

**Buy** (old: Buy)

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

**Price:** EUR 10.38 **Next result:** FY 2013 27.03.13

**Bloomberg:** OSP2 GR **Market cap:** EUR 109.2 m

**Reuters:** OSPGk.DE **Enterprise Value:** EUR 100.5 m

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## Solid prel. Q4 and sound guidance for 2014

Yesterday, USU reported Q4 results which were in-line with our estimates as well as the new 2014 guidance. Moreover, the company introduced a guidance for 2014 pointing to sales to be in the range of € 63 – 65m (+ some 15% yoy) and adjusted EBIT to be in the range of € 8 – 8.5m (+ some 63% yoy). This is fully in-line with our estimates of sales of € 64.2m and an adjusted EBIT of € 8.3m for 2014E. Additionally, the company **reiterated its 2017 guidance** with sales exceeding € 100m (eH&A 91m) and an adjusted EBIT margin of > 15% (eH&A 15%).

	Q4 2013	Q4 2013 est	Q4 2012	yoy	FY 2013	FY 2013 est	FY 2012	yoy
<b>Total Sales</b>	17.3	17.3	14.3	21.2%	55.8	55.8	51.2	8.9%
Product Business	13.7	13.7	10.4	n.a.	42.2	42.2	35.5	n.a.
Service Business	3.7	3.7	3.9	n.a.	13.6	13.6	15.6	n.a.
<b>EBIT</b>	2.9	3.2	2.2	34.8%	3.4	3.7	3.5	-3.6%
EBIT margin	16.7%	18.6%	15.0%	+ 1.7 pp	6.1%	6.7%	6.9%	-0.8 pp
<b>adj. EBIT</b>	3.8	3.8	2.6	45.8%	5.1	5.1	7.1	-27.8%
adjusted EBIT margin	21.9%	22.0%	18.2%	+ 3.7 pp	9.1%	9.2%	13.8%	- 4.6 pp
<b>Net profit</b>		3.7	4.0	n.a.		3.7	4.8	n.a.
Net margin	0.0%	21.3%	28.2%	- 28.2 pp	0.0%	6.7%	9.4%	- 9.4 pp
<b>EPS</b>		0.35	0.38	n.a.		0.35	0.46	n.a.

Source: Company data; Hauck & Aufhäuser

**Q4 sales increased strongly by 21% yoy to € 17.3m** mainly driven by a sound new license sales business (part of Product Business segment) which increased at a favourable rate of 32% yoy to € 4.4m. In our view, this is mainly attributable to some 50 new FTEs in the sales team especially for its well accepted software license management solution.

Backed by the strong recovery in Q4 revenues, **EBIT increased disproportionately by 35% yoy to € 2.9m** proving the scalability of the business. Adjusted for PPA related amortisation of c. € 1.7m, EBIT even soared 46% yoy to € 3.8m well in-line with our estimates. Net profit and EPS numbers will be released along with the final set of Q4 numbers on March 27.

Overall, the solid set of numbers and the **promising guidance confirm our positive view** on the stock and **valuation is still undemanding. Buy with a PT of € 13.50 based on FCFY 15E.**

Y/E 31.12 (EUR m)	2009	2010	2011	2012	2013P	2014E	2015E
Sales	34.0	38.0	45.6	51.2	55.7	64.2	75.0
Sales growth	0 %	12 %	20 %	12 %	9 %	15 %	17 %
EBITDA	2.5	4.6	6.7	5.3	5.4	9.0	12.6
EBIT	0.5	2.6	4.6	3.5	3.7	7.0	10.4
Net income	1.5	2.3	3.6	4.8	3.7	6.9	10.1
Net debt	-10.9	-11.1	-17.6	-11.4	-9.8	-13.4	-12.5
Net gearing	-23.7 %	-22.8 %	-35.3 %	-21.8 %	-19.3 %	-22.6 %	-21.0 %
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS pro forma	0.15	0.38	0.51	0.69	0.51	0.78	1.08
CPS	0.18	0.04	0.70	0.37	0.53	0.51	0.78
DPS	0.15	0.20	0.20	0.25	0.16	0.29	0.42
Dividend yield	1.4 %	1.9 %	1.9 %	2.4 %	1.5 %	2.8 %	4.1 %
Gross profit margin	48.4 %	50.9 %	50.8 %	49.3 %	50.6 %	51.0 %	51.0 %
EBITDA margin	7.5 %	12.1 %	14.7 %	10.3 %	9.7 %	13.9 %	16.8 %
EBIT margin	1.3 %	6.8 %	10.2 %	6.9 %	6.7 %	10.9 %	13.9 %
ROCE	1.0 %	5.4 %	9.1 %	6.5 %	6.8 %	12.0 %	16.5 %
EV/sales	2.7	2.5	2.0	1.9	1.8	1.5	1.3
EV/EBITDA	36.7	20.8	13.7	18.8	18.7	10.8	7.8
EV/EBIT	206.3	37.2	19.8	28.0	27.1	13.8	9.4
PER	67.3	27.5	20.5	15.1	20.2	13.3	9.6
Adjusted FCF yield	1.3 %	2.4 %	4.0 %	4.9 %	3.5 %	6.7 %	10.0 %

Source: Company data, Hauck & Aufhäuser Close price as of: 26.02.2014



Source: Company data, Hauck & Aufhäuser

**High/low 52 weeks:** 10.38 / 7.10

**Price/Book Ratio:** 2.2

**Relative performance (SDAX):**

3 months 2.5 %

6 months 15.2 %

12 months 14.7 %

### Changes in estimates

		Sales	EBIT	EPS
2013	old:	55.8	3.7	0.35
	Δ	-	-	-
2014	old:	64.2	7.0	0.66
	Δ	-	-	-
2015	old:	75.0	10.4	0.96
	Δ	-	-	-

### Key share data:

Number of shares: (in m pcs) 10.5

Authorised capital: (in € m) 0.0

Book value per share: (in €) 4.8

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.

## Financials

Profit and loss (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
<b>Sales</b>	<b>34.0</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>
<i>Sales growth</i>	0.2 %	11.7 %	19.9 %	12.4 %	8.7 %	15.3 %	16.8 %
Cost of sales	17.6	18.7	22.4	26.0	27.5	31.5	36.8
<b>Gross profit</b>	<b>16.5</b>	<b>19.4</b>	<b>23.2</b>	<b>25.2</b>	<b>28.2</b>	<b>32.7</b>	<b>38.3</b>
Sales and marketing	5.9	6.3	6.2	6.9	8.9	9.3	10.1
General and administration	2.8	2.7	4.3	4.6	5.3	5.8	6.2
Research and development	5.6	6.0	6.5	7.2	9.5	9.6	10.5
Other operating income	0.0	0.2	0.3	0.4	0.1	0.1	0.1
Other operating expenses	0.1	0.3	0.3	2.2	0.1	0.1	0.1
Unusual or infrequent items	-0.7	-1.1	-1.6	-1.1	-0.8	-1.0	-1.0
<b>EBITDA</b>	<b>2.5</b>	<b>4.6</b>	<b>6.7</b>	<b>5.3</b>	<b>5.4</b>	<b>9.0</b>	<b>12.6</b>
Depreciation	0.3	0.3	0.4	0.5	0.0	0.0	0.0
<b>EBITA</b>	<b>2.3</b>	<b>4.3</b>	<b>6.3</b>	<b>4.8</b>	<b>5.4</b>	<b>9.0</b>	<b>12.6</b>
Amortisation of goodwill	1.0	0.5	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.8	1.2	1.7	1.2	1.7	1.9	2.2
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>0.5</b>	<b>2.6</b>	<b>4.6</b>	<b>3.5</b>	<b>3.7</b>	<b>7.0</b>	<b>10.4</b>
Interest income	0.4	0.3	0.3	0.3	0.2	0.3	0.3
Interest expenses	0.1	0.2	0.4	0.3	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	0.1	-0.1	-0.1	0.2	0.3	0.3
<b>Recurring pretax income from continuing operations</b>	<b>0.8</b>	<b>2.7</b>	<b>4.5</b>	<b>3.4</b>	<b>4.0</b>	<b>7.4</b>	<b>10.7</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>0.8</b>	<b>2.7</b>	<b>4.5</b>	<b>3.4</b>	<b>4.0</b>	<b>7.4</b>	<b>10.7</b>
Taxes	-0.8	0.4	1.0	-1.4	0.2	0.4	0.6
<b>Net income from continuing operations</b>	<b>1.5</b>	<b>2.3</b>	<b>3.5</b>	<b>4.8</b>	<b>3.7</b>	<b>6.9</b>	<b>10.1</b>
Result from discontinued operations (net of tax)	0.0	1.5	1.8	2.4	1.7	1.3	1.3
<b>Net income</b>	<b>1.5</b>	<b>2.3</b>	<b>3.5</b>	<b>4.8</b>	<b>3.7</b>	<b>6.9</b>	<b>10.1</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>1.5</b>	<b>2.3</b>	<b>3.6</b>	<b>4.8</b>	<b>3.7</b>	<b>6.9</b>	<b>10.1</b>
Average number of shares	10.0	10.3	10.5	10.5	10.5	10.5	10.5
<b>EPS reported</b>	<b>0.15</b>	<b>0.23</b>	<b>0.34</b>	<b>0.46</b>	<b>0.35</b>	<b>0.66</b>	<b>0.96</b>

Profit and loss (common size)	2009	2010	2011	2012	2013E	2014E	2015E
<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	51.6 %	49.1 %	49.2 %	50.7 %	49.4 %	49.0 %	49.0 %
<b>Gross profit</b>	<b>48.4 %</b>	<b>50.9 %</b>	<b>50.8 %</b>	<b>49.3 %</b>	<b>50.6 %</b>	<b>51.0 %</b>	<b>51.0 %</b>
Sales and marketing	17.3 %	16.7 %	13.5 %	13.5 %	16.0 %	14.5 %	13.5 %
General and administration	8.1 %	7.1 %	9.4 %	9.1 %	9.5 %	9.0 %	8.3 %
Research and development	16.6 %	15.8 %	14.2 %	14.1 %	17.0 %	15.0 %	14.0 %
Other operating income	0.1 %	0.6 %	0.6 %	0.8 %	0.1 %	0.1 %	0.1 %
Other operating expenses	0.2 %	0.9 %	0.7 %	4.3 %	0.1 %	0.1 %	0.1 %
Unusual or infrequent items	-2.1 %	-3.0 %	-3.4 %	-2.2 %	-1.4 %	-1.6 %	-1.3 %
<b>EBITDA</b>	<b>7.5 %</b>	<b>12.1 %</b>	<b>14.7 %</b>	<b>10.3 %</b>	<b>9.7 %</b>	<b>13.9 %</b>	<b>16.8 %</b>
Depreciation	0.8 %	0.8 %	0.9 %	1.0 %	0.0 %	0.0 %	0.0 %
<b>EBITA</b>	<b>6.7 %</b>	<b>11.3 %</b>	<b>13.8 %</b>	<b>9.3 %</b>	<b>9.7 %</b>	<b>13.9 %</b>	<b>16.8 %</b>
Amortisation of goodwill	2.9 %	1.2 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	2.4 %	3.3 %	3.6 %	2.4 %	3.0 %	3.0 %	2.9 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBIT</b>	<b>1.3 %</b>	<b>6.8 %</b>	<b>10.2 %</b>	<b>6.9 %</b>	<b>6.7 %</b>	<b>10.9 %</b>	<b>13.9 %</b>
Interest income	1.3 %	0.9 %	0.6 %	0.5 %	0.4 %	0.5 %	0.4 %
Interest expenses	0.3 %	0.6 %	0.9 %	0.7 %	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	0.9 %	0.3 %	-0.3 %	-0.2 %	0.4 %	0.5 %	0.4 %
<b>Recurring pretax income from continuing operations</b>	<b>2.3 %</b>	<b>7.1 %</b>	<b>9.9 %</b>	<b>6.7 %</b>	<b>7.1 %</b>	<b>11.5 %</b>	<b>14.3 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>2.3 %</b>	<b>7.1 %</b>	<b>9.9 %</b>	<b>6.7 %</b>	<b>7.1 %</b>	<b>11.5 %</b>	<b>14.3 %</b>
Tax rate	-99.7 %	13.4 %	21.3 %	-40.2 %	6.0 %	6.0 %	6.0 %
<b>Net income from continuing operations</b>	<b>4.5 %</b>	<b>6.2 %</b>	<b>7.8 %</b>	<b>9.4 %</b>	<b>6.7 %</b>	<b>10.8 %</b>	<b>13.4 %</b>
Result from discontinued operations (net of tax)	0.0 %	4.0 %	3.9 %	4.7 %	3.1 %	2.0 %	1.7 %
<b>Net income</b>	<b>4.5 %</b>	<b>6.2 %</b>	<b>7.8 %</b>	<b>9.4 %</b>	<b>6.7 %</b>	<b>10.8 %</b>	<b>13.4 %</b>
Minority interest	0.0 %	0.0 %	-0.1 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net income (net of minority interest)</b>	<b>4.5 %</b>	<b>6.2 %</b>	<b>7.8 %</b>	<b>9.4 %</b>	<b>6.7 %</b>	<b>10.8 %</b>	<b>13.4 %</b>

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
<b>Intangible assets</b>	<b>30.6</b>	<b>41.1</b>	<b>39.2</b>	<b>38.0</b>	<b>42.4</b>	<b>42.3</b>	<b>48.1</b>
Property, plant and equipment	0.6	0.9	1.0	1.2	1.4	1.6	1.8
Financial assets	0.4	0.8	0.1	0.0	0.0	0.0	0.0
<b>FIXED ASSETS</b>	<b>31.6</b>	<b>42.8</b>	<b>40.3</b>	<b>39.2</b>	<b>43.8</b>	<b>43.9</b>	<b>49.9</b>
Inventories	2.4	2.3	2.2	3.1	3.3	3.8	4.4
Accounts receivable	5.7	7.7	6.2	7.9	8.6	10.0	11.6
Other current assets	0.8	0.8	1.4	1.2	1.2	1.2	1.2
Liquid assets	10.9	11.1	17.6	11.4	9.8	13.4	12.5
Deferred taxes	1.9	2.0	1.8	3.2	2.0	2.0	2.0
Deferred charges and prepaid expenses	0.2	0.3	0.5	0.6	0.6	0.6	0.6
<b>CURRENT ASSETS</b>	<b>21.9</b>	<b>24.1</b>	<b>29.8</b>	<b>27.5</b>	<b>25.5</b>	<b>31.0</b>	<b>32.4</b>
<b>TOTAL ASSETS</b>	<b>53.5</b>	<b>66.9</b>	<b>70.1</b>	<b>66.7</b>	<b>69.3</b>	<b>74.9</b>	<b>82.3</b>
SHAREHOLDERS EQUITY	45.9	48.5	49.9	52.3	50.8	59.5	59.7
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	0.3	0.4	0.5	1.0	1.0	1.1	1.1
Other provisions	0.0	0.6	2.5	2.4	2.4	2.4	2.4
<b>Non-current liabilities</b>	<b>0.4</b>	<b>1.0</b>	<b>3.0</b>	<b>3.4</b>	<b>3.4</b>	<b>3.5</b>	<b>3.5</b>
short-term liabilities to banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	0.7	1.2	1.3	1.7	1.8	2.0	2.4
Advance payments received on orders	0.2	0.6	1.9	2.5	2.5	2.5	2.5
Other liabilities (incl. from lease and rental contracts)	5.2	12.5	10.9	4.5	8.4	5.0	11.8
Deferred taxes	0.0	1.4	1.1	0.0	0.0	0.0	0.0
Deferred income	1.2	1.7	2.0	2.4	2.4	2.4	2.4
<b>Current liabilities</b>	<b>7.3</b>	<b>17.4</b>	<b>17.2</b>	<b>11.1</b>	<b>15.1</b>	<b>11.9</b>	<b>19.1</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>53.5</b>	<b>66.9</b>	<b>70.1</b>	<b>66.7</b>	<b>69.3</b>	<b>74.9</b>	<b>82.3</b>

Balance sheet (common size)	2009	2010	2011	2012	2013E	2014E	2015E
<b>Intangible assets</b>	<b>57.2 %</b>	<b>61.5 %</b>	<b>55.9 %</b>	<b>57.0 %</b>	<b>61.1 %</b>	<b>56.5 %</b>	<b>58.4 %</b>
Property, plant and equipment	1.1 %	1.3 %	1.4 %	1.8 %	2.0 %	2.1 %	2.2 %
Financial assets	0.7 %	1.2 %	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>FIXED ASSETS</b>	<b>59.1 %</b>	<b>64.0 %</b>	<b>57.5 %</b>	<b>58.8 %</b>	<b>63.2 %</b>	<b>58.6 %</b>	<b>60.7 %</b>
Inventories	4.5 %	3.4 %	3.1 %	4.7 %	4.7 %	5.0 %	5.4 %
Accounts receivable	10.7 %	11.4 %	8.8 %	11.9 %	12.5 %	13.3 %	14.1 %
Other current assets	1.5 %	1.2 %	2.0 %	1.8 %	1.7 %	1.6 %	1.4 %
Liquid assets	20.3 %	16.5 %	25.2 %	17.1 %	14.2 %	18.0 %	15.2 %
Deferred taxes	3.5 %	3.0 %	2.6 %	4.8 %	2.9 %	2.7 %	2.4 %
Deferred charges and prepaid expenses	0.3 %	0.4 %	0.7 %	0.9 %	0.9 %	0.8 %	0.8 %
<b>CURRENT ASSETS</b>	<b>40.9 %</b>	<b>36.0 %</b>	<b>42.5 %</b>	<b>41.2 %</b>	<b>36.8 %</b>	<b>41.4 %</b>	<b>39.3 %</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	85.7 %	72.5 %	71.2 %	78.4 %	73.3 %	79.5 %	72.6 %
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	0.6 %	0.6 %	0.7 %	1.5 %	1.5 %	1.5 %	1.4 %
Other provisions	0.1 %	0.9 %	3.5 %	3.6 %	3.4 %	3.2 %	2.9 %
<b>Non-current liabilities</b>	<b>0.7 %</b>	<b>1.6 %</b>	<b>4.2 %</b>	<b>5.0 %</b>	<b>4.9 %</b>	<b>4.6 %</b>	<b>4.3 %</b>
short-term liabilities to banks	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Accounts payable	1.4 %	1.9 %	1.9 %	2.5 %	2.6 %	2.7 %	2.9 %
Advance payments received on orders	0.4 %	0.9 %	2.7 %	3.7 %	3.6 %	3.3 %	3.0 %
Other liabilities (incl. from lease and rental contracts)	9.7 %	18.6 %	15.5 %	6.7 %	12.1 %	6.7 %	14.3 %
Deferred taxes	0.0 %	2.1 %	1.6 %	0.0 %	0.0 %	0.0 %	0.0 %
Deferred income	2.2 %	2.5 %	2.8 %	3.6 %	3.5 %	3.2 %	2.9 %
<b>Current liabilities</b>	<b>13.6 %</b>	<b>26.0 %</b>	<b>24.5 %</b>	<b>16.6 %</b>	<b>21.7 %</b>	<b>15.9 %</b>	<b>23.2 %</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)	2009	2010	2011	2012	2013E	2014E	2015E
Net profit/loss	1.5	2.3	3.5	4.8	3.7	6.9	10.1
Depreciation of fixed assets (incl. leases)	0.3	0.3	0.4	0.5	0.0	0.0	0.0
Amortisation of goodwill	1.0	0.5	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.8	1.2	1.7	1.2	1.7	1.9	2.2
Others	0.1	-0.2	0.7	-1.7	2.5	0.1	0.1
Cash flow from operations before changes in w/c	3.8	4.2	6.3	4.8	7.9	8.9	12.3
Increase/decrease in inventory	0.0	0.0	-0.2	0.2	-0.1	-0.5	-0.6
Increase/decrease in accounts receivable	0.1	-2.4	1.6	-1.3	-0.7	-1.3	-1.7
Increase/decrease in accounts payable	0.0	0.5	0.0	0.4	0.1	0.3	0.3
Increase/decrease in other working capital positions	0.0	0.2	1.7	1.5	0.0	0.0	0.0
Increase/decrease in working capital	0.1	-1.8	3.1	0.8	-0.7	-1.6	-2.0
<b>Cash flow from operating activities</b>	<b>3.9</b>	<b>2.4</b>	<b>9.4</b>	<b>5.6</b>	<b>7.2</b>	<b>7.3</b>	<b>10.3</b>
CAPEX	0.4	0.5	0.8	0.8	1.8	2.1	2.4
Payments for acquisitions	0.0	0.3	0.4	0.0	4.4	0.0	5.8
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	1.5	0.4	0.6	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-0.4</b>	<b>0.8</b>	<b>-0.8</b>	<b>-0.2</b>	<b>-6.2</b>	<b>-2.1</b>	<b>-8.2</b>
Cash flow before financing	3.5	3.2	8.7	5.4	1.0	5.3	2.1
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	1.5	2.1	2.1	2.6	1.6	3.0
Others	0.0	0.0	0.0	-9.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>-1.5</b>	<b>-1.5</b>	<b>-2.1</b>	<b>-11.1</b>	<b>-2.6</b>	<b>-1.6</b>	<b>-3.0</b>
Increase/decrease in liquid assets	2.0	1.7	6.6	-5.7	-1.6	3.6	-0.9
<b>Liquid assets at end of period</b>	<b>2.0</b>	<b>10.6</b>	<b>17.1</b>	<b>11.4</b>	<b>9.8</b>	<b>13.4</b>	<b>12.5</b>

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
Domestic	31.2	34.6	40.2	42.1	44.6	49.1	56.3
yoy change	-1.6 %	10.9 %	16.1 %	4.7 %	5.9 %	10.2 %	14.5 %
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	2.9	3.4	5.4	9.2	11.1	15.1	18.8
yoy change	25.6 %	19.7 %	58.6 %	69.0 %	21.5 %	35.5 %	24.3 %
<b>TTL</b>	<b>34.0</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>
yoy change	0.2 %	11.7 %	19.9 %	12.4 %	8.7 %	15.3 %	16.8 %

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
<b>P&amp;L growth analysis</b>							
Sales growth	0.2 %	11.7 %	19.9 %	12.4 %	8.7 %	15.3 %	16.8 %
EBITDA growth	11.3 %	81.2 %	45.2 %	-21.4 %	2.2 %	66.3 %	40.5 %
EBIT growth	-53.2 %	470.0 %	79.9 %	-24.0 %	5.2 %	89.3 %	48.0 %
EPS growth	21.4 %	48.2 %	48.3 %	34.6 %	-22.6 %	86.1 %	45.5 %
<b>Efficiency</b>							
Total operating costs / sales	42.0 %	39.9 %	37.2 %	40.2 %	42.5 %	38.5 %	35.8 %
Sales per employee	129.0	129.8	147.6	154.3	143.0	149.9	166.1
EBITDA per employee	9.6	15.7	21.7	15.9	13.8	20.9	27.9
<b>Balance sheet analysis</b>							
Avg. working capital / sales	21.7 %	20.1 %	14.6 %	11.8 %	13.1 %	13.1 %	13.6 %
Inventory turnover (sales/inventory)	14.1	16.6	20.8	16.3	17.0	17.0	17.0
Trade debtors in days of sales	61.5	73.5	49.5	56.6	56.6	56.6	56.6
A/P turnover [(A/P*365)/sales]	15.1	24.4	21.2	23.7	23.7	23.7	23.7
Cash conversion cycle (days)	96.6	93.8	64.0	76.9	76.3	76.6	76.6
<b>Cash flow analysis</b>							
Free cash flow	3.5	1.9	8.7	4.8	5.4	5.3	7.9
Free cash flow/sales	10.3 %	5.1 %	19.0 %	9.4 %	9.7 %	8.2 %	10.6 %
FCF / net profit	225.8 %	82.4 %	242.8 %	99.9 %	146.0 %	76.3 %	78.8 %
Capex / depre	21.1 %	24.6 %	37.3 %	45.8 %	106.7 %	106.7 %	110.3 %
Capex / maintenance capex	16.2 %	21.8 %	27.1 %	40.9 %	10.7 %	10.7 %	11.0 %
Capex / sales	1.3 %	1.3 %	1.7 %	1.6 %	3.2 %	3.2 %	3.2 %
<b>Security</b>							
Net debt	-10.9	-11.1	-17.6	-11.4	-9.8	-13.4	-12.5
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net debt / equity	-0.2	-0.2	-0.4	-0.2	-0.2	-0.2	-0.2
Interest cover	3.9	12.1	11.0	10.2	999.0	999.0	999.0
Dividend payout ratio	97.2 %	87.5 %	59.0 %	54.8 %	44.0 %	44.0 %	44.0 %
<b>Asset utilisation</b>							
Capital employed turnover	0.7	0.8	0.9	0.9	1.0	1.0	1.2
Operating assets turnover	4.4	4.2	7.3	6.3	6.2	6.0	5.8
Plant turnover	56.0	43.3	45.3	42.9	40.6	40.7	41.3
Inventory turnover (sales/inventory)	14.1	16.6	20.8	16.3	17.0	17.0	17.0
<b>Returns</b>							
ROCE	1.0 %	5.4 %	9.1 %	6.5 %	6.8 %	12.0 %	16.5 %
ROE	3.4 %	4.8 %	7.1 %	9.2 %	7.3 %	11.6 %	16.9 %
<b>Other</b>							
Interest paid / avg. debt	n/a	n/a	n/a	n/a	n/a	n/a	n/a
No. employees (average)	264	293	309	332	390	429	452
Number of shares	10.0	10.3	10.5	10.5	10.5	10.5	10.5
DPS	0.2	0.2	0.2	0.3	0.2	0.3	0.4
EPS reported	0.15	0.23	0.34	0.46	0.35	0.66	0.96
<b>Valuation ratios</b>							
P/BV	2.3	2.2	2.2	2.1	2.2	1.8	1.8
EV/sales	2.7	2.5	2.0	1.9	1.8	1.5	1.3
EV/EBITDA	36.7	20.8	13.7	18.8	18.7	10.8	7.8
EV/EBITA	41.1	22.3	14.6	20.7	18.7	10.8	7.8
EV/EBIT	206.3	37.2	19.8	28.0	27.1	13.8	9.4
EV/FCF	26.8	49.6	10.6	20.6	18.5	18.3	12.3
Adjusted FCF yield	1.3 %	2.4 %	4.0 %	4.9 %	3.5 %	6.7 %	10.0 %
Dividend yield	1.4 %	1.9 %	1.9 %	2.4 %	1.5 %	2.8 %	4.1 %

Source: Company data, Hauck & Aufhäuser

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#### Price and Rating History USU Software AG as of 27/02/14

Initiation coverage  
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