

<p>Buy</p> <p>EUR 50.00</p> <p>Price EUR 34.02</p> <p>Upside 47.0 %</p>	<p>Value Indicators: EUR</p> <p>DCF: 50.11</p> <p>FCF-Value Potential: 41.23</p>	<p>Share data:</p> <p>Bloomberg: GKS GR</p> <p>Reuters: GKSG</p> <p>ISIN: DE0007571424</p>	<p>Description:</p> <p>Leading software company for stationary retailers</p>
	<p>Market Snapshot: EUR m</p> <p>Market cap: 64.3</p> <p>No. of shares (m): 1.9</p> <p>EV: 78.4</p> <p>Freefloat MC: 25.4</p> <p>Ø Trad. Vol. (30d; EUR): 7.44 th</p>	<p>Shareholders:</p> <p>Freefloat 39.5 %</p> <p>GK Software Holding 49.6 %</p> <p>SAP 5.3 %</p> <p>Rainer Gläß 3.3 %</p> <p>Stephan Kronmüller 2.3 %</p>	<p>Risk Profile (WRe): 2015e</p> <p>Beta: 1.6</p> <p>Price / Book: 1.9 x</p> <p>Equity Ratio: 57 %</p> <p>Net Fin. Debt / EBITDA: 1.6 x</p> <p>Net Debt / EBITDA: 1.7 x</p>

Strategically much further

Figures Q1/2015:					Comment on Figures:		
in Mio. EUR	Q1/15	Q1/15e	Q1/14	yoy	2015e	2014	yoy
Umsatz	13,0	11,8	9,3	39,1%	56,0	44,6	25,5%
EBITDA	-0,2	-0,3	-0,6	-66,0%	8,4	0,0	22910,3%
Marge	-1,5%	-2,5%	-6,2%		15,0%	0,1%	
EBIT	-0,9	-1,0	-1,1	-18,9%	5,3	-3,0	-
Marge	-6,8%	-8,5%	-11,6%		9,5%	-6,8%	
EPS in EUR	-0,67	-0,71	-0,81	-17,3%	2,00	-0,99	-

■ First quarter figures were in line with expectations to a large extent
■ In comparison with the prior quarter, revenue increased significantly due to basis effects. In light of a high share of service revenues, this only had a slight impact on the earnings.

On May 22, 2015, GK Software AG released financial figures for the first quarter of 2015. While on the revenue side, these were above expectations, it is important to remember that the comparative quarter from the previous year was abnormally weak as a result of a lack of licence revenues. Business from the retail segment of DBS Data Business Solutions which was acquired in March 2015 did not have any substantial impact on the first quarter earnings results but rather will first have an influence as the year continues.

In the course of the quarter, GK Software announced that it had succeeded in gaining two significant companies in the USA which will introduce the application of GK Software solutions. The companies come from the fashion/sports and retail sectors. Overall, around 3,200 branches will be operated with GK Software solutions in future. The achieved licence revenues were however already included in the estimates for the financial year 2015.

All in all however, the figures illustrate that GK can place, in particular, the activities in the US market on a broader footing and that it can win new credentials and partners which will have a positive impact on the gaining of further clients in the USA. In Q1 a partnership was formed with the implementation service provider Wipro Ltd (NYSE:WIT). This aims in particular for the worldwide application of SAP-related retail projects. Overall, considerable strategic advances can be seen at GK. In terms of client potential, the USA are GK's most important market and GK is successfully opening up this market, which holds substantial chances for GK.

With a backdrop of the reported figures, estimates (WRe) are left unchanged. The company also made no changes to the outlook.

The shares for GK Software are reiterated with a price target of EUR 50 and Buy.

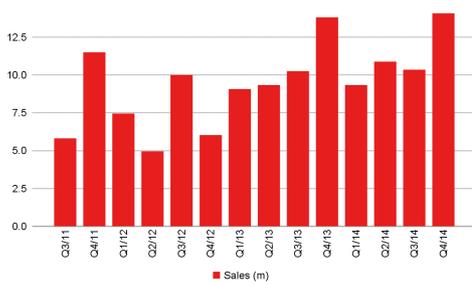


Rel. Performance vs CDAX:	
1 month:	-7.3 %
6 months:	-20.4 %
Year to date:	-18.5 %
Trailing 12 months:	-30.1 %

Company events:	
18.06.15	AGM
27.08.15	Q2
26.11.15	Q3

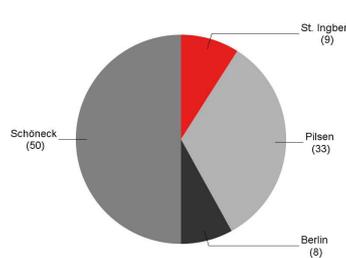
FY End: 31.12. in EUR m	CAGR (14-17e)	2011	2012	2013	2014	2015e	2016e	2017e
Sales	12.1 %	31.8	28.4	42.5	44.6	56.0	59.4	62.9
Change Sales yoy		14.7 %	-10.5 %	49.4 %	5.1 %	25.5 %	6.0 %	6.0 %
Gross profit margin		102.8 %	99.8 %	91.3 %	89.6 %	93.0 %	93.0 %	93.0 %
EBITDA	589.3 %	8.6	2.9	3.6	0.0	8.4	11.3	12.0
Margin		27.1 %	10.1 %	8.4 %	0.1 %	15.0 %	19.0 %	19.0 %
EBIT	-	6.7	0.8	1.3	-3.0	5.3	8.0	8.5
Margin		21.0 %	2.8 %	3.0 %	-6.8 %	9.5 %	13.5 %	13.5 %
Net income	-	4.6	0.7	0.8	-1.9	3.8	5.7	6.0
EPS	-	2.55	0.38	0.43	-0.99	2.00	3.01	3.19
EPS adj.	-	2.55	0.38	0.43	-0.99	2.00	3.01	3.19
DPS	0.0 %	0.50	0.00	0.25	0.50	0.50	0.50	0.50
Dividend Yield		1.1 %	0.0 %	0.8 %	1.2 %	1.5 %	1.5 %	1.5 %
FCFPS		1.29	0.57	-0.22	-2.65	0.90	3.22	3.51
EV / Sales		2.2 x	2.2 x	1.1 x	1.7 x	1.4 x	1.2 x	1.1 x
EV / EBITDA		8.1 x	22.4 x	12.7 x	n.a.	9.3 x	6.5 x	5.7 x
EV / EBIT		10.5 x	81.4 x	35.5 x	n.a.	14.7 x	9.1 x	8.0 x
P / E		17.1 x	101.4 x	72.5 x	n.a.	17.0 x	11.3 x	10.7 x
P / E adj.		17.1 x	101.4 x	72.5 x	n.a.	17.0 x	11.3 x	10.7 x
FCF Yield Potential		9.5 %	4.2 %	7.0 %	1.5 %	8.7 %	12.2 %	14.0 %
Net Debt		-8.4	-5.1	-10.5	-5.1	14.2	9.0	3.3
ROE		17.4 %	2.4 %	2.5 %	-5.8 %	11.6 %	15.7 %	14.6 %
ROCE (NOPAT)		25.0 %	3.0 %	3.6 %	-7.7 %	10.2 %	11.9 %	12.7 %
Guidance:		Revenue growth, margin of 15 %.						

Sales development
in EUR m



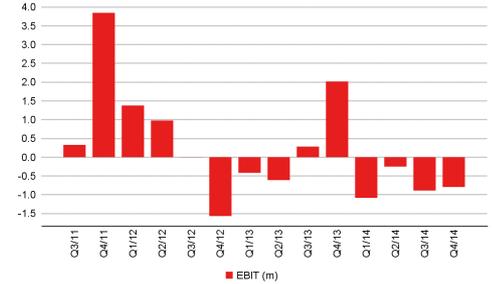
Source: Warburg Research

Employees per location
2014e; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

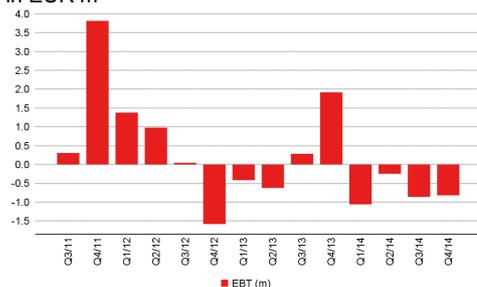
Company Background

- GK Software is the leading software supplier for retailers.
- As well as standard processes, GK Software solutions facilitate special requirements such as bonus programmes, the recording of fiscal details and the seamless integration in back-end solutions.
- The business activities of GK Software divides into two segments - the sale of product licences and the corresponding services.

Competitive Quality

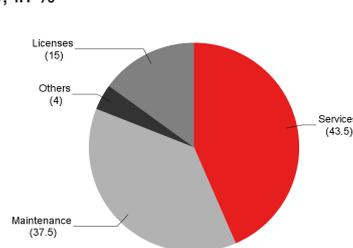
- The structural advantages of GK Software are compelling:
- GK Software's leading solution is completely Java-based, which makes it lean, platform independent and means it can be operated on the existing customer infrastructure.
- For many retail projects, GK competitors tend to undercalculate their bids and as a consequence are unable to complete the project on time and within budget.
- GK has outstanding reference clients (Hornbach, Kaufhof, Douglas, Netto, Tchibo, T-Punkt, Thalia, JYSK Nordic...)
- At the same time, GK Software's personnel costs are, depending on the location, often about 20% below those of a similar project team of a large system integrator.

EBT development
in EUR m



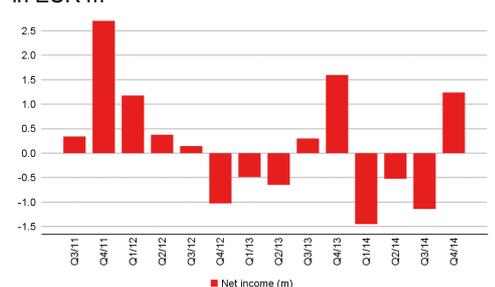
Source: Warburg Research

Sales by segments
2013; in %



Source: Warburg Research

Net income development
in EUR m



Source: Warburg Research

DCF model

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	2015e	2016e	2017e	2018e	2019e	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	
Sales	56.0	59.4	62.9	66.1	69.4	72.8	76.5	80.3	84.3	88.5	93.0	95.3	97.7	
Sales change	25.5 %	6.0 %	6.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	2.5 %	2.5 %	2.5 %
EBIT	5.3	8.0	8.5	11.9	12.5	13.1	13.8	14.5	15.2	15.9	16.7	17.2	17.6	
EBIT-margin	9.5 %	13.5 %	13.5 %	18.0 %	18.0 %	18.0 %	18.0 %	18.0 %	18.0 %	18.0 %	18.0 %	18.0 %	18.0 %	
Tax rate (EBT)	29.0 %	29.0 %	29.0 %	29.0 %	29.0 %	29.0 %	29.0 %	29.0 %	29.0 %	29.0 %	29.0 %	29.0 %	29.0 %	
NOPAT	3.8	5.7	6.0	8.4	8.9	9.3	9.8	10.3	10.8	11.3	11.9	12.2	12.5	
Depreciation	3.1	3.3	3.5	3.3	3.5	3.6	3.1	2.4	2.5	0.9	0.9	1.0	1.0	
in % of Sales	5.5 %	5.5 %	5.5 %	5.0 %	5.0 %	5.0 %	4.0 %	3.0 %	3.0 %	1.0 %	1.0 %	1.0 %	1.0 %	
Changes in provisions	0.0	0.0	0.0	-0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Change in Liquidity from														
- Working Capital	3.6	1.3	1.3	-4.7	-0.5	-0.6	-0.7	0.8	0.9	0.9	1.0	0.5	0.5	
- Capex	1.6	1.6	1.6	2.0	2.1	2.2	2.3	2.4	1.7	0.9	0.9	1.0	1.0	
Capex in % of Sales	2.8 %	2.6 %	2.5 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	2.0 %	1.0 %	1.0 %	1.0 %	1.0 %	
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Free Cash Flow (WACC Model)	1.7	6.1	6.6	13.8	10.7	11.3	11.2	9.4	10.8	10.4	10.9	11.7	12.0	12
PV of FCF	1.6	5.3	5.2	9.8	6.9	6.6	5.9	4.5	4.7	4.1	3.9	3.8	3.5	45
share of PVs	10.90 %			48.55 %										40.55 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	0.00 %	Financial Strength	1.50
Cost of debt (after tax)	4.2 %	Liquidity (share)	1.50
Market return	7.00 %	Cyclicality	1.50
Risk free rate	1.50 %	Transparency	2.00
		Others	1.50
WACC	10.30 %	Beta	1.60

Valuation (m)

Present values 2027e	66		
Terminal Value	45		
Financial liabilities	2		
Pension liabilities	1		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	-13	No. of shares (m)	1.9
Equity Value	95	Value per share (EUR)	50.11

Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Beta	WACC	Delta EBIT-margin						
		1.75 %	2.00 %	2.25 %	2.50 %	2.75 %	3.00 %	3.25 %			-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.78	11.3 %	41.84	42.30	42.79	43.31	43.86	44.45	45.06	1.78	11.3 %	38.79	40.30	41.81	43.31	44.82	46.33	47.84
1.69	10.8 %	44.76	45.31	45.89	46.51	47.16	47.86	48.60	1.69	10.8 %	41.71	43.31	44.91	46.51	48.11	49.71	51.31
1.65	10.6 %	46.35	46.95	47.58	48.25	48.97	49.73	50.55	1.65	10.6 %	43.30	44.95	46.60	48.25	49.91	51.56	53.21
1.60	10.3 %	48.03	48.68	49.37	50.11	50.90	51.74	52.64	1.60	10.3 %	44.99	46.70	48.41	50.11	51.82	53.52	55.23
1.55	10.1 %	49.81	50.52	51.28	52.09	52.95	53.88	54.87	1.55	10.1 %	46.80	48.56	50.33	52.09	53.85	55.62	57.38
1.51	9.8 %	51.70	52.48	53.32	54.20	55.16	56.18	57.28	1.51	9.8 %	48.73	50.55	52.38	54.20	56.03	57.85	59.68
1.42	9.3 %	55.87	56.81	57.81	58.90	60.06	61.32	62.68	1.42	9.3 %	53.01	54.97	56.93	58.90	60.86	62.82	64.78

- In addition to decent daily rates, software companies like GK normally generate high license revenues
- As a rule, this leads to high double-digit margins
- However, delays in the completion of projects und high structural expenses are burdening the company

Valuation	2011	2012	2013	2014	2015e	2016e	2017e
Price / Book	2.8 x	2.4 x	1.7 x	2.6 x	1.9 x	1.7 x	1.5 x
Book value per share ex intangibles	10.44	9.67	13.13	11.68	3.59	7.17	11.00
EV / Sales	2.2 x	2.2 x	1.1 x	1.7 x	1.4 x	1.2 x	1.1 x
EV / EBITDA	8.1 x	22.4 x	12.7 x	n.a.	9.3 x	6.5 x	5.7 x
EV / EBIT	10.5 x	81.4 x	35.5 x	n.a.	14.7 x	9.1 x	8.0 x
EV / EBIT adj.*	10.5 x	81.4 x	35.5 x	n.a.	14.7 x	9.1 x	8.0 x
P / FCF	34.0 x	68.2 x	n.a.	n.a.	38.0 x	10.6 x	9.7 x
P / E	17.1 x	101.4 x	72.5 x	n.a.	17.0 x	11.3 x	10.7 x
P / E adj.*	17.1 x	101.4 x	72.5 x	n.a.	17.0 x	11.3 x	10.7 x
Dividend Yield	1.1 %	0.0 %	0.8 %	1.2 %	1.5 %	1.5 %	1.5 %
Free Cash Flow Yield Potential	9.5 %	4.2 %	7.0 %	1.5 %	8.7 %	12.2 %	14.0 %
*Adjustments made for: -							

Consolidated profit & loss

In EUR m	2011	2012	2013	2014	2015e	2016e	2017e
Sales	31.8	28.4	42.5	44.6	56.0	59.4	62.9
Change Sales yoy	14.7 %	-10.5 %	49.4 %	5.1 %	25.5 %	6.0 %	6.0 %
Increase / decrease in inventory	0.0	-0.1	0.0	0.0	0.0	0.0	0.0
Own work capitalised	1.5	0.7	0.4	0.5	0.6	0.6	0.6
Total Sales	33.2	29.0	42.8	45.1	56.6	60.0	63.6
Material Expenses	0.6	0.7	4.1	5.2	4.5	4.7	5.0
Gross profit	32.6	28.4	38.8	40.0	52.1	55.2	58.5
<i>Gross profit margin</i>	<i>102.8 %</i>	<i>99.8 %</i>	<i>91.3 %</i>	<i>89.6 %</i>	<i>93.0 %</i>	<i>93.0 %</i>	<i>93.0 %</i>
Personnel expenses	18.6	19.8	25.6	28.7	33.0	32.6	34.6
Other operating income	0.7	1.7	2.5	2.2	2.8	3.0	3.1
Other operating expenses	6.2	7.4	12.0	13.4	13.4	14.2	15.1
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	8.6	2.9	3.6	0.0	8.4	11.3	12.0
<i>Margin</i>	<i>27.1 %</i>	<i>10.1 %</i>	<i>8.4 %</i>	<i>0.1 %</i>	<i>15.0 %</i>	<i>19.0 %</i>	<i>19.0 %</i>
Depreciation of fixed assets	0.6	0.6	0.6	1.8	0.8	0.9	0.9
EBITA	8.0	2.2	3.0	-1.8	7.6	10.4	11.0
Amortisation of intangible assets	1.3	1.4	1.7	1.2	2.2	2.4	2.5
Goodwill amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	6.7	0.8	1.3	-3.0	5.3	8.0	8.5
<i>Margin</i>	<i>21.0 %</i>	<i>2.8 %</i>	<i>3.0 %</i>	<i>-6.8 %</i>	<i>9.5 %</i>	<i>13.5 %</i>	<i>13.5 %</i>
EBIT adj.	6.7	0.8	1.3	-3.0	5.3	8.0	8.5
Interest income	0.2	0.2	0.1	0.2	0.0	0.0	0.0
Interest expenses	0.3	0.2	0.2	0.1	0.0	0.0	0.0
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	6.6	0.8	1.2	-3.0	5.3	8.0	8.5
<i>Margin</i>	<i>20.7 %</i>	<i>2.9 %</i>	<i>2.7 %</i>	<i>-6.7 %</i>	<i>9.5 %</i>	<i>13.5 %</i>	<i>13.5 %</i>
Total taxes	2.0	0.1	0.4	-1.1	1.5	2.3	2.5
Net income from continuing operations	4.6	0.7	0.8	-1.9	3.8	5.7	6.0
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income before minorities	4.6	0.7	0.8	-1.9	3.8	5.7	6.0
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	4.6	0.7	0.8	-1.9	3.8	5.7	6.0
<i>Margin</i>	<i>14.4 %</i>	<i>2.4 %</i>	<i>1.8 %</i>	<i>-4.2 %</i>	<i>6.7 %</i>	<i>9.6 %</i>	<i>9.6 %</i>
Number of shares, average	1.8	1.8	1.8	1.9	1.9	1.9	1.9
EPS	2.55	0.38	0.43	-0.99	2.00	3.01	3.19
EPS adj.	2.55	0.38	0.43	-0.99	2.00	3.01	3.19

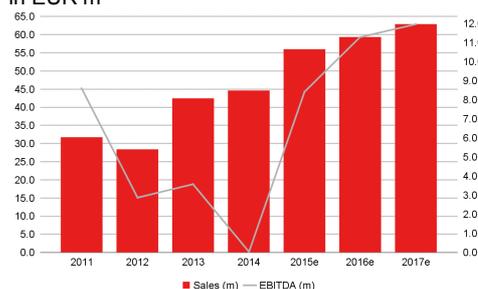
*Adjustments made for:

Guidance: Revenue growth, margin of 15 %.
Financial Ratios

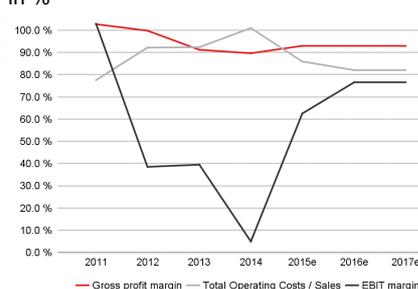
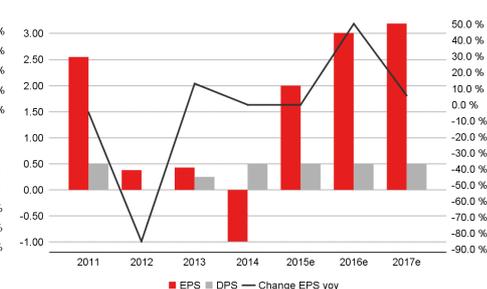
	2011	2012	2013	2014	2015e	2016e	2017e
Total Operating Costs / Sales	77.6 %	92.1 %	92.5 %	101.1 %	86.0 %	82.0 %	82.0 %
Operating Leverage	0.2 x	8.4 x	1.3 x	n.a.	n.a.	8.4 x	1.0 x
EBITDA / Interest expenses	31.2 x	14.9 x	16.0 x	0.3 x	n.a.	n.a.	n.a.
Tax rate (EBT)	30.5 %	17.6 %	34.2 %	37.4 %	29.0 %	29.0 %	29.0 %
Dividend Payout Ratio	19.6 %	0.0 %	58.6 %	n.m.	25.0 %	16.6 %	15.7 %
Sales per Employee	79,781	70,022	102,534	105,677	129,988	135,086	140,383

Sales, EBITDA

in EUR m


Operating Performance

in %


Performance per Share


Source: Warburg Research

Source: Warburg Research

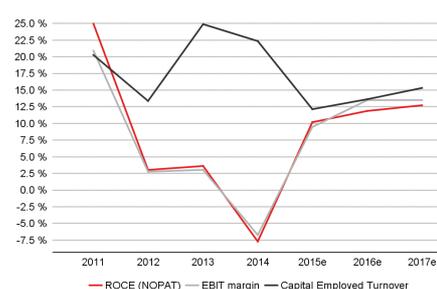
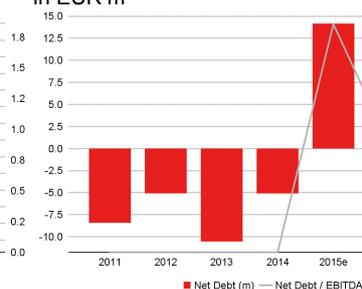
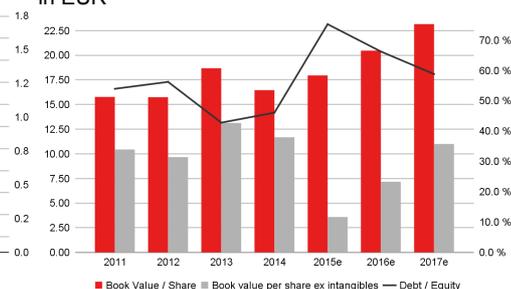
Source: Warburg Research

Consolidated balance sheet

In EUR m	2011	2012	2013	2014	2015e	2016e	2017e
Assets							
Goodwill and other intangible assets	9.5	10.9	9.9	9.0	27.1	25.1	23.0
thereof other intangible assets	3.1	4.5	3.5	2.6	0.7	-1.3	-3.4
thereof Goodwill	6.4	6.4	6.4	6.4	26.4	26.4	26.4
Property, plant and equipment	4.1	4.9	4.8	4.2	4.5	4.9	5.1
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other long-term assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fixed assets	13.7	15.8	14.7	13.2	31.7	30.0	28.1
Inventories	0.0	1.0	1.0	5.0	6.2	6.6	7.0
Accounts receivable	11.9	11.6	13.1	13.8	16.4	17.4	18.4
Liquid assets	13.9	10.3	13.7	8.3	0.0	5.2	10.9
Other short-term assets	4.0	5.4	5.2	5.2	5.2	5.2	5.2
Current assets	29.8	28.3	33.0	32.3	27.8	34.3	41.4
Total Assets	43.5	44.1	47.7	45.5	59.5	64.3	69.5
Liabilities and shareholders' equity							
Subscribed capital	1.8	1.8	1.9	1.9	1.9	1.9	1.9
Capital reserve	14.2	14.4	18.2	18.2	18.2	18.2	18.2
Retained earnings	0.0	0.0	0.0	-2.3	0.5	5.3	10.4
Other equity components	12.2	12.0	13.4	13.4	13.4	13.4	13.4
Shareholder's equity	28.2	28.2	33.4	31.1	33.9	38.7	43.8
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	28.2	28.2	33.4	31.1	33.9	38.7	43.8
Provisions	1.8	4.6	3.5	3.5	3.5	3.5	3.5
thereof provisions for pensions and similar obligations	0.2	1.7	0.9	0.9	0.9	0.9	0.9
Financial liabilities (total)	5.2	3.5	2.3	2.3	13.3	13.3	13.3
thereof short-term financial liabilities	0.8	2.2	1.3	1.3	1.3	1.3	1.3
Accounts payable	0.3	0.8	1.0	1.0	1.2	1.3	1.4
Other liabilities	7.9	6.9	7.6	7.6	7.6	7.6	7.6
Liabilities	15.2	15.9	14.3	14.4	25.6	25.7	25.8
Total liabilities and shareholders' equity	43.5	44.1	47.7	45.5	59.5	64.3	69.5

Financial Ratios

	2011	2012	2013	2014	2015e	2016e	2017e
Efficiency of Capital Employment							
Operating Assets Turnover	2.1 x	1.8 x	2.5 x	2.1 x	2.2 x	2.2 x	2.2 x
Capital Employed Turnover	1.6 x	1.2 x	1.9 x	1.7 x	1.2 x	1.2 x	1.3 x
ROA	33.4 %	4.3 %	5.2 %	-14.2 %	11.9 %	19.0 %	21.5 %
Return on Capital							
ROCE (NOPAT)	25.0 %	3.0 %	3.6 %	-7.7 %	10.2 %	11.9 %	12.7 %
ROE	17.4 %	2.4 %	2.5 %	-5.8 %	11.6 %	15.7 %	14.6 %
Adj. ROE	17.4 %	2.4 %	2.5 %	-5.8 %	11.6 %	15.7 %	14.6 %
Balance sheet quality							
Net Debt	-8.4	-5.1	-10.5	-5.1	14.2	9.0	3.3
Net Financial Debt	-8.6	-6.8	-11.5	-6.0	13.2	8.1	2.4
Net Gearing	-29.8 %	-18.0 %	-31.5 %	-16.4 %	41.7 %	23.3 %	7.6 %
Net Fin. Debt / EBITDA	n.a.	n.a.	n.a.	n.a.	157.7 %	71.8 %	20.2 %
Book Value / Share	15.8	15.7	18.7	16.5	18.0	20.5	23.2
Book value per share ex intangibles	10.4	9.7	13.1	11.7	3.6	7.2	11.0

ROCE Development

Net debt
in EUR m

Book Value per Share
in EUR


Source: Warburg Research

Source: Warburg Research

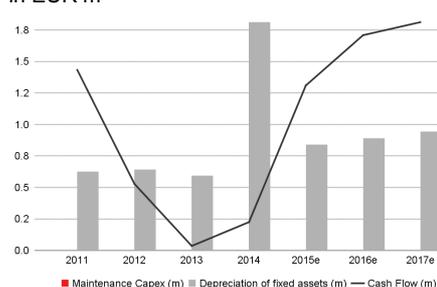
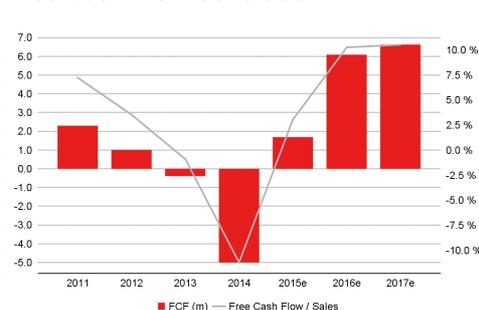
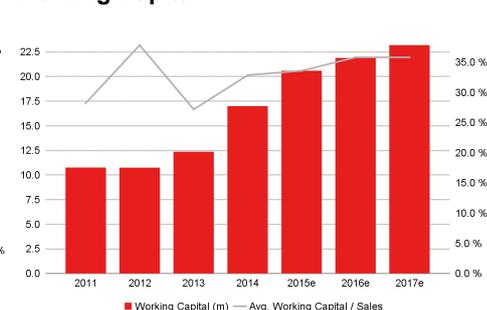
Source: Warburg Research

Consolidated cash flow statement

In EUR m	2011	2012	2013	2014	2015e	2016e	2017e
Net income	4.6	0.7	0.8	-1.9	3.8	5.7	6.0
Depreciation of fixed assets	0.6	0.6	0.6	1.8	0.8	0.9	0.9
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.3	1.4	1.7	1.2	2.2	2.4	2.5
Increase/decrease in long-term provisions	0.2	1.6	-1.7	0.0	0.0	0.0	0.0
Other non-cash income and expenses	0.8	-1.6	-1.1	0.0	0.0	0.0	0.0
Cash Flow	7.5	2.8	0.2	1.2	6.9	9.0	9.5
Increase / decrease in inventory	0.0	0.1	0.1	-4.0	-1.2	-0.4	-0.4
Increase / decrease in accounts receivable	2.0	2.4	2.4	-0.7	-2.6	-1.0	-1.0
Increase / decrease in accounts payable	-4.8	-2.2	-1.0	0.0	0.2	0.1	0.1
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 (total)	-2.8	0.3	1.5	-4.6	-3.6	-1.3	-1.3
Net cash provided by operating activities	4.7	3.1	1.7	-3.5	3.3	7.7	8.2
Investments in intangible assets	-1.7	-0.9	-0.9	-0.3	-0.4	-0.4	-0.4
Investments in property, plant and equipment	-0.7	-1.1	-1.2	-1.2	-1.2	-1.2	-1.2
Payments for acquisitions	0.0	0.0	0.0	0.0	-20.0	0.0	0.0
Financial investments	-0.3	-0.4	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	-1.6	1.2	0.0	0.0	0.0	0.0
Net cash provided by investing activities	-2.7	-4.0	-0.9	-1.5	-21.6	-1.6	-1.6
Change in financial liabilities	-0.7	-1.8	-1.2	0.0	11.0	0.0	0.0
Dividends paid	-0.9	-0.9	0.0	-0.4	-0.9	-0.9	-0.9
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	3.8	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash provided by financing activities	-1.6	-2.7	2.6	-0.4	10.1	-0.9	-0.9
Change in liquid funds	0.4	-3.6	3.4	-5.5	-8.3	5.1	5.7
Effects of exchange-rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalent at end of period	13.9	10.3	13.7	8.3	0.0	5.2	10.9

Financial Ratios

	2011	2012	2013	2014	2015e	2016e	2017e
Cash Flow							
FCF	2.3	1.0	-0.4	-5.0	1.7	6.1	6.6
Free Cash Flow / Sales	7.2 %	3.6 %	-0.9 %	-11.2 %	3.0 %	10.3 %	10.5 %
Free Cash Flow Potential	6.6	2.7	3.2	1.2	6.9	9.0	9.5
Free Cash Flow / Net Profit	50.4 %	149.7 %	-51.0 %	267.5 %	44.8 %	107.0 %	109.9 %
Interest Received / Avg. Cash	1.4 %	1.9 %	0.9 %	1.4 %	0.0 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	4.9 %	4.4 %	7.7 %	5.5 %	0.0 %	0.0 %	0.0 %
Management of Funds							
Investment ratio	7.7 %	7.2 %	5.0 %	3.5 %	2.8 %	2.6 %	2.5 %
Maint. Capex / Sales	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Capex / Dep	125.7 %	99.2 %	92.0 %	50.7 %	50.8 %	47.9 %	45.2 %
Avg. Working Capital / Sales	28.2 %	37.8 %	27.2 %	32.9 %	33.6 %	35.8 %	35.8 %
Trade Debtors / Trade Creditors	3630.7 %	1379.5 %	1356.9 %	1380.0 %	1366.7 %	1338.5 %	1314.3 %
Inventory Turnover	n.a.	0.7 x	3.9 x	1.0 x	0.7 x	0.7 x	0.7 x
Receivables collection period (days)	137	149	113	113	107	107	107
Payables payment period (days)	197	457	86	71	98	100	102
Cash conversion cycle (Days)	n.a.	-252	-37	336	490	494	496

CAPEX and Cash Flow
in EUR m

Free Cash Flow Generation

Working Capital


Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

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GK Software	5	http://www.mmwarburg.com/disclaimer/disclaimer_en/DE0007571424.htm

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-B-	Buy:	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	Hold:	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
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“-“	Rating suspended:	The available information currently does not permit an evaluation of the company.

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Rating	Number of stocks	% of Universe
Buy	98	54
Hold	74	41
Sell	7	4
Rating suspended	3	2
Total	182	100

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING ...

... Looking only at companies for which a disclosure according to § 34b of the Germany Securities Trading Act and the FinAnV has to be made.

Rating	Number of stocks	% of Universe
Buy	80	60
Hold	46	35
Sell	5	4
Rating suspended	2	2
Total	133	100

PRICE AND RATING HISTORY GK SOFTWARE AS OF 01.06.2015


The chart has markings if Warburg Research GmbH changed its rating in the last 12 months. Every marking represents the date and closing price on the day of the rating change.

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