

**Buy** (old: Buy)

**Price target: EUR 11.00** (old: EUR 11.00)

<b>Price:</b>	EUR 8.00	<b>Next result:</b>	Q2 13 22.08.13
<b>Bloomberg:</b>	OSP2 GR	<b>Market cap:</b>	EUR 84.2 m
<b>Reuters:</b>	OSPGk.DE	<b>Enterprise Value:</b>	EUR 75.7 m

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## What do VW and the State of Bavaria have in common?

... they are among other **500 well-known companies and public authorities** which form the **customer base** of USU Software using its market leading solutions for knowledge and/or license management;

- 20% of USU's 2012 revenues were generated with public authorities and 80% with (multinational) companies across all industries.
- Thanks to this high diversified customer base, no customer has more than estimated € 3m revenue share p.a. with the Federal Employment Agency as USU's currently largest customer ...
- ... and the TOP 10 customers account for less than 20% of total sales.

This was one topic that was discussed **yesterday on our roadshow with CEO Mr. Oberschmidt and IR Mr. Sorge** to Frankfurt.

Furthermore, its customers not only just rely on USU's **favourable track record** but also on the strong product portfolio especially for its **license management solution (Aspera) with a 50% sales CAGR 10-12 and est. 30% of group sales:**

- Software companies like Microsoft can send license auditors to monitor if the contracted software licenses comply with the actually used. This could cause compliance issues which could end in penalty payments of more than € 10m for a company; USU's Aspera helps to avoid such penalties with a **ROI of < 12 months**.
- USU's outstanding leading market position motivated its competitor **CA Technologies (USA) with FY12 revenues of US\$ 4.6bn to form a cooperation with USU to distribute Aspera in the US**. While we saw integration costs of est. € 0.75m in Q1 13 for USU, we expect first revenue contributions to start in Q2 13. A floor for USU is built by guarantee payments of € 1m from CA p.a..
- Thanks to the **compliance topic and new cooperation with CA**, we expect USU's **Aspera to continue its strong growth in sales over the coming years**.

**BUY as mid-term growth outlook remains sound and is not reflected in the valuation; PT of € 11 based on FCFY 14E.**

Y/E 31.12 (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
Sales	34.0	38.0	45.6	51.2	58.0	66.7	77.3
Sales growth	0 %	12 %	20 %	12 %	13 %	15 %	16 %
EBITDA	2.5	4.6	6.7	5.3	8.7	10.9	13.1
EBIT	0.5	2.6	4.6	3.5	6.9	8.9	10.8
Net income	1.5	2.3	3.6	4.8	6.3	8.1	9.8
Net debt	-10.9	-11.1	-17.6	-11.4	-9.5	-13.2	-11.5
Net gearing	-23.7 %	-22.8 %	-35.3 %	-21.8 %	-18.7 %	-22.1 %	-19.5 %
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS fully diluted	0.25	0.27	0.34	0.46	0.60	0.77	0.93
CPS	0.18	0.04	0.70	0.37	0.50	0.62	0.75
DPS	0.15	0.20	0.20	0.25	0.26	0.34	0.41
Dividend yield	1.9 %	2.5 %	2.5 %	3.1 %	3.3 %	4.2 %	5.1 %
Gross profit margin	48.4 %	50.9 %	50.8 %	49.3 %	50.0 %	50.5 %	50.5 %
EBITDA margin	7.5 %	12.1 %	14.7 %	10.3 %	15.0 %	16.3 %	16.9 %
EBIT margin	1.3 %	6.8 %	10.2 %	6.9 %	11.9 %	13.3 %	14.0 %
ROCE	1.0 %	5.4 %	9.1 %	6.5 %	12.6 %	15.1 %	17.2 %
EV/sales	2.0	1.9	1.5	1.4	1.3	1.1	1.0
EV/EBITDA	27.3	15.5	10.0	14.0	8.7	6.6	5.7
EV/EBIT*	153.6	16.3	10.3	10.4	9.1	7.0	6.8
PER	51.9	21.2	15.8	11.7	11.0	8.9	7.6
Adjusted FCF yield	1.8 %	3.2 %	5.6 %	6.6 %	8.0 %	10.8 %	13.0 %

Source: Company data, Hauck & Aufhäuser Close price as of: 21.05.2013 - \* adjusted for acquisition related one-off costs.



Source: Company data, Hauck & Aufhäuser

**High/low 52 weeks:** 8.39 / 4.61

**Price/Book Ratio:** 1.7

**Relative performance (SDAX):**

3 months	3.5 %
6 months	8.1 %
12 months	32.1 %

### Changes in estimates

		Sales	EBIT	EPS
2013	old:	58.0	6.9	0.60
	Δ	-	-	-
2014	old:	66.7	8.9	0.77
	Δ	-	-	-
2015	old:	77.3	10.8	0.93
	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 (exc. 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>58.0</b>	<b>66.7</b>	<b>77.3</b>
<i>Sales growth</i>	0.2 %	11.7 %	19.9 %	12.4 %	13.2 %	15.0 %	15.9 %
Cost of sales	17.6	18.7	22.4	26.0	29.0	33.0	38.2
<b>Gross profit</b>	<b>16.5</b>	<b>19.4</b>	<b>23.2</b>	<b>25.2</b>	<b>29.0</b>	<b>33.7</b>	<b>39.0</b>
Sales and marketing	5.9	6.3	6.2	6.9	7.7	8.7	9.9
General and administration	2.8	2.7	4.3	4.6	5.2	5.8	6.6
Research and development	5.6	6.0	6.5	7.2	8.1	9.3	10.8
Other operating income	0.0	0.2	0.3	0.4	0.3	0.4	0.5
Other operating expenses	0.1	0.3	0.3	2.2	0.3	0.3	0.4
Unusual or infrequent items	-0.7	-1.1	-1.6	-1.1	-1.1	-1.1	-1.0
<b>EBITDA</b>	<b>2.5</b>	<b>4.6</b>	<b>6.7</b>	<b>5.3</b>	<b>8.7</b>	<b>10.9</b>	<b>13.1</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>8.7</b>	<b>10.9</b>	<b>13.1</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	1.8	2.0	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>6.9</b>	<b>8.9</b>	<b>10.8</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>7.1</b>	<b>9.2</b>	<b>11.1</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>7.1</b>	<b>9.2</b>	<b>11.1</b>
Taxes	-0.8	0.4	1.0	-1.4	0.9	1.1	1.3
<b>Net income from continuing operations</b>	<b>1.5</b>	<b>2.3</b>	<b>3.5</b>	<b>4.8</b>	<b>6.3</b>	<b>8.1</b>	<b>9.8</b>
Result from discontinued operations (net of tax)	0.0	1.5	1.8	2.4	1.4	1.4	1.3
<b>Net income</b>	<b>1.5</b>	<b>2.3</b>	<b>3.5</b>	<b>4.8</b>	<b>6.3</b>	<b>8.1</b>	<b>9.8</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>6.3</b>	<b>8.1</b>	<b>9.8</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>0.60</b>	<b>0.77</b>	<b>0.93</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 %	50.0 %	49.5 %	49.5 %
<b>Gross profit</b>	<b>48.4 %</b>	<b>50.9 %</b>	<b>50.8 %</b>	<b>49.3 %</b>	<b>50.0 %</b>	<b>50.5 %</b>	<b>50.5 %</b>
Sales and marketing	17.3 %	16.7 %	13.5 %	13.5 %	13.3 %	13.0 %	12.8 %
General and administration	8.1 %	7.1 %	9.4 %	9.1 %	9.0 %	8.7 %	8.5 %
Research and development	16.6 %	15.8 %	14.2 %	14.1 %	14.0 %	14.0 %	14.0 %
Other operating income	0.1 %	0.6 %	0.6 %	0.8 %	0.6 %	0.6 %	0.6 %
Other operating expenses	0.2 %	0.9 %	0.7 %	4.3 %	0.5 %	0.5 %	0.5 %
Unusual or infrequent items	-2.1 %	-3.0 %	-3.4 %	-2.2 %	-1.9 %	-1.6 %	-1.3 %
<b>EBITDA</b>	<b>7.5 %</b>	<b>12.1 %</b>	<b>14.7 %</b>	<b>10.3 %</b>	<b>15.0 %</b>	<b>16.3 %</b>	<b>16.9 %</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>15.0 %</b>	<b>16.3 %</b>	<b>16.9 %</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 %	3.1 %	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>11.9 %</b>	<b>13.3 %</b>	<b>14.0 %</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>12.3 %</b>	<b>13.8 %</b>	<b>14.4 %</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>12.3 %</b>	<b>13.8 %</b>	<b>14.4 %</b>
Tax rate	-99.7 %	13.4 %	21.3 %	-40.2 %	12.0 %	12.0 %	12.0 %
<b>Net income from continuing operations</b>	<b>4.5 %</b>	<b>6.2 %</b>	<b>7.8 %</b>	<b>9.4 %</b>	<b>10.8 %</b>	<b>12.2 %</b>	<b>12.7 %</b>
Result from discontinued operations (net of tax)	0.0 %	4.0 %	3.9 %	4.7 %	2.4 %	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>10.8 %</b>	<b>12.2 %</b>	<b>12.7 %</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>10.8 %</b>	<b>12.2 %</b>	<b>12.7 %</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>42.3</b>	<b>42.2</b>	<b>48.0</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>43.7</b>	<b>43.8</b>	<b>49.9</b>
Inventories	2.4	2.3	2.2	3.1	3.4	3.9	4.5
Accounts receivable	5.7	7.7	6.2	7.9	9.0	10.3	12.0
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	9.5	13.2	11.5
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>25.7</b>	<b>31.2</b>	<b>31.8</b>
<b>TOTAL ASSETS</b>	<b>53.5</b>	<b>66.9</b>	<b>70.1</b>	<b>66.7</b>	<b>69.4</b>	<b>75.1</b>	<b>81.7</b>
SHAREHOLDERS EQUITY	45.9	48.5	49.9	52.3	50.9	59.6	59.0
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	0.3	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	1.9	2.1	2.5
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>15.2</b>	<b>12.0</b>	<b>19.2</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>69.4</b>	<b>75.1</b>	<b>81.7</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>60.9 %</b>	<b>56.2 %</b>	<b>58.8 %</b>
Property, plant and equipment	1.1 %	1.3 %	1.4 %	1.8 %	2.0 %	2.1 %	2.3 %
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>63.0 %</b>	<b>58.4 %</b>	<b>61.1 %</b>
Inventories	4.5 %	3.4 %	3.1 %	4.7 %	4.9 %	5.2 %	5.6 %
Accounts receivable	10.7 %	11.4 %	8.8 %	11.9 %	12.9 %	13.8 %	14.7 %
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 %	13.7 %	17.6 %	14.1 %
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>37.0 %</b>	<b>41.6 %</b>	<b>38.9 %</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	85.7 %	72.5 %	71.2 %	78.4 %	73.3 %	79.4 %	72.2 %
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 %	2.7 %	2.9 %	3.0 %
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 %	14.4 %
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 %	3.4 %	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>21.8 %</b>	<b>16.0 %</b>	<b>23.5 %</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	6.3	8.1	9.8
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	1.8	2.0	2.2
Others	0.1	-0.2	0.7	-1.7	0.0	0.1	0.1
Cash flow from operations before changes in w/c	3.8	4.2	6.3	4.8	8.1	10.2	12.1
Increase/decrease in inventory	0.0	0.0	-0.2	0.2	-0.3	-0.5	-0.6
Increase/decrease in accounts receivable	0.1	-2.4	1.6	-1.3	-1.0	-1.3	-1.6
Increase/decrease in accounts payable	0.0	0.5	0.0	0.4	0.2	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	-1.1	-1.6	-1.9
<b>Cash flow from operating activities</b>	<b>3.9</b>	<b>2.4</b>	<b>9.4</b>	<b>5.6</b>	<b>7.0</b>	<b>8.6</b>	<b>10.1</b>
CAPEX	0.4	0.5	0.8	0.8	1.9	2.1	2.5
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>-6.3</b>	<b>-2.1</b>	<b>-8.3</b>
Cash flow before financing	3.5	3.2	8.7	5.4	0.8	6.4	1.9
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	2.8	3.6
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>-2.8</b>	<b>-3.6</b>
Increase/decrease in liquid assets	2.0	1.7	6.6	-5.7	-1.9	3.7	-1.7
<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>9.5</b>	<b>13.2</b>	<b>11.5</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	46.4	51.0	57.9
yoy change	-1.6 %	10.9 %	16.1 %	4.7 %	10.3 %	9.9 %	13.6 %
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	11.6	15.7	19.3
yoy change	25.6 %	19.7 %	58.6 %	69.0 %	26.5 %	35.1 %	23.3 %
<b>TTL</b>	<b>34.0</b>	<b>38.0</b>	<b>45.6</b>	<b>51.2</b>	<b>58.0</b>	<b>66.7</b>	<b>77.3</b>
yoy change	0.2 %	11.7 %	19.9 %	12.4 %	13.2 %	15.0 %	15.9 %

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 %	13.2 %	15.0 %	15.9 %
EBITDA growth	11.3 %	81.2 %	45.2 %	-21.4 %	65.3 %	25.1 %	20.0 %
EBIT growth	-53.2 %	470.0 %	79.9 %	-24.0 %	95.7 %	28.7 %	21.8 %
EPS growth	21.4 %	48.2 %	48.3 %	34.6 %	30.9 %	29.0 %	20.5 %
<b>Efficiency</b>							
Total operating costs / sales	42.0 %	39.9 %	37.2 %	40.2 %	36.2 %	35.6 %	35.2 %
Sales per employee	129.0	129.8	147.6	154.3	148.9	155.6	171.1
EBITDA per employee	9.6	15.7	21.7	15.9	22.3	25.4	28.9
<b>Balance sheet analysis</b>							
Avg. working capital / sales	21.7 %	20.1 %	14.6 %	11.8 %	12.9 %	13.2 %	13.7 %
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	75.8	76.2	76.2
<b>Cash flow analysis</b>							
Free cash flow	3.5	1.9	8.7	4.8	5.2	6.4	7.7
Free cash flow/sales	10.3 %	5.1 %	19.0 %	9.4 %	8.9 %	9.6 %	9.9 %
FCF / net profit	225.8 %	82.4 %	242.8 %	99.9 %	82.0 %	79.3 %	78.5 %
FCF yield	4.4 %	2.4 %	10.3 %	5.7 %	6.1 %	7.6 %	9.1 %
Capex / depre	21.1 %	24.6 %	37.3 %	45.8 %	103.2 %	106.7 %	110.3 %
Capex / maintenance capex	16.2 %	21.8 %	27.1 %	40.9 %	10.3 %	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	-9.5	-13.2	-11.5
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	1.1	1.1	1.2
Operating assets turnover	4.4	4.2	7.3	6.3	6.2	5.9	5.8
Plant turnover	56.0	43.3	45.3	42.9	42.0	41.9	42.0
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 %	12.6 %	15.1 %	17.2 %
ROE	3.4 %	4.8 %	7.1 %	9.2 %	12.4 %	13.6 %	16.6 %
<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	0.3	0.3	0.4
EPS reported	0.15	0.23	0.34	0.46	0.60	0.77	0.93
<b>Valuation ratios</b>							
P/BV	1.7	1.7	1.7	1.6	1.7	1.4	1.4
EV/sales	2.0	1.9	1.5	1.4	1.3	1.1	1.0
EV/EBITDA	27.3	15.5	10.0	14.0	8.7	6.6	5.7
EV/EBITA	30.6	16.6	10.6	15.5	8.7	6.6	5.7
EV/EBIT	153.6	27.7	14.4	20.9	11.0	8.1	6.8
EV/FCF	19.9	37.0	7.7	15.4	14.7	11.2	9.6
Dividend yield	1.9 %	2.5 %	2.5 %	3.1 %	3.3 %	4.2 %	5.1 %

Source: Company data, Hauck & Aufhäuser

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Company	Disclosure
USU Software AG	5, 8

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

#### Price and Rating History USU Software AG as of 23/05/13

**Initiation coverage**

30-April-13



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<b>Buy</b>	57.84 %	100.00 %
<b>Sell</b>	14.71 %	0.00 %
<b>Hold</b>	27.45 %	0.00 %

### Valuation basis/rating key

**Buy:** Sustainable upside potential of more than 10% within 12 months.

**Sell:** Sustainable downside potential of more than 10% within 12 months.

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### Competent supervisory authority

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