

Buy (old: Buy)

Price target: EUR 31.00 (old: EUR 31.00)

Price:	EUR 13.24	Next result:	Q4'21: tba
Bloomberg:	SANT GR	Market cap:	EUR 875.1 m
Reuters:	SANT1.DE	Enterprise Value:	EUR 998.8 m

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A first look at the allegations - Reiterate BUY

Topic: this update will focus on the most severe accusation. Viceroy claims that S&T has hidden several subsidiaries in off balance sheet structures to conceal corporate fraud. **This seems patently false. In reality, the entities in question were not hidden but divested, current management was not involved, S&T has no control over the entities, is not part of any alleged fraud and hence not exposed to any risk.**

Let's cut to the chase. Here is Viceroy's most severe accusation: „S&T appears to hide several subsidiaries in an off-balance sheet structure to conceal corporate fraud. Management have hidden these risks from shareholders [...]“

Claiming there is „a vast off balance sheet entities (OBE) structure“, Viceroy goes on to specifically highlight the presumed OBE „SandT Holding“, which has / had activities in the Ukraine, Russia and Moldova. (NB: the Russian entity was liquidated in 2016.)

So, **what is there to say about SandT Holding**, which Viceroy seems to suggest is under S&T's control and on purpose kept off balance sheet? **There is a simple and innocent answer:** the activities in the Ukraine, Russia and Moldova used to be part of S&T AG **but were divested** to a strategic investor **already in 2011.**

This investor, named Alexander Malshakov (plus a few others presumably), **also acquired the right to use the S&T brand and logo** in the region. For this, S&T receives an annual fee of € 35k. That explains why these entities use S&T's brand and credentials, which seems to befuddle Viceroy (*compare pages 1 and 9 of his report*).

The „SandT Holding“ structure was **specifically created for this transaction** ie it became the holding structure for the activities in Russia, Moldova and the Ukraine. S&T AG received a cash payment of € 5-6m (eH&A) plus a 10% stake in SandT Holding. The remaining 90% was held by Mr Malshakov and others.

Today, S&T retains a 5% stake in SandT Holding. **This indicates a lack of control**, explaining why S&T does **not** consolidate the entity. It is true that SandT also does not show up on S&T's balance sheet. While this may be debatable, we understand that S&T chose this path due to the stake's immaterial value (set at € 25k or so). **S&T also never received a dividend from SandT Holding** and the liquidation of Russia in 2016 suggests that the entities were far from successful. Hence, Viceroy's claims that these entities „generate enormous revenues“ and that S&T should have received „substantial minority interest“ seem dubious. – *continued* –

Y/E 31.12 (EUR m)	2017	2018	2019	2020	2021E	2022E	2023E
Sales	882.0	990.9	1,122.9	1,254.8	1,350.0	1,556.2	1,696.3
Sales growth	75 %	12 %	13 %	12 %	8 %	15 %	9 %
EBITDA	68.1	90.5	111.7	130.0	136.4	165.7	190.8
EBIT	41.7	61.5	61.8	68.6	72.3	100.1	124.8
Net income	22.5	45.0	49.1	55.6	59.4	84.3	100.6
Net debt	-101.8	-52.7	91.5	104.1	96.8	15.4	-73.3
Net gearing	-33.4 %	-14.8 %	24.5 %	25.8 %	21.9 %	3.0 %	-12.5 %
EPS pro forma	0.51	0.68	0.74	0.84	0.90	1.28	1.52
CPS	0.52	0.32	0.88	1.67	0.63	1.78	1.83
DPS	0.13	0.16	0.00	0.30	0.27	0.32	0.34
Dividend yield	1.0 %	1.2 %	0.0 %	2.3 %	2.1 %	2.4 %	2.6 %
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 %	5.4 %	6.4 %	7.4 %
ROCE	9.4 %	11.9 %	8.8 %	9.9 %	8.2 %	10.9 %	12.8 %
EV/sales	0.9	0.8	0.9	0.8	0.7	0.6	0.5
EV/EBITDA	11.2	9.2	8.9	7.7	7.3	5.5	4.3
EV/EBIT	18.2	13.6	16.1	14.7	13.8	9.2	6.6
PER	26.0	19.5	17.8	15.7	14.7	10.4	8.7
Adjusted FCF yield	5.9 %	7.8 %	8.5 %	9.6 %	10.2 %	14.1 %	17.8 %

Source: Company data, Hauck & Aufhäuser Close price as of: 16.12.2021

Please refer to important disclosures at the end of the report



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 23.80 / 13.25

Price/Book Ratio: 2.0

Relative performance (TecDAX):

3 months -39.1 %

6 months -42.5 %

12 months -51.5 %

Changes in estimates

		Sales	EBIT	EPS
2021	old:	1,350.0	72.3	0.90
	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 €) 6.7
 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

What is most important: the divestment of the Ukraine, Moldova, and Russia, and the creation of SandT Holding, **happened under a different management team**, namely former CEO Rosner, CFO Berger and CRO Lanik. S&T's current management team had **nothing to do with it whatsoever**.

In fact, the entities in question were sold in January 2011. Quanmax with CEO Niederhauser announced its intent to acquire S&T in September 2011. It was in 2012 that both S&T and Quanmax merged, and that the combined entity assumed the name S&T AG, with Mr Niederhauser at the helm. Hence, it seems nonsensical to claim that the current management team has tried to „hide several subsidiaries“.

What about the alleged fraud then? Viceroy talks about criminal corruption investigations in the Ukraine. Given that S&T has no relationship with or control over the entities, including the one in the Ukraine, apart from a 5% stake, **S&T and its investors should not be exposed to any risk**, in our view.

Finally, what about the „vast OBE structure“ that Viceroy attributes to S&T? Apart from SandT Holding, Viceroy highlights IMG (China) and insinuates that there should be more OBEs but that these are „inherently difficult to find“. **We strongly doubt there are any OBEs** at all and will address IMG in the next update.

Subsequent updates will also address the other claims in the report. Spoiler: in our view, the allegations are **either incorrect or not material enough** to change our bullish stance. Yesterday's steep share price decline hence looks overdone. **Reiterate BUY**.

Appendix



S&T: Finanzierungspaket sichert Zukunft

Tochtergesellschaften in der Ukraine und Moldawien werden verkauft; Kernmärkte werden gestärkt

Wien (OTS)- Die S&T AG hat sich mit den Banken auf ein Finanzierungspaket grundsätzlich geeinigt, das die Zukunft des österreichischen IT-Dienstleisters absichert. Das Paket inkludiert die ursprünglich 2011 fälligen Anleihen, die Stundung von Zinsen und die Bereitstellung jener Mittel, die für das operative Geschäft kurz- und mittelfristig benötigt werden. Die Laufzeit der Vereinbarung beträgt zunächst ein Jahr. „Damit wurden die finanziellen Voraussetzungen geschaffen, um die erforderlichen Restrukturierungsmaßnahmen weiterhin umsetzen und die laufenden Investorengespräche zu einem erfolgreichen Abschluss führen zu können“, erklärt Michael Lanik, CRO und Sprecher des Vorstandes der S&T AG. „Aufgrund hoher Verluste in der Vergangenheit rechnen wir aber mit einem sehr niedrigen Kurs jeder Kapitalmaßnahme“, warnt der Vorstand vor Spekulationen.

Teil des umfassenden Restrukturierungsplans der S&T ist die Konzentration auf das Kerngeschäft in den Kernmärkten. S&T verkauft ihre Tochtergesellschaften in der Ukraine und in Moldawien an einen strategischen Investor und bleibt damit auch in diesen Ländern vertreten. Über den Kaufpreis wurden keine Angaben gemacht.

Source: https://www.ots.at/presseaussendung/OTS_20110131_OT0116/st-finanzierungspaket-sichert-zukunft

The text above states that “S&T will sell its subsidiaries in the Ukraine and Moldova to a strategic investor”. The date is January 31, 2011. Back then, Michael Lanik was the Chief Restructuring Officer and speaker of the board. This was months before Quanmax with Mr Niederhauser announced its intention to acquire S&T.

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	1,350.0	1,556.2	1,696.3
<i>Sales growth</i>	75.1 %	12.3 %	13.3 %	11.7 %	7.6 %	15.3 %	9.0 %
Increase/decrease in finished goods and work-in-process	13.4	15.1	15.5	17.6	16.2	17.1	17.8
Total sales	895.3	1,006.0	1,138.4	1,272.4	1,366.2	1,573.3	1,714.1
Other operating income	8.5	7.5	8.0	8.8	8.1	8.6	8.5
Material expenses	567.0	644.3	715.4	799.0	861.3	985.1	1,065.3
Personnel expenses	179.4	194.6	245.2	273.3	291.6	333.0	359.6
Other operating expenses	89.4	84.0	74.2	78.8	85.1	98.0	106.9
Total operating expenses	827.3	915.4	1,026.7	1,142.4	1,229.9	1,407.6	1,523.2
EBITDA	68.1	90.5	111.7	130.0	136.4	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	105.1	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	72.3	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	66.0	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	66.0	93.6	118.3
Taxes	6.0	7.9	4.6	6.1	6.6	9.4	17.7
Net income from continuing operations	29.4	48.5	49.5	54.6	59.4	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	59.4	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	59.4	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	0.91	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 %	2.3 %	2.1 %	1.9 %
EBITA	6.9 %	6.2 %	7.6 %	7.9 %	7.8 %	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 %	2.4 %	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 %	5.4 %	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 %	4.9 %	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 %	4.9 %	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 %	4.4 %	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 %	4.4 %	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 %	4.4 %	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	294.6	287.8	271.8
Property, plant and equipment	31.9	37.1	99.8	135.1	125.4	117.7	111.9
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	442.2	427.6	405.7
Inventories	104.0	130.8	146.8	159.9	207.7	207.5	220.3
Accounts receivable	172.4	202.7	212.2	204.5	255.2	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	289.2	370.6	459.3
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	895.6	1,018.4	1,149.1
TOTAL ASSETS	804.9	847.9	1,225.7	1,246.6	1,337.7	1,446.1	1,554.9
SHAREHOLDERS EQUITY	305.1	356.0	372.7	404.0	442.5	508.3	585.3
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	258.9	298.4	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	479.3	521.8	553.6
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	804.9	847.9	1,225.7	1,246.6	1,337.7	1,446.1	1,554.9

Balance sheet (common size)	2017	2018	2019	2020	2021E	2022E	2023E
Intangible assets	23.6 %	24.5 %	24.1 %	24.2 %	22.0 %	19.9 %	17.5 %
Property, plant and equipment	4.0 %	4.4 %	8.1 %	10.8 %	9.4 %	8.1 %	7.2 %
Financial assets	2.2 %	0.0 %	1.9 %	1.8 %	1.7 %	1.5 %	1.4 %
FIXED ASSETS	29.7 %	28.9 %	34.1 %	36.9 %	33.1 %	29.6 %	26.1 %
Inventories	12.9 %	15.4 %	12.0 %	12.8 %	15.5 %	14.3 %	14.2 %
Accounts receivable	21.4 %	23.9 %	17.3 %	16.4 %	19.1 %	20.3 %	20.6 %
Other current assets	5.4 %	8.0 %	8.4 %	8.4 %	8.0 %	7.6 %	7.2 %
Liquid assets	27.0 %	20.3 %	25.5 %	22.6 %	21.6 %	25.6 %	29.5 %
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 %	66.9 %	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 %	35.2 %	37.6 %
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 %	25.7 %	23.7 %	22.1 %
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 %	30.7 %	28.4 %	26.4 %
short-term liabilities to banks	5.8 %	4.7 %	5.1 %	3.4 %	3.2 %	3.0 %	2.8 %
Accounts payable	19.2 %	20.9 %	16.7 %	16.8 %	19.4 %	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 %	12.0 %	11.4 %	11.0 %
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 %	35.8 %	36.1 %	35.6 %
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)	2017	2018	2019	2020	2021E	2022E	2023E
Net profit/loss	29.4	48.5	49.5	54.6	59.4	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	123.4	149.9	166.6
Increase/decrease in inventory	-17.9	-4.1	-16.0	-13.1	-47.8	0.2	-12.8
Increase/decrease in accounts receivable	5.5	-23.1	-30.0	41.4	-50.7	-39.0	-26.5
Increase/decrease in accounts payable	15.2	2.1	49.7	5.0	48.9	39.5	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	-49.7	0.8	-12.4
Cash flow from operating activities	44.9	35.5	83.4	140.8	73.8	150.6	154.2
CAPEX	23.0	25.1	27.1	33.9	39.2	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	-46.7	-51.1	-44.1
Cash flow before financing	5.8	-27.6	27.7	63.6	27.1	99.6	110.1
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	18.1	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	-18.1	-21.4
Increase/decrease in liquid assets	97.0	-48.2	112.6	-10.2	7.3	81.4	88.6
Liquid assets at end of period	216.9	171.8	312.3	281.9	289.2	370.6	459.3

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	108.0	141.6	0.0
yoy change	80.1 %	-9.1 %	3.8 %	4.4 %	1.3 %	31.1 %	n/a
Rest of Europe	242.7	300.0	336.9	373.9	395.6	471.5	0.0
yoy change	46.0 %	23.6 %	12.3 %	11.0 %	5.8 %	19.2 %	n/a
NAFTA	132.1	133.2	152.7	178.2	198.5	211.6	0.0
yoy change	n/a	0.8 %	14.7 %	16.7 %	11.4 %	6.6 %	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	648.0	722.1	0.0
yoy change	43.8 %	15.2 %	15.6 %	12.2 %	8.7 %	11.4 %	n/a
TTL	882.0	990.9	1,122.9	1,254.8	1,350.0	1,556.2	0.0
yoy change	75.1 %	12.3 %	13.3 %	11.7 %	7.6 %	15.3 %	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 %	7.6 %	15.3 %	9.0 %
EBITDA growth	97.9 %	33.0 %	23.4 %	43.6 %	22.1 %	27.4 %	40.0 %
EBIT growth	73.1 %	47.3 %	0.4 %	11.5 %	17.1 %	46.0 %	72.5 %
EPS growth	29.9 %	58.9 %	9.2 %	25.7 %	23.1 %	51.5 %	69.2 %
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	307.8	709.6	765.8
EBITDA per employee	23.6	23.2	25.9	29.9	31.1	75.6	86.1
Balance sheet analysis							
Avg. working capital / sales	13.6 %	14.0 %	13.8 %	12.4 %	13.3 %	11.5 %	12.4 %
Inventory turnover (sales/inventory)	8.5	7.6	7.7	7.8	6.5	7.5	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	47.3	35.3	33.0
Cash flow analysis							
Free cash flow	21.9	10.4	56.3	106.9	34.6	107.1	110.1
Free cash flow/sales	2.5 %	1.1 %	5.0 %	8.5 %	2.6 %	6.9 %	6.5 %
FCF / net profit	97.3 %	23.2 %	114.6 %	192.2 %	58.3 %	127.0 %	109.4 %
Capex / depre	109.2 %	82.3 %	62.9 %	61.2 %	61.2 %	66.4 %	66.8 %
Capex / maintenance capex	145.7 %	n/a	74.6 %	70.3 %	67.5 %	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	96.8	15.4	-73.3
Net Debt/EBITDA	0.0	0.0	0.8	0.8	0.7	0.1	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	8.9	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	4.1	4.8	5.2
Plant turnover	27.7	26.7	11.3	9.3	10.8	13.2	15.2
Inventory turnover (sales/inventory)	8.5	7.6	7.7	7.8	6.5	7.5	7.7
Returns							
ROCE	9.4 %	11.9 %	8.8 %	9.9 %	8.2 %	10.9 %	12.8 %
ROE	7.4 %	12.6 %	13.2 %	13.8 %	13.4 %	16.6 %	17.2 %
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	0.91	1.30	1.55
Valuation ratios							
P/BV	2.8	2.5	2.3	2.2	2.0	1.7	1.5
EV/sales	0.9	0.8	0.9	0.8	0.7	0.6	0.5
EV/EBITDA	11.2	9.2	8.9	7.7	7.3	5.5	4.3
EV/EBITA	12.5	13.6	11.6	10.2	9.5	6.9	5.3
EV/EBIT	18.2	13.6	16.1	14.7	13.8	9.2	6.6
EV/FCF	34.7	80.2	17.7	9.4	28.8	8.6	7.5
Adjusted FCF yield	5.9 %	7.8 %	8.5 %	9.6 %	10.2 %	14.1 %	17.8 %
Dividend yield	1.0 %	1.2 %	0.0 %	2.3 %	2.1 %	2.4 %	2.6 %

Source: Company data, Hauck & Aufhäuser

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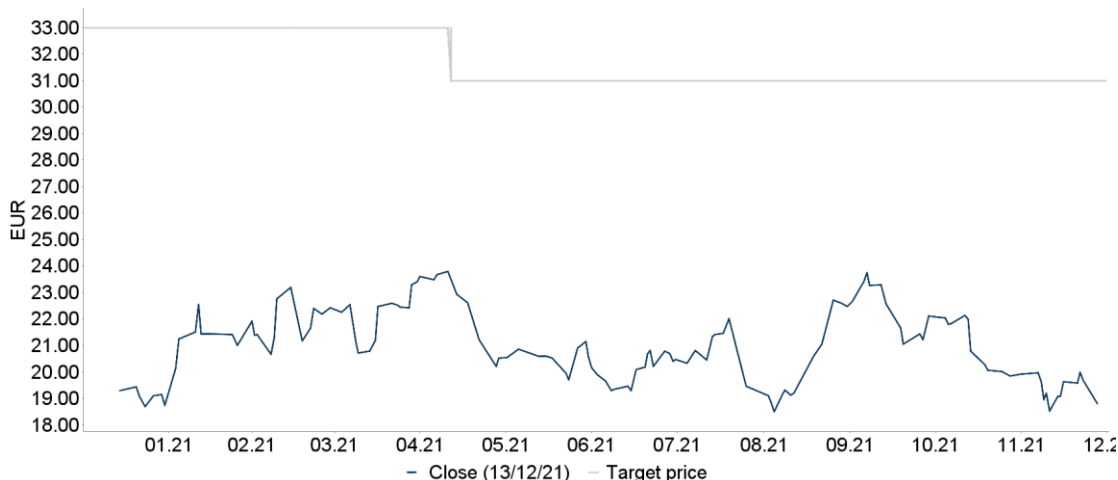
Company	Disclosure
S&T AG	3

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

Price and Rating History S&T AG as of 16/12/21

Initiation coverage

30-May-12



Company	Date	Analyst	Rating	Target price	Close
S&T AG	10.11.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 20,02
	26.10.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 21,82
	12.10.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 21,22
	10.09.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 22,70
	07.09.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 21,04

07.09.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 21,04
07.09.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 21,04
07.09.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 21,04
07.09.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 21,04
07.09.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 21,04
07.09.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 21,04
07.09.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 21,04
07.09.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 21,04
07.09.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 21,04
06.08.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 22,02
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

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Sell	5.26 %	0.00 %
Hold	15.79 %	3.70 %

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