

**Buy** (old: Buy)

**Price target: EUR 29.00** (old: EUR 29.00)

<b>Price:</b>	EUR 20.40	<b>Next result:</b>	H1'22 31.08.22
<b>Bloomberg:</b>	OSP2 GR	<b>Market cap:</b>	EUR 214.7 m
<b>Reuters:</b>	OSPGk.DE	<b>Enterprise Value:</b>	EUR 208.6 m

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### Strong order momentum provides decent visibility; chg.

USU got off to a good start in 2022. In fact, Q1 results show a reacceleration of growth as well as sound profitability. On top, order backlog hit a new record high, up 19% yoy.

- **Q1 revenue increased by 8.8% yoy to € 29.6m** (eHAIB € 30.4m). Reflecting the shift towards cloud products, SaaS revenue grew strongly by 35% yoy to € 3.3m in Q1 (eHAIB € 2.8m), while license revenue also increased by 19% yoy to € 2.9m (eHAIB € 2.1m). As management stated during the conference call, roughly 45% of currently closed deals are SaaS contracts, up from ~30% in prior years.
- **Q1 EBITDA also grew by 8.8% yoy to € 3.5m** (eHAIB € 3.8m) implying a margin of 11.7% (flat yoy). Notably, USU consistently raised its EBITDA margin over the past years, from 6.1% in 2018 to 13.7% in 2021. In the mid-term USU plans to return to 16-18% EBITDA margin. Scale effects as well as improving profitability of SaaS contracts over the lifetime should help achieve this goal, in our view (eHAIB 16% by 2025E).
- On the back of solid Q1 results, USU confirmed its guidance for the year. **Management expects revenues between € 120-125m as well as an EBITDA of € 14.5-16m.** At mid-point, this implies a margin of 12.4%. Considering strong order backlog of € 76.7m at the end of Q1 (+19% yoy, eHAIB € 67m) as well as several orders, which were already announced in Q2, the guidance looks well achievable (eHAIB € 124m revenue, € 16.2m adj. EBIT, 13.1% margin). In terms of orders a low double-digit € million order with a seven year term by the BWI (IT partner of German armed forces), underscores USU's leading position within the public sector in Germany. Notably, USU secured this order in a European tender, prevailing over several other vendors.

**Overall, very solid results**, confirming our view that USU is on track to reap the growth opportunities for IT Service Management and License Asset Management Software. Particularly, the solid margin development is reassuring. That said, USU is already discussing price increases with customers to counteract negative effects from wage inflation. At the same time, high public sector exposure of 30% as well as a high recurring revenue share of 31% ensure resilience and decent visibility.

In light of this and considering valuation of 24x PE'22 (vs. 32x 3y historic average), we reiterate our **BUY** recommendation with an unchanged **PT of € 29** based on DCF. Estimate changes reflect a slightly higher than initially expected tax rate going forward.

Y/E 31.12 (EUR m)	2018	2019	2020	2021	2022E	2023E	2024E
Sales	90.5	95.6	107.3	111.9	124.0	136.4	147.3
Sales growth	7 %	6 %	12 %	4 %	11 %	10 %	8 %
EBITDA	5.5	9.9	13.4	14.4	16.2	18.8	22.4
EBIT	2.7	4.1	7.0	9.7	11.5	14.0	17.2
Net income	1.0	5.3	5.5	6.8	8.4	10.0	12.1
Net debt	-8.3	-1.7	-1.3	-7.5	-9.3	-11.6	-18.0
Net gearing	-14.0 %	-2.8 %	-2.0 %	-11.6 %	-13.5 %	-15.6 %	-21.9 %
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS pro forma	0.18	0.70	0.72	0.68	0.84	1.00	1.20
CPS	0.06	0.63	1.38	1.04	0.85	1.01	1.25
DPS	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Dividend yield	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
Gross profit margin	51.9 %	51.7 %	52.7 %	50.2 %	51.3 %	51.8 %	52.0 %
EBITDA margin	6.1 %	10.4 %	12.5 %	12.9 %	13.1 %	13.8 %	15.2 %
EBIT margin	3.0 %	4.2 %	6.5 %	8.6 %	9.3 %	10.3 %	11.7 %
ROCE	3.9 %	5.7 %	9.3 %	12.1 %	13.2 %	15.4 %	17.7 %
EV/sales	2.3	2.2	2.0	1.9	1.7	1.5	1.3
EV/EBITDA	37.9	21.6	16.1	14.5	12.7	10.9	8.9
EV/EBIT	77.1	52.8	30.6	21.6	17.9	14.6	11.5
PER	111.6	29.2	28.2	29.9	24.2	20.4	17.0
Adjusted FCF yield	1.1 %	3.8 %	4.1 %	4.4 %	5.2 %	6.1 %	7.4 %

Source: Company data, Hauck Aufhäuser Investment Banking Close price as of: 19.05.2022

Please refer to important disclosures at the end of the report



Source: Company data, Hauck Aufhäuser Investment Banking

**High/low 52 weeks:** 27.60 / 20.30

**Price/Book Ratio:** 3.3

**Relative performance (SDAX):**

3 months -5.2 %

6 months 8.7 %

12 months -9.4 %

#### Changes in estimates

		Sales	EBIT	EPS
2022	old:	124.0	11.5	0.90
	Δ	-	-	-6.5%
2023	old:	136.4	14.0	1.07
	Δ	-	-	-6.7%
2024	old:	147.3	17.2	1.19
	Δ	-	-	0.7%

#### Key share data:

Number of shares: (in m pcs) 10.5

Authorised capital: (in € m) 0.0

Book value per share: (in €) 6.1

Ø trading volume: (12 months) 6,300

#### Major shareholders:

AUSUM GmbH (Udo Strehl) 51.2 %

Free Float 41.6 %

MainFirst SICAV 6.3 %

Peter Scheufler 4.7 %

USU board (excl. Udo Strehl) 2.5 %

#### Company description:

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

## Financials

Profit and loss (EUR m)	2018	2019	2020	2021	2022E	2023E	2024E
<b>Sales</b>	<b>90.5</b>	<b>95.6</b>	<b>107.3</b>	<b>111.9</b>	<b>124.0</b>	<b>136.4</b>	<b>147.3</b>
<i>Sales growth</i>	7.3 %	5.7 %	12.2 %	4.3 %	10.8 %	10.0 %	8.0 %
Cost of sales	43.6	46.2	50.8	55.7	60.4	65.7	70.7
<b>Gross profit</b>	<b>46.9</b>	<b>49.5</b>	<b>56.5</b>	<b>56.2</b>	<b>63.6</b>	<b>70.6</b>	<b>76.6</b>
Sales and marketing	18.8	18.9	20.4	20.5	22.9	25.2	27.3
General and administration	10.6	12.2	14.3	10.2	11.8	12.5	12.5
Research and development	15.3	15.8	15.4	16.7	18.6	20.2	21.1
Other operating income	1.2	1.9	1.3	1.5	2.1	2.3	2.5
Other operating expenses	0.7	0.5	0.7	0.6	0.9	1.0	1.0
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>5.5</b>	<b>9.9</b>	<b>13.4</b>	<b>14.4</b>	<b>16.2</b>	<b>18.8</b>	<b>22.4</b>
Depreciation	1.2	1.5	1.4	1.2	1.1	1.1	1.1
<b>EBITA</b>	<b>4.3</b>	<b>8.4</b>	<b>12.0</b>	<b>13.2</b>	<b>15.1</b>	<b>17.7</b>	<b>21.3</b>
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.6	4.3	5.0	3.5	3.6	3.7	4.0
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT (inc revaluation net)</b>	<b>2.7</b>	<b>4.1</b>	<b>7.0</b>	<b>9.7</b>	<b>11.5</b>	<b>14.0</b>	<b>17.2</b>
Interest income	0.2	0.1	0.1	0.2	0.2	0.2	0.2
Interest expenses	0.1	0.1	0.3	0.1	0.1	0.1	0.2
Other financial result	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	0.1	0.0	-0.2	0.1	0.1	0.1	0.1
<b>Recurring pretax income from continuing operations</b>	<b>2.8</b>	<b>4.0</b>	<b>6.8</b>	<b>9.7</b>	<b>11.6</b>	<b>14.1</b>	<b>17.3</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>2.8</b>	<b>4.0</b>	<b>6.8</b>	<b>9.7</b>	<b>11.6</b>	<b>14.1</b>	<b>17.3</b>
Taxes	1.9	-1.2	1.3	3.0	3.2	4.1	5.2
<b>Net income from continuing operations</b>	<b>1.0</b>	<b>5.3</b>	<b>5.5</b>	<b>6.8</b>	<b>8.4</b>	<b>10.0</b>	<b>12.1</b>
Result from discontinued operations (net of tax)	1.0	2.1	2.1	0.4	0.5	0.5	0.5
<b>Net income</b>	<b>1.0</b>	<b>5.3</b>	<b>5.5</b>	<b>6.8</b>	<b>8.4</b>	<b>10.0</b>	<b>12.1</b>
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net profit (reported)</b>	<b>1.0</b>	<b>5.3</b>	<b>5.5</b>	<b>6.8</b>	<b>8.4</b>	<b>10.0</b>	<b>12.1</b>
Average number of shares	10.5	10.5	10.5	10.5	10.5	10.5	10.5
<b>EPS reported</b>	<b>0.09</b>	<b>0.50</b>	<b>0.52</b>	<b>0.64</b>	<b>0.79</b>	<b>0.95</b>	<b>1.15</b>

Profit and loss (common size)	2018	2019	2020	2021	2022E	2023E	2024E
<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	48.1 %	48.3 %	47.3 %	49.8 %	48.7 %	48.2 %	48.0 %
<b>Gross profit</b>	<b>51.9 %</b>	<b>51.7 %</b>	<b>52.7 %</b>	<b>50.2 %</b>	<b>51.3 %</b>	<b>51.8 %</b>	<b>52.0 %</b>
Sales and marketing	20.8 %	19.7 %	19.0 %	18.4 %	18.5 %	18.5 %	18.5 %
General and administration	11.7 %	12.7 %	13.3 %	9.2 %	9.5 %	9.2 %	8.5 %
Research and development	16.9 %	16.5 %	14.4 %	14.9 %	15.0 %	14.8 %	14.3 %
Other operating income	1.3 %	2.0 %	1.2 %	1.4 %	1.7 %	1.7 %	1.7 %
Other operating expenses	0.7 %	0.5 %	0.6 %	0.5 %	0.7 %	0.7 %	0.7 %
Unusual or infrequent items	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBITDA</b>	<b>6.1 %</b>	<b>10.4 %</b>	<b>12.5 %</b>	<b>12.9 %</b>	<b>13.1 %</b>	<b>13.8 %</b>	<b>15.2 %</b>
Depreciation	1.3 %	1.6 %	1.3 %	1.1 %	0.9 %	0.8 %	0.8 %
<b>EBITA</b>	<b>4.8 %</b>	<b>8.8 %</b>	<b>11.2 %</b>	<b>11.8 %</b>	<b>12.2 %</b>	<b>13.0 %</b>	<b>14.4 %</b>
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	1.8 %	4.5 %	4.6 %	3.1 %	2.9 %	2.7 %	2.7 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBIT (inc revaluation net)</b>	<b>3.0 %</b>	<b>4.2 %</b>	<b>6.5 %</b>	<b>8.6 %</b>	<b>9.3 %</b>	<b>10.3 %</b>	<b>11.7 %</b>
Interest income	0.2 %	0.1 %	0.0 %	0.2 %	0.2 %	0.2 %	0.2 %
Interest expenses	0.1 %	0.1 %	0.3 %	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	0.1 %	neg.	neg.	0.1 %	0.1 %	0.1 %	0.1 %
<b>Recurring pretax income from continuing operations</b>	<b>3.1 %</b>	<b>4.2 %</b>	<b>6.3 %</b>	<b>8.7 %</b>	<b>9.4 %</b>	<b>10.4 %</b>	<b>11.8 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>3.1 %</b>	<b>4.2 %</b>	<b>6.3 %</b>	<b>8.7 %</b>	<b>9.4 %</b>	<b>10.4 %</b>	<b>11.8 %</b>
Tax rate	65.8 %	-30.2 %	19.3 %	30.5 %	28.0 %	29.0 %	30.0 %
<b>Net income from continuing operations</b>	<b>1.1 %</b>	<b>5.5 %</b>	<b>5.1 %</b>	<b>6.0 %</b>	<b>6.7 %</b>	<b>7.4 %</b>	<b>8.2 %</b>
Result from discontinued operations (net of tax)	1.1 %	2.2 %	2.0 %	0.4 %	0.4 %	0.4 %	0.4 %
<b>Net income</b>	<b>1.1 %</b>	<b>5.5 %</b>	<b>5.1 %</b>	<b>6.0 %</b>	<b>6.7 %</b>	<b>7.4 %</b>	<b>8.2 %</b>
Minority interest	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net profit (reported)</b>	<b>1.1 %</b>	<b>5.5 %</b>	<b>5.1 %</b>	<b>6.0 %</b>	<b>6.7 %</b>	<b>7.4 %</b>	<b>8.2 %</b>

Source: Company data, Hauck Aufhäuser Investment Banking

Balance sheet (EUR m)	2018	2019	2020	2021	2022E	2023E	2024E
<b>Intangible assets</b>	<b>48.1</b>	<b>46.3</b>	<b>44.0</b>	<b>43.4</b>	<b>40.4</b>	<b>37.3</b>	<b>33.8</b>
Property, plant and equipment	2.2	10.8	19.7	19.7	23.4	28.1	31.6
Financial assets	0.8	0.8	0.8	0.7	0.7	0.7	0.7
<b>FIXED ASSETS</b>	<b>51.0</b>	<b>57.9</b>	<b>64.6</b>	<b>63.9</b>	<b>64.5</b>	<b>66.2</b>	<b>66.2</b>
Inventories	5.0	3.9	5.0	5.3	5.9	6.5	7.0
Accounts receivable	20.4	20.9	16.9	14.9	16.5	18.1	19.6
Other current assets	1.9	0.9	1.3	1.0	1.0	1.0	1.0
Liquid assets	9.5	10.4	18.5	24.3	26.1	28.4	34.8
Deferred taxes	5.9	8.8	7.0	4.9	4.9	4.9	4.9
Deferred charges and prepaid expenses	1.4	1.7	2.2	1.8	1.8	1.8	1.8
<b>CURRENT ASSETS</b>	<b>44.1</b>	<b>46.5</b>	<b>50.8</b>	<b>52.2</b>	<b>56.1</b>	<b>60.7</b>	<b>69.1</b>
<b>TOTAL ASSETS</b>	<b>95.1</b>	<b>104.5</b>	<b>115.5</b>	<b>116.0</b>	<b>120.6</b>	<b>126.9</b>	<b>135.3</b>
SHAREHOLDERS EQUITY	59.7	60.2	61.8	64.4	68.6	74.4	82.3
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	0.3	8.6	16.4	16.8	16.8	16.8	16.8
Provisions for pensions and similar obligations	2.3	1.2	1.3	1.3	1.4	1.5	1.6
Other provisions	4.0	3.8	3.4	3.5	3.5	3.5	3.5
<b>Non-current liabilities</b>	<b>6.6</b>	<b>13.7</b>	<b>21.2</b>	<b>21.7</b>	<b>21.8</b>	<b>21.8</b>	<b>21.9</b>
short-term liabilities to banks	0.9	0.1	0.8	0.0	0.0	0.0	0.0
Accounts payable	3.7	4.8	4.2	4.5	4.8	5.3	5.7
Advance payments received on orders	6.6	5.0	5.1	3.2	3.2	3.2	3.2
Other liabilities (incl. from lease and rental contracts)	7.6	7.4	9.5	10.0	10.0	10.0	10.0
Deferred taxes	2.2	2.9	1.3	0.9	0.9	0.9	0.9
Deferred income	8.0	10.5	11.6	11.3	11.3	11.3	11.3
<b>Current liabilities</b>	<b>28.9</b>	<b>30.6</b>	<b>32.5</b>	<b>29.9</b>	<b>30.2</b>	<b>30.7</b>	<b>31.1</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>95.1</b>	<b>104.5</b>	<b>115.5</b>	<b>116.0</b>	<b>120.6</b>	<b>126.9</b>	<b>135.3</b>

Balance sheet (common size)	2018	2019	2020	2021	2022E	2023E	2024E
<b>Intangible assets</b>	<b>50.5 %</b>	<b>44.3 %</b>	<b>38.1 %</b>	<b>37.4 %</b>	<b>33.5 %</b>	<b>29.4 %</b>	<b>25.0 %</b>
Property, plant and equipment	2.3 %	10.3 %	17.1 %	17.0 %	19.4 %	22.1 %	23.4 %
Financial assets	0.8 %	0.8 %	0.7 %	0.6 %	0.6 %	0.6 %	0.6 %
<b>FIXED ASSETS</b>	<b>53.6 %</b>	<b>55.4 %</b>	<b>56.0 %</b>	<b>55.0 %</b>	<b>53.4 %</b>	<b>52.2 %</b>	<b>48.9 %</b>
Inventories	5.2 %	3.7 %	4.3 %	4.6 %	4.9 %	5.1 %	5.2 %
Accounts receivable	21.4 %	20.0 %	14.6 %	12.8 %	13.7 %	14.3 %	14.5 %
Other current assets	2.0 %	0.8 %	1.1 %	0.8 %	0.8 %	0.8 %	0.7 %
Liquid assets	9.9 %	10.0 %	16.1 %	20.9 %	21.6 %	22.4 %	25.7 %
Deferred taxes	6.2 %	8.4 %	6.0 %	4.2 %	4.0 %	3.8 %	3.6 %
Deferred charges and prepaid expenses	1.5 %	1.6 %	1.9 %	1.6 %	1.5 %	1.4 %	1.3 %
<b>CURRENT ASSETS</b>	<b>46.4 %</b>	<b>44.5 %</b>	<b>44.0 %</b>	<b>45.0 %</b>	<b>46.6 %</b>	<b>47.8 %</b>	<b>51.1 %</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	62.7 %	57.6 %	53.5 %	55.5 %	56.9 %	58.6 %	60.8 %
MINORITY INTEREST	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Long-term debt	0.3 %	8.2 %	14.2 %	14.5 %	13.9 %	13.3 %	12.4 %
Provisions for pensions and similar obligations	2.4 %	1.2 %	1.1 %	1.2 %	1.2 %	1.2 %	1.1 %
Other provisions	4.2 %	3.7 %	3.0 %	3.0 %	2.9 %	2.8 %	2.6 %
<b>Non-current liabilities</b>	<b>6.9 %</b>	<b>13.1 %</b>	<b>18.3 %</b>	<b>18.7 %</b>	<b>18.0 %</b>	<b>17.2 %</b>	<b>16.2 %</b>
short-term liabilities to banks	0.9 %	0.1 %	0.7 %	0.0 %	0.0 %	0.0 %	0.0 %
Accounts payable	3.9 %	4.6 %	3.6 %	3.8 %	4.0 %	4.1 %	4.2 %
Advance payments received on orders	6.9 %	4.8 %	4.4 %	2.7 %	2.6 %	2.5 %	2.3 %
Other liabilities (incl. from lease and rental contracts)	8.0 %	7.1 %	8.3 %	8.7 %	8.3 %	7.9 %	7.4 %
Deferred taxes	2.3 %	2.7 %	1.2 %	0.8 %	0.8 %	0.7 %	0.7 %
Deferred income	8.5 %	10.1 %	10.0 %	9.7 %	9.4 %	8.9 %	8.3 %
<b>Current liabilities</b>	<b>30.4 %</b>	<b>29.3 %</b>	<b>28.2 %</b>	<b>25.8 %</b>	<b>25.1 %</b>	<b>24.2 %</b>	<b>23.0 %</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 Investment Banking

Cash flow statement (EUR m)	2018	2019	2020	2021	2022E	2023E	2024E
Net profit/loss	1.0	5.3	5.5	6.8	8.4	10.0	12.1
Depreciation of fixed assets (incl. leases)	1.2	1.5	1.4	1.2	1.1	1.1	1.1
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.6	4.3	5.0	3.5	3.6	3.7	4.0
Others	1.1	-3.3	3.6	-0.1	0.1	0.1	0.1
Cash flow from operations before changes in w/c	4.8	7.8	15.4	11.4	13.1	14.9	17.4
Increase/decrease in inventory	-1.0	1.1	-1.1	-0.4	-0.6	-0.6	-0.5
Increase/decrease in accounts receivable	-1.9	-0.5	4.0	2.0	-1.6	-1.6	-1.5
Increase/decrease in accounts payable	0.1	1.1	-0.6	0.3	0.4	0.4	0.4
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	-2.8	1.7	2.3	1.9	-1.8	-1.8	-1.6
<b>Cash flow from operating activities</b>	<b>2.0</b>	<b>9.5</b>	<b>17.7</b>	<b>13.3</b>	<b>11.3</b>	<b>13.1</b>	<b>15.8</b>
CAPEX	1.1	1.9	2.4	0.9	5.3	6.5	5.2
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-1.1</b>	<b>-1.8</b>	<b>-2.4</b>	<b>-0.8</b>	<b>-5.3</b>	<b>-6.5</b>	<b>-5.2</b>
Cash flow before financing	0.9	7.7	15.3	12.5	6.0	6.5	10.6
Increase/decrease in debt position	-0.1	7.6	8.6	-0.4	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	4.2	4.2	4.2	4.2	4.2	4.2	4.2
Others	0.1	-10.2	-11.4	-2.4	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.1	0.0	-0.1	0.3	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>-4.2</b>	<b>-6.8</b>	<b>-7.0</b>	<b>-7.0</b>	<b>-4.2</b>	<b>-4.2</b>	<b>-4.2</b>
Increase/decrease in liquid assets	-3.3	1.0	8.1	5.8	1.8	2.3	6.4
<b>Liquid assets at end of period</b>	<b>9.5</b>	<b>10.4</b>	<b>18.5</b>	<b>24.3</b>	<b>26.1</b>	<b>28.4</b>	<b>34.8</b>

Source: Company data, Hauck Aufhäuser Investment Banking

Regional split (EUR m)	2018	2019	2020	2021	2022E	2023E	2024E
Domestic	62.4	64.6	69.8	71.6	79.4	87.3	94.3
yoy change	3.2 %	3.4 %	8.1 %	2.7 %	10.8 %	10.0 %	8.0 %
Rest of Europe	0.0	0.0	0.0	0.0	1.0	2.0	3.0
yoy change	n/a	n/a	n/a	n/a	n/a	100.0 %	50.0 %
NAFTA	0.0	0.0	0.0	0.0	1.0	2.0	3.0
yoy change	n/a	n/a	n/a	n/a	n/a	100.0 %	50.0 %
Asia Pacific	0.0	0.0	0.0	0.0	1.0	2.0	3.0
yoy change	n/a	n/a	n/a	n/a	n/a	100.0 %	50.0 %
Rest of world	28.1	31.1	37.6	39.2	43.4	47.7	51.6
yoy change	17.5 %	10.8 %	20.9 %	4.3 %	10.8 %	10.0 %	8.0 %
<b>TTL</b>	<b>90.5</b>	<b>95.6</b>	<b>107.3</b>	<b>111.9</b>	<b>124.0</b>	<b>136.4</b>	<b>147.3</b>
yoy change	7.3 %	5.7 %	12.2 %	4.3 %	10.8 %	10.0 %	8.0 %

Source: Company data, Hauck Aufhäuser Investment Banking

Key ratios (EUR m)	2018	2019	2020	2021	2022E	2023E	2024E
<b>P&amp;L growth analysis</b>							
Sales growth	7.3 %	5.7 %	12.2 %	4.3 %	10.8 %	10.0 %	8.0 %
EBITDA growth	-19.5 %	80.2 %	143.0 %	45.1 %	21.4 %	30.8 %	37.8 %
EBIT growth	-16.0 %	49.8 %	159.4 %	138.4 %	64.2 %	45.3 %	49.5 %
EPS growth	-71.5 %	448.7 %	470.7 %	28.2 %	52.3 %	48.4 %	45.1 %
<b>Efficiency</b>							
Total operating costs / sales	48.9 %	47.5 %	46.1 %	41.6 %	42.0 %	41.5 %	40.3 %
Sales per employee	148.0	145.7	153.0	149.9	156.7	163.0	167.1
EBITDA per employee	9.0	15.1	19.1	19.3	20.5	22.5	25.4
<b>Balance sheet analysis</b>							
Avg. working capital / sales	14.7 %	15.8 %	12.9 %	12.3 %	10.9 %	10.6 %	10.9 %
Inventory turnover (sales/inventory)	18.1	24.8	21.7	21.0	21.0	21.0	21.0
Trade debtors in days of sales	82.2	79.9	57.5	48.6	48.6	48.6	48.6
A/P turnover [(A/P*365)/sales]	30.9	37.8	30.0	29.2	29.2	29.2	29.2
Cash conversion cycle (days)	93.2	72.6	63.1	54.3	55.1	55.5	55.6
<b>Cash flow analysis</b>							
Free cash flow	0.9	7.7	15.3	12.5	6.0	6.5	10.6
Free cash flow/sales	0.9 %	8.0 %	14.2 %	11.2 %	4.8 %	4.8 %	7.2 %
FCF / net profit	88.6 %	145.4 %	278.8 %	184.8 %	72.0 %	65.2 %	87.6 %
Capex / depre	40.9 %	31.6 %	38.5 %	18.1 %	112.7 %	136.6 %	100.0 %
Capex / maintenance capex	77.7 %	43.6 %	75.7 %	35.5 %	202.8 %	245.9 %	180.0 %
Capex / sales	1.3 %	1.9 %	2.3 %	0.8 %	4.3 %	4.8 %	3.5 %
<b>Security</b>							
Net debt	-8.3	-1.7	-1.3	-7.5	-9.3	-11.6	-18.0
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	33.8	37.5	25.8	81.2	87.5	96.9	110.0
Dividend payout ratio	438.0 %	79.8 %	76.8 %	62.3 %	50.4 %	42.0 %	34.7 %
<b>Asset utilisation</b>							
Capital employed turnover	1.3	1.3	1.3	1.3	1.4	1.4	1.4
Operating assets turnover	5.2	3.7	3.3	3.5	3.3	3.1	3.0
Plant turnover	42.0	8.9	5.4	5.7	5.3	4.9	4.7
Inventory turnover (sales/inventory)	18.1	24.8	21.7	21.0	21.0	21.0	21.0
<b>Returns</b>							
ROCE	3.9 %	5.7 %	9.3 %	12.1 %	13.2 %	15.4 %	17.7 %
ROE	1.6 %	8.8 %	8.9 %	10.5 %	12.2 %	13.5 %	14.7 %
<b>Other</b>							
Interest paid / avg. debt	7.0 %	2.2 %	3.0 %	0.9 %	0.8 %	0.9 %	0.9 %
No. employees (average)	612	657	702	747	792	837	882
Number of shares	10.5	10.5	10.5	10.5	10.5	10.5	10.5
DPS	0.4	0.4	0.4	0.4	0.4	0.4	0.4
EPS reported	0.09	0.50	0.52	0.64	0.79	0.95	1.15
<b>Valuation ratios</b>							
P/BV	3.6	3.6	3.5	3.3	3.1	2.9	2.6
EV/sales	2.3	2.2	2.0	1.9	1.7	1.5	1.3
EV/EBITDA	37.9	21.6	16.1	14.5	12.7	10.9	8.9
EV/EBITA	48.0	25.5	17.9	15.9	13.7	11.6	9.3
EV/EBIT	77.1	52.8	30.6	21.6	17.9	14.6	11.5
EV/FCF	245.2	27.9	14.0	16.7	34.4	31.3	18.7
Adjusted FCF yield	1.1 %	3.8 %	4.1 %	4.4 %	5.2 %	6.1 %	7.4 %
Dividend yield	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %

Source: Company data, Hauck Aufhäuser Investment Banking

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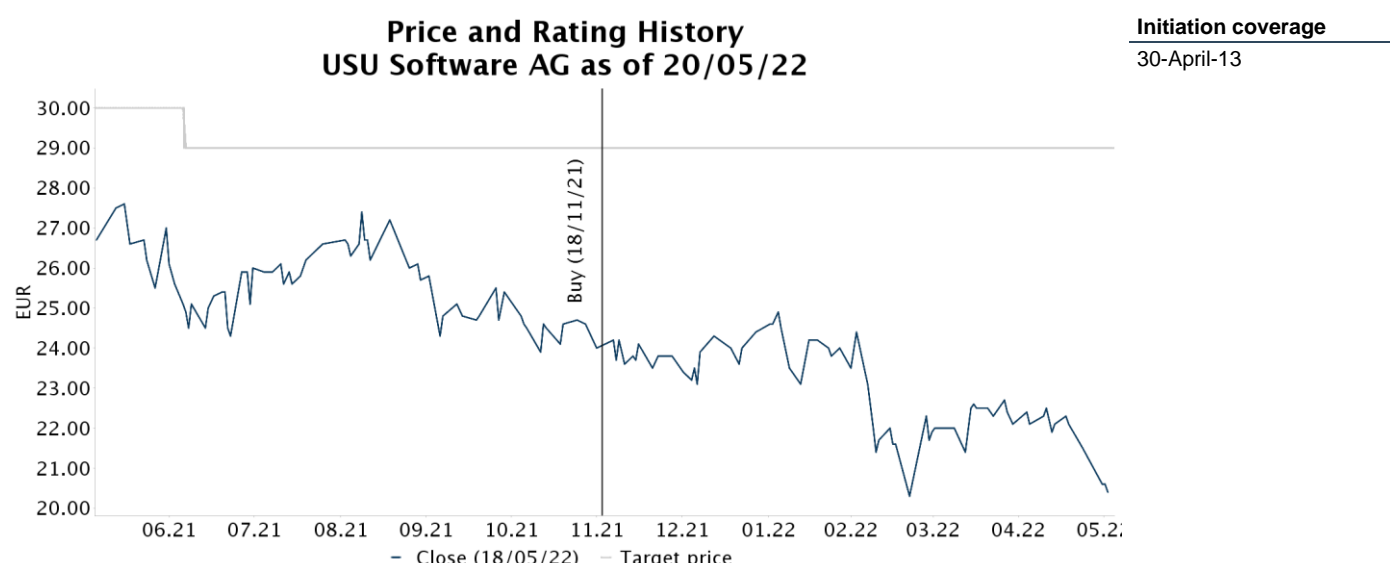
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Company	Disclosure
USU Software AG	2

**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	01.03.2022	Bentlage, Simon	Buy	EUR 29.00	EUR 22.00
	14.02.2022	Bentlage, Simon	Buy	EUR 29.00	EUR 24.00
	19.11.2021	Bentlage, Simon	Buy	EUR 29.00	EUR 24.00
	27.08.2021	Bentlage, Simon	Hold	EUR 29.00	EUR 26.20
	23.06.2021	Bentlage, Simon	Hold	EUR 29.00	EUR 24.50

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