

# Excellence in Workforce Management

ATOSS Software AG



# AGENDA

- 01 Key Investment Highlights
- 02 Market for Workforce Management
- 03 Business Model
- 04 Financials & KPI's
- 05 Growth Strategy

01

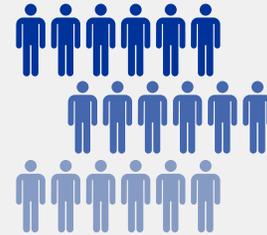
# Key Investment Highlights

DEUTSCHE TELEKOM | Services

ATOSS Annual Report 2020

# 01 ATOSS – Leading in the field of Workforce Management

## Highlights at a glance

<p><b>&gt;30 years</b> of experience in the market</p>	<p>Market leader for workforce management in <b>DACH</b></p>	 <p><b>3.5+ million</b> Employees managed with ATOSS solutions</p>	 <p><b>600+</b> employees</p>	 <p>Technology &amp; development leader</p>
<p>ATOSS is first mover and innovator in the field of workforce management</p>	<p><b>52</b> countries worldwide, thereof 30 in Europe</p> 	<p><b>~10,000</b> customers worldwide from SMB to blue chips</p>		 <p>Recurring revenues reinforced by increased share of SaaS</p>
 <p>Double-digit revenue growth (15% CAGR 2017-2020)</p>	<p><b>+60%</b> CF<sup>1</sup> to EBIT ratio</p>	<p><b>25% to 30%</b> EBIT margin</p>	<p><b>10</b> Currently available software languages</p>	

<sup>1</sup> Operating cash flow



02

# Market for Workforce Management

**BARRY CALLEBAUT** | Manufacturing

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© Barry Callebaut

# 02 Workforce Management Market

## Main Drivers

Digitalization of labor world



Increasingly complex regulatory environment



Scarcity of resources and skilled staff



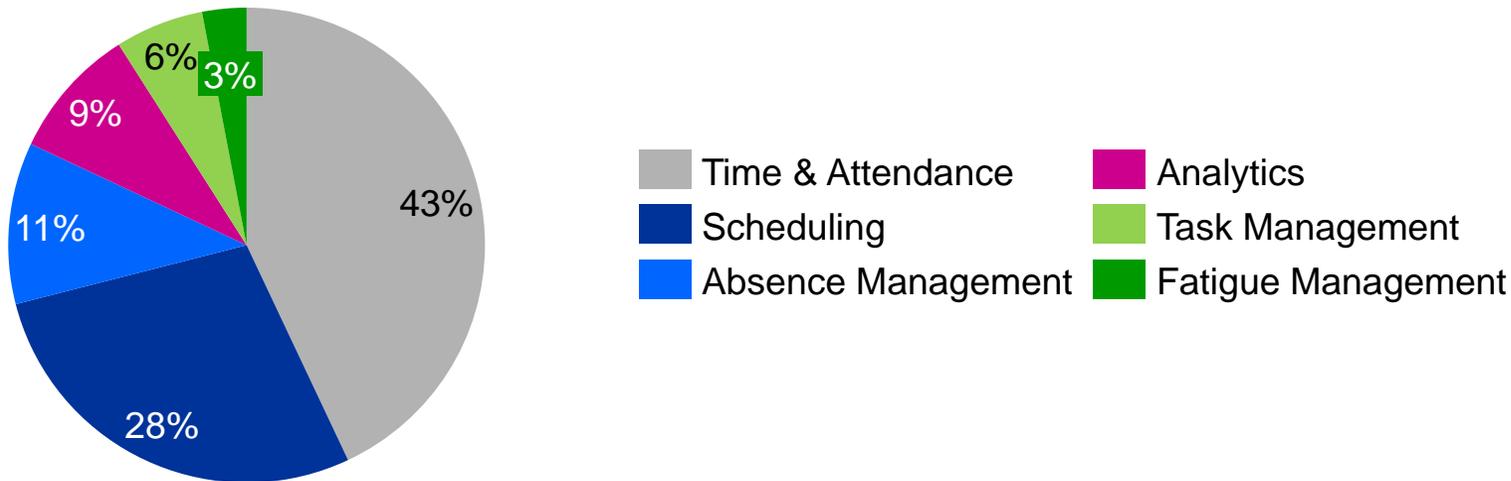
Digitalization, globalization and decentralization resulting in increasing complexity of enterprise organizations



# 02 Workforce Management Market

## Market Overview

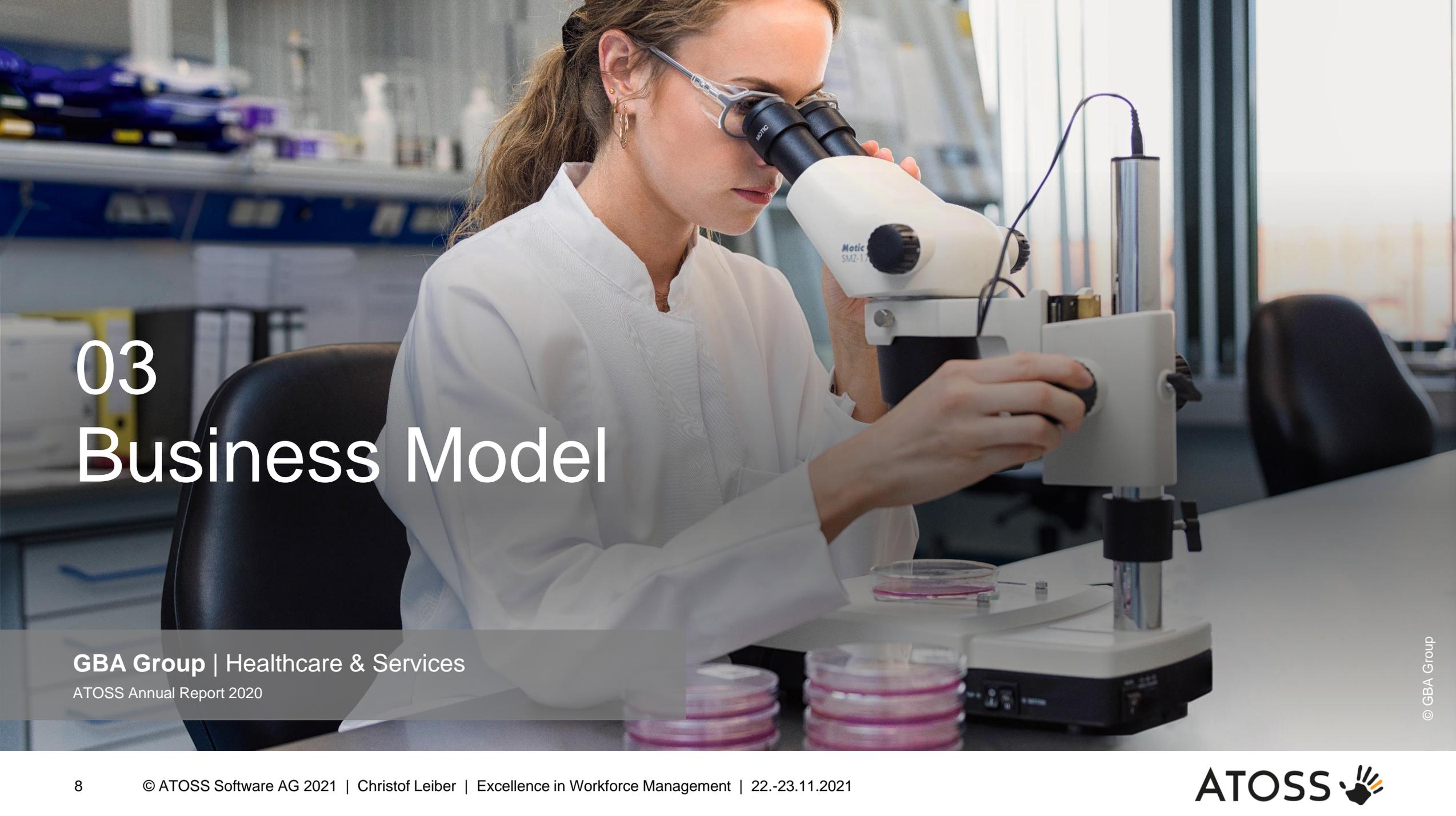
### WFM Software Categories\*



- According to analysts' assessment the total addressable WFM-Market in Europe (incl. UK) estimated at roughly EUR 2.4 - 2.7 bn.\*\*
- WFM Software Market in Europe to grow 10.85% CAGR (2020 – 2025)\*\*\*
- Accelerating growth of WFM Software Market in Europe with 9.99% CAGR (2020 – 2022) and 11.78% CAGR (2023 – 2025)\*\*\*
- Globally: Cloud based WFM solutions growing at 14.29% CAGR (2020 – 2025); On-Prem WFM solutions growing at 5.98% CAGR (2020 – 2025)\*\*\*

\* Source: Statista and Company estimate, \*\* Hauck Aufhäuser, Berenberg, \*\*\* Technavio





# 03 Business Model

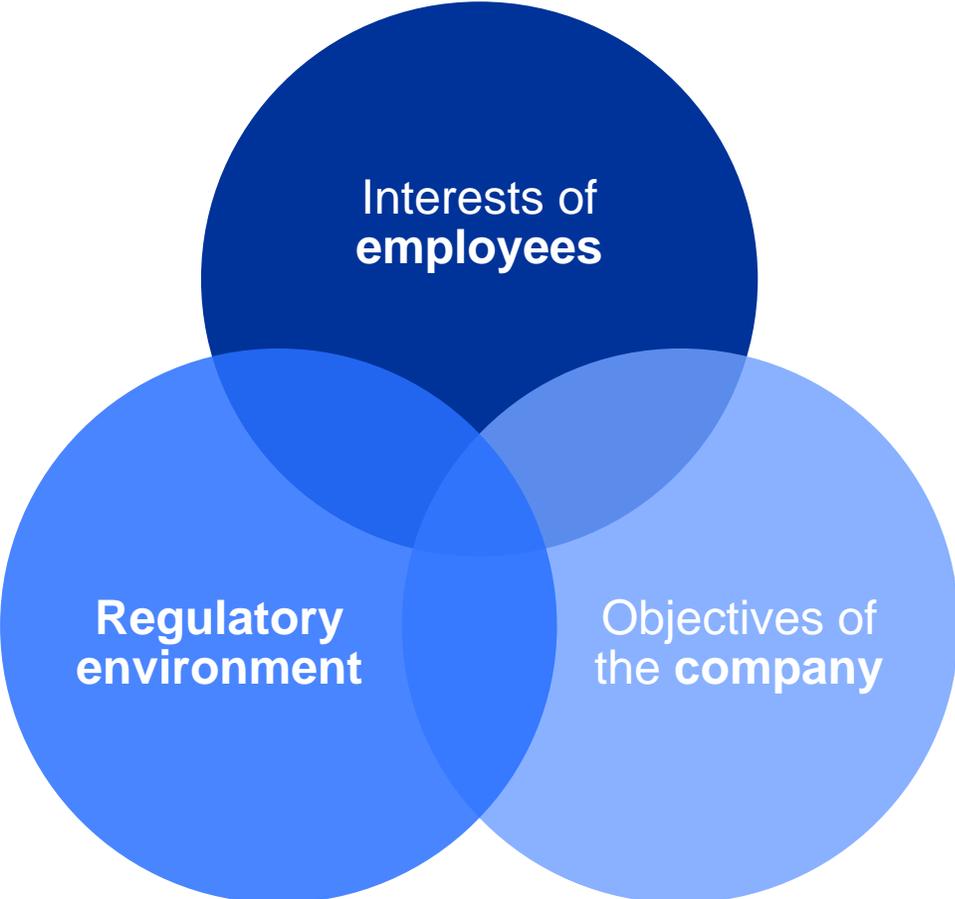
**GBA Group** | Healthcare & Services

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© GBA Group

# 03 Managing complexity

## Workforce Management



### Key benefits

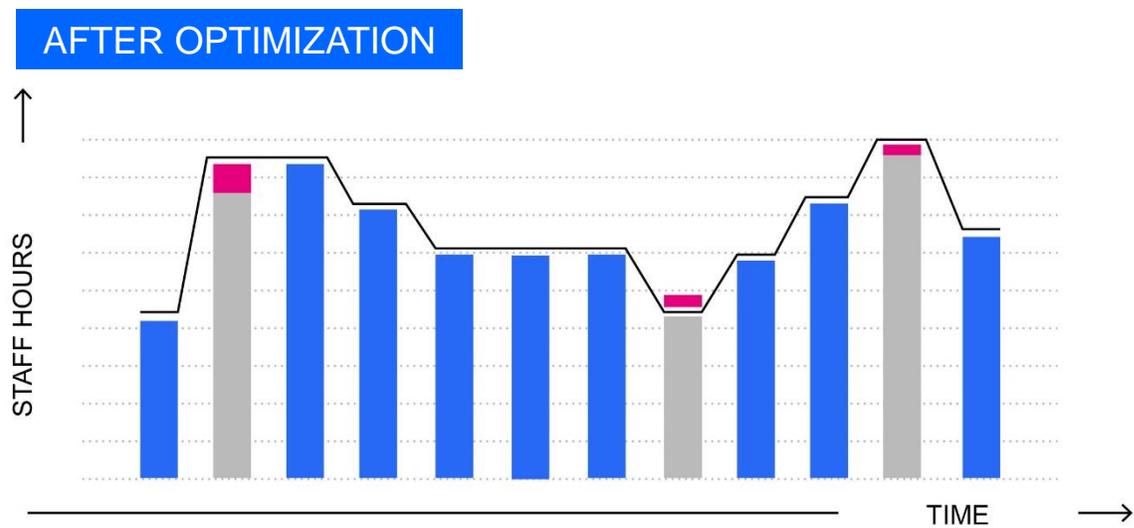
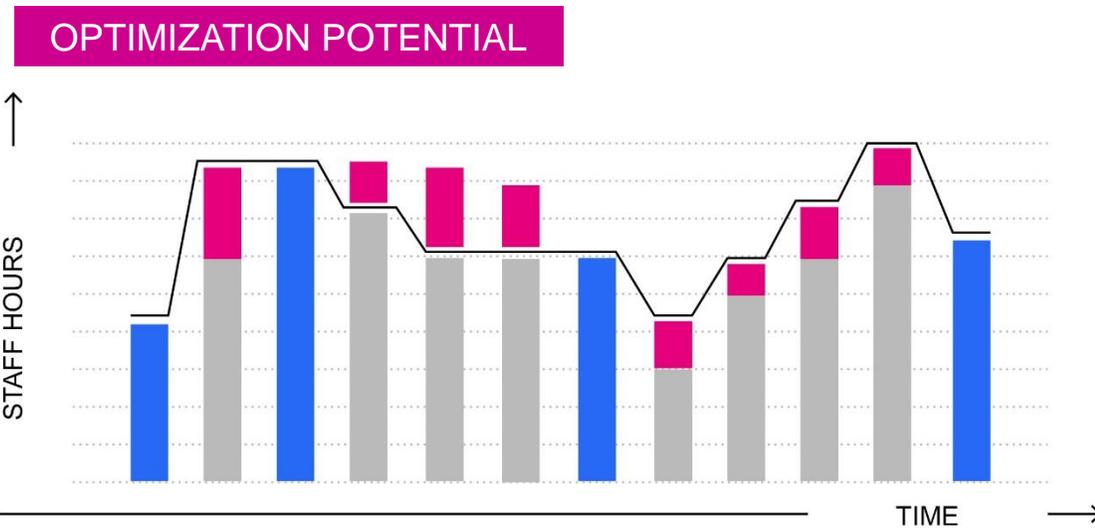
**-15%** Personnel costs with the same number of staff

**-82%** Overtime

**+11%** Revenue

# 03 Highly flexible, demand-optimized workforce scheduling

## Digital Workforce Management



PERSONNEL AVAILABILITY

- demand-optimized
- non-demand-optimized
- surplus / shortfall

**Current Situation**

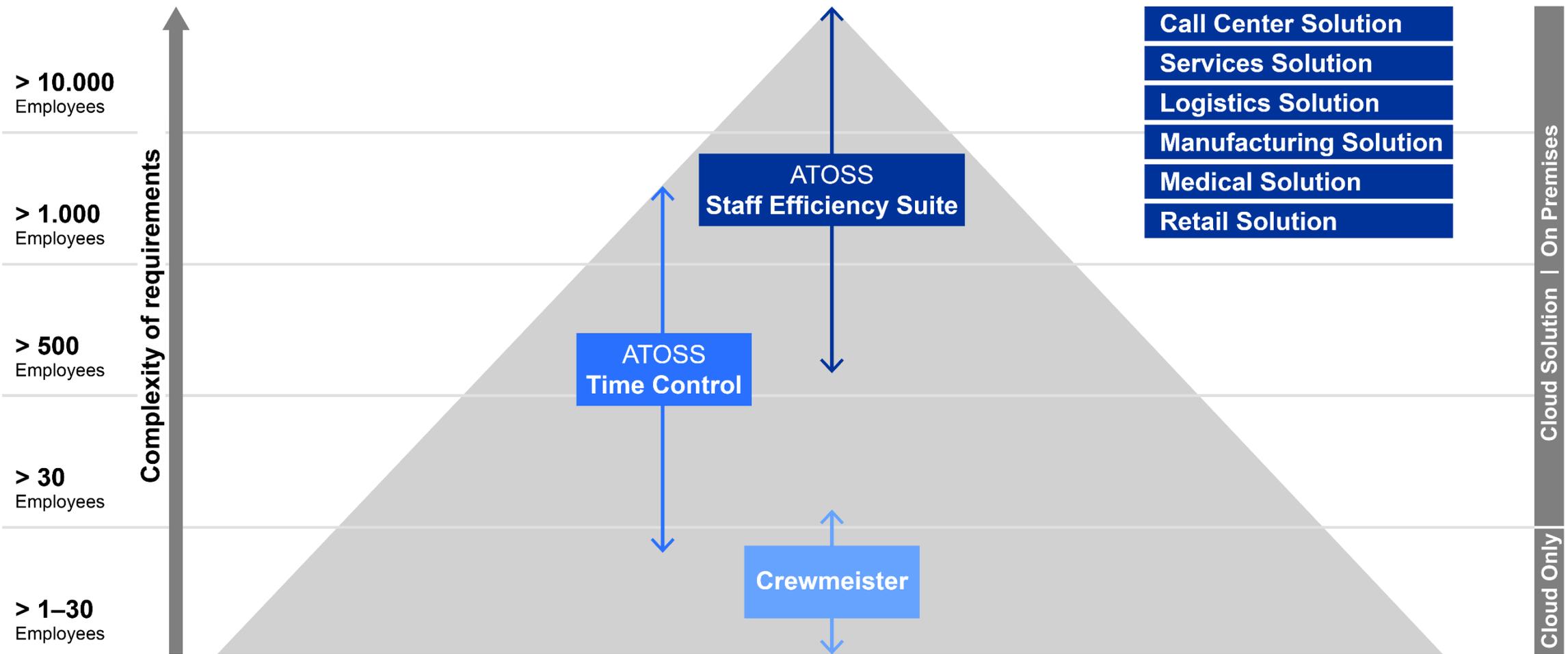
Fluctuation in demand  
 Little flexibility and long response times

**Goal**

Demand and cost-optimized synchronization  
 of working time and order volume

# 03 ATOSS Product Portfolio

As full-range provider, we offer solutions for every requirement



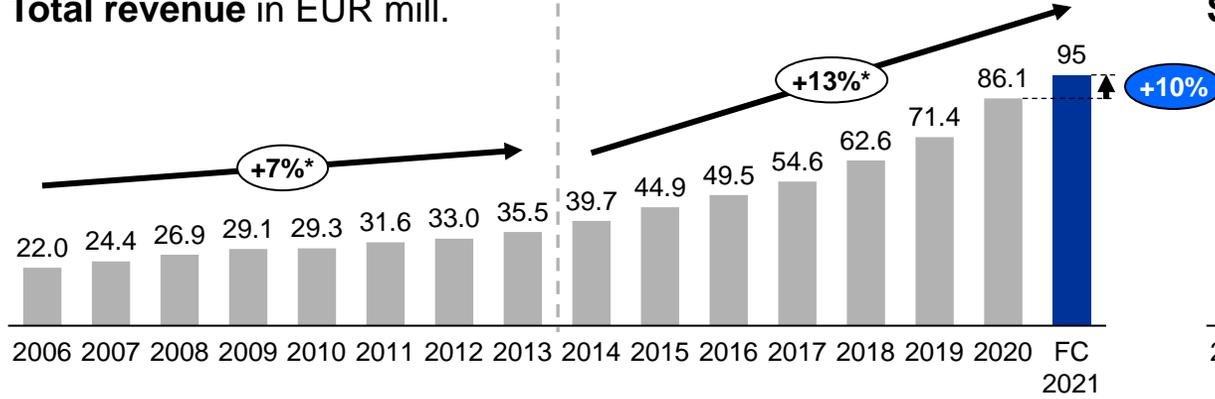
# 04 Financials & KPI's

**DUISPORT** | Logistics  
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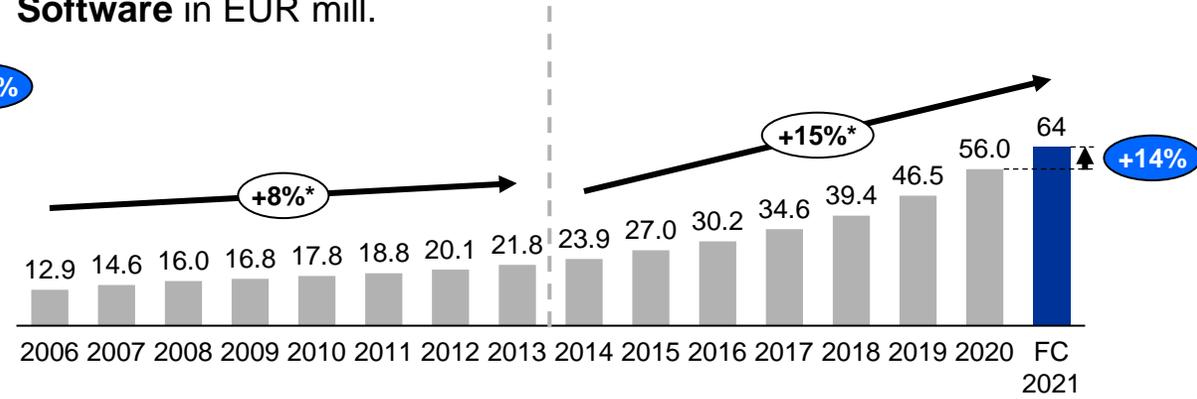
# 04 ATOSS – 16th Record Year anticipated

## Running like Clockwork

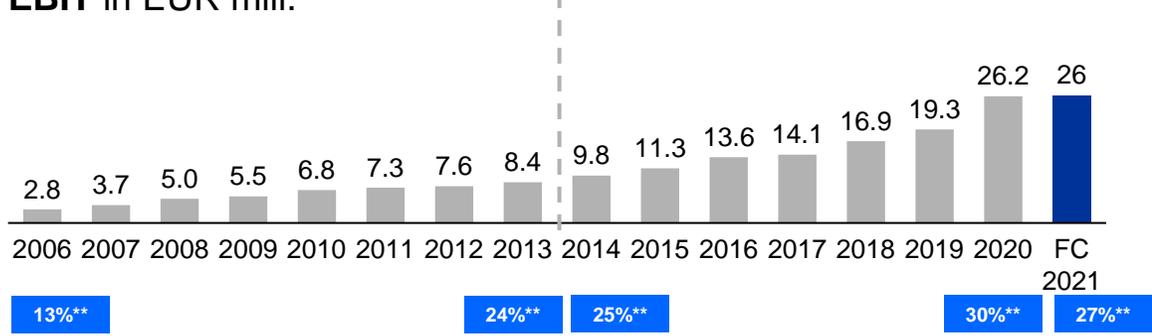
**Total revenue in EUR mill.**



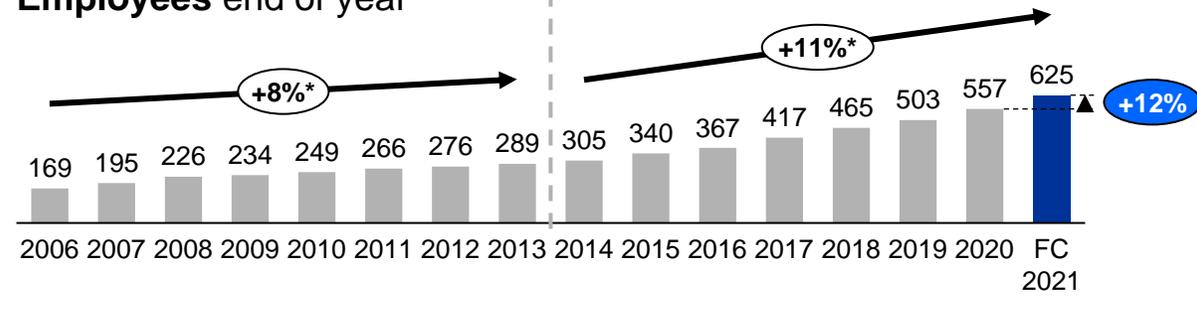
**Software in EUR mill.**



**EBIT in EUR mill.**



**Employees end of year**

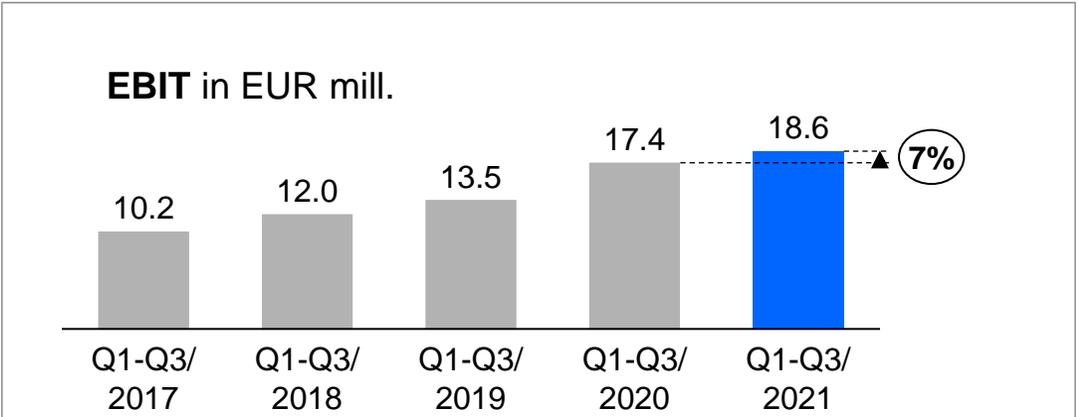
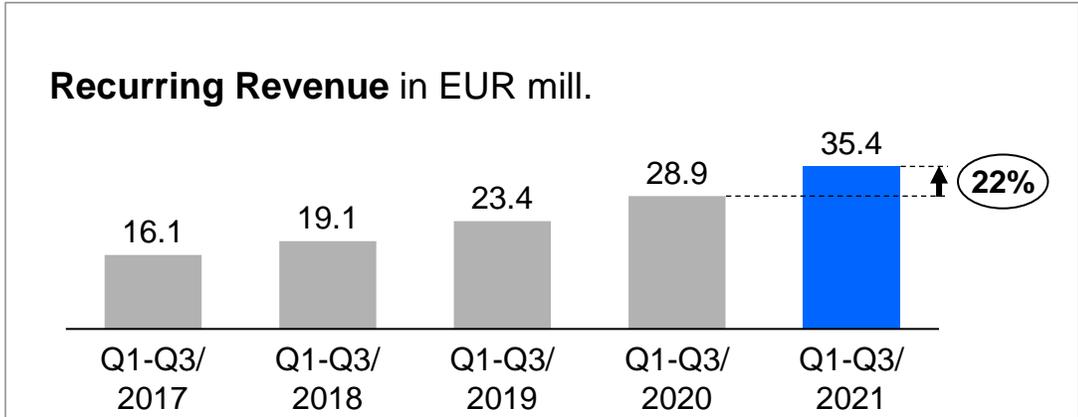
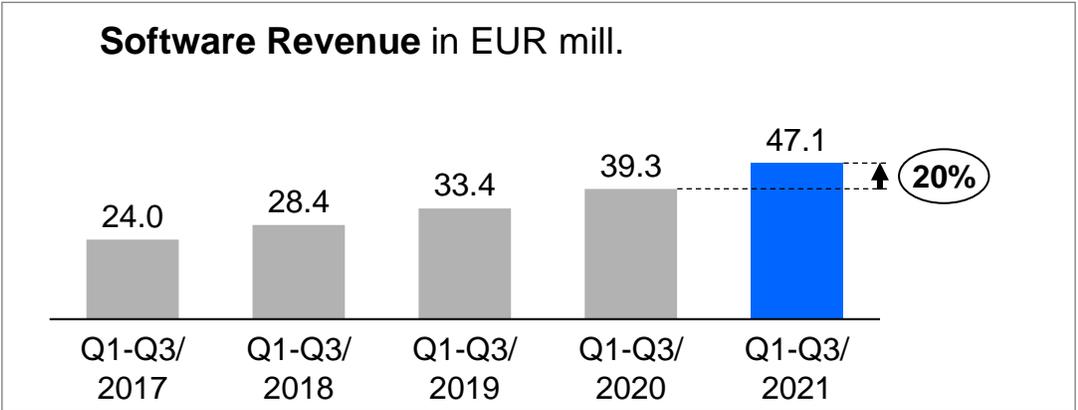
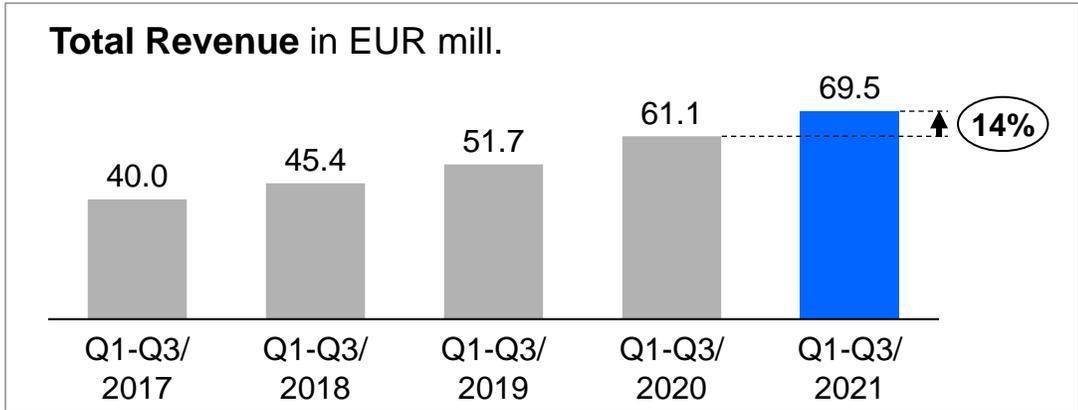


- Strong sales and continued positive earnings development
- Consistent ongoing investments in portfolio and technology
- Long-term security for our customers

\* Average growth rate  
 \*\* EBIT in % of total revenues



# 04 Top Key Figures Q1-Q3 2021

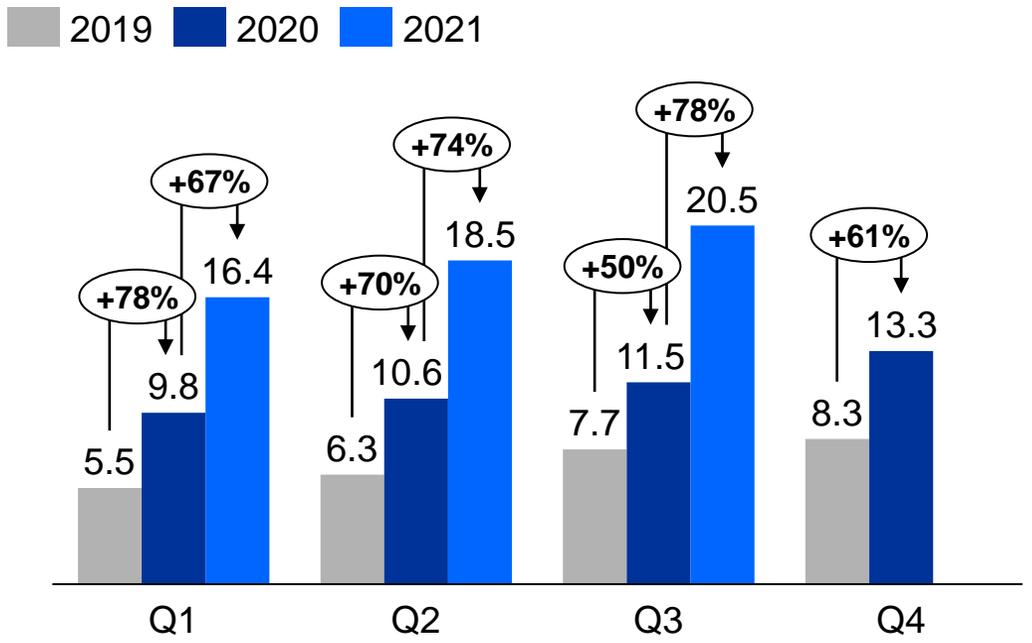


- Stable sales and continued positive earnings development in Q1-Q3/2021
- Continuous expansion of the share of recurring revenues
- Strong EBIT margin of 27 percent

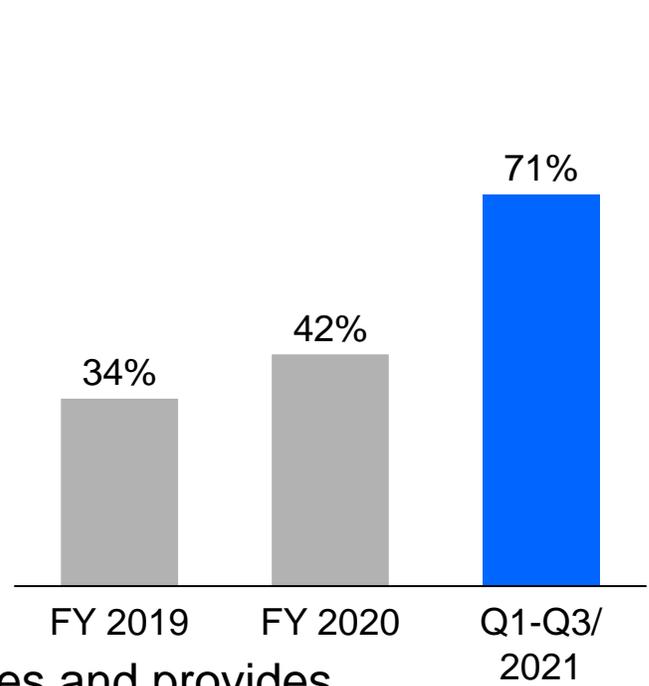


# 04 ATOSS Order Situation

**Cloud ARR\*:** Quarterly development in EUR mill.



**Share of Cloud\*\*\* in software order intake:** in %



- The strong demand for our cloud solutions and software licenses and provides an excellent basis for further development of ATOSS
- Average cloud contract duration: 42 months
- Average Churnrate\*\*: ~2.5 percent

\* ARR (Annual Recurring Revenue) 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 incl. Crewmeister; \*\*Churnrate: calculated as contract terminations divided by total ARR; \*\*\* Cloud Share of Software Order Intake expressed as normalized value of licenses in cloud and on prem orders



# 05 Growth Strategy

SPAR AUSTRIA | Retail

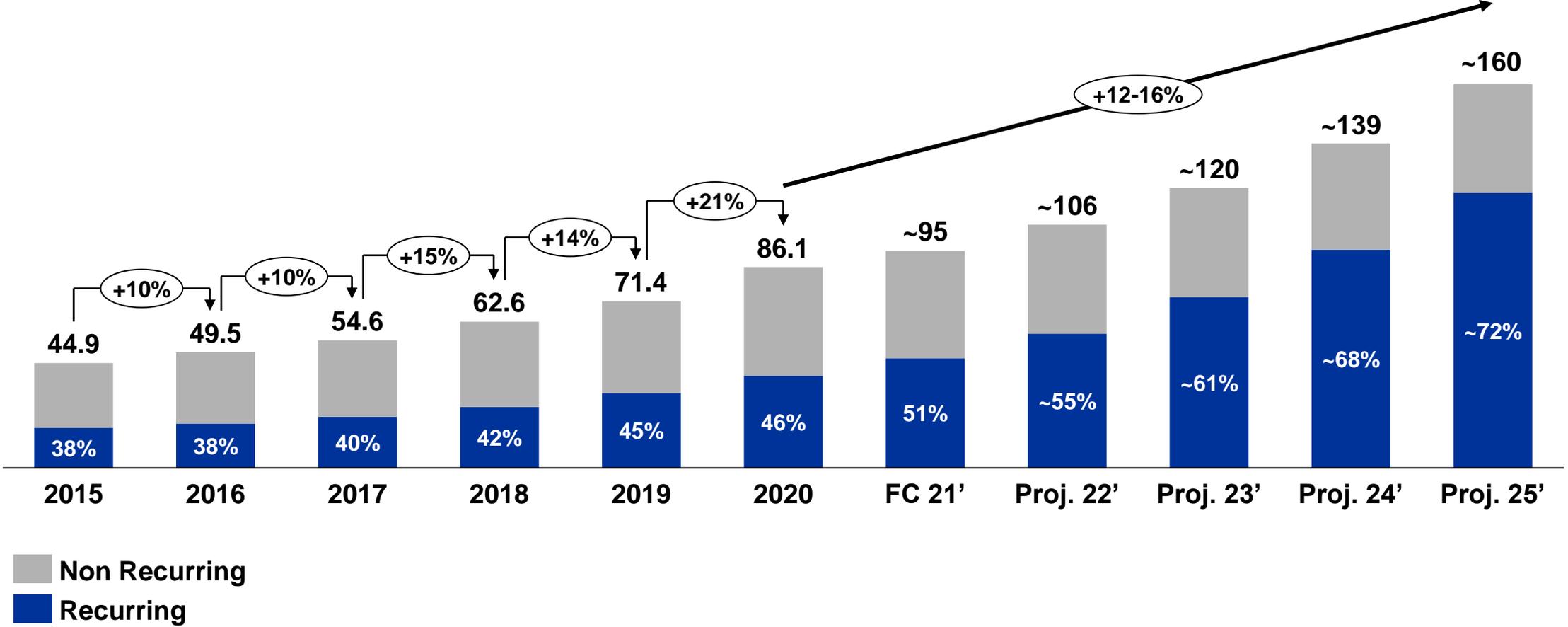
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# 05 ATOSS Cloud Transformation

## Growth Leading the Way for Increased Recurring Revenue (Model Projectory)

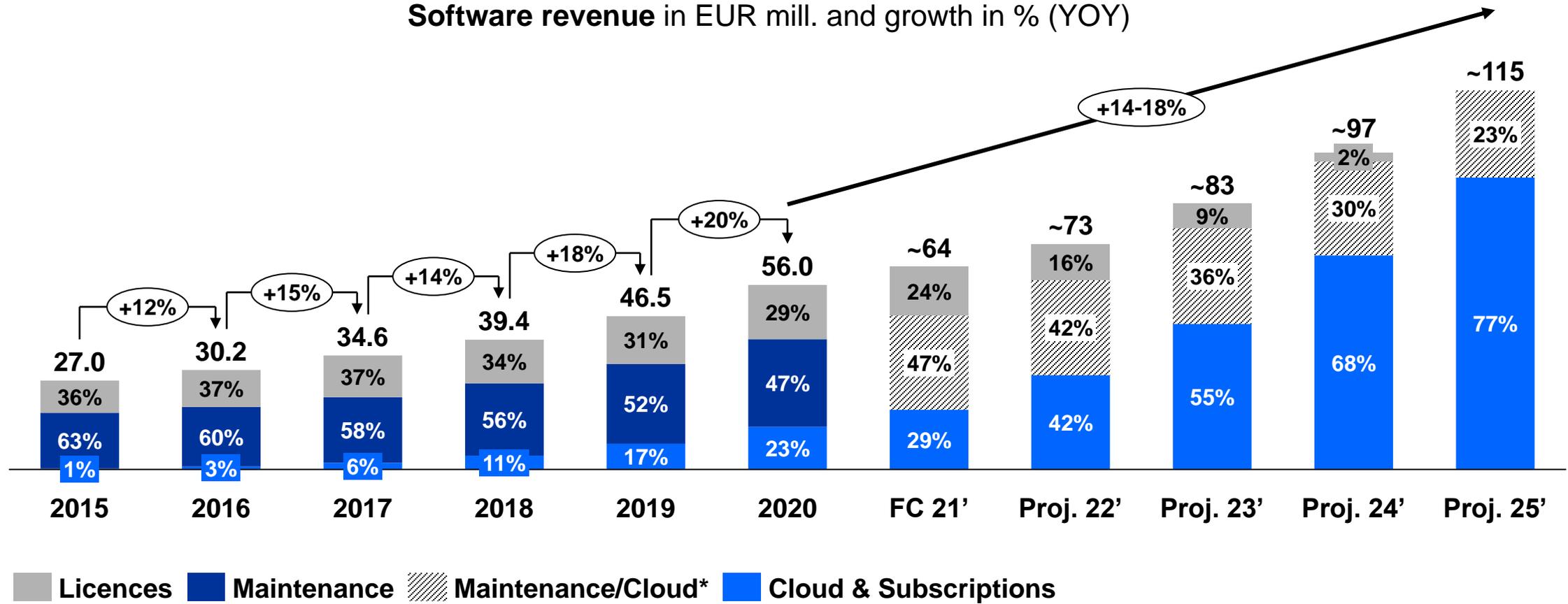
Revenue in EUR mill. and growth in % (YOY)



# 05 ATOSS Cloud Transformation (accelerated Model as of 2021)

## Growth Leading the Way for Increased Recurring Revenue (Model Projectory)

Software revenue in EUR mill. and growth in % (YOY)



\*depending on extent of transformation of existing on-premise customers into cloud and subscription customers

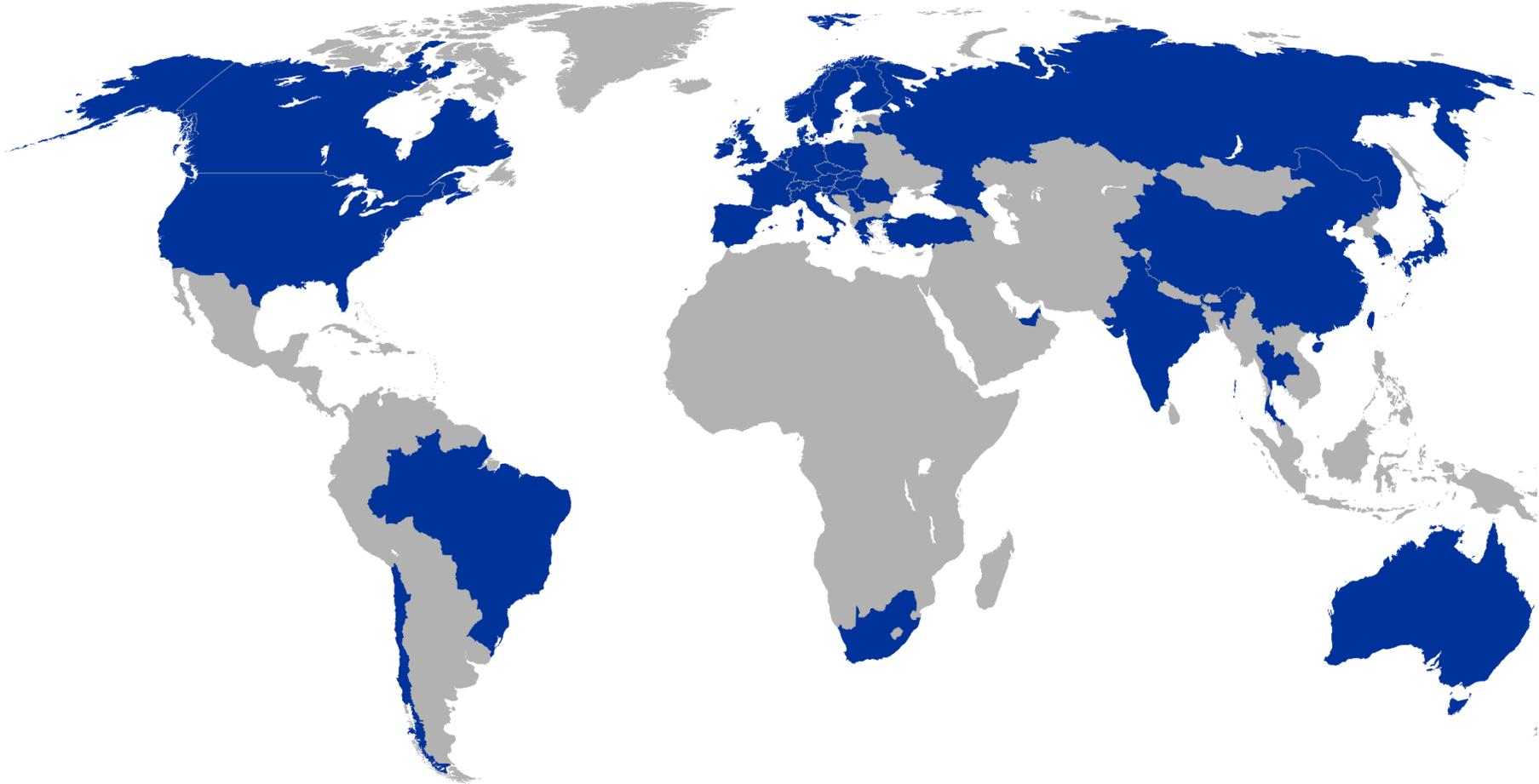


# 05 ATOSS continuously expands international footprint to further develop service offerings for global customers

**International Revenue Share increases from 15% to 25% by 2025**

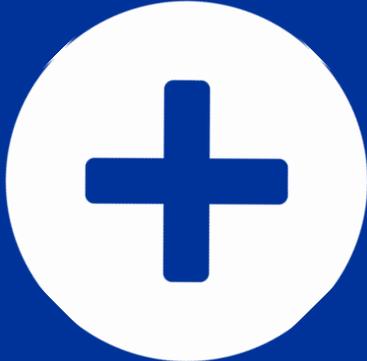
**ATOSS Solutions currently in 52 countries (multilingual solutions, 10 software languages)**

- ATOSS Strategy**
- **Expand regional Sales & Service Hubs**
  - **Set Up International Strategic Partners (Hyperscaler, Solution Partner)**



# 05 ATOSS – Growth Projections 2021 – 2025

Strong Growth and Margins while building Recurring Revenue

Guidance 2021		Projections 2021 - 2025	
Total Revenue <b>95 EUR Mill.</b>		Total Revenue Growth  p.a. <b>12-16%</b>	Increasing Share of Recurring Revenue from  <b>&gt;50 to &gt;70%</b>
EBIT Margin  <b>27%</b>		Software Revenue Growth  p.a. <b>14-18%</b>	EBIT Margin from  <b>25-30%</b>
No visible impact of COVID-19 on the business			



Thank You for Your Attention!

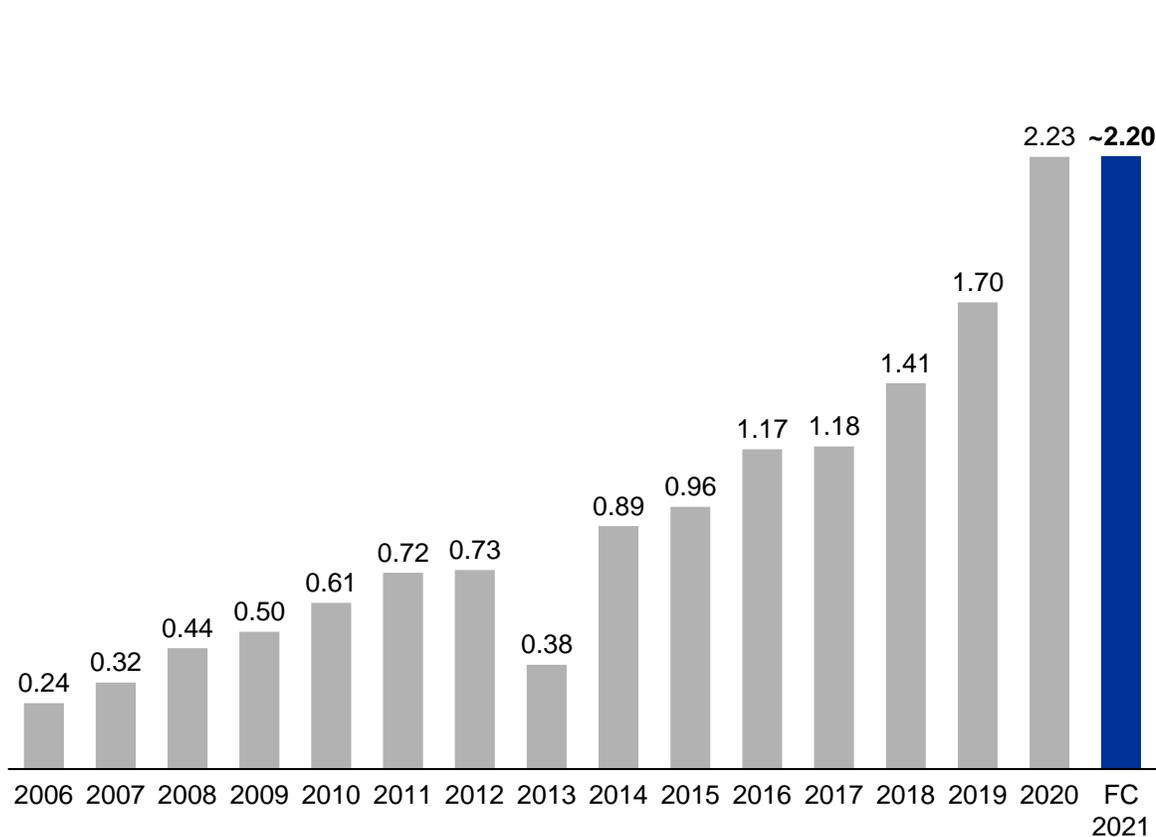
# Attachments



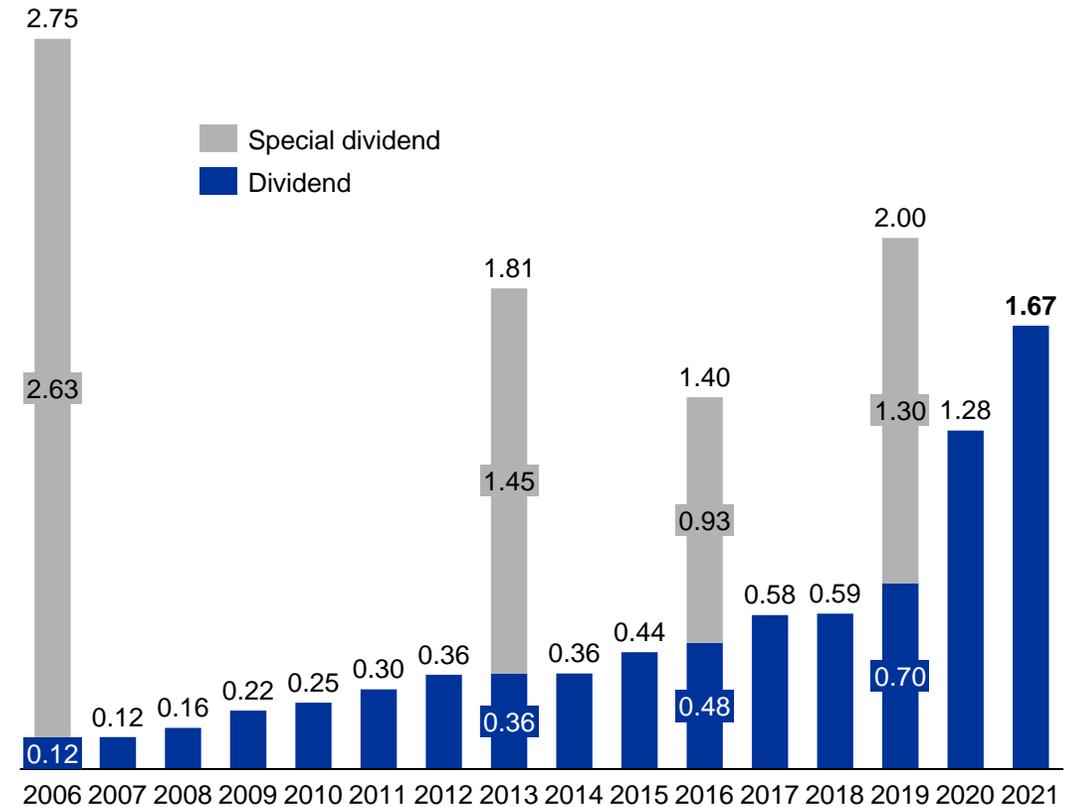
# The ATOSS Share

## Dividend Policy

EPS\* per 31. December in EUR



Dividend\* in EUR

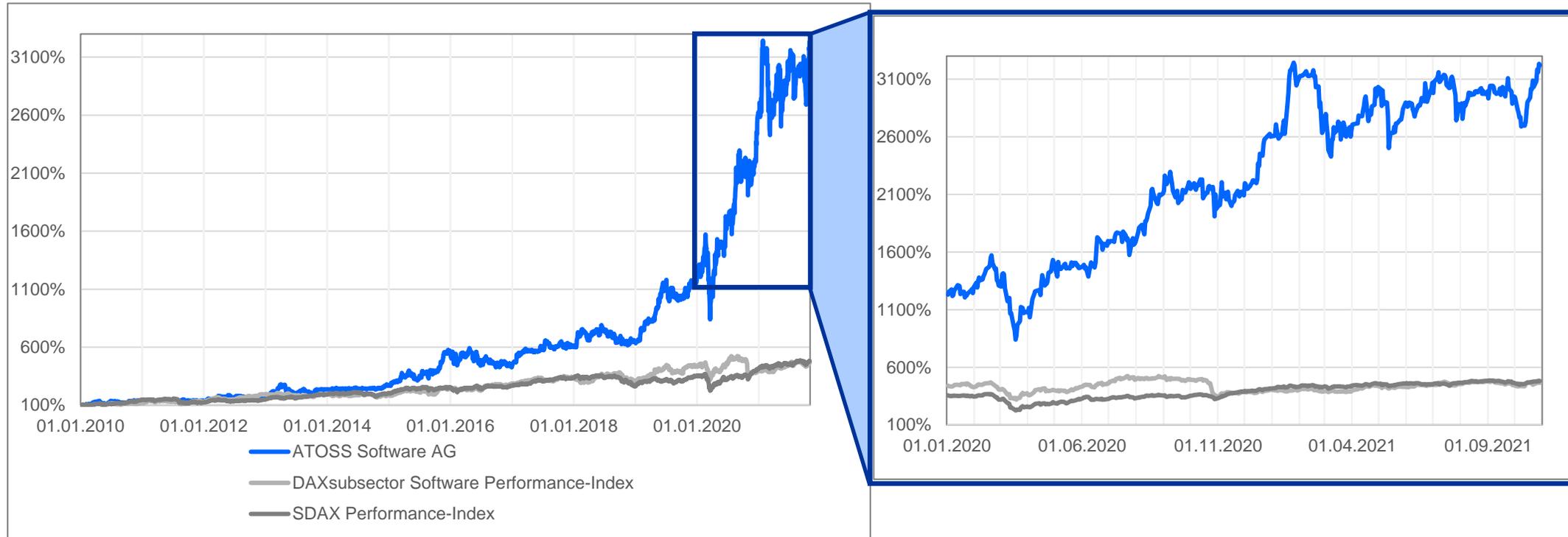


ATOSS stays true to its dividend policy with continuity to the previous year

\* The previous year's figures have been adjusted due to stock split in 2020; Rounding up to 2 decimal places

# The ATOSS Share

## Development ATOSS Share 01/01/2010 – 10/31/2021

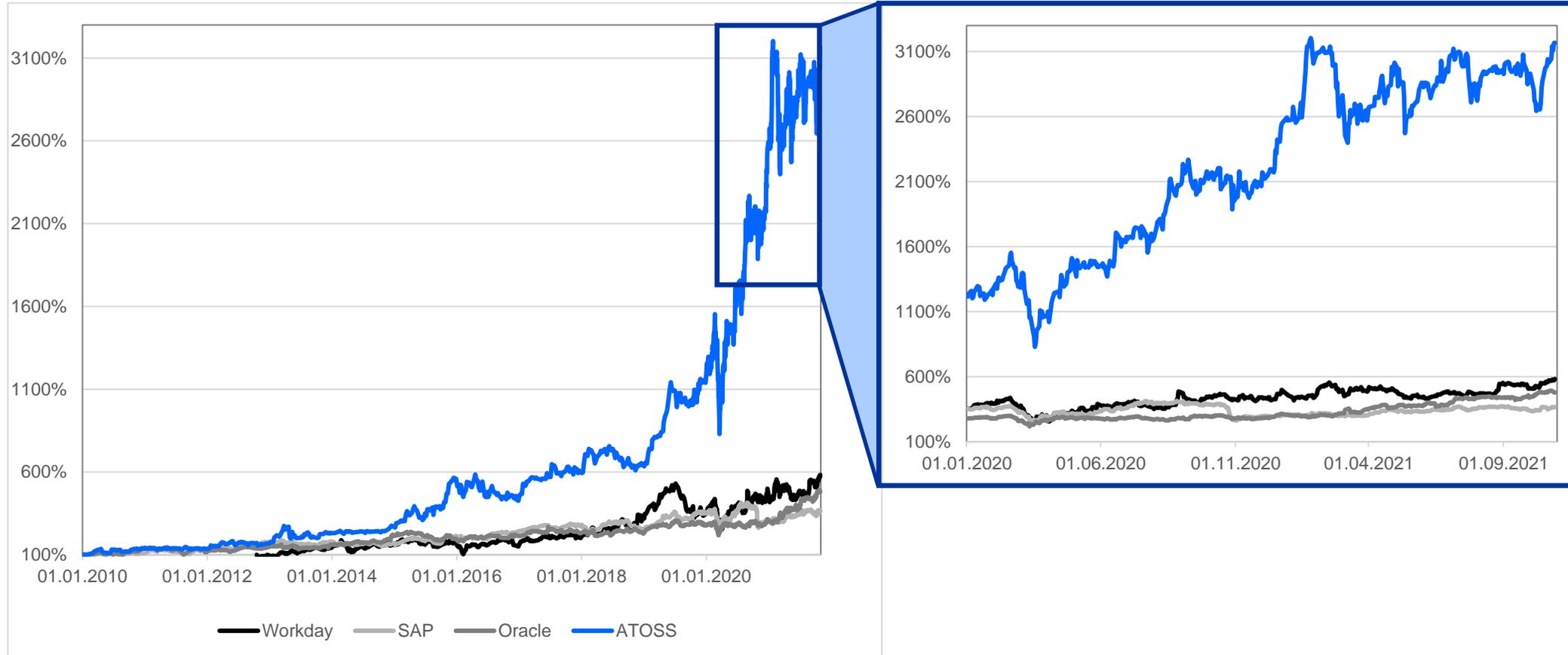


- 01/01/2010 – 10/31/2021: ATOSS share grows by 3,120%\* while the DAXsubsector Software Performance Index gains 366%
- Sustained increase of shareholder assets
- The ATOSS share offers additional upside due its dividend policy

\* XETRA Closing price 01/01/2010 and 10/31/2021 – without integration of special dividend

# The ATOSS Share

## ATOSS Performance – Oracle, SAP, Workday 01/01/2010 – 10/31/2021



Source: [www.comdirect.de](http://www.comdirect.de) (ATOSS Software AG, SAP AG – XETRA | Oracle, Workday – Stock exchange Frankfurt)

# Corporate Social Responsibility @ ATOSS

## Fields of sustainable activities

### Responsibility as integral aspect of our corporate culture and business processes

#### Integrity and compliance



- Prevention of discrimination, corruption, bribery, respect for human rights
- Compliance Management System – acting in accordance with all laws, social guidelines and values

#### Environment



- Energy & CO2 reduction
- Conservation of resources

#### Customer and society



- Data protection and data security
- Customer satisfaction
- Social and cultural activities

#### Employee



- Recruitment and retention
- Continuous training and learning
- Health promotion and recreation
- Diversity

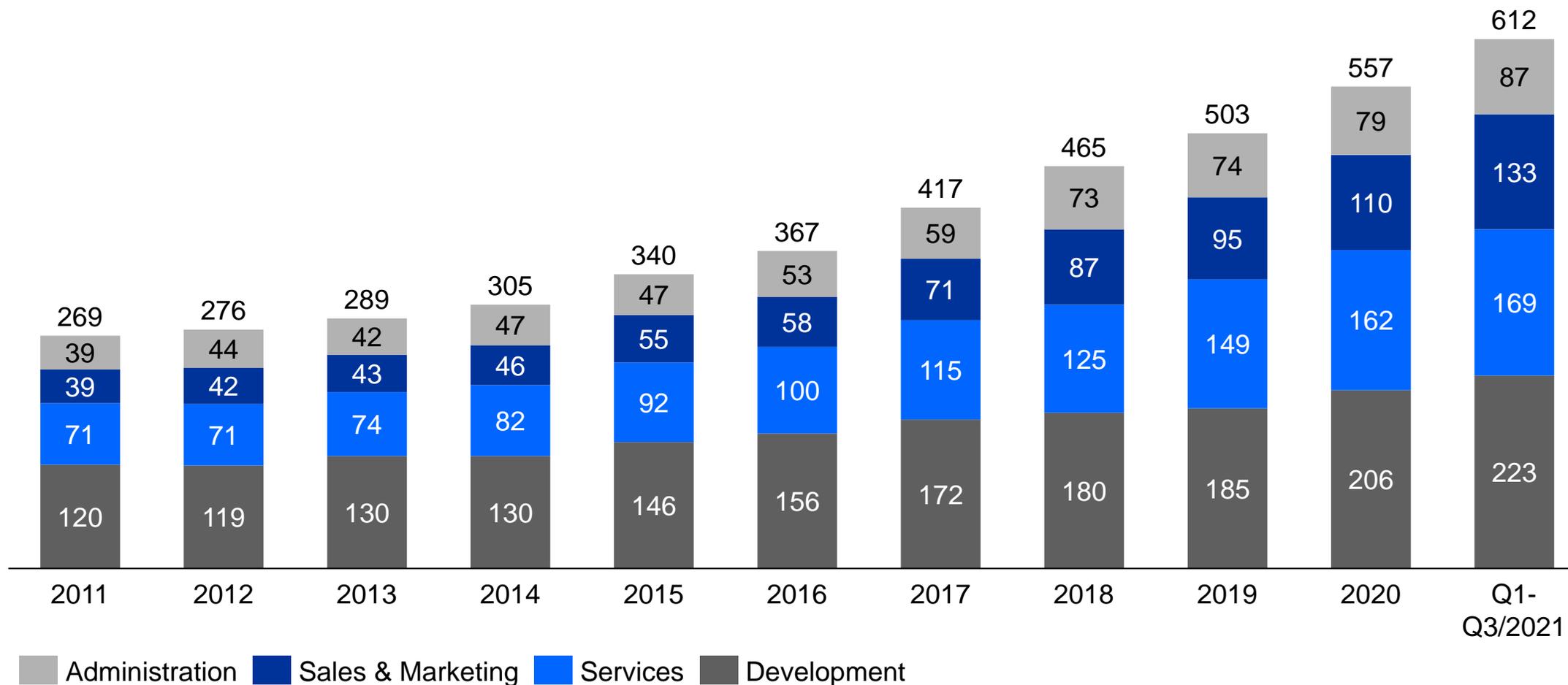
# Corporate Social Responsibility @ ATOSS

## Measures & Targets 2021

- Implementation of CSR Organization
- Development ATOSS CSR Strategy
- Introduction of Key Performance Indicators of Corporate Responsibility (in accordance with the criteria of the German Council for Sustainable Development: German Sustainability Code (DNK))
- Definition of Corporate Responsibility Targets
- Preparation & publication of sustainability reporting according to legal requirements
- Audit of the Corporate Responsibility Report 2021



# Continuous Expansion of Personnel Capacities

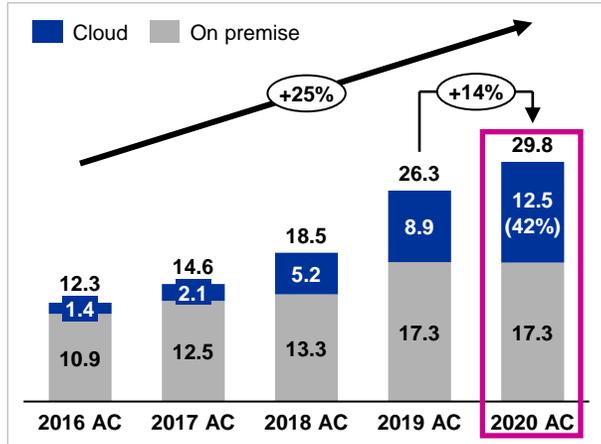


# Financial KPIs

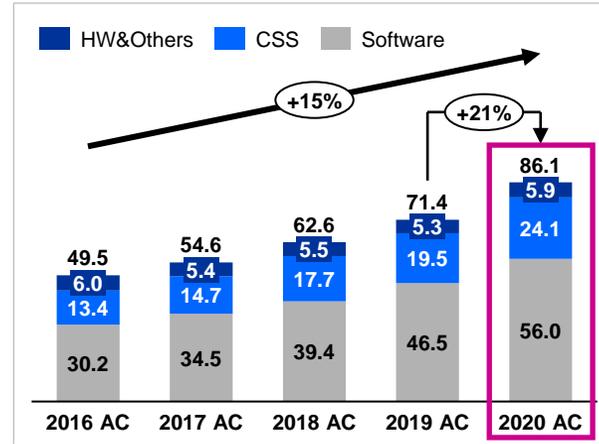
15<sup>th</sup> record year in a row for ATOSS

Mio EUR

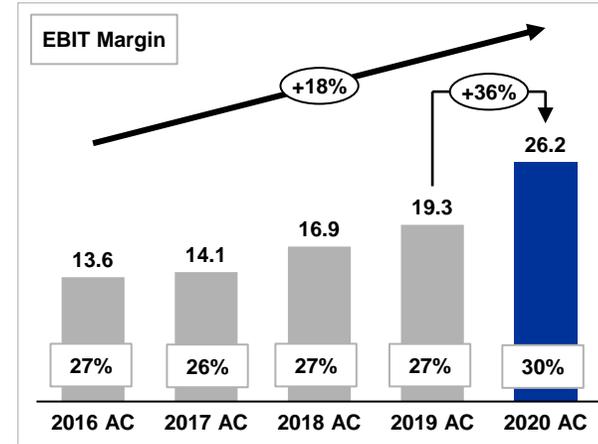
## Order intake



## Sales total



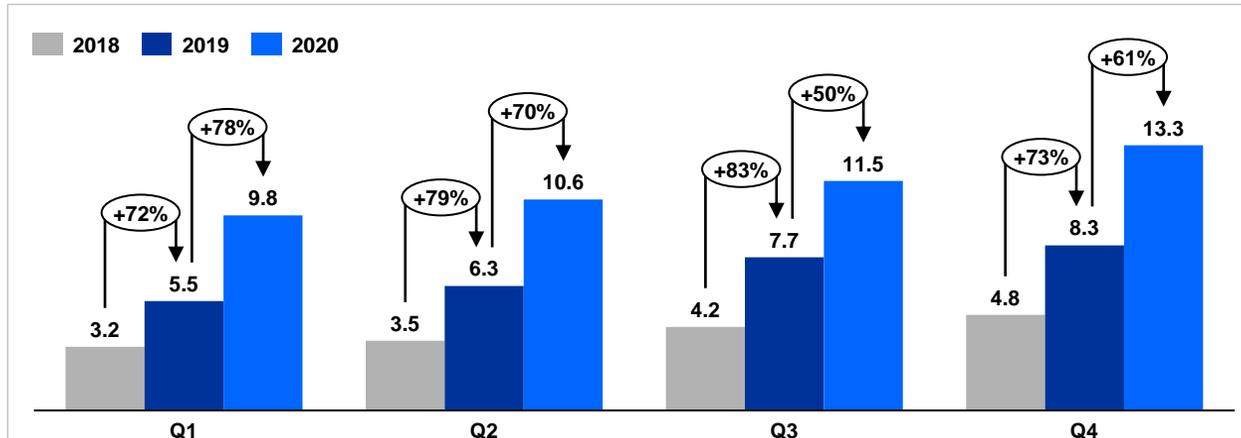
## EBIT



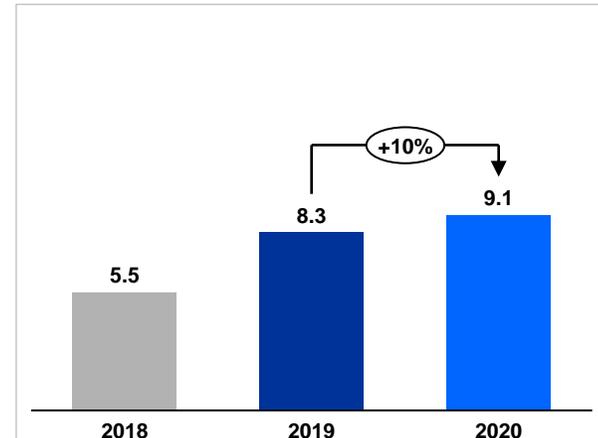
## Highlights

- 15<sup>th</sup> record year in a row for Sales & EBIT
- Total sales rocketed to **86 Mio** despite Covid19 challenges
- **EBIT** is highest in history with **30%**
- **Cloud transformation** successfully ongoing
- **Continuing strong demand** for our WFM solutions
- **Average cloud contract duration:** 42 months
- **Average Churnrate\*\*:** ~4 percent

## Cloud ARR\*: Quarterly development



## Orders on hand sw licenses



\*ARR (Annual Recurring Revenue) 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 incl. Crewmeister

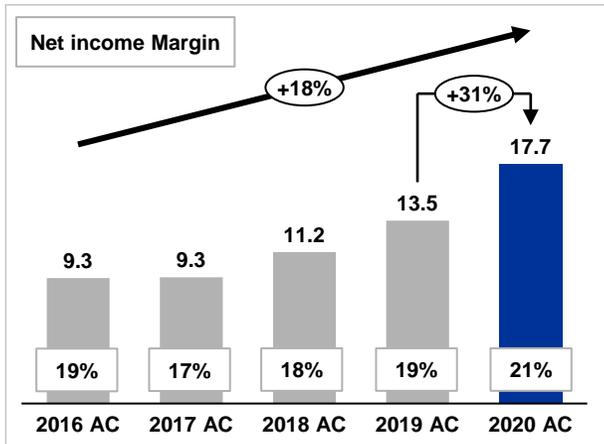
\*\*Churnrate: calculated as contract terminations divided by total ARR



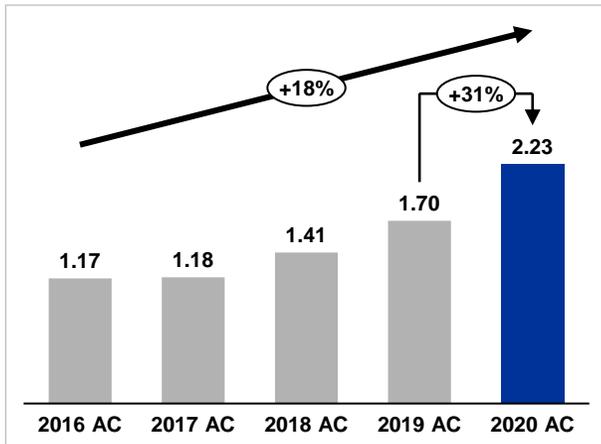
# Financial KPIs

Financial strength excellent base for further growth

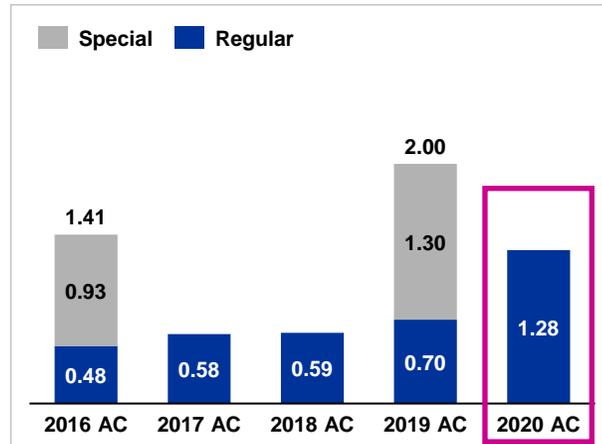
**Net Income** Mio EUR



**EPS\*** EUR



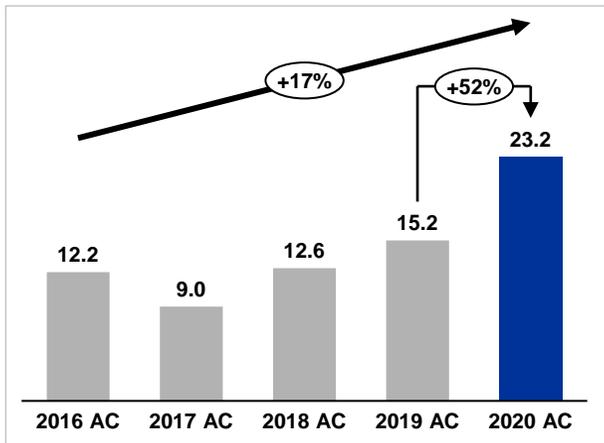
**Dividend per share\*** EUR



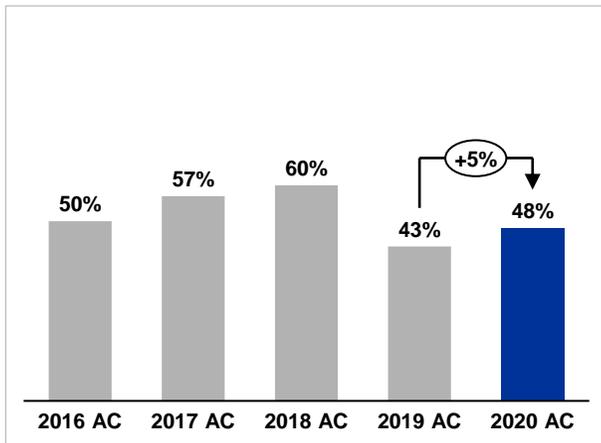
## Highlights

- **UNICORN:** ATOSS is now worth more than 1bn
- **Market capitalization** more than doubled within one year
- **Record Cashflow** secures organic growth opportunities
- **Dividend** of 1,275 EUR/share distributed in 2020 for 2019
- **Equity ratio** impacted by application of IFRS16 from 2019 on

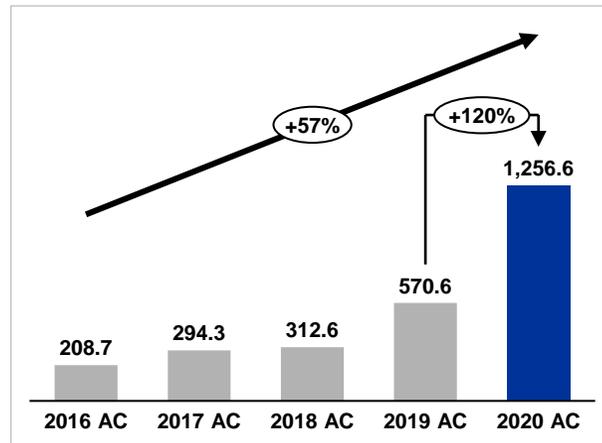
**Operational Cashflow** Mio EUR



**Equity Ratio** %



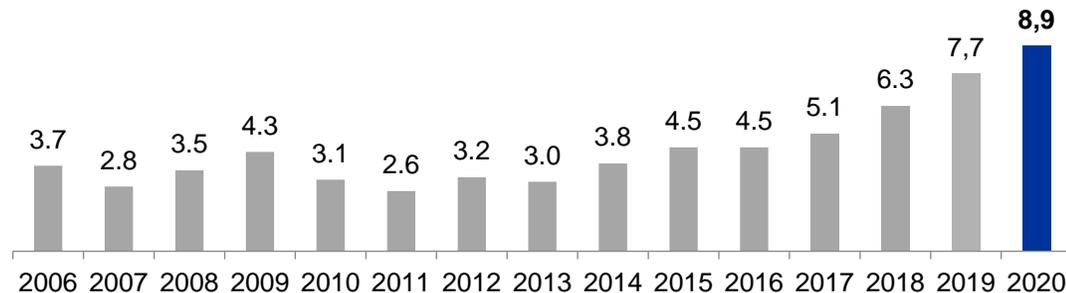
**Market Capitalization** Mio EUR



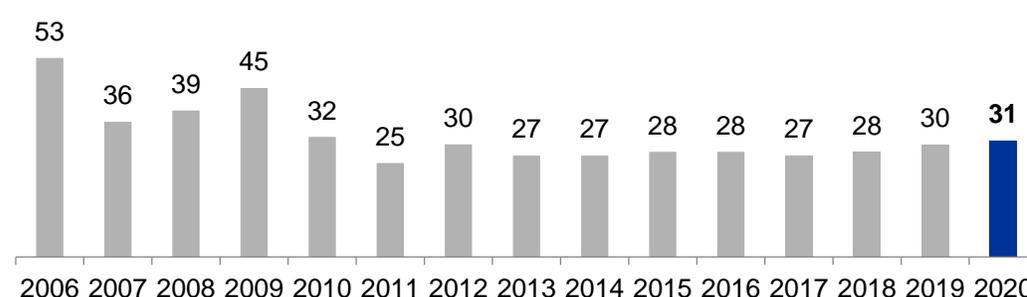
\* The previous year's figures have been adjusted due to stock split in 2020; rounding up to two decimal places

# Benchmark for Customer Satisfaction and Stability\*

**Receivables**  
in EUR mill.



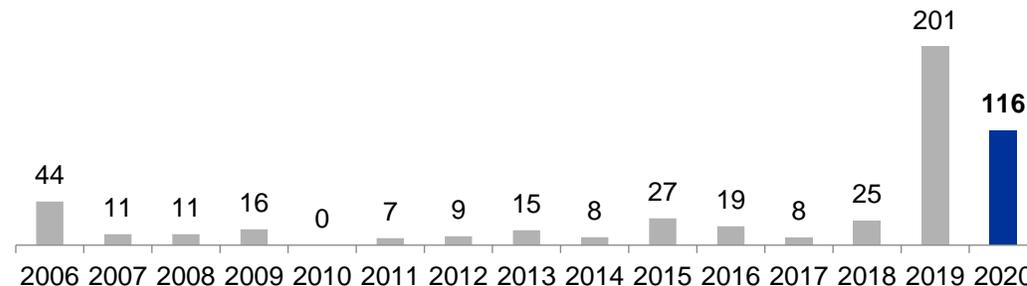
**Collection period**  
in days\*



Low volume of receivables and short collection periods reflect good customer relations and well structured business processes.

The extremely low value adjustments are additional, impressive proof of the sound and reliable business model.

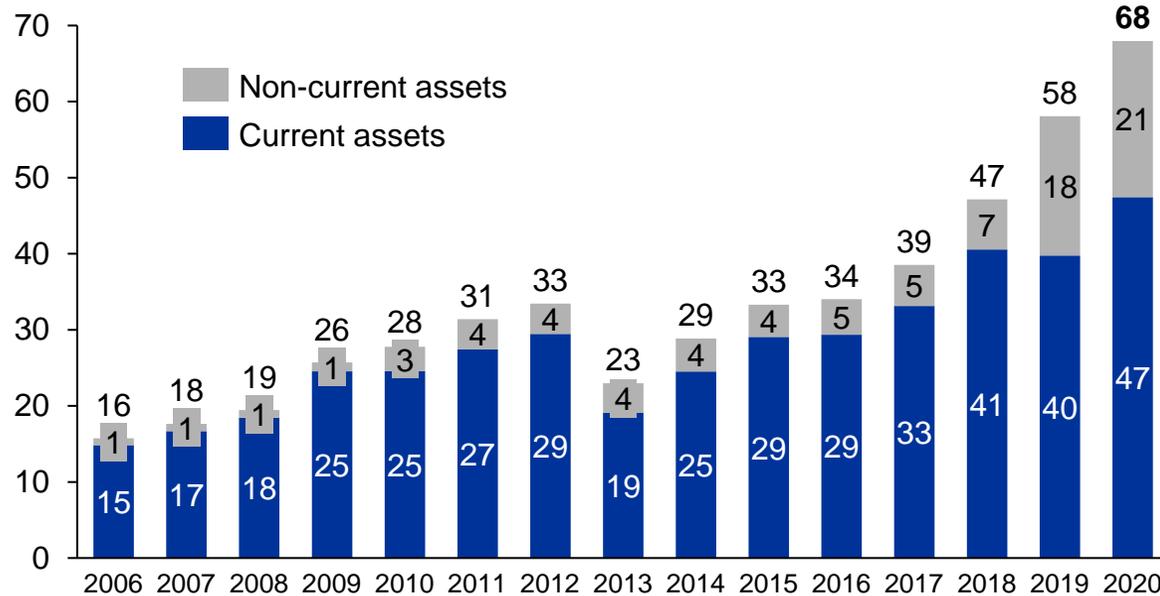
**Value adjustments** in kEUR



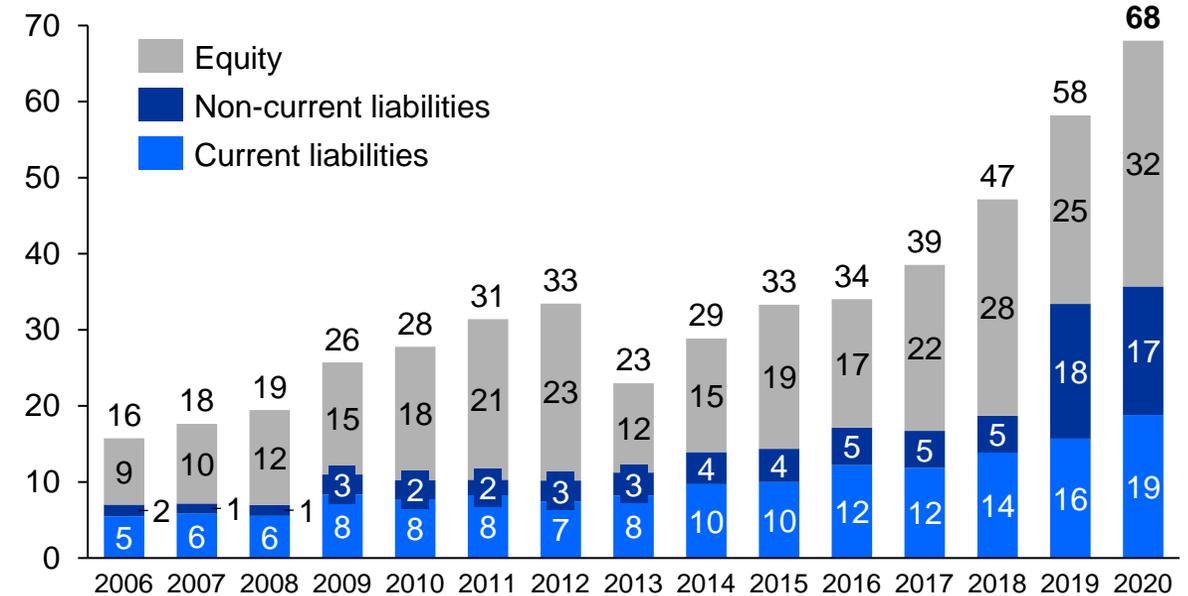
\* Collection period = (average net receivables x 365)/revenues

# Balance Sheet Structure 2006 – 2020

**Assets** in Mio. EUR



**Equity & Liabilities** in Mio. EUR

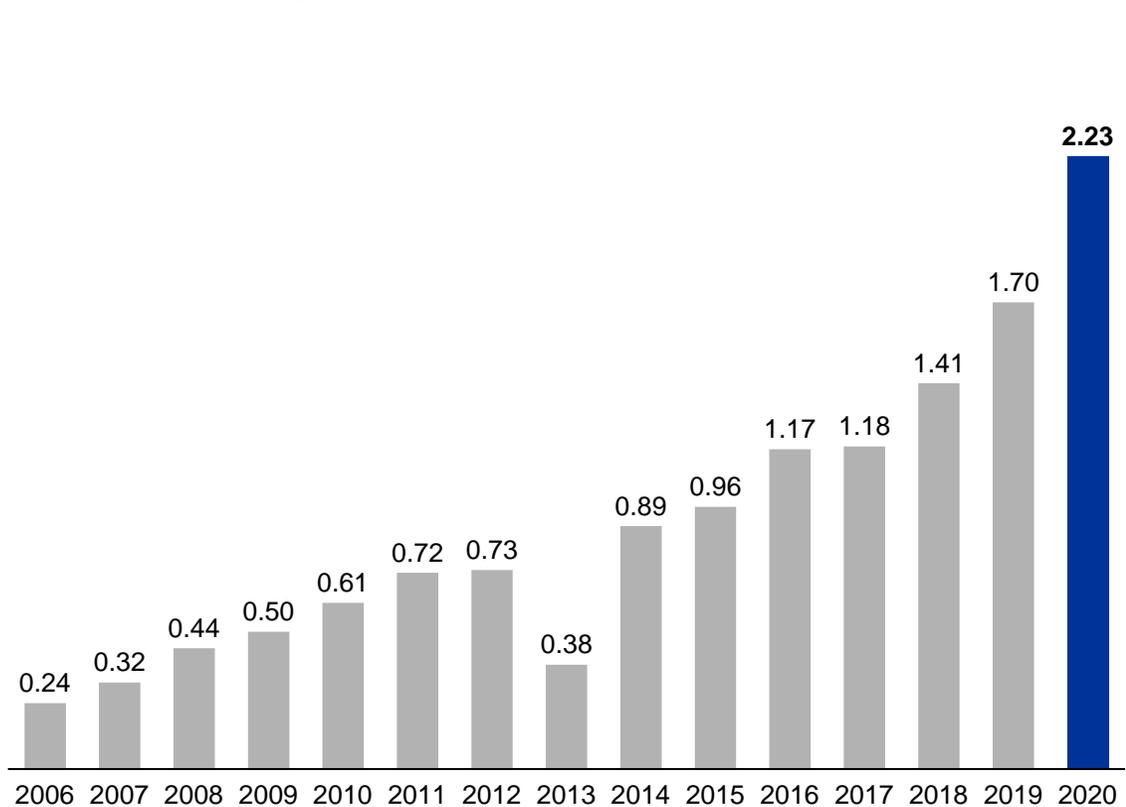


- Sound structure of balance sheet
- Assets: constant solid ratio between current and non-current assets
- Equity & liabilities: high equity ratio (2020: 48 percent)

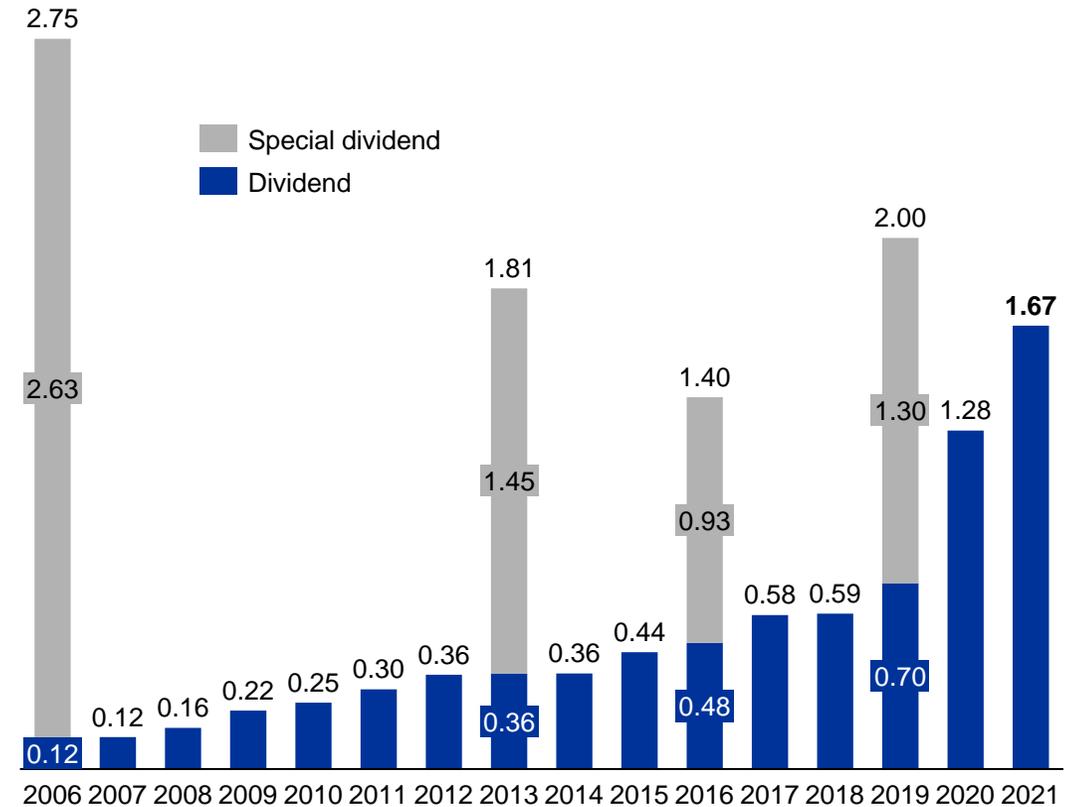
# The ATOSS Share

## Dividend Policy

EPS\* per 31. December in EUR



Dividend\* in EUR



ATOSS stays true to its dividend policy with continuity to the previous year

\* The previous year's figures have been adjusted due to stock split in 2020; Rounding up to 2 decimal places

# Dynamics of Cloud Transformation for Forecast 2021

## Guidance 2021

Total Revenue

**> 95 EUR Mill.**

Total Software Revenue

**64 EUR Mill.**

Sales Performance (On Prem value):  
**29 Mio. EUR (Plan 2021 Assumption)**

Sales Performance (On Prem value): **34 Mio. EUR (Current Forecast)**

### Software revenue in EUR mill.

64 EUR Mill.

64

62.5

1.5

Order Intake split

Scenario I  
Alt. A

Scenario I  
Alt. B

Cloud & Subscription

55%

70%

On Prem

45%

30%

### Software revenue in EUR mill.

3.3

64

64

Order Intake split

Scenario II  
Alt. A

Scenario II  
Alt. B

Cloud & Subscription

55%

70%

On Prem

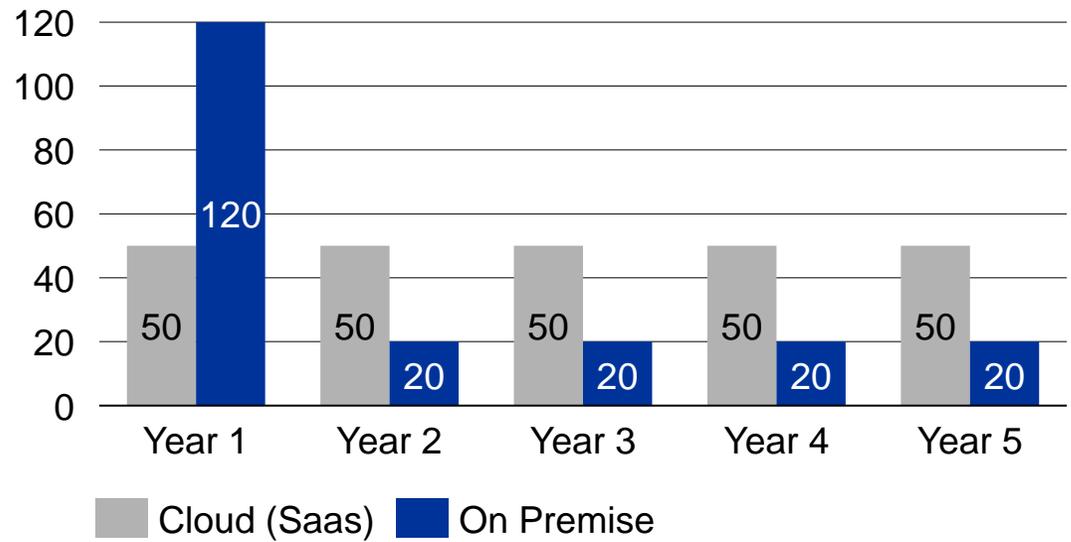
45%

30%

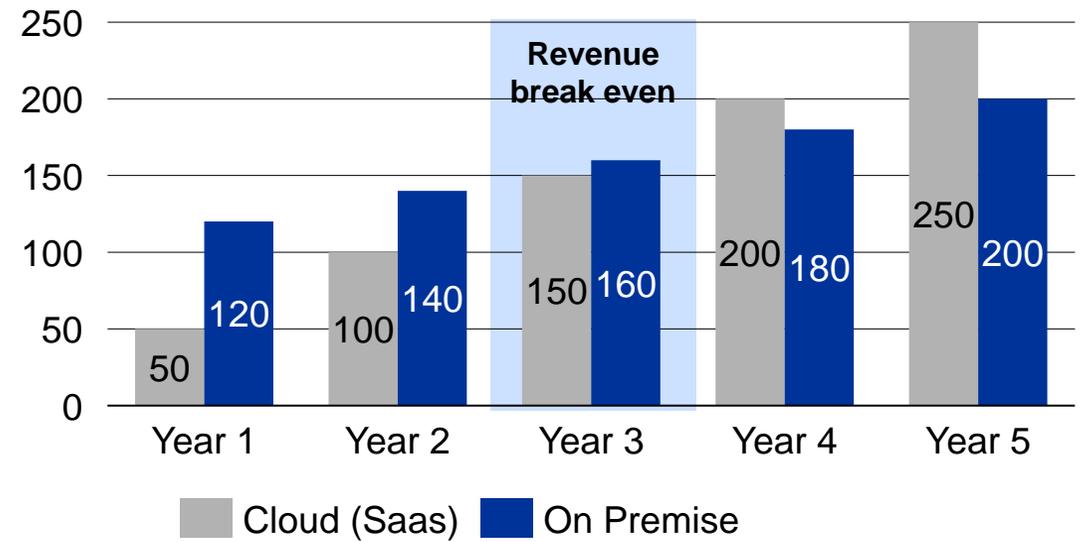
# 05 On Premise vs. Cloud Model

## Revenue/Payment scheme

Cloud vs. On Premise



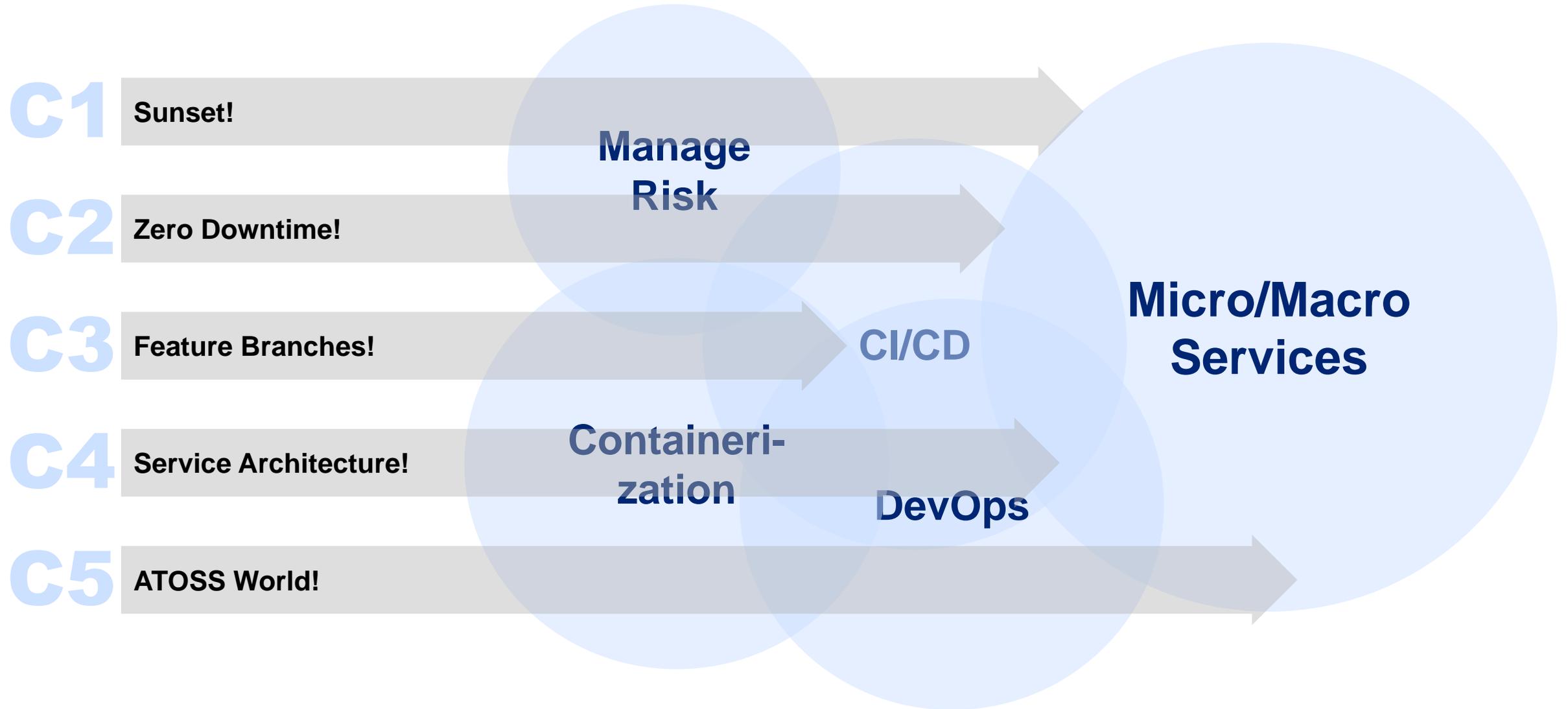
Cloud vs. On Premise (accumulated)



- Cloud Services lead to Service Optimization & Cost Savings for ATOSS Customers
- Service Optimization & Cost Savings allow for increased accumulated revenues after 3.5 years



# Cloud Transformation – Technical Approach



# Workforce Management in a Nutshell

## Efficiency via Highly Flexible Staff Deployment

ATOSS helps companies to have ...

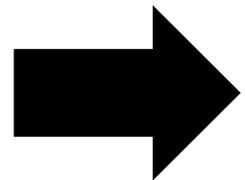
the right employees,

with the right qualifications,

at the right time,

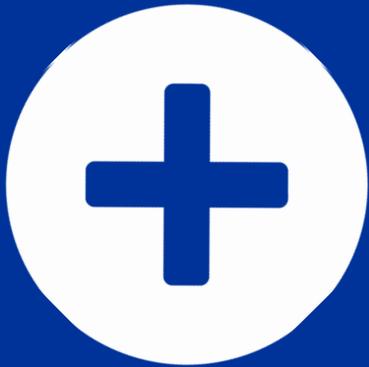
at the right place,

... cost optimised!



# Effects generated from ATOSS Projects

## Cross-industry



**-15%**

Personnel costs with  
the same number of  
staff

**-22%**

Balance-sheet  
provisions

**-60%**

Residual leave

**-70%**

Planning input

**-82%**

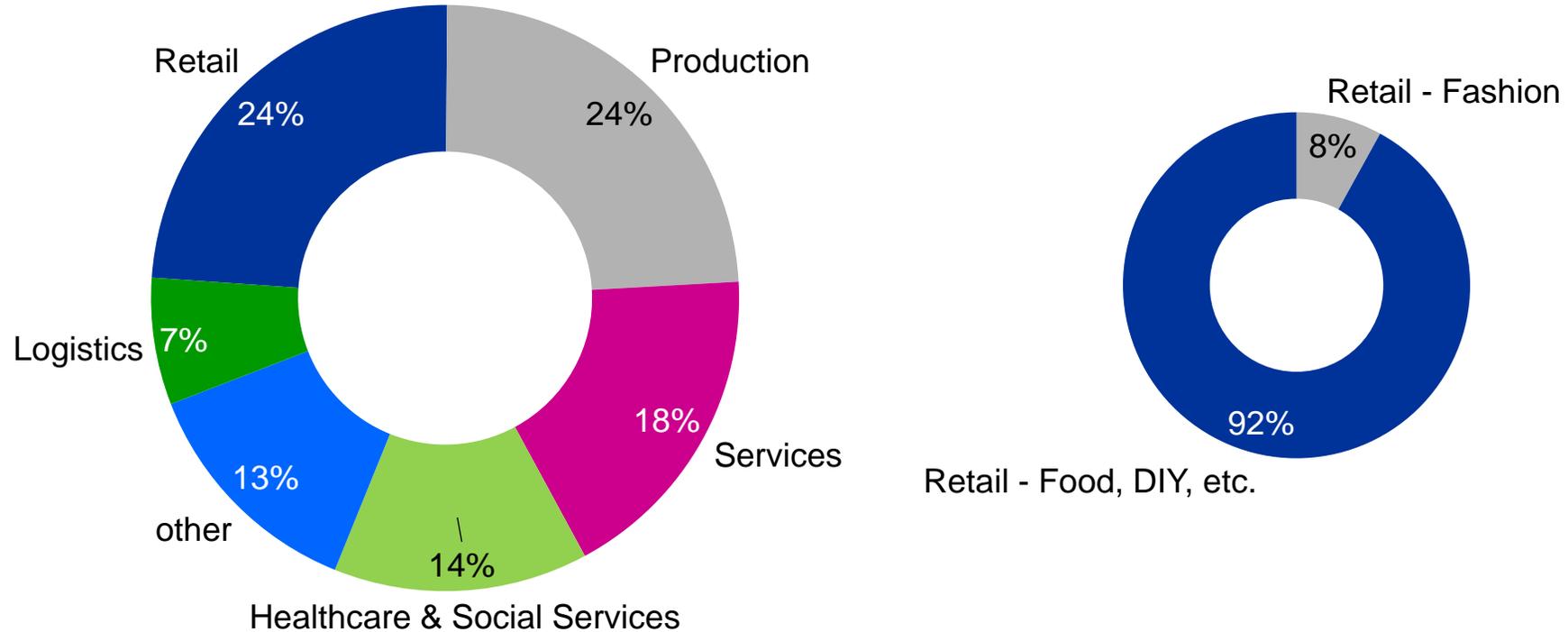
Overtime

**+5%**

Conversion rate

**+11% Revenue**

# ATOSS Sales by Segment



- The five largest customers account for approx. 10 percent of company's sales.

# Gartner study: Today, there is no single provider that can offer workforce management across all regions and segments

» There is no single, homogeneous workforce management (WFM) software market. Markets have evolved by industry, **geography**, organization size [...].  
*Gartner, Inc. (2014)*



- As of today, there is **no provider** that can offer workforce management with unlimited productivity **on a global level**
- International customers have to limit themselves to decentralised, regional solutions.

Need for change

# Regulatory scheme in mainland Europe requires different approach than in the US to be successful

## T&A in mainland Europe is dominated by sheer endless number of rules & regulations

**Differences in regulatory environment between Europe and US lead to very complex and individual legal frameworks in CE due to:**

- Strong unions and workers council
- Extremely high individuality of company agreements
- High regional diversity of collective labour agreements
- By design, extensive room for interpretation of rules in Europe

**→ tens of thousands of variations of legal requirements**



## Vendors without powerful rules engine fail in mainland Europe

**Compliance with magnitude of requirements can only be accomplished by a generic, broad and very powerful rules engine and NOT by customer specific programming**

**→ Vendors who run T&A based on narrow, standardized rule framework and solve individualism through non-upgradable programming, shipwreck in the face of the diverse European rules and regulations**

# ATOSS Full Range Strategy

## Crewmeister continues successful development



### Highlights

- Customers more than quadrupled in two years
- New product features developed
- High customer satisfaction

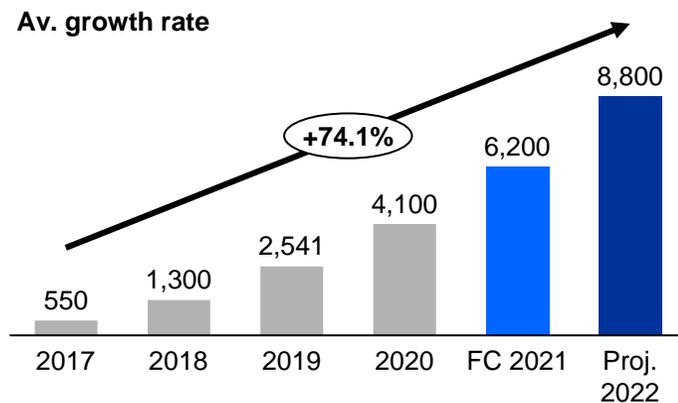
### Key metrics

- Av. Customer Acquisition costs (CAC\*): 270 EUR
- Av. Customer Lifetime Value (CLTV\*\*): 1.020 EUR
- CLTV/CAC-Ratio: 3.8
- Av. Monthly Churnrate\*\*\*: 1.7 %
- Cloud Gross Margin: +70%

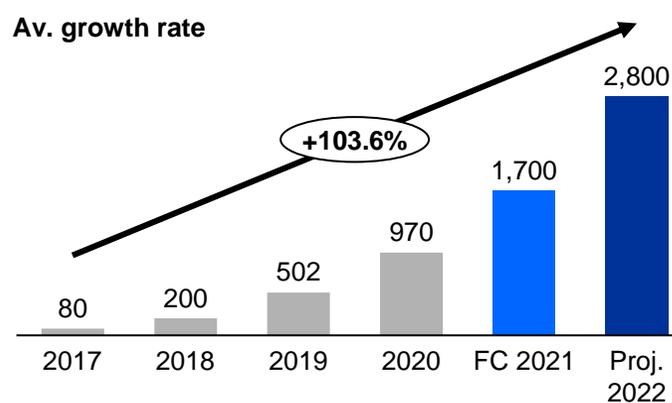
### Outlook

- Continued growth of more than 100% p.a. expected
- Ongoing increase in sales per customer expected (new product features)
- Impact Covid 19:
  - Increase in Churn
  - More agility in customer acquisition

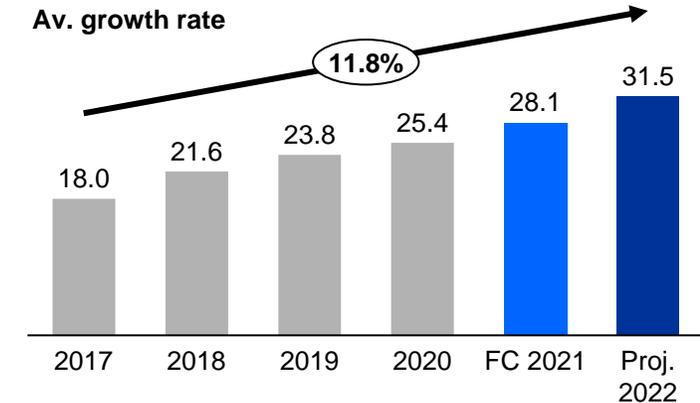
#### Customer Development



#### Sales Development (TEUR)



#### Sales/Customer Ratio (EUR)



\* **CAC** (Customer acquisition cost) (09/2021): cost of resources for the business in order to acquire a new customer. Customer acquisition cost involves sales and marketing costs.

\*\* **CLTV** (Customer lifetime value) (09/2021): estimate of all the future gross profits to be accumulated from a relationship with a given customers

\*\*\* **Churnrate** (09/2021): Ratio, in the current year/month, of customer terminations (number) and the total number of customers (number) with an existing contract at the end of the year/month



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