

**Buy** (old: Buy)

**PT EUR 19.00** (old: 16.00)

**Price** EUR 16.15  
**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: 12.04.2010 / Closing price

**Market cap:** EUR 64.2 m  
**Enterprise Value (EV):** EUR 44.2 m  
**Book value:** EUR 17.3 m  
**No. of shares:** 4.0 m  
**Trading volume Ø:** EUR 0.1 m

**Shareholders:**  
Founding Family 55.7 %  
Free Float 42.5 %  
own shares 1.8 %

**Calendar:**  
Pre. figures Q1 04/26/10  
AGM 04/30/10  
Figures Q1 05/17/10  
Pre. figures Q2 07/26/10

Change	2010E		2011E		2012E	
	old	Δ%	old	Δ%	old	Δ%
<b>Sales</b>	30.3	-0.1	32.4	-0.1	34.6	-
<b>EBIT</b>	5.6	-0.1	6.0	0.5	6.4	-
<b>EPS</b>	1.02	1.0	1.09	0.9	1.18	-

Analysis: SES Research  
Date of publication: 13.04.2010  
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**Excellent development despite the crisis**

ATOSS Software AG, a leading provider of software and services to optimise the personnel employment ("workforce management"/WFM), was able to repeatedly generate excellent earnings in the FY 2009 despite the crisis in the software IT market. ATOSS has a leading position in the DACH region in the market segment of software for working time management (WTM) and human resource planning (HRP). ATOSS stands out in competition mainly due to the following factors:

- **Leading product and focus on product development:** ATOSS was one of the first companies to launch a completely Java-based technology and spends slightly more than 20% of sales p.a. (2009: EUR 5.6 m) for the further development and improvement of the products. The company has been awarded already several times for their products.
- **Excellent references:** Approx. 2.5 m employees in roughly 4,000 companies are controlled with ATOSS solutions.
- **Specialisation on sectors and regions:** ATOSS focuses on certain sector-orientated solutions and companies of the DACH regions.
- **Independency of producers:** Compared to many leading software producers in the environment of workforce management ATOSS works independently of producers and is not bound to a large hardware or software producer. Customers appreciate this independency.
- **Compatibility and integration potential:** ATOSS' solutions can be implemented in different software environments.
- **Company stability and size:** ATOSS is one of the largest companies in Germany among the providers for workforce management solutions. Additionally, the balance sheet quality is excellent. ATOSS benefits from this when it comes to customer decisions.

ATOSS was able to considerably expand the customer base in the last years despite the weak economy as the optimisation of deployment is decisive for the corporate success of ATOSS' customers/target group particularly in weak economic phases.

A record in the **order backlog for licences** at the end of the year (EUR 3.3 m /+33%), a constantly growing **maintenance base** (EUR 10.6 m sales in maintenance, 37% of sales) as well as a **cautiously deferred licence revenue booking** over the respective project term is a good basis to reach a moderate additional sales and earnings growth.

The company has liquid funds to the tune of EUR 19.3 m at the end of the year. Thus, the EV is only roughly EUR 40 m. This is very favourable against the backdrop of the generated earnings (EBIT 2010e: EUR 5.6 m). The Buy rating for the share (DCF value and **PT** assessed at **EUR 19**) is reiterated.

Fiscal year ending: 31.12. in EUR m	2006	2007	2008	2009	2010E	2011E	2012E
<b>Sales</b>	22.0	24.4	26.9	29.1	30.3	32.4	34.6
<i>Change Sales yoy</i>	7.7 %	11.1 %	10.3 %	8.0 %	4.0 %	7.0 %	7.0 %
<b>Gross balance</b>	14.8	16.5	18.1	19.4	20.0	21.4	22.9
<i>Gross margin</i>	67.4 %	67.7 %	67.1 %	66.7 %	66.0 %	66.0 %	66.0 %
<b>EBITDA</b>	3.2	4.2	5.4	5.9	6.0	6.4	6.9
<i>EBITDA-margin</i>	14.6 %	17.2 %	20.1 %	20.3 %	19.8 %	19.9 %	19.9 %
<b>EBIT</b>	2.8	3.7	5.0	5.5	5.6	6.0	6.4
<i>EBIT-margin</i>	12.6 %	15.3 %	18.7 %	19.0 %	18.5 %	18.6 %	18.6 %
<b>Net income</b>	1.9	2.5	3.5	4.0	4.1	4.4	4.7
<b>EPS</b>	0.48	0.63	0.88	1.00	1.03	1.10	1.18
<b>Free Cash Flow per share</b>	1.02	0.87	0.51	1.77	1.15	1.01	1.06
<b>Dividend</b>	0.24	0.31	0.44	0.50	0.52	0.55	0.59
<i>Dividend Yield</i>	1.5 %	1.9 %	2.7 %	3.1 %	3.2 %	3.4 %	3.7 %
<b>EV/Sales</b>	2.1	1.9	1.7	1.6	1.5	1.3	1.2
<b>EV/EBITDA</b>	14.6	11.1	8.6	7.9	7.4	6.6	5.8
<b>EV/EBIT</b>	16.8	12.5	9.3	8.5	7.9	7.0	6.2
<b>PER</b>	33.6	25.6	18.4	16.2	15.7	14.7	13.7
<b>ROCE</b>	12.6 %	26.2 %	31.0 %	29.5 %	25.7 %	24.7 %	24.0 %
<b>Adj. Free Cash Flow Yield</b>	6.2 %	8.2 %	10.9 %	11.9 %	12.6 %	14.2 %	16.1 %

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ATOSS Software AG is a software and consulting company and is active in the field of workplace management and personal deployment. In its core market ATOSS clearly stands out from other competitors.

## Leading position

When competing for the end customers ATOSS mainly benefits from the following main strengths:

- **Absolutely modern and flexible software product** (Java technology)
- **Specialisation on regions and sectors** (country-specific employment conditions in the DACH region and reproduction of working processes in the core sectors)
- **Independency of producers** (no commitment to hardware or large software producers)
- **High degree of compatibility** (e.g. seamless integration in ERP systems possible)
- **Financial stability** (excellent balance sheet quality) and **critical size** (compared to the competition with many considerably smaller providers, which is definitely an important aspect)
- **Excellent references** (Customers often decide for a product in dependence of reference products)

## Moderate continuation of growth on a high level

ATOSS posted the fourth record year in a row in 2009. ATOSS has been able to continuously increase sales and earnings since 2005. This is remarkable as the last years were very demanding also for the IT sector as a result of the economic crisis. The company succeeding here proves the solid demand in the market segment of workforce management solutions and is also an indication for ATOSS' high company quality.

The company expects a moderate growth in 2010 based on the good results and the still demanding economic situation. A large part of the expected sales subsequently results from the increase in customers of the last period (higher installed basis and resulting maintenance income) and already ongoing projects. Only a low "new business" is anticipated in the planning.

## Valuation attractive

The price of the ATOSS share significantly increased in the last years. However, the share still holds a **slight valuation reserve**.

- **The DCF model indicates a value of 19**
- **The FCF model leads to a value of 19**

The peer group valuation has little significance due to the inhomogeneity of the peer group, but tends to underpin the above mentioned results.

**The share price of the ATOSS share is determined at EUR 19.**

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- **ATOSS stands out in competition due to a large number of different factors**
  - **A leading product, independency of producers, excellent references but also the constant balance sheet and earnings quality are the company's characteristic features in competition**
  - **Smaller competitors have a lack of solidity and large competitors do not have the product specialisation**
- 

ATOSS Software AG has been active in the market for software to optimise the personnel deployment in companies for over 20 year. ATOSS was able to achieve an impressive position in these years and is one of the largest companies in the DACH region in this sector today. The company's sustainable competitive position is based on several factors:

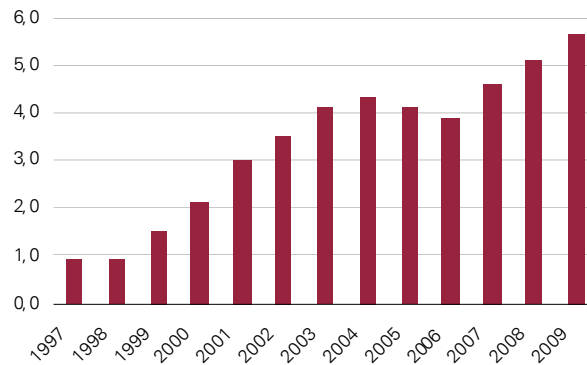
### **Leading software products**

The product development is a very decisive competitive factor in the software sector as the quality and the constant further development of a software are one of the most important decision criterions for the end customers. In competition to smaller companies the software development competency even directly leads to the acquisition of market shares when a smaller software provider (the WFM segment includes many of these companies) cannot cover the most modern standards anymore with respect to development. ATOSS should have one of the largest IT development budgets in the German market which is purely focused on WFM topics.

The technological basis of ATOSS' product is Java J2EE. It is unique in the fields of working time management (WTM) and human resource planning (HRP) among the best of breed providers in the German speaking area. The J2EE technology guarantees the customer independency of the platform which is very favourable in the case of new introductions of systems or system changes. This fact is not only an advantage for the existing customer base, but also an incentive for new customers to change to the ATOSS technology cost-efficiently. Since the company has strategically decided for Java as platform in 2001, almost EUR 40 m of costs for research and development have been invested. Java additionally enables a considerably increased development speed and efficiency (inclusion open source, business services, business extensions, attractiveness for high end developers). Service-orientated architectures (SOA), a special and efficient software architecture, are the current focus of development. ATOSS counts among the first companies offering demanding and efficient solutions. ATOSS covers many requirements in this segment already now, but the gains from the market in this segment have by far not been exploited yet. Thus, ATOSS is well positioned with the technological basis for the future competition.

ATOSS invests roughly 20% of sales in research and development annually (comparison with the EBIT margin of 19% in 2009 points up the volume of R&D expenses). In order to guarantee a mature, modern technology also in future the costs for research and development are growing year after year. The R&D team was further expanded also in 2009: 91 of the 234 employees are now active in research and development. The costs for this segment amounted to the record sum of EUR 5.6 m in 2009. This trend is expected to continue.

**Costs for research and development**  
in EUR m



Source: ATOSS

**High specialisation on sectors and regions**

A workforce management software particularly has to completely cover the **country or region-related conditions** (this includes seasonality, working time models, typical employment contracts, labour law, wage structure etc.).

ATOSS thus focuses on the German-speaking area and grows on an international level with customers from this region (opportunistic internationalisation). Overall, ATOSS' solution is used in 23 countries (despite this approach).

Apart from the regional reference, a further differentiation criterion is the sector specialisation, enabling the company to combine the leading technical knowledge with profound sector-specific process know-how.

- More than 400 companies from the **trade** sector use ATOSS solutions. Longer shopping hours and the price war are currently the triggers here. Therefore, it is particularly important to prevent expensive overstaffing and idle times. ATOSS' Retail Solution 6 was awarded best product 2010 for the trade by a business journal in the category "process optimisation".
- ATOSS can refer to a long history in the **transport & logistics** sector. ATOSS has been successfully attending to companies such as Lufthansa and Deutsche Bahn since 1992.
- With the Medical Solution, ATOSS has an own business solution in the **health/public service** sector. This solution is used in over 80 clinics and hospitals with almost 100,000 employees.
- Fluctuating utilisations and the competition from low-wage countries puts **companies form the producing sector** under pressure. ATOSS is also successful here as the solutions enable the deployment to be more flexible and thus costs are reduced at the concerned companies.

Apart from these four core sectors, ATOSS additionally offers **further sector solutions with references** for a multitude of other sectors (automotive, chemistry, services, energy business, financial service providers, beverages, foodstuffs, drinks and tobacco, public service, telecommunication).

Current examples impressively show the efficiency of ATOSS solutions:

**ATOSS examples of benefits**

- Reduction of long hours by more than 50% within 18 months
- Optimisation of the business model by introducing a flexible HR planning  
Savings: Approx. EUR 4,000 – 5,000 p.a.
- Savings of EUR 1,000.000 p.a,  
Returns on Investment of 9.5 months
- Savings of EUR 500,000 p.a. due to the reduction of the error rate alone
- Reduction of 50,000 auf 1,000 extra hours in a year



Source: ATOSS

**High integrability and compatibility**

“Personnel” as a field of work applies to many areas of the company. Overlaps occur in particular in ERP solutions where data is exchanged. Some of these ERP providers are also active in the field of human resources (HR). ATOSS’ specialisation on the workforce management, however, leads to the ATOSS’ solutions normally considerably exceeding the degree of coverage and the complexity of an ERP WFM module. ATOSS’ solutions are optimised in guaranteeing an optimal design of working time models. Many customers use SAP for ERP core processes and organise the working time management with ATOSS solutions. This is of great importance in particular for users having to plan their personnel-intensive areas dependent on requirements in order to cover the customers’ need cost-efficiently.

It is important here that a smooth communication within the software landscape is guaranteed. ATOSS has already successfully proved this in numerous customer situations.

**Independency of producers**

When choosing a software producer customers attach great importance to the independency of a producer as investments are thus not coupled to the hardware procurement and the customer can also build on heterogeneous hardware landscapes. Thus, ATOSS acts as independent software producer. ATOSS’ solutions can basically be used independently of the chosen periphery of coverage, the chosen system platform and by using all prevalent data base solutions. Therefore, ATOSS’ core segment is not the hardware installation, contrary to many major competitors. Competitors such as Interflex/Astrum, ISGUS, and the British Torexretail (trade) make their customers dependent due to the corresponding hardware installations. The same applies to the independency with respect to the used system platform. The lean Java (J2EE) technology used by ATOSS also secures the customer maximal independency regarding the choice and change of the system platform later on, if necessary. On the other side, this means that ATOSS is not able to subsidise software developments by the typically high gross earnings (margins) of expensive access control systems (hardware). This makes projects for customers more transparent.

## Excellent references

References are of pivotal importance for decision makers in the software sector. The decision for or against a software is often made subject to reference projects. The long-term track record (20 years) and a considerable customer base (over 4,000 customers and over 2.5 m users) are thus a main aspect of the company's positioning. Numerous new customers were acquired in 2009 once again. The following table shows an excerpt of ATOSS' existing customers:

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### ATOSS references (excerpt)

ADAC Nordbayern, Aldi Süd, Augustiner Bräu, Bacardi, Bankhaus Ludwig Sperrer, BASF, Bistum Münster, Bofrost, Bridgestone Deutschland, Carglass, Caritas-Werkstatt für Behinderte, Cinemaxx, Coca-Cola, Credit Suisse, DAB Bank, Dell, Deutsche Bahn, Deutsche Telekom, Dodenhof, Edeka, Hermes Arzneimittel, HUK Coburg, John Deere, Kraftwerke Mainz-Wiesbaden, Lufthansa, LSG Sky Chefs, MAN Nutzfahrzeuge, Max Bahr, Meggle, Meyer Werft, Mustang, O<sub>2</sub>, Pepsi-Cola, Puma, Punica, Radio Bremen, Rügenwalder Wurstfabrik, San Francisco Coffee Company, Sportcheck, Sony BMG, Thalia Bücher, Thyssenkrupp Stainless, TUV Süd, Verlagsgruppe Weltbild, Vossloh, Zurich Versicherungen

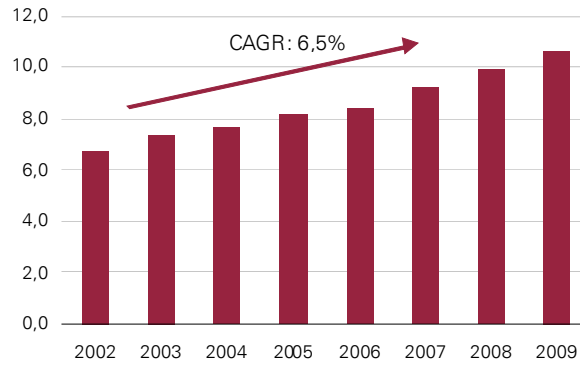
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Source: ATOSS

## Critical size and financial stability

The size and the stability of a software provider are decisive for potential customers as the customer normally uses a software several years and its maintenance and further development has to be guaranteed. ATOSS' strong balance sheet is thus a further advantage. ATOSS has an equity ratio of roughly 57% and liquid funds of EUR 19.3 m (as of December 31, 2009). This differentiates ATOSS in particular from smaller, unlisted software companies which often have weaker balance sheets. The continuity of the company's success story (20 years) also speaks in favour of ATOSS here. However, smaller players represent the most important competition although they often only offer partial solutions. ATOSS' continuity in the company development is a great advantage as the smaller providers often are not positioned reliably in the long term due to the lack of balance sheet quality (customers' perception). Sales and earnings often show the continuity of software companies. Given over 4,000 customers the maintenance revenues represent a large part (roughly 37%) of sales which entail high gross margins. These revenues are used to finance the continuous research and development amongst others, and the customer will eventually again benefit from it. The following graph shows the development of maintenance revenues over the last years.

**Maintenance revenues**  
in EUR Mio.



Source: ATOSS

**Strong in specific competition**

The mentioned competitive factors result in the special strength of ATOSS in competition compared to the three main categories of competing companies:

- The market is determined by **small to mid-sized companies** covering the largest share with their software solutions. They do not have a balance sheet solidity and product development power comparable to ATOSS.
- ATOSS additionally competes with **HR full-range suppliers** such as SAP and P&I. In contrast to ATOSS they do not put a comparably clear focus on PEP and time management
- Additionally, there are providers of **security technology and access control systems** which partially also offer software solutions (e.g. ISGUS, Primion), but primarily want to sell hardware. ATOSS benefits from its producer independence.



- **ATOSS grows on an impressively continuous level**
  - **Moderate growth on a high level realistic for 2010**
  - **The balance sheet quality is still excellent**
- 

## Recent performance

On March 12, 2010, ATOSS Software AG released figures for 2009 which were in line with expectations. Sales increased by 8% to EUR 29.1 m. At the same time the EBIT grew by 9% to EUR 5.5 m.

Thus, the company had a record year for the fourth time in a row despite the economic crisis and numerous IT companies which had to cope with drastic declines in demand and price pressure. In addition to longstanding stable customer relations and a very conservative booking of licences (over the project term) this earnings development was also the result of a constant acquisition of new projects.

These new projects were concluded as companies often optimise earnings in times of crisis by savings and increases in efficiency in the personnel segment. Companies rely on ATOSS here because the company has been successful for more than 20 years and increases optimisation potentials with proven competency.

## Development of sales

Compared to many other IT markets, the market for IT solutions is still a (moderate) growth segment in the field of employment also in Germany. This can be put down to the fact that many areas of the company software (e.g. supply chain management, classic ERP or factory automation) are already exploited. The field of efficiency improvement in deployment (most expensive resource of most of the companies) is subject to high pressure of optimisation and still holds high optimisation potential. This is also reflected in ATOSS' growth rates. The company had a sales growth of roughly 8% in the last years while the IT software market only increased by roughly 3%. This discrepancy became particularly obvious in the FY 2009: ATOSS' sales increased approx. 8% while the IT software market declined by 3.2%. A growth of the sector of 0.5% (BITKOM) is expected for 2010. The growth estimate of SES Research for ATOSS is 6%.

In terms of sales ATOSS benefits from a positive effect: Given an increasing customer base with every new customer ATOSS' installed basis also grows. The maintenance share in sales was 37% in 2009. The share was already 37% in 2008. This underpins that the "subsequent" increase in maintenance sales from the customers generated in the previous years is similarly high as the newly generated project and licence business growth of 8%. This high dynamic in the customer base is also a good basis for additional growth.

The order backlog at the end of 2010 offers a further indication for growth. The order backlog for software licences increased by 33% to EUR 3.3 m in a yoy comparison. 74% of this order backlog refers to long-term production orders. ATOSS does not book software revenues at the beginning of a project, but over the term of a project This provides additional planning reliability. Licence sales are followed normally by consulting, hardware and other sales.

The following sales development is expected for ATOSS:

**ATOSS Software - sales split by segments**

in EUR m	2006	2007	2008	2009	2010e	2011e	2012e
<b>Sales Software/Maintenance</b>	12.9	14.6	16.0	16.8	17.8	19.4	21.1
yoy	6.5%	13.3%	9.3%	4.7%	6.4%	8.8%	8.8%
<b>Sales Consulting</b>	5.6	6.2	7.6	8.5	8.8	9.1	9.4
yoy	12.0%	11.7%	23.0%	11.3%	3.2%	3.3%	3.2%
<b>Sales Hardware</b>	2.8	2.7	2.8	2.3	2.4	2.6	2.8
yoy	21.0%	-4.5%	3.2%	-16.2%	4.3%	7.0%	7.0%
<b>Sales Others</b>	0.7	0.9	0.8	1.5	1.2	1.3	1.4
yoy	-29.7%	27.1%	-10.1%	88.9%	-19.3%	7.0%	7.0%
<b>CONSOLIDATED SALES</b>	<b>22.0</b>	<b>24.4</b>	<b>27.2</b>	<b>29.1</b>	<b>30.3</b>	<b>32.4</b>	<b>34.6</b>
yoy	7.7%	11.0%	11.4%	6.9%	4.0%	7.0%	7.0%

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

**Development of cost items**

The largest position within the costs are the **production costs** which mainly accrue for the implementation and services. These costs are primarily geared to the service sales and the related expenses. The ratio of production costs is assessed with 33% and is not expected to change considerably in the future.

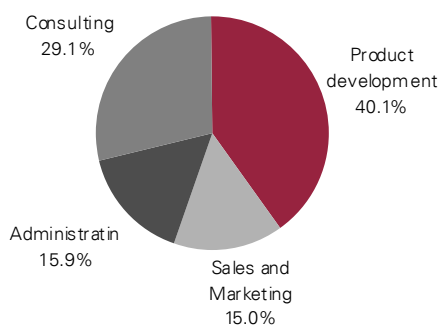
The costs for **sales and marketing** were roughly EUR 5.8 m or 20% of sales in 2009. Sales and marketing are integral parts of the product marketing. Therefore, a cost depression is not assumed in the estimates.

ATOSS' costs for **research and development** (R&D) are typically roughly 19% of sales. A constant ratio is assumed also here in the course of a consistent product development.

A significant depression is also not assumed for the **administration costs** due to an only moderate sales growth.

**Employees by activity**

as of: 31.12.2009, Total: 227



Source: ATOSS

The estimated profit and loss account is shown below:

**Consolidated Profit & Loss ATOSS Software**

in EUR m

	2006	2007	2008	2009	2010e	2011e	2012e
<b>Sales</b>	<b>22.0</b>	<b>24.4</b>	<b>26.9</b>	<b>29.1</b>	<b>30.3</b>	<b>32.4</b>	<b>34.6</b>
Cost of sales	7.2	7.9	8.9	9.7	10.3	11.0	11.8
<b>Gross profit</b>	<b>14.8</b>	<b>16.5</b>	<b>18.1</b>	<b>19.4</b>	<b>20.0</b>	<b>21.4</b>	<b>22.9</b>
Research and development	3.9	4.6	5.1	5.6	6.1	6.5	6.9
Sales and marketing	6.0	5.8	5.6	5.8	6.1	6.5	6.9
General and administration	2.6	2.5	2.7	2.5	2.6	2.7	2.9
Other operating income/expenses	0.5	0.1	0.3	0.0	0.3	0.3	0.3
<b>EBITDA</b>	<b>3.2</b>	<b>4.2</b>	<b>5.4</b>	<b>5.9</b>	<b>6.0</b>	<b>6.4</b>	<b>6.9</b>
Depreciation of fixed assets	0.3	0.3	0.3	0.3	0.3	0.4	0.4
<b>EBITA</b>	<b>2.9</b>	<b>3.9</b>	<b>5.1</b>	<b>5.6</b>	<b>5.7</b>	<b>6.1</b>	<b>6.5</b>
Amortisation of intangible fixed assets	0.2	0.1	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
<b>EBIT</b>	<b>2.8</b>	<b>3.7</b>	<b>5.0</b>	<b>5.5</b>	<b>5.6</b>	<b>6.0</b>	<b>6.4</b>
Interest income	0.5	0.5	0.6	0.4	0.4	0.4	0.4
Interest expenses	0.1	0.1	0.5	0.0	0.1	0.1	0.1
Financial result	0.4	0.4	0.1	0.3	0.3	0.3	0.3
<b>Recurring pretax income from cont. operations</b>	<b>3.2</b>	<b>4.2</b>	<b>5.1</b>	<b>5.9</b>	<b>5.9</b>	<b>6.3</b>	<b>6.7</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBT</b>	<b>3.2</b>	<b>4.2</b>	<b>5.1</b>	<b>5.9</b>	<b>5.9</b>	<b>6.3</b>	<b>6.7</b>
Taxes total	1.3	1.7	1.6	1.9	1.8	2.0	2.1
<b>Net income from continuing operations</b>	<b>1.9</b>	<b>2.5</b>	<b>3.5</b>	<b>4.0</b>	<b>4.1</b>	<b>4.4</b>	<b>4.7</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>1.9</b>	<b>2.5</b>	<b>3.5</b>	<b>4.0</b>	<b>4.1</b>	<b>4.4</b>	<b>4.7</b>
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>1.9</b>	<b>2.5</b>	<b>3.5</b>	<b>4.0</b>	<b>4.1</b>	<b>4.4</b>	<b>4.7</b>

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

## Balance sheet

ATOSS' balance sheet quality is excellent. 75% of the **assets** were liquid funds as of December 31, 2009. Further 17% were allotted to receivables.

The equity ratio was 57% and the group's liabilities were negligible. The relevant positions of **liabilities** are provisions for pensions and bonuses as well as accrued items.

Overall, the balance sheet quality is still excellent.

- All valuation methods indicate an undervaluation of the ATOSS share despite the significant share price increase in the last 12 months
- The DCF model indicates a fair value of EUR 19
- The FCF model leads to a value of EUR 19
- The peer group comparison has little significance due to a very inhomogeneous peer group

### Free Cash Flow Yield

The adjusted Free Cash Flow Yield is based on the assumption that investors buy an asset (in this case the enterprise value) at such a price that the free cash flow return (free cash flow = annual net profit + depreciations – maintenance capex + taxes – financial result) on the EV exceeds the opportunity costs. 10% were determined to simplify matters.

#### Free Cash Flow Yield - ATOSS Software

Figures in EUR m	2006	2007	2008	2009	2010e	2011e	2012e
Net Income	1.9	2.5	3.5	4.0	4.1	4.4	4.7
+ Depreciation + Amortisation	0.4	0.5	0.4	0.4	0.4	0.4	0.5
- Net Interest Income	0.4	0.4	0.1	0.3	0.3	0.3	0.3
+ Taxes	1.3	1.7	1.6	1.9	1.8	2.0	2.1
- Maintenance Capex	0.3	0.4	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
<b>= Adjusted Free Cash Flow</b>	<b>2.9</b>	<b>3.9</b>	<b>5.1</b>	<b>5.6</b>	<b>5.6</b>	<b>6.0</b>	<b>6.5</b>
Adjusted Free Cash Flow Yield	6.2%	8.2%	10.9%	11.9%	12.6%	14.2%	16.1%
Hurdle rate	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
<b>= Enterprise Value</b>	<b>46.7</b>	<b>46.7</b>	<b>46.7</b>	<b>46.7</b>	<b>44.2</b>	<b>42.2</b>	<b>40.2</b>
<b>= Fair Enterprise Value</b>	<b>29.0</b>	<b>38.6</b>	<b>50.8</b>	<b>55.5</b>	<b>55.6</b>	<b>60.1</b>	<b>64.6</b>
- Net Debt (Cash)	-19.3	-19.3	-19.3	-19.3	-21.9	-23.8	-25.8
- Pension Liabilities	1.8	1.8	1.8	1.8	1.8	1.8	1.8
- Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>= Fair Market Capitalisation</b>	<b>46.5</b>	<b>56.0</b>	<b>68.3</b>	<b>73.0</b>	<b>75.7</b>	<b>82.1</b>	<b>88.6</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>11.69</b>	<b>14.09</b>	<b>17.17</b>	<b>18.36</b>	<b>19.03</b>	<b>20.65</b>	<b>22.29</b>
premium (-) / discount (+) in %	-27.6%	-12.7%	6.3%	13.7%	17.8%	27.8%	38.0%

#### Sensitivity Fair value per Share (EUR)

	13.0%	10.00	11.85	14.22	15.14	15.80	17.16	18.54
	12.0%	10.47	12.48	15.04	16.03	16.70	18.13	19.58
	11.0%	11.02	13.21	16.01	17.09	17.76	19.27	20.81
Hurdle rate	<b>10.0%</b>	<b>11.69</b>	<b>14.09</b>	<b>17.17</b>	<b>18.36</b>	<b>19.03</b>	<b>20.65</b>	<b>22.29</b>
	9.0%	12.50	15.17	18.59	19.91	20.58	22.33	24.10
	8.0%	13.51	16.52	20.36	21.85	22.52	24.43	26.35
	7.0%	14.81	18.25	22.64	24.34	25.02	27.12	29.25

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

ATOSS is mainly characterised by a continuous and stable earnings development. This is reflected in fair values which are growing relatively homogeneous (based on the FCF Yield model). The FCF model indicates a fair value of EUR 19 per share for 2010 which increases to EUR 22 in the subsequent years.

### DCF model

**The DCF model leads to a PT of EUR 19:**

- The top line of the long-term growth rate of 2% is gradually approached based on a sales growth with a CAGR for 2009-2013e of 5.75%.
- The beta is assessed with 1.25.
- A value of 4.25% is underlying as risk-free yield based on long-term federal bonds.
- An expected market yield of 9% results in a WACC of 10% assuming a complete equity financing.

**DCF Model - ATOSS Software**

Figures in EUR m	2010e	2011e	2012e	2013e	2014e	2015e	2016e	2017e	2018e	2019e	2020e	2021e	2022e	2023e
Sales	30.3	32.4	34.6	36.4	38.2	40.1	42.1	44.2	46.4	48.7	50.2	51.7	53.3	54.8
Change	4.0%	7.0%	7.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	3.0%	3.0%	3.0%	3.0%
EBIT	5.6	6.0	6.4	6.9	7.3	7.6	8.0	8.4	8.8	9.3	9.5	9.8	10.1	10.4
EBIT-Margin	18.5%	18.6%	18.6%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%
Tax rate	31.0%	31.0%	31.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
NOPAT	3.9	4.2	4.4	4.5	4.7	5.0	5.2	5.5	5.7	6.0	6.2	6.4	6.6	6.8
Depreciation	0.4	0.4	0.5	0.5	0.6	0.6	0.6	0.7	0.7	0.7	0.8	0.8	0.8	0.8
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	0.7	-0.2	-0.3	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.1	-0.2	-0.2	-0.2
- Capex	-0.6	-0.6	-0.6	-0.5	-0.6	-0.6	-0.6	-0.7	-0.7	-0.7	-0.8	-0.8	-0.8	-0.8
Capex in % of Sales	2.0%	1.8%	1.7%	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	0.1	0.1	0.1
Free Cash Flow (WACC-Model)	4.4	3.8	4.0	4.2	4.5	4.8	5.0	5.2	5.5	5.8	6.0	6.3	6.5	6.7

**Model parameter**

Debt ratio	0.00%	Beta	1.25
Costs of Debt	n.a.	WACC	10.19%
Market return	9.00%		
Risk free rate	4.25%	Terminal Growth	2.00%

**Valuation (mln)**

Present values 2023e	36.6
Terminal Value	21.6
Liabilities	-1.8
Liquidity	19.3
<b>Equity Value</b>	<b>75.7</b>
No. of shares (mln)	3.98
<b>Value per share (EUR)</b>	<b>19.03</b>

**Sensitivity Value per Share (EUR)**

Terminal Growth	Terminal Growth							Delta EBIT-margin	Delta EBIT-margin						
	WACC	1.25%	1.50%	1.75%	2.00%	2.25%	2.50%		2.75%	WACC	-1.5 pp	-1.0 pp	-0.5 pp	0.0	+0.5 pp
11.19%	17.05	17.15	17.26	17.37	17.49	17.62	17.75	11.19%	16.31	16.67	17.02	17.37	17.72	18.07	18.43
10.69%	17.77	17.89	18.02	18.15	18.29	18.44	18.61	10.69%	17.03	17.40	17.78	18.15	18.52	18.90	19.27
10.44%	18.16	18.29	18.43	18.58	18.73	18.90	19.08	10.44%	17.42	17.81	18.19	18.58	18.96	19.34	19.73
<b>10.19%</b>	18.57	18.71	18.87	<b>19.03</b>	19.20	19.38	19.58	<b>10.19%</b>	17.84	18.23	18.63	<b>19.03</b>	19.42	19.82	20.22
9.94%	19.01	19.17	19.33	19.51	19.70	19.90	20.11	9.94%	18.28	18.69	19.10	19.51	19.92	20.33	20.74
9.69%	19.47	19.64	19.83	20.02	20.23	20.45	20.69	9.69%	18.75	19.17	19.60	20.02	20.44	20.87	21.29
9.19%	20.49	20.70	20.92	21.16	21.41	21.68	21.97	9.19%	19.79	20.25	20.70	21.16	21.61	22.06	22.52

Source: SES Research

### Peer group valuation

The following smaller German software companies were chosen for the peer group comparison:

**COR&FJA AG** – COR&FJH AG is one of the leading consulting and software companies for the insurance industry and the European pension market. The offered

software solutions support product concept, their realisation and administration and are used by insurers, carriers, and financial service companies.

**IBS AG** - IBS AG is one of the world’s leading vendors of corporate spanning standard software systems and consulting services for industrial quality - , production, and compliance management. The offered software solutions automate and optimise business processes within companies.

**InVision AG** - InVision AG develops, distributes and implements solutions for the workforce management. The company is specialised in the effective deployment (demand estimate, deployment planning and optimisation, time management as well as analysis and control).

**primion Technology AG** - primion Technology AG is a vendor of innovative software and hardware-based systems for access control, time recording, and integrated security technologies. primion provides the entire chain of development, production, projection and the actual installation for customers.

**SoftM AG** - SoftM AG has specialised in the development and distribution of integrated commercial standard software and also offers consulting and service activities. In the field of ERP software SoftM AG is one of the leading vendors for mid-sized companies.

**update software AG** - update software AG is headquartered in Vienna and offers software solutions for electronic customer relationship management (CRM – Customer Relationship Management). The company focuses on the optimisation of customer relevant business processes in marketing, distribution and service.

Thus, the following basic figures are considered in the comparison:

Peergroup - Key Figures																
Company	LC	Price in LC	MC in LC m	EV in LC m	EPS			Sales			EBITDA			EBIT		
					09e	10e	11e	09e	10e	11e	09e	10e	11e	09e	10e	11e
IBS	EUR	3.50	24.1	19.8	0.23	0.24	0.25	20.6	20.6	21.6	2.9	3.0	3.1	2.3	2.4	2.5
Invision	EUR	5.09	11.4	5.2	-1.25	0.32	0.93	13.6	16.8	18.9	-4.2	0.7	2.5	-4.5	2.1	2.3
Primion	EUR	5.10	28.3	47.7	-0.15	0.09	0.36	55.8	59.1	63.3	5.3	6.7	8.5	0.4	2.2	4.2
Update	EUR	2.14	24.8	13.9	-0.06	0.02	0.16	31.3	30.0	34.5	0.8	0.5	2.2	-1.0	0.0	1.6
<b>ATOSS Software</b>	<b>EUR</b>	<b>16.15</b>	<b>64.2</b>	<b>44.2</b>	<b>1.00</b>	<b>1.03</b>	<b>1.10</b>	<b>29.1</b>	<b>30.3</b>	<b>32.4</b>	<b>5.9</b>	<b>6.0</b>	<b>6.4</b>	<b>5.5</b>	<b>5.6</b>	<b>6.0</b>

Source: SES Research, Bloomberg

This results in the following multiples:

Peergroup - Valuation Multiples																
Company	LC	Price in LC	MC in LC m	EV in LC m	P / E			EV / Sales			EV / EBITDA			EV / EBIT		
					09e	10e	11e	09e	10e	11e	09e	10e	11e	09e	10e	11e
IBS	EUR	3.50	24.1	19.8	15.22	14.58	14.00	0.96	0.96	0.92	6.82	6.59	6.38	8.59	8.24	7.91
Invision	EUR	5.09	11.4	5.2	neg.	16.16	5.47	0.38	0.31	0.28	neg.	8.04	2.09	neg.	2.49	2.27
Primion	EUR	5.10	28.3	47.7	neg.	56.67	14.17	0.85	0.81	0.75	8.99	7.12	5.61	119.18	21.67	11.35
Update	EUR	2.14	24.8	13.9	neg.	107.00	13.38	0.44	0.46	0.40	17.39	27.83	6.32	neg.	n.a.	8.70
Average					15.22	48.60	11.75	0.66	0.64	0.59	11.07	12.39	5.10	63.89	10.80	7.56
Median					15.22	36.41	13.69	0.65	0.64	0.58	8.99	7.58	5.97	63.89	8.24	8.30
<b>ATOSS Software</b>	<b>EUR</b>	<b>16.15</b>	<b>64.2</b>	<b>44.2</b>	<b>16.15</b>	<b>15.68</b>	<b>14.68</b>	<b>1.52</b>	<b>1.46</b>	<b>1.36</b>	<b>7.48</b>	<b>7.37</b>	<b>6.88</b>	<b>8.00</b>	<b>7.89</b>	<b>7.33</b>
Valuation difference to Average					-6%	210%	-20%	-56%	-56%	-57%	48%	68%	-26%	699%	37%	3%
Fair value per share based on Average					15.22	50.06	12.93	9.88	9.88	9.82	21.47	23.71	13.31	93.72	20.24	16.49

Source: SES Research, Bloomberg

The determined multiples are very inhomogeneous. Mainly the EV/EBIT multiples should be used for the valuation due to the adjustment of different balance sheet factors. ATOSS shows a slight undervaluation compared to the peer group based on the 2011e multiple. This result is basically **only a rough indication** due to the high variance of the consulted values.

- **Q1 constant compared to the previous year**
- **Estimates expected to be substantiated**

ATOSS's newsflow is mainly determined by the quarterly figures. In the course of a very constant, regular communication ATOSS normally publishes corporate estimates which are often adjusted upwards within the course of the year.

- The company is expected to substantiate the previous estimate of a "continuation of the pleasant business development on the level of the record year 2009" within the scope of the **AGM** on April 30, 2010.
- On April 26, 2010, ATOSS Software AG will release the **figures for the Q1 2010**. The first calendar quarter is typically rather weak in the software/IT sector as only few licence deals are concluded. As ATOSS, however, books the licences for new projects over the entire project duration the development within the quarters is slightly more constant. A solid Q1 is expected which should be on a par with the previous year's period.

**ATOSS Software - Q1 2010e**

Figures in EUR m	Q1/10e	Q1/09	yoy	2010e	2009	yoy
<b>Sales</b>	7.1	7.1	0.2%	30.3	29.1	4.0%
<b>EBITDA</b>	1.6	1.6	0.3%	6.0	5.9	1.5%
<i>margin</i>	22.6%	22.6%		19.8%	20.3%	
<b>EBIT</b>	1.5	1.5	0.1%	5.6	5.5	1.4%
<i>margin</i>	21.3%	21.3%		18.5%	19.0%	
<b>EPS in EUR</b>	0.28	0.27	3.7%	1.03	1.00	3.0%

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

## Company background

With 234 employees ATOSS Software AG, founded in 1991, is active in the field of working time management and human resource planning. ATOSS' field of activity ranges from the development and distribution to the maintenance of software solutions.

## Products/Services

The company is specialised in solutions for working time, personnel and business process management. For this purpose, ATOSS develops and sells software solutions and offers the customers consulting services. The company aims at optimising the deployment and working times, enabled by a good transparency of the individual working processes. Intelligent solutions lead to a more efficient working time management thus optimising the deployment in companies of all sizes and saving costs.

The individual segments of ATOSS are working time management, deployment planning, consulting, software and professional service.

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### Software solutions of ATOSS

Software	Field of application
Time Control	Overall solution for time recording, project tracking, human resource planning and access control in small and medium-sized companies for the efficient use of time and labour
Startup Edition	Solutions for time management and human resource planning, with special focus on the needs of mid-sized companies. Tailor made configuration possible which grows with the requirements due to
Staff Efficiency Suite	Solutions which comply with the most complex challenges regarding workforce management and human resource planning. Tailor made for all sectors, all company sizes and requirement
Medical Solution	Software, services and organisational consulting to support clinics and hospitals in order to introduce flexible and to optimise the work schedule. Used in over 80 clinics and hospitals with more than 88,000
Retail Solution	Solution for retail chains or decentralised human resource planning as well as large chain stores for the effective assignment of personnel. Estimates and forecasts are provided based on sales and customer frequencies in order to plan the assignment of personnel in retail cost

Source: ATOSS

## Management and shareholder structure

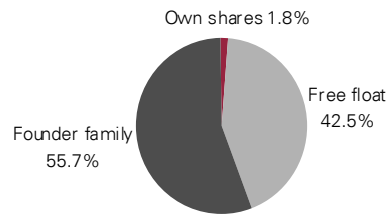
The Managing Board is made up of the two members Andreas F. J. Obereder and Christof Leiber. In 1987, Andreas F. J. Obereder founded the ATOSS Software AG as ATOSS Software GmbH and was the only shareholder. Andreas F. J. Obereder has been CEO since 1997. Besides the operating business, he is responsible for the company's strategy. Since 2004, Christof Leiber is responsible for finance, human resources and legal matters.

The supervisory board is composed of Peter Kirn (chairman), Fritz Fleischmann and Rolf Baron Vielhauer von Hohenhau. 42.5% of shares arise in free float. The founder family Obereder holds the remaining 55.5%. Own shares: 1.8%.



**Shareholder structure**

as of: 31.12.2008



Source: Deutsche Börse

**Shareholdings**

ATOSS has shareholdings of 100% respectively in subsidiaries in Zurich and Vienna as well as in the ATOSS Software S.R.L. in Timisoara, Rumania, founded in 2004. Additionally, the ATOSS CSD Software GmbH with headquarters in Cham (near Regensburg) supplements the product range of Software AG in the field of simple personnel management solutions for the KMU market.

<b>Consolidated Profit &amp; Loss ATOSS</b>							
in EUR m							
	2006	2007	2008	2009	2010E	2011E	2012E
<b>Sales</b>	<b>22.0</b>	<b>24.4</b>	<b>26.9</b>	<b>29.1</b>	<b>30.3</b>	<b>32.4</b>	<b>34.6</b>
Cost of sales	7.2	7.9	8.9	9.7	10.3	11.0	11.8
<b>Gross balance</b>	<b>14.8</b>	<b>16.5</b>	<b>18.1</b>	<b>19.4</b>	<b>20.0</b>	<b>21.4</b>	<b>22.9</b>
Research and development	3.9	4.6	5.1	5.6	6.1	6.5	6.9
Sales and marketing	6.0	5.8	5.6	5.8	6.1	6.5	6.9
General and administration	2.6	2.5	2.7	2.5	2.6	2.7	2.9
Other operating income/expenses	0.5	0.1	0.3	0.0	0.3	0.3	0.3
Unfrequent items	<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>EBITDA</b>	<b>3.2</b>	<b>4.2</b>	<b>5.4</b>	<b>5.9</b>	<b>6.0</b>	<b>6.4</b>	<b>6.9</b>
Depreciation of fixed assets	0.3	0.3	0.3	0.3	0.3	0.4	0.4
<b>EBITA</b>	<b>2.9</b>	<b>3.9</b>	<b>5.1</b>	<b>5.6</b>	<b>5.7</b>	<b>6.1</b>	<b>6.5</b>
Amortisation of intangible fixed assets	0.2	0.1	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
<b>EBIT</b>	<b>2.8</b>	<b>3.7</b>	<b>5.0</b>	<b>5.5</b>	<b>5.6</b>	<b>6.0</b>	<b>6.4</b>
Interest income	0.5	0.5	0.6	0.4	0.4	0.4	0.4
Interest expenses	0.1	0.1	0.5	0.0	0.1	0.1	0.1
Financial result	0.4	0.4	0.1	0.3	0.3	0.3	0.3
<b>Recurring pretax income from cont. operations</b>	<b>3.2</b>	<b>4.2</b>	<b>5.1</b>	<b>5.9</b>	<b>5.9</b>	<b>6.3</b>	<b>6.7</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBT</b>	<b>3.2</b>	<b>4.2</b>	<b>5.1</b>	<b>5.9</b>	<b>5.9</b>	<b>6.3</b>	<b>6.7</b>
Taxes total	1.3	1.7	1.6	1.9	1.8	2.0	2.1
<b>Net income from continuing operations</b>	<b>1.9</b>	<b>2.5</b>	<b>3.5</b>	<b>4.0</b>	<b>4.1</b>	<b>4.4</b>	<b>4.7</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>1.9</b>	<b>2.5</b>	<b>3.5</b>	<b>4.0</b>	<b>4.1</b>	<b>4.4</b>	<b>4.7</b>
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>1.9</b>	<b>2.5</b>	<b>3.5</b>	<b>4.0</b>	<b>4.1</b>	<b>4.4</b>	<b>4.7</b>

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

<b>Consolidated Profit &amp; Loss ATOSS</b>							
in % of Sales							
	2006	2007	2008	2009	2010E	2011E	2012E
<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	32.6 %	32.3 %	32.9 %	33.3 %	34.0 %	34.0 %	34.0 %
<b>Gross balance</b>	<b>67.4 %</b>	<b>67.7 %</b>	<b>67.1 %</b>	<b>66.7 %</b>	<b>66.0 %</b>	<b>66.0 %</b>	<b>66.0 %</b>
Research and development	17.9 %	19.0 %	19.0 %	19.4 %	20.0 %	20.0 %	20.0 %
Sales and marketing	27.4 %	23.6 %	20.7 %	19.9 %	20.0 %	20.0 %	20.0 %
General and administration	11.9 %	10.4 %	9.8 %	8.5 %	8.5 %	8.4 %	8.4 %
Other operating income/expenses	2.4 %	0.5 %	1.2 %	0.1 %	1.0 %	1.0 %	1.0 %
Unfrequent items	<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>EBITDA</b>	<b>14.6 %</b>	<b>17.2 %</b>	<b>20.2 %</b>	<b>20.3 %</b>	<b>19.8 %</b>	<b>19.9 %</b>	<b>19.9 %</b>
Depreciation of fixed assets	1.2 %	1.4 %	1.1 %	1.0 %	1.1 %	1.1 %	1.1 %
<b>EBITA</b>	<b>13.4 %</b>	<b>15.9 %</b>	<b>19.1 %</b>	<b>19.3 %</b>	<b>18.7 %</b>	<b>18.8 %</b>	<b>18.8 %</b>
Amortisation of intangible fixed assets	0.7 %	0.6 %	0.3 %	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 %
<b>EBIT</b>	<b>12.6 %</b>	<b>15.3 %</b>	<b>18.7 %</b>	<b>19.0 %</b>	<b>18.5 %</b>	<b>18.6 %</b>	<b>18.6 %</b>
Interest income	2.2 %	2.0 %	2.3 %	1.3 %	1.3 %	1.2 %	1.2 %
Interest expenses	0.3 %	0.2 %	2.0 %	0.1 %	0.3 %	0.3 %	0.3 %
Financial result	1.9 %	1.8 %	0.3 %	1.2 %	1.0 %	0.9 %	0.9 %
<b>Recurring pretax income from cont. operations</b>	<b>14.5 %</b>	<b>17.1 %</b>	<b>19.0 %</b>	<b>20.1 %</b>	<b>19.5 %</b>	<b>19.5 %</b>	<b>19.5 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBT</b>	<b>14.5 %</b>	<b>17.1 %</b>	<b>19.0 %</b>	<b>20.1 %</b>	<b>19.5 %</b>	<b>19.5 %</b>	<b>19.5 %</b>
Taxes total	6.0 %	6.8 %	6.0 %	6.5 %	6.0 %	6.1 %	6.0 %
<b>Net income from continuing operations</b>	<b>8.6 %</b>	<b>10.2 %</b>	<b>13.0 %</b>	<b>13.6 %</b>	<b>13.5 %</b>	<b>13.5 %</b>	<b>13.4 %</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>8.6 %</b>	<b>10.2 %</b>	<b>13.0 %</b>	<b>13.6 %</b>	<b>13.5 %</b>	<b>13.5 %</b>	<b>13.4 %</b>
Minority interest	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net income</b>	<b>8.6 %</b>	<b>10.2 %</b>	<b>13.0 %</b>	<b>13.6 %</b>	<b>13.5 %</b>	<b>13.5 %</b>	<b>13.4 %</b>

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

## Balance sheet ATOSS

in EUR m

	2006	2007	2008	2009	2010E	2011E	2012E
<b>Assets</b>							
Intangible assets	0.1	0.2	0.1	0.1	0.1	0.0	-0.1
thereof other intangible assets	0.1	0.2	0.1	0.1	0.1	0.0	-0.1
thereof Goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	0.4	0.5	0.6	0.8	1.1	1.3	1.5
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Fixed assets</b>	<b>0.5</b>	<b>0.7</b>	<b>0.7</b>	<b>0.9</b>	<b>1.1</b>	<b>1.3</b>	<b>1.4</b>
Inventories	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	3.7	2.8	3.5	4.3	3.6	3.9	4.2
Other Assets	0.8	0.6	1.3	1.2	1.8	2.0	2.2
Liquid assets	10.8	13.5	14.0	19.3	21.9	23.8	25.9
<b>Current assets</b>	<b>15.2</b>	<b>17.0</b>	<b>18.7</b>	<b>24.8</b>	<b>27.3</b>	<b>29.8</b>	<b>32.3</b>
<b>Total assets</b>	<b>15.7</b>	<b>17.6</b>	<b>19.4</b>	<b>25.7</b>	<b>28.5</b>	<b>31.1</b>	<b>33.7</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	0.4	-0.1	-0.2	-0.3	-0.3	-0.3	-0.3
Surplus capital	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other equity components	4.3	6.6	8.7	11.0	13.6	16.0	18.5
Book value	8.7	10.5	12.5	14.7	17.3	19.7	22.2
Minority Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total equity</b>	<b>8.7</b>	<b>10.5</b>	<b>12.5</b>	<b>14.7</b>	<b>17.3</b>	<b>19.7</b>	<b>22.2</b>
Provision for pensions and similar obligations	1.2	1.2	1.2	1.8	1.8	1.8	1.8
Provisions	4.1	5.0	4.5	5.7	5.8	5.9	6.0
Financial liabilities	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	0.5	0.4	0.2	0.7	0.7	0.8	0.8
Other liabilities	2.3	1.7	2.2	4.7	4.8	4.8	4.8
<b>Liabilities</b>	<b>7.0</b>	<b>7.2</b>	<b>7.0</b>	<b>11.0</b>	<b>11.2</b>	<b>11.4</b>	<b>11.5</b>
<b>Total liabilities and shareholders equity</b>	<b>15.7</b>	<b>17.6</b>	<b>19.4</b>	<b>25.7</b>	<b>28.5</b>	<b>31.1</b>	<b>33.7</b>

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

## Balance sheet ATOSS

in % of Balance Sheet Total

	2006	2007	2008	2009	2010E	2011E	2012E
<b>Assets</b>							
Intangible assets	0.8 %	0.9 %	0.7 %	0.4 %	0.2 %	0.0 %	-0.2 %
thereof other intangible assets	0.8 %	0.9 %	0.7 %	0.4 %	0.2 %	0.0 %	-0.2 %
thereof Goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Property, plant and equipment	2.4 %	3.0 %	2.9 %	3.1 %	3.7 %	4.2 %	4.5 %
Financial assets	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Fixed assets</b>	<b>3.2 %</b>	<b>3.9 %</b>	<b>3.6 %</b>	<b>3.5 %</b>	<b>3.9 %</b>	<b>4.1 %</b>	<b>4.3 %</b>
Inventories	0.1 %	0.2 %	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %
Accounts receivable	23.4 %	16.1 %	17.8 %	16.7 %	12.6 %	12.5 %	12.5 %
Other Assets	4.9 %	3.6 %	6.6 %	4.6 %	6.4 %	6.5 %	6.6 %
Liquid assets	68.7 %	76.5 %	72.2 %	75.2 %	76.9 %	76.7 %	76.8 %
<b>Current assets</b>	<b>97.1 %</b>	<b>96.4 %</b>	<b>96.6 %</b>	<b>96.5 %</b>	<b>95.9 %</b>	<b>95.7 %</b>	<b>95.8 %</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	25.6 %	22.9 %	20.8 %	15.7 %	14.1 %	13.0 %	12.0 %
Additional paid-in capital	2.3 %	-0.8 %	-1.3 %	-1.2 %	-1.1 %	-1.0 %	-0.9 %
Surplus capital	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other equity components	27.6 %	37.4 %	44.8 %	42.8 %	47.6 %	51.4 %	54.8 %
Book value	55.5 %	59.5 %	64.3 %	57.2 %	60.7 %	63.4 %	65.8 %
Minority Interest	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Total equity</b>	<b>55.5 %</b>	<b>59.5 %</b>	<b>64.3 %</b>	<b>57.2 %</b>	<b>60.7 %</b>	<b>63.4 %</b>	<b>65.8 %</b>
Provision for pensions and similar obligations	7.8 %	6.9 %	6.1 %	7.1 %	6.4 %	5.9 %	5.4 %
Provisions	26.2 %	28.5 %	23.2 %	22.0 %	20.2 %	18.8 %	17.7 %
Financial liabilities	0.5 %	0.2 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %
Accounts payable	3.4 %	2.5 %	1.2 %	2.7 %	2.5 %	2.6 %	2.4 %
Other liabilities	14.7 %	9.5 %	11.5 %	18.1 %	16.7 %	15.3 %	14.1 %
<b>Liabilities</b>	<b>44.7 %</b>	<b>40.8 %</b>	<b>36.0 %</b>	<b>42.9 %</b>	<b>39.4 %</b>	<b>36.8 %</b>	<b>34.2 %</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)

**Statement of Cash Flows ATOSS**

in EUR m

	2006	2007	2008	2009	2010E	2011E	2012E
Net income	1.9	2.5	3.5	4.0	4.1	4.4	4.7
Depreciation of fixed assets	0.3	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	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Increase/decrease in long-term provisions	0.0	0.0	0.0	0.7	0.0	0.0	0.0
Other costs affecting income / expenses	0.4	0.0	0.1	2.9	0.0	0.0	0.0
<b>Cash Flow</b>	<b>2.8</b>	<b>2.9</b>	<b>4.0</b>	<b>8.0</b>	<b>4.5</b>	<b>4.8</b>	<b>5.1</b>
Increase / decrease in inventory	0.0	0.0	-0.6	0.1	0.0	0.0	0.0
Increase / decrease in accounts receivable	0.0	0.8	-0.6	-0.8	0.7	-0.3	-0.3
Increase / decrease in accounts payable	-0.2	-0.1	-0.2	0.5	0.0	0.1	0.0
Increase / decrease in other working capital positions	1.8	0.4	-0.1	-0.1	0.0	0.0	0.0
Increase / decrease in working capital	1.6	1.2	-1.5	-0.4	0.7	-0.2	-0.3
<b>Cash flow from operating activities</b>	<b>4.3</b>	<b>4.2</b>	<b>2.5</b>	<b>7.6</b>	<b>5.2</b>	<b>4.6</b>	<b>4.8</b>
CAPEX	-0.3	-0.7	-0.4	-0.6	-0.6	-0.6	-0.6
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	0.1	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-0.2</b>	<b>-0.7</b>	<b>-0.4</b>	<b>-0.6</b>	<b>-0.6</b>	<b>-0.6</b>	<b>-0.6</b>
Change in financial liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	-21.5	-1.0	-1.2	-1.7	-2.0	-2.1	-2.2
Purchase of own shares	0.0	0.0	-0.3	0.0	0.0	0.0	0.0
Capital measures	0.2	0.1	0.1	0.0	0.0	0.0	0.0
Others	0.1	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>-21.2</b>	<b>-0.8</b>	<b>-1.5</b>	<b>-1.7</b>	<b>-2.0</b>	<b>-2.1</b>	<b>-2.2</b>
Change in liquid funds	-17.1	2.7	0.6	5.3	2.6	1.9	2.0
<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>10.8</b>	<b>13.5</b>	<b>14.0</b>	<b>19.3</b>	<b>21.9</b>	<b>23.8</b>	<b>25.9</b>

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

**Financial Ratios ATOSS**

	2006	2007	2008	2009	2010E	2011E	2012E
<b>Operational Efficiency</b>							
Total Operating Costs / Sales	54.7 %	52.5 %	48.4 %	47.7 %	47.5 %	47.4 %	47.4 %
Sales per Employee	130,124	125,241	125,902	124,303	123,120	125,465	127,855
EBITDA per Employee	18,988	21,569	25,369	25,227	24,378	24,968	25,443
EBIT-margin	12.6 %	15.3 %	18.7 %	19.0 %	18.5 %	18.6 %	18.6 %
EBITDA / Operating Assets	90.8 %	142.9 %	143.2 %	134.2 %	151.3 %	146.4 %	140.1 %
ROA	378.1 %	367.8 %	505.8 %	437.3 %	366.0 %	338.3 %	323.8 %
<b>Efficiency of Capital Employment</b>							
Plant Turnover	59.0	46.1	48.7	36.6	28.6	24.9	22.8
Operating Assets Turnover	6.2	8.3	7.1	6.6	7.6	7.4	7.0
Capital Employed Turnover	1.7	1.6	1.6	1.4	1.3	1.3	1.2
<b>Return on Capital</b>							
ROCE	12.6 %	26.2 %	31.0 %	29.5 %	25.7 %	24.7 %	24.0 %
EBITDA / Avg. Capital Employed	14.6 %	29.6 %	33.4 %	31.6 %	27.6 %	26.5 %	25.6 %
ROE	21.6 %	23.9 %	28.2 %	27.0 %	23.5 %	22.1 %	21.0 %
Net Profit / Avg. Equity	10.3 %	26.1 %	30.6 %	29.2 %	25.4 %	23.6 %	22.2 %
Recurring Net Profit / Avg. Equity	10.3 %	26.1 %	30.6 %	29.2 %	25.4 %	23.6 %	22.2 %
ROIC	12.9 %	15.1 %	18.8 %	16.3 %	15.1 %	14.8 %	14.5 %
<b>Solvency</b>							
Net Debt	-10.7	-13.4	-14.0	-19.3	-21.9	-23.8	-25.9
Net Gearing	-122.8 %	-128.3 %	-112.1 %	-131.2 %	-126.5 %	-120.9 %	-116.5 %
Book Value of Equity / Book Value of Debt	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Current ratio	5.4	8.0	7.6	4.6	5.0	5.4	5.8
Acid Test Ratio	2.2	2.4	2.7	2.3	2.4	2.6	2.8
EBITDA / Interest Paid	55.3	79.4	10.0	178.9	59.9	64.4	68.9
Interest Cover	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Cash Flow</b>							
Free Cash Flow	4.0	3.5	2.1	7.0	4.6	4.0	4.2
Free Cash Flow / Sales	18.1 %	14.2 %	7.6 %	24.1 %	15.1 %	12.3 %	12.1 %
Adj. Free Cash Flow	2.9	3.9	5.1	5.6	5.6	6.0	6.5
Adj. Free Cash Flow / Sales	8.5 %	8.5 %	10.9 %	12.5 %	12.0 %	12.2 %	12.3 %
Free Cash Flow / Net Profit	211.3 %	139.0 %	58.5 %	176.8 %	112.3 %	91.4 %	90.4 %
Interest Received / Avg. Cash	2.4 %	4.1 %	4.5 %	2.2 %	1.9 %	1.7 %	1.6 %
Interest Paid / Avg. Debt	49.2 %	90.6 %	1816.7 %	137.5 %	416.7 %	416.7 %	416.7 %
Dividend Payout Ratio	49.9 %	49.3 %	50.0 %	49.9 %	50.6 %	49.9 %	50.2 %
<b>Fund Management</b>							
Investment ratio	1.5 %	2.8 %	1.7 %	2.1 %	2.0 %	1.8 %	1.7 %
Maint. Capex / Sales	1.4 %	1.4 %	1.3 %	1.2 %	1.4 %	1.3 %	1.2 %
Capex / Dep	74.7 %	141.6 %	117.0 %	156.1 %	152.1 %	142.1 %	132.8 %
Avg. Working Capital / Sales	14.2 %	11.4 %	10.5 %	11.8 %	10.8 %	9.3 %	9.4 %
Trade Creditors / Trade Debtors	697.3 %	635.2 %	1528.8 %	625.0 %	514.3 %	487.5 %	525.0 %
Inventory turnover (days)	0.2	0.4	0.1	0.1	0.3	0.3	0.3
Receivables collection period (DSOs)	61.0	42.3	46.8	53.7	44.0	44.0	44.0
Payables collection period (days)	8.7	6.7	3.1	8.6	8.6	8.6	8.6
Cash conversion cycle (days)	52.4	36.1	43.9	45.2	35.7	35.7	35.7
<b>Valuation</b>							
Dividend Yield	1.5 %	1.9 %	2.7 %	3.1 %	3.2 %	3.4 %	3.7 %
P/B	7.4	6.1	5.2	4.4	3.7	3.3	2.9
EV/sales	2.1	1.9	1.7	1.6	1.5	1.3	1.2
EV/EBITDA	14.6	11.1	8.6	7.9	7.4	6.6	5.8
EV/EBIT	16.8	12.5	9.3	8.5	7.9	7.0	6.2
EV/FCF	11.8	13.4	22.8	6.7	9.7	10.6	9.6
P/E	33.6	25.6	18.4	16.2	15.7	14.7	13.7
P/CF	23.4	21.9	16.1	8.0	14.4	13.4	12.6
Adj. Free Cash Flow Yield	5.9 %	6.3 %	8.5 %	17.1 %	10.1 %	11.3 %	12.7 %

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

**Free Cash Flow Yield - ATOSS Software**

Figures in EUR m	2006	2007	2008	2009	2010e	2011e	2012e	
Net Income	1.9	2.5	3.5	4.0	4.1	4.4	4.7	
+ Depreciation + Amortisation	0.4	0.5	0.4	0.4	0.4	0.4	0.5	
- Net Interest Income	0.4	0.4	0.1	0.3	0.3	0.3	0.3	
+ Taxes	1.3	1.7	1.6	1.9	1.8	2.0	2.1	
- Maintenance Capex	0.3	0.4	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	
<b>= Adjusted Free Cash Flow</b>	<b>2.9</b>	<b>3.9</b>	<b>5.1</b>	<b>5.6</b>	<b>5.6</b>	<b>6.0</b>	<b>6.5</b>	
Adjusted Free Cash Flow Yield	6.2%	8.2%	10.9%	11.9%	12.6%	14.2%	16.1%	
Hurdle rate	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	
<b>= Enterprise Value</b>	<b>46.7</b>	<b>46.7</b>	<b>46.7</b>	<b>46.7</b>	<b>44.2</b>	<b>42.2</b>	<b>40.2</b>	
<b>= Fair Enterprise Value</b>	<b>29.0</b>	<b>38.6</b>	<b>50.8</b>	<b>55.5</b>	<b>55.6</b>	<b>60.1</b>	<b>64.6</b>	
- Net Debt (Cash)	-19.3	-19.3	-19.3	-19.3	-21.9	-23.8	-25.8	
- Pension Liabilities	1.8	1.8	1.8	1.8	1.8	1.8	1.8	
- Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>= Fair Market Capitalisation</b>	<b>46.5</b>	<b>56.0</b>	<b>68.3</b>	<b>73.0</b>	<b>75.7</b>	<b>82.1</b>	<b>88.6</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>11.69</b>	<b>14.09</b>	<b>17.17</b>	<b>18.36</b>	<b>19.03</b>	<b>20.65</b>	<b>22.29</b>	
premium (-) / discount (+) in %	-27.6%	-12.7%	6.3%	13.7%	17.8%	27.8%	38.0%	
<b>Sensitivity Fair value per Share (EUR)</b>								
	13.0%	10.00	11.85	14.22	15.14	15.80	17.16	18.54
	12.0%	10.47	12.48	15.04	16.03	16.70	18.13	19.58
	11.0%	11.02	13.21	16.01	17.09	17.76	19.27	20.81
Hurdle rate	<b>10.0%</b>	<b>11.69</b>	<b>14.09</b>	<b>17.17</b>	<b>18.36</b>	<b>19.03</b>	<b>20.65</b>	<b>22.29</b>
	9.0%	12.50	15.17	18.59	19.91	20.58	22.33	24.10
	8.0%	13.51	16.52	20.36	21.85	22.52	24.43	26.35
	7.0%	14.81	18.25	22.64	24.34	25.02	27.12	29.25

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

**DCF Model - ATOSS Software**

Figures in EUR m	2010e	2011e	2012e	2013e	2014e	2015e	2016e	2017e	2018e	2019e	2020e	2021e	2022e	2023e
Sales	30.3	32.4	34.6	36.4	38.2	40.1	42.1	44.2	46.4	48.7	50.2	51.7	53.3	54.8
Change	4.0%	7.0%	7.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	3.0%	3.0%	3.0%	3.0%
EBIT	5.6	6.0	6.4	6.9	7.3	7.6	8.0	8.4	8.8	9.3	9.5	9.8	10.1	10.4
EBIT-Margin	18.5%	18.6%	18.6%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%
Tax rate	31.0%	31.0%	31.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
NOPAT	3.9	4.2	4.4	4.5	4.7	5.0	5.2	5.5	5.7	6.0	6.2	6.4	6.6	6.8
Depreciation	0.4	0.4	0.5	0.5	0.6	0.6	0.6	0.7	0.7	0.7	0.8	0.8	0.8	0.8
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	0.7	-0.2	-0.3	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.1	-0.2	-0.2	-0.2
- Capex	-0.6	-0.6	-0.6	-0.5	-0.6	-0.6	-0.6	-0.7	-0.7	-0.7	-0.8	-0.8	-0.8	-0.8
Capex in % of Sales	2.0%	1.8%	1.7%	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	0.1	0.1	0.1
Free Cash Flow (WACC-Model)	4.4	3.8	4.0	4.2	4.5	4.8	5.0	5.2	5.5	5.8	6.0	6.3	6.5	6.7

**Model parameter**

Debt ratio	0.00%	Beta	1.25
Costs of Debt	n.a.	WACC	10.19%
Market return	9.00%		
Risk free rate	4.25%	Terminal Growth	2.00%

**Valuation (mln)**

Present values 2023e	36.6
Terminal Value	21.6
Liabilities	-1.8
Liquidity	19.3
<b>Equity Value</b>	<b>75.7</b>
No. of shares (mln)	3.98
<b>Value per share (EUR)</b>	<b>19.03</b>

**Sensitivity Value per Share (EUR)**

**Terminal Growth**

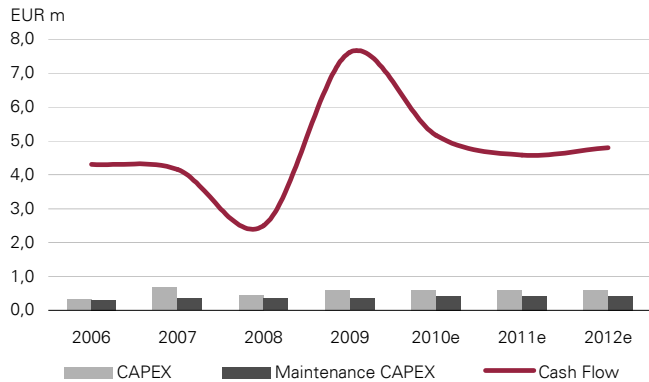
WACC	1.25%	1.50%	1.75%	<b>2.00%</b>	2.25%	2.50%	2.75%
11.19%	17.05	17.15	17.26	17.37	17.49	17.62	17.75
10.69%	17.77	17.89	18.02	18.15	18.29	18.44	18.61
10.44%	18.16	18.29	18.43	18.58	18.73	18.90	19.08
<b>10.19%</b>	18.57	18.71	18.87	<b>19.03</b>	19.20	19.38	19.58
9.94%	19.01	19.17	19.33	19.51	19.70	19.90	20.11
9.69%	19.47	19.64	19.83	20.02	20.23	20.45	20.69
9.19%	20.49	20.70	20.92	21.16	21.41	21.68	21.97

**Delta EBIT-margin**

WACC	-1.5 pp	-1.0 pp	-0.5 pp	<b>0.0</b>	+0.5 pp	+1.0 pp	+1.5 pp
11.19%	16.31	16.67	17.02	17.37	17.72	18.07	18.43
10.69%	17.03	17.40	17.78	18.15	18.52	18.90	19.27
10.44%	17.42	17.81	18.19	18.58	18.96	19.34	19.73
<b>10.19%</b>	17.84	18.23	18.63	<b>19.03</b>	19.42	19.82	20.22
9.94%	18.28	18.69	19.10	19.51	19.92	20.33	20.74
9.69%	18.75	19.17	19.60	20.02	20.44	20.87	21.29
9.19%	19.79	20.25	20.70	21.16	21.61	22.06	22.52

Source: SES Research

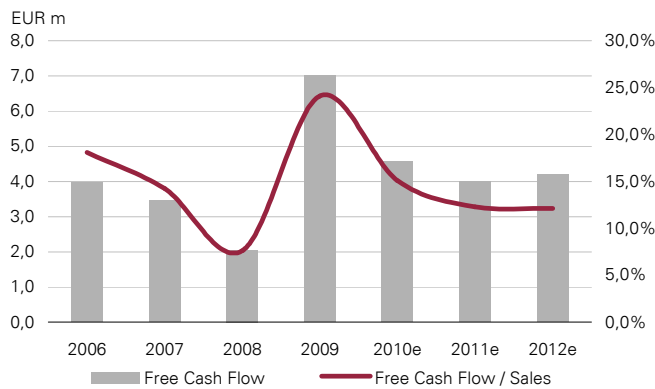
**CAPEX and Cash Flow - ATOSS Software**



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

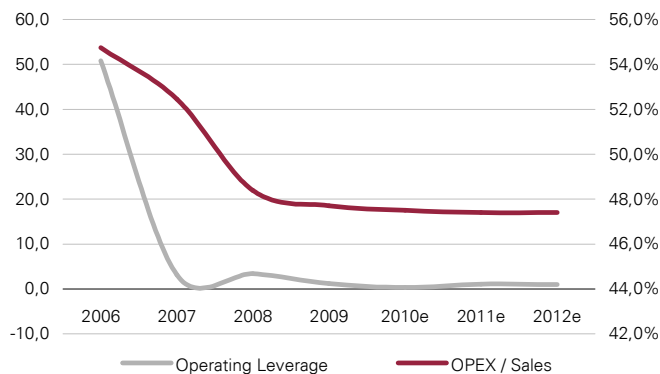
**Free Cash Flow Generation - ATOSS Software**



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

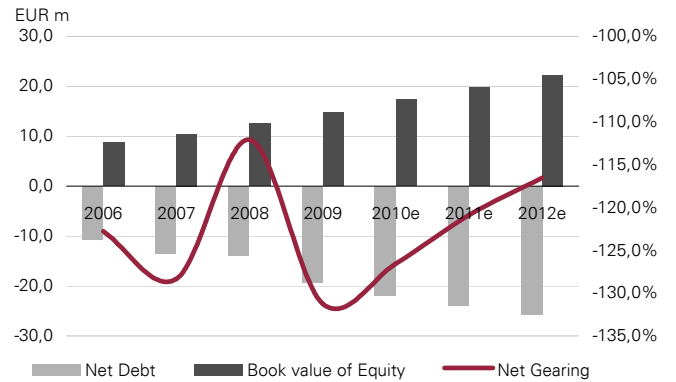
**Operating Leverage - ATOSS Software**



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

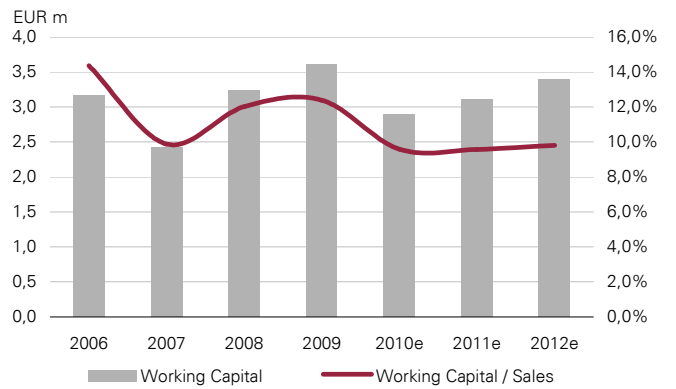
**Balance Sheet Quality - ATOSS Software**



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

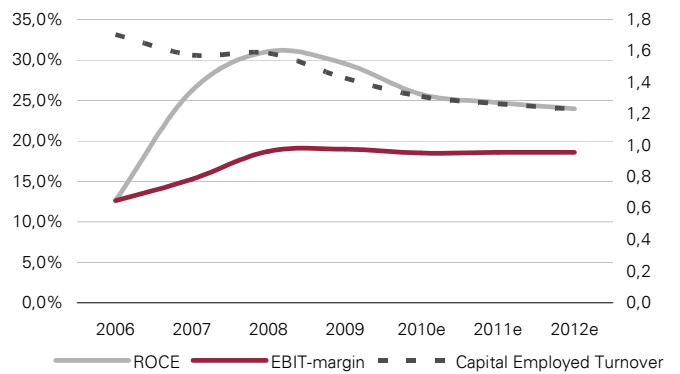
**Working Capital - ATOSS Software**



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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- “-“ **Rating suspended**: The available information does not currently permit an evaluation of the company.

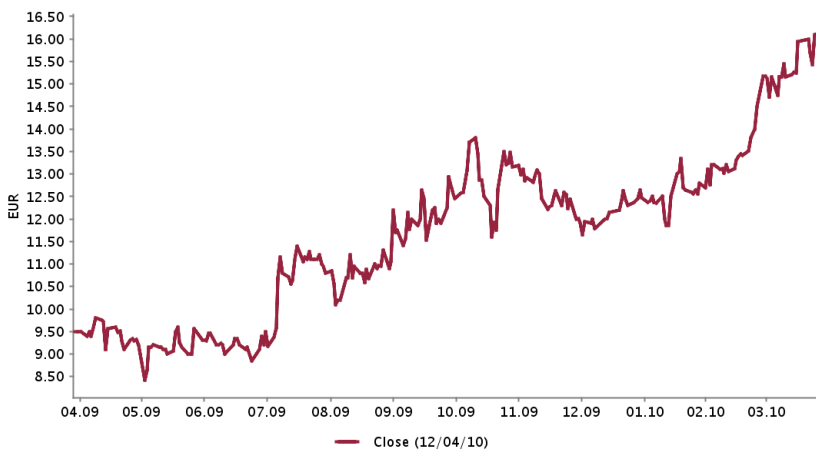
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Rating	Number of stocks	% of Universe
Buy	112	56%
Hold	53	27%
Sell	11	6%
Rating suspended	23	12%
<b>Total</b>	<b>199</b>	

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Rating	Number of stocks	% of Universe
Buy	86	64%
Hold	32	24%
Sell	2	1%
Rating suspended	15	11%
<b>Total</b>	<b>135</b>	

**Price and Rating History**  
ATOSS Software AG as of 13/04/10



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.

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