profit	97.3 %	23.2 %	114.6 %	192.2 %	99.1 %	102.9 %	104.1 %
Capex / deprn	109.2 %	82.3 %	62.9 %	61.2 %	63.5 %	66.4 %	66.8 %
Capex / maintenance capex	145.7 %	n/a	74.6 %	70.3 %	70.1 %	75.9 %	82.2 %
Capex / sales	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Security							
Net debt	-101.8	-52.7	91.5	104.1	67.8	8.2	-75.0
Net Debt/EBITDA	0.0	0.0	0.8	0.8	0.5	0.0	0.0
Net debt / equity	neg.	neg.	0.2	0.3	0.2	0.0	neg.
Interest cover	6.0	10.0	6.9	7.4	9.6	12.4	15.4
Dividend payout ratio	36.6 %	23.5 %	0.0 %	35.7 %	30.5 %	25.4 %	22.4 %
Asset utilisation							
Capital employed turnover	1.7	1.9	1.3	1.5	1.5	1.6	1.6
Operating assets turnover	5.7	5.1	4.4	4.3	4.6	4.9	5.2
Plant turnover	27.7	26.7	11.3	9.3	11.1	13.1	15.1
Inventory turnover (sales/inventory)	8.5	7.6	7.7	7.8	7.7	7.7	7.7
Returns							
ROCE	9.4 %	11.9 %	8.8 %	9.9 %	8.7 %	10.9 %	12.8 %
ROE	7.4 %	12.6 %	13.2 %	13.8 %	14.3 %	16.5 %	17.1 %
Other							
Interest paid / avg. debt	6.6 %	5.3 %	3.4 %	3.7 %	2.1 %	2.1 %	2.1 %
No. employees (average)	2882	3900	4322	4343	4387	2193	2215
Number of shares	52.5	66.1	66.1	65.0	65.0	65.0	65.0
DPS	0.1	0.2	0.0	0.3	0.3	0.3	0.3
EPS reported	0.43	0.68	0.74	0.86	0.99	1.30	1.55
Valuation ratios							
P/BV	5.0	4.5	4.3	3.9	3.5	3.1	2.7
EV/sales	1.6	1.6	1.5	1.4	1.2	1.0	0.9
EV/EBITDA	21.2	17.1	15.3	13.2	11.9	9.8	8.1
EV/EBITA	23.8	25.2	19.9	17.3	15.2	12.2	9.7
EV/EBIT	34.5	25.2	27.6	25.0	21.7	16.2	12.3
EV/FCF	65.8	148.3	30.3	16.1	26.4	18.7	14.7
Adjusted FCF yield	3.0 %	4.2 %	4.9 %	5.6 %	6.3 %	7.8 %	9.4 %
Dividend yield	0.5 %	0.7 %	0.0 %	1.3 %	1.2 %	1.4 %	1.4 %

Source: Company data, Hauck & Aufhäuser

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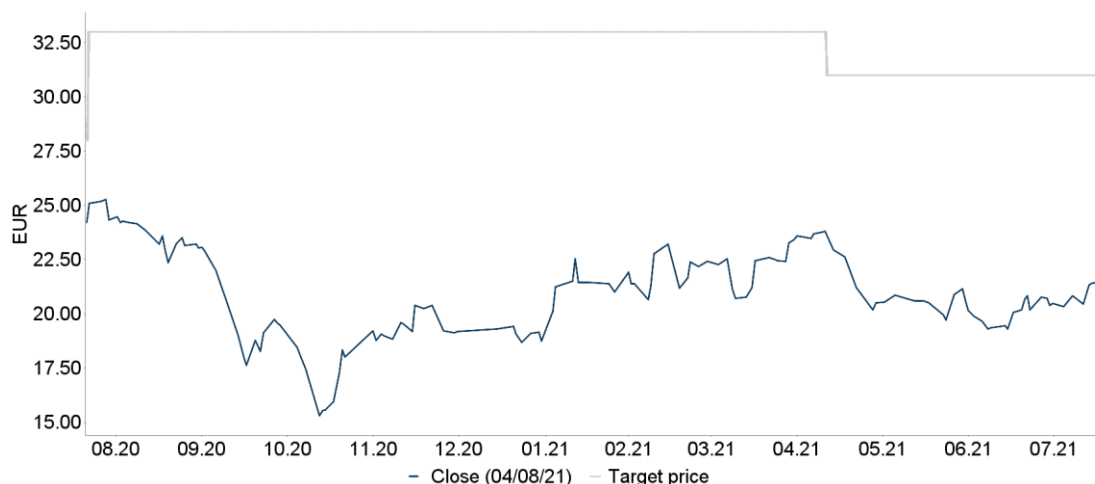
Company	Disclosure
S&T AG	3

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

Price and Rating History S&T AG as of 05/08/21

Initiation coverage

30-May-12



Company	Date	Analyst	Rating	Target price	Close
S&T AG	03.08.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 21,46
	11.05.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 21,22
	11.05.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 21,22
	07.05.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 21,22
	28.04.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 23,80

24.02.2021	Wunderlich, CFA, Tim	Buy	EUR 33,00	EUR 22,76
18.12.2020	Wunderlich, CFA, Tim	Buy	EUR 33,00	EUR 19,20
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

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