

# QUALITY SYSTEMS NDQ-QSII

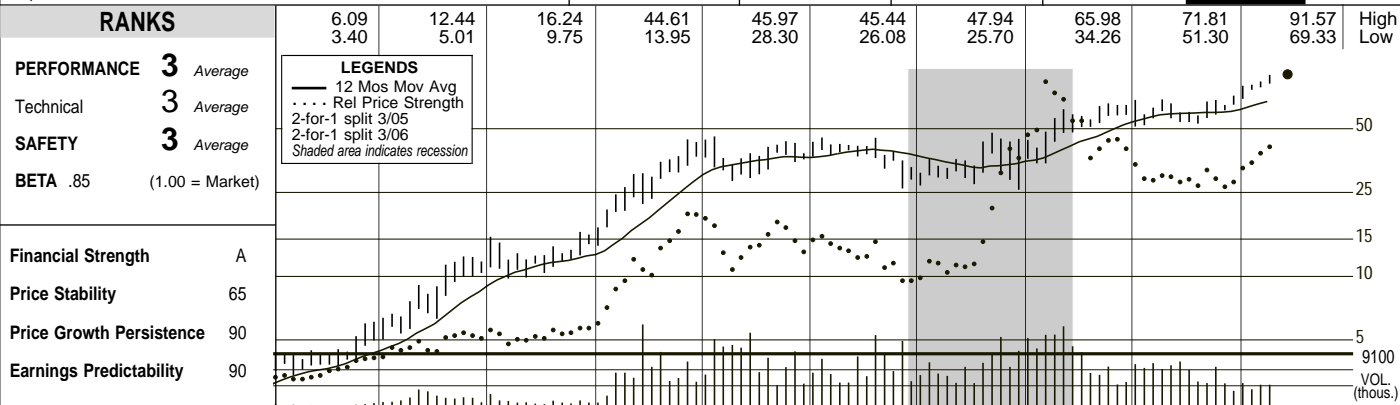
RECENT PRICE **90.67**

TRAILING P/E RATIO **47.0**

RELATIVE P/E RATIO **2.54**

DIV'D YLD **1.5%**

**VALUE LINE**



© VALUE LINE PUBLISHING LLC	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011/2012
SALES PER SH	2.23	2.80	3.39	4.47	5.79	6.79	8.63	10.10	--	
"CASH FLOW" PER SH	.37	.50	.73	1.02	1.42	1.70	1.94	2.07	--	
EARNINGS PER SH	.28	.40	.61	.85	1.21	1.44	1.62	1.68	<b>2.09<sup>A,B</sup></b>	<b>2.75<sup>C</sup>/NA</b>
DIV'DS DECL'D PER SH	--	--	--	.88	1.00	1.00	1.15	1.20	--	
CAP'L SPENDING PER SH	.05	.04	.06	.09	.12	.08	.11	.17	--	
BOOK VALUE PER SH	1.93	2.41	2.39	2.71	3.36	4.14	5.47	6.52	--	
COMMON SHS OUTST'G (MILL)	24.61	25.30	26.22	26.71	27.12	27.45	28.45	28.88	--	
AVG ANN'L P/E RATIO	17.4	24.8	23.2	38.5	31.0	24.6	22.7	34.1	<b>43.4</b>	<b>33.0/NA</b>
RELATIVE P/E RATIO	.95	1.41	1.23	2.04	1.67	1.31	1.37	2.27	--	
AVG ANN'L DIV'D YIELD	--	--	--	2.7%	2.7%	2.8%	3.1%	2.1%	--	
SALES (\$MILL)	54.8	70.9	89.0	119.3	157.2	186.5	245.5	291.8	--	<b>Bold figures are consensus earnings estimates and, using the recent prices, P/E ratios.</b>
OPERATING MARGIN	23.4%	26.7%	31.0%	33.2%	35.7%	35.3%	33.2%	29.8%	--	
DEPRECIATION (\$MILL)	2.2	2.3	3.0	3.8	5.2	6.5	9.1	11.4	--	
NET PROFIT (\$MILL)	7.0	10.4	16.1	23.3	33.2	40.1	46.1	48.4	--	
INCOME TAX RATE	36.6%	38.9%	36.8%	38.5%	38.7%	36.4%	37.1%	36.5%	--	
NET PROFIT MARGIN	12.8%	14.7%	18.1%	19.6%	21.1%	21.5%	18.8%	16.6%	--	
WORKING CAP'L (\$MILL)	38.7	51.2	55.1	61.7	76.6	80.0	99.0	118.9	--	
LONG-TERM DEBT (\$MILL)	--	--	--	--	--	--	--	--	--	
SHR. EQUITY (\$MILL)	47.5	61.0	62.7	72.4	91.2	113.7	155.6	188.3	--	
RETURN ON TOTAL CAP'L	14.8%	17.0%	25.7%	32.2%	36.4%	35.2%	29.6%	25.7%	--	
RETURN ON SHR. EQUITY	14.8%	17.0%	25.7%	32.2%	36.4%	35.2%	29.6%	25.7%	--	
RETAINED TO COM EQ	14.8%	17.0%	NMF	NMF	6.7%	17.3%	9.9%	7.5%	--	
ALL DIV'DS TO NET PROF	--	--	122%	100%	81%	51%	67%	71%	--	

<sup>A</sup>No. of analysts changing earn. est. in last 30 days: 1 up, 0 down, consensus 5-year earnings growth 17.3% per year. <sup>B</sup>Based upon 21 analysts' estimates. <sup>C</sup>Based upon 20 analysts' estimates.

ANNUAL RATES			
of change (per share)	5 Yrs.	1 Yr.	
Sales	25.0%	17.0%	
"Cash Flow"	29.0%	6.5%	
Earnings	30.0%	3.5%	
Dividends	--	4.5%	
Book Value	19.0%	19.0%	

ASSETS (\$mill.)	2008	2009	12/31/10
Cash Assets	70.2	91.8	118.2
Receivables	90.1	107.5	123.2
Inventory (FIFO)	1.1	1.3	1.9
Other	<u>17.2</u>	<u>19.6</u>	<u>15.8</u>
Current Assets	178.6	220.2	259.1

## INDUSTRY: Computer Software/Svcs

**BUSINESS:** Quality Systems, Inc. provides healthcare information systems. It offers software suites for dental and medical practices, as well as supports medical clients that utilize its UNIX-based medical practice management software product and Software as a Service-based NextDDS financial and clinical software. It also provides electronic data interchange(EDI)/connectivity applications, as well as QSInet application service provider solutions. In addition, it offers NextGen ambulatory product suite comprising electronic health records and enterprise practice management solutions; and NextGen Clinicals, as well as NextGen Financials. Further, the company offers community connectivity solutions, such as health information exchange, patient portal, and health quality measures; and EDI, hosting, data protection, consulting, and physician resources services. Additionally, it provides physician practices with revenue cycle management services, primarily billing and collection services. Has 1502 employees. Chairman: Sheldon Razin. Address: 18111 Von Karman Ave, Ste 600, Irvine, CA 92612. Tel.: 949-255-2600. Internet: <http://www.qsii.com>. S.J.

Fiscal Year	QUARTERLY SALES (\$mill.)				Full Year
	1Q	2Q	3Q	4Q	
03/31/09	55.2	59.0	65.5	65.8	245.5
03/31/10	66.6	71.7	75.0	78.5	291.8
03/31/11	82.9	81.5	91.9		
03/31/12					

LIABILITIES (\$mill.)	2008	2009	12/31/10
Accts Payable	5.1	3.3	5.5
Debt Due	.0	.0	.0
Other	<u>74.5</u>	<u>98.0</u>	<u>112.0</u>
Current Liab	79.6	101.3	117.5

Fiscal Year	EARNINGS PER SHARE				Full Year
	1Q	2Q	3Q	4Q	
03/31/08	.28	.35	.40	.41	1.44
03/31/09	.39	.37	.46	.40	1.62
03/31/10	.36	.41	.46	.45	1.68
03/31/11	.42	.46	.60	.61	
03/31/12	.61	.66			

LONG-TERM DEBT AND EQUITY as of 12/31/10			
Total Debt None	Due in 5 Yrs. None		
LT Debt None			
Including Cap. Leases None			
Leases, Uncapitalized Annual rentals NA			

Cal-endar	QUARTERLY DIVIDENDS PAID				Full Year
	1Q	2Q	3Q	4Q	
2008	.25	.25	.25	.30	1.05
2009	.30	.30	.30	.30	1.20
2010	.30	.30	.30	.30	1.20
2011	.30	.35			

LONG-TERM DEBT AND EQUITY as of 12/31/10	
Pfd Stock None	Pfd Div'd Paid None
Common Stock 28,976,000 shares	(100% of Cap'l)
Pension Liability \$1.9 mill. in '09 vs. \$1.8 mill. in '08	

INSTITUTIONAL DECISIONS			
	2Q'10	3Q'10	4Q'10
to Buy	82	79	96
to Sell	99	93	84
Hld's(000)	21965	22586	21483

## TOTAL SHAREHOLDER RETURN

Dividends plus appreciation as of 4/30/2011				
3 Mos.	6 Mos.	1 Yr.	3 Yrs.	5 Yrs.
12.87%	40.86%	42.82%	199.57%	195.45%