

<b>Buy</b>	(old: Buy)
<b>PT EUR 14.00</b>	(old: 14.00)
<b>Price</b>	EUR 7.28
<b>Bloomberg</b>	AOF GR
<b>Reuters</b>	AOFG
<b>Sector</b>	Software/IT

Software solutions provider for the workforce management with typical sales split between licenses, services, maintenance



Share data: 22.01.2009 / Closing price

<b>Market cap:</b>	EUR 29.5 m
<b>Enterprise Value (EV):</b>	EUR 16.6 m
<b>Book value:</b>	EUR 14.4 m
<b>No. of shares:</b>	4.0 m

<b>Shareholders:</b>	
Founding Family	55.5 %
Free Float	44.5 %

<b>Calendar:</b>	
Pre. Figures 2008	01/30/2009
Figures 2008	03/12/2009
Pre. Figures Q1	04/23/2009
AGM	04/30/2009

Change	2008E		2009E		2010E	
	old	Δ	old	Δ	old	Δ
<b>Sales</b>	27.4	0	29.0	0	31.2	0
<b>EBIT</b>	5.0	0	4.9	0	5.3	0
<b>EPS</b>	0.82	0	0.88	0	0.97	0

Analysis:	SES Research
Date of publication:	23.01.2009
Analyst:	
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## Continuation of growth path

On January 30, 2009, ATOSS Software AG will release the preliminary figures for 2008. Talks with the management revealed that the growth path is expected to be continued despite the financial crisis and the considerable economic slowdown in Q4. The following factors remain the reason for this **stable development**:

- The **good order situation** of major projects provides for a constant high utilisation.
- The **conservative sales realisation** (POC) reduces deviations in sales and earnings, even if the new customer business is expected to become more volatile in 2009
- The generally high order backlog offers a **high visibility** of estimates.
- **Long-term maintenance contracts** (approx. 37% of sales are maintenance revenues) **with low churn rate** secure the business.

ATOSS is expected to meet the estimates for 2008 against this backdrop. An economic-related adjustment of earnings estimates for 2009 and thereafter (does not seem necessary for ATOSS. ATOSS will once again stand out compared to many other software producers, whose estimated figures depend considerably on the further economic development.

### ATOSS Software - Q4 2008e

Figures in EUR m	Q 4 / 08 e	Q 4 / 07	y o y
<b>Sales</b>	7.3	6.7	9.2 %
<b>EBITDA margin</b>	1.2	1.1	16.1 %
	16.7 %	15.7 %	
<b>EBITA margin</b>	1.1	1.1	3.0 %
	15.3 %	16.2 %	
<b>EBIT margin</b>	1.1	0.9	12.6 %
	14.5 %	14.1 %	
<b>EPS</b>	0.15	0.18	-16.7 %

Sources: ATOSS Software (historical data), SES Research (for estimates)

Based on the current estimates the share's present undervaluation becomes particularly apparent in the **EV/EBIT of 3 for 2008**. The BUY rating is reiterated and the PT is 14.

Fiscal year ending: 31.12.	2004	2005	2006	2007	2008E	2009E	2010E
<b>Sales</b>	21.8	20.4	22.0	24.4	27.4	29.0	31.2
<i>Change Sales yoy</i>	-6.8 %	-6.5 %	7.7 %	11.1 %	12.0 %	6.1 %	7.5 %
<b>EBITDA</b>	2.1	1.2	3.2	4.2	5.4	5.4	5.8
<i>EBITDA-margin</i>	9.7 %	5.8 %	14.6 %	17.2 %	19.9 %	18.5 %	18.6 %
<b>EBIT</b>	1.2	0.6	2.8	3.7	5.0	4.9	5.3
<i>EBIT-margin</i>	5.6 %	2.8 %	12.6 %	15.3 %	18.3 %	16.9 %	17.0 %
<b>Net income</b>	0.9	0.5	1.9	2.5	3.3	3.5	3.8
<b>EPS</b>	0.23	0.12	0.48	0.63	0.82	0.88	0.97
<b>Free Cash Flow per share</b>	0.28	0.34	1.02	0.87	0.46	0.76	0.87
<b>Dividend</b>	0.11	5.50	0.24	0.31	0.41	0.44	0.49
<i>Dividend Yield</i>	1.5 %	75.5 %	3.3 %	4.3 %	5.6 %	6.0 %	6.7 %
<b>EV/Sales</b>	0.8	0.8	0.8	0.7	0.6	0.5	0.4
<b>EV/EBITDA</b>	8.1	14.5	5.4	4.1	3.1	2.8	2.3
<b>EV/EBIT</b>	14.0	30.5	6.2	4.6	3.3	3.1	2.6
<b>PER</b>	31.7	60.7	15.2	11.6	8.9	8.3	7.5
<b>ROCE</b>	3.7 %	1.8 %	12.6 %	26.2 %	30.9 %	27.4 %	26.5 %
<b>Adj. Free Cash Flow Yield</b>	10.5 %	5.2 %	16.8 %	22.4 %	30.3 %	32.5 %	39.7 %

Per Share figures in EUR, other figures in EUR m., price: EUR 7.28

**Consolidated Profit & Loss ATOSS**

in EUR m

	2004	2005	2006	2007	2008E	2009E	2010E
<b>Sales</b>	<b>21.8</b>	<b>20.4</b>	<b>22.0</b>	<b>24.4</b>	<b>27.4</b>	<b>29.0</b>	<b>31.2</b>
Cost of sales	7.5	7.1	7.2	7.9	8.8	9.3	10.0
<b>Gross balance</b>	<b>14.3</b>	<b>13.4</b>	<b>14.8</b>	<b>16.5</b>	<b>18.6</b>	<b>19.7</b>	<b>21.2</b>
Research and development	4.3	4.1	3.9	4.6	5.0	5.5	5.8
Sales and marketing	5.9	5.5	6.0	5.8	6.2	6.6	7.1
General and administration	3.4	3.3	2.6	2.5	2.7	2.9	3.1
Other operating income/expenses	0.4	0.0	0.5	0.1	0.3	0.1	0.2
<b>EBITDA</b>	<b>2.1</b>	<b>1.2</b>	<b>3.2</b>	<b>4.2</b>	<b>5.4</b>	<b>5.4</b>	<b>5.8</b>
Depreciation of fixed assets	0.4	0.3	0.3	0.3	0.4	0.4	0.4
<b>EBITA</b>	<b>1.7</b>	<b>0.9</b>	<b>2.9</b>	<b>3.9</b>	<b>5.1</b>	<b>5.0</b>	<b>5.4</b>
Amortisation of intangible fixed assets	0.5	0.3	0.2	0.1	0.1	0.1	0.1
Impairment charges and amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>1.2</b>	<b>0.6</b>	<b>2.8</b>	<b>3.7</b>	<b>5.0</b>	<b>4.9</b>	<b>5.3</b>
Interest income	0.6	0.5	0.5	0.5	0.5	0.6	0.7
Interest expenses	0.1	0.0	0.1	0.1	0.5	0.1	0.1
Financial result	0.5	0.5	0.4	0.4	0.0	0.5	0.6
<b>Recurring pretax income from cont. operations</b>	<b>1.7</b>	<b>1.1</b>	<b>3.2</b>	<b>4.2</b>	<b>5.0</b>	<b>5.4</b>	<b>5.9</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBT</b>	<b>1.7</b>	<b>1.1</b>	<b>3.2</b>	<b>4.2</b>	<b>5.0</b>	<b>5.4</b>	<b>5.9</b>
Taxes total	0.9	0.7	1.3	1.7	1.8	1.9	2.1
<b>Net income from continuing operations</b>	<b>0.9</b>	<b>0.5</b>	<b>1.9</b>	<b>2.5</b>	<b>3.3</b>	<b>3.5</b>	<b>3.8</b>
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income before minorities</b>	<b>0.9</b>	<b>0.5</b>	<b>1.9</b>	<b>2.5</b>	<b>3.3</b>	<b>3.5</b>	<b>3.8</b>
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>0.9</b>	<b>0.5</b>	<b>1.9</b>	<b>2.5</b>	<b>3.3</b>	<b>3.5</b>	<b>3.8</b>

Sources: ATOSS(historical data), SES Research (forecasts)

**Consolidated Profit & Loss ATOSS**

In % of Sales

	2004	2005	2006	2007	2008E	2009E	2010E
<b>Sales</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
Cost of sales	34.4 %	34.5 %	32.6 %	32.3 %	32.0 %	32.0 %	32.0 %
<b>Gross balance</b>	<b>65.6 %</b>	<b>65.5 %</b>	<b>67.4 %</b>	<b>67.7 %</b>	<b>68.0 %</b>	<b>68.0 %</b>	<b>68.0 %</b>
Research and development	19.6 %	19.9 %	17.9 %	19.0 %	18.4 %	18.8 %	18.7 %
Sales and marketing	26.8 %	26.8 %	27.4 %	23.6 %	22.5 %	22.8 %	22.8 %
General and administration	15.5 %	16.0 %	11.9 %	10.4 %	9.8 %	10.0 %	10.0 %
Other operating income/expenses	1.9 %	0.0 %	2.4 %	0.5 %	1.0 %	0.5 %	0.5 %
<b>EBITDA</b>	<b>9.7 %</b>	<b>5.8 %</b>	<b>14.6 %</b>	<b>17.2 %</b>	<b>19.9 %</b>	<b>18.5 %</b>	<b>18.6 %</b>
Depreciation of fixed assets	1.9 %	1.5 %	1.2 %	1.4 %	1.4 %	1.4 %	1.4 %
<b>EBITA</b>	<b>7.8 %</b>	<b>4.4 %</b>	<b>13.4 %</b>	<b>15.9 %</b>	<b>18.5 %</b>	<b>17.1 %</b>	<b>17.2 %</b>
Amortisation of intangible fixed assets	2.2 %	1.6 %	0.7 %	0.6 %	0.2 %	0.2 %	0.2 %
Impairment charges and amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBIT</b>	<b>5.6 %</b>	<b>2.8 %</b>	<b>12.6 %</b>	<b>15.3 %</b>	<b>18.3 %</b>	<b>16.9 %</b>	<b>17.0 %</b>
Interest income	2.8 %	2.7 %	2.2 %	2.0 %	1.9 %	2.1 %	2.2 %
Interest expenses	0.4 %	0.0 %	0.3 %	0.2 %	1.8 %	0.3 %	0.3 %
Financial result	2.4 %	2.7 %	1.9 %	1.8 %	0.0 %	1.7 %	1.9 %
<b>Recurring pretax income from cont. operations</b>	<b>8.0 %</b>	<b>5.5 %</b>	<b>14.5 %</b>	<b>17.1 %</b>	<b>18.3 %</b>	<b>18.6 %</b>	<b>18.9 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBT</b>	<b>8.0 %</b>	<b>5.5 %</b>	<b>14.5 %</b>	<b>17.1 %</b>	<b>18.3 %</b>	<b>18.6 %</b>	<b>18.9 %</b>
Taxes total	4.0 %	3.2 %	6.0 %	6.8 %	6.4 %	6.5 %	6.6 %
<b>Net income from continuing operations</b>	<b>4.0 %</b>	<b>2.2 %</b>	<b>8.6 %</b>	<b>10.2 %</b>	<b>11.9 %</b>	<b>12.1 %</b>	<b>12.3 %</b>
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net income before minorities</b>	<b>4.0 %</b>	<b>2.2 %</b>	<b>8.6 %</b>	<b>10.2 %</b>	<b>11.9 %</b>	<b>12.1 %</b>	<b>12.3 %</b>
Minority interest	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net income</b>	<b>4.0 %</b>	<b>2.2 %</b>	<b>8.6 %</b>	<b>10.2 %</b>	<b>11.9 %</b>	<b>12.1 %</b>	<b>12.3 %</b>

Sources: ATOSS(historical data), SES Research (forecasts)

**Balance sheet ATOSS**

In EUR m

	2004	2005	2006	2007	2008E	2009E	2010E
<b>Assets</b>							
Intangible assets	0.4	0.3	0.1	0.2	0.1	0.1	0.1
thereof other intangible assets	0.4	0.3	0.1	0.2	0.1	0.1	0.1
thereof Goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	0.5	0.4	0.4	0.5	0.8	1.1	1.3
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Fixed assets</b>	<b>0.9</b>	<b>0.6</b>	<b>0.5</b>	<b>0.7</b>	<b>0.9</b>	<b>1.2</b>	<b>1.4</b>
Inventories	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	3.4	3.8	3.7	2.8	3.3	3.5	3.8
Other Assets	1.0	0.8	0.8	0.6	0.6	0.9	1.3
Liquid assets	26.6	27.8	10.8	13.5	14.1	15.4	17.2
<b>Current assets</b>	<b>31.0</b>	<b>32.5</b>	<b>15.2</b>	<b>17.0</b>	<b>18.0</b>	<b>19.9</b>	<b>22.3</b>
<b>Total assets</b>	<b>31.9</b>	<b>33.1</b>	<b>15.7</b>	<b>17.6</b>	<b>18.9</b>	<b>21.1</b>	<b>23.7</b>
<b>Liabilities and shareholders' equity</b>							
Subscribed capital	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Additional paid-in capital	20.2	0.5	0.4	-0.1	0.0	0.0	0.0
Surplus capital	0.0	0.0	0.0	0.0	5.2	6.9	8.7
Other equity components	2.8	23.3	4.3	6.6	3.3	3.5	3.8
<b>Book value</b>	<b>27.0</b>	<b>27.8</b>	<b>8.7</b>	<b>10.5</b>	<b>12.5</b>	<b>14.4</b>	<b>16.6</b>
<b>Minority Interest</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total equity</b>	<b>27.0</b>	<b>27.8</b>	<b>8.7</b>	<b>10.5</b>	<b>12.5</b>	<b>14.4</b>	<b>16.6</b>
Provision for pensions and similar obligations	1.4	1.2	1.2	1.2	1.2	1.2	1.2
<b>Provisions</b>	<b>2.9</b>	<b>3.1</b>	<b>4.1</b>	<b>5.0</b>	<b>4.3</b>	<b>4.4</b>	<b>4.5</b>
<b>Financial liabilities</b>	<b>0.3</b>	<b>0.2</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Accounts payable	0.4	0.7	0.5	0.4	0.5	0.5	0.6
Other liabilities	1.3	1.3	2.3	1.7	1.5	1.7	1.9
<b>Liabilities</b>	<b>4.9</b>	<b>5.3</b>	<b>7.0</b>	<b>7.2</b>	<b>6.4</b>	<b>6.7</b>	<b>7.1</b>
<b>Total liabilities and shareholders equity</b>	<b>31.9</b>	<b>33.1</b>	<b>15.7</b>	<b>17.6</b>	<b>18.9</b>	<b>21.1</b>	<b>23.7</b>

Sources: ATOSS(historical data), SES Research (forecasts)

**Balance sheet ATOSS**

In EUR m

	2004	2005	2006	2007	2008E	2009E	2010E
<b>Assets</b>							
Intangible assets	1.4 %	0.8 %	0.8 %	0.9 %	0.5 %	0.7 %	0.3 %
thereof other intangible assets	1.4 %	0.8 %	0.8 %	0.9 %	0.5 %	0.7 %	0.3 %
thereof Goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Property, plant and equipment	1.4 %	1.1 %	2.4 %	3.0 %	4.3 %	5.2 %	5.6 %
Financial assets	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Fixed assets</b>	<b>2.8 %</b>	<b>1.9 %</b>	<b>3.2 %</b>	<b>3.9 %</b>	<b>4.9 %</b>	<b>5.8 %</b>	<b>5.9 %</b>
Inventories	0.0 %	0.0 %	0.1 %	0.2 %	0.0 %	0.0 %	0.0 %
Accounts receivable	10.6 %	11.4 %	23.4 %	16.1 %	17.5 %	16.6 %	16.0 %
Other Assets	3.3 %	2.5 %	4.9 %	3.6 %	3.4 %	4.5 %	5.7 %
Liquid assets	83.4 %	84.1 %	68.7 %	76.5 %	74.5 %	73.2 %	72.4 %
<b>Current assets</b>	<b>97.3 %</b>	<b>98.1 %</b>	<b>97.1 %</b>	<b>96.4 %</b>	<b>95.3 %</b>	<b>94.3 %</b>	<b>94.1 %</b>
<b>Total assets</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
<b>Liabilities and shareholders' equity</b>							
Subscribed capital	12.6 %	12.2 %	25.6 %	22.9 %	21.3 %	19.1 %	17.0 %
Additional paid-in capital	63.2 %	1.4 %	2.3 %	-0.8 %	0.0 %	0.0 %	0.0 %
Surplus capital	0.0 %	0.0 %	0.0 %	0.0 %	27.7 %	32.6 %	36.9 %
Other equity components	8.9 %	70.5 %	27.6 %	37.4 %	17.3 %	16.7 %	16.2 %
<b>Book value</b>	<b>84.7 %</b>	<b>84.1 %</b>	<b>55.5 %</b>	<b>59.5 %</b>	<b>66.3 %</b>	<b>68.3 %</b>	<b>70.0 %</b>
<b>Minority Interest</b>	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>
<b>Total equity</b>	<b>84.7 %</b>	<b>84.1 %</b>	<b>55.5 %</b>	<b>59.5 %</b>	<b>66.3 %</b>	<b>68.3 %</b>	<b>70.0 %</b>
Provision for pensions and similar obligations	4.3 %	3.7 %	7.8 %	6.9 %	6.4 %	5.8 %	5.1 %
<b>Provisions</b>	<b>9.1 %</b>	<b>9.2 %</b>	<b>26.2 %</b>	<b>28.5 %</b>	<b>22.9 %</b>	<b>21.0 %</b>	<b>19.1 %</b>
<b>Financial liabilities</b>	<b>0.8 %</b>	<b>0.5 %</b>	<b>0.5 %</b>	<b>0.2 %</b>	<b>0.2 %</b>	<b>0.2 %</b>	<b>0.2 %</b>
Accounts payable	1.3 %	2.2 %	3.4 %	2.5 %	2.7 %	2.4 %	2.5 %
Other liabilities	4.1 %	4.1 %	14.7 %	9.5 %	8.0 %	8.1 %	8.1 %
<b>Liabilities</b>	<b>15.3 %</b>	<b>15.9 %</b>	<b>44.7 %</b>	<b>40.8 %</b>	<b>33.7 %</b>	<b>31.6 %</b>	<b>29.8 %</b>
<b>Total liabilities and shareholders equity</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>

Sources: ATOSS(historical data), SES Research (forecasts)

<b>Statement of Cash Flows ATOSS</b>							
In EUR m	2004	2005	2006	2007	2008E	2009E	2010E
Net income	0.9	0.5	1.9	2.5	3.3	3.5	3.8
Depreciation of fixed assets	0.4	0.3	0.3	0.3	0.4	0.4	0.4
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.5	0.3	0.2	0.1	0.1	0.1	0.1
Increase/decrease in long-term provisions	0.1	-0.1	0.0	0.0	0.0	0.0	0.0
Other costs affecting income / expenses	0.4	0.4	0.4	0.0	-0.8	0.0	0.0
<b>Cash Flow</b>	<b>2.3</b>	<b>1.3</b>	<b>2.8</b>	<b>2.9</b>	<b>2.9</b>	<b>4.0</b>	<b>4.3</b>
Increase / decrease in inventory	0.4	0.1	0.0	0.0	0.0	0.0	0.0
Increase / decrease in accounts receivable	0.1	-0.4	0.0	0.8	-0.5	-0.2	-0.3
Increase / decrease in accounts payable	0.0	0.3	-0.2	-0.1	0.1	0.0	0.1
Increase / decrease in other working capital positions	-1.2	0.3	1.8	0.4	0.0	0.0	0.0
Increase / decrease in working capital	-0.6	0.4	1.6	1.2	-0.4	-0.2	-0.2
<b>Cash flow from operating activities</b>	<b>1.7</b>	<b>1.7</b>	<b>4.3</b>	<b>4.2</b>	<b>2.5</b>	<b>3.8</b>	<b>4.1</b>
CAPEX	-0.6	-0.4	-0.3	-0.7	-0.7	-0.8	-0.7
Payments for acquisitions	0.0	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	0.0	0.0	0.1	0.0	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-0.6</b>	<b>-0.4</b>	<b>-0.2</b>	<b>-0.7</b>	<b>-0.7</b>	<b>-0.8</b>	<b>-0.7</b>
Change in financial liabilities	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	-5.7	-0.4	-21.5	-1.0	-1.2	-1.6	-1.7
Purchase of own shares	-1.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.5	0.4	0.2	0.1	0.0	0.0	0.0
Others	0.0	0.0	0.1	0.0	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>-6.2</b>	<b>-0.1</b>	<b>-21.2</b>	<b>-0.8</b>	<b>-1.2</b>	<b>-1.6</b>	<b>-1.7</b>
Change in liquid funds	-5.2	1.2	-17.1	2.7	0.6	1.4	1.7
<b>Effects of exchange rate changes on cash</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Liquid assets at end of period</b>	<b>26.7</b>	<b>27.8</b>	<b>10.8</b>	<b>13.5</b>	<b>14.1</b>	<b>15.4</b>	<b>17.2</b>

Sources: ATOSS (historical data), SES Research (forecasts)

**Financial Ratios ATOSS**

	2004	2005	2006	2007	2008E	2009E	2010E
<b>Operational Efficiency</b>							
Total Operating Costs / Sales	60.0 %	62.7 %	54.7 %	52.5 %	49.7 %	51.1 %	51.0 %
Sales per Employee	121,933	115,345	130,124	125,241	n.a.	n.a.	n.a.
EBITDA per Employee	11,816	6,729	18,988	21,569	n.a.	n.a.	n.a.
EBIT-margin	5.6 %	2.8 %	12.6 %	15.3 %	18.3 %	16.9 %	17.0 %
EBITDA / Operating Assets	61.8 %	34.5 %	90.8 %	142.9 %	150.3 %	131.3 %	128.2 %
ROA	99.3 %	72.8 %	378.1 %	367.8 %	355.8 %	286.4 %	273.8 %
<b>Efficiency of Capital Employment</b>							
Plant Turnover	48.1	55.2	59.0	46.1	33.3	26.6	23.5
Operating Assets Turnover	6.4	5.9	6.2	8.3	7.6	7.1	6.9
Capital Employed Turnover	0.7	0.7	1.7	1.6	1.6	1.5	1.5
<b>Return on Capital</b>							
ROCE	3.7 %	1.8 %	12.6 %	26.2 %	30.9 %	27.4 %	26.5 %
ROE	3.2 %	1.6 %	21.6 %	23.9 %	26.0 %	24.4 %	23.1 %
Net Profit / Avg. Equity	3.0 %	1.7 %	10.3 %	26.1 %	28.4 %	26.1 %	24.7 %
Recurring Net Profit / Avg. Equity	3.0 %	1.7 %	10.3 %	26.1 %	28.4 %	26.1 %	24.7 %
ROIC	2.9 %	1.4 %	12.9 %	15.1 %	18.1 %	17.6 %	17.2 %
<b>Solvency</b>							
Net Debt	-26.3	-27.7	-10.7	-13.4	-14.0	-15.4	-17.1
Net Gearing	-97.5 %	-99.5 %	-122.8 %	-128.3 %	-112.0 %	-106.9 %	-103.2 %
Book Value of Equity / Book Value of Debt	500.0 %	500.0 %	500.0 %	500.0 %	500.0 %	500.0 %	500.0 %
Current ratio	17.9	15.7	5.4	8.0	9.0	9.0	8.9
Acid Test Ratio	6.7	6.3	2.2	2.4	2.8	3.0	3.2
EBITDA / Interest Paid	22.5	n.a.	55.3	79.4	10.9	53.7	58.0
Interest Cover	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Cash Flow</b>							
Free Cash Flow	1.1	1.3	4.0	3.5	1.8	3.0	3.5
Free Cash Flow / Sales	4.8 %	6.5 %	18.1 %	14.2 %	6.7 %	10.3 %	11.1 %
Adj. Free Cash Flow	1.8	0.9	2.9	3.9	5.0	5.0	5.4
Adj. Free Cash Flow / Sales	3.9 %	1.2 %	8.5 %	8.5 %	10.2 %	10.2 %	10.3 %
Free Cash Flow / Net Profit	120.0 %	291.9 %	211.3 %	139.0 %	56.3 %	85.5 %	90.2 %
Interest Received / Avg. Cash	2.1 %	2.0 %	2.4 %	4.1 %	3.7 %	4.1 %	4.3 %
Interest Paid / Avg. Debt	34.8 %	0.0 %	49.2 %	90.6 %	1388.9 %	277.8 %	277.8 %
Dividend Payout Ratio	47.6 %	4664.9 %	49.9 %	49.3 %	50.0 %	49.8 %	50.8 %
<b>Fund Management</b>							
Investment ratio	2.8 %	1.8 %	1.5 %	2.8 %	2.5 %	2.7 %	2.2 %
Maint. Capex / Sales	1.4 %	1.4 %	1.4 %	1.4 %	1.5 %	1.4 %	1.4 %
Capex / Dep	68.2 %	58.9 %	74.7 %	141.6 %	154.0 %	166.7 %	135.1 %
Avg. Working Capital / Sales	13.9 %	14.8 %	14.2 %	11.4 %	9.5 %	10.0 %	9.9 %
Trade Creditors / Trade Debtors	795.8 %	526.1 %	697.3 %	635.2 %	660.0 %	700.0 %	633.3 %
Inventory turnover (days)	1,559	1,571	1,833	939	1,200	1,200	1,200
Receivables collection period (DSOs)	56.6	67.7	61.0	42.3	44.0	44.0	44.0
Payables collection period (days)	7.1	12.9	8.7	6.7	6.7	6.7	6.7
Cash conversion cycle (Tage)	1,609	1,625	1,885	975	1,237	1,237	1,237
<b>Valuation</b>							
P/B	1.1	1.1	3.4	2.8	2.4	2.0	1.8
EV/sales	0.8	0.8	0.8	0.7	0.6	0.5	0.4
EV/EBITDA	8.1	14.5	5.4	4.1	3.1	2.8	2.3
EV/EBIT	14.0	30.5	6.2	4.6	3.3	3.1	2.6
EV/FCF	16.3	13.0	4.3	5.0	9.1	5.1	3.9
P/E	31.7	60.7	15.2	11.6	8.9	8.3	7.5
P/CF	12.8	22.0	10.7	10.0	10.2	7.4	6.8

Sources: ATOSS (historical data), SES Research (forecasts)

## Free Cash Flow Yield - ATOSS Software

Figures in EUR m	2004	2005	2006	2007	2008e	2009e	2010e	
Net Income	0.9	0.5	1.9	2.5	3.3	3.5	3.8	
+ Depreciation + Amortisation	0.9	0.6	0.4	0.5	0.4	0.5	0.5	
- Net Interest Income	0.5	0.5	0.4	0.4	0.0	0.5	0.6	
+ Taxes	0.9	0.7	1.3	1.7	1.8	1.9	2.1	
- Maintenance Capex	0.3	0.3	0.3	0.4	0.4	0.4	0.4	
+ Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>= Adjusted Free Cash Flow</b>	<b>1.8</b>	<b>0.9</b>	<b>2.9</b>	<b>3.9</b>	<b>5.0</b>	<b>5.0</b>	<b>5.4</b>	
Adjusted Free Cash Flow Yield	10.5%	5.2%	16.8%	22.4%	30.3%	32.5%	39.7%	
Hurdle rate	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	
<b>= Enterprise Value</b>	<b>17.2</b>	<b>17.2</b>	<b>17.2</b>	<b>17.2</b>	<b>16.6</b>	<b>15.3</b>	<b>13.5</b>	
<b>= Fair Enterprise Value</b>	<b>18.2</b>	<b>9.0</b>	<b>29.0</b>	<b>38.6</b>	<b>50.4</b>	<b>49.6</b>	<b>53.7</b>	
- Net Debt (Cash)	-13.4	-13.4	-13.4	-13.4	-14.0	-15.4	-17.1	
- Pension Liabilities	1.2	1.2	1.2	1.2	1.2	1.2	1.2	
- Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>= Fair Market Capitalisation</b>	<b>30.4</b>	<b>21.2</b>	<b>41.2</b>	<b>50.8</b>	<b>63.3</b>	<b>63.8</b>	<b>69.6</b>	
No. of shares (m)	4.0	4.0	4.0	4.0	4.0	4.0	4.0	
<b>= Fair value per share (EUR)</b>	<b>7.51</b>	<b>5.25</b>	<b>10.19</b>	<b>12.55</b>	<b>15.64</b>	<b>15.76</b>	<b>17.21</b>	
premium (-) / discount (+) in %	3.1%	-27.9%	39.9%	72.4%	114.8%	116.5%	136.4%	
<b>Sensitivity Fair value per Share (EUR)</b>								
	13.0%	6.47	4.73	8.53	10.35	12.76	12.94	14.15
	12.0%	6.76	4.88	8.99	10.96	13.56	13.72	15.00
	11.0%	7.10	5.05	9.54	11.69	14.50	14.65	16.00
Hurdle rate	<b>10.0%</b>	<b>7.51</b>	<b>5.25</b>	<b>10.19</b>	<b>12.55</b>	<b>15.64</b>	<b>15.76</b>	<b>17.21</b>
	9.0%	8.01	5.50	10.98	13.61	17.02	17.13	18.68
	8.0%	8.63	5.80	11.98	14.94	18.75	18.83	20.53
	7.0%	9.43	6.20	13.26	16.64	20.98	21.02	22.90

Sources: ATOSS Software (historical data), SES Research (estimates)

**DCF Model - ATOSS Software**

Figures in EUR m	2008e	2009e	2010e	2011e	2012e	2013e	2014e	2015e	2016e	2017e	2018e	2019e	2020e	2021e
Sales	27.4	29.0	31.2	32.7	34.4	36.1	37.9	39.0	40.2	41.4	42.7	43.9	45.3	46.6
Change	12.0%	6.1%	7.5%	5.0%	5.0%	5.0%	5.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
EBIT	5.0	4.9	5.3	5.6	5.8	6.1	6.4	6.6	6.8	7.0	7.3	7.5	7.7	7.9
EBIT-Margin	18.3%	16.9%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%
Tax rate	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
NOPAT	3.3	3.2	3.4	3.6	3.8	4.0	4.2	4.3	4.4	4.6	4.7	4.9	5.0	5.2
Depreciation	0.4	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.7
in % of Sales	1.6%	1.6%	1.6%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Change in Liquidity from														
- Working Capital	-0.4	-0.2	-0.2	-0.1	-0.2	-0.2	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
- Capex	-0.7	-0.8	-0.7	-0.5	-0.5	-0.5	-0.6	-0.6	-0.6	-0.6	-0.6	-0.7	-0.7	-0.7
Capex in % of Sales	2.5%	2.7%	2.2%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
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	0.0
Free Cash Flow (WACC-Model)	2.6	2.7	3.1	3.5	3.6	3.8	4.0	4.2	4.3	4.4	4.6	4.7	4.9	5.0

**Model parameter**

Debt ratio	0.00%	Beta	1.35
Costs of Debt	n.a.	WACC	10.66%
Market return	9.00%		
Risk free rate	4.25%	Terminal Growth	2.00%

**Valuation (mln)**

Present values 2021e	28.8		
Terminal Value	15.6		
Liabilities	-1.2		
Liquidity	13.5	No. of shares (mln)	4.05
<b>Equity Value</b>	<b>56.6</b>	<b>Value per share (EUR)</b>	<b>14.00</b>

**Sensitivity Value per Share (EUR)**

**Terminal Growth**

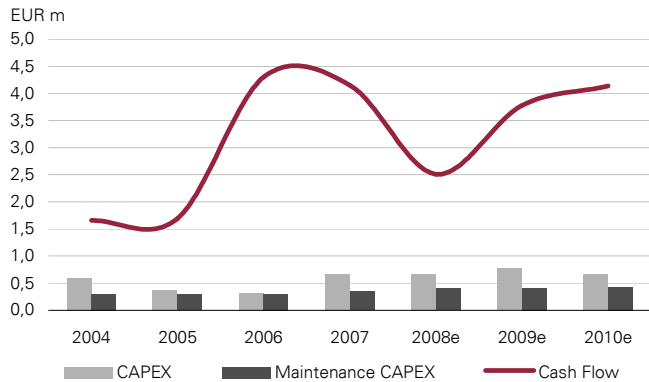
WACC	1.25%	1.50%	1.75%	2.00%	2.25%	2.50%	2.75%
11.66%	12.65	12.72	12.79	12.87	12.95	13.04	13.13
11.16%	13.14	13.23	13.31	13.40	13.50	13.60	13.71
10.91%	13.41	13.50	13.59	13.69	13.80	13.91	14.03
<b>10.66%</b>	13.69	13.79	13.89	<b>14.00</b>	14.12	14.24	14.37
10.41%	13.99	14.10	14.21	14.33	14.45	14.59	14.73
10.16%	14.31	14.42	14.54	14.67	14.81	14.96	15.11
9.66%	15.00	15.13	15.28	15.43	15.60	15.78	15.97

**Delta EBIT-margin**

WACC	-1.5 pp	-1.0 pp	-0.5 pp	0.0	+0.5 pp	+1.0 pp	+1.5 pp
11.66%	11.95	12.26	12.56	12.87	13.17	13.48	13.78
11.16%	12.44	12.76	13.08	13.40	13.73	14.05	14.37
10.91%	12.70	13.03	13.36	13.69	14.02	14.35	14.68
<b>10.66%</b>	12.98	13.32	13.66	<b>14.00</b>	14.34	14.68	15.02
10.41%	13.28	13.63	13.98	14.33	14.68	15.03	15.37
10.16%	13.59	13.95	14.31	14.67	15.03	15.39	15.75
9.66%	14.29	14.67	15.05	15.43	15.82	16.20	16.58

Source: SES Research

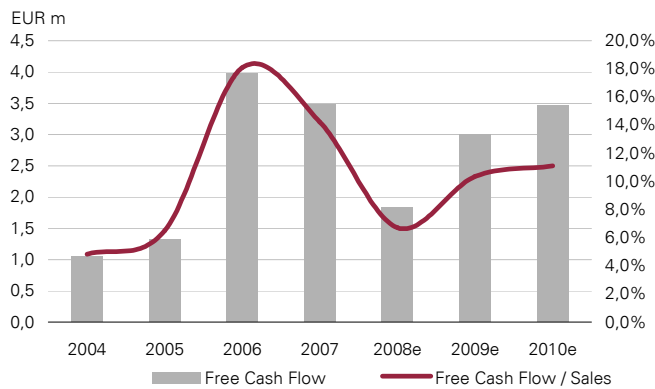
**ATOSS Software - CAPEX and Cash Flow**



Sources: ATOSS Software (historical data), SES Research (forecasts)

- CAPEX and maintenance capex play a subordinate role
- Software business has low investments
- Cash flow develops solidly

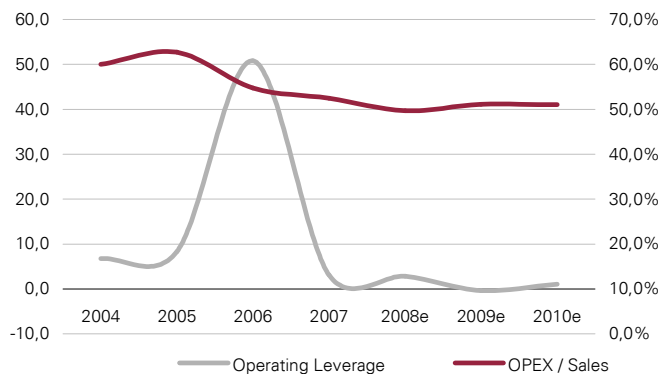
**ATOSS Software - Free Cash Flow Generation**



Sources: ATOSS Software (historical data), SES Research (forecasts)

- ATOSS generates solid and stable FCF
- FCF high as measured by sales
- Long-term upward trend intact

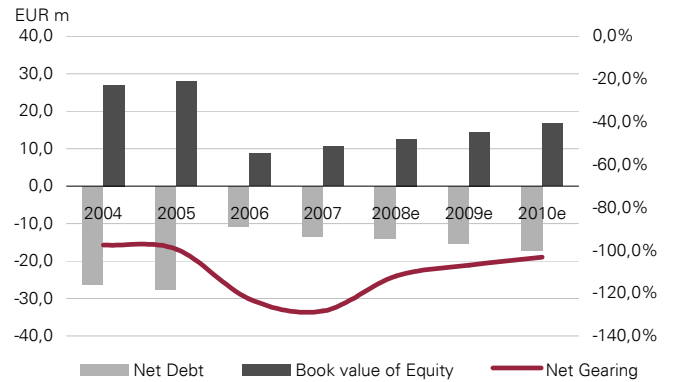
**ATOSS Software - Operating Leverage**



Sources: ATOSS Software (historical data), SES Research (forecasts)

- Operating expenses are high with over 50% of sales
- Reason: High personal costs
- Operating leverage atypically high in 2005/2006 due to structures

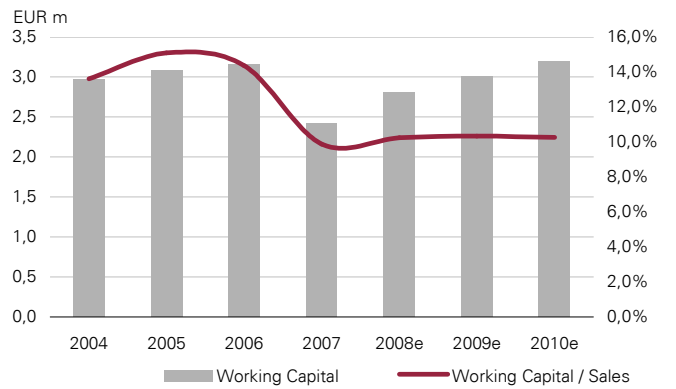
**ATOSS Software - Balance Sheet Quality**



Sources: ATOSS Software (historical data), SES Research (forecasts)

- ATOSS has high net cash
- This results in a negative net gearing
- Slightly reduced liquidity in 2006 due to high distribution

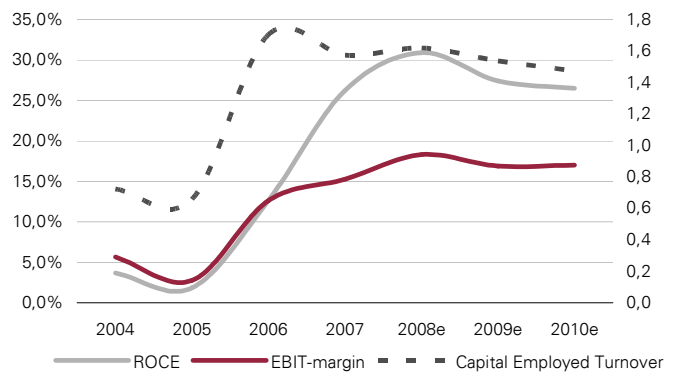
**ATOSS Software - Working Capital**



Sources: ATOSS Software (historical data), SES Research (forecasts)

- Working Capital is relatively constant
- Working Capital is between EUR 2.5 and EUR 3 m.
- the low capital intensity of the software business also becomes apparent here

**ATOSS Software - ROCE Development**



Sources: ATOSS Software (historical data), SES Research (forecasts)

- EBIT margin develops positively in a long-term upward trend
- ROCE develops even better due to low capital employed
- Good earnings development is generally reflected



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- B **Buy**: The price of the analysed equity security is expected to rise over the next 12 months.
- H **Hold**: The price of the analysed equity security is expected to remain mostly flat over the next 12 months.
- S **Sell**: The price of the analysed equity security is expected to fall over the next 12 months.
- “-“ **Rating suspended**: The available information does not currently permit an evaluation of the company.

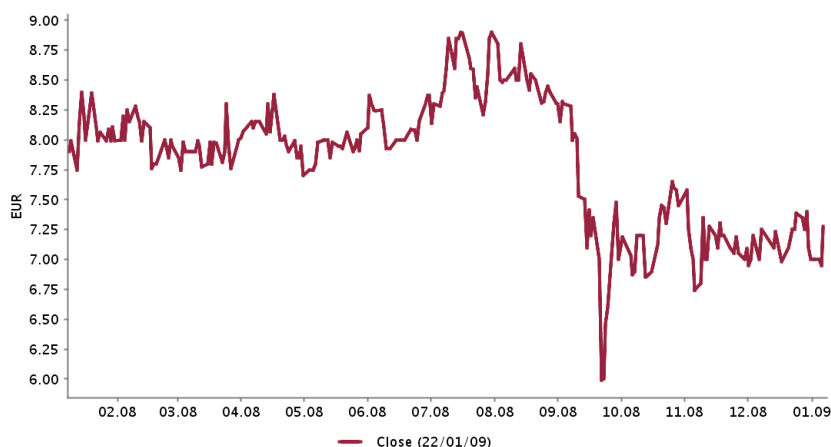
M.M.Warburg & CO KGaA and SES Research GmbH research universe by rating:

Rating	Number of stocks	% of Universe
Buy	108	53%
Hold	62	31%
Sell	22	11%
Rating suspended	10	5%
<b>Total</b>	<b>202</b>	

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Rating	Number of stocks	% of Universe
Buy	68	60%
Hold	32	28%
Sell	8	7%
Rating suspended	6	5%
<b>Total</b>	<b>114</b>	

**Price and Rating History**  
ATOSS Software AG as of 23/01/09



The boxes on the price and rating history chart indicate the date and rating of the Equity Alert issued by SES Research GmbH. Each box represents the closing price (Xetra) of the date on which an analyst publishes a change to a rating, except for the first box, which may represent the rating in place at the beginning of the period or the first Alert written on the issue in the past 12 months.

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