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INVESTMENT COMMITTEE PAPER ON ATOSS SOFTWARE SE – MARKET AND COMPETITOR ANALYSIS

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Abstract

This paper evaluates the attractiveness of a leveraged buyout of ATOSS Software SE, a leading European workforce-management software provider. It examines market dynamics, competitive positioning, and develops an investment thesis grounded in structural value-creation drivers. The analysis integrates market growth, regulatory trends, and ATOSS's product and compliance differentiation, alongside opportunities in cloud migration, international expansion, and M&A. The findings indicate that ATOSS's deep customer integration, recurring revenue base, and exposure to structurally fast-growing markets support a robust investment case.

Keywords

(Private Equity, Leveraged Buyout, Corporate Finance, Workforce Management Software, HR Software, ATOSS Software SE, Market Analysis, Competitor Analysis)

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SECTION A - Group Part: Investment Committee Paper Summary

1. Company Overview

ATOSS Software SE is a Munich-based provider of Workforce Management (WFM) software. Founded in 1987 by Andreas F. J. Obereder, the company has grown into a leading WFM specialist in the DACH region and is seeking to expand its footprint across Europe (ATOSS Software SE 2025). ATOSS develops and sells end-to-end WFM solutions that support the full workforce planning cycle. The software covers demand forecasting, capacity planning, automated and compliant workforce scheduling as well as time and attendance recording, which integrates into payroll and broader HR systems (ATOSS Software SE 2025). In FY2024, ATOSS generated €170.6m in revenue with an EBITDA margin of 39.8%, where revenues are predominantly software-driven (ATOSS Software SE 2025). Software accounts for 73.2% of total revenue, consulting contributes 21.1%, and hardware together with other revenues represents the remaining 5.7% (ATOSS Software SE 2025). Consulting mainly includes implementation projects, customer training and ongoing support that accompany software rollouts. Hardware and other revenues are comparatively small and relate to time-recording or access-control devices, as well as minor project-related services and third-party consumables (ATOSS Software SE 2025). Recurring revenues from cloud subscriptions and maintenance represent 65.2% of software revenues, implying a subscription- and maintenance driven business model (ATOSS Software SE 2025).

The product portfolio consists of three solutions, which are segmented by customer size and operational complexity. The ATOSS Staff Efficiency Suite (ASES) targets enterprises, typically with up to around 10,000 employees. It offers advanced modules for time and attendance, forecasting and automated scheduling and is available both in the cloud and on-premise. ATOSS Time Control (ATC) serves small and mid-sized organizations as well as decentralized larger clients, focusing on standardized time & attendance and scheduling and is also offered in cloud and on-premise versions. Crewmeister is positioned for micro businesses and provides a cloud only, mobile first solution for basic time tracking and absence management (ATOSS Software SE 2024). Based on its diversified product portfolio, ATOSS's value proposition is defined by two core USPs. First, the company has long-standing expertise in highly automated workforce scheduling for complex and labor-intensive environments, which goes beyond basic time-tracking functionality. Second, ATOSS emphasizes local market and labor-law compliance know-how, particularly in the DACH region, where detailed regulatory requirements are necessary and create meaningful switching costs for customers (ATOSS Software SE 2025). The company serves around 16,000 mainly European customers across several shift-intensive industries. Revenue is distributed across production (32.0%), retail (22.0%), healthcare (16.0%), logistics (15.0%), services (10.0%) and other industries (5.0%) (ATOSS Software SE 2025). This indicates that the diversified customer base reduces dependencies on a single sector and provides multiple pathways for continued expansion. Operationally, ATOSS employs about 820 people as of FY2024. Most employees are based in Germany and are complemented by a nearshore development hub in Romania. ATOSS remains founder-led by Andreas Obereder, who is supported by Pritim Kumar Krishnamoorthy as CTO and Christof Leiber as CFO. Since 2023, General Atlantic has held an approximately 20% minority stake in ATOSS and consequently, is represented on the supervisory board (ATOSS Software SE 2025).

2. Market Overview

As part of the broader assessment of ATOSS Software SE and its strategic environment, this chapter offers a concise analysis of the Workforce Management (WFM) market, a specialized subsegment of the wider Human Capital Management landscape. WFM comprises digital solutions and services that support organizations in managing labor deployment, time and attendance, and regulatory compliance, and is particularly relevant in industries with complex workforce structures (Markets and Markets 2020; Markets and Markets 2024; Gartner, 2024).

2.1 Global and European Workforce Management Market

The global WFM market has developed into a significant and rapidly expanding field. North America and Europe represent the largest regional markets, accounting for 32.1% and 26.9% of global volume respectively, followed by Asia Pacific with 20.4%. The Middle East and Africa as well as Latin America contribute smaller shares of 13.4% and 7.2%. Between 2020 and 2024, the global WFM market expanded at a compound annual growth rate (CAGR) of 9.2%, illustrating its resilience and structural relevance. Forecasts indicate continued acceleration, with the market expected to reach a CAGR of 10.7% between 2025 and 2029. Market size amounted to €8.4bn in 2024 and is projected to increase to €13bn by 2029 (Markets and Markets 2020; Markets and Markets 2024). Several long-term trends account for this expansion. First, organizations increasingly adopt cloud-based deployment models that provide scalability, continuous updates and reduced IT complexity. Second, the growing use of AI enabled analytics enhances the ability to plan and optimize workforce structures by supporting data driven forecasting and decision making. Third, automated compliance capabilities become essential in industries with stringent labor regulations, as they reduce legal risk and ensure consistent adherence to complex rule frameworks. Fourth, demographic developments and persistent shortages of skilled labor intensify the need for efficient workforce planning and productivity enhancing technologies. Finally, the expansion of mobile and flexible work arrangements increases demand for digital, user friendly Workforce Management solutions that support decentralized teams and modern workplace requirements (Markets and Markets 2020; Markets and Markets 2024; Houlihan Lokey 2025).

The European WFM market is particularly relevant for ATOSS and displays structural characteristics that distinguish it from other regions (ATOSS Software SE 2025). Europe's regulatory environment, its extensive collective bargaining coverage rate, and its high compliance requirements create a market in which sophisticated WFM solutions provide substantial value. The market grew from €1.486bn in 2020 to €2.258bn in 2025 and is anticipated to reach €3.326bn by 2029. Germany, United Kingdom, France, and Italy represent the largest national markets and together account for the majority of demand. The customer landscape is shaped predominantly by small and midsize businesses, which historically constitute approximately 70% of the market and are expected to maintain this share. Enterprises are increasingly adopting digital workforce solutions as well, though at a slower pace, reflecting the broader diffusion of WFM systems beyond traditionally labor-intensive sectors (Markets and Markets 2020; Markets and Markets 2024).

2.2 Market Segmentation

The WFM market is organized into three dimensions (deployment, component, vertical), each capturing a distinct aspect of how solutions are delivered and applied across industries.

By Deployment: A central structural development in the European market is the shift from on premise systems toward cloud-based deployment. Cloud solutions grow at a CAGR of 10.2% between 2020 and 2025, significantly exceeding the 7.6% CAGR observed for on-premise systems. The preference for cloud is driven by improved scalability, reduced dependence on internal IT infrastructure and enhanced data security. This transition represents a persistent and long-term transformation of market architecture (Markets and Markets 2020).

By Component: The component structure consists of both functional solutions and related services. Core solutions include time and attendance management, workforce scheduling, leave and absence management, workforce analytics, and additional supporting modules. Time and attendance represent the largest segment in terms of volume (€488m in 2025), while workforce analytics demonstrates the highest growth dynamics with a CAGR of 10.1%, supported by the increasing reliance on data driven decision making. Leave and absence management follows a stable growth trajectory that reflects the need for regulatory compliance and flexible workforce structuring. The services segment includes training, support and maintenance, implementation, and consulting. Training, support, and maintenance exhibit the strongest expansion at a CAGR of 12.6%, indicating rising demand for long term support models and the complexity of modern systems. Implementation services grow at moderate rates, while consulting remains the slowest expanding category with a CAGR of 6% but continues to remain a significant role in organizational transformation processes (Markets and Markets 2020).

By Vertical: Across Europe, the WFM market grows at an average rate of 7.9% across verticals. Banking and financial services, healthcare, consumer goods and retail represent the largest and most dynamic sectors. The healthcare segment is particularly noteworthy, expanding from €219m in 2020 to €362m in 2025, and is projected to grow at 10.5% annually through 2029. Its regulatory complexity, workforce intensity, and structural demand make it one of the most promising verticals. Retail, logistics, and services continue to contribute significantly and align with ATOSS's strong presence. At the same time, sectors such as banking and financial services, government, and energy and utilities remain underpenetrated, offering considerable potential for expansion (Markets and Markets 2020; Markets and Markets 2024).

2.3 Competitive Landscape and ATOSS Positioning

The competitive environment in the WFM market is diverse, comprising providers that differ substantially in scale, specialization, and regional focus. Local niche providers such as ATOSS, P&I, Interflex, ISGUS, Quinyx, and Tamigo tend to possess deep knowledge of regional labor regulations and focus strongly on WFM specific functionalities. In contrast, global Human Capital Management suites including UKG, Workday, ADP, and SAP operate with broader HR platforms but typically lack the functional depth and regulatory expertise required for highly specialized WFM deployments in the DACH region (Markets and Markets 2020; Markets and Markets 2024; Houlihan Lokey 2025; Gartner 2024). Comparative analysis reveals four major groups of competitors: local niche players, integrated local leaders, emerging entrants, and global HCM generalists. Among these, P&I and Interflex represent the closest peers ("Integrated local leaders") to ATOSS especially due to their similar strategic positioning, capability profiles, financials and product and service offerings. Unlike smaller niche providers, ATOSS combines high scalability with a fully integrated WFM suite and strong implementation capabilities. Further growth potential lies in underpenetrated verticals, which offer opportunities to broaden the customer base and reinforce long-term expansion prospects.

3. Investment Thesis and Value Creation

3.1 Market Growth

As outlined in the Market Overview chapter, the European Workforce Management market is set to expand significantly through 2029, mostly driven by digitalization and rising compliance requirements. ATOSS has historically outperformed the market by more than 7% annually and is expected to continue this trajectory, increasing its revenue from €86m in 2020 to €343m in 2029 and benefiting from its strong foothold in the German WFM segment, which is expected to reach ~€1bn in market size (ATOSS Software SE 2025). This dynamic creates headroom for a meaningful value creation gain of €796.5m by 2030.

3.2 Cloud Expansion

Deepening ATOSS's cloud mix represents a significant value creation lever, yet most of its impact becomes clear when contrasting the cloud subscription model with the traditional license-based approach. Under the on-premise model, customers pay a substantial upfront license fee followed by comparatively small annual maintenance payments. This creates an immediate revenue spike for ATOSS but limits long-term visibility and results in a less predictable revenue stream. The cloud model fundamentally changes this dynamic. Instead of a high initial payment, customers pay recurring subscription fees that accumulate steadily over time. Annual cloud revenue starts below the one-time license payment of the on-premise model, but cumulative revenue surpasses the on-premise alternative after roughly three and a half years (ATOSS Software SE 2025). From the customer's perspective, the cloud model reduces upfront investments, eliminates the need for maintaining internal IT infrastructure and ensures that updates are delivered automatically. This not only lowers operating costs but also guarantees regulatory compliance and higher system stability. For ATOSS, centralized cloud delivery requires materially less support and implementation labor. These structural efficiencies support a margin uplift as the model scales. Against this backdrop, the shift from 42% cloud revenue today to around 76% by 2030 transforms ATOSS into an even more predictable, retention driven SaaS business. Value creation stems from several reinforcing levers. First, cloud bundles unify ATOSS's modules into broader recurring contracts, increasing customer value and improving ARR predictability. Second, converting on-premise clients into cloud subscriptions, combined with the attachment of incremental modules such as analytics or AI supported workflows, raises average revenue per user (ARPU) and deepens customer stickiness. Third, superior retention economics across enterprise grade clients provide a stable foundation for compounding ARR growth. Finally, a cloud heavy revenue mix supports continued margin uplift over the investment period. Execution focuses on standardized migration of maintenance customers into cloud subscriptions, targeted upselling of advanced modules and pricing optimization through annual or semi-annual billing structures. Combined, these measures result in a value creation gain of €399.1m.

3.3 Internationalization

Internationalization is a meaningful value-creation lever for ATOSS, where France is the market with the highest urgency and demand in Europe (ATOSS Software SE 2025). The French WFM market is expected to grow from roughly €525m in 2024 to about €898m by 2029, which implies around 11.5% CAGR. Demand is supported by rising adoption of data-based planning and AI-supported forecasting, persistent labor shortages in sectors such as healthcare and industrials and tighter working-time regulation (CNSA 2025; FHF 2024; Ministère du Travail et des Solidarités 2021). Together, these trends increase the need for automated and law-compliant scheduling solutions, which match ATOSS's product strengths. When entering France with a largely market-ready product portfolio, including French language and labor-law localization, the value-creation focus is commercial scale rather than product rebuild. This means by building an effective local sales and customer-success team (up to 70 HC until 2030) targeting high-need verticals such as healthcare and industrial mid-market clients and accelerating reach through strategic partnerships, a value creation gain of €276.9m can be achieved by 2030.

3.4 Buy and Build

The target add-on profile focuses on smaller WFM providers in the €5-50m revenue range with a SaaS and cloud heavy business model and high recurring revenues, ideally operating in the DACH region to ensure shared customer bases and strong local credibility. Based on ATOSS's current momentum and market share expansion, the strategy supports a value creation gain of €263.1m by 2030. The strategic rationale builds on a phased acquisition roadmap. The priority is the expansion of AI capabilities in shift planning functionality through the acquisition of firms such as Shyftplan, whose advanced AI scheduling would enhance automation and user experience across ATOSS's product suite (Shyftplan 2025). The next step focuses on accelerating healthcare penetration by integrating specialized providers like Planerio and Sieda, both of which bring deep expertise in regulated healthcare scheduling, embedded compliance, and 24/7 service workflows (Planerio 2025; Sieda 2025). These capabilities strengthen ATOSS's positioning in premium and complex healthcare environments. Finally, the roadmap envisions extending functional coverage into the payroll space through acquisitions such as SPData, allowing ATOSS to improve wallet share, and create long term customer lock in through deeper operational integration (SPData 2025).

3.5 Operational improvements

Operational improvements are mainly driven by operating leverage and productivity gains as ATOSS scales, supported by standardization from cloud expansion, AI-enabled efficiency and add-on synergies. The model assumes a temporary EBITDA margin dip in 2026E because ATOSS front-loads investment for the France market entry and ongoing growth in core markets. In 2026E, cost of sales rises due to a +37 headcount build-up in consulting, however thereafter hiring normalizes, what allows scale effects to significantly increase revenue/HC and hence efficiency. Selling and distribution also step up in 2026E, reflecting a 30% advertising increase and a +24 headcount commercial ramp to enable international expansion, before stabilizing from 2027E as spend and hiring grow in line with revenue. Administration costs increase in 2026E with +11 headcount to strengthen central functions and afterwards benefit from G&A leverage through slower HC growth and AI-related productivity. R&D follows the same pattern, with +20 headcount added in 2026E to broaden capabilities, what is then followed by a moderated build-up supported by add-on synergies such as Shyftplan's AI expertise. Overall, this front-loaded investment and subsequent scale dynamic leads to a value creation gain of €33.3m by 2030.

4. Valuation

The valuation for ATOSS Software SE applies a triangulation approach to derive the most realistic stand-alone EV/EBITDA multiple for the LBO entry valuation. Rather than relying on a single technique, it combines market-based benchmarks with an intrinsic view to balance potential biases. The Comparable Company Analysis (CCA) captures the public-market perspective, where closest peer medians of 14.1x LTM and 13.2x NTM EV/EBITDA are averaged to a 13.6x reference multiple and hence reflects both historical performance and forward expectations. The Comparable Transaction Analysis (CTA) provides a benchmark from similar precedent transactions since 2021, with a median EV/EBITDA multiple of 20.4x.

In parallel, the intrinsic DCF implies 18.5x EV/EBITDA based on stand-alone free cash flow projections. Averaging these three reference points results in an entry multiple of 17.5x EV/EBITDA. Applied to 2025E EBITDA of €72.6m, this results in an enterprise value of €1,273.4m as of September 30, 2025.

5. Capital Structure and Returns

5.1 Deal Financing

Over the last years, European leveraged finance has seen a marked shift from broadly syndicated loans and high-yield bonds towards private-credit solutions, in particular large unitranche facilities. According to the Alternative Investment Management Association, "more than a third of direct lending proceeds in 2024 were allocated to LBOs, while high yield and syndicated leveraged loans accounted for less than 10%" (AIMA 2025). Recent transactions include the €1.5bn unitranche for SumUp and the €1.35bn unitranche for German software company Aareon, both financed by direct-lending clubs rather than the broadly syndicated loan market (White & Case 2025). This evolution aligns with Apollo's assessment that Europe has become one of the world's fastest-growing private-credit markets, supported by strong investor demand (Apollo 2025). Given the attractive financial profile of ATOSS in FY2024, characterized by 65% recurring revenue, a cash-in-advance business model and an 87.7% cash conversion ratio (Operating Cash Flow / IFRS EBITDA), together with the strong momentum in the European private-credit market, the unitranche structure was selected as the base-case financing option. The unitranche case (5.8x EBITDA) represents the highest-levered structure in the analysis and aligns well with current market dynamics. To assess the sensitivity of equity returns to lower leverage levels, two syndicated structures, a traditional TLB (4.5x EBITDA) and a blended TLA/TLB option (4.5x EBITDA), were included to evaluate the effect of the financing choice on returns and coverage metrics. The transaction is initially financed through common equity consisting of sponsor equity, management sweet equity, and a partial founder rollover, complemented by a subordinated shareholder loan primarily funded by the sponsor and, to a lesser extent, by Andreas Obereder's rollover investment, as well as senior term debt that varies across the three cases described above. The uses of funds follow a standard locked-box acquisition structure. The purchase price is fixed as of the locked-box date (September 30, 2025), and the seller receives a 4 % interest charge to cover the economic period until closing (December 31, 2025). At closing, existing net debt including IFRS 16 lease liabilities and quasi-debt items is refinanced. A €15m overfunding buffer provides liquidity for working-capital swings and higher-than-expected fees. In addition, the proceeds cover all transaction-related costs (2.2% of EV), including lender structuring fees, advisory and due-diligence fees, and an 2.5% original-issue discount (OID) component in the unitranche financing case.

5.2 LBO and returns

Return projections at the 2030 exit show that higher leverage in the unitranche case translates into marginally higher equity return. In the standalone case, the unitranche delivers an IRR of 23.3% and a MOIC of 2.85x, increasing to 24.2% and 2.90x when including acquisitions. By contrast, the syndicated TLB structure generates 22.4–23.3% IRR and a 2.74–2.79x MOIC, while the TLA/TLB mix results in 22.5–23.4% IRR and 2.76–2.81x MOIC. Although the return spread across structures is modest, differences become more pronounced in covenant dynamics and interest burden. The unitranche scenario begins with a more stretched covenant profile, exhibiting a maximum leverage ratio of 4.9x in 2026E, minimum interest coverage of 2.4x and minimum cash cover of 2.0x. In contrast, the syndicated structures enter with materially stronger interest coverage (4.0–4.1x) and reduced refinancing risk with maximum leverage ratios of 3.5x in both cases. However, the TLA/TLB mix shows the weakest cash-coverage level at only 1.6x given the amortization burden, whereas the TLB structure maintains a more moderate cash-coverage ratio of 3.2x in 2026E. Starting from an exit enterprise value of €3.04bn, the repayment of net debt (~€215m) and the subordinated shareholder loan (€1.13bn, split 80.5% to the sponsor and 19.5% to the CEO/founder) results in total equity value of €1.70bn, allocated as €1.36bn to the sponsor, €306m to the CEO/founder, and €34m to the management sweet-equity pool. Sensitivity analysis confirms that equity IRRs remain structurally resilient across exit-multiple cases and number of holding years, clustering in the mid-20% range, with MOIC outcomes of roughly 2.8–3.0x. The value-creation bridge demonstrates that returns are primarily operational rather than financial. Of the €1.9bn total capital gain, 79.2% originates from standalone EBITDA expansion, driven by the value creation levers described in detail in chapters 3-3.5. Add-on acquisitions contribute 13.8%, deleveraging 11.2%, while (-4.2%) stem from financial structuring and the additional add-on equity infusion.

6. Exit Options and Due Diligence

Prior to acquisition, a comprehensive due-diligence process evaluates the firm's technological capabilities, commercial performance, financial stability, and operational maturity. The company exhibits characteristics typical of resilient European software businesses, including a high share of recurring revenues and strong customer retention. Such attributes generally support multiple viable exit routes. At the end of the holding period, three options are most relevant: a sale to a strategic acquirer, a secondary sale to another PE fund, or an IPO. A strategic sale is generally associated with the highest valuation potential. Strategic acquirers, particularly large HR and ERP vendors, frequently seek to strengthen compliance capabilities or broaden workforce-management functionality. Because they can realize synergies in both revenue and cost terms, these buyers often pay higher multiples than financial sponsors, a pattern repeatedly shown in M&A research (Kaplan, Steven, and Weisbach 1992, 107-138). Although regulatory review may prolong the process, it rarely undermines the economic logic of such transactions. A secondary sale to another PE investor represents a credible alternative. Secondary buyouts have become increasingly common (Rode, Poldauf, Fuentes Perez 2025), especially in the software sector, where long product life cycles and scalable business models allow for multiple ownership phases. Financial buyers value predictable subscription revenues and may pursue further organic or inorganic growth. While valuation multiples may be lower than in a strategic sale, execution certainty and the breadth of potential sponsors make this a reliable exit route. Empirical studies find that secondary buyouts can deliver strong performance when operational improvements or expansion strategies remain available for the next investor (Logcher 2016). IPOs play a comparatively minor role for mid-market B2B software firms. Although favorable market conditions sometimes support attractive valuations, public listings are exposed to volatility, impose stringent reporting obligations, and delay proceeds through lock-up requirements. These structural features reduce their appeal relative to trade or sponsor exits. Before thinking about an exit, an in-depth due diligence is important to assess potential risks and opportunities of a potential transaction. A central component is the assessment of organic growth potential, which involves analyzing product competitiveness, integration depth, compliance features, sales-pipeline dynamics, and retention patterns. As the investment thesis includes buy-and-build expansion, diligence examines technological compatibility, integration risks, and customer-migration feasibility, factors shown to influence value realization in software consolidation strategies (Cusumano, Gawer and Yoffie 2019). International expansion opportunities require further analysis of local regulatory environments and market structure. In 2024, the Cour de cassation tightened *forfait-jours* case law, voiding agreements where employers cannot prove effective workload monitoring, rest-time control, and annual check-ins. These stricter working-time and rest rules now require systematic planning, automated alerts, and full auditability to avoid breaches. Practitioner research consistently highlights that the quality of diligence strongly influences value-creation predictability during the holding period (Bain & Company 2025).

SECTION B - Individual Part: Market and Competitor Analysis – Nico Steinbach

1. Introduction and Methodological Approach

This individual part provides an in-depth examination of the Workforce Management market as the core commercial environment in which ATOSS Software SE operates (ATOSS Software SE 2025). Within the broader context of the Investment Committee Paper prepared for the "Private Equity Challenge", the purpose of this section is to analyze structural market characteristics, relevant growth drivers and competitive dynamics. This assessment enables a clearer understanding of the WFM market environment as well as ATOSS's strategic position in this landscape and forms the foundation for identifying value creation potential in a leveraged buyout scenario, including the evaluation of market growth opportunities, the assessment of internationalization potential, and the identification of additional acquisition targets within a broader buy and build strategy. The research approach was designed to reflect both academic standards and the practical requirements of investment analysis. The chapter is based on an extensive review of specialized market studies, company disclosures from Workforce Management and Human Capital Management providers, broker research and reports, press releases and information obtained from databases such as Megamarket, Refinitiv Eikon and Bloomberg Terminal. The analysis further incorporates qualitative insights from equity analysts, e.g. (Sennewald – NuWays AG 2025) and ATOSS employees (Kreusel – ATOSS Software SE 2025) in order to ensure a balanced perspective that takes into account both theoretical considerations and industry specific expertise. The analytical process began with the systematic identification of the conceptual building blocks that define the Workforce Management landscape. This exploration was guided by search terms and specific keywords that included e.g. "Workforce Management", "Human Capital Management", "WFM Software", "Cloud WFM", "ATOSS Software SE" and "Market Outlook", "Market Trends", "Market Drivers", "WFM Software Companies" etc. The results of this initial research were then aligned with the overarching objective of the Investment Committee Paper, which is to evaluate market attractiveness, ATOSS's competitive position and the scalability of relevant value creation mechanisms. In line with these aims, the chapter places particular emphasis on the European Workforce Management market, on vertical segmentation that aligns with ATOSS's product and service portfolio and on the competitive environment (ATOSS Software SE 2025). Understanding ATOSS's position relative to both local niche firms and global Human Capital Management suites is essential for evaluating its strategic relevance in an LBO context.

2. Market Definition and Scope

Workforce Management forms an integrated component within the broader Human Capital Management landscape and encompasses software enabled processes that support operational workforce planning. These processes include, e.g. time and attendance tracking, leave and absence management, workforce scheduling, labor analytics and automated compliance monitoring. Workforce Management solutions enable organizations to improve efficiency, reduce labor expenses and allocate staff more effectively, while providing the tools required for compliance with increasingly complex labor legislation (Markets and Markets 2020; Markets and Markets 2024). The market is commonly structured along three conceptual dimensions.

The first is the deployment model, which describes how Workforce Management solutions are delivered and operated, typically either on-premise or in the cloud. On-premise deployment places the system within a company's own IT environment, offering full control over data and customization but requiring significant upfront investment, dedicated infrastructure and ongoing maintenance. Cloud deployment, by contrast, provides the software via remote hosting, enabling greater scalability, automated updates, lower initial costs and reduced reliance on internal IT resources. As cloud security standards have advanced, this model has become the more preferred deployment approach in the market, accelerating the shift away from traditional on-premise installations (Markets and Markets 2020; Markets and Markets 2024).

The second is the component type, which divides Workforce Management systems into solutions and services. The solutions segment encompasses the core functional modules such as time and attendance tracking, leave and absence management, workforce scheduling, and workforce analytics, all of which support organizations in coordinating employees, reducing downtime and improving operational transparency. These modules have gained importance as mobile and data-driven workforce environments expand. Complementing these functionalities, the services segment includes training, support and maintenance, implementation and consulting. These services ensure that WFM solutions can be deployed effectively, kept up to date and adapted to evolving business needs, often through both direct vendor support and partner networks. Together, the combination of specialized software modules and associated services enables organizations to operate reliable, efficient and fully integrated Workforce Management systems (Markets and Markets 2020; Markets and Markets 2024).

The third dimension is the industry vertical, which comprises sectors such as banking and financial services, production, government, telecom, consumer and retail, healthcare, energy and utilities, and transport and logistics. Workforce Management solutions are deployed across these industries to address sector-specific operational needs, ranging from compliance and scheduling complexity to workforce mobility and productivity requirements. As digitalization, cloud adoption and increasing workforce complexity accelerate, organizations across all major verticals rely on WFM systems to optimize resource allocation, improve efficiency and support data-driven decision-making. Vendors therefore adapt and customize their solutions to align with the distinct regulatory, operational and organizational characteristics of each vertical, ensuring that WFM deployments effectively meet evolving HR and workforce demands (Markets and Markets 2020; Markets and Markets 2024. These vertical requirements increasingly shape how technological innovation is embedded into Workforce Management systems. As digitalization advances, cloud architectures, subscription-based revenue models and artificial intelligence supported optimization tools play a growing role in enabling vendors to meet these sector specific expectations (Gartner 2024; Houlihan Lokey 2025; Markets and Markets 2020; Markets and Markets 2024).

3. The Global and European Workforce Management Market

The global WFM market has undergone substantial expansion in recent years. In 2020, the market size amounted to €5.4bn and increased to approximately €7.7bn by 2024, which corresponds to a CAGR of 9.2%. Forecasts indicate continued momentum, with the market expected to reach €12.6bn by 2029, reflecting a CAGR of 10.7% (2025-2029). Regional demand is led by North America with a CAGR of 32% (2020-2025), followed by Europe with a CAGR of 27% (2025-2029), Asia Pacific with a CAGR of 20% (2020-2025), the Middle East and Africa with a CAGR of 14% (2020-2025) and Latin America with a CAGR of 7% (2020-2025). All regions recorded substantial annual growth between roughly 8 and 12% over the period 2020 to 2025, with Asia-Pacific expanding the fastest at a CAGR of 11.8%, followed by the Middle East and Africa at CAGR of 10.8%, Latin America at a CAGR of 9.7%, Europe at a CAGR of 8.7% and North America at CAGR of 7.7% (Markets and Markets 2020; Markets and Markets 2024). A range of key drivers and emerging trends underpin this development. Organizations increasingly transition from on-premise systems to cloud-based Workforce Management platforms. Artificial intelligence enabled analytics play an increasing role in forecasting labor needs and optimizing scheduling. Automated compliance frameworks gain importance due to frequent regulatory changes. Persistent shortages of skilled labor in multiple sectors raise the importance of productivity enhancing technologies. The growing relevance of mobile WFM systems supports decentralized and frontline teams. These factors create a favorable demand environment but also raise expectations regarding technical sophistication, integration capabilities and update cycles (Gartner 2024; Houlihan Lokey 2025; Markets and Markets 2020; Markets and Markets 2024). The European market reflects this strong upward momentum. Between 2020 and 2025, the Workforce Management market in Europe expanded at a CAGR of 8.7% and is projected to grow from approximately €2.3bn in 2025 to nearly €3.3bn by 2029. The figures refer to the four core markets, Germany, the United Kingdom, France and Italy, which together serve as indicative benchmarks for regional development in the European market. For 2025, Germany (28.9%) and the United Kingdom (27.1%) remain the largest individual markets within this group in terms of their respective shares of the European Workforce Management market, while France (25.7%) and Italy (18.4%) grow slightly above the regional average and steadily expand their contributions to overall European demand. Beyond geographical patterns, Europe also demonstrates strong sector specific dynamics (Markets and Markets 2020; Markets and Markets 2024). Important verticals for ATOSS (FY2024) show considerable market sizes in 2024 for Europe, including Production with €255m, Consumer Goods and Retail with €266m, Transportation and Logistics with €110m and Healthcare with €361m, the latter representing both the largest and fastest growing segment (ATOSS Software SE 2025; Markets and Markets 2020). Customer adoption trends further reveal a meaningful shift in the customer structure. Small and midsize businesses increase their market share from 28.7% in 2020 to 31.1% in 2029, reflecting the growing accessibility of modular and cloud-based Workforce Management platforms that reduce entry barriers for smaller firms. Enterprise customers continue to account for the majority of demand, yet their relative share declines modestly as mid-sized firms accelerate their digitalization efforts and implement more advanced systems. Taken together, these geographical trends, sector specific dynamics and evolving customer patterns illustrate a broader structural transformation of the European WFM market towards cloud-based solutions, resulting in sustained and increasingly diversified growth across the region (Markets and Markets 2020; Markets and Markets 2024; Gartner 2024; Houlihan Lokey 2025).

4. Market Segmentation

A structured segmentation of the Workforce Management market is essential for the market analysis as it reflects the major dimensions along how providers organize their products and services and how customers adopt these solutions. The distinction between deployment models, functional components and industry verticals corresponds directly to how ATOSS structures, delivers and develops its offering. This analytical approach gains relevance in light of ATOSS's strategic shift toward a cloud centered operating model, the expansion of its modular software portfolio and the growing emphasis on vertical specific value creation (ATOSS Software SE 2025). Examining the market along these dimensions makes it possible to understand structural growth drivers and competitive dynamics in a way that aligns closely with ATOSS's capabilities and supports the identification of the most attractive opportunities for future expansion.

The first dimension is the deployment model, which reflects the technological architecture through which Workforce Management systems are delivered. Across Europe, the market exhibits a clear and accelerating shift from traditional on-premise installations toward cloud-based solutions. Between 2020 and 2025, cloud deployment expanded at a CAGR of 10.2%, outpacing the more modest 7.6% growth of on-premise systems. This development reflects the increasing organizational preference for scalable infrastructure, reduced operational complexity, and improved data security. As a result, cloud-based Workforce Management systems are expected to gain further prominence over time, supported by their greater implementation speed, lower reliance on internal IT resources and suitability for modular expansion (Markets and Markets 2020; Markets and Markets 2024).

The second segmentation dimension concerns the component structure of the market, which can be divided into software solutions and the corresponding service offerings required for implementation and ongoing support. All major solution categories show solid expansion. Time and attendance represent the largest segment of the market (€488m), followed by workforce scheduling (€322m) in 2025. Workforce analytics represents the fastest growing area with a CAGR of 10.1% (2020-2025), reflecting the increasing use of data driven planning and optimization tools. Leave and absence management also demonstrates solid momentum at 8.4% (2020-2025). On the service side, demand continues to strengthen as organizations rely more on external expertise in cloud-based environments. Training, support and maintenance grow at 12.6% (2020-2025), marking the highest growth rate across component categories. Implementation services expand at 9.5% (2020-2025), while consulting grows more slowly at 6% (2020-2025) but remains integral for system configuration, organizational change support and the alignment of Workforce Management systems with operational processes. Together, the development of both solutions and services underscores the increasing relevance of recurring revenue streams and the deepening of long-term vendor client relationships and engagement (Markets and Markets 2020; Markets and Markets 2024).

The third dimension is the industry vertical, which reflects the heterogeneous requirements across sectors. Average annual growth across all major European verticals amounted to 7.9% CAGR between 2020 and 2025. Strongest demand originates from banking and financial services (€396m), healthcare (€362m) and consumer and retail (€295m) in 2025. The healthcare sector is particularly noteworthy, expanding from €219m in 2020 to €326m in 2024 which equals a CAGR of 10.5%. Its labor intensity, regulatory complexity and high need for automated compliance create structural conditions that favor advanced Workforce Management systems (Markets and Markets 2020; Markets and Markets 2024). Other highly relevant verticals for ATOSS, which also show significant growth in the European Workforce

Management market between 2025 and 2029, include production (CAGR 9.3%), transportation and logistics (CAGR 6.5%), healthcare (CAGR 11.8%) and consumer goods and retail (CAGR 11.8%) (ATOSS Software SE 2025; Markets and Markets 2020; Markets and Markets 2024).

5. Competitive Landscape and ATOSS Positioning

The competitive environment in the Workforce Management market consists of a diverse group of providers that differ significantly in size, technology, service offerings and regional presence (Houlihan Lokey 2025; Gartner 2024; Mergermarket 2025; PitchBook 2025; Bloomberg 2025). From an analytical perspective, competitors can be grouped into two overarching categories. The first category includes local niche firms such as P&I, Interflex, ISGUS, Quinyx and Tamigo (Markets and Markets 2020; Markets and Markets 2024; Houlihan Lokey 2025). These firms tend to specialize in selected Workforce Management functionalities and often possess strong knowledge of regional labor regulations (Sennewald – NuWays AG 2025). The second category includes global Human Capital Management providers such as UKG, Workday, ADP and SAP. These firms operate broad human resources platforms but frequently lack the regulatory precision and localization depth required for success in highly regulated markets such as the DACH region (Markets and Markets 2020; Markets and Markets 2024; Houlihan Lokey 2025). To analyze this landscape in a structured manner, a comparative table was developed. This table arranges competitors across several analytical dimensions such as headquarters location, number of employees and revenue structure, functional capabilities in areas such as time and attendance, workforce scheduling and compliance expertise, customer segments served ranging from small firms to large enterprises, covered industries such as production, retail, healthcare and logistics, geographic focus and information about pricing models. The table should create a clear and multidimensional overview that allows for evaluating operational scale, functional depth and suitability for region specific requirements. Within this interdisciplinary comparison, ATOSS emerges as a provider with comprehensive functional capabilities across all key

Workforce Management modules. Its expertise in navigating local labor regulations in the DACH region and in specific verticals (e.g. healthcare) offers a competitive advantage that neither global Human Capital Management platforms nor local niche firms can replicate to the same extent. Global providers frequently lack the level of localization required for compliance driven markets, while local competitors often struggle to deliver the scalability and automation depth demanded by enterprise clients (ATOSS Software SE 2025; Sennewald – NuWays AG 2025). The structure of ATOSS's customer base further strengthens its position. The company has established a substantial presence among enterprise clients while maintaining strong relevance in the small and midsize business segment through offerings such as Crewmeister and ATC. Geographically, its customer distribution is anchored in Germany, Austria and Switzerland with some other customers, internationally providing additional reach and early expansion outside the DACH region offering future growth potential. Functionally, ATOSS maintains strong positions in time and attendance, scheduling and analytics, supported by rising adoption of cloud-based systems (ATOSS Software SE 2025). The healthcare sector is especially important for ATOSS. Hospitals and clinics increasingly rely on compliance embedded digital solutions, and ATOSS's cloud enabled architecture and mobile Workforce Management offerings address these needs directly. The company also maintains meaningful positions in manufacturing, retail, logistics and service-oriented sectors. At the same time, several industries such as banking and financial services, government and energy and utilities remain underpenetrated and represent opportunities for future market expansion (ATOSS Software SE 2025; Sennewald – NuWays AG 2025). Overall, ATOSS combines strong regional expertise with comprehensive product capabilities, broad customer relevance and high implementation quality. These characteristics place the company in a leading position within the Workforce Management landscape of the DACH region.

6. Conclusion

The Workforce Management market represents an attractive and structurally expanding environment shaped by accelerating digitalization, increasing regulatory complexity and a sustained transition toward cloud-based system architectures. Strong growth dynamics across major verticals such as healthcare, production, retail and logistics highlights the resilience of the sector and the breadth of opportunities for providers with the technological and organizational capabilities to support increasingly sophisticated customer needs. ATOSS is well positioned to benefit from these dynamics. Its deep expertise in regional labor law and verticals (e.g. healthcare) within the highly regulated DACH region provides a durable competitive advantage that both global Human Capital Management suites and smaller niche providers find difficult to match. The company's modular product suite and its ability to serve enterprises as well as smaller organizations through differentiated offerings such as Crewmeister, ATC and ASES enhance its relevance across diverse customer groups. ATOSS's established presence in several high growth verticals further reinforces its competitive standing, while underpenetrated sectors including banking and financial services, government and energy and utilities offer further strategic pathways for expansion. These strengths translate into meaningful value creation potential. Continued market growth provides natural commercial momentum, internationalization presents further strategic opportunities and a targeted buy and build strategy offers a complementary mechanism to deepen technological capabilities, expand vertical expertise and extend the functional scope of the offering. Taken together, these levers form a coherent foundation for sustained value creation, reinforcing ATOSS's strong position within the Workforce Management landscape and providing a solid basis for a potential leveraged buyout supported by predictable revenues, strong customer retention and scalable growth prospects (ATOSS Software SE 2025; Sennewald – NuWays AG 2025; Kreusel – ATOSS Software AG 2025).

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