

ATOSS Software AG: Successful first quarter with significant progress in cloud transformation

Following on from an outstanding 2020 financial year, ATOSS Software AG has kicked off the new year very successfully, maintaining its growth trajectory in the first quarter of 2021 in terms of both sales and earnings. Overall, sales in the first three months jumped 16 percent to EUR 23.0 million (previous year: EUR 19.8 million). With an EBIT margin of 27 percent (previous year: 26 percent), operating earnings grew over proportionately by 21 percent, reaching EUR 6.2 million (previous year: EUR 5.1 million). The strong growth exhibited by the cloud business is particularly impressive, and this will continue to be the defining factor in driving growth in annually recurring revenues. In view of this exceedingly successful start to the year and the consistent stability of the business model, the Management Board is confident of posting new records on an annual basis and achieving the targets set for 2021 as a whole.

Munich, 26 April 2021

The strong demand for workforce management solutions from the Munich-based software specialist continues unabated in the new financial year. In the first quarter of 2021, ATOSS once again succeeded in convincing numerous new, prestigious customers of its state-of-the-art software solutions, thereby further expanding its leading position in the market for professional workforce management. Against the backdrop of demographic changes and the acute digitalization backlog in many companies, there is no end to the demand in sight.

Overall, sales of software in the period from January to March 2021 saw a most significant rise of 30 percent, jumping to EUR 15.4 million (previous year: EUR 11.8 million). This equates to a 67 percent share of the Group's total sales (previous year: 60 percent). Special mention must be made of the successful expansion of sales from cloud and subscriptions, which posted a sustainable increase of 53 percent to EUR 4.1 million (previous year: EUR 2.7 million). Likewise, growth in software maintenance - which has been consistently positive for years - continued in the first quarter. Sales here were up by 7 percent to EUR 6.9 million (previous year: EUR 6.4 million). Thanks to the successful conclusion of major projects, software licensing revenues amounting to EUR 4.4 million (previous year: EUR 2.7 million) were also generated in the first quarter. Overall, the proportion of recurring revenues to total sales revenues – and thereby the motor driving the ATOSS business model – continued to rise as planned and now stands at 48 percent (previous year: 46 percent). Sales from consulting services posted moderate growth of 2 percent, reaching EUR 6.3 million (previous year: EUR 6.2 million), starting from a figure for the previous year which was already on a very high level.

The consistently strong demand for software-based solutions for personnel management and cost optimization from ATOSS Software AG, is particularly reflected in the excellent quarterly order book figures. Annual Recurring Revenue (ARR for short) which has again posted a double-digit increase of 67 percent to around EUR 16.4 million (prior year: EUR 9.8 million) deserves to take a special bow here. Furthermore, the share of orders received in the cloud & subscriptions business measured against total software orders received rose sharply to 74 percent. By comparison, the share of cloud orders in the 2020 financial year was at 42 percent. ATOSS is thus continuing to drive the cloud transformation of its business model.

Notwithstanding the significant year-on-year rise in expenses – particularly for R&D, as well as higher personnel costs resulting from the expansion of capacity in Sales – the return on sales for the first three months (based on EBIT) stands at 27 percent and is consequently at the level forecast by the Management Board for the 2021 financial year. As of March 31, 2021, earnings per share increased by 21 percent to EUR 0.52 (previous year: EUR 0.43).

Thanks to this excellent economic development in the first quarter, liquidity also advanced by EUR 11.3 million over the previous year, rising to EUR 46.9 million. Subsequent to the dividend of EUR 1.67 per share (totaling EUR 13.3 million) proposed to shareholders at the Annual General Meeting on 30 April 2021, ATOSS will continue to enjoy an excellent cash position and strong equity.

In the light of the successful growth in the first quarter, the Management Board is confirming its forecast for the whole of 2021 that was raised at the start of the year. According to this forecast, sales will grow to over EUR 95 million. Furthermore, taking account of the planned expenditure, particularly in Sales to open up new markets and in development capacity, the company is anticipates an EBIT margin of at least 27 percent. Emphasis on the cloud, together with a more pronounced international alignment, will secure the company additional, sustainable growth prospects over the long term.

CONSOLIDATED OVERVIEW PURSUANT TO IFRS: 3-MONTH COMPARISON IN KEUR

	01/01/2021 - 03/31/2021	Proportion of total sales	01/01/2020 - 03/31/2020	Proportion of total sales	Change 2021 / 2020
Sales	22,951	100%	19,750	100%	16%
Software	15,360	67%	11,828	60%	30%
Licenses	4,369	19%	2,714	14%	61%
Maintenance	6,862	30%	6,416	32%	7%
Cloud & Subscription	4,130	18%	2,698	14%	53%
Consulting	6,288	27%	6,160	31%	2%
Hardware	1,003	4%	1,223	6%	-18%
Others	299	1%	539	3%	-45%
EBITDA	6,953	30%	6,025	31%	15%
EBIT	6,161	27%	5,107	26%	21%
EBT	6,139	27%	5,169	26%	19%
Net profit	4,145	18%	3,426	17%	21%
Cash flow	7,094	31%	6,020	30%	18%
Liquidity ⁽¹⁾	46,926		35,650		32%
EPS in euro ⁽³⁾	0.52		0.43		21%
Employees ⁽⁴⁾	571		520		10%

CONSOLIDATED OVERVIEW PURSUANT TO IFRS: QUARTERLY GROWTH IN KEUR

	Q1/21	Q4/20	Q3/20	Q2/20	Q1/20
Sales	22,951	24,932	20,486	20,885	19,750
Software	15,360	16,736	13,156	14,325	11,828
Licenses	4,369	6,090	3,021	4,684	2,714
Maintenance	6,862	6,868	6,734	6,582	6,416
Cloud & Subscriptions	4,130	3,779	3,401	3,059	2,698
Consulting	6,288	6,580	5,881	5,482	6,160
Hardware	1,003	1,162	965	565	1,223
Others	299	453	485	512	539
EBITDA	6,953	9,705	6,711	7,319	6,025
EBIT	6,161	8,808	5,825	6,425	5,107
EBIT margin in %	27%	35%	28%	31%	26%
EBT	6,139	8,588	5,747	6,694	5,169
Net profit	4,145	5,795	3,667	4,826	3,426
Cash flow	7,094⁽⁵⁾	744	10,610	5,832	6,020
Liquidity ^(1/2)	46,926	40,488	40,680	30,747	35,650
EPS in euro ⁽³⁾	0.52	0.73	0.46	0.61	0.43
Employees ⁽⁴⁾	571	557	540	524	520

(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) As a result of the share split carried out in June 2020, the dividend paid in previous periods has been adjusted retrospectively for comparison purposes: Dividend of EUR 1.275 per share on 06/03/2020 (KEUR 10,140).

(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

(5) corrected on 07/26/2021

Upcoming dates:

April 30, 2021	Annual General Meeting
July 26, 2021	Press release announcing the 6-monthly financial statements
August 13, 2021	Publication of the 6-monthly financial statements
October 25, 2021	Publication of the 9-monthly financial statements
November 22 -24, 2021	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 around 10,000 customers in 46 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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