



**Buy** (old: Buy)

**Price target: EUR 16.00** (old: EUR 13.50)

<b>Price:</b>	EUR 12.00	<b>Next result:</b>	Q1 2014 22.05.14
<b>Bloomberg:</b>	OSP2 GR	<b>Market cap:</b>	EUR 126.3 m
<b>Reuters:</b>	OSPGK.DE	<b>Enterprise Value:</b>	EUR 113.1 m

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Source: Company data, Hauck & Aufhäuser

**High/low 52 weeks:** 12.10 / 7.10  
**Price/Book Ratio:** 2.4  
**Relative performance (SDAX):**  
3 months -  
6 months 41.7 %  
12 months 26.3 %

**Changes in estimates**

		Sales	EBIT	EPS
<b>2014</b>	<i>old:</i>	64.2	7.0	0.66
	$\Delta$	-	-	-1.3%
<b>2015</b>	<i>old:</i>	75.0	10.4	0.96
	$\Delta$	-	-	-0.5%

**Key share data:**

Number of shares: (in m pcs) 10.5  
Authorised capital: (in € m) 0.0  
Book value per share: (in €) 5.1  
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.

**Sound Q4 results / business to accelerate in 2014 – chg. est**

Yesterday, USU reported its final Q4 results confirming its preliminaries from February 27. Furthermore, the company confirmed its 2014 guidance and announced a dividend of € 0.25/shr for 2013. A call with management took place the same day.

In Q4, sales increased strongly by 21% yoy to € 17.3m (in-line with prel.) of which 11.9% (eH&A) was organic and c. €1.3m attributable to BIG. Very reassuring sales growth was mainly driven by **strong license sales with increased 58.5% yoy to € 4.5m** while **maintenance revenues grew by 5.2% yoy to € 3.1m** in Q4.

Thanks to the strong top-line growth, Q4 EBIT increased disproportionately by 35% yoy to € 2.9m (eH&A € 3.2m). EBIT adjusted for PPA related amortisation of € 0.9m increased by favourable 45% yoy to € 3.8m which translate into an adj. EBIT margin of 21.9% (up 3.7pp yoy). Higher tax payments (also the reason for our estimate changes) resulted in a 10% yoy growth in Q4 net income and EPS.

Also very positively, cash flow increased strongly by 75% yoy to € 9.9m. This was supported by € 5m (eH&A for five years) of prepayments from its US distribution partner CA. Furthermore, the company announced a 2013 dividend of € 0.25 per share which is in-line with our estimates.

Additionally, management **reiterated its 2014 guidance** to reach sales in the range of €63 – 65m (eH&A € 64m) implying c. 15% organic yoy growth and to archive an adjusted EBIT of € 8 – 8.5m (eH&A € 8.3m) or c. 50% yoy growth. Given the increasing dynamic of the transformation of the business model the 2014E guidance looks well in reach. **For 2017**, the company aims to reach sales of € 100m (eH&A € 91m) with an EBIT margin > 15% (eH&A 15%).

On the back of first signs of a successful transformation of the business model towards higher shares of license and maintenance revenues, we roll over our valuation to 2016E (previously 2015E).

With a new **PT of € 16.00** (previously: € 13.50), USU remains a **BUY** with valuation now based on **FCFY 16E** (previously FCFY 15E).

- continued -

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	82.5
Sales growth	12 %	20 %	12 %	9 %	15 %	17 %	10 %
EBITDA	4.6	6.7	5.3	5.5	9.0	12.6	14.4
EBIT	2.6	4.6	3.5	3.4	7.0	10.4	12.0
Net income	2.3	3.6	4.8	3.6	6.8	10.0	11.6
Net debt	-11.1	-17.6	-11.4	-14.2	-16.4	-14.5	-19.3
Net gearing	-22.8 %	-35.3 %	-21.8 %	-26.7 %	-25.5 %	-22.6 %	-27.1 %
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	1.10
CPS	0.04	0.70	0.37	0.74	0.47	0.70	0.92
DPS	0.20	0.20	0.25	0.25	0.30	0.45	0.49
Dividend yield	1.7 %	1.7 %	2.1 %	2.1 %	2.5 %	3.7 %	4.1 %
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 %	16.8 %
EV/sales	3.0	2.4	2.3	2.0	1.7	1.5	1.3
EV/EBITDA	24.4	16.3	22.0	20.6	12.4	9.0	7.5
EV/EBIT	43.6	23.5	32.8	33.2	15.8	10.9	9.0
PER	31.8	23.7	17.5	24.4	15.5	11.2	10.9
Adjusted FCF yield	2.0 %	3.4 %	4.2 %	3.4 %	5.8 %	8.5 %	10.3 %

Source: Company data, Hauck & Aufhäuser Close price as of: 27.03.2014

# USU Software AG

	Q4 2013	Q4 2013 est	Q4 2012	yoy	FY 2013	FY 2013 est	FY 2012	yoy
<b>Total Sales</b>	<b>17.3</b>	<b>17.3</b>	<b>14.3</b>	21.2%	<b>55.8</b>	<b>55.8</b>	<b>51.2</b>	8.9%
Product Business	13.7	13.7	10.4	31.9%	42.2	42.2	35.5	18.6%
Service Business	3.7	3.7	3.9	-5.0%	13.6	13.6	15.6	-12.9%
<b>EBIT</b>	<b>2.9</b>	<b>3.2</b>	<b>2.2</b>	35.1%	<b>3.4</b>	<b>3.7</b>	<b>3.5</b>	-3.4%
<i>EBIT margin</i>	16.8%	18.6%	15.0%	+ 1.7 pp	6.1%	6.7%	6.9%	- 0.8 pp
<b>adj. EBIT</b>	<b>3.8</b>	<b>3.8</b>	<b>2.6</b>	45.1%	<b>5.1</b>	<b>5.1</b>	<b>7.1</b>	-28.1%
<i>adjusted EBIT margin</i>	21.8%	22.0%	18.2%	+ 3.6 pp	9.1%	9.2%	13.8%	- 4.7 pp
<b>Net profit</b>	<b>3.7</b>	<b>3.7</b>	<b>3.3</b>	9.8%	<b>3.6</b>	<b>3.7</b>	<b>4.8</b>	-24.5%
<i>Net margin</i>	21.2%	21.3%	23.4%	- 2.2 pp	6.5%	6.7%	9.4%	- 2.9 pp
<b>EPS</b>	<b>0.35</b>	<b>0.35</b>	<b>0.32</b>	9.8%	<b>0.35</b>	<b>0.35</b>	<b>0.46</b>	-24.5%

Source: Company data; Hauck & Aufhäuser

## Financials

Profit and loss (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
<b>Sales</b>	<b>38.0</b>	<b>45.6</b>	<b>51.2</b>	<b>55.7</b>	<b>64.2</b>	<b>75.0</b>	<b>82.5</b>
<i>Sales growth</i>	11.7 %	19.9 %	12.4 %	8.8 %	15.3 %	16.8 %	10.0 %
Cost of sales	18.7	22.4	26.0	26.9	30.8	36.0	39.6
<b>Gross profit</b>	<b>19.4</b>	<b>23.2</b>	<b>25.2</b>	<b>28.8</b>	<b>33.4</b>	<b>39.0</b>	<b>42.9</b>
Sales and marketing	6.3	6.2	6.9	9.1	10.3	11.4	12.5
General and administration	2.7	4.3	4.6	5.9	5.9	6.2	6.5
Research and development	6.0	6.5	7.2	9.4	9.6	10.5	11.3
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	-1.1
<b>EBITDA</b>	<b>4.6</b>	<b>6.7</b>	<b>5.3</b>	<b>5.5</b>	<b>9.0</b>	<b>12.6</b>	<b>14.4</b>
Depreciation	0.3	0.4	0.5	0.0	0.0	0.0	0.0
<b>EBITA</b>	<b>4.3</b>	<b>6.3</b>	<b>4.8</b>	<b>5.5</b>	<b>9.0</b>	<b>12.6</b>	<b>14.4</b>
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	2.1	1.9	2.2	2.4
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>2.6</b>	<b>4.6</b>	<b>3.5</b>	<b>3.4</b>	<b>7.0</b>	<b>10.4</b>	<b>12.0</b>
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
<b>Recurring pretax income from continuing operations</b>	<b>2.7</b>	<b>4.5</b>	<b>3.4</b>	<b>2.9</b>	<b>7.2</b>	<b>10.6</b>	<b>12.2</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>2.7</b>	<b>4.5</b>	<b>3.4</b>	<b>2.9</b>	<b>7.2</b>	<b>10.6</b>	<b>12.2</b>
Taxes	0.4	1.0	-1.4	-0.8	0.4	0.5	0.6
<b>Net income from continuing operations</b>	<b>2.3</b>	<b>3.5</b>	<b>4.8</b>	<b>3.6</b>	<b>6.8</b>	<b>10.0</b>	<b>11.6</b>
Result from discontinued operations (net of tax)	1.5	1.8	2.4	1.5	1.3	1.3	0.0
<b>Net income</b>	<b>2.3</b>	<b>3.5</b>	<b>4.8</b>	<b>3.6</b>	<b>6.8</b>	<b>10.0</b>	<b>11.6</b>
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income (net of minority interest)</b>	<b>2.3</b>	<b>3.6</b>	<b>4.8</b>	<b>3.6</b>	<b>6.8</b>	<b>10.0</b>	<b>11.6</b>
Average number of shares	10.3	10.5	10.5	10.5	10.5	10.5	10.5
<b>EPS reported</b>	<b>0.23</b>	<b>0.34</b>	<b>0.46</b>	<b>0.35</b>	<b>0.65</b>	<b>0.95</b>	<b>1.10</b>

Profit and loss (common size)	2010	2011	2012	2013	2014E	2015E	2016E
<b>Sales</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
Cost of sales	49.1 %	49.2 %	50.7 %	48.3 %	48.0 %	48.0 %	48.0 %
<b>Gross profit</b>	<b>50.9 %</b>	<b>50.8 %</b>	<b>49.3 %</b>	<b>51.7 %</b>	<b>52.0 %</b>	<b>52.0 %</b>	<b>52.0 %</b>
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 %	0.4 %
Unusual or infrequent items	-3.0 %	-3.4 %	-2.2 %	-2.4 %	-1.6 %	-1.3 %	-1.3 %
<b>EBITDA</b>	<b>12.1 %</b>	<b>14.7 %</b>	<b>10.3 %</b>	<b>9.9 %</b>	<b>13.9 %</b>	<b>16.8 %</b>	<b>17.4 %</b>
Depreciation	0.8 %	0.9 %	1.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBITA</b>	<b>11.3 %</b>	<b>13.8 %</b>	<b>9.3 %</b>	<b>9.9 %</b>	<b>13.9 %</b>	<b>16.8 %</b>	<b>17.4 %</b>
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 %	3.7 %	3.0 %	2.9 %	2.9 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBIT</b>	<b>6.8 %</b>	<b>10.2 %</b>	<b>6.9 %</b>	<b>6.1 %</b>	<b>10.9 %</b>	<b>13.9 %</b>	<b>14.5 %</b>
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 %
<b>Recurring pretax income from continuing operations</b>	<b>7.1 %</b>	<b>9.9 %</b>	<b>6.7 %</b>	<b>5.2 %</b>	<b>11.2 %</b>	<b>14.1 %</b>	<b>14.7 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>7.1 %</b>	<b>9.9 %</b>	<b>6.7 %</b>	<b>5.2 %</b>	<b>11.2 %</b>	<b>14.1 %</b>	<b>14.7 %</b>
Tax rate	13.4 %	21.3 %	-40.2 %	-27.0 %	5.0 %	5.0 %	5.0 %
<b>Net income from continuing operations</b>	<b>6.2 %</b>	<b>7.8 %</b>	<b>9.4 %</b>	<b>6.5 %</b>	<b>10.6 %</b>	<b>13.4 %</b>	<b>14.0 %</b>
Result from discontinued operations (net of tax)	4.0 %	3.9 %	4.7 %	2.7 %	2.0 %	1.7 %	0.0 %
<b>Net income</b>	<b>6.2 %</b>	<b>7.8 %</b>	<b>9.4 %</b>	<b>6.5 %</b>	<b>10.6 %</b>	<b>13.4 %</b>	<b>14.0 %</b>
Minority interest	0.0 %	-0.1 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net income (net of minority interest)</b>	<b>6.2 %</b>	<b>7.8 %</b>	<b>9.4 %</b>	<b>6.5 %</b>	<b>10.6 %</b>	<b>13.4 %</b>	<b>14.0 %</b>

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
<b>Intangible assets</b>	<b>41.1</b>	<b>39.2</b>	<b>38.0</b>	<b>42.7</b>	<b>42.7</b>	<b>48.4</b>	<b>48.4</b>
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
<b>FIXED ASSETS</b>	<b>42.8</b>	<b>40.3</b>	<b>39.2</b>	<b>44.9</b>	<b>45.0</b>	<b>51.0</b>	<b>51.3</b>
Inventories	2.3	2.2	3.1	3.9	4.3	5.0	5.5
Accounts receivable	7.7	6.2	7.9	12.2	14.1	16.4	18.1
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	19.3
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
<b>CURRENT ASSETS</b>	<b>24.1</b>	<b>29.8</b>	<b>27.5</b>	<b>36.6</b>	<b>41.0</b>	<b>42.2</b>	<b>49.1</b>
<b>TOTAL ASSETS</b>	<b>66.9</b>	<b>70.1</b>	<b>66.7</b>	<b>81.4</b>	<b>86.0</b>	<b>93.2</b>	<b>100.4</b>
SHAREHOLDERS EQUITY	48.5	49.9	52.3	53.3	64.1	64.2	71.0
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
<b>Non-current liabilities</b>	<b>1.0</b>	<b>3.0</b>	<b>3.4</b>	<b>3.7</b>	<b>3.8</b>	<b>3.8</b>	<b>3.9</b>
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	2.6
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
<b>Current liabilities</b>	<b>17.4</b>	<b>17.2</b>	<b>11.1</b>	<b>24.5</b>	<b>18.1</b>	<b>25.3</b>	<b>25.5</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>66.9</b>	<b>70.1</b>	<b>66.7</b>	<b>81.4</b>	<b>86.0</b>	<b>93.2</b>	<b>100.4</b>

Balance sheet (common size)	2010	2011	2012	2013	2014E	2015E	2016E
<b>Intangible assets</b>	<b>61.5 %</b>	<b>55.9 %</b>	<b>57.0 %</b>	<b>52.5 %</b>	<b>49.6 %</b>	<b>52.0 %</b>	<b>48.3 %</b>
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 %
<b>FIXED ASSETS</b>	<b>64.0 %</b>	<b>57.5 %</b>	<b>58.8 %</b>	<b>55.1 %</b>	<b>52.3 %</b>	<b>54.7 %</b>	<b>51.1 %</b>
Inventories	3.4 %	3.1 %	4.7 %	4.8 %	5.0 %	5.4 %	5.5 %
Accounts receivable	11.4 %	8.8 %	11.9 %	15.0 %	16.3 %	17.6 %	18.0 %
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 %	19.2 %
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 %
<b>CURRENT ASSETS</b>	<b>36.0 %</b>	<b>42.5 %</b>	<b>41.2 %</b>	<b>44.9 %</b>	<b>47.7 %</b>	<b>45.3 %</b>	<b>48.9 %</b>
<b>TOTAL ASSETS</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
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 %
<b>Non-current liabilities</b>	<b>1.6 %</b>	<b>4.2 %</b>	<b>5.0 %</b>	<b>4.5 %</b>	<b>4.4 %</b>	<b>4.1 %</b>	<b>3.9 %</b>
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 %	2.6 %
Advance payments received on orders	0.9 %	2.7 %	3.7 %	13.8 %	8.1 %	7.5 %	7.0 %
Other liabilities (incl. from lease and rental contracts)	18.6 %	15.5 %	6.7 %	9.1 %	5.8 %	12.7 %	11.8 %
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 %
<b>Current liabilities</b>	<b>26.0 %</b>	<b>24.5 %</b>	<b>16.6 %</b>	<b>30.1 %</b>	<b>21.1 %</b>	<b>27.1 %</b>	<b>25.4 %</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>

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	11.6
Depreciation of fixed assets (incl. leases)	0.3	0.4	0.5	0.0	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	2.1	1.9	2.2	2.4
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	14.0
Increase/decrease in inventory	0.0	-0.2	0.2	0.0	-0.4	-0.7	-0.5
Increase/decrease in accounts receivable	-2.4	1.6	-1.3	-2.8	-1.9	-2.4	-1.6
Increase/decrease in accounts payable	0.5	0.0	0.4	0.1	0.3	0.3	0.2
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	-2.7	-1.9
<b>Cash flow from operating activities</b>	<b>2.4</b>	<b>9.4</b>	<b>5.6</b>	<b>9.9</b>	<b>6.8</b>	<b>9.5</b>	<b>12.1</b>
CAPEX	0.5	0.8	0.8	1.5	2.1	2.4	2.6
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
<b>Cash flow from investing activities</b>	<b>0.8</b>	<b>-0.8</b>	<b>-0.2</b>	<b>-4.3</b>	<b>-2.1</b>	<b>-8.2</b>	<b>-2.6</b>
Cash flow before financing	3.2	8.7	5.4	5.6	4.8	1.3	9.5
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
<b>Cash flow from financing activities</b>	<b>-1.5</b>	<b>-2.1</b>	<b>-11.1</b>	<b>-2.6</b>	<b>-2.6</b>	<b>-3.1</b>	<b>-4.7</b>
Increase/decrease in liquid assets	1.7	6.6	-5.7	2.8	2.1	-1.8	4.7
<b>Liquid assets at end of period</b>	<b>10.6</b>	<b>17.1</b>	<b>11.4</b>	<b>14.2</b>	<b>16.4</b>	<b>14.5</b>	<b>19.3</b>

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
Domestic	34.6	40.2	42.1	44.6	49.1	56.3	61.9
yoy change	10.9 %	16.1 %	4.7 %	6.0 %	10.2 %	14.5 %	10.0 %
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	11.1	15.1	18.8	20.6
yoy change	19.7 %	58.6 %	69.0 %	21.5 %	35.4 %	24.3 %	10.0 %
<b>TTL</b>	<b>38.0</b>	<b>45.6</b>	<b>51.2</b>	<b>55.7</b>	<b>64.2</b>	<b>75.0</b>	<b>82.5</b>
yoy change	11.7 %	19.9 %	12.4 %	8.8 %	15.3 %	16.8 %	10.0 %

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
<b>P&amp;L growth analysis</b>							
Sales growth	11.7 %	19.9 %	12.4 %	8.8 %	15.3 %	16.8 %	10.0 %
EBITDA growth	81.2 %	45.2 %	-21.4 %	4.3 %	63.1 %	40.5 %	14.1 %
EBIT growth	470.0 %	79.9 %	-24.0 %	-3.4 %	106.3 %	48.0 %	15.0 %
EPS growth	48.2 %	48.3 %	34.6 %	-24.1 %	87.4 %	46.7 %	15.2 %
<b>Efficiency</b>							
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	143.0	149.9	166.1	175.2
EBITDA per employee	15.7	21.7	15.9	14.1	20.9	27.9	30.5
<b>Balance sheet analysis</b>							
Avg. working capital / sales	20.1 %	14.6 %	11.8 %	9.0 %	9.7 %	14.3 %	15.8 %
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
<b>Cash flow analysis</b>							
Free cash flow	1.9	8.7	4.8	8.3	4.8	7.1	9.5
Free cash flow/sales	5.1 %	19.0 %	9.4 %	14.9 %	7.4 %	9.5 %	11.5 %
FCF / net profit	82.4 %	242.8 %	99.9 %	227.9 %	69.8 %	70.9 %	81.9 %
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 %	8.6 %	10.7 %	11.0 %	11.0 %
Capex / sales	1.3 %	1.7 %	1.6 %	2.8 %	3.2 %	3.2 %	3.2 %
<b>Security</b>							
Net debt	-11.1	-17.6	-11.4	-14.2	-16.4	-14.5	-19.3
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 %
<b>Asset utilisation</b>							
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	29.4
Inventory turnover (sales/inventory)	16.6	20.8	16.3	14.3	15.0	15.0	15.0
<b>Returns</b>							
ROCE	5.4 %	9.1 %	6.5 %	6.1 %	11.3 %	15.3 %	16.8 %
ROE	4.8 %	7.1 %	9.2 %	6.8 %	10.7 %	15.6 %	16.3 %
<b>Other</b>							
Interest paid / avg. debt	n/a	n/a	n/a	n/a	n/a	n/a	n/a
No. employees (average)	293	309	332	390	429	452	471
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	1.10
<b>Valuation ratios</b>							
P/BV	2.5	2.5	2.4	2.4	2.0	2.0	1.8
EV/sales	3.0	2.4	2.3	2.0	1.7	1.5	1.3
EV/EBITDA	24.4	16.3	22.0	20.6	12.4	9.0	7.5
EV/EBITA	26.2	17.3	24.3	20.6	12.4	9.0	7.5
EV/EBIT	43.6	23.5	32.8	33.2	15.8	10.9	9.0
EV/FCF	58.2	12.6	24.2	13.6	23.3	15.9	11.5
Adjusted FCF yield	2.0 %	3.4 %	4.2 %	3.4 %	5.8 %	8.5 %	10.3 %
Dividend yield	1.7 %	1.7 %	2.1 %	2.1 %	2.5 %	3.7 %	4.1 %

Source: Company data, Hauck & Aufhäuser

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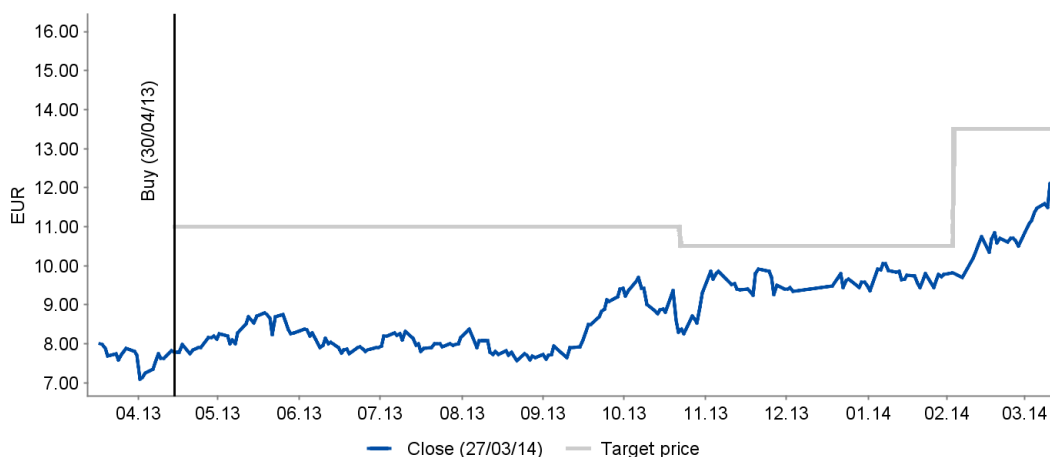
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Company	Disclosure
USU Software AG	2, 5

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

#### Price and Rating History USU Software AG as of 28/03/14

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