

Buy (old: Buy)

PT EUR 14.00 (old: 14.00)

Price EUR 7.95
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: 07.04.2009 / Closing price

Market cap: EUR 32.0 m
Enterprise Value (EV): EUR 17.5 m
Book value: EUR 14.3 m
No. of shares: 4.0 m

Shareholders:
Founding Family 55.5 %
Free Float 44.5 %

Calendar:
Pre. Figures Q1 04/23/2009
AGM 04/30/2009
Figures Q1 05/15/2009
Figures Q2 08/14/2009

Change	2009E		2010E		2011E	
	old	Δ	old	Δ	old	Δ
Sales	27.5	0.0	29.4	0.0	31.5	-
EBIT	4.9	0.1	5.3	0.0	5.7	-
EPS	0.88	0	0.96	0	1.02	-

Analysis: SES Research
Date of publication: 08.04.2009
Analyst: Felix Ellmann
+49 (0)40-309537-120
ellmann@ses.de

Record growth despite recession

On April 08, 2009, ATOSS Software AG released preliminary sales figures for Q1 2009. Accordingly, **the company succeeded in raising sales by 11% from EUR 6.4 m in the previous year to EUR 7.1 m despite the recession.** The expectation had been at EUR 6.5 m. The strong customer demand resulted in particular in a substantial increase of software licenses by around 21% yoy to just under EUR 1.6 m. Earnings look set to also have been raised yoy, although the previous year's EBIT (EUR 1.3 m) included a positive one-time effect of EUR 0.3 m from the release of provisions. The positive sales and earnings development is attributable to

- the **high order backlog** at the end of 2008
- and the fact that ATOSS **enters its projects according to the degree of realisation.** Hence fluctuations are generally low on a quarterly basis.

The development would only change for the worse, if the incoming orders decrease sustainably in the future. However, rather the opposite is applicable to ATOSS at present: **The company was able to also enter a new record high order backlog for software licenses.** At EUR 3.7 m as of March 31, 2009, the order backlog has once again significantly exceeded the record figure of EUR 2.5 m on December 31, 2008. Here ATOSS benefited particularly from a new major order.

The estimates for 2008 therefore remain largely unchanged. Should it become apparent in the course of the year that the incoming orders continue to be high; an increase of estimates is realistic. The price target for the share continues to be EUR 14 and the Buy rating is reiterated.

Fiscal year ending: 31.12.	2005	2006	2007	2008	2009E	2010E	2011E
Sales	20.4	22.0	24.4	26.9	27.5	29.4	31.5
Change Sales yoy	-6.5 %	7.7 %	11.1 %	10.3 %	2.0 %	7.0 %	7.0 %
Gross balance	13.4	14.8	16.5	18.1	18.4	19.7	21.1
Gross margin	65.5 %	67.4 %	67.7 %	67.1 %	67.0 %	67.0 %	67.0 %
EBITDA	1.2	3.2	4.2	5.4	5.4	5.7	6.1
EBITDA-margin	5.8 %	14.6 %	17.2 %	20.1 %	19.6 %	19.3 %	19.3 %
EBIT	0.6	2.8	3.7	5.0	5.0	5.3	5.7
EBIT-margin	2.8 %	12.6 %	15.3 %	18.7 %	18.3 %	18.0 %	18.0 %
Net income	0.5	1.9	2.5	3.5	3.5	3.8	4.1
EPS	0.12	0.48	0.63	0.88	0.88	0.96	1.02
Free Cash Flow per share	0.34	1.02	0.87	0.51	0.87	0.89	0.96
Dividend	5.50	0.24	0.31	0.44	0.44	0.48	0.51
Dividend Yield	69.2 %	3.0 %	3.9 %	5.5 %	5.5 %	6.0 %	6.4 %
EV/Sales	0.9	0.9	0.8	0.7	0.6	0.5	0.4
EV/EBITDA	16.1	6.0	4.6	3.5	3.2	2.8	2.3
EV/EBIT	34.0	6.9	5.1	3.8	3.5	3.0	2.4
PER	66.3	16.6	12.6	9.0	9.0	8.3	7.8
ROCE	1.8 %	12.6 %	26.2 %	31.0 %	28.0 %	26.3 %	25.3 %
Adj. Free Cash Flow Yield	4.7 %	15.1 %	20.1 %	26.5 %	28.5 %	33.5 %	41.1 %

Per Share figures in EUR, other figures in EUR m., price: EUR 7.95

Consolidated Profit & Loss ATOSS							
in EUR m	2005	2006	2007	2008	2009E	2010E	2011E
Sales	20.4	22.0	24.4	26.9	27.5	29.4	31.5
Cost of sales	7.1	7.2	7.9	8.9	9.1	9.7	10.4
Gross balance	13.4	14.8	16.5	18.1	18.4	19.7	21.1
Research and development	4.1	3.9	4.6	5.1	5.2	5.6	6.0
Sales and marketing	5.5	6.0	5.8	5.6	5.7	6.2	6.6
General and administration	3.3	2.6	2.5	2.7	2.7	2.9	3.1
Other operating income/expenses	0.0	0.5	0.1	0.3	0.3	0.3	0.3
EBITDA	1.2	3.2	4.2	5.4	5.4	5.7	6.1
Depreciation of fixed assets	0.3	0.3	0.3	0.3	0.3	0.3	0.3
EBITA	0.9	2.9	3.9	5.1	5.1	5.4	5.7
Amortisation of intangible fixed assets	0.3	0.2	0.1	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	0.6	2.8	3.7	5.0	5.0	5.3	5.7
Interest income	0.5	0.5	0.5	0.6	0.5	0.7	0.7
Interest expenses	0.0	0.1	0.1	0.5	0.1	0.1	0.1
Financial result	0.5	0.4	0.4	0.1	0.4	0.6	0.6
Recurring pretax income from cont. operations	1.1	3.2	4.2	5.1	5.4	5.9	6.3
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	1.1	3.2	4.2	5.1	5.4	5.9	6.3
Taxes total	0.7	1.3	1.7	1.6	1.9	2.1	2.2
Net income from continuing operations	0.5	1.9	2.5	3.5	3.5	3.8	4.1
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	0.5	1.9	2.5	3.5	3.5	3.8	4.1
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	0.5	1.9	2.5	3.5	3.5	3.8	4.1

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

Consolidated Profit & Loss ATOSS							
in % of Sales	2005	2006	2007	2008	2009E	2010E	2011E
Sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales	34.5 %	32.6 %	32.3 %	32.9 %	33.0 %	33.0 %	33.0 %
Gross balance	65.5 %	67.4 %	67.7 %	67.1 %	67.0 %	67.0 %	67.0 %
Research and development	19.9 %	17.9 %	19.0 %	19.0 %	19.0 %	19.0 %	19.0 %
Sales and marketing	26.8 %	27.4 %	23.6 %	20.7 %	20.7 %	21.0 %	21.0 %
General and administration	16.0 %	11.9 %	10.4 %	9.8 %	10.0 %	10.0 %	10.0 %
Other operating income/expenses	0.0 %	2.4 %	0.5 %	1.2 %	1.0 %	1.0 %	1.0 %
EBITDA	5.8 %	14.6 %	17.2 %	20.2 %	19.6 %	19.3 %	19.3 %
Depreciation of fixed assets	1.5 %	1.2 %	1.4 %	1.1 %	1.1 %	1.1 %	1.1 %
EBITA	4.4 %	13.4 %	15.9 %	19.1 %	18.5 %	18.2 %	18.2 %
Amortisation of intangible fixed assets	1.6 %	0.7 %	0.6 %	0.3 %	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	2.8 %	12.6 %	15.3 %	18.7 %	18.3 %	18.0 %	18.0 %
Interest income	2.7 %	2.2 %	2.0 %	2.3 %	1.8 %	2.4 %	2.2 %
Interest expenses	0.0 %	0.3 %	0.2 %	2.0 %	0.4 %	0.3 %	0.3 %
Financial result	2.7 %	1.9 %	1.8 %	0.3 %	1.5 %	2.0 %	1.9 %
Recurring pretax income from cont. operations	5.5 %	14.5 %	17.1 %	19.0 %	19.8 %	20.0 %	19.9 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBT	5.5 %	14.5 %	17.1 %	19.0 %	19.8 %	20.0 %	19.9 %
Taxes total	3.2 %	6.0 %	6.8 %	6.0 %	6.9 %	7.0 %	7.0 %
Net income from continuing operations	2.2 %	8.6 %	10.2 %	13.0 %	12.8 %	13.0 %	12.9 %
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	2.2 %	8.6 %	10.2 %	13.0 %	12.8 %	13.0 %	12.9 %
Minority interest	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	2.2 %	8.6 %	10.2 %	13.0 %	12.8 %	13.0 %	12.9 %

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

Balance sheet ATOSS

in EUR m

	2005	2006	2007	2008	2009E	2010E	2011E
Assets							
Intangible assets	0.3	0.1	0.2	0.1	0.2	0.1	0.1
thereof other intangible assets	0.3	0.1	0.2	0.1	0.2	0.1	0.1
thereof Goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	0.4	0.4	0.5	0.6	0.7	0.8	0.9
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fixed assets	0.6	0.5	0.7	0.7	0.9	1.0	1.0
Inventories	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	3.8	3.7	2.8	3.5	3.3	3.5	3.8
Other Assets	0.8	0.8	0.6	1.3	1.6	2.0	2.2
Liquid assets	27.8	10.8	13.5	14.0	15.7	17.5	19.4
Current assets	32.5	15.2	17.0	18.7	20.6	23.0	25.4
Total assets	33.1	15.7	17.6	19.4	21.5	24.0	26.4
Liabilities and shareholders' equity							
Subscribed capital	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Additional paid-in capital	0.5	0.4	-0.1	-0.2	-0.2	-0.2	-0.2
Surplus capital	0.0	0.0	0.0	0.0	7.0	8.9	10.9
Other equity components	23.3	4.3	6.6	8.7	3.5	3.8	4.1
Book value	27.8	8.7	10.5	12.5	14.3	16.5	18.8
Minority Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	27.8	8.7	10.5	12.5	14.3	16.5	18.8
Provision for pensions and similar obligations	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Provisions	3.1	4.1	5.0	4.5	4.6	4.7	4.8
Financial liabilities	0.2	0.1	0.0	0.0	0.0	0.0	0.0
Accounts payable	0.7	0.5	0.4	0.2	0.2	0.2	0.3
Other liabilities	1.3	2.3	1.7	2.2	2.3	2.5	2.5
Liabilities	5.3	7.0	7.2	7.0	7.1	7.4	7.6
Total liabilities and shareholders equity	33.1	15.7	17.6	19.4	21.5	23.9	26.4

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

Balance sheet ATOSS

in % of Balance Sheet Total

	2005	2006	2007	2008	2009E	2010E	2011E
Assets							
Intangible assets	0.8 %	0.8 %	0.9 %	0.7 %	0.9 %	0.5 %	0.2 %
thereof other intangible assets	0.8 %	0.8 %	0.9 %	0.7 %	0.9 %	0.5 %	0.2 %
thereof Goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Property, plant and equipment	1.1 %	2.4 %	3.0 %	2.9 %	3.3 %	3.4 %	3.5 %
Financial assets	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Fixed assets	1.9 %	3.2 %	3.9 %	3.6 %	4.1 %	4.0 %	3.8 %
Inventories	0.0 %	0.1 %	0.2 %	0.1 %	0.0 %	0.0 %	0.0 %
Accounts receivable	11.4 %	23.4 %	16.1 %	17.8 %	15.4 %	14.6 %	14.4 %
Other Assets	2.5 %	4.9 %	3.6 %	6.6 %	7.3 %	8.2 %	8.3 %
Liquid assets	84.1 %	68.7 %	76.5 %	72.2 %	73.1 %	73.0 %	73.7 %
Current assets	98.1 %	97.1 %	96.4 %	96.6 %	95.8 %	95.9 %	96.3 %
Total assets	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Liabilities and shareholders' equity							
Subscribed capital	12.2 %	25.6 %	22.9 %	20.8 %	18.7 %	16.8 %	15.3 %
Additional paid-in capital	1.4 %	2.3 %	-0.8 %	-1.3 %	-1.2 %	-1.0 %	-0.9 %
Surplus capital	0.0 %	0.0 %	0.0 %	0.0 %	32.7 %	37.1 %	41.4 %
Other equity components	70.5 %	27.6 %	37.4 %	44.8 %	16.4 %	16.0 %	15.4 %
Book value	84.1 %	55.5 %	59.5 %	64.3 %	66.7 %	68.8 %	71.1 %
Minority Interest	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Total equity	84.1 %	55.5 %	59.5 %	64.3 %	66.7 %	68.8 %	71.1 %
Provision for pensions and similar obligations	3.7 %	7.8 %	6.9 %	6.1 %	5.5 %	4.9 %	4.5 %
Provisions	9.2 %	26.2 %	28.5 %	23.2 %	21.4 %	19.6 %	18.2 %
Financial liabilities	0.5 %	0.5 %	0.2 %	0.1 %	0.1 %	0.1 %	0.1 %
Accounts payable	2.2 %	3.4 %	2.5 %	1.2 %	0.9 %	0.8 %	1.1 %
Other liabilities	4.1 %	14.7 %	9.5 %	11.5 %	10.8 %	10.5 %	9.5 %
Liabilities	15.9 %	44.7 %	40.8 %	36.0 %	33.2 %	31.0 %	28.9 %
Total liabilities and shareholders equity	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	99.6 %	100.0 %

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

Statement of Cash Flows ATOSS

in EUR m

	2005	2006	2007	2008	2009E	2010E	2011E
Net income	0.5	1.9	2.5	3.5	3.5	3.8	4.1
Depreciation of fixed assets	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.3	0.2	0.1	0.1	0.1	0.1	0.1
Increase/decrease in long-term provisions	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
Other costs affecting income / expenses	0.4	0.4	0.0	0.1	0.0	0.0	0.0
Cash Flow	1.3	2.8	2.9	4.0	3.9	4.2	4.5
Increase / decrease in inventory	0.1	0.0	0.0	-0.6	0.0	0.0	0.0
Increase / decrease in accounts receivable	-0.4	0.0	0.8	-0.6	0.2	-0.2	-0.3
Increase / decrease in accounts payable	0.3	-0.2	-0.1	-0.2	0.0	0.0	0.1
Increase / decrease in other working capital positions	0.3	1.8	0.4	-0.1	0.0	0.0	0.0
Increase / decrease in working capital	0.4	1.6	1.2	-1.5	0.1	-0.2	-0.2
Cash flow from operating activities	1.7	4.3	4.2	2.5	4.0	4.0	4.3
CAPEX	-0.4	-0.3	-0.7	-0.4	-0.5	-0.4	-0.4
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	0.1	0.0	0.0	0.0	0.0	0.0
Cash flow from investing activities	-0.4	-0.2	-0.7	-0.4	-0.5	-0.4	-0.4
Change in financial liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	-0.4	-21.5	-1.0	-1.2	-1.8	-1.8	-1.9
Purchase of own shares	0.0	0.0	0.0	-0.3	0.0	0.0	0.0
Capital measures	0.4	0.2	0.1	0.1	0.0	0.0	0.0
Others	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Cash flow from financing activities	-0.1	-21.2	-0.8	-1.5	-1.8	-1.8	-1.9
Change in liquid funds	1.2	-17.1	2.7	0.6	1.7	1.8	1.9
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	27.8	10.8	13.5	14.0	15.7	17.5	19.4

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

Financial Ratios ATOSS

	2005	2006	2007	2008	2009E	2010E	2011E
Operational Efficiency							
Total Operating Costs / Sales	62.7 %	54.7 %	52.5 %	48.4 %	48.7 %	49.0 %	49.0 %
Sales per Employee	115,345	130,124	125,241	125,902	128,420	134,888	141,730
EBITDA per Employee	6,729	18,988	21,569	25,369	25,170	26,033	27,354
EBIT-margin	2.8 %	12.6 %	15.3 %	18.7 %	18.3 %	18.0 %	18.0 %
EBITDA / Operating Assets	34.5 %	90.8 %	142.9 %	143.2 %	141.8 %	137.6 %	137.2 %
ROA	72.8 %	378.1 %	367.8 %	505.8 %	398.9 %	403.0 %	411.5 %
Efficiency of Capital Employment							
Plant Turnover	55.2	59.0	46.1	48.7	39.3	35.7	34.0
Operating Assets Turnover	5.9	6.2	8.3	7.1	7.2	7.1	7.1
Capital Employed Turnover	0.7	1.7	1.6	1.6	1.4	1.4	1.3
Return on Capital							
ROCE	1.8 %	12.6 %	26.2 %	31.0 %	28.0 %	26.3 %	25.3 %
EBITDA / Avg. Capital Employed	3.9 %	14.6 %	29.6 %	33.4 %	30.0 %	28.2 %	27.1 %
ROE	1.6 %	21.6 %	23.9 %	28.2 %	24.6 %	23.2 %	21.7 %
Net Profit / Avg. Equity	1.7 %	10.3 %	26.1 %	30.6 %	26.3 %	24.8 %	23.1 %
Recurring Net Profit / Avg. Equity	1.7 %	10.3 %	26.1 %	30.6 %	26.3 %	24.8 %	23.1 %
ROIC	1.4 %	12.9 %	15.1 %	18.8 %	17.0 %	16.7 %	16.1 %
Solvency							
Net Debt	-27.7	-10.7	-13.4	-14.0	-15.7	-17.5	-19.4
Net Gearing	-99.5 %	-122.8 %	-128.3 %	-112.1 %	-109.5 %	-106.0 %	-103.5 %
Book Value of Equity / Book Value of Debt	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Current ratio	15.7	5.4	8.0	7.6	8.2	8.5	9.0
Acid Test Ratio	6.3	2.2	2.4	2.7	2.9	3.1	3.3
EBITDA / Interest Paid	n.a.	55.3	79.4	10.0	53.9	56.8	60.7
Interest Cover	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Cash Flow							
Free Cash Flow	1.3	4.0	3.5	2.1	3.5	3.6	3.8
Free Cash Flow / Sales	6.5 %	18.1 %	14.2 %	7.6 %	12.6 %	12.1 %	12.2 %
Adj. Free Cash Flow	0.9	2.9	3.9	5.1	5.0	5.2	5.6
Adj. Free Cash Flow / Sales	1.2 %	8.5 %	8.5 %	10.9 %	10.8 %	10.5 %	10.6 %
Free Cash Flow / Net Profit	291.9 %	211.3 %	139.0 %	58.5 %	98.5 %	93.1 %	94.1 %
Interest Received / Avg. Cash	2.0 %	2.4 %	4.1 %	4.5 %	3.4 %	4.2 %	3.8 %
Interest Paid / Avg. Debt	0.0 %	49.2 %	90.6 %	1816.7 %	416.7 %	416.7 %	416.7 %
Dividend Payout Ratio	4664.9 %	49.9 %	49.3 %	50.0 %	49.8 %	50.0 %	50.0 %
Fund Management							
Investment ratio	1.8 %	1.5 %	2.8 %	1.7 %	2.0 %	1.5 %	1.4 %
Maint. Capex / Sales	1.4 %	1.4 %	1.4 %	1.3 %	1.5 %	1.5 %	1.4 %
Capex / Dep	58.9 %	74.7 %	141.6 %	117.0 %	153.4 %	117.2 %	109.5 %
Avg. Working Capital / Sales	14.8 %	14.2 %	11.4 %	10.5 %	11.5 %	10.9 %	10.8 %
Trade Creditors / Trade Debtors	526.1 %	697.3 %	635.2 %	1528.8 %	1650.0 %	1750.0 %	1266.7 %
Inventory turnover (days)	0.2	0.2	0.4	0.1	0.3	0.3	0.3
Receivables collection period (DSOs)	67.7	61.0	42.3	46.8	44.0	44.0	44.0
Payables collection period (days)	12.9	8.7	6.7	3.1	3.1	3.1	3.1
Cash conversion cycle (days)	55.1	52.4	36.1	43.9	41.2	41.2	41.2
Valuation							
P/B	1.1	3.7	3.1	2.6	2.2	1.9	1.7
EV/sales	0.9	0.9	0.8	0.7	0.6	0.5	0.4
EV/EBITDA	16.1	6.0	4.6	3.5	3.2	2.8	2.3
EV/EBIT	34.0	6.9	5.1	3.8	3.5	3.0	2.4
EV/FCF	14.4	4.8	5.5	9.3	5.0	4.4	3.6
P/E	66.3	16.6	12.6	9.0	9.0	8.3	7.8
P/CF	23.9	11.6	10.9	8.0	8.2	7.6	7.1

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

Free Cash Flow Yield - ATOSS Software

Figures in EUR m	2005	2006	2007	2008	2009e	2010e	2011e	
Net Income	0.5	1.9	2.5	3.5	3.5	3.8	4.1	
+ Depreciation + Amortisation	0.6	0.4	0.5	0.4	0.4	0.4	0.4	
- Net Interest Income	0.5	0.4	0.4	0.1	0.4	0.6	0.6	
+ Taxes	0.7	1.3	1.7	1.6	1.9	2.1	2.2	
- Maintenance Capex	0.3	0.3	0.4	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	0.9	2.9	3.9	5.1	5.0	5.2	5.6	
Adjusted Free Cash Flow Yield	4.9%	15.8%	21.0%	27.6%	29.9%	35.3%	43.6%	
Hurdle rate	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	
= Enterprise Value	18.4	18.4	18.4	18.4	16.7	14.9	12.9	
= Fair Enterprise Value	9.0	29.0	38.6	50.8	49.8	52.5	56.4	
- Net Debt (Cash)	-14.0	-14.0	-14.0	-14.0	-15.7	-17.5	-19.4	
- 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	21.8	41.8	51.4	63.6	64.3	68.8	74.7	
No. of shares (m)	4.0	4.0	4.0	4.0	4.0	4.0	4.0	
= Fair value per share (EUR)	5.42	10.39	12.77	15.81	15.98	17.10	18.56	
premium (-) / discount (+) in %	-30.1%	34.0%	64.7%	103.9%	106.2%	120.6%	139.5%	
Sensitivity Fair value per Share (EUR)								
	13.0%	4.90	8.72	10.55	12.89	13.12	14.09	15.32
	12.0%	5.05	9.19	11.17	13.70	13.92	14.92	16.22
	11.0%	5.22	9.73	11.89	14.66	14.85	15.91	17.28
Hurdle rate	10.0%	5.42	10.39	12.77	15.81	15.98	17.10	18.56
	9.0%	5.67	11.19	13.83	17.21	17.35	18.54	20.12
	8.0%	5.98	12.19	15.16	18.96	19.07	20.35	22.07
	7.0%	6.38	13.47	16.87	21.22	21.28	22.68	24.57

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

DCF Model - ATOSS Software

Figures in EUR m	2009e	2010e	2011e	2012e	2013e	2014e	2015e	2016e	2017e	2018e	2019e	2020e	2021e	2022e
Sales	27.5	29.4	31.5	32.7	34.0	35.4	36.5	37.5	38.7	39.8	41.0	42.3	43.5	44.8
Change	2.0%	7.0%	7.0%	4.0%	4.0%	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
EBIT	5.0	5.3	5.7	5.9	6.1	6.4	6.6	6.8	7.0	7.2	7.4	7.6	7.8	8.1
EBIT-Margin	18.3%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%
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	3.4	3.7	3.8	4.0	4.1	4.3	4.4	4.5	4.7	4.8	4.9	5.1	5.2
Depreciation	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.7	0.7
in % of Sales	1.3%	1.3%	1.3%	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	0.1	-0.2	-0.2	0.2	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
- Capex	-0.5	-0.4	-0.4	-0.5	-0.5	-0.5	-0.5	-0.6	-0.6	-0.6	-0.6	-0.6	-0.7	-0.7
Capex in % of Sales	2.0%	1.5%	1.4%	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)	3.2	3.2	3.4	4.1	3.8	4.0	4.1	4.3	4.4	4.5	4.7	4.8	5.0	5.1

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 2022e	28.9		
Terminal Value	14.8		
Liabilities	-1.2		
Liquidity	14.0	No. of shares (mln)	4.02
Equity Value	56.4	Value per share (EUR)	14.03

Sensitivity Value per Share (EUR)

Terminal Growth

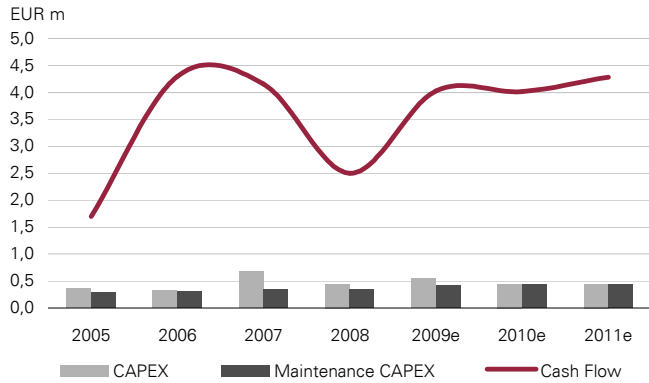
WACC	1.25%	1.50%	1.75%	2.00%	2.25%	2.50%	2.75%
11.66%	12.67	12.74	12.81	12.88	12.96	13.04	13.13
11.16%	13.18	13.26	13.34	13.42	13.52	13.61	13.72
10.91%	13.45	13.53	13.62	13.72	13.82	13.92	14.04
10.66%	13.74	13.83	13.93	14.03	14.14	14.25	14.38
10.41%	14.04	14.14	14.25	14.36	14.48	14.61	14.74
10.16%	14.36	14.47	14.59	14.71	14.84	14.98	15.13
9.66%	15.06	15.19	15.33	15.48	15.64	15.81	15.99

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%	12.05	12.33	12.61	12.88	13.16	13.43	13.71
11.16%	12.55	12.84	13.13	13.42	13.72	14.01	14.30
10.91%	12.82	13.12	13.42	13.72	14.02	14.32	14.62
10.66%	13.10	13.41	13.72	14.03	14.34	14.65	14.96
10.41%	13.40	13.72	14.04	14.36	14.68	15.00	15.31
10.16%	13.73	14.05	14.38	14.71	15.04	15.37	15.69
9.66%	14.43	14.78	15.13	15.48	15.83	16.18	16.53

Source: SES Research

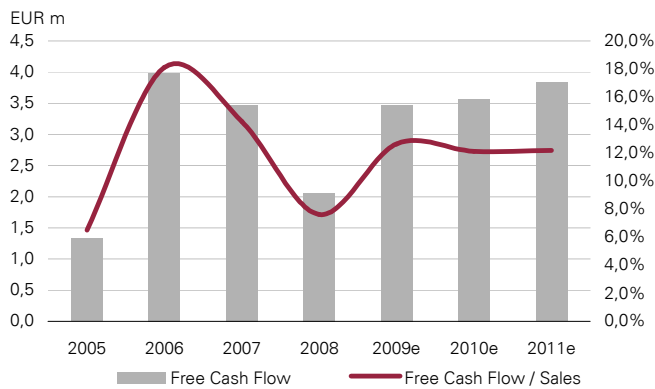
CAPEX and Cash Flow - ATOSS Software



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

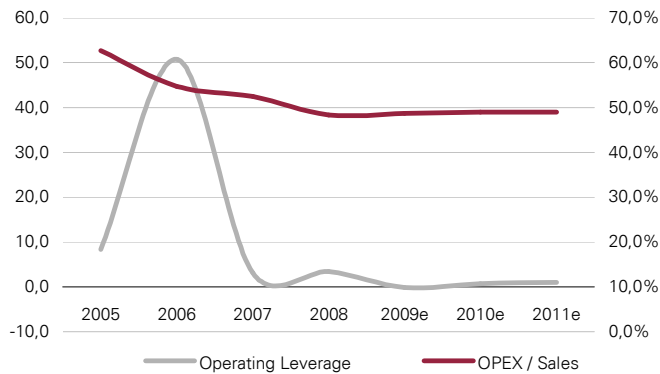
Free Cash Flow Generation - ATOSS Software



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

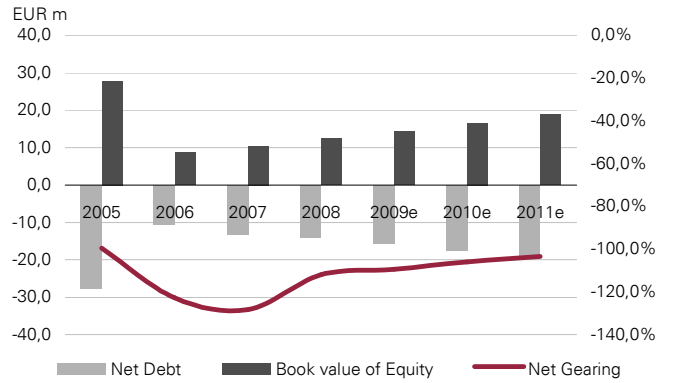
Operating Leverage - ATOSS Software



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

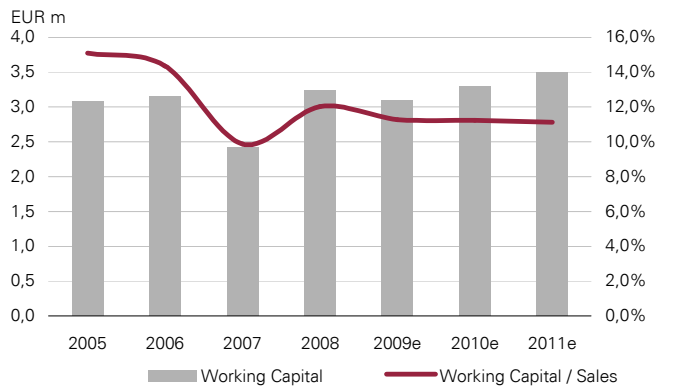
Balance Sheet Quality - ATOSS Software



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

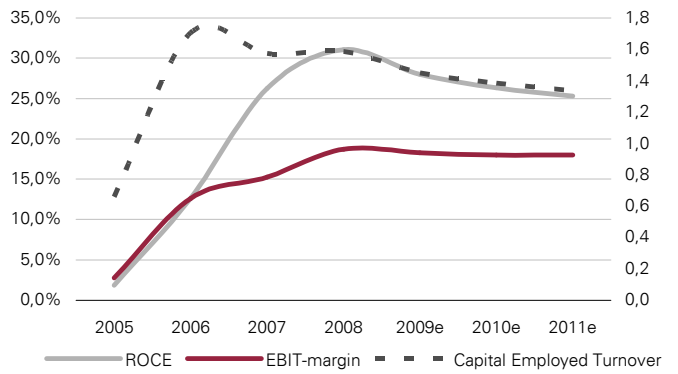
Working Capital - ATOSS Software



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

ROCE Development - ATOSS Software



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.

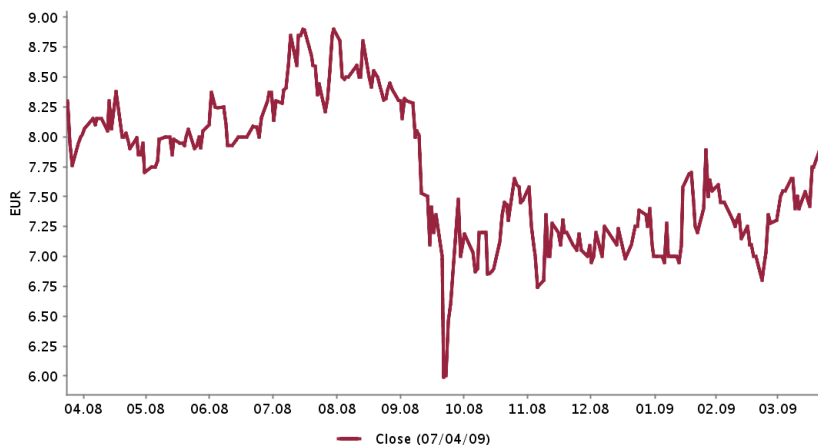
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Rating	Number of stocks	% of Universe
Buy	114	56%
Hold	58	28%
Sell	24	12%
Rating suspended	9	4%
Total	205	

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Rating	Number of stocks	% of Universe
Buy	83	64%
Hold	34	26%
Sell	6	5%
Rating suspended	6	5%
Total	129	

Price and Rating History
ATOSS Software AG as of 08/04/09



The charts have markings if SES Research GmbH changed its rating in the last 12 months. Every marking represents the date and closing price on the day of the rating change.

SES Research GmbH

SES Research GmbH | Hermannstraße 9 | 20095 Hamburg
 Phone: +49 40 309537 - 0 | Fax: +49 40 309537 - 110 | info@ses.de | www.ses.de



Analyse

Felix Ellmann +49 (0)40-309537 - 120 ellmann@ses.de	Tim Kruse +49 (0)40-309537 – 180 kruse@ses.de
Henner Rüschemier +49 (0)40-309537 - 270 rueschmeier@ses.de	Frank Laser +49 (0)40-309537 – 235 laser@ses.de
Robert Suckel +49 (0)40-309537 - 190 suckel@ses.de	Jochen Reichert +49 (0)40-309537 – 130 reichert@ses.de
Dr. Karsten von Blumenthal +49 (0)40-309537 - 150 blumenthal@ses.de	Malte Schaumann +49 (0)40-309537 – 170 schaumann@ses.de
Björn Blunck +49 (0)40-309537 – 160 blunck@ses.de	Franziska Schmidt-Petersen +49 (0)40-309537 – 100 schmidt-petersen@ses.de
Daniel Bonn +49 (0)40-309537 – 250 bonn@ses.de	Claudia Vedder +49 (0)40-309537 – 105 vedder@ses.de
Annika Boysen +49 (0)40-309537 – 220 boysen@ses.de	Katrin Wauker +49 (0)40-309537 – 200 wauker@ses.de
Finn Henning Breiter +49 (0)40-309537 – 230 breiter@ses.de	Andreas Wolf +49 (0)40-309537 – 140 wolf@ses.de
Torsten Klingner +49 (0)40-309537 – 260 klingner@ses.de	Tim Oliver Wunderlich +49 (0)40-309537 – 185 wunderlich@ses.de

M.M. Warburg & CO KGaA

M.M.Warburg & CO KGaA | Ferdinandstraße 75 | 20095 Hamburg
 Phone: +49 40 3282 - 0 | Fax: +49 40 3618 - 1000 | info@mmwarburg.com | www.mmwarburg.com



Institutional Sales

Barbara C. Effler Head of Equities +49 (0)40-3282 - 2686 beffler@mmwarburg.com	Oliver Merckel Head of Sales Trading +49 (0)40-3282 - 2634 omerckel@mmwarburg.com
Dirk Rosenfelder Head of Equity Sales +49 (0)40-3282 - 2692 drosenfelder@mmwarburg.com	Thekla Struve Sales Trading +49 (0)40-3282 - 2668 tstruve@mmwarburg.com
Christian Alisch Equity Sales +49 (0)40-3282 – 2667 calisch@mmwarburg.com	Gudrun Bolsen Sales Trading +49 (0)40-3282 - 2679 gbolsen@mmwarburg.com
Matthias Fritsch Equity Sales +49 (0)40-3282 – 2696 mfritsch@mmwarburg.com	Bastian Quast Sales Trading +49 (0)40-3282 - 2701 bquast@mmwarburg.com
Dr. James F. Jackson Equity Sales 49 (0)40-3282 – 2664 jjackson@mmwarburg.com	Patrick Schepelmann Sales Trading +49 (0)40-3282 - 2700 pschepelmann@mmwarburg.com
Wolf-Oliver Jürgens Equity Sales +49 (0)40-3282 - 2666 wjurgens@mmwarburg.com	Jörg Treptow Sales Trading +49 (0)40-3282 - 2658 jtreptow@mmwarburg.com
Benjamin Kassen Equity Sales +49 (0)40-3282 - 2630 bkassen@mmwarburg.com	Andrea Carstensen Sales Assistance +49 (0)40-3282 - 2632 acarstensen@mmwarburg.com
Michael Kriszun Equity Sales +49 (0)40-3282 - 2695 mkriszun@mmwarburg.com	Wiebke Möller Sales Assistance +49 (0)40-3282 - 2703 wmoeller@mmwarburg.com
Denis Moreau Equity Sales +49 (0)40-3282 – 2669 dmoreau@mmwarburg.com	Katharina Bruns Roadshow / Marketing +49 (0)40-3282 - 2694 kbruns@mmwarburg.com
Marco Schumann Equity Sales +49 (0)40-3282 - 2665 mschumann@mmwarburg.com	
Andreas Wessel Equity Sales +49 (0)40-3282 - 2663 awessel@mmwarburg.com	