

Buy (old: Buy)

Price target: EUR 16.50 (old: EUR 16.50)

Price:	EUR 12.95	Next result:	Q3 14: 21.11.14
Bloomberg:	OSP2 GR	Market cap:	EUR 136.3 m
Reuters:	OSPGk.DE	Enterprise Value:	EUR 121.1 m

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Solid Q2 results – slightly ahead of estimates

Yesterday, USU reported sound Q2 results which were slightly ahead of our estimates. Along with the release, USU reaffirmed its 2014 guidance.

Q2 sales increased soundly by 16% yoy to € 14.3m which is in-line with our estimates. Growth was mainly driven by its **Product Business** (75% of total sales) that grew by 19% yoy to € 11.0m. Also the **consulting business** (Service Business with 25% of total sales) improved (+6% yoy to € 3.3m) as the increasing amount of projects led to a higher utilisation rate of its consultants.

Strongest momentum is in the **Product segment** where USU benefits from unbroken demand of large-scale companies for its leading license management software solution (Aspera). The solution allows its customers (80% of DAX or 35 Fortune Global 500 companies) to successfully pass a license audit of software vendors like Oracle, SAP or Microsoft which could otherwise trigger significant penalties. Furthermore, it helps to manage software licenses more efficiently resulting in **cost savings of up to 30%**. **A special push is coming from the US** (eH&A 20% of sales) where USU now operates an own office in Boston as well as one at the West Coast and where the company has entered into a marketing cooperation for Aspera with US based CA Technologies. This is also a proof of its strong product quality, in our view, and **CA Technologies has guaranteed USU at least € 1m in license sales p.a.**

Q2 EBIT increased strongly yoy to € 1.2m (from € 0m last year) **which is slightly ahead of our estimates (eH&A € 0.9m)**. Adjusted for PPA EBIT arrived at € 1.5m. This improvement comes on the back of the increased top-line driven by software sales and higher utilisation of its consultants also translating into a jump in **EPS to € 0.10 in Q2** (€ 0 in Q2 '13).

Backed by a sound deal pipeline that should materialise in H2, USU reiterated its 2014 guidance to reach **sales in the range of € 63m - € 65m (eH&A € 64m)** and an **adjusted EBIT in the range of € 8m - € 8.5m (eH&A € 8.3m)**.

Seeing a sound demand especially for its leading software solution Aspera growth prospects for USU look bright. In our view, this is not reflected in the current valuation. Hence, the stock **remains a BUY with a PT of € 16.50 based on FCFY 2016E**.

Y/E 31.12 (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
Sales	38.0	45.6	51.2	55.7	64.2	75.0	86.3
Sales growth	12 %	20 %	12 %	9 %	15 %	17 %	15 %
EBITDA	4.6	6.7	5.3	5.5	9.0	12.6	15.0
EBIT	2.6	4.6	3.5	3.4	7.0	10.4	12.5
Net income	2.3	3.6	4.8	3.6	6.8	10.0	12.0
Net debt	-11.1	-17.6	-11.4	-14.2	-16.4	-14.5	-18.8
Net gearing	-22.8 %	-35.3 %	-21.8 %	-26.7 %	-25.5 %	-22.6 %	-26.3 %
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS pro forma	0.38	0.51	0.69	0.49	0.77	1.08	1.14
CPS	0.04	0.70	0.37	0.74	0.47	0.70	0.88
DPS	0.20	0.20	0.25	0.25	0.30	0.45	0.51
Dividend yield	1.5 %	1.5 %	1.9 %	1.9 %	2.3 %	3.5 %	4.0 %
Gross profit margin	50.9 %	50.8 %	49.3 %	51.7 %	52.0 %	52.0 %	52.0 %
EBITDA margin	12.1 %	14.7 %	10.3 %	9.9 %	13.9 %	16.8 %	17.4 %
EBIT margin	6.8 %	10.2 %	6.9 %	6.1 %	10.9 %	13.9 %	14.5 %
ROCE	5.4 %	9.1 %	6.5 %	6.1 %	11.3 %	15.3 %	17.4 %
EV/sales	3.2	2.6	2.5	2.2	1.9	1.6	1.4
EV/EBITDA	26.5	17.8	23.9	22.4	13.5	9.8	7.9
EV/EBIT	47.4	25.7	35.7	36.1	17.2	11.8	9.5
PER	34.3	25.6	18.9	26.4	16.8	12.0	11.3
Adjusted FCF yield	1.8 %	3.1 %	3.9 %	3.2 %	5.3 %	7.8 %	9.8 %

Source: Company data, Hauck & Aufhäuser Close price as of: 21.08.2014



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks:	15.52 / 7.56
Price/Book Ratio:	2.1
Relative performance (SDAX):	
3 months	-0.2 %
6 months	36.3 %
12 months	50.0 %

Changes in estimates

		Sales	EBIT	EPS
2014	old:	64.2	7.0	0.77
	Δ	-	-	-
2015	old:	75.0	10.4	1.08
	Δ	-	-	-
2016	old:	86.3	12.5	1.14
	Δ	-	-	-

Key share data:

Number of shares: (in m pcs)	10.5
Authorised capital: (in € m)	0.0
Book value per share: (in €)	6.1
Ø trading volume: (12 months)	6,300

Major shareholders:

Udo Strehl	52.4 %
Free Float	31.0 %
Peter Scheufler	10.0 %
Former owner of Aspera	4.8 %
USU Board (excl. Udo Strehl)	1.9 %

Company description:

USU develops and distributes IT software and service solutions to more than 500 customers.

USU's Q2 / H1 results

USU Software AG	Q2 2014	Q2 2014 est	Q2 2013	yoy	Q1 2014	qoq	H1 2014	H1 2014 est	H1 2013	yoy
Total Sales	14.2	14.2	12.5	13.6%	13.3	6.7%	27.6	27.5	24.6	12.0%
Product Business	11.0	10.6	9.2	19.5%	9.8	12.6%	20.8	20.4	18.1	14.8%
Service Business	3.3	3.5	3.1	5.9%	3.5	-6.8%	6.8	7.0	6.5	3.5%
EBIT	1.2	0.9	0.0	3496.9%	0.1	1086.6%	1.2	1.0	-0.3	n.a.
<i>EBIT margin</i>	<i>8.1%</i>	<i>6.4%</i>	<i>0.3%</i>	<i>+ 7.8 pp</i>	<i>0.7%</i>	<i>+ 7.4 pp</i>	<i>4.5%</i>	<i>3.7%</i>	<i>-1.3%</i>	<i>+ 5.8 pp</i>
adj. EBIT	1.5	1.3	0.0	n.a.	0.5	219.5%	2.0	1.8	0.2	733.6%
<i>adjusted EBIT margin</i>	<i>10.6%</i>	<i>9.2%</i>	<i>0.0%</i>	<i>+ 10.7 pp</i>	<i>3.6%</i>	<i>+ 7.1 pp</i>	<i>7.2%</i>	<i>6.5%</i>	<i>1.0%</i>	<i>+ 6.2 pp</i>
EPS	0.10	0.09	-0.01	n.a.	-0.01	n.a.	0.09	0.10	-0.05	n.a.

Source: Company data; Hauck & Aufhäuser estimates

Financials

Profit and loss (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
Sales	38.0	45.6	51.2	55.7	64.2	75.0	86.3
<i>Sales growth</i>	11.7 %	19.9 %	12.4 %	8.8 %	15.2 %	16.9 %	15.0 %
Cost of sales	18.7	22.4	26.0	26.9	30.8	36.0	41.4
Gross profit	19.4	23.2	25.2	28.8	33.4	39.0	44.9
Sales and marketing	6.3	6.2	6.9	9.1	10.3	11.4	13.1
General and administration	2.7	4.3	4.6	5.9	5.9	6.2	6.8
Research and development	6.0	6.5	7.2	9.4	9.6	10.5	11.8
Other operating income	0.2	0.3	0.4	0.6	0.7	0.8	0.8
Other operating expenses	0.3	0.3	2.2	0.2	0.3	0.3	0.3
Unusual or infrequent items	-1.1	-1.6	-1.1	-1.4	-1.0	-1.0	-1.2
EBITDA	4.6	6.7	5.3	5.5	9.0	12.6	15.0
Depreciation	0.3	0.4	0.5	0.6	0.0	0.0	0.0
EBITA	4.3	6.3	4.8	4.9	9.0	12.6	15.0
Amortisation of goodwill	0.5	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.2	1.7	1.2	1.5	1.9	2.2	2.5
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	2.6	4.6	3.5	3.4	7.0	10.4	12.5
Interest income	0.3	0.3	0.3	0.1	0.2	0.1	0.2
Interest expenses	0.2	0.4	0.3	0.6	0.0	0.0	0.0
Other financial result	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	0.1	-0.1	-0.1	-0.5	0.2	0.1	0.2
Recurring pretax income from continuing operations	2.7	4.5	3.4	2.9	7.2	10.5	12.7
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	2.7	4.5	3.4	2.9	7.2	10.5	12.7
Taxes	0.4	1.0	-1.4	-0.8	0.4	0.5	0.6
Net income from continuing operations	2.3	3.5	4.8	3.6	6.8	10.0	12.0
Result from discontinued operations (net of tax)	1.5	1.8	2.4	1.5	1.3	1.3	0.0
Net income	2.3	3.5	4.8	3.6	6.8	10.0	12.0
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income (net of minority interest)	2.3	3.6	4.8	3.6	6.8	10.0	12.0
Average number of shares	10.3	10.5	10.5	10.5	10.5	10.5	10.5
EPS reported	0.23	0.34	0.46	0.35	0.65	0.95	1.14

Profit and loss (common size)	2010	2011	2012	2013	2014E	2015E	2016E
Sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales	49.1 %	49.2 %	50.7 %	48.3 %	48.0 %	48.0 %	48.0 %
Gross profit	50.9 %	50.8 %	49.3 %	51.7 %	52.0 %	52.0 %	52.0 %
Sales and marketing	16.7 %	13.5 %	13.5 %	16.3 %	16.0 %	15.2 %	15.2 %
General and administration	7.1 %	9.4 %	9.1 %	10.5 %	9.2 %	8.3 %	7.9 %
Research and development	15.8 %	14.2 %	14.1 %	16.9 %	15.0 %	14.0 %	13.7 %
Other operating income	0.6 %	0.6 %	0.8 %	1.1 %	1.1 %	1.1 %	1.0 %
Other operating expenses	0.9 %	0.7 %	4.3 %	0.4 %	0.4 %	0.4 %	0.3 %
Unusual or infrequent items	-3.0 %	-3.4 %	-2.2 %	-2.4 %	-1.6 %	-1.3 %	-1.3 %
EBITDA	12.1 %	14.7 %	10.3 %	9.9 %	13.9 %	16.8 %	17.4 %
Depreciation	0.8 %	0.9 %	1.0 %	1.1 %	0.0 %	0.0 %	0.0 %
EBITA	11.3 %	13.8 %	9.3 %	8.8 %	13.9 %	16.8 %	17.4 %
Amortisation of goodwill	1.2 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	3.3 %	3.6 %	2.4 %	2.6 %	3.0 %	2.9 %	2.9 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT	6.8 %	10.2 %	6.9 %	6.1 %	10.9 %	13.9 %	14.5 %
Interest income	0.9 %	0.6 %	0.5 %	0.2 %	0.3 %	0.2 %	0.2 %
Interest expenses	0.6 %	0.9 %	0.7 %	1.2 %	0.0 %	0.0 %	0.0 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	0.3 %	-0.3 %	-0.2 %	-1.0 %	0.3 %	0.2 %	0.2 %
Recurring pretax income from continuing operations	7.1 %	9.9 %	6.7 %	5.2 %	11.2 %	14.1 %	14.7 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	7.1 %	9.9 %	6.7 %	5.2 %	11.2 %	14.1 %	14.7 %
Tax rate	13.4 %	21.3 %	-40.2 %	-27.0 %	5.0 %	5.0 %	5.0 %
Net income from continuing operations	6.2 %	7.8 %	9.4 %	6.5 %	10.6 %	13.4 %	14.0 %
Result from discontinued operations (net of tax)	4.0 %	3.9 %	4.7 %	2.7 %	2.0 %	1.7 %	0.0 %
Net income	6.2 %	7.8 %	9.4 %	6.5 %	10.6 %	13.4 %	14.0 %
Minority interest	0.0 %	-0.1 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income (net of minority interest)	6.2 %	7.8 %	9.4 %	6.5 %	10.6 %	13.4 %	14.0 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
Intangible assets	41.1	39.2	38.0	42.7	42.7	48.4	48.4
Property, plant and equipment	0.9	1.0	1.2	2.1	2.3	2.5	2.8
Financial assets	0.8	0.1	0.0	0.0	0.0	0.0	0.0
FIXED ASSETS	42.8	40.3	39.2	44.9	45.0	51.0	51.3
Inventories	2.3	2.2	3.1	3.9	4.3	5.0	5.8
Accounts receivable	7.7	6.2	7.9	12.2	14.0	16.4	18.9
Other current assets	0.8	1.4	1.2	1.1	1.1	1.1	1.1
Liquid assets	11.1	17.6	11.4	14.2	16.4	14.5	18.8
Deferred taxes	2.0	1.8	3.2	4.1	4.1	4.1	4.1
Deferred charges and prepaid expenses	0.3	0.5	0.6	1.1	1.1	1.1	1.1
CURRENT ASSETS	24.1	29.8	27.5	36.6	41.0	42.2	49.7
TOTAL ASSETS	66.9	70.1	66.7	81.4	86.0	93.2	101.0
SHAREHOLDERS EQUITY	48.5	49.9	52.3	53.3	64.1	64.2	71.5
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Provisions for pensions and similar obligations	0.4	0.5	1.0	1.1	1.1	1.2	1.3
Other provisions	0.6	2.5	2.4	2.6	2.6	2.6	2.6
Non-current liabilities	1.0	3.0	3.4	3.7	3.8	3.8	3.9
short-term liabilities to banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	1.2	1.3	1.7	1.7	2.0	2.3	2.7
Advance payments received on orders	0.6	1.9	2.5	11.2	7.0	7.0	7.0
Other liabilities (incl. from lease and rental contracts)	12.5	10.9	4.5	7.4	5.0	11.8	11.8
Deferred taxes	1.4	1.1	0.0	0.9	0.9	0.9	0.9
Deferred income	1.7	2.0	2.4	3.2	3.2	3.2	3.2
Current liabilities	17.4	17.2	11.1	24.5	18.1	25.3	25.6
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	66.9	70.1	66.7	81.4	86.0	93.2	101.0

Balance sheet (common size)	2010	2011	2012	2013	2014E	2015E	2016E
Intangible assets	61.5 %	55.9 %	57.0 %	52.5 %	49.6 %	52.0 %	48.0 %
Property, plant and equipment	1.3 %	1.4 %	1.8 %	2.6 %	2.7 %	2.7 %	2.8 %
Financial assets	1.2 %	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
FIXED ASSETS	64.0 %	57.5 %	58.8 %	55.1 %	52.3 %	54.7 %	50.8 %
Inventories	3.4 %	3.1 %	4.7 %	4.8 %	5.0 %	5.4 %	5.7 %
Accounts receivable	11.4 %	8.8 %	11.9 %	15.0 %	16.3 %	17.6 %	18.7 %
Other current assets	1.2 %	2.0 %	1.8 %	1.3 %	1.3 %	1.2 %	1.1 %
Liquid assets	16.5 %	25.2 %	17.1 %	17.5 %	19.0 %	15.6 %	18.6 %
Deferred taxes	3.0 %	2.6 %	4.8 %	5.0 %	4.8 %	4.4 %	4.1 %
Deferred charges and prepaid expenses	0.4 %	0.7 %	0.9 %	1.3 %	1.2 %	1.1 %	1.1 %
CURRENT ASSETS	36.0 %	42.5 %	41.2 %	44.9 %	47.7 %	45.3 %	49.2 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	72.5 %	71.2 %	78.4 %	65.4 %	74.6 %	68.9 %	70.8 %
MINORITY INTEREST	0.0 %	0.0 %	0.0 %	-0.1 %	-0.1 %	0.0 %	0.0 %
Long-term debt	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Provisions for pensions and similar obligations	0.6 %	0.7 %	1.5 %	1.3 %	1.3 %	1.3 %	1.3 %
Other provisions	0.9 %	3.5 %	3.6 %	3.2 %	3.0 %	2.8 %	2.6 %
Non-current liabilities	1.6 %	4.2 %	5.0 %	4.5 %	4.4 %	4.1 %	3.8 %
short-term liabilities to banks	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Accounts payable	1.9 %	1.9 %	2.5 %	2.1 %	2.3 %	2.5 %	2.7 %
Advance payments received on orders	0.9 %	2.7 %	3.7 %	13.8 %	8.1 %	7.5 %	6.9 %
Other liabilities (incl. from lease and rental contracts)	18.6 %	15.5 %	6.7 %	9.1 %	5.8 %	12.7 %	11.7 %
Deferred taxes	2.1 %	1.6 %	0.0 %	1.1 %	1.1 %	1.0 %	0.9 %
Deferred income	2.5 %	2.8 %	3.6 %	4.0 %	3.7 %	3.5 %	3.2 %
Current liabilities	26.0 %	24.5 %	16.6 %	30.1 %	21.1 %	27.1 %	25.4 %
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)	2010	2011	2012	2013	2014E	2015E	2016E
Net profit/loss	2.3	3.5	4.8	3.6	6.8	10.0	12.0
Depreciation of fixed assets (incl. leases)	0.3	0.4	0.5	0.6	0.0	0.0	0.0
Amortisation of goodwill	0.5	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.2	1.7	1.2	1.5	1.9	2.2	2.5
Others	-0.2	0.7	-1.7	-0.7	0.1	0.1	0.1
Cash flow from operations before changes in w/c	4.2	6.3	4.8	5.0	8.8	12.3	14.6
Increase/decrease in inventory	0.0	-0.2	0.2	0.0	-0.4	-0.7	-0.8
Increase/decrease in accounts receivable	-2.4	1.6	-1.3	-2.8	-1.9	-2.4	-2.5
Increase/decrease in accounts payable	0.5	0.0	0.4	0.1	0.3	0.3	0.3
Increase/decrease in other working capital positions	0.2	1.7	1.5	7.6	0.0	0.0	0.0
Increase/decrease in working capital	-1.8	3.1	0.8	4.8	-2.0	-2.8	-2.9
Cash flow from operating activities	2.4	9.4	5.6	9.9	6.8	9.5	11.7
CAPEX	0.5	0.8	0.8	1.5	2.1	2.4	2.8
Payments for acquisitions	0.3	0.4	0.0	2.8	0.0	5.8	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	1.5	0.4	0.6	0.0	0.0	0.0	0.0
Cash flow from investing activities	0.8	-0.8	-0.2	-4.3	-2.1	-8.2	-2.8
Cash flow before financing	3.2	8.7	5.4	5.6	4.8	1.3	9.0
Increase/decrease in debt position	0.0	0.0	0.0	0.0	0.0	0.0	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	1.5	2.1	2.1	2.6	2.6	3.1	4.7
Others	0.0	0.0	-9.0	0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.0	0.0	-0.1	0.0	0.0	0.0
Cash flow from financing activities	-1.5	-2.1	-11.1	-2.6	-2.6	-3.1	-4.7
Increase/decrease in liquid assets	1.7	6.6	-5.7	2.8	2.1	-1.8	4.3
Liquid assets at end of period	10.6	17.1	11.4	14.2	16.4	14.5	18.8

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
Domestic	34.6	40.2	42.1	47.0	49.1	56.3	64.7
yoy change	10.9 %	16.1 %	4.7 %	11.7 %	4.6 %	14.6 %	15.0 %
Rest of Europe	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
NAFTA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Asia Pacific	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rest of world	3.4	5.4	9.2	8.7	15.1	18.8	21.6
yoy change	19.7 %	58.6 %	69.0 %	-4.7 %	72.7 %	24.3 %	15.0 %
TTL	38.0	45.6	51.2	55.7	64.2	75.0	86.3
yoy change	11.7 %	19.9 %	12.4 %	8.8 %	15.2 %	16.9 %	15.0 %

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
P&L growth analysis							
Sales growth	11.7 %	19.9 %	12.4 %	8.8 %	15.2 %	16.9 %	15.0 %
EBITDA growth	81.2 %	45.2 %	-21.4 %	4.3 %	63.0 %	40.5 %	19.1 %
EBIT growth	470.0 %	79.9 %	-24.0 %	-3.4 %	106.1 %	48.1 %	20.0 %
EPS growth	48.2 %	48.3 %	34.6 %	-24.1 %	87.3 %	46.7 %	20.1 %
Efficiency							
Total operating costs / sales	39.9 %	37.2 %	40.2 %	43.1 %	39.5 %	36.8 %	36.2 %
Sales per employee	129.8	147.6	154.3	127.5	140.2	159.3	178.1
EBITDA per employee	15.7	21.7	15.9	12.6	19.5	26.7	30.9
Balance sheet analysis							
Avg. working capital / sales	20.1 %	14.6 %	11.8 %	9.0 %	9.7 %	14.3 %	15.7 %
Inventory turnover (sales/inventory)	16.6	20.8	16.3	14.3	15.0	15.0	15.0
Trade debtors in days of sales	73.5	49.5	56.6	79.9	79.9	79.9	79.9
A/P turnover [(A/P*365)/sales]	24.4	21.2	23.7	23.6	23.6	23.6	23.6
Cash conversion cycle (days)	93.8	64.0	76.9	109.2	107.0	107.0	107.0
Cash flow analysis							
Free cash flow	1.9	8.7	4.8	8.3	4.8	7.1	9.0
Free cash flow/sales	5.1 %	19.0 %	9.4 %	14.9 %	7.4 %	9.5 %	10.4 %
FCF / net profit	82.4 %	242.8 %	99.9 %	227.9 %	69.9 %	70.9 %	74.6 %
Capex / depre	24.6 %	37.3 %	45.8 %	74.3 %	106.7 %	110.3 %	110.3 %
Capex / maintenance capex	21.8 %	27.1 %	40.9 %	56.6 %	10.7 %	11.0 %	11.0 %
Capex / sales	1.3 %	1.7 %	1.6 %	2.8 %	3.2 %	3.2 %	3.2 %
Security							
Net debt	-11.1	-17.6	-11.4	-14.2	-16.4	-14.5	-18.8
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net debt / equity	-0.2	-0.4	-0.2	-0.3	-0.3	-0.2	-0.3
Interest cover	12.1	11.0	10.2	5.3	999.0	999.0	999.0
Dividend payout ratio	87.5 %	59.0 %	54.8 %	72.2 %	46.0 %	47.0 %	45.0 %
Asset utilisation							
Capital employed turnover	0.8	0.9	0.9	1.0	0.9	1.1	1.1
Operating assets turnover	4.2	7.3	6.3	10.6	5.5	5.1	4.9
Plant turnover	43.3	45.3	42.9	26.5	27.9	29.5	30.6
Inventory turnover (sales/inventory)	16.6	20.8	16.3	14.3	15.0	15.0	15.0
Returns							
ROCE	5.4 %	9.1 %	6.5 %	6.1 %	11.3 %	15.3 %	17.4 %
ROE	4.8 %	7.1 %	9.2 %	6.8 %	10.7 %	15.6 %	16.8 %
Other							
Interest paid / avg. debt	n/a	n/a	n/a	n/a	n/a	n/a	n/a
No. employees (average)	293	309	332	437	458	471	485
Number of shares	10.3	10.5	10.5	10.5	10.5	10.5	10.5
DPS	0.2	0.2	0.3	0.3	0.3	0.4	0.5
EPS reported	0.23	0.34	0.46	0.35	0.65	0.95	1.14
Valuation ratios							
P/BV	2.7	2.7	2.6	2.6	2.1	2.1	1.9
EV/sales	3.2	2.6	2.5	2.2	1.9	1.6	1.4
EV/EBITDA	26.5	17.8	23.9	22.4	13.5	9.8	7.9
EV/EBITA	28.5	18.9	26.4	25.2	13.5	9.8	7.9
EV/EBIT	47.4	25.7	35.7	36.1	17.2	11.8	9.5
EV/FCF	63.2	13.8	26.2	14.8	25.4	17.3	13.2
Adjusted FCF yield	1.8 %	3.1 %	3.9 %	3.2 %	5.3 %	7.8 %	9.8 %
Dividend yield	1.5 %	1.5 %	1.9 %	1.9 %	2.3 %	3.5 %	4.0 %

Source: Company data, Hauck & Aufhäuser

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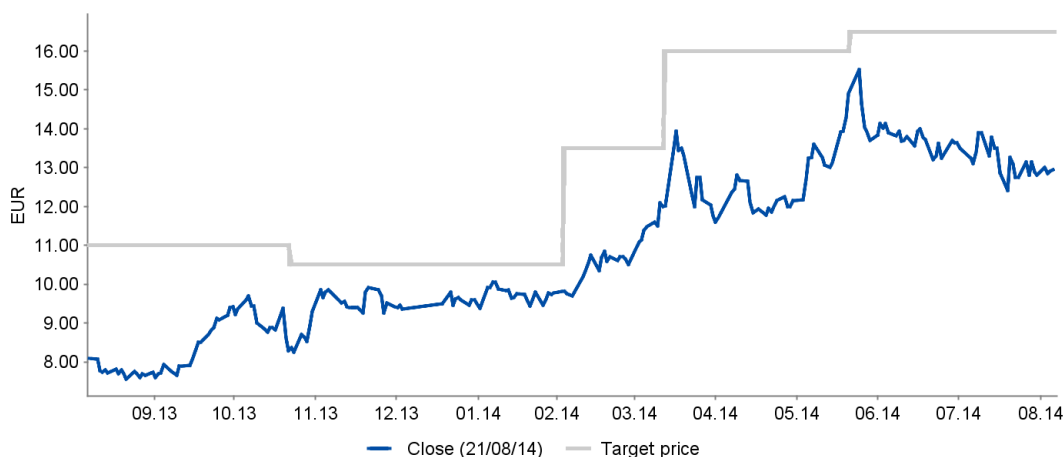
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Company	Disclosure
USU Software AG	2, 5

Historical target price and rating changes for USU Software AG in the last 12 months

Price and Rating History USU Software AG as of 22/08/14

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