

|   |  |   |   |
|---|--|---|---|
| <b>Buy</b><br><br><b>EUR 219.00</b> (EUR 215.00)<br><br>Price <b>EUR 184.20</b><br><b>Upside 18.9 %</b> | <b>Value Indicators:</b> EUR<br>DCF: 219.06  | <b>Warburg ESG Risk Score: 3.0</b><br><b>ESG Score (MSCI based): 3.0</b><br>Balance Sheet Score: 5.0<br>Market Liquidity Score: 1.0 | <b>Description:</b><br>ATOSS supplies software and services for the optimisation of workforce management. |
|   | <b>Market Snapshot:</b> EUR m<br>Market cap: 1,464.9<br>No. of shares (m): 8.0<br>EV: 1,427.0<br>Freefloat MC: 647.5<br>Ø Trad. Vol. (30d): 1.40 m | <b>Shareholders:</b><br>Freefloat 44.2 %<br>Andreas Obereder 50.0 %<br>Mainfirst 5.8 %  | <b>Key Figures (WRe):</b> 2021e<br>Beta: 1.0<br>Price / Book: 41.2 x<br>Equity Ratio: 50 %                |

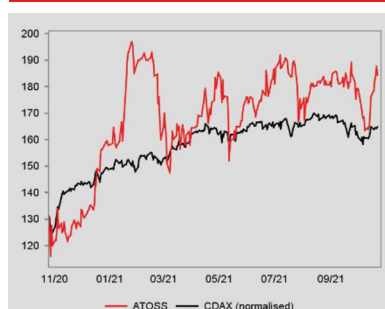
## Cloud makes up more than 70% of new business

|                                |              |               |              |            |              |              |            |  |  |
|--------------------------------|--------------|---------------|--------------|------------|--------------|--------------|------------|--|--|
| <b>Stated Figures Q3/2021:</b> |              |               |              |            |              |              |            | <b>Comment on Figures:</b>   |  |
| Figures in EUR m               | <b>Q3/21</b> | <b>Q3/21e</b> | <b>Q3/20</b> | <b>yoy</b> | <b>9M/21</b> | <b>9M/20</b> | <b>yoy</b> | <ul style="list-style-type: none"> <li>The figures for the third quarter and the first nine months of 2021 were presented by ATOSS Software AG on October 25, 2021</li> <li>These slightly exceeded expectations and were particularly convincing in the Cloud segment, which is crucial for the long-term margin forecast (WRe).</li> </ul> |  |
| <b>Sales</b>                   | 23.8         | 23.4          | 20.5         | 16.2%      | 69.5         | 61.1         | 13.8%      |  |  |
| <b>EBIT</b>                    | 6.6          | 6.4           | 5.8          | 13.2%      | 18.6         | 17.4         | 7.0%       |  |  |
| <b>margin</b>                  | 27.7%        | 27.4%         | 28.4%        |            | 26.7%        | 28.4%        |            |  |  |
| <b>Net income</b>              | 4.4          | 4.3           | 3.7          | 20.9%      | 12.7         | 11.9         | 6.4%       |  |  |
| <b>margin</b>                  | 18.6%        | 18.4%         | 17.8%        |            | 18.2%        | 19.5%        |            |  |  |

Against the background of the existing deficits in the digitization of companies, the demand for solutions for employee management continues unabated. ATOSS again achieved significant growth, especially in the important Cloud business. Revenues from Cloud and subscriptions increased by 50% to EUR 13.8m (9.2). Overall, recurring revenues as a proportion of total revenues increased significantly to 51% (previous year 46%). This provides the basis for strong results. The EBIT margin for the first three quarters was 27% (28%) regardless of the significant increase in expenses compared to the previous year, especially for R&D as part of the further development of software solutions as well as higher personnel costs from the international expansion of capacities in sales.

The order situation is also strong. The dynamic double-digit increase of 78% in the Cloud Annual Recurring Revenue (ARR) to EUR 20.5m (11.5) should be emphasized here. The share of incoming orders for Cloud and subscriptions in relation to total incoming orders for software increased very significantly to more than 70% (2020: 42%). Particularly impressive is the increase in the overall proportion of software sales from 64% to 68% of sales in the reporting period, because there is a longer realization period for Cloud sales.

In light of the figures presented, it appears realistic that the company will be able to pursue the expected path (WRe) of sales and earnings growth, flanked by the Cloud business. Since the fourth quarter of the previous year was extremely strong due to high revenues from licenses, only a moderate increase in sales is expected in Q4/21. Against the background of unchanged forecasts (2021 and onwards, WRe), the share continues to be rated Buy with a price target of EUR 219 (215, roll-over).

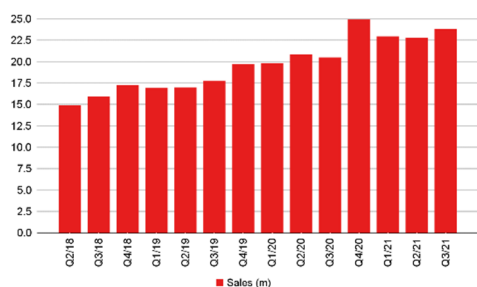


|                                  |        |
|----------------------------------|--------|
| <b>Rel. Performance vs CDAX:</b> |        |
| 1 month:                         | -0.3 % |
| 6 months:                        | 5.3 %  |
| Year to date:                    | 5.9 %  |
| Trailing 12 months:              | 20.7 % |

|                        |  |
|------------------------|--|
| <b>Company events:</b> |  |
|                        |  |

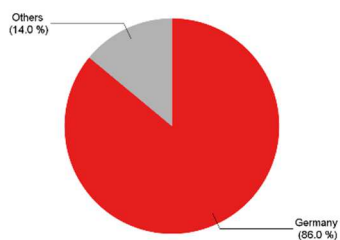
|                            |   |             |             |             |             |              |              |              |
|----------------------------|---|-------------|-------------|-------------|-------------|--------------|--------------|--------------|
| FY End: 31.12.<br>in EUR m | CAGR<br>(20-23e)                              | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> | <b>2021e</b> | <b>2022e</b> | <b>2023e</b> |
| <b>Sales</b>               | 14.0 %  | 54.6        | 62.6        | 71.4        | 86.1        | 95.5         | 108.9        | 127.4        |
| Change Sales yoy           |   | 10.2 %      | 14.7 %      | 14.0 %      | 20.5 %      | 11.0 %       | 14.0 %       | 17.0 %       |
| Gross profit margin        |   | 70.3 %      | 70.5 %      | 70.3 %      | 72.4 %      | 70.0 %       | 69.3 %       | 71.0 %       |
| <b>EBITDA</b>              | 12.0 %  | 14.9        | 18.0        | 22.5        | 29.8        | 30.1         | 33.6         | 41.8         |
| Margin                     |   | 27.2 %      | 28.7 %      | 31.5 %      | 34.6 %      | 31.5 %       | 30.9 %       | 32.8 %       |
| <b>EBIT</b>                | 11.4 %  | 14.1        | 16.9        | 19.3        | 26.2        | 25.9         | 28.9         | 36.2         |
| Margin                     |   | 25.9 %      | 27.0 %      | 27.0 %      | 30.4 %      | 27.1 %       | 26.5 %       | 28.4 %       |
| <b>Net income</b>          | 11.0 %  | 9.3         | 11.2        | 13.5        | 17.7        | 17.3         | 19.3         | 24.2         |
| <b>EPS</b>                 | 11.0 %  | 2.34        | 2.81        | 3.40        | 2.23        | 2.18         | 2.43         | 3.05         |
| <b>EPS adj.</b>            | 11.0 %  | 2.34        | 2.81        | 3.40        | 2.23        | 2.18         | 2.43         | 3.05         |
| <b>DPS</b>                 | 11.1 %  | 1.16        | 4.00        | 2.55        | 1.67        | 1.64         | 1.82         | 2.29         |
| Dividend Yield             |   | 3.3 %       | 9.5 %       | 4.3 %       | 1.6 %       | 0.9 %        | 1.0 %        | 1.2 %        |
| <b>FCF / Market cap</b>    |   | 1.95        | 2.74        | 3.63        | 2.82        | 2.13         | 2.29         | 2.91         |
|                            |   | 5.5 %       | 6.5 %       | 6.1 %       | 2.7 %       | 1.2 %        | 1.2 %        | 1.6 %        |
| <b>EV / Sales</b>          |   | 2.2 x       | 2.2 x       | 3.0 x       | 9.2 x       | 14.9 x       | 13.1 x       | 11.1 x       |
| <b>EV / EBITDA</b>         |   | 8.0 x       | 7.7 x       | 9.4 x       | 26.6 x      | 47.4 x       | 42.3 x       | 33.8 x       |
| <b>EV / EBIT</b>           |   | 8.4 x       | 8.2 x       | 11.0 x      | 30.2 x      | 55.1 x       | 49.3 x       | 39.1 x       |
| <b>P / E</b>               |   | 15.1 x      | 15.0 x      | 17.4 x      | 46.6 x      | 84.5 x       | 75.8 x       | 60.4 x       |
| <b>P / E adj.</b>          |   | 15.1 x      | 15.0 x      | 17.4 x      | 46.6 x      | 84.5 x       | 75.8 x       | 60.4 x       |
| <b>FCF Potential Yield</b> |   | 8.2 %       | 8.6 %       | 7.4 %       | 2.6 %       | 1.5 %        | 1.7 %        | 2.1 %        |
| <b>Net Debt</b>            |   | -22.3       | -28.5       | -23.1       | -34.3       | -38.0        | -43.2        | -51.8        |
| <b>ROCE (NOPAT)</b>        |   | n.a.        | n.a.        | n.a.        | n.a.        | n.a.         | n.a.         | n.a.         |
| <b>Guidance:</b>           | Sales 2021 EUR at least 95m EBIT at least 27% |             |             |             |             |              |              |              |

**Sales development**  
in EUR m



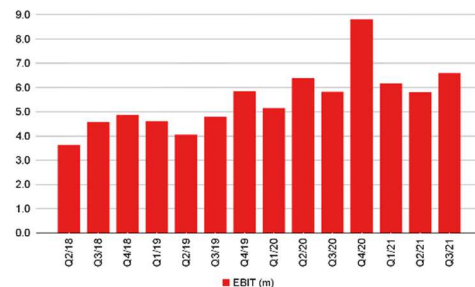
Source: Warburg Research

**Sales by regions**  
2020; in %



Source: Warburg Research

**EBIT development**  
in EUR m



Source: Warburg Research

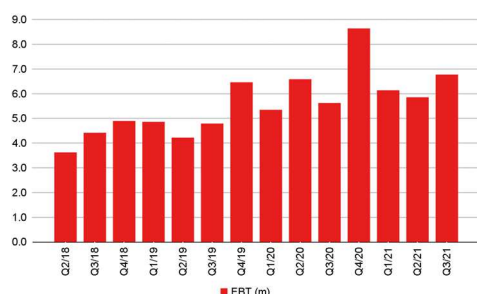
## Company Background

- 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

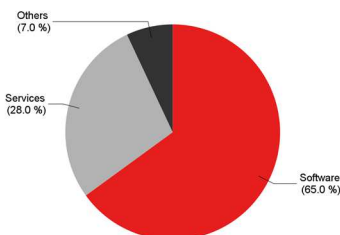
- ATOSS has a leading software product (the most modern Java technology)
- ATOSS specialises in regions and industry sectors (country-specific work conditions in the Germany, Austria, Swiss region and mapping out work processes in core industries)
- ATOSS works independently of producers (no ties to 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



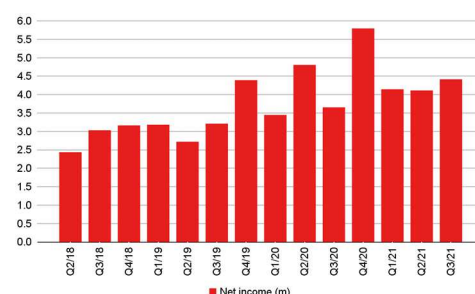
Source: Warburg Research

**Sales by segments**  
2020; 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 |
|-----------------------------|--------------------------|--------|--------|---------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------------|
|                             | 2021e                    | 2022e  | 2023e  | 2024e               | 2025e  | 2026e  | 2027e  | 2028e  | 2029e  | 2030e  | 2031e  | 2032e  | 2033e  |             |
| Sales                       | 95.5                     | 108.9  | 127.4  | 149.0               | 172.9  | 198.8  | 226.6  | 256.1  | 286.8  | 318.4  | 343.9  | 361.1  | 371.9  | 2.5 %       |
| Sales change                | 11.0 %                   | 14.0 % | 17.0 % | 17.0 %              | 16.0 % | 15.0 % | 14.0 % | 13.0 % | 12.0 % | 11.0 % | 8.0 %  | 5.0 %  | 3.0 %  |             |
| EBIT                        | 25.9                     | 28.9   | 36.2   | 44.7                | 57.0   | 71.6   | 88.4   | 107.6  | 129.1  | 152.8  | 171.9  | 180.5  | 185.9  |             |
| EBIT-margin                 | 27.1 %                   | 26.5 % | 28.4 % | 30.0 %              | 33.0 % | 36.0 % | 39.0 % | 42.0 % | 45.0 % | 48.0 % | 50.0 % | 50.0 % | 50.0 % |             |
| Tax rate (EBT)              | 33.0 %                   | 33.0 % | 33.0 % | 34.0 %              | 34.0 % | 34.0 % | 34.0 % | 34.0 % | 34.0 % | 34.0 % | 34.0 % | 34.0 % | 34.0 % |             |
| NOPAT                       | 17.3                     | 19.3   | 24.2   | 29.5                | 37.7   | 47.2   | 58.3   | 71.0   | 85.2   | 100.9  | 113.5  | 119.1  | 122.7  |             |
| Depreciation                | 4.2                      | 4.8    | 5.6    | 6.7                 | 7.8    | 8.9    | 10.2   | 11.5   | 12.9   | 14.3   | 15.5   | 16.2   | 16.7   |             |
| in % of Sales               | 4.4 %                    | 4.4 %  | 4.4 %  | 4.5 %               | 4.5 %  | 4.5 %  | 4.5 %  | 4.5 %  | 4.5 %  | 4.5 %  | 4.5 %  | 4.5 %  | 4.5 %  |             |
| Changes in provisions       | 0.0                      | 0.0    | 0.0    | 0.7                 | 0.7    | 0.8    | 0.8    | 0.8    | 0.7    | 0.6    | 0.6    | 0.3    | 0.0    |             |
| Change in Liquidity from    |                          |        |        |                     |        |        |        |        |        |        |        |        |        |             |
| - Working Capital           | 0.6                      | 0.9    | 1.7    | 1.5                 | 1.6    | 1.6    | 1.6    | 1.5    | 1.5    | 1.3    | 0.7    | 0.1    | -4.3   |             |
| - Capex                     | 4.0                      | 5.0    | 5.0    | 6.7                 | 7.8    | 8.9    | 10.2   | 11.5   | 12.9   | 14.3   | 15.5   | 16.2   | 16.7   |             |
| Capex in % of Sales         | 4.2 %                    | 4.6 %  | 3.9 %  | 4.5 %               | 4.5 %  | 4.5 %  | 4.5 %  | 4.5 %  | 4.5 %  | 4.5 %  | 4.5 %  | 4.5 %  | 4.5 %  |             |
| Other                       | 0.0                      | 0.0    | 0.0    | 0.0                 | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    |             |
| Free Cash Flow (WACC Model) | 17.0                     | 18.2   | 23.1   | 28.7                | 36.8   | 46.5   | 57.6   | 70.2   | 84.4   | 100.2  | 113.4  | 119.4  | 127.0  | 124         |
| PV of FCF                   | 16.9                     | 16.9   | 20.1   | 23.3                | 27.9   | 33.0   | 38.1   | 43.5   | 48.9   | 54.2   | 57.3   | 56.4   | 56.1   | 1,215       |
| share of PVs                | 3.16 %                   |        |        | 25.68 %             |        |        |        |        |        |        |        |        |        | 71.16 %     |

### Model parameter

|                          |               |                     |             |
|--------------------------|---------------|---------------------|-------------|
| Derivation of WACC:      |               | Derivation of Beta: |             |
| Debt ratio               | 0.00 %        | Financial Strength  | 1.00        |
| Cost of debt (after tax) | 3.9 %         | Liquidity (share)   | 1.00        |
| Market return            | 7.00 %        | Cyclicality         | 1.00        |
| Risk free rate           | 1.50 %        | Transparency        | 1.00        |
|                          |               | Others              | 1.00        |
| <b>WACC</b>              | <b>7.00 %</b> | <b>Beta</b>         | <b>1.00</b> |

### Valuation (m)

|                            |              |                              |               |
|----------------------------|--------------|------------------------------|---------------|
| Present values 2033e       | 493          |                              |               |
| Terminal Value             | 1,215        |                              |               |
| Financial liabilities      | 0            |                              |               |
| Pension liabilities        | 7            |                              |               |
| Hybrid capital             | 0            |                              |               |
| Minority interest          | 0            |                              |               |
| Market val. of investments | 0            |                              |               |
| Liquidity                  | 41           | No. of shares (m)            | 8.0           |
| <b>Equity Value</b>        | <b>1,742</b> | <b>Value per share (EUR)</b> | <b>219.06</b> |

### Sensitivity Value per Share (EUR)

|      |       | Terminal Growth |        |        |        |        |        |        |      |       | Delta EBIT-margin |         |         |         |         |         |         |
|------|-------|-----------------|--------|--------|--------|--------|--------|--------|------|-------|-------------------|---------|---------|---------|---------|---------|---------|
| Beta | WACC  | 1.75 %          | 2.00 % | 2.25 % | 2.50 % | 2.75 % | 3.00 % | 3.25 % | Beta | WACC  | -1.5 pp           | -1.0 pp | -0.5 pp | +0.0 pp | +0.5 pp | +1.0 pp | +1.5 pp |
| 1.18 | 8.0 % | 160.40          | 164.49 | 168.95 | 173.81 | 179.13 | 184.98 | 191.45 | 1.18 | 8.0 % | 168.23            | 170.09  | 171.95  | 173.81  | 175.67  | 177.52  | 179.38  |
| 1.09 | 7.5 % | 177.15          | 182.29 | 187.92 | 194.11 | 200.95 | 208.55 | 217.05 | 1.09 | 7.5 % | 187.90            | 189.97  | 192.04  | 194.11  | 196.17  | 198.24  | 200.31  |
| 1.05 | 7.3 % | 186.72          | 192.50 | 198.87 | 205.91 | 213.73 | 222.46 | 232.30 | 1.05 | 7.3 % | 199.34            | 201.53  | 203.72  | 205.91  | 208.10  | 210.29  | 212.47  |
| 1.00 | 7.0 % | 197.23          | 203.78 | 211.01 | 219.06 | 228.04 | 238.16 | 249.62 | 1.00 | 7.0 % | 212.08            | 214.41  | 216.73  | 219.06  | 221.38  | 223.70  | 226.03  |
| 0.95 | 6.8 % | 208.82          | 216.27 | 224.54 | 233.79 | 244.19 | 255.98 | 269.45 | 0.95 | 6.8 % | 226.37            | 228.84  | 231.32  | 233.79  | 236.26  | 238.74  | 241.21  |
| 0.91 | 6.5 % | 221.68          | 230.19 | 239.71 | 250.41 | 262.53 | 276.39 | 292.39 | 0.91 | 6.5 % | 242.47            | 245.12  | 247.76  | 250.41  | 253.05  | 255.69  | 258.34  |
| 0.82 | 6.0 % | 252.07          | 263.40 | 276.24 | 290.91 | 307.84 | 327.59 | 350.93 | 0.82 | 6.0 % | 281.74            | 284.79  | 287.85  | 290.91  | 293.97  | 297.02  | 300.08  |

- In the DCF model, a moderate continuation of the constant growth of the past years is anticipated.
- In the long term, a margin improvement due to the cloud transformation is assumed.
- The long-term margin remains at a high level

| Valuation                           | 2017   | 2018   | 2019   | 2020   | 2021e  | 2022e  | 2023e  |
|-------------------------------------|--------|--------|--------|--------|--------|--------|--------|
| Price / Book                        | 6.4 x  | 5.9 x  | 9.5 x  | 25.5 x | 41.2 x | 34.8 x | 28.2 x |
| Book value per share ex intangibles | 5.40   | 7.07   | 3.42   | 2.82   | 3.24   | 4.08   | 5.35   |
| EV / Sales                          | 2.2 x  | 2.2 x  | 3.0 x  | 9.2 x  | 14.9 x | 13.1 x | 11.1 x |
| EV / EBITDA                         | 8.0 x  | 7.7 x  | 9.4 x  | 26.6 x | 47.4 x | 42.3 x | 33.8 x |
| EV / EBIT                           | 8.4 x  | 8.2 x  | 11.0 x | 30.2 x | 55.1 x | 49.3 x | 39.1 x |
| EV / EBIT adj.*                     | 8.4 x  | 8.2 x  | 11.0 x | 30.2 x | 55.1 x | 49.3 x | 39.1 x |
| P / FCF                             | 18.2 x | 15.3 x | 16.3 x | 36.8 x | 86.3 x | 80.4 x | 63.3 x |
| P / E                               | 15.1 x | 15.0 x | 17.4 x | 46.6 x | 84.5 x | 75.8 x | 60.4 x |
| P / E adj.*                         | 15.1 x | 15.0 x | 17.4 x | 46.6 x | 84.5 x | 75.8 x | 60.4 x |
| Dividend Yield                      | 3.3 %  | 9.5 %  | 4.3 %  | 1.6 %  | 0.9 %  | 1.0 %  | 1.2 %  |
| FCF Potential Yield (on market EV)  | 8.2 %  | 8.6 %  | 7.4 %  | 2.6 %  | 1.5 %  | 1.7 %  | 2.1 %  |
| *Adjustments made for: -            |        |        |        |        |        |        |        |

## Consolidated profit and loss

| In EUR m   | 2017        | 2018        | 2019        | 2020        | 2021e       | 2022e        | 2023e        |
|--|-------------|-------------|-------------|-------------|-------------|--------------|--------------|
| <b>Sales</b>                                     | <b>54.6</b> | <b>62.6</b> | <b>71.4</b> | <b>86.1</b> | <b>95.5</b> | <b>108.9</b> | <b>127.4</b> |
| Change Sales yoy                                 | 10.2 %      | 14.7 %      | 14.0 %      | 20.5 %      | 11.0 %      | 14.0 %       | 17.0 %       |
| COGS   | 16.2        | 18.4        | 21.2        | 23.8        | 28.7        | 33.4         | 36.9         |
| <b>Gross profit</b>                              | <b>38.4</b> | <b>44.2</b> | <b>50.2</b> | <b>62.3</b> | <b>66.9</b> | <b>75.4</b>  | <b>90.4</b>  |
| Gross margin                                     | 70.3 %      | 70.5 %      | 70.3 %      | 72.4 %      | 70.0 %      | 69.3 %       | 71.0 %       |
| Research and development                         | 10.3        | 11.2        | 11.9        | 14.4        | 16.5        | 18.7         | 21.7         |
| Sales and marketing                              | 9.7         | 10.9        | 12.9        | 13.9        | 16.2        | 18.5         | 21.7         |
| Administration expenses                          | 4.3         | 5.2         | 5.8         | 7.6         | 8.6         | 9.8          | 11.5         |
| Other operating expenses                         | 0.2         | 0.2         | 0.5         | 0.4         | 0.0         | 0.0          | 0.0          |
| Other operating income                           | 0.2         | 0.3         | 0.3         | 0.2         | 0.4         | 0.4          | 0.5          |
| Unfrequent items                                 | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0          | 0.0          |
| <b>EBITDA</b>                                    | <b>14.9</b> | <b>18.0</b> | <b>22.5</b> | <b>29.8</b> | <b>30.1</b> | <b>33.6</b>  | <b>41.8</b>  |
| Margin   | 27.2 %      | 28.7 %      | 31.5 %      | 34.6 %      | 31.5 %      | 30.9 %       | 32.8 %       |
| Depreciation of fixed assets                     | 0.6         | 0.9         | 3.0         | 3.2         | 4.0         | 4.6          | 5.3          |
| <b>EBITA</b>                                     | <b>14.2</b> | <b>17.1</b> | <b>19.5</b> | <b>26.5</b> | <b>26.1</b> | <b>29.1</b>  | <b>36.4</b>  |
| Amortisation of intangible assets                | 0.1         | 0.2         | 0.2         | 0.3         | 0.2         | 0.2          | 0.3          |
| Goodwill amortisation                            | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0          | 0.0          |
| <b>EBIT</b>                                      | <b>14.1</b> | <b>16.9</b> | <b>19.3</b> | <b>26.2</b> | <b>25.9</b> | <b>28.9</b>  | <b>36.2</b>  |
| Margin   | 25.9 %      | 27.0 %      | 27.0 %      | 30.4 %      | 27.1 %      | 26.5 %       | 28.4 %       |
| <b>EBIT adj.</b>                                 | <b>14.1</b> | <b>16.9</b> | <b>19.3</b> | <b>26.2</b> | <b>25.9</b> | <b>28.9</b>  | <b>36.2</b>  |
| Interest income                                  | 0.1         | 0.1         | 0.8         | 0.4         | 0.1         | 0.1          | 0.1          |
| Interest expenses                                | 0.1         | 0.2         | 0.2         | 0.4         | 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>14.1</b> | <b>16.8</b> | <b>19.9</b> | <b>26.2</b> | <b>25.9</b> | <b>28.9</b>  | <b>36.2</b>  |
| Margin   | 25.7 %      | 26.8 %      | 27.9 %      | 30.4 %      | 27.1 %      | 26.5 %       | 28.4 %       |
| Total taxes                                      | 4.7         | 5.6         | 6.4         | 8.5         | 8.5         | 9.5          | 11.9         |
| <b>Net income from continuing operations</b>     | <b>9.3</b>  | <b>11.2</b> | <b>13.5</b> | <b>17.7</b> | <b>17.3</b> | <b>19.3</b>  | <b>24.2</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>9.3</b>  | <b>11.2</b> | <b>13.5</b> | <b>17.7</b> | <b>17.3</b> | <b>19.3</b>  | <b>24.2</b>  |
| Minority interest                                | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0          | 0.0          |
| <b>Net income</b>                                | <b>9.3</b>  | <b>11.2</b> | <b>13.5</b> | <b>17.7</b> | <b>17.3</b> | <b>19.3</b>  | <b>24.2</b>  |
| Margin   | 17.1 %      | 17.9 %      | 18.9 %      | 20.6 %      | 18.2 %      | 17.8 %       | 19.0 %       |
| Number of shares, average                        | 4.0         | 4.0         | 4.0         | 8.0         | 8.0         | 8.0          | 8.0          |
| <b>EPS</b>                                       | <b>2.34</b> | <b>2.81</b> | <b>3.40</b> | <b>2.23</b> | <b>2.18</b> | <b>2.43</b>  | <b>3.05</b>  |
| EPS adj.   | 2.34        | 2.81        | 3.40        | 2.23        | 2.18        | 2.43         | 3.05         |

\*Adjustments made for:

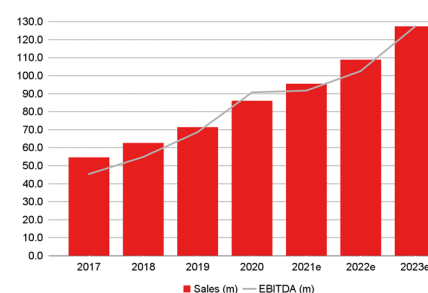
**Guidance: Sales 2021 EUR at least 95m EBIT at least 27%**

## Financial Ratios

|                               | 2017    | 2018    | 2019    | 2020    | 2021e   | 2022e   | 2023e   |
|-------------------------------|---------|---------|---------|---------|---------|---------|---------|
| Total Operating Costs / Sales | 44.4 %  | 43.5 %  | 43.2 %  | 42.0 %  | 42.9 %  | 42.8 %  | 42.6 %  |
| Operating Leverage            | 0.4 x   | 1.3 x   | 1.0 x   | 1.7 x   | -0.1 x  | 0.8 x   | 1.5 x   |
| EBITDA / Interest expenses    | 122.0 x | 72.1 x  | 100.5 x | 75.9 x  | 300.8 x | 336.4 x | 417.8 x |
| Tax rate (EBT)                | 33.6 %  | 33.3 %  | 32.1 %  | 32.4 %  | 33.0 %  | 33.0 %  | 33.0 %  |
| Dividend Payout Ratio         | 49.4 %  | 142.1 % | 75.0 %  | 75.0 %  | 75.2 %  | 74.9 %  | 75.1 %  |
| Sales per Employee            | 161,023 | 175,832 | 190,943 | 219,198 | 231,678 | 251,536 | 280,283 |

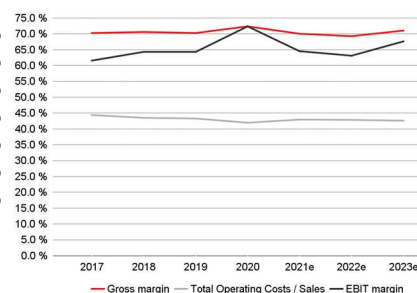
## Sales, EBITDA

in EUR m

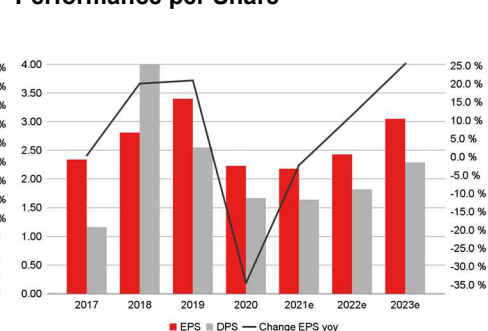


## Operating Performance

in %



## Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

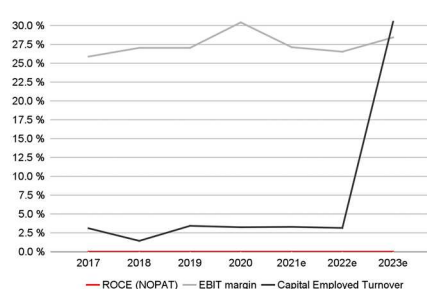
## Consolidated balance sheet

| In EUR m  | 2017        | 2018        | 2019        | 2020        | 2021e       | 2022e       | 2023e       |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Assets</b>   |             |             |             |             |             |             |             |
| Goodwill and other intangible assets                    | 0.4         | 0.4         | 11.2        | 10.0        | 9.8         | 9.6         | 9.3         |
| thereof other intangible assets                         | 0.4         | 0.4         | 11.2        | 10.0        | 9.8         | 9.6         | 9.3         |
| thereof Goodwill  | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |
| Property, plant and equipment                           | 3.7         | 4.3         | 4.1         | 3.8         | 3.8         | 4.2         | 3.8         |
| Financial assets  | 0.5         | 0.5         | 1.3         | 1.3         | 1.3         | 1.3         | 1.3         |
| Other long-term assets                                  | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |
| <b>Fixed assets</b>                                     | <b>4.6</b>  | <b>5.2</b>  | <b>16.6</b> | <b>15.0</b> | <b>14.8</b> | <b>15.0</b> | <b>14.4</b> |
| Inventories   | 0.0         | 0.0         | 0.0         | 0.0         | 0.1         | 0.1         | 0.1         |
| Accounts receivable                                     | 5.1         | 6.3         | 7.7         | 8.9         | 9.4         | 10.4        | 12.2        |
| Liquid assets   | 27.1        | 33.3        | 29.7        | 41.1        | 44.8        | 50.0        | 58.7        |
| Other short-term assets                                 | 1.8         | 2.4         | 4.1         | 3.0         | 2.3         | 2.5         | 2.7         |
| <b>Current assets</b>                                   | <b>34.0</b> | <b>42.0</b> | <b>41.6</b> | <b>53.0</b> | <b>56.6</b> | <b>63.0</b> | <b>73.7</b> |
| <b>Total Assets</b>                                     | <b>38.5</b> | <b>47.2</b> | <b>58.1</b> | <b>68.0</b> | <b>71.4</b> | <b>78.0</b> | <b>88.1</b> |
| <b>Liabilities and shareholders' equity</b>             |             |             |             |             |             |             |             |
| Subscribed capital                                      | 4.0         | 4.0         | 4.0         | 8.0         | 8.0         | 8.0         | 8.0         |
| 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                                 | 18.5        | 25.2        | 21.5        | 25.1        | 28.3        | 34.7        | 44.6        |
| Shareholders' equity                                    | 21.8        | 28.5        | 24.8        | 32.4        | 35.6        | 42.0        | 51.9        |
| Minority interest                                       | 0.0         | 0.0         | 0.1         | -0.1        | -0.1        | -0.1        | -0.1        |
| <b>Total equity</b>                                     | <b>21.8</b> | <b>28.5</b> | <b>24.9</b> | <b>32.3</b> | <b>35.5</b> | <b>42.0</b> | <b>51.8</b> |
| Provisions  | 5.0         | 4.9         | 7.3         | 8.6         | 8.7         | 8.8         | 8.9         |
| thereof provisions for pensions and similar obligations | 4.8         | 4.8         | 6.6         | 6.8         | 6.8         | 6.8         | 6.8         |
| Financial liabilities (total)                           | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |
| Short-term financial liabilities                        | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |
| Accounts payable  | 0.4         | 0.5         | 0.9         | 0.5         | 0.6         | 0.7         | 0.8         |
| Other liabilities                                       | 11.3        | 13.3        | 25.1        | 26.6        | 26.6        | 26.6        | 26.6        |
| <b>Liabilities</b>                                      | <b>16.7</b> | <b>18.7</b> | <b>33.3</b> | <b>35.7</b> | <b>35.9</b> | <b>36.1</b> | <b>36.3</b> |
| <b>Total liabilities and shareholders' equity</b>       | <b>38.5</b> | <b>47.2</b> | <b>58.1</b> | <b>68.0</b> | <b>71.4</b> | <b>78.0</b> | <b>88.1</b> |

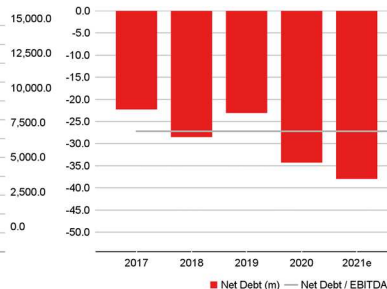
## Financial Ratios

|   | 2017     | 2018      | 2019    | 2020     | 2021e    | 2022e    | 2023e     |
|---|----------|-----------|---------|----------|----------|----------|-----------|
| <b>Efficiency of Capital Employment</b> |          |           |         |          |          |          |           |
| Operating Assets Turnover               | 6.6 x    | 6.2 x     | 6.6 x   | 7.1 x    | 7.5 x    | 7.8 x    | 8.3 x     |
| Capital Employed Turnover               | -115.7 x | -1024.3 x | 39.7 x  | -43.7 x  | -38.3 x  | -91.7 x  | 14762.6 x |
| ROA                                     | 204.6 %  | 216.2 %   | 81.5 %  | 117.8 %  | 117.0 %  | 128.6 %  | 168.0 %   |
| <b>Return on Capital</b>                |          |           |         |          |          |          |           |
| ROCE (NOPAT)                            | n.a.     | n.a.      | n.a.    | n.a.     | n.a.     | n.a.     | n.a.      |
| ROE                                     | 48.1 %   | 44.4 %    | 50.7 %  | 61.9 %   | 51.0 %   | 49.8 %   | 51.6 %    |
| Adj. ROE                                | 48.1 %   | 44.4 %    | 50.7 %  | 61.9 %   | 51.0 %   | 49.8 %   | 51.6 %    |
| <b>Balance sheet quality</b>            |          |           |         |          |          |          |           |
| Net Debt                                | -22.3    | -28.5     | -23.1   | -34.3    | -38.0    | -43.2    | -51.8     |
| Net Financial Debt                      | -27.1    | -33.3     | -29.7   | -41.1    | -44.8    | -50.0    | -58.7     |
| Net Gearing                             | -102.2 % | -100.2 %  | -92.8 % | -106.1 % | -107.0 % | -102.8 % | -100.0 %  |
| Net Fin. Debt / EBITDA                  | n.a.     | n.a.      | n.a.    | n.a.     | n.a.     | n.a.     | n.a.      |
| Book Value / Share                      | 5.5      | 7.2       | 6.2     | 4.1      | 4.5      | 5.3      | 6.5       |
| Book value per share ex intangibles     | 5.4      | 7.1       | 3.4     | 2.8      | 3.2      | 4.1      | 5.4       |

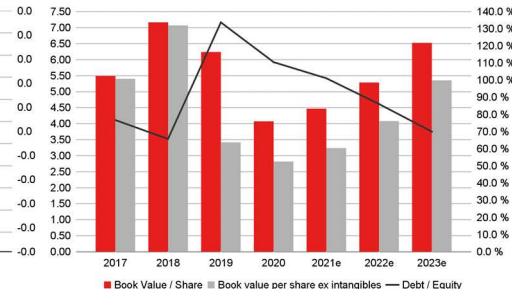
## ROCE Development



## Net debt in EUR m



## Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

## Consolidated cash flow statement

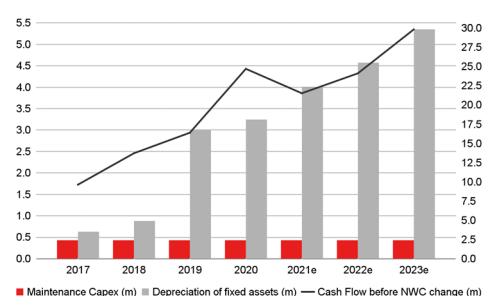
| In EUR m   | 2017        | 2018        | 2019         | 2020         | 2021e        | 2022e        | 2023e        |
|--|-------------|-------------|--------------|--------------|--------------|--------------|--------------|
| Net income   | 9.3         | 11.2        | 13.5         | 17.7         | 17.3         | 19.3         | 24.2         |
| Depreciation of fixed assets                           | 0.6         | 0.9         | 3.0          | 3.2          | 4.0          | 4.6          | 5.3          |
| 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          | 0.2          | 0.2          | 0.3          |
| Increase/decrease in long-term provisions              | -0.1        | 0.0         | 1.9          | 0.2          | 0.0          | 0.0          | 0.0          |
| Other non-cash income and expenses                     | -0.4        | 1.5         | -2.2         | 3.2          | 0.0          | 0.0          | 0.0          |
| <b>Cash Flow before NWC change</b>                     | <b>9.6</b>  | <b>13.7</b> | <b>16.4</b>  | <b>24.7</b>  | <b>21.5</b>  | <b>24.1</b>  | <b>29.8</b>  |
| Increase / decrease in inventory                       | 0.0         | 0.0         | 0.0          | 0.0          | -0.1         | 0.0          | 0.0          |
| Increase / decrease in accounts receivable             | -0.6        | -1.2        | -1.5         | -1.1         | -0.5         | -1.0         | -1.8         |
| Increase / decrease in accounts payable                | -0.2        | 0.1         | 0.4          | -0.4         | 0.1          | 0.1          | 0.1          |
| Increase / decrease in other working capital positions | 0.0         | 0.0         | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| Increase / decrease in working capital (total)         | -0.8        | -1.1        | -1.1         | -1.5         | -0.6         | -0.9         | -1.7         |
| <b>Net cash provided by operating activities [1]</b>   | <b>8.9</b>  | <b>12.6</b> | <b>15.3</b>  | <b>23.2</b>  | <b>21.0</b>  | <b>23.2</b>  | <b>28.1</b>  |
| Investments in intangible assets                       | -0.1        | -0.2        | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| Investments in property, plant and equipment           | -1.0        | -1.5        | -0.9         | -0.7         | -4.0         | -5.0         | -5.0         |
| 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          | -3.9         | 0.0          | 0.0          | 0.0          |
| Income from asset disposals                            | -2.5        | 0.0         | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| <b>Net cash provided by investing activities [2]</b>   | <b>-3.6</b> | <b>-1.7</b> | <b>-0.9</b>  | <b>-4.6</b>  | <b>-4.0</b>  | <b>-5.0</b>  | <b>-5.0</b>  |
| Change in financial liabilities                        | 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        | -13.0        | -14.5        |
| 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         | -2.2         | -2.6         | 0.0          | 0.0          | 0.0          |
| <b>Net cash provided by financing activities [3]</b>   | <b>-4.6</b> | <b>-4.7</b> | <b>-18.1</b> | <b>-12.7</b> | <b>-13.3</b> | <b>-13.0</b> | <b>-14.5</b> |
| <b>Change in liquid funds [1]+[2]+[3]</b>              | <b>0.7</b>  | <b>6.2</b>  | <b>-3.7</b>  | <b>5.9</b>   | <b>3.7</b>   | <b>5.2</b>   | <b>8.7</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              | 24.9        | 33.4        | 29.6         | 23.4         | 44.8         | 50.0         | 58.7         |

## Financial Ratios

|                                      | 2017     | 2018     | 2019     | 2020     | 2021e    | 2022e    | 2023e    |
|--------------------------------------|----------|----------|----------|----------|----------|----------|----------|
| <b>Cash Flow</b>                     |          |          |          |          |          |          |          |
| FCF                                  | 7.7      | 10.9     | 14.4     | 22.4     | 17.0     | 18.2     | 23.1     |
| Free Cash Flow / Sales               | 14.2 %   | 17.4 %   | 20.2 %   | 26.1 %   | 17.8 %   | 16.7 %   | 18.2 %   |
| Free Cash Flow Potential             | 9.7      | 12.0     | 15.7     | 20.8     | 21.1     | 23.7     | 29.4     |
| Free Cash Flow / Net Profit          | 83.1 %   | 97.5 %   | 106.9 %  | 126.8 %  | 97.9 %   | 94.3 %   | 95.5 %   |
| Interest Received / Avg. Cash        | 0.2 %    | 0.4 %    | 2.7 %    | 1.2 %    | 0.2 %    | 0.2 %    | 0.2 %    |
| 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                     | 2.0 %    | 2.7 %    | 1.3 %    | 0.8 %    | 4.2 %    | 4.6 %    | 3.9 %    |
| Maint. Capex / Sales                 | 0.8 %    | 0.7 %    | 0.6 %    | 0.5 %    | 0.5 %    | 0.4 %    | 0.3 %    |
| Capex / Dep                          | 148.3 %  | 158.8 %  | 28.2 %   | 20.3 %   | 95.2 %   | 104.4 %  | 89.2 %   |
| Avg. Working Capital / Sales         | 7.8 %    | 8.3 %    | 8.8 %    | 8.8 %    | 9.0 %    | 8.6 %    | 8.4 %    |
| Trade Debtors / Trade Creditors      | 1138.3 % | 1226.3 % | 840.4 %  | 1647.0 % | 1566.7 % | 1485.7 % | 1525.0 % |
| Inventory Turnover                   | 4056.0 x | 4131.1 x | 4755.4 x | 5327.7 x | 286.5 x  | 334.2 x  | 369.4 x  |
| Receivables collection period (days) | 34       | 36       | 39       | 38       | 36       | 35       | 35       |
| Payables payment period (days)       | 10       | 10       | 16       | 8        | 8        | 8        | 8        |
| Cash conversion cycle (Days)         | 24       | 26       | 24       | 29       | 30       | 28       | 28       |

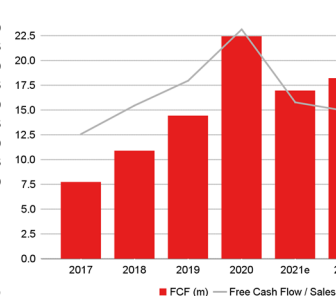
## CAPEX and Cash Flow

in EUR m



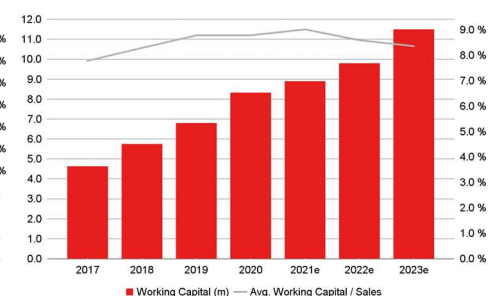
Source: Warburg Research

## Free Cash Flow Generation



Source: Warburg Research

## Working Capital



Source: Warburg Research



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| Company | Disclosure | Link to the historical price targets and rating changes (last 12 months)  |
|---------|------------|---|
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## INVESTMENT RECOMMENDATION

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

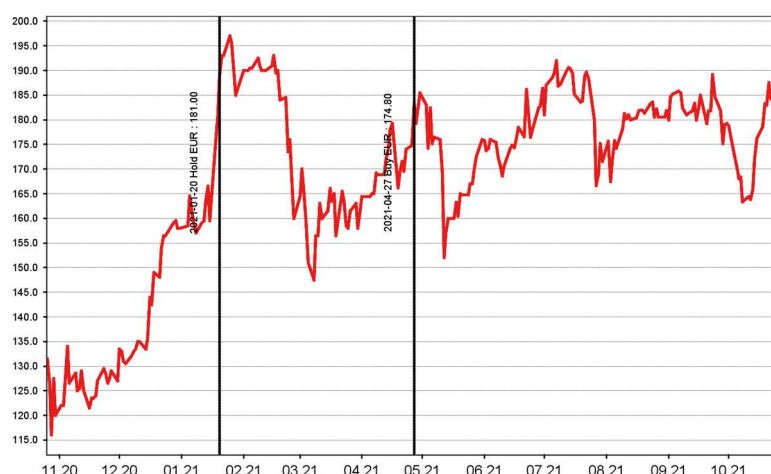
| Rating           | Number of stocks | % of Universe |
|------------------|------------------|---------------|
| Buy              | 144              | 67            |
| Hold             | 60               | 28            |
| Sell             | 7                | 3             |
| Rating suspended | 3                | 1             |
| <b>Total</b>     | <b>214</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              | 46               | 78            |
| Hold             | 11               | 19            |
| Sell             | 0                | 0             |
| Rating suspended | 2                | 3             |
| <b>Total</b>     | <b>59</b>        | <b>100</b>    |

## PRICE AND RATING HISTORY ATOSS AS OF 25.10.2021



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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