

ATOSS Software AG: Significant acceleration in the pace of growth leads to appreciable increases in sales and earnings

According to provisional figures, ATOSS Software AG enjoyed a highly successful first half of 2020, maintaining its excellent performance. In spite of global uncertainty and changes resulting from the coronavirus crisis, the company managed to significantly increase sales by 20 percent to EUR 40.6 million (prior year: EUR 33.9 million). Operating earnings (EBIT) were up by 33 percent year-on-year with an EBIT margin of 28 percent (prior year: 26 percent). In addition, ATOSS also commands an excellent order situation for maintaining its strategic growth. The company is particularly proud of its inclusion in the SDAX at the end of June – a further important milestone in the ATOSS success story.

Munich, July 24, 2020

Based on the provisional figures, ATOSS Software AG can look back on an exceptionally successful first half of the year with new highs in sales and earnings. Once again, the company has turned in an impressive performance by managing to increase the pace of growth even in economically challenging times. Especially the high volatility of the current environment has significantly boosted the relevance of workforce management for companies of all sectors and market segments. Against this backdrop, the overall demand growth for workforce management solutions from the Munich software specialist has been very pleasing. Besides increasing orders on hand for software licenses to EUR 8.4 million as of June 30, 2020, a 38 percent gain over the previous year's figure of EUR 6.1 million, the key metric for managing business in the cloud – Annual Recurring Revenue (ARR) – climbed to EUR 10.6 million (prior year: EUR 6.3 million), a substantial increase of 70 percent. The ARR stands for the sales generated by the company within the next 12 months on the basis of monthly cloud usage fees applicable on the closing date.

Software sales in the period from January to June 2020 saw a significant, double-digit rise of 19 percent, jumping to EUR 26.2 million (prior year: EUR 22.0 million). This equates to a 64 percent share of the Group's total sales (prior year: 65 percent). The largest boost to growth within software revenues came from recurring sales with cloud solutions which skyrocketed by 70 percent to EUR 5.8 million (prior year: EUR 3.4 million). Also, the consistently positive development of software maintenance over the last few years was sustained. Sales in this area were up 9 percent to EUR 13.0 million (prior year: EUR 11.9 million). Overall, recurring sales as a share of software revenues increased by 3 percent to 72 percent (prior year: 69 percent) thereby further stabilizing the company's already sound business model. Sales from consulting services climbed 24 percent to EUR 11.6 million, a significant year-on-year increase (prior year: EUR 9.4 million). Hardware sales generated revenue of EUR 1.8 million in the first half of the year (prior year: EUR 1.7 million). Other sales amounted to EUR 1.1 million (prior year: EUR 0.8 million).

The pleasing growth in earnings benefited particularly from the successful realization of major projects and the Group's prudent cost management in light of the effects of the coronavirus crisis. However, investments required for an expansion of capacity, especially in the areas of Customer Services and Support as well as Research and Development, were further stepped up. Overall, operating earnings (EBIT) advanced by EUR 2.9 million or 33 percent to EUR 11.5 million (prior year: EUR 8.7 million). This results in an EBIT margin of 28 percent (prior year: 26 percent). Earnings per share even increased by 40 percent in comparison with the previous year, reaching EUR 1.04 in the first half of the year following EUR 0.74 in the previous year.*

Moreover, also after the dividend distribution of EUR 2.55 per share (EUR 10.1 million) carried out on June 3, 2020, ATOSS continues to enjoy an excellent financial foundation of EUR 30.7 million (prior year: EUR 25.1 million) as of the end of the first half year, in addition to a very healthy balance sheet.

With its sound business model, financial strength and highly predictable sales continuously expanded by growth in its cloud business, ATOSS will remain a bedrock of stability in the future.

Highly efficient digital solutions for demand-optimized workforce scheduling are indispensable for companies, especially in times of volatile markets. The demand for solutions from this Munich workforce specialist remains unbroken against the backdrop of huge digital shortcomings in companies, and it underlines the company's consistent high growth potential.

For this reason, the Management Board is reaffirming its financial targets for the entire 2020 financial year after a strong first half of the year, and assuming total sales of EUR 80 million with an EBIT margin in excess of 25 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: HALF-YEAR COMPARISON IN KEUR

	01/01/2020 - 06/30/2020	Proportion of Total sales	01/01/2019 - 06/30/2019	Proportion of Total sales	Change 2020 to 2019
Total sales	40,635	100%	33,933	100%	20%
Software	26,154	64%	22,015	65%	19%
Licenses	7,398	18%	6,750	20%	10%
Maintenance	12,998	32%	11,879	35%	9%
Cloud	5,757	14%	3,386	10%	70%
Consulting	11,642	29%	9,408	28%	24%
Hardware	1,788	4%	1,744	5%	3%
Others	1,051	3%	766	2%	37%
EBITDA	13,343	33%	10,138	30%	32%
EBIT	11,532	28%	8,658	26%	33%
EBT	11,863	29%	9,085	27%	31%
Net profit	8,252	20%	5,904	17%	40%
Cash flow	11,852	29%	8,486	25%	40%
Liquidity ^(1/2)	30,747		25,108		22%
EPS in euro⁽³⁾	1.04		0.74		40%
Employees ⁽⁴⁾	524		484		8%

CONSOLIDATED OVERVIEW AS PER IFRS: QUARTERLY COMPARISON IN KEUR

	Q2/20	Q1/20	Q4/19	Q3/19	Q2/19
Total sales	20,885	19,750	19,708	17,751	16,998
Software	14,325	11,828	13,090	11,428	11,168
Licenses	4,684	2,714	4,499	3,266	3,369
Maintenance	6,582	6,416	6,236	6,092	5,976
Cloud	3,059	2,698	2,355	2,068	1,824
Consulting	5,482	6,160	5,149	4,990	4,495
Hardware	565	1,223	1,004	935	967
Others	512	539	465	399	367
EBITDA	7,319	6,025	6,779	5,589	5,272
EBIT	6,425	5,107	5,846	4,793	4,054
EBIT margin in %	31%	26%	30%	27%	24%
EBT	6,694	5,169	5,820	5,007	4,223
Net profit	4,826	3,426	4,403	3,213	2,720
Cash flow	5,832	6,020	907	5,873	1,271
Liquidity ^(1/2)	30,747	35,650	30,363	30,361	25,108
EPS in euro ⁽³⁾	0.61	0.43	0.56	0.41	0.34
Employees ⁽⁴⁾	524	520	503	508	484

(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:

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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