ATOSS Software AG: Vigorous growth dynamics accelerating further in third quarter – new record results within reach

In the third quarter of 2020, ATOSS Software AG succeeded in maintaining its dynamic growth of the first half of the year, setting new records for sales and earnings. Consolidated sales jumped 18 percent to EUR 61.1 million in the first nine months (prior year: EUR 51.7 million). Operating earnings up by a disproportionately faster pace, climbing 29 percent to EUR 17.4 million (prior year: EUR 13.5 million) with an EBIT margin on sales of 28 percent (prior year: 26 percent). The strong demand for workforce management solutions from the Munich software specialist remains unbroken. Consequently, the Management Board has raised its forecast for fiscal 2020 published at the start of the year.

Munich, October 23, 2020

ATOSS Software AG maintained its growth pace in the third quarter of 2020, thereby expanding its leading position in the market for workforce management. Notwithstanding the global uncertainties and changes emerging in the course of the COVID19 crisis, the company once again succeeded in winning numerous renowned enterprise customers for its innovative, value-adding software solutions so essential for value-driven corporate management, especially in times of crisis. Above all, the sustained expansion of cloud business over the last nine months has acted as the outstanding driver of these excellent business developments.

Software sales in the period from January to September 2020 showed double-digit growth of 18 percent, coming in at EUR 39.3 million (prior year: EUR 33.4 million). This equates to a 64 percent share of the Group's total sales (prior year: 65 percent). The greatest boost to growth in software revenues came from cloud solutions, with sales increasing by 68 percent to EUR 9.2 million (prior year: EUR 5.5 million). The growth in software maintenance which has been consistently positive for years, also continued. Here, sales were up by 10 percent to EUR 19.7 million (prior year: EUR 18.0 million). Overall, recurring sales as a proportion of software revenues within the company's sustainable business model increased by 3 percentage points to 73 percent (prior year: 70 percent). Sales from consulting services climbed 22 percent to EUR 17.5 million, a significant year-on-year increase (prior year: EUR 14.4 million).

After nine months, ATOSS can look back at new record figures, not only in terms of sales. Operating earnings (EBIT) also increased by 29 percent to EUR 17.4 million (prior year: EUR 13.5 million) as a result of the successful implementation of major projects and the Group's prudent cost management with respect to the possible effects of the coronavirus crisis, thereby surpassing the growth in sales. The company continued to drive its investments in expanding capacity, predominantly in the areas of Customer Services and Support, Research and Development and internal digitization projects. The return on sales related to EBIT at the end of the third quarter stands at 28 percent, which is thus significantly higher than the mark initially expected by the Management Board for fiscal 2020. In the first three quarters, ATOSS earned EUR 1.50 per share following EUR 1.15 in the prior year.*

The impressive order book developments reflect the strong demand for ATOSS solutions for managing staff and optimizing costs. For example, the key metric for the cloud transformation of the business model – Annual Recurring Revenue (ARR for short) – shot up by 51 percent to EUR 11.5 million (prior year: EUR 7.7 million), while the order book for software licenses as at September 30, 2020 expanded by 57 percent to EUR 9.3 million (prior year: EUR 6.0 million). ARR stands for the sales generated by the company within the next twelve months on the basis of monthly cloud usage fees applicable on the closing date.

Sustained stability and profitability, combined with highly positive market forecasts, demonstrate that the growth potential of ATOSS is still far from exhausted. Especially these times of volatile market developments – as currently triggered by the outbreak of the COVID19 pandemic – illustrate particularly

clearly how important digital solutions are for flexible, demand-driven and employee-oriented staff planning and management.

Against the background of this impressive business growth over the last nine months, ATOSS is now firmly on course to post its fifteenth record results in succession. Buoyed by a very confident outlook for the last quarter of the financial year, the Management Board is raising its forecast to a sales target of around EUR 82 million and an EBIT margin of over 27 percent.

* In accordance with IAS 33.64, earnings per share (EPS) have been retrospectively adjusted for the previous period due to the share split carried out in June 2020.

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

	01/01/2020 - 09/30/2020	Proportion of Total sales	01/01/2019 - 09/30/2019	Proportion of Total sales	Change 2020 to 2019
Total sales	**61,121**	**100%**	**51,684**	**100%**	**18%**
Software	**39,309**	**64%**	**33,442**	**65%**	**18%**
Licenses	10,419	17%	10,016	19%	4%
Maintenance	19,732	32%	17,971	35%	10%
Cloud	9,158	15%	5,455	11%	68%
Consulting	17,523	29%	14,398	28%	22%
Hardware	2,753	5%	2,679	5%	3%
Others	1,536	3%	1,165	2%	32%
EBITDA	20,054	33%	15,727	30%	28%
EBIT	**17,357**	**28%**	**13,451**	**26%**	**29%**
EBT	17,610	29%	14,092	27%	25%
Net profit	**11,919**	**20%**	**9,116**	**18%**	**31%**
Cash flow	22,462	37%	14,360	28%	56%
Liquidity [1/2]	40,680		30,361		34%
EPS in euro[3]	1.50		1.15		31%
Employees [4]	540		508		6%

CONSOLIDATED OVERVIEW AS PER IFRS: QUARTERLY COMPARISON IN KEUR

	Q3/20	Q2/20	Q1/20	Q4/19	Q3/19
Total sales	**20,486**	**20,885**	**19,750**	**19,708**	**17,751**
Software	**13,156**	**14,325**	**11,828**	**13,090**	**11,428**
Licenses	3,021	4,684	2,714	4,499	3,266
Maintenance	6,734	6,582	6,416	6,236	6,092
Cloud	3,401	3,059	2,698	2,355	2,068
Consulting	5,881	5,482	6,160	5,149	4,990
Hardware	965	565	1,223	1,004	935
Others	485	512	539	465	399
EBITDA	6,711	7,319	6,025	6,779	5,589
EBIT	**5,825**	**6,425**	**5,107**	**5,846**	**4,793**
EBIT margin in %	28%	31%	26%	30%	27%
EBT	5,747	6,694	5,169	5,820	5,007
Net profit	**3,667**	**4,826**	**3,426**	**4,403**	**3,213**
Cash flow	10,610	5,832	6,020	907	5,873
Liquidity [1/2]	40,680	30,747	35,650	30,363	30,361
EPS in euro [3]	0.46	0.61	0.43	0.56	0.41
Employees [4]	540	524	520	503	508

(1) Cash and cash equivalents, other current and non-current financial assets (sight deposits, gold) as of the qualifying date, adjusted to exclude borrowings (loans)
(2) Dividend of EUR 2.55 per share on 06/03/2020 (kEUR 10,140) and dividend of EUR 4.00 per share on 05/06/2019 (kEUR 15,906)
(3) In accordance with IAS 33.64, earnings per share (EPS) have been retrospectively adjusted for the previous period due to the share split carried out in June 2020.
(4) at the end of the quarter/year

Upcoming dates:

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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