

<b>Hold</b>  <b>EUR 91.00</b>  Price <b>EUR 84.60</b> <b>Upside 7.6 %</b>	<b>Value Indicators:</b> EUR DCF: 91.27	<b>Share data:</b> Bloomberg: AOF GR Reuters: AOFG ISIN: DE0005104400	<b>Description:</b> ATOSS supplies software and services for the optimisation of workforce management.
	<b>Market Snapshot:</b> EUR m Market cap: 336.4 No. of shares (m): 4.0 EV: 310.5 Freefloat MC: 110.0 Ø Trad. Vol. (30d): 44.26 th	<b>Shareholders:</b> Freefloat 32.7 % Founding Family 56.4 % Mainfirst 5.1 % Investment TGV Bonn 5.8 %	<b>Risk Profile (WRe):</b> 2018e Beta: 1.1 Price / Book: 12.0 x Equity Ratio: 63 %

## Strong cloud business burdens margin in the short term

Stated Figures Q2/2018:								Comment on Figures:	
Figures in EUR m	Q2/18	Q2/18e	Q2/17	yoy	6M/18	6M/17	yoy	<ul style="list-style-type: none"> <li>ATOSS Software AG's sales were slightly below expectations (WRe) but within the usual fluctuation range.</li> <li>Earnings fell short of expectations somewhat more significantly, as a presumably high sales performance in the Cloud segment led to shifts in earnings (see below).</li> </ul>	
<b>Sales</b>	14.9	15.1	13.5	10.2%	29.4	26.5	10.9%		
<b>EBIT</b>	3.6	3.8	3.3	8.9%	7.5	6.6	12.6%		
<b>margin</b>	24.4%	25.2%	24.6%		25.4%	25.1%			

ATOSS AG's sales performance remains on a very high level, as order intake shows. The order intake for software licenses and the software share of contracted cloud subscriptions increased by 20% from EUR 6.4m to a total of EUR 7.7m.

However, if a significant portion of these incoming orders is attributable to the Cloud division, the margin from these transactions will only become visible with a considerable delay. While in a typical project (on-premise) revenues from software licenses are generated at short notice during the implementation phase, they are calculated over the entire life of the project for projects in the cloud. Although cloud projects are likely to be somewhat more attractive for ATOSS (TCO, expected duration), they will have an impact on earnings later for system-related reasons.

A significant part of the sales performance in Q2 resulted in cloud contracts, which are generally more attractive for ATOSS but have less short-term impact on earnings (see also comment of October 27, 2017 "Transition to cloud to pose a short-term burden"). This is reflected in the order pipeline with an order backlog for software licenses (on-premise) of EUR 5.1m (previous year EUR 5.1m) and for cloud solutions of EUR 12.1m (previous year EUR 6.9m).

For the full year 2018, a slight normalization in order intake is anticipated in terms of on-premise sales. In addition, a typically strong Q4 is expected, which is why the forecasts (WRe) remain unchanged. The long-term forecasts already take into account a margin increase as a result of strong cloud sales.

**On this basis, the ATOSS share continues to be rated as Hold with a price target of EUR 91.**

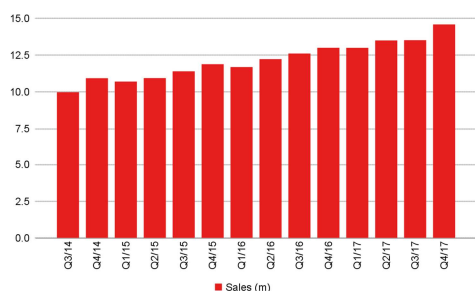


<b>Rel. Performance vs CDAX:</b>	
1 month:	-10.4 %
6 months:	2.5 %
Year to date:	18.6 %
Trailing 12 months:	4.8 %

<b>Company events:</b>	
10.08.18	Q2
24.10.18	Q3

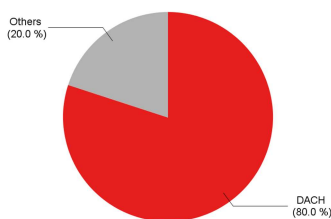
FY End: 31.12. in EUR m	CAGR (17-20e)	2014	2015	2016	2017	2018e	2019e	2020e
<b>Sales</b>	11.8 %	39.7	44.9	49.5	54.6	61.4	68.2	76.3
Change Sales yoy		11.8 %	13.2 %	10.2 %	10.2 %	12.4 %	11.0 %	12.0 %
Gross profit margin		68.8 %	68.5 %	69.9 %	70.3 %	70.0 %	70.0 %	70.0 %
<b>EBITDA</b>	14.1 %	10.3	12.0	14.3	14.9	17.2	19.4	22.1
Margin		26.0 %	26.8 %	28.8 %	27.2 %	28.0 %	28.5 %	29.0 %
<b>EBIT</b>	14.1 %	9.8	11.3	13.6	14.1	16.3	18.4	21.0
Margin		24.7 %	25.2 %	27.4 %	25.9 %	26.5 %	27.0 %	27.5 %
<b>Net income</b>	14.7 %	7.0	7.6	9.3	9.3	10.9	12.3	14.0
<b>EPS</b>	14.7 %	1.77	1.91	2.33	2.34	2.74	3.09	3.53
<b>EPS adj.</b>	14.7 %	1.77	1.91	2.33	2.34	2.74	3.09	3.53
<b>DPS</b>	15.1 %	0.88	2.80	1.16	1.16	1.37	1.55	1.77
Dividend Yield		3.0 %	6.0 %	1.9 %	1.6 %	1.6 %	1.8 %	2.1 %
<b>FCF / Market cap</b>		1.94	1.81	2.80	1.95	2.09	2.89	3.28
		6.6 %	3.9 %	4.7 %	2.8 %	2.5 %	3.4 %	3.9 %
<b>EV / Sales</b>		2.6 x	3.7 x	4.4 x	4.7 x	5.1 x	4.5 x	3.9 x
<b>EV / EBITDA</b>		9.9 x	13.7 x	15.3 x	17.4 x	18.1 x	15.7 x	13.5 x
<b>EV / EBIT</b>		10.4 x	14.5 x	16.0 x	18.3 x	19.1 x	16.5 x	14.2 x
<b>P / E</b>		16.8 x	24.3 x	25.6 x	30.2 x	30.9 x	27.4 x	24.0 x
<b>P / E adj.</b>		16.8 x	24.3 x	25.6 x	30.2 x	30.9 x	27.4 x	24.0 x
<b>FCF Potential Yield</b>		6.5 %	4.8 %	4.3 %	3.8 %	3.7 %	4.2 %	5.0 %
<b>Net Debt</b>		-15.9	-19.6	-19.4	-22.3	-26.0	-32.0	-38.9
<b>ROCE (NOPAT)</b>		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Guidance:</b>	Revenue growth, EBIT margin 25 %							

**Sales development**  
in EUR m



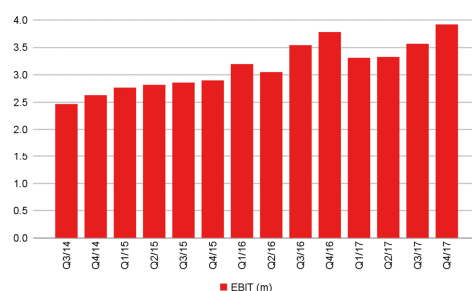
Source: Warburg Research

**Sales by regions**  
2018e; in %



Source: Warburg Research

**EBIT development**  
in EUR m



Source: Warburg Research

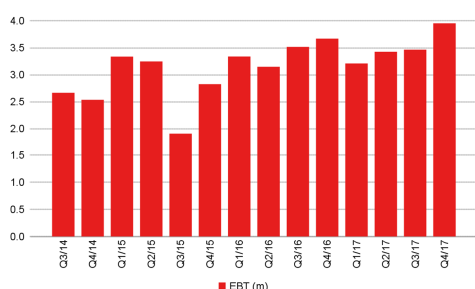
## Company Background

- ATOSS Software AG is a supplier of software and services for the optimisation of workforce management.
- ATOSS solutions optimises companies' personnel procedures, improving the level of service and efficiency of the employees and improving customer satisfaction
- The company has achieved a leading market position, particularly in the German speaking countries.
- From medium-sized companies (Mittelstand) to blue-chip firms, several million employees use ATOSS solutions.

## Competitive Quality

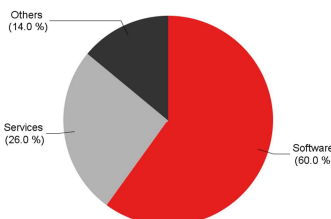
- ATOSS has a leading software product (the most modern Java technology)
- ATOSS specialises in regions and industry sectors (country-specific work conditions in the Germany, Austria, Swiss region and mapping out work processes in core industries)
- ATOSS works independently of producers (no ties to hardware or large software producers) and the ATOSS solutions have a high level of compatibility (e.g. seamless integration in the ERP systems possible)
- Financial stability and balance sheet quality is excellent, which can be regarded as a competitive advantage in the software industry.
- ATOSS is a relatively large supplier (in comparison to the competition) among many much smaller suppliers, which still pose stiff competition for ATOSS.

**EBT development**  
in EUR m



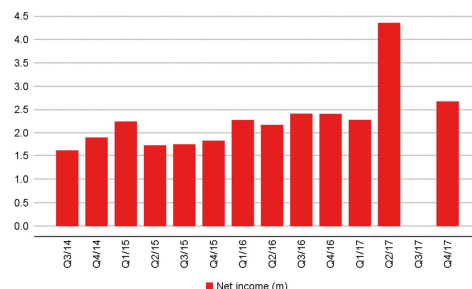
Source: Warburg Research

**Sales by segments**  
2018e; in %



Source: Warburg Research

**Net income development**  
in EUR m



Source: Warburg Research

## DCF model

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	2018e	2019e	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	
Sales	61.4	68.2	76.3	84.0	92.4	101.6	109.7	118.5	128.0	135.7	141.1	n.a.	n.a.	2.5 %
Sales change	12.4 %	11.0 %	12.0 %	10.0 %	10.0 %	10.0 %	8.0 %	8.0 %	8.0 %	6.0 %	4.0 %	n.a.	n.a.	
EBIT	16.3	18.4	21.0	21.8	24.9	28.4	31.8	35.6	39.7	43.4	46.6	n.a.	n.a.	n.a.
EBIT-margin	26.5 %	27.0 %	27.5 %	26.0 %	27.0 %	28.0 %	29.0 %	30.0 %	31.0 %	32.0 %	33.0 %	n.a.	n.a.	
Tax rate (EBT)	33.0 %	33.0 %	33.0 %	35.0 %	35.0 %	35.0 %	35.0 %	35.0 %	35.0 %	35.0 %	35.0 %	n.a.	n.a.	n.a.
NOPAT	10.9	12.3	14.1	14.2	16.2	18.5	20.7	23.1	25.8	28.2	30.3	n.a.	n.a.	
Depreciation	0.9	1.0	1.1	1.7	1.6	1.5	1.6	1.8	1.9	2.0	2.1	n.a.	n.a.	n.a.
in % of Sales	1.5 %	1.5 %	1.5 %	2.0 %	1.7 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	n.a.	n.a.	
Changes in provisions	0.0	0.0	0.0	0.2	0.2	0.3	0.2	0.2	0.2	0.1	0.1	n.a.	n.a.	n.a.
Change in Liquidity from														
- Working Capital	2.4	0.7	1.0	0.5	0.0	0.9	0.8	0.9	0.9	0.8	0.5	n.a.	n.a.	n.a.
- Capex	1.1	1.1	1.1	1.3	1.4	1.5	1.6	1.8	1.9	2.0	2.1	n.a.	n.a.	
Capex in % of Sales	1.8 %	1.6 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	n.a.	n.a.	n.a.
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	n.a.	n.a.	
Free Cash Flow (WACC Model)	8.3	11.5	13.1	14.3	16.6	17.9	20.1	22.5	25.1	27.6	29.8	n.a.	n.a.	33
PV of FCF	7.9	10.0	10.5	10.6	11.3	11.2	11.6	12.0	12.3	12.5	12.4	n.a.	n.a.	194
share of PVs	8.35 %			34.76 %										56.90 %

### Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	0.00 %	Financial Strength	1.10
Cost of debt (after tax)	3.9 %	Liquidity (share)	1.10
Market return	8.00 %	Cyclicality	1.10
Risk free rate	2.50 %	Transparency	1.10
		Others	1.10
<b>WACC</b>	<b>8.55 %</b>	<b>Beta</b>	<b>1.10</b>

### Valuation (m)

Present values 2030e	147		
Terminal Value	194		
Financial liabilities	0		
Pension liabilities	5		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	27	No. of shares (m)	4.0
<b>Equity Value</b>	<b>363</b>	<b>Value per share (EUR)</b>	<b>91.27</b>

### Sensitivity Value per Share (EUR)

Beta WACC		Terminal Growth							Beta WACC		Delta EBIT-margin						
		1.75 %	2.00 %	2.25 %	2.50 %	2.75 %	3.00 %	3.25 %			-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.28	9.6 %	73.90	75.02	76.21	77.48	78.85	80.33	81.92	1.28	9.6 %	73.94	75.12	76.30	77.48	78.67	79.85	81.03
1.19	9.1 %	79.47	80.82	82.27	83.83	85.52	87.34	89.33	1.19	9.1 %	79.99	81.27	82.55	83.83	85.11	86.39	87.68
1.15	8.8 %	82.56	84.06	85.66	87.40	89.28	91.32	93.54	1.15	8.8 %	83.39	84.73	86.06	87.40	88.73	90.07	91.41
1.10	8.6 %	85.89	87.55	89.33	91.27	93.37	95.66	98.16	1.10	8.6 %	87.08	88.48	89.87	91.27	92.66	94.06	95.46
1.05	8.3 %	89.49	91.32	93.32	95.48	97.84	100.42	103.25	1.05	8.3 %	91.10	92.56	94.02	95.48	96.94	98.40	99.86
1.01	8.1 %	93.37	95.42	97.65	100.08	102.74	105.66	108.88	1.01	8.1 %	95.48	97.02	98.55	100.08	101.61	103.14	104.68
0.92	7.6 %	102.19	104.77	107.59	110.68	114.10	117.90	122.13	0.92	7.6 %	105.59	107.29	108.99	110.68	112.38	114.08	115.77

- In the DCF model, a moderate continuation of the constant growth of the past years is anticipated.
- A margin improvement due to economies of scale is not assumed.
- The long-term margin remains at a high level
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Valuation	2014	2015	2016	2017	2018e	2019e	2020e
Price / Book	7.9 x	9.7 x	14.0 x	12.9 x	12.0 x	9.6 x	7.8 x
Book value per share ex intangibles	3.72	4.71	4.19	5.40	6.98	8.74	10.74
EV / Sales	2.6 x	3.7 x	4.4 x	4.7 x	5.1 x	4.5 x	3.9 x
EV / EBITDA	9.9 x	13.7 x	15.3 x	17.4 x	18.1 x	15.7 x	13.5 x
EV / EBIT	10.4 x	14.5 x	16.0 x	18.3 x	19.1 x	16.5 x	14.2 x
EV / EBIT adj.*	10.4 x	14.5 x	16.0 x	18.3 x	19.1 x	16.5 x	14.2 x
P / FCF	15.3 x	25.6 x	21.3 x	36.3 x	40.5 x	29.3 x	25.8 x
P / E	16.8 x	24.3 x	25.6 x	30.2 x	30.9 x	27.4 x	24.0 x
P / E adj.*	16.8 x	24.3 x	25.6 x	30.2 x	30.9 x	27.4 x	24.0 x
Dividend Yield	3.0 %	6.0 %	1.9 %	1.6 %	1.6 %	1.8 %	2.1 %
FCF Potential Yield (on market EV)	6.5 %	4.8 %	4.3 %	3.8 %	3.7 %	4.2 %	5.0 %
*Adjustments made for: -							

## Consolidated profit and loss

In EUR m	2014	2015	2016	2017	2018e	2019e	2020e
<b>Sales</b>	<b>39.7</b>	<b>44.9</b>	<b>49.5</b>	<b>54.6</b>	<b>61.4</b>	<b>68.2</b>	<b>76.3</b>
Change Sales yoy	11.8 %	13.2 %	10.2 %	10.2 %	12.4 %	11.0 %	12.0 %
COGS	12.4	14.1	14.9	16.2	18.4	20.4	22.9
<b>Gross profit</b>	<b>27.3</b>	<b>30.8</b>	<b>34.6</b>	<b>38.4</b>	<b>43.0</b>	<b>47.7</b>	<b>53.4</b>
<i>Gross margin</i>	<i>68.8 %</i>	<i>68.5 %</i>	<i>69.9 %</i>	<i>70.3 %</i>	<i>70.0 %</i>	<i>70.0 %</i>	<i>70.0 %</i>
Research and development	8.0	8.7	9.5	10.3	11.5	12.8	14.3
Sales and marketing	6.4	7.4	8.0	9.7	10.4	11.6	13.0
Administration expenses	3.3	3.5	3.8	4.3	4.9	5.1	5.3
Other operating expenses	0.0	0.2	0.1	0.2	0.0	0.0	0.0
Other operating income	0.3	0.3	0.4	0.2	0.2	0.2	0.2
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>10.3</b>	<b>12.0</b>	<b>14.3</b>	<b>14.9</b>	<b>17.2</b>	<b>19.4</b>	<b>22.1</b>
<i>Margin</i>	<i>26.0 %</i>	<i>26.8 %</i>	<i>28.8 %</i>	<i>27.2 %</i>	<i>28.0 %</i>	<i>28.5 %</i>	<i>29.0 %</i>
Depreciation of fixed assets	0.4	0.6	0.6	0.6	0.8	0.9	1.0
<b>EBITA</b>	<b>9.9</b>	<b>11.5</b>	<b>13.7</b>	<b>14.2</b>	<b>16.4</b>	<b>18.5</b>	<b>21.2</b>
Amortisation of intangible assets	0.1	0.1	0.1	0.1	0.1	0.1	0.2
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>9.8</b>	<b>11.3</b>	<b>13.6</b>	<b>14.1</b>	<b>16.3</b>	<b>18.4</b>	<b>21.0</b>
<i>Margin</i>	<i>24.7 %</i>	<i>25.2 %</i>	<i>27.4 %</i>	<i>25.9 %</i>	<i>26.5 %</i>	<i>27.0 %</i>	<i>27.5 %</i>
<b>EBIT adj.</b>	<b>9.8</b>	<b>11.3</b>	<b>13.6</b>	<b>14.1</b>	<b>16.3</b>	<b>18.4</b>	<b>21.0</b>
Interest income	0.6	0.1	0.2	0.1	0.1	0.1	0.1
Interest expenses	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBT</b>	<b>10.3</b>	<b>11.3</b>	<b>13.7</b>	<b>14.1</b>	<b>16.2</b>	<b>18.4</b>	<b>21.0</b>
<i>Margin</i>	<i>25.9 %</i>	<i>25.2 %</i>	<i>27.6 %</i>	<i>25.7 %</i>	<i>26.4 %</i>	<i>26.9 %</i>	<i>27.5 %</i>
Total taxes	3.3	3.7	4.4	4.7	5.4	6.1	6.9
<b>Net income from continuing operations</b>	<b>7.0</b>	<b>7.6</b>	<b>9.3</b>	<b>9.3</b>	<b>10.9</b>	<b>12.3</b>	<b>14.0</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>7.0</b>	<b>7.6</b>	<b>9.3</b>	<b>9.3</b>	<b>10.9</b>	<b>12.3</b>	<b>14.0</b>
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>7.0</b>	<b>7.6</b>	<b>9.3</b>	<b>9.3</b>	<b>10.9</b>	<b>12.3</b>	<b>14.0</b>
<i>Margin</i>	<i>17.7 %</i>	<i>16.9 %</i>	<i>18.7 %</i>	<i>17.1 %</i>	<i>17.7 %</i>	<i>18.1 %</i>	<i>18.4 %</i>
Number of shares, average	4.0	4.0	4.0	4.0	4.0	4.0	4.0
<b>EPS</b>	<b>1.77</b>	<b>1.91</b>	<b>2.33</b>	<b>2.34</b>	<b>2.74</b>	<b>3.09</b>	<b>3.53</b>
EPS adj.	1.77	1.91	2.33	2.34	2.74	3.09	3.53

\*Adjustments made for:

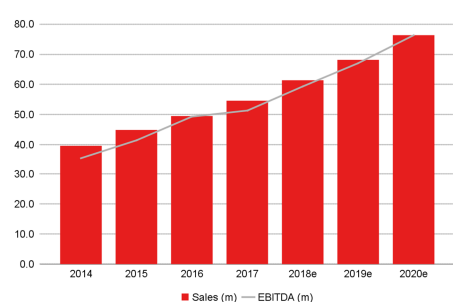
**Guidance: Revenue growth, EBIT margin 25 %**

## Financial Ratios

	2014	2015	2016	2017	2018e	2019e	2020e
Total Operating Costs / Sales	44.2 %	43.3 %	42.5 %	44.4 %	43.5 %	43.0 %	42.5 %
Operating Leverage	1.4 x	1.2 x	1.9 x	0.4 x	1.2 x	1.2 x	1.2 x
EBITDA / Interest expenses	105.8 x	100.6 x	122.0 x	122.0 x	171.8 x	194.1 x	221.2 x
Tax rate (EBT)	31.7 %	33.0 %	32.2 %	33.6 %	33.0 %	33.0 %	33.0 %
Dividend Payout Ratio	49.8 %	146.7 %	49.7 %	49.4 %	50.1 %	50.1 %	50.1 %
Sales per Employee	135,460	146,103	153,395	161,023	172,432	182,285	194,438

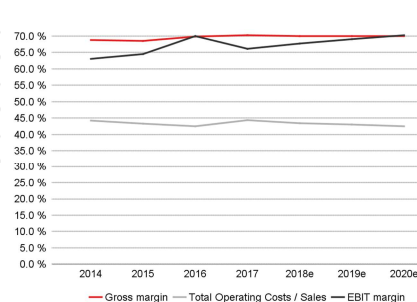
### Sales, EBITDA

in EUR m



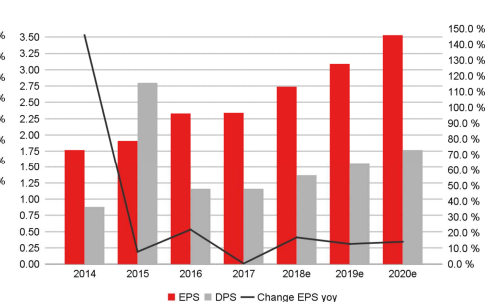
### Operating Performance

in %



### Performance per Share

in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

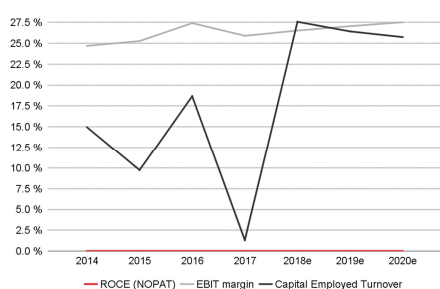
## Consolidated balance sheet

In EUR m	2014	2015	2016	2017	2018e	2019e	2020e
<b>Assets</b>							
Goodwill and other intangible assets	0.1	0.2	0.2	0.4	0.3	0.3	0.2
thereof other intangible assets	0.1	0.2	0.2	0.4	0.3	0.3	0.2
thereof Goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	2.7	2.7	3.0	3.7	3.9	4.1	4.1
Financial assets	0.5	0.4	0.5	0.5	0.5	0.5	0.5
Other long-term assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Fixed assets</b>	<b>3.3</b>	<b>3.3</b>	<b>3.8</b>	<b>4.6</b>	<b>4.8</b>	<b>4.9</b>	<b>4.9</b>
Inventories	0.0	0.0	0.0	0.0	0.1	0.1	0.1
Accounts receivable	3.8	4.5	4.5	5.1	7.4	8.2	9.2
Liquid assets	20.1	23.9	24.3	27.1	30.8	36.8	43.7
Other short-term assets	1.5	1.6	1.5	1.8	1.9	2.1	2.3
<b>Current assets</b>	<b>25.5</b>	<b>30.0</b>	<b>30.3</b>	<b>34.0</b>	<b>40.1</b>	<b>47.2</b>	<b>55.3</b>
<b>Total Assets</b>	<b>28.9</b>	<b>33.4</b>	<b>34.0</b>	<b>38.5</b>	<b>44.9</b>	<b>52.1</b>	<b>60.1</b>
<b>Liabilities and shareholders' equity</b>							
Subscribed capital	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Capital reserve	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7
Retained earnings	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other equity components	11.6	15.6	13.6	18.5	24.8	31.7	39.6
Shareholders' equity	14.9	18.9	16.9	21.8	28.1	35.1	42.9
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total equity</b>	<b>14.9</b>	<b>18.9</b>	<b>16.9</b>	<b>21.8</b>	<b>28.1</b>	<b>35.0</b>	<b>42.9</b>
Provisions	5.6	5.1	4.9	5.0	5.1	5.2	5.3
thereof provisions for pensions and similar obligations	4.2	4.3	4.9	4.8	4.8	4.8	4.8
Financial liabilities (total)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
thereof short-term financial liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	0.3	0.3	0.6	0.4	0.5	0.6	0.6
Other liabilities	8.0	9.0	11.5	11.3	11.3	11.3	11.3
<b>Liabilities</b>	<b>13.9</b>	<b>14.4</b>	<b>17.1</b>	<b>16.7</b>	<b>16.9</b>	<b>17.1</b>	<b>17.2</b>
<b>Total liabilities and shareholders' equity</b>	<b>28.9</b>	<b>33.4</b>	<b>34.0</b>	<b>38.5</b>	<b>44.9</b>	<b>52.1</b>	<b>60.1</b>

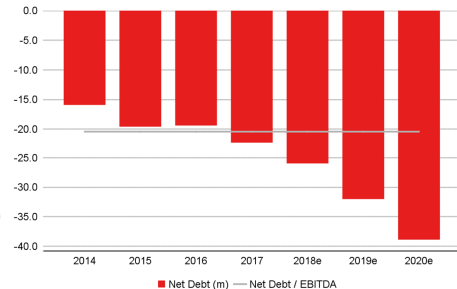
## Financial Ratios

	2014	2015	2016	2017	2018e	2019e	2020e
<b>Efficiency of Capital Employment</b>							
Operating Assets Turnover	6.3 x	6.6 x	7.2 x	6.6 x	5.6 x	5.8 x	5.9 x
Capital Employed Turnover	-40.4 x	-69.1 x	-20.1 x	-115.7 x	29.1 x	22.5 x	19.0 x
ROA	210.9 %	226.4 %	247.0 %	204.6 %	228.2 %	252.0 %	287.8 %
<b>Return on Capital</b>							
ROCE (NOPAT)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
ROE	52.6 %	44.8 %	51.8 %	48.1 %	43.6 %	39.0 %	36.0 %
Adj. ROE	52.6 %	44.8 %	51.8 %	48.1 %	43.6 %	39.0 %	36.0 %
<b>Balance sheet quality</b>							
Net Debt	-15.9	-19.6	-19.4	-22.3	-26.0	-32.0	-38.9
Net Financial Debt	-20.1	-23.9	-24.3	-27.1	-30.8	-36.8	-43.7
Net Gearing	-106.6 %	-103.4 %	-114.6 %	-102.2 %	-92.5 %	-91.4 %	-90.6 %
Net Fin. Debt / EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Book Value / Share	3.8	4.8	4.2	5.5	7.1	8.8	10.8
Book value per share ex intangibles	3.7	4.7	4.2	5.4	7.0	8.7	10.7

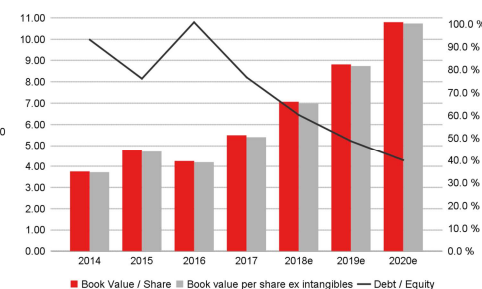
### ROCE Development



### Net debt in EUR m



### Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

## Consolidated cash flow statement

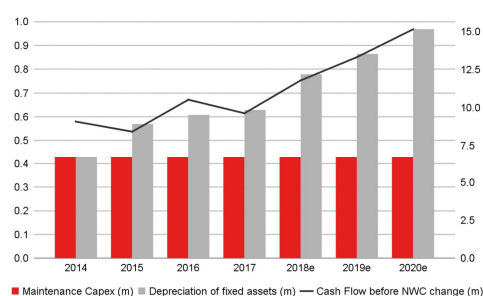
In EUR m	2014	2015	2016	2017	2018e	2019e	2020e
Net income	7.0	7.6	9.3	9.3	10.9	12.3	14.0
Depreciation of fixed assets	0.4	0.6	0.6	0.6	0.8	0.9	1.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.1	0.1	0.1	0.1	0.1	0.1	0.2
Increase/decrease in long-term provisions	1.5	0.1	0.5	-0.1	0.0	0.0	0.0
Other non-cash income and expenses	0.0	0.0	0.0	-0.4	0.0	0.0	0.0
<b>Cash Flow before NWC change</b>	<b>9.1</b>	<b>8.4</b>	<b>10.5</b>	<b>9.6</b>	<b>11.8</b>	<b>13.3</b>	<b>15.2</b>
Increase / decrease in inventory	0.0	0.0	0.0	0.0	-0.1	0.0	0.0
Increase / decrease in accounts receivable	-0.8	-0.6	0.0	-0.6	-2.3	-0.8	-1.0
Increase / decrease in accounts payable	0.0	0.0	0.3	-0.2	0.1	0.1	0.0
Increase / decrease in other working capital positions	0.0	0.2	1.4	0.0	0.0	0.0	0.0
Increase / decrease in working capital (total)	-0.8	-0.4	1.7	-0.8	-2.4	-0.7	-1.0
<b>Net cash provided by operating activities [1]</b>	<b>8.3</b>	<b>8.0</b>	<b>12.2</b>	<b>8.9</b>	<b>9.4</b>	<b>12.6</b>	<b>14.2</b>
Investments in intangible assets	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Investments in property, plant and equipment	-0.5	-0.7	-1.0	-1.0	-1.0	-1.0	-1.0
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	-1.1	-3.0	-2.5	0.0	0.0	0.0
<b>Net cash provided by investing activities [2]</b>	<b>-0.5</b>	<b>-1.9</b>	<b>-4.1</b>	<b>-3.6</b>	<b>-1.1</b>	<b>-1.1</b>	<b>-1.1</b>
Change in financial liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	-2.9	-3.5	-11.1	-4.6	-4.6	-5.4	-6.2
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net cash provided by financing activities [3]</b>	<b>-2.9</b>	<b>-3.5</b>	<b>-11.1</b>	<b>-4.6</b>	<b>-4.6</b>	<b>-5.4</b>	<b>-6.2</b>
<b>Change in liquid funds [1]+[2]+[3]</b>	<b>4.9</b>	<b>2.6</b>	<b>-3.0</b>	<b>0.7</b>	<b>3.7</b>	<b>6.0</b>	<b>6.9</b>
Effects of exchange-rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalent at end of period	19.4	22.7	20.9	24.9	30.8	36.8	43.7

## Financial Ratios

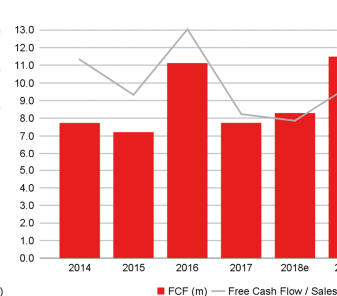
	2014	2015	2016	2017	2018e	2019e	2020e
<b>Cash Flow</b>							
FCF	7.7	7.2	11.1	7.7	8.3	11.5	13.0
Free Cash Flow / Sales	19.5 %	16.1 %	22.4 %	14.2 %	13.5 %	16.9 %	17.1 %
Free Cash Flow Potential	6.6	7.9	9.4	9.7	11.4	12.9	14.8
Free Cash Flow / Net Profit	110.1 %	95.1 %	119.8 %	83.1 %	76.3 %	93.4 %	92.9 %
Interest Received / Avg. Cash	3.5 %	0.4 %	0.9 %	0.2 %	0.2 %	0.2 %	0.1 %
Interest Paid / Avg. Debt	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Management of Funds</b>							
Investment ratio	1.3 %	1.7 %	2.3 %	2.0 %	1.8 %	1.6 %	1.5 %
Maint. Capex / Sales	1.1 %	1.0 %	0.9 %	0.8 %	0.7 %	0.6 %	0.6 %
Capex / Dep	101.5 %	113.3 %	157.8 %	148.3 %	123.9 %	111.6 %	99.6 %
Avg. Working Capital / Sales	7.9 %	8.6 %	8.1 %	7.8 %	9.5 %	10.8 %	10.7 %
Trade Debtors / Trade Creditors	1199.2 %	1487.0 %	720.6 %	1138.3 %	1480.0 %	1366.7 %	1533.3 %
Inventory Turnover	1802.9 x	1707.9 x	1803.3 x	4056.0 x	184.2 x	204.5 x	229.0 x
Receivables collection period (days)	35	36	33	34	44	44	44
Payables payment period (days)	9	8	15	10	10	11	10
Cash conversion cycle (Days)	-9	-8	-15	-10	-8	-9	-8

## CAPEX and Cash Flow

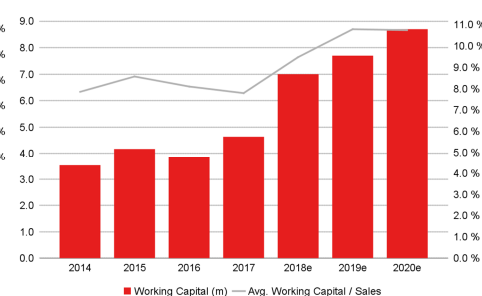
in EUR m



## Free Cash Flow Generation



## Working Capital



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

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Investment recommendation: expected direction of the share price development of the financial instrument up to the given price target in the opinion of the analyst who covers this financial instrument.

-B-	<b>Buy:</b>	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	<b>Hold:</b>	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-S-	<b>Sell:</b>	The price of the analysed financial instrument is expected to fall over the next 12 months.
“-“	<b>Rating suspended:</b>	The available information currently does not permit an evaluation of the company.

## WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING

Rating	Number of stocks	% of Universe
Buy	112	55
Hold	88	43
Sell	4	2
Rating suspended	0	0
<b>Total</b>	<b>204</b>	<b>100</b>

## WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING ...

... taking into account only those companies which were provided with major investment services in the last twelve months.

Rating	Number of stocks	% of Universe
Buy	33	72
Hold	13	28
Sell	0	0
Rating suspended	0	0
<b>Total</b>	<b>46</b>	<b>100</b>

## PRICE AND RATING HISTORY ATOSS AS OF 25.07.2018



Markings in the chart show rating changes by Warburg Research GmbH in the last 12 months. Every marking details the date and closing price on the day of the rating change.

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## Our research can be found under:

Warburg Research research.mmwarburg.com/en/index.html  
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