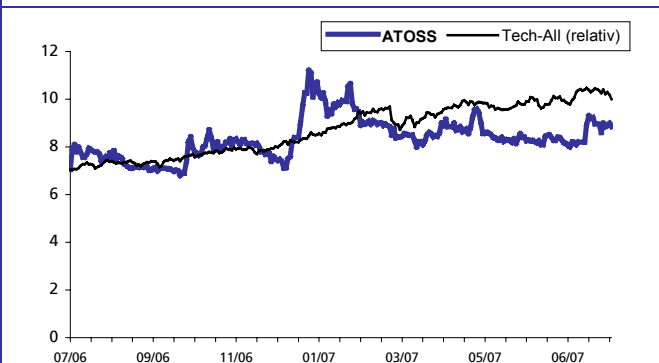


Buy Risk: **Target:** **EUR 11.00**
(old: buy) medium

Slight adjustment of estimates

Bloomberg: DE0005104400 Price: EUR 8.85
Reuters: AOFG.DE Tech-AS: 1,097.26
ISIN: AOF
Internet: www.ATOSS.com
Segment: Prime Standard
Sector: Software/IT



Share price: Bloomberg 25.07.2007/ closing price

High / Low 52 W: EUR 11.80 / EUR 6.76
Market capitalisation: EUR 35.67 m
No. of shares: 4.03 m

Sharehold- Free float 41.5%
Founder's family 55.5%
Own shares 3.0%

Calendar: Figures Q2/07 23.08.2007

Analysis: SES Research

Published on: 26.07.2007
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On July 26, 2007 Atoss Software AG reported the final figures for Q2/2007. The figures were in line with the preliminary reporting of July 9, 2007. We already announced an increase in our estimates because of the strong data.

The license revenues were particularly strong and have improved the sales structure largely so that it is now realistic to assume that the margins will be higher than previously expected (compare News-Flash - 09.07.07).

Against the background of such successful business up to now, the company expects to achieve an operative result of at least EUR 3.0 m. At continuation of the current business development, further improvements are possible.

During the first half of this fiscal year the company has already generated an EBIT of EUR 1.9 m. It is realistic that Atoss could make more than EUR 3 m taken the second half of the year will be as strong as the first. We adjust our estimates accordingly.

We do not make any major changes upon the long-term view and our rating ("BUY") and the price target (EUR 11.00) remain the same.

End financial year	12/05	12/06	12/07e	12/08e	12/09e
Key figures per share in EUR, all other in EURm, price: 8.85 EUR					
Sales	20.4	22.0	23.6	25.1	26.9
Sales (old)	20.4	22.0	23.5	25.1	26.8
Delta		0.0%	0.4%	0.4%	0.3%
EBITDA	1.2	3.2	3.9	4.0	4.3
Margin	5.83%	14.60%	16.42%	1.04%	16.05%
EBITDA (old)	1.2	3.2	3.5	3.9	4.2
Delta			10.5%	3.7%	2.0%
EBIT	0.6	2.8	3.4	3.5	3.8
Margin	2.77%	12.64%	14.42%	14.04%	14.05%
EBIT (old)	0.6	2.8	3.0	3.4	3.7
Delta			12.1%	4.2%	2.2%
Net income	0.5	1.9	2.2	2.5	2.7
Margin	2.23%	8.57%	9.29%	9.85%	9.91%
Net income (old)	0.5	1.9	2.0	2.4	2.6
Delta			11.2%	3.9%	2.1%
Earnings per share	0.11	0.46	0.54	0.60	0.65
Earnings per share (old)	0.11	0.46	0.48	0.58	0.64
Delta			12.5%	3.4%	1.6%
Cash flow per share	0.42	1.06	0.65	0.73	0.78
Cash flow per share (old)	0.42	1.06	0.60	0.70	0.77
Delta			8.3%	4.3%	1.3%
Dividend per share	5.50	0.24	0.27	0.30	0.32
Dividend yield	62.15%	2.71%	3.05%	3.39%	3.62%
Dividend (old)	5.50	0.24	0.24	0.29	0.32
Delta			12.5%	3.4%	0.0%
EV/Sales	1.18	1.10	1.03	0.96	0.90
EV/EBITDA	20.33	7.54	6.25	6.00	5.61
EV/EBIT	42.81	8.71	7.12	6.85	6.41
PER	80.45	19.24	16.39	14.75	13.62
ROCE	1.8%	12.7%	25.3%	24.2%	23.7%
Adj. Free Cash Flow Yield	27.4%	11.4%	15.0%	15.6%	16.7%

Key figures (ATOSS Software)

P&L (EUR m)					Price Data				
	2006	2007e	2008e	2009e					
Sales	22.0	23.6	25.1	26.9	Share Price (EUR)				8.85
Cost of Sales	7.2	7.5	8.6	9.1	Market Cap. (EUR m)				36
Gross Profit	14.8	16.0	16.6	17.7	Enterprise Value (EUR m)				24
Marketing and Administrative exp.	6.0	5.4	5.7	6.1					
R&D	3.9	4.4	4.5	4.8	Share Key Data	2006	2007e	2008e	2009e
Other Operating Income	-0.5	0.0	0.0	0.0	Earnings per Share (EUR)	0.46	0.54	0.60	0.65
EBITDA	3.2	3.9	4.0	4.3	Sales per Share (EUR)	5.40	5.77	6.13	6.55
Depreciation and Amortisation	0.4	0.5	0.5	0.5	Free Cash Flow per Share (EUR)	0.98	1.01	0.61	0.66
- thereof Goodwill Amortisation	0.0	0.0	0.0	0.0	Dividend per Share (EUR)	0.24	0.27	0.30	0.32
EBIT	2.8	3.4	3.5	3.8					
Financial Result	0.4	0.3	0.3	0.3	Valuation Key Data	2006	2007e	2008e	2009e
Extraordinary Result	0.0	0.0	0.0	0.0	P/E	19.24	16.39	14.75	13.62
EBT	3.2	3.6	3.8	4.1	P/Sales	1.64	1.53	1.44	1.35
Taxes	1.3	1.5	1.3	1.4	EV/Sales	1.10	1.03	0.96	0.90
Net Profit before Minorities	1.9	2.2	2.5	2.7	EV/EBITDA	7.54	6.25	6.00	5.61
Net Profit	1.9	2.2	2.5	2.7	EV/EBIT	8.71	7.12	6.85	6.41
Dividend Payout	1.0	1.1	1.2	1.3	P/Book	4.10	3.64	3.24	2.89
					Dividend Yield	2.7%	3.1%	3.4%	3.6%
Cash-Flow	2006	2007e	2008e	2009e	No. of shares (million)	2006	2007e	2008e	2009e
Cash Flow from Operations	2.3	2.7	3.0	3.2	Ordinary shares out	4.07	4.08	4.10	4.10
Free Cash Flow	4.0	4.1	2.5	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%	16.4%	16.0%	16.0%
Intangible Assets	0.1	0.0	-0.2	-0.4	EBIT-margin	12.6%	14.4%	14.0%	14.0%
Net Working Capital	3.2	1.3	1.4	1.5	EBT-margin	14.5%	15.5%	15.1%	15.2%
Current Assets	15.2	18.5	20.1	21.7	Net Profit-margin	8.6%	9.3%	9.8%	9.9%
Cash and Cash Equivalents	10.8	13.8	15.1	16.5	ROE	21.6%	22.3%	22.4%	21.5%
Equity	8.7	9.8	11.0	12.4	ROA	12.0%	11.6%	12.2%	12.2%
Provisions	4.1	4.1	4.1	4.1	ROCE	12.7%	25.3%	24.2%	23.7%
Financial Liabilities	0.1	0.1	0.1	0.1					
Net Cash	10.7	13.7	15.0	16.4					
Total	15.7	18.9	20.3	21.8					
					Company profile				
Reporting standard	IFRS	IFRS	IFRS	IFRS	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.				
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%	7.1%	6.8%	6.8%	Andreas Obereder, Christof Leiber				
EBITDA	169.7%	20.5%	4.3%	6.9%					
EBIT	391.8%	22.2%	3.9%	6.9%					
EBT	186.6%	14.3%	4.4%	7.4%					
Net Profit	314.0%	16.1%	13.1%	7.4%					
Dividend	-95.6%	11.8%	12.6%	7.4%					
					Shareholders				
Cost intensities	2006	2007e	2008e	2009e	Streubesitz				44.56%
COGS	32.6%	31.9%	34.0%	34.0%	Familie Obereder				55.44%
Marketing & Administrative / Sales	27.4%	23.0%	22.7%	22.7%					
R&D / Sales	17.9%	18.7%	17.7%	17.7%					

Source: Company (reported figures), SES Research (estimates and key figures), Bloomberg (share data)

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