

ATOSS Software AG: Growth in cloud business continues unabated – Management Board’s outlook confirms ongoing growth story

ATOSS Software AG remains on course for continued growth, with provisional figures once again signaling new performance records. Consolidated sales in the first 9 months climbed 14 percent to EUR 51.7 million. Supported by the dynamic demand for cloud solutions, the growth in orders for software licenses as well as the software component of contract cloud subscriptions continued in the third quarter, lifting the total to EUR 15.7 million, an increase of 31 percent over the year before. Against the strong order development the Management Board has again confirmed its sales and earnings outlook and sees an excellent basis in continuing the growth story in 2020.

Munich, October 24, 2019

ATOSS Software AG remains on course for continued growth and is now recording sustained success for the fourteenth year in succession. Thanks to customer-oriented innovations and scheduled advances in cloud transformation, ATOSS has succeeded in developing its dynamic growth still further. The substantial 14 percent increase in sales offers clear proof of the competitive strengths of ATOSS, as well as the significance of workforce management as companies pursue the goal of digitization.

Software sales in the period from January to September 2019 were a substantial 18 percent higher at EUR 33.4 million (previous year: EUR 28.4 million), equating to 65 percent of the Group’s overall turnover (previous year: 63 percent). Software licenses accounted for sales totaling EUR 10.0 million (previous year: EUR 9.3 million). However, it was recurring cloud solution revenues that proved the biggest driver of growth in software sales, increasing by 89 percent to EUR 5.5 million (previous year: EUR 2.9 million). The development in software maintenance which has been consistently positive for years has also continued without interruption, with sales climbing 11 percent to EUR 18.0 million (previous year: EUR 16.2 million). Overall, recurring sales as a proportion of software sales amounted to 70 percent (previous year: 67 percent). Turnover in consulting, too, at EUR 14.4 million (previous year: EUR 12.9 million) was up by 12 percent, well above the figure for the same period last year. Hardware sales amounted to EUR 2.7 million (previous year: EUR 3.0 million), with miscellaneous revenues contributing a further EUR 1.2 million (previous year: EUR 1.1 million).

The return on sales based on the operating result (EBT) stood at 26 percent, in line with Management Board guidance. Powered by the excellent development in business, EPS increased from EUR 2.02 to EUR 2.29. This positive development was also reflected in other important key figures such as for example liquidity. Despite the dividend payment on May 6, 2019, amounting to EUR 15.9 million (regular dividend of EUR 1.40 plus a special distribution of EUR 2.60 per share), at the end of the third quarter ATOSS reported highly respectable liquidity of EUR 30.4 million (previous year: EUR 34.4 million).

The considerable sales momentum over the past nine months has been particularly impressive. As of September 30, 2019, orders received for software licenses and the software component of contracted cloud solutions increased to EUR 15.7 million (previous year: EUR 12.0 million). Orders on hand for software licenses, too, remain at a sustained high level, coming in at EUR 6.0 million at the end of the third quarter (previous year: EUR 4.6 million). In order to demonstrate the development in cloud business more clearly and illustrate the progress being made in expanding annually recurring cloud revenues, a new key figure was introduced at the start of the financial year 2019: Annual Recurring Revenue (in brief: ARR). This figure comprises the turnover generated by the company over the next 12 months on the basis of current monthly cloud usage fees applicable as of the qualifying date. As of September 30, 2019, ARR amounted to EUR 7.1 million, representing an impressive increase of 78 percent relative to the year before (previous year: EUR 4.0 million).

In view of the excellent order situation and the extremely positive development in business in the past nine months, ATOSS Software AG is now on course to return its fourteenth record annual results in succession. Moreover the continuation of the strong order development at the beginning of Q4 forms and exceptionally strong background for continued revenue growth in 2020.

CONSOLIDATED OVERVIEW AS PER IFRS: 9-MONTH COMPARISON IN KEUR

	1/1/2019 - 9/30/2019	Proportion of Total sales	1/1/2018 - 9/30/2018	Proportion of Total sales	Change 2019 to 2018
Total sales	51,684	100%	45,353	100%	14%
Software	33,442	65%	28,388	63%	18%
Licenses	10,016	19%	9,290	20%	8%
Maintenance	17,972	35%	16,212	36%	11%
Cloud	5,455	11%	2,885	6%	89%
Consulting	14,398	28%	12,881	28%	12%
Hardware	2,679	5%	2,958	7%	-9%
Others	1,165	2%	1,127	2%	3%
EBITDA	15,727	30%	12,742	28%	23%
EBIT	13,451	26%	12,048	27%	12%
EBT	14,092	27%	11,892	26%	19%
Net profit	9,116	18%	8,018	18%	14%
Cash flow	14,359	28%	13,329	29%	8%
Liquidity ^(1/2)	30,361		34,383		-12%
EPS in euro	2.29		2.02		13%
Employees ⁽³⁾	508		448		13%

CONSOLIDATED OVERVIEW AS PER IFRS: QUARTERLY COMPARISON IN KEUR

	Q3/19	Q2/19	Q1/19	Q4/18	Q3/18
Total sales	17,751	16,998	16,935	17,258	15,907
Software	11,428	11,168	10,846	10,984	9,875
Licenses	3,266	3,369	3,381	4,043	3,320
Maintenance	6,092	5,976	5,903	5,654	5,455
Cloud	2,068	1,824	1,563	1,287	1,100
Consulting	4,990	4,495	4,913	4,853	4,430
Hardware	935	967	777	1,124	1,178
Others	399	367	399	297	424
EBITDA	5,589	5,272	4,866	5,252	4,800
EBIT	4,793	4,054	4,604	4,870	4,575
EBIT margin in %	27%	24%	27%	28%	29%
EBT	5,007	4,223	4,862	4,898	4,500
Net profit	3,213	2,720	3,183	3,176	3,032
Cash flow	5,873	1,271	7,216	-719	8,963
Liquidity ^(1/2)	30,361	25,108	40,298	33,312	34,383
EPS in euro	0.81	0.68	0.80	0.80	0.76
Employees ⁽³⁾	508	484	474	465	448

(1) For the first time, from January, 1 2019 the accounting standard IFRS 16, which also influences the EBITDA in the first nine months of the year, must be taken into account. EBITDA in the first nine months adjusted for IFRS 16 amounts to kEUR 14,160 (previous year: kEUR 12,742).

(2) Due to the first application of the new IFRS 16 as of January, 1 2019 operating cash flow rose and cash flow from financing activities declined by kEUR 1,568.

(3) Cash and cash equivalents, other current and non-current financial assets (sight deposits, gold) as of the qualifying date, adjusted to exclude borrowings (loans)

(4) Dividend of EUR 4.00 per share on 5/6/2019 (kEUR 15,906) and dividend of EUR 1.17 per share on 5/2/2018 (kEUR 4,653)

(5) at the end of the quarter/year

Upcoming dates:

November 25, 2019 ATOSS at the German Equity Forum

ATOSS

ATOSS Software AG is a provider of technology and consulting solutions for professional workforce management and demand-optimized workforce deployment. Whether conventional time management, mobile apps, detailed workforce forecasting, sophisticated workforce scheduling or strategic capacity and requirement planning, ATOSS has just the right solution – both in the cloud and on-premise. The modular product families feature the very highest level of functionality, browser-based high-end technology and platform independence. With more than 6,500 customers in 42 countries, ATOSS workforce management solutions make a measurable contribution to increased value creation and competitiveness. At the same time, they ensure greater planning fairness and satisfaction at the workplace. Customers include companies such as ALDI SÜD, Coca-Cola, Deutsche Bahn, Douglas, Edeka, HUK-COBURG, Klinikum Leverkusen, Lufthansa, MEYER WERFT, Schmitz Cargobull, Sixt, Stadt Regensburg, thyssenkrupp Packaging Steel and W.L. Gore & Associates. Further information: www.atoss.com

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