

ATOSS Software AG: Strong business development in the first quarter 2018

ATOSS Software AG has made a successful start to the financial year 2018, sustaining its growth track both in terms of sales and earnings. Overall, sales in the first quarter 2018 rose by 12 percent year-on-year to EUR 14.5 million. In addition, the workforce management specialist once again increased earnings despite making significant investments for the future. Operating profits (EBIT) recorded double-digit gains, coming in at EUR 3.8 million, 16 percent up on the previous year's figure. The Management Board has reaffirmed that it expects the highly positive business development to be sustained for the current financial year.

Munich, April 23, 2018

In addition to seamlessly sustaining the pattern of twelve record-breaking years in succession, the figures ATOSS Software AG recorded in the first quarter of 2018 underscore the company's success in stepping up growth dynamics. The business model continues to prove extremely stable and highly successful. The first quarter of the current financial year saw ATOSS again succeed in attracting an array of well-known enterprise customers with its innovative software solutions, extending its leading positioning in the workforce management market in the process.

Notably, the strategy of providing the full range of solutions for companies of all sizes both "on premises" and in the cloud has paid off for ATOSS.

This is reflected in the highly positive sales developments of the first quarter. Software sales during this period grew by 15 percent to EUR 9.2 million (previous year: EUR 8.1 million). This area of the business therefore accounted for 64 percent of overall sales within the Group. Sales of software licenses totaled EUR 3.1 million (previous year: EUR 2.9 million), while the development of sales from cloud solutions grew even more dynamically, more than doubling to EUR 0.8 million by comparison with the previous year. The consistently positive development in software maintenance business over recent years was also sustained successfully. Sales in this area increased by 11 percent to EUR 5.3 million (previous year: EUR 4.8 million). Sales from consulting services, which have grown continuously over past years, came in at EUR 4.2 million (previous year: EUR 3.6 million), representing a substantial rise of 15 percent over the previous year period. Hardware sales and other sales totaled EUR 0.8 million (previous year: EUR 0.9 million) and EUR 0.3 million (previous year: EUR 0.3 million) respectively.

New record figures were not only confined to sales at ATOSS. Operating profit (EBIT) also recorded double-digit growth of 16 percent to EUR 3.8 million (previous year: EUR 3.3 million). This increase came despite the higher investments year on year which mainly focused on research and development. As a result, the return on sales based on EBIT was recorded at 27 percent, marginally higher than the 25 percent forecast by the Management Board for the financial year 2018. ATOSS recorded earnings per share of EUR 0.64 in the first quarter, compared with EUR 0.57 in the previous year.

ATOSS generated a cash flow of EUR 5.7 million in the first quarter (previous year: EUR 4.9 million) and therefore recorded consolidated liquidity of EUR 31.6 million as of March 31, 2018 (previous year: EUR 29.6). Also after the dividend payment of around EUR 4.7 million or EUR 1.17 per share to be proposed to shareholders at the AGM on April 26, 2018, ATOSS will still enjoy a respectable cash position and strong equity, which together will safeguard the company's outstanding future prospects.

The market for workforce management continues to offer substantial growth potential. Advancing digitization, new work concepts and an increasingly individualized society are changing the world of work continuously and dramatically. As a result, the demand for workforce management solutions continues to grow unabated. As a key player in this market environment, ATOSS is excellently positioned to continue its success story moving forward. In particular, orders on hand for software licenses of EUR 5.4 million (previous year: EUR 5.7 million) and cloud solutions valued at EUR 9.8 million (previous year:

EUR 6.5 million) provide an outstanding foundation. The Management Board, supported by the gratifying start to the year, stands by its guidance for the financial year 2018 and continues to anticipate sales development on a par with the growth rates of the financial year 2017 within a corridor of +/- 3 percent. Despite further planned investments, particularly in developing new markets, and a continuing high level of expenditure on research & development amounting to around one fifth of sales, the EBIT margin is also expected to remain at around 25 percent.

CONSOLIDATED OVERVIEW AS PER IFRS: 3-MONTH COMPARISON IN KEUR

	01.01.2018 - 31.03.2018	Proportion of Total sales	01.01.2017 - 31.03.2017	Proportion of Total sales	Change 2018 / 2017
Total sales	14,520	100%	12,991	100%	12%
Software	9,248	64%	8,073	62%	15%
Licenses	3,073	21%	2,876	22%	7%
Maintenance	5,337	37%	4,796	37%	11%
Cloud	838	6%	401	3%	109%
Consulting	4,167	29%	3,635	28%	15%
Hardware	764	5%	943	7%	-19%
Others	341	2%	340	3%	0%
EBITDA	4,093	28%	3,491	27%	17%
EBIT	3,848	27%	3,314	26%	16%
EBT	3,775	26%	3,370	26%	12%
Net profit	2,550	18%	2,256	17%	13%
Cash flow	5,734	39%	4,915	38%	17%
Liquidity ^(1/2)	31,584		29,619		7%
EPS in euro	0.64		0.57		12%
Employees ⁽³⁾	425		373		14%

CONSOLIDATED OVERVIEW AS PER IFRS: QUARTERLY COMPARISON IN KEUR

	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17
Total sales	14,520	14,585	13,510	13,521	12,991
Software	9,248	9,252	8,733	8,532	8,073
Licenses	3,073	3,455	3,177	3,174	2,876
Maintenance	5,337	5,147	5,036	4,909	4,796
Cloud	838	650	520	449	401
Consulting	4,167	3,922	3,686	3,469	3,635
Hardware	764	1,024	756	995	943
Others	341	387	335	525	340
EBITDA	4,093	4,114	3,756	3,518	3,491
EBIT	3,848	3,920	3,563	3,329	3,314
EBIT margin in %	27%	27%	26%	25%	26%
EBT	3,775	3,950	3,530	3,210	3,370
Net profit	2,550	2,691	2,263	2,120	2,256
Cash flow	5,734	-797	5,612	-873	4,915
Liquidity ^(1/2)	31,584	27,122	28,715	23,735	29,619
EPS in euro	0.64	0.68	0.57	0.53	0.57
Employees ⁽³⁾	425	417	408	388	373

(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 1.16 per share on 04.05.2017 (kEUR 4,613)

(3) at the end of the quarter/year

Upcoming dates:

April 26, 2018	Annual General Meeting
July 24, 2018	Press release announcing the 6-monthly financial statements
August 10, 2018	Publication of the 6-monthly financial statements
October 24, 2018	Publication of the 9-monthly financial statements
November 26-28, 2018	ATOSS at the German Equity Forum

Background information

ATOSS Software AG is a provider of consulting, software and services focusing on professional workforce management and demand optimized personnel deployment. From conventional working time management to mobile apps, detailed workforce forecasting, sophisticated workforce scheduling 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 and state-of-the-art technology and are entirely platform-independent. ATOSS workforce management solutions are now delivering measurable contributions to greater value creation and competitive strengths for around 5,000 customers in 42 countries, while at the same time enhancing fair planning and job satisfaction. Customers include enterprises such as ALDI SÜD, Coca Cola, Deutsche Bahn, Douglas, Edeka, HUK-COBURG, Leverkusen Clinical Center, Lufthansa, MEYER WERFT, Schmitz Cargobull, Sixt, the municipality of Regensburg, thyssenkrupp Packaging Steel and W.L. Gore & Associates. More information is available at: www.atoss.com

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