

Excellence in Workforce Management

ATOSS Software AG

AGENDA

- 01 Key Investment Highlights
- 02 Market for Workforce Management
- 03 Business Model
- 04 Financials & KPI's
- 05 Growth Strategy



01

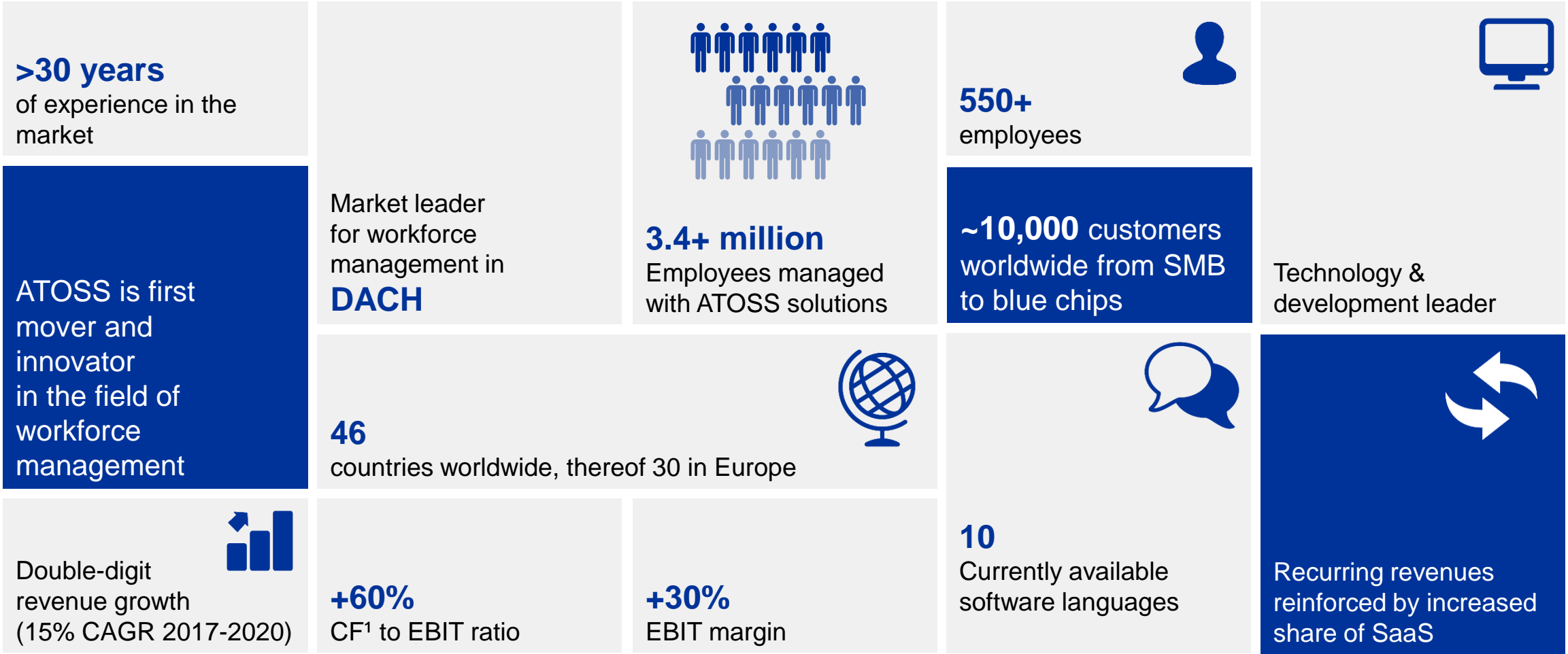
Key Investment Highlights

DEUTSCHE TELEKOM | Services

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01 ATOSS – Leading in the field of Workforce Management

Highlights at a glance



¹ Operating cash flow



The background of the slide is a close-up photograph of several chocolate cookies. Each cookie has a dark chocolate filling and is topped with a fresh, bright red raspberry. The cookies are arranged on a dark, textured surface, and the lighting is soft, highlighting the texture of the cookies and the freshness of the raspberries.

02

Market for Workforce Management

BARRY CALLEBAUT | Manufacturing

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02 Workforce Management Market

Main Drivers

Digitalization of labor world



Increasingly complex regulatory environment



Scarcity of resources and skilled staff



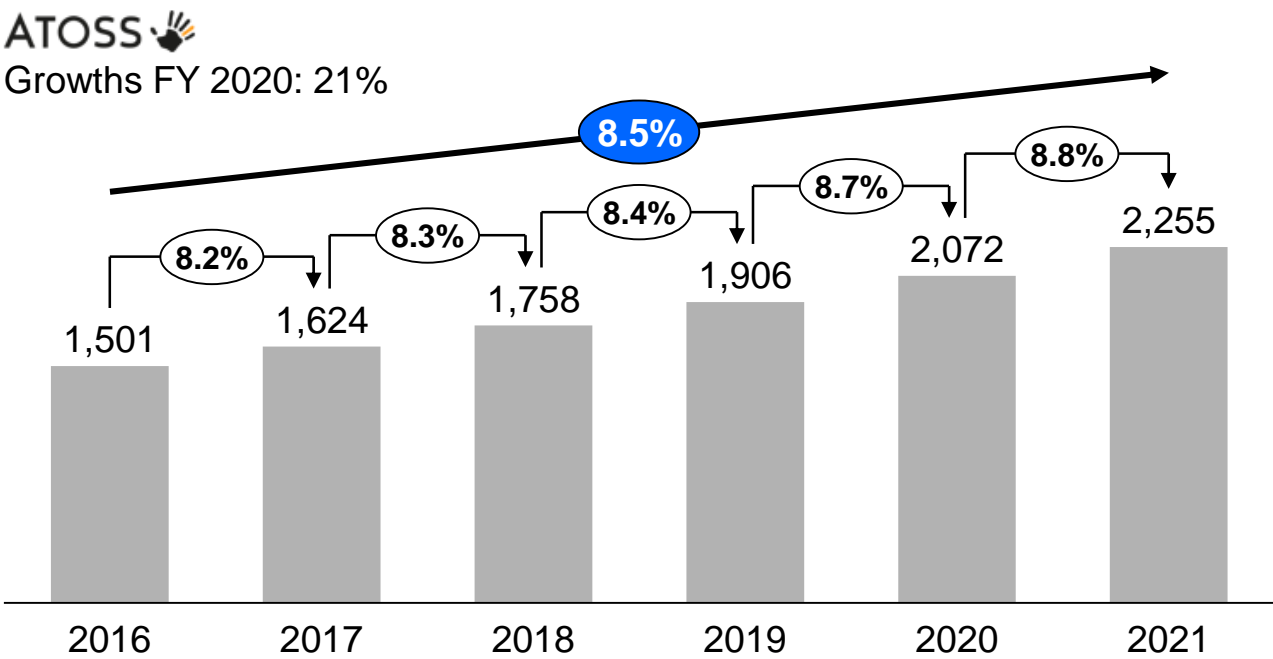
Digitalization, globalization and decentralization resulting in increasing complexity of enterprise organizations



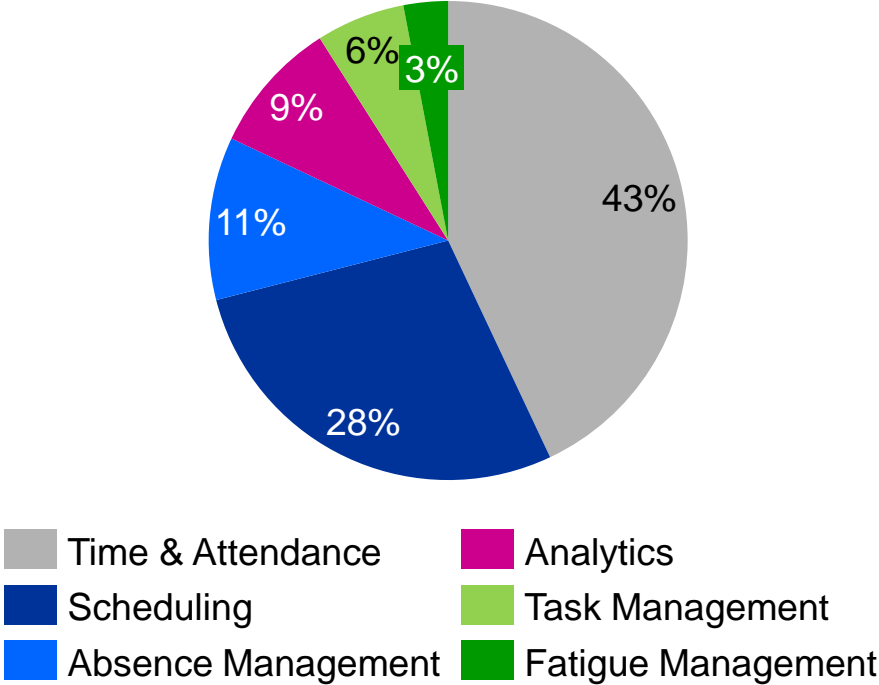
02 Workforce Management Market

Market Overview EMEA

EMEA Workforce Management Software Size (2016-2021) in \$mm



WFM Software Categories



Strong growth potential triggered by high WFM growth rates and increased penetration of unused WFM components (a.a. Scheduling)

Source: Technavio, introduced on January 1, 2015

Source: Statista and Company estimate



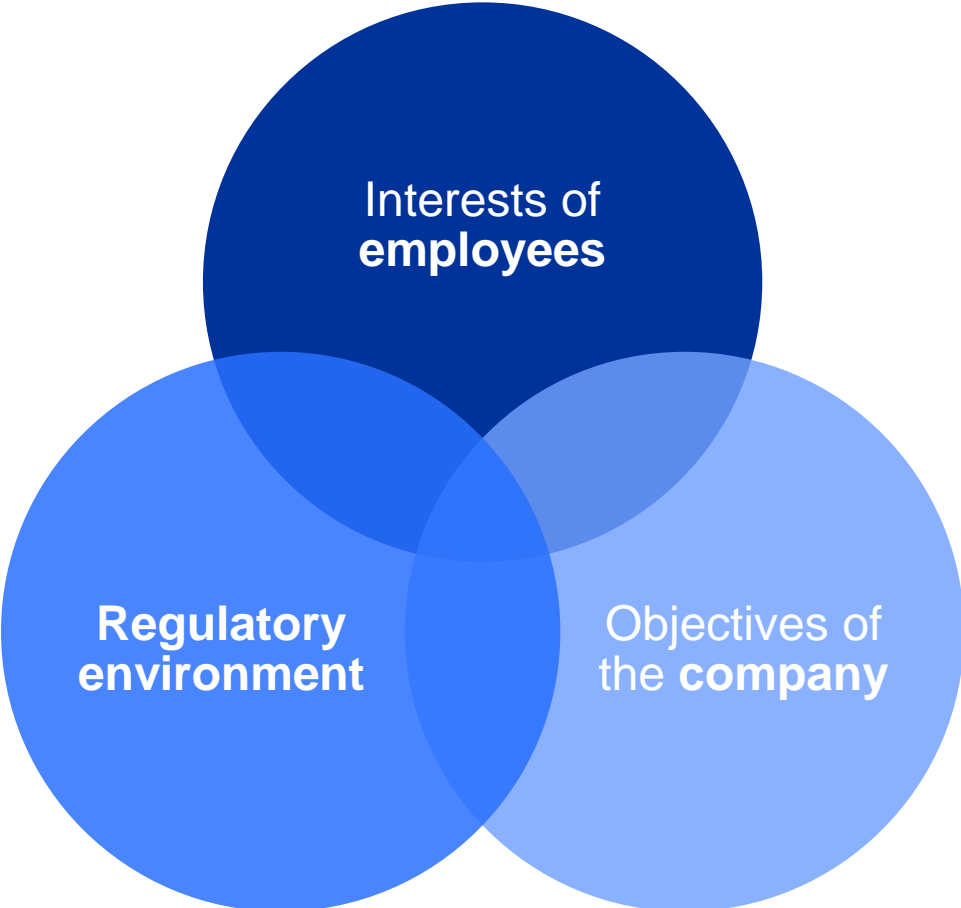
03 Business Model

GBA Group | Healthcare & Services

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03 Managing complexity

Workforce Management



Key benefits

-15%

Personnel costs with the same number of staff

-82%

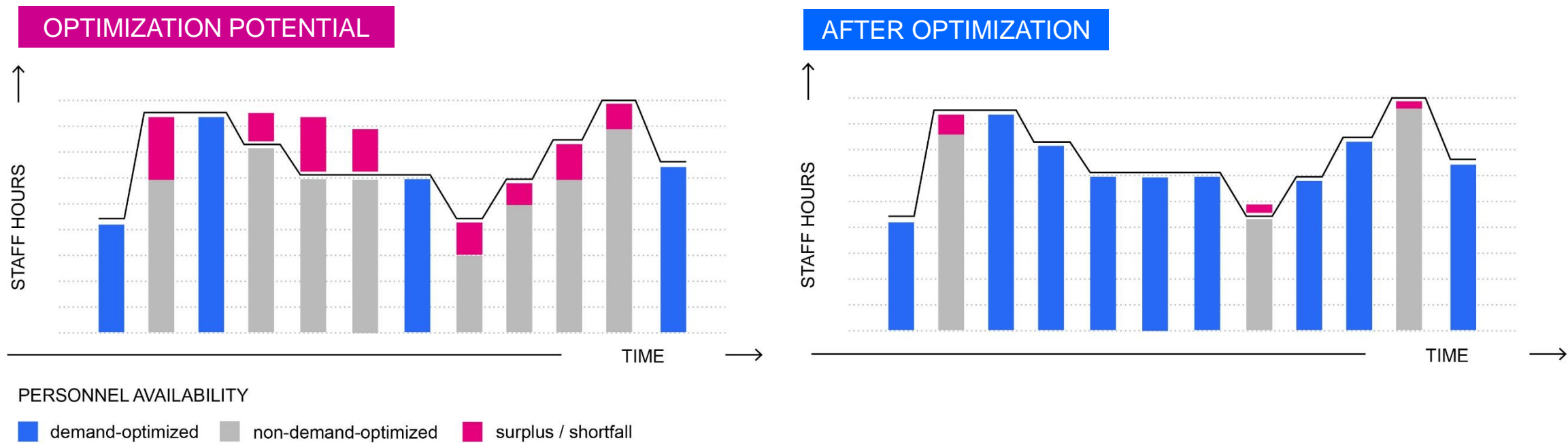
Overtime

+11%

Revenue

03 Highly flexible, demand-optimized workforce scheduling

Digital Workforce Management



Current Situation

Fluctuation in demand

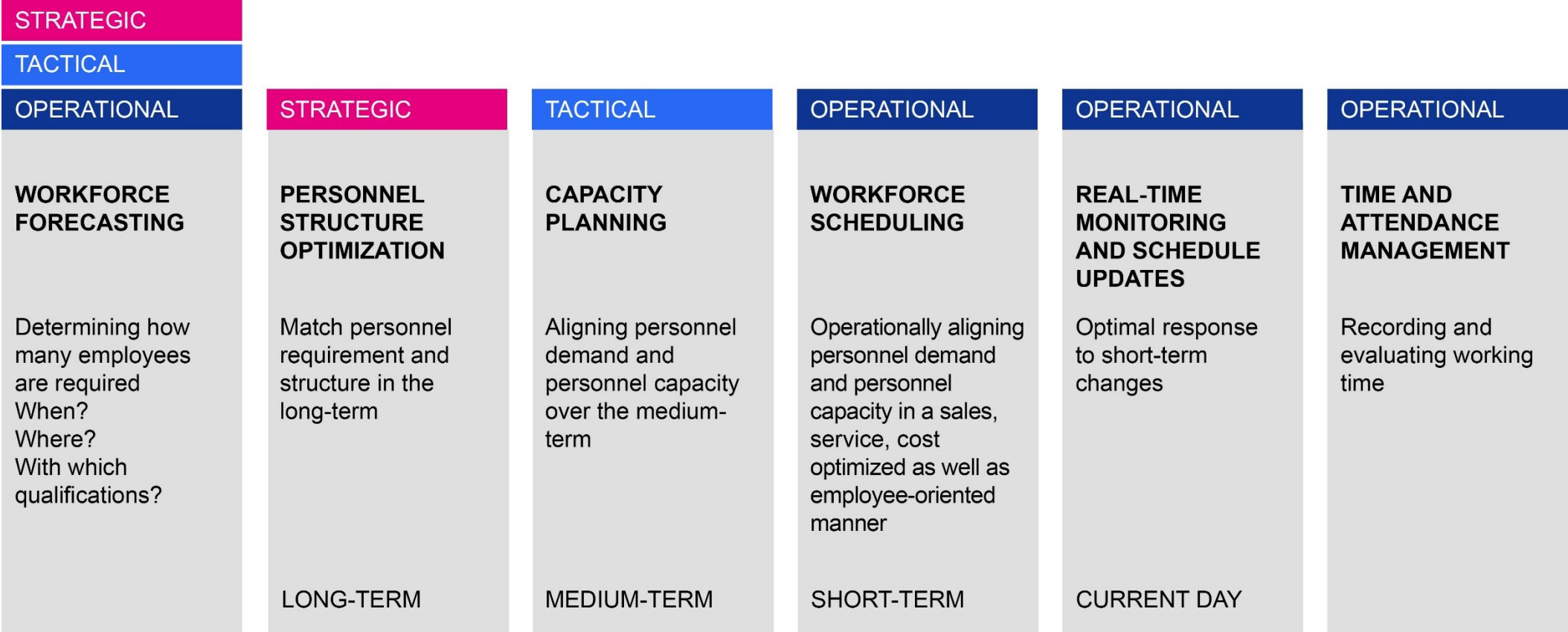
Little flexibility and long response times

Goal

Demand and cost-optimized synchronization of working time and order volume

03 Comprehensive Workforce Management

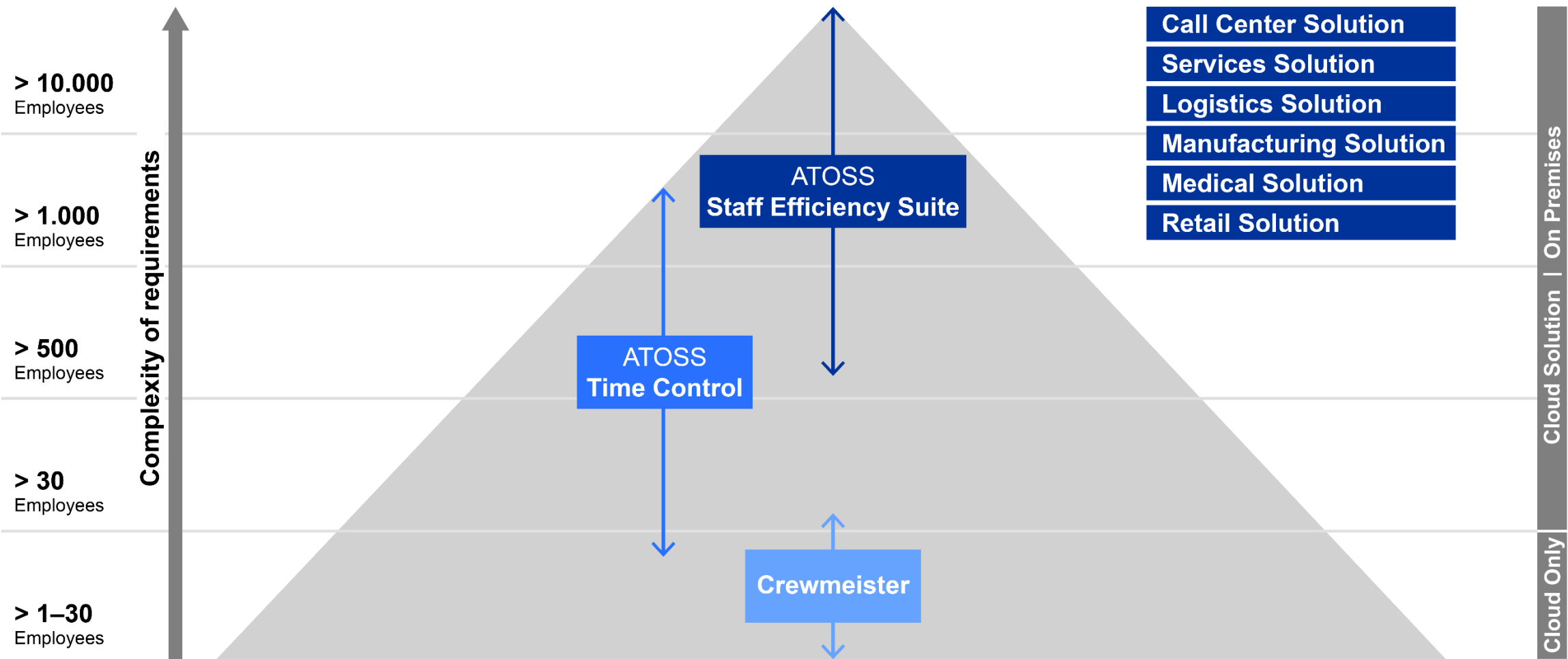
6 steps for success



« « ————— WORKING HOURS FLEXIBILIZATION ————— » »

03 ATOSS Product Portfolio

As full-range provider, we offer solutions for every requirement

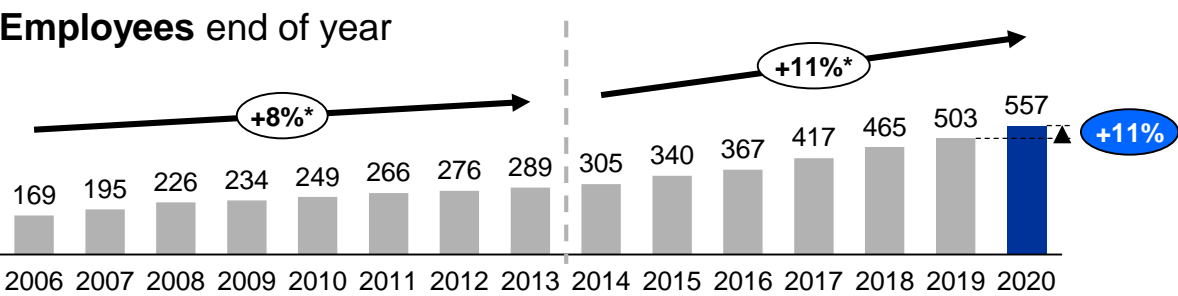
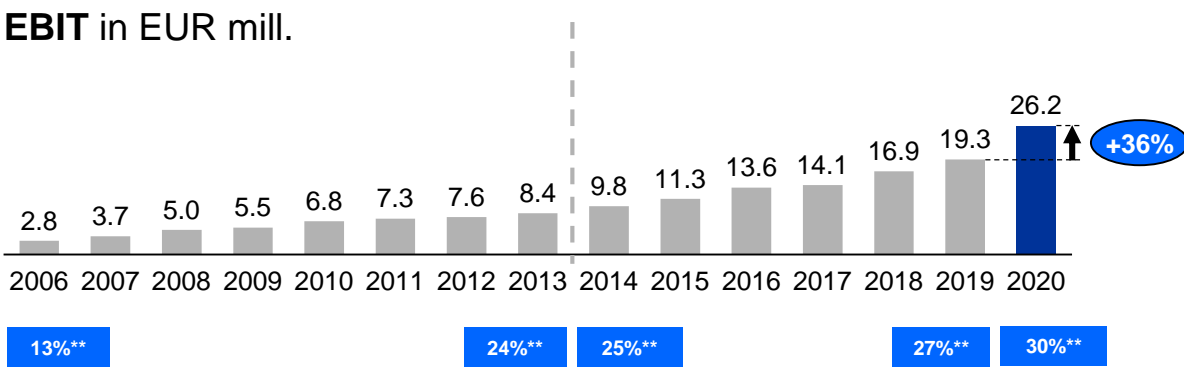
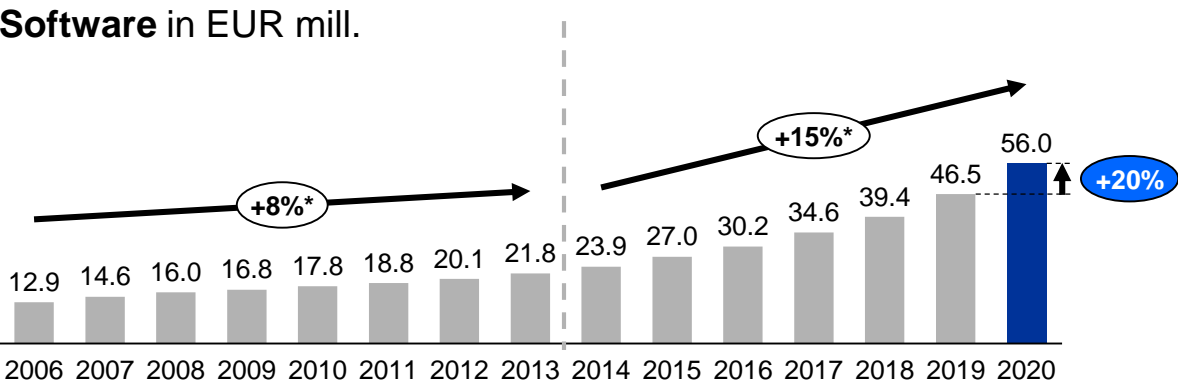
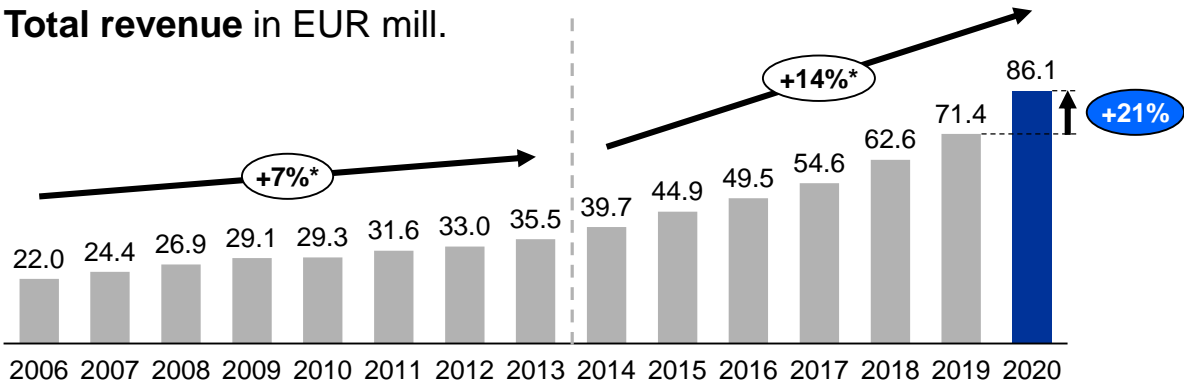


04 Financials & KPI's

DUISPORT | Logistics
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04 ATOSS – 15th Record Year in Sucession

Running like Clockwork



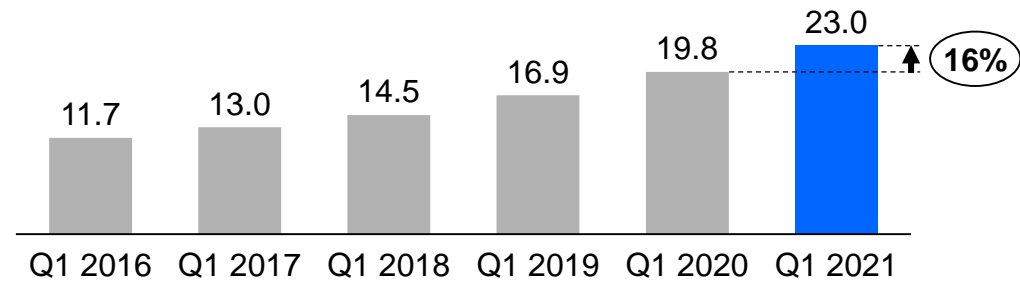
- Strong sales and continued positive earnings development
- Consistent ongoing investments in portfolio and technology
- Long-term security for our customers

* Average growth rate
 ** EBIT in % of total revenues

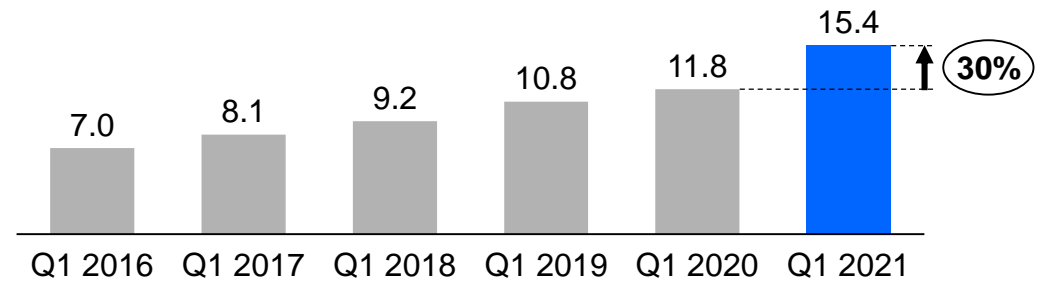


04 Top Key Figures Q1 2021

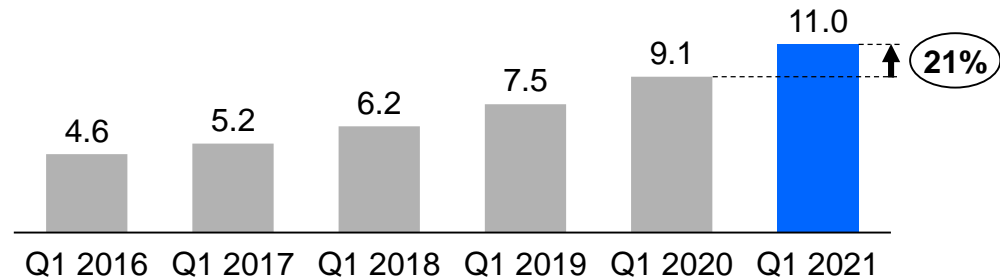
Total Revenue in EUR mill.



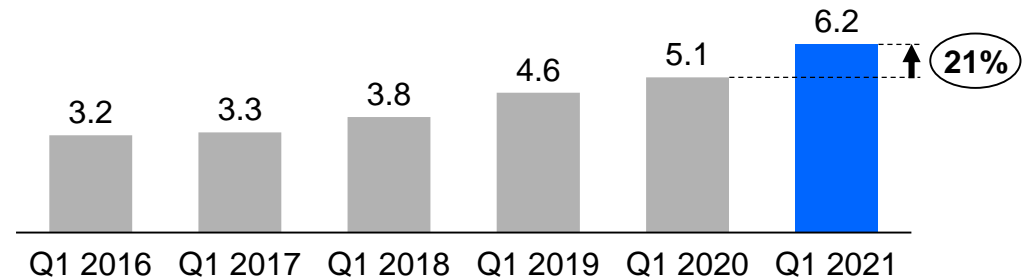
Software Revenue in EUR mill.



Recurring Revenue in EUR mill.



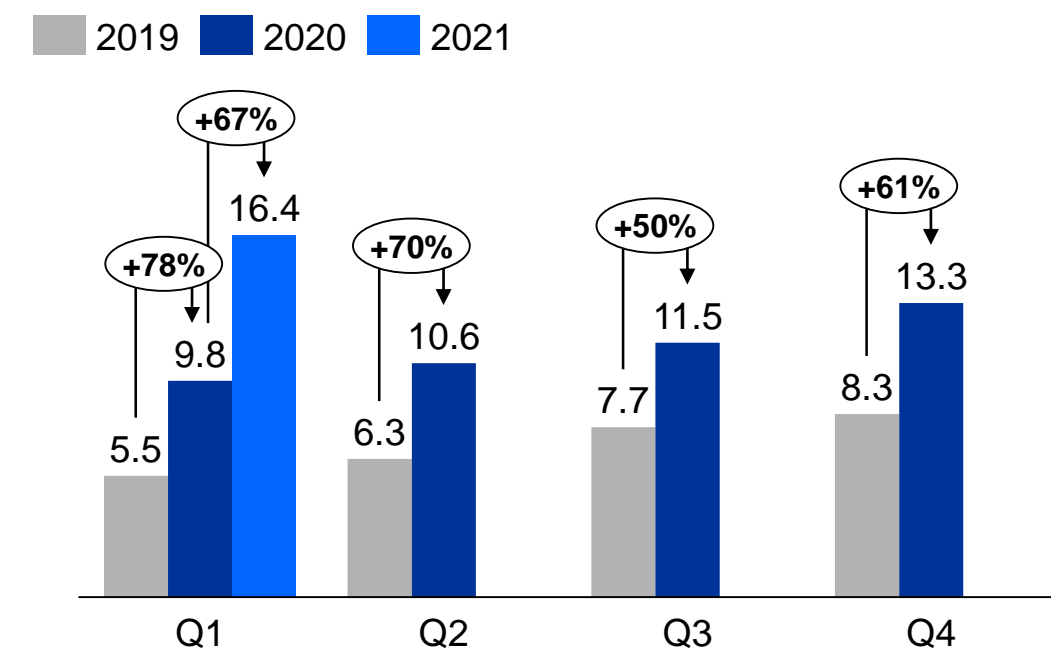
EBIT in EUR mill.



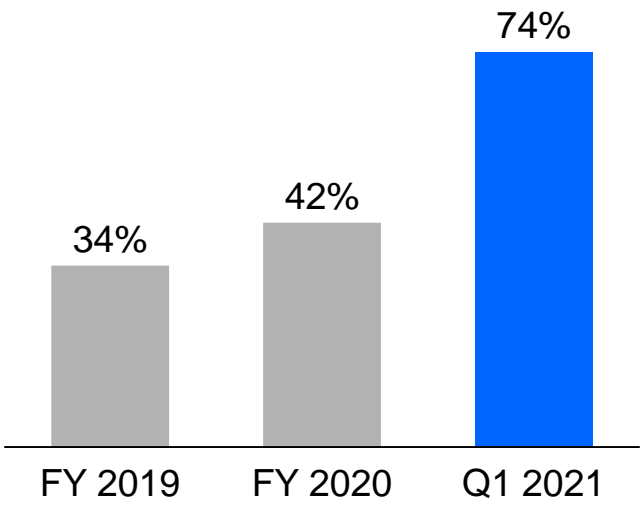
- Stable sales and continued positive earnings development in Q1/2021
- Continuous expansion of the share of recurring revenues
- Strong EBIT margin of 27 percent

04 ATOSS Order Situation

Cloud ARR*: Quarterly development in EUR mill.



Share of Cloud*** in software order intake: in %



- The strong demand for our cloud solutions and software licenses and provides an excellent basis for further development of ATOSS
- Average cloud contract duration: 42 months
- Average Churnrate**: ~2.5 percent

• ARR (Annual Recurring Revenue) comprises the turnover generated by the company over the next 12 months on the basis of current monthly cloud usage fees applicable as of the qualifying date incl. Crewmeister; **Churnrate: calculated as contract terminations divided by total ARR; *** Cloud Share of Software Order Intake expressed as normalized value of licenses in cloud and on prem orders



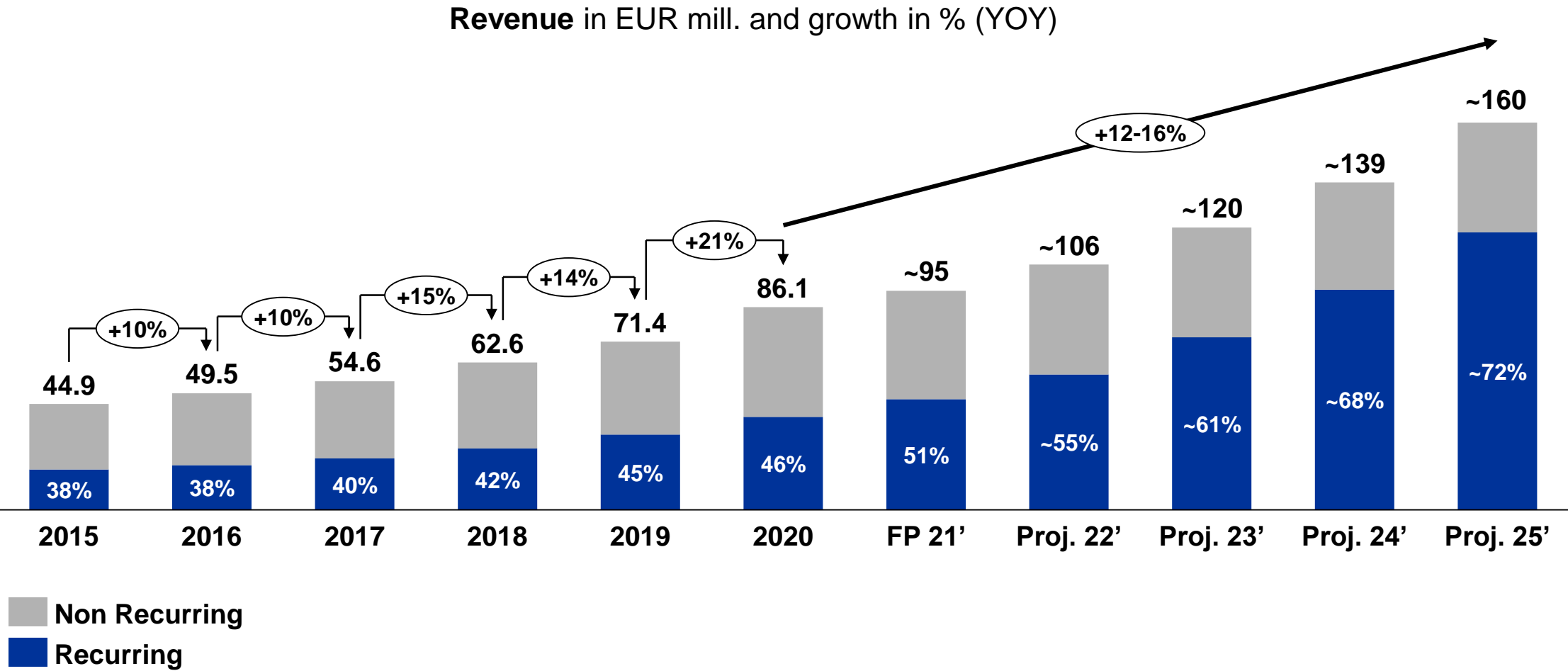
05 Growth Strategy

SPAR AUSTRIA | Retail

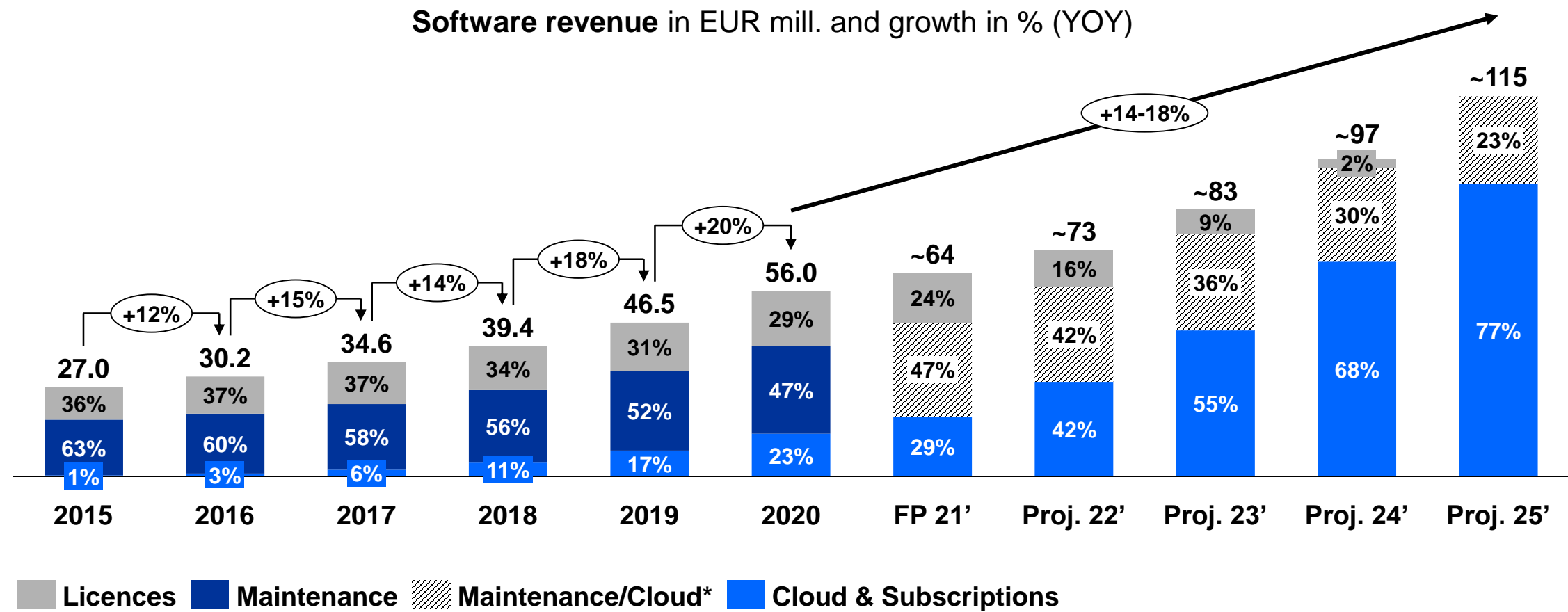
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05 ATOSS Cloud Transformation

Growth Leading the Way for Increased Recurring Revenue (Model Projectory)



05 ATOSS Cloud Transformation (accelerated Model as of 2021)
Growth Leading the Way for Increased Recurring Revenue (Model Projectory)



*depending on extent of transformation of existing on-premise customers into cloud and subscription customers



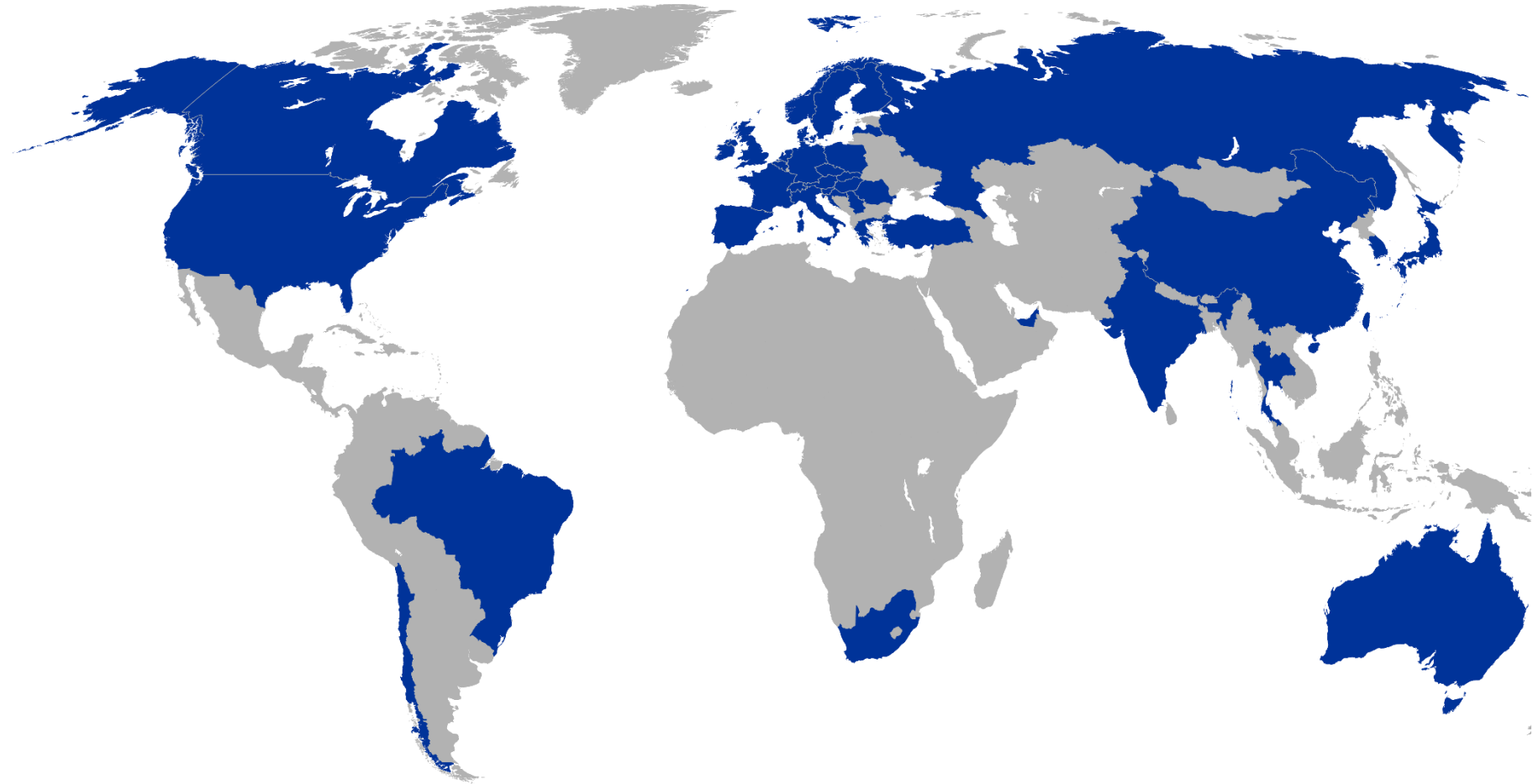
05 ATOSS continuously expands international footprint to further develop service offerings for global customers

International Revenue Share increases from 15% to 25% by 2025

ATOSS Solutions currently in 46 countries (multilingual solutions, 10 software languages)

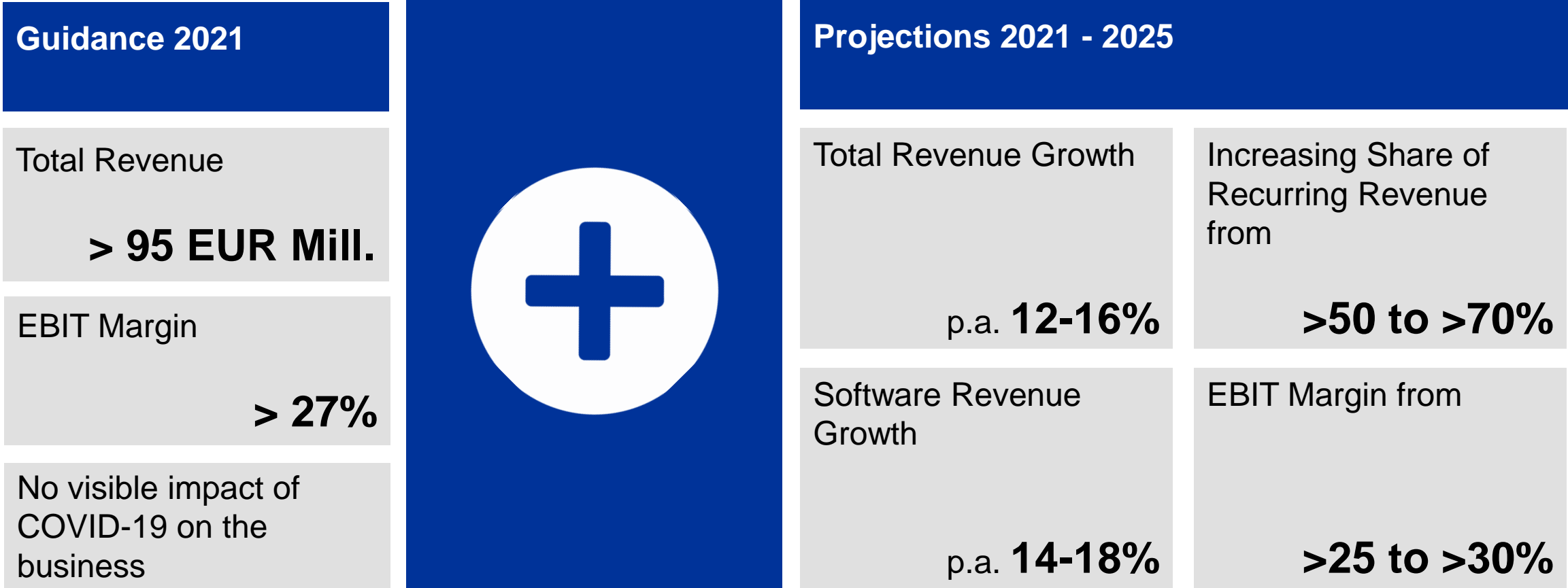
ATOSS Strategy

- **Expand regional Sales & Service Hubs**
- **Set Up International Strategic Partners (Hyperscaler, Solution Partner)**



05 ATOSS – Growth Projections 2021 – 2025

Strong Growth and Margins while building Recurring Revenue





Thank You for Your Attention!

Attachments



Corporate Social Responsibility @ ATOSS

Fields of sustainable activities

Responsibility as integral aspect of our corporate culture and business processes

Integrity and compliance

- Prevention of discrimination, corruption, bribery, respect for human rights
- Compliance Management System – acting in accordance with all laws, social guidelines and values



Environment

- Energy & CO2 reduction
- Conservation of resources



Customer and society

- Data protection and data security
- Customer satisfaction
- Social and cultural activities



Employee

- Recruitment and retention
- Continuous training and learning
- Health promotion and recreation
- Diversity



Corporate Social Responsibility @ ATOSS

Measures & Targets 2021

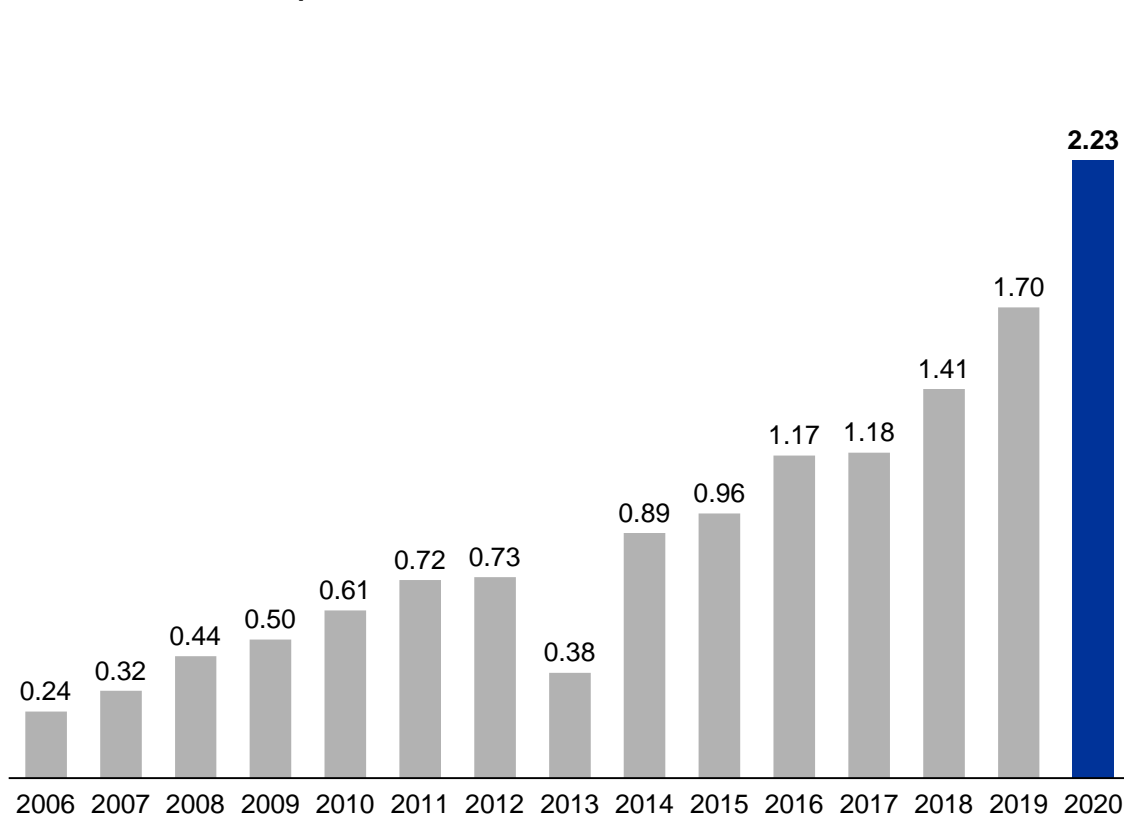
- Implementation of CSR Organization
- Development ATOSS CSR Strategy
- Introduction of Key Performance Indicators of Corporate Responsibility (in accordance with the criteria of the German Council for Sustainable Development: German Sustainability Code (DNK))
- Definition of Corporate Responsibility Targets
- Preparation & publication of sustainability reporting according to legal requirements
- Audit of the Corporate Responsibility Report 2021



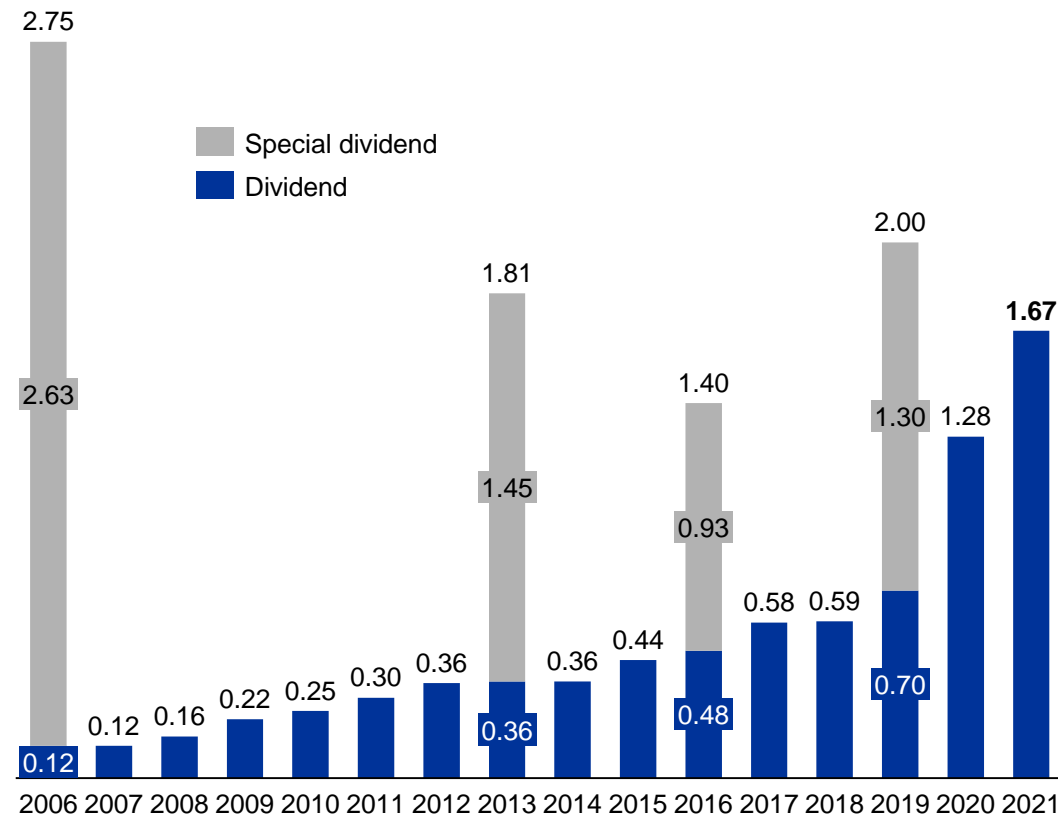
The ATOSS Share

Dividend Policy

EPS* per 31. December in EUR



Dividend* in EUR

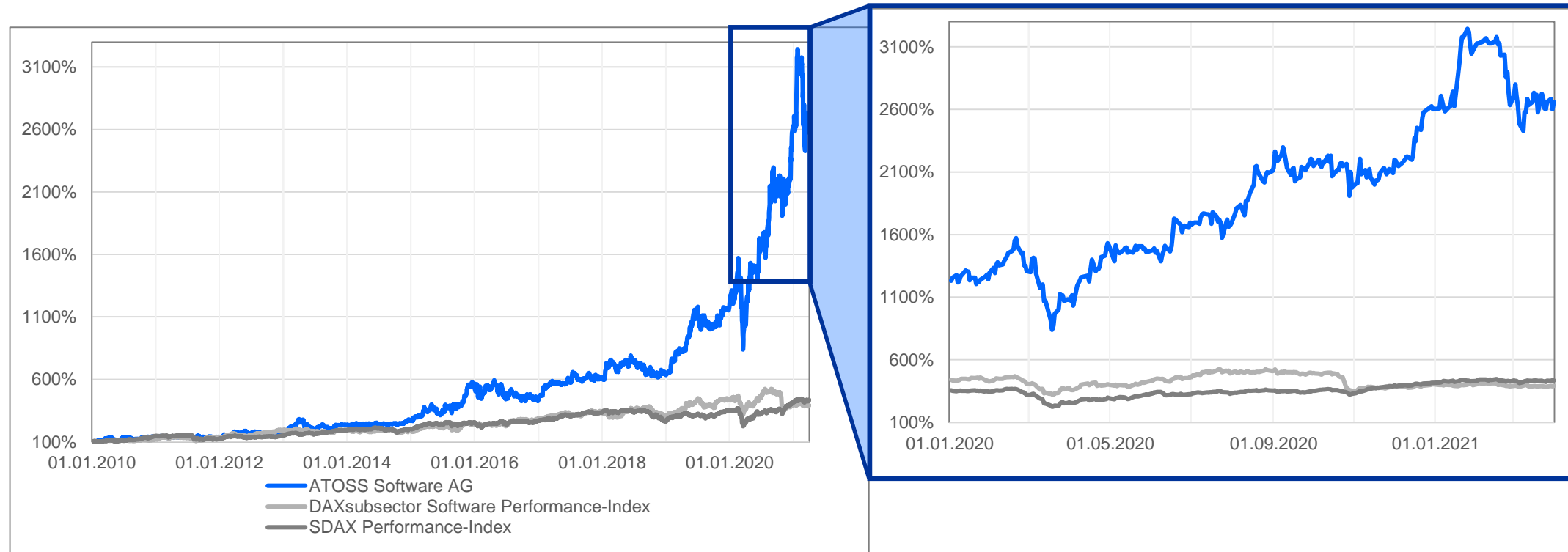


ATOSS stays true to its dividend policy with continuity to the previous year

* The previous year's figures have been adjusted due to stock split in 2020; Rounding up to 2 decimal places

The ATOSS Share

Development ATOSS Share 01/01/2010 – 03/31/2021

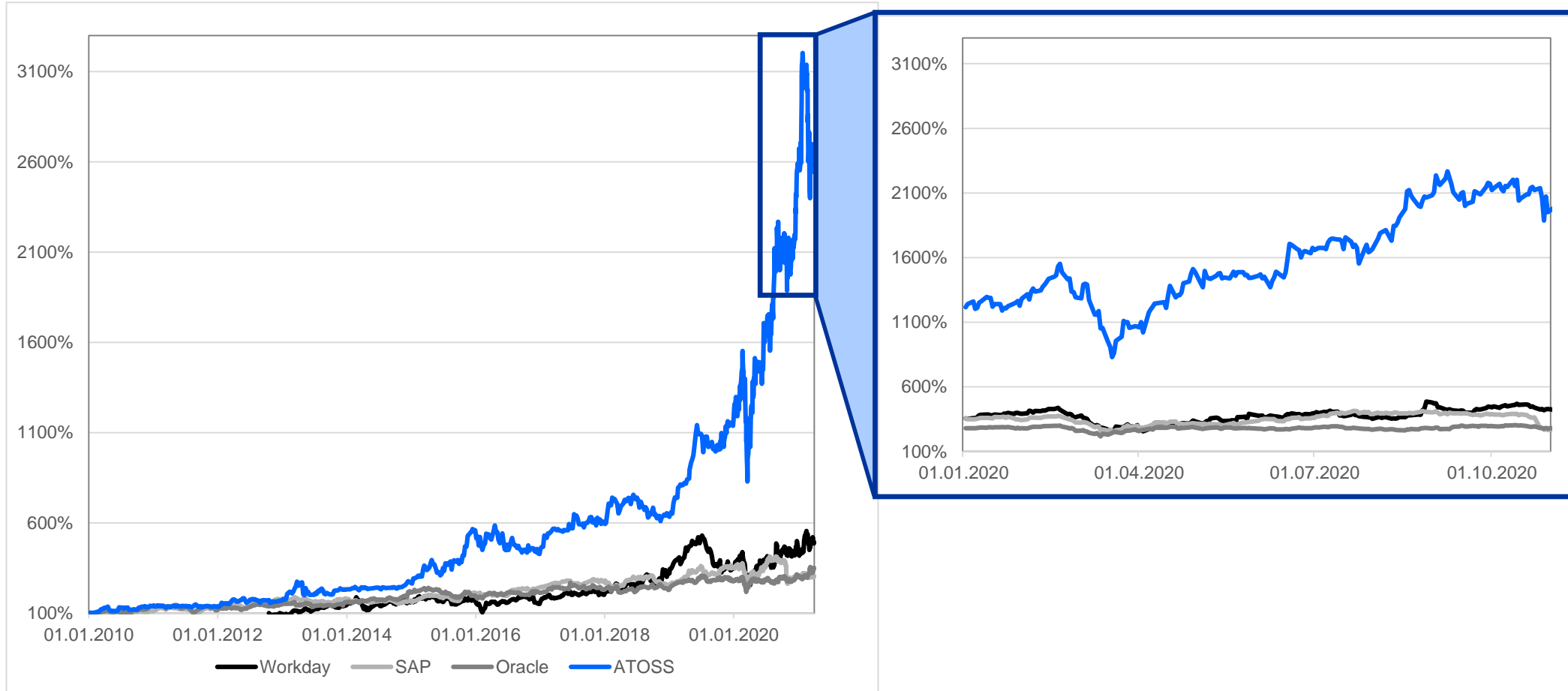


- 01/01/2010 – 03/31/2021: ATOSS share grows by 2,558%* while the DAXsubsector Software Performance Index gains 291%
- Sustained increase of shareholder assets
- The ATOSS share offers additional upside due its dividend policy

* XETRA Closing price 01/01/2010 and 03/31/2020 – without integration of special dividend

The ATOSS Share

ATOSS Performance – Oracle, SAP, Workday 01/01/2010 – 03/31/2021



Source: www.comdirect.de (ATOSS Software AG, SAP AG – XETRA | Oracle, Workday – Stock exchange Frankfurt)

Workforce Management in a Nutshell

Efficiency via Highly Flexible Staff Deployment

ATOSS helps companies to have ...

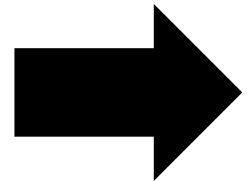
the right employees,

with the right qualifications,

at the right time,

at the right place,

... cost optimised!



Effects generated from ATOSS Projects

Cross-industry



-15%

Personnel costs with
the same number of
staff

-22%

Balance-sheet
provisions

-60%

Residual leave

-70%

Planning input

-82%

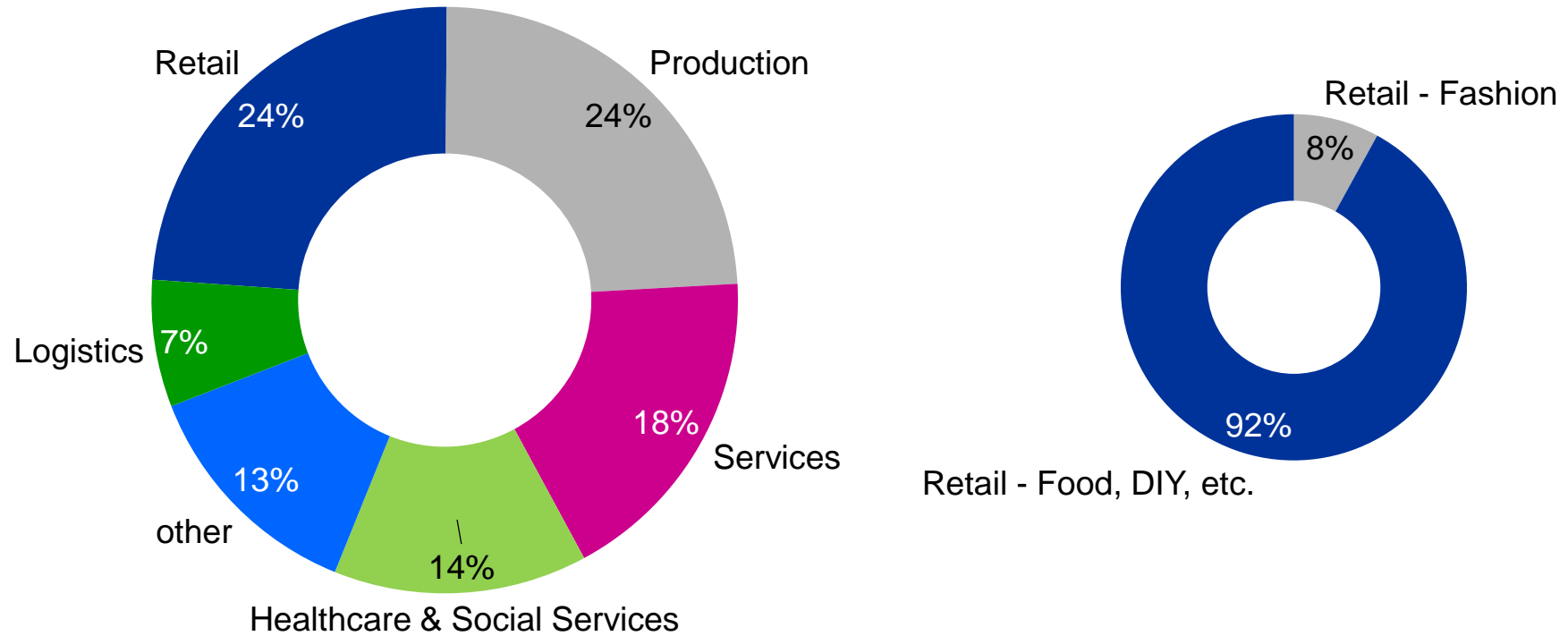
Overtime

+5%

Conversion rate

+11% Revenue

ATOSS Sales by Segment



- The three largest customers account for less than 10 percent of company's sales.

Gartner study: Today, there is no single provider that can offer workforce management across all regions and segments

» There is no single, homogeneous workforce management (WFM) software market. Markets have evolved by industry, **geography**, organization size [...].
Gartner, Inc. (2014)



- As of today, there is **no provider** that can offer workforce management with unlimited productivity **on a global level**
- International customers have to limit themselves to decentralised, regional solutions.

Need for change

Regulatory scheme in mainland Europe requires different approach than in the US to be successful

T&A in mainland Europe is dominated by sheer endless number of rules & regulations

Differences in regulatory environment between Europe and US lead to very complex and individual legal frameworks in CE due to:

- Strong unions and workers council
- Extremely high individuality of company agreements
- High regional diversity of collective labour agreements
- By design, extensive room for interpretation of rules in Europe

→ tens of thousands of variations of legal requirements



Vendors without powerful rules engine fail in mainland Europe

Compliance with magnitude of requirements can only be accomplished by a generic, broad and very powerful rules engine and NOT by customer specific programming

→ Vendors who run T&A based on narrow, standardized rule framework and solve individualism through non-upgradable programming, shipwreck in the face of the diverse European rules and regulations

Challenges for companies in the era of the coronavirus

Five hurdles in opening the economy

1	Health Protection
2	Staff shortages
3	Disrupted logistics and cracks in the supply chains
4	Lack of orders and slow approval procedures
5	Financial bottlenecks



Source: Handelsblatt | 20.04.2020

Challenges in the era of the coronavirus

ATOSS WFM solutions for companies during shut down and ramp up

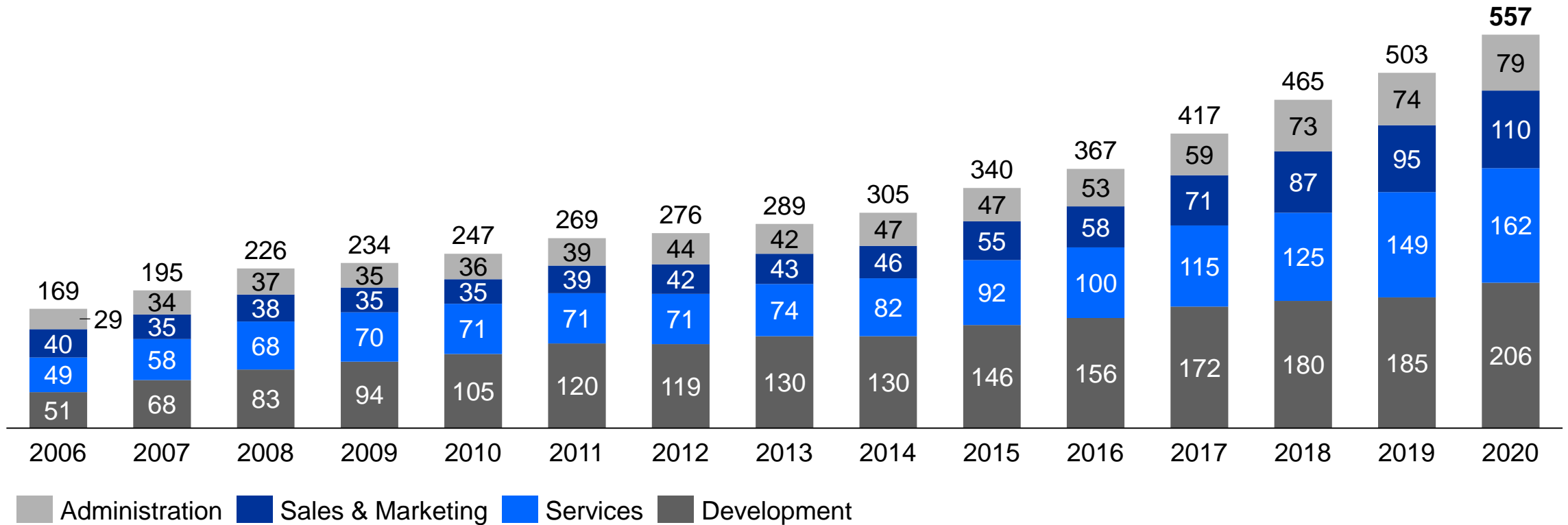
High fluctuations in demand and personnel require effective and highly efficient digital solutions for demand-oriented personnel planning

How can digital workforce management help ?

- **Simple and legally compliant documentation of home office concepts**
- **Legally compliant documentation and analysis of short-time working**
- **Transparent and efficient management of more flexibility in personnel deployment and working hours/accounts**
 - Simulation of ramp-up phases and appropriate shift/working time models
 - Personnel deployment reflecting volatility, health safeguards and other aspects of ramp up phases
 - Introduction of long-term accounts and flexible working time models for future fluctuations and their compensation
 - Annual holiday and capacity planning
- **Management of crisis-specific absences/reasons for absence**

Strengthening cost efficiency and competitiveness

Continuous Expansion of Personnel Capacities



- Focused on development and services personnel.
- The proportion of those two groups in terms of total personnel has increased by 7% from 2006 to 2020.

Financial Highlights

Development over 15 Record Years

+ 322 % 

Total sales

+ 362 % 

Software sales

+ 386 % 

Consulting sales

2006 - 2020



 **+ 256 %**

Investments in R&D

 **+ 4,550 %**

EBIT

 **+ 3,617 %**

Earnings per share

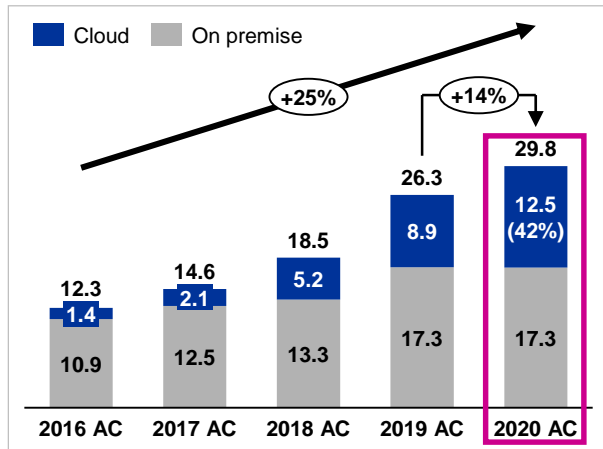
As of 12/2020

Financial KPIs

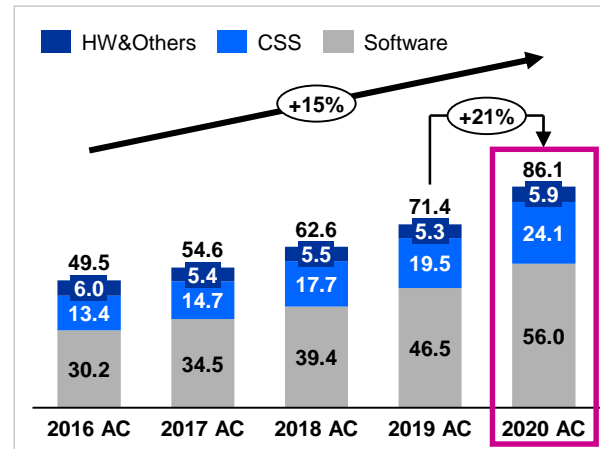
15th record year in a row for ATOSS

Mio EUR

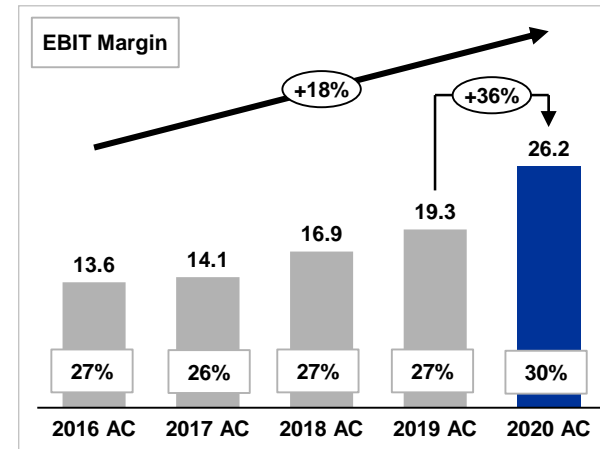
Order intake



Sales total



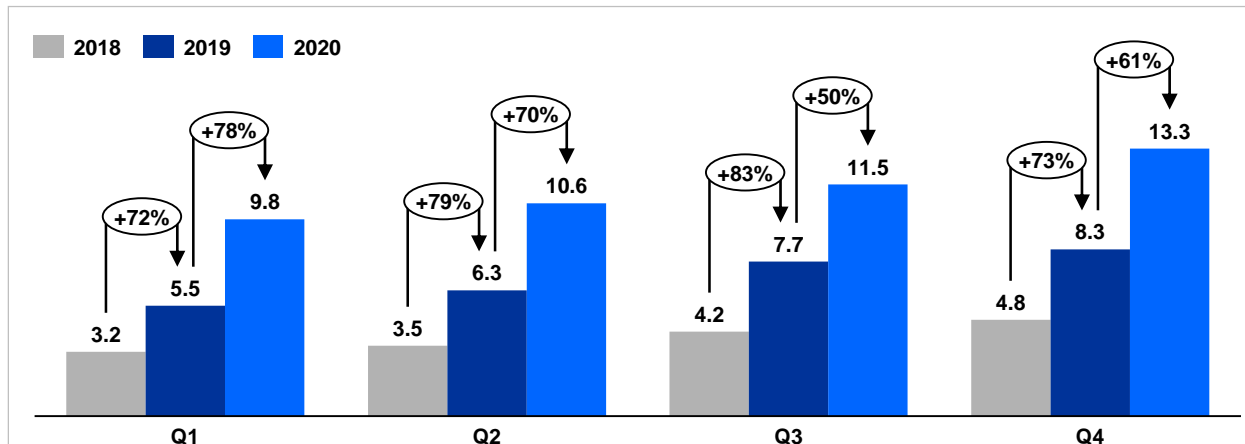
EBIT



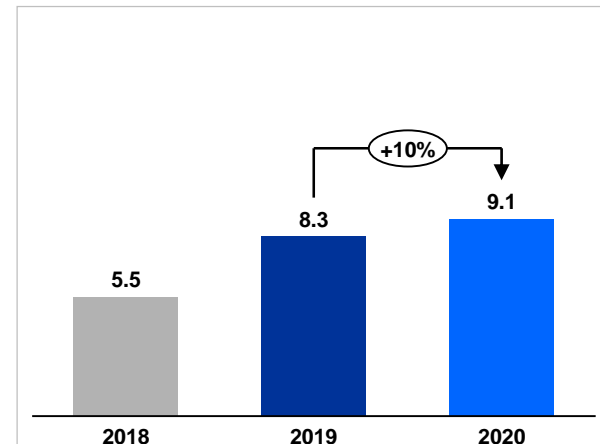
Highlights

- **15th record year** in a row for Sales & EBIT
- Total sales rocketed to **86 Mio** despite Covid19 challenges
- **EBIT** is highest in history with **30%**
- **Cloud transformation successfully** ongoing
- **Continuing strong demand** for our WFM solutions
- **Average cloud contract duration:** 42 months
- **Average Churnrate**:** ~4 percent

Cloud ARR*: Quarterly development



Orders on hand sw licenses



*ARR (Annual Recurring Revenue) comprises the turnover generated by the company over the next 12 months on the basis of current monthly cloud usage fees applicable as of the qualifying date incl. Crewmeister

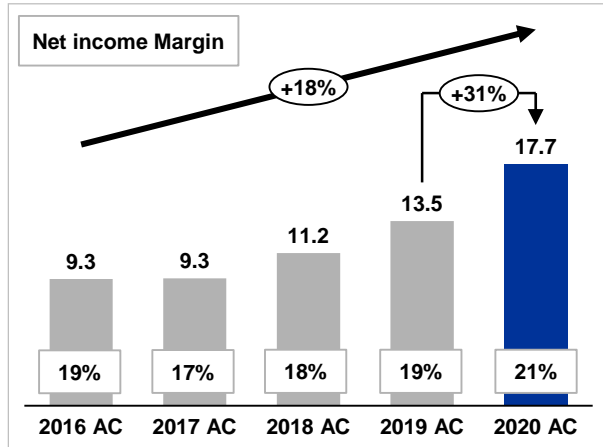
**Churnrate: calculated as contract terminations divided by total ARR

Financial KPIs

Financial strength excellent base for further growth

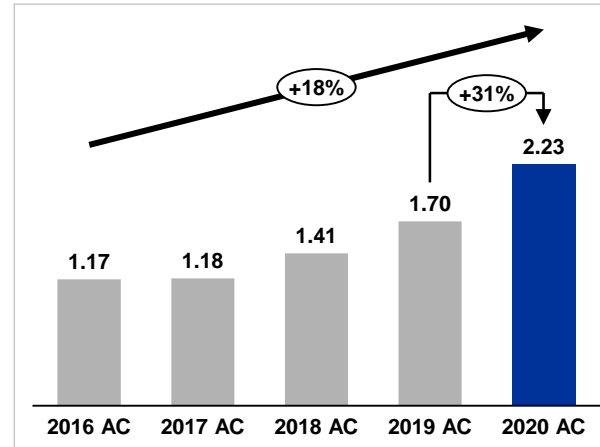
Net Income

Mio EUR



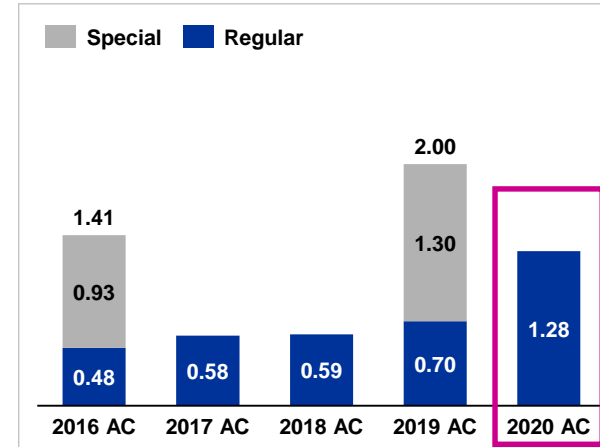
EPS*

EUR



Dividend per share*

EUR

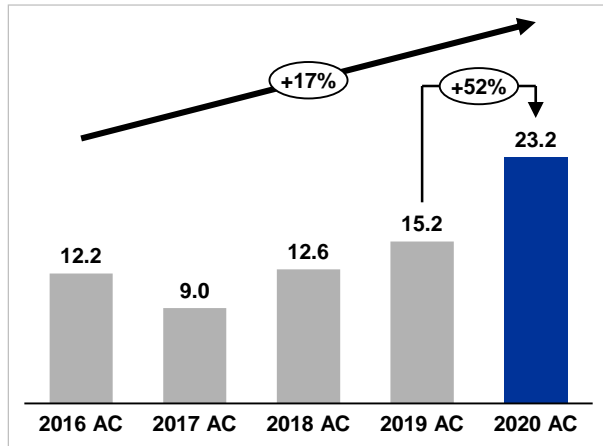


Highlights

- **UNICORN:** ATOSS is now worth more than 1bn
- **Market capitalization** more than doubled within one year
- **Record Cashflow** secures organic growth opportunities
- **Dividend** of 1,275 EUR/share distributed in 2020 for 2019
- **Equity ratio** impacted by application of IFRS16 from 2019 on

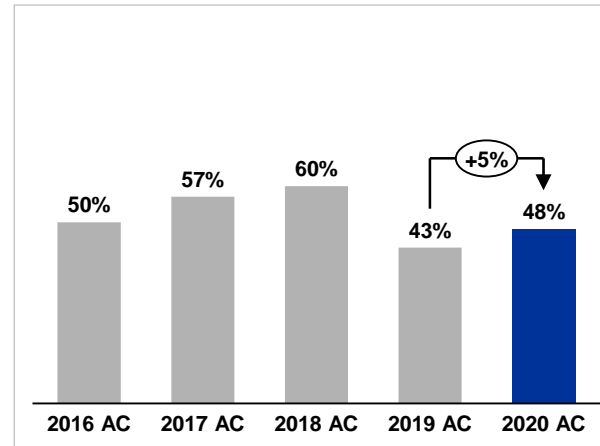
Operational Cashflow

Mio EUR



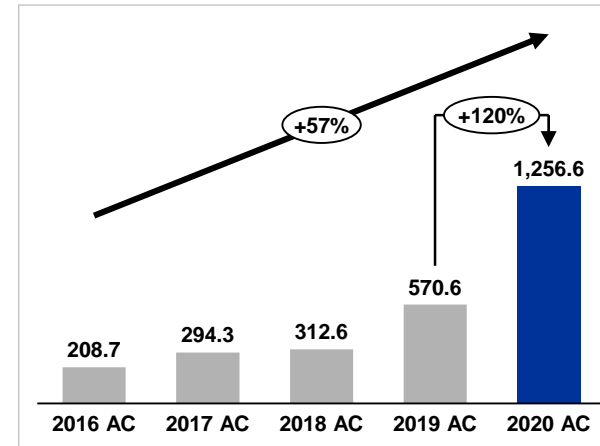
Equity Ratio

%



Market Capitalization

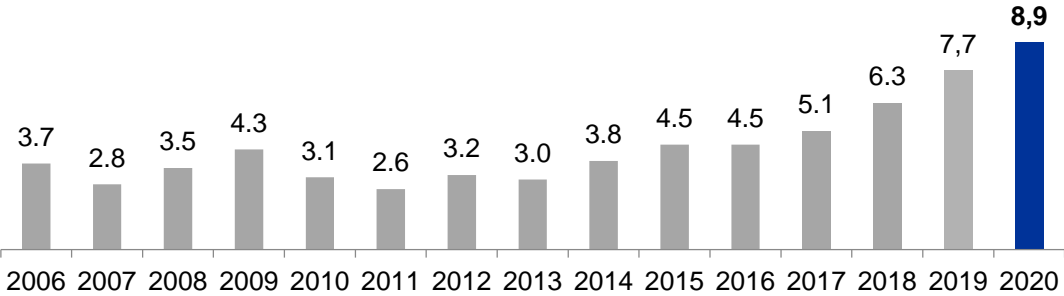
Mio EUR



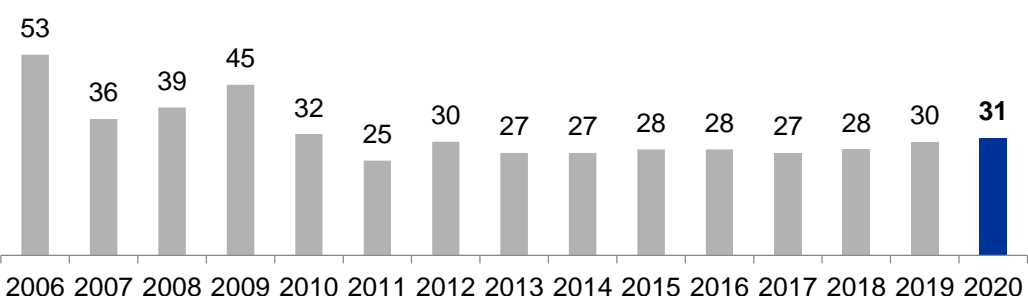
* The previous year's figures have been adjusted due to stock split in 2020; rounding up to two decimal places

Benchmark for Customer Satisfaction and Stability*

Receivables
in EUR mill.



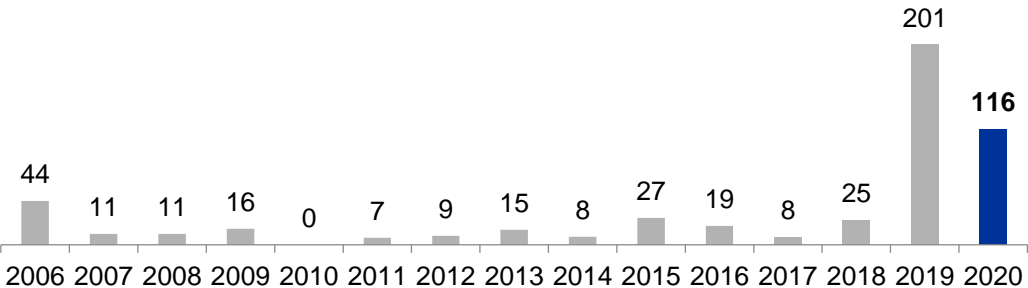
Collection period
in days*



Low volume of receivables and short collection periods reflect good customer relations and well structured business processes.

The extremely low value adjustments are additional, impressive proof of the sound and reliable business model.

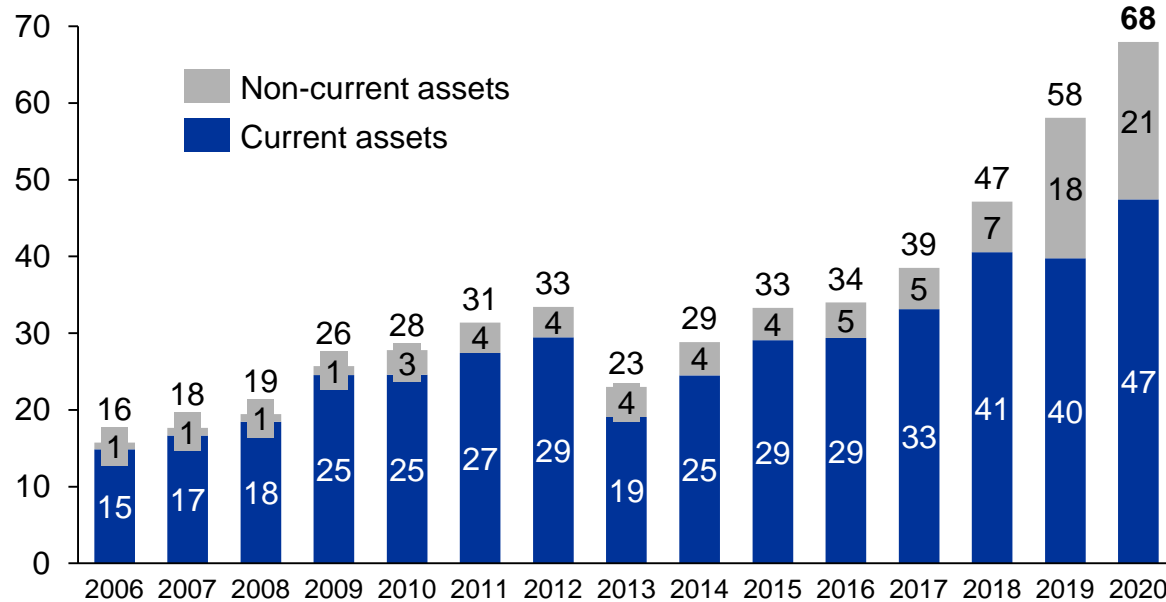
Value adjustments in kEUR



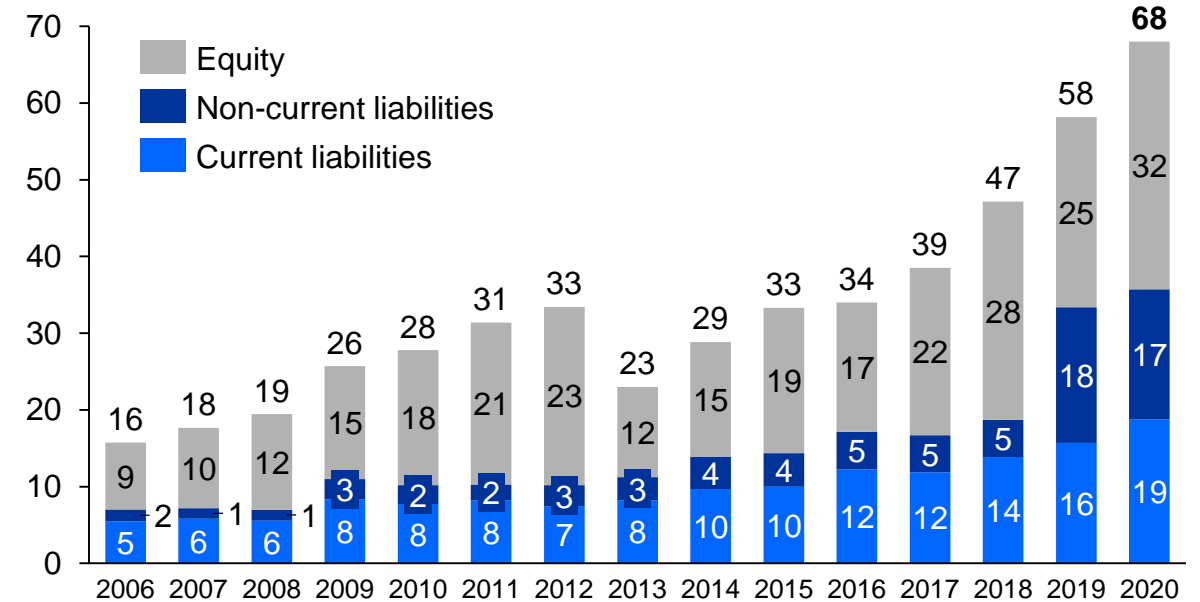
* Collection period = (average net receivables x 365)/revenues

Balance Sheet Structure 2006 – 2020

Assets in Mio. EUR

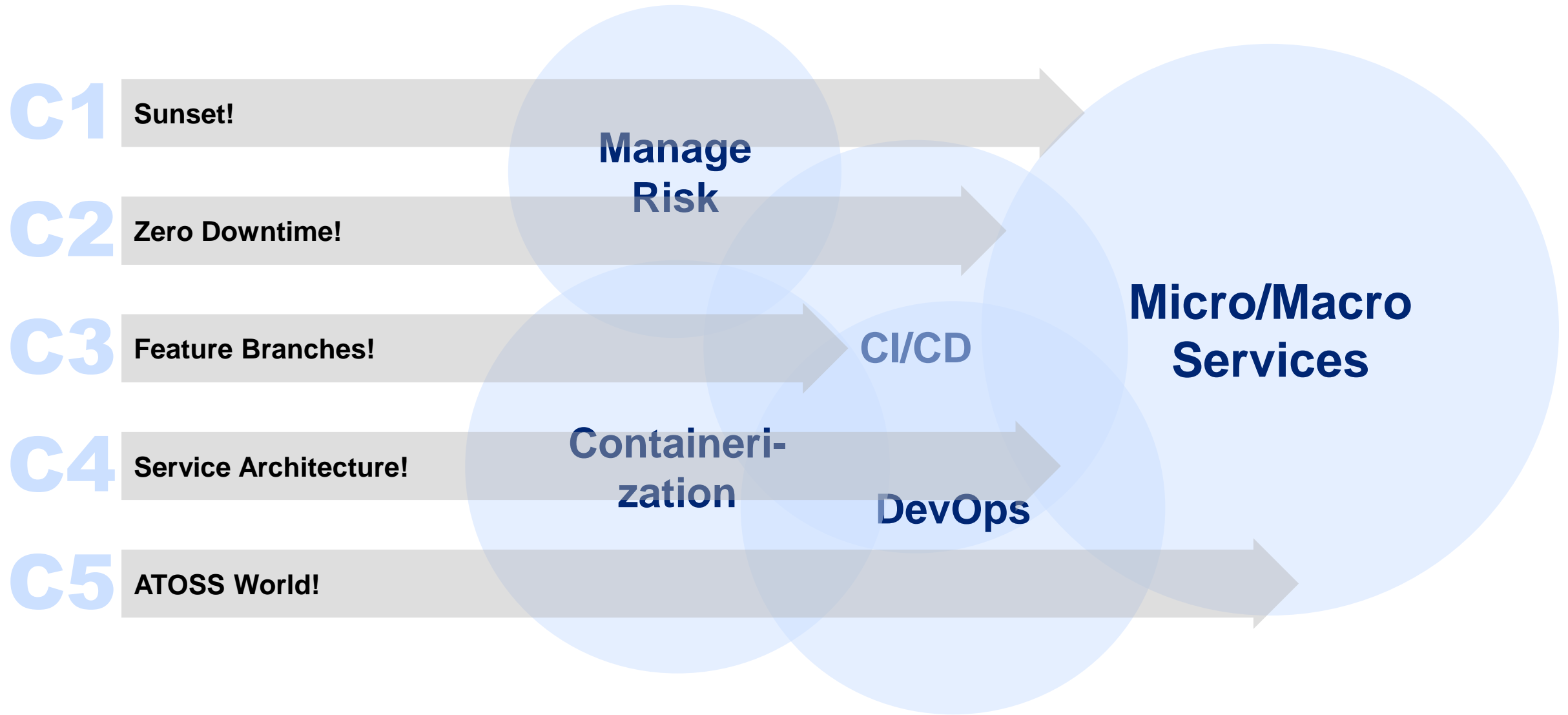


Equity & Liabilities in Mio. EUR



- Sound structure of balance sheet
- Assets: constant solid ratio between current and non-current assets
- Equity & liabilities: high equity ratio (2020: 48 percent)

Cloud Transformation – Technical Approach



Results of Accelerated Cloud Transformation: Software Sales*

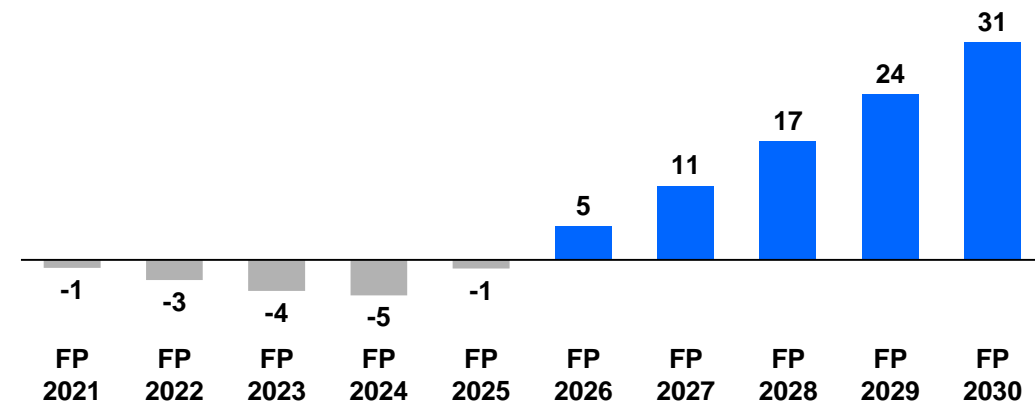
Current base model vs. Accelerated Cloud Transformation model

- Success in Cloud Transformation since 2015 sets the case for low Cash flow impact during accelerated cloud transformation.
- Significant positive effect on future Cash flow opens margin and/or future investment opportunities
- Assumption:
 - Effects for **Cash flow** will be similar to effects in sales
 - Investments in product rolled over at cost to sales ratio of 18% for R&D from 2021 onwards (2020: 17%)

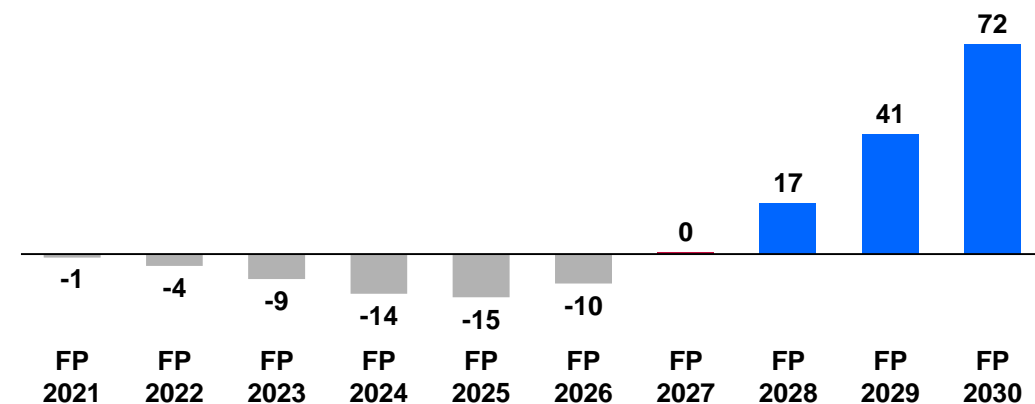
* Software Licences, Maintenance and Cloud incl. Aloud

** without considering TVM (Time Value Money)

Difference CF per year (Mio EUR)**



Difference CF accumulated (Mio EUR)



ATOSS Full Range Strategy

Crewmeister continues successful development

Highlights

- Customers more than quadrupled in two years
- New product features developed
- High customer satisfaction

Key metrics

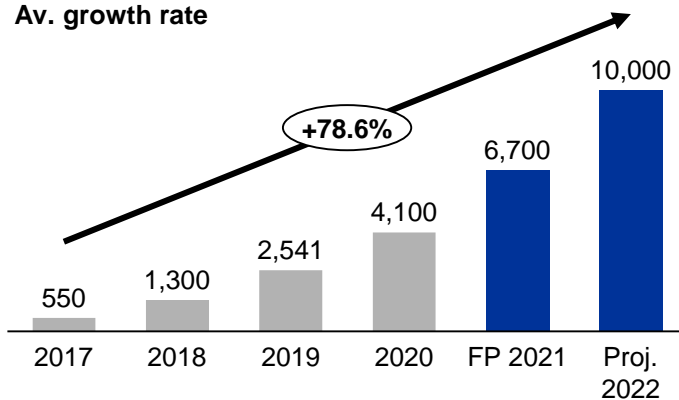
- Av. Customer Acquisition costs (CAC*): 270 EUR
- Av. Customer Lifetime Value (CLTV**): 780 EUR
- CLTV/CAC-Ratio: 2.89
- Av. Monthly Churnrate***: 1.6%
- Cloud Gross Margin: +70%

Outlook

- Continued growth of more than 100% p.a. expected
- Ongoing increase in sales per customer expected (new product features)
- Impact Covid 19:
 - Increase in Churn
 - More agility in customer acquisition

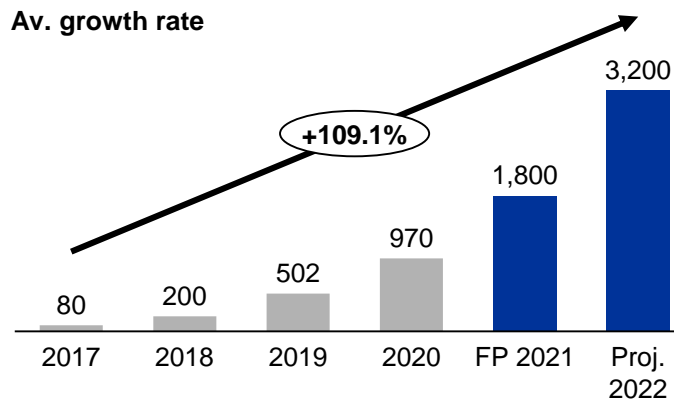
Customer Development

Av. growth rate



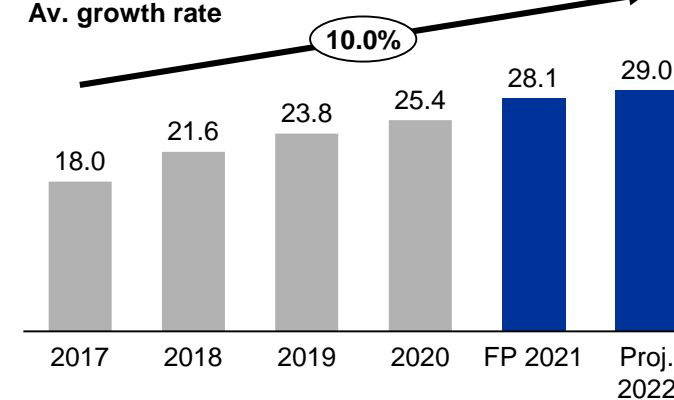
Sales Development (TEUR)

Av. growth rate



Sales/Customer Ratio (EUR)

Av. growth rate



* **CAC** (Customer acquisition cost) (12/2020): cost of resources for the business in order to acquire a new customer. Customer acquisition cost involves sales and marketing costs.

** **CLTV** (Customer lifetime value) (12/2020): estimate of all the future gross profits to be accumulated from a relationship with a given customers

*** **Churnrate**: Ratio, in the current year/month, of customer terminations (number) and the total number of customers (number) with an existing contract at the end of the year/month

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