



# QUARTERLY STATEMENT

## Q1 2021



# 01

## S&T GROUP OVERVIEW



### KEY FIGURES

IN EUR MILLION	Q1 2021	Q1 2020
Revenues	294.1	270.1
Gross profit	116.1	107.8
EBITDA	28.2	25.0
Amortisation and depreciation	15.5	13.8
EBIT before PPA amortisation <sup>1)</sup>	15.3	13.7
Result after non-controlling interests	10.1	9.5
Operating cash flow	-26.8	6.4
Free cash flow <sup>2)</sup>	-36.3	1.0

1) EBIT before amortisation from purchase price allocation

2) Operating cash flow less purchase of non-current non-financial assets

IN EUR MILLION	31.03.2021	31.12.2020
Cash and cash equivalents	278.4	281.9
Equity	412.8	409.5
Equity ratio	33.1%	32.8%
Net Cash (+) / Net debt (-) <sup>3)</sup>	-33.0	20.3
Working capital <sup>4)</sup>	184.1	154.3
Backlog	1,036.8	927.2
Project-pipeline	3,162.6	2,702.3
Employees <sup>5)</sup>	6,078	6,067

3) Cash and cash equivalents less non-current and current financial liabilities

4) Inventories, trade receivables less trade payables (excl. IFRS 15)

5) Number of employees on full time equivalent basis without employees on parental leave, trainees and apprentices



## SEIZE NEW OPPORTUNITIES IN SUSTAINABILITY AND ESG!

Q1 of 2021 ended in line with expectations for S&T: Revenues increased by 9% to EUR 294 million, EBITDA by 13% to EUR 28.2 million. Earnings per share rose by 7% to 16 cents. Although Q1 was slowed down by delivery delays as a result of the current chip shortage, we are able to confirm our targets for the financial year 2021.

With the health-related aspects of the Corona pandemic hopefully soon to be contained by vaccination, attention is turning back to the economy. Financial stimulus packages are in place around the world to compensate for the economic downturn in 2020. There is a global shift in thinking towards climate targets and sustainability, with Europe leading the way. S&T has positioned itself well over the past year to benefit from this.

### › Digitalisation and Smart Factories

Manufacturers are increasing their reliance on digitalisation and robots. Production costs increasingly depend on the level of automation rather than on labour costs. A robot costs the same in China, Germany or Vietnam. Factories are returning closer to the markets, resulting in a reduction in transport costs and CO2 emissions. Technologies provided by S&T make machines intelligent and allow them to communicate with each other. We already generate almost 40% of our revenue in the industrial sector, and that figure is continuing to rise. The introduction of 5G as a new “language” for machines will see another extreme increase here.

### › Infrastructure

Government-funded financial stimulus packages are boosting the economy with a focus on climate-friendly future markets. E-mobility, Smart Trains, Smart Energy and Smart Cities are markets in which we already generate over 20% of our revenue. Over the past 6 months, we have won record orders in this sector and see very good opportunities here in the future as well.

### › New ways of working

For S&T the era of large office complexes is over. Our employees do half of their work from home. Working together with our customers is mostly done by video conference. This cuts out the daily time-consuming traffic jam on the way to work and the resulting CO2 emissions. It is good for our employees, good for travelling and office costs, but above all it is very good for the environment. As CEO, I take part in numerous video conferences every day, but have not boarded a plane in 15 months.

2021 will be a good year for S&T, but the following years will be even better. With our high liquidity of EUR 278 million, we can continue to develop leading technologies for sustainable machines and make acquisitions that enhance our synergies at favourable prices due to the pandemic. Shareholders will also benefit from our success. At the Annual General Meeting in June 2021, we will propose a record dividend of 30 cents per share. To this end, we have just decided on a further share buyback programme, so that in 2021 around EUR 40 million will be spent on share buybacks and dividends.

The sharp increase of EUR 404 million in orders taking revenue in Q1 to EUR 294 million gives us cause for optimism. In the current financial year, we want to achieve an EBITDA of at least EUR 140 million on a revenue of at least EUR 1,400 million and earn EUR 1 per share. We also reaffirm our medium-term target for 2023 of EUR 2 billion in revenue with an EBITDA of EUR 220 million. The subject of sustainability and ESG is an opportunity for S&T and we will make consistent use of it.



Hannes Niederhauser, CEO

## NOTES TO THE COURSE OF BUSINESS



### S&T AG INCREASES REVENUE AND INCOME – CHIP SHORTAGE IMPACTS ORGANIC SALES GROWTH AND OPERATING CASH FLOW

In Q1 of the current financial year 2021, S&T Group has been able to further increase both revenue and profitability compared to the same quarter of the previous year, with the increase in revenues being largely due to consolidation effects. Organic growth was impacted by delays in shipments due to the chip shortage and components as well as the development of the US Dollar against the Euro.

Revenue increased by around 9%, partly due to the consolidation of CITYCOMP and Iskratel Group. Revenues in Q1 of the current financial year increased from EUR 270.1 million to EUR 294.1 million compared to the same quarter of the previous year. An EBITDA of EUR 28.2 million (PY: EUR 25.0 million) was achieved during the last quarter. This means that EBITDA increased by almost 13% as a result of operational improvements and changed portfolio mix. The latter is also reflected in a high gross margin, which remained similar to Q1 of 2020 at 39.5% (PY: 39.9%). Were it not for delays in the supply chain due to the chip shortage causing postponement of deliveries amounting to around EUR 10 million until the next quarters, as well as the development of the US Dollar, the increase in revenue and EBITDA would have been correspondingly higher. The consolidated net income attributable to S&T shareholders (after minority interests) improved by only 6% due in particular to increased depreciation and amortisation, and taxes. Earnings per share (undiluted) increased as a result from 15 cents in Q1 2020 to 16 cents in Q1 2021.

### IOT SEGMENTS IN PARTICULAR IMPACTED BY CHIP SHORTAGE

S&T Group's three segments developed as follows:

- › "IT Services": The delays in the supply chain had the least impact in this segment, which includes all activities of the IT services business in the DACH and Eastern Europe regions. Revenue increased by approximately 9% from EUR 117.3 million to EUR 128.4 million, which is also attributable to consolidation effects from the acquisition of the CITYCOMP Group as of July 1, 2020. EBITDA increased from EUR 7.2 million in Q1 of 2020 to EUR 12.2 million in Q1 of the current financial year.

The "IT Services" segment will also be strengthened from Q2 onwards by an acquisition that was made to obtain additional IT specialists: On March 3, 2021, S&T AG, through its wholly owned subsidiary, S&T Deutschland GmbH, Mendig, Germany, entered into a notarised purchase agreement for the acquisition of 100% of the shares in Axino Solutions GmbH, based in Aachen, Germany, which is currently undergoing insolvency proceedings. Axino is a central German IT system integrator with 50 employees and a revenue of around EUR 7 million. The fixed purchase price for 100% of Axino Solutions GmbH amounts to EUR 0.2 million. Axino Solutions GmbH will be included in the scope of consolidation of the "IT Services" segment of S&T Group with a financial reporting date effective from April 1, 2021.

- › "IoT Solutions Europe": In this segment S&T Group focuses on activities to develop secure solutions to network machines with a combined portfolio of hardware, middleware and services. In the "IoT Solutions Europe" segment, revenue of EUR 143.9 million was achieved in Q1 (PY: EUR 128.9 million), with income in the high single-digit millions postponed due to the chip shortage. The EBITDA increased nevertheless from EUR 15.7 million to EUR 16.8 million.

A smaller acquisition was also successfully accomplished in the "IoT Solutions Europe" segment: Following the signing of a purchase agreement on December 22, 2020 for the acquisition of 100% of HC Solutions GmbH, Linz, Austria, this company was included in the scope of consolidation in the "IoT Solutions Europe" segment of S&T Group as of February 1, 2021 following approval by the Austrian antitrust authorities. HC Solutions GmbH generates annual revenues of around EUR 7.0 million with its experienced software engineers who offer software development services to its customers. The purchase price was paid in Q1 of 2021.

- › "IoT Solutions America": The "IoT Solutions America" segment includes the solutions in the vertical markets of transportation and aviation as well as communications in the North America region. Revenues of this segment amounted to EUR 21.9 million in Q1 of 2021, which corresponds to a decrease of approximately 8% (PY: EUR 23.8 million). This is due in particular to the delays in the supply chain,

the decline in the aviation industry and the development of the US Dollar exchange rate. EBITDA for this segment fell accordingly from EUR 2.1 million to minus EUR 0.8 million, although management expects a significant improvement in the coming months.

Q1 2021 IN EUR MILLION	IT SERVICES	IOT SOLUTIONS EUROPE	IOT SOLUTIONS AMERICA	S&T GROUP
Total revenues	132.3	173.8	24.8	330.9
Internal revenues	-3.9	-29.9	-3.0	-36.8
Segment revenues	128.4	143.9	21.9	294.1
EBITDA	12.2	16.8	-0.8	28.2

Q1 2020 IN EUR MILLION	IT SERVICES	IOT SOLUTIONS EUROPE	IOT SOLUTIONS AMERICA	S&T GROUP
Total revenues	121.1	153.1	30.8	305.1
Internal revenues	-3.8	-24.2	-7.0	-35.0
Segment revenues	117.3	128.9	23.8	270.1
EBITDA	7.2	15.7	2.1	25.0

## STRONG FINANCIAL POSITION, WEAKER OPERATING CASH FLOW SEASONALLY

The asset and liquidity situation in Q1 of the current financial year has improved compared with Q1 2020: Equity increased from EUR 409.5 million as of December 31, 2020 to EUR 412.8 million, with treasury shares worth EUR 8.7 million acquired in Q1 of 2021, reducing equity accordingly. Due to the almost identical balance sheet total, the equity ratio amounted to 33.1% as of the reporting date for the quarter (December 31, 2020: 32.8%). Cash and cash equivalents amounted to EUR 278.4 million (December 31, 2020: EUR 281.9 million). The operating cash flow in Q1 of the current financial year was negatively impacted by the necessary EUR 11.2 million increase in inventories to EUR 171.1 million (December 31, 2020: 159.9 million) due to the chip shortage and delivery delays. In addition, due to the high liquidity of S&T Group, the utilisation of factoring programs was reduced by more than EUR 20 million, resulting in a negative operating cash flow of minus EUR 26.8 million (PY: plus EUR 6.4 million). The number of employees as of March 31, 2021 was 6,078 (December 31, 2020: 6,067 | March 31, 2020: 4,934).

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## CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT  
IN TEUR

Q1 2021

Q1 2020

	Q1 2021	Q1 2020
Revenues	294,093	270,079
Capitalised development costs	4,150	3,716
Other income	2,034	753
Expenses for materials and other services purchased	-177,970	-162,232
Personnel expenses	-75,732	-65,317
Depreciation and amortisation	-15,516	-13,770
Other operating expenses	-18,354	-21,990
<b>Result from operations</b>	<b>12,705</b>	<b>11,239</b>
Finance income	498	536
Finance expenses	-2,357	-2,628
<b>Financial result</b>	<b>-1,859</b>	<b>-2,092</b>
Result from associated companies	0	-6
<b>Earnings before taxes</b>	<b>10,846</b>	<b>9,141</b>
Income taxes	-1,127	-615
<b>Net income</b>	<b>9,719</b>	<b>8,526</b>
Results from the period attributable to owners of non-controlling interests	-380	-1,019
<b>Results from the period attributable to owners of interests in parent company</b>	<b>10,099</b>	<b>9,545</b>
Earnings per share (undiluted)	0.16	0.15
Earnings per share (diluted)	0.15	0.14
Average number of shares in circulation (in thousands undiluted)	64,452	65,267
Average number of shares in circulation (in thousands diluted)	65,452	66,320

## STATEMENT OF OTHER COMPREHENSIVE INCOME

STATEMENT OF OTHER COMPREHENSIVE INCOME IN TEUR	Q1 2021	Q1 2020
NET INCOME	9,719	8,526
Items that may be subsequently reclassified to profit or loss		
Unrealised gains/losses from currency translation	2,708	-3,691
Net loss on debt instruments at fair value through other comprehensive income	0	-12
	2,708	-3,703
<b>Other comprehensive income</b>	<b>2,708</b>	<b>-3,703</b>
<b>Comprehensive income</b>	<b>12,427</b>	<b>4,823</b>
<b>of which attributable to</b>		
Results from the period attributable to owners of non-controlling interests	-289	-1,225
Results from the period attributable to owners of interests in parent company	12,716	6,048

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## CONSOLIDATED BALANCE SHEET

ASSETS IN TEUR	31.03.2021	31.12.2020
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	133,390	135,120
Intangible assets	102,039	102,798
Goodwill	201,188	199,481
Financial assets non-current	12,669	11,913
Contract assets non-current	200	201
Other non-current assets	20,260	19,831
Deferred tax assets	36,347	36,616
	<b>506,093</b>	<b>505,960</b>
<b>CURRENT ASSETS</b>		
Inventories	171,070	159,857
Trade receivables	183,312	204,482
Contract assets current	28,605	23,553
Financial assets current	10,221	10,206
Other receivables and assets current	69,208	60,660
Cash and cash equivalents	278,380	281,909
	<b>740,796</b>	<b>740,667</b>
<b>Total assets</b>	<b>1,246,889</b>	<b>1,246,627</b>
<b>EQUITY AND LIABILITIES IN TEUR</b>		
<b>EQUITY</b>		
Subscribed capital	66,096	66,096
Capital reserves	169,066	169,441
Accumulated results	220,453	210,354
Other reserves	-12,973	-15,591
Treasury shares	-34,937	-26,262
Equity attributable to owners of interests in parent company	407,705	404,038
Non-controlling interests	5,143	5,432
	<b>412,848</b>	<b>409,470</b>
<b>NON-CURRENT LIABILITIES</b>		
Financing liabilities non-current	251,280	218,848
Other financial liabilities non-current	77,395	77,858
Contract liabilities	16,730	16,323
Other liabilities non-current	680	661
Deferred tax liabilities	13,371	13,271
Provisions non-current	27,085	26,846
	<b>386,541</b>	<b>353,807</b>
<b>CURRENT LIABILITIES</b>		
Financing liabilities current	60,073	42,810
Trade payables	170,275	210,011
Contract liabilities	68,899	69,669
Other financial liabilities current	41,603	46,487
Provisions current	37,194	40,473
Other liabilities current	69,456	73,900
	<b>447,500</b>	<b>483,350</b>
<b>Total equity and liabilities</b>	<b>1,246,889</b>	<b>1,246,627</b>

# CONSOLIDATED CASH FLOW STATEMENT

## CONSOLIDATED CASH FLOW STATEMENT IN TEUR

Q1 2021

Q1 2020

	Q1 2021	Q1 2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Earnings before taxes	10,846	9,141
Depreciation and amortisation	15,516	13,770
Interest expenses	2,401	2,628
Interest and other income from the disposal of financial assets	-542	-536
Result from associated companies	0	6
Increase/decrease of provisions	-3,342	-7,758
Gains/losses from the disposal of non-current non-financial assets	-58	-14
Changes in inventories	-11,188	-2,730
Changes in trade receivable and contract assets	16,963	48,513
Changes in other receivables and assets	-8,477	-12,290
Changes in trade payable and contract liabilities	-40,763	-37,789
Changes in other liabilities	-6,289	-8,859
Other non-cash income and expenses	570	4,203
<b>Cash and cash equivalents from operations</b>	<b>-24,363</b>	<b>8,285</b>
Income taxes paid	-2,442	-1,889
<b>Net cash flows from operating activities</b>	<b>-26,805</b>	<b>6,396</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of non-current non-financial assets	-9,450	-5,434
Purchase/sale of financial instruments	-4	-19
Proceeds from sale of non-current non-financial assets	194	253
Disposal/purchase of financial instruments	-798	2,562
Payments to acquire subsidiaries less cash assumed and plus current account liabilities assumed	-2,081	-6,900
Interest income	196	155
<b>Net cash flows from investing activities</b>	<b>-11,943</b>	<b>-9,383</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in financing liabilities and financial liabilities	45,000	924
Decrease in financing liabilities and financial liabilities	-10,036	-15,200
Interests paid	-1,027	-1,179
Acquisition of non-controlling interests	-687	-125
Payments for acquisition of treasury shares	-8,675	-5,457
Capital increase (less transaction costs)	0	6
<b>Net cash flows from financial activities</b>	<b>24,575</b>	<b>-21,031</b>
Changes in exchange rates	1,037	-4,463
<b>Changes in financial funds</b>	<b>-13,136</b>	<b>-28,481</b>
Financial funds as of the beginning of the period	254,951	265,165
<b>Financial funds as of the end of the period</b>	<b>241,815</b>	<b>236,684</b>
Overdrafts	32,628	34,051
Restricted cash	3,937	5,395
<b>Total cash and cash equivalents</b>	<b>278,380</b>	<b>276,130</b>



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This quarterly statement contains statements that refer to future developments. These are based on assumptions and assessments made by the Executive Board. We believe these assumptions and assessments to be realistic and applicable. Nevertheless, they entail certain risks and uncertainties. These in turn mean that actual events could significantly differ from the assumptions and estimates made. Among the factors leading to such divergences could be alterations in the economic situation as a whole; in the company's business, markets and competitors; in rates of exchange and interest; and in business strategy. This uncertainty has recently been heightened by the outbreak and spread of the SARS-CoV-2 virus. We accept no warranty for the developments and events actually taking place in the future according to the assumptions and assessments articulated in this annual report. These assumptions and assessments will not be updated.

# FINANCIAL CALENDAR

## 2021

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06.05.2021	Q1-quarterly statement 2021 (Earnings-Call Q1 2021)
17.05.2021	Spring Conference 2021 (17.05. - 19.05.2021)
08.06.2021	Annual shareholder meeting
05.08.2021	Half-year report 2021 (Earnings-Call Q2 2021)
04.11.2021	Q3-quarterly statement 2021 (Earnings-Call Q3 2021)
22.11.2021	Equity forum (22.11. - 24.11.2021)

Further details available under  
[https://ir.snt.at/Financial\\_calendar.en.html](https://ir.snt.at/Financial_calendar.en.html).

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