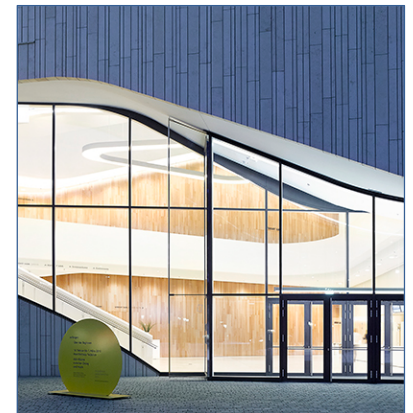




# NEMETSCHKEK GROUP Company Presentation

June 2016



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NEMETSCHEK GROUP: In Brief.....	<b>3</b>
Strategy.....	<b>8</b>
Financials: Q1 2016.....	<b>12</b>
NEMETSCHEK Share.....	<b>22</b>
Outlook: FY 2016.....	<b>25</b>
Appendix.....	<b>27</b>
Contact.....	<b>32</b>

## Our Founder

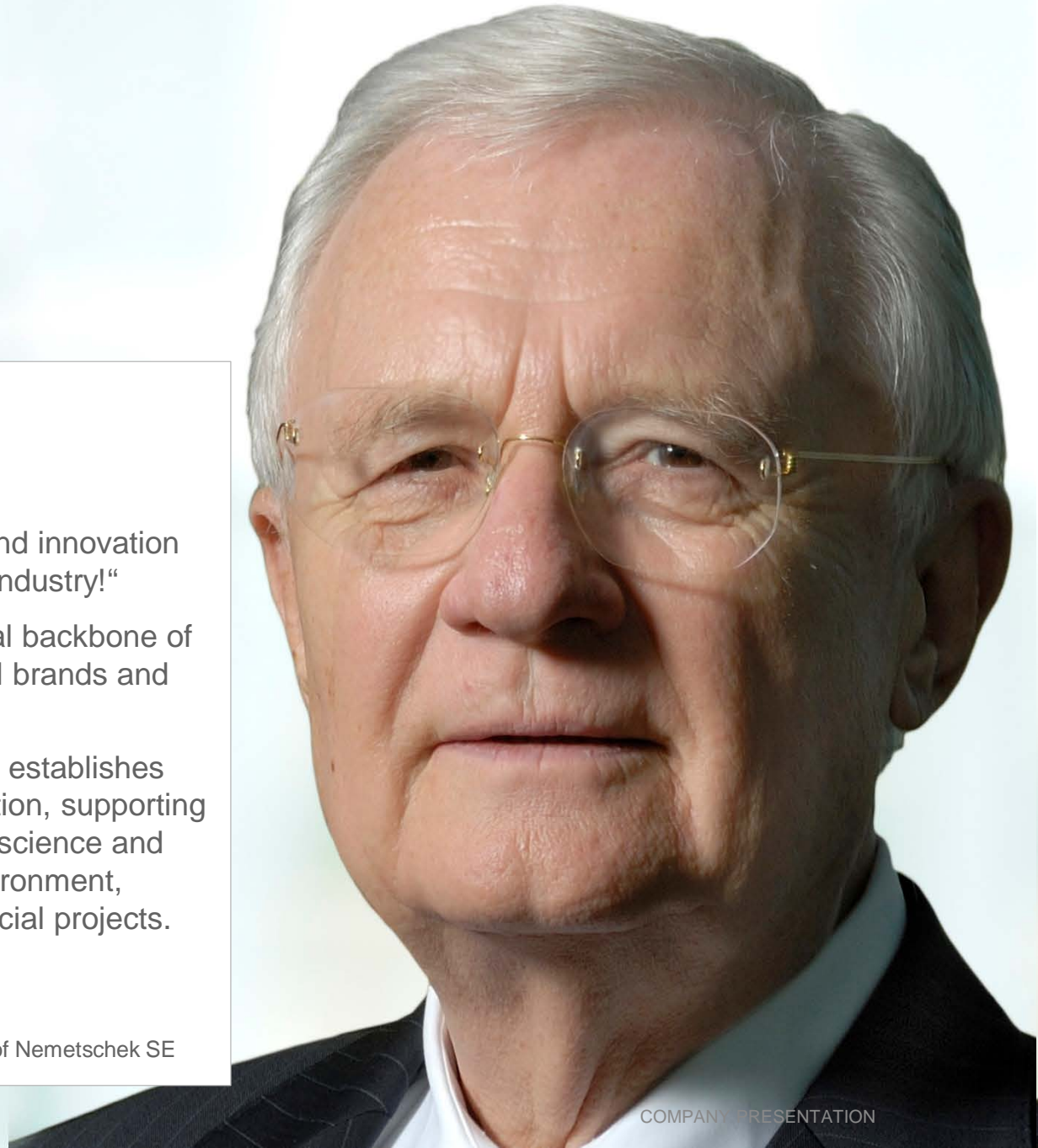
**Mission:** „We drive digitalization and innovation for the entire life cycle of the AEC industry!“

**Vision:** Innovation driver and digital backbone of the AEC industry with strong global brands and customer proximity.

**Responsibility:** Prof. Nemetschek establishes the Nemetschek charitable foundation, supporting projects in the areas of education, science and research, arts and culture, the environment, international understanding and social projects.

**Prof. Georg Nemetschek**

Founder and Member of the Supervisory Board of Nemetschek SE





## The Philosophy of Nemetschek

We are a Group of industry leaders with a unique DNA and expertise in the AEC\* industry. We stand for best-in-class tools, Open BIM, interoperability and collaboration. All of our strong brands share the same mission:

*“We understand the building process as a whole.”*

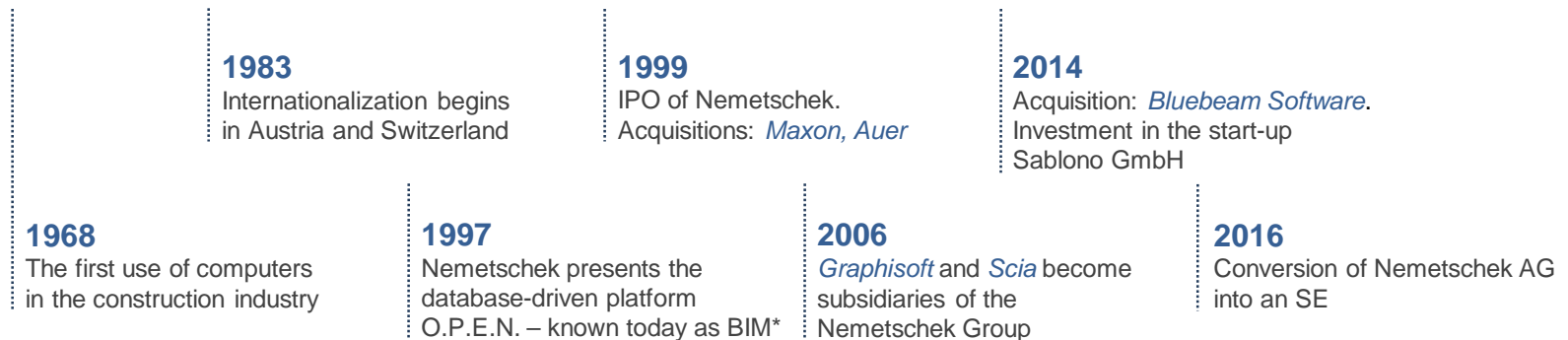
Our motivation is to develop software solutions for better results with respect to aesthetics and function within cost and time constraints.

\* Architecture, Engineering, Construction

# History: 50 Years of Innovation and Success

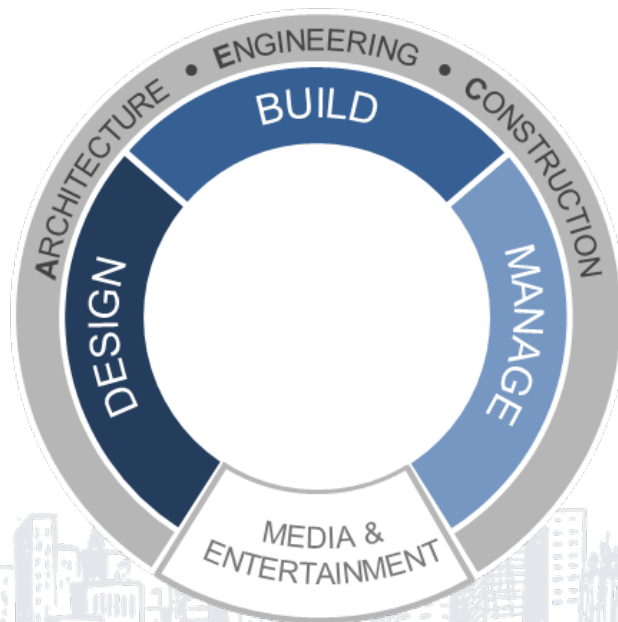


## ▶ SPIRIT OF INVENTION ▶ INTERNATIONALIZATION ▶ INNOVATION DRIVER ▶



\* Building Information Modeling

## Four segments



## Facts and figures

- > 50 years of innovation, founded in 1963 and headquartered in Munich, Germany
- Open BIM pioneer and 5D provider with software solutions for the AEC\* and media industry
- 12 strong brands
- 285.3 mEUR sales revenues (2015)
- 2.1 million users in 142 countries
- 1,750 employees worldwide
- > 50 locations in more than 40 countries
- IPO 1999, listed in the TecDax
- 2.0 billion EUR market capitalization

\* Architecture, Engineering, Construction

# Decentralized Strong Brands under One Umbrella

Architecture • Engineering • Construction

DESIGN			BUILD	MANAGE	Media & Entertainment
ALLPLAN	GRAPHISOFT.	NEVARIS	CREM SOLUTIONS	MAXON	
VECTORWORKS	SCIA	bluebeam			
DATA DESIGN SYSTEM	FRILO Software	SOLIBRI			
PRECAST SOFTWARE engineering					

- ▶ Nemetschek covers the complete value chain in the AEC & Media industry
- ▶ Entrepreneurial brands: Industry leaders with a unique DNA, expertise and customer orientation
- ▶ Attractive set-up for potential targets

# Strategy



- ▶ Simple exchange of BIM models is now becoming common on projects, but the industry is shifting to advanced model-based workflows. This requires open standards, high quality models, and collaboration support to accommodate all disciplines and technology.
- ▶ Regional standards are becoming increasingly sophisticated specifying BIM requirements, such as the 2016 UK BIM mandate. Nemetschek brand companies are pioneers in the exchange of data using open standards in a quality process as well as collaborative solutions to connect the design build and manage process together.

## Drawings



since 1985

## Models



Today

## Workflows



Tomorrow



## Open Standards

Nemetschek invests heavily in the standards that keep data open and transferable. By sitting on standards bodies and supporting research to keep up with the changing building market, we work to make sure users can use the best tools for their needs.



## Quality Models

Open standards are the foundation, but the AEC industry still needs to ensure BIM models have the correct information. Solibri Model Checker is the only complete QA/QC tool that makes sure that the models being exchanged are high enough quality for the design and construction process.



## Thinking Locally

Born in the EU, Nemetschek's group of strong, independent brands with employees around the world make sure that our solutions meet local standards. Instead of a one size fits all approach we bring solutions tailored to regional needs and use our strengths to partner with the local products you also use.



- ▶ As a BIM pioneer and 5D provider the NEMETSCHKEK GROUP stands for an open approach and supports collaboration and seamless data transfer through the complete value chain in the building process

# Financials: Q1 2016

## Dynamic start in Q1 2016

- Revenues increased by 16.7% to 77.7 mEUR (previous year: 66.6 mEUR)
- Organic growth of high 15.6%

## Strong revenue increase abroad

- Revenues abroad increased by 20.8% to 53.3 mEUR
- Revenues share outside of Germany at 68.7%, Americas at 23.0%
- Further focus on global expansion

## Double-digit growth in license and recurring revenues

- Software licenses showed growth of 17.1%
- License revenue share of 51.9%
- Recurring revenues also in growth mode with 16.1%
- Balanced growth of both pillars secure new customers and high visibility

## High profitability

- EBITDA grew stronger than revenues in the first quarter
- EBITDA up by 21.0% yoy and increased to 21.0 mEUR
- EBITDA at very high level of 27.0% (previous year: 26.1%)
- No activation of development costs → no effects on expenses and earnings
- Strategic investments to secure future growth: Internationalization, intensified sales & marketing activities etc.

## Significant growth in EPS

- Net income (group shares) showed strong growth of 31.6% to 11.0 mEUR
- EPS at 0.29 EUR (previous year: 0.22 EUR)
- Net income w/o PPA increased by 27.5% to 13.0 mEUR
- EPS (w/o PPA) accordingly at 0.34 EUR

## Cash and solid balance sheet

- Cash and cash equivalents at 97.2 mEUR
- Net liquidity at 21.2 mEUR
- Equity ratio of 44.5% - leeway for further investments / acquisitions

## Annual General Meeting

- On May 20, 2016 in Munich
- Dividend proposal of 0.50 EUR per share (previous year: 0.40 EUR per share)
- Dividend increase of 25% yoy
- Total amount to be distributed of 19.25 mEUR

## New Executive Board structure

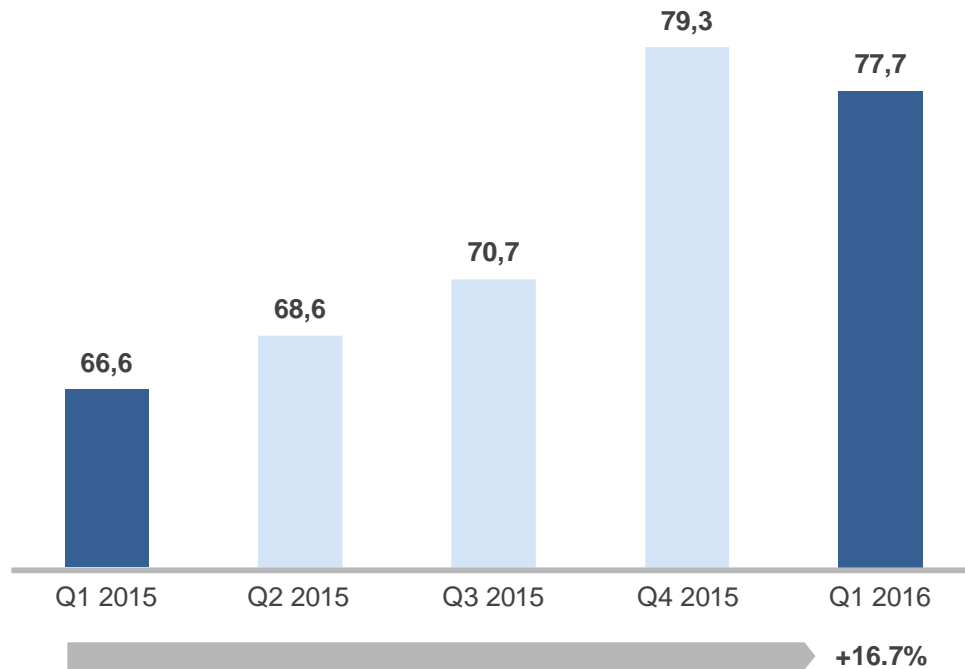
- Announcement of the appointment of Sean Flaherty as Chief Strategy Officer in a full-time position
- Focus on Group-wide future strategy, globalization and development of advanced technology in the target markets
- EB will intensify and accelerate the growth – both organic and via M&A

## Outlook confirmed

- Q1 as a strong basis for the fiscal year 2016
- Revenue target range of 319-325 mEUR, up by +12%-14% (thereof organic: +11%-13%)
- EBITDA target range of 77-80 mEUR

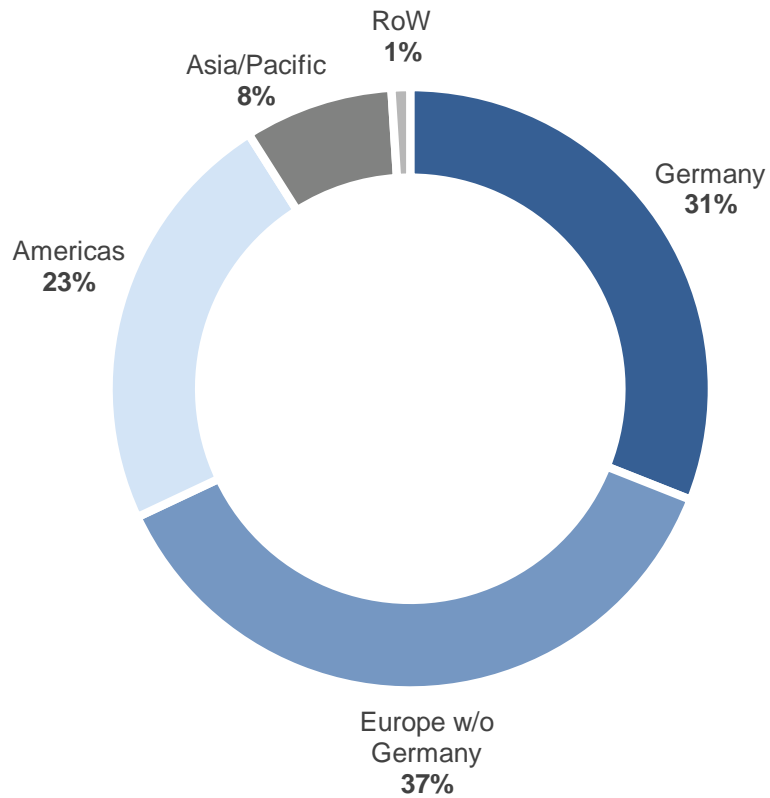
# Revenues: Excellent start in the fiscal year 2016

Revenues in mEUR



- Q1 2016 revenues increased strongly by 16.7% to 77.7 mEUR
- Solibri contributed revenues of around 1 mEUR
- Organic growth of high 15.6% yoy

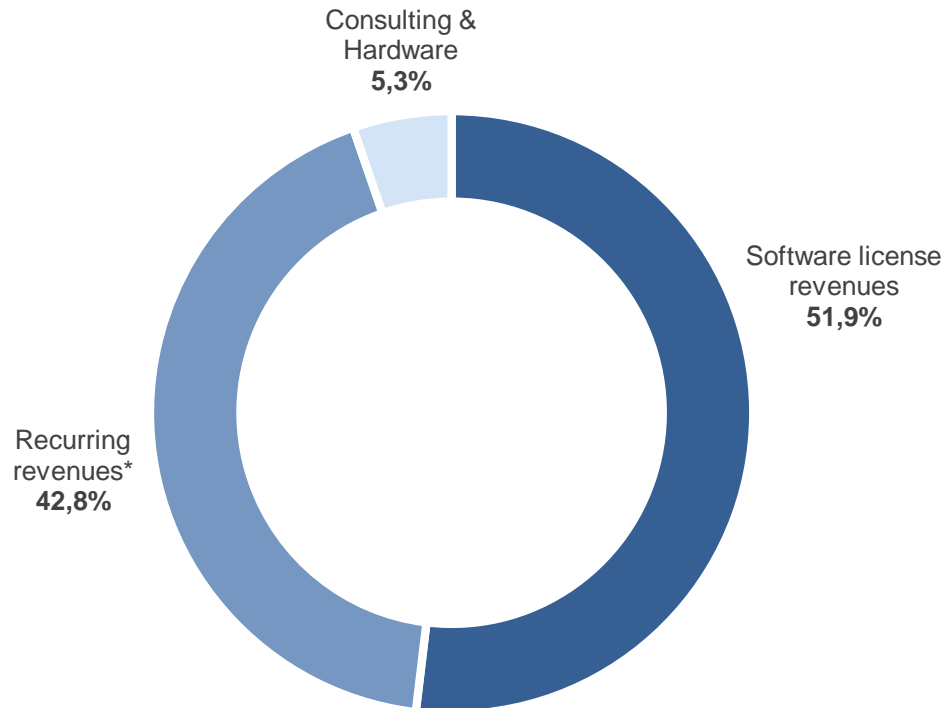
## Revenues split Q1 2016 in %



- Strong growth of 20.8% abroad
- Growth markets:
  - Americas
  - Asia
  - Nordics
- Further growth potential abroad



## Revenues split Q1 2016 in %



### Software license revenues

- Up by 17.1% to 40.3 mEUR
- New customers wins
- Increasing customer base
- Consequently recurring revenues will follow

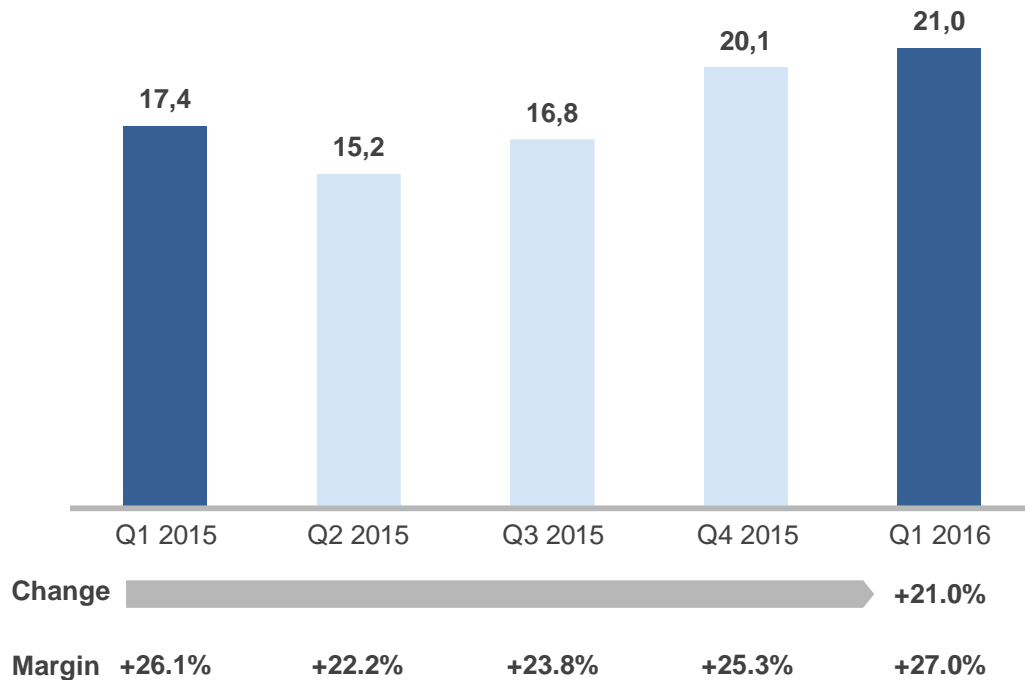
### Recurring revenues\*

- Up by 16.1% to 33.3 mEUR
- Increasing visibility

\* Software services, subscription

# EBITDA increased stronger than revenues

in mEUR



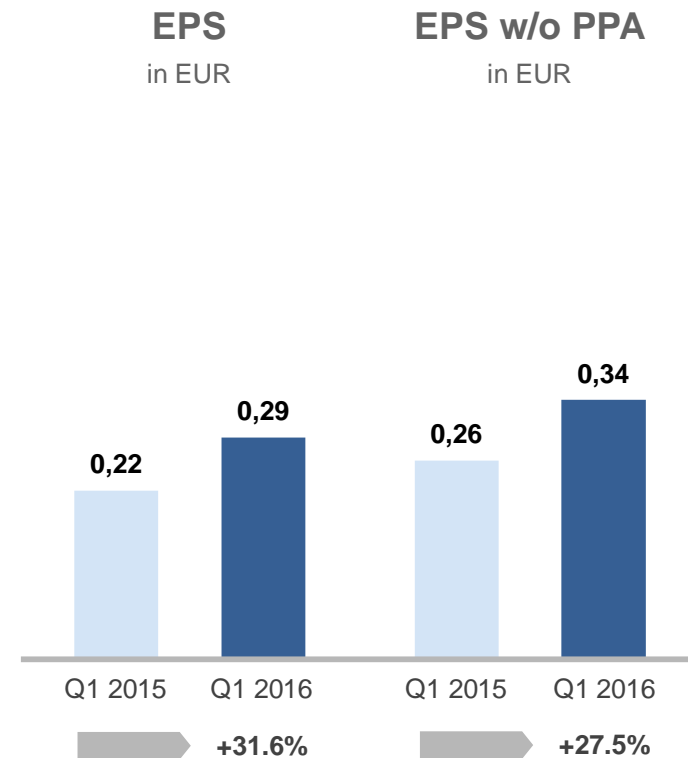
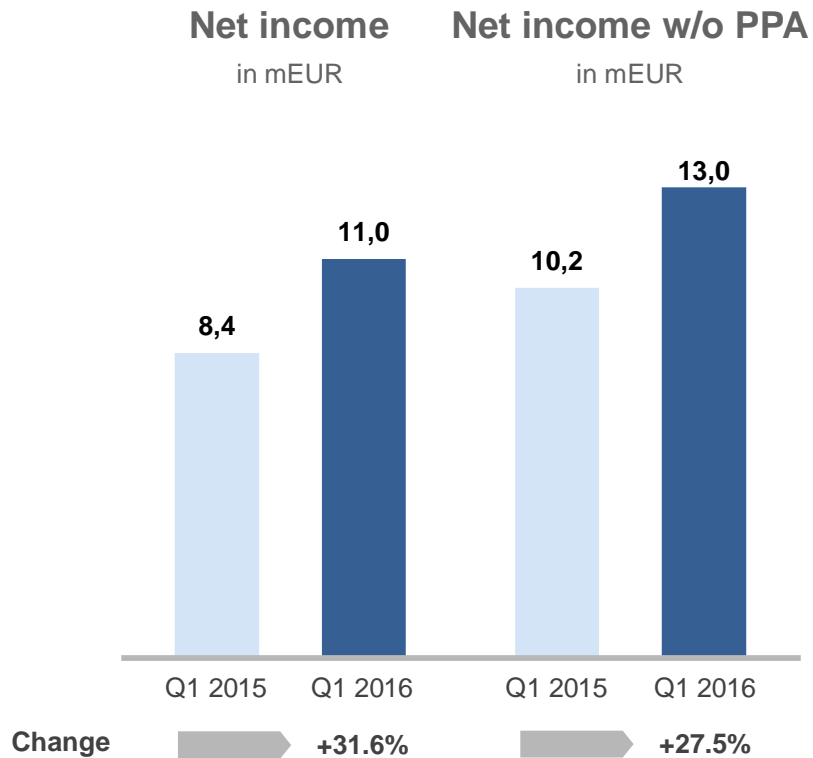
## EBITDA

- EBITDA up by 21.0% to 21.0 mEUR
- EBITDA margin improved to 27.0%

## Further investments in

- Internationalization
- New customer segments
- Sales & marketing

# Net income and EPS with significant growth of 31.6% yoy



## Design

- Design segment showed again double-digit growth
- EBITDA margin increased to 26.1%
- Further strategic investments to secure future growth (sales, internationalization)
- Growth in all main focus regions

## Build

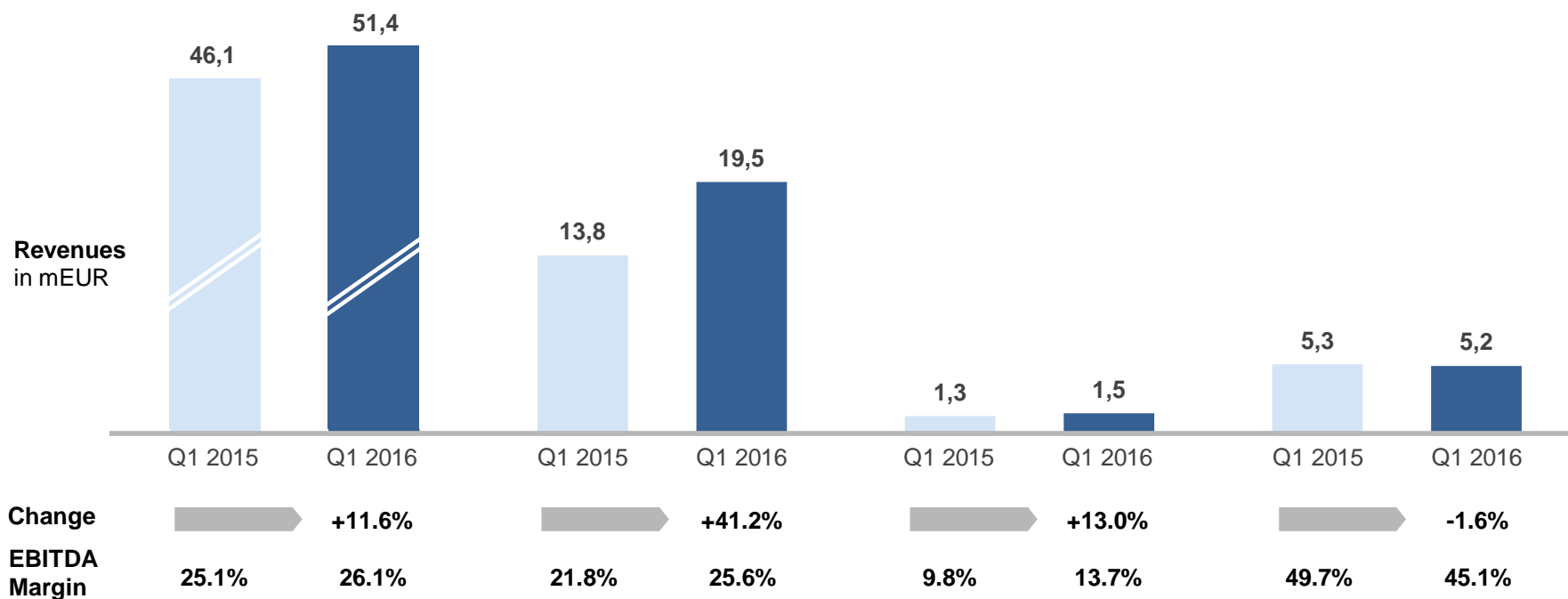
- Very strong revenue growth of 41.2%
- Inorganic effect of Solibri with 1 mEUR revenues
- Organic growth of 34% LFL
- Bluebeam showed over proportional growth (new release of Revu 2016)

## Manage

- Continued revenue growth with +13.0%
- Significant improvement of the EBITDA margin
- iXHaus with new customer wins: Potsdamer Platz in Berlin

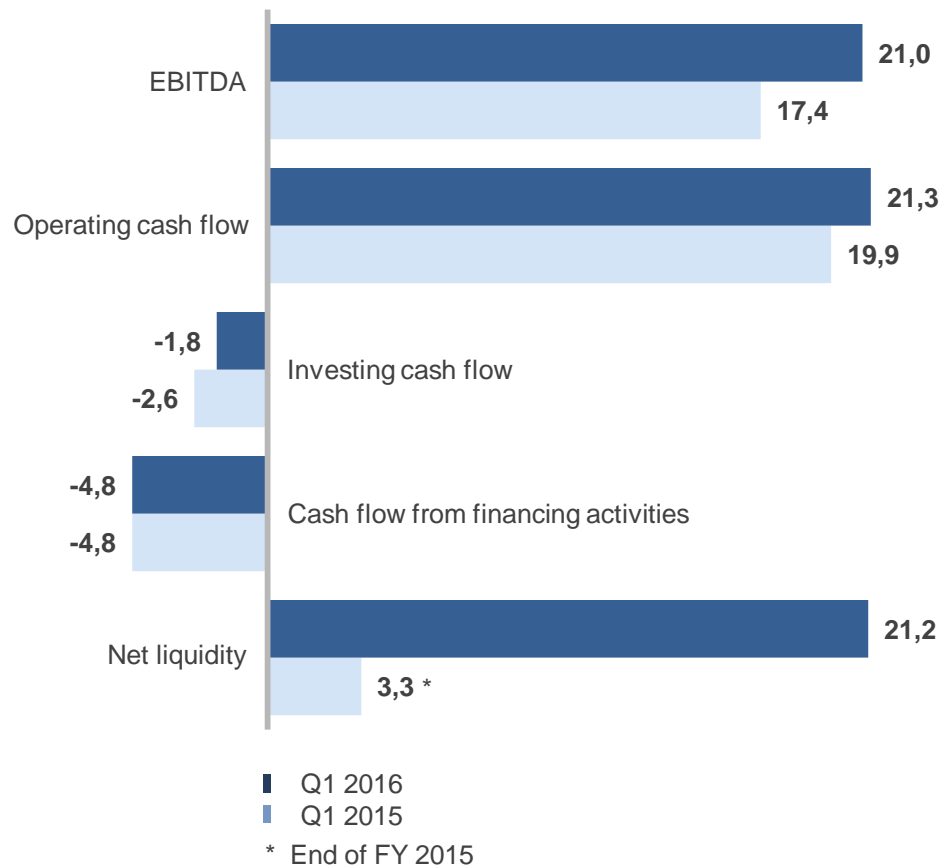
## Media & Entertainment

- Flat development yoy
- Strong previous year with one-time effect
- Investments in new customer segments etc. have impact on margins



# Cash flow situation

in mEUR



## EBITDA

- +21.0% yoy

## Operating cash flow

- +7.2% to 21.3 mEUR

## Investing cash flow

- Capex of 1.9 mEUR
- Previous year: Investment in distribution partner

## Cash flow from financing activities

- Repayment of bank loan (-4.6 mEUR)

## Net liquidity situation

- Leeway to grow organically and via acquisitions

## Conversion rate\*\*

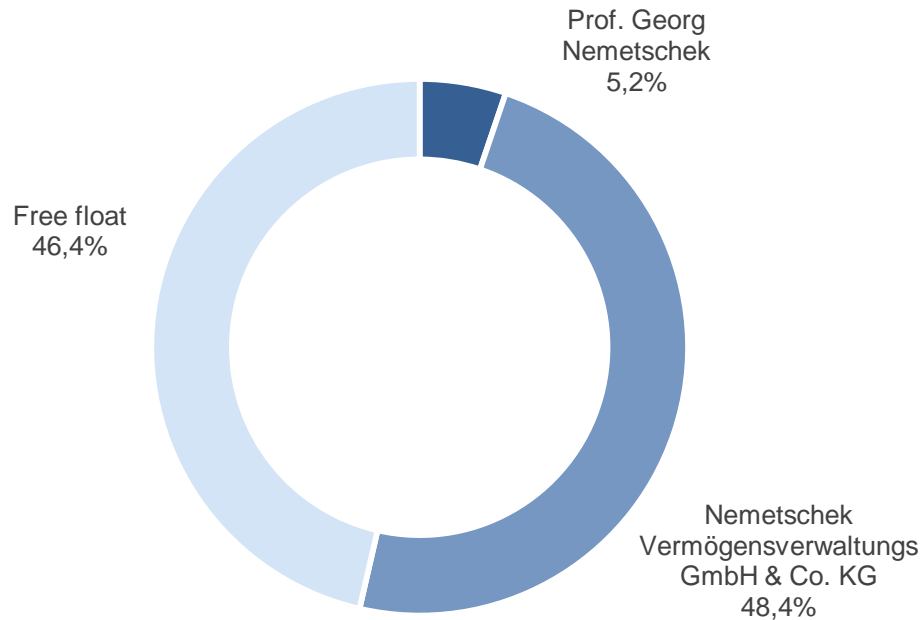
- Strong conversion rate of 102% (previous year: 115%)

\*\* Operating cash flow / EBITDA

# NEMETSCHEK Shares



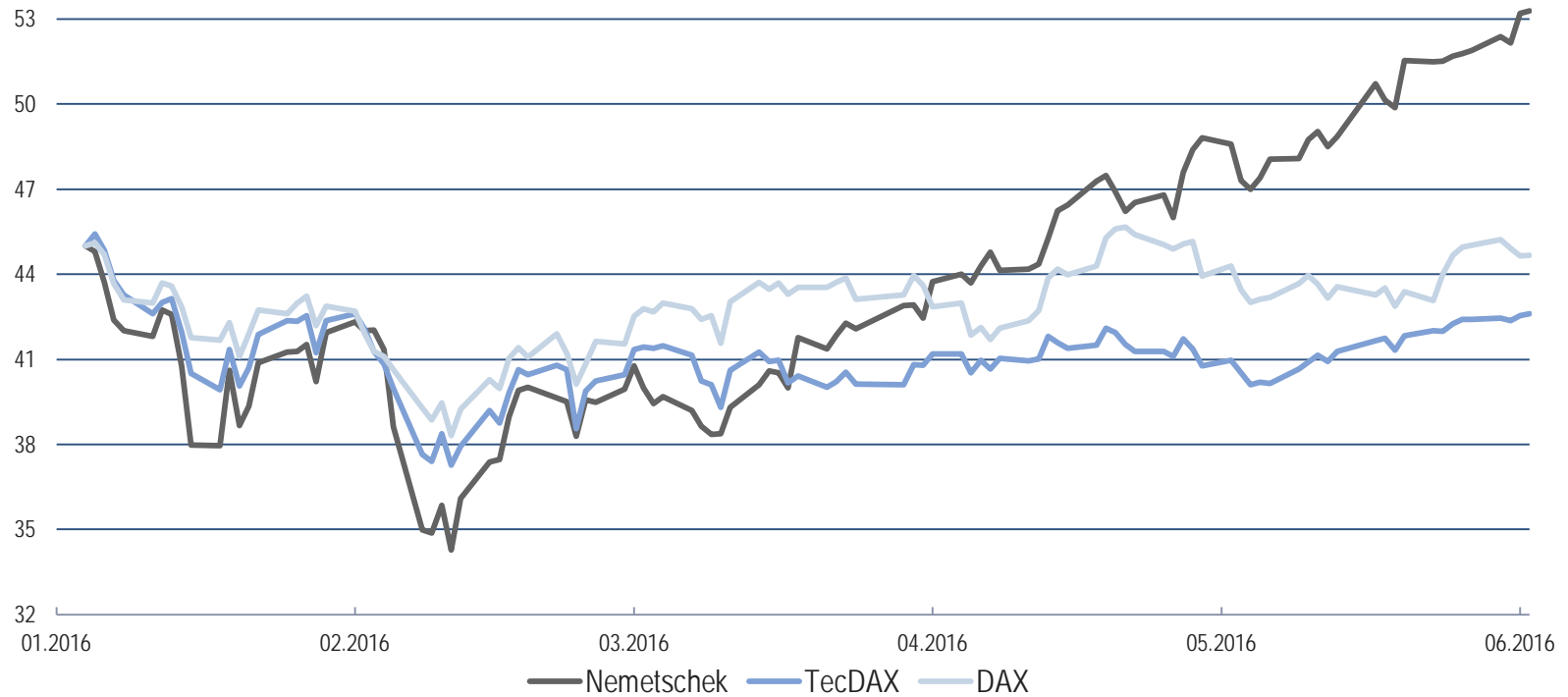
Visualization of the planned Santiago Bernabéu Stadium,  
Madrid, Spain  
Architects: gmp, Hamburg, Germany



- Founded: in 1963
- IPO: March 10, 1999
- Number of shares: 38,500,000
- Frankfurt Stock Exchange, Prime Standard
- Bloomberg: NEM GY, Reuters: NEKG.DE
- Shares Nemetschek family: 53.57%
- Freefloat: 46.43 percent
- Current MarketCap: ~ 2.0 billion EUR
- Current TecDAX Ranking: 14/21

➔ Shares of Nemetschek family pooled: secures stable shareholder structure for well-being of NEMETSCHEK GROUP in the future

# Share Price Increased Stronger than TecDAX and DAX



Time	Nemetschek	TecDAX	Dax
Year 2013	+52%	+38%	+23%
Year 2014	+66%	+18%	+3%
Year 2015	+120%	+34%	+10%
YTD 2016	+17%	-5%	+/-0%



# Outlook: FY 2016



## Current situation

- Strong basis due to the excellent Q1 figures

## Market conditions

- Robust development of construction markets
- Additional growth coming from trends such as Open BIM, 5D, collaboration, platform technologies, mobile solutions etc.
- Regulations regarding BIM standards

## Strategic market positioning

- Clear focus on AEC market
- Leading in Open BIM solutions
- Strong and independent global brands

## Growth potential/ Investments

- Focus on internationalization (North/Latin America, Asia, Europe)
- Investments in new markets, customer segments, sales & marketing
- Strategically co-operations & acquisitions
- Healthy balance sheet
- Capable of investing in organic and in inorganic growth

in mEUR	FY 2015	Forecast 2016*	Organic
Revenues	285.3	319 - 325 (+12%-14%)	+11%-13%
EBITDA	69.5	77 - 80	-

\* USD/EUR plan rate: 1.11



# Appendix



# P+L statement Q1 comparison

mEUR	Q1 2016	Q1 2015	% YoY
<b>Revenues</b>	<b>77.7</b>	<b>66.6</b>	<b>+16.7%</b>
Own work capitalized/ other operating income	1.2	2.2	-47.7%
<b>Operating income</b>	<b>78.8</b>	<b>68.8</b>	<b>+14.6%</b>
Cost of materials/ purchased services	-2.4	-2.0	+19.2%
Personnel expenses	-35.0	-30.0	+16.7%
Other operating expenses	-20.5	-19.4	+5.3%
<b>Operating costs</b>	<b>-57.9</b>	<b>-51.4</b>	<b>+12.5%</b>
<b>EBITDA</b>	<b>21.0</b>	<b>17.4</b>	<b>+21.0%</b>
<b>Margin</b>	<b>27.0%</b>	<b>26.1%</b>	
Depreciation of PPA and amortization	-4.4	-4.1	+6.9%
t/o PPA	-2.7	-2.5	+6.0%
<b>EBITA (normalized EBIT)</b>	<b>19.3</b>	<b>15.8</b>	<b>+22.3%</b>
<b>EBIT</b>	<b>16.6</b>	<b>13.2</b>	<b>+25.4%</b>
Financial result	-0.2	0.0	
<b>EBT</b>	<b>16.4</b>	<b>13.3</b>	<b>+23.4%</b>
Income taxes	-4.8	-4.4	+9.0%
Non-controlling interests	-0.5	-0.5	
<b>Net income (group shares)</b>	<b>11.0</b>	<b>8.4</b>	<b>+31.6%</b>
<b>EPS in EUR</b>	<b>0.29</b>	<b>0.22*</b>	<b>+31.6%</b>

\* for better comparability, earnings per share has been presented after the stock split

# Balance sheet - Assets

mEUR	March 31, 2016	December 31, 2015
<b>Assets</b>		
Cash and cash equivalents	97.2	84.0
Trade receivables, net	33.2	29.6
Inventories	0.5	0.5
Other current assets	13.3	11.8
<b>Current assets, total</b>	<b>144.3</b>	<b>125.9</b>
Property, plant and equipment	13.9	13.8
Intangible assets	95.6	100.8
Goodwill	132.3	134.9
Other non-current assets	4.4	4.1
<b>Non-current assets, total</b>	<b>246.3</b>	<b>253.6</b>
<b>Total assets</b>	<b>390.5</b>	<b>379.5</b>

# Balance sheet – Equity and liabilities

mEUR	March 31, 2016	December 31, 2015
<b>Equity and liabilities</b>		
Short-term borrowings and current portion of long-term loans	18.6	18.6
Trade payables & accrued liabilities	24.8	32.2
Deferred revenue	56.6	42.0
Other current assets	15.7	11.4
<b>Current liabilities, total</b>	<b>115.7</b>	<b>104.1</b>
Long-term borrowings without current portion	57.5	62.1
Deferred tax liabilities	23.4	24.3
Other non-current liabilities	20.2	22.1
<b>Non-current liabilities, total</b>	<b>101.0</b>	<b>108.5</b>
Subscribed capital and capital reserve	51.0	51.0
Retained earnings	127.3	116.3
Other comprehensive income	-7.0	-2.5
Non-controlling interests	2.5	2.1
<b>Equity, total</b>	<b>173.8</b>	<b>166.9</b>
<b>Total equity and liabilities</b>	<b>390.5</b>	<b>379.5</b>

# Cash flow statement

mEUR	March 31, 2016	March 31, 2015	% YoY
<b>Cash and cash equivalents at the beginning of the period</b>	<b>84.0</b>	<b>57.0</b>	<b>+47.4%</b>
<b>Cash flow from operating activities</b>	<b>21.3</b>	<b>19.9</b>	<b>+7.2%</b>
<b>Cash flow from investing activities</b>	<b>-1.8</b>	<b>-2.6</b>	<b>-30.4%</b>
t/o CapEX	-1.9	-1.1	+70.7%
t/o Cash paid for business combinations	0.0	-1.4	
<b>Cash flow from financing activities</b>	<b>-4.8</b>	<b>-4.8</b>	<b>+0,7%</b>
t/o Repayment of borrowings	-4.6	-3.0	
FX-effects	-1.5	4.0	
<b>Cash and cash equivalents at the end of the period</b>	<b>97.2</b>	<b>73.5</b>	<b>+32.3%</b>
<b>Free cash flow<sup>(1)</sup></b>	<b>19.5</b>	<b>17.3</b>	<b>+12.8%</b>

<sup>(1)</sup> Operating cash flow - Investing cash flow

## Contact

NEMETSCHEK SE  
Investor Relations  
Konrad-Zuse-Platz 1  
D-81829 Munich  
Germany  
[investorrelations@nemetschek.com](mailto:investorrelations@nemetschek.com)  
[www.nemetschek.com](http://www.nemetschek.com)

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