



Amadeus FiRe AG

# Quarterly Statement Nine Months 2020

01.01. – 30.09.2020

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## Unaudited Amadeus FiRe Group financial summary

Amounts in EUR k	01.01.-30.09.2020	01.01.-30.09.2019	Divergency in percent
Revenue	202,328	173,508	16.6%
Gross profit in percent	97,918 48.4%	83,445 48.1%	17.3%
EBITDA in percent	40,978 20.3%	36,718 21.2%	11.6%
Operating EBITA* in percent	28,188 13.9%	31,627 18.2%	-10.9%
EBIT in percent	20,759 10.3%	31,627 18.2%	-34.4%
Profit before income taxes in percent	18,021 8.9%	31,448 18.1%	-42.7%
Profit after income taxes in percent	12,018 5.9%	21,822 12.6%	-44.9%
Profit attributable to minority interest disclosed under liabilities	-618	-855	-27.7%
Profit for the period in percent	11,400 5.6%	20,967 12.1%	-45.6%
- Attributable to non-controlling interests	141	172	-18.0%
- Attributable to equity holders of the parent	11,259	20,795	-45.9%
Net cash from operating activities	28,671	26,014	10.2%
Net cash from operating activities per share	5.40	5.00	10.2%
Earnings per share	2.12	4.00	-47.0%
Average number of shares	5,306,375	5,198,237	
	30.09.2020	31.12.2019	
Balance sheet total	343,602	321,935	6.7%
Stockholders' equity	113,560	50,959	122.8%
Equity ratio	33.0%	15.8%	
Cash and cash equivalents	26,472	20,465	29.4%
	30.09.2020	30.09.2019	
Number of employees (active)	3,356	3,179	5.6%
thereof temporary staff	2,113	2,579	-18.1%
Per-capita revenue	60.3	54.6	10.5%
Per-capita profit	3.4	6.6	-48.5%

\*) Profit from operations before goodwill amortization and amortization of intangible assets from purchase price allocation (operating EBITA)

## Quarterly report for the first nine months of 2020 (1 January to 30 September 2020)

### Current information on the market

Following a historic 9.7% decline in German gross domestic product in the second quarter of 2020 as a result of the spread of COVID-19, the economy is slowly picking up again. This recovery being reported by industry and business is thanks to the easing of lockdown measures since May 2020. The recession thus bottomed out during second quarter and the third quarter saw gross domestic product strengthen substantially thanks to the boost provided during the catch-up period in May and June. The VAT decrease is also expected to bring about positive effects for the German domestic market. Given these changes, in August 2020 the German federal government revised its growth expectations for the current year from -6.3% to -5.8%. With uncertainty regarding COVID-19 cases around the world, German foreign trade is recovering only slowly and, in light of difficult global economic conditions, will still need some time to return to pre-crisis levels.

The spread of the coronavirus has been having an effect on the labour market since the start of the second quarter of 2020. Preliminary figures from the German Federal Statistical Office put the number of people in work in July 2020 at 44.6 million, 1.2% lower than in the same month of the previous year. According to the German Federal Employment Agency's latest projection, the number of jobs paying social insurance contributions declined by 0.3% year on year to 33.25 million in July 2020. According to projections by the ifo Institute, the number of people on short-time work schemes declined from 4.7 million in August 2020 to 3.7 million in September 2020. May saw the highest number of employees in short-term work ever recorded at 7.3 million. The manufacturing sector and service providers have been the hardest hit, with an estimated 1.47 million and 1.23 million people on short-time work schemes respectively. The unemployment rate was 6.2% in September, up 1.3 percentage points year on year.

The ifo employment barometer, an indicator for companies' future staff planning, rose by 0.9 points against the previous month to 96.3 in September 2020. Germany's economic recovery is increasingly reflected in employment.

After a historic 19 points fall from 113 points in March 2020 to 94 points in April 2020, the BA-X jobs index published by the German Federal Employment Agency – a key indicator of demand for workers in Germany – stabilised at this level.

The market for temporary staffing is weak and continues to decline. According to the German Federal Employment Agency's trend projection, the number of jobs paying social insurance contributions in the temporary employment field was around 13% lower than the previous year's figures in the months from January to July 2020, with the trend remaining negative. This is the highest market downturn ever recorded in this period and is a result chiefly of the coronavirus pandemic.

As part of the framework wage agreement in the temporary staffing sector in force until the end of 2022, collectively agreed wages for temporary staff rose by 1.9% in the west and 3.0% in the east on 1 April 2020. Collectively agreed wages in the east rose by a further 2.2% as at 1 October 2020.

## Business development

The Amadeus FiRe Group increased its consolidated revenue by 16.6% to EUR 202.3 million in the first nine months of the 2020 financial year (previous year: EUR 173.5 million) primarily due to the acquisition of Comcave Holding GmbH on 19 December 2019. Organic revenue performance resulted in a 9.5% year-on-year decline.

Individual services accounted for the following revenue:

Amounts in EUR k	Jan. – Sep. 2020	Jan. – Sep. 2019	Change in percent
Temporary staffing	101,774	114,715	-11.3%
Permanent placement	25,547	31,079	-17.8%
Interim/project management	13,641	9,564	42.6%
<b>Personnel services segment</b>	<b>140,962</b>	<b>155,358</b>	<b>-9.3%</b>
Training - organic	15,995	18,150	-11.9%
Training - Comcave	45,371	-	-
<b>Training segment</b>	<b>61,366</b>	<b>18,150</b>	<b>238.1%</b>
<b>Total</b>	<b>202,328</b>	<b>173,508</b>	<b>16.6%</b>

All services initially made a good start to 2020. Starting in March, the coronavirus crisis then had a significant impact on operations. With demand collapsing in all services at the start of the coronavirus crisis, revenue and earnings performance in the second quarter remained at a level considered satisfactory by the Management Board, bottoming out at the mid-year mark. In the third quarter, a revival was achieved again, and a slight growth path was embarked upon. In the fourth quarter, the company will be very agile in its efforts to further strengthen its own market position. With the situation on the market continuing to improve, short-time working was ended for all internal employees in the Personnel Services segment at the end of September in order to create a good basis for 2021.

Temporary staffing revenue declined by around 11% in the first nine months of the 2020 financial year on account of the crisis. The number of current temporary staffing assignments reached an annual low at the beginning of July 2020. Since then, the number of orders has increased steadily in the third quarter. In a year-on-year comparison, the shortfall of over 25% at the beginning of the second half of the year has now been shortened by around 5 percentage points.

The permanent placement service is also being affected by a slump in demand driven by the coronavirus crisis. With revenue declining by 17.8%, however, this was less severe than the Management Board had expected at the start of the COVID-19 crisis. The revenue level for second quarter in 2020 was confirmed in the third quarter. Moving forwards, there is still uncertainty regarding the fact that the permanent placement service, in particular, will be affected by deteriorating sentiment and cost-cutting measures at customer businesses.

Despite tougher business conditions and a slow-down in momentum, the interim and project management service reported encouraging revenue growth of 42.6% in the reporting period.

Revenue in the Training segment climbed by 238.1% to EUR 61,366k in the first nine months of the financial year (previous year: EUR 18,150k).

Adjusted for Comcave, training revenue fell by 11.9%. Initially, it was necessary to respond to the cancellation of all attendance events due to the COVID-19 lockdown. This transformation was swift and successful. The range of training courses offered to end customers, such as preparation for the tax consultant exam, is proving very robust. The decline in sales is mainly attributable to seminars for corporate customers. This market segment clearly shows the restraint of market participants.

The companies of Comcave Holding GmbH, added at the end of 2019, generated revenue of EUR 45,371k in the first nine months of 2020. Comcave College is particularly active in the field of state-subsidised training for unemployed persons. The escalating situation on the labour market with unemployment and short-time work represents an improvement in the demand situation for Comcave's business model. Over the course of the pandemic so far, however, this has also had a negative impact on Comcave's business. The number of training vouchers issued has declined since mid-March as authorities, understandably, had to deal with a particularly high workload in light of rising unemployment and the need to process short-term work applications. Demand for subsidised training is currently considerably higher than in the previous year but the bottleneck in creating and issuing training vouchers has still not been eliminated.

On 15 September 2020, Amadeus FiRe AG acquired 100% of shares in the GFN Group. However, the time of acquisition at the end of Q3 2020 means that the GFN business figures are included not in the consolidated income statement but in the consolidated balance sheet as at 30 September 2020.

Acquiring GFN marked another step in expanding the training business. GFN GmbH is a specialised provider of subsidised adult education and focuses on IT qualifications. The purchase price for 100% of shares was around EUR 6 million.

The Amadeus FiRe Group's gross profit rose to EUR 97,918k (previous year: EUR 83,445k). At the same time, the gross profit margin rose slightly by 0.3 percentage points from 48.1% to 48.4%. This increase essentially results from the change in the service mix, and in particular from Comcave Holding GmbH's higher-margin services.

Selling and administrative expenses amounted to EUR 77,265k in the reporting period after EUR 52,005k in the previous year. Adjusted for Comcave, the decline amounted to EUR 0.2 million or -0.5%. Following the successful expansion phase with an increase in the number of employees, personnel expenses were reduced by way of short-time work measures. Additional costs in the first nine months of the reporting year included non-recurring expenses of EUR 1.0 million in connection with the Comcave and GFN transactions.

EBITA fell by 34.4% to EUR 20,759k (previous year: EUR 31,627k). In addition to the economic impact of the pandemic, most of this downturn can be attributed to the amortisation of intangible assets from purchase price allocation in the amount of EUR 7,429k (previous year: EUR 0k). Adjusted for this amortisation, comparable operating EBITA was EUR 28,188k, 10.9% lower than in the previous year. The adjusted operating EBITA margin deteriorated by 4.3 percentage points to 13.9% in the reporting period (previous year: 18.2%).

Financial expenses increased to EUR 2.7 million in connection with the Comcave Holding GmbH acquisition and the associated bridging loan (previous year: EUR 0.2 million).

The net profit for the period under review amounted to EUR 11,400k (previous year: EUR 20,967k). Earnings per share, based on the net profit for the period attributable to the ordinary shareholders of the parent company, decreased by EUR 1.88 to EUR 2.12 (previous year: EUR 4.00) in the first nine months of 2020.

To further improve the company's financial flexibility in this extraordinary situation, this year's Annual General Meeting decided not to pay any dividends to Amadeus FiRe AG shareholders.

The equity ratio increased from 15.8% to 33.0% compared to 31 December 2019, as of 30 September 2020. Compared with 30 June 2020, the equity ratio increased by 15.8 percentage points. This was the result of a successful capital increase completed on 5 August 2020 with gross placement proceeds of around EUR 52.0 million to partially fund the acquisition of Comcave Holding GmbH. Share capital was increased under exclusion of subscription rights of the existing shareholders by 10% or EUR 519,823 from EUR 5,198,237. Shares were placed at a price of EUR 100.00 per share, with the transaction several times oversubscribed.

The economic situation in Germany will continue to be characterized by great uncertainty in the fourth quarter of 2020. The COVID-19 pandemic is currently developing a high dynamic worldwide with consequences that are difficult to quantify. The Management Board's forecast for the operating result 2020 is based on the assumption that the general conditions and demand situations in the markets relevant to the Amadeus FiRe Group will remain essentially stable compared to the third quarter of 2020. The reported first positive developments in the individual services should continue under these assumptions but remain at a lower level compared to the pre-crisis period. The Management Board expects operating EBITA (excluding depreciation on purchase price allocations), including the newly acquired companies, to almost reach the result of fiscal year 2019.

Frankfurt/Main, 22 October 2020



Robert von Wülfing  
Spokesman of the  
Management Board



Dennis Gerlitzki  
Management Board



## Unaudited consolidated income statement

Nine months 2020

Amounts in EUR k	01.01.–30.09.2020	01.01.–30.09.2019
Revenue	202,328	173,508
Cost of sales	-104,410	-90,063
<b>Gross profit</b>	<b>97,918</b>	<b>83,445</b>
Selling expenses	-62,423	-44,233
- thereof impairment of financial assets	-443	-325
General and administrative expenses	-14,842	-7,772
Other operating income	198	189
Other operating expenses	-92	-2
<b>Profit from operations before goodwill amortization (EBITA)</b>	<b>20,759</b>	<b>31,627</b>
Impairment of goodwill	0	0
<b>Profit from operations (EBIT)</b>	<b>20,759</b>	<b>31,627</b>
Finance costs	-2,743	-184
Finance income	5	5
<b>Profit before taxes</b>	<b>18,021</b>	<b>31,448</b>
Income taxes	-6,003	-9,626
<b>Profit after taxes</b>	<b>12,018</b>	<b>21,822</b>
Profit attributable to non-controlling interests recognized under liabilities	-618	-855
<b>Profit for the period</b>	<b>11,400</b>	<b>20,967</b>
- Attributable to non-controlling interests	141	172
- Attributable to equity holders of the parent	11,259	20,795
<b>Earnings per share, in relation to the profit for the period attributable to the ordinary equity holders of the parent</b>		
Basic (euro/share)	2.12	4.00
Diluted (euro/share)	2.12	4.00

<b>EBITDA</b>	<b>40,978</b>	<b>36,718</b>
Amortization adjusted for amortization of intangible assets from purchase price allocation	-12,790	-5,091
<b>Operating EBITA</b>	<b>28,188</b>	<b>31,627</b>
Amortization of intangible assets from purchase price allocation	-7,429	0
<b>EBITA</b>	<b>20,759</b>	<b>31,627</b>

## Unaudited consolidated statement of comprehensive income

Nine months 2020

Amounts in EUR k	01.01.–30.09.2020	01.01.–30.09.2019
Profit for the period	11,400	20,967
Other comprehensive income	0	0
<b>Total comprehensive income for the period</b>	<b>11,400</b>	<b>20,967</b>
- Attributable to non-controlling interests	141	172
- Attributable to equity holders of the parent	11,259	20,795



## Unaudited consolidated income statement

3rd quarter 2020

Amounts in EUR k	01.07.–30.09.2020	01.07.–30.09.2019
Revenue	64,895	62,602
Cost of sales	-32,259	-30,868
<b>Gross profit</b>	<b>32,636</b>	<b>31,734</b>
Selling expenses	-19,737	-14,871
- thereof impairment of financial assets	-55	-79
General and administrative expenses	-4,658	-2,878
Other operating income	114	57
Other operating expenses	-31	0
<b>Profit from operations before goodwill amortization (EBITA)</b>	<b>8,324</b>	<b>14,042</b>
Impairment of goodwill	0	0
<b>Profit from operations (EBIT)</b>	<b>8,324</b>	<b>14,042</b>
Finance costs	-993	-61
Finance income	4	1
<b>Profit before taxes</b>	<b>7,335</b>	<b>13,982</b>
Income taxes	-2,433	-4,213
<b>Profit after taxes</b>	<b>4,902</b>	<b>9,769</b>
Profit attributable to non-controlling interests recognized under liabilities	-467	-498
<b>Profit for the period</b>	<b>4,435</b>	<b>9,271</b>
- Attributable to non-controlling interests	76	73
- Attributable to equity holders of the parent	4,359	9,198
<b>Earnings per share, in relation to the profit for the period attributable to the ordinary equity holders of the parent</b>		
Basic (euro/share)	0.79	1.77
Diluted (euro/share)	0.79	1.77

<b>EBITDA</b>	<b>15,176</b>	<b>15,858</b>
Amortization adjusted for amortization of intangible assets from purchase price allocation	-4,375	-1,816
<b>Operating EBITA</b>	<b>10,801</b>	<b>14,042</b>
Amortization of intangible assets from purchase price allocation	-2,477	0
<b>EBITA</b>	<b>8,324</b>	<b>14,042</b>

## Unaudited consolidated statement of comprehensive income

3rd quarter 2020

Amounts in EUR k	01.07.–30.09.2020	01.07.–30.09.2019
Profit for the period	4,435	9,271
Other comprehensive income	0	0
<b>Total comprehensive income for the period</b>	<b>4,435</b>	<b>9,271</b>
- Attributable to non-controlling interests	76	73
- Attributable to equity holders of the parent	4,359	9,198

## Unaudited consolidated balance sheet

Nine months 2020

Amounts in EUR k	30.09.2020	31.12.2019
<b>Assets</b>		
<b>Non-current assets</b>		
Other intangible assets	37,347	41,420
Goodwill	172,826	171,706
Property, plant and equipment	6,823	5,328
Right-of-use assets	57,366	47,669
Financial assets	2	2
	<b>274,364</b>	<b>266,125</b>
<b>Current assets</b>		
Trade receivables	34,666	30,676
Other assets	5,933	3,384
Prepaid expenses	2,167	1,285
Cash and cash equivalents	26,472	20,465
	<b>69,238</b>	<b>55,810</b>
<b>Total assets</b>	<b>343,602</b>	<b>321,935</b>
<b>Equity &amp; Liabilities</b>		
<b>Equity</b>		
Subscribed capital	5,718	5,198
Capital reserves	61,928	11,247
Retained earnings	44,810	33,551
Equity attributable to equity holders of the parent	112,456	49,996
Non-controlling interests	1,104	963
	<b>113,560</b>	<b>50,959</b>
<b>Non-current liabilities</b>		
Liabilities to non-controlling interests	6,424	5,990
Other liabilities and accrued liabilities	45,266	39,212
Deferred tax liabilities	4,559	5,153
	<b>56,249</b>	<b>50,355</b>
<b>Current liabilities</b>		
Trade payables	4,077	9,459
Contract liabilities	5,066	3,954
Liabilities to non-controlling interests	1,468	1,719
Income tax liabilities	1,931	1,391
Current financial liabilities	119,784	170,096
Other liabilities and accrued liabilities	41,467	34,002
	<b>173,793</b>	<b>220,621</b>
<b>Total equity and liabilities</b>	<b>343,602</b>	<b>321,935</b>

## Unaudited consolidated cash flow statement

Nine months 2020

Amounts in EUR k	01.01. – 30.09.2020	01.01. – 30.09.2019
<b>Cash flows from operating activities</b>		
Profit for the period before profit attributable to non-controlling interests	12,018	21,822
Tax expense	6,003	9,626
Amortization, depreciation and impairment of non-current assets	20,219	5,091
Finance income	-5	-5
Finance costs	2,743	184
Non-cash transactions	-1,381	3
<b>Operating profit before working capital changes</b>	<b>39,597</b>	<b>36,721</b>
Increase/decrease in trade receivables and other assets	33	-3,991
Increase/decrease in prepaid expenses and deferred income	-820	-418
Increase/decrease in trade payables, other liabilities and accrued liabilities	-3,506	1,912
Other non-cash income	0	0
<b>Cash flows from operating activities</b>	<b>35,304</b>	<b>34,224</b>
Income taxes paid	-6,633	-8,210
<b>Net cash from operating activities</b>	<b>28,671</b>	<b>26,014</b>
<b>Cash flows from investing activities</b>		
Cash outflow from company acquisition, less acquired cash and cash equivalents	-6,025	0
Cash paid for intangible assets and property, plant and equipment	-4,169	-2,892
Interest received	5	5
<b>Net cash used in investing activities</b>	<b>-10,189</b>	<b>-2,887</b>
<b>Cash flows from financing activities</b>		
Cash outflows from repayment of financial liabilities	-50,312	0
Proceeds from capital increase	51,201	0
Interest paid	-2,709	0
Cash repayments of lease liabilities	-9,849	-3,656
Interest payments on lease liabilities	-372	-184
Cash paid to non-controlling interests	-434	-1,165
Profit distributions	0	-24,224
<b>Net cash used in financing activities</b>	<b>-12,475</b>	<b>-29,229</b>
<b>Net change in cash and cash equivalents</b>	<b>6,007</b>	<b>-6,102</b>
Cash and cash equivalents at the beginning of the period	20,465	44,559
Cash and cash equivalents at the end of the period	26,472	38,457
<b>Composition of cash and cash equivalents as of 30 September</b>		
Cash on hand and bank balances (without drawing restrictions)	26,472	38,457

## Unaudited statement of changes in group equity

Nine Months 2020

Amounts in EUR k	Equity attributable to equity holders of the parent				Non controlling interests	Total equity
	Subscribed capital	Capital- reserves	Retained earnings	Total		
01.01.2019	5,198	11,247	33,762	50,207	760	50,967
Total comprehensive income for the period	0	0	20,795	20,795	172	20,967
Profit distributions	0	0	-24,224	-24,224	0	-24,224
Capital increase	0	0	0	0	0	0
30.09.2019	5,198	11,247	30,333	46,778	932	47,710
01.10.2019	5,198	11,247	30,333	46,778	932	47,710
Total comprehensive income for the period	0	0	3,218	3,218	132	3,350
Profit distributions	0	0	0	0	-101	-101
Capital increase	0	0	0	0	0	0
31.12.2019	5,198	11,247	33,551	49,996	963	50,959
01.01.2020	5,198	11,247	33,551	49,996	963	50,959
Total comprehensive income for the period	0	0	11,259	11,259	141	11,400
Profit distributions	0	0	0	0	0	0
Capital increase	520	50,681	0	51,201	0	51,201
30.09.2020	5,718	61,928	44,810	112,456	1,104	113,560

\* after offsetting the costs of the capital increase / deferred taxes with capital increase

## Unaudited information on the business segments

Nine months 2020

Amounts in EUR k	Temporary Staffing/ Permanent Placement/Interim- and Project Management	Training	Group
<b>01.01.-30.09.2020</b>			
<b>Revenue *)</b>			
Segment revenue	140,962	61,366	202,328
<b>Result</b>			
Segment result before goodwill amortization and amortization of intangible assets from purchase price allocation (operating EBITA)	19,567	8,621	28,188
Amortization of intangible assets from purchase price allocation	0	7,429	7,429
Segment result before goodwill amortization (EBITA)	19,567	1,192	20,759
Segment assets	92,233	251,369	343,602
Investments incl. lease accounting	11,651	6,796	18,447
Finance costs	2,544	199	2,743
Finance income	2	3	5
Income taxes	5,618	385	6,003
<b>01.01.-30.09.2019</b>			
<b>Revenue *)</b>			
Segment revenue	155,358	18,150	173,508
<b>Result</b>			
Segment result before goodwill amortization and amortization of intangible assets from purchase price allocation (operating EBITA)	28,740	2,887	31,627
Amortization of intangible assets from purchase price allocation	0	0	0
Segment result before goodwill amortization (EBITA)	28,740	2,887	31,627
Segment assets	20,377	83,274	103,651
Investments incl. lease accounting	4,318	516	4,834
Finance costs	141	43	184
Finance income	1	4	5
Income taxes	9,247	379	9,626

\*) Revenue between segments of EUR k 33 (prior year: EUR k 0) and EUR k 11 (prior year: EUR k 10) was not consolidated.

Responsible:  
Amadeus FiRe AG · Investor Relations  
Hanauer Landstraße 160 · 60314 Frankfurt am Main  
Tel.: +49 (0) 69 96876-180 · E-Mail: [investor-relations@amadeus-fire.de](mailto:investor-relations@amadeus-fire.de)

#### Financial Calendar

22.10.2020	Quarterly Statement Nine Months for fiscal year 2020
October 2020	International Roadshow
March 2021	Press conference and analyst meeting for fiscal year 2020
March 2021	Publication of the Annual Financial Report 2020
April 2021	Quarterly Statement First Quarter for fiscal year 2021
April 2021	Internationale Roadshow
May 2021	Shareholders' General Meeting