

ATOSS Software AG: Sustained growth coupled with high profitability – cloud business expands rapidly

ATOSS Software AG succeeded in increasing sales in the first nine months by a clear 13 percent to EUR 45.4 million. And despite significant future-oriented investments, the specialist in demand-oriented personnel resource planning continued to expand earnings and set new records. Operating profits (EBIT) rose by an outstanding 18 percent to EUR 12.0 million with a margin on sales of 27 percent (previous year: 26 percent). Once again the company has been successful in continuing its dynamic growth and extending its profitability. In view of the highly positive development in business, the Management Board is satisfied that ATOSS will close the year with new record figures for the thirteenth time in succession.

Munich, October 24, 2018

ATOSS Software AG has increased the pace of growth and is now recording sustained success for the thirteenth year. The robust development in business is not only proof of the role played by ATOSS as a leader in technology and innovation in the market for demand-oriented personnel resource planning. It also confirms the continuously increasing importance of workforce management as a corporate instrument.

Software sales in the period from January to September were 12 percent higher at EUR 28.4 million (previous year: EUR 25.3 million), equating to 63 percent of the Group's overall turnover. Software licenses accounted for sales of EUR 9.3 million (previous year: EUR 9.2 million). The development in the cloud business has been particularly dynamic with sales totaling EUR 2.9 million, more than double last year's figure. The consistent positive trend in software maintenance over many years has also been sustained, with sales climbing 10 percent to EUR 16.2 million (previous year: EUR 14.7 million). As a result the proportion of recurring sales (maintenance and cloud business) increased to 42 percent (previous year: 40 percent) of overall turnover. Turnover in consulting, too, at EUR 12.9 million (previous year: EUR 10.8 million) was up by 19 percent, well above the figure for the same period last year and continuing a trend that has been evident for some years. Hardware sales and other revenues amounted to EUR 3.0 million (previous year: EUR 2.7 million) and EUR 1.1 million (previous year: EUR 0.9 million) respectively.

ATOSS is still setting new records, and not just in sales: Operating profits (EBIT) have also increased substantially despite significant investments in R&D and the sales organization, coming in 18 percent higher at EUR 12.0 million (previous year: EUR 10.2 million). Based on EBIT, the return on sales came in at 27 percent, slightly above the Management Board forecast of 25 percent for financial year 2018. ATOSS recorded earnings per share of EUR 2.02 in the first three quarters, compared with EUR 1.67 in the year before.

The market for workforce management continues to offer substantial potential for growth. The continuing trend towards digitization, new work concepts and an increasingly individualized society are bringing profound and continuous changes to the world of work. As a consequence the demand for workforce management solutions is growing unabated. As a key player in such a market environment, ATOSS is excellently positioned to record continuing success. This is demonstrated not least by the successful transition to cloud solutions. Based on orders received for software licenses and the software component of cloud subscriptions, the cloud business accounted for 30 percent of orders received, compared with 14 percent in the year before. The order book for cloud solutions valued at EUR 14.4 million (previous year: EUR 8.1 million) and software licenses at EUR 4.6 million (previous year: EUR 5.8 million) provides a first-class starting point for further success. Taking into account proposed investments to access new markets and the high level of expenditure of around one fifth of sales revenues for research & development, the company continues to expect an EBIT margin for the financial year 2018 of at least 25 percent.

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

	01.01.2018 - 30.09.2018	Proportion of Total sales	01.01.2017 - 30.09.2017	Proportion of Total sales	Change 2018 / 2017
Total sales	45,353	100%	40,022	100%	13%
Software	28,387	63%	25,336	63%	12%
Licenses	9,290	20%	9,227	23%	1%
Maintenance	16,212	36%	14,741	37%	10%
Cloud	2,885	6%	1,368	3%	111%
Consulting	12,881	28%	10,790	27%	19%
Hardware	2,958	7%	2,694	7%	10%
Others	1,062	2%	861	2%	23%
EBITDA	12,742	28%	10,765	27%	18%
EBIT	12,048	27%	10,206	26%	18%
EBT	11,892	26%	10,110	25%	18%
Net profit	8,018	18%	6,639	17%	21%
Cash flow	13,329	29%	9,654	24%	38%
Liquidity ^(1/2)	34,383		28,715		20%
EPS in euro	2.02		1.67		21%
Employees ⁽³⁾	448		408		10%

CONSOLIDATED OVERVIEW AS PER IFRS: QUARTERLY COMPARISON IN KEUR

	Q3/18	Q2/18	Q1/18	Q4/17	Q3/17
Total sales	15,907	14,926	14,520	14,585	13,510
Software	9,875	9,265	9,248	9,252	8,733
Licenses	3,320	2,897	3,073	3,455	3,177
Maintenance	5,455	5,420	5,337	5,147	5,036
Cloud	1,100	947	838	650	520
Consulting	4,430	4,284	4,167	3,922	3,686
Hardware	1,178	1,016	764	1,024	756
Others	359	362	341	387	335
EBITDA	4,800	3,849	4,093	4,114	3,756
EBIT	4,575	3,624	3,848	3,920	3,563
EBIT margin in %	29%	24%	27%	27%	26%
EBT	4,500	3,616	3,775	3,950	3,530
Net profit	3,032	2,436	2,550	2,691	2,263
Cash flow	8,963	-1,368	5,734	-797	5,612
Liquidity ^(1/2)	34,383	25,862	31,584	27,122	28,715
EPS in euro	0.76	0.61	0.64	0.68	0.57
Employees ⁽³⁾	448	436	425	417	408

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

(2) Dividend of EUR 1.17 per share on 02.05.2018 (KEUR 4,653) and dividend of EUR 1.16 per share on 04.05.2017 (KEUR 4,613)

(3) at the end of the quarter/year

Upcoming dates:

November 26-28, 2018 ATOSS at the German Equity Forum

Background information

ATOSS Software AG is a provider of technology and consulting solutions focusing on professional workforce management and demand-oriented personnel deployment. From traditional work time management to mobile apps, detailed personnel demand forecasting, sophisticated deployment planning or strategic capacity and demand scheduling, ATOSS has the right solution – in-the-cloud or on-premises. The modular product families are distinguished by maximum functionality, browser-based high-end technology and platform independence. ATOSS workforce management solutions are now delivering a measurable contribution to value creation and competitiveness for around 5,500 customers in 43 countries, while at the same time enhancing fair-play and satisfaction in the workplace. Customers include enterprises such as ALDI SÜD, Coca Cola, Deutsche Bahn, Douglas, Edeka, HUK-COBURG, Klinikum Leverkusen, Lufthansa, MEYER WERFT, Schmitz Cargobull, Sixt, city of Regensburg, thyssenkrupp Packaging Steel and W.L. Gore & Associates. For more information visit: www.atoss.com

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