

ATOSS Software AG: Strong growth and profitability in 14th record year in succession

According to provisional figures, ATOSS Software AG is once again able to report exceptionally strong results with new records for sales and earnings. Overall, sales rose by 14 percent year-on-year, climbing to EUR 71.4 million. The workforce management specialist from Munich also increased earnings again in spite of making considerable investments in the future. Operating earnings (EBIT) of EUR 19.3 million represented double-digit growth, exceeding the previous year's already strong performance by a considerable increase of 14 percent. Against the backdrop of an excellent order book with consistently strong demand for cloud solutions, the Management Board expects the growth and success story to continue in the present fiscal year.

Munich, January 31, 2020

ATOSS Software AG is posting outstanding growth for the fourteenth year in succession. Cloud sales, in particular, grew very strongly in the past fiscal year, underlining the progress the company has made in successfully transforming its business model. Excellent growth in sales and earnings coupled with the momentum behind sales and distribution clearly demonstrate the unique position occupied by ATOSS in the workforce management market. ATOSS thus remains a guarantor of growth and stability.

Software sales rose to EUR 46.5 million (previous year: EUR 39.4 million) in the period from January to December 2019, demonstrating a significant increase of 18 percent over the previous year. This corresponds to a 65 percent share of the Group's total sales (previous year: 63 percent). Software licenses accounted for total sales of EUR 14.5 million (previous year: EUR 13.3 million). The greatest boost to growth in software revenues came from recurring sales with cloud solutions which increased by 87 percent to EUR 7.8 million (previous year: EUR 4.2 million). The growth in software maintenance which has been consistently positive for years, also continued. Sales here rose by 11 percent to EUR 24.2 million (previous year: EUR 21.9 million). Overall, the proportion of recurring software sales stood at 69 percent (previous year: 66 percent). Turnover in consulting, too at EUR 19.5 million (previous year: EUR 17.7 million) was up by 10 percent, well above the previous year figure. Hardware sales amounted to EUR 3.7 million (previous year: EUR 4.1 million). Other sales came to EUR 1.6 million (previous year: EUR 1.4 million).

ATOSS has new records to report not only with respect to sales. Operating earnings, for example, matched overall sales, growing by 14 percent to EUR 19.3 million in spite of significantly higher personnel costs resulting from a decision to expand capacity. This results, as it did last year, in a very attractive EBIT margin of 27 percent. After a positive financial result of EUR 0.6 million (previous year: EUR -0.1 million), earnings before taxes (EBT) jumped 19 percent to EUR 19.9 million while net income was 21 percent higher at EUR 13.5 million. ATOSS thus generated EUR 3.40 per share in fiscal 2019 following EUR 2.81 in the previous year.

Besides excellent sales and earnings figures, the order book exhibited particularly dynamic growth. The order intake for software licenses and the software component of contracted cloud solutions as of December 31, 2019 increased by an impressive 42 percent to EUR 26.3 million (previous year: EUR 18.5 million). Orders on hand for software licenses as of December 31, 2019 stood at EUR 8.3 million (previous year: EUR 5.5 million). To better illustrate growth in its cloud business and demonstrate the progress made in expanding annually recurring revenues from the cloud, the company introduced a new KPI at the beginning of fiscal 2019: Annual Recurring Revenue (in brief: ARR). This KPI comprises the sales generated by the company within the next 12 months, which are calculated on the basis of the monthly cloud usage fees applicable on the cut-off date. As of December 31, 2019, ARR amounted to EUR 8.3 million, representing a year-on-year increase of 69 percent (previous year: EUR 4.9 million).

The past fiscal year thus fits into a pattern of by now fourteen successive record years, paving the way for the company's further growth in the coming years. ATOSS Software AG considers itself to be superbly positioned to benefit from strong growth rates in the market resulting from topical concerns and challenges facing companies such as demographic change and digitization. For this reason, the Management Board expects the success story to continue in 2020 with an EBIT margin of at least 25 percent.

The outstanding growth of its business and high degree of stability in its business model also form the basis for increasing the dividend rate to 75 percent as part of the company's long-term dividend policy. The Management Board will consequently propose a dividend of EUR 2.55 per share to the Supervisory Board as part of its earnings appropriation resolution which the Annual General Meeting of Shareholders on April 30, 2020 will decide upon.

CONSOLIDATED OVERVIEW AS PER IFRS: YEAR ON YEAR IN KEUR

	1/1/2019 - 12/31/2019	Proportion of Total sales	1/1/2018 - 12/31/2018	Proportion of Total sales	Change 2019 to 2018
Total sales	71,392	100%	62,611	100%	14%
Software	46,532	65%	39,371	63%	18%
Licenses	14,515	20%	13,333	21%	9%
Maintenance	24,208	34%	21,866	35%	11%
Cloud	7,810	11%	4,172	7%	87%
Consulting	19,546	28%	17,734	28%	10%
Hardware	3,683	5%	4,082	7%	-10%
Others	1,630	2%	1,423	2%	15%
EBITDA	22,506	31%	17,994	29%	25%
EBIT	19,297	27%	16,917	27%	14%
EBT	19,912	28%	16,789	27%	19%
Net profit	13,519	19%	11,194	18%	21%
Cash flow	15,245	21%	12,610	20%	21%
Liquidity ^(1/2)	30,363		33,312		-9%
EPS in euro	3.40		2.81		21%
Employees ⁽³⁾	503		465		8%

CONSOLIDATED OVERVIEW AS PER IFRS: QUARTERLY COMPARISON IN KEUR

	Q4/19	Q3/19	Q2/19	Q1/19	Q4/18
Total sales	19,708	17,751	16,998	16,935	17,258
Software	13,090	11,428	11,168	10,846	10,984
Licenses	4,499	3,266	3,369	3,381	4,043
Maintenance	6,236	6,092	5,976	5,903	5,654
Cloud	2,355	2,068	1,824	1,563	1,287
Consulting	5,149	4,990	4,495	4,913	4,853
Hardware	1,004	935	967	777	1,124
Others	465	399	367	399	297
EBITDA	6,779	5,589	5,272	4,866	5,252
EBIT	5,846	4,793	4,054	4,604	4,870
EBIT margin in %	30%	27%	24%	27%	28%
EBT	5,820	5,007	4,223	4,862	4,898
Net profit	4,403	3,213	2,720	3,183	3,176
Cash flow	887	5,873	1,271	7,216	-719
Liquidity ^(1/2)	30,363	30,361	25,108	40,298	33,312
EPS in euro	1.11	0.81	0.68	0.80	0.80
Employees ⁽³⁾	503	508	484	474	465

(1) For the first time, from January, 1 2019 the accounting standard IFRS 16, which also influences the EBITDA of 2019, must be taken into account. EBITDA of 2019 adjusted for IFRS 16 amounts to kEUR 20,292 (previous year: kEUR 17,994).

(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 2,215.

(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:

March 6, 2020	Publication of the annual report for 2019
March 6, 2020	Balance sheet press conference
April 27, 2020	Publication of the 3-monthly financial statements
April 30, 2020	Annual General Meeting
July 24, 2020	Press release announcing the 6-monthly financial statements
August 10, 2020	Publication of the 6-monthly financial statements
October 23, 2020	Publication of the 9-monthly financial statements
November 16 -18, 2020	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-premises. The modular product families feature the very highest level of functionality, browser-based high-end technology and platform independence. With more than 8,000 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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