

Buy (old: Buy)

PT EUR 14.00 (old: 14.00)

Price EUR 7.09
Bloomberg AOF GR
Reuters AOFG
Sector Software/IT

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



Share data: 29.01.2009 / Closing price

Market cap: EUR 28.7 m
Enterprise Value (EV): EUR 15.9 m
Book value: EUR 14.5 m
No. of shares: 4.0 m
Trading volume Ø: EUR 0.0 m

Shareholders:
 Founding Family 55.5 %
 Free Float 44.5 %

Calendar:
 Figures 2008 03/12/2009
 Pre. Figures Q1 04/23/2009
 AGM 04/30/2009
 Figures Q1 05/15/2009

Change	2008E		2009E		2010E	
	old	Δ	old	Δ	old	Δ
Sales	27.4	-0.4	29.0	-1.5	31.2	-1.8
EBIT	5.0	0.0	4.9	0.0	5.3	0.0
EPS	0.82	0.06	0.88	0	0.97	-0.01

Analysis: SES Research
 Date of publication: 30.01.2009
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Expectations met – Solid outlook

On January 30, 2009, ATOSS released the key figures for the fiscal year 2008. The reported figures correspond **to our expectations**. Based on the fiscal year 2008 sales fell slightly short of expectations, while the EBIT (roughly EUR 5 m) exactly met expectations. The result on an annual basis slightly surpassed SES' expectation after the actual tax burden (EUR 3.5 m compared to EUR 3.3 m e) was calculated. The complete annual accounts will be released on March 12, 2009.

ATOSS Software - Q4 2008

Figures in EUR m	Q4/08	Q4/08e	Q4/07	yoy	2008	2008e	2007	yoy
Sales	6.9	7.3	6.7	3.1%	26.9	27.4	24.4	10.3%
EBITDA	1.2	1.2	1.1	14.3%	5.4	5.4	4.2	28.9%
<i>margin</i>	17.4%	16.7%	15.7%		20.1%	19.9%	17.2%	
EBIT	1.1	1.1	0.9	17.0%	5.0	5.0	3.7	35.3%
<i>margin</i>	16.0%	14.5%	14.1%		18.7%	18.3%	15.3%	
EPS	0.21	0.15	0.18	16.7%	0.88	0.82	0.63	39.7%

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

The good figures do not give reason to considerably adjust the estimates. Solely the sales expectations are slightly reduced. However, there's no need to adjust the earnings due to the good sales mix (software/consulting). This is also in line with the outlook given by the company. **ATOSS plans to continue sales and earnings on the previous year's record level in the recession year 2009.**

The company's liquidity was EUR 14 m at the end of the year. This is not opposed by noteworthy financial liabilities. This liquidity corresponds to approx. half of the current market capitalisation and impressively shows the **share's current undervaluation**: Adjusted by this liquidity ATOSS' PER for 2009 is just about 4. The BUY rating is reiterated with a PT of EUR 14.

Fiscal year ending: 31.12.	2004	2005	2006	2007	2008E	2009E	2010E
Sales	21.8	20.4	22.0	24.4	26.9	27.5	29.4
<i>Change Sales yoy</i>	-6.8 %	-6.5 %	7.7 %	11.1 %	10.3 %	2.1 %	7.0 %
EBITDA	2.1	1.2	3.2	4.2	5.4	5.3	5.7
<i>EBITDA-margin</i>	9.7 %	5.8 %	14.6 %	17.2 %	20.1 %	19.4 %	19.5 %
EBIT	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 %	18.7 %	17.8 %	17.9 %
Net income	0.9	0.5	1.9	2.5	3.5	3.5	3.8
EPS	0.23	0.12	0.48	0.63	0.88	0.88	0.96
Free Cash Flow per share	0.28	0.34	1.02	0.87	0.46	0.85	0.86
Dividend	0.11	5.50	0.24	0.31	0.44	0.44	0.48
<i>Dividend Yield</i>	1.6 %	77.6 %	3.4 %	4.4 %	6.2 %	6.2 %	6.8 %
EV/Sales	0.8	0.8	0.7	0.7	0.6	0.5	0.4
EV/EBITDA	7.8	13.8	5.1	3.9	2.9	2.7	2.2
EV/EBIT	13.4	29.1	5.9	4.4	3.1	2.9	2.4
PER	30.8	59.1	14.8	11.3	8.1	8.1	7.4
ROCE	3.7 %	1.8 %	12.6 %	26.2 %	30.9 %	27.1 %	26.2 %
Adj. Free Cash Flow Yield	11.0 %	5.5 %	17.6 %	23.4 %	31.7 %	34.6 %	42.2 %

Per Share figures in EUR, other figures in EUR m., price: EUR 7.09

Consolidated Profit & Loss ATOSS							
in EUR m							
	2004	2005	2006	2007	2008E	2009E	2010E
Sales	21.8	20.4	22.0	24.4	26.9	27.5	29.4
Cost of sales	7.5	7.1	7.2	7.9	8.5	8.7	9.3
Gross balance	14.3	13.4	14.8	16.5	18.5	18.8	20.2
Research and development	4.3	4.1	3.9	4.6	5.1	5.1	5.4
Sales and marketing	5.9	5.5	6.0	5.8	5.9	6.3	6.7
General and administration	3.4	3.3	2.6	2.5	2.6	2.8	2.9
Other operating income/expenses	0.4	0.0	0.5	0.1	0.3	0.1	0.1
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	0.0	0.0	0.0	0.0	0.0
Total sales	21.8	20.4	22.0	24.4	26.9	27.5	29.4
Material Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gross profit	21.8	20.4	22.0	24.4	26.9	27.5	29.4
Personnel expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	2.1	1.2	3.2	4.2	5.4	5.3	5.7
Depreciation of fixed assets	0.4	0.3	0.3	0.3	0.3	0.4	0.4
EBITA	1.7	0.9	2.9	3.9	5.1	5.0	5.3
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
EBIT	1.2	0.6	2.8	3.7	5.0	4.9	5.3
Interest income	0.6	0.5	0.5	0.5	0.6	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	0.1	0.5	0.6
Recurring pretax income from cont. operations	1.7	1.1	3.2	4.2	5.1	5.4	5.9
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	1.7	1.1	3.2	4.2	5.1	5.4	5.9
Taxes total	0.9	0.7	1.3	1.7	1.6	1.9	2.1
Net income from continuing operations	0.9	0.5	1.9	2.5	3.5	3.5	3.8
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	0.5	1.9	2.5	3.5	3.5	3.8
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	0.9	0.5	1.9	2.5	3.5	3.5	3.8

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

Consolidated Profit & Loss ATOSS							
In % of Sales							
	2004	2005	2006	2007	2008E	2009E	2010E
Sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales	34.4 %	34.5 %	32.6 %	32.3 %	31.5 %	31.5 %	31.5 %
Gross balance	65.6 %	65.5 %	67.4 %	67.7 %	68.5 %	68.5 %	68.5 %
Research and development	19.6 %	19.9 %	17.9 %	19.0 %	19.0 %	18.4 %	18.3 %
Sales and marketing	26.8 %	26.8 %	27.4 %	23.6 %	22.0 %	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 %
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 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Total sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Material Expenses	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Gross profit	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Personnel expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other operating income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other operating expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBITDA	9.7 %	5.8 %	14.6 %	17.2 %	20.1 %	19.4 %	19.5 %
Depreciation of fixed assets	1.9 %	1.5 %	1.2 %	1.4 %	1.2 %	1.4 %	1.4 %
EBITA	7.8 %	4.4 %	13.4 %	15.9 %	18.9 %	18.0 %	18.1 %
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 %
EBIT	5.6 %	2.8 %	12.6 %	15.3 %	18.7 %	17.8 %	17.9 %
Interest income	2.8 %	2.7 %	2.2 %	2.0 %	2.2 %	2.2 %	2.4 %
Interest expenses	0.4 %	0.0 %	0.3 %	0.2 %	1.9 %	0.4 %	0.3 %
Financial result	2.4 %	2.7 %	1.9 %	1.8 %	0.4 %	1.8 %	2.0 %
Recurring pretax income from cont. operations	8.0 %	5.5 %	14.5 %	17.1 %	19.1 %	19.6 %	19.9 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBT	8.0 %	5.5 %	14.5 %	17.1 %	19.1 %	19.6 %	19.9 %
Taxes total	4.0 %	3.2 %	6.0 %	6.8 %	6.1 %	6.9 %	7.0 %
Net income from continuing operations	4.0 %	2.2 %	8.6 %	10.2 %	13.0 %	12.8 %	13.0 %
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	4.0 %	2.2 %	8.6 %	10.2 %	13.0 %	12.8 %	13.0 %
Minority interest	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	4.0 %	2.2 %	8.6 %	10.2 %	13.0 %	12.8 %	13.0 %

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

Balance sheet ATOSS

In EUR m

	2004	2005	2006	2007	2008E	2009E	2010E
Assets							
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	0.9	1.2	1.4
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fixed assets	0.9	0.6	0.5	0.7	1.0	1.3	1.5
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	3.4	3.3	3.5
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	15.7	17.3
Current assets	31.0	32.5	15.2	17.0	18.1	19.9	22.2
Total assets	31.9	33.1	15.7	17.6	19.1	21.2	23.7
Liabilities and shareholders' equity							
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	7.0	8.9
Other equity components	2.8	23.3	4.3	6.6	3.5	3.5	3.8
Book value	27.0	27.8	8.7	10.5	12.8	14.5	16.7
Minority Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	27.0	27.8	8.7	10.5	12.8	14.5	16.7
Provision for pensions and similar obligations	1.4	1.2	1.2	1.2	1.2	1.2	1.2
Provisions	2.9	3.1	4.1	5.0	4.3	4.4	4.5
Financial liabilities	0.3	0.2	0.1	0.0	0.0	0.0	0.0
Accounts payable	0.4	0.7	0.5	0.4	0.4	0.5	0.5
Other liabilities	1.3	1.3	2.3	1.7	1.5	1.7	1.9
Liabilities	4.9	5.3	7.0	7.2	6.3	6.7	7.0
Total liabilities and shareholders equity	31.9	33.1	15.7	17.6	19.0	21.2	23.7

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

Balance sheet ATOSS

In EUR m

	2004	2005	2006	2007	2008E	2009E	2010E
Assets							
Intangible assets	1.4 %	0.8 %	0.8 %	0.9 %	0.5 %	0.7 %	0.4 %
thereof other intangible assets	1.4 %	0.8 %	0.8 %	0.9 %	0.5 %	0.7 %	0.4 %
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 %	4.6 %	5.5 %	6.0 %
Financial assets	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Fixed assets	2.8 %	1.9 %	3.2 %	3.9 %	5.1 %	6.2 %	6.4 %
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 %	17.8 %	15.6 %	14.8 %
Other Assets	3.3 %	2.5 %	4.9 %	3.6 %	3.3 %	4.4 %	5.7 %
Liquid assets	83.4 %	84.1 %	68.7 %	76.5 %	73.6 %	74.0 %	73.2 %
Current assets	97.3 %	98.1 %	97.1 %	96.4 %	94.8 %	94.0 %	93.6 %
Total assets	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Liabilities and shareholders' equity							
Subscribed capital	12.6 %	12.2 %	25.6 %	22.9 %	21.1 %	19.0 %	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 %	27.5 %	33.0 %	37.4 %
Other equity components	8.9 %	70.5 %	27.6 %	37.4 %	18.4 %	16.5 %	16.1 %
Book value	84.7 %	84.1 %	55.5 %	59.5 %	66.9 %	68.6 %	70.5 %
Minority Interest	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Total equity	84.7 %	84.1 %	55.5 %	59.5 %	66.9 %	68.6 %	70.5 %
Provision for pensions and similar obligations	4.3 %	3.7 %	7.8 %	6.9 %	6.4 %	5.7 %	5.1 %
Provisions	9.1 %	9.2 %	26.2 %	28.5 %	22.7 %	20.9 %	19.1 %
Financial liabilities	0.8 %	0.5 %	0.5 %	0.2 %	0.2 %	0.2 %	0.2 %
Accounts payable	1.3 %	2.2 %	3.4 %	2.5 %	2.1 %	2.4 %	2.1 %
Other liabilities	4.1 %	4.1 %	14.7 %	9.5 %	7.9 %	8.1 %	8.1 %
Liabilities	15.3 %	15.9 %	44.7 %	40.8 %	32.8 %	31.5 %	29.4 %
Total liabilities and shareholders equity	100.0 %	100.0 %	100.0 %	100.0 %	99.5 %	100.0 %	100.0 %

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

Statement of Cash Flows ATOSS							
In EUR m	2004	2005	2006	2007	2008E	2009E	2010E
Net income	0.9	0.5	1.9	2.5	3.5	3.5	3.8
Depreciation of fixed assets	0.4	0.3	0.3	0.3	0.3	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
Cash Flow	2.3	1.3	2.8	2.9	3.1	3.9	4.3
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	-0.6	0.1	-0.2
Increase / decrease in accounts payable	0.0	0.3	-0.2	-0.1	0.0	0.1	0.0
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	-0.6	0.2	-0.2
Cash flow from operating activities	1.7	1.7	4.3	4.2	2.5	4.1	4.1
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
Cash flow from investing activities	-0.6	-0.4	-0.2	-0.7	-0.7	-0.8	-0.7
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	-1.7	-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
Cash flow from financing activities	-6.2	-0.1	-21.2	-0.8	-1.2	-1.7	-1.7
Change in liquid funds	-5.2	1.2	-17.1	2.7	0.6	1.6	1.7
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Liquid assets at end of period	26.7	27.8	10.8	13.5	14.1	15.7	17.3

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

Financial Ratios ATOSS

	2004	2005	2006	2007	2008E	2009E	2010E
Operational Efficiency							
Total Operating Costs / Sales	60.0 %	62.7 %	54.7 %	52.5 %	49.8 %	50.7 %	50.6 %
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 %	18.7 %	17.8 %	17.9 %
EBITDA / Operating Assets	61.8 %	34.5 %	90.8 %	142.9 %	139.8 %	134.4 %	129.5 %
ROA	99.3 %	72.8 %	378.1 %	367.8 %	359.3 %	267.5 %	251.9 %
Efficiency of Capital Employment							
Plant Turnover	48.1	55.2	59.0	46.1	30.6	23.5	20.6
Operating Assets Turnover	6.4	5.9	6.2	8.3	6.9	6.9	6.6
Capital Employed Turnover	0.7	0.7	1.7	1.6	1.6	1.4	1.4
Return on Capital							
ROCE	3.7 %	1.8 %	12.6 %	26.2 %	30.9 %	27.1 %	26.2 %
ROE	3.2 %	1.6 %	21.6 %	23.9 %	27.5 %	24.1 %	22.8 %
Net Profit / Avg. Equity	3.0 %	1.7 %	10.3 %	26.1 %	30.2 %	25.7 %	24.4 %
Recurring Net Profit / Avg. Equity	3.0 %	1.7 %	10.3 %	26.1 %	30.2 %	25.7 %	24.4 %
ROIC	2.9 %	1.4 %	12.9 %	15.1 %	19.3 %	17.4 %	17.0 %
Solvency							
Net Debt	-26.3	-27.7	-10.7	-13.4	-14.0	-15.7	-17.3
Net Gearing	-97.5 %	-99.5 %	-122.8 %	-128.3 %	-109.8 %	-107.7 %	-103.7 %
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	9.5	9.0	9.2
Acid Test Ratio	6.7	6.3	2.2	2.4	2.9	3.0	3.2
EBITDA / Interest Paid	22.5	n.a.	55.3	79.4	10.8	53.4	57.4
Interest Cover	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Cash Flow							
Free Cash Flow	1.1	1.3	4.0	3.5	1.8	3.4	3.4
Free Cash Flow / Sales	4.8 %	6.5 %	18.1 %	14.2 %	6.8 %	12.3 %	11.6 %
Adj. Free Cash Flow	1.8	0.9	2.9	3.9	5.0	4.9	5.3
Adj. Free Cash Flow / Sales	3.9 %	1.2 %	8.5 %	8.5 %	10.7 %	10.7 %	10.7 %
Free Cash Flow / Net Profit	120.0 %	291.9 %	211.3 %	139.0 %	52.0 %	96.2 %	89.4 %
Interest Received / Avg. Cash	2.1 %	2.0 %	2.4 %	4.1 %	4.4 %	4.0 %	4.2 %
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 %	49.8 %	49.9 %	50.0 %
Fund Management							
Investment ratio	2.8 %	1.8 %	1.5 %	2.8 %	2.5 %	2.8 %	2.3 %
Maint. Capex / Sales	1.4 %	1.4 %	1.4 %	1.4 %	1.5 %	1.5 %	1.5 %
Capex / Dep	68.2 %	58.9 %	74.7 %	141.6 %	178.7 %	175.9 %	143.2 %
Avg. Working Capital / Sales	13.9 %	14.8 %	14.2 %	11.4 %	10.0 %	10.5 %	9.9 %
Trade Creditors / Trade Debtors	795.8 %	526.1 %	697.3 %	635.2 %	850.0 %	660.0 %	700.0 %
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	46.0	44.0	44.0
Payables collection period (days)	7.1	12.9	8.7	6.7	6.0	6.0	6.0
Cash conversion cycle (Tage)	1,609	1,625	1,885	975	1,240	1,238	1,238
Valuation							
P/B	1.1	1.0	3.3	2.7	2.2	2.0	1.7
EV/sales	0.8	0.8	0.7	0.7	0.6	0.5	0.4
EV/EBITDA	7.8	13.8	5.1	3.9	2.9	2.7	2.2
EV/EBIT	13.4	29.1	5.9	4.4	3.1	2.9	2.4
EV/FCF	15.6	12.4	4.1	4.7	8.7	4.2	3.7
P/E	30.8	59.1	14.8	11.3	8.1	8.1	7.4
P/CF	12.5	21.4	10.4	9.8	9.3	7.3	6.7

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	3.5	3.5	3.8	
+ Depreciation + Amortisation	0.9	0.6	0.4	0.5	0.4	0.4	0.5	
- Net Interest Income	0.5	0.5	0.4	0.4	0.1	0.5	0.6	
+ Taxes	0.9	0.7	1.3	1.7	1.6	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	
= Adjusted Free Cash Flow	1.8	0.9	2.9	3.9	5.0	4.9	5.3	
Adjusted Free Cash Flow Yield	10.5%	5.2%	16.8%	22.4%	30.2%	32.8%	39.8%	
Hurdle rate	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	
= Enterprise Value	17.2	17.2	17.2	17.2	16.6	15.0	13.4	
= Fair Enterprise Value	18.2	9.0	29.0	38.6	50.2	49.3	53.1	
- Net Debt (Cash)	-13.4	-13.4	-13.4	-13.4	-14.0	-15.6	-17.3	
- 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	
= Fair Market Capitalisation	30.4	21.2	41.2	50.8	63.0	63.7	69.2	
No. of shares (m)	4.0	4.0	4.0	4.0	4.0	4.0	4.0	
= Fair value per share (EUR)	7.51	5.25	10.19	12.55	15.59	15.74	17.10	
premium (-) / discount (+) in %	3.1%	-27.9%	39.9%	72.4%	114.1%	116.2%	134.9%	
Sensitivity Fair value per Share (EUR)								
	13.0%	6.47	4.73	8.53	10.35	12.72	12.93	14.07
	12.0%	6.76	4.88	8.99	10.96	13.52	13.71	14.91
	11.0%	7.10	5.05	9.54	11.69	14.46	14.64	15.91
Hurdle rate	10.0%	7.51	5.25	10.19	12.55	15.59	15.74	17.10
	9.0%	8.01	5.50	10.98	13.61	16.97	17.10	18.56
	8.0%	8.63	5.80	11.98	14.94	18.69	18.79	20.38
	7.0%	9.43	6.20	13.26	16.64	20.91	20.96	22.72

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	26.9	27.5	29.4	30.9	32.4	34.1	35.8	36.8	37.9	39.1	40.3	41.5	42.7	44.0
Change	10.3%	2.1%	7.0%	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	7.2	7.5	7.7	7.9
EBIT-Margin	18.7%	17.8%	17.9%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%
Tax rate	31.8%	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	3.4	3.2	3.4	3.6	3.8	4.0	4.2	4.3	4.4	4.6	4.7	4.9	5.0	5.1
Depreciation	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.7
in % of Sales	1.4%	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	-0.6	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	-0.5	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6	-0.7
Capex in % of Sales	2.5%	2.8%	2.3%	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	-0.1	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	3.0	3.0	3.4	3.6	3.8	4.0	4.2	4.3	4.5	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	29.0		
Terminal Value	15.6		
Liabilities	-1.2		
Liquidity	13.5	No. of shares (mln)	4.05
Equity Value	56.8	Value per share (EUR)	14.04

Sensitivity Value per Share (EUR)

Terminal Growth

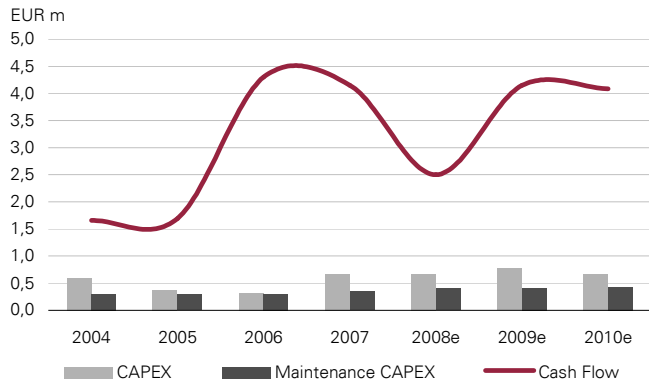
WACC	1.25%	1.50%	1.75%	2.00%	2.25%	2.50%	2.75%
11.66%	12.69	12.76	12.83	12.91	12.99	13.08	13.17
11.16%	13.19	13.27	13.36	13.45	13.54	13.65	13.75
10.91%	13.45	13.54	13.64	13.74	13.84	13.95	14.07
10.66%	13.74	13.83	13.94	14.04	14.16	14.28	14.41
10.41%	14.04	14.14	14.25	14.37	14.50	14.63	14.77
10.16%	14.35	14.47	14.59	14.72	14.85	15.00	15.16
9.66%	15.04	15.18	15.32	15.48	15.64	15.82	16.01

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%	12.04	12.33	12.62	12.91	13.20	13.49	13.78
11.16%	12.53	12.84	13.14	13.45	13.75	14.06	14.36
10.91%	12.80	13.11	13.42	13.74	14.05	14.36	14.68
10.66%	13.08	13.40	13.72	14.04	14.37	14.69	15.01
10.41%	13.38	13.71	14.04	14.37	14.70	15.03	15.37
10.16%	13.69	14.03	14.38	14.72	15.06	15.40	15.74
9.66%	14.39	14.75	15.11	15.48	15.84	16.20	16.57

Source: SES Research

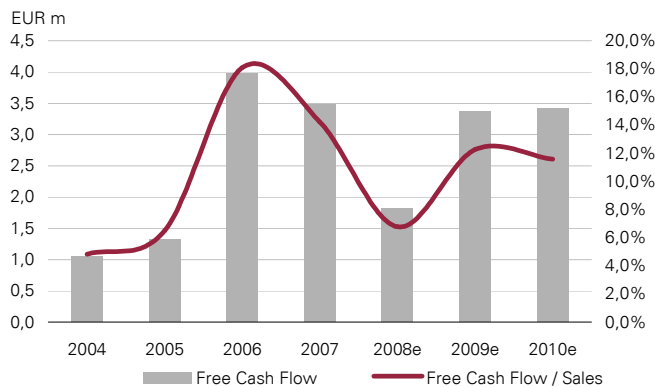
ATOSS Software - CAPEX and Cash Flow



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

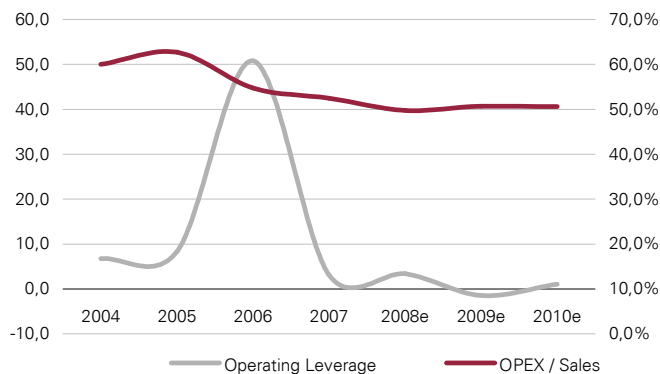
ATOSS Software - Free Cash Flow Generation



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

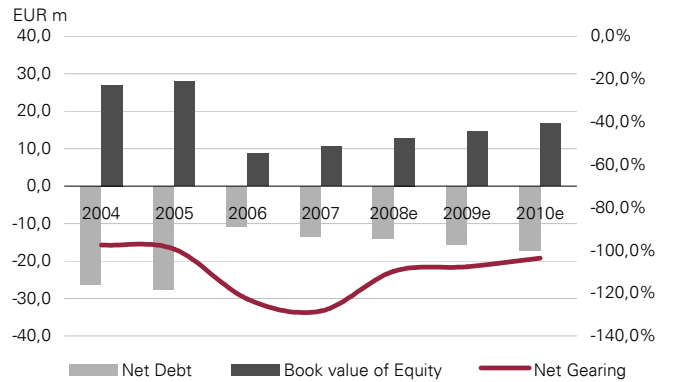
ATOSS Software - Operating Leverage



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

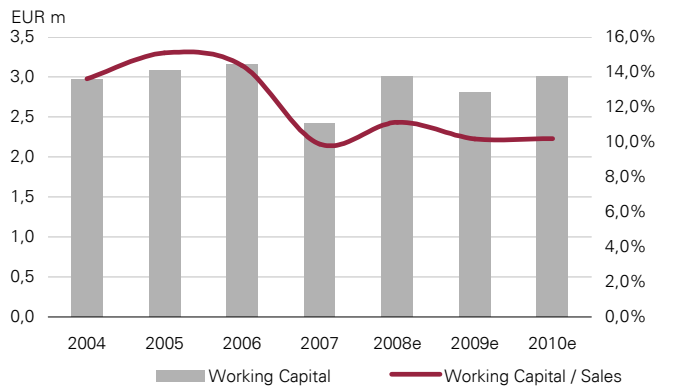
ATOSS Software - Balance Sheet Quality



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

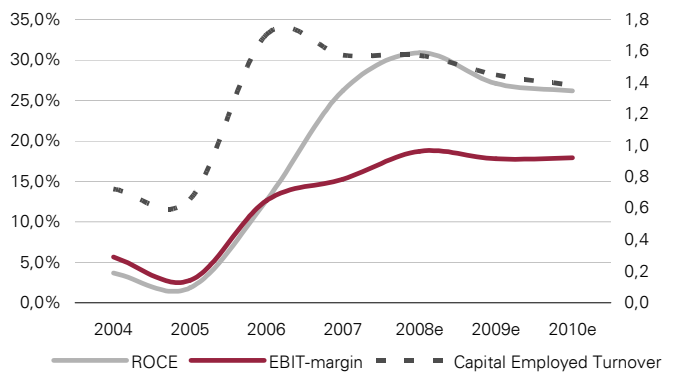
ATOSS Software - Working Capital



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.

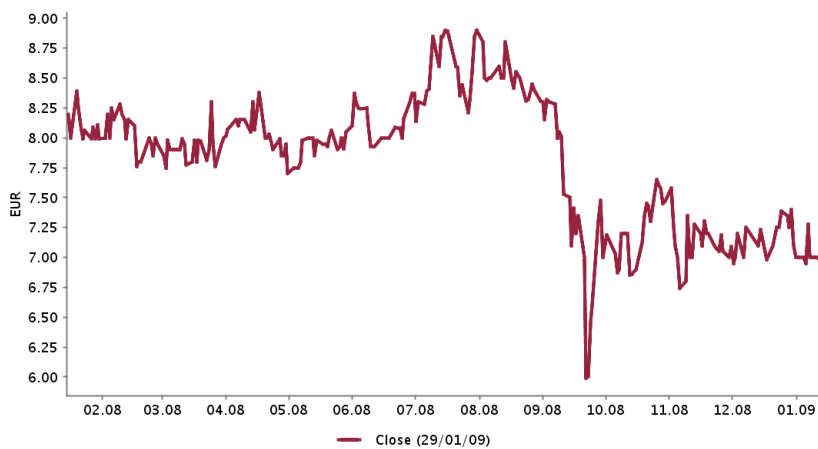
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Rating	Number of stocks	% of Universe
Buy	109	54%
Hold	60	30%
Sell	23	11%
Rating suspended	10	5%
Total	202	

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Rating	Number of stocks	% of Universe
Buy	68	59%
Hold	33	29%
Sell	8	7%
Rating suspended	6	5%
Total	115	

Price and Rating History
ATOSS Software AG as of 30/01/09



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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