

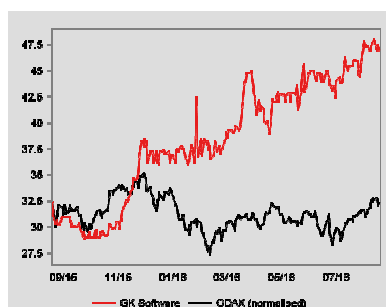
Hold EUR 46.00 (EUR 42.00) Price EUR 47.00 Downside -2.1 %	Value Indicators: EUR DCF: 46.32 FCF-Value Potential: 46.25	Share data: Bloomberg: GKS GR Reuters: GKSG ISIN: DE0007571424	Description: Leading software company for stationary retailers
	Market Snapshot: EUR m Market cap: 88.8 No. of shares (m): 1.9 EV: 94.2 Freefloat MC: 35.1 Ø Trad. Vol. (30d): 6.62 th	Shareholders: Freefloat 39.5 % GK Software Holding 49.6 % SAP 5.3 % Rainer Gläß 3.3 % Stephan Kronmüller 2.3 %	Risk Profile (WRe): 2016e Beta: 1.6 Price / Book: 2.9 x Equity Ratio: 44 % Net Fin. Debt / EBITDA: 0.6 x Net Debt / EBITDA: 0.9 x

Significant sales growth

Figures Q2/2016: in Mio. EUR										Comment on Figures: <ul style="list-style-type: none"> On August 17, GK Software reported preliminary figures for Q2 16. Both sales and earnings exceeded the expectations. Reasons were high license revenues and an improved efficiency. 			
	Q2/16	Q2/16e	Q2/15	yoy	6M/16	6M/16e	6M/15	yoy					
Umsatz	19,6	16,0	13,9	41,6%	35,1	31,4	26,9	30,6%					
EBITDA	2,3	1,0	-0,5	-	1,8	0,5	-0,7	-					
Margin	11,7%	6,3%	-3,6%		5,2%	1,7%	-2,6%						

Mainly two factors positively influenced the reported figures: **Strong license revenues** – Usually, the license business is characterised by high volatility. Especially contract conclusions by customers can shift to the following year through no fault of the company – having significant impact on revenue recognition and thus the earnings situation. In this regard, Q2 was positive. Many major projects were signed and thus high earnings were generated (especially in a year-on-year comparison). Based on the normal pattern of a financial year (strong Q4), earnings should thus be better than hitherto expected (WRe). Worth highlighting is the significantly **increased efficiency in consulting and implementation**. In the past years, this was a weakness of the company which was now successfully addressed and will be improved gradually. This should also have a positive effect of the margins in the following years. A special highlight of the quarter was the presentation of GK Software's "pricing engine" as part of the SAP solution portfolio. Within the scope of this agreement, the GK price finding component is directly embedded in cross industry solutions offered by SAP. Shortly after the conclusion of the contract, a global top 50 retailer opted for the software component developed by GK. The tight interlock in technological terms is of strategic relevance for GK and at the same time provides additional license revenues. **The GK Software share remains a Hold with an increased PT of EUR 46.**

Changes in Estimates: FY End: 31.12. in EUR m							Comment on Changes: <ul style="list-style-type: none"> The high percentage earnings improvement for 2016e is due to a base effect. Better results are expected for 2017 and the following years owing to the increased efficiency and growing success of the cooperation with SAP which should lead to high-margin license revenues. 			
	2016e (old)	+ / -	2017e (old)	+ / -	2018e (old)	+ / -				
Sales	67.0	11.9 %	71.0	11.9 %	74.6	11.9 %				
EBITDA	5.4	11.9 %	9.9	7.9 %	12.7	8.6 %				
EBIT	1.3	45.5 %	5.7	17.5 %	8.2	20.1 %				
EPS	0.0	46.8 %	0.0	17.6 %	0.0	20.4 %				

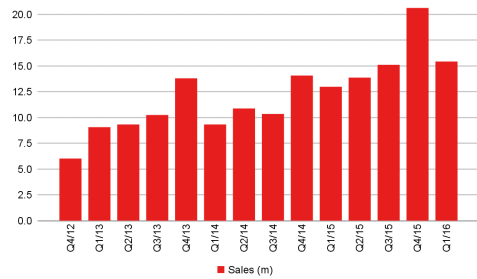


Rel. Performance vs CDAX:	
1 month:	-2.5 %
6 months:	15.9 %
Year to date:	30.6 %
Trailing 12 months:	47.4 %

Company events:	
30.08.16	Q2
29.11.16	Q3

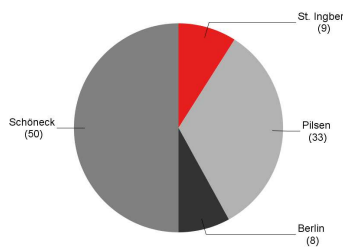
FY End: 31.12. in EUR m	CAGR (15-18e)	2012	2013	2014	2015	2016e	2017e	2018e
Sales	10.1 %	28.4	42.5	44.6	62.6	75.0	79.5	83.5
Change Sales yoy		-10.5 %	49.4 %	5.1 %	40.3 %	19.8 %	6.0 %	5.0 %
Gross profit margin		99.8 %	91.3 %	89.6 %	87.6 %	90.0 %	90.0 %	90.0 %
EBITDA	85.0 %	2.9	3.3	0.0	2.2	6.0	10.7	13.8
Margin		10.1 %	7.9 %	0.1 %	3.5 %	8.0 %	13.5 %	16.5 %
EBIT		0.8	1.0	-3.0	-1.3	2.0	6.7	9.9
Margin		2.8 %	2.5 %	-6.8 %	-2.0 %	2.6 %	8.4 %	11.8 %
Net income		0.7	0.6	-1.9	-1.5	1.3	4.7	6.9
EPS		0.38	0.34	-0.99	-0.79	0.69	2.47	3.66
EPS adj.		0.38	0.34	-0.99	-0.79	0.69	2.47	3.66
DPS		0.00	0.25	0.00	0.00	0.50	0.50	0.50
Dividend Yield		n.a.	0.8 %	n.a.	n.a.	1.1 %	1.1 %	1.1 %
FCFPS		0.57	-0.31	-1.15	0.20	1.83	3.26	4.54
FCF / Market cap		1.5 %	-1.0 %	-3.4 %	-0.3 %	3.9 %	6.9 %	9.6 %
EV / Sales		2.2 x	1.1 x	1.6 x	1.2 x	1.3 x	1.1 x	1.0 x
EV / EBITDA		22.4 x	13.6 x	n.a.	33.7 x	15.7 x	8.3 x	6.0 x
EV / EBIT		81.4 x	43.3 x	n.a.	n.a.	48.3 x	13.3 x	8.3 x
P / E		101.4 x	91.7 x	n.a.	n.a.	68.1 x	19.0 x	13.0 x
P / E adj.		101.4 x	91.7 x	n.a.	n.a.	68.1 x	19.0 x	13.0 x
FCF Yield Potential		4.2 %	6.6 %	1.6 %	2.8 %	5.8 %	9.9 %	13.3 %
Net Debt		-5.1	-10.5	-7.4	8.8	5.4	0.1	-7.5
ROCE (NOPAT)		3.0 %	2.9 %	n.a.	n.a.	3.8 %	13.5 %	20.9 %
Guidance:		n.a.						

Sales development
in EUR m



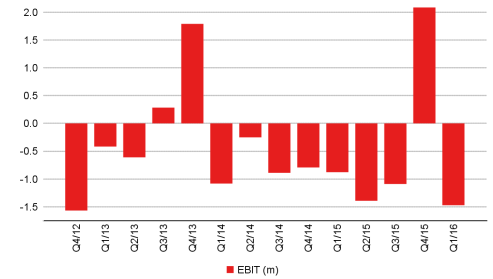
Source: Warburg Research

Employees per location
2016e; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

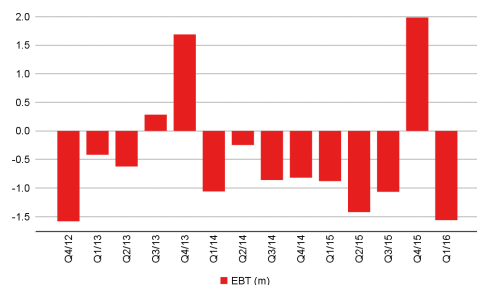
Company Background

- 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

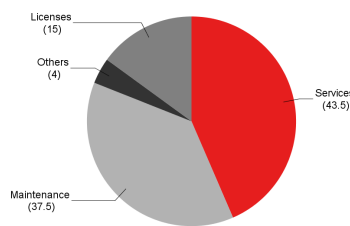
- The structural advantages of GK Software are compelling:
- GK Software's leading solution is completely Java-based, which makes it lean, platform independent and means it can be operated on the existing customer infrastructure.
- For many retail projects, GK competitors tend to undercalculate their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



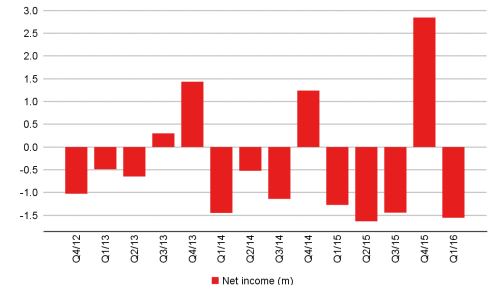
Source: Warburg Research

Sales by segments
2016e; 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
	2016e	2017e	2018e	2019e	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	
Sales	75.0	79.5	83.5	88.5	93.8	99.4	104.4	109.6	115.1	120.8	126.9	130.1	133.3	
Sales change	19.8 %	6.0 %	5.0 %	6.0 %	6.0 %	6.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	2.5 %	2.5 %	2.5 %
EBIT	2.0	6.7	9.9	11.5	14.1	14.9	15.7	16.4	17.3	18.1	19.0	19.5	20.0	
EBIT-margin	2.6 %	8.4 %	11.8 %	13.0 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	
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	1.4	4.7	7.0	8.2	10.0	10.6	11.1	11.7	12.3	12.9	13.5	13.9	14.2	
Depreciation	4.1	4.1	3.9	4.4	4.7	5.0	4.2	3.3	3.5	1.2	1.3	1.3	1.3	
in % of Sales	5.4 %	5.1 %	4.7 %	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	-1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Change in Liquidity from														
- Working Capital	0.4	1.1	0.8	14.2	-0.4	-0.5	-0.9	1.1	1.2	1.3	1.3	0.7	0.7	
- Capex	1.5	1.5	1.5	2.7	2.8	3.0	3.1	3.3	2.3	1.2	1.3	1.3	1.3	
Capex in % of Sales	2.0 %	1.8 %	1.8 %	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)	3.5	6.2	8.6	-5.5	12.3	13.1	13.1	10.5	12.2	11.6	12.2	13.2	13.5	13
PV of FCF	3.4	5.5	6.9	-4.0	8.1	7.9	7.1	5.2	5.5	4.7	4.5	4.4	4.1	54
share of PVs	13.47 %			40.60 %										45.92 %

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	2.00
Risk free rate	1.50 %	Transparency	1.50
		Others	1.30
WACC	10.08 %	Beta	1.56

Valuation (m)

Present values 2028e	63		
Terminal Value	54		
Financial liabilities	15		
Pension liabilities	1		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	-14	No. of shares (m)	1.9
Equity Value	88	Value per share (EUR)	46.32

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
1.74	11.1 %	36.64	37.21	37.81	38.45	39.12	39.84	40.60	1.74	11.1 %	32.04	34.17	36.31	38.45	40.58	42.72	44.86
1.65	10.6 %	39.99	40.66	41.37	42.13	42.94	43.80	44.72	1.65	10.6 %	35.32	37.59	39.86	42.13	44.41	46.68	48.95
1.61	10.3 %	41.81	42.55	43.33	44.16	45.04	45.99	47.00	1.61	10.3 %	37.12	39.47	41.81	44.16	46.50	48.85	51.19
1.56	10.1 %	43.75	44.55	45.41	46.32	47.29	48.33	49.45	1.56	10.1 %	39.05	41.47	43.89	46.32	48.74	51.16	53.59
1.51	9.8 %	45.81	46.69	47.62	48.62	49.70	50.84	52.08	1.51	9.8 %	41.10	43.61	46.12	48.62	51.13	53.64	56.15
1.47	9.6 %	48.01	48.97	50.00	51.10	52.28	53.55	54.92	1.47	9.6 %	43.31	45.90	48.50	51.10	53.70	56.29	58.89
1.38	9.1 %	52.86	54.02	55.27	56.62	58.07	59.64	61.35	1.38	9.1 %	48.22	51.02	53.82	56.62	59.42	62.21	65.01

- 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							
	2012	2013	2014	2015	2016e	2017e	2018e
Price / Book	2.4 x	1.7 x	2.6 x	2.2 x	2.9 x	2.6 x	2.2 x
Book value per share ex intangibles	9.67	13.12	11.68	2.03	4.14	7.45	11.85
EV / Sales	2.2 x	1.1 x	1.6 x	1.2 x	1.3 x	1.1 x	1.0 x
EV / EBITDA	22.4 x	13.6 x	n.a.	33.7 x	15.7 x	8.3 x	6.0 x
EV / EBIT	81.4 x	43.3 x	n.a.	n.a.	48.3 x	13.3 x	8.3 x
EV / EBIT adj.*	81.4 x	43.3 x	n.a.	n.a.	48.3 x	13.3 x	8.3 x
P / FCF	68.2 x	n.a.	n.a.	n.a.	25.7 x	14.4 x	10.4 x
P / E	101.4 x	91.7 x	n.a.	n.a.	68.1 x	19.0 x	13.0 x
P / E adj.*	101.4 x	91.7 x	n.a.	n.a.	68.1 x	19.0 x	13.0 x
Dividend Yield	n.a.	0.8 %	n.a.	n.a.	1.1 %	1.1 %	1.1 %
Free Cash Flow Yield Potential	4.2 %	6.6 %	1.6 %	2.8 %	5.8 %	9.9 %	13.3 %
*Adjustments made for: -							

Consolidated profit & loss

In EUR m	2012	2013	2014	2015	2016e	2017e	2018e
Sales	28.4	42.5	44.6	62.6	75.0	79.5	83.5
Change Sales yoy	-10.5 %	49.4 %	5.1 %	40.3 %	19.8 %	6.0 %	5.0 %
Increase / decrease in inventory	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
Own work capitalised	0.7	0.4	0.5	0.5	0.8	0.8	0.8
Total Sales	29.0	42.8	45.1	63.1	75.8	80.3	84.3
Material Expenses	0.7	4.1	5.2	8.3	8.3	8.7	9.2
Gross profit	28.4	38.8	40.0	54.9	67.5	71.6	75.1
<i>Gross profit margin</i>	<i>99.8 %</i>	<i>91.3 %</i>	<i>89.6 %</i>	<i>87.6 %</i>	<i>90.0 %</i>	<i>90.0 %</i>	<i>90.0 %</i>
Personnel expenses	19.8	25.6	28.7	39.7	46.5	45.3	45.9
Other operating income	1.7	2.5	2.2	1.7	2.3	2.0	2.1
Other operating expenses	7.4	12.3	13.4	14.7	17.3	17.5	17.5
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	2.9	3.3	0.0	2.2	6.0	10.7	13.8
<i>Margin</i>	<i>10.1 %</i>	<i>7.9 %</i>	<i>0.1 %</i>	<i>3.5 %</i>	<i>8.0 %</i>	<i>13.5 %</i>	<i>16.5 %</i>
Depreciation of fixed assets	0.6	0.8	0.9	1.0	1.1	1.2	1.3
EBITA	2.2	2.6	-0.9	1.2	4.9	9.5	12.5
Amortisation of intangible assets	1.4	1.5	1.2	1.5	2.2	2.4	2.5
Goodwill amortization	0.0	0.0	0.9	1.0	0.8	0.5	0.2
EBIT	0.8	1.0	-3.0	-1.3	2.0	6.7	9.9
<i>Margin</i>	<i>2.8 %</i>	<i>2.5 %</i>	<i>-6.8 %</i>	<i>-2.0 %</i>	<i>2.6 %</i>	<i>8.4 %</i>	<i>11.8 %</i>
EBIT adj.	0.8	1.0	-3.0	-1.3	2.0	6.7	9.9
Interest income	0.2	0.1	0.2	0.2	0.2	0.2	0.2
Interest expenses	0.2	0.2	0.1	0.3	0.3	0.3	0.3
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	0.8	0.9	-3.0	-1.4	1.9	6.6	9.8
<i>Margin</i>	<i>2.9 %</i>	<i>2.2 %</i>	<i>-6.7 %</i>	<i>-2.2 %</i>	<i>2.5 %</i>	<i>8.3 %</i>	<i>11.7 %</i>
Total taxes	0.1	0.3	-1.1	0.1	0.5	1.9	2.8
Net income from continuing operations	0.7	0.6	-1.9	-1.5	1.3	4.7	6.9
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	0.7	0.6	-1.9	-1.5	1.3	4.7	6.9
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	0.7	0.6	-1.9	-1.5	1.3	4.7	6.9
<i>Margin</i>	<i>2.4 %</i>	<i>1.4 %</i>	<i>-4.2 %</i>	<i>-2.4 %</i>	<i>1.8 %</i>	<i>5.9 %</i>	<i>8.3 %</i>
Number of shares, average	1.8	1.8	1.9	1.9	1.9	1.9	1.9
EPS	0.38	0.34	-0.99	-0.79	0.69	2.47	3.66
EPS adj.	0.38	0.34	-0.99	-0.79	0.69	2.47	3.66

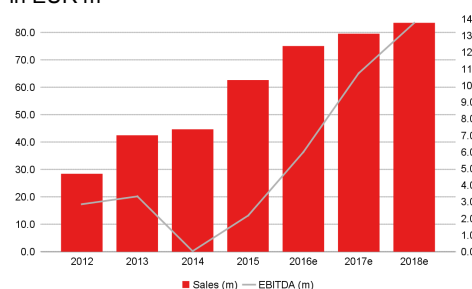
*Adjustments made for:

Guidance: n.a.
Financial Ratios

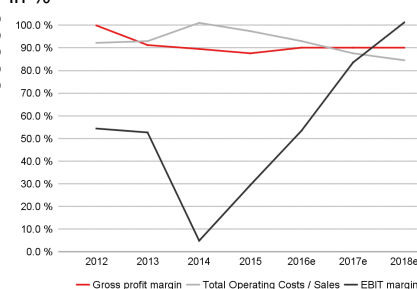
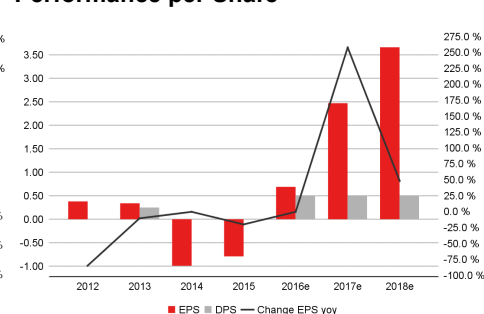
	2012	2013	2014	2015	2016e	2017e	2018e
Total Operating Costs / Sales	92.1 %	93.0 %	101.1 %	97.4 %	93.0 %	87.5 %	84.5 %
Operating Leverage	8.4 x	0.7 x	n.a.	-1.4 x	n.a.	40.4 x	9.5 x
EBITDA / Interest expenses	14.9 x	14.9 x	0.3 x	6.7 x	20.0 x	35.8 x	45.9 x
Tax rate (EBT)	17.6 %	35.5 %	37.4 %	-8.5 %	29.0 %	29.0 %	29.0 %
Dividend Payout Ratio	0.0 %	74.5 %	0.0 %	0.0 %	71.9 %	20.2 %	13.7 %
Sales per Employee	70,022	102,535	105,677	145,313	170,678	177,371	182,588

Sales, EBITDA

in EUR m


Operating Performance

in %


Performance per Share


Source: Warburg Research

Source: Warburg Research

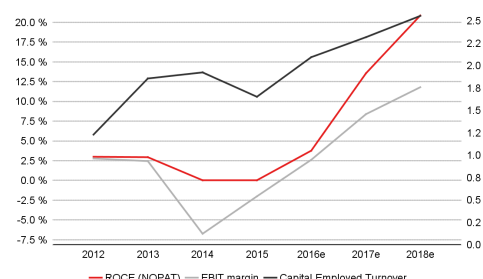
Source: Warburg Research

Consolidated balance sheet

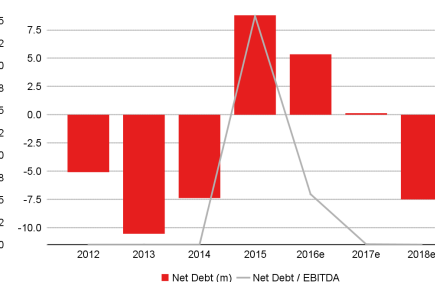
In EUR m	2012	2013	2014	2015	2016e	2017e	2018e
Assets							
Goodwill and other intangible assets	10.9	9.9	8.5	25.2	22.6	20.1	17.7
thereof other intangible assets	4.5	3.5	2.9	20.2	18.4	16.3	14.1
thereof Goodwill	6.4	6.4	5.5	5.0	4.3	3.8	3.6
Property, plant and equipment	4.9	4.8	5.0	5.8	5.8	5.7	5.6
Financial 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	15.8	14.7	13.4	30.9	28.4	25.8	23.3
Inventories	1.0	1.0	1.2	1.7	1.1	1.2	1.3
Accounts receivable	11.6	13.1	9.2	12.6	14.0	15.2	16.0
Liquid assets	10.3	13.7	10.2	7.4	10.8	16.0	23.7
Other short-term assets	5.4	5.2	10.7	15.2	15.2	15.2	15.2
Current assets	28.3	33.0	31.2	36.8	41.1	47.6	56.1
Total Assets	44.1	47.7	44.7	67.7	69.5	73.4	79.5
Liabilities and shareholders' equity							
Subscribed capital	1.8	1.9	1.9	1.9	1.9	1.9	1.9
Capital reserve	14.4	18.2	18.2	18.2	18.2	18.2	18.2
Retained earnings	0.0	0.0	0.0	0.0	1.3	5.1	11.0
Other equity components	12.0	13.4	10.4	8.9	9.0	9.0	9.0
Shareholders' equity	28.2	33.4	30.6	29.0	30.4	34.2	40.1
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	28.2	33.4	30.6	29.0	30.4	34.2	40.1
Provisions	4.6	3.5	4.1	6.0	6.0	6.0	6.0
thereof provisions for pensions and similar obligations	1.7	0.9	1.7	1.5	1.5	1.5	1.5
Financial liabilities (total)	3.5	2.3	1.1	14.7	14.7	14.7	14.7
thereof short-term financial liabilities	2.2	1.3	0.3	3.2	3.2	3.2	3.2
Accounts payable	0.8	1.0	1.6	2.1	2.5	2.7	2.8
Other liabilities	6.9	7.6	7.2	15.9	15.9	15.9	15.9
Liabilities	15.9	14.3	14.1	38.7	39.1	39.3	39.4
Total liabilities and shareholders' equity	44.1	47.7	44.7	67.7	69.5	73.4	79.5

Financial Ratios

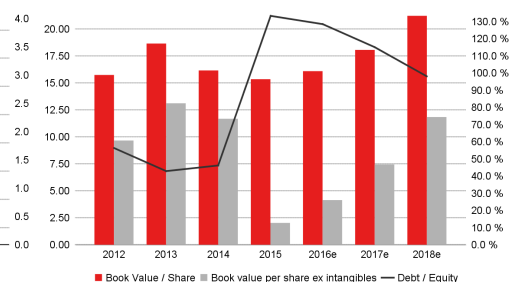
	2012	2013	2014	2015	2016e	2017e	2018e
Efficiency of Capital Employment							
Operating Assets Turnover	1.8 x	2.5 x	3.4 x	4.5 x	5.2 x	5.2 x	5.2 x
Capital Employed Turnover	1.2 x	1.9 x	1.9 x	1.7 x	2.1 x	2.3 x	2.6 x
ROA	4.3 %	4.1 %	-13.9 %	-4.9 %	4.6 %	18.1 %	29.7 %
Return on Capital							
ROCE (NOPAT)	3.0 %	2.9 %	n.a.	n.a.	3.8 %	13.5 %	20.9 %
ROE	2.4 %	2.0 %	-5.8 %	-5.0 %	4.4 %	14.5 %	18.6 %
Adj. ROE	2.4 %	2.0 %	-5.8 %	-5.0 %	4.4 %	14.5 %	18.6 %
Balance sheet quality							
Net Debt	-5.1	-10.5	-7.4	8.8	5.4	0.1	-7.5
Net Financial Debt	-6.8	-11.5	-9.0	7.3	3.9	-1.3	-9.0
Net Gearing	-18.0 %	-31.5 %	-24.1 %	30.3 %	17.6 %	0.4 %	-18.7 %
Net Fin. Debt / EBITDA	n.a.	n.a.	n.a.	337.6 %	64.9 %	n.a.	n.a.
Book Value / Share	15.7	18.7	16.2	15.4	16.1	18.1	21.2
Book value per share ex intangibles	9.7	13.1	11.7	2.0	4.1	7.4	11.8

ROCE Development


Source: Warburg Research

Net debt
in EUR m


Source: Warburg Research

Book Value per Share
in EUR


Source: Warburg Research

Consolidated cash flow statement

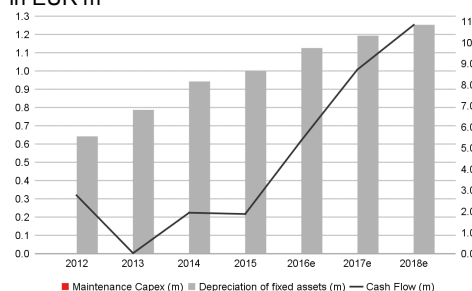
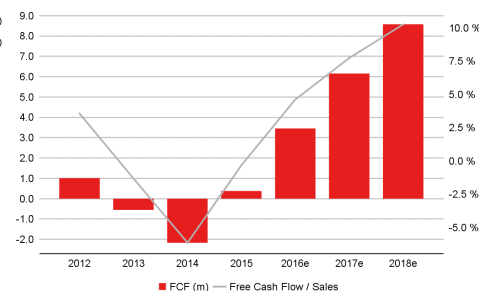
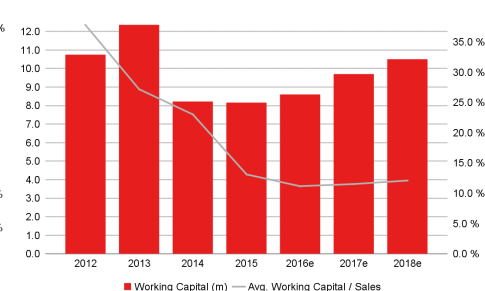
In EUR m	2012	2013	2014	2015	2016e	2017e	2018e
Net income	0.7	0.6	-1.9	-1.5	1.3	4.7	6.9
Depreciation of fixed assets	0.6	0.8	0.9	1.0	1.1	1.2	1.3
Amortisation of goodwill	0.0	0.0	0.9	1.0	0.8	0.5	0.2
Amortisation of intangible assets	1.4	1.5	1.2	1.5	2.2	2.4	2.5
Increase/decrease in long-term provisions	1.6	-1.7	0.8	0.7	0.0	0.0	0.0
Other non-cash income and expenses	-1.6	-1.1	0.0	-0.8	0.0	0.0	0.0
Cash Flow	2.8	0.0	1.9	1.9	5.4	8.7	10.8
Increase / decrease in inventory	0.1	0.1	-0.1	-0.1	0.6	-0.1	-0.1
Increase / decrease in accounts receivable	2.4	2.4	-0.4	-0.4	-1.4	-1.2	-0.8
Increase / decrease in accounts payable	-2.2	-1.0	-0.2	-0.2	0.4	0.2	0.1
Increase / decrease in other working capital positions	0.0	0.0	-1.6	1.0	0.0	0.0	0.0
Increase / decrease in working capital (total)	0.3	1.5	-2.3	0.3	-0.4	-1.1	-0.8
Net cash provided by operating activities	3.1	1.6	-0.4	2.2	4.9	7.6	10.0
Investments in intangible assets	-0.9	-0.9	-1.2	-1.2	-0.3	-0.3	-0.3
Investments in property, plant and equipment	-1.1	-1.2	-1.1	-1.1	-1.1	-1.1	-1.1
Payments for acquisitions	0.0	0.0	0.0	-16.8	0.0	0.0	0.0
Financial investments	-0.4	0.0	-0.1	-0.1	0.0	0.0	0.0
Income from asset disposals	-1.6	1.2	0.3	0.0	0.0	0.0	0.0
Net cash provided by investing activities	-4.0	-0.9	-1.6	-18.6	-1.5	-1.5	-1.5
Change in financial liabilities	-1.8	-1.2	-1.2	13.6	0.0	0.0	0.0
Dividends paid	-0.9	0.0	-0.5	0.0	0.0	-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	3.8	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	-1.0	0.0	0.0	0.0
Net cash provided by financing activities	-2.7	2.6	-1.6	12.6	0.0	-0.9	-0.9
Change in liquid funds	-3.6	3.2	-3.6	-3.9	3.5	5.2	7.6
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	10.3	13.5	10.2	6.3	10.8	16.0	23.7

Financial Ratios

	2012	2013	2014	2015	2016e	2017e	2018e
Cash Flow							
FCF	1.0	-0.6	-2.2	0.4	3.5	6.2	8.6
Free Cash Flow / Sales	3.6 %	-1.3 %	-6.2 %	-0.3 %	4.6 %	7.7 %	10.3 %
Free Cash Flow Potential	2.7	3.0	1.2	2.1	5.5	8.8	10.9
Free Cash Flow / Net Profit	149.7 %	-91.9 %	147.0 %	13.3 %	263.0 %	131.8 %	123.9 %
Interest Received / Avg. Cash	1.9 %	0.9 %	1.3 %	2.5 %	2.2 %	1.5 %	1.0 %
Interest Paid / Avg. Debt	4.4 %	7.8 %	7.4 %	4.1 %	2.0 %	2.0 %	2.0 %
Management of Funds							
Investment ratio	7.2 %	5.0 %	5.3 %	3.8 %	2.0 %	1.8 %	1.8 %
Maint. Capex / Sales	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Capex / Dep	99.2 %	92.0 %	77.6 %	68.6 %	36.2 %	36.2 %	37.4 %
Avg. Working Capital / Sales	37.8 %	27.2 %	23.0 %	13.1 %	11.2 %	11.5 %	12.1 %
Trade Debtors / Trade Creditors	1379.5 %	1356.9 %	562.7 %	600.2 %	560.0 %	563.0 %	571.4 %
Inventory Turnover	0.7 x	3.9 x	4.4 x	5.0 x	7.5 x	7.3 x	7.1 x
Receivables collection period (days)	149	113	75	73	68	70	70
Payables payment period (days)	457	86	116	93	111	113	111
Cash conversion cycle (Days)	-252	-37	-52	-182	-230	-220	-209

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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Investment recommendation: expected direction of the share price development of the financial instrument up to the given price target in the opinion of the analyst who covers this financial instrument.

-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.
-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.

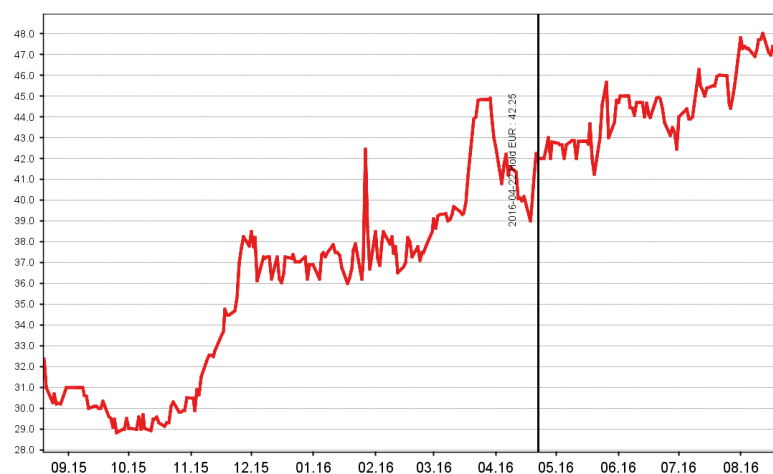
WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING

Rating	Number of stocks	% of Universe
Buy	117	62
Hold	65	34
Sell	7	4
Rating suspended	1	1
Total	190	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	25	69
Hold	10	28
Sell	1	3
Rating suspended	0	0
Total	36	100

PRICE AND RATING HISTORY GK SOFTWARE AS OF 19.08.2016


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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