ATOSS Software AG

Germany - Software

HAUCK & AUFHÄUSER
Investment Banking

Buy (old: Buy)

Price target: EUR 204.00 (old: EUR 204.00)

Price:	EUR 167.40	**Next result:**	H1'21 (final) 13.08.21
Bloomberg:	AOF GR	**Market cap:**	EUR 1,331.4 m
Reuters:	AOFG.DE	**Enterprise Value:**	EUR 1,321.4 m

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Simon Bentlage
Analyst

Simon.Bentlage@ha-ib.de
Tel.: +49 40 4506 342 3096

Recent share price weakness provides entry opportunity

ATOSS shares took a breather following the release of Q2 results last week. In fact, shares declined by some 11% compared to pre-announcement levels. In our view, investors are disappointed about the somewhat slower revenue growth in Q2. In fact, the company reported a 9% growth rate yoy, which compares to 15-20% in recent years and quarters. However, revenue growth alone does not capture the full picture as ATOSS is rapidly shifting to the cloud. A closer look reveals that the **underlying performance is strong and the company even implicitly raised its guidance.**

Customers are increasingly opting for cloud solutions, meaning ATOSS receives payments spread over 48 months vs. one-time lump sum payments. In fact, more than 70% of new orders were cloud orders in Q2. This compares to 42% in FY'20 and puts an **artificial drag on reported topline growth**. In Q2, the shift led to a decline of license sales by 21% yoy. At the same time, management kept the revenue guidance for FY'21 unchanged at € 95m despite the strong shift to the cloud **implying a stronger underlying sales performance**.

The underlying sales performance is measured by 'normalized order intake', which is calculated as the 'on Premise value' of all newly contracted cloud subscriptions plus the value of regular on Premise license orders *(see example on next page)* hence neglecting the effect of the switch to the cloud. In its Q2 presentation (page 18) **the company states that it plans to achieve a normalized order intake of € 34m in FY'21, which compares to an initial plan of € 29m, i.e. an increase of the plan by € 6m or 17%**. ATOSS should have achieved roughly € 16.5m normalized order intake already in H1 (eH&A), which is why the new target seems conservative. Especially when considering that software business is typically somewhat backend loaded, i.e. 45% of orders in H1 and 55% in H2.

Against this backdrop, we recommend to **BUY** the dip as **top-line growth should reach a low point this year and looks set to accelerate substantially in the years to come** once cloud contracts start to contribute stronger. Additionally, we expect the company to intensify its partnership with SAP in the course of the year to accelerate its international roll out. In fact, sales hubs in Belgium and Sweden should be up and running by the end of the year. Benelux and the Nordics are seen to have an addressable market size of € 275m (eH&A) offering ample growth potential for ATOSS. Our **PT is unchanged at € 204** based on DCF.

Y/E 31.12 (EUR m)	2017	2018	2019	2020	2021E	2022E	2023E
Sales	54.6	62.6	71.4	86.1	96.0	109.0	133.0
Sales growth	10 %	15 %	14 %	21 %	12 %	14 %	22 %
EBITDA	14.3	17.1	22.5	29.8	29.8	32.2	41.0
EBIT	14.1	16.9	19.3	26.2	25.9	28.0	36.2
Net income	9.4	11.2	13.5	17.7	17.7	19.1	24.5
Net debt	-15.4	-21.7	-6.1	-13.2	-16.8	-21.4	-29.2
Net gearing	-70.6 %	-76.1 %	-24.7 %	-40.7 %	-45.6 %	-50.1 %	-55.4 %
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS pro forma	1.18	1.41	1.70	2.23	2.23	2.40	3.08
CPS	1.02	1.45	1.52	2.47	2.12	2.25	2.79
DPS	0.59	2.00	1.28	1.67	1.67	1.80	2.31
Dividend yield	0.3 %	1.2 %	0.8 %	1.0 %	1.0 %	1.1 %	1.4 %
Gross profit margin	70.3 %	70.5 %	70.3 %	72.4 %	72.2 %	72.0 %	73.0 %
EBITDA margin	26.1 %	27.3 %	31.5 %	34.6 %	31.1 %	29.5 %	30.8 %
EBIT margin	25.9 %	27.0 %	27.0 %	30.4 %	27.0 %	25.7 %	27.2 %
ROCE	57.5 %	54.5 %	49.1 %	55.3 %	48.5 %	47.9 %	54.4 %
EV/sales	24.2	21.0	18.7	15.4	13.8	12.1	9.8
EV/EBITDA	92.6	76.8	59.2	44.5	44.3	40.9	32.0
EV/EBIT	93.4	77.7	69.0	50.6	51.0	47.0	36.2
PER	142.2	118.8	98.3	75.2	75.2	69.7	54.3
Adjusted FCF yield	0.7 %	0.8 %	1.0 %	1.3 %	1.3 %	1.4 %	1.8 %

Source: Company data, Hauck & Aufhäuser Close price as of: 03.08.2021

Source: Company data, Hauck & Aufhäuser

High/low 52 weeks:	197.00 / 106.50
Price/Book Ratio:	36.2
Relative performance (-):	
3 months	-
6 months	-
12 months	-

Changes in estimates

		Sales	EBIT	EPS
2021	*old:*	96.0	25.9	2.23
	Δ	-	-	-
2022	*old:*	109.0	28.0	2.40
	Δ	-	-	-
2023	*old:*	133.0	36.2	3.08
	Δ	-	-	-

Key share data:

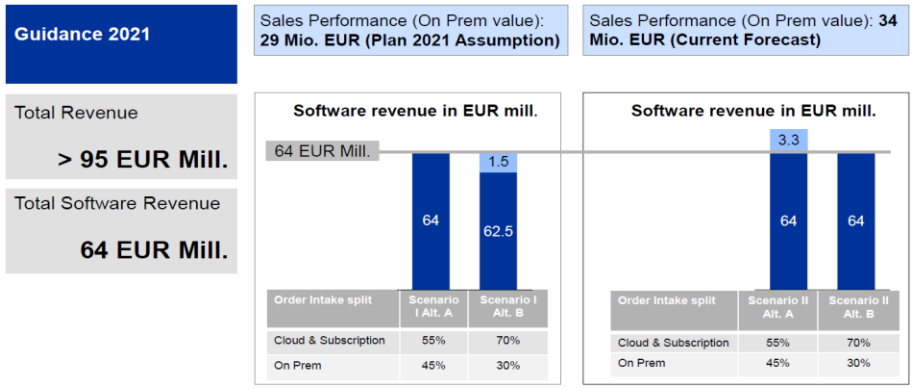
Number of shares: (in m pcs)	8.0
Authorised capital: (in € m)	-
Book value per share: (in €)	4.6
Ø trading volume: (12 months)	5,300

Major shareholders:

Andreas Obereder	50.0 %
Free Float	50.0 %
MainFirst AM	5.1 %
Rentrop Investment Office	2.8 %

Company description:
ATOSS is a provider of software for workforce management supporting companies with time and attendance solutions as well as forecasting and scheduling of their workforce.

Guidance and planned underlying sales performance



Source: Company data (Q2'21 presentation - page 18)

Cloud vs. License			
Cloud		**License**	
Annual license fee	25	Up front license fee	100
Annual maintenance fee	20	Annual maintenance fee	20
Annual infrastructure fee	5		
Total Annual	50	Total Annual	20
Total up front	0	Total up front	100

Source: H&A

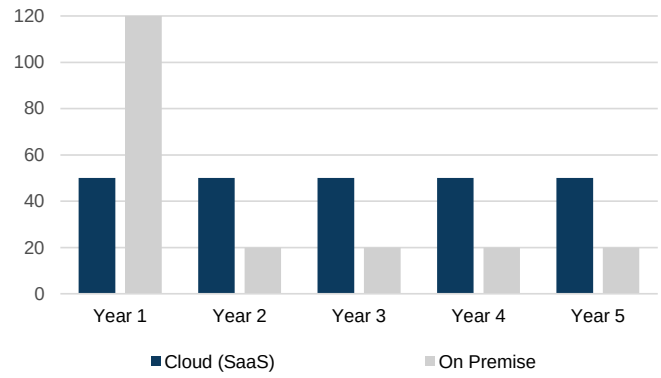
The table above compares the typical payment scheme of a cloud contract with an on premise license contract. In a license contract the customer pays an upfront fee and gets to use the software into perpetuity. On top, there is an annual fee for maintenance, which usually makes for around 20% of the license fee.

In a cloud (SaaS) model, the customer does not have to pay an upfront fee but rather annual installments, which however have to be paid over the contract period and beyond in case the customer does not terminate the contract. On top, the cloud contract includes an infrastructure component for the provision of server capacity.

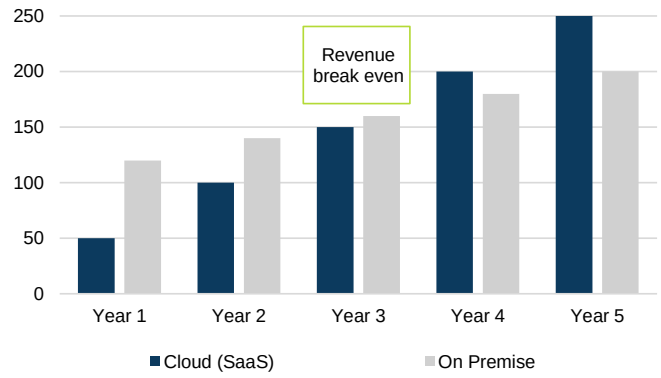
Atoss measures its sales performance with normalized order intake, which is calculated as the 'on Premise license value' of all newly contracted cloud subscriptions plus the value of regular on Premise license orders. In the example above, the sales performance of the two contracts should be equal, i.e. 100 as the license fee is spread over 48 months on the cloud contract but has the same volume of 100 in total.

The table below shows that after ca. 3 years the cumulated revenue from a cloud contract exceeds the license revenue, whereas it is a drag on revenue in the first year.

Cloud vs. On Premise



Cloud vs. On Premise (cumulated)



Source: H&A

Financials

Profit and loss (EUR m)	2017	2018	2019	2020	2021E	2022E	2023E
Sales	**54.6**	**62.6**	**71.4**	**86.1**	**96.0**	**109.0**	**133.0**
Sales growth	*10.2 %*	*14.7 %*	*14.0 %*	*20.5 %*	*11.6 %*	*13.5 %*	*22.0 %*
Cost of sales	16.2	18.4	21.2	23.8	26.7	30.5	35.9
Gross profit	**38.4**	**44.2**	**50.2**	**62.3**	**69.3**	**78.5**	**97.1**
Sales and marketing	9.7	10.9	12.9	13.9	17.5	19.6	23.7
General and administration	4.3	5.2	5.8	7.6	7.7	10.1	12.9
Research and development	10.3	11.2	11.9	14.4	18.2	20.7	24.6
Other operating income	0.2	0.3	0.3	0.2	0.3	0.3	0.5
Other operating expenses	0.2	0.2	0.5	0.4	0.3	0.3	0.3
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	**14.3**	**17.1**	**22.5**	**29.8**	**29.8**	**32.2**	**41.0**
Depreciation	0.0	0.0	3.0	3.3	3.6	3.9	4.5
EBITA	**14.3**	**17.1**	**19.5**	**26.4**	**26.2**	**28.3**	**36.4**
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.1	0.2	0.2	0.3	0.3	0.3	0.3
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT (inc revaluation net)	**14.1**	**16.9**	**19.3**	**26.2**	**25.9**	**28.0**	**36.2**
Interest income	0.1	0.1	0.8	0.4	0.8	0.8	0.8
Interest expenses	0.1	0.2	0.2	0.4	0.1	0.1	0.1
Other financial result	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-0.1	-0.1	0.6	0.0	0.7	0.7	0.7
Recurring pretax income from continuing operations	**14.1**	**16.8**	**19.9**	**26.2**	**26.6**	**28.7**	**36.9**
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	**14.1**	**16.8**	**19.9**	**26.2**	**26.6**	**28.7**	**36.9**
Taxes	4.7	5.6	6.4	8.5	8.9	9.6	12.4
Net income from continuing operations	**9.3**	**11.2**	**13.5**	**17.7**	**17.7**	**19.1**	**24.5**
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	**9.3**	**11.2**	**13.5**	**17.7**	**17.7**	**19.1**	**24.5**
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	**9.4**	**11.2**	**13.5**	**17.7**	**17.7**	**19.1**	**24.5**
Average number of shares	8.0	8.0	8.0	8.0	8.0	8.0	8.0
EPS reported	**1.18**	**1.41**	**1.70**	**2.23**	**2.23**	**2.40**	**3.08**

Profit and loss (common size)	2017	2018	2019	2020	2021E	2022E	2023E
Sales	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**
Cost of sales	29.7 %	29.5 %	29.7 %	27.6 %	27.8 %	28.0 %	27.0 %
Gross profit	**70.3 %**	**70.5 %**	**70.3 %**	**72.4 %**	**72.2 %**	**72.0 %**	**73.0 %**
Sales and marketing	17.8 %	17.5 %	18.1 %	16.1 %	18.2 %	18.0 %	17.8 %
General and administration	7.8 %	8.3 %	8.2 %	8.8 %	8.0 %	9.3 %	9.7 %
Research and development	18.8 %	17.9 %	16.7 %	16.8 %	19.0 %	19.0 %	18.5 %
Other operating income	0.3 %	0.5 %	0.4 %	0.3 %	0.3 %	0.3 %	0.4 %
Other operating expenses	0.3 %	0.3 %	0.6 %	0.5 %	0.3 %	0.3 %	0.2 %
Unusual or infrequent items	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBITDA	**26.1 %**	**27.3 %**	**31.5 %**	**34.6 %**	**31.1 %**	**29.5 %**	**30.8 %**
Depreciation	0.0 %	0.0 %	4.2 %	3.9 %	3.8 %	3.6 %	3.4 %
EBITA	**26.1 %**	**27.3 %**	**27.4 %**	**30.7 %**	**27.3 %**	**25.9 %**	**27.4 %**
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	0.2 %	0.3 %	0.3 %	0.3 %	0.3 %	0.2 %	0.2 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT (inc revaluation net)	**25.9 %**	**27.0 %**	**27.0 %**	**30.4 %**	**27.0 %**	**25.7 %**	**27.2 %**
Interest income	0.1 %	0.2 %	1.2 %	0.5 %	0.8 %	0.7 %	0.6 %
Interest expenses	0.2 %	0.4 %	0.3 %	0.5 %	0.1 %	0.1 %	0.1 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	neg.	neg.	0.9 %	0.0 %	0.7 %	0.6 %	0.5 %
Recurring pretax income from continuing operations	**25.8 %**	**26.8 %**	**27.9 %**	**30.4 %**	**27.7 %**	**26.3 %**	**27.7 %**
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	**25.8 %**	**26.8 %**	**27.9 %**	**30.4 %**	**27.7 %**	**26.3 %**	**27.7 %**
Tax rate	33.6 %	33.3 %	32.1 %	32.4 %	33.5 %	33.5 %	33.5 %
Net income from continuing operations	**17.1 %**	**17.9 %**	**18.9 %**	**20.6 %**	**18.4 %**	**17.5 %**	**18.4 %**
Result from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	**17.1 %**	**17.9 %**	**18.9 %**	**20.6 %**	**18.4 %**	**17.5 %**	**18.4 %**
Minority interest	neg.	neg.	neg.	0.0 %	0.0 %	0.0 %	0.0 %
Net profit (reported)	**17.1 %**	**17.9 %**	**19.0 %**	**20.6 %**	**18.4 %**	**17.5 %**	**18.4 %**

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2017	2018	2019	2020	2021E	2022E	2023E
Intangible assets	**0.4**	**0.4**	**0.4**	**0.3**	**0.3**	**0.3**	**0.3**
Property, plant and equipment	3.7	4.3	15.0	13.5	13.5	13.5	13.5
Financial assets	0.5	0.5	1.3	1.3	1.3	1.3	1.3
FIXED ASSETS	**4.6**	**5.2**	**16.6**	**15.1**	**15.1**	**15.1**	**15.1**
Inventories	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	5.1	6.3	7.7	8.9	9.9	11.2	13.7
Other current assets	11.7	11.6	12.2	16.4	16.4	16.4	16.4
Liquid assets	15.4	21.7	17.5	23.4	27.0	31.6	39.5
Deferred taxes	0.8	0.9	1.7	1.6	1.6	1.6	1.6
Deferred charges and prepaid expenses	0.9	1.5	2.3	2.6	2.6	2.6	2.6
CURRENT ASSETS	34.0	42.0	41.5	52.9	57.5	63.4	73.7
TOTAL ASSETS	**38.5**	**47.2**	**58.1**	**68.0**	**72.6**	**78.5**	**88.8**
SHAREHOLDERS EQUITY	21.8	28.5	24.8	32.4	36.8	42.6	52.8
MINORITY INTEREST	0.0	0.0	-0.1	-0.1	-0.1	-0.1	-0.1
Long-term debt	0.0	0.0	11.4	10.2	10.2	10.2	10.2
Provisions for pensions and similar obligations	4.8	4.8	6.6	6.8	6.8	6.8	6.8
Other provisions	0.3	2.0	0.6	1.8	1.8	1.8	1.8
Non-current liabilities	**5.1**	**6.8**	**18.7**	**18.9**	**18.9**	**18.9**	**18.9**
short-term liabilities to banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	0.4	0.5	0.9	0.5	0.7	0.8	1.0
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	6.9	8.9	8.9	12.4	12.4	12.4	12.4
Deferred taxes	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Deferred income	4.2	2.4	4.7	3.7	3.7	3.7	3.7
Current liabilities	**11.6**	**11.9**	**14.6**	**16.8**	**17.0**	**17.1**	**17.2**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**38.5**	**47.2**	**58.1**	**68.0**	**72.6**	**78.5**	**88.8**

Balance sheet (common size)	2017	2018	2019	2020	2021E	2022E	2023E
Intangible assets	**0.9 %**	**0.8 %**	**0.6 %**	**0.4 %**	**0.4 %**	**0.4 %**	**0.3 %**
Property, plant and equipment	9.6 %	9.1 %	25.8 %	19.8 %	18.6 %	17.2 %	15.2 %
Financial assets	1.3 %	1.1 %	2.2 %	2.0 %	1.8 %	1.7 %	1.5 %
FIXED ASSETS	**11.8 %**	**11.0 %**	**28.6 %**	**22.2 %**	**20.8 %**	**19.2 %**	**17.0 %**
Inventories	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Accounts receivable	13.2 %	13.3 %	13.3 %	13.0 %	13.6 %	14.3 %	15.4 %
Other current assets	30.3 %	24.6 %	21.0 %	24.1 %	22.6 %	20.9 %	18.4 %
Liquid assets	40.0 %	46.0 %	30.2 %	34.4 %	37.2 %	40.2 %	44.4 %
Deferred taxes	2.2 %	2.0 %	3.0 %	2.3 %	2.2 %	2.0 %	1.8 %
Deferred charges and prepaid expenses	2.5 %	3.2 %	4.0 %	3.9 %	3.6 %	3.3 %	3.0 %
CURRENT ASSETS	88.2 %	89.0 %	71.4 %	77.8 %	79.2 %	80.8 %	83.0 %
TOTAL ASSETS	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**
SHAREHOLDERS EQUITY	56.7 %	60.4 %	42.8 %	47.7 %	50.7 %	54.3 %	59.5 %
MINORITY INTEREST	neg.	neg.	neg.	neg.	neg.	neg.	neg.
Long-term debt	0.0 %	0.0 %	19.6 %	15.0 %	14.1 %	13.0 %	11.5 %
Provisions for pensions and similar obligations	12.5 %	10.1 %	11.4 %	10.1 %	9.4 %	8.7 %	7.7 %
Other provisions	0.7 %	4.2 %	1.1 %	2.7 %	2.5 %	2.3 %	2.0 %
Non-current liabilities	**13.2 %**	**14.4 %**	**32.1 %**	**27.8 %**	**26.0 %**	**24.0 %**	**21.2 %**
short-term liabilities to banks	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Accounts payable	1.2 %	1.1 %	1.6 %	0.8 %	1.0 %	1.1 %	1.1 %
Advance payments received on orders	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other liabilities (incl. from lease and rental contracts)	18.0 %	18.9 %	15.4 %	18.3 %	17.1 %	15.8 %	14.0 %
Deferred taxes	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %
Deferred income	10.9 %	5.2 %	8.1 %	5.5 %	5.1 %	4.7 %	4.2 %
Current liabilities	**30.2 %**	**25.3 %**	**25.2 %**	**24.7 %**	**23.4 %**	**21.7 %**	**19.4 %**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**

Source: Company data, Hauck & Aufhäuser

Cash flow statement (EUR m)	2017	2018	2019	2020	2021E	2022E	2023E
Net profit/loss	9.3	11.2	13.5	17.7	17.7	19.1	24.5
Depreciation of fixed assets (incl. leases)	0.6	0.9	3.0	3.3	3.6	3.9	4.5
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.1	0.2	0.2	0.3	0.3	0.3	0.3
Others	-0.4	1.9	-3.0	1.4	0.0	0.0	0.0
Cash flow from operations before changes in w/c	9.7	14.1	13.7	22.7	21.6	23.3	29.3
Increase/decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	-0.6	-1.2	-1.5	-1.1	-1.0	-1.3	-2.5
Increase/decrease in accounts payable	-0.2	0.1	0.4	-0.4	0.2	0.1	0.1
Increase/decrease in other working capital positions	0.0	-0.4	2.6	2.1	0.0	0.0	0.0
Increase/decrease in working capital	-0.8	-1.5	1.5	0.5	-0.8	-1.2	-2.3
Cash flow from operating activities	**8.9**	**12.6**	**15.3**	**23.2**	**20.8**	**22.1**	**27.0**
CAPEX	1.5	1.7	0.9	0.7	1.4	1.6	1.9
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	2.1	0.0	0.0	3.9	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from investing activities	**-3.6**	**-1.7**	**-0.9**	**-4.6**	**-1.4**	**-1.6**	**-1.9**
Cash flow before financing	5.3	10.9	14.4	18.6	19.4	20.5	25.1
Increase/decrease in debt position	0.0	0.0	0.0	-1.2	0.0	0.0	0.0
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
Dividends paid	4.6	4.7	15.9	10.1	13.3	13.3	14.3
Others	0.0	0.0	-2.2	-1.4	-2.5	-2.6	-2.9
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from financing activities	**-4.6**	**-4.7**	**-18.1**	**-12.7**	**-15.8**	**-15.9**	**-17.2**
Increase/decrease in liquid assets	0.7	6.2	-3.8	5.9	3.6	4.6	7.9
Liquid assets at end of period	**15.4**	**21.7**	**17.5**	**23.4**	**27.0**	**31.6**	**39.5**

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2017	2018	2019	2020	2021E	2022E	2023E
Domestic	45.8	53.1	61.3	74.0	81.6	90.5	106.4
yoy change	11.6 %	15.9 %	15.5 %	20.8 %	10.3 %	10.9 %	17.6 %
Rest of Europe	8.8	9.6	10.1	12.1	14.4	18.5	26.6
yoy change	3.4 %	8.0 %	5.8 %	19.2 %	19.5 %	28.7 %	43.6 %
NAFTA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Asia Pacific	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rest of world	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TTL	**54.6**	**62.6**	**71.4**	**86.1**	**96.0**	**109.0**	**133.0**
yoy change	10.2 %	14.7 %	14.0 %	20.5 %	11.6 %	13.5 %	22.0 %

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2017	2018	2019	2020	2021E	2022E	2023E
P&L growth analysis							
Sales growth	10.2 %	14.7 %	14.0 %	20.5 %	11.6 %	13.5 %	22.0 %
EBITDA growth	-0.1 %	20.0 %	31.5 %	32.2 %	0.3 %	7.9 %	27.2 %
EBIT growth	4.2 %	19.6 %	14.1 %	35.6 %	-0.9 %	8.1 %	29.1 %
EPS growth	0.7 %	19.8 %	20.8 %	31.0 %	-0.1 %	7.9 %	28.4 %
Efficiency							
Total operating costs / sales	44.4 %	43.5 %	43.2 %	42.0 %	45.2 %	46.3 %	45.8 %
Sales per employee	137.5	141.0	144.8	160.2	164.7	169.9	181.2
EBITDA per employee	35.9	38.5	45.7	55.4	51.2	50.2	55.8
Balance sheet analysis							
Avg. working capital / sales	7.8 %	8.3 %	8.8 %	8.8 %	9.1 %	9.0 %	8.7 %
Inventory turnover (sales/inventory)	15,126.5	14,025.7	18,452.2	28,428.6	28,428.6	28,428.6	28,428.6
Trade debtors in days of sales	33.9	36.5	39.4	37.6	37.6	37.6	37.6
A/P turnover [(A/P*365)/sales]	10.1	10.1	15.8	8.3	10.0	10.0	10.0
Cash conversion cycle (days)	24.0	26.5	23.7	29.4	27.6	27.6	27.6
Cash flow analysis							
Free cash flow	7.4	10.9	12.3	20.0	16.9	17.9	22.2
Free cash flow/sales	13.5 %	17.4 %	17.2 %	23.2 %	17.6 %	16.4 %	16.7 %
FCF / net profit	78.8 %	97.2 %	90.6 %	112.9 %	95.3 %	93.5 %	90.5 %
Capex / depn	476.3 %	159.4 %	28.2 %	127.4 %	36.2 %	37.6 %	38.9 %
Capex / maintenance capex	172.1 %	143.2 %	21.1 %	15.4 %	93.2 %	93.6 %	94.4 %
Capex / sales	6.6 %	2.7 %	1.3 %	5.3 %	1.5 %	1.4 %	1.4 %
Security							
Net debt	-15.4	-21.7	-6.1	-13.2	-16.8	-21.4	-29.2
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net debt / equity	neg.	neg.	neg.	neg.	neg.	neg.	neg.
Interest cover	115.9	67.8	85.9	66.6	259.2	280.1	361.8
Dividend payout ratio	49.7 %	141.9 %	74.9 %	75.0 %	75.0 %	75.0 %	75.0 %
Asset utilisation							
Capital employed turnover	2.0	1.8	1.6	1.7	1.7	1.8	1.9
Operating assets turnover	6.6	6.2	3.3	3.9	4.2	4.6	5.1
Plant turnover	14.8	14.6	4.8	6.4	7.1	8.1	9.9
Inventory turnover (sales/inventory)	15,126.5	14,025.7	18,452.2	28,428.6	28,428.6	28,428.6	28,428.6
Returns							
ROCE	57.5 %	54.5 %	49.1 %	55.3 %	48.5 %	47.9 %	54.4 %
ROE	42.9 %	39.3 %	54.5 %	54.7 %	48.1 %	44.8 %	46.4 %
Other							
Interest paid / avg. debt	n/a	n/a	2.0 %	3.6 %	1.0 %	1.0 %	1.0 %
No. employees (average)	397	444	493	537	583	641	734
Number of shares	8.0	8.0	8.0	8.0	8.0	8.0	8.0
DPS	0.6	2.0	1.3	1.7	1.7	1.8	2.3
EPS reported	1.18	1.41	1.70	2.23	2.23	2.40	3.08
Valuation ratios							
P/BV	61.0	46.7	53.6	41.1	36.2	31.2	25.2
EV/sales	24.2	21.0	18.7	15.4	13.8	12.1	9.8
EV/EBITDA	92.6	76.8	59.2	44.5	44.3	40.9	32.0
EV/EBITA	92.6	76.8	68.2	50.1	50.5	46.6	35.9
EV/EBIT	93.4	77.7	69.0	50.6	51.0	47.0	36.2
EV/FCF	179.1	120.7	108.5	66.3	78.3	73.7	59.0
Adjusted FCF yield	0.7 %	0.8 %	1.0 %	1.3 %	1.3 %	1.4 %	1.8 %
Dividend yield	0.3 %	1.2 %	0.8 %	1.0 %	1.0 %	1.1 %	1.4 %

Source: Company data, Hauck & Aufhäuser

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Company	Disclosure
ATOSS Software AG	2, 6, 8

Historical target price and rating changes for ATOSS Software AG in the last 12 months

Initiation coverage
22-April-21

Company	Date	Analyst	Rating	Target price	Close
ATOSS Software AG	27.07.2021	Bentlage, Simon	Buy	EUR 204.00	EUR 166.60
	21.06.2021	Bentlage, Simon	Buy	EUR 204.00	EUR 178.40
	13.05.2021	Bentlage, Simon	Buy	EUR 187.00	EUR 157.00
	27.04.2021	Bentlage, Simon	Hold	EUR 187.00	EUR 174.80
	22.04.2021	Bentlage, Simon	Hold	EUR 187.00	EUR 169.60

	22.04.2021	Bentlage, Simon	Hold	EUR 187.00	EUR 169.60

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Contacts: Hauck & Aufhäuser Privatbankiers AG

Hauck & Aufhäuser Research

Hauck & Aufhäuser
Privatbankiers AG
Mittelweg 16/17
20148 Hamburg
Germany

Tel.: +49 (0) 40 414 3885 91
Fax: +49 (0) 40 414 3885 71
Email: research@ha-ib.de
www.ha-research.de

Tim Wunderlich, CFA
Head of Transactional Research
Tel.: +49 40 414 3885 81
E-Mail: tim.wunderlich@ha-ib.de

Henning Breiter
Head of Research
Tel.: +49 40 414 3885 73
E-Mail: henning.breiter@ha-ib.de

Marie-Thérèse Grübner
Head of Capital Advisory
Tel.: +49 40 450 6342 3097
E-Mail: marie-therese.gruebner@ha-ib.de

Christian Sandherr
Head of Equity Advisory
Tel.: +49 40 414 3885 79
E-Mail: christian.sandherr@ha-ib.de

Aliaksandr Halitsa
Analyst
Tel.: +49 40 414 3885 83
E-Mail: aliaksandr.halitsa@ha-ib.de

Alina Köhler
Analyst
Tel.: +49 40 450 6342 3095
E-Mail: alina.koehler@ha-ib.de

Christian Glowa
Analyst
Tel.: +49 40 414 3885 95
E-Mail: christian.glowa@ha-ib.de

Christian Salis
Analyst
Tel.: +49 40 414 3885 96
E-Mail: christian.salis@ha-ib.de

Frederik Jarchow
Analyst
Tel.: +49 40 414 3885 76
E-Mail: frederik.jarchow@ha-ib.de

Jorge González Sadornil
Senior Analyst
Tel.: +49 40 414 3885 84
E-Mail: jorge.gonzalez@ha-ib.de

Simon Bentlage
Analyst
Tel.: +49 40 450 6342 3096
E-Mail: simon.bentlage@ha-ib.de

Hauck & Aufhäuser Sales

Alexander Lachmann
Equity Sales
Tel.: +41 43 497 30 23
E-Mail: alexander.lachmann@ha-ib.de

Carlos Becke
Equity Sales
Tel.: +44 203 84 107 97
E-Mail: carlos.becke@ha-ib.de

Christian Schwenkenbecher
Equity Sales
Tel.: +44 203 84 107 96
E-Mail: christian.schwenkenbecher@ha-ib.de

Christian Bybjerg
Equity Sales
Tel.: +49 414 3885 74
E-Mail: christian.bybjerg@ha-ib.de

Hugues Madelin
Equity Sales
Tel.: +33 1 78 41 40 62
E-Mail: hugues.madelin@ha-ib.de

Imogen Voorspuy
Equity Sales
Tel: +44 203 84 107 98
E-Mail: imogen.voorspuy@ha-ib.de

Markus Scharhag
Equity Sales
Tel.: +49 89 23 93 2813
E-Mail: markus.scharhag@ha-ib.de

Rune Dinesen
Equity Sales
Tel.: +49 40 414 38 85 72
E-Mail: rune.dinesen@ha-ib.de

Vincent Bischoff
Equity Sales
Tel.: +49 40 414 38 85 88
E-Mail: vincent.bischoff@ha-ib.de

Hauck & Aufhäuser Sales Trading

Hauck & Aufhäuser
Privatbankiers AG
Mittelweg 16/17
20148 Hamburg
Germany

Tel.: +49 40 414 3885 78
Fax: +49 40 414 3885 71
Email: info@hauck-aufhaeuser.com
www.hauck-aufhaeuser.com

Christian von Schuler
Trading
Tel.: +49 40 414 38 85 77
E.Mail: christian.schuler@hauck-aufhaeuser.com

Fin Schaffer
Trading
Tel.: +49 40 414 38 85 98
E.Mail: fin.schaffer@hauck-aufhaeuser.com

Nils Carstens
Trading
Tel.: +49 40 414 38 85 85
E.Mail: Nils.Carstens@ha-ib.de

Kathleen Jonas
Middle-Office
Tel.: +49 40 414 3885 97
E.Mail: kathleen.jonas@hauck-aufhaeuser.com

Carolin Heidrich
Middle-Office
Tel.: +49 176 10 59 41 52
E-Mail: carolin.heidrich@hauck-aufhaeuser.com