

Hold (old: Hold)

Price target: EUR 16.50 (old: EUR 18.00)

Price: EUR 14.70 **Next result:** Q1'19: 23.05.19
Bloomberg: OSP2@GR **Market cap:** EUR 152.1 m
Reuters: OSPGk.DE **Enterprise Value:** EUR 146.0 m

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Q4 out: More SaaS, less license sales; chg. est. & PT

USU reported Q4'18 figures in-line with expectations and its revised guidance. Moreover, the 2019 outlook was confirmed. While recurring revenues are improving, lower license sales continue to burden profitability.

Q4 sales were up 3% yoy to € 26m (eH&A € 25m). With this USU finished the year at € 91m total sales, in line with expectations and at the upper end of its revised guidance of €89-91m. Important to note however, **FY license sales were down 15% yoy to € 13m**, which should be mainly driven by a higher share of SaaS contracts but also by a softer US business, where USU had to postpone some deals. Positively, the **recurring maintenance and SaaS revenues increased by 17% yoy to € 26m**, now representing **29% of total sales**.

Q4 adj. EBIT dropped some 48% yoy to € 2.3m (eH&A € 2.2m). Therefore, USU ended the year with € 4.1m adj. EBIT at the lower end of its FY guidance (€ 4-5m). Key driver behind this soft development should be the **changed revenue mix**, with a **smaller share of highly profitable license sales**. On top of this increased marketing costs including the hiring of new senior sales managers in an effort to improve sales performance especially in the US burdened the bottom line.

For 2019 USU reiterated its guidance of € 98-101m sales and € 7.5-10.0m adj. EBIT. While the overall sales guidance looks achievable (eH&A), EBIT is heavily dependent on sales mix, i.e. strong license sales. However, the above mentioned weakness of license sales in Q4, which is underpinned by the fact that **USU to date still could not close some of its postponed deals** as mentioned during the conference call, leave very low visibility on a potential improvement in 2019. We therefore remain cautious with regard to adj. EBIT, which we expect to come in close to the lower end of the guidance (eH&A € 7m).

Action: We slightly trim our top line and EBIT estimates on the back of the ongoing soft license sales.

In sum, visibility on an uptick of license sales in the near term remains limited. Nevertheless, we continue to like USU's attractive product portfolio, which should benefit from increased SaaS sales in the long run. Reiterate **Hold** with a new **PT of € 16.50** based on DCF.



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 26.80 / 14.45
Price/Book Ratio: 2.6
Relative performance (SDAX):
3 months -
6 months -
12 months -27.8 %

Changes in estimates

		Sales	EBIT	EPS
2018	old:	89.0	2.7	0.41
	Δ	1.7%	1.9%	-40.3%
2019	old:	97.9	5.6	0.65
	Δ	-0.2%	-2.4%	-3.6%
2020	old:	106.7	8.2	0.79
	Δ	-0.2%	-4.4%	-4.3%

Key share data:

Number of shares: (in m pcs) 10.5
Authorised capital: (in € m) 0.0
Book value per share: (in €) 5.7
Ø trading volume: (12 months) 6,300

Major shareholders:

AUSUM GmbH (Udo Strehl) 51.1 %
Free Float 34.2 %
Peter Scheufler 5.3 %
USU Board (excl. Udo Strehl) 4.9 %
MainFirst SICAV 4.6 %

Company description:

USU develops and distributes IT software and service solutions to more than 1000 customers.

Y/E 31.12 (EUR m)	2015	2016	2017	2018E	2019E	2020E	2021E
Sales	66.1	72.1	84.4	90.5	97.7	106.5	116.1
Sales growth	12 %	9 %	17 %	7 %	8 %	9 %	9 %
EBITDA	9.9	10.8	6.8	5.5	9.4	11.1	12.7
EBIT	7.6	8.3	3.2	2.7	5.5	7.9	9.5
Net income	8.4	6.8	3.4	1.0	5.2	7.4	9.0
Net debt	-23.1	-23.2	-14.6	-8.3	-13.2	-16.5	-20.3
Net gearing	-38.0 %	-36.4 %	-23.1 %	-14.0 %	-20.6 %	-24.0 %	-27.5 %
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS pro forma	0.84	0.76	0.68	0.24	0.63	0.76	0.85
CPS	1.06	0.39	0.44	0.06	0.52	0.67	0.79
DPS	0.35	0.40	0.40	0.06	0.31	0.36	0.46
Dividend yield	2.4 %	2.8 %	2.8 %	0.4 %	2.1 %	2.5 %	3.2 %
Gross profit margin	53.1 %	55.2 %	54.0 %	51.9 %	53.0 %	53.5 %	54.0 %
EBITDA margin	14.9 %	15.0 %	8.1 %	6.1 %	9.6 %	10.4 %	11.0 %
EBIT margin	11.5 %	11.5 %	3.8 %	3.0 %	5.6 %	7.4 %	8.2 %
ROCE	12.0 %	12.4 %	4.6 %	3.9 %	7.9 %	11.0 %	12.4 %
EV/sales	2.0	1.8	1.7	1.6	1.4	1.3	1.2
EV/EBITDA	13.2	12.2	20.4	26.5	15.1	12.5	10.6
EV/EBIT	17.2	15.8	43.4	53.9	25.8	17.5	14.1
PER	17.3	19.0	21.3	59.2	22.9	19.1	16.9
Adjusted FCF yield	6.8 %	6.0 %	4.6 %	1.5 %	4.7 %	6.1 %	7.4 %

Source: Company data, Hauck & Aufhäuser Close price as of: 02.04.2019

Financials

Profit and loss (EUR m)	2015	2016	2017	2018E	2019E	2020E	2021E
Sales	66.1	72.1	84.4	90.5	97.7	106.5	116.1
Sales growth	12.1 %	9.1 %	17.0 %	7.3 %	8.0 %	9.0 %	9.0 %
Cost of sales	31.0	32.3	38.8	43.6	45.9	49.5	53.4
Gross profit	35.1	39.8	45.5	46.9	51.8	57.0	62.7
Sales and marketing	9.3	13.3	17.2	18.8	19.3	20.8	22.6
General and administration	7.1	6.7	9.3	10.6	11.1	11.5	12.2
Research and development	10.5	11.3	13.8	15.3	16.2	17.0	18.6
Other operating income	1.0	1.3	1.0	1.2	1.0	0.9	0.9
Other operating expenses	0.2	0.2	0.7	0.7	0.7	0.6	0.7
Unusual or infrequent items	-1.3	-1.2	-2.2	0.0	0.0	0.0	0.0
EBITDA	9.9	10.8	6.8	5.5	9.4	11.1	12.7
Depreciation	0.8	1.0	1.2	1.5	1.4	1.2	1.1
EBITA	9.1	9.7	5.7	4.0	8.0	9.9	11.6
Amortisation of goodwill	0.0	0.0	0.8	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.5	1.4	1.6	1.3	2.6	2.0	2.1
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT (inc revaluation net)	7.6	8.3	3.2	2.7	5.5	7.9	9.5
Interest income	0.3	0.3	0.1	0.2	0.4	0.5	0.5
Interest expenses	0.1	0.3	0.2	0.1	0.1	0.1	0.1
Other financial result	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	0.3	0.0	-0.1	0.1	0.4	0.4	0.5
Recurring pretax income from continuing operations	7.9	8.3	3.1	2.8	5.8	8.3	10.0
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	7.9	8.3	3.1	2.8	5.8	8.3	10.0
Taxes	-0.5	1.5	-0.3	1.9	0.6	0.8	1.0
Net income from continuing operations	8.4	6.8	3.4	1.0	5.2	7.4	9.0
Result from discontinued operations (net of tax)	0.4	1.2	3.8	1.6	1.4	0.5	0.0
Net income	8.4	6.8	3.4	1.0	5.2	7.4	9.0
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	8.4	6.8	3.4	1.0	5.2	7.4	9.0
Average number of shares	10.5	10.5	10.5	10.5	10.5	10.5	10.5
EPS reported	0.80	0.64	0.32	0.09	0.50	0.71	0.85

Profit and loss (common size)	2015	2016	2017	2018E	2019E	2020E	2021E
Sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales	46.9 %	44.8 %	46.0 %	48.1 %	47.0 %	46.5 %	46.0 %
Gross profit	53.1 %	55.2 %	54.0 %	51.9 %	53.0 %	53.5 %	54.0 %
Sales and marketing	14.0 %	18.5 %	20.4 %	20.8 %	19.8 %	19.5 %	19.5 %
General and administration	10.8 %	9.3 %	11.1 %	11.7 %	11.4 %	10.8 %	10.5 %
Research and development	15.9 %	15.6 %	16.4 %	16.9 %	16.6 %	16.0 %	16.0 %
Other operating income	1.4 %	1.7 %	1.2 %	1.3 %	1.0 %	0.8 %	0.8 %
Other operating expenses	0.4 %	0.3 %	0.9 %	0.7 %	0.7 %	0.6 %	0.6 %
Unusual or infrequent items	neg.	neg.	neg.	0.0 %	0.0 %	0.0 %	0.0 %
EBITDA	14.9 %	15.0 %	8.1 %	6.1 %	9.6 %	10.4 %	11.0 %
Depreciation	1.2 %	1.4 %	1.4 %	1.7 %	1.4 %	1.1 %	0.9 %
EBITA	13.7 %	13.5 %	6.7 %	4.4 %	8.2 %	9.3 %	10.0 %
Amortisation of goodwill	0.0 %	0.0 %	0.9 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	2.2 %	2.0 %	2.0 %	1.4 %	2.6 %	1.9 %	1.8 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT (inc revaluation net)	11.5 %	11.5 %	3.8 %	3.0 %	5.6 %	7.4 %	8.2 %
Interest income	0.5 %	0.4 %	0.1 %	0.2 %	0.4 %	0.4 %	0.5 %
Interest expenses	0.1 %	0.4 %	0.2 %	0.1 %	0.1 %	0.1 %	0.1 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	0.4 %	0.0 %	neg.	0.1 %	0.4 %	0.4 %	0.4 %
Recurring pretax income from continuing operations	11.9 %	11.5 %	3.7 %	3.1 %	6.0 %	7.8 %	8.6 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	11.9 %	11.5 %	3.7 %	3.1 %	6.0 %	7.8 %	8.6 %
Tax rate	-6.4 %	18.4 %	-8.2 %	65.8 %	10.0 %	10.0 %	10.0 %
Net income from continuing operations	12.7 %	9.4 %	4.0 %	1.1 %	5.4 %	7.0 %	7.7 %
Result from discontinued operations (net of tax)	0.6 %	1.7 %	4.5 %	1.8 %	1.4 %	0.5 %	0.0 %
Net income	12.7 %	9.4 %	4.0 %	1.1 %	5.4 %	7.0 %	7.7 %
Minority interest	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net profit (reported)	12.7 %	9.4 %	4.0 %	1.1 %	5.4 %	7.0 %	7.7 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2015	2016	2017	2018E	2019E	2020E	2021E
Intangible assets	42.3	41.0	49.7	48.1	46.5	45.6	44.7
Property, plant and equipment	2.1	2.1	2.2	2.2	1.8	1.6	1.7
Financial assets	0.0	0.0	0.7	0.8	0.8	0.8	0.8
FIXED ASSETS	44.4	43.1	52.6	51.0	49.1	48.0	47.1
Inventories	3.1	4.4	4.0	5.0	5.4	5.9	6.4
Accounts receivable	11.9	14.8	18.5	20.4	22.0	24.0	26.2
Other current assets	1.3	1.6	1.5	1.9	1.9	1.9	1.9
Liquid assets	23.1	23.2	15.7	9.5	14.3	17.6	21.4
Deferred taxes	4.2	3.8	5.9	5.9	5.9	5.9	5.9
Deferred charges and prepaid expenses	1.1	1.0	1.3	1.4	1.4	1.4	1.4
CURRENT ASSETS	44.8	48.8	46.8	44.1	51.0	56.7	63.3
TOTAL ASSETS	89.2	91.9	99.4	95.1	100.1	104.7	110.4
SHAREHOLDERS EQUITY	60.8	63.6	63.0	59.7	64.3	68.5	73.7
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	0.0	0.0	0.3	0.3	0.3	0.3	0.3
Provisions for pensions and similar obligations	1.9	2.3	2.2	2.3	2.4	2.5	2.7
Other provisions	2.9	2.7	4.6	4.0	4.0	4.0	4.0
Non-current liabilities	4.8	5.0	7.1	6.6	6.7	6.8	6.9
short-term liabilities to banks	0.0	0.0	0.9	0.9	0.9	0.9	0.9
Accounts payable	1.6	1.9	3.6	3.7	3.9	4.2	4.5
Advance payments received on orders	9.9	9.3	7.5	6.6	6.6	6.6	6.6
Other liabilities (incl. from lease and rental contracts)	6.7	6.2	7.4	7.6	7.6	7.6	7.6
Deferred taxes	0.1	0.0	2.5	2.2	2.2	2.2	2.2
Deferred income	5.3	6.0	7.5	8.0	8.0	8.0	8.0
Current liabilities	23.6	23.3	29.3	28.9	29.1	29.4	29.7
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	89.2	91.9	99.4	95.1	100.1	104.7	110.4

Balance sheet (common size)	2015	2016	2017	2018E	2019E	2020E	2021E
Intangible assets	47.4 %	44.6 %	50.0 %	50.5 %	46.5 %	43.5 %	40.4 %
Property, plant and equipment	2.4 %	2.3 %	2.2 %	2.3 %	1.8 %	1.6 %	1.5 %
Financial assets	0.0 %	0.0 %	0.7 %	0.8 %	0.8 %	0.7 %	0.7 %
FIXED ASSETS	49.8 %	46.9 %	52.9 %	53.6 %	49.0 %	45.8 %	42.7 %
Inventories	3.5 %	4.8 %	4.0 %	5.2 %	5.4 %	5.6 %	5.8 %
Accounts receivable	13.3 %	16.1 %	18.6 %	21.4 %	22.0 %	22.9 %	23.7 %
Other current assets	1.5 %	1.8 %	1.5 %	2.0 %	1.9 %	1.8 %	1.7 %
Liquid assets	25.9 %	25.2 %	15.8 %	9.9 %	14.3 %	16.8 %	19.4 %
Deferred taxes	4.7 %	4.1 %	5.9 %	6.2 %	5.9 %	5.7 %	5.4 %
Deferred charges and prepaid expenses	1.3 %	1.1 %	1.3 %	1.5 %	1.4 %	1.4 %	1.3 %
CURRENT ASSETS	50.2 %	53.1 %	47.1 %	46.4 %	51.0 %	54.2 %	57.3 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	68.2 %	69.2 %	63.4 %	62.7 %	64.2 %	65.4 %	66.8 %
MINORITY INTEREST	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Long-term debt	0.0 %	0.0 %	0.3 %	0.3 %	0.2 %	0.2 %	0.2 %
Provisions for pensions and similar obligations	2.1 %	2.5 %	2.2 %	2.4 %	2.4 %	2.4 %	2.4 %
Other provisions	3.3 %	2.9 %	4.7 %	4.2 %	4.0 %	3.8 %	3.6 %
Non-current liabilities	5.4 %	5.4 %	7.1 %	6.9 %	6.7 %	6.5 %	6.3 %
short-term liabilities to banks	0.0 %	0.0 %	0.9 %	0.9 %	0.9 %	0.8 %	0.8 %
Accounts payable	1.8 %	2.0 %	3.6 %	3.9 %	3.9 %	4.0 %	4.1 %
Advance payments received on orders	11.1 %	10.1 %	7.5 %	6.9 %	6.6 %	6.3 %	5.9 %
Other liabilities (incl. from lease and rental contracts)	7.5 %	6.8 %	7.5 %	8.0 %	7.6 %	7.2 %	6.9 %
Deferred taxes	0.1 %	0.0 %	2.5 %	2.3 %	2.2 %	2.1 %	2.0 %
Deferred income	5.9 %	6.5 %	7.5 %	8.5 %	8.0 %	7.7 %	7.3 %
Current liabilities	26.4 %	25.4 %	29.5 %	30.4 %	29.1 %	28.1 %	26.9 %
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

Source: Company data, Hauck & Aufhäuser

Cash flow statement (EUR m)	2015	2016	2017	2018E	2019E	2020E	2021E
Net profit/loss	8.4	6.8	3.4	1.0	5.2	7.4	9.0
Depreciation of fixed assets (incl. leases)	0.8	1.0	1.2	1.5	1.4	1.2	1.1
Amortisation of goodwill	0.0	0.0	0.8	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.5	1.4	1.6	1.3	2.6	2.0	2.1
Others	0.2	-0.2	-0.2	1.1	0.1	0.1	0.1
Cash flow from operations before changes in w/c	10.8	9.0	6.7	4.8	9.3	10.8	12.3
Increase/decrease in inventory	1.7	-1.3	0.4	-1.0	-0.4	-0.5	-0.5
Increase/decrease in accounts receivable	-0.6	-2.9	-3.7	-1.9	-1.6	-2.0	-2.2
Increase/decrease in accounts payable	0.2	0.3	1.7	0.1	0.2	0.3	0.3
Increase/decrease in other working capital positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	1.3	-3.9	-1.6	-2.8	-1.8	-2.2	-2.4
Cash flow from operating activities	12.2	5.1	5.2	2.0	7.4	8.6	9.9
CAPEX	1.0	1.2	1.3	1.1	2.0	2.1	2.3
Payments for acquisitions	0.6	0.0	7.1	0.0	0.0	0.0	0.0
Financial investments	3.3	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.3	0.0	0.0	0.0	0.0
Cash flow from investing activities	-4.9	-1.2	-8.2	-1.1	-2.0	-2.1	-2.3
Cash flow before financing	7.3	4.0	-3.1	0.9	5.5	6.5	7.6
Increase/decrease in debt position	-0.6	0.0	0.0	-0.1	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	3.2	3.7	4.2	4.2	0.6	3.3	3.8
Others	-2.6	-0.2	0.0	0.1	0.0	0.0	0.0
Effects of exchange rate changes on cash	3.3	0.0	-0.2	0.1	0.0	0.0	0.0
Cash flow from financing activities	-6.4	-3.9	-4.2	-4.2	-0.6	-3.3	-3.8
Increase/decrease in liquid assets	4.2	0.1	-7.5	-3.3	4.9	3.2	3.8
Liquid assets at end of period	23.1	23.2	15.7	9.5	14.3	17.6	21.4

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2015	2016	2017	2018E	2019E	2020E	2021E
Domestic	45.9	51.7	60.5	62.4	66.0	69.2	74.3
yoy change	6.0 %	12.5 %	17.0 %	3.2 %	5.7 %	5.0 %	7.3 %
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	20.2	20.4	23.9	28.1	31.8	37.3	40.6
yoy change	29.1 %	1.2 %	17.0 %	17.5 %	13.2 %	17.4 %	9.0 %
TTL	66.1	72.1	84.4	90.5	97.7	106.5	116.1
yoy change	12.1 %	9.1 %	17.0 %	7.3 %	8.0 %	9.0 %	9.0 %

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2015	2016	2017	2018E	2019E	2020E	2021E
P&L growth analysis							
Sales growth	12.1 %	9.1 %	17.0 %	7.3 %	8.0 %	9.0 %	9.0 %
EBITDA growth	11.2 %	9.2 %	-36.6 %	-19.5 %	70.4 %	101.2 %	35.5 %
EBIT growth	13.7 %	9.3 %	-61.2 %	-16.0 %	102.2 %	191.2 %	74.0 %
EPS growth	52.1 %	-19.1 %	-50.4 %	-71.5 %	445.3 %	675.1 %	71.3 %
Efficiency							
Total operating costs / sales	39.7 %	42.0 %	47.5 %	48.9 %	47.4 %	46.1 %	45.8 %
Sales per employee	136.8	138.4	148.9	148.0	148.9	151.8	155.5
EBITDA per employee	20.5	20.7	12.1	9.0	14.3	15.8	17.0
Balance sheet analysis							
Avg. working capital / sales	5.5 %	8.0 %	11.5 %	14.7 %	16.4 %	16.1 %	16.5 %
Inventory turnover (sales/inventory)	21.3	16.4	21.2	18.1	18.1	18.1	18.1
Trade debtors in days of sales	65.5	74.7	79.8	82.2	82.2	82.2	82.2
A/P turnover [(A/P*365)/sales]	18.7	20.9	33.5	30.9	30.9	30.9	30.9
Cash conversion cycle (days)	83.3	103.4	83.7	93.2	94.2	94.6	95.1
Cash flow analysis							
Free cash flow	11.1	3.9	3.8	0.9	5.5	6.5	7.6
Free cash flow/sales	16.9 %	5.4 %	4.5 %	0.9 %	5.6 %	6.1 %	6.6 %
FCF / net profit	132.9 %	57.8 %	113.6 %	88.6 %	104.6 %	86.9 %	84.8 %
Capex / depn	190.3 %	48.8 %	37.2 %	40.9 %	50.0 %	66.7 %	72.7 %
Capex / maintenance capex	83.5 %	101.4 %	236.2 %	77.7 %	50.0 %	66.7 %	72.7 %
Capex / sales	6.6 %	1.7 %	1.6 %	1.3 %	2.0 %	2.0 %	2.0 %
Security							
Net debt	-23.1	-23.2	-14.6	-8.3	-13.2	-16.5	-20.3
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net debt / equity	neg.	neg.	neg.	neg.	neg.	neg.	neg.
Interest cover	138.0	31.8	16.2	33.8	68.4	98.5	119.0
Dividend payout ratio	43.9 %	62.1 %	125.0 %	62.1 %	62.1 %	50.7 %	53.8 %
Asset utilisation							
Capital employed turnover	1.0	1.1	1.2	1.3	1.4	1.4	1.4
Operating assets turnover	11.7	7.1	6.2	5.2	5.2	5.1	5.0
Plant turnover	30.9	33.8	37.8	42.0	54.8	65.2	68.2
Inventory turnover (sales/inventory)	21.3	16.4	21.2	18.1	18.1	18.1	18.1
Returns							
ROCE	12.0 %	12.4 %	4.6 %	3.9 %	7.9 %	11.0 %	12.4 %
ROE	13.8 %	10.7 %	5.3 %	1.6 %	8.1 %	10.9 %	12.2 %
Other							
Interest paid / avg. debt	n/a	n/a	17.0 %	7.0 %	7.2 %	7.2 %	7.2 %
No. employees (average)	483	521	567	612	657	702	747
Number of shares	10.5	10.5	10.5	10.5	10.5	10.5	10.5
DPS	0.4	0.4	0.4	0.1	0.3	0.4	0.5
EPS reported	0.80	0.64	0.32	0.09	0.50	0.71	0.85
Valuation ratios							
P/BV	2.5	2.4	2.4	2.5	2.4	2.2	2.1
EV/sales	2.0	1.8	1.7	1.6	1.4	1.3	1.2
EV/EBITDA	13.2	12.2	20.4	26.5	15.1	12.5	10.6
EV/EBITA	14.4	13.5	24.6	36.5	17.6	14.0	11.6
EV/EBIT	17.2	15.8	43.4	53.9	25.8	17.5	14.1
EV/FCF	11.7	33.4	36.5	171.6	25.8	21.3	17.7
Adjusted FCF yield	6.8 %	6.0 %	4.6 %	1.5 %	4.7 %	6.1 %	7.4 %
Dividend yield	2.4 %	2.8 %	2.8 %	0.4 %	2.1 %	2.5 %	3.2 %

Source: Company data, Hauck & Aufhäuser

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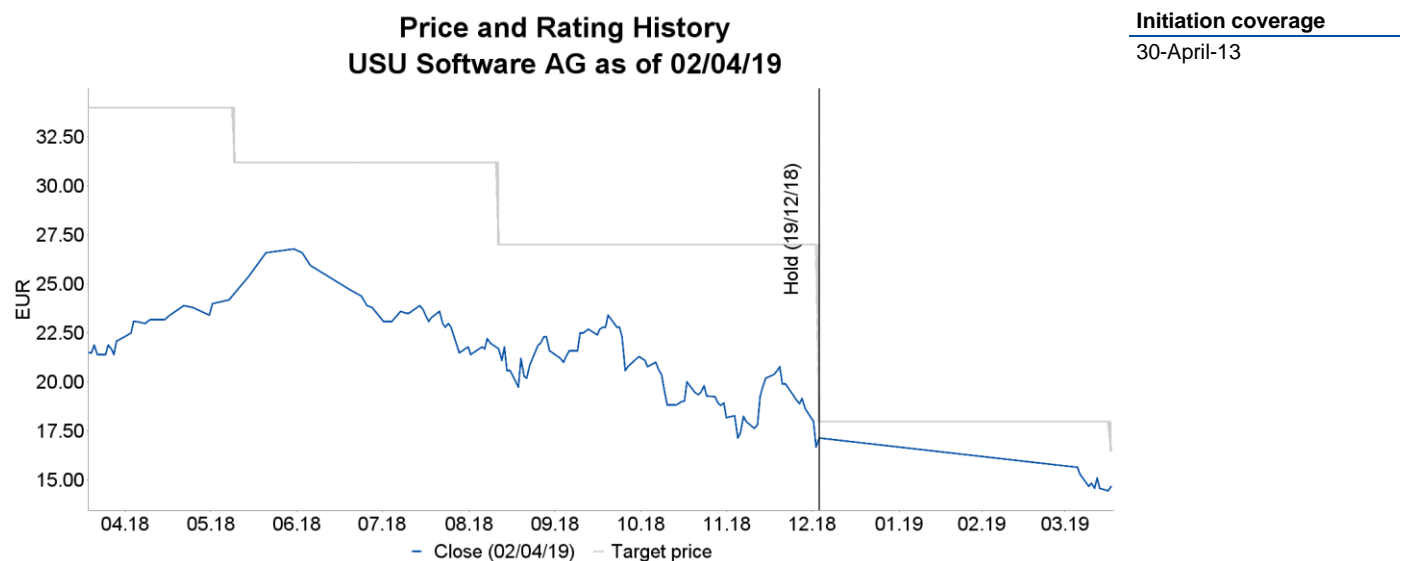
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Company	Disclosure
USU Software AG	2

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



Company	Date	Analyst	Rating	Target price	Close
USU Software AG	20.12.2018	Bentlage, Simon	Hold	EUR 18,00	EUR 17,15
	23.11.2018	Bentlage, Simon	Buy	EUR 27,00	EUR 18,00
	19.10.2018	Bentlage, Simon	Buy	EUR 27,00	EUR 20,80
	07.09.2018	Bentlage, Simon	Buy	EUR 27,00	EUR 20,90
	27.08.2018	Bentlage, Simon	Buy	EUR 27,00	EUR 21,70
	28.05.2018	Bentlage, Simon	Buy	EUR 31,20	EUR 24,20

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The adj. FCF method is based on the assumption that investors purchase assets only at a price (enterprise value) at which the operating cash flow return after taxes on this investment exceeds their opportunity costs in the form of a hurdle rate of 7.5%. The operating cash flow is calculated as EBITDA less maintenance capex and taxes.

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