

**Hold** (old: Hold)

**Price target: EUR 21.00** (old: EUR 21.00)

<b>Price:</b>	EUR 20.15	<b>Next result:</b>	Q4 15: tba
<b>Bloomberg:</b>	OSP2 GR	<b>Market cap:</b>	EUR 212.1 m
<b>Reuters:</b>	OSPGk.DE	<b>Enterprise Value:</b>	EUR 196.0 m

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## Q3 results in-line / guidance confirmed

USU Software published its Q3 results which were in-line with our estimates. As expected, the company reiterated its 2015 guidance.

USU Software AG	Q3 2015	Q3 2015 est	Q3 2014	yoy	9M 2015	9M 2014	yoy
<b>Total Sales</b>	16.1	16.0	13.9	15.6%	46.0	41.5	10.8%
<b>EBIT</b>	1.5	1.5	1.2	20.3%	3.9	2.5	58.9%
<i>EBIT margin</i>	9.2%	9.3%	8.9%	+ 0.4 pp	8.6%	6.0%	+ 2.6 pp
<b>adj. EBIT</b>	1.8	1.8	1.6	14.7%	4.7	3.6	31.9%
<b>EPS</b>	0.19	0.15	0.13	43.7%	0.42	0.22	89.1%

Source: Company data, Hauck & Aufhäuser estimates

**Q3 sales increased by 16% yoy to € 16m which is in-line with our estimates.** Growth was driven by USU's **Project Business (79% of total sales) that grew 21% yoy to € 12.6m.** USU is currently experiencing a sound demand for its leading software license management solutions (Aspera) mainly from large-scale companies (80% of DAX or 35 Fortune Global 500 companies are already customers). Especially customers in the USA, where USU increased presence, were asking for Aspera to manage licenses more efficiently resulting in costs savings of up to 30%. Consequently, foreign sales increased by 5.5pp now representing already 30.5% of total sales. The **Service Business (21% of total sales)** which is less scalable and hence actively downsized came in with sales of € 3.5m (+4% yoy).

**Q3 adjusted EBIT was up 15% yoy to € 1.8m which is in-line with our estimates.** Growth was impacted by investments into future growth. A positive tax gain related to its subsidiary BIG lifted the **EPS by 44% yoy to € 0.19 in Q3.**

**Guidance 2015:** As expected, management confirmed its guidance to reach **sales in the range of € 65-68m (eH&A € 69m).** For the **adj. EBIT, USU aims for € 8.5m-9.5m (eH&A € 9.3m).**

**Action:** We slightly lift our 2015E EPS to reflect the better-than-expected EPS in Q3.

However, after the recent share price rally, the stock remains a **HOLD** for the moment with an unchanged **PT of € 21.00 based on FCFY 2017E.**

Y/E 31.12 (EUR m)	2011	2012	2013	2014	2015E	2016E	2017E
Sales	45.6	51.2	55.7	58.9	69.4	79.8	91.8
Sales growth	20 %	12 %	9 %	6 %	18 %	15 %	15 %
EBITDA	6.7	5.3	5.5	8.9	10.2	14.0	17.0
EBIT	4.6	3.5	3.4	6.7	7.8	11.2	13.8
Net income	3.6	4.8	3.6	5.5	7.3	10.3	12.8
Net debt	-17.6	-11.4	-14.2	-18.9	-18.0	-22.3	-29.4
Net gearing	-35.3 %	-21.8 %	-26.7 %	-34.0 %	-31.3 %	-34.5 %	-40.2 %
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS pro forma	0.51	0.69	0.49	0.57	0.83	1.10	1.22
CPS	0.70	0.37	0.74	0.53	0.59	0.90	1.14
DPS	0.20	0.25	0.25	0.30	0.35	0.40	0.45
Dividend yield	1.0 %	1.2 %	1.2 %	1.5 %	1.7 %	2.0 %	2.2 %
Gross profit margin	50.8 %	49.3 %	51.7 %	53.1 %	53.0 %	54.0 %	54.0 %
EBITDA margin	14.7 %	10.3 %	9.9 %	15.1 %	14.8 %	17.6 %	18.5 %
EBIT margin	10.2 %	6.9 %	6.1 %	11.3 %	11.3 %	14.1 %	15.0 %
ROCE	9.1 %	6.5 %	6.1 %	11.4 %	12.7 %	17.0 %	18.6 %
EV/sales	4.3	3.9	3.6	3.3	2.8	2.4	2.0
EV/EBITDA	29.1	38.3	36.2	21.9	19.1	13.7	10.9
EV/EBIT	42.0	57.2	58.4	29.2	25.1	17.1	13.4
PER	39.9	29.4	41.0	35.6	24.2	18.4	16.5
Adjusted FCF yield	1.9 %	2.4 %	2.0 %	2.7 %	4.5 %	6.2 %	7.9 %

Source: Company data, Hauck & Aufhäuser Close price as of: 19.11.2015



Source: Company data, Hauck & Aufhäuser

<b>High/low 52 weeks:</b>	20.40 / 12.55
<b>Price/Book Ratio:</b>	3.7
<b>Relative performance (SDAX):</b>	
3 months	24.5 %
6 months	22.4 %
12 months	32.1 %

### Changes in estimates

		Sales	EBIT	EPS
<b>2015</b>	<i>old:</i>	69.4	7.8	0.81
	Δ	-	-	2.6%
<b>2016</b>	<i>old:</i>	79.8	11.2	1.10
	Δ	-	-	-
<b>2017</b>	<i>old:</i>	91.8	13.8	1.22
	Δ	-	-	-

### Key share data:

Number of shares: (in m pcs)	10.5
Authorised capital: (in € m)	0.0
Book value per share: (in €)	5.4
Ø trading volume: (12 months)	6,300

### Major shareholders:

Udo Strehl	50.9 %
Free Float	37.0 %
Peter Scheufler	7.2 %
USU Board (excl. Udo Strehl)	4.9 %

### Company description:

USU develops and distributes IT software and service solutions to more than 700 customers.

## Financials

Profit and loss (EUR m)	2011	2012	2013	2014	2015E	2016E	2017E
<b>Sales</b>	<b>45.6</b>	<b>51.2</b>	<b>55.7</b>	<b>58.9</b>	<b>69.4</b>	<b>79.8</b>	<b>91.8</b>
<i>Sales growth</i>	19.9 %	12.4 %	8.8 %	5.8 %	17.8 %	15.0 %	15.0 %
Cost of sales	22.4	26.0	26.9	27.7	32.6	36.7	42.2
<b>Gross profit</b>	<b>23.2</b>	<b>25.2</b>	<b>28.8</b>	<b>31.3</b>	<b>36.8</b>	<b>43.1</b>	<b>49.6</b>
Sales and marketing	6.2	6.9	9.1	8.6	10.2	12.0	13.8
General and administration	4.3	4.6	5.9	6.5	7.6	8.2	8.5
Research and development	6.5	7.2	9.4	9.6	9.7	10.4	11.9
Other operating income	0.3	0.4	0.6	1.5	0.8	0.8	0.8
Other operating expenses	0.3	2.2	0.2	0.2	0.7	0.4	0.4
Unusual or infrequent items	-1.6	-1.1	-1.4	-1.3	-1.5	-1.7	-2.0
<b>EBITDA</b>	<b>6.7</b>	<b>5.3</b>	<b>5.5</b>	<b>8.9</b>	<b>10.2</b>	<b>14.0</b>	<b>17.0</b>
Depreciation	0.4	0.5	0.6	0.0	0.0	0.0	0.0
<b>EBITA</b>	<b>6.3</b>	<b>4.8</b>	<b>4.9</b>	<b>8.9</b>	<b>10.2</b>	<b>14.0</b>	<b>17.0</b>
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.7	1.2	1.5	2.2	2.4	2.8	3.2
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>4.6</b>	<b>3.5</b>	<b>3.4</b>	<b>6.7</b>	<b>7.8</b>	<b>11.2</b>	<b>13.8</b>
Interest income	0.3	0.3	0.1	0.5	0.2	0.2	0.3
Interest expenses	0.4	0.3	0.6	0.6	0.6	0.6	0.6
Other financial result	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-0.1	-0.1	-0.5	-0.1	-0.4	-0.3	-0.3
<b>Recurring pretax income from continuing operations</b>	<b>4.5</b>	<b>3.4</b>	<b>2.9</b>	<b>6.6</b>	<b>7.4</b>	<b>10.9</b>	<b>13.5</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>4.5</b>	<b>3.4</b>	<b>2.9</b>	<b>6.6</b>	<b>7.4</b>	<b>10.9</b>	<b>13.5</b>
Taxes	1.0	-1.4	-0.8	1.1	0.1	0.5	0.7
<b>Net income from continuing operations</b>	<b>3.5</b>	<b>4.8</b>	<b>3.6</b>	<b>5.5</b>	<b>7.3</b>	<b>10.3</b>	<b>12.8</b>
Result from discontinued operations (net of tax)	1.8	2.4	1.5	0.5	1.5	1.2	0.0
<b>Net income</b>	<b>3.5</b>	<b>4.8</b>	<b>3.6</b>	<b>5.5</b>	<b>7.3</b>	<b>10.3</b>	<b>12.8</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>3.6</b>	<b>4.8</b>	<b>3.6</b>	<b>5.5</b>	<b>7.3</b>	<b>10.3</b>	<b>12.8</b>
Average number of shares	10.5	10.5	10.5	10.5	10.5	10.5	10.5
<b>EPS reported</b>	<b>0.34</b>	<b>0.46</b>	<b>0.35</b>	<b>0.52</b>	<b>0.69</b>	<b>0.98</b>	<b>1.22</b>

Profit and loss (common size)	2011	2012	2013	2014	2015E	2016E	2017E
<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	49.2 %	50.7 %	48.3 %	46.9 %	47.0 %	46.0 %	46.0 %
<b>Gross profit</b>	<b>50.8 %</b>	<b>49.3 %</b>	<b>51.7 %</b>	<b>53.1 %</b>	<b>53.0 %</b>	<b>54.0 %</b>	<b>54.0 %</b>
Sales and marketing	13.5 %	13.5 %	16.3 %	14.5 %	14.7 %	15.0 %	15.0 %
General and administration	9.4 %	9.1 %	10.5 %	10.9 %	11.0 %	10.3 %	9.3 %
Research and development	14.2 %	14.1 %	16.9 %	16.4 %	14.0 %	13.0 %	13.0 %
Other operating income	0.6 %	0.8 %	1.1 %	2.6 %	1.1 %	1.0 %	0.9 %
Other operating expenses	0.7 %	4.3 %	0.4 %	0.3 %	1.0 %	0.5 %	0.4 %
Unusual or infrequent items	-3.4 %	-2.2 %	-2.4 %	-2.1 %	-2.2 %	-2.2 %	-2.2 %
<b>EBITDA</b>	<b>14.7 %</b>	<b>10.3 %</b>	<b>9.9 %</b>	<b>15.1 %</b>	<b>14.8 %</b>	<b>17.6 %</b>	<b>18.5 %</b>
Depreciation	0.9 %	1.0 %	1.1 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBITA</b>	<b>13.8 %</b>	<b>9.3 %</b>	<b>8.8 %</b>	<b>15.1 %</b>	<b>14.8 %</b>	<b>17.6 %</b>	<b>18.5 %</b>
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	3.6 %	2.4 %	2.6 %	3.8 %	3.5 %	3.5 %	3.5 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBIT</b>	<b>10.2 %</b>	<b>6.9 %</b>	<b>6.1 %</b>	<b>11.3 %</b>	<b>11.3 %</b>	<b>14.1 %</b>	<b>15.0 %</b>
Interest income	0.6 %	0.5 %	0.2 %	0.8 %	0.3 %	0.3 %	0.3 %
Interest expenses	0.9 %	0.7 %	1.2 %	1.0 %	0.8 %	0.7 %	0.6 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	-0.3 %	-0.2 %	-1.0 %	-0.1 %	-0.6 %	-0.4 %	-0.3 %
<b>Recurring pretax income from continuing operations</b>	<b>9.9 %</b>	<b>6.7 %</b>	<b>5.2 %</b>	<b>11.2 %</b>	<b>10.7 %</b>	<b>13.6 %</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>9.9 %</b>	<b>6.7 %</b>	<b>5.2 %</b>	<b>11.2 %</b>	<b>10.7 %</b>	<b>13.6 %</b>	<b>14.7 %</b>
Tax rate	21.3 %	-40.2 %	-27.0 %	16.4 %	2.0 %	5.0 %	5.0 %
<b>Net income from continuing operations</b>	<b>7.8 %</b>	<b>9.4 %</b>	<b>6.5 %</b>	<b>9.4 %</b>	<b>10.5 %</b>	<b>12.9 %</b>	<b>14.0 %</b>
Result from discontinued operations (net of tax)	3.9 %	4.7 %	2.7 %	0.8 %	2.2 %	1.5 %	0.0 %
<b>Net income</b>	<b>7.8 %</b>	<b>9.4 %</b>	<b>6.5 %</b>	<b>9.4 %</b>	<b>10.5 %</b>	<b>12.9 %</b>	<b>14.0 %</b>
Minority interest	-0.1 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net income (net of minority interest)</b>	<b>7.8 %</b>	<b>9.4 %</b>	<b>6.5 %</b>	<b>9.4 %</b>	<b>10.5 %</b>	<b>12.9 %</b>	<b>14.0 %</b>

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2011	2012	2013	2014	2015E	2016E	2017E
<b>Intangible assets</b>	<b>39.2</b>	<b>38.0</b>	<b>42.7</b>	<b>41.4</b>	<b>42.9</b>	<b>41.4</b>	<b>38.6</b>
Property, plant and equipment	1.0	1.2	2.1	2.1	3.2	4.5	5.9
Financial assets	0.1	0.0	0.0	0.0	0.0	0.0	0.0
<b>FIXED ASSETS</b>	<b>40.3</b>	<b>39.2</b>	<b>44.9</b>	<b>43.6</b>	<b>46.1</b>	<b>45.9</b>	<b>44.5</b>
Inventories	2.2	3.1	3.9	4.8	5.7	6.5	7.5
Accounts receivable	6.2	7.9	12.2	11.3	13.3	15.3	17.6
Other current assets	1.4	1.2	1.1	1.1	1.1	1.1	1.1
Liquid assets	17.6	11.4	14.2	18.9	18.0	22.3	29.4
Deferred taxes	1.8	3.2	4.1	4.1	4.1	4.1	4.1
Deferred charges and prepaid expenses	0.5	0.6	1.1	1.4	1.4	1.4	1.4
<b>CURRENT ASSETS</b>	<b>29.8</b>	<b>27.5</b>	<b>36.6</b>	<b>41.7</b>	<b>43.6</b>	<b>50.7</b>	<b>61.1</b>
<b>TOTAL ASSETS</b>	<b>70.1</b>	<b>66.7</b>	<b>81.4</b>	<b>85.2</b>	<b>89.7</b>	<b>96.6</b>	<b>105.6</b>
SHAREHOLDERS EQUITY	49.9	52.3	53.3	55.6	57.3	64.5	73.1
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	0.5	1.0	1.1	1.9	2.0	2.1	2.2
Other provisions	2.5	2.4	2.6	3.1	3.1	3.1	3.1
<b>Non-current liabilities</b>	<b>3.0</b>	<b>3.4</b>	<b>3.7</b>	<b>4.9</b>	<b>5.0</b>	<b>5.1</b>	<b>5.2</b>
short-term liabilities to banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	1.3	1.7	1.7	1.4	1.6	1.8	2.1
Advance payments received on orders	1.9	2.5	11.2	11.0	11.0	11.0	11.0
Other liabilities (incl. from lease and rental contracts)	10.9	4.5	7.4	7.1	9.5	9.0	9.0
Deferred taxes	1.1	0.0	0.9	0.8	0.8	0.8	0.8
Deferred income	2.0	2.4	3.2	4.4	4.4	4.4	4.4
<b>Current liabilities</b>	<b>17.2</b>	<b>11.1</b>	<b>24.5</b>	<b>24.6</b>	<b>27.3</b>	<b>27.0</b>	<b>27.3</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>70.1</b>	<b>66.7</b>	<b>81.5</b>	<b>85.2</b>	<b>89.7</b>	<b>96.6</b>	<b>105.6</b>

Balance sheet (common size)	2011	2012	2013	2014	2015E	2016E	2017E
<b>Intangible assets</b>	<b>55.9 %</b>	<b>57.0 %</b>	<b>52.5 %</b>	<b>48.7 %</b>	<b>47.8 %</b>	<b>42.9 %</b>	<b>36.5 %</b>
Property, plant and equipment	1.4 %	1.8 %	2.6 %	2.4 %	3.6 %	4.6 %	5.6 %
Financial assets	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>FIXED ASSETS</b>	<b>57.5 %</b>	<b>58.8 %</b>	<b>55.1 %</b>	<b>51.1 %</b>	<b>51.4 %</b>	<b>47.5 %</b>	<b>42.2 %</b>
Inventories	3.1 %	4.7 %	4.8 %	5.6 %	6.3 %	6.7 %	7.1 %
Accounts receivable	8.8 %	11.9 %	15.0 %	13.3 %	14.8 %	15.8 %	16.7 %
Other current assets	2.0 %	1.8 %	1.3 %	1.3 %	1.3 %	1.2 %	1.1 %
Liquid assets	25.2 %	17.1 %	17.5 %	22.2 %	20.0 %	23.1 %	27.8 %
Deferred taxes	2.6 %	4.8 %	5.0 %	4.8 %	4.6 %	4.3 %	3.9 %
Deferred charges and prepaid expenses	0.7 %	0.9 %	1.3 %	1.6 %	1.5 %	1.4 %	1.3 %
<b>CURRENT ASSETS</b>	<b>42.5 %</b>	<b>41.2 %</b>	<b>44.9 %</b>	<b>48.9 %</b>	<b>48.6 %</b>	<b>52.5 %</b>	<b>57.8 %</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	71.2 %	78.4 %	65.5 %	65.3 %	63.9 %	66.8 %	69.2 %
MINORITY INTEREST	0.0 %	0.0 %	-0.1 %	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	0.7 %	1.5 %	1.3 %	2.2 %	2.2 %	2.1 %	2.0 %
Other provisions	3.5 %	3.6 %	3.2 %	3.6 %	3.4 %	3.2 %	2.9 %
<b>Non-current liabilities</b>	<b>4.2 %</b>	<b>5.0 %</b>	<b>4.5 %</b>	<b>5.8 %</b>	<b>5.6 %</b>	<b>5.3 %</b>	<b>4.9 %</b>
short-term liabilities to banks	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Accounts payable	1.9 %	2.5 %	2.1 %	1.6 %	1.8 %	1.9 %	2.0 %
Advance payments received on orders	2.7 %	3.7 %	13.8 %	12.9 %	12.3 %	11.4 %	10.4 %
Other liabilities (incl. from lease and rental contracts)	15.5 %	6.7 %	9.1 %	8.3 %	10.6 %	9.3 %	8.5 %
Deferred taxes	1.6 %	0.0 %	1.1 %	0.9 %	0.9 %	0.8 %	0.7 %
Deferred income	2.8 %	3.6 %	3.9 %	5.2 %	4.9 %	4.5 %	4.2 %
<b>Current liabilities</b>	<b>24.5 %</b>	<b>16.6 %</b>	<b>30.1 %</b>	<b>28.9 %</b>	<b>30.5 %</b>	<b>27.9 %</b>	<b>25.8 %</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)	2011	2012	2013	2014	2015E	2016E	2017E
Net profit/loss	3.5	4.8	3.6	5.5	7.3	10.3	12.8
Depreciation of fixed assets (incl. leases)	0.4	0.5	0.6	0.0	0.0	0.0	0.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.7	1.2	1.5	2.2	2.4	2.8	3.2
Others	0.7	-1.7	-0.7	0.4	0.1	0.1	0.1
Cash flow from operations before changes in w/c	6.3	4.8	5.0	8.1	9.8	13.2	16.1
Increase/decrease in inventory	-0.2	0.2	0.0	-0.9	-0.9	-0.8	-1.0
Increase/decrease in accounts receivable	1.6	-1.3	-2.8	0.9	-2.0	-2.0	-2.3
Increase/decrease in accounts payable	0.0	0.4	0.1	-0.3	0.2	0.2	0.3
Increase/decrease in other working capital positions	1.7	1.5	7.6	0.0	0.0	0.0	0.0
Increase/decrease in working capital	3.1	0.8	4.8	-0.4	-2.6	-2.6	-3.0
<b>Cash flow from operating activities</b>	<b>9.4</b>	<b>5.6</b>	<b>9.9</b>	<b>7.7</b>	<b>7.2</b>	<b>10.6</b>	<b>13.1</b>
CAPEX	0.8	0.8	1.5	1.1	1.4	1.6	1.8
Payments for acquisitions	0.4	0.0	2.8	0.0	3.6	1.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.4	0.6	0.0	0.0	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-0.8</b>	<b>-0.2</b>	<b>-4.3</b>	<b>-1.1</b>	<b>-5.0</b>	<b>-2.6</b>	<b>-1.8</b>
Cash flow before financing	8.7	5.4	5.6	6.6	2.2	8.0	11.3
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	2.1	2.1	2.6	2.6	3.2	3.7	4.2
Others	0.0	-9.0	0.0	0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.0	-0.1	0.7	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>-2.1</b>	<b>-11.1</b>	<b>-2.6</b>	<b>-2.6</b>	<b>-3.2</b>	<b>-3.7</b>	<b>-4.2</b>
Increase/decrease in liquid assets	6.6	-5.7	2.8	4.7	-0.9	4.3	7.1
<b>Liquid assets at end of period</b>	<b>17.1</b>	<b>11.4</b>	<b>14.2</b>	<b>18.9</b>	<b>18.0</b>	<b>22.3</b>	<b>29.4</b>

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2011	2012	2013	2014	2015E	2016E	2017E
Domestic	40.2	42.1	47.0	43.3	48.6	51.9	0.0
yoy change	16.1 %	4.7 %	11.7 %	-7.8 %	12.2 %	6.8 %	n/a
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	5.4	9.2	8.7	15.6	20.8	27.9	0.0
yoy change	58.6 %	69.0 %	-4.7 %	78.7 %	33.3 %	34.2 %	n/a
<b>TTL</b>	<b>45.6</b>	<b>51.2</b>	<b>55.7</b>	<b>58.9</b>	<b>69.4</b>	<b>79.8</b>	<b>91.8</b>
yoy change	19.9 %	12.4 %	8.8 %	5.8 %	17.8 %	15.0 %	15.0 %

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2011	2012	2013	2014	2015E	2016E	2017E
<b>P&amp;L growth analysis</b>							
Sales growth	19.9 %	12.4 %	8.8 %	5.8 %	17.8 %	15.0 %	15.0 %
EBITDA growth	45.2 %	-21.4 %	4.3 %	61.8 %	15.3 %	36.8 %	21.2 %
EBIT growth	79.9 %	-24.0 %	-3.4 %	95.8 %	17.2 %	43.6 %	22.7 %
EPS growth	48.3 %	34.6 %	-24.1 %	51.2 %	32.0 %	42.0 %	24.1 %
<b>Efficiency</b>							
Total operating costs / sales	37.2 %	40.2 %	43.1 %	39.6 %	39.6 %	37.8 %	36.8 %
Sales per employee	147.6	154.3	127.5	130.4	153.2	175.4	n/a
EBITDA per employee	21.7	15.9	12.6	19.7	22.6	30.8	n/a
<b>Balance sheet analysis</b>							
Avg. working capital / sales	14.6 %	11.8 %	9.0 %	5.8 %	7.2 %	9.6 %	11.4 %
Inventory turnover (sales/inventory)	20.8	16.3	14.3	12.3	12.3	12.3	12.3
Trade debtors in days of sales	49.5	56.6	79.9	70.0	70.0	70.0	70.0
A/P turnover [(A/P*365)/sales]	21.2	23.7	23.6	18.4	18.4	18.4	18.4
Cash conversion cycle (days)	64.0	76.9	109.2	115.0	114.8	116.2	116.2
<b>Cash flow analysis</b>							
Free cash flow	8.7	4.8	8.3	6.6	5.8	9.0	11.3
Free cash flow/sales	19.0 %	9.4 %	14.9 %	11.2 %	8.4 %	11.3 %	12.3 %
FCF / net profit	242.8 %	99.9 %	227.9 %	120.2 %	79.7 %	87.0 %	88.2 %
Capex / depre	37.3 %	45.8 %	74.3 %	50.5 %	57.1 %	57.1 %	57.1 %
Capex / maintenance capex	27.1 %	40.9 %	56.6 %	43.6 %	111.0 %	116.1 %	122.4 %
Capex / sales	1.7 %	1.6 %	2.8 %	1.9 %	2.0 %	2.0 %	2.0 %
<b>Security</b>							
Net debt	-17.6	-11.4	-14.2	-18.9	-18.0	-22.3	-29.4
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net debt / equity	-0.4	-0.2	-0.3	-0.3	-0.3	-0.3	-0.4
Interest cover	11.0	10.2	5.3	11.7	13.7	19.6	24.1
Dividend payout ratio	59.0 %	54.8 %	72.2 %	57.3 %	50.6 %	40.7 %	36.9 %
<b>Asset utilisation</b>							
Capital employed turnover	0.9	0.9	1.0	1.0	1.1	1.1	1.2
Operating assets turnover	7.3	6.3	10.6	10.2	7.3	6.0	5.1
Plant turnover	45.3	42.9	26.5	28.4	21.8	17.9	15.5
Inventory turnover (sales/inventory)	20.8	16.3	14.3	12.3	12.3	12.3	12.3
<b>Returns</b>							
ROCE	9.1 %	6.5 %	6.1 %	11.4 %	12.7 %	17.0 %	18.6 %
ROE	7.1 %	9.2 %	6.8 %	9.9 %	12.7 %	16.0 %	17.5 %
<b>Other</b>							
Interest paid / avg. debt	n/a	n/a	n/a	n/a	n/a	n/a	n/a
No. employees (average)	309	332	437	452	453	455	0
Number of shares	10.5	10.5	10.5	10.5	10.5	10.5	10.5
DPS	0.2	0.3	0.3	0.3	0.4	0.4	0.5
EPS reported	0.34	0.46	0.35	0.52	0.69	0.98	1.22
<b>Valuation ratios</b>							
P/BV	4.2	4.1	4.0	3.8	3.7	3.3	2.9
EV/sales	4.3	3.9	3.6	3.3	2.8	2.4	2.0
EV/EBITDA	29.1	38.3	36.2	21.9	19.1	13.7	10.9
EV/EBITA	30.9	42.3	40.7	21.9	19.1	13.7	10.9
EV/EBIT	42.0	57.2	58.4	29.2	25.1	17.1	13.4
EV/FCF	22.5	42.0	23.9	29.4	33.8	21.3	16.3
Adjusted FCF yield	1.9 %	2.4 %	2.0 %	2.7 %	4.5 %	6.2 %	7.9 %
Dividend yield	1.0 %	1.2 %	1.2 %	1.5 %	1.7 %	2.0 %	2.2 %

Source: Company data, Hauck & Aufhäuser

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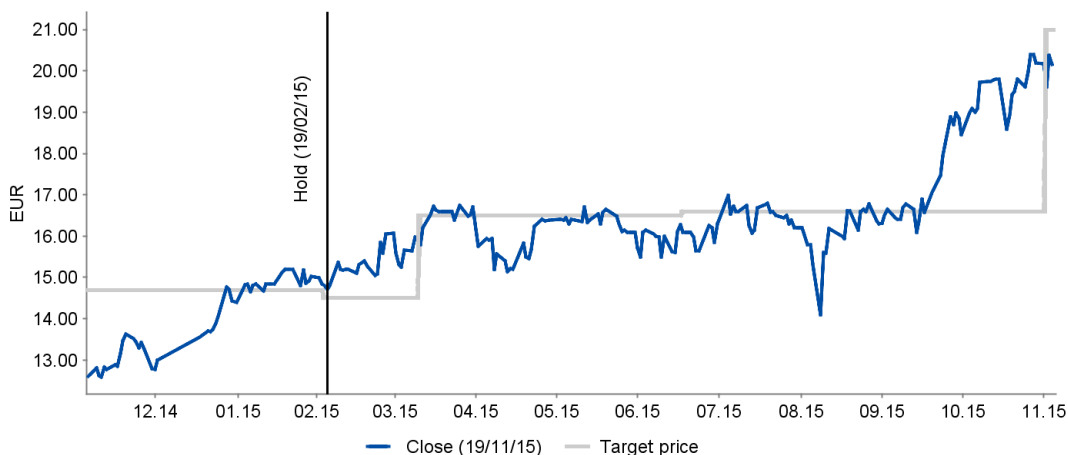
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Company	Disclosure
USU Software AG	2, 5

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

**Price and Rating History**  
USU Software AG as of 20/11/15

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