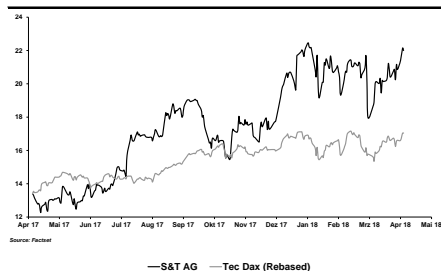


Company Flash Note

Buy			
Recommendation unchanged			
Share price: EUR	22.00		
closing price as of 03/05/2018			
Target price: EUR	21.00		
Target Price unchanged			
Upside/Downside Potential	-4.5%		
Reuters/Bloomberg SANT1.DE/SANT GY			
Market capitalisation (EURm)	1,394		
Current N° of shares (m) 63			
Free float	63%		
Daily avg. no. trad. sh. 12 mth 247			
Daily avg. trad. vol. 12 mth (m) 9,449.97			
Price high/low 12 months 12.27 / 22.46			
Abs Perfs 1/3/12 mths (%) 17.90/0.64/64.30			
Key financials (EUR)	12/17	12/18e	12/19e
Sales (m)	882	1,001	1,101
EBITDA (m)	68	78	94
EBITDA margin	7.7%	7.8%	8.5%
EBIT (m)	42	55	66
EBIT margin	4.7%	5.5%	6.0%
Net Profit (adj.)(m)	23	43	53
ROCE	8.5%	11.5%	13.2%
Net debt/(cash) (m)	(106)	(123)	(168)
Net Debt Equity	-0.3	-0.3	-0.4
Net Debt/EBITDA	-1.6	-1.6	-1.8
Int. cover(EBITDA/Fin.int)	10.7	36.4	82.8
EV/Sales	1.2	1.3	1.2
EV/EBITDA	15.6	16.7	13.5
EV/EBITDA (adj.)	15.6	16.7	13.5
EV/EBIT	25.5	23.7	19.2
P/E (adj.)	nm	32.8	26.4
P/BV	3.7	4.1	3.6
OpFCF yield	1.9%	1.7%	3.8%
Dividend yield	0.5%	0.5%	0.6%
EPS (adj.)	0.36	0.67	0.83
BVPS	4.81	5.39	6.09
DPS	0.10	0.10	0.13

Shareholders

Ennoconn Corp. 22%; JPMorgan Asset Management (UK) Ltd. 5%; Allianz Global Investors GmbH 4%;



Analyst(s)

Cengiz Sen
cengiz.sen@equinet-ag.de
+4969 58997 435

Reason: Company newsflow

4 May 2018

Good start into the year, guidance reiterated

S&T (SANT) reported excellent Q1 numbers beating on all lines on an organic basis (i.e. Kontron acquisition was already included in 1Q17). The revenue and earnings beat is due to SANT's move up in the value chain, offering high margin services and applications especially in the IoT/Industry 4.0 segment. Revenue in that segment moved 9% higher to EUR 75m while EBITDA contribution more than doubled yoy to EUR 9.2m. Streamlining of the acquired Kontron business and cost cutting led to lower revenues in the Embedded segment dropping 15% yoy to EUR 38m while IT services increased revenue by 30% and should lead to cross-selling revenue impact in IoT and Embedded in coming quarters. EBITDA in IT Services was 32% higher yoy. Guidance is reiterated with EUR 1bn in sales for FY18 and EBITDA of EUR 80m, well inline to our estimates.

S&T AG - Review Q1 2018

EUR m	Q1 2018	Q1 2017	% YoY	equinet	Delta vs actual	Cons.	Delta vs actual
Revenues	204	183	11%	200	2%	201	1%
EBITDA	17	12	40%	17	1%	16	9%
EBITDA Margin	8.4%	6.7%	172 BP	8.5%	-10 BP	7.8%	59 BP
EBIT	10	6	81%	9	14%	9.0	14%
EBIT Margin	5.1%	3.1%	194 BP	4.5%	56 BP	4.5%	58 BP
Net income	8	4	97%	7	14%	6.4	17%

Source: S&T AG, Factset, equinet Research

- ✓ Operating cash flow was extremely negative in the quarter mainly due to net working capital movements with a EUR 40m decrease in payables while inventory remained stable compared to 4Q17 at EUR 110m resulting in OCF of minus EUR 26m.
- ✓ Order backlog at the end of Q1 stands at EUR 502m with a project pipeline growing YoY by EUR 200m to a total of EUR 1.3bn giving a visibility for the next twelve month going forward.
- ✓ SANT reiterated its FY18 guidance of EUR 1bn in sales and EUR 80m in EBITDA and also states to reach EUR 2bn in sales by FY23 of which EUR 1.5bn is organic and EUR 500m via acquisitions especially in software and value-added applications. We feel that SANT has already a short list of potential targets with price tags of EUR 50-100m for each acquisition.

Exhibit 1: At a glance

Business Units	IT Services	IoT Solutions	Embedded Systems			
Products/applications	IT services to small and mid-sized enterprises, IT integration and focus on security applications	Applications dedicated to vertical markets with e.g. security offerings for machines (IoT), software in IoT grid, operation of IoT services (cloud, on-premise)	Embedded hardware and software solutions, customized products for niche applications with long-term recurring contracts			
Customers	Small and mid-sized enterprises in DACH and Eastern European region	Industrial applications such as robotics, automotive, health care, avionics, gaming and other high-end niche IoT markets	Communications and avionics customers			
Market share/positioning	Below 1% in S&T's footprint	Below 1% in S&T's footprint	Only reasonable data from S&T's prospectus reveals market share for Advantech of 8%, Siemens 6% and AdLink of 3% in the European Economic Area (EWR)			
Drivers	Outsourcing and cost cutting main drivers for GDP-like growth for S&T in IT Services.	Connectivity of devices and increased need for secure platforms in M2M, smart metering and other applications drive market growth and innovation in IoT.	System-on-a-Chip, enhanced software solutions and niche but customized solutions in the automation, infotainment, medical and transportation segments.			
Main competitors	Bechtle, Cancom, HPE, IBM, Accenture, Asesco, Caggemini, Alos and other IT services companies	Check Point Software, Intel, FireEye, Imperva, Secunet, Compugroup, Vitec Software AB, Smart Energy, Landis & Gyr, Schneider Electric, Siemens, Itron, IBM, Cisco, ABB	Advantech, AdLink and Siemens			
Entry barriers/competitive advantage	High personnel and R&D intensive business, especially in IT Services (personnel) and Embedded Systems (R&D/pre-financing). S&T has high economies of scale/scope once embedded products are developed and software products included. S&T has a low cost base (c. 50% of workforce is located in low cost Eastern European countries), highly outsourced production to Foxconn and Ennoconn in China and Canada respectively, a strong customer retention effort (e.g. trying to become single source supplier for automotive, industrial, aerospace and energy sector), only embedded and smart metering supplier and services provider with a strong Eastern European production footprint, strong IP portfolio.					
Strategy & Guidance	Strategy: (I) Profitable and cash generating growth (II) Benefit from megatrends (increased device and machine connectivity, security/firewall requirements, outsourcing) (III) Further develop new innovative software solutions in embedded computing, security applications and smart metering (IV) Maintain & strengthen cost and quality leadership and bring gross margin to 40%+ levels		Guidance (2017): Revenue: EUR 882m y/y: 75.0% EBIT: 4.70%	equinet Estimates Revenue: EUR 1001m y/y: 13.5% EBIT: 5.5%	Consensus EUR 970m 10.0% EBIT: 5.7%	
2017	Sales (EURm) 882.0	EBITDA (EURm) 68.1	EBIT adj. (EURm) 41.7	Sales 5Y hist. CAGR 21.0%	Organic growth y/y 13.5%	
Sales & EBIT Split	Sales split 		Sales split by division 		Group financial development 	
	Shareholder structure 					
Shareholder structure & management	CEO Hannes Niederhauser CEO (since 2011) • Hannes Niederhauser joined the company in 2011 as CEO. Following his studies in electrical engineering at the Graz University of Technology, the Austrian-born manager worked as a developer of microchips and in the embedded computer segment. Prior he has been the main shareholder and CEO of Kontron AG from 1999 to 2007, which became the world's largest provider in the field of embedded computing.	CEO Michael Jeske COO (since 2009) • Michael Jeske - CEO of S&T AG since mid-2009 - gathered extensive experience in the area of technology after obtaining a technical degree at the university and was also Vice President Operations at Kontron AG. He has years of management experience in the IT industry behind him and has distinguished himself professionally, particularly in the areas of development, production and quality assurance.	CFO Richard Neuwrith CFO (since 2013) • Richard Neuwrith has degrees in jurisprudence and business administration. He began his career as a lawyer working for a Vienna-based firm. He joined S&T in 2006, and has held a variety of management positions at it, with these including managing director of S&T Bulgaria and country manager and sales director of S&T Austria. As of July 2013, Neuwrith became the company's CFO.	Shareholder structure 		
# of employees FY 2017	3,918					

Source: equinet Research

S&T AG : Summary tables

PROFIT & LOSS (EURm)	12/2014	12/2015	12/2016	12/2017	12/2018e	12/2019e
Sales	386	468	504	882	1,001	1,101
Cost of Sales & Operating Costs	-364	-440	-469	-814	-923	-1,008
Non Recurrent Expenses/Income	1.2	0.0	0.0	0.0	0.0	0.0
EBITDA	22.9	28.4	34.4	68.1	78.1	93.6
EBITDA (adj.)*	21.7	28.3	34.4	68.1	78.1	93.6
Depreciation	-7.5	-7.7	-10.3	-26.3	-17.7	-23.2
EBITA	15.4	20.6	24.1	41.7	60.4	70.4
EBITA (adj)*	14.2	20.6	24.1	41.7	60.4	70.4
Amortisations and Write Downs <i>of which PPA amortisation</i>	0.0 0.0	0.0 0.0	0.0 0.0	0.0 0.0	-5.3 -5.3	-4.3 -4.3
EBIT	15.4	20.6	24.1	41.7	55.1	66.1
EBIT (adj.)*	14.2	20.6	24.1	41.7	60.4	70.4
Net Financial Interest	-0.3	-2.6	-4.0	-6.4	-2.1	-1.1
Other Financials	0.0	0.0	0.0	0.0	0.0	0.0
Associates	0.0	0.0	0.0	0.0	0.0	0.0
Other Non Recurrent Items	0.0	0.0	0.0	0.0	0.0	0.0
Earnings Before Tax (EBT)	15.1	18.0	20.1	35.4	52.9	64.9
Tax	-1.0	-0.3	0.3	-6.0	-4.5	-6.2
<i>Tax rate</i>	<i>6.9%</i>	<i>1.9%</i>	<i>n.m.</i>	<i>17.0%</i>	<i>8.5%</i>	<i>9.5%</i>
Discontinued Operations	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	-1.0	-1.8	-5.8	-6.9	-5.9	-5.9
Net Profit (reported)	13.0	15.8	14.6	22.5	42.6	52.9
Net Profit (adj.)	12.2	15.8	14.6	22.5	42.6	52.9
CASH FLOW (EURm)	12/2014	12/2015	12/2016	12/2017	12/2018e	12/2019e
Cash Flow from Operations before change in NWC	21.9	17.5	132	46.8	71.4	86.3
Change in Net Working Capital	-3.7	6.8	-74.5	-1.9	-28.6	-15.0
Cash Flow from Operations	18.2	24.3	57.5	44.9	42.8	71.3
Capex	-5.8	-9.5	-9.3	-23.0	-18.8	-18.8
Net Financial Investments	0.0	0.0	6.0	-16.1	0.0	0.0
Free Cash Flow	12.4	14.8	54.1	5.8	24.0	52.5
Dividends	-3.8	-4.4	-5.1	-6.3	-6.3	-8.0
Other (incl. Capital Increase & share buy backs)	0.0	0.0	0.0	0.0	0.0	0.0
Change in Net Debt	8.6	10.3	49.1	-0.5	17.7	44.5
NOPLAT	9.9	14.4	16.9	29.2	42.3	49.3
BALANCE SHEET & OTHER ITEMS (EURm)	12/2014	12/2015	12/2016	12/2017	12/2018e	12/2019e
Net Tangible Assets	11.4	15.2	27.5	31.9	29.3	23.9
Net Intangible Assets (incl. Goodwill)	57.1	72.8	183	190	188	185
Net Financial Assets & Other	3.8	3.1	12.1	17.3	17.3	17.3
Total Fixed Assets	72.3	91.0	223	239	235	226
Inventories	30.4	28.8	85.4	104	128	141
Trade receivables	95.7	86.4	169	172	213	234
Other current assets	34.8	51.7	62.8	72.4	72.4	72.4
Cash (-)	-39.9	-61.2	-129	-217	-235	-279
Total Current Assets	201	228	446	566	649	727
Total Assets	273	319	669	805	883	953
Shareholders Equity	86.9	99.8	154	305	341	386
Minority	2.8	2.4	87.0	26.7	32.6	38.5
Total Equity	89.7	102	241	332	374	425
Long term interest bearing debt	32.0	41.0	86.2	99.3	98.3	97.3
Provisions	2.3	2.5	11.6	57.9	57.9	57.9
Other long term liabilities	15.5	21.2	47.9	48.6	48.6	48.6
Total Long Term Liabilities	49.8	64.6	146	206	205	204
Short term interest bearing debt	9.0	10.0	11.0	12.0	13.0	14.0
Trade payables	74.2	70.1	134	155	191	210
Other current liabilities	50.4	72.2	137	100	100	100
Total Current Liabilities	134	152	282	267	305	325
Total Liabilities and Shareholders' Equity	273	319	669	805	883	953
Net Capital Employed	109	116	269	333	357	363
Net Working Capital	51.9	45.1	120	122	150	165
GROWTH & MARGINS	12/2014	12/2015	12/2016	12/2017	12/2018e	12/2019e
<i>Sales growth</i>	<i>14.1%</i>	<i>21.4%</i>	<i>7.6%</i>	<i>75.1%</i>	<i>13.5%</i>	<i>10.0%</i>
EBITDA (adj.)* growth	62.3%	30.7%	21.3%	98.0%	14.7%	19.9%
<i>EBITA (adj.)* growth</i>	<i>-0.7%</i>	<i>45.1%</i>	<i>17.0%</i>	<i>73.2%</i>	<i>44.6%</i>	<i>16.6%</i>
<i>EBIT (adj)* growth</i>	<i>-0.7%</i>	<i>45.1%</i>	<i>17.0%</i>	<i>73.2%</i>	<i>44.6%</i>	<i>16.6%</i>

S&T AG : Summary tables

GROWTH & MARGINS	12/2014	12/2015	12/2016	12/2017	12/2018e	12/2019e
Net Profit growth	3.5%	30.2%	-7.9%	54.5%	89.1%	24.3%
EPS adj. growth	-1.0%	22.7%	-8.9%	7.3%	89.1%	24.3%
DPS adj. growth	n.m.	9.9%	13.0%	-13.2%	0.0%	26.7%
EBITDA (adj)* margin	5.6%	6.1%	6.8%	7.7%	7.8%	8.5%
EBITA (adj)* margin	3.7%	4.4%	4.8%	4.7%	6.0%	6.4%
EBIT (adj)* margin	3.7%	4.4%	4.8%	4.7%	6.0%	6.4%
RATIOS	12/2014	12/2015	12/2016	12/2017	12/2018e	12/2019e
Net Debt/Equity	0.0	-0.1	-0.1	-0.3	-0.3	-0.4
Net Debt/EBITDA	0.0	-0.4	-0.9	-1.6	-1.6	-1.8
Interest cover (EBITDA/Fin.interest)	66.3	10.8	8.5	10.7	36.4	82.8
Capex/D&A	77.3%	122.6%	90.5%	87.4%	81.7%	68.3%
Capex/Sales	1.5%	2.0%	1.8%	2.6%	1.9%	1.7%
NWC/Sales	13.5%	9.6%	23.8%	13.8%	15.0%	15.0%
ROE (average)	15.6%	16.9%	11.5%	9.8%	13.2%	14.5%
ROCE (adj.)	8.3%	10.8%	5.1%	8.5%	11.5%	13.2%
WACC	7.9%	7.9%	7.9%	7.9%	7.9%	7.9%
ROCE (adj.)/WACC	1.0	1.4	0.6	1.1	1.5	1.7
PER SHARE DATA (EUR)***	12/2014	12/2015	12/2016	12/2017	12/2018e	12/2019e
Average diluted number of shares	41.0	43.5	44.0	63.4	63.4	63.4
EPS (reported)	0.32	0.36	0.33	0.36	0.67	0.83
EPS (adj.)	0.30	0.36	0.33	0.36	0.67	0.83
BVPS	2.12	2.29	3.50	4.81	5.39	6.09
DPS	0.09	0.10	0.12	0.10	0.10	0.13
VALUATION	12/2014	12/2015	12/2016	12/2017	12/2018e	12/2019e
EV/Sales	0.4	0.5	0.9	1.2	1.3	1.2
EV/EBITDA	5.9	8.9	12.8	15.6	16.7	13.5
EV/EBITDA (adj.)*	6.3	8.9	12.8	15.6	16.7	13.5
EV/EBITA	8.8	12.2	18.2	25.5	21.6	18.0
EV/EBITA (adj.)*	9.6	12.2	18.2	25.5	21.6	18.0
EV/EBIT	8.8	12.2	18.2	25.5	23.7	19.2
EV/EBIT (adj.)*	9.6	12.2	18.2	25.5	21.6	18.0
P/E (adj.)	10.9	16.4	26.3	n.m.	32.8	26.4
P/BV	1.5	2.6	2.5	3.7	4.1	3.6
Total Yield Ratio	3.4%	2.0%	1.7%	0.5%	0.6%	0.7%
EV/CE	1.1	1.9	1.3	3.1	3.5	3.4
OpFCF yield	9.4%	5.7%	12.6%	1.9%	1.7%	3.8%
OpFCF/EV	9.2%	5.9%	11.0%	2.1%	1.8%	4.1%
Payout ratio	29.3%	28.0%	34.8%	28.2%	14.9%	15.2%
Dividend yield (gross)	2.9%	1.7%	1.3%	0.5%	0.5%	0.6%
EV AND MKT CAP (EURm)	12/2014	12/2015	12/2016	12/2017	12/2018e	12/2019e
Price** (EUR)	3.22	5.95	8.70	17.99	22.00	22.00
Outstanding number of shares for main stock	41.0	43.5	44.0	63.4	63.4	63.4
Total Market Cap	132	259	383	1,140	1,394	1,394
Net Debt	1	-10	-32	-106	-123	-168
<i>o/w Cash & Marketable Securities (-)</i>	<i>-40</i>	<i>-61</i>	<i>-129</i>	<i>-217</i>	<i>-235</i>	<i>-279</i>
<i>o/w Gross Debt (+)</i>	<i>41</i>	<i>51</i>	<i>97</i>	<i>111</i>	<i>111</i>	<i>111</i>
Other EV components	3	2	89	28	34	40
Enterprise Value (EV adj.)	136	251	440	1,063	1,305	1,267

Source: Company, equinet Bank estimates.

Notes

* Where EBITDA (adj.) or EBITA (adj.) = EBITDA (or EBITA) -/+ Non Recurrent Expenses/Income and where EBIT (adj.) = EBIT -/+ Non Recurrent Expenses/Income - PPA amortisation

**Price (in local currency): Fiscal year end price for Historical Years and Current Price for current and forecasted years

Sector: Technology Hardware & Equipment/Technology Hardware & Equipment

Company Description: S&T AG provides information technology solutions and services. It operates through the following three segments: IT Services in the DACH and Eastern European area, Internet of Thing Appliances and Embedded Solutions via its latest Kontron acquisition.

Recommendations and Disclosures

Coverage	Analyst	Target	Rating	Disc.	Coverage	Analyst	Target	Rating	Disc.
1&1DRILLISCHAG	Sen	66.00	Buy		Merkur Bank	Häßler	10.00	Buy	2/7
2G Energy	Rüzgar	23.50	Accumulate	2/3/5	Metro AG	Bruns	17.00	Buy	2
Aareal Bank	Häßler	42.00	Neutral		MLP	Häßler	7.50	Buy	2/3
adidas	Josefson	228.00	Accumulate		MTU Aero Engines	Rüzgar	130.00	Reduce	2
Adler Modemaerkte	Josefson	6.35	Buy	7	Munich Re	Häßler	210.00	Accumulate	
ADLER Real Estate	Mayer	17.10	Accumulate		Nemetschek SE	Mildner	47.00	Reduce	5
Aixtron	Sen	11.60	Accumulate	2/3	NexusAG	Droste	28.00	Buy	
Allianz	Häßler	200.00	Neutral		Norma Group	Schuldt	61.00	Neutral	
Axel Springer	Josefson	66.50	Reduce		OHB SE	Rüzgar	40.00	Neutral	7
Bayer	Miemietz	118.00	Buy		OVB Holding AG	Häßler	20.00	Neutral	2/5/7
Baywa	Bruns	33.00	Buy	2/7	Patrizia	Mayer	18.00	Neutral	
BB Biotech	Miemietz	73.00	Buy	7	Pfeiffer Vacuum	Sen	162.00	Buy	5
Biotest	Miemietz	18.00	Neutral	2/3	Procredit Holding	Häßler	15.00	Buy	2/3/5
BMW	Schuldt	105.00	Buy		PSISOFTWAREAG	Mildner	20.00	Buy	2/3
Brenntag	Hinkel	59.80	Buy	2	Puma	Josefson	492.00	Buy	
Ceconomy AG	Bruns	10.70	Reduce		PWO	Schuldt	51.00	Buy	2/3
Cenit	Droste	22.50	Buy		Rheinmetall	Rüzgar	118.00	Neutral	
comdirect	Häßler	11.20	Neutral		RIB Software	Mildner	25.00	Buy	2/3
Commerzbank	Häßler	13.00	Neutral		RTL Group	Josefson	72.00	Accumulate	
Continental	Schuldt	270.00	Buy		S&T AG	Sen	21.00	Buy	2/3
CORESTATE Capital Holding S.A.	Mayer	72.00	Buy	2/5	SAF-Holland	Schuldt	17.00	Neutral	7
CTS Eventim	Heilmann	39.50	Neutral		Schaeffler	Tanzer	14.30	Buy	
Daimler AG	Schuldt	80.00	Accumulate		Schaltbau Holding AG	Becker	32.20	Buy	2/7
Daldrup & Soehne	Becker	14.50	Buy	2/3/5	SCOUT24	Heilmann	31.00	Reduce	2
Demire	Mayer	4.55	Buy	2/5	Siegfried Holding AG	Miemietz	338.00	Neutral	
Deutsche Bank	Häßler	14.00	Buy		SiemensHealthineersAG	Rüzgar	35.50	Accumulate	2
Deutsche EuroShop	Mayer	33.00	Neutral		SLM Solutions	Sen	24.00	Sell	
Deutsche Pfandbriefbank	Häßler	13.50	Neutral		SMT Scharf AG	Rüzgar	16.70	Buy	2/3
Deutsche Telekom	Sen	13.30	Neutral		Software AG	Mildner	30.00	Sell	
Duerr	Augustin	120.00	Buy		Stabilus	Tanzer	89.00	Buy	
EringKlinger	Schuldt	10.00	Sell		Suedzucker	Bruns	12.00	Sell	
elumeo SE	Josefson	10.90	Accumulate		SuessMicroTec	Sen	13.80	Accumulate	2/3
EpigenomicsAG	Miemietz	4.72	Accumulate	2/3	Surteco	Mildner	30.50	Buy	2/3
Euromicron AG	Droste	13.00	Buy	2/3/5	Symrise AG	Hinkel	67.00	Neutral	
Eyemaxx Real Estate	Mayer	16.00	Buy	2/5/7	Szygy AG	Heilmann	11.50	Accumulate	2/3
Ferratum	Häßler	30.00	Buy		TAKKTAG	Bruns	18.50	Neutral	2
Fielmann	Heilmann	70.00	Neutral		Talanx Group	Häßler	40.00	Accumulate	
Freenet	Sen	36.00	Buy	2	Technotrans	Becker	45.70	Neutral	2/3
FuchsPetrolub	Hinkel	48.00	Neutral		TELECOLUMBUS	Sen	11.00	Buy	
Gea Group	Augustin	39.00	Neutral		Telefonica Deutschland	Sen	3.40	Sell	
Gerrreheimer AG	Rüzgar	69.00	Neutral		United Internet	Sen	63.00	Buy	
Gesco	Josefson	8.00	Neutral		Vapiano	Bruns	26.50	Buy	2/7
GFT Technologies	Becker	36.00	Accumulate	2/3/5	va-Q-tec	Sen	17.00	Neutral	2/3/5
GFT Technologies	Mildner	15.50	Buy	2/3	Viscom	Rüzgar	28.00	Buy	2/3
Gigaset	Sen	0.85	Accumulate	2/3	Volkswagen	Schuldt	162.00	Neutral	
Grenke	Häßler	90.00	Neutral		Wacker Neuson SE	Becker	27.20	Neutral	
Hannover Re	Häßler	110.00	Neutral		windeln.de	Josefson	3.10	Buy	2
Heidelberg Pharma	Miemietz	3.50	Accumulate	2/3	XING SE	Heilmann	300.00	Buy	
Heidelberger Druck	Augustin	3.60	Buy		Zalando	Josefson	44.50	Neutral	
HELLA GmbH & Co. KGaA	Tanzer	57.00	Accumulate						
Hornbach Holding	Bruns	89.00	Buy						
Hugo Boss	Josefson	81.00	Buy						
Hypoport AG	Häßler	164.00	Buy	2/7					
INDUS Holding AG	Becker	64.50	Neutral						
K+S AG	Hinkel	24.40	Neutral						
Koenig & Bauer	Augustin	72.00	Neutral						
Krones AG	Augustin	123.00	Accumulate						
KWS SAAT	Hinkel	348.00	Buy						
Lanxess	Hinkel	83.00	Buy						
Leoni	Schuldt	57.00	Neutral						
Linde	Hinkel	176.00	Neutral						
Logwin	Mildner	148.00	Neutral	2/3/5					
Manz AG	Rüzgar	35.00	Neutral	2/3					
MAX Automation AG	Becker	9.40	Buy	2/3/5					
Merck	Miemietz	112.00	Buy						

* =Coverage suspended

Source: equinet Recommendations

Notice according to § 34 b (German) Securities Trading Act ("Wertpapierhandelsgesetz")

This document is issued by Equinet Bank AG ("Equinet Bank"). It has been prepared by its authors independently of the Company, and none of Equinet Bank, the Company or its shareholders has independently verified any of the information given in this document.

Equinet Bank possesses relations to the covered companies as detailed in the table on the previous page. Additional information and disclosures will be made available upon request and/or can be looked up on our website <http://www.Equinet-Bank-ag.de>

1 - Equinet Bank and/or its affiliate(s) hold(s) more than 5% of the share capital of this company calculated under computational methods required by German law.

2 - Equinet Bank acts as a designated sponsor for this company, including the provision of bid and ask offers. Therefore, we regularly possess shares of the company in our proprietary trading books. Equinet Bank receives a commission from the company for the provision of the designated sponsor services.

3 – The designated sponsor services include a contractually agreed provision of research services.

4 – Within the last twelve months, Equinet Bank was involved as a lead or co-lead manager in the public offering of securities which are/whose issuer is the subject of this report.

5 – Within the last twelve months, Equinet Bank and/or its affiliate(s) provided investment banking- and/or other consultancy services for this company and/or its shareholders.

6 - Equinet Bank and/or its affiliate(s) has/have other substantial financial interests in relation to this issuer.

7 – Equinet Bank has entered into an agreement with this company about the preparation of research reports and – in return – receives a compensation.

Companies of the Equinet Bank group and/or its directors, officers and employees or clients may take positions in, and may make purchases and/or sales as principal or agent in the securities or related financial instruments discussed in our reports. The Equinet Bank group may provide investment banking and other services to and/or serve as directors of the companies referred to in our reports.

In compliance with Para 5 Sec. 4 of the Ordinance on the Analysis of Financial Instruments (FinAnV) Equinet Bank has realized additional internal and organizational measures, such as specific research guidelines, to prevent or manage conflicts of interest.

Neither the company nor its employees are allowed to receive donations from third parties with a special interest in the content of the analysis.

The salary of the research analysts of Equinet Bank AG does not depend on the investment banking transactions of the company. Nevertheless, this does not rule out the payment of a bonus which depends on the overall financial performance of the bank.

Particular care is taken that the individual performance of each research analyst of Equinet Bank AG is not being assessed by a manager of another business division with similar or same interests.

To assure a highest degree of transparency Equinet Bank AG regularly provides - on a quarterly basis – a summary according to Para 5 Sec. 4 No. 3 of the Ordinance on the Analysis of Financial Instruments (FinAnV). It informs about the overall analysts recommendations and sets them in a relationship to those companies, for which Equinet Bank provided investment banking services within the last twelve months. This summary is published via our website <http://www.Equinet-Bank-ag.de>.

Furthermore, we refer to our conflict of interest policy as well as the German Securities Trading Act (WpHG) and the Ordinance on the Analysis of Financial Instruments (FinAnV) provided in the download area of our website <http://www.Equinet-Bank-ag.de>.

Remarks

Recommendation System

Buy - The stock is expected to generate a total return of over 20% during the next 12 months time horizon.

Accumulate - The stock is expected to generate a total return of 10% to 20% during the next 12 months time horizon.

Hold - The stock is expected to generate a total return of 0% to 10% during the next 12 months time horizon

Reduce - The stock is expected to generate a total return of 0 to -10% during the next 12 months time horizon

Sell - The stock is expected to generate a total return below -10% during the next 12 months time horizon

Basis of Valuation

Equinet Bank uses for valuation purposes primarily DCF-Valuations and Sum-Of-The-Parts-Valuations as well as peer group comparisons.

Share prices

Share prices in this analysis are the German closing prices of the last trading day before the publication.

Sources

Equinet Bank has made any effort to carefully research all information contained in the analysis. The information on which the analysis is based has been obtained from sources which we believe to be reliable such as, for example, Reuters, Bloomberg and the relevant press as well as the company which is the subject of the analysis. Only that part of the research note is made available to the issuer, who is the subject of the analysis, which is necessary to properly reconcile with the facts. Should this result in considerable changes a reference is made in the research note.

Actualizations

Opinions expressed in this analysis are our current opinions as of the issuing date indicated on this document. We do not commit ourselves in advance to whether and in which intervals updates are made.

DISCLAIMER

THE PREPARATION OF THIS DOCUMENT IS SUBJECT TO REGULATION BY GERMAN LAW. THIS DOCUMENT IS BEING SUPPLIED TO YOU SOLELY IN YOUR CAPACITY AS A PROFESSIONAL INSTITUTIONAL INVESTOR FOR YOUR INFORMATION AND MAY NOT BE REPRODUCED OR PASSED ON, DIRECTLY OR INDIRECTLY, TO ANY OTHER PERSON OR PUBLISHED, IN WHOLE OR IN PART, FOR ANY PURPOSE. NEITHER THIS DOCUMENT NOR ANY COPY OF IT MAY BE TAKEN OR TRANSMITTED INTO AUSTRALIA, CANADA OR JAPAN OR DISTRIBUTED, DIRECTLY OR INDIRECTLY, IN AUSTRALIA, CANADA OR JAPAN OR TO ANY RESIDENT THEREOF.

THE DELIVERY OF THIS RESEARCH REPORT TO U.S. PERSONS IN THE UNITED STATES OF AMERICA IS MADE BY AND UNDER THE RESPONSIBILITY OF GSN NA, INC. (REGISTERED WITH THE SEC). THIS RESEARCH REPORT IS ONLY INTENDED FOR PERSONS WHO QUALIFY AS MAJOR U.S. INSTITUTIONAL INVESTORS, AS DEFINED IN SECURITIES EXCHANGE ACT RULE 15A-6, AND DEAL WITH GSN NA, INC. HOWEVER, THE DELIVERY OF THIS RESEARCH REPORT OR SUMMARY TO ANY U.S. PERSON SHALL NOT BE DEEMED A RECOMMENDATION OF GSN NA, INC. TO EFFECT ANY TRANSACTIONS IN THE SECURITIES DISCUSSED HEREIN OR AN ENDORSEMENT OF ANY OPINION EXPRESSED HEREIN. GSN NA, INC. MAY FURNISH UPON REQUEST ALL INVESTMENT INFORMATION AVAILABLE TO IT SUPPORTING ANY RECOMMENDATIONS MADE IN THIS RESEARCH REPORT. ALL TRADES WITH U.S. RECIPIENTS OF THIS RESEARCH SHALL BE EXECUTED THROUGH GSN NA, INC.

THIS DOCUMENT IS FOR DISTRIBUTION IN THE U.K. ONLY TO PERSONS WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND FALL WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE "ORDER") OR (ii) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE ORDER, NAMELY HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS ETC (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). THIS DOCUMENT MUST NOT BE ACTED ON OR RELIED UPON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS DOCUMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

THE DISTRIBUTION OF THIS DOCUMENT IN OTHER JURISDICTIONS OR TO RESIDENTS OF OTHER JURISDICTIONS MAY ALSO BE RESTRICTED BY LAW, AND PERSONS INTO WHOSE POSSESSION THIS DOCUMENT COMES SHOULD INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTIONS. BY ACCEPTING THIS REPORT YOU AGREE TO BE BOUND BY THE FOREGOING INSTRUCTIONS. YOU SHALL INDEMNIFY EQUINET BANK AGAINST ANY DAMAGES, CLAIMS, LOSSES, AND DETRIMENTS RESULTING FROM OR IN CONNECTION WITH THE UNAUTHORIZED USE OF THIS DOCUMENT.

This report is for informational purposes only and has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient. This publication is intended to provide information to assist institutional investors in making their own investment decisions, not to provide investment advice to any specific investor. Therefore, investments discussed and recommendations made herein may not be suitable for all investors: readers must exercise their own independent judgment as to the suitability of such investments and recommendations in the light of their own investment objectives, experience, taxation status and financial position.

The information herein is believed by Equinet Bank to be reliable and has been obtained from sources believed to be reliable, but Equinet Bank makes no representation as to the accuracy or completeness of such information. The information given in this report is subject to change without notice; it may be incomplete or condensed and it may not contain all material information concerning the Company. Opinions expressed herein may differ or be contrary to opinions expressed by other business areas of the Equinet Bank group as a result of using different assumptions and criteria. Equinet Bank is under no obligation to update or keep the information current. Equinet Bank provides data concerning the future development of securities in the context of its usual research activity. However, if a financial instrument is denominated in a currency other than an investor's currency, a change in exchange rates may adversely affect the price or value of, or the income derived from, the financial instrument, and such investor effectively assumes currency risk. In addition, income from an investment may fluctuate and the price or value of financial instruments described in this report, either directly or indirectly, may rise or fall. Furthermore, past performance is not necessarily indicative of future results. Neither the author nor Equinet Bank accepts any liability whatsoever for any loss howsoever arising from any use of this publication or its contents or otherwise arising in connection herewith, except as provided for under applicable regulations.

Equinet Bank shall only be liable for any damages intentionally caused or which result from any gross negligence of Equinet Bank. Further Equinet Bank shall be liable for the breach of a material obligation of Equinet Bank, however, limited to the amount of the typical foreseeable which shall in no event exceed the amount of EUR 10,000. German law shall be applicable and court of jurisdiction for all disputes shall be Frankfurt/Main (Germany).

Competent Supervisory Authority:
Bundesanstalt für Finanzdienstleistungsaufsicht
-BaFin- (Federal Financial Supervisory Authority)
Graurheindorfer Straße 108, 53117 Bonn and
Marie-Curie-Str. 24-28, 60439 Frankfurt am Main

Recommendation history for S&T AG

Date	Recommendation	Target price	Price at change date
28. Nov 17	Buy	21.00	17.85

Source: Factset & ESN, price data adjusted for stock splits.

This chart shows equinet Bank continuing coverage of this stock; the current analyst may or may not have covered it over the entire period. Current analyst: Cengiz Sen (since 27/11/2017)



ESN Recommendation System

The ESN Recommendation System is **Absolute**. It means that each stock is rated on the basis of a **total return**, measured by the upside potential (including dividends and capital reimbursement) over a **12 month time horizon**.



The ESN spectrum of recommendations (or ratings) for each stock comprises 5 categories: **Buy (B)**, **Accumulate (A)**, **Neutral (N)**, **Reduce (R)** and **Sell (S)**.

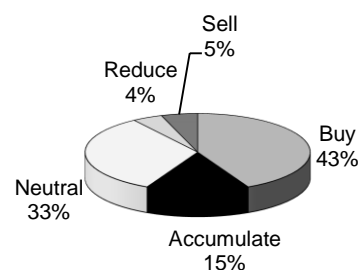
Furthermore, in specific cases and for a limited period of time, the analysts are allowed to rate the stocks as **Rating Suspended (RS)** or **Not Rated (NR)**, as explained below.

Meaning of each recommendation or rating:

- **Buy:** the stock is expected to generate total return of **over 15%** during the next 12 months time horizon
- **Accumulate:** the stock is expected to generate total return of **5% to 15%** during the next 12 months time horizon
- **Neutral:** the stock is expected to generate total return of **-5% to +5%** during the next 12 months time horizon
- **Reduce:** the stock is expected to generate total return of **-5% to -15%** during the next 12 months time horizon
- **Sell:** the stock is expected to generate total return **under -15%** during the next 12 months time horizon
- **Rating Suspended:** the rating is suspended due to a change of analyst covering the stock or a capital operation (take-over bid, SPO, ...) where the issuer of the document (a partner of ESN) or a related party of the issuer is or could be involved
- **Not Rated:** there is no rating for a company being floated (IPO) by the issuer of the document (a partner of ESN) or a related party of the issuer

Certain flexibility on the limits of total return bands is permitted especially during higher phases of volatility on the markets

Equinet Bank Ratings Breakdown



For full ESN Recommendation and Target price history (in the last 12 months) please see ESN Website [Link](#)

Date and time of production: *(This field contains the date and time)* **CET**

First date and time of dissemination: *(This field contains the date and time)* **CET**

Disclaimer:

These reports have been prepared and issued by the Members of European Securities Network LLP ("ESN"). ESN, its Members and their affiliates (and any director, officer or employee thereof), are neither liable for the proper and complete transmission of these reports nor for any delay in their receipt. Any unauthorised use, disclosure, copying, distribution, or taking of any action in reliance on these reports is strictly prohibited. The views and expressions in the reports are expressions of opinion and are given in good faith, but are subject to change without notice. These reports may not be reproduced in whole or in part or passed to third parties without permission. The information herein was obtained from various sources. ESN, its Members and their affiliates (and any director, officer or employee thereof) do not guarantee their accuracy or completeness, and neither ESN, nor its Members, nor its Members' affiliates (nor any director, officer or employee thereof) shall be liable in respect of any errors or omissions or for any losses or consequential losses arising from such errors or omissions. Neither the information contained in these reports nor any opinion expressed constitutes an offer, or an invitation to make an offer, to buy or sell any securities or any options, futures or other derivatives related to such securities ("related investments"). These reports are prepared for the clients of the Members of ESN only. They do not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive any of these reports. Investors should seek financial advice regarding the appropriateness of investing in any securities or investment strategies discussed or recommended in these reports and should understand that statements regarding future prospects may not be realised. Investors should note that income from such securities, if any, may fluctuate and that each security's price or value may rise or fall. Accordingly, investors may receive back less than originally invested. Past performance is not necessarily a guide to future performance. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related investment mentioned in these reports. In addition, investors in securities such as ADRs, whose value are influenced by the currency of the underlying security, effectively assume currency risk. ESN, its Members and their affiliates may submit a pre-publication draft (without mentioning neither the recommendation nor the target price/fair value) of its reports for review to the Investor Relations Department of the issuer forming the subject of the report, solely for the purpose of correcting any inadvertent material inaccuracies. Like all members employees, analysts receive compensation that is impacted by overall firm profitability. For further details about the analyst certification, the specific risks of the company and about the valuation methods used to determine the price targets included in this report/note, please refer to the specific disclaimer pages prepared by the ESN Members. In the case of a short note please refer to the latest relevant published research on single stock or contact the analyst named on the front of the report/note for detailed information on the valuation methods, earning estimates and risks. A full description of all the organisational and administrative measures taken by the Members of ESN to manage interest and conflicts of interest are available on the website of the Members or in the local disclaimer of the Members or contacting directly the Members. Research is available through the ESN Members sales representative. ESN will provide periodic updates on companies or sectors based on company-specific developments or announcements, market conditions or any other publicly available information. Unless agreed in writing with an ESN Member, this research is intended solely for internal use by the recipient. Neither this document nor any copy of it may be taken or transmitted into Australia, Canada or Japan or distributed, directly or indirectly, in Australia, Canada or Japan or to any resident thereof. This document is for distribution in the U.K. Only to persons who have professional experience in matters relating to investments and fall within article 19(5) of the financial services and markets act 2000 (financial promotion) order 2005 (the "order") or (ii) are persons falling within article 49(2)(a) to (d) of the order, namely high net worth companies, unincorporated associations etc. (all such persons together being referred to as "relevant persons"). This document must not be acted on or relied upon by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons. The distribution of this document in other jurisdictions or to residents of other jurisdictions may also be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. By accepting this report you agree to be bound by the foregoing instructions. You shall indemnify ESN, its Members and their affiliates (and any director, officer or employee thereof) against any damages, claims, losses, and detriments resulting from or in connection with the unauthorized use of this document. For disclosure upon "conflicts of interest" on the companies under coverage by all the ESN Members, on the "interests" and "conflicts" of the analysts and on each "company recommendation history", please visit the ESN website (http://www.esnpartnership.eu/research_and_database_access/insite), or refer to the local disclaimer of the Members, or contact directly the Members:

www.bancaakros.it regulated by the CONSOB - Commissione Nazionale per le Società e la Borsa

www.caixabi.pt regulated by the CMVM - Comissão do Mercado de Valores Mobiliários

www.cmccms.com regulated by the AMF - Autorité des marchés financiers

www.equinet-ag.de regulated by the BaFin - Bundesanstalt für Finanzdienstleistungsaufsicht

www.ibg.gr regulated by the HCMC - Hellenic Capital Market Commission

www.nibc.com regulated by the AFM - Autoriteit Financiële Markten

www.op.fi regulated by the Financial Supervision Authority

www.valores.gvcgaesco.es regulated by the CNMV - Comisión Nacional del Mercado de Valores

Members of ESN (European Securities Network LLP)



Banca Akros S.p.A.

Viale Eginardo, 29
20149 MILANO
Italy
Phone: +39 02 43 444 389
Fax: +39 02 43 444 302



Caixa-Banco de Investimento

Avenida João XXI, 63
1000-300 Lisboa
Portugal
Phone: +351 21 313 73 00
Fax: +351 21 389 68 98



CM - CIC Market Solutions

6, avenue de Provence
75441 Paris
Cedex 09
France
Phone: +33 1 53 48 81 93



equinet Bank AG

Gräfrstraße 97
60487 Frankfurt am Main
Germany
Phone: +49 69 - 58997 - 212
Fax: +49 69 - 58997 - 299



GVC Gaesco Beka, SV, SA

C/ Marques de Villamagna 3
28001 Madrid
Spain
Phone: +34 91 436 7813



Investment Bank of Greece

32 Aigialeias Str & Paradissou,
151 25 Maroussi,
Greece
Phone: +30 210 81 73 383



NIBC Bank N.V.

Gustav Mahlerlaan 348
P.O.Box 235
1082 ME Amsterdam
The Netherlands
Phone: +31 20 550 8500
Fax: +31 20 626 8064



OP Corporate Bank plc

P.O.Box 308
Teollisuuskatu 1, 00013 Helsinki
Finland
Phone: +358 10 252 011
Fax: +358 10 252 2703

