

ATOSS Software AG: Outstanding business developments in the first half of the year with dynamic growth in the cloud business

Provisional figures show that ATOSS Software AG once again hiked sales by a clear 15 percent to EUR 33.9 million in the first half of the year. Despite substantial investments in the future, the specialist in workforce management also saw a further improvement in results and set new records. Within a strong continuing development in its core business with software license order intake growing by 36 percent, ATOSS achieved particularly impressive revenue growth of 90 percent in its cloud business. In view of the excellent order situation, the Management Board is confident that ATOSS remains on course in 2019 for a fourteenth record year in succession.

Munich, July 24, 2019

The present half year results once again underscore the dynamic business developments at ATOSS and its unique position in the workforce management market. Fielding its innovative solutions covering all aspects of digital workforce management, the company succeeded once again in acquiring a multitude of prominent new customers in the first half of the year, with the cloud business gaining even greater importance.

Software sales in the period from January to June 2019 were a substantial 19 percent higher at EUR 22.0 million (previous year: EUR 18.5), equating to 65 percent of the Group's overall turnover (previous year: 63 percent). Software licenses accounted for sales totaling EUR 6.8 million (previous year: EUR 6.0 million). It was recurring cloud solution revenues, however, that proved the biggest driver of growth in software sales, increasing by 90 percent to EUR 3.4 million (previous year: EUR 1.8 million), already equivalent to half the figure for software licenses. The development in software maintenance which has been consistently positive for years has continued without interruption, with sales rising 10 percent to EUR 11.9 million (previous year: EUR 10.8 million). Turnover in consulting, at EUR 9.4 million (previous year: EUR 8.5 million) was up by 11 percent, too, well above the figure for the same period last year and continuing a trend evident for some years. Hardware sales amounted to EUR 1.7 million (previous year: EUR 1.8 million), with miscellaneous revenues contributing a further EUR 0.8 million (previous year: EUR 0.7 million).

ATOSS is setting new records, and not just in sales: Despite an increase in growth-oriented investments relative to the year before, particularly in R&D, sales and customer service, the operating profit (EBIT) was also higher, rising by 16 percent – one percentage point ahead of the growth in revenues – to stand at EUR 8.7 million. As a result, the EBIT margin came in at a sustained and attractive 26 percent (previous year: 25 percent).

These highly positive business developments, coupled with substantial cash flow from current major projects and the one-off effects of adopting new accounting and valuation methods in association with the first-time application of IFRS 16 (Leases) as of January 1, 2019 led to a hike in operating cash flow which rose by 94 percent to EUR 8.5 million.⁽²⁾ Despite the dividend payment on May 6, 2019, amounting to EUR 15.9 million (regular dividend of EUR 1.40 plus a special distribution of EUR 2.60 per share), at the end of the first half year ATOSS reported highly respectable liquidity virtually unchanged from the year before at EUR 25.1 million (previous year: EUR 25.9 million).

The strong and still increasing customer interest in ATOSS solutions – as demonstrated by the rise in orders booked in the first half of the year for software licenses and the software component of contracted cloud solutions up by 36 percent at EUR 10.5 million (previous year: EUR 7.7 million) – is evidence of the company's outstanding future prospects. Orders on hand for software licenses at the end of the first half of the year amounted to EUR 6.1 million, compared with EUR 5.1 million last year. In addition, gains in cloud business were recorded. ARR (annual recurring revenue, that is to say, the revenues generated over the next 12 months on the basis of current monthly cloud usage fees applicable as of the qualifying

date) amounted to EUR 5.8 million as of June 30, 2019, representing an increase of 70 percent over the year before (EUR 3.4 million).

Based on the significant progress in cloud transformation, the company is charting its future success course. Consequently, ATOSS continues to set standards for growth and stability and is excellently positioned to profit from powerful market growth factors such as demographic change and digitization.

Against this background, the Management Board confirms its full-year forecast made at the start of 2019. With sales expected to rise by 11 to 13 percent and with further investments planned in particular in sales organization geared to developing new markets and sectors, this guidance anticipates an EBIT margin of 25 to 28 percent.

CONSOLIDATED OVERVIEW AS PER IFRS: HALF-YEARLY COMPARISON IN KEUR

	1/1/2019 - 6/30/2019	Proportion of Total sales	1/1/2018 - 6/30/2018	Proportion of Total sales	Change 2019 to 2018
Total sales	33,933	100%	29,446	100%	15%
Software	22,015	65%	18,513	63%	19%
Licenses	6,750	20%	5,970	20%	13%
Maintenance	11,879	35%	10,757	37%	10%
Cloud	3,386	10%	1,785	6%	90%
Consulting	9,408	28%	8,451	29%	11%
Hardware	1,744	5%	1,780	6%	-2%
Others	766	2%	703	2%	9%
EBITDA⁽¹⁾	10,138	30%	7,942	27%	28%
EBIT	8,658	26%	7,472	25%	16%
EBT	9,085	27%	7,391	25%	23%
Net profit	5,904	17%	4,986	17%	18%
Cash flow⁽²⁾	8,486	25%	4,366	15%	94%
Liquidity^(3/4)	25,108		25,862		-3%
EPS in euro	1.48		1.25		18%
Employees⁽⁵⁾	484		436		11%

CONSOLIDATED OVERVIEW AS PER IFRS: QUARTERLY COMPARISON IN KEUR

	Q2/19	Q1/19	Q4/18	Q3/18	Q2/18
Total sales	16,998	16,935	17,258	15,907	14,926
Software	11,168	10,846	10,984	9,875	9,265
Licenses	3,369	3,381	4,043	3,320	2,897
Maintenance	5,976	5,903	5,654	5,455	5,420
Cloud	1,824	1,563	1,287	1,100	947
Consulting	4,495	4,913	4,853	4,430	4,284
Hardware	967	777	1,124	1,178	1,016
Others	367	399	297	424	362
EBITDA⁽¹⁾	5,272	4,866	5,252	4,800	3,849
EBIT	4,054	4,604	4,870	4,575	3,624
EBIT margin in %	24%	27%	28%	29%	24%
EBT	4,223	4,862	4,898	4,500	3,616
Net profit	2,720	3,183	3,176	3,032	2,436
Cash flow⁽²⁾	1,271	7,216	-719	8,963	-1,368
Liquidity^(3/4)	25,108	40,298	33,312	34,383	25,862
EPS in euro	0.68	0.80	0.80	0.76	0.61
Employees⁽⁵⁾	484	474	465	448	436

(1) For the first time, from January, 1 2019 the accounting standard IFRS 16, which also influences the EBITDA in the first half of the year, must be taken into account. EBITDA in the first half of the year adjusted for IFRS 16 amounts to kEUR 9,190 (kEUR 7,942).

(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 1,012.

(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:

August 9, 2019	Publication of the 6-monthly financial statements
October 24, 2019	Publication of the 9-monthly financial statements
November 25, 2019	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 6,500 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

Contact

ATOSS Software AG

Christof Leiber / Member of the Management Board
Rosenheimer Straße 141 h,
D-81671 Munich
Tel.: +49 (0) 89 4 27 71 – 0
Fax: +49 (0) 89 4 27 71 – 100
investor.relations@atoss.com