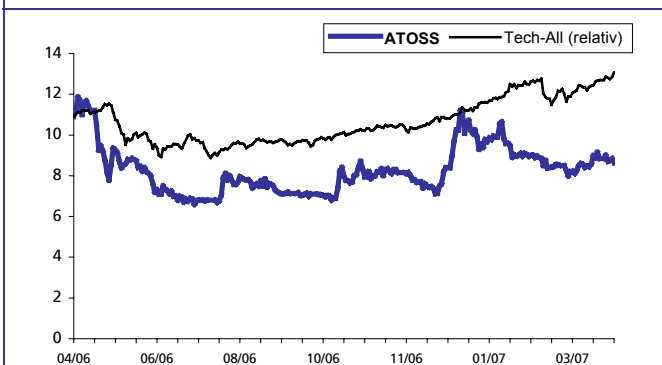


Buy Risk: **Price-target: EUR 11.00**
(old: Buy) medium

ATOSS on growth track

ATOSS Software AG presented its figures for Q1 2007 on April 17, 2007. According to the data, sales were slightly higher than our estimates while the earnings clearly exceeded our expectations.

Bloomberg: DE0005104400 Price: EUR 8.63
Reuters: AOFG.DE Tech-AS: 1.107,74
ISIN: AOF
Internet: www.ATOSS.com
Segment: Prime Standard
Sector: Software/IT



Share data: Bloomberg 16.04.2007/ closing price

High / Low 52 W: EUR 12.01 / EUR 6.60
Market capitalisation: EUR 34.74 m
No. of shares: 4.03 m

Shareholders: Free Float 41.5%
Founder's family 55.5%
Own shares 3.0%

Calendar:

Analysis: SES Research

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Q1 2007				
	reported	expected	delta	previous year value
Sales	5.70	5.60	1.8%	5.1
EBITDA	-	-	-	-
Margin	-	-	-	-
EBIT	0.90	0.67	34.3%	0.7
Margin	15.8%	12.0%		13.7%
Net income	-	-	-	-
Margin	-	-	-	-
EpS	-	-	-	-

EpS in €, all other in EUR m

Table 1; source: Atoss Software AG, SES Research

Particularly remarkable is the fact that ATOSS has managed to show an earnings growth since Q1 last year, which had included a positive extraordinary effect of EUR 0.4 m caused by extraordinary proceeds from selling the ANEIS unit. The growth of business was supported by all company segments alike (software, maintenance, consulting), a fact that underlines our assessment of the share („Buy“). An upward adjustment of our estimates is not required in the meantime and we continue to see the share's fair value at EUR 11.

Fiscal year ending	12/05	12/06	12/07e	12/08e	12/09e
Per Share figures in EUR, other figures in EURm, price: € 8.63					
Sales	20.4	22.0	23.5	25.1	26.8
Gross margin	65.5%	67.4%	68.1%	66.0%	67.0%
EBITDA	1.2	3.2	3.5	3.9	4.2
EBITDA-margin	5.8%	14.6%	14.9%	15.5%	15.8%
EBIT	0.6	2.8	3.0	3.4	3.7
EBIT-margin	2.8%	12.6%	12.9%	13.5%	13.8%
Net Income	0.5	1.9	2.0	2.4	2.6
EpS	0.11	0.46	0.48	0.58	0.64
CFpS	0.42	1.06	0.60	0.70	0.77
DPS	5.50	0.24	0.24	0.29	0.32
Dividend Yield	63.7%	2.8%	2.8%	3.4%	3.7%
EV/Sales	1.14	1.06	0.99	0.93	0.87
EV/EBITDA	19.58	7.26	6.66	5.99	5.51
EV/EBIT	41.24	8.39	7.69	6.88	6.31
PER	78.45	18.76	17.98	14.88	13.48
ROCE	1.8%	12.7%	22.6%	23.4%	23.5%
Adj. Free Cash Flow Yield	37.1%	11.8%	14.0%	15.6%	17.0%

Key figures (ATOSS Software)

P&L (EUR m)	2006	2007e	2008e	2009e	Price Data	
Sales	22.0	23.5	25.1	26.8	Share Price (EUR)	8.63
Cost of Sales	7.2	7.5	8.5	9.1	Market Cap. (EUR m)	35
Gross Profit	14.8	16.0	16.5	17.7	Enterprise Value (EUR m)	23
Marketing and Administrative exp.	6.0	5.5	5.8	6.2		
R&D	3.9	4.4	4.4	4.7		
Other Operating Income	-0.5	0.0	0.0	0.0	Share Key Data	
EBITDA	3.2	3.5	3.9	4.2	Earnings per Share (EUR)	0.46 0.48 0.58 0.64
Depreciation and Amortisation	0.4	0.5	0.5	0.5	Sales per Share (EUR)	5.40 5.75 6.11 6.53
- thereof Goodwill Amortisation	0.0	0.0	0.0	0.0	Free Cash Flow per Share (EUR)	0.98 0.96 0.59 0.65
EBIT	2.8	3.0	3.4	3.7	Dividend per Share (EUR)	0.24 0.24 0.29 0.32
Financial Result	0.4	0.3	0.3	0.3		
Extraordinary Result	0.0	0.0	0.0	0.0	Valuation Key Data	
EBT	3.2	3.3	3.7	4.0	P/E	18.76 17.98 14.88 13.48
Taxes	1.3	1.3	1.3	1.4	P/Sales	1.60 1.50 1.41 1.32
Net Profit before Minorities	1.9	2.0	2.4	2.6	EV/Sales	1.06 0.99 0.93 0.87
Net Profit	1.9	2.0	2.4	2.6	EV/EBITDA	7.26 6.66 5.99 5.51
Dividend Payout	1.0	1.0	1.2	1.3	EV/EBIT	8.39 7.69 6.88 6.31
					P/Book	4.00 3.59 3.20 2.86
					Dividend Yield	2.8% 2.8% 3.4% 3.7%
Cash-Flow	2006	2007e	2008e	2009e	No. of shares (million)	2006 2007e 2008e 2009e
Cash Flow from Operations	2.3	2.4	2.9	3.1	Ordinary shares out	4.07 4.08 4.10 4.10
Free Cash Flow	4.0	3.9	2.4	2.7		
Capex	0.3	0.3	0.4	0.4		
Balance sheet (EUR m)	2006	2007e	2008e	2009e	Profitability	2006 2007e 2008e 2009e
Fixed Assets	0.4	0.4	0.5	0.5	EBITDA-margin	14.6% 14.9% 15.5% 15.8%
Intangible Assets	0.1	0.0	-0.2	-0.4	EBIT-margin	12.6% 12.9% 13.5% 13.8%
Net Working Capital	3.2	1.3	1.4	1.5	EBT-margin	14.5% 14.0% 14.6% 15.0%
Current Assets	15.2	18.4	19.9	21.5	Net Profit-margin	8.6% 8.4% 9.5% 9.7%
Cash and Cash Equivalents	10.8	13.7	15.0	16.3	ROE	21.6% 20.3% 21.9% 21.4%
Equity	8.7	9.7	10.9	12.2	ROA	12.0% 10.5% 11.9% 12.1%
Provisions	4.1	4.1	4.1	4.1	ROCE	12.7% 22.6% 23.4% 23.5%
Financial Liabilities	0.1	0.1	0.1	0.1		
Net Cash	10.7	13.6	14.9	16.2	Company profile	
Total	15.7	18.8	20.1	21.6	The ATOSS Software AG is one of the leading providers of time management in Germany. The software of the company founded in 1987 was introduced to the market in 1991 and covers with its mature products all demands of a professional personnel management. ATOSS has the typical formation of a IT product company (sales of software, maintenance and service, hardware) and has currently roughly 171 employees.	
Reporting standard	IFRS	IFRS	IFRS	IFRS		
Fiscal year end	31.12.2006	31.12.2007	31.12.2008	31.12.2009		
Growth rates	2006	2007e	2008e	2009e	Management	
Sales	7.7%	6.6%	6.8%	6.9%	Andreas Obereder, Christof Leiber	
EBITDA	169.7%	9.0%	11.1%	8.7%		
EBIT	391.8%	9.0%	11.8%	8.9%		
EBT	186.6%	2.8%	11.8%	9.4%		
Net Profit	314.0%	4.5%	21.1%	9.4%		
Dividend	-95.6%	0.5%	20.5%	9.4%		
Cost intensities	2006	2007e	2008e	2009e	Shareholders	
COGS	32.6%	31.9%	34.0%	34.0%	Streubesitz	44.56%
Marketing & Administrative / Sales	27.4%	23.5%	23.0%	23.0%	Familie Obereder	55.44%
R&D / Sales	17.9%	18.7%	17.7%	17.7%		

sources: company (reported data), SES Research (estimates and key figures), Bloomberg (share price data)

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