

Buy (Hold) EUR 45.00 (EUR 33.00) Price EUR 38.70 Upside 16.3 %	Value Indicators: EUR DCF: 44.31 FCF-Value Potential: 47.42	Share data: Bloomberg: GKS GR Reuters: GKSG ISIN: DE0007571424	Description: Leading software company for stationary retailers
	Market Snapshot: EUR m Market cap: 69.3 No. of shares (m): 1.8 EV: 60.3 Freefloat MC: 29.4 Ø Trad. Vol. (30d): 10.42 th	Shareholders: Freefloat 42.5 % GK Software Holding 52.3 % Rainer Gläß 3.0 % Stephan Kronmüller 2.2 %	Risk Profile (WRe): 2013e Beta: 1.5 Price / Book: 2.3 x Equity Ratio: 65 % Net Fin. Debt / EBITDA: -1.5 x Net Debt / EBITDA: -1.3 x

SAP takes the gloves off - Upgrade to Buy

Today, GK Software announced that the company is planning a capital increase without subscription rights by 100k shares for an issue price of EUR 37.82 per share. The exclusive right to subscribe for the new shares has been granted to SAP AG. It can be expected that the transaction was agreed between both parties and the subscription will be implemented. This has the following, partly contradictory, implications:

- **SAP shows confidence:** GK Software still depends on major contracts with SAP in order to grow the business (cf comment from November 28). As major orders so far have not occurred (except for EDEKA) and the lack of visibility regarding the predictability of orders has prevailed, the share has significantly distanced from its record levels. The now planned transaction of shares does not necessarily mean that orders will follow, however shows the commitment of SAP and indicates that both companies are closely involved in talks and the cooperation SAP-by-GK is taken seriously.
- **Orders following?** In a more optimistic scenario, the envisaged orders would follow and concluding contracts could directly be expected from the investment.

Both implications speak in favour of GK Software and demonstrate the solid connection between the companies. Although orders do not necessarily have to follow short-term, the share is now again valued with substantially lower risk discounts. **The new PT for the share is EUR 45, the rating is changed to Buy (Hold).**

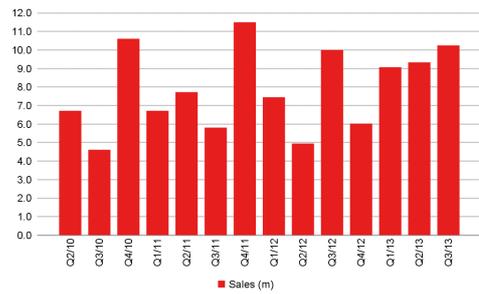


Rel. Performance vs CDAX:	
1 month:	36.5 %
6 months:	21.5 %
Year to date:	-14.3 %
Trailing 12 months:	-12.5 %

Company events:	
29.04.14	FY 2013
27.05.14	Q1
18.06.14	AGM
27.08.14	Q2

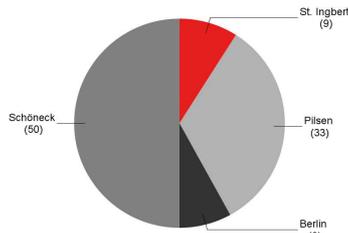
FY End: 31.12. in EUR m	CAGR (12-15e)	2009	2010	2011	2012	2013e	2014e	2015e
Sales	16.1 %	23.3	27.7	31.8	28.4	38.8	40.5	44.5
Change Sales yoy		54.9 %	19.0 %	14.7 %	-10.5 %	36.5 %	4.3 %	10.0 %
Gross profit margin		98.4 %	96.8 %	102.8 %	99.8 %	97.4 %	97.4 %	97.4 %
EBITDA	56.2 %	6.2	8.0	8.6	2.9	6.9	9.9	10.9
Margin		26.5 %	28.8 %	27.1 %	10.1 %	17.8 %	24.4 %	24.4 %
EBIT	116.6 %	4.9	6.4	6.7	0.8	4.4	7.3	8.0
Margin		21.0 %	23.2 %	21.0 %	2.8 %	11.3 %	17.9 %	17.9 %
Net income	103.1 %	3.5	4.5	4.6	0.7	3.1	5.1	5.7
EPS	102.6 %	2.11	2.68	2.55	0.38	1.74	2.88	3.16
EPS adj.	102.6 %	2.11	2.68	2.55	0.38	1.74	2.88	3.16
DPS	0.0 %	1.00	0.50	0.50	0.50	0.50	0.50	0.50
Dividend Yield		5.3 %	1.0 %	1.1 %	1.3 %	1.3 %	1.3 %	1.3 %
FCFPS		1.96	-0.79	1.29	0.57	2.67	3.24	3.28
EV / Sales		1.2 x	2.7 x	2.2 x	2.2 x	1.6 x	1.4 x	1.1 x
EV / EBITDA		4.5 x	9.4 x	8.1 x	22.4 x	8.7 x	5.6 x	4.6 x
EV / EBIT		5.7 x	11.7 x	10.5 x	81.4 x	13.8 x	7.6 x	6.3 x
P / E		9.0 x	18.4 x	17.1 x	101.4 x	22.2 x	13.4 x	12.2 x
P / E adj.		9.0 x	18.4 x	17.1 x	101.4 x	22.2 x	13.4 x	12.2 x
FCF Yield Potential		16.8 %	8.2 %	9.5 %	4.2 %	9.4 %	14.1 %	17.0 %
Net Debt		-3.9	-7.1	-8.4	-5.1	-9.0	-13.9	-18.9
ROE		26.0 %	22.6 %	17.4 %	2.4 %	10.6 %	15.8 %	15.3 %
ROCE (NOPAT)		43.6 %	31.9 %	25.0 %	3.0 %	14.0 %	24.4 %	27.4 %
Guidance:	n.a.							

Sales development
in EUR m



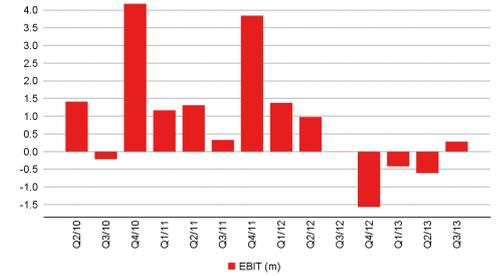
Source: Warburg Research

Employees per location
2012e; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

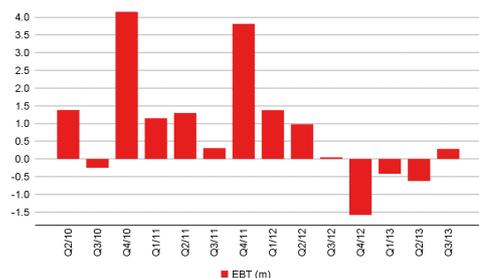
Company Background

- GK Software is the leading software supplier for retailers. The number of GK installations exceeds 55,000 in 22 countries.
- 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

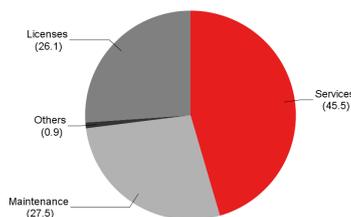
- The structural advantages of GK Software are compelling:
- GK Software's leading solution is completely Java-based, which makes it lean, platform independent and means it can be operated on the existing customer infrastructure.
- For many retail projects, GK competitors tend to undercalculate their 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



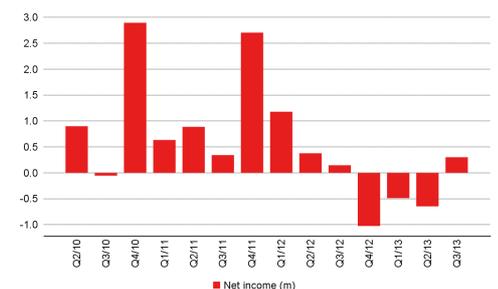
Source: Warburg Research

Sales by segments
2011; 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
	2013e	2014e	2015e	2016e	2017e	2018e	2019e	2020e	2021e	2022e	2023e	2024e	2025e	
Sales	38.8	40.5	44.5	47.6	50.0	52.5	55.2	57.9	60.8	63.8	67.0	68.7	70.4	
Sales change	36.5 %	4.3 %	10.0 %	7.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	2.5 %	2.5 %	2.5 %
EBIT	4.4	7.3	8.0	8.6	9.0	9.5	9.9	10.4	10.9	11.5	12.1	12.4	12.7	
EBIT-margin	11.3 %	17.9 %	17.9 %	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	3.1	5.1	5.7	6.1	6.4	6.7	7.0	7.4	7.8	8.2	8.6	8.8	9.0	
Depreciation	2.5	2.6	2.9	2.4	2.5	2.6	2.2	1.7	1.8	0.6	0.7	0.7	0.7	
in % of Sales	6.5 %	6.5 %	6.5 %	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	-1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Change in Liquidity from														
- Working Capital	-0.5	0.5	1.2	1.4	-0.3	-0.4	-0.5	0.6	0.6	0.7	0.7	0.4	0.4	
- Capex	1.4	1.5	1.5	1.4	1.5	1.6	1.7	1.7	1.2	0.6	0.7	0.7	0.7	
Capex in % of Sales	3.5 %	3.7 %	3.4 %	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)	4.8	5.8	5.9	4.1	7.7	8.2	8.1	6.8	7.8	7.5	7.9	8.4	8.6	9
PV of FCF	4.8	5.3	4.8	3.0	5.1	4.9	4.4	3.3	3.4	3.0	2.8	2.7	2.5	29
share of PVs	18.78 %			44.25 %										36.97 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	0.00 %	Financial Strength	1.20
Cost of debt	4.2 %	Liquidity	1.50
Market return	8.00 %	Cyclicality	1.50
Risk free rate	2.50 %	Transparency	2.00
		Others	1.50
WACC	10.97 %	Beta	1.54

Valuation (m)

Present values 2025e	50		
Terminal Value	29		
Financial liabilities	3		
Pension liabilities	2		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	5	No. of shares (m)	1.8
Equity Value	79	Value per share (EUR)	44.31

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
1.72	12.0 %	38.89	39.20	39.52	39.86	40.21	40.59	40.99	1.72	12.0 %	36.48	37.60	38.73	39.86	40.98	42.11	43.24
1.63	11.5 %	40.83	41.19	41.56	41.96	42.38	42.82	43.30	1.63	11.5 %	38.39	39.58	40.77	41.96	43.15	44.34	45.52
1.59	11.2 %	41.88	42.26	42.67	43.10	43.56	44.04	44.56	1.59	11.2 %	39.44	40.66	41.88	43.10	44.32	45.55	46.77
1.54	11.0 %	42.98	43.40	43.84	44.31	44.81	45.34	45.90	1.54	11.0 %	40.54	41.80	43.05	44.31	45.57	46.83	48.08
1.49	10.7 %	44.15	44.60	45.08	45.60	46.14	46.72	47.33	1.49	10.7 %	41.71	43.00	44.30	45.60	46.89	48.19	49.48
1.45	10.5 %	45.38	45.88	46.40	46.96	47.55	48.19	48.87	1.45	10.5 %	42.95	44.29	45.62	46.96	48.29	49.63	50.96
1.36	10.0 %	48.08	48.66	49.29	49.96	50.68	51.44	52.27	1.36	10.0 %	45.69	47.11	48.54	49.96	51.39	52.81	54.23

- At 20% GK Software has in 2011 already achieved a high EBIT margin for a software company
- A lower margin is expected in 2012/13 because of delayed projects
- In 2014 a margin improvement is estimated while bigger project-contracts are assumed.
- The medium-term margin assumption remains 20%.

Valuation	2009	2010	2011	2012	2013e	2014e	2015e
Price / Book	2.1 x	3.4 x	2.8 x	2.4 x	2.3 x	2.0 x	1.8 x
Book value per share ex intangibles	3.58	9.12	10.44	9.67	11.66	14.75	18.22
EV / Sales	1.2 x	2.7 x	2.2 x	2.2 x	1.6 x	1.4 x	1.1 x
EV / EBITDA	4.5 x	9.4 x	8.1 x	22.4 x	8.7 x	5.6 x	4.6 x
EV / EBIT	5.7 x	11.7 x	10.5 x	81.4 x	13.8 x	7.6 x	6.3 x
EV / EBIT adj.*	5.7 x	11.7 x	10.5 x	81.4 x	13.8 x	7.6 x	6.3 x
P / FCF	9.7 x	n.a.	34.0 x	68.2 x	14.5 x	12.0 x	11.8 x
P / E	9.0 x	18.4 x	17.1 x	101.4 x	22.2 x	13.4 x	12.2 x
P / E adj.*	9.0 x	18.4 x	17.1 x	101.4 x	22.2 x	13.4 x	12.2 x
Dividend Yield	5.3 %	1.0 %	1.1 %	1.3 %	1.3 %	1.3 %	1.3 %
Free Cash Flow Yield Potential	16.8 %	8.2 %	9.5 %	4.2 %	9.4 %	14.1 %	17.0 %
*Adjustments made for: -							

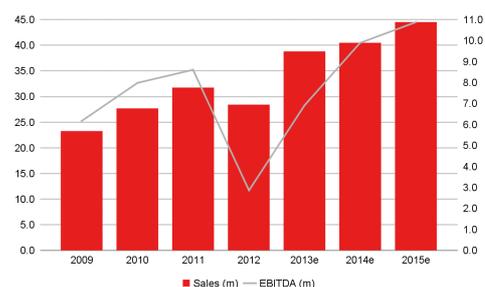
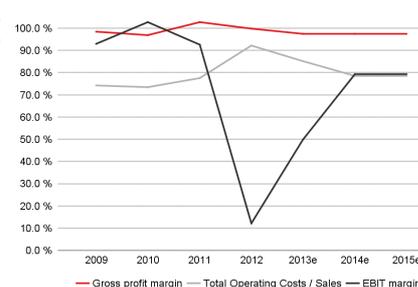
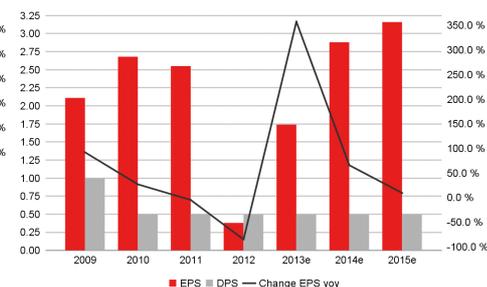
Consolidated profit & loss

In EUR m	2009	2010	2011	2012	2013e	2014e	2015e
Sales	23.3	27.7	31.8	28.4	38.8	40.5	44.5
Change Sales yoy	54.9 %	19.0 %	14.7 %	-10.5 %	36.5 %	4.3 %	10.0 %
Increase / decrease in inventory	-0.9	0.0	0.0	-0.1	-0.8	-0.8	-0.9
Own work capitalised	1.1	0.6	1.5	0.7	1.9	2.0	2.2
Total Sales	23.5	28.3	33.2	29.0	40.0	41.7	45.9
Material Expenses	0.6	1.5	0.6	0.7	2.2	2.3	2.5
Gross profit	22.9	26.8	32.6	28.4	37.8	39.4	43.4
<i>Gross profit margin</i>	<i>98.4 %</i>	<i>96.8 %</i>	<i>102.8 %</i>	<i>99.8 %</i>	<i>97.4 %</i>	<i>97.4 %</i>	<i>97.4 %</i>
Personnel expenses	12.1	14.8	18.6	19.8	26.6	25.1	27.6
Other operating income	0.8	1.4	0.7	1.7	1.9	2.0	2.2
Other operating expenses	5.4	5.3	6.2	7.4	6.2	6.5	7.1
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	6.2	8.0	8.6	2.9	6.9	9.9	10.9
<i>Margin</i>	<i>26.5 %</i>	<i>28.8 %</i>	<i>27.1 %</i>	<i>10.1 %</i>	<i>17.8 %</i>	<i>24.4 %</i>	<i>24.4 %</i>
Depreciation of fixed assets	0.4	0.4	0.6	0.6	1.0	1.0	1.1
EBITA	5.8	7.5	8.0	2.2	5.9	8.9	9.8
Amortisation of intangible assets	0.9	1.1	1.3	1.4	1.6	1.6	1.8
Goodwill amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	4.9	6.4	6.7	0.8	4.4	7.3	8.0
<i>Margin</i>	<i>21.0 %</i>	<i>23.2 %</i>	<i>21.0 %</i>	<i>2.8 %</i>	<i>11.3 %</i>	<i>17.9 %</i>	<i>17.9 %</i>
EBIT adj.	4.9	6.4	6.7	0.8	4.4	7.3	8.0
Interest income	0.3	0.2	0.2	0.2	0.0	0.0	0.0
Interest expenses	0.1	0.3	0.3	0.2	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	5.0	6.3	6.6	0.8	4.4	7.3	8.0
<i>Margin</i>	<i>21.6 %</i>	<i>22.8 %</i>	<i>20.7 %</i>	<i>2.9 %</i>	<i>11.3 %</i>	<i>17.9 %</i>	<i>17.9 %</i>
Total taxes	1.5	1.8	2.0	0.1	1.3	2.1	2.3
Net income from continuing operations	3.5	4.5	4.6	0.7	3.1	5.1	5.7
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	3.5	4.5	4.6	0.7	3.1	5.1	5.7
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	3.5	4.5	4.6	0.7	3.1	5.1	5.7
<i>Margin</i>	<i>15.1 %</i>	<i>16.1 %</i>	<i>14.4 %</i>	<i>2.4 %</i>	<i>8.0 %</i>	<i>12.7 %</i>	<i>12.7 %</i>
Number of shares, average	1.7	1.7	1.8	1.8	1.8	1.8	1.8
EPS	2.11	2.68	2.55	0.38	1.74	2.88	3.16
EPS adj.	2.11	2.68	2.55	0.38	1.74	2.88	3.16

*Adjustments made for:

Guidance: n.a.
Financial Ratios

	2009	2010	2011	2012	2013e	2014e	2015e
Total Operating Costs / Sales	74.3 %	73.5 %	77.6 %	92.1 %	85.2 %	78.6 %	78.6 %
Operating Leverage	2.2 x	1.7 x	0.2 x	8.4 x	12.5 x	15.2 x	1.0 x
EBITDA / Interest expenses	53.2 x	26.1 x	31.2 x	14.9 x	n.a.	n.a.	n.a.
Tax rate (EBT)	30.1 %	29.1 %	30.5 %	17.6 %	29.0 %	29.0 %	29.0 %
Dividend Payout Ratio	47.3 %	18.7 %	19.6 %	132.4 %	28.8 %	17.4 %	15.8 %
Sales per Employee	86,211	85,460	79,781	70,022	93,702	95,842	103,359

Sales, EBITDA
in EUR m

Operating Performance
in %

Performance per Share


Source: Warburg Research

Source: Warburg Research

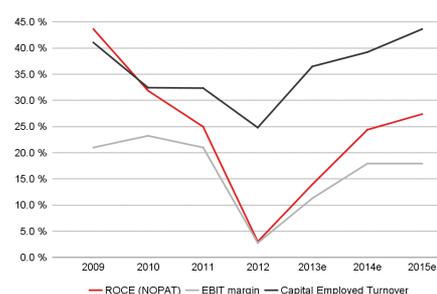
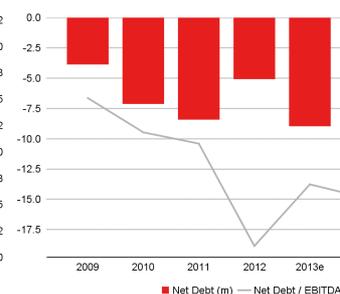
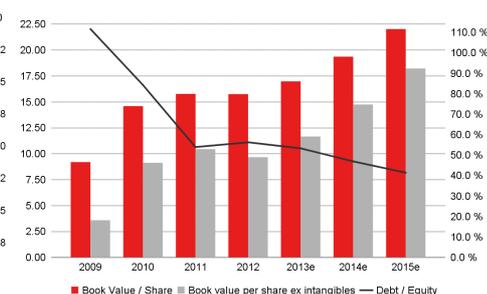
Source: Warburg Research

Consolidated balance sheet

In EUR m	2009	2010	2011	2012	2013e	2014e	2015e
Assets							
Goodwill and other intangible assets	9.3	9.1	9.5	10.9	9.5	8.3	6.8
thereof other intangible assets	2.9	2.7	3.1	4.5	3.1	1.8	0.4
thereof Goodwill	6.4	6.4	6.4	6.4	6.4	6.4	6.4
Property, plant and equipment	3.4	4.0	4.1	4.9	5.1	5.2	5.2
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	12.7	13.2	13.7	15.8	14.6	13.5	12.0
Inventories	0.0	0.0	0.0	1.0	4.3	4.5	4.9
Accounts receivable	5.8	14.1	11.9	11.6	8.2	8.5	9.4
Liquid assets	10.6	13.4	13.9	10.3	14.2	19.1	24.0
Other short-term assets	3.1	4.1	4.0	5.4	5.4	5.4	5.4
Current assets	19.6	31.6	29.8	28.3	32.0	37.4	43.7
Total Assets	32.4	44.8	43.5	44.1	46.6	50.9	55.8
Liabilities and shareholders' equity							
Subscribed capital	1.7	1.8	1.8	1.8	1.8	1.8	1.8
Capital reserve	7.8	13.9	14.2	14.4	14.4	14.4	14.4
Retained earnings	0.0	0.0	0.0	0.0	2.2	6.5	11.3
Other equity components	5.8	8.6	12.2	12.0	12.0	12.0	12.0
Shareholder's equity	15.3	24.3	28.2	28.2	30.4	34.7	39.4
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	15.3	24.3	28.2	28.2	30.4	34.7	39.4
Provisions	2.1	1.4	1.8	4.6	4.6	4.6	4.6
thereof provisions for pensions and similar obligations	0.0	0.3	0.2	1.7	1.7	1.7	1.7
Financial liabilities (total)	6.7	6.0	5.2	3.5	3.5	3.5	3.5
thereof short-term financial liabilities	0.7	0.7	0.8	2.2	2.2	2.2	2.2
Accounts payable	0.8	0.5	0.3	0.8	1.2	1.2	1.3
Other liabilities	7.5	12.6	7.9	6.9	6.9	6.9	6.9
Liabilities	17.1	20.5	15.2	15.9	16.2	16.2	16.3
Total liabilities and shareholders' equity	32.4	44.8	43.5	44.1	46.6	50.9	55.8

Financial Ratios

	2009	2010	2011	2012	2013e	2014e	2015e
Efficiency of Capital Employment							
Operating Assets Turnover	3.7 x	2.5 x	2.1 x	1.8 x	2.5 x	2.5 x	2.6 x
Capital Employed Turnover	2.0 x	1.6 x	1.6 x	1.2 x	1.8 x	1.9 x	2.2 x
ROA	27.6 %	34.0 %	33.4 %	4.3 %	21.3 %	38.3 %	47.0 %
Return on Capital							
ROCE (NOPAT)	43.6 %	31.9 %	25.0 %	3.0 %	14.0 %	24.4 %	27.4 %
ROE	26.0 %	22.6 %	17.4 %	2.4 %	10.6 %	15.8 %	15.3 %
Adj. ROE	26.0 %	22.6 %	17.4 %	2.4 %	10.6 %	15.8 %	15.3 %
Balance sheet quality							
Net Debt	-3.9	-7.1	-8.4	-5.1	-9.0	-13.9	-18.9
Net Financial Debt	-3.9	-7.5	-8.6	-6.8	-10.7	-15.6	-20.6
Net Gearing	-25.3 %	-29.3 %	-29.8 %	-18.0 %	-29.5 %	-40.0 %	-47.8 %
Net Fin. Debt / EBITDA	-63.4 %	-93.4 %	-100.2 %	-237.5 %	-154.6 %	-157.5 %	-188.9 %
Book Value / Share	9.2	14.6	15.8	15.7	17.0	19.4	22.0
Book value per share ex intangibles	3.6	9.1	10.4	9.7	11.7	14.8	18.2

ROCE Development

Net debt in EUR m

Book Value per Share in EUR


Source: Warburg Research

Source: Warburg Research

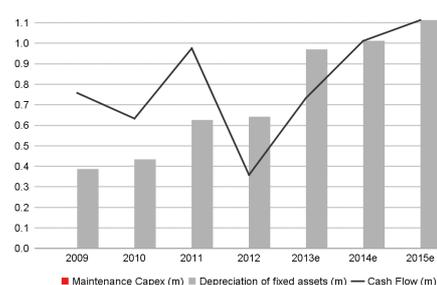
Source: Warburg Research

Consolidated cash flow statement

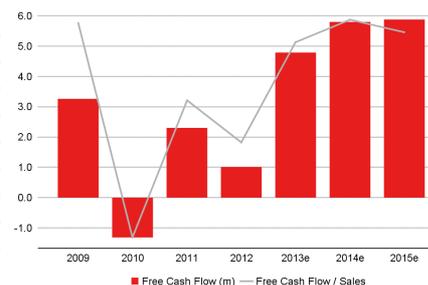
In EUR m	2009	2010	2011	2012	2013e	2014e	2015e
Net income	3.5	4.5	4.6	0.7	3.1	5.1	5.7
Depreciation of fixed assets	0.4	0.4	0.6	0.6	1.0	1.0	1.1
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.9	1.1	1.3	1.4	1.6	1.6	1.8
Increase/decrease in long-term provisions	0.0	-0.1	0.2	1.6	0.0	0.0	0.0
Other non-cash income and expenses	1.0	-1.0	0.8	-1.6	0.0	0.0	0.0
Cash Flow	5.8	4.9	7.5	2.8	5.6	7.8	8.6
Increase / decrease in inventory	0.7	0.0	0.0	0.1	-3.3	-0.2	-0.4
Increase / decrease in accounts receivable	-2.8	-8.5	2.0	2.4	3.4	-0.3	-0.9
Increase / decrease in accounts payable	1.9	5.3	-4.8	-2.2	0.4	0.0	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)	-0.2	-3.2	-2.8	0.3	0.5	-0.5	-1.2
Net cash provided by operating activities	5.7	1.7	4.7	3.1	6.1	7.3	7.4
Investments in intangible assets	-1.2	-1.9	-1.7	-0.9	-0.2	-0.3	-0.3
Investments in property, plant and equipment	-1.2	-1.1	-0.7	-1.1	-1.1	-1.1	-1.1
Payments for acquisitions	-6.4	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	-0.6	-0.1	-0.3	-0.4	0.0	0.0	0.0
Income from asset disposals	0.0	0.4	0.0	-1.6	0.0	0.0	0.0
Net cash provided by investing activities	-9.4	-2.7	-2.7	-4.0	-1.4	-1.5	-1.5
Change in financial liabilities	5.5	-0.7	-0.7	-1.8	0.0	0.0	0.0
Dividends paid	0.0	-1.7	-0.9	-0.9	-0.9	-0.9	-0.9
Purchase of own shares	0.0	6.3	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
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash provided by financing activities	5.5	3.8	-1.6	-2.7	-0.9	-0.9	-0.9
Change in liquid funds	1.8	2.8	0.4	-3.6	3.9	4.9	5.0
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	10.6	13.4	13.9	10.3	14.2	19.1	24.0

Financial Ratios

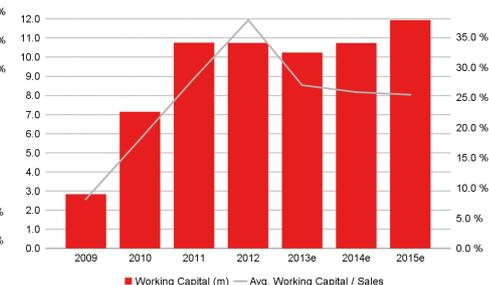
	2009	2010	2011	2012	2013e	2014e	2015e
Cash Flow							
Free Cash Flow	3.3	-1.3	2.3	1.0	4.8	5.8	5.9
Free Cash Flow / Sales	14.0 %	-4.7 %	7.2 %	3.6 %	12.3 %	14.3 %	13.2 %
Free Cash Flow Potential	4.7	6.1	6.6	2.7	5.6	7.8	8.6
Free Cash Flow / Sales	14.0 %	-4.7 %	7.2 %	3.6 %	12.3 %	14.3 %	13.2 %
Free Cash Flow / Net Profit	92.7 %	-29.4 %	50.4 %	149.7 %	153.9 %	112.5 %	103.7 %
Interest Received / Avg. Cash	2.7 %	1.5 %	1.4 %	1.9 %	0.0 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	2.9 %	4.8 %	4.9 %	4.4 %	0.0 %	0.0 %	0.0 %
Management of Funds							
Investment ratio	10.3 %	10.8 %	7.7 %	7.2 %	3.5 %	3.7 %	3.4 %
Maint. Capex / Sales	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Capex / Dep	187.6 %	192.6 %	125.7 %	99.2 %	53.7 %	56.6 %	51.5 %
Avg. Working Capital / Sales	8.2 %	18.0 %	28.2 %	37.8 %	27.1 %	25.9 %	25.5 %
Trade Debtors / Trade Creditors	755.3 %	2964.1 %	3630.7 %	1379.5 %	683.3 %	708.3 %	723.1 %
Inventory Turnover	n.a.	n.a.	n.a.	0.7 x	0.5 x	0.5 x	0.5 x
Receivables collection period (days)	92	186	137	149	77	77	77
Payables payment period (days)	504	113	197	457	203	195	192
Cash conversion cycle (Days)	n.a.	n.a.	n.a.	-252	499	517	527

CAPEX and Cash Flow
in EUR m


Source: Warburg Research

Free Cash Flow Generation


Source: Warburg Research

Working Capital


Source: Warburg Research

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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
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-H-	Hold:	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-S-	Sell:	The price of the analysed financial instrument is expected to fall over the next 12 months.
“-“	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	93	47
Hold	90	45
Sell	12	6
Rating suspended	5	3
Total	200	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	76	50
Hold	66	44
Sell	5	3
Rating suspended	4	3
Total	151	100

PRICE AND RATING HISTORY GK SOFTWARE AS OF 13.12.2013


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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