

Buy EUR 205.00 Price EUR 136.00 Upside 50.7 %	Value Indicators: EUR DCF: 204.86	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: 323.8 No. of shares (m): 2.4 EV: 271.5 Freefloat MC: 188.3 Ø Trad. Vol. (30d): 119.78 th	Shareholders: Freefloat 58.15 % Rainer Gläß 23.57 % Stephan Kronmüller 18.29 %	Key Figures (WRe): 2022e Beta: 1.3 Price / Book: 3.3 x Equity Ratio: 68 %

Best Ideas 2023: Leader in a highly robust IT market segment

GK Software has become the leading European provider of integrated store IT solutions in the SAP ecosystem. With around 400k installations in ca. 70 countries, GK is among the top international players in the retail-solutions market and it uses the latest technology to continuously develop and improve its solutions. The first to rely on Java in 1997, GK today offers the first cloud-based enterprise retail solution. The growth continues to prove its success. In this way, the partnership of GK with SAP continuously improved. SAP lists the main products of GK on its own price list as "SAP by GK" - a first-class accolade, which of course offers enormous potential for sales. Against this background, even more of the world's largest retail chains could become clients of GK.

After years of high software development costs and market development costs (especially in the USA), GK Software has been generating significant income increases since 2021. And further increases can be expected as the number of cloud and maintenance contracts continues to rise (EBIT margin 2018: 1.5%, 2019: 3%, 2020: 9%, 2021: 13%, 2022e: 15%). The recent quarterly numbers showed an impressive improvement in earnings even without significant new license deals.

With its software solution (store software for retail) and by far the most important partner of SAP in this segment, the company occupies a niche that continues to grow significantly. Driven initially by customer loyalty cards, then by apps and soon by checkout-free supermarkets, there is no way around the leading software of this kind. The main target group of GK, supermarket chains, are particularly robust in times of inflation as prices are passed on to customers, and this is keeping demand strong.

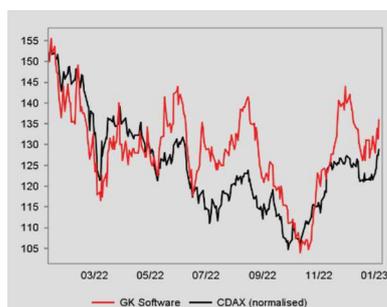
Driven by demonstrable efficiency gains and client demand e.g. for apps and loyalty cards, the willingness to invest remains high here.

With various technical innovations such as...

- the first cloud-based fiscalization in Germany,
- the development of a solution for petrol stations, where e-mobility is currently prompting substantial structural change (first solution has been sold), and
- the consistent use of new technology (AI-based planning processes)

...GK will further consolidate technology and market leadership in terms of POS systems sold worldwide as well as customer penetration in terms of new installations, where GK is already market leader.

With such potential, the company is clearly too cheap (especially in comparison to leading German software vendors) and provides significant upside to our **PT of EUR 205**. **The company is rated Buy.**

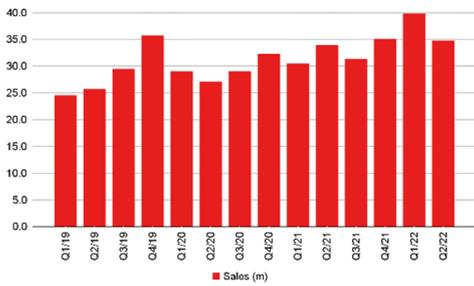


Rel. Performance vs CDAX:	
1 month:	-2.3 %
6 months:	-4.0 %
Year to date:	-3.0 %
Trailing 12 months:	5.9 %

Company events:	
24.04.23	FY 2022
25.05.23	Q1
15.06.23	AGM
29.08.23	Q2

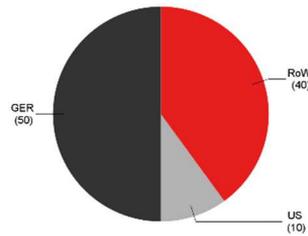
FY End: 31.12. in EUR m	CAGR (21-24e)	2018	2019	2020	2021	2022e	2023e	2024e
Sales	12.8 %	106.2	115.4	117.6	130.8	152.0	169.0	187.6
Change Sales yoy		17.4 %	8.8 %	1.8 %	11.3 %	16.2 %	11.2 %	11.0 %
Gross profit margin		92.7 %	94.6 %	92.7 %	89.2 %	89.0 %	89.0 %	89.0 %
EBITDA	15.5 %	6.8	12.3	19.7	26.8	32.4	36.0	41.3
Margin		6.4 %	10.6 %	16.7 %	20.5 %	21.3 %	21.3 %	22.0 %
EBIT	19.4 %	1.6	3.4	10.5	17.3	22.8	25.4	29.5
Margin		1.5 %	3.0 %	9.0 %	13.2 %	15.0 %	15.0 %	15.7 %
Net income	14.3 %	0.9	-3.1	6.3	13.2	15.0	16.8	19.7
EPS	14.3 %	0.49	-1.55	3.00	5.53	6.29	7.04	8.26
EPS adj.	14.3 %	0.49	-1.55	3.00	5.53	6.29	7.04	8.26
DPS	-	0.00	0.00	0.00	0.00	0.50	1.00	1.00
Dividend Yield		n.a.	n.a.	n.a.	n.a.	0.4 %	0.7 %	0.7 %
FCFPS		-9.27	-1.92	7.11	8.70	6.76	8.06	9.64
FCF / Market cap		-9.0 %	-2.8 %	10.3 %	6.3 %	5.0 %	5.9 %	7.1 %
EV / Sales		2.1 x	1.5 x	1.5 x	2.4 x	1.9 x	1.6 x	1.3 x
EV / EBITDA		32.3 x	14.1 x	8.7 x	11.5 x	8.9 x	7.5 x	6.1 x
EV / EBIT		138.3 x	50.4 x	16.4 x	17.8 x	12.7 x	10.7 x	8.5 x
P / E		210.4 x	n.a.	23.0 x	24.8 x	21.6 x	19.3 x	16.5 x
P / E adj.		210.4 x	n.a.	23.0 x	24.8 x	21.6 x	19.3 x	16.5 x
FCF Potential Yield		3.4 %	4.6 %	9.8 %	7.7 %	9.0 %	10.7 %	13.2 %
Net Debt		24.6	34.8	26.5	-18.2	-34.3	-52.3	-72.9
ROCE (NOPAT)		16.1 %	n.a.	9.5 %	19.9 %	25.0 %	28.5 %	34.6 %
Guidance:		2023 sales EUR 165-175m, EBIT 15%						

Sales development
in EUR m



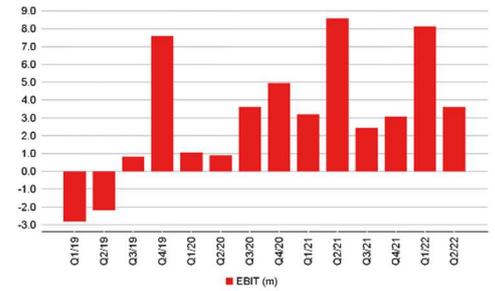
Source: Warburg Research

Employees per location
2022e; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

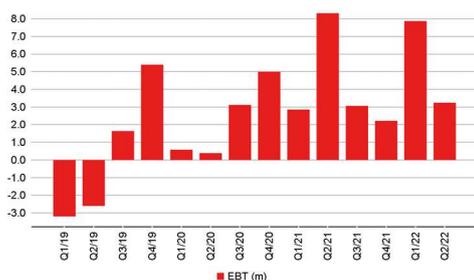
Company Background

- 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

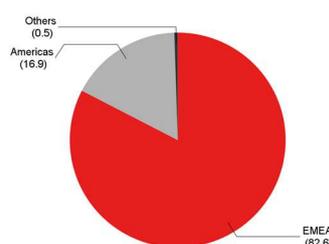
- The structural advantages of GK Software are compelling:
- GK Software's leading solution is completely Java-based, which makes it lean, platform independent and means it can be operated on the existing customer infrastructure.
- For many retail projects, GK competitors tend to undercalculate their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



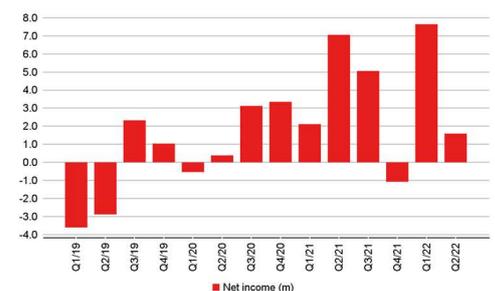
Source: Warburg Research

Sales by Regions
2021; 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
	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	
Sales	152.0	169.0	187.6	208.2	231.1	251.9	269.6	285.7	302.9	321.1	340.3	360.7	382.4	
Sales change	16.2 %	11.2 %	11.0 %	11.0 %	11.0 %	9.0 %	7.0 %	6.0 %	6.0 %	6.0 %	6.0 %	6.0 %	6.0 %	2.5 %
EBIT	22.8	25.4	29.5	33.3	39.3	45.3	51.2	57.1	60.6	64.2	68.1	72.1	76.5	
EBIT-margin	15.0 %	15.0 %	15.7 %	16.0 %	17.0 %	18.0 %	19.0 %	20.0 %	20.0 %	20.0 %	20.0 %	20.0 %	20.0 %	
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	16.2	18.0	20.9	23.7	27.9	32.2	36.4	40.6	43.0	45.6	48.3	51.2	54.3	
Depreciation	9.6	10.6	11.8	14.6	11.6	10.1	8.1	8.6	9.1	9.6	10.2	10.8	11.5	
in % of Sales	6.3 %	6.3 %	6.3 %	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	-1.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
Change in Liquidity from														
- Working Capital	3.1	2.4	2.7	3.0	3.3	3.0	2.5	2.3	2.5	2.6	2.8	2.9	3.1	
- Capex	5.5	6.0	6.0	7.3	9.2	7.6	8.1	8.6	9.1	9.6	10.2	10.8	11.5	
Capex in % of Sales	3.6 %	3.6 %	3.2 %	3.5 %	4.0 %	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)	17.2	20.2	24.0	26.8	27.0	31.8	33.9	38.3	40.6	43.0	45.6	48.3	51.2	53
PV of FCF	17.1	18.3	19.8	20.1	18.4	19.7	19.2	19.7	19.0	18.3	17.7	17.0	16.4	230
share of PVs	11.75 %			39.46 %										48.79 %

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	8.25 %	Cyclicality	1.30
Risk free rate	2.75 %	Transparency	1.30
		Others	1.30
WACC	9.90 %	Beta	1.30

Valuation (m)

Present values 2034e	241		
Terminal Value	230		
Financial liabilities	27		
Pension liabilities	2		
Hybrid capital	0		
Minority interest	1		
Market val. of investments	0		
Liquidity	47	No. of shares (m)	2.4
Equity Value	488	Value per share (EUR)	204.86

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	10.9 %	173.11	175.08	177.15	179.35	181.69	184.17	186.82	1.48	10.9 %	165.32	170.00	174.68	179.35	184.03	188.71	193.38
1.39	10.4 %	183.86	186.18	188.65	191.27	194.07	197.05	200.24	1.39	10.4 %	176.30	181.29	186.28	191.27	196.27	201.26	206.25
1.35	10.2 %	189.74	192.27	194.97	197.84	200.90	204.18	207.70	1.35	10.2 %	182.34	187.51	192.67	197.84	203.00	208.17	213.33
1.30	9.9 %	195.99	198.76	201.71	204.86	208.23	211.84	215.73	1.30	9.9 %	188.81	194.16	199.51	204.86	210.21	215.56	220.91
1.25	9.7 %	202.65	205.68	208.92	212.39	216.10	220.10	224.40	1.25	9.7 %	195.74	201.29	206.84	212.39	217.94	223.49	229.04
1.21	9.4 %	209.77	213.09	216.66	220.47	224.58	229.01	233.79	1.21	9.4 %	203.18	208.95	214.71	220.47	226.24	232.00	237.77
1.12	8.9 %	225.55	229.58	233.92	238.60	243.66	249.15	255.12	1.12	8.9 %	219.87	226.12	232.36	238.60	244.84	251.09	257.33

- 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	2018	2019	2020	2021	2022e	2023e	2024e
Price / Book	5.0 x	3.3 x	3.0 x	4.0 x	3.3 x	2.9 x	2.5 x
Book value per share ex intangibles	4.82	6.71	10.68	21.43	29.98	39.18	49.42
EV / Sales	2.1 x	1.5 x	1.5 x	2.4 x	1.9 x	1.6 x	1.3 x
EV / EBITDA	32.3 x	14.1 x	8.7 x	11.5 x	8.9 x	7.5 x	6.1 x
EV / EBIT	138.3 x	50.4 x	16.4 x	17.8 x	12.7 x	10.7 x	8.5 x
EV / EBIT adj.*	138.3 x	50.4 x	16.4 x	17.8 x	12.7 x	10.7 x	8.5 x
P / FCF	n.a.	n.a.	9.7 x	15.8 x	20.1 x	16.9 x	14.1 x
P / E	210.4 x	n.a.	23.0 x	24.8 x	21.6 x	19.3 x	16.5 x
P / E adj.*	210.4 x	n.a.	23.0 x	24.8 x	21.6 x	19.3 x	16.5 x
Dividend Yield	n.a.	n.a.	n.a.	n.a.	0.4 %	0.7 %	0.7 %
FCF Potential Yield (on market EV)	3.4 %	4.6 %	9.8 %	7.7 %	9.0 %	10.7 %	13.2 %

*Adjustments made for: -

Consolidated profit & loss

In EUR m	2018	2019	2020	2021	2022e	2023e	2024e
Sales	106.2	115.4	117.6	130.8	152.0	169.0	187.6
Change Sales yoy	17.4 %	8.8 %	1.8 %	11.3 %	16.2 %	11.2 %	11.0 %
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	0.8	0.0	0.0	0.0	0.0
Total Sales	106.2	115.4	118.4	130.8	152.0	169.0	187.6
Material expenses	7.7	6.2	9.4	14.2	16.7	18.6	20.6
Gross profit	98.4	109.2	109.0	116.7	135.3	150.4	167.0
<i>Gross profit margin</i>	<i>92.7 %</i>	<i>94.6 %</i>	<i>92.7 %</i>	<i>89.2 %</i>	<i>89.0 %</i>	<i>89.0 %</i>	<i>89.0 %</i>
Personnel expenses	68.8	78.1	75.6	78.7	91.2	101.4	112.6
Other operating income	3.6	3.8	4.3	8.7	7.6	8.5	9.4
Other operating expenses	26.4	22.7	17.9	19.9	19.3	21.5	22.5
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	6.8	12.3	19.7	26.8	32.4	36.0	41.3
<i>Margin</i>	<i>6.4 %</i>	<i>10.6 %</i>	<i>16.7 %</i>	<i>20.5 %</i>	<i>21.3 %</i>	<i>21.3 %</i>	<i>22.0 %</i>
Depreciation of fixed assets	2.7	2.0	1.8	2.4	2.3	2.5	2.8
EBITA	4.1	10.3	17.9	24.4	30.1	33.5	38.5
Amortisation of intangible assets	2.5	6.8	7.4	7.1	7.3	8.1	9.0
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	1.6	3.4	10.5	17.3	22.8	25.4	29.5
<i>Margin</i>	<i>1.5 %</i>	<i>3.0 %</i>	<i>9.0 %</i>	<i>13.2 %</i>	<i>15.0 %</i>	<i>15.0 %</i>	<i>15.7 %</i>
EBIT adj.	1.6	3.4	10.5	17.3	22.8	25.4	29.5
Interest income	0.1	0.1	0.2	0.6	0.0	0.0	0.0
Interest expenses	1.6	2.3	1.6	1.4	1.5	1.5	1.5
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	0.2	1.2	9.1	16.5	21.3	23.9	28.0
<i>Margin</i>	<i>0.2 %</i>	<i>1.1 %</i>	<i>7.7 %</i>	<i>12.6 %</i>	<i>14.0 %</i>	<i>14.1 %</i>	<i>14.9 %</i>
Total taxes	-0.8	4.4	2.8	3.2	6.2	6.9	8.1
Net income from continuing operations	0.9	-3.1	6.3	13.3	15.1	16.9	19.8
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	0.9	-3.1	6.3	13.3	15.1	16.9	19.8
Minority interest	0.0	0.0	-0.1	0.1	0.2	0.2	0.2
Net income	0.9	-3.1	6.3	13.2	15.0	16.8	19.7
<i>Margin</i>	<i>0.9 %</i>	<i>-2.7 %</i>	<i>5.4 %</i>	<i>10.1 %</i>	<i>9.8 %</i>	<i>9.9 %</i>	<i>10.5 %</i>
Number of shares, average	1.9	2.0	2.1	2.4	2.4	2.4	2.4
EPS	0.49	-1.55	3.00	5.53	6.29	7.04	8.26
EPS adj.	0.49	-1.55	3.00	5.53	6.29	7.04	8.26

*Adjustments made for:

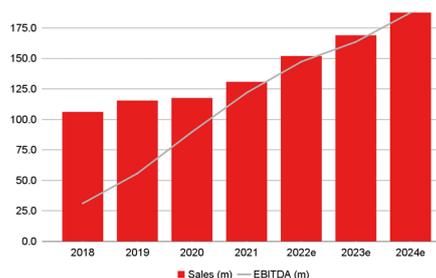
Guidance: 2023 sales EUR 165-175m, EBIT 15%

Financial Ratios

	2018	2019	2020	2021	2022e	2023e	2024e
Total Operating Costs / Sales	93.6 %	89.4 %	84.0 %	79.5 %	78.7 %	78.7 %	78.0 %
Operating Leverage	-3.9 x	13.1 x	113.2 x	5.7 x	2.0 x	1.0 x	1.5 x
EBITDA / Interest expenses	4.4 x	5.4 x	12.0 x	18.8 x	21.6 x	24.0 x	27.5 x
Tax rate (EBT)	-439.8 %	354.6 %	31.1 %	19.2 %	29.0 %	29.0 %	29.0 %
Dividend Payout Ratio	0.0 %	0.0 %	0.0 %	0.0 %	7.9 %	14.1 %	12.0 %
Sales per Employee	232,188	247,572	247,158	269,699	307,156	334,812	364,355

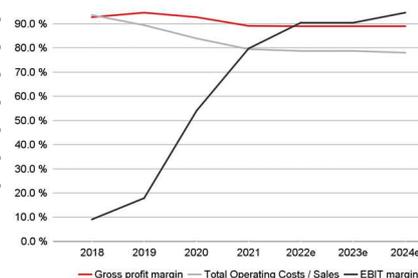
Sales, EBITDA

in EUR m

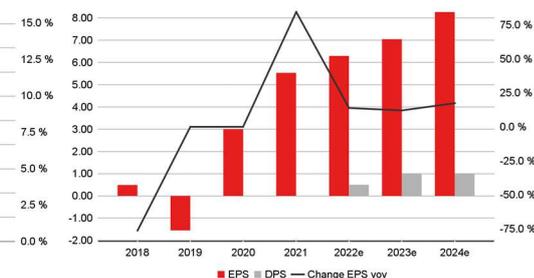


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

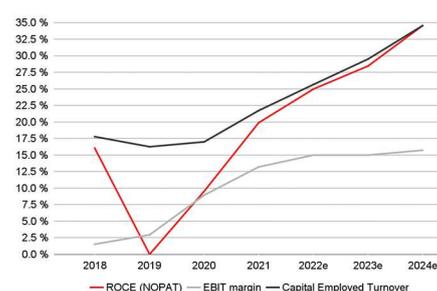
Consolidated balance sheet

In EUR m	2018	2019	2020	2021	2022e	2023e	2024e
Assets							
Goodwill and other intangible assets	30.0	27.6	25.4	31.7	26.4	20.3	13.3
thereof other intangible assets	12.2	22.2	25.4	31.7	26.4	20.3	13.3
thereof Goodwill	17.9	5.4	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	22.7	33.0	31.1	21.3	22.5	24.0	25.2
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	52.8	60.7	56.6	53.0	48.9	44.3	38.5
Inventories	0.5	0.3	0.2	0.1	0.1	0.1	0.1
Accounts receivable	26.0	24.0	24.0	24.0	27.9	31.0	34.4
Liquid assets	11.8	8.1	9.4	46.9	48.4	66.4	87.0
Other short-term assets	20.0	21.2	20.6	20.2	20.2	20.2	20.2
Current assets	58.4	53.5	54.2	91.2	96.6	117.7	141.6
Total Assets	111.2	114.2	110.7	144.2	145.5	162.0	180.1
Liabilities and shareholders' equity							
Subscribed capital	1.9	2.0	2.1	2.3	2.3	2.3	2.3
Capital reserve	21.4	27.3	28.7	49.3	49.3	49.3	49.3
Retained earnings	0.0	0.0	0.0	0.0	15.0	30.6	47.9
Other equity components	15.8	11.8	17.2	31.1	31.2	31.4	31.5
Shareholders' equity	39.2	41.2	47.9	82.7	97.8	113.5	130.9
Minority interest	1.1	1.1	0.7	0.9	0.9	0.9	0.9
Total equity	40.3	42.3	48.7	83.6	98.6	114.4	131.8
Provisions	3.1	4.2	3.5	2.4	2.4	2.4	2.4
thereof provisions for pensions and similar obligations	1.6	2.8	2.7	1.9	1.9	1.9	1.9
Financial liabilities (total)	34.8	40.1	33.2	26.8	12.2	12.2	12.2
Short-term financial liabilities	12.3	13.9	7.8	1.0	1.0	1.0	1.0
Accounts payable	2.4	2.5	3.6	5.2	6.0	6.7	7.4
Other liabilities	30.7	25.2	21.7	26.2	26.2	26.2	26.2
Liabilities	70.9	71.9	62.0	60.7	46.9	47.6	48.3
Total liabilities and shareholders' equity	111.2	114.2	110.7	144.2	145.5	162.0	180.1

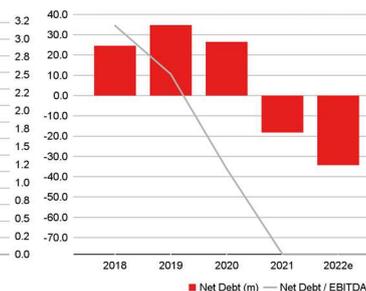
Financial Ratios

	2018	2019	2020	2021	2022e	2023e	2024e
Efficiency of Capital Employment							
Operating Assets Turnover	2.3 x	2.1 x	2.3 x	3.3 x	3.4 x	3.5 x	3.6 x
Capital Employed Turnover	1.6 x	1.5 x	1.6 x	2.0 x	2.4 x	2.7 x	3.2 x
ROA	1.8 %	-5.2 %	11.2 %	24.8 %	30.6 %	37.8 %	51.1 %
Return on Capital							
ROCE (NOPAT)	16.1 %	n.a.	9.5 %	19.9 %	25.0 %	28.5 %	34.6 %
ROE	2.4 %	-7.8 %	14.2 %	20.1 %	16.6 %	15.9 %	16.1 %
Adj. ROE	2.4 %	-7.8 %	14.2 %	20.1 %	16.6 %	15.9 %	16.1 %
Balance sheet quality							
Net Debt	24.6	34.8	26.5	-18.2	-34.3	-52.3	-72.9
Net Financial Debt	23.0	32.0	23.8	-20.1	-36.2	-54.2	-74.8
Net Gearing	61.1 %	82.3 %	54.5 %	-21.8 %	-34.8 %	-45.7 %	-55.3 %
Net Fin. Debt / EBITDA	337.0 %	261.2 %	120.8 %	n.a.	n.a.	n.a.	n.a.
Book Value / Share	20.6	20.4	22.7	34.7	41.1	47.7	55.0
Book value per share ex intangibles	4.8	6.7	10.7	21.4	30.0	39.2	49.4

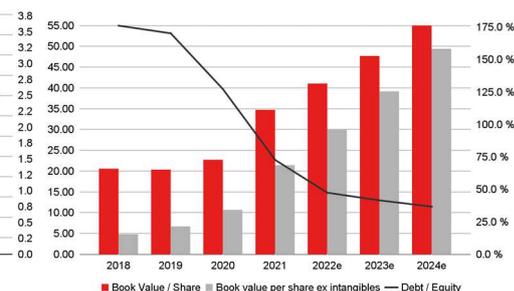
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

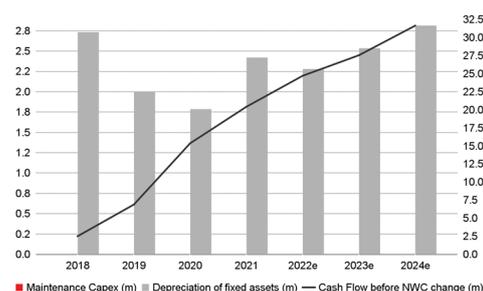
Consolidated cash flow statement

In EUR m	2018	2019	2020	2021	2022e	2023e	2024e
Net income	0.9	-3.1	6.3	13.3	15.1	16.9	19.8
Depreciation of fixed assets	2.7	2.0	1.8	2.4	2.3	2.5	2.8
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	2.5	6.8	7.4	7.1	7.3	8.1	9.0
Increase/decrease in long-term provisions	-0.3	1.2	0.0	-0.8	0.0	0.0	0.0
Other non-cash income and expenses	-3.3	0.0	0.0	-1.5	0.0	0.0	0.0
Cash Flow before NWC change	2.5	6.9	15.4	20.4	24.7	27.6	31.7
Increase / decrease in inventory	0.5	0.2	0.1	0.1	0.0	0.0	0.0
Increase / decrease in accounts receivable	-8.3	2.0	0.0	0.0	-3.9	-3.1	-3.4
Increase / decrease in accounts payable	-0.3	0.1	1.1	1.6	0.8	0.7	0.7
Increase / decrease in other working capital positions	0.0	-9.6	1.1	1.1	0.0	0.0	0.0
Increase / decrease in working capital (total)	-8.2	-7.1	2.3	2.8	-3.1	-2.4	-2.7
Net cash provided by operating activities [1]	-5.7	-0.2	17.7	23.2	21.6	25.2	29.0
Investments in intangible assets	-0.3	-0.5	-0.8	-1.0	-2.0	-2.0	-2.0
Investments in property, plant and equipment	-11.7	-3.1	-1.9	-1.5	-3.5	-4.0	-4.0
Payments for acquisitions	-3.9	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	0.2	0.0	-0.3	5.0	0.0	0.0	0.0
Net cash provided by investing activities [2]	-15.7	-3.6	-3.0	2.4	-5.5	-6.0	-6.0
Change in financial liabilities	-0.9	5.3	-6.9	-6.4	-14.6	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	-1.2	-2.4
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.6	0.0	0.0	20.5	0.0	0.0	0.0
Other	0.0	-5.2	-4.4	16.0	0.0	0.0	0.0
Net cash provided by financing activities [3]	-0.3	0.1	-11.3	30.1	-14.6	-1.2	-2.4
Change in liquid funds [1]+[2]+[3]	-21.7	-3.8	3.4	55.8	1.5	18.0	20.6
Effects of exchange-rate changes on cash	-0.1	0.0	0.0	0.1	0.0	0.0	0.0
Cash and cash equivalent at end of period	8.7	2.3	5.7	61.5	48.4	66.4	87.0

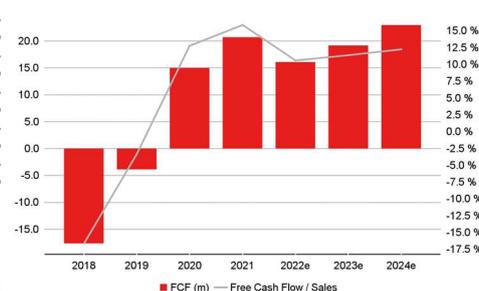
Financial Ratios

	2018	2019	2020	2021	2022e	2023e	2024e
Cash Flow							
FCF	-17.6	-3.9	15.0	20.7	16.1	19.2	23.0
Free Cash Flow / Sales	-16.6 %	-3.4 %	12.8 %	15.8 %	10.6 %	11.3 %	12.2 %
Free Cash Flow Potential	7.6	7.9	16.9	23.6	26.2	29.1	33.2
Free Cash Flow / Net Profit	-1907.9 %	124.3 %	237.2 %	157.5 %	107.5 %	114.4 %	116.8 %
Interest Received / Avg. Cash	0.7 %	0.7 %	2.2 %	2.0 %	0.0 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	4.7 %	6.1 %	4.5 %	4.8 %	7.7 %	12.3 %	12.3 %
Management of Funds							
Investment ratio	11.3 %	3.2 %	2.3 %	1.9 %	3.6 %	3.6 %	3.2 %
Maint. Capex / Sales	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Capex / Dep	228.7 %	41.3 %	29.3 %	26.5 %	57.4 %	56.4 %	50.8 %
Avg. Working Capital / Sales	18.9 %	19.9 %	18.0 %	15.1 %	13.5 %	13.7 %	13.7 %
Trade Debtors / Trade Creditors	1100.6 %	965.5 %	667.8 %	464.6 %	465.0 %	462.7 %	464.9 %
Inventory Turnover	14.8 x	21.9 x	47.2 x	199.5 x	167.2 x	185.9 x	206.3 x
Receivables collection period (days)	90	76	74	67	67	67	67
Payables payment period (days)	112	146	139	133	131	132	131
Cash conversion cycle (Days)	2	-53	-57	-64	-62	-63	-62

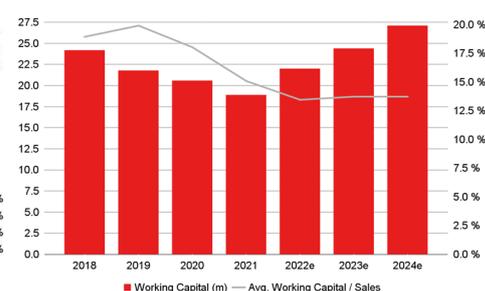
CAPEX and Cash Flow in EUR m



Free Cash Flow Generation



Working Capital



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
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.
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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	160	75
Hold	44	21
Sell	6	3
Rating suspended	3	1
Total	213	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	44	86
Hold	6	12
Sell	0	0
Rating suspended	1	2
Total	51	100

PRICE AND RATING HISTORY GK SOFTWARE AS OF 09.01.2023



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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