

Hold (old: Buy)

Price target: EUR 24.50 (old: EUR 26.00)

Price:	EUR 25.25	Next result:	Final Q4: 30.04.19
Bloomberg:	SUR@GR	Market cap:	EUR 393.1 m
Reuters:	SURG.DE	Enterprise Value:	EUR 618.0 m

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FY18 figures in-line // cautious view on 2019; down to HOLD

Yesterday, Surteco reported preliminary full year 2018 figures, which were largely in-line with our and consensus expectations.

Yet, an ongoing economic slowdown in Surteco's key markets as well as continuous high raw material prices which the company seems to be struggling to pass on to customers should hamper the group's top-line and EBIT growth this year. We hence **downgrade Surteco to HOLD with new € 24.5 PT** (old: € 26).

On the top-line, Surteco was in fact able to slightly exceed its FY guidance (€ 685-695m). Sales grew by 1.4% yoy to € 699m (eH&A € 690m, eCons € 692m); +3.5% yoy on a fx-adjusted base. This was driven by a stronger than initially expected business with Technical Profiles and positive consolidation effects from the Probos group.

More importantly, **high raw material prices** continued to weigh on Surteco's profitability once again. Additionally, EBIT was also **negatively impacted by one-off expenses** related to the group's optimization program (€ 6.1m), targeting adjustments to processes and structures. Consequently, FY18P EBIT came in **28% below last year's figure at € 32.2m** (eH&A € 32.5m; eCons €31.6m); operating EBIT -14% yoy.

Cautious FY 2019 guidance. As a result of an ongoing macro slowdown in Surteco's key markets and the business' high sensitivity to GDP, management expects no top-line growth for FY 2019. Furthermore, the group's EBIT is seen to come in above € 38m given some cost benefits related to the optimization program. As softening raw material prices have so far net been seen, the EBIT guidance is based on the current high prices. If these were to decrease over the course of the year we could see upside to our and consensus estimates (eH&A € 41m, eCons €43m) in our view.

Action: We decrease our estimates to reflect the economic slowdown in Surteco's key markets and the ongoing raw material headwinds.

In light of the ongoing struggle with higher raw materials and the for now limited top-line growth, we regard Surteco as fairly valued and hence **downgrade to HOLD with a slightly lower € 24.5 PT** (old: € 26) **based on DCF.**

Y/E 31.12 (EUR m)	2014	2015	2016	2017	2018P	2019E	2020E
Sales	618.5	638.4	639.8	689.7	699.0	700.4	706.0
Sales growth	54 %	3 %	0 %	8 %	1 %	0 %	1 %
EBITDA	62.8	65.0	74.3	83.1	75.6	83.7	89.0
EBIT	27.6	31.1	40.9	44.7	32.2	40.8	47.0
Net income	18.4	17.7	23.9	26.3	17.7	24.7	30.4
Net debt	145.8	126.6	135.6	189.9	212.0	195.5	178.4
Net gearing	45.5 %	37.9 %	39.5 %	54.8 %	60.3 %	53.3 %	46.4 %
Net Debt/EBITDA	2.3	1.9	1.8	2.3	2.8	2.3	2.0
EPS pro forma	1.73	1.62	1.64	2.08	1.46	1.91	2.27
CPS	1.70	2.74	2.03	3.52	0.69	3.05	3.31
DPS	0.70	0.80	0.80	0.80	0.57	0.80	0.98
Dividend yield	2.8 %	3.2 %	3.2 %	3.2 %	2.3 %	3.1 %	3.9 %
Gross profit margin	49.4 %	49.8 %	50.0 %	51.6 %	50.7 %	50.8 %	51.3 %
EBITDA margin	10.2 %	10.2 %	11.6 %	12.0 %	10.8 %	12.0 %	12.6 %
EBIT margin	4.5 %	4.9 %	6.4 %	6.5 %	4.6 %	5.8 %	6.7 %
ROCE	5.2 %	5.7 %	7.4 %	7.2 %	4.7 %	6.1 %	6.9 %
EV/sales	0.9	0.8	0.8	0.9	0.9	0.9	0.8
EV/EBITDA	8.8	8.2	7.3	7.2	8.2	7.2	6.6
EV/EBIT	20.0	17.1	13.3	13.3	19.2	14.7	12.4
PER	14.7	15.6	15.4	12.2	17.4	13.3	11.1
Adjusted FCF yield	7.1 %	6.7 %	7.9 %	9.3 %	8.1 %	9.3 %	10.1 %

Source: Company data, Hauck & Aufhäuser Close price as of: 23.03.2019



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 27.25 / 20.80

Price/Book Ratio: 1.1

Relative performance (SDAX):

3 months	-
6 months	-
12 months	7.6 %

Changes in estimates

		Sales	EBIT	EPS
2018	old:	690.0	32.5	1.48
	Δ	-	-	-
2019	old:	703.8	43.4	2.03
	Δ	-0.5%	-5.9%	-6.0%
2020	old:	714.4	54.9	2.65
	Δ	-1.2%	-14.4%	-14.1%

Key share data:

Number of shares: (in m pcs)	15.5
Authorised capital: (in € m)	7.7
Book value per share: (in €)	22.7
Ø trading volume: (12 months)	12,917

Major shareholders:

Founding families	55.5 %
Kaindl Flooring	12.3 %
Rudolf Ostermann	5.7 %
Lazard	5.3 %
SPSW	5.3 %

Company description:

Leading global manufacturer of decorative surface coatings (i.e. edgebandings, finish foils) processed mainly by the flooring, wood-based and furniture industry.

Financials

Profit and loss (EUR m)	2014	2015	2016	2017	2018P	2019E	2020E
Net sales	618.5	638.4	639.8	689.7	699.0	700.4	706.0
<i>Sales growth</i>	53.8 %	3.2 %	0.2 %	7.8 %	1.4 %	0.2 %	0.8 %
Increase/decrease in finished goods and work-in-process	9.0	4.0	9.3	3.2	3.8	3.9	3.9
Total sales	627.5	642.4	649.1	692.9	702.8	704.3	709.9
Other operating income	5.3	7.5	6.5	4.5	4.6	4.6	4.6
Material expenses	317.2	322.7	324.6	335.0	346.8	346.7	345.9
Personnel expenses	159.8	161.9	158.0	174.5	174.8	174.4	175.1
Other operating expenses	92.9	100.2	98.7	104.8	110.2	104.0	104.5
Total operating expenses	564.6	577.4	574.8	609.8	627.3	620.5	620.9
EBITDA	62.8	65.0	74.3	83.1	75.6	83.7	89.0
Depreciation	28.6	28.1	27.5	29.8	29.9	31.4	32.4
EBITA	34.2	36.8	46.8	53.3	45.7	52.3	56.6
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	6.6	5.7	6.0	8.7	12.1	11.5	9.6
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT (inc revaluation net)	27.6	31.1	40.9	44.7	32.2	40.8	47.0
Interest income	0.7	0.9	0.7	0.6	0.8	0.6	0.5
Interest expenses	10.4	9.2	8.8	8.4	8.7	7.6	5.9
Other financial result	4.3	4.0	2.3	-3.4	0.0	0.0	0.0
Financial result	-5.4	-4.3	-5.8	-11.2	-7.9	-7.0	-5.4
Recurring pretax income from continuing operations	22.2	26.8	35.0	33.5	24.3	33.8	41.6
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	22.2	26.8	35.0	33.5	24.3	33.8	41.6
Taxes	3.8	9.2	11.3	7.2	6.6	9.1	11.2
Net income from continuing operations	18.4	17.6	23.7	26.3	17.7	24.7	30.4
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	18.4	17.6	23.8	26.3	17.7	24.7	30.4
Minority interest	0.0	-0.1	-0.1	0.0	0.0	0.0	0.0
Net profit (reported)	18.4	17.7	23.9	26.3	17.7	24.7	30.4
Average number of shares	15.5	15.5	15.5	15.5	15.5	15.5	15.5
EPS reported	1.19	1.14	1.54	1.70	1.14	1.59	1.96

Profit and loss (common size)	2014	2015	2016	2017	2018P	2019E	2020E
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 %	0.6 %	1.5 %	0.5 %	0.6 %	0.6 %	0.6 %
Total sales	101.5 %	100.6 %	101.5 %	100.5 %	100.6 %	100.6 %	100.6 %
Other operating income	0.9 %	1.2 %	1.0 %	0.7 %	0.7 %	0.7 %	0.7 %
Material expenses	51.3 %	50.5 %	50.7 %	48.6 %	49.6 %	49.5 %	49.0 %
Personnel expenses	25.8 %	25.4 %	24.7 %	25.3 %	25.0 %	24.9 %	24.8 %
Other operating expenses	15.0 %	15.7 %	15.4 %	15.2 %	15.8 %	14.9 %	14.8 %
Total operating expenses	91.3 %	90.4 %	89.8 %	88.4 %	89.7 %	88.6 %	87.9 %
EBITDA	10.2 %	10.2 %	11.6 %	12.0 %	10.8 %	12.0 %	12.6 %
Depreciation	4.6 %	4.4 %	4.3 %	4.3 %	4.3 %	4.5 %	4.6 %
EBITA	5.5 %	5.8 %	7.3 %	7.7 %	6.5 %	7.5 %	8.0 %
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	1.1 %	0.9 %	0.9 %	1.3 %	1.7 %	1.6 %	1.4 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT (inc revaluation net)	4.5 %	4.9 %	6.4 %	6.5 %	4.6 %	5.8 %	6.7 %
Interest income	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %
Interest expenses	1.7 %	1.4 %	1.4 %	1.2 %	1.2 %	1.1 %	0.8 %
Other financial result	0.7 %	0.6 %	0.4 %	-0.5 %	0.0 %	0.0 %	0.0 %
Financial result	neg.	neg.	neg.	neg.	neg.	neg.	neg.
Recurring pretax income from continuing operations	3.6 %	4.2 %	5.5 %	4.9 %	3.5 %	4.8 %	5.9 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	3.6 %	4.2 %	5.5 %	4.9 %	3.5 %	4.8 %	5.9 %
Tax rate	16.9 %	34.5 %	32.3 %	21.4 %	27.0 %	27.0 %	27.0 %
Net income from continuing operations	3.0 %	2.8 %	3.7 %	3.8 %	2.5 %	3.5 %	4.3 %
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	3.0 %	2.8 %	3.7 %	3.8 %	2.5 %	3.5 %	4.3 %
Minority interest	0.0 %	neg.	neg.	0.0 %	0.0 %	0.0 %	0.0 %
Net profit (reported)	3.0 %	2.8 %	3.7 %	3.8 %	2.5 %	3.5 %	4.3 %

Source: Company data, Hauck & Aufhäuser

Surteco Group SE

Balance sheet (EUR m)	2014	2015	2016	2017	2018P	2019E	2020E
Intangible assets	137.1	133.6	152.9	230.0	219.8	210.2	202.6
Property, plant and equipment	237.2	244.9	245.6	258.2	266.8	275.4	283.0
Financial assets	3.6	3.3	1.7	2.8	2.8	2.8	2.8
FIXED ASSETS	377.8	381.8	400.3	491.0	489.4	488.4	488.4
Inventories	110.6	113.3	119.6	119.7	121.4	121.6	122.6
Accounts receivable	61.7	56.4	52.1	57.8	86.2	86.4	87.0
Other current assets	35.5	30.4	35.0	21.6	21.9	22.0	22.1
Liquid assets	43.1	65.7	60.4	133.4	111.3	67.9	84.9
Deferred taxes	8.0	8.2	6.5	19.0	19.3	19.3	19.5
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	258.8	273.9	273.6	351.6	360.1	317.1	336.1
TOTAL ASSETS	636.7	655.7	673.9	842.6	849.5	805.5	824.5
SHAREHOLDERS EQUITY	320.8	334.2	343.6	346.3	351.6	366.9	384.3
MINORITY INTEREST	0.3	0.2	3.0	2.9	3.0	3.0	3.0
Long-term debt	183.3	187.3	123.6	317.7	317.7	257.7	257.7
Provisions for pensions and similar obligations	12.7	12.8	13.0	12.8	13.0	13.0	13.1
Other provisions	12.1	8.2	3.6	4.0	4.0	4.0	4.1
Non-current liabilities	208.1	208.2	140.2	334.4	334.7	274.7	274.8
short-term liabilities to banks	5.6	5.0	72.4	5.7	5.7	5.7	5.7
Accounts payable	45.4	48.7	48.9	63.2	64.0	64.2	64.7
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)	28.6	30.6	31.2	38.0	38.6	38.6	38.9
Deferred taxes	27.9	28.8	34.6	52.0	52.7	52.9	53.3
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	107.4	113.1	187.1	158.9	161.0	161.3	162.6
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	636.7	655.7	673.9	842.6	850.2	805.9	824.7

Balance sheet (common size)	2014	2015	2016	2017	2018P	2019E	2020E
Intangible assets	21.5 %	20.4 %	22.7 %	27.3 %	25.9 %	26.1 %	24.6 %
Property, plant and equipment	37.3 %	37.4 %	36.4 %	30.6 %	31.4 %	34.2 %	34.3 %
Financial assets	0.6 %	0.5 %	0.3 %	0.3 %	0.3 %	0.3 %	0.3 %
FIXED ASSETS	59.3 %	58.2 %	59.4 %	58.3 %	57.6 %	60.6 %	59.2 %
Inventories	17.4 %	17.3 %	17.7 %	14.2 %	14.3 %	15.1 %	14.9 %
Accounts receivable	9.7 %	8.6 %	7.7 %	6.9 %	10.1 %	10.7 %	10.6 %
Other current assets	5.6 %	4.6 %	5.2 %	2.6 %	2.6 %	2.7 %	2.7 %
Liquid assets	6.8 %	10.0 %	9.0 %	15.8 %	13.1 %	8.4 %	10.3 %
Deferred taxes	1.2 %	1.3 %	1.0 %	2.3 %	2.3 %	2.4 %	2.4 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
CURRENT ASSETS	40.7 %	41.8 %	40.6 %	41.7 %	42.4 %	39.3 %	40.8 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	99.9 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	50.4 %	51.0 %	51.0 %	41.1 %	41.4 %	45.5 %	46.6 %
MINORITY INTEREST	0.1 %	0.0 %	0.4 %	0.3 %	0.3 %	0.4 %	0.4 %
Long-term debt	28.8 %	28.6 %	18.3 %	37.7 %	37.4 %	32.0 %	31.2 %
Provisions for pensions and similar obligations	2.0 %	1.9 %	1.9 %	1.5 %	1.5 %	1.6 %	1.6 %
Other provisions	1.9 %	1.3 %	0.5 %	0.5 %	0.5 %	0.5 %	0.5 %
Non-current liabilities	32.7 %	31.8 %	20.8 %	39.7 %	39.4 %	34.1 %	33.3 %
short-term liabilities to banks	0.9 %	0.8 %	10.7 %	0.7 %	0.7 %	0.7 %	0.7 %
Accounts payable	7.1 %	7.4 %	7.3 %	7.5 %	7.5 %	8.0 %	7.8 %
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)	4.5 %	4.7 %	4.6 %	4.5 %	4.5 %	4.8 %	4.7 %
Deferred taxes	4.4 %	4.4 %	5.1 %	6.2 %	6.2 %	6.6 %	6.5 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Current liabilities	16.9 %	17.2 %	27.8 %	18.9 %	18.9 %	20.0 %	19.7 %
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

Source: Company data, Hauck & Aufhäuser

Surteco Group SE

Cash flow statement (EUR m)	2014	2015	2016	2017	2018P	2019E	2020E
Net profit/loss	12.5	22.2	32.4	24.3	17.7	24.7	30.4
Depreciation of fixed assets (incl. leases)	28.6	28.1	27.5	29.8	29.9	31.4	32.4
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	6.6	5.7	6.0	8.7	12.1	11.5	9.6
Others	-2.2	-7.2	0.3	-10.0	0.2	0.0	0.1
Cash flow from operations before changes in w/c	45.5	48.9	66.1	52.8	59.9	67.6	72.4
Increase/decrease in inventory	-5.2	-5.4	-5.1	-0.1	-1.6	-0.2	-1.0
Increase/decrease in accounts receivable	-5.5	3.6	7.7	-5.9	-28.4	-0.2	-0.7
Increase/decrease in accounts payable	6.1	6.9	-1.2	14.3	0.9	0.1	0.5
Increase/decrease in other working capital positions	5.4	8.5	-16.1	13.4	0.0	0.0	0.0
Increase/decrease in working capital	0.9	13.6	-14.7	21.7	-29.1	-0.3	-1.2
Cash flow from operating activities	46.4	62.5	51.4	74.6	30.8	67.3	71.3
CAPEX	29.2	31.6	34.5	42.7	40.4	41.9	41.9
Payments for acquisitions	0.0	0.0	21.4	74.1	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	1.8	3.2	1.5	1.4	0.0	0.0	0.0
Cash flow from investing activities	-27.4	-28.5	-54.3	-115.5	-40.4	-41.9	-41.9
Cash flow before financing	19.0	34.0	-3.0	-40.9	-9.6	25.4	29.4
Increase/decrease in debt position	-17.5	-0.2	10.7	127.3	0.0	-60.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	10.1	10.9	12.4	12.4	12.4	8.9	12.3
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.6	-0.5	-0.7	-1.0	0.0	0.0	0.0
Cash flow from financing activities	-27.6	-11.1	-1.7	114.9	-12.4	-68.9	-12.3
Increase/decrease in liquid assets	-8.0	22.5	-5.4	73.0	-22.0	-43.5	17.0
Liquid assets at end of period	43.1	65.7	60.4	133.4	111.3	67.9	84.9

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2014	2015	2016	2017	2018P	2019E	2020E
Domestic	178.1	183.2	183.0	175.7	178.0	178.4	179.8
yoy change	47.3 %	2.9 %	-0.1 %	-4.0 %	1.4 %	0.2 %	0.8 %
Rest of Europe	289.4	299.4	300.7	315.2	319.5	320.1	322.7
yoy change	59.5 %	3.4 %	0.4 %	4.8 %	1.4 %	0.2 %	0.8 %
NAFTA	102.0	105.3	106.2	140.7	142.6	142.9	144.1
yoy change	67.8 %	3.2 %	0.8 %	32.5 %	1.4 %	0.2 %	0.8 %
Asia Pacific	43.9	47.9	48.6	52.2	52.9	53.0	53.4
yoy change	17.5 %	9.0 %	1.6 %	7.3 %	1.4 %	0.2 %	0.8 %
Rest of world	4.9	2.6	1.3	5.9	6.0	6.0	6.0
yoy change	43.7 %	-48.4 %	-49.9 %	361.6 %	1.4 %	0.2 %	0.8 %
TTL	618.5	638.4	639.8	689.7	699.0	700.4	706.0
yoy change	53.1 %	3.2 %	0.2 %	7.8 %	1.4 %	0.2 %	0.8 %

Source: Company data, Hauck & Aufhäuser

Surteco Group SE

Key ratios (EUR m)	2014	2015	2016	2017	2018P	2019E	2020E
P&L growth analysis							
Sales growth	53.8 %	3.2 %	0.2 %	7.8 %	1.4 %	0.2 %	0.8 %
EBITDA growth	5.3 %	3.4 %	14.4 %	11.8 %	-9.0 %	10.8 %	17.7 %
EBIT growth	-25.4 %	12.7 %	31.4 %	9.3 %	-27.9 %	26.8 %	46.0 %
EPS growth	-35.9 %	-3.9 %	35.1 %	10.2 %	-32.7 %	39.1 %	71.3 %
Efficiency							
Total operating costs / sales	91.3 %	90.4 %	89.8 %	88.4 %	89.7 %	88.6 %	87.9 %
Sales per employee	235.3	234.1	233.8	223.1	222.8	219.9	218.4
EBITDA per employee	23.9	23.8	27.2	26.9	24.1	26.3	27.5
Balance sheet analysis							
Avg. working capital / sales	20.0 %	19.4 %	19.0 %	17.2 %	18.4 %	20.5 %	20.4 %
Inventory turnover (sales/inventory)	5.6	5.6	5.3	5.8	5.8	5.8	5.8
Trade debtors in days of sales	36.4	32.2	29.7	30.6	45.0	45.0	45.0
A/P turnover [(A/P*365)/sales]	26.8	27.9	27.9	33.4	33.4	33.4	33.4
Cash conversion cycle (days)	111.5	105.2	109.2	92.2	105.3	105.5	106.1
Cash flow analysis							
Free cash flow	17.2	30.9	16.9	31.8	-9.6	25.4	29.4
Free cash flow/sales	2.8 %	4.8 %	2.6 %	4.6 %	-1.4 %	3.6 %	4.2 %
FCF / net profit	93.4 %	174.5 %	70.7 %	121.0 %	neg.	102.9 %	96.6 %
Capex / depn	82.9 %	93.4 %	103.0 %	111.0 %	96.2 %	97.7 %	99.9 %
Capex / maintenance capex	133.7 %	148.4 %	157.5 %	204.0 %	192.2 %	200.0 %	200.0 %
Capex / sales	4.7 %	5.0 %	5.4 %	6.2 %	5.8 %	6.0 %	5.9 %
Security							
Net debt	145.8	126.6	135.6	189.9	212.0	195.5	178.4
Net Debt/EBITDA	2.3	1.9	1.8	2.3	2.8	2.3	2.0
Net debt / equity	0.5	0.4	0.4	0.5	0.6	0.5	0.5
Interest cover	2.7	3.4	4.6	5.3	3.7	5.4	7.9
Dividend payout ratio	58.9 %	70.1 %	51.9 %	47.1 %	50.0 %	50.0 %	50.0 %
Asset utilisation							
Capital employed turnover	1.2	1.2	1.1	1.0	1.0	1.1	1.1
Operating assets turnover	1.7	1.7	1.7	1.9	1.7	1.7	1.6
Plant turnover	2.6	2.6	2.6	2.7	2.6	2.5	2.5
Inventory turnover (sales/inventory)	5.6	5.6	5.3	5.8	5.8	5.8	5.8
Returns							
ROCE	5.2 %	5.7 %	7.4 %	7.2 %	4.7 %	6.1 %	6.9 %
ROE	5.7 %	5.3 %	7.0 %	7.6 %	5.0 %	6.7 %	7.9 %
Other							
Interest paid / avg. debt	5.3 %	4.8 %	4.5 %	3.2 %	2.7 %	2.6 %	2.0 %
No. employees (average)	2628	2727	2736	3091	3137	3184	3232
Number of shares	15.5	15.5	15.5	15.5	15.5	15.5	15.5
DPS	0.7	0.8	0.8	0.8	0.6	0.8	1.0
EPS reported	1.19	1.14	1.54	1.70	1.14	1.59	1.96
Valuation ratios							
P/BV	1.2	1.2	1.1	1.1	1.1	1.1	1.0
EV/sales	0.9	0.8	0.8	0.9	0.9	0.9	0.8
EV/EBITDA	8.8	8.2	7.3	7.2	8.2	7.2	6.6
EV/EBITA	16.1	14.5	11.6	11.2	13.5	11.5	10.3
EV/EBIT	20.0	17.1	13.3	13.3	19.2	14.7	12.4
EV/FCF	32.1	17.2	32.1	18.7	-64.3	23.7	19.9
Adjusted FCF yield	7.1 %	6.7 %	7.9 %	9.3 %	8.1 %	9.3 %	10.1 %
Dividend yield	2.8 %	3.2 %	3.2 %	3.2 %	2.3 %	3.1 %	3.9 %

Source: Company data, Hauck & Aufhäuser

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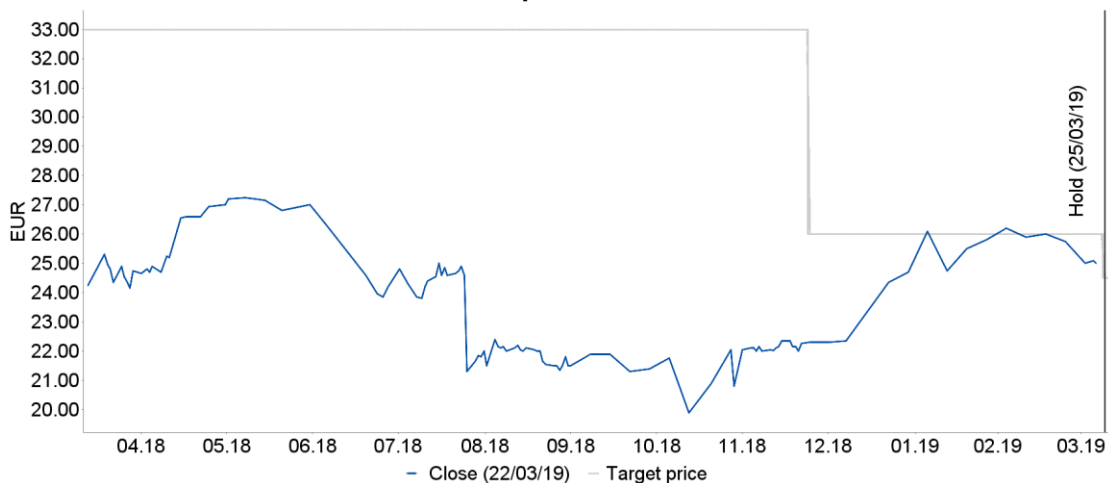
Company	Disclosure
Surteco Group SE	2

Historical target price and rating changes for Surteco Group SE in the last 12 months

Price and Rating History
Surteco Group SE as of 26/03/19

Initiation coverage

02-March-15



Company	Date	Analyst	Rating	Target price	Close
Surteco Group SE	10.12.2018	Sandherr, Christian	Buy	EUR 26,00	EUR 22,30
	19.09.2018	Sandherr, Christian	Buy	EUR 33,00	EUR 21,50
	19.09.2018	Sandherr, Christian	Buy	EUR 33,00	EUR 21,50
	15.08.2018	Cohrs, CFA, Gunnar	Buy	EUR 33,00	EUR 21,80
	16.05.2018	Cohrs, CFA, Gunnar	Buy	EUR 33,00	EUR 27,00

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