

# Aktie

## Kompakt

LBBW Research | Corporates

## USU

- Targets for 2020 exceeded
- Guidance for 2021 more than cautious
- Price target and rating confirmed

The sales and earnings results achieved by USU in 2020 came as a positive surprise to us. This growth was mainly driven by the Consulting segment, which benefited from strong business with the public sector in Germany and with financial service providers.

- Newly filled management positions in sales and marketing in Germany, France and the US and strong staff growth in sales are increasingly generating new orders.
- USU more than compensated for the negative margin effect of the progressive changeover from licenses to SaaS in product business.
- The record order backlog is an encouraging sign for 2021, but USU is keeping things low-key with its cautious guidance. Despite the continuing economic headwind due to COVID-19, at least in the first half of 2021, our planning is more optimistic.
- The medium-term targets of average organic sales growth of 10% for the coming years and growth in the operating margin on an adjusted EBIT basis to 13–15% by 2024 have been confirmed.
- We are retaining our price target, which is based on a DCF valuation, at EUR 32.50 and confirming our Buy recommendation.

### Opportunities

Multi-award-winning software applications

Big data and digitalization of companies driving growth

International expansion, sound balance sheet ratios

### Threats

Strong SaaS growth holding back margin development

Individual larger orders could create more volatility over the year

Low free float market capitalization

**RATING**  
**BUY**  
(UNCHANGED)

**TARGET PRICE**  
**32.50 EUR**  
(UNCHANGED)



Reuters: OSPGk

Bloomberg: OSP2 GY

<b>CURRENT PRICE</b>	<b>28.00 EUR</b>
(XETRA; 2021-03-25; 02:57 PM)	
CLOSE PRICE (2021-03-24)	27.00 EUR
EXPECTED PERFORMANCE	20.4 %
MARKET CAPITALIZATION	284 m EUR
INDEX (WEIGHT)	CDAX (0.01 %)
ISIN / WKN	DE000A0BVU28 / A0BVU2
SECTOR	Software

#### Key figures

Company figures in m EUR,  
per share data in EUR

	2020	2021E	2022E
Sales	107	115	128
EBIT adjusted	9	11	15
EPS adjusted	0.72	0.74	0.99
Dividend	0.40	0.45	0.50
P / E adjusted	38.3	36.3	27.3
Dividend yield	1.4 %	1.7 %	1.9 %

Source: USU, Refinitiv, LBBW Research

**Analyst: Mirko Maier**  
Senior Investment Analyst

COMPLETION: 2021-04-08 16:03

FIRST DISSEMINATION: 2021-04-08 16:05

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## Company profile.

USU is the largest European provider of IT and knowledge management software. The company develops applications for recording IT infrastructure in terms of performance, spread and cost. In addition, knowledge-based KM solutions are developed. The product portfolio is rounded out by accompanying services. In 2020, USU had 732 employees and generated sales of EUR 107m. The balance sheet is characterized by a high equity ratio, no liabilities to banks and high net liquidity. Founder Udo Strehl is the majority owner of the company with a share of just over 50%.

## Business Update.

**Targets for 2020 achieved:** In view of the pandemic, USU had temporarily no longer expected to be able to achieve its annual targets for sales (EUR 102–107m) and earnings (EUR 7–10m) that were issued at the beginning of 2021. But with the consolidated sales of EUR 107.3m and the operating earnings of EUR 9.2m now achieved, USU delivered a positive surprise. This growth was mainly driven by the Consulting segment, which benefited from strong business with the public sector in Germany and with financial service providers. The operating margin climbed from 6.5% to 8.6%. USU thus more than compensated for the negative margin effect of the progressive changeover from licenses to SaaS in product business.

**Guidance for 2021 more than cautious:** In the coronavirus year 2020, USU increased its sales by a substantial 12.2% while its order backlog grew by 26% to a record level of EUR 62m. Nonetheless, USU only expects to achieve slight, single-digit sales growth due to COVID-19. Operating earnings are expected to remain at the previous year's level or, in the best-case scenario, increase to EUR 10m. Despite the continuing economic headwind due to COVID-19, at least in the first half of 2021, we anticipate sales growth of almost 7% and a rise in adjusted EBIT to just under EUR 11m. The medium-term targets of average organic sales growth of 10% for the coming years and growth in the operating margin on an adjusted EBIT basis to 13–15% by 2024 have been confirmed.

## Price performance and shareholder structure.



Source: USU, Refinitiv, LBBW Research

# USU

Headquarters:  
Möglingen (DE)

Number of employees: 732  
[www.usu.de](http://www.usu.de)



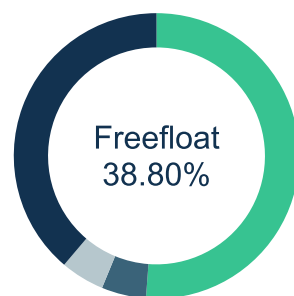
## 12,2 %

### Sales growth in 2020

## Next Events:

[Quarterly report 2021-05-14](#)

- Udo Strehl (51.18%)
- MainFirst SICAV (5.05%)
- Peter Scheuffer (4.97%)



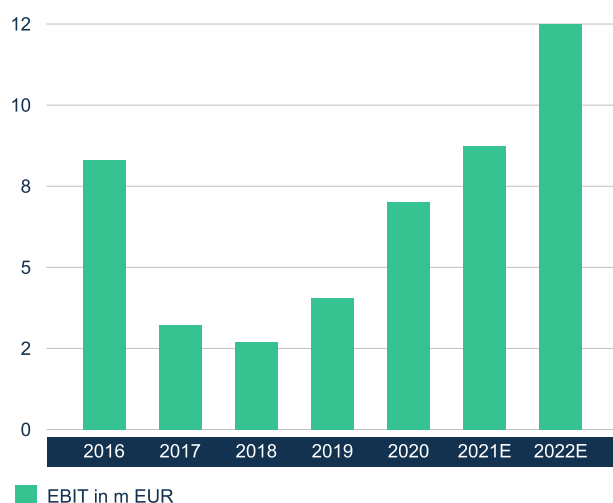
# Key data.

(Company figures in m EUR, per share data in EUR)

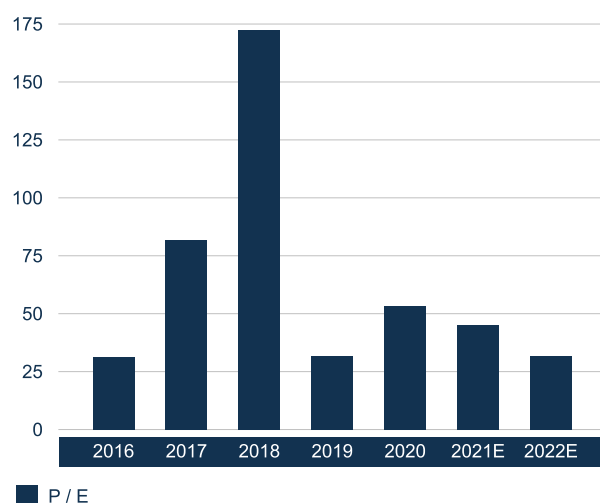
	2016	2017	2018	2019	2020	2021E	2022E
<b>PROFIT AND LOSS STATEMENT (DEC 31)</b>							
Sales	72	84	90	96	107	115	128
EBIT	8	3	3	4	7	9	12
EBIT adjusted	10	6	4	6	9	11	15
Earnings before taxes (EBT)	8	3	3	4	7	9	12
Net profit	7	3	1	5	5	6	9
EPS adjusted	0.75	0.58	0.18	0.70	0.72	0.74	0.99
Dividend	0.40	0.40	0.40	0.40	0.40	0.45	0.50
<b>GROWTH YOY</b>							
Sales	n.a.	17.0 %	7.3 %	5.7 %	12.2 %	6.8 %	11.5 %
EBIT	n.a.	-61.2 %	-16.0 %	49.8 %	73.2 %	24.6 %	42.9 %
EBIT adjusted	n.a.	-36.3 %	-32.7 %	50.9 %	48.5 %	17.5 %	33.6 %
Earnings before taxes (EBT)	n.a.	-62.5 %	-9.7 %	44.1 %	67.9 %	28.0 %	43.1 %
EPS adjusted	n.a.	-22.5 %	-68.4 %	281.7 %	3.6 %	3.0 %	33.2 %
Dividend	n.a.	0.0 %	0.0 %	0.0 %	0.0 %	12.5 %	11.1 %
<b>MARGINS</b>							
EBITDA margin	15.0 %	8.1 %	6.1 %	10.4 %	11.5 %	12.3 %	14.1 %
EBIT margin	13.3 %	7.3 %	4.6 %	6.5 %	8.6 %	9.5 %	11.3 %
Earnings before taxes (EBT)	11.5 %	3.7 %	3.1 %	4.2 %	6.3 %	7.6 %	9.7 %
Net profit margin	9.4 %	4.0 %	1.1 %	5.5 %	5.1 %	5.5 %	7.0 %
<b>VALUATION RATIOS</b>							
Enterprise value / Revenue	2.6	3.1	1.7	1.6	2.6	2.3	2.1
Enterprise value / EBITDA	17.7	38.0	28.5	15.6	22.1	18.8	14.7
Enterprise value / EBIT	19.8	42.4	38.1	24.8	29.6	24.3	18.2
Price-To-Earnings ratio (P / E ratio)	27.1	45.3	86.2	22.7	38.3	36.3	27.3
Price-To-Book ratio (P / B ratio)	3.3	4.4	2.8	2.8	4.7	4.5	4.2
Dividend yield	2.0 %	1.5 %	2.5 %	2.5 %	1.4 %	1.7 %	1.9 %

Source: USU, Refinitiv, LBBW Research

## Key figures.



## Valuation.



# Disclaimer.



LBBW Research Rating Systematics (absolute share rating system)

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Sell: Based on a time horizon up to 12 months, we recommend that investors sell the stock

Hold: We take a neutral view on the stock and, based on a time horizon of up to 12 months, do not recommend either a Buy or Sell.

Under review: The rating is currently updated.

Suspended: The evaluation of the company is currently not feasible.

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Date	Recommendation
2020-05-27	Buy
2017-01-09	Buy

Date	Target price
2021-02-18	32.50 EUR
2020-09-17	26.75 EUR
2020-05-27	20.50 EUR
2020-03-30	16.50 EUR
2020-03-09	18.50 EUR