

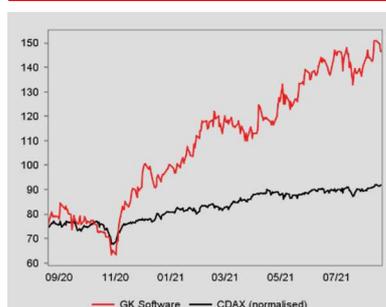
Buy EUR 200.00 (EUR 182.00) Price EUR 146.50 Upside 36.5 %	Value Indicators: EUR DCF: 200.55	Warburg ESG Risk Score: 2.2 ESG Score (MSCI based): 3.0 Balance Sheet Score: 3.5 Market Liquidity Score: 0.0	Description: Leading software company for stationary retailers
	Market Snapshot: EUR m Market cap: 0.0 No. of shares (m): 0.0 EV: 17.2 Freefloat MC: 0.0 Ø Trad. Vol. (30d): 211.89 th	Shareholders: Freefloat 41.6 % Rainer Gläß 29.2 % Stephan Kronmüller 23.0 % Wilhelm K.T. Zours 6.2 %	Key Figures (WRe): 2021e Beta: 1.3 Price / Book: 5.5 x Equity Ratio: 50 % Net Fin. Debt / EBITDA: 0.4 x Net Debt / EBITDA: 0.5 x

Very strong Q2

Figures Q2/2021:									
in EUR m	Q2/21	Q2/21e	Q2/20	yoy	6M/21	6M/20	yoy	Comment on Figures:	
Sales	33.9	31.2	27.1	24.9%	64.4	56.2	14.6%	<ul style="list-style-type: none"> While sales expectations (WRe) were exceeded, the earnings situation was very strong. The company benefited from very successful sales (billings) in its core business, and the German Fiscal division also seems to have delivered strong results despite Covid-19. This segment is characterised by particularly high margins. Special income from the sale of AWEK (EUR 2.75m) is not shown in this table, as it only includes Q2 operating figures. 	
EBITDA	7.8	6.6	3.0	160.6%	12.9	6.2	106.7%		
margin	22.9%	21.2%	11.0%		20.0%	11.1%			

According to preliminary figures, GK Software SE continued its growth course in the first half of 2021 despite the ongoing global pandemic. The increase in sales is due to the cloud sales of Deutsche Fiskal as well as the decision of several new customers for CLOUD4RETAIL, including a large international retailer and a European mineral oil company (this is particularly pleasing as the company has only recently developed a solution for this area). The figures presented were a particularly positive surprise with regard to the earnings situation. Here, the company benefitted from strong sales activities (billings) already in the first half of the year as well as from a strong initial development of Deutsche Fiskal (fiscalisation), although due to Covid-19 a low number of cash registers is still in operation. For the rest of the year, further sales growth at Deutsche Fiskal appears realistic, while the additional cash registers that have been put into operation should have a positive earnings effect. Special income from the sale of the non-strategic AWEK microdata GmbH also had a positive effect in the quarter under review (not shown in the table above). The full final report is expected to be published on August 26, 2021. Against the background of the strong numbers, there is a basis for a further increase in the forecasts. Together with minor adjustments in the DCF model, this results in a new target price of EUR 200 (182). The share continues to be rated Buy.

Changes in Estimates:							Comment on Changes:	
FY End: 31.12. in EUR m	2021e (old)	+ / -	2022e (old)	+ / -	2023e (old)	+ / -	<ul style="list-style-type: none"> The new forecasts now include higher revenues from high-margin businesses. In the current year, the sale of AWEK is also taken into account for the first time (other operating income), which explains the flattish earnings in the following year. Potential income from GK Spot is still not explicitly included in the model (an additional EUR 25-30m by 2023 would be conceivable). Product development in this area does not yet permit a reliable forecast. 	
Sales	134.0	0.9 %	152.8	0.9 %	174.2	0.9 %		
EBITDA	27.5	18.1 %	32.1	3.8 %	38.0	4.6 %		
EBIT	18.4	26.6 %	21.7	5.1 %	26.1	6.3 %		
DPS	0.00	0.0 %	1.50	0.0 %	1.50	0.0 %		

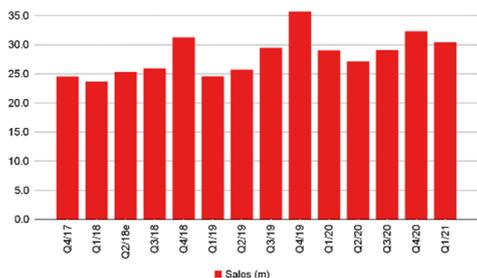


Rel. Performance vs CDAX:	
1 month:	4.9 %
6 months:	12.8 %
Year to date:	32.6 %
Trailing 12 months:	75.8 %

Company events:	
26.08.21	Q2
25.11.21	Q3

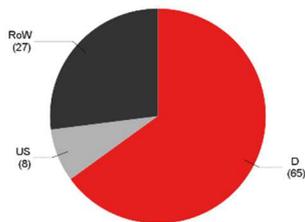
FY End: 31.12. in EUR m	CAGR (20-23e)	2017	2018	2019	2020	2021e	2022e	2023e
Sales	14.3 %	90.5	106.2	115.4	117.6	135.2	154.1	175.7
Change Sales yoy		17.0 %	17.4 %	8.8 %	1.8 %	15.0 %	14.0 %	14.0 %
Gross profit margin		90.6 %	92.7 %	94.6 %	92.7 %	92.0 %	92.0 %	92.0 %
EBITDA	26.3 %	8.8	6.8	12.3	19.7	32.4	33.3	39.7
Margin		9.7 %	6.4 %	10.6 %	16.7 %	24.0 %	21.6 %	22.6 %
EBIT	38.1 %	5.0	1.6	3.4	10.5	23.3	22.8	27.8
Margin		5.5 %	1.5 %	3.0 %	9.0 %	17.2 %	14.8 %	15.8 %
Net income	42.0 %	3.9	0.9	-3.1	6.3	15.0	14.6	18.1
EPS	37.0 %	2.05	0.49	-1.55	3.00	6.36	6.22	7.71
EPS adj.	37.0 %	2.05	0.49	-1.55	3.00	6.36	6.22	7.71
DPS	-	0.00	0.00	0.00	0.00	0.00	1.50	1.50
Dividend Yield		n.a.	n.a.	n.a.	n.a.	n.a.	1.0 %	1.0 %
FCFPS		3.70	-9.27	-1.92	7.11	3.95	6.62	8.23
FCF / Market cap		3.9 %	-9.0 %	-2.8 %	10.3 %	2.7 %	4.5 %	5.6 %
EV / Sales		2.0 x	2.1 x	1.5 x	1.5 x	2.7 x	2.2 x	1.9 x
EV / EBITDA		20.9 x	32.3 x	14.1 x	8.7 x	11.1 x	10.4 x	8.3 x
EV / EBIT		36.7 x	138.3 x	50.4 x	16.4 x	15.5 x	15.2 x	11.9 x
P / E		46.0 x	210.4 x	n.a.	23.0 x	23.0 x	23.6 x	19.0 x
P / E adj.		46.0 x	210.4 x	n.a.	23.0 x	23.0 x	23.6 x	19.0 x
FCF Potential Yield		4.5 %	3.4 %	4.6 %	9.8 %	7.3 %	7.9 %	9.8 %
Net Debt		3.7	24.6	34.8	26.5	17.2	1.7	-14.1
ROCE (NOPAT)		10.6 %	16.1 %	n.a.	9.5 %	21.1 %	20.1 %	24.7 %
Guidance:	n.a.							

Sales development
in EUR m



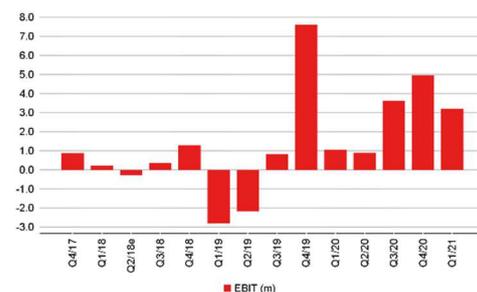
Source: Warburg Research

Employees per location
2020; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

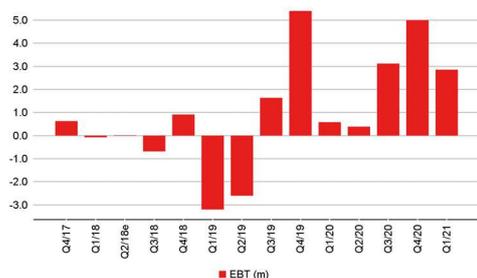
Company Background

- 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

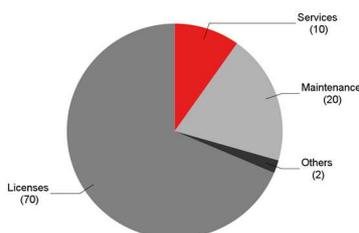
- The structural advantages of GK Software are compelling:
- GK Software's leading solution is completely Java-based, which makes it lean, platform independent and means it can be operated on the existing customer infrastructure.
- For many retail projects, GK competitors tend to undercalculate their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



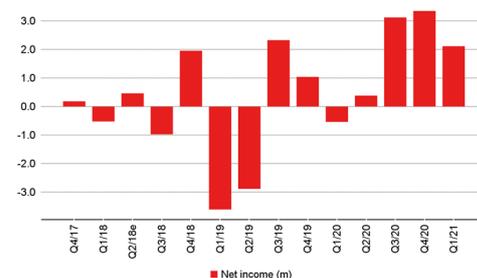
Source: Warburg Research

Sales by segments
2021e; 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
	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	
Sales	135.2	154.1	175.7	198.5	220.4	240.2	259.4	277.6	294.2	311.9	330.6	347.1	364.5	2.5 %
Sales change	15.0 %	14.0 %	14.0 %	13.0 %	11.0 %	9.0 %	8.0 %	7.0 %	6.0 %	6.0 %	6.0 %	5.0 %	5.0 %	
EBIT	23.3	22.8	27.8	31.8	37.5	40.8	44.1	47.2	50.0	53.0	56.2	59.0	62.0	17.0 %
EBIT-margin	17.2 %	14.8 %	15.8 %	16.0 %	17.0 %	17.0 %	17.0 %	17.0 %	17.0 %	17.0 %	17.0 %	17.0 %	17.0 %	
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 %	29.0 %
NOPAT	16.5	16.2	19.7	22.6	26.6	29.0	31.3	33.5	35.5	37.6	39.9	41.9	44.0	
Depreciation	9.2	10.5	11.9	13.9	11.0	9.6	7.8	8.3	8.8	9.4	9.9	10.4	10.9	3.0 %
in % of Sales	6.8 %	6.8 %	6.8 %	7.0 %	5.0 %	4.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	
Changes in provisions	0.0	0.0	0.0	-2.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Change in Liquidity from														
- Working Capital	10.0	4.2	4.9	5.2	4.9	4.5	4.3	4.1	3.8	4.0	4.2	3.7	3.9	3.9
- Capex	5.0	5.5	6.0	6.9	8.8	7.2	7.8	8.3	8.8	9.4	9.9	10.4	10.9	
Capex in % of Sales	3.7 %	3.6 %	3.4 %	3.5 %	4.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %
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)	10.7	17.0	20.8	22.3	23.9	27.0	27.0	29.5	31.8	33.7	35.7	38.2	40.1	44
PV of FCF share of PVs	10.4	15.3	17.2	17.0	16.8	17.4	16.0	16.1	16.0	15.6	15.2	15.0	14.5	260
	9.26 %			34.47 %										56.27 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	0.00 %	Financial Strength	1.30
Cost of debt (after tax)	4.2 %	Liquidity (share)	1.30
Market return	7.00 %	Cyclicality	1.30
Risk free rate	1.50 %	Transparency	1.30
		Others	1.30
WACC	8.65 %	Beta	1.30

Valuation (m)

Present values 2033e	202		
Terminal Value	260		
Financial liabilities	33		
Pension liabilities	3		
Hybrid capital	0		
Minority interest	1		
Market val. of investments	0		
Liquidity	45	No. of shares (m)	2.4
Equity Value	471	Value per share (EUR)	200.55

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
1.48	9.7 %	162.00	164.52	167.21	170.09	173.17	176.49	180.07	1.48	9.7 %	154.40	159.63	164.86	170.09	175.32	180.55	185.78
1.39	9.2 %	174.32	177.36	180.63	184.14	187.92	192.01	196.45	1.39	9.2 %	167.17	172.82	178.48	184.14	189.79	195.45	201.11
1.35	8.9 %	181.15	184.51	188.12	192.01	196.22	200.79	205.76	1.35	8.9 %	174.33	180.22	186.12	192.01	197.91	203.80	209.70
1.30	8.7 %	188.50	192.22	196.22	200.55	205.25	210.36	215.95	1.30	8.7 %	182.09	188.25	194.40	200.55	206.71	212.86	219.01
1.25	8.4 %	196.43	200.55	205.00	209.84	215.09	220.84	227.14	1.25	8.4 %	190.53	196.97	203.40	209.84	216.27	222.70	229.14
1.21	8.2 %	205.00	209.58	214.55	219.96	225.88	232.36	239.51	1.21	8.2 %	199.74	206.48	213.22	219.96	226.70	233.44	240.18
1.12	7.7 %	224.40	230.13	236.38	243.25	250.82	259.20	268.53	1.12	7.7 %	220.92	228.36	235.81	243.25	250.69	258.14	265.58

- GK has been able to grow strongly in recent years and, last but not least, convince in terms of profitability
- The technological leadership position and the cooperation with SAP form a good basis for further growth
- This leading position in the world provides considerable scope for sales and earnings

Valuation	2017	2018	2019	2020	2021e	2022e	2023e
Price / Book	4.6 x	5.0 x	3.3 x	3.0 x	5.5 x	4.4 x	3.7 x
Book value per share ex intangibles	7.02	4.82	6.71	10.68	18.02	26.76	35.94
EV / Sales	2.0 x	2.1 x	1.5 x	1.5 x	2.7 x	2.2 x	1.9 x
EV / EBITDA	20.9 x	32.3 x	14.1 x	8.7 x	11.1 x	10.4 x	8.3 x
EV / EBIT	36.7 x	138.3 x	50.4 x	16.4 x	15.5 x	15.2 x	11.9 x
EV / EBIT adj.*	36.7 x	138.3 x	50.4 x	16.4 x	15.5 x	15.2 x	11.9 x
P / FCF	25.5 x	n.a.	n.a.	9.7 x	37.1 x	22.1 x	17.8 x
P / E	46.0 x	210.4 x	n.a.	23.0 x	23.0 x	23.6 x	19.0 x
P / E adj.*	46.0 x	210.4 x	n.a.	23.0 x	23.0 x	23.6 x	19.0 x
Dividend Yield	n.a.	n.a.	n.a.	n.a.	n.a.	1.0 %	1.0 %
FCF Potential Yield (on market EV)	4.5 %	3.4 %	4.6 %	9.8 %	7.3 %	7.9 %	9.8 %

*Adjustments made for: -

Consolidated profit & loss

In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Sales	90.5	106.2	115.4	117.6	135.2	154.1	175.7
Change Sales yoy	17.0 %	17.4 %	8.8 %	1.8 %	15.0 %	14.0 %	14.0 %
Increase / decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Own work capitalised	0.0	0.0	0.0	0.8	0.0	0.0	0.0
Total Sales	90.5	106.2	115.4	118.4	135.2	154.1	175.7
Material expenses	8.5	7.7	6.2	9.4	10.8	12.3	14.1
Gross profit	81.9	98.4	109.2	109.0	124.4	141.8	161.6
<i>Gross profit margin</i>	<i>90.6 %</i>	<i>92.7 %</i>	<i>94.6 %</i>	<i>92.7 %</i>	<i>92.0 %</i>	<i>92.0 %</i>	<i>92.0 %</i>
Personnel expenses	57.8	68.8	78.1	75.6	86.5	96.2	107.9
Other operating income	5.2	3.6	3.8	4.3	12.2	6.2	7.0
Other operating expenses	20.5	26.4	22.7	17.9	17.6	18.5	21.1
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	8.8	6.8	12.3	19.7	32.4	33.3	39.7
<i>Margin</i>	<i>9.7 %</i>	<i>6.4 %</i>	<i>10.6 %</i>	<i>16.7 %</i>	<i>24.0 %</i>	<i>21.6 %</i>	<i>22.6 %</i>
Depreciation of fixed assets	1.4	2.7	2.0	2.0	2.4	2.8	3.2
EBITA	7.4	4.1	10.3	17.7	30.0	30.5	36.5
Amortisation of intangible assets	2.2	2.5	6.8	7.2	6.8	7.7	8.8
Goodwill amortisation	0.2	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	5.0	1.6	3.4	10.5	23.3	22.8	27.8
<i>Margin</i>	<i>5.5 %</i>	<i>1.5 %</i>	<i>3.0 %</i>	<i>9.0 %</i>	<i>17.2 %</i>	<i>14.8 %</i>	<i>15.8 %</i>
EBIT adj.	5.0	1.6	3.4	10.5	23.3	22.8	27.8
Interest income	0.1	0.1	0.1	0.2	0.0	0.0	0.0
Interest expenses	0.8	1.6	2.3	1.6	2.0	2.0	2.0
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	4.3	0.2	1.2	9.1	21.3	20.8	25.8
<i>Margin</i>	<i>4.8 %</i>	<i>0.2 %</i>	<i>1.1 %</i>	<i>7.7 %</i>	<i>15.7 %</i>	<i>13.5 %</i>	<i>14.7 %</i>
Total taxes	0.5	-0.8	4.4	2.8	6.2	6.0	7.5
Net income from continuing operations	3.9	0.9	-3.1	6.3	15.1	14.8	18.3
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	3.9	0.9	-3.1	6.3	15.1	14.8	18.3
Minority interest	0.0	0.0	0.0	-0.1	0.1	0.2	0.2
Net income	3.9	0.9	-3.1	6.3	15.0	14.6	18.1
<i>Margin</i>	<i>4.3 %</i>	<i>0.9 %</i>	<i>-2.7 %</i>	<i>5.4 %</i>	<i>11.1 %</i>	<i>9.5 %</i>	<i>10.3 %</i>
Number of shares, average	1.9	1.9	2.0	2.1	2.4	2.4	2.4
EPS	2.05	0.49	-1.55	3.00	6.36	6.22	7.71
EPS adj.	2.05	0.49	-1.55	3.00	6.36	6.22	7.71

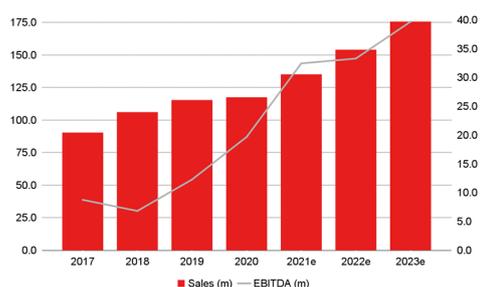
*Adjustments made for:

Guidance: n.a.

Financial Ratios

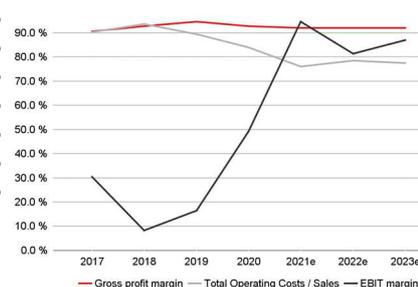
	2017	2018	2019	2020	2021e	2022e	2023e
Total Operating Costs / Sales	90.3 %	93.6 %	89.4 %	84.0 %	76.0 %	78.4 %	77.4 %
Operating Leverage	1.6 x	-3.9 x	13.1 x	113.2 x	8.0 x	-0.1 x	1.6 x
EBITDA / Interest expenses	11.2 x	4.4 x	5.4 x	12.0 x	16.2 x	16.6 x	19.9 x
Tax rate (EBT)	10.5 %	-439.8 %	354.6 %	31.1 %	29.0 %	29.0 %	29.0 %
Dividend Payout Ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	23.9 %	19.3 %
Sales per Employee	201,806	232,188	247,572	247,158	278,659	311,442	348,082

Sales, EBITDA in EUR m



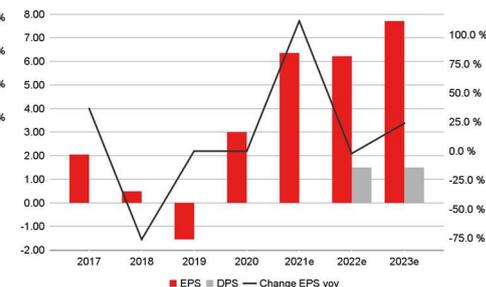
Source: Warburg Research

Operating Performance in %



Source: Warburg Research

Performance per Share



Source: Warburg Research

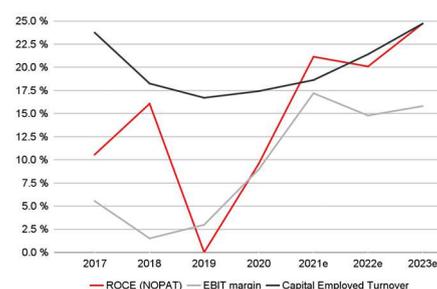
Consolidated balance sheet

In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Assets							
Goodwill and other intangible assets	25.4	30.0	27.6	25.4	20.7	14.9	8.2
thereof other intangible assets	21.4	12.2	22.2	25.4	20.7	14.9	8.2
thereof Goodwill	4.0	17.9	5.4	0.0	0.0	0.0	0.0
Property, plant and equipment	14.2	22.7	33.0	31.1	31.7	32.4	33.2
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	39.6	52.8	60.7	56.6	52.4	47.4	41.4
Inventories	1.0	0.5	0.3	0.2	1.4	1.5	1.8
Accounts receivable	17.7	26.0	24.0	24.0	33.3	38.0	43.3
Liquid assets	30.5	11.8	8.1	9.4	18.7	34.3	50.1
Other short-term assets	17.8	20.0	21.2	20.6	20.6	20.6	20.6
Current assets	67.0	58.4	53.5	54.2	74.0	94.3	115.7
Total Assets	106.6	111.2	114.2	110.7	126.3	141.7	157.2
Liabilities and shareholders' equity							
Subscribed capital	1.9	1.9	2.0	2.1	2.1	2.1	2.1
Capital reserve	20.5	21.4	27.3	28.7	28.7	28.7	28.7
Retained earnings	0.0	0.0	0.0	0.0	15.0	29.6	44.2
Other equity components	16.3	15.8	11.8	17.2	17.3	17.5	17.7
Shareholders' equity	38.7	39.2	41.2	47.9	63.0	77.8	92.6
Minority interest	0.0	1.1	1.1	0.7	0.7	0.7	0.7
Total equity	38.7	40.3	42.3	48.7	63.7	78.6	93.3
Provisions	3.7	3.1	4.2	3.5	3.5	3.5	3.5
thereof provisions for pensions and similar obligations	1.9	1.6	2.8	2.7	2.7	2.7	2.7
Financial liabilities (total)	32.3	34.8	40.1	33.2	33.2	33.2	33.2
Short-term financial liabilities	10.3	12.3	13.9	7.8	7.8	7.8	7.8
Accounts payable	1.8	2.4	2.5	3.6	4.1	4.7	5.4
Other liabilities	30.0	30.7	25.2	21.7	21.7	21.7	21.7
Liabilities	67.9	70.9	71.9	62.0	62.5	63.1	63.8
Total liabilities and shareholders' equity	106.6	111.2	114.2	110.7	126.3	141.7	157.2

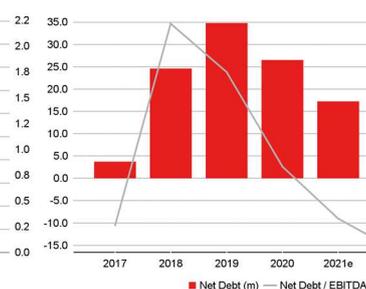
Financial Ratios

	2017	2018	2019	2020	2021e	2022e	2023e
Efficiency of Capital Employment							
Operating Assets Turnover	3.0 x	2.3 x	2.1 x	2.3 x	2.2 x	2.3 x	2.4 x
Capital Employed Turnover	2.1 x	1.6 x	1.5 x	1.6 x	1.7 x	1.9 x	2.2 x
ROA	9.8 %	1.8 %	-5.2 %	11.2 %	28.6 %	30.9 %	43.7 %
Return on Capital							
ROCE (NOPAT)	10.6 %	16.1 %	n.a.	9.5 %	21.1 %	20.1 %	24.7 %
ROE	11.1 %	2.4 %	-7.8 %	14.2 %	27.0 %	20.8 %	21.3 %
Adj. ROE	11.1 %	2.4 %	-7.8 %	14.2 %	27.0 %	20.8 %	21.3 %
Balance sheet quality							
Net Debt	3.7	24.6	34.8	26.5	17.2	1.7	-14.1
Net Financial Debt	1.8	23.0	32.0	23.8	14.5	-1.1	-16.9
Net Gearing	9.6 %	61.1 %	82.3 %	54.5 %	27.0 %	2.1 %	-15.1 %
Net Fin. Debt / EBITDA	21.0 %	337.0 %	261.2 %	120.8 %	44.7 %	n.a.	n.a.
Book Value / Share	20.3	20.6	20.4	22.7	26.8	33.1	39.4
Book value per share ex intangibles	7.0	4.8	6.7	10.7	18.0	26.8	35.9

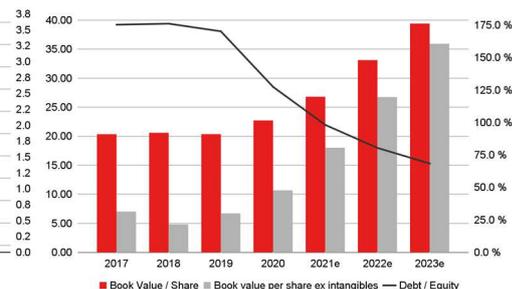
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

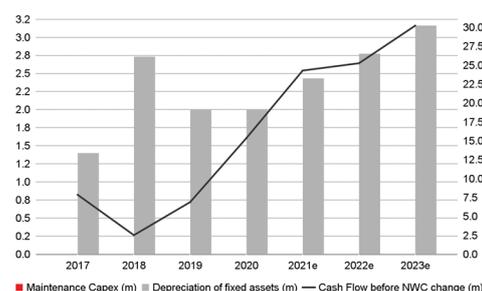
In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Net income	3.9	0.9	-3.1	6.3	15.1	14.8	18.3
Depreciation of fixed assets	1.4	2.7	2.0	2.0	2.4	2.8	3.2
Amortisation of goodwill	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	2.2	2.5	6.8	7.2	6.8	7.7	8.8
Increase/decrease in long-term provisions	0.2	-0.3	1.2	0.0	0.0	0.0	0.0
Other non-cash income and expenses	0.0	-3.3	0.0	0.0	0.0	0.0	0.0
Cash Flow before NWC change	7.9	2.5	6.9	15.4	24.3	25.3	30.2
Increase / decrease in inventory	0.2	0.5	0.2	0.1	-1.2	-0.1	-0.3
Increase / decrease in accounts receivable	0.3	-8.3	2.0	0.0	-9.3	-4.7	-5.3
Increase / decrease in accounts payable	0.2	-0.3	0.1	1.1	0.5	0.6	0.7
Increase / decrease in other working capital positions	6.6	0.0	-9.6	1.1	0.0	0.0	0.0
Increase / decrease in working capital (total)	7.3	-8.2	-7.1	2.3	-10.0	-4.2	-4.9
Net cash provided by operating activities [1]	15.2	-5.7	-0.2	17.7	14.3	21.1	25.3
Investments in intangible assets	-0.3	-0.3	-0.5	-0.8	-2.0	-2.0	-2.0
Investments in property, plant and equipment	-7.9	-11.7	-3.1	-1.9	-3.0	-3.5	-4.0
Payments for acquisitions	0.0	-3.9	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	-1.1	0.2	0.0	-0.3	0.0	0.0	0.0
Net cash provided by investing activities [2]	-9.3	-15.7	-3.6	-3.0	-5.0	-5.5	-6.0
Change in financial liabilities	17.5	-0.9	5.3	-6.9	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0	-3.5
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.6	0.0	0.0	0.0	0.0	0.0
Other	1.6	0.0	-5.2	-4.4	0.0	0.0	0.0
Net cash provided by financing activities [3]	19.1	-0.3	0.1	-11.3	0.0	0.0	-3.5
Change in liquid funds [1]+[2]+[3]	25.1	-21.7	-3.8	3.4	9.3	15.6	15.8
Effects of exchange-rate changes on cash	0.0	-0.1	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalent at end of period	27.9	8.7	2.3	5.7	18.7	34.3	50.1

Financial Ratios

	2017	2018	2019	2020	2021e	2022e	2023e
Cash Flow							
FCF	7.0	-17.6	-3.9	15.0	9.3	15.6	19.3
Free Cash Flow / Sales	7.8 %	-16.6 %	-3.4 %	12.8 %	6.9 %	10.1 %	11.0 %
Free Cash Flow Potential	8.3	7.6	7.9	16.9	26.3	27.3	32.2
Free Cash Flow / Net Profit	180.8 %	-1907.9 %	124.3 %	237.2 %	62.0 %	106.4 %	106.8 %
Interest Received / Avg. Cash	0.7 %	0.7 %	0.7 %	2.2 %	0.0 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	3.3 %	4.7 %	6.1 %	4.5 %	6.0 %	6.0 %	6.0 %
Management of Funds							
Investment ratio	9.0 %	11.3 %	3.2 %	2.3 %	3.7 %	3.6 %	3.4 %
Maint. Capex / Sales	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Capex / Dep	215.8 %	228.7 %	41.3 %	29.3 %	54.4 %	52.5 %	50.2 %
Avg. Working Capital / Sales	18.1 %	18.9 %	19.9 %	18.0 %	18.9 %	21.2 %	21.2 %
Trade Debtors / Trade Creditors	964.6 %	1100.6 %	965.5 %	667.8 %	812.2 %	808.5 %	801.9 %
Inventory Turnover	8.6 x	14.8 x	21.9 x	47.2 x	7.7 x	8.2 x	7.8 x
Receivables collection period (days)	71	90	76	74	90	90	90
Payables payment period (days)	79	112	146	139	138	139	140
Cash conversion cycle (Days)	-1	2	-53	-57	-1	-5	-4

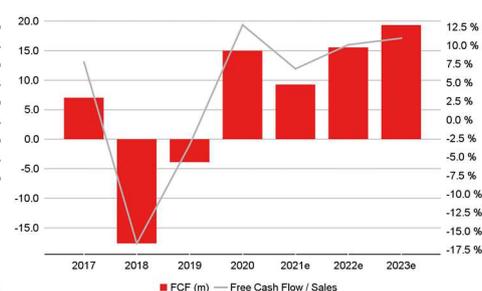
CAPEX and Cash Flow

in EUR m



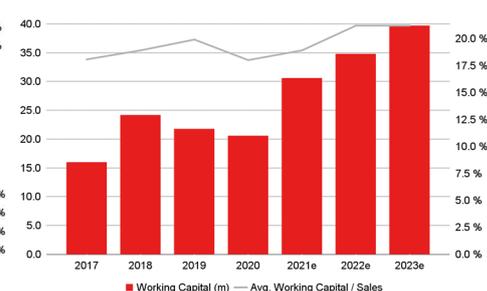
Source: Warburg Research

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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-B-	Buy:	The price of the analysed financial instrument is expected to rise over the next 12 months.
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-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	146	68
Hold	62	29
Sell	6	3
Rating suspended	2	1
Total	216	100

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

... taking into account only those companies which were provided with major investment services in the last twelve months.

Rating	Number of stocks	% of Universe
Buy	40	75
Hold	11	21
Sell	0	0
Rating suspended	2	4
Total	53	100

PRICE AND RATING HISTORY GK SOFTWARE AS OF 19.08.2021


Markings in the chart show rating changes by Warburg Research GmbH in the last 12 months. Every marking details the date and closing price on the day of the rating change.

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