

Buy (old: Buy)

Price target: EUR 29.00 (old: EUR 29.00)

Price: EUR 18.15 **Next result:** FY'22 tbd
Bloomberg: OSP2 GR **Market cap:** EUR 183.1 m
Reuters: OSPGk.DE **Enterprise Value:** EUR 175.3 m

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Strong Q3 growth despite tough comparable base

Last week, USU posted excellent Q3 figures, showing another acceleration of growth as well as sound profitability. On top, the order momentum remained strong with a backlog of € 74m, up 14% yoy.

- **Q3 sales increased by 16.6% yoy to € 32.6m**, clearly exceeding our expectations (eHAIB € 29.6m). Importantly, SaaS revenue grew even stronger by 36% to € 3.7m in Q3 (eHAIB € 3.6m), while license revenues also increased by 33% to € 4.0m (eHAIB € 3.2m). Management stated during the conference call, that by YE'22 45% of closed deals will be SaaS contracts, up from c. 30% in previous years.
- **Q3 EBITDA grew by 18.1% yoy to € 4.4m** (eHAIB € 3.9m), implying a margin of 13.5% (+0.2pp yoy). Keep in mind, that USU consistently raised its EBITDA margin over the past years from 6.1% in 2018. In the mid-term, the company aims for a margin range of 16-18%. Scale effects and especially the improving profitability of SaaS contracts over their lifetime should help achieve this, in our view.
- Against this backdrop, **USU specified its guidance for the year**. Management now expects to reach the upper end of both, the revenue (€ 120-125m) and the EBITDA (€ 14.5-16m) guidance. Taking into account the **strong order backlog** as well as several orders, which were already announced in the course of Q4 (for details see our previous Update), the **guidance looks rather conservative**, as even the higher end would imply only 5.5% yoy growth in Q4. Hence, there should be **upside to our top-line estimates** (eHAIB € 124m). Concerning EBITDA, we already expect the company to exceed the outlook (eHAIB € 16.2m).

Overall, the strong release fully confirms our view that USU is well on track to reap the growth opportunities in the IT Service Management and License Asset Management segments. This is in particular reinforced by the solid margin development. Taking a look into next year, USU is currently discussing price increases with customers to counteract wage inflation. Management hereby appeared very confident thanks to USU's negotiation power based on customers' high switching costs.

Valuation continues to look relatively attractive, as the stock is trading at only 17.4x PE'23E (vs 32x 3y historic average), we reiterate **BUY with and unchanged PT of € 29.00** based on DCF.

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	2.3 %	2.3 %	2.3 %	2.3 %	2.3 %	2.3 %	2.3 %
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	2.6	1.8	1.9	2.4	1.4	1.3	1.1
EV/EBITDA	42.5	17.5	15.0	18.8	10.8	9.2	7.4
EV/EBIT	86.5	42.8	28.5	28.0	15.2	12.3	9.7
PER	95.2	24.9	24.1	25.5	20.6	17.4	14.5
Adjusted FCF yield	1.0 %	4.7 %	4.4 %	3.4 %	6.1 %	7.2 %	8.9 %

Source: Company data, Hauck Aufhäuser Investment Banking Close price as of: 25.11.2022



Source: Company data, Hauck Aufhäuser Investment Banking

High/low 52 weeks: 24.90 / 15.85

Price/Book Ratio: 2.8

Relative performance (SDAX):

3 months 6.9 %

6 months -3.1 %

12 months 2.0 %

Changes in estimates

		Sales	EBIT	EPS
2022	old:	124.0	11.5	0.84
	Δ	-	-	-
2023	old:	136.4	14.0	1.00
	Δ	-	-	-
2024	old:	147.3	17.2	1.20
	Δ	-	-	-

Key share data:

Number of shares: (in m pcs) 10.5

Authorised capital: (in € m) 0.0

Book value per share: (in €) 6.5

Ø trading volume: (12 months) 6,300

Major shareholders:

AUSUM GmbH (Udo Strehl) 51.3 %

Free Float 31.9 %

MainFirst SICAV 4.7 %

Peter Scheufler 4.7 %

Shares held in treasury 5.0 %

USU board (excl. Udo Strehl) 2.5 %

Company description:

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

USU Software AG

USU Software AG	Q3 2022	Q3 2022 eHAI/B	Q3 2021	yoy	9M 2022	9M 2022 eHAI/B	9M 2021	yoy
Sales	32.6	29.6	27.9	16.7%	92.9	89.9	81.9	13.5%
Product Business	23.3	21.6	20.4	14.2%	66.0	64.4	59.0	11.8%
Service Business	9.3	8.0	7.5	24.4%	26.8	25.4	22.7	17.8%
Gross Profit	16.2	15.2	14.2	14.2%	45.4	44.7	41.2	10.2%
<i>Gross margin</i>	49.7%	51.3%	50.7%		48.9%	49.7%	50.3%	
EBITDA	4.4	3.9	3.7	18.1%	11.7	11.1	10.4	12.7%
<i>EBITDA margin</i>	13.5%	13.1%	13.3%		12.6%	12.4%	12.7%	
EBIT	3.2	2.8	2.5	27.1%	8.2	7.7	6.9	19.1%
<i>EBIT margin</i>	9.9%	9.3%	9.1%		8.8%	8.6%	8.4%	

USU Software AG	FY guidance	Lower end implication	Lower end <i>implied yoy</i>	Upper end implication	Upper end <i>implied yoy</i>
Sales	€ 120-125m	27.1	-9.8%	32.1	6.8%
EBITDA	€ 14.5-16.0m	2.8	-30.1%	4.3	7.4%

Financials

Profit and loss (EUR m)	2018	2019	2020	2021	2022E	2023E	2024E
Sales	90.5	95.6	107.3	111.9	124.0	136.4	147.3
<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
Gross profit	46.9	49.5	56.5	56.2	63.6	70.6	76.6
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
EBITDA	5.5	9.9	13.4	14.4	16.2	18.8	22.4
Depreciation	1.2	1.5	1.4	1.2	1.1	1.1	1.1
EBITA	4.3	8.4	12.0	13.2	15.1	17.7	21.3
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
EBIT (inc revaluation net)	2.7	4.1	7.0	9.7	11.5	14.0	17.2
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
Recurring pretax income from continuing operations	2.8	4.0	6.8	9.7	11.6	14.1	17.3
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	2.8	4.0	6.8	9.7	11.6	14.1	17.3
Taxes	1.9	-1.2	1.3	3.0	3.2	4.1	5.2
Net income from continuing operations	1.0	5.3	5.5	6.8	8.4	10.0	12.1
Result from discontinued operations (net of tax)	1.0	2.1	2.1	0.4	0.5	0.5	0.5
Net income	1.0	5.3	5.5	6.8	8.4	10.0	12.1
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	1.0	5.3	5.5	6.8	8.4	10.0	12.1
Average number of shares	10.5	10.5	10.5	10.5	10.5	10.5	10.5
EPS reported	0.09	0.50	0.52	0.64	0.79	0.95	1.15

Profit and loss (common size)	2018	2019	2020	2021	2022E	2023E	2024E
Sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales	48.1 %	48.3 %	47.3 %	49.8 %	48.7 %	48.2 %	48.0 %
Gross profit	51.9 %	51.7 %	52.7 %	50.2 %	51.3 %	51.8 %	52.0 %
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 %
EBITDA	6.1 %	10.4 %	12.5 %	12.9 %	13.1 %	13.8 %	15.2 %
Depreciation	1.3 %	1.6 %	1.3 %	1.1 %	0.9 %	0.8 %	0.8 %
EBITA	4.8 %	8.8 %	11.2 %	11.8 %	12.2 %	13.0 %	14.4 %
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 %
EBIT (inc revaluation net)	3.0 %	4.2 %	6.5 %	8.6 %	9.3 %	10.3 %	11.7 %
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 %
Recurring pretax income from continuing operations	3.1 %	4.2 %	6.3 %	8.7 %	9.4 %	10.4 %	11.8 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	3.1 %	4.2 %	6.3 %	8.7 %	9.4 %	10.4 %	11.8 %
Tax rate	65.8 %	-30.2 %	19.3 %	30.5 %	28.0 %	29.0 %	30.0 %
Net income from continuing operations	1.1 %	5.5 %	5.1 %	6.0 %	6.7 %	7.4 %	8.2 %
Result from discontinued operations (net of tax)	1.1 %	2.2 %	2.0 %	0.4 %	0.4 %	0.4 %	0.4 %
Net income	1.1 %	5.5 %	5.1 %	6.0 %	6.7 %	7.4 %	8.2 %
Minority interest	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net profit (reported)	1.1 %	5.5 %	5.1 %	6.0 %	6.7 %	7.4 %	8.2 %

Source: Company data, Hauck Aufhäuser Investment Banking

Balance sheet (EUR m)	2018	2019	2020	2021	2022E	2023E	2024E
Intangible assets	48.1	46.3	44.0	43.4	40.4	37.3	33.8
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
FIXED ASSETS	51.0	57.9	64.6	63.9	64.5	66.2	66.2
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
CURRENT ASSETS	44.1	46.5	50.8	52.2	56.1	60.7	69.1
TOTAL ASSETS	95.1	104.5	115.5	116.0	120.6	126.9	135.3
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
Non-current liabilities	6.6	13.7	21.2	21.7	21.8	21.8	21.9
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
Current liabilities	28.9	30.6	32.5	29.9	30.2	30.7	31.1
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	95.1	104.5	115.5	116.0	120.6	126.9	135.3

Balance sheet (common size)	2018	2019	2020	2021	2022E	2023E	2024E
Intangible assets	50.5 %	44.3 %	38.1 %	37.4 %	33.5 %	29.4 %	25.0 %
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 %
FIXED ASSETS	53.6 %	55.4 %	56.0 %	55.0 %	53.4 %	52.2 %	48.9 %
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 %
CURRENT ASSETS	46.4 %	44.5 %	44.0 %	45.0 %	46.6 %	47.8 %	51.1 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
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 %
Non-current liabilities	6.9 %	13.1 %	18.3 %	18.7 %	18.0 %	17.2 %	16.2 %
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 %
Current liabilities	30.4 %	29.3 %	28.2 %	25.8 %	25.1 %	24.2 %	23.0 %
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

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
Cash flow from operating activities	2.0	9.5	17.7	13.3	11.3	13.1	15.8
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
Cash flow from investing activities	-1.1	-1.8	-2.4	-0.8	-5.3	-6.5	-5.2
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	9.8	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
Cash flow from financing activities	-4.2	-6.8	-7.0	-7.0	-14.0	-4.2	-4.2
Increase/decrease in liquid assets	-3.3	1.0	8.1	5.8	-8.0	2.3	6.4
Liquid assets at end of period	9.5	10.4	18.5	24.3	16.3	18.6	25.0

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 %
TTL	90.5	95.6	107.3	111.9	124.0	136.4	147.3
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
P&L growth analysis							
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 %
Efficiency							
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
Balance sheet analysis							
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
Cash flow analysis							
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 %
Security							
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 %
Asset utilisation							
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
Returns							
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 %
Other							
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
Valuation ratios							
P/BV	3.1	3.0	3.0	2.8	2.7	2.5	2.2
EV/sales	2.6	1.8	1.9	2.4	1.4	1.3	1.1
EV/EBITDA	42.5	17.5	15.0	18.8	10.8	9.2	7.4
EV/EBITA	53.8	20.6	16.7	20.6	11.6	9.8	7.8
EV/EBIT	86.5	42.8	28.5	28.0	15.2	12.3	9.7
EV/FCF	275.1	22.6	13.1	21.7	29.1	26.5	15.7
Adjusted FCF yield	1.0 %	4.7 %	4.4 %	3.4 %	6.1 %	7.2 %	8.9 %
Dividend yield	2.3 %	2.3 %	2.3 %	2.3 %	2.3 %	2.3 %	2.3 %

Source: Company data, Hauck Aufhäuser Investment Banking

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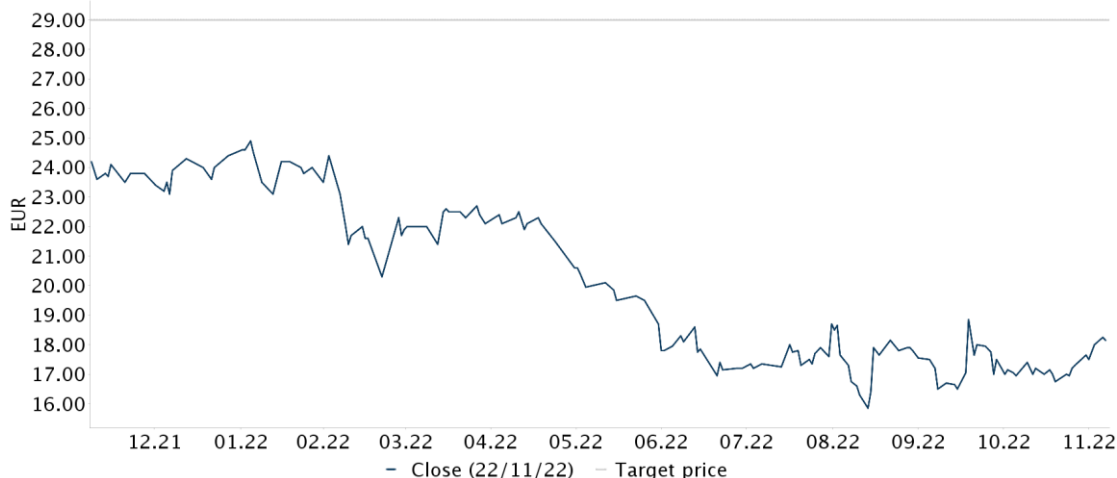
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Company	Disclosure
USU Software AG	2

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

**Price and Rating History
USU Software AG as of 23/11/22**

Initiation coverage
30-April-13



Company	Date	Analyst	Rating	Target price	Close
USU Software AG	02.11.2022	Sennewald, Philipp	Buy	EUR 29.00	EUR 17.15
	12.09.2022	Sennewald, Philipp	Buy	EUR 29.00	EUR 17.90
	01.09.2022	Sennewald, Philipp	Buy	EUR 29.00	EUR 17.90
	20.05.2022	Bentlage, Simon	Buy	EUR 29.00	EUR 19.95
	01.03.2022	Bentlage, Simon	Buy	EUR 29.00	EUR 22.00

14.02.2022 Bentlage, Simon Buy EUR 29.00 EUR 24.00

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Sell	5.33 %	0.00 %
Hold	18.93 %	3.23 %

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