

Buy (old: Buy)

Price target: EUR 7.70 (old: EUR 7.60)

Price:	EUR 6.09	Next result:	Q1 '16: tba
Bloomberg:	SANT GR	Market cap:	EUR 263.3 m
Reuters:	SANT1.DE	Enterprise Value:	EUR 256.4 m

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Appliances the star in Q4; Strong cash generation; Chg. PT

S&T reported FY/Q4 results which were strong across the board. FY sales arrived at € 468m (+21% yoy / eH&A: € 465m / Q4 sales +26% yoy) coming in slightly better than the guidance of € 465m. **Appliances Security were the star in Q4 growing by 160% yoy to € 34m** (eH&A: € 20m). Two reasons, in our view: First, S&T is seeing continued strong demand from IoT applications such as protecting IP-based welding robots from unauthorised access as well as Wi-Fi in airplanes. Second, the company has won new clients in the Medical space where its security appliances protect internet-connected CT scanners. Both applications should be key growth drivers in 2016 **with segment sales growth expected to once again exceed 20% yoy**, in our view.

The Appliances Smart Energy segment declined by 7% yoy to € 18.6m in Q4 **but this was expected** due to a very challenging base which benefitted from pent-up demand. **Smart Energy should show sound growth in 2016**, in our view (eH&A: >20% yoy reported / >50% yoy if adjusted for the now divested US business), given recent project wins in Austria as well as strong demand from utility Tauron in Poland. Services DACH (-29% yoy to € 18.5m) declined due to the scheduled scaling back of low-margin hardware revenues. Meanwhile, Services EE (+31% yoy to € 95m) benefitted from strong IT demand in Poland and Romania.

FY net income (before minorities) arrived at € 17.6m (+25% yoy / Q4: +28% yoy) substantially beating guidance (€ 15m) and expectations (eH&A: € 16.7m / eCons: € 15.8m). This above all reflects the very strong performance of Appliances Security which are high-margin (EBITDA margin of 15%+). Also, the financial and tax result in Q4 came in better than expected.

FY operating cash flow arrived at € 27m (2014: € 21m) and FCF at € 17m (2014: € 15m) which is significantly better than expected (eH&A: € 15m CFO / € 7m FCF) reflecting solid earnings quality boosted by good w/c management.

The FY order backlog stands at € 181m (+15% yoy) providing good visibility on this year's growth expectations (FY '16: both guidance and eH&A: sales +7.5% yoy to € 500m) especially as management has confirmed that Q1 order intake was excellent. **Remains a BUY with a new PT of € 7.70** (FCFY 2017E / old: € 7.60) due to better cash generation. 2018E is introduced. – cont. –

Y/E 31.12 (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
Sales	339.5	337.9	385.5	468.2	500.0	530.0	561.8
Sales growth	122 %	0 %	14 %	21 %	7 %	6 %	6 %
EBITDA	16.6	20.1	22.9	28.4	32.5	36.0	40.3
EBIT	11.1	14.3	16.6	20.6	23.7	27.0	31.3
Net income	7.7	11.7	13.0	15.8	16.1	18.8	22.8
Net debt	19.4	9.3	1.5	-9.4	-21.9	-36.8	-55.8
Net gearing	31.4 %	13.5 %	1.7 %	-9.4 %	-19.3 %	-28.6 %	-37.8 %
Net Debt/EBITDA	1.2	0.5	0.1	0.0	0.0	0.0	0.0
EPS pro forma	0.20	0.30	0.30	0.36	0.37	0.43	0.52
CPS	0.16	0.15	0.35	0.47	0.39	0.42	0.55
DPS	0.00	0.06	0.07	0.08	0.09	0.10	0.12
Dividend yield	0.0 %	1.0 %	1.2 %	1.3 %	1.5 %	1.6 %	2.0 %
Gross profit margin	34.4 %	33.1 %	33.2 %	34.3 %	33.9 %	34.2 %	34.5 %
EBITDA margin	4.9 %	5.9 %	5.9 %	6.1 %	6.5 %	6.8 %	7.2 %
EBIT margin	3.3 %	4.2 %	4.3 %	4.4 %	4.7 %	5.1 %	5.6 %
ROCE	8.3 %	10.8 %	12.4 %	13.8 %	14.0 %	14.7 %	15.6 %
EV/sales	0.8	0.7	0.7	0.5	0.5	0.4	0.4
EV/EBITDA	15.8	12.5	11.7	9.0	7.6	6.5	5.3
EV/EBIT	23.5	17.6	16.1	12.4	10.5	8.6	6.8
PER	30.9	20.4	20.3	16.9	16.6	14.3	11.8
Adjusted FCF yield	3.9 %	5.9 %	6.0 %	7.7 %	9.1 %	9.9 %	13.6 %

Source: Company data, Hauck & Aufhäuser Close price as of: 29.03.2016



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 6.29 / 4.10

Price/Book Ratio: 2.7

Relative performance (TecDAX):

3 months 14.9 %

6 months 41.6 %

12 months 51.0 %

Changes in estimates

		Sales	EBIT	EPS
2016	old:	500.0	23.7	0.39
	Δ	-	-	-
2017	old:	530.0	27.0	0.45
	Δ	-	-	-
2018	old:	-	-	-
	Δ	-	-	-

Key share data:

Number of shares: (in m pcs) 43.5

Authorised capital: (in € m) 12.1

Book value per share: (in €) 2.3

Ø trading volume: (12 months) 60,000

Major shareholders:

Free Float 86.0 %

Grosso 14.0 %

CEO (incl. in Free Float) 5.0 %

Company description:

S&T combines an IT system house business with a portfolio of security appliances targeting Cloud Computing applications.

EUR	Q4 15	Q4 15 est	Q4 14	yoy	Q3 15	qoq	FY 15	FY 15 est	FY 14	yoy
Sales	165.8	162.6	131.9	26%	114.2	45%	468.2	465.0	385.5	21%
Appliances total	52.4	39.2	33.1	58%	26.4	98%	133.4	120.2	78.8	69%
Appliances Security	33.8	20.4	13.0	160%	15.8	114%	82.6	69.2	50.0	65%
Appliances Smart Energy	18.6	18.8	20.1	-7%	10.6	75%	50.8	51.0	28.8	76%
Services EE	95.0	100.4	72.8	31%	71.5	33%	264.3	269.7	217.2	22%
Services DACH	18.5	23.1	26.1	-29%	16.2	14%	70.5	75.1	89.6	-21%
EBITDA	11.6	11.7	7.7	50%	5.9	97%	28.4	28.4	22.9	24%
EBITDA margin	7.0%	7.2%	5.9%	+ 1.2 pp	5.2%	+ 1.9 pp	6.1%	6.1%	5.9%	+ 0.1 pp
Net profit (after minorities)	7.9	7.2	6.0	33%	2.5	217%	15.8	15.1	13.0	22%
Net margin	4.8%	4.4%	4.5%	+ 0.3 pp	2.2%	+ 2.6 pp	3.4%	3.2%	3.4%	+ 0.0 pp
EPS	0.18	0.16	0.14	32%	0.06	204%	0.36	0.35	0.32	15%

Source: Company data, Hauck & Aufhäuser

Financials

Profit and loss (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
Net sales	339.5	337.9	385.5	468.2	500.0	530.0	561.8
<i>Sales growth</i>	121.5 %	-0.5 %	14.1 %	21.4 %	6.8 %	6.0 %	6.0 %
Increase/decrease in finished goods and work-in-process	0.3	0.9	1.2	2.7	1.0	1.0	1.1
Total sales	339.8	338.8	386.8	470.9	501.0	531.0	562.9
Other operating income	6.4	6.7	5.0	6.3	4.0	4.1	4.1
Material expenses	222.9	226.7	258.3	309.3	331.0	349.3	368.9
Personnel expenses	71.9	66.2	72.4	89.5	95.9	102.1	107.7
Other operating expenses	34.9	32.5	38.2	50.0	45.6	47.7	50.1
Total operating expenses	323.3	318.7	363.9	442.6	468.5	495.0	522.6
EBITDA	16.6	20.1	22.9	28.4	32.5	36.0	40.3
Depreciation	2.7	2.3	2.2	7.7	4.3	4.8	5.0
EBITA	13.8	17.8	20.7	20.6	28.2	31.2	35.3
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	2.7	3.5	4.1	0.0	4.5	4.2	4.0
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	11.1	14.3	16.6	20.6	23.7	27.0	31.3
Interest income	0.6	0.5	1.6	0.3	0.6	0.7	0.9
Interest expenses	2.0	2.7	3.2	3.0	4.1	4.1	4.1
Other financial result	0.0	0.0	-0.3	0.5	-0.2	-0.1	0.0
Financial result	-1.4	-2.2	-1.8	-2.2	-3.7	-3.5	-3.2
Recurring pretax income from continuing operations	9.8	12.1	14.8	18.4	20.0	23.5	28.1
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	9.8	12.1	14.8	18.4	20.0	23.5	28.1
Taxes	0.3	0.1	0.8	0.8	2.0	2.4	2.8
Net income from continuing operations	9.4	11.9	14.0	17.6	18.0	21.2	25.3
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	9.4	11.9	14.0	17.6	18.0	21.2	25.3
Minority interest	1.7	0.2	1.0	1.8	1.9	2.4	2.5
Net income (net of minority interest)	7.7	11.7	13.0	15.8	16.1	18.8	22.8
Average number of shares	28.3	39.2	41.2	43.5	43.8	43.8	43.8
EPS reported	0.27	0.30	0.32	0.36	0.37	0.43	0.52

Profit and loss (common size)	2012	2013	2014	2015	2016E	2017E	2018E
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	0.1 %	0.3 %	0.3 %	0.6 %	0.2 %	0.2 %	0.2 %
Total sales	100.1 %	100.3 %	100.3 %	100.6 %	100.2 %	100.2 %	100.2 %
Other operating income	1.9 %	2.0 %	1.3 %	1.3 %	0.8 %	0.8 %	0.7 %
Material expenses	65.6 %	67.1 %	67.0 %	66.1 %	66.2 %	65.9 %	65.7 %
Personnel expenses	21.2 %	19.6 %	18.8 %	19.1 %	19.2 %	19.3 %	19.2 %
Other operating expenses	10.3 %	9.6 %	9.9 %	10.7 %	9.1 %	9.0 %	8.9 %
Total operating expenses	95.2 %	94.3 %	94.4 %	94.5 %	93.7 %	93.4 %	93.0 %
EBITDA	4.9 %	5.9 %	5.9 %	6.1 %	6.5 %	6.8 %	7.2 %
Depreciation	0.8 %	0.7 %	0.6 %	1.7 %	0.9 %	0.9 %	0.9 %
EBITA	4.1 %	5.3 %	5.4 %	4.4 %	5.6 %	5.9 %	6.3 %
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	0.8 %	1.0 %	1.1 %	0.0 %	0.9 %	0.8 %	0.7 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT	3.3 %	4.2 %	4.3 %	4.4 %	4.7 %	5.1 %	5.6 %
Interest income	0.2 %	0.1 %	0.4 %	0.1 %	0.1 %	0.1 %	0.2 %
Interest expenses	0.6 %	0.8 %	0.8 %	0.6 %	0.8 %	0.8 %	0.7 %
Other financial result	0.0 %	0.0 %	-0.1 %	0.1 %	0.0 %	0.0 %	0.0 %
Financial result	-0.4 %	-0.7 %	-0.5 %	-0.5 %	-0.7 %	-0.7 %	-0.6 %
Recurring pretax income from continuing operations	2.9 %	3.6 %	3.8 %	3.9 %	4.0 %	4.4 %	5.0 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	2.9 %	3.6 %	3.8 %	3.9 %	4.0 %	4.4 %	5.0 %
Tax rate	3.4 %	1.1 %	5.2 %	4.3 %	10.0 %	10.0 %	10.0 %
Net income from continuing operations	2.8 %	3.5 %	3.6 %	3.8 %	3.6 %	4.0 %	4.5 %
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	2.8 %	3.5 %	3.6 %	3.8 %	3.6 %	4.0 %	4.5 %
Minority interest	0.5 %	0.1 %	0.3 %	0.4 %	0.4 %	0.5 %	0.5 %
Net income (net of minority interest)	2.3 %	3.5 %	3.4 %	3.4 %	3.2 %	3.5 %	4.1 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
Intangible assets	39.7	44.8	57.1	72.8	74.5	73.5	72.3
Property, plant and equipment	9.9	9.0	11.4	15.2	13.4	13.9	13.9
Financial assets	3.8	2.8	3.8	3.1	3.1	3.1	3.1
FIXED ASSETS	53.4	56.5	72.3	91.0	91.0	90.5	89.3
Inventories	23.4	22.7	30.0	28.7	30.7	32.5	34.5
Accounts receivable	81.9	71.6	95.7	86.4	92.3	97.8	103.7
Other current assets	15.4	15.2	22.0	36.7	37.6	38.5	39.5
Liquid assets	29.9	42.9	39.5	60.3	72.8	87.7	106.8
Deferred taxes	9.9	11.1	13.6	15.9	15.9	15.9	15.9
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	160.5	163.6	200.8	228.0	249.3	272.5	300.3
TOTAL ASSETS	214.0	220.1	273.1	319.1	340.3	363.0	389.6
SHAREHOLDERS EQUITY	61.8	69.2	86.9	99.8	113.5	128.8	147.8
MINORITY INTEREST	2.2	2.1	2.8	2.4	2.4	2.4	2.4
Long-term debt	11.5	23.9	26.1	28.1	28.1	28.1	28.1
Provisions for pensions and similar obligations	3.0	2.9	2.3	2.5	2.5	2.5	2.6
Other provisions	17.2	3.9	4.6	6.0	6.1	6.3	6.5
Non-current liabilities	31.7	30.7	33.0	36.5	36.7	37.0	37.2
short-term liabilities to banks	37.8	28.4	14.8	22.9	22.9	22.9	22.9
Accounts payable	53.7	46.6	74.2	70.1	74.9	79.3	84.1
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)	25.6	41.8	59.9	85.9	88.5	91.1	93.8
Deferred taxes	1.2	1.4	1.5	1.4	1.4	1.4	1.4
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	118.3	118.1	150.3	180.3	187.6	194.8	202.3
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	214.0	220.1	273.1	319.1	340.3	363.0	389.6

Balance sheet (common size)	2012	2013	2014	2015	2016E	2017E	2018E
Intangible assets	18.6 %	20.3 %	20.9 %	22.8 %	21.9 %	20.2 %	18.6 %
Property, plant and equipment	4.6 %	4.1 %	4.2 %	4.7 %	3.9 %	3.8 %	3.6 %
Financial assets	1.8 %	1.3 %	1.4 %	1.0 %	0.9 %	0.9 %	0.8 %
FIXED ASSETS	25.0 %	25.7 %	26.5 %	28.5 %	26.7 %	24.9 %	22.9 %
Inventories	10.9 %	10.3 %	11.0 %	9.0 %	9.0 %	9.0 %	8.8 %
Accounts receivable	38.3 %	32.6 %	35.0 %	27.1 %	27.1 %	27.0 %	26.6 %
Other current assets	7.2 %	6.9 %	8.1 %	11.5 %	11.0 %	10.6 %	10.1 %
Liquid assets	14.0 %	19.5 %	14.5 %	18.9 %	21.4 %	24.2 %	27.4 %
Deferred taxes	4.6 %	5.1 %	5.0 %	5.0 %	4.7 %	4.4 %	4.1 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
CURRENT ASSETS	75.0 %	74.3 %	73.5 %	71.5 %	73.3 %	75.1 %	77.1 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	28.9 %	31.4 %	31.8 %	31.3 %	33.3 %	35.5 %	37.9 %
MINORITY INTEREST	1.0 %	0.9 %	1.0 %	0.8 %	0.7 %	0.7 %	0.6 %
Long-term debt	5.4 %	10.9 %	9.6 %	8.8 %	8.3 %	7.7 %	7.2 %
Provisions for pensions and similar obligations	1.4 %	1.3 %	0.8 %	0.8 %	0.7 %	0.7 %	0.7 %
Other provisions	8.0 %	1.8 %	1.7 %	1.9 %	1.8 %	1.7 %	1.7 %
Non-current liabilities	14.8 %	14.0 %	12.1 %	11.5 %	10.8 %	10.2 %	9.5 %
short-term liabilities to banks	17.7 %	12.9 %	5.4 %	7.2 %	6.7 %	6.3 %	5.9 %
Accounts payable	25.1 %	21.2 %	27.2 %	22.0 %	22.0 %	21.9 %	21.6 %
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)	11.9 %	19.0 %	21.9 %	26.9 %	26.0 %	25.1 %	24.1 %
Deferred taxes	0.6 %	0.6 %	0.5 %	0.5 %	0.4 %	0.4 %	0.4 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Current liabilities	55.3 %	53.7 %	55.1 %	56.5 %	55.1 %	53.7 %	51.9 %
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)	2012	2013	2014	2015	2016E	2017E	2018E
Net profit/loss	9.4	11.9	14.0	17.6	18.0	21.2	25.3
Depreciation of fixed assets (incl. leases)	2.7	2.3	2.2	7.7	4.3	4.8	5.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	2.7	3.5	4.1	0.0	4.5	4.2	4.0
Others	2.3	-10.6	4.1	-5.2	0.0	0.0	0.0
Cash flow from operations before changes in w/c	17.2	7.2	24.4	20.2	26.8	30.2	34.3
Increase/decrease in inventory	-2.8	0.7	-7.4	1.3	-2.0	-1.8	-2.0
Increase/decrease in accounts receivable	3.1	10.3	-24.0	9.2	-5.9	-5.5	-5.9
Increase/decrease in accounts payable	-6.9	-7.1	27.6	-4.1	4.8	4.5	4.8
Increase/decrease in other working capital positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	-6.6	3.9	-3.8	6.5	-3.1	-2.9	-3.1
Cash flow from operating activities	10.6	11.1	20.6	26.7	23.7	27.3	31.3
CAPEX	3.2	5.8	5.8	9.5	8.8	8.5	7.9
Payments for acquisitions	0.2	-4.6	5.5	0.4	0.0	0.0	0.0
Financial investments	-0.6	0.2	1.7	0.6	0.0	0.0	0.0
Income from asset disposals	0.5	1.4	0.4	0.9	1.0	0.0	0.0
Cash flow from investing activities	-2.2	0.0	-12.6	-9.6	-7.8	-8.5	-7.9
Cash flow before financing	8.4	11.1	8.0	17.1	16.0	18.8	23.4
Increase/decrease in debt position	-13.2	1.9	3.1	6.1	0.0	0.0	0.0
Purchase of own shares	0.0	1.3	0.0	n/a	0.0	0.0	0.0
Capital measures	1.7	-0.1	10.5	0.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	2.4	3.1	3.5	3.9	4.4
Others	-0.3	-2.1	1.3	-3.8	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.5	-0.5	-1.1	0.5	0.0	0.0	0.0
Cash flow from financing activities	-11.8	-1.6	12.5	-0.7	-3.5	-3.9	-4.4
Increase/decrease in liquid assets	-2.9	9.1	19.5	16.8	12.5	14.9	19.0
Liquid assets at end of period	29.9	42.9	39.5	60.3	72.8	87.7	106.8

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
Domestic	70.0	68.4	65.1	65.5	65.0	68.9	73.0
yoy change	62.2 %	-2.4 %	-4.8 %	0.7 %	-0.8 %	6.0 %	6.0 %
Rest of Europe	269.5	269.6	320.5	402.6	435.0	461.1	488.8
yoy change	144.8 %	0.0 %	18.9 %	25.6 %	8.0 %	6.0 %	6.0 %
NAFTA	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
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	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
TTL	339.5	337.9	385.5	468.2	500.0	530.0	561.8
yoy change	121.5 %	-0.5 %	14.1 %	21.4 %	6.8 %	6.0 %	6.0 %

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
P&L growth analysis							
Sales growth	121.5 %	-0.5 %	14.1 %	21.4 %	6.8 %	6.0 %	6.0 %
EBITDA growth	35.1 %	21.3 %	14.0 %	23.9 %	14.4 %	10.9 %	11.9 %
EBIT growth	17.4 %	28.2 %	16.2 %	24.1 %	14.7 %	14.2 %	15.9 %
EPS growth	-6.6 %	9.3 %	5.4 %	15.3 %	1.1 %	16.6 %	21.0 %
Efficiency							
Total operating costs / sales	95.2 %	94.3 %	94.4 %	94.5 %	93.7 %	93.4 %	93.0 %
Sales per employee	203.6	211.9	203.5	209.9	222.0	233.0	244.5
EBITDA per employee	9.9	12.6	12.1	12.7	14.4	15.8	17.5
Balance sheet analysis							
Avg. working capital / sales	14.2 %	14.7 %	12.9 %	10.3 %	9.3 %	9.4 %	9.4 %
Inventory turnover (sales/inventory)	14.5	14.9	12.8	16.3	16.3	16.3	16.3
Trade debtors in days of sales	88.1	77.4	90.6	67.4	67.4	67.4	67.4
A/P turnover [(A/P*365)/sales]	57.7	50.3	70.2	54.6	54.6	54.6	54.6
Cash conversion cycle (days)	38.5	38.9	28.2	18.6	18.7	18.4	18.3
Cash flow analysis							
Free cash flow	7.5	5.3	14.8	17.2	15.0	18.8	23.4
Free cash flow/sales	2.2 %	1.6 %	3.8 %	3.7 %	3.0 %	3.6 %	4.2 %
FCF / net profit	96.4 %	45.3 %	114.1 %	108.6 %	93.0 %	100.2 %	102.8 %
Capex / depre	46.9 %	103.4 %	119.1 %	130.9 %	99.4 %	94.2 %	87.4 %
Capex / maintenance capex	n/a	78.4 %	37.3 %	36.0 %	36.8 %	58.9 %	72.2 %
Capex / sales	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Security							
Net debt	19.4	9.3	1.5	-9.4	-21.9	-36.8	-55.8
Net Debt/EBITDA	1.2	0.5	0.1	0.0	0.0	0.0	0.0
Net debt / equity	0.3	0.1	0.0	-0.1	-0.2	-0.3	-0.4
Interest cover	5.6	5.3	5.2	6.9	5.8	6.6	7.7
Dividend payout ratio	0.0 %	20.1 %	23.3 %	21.9 %	24.5 %	23.3 %	23.1 %
Asset utilisation							
Capital employed turnover	2.5	2.6	2.8	2.9	2.8	2.8	2.7
Operating assets turnover	5.5	6.0	6.1	7.8	8.1	8.2	8.3
Plant turnover	34.2	37.6	33.7	30.9	37.4	38.3	40.4
Inventory turnover (sales/inventory)	14.5	14.9	12.8	16.3	16.3	16.3	16.3
Returns							
ROCE	8.3 %	10.8 %	12.4 %	13.8 %	14.0 %	14.7 %	15.6 %
ROE	12.5 %	17.0 %	14.9 %	15.9 %	14.2 %	14.6 %	15.4 %
Other							
Interest paid / avg. debt	3.7 %	5.3 %	6.8 %	6.5 %	8.0 %	8.0 %	8.0 %
No. employees (average)	1668	1595	1895	2230	2252	2275	2298
Number of shares	28.3	39.2	41.2	43.5	43.8	43.8	43.8
DPS	0.0	0.1	0.1	0.1	0.1	0.1	0.1
EPS reported	0.27	0.30	0.32	0.36	0.37	0.43	0.52
Valuation ratios							
P/BV	3.9	3.5	3.0	2.7	2.4	2.1	1.8
EV/sales	0.8	0.7	0.7	0.5	0.5	0.4	0.4
EV/EBITDA	15.8	12.5	11.7	9.0	7.6	6.5	5.3
EV/EBITA	18.9	14.2	12.9	12.4	8.8	7.5	6.0
EV/EBIT	23.5	17.6	16.1	12.4	10.5	8.6	6.8
EV/FCF	35.1	47.3	18.0	14.9	16.5	12.3	9.1
Adjusted FCF yield	3.9 %	5.9 %	6.0 %	7.7 %	9.1 %	9.9 %	13.6 %
Dividend yield	0.0 %	1.0 %	1.2 %	1.3 %	1.5 %	1.6 %	2.0 %

Source: Company data, Hauck & Aufhäuser

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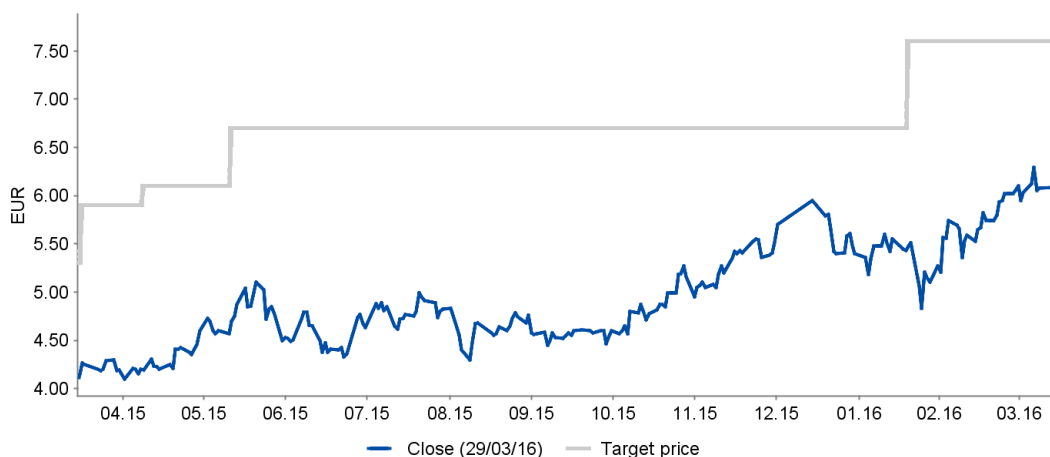
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Company	Disclosure
S&T AG	2, 3, 5

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

**Price and Rating History
S&T AG as of 30/03/16**

Initiation coverage
30-May-12



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