



1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	© VALUE LINE PUB. LLC	14-16
.37	.42	.65	.68	.73	.83	.91	1.11	1.40	1.70	2.23	2.90	3.40	4.32	5.05	6.09	7.35	8.65	Revenues per sh ^A	13.35
.06	d.02	.08	.06	.09	.13	.15	.19	.25	.36	.51	.71	.85	.97	1.03	1.19	1.60	1.90	"Cash Flow" per sh	3.15
.06	d.04	.04	.01	.05	.07	.11	.14	.20	.31	.43	.61	.72	.81	.84	1.06	1.40	1.75	Earnings per sh ^B	3.00
--	--	--	--	--	--	--	--	--	.38	.44	.50	.50	.58	.60	.63	.70	.70	Div'ds Decl'd per sh ^C	.90
.01	.02	.02	.01	.01	.02	.01	.02	.02	.03	.05	.06	.04	.06	.09	.12	.15	.15	Cap'l Spending per sh	.20
.72	.67	.57	.60	.65	.71	.82	.97	1.21	1.20	1.36	1.68	2.07	2.73	3.26	3.87	4.60	5.10	Book Value per sh ^D	10.00
45.23	47.98	47.90	49.71	49.61	47.90	48.84	49.22	50.60	52.44	53.42	54.25	54.90	56.89	57.76	58.07	59.00	59.00	Common Shs Outst'g ^E	60.00
30.7	--	21.5	60.8	18.9	14.9	15.6	17.4	24.8	23.2	38.5	31.0	24.6	22.7	34.1	31.0	<i>Bold figures are Value Line estimates</i>		Avg Ann'l P/E Ratio	27.0
2.05	--	1.16	3.16	1.08	.97	.80	.95	1.41	1.23	2.05	1.67	1.31	1.37	2.27	1.97			Relative P/E Ratio	1.80
--	--	--	--	--	--	--	--	5.3%	2.7%	2.7%	2.7%	3.1%	2.1%	1.9%				Avg Ann'l Div'd Yield	1.1%

CAPITAL STRUCTURE as of 9/30/11				2009	2010	2011	2012	Revenues (\$mill)		2011	2012	Operating Margin						
Total Debt None				44.4	54.8	70.9	89.0	119.3	157.2	186.5	245.5	291.8	353.4	433	510	800		
Leases, Uncapitalized: Annual rentals NA				22.4%	23.4%	26.7%	31.0%	33.2%	35.7%	35.3%	33.2%	29.8%	28.8%	31.0%	32.0%	35.0%		
Pension Liability None in '10 vs. \$1.9 mil. in '09				2.1	2.2	2.3	3.0	3.8	5.2	6.5	9.1	11.4	7.6	10.0	10.0	9.0		
Pfd Stock None				5.3	7.0	10.4	16.1	23.3	33.2	40.1	46.1	48.4	61.6	83.0	103	180		
Common Stock 58,819,360 shs. as of 11/11/2011				38.0%	36.6%	38.9%	36.8%	38.5%	38.7%	36.4%	37.1%	36.5%	34.8%	35.0%	35.0%	35.0%		
MARKET CAP: \$2.2 billion (Mid Cap)				11.9%	12.8%	14.7%	18.1%	19.6%	21.1%	21.5%	18.8%	16.6%	17.4%	19.2%	20.2%	22.5%		
CURRENT POSITION (SMILL.)				30.8	38.7	51.2	55.1	61.7	76.6	80.0	99.0	118.9	145.8	180	200	275		
Cash Assets				--	--	--	--	--	--	--	--	--	--	Nil	Nil	Nil		
Receivables				40.1	47.5	61.0	62.7	72.4	91.2	113.7	155.6	188.3	224.7	270	300	600		
Inventory (FIFO)				13.2%	14.8%	17.0%	25.7%	32.2%	36.4%	35.2%	29.6%	25.7%	27.4%	30.5%	34.5%	30.0%		
Other				13.2%	14.8%	17.0%	25.7%	32.2%	36.4%	35.2%	29.6%	25.7%	27.4%	30.5%	34.5%	30.0%		
Current Assets				--	--	--	122%	100%	81%	51%	67%	71%	12.0%	15.5%	20.5%	21.0%		
Accts Payable				91.8	117.7	126.9	BUSINESS: Quality Systems, Inc. develops and markets healthcare information systems. Through its four divisions, QSI Dental (4% of total sales), NextGen (83%), Inpatient Solutions (11%), and Practice solutions (2%), the company offers software for dental and medical practices, as well as hospitals throughout the United States. The software provides computer-based practice and replacement opportunities.		117.7	126.9	126.9	...and into the future. Physician consolidation appears to be on the rise. As QSII's customers grow, business coming from them should grow as well. The company is also exploring international opportunities, presenting a new route of growth. We expect revenues to come close to double over the 3- to 5-year pull, with share net moving at a slightly faster pace. The balance sheet is healthy. In fact, the company has been able to grow its cash position in recent periods, despite dividend and acquisition-related payments. Too, Quality Systems remains debt-free. The combination could lead the company to continue its M&A activity, and add to the purchase of CQI Solutions made earlier this year. Shares of Quality Systems, Inc. may appeal to patient investors. The equity has wide price appreciation potential out to mid-decade. Momentum investors, on the other hand, should look elsewhere or await a more favorable entry point, as the issue is ranked to track the broader market over the next year.		126.9	150.2	2.8	December 16, 2011	
Debt Due				3.3	6.7	6.4	The Value Line Investment Survey has initiated coverage on Quality Systems, Inc. The healthcare information systems provider offers software suites for a wide range of medical and dental practices including physician hospital organizations, ambulatory care centers, and community health centers, to name a few. The company recently instituted a 2-for-1 stock split , announced in tandem with the fiscal second-quarter earnings release in late October (quarter ended September 30th). Our presentation reflects the impact of the change in share count. Quality Systems, Inc.'s growth streak should remain intact in the near term. . . . Indeed, Quality Systems displays a solid history, with persistent revenue growth from year to year. The trend has continued into 2011, with the most recent quarter registering a 32% advance over the comparable period last year. Expansion should persist, as management has signaled that market potential is wide. Considering only 20% of physicians and 17% of hospitals have electronic medical records that are fully functional, this leaves a lot of room for add-on, trade-in,		6.4	6.4	6.4							
Other				98.0	129.9	121.5	and replacement opportunities. . . and into the future. Physician consolidation appears to be on the rise. As QSII's customers grow, business coming from them should grow as well. The company is also exploring international opportunities, presenting a new route of growth. We expect revenues to come close to double over the 3- to 5-year pull, with share net moving at a slightly faster pace. The balance sheet is healthy. In fact, the company has been able to grow its cash position in recent periods, despite dividend and acquisition-related payments. Too, Quality Systems remains debt-free. The combination could lead the company to continue its M&A activity, and add to the purchase of CQI Solutions made earlier this year. Shares of Quality Systems, Inc. may appeal to patient investors. The equity has wide price appreciation potential out to mid-decade. Momentum investors, on the other hand, should look elsewhere or await a more favorable entry point, as the issue is ranked to track the broader market over the next year.		121.5	121.5	121.5							
Current Liab.				101.3	136.6	127.9	The Value Line Investment Survey has initiated coverage on Quality Systems, Inc. The healthcare information systems provider offers software suites for a wide range of medical and dental practices including physician hospital organizations, ambulatory care centers, and community health centers, to name a few. The company recently instituted a 2-for-1 stock split , announced in tandem with the fiscal second-quarter earnings release in late October (quarter ended September 30th). Our presentation reflects the impact of the change in share count. Quality Systems, Inc.'s growth streak should remain intact in the near term. . . . Indeed, Quality Systems displays a solid history, with persistent revenue growth from year to year. The trend has continued into 2011, with the most recent quarter registering a 32% advance over the comparable period last year. Expansion should persist, as management has signaled that market potential is wide. Considering only 20% of physicians and 17% of hospitals have electronic medical records that are fully functional, this leaves a lot of room for add-on, trade-in,		127.9	127.9	127.9							

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '08-'10 to '14-'16	Full Fiscal Year
Revenues	21.5%	23.5%	10.5%	245.5
"Cash Flow"	27.5%	23.5%	14.0%	291.8
Earnings	35.0%	24.0%	15.5%	353.4
Dividends	--	--	Nil	433
Book Value	17.5%	21.5%	10.0%	510

Fiscal Year Begins	QUARTERLY REVENUES (\$ mill.) ^A				Full Fiscal Year
	Jun.30	Sep.30	Dec.31	Mar.31	
2008	55.2	59.0	65.5	65.8	245.5
2009	66.6	71.7	75.0	78.5	291.8
2010	82.9	81.5	91.9	97.1	353.4
2011	100.4	107.6	110	115	433
2012	120	117	128	145	510

Fiscal Year Begins	EARNINGS PER SHARE ^{A B}				Full Fiscal Year
	Jun.30	Sep.30	Dec.31	Mar.31	
2008	.20	.19	.23	.19	.81
2009	.18	.21	.23	.22	.84
2010	.21	.23	.30	.32	1.06
2011	.33	.35	.35	.37	1.40
2012	.40	.42	.45	.48	1.75

Calendar	QUARTERLY DIVIDENDS PAID ^C				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2007	.50	--	.125	.125	.75
2008	.125	.125	.125	.15	.53
2009	.15	.15	.15	.15	.60
2010	.15	.15	.15	.15	.60
2011	.15	.175	.175	.175	.75

(A) Fiscal year ends March 31st of the following calendar year. (B) Diluted earnings. Next earnings report due late January. (C) Dividend paid quarterly beginning in July '07. Dividends historically paid in early January, April, July, and October. (D) Includes intangibles: In 2010, \$63.6 mill. (E) In millions, adjusted for stock splits.

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